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華潤燃氣控股有限公司
China Resources Gas Group Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 1193)

FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2013

Driven by organic and acquisition growths, CR Gas recorded an increase of 64% in turnover to HK\$22,288 million and registered a 31% increase in net profit attributable to equity shareholders to HK\$2,161 million.

Gross gas sales volume increased 30% to 12.10 billion m³ and total connected residential customers increased 31% to 18.41 million.

	2013	2012*	Increase
Turnover (HK\$ million)	22,288	13,622	64%
Profit attributable to owners of the Company (HK\$ million)	2,161	1,646	31%
Basic earnings per share (HK\$)	1.00	0.82	22%
Proposed final dividend per share (HK\$)	0.20	0.14	43%
Gross gas sales volume (million m³)	12,091	9,268	30%
Accumulated total connected residential customers (million)	18.41	14.03	31%

* Restated

The board of directors (the “Board”) of China Resources Gas Group Limited (the “Company” or “CR Gas”) are pleased to announce the final results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2013.

RESULTS

The PRC city gas distribution business continues to provide the Group with handsome profit and cash flow contributions. The Group achieved an increase in turnover of 64% to HK\$22,288 million and recorded profit attributable to the Company's equity holders of HK\$2,161 million for the year ended 31st December, 2013, an increase of 31% over corresponding year. The operating profit from city gas distribution business surged by 85% to HK\$3,536 million and its net operating cash inflow increased 46% to HK\$5,634 million. Gross gas sales volume increased 30% to 12,091 million m³ and total connected residential customers increased 31% to 18.41 million.

The revenue of city gas distribution operation is derived from recurring gas sales and one-time gas connection fee which respectively accounts for 77% and 23% of the 2013 revenue (2012: 79% and 21% respectively).

The turnover of the city gas distribution operation for the year ended 31st December, 2013 amounted to HK\$22,288 million, an increase of 64% over that of 2012. The significant increase was mainly due to the increase in gas sales volume by 30% from 9,268 million m³ to 12,091 million m³ and the increase in connection fee income by 77% from HK\$2,896 million to HK\$5,124 million. The increase in gas sales and connection fee income were in turn driven by the following factors:

- (1) 40% increase in the daily installed capacity for commercial & industrial ("C&I") customers from 28.85 million m³ to 40.31 million m³.
- (2) 31% increase in the number of connected households from 14.03 million to 18.41 million.

Another contributor to the increase in turnover was the inclusion of the entire revenue of Wuxi and Jining Projects which were accounted for as subsidiaries instead of equity accounted for in 2012, whereby the entire related revenue were excluded.

The city gas distribution operation registered an overall gross profit margin of 34.2% for 2013, which was 3.0% points higher than the 31.2% for 2012. This is because the gross margin of gas sales grew from 23.1% to 25.8% and gross margin of connection fee from 61.2% to 62.2%.

The gross profit margin for connection fee income increased from 61.2% for 2012 to 62.2% for 2013 mainly because of connection fee income from cities with relative higher connection fees. The higher overall gas sales margin was mainly contributed from increase in sales to industrial customers and the increase in residential prices in Zhengzhou and Wuxi.

The increase in absolute amounts of selling and distribution and general and administration expenses in 2013 were mainly the result of inclusion of the entire such expenses of Wuxi and Jining Projects which were accounted for as subsidiaries in 2013 instead of being excluded under equity accounting in 2012. In addition there were numerous new projects acquired in 2012 and 2013 which contributed to the increase in the expenses. These recently acquired projects need time to attain higher operating efficiency. As a percentage of revenue, selling and distribution expenses was 10.6% for 2013 compared to the 8.0% for 2012. The general and administration expenses was 10.2% in 2013 compared to 11.3% in 2012. The increase of gross margin of 3.0%, the increase in other revenue of 0.2%, the increase of 1.5% on total selling and distribution and general and administration expenses as well as the decrease in contribution from joint ventures and associates of 3.4% mainly account for decrease in Earning Before Interest and Tax (EBIT) of 1.7% from 21.1% in 2012 to 19.4% in 2013. There was an increase in tax cost of 0.4% and minority interest of 0.2%. Thus net income after tax and minority interest of 9.7% was also 2.4% less than the 12.1% in 2012.

BUSINESS REVIEW AND PROSPECTS

During 2008, the Group acquired from China Resources (Holdings) Company Limited (“CRH”), the Company’s substantial and controlling shareholder, an initial batch of 7 city gas distribution businesses and assumed its role as the city gas distribution flagship of CRH. Since then, the Group has consistently acquired a batch of city gas projects from CRH every year, and up to 2012, the Group has acquired a total of 5 batches of 46 projects from CRH.

The Group also acquires city gas projects directly from independent third parties and up to 31st December, 2012, the Group has added 105 city gas projects in this manner, including projects in Direct Administrative Cities and Provincial Capitals.

Leveraging on the excellent industry fundamentals and the Group’s execution competency, the Company continues to expand rapidly via organic and acquisition growth. As at 31st December, 2013, the Company operates 176 city gas projects (including 11 provincial capitals and 3 direct administrative municipality) in 21 provinces in China with annual gross gas sales volume of 12.10 billion m³ and 18.41 million residential customers.

