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CHINA GAS HOLDINGS LIMITED

中國燃氣控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 384)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

The board of directors (the "Board" or the "Directors") of China Gas Holdings Limited (the "Company") announces the condensed consolidated financial results of the Company and its subsidiaries (the "Group") for the six months ended 30 September 2018, together with the comparative figures for the six months ended 30 September 2017, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

		Six months ended	
		30 September 2018	30 September 2017
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**28,877,197**	20,875,350
Cost of sales		**(22,377,321)**	(15,406,436)
Gross profit		**6,499,876**	5,468,914
Other income		**386,117**	226,591
Other gains and losses		**307,910**	97,337
Selling and distribution costs		**(801,793)**	(691,961)
Administrative expenses		**(920,331)**	(820,325)
Share of results of associates		**298,627**	166,375
Share of results of joint ventures		**457,540**	594,017
		6,227,946	5,040,948
Share-based payments		**(162,560)**	—
Finance costs		**(539,100)**	(419,053)

	Notes	Six months ended 30 September 2018 HK$'000 (unaudited)	30 September 2017 HK$'000 (unaudited)
Profit before taxation		**5,526,286**	4,621,895
Taxation	*4*	**(929,184)**	(903,139)
Profit for the period	*5*	**4,597,102**	3,718,756
Other comprehensive (expense) income			
Item that will be reclassified subsequently to profit or loss:			
Decrease in fair value on available-for-sale investments		**—**	(17,790)
Item that will not be reclassified subsequently to profit or loss:			
Exchange difference arising on translation		**(3,275,793)**	1,046,468
Increase in fair value of equity instruments at fair value through other comprehensive income		**7,806**	—
Other comprehensive (expense) income for the period		**(3,267,987)**	1,028,678
Total comprehensive income for the period		**1,329,115**	4,747,434
Profit for the period attributable to:			
Owners of the Company		**4,225,751**	3,395,206
Non-controlling interests		**371,351**	323,550
		4,597,102	3,718,756
Total comprehensive income attributable to:			
Owners of the Company		**1,323,849**	4,322,542
Non-controlling interests		**5,266**	424,892
Total comprehensive income for the period		**1,329,115**	4,747,434
Earnings per share			
Basic	*6*	**HK84.42 cents**	HK68.33 cents
Diluted	*6*	**HK81.59 cents**	HK67.34 cents

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

	Notes	30 September 2018 HK$'000 (unaudited)	31 March 2018 HK$'000 (audited)
Non-current assets			
Investment properties		**270,319**	272,929
Property, plant and equipment		**37,982,232**	34,088,413
Prepaid lease payments		**2,037,006**	1,996,978
Investments in associates		**5,593,616**	5,924,790
Investments in joint ventures		**4,969,960**	6,423,615
Available-for-sale investments		**—**	409,176
Goodwill		**3,210,199**	3,079,624
Other intangible assets		**3,538,586**	3,903,024
Deposits for acquisition of property, plant and equipment		**965,183**	663,790
Deposits for acquisition of subsidiaries, joint ventures and associates		**138,722**	194,038
Deferred tax assets		**249,117**	224,325
Equity instruments at fair value through other comprehensive income		**621,229**	—
		59,576,169	57,180,702
Current assets			
Inventories		**3,533,086**	3,069,246
Amounts due from customers for contract work		**—**	3,166,968
Contract assets		**4,978,853**	—
Trade and other receivables	*7*	**11,180,478**	9,019,230
Amounts due from associates		**22,117**	38,347
Amounts due from joint ventures		**4,143,312**	935,161
Prepaid lease payments		**58,604**	63,225
Held-for-trading investments		**33,881**	48,077
Derivative financial instrument		**1,651**	—
Pledged bank deposits		**319,390**	290,729
Bank balances and cash		**9,668,512**	8,246,322
		33,939,884	24,877,305

	Notes	**30 September 2018** *HK$'000* **(unaudited)**	31 March 2018 *HK$'000* (audited)
Current liabilities			
Trade and other payables	*8*	**18,658,790**	14,044,970
Contract liabilities		**5,209,515**	—
Amount due to an associate		**—**	125
Amounts due to joint ventures		**287**	88,441
Amounts due to customers for contract work		**—**	942,632
Derivative financial instrument		**—**	2,338
Taxation		**891,669**	943,784
Bank and other borrowings — due within one year		**8,737,829**	11,079,288
		33,498,090	27,101,578
Net current assets (liabilities)		**441,794**	(2,224,273)
Total assets less current liabilities		**60,017,963**	54,956,429
Equity			
Share capital		**50,807**	49,685
Reserves		**29,498,945**	28,406,311
Equity attributable to owners of the Company		**29,549,752**	28,455,996
Non-controlling interests		**5,162,911**	4,274,104
Total equity		**34,712,663**	32,730,100
Non-current liabilities			
Bank and other borrowings — due after one year		**24,385,732**	21,293,133
Deferred taxation		**919,568**	933,196
		25,305,300	22,226,329
		60,017,963	54,956,429

Notes:

1. **BASIS OF PREPARATION**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

2. **PRINCIPAL ACCOUNTING POLICIES**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments which are measured at revalued amounts or fair values, as appropriate.

Other than changes in accounting policies resulting from application of new and amendments to Hong Kong Financial Reporting Standards ("HKFRSs"), the accounting policies and methods of computation used in the condensed consolidated financial statements for the six months ended 30 September 2018 are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2018.

Application of new and amendments to HKFRSs

In the current interim period, the Group has applied, for the first time, the following new and amendments to HKFRSs issued by the HKICPA which are mandatory effective for the annual period beginning on or after 1 April 2018 for the preparation of the Group's condensed consolidated financial statements:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and the related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014–2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

The new and amendments to HKFRSs have been applied in accordance with the relevant transition provisions in the respective standards and amendments which results in changes in accounting policies, amounts reported and/or disclosures as described below.

