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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 2020

#### INTERIM RESULTS HIGHLIGHTS:

- The Group's total gas sales volume increased by 8.4% to 12.83 billion m<sup>3</sup>, with 7.60 billion m<sup>3</sup> sold through retail business, representing an increase of 10.5%
- The asset-light value-added services business has sustained a rapid growth for five consecutive years and realized an operating profit of HK\$999,805,000, representing a year-on-year increase of 47.8%
- Profit for the period attributable to owners of the Company was HK\$5,089,553,000, representing a year-on-year increase of 3.7%. Core profit was HK\$5,193,445,000, representing a year-on-year increase of 5.5%
- Net operating cash flows increased substantially by 70.8% to HK\$6,888,915,000. A positive turnaround was made in free cash flows, reaching HK\$3,792,424,000

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 2020, together with the comparative figures for the six months ended 30 September 2019, as follows:

## CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	Notes	Six months ended	
		30 September 2020 HK\$'000 (unaudited)	30 September 2019 HK\$'000 (unaudited)
Revenue	3	27,164,988	27,925,501
Cost of sales		<u>(18,478,599)</u>	<u>(19,754,595)</u>
Gross profit		8,686,389	8,170,906
Other income		399,800	259,079
Other gains and losses		(42,497)	(2,019)
Selling and distribution costs		(1,072,226)	(913,302)
Administrative expenses		(1,181,387)	(1,139,010)
Finance costs		(756,707)	(731,456)
Share of results of associates		411,721	389,122
Share of results of joint ventures		<u>437,706</u>	<u>556,505</u>
Profit before taxation		6,882,799	6,589,825
Taxation	4	<u>(1,245,286)</u>	<u>(1,156,977)</u>
Profit for the period	5	<u>5,637,513</u>	<u>5,432,848</u>
Other comprehensive income (expense)			
Items that will be reclassified subsequently to profit or loss:			
Realised loss on swap in hedge accounting relationship		13,142	4,940
Deferred loss on swap in hedge accounting relationship		(4,834)	(2,976)
Items that will not be reclassified subsequently to profit or loss:			
Exchange difference arising on translation		2,524,434	(2,624,416)
Increase (decrease) in fair value of investments in equity instruments at fair value through other comprehensive income		<u>9,574</u>	<u>(48,270)</u>
Other comprehensive income (expense) for the period		<u>2,542,316</u>	<u>(2,670,722)</u>
Total comprehensive income for the period		<u>8,179,829</u>	<u>2,762,126</u>

		<b>Six months ended</b>	
		<b>30 September</b>	30 September
		<b>2020</b>	2019
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(unaudited)</b>	(unaudited)
Profit for the period attributable to:			
Owners of the Company		<b>5,089,553</b>	4,909,629
Non-controlling interests		<b><u>547,960</u></b>	<u>523,219</u>
		<b><u><u>5,637,513</u></u></b>	<u><u>5,432,848</u></u>
Total comprehensive income attributable to:			
Owners of the Company		<b>7,302,323</b>	2,580,546
Non-controlling interests		<b><u>877,506</u></b>	<u>181,580</u>
		<b><u><u>8,179,829</u></u></b>	<u><u>2,762,126</u></u>
Earnings per share			
Basic	6	<b><u><u>HK97.53 cents</u></u></b>	<u><u>HK94.08 cents</u></u>
Diluted	6	<b><u><u>HK97.53 cents</u></u></b>	<u><u>HK94.08 cents</u></u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2020

	30 September 2020	31 March 2020
<i>Note</i>	<i>HK\$'000</i> (unaudited)	<i>HK\$'000</i> (audited)
Non-current assets		
Investment properties	571,108	523,525
Property, plant and equipment	50,401,136	46,127,861
Right-of-use assets	4,127,958	2,458,283
Investments in associates	7,497,558	7,063,399
Investments in joint ventures	7,722,176	7,814,552
Equity instruments at fair value through other comprehensive income	896,668	787,605
Goodwill	3,229,687	3,041,977
Other intangible assets	3,615,644	3,548,413
Deposit for acquisition of property, plant and equipment	1,475,708	692,571
Deposit for acquisition of subsidiaries, joint ventures and associates and other deposits	455,219	239,828
Deferred tax assets	285,450	259,633
	<u>80,278,312</u>	<u>72,557,647</u>
Current assets		
Inventories	4,225,740	3,246,225
Contract assets	13,486,606	12,750,848
Trade and other receivables	7 13,027,082	9,893,026
Amounts due from associates	515,890	467,532
Amounts due from joint ventures	4,268,170	5,491,212
Held-for-trading investments	1,232	1,003
Derivative financial instrument	910	3,539
Pledged bank deposits	275,780	536,570
Bank balances and cash	8,433,852	7,119,206
	<u>44,235,262</u>	<u>39,509,161</u>

