



# 中油燃氣集團有限公司

CHINA OIL AND GAS GROUP LIMITED

*(Incorporated in Bermuda with Limited Liability)*  
(於百慕達註冊成立之有限公司)

Stock Code: 603  
股份代號: 603



Interim Report  
2016 中期報告

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# Enterprise Culture

## 企業文化



# Natural Gas Distribution Business in China

## 中國天然氣分銷業務

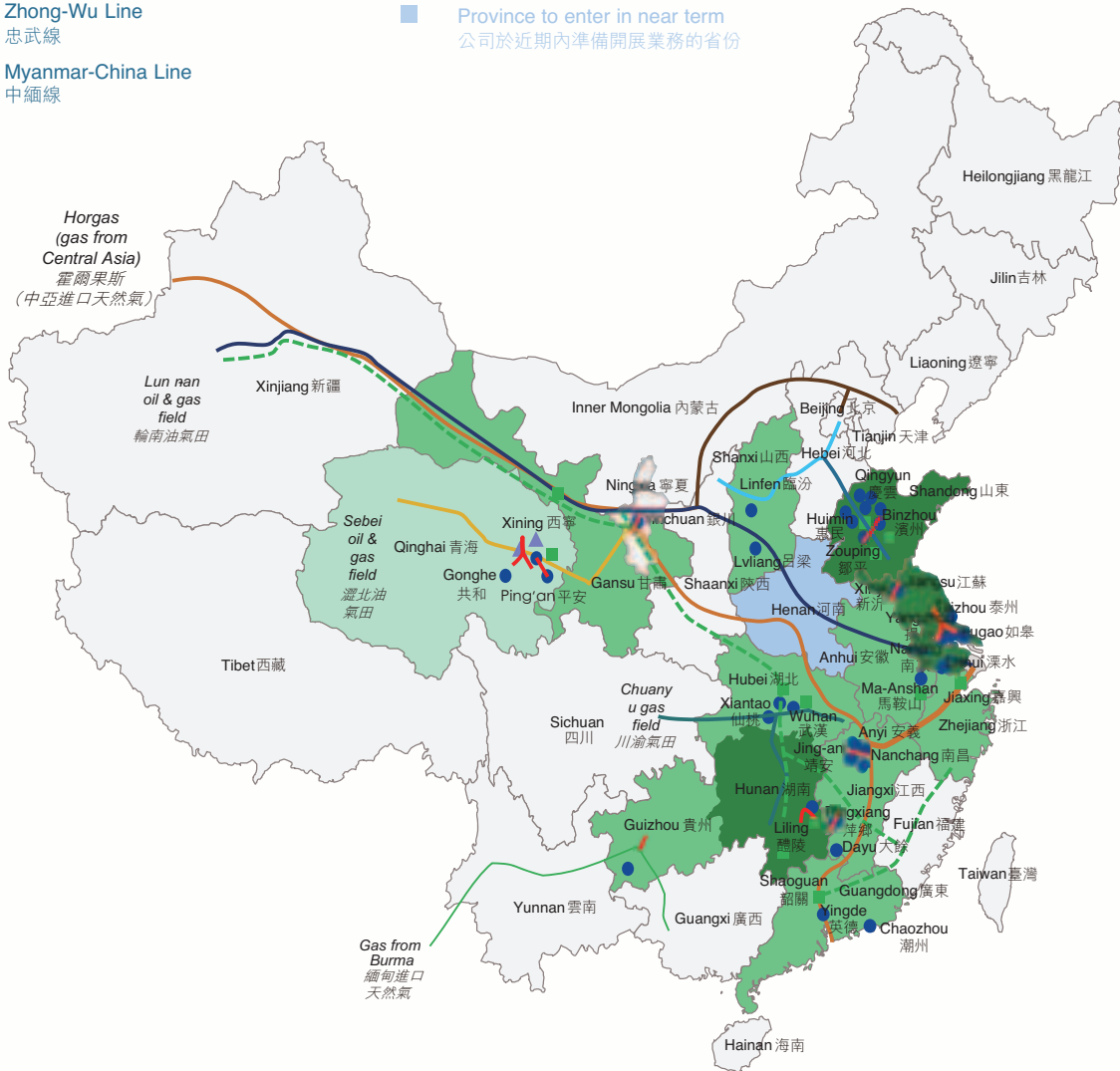


### Main trunk pipelines 主要幹線管網

- West-to-East line 1  
西氣東輸一線
- West-to-East line 2  
西氣東輸二線
- - - West-to-East line 3 (under construction)  
西氣東輸三線(在建)
- Se-Ning-Lan line  
澀寧蘭線
- Shaan-Jing line 4  
陝京四線
- Shaan-Jing line 3  
陝京三線
- Cang-Zi Line  
滄淄線
- Zhong-Wu Line  
忠武線
- Myanmar-China Line  
中緬線

