

[For Immediate Release]



(stock code: 3899)

CIMC Enric Announces 2019 Annual Results

Financial Highlights

	2019 年 RMB'000	As of 31 December 2019 2018 RMB'000	Change
Revenue	13,743,019	13,051,651	+5.3%
Profits from operations	1,138,573	1,098,087	+3.7%
Profit for the Year	901,405	782,450	+16.0%
Profit attributable to shareholders	911,007	785,502	+16.0%
EPS - Basic	RMB 0.464	RMB0.403	+15.1%
EPS - Diluted	RMB 0.459	RMB0.398	+15.3%
Dividend Payout	approx.40%	approx.30%	+10 pct

(25 March 2020 – Hong Kong) - CIMC Enric Holdings Limited (“CIMC Enric” or “the Group”, SEHK stock code: 3899), today announces its audited annual results for the year ended 31 December 2019.

Chairman and Executive Director of CIMC Enric Mr. Gao Xiang commented, “In 2019, CIMC Enric's three major segments namely clean energy, chemical and environmental and liquid food showed stable performance, and the performance was in line with expectations. The clean energy segment is particularly outstanding. Driven by favourable factors, clean energy segment achieved 13.1% growth. However, the other two segments' recorded different degree of decline. As a result, the Group's 2019 revenue increased by 5.3% to RMB 13,743,019,000 (2018: RMB 13,051,651,000).

To share our business results with shareholders, the Board of Directors recommends the payment of a final dividend of HK\$ 0.20 per share for the year ended December 31, 2019 (2018: HK\$ 0.14 per share), a dividend payout ratio of approximately 40%, an increase of 10 percentage points from last year. We expect to continue to gradually increase the dividend payout ratio by factoring in our long-term development plan in order to increase shareholder returns.

Operational Performance

Profit attributable to shareholders increased 16.0% to RMB 911,007,000. Basic earnings per share and diluted earnings per share were RMB 0.464 and RMB 0.459 respectively (2018: RMB 0.403 and RMB 0.398). After adding back restricted share award scheme expenses, net core profit for the period increased by 16.7% to RMB 947,676,000 (2018: RMB 812,279,000). Taking 2017 as the base year, the three-year CAGR reached 50.2%, far exceeding the performance commitment of 43% CAGR growth.

The clean energy segment's revenue rose by 13.1% to RMB 6,814,772,000 (2018: RMB 6,027,083,000). This mainly due to the increase in the demand for storage equipment as well as downstream application equipment in 2019. The spherical gas storage tanks and the on-vehicle LNG fuel tanks were the main contributors to current year's revenue growth for storage equipment and downstream application equipment respectively. The segment remains the top grossing segment and accounted for 49.6% of the Group's total revenue (2018: 46.2%).

The chemical and environmental segment's revenue fell by 10.2% to RMB 3,385,706,000 (2018: RMB 3,768,279,000) mainly due to lower prosperity of chemical industry resulted from slowing economic growth throughout the world and Sino-U.S. trade friction. In addition, the rapid sales growth of global tank container over the past few years has influenced the sales in 2019. Accordingly, the sales volume of tank containers, the core product of the segment, fell in 2019. The segment made up 24.6% of the Group's total revenue (2018: 28.9%).

The liquid food segment's revenue slightly fell 3.8% to RMB 3,076,961,000 during the period (2018: 3,198,237,000) because that a couple of large-scale brewery plants in Mexican for a client have been completed during 2018 and early 2019, while the newly signed projects are scheduled to complete by the year 2020 and beyond. However, good results have been seen from the successful integration of the newly acquired DME business, which partially offset the decline in segment's revenue. The segment accounted for 22.4% of the Group's total revenue (2018: 24.5%).

Prospects

Clean Energy

According to BP Energy Outlook, natural gas remains the fastest-growing energy among all energy sources. The growth in global natural gas consumption slowed down affected by the slowdown growth of global economy in 2019. Market supply should be abundant given the ongoing increase in global production. In particular, LNG trade sustained rapid growth, leading to further globalisation of LNG market.

