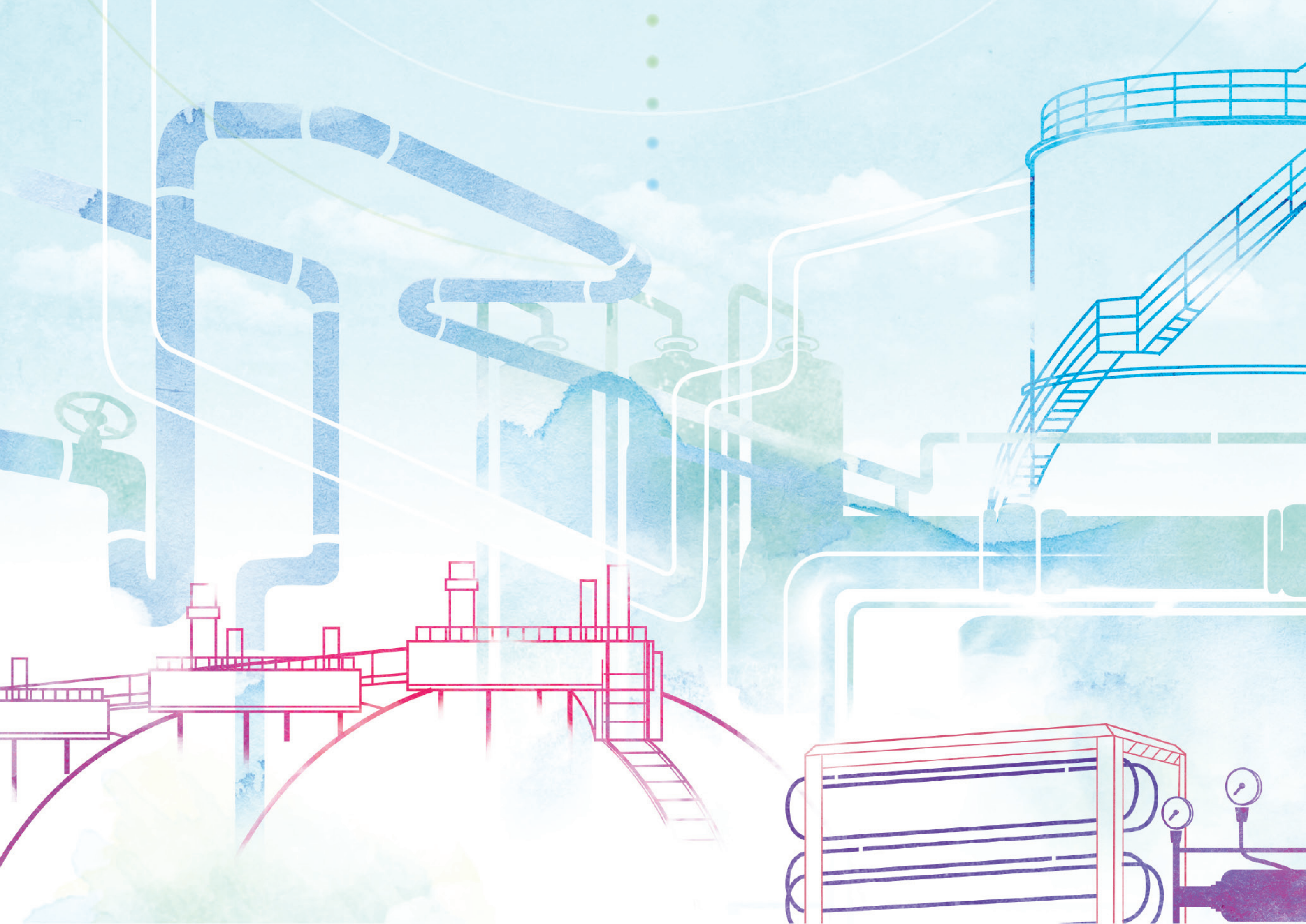
Zhonghua Gas Holdings Limited
中華燃氣控股有限公司

(Incorporated in the Cayman Islands with limited liability)

08246.HK

2019 Interim Report



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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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This report, for which the directors (the "Directors") of Zhonghua Gas Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange (the "GEM Listing Rules") for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: the information contained in this report is accurate and complete in all material respects and not misleading; or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

Contents

Corporate Information

Board of Directors

Executive Directors

Mr. Hu Yishi *(Executive Chairman)*
Mr. Chan Wing Yuen, Hubert *(Chief Executive Officer)*
Ms. Lin Min, Mindy
Ms. Kwong Wai Man, Karina *(Chief Financial Officer)*

Independent non-executive Directors

Mr. Lui Tin Nang
Ms. Ma Lee
Mr. Lau Kwok Kee

Company Secretary

Ms. Chan Wai Yee

Compliance Officer

Mr. Chan Wing Yuen, Hubert

Board Committees

Audit Committee

Mr. Lui Tin Nang *(Chairman)*
Ms. Ma Lee
Mr. Lau Kwok Kee

Remuneration Committee

Mr. Lui Tin Nang *(Chairman)*
Ms. Lin Min, Mindy
Ms. Ma Lee
Mr. Lau Kwok Kee

Nomination Committee

Mr. Lui Tin Nang *(Chairman)*
Ms. Lin Min, Mindy
Ms. Ma Lee
Mr. Lau Kwok Kee

Authorised Representatives

Mr. Chan Wing Yuen, Hubert
Ms. Kwong Wai Man, Karina

Registered Office

Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-1111,
Cayman Islands

Principal Place of Business in Hong Kong

23/F,
Chinachem Century Tower,
178 Gloucester Road,
Wan Chai,
Hong Kong

Share Registrar and Transfer Office in Cayman Islands

Codan Trust Company (Cayman) Limited
Cricket Square,
Hutchins Drive,
P.O. Box 2681,
Grand Cayman KY1-111,
Cayman Islands

Hong Kong Share Registrar

Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F, 148 Electric Road,
North Point,
Hong Kong

Legal Advisers to the Company

K&L Gates
Angela Ho & Associates
Conyers Dill & Pearman

Auditor

Deloitte Touche Tohmatsu

Principal Bankers

The Hong Kong & Shanghai Banking Corporation Limited
Huaxia Bank
Shanghai Pudong Development Bank
Bank of China Limited

Company Website

http://www.8246hk.com

GEM Stock Code

8246

Financial Highlights

The board of Directors (the "Board") of the Company is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2019 (the "Current Period"), together with the unaudited comparative figures for the six months ended 30 June 2018 (the "Corresponding Period") as follows:

Financial Highlights

	For the period ended 30.6.2019		For the period ended 30.6.2018		Increase/ (decrease)
	RMB'000	**HK$'000 #**	RMB'000	HK$'000 *	
From continuing operations					
Revenue	**211,105**	**239,984**	94,983	112,659	122.3%
Gross profit[a]	**67,339**	**76,551**	60,908	72,243	10.6%
Profit and total comprehensive income for the period	**38,724**	**44,021**	23,944	28,400	61.7%
Profit and total comprehensive income attributable to owners of the Company	**32,445**	**36,883**	19,627	23,280	65.3%
EBIT	**55,497**	**63,089**	40,565	48,114	36.8%
EBITDA	**62,107**	**70,603**	45,062	53,448	37.8%
Earnings per share					
Basic and Diluted	**RMB0.009**	**HK$0.010**	RMB0.005	HK$0.006	80.0%
From continuing and discontinued operations					
Revenue	**226,022**	**256,942**	116,496	138,176	94.0%
Gross profit[a]	**70,046**	**79,628**	64,077	76,002	9.3%
Profit and total comprehensive income for the period	**38,825**	**44,136**	22,252	26,393	74.5%
Profit and total comprehensive income attributable to owners of the Company	**32,546**	**36,998**	17,935	21,273	81.5%
EBIT	**55,602**	**63,208**	38,879	46,114	43.0%
EBITDA	**65,694**	**74,681**	43,546	51,650	50.9%
Earnings per share					
Basic and Diluted	**RMB0.009**	**HK$0.010**	RMB0.005	HK$0.006	80.0%
Dividend	**Nil**	**Nil**	Nil	Nil	N/A

Financial Highlights

	As at 30.6.2019		As at 31.12.2018		Increase/ (decrease)
	RMB'000	HK$'000 #	RMB'000	HK$'000 Δ	
Total assets	642,003	729,829	679,951	776,028	(5.6%)
Net assets	457,916	520,559	425,703	485,855	7.6%
Bank balances and cash	59,275	67,384	206,007	235,116	(71.2%)
Equity attributable to owners of the Company	395,187	449,249	369,253	421,428	7.0%

Key Financial Indicators	**2019**	2018
From continuing operations		
Gross profit margin[b]	**31.9%**	64.1%
Net profit margin[c]	**18.3%**	25.2%
Return on average equity[d]	**8.5%**	6.9%
From continuing and discontinued operations		
Gross profit margin[b]	**31.0%**	55.0%
Net profit margin[c]	**17.2%**	19.1%
Return on average equity[d]	**8.5%**	6.3%
Current ratio (times)[e]	**3.1**	2.3
Net gearing ratio[f]	**0.0%**	0.6%

Note:

(a) The calculation of gross profit is based on revenue minus cost of sales.

(b) The calculation of gross profit margin is based on gross profit divided by revenue.

(c) The calculation of net profit margin is based on profit for the period divided by revenue.

(d) The calculation of return on average equity is based on profit attributable to the owners of the Company divided by average equity attributable to owners of the Company.

(e) The calculation of current ratio is based on current assets divided by current liabilities.

(f) The calculation of net gearing ratio is based on total debt divided by total equity.

\# Converted to HK$ at exchange rate of RMB = HK$1.1368 on 30 June 2019 for reference.

* Converted to HK$ at exchange rate of RMB = HK$1.1861 on 30 June 2018 for reference.

Δ Converted to HK$ at exchange rate of RMB = HK$1.1413 on 31 December 2018 for reference.

Independent Auditor's Report

Deloitte. 德勤

TO THE SHAREHOLDERS OF ZHONGHUA GAS HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

Opinion

We have audited the consolidated financial statements of Zhonghua Gas Holdings Limited (formerly known as Northern New Energy Holdings Limited 北方新能源控股有限公司) (the "Company") and its subsidiaries (collectively referred to as "the Group") set out on pages 11 to 99, which comprise the consolidated statement of financial position as at 30 June 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the six months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 30 June 2019, and of its consolidated financial performance and its consolidated cash flows for the six month then ended in accordance with International Financial Reporting Standards ("IFRS Standards") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows of the Group and related notes to the consolidated financial statements for the six months ended 30 June 2018 have not been audited.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the six months ended 30 June 2019 ("Current Period"). These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Independent Auditor's Report

Key audit matter	How our audit addressed the key audit matter
Impairment of trade receivables from New Energy Business	
We identified the recoverability of trade receivables for the New energy business as a key audit matter due to its significance to the consolidated financial statements and significant management judgment and estimates is involved in determining the appropriate level of loss allowance. Loss allowance for trade receivables are based on management's estimate of the lifetime expected credit losses to be incurred, which is estimated by taking into account the credit loss experience, gaining of overdue trade receivables, customers' repayment history and customers' financial position and an assessment of both the current and forecast general economic conditions, all of which involved a significant degree of management judgment. As disclosed in note 21 to the consolidated financial statements, the carrying amount of the Group's trade receivables for the New energy business is RMB474,218,000, in which no loss allowance was required as at 30 June 2019.	Our procedures in relation to assessing the recoverability of the trade receivables for the New energy business include: • Understanding how the recoverability of trade receivables is assessed by the management; • Understanding and assessing key controls which govern credit control, debt collection, estimate of expected credit losses and preparation of aging analysis of trade receivables; • Testing the aging analysis for trade receivables; on a sample basis, to the source documents; and • Assessing the reasonableness of management's loss allowance estimates by examining the information used by the management to form such judgments, including testing the accuracy of the historical default data, evaluating whether the historical loss rates are appropriately adjusted based on current economic conditions and forward-looking information and examining the actual losses recorded during the current financial year and assessing whether there were an indication of management bias when recognising loss allowances.

Independent Auditor's Report

Other Information

The directors of the Company are responsible for the other information. The other information comprises the information included in the interim report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

Independent Auditor's Report

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Independent Auditor's Report

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in the independent auditor's report is Yu, Kin Man.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
12 August 2019

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2019

	Notes	Six months ended **30.6.2019** **RMB'000** **(audited)**	30.6.2018 RMB'000 (unaudited and restated)
Continuing operations			
Revenue	5	**211,105**	94,983
Cost of sales		**(143,766)**	(34,075)
Gross profit		**67,339**	60,908
Other income	6	**6,261**	3,054
Other gains and losses	7	**432**	(313)
Administrative expenses		**(18,432)**	(23,084)
Interest on lease liabilities		**(103)**	–
Profit before tax	9	**55,497**	40,565
Income tax expense	11	**(16,773)**	(16,621)
Profit and total comprehensive income for the period from continuing operations		**38,724**	23,944
Discontinued operations			
Profit (loss) for the period from discontinued operation	8B	**101**	(1,692)
Profit and total comprehensive income for the period		**38,825**	22,252
Profit (loss) and total comprehensive income (expense) attributable to the owners of the Company:			
– from continuing operations		**32,445**	19,627
– from discontinued operation		**101**	(1,692)
Profit and total comprehensive income attributable to the owners of the Company		**32,546**	17,935
Profit and total comprehensive income attributable to non-controlling interests:			
– from continuing operations		**6,279**	4,317
		38,825	22,252
Earnings per share	13		
From continuing and discontinued operations			
Basic		**RMB0.009**	RMB0.005
Diluted		**RMB0.009**	RMB0.005
From continuing operations			
Basic		**RMB0.009**	RMB0.005
Diluted		**RMB0.009**	RMB0.005

Consolidated Statement of Financial Position

As at 30 June 2019

	Notes	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
Non-current assets			
Property, plant and equipment	14	**73,009**	80,650
Investment properties	15	**9,910**	9,910
Right-of-use assets	16	**4,779**	–
Rental deposits		**377**	1,465
Interest in an associate	18	**–**	–
Amount due from an associate	19	**–**	–
		88,075	92,025
Current assets			
Inventories	20	**–**	3,459
Trade and other receivables	21	**494,653**	378,460
Bank balances and cash	22	**59,275**	206,007
		553,928	587,926
Current liabilities			
Trade and other payables	23	**155,076**	218,068
Contract liabilities	24	**–**	9,569
Amount due to a shareholder	25	**–**	2,726
Lease liabilities	17	**2,253**	–
Dividend payable		**15,528**	–
Tax liabilities		**8,697**	23,885
		181,554	254,248
Net current assets		**372,374**	333,678
Non-current liabilities			
Lease liabilities	17	**2,533**	–
Net assets		**457,916**	425,703
Capital and reserves			
Share capital	26	**3,574**	3,553
Reserves		**391,613**	365,700
Equity attributable to owners of the Company		**395,187**	369,253
Non-controlling interests		**62,729**	56,450
Total equity		**457,916**	425,703

The consolidated financial statements on pages 11 to 99 were approved and authorised for issue by the Board of Directors on 12 August 2019 and are signed on its behalf by:

Mr. Hu Yishi
DIRECTOR

Mr. Chan Wing Yuen, Hubert
DIRECTOR

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2019

	Attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	Share option reserve RMB'000	Retained profits RMB'000	Special reserve RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total RMB'000
At 1 January 2018 (audited)	3,540	8,240	14,274	242,913	528	269,495	25,166	294,661
Profit and total comprehensive income for the period	–	–	–	17,935	–	17,935	4,317	22,252
Acquisition of assets through acquisition of a non-wholly owned subsidiary	–	–	–	–	–	–	17,433	17,433
Recognition of equity-settled share based payments	–	–	9,661	–	–	9,661	–	9,661
At 30 June 2018 (unaudited)	3,540	8,240	23,935	260,848	528	297,091	46,916	344,007
Profit and total comprehensive income for the period	–	–	–	64,954	–	64,954	9,534	74,488
Exercise of share options (note 27)	13	4,261	(1,340)	–	–	2,934	–	2,934
Forfeiture of share options (note 27)	–	–	(990)	–	–	(990)	–	(990)
Recognition of equity-settled share based payments	–	–	5,264	–	–	5,264	–	5,264
At 31 December 2018 (audited)	3,553	12,501	26,869	325,802	528	369,253	56,450	425,703
At 1 January 2019 (audited)	**3,553**	**12,501**	**26,869**	**325,802**	**528**	**369,253**	**56,450**	**425,703**
Profit and total comprehensive income for the period	**–**	**–**	**–**	**32,546**	**–**	**32,546**	**6,279**	**38,825**
Exercise of share options (note 27)	**21**	**6,333**	**(1,855)**	**–**	**–**	**4,499**	**–**	**4,499**
Forfeiture of share options (note 27)	**–**	**–**	**(182)**	**–**	**–**	**(182)**	**–**	**(182)**
Recognition of equity-settled share based payments	**–**	**–**	**4,590**	**–**	**–**	**4,590**	**–**	**4,590**
Dividends recognised as distribution (note 12)	**–**	**–**	**–**	**(15,519)**	**–**	**(15,519)**	**–**	**(15,519)**
At 30 June 2019 (audited)	**3,574**	**18,834**	**29,422**	**342,829**	**528**	**395,187**	**62,729**	**457,916**

Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	Notes	Six months ended 30.6.2019 RMB'000 (audited)	30.6.2018 RMB'000 (unaudited)
OPERATING ACTIVITIES			
Profit for the period		**38,825**	22,252
Adjustments for:			
Income tax		**16,778**	16,627
Depreciation of property, plant and equipment		**5,489**	4,668
Impairment loss reversed in respect of trade and other receivables		**–**	(3)
Gain on disposal of property, plant and equipment		**–**	(437)
Loss on liquidation of a subsidiary		**–**	115
Equity-settled share-based expenses		**4,590**	9,661
Impairment loss recognised in respect of inventories		**–**	25
Depreciation of right-of-use assets		**4,602**	–
Impairment loss of property, plant and equipment		**303**	–
Gain on disposal of subsidiaries		**(1,786)**	–
Interest expenses		**607**	–
Interest income		**(398)**	(157)
Operating cash flows before movements in working capital		**69,010**	52,751
Increase in rental deposits		**–**	(33)
Decrease in inventories		**820**	178
(Increase) decrease in trade and other receivables		**(136,035)**	794
Decrease in trade and other payables		**(56,333)**	(2,241)
Decrease in prepayment from customers		**–**	376
Decrease in contract liabilities		**(186)**	–
Cash (used in) generated from operations		**(122,724)**	51,825
Income tax paid		**(29,366)**	(24,559)
NET CASH (USED IN) GENERATED FROM OPERATING ACTIVITIES		**(152,090)**	27,266

Consolidated Statement of Cash Flows

For the six months ended 30 June 2019

	Notes	Six months ended 30.6.2019 RMB'000 (audited)	30.6.2018 RMB'000 (unaudited)
INVESTING ACTIVITIES			
Repayment of loan receivable		**5,285**	–
Interest received		**391**	157
Proceeds from disposal of property, plant and equipment		**187**	437
Payment of rental deposits		**(42)**	–
Net cash outflow arising on disposal of subsidiaries	8B	**(1,022)**	–
Purchase of property, plant and equipment		**(63)**	(51)
Acquisition of assets and liabilities through acquisition of a non-wholly owned subsidiary	31	**–**	(78,397)
NET CASH FROM (USED IN) INVESTING ACTIVITIES		**4,736**	(77,854)
FINANCING ACTIVITIES			
Repayment of lease liabilities		**(4,889)**	–
Proceeds from exercise of share options		**4,499**	–
Advance (repayment of advance) from a shareholder		**1,012**	(4)
Repayment to a director		**–**	(200)
NET CASH FROM (USED) IN FINANCING ACTIVITIES		**622**	(204)
NET DECREASE IN CASH AND CASH EQUIVALENTS		**(146,732)**	(50,792)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		**206,007**	95,608
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash		**59,275**	44,816

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2019

1. GENERAL

Zhonghua Gas Holdings Limited (the "Company") is an exempted company with limited liability incorporated in the Cayman Islands and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands and the principal place of business in Hong Kong is 23/F, Chinachem Century Tower, 178 Gloucester Road, Wanchai, Hong Kong.

The Company is an investment holding company. The principal activities of the subsidiaries of the Company are engaged in the provision of diverse integrated new energy services including technological development, construction related and consultancy services in relation to heat supply and coal-to-natural gas conversion, supply of liquefied natural gas ("LNG"), coupled with trading of new energy related industrial products ("New Energy Business") and the leasing of investment properties ("Property Investments"). During the period ended 30 June 2019, the Group disposed all of its entities, which engaged in restaurants operation ("Catering Business") to an independent third party, details are set out in note 8B. The financial results contributed by Catering Business are presented as results from discontinued operation. Details of the subsidiaries are set out in note 34.

The consolidated financial statements are presented in Renminbi ("RMB"), which is also the Company's functional currency.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards")

Application of new and amendments to IFRS Standards

In the current interim period, the Group has applied, for the first time, the following new and amendments to IFRS Standards issued by the International Accounting Standards Board ("IASB") which are mandatory effective for the annual period beginning on or after 1 January 2019 for the preparation of the Group's consolidated financial statements.

IFRS 16	Leases
IFRIC 23	Uncertainty over Income Tax Treatments
Amendments to IFRS 9	Prepayment Features with Negative Compensation
Amendments to IAS 19	Plan Amendment, Curtailment or Settlement
Amendments to IAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to IFRS Standards	Annual Improvements to IFRS Standards 2015 - 2017 Cycle

Except as described below, the application of the new and amendments to IFRS Standards in the Current Period has had no material impact on the Group's performance and financial positions for the Current Period and Prior Periods and/or on the disclosures set out in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards") *(Continued)*

Application of new and amendments to IFRS Standards *(Continued)*

Impacts of application on IFRS 16 Leases

The Group has applied IFRS 16 for the first time in the current interim period. IFRS 16 superseded IAS 17 Leases ("IAS 17"), and the related interpretations.

Transition and summary of effects arising from initial application of IFRS 16

Definition of a lease

The Group has elected the practical expedient to apply IFRS 16 to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 Determining whether an Arrangement contains a Lease and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in IFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied IFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained profits and comparative information has not been restated.

When applying the modified retrospective approach under IFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under IAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

i. elected not to recognise right-of-use assets and lease liabilities for leases with lease term ends within 12 months of the date of initial application; and

ii. used hindsight based on facts and circumstances as at date of initial application in determining the lease term for the Group's leases with extension and termination options.

On transition, the Group has made the following adjustments upon application of IFRS 16:

The Group recognised lease liabilities of RMB34,737,000 and right-of-use assets of RMB34,939,000 at 1 January 2019 by applying IFRS 16.C8(b)(ii) transition.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average lessee's incremental borrowing rate applied is 5%.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards") *(Continued)*

Application of new and amendments to IFRS Standards *(Continued)*

Impacts of application on IFRS 16 Leases *(Continued)*

Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee *(Continued)*

	At 1 January 2019 RMB'000
Operating lease commitments disclosed as at 31 December 2018	39,273
Lease liabilities discounted at relevant incremental borrowing rates	5%
Lease liabilities relating to operating leases recognised upon application of IFRS 16	34,737
Lease liabilities as at 1 January 2019	34,737
Analysed as	
Current	9,516
Non-current	25,221
	34,737

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards") *(Continued)*

Application of new and amendments to IFRS Standards *(Continued)*

Impacts of application on IFRS 16 Leases *(Continued)*

Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee *(Continued)*

The carrying amount of right-of-use assets as at 1 January 2019 comprises the following:

	Note	**Right-of-use assets** RMB'000
Right-of-use assets relating to operating leases recognised upon application of IFRS 16		34,737
Adjustments on rental deposits at 1 January 2019	(a)	202
		34,939
By class:		
Restaurant premises		30,796
Office premises		4,143
		34,939

Note:

(a) Before the application of IFRS 16, the Group considered refundable rental deposits paid as rights and obligations under leases to which IAS 17 applied. Based on the definition of lease payments under IFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, RMB202,000 was adjusted to refundable rental deposits paid and right-of-use assets.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards") *(Continued)*

Application of new and amendments to IFRS Standards *(Continued)*

Impacts of application on IFRS 16 Leases *(Continued)*

Transition and summary of effects arising from initial application of IFRS 16 (Continued)

As a lessee *(Continued)*

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Carrying amounts previously reported at 31 December 2018	Adjustments	Carrying amounts under IFRS 16 at 1 January 2019
	RMB'000	RMB'000	RMB'000
Non-current assets			
Right-of-use assets	–	34,939	34,939
Rental deposits	1,465	(162)	1,303
Current assets			
Other receivables			
– Rental deposits	456	(40)	416
Current liabilities			
Lease liabilities	–	(9,516)	(9,516)
Non-current liabilities			
Lease liabilities	–	(25,221)	(25,221)

Note: For the purpose of reporting cash flows from operating activities under indirect method for the six months ended 30 June 2019, movements in working capital have been computed based on opening statement of financial position as at 1 January 2019 as disclosed above.

2. APPLICATION OF NEW AND AMENDMENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS Standards") *(Continued)*

New and amendments to IFRS Standards in issue but not yet effective

The Group has not early applied the following new and amendments to IFRS Standards that have been issued but are not yet effective:

IFRS 17	Insurance Contracts[1]
Amendments to IFRS 3	Definition of a Business[2]
Amendments to IFRS 10 and IAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to IAS 1 and IAS 8	Definition of Material[4]

1 Effective for annual periods beginning on or after 1 January 2021.
2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.
3 Effective for annual periods beginning on or after a date to be determined.
4 Effective for annual periods beginning on or after 1 January 2020.

Except for the new and amendments to IFRS Standards mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Standards will have no material impact on the Group's financial position and performance and/or on disclosures in foreseeable future.

Amendments to IAS 1 and IAS 8 "Definition of Material"

The amendments provide refinements to the definition of material by including additional guidance and explanations in making materiality judgements. The amendments also align the definition across all IFRS Standards and will be mandatorily effective for the Group's annual period beginning on 1 January 2020. The application of the amendments is not expected to have significant impact on the financial position and performance of the Group but may affect the presentation and disclosures in the consolidated financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IFRS Standards issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of the Stock Exchange and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis, except for investment properties, which is measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IFRS 16/IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For financial instruments and investment properties which are transacted at fair value and a valuation technique that unobservable inputs is to be used to measure fair value in subsequent periods, the valuation technique is calibrated so that the results of the valuation technique equals the transaction price.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Acquisition of a subsidiary not constituting a business

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to financial assets/financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Notes to the Consolidated Financial Statements

For the six months ended 30 June 2019

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Investment in an associate

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associates. Changes in net assets of the associate other than profit or loss and other comprehensive income are not accounted for unless such changes resulted in changes in ownership interest held by the Group. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The Group assesses whether there is an objective evidence that the interest in an associate may be impaired. When any objective evidence exists, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

When a group entity transacts with its associate, the Group profits and losses resulting from the transactions with the associate are recognised in the Group' consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue from contracts with customers

Under IFRS 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 or 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 IFRS 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.

A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

Revenue from sales of industrial products and LNG

Revenue from sales of industrial products and LNG are recognised at a point in time, when control of the goods and services underlying the performance obligation is transferred to the customer, i.e. when goods are delivered. The credit period granted to customers are 60 to 180 days.

Rental and operation management from LNG business

Revenue from leasing LNG pipeline and operation management service are recognised over time. The transaction price allocated to this leasing services is recognised as a contract liability at the time of the initial sales transaction and is released on a straight line over the period of service.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue from contracts with customers *(Continued)*

Revenue from construction related and consultancy services

Revenue from construction related and consultancy services is recognised when the construction related and consultancy services are performed, certified and accepted by the customers. Deposits would be received upon signing the contracts with customers. The settlement period of the remaining consideration is generally within one to two years after the completion of construction related and consultancy services, as appropriate.

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.

Existence of significant financing component

In determining the transaction price, the Group adjusts the promised amount of consideration for the effects of the time value of money if the timing of payments agreed (either explicitly or implicitly) provides the customer or the Group with a significant benefit of financing the transfer of goods or services to the customer. In those circumstances, the contract contains a significant financing component. A significant financing component may exist regardless of whether the promise of financing is explicitly stated in the contract or implied by the payment terms agreed to by the parties to the contract.

For contracts where the period between payment and transfer of the associated goods or services is less than one year, the Group applies the practical expedient of not adjusting the transaction price for any significant financing component.

Revenue from restaurant operations

Revenue from restaurant operations including sales of non-staple food is recognised at a point in time when control of the good and services underlying the performance obligation is transferred to the customer, i.e. when goods are sold and services are provided. In general, there was no credit period for sales from the Catering Business, except for certain well-established corporate customers for which the credit terms are up to 90 days.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less residual value over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

Retirement benefit costs

Payments to state-sponsored retirement benefit schemes and the Mandatory Provident Fund Scheme are recognised as an expense when employees have rendered service entitling them to the contributions.

Short-term and other long-term employee benefits

Short-term employee benefits are recognised at the undiscounted amount of the benefits expected to be paid as and when employees rendered the services. All short-term employee benefits are recognised as an expense unless another IFRS standards require or permit the inclusion of the benefit in the cost of an asset.

A liability is recognised for benefits accruing to employees (such as wages and salaries, annual leave and sick leave) after deducting any amount already paid.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date. Any changes in the liabilities' carrying amounts resulting from service cost, interest and remeasurements are recognised in profit or loss except to the extent that another IFRS standards require or permit their inclusion in the cost of an asset.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases (upon application of IFRS 16 in accordance with transition in note 2)

Definition of a lease

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts entered into or modified on or after the date of initial application, the Group assesses whether a contract is or contains a lease based on the definition under IFRS 16 at inception or modification date. Such contract will not be reassessed unless the terms and conditions of the contract are subsequently changed.

As a lessee

Allocation of consideration to components of a contract

For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

As a practical expedient, leases with similar characteristics are accounted on a portfolio basis when the Group reasonable expects that the effects on the consolidated financial statements would not differ materially from individual leases within the portfolio.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases (upon application of IFRS 16 in accordance with transition in note 2) *(Continued)*

As a lessee *(Continued)*

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Except for those that are classified as investment properties and measured under fair value model, right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use asset includes:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs incurred by the Group; and
- an estimate of costs to be incurred by the Group in dismantling and removing the underlying assets, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The Group presents right-of-use assets that do not meet the definition of investment property as a separate line item on the consolidated statement of financial position. The right-of-use assets that meet the definition of investment property are presented within "investment properties".

Refundable rental deposits

Refundable rental deposits paid are accounted under IFRS 9 *Financial Instruments* ("IFRS 9") and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leases (upon application of IFRS 16 in accordance with transition in note 2) *(Continued)*

As a lessee *(Continued)*

Lease liabilities

At the commencement date of a lease, the Group recognises and measures the lease liability at the present value of lease payments that are unpaid at that date. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable.

The lease payments include:

- fixed payments (including in-substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- the exercise price of a purchase option reasonably certain to be exercised by the Group; and
- payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

After the commencement date, lease liabilities are adjusted by interest accretion and lease payments.

The Group remeasures lease liabilities (and makes a corresponding adjustment to the related right-of-use assets) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the related lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the date of reassessment.
- the lease payments change due to changes in market rental rates following a market rent review/ expected payment under a guaranteed residual value, in which cases the related lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Leasing (prior to 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised in the consolidated statement of profit or loss on a straight-line basis over the terms of the relevant lease.

The Group as lessee

Operating lease payments, including the cost of acquiring land held under operating leases, are recognised as an expense on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the period. Taxable profit differs from "profit before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Taxation *(Continued)*

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 *Income Taxes* requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Current and deferred tax are recognised into profit or loss, except when they relates to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Impairment of tangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the relevant asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand, and short-term deposits with an original maturity of three months or less, which are readily convertible into a known amount of cash.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in-first-out method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with IFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

Impairment of financial assets

The Group recognises a loss allowance for expected credit loss ("ECL") on financial assets which are subject to impairment under IFRS 9 (including trade and other receivables, amount due from an associate, rental deposits and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ("12m") ECL represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group's credit loss experience, customers' repayment history and customers' financial position and an assessment of both the current conditions at the reporting date as well as the forecast general economic conditions.

The Group always recognises lifetime ECL for trade receivables. The ECL on trade receivables are assessed individually.

For all other instruments, the Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

- an actual or expected significant deterioration in the operating results of the debtor;

- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets *(Continued)*

(ii) Definition of default

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event;

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial assets *(Continued)*

Impairment of financial assets (Continued)

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Group in accordance with the contract and the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments by adjusting their carrying amount, with the exception of trade and other receivables and amount due from an associate where the corresponding adjustment is recognised through a loss allowance account.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

Financial liabilities and equity *(Continued)*

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Financial liabilities at amortised cost

Financial liabilities including trade and other payables and amount due to a shareholder are subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Share-based payment transactions of the Company

Equity-settled share-based payment transactions

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value of the equity-settled share-based payments determined at the grant date without taking into consideration all non-market vesting conditions is expensed on a straight line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (share option reserve).

3. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Share-based payment transactions of the Company *(Continued)*

Equity-settled share-based payment transactions *(Continued)*

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest based on assessment of all relevant non-market vesting conditions. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

For share options that vest immediately at the date of grant, the fair value of share options granted is expensed immediately to profit or loss.