### Company operating assets / data 公司運營資產及數據

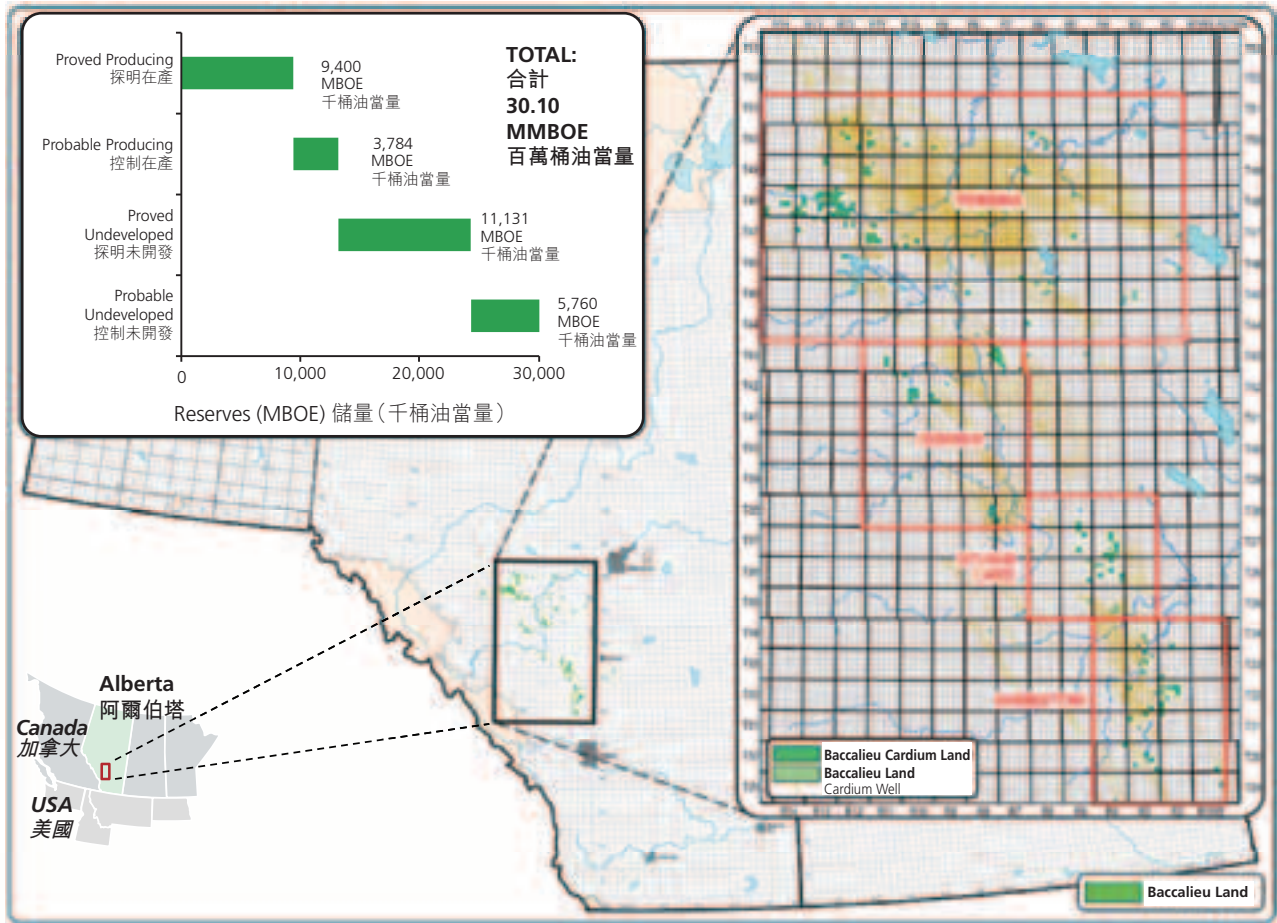
- Branch pipeline  
公司自有支線管道
- City gas project with concession right  
公司城市天然氣項目
- ▲ LNG processing plant  
公司液化天然氣工廠
- CNG/LNG station  
公司天然氣加氣站
- Province with natural gas sales volume > 500mn m<sup>3</sup> in 1H2016  
公司二零一六年上半年銷氣量5.0億立方米以上省份
- Province with natural gas sales volume between 100-500mn m<sup>3</sup> in 1H2016  
公司二零一六年上半年銷氣量1.0-5.0億立方米省份
- Province with natural gas sales volume < 100mn m<sup>3</sup> in 1H2016  
公司二零一六年上半年銷氣量1.0億立方米以下省份
- Province to enter in near term  
公司於近期內準備開展業務的省份



