

YINGDE GASES GROUP COMPANY LIMITED
盈德氣體集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock Code 股份代號 : 02168



INTERIM
REPORT
2017
中期報告

CORPORATE PROFILE	公司簡介	2
CORPORATE INFORMATION	公司資料	3
MANAGEMENT DISCUSSION AND ANALYSIS	管理層討論及分析	6
REVIEW REPORT	審閱報告	13
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	合併利潤及其他綜合收益表	15
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	合併財務狀況表	16
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	合併權益變動表	19
CONDENSED CONSOLIDATED CASH FLOW STATEMENT	簡明合併現金流量表	21
NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT	未經審核中期財務報告附註	23
OTHER INFORMATION	其他資料	58
DEFINITIONS	釋義	66

Corporate Profile

公司簡介

Our Company was established in the Cayman Islands on 25 September 2007. Our Group's history dates back to 2001 when Hunan Yingde was established in the PRC. Our Company's Shares were listed on the Main Board of the Hong Kong Stock Exchange on 8 October 2009. Our Company wholly owns Yingde BVI, which was incorporated in the British Virgin Islands and is an investment holding company of our Group.

Based on the research information in the SAI Reports, we have been the largest domestic independent industrial gas supplier specializing in on-site gas supply in China in terms of total revenue since 2009.

We produce, supply and distribute a variety of industrial gas products to our on-site and merchant customers from a number of locations in the PRC, with oxygen, nitrogen and argon being our main gas products. Our on-site customers are those whose premises our gas production facilities are located on or in close proximity to and to whom we supply industrial gases directly. Our merchant customers generally include liquid gas distributors and other industrial companies who purchase industrial gases from us on a spot market basis from time to time.

We differentiate our on-site operation and merchant operation as well as the revenue generated from the respective operations in accordance with the type of customers to which we sell our gas products. In relation to the on-site operation, we generate revenue by selling our gas products to those customers with whom we have entered into long-term gas supply contracts. In relation to the merchant operation, we generally generate revenue by selling our gas products (which are produced from the remaining available capacity of our on-site production facilities as well as our dedicated merchant production facilities) to local distributors on the spot market. We also enter into gas supply contracts with a selected number of merchant customers who have a stable and regular demand for our gas products. Pursuant to such contracts, we supply gas products on a regular basis during the term of the relevant gas supply contracts. The on-site production facilities referred to in this report relate to those which we constructed after having entered into long-term gas supply contracts with industrial companies. The merchant production facilities referred to in this report relate to those which we generally operate without entering into long-term gas supply contracts with customers.

本公司於2007年9月25日在開曼群島成立。本集團的歷史可追溯至2001年湖南盈德在中國成立。本公司股份於2009年10月8日在香港聯交所主板上市。本公司全資擁有於英屬處女群島成立的盈德(英屬處女群島)並為本集團的投資控股公司。

根據SAI報告的研究資料，按年度總收入計算，我們自2009年起已經是中國境內最大的專門從事現場供氣的獨立工業氣體供應商。

我們為位於中國多個地區的現場供氣客戶及零售客戶生產、供應及分銷多種工業氣體產品，我們的主要氣體產品為氧氣、氮氣及氬氣。我們的現場供氣客戶指我們氣體生產設施設置於其廠房內或毗鄰位置並由我們直接供應工業氣體的客戶。我們的零售客戶通常包括不時於現貨市場向我們購買工業氣體的液態氣體分銷商及其他工業公司。

我們按銷售氣體產品的客戶類別，區分現場供氣業務及零售業務，以及來自其兩者的收益。就現場供氣業務而言，我們乃透過向該等與我們訂立長期供氣合約的客戶銷售氣體產品獲取收益。就零售業務而言，我們一般透過於現貨市場向當地分銷商銷售氣體產品(以我們現場生產設施的剩餘可用產能及專門用作零售生產的生產設施生產)獲取收益。我們亦與選擇性地對我們的氣體產品有穩定及定期需求的部分零售客戶簽訂供氣合約。根據該等合約，我們於有關供氣合約年期內定期供應氣體產品。本報告所指的現場生產設施指我們與工業公司訂立長期供氣合約後建設的現場供氣設施。本報告所指的零售生產設施指在沒有與客戶訂立長期供氣合約的情況下，我們一般營運的生產設施。

BOARD OF DIRECTORS

Executive Director and Chairman

Mr. Qiu Zhongwei

Non-executive Directors

Mr. Wong Tak-Wai

Mr. Xiao Suining

Mr. He Hui David

Independent Non-executive Directors

Mr. Zheng Fuya (Alternate: Dr. Wang Ching)

Dr. Wang Ching (Alternate: Mr. Zheng Fuya)

Mr. Rawen Zhi Hong Huang

AUDIT COMMITTEE

Mr. Zheng Fuya (*Chairman*)

Mr. Rawen Zhi Hong Huang

Dr. Wang Ching

REMUNERATION COMMITTEE

Dr. Wang Ching (*Chairman*)

Mr. Rawen Zhi Hong Huang

Mr. Zheng Fuya

NOMINATION COMMITTEE

Mr. Qiu Zhongwei (*Chairman*)

Mr. Zheng Fuya

Dr. Wang Ching

Mr. Rawen Zhi Hong Huang

COMPLIANCE COMMITTEE

Dr. Rawen Zhi Hong Huang (*Chairman*)

Dr. Wang Ching

Mr. Zheng Fuya

董事會

執行董事兼主席

邱中偉先生

非執行董事

黃德煒先生

肖遂寧先生

何暉先生

獨立非執行董事

鄭富亞先生(替任：王京博士)

王京博士(替任：鄭富亞先生)

黃志鴻先生

審核委員會

鄭富亞先生(主席)

黃志鴻先生

王京博士

薪酬委員會

王京博士(主席)

黃志鴻先生

鄭富亞先生

提名委員會

邱中偉先生(主席)

鄭富亞先生

王京博士

黃志鴻先生

合規委員會

黃志鴻先生(主席)

王京博士

鄭富亞先生

Corporate Information (continued)

公司資料(續)

COMPANY SECRETARY

Ms. Mok Ming Wai

公司秘書

莫明慧女士

EXTERNAL AUDITOR

KPMG

8th Floor, Prince's Building

10 Chater Road, Central

Hong Kong

外聘核數師

畢馬威會計師事務所

香港

中環遮打道10號

太子大廈8樓

LEGAL ADVISORS

Hong Kong Legal Advisor:

Slaughter and May

47th Floor, Jardine House

One Connaught Place

Central, Hong Kong

法律顧問

香港法律顧問：

司力達律師樓

香港中環

康樂廣場1號

怡和大廈47樓

PRC Legal Advisor:

Jun He Law Offices

32th Floor, Shanghai Kerry Center

1515 Nanjingxi Road

Shanghai, China

中國法律顧問：

君合律師事務所

中國上海

南京西路1515號

上海嘉里中心32層

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited

Shops 1712-1716, 17th Floor

Hopewell Centre, 183 Queen's Road East

Wanchai

Hong Kong

香港證券登記處

香港中央證券登記有限公司

香港

灣仔

皇后大道東183號合和中心

17樓1712-1716號舖

LISTING DATE

8 October 2009

AUTHORIZED REPRESENTATIVES

Mr. Qiu Zhongwei

Mr. Wong Tak-Wai

STOCK CODE

02168

COMPANY WEBSITE

www.yingdegases.com

INVESTOR RELATIONS CONTACT

ir@yingdegas.com

HEADQUARTERS/PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 3212-13, 32/F

Tower Two, Times Square, Causeway Bay

Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111

Cayman Islands

上市日期

2009年10月8日

授權代表

邱中偉先生

黃德煒先生

股份代號

02168

公司網址

www.yingdegases.com

投資者關係部聯繫方式

ir@yingdegas.com

總部／香港主要營業地點

香港

銅鑼灣時代廣場二座

三十二層 3212-13 室

註冊辦事處

Cricket Square, Hutchins Drive

PO Box 2681, Grand Cayman

KY1-1111

Cayman Islands

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

In the first half of 2017, due to the improvement of external environment, rise in commodity price and property market, the economy in China experienced upward trend, the new energy and traditional energy both became stronger, good circulation was established among demand and supply, investment and consumption, industrial production and corporate efficiency cycle, excess capacity in steel industry was significantly improved. It is expected in the second half of 2017, under the improved external environment whilst stability is enhanced, demand for industrial gas will remain stable.

As a leader of the industrial gas industry in China, our Company has established a solid foundation as a result of many years' continuous development and professional management. The development of our Group remained stable in the first half of 2017, and during the period under review, our Group has newly added 35,000 Nm³/hr installed oxygen capacity, which has laid a solid foundation for the future development of our Group.

As at 30 June 2017, our Group had a total of 72 gas supply facilities in operation and 14 facilities under development. The total installed capacity amounted to 2,007,300 Nm³/hr in terms of installed oxygen capacity, representing an increase of 2.3% as compared with the corresponding period last year. During the period under review, our Group sold 14,885 million Nm³ of industrial gases, representing a growth of 15.2% as compared with the corresponding period last year. The total sales volume of oxygen products, nitrogen products and argon products were 6,594 million Nm³, 6,090 million Nm³ and 151 million Nm³, respectively. It is expected that the total installed capacity will exceed 2,300,000 Nm³/hr by 2018 upon completion of all facilities under development.

Review of on-site gas supply operation

According to the 2016 SAI Report, our Group is the largest independent industrial gas supplier in the PRC in terms of revenue, and our major gas products are oxygen, nitrogen and argon. For the six months ended 30 June 2017, the revenue generated from our on-site gas operation amounted to RMB4,003 million, representing an increase of 15.6% as compared with the corresponding period last year.

On-site gas supply accounted for approximately 84% of the revenue of our Group. It is mainly contributed by customers from the steel, chemical and non-ferrous metals industries. In order to secure a stable stream of income, it is our Group's policy to enter into long-term on-site gas supply contracts that include a take-or-pay clause and minimum gas supply commitment with customers selected through stringent process.

業務回顧

2017年上半年，受外部環境改善，大宗商品價格上漲和房地產市場升溫等因素的影響，中國經濟逐漸復甦，新能源和傳統能源需求均有所增強，供給和需求、投資和消費、工業生產和企業效益之間形成良性循環，鋼鐵工業產能過剩的局面也得到了明顯的改善。預計2017年下半年，在外部環境改善、穩定性提高的同時，工業氣體的需求也保持平穩。

作為中國工業氣體行業的領航者，本公司憑藉多年持續發展及專業管理建立了深厚根基。本集團於2017年上半年發展穩步增長，回顧期內，本集團共新增35,000標準立方米/小時裝機氧氣容量，為本集團未來的發展奠定穩固的基礎。

截至2017年6月30日止，本集團有72個正在營運的氣體生產設施及14個正在興建的生產設施。以裝機氧氣容量計算，總裝機容量達到2,007,300標準立方米/小時，同比上升2.3%。回顧期內，本集團共銷售14,885百萬標準立方米工業氣體，同比上升15.2%，氧氣產品、氮氣產品及氬氣產品的總銷量分別為6,594百萬標準立方米、6,090百萬標準立方米及151百萬標準立方米。預計在2018年所有在建項目完成後，總裝機容量將超過2,300,000標準立方米/小時。

現場供氣業務回顧

根據2016年SAI報告研究，就收入而言，本集團為中國最大獨立工業氣體供應商，主要氣體產品為氧氣、氮氣及氬氣。截至2017年6月30日止6個月期間，本集團現場供氣業務的收入為人民幣4,003百萬元，同比增加15.6%。

現場氣體供應佔本集團業務收入約84%，主要是來自鋼鐵、化工及有色金屬行業的客戶群。本集團一向嚴格挑選客戶，並與現場供氣客戶簽定長期及包括照付不議條款及最低氣體供應承諾的合約，以確保本集團收入穩定。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

During the six months ended 30 June 2017, our Group has entered into two new long-term on-site gas supply contracts.

Review of merchant gas operation

For the six months ended 30 June 2017, the manufacturing sector recovers, demand steady increased and increasing price in downstream. The revenue generated from our merchant gas operation of our Group amounted to RMB712 million, representing an increase of 77.1% as compared with the corresponding period last year. The percentage of merchant sales accounting for revenue of our Group also increased to 15.0%. Due to the recovers of the metal processing industry, the unit price of oxygen increased by 23.5% as compared with the corresponding period last year. Affected by the macroeconomic growth, the unit price of nitrogen and argon increased by 13.1% and 103.1% respectively as compared with the same period last year.

FINANCIAL REVIEW

Our Group managed to record stable revenue growth in the first half of 2017 leveraging on our extensive market experience and business strategy. For the six months ended 30 June 2017, the total revenue of our Group amounted to RMB4,761 million, representing a 15.0% increase as compared with RMB4,140 million for the corresponding period in 2016. The increase was mainly attributable to the increase in revenue from our on-site gas supply operation resulting from 3 additional production facilities commencing operation comparing to the corresponding period in 2016. Besides, the recovery of the merchant gas business resulted in the increase in revenue as a whole, the growth in gross profit was contributed by the increase in merchant unit-price.

The gross profit of our Group for the six months ended 30 June 2017 was RMB1,475 million, representing an increase of 16.1% as compared with the corresponding period last year. The overall gross profit margin of our Group for the six months ended 30 June 2017 was 31.0%.

Moreover, our Group recorded a net profit attributable to equity shareholders of our Company of RMB536 million.

截至2017年6月30日止6個月期間，本集團簽訂了2份新的長期現場制氣合約。

零售氣體業務回顧

截至2017年6月30日止6個月期間，製造業持續復甦，下游需求增長，價格上升。本集團零售氣體業務的營業收入為人民幣712百萬元，同比上升77.1%。且零售業務收入佔本集團業務收入比例上升至15.0%。由於金屬加工行業的復甦，氧氣單價同比上升23.5%。受到宏觀經濟穩定增長的影響，氮氣及氬氣單價價格分別同比上升13.1%和103.1%。

財務回顧

本集團藉著多年的市場經驗及商業策略，於2017年上半年仍錄得穩定的銷售收入增長。截至2017年6月30日止6個月期間，本集團錄得總收入為人民幣4,761百萬元，較2016年同期的人民幣4,140百萬元增加15.0%。營業額上升主要由於較2016年同期增加3組新生產設施投入營運，使現場供氣收入上升。此外，零售氣體業務的復甦使整體收入上升，零售單價上升也貢獻了毛利的增長。

本集團於截至2017年6月30日止6個月期間錄得毛利人民幣1,475百萬元，比去年同期增加16.1%。截至2017年6月30日止6個月期間，本集團整體毛利率為31.0%。

此外，本集團錄得本公司權益股東應佔溢利淨額為人民幣536百萬元。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

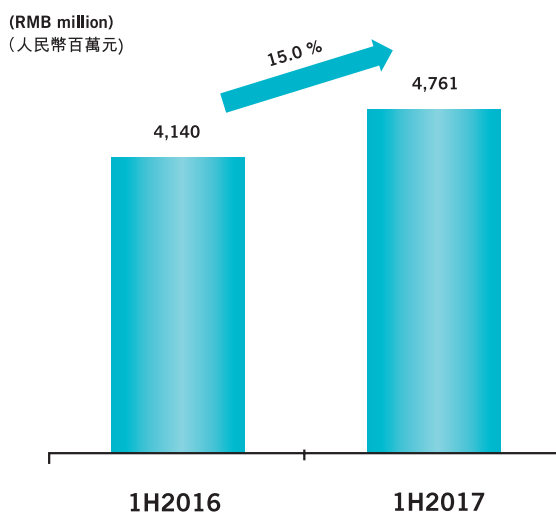
Revenue

Our revenue mainly consists of proceeds from the sales of industrial gas products and provision of construction and operating services for the downstream customers. Our revenue is recognized when our gas products are delivered to the customers' premises and such customers have accepted the goods and related risks and ownership right are transferred. The revenue figures represent the aggregate of the invoiced value of goods sold, net of value-added tax.