Impacts and changes in accounting policies of application on HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current interim period. HKFRS 15 superseded HKAS 18 "Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group recognises revenue from the following major sources:

- Sales of piped gas
- Gas connection
- Engineering design and construction
- Sales of liquefied petroleum gas ("LPG")
- Value-added services

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this standard, if any, recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the standard retrospectively only to contracts that are not completed at 1 April 2018 and has used the practical expedient for all contract modifications that occurred before the date of initial application, the aggregate effect of all of the modifications was reflected at the date of initial application. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and HKAS 11 and the related interpretations.

Key changes in accounting policies resulting from application of HKFRS 15

HKFRS 15 introduces a 5-step approach when recognising revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the Group satisfies a performance obligation

Under HKFRS 15, the Group recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer.

A performance obligation represents a good and service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or

- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct good or service.

A contract asset represents the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer that is not yet unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Group's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Input Method

The progress towards complete satisfaction of a performance obligation is measured based on input method, which is to recognise revenue on the basis of the Group's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation, that best depict the Group's performance in transferring control of goods or services.

Impacts and changes in accounting policies of application on HKFRS 9 "Financial Instruments"

In the current period, the Group has applied HKFRS 9 and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("ECL") for financial assets and contract assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9. i.e. applied the classification and measurement requirements (including impairment) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

New significant judgements and key sources of estimation uncertainty related to the application of HKFRS 9

In preparing these condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were similar to those applied to the Group's annual financial statements for the year ended 31 March 2018, except for impairment assessment of financial assets (under HKFRS 9 subject to the ECL model rather than incurred loss model under HKAS 39) and measurement of unquoted equity investments, (subject to fair value measurement under HKFRS 9 rather than measurement of cost less impairment under HKAS 39).

3. SEGMENT INFORMATION

The Group's reportable and operating segments under HKFRS 8 are: sales of piped gas, gas connection, engineering design and construction, sales of liquefied petroleum gas ("LPG"), value-added services and Zhongyu Gas Holdings Limited ("Zhongyu Gas"), in which the Group's chief operating decision maker ("CODM") reviewed the result of Zhongyu Gas being shared by the Group under equity method of accounting.

The Group centralizes its engineering design and construction functions. During the period, due to the expansion of the operation and increase in significance of the engineering design and construction functions, the Group separates the engineering design and construction segment which the CODM reviews it individually for better resource allocation and assessment of segment performance. According, the segment information reported below for period ended 30 September 2017 has been restated to confirm with the current period presentation.

Inter-segment revenue are charged at prevailing market rates.

Segment information for the six months ended 30 September 2018 and 2017 about these businesses is presented below.

	Six months ended 30 September 2018 (unaudited)						
	Sales of piped gas *HK$'000*	**Gas connection** *HK$'000*	**Engineering design and construction** *HK$'000*	**Sales of LPG** *HK$'000*	**Value-added services** *HK$'000*	**Zhongyu Gas** *HK$'000*	**Consolidated** *HK$'000*
Total segment revenue	**11,973,615**	**5,312,582**	**6,265,569**	**9,812,779**	**1,011,361**	**—**	**34,375,906**
Inter-segment revenue	**—**	**—**	**(5,498,709)**	**—**	**—**	**—**	**(5,498,709)**
External segment revenue	**11,973,615**	**5,312,582**	**766,860**	**9,812,779**	**1,011,361**	**—**	**28,877,197**
Segment result	**1,498,650**	**1,921,408**	**1,120,578**	**85,902**	**341,502**	**181,925**	**5,149,965**
Interest and other gains							**71,274**
Unallocated corporate expenses							**(121,333)**
Change in fair value of investment properties							**11,743**
Change in fair value of held for trading							**(14,196)**
Loss on disposal of property, plant and equipment							**(22,811)**
Exchange loss on translation of monetary items to functional currency							**(26,501)**
Finance costs							**(539,100)**
Gain on disposal of part of shares of an associate							**234,414**
Gain on disposal and remeasurement of associates							**341,131**
Gain on acquisition of a subsidiary							**30,018**
Share-based payments							**(162,560)**
Share of results of associates							**116,702**
Share of results of joint ventures							**457,540**
Profit before taxation							**5,526,286**

	Six months ended 30 September 2017 (unaudited) (restated)						
	Sales of piped gas *HK$'000*	Gas connection *HK$'000*	Engineering design and construction *HK$'000*	Sales of LPG *HK$'000*	Value-added services *HK$'000*	Zhongyu Gas *HK$'000*	Consolidated *HK$'000*
Total segment revenue	8,468,282	3,923,164	4,520,710	6,736,886	697,394	—	24,346,436
Inter-segment revenue	—	—	(3,471,086)	—	—	—	(3,471,086)
External segment revenue	8,468,282	3,923,164	1,049,624	6,736,886	697,394	—	20,875,350
Segment result	1,210,053	1,726,710	726,306	291,647	289,048	65,139	4,308,903
Interest and other gains							75,366
Unallocated corporate expenses							(109,215)
Change in fair value of investment properties							19,100
Gain on disposal of property, plant and equipment							6,529
Gain on disposal of a subsidiary							1,381
Exchange gain on translation of monetary items to functional currency							43,631
Finance costs							(419,053)
Share of results of associates							101,236
Share of results of joint ventures							594,017
Profit before taxation							4,621,895

4. TAXATION

	Six months ended	
	30 September 2018 ***HK$'000*** **(unaudited)**	30 September 2017 *HK$'000* (unaudited)
PRC Enterprise Income Tax	**944,113**	921,569
Deferred taxation	**(14,929)**	(18,430)
	929,184	903,139

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group had no assessable profit for either period in Hong Kong. Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

The taxation charge of the PRC Enterprise Income Tax for the current and prior periods have been made based on the Group's estimated assessable profits calculated at the prevailing tax rates in accordance with the relevant income tax laws applicable to the subsidiaries in the PRC.