The on-going economic growth and urbanisation in China has continued to increase the demand for energy in China. In order to diversify energy base and reduce reliance on more polluting energy sources such as coal and crude oil, the PRC government has, in recent years, taken concrete measures to promote the development and utilisation of less polluting energy sources. Natural gas is considered an effective and cleaner substitute for conventional energy sources such as coal and crude oil. The PRC government has therefore been very supportive of the development of the natural gas industry in China.

To increase natural gas supply, the “West to East Gas Transmission” pipelines were constructed with the support of the PRC government to bring natural gas from the Xinjiang Autonomous Region to the coastal regions of the PRC. Construction of the second phase of the “West to East Gas Transmission” pipelines from Central Asia and the “Sichuan to East” pipelines from the gas rich Sichuan Province to coastal regions have been completed. Construction of the “West to East Gas Transmission” Phase 3, “Myanmar to Yunnan” gas pipeline as well as Liquefied Natural Gas terminals in coastal cities of the PRC are actively in progress. Natural gas price reform to close the price gap between imported and local gas prices are also gradually being implemented in phases. Once realised, these measures are expected to more than double the supply of natural gas in China in the foreseeable future. CR Gas is assured of adequate gas supply by leveraging on the strategic gas supply arrangements with the three national oil and gas giants namely China National Petroleum Corporation, China Petroleum & Chemical Corporation and CNOOC Gas & Power Group.

The PRC government places significant emphasis on the rapid development of natural gas industry under the 12th Five Year Plan to diversify its energy sources and reduce carbon emission. It has promulgated various policies and guidelines to encourage and rationalize the usage of natural gas as well as facilitating the construction of upstream gas pipelines and LNG receiving terminals. All these measures will greatly boost the availability of natural gas in China and will continue to offer significant opportunity for future growth in the downstream gas industry in China.

The Group has embarked on various operational enhancement measures to boost the quality of its organic growth, starting with “Lean Management” practice in 2012 and “Bench-marking for Excellence” measure in 2013. The Group will ride on the favourable industry fundamentals and its experienced management team with strong execution record to scale new heights via quality organic growth and acquisitions.

SIGNIFICANT EVENT AND INVESTMENTS

Proposed merger of the Company and China Resources Power Holdings Company Limited (“CRP”)

In May 2013, a proposal was made to merge the Company with CRP to form one flagship energy group under CRH. The proposed merger involved a scheme of arrangement of the Company pursuant to which CRP would acquire the entire issued share capital of the Company, and would have constituted a major and connected transaction of CRP under the Listing Rules. The proposed merger was not approved by the requisite majority of CRP Independent shareholders at the extraordinary general meeting held on 22nd July, 2013. Hence, the proposed merger did not proceed.

Establishment of a joint venture in Tianjin

In January 2013, an amount of RMB2.45 billion was paid by the Company as equity contribution for a 49% stake in Jinran China Resources Gas Co., Ltd (津燃華潤燃氣有限公司), a joint venture which engages in the investment, construction and operation of city gas pipelines, the sale and distribution of gas, the provision of gas related equipment, apparatus and ancillary services, as well as gas facilities repair and maintenance in Tianjin Municipality of the PRC.

New investments in various PRC provinces

The Group made new investments of some HK\$836 million in 23 city gas projects and 4 gas vehicle/vessel projects in Henan, Zhejiang, Anhui, Sichuan, Guangdong, Jiangxi, Fujian, Shandong, Shanxi, Liaoning, Guizhou and Hubei Provinces. 9 of these projects are wholly owned by the Group while the rest are mainly joint ventures with majority controls.

The acquisitions will add to the Company's existing footprint in these provinces and create further cluster synergy with existing city gas projects in terms of centralized procurement, pipeline design & construction and management efficiency.

Most of the above gas projects are green field projects thus offer a lot of room for growth in the near future. Their aggregate gas sales volume is expected to grow in tandem with the overall growth in gas supply in China. In addition, cluster synergy with the Company's existing city gas projects will be further enhanced to fuel further operational scale and resulting economic efficiency.

SHARE CAPITAL AND SHARE OPTIONS

Details of the movements in share capital and share options of the Company during the year are set out in the consolidated financial statements respectively. 2,000 new shares were issued during the year as a result of the exercise of 2,000 share options.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of 20 HK cents per share. Together with the interim dividend of 2 HK cents per share paid in October 2013, total distribution for 2013 would thus be 22 HK cents per share (2012: 16 HK cents per share).

Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be payable on 13th June, 2014 to shareholders on the register of members of the Company on 6th June, 2014.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 26th May, 2014 to 30th May, 2014, both days inclusive. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on 30th May, 2014, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 23rd May, 2014.

Subject to the approval of shareholders at the annual general meeting, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Friday, 6th June, 2014 and the register of members of the Company will be closed on Friday, 6th June, 2014, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 5th June, 2014.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's shares during the year ended 31st December, 2013.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the mandatory provisions of the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules. In line with the mandatory provisions of the Code, the Company has adopted a Corporate Governance Handbook (the "Handbook") on 23rd December, 2005 and subsequently updated in 2008, 2009, 2010, 2012, 2013 and 2014 respectively. The contents of the Handbook include, among others, directors' duties, model code for directors' transactions in securities, model code for securities transaction by relevant employees, the functions and terms of reference of the Audit, Remuneration, Nomination, Investment and Corporate Governance Committees, disclosure of information, communication with shareholders, procedures for shareholders to propose a person for election as a director and board diversity policy. All the mandatory provisions under the Code have been adopted and reflected in the Handbook. The Company has throughout the year complied with the mandatory provisions of the Code except for the deviation from code provision D.1.4 which is explained as follows:

Under the code provision D.1.4, the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors. However, the Directors are subject to retirement by rotation at least once every three years in accordance with the Bye-Laws. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as directors of the Company. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

Save as mentioned above and in the opinion of the Directors, the Company has met the code provisions set out in the Code throughout the year.