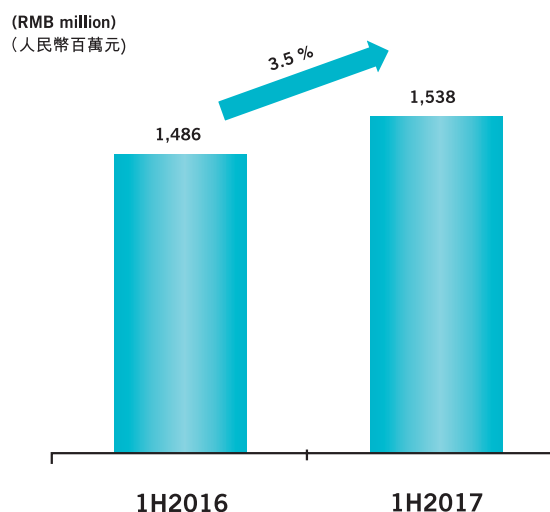
收入

我們的收入主要包括銷售工業氣體產品以及為下游客戶提供建造和運營的服務的所得款項。我們的收入於我們的氣體產品付運至客戶的物業而客戶確認接受貨品且我們已轉讓有關貨品的風險及擁有權時確認。收入數字為扣減增值稅後的銷售貨品發票總值。

Revenue 收入



EBITDA 除息稅折舊攤銷前利潤



The table below sets forth our revenue generated from our on-site and merchant customers for the periods indicated:

下表載列於所示期間自現場供氣及零售客戶所得的收入：

		Six months ended 30 June 截至6月30日止6個月期間			
		2017		2016	
		RMB'000	(%)	RMB'000	(%)
		人民幣千元	(%)	人民幣千元	(%)
Revenue	收入				
On-site	現場	4,003,352	84.0	3,463,658	83.7
Merchant	零售	712,124	15.0	401,533	9.7
Others	其他	45,608	1.0	274,445	6.6
Total	總計	4,761,084	100.0	4,139,636	100.0

Management Discussion and Analysis (continued) 管理層討論及分析(續)

The table below sets out the weighted average unit price of gases sold to our merchant customers for the periods indicated:

下表載列於所示期間向我們的零售客戶銷售的氣體加權平均單位價格：

		Six months ended 30 June 截至6月30日止6個月期間	
		2017	2016
		Unit price (RMB/Nm ³) 單位價格(人民幣/標準立方米)	
Oxygen	氧氣	0.84	0.68
Nitrogen	氮氣	0.69	0.61
Argon	氬氣	2.62	1.29
Weighted average unit price	加權平均單位價格	1.06	0.76

The main factors affecting the prices of gases sold to our merchant customers include the spot prices in local market, local supply and demand and local economic conditions. The pricing of our products sold to on-site customers is determined on a case-by-case basis in accordance with the pricing arrangements under the gas supply contracts.

一般影響我們向零售客戶所售氣體價格的主要因素包括當地市場現貨價格、當地供求及經濟狀況。向現場供氣客戶銷售產品的定價乃根據供氣合約指定的定價安排按個別情況釐定。

Cost of sales

Our cost of sales mainly comprises utilities, depreciation of property, plant and equipment used for production, staff costs for our production team and other expenses. Utilities mainly consist of electricity and steam expenses, representing 79.0% and 78.1% of our total cost of sales for the six months ended 30 June 2017 and 2016, respectively. Depreciation and amortization expenses relate primarily to self-owned property, plant and equipment and intangible assets and are calculated on a straight-line basis over their estimated useful life. Staff costs mainly relate to salaries, bonuses, benefits and contributions we pay to our employees or make for the benefit of our employees in production team. Other expenses primarily consist of other consumables and repair and maintenance.

銷售成本

我們的銷售成本主要包括公用費用、生產有關物業、廠房及設備的折舊開支、生產團隊的員工成本以及其他開支。公用費用主要包括電費和蒸氣費用，截至2017年及2016年6月30日止6個月期間分別佔我們總銷售成本79.0%及78.1%。折舊及攤銷開支主要與我們擁有的物業、廠房及設備以及無形資產有關，以直線法按該等資產的估計可使用年期計算。員工成本主要與我們向僱員支付的薪金、花紅、福利及供款或向本公司生產團隊員工提供的福利有關。其他開支主要包括其他消耗品及維修及保養。

Cost of sales increased by 14.5% from RMB2,869 million for the six months ended 30 June 2016 to RMB3,286 million for the six months ended 30 June 2017. Cost of sales as a percentage of revenue slightly decreased from 69.3% for the six months ended 30 June 2016 to 69.0% for the six months ended 30 June 2017.

銷售成本由截至2016年6月30日止6個月期間的人民幣2,869百萬元增加14.5%至截至2017年6月30日止6個月期間的人民幣3,286百萬元。銷售成本佔收入的百分比由截至2016年6月30日止6個月期間的69.3%輕微下降至截至2017年6月30日止6個月期間的69.0%。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Administrative expenses

Our administrative expenses primarily consist of staff costs in connection with hiring and retention of our management and administrative staff at our headquarters and production plant level, travel and entertainment, external consulting fees and impairment loss of trade receivables. Administrative expenses increased by RMB185 million from RMB163 million for the six months ended 30 June 2016 to RMB348 million for the six months ended 30 June 2017, mainly due to RMB82 million takeover related advisory expenses and the recognition of RMB61 million expenses of Share Allotment Scheme as disclosed in note 18(b) to the unaudited interim financial report.

Income tax expenses

Income tax expenses increased by 32.0% from RMB250 million for the six months ended 30 June 2016 to RMB330 million for the six months ended 30 June 2017, primarily due to the increase in profit before taxation, expenses incurred by subsidiaries not yet profitable and by offshore companies, which are not deductible for enterprise income tax in China.

Liquidity and capital resources

We have historically met our working capital and other capital requirements principally from equity provided by the Shareholders, cash generated from operations, cash at bank and on hand, short-term and long-term borrowings from banks and other financial institutions and debt securities.

As at 30 June 2017, the total assets of our Group was approximately RMB19,565 million, representing an increase of RMB342 million from 31 December 2016. The cash at bank and on hand was RMB1,452 million, representing an increase of RMB715 million compared to the amount as at 31 December 2016. The current ratio of our Group was 56.3%. The gearing ratio of our Group calculated as total liabilities divided by total assets was 62.9%.

管理費用

我們的管理費用主要包括聘用和保持我們總部和生產工廠的管理和行政人員，差旅及應酬費用，外部諮詢費用，應收賬款的減值損失。管理費用由截至2016年6月30日止6個月的人民幣163百萬元增加人民幣185百萬元至2017年6月30日止6個月的人民幣348百萬元人民幣，主要是由於期間發生了人民幣82百萬元的收購相關諮詢服務費及人民幣61百萬元的股份計劃費用詳情在未經審核中期財務報告附註18(b)中披露。

所得稅費用

所得稅費用由截至2016年6月30日止6個月期間的人民幣250百萬元增加32.0%至截至2017年6月30日止6個月期間的人民幣330百萬元，主要是由於除稅前利潤增加、尚未產生利潤的子公司及海外公司的支出無法抵扣國內的企業所得稅所致。

流動資金及資本資源

我們過往主要以股東提供的股本、營運提供的現金、銀行存款及現金及來自銀行及其他財務機構的短期及長期借款及債務證券滿足我們的營運資金及其他資本需求。

於2017年6月30日，本集團總資產約為人民幣19,565百萬元，比2016年12月31日的總資產增加人民幣342百萬元。銀行及手頭現金為人民幣1,452百萬元，比2016年12月31日增加人民幣715百萬元；本集團流動比率為56.3%。本集團按總負債除以總資產計算的槓桿比率為62.9%。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Financial resource

Borrowings

		At 30 June	At 31 December
		於6月30日	於12月31日
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term borrowings	短期借款	1,078,415	1,511,456
Current portion of long-term borrowings	長期借款的即期部分	4,118,194	2,367,313
		5,196,609	3,878,769
Long-term portion of long-term borrowings	長期借款的長期部分	3,607,337	6,505,224
		8,803,946	10,383,993

As at 30 June 2017, the carrying value of assets secured for borrowings was RMB2,636 million (31 December 2016: RMB3,545 million).

Capital Expenditures

Capital expenditures principally comprise expenditures for the construction of new production facilities and purchase of property, plant and equipment and other investments. The net capital expenditure for the six months ended 30 June 2017 was RMB300 million, principally comprising expenditures for the construction of new production facilities, purchase of property, plant and equipment, which were financed by a combination of our internal cash flows and bank borrowings.

Foreign Exchange

At 30 June 2017, our Group held the capped forward contract with the bank to hedge against RMB/USD currency risk, in the principal amount of USD200 million. In view of the potential Renminbi exchange rate fluctuations, our Group will consider arranging for proper financial instruments at appropriate time to avoid the corresponding risks.

Pledge of Assets

Details of the pledge of assets of our Group are set out in note 14(d) to the unaudited interim financial report.

財務資源

借款

		At 30 June	At 31 December
		於6月30日	於12月31日
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Short-term borrowings	短期借款	1,078,415	1,511,456
Current portion of long-term borrowings	長期借款的即期部分	4,118,194	2,367,313
		5,196,609	3,878,769
Long-term portion of long-term borrowings	長期借款的長期部分	3,607,337	6,505,224
		8,803,946	10,383,993

於2017年6月30日，就借款抵押的資產賬面價值為人民幣2,636百萬元(2016年12月31日：人民幣3,545百萬元)。

資本開支

資本開支主要包括興建新生產設施、購買物業、廠房及設備及其他投資的支出。截至2017年6月30日止6個月期間的淨資本開支總額為人民幣300百萬元，主要包括建設新生產設施、購買物業、廠房及設備的支出，以內部現金流及銀行借款支付。

外匯

於2017年6月30日，本集團持有與銀行訂立的加蓋遠期合約，以對沖人民幣兌美元的貨幣風險，本金金額為200百萬美元。鑑於人民幣匯率的潛在波動，本集團會考慮適時安排適當的金融工具以避免相應風險。

抵押資產

本集團之抵押資產詳情載於未經審核中期財務報告附註14(d)。

Management Discussion and Analysis (continued)

管理層討論及分析(續)

Commitments

Details of the commitments of our Group are set out in note 21 to the unaudited interim financial report.

HUMAN RESOURCES

The expertise and passion of our staff are the principal factors for the success of our Group. As our staff are our important assets, our Group values the efforts made by each of them and provides them with a comfortable and safe working environment to ensure their excellent performance. We review the performance of our staff annually, the result of which will be considered in reviewing the salary, bonus and other incentives of our staff.

As at 30 June 2017, our Group had 2,474 employees, representing a decrease of 11 as compared with the corresponding period last year.

EXCELLENT MANAGEMENT

The senior management and all levels of technicians of our Group have professional backgrounds, skills and international vision, as well as extensive experience in the management of the industrial gas industry. Our Group also provides position-related training and industrial safety knowledge for our staff, in order to provide customers with the best gas supply management and professional services.

INTERIM DIVIDEND

The Board has not recommended the payment of an interim dividend for the six months ended 30 June 2017 (six months ended 30 June 2016: RMB0.139 per share).

FUTURE OUTLOOK

Our Group remains confident in future market performance. Our Group will closely follow the market trend, seize market opportunities and attract more quality customers. While maintaining the on-site gas supply business, our Group will adopt a more aggressive strategy in securing customers in the merchant market so as to bring greater returns to the Shareholders.

承擔

本集團之承擔詳情載於未經審核中期財務報告附註21。

人力資源

本集團能夠維持良好的運作，有賴每位員工專業的技術及熱誠。員工是本集團重要的資產，本集團十分重視每位員工在工作上的付出，並為他們提供優良及安全的工作環境，務求能保證其最佳表現。本公司每年評核員工表現，並按此釐定員工的薪金、紅利及其他獎勵。

於2017年6月30日，本集團僱用2,474名員工，比去年同期減少11名。

優秀管理

本集團的高級管理層及各階層的技術人員均具有專業的背景、技術及國際性視野，並擁有豐富的工業氣體行業管理經驗。本集團亦為員工提供與職位相關的培訓及增強工業安全知識，確保能為客戶提供最佳的氣體供應管理和專業服務。

中期股息

董事會不建議派發截至2017年6月30日止6個月期間的中期股息(截至2016年6月30日止6個月期間：每股人民幣0.139元)。

未來展望

本集團對未來市場表現仍充滿信心，並會緊貼市場步伐及把握市場機會，吸納更多良好的客戶。在維持現場供氣業務的同時，本集團會於零售市場採取積極進取的策略，開拓更多客戶，藉此為股東帶來更大的回報。

REVIEW REPORT TO THE BOARD OF DIRECTORS OF
YINGDE GASES GROUP COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 15 to 57 which comprises the consolidated statement of financial position of Yingde Gases Group Company Limited (the “Company”) as of 30 June 2017 and the related consolidated statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and International Accounting Standard 34, *Interim financial reporting*, issued by the International Accounting Standards Board. The directors are responsible for the preparation and presentation of the interim financial report in accordance with International Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express any audit opinion.

審閱報告

致盈德氣體集團有限公司董事會

(於開曼群島註冊成立的有限公司)

引言

我們已審閱列載於第15頁至第57頁盈德氣體集團有限公司(「貴公司」)的中期財務報告，此中期財務報告包括於2017年6月30日的合併財務狀況表與截至該日止6個月期間的合併利潤及其他綜合收益表、合併權益變動表和簡明合併現金流量表以及附註解釋。根據《香港聯合交易所有限公司證券上市規則》(「上市規則」)，上市公司必須符合上市規則中的相關規定和國際會計準則委員會發佈的《國際會計準則第34號》—「中期財務報告」的規定編製中期財務報告。董事須負責根據《國際會計準則第34號》編製及列報中期財務報告。

我們的責任是根據我們的審閱對中期財務報告作出結論，並按照我們雙方所協議的應聘條款，僅向全體董事會報告。除此以外，我們的報告書不可用作其他用途。我們概不就本報告書的內容，對任何其他人士負責或承擔責任。

審閱範圍

我們已根據香港會計師公會頒佈的《香港審閱工作準則第2410號》—「獨立核數師對中期財務信息的審閱」進行審閱。中期財務報告審閱工作包括主要向負責財務會計事項的人員詢問，並實施分析和其他審閱程序。由於審閱的範圍遠較按照香港核數準則進行審核的範圍為小，所以不能保證我們會注意到在審核中可能會被發現的所有重大事項。因此我們不會發表任何審核意見。

Review Report (continued)

審閱報告(續)

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2017 is not prepared, in all material respects, in accordance with International Accounting Standard 34, *Interim financial reporting*.

結論

根據我們的審閱工作，我們並沒有注意到任何事項，使我們相信於2017年6月30日的中期財務報告在所有重大方面沒有按照《國際會計準則第34號》—「中期財務報告」的規定編製。

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

8 August 2017

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈8樓

2017年8月8日

Consolidated Statement of Profit or Loss and Other Comprehensive Income

合併利潤及其他綜合收益表

for the six months ended 30 June 2017 - unaudited

截至2017年6月30日止6個月期間—未經審核

(Expressed in Renminbi)

(以人民幣列示)

		Six months ended 30 June	
		截至6月30日止6個月期間	
		2017	2016
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
	Note		
	附註		
Revenue	收入	4,761,084	4,139,636
Cost of sales	銷售成本	(3,286,083)	(2,869,317)
Gross profit	毛利	1,475,001	1,270,319
Other income	其他收入	29,775	60,615
Selling expenses	銷售費用	(89,114)	(73,039)
Administrative expenses	管理費用	(347,909)	(163,284)
Profit from operations	經營收益	1,067,753	1,094,611
Finance costs	財務成本	5(a) (181,349)	(443,431)
Share of results of associates and joint ventures	應佔聯營公司及合營公司業績	(10,480)	(17,173)
Profit before taxation	除稅前利潤	875,924	634,007
Income tax	所得稅	6 (330,117)	(249,766)
Profit and total comprehensive income for the period	本期利潤及綜合收益總額	545,807	384,241
Attributable to:	以下各方應佔：		
Equity shareholders of the Company	本公司權益持有人	535,831	386,955
Non-controlling interests	非控股股東權益	9,976	(2,714)
Profit and total comprehensive income for the period	本期利潤及綜合收益總額	545,807	384,241
Earnings per share (RMB cents)	每股盈利(人民幣分)	7	
Basic	基本	29.1	21.6
Diluted	攤薄	29.1	21.6

The notes on pages 23 to 57 form part of this interim financial report. Details of dividends payable to equity shareholders of the Company are set out in Note 17(a).