5. PROFIT FOR THE PERIOD

	Six months ended	
	30 September 2018	30 September 2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	**542,489**	506,267
Release of prepaid lease payments	**29,302**	24,965
Amortisation of intangible assets	**61,175**	43,907
Interest income	**(68,507)**	(54,483)
Loss (gain) on disposal of property, plant and equipment	**22,811**	(6,529)

6. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Six months ended	
	30 September 2018	30 September 2017
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	**4,225,751**	3,395,206
Number of shares	***'000***	*'000*
Weighted average number of ordinary shares for the purpose of basic earnings per share	**5,005,446**	4,968,519
Effect of dilutive potential ordinary shares:		
Share options	**173,502**	73,636
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**5,178,948**	5,042,155

7. TRADE AND OTHER RECEIVABLES

	30 September 2018	31 March 2018
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Trade receivables	**4,304,471**	3,409,101
Less: Accumulated allowances*	**(861,641)**	(473,333)
Trade receivables	**3,442,830**	2,935,768
Deposits paid for construction and other materials	**1,313,420**	448,968
Deposits paid for purchase of natural gas and LPG	**1,649,768**	1,786,991
Advanced payments to sub-contractors	**1,439,514**	859,784
Rental and utilities deposits	**421,743**	262,897
Other tax recoverable	**1,044,194**	973,943
Other receivables and deposits	**1,245,191**	1,256,836
Prepaid operating expenses	**549,591**	460,459
Amounts due from non-controlling interests of subsidiaries	**74,227**	33,584
	11,180,478	9,019,230

* The Group has initially applied ECL of HKFRS 9 at 1 April 2018.

Other than certain major customers with good repayment history which the Group allows a longer credit period or settlement by instalment basis, the Group generally allows an average credit period of 30–180 days to its trade customers.

The following is an aged analysis of trade receivables net of impairment losses presented based on invoice date at the end of reporting period:

	30 September 2018	31 March 2018
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0–180 days	**3,111,974**	2,532,433
181–365 days	**227,322**	211,664
Over 365 days	**103,534**	191,671
	3,442,830	2,935,768

8. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables at the end of the reporting period:

	30 September 2018	31 March 2018
	HK$'000	*HK$'000*
	(unaudited)	(audited)
0–90 days	**8,656,816**	3,252,218
91–180 days	**2,969,519**	1,177,211
Over 180 days	**3,335,320**	3,040,546
Trade and bill payables	**14,961,655**	7,469,975
Other payables and accrued charges	**1,010,192**	867,813
Construction fee payables	**1,383,092**	1,216,433
Consideration payable	**330,605**	482,446
Other tax payables	**81,602**	156,066
Accrued staff costs	**160,243**	161,593
Loan interest payables	**239,982**	179,437
Advanced payments from customers*	**—**	2,778,969
Advances received from customers for contract work that have not been started*	**—**	431,661
Amounts due to non-controlling interests of subsidiaries	**491,419**	300,577
	18,658,790	14,044,970

* The Group has initially applied HKFRS 15 at 1 April 2018 that the advanced payments from customers and advances received from customers for contract work that have not been started were reclassified to contract liabilities.

INTERIM DIVIDEND

The Directors declared an interim dividend of HK8.0 cents per share for the six months ended 30 September 2018 (six months ended 30 September 2017: HK8.0 cents per share).

The interim dividend will be paid on or about Thursday, 31 January 2019 to shareholders whose names appear on the register of members of the Company on Wednesday, 16 January 2019.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the shareholders who are entitled to the interim dividend for the six months ended 30 September 2018, the register of members of the Company will be closed from Monday, 14 January 2019 to Wednesday, 16 January 2019, both days inclusive, during which period no transfers of shares of the Company will be registered.

In order to qualify for the interim dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Friday, 11 January 2019.

MANAGEMENT DISCUSSION AND ANALYSIS

As a gas operator and service provider, the Group is primarily engaged in investment, construction and operation of city and town gas pipeline infrastructure, gas terminals, storage and transportation facilities and gas logistics systems; distribution of natural gas and LPG to residential, industrial and commercial customers; construction and operation of compressed natural gas ("CNG")/liquefied natural gas ("LNG") refilling stations; and development and application of technologies relating to natural gas and LPG in Mainland China.

Business Review

Benefitting from China's stable development in macro-economy, steadfast determination to eliminate fog and haze, adoption of increasingly stringent environmental protection policies, and effective implementation of natural gas utilization policies such as "coal-to-gas conversion" in industrial and commercial sectors and township "replacement of coal with gas" in North China, natural gas consumption and demand grew rapidly in China in the recent two years. From January to September 2018, apparent consumption of natural gas in China reached 201.7 billion m^3, representing year-on-year growth of 18.2%.