When share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumption concerning the future and other key sources of estimation uncertainty at the date of reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

Provision of ECL for trade receivables

The ECL on trade receivables are assessed individually. The provision rates are based on internal credit rating. The provision of expected credit losses is based on the historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward-looking information are considered.

The provision of ECL is sensitive to changes in estimates. The information about the Group's trade receivables and the ECL is disclosed in notes 21 and 30, respectively.

Income taxes

As at 30 June 2019, no deferred tax asset has been recognised on the tax losses of RMB48,055,000 (31.12.2018: RMB71,227,000) due to the unpredictability of future profit streams. The realisability of the deferred tax assets mainly depends on whether sufficient future profits or taxable temporary differences will be available in the future. In cases where the actual future profits generated are more than expected, deferred tax assets may arise, which would be recognised in profit or loss for the period in which such recognition takes place.

5. REVENUE AND SEGMENT INFORMATION

Revenue from each type of business from continuing operations for the six months ended 30 June 2019 and 2018 are as follows:

A. Disaggregation of revenue from contracts with customers

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited and restated)
Segments	**New Energy Business**	New Energy Business
Types of goods or services		
New Energy Business		
Trading of industrial products	**–**	17,457
Construction related and consultancy services	**57,499**	77,471
Trading of LNG	**153,354**	–
Total	**210,853**	94,928
Timing of revenue recognition		
A point in time	**153,354**	17,457
Overtime	**57,499**	77,471
Total	**210,853**	94,928

During the six months ended 30 June 2019 and 2018, the management of the Group assessed the financial impact of the financing components related to the revenue from construction related and consultancy services and the amounts of consideration are adjusted for the effects of financing components unless the effects are considered immaterial.

Transaction price allocated to the remaining performance obligation for contracts with customers

All performance obligations for New Energy Business are for periods of one year or less. As permitted under IFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

B. For the six months ended 30 June 2019 and 2018

	Six months ended	
	2019	2018
	RMB'000	RMB'000
	(audited)	(unaudited)
Continuing operations		
New Energy Business	**210,853**	94,928
Property Investments	**252**	55
	211,105	94,983

Segment information is presented below.

For the six months ended 30 June 2019, the information reported to the chief operating decision maker, i.e. the executive Directors of the Company ("CODM"), for the purposes of resource allocation and performance assessment are as follows:

(i) **New Energy Business** – represented the gross revenue from the principal activities of the subsidiaries of the Company which engaged in the provision of diverse integrated new energy services including technological development, construction related and consultancy services in relation to heat supply and coal-to-natural gas conversion, supply of LNG, coupled with trading of new energy related industrial products.

(ii) **Property Investments** – represented property rental income generated from investment properties located in Shanghai, the PRC.

As the Group disposed of all the PRC entities which were engaged in restaurants operation on 30 April 2019, the financial results contributed by the Catering Business represented the financial results during 1 January 2019 to 30 April 2019 and presented as results from discontinued operation. After that, the Catering Business was no longer existed for segment reporting to CODM. Comparative segment information was represented accordingly.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

B. For the six months ended 30 June 2019 and 2018 *(Continued)*

Six months ended 30 June 2019 (audited)

	New Energy Business RMB'000	Property Investments RMB'000	Total RMB'000
Continuing operations			
REVENUE			
External sales	**210,853**	**252**	**211,105**
RESULT			
Segment result	**69,433**	**231**	**69,664**
Unallocated corporate expenses			**(14,599)**
Net foreign exchange gain			**432**
Profit before tax			**55,497**

Six months ended 30 June 2018 (unaudited)

	New Energy Business RMB'000	Property Investments RMB'000	Total RMB'000
Continuing operations			
REVENUE			
External sales	94,928	55	94,983
RESULT			
Segment result	60,966	47	61,013
Unallocated corporate expenses			(20,135)
Net foreign exchange loss			(313)
Profit before tax			40,565

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Other segment information

Six months ended 30 June 2019 (audited)

	New Energy Business RMB'000	Property Investments RMB'000	Unallocated RMB'000	Total RMB'000
Continuing operations				
Amounts included in the measure of segment profit or loss:				
Depreciation of property, plant and equipment	**5,190**	**–**	**176**	**5,366**
Depreciation of right-of-use assets	**597**	**–**	**648**	**1,245**
Interest on lease liabilities	**68**	**–**	**35**	**103**
Interest income	**(150)**	**–**	**(245)**	**(395)**

Six months ended 30 June 2018 (unaudited)

	New Energy Business RMB'000	Property Investments RMB'000	Unallocated RMB'000	Total RMB'000
Continuing operations				
Amounts included in the measure of segment profit or loss:				
Depreciation of property, plant and equipment	4,323	–	174	4,497
Interest income	(66)	–	(71)	(137)

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Segment profit represents the profit generated by each segment without allocation of certain gains and losses, and the expenses incurred by the Group's head office. This is the measure reported to the executive Directors of the Company for the purpose of resource allocation and performance assessment.

As information on the Group's segment assets and liabilities are not regularly provided to the executive Directors of the Company, segment assets and liabilities are not presented.

5. REVENUE AND SEGMENT INFORMATION *(Continued)*

Geographical information

The Group's operations are mainly located in the PRC. Information about the Group's revenue from external customers and all of its non-current assets (excluding rental deposits) are presented based on the geographical locations of the customers and assets respectively.

	Revenue from external customers Six months ended 30 June		Non-current assets	
	30.6.2019	30.6.2018	**30.6.2019**	31.12.2018
	RMB'000	RMB'000	**RMB'000**	RMB'000
Continuing operations				
PRC	**211,105**	94,983	**84,736**	89,849
Hong Kong	**–**	–	**2,962**	711
	211,105	94,983	**87,698**	90,560

Information about major customers

Revenue from customers of the corresponding periods contributing over 10% of the total revenue of the Group are as follows:

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited)
Customer A	**95,586**	N/A[1]
Customer B	**57,769**	21,084
Customer C	**N/A[1]**	13,001
Customer D	**N/A[1]**	10,094
Customer E	**N/A[1]**	14,873

1 The corresponding revenue does not contribute over 10% of total revenue of the Group.

6. OTHER INCOME

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited and restated)
Continuing operations		
Rental and operation management service income	**5,395**	2,862
Interest income from banks	**154**	137
Interest income from loan receivable from an independent third party	**241**	–
Others	**471**	55
	6,261	3,054

7. OTHER GAINS AND LOSSES

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited and restated)
Continuing operations		
Net foreign exchange gain (loss)	**432**	(313)

8A. LOSS ON LIQUIDATION OF A SUBSIDIARY

During the six months ended 30 June 2018, the Group liquidated Shanghai Yin Jia Food Products Company Limited (上海銀佳食品有限公司), a wholly owned subsidiary of the Company, which engaged in food production services to the Group's restaurants and trading of seafood and supplemental food products. The liquidation was completed on 6 February 2018, and resulted in a loss on liquidation of RMB115,000 for the period ended 30 June 2018.

The net assets of the liquidated subsidiary at the date of liquidation were as follows:

	RMB'000 (unaudited)
Analysis of assets liquidated:	
Inventories	12
Trade and other receivables	103
Loss on liquidation of a subsidiary (note 8B)	115

8B. DISCONTINUED OPERATION AND GAIN ON DISPOSAL OF SUBSIDIARIES

During the six months ended 30 June 2019, the Group disposed of Wealth Grade Limited and 上海富愷商務諮詢有限公司 ("Shanghai Fu Kai Commercial Consultation Company Limited"*), wholly owned subsidiaries of the Company, and its subsidiaries, which were engaged in the restaurants operation in the PRC and presented under "Catering Business" of the Group, to an independent third party at a cash consideration of RMB2,000,000. The disposal was completed on 30 April 2019 and resulted in a gain on disposal of subsidiaries amounted to RMB1,786,000.

The loss for the periods from the discontinued operation in respect of Catering Business is analysed as follow:

	Note	**Period from 1.1.2019 to 30.4.2019 (date of disposal) RMB'000 (audited)**	Six months ended at 30.6.2018 RMB'000 (unaudited)
Loss of Catering Business		**(1,685)**	(1,692)
Gain on disposal of of Catering Business		**1,786**	–
Profit (loss) for the periods from discontinued operation and attributed to owners of the Company		**101**	(1,692)
Revenue		**14,917**	21,513
Cost of sales		**(12,209)**	(18,344)
Gross profit		**2,708**	3,169
Other income		**3**	22
Other gains and losses		**(256)**	425
Administrative expenses		**(2,076)**	(2,719)
Selling and distributions		**(1,252)**	(2,468)
Impairment loss recognised in respect of property, plant and equipment		**(303)**	–
Interest on lease liabilities		**(504)**	–
Loss on liquidation of a subsidiary	8A	**–**	(115)
Loss before tax		**(1,680)**	(1,686)
Income tax expense		**(5)**	(6)
Loss for the period from discontinued operation and attributed to owners of the Company		**(1,685)**	(1,692)
Loss per share (Note)			
Basic		**(RMB0.001)**	(RMB0.001)
Diluted		**(RMB0.001)**	(RMB0.001)

Note: The denominators used are the same as these detailed in note 13 for both basic and diluted earnings per share.

* For identification purpose only.

8B. DISCONTINUED OPERATION AND GAIN ON DISPOSAL OF SUBSIDIARIES *(Continued)*

Cash flows for the period from the discontinued operation are as follows:

	RMB'000 (audited)
For the period from 1 January 2019 to 30 April 2019 (date of disposal)	
Net cash inflow from in operating activities	**474**
Net cash inflow from in investing activities	**136**
Net cash outflow used in financing activities	**(2,582)**
Net cash outflow	**(1,972)**

	RMB'000 (unaudited)
For the period from 1 January 2018 to 30 June 2018	
Net cash outflow used in operating activities	(3,719)
Net cash inflow from in investing activities	416
Net cash outflow used in financing activities	(204)
Net cash outflow	(3,507)

8B. DISCONTINUED OPERATION AND GAIN ON DISPOSAL OF SUBSIDIARIES *(Continued)*

Loss for the period from discontinued operation in respect of Catering Business been arrived at after charging (crediting):

	Period from 1.1.2019 to 30.4.2019 (date of disposal) RMB'000 (audited)	Six months ended at 30.6.2018 RMB'000 (unaudited)
Salaries and other allowances	**4,714**	6,574
Retirement benefit scheme contributions	**815**	1,240
Total staff costs	**5,529**	7,814
Less: included in cost of sales	**(3,880)**	(5,983)
	1,649	1,831
Auditors' remuneration	**7**	–
Depreciation of property, plant and equipment	**123**	170
Less: included in cost of sales	**(116)**	(38)
	7	132
Depreciation of right-of-use assets	**3,357**	–
Cost of inventories recognise as an expense	**4,856**	6,730

8B. DISCONTINUED OPERATION AND GAIN ON DISPOSAL OF SUBSIDIARIES *(Continued)*

The carrying amounts of the assets and liabilities over which control was lost is disclosed as below:

	RMB'000 (audited)
Property, plant and equipment (note 14)	1,725
Right-of-use assets (note 16)	28,323
Inventories	2,639
Trade and other receivables	13,917
Bank balances and cash	3,022
Trade and other payables	(6,659)
Contract liabilities	(9,383)
Lease liabilities	(27,032)
Amount due to a shareholder	(3,738)
Tax payable	(2,600)
Net assets disposed	214

	RMB'000 (audited)
Gain on disposal of the Catering Business:	
Consideration received	2,000
Net assets disposed of	(214)
Gain on disposal	1,786
Net cash outflow arising on disposal:	
Cash consideration	2,000
Bank balances and cash disposed of	(3,022)
	(1,022)

* For identification purpose only

9. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited)
Profit before tax has been arrived at after charging the following:		
Directors' emoluments (note 10)	**4,970**	6,191
Other staff costs:		
Salaries and other allowances	**3,645**	2,682
Retirement benefit scheme contributions, excluding those of Directors	**412**	362
Equity-settled share based payments, excluding those of Directors	**3,221**	6,841
Total staff costs	**12,248**	16,076
Auditors' remuneration	**1,056**	180
Depreciation of property, plant and equipment	**5,366**	4,497
Less: included in cost of sales	**(5,167)**	(4,304)
	199	193
Depreciation of right-of-use assets	**1,245**	–
Cost of inventories recognise as an expense	**125,463**	19,678

10. DIRECTORS' AND EMPLOYEES EMOLUMENTS

Directors

Details of the emoluments paid by the Group to the Directors of the Company were as follows:

Six months ended 2019 (audited)

Name of directors	Directors' fee RMB'000	Salaries and other allowances RMB'000	Retirement benefit scheme contributions RMB'000	Equity-settled share-based payments RMB'000	Total RMB'000
Executive Directors					
Mr. Hu Yishi	**87**	**1,042**	**8**	**123**	**1,260**
Mr. Chan Wing Yuen, Hubert	**87**	**417**	**29**	**488**	**1,021**
Ms. Lin Min, Mindy	**87**	**1,042**	**8**	**123**	**1,260**
Ms. Kwong Wai Man, Karina	**87**	**417**	**29**	**488**	**1,021**
Independent non-executive Directors					
Mr. Lui Tin Nang	**87**	**–**	**–**	**49**	**136**
Ms. Ma Lee	**87**	**–**	**–**	**49**	**136**
Mr. Lau Kwok Kee	**87**	**–**	**–**	**49**	**136**
Total	**609**	**2,918**	**74**	**1,369**	**4,970**

Six months ended 2018 (unaudited)

Name of directors	Directors' fee RMB'000	Salaries and other allowances RMB'000	Retirement benefit scheme contributions RMB'000	Equity-settled share-based payments RMB'000	Total RMB'000
Executive Directors					
Mr. Hu Yishi	81	977	8	253	1,319
Mr. Chan Wing Yuen, Hubert	81	390	27	1,006	1,504
Ms. Lin Min, Mindy	81	977	7	253	1,318
Ms. Kwong Wai Man, Karina	81	390	27	1,006	1,504
Independent non-executive Directors					
Mr. Lui Tin Nang	81	–	–	101	182
Ms. Ma Lee	81	–	–	101	182
Mr. Lau Kwok Kee	81	–	–	101	182
Total	567	2,734	69	2,821	6,191

10. DIRECTORS' AND EMPLOYEES EMOLUMENTS *(Continued)*

Directors *(Continued)*

The executive Directors' emoluments shown above were for their services in connection with the management of the affairs of the Company and the Group.

The independent non-executive Directors' emoluments shown above were for their services as Directors of the Company.

There were no arrangement under which a Director waived or agreed to waive any remuneration during the Current Period.

Certain Directors were granted share options in respect of their services to the Group under the share option scheme of the Company on 9 June 2017. Details of the share option scheme are set out in note 27.

Employees

Of the five highest paid individuals of the Group, the number of directors and employees were as follows:

	Six months ended	
	30.6.2019	30.6.2018
	(audited)	(unaudited)
Directors	**4**	4
Employee	**1**	1
	5	5

The remuneration of the four (June 2018: four) directors of the Company are set out above. The emoluments of the remaining one (June 2018: one) highest paid individual was as follows:

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited)
Salaries and other allowances	**573**	445
Retirement benefit scheme contributions	**36**	28
	609	473

10. DIRECTORS' AND EMPLOYEES EMOLUMENTS *(Continued)*

Employees *(Continued)*

The emoluments of the remaining individual were within the following band:

	Six months ended	
	30.6.2019	30.6.2018
	(audited)	(unaudited)
Nil to HK$1,000,000	**1**	1

No emoluments were paid by the Group to any of the directors and the chief executive or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office during the six months ended 30 June 2019 and 2018.

11. INCOME TAX EXPENSE

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited)
Continuing operations		
Enterprise income tax in the PRC		
Current tax	**16,773**	16,287
Underprovision in prior period	**–**	334
	16,773	16,621

The Company was incorporated in the Cayman Islands and is exempted from income tax. It is not subject to tax in other jurisdictions.

Hong Kong

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime is insignificant to the consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both periods. No Hong Kong Profits Tax has been made as the Group's subsidiaries which operating in Hong Kong have incurred tax losses in both periods.

11. INCOME TAX EXPENSE *(Continued)*

PRC

PRC subsidiaries located in Shanghai and Tianjin are subject to PRC Enterprise Income Tax ("EIT") at a rate of 25% for the six months ended 30 June 2019 and 2018.

A subsidiary operating in PRC was fulfilled "Small and Low-profit Enterprises" defined by Enterprise Income Tax Law of the People's Republic of China, and was registered with the local tax authority to be eligible to the reduced enterprise income tax rate of 20%.