第23頁至第57頁的附註為本中期財務報告的組成部分。應付予本公司股東的股息詳情載於附註17(a)。

Consolidated Statement of Financial Position

合併財務狀況表

at 30 June 2017 - unaudited

於2017年6月30日－未經審核

(Expressed in Renminbi)

(以人民幣列示)

			At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
		Note 附註		
Non-current assets	非流動資產			
Property, plant and equipment, net	物業、廠房及設備，淨額	8	10,106,103	10,632,823
Construction in progress	在建工程	8	2,342,703	2,085,920
Lease prepayments	租賃預付款項	9	402,687	407,286
Intangible assets	無形資產		37,424	40,964
Receivables under finance leases	應收融資租賃款		9,077	9,628
Interest in associates and joint ventures	於聯營公司及合營公司的權益	10	424,007	433,435
Other non-current assets	其他非流動資產	11	1,322,605	1,273,515
Deferred tax assets	遞延稅項資產		164,354	138,509
Total non-current assets	非流動資產總額		14,808,960	15,022,080
Current assets	流動資產			
Inventories	存貨		104,413	108,443
Trade and other receivables	應收賬款及其他應收款項	12	2,446,123	2,049,518
Receivables under finance leases	應收融資租賃款		2,117	2,117
Income tax recoverable	可收回所得稅		9,521	5,209
Other financial assets	其他金融資產		21,205	68,587
Pledged bank deposits	已抵押銀行存款		721,079	1,229,769
Cash and cash equivalents	現金及現金等價物	13	1,451,860	736,855
Total current assets	流動資產總額		4,756,318	4,200,498

The notes on pages 23 to 57 form part of this interim financial report.

第23頁至第57頁的附註為本中期財務報告的組成部分。

Consolidated Statement of Financial Position (continued)

合併財務狀況表(續)

at 30 June 2017 - unaudited

於2017年6月30日－未經審核

(Expressed in Renminbi)

(以人民幣列示)

			At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
		Note 附註		
Current liabilities	流動負債			
Borrowings	借款	14	5,196,609	3,878,769
Trade and other payables	應付賬款及其他應付款項	15	2,122,814	1,849,207
Amounts due to a controlling shareholder	應付控股股東款項	20(b)	689,406	–
Obligations under finance leases	融資租賃負債		160,547	223,674
Income tax payable	應付所得稅		282,778	242,300
Total current liabilities	流動負債總額		8,452,154	6,193,950
Net current liabilities	流動負債淨額		(3,695,836)	(1,993,452)
Total assets less current liabilities	資產總額減流動負債		11,113,124	13,028,628
Non-current liabilities	非流動負債			
Borrowings	借款	14	3,607,337	6,505,224
Obligations under finance leases	融資租賃負債		70,302	115,892
Other non-current liabilities	其他非流動負債	16	52,245	56,777
Deferred tax liabilities	遞延稅項負債		133,054	101,962
Total non-current liabilities	非流動負債總額		3,862,938	6,779,855
Net assets	資產淨額		7,250,186	6,248,773

The notes on pages 23 to 57 form part of this interim financial report.

第23頁至第57頁的附註為本中期財務報告的組成部分。

Consolidated Statement of Financial Position (Continued)

合併財務狀況表(續)

at 30 June 2017 - unaudited
 於2017年6月30日—未經審核
 (Expressed in Renminbi)
 (以人民幣列示)

			At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
		Note 附註		
Capital and reserves	資本及儲備			
Share capital	股本	17(b)	13	12
Reserves	儲備		7,074,856	6,083,420
Total equity attributable to equity shareholders of the Company	本公司權益持有人應佔權益總額		7,074,869	6,083,432
Non-controlling interests	非控股股東權益		175,317	165,341
Total equity	權益總額		7,250,186	6,248,773

Approved and authorised for issue by the board of directors on 8 August 2017.

董事會於2017年8月8日批准及授權刊發。

Qiu Zhongwei
 邱中偉
 Director
 董事

Wong Tak-Wai
 黃德煒
 Director
 董事

The notes on pages 23 to 57 form part of this interim financial report.

第23頁至第57頁的附註為本中期財務報告的組成部分。

Consolidated Statement of Changes in Equity

合併權益變動表

for the six months ended 30 June 2017 - unaudited

截至2017年6月30日止6個月期間－未經審核

(Expressed in Renminbi)

(以人民幣列示)

		Attributable to equity shareholders of the Company					Non-controlling		
		本公司權益持有人應佔					非控股		
		Share capital	Share premium	Statutory reserve	Other reserve	Retained earnings	Total	interests	Total equity
		股本	股份溢價	法定儲備	其他儲備	保留盈利	總計	股東權益	權益總額
Note		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
附註		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2016	於2016年1月1日	12	2,919,808	885,422	(334,993)	3,237,415	6,707,664	170,928	6,878,592
Changes in equity for the six months ended 30 June 2016:	截至2016年6月30日止6個月期間權益變動：								
Profit and total comprehensive income for the period	本期利潤及綜合收益總額	–	–	–	–	386,955	386,955	(2,714)	384,241
Effect on share schemes	股份計劃影響	–	–	–	4,869	–	4,869	–	4,869
Dividends approved in respect of the previous year	有關上年度的已宣派股息	17(a)	–	–	–	(264,680)	(264,680)	–	(264,680)
Balance at 30 June 2016	於2016年6月30日	12	2,919,808	885,422	(330,124)	3,359,690	6,834,808	168,214	7,003,022
Changes in equity for the six months ended 31 December 2016:	截至2016年12月31日止6個月期間權益變動：								
Loss and total comprehensive income for the period	本期虧損及綜合收益總額	–	–	–	–	(529,544)	(529,544)	(2,873)	(532,417)
Effect on share schemes	股份計劃影響	–	–	–	40,958	–	40,958	–	40,958
Appropriations	轉撥	–	–	142,953	–	(142,953)	–	–	–
Interim dividends approved in respect of the current interim period	有關本年度中期的已宣派中期股息	17(a)	–	–	–	(262,790)	(262,790)	–	(262,790)
Balance at 31 December 2016	於2016年12月31日	12	2,919,808	1,028,375	(289,166)	2,424,403	6,083,432	165,341	6,248,773

The notes on pages 23 to 57 form part of this interim financial report.

第23頁至第57頁的附註為本中期財務報告的組成部分。

Consolidated Statement of Changes in Equity (continued)

合併權益變動表(續)

for the six months ended 30 June 2017 - unaudited

截至2017年6月30日止6個月期間－未經審核

(Expressed in Renminbi)

(以人民幣列示)

		Attributable to equity shareholders of the Company 本公司權益持有人應佔					Non-controlling interests 非控股股東權益		Total equity 權益總額
		Share capital 股本	Share premium 股份溢價	Statutory reserve 法定儲備	Other reserve 其他儲備	Retained earnings 保留盈利	Total 總計	Non-controlling interests 非控股股東權益	Total equity 權益總額
Note 附註		RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元	RMB' 000 人民幣千元
	Balance at 1 January 2017 於2017年1月1日	12	2,919,808	1,028,375	(289,166)	2,424,403	6,083,432	165,341	6,248,773
	Changes in equity for the six months ended 30 June 2017: 截至2017年6月30日 止6個月期間 權益變動:								
	Profit and total comprehensive income for the period 本期利潤及綜合 收益總額	-	-	-	-	535,831	535,831	9,976	545,807
	Effect on share schemes 股份計劃影響	1	527,344	-	(71,739)	-	455,606	-	455,606
	Balance at 30 June 2017 於2017年6月30日	13	3,447,152	1,028,375	(360,905)	2,960,234	7,074,869	175,317	7,250,186

The notes on pages 23 to 57 form part of this interim financial report.

第23頁至第57頁的附註為本中期財務報告的組成部分。

Condensed Consolidated Cash Flow Statement

簡明合併現金流量表

for the six months ended 30 June 2017 - unaudited

截至2017年6月30日止6個月期間－未經審核

(Expressed in Renminbi)

(以人民幣列示)

		Six months ended 30 June	
		截至6月30日止6個月期間	
		2017	2016
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
	Note		
	附註		
Operating activities	經營活動		
Profit before taxation	除稅前利潤	875,924	634,007
Adjustments for:	調整項目：		
Depreciation	折舊	486,460	418,208
Amortisation	攤銷	8,139	8,130
Finance income	財務收入	(14,255)	(5,659)
Finance costs	財務成本	181,349	443,431
Net gain on disposal of property, plant and equipment	出售物業、廠房、設備的收益淨額	(1,318)	(2,443)
Share of results of associates and joint ventures	應佔聯營公司及合營公司業績	10,480	17,173
Expenses of the Share Allotment Scheme	股份配發計劃費用	60,872	4,869
Decrease/(increase) in inventories	存貨增加／(減少)	4,030	(26,456)
Increase in trade debtors and other receivables	應收賬款及其他應收款項增加	(183,327)	(391,937)
(Increase)/decrease in bills receivable	應收票據(增加)／減少	(302,269)	237,870
Increase in trade and other payables	應付賬款及其他應付款項增加	99,412	139,554
Cash generated from operations	經營活動所得的現金流量	1,225,497	1,476,747
Interest received	已收利息	14,518	5,481
Interest paid	已付利息	(317,643)	(279,601)
Income tax paid	已付所得稅	(288,704)	(221,799)
Net cash generated from operating activities	經營活動所得的現金淨額	633,668	980,828

The notes on pages 23 to 57 form part of this interim financial report.

第23頁至第57頁的附註為本中期財務報告的組成部分。

Condensed Consolidated Cash Flow Statement (continued)

簡明合併現金流量表(續)

for the six months ended 30 June 2017 - unaudited

截至2017年6月30日止6個月期間－未經審核

(Expressed in Renminbi)

(以人民幣列示)

		Six months ended 30 June 截至6月30日止6個月期間	
		2017	2016
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Note			
附註			
Investing activities	投資活動		
Capital expenditure	資本開支	(300,365)	(243,952)
Pledged bank deposits related to purchase of property, plant and equipment	購買物業、廠房及設備相關的已抵押銀行存款	(170,045)	(41,118)
Other cash flows arising from investing activities	投資活動產生的其他現金流量	22,752	16,935
Net cash used in investing activities	投資活動所用的現金淨額	(447,658)	(268,135)
Financing activities	融資活動		
Proceeds from borrowings	借款所得款項	858,349	1,012,260
Repayment of borrowings	償還借款	(1,287,809)	(508,656)
Payment of obligations under finance leases	償還融資租賃負債支付款項	(114,314)	(97,419)
Dividend paid to equity shareholders of the Company	支付給本公司股東的股息	–	(264,680)
Payment for repurchase of senior notes	回購優先票據支付款項	–	(207,481)
Pledged bank deposits used for borrowings	用於借款的已抵押銀行存款	–	(278,735)
Pledged bank deposits released upon repayment of borrowings	借款償還後釋放的已抵押銀行存款	678,735	–
Proceeds from sale of shares under the Share Allotment Scheme	出售股份配發計劃股份所得款項	394,734	–
Net cash generated from/(used in) financing activities	融資活動所得/(所用)的現金淨額	529,695	(344,711)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	715,705	367,982
Cash and cash equivalents as at 1 January	於1月1日現金及現金等價物	736,855	678,450
Effect of foreign exchange rate changes	外匯匯率變動的影響	(700)	3,151
Cash and cash equivalents as at 30 June	於6月30日現金及現金等價物	1,451,860	1,049,583

The notes on pages 23 to 57 form part of this interim financial report.

第23頁至第57頁的附註為本中期財務報告的組成部分。

Notes to the Unaudited Interim Financial Report

未經審核中期財務報告附註

(Expressed in Renminbi)

(以人民幣列示)

I CORPORATE INFORMATION

Yingde Gases Group Company Limited (the “Company”) was incorporated in the Cayman Islands on 25 September 2007 as an exempted company with limited liability under the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company and its subsidiaries (the “Group”) are principally engaged in the production and sales of industrial gases in the People’s Republic of China (the “PRC”). The Company’s shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 8 October 2009.

On 7 March 2017, the Company received offers from PAGAC II-2 Limited (“PAG” and “PAG offers”) to be made through UBS AG, Hong Kong Branch to acquire all issued shares of the Company at the price of HKD 6 per share in cash and to cancel all outstanding share options of the Company at a cancellation price of HKD 6 less the exercise price in respect of the relevant option in cash. As refer to the announcement dated 4 May 2017, PAG and its concert parties held an aggregate of approximately 98.11% of the issued share capital and voting rights of the Company. PAG is the controlling shareholder of the Company.

2 BASIS OF PREPARATION

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with International Accounting Standard (IAS) 34, *Interim financial reporting*, issued by the International Accounting Standards Board (IASB). It was authorised for issue on 8 August 2017.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2016 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2017 annual financial statements. Details of any changes in accounting policies are set out in Note 3.

I 公司資料

盈德氣體集團有限公司(「本公司」)於2007年9月25日根據開曼群島法例第22章(經綜合及修訂的1961年第三號法例)公司法在開曼群島註冊成立為豁免有限責任公司。本公司及其附屬公司(以下統稱為「本集團」)主要在中華人民共和國(「中國」)從事工業氣體生產及銷售。本公司股份已於2009年10月8日在香港聯合交易所有限公司主板上市。

本公司於2017年3月7日自太盟亞洲資本II-2有限公司(「太盟」)接獲通過瑞士銀行香港分行作出的要約(「太盟要約」)，以按太盟發售價每股股份6港元以現金收購本公司的全部已發行股份並按6港元減相關尚未行使的購股權行使價的注銷價以現金注銷本公司購股權計劃項下的所有尚未行使的購股權。根據2017年5月4日的公告，太盟及其一致行動人持有本公司合計約98.11%的已發行股本及表決權。太盟成為本公司的控股股東。

2 編製基準

本中期財務報告是根據《香港聯合交易所有限公司證券上市規則》適用的披露規定，並符合國際會計準則理事會發佈的《國際會計準則第34號》—「*中期財務報告*」的規定編製。本中期財務報告於2017年8月8日獲授權刊發。

中期財務報告是根據與2016年年度財務報表相同的會計政策編製，而預計將於2017年年度財務報表中反映的會計政策變動除外。該等會計政策的變動詳情載於附註3。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

2 BASIS OF PREPARATION (continued)

In determining the appropriate basis of preparation of financial statements, the directors are required to consider whether the Group can continue in operational existence for the foreseeable future.

The liquidity of the Group is primarily dependent on its ability to maintain adequate cash flow from operations to meet its debt obligations as they fall due, and its ability to obtain adequate external financing to meet its committed future capital expenditures.

At 30 June 2017, the Group had cash at bank and on hand of RMB1,451,860,000; the Group also had net current liabilities of RMB3,695,836,000 and total borrowings of RMB8,803,946,000. The Group regularly monitors current and expected liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirement in the short and longer term.