		<b>30 September</b>	31 March
		<b>2020</b>	2020
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
		<b>(unaudited)</b>	<b>(audited)</b>
<b>Current liabilities</b>			
Trade and other payables	8	<b>19,510,876</b>	17,700,374
Lease liabilities		<b>208,033</b>	75,054
Amounts due to associates		<b>44,216</b>	65,819
Amounts due to joint ventures		<b>35,911</b>	110,754
Contract liabilities		<b>7,465,061</b>	5,997,661
Derivative financial instrument		<b>22,366</b>	30,674
Taxation		<b>1,081,967</b>	1,245,940
Bank and other borrowings — due within one year		<b>18,471,724</b>	24,120,679
		<b><u>46,840,154</u></b>	<u>49,346,955</u>
Net current liabilities		<b><u>(2,604,892)</u></b>	<u>(9,837,794)</u>
Total assets less current liabilities		<b><u><u>77,673,420</u></u></b>	<u><u>62,719,853</u></u>
<b>Equity</b>			
Share capital		<b>52,124</b>	52,186
Reserves		<b>44,635,644</b>	39,552,778
Equity attributable to owners of the Company		<b>44,687,768</b>	39,604,964
Non-controlling interests		<b>7,214,345</b>	6,178,428
Total equity		<b><u>51,902,113</u></b>	<u>45,783,392</u>
<b>Non-current liabilities</b>			
Bank and other borrowings — due after one year		<b>22,991,446</b>	15,568,439
Lease liabilities		<b>1,582,929</b>	157,868
Deferred taxation		<b>1,196,932</b>	1,210,154
		<b><u>25,771,307</u></b>	<u>16,936,461</u>
		<b><u><u>77,673,420</u></u></b>	<u><u>62,719,853</u></u>

*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 additional accounting policies resulting from application of 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 2020 are the same as those presented in the Group’s annual financial statements for the year ended 31 March 2020.

**Application of amendments to HKFRSs**

In the current interim period, the Group has applied the Amendments to References to the Conceptual Framework in HKFRS Standards and the following amendments to HKFRSs issued by the HKICPA, for the first time, which are mandatorily effective for the annual period beginning on or after 1 April 2020 for the preparation of the Group’s condensed consolidated financial statements:

Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

Except as described below, the application of the Amendments to References to the Conceptual Framework in HKFRS Standards and the amendments to HKFRSs in the current period has had no material impact on the Group’s financial positions and performance for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

**Impacts of application on Amendments to HKAS 1 and HKAS 8 “Definition of Material”**

The amendments provide a new definition of material that states “information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.” The amendments also clarify that materiality depends on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements taken as a whole.

The application of the amendments in the current period had no impact on the condensed consolidated financial statements.

### 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 CODM reviews these segments individually for better resource allocation and assessment of segment performance.

Inter-segment revenue is charged at prevailing market rates.

Segment information for the six months ended 30 September 2020 and 2019 about these businesses is presented below.

	Six months ended 30 September 2020 (unaudited)						Consolidated HK\$'000
	Sales of piped gas HK\$'000	Gas connection HK\$'000	Engineering	Sales of LPG HK\$'000	Value-added services HK\$'000	Zhongyu Gas HK\$'000	
			design and construction HK\$'000				
Total segment revenue	12,467,039	5,796,909	6,393,463	4,962,833	3,380,994	—	33,001,238
Inter-segment revenue	—	—	(5,836,250)	—	—	—	(5,836,250)
External segment revenue	<u>12,467,039</u>	<u>5,796,909</u>	<u>557,213</u>	<u>4,962,833</u>	<u>3,380,994</u>	<u>—</u>	<u>27,164,988</u>
Segment profit	<u>1,943,498</u>	<u>1,515,469</u>	<u>1,662,131</u>	<u>75,493</u>	<u>999,805</u>	<u>205,230</u>	6,401,626
Interest and other gains							140,019
Unallocated corporate expenses							(169,853)
Change in fair value of investment properties							50,314
Change in fair value of held-for-trading investments							229
Loss on disposal of property, plant and equipment							(1,053)
Loss on disposal of an investment property							(4,354)
Gain on acquisition of a subsidiary							122
Exchange gain on translation of monetary items into functional currency							9,457
Finance costs							(148,240)
Loss on disposal/deregistration of subsidiaries							(39,665)
Share of results of associates							206,491
Share of results of joint ventures							<u>437,706</u>
Profit before taxation							<u>6,882,799</u>

## Six months ended 30 September 2019 (unaudited)

	Sales of piped gas <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Engineering design and construction <i>HK\$'000</i>	Sales of LPG <i>HK\$'000</i>	Value-added services <i>HK\$'000</i>	Zhongyu Gas <i>HK\$'000</i>	Consolidated <i>HK\$'000</i>
Total segment revenue	12,417,693	6,055,834	5,896,733	6,510,161	2,207,840	—	33,088,261
Inter-segment revenue	—	—	(5,162,760)	—	—	—	(5,162,760)
External segment revenue	<u>12,417,693</u>	<u>6,055,834</u>	<u>733,973</u>	<u>6,510,161</u>	<u>2,207,840</u>	<u>—</u>	<u>27,925,501</u>
Segment profit	<u>1,721,591</u>	<u>2,241,403</u>	<u>1,139,287</u>	<u>22,644</u>	<u>676,643</u>	<u>208,982</u>	6,010,550
Interest and other gains							101,390
Unallocated corporate expenses							(178,010)
Change in fair value of investment properties							769
Change in fair value of held-for-trading investments							(229)
Loss on disposal of property, plant and equipment							(2,950)
Exchange loss on translation of monetary items into functional currency							(34,219)
Finance costs							(147,019)
Gain on partial disposal of investment in an associate							19,057
Loss on disposal/deregistration of subsidiaries							(4,819)
Gain on deemed disposal of an associate							7,337
Gain on acquisitions of subsidiaries							81,323
Share of results of associates							180,140
Share of results of joint ventures							<u>556,505</u>
Profit before taxation							<u>6,589,825</u>



#### 4. TAXATION

	<b>Six months ended</b>	
	<b>30 September 2020</b>	30 September 2019
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
PRC Enterprise Income Tax	1,279,094	1,172,927
Deferred taxation	<u>(33,808)</u>	<u>(15,950)</u>
	<u><b>1,245,286</b></u>	<u><b>1,156,977</b></u>

No provision for Hong Kong Profits Tax has been made in the condensed consolidated 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