The tax charge for the periods can be reconciled to the profit before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited)
Profit before tax from continuing operations	**55,497**	40,565
Tax at EIT rate (25%)	**13,874**	10,141
Tax effect of expenses not deductible for tax purpose	**474**	232
Tax effect of income not taxable for tax purpose	**(225)**	(53)
Effect of tax concessions granted to the subsidiary	**–**	(20)
Tax effect of tax losses not recognised	**2,271**	3,633
Tax effect of temporary difference not recognised	**18**	74
Under provision in prior period	**–**	334
Effect of different tax rates of subsidiaries operations in Hong Kong	**1,091**	2,280
Others	**(730)**	–
Tax charge for the period	**16,773**	16,621

At the end of the reporting period, the Group has unused tax losses of RMB48,055,000 (31.12.2018: RMB71,227,000) available for offset against future profits. No deferred tax asset has been recognised in respect of such losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of RMB11,370,000 (31.12.2018: RMB11,832,000) will expire in 2019, RMB10,276,000 (31.12.2018: RMB10,751,000) will expire in 2020, RMB2,475,000 (31.12.2018: RMB2,475,000) will expire in 2021, RMB3,158,000 (31.12.2018: RMB3,158,000) will expire in 2022 and RMB3,983,000 (31.12.2018: RMB3,983,000) will expire in 2023 and RMB5,204,000 (31.12.2018: nil) will expire in 2024. The remaining unused tax losses can be carried indefinitely.

Under the EIT Law of the PRC, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries from 1 January 2008 onwards. Deferred taxation has not been provided for in the consolidated financial statements in respect of temporary differences attributable to retained profits of the PRC subsidiaries of RMB288,340,000 (31.12.2018: RMB235,433,000) as at 30 June 2019 as the Group is able to control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

12. DIVIDENDS

During the six months ended 30 June 2019, a final dividend in respect of the year ended 31 December 2018 of HK$0.5 cents per ordinary share, in an aggregate amount of HK$17,653,000 (equivalent to RMB15,519,000) was recognised as a distribution. The directors of the Company have determined that no dividend will be paid in respect of six months ended 30 June 2019 and 30 June 2018.

13. EARNINGS PER SHARE

From continuing operations

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

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited)
Profit for the period attributable to owners of the Company	**32,546**	17,935
Less: Profit (loss) for the period from discontinued operation	**101**	(1,692)
Profit for the purpose of basic loss per share from continuing operations	**32,445**	19,627

The weighted average number of ordinary shares for the purpose of calculation of diluted earnings per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earnings per share as follows:

	Six months ended	
	30.6.2019	30.6.2018
	'000	'000
	(audited)	(unaudited)
Weighted average number of shares used in the calculation of basic earnings per share	**3,521,587**	3,499,520
Shares deemed to be issued in respect of:		
– Share options	**44,087**	34,119
Weighted average number of shares used in the calculation of diluted earnings per share	**3,565,674**	3,533,639

13. EARNINGS PER SHARE *(Continued)*

From continuing and discontinued operations

The calculation of the basic earnings per share from continuing and discontinued operations attributable to the owners of the Company is based on the following data:

	Six months ended	
	30.6.2019	30.6.2018
	RMB'000	RMB'000
	(audited)	(unaudited)
Earnings		
Earnings for the purpose of basic and diluted earnings per share		
Profit for the period attributable to owners of the Company	**32,546**	17,935

The denominators used are the same as those detailed above for both basic and diluted earnings per share.

14. PROPERTY, PLANT AND EQUIPMENT

	Leasehold improvement RMB'000	**Machinery and equipment** RMB'000	**Furniture, fixtures and equipment** RMB'000	**Motor vehicles** RMB'000	**Total** RMB'000
COST					
At 1 January 2018	7,246	–	4,385	4,867	16,498
Additions	1,503	–	117	–	1,620
Acquisition of assets and liabilities through acquisition of a non-wholly owned subsidiary (note 31)	–	87,008	–	–	87,008
At 31 December 2018 and 1 January 2019	8,749	87,008	4,502	4,867	105,126
Additions	53	–	10	–	63
Disposals	–	–	(555)	(1,257)	(1,812)
Disposal of subsidiaries (note 8B)	(6,903)	–	(2,952)	(3,045)	(12,900)
At 30 June 2019	1,899	87,008	1,005	565	90,477
DEPRECIATION					
At 1 January 2018	6,958	–	3,033	4,124	14,115
Provided for the year	478	9,472	270	141	10,361
At 31 December 2018 and 1 January 2019	7,436	9,472	3,303	4,265	24,476
Provided for the period	145	5,167	114	63	5,489
Impairment loss recognised	303	–	–	–	303
Disposals	–	–	(494)	(1,131)	(1,625)
Disposal of subsidiaries (note 8B)	(6,062)	–	(2,348)	(2,765)	(11,175)
At 30 June 2019	1,822	14,639	575	432	17,468
CARRYING VALUES					
At 30 June 2019 (audited)	77	72,369	430	133	73,009
At 31 December 2018 (audited)	1,313	77,536	1,199	602	80,650

14. PROPERTY, PLANT AND EQUIPMENT *(Continued)*

The property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account their residual value, as follows:

Leasehold improvement	The shorter of the period of the respective leases or 5 years
Machinery and equipment	12%
Furniture, fixtures and equipment	18%
Motor vehicles	18%

During the six months ended 30 June 2019, the directors of the Company approved to dispose of the Group's Catering Business in April 2019 and considered an impairment on the leasehold improvement in its restaurants located in the PRC amounted to RMB303,000 which was charged to the consolidated profit or loss and other comprehensive income as expense of the discontinued operation for the period ended 30 June 2019.

15. INVESTMENT PROPERTIES

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
AT FAIR VALUE		
At beginning and end of the period/year	**9,910**	9,910

The Group's investment properties are situated in the PRC and held under medium lease.

Fair value measurements and valuation processes

In determining the fair value of investment properties, it is the Group's policy to engage third party qualified external valuer to perform the valuation. The management works closely with the qualified external valuer to establish the appropriate valuation techniques and inputs to the model.

The fair value of the Group's investment properties as at 30 June 2019 and 31 December 2018 has been arrived at on the basis of a valuation carried out on that date by Messrs Avista Valuation Advisory Limited, independent qualified professional valuers not connected to the Group.

The fair value was determined based on the income approach, by taking into account the net rental income of the property derived from the existing lease and/or achievable in the existing market with the allowance for the reversionary income potential of the leases, which has been then capitalised to determine the market value at an appropriate capitalisation rate.

In estimating the fair value of the properties, the highest and best use of the properties are their current use.

15. INVESTMENT PROPERTIES *(Continued)*

Fair value measurements and valuation processes *(Continued)*

The following table gives information about how the fair value of the investment properties are determined (in particular, the valuation techniques and inputs used), as well as the fair value hierarchy into which the fair value measurements are categorised (Level 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Investment property held by the Group	Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable input(s)	Relationship of unobservable inputs to fair value
Commercial properties unit located in PRC	Level 3	Income approach		
		The key inputs are		
		(1) Average monthly rental	Average monthly rental, taking into account the rentals achieved in the lettable units of the property as well as other lettings of similar properties in the neighbourhood. In the 30 June 2019 valuation, average monthly rental of RMB6.2 (31 December 2018: RMB6.2) per square meter is used.	A significant increase in the monthly rental used would result in significant increase in fair value measurement of the investment property, and vice versa.
		(2) Discount rate	Discount rate, taking into accounts the sales transactions of similar commercial properties in the PRC and the market expectation from property investors. In the 30 June 2019 valuation, discount rate approximate to 5% (31 December 2018: 5%) is used.	A slight increase in discount rate used would result in significant decrease in fair value measurement to the investment property, and vice versa.

Details of the Group's investment properties and information about the fair value hierarchy as at 30 June 2019 and 31 December 2018 are as follows:

	Level 3 RMB'000	Fair value RMB'000
Commercial properties unit located in the PRC		
At 30 June 2019	9,910	9,910
At 31 December 2018	9,910	9,910

There were no transfers into or out of Level 3 during the period/year.

16. RIGHT-OF-USE ASSETS

The tenure of the Group's lease arrangements for renting office premises is mainly from two to five years for the six months ended 30 June 2019.

Before the disposal of the Catering Business on 30 April 2019, the Group rented restaurants in the PRC with lease arrangement of two to five years.

The lease arrangements for renting office premises and restaurant usually allow early termination for the Group's giving one-month prior notice after twelve months from the commencement of the leases, otherwise, penalties, equivalent to one-month lease payment, is necessary.

The Group's right-of-use assets in respect of lease arrangements for renting office premises at the end of reporting period are as follows:

	Office premises RMB'000	**Restaurants** RMB'000	**Total** RMB'000
COST			
At 31 December 2018	–	–	–
Adjustment on application of IFRS 16	4,143	30,796	34,939
At 1 January 2019	4,143	30,796	34,939
Additions	2,765	–	2,765
Disposal of subsidiaries (note 8B)	(884)	(30,796)	(31,680)
Expiration of lease contract	(303)	–	(303)
At 30 June 2019	5,721	–	5,721
DEPRECIATION			
At 31 December 2018	–	–	–
Adjustment on adoption of IFRS 16	–	–	–
At 1 January 2019	–	–	–
Charge for the period	1,431	3,171	4,602
Disposal of subsidiaries (note 8B)	(186)	(3,171)	(3,357)
Expiration of lease contract	(303)	–	(303)
At 30 June 2019	942	–	942
CARRYING VALUES			
At 30 June 2019 (audited)	4,779	–	4,779

For the six months ended 30 June 2019, the total cash payments for the Group's lease arrangements (including both short-term leases and repayments of lease liabilities) amounting to RMB4,889,000.

17. LEASE LIABILITIES

	30.6.2019 RMB'000 (audited)
Non-current	2,533
Current	2,253
	4,786

Maturity analysis

	30.6.2019 RMB'000
Within one year	2,253
Within a period of more than one year but not exceeding two years	1,853
Within a period of more than two years but not exceeding five years	680
	4,786

The Company does not expose to a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function. The weighted average lessee's incremental borrowing rate was 5.00% per annum for the six months ended 30 June 2019 (31.12.2018: Nil).

18. INTEREST IN AN ASSOCIATE

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
Cost of unlisted investment in an associate	**–**	400
Deemed capital contribution (note)	**–**	1,705
Share of post-acquisition losses	**–**	(2,105)
	–	–

As at 30 June 2019 and 31 December 2018, the Group had interest in the following associate:

Name of associate	Form of entity	Place of establishment and operation	Attributable interest in registered capital held by the Group		Proportion of voting rights held by the Group		Principal activities
			30.6.2019	31.12.2018	**30.6.2019**	31.12.2018	
Dong Hai Noble House Food and Beverage Co.,Ltd. ("Dong Hai Noble House")	Limited liability	PRC	**Nil**	40%	**Nil**	40%	Dormant

Note: Deemed capital contribution represents the imputed interest on interest-free loans to an associate.

As stated in Note 8B, the associate held by a subsidiary was disposed of by the Group upon the completion of the disposal of its Catering Business during the period ended 30 June 2019.

The summarised financial information in respect of the Group's associate for the year ended 31 December 2018 was set out below and were prepared in accordance with IFRS Standards.

The Group's associate was accounted for using the equity method in these consolidated financial statements.

Dong Hai Noble House

	31.12.2018 RMB'000 (audited)
Current assets	525
Non-current assets	2,690
Current liabilities	(21,587)
Net liabilities	(18,372)
Net liabilities attributable to the Group	(7,349)

18. INTEREST IN AN ASSOCIATE *(Continued)*

	Six months ended 30.6.2018 RMB'000 (unaudited)
Revenue	–
Results for the period attributable to owner of the associate	–
Group's share of loss	–

Reconciliation of the above summarised financial information to the carrying amount of the interest in the associate recognised in the consolidated financial statements:

	31.12.2018 RMB'000 (audited)
Net liabilities	(18,372)
Proportion of the Group's ownership interest in Dong Hai Noble House	40%
The Group's interest in Dong Hai Noble House	(7,349)
Deemed capital contribution	1,705
Unrecognised share of loss	5,644
Carrying amount of the Group's interest in Dong Hai Noble House	–

	Six months ended 30.6.2018 RMB'000 (unaudited)
The unrecognised share of loss of an associate for the period	–
Cumulative unrecognised share of loss of an associate	5,644

19. AMOUNT DUE FROM AN ASSOCIATE

	30.6.2019	31.12.2018
	RMB'000	RMB'000
	(audited)	(audited)
Dong Hai Noble House – non-trade (non-current) (note (a))	**–**	7,370
Less: Impairment loss recognised (note (b))	**–**	(7,370)
	–	–

Notes:

(a) As at 31 December 2018, the amount represents advances to finance the operations of Dong Hai Noble House and was interest free and has no fixed repayment terms. Management of the Group considered the amount will not be settled within the next twelve months, and thus classified it as non-current asset. Upon the disposal of the interest in an associate through the disposal of the Group's Catering Business, the amount was derecognised during the six months ended at 30 June 2019.

(b) In prior years, as the result of Dong Hai Noble House did not meet management's expectation, the directors of the Company reassessed the timing and estimates of the cash flows from the repayment of the advance to the associate and discounted them at the original effective interest rate of the advance, full impairment loss was made in respect of the outstanding balances. No repayment of advance to an associate was made during the year ended 31 December 2018.

20. INVENTORIES

	30.6.2019	31.12.2018
	RMB'000	RMB'000
	(audited)	(audited)
Food and beverages	**–**	2,821
Consumables	**–**	638
	–	3,459

21. TRADE AND OTHER RECEIVABLES

Generally, there was no credit period for sales from the Catering Business, except for certain well established corporate customers for which the credit terms are up to 90 days.

For the construction related and consultancy services (included in New Energy Business), the settlement period according to the contract term is generally within one to two year after the completion of energy-related system design, construction and consultancy work.

For the trading of industrial products and LNG (included in New Energy Business), the credit period granted to customers are 60 to 180 days.

The aged analysis of the Group's trade receivables for the construction related and consultancy services, net of allowance, based on invoice dates at the end of the reporting period, which approximately the respective contract completion date, is as follows:

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
Trade receivables for construction related and consultancy services (included in New Energy Business):		
0 – 180 days	**54,968**	95,813
181 – 270 days	**–**	96,318
271 days – 1 year	**180,383**	56,717
Over 1 year but within 2 years	**60,491**	–
	295,842	248,848
Within settlement period	**240,875**	227,523
Past due	**54,967**	21,325
	295,842	248,848

The average duration to complete the contracts in respect of construction related and consultancy services are one to three months.

21. TRADE AND OTHER RECEIVABLES *(Continued)*

The aged analysis of the Group's trade receivables for trading of industrial products, trading of LNG and the Catering Business, net of allowances, based on invoice dates at the end of the reporting period, which approximated the respective revenue recognition dates, is as follows:

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
Trade receivables for trading of industrial products, trading of LNG (included in New Energy Business)		
0 – 60 days	**73,613**	100,587
61 – 180 days	**104,763**	–
Over 180 days	**–**	373
	178,376	100,960
Trade receivables for Catering Business:		
0 – 30 days	**–**	979
31 – 60 days	**–**	157
61 – 90 days	**–**	90
91 – 120 days	**–**	3
121 – 150 days	**–**	2
151 – 180 days	**–**	14
Over 180 days	**–**	310
	–	1,555
Total trade receivables	**474,218**	351,363
Other receivables and deposits:		
Prepayments to suppliers	**3,275**	7,758
Prepayments for operating expenses	**3,078**	997
Value-added tax for purchases	**10,073**	8,308
Other receivables and deposits	**4,009**	4,749
Loan receivable (note)	**–**	5,285
	20,435	27,097
	494,653	378,460

Note: The loan receivable as at 31 December 2018 was made to an independent third party which was unsecured, interest bearing at 12% per annum and repayable in one year from the date of loan drawdown. The loan receivable was fully repaid during the period ended 30 June 2019.

Details of impairment assessment of trade and other receivables for the six months ended 30 June 2019 and for the year ended 31 December 2018 are set out in note 30.

22. BANK BALANCES AND CASH

Bank balances and cash of the Group comprise cash and a short-term bank deposit with original maturity of three months or less. The bank balances carry interest rates as follows:

	30.6.2019 **(audited)**	31.12.2018 (audited)
Range of interest rate per annum	**0.13% - 1.10%**	0.13% - 1.10%

Bank balances and cash that are denominated in currencies other than the functional currency of the relevant group entities are as follows:

	30.6.2019 **RMB'000** **(audited)**	31.12.2018 RMB'000 (audited)
HK$	**5,555**	4,009
USD	**242**	1,033

For the six months ended 30 June 2019 and year ended 31 December 2018, the Group performed impairment assessment on bank balances and concluded that the probability of defaults of the counterparty banks are insignificant and accordingly, no allowance for credit losses is provided.

Details of impairment assessment of bank balances for the six months ended 30 June 2019 and for the year ended 31 December 2018 are set out in note 30.