AUDITED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31st December, 2013

	NOTES	2013 HK\$'000	2012 HK\$'000 (Restated)
Turnover	3	22,288,027	13,621,787
Cost of sales		<u>(14,665,908)</u>	<u>(9,368,827)</u>
Gross profit		7,622,119	4,252,960
Other income		518,445	280,103
Selling and distribution expenses		(2,373,282)	(1,085,214)
Administrative expenses		<u>(2,231,190)</u>	<u>(1,540,837)</u>
		3,536,092	1,907,012
Finance costs		(523,558)	(315,022)
Share of results of joint ventures		698,426	867,259
Share of results of associates		<u>99,901</u>	<u>109,568</u>
Profit before taxation		<u>3,810,861</u>	<u>2,568,817</u>
Taxation	4	<u>(987,107)</u>	<u>(539,533)</u>
Profit for the year	5	<u>2,823,754</u>	<u>2,029,284</u>
Other comprehensive income for the year			
Items that will not be reclassified to profit or loss:			
Exchange differences arising on translation		<u>635,630</u>	<u>4,989</u>
Total comprehensive income for the year		<u><u>3,459,384</u></u>	<u><u>2,034,273</u></u>

	<i>NOTES</i>	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
Profit for the year attributable to:			
Owners of the Company		2,160,945	1,645,543
Non-controlling interests		662,809	383,741
		<u>2,823,754</u>	<u>2,029,284</u>
Total comprehensive income for the year attributable to:			
Owners of the Company		2,685,585	1,648,639
Non-controlling interests		773,799	385,634
		<u>3,459,384</u>	<u>2,034,273</u>
		<i>HK\$</i>	<i>HK\$</i> (Restated)
Earnings per share	7		
Basic		<u>1.00</u>	<u>0.82</u>
Diluted		<u>1.00</u>	<u>0.82</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2013

	NOTES	31.12.2013 HK\$'000	31.12.2012 HK\$'000 (Restated)	1.1.2012 HK\$'000 (Restated)
Non-current assets				
Property, plant and equipment		18,527,861	13,009,571	7,509,991
Prepaid lease payments		1,132,220	849,917	689,813
Investment properties		11,140	2,864	3,494
Interests in joint ventures		8,853,031	6,144,740	6,176,718
Interests in associates		1,956,465	1,757,911	1,596,804
Available-for-sale investments		21,383	7,802	17,845
Goodwill		409,952	402,369	275,522
Operating rights		758,244	288,485	177,582
Deferred tax assets		98,630	115,350	70,350
Deposits for operating rights		77,168	56,209	65,008
Deposit for prepaid lease payments		77,257	26,574	8,053
Deposits for property, plant and equipment		189,497	103,274	13,144
Deposits for investments		149,756	205,153	–
		32,262,604	22,970,219	16,604,324
Current assets				
Inventories		791,955	535,068	301,100
Trade and other receivables	8	6,665,784	3,174,282	2,481,653
Amounts due from customers for contract works		903,006	321,943	214,429
Prepaid lease payments		55,115	39,540	30,600
Amounts due from fellow subsidiaries		–	33,913	23,001
Pledged bank deposits		219,149	68,023	4,440
Bank balances and cash		9,584,178	10,539,547	5,184,628
		18,219,187	14,712,316	8,239,851
Current liabilities				
Trade and other payables	9	11,470,251	5,091,684	3,388,586
Amounts due to customers for contract works		5,218,147	2,654,483	1,455,781
Amount due to an intermediate holding company		–	45,016	994,309
Amounts due to fellow subsidiaries		–	2,564,673	254,303
Government grants		12,154	9,545	3,599
Bank and other borrowings		858,749	175,107	1,461,210
Taxation payable		396,520	225,166	111,213
		17,955,821	10,765,674	7,669,001
Net current assets				
		263,366	3,946,642	570,850
		32,525,970	26,916,861	17,175,174

	<i>NOTES</i>	31.12.2013 HK\$'000	31.12.2012 <i>HK\$'000</i> (Restated)	1.1.2012 <i>HK\$'000</i> (Restated)
Capital and reserves				
Share capital	10	222,401	222,401	199,227
Reserves		<u>13,960,534</u>	<u>11,476,451</u>	<u>9,119,432</u>
Equity attributable to owners of the Company		14,182,935	11,698,852	9,318,659
Non-controlling interests		<u>4,432,903</u>	<u>2,987,138</u>	<u>2,485,050</u>
		<u>18,615,838</u>	<u>14,685,990</u>	<u>11,803,709</u>
Non-current liabilities				
Government grants		88,240	125,826	87,702
Bank and other borrowings		7,331,576	5,848,690	4,883,009
Senior notes		5,683,954	5,669,130	—
Other long-term liabilities		245,405	78,877	152,693
Deferred tax liabilities		<u>560,957</u>	<u>508,348</u>	<u>248,061</u>
		<u>13,910,132</u>	<u>12,230,871</u>	<u>5,371,465</u>
		<u>32,525,970</u>	<u>26,916,861</u>	<u>17,175,174</u>