In 2019, natural gas consumption in China continued to grow at a stable pace, year-on-year growth was 9.4%. The demand from city gas users and industrial gas users was the primary driving force behind the natural gas consumption growth in China. Despite dampened

growth in the demand for natural gas in China in 2019 owing to factors such as the slowdown in domestic economic growth, the adoption of a more rational approach for the “coal-to-gas conversion” policy and the promotion of clean coal in northern regions, among others, the drive for the eco-friendly transformation of China’s energy sector remained robust. As a high-quality, clean and efficient form of low-carbon energy, natural gas represents the most important and realistic alternative that complements other forms of renewable energy. In order to facilitate the substitution of major energy forms and expedite the development of a modern, low-carbon energy regime which is clean, safe and efficient, it is imperative that China increases the scale of natural gas utilisation and the weighting of clean energy. In accordance with the “13th Five-Year Plans for the Development of Energy”, China is striving to increase the weighting of natural gas to account for 10% in one-off energy consumption by 2020, which benchmark percentage will be further raised in the upcoming “14th Five-Year Plan”.

The clean energy segment will continue to pursue strategies such as the optimisation of operation, capacity integration and business synergy, as it continues to reinforce and expand its general capabilities in key equipment manufacturing, engineering service and the provision of total solution for natural gas transportation, storage and terminal application, in a bid to develop end-to-end business presence along the natural gas industry chain. At the same time, the segment will be engaged in developing solutions for natural gas storage and transportation, LNG traffic fuel applications, city peak-shaving facilities and LNG intermodal transportation, and offshore LNG application while actively exploring opportunities to diversify to other segments in the clean energy business chain, in order to secure sustainable and stable development.

Chemical and Environmental

As a more advanced spin-off of the traditional container, the tank container is primarily used for the transportation and storage of specialised goods, such as hazardous chemicals. It has strong leak-proof qualities and can be reused for multiple times in a relatively long life cycle for intermodal transportation (i.e. marine, road and rail transportation). The tank container has the merits of being safe, cost-effective, eco-friendly and efficient. As a green logistics equipment with greater intelligent features, we believe tank container would be further promoted in global chemical logistics industry. In the long run, the tank container market will remain vibrant.

We are the only company in the world with capabilities in the design, manufacture and sales of a full range of tank containers, including standard liquid tank containers, various types of special liquid tank containers, gas tank containers, powder tank containers and cryogenic tank containers. According to International Tank Container Organisation (ITCO), “CIMC Tank” has been the best-selling tank container in the global market for 16 years consecutively.

The chemical and environmental segment will remain committed to the provision of chemical logistics solution and one-stop service for customers, as it seeks to further cement its leading position in the global market. Meanwhile, we will enhance our ability to provide customers

with after-sales service for tank containers, by building up a revolutionary Internet of Things technology based tank container network to help customers strengthen digitalisation and improve efficiency.

With the support of national policies, the segment addresses China's growing demand for solid waste and hazardous waste treatment, develops capabilities for key equipment manufacturing and building up systems integration abilities for environmental protection purpose. The segment is actively exploring business opportunities in environment protection sector and the future development is expected.

Liquid Food

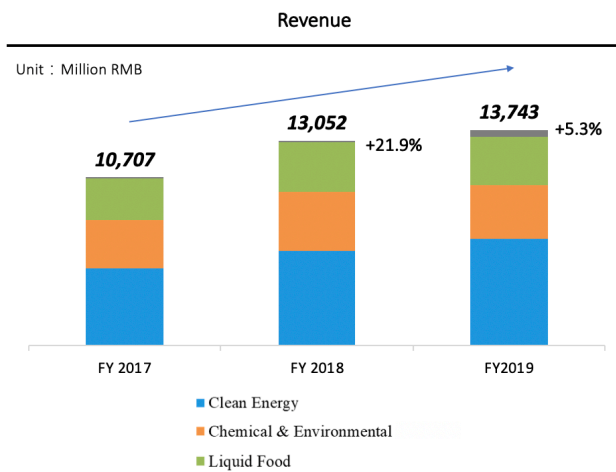
Processing equipment for liquid food together with the stainless-steel tank business are considered key competences of the liquid food segment. The group is well recognised in various markets like juice, beer, distilling and dairy for their product portfolio and quality. Through the brands "Ziemann Holvrieka", "Briggs" and "DME", the Group possesses competitive strengths which are derived from its world-leading capabilities in design, manufacture and project engineering for the liquid food industry.

With the integration of Briggs into the Group, we secured a stronger position in the distilling market and our ambition is to further develop the EPC project offerings by focusing on the requirements of the customers and our competences for process equipment and turnkey projects in the liquid food industry. After successes in North and South Americas, core focus for Briggs will be on entering the Asian market. On 5 March 2019, the segment completed the purchase of selected assets of DME Group. Based in Charlottetown (Canada), DME is a leading designer and manufacturer of equipment for the craft brewing sector in North America. This purchase will contribute to the segment's position in the North American market and in the worldwide craft brewing sector.