	<b>Six months ended</b>	
	<b>30 September 2020</b>	30 September 2019
	<b>HK\$'000</b>	<b>HK\$'000</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Profit for the period has been arrived at after charging (crediting):		
Depreciation of property, plant and equipment	788,399	757,670
Depreciation of right-of-use assets	121,099	69,216
Amortisation of intangible assets	77,733	61,425
Interest income	(134,614)	(100,966)
Loss on disposal of property, plant and equipment	1,053	2,950
Loss on disposal of an investment property	<u>4,354</u>	<u>—</u>

## 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:

	<b>Six months ended</b>	
	<b>30 September 2020</b>	30 September 2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	<b>(unaudited)</b>
<b>Earnings</b>		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to owners of the Company)	<u><b>5,089,553</b></u>	<u>4,909,629</u>
<b>Number of shares</b>	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for the purpose of basic and diluted earnings per share	<u><b>5,218,227</b></u>	<u>5,218,563</u>

During the period ended 30 September 2020, the computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the adjusted exercise price of those share options is higher than the average market price of the shares for the period ended 30 September 2020.

## 7. TRADE AND OTHER RECEIVABLES

	<b>30 September 2020</b>	31 March 2020
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(unaudited)</b>	<b>(audited)</b>
Trade receivables	<b>5,713,296</b>	3,687,255
Less: Accumulated allowances	<u><b>(740,148)</b></u>	<u>(699,559)</u>
Trade receivables	<b>4,973,148</b>	2,987,696
Deposits paid for construction and other materials	<b>971,066</b>	988,852
Deposits paid for purchase of natural gas and LPG	<b>2,795,680</b>	2,272,033
Advance payments to sub-contractors	<b>987,422</b>	739,241
Rental and utilities deposits	<b>640,398</b>	479,620
Other tax recoverable	<b>1,018,687</b>	917,083
Other receivables and deposits	<b>825,331</b>	690,961
Prepaid operating expenses	<b>716,235</b>	707,190
Amounts due from non-controlling interests of subsidiaries	<u><b>99,115</b></u>	<u>110,350</u>
Total trade and other receivables	<u><b>13,027,082</b></u>	<u>9,893,026</u>

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 the reporting period:

	<b>30 September 2020 HK\$'000 (unaudited)</b>	31 March 2020 HK\$'000 (audited)
0–180 days	3,972,374	2,348,521
181–365 days	612,260	491,325
Over 365 days	<u>388,514</u>	<u>147,850</u>
	<u><b>4,973,148</b></u>	<u><b>2,987,696</b></u>

The Group has policies for allowance of credit loss which are based on the evaluation of collectability and age analysis of trade receivables and on the management's judgment including the current creditworthiness, the past collection history of each customer as well as relevant forward-looking information.

## 8. TRADE AND OTHER PAYABLES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The following is an aged analysis of trade and bill payables presented based on the invoice date at the end of the reporting period:

	<b>30 September 2020 HK\$'000 (unaudited)</b>	31 March 2020 HK\$'000 (audited)
0–90 days	10,435,198	10,585,817
91–180 days	1,466,088	1,506,466
Over 180 days	<u>2,716,224</u>	<u>1,307,046</u>
Trade and bill payables	14,617,510	13,399,329
Other payables and accrued charges	632,912	814,268
Construction fee payables	1,243,170	1,108,919
Consideration payables	214,624	183,959
Retention payable and security deposits received	1,158,283	1,009,592
Other tax payables	574,703	100,452
Accrued staff costs	200,163	198,387
Loan interest payables	391,626	282,857
Amounts due to non-controlling interests of subsidiaries	<u>477,885</u>	<u>602,611</u>
	<u><b>19,510,876</b></u>	<u><b>17,700,374</b></u>

## **INTERIM DIVIDEND**

The Directors declared an interim dividend of HK10.0 cents per share for the six months ended 30 September 2020 (six months ended 30 September 2019: HK10.0 cents per share).

The interim dividend will be paid on or about Friday, 29 January 2021 to shareholders whose names appear on the register of members of the Company on Wednesday, 13 January 2021.

## **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 2020, the register of members of the Company will be closed from Monday, 11 January 2021 to Wednesday, 13 January 2021, both days inclusive, during which period no transfer 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, 8 January 2021.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

The Group is a gas operator and service provider primarily engaged in the investment, construction and operation of city and township gas pipeline infrastructure facilities, gas terminals, storage and transportation facilities and gas logistics systems, transmission of natural gas and liquefied petroleum gas ("LPG") to residential, industrial and commercial customers, construction and operation of compressed natural gas ("CNG")/liquefied natural gas ("LNG") refilling stations as well as development and application of technologies relating to natural gas and LPG in the PRC.

## **BUSINESS REVIEW**

In 2020, the impacts of COVID-19 on the global economy and social activities continued. Thanks to the effective measures for pandemic prevention and control in China, the economy was set for robust recovery. To combat the pandemic, the Chinese governments at all levels rolled out incentives to encourage reopening in a timely manner. Meanwhile, the National Development and Reform Commission promoted natural gas city gate price cuts with an aim of minimizing users' energy costs. These moves promoted growth in gas monthly consumption in China. China's overall gas consumption volume is expected to reach 320 billion m<sup>3</sup> in 2020, representing an increase of approximately 13 billion m<sup>3</sup> as compared to that of 2019.

In the face of keen market competition and development opportunities in the industry, the Group relied on preferential clean energy and environmental protection policies of the government to press ahead with its strategy of “value chain extension” and advocate the concepts of realizing development through transformation, innovation and equilibrium, which has laid concrete foundation for sustainable development and high-quality growth of the businesses of the Group.