NOTES:

1. BASIS OF PREPARATION

This announcement has been presented in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules"). The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

Application of new and revised HKFRSs

The Group has applied the following new and revised HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") for the first time in the current year.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2009-2012 Cycle
Amendments to HKFRS 7	Disclosures – Offsetting Financial Assets and Financial Liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated Financial Statements, Joint Arrangements and Disclosure of Interests in Other Entities: Transition Guidance
HKFRS 10	Consolidated Financial Statements
HKFRS 11	Joint Arrangements
HKFRS 12	Disclosure of Interests in Other Entities
HKFRS 13	Fair Value Measurement
Amendments to HKAS 1	Presentation of Items of Other Comprehensive Income
HKAS 19 (as revised in 2011)	Employee Benefits
HKAS 27 (as revised in 2011)	Separate Financial Statements
HKAS 28 (as revised in 2011)	Investments in Associates and Joint Ventures
HK(IFRIC) – Int 20	Stripping Costs in the Production Phase of a Surface Mine

Except as described below, the application of the above new and revised HKFRSs in the current year has had no material effect on the amounts reported and/or disclosures set out in the Group's consolidated financial statements.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "*Consolidated Financial Statements*", HKFRS 11 "*Joint Arrangements*", HKFRS 12 "*Disclosure of Interests in Other Entities*", HKAS 27 (as revised in 2011) "*Separate Financial Statements*" and HKAS 28 (as revised in 2011) "*Investments in Associates and Joint Ventures*", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 10

HKFRS 10 replaces the parts of HKAS 27 "*Consolidated and Separate Financial Statements*" that deal with consolidated financial statements and HK(SIC) – Int 12 "*Consolidation – Special Purpose Entities*". HKFRS 10 changes the definition of control such that an investor has control over an investee when a) it has power over the investee, b) it is exposed, or has rights, to variable returns from its involvement with the investee and c) has the ability to use its power to affect its returns. All three of these criteria must be met for an investor to have control over an investee. Previously, control was defined as the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Additional guidance has been included in HKFRS 10 to explain when an investor has control over an investee. In particular, guidance in HKFRS 10 that deals with whether or not an investor that owns less than 50% of the voting rights in an investee has control over the investee is relevant to the Group. In assessing whether or not an investor with less than a majority of the voting rights in an investee has a sufficiently dominant voting interest to meet the power criterion, HKFRS 10 requires the investor to take into account all relevant facts and circumstances, particularly, the size of the investor's holding of voting rights relative to the size and dispersion of holdings of the other vote holders.

As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its investees at 1st January, 2013.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 “*Interests in Joint Ventures*”, and the guidance contained in a related interpretation, HK(SIC) – Int 13 “*Jointly Controlled Entities – Non-Monetary Contributions by Venturers*”, has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements – joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 had three types of joint arrangements – jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was classified as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations are different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed). Investments in joint operations are accounted for such that each joint operator recognises its assets (including its share of any assets jointly held), its liabilities (including its share of any liabilities incurred jointly), its revenue (including its share of revenue from the sale of the output by the joint operation) and its expenses (including its share of any expenses incurred jointly). Each joint operator accounts for the assets and liabilities, as well as revenues and expenses, relating to its interest in the joint operation in accordance with the applicable standards.

The directors of the Company reviewed and assessed the classification of the Group’s investments in joint arrangements in accordance with the requirements of HKFRS 11. The directors concluded that the Group’s investment in jointly controlled entities, which were classified as a jointly controlled entity under HKAS 31 and was accounted for using the proportionate consolidation method, should be classified as a joint venture under HKFRS 11 and accounted for using the equity method. The change in accounting of the Group’s investment in jointly arrangements has been applied in accordance with the relevant transitional provisions set out in HKFRS 11. The initial investment as for the purposes of applying the equity method is measured as the aggregate of the carrying amounts of the assets and liabilities that the Group had previously proportionately consolidated. Also, the directors performed an impairment assessment on the initial investment and concluded that no impairment loss is required. Comparative amounts for 2012 have been restated to reflect the change in accounting for the Group’s investment in joint arrangements.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures in the consolidated financial statements.

HKFRS 13 “Fair Value Measurement”

The Group has applied HKFRS 13 for the first time in the current year. HKFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The scope of HKFRS 13 is broad; the fair value measurement requirements of HKFRS 13 apply to both financial instrument items and non-financial instrument items for which other HKFRSs require or permit fair value measurements and disclosures about fair value measurements, except for sharebased payment transactions that are within the scope of HKFRS 2 “*Share-based Payment*”, leasing transactions that are within the scope of HKAS 17 “*Leases*”, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

HKFRS 13 “Fair Value Measurement” – continued

HKFRS 13 defines the fair value of an asset as the price that would be received to sell an asset (or paid to transfer a liability, in the case of determining the fair value of a liability) in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under HKFRS 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, HKFRS 13 includes extensive disclosure requirements. Other than the additional disclosures, the application of HKFRS 13 has not had any material impact on the amounts recognised in the consolidated financial statements.