23. TRADE AND OTHER PAYABLES

The credit period for trade purchases of the Catering Business is 30 to 60 days.

For the New Energy Business, the settlement period is stated in according to contract terms.

Ageing analysis of the Group's trade payables based on invoice date is as follows:

	30.6.2019	31.12.2018
	RMB'000	RMB'000
	(audited)	(audited)
Trade payables:		
0 – 30 days (note)	**57,140**	150,673
31 – 60 days	**–**	1,040
61 – 90 days	**810**	430
91 – 180 days	**3,757**	3,440
Over 180 days	**87,357**	47,410
	149,064	202,993
Other payables:		
Accruals	**2,965**	2,852
Other payables	**190**	7,450
Employee benefits payable	**90**	332
Other taxes payable	**2,767**	4,441
	6,012	15,075
	155,076	218,068

Note: Included in the amount represents trade payables of RMB46,382,000 (31.12.2018: RMB82,588,000) from the New Energy Business, which are not yet due at period/year end and are within the settlement period according to the contract terms, which is generally within one year after the completion of construction related and consultancy services works related to New Energy Business.

24. CONTRACT LIABILITIES

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)	1.1.2018 RMB'000 (unaudited)
Restaurants voucher cards	**–**	9,569	11,170

The Group receives prepayment from customers for its restaurants operation in the PRC and the restaurants voucher cards are non-refundable and have no expiration. During the period ended 30 June 2019, there was no contract liabilities existed after the completion of disposal of the Group's Catering Business, details are set out in Note 8B.

The following table shows how much of the revenue recognised in the period/year relates to carried-forward contract liabilities.

	Operation of restaurants	
	Six months ended 30.6.2019 RMB'000 (audited)	Year ended 31.12.2018 RMB'000 (audited)
Revenue recognised that was included in the contract liabilities balance at the beginning of the period/year	**835**	2,707

25. AMOUNT DUE TO A SHAREHOLDER

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
Amount due to a shareholder	**–**	2,726

The amount due to a shareholder as at 31 December 2018 was denominated in HK$, unsecured, non-interest bearing and was included in the disposal of the Group's Catering Business, details are set out in Note 8B.

26. SHARE CAPITAL

	Number of shares '000	Amount HK$'000
Authorised:		
At 31 December 2018 and 30 June 2019		
– Ordinary shares of HK$0.00125 each	64,000,000	80,000
Issued and fully paid:		
At 1 January 2018	3,499,520	4,375
Exercise of share options (note 27)	11,448	14
At 31 December 2018 and 1 January 2019	3,510,968	4,389
Exercise of share options (note 27)	19,568	24
At 30 June 2019		
– Ordinary shares of HK$0.00125 each	3,530,536	4,413

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
Shown on the consolidated statement of financial position	**3,574**	3,553

During the six month ended 30 June 2019, 2,240,000 new shares were issued and allotted upon the exercise of share options with exercise price of HK$0.10125 granted on 25 November 2014 and 17,328,000 new shares were issued and allotted upon the exercise of share options with exercise price of HK$0.289 granted on 9 June 2017. The gross proceeds from the exercise of share options are approximately HK$5,235,000 (equivalent to RMB4,499,000).

During the year ended 31 December 2018, an aggregate of 11,448,000 new shares were issued and allotted upon the exercise of share options with exercise price of HK$0.289 granted on 9 June 2017. The gross proceeds from the exercise of share options are approximately HK$3,308,000 (equivalent to RMB2,934,000).

27. SHARE-BASED PAYMENTS TRANSACTIONS

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The board of directors of the Company may grant options to directors and eligible employees of the Company or its subsidiaries to subscribe for shares in the Company at a consideration equal to the higher of the closing price of the shares of the Company on the Stock Exchange at the date of offer of grant and the average closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the options.

Options granted must be taken up within 28 days from the date of grant, upon payment of HK$1. Options may be exercised at any time from the date of grant of the share option up to the tenth anniversary of the date of grant as determined by the directors at their discretion.

The maximum number of shares of the Company in respect of which options may be granted, when aggregated with any other share option scheme of the Company, shall not exceed 30% of the issued share capital of the Company from time to time excluding any shares issued upon the exercise of options granted pursuant to the Scheme. The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as "refreshed" must not exceed 10% of the shares in issue as at date of approval of the limit.

The total number of shares issued and to be issued upon exercise of the options granted to a participant under the Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time. The share option scheme is valid and effective for a period of 10 years commencing on 30 December 2011 and may continue to be exercisable in accordance with their terms of issue.

The Scheme has become effective on 12 December 2011.

27. SHARE-BASED PAYMENTS TRANSACTIONS *(Continued)*

On 25 November 2014, the Company has granted 28,000,000 share options to the Company's Directors, consultants and employees at the exercise price of HK$0.81 per option share (i.e. 224,000,000 shares with par value of HK$0.00125 each after the Share Subdivision on 20 May 2016). On 20 May 2016, the exercise price of the outstanding options was adjusted from HK$0.81 per Share to HK$0.10125 per subdivided share. On 9 June 2017, the Company has granted 343,536,000 share options to the Company's Directors, consultants and employees at the exercise price of HK$0.289 per option share. On 30 June 2019, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was adjusted to 350,024,000 (31 December 2018: 371,584,000), representing 9.9% (31 December 2018: 10.6%) of the shares of the Company in issue at that date.

Details of specific categories of options are as follows:

Option type	Date of grant	Exercise period	Exercise price	Fair value at grant date
Option to directors				
Option A	25/11/2014	25/11/2014-24/11/2021	HK$0.10125*	HK$0.0501*
Option C (note 1)	09/06/2017	09/06/2018-09/06/2024	HK$0.289	HK$0.1262
Option D (note 2)	09/06/2017	09/06/2019-09/06/2024	HK$0.289	HK$0.1273
Option E (note 3)	09/06/2017	09/06/2020-09/06/2024	HK$0.289	HK$0.1287
Option to consultants (note 4)				
Option F (note 1)	09/06/2017	09/06/2018-09/06/2024	HK$0.289	HK$0.1320
Option G (note 2)	09/06/2017	09/06/2019-09/06/2024	HK$0.289	HK$0.1320
Option H (note 3)	09/06/2017	09/06/2020-09/06/2024	HK$0.289	HK$0.1320
Option to employees				
Option B	25/11/2014	25/11/2014-24/11/2021	HK$0.10125*	HK$0.0455*
Option I (note 1)	09/06/2017	09/06/2018-09/06/2024	HK$0.289	HK$0.1117
Option J (note 2)	09/06/2017	09/06/2019-09/06/2024	HK$0.289	HK$0.1170
Option K (note 3)	09/06/2017	09/06/2020-09/06/2024	HK$0.289	HK$0.1219

Notes:

1. Share options vested upon the first anniversary of the date of granted, being 9 June 2018, which shall be exercisable immediately until expiry of the period from 9 June 2018 to 9 June 2024 (both dates inclusive).

2. Share options vested upon the second anniversary of the date of granted, being 9 June 2019, which shall be exercisable immediately until expiry of the period from 9 June 2019 to 9 June 2024 (both dates inclusive).

3. Share options will be vested upon the third anniversary of the date of granted, being 9 June 2020, which shall be exercisable immediately until expiry of the period from 9 June 2020 to 9 June 2024 (both dates inclusive).

4. Share options granted to consultants are measured at the fair value of the equity instruments at the grant date, same as those options granted to employees. The Directors of the Company considered these consultants are worked as employees of the Group in rendering services in the Group.

* Adjusted by share subdivision on 20 May 2016.

27. SHARE-BASED PAYMENTS TRANSACTIONS *(Continued)*

The following table discloses movement of the Company's share options during the years ended 31 December 2018 and six months ended 30 June 2019:

Option type	Outstanding at 1.1.2018 '000	Exercised '000	Forfeited '000	Outstanding at 31.12.2018 and 1.1.2019 '000	**Exercised '000**	**Forfeited '000**	**Outstanding at 30.6.2019 '000**
Option A	49,280	–	–	49,280	**(2,240)**	**–**	**47,040**
Option B	3,200	–	–	3,200	**–**	**–**	**3,200**
Option C	32,088	–	–	32,088	**–**	**–**	**32,088**
Option D	32,088	–	–	32,088	**–**	**–**	**32,088**
Option E	32,088	–	–	32,088	**–**	**–**	**32,088**
Option F	28,216	(11,448)	–	16,768	**(5,328)**	**–**	**11,440**
Option G	28,216	–	–	28,216	**–**	**–**	**28,216**
Option H	28,216	–	–	28,216	**–**	**–**	**28,216**
Option I	54,208	–	(4,328)	49,880	**(12,000)**	**(664)**	**37,216**
Option J	54,208	–	(4,328)	49,880	**–**	**(664)**	**49,216**
Option K	54,208	–	(4,328)	49,880	**–**	**(664)**	**49,216**
	396,016	(11,448)	(12,984)	371,584	**(19,568)**	**(1,992)**	**350,024**
Exercisable at the end of the year/period				151,216			**240,504**
Weighted average exercise price (HK$)	0.26412	0.289	0.289	0.26248	**0.268**	**0.289**	**0.250**

In respective of the share options exercised during the period, the weighted average share price at the date of exercise is HK$0.2988 (Year ended 31.12.2018: HK$0.3000).

The Group recognised an expense of HK$5,343,000 (equivalent to RMB4,590,000) in relation to share options granted by the Company for the six months ended 30 June 2019 (six months ended 30 June 2018 (unaudited): HK$11,877,000 (equivalent to RMB9,661,000)).

28. RETIREMENT BENEFIT SCHEMES

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK$30,000 (2018: HK$30,000). Contributions to the scheme vest immediately.

The employees of the Group's subsidiaries in the PRC are members of the state-sponsored retirement benefit scheme organised by the relevant local government authority in the PRC. The subsidiaries are required to contribute, based on a certain percentage of the basic salary of its employees, to the retirement benefit scheme and have no further obligations for the actual payment of pensions or post-retirement benefits beyond the annual contributions. The state-sponsored retirement benefit scheme represents for the entire pension obligations payable to retired employees.

The Group does not have any other pension schemes for its employees in respect of its subsidiaries in the PRC. In the opinion of the directors of the Company, the Group did not have any significant contingent liabilities as at 30 June 2019 in respect of the retirement of its employees.

29. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remained unchanged from the prior year.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising issued share capital, reserves and retained profits.

The management of the Group reviews the capital structure periodically. The management of the Group also balances the overall capital structure of the Group through the payment of dividends, new share issues. No changes were made in the objectives, policies or processes from the prior year.

30. FINANCIAL INSTRUMENTS

30a. Categories of financial instruments

	30.6.2019	31.12.2018
	RMB'000	RMB'000
	(audited)	(audited)
Financial assets		
At amortised cost	**537,502**	567,404
Financial liabilities		
Amortised cost	**149,344**	213,501

30b. Financial risk management objectives and policies

The Group's major financial instruments include trade and other receivables, rental deposits, bank balances and cash, trade and other payables, amount due to a shareholder. Details of these financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include market risk (currency risk and interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

(i) Currency risk

The Group has no external borrowings and maintained bank balances mainly in HK$ by a group entity with RMB as functional currency, which exposes the Group to market risk arising from changes in foreign exchange rates. The Group currently does not have a foreign currency hedging policy. However management closely monitors its foreign currency risk exposure and enters into foreign currency forward contracts should the need arise.

As at 30 June 2019, the carrying amounts of the Group's foreign currency denominated monetary assets mainly represented bank balances and cash denominated in HK$ and USD.

As at 31 December 2018, the carrying amount of the Group's foreign currency denominated monetary assets mainly represented bank balances and cash denominated in HK$ and USD and loan receivable denominated in HK$.

30. FINANCIAL INSTRUMENTS *(Continued)*

30b. Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(i) Currency risk (Continued)

	For the period ended 30.6.2019 RMB'000 (audited)	For the year ended 31.12.2018 RMB'000 (audited)
Assets		
HK$	**5,555**	4,009
USD	**242**	1,033

Sensitivity analysis

A 5% sensitivity rate is used represents management's assessment of the reasonably possible change in foreign exchange rates against RMB rate. On the basis of the above assets denominated in HK$ and USD at the respective reporting dates, and assuming all other variables remain unchanged, a 5% weakening of the HK$ and USD against RMB would give rise to an exchange loss and a decrease in post-tax profit for the period/year in the following magnitude, and vice versa:

	For the period ended 30.6.2019 RMB'000 (audited)	For the year ended 31.12.2018 RMB'000 (audited)
HK$	**(278)**	(200)
USD	**(12)**	(52)

If a 5% strengthening of the HK$ and USD against RMB would give rise to an exchange gain and an increase in post-tax profit for the period/year in the same amount but in opposite direction as above.

Other than HK$ and USD, the Group does not have any other major exposure to foreign currency risk.

30. FINANCIAL INSTRUMENTS *(Continued)*

30b. Financial risk management objectives and policies *(Continued)*

Market risk *(Continued)*

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk due to the fluctuation of the prevailing market interest rate on bank deposits. No sensitivity analyses been prepared as the management considers that such exposure for variable-rate bank deposits is limited.

Credit risk and impairment assessment

As at 30 June 2019 and 31 December 2018, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

Trade receivables

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits and credit approvals. Before accepting any new corporate customers, the Group assessed the potential customer's credit quality and defines credit limits by customer. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In addition, the Group performs impairment assessment under ECL model on the balances of trade receivables individually.

Loan receivable

The directors of the Company has assessed the financial position of the borrower as well as the economic outlook of the industry in which the borrower operate, and concluded that there has been no significant increase in credit risk since initial recognition of the loan receivable. Accordingly, the loss allowance for the loan receivable as at 31 December 2018 is measured at an amount equal to 12m ECL.

30. FINANCIAL INSTRUMENTS *(Continued)*

30b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Other receivables and deposits

The Group has taken into account the financial position of the counterparties, based on the track record of regular settlements, the expected credit losses on other receivables are considered to be insignificant.

Bank balances

The credit risks on bank balances are limited because the counterparties are banks/financial institutions with high credit ratings assigned by international credit-rating agencies. The expected credit risks on bank balances are considered to be insignificant.

Other than concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, and the trade receivables for New Energy Business consist of a few number of major customers in the PRC, the Group does not have any other significant concentration of credit risk.

The Group's internal credit risk grading assessment comprises the following categories:

Internal credit rating	Description	Trade receivables	Other financial assets
Low risk	The counterparty has a low risk of default and does not have any past-due amounts	Lifetime ECL – not credit-impaired	12-month ECL
Watch list	Debtor frequently repays after due dates but usually settle after due date	Lifetime ECL – not credit-impaired	12-month ECL
Doubtful	There have been significant increases in credit risk since initial recognition through information developed internally or external resources	Lifetime ECL – not credit-impaired	Lifetime ECL – not credit-impaired
Loss	There is evidence indicating the asset is credit-impaired	Lifetime ECL – credit-impaired	Lifetime ECL – credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off	Amount is written off

30. FINANCIAL INSTRUMENTS *(Continued)*

30b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Bank balances (Continued)

The tables below detail the credit risk exposures of the Group's financial assets, which are subject to ECL assessment:

	Note	**External credit rating**	**Internal credit rating**	**12-month or lifetime ECL**	**Gross carrying amount** RMB'000
31.12.2018					
Financial assets at amortised cost					
Trade receivables	21	N/A	Note	Lifetime ECL	351,387
Loan receivable	21	N/A	Low risk	12-month ECL	5,285
Other receivables and deposits	21	N/A	Low risk	12-month ECL	4,749
Amount due from an associate	19	N/A	Loss	Credit-impaired	7,370
Bank balances and cash	22	AA	N/A	12-month ECL	206,007
30.6.2019					
Financial assets at amortised cost					
Trade receivables	21	**N/A**	**Note**	**Lifetime ECL**	**474,218**
Other receivables and deposits	21	**N/A**	**Low risk**	**12-month ECL**	**4,009**
Bank balances and cash	22	**AA**	**N/A**	**12-month ECL**	**59,275**

Note:

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. Trade receivables have been assessed individually based on the Group's historical default rates taking into consideration forward looking information that is reasonable and supportable without undue costs or effort. The Group determines the expected credit losses on the trade receivables by using internal credit rating.

The estimated loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without undue cost or effort.

As at 30 June 2019 and 31 December 2018, the Group provided no impairment allowance for trade receivables, which are assessed individually for New Energy Business under ECL model as the amount is not material. Impairment allowance of RMB24,000 was made on credit-impaired debtors.

30. FINANCIAL INSTRUMENTS *(Continued)*

30b. Financial risk management objectives and policies *(Continued)*

Credit risk and impairment assessment *(Continued)*

Bank balances (Continued)

The following tables show reconciliation of loss allowances that has been recognised for other receivables.