Over the past year, the central government unveiled a series of policies on market-oriented reform in the natural gas industry and on environmental protection, including Clean Winter Heating Plan for North China (2017–2021) (《北方地區冬季清潔取暖計劃 (2017–2021年)》), Opinions on Accelerating Gas Storage Facility Construction and Improving Ancillary Service Market Mechanism for Gas Storage and Peaking (《關於加快儲氣設施建設和完善儲氣調峰輔助服務市場機制的意見》), Notice on

Harmonizing Natural Gas City Gate Price for Residential Users (《關於理順居民用氣門站價格的通知》), and Three-Year Action Plan for Winning the Battle for a Blue Sky (《打贏藍天保衛戰三年行動計劃》), with a view to facilitating healthy and sustainable development of the natural gas industry. With smooth implementation of pollution prevention and control in key regions, the central government expanded the coverage of priority areas of pollution prevention and control from "2+26" cities to a wider area, which covers the Yangtze River Delta and the Fenhe-Weihe Plain, to exercise strict control over coal consumption, air pollutants and greenhouse gas emission. Meanwhile, the central government defined the standards for central financial incentives and subsidies, established and improved an industry-wide regulatory regime for natural gas industry, and formulated a clear direction on natural gas utilization, with a view to reflecting the central government's determination to promote natural gas as a main energy source and continue to facilitate the implementation of coal-to-gas conversion policy.

To actively respond to the changes in national policies and market conditions, the Group strengthened its corporate governance and safety operation, deepened internal reforms, optimized management, and geared efforts towards building a new ecosystem for China Gas' 4G (piped natural gas ("PNG"), CNG, LNG and LPG) energy network development. Regarding business development, the Group firmly implemented its "3211" strategy, which is to explore potential of old state-owned enterprises, companies having difficulties and gas filling stations running at low efficiency in management and development, to enhance profitability of city gas business and LPG business, to actively push ahead with the Blue Ocean Strategy to explore value-added business, to develop township "replacement of coal with gas" and "point to point gas supply", and to speed up the market layout of and investment in emerging business.

During the period, natural gas sales and pipeline connections, LPG sales and value-added service business all recorded considerable increase in both financial and operating results. The Group's total natural gas sales volume increased by 33.1% to 10,976,593,944 m^3; total number of newly connected residential users was 2,534,709, representing a year-on-year increase of 18.3%; total revenue was HK$28,877,197,000, representing a year-on-year increase of 38.3%; gross profit was HK$6,499,876,000, representing a year-on-year increase of 18.9%; profit attributable to owners of the Company was HK$4,225,751,000, representing a year-on-year increase of 24.5%; and basic earnings per share was HK84.42 cents, representing a year-on-year increase of 23.5%.

Financial and Operational Highlights

	Six months ended 30 September 2018 (unaudited)	2017 (unaudited) (restated)	Increase/ (decrease)
Financial Performance			
Turnover *(HK$'000)*	**28,877,197**	20,875,350	38.3%
Gross profit *(HK$'000)*	**6,499,876**	5,468,914	18.9%
Profit attributable to owners of the Company *(HK$'000)*	**4,225,751**	3,395,206	24.5%
Earnings per share — Basic *(HK cents)*	**84.42**	68.33	23.5%
Operational Performance			
Number of piped gas projects	**508**	342	166
Connectable residential users for city gas projects (household)	**41,539,838**	39,694,715	4.6%
Penetration rate of residential users for city gas projects	**59.8%**	55.7%	4.1 pts
Total gas sales volume *(million m^3)*	**11,099**	8,352	32.9%
Natural gas sold through city and rural gas projects *(million m^3)*	**5,959**	4,652	28.1%
Natural gas sold through long-distance pipelines and trading *(million m^3)*	**5,018**	3,594	39.6%
Other piped gas *(million m^3)*	**122**	107	14.0%
Natural gas sold through city and rural gas projects (Customer breakdown) *(million m^3)*			
Residential users	**1,370**	1,132	21.0%
Industrial users	**3,104**	2,243	38.4%
Commercial users	**945**	762	24.1%
CNG/LNG refilling stations	**540**	515	4.8%
New connections			
Residential users (total number of new connections)	**2,534,709**	2,142,114	18.3%
Residential users (city gas projects)	**1,412,193**	1,436,384	(1.7%)
Residential users (RCG)	**1,122,516**	705,730	59.1%
Industrial users	**1,110**	1,109	0.1%
Commercial users	**15,622**	13,454	16.1%

	Six months ended 30 September		
	2018	2017	Increase/
	(unaudited)	(unaudited) (restated)	(decrease)
Accumulated number of connected users and CNG/LNG refilling stations constructed			
Residential users	**27,105,030**	22,823,770	18.8%
City gas projects	**24,833,381**	22,118,040	12.3%
Township gas projects	**2,271,649**	705,730	221.9%
Industrial users	**10,831**	8,512	27.2%
Commercial users	**184,586**	155,423	18.8%
CNG/LNG refilling stations	**580**	580	—
Average residential connection fee *(RMB/household)*			
Residential users (city gas projects)	**2,549**	2,496	2.1%
Residential users (RCG)	**3,038**	3,142	(3.3%)
Average selling price (pre-tax) of natural gas *(RMB/m^3)*			
Residential users	**2.49**	2.45	1.6%
Industrial users	**2.46**	2.39	2.9%
Commercial users	**2.58**	2.52	2.4%
CNG/LNG refilling stations	**2.91**	2.82	3.2%

[#] RCG: Township "replacement of coal with gas" in North China.

New Projects Expansion

From 1 April 2018 to 30 September 2018, the Group secured 11 new city piped gas projects in Heilongjiang Province and Inner Mongolia Autonomous Region:

Province/Autonomous Region	City/District/County
Heilongjiang Province	Acheng District of Harbin City
	Jiguan New District of Jixi City
	Wuchang City
	Anda City
	Tailai County
	Bin County
	Zhaoyuan County
	Fangzheng County
	Jiansanjiang Farming Zone
Inner Mongolia Autonomous Region	Ganqimaodu Industrial Park of Urad Middle Banner
	Dengkou County of Bayannaoer

As at 30 September 2018, the Group secured 508 piped gas projects, including 147 county and district level township RCG projects, 14 natural gas long-distance pipeline projects, 580 CNG/LNG refilling stations for vehicles, one coal bed methane development project, 100 LPG distribution projects and the 52 completed multi-complementary comprehensive energy supply projects in operation in 26 provinces (including autonomous regions and municipalities).