Amendments to HKAS 1 “Presentation of Items of Other Comprehensive Income”

The Group has applied the amendments to HKAS 1 “Presentation of Items of Other Comprehensive Income” upon the adoption of the amendments to HKAS 1, the Group’s statement of comprehensive income is renamed as the statement of profit or loss and other comprehensive income. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the existing option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

Summary of the effects of the above changes in accounting policies

The effect of the change in accounting policy described above on the results for the year ended 31st December, 2012 by line items are as follow:

Impact on profit for the year of the application of HKFRS 11

	Year ended 31.12.2012 <i>HK\$</i>
Decrease in turnover	(5,968,826)
Decrease in cost of sales	4,202,877
Decrease in other income	(292,681)
Decrease in selling and distribution expenses	444,492
Decrease in administrative expenses	517,420
Decrease in finance costs	18,776
Increase in share of results of joint ventures	867,259
Decrease in share of results of associates	(15,801)
Decrease in taxation	226,484
Impact on profit for the year	–

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

Summary of the effects of the above changes in accounting policies – continued

Impact on assets, liabilities and equity as at 1st January, 2012 of the application of HKFRS 11

	As at 1.1.2012 <i>HK\$'000</i> (Previously stated)	HKFRS 11 adjustments <i>HK\$'000</i>	As at 1.1.2012 <i>HK\$'000</i> (Restated)
Property, plant and equipment	12,394,681	(4,884,690)	7,509,991
Prepaid lease payments	936,078	(246,265)	689,813
Investment properties	54,519	(51,025)	3,494
Interests in joint ventures	–	6,176,718	6,176,718
Interests in associates	1,695,774	(98,970)	1,596,804
Available-for-sale investments	36,942	(19,097)	17,845
Goodwill	1,216,719	(941,197)	275,522
Operating rights	751,287	(573,705)	177,582
Deferred tax assets	124,329	(53,979)	70,350
Deposits for operating rights	70,741	(5,733)	65,008
Deposits for prepaid lease payments	49,591	(41,538)	8,053
Inventories	464,279	(163,179)	301,100
Trade and other receivables	3,095,084	(613,431)	2,481,653
Amounts due from customers for contract works	696,810	(482,381)	214,429
Prepaid lease payments	37,518	(6,918)	30,600
Pledged bank deposits	54,002	(49,562)	4,440
Bank balances and cash	7,123,634	(1,939,006)	5,184,628
Trade and other payables	(4,472,581)	1,083,995	(3,388,586)
Amounts due to customers for contract works	(3,438,710)	1,982,929	(1,455,781)
Amount due to an intermediate holding company	(994,313)	4	(994,309)
Bank and other borrowings (current)	(1,677,164)	215,954	(1,461,210)
Taxation payable	(209,053)	97,840	(111,213)
Bank and other borrowings (non-current)	(5,014,425)	131,416	(4,883,009)
Other long-term liabilities	(195,917)	43,224	(152,693)
Deferred tax liabilities	(624,303)	376,242	(248,061)
Total effect on net assets	12,175,522	(62,354)	12,113,168
Total effect on equity			
– Non-controlling interests	(11,866,063)	62,354	(11,803,709)

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

Summary of the effects of the above changes in accounting policies – continued

Impact on assets, liabilities and equity as at 31st December, 2012 of the application of HKFRS 11

	As at 31.12.2012 HK\$'000 (Previously stated)	HKFRS 11 adjustments HK\$'000	As at 31.12.2012 HK\$'000 (Restated)
Property, plant and equipment	17,712,079	(5,122,416)	12,589,663*
Prepaid lease payments	1,143,767	(293,850)	849,917
Investment properties	53,681	(50,817)	2,864
Interests in joint ventures	–	6,144,740	6,144,740
Interests in associates	1,861,428	(103,517)	1,757,911
Available-for-sale investments	26,353	(18,551)	7,802
Goodwill	1,676,018	(949,246)	726,772*
Operating rights	855,615	(572,531)	283,084*
Deferred tax assets	191,682	(76,332)	115,350
Deposits for operating rights	70,728	(14,519)	56,209
Deposits for prepaid lease payments	73,022	(46,448)	26,574
Deposits for property, plant and equipment	119,342	(16,068)	103,274
Deposit for investments	208,805	(3,652)	205,153
Inventories	747,339	(212,271)	535,068
Trade and other receivables	4,366,327	(1,192,045)	3,174,282
Amounts due from customers for contract works	838,189	(516,246)	321,943
Pledged bank deposits	95,480	(27,457)	68,023
Bank balances and cash	12,285,555	(1,746,008)	10,539,547
Trade and other payables	(6,239,457)	1,147,773	(5,091,684)
Amounts due to customers for contract works	(5,510,223)	2,855,740	(2,654,483)
Bank and other borrowings (current)	(239,314)	64,207	(175,107)
Taxation payable	(319,516)	94,350	(225,166)
Bank and other borrowings (non-current)	(5,952,547)	103,857	(5,848,690)
Other long-term liabilities	(195,347)	116,470	(78,877)
Deferred tax liabilities	(724,243)	322,222	(402,021)*
Total effect on net assets	23,144,763	(112,615)	23,032,148
Total effect on equity			
– Non-controlling interests	(14,804,026)	112,615	(14,691,411)

* The Group has retrospectively adjusted the provisional fair values of the assets and liabilities of the subsidiaries acquired during the year ended 31st December, 2012 to reflect the fair value adjustments made upon completion of the purchase accounting during the current year. Adjustments have been made retrospectively to property, plant and equipment, operating rights, goodwill and deferred tax liabilities.