By pursuing “cost reduction and efficiency enhancement, transformation and development” as the underlying guideline for internal transformation, and by focusing on “adjusting structures, strengthening management and seizing opportunities” to make breakthroughs, all business segments of the Group were motivated to achieve growth against the adverse condition in the highly-competitive market.

During the period under review, the Group recorded a remarkable growth in both financial and operating results despite the impact of the pandemic on energy demand from industrial and commercial users and on the pipeline construction activities. The management attached great importance to the balanced and healthy development of the Company. Through effective operational management, the Group achieved a whopping year-on-year increase of 70.8% in net operating cash flows to HK\$6,888,915,000 and realized free cash flows of HK\$3,792,424,000. The Group’s total natural gas sales volume increased by 8.4% to 12.83 billion m<sup>3</sup>. In particular, gas sales volume through retail business increased by 10.5% to 7.60 billion m<sup>3</sup>. As a result of exchange rate movements and the sharp year-on-year reduction in LPG purchase cost and selling price caused by international crude oil prices, the Group’s total revenue decreased by 2.7% year-on-year to HK\$27,164,988,000. Gross profit amounted to HK\$8,686,389,000, representing a year-on-year growth of 6.3%. Profit attributable to owners of the Company increased by 3.7% year-on-year to HK\$5,089,553,000. Basic earnings per share were HK97.53 cents, representing a year-on-year increase of 3.7%.

## Financial and Operational Highlights

	<b>Six months ended</b>		
	<b>30 September</b>		
	<b>2020</b>	2019	Increase/ (decrease)
	<b>(unaudited)</b>	(unaudited)	
<b>Financial results</b>			
Turnover (HK\$'000)	<b>27,164,988</b>	27,925,501	(2.7%)
Gross profit (HK\$'000)	<b>8,686,389</b>	8,170,906	6.3%
Profit attributable to owners of the Company (HK\$'000)	<b>5,089,553</b>	4,909,629	3.7%
Earnings per share — basic (HK cents)	<b>97.53</b>	94.08	3.7%
Net operating cash flows (HK\$'000)	<b>6,888,915</b>	4,033,498	70.8%
Free cash flows (HK\$'000)	<b><u>3,792,424</u></b>	<u>(1,570,128)</u>	<u>341.5%</u>
<b>Operating results</b>			
Number of piped gas projects	<b>636</b>	582	54
Connectable residential users for city gas projects (household)	<b>45,785,000</b>	44,033,146	4.0%
Penetration rate of residential users for city gas projects	<b>67.7%</b>	63.3%	4.4 pts
Total natural gas sales volume (million m <sup>3</sup> )	<b>12,827</b>	11,837	8.4%
Natural gas sold through retail business	<b>7,595</b>	6,874	10.5%
Natural gas sold through long-distance pipelines and trade	<b><u>5,232</u></b>	<u>4,962</u>	<u>5.4%</u>
Natural gas sold through retail business (customer breakdown) (million m <sup>3</sup> )			
Residential	<b>1,941</b>	1,621	19.8%
Industrial	<b>4,028</b>	3,669	9.8%
Commercial	<b>1,130</b>	1,077	4.9%
CNG/LNG refilling stations	<b><u>496</u></b>	<u>507</u>	<u>(2.1%)</u>
New connections			
Residential (total number of new connections)	<b>2,830,270</b>	2,934,080	(3.5%)
Residential (city gas projects)	<b>2,123,563</b>	1,716,985	23.7%
Residential (township “replacement of coal with gas” projects)	<b>700,207</b>	1,217,095	(42.5%)
Residential (Smart MicroGrid projects)	<b>6,500</b>	—	—
Industrial	<b>901</b>	1,431	(37.0%)
Commercial	<b><u>18,110</u></b>	<u>14,314</u>	<u>26.5%</u>

	<b>Six months ended</b>		
	<b>30 September</b>		
	<b>2020</b>	2019	Increase/
	<b>(unaudited)</b>	(unaudited)	(decrease)
Accumulated number of connections and CNG/LNG refilling stations			
Residential	<b>37,935,794</b>	32,612,237	16.3%
City gas projects	<b>30,992,646</b>	27,854,396	11.3%
Township gas projects	<b>6,936,648</b>	4,757,841	45.8%
Smart MicroGrid projects	<b>6,500</b>	—	—
Industrial	<b>15,579</b>	13,838	12.6%
Commercial	<b>251,797</b>	213,951	17.7%
CNG/LNG refilling stations	<b>556</b>	555	0.2%
Average connection fees ( <i>RMB/household</i> )			
Residential (city gas projects)	<b>2,490</b>	2,524	(1.3%)
Residential (township “replacement of coal with gas” projects)	<b>2,930</b>	3,006	(2.5%)
Average selling price (pre-tax) of natural gas ( <i>RMB/m<sup>3</sup></i> )			
Residential	<b>2.59</b>	2.60	(0.4%)
Industrial	<b>2.42</b>	2.61	(7.3%)
Commercial	<b>2.67</b>	2.72	(1.8%)
CNG/LNG refilling stations	<b>2.80</b>	2.97	(5.7%)

## **NEW PROJECTS EXPANSION**

From 1 April 2020 to 30 September 2020, the Group secured 32 new piped gas projects in provinces such as Hebei Province, Jilin Province, Hubei Province, Sichuan Province and Henan Province.

As at 30 September 2020, the Group secured a total of 636 piped gas projects with concession rights in 30 provinces (including autonomous regions and municipalities) in China. The Group also had 17 long-distance gas transmission pipeline projects, 556 CNG/LNG refilling stations for vehicles and vessels, one coal bed methane development project, 113 LPG distribution projects and 106 hybrid integrated energy supply projects.