As at 30 September 2018, connectable population covered by the Group's city gas projects (exclusive of RCG) increased to 125,569,720 (approximately 41,539,838 households), representing a year-on-year increase of 5.1%.

BUSINESS REVIEW

The Group's principal business includes sale of natural gas and LPG and development of value-added services, each of which has its own customer base, profit model and marketing strategy. The performance of each business for the six months ended 30 September 2018 is discussed below.

Natural Gas Business

The Group is a gas operator and service provider mainly focusing on supplying natural gas. After 17 years of rapid development, the Group has established an operation and management system unique in domestic natural gas industry and adaptable to its own needs for development. This system, which is optimized by the Group in a timely manner, has proven itself to contribute positively towards enhancing management efficiency and operating results of the Group.

Township "Replacement of Coal with Gas" (RCG)

Environment and air pollution issues are tied with national economy and the people's livelihood. As a responsible clean energy operator, the Group responds to the "Blue Sky Project" formulated by the Chinese government while keeping its city gas business running well. It makes active investments in gas supply projects for winter heating in townships in North China i.e. township "replacement of coal with gas", through prudent investigation and study, scientific design, comprehensive layout, efficient construction and safety operation.

The Group developed cooperation with provincial and municipal governments on atmospheric environmental governance and entered into strategic cooperation framework agreements with them, aiming to leverage on mutual advantages and resources to accelerate project construction and increase natural gas utilization rate in townships and cities. So far, the Group established strategic partnerships with Tianjin City and Hebei, Shandong, Shanxi, Henan, Shaanxi, Anhui, Yunnan, Hainan, Heilongjiang, Hubei, Jilin, Guizhou, Sichuan and Hunan Provinces, to carry out township "replacement of coal with gas", conversion of coal-fired boilers to natural-gas-fired boilers, natural gas for vehicles, distributed energy resources, natural gas storage facilities, and construction of natural gas pipe network and "beautiful countryside" in 147 districts or counties. As at 30 September 2018, the Group had signed agreements with approximately 5.5 million residential users for the implementation of township "replacement of coal with gas".

Construction of Natural Gas Pipelines and User Connection

City gas pipeline networks are the foundation of gas supply. The Group constructs urban arterial and branch gas pipeline networks to connect natural gas pipelines with its residential, industrial and commercial users, from whom connection fees and gas usage fees are charged.

As at 30 September 2018, gas transmission pipeline networks with a total length of 192,016 km were constructed by the Group.

Residential Users

During the reporting period, the Group completed natural gas connections for 2,534,709 residential users, (of which 1,412,193 were connected in city gas projects and 1,122,516 were connected in township "replacement of coal with gas" in North China), representing a year-on-year increase of approximately 18.3%. Average connection fee paid by residential users connected in city gas projects and township "replacement of coal with gas" was RMB2,549 and RMB3,038 per household, respectively.

As at 30 September 2018, accumulated number of connected residential users of the Group was 27,105,030 (of which 24,833,381 were residential users connected in city gas projects, and 2,271,649 were residential users connected in township "replacement of coal with gas" in North China), representing a year-on-year increase of approximately 18.8%. Penetration rate of city gas projects was 59.8%. Though rising constantly, the Group's overall penetration rate remains low when compared with the level of 80% in developed markets. The number of new residential users to be subscribed to the Group's services is expected to increase steadily in the future and generate stable gas connection income for the Group.

Industrial and Commercial Users

Fueled by China's stable macroeconomic growth and stringent environmental protection policies, overall natural gas demand continued to maintain a significant growth. In the future, natural gas demand from industrial and commercial users implementing "coal-to-gas conversion" will continue to increase, and become one of the major drivers of gas sales growth.

During the reporting period, the Group newly connected 1,110 industrial users and 15,622 commercial users, the former of which were mainly from industries such as petrochemicals, building materials and metallurgy. As at 30 September 2018, the Group provided natural gas services for 10,831 industrial users and 184,586 commercial users, representing a year-on-year increase of approximately 27.2% and 18.8%, respectively. Average connection fee for industrial users and commercial users was RMB191,234 and RMB20,810 per customer, respectively.

CNG/LNG Refilling Stations

Due to the impact of several factors such as the subsidy policy for electric vehicles in China, both market development and natural gas demand of CNG refilling stations were confronted with pressure in the recent three years. Thanks to the recovery of China's logistics transportation industry and the increasing number of LNG heavy trucks, gas sales volume of LNG refilling stations secured ideal growth.

In view of the difficulties faced by refilling stations, the Group proactively adjusted its strategy for developing refilling stations, with a view to enhancing the management level of each individual station, strengthening control over investment to new gas stations and facilitating the development of high quality market, thereby stabilizing the gas sales of refilling stations. The Group also made tremendous efforts to intensify publicity, continuously improve service quality, and promote value-added business such as "all-in-one card" and convenience stores in refilling stations, so as to expand the source of profit, attract both new and old customers, and increase customer loyalty.

As at 30 September 2018, a total of 580 natural gas refilling stations were operated by the Group.

Sales of Natural Gas

Natural gas is sold mainly through gas pipeline networks laid in townships and cities, trading and long-distance transmission pipelines. During the reporting period, the Group sold a total of 10,976,593,944 m^3 of natural gas, representing a year-on-year increase of 33.1%. Of which, 5,958,865,682 m^3 were sold through gas pipeline networks laid in townships and cities, representing a year-on-year increase of 28.1%; and 5,017,728,262 m^3 were sold through trading and long-distance transmission pipelines, representing a year-on-year growth of 39.6%.