Impact on cash flows for the year ended 31st December, 2012 of the application of HKFRS 11

	Year ended 31.12.2012 HK\$'000
Net cash outflow from operating activities	(1,181,960)
Net cash inflow from financing activities	1,212,156
Net cash inflow from investing activities	174,098
Net cash inflow	204,294

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) – continued

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective.

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle ³
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle ²
Amendments to HKFRS 9 and HKFRS 7	Mandatory Effective date of HKFRS 9 and Transition Disclosures ⁵
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities ¹
HKFRS 9	Financial Instruments ³
HKFRS 14	Regulatory Deferral Accounts ⁴
Amendments to HKAS 19	Deferred Benefit Plans: Employee Contributions ²
Amendments to HKAS 32	Offsetting financial assets and financial liabilities ¹
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets ¹
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting ¹
HK(IFRIC) – Int 21	Levies ¹

¹ Effective for annual periods beginning on or after 1st January, 2014, with earlier application permitted.

² Effective for annual periods beginning on or after 1st July, 2014, except as disclosed below. Early application is permitted.

³ Effective for annual periods beginning on or after 1st July, 2014, with limited exceptions.

⁴ Effective for annual periods beginning on or after 1st January, 2016.

⁵ Available for application – the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.

The directors of the Company are in the process of ascertaining the financial effect of the application of these new and revised HKFRSs on the Group’s consolidated financial statements.

3. TURNOVER AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group’s operating segments under HKFRS 8 are as follows:

Sale and distribution of gas fuel and related products – sale of natural gas and liquefied petroleum gas for residential, commercial and industrial use

Gas connection – connection fee income and construction contracts for gas connection to the Group’s pipelines

Segments results represent the profit before taxation earned by each segment, excluding sundry income, interest income, finance costs, central administration costs, release from prepaid lease payments and directors’ salaries. This is the measure reported to the executive directors of the Company for the purpose of resource allocation and assessment of segment performance.

The information of segment revenue, segment results, segment assets and segment liabilities are as follows:

3. TURNOVER AND SEGMENT INFORMATION – continued

For the year ended 31st December, 2013

Segment revenue and results

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Total <i>HK\$'000</i>
Turnover			
External sales	<u>17,164,278</u>	<u>5,123,749</u>	<u>22,288,027</u>
Results			
Segment results	<u>2,247,139</u>	<u>2,492,593</u>	4,739,732
Share of results of joint ventures			698,426
Share of results of associates			99,901
Finance costs			(523,558)
Unallocated income			595,872
Unallocated expenses			(1,799,512)
Profit before taxation			<u>3,810,861</u>

Segment assets and liabilities

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
ASSETS			
Segment assets	<u>22,015,545</u>	<u>2,209,792</u>	24,225,337
Interests in joint ventures			8,853,031
Interests in associates			1,956,465
Deferred tax assets			98,630
Unallocated corporate assets (<i>Note a</i>)			15,348,328
			<u>50,481,791</u>
LIABILITIES			
Segment liabilities	<u>2,759,135</u>	<u>6,481,791</u>	9,240,926
Taxation payable			396,520
Deferred tax liabilities			560,957
Unallocated corporate liabilities (<i>Note b</i>)			21,667,550
			<u>31,865,953</u>

3. TURNOVER AND SEGMENT INFORMATION – continued

For the year ended 31st December, 2013 – continued

Other information

Amounts included in the measure of segment profit and segment assets:

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets	3,842,211	–	241,390	4,083,601
Addition to non-current assets arising from acquisition of subsidiaries	2,432,167	–	–	2,432,167
Depreciation and amortisation	466,589	–	105,887	572,476
Release of prepaid lease payments	–	–	50,676	50,676
Impairment loss on trade receivables	26,410	–	–	26,410
Gain on disposal of property, plant and equipment	6,712	–	–	6,712
Loss on disposal of investment properties	–	–	727	727
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

For the year ended 31st December, 2012

Segment revenue and results

	Sale and distribution of gas fuel and related products <i>HK\$'000</i> (Restated)	Gas connection <i>HK\$'000</i> (Restated)	Total <i>HK\$'000</i> (Restated)
Turnover			
External sales	<u>10,725,495</u>	<u>2,896,292</u>	<u>13,621,787</u>
Results			
Segment results	<u>1,259,379</u>	<u>1,346,107</u>	2,605,486
Share of results of joint ventures			867,259
Share of results of associates			109,568
Finance costs			(315,022)
Unallocated income			180,164
Unallocated expenses			<u>(878,638)</u>
Profit before taxation			<u>2,568,817</u>