The directors have reviewed the current performance and cashflow projections as part of their assessment of the Group's going concern, and after carefully considering the matters described above, the directors have a reasonable expectation that the Group is able to continue as a going concern for at least next twelve months from the end of the reporting period and to meet its obligations, as and when they fall due, having regard to the following:

- (i) the Group generated net cash from operating activities of approximately RMB634 million during the six month period ended 30 June 2017 and expects to continue to improve its working capital management and generate positive operating cash flows for the next twelve months;

2 編製基準(續)

確定財務報表的編製基礎時，董事需要考慮本集團是否能夠在可預期的未來運營存續。

本集團的流動資金狀況主要取決於本集團維持足夠營運現金淨流入以應付償還到期債務之能力及本集團取得足夠外部融資以應付未來已承擔的資本性開支能力。

於2017年6月30日，本集團持有的銀行存款及手頭現金為人民幣1,451,860,000元；同時，本集團的流動負債淨額為人民幣3,695,836,000元，借款總額為人民幣8,803,946,000元。本集團定期監督現時和預期的流動資金需求，確保符合借款契約的規定，並確保本集團維持足夠的現金儲備以及從主要金融機構取得充足的承諾貸款額，以應付其短期及長期流動資金需求。

董事在持續經營評估過程中審閱了現時表現和現金流預測，並對上述事項認真考慮後，董事合理預期本集團有能力於報告期末起未來至少12個月內繼續持續經營並於債務到期時履行償債義務，原因如下：

- (i) 於截至2017年6月30日止6個月期間，本集團經營活動產生的淨現金流量約為人民幣634百萬元，預期會持續改善營運資金管理，於未來十二個月內產生正的經營活動現金流量；

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

2 BASIS OF PREPARATION (continued)

- (ii) at 30 June 2017, the Group has available unutilised bank facilities of RMB1,307 million and bank acceptance bills of RMB677 million which can be discounted for cash at any time, if necessary;
- (iii) the Group has the ability to renew or refinance the banking facilities upon maturity;
- (iv) the Company is currently in discussion with certain banks for refinancing loans for repayment of its outstanding borrowings, including its Senior Notes I (refer to Note 14(e)) with outstanding balance of USD391 million due in April 2018;
- (v) the Group has short-term borrowings of RMB689,406,000 from PAG as at 30 June 2017 (refer to Note 20(b)), PAG will not call for repayment of the amounts due to PAG if such a repayment would cause the Group to be unable to settle its liabilities to other parties when they fall due during the 12 month period from 30 June 2017; and
- (vi) PAG will continue to assist the Company to optimise its capital structure to ensure adequate liquidity in the context of the Company's business activities, and to assist the Company to obtain necessary financing, if necessary.

2 編製基準(續)

- (ii) 於2017年6月30日，本集團尚有未使用銀行授信額度人民幣1,307百萬元及可隨時貼現的銀承票據人民幣677百萬元；
- (iii) 本集團有能力在銀行授信額度到期時續期或再融資；
- (iv) 本公司目前與若干銀行討論其償還借款再融資，包括將於2018年4月到期的金額為391百萬美元的優先票據I(見附註14(e))；
- (v) 於2017年6月30日，集團自太盟借入短期借款人民幣689,406,000元(見附註20(b))，太盟將不會在可能導致本公司無法償還其他債權人自2017年6月30日起12個月內到期債務的情況下要求本公司償還應付太盟的借款；及
- (vi) 太盟將協助本公司覆核現有的資金計劃是否到位，優化其資本結構以確保本公司在業務活動範圍內有足夠的流動性，以及協助本公司獲得必要的融資。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

2 BASIS OF PREPARATION (continued)

Consequently, the directors have concluded that the Company and the Group have the ability to continue as a going concern. Accordingly, the financial statements have been prepared on a basis that the Group will be able to continue as a going concern.

The preparation of an interim financial report in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

The interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2016 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with International Financial Reporting Standards (IFRSs).

The interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. KPMG's independent review report to the Board of Directors is included on page 13 and 14.

3 CHANGES IN ACCOUNTING POLICIES

The IASB has issued several amendments to IFRSs that are first effective for the current accounting period of the Group. None of these developments has had a material effect on how the group's results and financial position for the current or prior periods have been prepared or presented in this interim financial report.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 編製基準(續)

因而，董事認定本公司及本集團有能力持續經營。相應地，本財務報表以本集團將能夠持續經營之基礎而編製。

管理層需在編製符合《國際會計準則第34號》的中期財務報告時作出判斷、估計和假設。這些判斷、估計和假設會影響會計政策的應用和迄今為止資產與負債和收入與支出的匯報數額。實際結果可能有別於該估計。

本中期財務報告載有簡明合併財務報表及節選附註。這些附註載有有助於了解於本集團自2016年年度財務報表以來財務狀況和業績方面的事項和交易的詳情。本中期簡明合併財務報表和其中所載的附註並未載有根據《國際財務報告準則》的要求編製完整財務報表所需的一切資料。

本中期財務報告未經審核，但已由畢馬威會計師事務所按照香港會計師公會頒佈的《香港審閱工作準則第2410號》—「獨立核數師對中期財務信息的審閱」進行了審閱。畢馬威會計師事務所致董事會的獨立審閱報告載於第13頁及第14頁。

3 會計政策變更

國際會計準則理事會頒佈了多項對《國際財務報告準則》的修訂，並於本集團當前會計期間開始生效。上述變更對本集團本期間及所列示的以前期間的經營成果及財務狀況不存在重大影響。

本集團並未採用任何於當前會計期間未生效的新訂會計準則或詮釋。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

4 SEGMENT REPORTING

The Group is principally engaged in the production and sales of industrial gases in the PRC. Although the industrial gases are sold to on-site and merchant customers, the Group's most senior executive management regularly review their consolidated financial information to assess the performance and make resource allocation decisions. Accordingly, no segment information is presented.

5 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

4 分部報告

本集團主要於中國境內從事生產和銷售工業氣體。雖然工業氣體分別銷售給現場供氣客戶和零售客戶，但本集團的最高行政管理層定期審閱其合併財務信息以進行表現評價和作出資源分配決策。因此，並無分部資料呈列。

5 除稅前利潤

除稅前利潤已扣除/(計入)：

		Six months ended 30 June	
		截至6月30日止6個月期間	
		2017	2016
		RMB'000	RMB'000
		人民幣千元	人民幣千元
(a) Finance costs:	(a) 財務成本：		
Interest on borrowings	借款利息	351,020	321,169
Finance charges on obligations under finance leases	融資租賃負債的融資費用	5,597	10,694
Total interest expenses	利息支出總計	356,617	331,863
Less: interest expense capitalised	減：資本化利息支出	(28,865)	(42,168)
		327,752	289,695
Net foreign exchange (gain)/loss	匯兌淨(收益)/損失	(146,403)	153,736
Total finance costs	財務成本	181,349	443,431
Interest expenses have been capitalised at the following rates:	借款成本按以下利率資本化：		
Capitalised interest rate (per annum)	資本化利率(每年)	4.35%-8.2%	2.1% - 8.1%

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

5 PROFIT BEFORE TAXATION (continued)

Profit before taxation is arrived at after charging/(crediting) (continued):

5 除稅前利潤(續)

除稅前利潤已扣除/(計入)(續)：

	Note 附註	Six months ended 30 June 截至6月30日止6個月期間	
		2017 RMB' 000 人民幣千元	2016 RMB' 000 人民幣千元
(b) Other items:	(b) 其他項目：		
Utilities	公用費用		
– Electricity	– 電費	2,167,044	1,938,952
– Steam	– 蒸汽	427,508	300,831
Depreciation	折舊	486,460	418,208
Amortisation	攤銷		
– Land lease premium	– 租賃預付款項	4,599	4,598
– Intangible assets	– 無形資產	3,540	3,532
Staff costs	員工成本	150,955	129,185
Expenses of the Share Allotment Scheme	股份計劃費用	60,872	4,869
Legal and professional fees	法律及專業服務費	111,344	14,151
Net gain on disposal of property, plant and equipment	出售物業、廠房及設備 的收益淨額	(1,318)	(2,443)
Impairment losses recognised on	計提下列項目的減值虧損		
– Trade and other receivables	– 應收賬款及其他 應收款項	11,891	11,192
Gains on repurchase of senior notes	優先票據回購收益淨額	–	(36,470)

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

6 INCOME TAX

6 所得稅

		Six months ended 30 June	
		截至6月30日止6個月期間	
		2017	2016
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Provision for PRC income tax during the period	本期中國所得稅	324,870	235,244
Deferred tax	遞延稅項	5,247	14,522
		330,117	249,766

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

No provision has been made for Hong Kong profits tax as the Group did not earn any income which is subject to Hong Kong profits tax during the current and prior periods.

The provision for current PRC income tax is based on a statutory rate of 25% (six months ended 30 June 2016: 25%) of the assessable profit as determined in accordance with the relevant income tax rules and regulations of the PRC, except for certain subsidiaries of the Group, which is subject to a preferential tax rate of 15% for their operations located in the western developing region of the PRC.

根據開曼群島及英屬處女群島的規則及規定，本集團無需支付任何開曼群島及英屬處女群島的所得稅。

本集團於本期及以前期間並無於香港產生或源自香港的應課稅收入，故毋須繳納香港利得稅。

根據中國所得稅相關規則及規定，當期中國所得稅是按應課稅利潤的25%(截至2016年6月30日止6個月期間：25%)法定稅率計算。本集團若干位於中國西部大開發地區的附屬公司享受15%的優惠稅率。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

7 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of RMB535,831,000 (six months ended 30 June 2016: RMB386,955,000) and the weighted average of 1,838,830,406 ordinary shares (2016: 1,793,173,500 shares) in issue during the interim period.

(b) Diluted earnings per share

The amount of diluted earnings per share is the same as basic earnings per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2017 and 30 June 2016.

7 每股盈利

(a) 每股基本盈利

每股基本盈利是按本公司普通股權益持有人應佔利潤人民幣535,831,000元(截至2016年6月30日止6個月期間：人民幣386,955,000元)，以及加權平均普通股1,838,830,406股(2016年：1,793,173,500股)計算。

(b) 每股攤薄盈利

由於本公司在本期沒有潛在攤薄普通股，截至2017年6月30日止6個月期間與截至2016年6月30日止6個月期間每股攤薄盈利與每股基本盈利是相同的。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

8 PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS

During the six months ended 30 June 2017, the additions of property, plant and equipment of the Group amounted to RMB26,437,000 (six months ended 30 June 2016: RMB36,086,000). Items of property, plant and equipment with net book value of RMB16,126,000 were disposed of during the six months ended 30 June 2017 (six months ended 30 June 2016: RMB5,400,000).

During the six months ended 30 June 2017, the additions of construction in progress of the Group amounted to RMB210,925,000 (six months ended 30 June 2016: RMB412,459,000).

The Group has entered into long-term gas supply agreements with certain customers for periods up to 30 years. Certain of the Group's buildings are located on land leased from these customers. Accordingly, building ownership certificate is not obtained in respect of such buildings. The carrying amount of such buildings amounted to RMB453,340,000 at 30 June 2017 (31 December 2016: RMB487,906,000).

As at 30 June 2017, the Group was in the process of applying for the ownership certificate for certain buildings with an aggregate net book value amounted to RMB128,309,000 (31 December 2016: RMB139,432,000). The directors of the Company are of the opinion that the Group is entitled to lawfully and validly occupy and use of the above mentioned buildings.

Certain of the Group's leased plant and machinery and construction in progress are considered as being held under finance leases. Net book value of plant and machinery held under finance leases as at 30 June 2017 were RMB1,103,139,000 (31 December 2016: RMB1,167,968,000).

8 物業、廠房及設備及在建工程

截至2017年6月30日止6個月期間，本集團新增物業、廠房及設備為人民幣26,437,000元(截至2016年6月30日止6個月期間：人民幣36,086,000元)。截至2017年6月30日止6個月期間，賬面淨值為人民幣16,126,000元的物業、廠房及設備已作處置(截至2016年6月30日止6個月期間：人民幣5,400,000元)。

截至2017年6月30日止6個月期間，本集團新增在建工程為人民幣210,925,000元(截至2016年6月30日止6個月期間：人民幣412,459,000元)。

本集團與若干客戶簽訂長期氣體供應協議，最長期限為30年。本集團若干房屋位於向這些客戶租入的土地上。因此，上述房屋尚未取得房屋所有權證。於2017年6月30日，上述房屋賬面價值為人民幣453,340,000元(2016年12月31日：人民幣487,906,000元)。

於2017年6月30日，本集團正在辦理房屋所有權證的若干房屋的賬面淨值總計為人民幣128,309,000元(2016年12月31日：人民幣139,432,000元)。本公司董事認為，本集團有權合法及有效佔用及使用以上所述房屋。

本集團承租的若干廠房、機器及在建工程被視為以融資租賃方式持有。於2017年6月30日，以融資租賃方式持有的廠房、機器的賬面淨值分別為人民幣1,103,139,000元(2016年12月31日：人民幣1,167,968,000元)。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

8 PROPERTY, PLANT AND EQUIPMENT AND CONSTRUCTION IN PROGRESS (continued)

Certain production facilities of the Group were occupied and controlled by its on-site customer without the Group's consent. As at 30 June 2017, the net book value of the property, plant and equipment being occupied amounted to RMB36,327,000 (31 December 2016: RMB36,515,000). In July 2017, none of the property, plant and equipment was returned to the Group. The Group does not expect there will be any material impact on the Group's financial statements.

9 LEASE PREPAYMENTS

Lease prepayments comprise interests in leasehold land held for own use under operating leases located in the mainland China and Hong Kong with the carrying amount of RMB402,687,000 as at 30 June 2017 (31 December 2016: RMB407,286,000).

10 INTEREST IN ASSOCIATES AND JOINT VENTURES

8 物業、廠房及設備及在建工程(續)

本集團部分生產設施在未經本集團同意的情況下被其現場供氣客戶佔有並控制。於2017年6月30日，被佔有物業、廠房及設備的賬面淨值為人民幣36,327,000元(2016年12月31日：人民幣36,515,000元)。於2017年7月，未有被佔有的物業、廠房及設備交還本集團，本集團預計該糾紛不會對集團財務報表產生重大不利影響。

9 租賃預付款項

於2017年6月30日，租賃預付款項包括經營租賃項下持作自用的在中國大陸及香港租賃土地權益，賬面價值為人民幣402,687,000元(2016年12月31日：人民幣407,286,000元)。

10 於聯營公司及合營公司的權益

	At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Share of net assets	應佔淨資產 424,007	433,435

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

10 INTEREST IN ASSOCIATES AND JOINT VENTURES (continued)

The following list contains the particulars of associates and joint ventures, all of which are unlisted incorporated enterprises and established in the PRC:

10 於聯營公司及合營公司的權益(續)

本集團聯營公司及合營公司均為在中國成立的非上市公司，詳情呈列如下：

Name of associates and joint ventures 聯營公司、合營公司名稱	Place of incorporation and operation 成立及 業務地點	Particulars of issued and paid up capital 已發行和繳足 資本詳情	The Group's effective interest 本集團 有效權益	Principal activities 主要業務
Anyang Zhongying Fertilizer Co., Ltd.	PRC	RMB490,000,000	38.98%	Production and sales of chemical products
安陽中盈化肥有限公司	中國	人民幣 490,000,000 元	38.98%	生產及銷售化工產品
Gansu Hongsheng New Energy Co., Ltd.	PRC	RMB25,000,000	45%	Under construction of chemical plant
甘肅宏昇新能源有限公司	中國	人民幣 25,000,000 元	45%	在建化工廠
China National Air Separation Engineering Co., Ltd.	PRC	RMB50,000,000	30%	Manufacturing and sales of air separation equipment
中國空分工程有限公司	中國	人民幣 50,000,000 元	30%	空分設備的製造和銷售
Hangzhou Teying Energy Technology Development Co., Ltd.	PRC	RMB10,000,000	34%	Equipment trading and technical service
杭州特盈能源技術發展有限公司	中國	人民幣 10,000,000 元	34%	設備貿易和技術服務
Shandong Bositeng Chunye Co., Ltd.	PRC	USD47,025,000	40%	Under construction of chemical plant
山東博斯騰醇業有限公司	中國	47,025,000 美元	40%	在建化工廠
Cangzhou Xuyang Chemical Co., Ltd.	PRC	USD107,985,000	10%	Production and sales of chemical products
滄州旭陽化工有限公司	中國	107,985,000 美元	10%	生產及銷售化工產品
Jiujiang Sinopec Yingde Gases Co., Ltd.	PRC	RMB142,857,000	35%	Production and sales of industrial gases
九江石化盈德氣體有限公司	中國	人民幣 142,857,000 元	35%	生產及銷售工業氣體

All of the above associates and joint ventures are accounted for using the equity method in the consolidated financial statements.