	Lifetime ECL (credit-impaired) RMB'000
As at 1 January 2018, 31 December 2018 and 30 June 2019	69

The following tables show reconciliation of loss allowances that has been recognised for amount due from an associate.

	Lifetime ECL (credit-impaired) RMB'000
As at 1 January 2018 and 31 December 2018	7,370
As at 30 June 2019	–

Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and the flexibility through the use of cash and cash equivalents, as appropriate.

The following table details the Group's remaining contractual maturity for its financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

30. FINANCIAL INSTRUMENTS *(Continued)*

30b. Financial risk management objectives and policies *(Continued)*

Liquidity risk *(Continued)*

Liquidity table

	Repayable on demand RMB'000	Less than 3 months RMB'000	Total undiscounted cash flow RMB'000	Total carrying value at 30.6.2019 RMB'000
30.6.2019				
Trade and other payables	**–**	**149,344**	**149,344**	**149,344**

	Repayable on demand RMB'000	Less than 3 months RMB'000	Total undiscounted cash flow RMB'000	Total carrying value at 30.6.2018 RMB'000
31.12.2018				
Trade and other payables	–	210,775	210,775	210,775
Amount due to a shareholder	2,726	–	2,726	2,726
	2,726	210,775	213,501	213,501

30c. Fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

31. ACQUISITION OF ASSETS AND LIABILITIES THROUGH ACQUISITION OF A NON-WHOLLY OWNED SUBSIDIARY

On 7 February 2018, the Group acquired certain assets and liabilities through acquisition of 81.8% equity interest in 天津津熱天然氣銷售有限公司 (Tianjin Jin Re Natural Gas Sales Company Limited) for a cash consideration of RMB78,400,000 (equivalent to approximately HK$94,394,000) from independent third parties. Tianjin Jin Re Natural Gas Sales Company Limited is permitted to engage in sale of natural gas; gas pipeline engineering; sale, installation and maintenance of gas transmission equipment; development, consultation, service and transfer of heat supply technology: development of new energy technology; leasing and commercial services industry; installation of electric and mechanical equipment; and centralized urban heat supply service.

Details of the net assets acquired in the transaction were as below:

	RMB'000
Property, plant and equipment (note 14)	87,008
Other receivables	9,993
Bank balances and cash	3
Other payables	(1,171)
Net assets	95,833
Less: non-controlling interests	(17,433)
Total cash consideration	78,400
Net cash outflow arising on acquisition:	
Consideration paid in cash	78,400
Less: bank balances and cash acquired	(3)
	78,397

32. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	As at 1 January 2019 RMB'000	Financing cash flow RMB'000	Exchange difference RMB'000	Disposal of subsidiaries RMB'000 (note 8B)	Dividend declared RMB'000	Interest on lease liabilities RMB'000	As at 30 June 2019 RMB'000 (audited)
Amount due to a shareholder (note 25)	2,726	1,012	–	(3,738)	–	–	–
Dividend payable	–	–	9	–	15,519	–	15,528
Lease liabilities	–	(4,889)	–	–	–	103	(4,786)
	2,726	(3,877)	9	(3,738)	15,519	103	10,742

	As at 1 January 2018 RMB'000	Financing cash flow RMB'000	As at 30 June 2018 RMB'000 (unaudited)
Amount due to a shareholder (note 25)	2,739	(4)	2,735
Amount due to a director	422	(200)	222
	3,161	(204)	2,957

33. RELATED PARTY DISCLOSURES

(i) Balances

Details of balances with related parties are set out in the consolidated statement of financial position and in notes 19 and 25, respectively.

(ii) Compensation of key management personnel

The directors of the Company and the five highest paid employees are identified as key management members of the Group, their compensation during the period is set out in note 10. The remuneration of the directors and key management is determined by the remuneration committee of the Company having regard to the performance of individuals and market trends.

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY

A. General information of subsidiaries

Details of the Group's subsidiaries at the end of the reporting period are set out below.

Name of subsidiary	Place and date of incorporation/ establishment	Principal place of operation	Equity interest attributable to the Group		Proportion of voting power held by the Company		Share capital/ registered and paid-up capital	Principal activities
			30.6.2019	31.12.2018	30.6.2019	31.12.2018		
Directly owned								
富品有限公司 Wealth Grade Limited (note 3)	British Virgin Islands ("BVI") 8 August 2011	BVI	**Nil**	100%	**N/A** (note 3)	100%	US$1	Investment holding
耀海控股有限公司 Radiant Sea Holdings Limited	Samoa 19 August 2014	Samoa	**100%**	100%	**100%**	100%	US$1	Investment holding
誠富投資有限公司 Chengfu Investments Limited	Samoa 8 August 2014	Samoa	**100%**	100%	**100%**	100%	US$1	Investment holding
萃譽控股有限公司 Brilliant Noble Holdings Limited	Samoa 1 August 2014	Samoa	**100%**	100%	**100%**	100%	US$1	Investment holding
超寶有限公司 Treasure Beyond Limited	Republic of Seychelles 5 May 2016	Hong Kong	**100%**	100%	**100%**	100%	US$1	Investment holding
御域有限公司 Noble Basin Limited	Republic of Seychelles 8 June 2016	Hong Kong	**100%**	100%	**100%**	100%	US$1	Investment holding
富能有限公司 Rich Mighty Limited	Republic of Seychelles 24 June 2016	Hong Kong	**100%**	100%	**100%**	100%	US$1	Investment holding
慧寶有限公司 Wisdom Gem Limited	Republic of Seychelles 20 April 2018	Hong Kong	**100%**	100%	**100%**	100%	US$1	Investment holding
譽凡國際有限公司 Glory Superb International Limited	BVI 10 July 2018	Hong Kong	**100%**	100%	**100%**	100%	US$1	Investment holding

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

A. General information of subsidiaries *(Continued)*

Name of subsidiary	Place and date of incorporation/ establishment	Principal place of operation	Equity interest attributable to the Group		Proportion of voting power held by the Company		Share capital/ registered and paid-up capital	Principal activities
			30.6.2019	31.12.2018	**30.6.2019**	31.12.2018		
Indirectly owned								
百德(中國)有限公司 Million Merit (China) Limited (note 3)	Hong Kong 1 February 2007	Hong Kong	**Nil**	100%	**N/A** (note 3)	100%	HK$600,000	Investment holding
上海名軒樓餐飲管理有限公司 Shanghai Noble House Food Service Management Co., Ltd. (notes 2 and 3)	PRC 22 December 2003	PRC	**Nil**	100%	**N/A** (note 3)	100%	US$2,000,000	Management service
上海老房子餐飲管理有限公司 Shanghai Lao Fang Zi Food and Beverage Co., Ltd (note 3)	PRC 29 August 2002	PRC	**Nil**	100%	**N/A** (note 3)	100%	RMB1,000,000	Operating restaurant
上海尊軒實業有限公司 Shanghai Zun Xuan Enterprise Limited (notes 3)	PRC 10 October 2014	PRC	**Nil**	100%	**N/A** (note 3)	100%	RMB100,000	Food trading
上海盈愷投資管理有限公司 Shanghai Ying Kai Investment Management Limited (note 2)	PRC 6 July 2015	PRC	**100%**	100%	**100%**	100%	RMB9,077,028	Property investment
上海富愷商務諮詢有限公司 (notes 2 and 3)	PRC 13 July 2017	PRC	**Nil**	100%	**N/A** (note 3)	100%	US$150,000	Investment holding
華夏北方新能源科技發展(天津)有限公司 Hua Xia Northern New Energy Technology Development (Tianjin) Limited (note 4)	PRC 8 September 2015	PRC	**90%**	90%	**90%**	90%	RMB1,000,000	New energy development, research on its related technology and construction consultancy business

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

A. General information of subsidiaries *(Continued)*

Name of subsidiary	Place and date of incorporation/ establishment	Principal place of operation	Equity interest attributable to the Group		Proportion of voting power held by the Company		Share capital/ registered and paid-up capital	Principal activities
			30.6.2019	31.12.2018	**30.6.2019**	31.12.2018		
華夏北方科技發展(天津)有限公司 Hua Xia Northern Technology Development (Tianjin) Limited (note 4)	PRC 30 November 2016	PRC	**89.9%**	89.9%	**89.9%**	89.9%	RMB45,000,000	New energy development, research on its related technology and construction consultancy business
天津津熱天然氣銷售有限公司 Tianjin Jin Re Natural Gas Sales Company Limited (notes 1 and 4)	PRC 15 October 2015	PRC	**81.8%**	81.8%	**81.8%**	81.8%	RMB20,000,000	Supply of LNG
華夏北方能源科技發展(天津)有限公司 Hua Xia Northern Energy Technology Development (Tianjin) Limited (notes 1 and 4)	PRC 21 June 2018	PRC	**89.9%**	89.9%	**89.9%**	89.9%	RMB20,000,000	New energy development, research on its related technology and construction consultancy business
北方新能源管理有限公司 Northern New Energy Management Limited	Hong Kong 8 July 2015	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Investment holding
冠能集團有限公司 Crown Glory Holdings Limited	Hong Kong 18 August 2014	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Money lending
怡大有限公司 Total Joy Corporation Limited	Hong Kong 8 July 2014	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Providing administrative services to the group
冠悅管理有限公司 Crown Joy Management Limited (formerly known as Easy 2 Finance Limited)	Hong Kong 18 August 2014	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Investment holding

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

A. General information of subsidiaries *(Continued)*

Name of subsidiary	Place and date of incorporation/ establishment	Principal place of operation	Equity interest attributable to the Group 30.6.2019	Equity interest attributable to the Group 31.12.2018	Proportion of voting power held by the Company 30.6.2019	Proportion of voting power held by the Company 31.12.2018	Share capital/ registered and paid-up capital	Principal activities
盈凱有限公司 Abundant Victory Limited	Republic of Seychelles 3 February 2015	Republic of Seychelles	**100%**	100%	**100%**	100%	US$1	Investment holding
寶順發展有限公司 Treasure Trend Development Limited	Hong Kong 23 January 2015	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Investment holding
鋭力投資有限公司 Sharp Power Investments Limited	Republic of Seychelles 22 January 2015	Hong Kong	**100%**	100%	**100%**	100%	US$1	Investment holding
鋭力管理有限公司 Sharp Power Management Limited	Hong Kong 18 April 2012	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Investment holding
北方新能源發展有限公司 Northern New Energy Development Limited	Hong Kong 22 June 2015	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Investment holding
冠保集團有限公司 Crown Ace Holdings Limited	Hong Kong 13 July 2015	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Investment holding
順盈管理有限公司 Easy Gain Management Limited	Hong Kong 16 May 2016	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Investment holding
中華燃氣(香港)有限公司 Zhonghua Gas (Hong Kong) Limited (note 1)	Hong Kong 11 June 2018	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Not yet commence business
中華燃氣發展有限公司 Zhonghua Gas Development Limited (note 1)	Hong Kong 17 August 2018	Hong Kong	**100%**	100%	**100%**	100%	HK$1	Not yet commence business

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

A. General information of subsidiaries *(Continued)*

Notes:

1. There subsidiaries were newly acquired/established in 2018.
2. These subsidiaries established in the PRC are wholly foreign owned enterprise.
3. The subsidiaries were disposed of during the period ended 30 June 2019.
4. These subsidiaries established in the PRC are non-wholly foreign owned enterprise.

None of subsidiaries had issued any debt securities at the end of the period.

B. Details of non-wholly owned subsidiaries that have material non-controlling interests

The table below shows details of non-wholly owned subsidiaries of the Group that have material non-controlling interests:

Name of subsidiary	Place of establishment and principal place of business	**Proportion of ownership interests and voting rights held by non-controlling interests**		**Profit (loss) allocated to non-controlling interests**		**Accumulated non-controlling interests**	
		30.6.2019 (audited)	31.12.2018 (audited)	**30.6.2019 RMB'000 (audited)**	31.12.2018 RMB'000 (audited)	**30.6.2019 RMB'000 (audited)**	31.12.2018 RMB'000 (audited)
華夏北方新能源科技發展(天津)有限公司 Hua Xia Northern New Energy Technology Development (Tianjin) Limited	PRC	**10%**	10%	**(43)**	(14)	**5,019**	6,762
華夏北方科技發展(天津)有限公司 Hua Xia Northern Technology Development (Tianjin) Limited	PRC	**10.1%**	10.1%	**283**	10,918	**29,591**	29,308
天津津熱天然氣銷售有限公司 Tianjin Jin Re Natural Gas Sales Company Limited	PRC	**18.2%**	18.2%	**2,155**	(84)	**19,504**	17,349
華夏北方能源科技發展(天津)有限公司 Hua Xia Northern Energy Technology Development (Tianjin) Limited	PRC	**10.1%**	10.1%	**3,885**	3,031	**6,915**	3,031
				6,279	13,851	**61,029**	56,450

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

B. Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

Summarised financial information in respect of the Group's subsidiaries that have material non-controlling interests is set out below. The summarised financial information below represents amounts before intragroup eliminations.

華夏北方新能源科技發展(天津)有限公司

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
Current assets	**73,631**	75,036
Non-current assets	**6**	9
Current liabilities	**(23,448)**	(7,429)
Total equity	**50,189**	67,616
Equity attributable to owners of the Company	**45,170**	60,854
Non-controlling interests	**5,019**	6,762

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

B. Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

	For the six months ended 30.6.2019 RMB'000 (audited)	For the year ended 31.12.2018 RMB'000 (unaudited)
Revenue	**61**	9,918
Expenses	**(488)**	(10,057)
Loss for the period	**(427)**	(139)
Loss and total comprehensive expense attributable to owners of the Company	**(384)**	(125)
Loss and total comprehensive expense attributable to the non-controlling interests	**(43)**	(14)
Loss and total comprehensive expense for the period	**(427)**	(139)
Net cash (outflow) inflow from operating activities	**(527)**	10,164
Net cash outflow from investing activities	**(65,000)**	–
Net cash inflow from financing activities	**–**	3,600
Net cash (outflow) inflow	**(65,527)**	13,764

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

B. Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

華夏北方科技發展(天津)有限公司

	30.6.2019	31.12.2018
	RMB'000	RMB'000
	(audited)	(audited)
Current assets	**341,464**	402,166
Non-current assets	**78,520**	78,531
Current liabilities	**(127,009)**	(190,527)
Total equity	**292,975**	290,170
Equity attributable to owners of the Company	**263,384**	260,862
Non-controlling interests	**29,591**	29,308

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

B. Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

	For the six months ended 30.6.2019 RMB'000 (audited)	For the year ended 31.12.2018 RMB'000 (unaudited)
Revenue	**–**	209,909
Expenses	**2,805**	(101,829)
Profit for the period	**2,805**	108,080
Profit and total comprehensive income attributable to owners of the Company	**2,522**	97,162
Profit and total comprehensive income attributable to the non-controlling interests	**283**	10,918
Profit and total comprehensive income for the period	**2,805**	108,080
Net cash (outflow) inflow from operating activities	**(28,236)**	235,046
Net cash outflow from investing activities	**–**	(78,400)
Net cash outflow from financing activities	**(70,000)**	(34,600)
Net cash (outflow) inflow	**(98,236)**	122,046

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

B. Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

天津津熱天然氣銷售有限公司

	30.6.2019 **RMB'000** **(audited)**	31.12.2018 RMB'000 (audited)
Current assets	**197,266**	71,010
Non-current assets	**54,947**	77,547
Current liabilities	**(145,049)**	(53,233)
Total equity	**107,164**	95,324
Equity attributable to owners of the Company	**87,660**	77,975
Non-controlling interests	**19,504**	17,349

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

B. Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

	For the six months ended 30.6.2019 RMB'000 (audited)	For the year ended 31.12.2018 RMB'000 (audited)
Revenue	**153,354**	60,757
Expenses	**(141,514)**	61,215
Profit/(Loss) for the period	**11,840**	(458)
Profit/(Loss) and total comprehensive income (expense) attributable to owners of the Company	**9,685**	(374)
Profit/(Loss) and total comprehensive income (expense) attributable to the non-controlling interests	**2,155**	(84)
Profit/(Loss) and total comprehensive income (expense) for the period	**11,840**	(458)
Net cash outflow from operating activities	**(126,164)**	(28,692)
Net cash outflow from investing activities	**–**	(696)
Net cash inflow from financing activities	**136,000**	30,000
Net cash inflow	**9,836**	612

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

B. Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

華夏北方能源科技發展(天津)有限公司

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
Current assets	**91,502**	35,904
Non-current assets	**3**	3
Current liabilities	**(23,036)**	(5,900)
Total equity	**68,469**	30,007
Equity attributable to owners of the Company	**61,554**	26,976
Non-controlling interests	**6,915**	3,031

34. PARTICULARS OF SUBSIDIARIES OF THE COMPANY *(Continued)*

B. Details of non-wholly owned subsidiaries that have material non-controlling interests *(Continued)*

	For the six months ended 30.6.2019 RMB'000 (audited)	For the year ended 31.12.2018 RMB'000 (audited)
Revenue	**57,500**	46,963
Expenses	**(19,038)**	(16,955)
Profit for the period	**38,462**	30,008
Profit and total comprehensive income attributable to owners of the Company	**34,577**	26,977
Profit and total comprehensive income attributable to the non-controlling interests	**3,885**	3,031
Profit and total comprehensive income for the period	**38,462**	30,008
Net cash inflow from operating activities	**12,577**	3,218
Net cash outflow from investing activities	**–**	(3)
Net cash (outflow) inflow from financing activities	**(1,000)**	1,000
Net cash inflow	**11,577**	4,215

35. INFORMATION ABOUT THE FINANCIAL POSITION OF THE COMPANY

	30.6.2019 RMB'000 (audited)	31.12.2018 RMB'000 (audited)
Non-current assets		
Investments in subsidiaries	–	316
Current assets		
Prepayment	1,041	307
Amounts due from subsidiaries	91,436	105,904
Bank balances and cash	134	–
	92,611	106,211
Current liabilities		
Other payables	1,859	1,780
Dividend payable	15,528	–
Net current assets	75,224	104,431
Net assets	75,224	104,747
Capital and reserves		
Share capital (note 26)	3,574	3,553
Reserves (note 36)	71,650	101,194
Total equity	75,224	104,747

The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment term. In the opinion of the directors of the Company, the amounts are expected to be settled within one year.