The Group is mainly engaged in developing piped natural gas business, but in areas where piped natural gas is not yet accessible, such as Fushun City in Liaoning Province, Liuzhou City in Guangxi Zhuang Autonomous Region and Jixi City in Heilongjiang Province, piped coal gas or LPG blended with air is sold as a transitional fuel. A total of 122,725,465 m^3 of coal gas and air-blended LPG were sold during the reporting period. With the introduction of upstream natural gas to such cities, the sale of transitional fuels by the Group will scale down gradually.

Liquefied Petroleum Gas Business

The Group currently owns eight LPG terminals and 100 LPG distribution projects, with distribution operations in 19 provinces in China. It has been positioned as the largest vertically integrated LPG business operation service provider in the country.

During the reporting period, the Group's total LPG sales volume was 1,958,441 tons, representing a year-on-year increase of 1.0%. Of which, wholesale volume was 1,384,264 tons, representing a year-on-year decrease of 2.1%; and retail sales volume was 574,177 tons, representing a year-on-year increase of 9.6%. The slight year-on-year decrease in wholesale volume was mainly due to the significant increase in both international crude oil price and LPG price during the period, at the same time, the Group appropriately controlled the imports of LPG for the purpose of prevention of the impact of the increase in and volatility of international LPG purchase price on our profit resulting from greater price fluctuation. Total sales revenue was approximately HK$9,812,779,000 (the six months ended 30 September 2017: HK$6,736,886,000), representing year-on-year growth of 45.7%. Gross profit was HK$721,770,000 (the six months ended 30 September 2017: HK$661,501,000), representing a year-on-year increase of 9.1%. Operating profit was HK$85,902,000 (the six months ended 30 September 2017: HK$291,647,000), representing a year-on-year decrease of 70.5%. If excluding the effect of non-operating foreign exchange gain or loss, the core net profit should be HK$264,362,000 (the six months ended 30 September 2017: HK$282,247,000), representing a year-on-year decrease of 6.3%.

With LPG becoming popular among suburban and rural areas, with industrial and commercial LPG demand growing steadily over the long term, and particularly with LPG developing rapidly as a form of raw material in petrochemical synthesis and deep-processing sectors, China's LPG industry sees an unprecedented opportunity for its development. The Group will fully utilize its existing LPG terminals, storage facilities and fleets of vehicles and vessels to boost overseas and domestic purchases of LPG and gradually increase the utilization rate of midstream LPG assets. The Group will exercise unified procurement of LPG in its downstream retail business, with a view to utilizing the advantage of its integrated upstream and downstream activities to lay out a proper deployment over its gas source procurement, storage resources and market coverage and reach an effective synergy between wholesale and retail segments, thereby maximizing profit margin of the whole supply chain. The Group will also make use of its huge city gas network and resources across the country to assist LPG distribution business to expand from the south of China to provinces and cities nationwide, thereby significantly raising LPG sales volume and realizing economies of scale.

Value-Added Services for End Users

With ever increasing penetration rate, our customer base has been expanding rapidly. More than 32 million residential, industrial and commercial users are currently enjoying natural gas and LPG provided by the Group. Potential added-value of the Group's customer network is huge. Accordingly, the Group will strive to enrich its value-added services and edge up its marketing efforts so as to increase the percentage of its income from value-added service business in its overall operating income, transform itself from a mere gas product provider to a provider of comprehensive energy and excellent customer services, and further improve profitability and overall competitiveness of its service network. The Group developed various new value-added business around its gas sales business, including the promotion of gas appliances under the brand of GASBO (中燃寶), comprehensive gas insurance agency service, maintenance and renovation, and sales of gas corrugated pipes and gas alarms.

During the reporting period, value-added service business generated revenue of HK$1,011,361,000 (the six months ended 30 September 2017: HK$697,394,000), representing a year-on-year increase of 45.0%; gross profit of HK$416,914,000, representing a year-on-year increase of 18.9%; and operating profit of HK$341,502,000, representing a year-on-year increase of 18.2%.

Expansion into New Businesses

Over the years, the Group has been capitalizing on its strength generated by the huge market and large customer base of its gas projects to be engaged in facilitating extensive deployment of new business in China, such as gas-fired distributed energy resources, photovoltaic power generation, distribution and sale of electricity, and central and distributed heating. It seeks to carry out integrated utilization of energy resources with years of cumulative experience in market development and technical innovation, in an effort to provide customers with highly efficient integrated energy resources that address their needs for gas, heating, electricity and cooling.

As of 30 September 2018, a total of 52 comprehensive energy supply projects with multi-energy complementation were put into operation by the Group.

Financial Review

For the six months ended 30 September 2018, the Group's turnover was HK$28,877,197,000 (six months ended 30 September 2017: HK$20,875,350,000), representing a year-on-year growth of 38.3%. Gross profit was HK$6,499,876,000 (six months ended 30 September 2017: HK$5,468,914,000), representing a year-on-year growth of 18.9%. Overall gross profit margin was 22.5% (six months ended 30 September 2017: 26.2%). Profit attributable to owners of the Company was HK$4,225,751,000 (six months ended 30 September 2017: HK$3,395,206,000), representing a year-on-year growth of 24.5%.

Earnings per share was HK$84.42 cents (the six months ended 30 September 2017: HK68.33 cents), representing a year-on-year growth of 23.5%.

Finance Costs

For the six months ended 30 September 2018, finance costs increased by 28.6% to approximately HK$539,100,000 from approximately HK$419,053,000 for the same period last year. The increase in finance costs for the period was mainly due to the increase in total debt and average cost of debts.