上述聯營公司及合營公司均按權益法記入合併財務報表。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

II OTHER NON-CURRENT ASSETS

II 其他非流動資產

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Prepayment for property, plant and equipment and property use right	物業、廠房及設備和物業使用權的預付款		
– an associate	– 聯營公司	46,507	46,507
– third parties	– 第三方	533,750	516,586
Value-added tax recoverable	可收回增值稅	199,554	167,445
Other investment in equity securities	其他股本證券投資	174,727	174,727
Gross amounts due from customers for construction contract work	應收客戶建築合約工程總額	345,574	345,574
Others	其他	22,493	22,676
		1,322,605	1,273,515

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

12 TRADE AND OTHER RECEIVABLES

12 應收賬款及其他應收款項

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Trade receivables	應收賬款		
– a joint venture	– 合營公司	4,043	13,384
– an associate	– 聯營公司	371,406	309,759
– a non-controlling shareholder	– 非控股股東	10,600	11,709
– third parties	– 第三方	1,528,163	1,434,762
		1,914,212	1,769,614
Less: Allowance for doubtful debts	減：呆帳準備	(452,499)	(444,530)
		1,461,713	1,325,084
Bills receivable	應收票據	677,189	374,920
Trade debtors and bills receivable	應收賬款及應收票據	2,138,902	1,700,004
Gross amounts due from customers for construction contract work	應收客戶建築合約工程總額	40,916	40,916
Deposits and other receivables	押金及其他應收款項		
– associates	– 聯營公司	25,000	25,000
– third parties	– 第三方	241,305	283,598
Current portion of trade and other receivables	應收賬款及其他應收款項的 即期部分	2,446,123	2,049,518

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

12 TRADE AND OTHER RECEIVABLES (continued)

Included in trade and other receivables are trade debtors and bills receivable (net of allowance for doubtful debts) with the aging analysis as of the end of the reporting period:

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Neither past due nor impaired	既未逾期也不存在減值	1,047,725	795,051
Within 1 month	一個月內	332,678	242,406
1 to 3 months	一個月後但三個月內	140,507	120,117
3 to 6 months	三個月後但六個月內	171,274	102,686
6 to 12 months	六個月後但十二個月內	147,781	336,150
Over 1 year but within 2 years	一年後但兩年內	298,937	103,594
Amounts past due	逾期金額	1,091,177	904,953
Trade debtors and bills receivable, net of allowance for doubtful debts	應收賬款及應收票據 (扣除呆帳準備後)	2,138,902	1,700,004

The credit terms for trade debtors are generally 30 to 45 days. The bills receivable are normally due within 180 days from the date of issuing.

12 應收賬款及其他應收款項(續)

應收賬款及其他應收款項包括以下應收賬款及應收票據(扣除呆帳準備後)，於報告期末賬齡分析呈列如下：

應收賬款信貸期一般為30至45日。應收票據一般自開票日起180日內到期。

13 CASH AND CASH EQUIVALENTS

Cash at bank and on hand

銀行存款及手頭現金

At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
1,451,860	736,855

13 現金及現金等價物

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

14 BORROWINGS

(a) The borrowings comprise:

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Short-term borrowings	短期借款	1,078,415	1,511,456
Current portion of long-term borrowings	長期借款的即期部分	4,118,194	2,367,313
		5,196,609	3,878,769
Non-current portion of long-term borrowings	長期借款的長期部分	3,607,337	6,505,224
		8,803,946	10,383,993

(b) The borrowings were repayable as follows:

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
On demand	按要求償還	42,679	771,668
Within 1 year	一年內	5,153,930	3,107,101
After 1 year but within 2 years	一年後但兩年內	432,879	3,123,645
After 2 years but within 5 years	兩年後但五年內	3,174,458	3,381,579
		8,803,946	10,383,993

14 借款

(a) 借款包括：

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Short-term borrowings	短期借款	1,078,415	1,511,456
Current portion of long-term borrowings	長期借款的即期部分	4,118,194	2,367,313
		5,196,609	3,878,769
Non-current portion of long-term borrowings	長期借款的長期部分	3,607,337	6,505,224
		8,803,946	10,383,993

(b) 借款償還期限如下：

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
On demand	按要求償還	42,679	771,668
Within 1 year	一年內	5,153,930	3,107,101
After 1 year but within 2 years	一年後但兩年內	432,879	3,123,645
After 2 years but within 5 years	兩年後但五年內	3,174,458	3,381,579
		8,803,946	10,383,993

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

14 BORROWINGS (continued)

(c) The borrowings were secured as follows:

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Bank loans	銀行貸款		
– secured	– 有抵押	638,452	755,350
– unsecured	– 無抵押	2,192,193	3,540,125
Other loans	其他貸款		
– unsecured	– 無抵押	–	24,500
Medium-term notes	中期票據		
– unsecured	– 無抵押	879,817	878,588
Senior notes (Note (e))	優先票據(註釋(e))		
– unsecured	– 無抵押	4,131,518	4,225,953
Corporate bonds	公司債券		
– unsecured	– 無抵押	961,966	959,477
		8,803,946	10,383,993

14 借款(續)

(c) 借款抵押情況如下：

(d) The carrying value of assets secured for borrowings were as follows:

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備	2,139,086	2,348,569
Construction in progress	在建工程	–	1,266
Lease prepayments	租賃預付款項	55,906	66,215
Trade and other receivables	應收賬款及其他應收款項	41,474	50,503
Pledged bank deposits	已抵押銀行存款	400,000	1,078,735
		2,636,466	3,545,288

(d) 就借款抵押的資產賬面價值如下：

14 BORROWINGS (continued)

(e) Senior notes:

Yingde Gases Investment Limited, a subsidiary of the Company, issued senior notes with amount of USD425,000,000 in 2013 (the "Senior Notes I") and USD250,000,000 in 2014 (the "Senior Notes II", together the "Senior Notes"), respectively.

As at 30 June 2017, the Senior Notes I with outstanding balance of USD391,053,000 (equivalent to RMB2,649,151,000) bear interest at 8.125% per annum, payable semi-annually in arrears, and will be due in 2018. It is guaranteed by the Company and 5 subsidiaries registered in Hong Kong and the BVI.

As at 30 June 2017, the Senior Notes II with outstanding balance of USD218,819,000 (equivalent to RMB1,482,367,000) bear interest at 7.25% per annum, payable semi-annually in arrears, and will be due in 2020. It is guaranteed by the Company and 9 subsidiaries registered in Hong Kong and the BVI.

The above mentioned guarantees will be released upon the full and final payments of the Senior Notes respectively.

14 借款(續)

(e) 優先票據：

本公司一附屬公司，盈德氣體投資有限公司分別於2013年和2014年發行了425,000,000美元(「優先票據I」)和250,000,000美元(「優先票據II」)的優先票據(合稱「優先票據」)。

於2017年6月30日，優先票據I尚未償還餘額為391,053,000美元(相當於人民幣2,649,151,000元)。優先票據I年息為8.125%，每半年支付一次，將於2018年到期。優先票據I由本公司及5家於香港和英屬處女群島註冊成立的附屬公司提供擔保。

於2017年6月30日，優先票據II尚未償還餘額為218,819,000美元(相當於人民幣1,482,367,000元)。優先票據II年息為7.25%，每半年支付一次，將於2020年到期。優先票據II由本公司及9家於香港和英屬處女群島註冊成立的附屬公司提供擔保。

有關擔保責任將於這些優先票據最終獲悉數支付時分別解除。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

15 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

15 應付賬款及其他應付款項

於報告期末應付賬款及應付票據(計入應付賬款及其他應付款項)按發票日的賬齡分析如下：

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 1 month	一個月內	37,700	60,836
1 to 3 months	一個月後但三個月內	36,997	377,723
3 to 6 months	三個月後但六個月內	595,891	39,968
Over 6 months but within 12 months	六個月後但十二個月內	159,339	92,847
Total trade creditors and bills payable	應付賬款及應付票據總額	829,927	571,374
Payable for property, plant and equipment	物業、廠房及設備應付款項		
– third parties	– 第三方	752,991	773,926
– an associate	– 聯營公司	75	75
– a non-controlling shareholder	– 非控股股東	10,769	30,071
Amounts due to a joint venture	應付合營公司款項	100,803	103,223
Advance from a non-controlling shareholder	從非控股股東借入款項	3,920	–
Accrued expenses and other payables	預提費用及其他應付款	424,329	370,538
		2,122,814	1,849,207

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

16 OTHER NON-CURRENT LIABILITIES

16 其他非流動負債

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Advance from a non-controlling shareholder	從非控股股東借入款項	11,760	15,680
Deferred revenue	遞延收益	40,485	41,097
		52,245	56,777

17 CAPITAL, RESERVES AND DIVIDENDS

17 股本、儲備及股息

(a) Dividends

(a) 股息

(i) Dividends payable to equity shareholders attributable to the interim period

(i) 本中期應付予權益持有人的股息

		2017 RMB'000 人民幣千元	2016 RMB'000 人民幣千元
No interim dividend declared after the interim period (2016: RMB0.139 per ordinary share)	於中期期間後未宣派中期股息 (2016年：每股普通股人民幣0.139元)	—	262,790

The interim dividend has not been recognised as a liability at the end of the reporting period.

該中期股息並未於報告期末確認為負債。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

17 CAPITAL, RESERVES AND DIVIDENDS (continued)

(a) Dividends (continued)

(ii) Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

		Six months ended 30 June 截至6月30日止6個月期間	
		2017	2016
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
No final dividend in respect of the previous financial year approved during the following interim period (six months ended 30 June 2016: RMB0.14 per ordinary share)	於隨後中期期間內未批准的上年度末期股息(截至2016年6月30日止6個月期間：每股普通股人民幣0.14元)	–	264,680

17 股本、儲備及股息(續)

(a) 股息(續)

(ii) 於中期期間內批准及支付的應付予權益持有人的上一個財政年度股息

(b) Share capital

		At 30 June 2017 於2017年6月30日		At 31 December 2016 於2016年12月31日	
		Number of shares 股份數目	Amount 金額 RMB' 000 人民幣千元	Number of shares 股份數目	Amount 金額 RMB' 000 人民幣千元
Authorised:	法定：				
Ordinary shares of USD0.000001 each	每股面值0.000001美元的普通股	50,000,000,000		50,000,000,000	
Issued and fully paid	已發行和繳足	1,890,573,500	13	1,793,173,500	12
Shares issued and being replaced under the Share Allotment Scheme	股份配發計劃已配發且被取代股份	–	–	60,800,000	–
Shares issued under the Share Allotment Scheme	股份配發計劃配發股份	–	–	36,600,000	–
		1,890,573,500	13	1,890,573,500	12

(b) 股本

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

18 SHARE SCHEMES

(a) Share option scheme

The Company granted 1,225,000 share options in 2014 and 2,607,500 share options in 2015 to certain directors. The share options were vested on the grant dates. The exercise price is HKD6.62 and HKD3.35 respectively.

During the interim period, no share options were exercised and all those directors accepted the PAG offers and sold their share options to PAG. As at 30 June 2017, all share options had been cancelled.

(b) Share allotment scheme

Pursuant to the Company's board resolution dated 8 July 2013 ("Adoption Date"), the Company adopted a share allotment scheme ("Share Allotment Scheme") to recognise the contributions by certain employees and to give incentives for them to work with commitment towards enhancing the value of the Company and its shares for the benefit of the shareholders, and to attract high calibre personnel for further development of the Group. On the same date, the Company entered into a trust deed with KCS Trust Limited ("Trustee") for the Share Allotment Scheme.

18 股份計劃

(a) 購股權計劃

公司於2014年和2015年分別向若干董事授出1,225,000份和2,607,500份認股期權。認股期權於發行日被授予，行權價分別為港幣6.62元和3.35元。

於中期報告期間，以上認股期權均未被行權。相關董事已接受太盟要約並將該等認股期權售予太盟。於2017年6月30日，所有認股期權已全部注銷。

(b) 股份配發計劃

根據本公司2013年7月8日(「採納日」)的董事會決議案，本公司採納股份配發計劃(「股份配發計劃」)，以嘉許若干僱員所做的貢獻並激勵其致力於提升本公司價值和股東利益而努力工作，以及為本集團的進一步發展吸引優秀人才。同日，本公司與KCS Trust Limited(「受託人」)訂立關於股份配發計劃之信託契據。

18 SHARE SCHEMES (continued)

(b) Share allotment scheme (continued)

In October 2013, in accordance with the terms and conditions of the Share Allotment Scheme, the Company lent loans of HKD158,878,000 (approximately equivalent to RMB125,974,000) and allotted 22,600,000 shares to the Trustee at an issue price of HKD7.03 per share (represents a discount of approximately 5% to the average closing price of the share for the last 30 trading days prior to the determination of issue price). The Trustee subscribed the shares allotted on behalf of the trust and settled the subscription amount out of the loans from the Company accordingly. The shares allotted represent approximately 1.24% of the total issued share capital of the Company immediately upon the completion of the allotment. The Trustee will hold the shares allotted in trust for those selected employees of mid-and-senior-level management of the Company ("Participating Employees") until such shares allotted are vested.

During 2014, two Participating Employees resigned from the Group, and their entitled allotted shares (200,000 shares in aggregate) were sold to the open market at market price.

On 1 January 2015, a total of 22,400,000 allotted shares were held by the Trustee for the purpose of satisfying the shares allotted to the existing Participating Employees pursuant to the Share Allotment Scheme.

18 股份計劃(續)

(b) 股份配發計劃(續)

於2013年10月，根據股份配發計劃之條款及條件，本公司向受託人借出總金額為158,878,000港元的貸款(約相當於人民幣125,974,000元)，並按發行價每股配發股份7.03港元(代表作出配發股份決定日期前三十天股份平均收市價5%的折讓)配發22,600,000股股份。因此，受託人已為信託安排認購了配發股份，並通過從本公司的貸款結算認購金額。配發股份佔本公司緊隨配發事項完成後已發行股本總額約1.24%。受託人以信託形式為被選定的本公司中高級管理團隊(「參與僱員」)持有配發股份，直至該等配發股份歸屬為止。

於2014年期間，本集團2名參與僱員辭職，其名下配發的股份(總計200,000股)以市場價於開放市場出售。

於2015年1月1日，合共22,400,000股股份由受託人持有，以滿足根據股份配發計劃配發股份予現有參與僱員。

18 SHARE SCHEMES (continued)

(b) Share allotment scheme (continued)

In order to allot shares at a lower price to the exiting Participating Employees to appreciate their long services to the Company as well as to offer an opportunity for some of the Company's new employees to participate in the Share Allotment Scheme, pursuant to the Company's board resolution dated 13 April 2015, the board approved to issue and allot up to 36,000,000 new shares to replace the above allotment made in 2013. The Company lent loans of HKD201,240,000 (approximately RMB159,402,000) and allotted 36,000,000 new shares to the Trustee at an issue price of HKD5.59 per share (represents a discount of approximately 1.9% to the average closing price of the share for the last 30 trading days prior to the determination of the number of shares to be allotted) on 28 April 2015. The Trustee subscribed the shares allotted on behalf of the trust and settled the subscription amount out of the loans from the Company accordingly.

Subsequently, pursuant to the Company's board resolution dated 7 December 2015, the board approved to issue and allot up to 39,000,000 new shares to replace the allotment made in April 2015. The Company lent loans of HKD129,480,000 (approximately RMB106,857,000) and allotted 39,000,000 new shares to the Trustee at an issue price of HKD3.32 per share (represents a discount of approximately 0.8% to the average closing price of the share for the last 30 trading days prior to the determination of the number of shares to be allotted) on 28 December 2015. The Trustee subscribed the shares allotted on behalf of the trust and settled the subscription amount out of the loans from the Company accordingly.