3. TURNOVER AND SEGMENT INFORMATION – continued

For the year ended 31st December, 2012 – continued

Segment assets and liabilities

	Sale and distribution of gas fuel and related products <i>HK\$'000</i> (Restated)	Gas connection <i>HK\$'000</i> (Restated)	Consolidated <i>HK\$'000</i> (Restated)
ASSETS			
Segment assets	<u>14,551,054</u>	<u>1,567,272</u>	16,118,326
Interests in joint ventures			6,144,740
Interests in associates			1,757,911
Deferred tax assets			115,350
Unallocated corporate assets (<i>Note a</i>)			<u>13,546,208</u>
			<u>37,682,535</u>
LIABILITIES			
Segment liabilities	<u>1,737,307</u>	<u>4,780,392</u>	6,517,699
Taxation payable			225,166
Deferred tax liabilities			508,348
Unallocated corporate liabilities (<i>Note b</i>)			<u>15,745,332</u>
			<u>22,996,545</u>

Other information

Amounts included in the measure of segment profit and segment assets:

	Sale and distribution of gas fuel and related products <i>HK\$'000</i> (Restated)	Gas connection <i>HK\$'000</i> (Restated)	Unallocated <i>HK\$'000</i> (Restated)	Total <i>HK\$'000</i> (Restated)
Additions to non-current assets	2,433,516	–	197,408	2,630,924
Additions to non-current assets arising from acquisition of subsidiaries	3,502,771	–	–	3,502,771
Depreciation and amortisation	404,262	–	96,421	500,683
Release of prepaid lease payments	–	–	20,008	20,008
Impairment loss on trade receivables	5,201	–	–	5,201
Gain on disposal of property, plant and equipment	<u>1,983</u>	<u>–</u>	<u>–</u>	<u>1,983</u>

Geographical information

The Group's turnover and non-current assets (excluded financial instruments and deferred tax assets) are arisen in and located in the People's Republic of China ("PRC") during both years.

3. TURNOVER AND SEGMENT INFORMATION – continued

Information about major customers

No single external customer contributed revenue from transactions amounting to 10% or more of the revenue of the Group during both years.

Notes:

- (a) Unallocated corporate assets represent goodwill arising on acquisition of subsidiaries and which are engaged in sale and distribution of gas fuel and related products and gas connection, investment properties, prepaid lease payments, deposits for prepaid lease payments, deposits for investments, available-for-sale investments, other receivables, amount due from a joint venturer, amounts due from fellow subsidiaries, pledged bank deposits and bank balances and cash.
- (b) Unallocated corporate liabilities represent other payables, accrued expenses, consideration payable for acquisition of subsidiaries, amounts due to an intermediate holding company and fellow subsidiaries, bank and other borrowings, senior notes and other long-term liabilities (excluding payable for acquisition of operating rights). The amounts due to an intermediate holding company and fellow subsidiaries, bank and other borrowings and senior notes are classified as unallocated corporate liabilities because they are managed centrally by the treasury function of the Group.

4. TAXATION

	2013 HK\$'000	2012 HK\$'000 (Restated)
The tax charge comprises:		
Current taxation		
PRC Enterprise Income Tax	862,818	462,782
Underprovision in prior years	19,464	5,040
Withholding tax paid for distributed profits of investments in the PRC	77,253	54,277
	<u>959,535</u>	<u>522,099</u>
Deferred taxation		
Current year	<u>27,572</u>	<u>17,434</u>
	<u>987,107</u>	<u>539,533</u>

Hong Kong Profits Tax is calculated at 16.5% (2012: 16.5%) on the estimated assessable profits for the year. The Company and its subsidiaries operating in Hong Kong do not have assessable profits, accordingly, no provision for Hong Kong Profits Tax has been made in the consolidated financial statements.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1st January, 2008 onwards.

According to a joint circular of the Ministry of Finance and State Administration of Taxation, Cai Shui 2011 No. 1, only the profits earned by foreign-investment enterprise prior to 1st January, 2008, when distributed to foreign investors, can be grandfathered and exempted from withholding tax. Whereas, dividend distributed out of the profits generated thereafter, shall be subject to the Enterprise Income Tax at 5% or 10% and withheld by the PRC entities, pursuant to Articles 3 and 27 of the New Law and Article 91 of its Detailed Implementation Rules.

5. PROFIT FOR THE YEAR

	2013 HK\$'000	2012 HK\$'000 (Restated)
Profit for the year has been arrived at after charging (crediting):		
Staff costs		
Directors' emoluments	26,026	47,410
Other staff		
– Salaries and other benefits	1,921,042	1,147,472
– Performance related incentive payments under the Incentive Award Scheme	54,403	75,246
– Retirement benefits schemes contributions	279,609	180,071
Total staff costs	2,281,080	1,450,199
Auditor's remuneration	8,658	5,500
Depreciation of property, plant and equipment	530,779	486,123
Depreciation of investment properties	12,177	625
Amortisation of operating rights (included in administrative expenses)	29,520	13,935
Release of prepaid lease payments	50,676	20,008
Impairment loss on trade receivables	26,410	5,201
Operating lease rentals in respect of rented premises	106,041	71,737
Loss on disposal of available-for-sale investments	–	1,680
Gain on disposal of property, plant and equipment	(6,712)	(1,983)
Gain on disposal of investment properties	(727)	–
Government grants	(65,285)	(29,501)
Interest on bank deposits	(241,079)	(218,235)
Interest income from amounts due from joint ventures	(3,829)	(2,233)
Interest income from amount due from a joint venturer	(15,575)	–
Rental income from investment properties (net of negligible outgoings)	(2,907)	(3,758)

6. DIVIDENDS

	2013 HK\$'000	2012 HK\$'000
Dividends recognised as distribution during the year:		
2013 interim dividend – 2 HK cents per share (2012: 2012 interim dividend – 2 HK cents per share)	44,480	40,073
2012 final dividend – 14 HK cents per share (2012: 2011 final dividend – 10 HK cents per share)	303,874	200,357
	348,354	240,430

The directors recommend the payment of a final dividend of 20 HK cents per share for the year ended 31st December, 2013 (2012: 14 HK cents per share) amounting to HK\$434,547,000 (2012: HK\$303,874,000).

7. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
Earnings:		
Earnings for the purposes of basic and diluted earnings per share (profit for the year attributable to owners of the Company)	<u>2,160,945</u>	<u>1,645,543</u>
	2013	2012
Number of shares:		
Weighted average number of shares in issue less shares held for incentive award scheme for the purpose of basic earnings per share	2,170,601,351	2,015,851,847
Effect of dilutive potential shares Share options	<u>452</u>	<u>748</u>
Weighted average number of shares in issue less shares held for incentive award scheme for the purpose of diluted earnings per share	<u>2,170,601,803</u>	<u>2,015,852,595</u>

8. TRADE AND OTHER RECEIVABLES

The Group generally allows credit periods ranging from 30 to 90 days to its customers. The aged analysis of trade receivables, net of allowance for doubtful debts, is presented based on the invoice date at the end of the reporting period as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
0 – 90 days	2,621,904	1,592,890
91 – 180 days	40,992	91,301
Over 180 days	<u>314,710</u>	<u>119,585</u>
	<u>2,977,606</u>	<u>1,803,776</u>

9. TRADE AND OTHER PAYABLES

The aged analysis of trade payables is presented based on invoice date at the end of the reporting period as follows:

	2013 <i>HK\$'000</i>	2012 <i>HK\$'000</i> (Restated)
0 – 90 days	4,251,392	1,828,310
91 – 180 days	343,425	111,688
Over 180 days	<u>660,985</u>	<u>192,013</u>
	<u>5,255,802</u>	<u>2,132,011</u>

The average credit period on purchases of goods ranges from 7 to 180 days.

10. SHARE CAPITAL

	Number of shares	Nominal value of shares HK\$'000
Shares of HK\$0.10 each		
Authorised:		
At 1st January, 2012, 31st December, 2012 and 31st December, 2013	10,000,000,000	1,000,000
Issued and fully paid:		
At 1st January, 2012	1,992,269,718	199,227
Issue of shares upon acquisition of additional interest in a subsidiary (<i>Note a</i>)	71,741,153	7,174
Placing of shares (<i>Note b</i>)	160,000,000	16,000
At 31st December, 2012	2,224,010,871	222,401
Issue of shares upon exercise of share options (<i>Note c</i>)	2,000	—
At 31st December, 2013	2,224,012,871	222,401

The new shares issued during the year rank pari passu in all respects with the existing shares in issue.

Notes:

- a. In February, 2012, the Group acquired additional interest in a subsidiary, 鄭州華潤燃氣股份有限公司 (“Zhengzhou Gas”), for a consideration of HK\$805,288,000 for the purpose of the privatisation and withdrawal of the listing of H shares of Zhengzhou Gas. The consideration was satisfied by cash of HK\$16,957,000 and the allotment and issue of 71,741,153 consideration shares in the Company of HK\$788,331,000. The consideration shares were issued at an average share price of HK\$10.99 per share.
- b. On 20th November, 2012, CRH (Gas) Limited (“CRH (Gas)”), the Company’s immediate holding company, and the Company entered into a placing and subscription agreement with the placing agent pursuant to which the placing agent placed 160,000,000 existing shares at a price of HK\$16.95 per share owned by CRH (Gas) to certain independent placees. Pursuant to the placing and subscription agreement, CRH (Gas) subscribed for 160,000,000 new shares equivalent to the number of the placing shares. The proceeds from the placing of shares, net of professional fees and out-of-pocket expenses, will be used principally for acquisition of more downstream city gas distribution businesses in the PRC.
- c. During the year, 2,000 share options were exercised at an exercise price of HK\$9.06 per share.

REVIEW AND AUDIT OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31st December, 2013 have been reviewed by the Audit Committee of the Company, which comprises two Independent Non-executive Directors and one Non-executive Director, and have been audited by the Company's auditor, Deloitte Touche Tohmatsu. The Independent Auditor's Report will be included in the Annual Report to the shareholders.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITE OF THE STOCK EXCHANGE

The Annual Report of the Company will be dispatched to shareholders and published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.crgas.com.hk) in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our most sincere appreciation to our business partners, customers and shareholders for their unfailing support as well as all the Group's employees for their hard work and dedication in carrying out their duties and in achieving the Group's business goal.

On behalf of the Board
CHINA RESOURCES GAS GROUP LIMITED
WANG Chuandong
Chairman

Hong Kong, 13th March, 2014

As at the date of this announcement, the directors of the Company are Mr. Wang Chuandong, Mr. Shi Shanbo, Mr. Ge Bin and Mr. Ong Thiam Kin, being Executive Directors; Mr. Du Wenmin, Mr. Wei Bin, Mr. Huang Daoguo and Mr. Chen Ying, being Non-executive Directors; and Mr. Wong Tak Shing, Ms. Yu Jian, Mr. Yu Hon To, David and Mr. Qin Chaokui, being Independent Non-executive Directors.