As at 30 September 2020, the number of connectable population covered by the Group’s city gas projects (exclusive of township “replacement of coal with gas”) increased to 141 million (approximately 45.79 million households).

## **BUSINESS REVIEW**

### **Construction of Natural Gas Pipelines**

City gas pipeline networks are the foundation of gas supply. The Group constructs arterial and branch gas pipeline networks to connect natural gas pipelines with residential households, industrial and commercial users as well as vehicle and vessel gas refilling stations, from whom connection fees and gas usage fees are charged.

As at 30 September 2020, gas transmission pipeline networks with a total length of 447,179 km were constructed by the Group.

### ***Development of New Users***

During the period under review, construction works for urban pipelines and new connections were hampered by the pandemic. In spite of this, through effective coordination with construction companies and pipe suppliers and in reliance upon our excellent project management and experience in market development, the Group connected 2,830,270 residential households (including 2,123,563 households for city gas projects, 700,207 households for township “replacement of coal with gas” projects, and 6,500 households for Smart MicroGrid projects), representing a year-on-year decrease of 3.5%. The average connection fee of new residential connections for city gas projects and township “replacement of coal with gas” projects were RMB2,490 per household and RMB2,930 per household, respectively.

As at 30 September 2020, the accumulated number of connected residential users of the Group was 37,935,794, representing a year-on-year increase of approximately 16.3%. Penetration rate of city gas projects was 67.7%.

During the period under review, the Group connected 901 industrial users and 18,110 commercial users, with industrial users mainly covering such industries as petrochemical, building materials and metallurgy. As at 30 September 2020, the Group provided natural gas services for 15,579 industrial users and 251,797 commercial users, representing a year-on-year growth of approximately 12.6% and 17.7%, respectively.

The Chinese government is in the progress of drafting the “Fourteenth Five-Year Plan”, whilst the “Proposal of the CPC Central Committee for Formulating the Fourteenth Five-Year Plan for National Economic and Social Development and Vision 2035” requires enhancing environmental protection awareness of the entire society, completing the crucial tasks laid down for pollution prevention, taking actions for rural construction, upgrading infrastructure for supply of water, electricity and gas, roads, telecommunication, radio and television and logistics in rural areas, and creating a better rural living environment.



During the period under review, the Group, in line with its clear-cut strategic judgement, worked to develop high-quality market for township “replacement of coal with gas” projects, to accelerate pipeline construction and user connection, to expedite collection of connection fees, and to adopt high standards, high quality and high efficiency for construction projects and to secure gas supply to allow township residents in North China to have access to clean natural gas, thereby contributing to the betterment of environmental protection and improving people’s livelihood across China.

### **Sales of Natural Gas**

Natural gas is sold mainly through gas pipeline networks of the retail business, trade and long-distance transmission pipelines. During the first half of the financial year, as a result of the global pandemic and the Sino-US trade tension, energy demand from industrial and commercial users and gas sales business in respect of vehicle refilling stations were affected to varying degrees. Notwithstanding that gas sales volume grew month over month, the growth rate has not returned to the pre-pandemic level.

During the period under review, the Group sold a total of 12.83 billion m<sup>3</sup> of natural gas, representing a year-on-year increase of 8.4%. Of which, 7.60 billion m<sup>3</sup> were sold through retail business, representing a year-on-year increase of 10.5%; and 5.23 billion m<sup>3</sup> were sold through trade and long-distance transmission pipelines, representing a year-on-year increase of 5.4%.

### **LPG Business**

The Group currently owns seven LPG terminals and 113 LPG distribution projects, with distribution operations in 21 provinces in China. It has been positioned as the largest vertically integrated LPG business operation service provider in the country.

During the period under review, due to the impact of the pandemic on industrial and commercial users, the Group recorded a sales volume of LPG of 1,946,600 tons, representing a marginal year-on-year decline of 1.1%. Of the sales volume, 1,596,400 tons (six months ended 30 September 2019 (reclassified): 1,541,349 tons) were sold through wholesale business, representing a year-on-year increase of 3.6%; and 350,200 tons (six months ended 30 September 2019 (reclassified): 425,900 tons) were sold through retail business, representing a year-on-year decrease of 17.8%. The Group had a total revenue from sales of LPG of approximately HK\$4,962,833,000 (six months ended 30 September 2019: HK\$6,510,161,000), representing a year-on-year decrease of 23.8%. The decrease in purchase cost and revenue from sales of LPG was attributable to the over 20% decline in both the purchase and selling prices of LPG during the period under review. Gross profit amounted to HK\$618,225,000 (six months ended 30 September 2019: HK\$581,290,000), representing a year-on-year growth of 6.4%. Operating profit was HK\$75,493,000 (six months ended 30 September 2019: profit of HK\$22,644,000).

With long-term stable growth of LPG demand from residential, industrial and commercial sectors, in particular the rapid development of LPG as a form of raw material in petrochemical synthesis and deep-processing sectors, and with the implementation of the rural rejuvenation strategy and the national policy of encouraging the construction of Smart MicroGrid, China's LPG industry saw an unprecedented opportunity for its development. The Group fully utilized its existing LPG terminals, storage facilities and fleets of vessels and vehicles to boost its overseas and domestic purchases of LPG and gradually increased the utilization rate of midstream LPG assets. Meanwhile, the Group exercised 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 procurement, storage and market coverage, and deliver the strategic objectives of "integration of industrial and trade operations, integration of trade and retail operations, and integration of retail and Smart MicroGrid operations".