18 股份計劃(續)

(b) 股份配發計劃(續)

為向現有參與僱員以較低價格配發股份以感謝其長期服務本公司，並為本公司部分新僱員提供參與股份配發計劃的機會，根據本公司董事會於2015年4月13日之決議案，董事會已批准發行及配發最多36,000,000股新股份以取代2013年配發。本公司於2015年4月28日向受託人借出總金額為201,240,000港元的貸款(約相當於人民幣159,402,000元)，並按發行價每股配發股份5.59港元(代表作出配發股份決定日期前30個交易日股份平均收市價1.9%的折讓)配發36,000,000股新股份。受託人已為信託安排認購了配發股份，並通過從本公司的貸款結算認購金額。

隨後，根據本公司董事會於2015年12月7日之決議案，董事會已批准發行及配發最多39,000,000股新股份以取代2015年4月配發。本公司於2015年12月28日向受託人借出總金額為129,480,000港元的貸款(約相當於人民幣106,857,000元)，並按發行價每股配發股份3.32港元(代表作出配發股份決定日期前30個交易日股份平均收市價0.8%的折讓)配發39,000,000股新股份。受託人已為信託安排認購了配發股份，並通過從本公司的貸款結算認購金額。

18 SHARE SCHEMES (continued)

(b) Share allotment scheme (continued)

During the year ended 31 December 2016, three Participating Employees resigned from the Group and one Participating Employee was re-designated as a non-executive director of the Company, all the 2,400,000 shares allotted to them were forfeited.

As at 31 December 2016, the Company has 36,600,000 allotted shares held by the Trustee for the purpose of satisfying the then Participating Employees pursuant to the Share Allotment Scheme.

The 36,600,000 allotted shares held by the Trustee shall be fully vested by the Participating Employees on 16 September 2023 provided that the Participating Employees remain at all times after the date of grant till vesting date an employee and subject to the full repayment of the outstanding loan amounts relating to the relevant shares allotted.

The Share Allotment Scheme shall terminate on the tenth anniversary date of the Adoption Date.

The Company accounts for the fair value of the shares allotted as an expense over the period from the allotment date to 16 September 2023 with a corresponding increase in equity.

According to the term of Share Allotment Scheme, in the event of a takeover, merger, share repurchase or other event resulting in a change of control of the Company, all the Allotted Shares shall immediately vest on the date when such change of control event becomes or is declared unconditional and such date shall be deemed the vesting date of those Allotted Shares.

18 股份計劃(續)

(b) 股份配發計劃(續)

於截至2016年12月31日止年度，三名參與僱員已自本集團離職及一名參與僱員獲委任為本公司非執行董事，配發予該等僱員的2,400,000股股份全部被沒收。

於2016年12月31日，本公司擁有配發股份36,600,000股，該等配發股份由受託人根據股份配發計劃為滿足後續參與僱員之目的而持有。

受託人持有的36,600,000股配發股份應於2023年9月16日全額歸屬於參與僱員，前提是參與僱員於授出日至歸屬日一直身為僱員，且償還有關配發股份的全部貸款餘額。

股份配發計劃將於採納日起第十周年之日終止。

本公司將配發股份的公允價值在配發日至2023年9月16日期間計入費用，並相應增加權益。

根據股份配發計劃相關規定，當發生收購、合併、股份回購或其他導致本公司控制權變更的事項時，所有配發股份於控制權變更成為或宣告為無條件時的該日授予員工，該日視同為該等配發股份的歸屬日。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)
(以人民幣列示)

18 SHARE SCHEMES (continued)

(b) Share allotment scheme (continued)

As refer to the announcement dated 6 April 2017, the PAG offers have become unconditional in all respects. As a result, all the 36,600,000 outstanding allotted shares were vested and exercised by the Participating Employees, and then sold to PAG. The Company has received a total amount of RMB71,265,000 in respect of such shares allotted to the Participating Employees.

Given all the 36,600,000 outstanding allotted shares vested in this period, the Company recognised an amount of RMB60,872,000, which is the remaining balance of the fair value of the allotted shares at the grant date that otherwise would have been recognised for services received over the remaining vesting period, in administrative expenses and other reserve, respectively. While for the excess of the total amount received by the Company on such shares allotment over the par value of the shares, amounting to RMB71,265,000, was credited to share premium account.

In addition to the above, the remaining 60,800,000 shares issued and being replaced under the Share Allotment Scheme have been sold to PAG for a cash consideration of RMB323,469,000. The excess of the total consideration over the par value of the shares, amounting to RMB323,468,000, was credited to share premium account.

The equity amount of the accumulated effect of the Share Allotment Scheme recorded in other reserve in the amount of RMB132,611,000 was transferred to share premium account.

18 股份計劃(續)

(b) 股份配發計劃(續)

根據2017年4月6日的公告，太盟要約於各方面已成為無條件。所有36,600,000股配發股份於該日歸屬並由參與僱員行權後售予太盟。本公司收到與配發予參與僱員股份相關的行權金額合計人民幣71,265,000元。

由於所有36,600,000股配發股份在此期間歸屬，本公司按照原應在剩餘歸屬期所獲服務的金額確認人民幣60,872,000元並相應計入管理費用及其他儲備，該等金額為配發股份於授予日公允價值的剩餘攤銷額。本公司收到的配發股份的對價超出票面價值的部分，合計人民幣71,265,000元，計入股份溢價。

除此以外，剩餘股份配發計劃已配發且被取代的60,800,000股股份以現金對價人民幣323,469,000元的價格售予太盟。超出股份票面價值的部分，合計人民幣323,468,000元，計入股份溢價。

股份配發計劃累計影響權益的計入其他儲備的金額人民幣132,611,000元轉入股份溢價。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

18 SHARE SCHEMES (continued)

(b) Share allotment scheme (continued)

(i) The number of shares allotted are as follows:

	Six months ended 30 June 2017 截至2017年 6月30日 止6個月期間	Year ended 31 December 2016 截至2016年 12月31日 止年度
Outstanding at the beginning of the period/year 期／年初餘額	36,600,000	39,000,000
Vested and exercised during the period/year 本期／年歸屬及行權	(36,600,000)	–
Forfeited/cancelled during the period/year 本期／年廢止／取代	–	(2,400,000)
Outstanding at the end of the period/year 期／年末餘額	–	36,600,000

18 股份計劃(續)

(b) 股份配發計劃(續)

(i) 配發股份數量如下：

	Six months ended 30 June 2017 截至2017年 6月30日 止6個月期間	Year ended 31 December 2016 截至2016年 12月31日 止年度
--	---	---

Outstanding at the beginning of the period/year 期／年初餘額	36,600,000	39,000,000
Vested and exercised during the period/year 本期／年歸屬及行權	(36,600,000)	–
Forfeited/cancelled during the period/year 本期／年廢止／取代	–	(2,400,000)
Outstanding at the end of the period/year 期／年末餘額	–	36,600,000

18 SHARE SCHEMES (continued)

(b) Share allotment scheme (continued)

(ii) Fair value of shares allotted

The fair value of services received in return for shares allotted is measured by reference to the fair value of shares allotted. The estimate of the fair value of the shares allotted is measured based on a binomial option pricing model. The contractual life of the Share Allotment Scheme is used as an input into this model. Expectations of early exercise are incorporated into the binomial option pricing model.

The volatility is based on the historic volatility (calculated based on the weighted average remaining life of the Share Allotment Scheme), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Shares allotted were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the Share Allotment Scheme.

18 股份計劃(續)

(b) 股份配發計劃(續)

(ii) 配發股份的公允價值

以配發股份獲得服務的公允價值，參考配發股份的公允價值進行評估。配發股份的公允價值通過二項式期權定價模式計量。股份配發計劃的合約期限作為該模式的一項輸入值，預期提前行權的情況亦包含於二項式期權定價模式。

波動率是基於歷史波動率（基於股份配發計劃加權平均剩餘年限計算），並根據有關未來波動率變動的公開信息進行調整。預計股息是基於歷史股息計算。主要輸入值假設的變動將會對公允價值的估計產生重要影響。

配發股份的授出受一項服務條件所限，該條件在評估授出日所獲服務的公允價值時並未予以考慮。股份配發計劃並無任何市場條件。

19 FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Financial assets and liabilities measured at fair value

(i) Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in IFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

19 金融工具的公允價值

(a) 按公允價值計量的金融資產和金融負債

(i) 公允價值層級

下表按照國際財務報告準則第13號「公允價值計量」中規定的公允價值三層層級，列示了本集團於報告期末持續以公允價值計量的金融工具的公允價值。根據公允價值計量時採用輸入值的可觀察性和重要性，公允價值計量層級分類如下：

- 層級1：公允價值僅通過第1層級輸入值計量，即未經調整的活躍市場中相同資產或負債於計量日的報價。
- 層級2：公允價值通過第2層級輸入值計量，即不滿足第1層級條件的可觀察到的輸入值，並且不使用重要的不可觀察到的輸入值(不可觀察到的輸入值為不存在市場數據的輸入值)。
- 層級3：公允價值通過重要的不可觀察到的輸入值計量。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

19 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

Valuation analysis of changes in fair value measurement are prepared by the Group or a third party at each interim and annual reporting date, and are reviewed and approved by the chief financial officer.

19 金融工具的公允價值(續)

(a) 按公允價值計量的金融資產和金融負債(續)

(i) 公允價值層級(續)

於每個中期和年度報告日，本集團或第三方機構會對公允價值計量的變動進行評估分析，並由首席財務官審閱及批准。

Fair value measurements as at

30 June 2017 categorised into

於2017年6月30日的公允價值計量所屬層級

		Fair value at 30 June 2017 於2017年 6月30日 的公允價值 RMB'000 人民幣千元	Level 1 第1層級 RMB'000 人民幣千元	Level 2 第2層級 RMB'000 人民幣千元	Level 3 第3層級 RMB'000 人民幣千元
Recurring fair value measurements	持續的公允價值計量				
Financial asset:	金融資產：				
Derivative financial instrument	衍生金融工具				
– Capped forward exchange contract	– 上限遠期外匯合約	21,205	–	21,205	–

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

19 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(i) Fair value hierarchy (continued)

19 金融工具的公允價值(續)

(a) 按公允價值計量的金融資產和金融負債(續)

(i) 公允價值層級(續)

Fair value measurements as at 31 December 2016 categorised into 於2016年12月31日的公允價值計量所屬層級

	Fair value at 31 December 2016 於2016年 12月31日 的公允價值 RMB'000 人民幣千元	Level 1 第1層級 RMB'000 人民幣千元	Level 2 第2層級 RMB'000 人民幣千元	Level 3 第3層級 RMB'000 人民幣千元
Financial asset:				
Derivative financial instrument				
– Capped forward exchange contract	68,587	–	68,587	–

During the six months ended 30 June 2017, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2016: nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

於截至2017年6月30日止6個月期間，第1層級與第2層級之間沒有發生轉換，也未發生從第3層級的轉入或轉出(2016年：未發生)。本集團的政策是於相關公允價值層級轉換發生的報告期末進行確認。

19 FAIR VALUE OF FINANCIAL INSTRUMENTS (continued)

(a) Financial assets and liabilities measured at fair value (continued)

(ii) *Valuation techniques and inputs used in Level 2 fair value measurements*

The fair value of forward exchange contract included in Level 2 is determined by structured product split and Black Scholes option pricing model. The model is assumed under risk-neutral environment and effective market. The discount rate used is derived from the China Offshore Spot ("CNH") swap curve as at the end of the reporting period, and the volatility used is derived from the implied volatility surface as at the end of the reporting period.

(b) Fair value of financial assets and liabilities carried at other than fair value

In respect of cash at bank and in hand, pledged bank deposits, trade and other receivables, current portion of receivables/obligations under finance lease, current portion of long-term borrowings, short-term borrowings, and trade and other payables, the carrying amounts approximate fair value due to the relatively short term nature of these financial instruments.

In respect of borrowings, receivables/obligations under finance lease and long-term receivables, the carrying amounts are not materially different from their fair values at 30 June 2017 and 31 December 2016. The fair values are estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

Unlisted investments for which their fair values cannot be reliably measured are stated at cost less impairment losses.

19 金融工具的公允價值(續)

(a) 按公允價值計量的金融資產和金融負債(續)

(ii) *第2層級公允價值計量所使用的計量方法及輸入值*

第2層級中的遠期外匯合約的公允價值是採用結構性產品拆分與布萊克-斯科爾斯期權定價模型的方法來確定。該模型假設處於風險中性環境及有效市場條件下。所使用的折現率源於報告期末離岸人民幣匯率互換曲線，以及所使用的波動率源於報告期末隱含波動率曲面。

(b) 按公允價值外計量的金融資產和金融負債的公允價值

就銀行存款及現金、已抵押銀行存款、應收賬款及其他應收款項、應收融資租賃款／融資租賃負債的即期部分、長期借款的即期部分、短期借款以及應付賬款及其他應付款項而言，由於該等金融工具的到期日相對較短，其賬面價值接近公允價值。

就借款、應收融資租賃款／融資租賃負債和長期應收款而言，於2017年6月30日及2016年12月31日賬面價值與公允價值無重大差異。公允價值以未來現金流量按相似金融工具的現行市場利率進行貼現估計。

對於公允價值無法可靠計量的非上市投資，按原值減減值虧損列示。

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

20 MATERIAL RELATED PARTY TRANSACTIONS

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group is as follows:

		Six months ended 30 June 截至6月30日止6個月期間	
		2017	2016
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Note			
附註			
	Short-term employee benefits 短期僱員福利	16,559	12,177
	Post-employment benefits 離職後福利	93	88
18(b)	Expenses of the Share Allotment Scheme 股份配發計劃費用	21,122	936
		37,774	13,201

(b) Transactions with associates, joint ventures, controlling shareholders and non-controlling shareholders of the Group

During the six months ended 30 June 2017, the Group had the following transactions with associates, joint ventures, controlling shareholders and non-controlling shareholders:

20 重大關聯方交易

(a) 關鍵管理人員薪酬

本集團關鍵管理人員薪酬如下：

		Six months ended 30 June 截至6月30日止6個月期間	
		2017	2016
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
Note			
附註			
	Short-term employee benefits 短期僱員福利	16,559	12,177
	Post-employment benefits 離職後福利	93	88
18(b)	Expenses of the Share Allotment Scheme 股份配發計劃費用	21,122	936
		37,774	13,201

(b) 與本集團的聯營公司、合營公司、控股股東及非控股股東的交易

於截至2017年6月30日止6個月期間，本集團有如下與聯營公司、合營公司、控股股東及非控股股東的交易：

		Six months ended 30 June 截至6月30日止6個月期間	
		2017	2016
		RMB' 000	RMB' 000
		人民幣千元	人民幣千元
	Sales to an associate 對聯營公司的銷售	(100,893)	(77,500)
	Sales to joint ventures 對合營公司的銷售	(566)	(5,914)
	Sales to non-controlling shareholders 對非控股股東的銷售	(125,192)	–
	Purchase from an associate 從聯營公司採購	4,282	5,500
	Purchase from a joint venture 從合營公司採購	–	296
	Purchase from non-controlling shareholders 從非控股股東採購	93,268	–
	Loans received from a controlling shareholder (Note (i)) 從控股股東借入款項(註釋(i))	(689,406)	–

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

20 MATERIAL RELATED PARTY TRANSACTIONS (continued)

(b) Transactions with associates, joint ventures, controlling shareholders and non-controlling shareholders of the Group (continued)

Note:

- (i) On 29 June 2017, the Group borrowed loans of USD91,662,000 and HKD78,867,000 (equivalent to a total of RMB689,406,000) from its controlling shareholder, PAG, at an interest rate of 8% per annum to repay certain bank loans. These short-term loans will be due in September 2017.