No expected credit loss is provided as at 1 January 2018, 31 December 2018 and 30 June 2019 as the relevant subsidiaries have sufficient financial resources to repay the advances on demand.

36. RESERVES OF THE COMPANY

	Share premium RMB'000	Special reserve RMB'000 (note)	Share option reserve RMB'000	Retained profits RMB'000	Total RMB'000
At 1 January 2018 (audited)	8,240	316	14,274	80,271	103,101
Loss and total comprehensive expense for the period	–	–	–	(11,681)	(11,681)
Recognition of equity-settled share based payments	–	–	9,661	–	9,661
At 30 June 2018 (unaudited)	8,240	316	23,935	68,590	101,081
At 1 January 2019 (audited)	**12,501**	**316**	**26,869**	**61,508**	**101,194**
Loss and total comprehensive expense for the period	**–**	**–**	**–**	**(22,911)**	**(22,911)**
Exercise of share options	**6,333**	**–**	**(1,855)**	**–**	**4,478**
Forfeiture of share options	**–**	**–**	**(182)**	**–**	**(182)**
Recognition of equity-settled share based payments	**–**	**–**	**4,590**	**–**	**4,590**
Dividend recognised as distributed	**–**	**–**	**–**	**(15,519)**	**(15,519)**
At 30 June 2019 (audited)	**18,834**	**316**	**29,422**	**23,078**	**71,650**

Note: Special reserve represents the difference between the equity of subsidiary recognised and the nominal amount of the Company's shares issued in exchange thereof pursuant to the Reorganisation in 2011.

Management Discussion and Analysis

BUSINESS REVIEW

During the Current Period, the Group achieved outstanding results and the New Energy Business has continued to be the key growth driver, following the completion of the disposal of the wholly-owned subsidiaries that were involved in management service, restaurant operation and food trading on 30 April 2019.

Riding on the satisfactory performance in the first quarter of 2019, total revenue from continuing operation recorded a 122.3% year-on-year increase from RMB95.0 million to RMB211.1 million in the Current Period. The growth was driven by a surge in revenue from the New Energy Business, primarily brought by the trading of Liquefied Natural Gas (LNG). The Group recorded contribution from the New Energy Business to total revenue 99.9% for the both period in 2018 and 2019, reflecting its important role in the operations. Gross profit of the New Energy Business dropped due to a thinner gross profit margin of LNG trading business compared to that of construction related and consultancy services. Net profit after tax showed an outstanding growth of over 61.7% to RMB38.7 million and profit attributable to the owners of the Company recorded over 65.3% increase to RMB32.4 million as compared to the Corresponding Period.

New Energy Business

During the Current Period, the Group conducted successful business restructuring and will continue to remain focus on developing and expending the New Energy Business with an objective to maximize the profitability of the Group as a whole. The Group was engaged in the provision of diverse integrated new energy services including technological development, construction related and consultancy services in relation to heat supply and coal-to-natural gas conversion, supply of LNG, coupled with trading of new energy related industrial products.

Since the transformation, the New Energy Business has been grown fast and accelerated to take up a substantial 99.9% of total revenue in the Current Period. The two primary sources of revenue, namely LNG trading and consultancy services in new energy related construction works, accounted for approximately 72.6% and 27.3% of the Group's total revenue respectively. The plans implemented to strengthen team capability and sales platforms has brought encouraging results. The cooperation with one of the world's largest engineering and consultancy company, Tractebel Engineering S.A. ("Tractebel"), Tianjin Jinre Heat Supply Group Co. Ltd. ("Jinre Group") also allowed the Group to explore and expedite further collaboration with top industry players in fields of technological and infrastructure-related business.

During the period, the Group provided construction related and consultancy services in several engineering projects including a heat supply planning project and a coal-to-gas construction project.

Management Discussion and Analysis

Catering Business

Revenue derived from the Group's Catering Business has been going downward in the Corresponding Period. On 31 March 2019, the Group closed down two restaurants in Shanghai, i.e. Noble House Xuhui Restaurant, Shanghai (上海徐匯店) and the Noble House Luwan Restaurant, Shanghai (上海盧灣店). Having carefully considered different facets of the Catering Business operations and given the fast-growing New Energy Business, the Group had decided to dispose the whole Catering Business as the Directors do not foresee a significant turnaround in the near future. On 30 April 2019, the Group completed the disposal of the wholly-owned subsidiaries that were involved in management service, restaurant operation and food trading. The financial results contributed by the Catering Business are presented as results from discontinued operation during the Current Period and certain comparative amounts have been restated to confirm with Current Period's presentation. For further details, please refer to the announcement of the Company dated 30 April 2019.

Property Investments

Currently, the Group owns two office premises on Beijing Road West, Jing An District in Shanghai. Both premises continued to be on medium term lease during the Current Period and both generating stable rental income for the Group.

FINANCIAL REVIEW

Continuing Operations

Revenue

For the Current Period, revenue from continuing operations of the Group amounted to RMB211.1 million, representing a significant increase of 122.3% from RMB95.0 million for the Corresponding Period. The increase was mainly attributable to RMB115.9 million increase in revenue of the New Energy Business during the Current Period.

New Energy Business

For the Current Period, the Group recognized revenue of RMB210.9 million (Corresponding Period: RMB94.9 million) from the New energy business segment, accounting for 99.9% (Corresponding Period: 99.9%) of the Group's total revenue. It was mainly attributable to the income of LNG trading, and the completion of a number of construction related and consultancy projects in relation to the coal-to-gas heat supply in Tianjin during the Current Period.

Property Investments

The Property Investments segment recorded revenue of RMB0.3 million (Corresponding Period: RMB0.1 million).

Cost of Sales

The cost of sales for New Energy Business sharply increased to RMB143.8 million as compared to RMB34.1 million in the Corresponding Period. The increase mainly represented the cost incurred from diversifying of the New Energy Business to the trading of LNG during the Current Period.

Management Discussion and Analysis

Gross Profit Margin

Gross profit represents revenue less cost of sales. Gross profit margin of the New Energy Business segment decreased from 64.1% for the Previous Period to 31.8%, due to the thinner gross profit margin of the LNG trading than the provision of construction related and consultancy services.

The gross profit margin of the Property Investments segment was 100% (Corresponding Period: 100%).

Other Gains and Losses

Other gains of RMB0.4 million were recorded in the Current Period compared to other losses of RMB0.3 million in the Corresponding Period, mainly due to the decrease of the net foreign exchange loss in the Current Period.

Administrative Expenses

Administrative expenses decreased by 20.2% from RMB23.1 million for the Corresponding Period to RMB18.4 million for the Current Period. The decrease was owing to a reduction in the amortized cost of share-based payment expenses in the Current Period in connection with the grant of share options in June 2017.

Income Tax Expense

Income tax expense was RMB16.8 million (Corresponding Period: RMB16.6 million) from mainly the provision for enterprise income tax of subsidiaries in Tianjin.

Discontinued Operations

On 30 April 2019, the Group completed disposal whole of its Catering Business through the disposal of certain subsidiaries (the "Disposal Group") to an independent third party at a cash consideration of RMB2.0 million. The buyer repaid the amount due from the Disposal Group to the Group of RMB0.4 million out of the consideration for the Disposal. A gain on the disposal was recorded RMB1.8 million. During the Current Period, the Disposal Group generated a total profit of RMB0.1 million as compare of total loss of RMB1.7 million in the Corresponding Period.

Non-controlling Interests

Non-controlling interests increased by 45.4% from RMB4.3 million for the Corresponding Period to RMB6.3 million for the Current Period. This was mainly attributable to the increase in the net profit recorded by the non-wholly owned subsidiaries in Tianjin for the Current Period.

Profit and Total Comprehensive Income Attributable to the Owners of the Company

Net profit and total comprehensive income attributable to the owners of the Company recorded an increase by 81.5% from RMB17.9 million for the Corresponding Period to RMB32.5 million for the Current Period. Basic and diluted earnings per share were both RMB0.9 cents, as compared to RMB0.5 cents in the Corresponding Period.

Related Party Transactions and Connected Transactions

During the Current Period, all transactions as set out in note 33 of the consolidated financial statements were entered into by the Group in the ordinary and usual course of business and on normal commercial terms.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2019, bank balances and cash maintained by the Group were RMB59.3 million, representing a decrease of 71.2% from RMB206.0 million as at 31 December 2018, which was largely due to settlement of overdue trade payables and the provision of tax liabilities for last year.

Trade and other receivables were RMB494.7 million, up by 30.7% from RMB378.5 million as at 31 December 2018, which mainly represented the increase in trade receivables from the New Energy Business.

Trade and other payables decreased from RMB218.1 million as at 31 December 2018 to RMB155.1 million as at 30 June 2019, or 28.9%, which mainly attributable to settlement in trade payables.

Contract liabilities and Amount due to a shareholder dropped to zero after the Group completed the disposal of the Catering Business. Tax liabilities decreased from RMB23.9 million as at 31 December 2018 to RMB8.7 million as at 30 June 2019, or 63.6%, due to that settlement of tax payable for last year.

As a result, the Group's current assets and current liabilities as at 30 June 2019 were RMB553.9 million and RMB181.6 million (31 December 2018: RMB587.9 million and RMB254.2 million) respectively.

The Group has no bank borrowings as at 30 June 2019. Gearing ratio of the Group, measured as total debt to total equity, dropped to zero as at 30 June 2019 (31 December 2018: 0.6%). The Group recorded net assets of RMB457.9 million as at 30 June 2019 compared to RMB425.7 million as at 31 December 2018. The increase was mainly due to the net profit recorded during the Current Period, recognition of equity-settled share based payments, increased in equity by exercise of share options and net off the effect of dividend recognized as distribution. During the Current Period, the Group financed its operations mainly with funds from internal resources.

PROSPECTS

In view of the satisfactory performance of the New Energy Business in the first half year of 2019, the Group will continue to strive to actively expand in the LNG trading segment, which is currently the Group's main revenue source after the business transformation. In order to firmly grasp future business expansion in the sector, not only will the Group step up the efforts in LNG trading in existing operating locations, but also eye on developing the LNG trading business in other potential regions in the PRC and extend our footprints worldwide. Identifying suitable LNG suppliers locally and globally and delivering LNG products will be of the Group's first priority in near future.

While continuing our partnership with existing partners, the Group also aims to build up strong relationship with new partners in order to cater to future needs and foster further business opportunities. The Group will also pursue long term cooperation with our key partners, especially Tractebel, the leading engineering and consultancy companies, to diversify our business scope and enhance services, while seeking for collaboration projects in possible areas of LNG trading. Apart from LNG trading, the Group will also put its focus on capturing and developing new consultancy projects as it is one of its current major revenue sources.

As for Catering Business, the Group sees the complete disposal as a precious chance to focus its existing resources to develop the high return New Energy Business. The fast development and expansion of the new energy sector in the PRC has presented us enormous opportunities to expand our coverage and enhance our business profile and ultimately to build it into a leading diversified and integrated new energy service provider in the Greater China Region. The management strongly believes that it will continue to bring in promising contribution to the Group.

Lastly for Property Investments, the Group will go on engaging in active search for suitable premises for future investments while maintaining ownership in the current office premises in order to bring in stable long-term returns to shareholders.

CAPITAL STRUCTURE

During the Current Period, an aggregate of 19,568,000 shares were issued and allotted pursuant to the exercise of share options with exercise price of HK$0.289 and HK$0.10125 respectively. As at 30 June 2019, the Company had an aggregate of 3,530,536,000 shares of HK$0.00125 each in issue.

USE OF PROCEEDS FROM THE PLACING OF SHARES

The Company has successfully placed 56,000,000 new shares (i.e. 448,000,000 shares with par value of HK$0.00125 each after the Share Subdivision on 20 May 2016) to four subscribers (the "First Placing") at a subscription price of HK$0.65 per new shares on 28 November 2014 and 80,000,000 new shares (i.e. 640,000,000 shares with par value of HK$0.00125 each after the Share Subdivision on 20 May 2016) to one subscriber at the subscription price of HK$0.95 per subscription share (the "Second Placing") on 30 June 2015. The aggregate gross proceeds and net proceeds from the two placings are HK$112,400,000 (equivalent to RMB88,835,000) and HK$112,149,000 (equivalent to RMB88,638,000). The Company intended to use the net proceeds from the two placings as follows:

(i) HK$25,500,000 (equivalent to approximately RMB20,127,000) for any potential investment opportunities as identified by the Group; and

(ii) HK$86,649,000 (equivalent to approximately RMB68,511,000) as general working capital of the Group.

As at 30 June 2019, the Company utilized all of the proceeds HK$86,649,000 (equivalent to RMB68,511,000) for general working capital in the operation of the Group.

In addition, as at 30 June 2019, the Group utilized approximately HK$19,675,000 (equivalent to RMB16,200,000) out of the proceeds for potential investment for the establishment of a subsidiary in Tianjin in the second half of 2015.

The remaining net proceeds, being approximately HK$5,825,000 (equivalent to RMB5,124,000), is expected to be fully utilized for potential investment opportunities as identified by the Group by 2023. The Group will continue to identify any further potential investment opportunities. Detailed schedule depends on the overall economic conditions, the development of the Company and market situation.

DIVIDENDS

The Board did not recommend the payment of any dividend for the Current Period (Corresponding Period: Nil). A final dividend in respect of the year ended 31 December 2018 of HK$0.5 cents per ordinary share, in an aggregate amount of HK$17,653,000 (equivalent to RMB15,519,000), has been approved by the shareholders of the Company at the annual general meeting of the Company held on 28 June 2019 and was recognised as a distribution. The Company will distribute the 2018 final dividend to all shareholders whose names appear on the register of members of the Company on 17 July 2019, based on the total issued share capital of 3,530,536,000 shares. It is expected that the Company will distribute the 2018 final dividend on 15 August 2019.

FOREIGN CURRENCY EXPOSURE

The business operations of the Group's subsidiaries were conducted mainly in the PRC with revenues and expenses of the Group's subsidiaries denominated mainly in RMB, with some denominated in Hong Kong dollars. Some of the Group's cash and bank deposits were denominated in Hong Kong dollars, while others were denominated in RMB. Any significant exchange rate fluctuations of Hong Kong dollars against RMB as the functional currency may have a financial impact on the Group. The Group managed its foreign exchange risks by performing regular review and monitoring of the foreign exchange exposure. The Group would consider employing foreign exchange hedging arrangements when appropriate and necessary. During the Current Period, the Group did not use any financial instruments for hedging purposes (Corresponding Period: Nil).

LITIGATION

As at 30 June 2019, the Group did not have any litigation.

CONTINGENT LIABILITIES

As at 30 June 2019, the Group did not have any material contingent liabilities.

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

At the end of April 2019, the Group has entered into a sale and purchase agreement to dispose two wholly-owned subsidiaries, which engaged in management service, restaurant operation and food trading, for a consideration of RMB2,000,000 (equivalent to approximately HK$2,331,000). The disposal was completed on 30 April 2019. The management believe that the disposal is commercially favorable to and allow the Group to focus its resources on the flourishing New Energy Business of the Group. For further details, please refer to the announcement of the Company dated 30 April 2019. There is no plan for material investments or capital assets as the date of this report.

PLEDGE OF ASSETS

As at 30 June 2019, the Group did not have any pledged assets. (31 December 2018: Nil).