Since the Group launched its Smart MicroGrid business in June 2020, market development has been progressing smoothly. In merely four months, the Group has entered into provincial strategic agreements with Qinghai, Hainan, Yunnan and Guangdong provincial governments and strategic agreements with 15 prefecture-level cities in Hubei Province, Hunan Province and Anhui Province and 11 counties in Fujian Province, Jiangsu Province and Zhejiang Province, with a total of over 600,000 contracted residential users secured. Design and construction works are in steady progress for these projects.

### **Value-added services**

With ever-increasing penetration rate, the Group's customer base has been expanding rapidly. Currently, the Group provides natural gas and LPG services to more than 44 million residential, industrial and commercial users. Such customer network has given the Group an enormous potential for conducting value-added activities. Accordingly, the Group will strive to grow the market share of its value-added business by enriching its value-added service offerings, edging up its marketing efforts, reinforcing its sales channels, innovating its sales model and establishing a service network based on community grids, aiming at further enhancing the profitability and overall competitiveness of its service network. The Group's value-added business includes sales of wall-mounted gas heaters and kitchen appliances under the brand of "Gasbo (中燃寶)", smart home product line, provision of comprehensive gas insurance agency services, and sales of gas corrugated pipes, gas alarms and other products such as water purifiers. The Group launched a "Smart Living New Retail Platform" to sell online gas service and products of value-added business; put grid-based offline service into trial to improve service quality and efficiency; and formulated a defined strategy for developing market for both frequently used and less frequently used products. Despite the impacts of the pandemic, all value-added services sustained a significant growth during the period under review. Sales volume of wall-mounted gas heaters and kitchen appliances series under the brand of "Gasbo" reached 700,000 units, representing a year-on-year increase of 42.9%, making the Group a leading manufacturer and distributor of wall-mounted gas heaters and kitchen appliances in China.

During the period under review, value-added service business generated revenue of HK\$3,380,994,000 (six months ended 30 September 2019: HK\$2,207,840,000), representing a year-on-year increase of 53.1%. Gross profit amounted to HK\$1,358,012,000, representing a year-on-year increase of 65.4%, and operating profit amounted to HK\$999,805,000, representing a year-on-year increase of 47.8%.

### **Integrated energy business**

Driven by the advocacy of environmental protection policies, the change of energy consumption structure and the transformation of consumption patterns, China's energy industry is undergoing an unprecedented transformation towards clean energy, diversified energy consumption and integrated energy supply. Over the years, the Group has been relying on the huge market and customer base of its gas projects to deploy such new businesses as natural gas-fired distributed energy, photovoltaic power generation, distribution and sale of electricity as well as heating supply in China. It seeks to comprehensively utilize energy with years of cumulative experience in market development and technical innovation, in an effort to provide customers with highly efficient integrated energy that addresses their needs for gas, heating, electricity and cooling.

As at 30 September 2020, the Group had a total of 106 integrated energy projects in operation.

### **FINANCIAL REVIEW**

For the six months ended 30 September 2020, the Group's turnover amounted to HK\$27,164,988,000 (six months ended 30 September 2019: HK\$27,925,501,000), representing a year-on-year decrease of 2.7%. Gross profit amounted to HK\$8,686,389,000 (six months ended 30 September 2019: HK\$8,170,906,000), representing a year-on-year increase of 6.3%. Overall gross profit margin was 32.0% (six months ended 30 September 2019: 29.3%). Profit attributable to owners of the Company amounted to HK\$5,089,553,000 (six months ended 30 September 2019: HK\$4,909,629,000), representing a year-on-year increase of 3.7%.

Basic earnings per share amounted to HK97.53 cents (six months ended 30 September 2019: HK94.08 cents), representing a year-on-year increase of 3.7%.

### **Finance Costs**

For the six months ended 30 September 2020, finance costs increased by 3.5% to approximately HK\$756,707,000 from approximately HK\$731,456,000 for the same period last year. The increase in finance costs for the period was mainly due to the increase in total average outstanding debt balances.

### **Share of Results of Associates**

For the six months ended 30 September 2020, share of results of associates amounted to HK\$411,721,000 (six months ended 30 September 2019: HK\$389,122,000).

## **Share of Results of Joint Ventures**

For the six months ended 30 September 2020, share of results of joint ventures amounted to approximately HK\$437,706,000 (six months ended 30 September 2019: HK\$556,505,000).

## **Income Tax Expenses**

For the six months ended 30 September 2020, income tax expenses increased by 7.6% to HK\$1,245,286,000 (six months ended 30 September 2019: HK\$1,156,977,000), mainly due to an increase in taxable profit as a result of increase in gross profit.

## **Liquidity**

The Group's principal businesses generate steady cash flows. Coupled with an effective and well-established capital management system, the Group has been able to maintain healthy and stable operations.

As at 30 September 2020, the Group's total assets amounted to HK\$124,513,574,000 (31 March 2020: HK\$112,066,808,000). Bank balances and cash amounted to HK\$8,709,632,000 (31 March 2020: HK\$7,655,776,000). The Group had a current ratio of 0.94 (31 March 2020: 0.80). Net gearing ratio was 0.61 (31 March 2020: 0.64), as calculated on the basis of net borrowings of HK\$31,753,538,000 (total borrowings of HK\$41,463,170,000 less trade facility relating to short-term import letters of credit of the LPG business of HK\$1,000,000,000 and bank balance and cash of HK\$8,709,632,000) and net assets of HK\$51,902,113,000 as at 30 September 2020.

The Group always adopts a prudent financial management policy, under which a majority of available cash of the Group is deposited in reputable banks as current and fixed deposits.