As at 30 June 2017, amounts due from/(to) associates, joint ventures, controlling shareholders and non-controlling shareholders:

20 重大關聯方交易(續)

(b) 與本集團的聯營公司、合營公司、控股股東及非控股股東的交易(續)

註釋：

- (i) 於2017年6月29日，集團從其控股股東太盟處借入短期借款91,662,000美元和78,867,000港元(相當於合計人民幣689,406,000元)用於償還若干銀行貸款，年息為8%，將於2017年9月到期。

於2017年6月30日，應收/(應付)聯營公司、合營公司、控股股東及非控股股東的款項：

			At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Trade and other receivables	應收賬款及其他應收款項			
Trade receivables from a joint venture	於合營公司之應收賬款	12	4,043	13,384
Trade receivables from an associate	於聯營公司之應收賬款	12	371,406	309,759
Trade receivables from a non-controlling shareholder	於非控股股東之應收賬款	12	10,600	11,709
Amounts due from associates	應收聯營公司款項	12	25,000	25,000
Other non-current assets	其他非流動資產			
Prepayment for property, plant and equipment to an associate	於聯營公司的物業、廠房及設備的預付款項	11	46,507	46,507
Amounts due to a controlling shareholder	應付控股股東款項			
Loan from a controlling shareholder	從控股股東借入款項		(689,406)	-
Trade and other payables	應付賬款及其他應付款項			
Amounts due to a joint venture	應付合營公司款項	15	(100,803)	(103,223)
Payable for property, plant and equipment to a non-controlling shareholder	應付非控股股東物業、廠房及設備款項	15	(10,769)	(30,071)
Payable for property, plant and equipment to an associate	應付聯營公司物業、廠房及設備款項	15	(75)	(75)
Advance from a non-controlling shareholder	從非控股股東借入款項	15	(3,920)	-
Other non-current liabilities	其他非流動負債			
Advance from a non-controlling shareholder	從非控股股東借入款項	16	(11,760)	(15,680)

Notes to the Unaudited Interim Financial Report (continued)

未經審核中期財務報告附註(續)

(Expressed in Renminbi)

(以人民幣列示)

21 COMMITMENTS

(a) Capital commitments

As at 30 June 2017, the Group had capital commitments for acquisition and construction of properties and equipment as follows:

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Authorised and contracted for	已授權且已訂約	1,184,451	801,647
Authorised but not contracted for	已授權但未訂約	6,841,036	7,495,538
		8,025,487	8,297,185

(b) Operating lease commitments

As at 30 June 2017, the Group's total future minimum lease payments under non-cancellable operating leases, are payable as follows:

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 1 year	一年內	16,149	18,116
After 1 year but within 5 years	一年後但五年內	18,770	22,978
After 5 years	五年後	27,590	29,390
		62,509	70,484

None of the leases includes contingent rentals.

該等租賃不包括或有租金。

21 承擔

(a) 資本承擔

於2017年6月30日，本集團就物業及設備的購置和建造的資本承擔呈列如下：

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Authorised and contracted for	已授權且已訂約	1,184,451	801,647
Authorised but not contracted for	已授權但未訂約	6,841,036	7,495,538
		8,025,487	8,297,185

(b) 經營租賃承擔

於2017年6月30日，本集團根據不可撤銷經營租約應付的未來最低租賃付款總值呈列如下：

		At 30 June 2017 於2017年 6月30日 RMB'000 人民幣千元	At 31 December 2016 於2016年 12月31日 RMB'000 人民幣千元
Within 1 year	一年內	16,149	18,116
After 1 year but within 5 years	一年後但五年內	18,770	22,978
After 5 years	五年後	27,590	29,390
		62,509	70,484

22 CONTINGENT LIABILITIES

The Group is the defendant in certain lawsuits as well as the plaintiff in other proceedings arising in the ordinary course of business. In particular, the Group received arbitration complaint by customers for gas supply arrangements and claims from construction contractors for delay payment in the amount of RMB187,336,000 in aggregate. The claims were still in progress and no final rulings were made as at 30 June 2017. Based on the legal opinion of the Group's PRC lawyer, the directors consider the claims are groundless or without merit and no provision is necessary. While the outcomes of such contingencies, lawsuits or other proceedings cannot be estimated at present, the directors believe that any resulting liabilities will not have a material adverse effect on the financial position or operating results of the Group.

22 或有負債

本集團是若干法律訴訟中的被告，也是日常業務中出現的其他訴訟中的原告。其中包括部分客戶因供氣合同安排及建造服務商因付款延遲向本集團提出申訴，並索賠共計人民幣187,336,000元。截至2017年6月30日，該等申訴仍在進行中並尚未達致最終裁決。根據本集團中國律師的法律意見，董事認為該等申訴缺乏事實依據，無需計提準備。儘管目前無法確定這些或有事項、法律訴訟或其他訴訟的結果，董事相信任何由此引起的負債將不會對本集團的財務狀況或經營業績造成重大的負面影響。

Other Information

其他資料

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

During the period from 1 January 2017 to 30 June 2017, neither our Company nor any of our subsidiaries purchased, sold or redeemed any of the listed securities of our Company.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITION IN SHARES, UNDERLYING SHARES OR DEBENTURES OF OUR COMPANY AND OUR ASSOCIATED CORPORATIONS

As at 30 June 2017, the interests and short positions of the Directors and chief executive of our Company in the Shares, underlying Shares or debentures of our Company and our associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be kept by our Company under Section 352 of the SFO or as otherwise notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules were as follows:

購買、出售或贖回本公司上市證券

於2017年1月1日至2017年6月30日期間，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

董事及最高行政人員於本公司及其相聯法團的股份、相關股份或債券的權益及淡倉

於2017年6月30日，本公司董事及最高行政人員於本公司及其相聯法團(定義見《證券及期貨條例》第XV部)的股份、相關股份或債券中擁有須記錄於本公司根據《證券及期貨條例》第352條規定必須存置之登記冊，或根據上市規則附錄十所載之標準守則須知會本公司及香港聯交所的權益及淡倉如下：

Name 名稱	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 持股概約百分比 (Note 1) (附註1)
Mr. Zhongguo Sun (Note 2) Zhongguo Sun 先生(附註2)	Founder of a discretionary trust 全權信託成立人	2 (long position) 2(好倉)	0.00%
Mr. Trevor Raymond Strutt (Note 3) Trevor Raymond Strutt 先生(附註3)	Founder of a discretionary trust 全權信託成立人	2 (long position) 2(好倉)	0.00%

Notes:

1. There were 1,890,573,500 Shares in issue as at 30 June 2017.
2. Mr. Zhongguo Sun resigned as an executive Director on 20 April 2017.
3. Mr. Trevor Raymond Strutt resigned as an executive Director on 20 April 2017.

Save as disclosed above, as at 30 June 2017, none of the Directors and the chief executive of our Company (including their spouses and children under 18 years of age) had any interest or short positions in the Shares, underlying Shares or debentures of our Company or our associated corporations, as recorded in the register required to be kept under section 352 of the SFO or required to be notified to our Company and the Hong Kong Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF OUR COMPANY

As at 30 June 2017, the interests or short positions of persons (other than the Directors and chief executive of our Company) in the Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company under Section 336 of Part XV of the SFO were as follows:

Name 名稱	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 持股概約百分比 (Note) (附註)
PAG Asia Capital GP II Limited	Deemed interest, interest of controlled company 視作擁有權益(控制公司權益)	1,854,909,180 (long position) 1,854,909,180 (好倉)	98.11%
PAG Asia II LP	Deemed interest, interest of controlled company 視作擁有權益(控制公司權益)	1,854,909,180 (long position) 1,854,909,180 (好倉)	98.11%
PAGAC II-2 Limited	Beneficial owner 實益擁有人	1,854,909,180 (long position) 1,854,909,180 (好倉)	98.11%

Note: There were 1,890,573,500 Shares in issue as at 30 June 2017.

附註:

1. 於2017年6月30日，1,890,573,500股股份已發行。
2. Zhongguo Sun先生於2017年4月20日辭任執行董事。
3. Trevor Raymond Strutt先生於2017年4月20日辭任執行董事。

除上文所披露者外，於2017年6月30日，本公司董事、最高行政人員(包括彼等的配偶及未滿18歲的子女)概無於本公司或相聯法團之股份、相關股份或債券中擁有記錄於根據《證券及期貨條例》第352條規定必須存置之登記冊內或根據標準守則須知會本公司及香港聯交所的權益或淡倉。

主要股東及其他人士於本公司股份及相關股份的權益及淡倉

於2017年6月30日，下列人士(本公司的董事或最高行政人員除外)於本公司的股份或相關股份中擁有記錄於本公司根據《證券及期貨條例》第XV部第336條規定必須存置之登記冊內的權益或淡倉如下：

Name 名稱	Nature of interest 權益性質	Number of Shares 股份數目	Approximate percentage of shareholding 持股概約百分比 (Note) (附註)
PAG Asia Capital GP II Limited	Deemed interest, interest of controlled company 視作擁有權益(控制公司權益)	1,854,909,180 (long position) 1,854,909,180 (好倉)	98.11%
PAG Asia II LP	Deemed interest, interest of controlled company 視作擁有權益(控制公司權益)	1,854,909,180 (long position) 1,854,909,180 (好倉)	98.11%
PAGAC II-2 Limited	Beneficial owner 實益擁有人	1,854,909,180 (long position) 1,854,909,180 (好倉)	98.11%

附註: 於2017年6月30日，共有1,890,573,500股已發行股份。

Other Information (continued)

其他資料(續)

Save as disclosed above, as at 30 June 2017, our Company was not aware of any person (other than the Directors and chief executive of our Company) who had an interest or a short position in the Shares or underlying Shares of our Company as recorded in the register required to be kept by our Company under Section 336 of Part XV of the SFO.

COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Our Company is committed to high standards of corporate governance. The Board believes that our Company has complied with all the code provisions set out in the Code in Appendix 14 of the Listing Rules for the six months ended 30 June 2017 except for the deviation from the code provision A.2.1 of the Code, which stipulates that the roles of chairman and chief executive officer should be separated. The chairman and the chief executive officer of our Company is Mr. Qiu Zhongwei ("Mr. Qiu"). Nevertheless, the Board considers that this structure will not impair the balance of power and the authority of the Board. The Board currently comprises one executive Director, three non-executive Directors and three independent non-executive Directors, with independent non-executive Directors representing about 43% of the Board, which is higher than the requirement of the Listing Rules. Such a high percentage of independent non-executive Directors on the Board can ensure that their views carry significant weight and reflect the independence of the Board.

At present, the Board believes that it is beneficial to the management and development of our Group's businesses for Mr. Qiu to be both the chairman and chief executive officer as it helps to fasten the Board's decision-making. The Board would still consider segregating the role of chairman and chief executive officer to comply with the Code if and when appropriate.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

Our Company has adopted the Code of Conduct on terms no less stringent than the required standards of the Model Code as set out in Appendix 10 of the Listing Rules to govern securities transactions by the Directors. Having made specific enquiry to all Directors, our Company confirms that all Directors complied with all required standards under the Code of Conduct throughout the period from 1 January 2017 to 30 June 2017.

除上文所披露者外，於2017年6月30日，就本公司所知，並無任何人士(本公司的董事或最高行政人員除外)擁有本公司根據《證券及期貨條例》第XV部第336條規定必須存置的登記冊所示股份或相關股份的權益或淡倉。

遵守企業管治守則

本公司奉行高水平企業管治標準。董事會認為本公司於截至2017年6月30日止6個月期間已遵守上市規則附錄14守則所載的全部守則條文，惟偏離守則的守則條文第A.2.1條主席與行政總裁之角色應有區分的規定。本公司主席兼行政總裁為邱中偉先生(「邱先生」)。然而，董事會認為此架構不會削弱董事會的權力平衡與權威。董事會現時由一名執行董事、三名非執行董事及三名獨立非執行董事組成，其中獨立非執行董事約佔董事會的43%，高於上市規則的要求。獨立非執行董事佔據董事會如此高的比例，可確保彼等的意見具重大影響力，並顯示董事會的獨立性。

目前，董事會認為，由邱先生擔任主席兼行政總裁有助於加快董事會的決策，從而有利於本集團業務的管理與發展。董事會仍會考慮於適當時將主席與行政總裁的角色分離以遵守守則。

遵守上市發行人董事進行證券交易的標準守則

本公司已採用不遜於上市規則附錄10所載標準守則的行為守則規管董事進行證券交易。於向全體董事作出具體查詢後，本公司確認全體董事於2017年1月1日至2017年6月30日期間遵守行為守則的所有標準。

CHANGES IN COMPOSITIONS OF THE BOARD AND BOARD COMMITTEES

At the annual general meeting of the Company on 1 June 2017, Mr. David Chan and Mr. Deng Xipeng were not re-elected as independent non-executive Directors. As a result, in each case, Mr. David Chan and Mr. Deng Xipeng ceased to be a member of the Audit Committee, the Remuneration Committee, the Nomination Committee and the Compliance Committee. At the Board meeting convened following the annual general meeting of the Company on the same date, the Board appointed Dr. Wang Ching as an additional member of the Compliance Committee.

LEGAL PROCEEDINGS

The Group is the defendant in certain lawsuits as well as the plaintiff in other proceedings arising in the ordinary course of business. In particular, the Group received arbitration complaints by customers for gas supply arrangements and claims from construction contractors for delay payment in the amount of RMB187,336,000 in aggregate. The claims were still in progress and no final rulings were made as at 30 June 2017. Based on the legal opinion of our Group's PRC lawyer, the Directors consider the claims are groundless or without merit. Although the outcomes of such proceedings cannot be estimated at present, the Directors believe that such proceedings will not have a material adverse effect on the financial position or operating results of the Group.

AUDIT COMMITTEE REVIEW

The audit committee of our Company currently comprises Mr. Zheng Fuya (chairman), Dr. Wang Ching and Mr. Rawen Zhi Hong Huang, who are all independent non-executive Directors. The audit committee and the external auditor have reviewed the unaudited interim financial report of our Group for the six months ended 30 June 2017. The audit committee has also discussed matters such as the accounting policies and practices adopted by our Group and internal control with the senior management of our Company.

SHARE OPTION SCHEME

The Share Option Scheme was conditionally approved by a resolution of the Shareholders on 12 September 2009 and adopted by a resolution of the Board on 12 September 2009. Unless it is terminated by the Board or our Shareholders in general meeting in accordance with the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of ten years from the date on which it became unconditional. After the period, no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in full force and effect to exercise any subsisting options granted prior to the expiry of this ten year period or otherwise as handled in accordance with the provisions of the Share Option Scheme.

董事會及董事委員會組成變動

於本公司的股東週年大會上，陳德偉先生及鄧汐彭先生未獲重選為獨立非執行董事。因此，在各情況下，陳德偉先生及鄧汐彭先生不再為審核委員會、薪酬委員會、提名委員會及合規委員會成員。於同日在本公司股東週年大會後舉行的董事會會議上，董事會委任王京博士為合規委員會增補成員，即時生效。

法律訴訟

本集團是若干法律訴訟中的被告，也是日常業務中出現的其他訴訟中的原告。其中包括部分客戶因供氣合同安排及建造服務商因付款延遲向本集團提出申訴，並索賠共計人民幣187,336,000元。截至2017年6月30日，該等申訴仍在進行中並尚未達致最終裁決。根據本集團中國律師的法律意見，董事認為該等申訴缺乏事實依據。儘管目前無法確定這些訴訟的結果，董事相信該等訴訟將不會對本集團的財務狀況或經營業績造成重大的負面影響。

審核委員會審閱

本公司審核委員會現時由本公司獨立非執行董事鄭富亞先生(主席)、王京博士及黃志鴻先生組成。審核委員會及外聘核數師已審閱本集團截至2017年6月30日止6個月期間的未經審核中期財務報告。審核委員會亦已與本公司高級管理層討論本集團所採用的會計政策及慣例以及內部監控等事項。

購股權計劃

2009年9月12日，股東通過決議案有條件批准購股權計劃，同日，董事會通過決議案採納該購股權計劃。除非董事會或股東在股東大會上根據購股權計劃的條款終止購股權計劃，否則購股權計劃將於其成為無條件當日起生效並自無條件起計十年內有效，屆滿後不得再授出或提呈購股權，惟購股權計劃條文仍具十足效力及作用，使十年期限屆滿前已授出的任何現有購股權仍可行使或根據購股權計劃條文另行處理。

Other Information (continued)

其他資料(續)

The amount payable by a participant upon acceptance of a grant of option is RMB1.00. The Board may, at its absolute discretion, offer any employee, management member or Director, or any of our subsidiaries and third party service providers the options to subscribe for Shares on the terms set out in the Share Option Scheme. The purpose of the Share Option Scheme is to attract and retain skilled and experienced personnel, to incentivize them to remain with us and to give effect to our customer-focused corporate culture, and to motivate them to strive for our future development and expansion, by providing them with the opportunity to acquire equity interests in our Company.