Share of Results of Associates

For the six months ended 30 September 2018, share of results of associates was HK$298,627,000 (the six months ended 30 September 2017: HK$166,375,000).

Share of Results of Joint Ventures

For the six months ended 30 September 2018, share of results of joint ventures was approximately HK$457,540,000 (the six months ended 30 September 2017: HK$594,017,000).

Income Tax Expenses

For the six months ended 30 September 2018, income tax expenses increased by 2.9% to HK$929,184,000 (the six months ended 30 September 2017: HK$903,139,000), which was mainly due to an increase in taxable profit as a result of business growth.

Liquidity

The Group's principal business generates steady cash flow. Coupled with an effective and well-established capital management system, the Group is able to maintain stable and healthy operations.

As at 30 September 2018, the Group's total assets was HK$93,516,053,000 (31 March 2018: HK$82,058,007,000). Cash was HK$9,987,902,000 (31 March 2018: HK$8,537,051,000). The Group had a current ratio of 1.01 (31 March 2018: 0.92). Net gearing ratio was 0.62 (31 March 2018: 0.62), as calculated on the basis of net borrowings of HK$21,438,959,000 (total borrowings of HK$33,123,561,000 less trade facility relating to short-term import letters of credit of LPG business of HK$1,696,700,000 and bank balance and cash of HK$9,987,902,000) and net assets of HK$34,712,663,000 as at 30 September 2018.

The Group has always adopted a prudent financial management policy, under which a majority of available cash of the Group has been deposited in credible banks as current and fixed deposits.

Financial Resources

The Group has been actively building up long-standing collaboration relationships with Chinese (including Hong Kong) and overseas banks. As the Group's principal cooperating bank, China Development Bank provided the Group with a long-term credit facility of RMB20 billion under a term of up to 15 years, giving strong financial supports to the Group's project investments and stable operations. Other major domestic and overseas banks such as Asian Development Bank (ADB), Industrial and Commercial Bank of China, Bank of Communications of China, Bank of China, Agricultural Bank of China, China Merchants Bank and Hongkong and Shanghai Banking Corporation (HSBC) granted long-term credit to the Group as well. Bank loans are generally used to fund the Group's operations and project investments.

The Company (as a foreign issuer), together with the Group's wholly-owned subsidiaries within China, has been actively participating in the issuance of China's RMB bonds on the stock exchanges in China and China's interbank bond market. As at 30 September 2018, remaining balance of the RMB Panda Bonds and medium-term RMB notes issued by the Group amounted to RMB8.3 billion.

On 26 October 2016, the Group partnered with China Insurance Investment Fund L.P. (中國保險投資基金(有限合夥)) to establish China Insurance Investment-China Gas (Shenzhen) Clean Energy Development Fund L.P. (中保投中燃(深圳)清潔能源發展基金(有限合夥)). The Fund has an aggregate amount up to RMB10,020,000,000. As of 30 September 2018, the total utilized fund amounted to RMB5.8 billion.

As at 30 September 2018, the Group's bank loans and other loans were HK$33,123,561,000.

The Group's operating and capital expenditures are financed by operating cash income, bank borrowings and bond issuance. The Group currently has sufficient funding to satisfy its future capital expenditures and working capital requirements.

Foreign Exchange

Most of the revenue of the Group is received in RMB while most of the expenses and capital expense are also denominated in RMB. However, certain bank loans and other borrowings and bank balances of the Group are denominated in currencies other than the functional currency (RMB) of relevant entities of the Group. Appreciation or depreciation of RMB against foreign currencies will give rise to exchange gain or loss. Although most of such gain or loss is non-operating in nature, it can also make a positive or negative impact on the results of the Group.

The Board and the management of the Group formulated strict exchange rate risk management policies, closely monitored the trends of market rates and foreign exchange rates and adjusted its debt structure in a timely and reasonable manner to avoid risks effectively. The proportion of foreign currency debts to all debts of the Group was 16.9% as at 30 September 2018. Lower proportion of foreign currency debts will immensely decrease the impact of future exchange gains and losses to the Group's results.

Charge on Assets

As at 30 September 2018, the Group pledged other deposits of HK$62,857,000 (31 March 2018: HK$68,323,000), pledged bank deposits of HK$319,390,000 (31 March 2018: HK$290,729,000) and certain subsidiaries pledged their equity investments to banks to secure loan facilities.

Capital Commitments

As at 30 September 2018, the Group had capital commitments in respect of the acquisition of property, plant and equipment and construction materials contracted but not provided for in the financial statements amounting to HK$151,776,000 (31 March 2018: HK$134,766,000) and HK$165,964,000 (31 March 2018: HK$54,934,000) respectively. Such commitments would require the utilization of the Group's cash on hand and external borrowings. The Group has undertaken to acquire shares in certain Chinese enterprises and set up joint ventures in China.

Contingent Liabilities

As at 30 September 2018, the Group did not have any material contingent liabilities (31 March 2018: nil).