## **Financial Resources**

The Group has been actively building up long-standing collaborative relationships with Chinese (including Hong Kong) and overseas banks. As the Group's principal cooperating banks, China Development Bank, Industrial and Commercial Bank of China, Bank of Communications and Agricultural Bank of China have provided the Group with long-term credit facilities of over RMB60 billion for terms of up to 15 years, giving strong financial support to the Group for project investments and stable operations. Other major domestic and overseas banks such as Asian Development Bank (ADB), Bank of China, China Merchants Bank and Hongkong and Shanghai Banking Corporation (HSBC) and Mitsubishi UFJ Financial Group have granted long-term credits to the Group as well. Bank loans are generally used to fund the Group's operations and project investments.

The Company, acting as an overseas issuer, and the Group's wholly-owned subsidiaries incorporated in China actively participate in the issuance of RMB bonds on stock exchanges and interbank bond market in China. As at 30 September 2020, the remaining balance of the RMB Panda Bonds and medium-term RMB notes issued by the Group amounted to RMB9.4 billion.

As at 30 September 2020, the Group's total bank loans and other loans amounted to HK\$41,463,170,000, of which HK\$1,000,000,000 was trade facility relating to short-term import letters of credit of the LPG business.

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 income of the Group is received in RMB while most of the expenses and capital expenditures 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 relevant functional currency (RMB) of the entities of the Group. The 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 management of the Group formulate strict exchange rate risk management policies, closely monitor the trends of market interest rates and foreign exchange rates and adjust 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 13.9% as at 30 September 2020. A lower proportion of foreign currency debts will immensely mitigate the impact of future exchange gains and losses to the Group's results.

### **Cash flows, contract assets/liabilities, trade receivables and trade and bills payables**

As at 30 September 2020, the Group had contract assets of HK\$13,486,606,000 (31 March 2020: HK\$12,750,848,000), contract liabilities of HK\$7,465,061,000 (31 March 2020: HK\$5,997,661,000), trade receivables of HK\$4,973,148,000 (31 March 2020: HK\$2,987,696,000), and trade and bill payables of HK\$14,617,510,000 (31 March 2020: HK\$13,399,329,000).

During the period, the Group further managed investments with prudence and controlled the growth of contract assets and trade receivables while managing its operating cash flows and free cash flows in a highly effective manner. In merely six months, the Group outperformed its annual target of making a positive turnaround of free cash flows with an amount of HK\$3,792,424,000.

### **Charge on assets**

As at 30 September 2020, the Group pledged other deposits of HK\$62,857,000 (31 March 2020: HK\$60,109,000) and pledged bank deposits of HK\$275,780,000 (31 March 2020: HK\$536,570,000), and certain subsidiaries pledged their equity investments to banks to secure loan facilities.

## **Capital Commitments**

As at 30 September 2020, the Group had capital commitments amounting to HK\$1,576,727,000 (31 March 2020: HK\$2,159,013,000) and HK\$439,238,000 (31 March 2020: HK\$67,678,000) respectively in respect of the acquisition of property, plant and equipment, and construction materials contracted but not provided for in the condensed consolidated financial statements, which would require the utilization of the Group's cash on hand and external financing. The Group has undertaken to acquire shares of certain Chinese enterprises and set up joint ventures in China.

## **Contingent Liabilities**

As at 30 September 2020, the Group did not have any material contingent liabilities (31 March 2020: nil).

## **PROSPECTS**

Undermined by the dual impacts of international relations and the COVID-19 pandemic, China has experienced an economic slowdown and weakened demand for energy sources since the start of 2020. Nevertheless, there has been a steady and increasing demand for natural gas and other clean energy sources. While demand for energy consumption keeps growing, the Chinese government has been further optimizing the energy structure and persistent in promoting a multi-dimensional and multi-tiered reform in the energy industry in terms of its consumption, supply, technology and system. Notably, National Oil and Gas Pipeline Network Company commenced operations in 2020 and the company is aiming to improve the efficiency in the gas transmission network as well as the market-oriented system in China, so as to further increase the utilization rate of natural gas across the nation.

The Group will be committed to promote a balanced development of city and township gas businesses. To achieve this, the Group will implement high-quality development marketing strategies and fully unleash the advantages of its industry chain to set a foothold in downstream retail businesses. By adopting the market-oriented and customer-oriented approaches, the Group will operate based on customer segmentation and optimize its organizational structure and direction of market expansion. The Group will also extend its industry chain to accommodate the market demand and explore the business potential in city gas users. Meanwhile, the Group will develop a quality market for rural gas customers in a steady manner by expanding the customer base, boosting gas sales volume, optimizing the gas sales structure, to create a new engine for business growth. For the LPG business, the Group will uphold the development strategy of “integration of industrial and trade operations, integration of trade and retail operations, and integration of retail and Smart MicroGrid operations” by progressively stepping up the implementation of all management systems and strengthening its operational management. At the same time, the Group will further improve its market-oriented mechanism that emphasizes on the knowledge of market services, and enhance the overall business profitability by way of boosting sales in the retail market. For the wholesale business, the Group will intensify its effort in business intelligence analysis to ensure a diversified supply and healthy competition in terms of

upstream resources. The Group will also seek to achieve a higher operating efficiency of assets, so as to boost the overall profitability of the LPG business. For the development of the value-added business, the Group will endeavor to expand the scale of the value-added service offerings with the wall-mounted gas heaters and kitchen appliances under its proprietary brand of “Gasbo” (中燃寶) and the smart home product line by capitalizing on its extensive network in the piped gas and LPG market and its quality customer base with a population of over 44 million. Moreover, the Group has encouraged its customer service team to practice the approach of “building a gridding network, attracting fans and acting as a housekeeper”, in order to promote rapid development of the value-added business market and successfully embody a new business model that provides vertical e-commerce services in the community of customers. In addition, the successful deployment and organization of featured online marketing activities such as “Fight the Pandemic Together and Buying for Love” (同心戰疫 • 為愛拼團), “416 President’s Live Show” (416總裁直播), “520 Happy Shopping” (520歡樂購) and “915 Group Buying” (915全民拼團) have been rewarded with good results, which drive its value-added business with new momentums for market growth, and also facilitate the adoption of the new business model of “being an integrated service provider for cities”.