Other Information

AUDIT COMMITTEE AND INDEPENDENT AUDIT BY EXTERNAL AUDITOR

The Company established an audit committee (the "Audit Committee") pursuant to a resolution of the Directors passed on 12 December 2011 with written terms of reference in compliance with Rule 5.28 and Rule 5.29 of the GEM Listing Rules. The written terms of reference of the audit committee was adopted in compliance with paragraph C.3.3 of the Code on Corporate Governance Practices as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee, among other things, are to make recommendation to the Board on the appointment, re-appointment and removal of external auditor; review the financial statements and material advice in respect of financial reporting; and oversee internal control procedures of the Company.

As at 30 June 2019, the Audit Committee has three members comprising all the independent non-executive Directors, namely, Mr. Lui Tin Nang (chairman), Ms. Ma Lee and Mr. Lau Kwok Kee. The Audit Committee had reviewed the results announcement and interim report for the six months ended 30 June 2019 and is of the opinion that the preparation of such statements complied with the applicable accounting standards and that adequate disclosures have been made. The Audit Committee also monitored the Company's progress in implementing the code provisions of corporate governance practices as required under the GEM Listing Rules.

The Group's external auditor, Deloitte Touche Tohmatsu, has been appointed to audit the consolidated financial statements for the six months ended 30 June 2019, while the consolidated financial statements for the Corresponding Period have not been audited.

CORPORATE GOVERNANCE PRACTICES

The Company has applied the principles and complied with all the code provisions under the Corporate Governance Practice contained in Appendix 15 of the GEM Listing Rules (the "Corporate Governance Code") throughout the Current Period. Except for the minor deviations from code provision A.6.7 as explained below. The Board will continue to review regularly and take appropriate actions to comply with the Corporate Governance Code.

Under code provision A.6.7, the Board members should attend general meetings and develop a balanced understanding of the views of shareholders of the Company. Due to unavoidable business engagement, the Executive Chairman, one of the executive Directors and one of the non-executive Directors were unable to attend the Company's annual general meeting held on 28 June 2019.

Save as disclosed above, the Directors are of the opinions that the Company and the Board have complied with the Corporate Governance Code throughout the Current Period.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("THE MODEL CODE")

The Company has adopted its code of conduct regarding the securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company also has made specific enquiries of all Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding the securities transactions by Directors during the six months ended 30 June 2019.

Other Information

EMPLOYMENT AND REMUNERATION OF EMPLOYEES

As at 30 June 2019, the Group has approximately 25 full time employees in the PRC and 17 staffs in Hong Kong. The Group recognises the importance of human resources to its success, therefore qualified and experienced personnel are recruited for reviewing and restructuring our existing business. The Remuneration of the Group has maintained at competitive level with discretionary bonuses payable on a merit basis and in line with industrial practice. Apart from salary payments, other staff benefits provided by the Group include mandatory provident fund, insurance schemes and performance related bonus.

SHARE OPTION SCHEME

The Company operates a share option scheme (the "Scheme") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The Scheme is valid and effective for a period of 10 years commencing on 12 December 2011 and may continue to be exercisable in accordance with their terms of issue. The Board may grant options to Directors and eligible employees of the Company or its subsidiaries to subscribe for shares in the Company at a consideration equal to the higher of the closing price of the shares of the Company on the Stock Exchange at the date of offer of grant and the average closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of grant of the options. Options granted must be taken up within 28 days from the date of grant, upon payment of HK$1.00 Options may be exercised at any time from the date of grant of the share option up to the tenth anniversary of the date of grant as determined by the Directors at their discretion. The maximum number of shares of the Company in respect of which options may be granted, when aggregated with any other share option scheme of the Company, shall not exceed 30% of the issued share capital of the Company from time to time excluding any shares issued upon the exercise of options granted pursuant to the Scheme. The maximum number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue upon the date of which the shares are listed and permitted to be dealt in the Stock Exchange. The 10% limit may be refreshed at any time by approval of the Company's shareholders provided that the total number of shares which may be issued upon exercise of all options to be granted under all of the schemes of the Company under the limit as "refreshed" must not exceed 10% of the shares in issue as at the date of approval of the limit. The total number of shares issued and to be issued upon exercise of the options granted to a participant under the Scheme (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue from time to time.

During the year 2014, the Company has granted 28,000,000 share options to the Company's Directors, consultants and employees at the exercise price of HK$0.81 per option share (i.e. 224,000,000 shares with par value of HK$0.00125 each after the Share Subdivision on 20 May 2016). During the year 2017, the Company has granted 343,536,000 share options to the Company's Directors, consultants and employees at the exercise price of HK$0.289 per option share. As at 30 June 2019, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 350,024,000 (30 June 2018: 395,032,000), representing 9.91% (30 June 2018: 11.3%) of the shares of the Company in issue at that date. Details of the movements of share options granted, exercised or cancelled/lapsed during the review period and outstanding as at 30 June 2019 are as follows:

	At 1 January 2019	Granted during the period	Exercised during the period	Cancelled/ forfeited during the period	Outstanding as at 30 June 2019	Exercise period (both dates inclusive)	Exercise price	Closing price immediately before the date of grant
Directors								
Mr. Hu Yishi	2,880,000	–	–	–	2,880,000	9 June 2018 to 9 June 2024	0.289	0.28
	2,880,000	–	–	–	2,880,000	9 June 2019 to 9 June 2024	0.289	0.28
	2,880,000	–	–	–	2,880,000	9 June 2020 to 9 June 2024	0.289	0.28
Mr. Chan Wing Yuen, Hubert	22,400,000	–	–	–	22,400,000	25 November 2014 to 24 November 2021	0.10125*	0.12125*
	11,448,000	–	–	–	11,448,000	9 June 2018 to 9 June 2024	0.289	0.28
	11,448,000	–	–	–	11,448,000	9 June 2019 to 9 June 2024	0.289	0.28
	11,448,000	–	–	–	11,448,000	9 June 2020 to 9 June 2024	0.289	0.28
Ms. Lin Min, Mindy	2,880,000	–	–	–	2,880,000	9 June 2018 to 9 June 2024	0.289	0.28
	2,880,000	–	–	–	2,880,000	9 June 2019 to 9 June 2024	0.289	0.28
	2,880,000	–	–	–	2,880,000	9 June 2020 to 9 June 2024	0.289	0.28
Ms. Kwong Wai Man, Karina	22,400,000	–	–	–	22,400,000	25 November 2014 to 24 November 2021	0.10125*	0.12125*
	11,448,000	–	–	–	11,448,000	9 June 2018 to 9 June 2024	0.289	0.28
	11,448,000	–	–	–	11,448,000	9 June 2019 to 9 June 2024	0.289	0.28
	11,448,000	–	–	–	11,448,000	9 June 2020 to 9 June 2024	0.289	0.28
Mr. Lui Tin Nang	2,240,000	–	–	–	2,240,000	25 November 2014 to 24 November 2021	0.10125*	0.12125*
	1,144,000	–	–	–	1,144,000	9 June 2018 to 9 June 2024	0.289	0.28
	1,144,000	–	–	–	1,144,000	9 June 2019 to 9 June 2024	0.289	0.28
	1,144,000	–	–	–	1,144,000	9 June 2020 to 9 June 2024	0.289	0.28
Ms. Ma Lee	2,240,000	–	(2,240,000)	–	–	25 November 2014 to 24 November 2021	0.10125*	0.12125*
	1,144,000	–	–	–	1,144,000	9 June 2018 to 9 June 2024	0.289	0.28
	1,144,000	–	–	–	1,144,000	9 June 2019 to 9 June 2024	0.289	0.28
	1,144,000	–	–	–	1,144,000	9 June 2020 to 9 June 2024	0.289	0.28
Mr. Lau Kwok Kee	1,144,000	–	–	–	1,144,000	9 June 2018 to 9 June 2024	0.289	0.28
	1,144,000	–	–	–	1,144,000	9 June 2019 to 9 June 2024	0.289	0.28
	1,144,000	–	–	–	1,144,000	9 June 2020 to 9 June 2024	0.289	0.28
Total Directors	**145,544,000**	**–**	**(2,240,000)**	**–**	**143,304,000**			
Employees	3,200,000	–	–	–	3,200,000	25 November 2014 to 24 November 2021	0.10125*	0.12125*
	49,880,000	–	(12,000,000)	(664,000)	37,216,000	9 June 2018 to 9 June 2024	0.289	0.28
	49,880,000	–	–	(664,000)	49,216,000	9 June 2019 to 9 June 2024	0.289	0.28
	49,880,000	–	–	(664,000)	49,216,000	9 June 2020 to 9 June 2024	0.289	0.28
Total Employees	**152,840,000**	**–**	**(12,000,000)**	**(1,992,000)**	**138,848,000**			
Consultants	16,768,000	–	(5,328,000)	–	11,440,000	9 June 2018 to 9 June 2024	0.289	0.28
	28,216,000	–	–	–	28,216,000	9 June 2019 to 9 June 2024	0.289	0.28
	28,216,000	–	–	–	28,216,000	9 June 2020 to 9 June 2024	0.289	0.28
Total Consultants	**73,200,000**	**–**	**(5,328,000)**	**–**	**67,872,000**			
Total All Categories	**371,584,000**	**–**	**(19,568,000)**	**(1,992,000)**	**350,024,000**			
Exercisable at the end of the period					**240,504,000**			

* adjusted by share subdivision on 20 May 2016.

Other Information

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At 30 June 2019, the interests and short positions of the Directors and chief executives of the Company in the ordinary shares, underlying shares and debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in ordinary shares of HK$0.00125 each of the Company

Name Of Director	Notes	Nature of Interest	Number of shares	Percentage of the Company's issued share capital
Mr. Hu Yishi	1	Interest of controlled corporation	461,000,000	13.06%
Ms. Lin Min, Mindy	2	Interest of controlled corporation and beneficial owner	489,088,000	13.85%
Ms. Ma Lee		Beneficial owner	2,240,000	0.06%

Notes:

1. Mr. Hu Yishi is deemed to be interested in 448,000,000 shares held by Smart Lane Global Limited, a subsidiary of Yuan Rong Century Investment Holdings Limited ("Yuan Rong"), where the entire issued share capital of which is held by Mr. Hu Yishi. Mr. Hu Yishi is also deemed to be interested in 13,000,000 shares held by Front Riches Investments Limited, a company 100% controlled by Mr. Hu Yishi.

2. Ms. Lin Min, Mindy ("Ms. Lin") is deemed to be interested in 448,000,000 shares held by Uprise Global Investments Limited and in 18,688,000 shares held by Gainup Limited respectively, both companies were 100% controlled by Ms. Lin. Ms. Lin is also interested in 22,400,000 shares which beneficially owned by herself.

Long position in the underlying shares of equity derivatives of the Company

Name of Director	Nature of Interest	Number of underlying shares (note)
Mr. Hu Yishi	Beneficial owner	8,640,000
Mr. Chan Wing Yuen, Hubert	Beneficial owner	56,744,000
Ms. Lin Min, Mindy	Beneficial owner	8,640,000
Ms. Kwong Wai Man, Karina	Beneficial owner	56,744,000
Mr. Lui Tin Nang	Beneficial owner	5,672,000
Ms. Ma Lee	Beneficial owner	3,432,000
Mr. Lau Kwok Kee	Beneficial owner	3,432,000

Note:

The outstanding share options 47,040,000 were granted by the Company to Directors on 25 November 2014 at the exercise price of HK$0.10125 per option share and 96,264,000 were granted by the Company to Directors on 9 June 2017 at the exercise price of HK$0.289 per option share. The details of outstanding share options are shown under the section "Share Option Scheme" of this report.

Saved as disclosed above, as at 30 June 2019, none of the Directors or chief executives of the Company or their respective associates had registered any interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations that was required to be recorded pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

For the Current Period, the Directors were not aware of any business or interest of the Directors, the management shareholder and their respective associates (as defined under the GEM Listing Rules) that compete or may compete with the business of the Group or any other conflict of interest which any such person has or may have with the Group.

DEED OF NON-COMPETITION

The deed of non-competition was no longer applied for both of the Current Period and the Corresponding Period.

CHANGE IN INFORMATION OF DIRECTORS

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the changes in information of the Directors since the date of annual report of the Company for the year ended 31 December 2018 are set out below:

Name of Directors	Details of changes
Mr. Lui Tin Nang	on 15 July 2019 Mr. Lui has been censured by the Stock Exchange in relation to his breach of Rule 5.01(6) of the GEM Listing Rules and the Director's Declaration and Undertaking given by him to the Stock Exchange in the form set out in Appendix 6 Form A to the GEM Listing Rules, for failing to discharge his duties as an independent non-executive director of China Regenerative Medicine International Limited ("China Regenerative"), a company listed on GEM of the Stock Exchange (Stock Code: 8158), and use his best endeavours to procure China Regenerative to comply with the GEM Listing Rules. Mr. Lui is required to complete the relevant trainings in relation to the GEM Listing Rules compliance, director's duties and corporate governance matters in a given period. To the best knowledge, information and belief of the Board, the above issues do not relate to the current affairs of the Company and will not have any impact on the Company, nor have any effect on the discharge of duties as an independent non-executive Director of the Company by Mr. Lui.

Other Information

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 June 2019, so far as is known to the Directors, the following person (not being the Directors or chief executives of the Company) had, or were deemed to have, interests or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

Long position – Ordinary shares and underlying shares

Name	Capacity and nature of interest	Number of shares	Number of underlying shares	Percentage of the Company's issued share capital
Depot Up Limited (note 1)	Beneficial owner	640,000,000	–	18.13%
Mr. Song Zhi Cheng (note 2)	Interest of controlled corporation	640,000,000	–	18.13%
Smart Lane Global Limited (note 3)	Beneficial owner	448,000,000	–	12.69%
Uprise Global Investments Limited (note 4)	Beneficial owner	448,000,000	–	12.69%
Blossom Merit Limited (note 5)	Beneficial owner	221,632,000	–	6.28%
Mr. Chan Tai Neng (note 6)	Interest of controlled corporation	221,632,000	–	6.28%

Notes:

1. Depot Up Limited, a company incorporated in the Republic of Seychelles on 23 February 2015 with limited liability is an investment holding company where the entire issued share capital of which is held by Mr. Song Zhi Cheng.

2. Mr. Song Zhi Cheng is deemed to be interested in 640,000,000 shares through his interest in Depot Up Limited.

3. Smart Lane Global Limited, a company incorporated in Samoa on 19 February 2014 with limited liability and is an investment holding company which is a subsidiary of Yuan Rong where the entire issued share capital of which is held by Mr. Hu Yishi is executive Director and executive chairman.

4. Uprise Global Investments Limited, a company incorporated in the British Virgin Islands on 19 December 2013 with limited liability is an investment holding company where the entire issued share capital of which is held by Ms. Lin Min, Mindy, an executive Director.

5. Blossom Merit Limited, a company incorporated in British Virgin Islands on 6 July 2011 with limited liability is an investment holding company where the entire issued share capital of which is held by Mr. Chan Tai Neng and Mr. Cheung Chi Keung (both being former executive Directors) in the proportion of 90% and 10% respectively as at the 30 June 2017.

6. Mr. Chan Tai Neng is deemed to be interested in 221,632,000 shares held by Blossom Merit Limited. The issued share capital of Blossom Merit Limited is owned 90% by Mr. Chan Tai Neng and 10% by Mr. Cheung Chi Keung, (both being former executive Directors).

During the Current Period, there were no debt securities issued by the Group and the Company at any time.

Save as disclosed above, as at 30 June 2019, the Directors are not aware of any other person other than the Directors and the chief executives of the Company who had, or was deemed to have interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or who is directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or options in respect of such share capital.

Other Information

RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Other than as disclosed under the sections "Share Option Scheme" and "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company" above, at no time during the Current Period was the Company, or any of its subsidiaries, or associated corporations, a party to any arrangement to enable the Directors or chief executives of the Company or their respective associates (as defined in the GEM Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the SFO or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any of its body corporate.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

During the Current Period, neither the Company, nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

COMMUNICATION WITH SHAREHOLDERS

The Board communicates with the shareholders through the annual general meetings and extraordinary general meetings. In compliance with the requirements of GEM Listing Rules, the Company issued regular reports, announcements, circulars, notice of general meetings. Shareholders can get the latest information of the Company through these publications of the Company.

By order of the Board
Zhonghua Gas Holdings Limited
Chan Wing Yuen, Hubert
Chief Executive Officer and Executive Director

Hong Kong, 12 August 2019

As at the date of this report, the executive Directors are Mr. Hu Yishi, Mr. Chan Wing Yuen, Hubert, Ms. Lin Min, Mindy and Ms. Kwong Wai Man, Karina; and the independent non-executive Directors are Mr. Lui Tin Nang, Ms. Ma Lee and Mr. Lau Kwok Kee.

This report will remain on the GEM website at http://www.hkgem.com on the "Latest Company Announcements" page for at least seven days from the day of its posting and on the website of the Company at http://www.8246hk.com.