The maximum number of Shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of the issued Shares as at the date of approval of the Share Options Scheme (i.e. a total of 180,923,250 Shares).

No option may be granted to any one person such that the total number of Shares issued and to be issued upon the exercise of options granted and to be granted to that person in any 12 month period up to the date of the latest grant exceeds 1% of our issued share capital from time to time, unless the approval of our Shareholders is obtained.

The amount payable for each Share to be subscribed for under an option upon exercise shall be determined by the Board and notified to a proposed beneficiary at the time of offer of the option and shall be not less than the higher of:

- (a) the closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheet on the date of grant, which must be a Business Day;
- (b) the average closing price of the Shares as stated in the Hong Kong Stock Exchange's daily quotation sheet for the five Business Days immediately preceding the date of grant; and
- (c) the nominal value of the Shares.

The Share Option Scheme does not contain any minimum period(s) for which an option must be held before it can be exercised. However, at the time of grant of the options, our Company may specify any such minimum period(s).

Under the Share Option Scheme, a total of 3,832,500 share options were granted to the Directors.

參與者接納購股權時須支付人民幣1.00元。董事會可全權酌情根據購股權計劃所載條款，向本公司或任何附屬公司的任何僱員、管理人員或董事及第三方服務供應商授出可認購股份的購股權。購股權計劃旨在招攬及留用技術熟練及經驗豐富的人士，為彼等提供購買本公司股權的機會，藉此激勵彼等留任本公司、促進本公司以客戶為本的企業文化，並推動彼等為本公司的未來發展及擴展作出努力。

根據購股權計劃授出的購股權所涉及的股份數目合共不得超過批准購股權計劃當日已發行股本的10%(即合共180,923,250股)。

我們不得向任何人士授出購股權而致使於截至最近授出日期止之任何12個月內已授予及將授予該人士的購股權獲行使而發行及將發行的股份總數超過我們的不時已發行股本的1%，惟獲我們的股東批准則除外。

行使購股權認購每股股份應付的金額須由董事會於提出購股權要約時釐定，並知會建議受益人，且不得低於下列的較高者：

- (a) 股份於授出日期(須為營業日)在香港聯交所每日報價表所列的收市價；
- (b) 股份於緊接授出日期前五個營業日在香港聯交所每日報價表所列的平均收市價；及
- (c) 股份的面值。

購股權計劃並無載列購股權可獲行使前須持有的任何最短期限。然而，於授出購股權時，本公司可具體規定任何有關最短期限。

根據購股權計劃，合共3,832,500股購股權已授予董事。

All outstanding share options granted under the Share Option Scheme were either cancelled or lapsed as a result of or tendered for acceptance to the general offer made by PAG to the Company. As a result, the Company has no outstanding share option as at 30 June 2017.

SHARE ALLOTMENT SCHEME

On 8 July 2013, our Company adopted the Share Allotment Scheme. The purpose of the Share Allotment Scheme is to recognise the contributions of certain employees and to give incentives for them to work with commitment towards enhancing the value of our Company and to attract high caliber personnel for further development of our Group.

The Board has the power to administer the Share Allotment Scheme in accordance with the rules of the Share Allotment Scheme. Our Company shall bear the costs of establishing and administering the Share Allotment Scheme. The trustee will borrow the loans, hold the Shares and the income derived therefrom, and perform its duties of trustee in accordance with the terms of the trust deed and such other applicable agreements as agreed between our Company and the trustee from time to time either in its own name or in the name of a nominee or an investment/asset holding vehicle established solely for the purposes of the Share Allotment Scheme. The allotted Shares held by the trustee shall be fully vested on the participating employee on the tenth anniversary date of the reference date (being the date of final approval by the Board of the number of Shares to be allotted to the participating employee pursuant to the Share Allotment Scheme) provided that the participating employee remains at all times after the reference date till the vesting date an employee.

The participating employees of the Share Allotment Scheme are mid-and-senior-level management team of our Company selected by the Board at its sole discretion on the basis of the employee's contribution to the development and growth of our Group and such other matters that the Board considers relevant.

The maximum number of the Shares which may be allotted to a participating employee under the Share Allotment Scheme shall not exceed 1% of the issued share capital of our Company as at the date of the adoption of the Share Allotment Scheme.

所有根據購股權計劃授出的尚未行使購股權因太盟作出收購本公司的全面要約而均為已註銷或已失效或已被接納有關要約。因此，本公司於2017年6月30日並無尚未行使購股權。

股份配發計劃

本公司於2013年7月8日採納股份配發計劃。股份配發計劃的目的為嘉許若干僱員所作的貢獻並激勵其致力於為提升本公司價值而努力工作，以及為本集團的進一步發展吸引優秀人才。

根據股份配發計劃的規則，董事會有權管理股份配發計劃。本公司應承擔建立和管理股份配發計劃的成本。受託人將根據信託契據及本公司與受託人之間不時簽訂的適用協議的條款，以其本身名義或以代名人名義或僅為股份配發計劃之目的而設立的投資／資產控股公司的名義，持有股份及由此產生的收入，並履行其作為受託人的職責。受託人持有的配發股份應於參考日期(即董事會最終批准根據股份配發計劃將配發予參與僱員的股份總數之日)第十周年之日全額歸屬予參與僱員，前提是參與僱員於參考日期後至歸屬日一直身為僱員。

股份配發計劃的參與僱員為本公司的中高級管理團隊，由董事會根據僱員對本集團的發展及增長所作貢獻以及董事會認為相關的其他事宜全權選擇。

根據股份配發計劃，可配發予參與僱員的最高股份數目不得超過本公司於股份配發計劃接納日期已發行股本的1%。

Other Information (continued)

其他資料(續)

In respect of each participating employee, the Board shall cause a loan to be lent to the trustee, being the sum of (i) the closing price of the allotted Shares in respect of the participating employee as at the reference date and (ii) the related purchase expenses incurred by the trustee from our Company's resources as soon as practicable. Within 15 business days after borrowing the loan from our Company, the trustee shall apply the same towards the acquisition of the allotted Shares at the prevailing market price.

Subject to any early termination as may be determined by the Board under the Share Allotment Scheme, the Share Allotment Scheme shall be valid and effective for a term of 13 years commencing on the date of the adoption of the Share Allotment Scheme (provided that no further Shares is allotted to any employee after the third anniversary of the date of the adoption of the Share Allotment Scheme) but the provisions of the Share Allotment Scheme shall remain in full force and effect and in all other respects.

The maximum number of new Shares to be issued by the Company and allotted to the trustee under the Share Allotment Scheme is 180,683,000 Shares, representing 10% of the issued share capital of the Company as at the date of the adoption of the Share Allotment Scheme.

According to the Share Allotment Scheme, for subscription of the new Shares issued by our Company, the Board has the discretion to decide the issue price up to 10% discount to the 30-day average closing price of the Shares prior to the reference date.

On 15 October 2013, in accordance with the terms and conditions of the Share Allotment Scheme, the Company allotted 22,600,000 Shares to the trustee holding on behalf of the participating employees at an issue price of HK\$7.03 per Share (the "2013 Allotment"). On 28 April 2015, our Company further issued and allotted 36,000,000 new Shares at the issue price of HK\$5.59 per allotted Share to the trustee holding on behalf of the participating employees ("2015 April Allotment") pursuant to the Share Allotment Scheme to replace the 2013 Allotment. On 28 December 2015, our Company further issued and allotted 39,000,000 new Shares at the issue price of HK\$3.32 per allotted Share to the trustee holding on behalf of the participating employees on 7 December 2015 pursuant to the Share Allotment Scheme to replace the 2015 April Allotment.

All the outstanding allotted Shares held by the trustee became immediately vested as a result of and were tendered for acceptance to the general offer made by PAG to the Company. As a result, the Company has no outstanding allotted Share as at 30 June 2017.

就各參與僱員而言，董事會須盡快從公司資金中安排貸款借予受託人，金額為(i)就參與僱員而言獲配發股份於參考日期的收市價及(ii)受託人產生的相關購買開支的總和。於借出本公司貸款後15個工作日內，受託人須就按當時市價收購獲配發股份申請貸款。

視乎董事會可根據股份配發計劃決定提前終止而定，股份配發計劃將自股份配發計劃接納日期起計13年內有效(唯股份配發計劃接納日期第三個週年後概無進一步股份配發予任何僱員)。但股份配發計劃條文須於所有其他方面維持十足效力及作用。

本公司將發行並根據股份配發計劃配發予受託人的新股份最高數目為180,683,000股股份，佔本公司於股份配發計劃接納日期已發行股本的10%。

根據股份配發計劃，就認購本公司發行的新股份而言，董事會有酌情權釐定發行價較參考日期前股份的30日平均收市價最多折讓10%。

2013年10月15日，根據股份配發計劃的條款及條件，本公司按每股7.03港元的發行價配發22,600,000股股份予代參與僱員持有的受託人(「2013年配發」)。於2015年4月28日，本公司根據股份配發計劃按發行價每股配發股份5.59港元，向代參與僱員持有的受託人進一步發行及配發36,000,000股新股份(「2015年4月配發」)，以取代2013年配發。於2015年12月28日，本公司根據股份配發計劃按發行價每股配發股份3.32港元，於2015年12月7日向代參與僱員持有的受託人進一步發行及配發39,000,000股新股份，以取代2015年4月配發。

所有由受託人持有的發行在外配發股份因太盟作出收購本公司的全面要約而隨即歸屬並被接納該要約。因此，本公司於2017年6月30日並無發行在外配發股份。

Other Information (continued) 其他資料(續)

Changes in the number of allotted Shares during the period under review are set out below:

以下載列回顧期內配發股份數目的變化：

		Six months ended 30 June 2017 截至2017年 6月30日 止6個月期間	Year ended 31 December 2016 截至2016年 12月31日止年度
Outstanding at the beginning of the period/year	期／年初餘額	36,600,000	39,000,000
Granted during the period/year	本期／本年配發	—	—
Forfeited during the period/year	本期／本年廢止	—	(2,400,000)
Vested and exercised during the period/year	本期／本年歸屬及行權	(36,600,000)	—
Outstanding at the end of the year	期／年末餘額	—	36,600,000

Definitions

釋義

“Board” or “Board of Directors”	the board of directors of our Company	「董事會」	指	本公司董事會
“China” or “PRC”	the People’s Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, references in this interim report to “China” and the “PRC” do not include Taiwan, the Macau Special Administrative Region and Hong Kong	「中國」	指	中華人民共和國，僅就本中期報告及作地區參考而言，除文義另有所指外，本中期報告對於「中國」的提述並不包括台灣、澳門特別行政區及香港
“Code”	the Corporate Governance Code	「守則」	指	企業管治守則
“Code of Conduct”	a code of conduct regarding securities transactions by directors	「行為 守則」	指	董事進行證券交易之行為守則
“Director(s)”	Director(s) of our Company	「董事」	指	本公司董事
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong	「港元」	指	港元，香港法定貨幣
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC	「香港」	指	中國香港特別行政區
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited	「香港 聯交所」	指	香港聯合交易所有限公司
“Hunan Yingde”	Hunan Yingde Gases Company Limited*(湖南盈德氣體有限公司), a company established in the PRC on 29 October 2001 and a wholly-owned subsidiary of our Company	「湖南盈德」	指	湖南盈德氣體有限公司，一間於2001年10月29日在中國成立的公司，為本公司的全資附屬公司
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)	「上市規則」	指	香港聯合交易所有限公司證券上市規則(經不時修訂)

“Model Code”	the Model Code for Securities Transactions by Directors of Listed Issuers	「標準守則」	指	上市發行人董事進行證券交易的標準守則
“Nm ³ /hr”	normal cubic meter/hour	「標準 立方米 /小時」	指	標準立方米/小時
“Renminbi” or “RMB”	the lawful currency of the PRC	「人民幣」	指	中國法定貨幣
“SAI Report(s)”	the industry report(s) entitled China Industrial Gas Market Analysis published by Strategic Analysis Inc.	「SAI報告」	指	由Strategic Analysis Inc.刊發的中國工業氣體市場分析的行業報告
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)	「證券及 期貨 條例」	指	香港法例第571章證券及期貨條例(經不時修訂)
“Share(s)”	ordinary share(s) with nominal value of US\$0.000001 each in the share capital of our Company	「股份」	指	本公司股本中每股面值0.000001美元的普通股
“Shareholder(s)”	holder(s) of the Share(s)	「股東」	指	股份持有人
“Share Allotment Scheme”	the share allotment scheme adopted by the Company on 8 July 2013, as amended from time to time	「股份配 發計劃」	指	本公司於2013年7月8日採納、並不時修訂的股份配發計劃
“Share Option Scheme”	the share option scheme conditionally approved by our Shareholders on 12 September 2009 and approved and adopted by the Board of Directors of our Company on 12 September 2009	「購股權 計劃」	指	我們的股東於2009年9月12日有條件地批准且由本公司董事會於2009年9月12日批准並採納的購股權計劃
“United States” or “US”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction	「美國」	指	美利堅合眾國、其領土、屬地及其司法管轄範圍內的所有地區
“USD”	United States dollars, the lawful currency of the United States	「美元」	指	美元，美國法定貨幣

Definitions (continued)

釋義(續)

“Yingde BVI”	Yingde Gases Investment Limited (盈德氣體投資有限公司*)，a company incorporated in the British Virgin Islands on 18 April 2006 and a wholly-owned subsidiary of our Company and investment holding company in our Group	「盈德(英屬處女群島)」指盈德氣體投資有限公司，一間於2006年4月18日在英屬處女群島註冊成立的公司，為本公司的全資附屬公司及本集團的投資控股公司
--------------	--	--

In this interim report:

- “Company”, “our Company”, “our”, “we” and “us” refer to Yingde Gases Group Company Limited 盈德氣體集團有限公司, an exempted company incorporated in the Cayman Islands with limited liability on 25 September 2007 and, except where the context otherwise requires, include all of its subsidiaries or where the context refers to any time prior to its incorporation, the business which its predecessors or the predecessors of its present subsidiaries were engaged in and which were subsequently assumed by it;
- “Group” and “our Group” means our Company and its subsidiaries from time to time; and
- the terms “associate”, “connected person”, “connected transaction”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

* denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purposes only

於本中期報告內：

- 「公司」、「本公司」、「我們的」及「我們」指盈德氣體集團有限公司，一間於2007年9月25日在開曼群島註冊成立的獲豁免有限公司，除文義另有所指外，包括其所有附屬公司，或如文義所指其註冊成立之前的任何時間，則指其前身或其現有附屬公司的前身所從事且其於隨後承擔的業務；
- 「本集團」指本公司及其不時的附屬公司；及
- 除文義另有所指外，「聯繫人」、「關連人士」、「關連交易」、「控股股東」、「附屬公司」及「主要股東」等詞彙具備上市規則所賦予的涵義。

* 表示中國公司或實體的英文譯名(反之亦然)，謹供識別



YINGDE GASES GROUP COMPANY LIMITED
盈德氣體集團有限公司