Looking forward, the global COVID-19 pandemic and the political and economic landscape is expected to remain challenging and sophisticated. However, as a commodity, natural gas is generally abundant in supply, and the pattern of relatively cheap pricing has not changed. The fundamentals of favorable national policies on clean energy development, in particular of those encouraging the continuous and steady development of natural gas, has become even stronger. Adhering to the blueprint of “developing natural gas as one of the three main energy sources in China”, the Chinese government is achieving the strategic target of further establishing safe, reliable and coordinated energy security systems. It is expected that the central government will indicate in the “14th Five-Year Plan” that, the government will vigorously promote energy reform, improve the system of energy production, supply, storage and sales, commence rural construction, upgrade water and power supply, roads, gas supply, communication, logistics and other infrastructural facilities in rural areas and create a better rural living environment. The execution of these policies will push the natural gas industry towards a direction of becoming a more popular, greener, smarter and market-oriented one and it is anticipated to reach new heights in the course of high-quality development.

It is imperative to have new obligations in new landscapes and to have new approaches to achieve new targets. The Board and management of the Company will take proactive actions in seizing any market opportunities and the pulse of the time, to focus tightly on the efficiency and effectiveness enhancement, continue its all-out efforts in implementing the defined development strategies, speed up the shift of development, fully implement the HSE (Health, Safety, Environment) and ESG management systems, and reinforce the safety management. The Group will also pursue innovation in technology, management, services and business model, aiming at increasingly higher standards of integrated service rendering and operation management, and increasingly stronger core corporate competitiveness and capabilities in sustainable corporate development, and also promoting a healthy, sustainable and rapid development of the businesses of the Group, which in turn will maximize the corporate value of the Group, deliver brighter results to reward the shareholders and achieve shared development among shareholders, customers, staff members, the community and the Group.

## **CORPORATE GOVERNANCE AND ESG MANAGEMENT**

The Group highly values the application of environmental, social and governance (ESG) management in corporate development. It adheres to the concept of core values of sustainable development and uses it as a principle for investment decision-making and business operation. It operates its business in a responsible and transparent manner, and strives to continuously enhance its core competitiveness and sustainable development capabilities to create maximum value for shareholders, customers, employees and the society. Thanks to the relentless dedication of all staff members over a long period of time, the Group has continued to make improvements in all ESG aspects. The Group is proud of being admitted into the Hang Seng ESG 50 Index and the Hang Seng Corporate Sustainability Benchmark Index in 2020. Furthermore, the ESG rating of the Company was upgraded from BB to BBB by MSCI ESG Ratings in its annual assessment for 2020.

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 to the Listing Rules except for deviation of the following:

Code Provision A.2.1, the roles of chairman and chief executive should be separate and performed by different individuals. Under the current organization structure of the Company, the functions of chief executive officer are performed by the Chairman, Mr. Liu Ming Hui. Mr. Liu provides leadership for the Board and undertakes the management of the Group’s business and overall operation, with the support from other executive directors, vice-presidents and senior management. The Board considers that this structure will not impair the balance of power and authority between the Board and the management of the Company, and has been effective in discharging its functions satisfactorily. The Board will review the reasonableness and effectiveness of the structure from time to time.

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 number of 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.

Code Provision A.6.7, all independent non-executive directors and non-executive directors of the Company should attend general meetings but one of non-executive directors did not attend the annual general meeting of the Company held on 20 August 2020 (“2020 AGM”) due to overseas business commitment or pre-arranged business engagements.



## 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 to 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 2020.

## 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 2020.

## PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

For the six months ended 30 September 2020, the Company or its any subsidiaries repurchased a total of 6,194,000 shares of the Company at a total consideration of HK\$132,900,000.

Details of the repurchase are set out below:

Month	Total number of shares repurchased	Price per share		Total consideration  HK\$
		Highest HK\$	Lowest HK\$	
September 2020	<u>6,194,000</u>	22.10	20.70	<u>132,900,000</u>
Total	<u><u>6,194,000</u></u>			<u><u>132,900,000</u></u>

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 2020 AGM, 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](http://www.hkex.com.hk) under “Latest Listed Company Information” and the Company at [www.chinagasholdings.com.hk](http://www.chinagasholdings.com.hk) under “Announcements” respectively. The interim report of the Company for the six months ended 30 September 2020 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**  
**LIU Ming Hui**

*Chairman, Managing Director and President*

Hong Kong, 27 November 2020

*As at the date of this announcement, Mr. LIU Ming Hui, Mr. HUANG Yong, Mr. ZHU Weiwei, Ms. LI Ching and Ms. LIU Chang are the executive directors of the Company, Mr. LIU Mingxing, Mr. JIANG Xinhao and Mr. Rajeev Kumar MATHUR are the non-executive directors of the Company and Mr. ZHAO Yuhua, Dr. Mao Erwan, Ms. CHEN Yanyan and Mr. ZHANG Ling are the independent non-executive directors of the Company.*

\* *For identification purpose only*