Prospects

In the first half of 2018, the Group actively promoted reform and development of its three major business segments, namely urban and rural gas, LPG and value-added services. With respect to the urban and rural gas segment, the Group continued to promote its market development, and expanded gas connection for urban and rural residential users. Meanwhile, in line with the national and local policies on the replacement of coal-fired boilers to gas-fired boilers, the Group promoted industrial and commercial users' connections and helped boost their gas consumption. Moreover, based on market demand and price difference, the Group provided integrated LPG and natural gas supply solutions in specific markets and regions. Especially, in respect of township "replacement of coal with gas", the Group's works on market development and construction in Beijing-Tianjin-Hebei and its surrounding regions conducted during last year were recognized by local governments and users, which laid solid foundation for the Group's ongoing expansion in the gas market in towns and villages. During the first half of the year, on the basis of increasing its investments in urban gas projects, the Group continued to explore the gas market in towns and villages, established a sound system for the development of the gas market in towns and villages, further optimized the commercial mode for gas supply in towns and villages, and strengthened its project operations, management and assessment. With regards to the LPG business, leveraging its competitive edges on the self-owned piers and storage facilities, as well as the integrated upstream and downstream distribution system covering the end users, the Group continued to strategically facilitate the general layout and project implementation of its chemical trade business, and further enhanced the quality and operational management in market development of the downstream distribution market. Meanwhile, in response to the national policy on "constructing beautiful rural area", the Group actively cooperated with the Ministry of Housing and Urban-Rural Development in promoting the small LPG storage tank project, thereby further enhancing the overall profitability of the Group in its LPG business. In respect of the development of value-added service business, leveraging its wide-spread PNG and LPG service network and the customer base with over 32 million quality users, the Group actively promoted wall-hanging gas heaters, kitchen gas appliances, and water purification products under its own brand of GASBO (中燃寶) and related value-added service business. At the same time, in order to achieve rapid growth in value-added services, the Group also deployed and implemented the marketing plan under the theme of "creating a brand new ecosystem with business-driven value-added services". In addition, the Group worked towards reconstructing the traditional home living using the online "GasHome+ (中燃家+)" services and provided value-added services to bring about the internet home experience, thus exploring new opportunities for the market growth of the Group's value-added service business.

Looking forward, with continuous and steady development in China's macroeconomic conditions, the effective implementation of environmentally friendly policies (such as coal-to-gas replacement), as well as the increasing public awareness of environment and health, market demand for clean energy, such as natural gas and LPG, will maintain steady growth in China. Energy production and consumption in China will step into a new phase featuring with diversified, clean, low carbon, effective, safe and smart development. The promotion of domestic gas price reform, increase in gas import and industry market-oriented reform will further stimulate the industry and market development. As the largest cross-regional comprehensive energy service provider in China, the Group will actively capture opportunities arising from national policies and market demands, with an aim to expand its market shares and enhance operating efficiency. Meanwhile, the Group will strengthen its cost control, facilitate information technology integration, and enhance safety operation standards and risk management capability, thereby promoting sustainable and steady growth in its operating results and building a new ecosystem in which a 4G energy network (LNG, CNG, LPG and PNG) can be developed. At the same time, striving to the vision of innovation, coordination, green, open and shared development, the Group will perform its obligations in terms of economy, environment and society, in a better way. The Group will continue to provide green, clean and low carbon energy, thereby creating greater value for our shareholders, customers, employees, partners and stakeholders, as well as contributing to the national and community clean energy development.

CORPORATE GOVERNANCE

In the opinion of the Directors, the Company has complied with all the code provisions ("Code Provisions") of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules throughout the period other than Code Provision A.4.1 as none of the non-executive directors or independent non-executive directors of the Company is appointed for a specific term. However, in accordance with Bye-law 87(1) of the Company's Bye-laws, at each annual general meeting, one third of the directors for the time being shall retire from the office by rotation and be eligible for re-election. All non-executive directors and independent non-executive directors of the Company have retired from the office by rotation and have been re-elected in the past three years. The Board considers that the Company complied with these procedures on terms no less exacting than the requirements of Code Provision A.4.1.

COMPLIANCE WITH THE MODEL CODE

The Company has adopted the model code for securities transactions by directors of the listed issuers set out in Appendix 10 of the Listing Rules (the "Model Code"). Specific enquiry has been made with all directors of the Company and all directors of the Company confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended 30 September 2018.

REVIEW OF INTERIM RESULTS

The Audit Committee has reviewed the accounting principles and practices adopted by the Group and the interim results for the six months ended 30 September 2018.

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

For the six months ended 30 September 2018, the Company or its subsidiaries repurchased a total of 585,000 shares of the Company at a total consideration of HK$12,860,750.00.

Details of the repurchase are set out below:

Month	Total number of shares repurchased	Price per share Highest	Lowest	Total consideration
		HK$	*HK$*	*HK$*
September 2018	585,000	22.00	21.95	12,860,750.00
Total	585,000			12,860,750.00

As at the date of this announcement, all of the above repurchased shares had been cancelled. In accordance with the repurchase mandate granted to the Board at the annual general meeting of the Company held on 22 August 2018, such repurchase aimed to increase the net assets per share and earnings per share.

PUBLICATION OF INFORMATION ON THE WEBSITES OF HONG KONG EXCHANGES AND CLEARING LIMITED AND THE COMPANY

The results announcement is required to be published on the website of The Hong Kong Exchanges and Clearing Limited ("HKEX") at www.hkex.com.hk under "Latest Listed Company Information" and the Company at www.chinagasholdings.com.hk under "Announcements" respectively. The interim report of the Company for the six months ended 30 September 2018 will be dispatched to the shareholders as soon as possible and will be published on the websites of HKEX and the Company accordingly.

By order of the Board
China Gas Holdings Limited
ZHOU Si
Chairman

Hong Kong, 27 November 2018

As at the date of this announcement, Mr. ZHOU Si, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Mr. MA Jinlong and Ms. LI Ching are the executive directors of the Company, Mr. LIU Mingxing (his alternate being Ms. LIU Chang), Mr. JIANG Xinhao, Mr. Rajeev Kumar MATHUR and Mr. JO Jinho (his alternate being Mr. KWON Woonsang) are the non-executive directors of the Company and Mr. ZHAO Yuhua, Dr. Mao Erwan, Ms. WONG Sin Yue Cynthia, Ms. CHEN Yanyan and Mr. ZHANG Ling are the independent non-executive directors of the Company.

* *For identification purpose only*