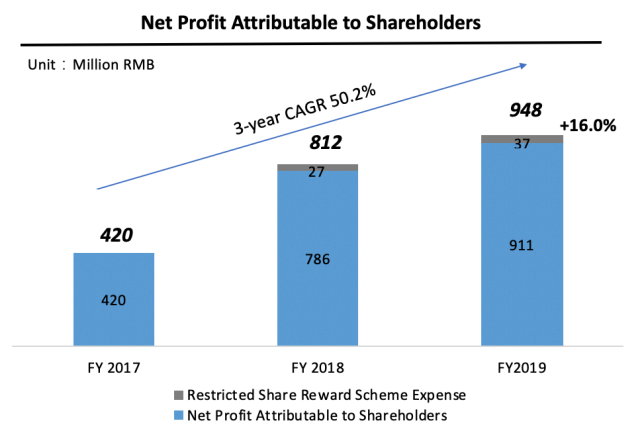
Future growth of the segment will come via development of the current business in existing markets, the introduction of new products and services, and via further diversification by using existing equipment and services into new markets. To our customers, the segment would continue to supply the most reliable, economical and innovative solutions and products, in order to enable them an efficient, cost effective, sustainable production with the highest quality and safety standards.

Chairman and Executive Director of CIMC Enric Mr. Gao Xiang concluded, "International situations have been complicated and 2020 will be a challenging year. However, we do believe that there are still room for more growth awaiting CIMC Enric in the segments of clean energy, chemical and environmental business and liquid food. The Group will remain focused on its principal businesses, while at the same time seizing new opportunities for development in a prudent manner and increasing its effort in overseas market expansion. Through product upgrades and business model upgrades, we intend to seize every opportunity in the market to deliver excellent results."

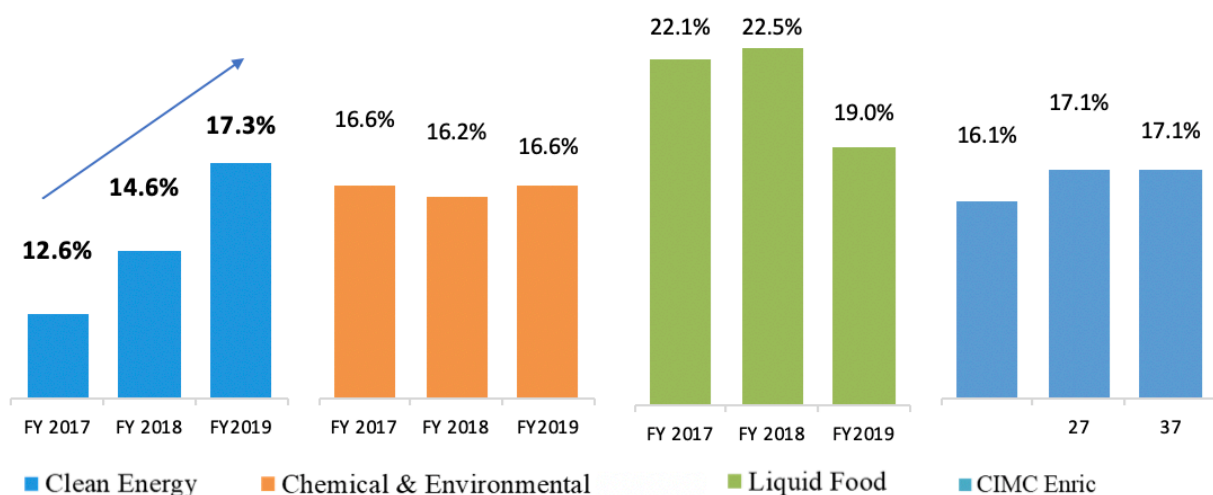
Sales Revenue Continued to Grow



Net Profit Met Performance Commitments



Gross Margin of Clean Energy Segment Improved Significantly



About CIMC Enric Holdings Limited

CIMC ENRIC Holdings Limited is engaged in the design, development, manufacturing, engineering and sales, as well as provision of technical maintenance services for, a wide range of transportation, storage and processing equipment used in the clean energy, chemical & environmental, liquid food industries. The company has set up a comprehensive marketing network with global coverage. After nearly ten years of steady development, the company is now world's No. 1 player in both production and sales of ISO liquid tanks as well as high pressure gas storage and transportation equipments, and China's No. 1 player in the business scale of cryogenic facilities, without disregarding the production and sales volumes of CNG, LNG and LPG energy storage and transportation equipments. For further information, please visit: <http://www.enricgroup.com/en/>

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