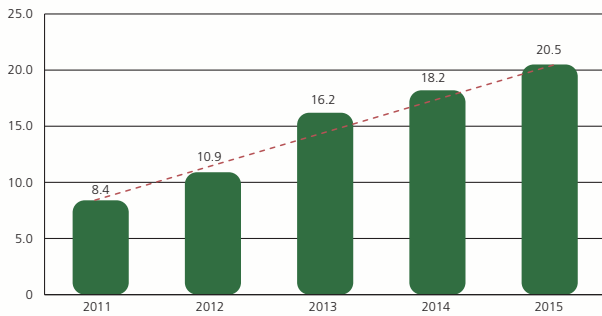
Note: For illustrative purpose only, actual scale and location might differ slightly  
 註：此圖為示意圖，比例與位置可能和實際情況略有出入

# Oil and Gas Production Business in Canada

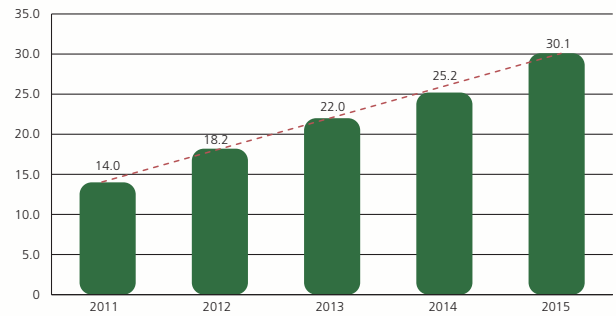
## 加拿大油氣生產業務



**Proved Reserve (mmboe)**  
已探明儲量 (百萬桶油當量)



**Proved Plus Probable Reserve (mmboe)**  
已探明加控制在儲量 (百萬桶油當量)





## BOARD OF DIRECTORS

### Executive Directors

XU Tie-liang (*Chairman & Chief Executive Officer*)  
ZHU Yuan  
GUAN Yijun  
CHEUNG Shing

### Independent Non-Executive Directors

LI Yunlong  
SHI Xun-zhi  
WANG Guangtian

## COMPANY SECRETARY

CHAN Yuen Ying Stella, *FCIS, FCS, MHKIoD*

## AUTHORISED REPRESENTATIVES

XU Tie-liang  
CHAN Yuen Ying Stella

## AUDIT COMMITTEE

LI Yunlong (*chairman*)  
SHI Xun-zhi  
WANG Guangtian

## REMUNERATION COMMITTEE

LI Yunlong (*chairman*)  
WANG Guangtian  
CHEUNG Shing

## NOMINATION COMMITTEE

WANG Guangtian (*chairman*)  
LI Yunlong  
CHEUNG Shing

## CORPORATE GOVERNANCE COMMITTEE

XU Tie-liang (*chairman*)  
ZHU Yuan  
GUAN Yijun  
CHEUNG Shing  
LAW Yin Shan Jenny  
CHAN Yuen Ying Stella

## AUDITOR

PricewaterhouseCoopers

## 董事局

### 執行董事

許鈺良 (*主席兼行政總裁*)  
朱 遠  
關懿君  
張 成

### 獨立非執行董事

李雲龍  
史訓知  
王廣田

## 公司秘書

陳婉縈 *FCIS, FCS, MHKIoD*

## 授權代表

許鈺良  
陳婉縈

## 審核委員會

李雲龍 (*主席*)  
史訓知  
王廣田

## 薪酬委員會

李雲龍 (*主席*)  
王廣田  
張 成

## 提名委員會

王廣田 (*主席*)  
李雲龍  
張 成

## 企業管治委員會

許鈺良 (*主席*)  
朱 遠  
關懿君  
張 成  
羅盈珊  
陳婉縈

## 核數師

羅兵咸永道會計師事務所



## Corporate Information 公司資料

### LEGAL ADVISERS

(As to Hong Kong Law)  
LI & Partners

(As to PRC Law)  
Beijing Huaao Law & Partners

### PRINCIPAL REGISTRARS

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### REGISTERED OFFICE

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Suite 2805, 28th Floor  
Sino Plaza  
255-257 Gloucester Road  
Causeway Bay  
Hong Kong

### PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

### STOCK CODE

603

### WEBSITE AND E-MAIL ADDRESS

Website: <http://www.hk603.com>  
E-mail: [info@hk603.com](mailto:info@hk603.com)

### 法律顧問

(關於香港法律)  
李偉斌律師行

(關於中國法律)  
北京市華澳律師事務所

### 主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited  
The Belvedere Building  
69 Pitts Bay Road  
Pembroke HM08  
Bermuda

### 香港股份過戶登記分處

香港中央證券登記有限公司  
香港  
灣仔  
皇后大道東 183 號  
合和中心  
17 樓 1712-1716 室

### 註冊辦事處

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

### 總辦事處及香港之主要營業地點

香港  
銅鑼灣  
告士打道 255-257 號  
信和廣場  
28 樓 2805 室

### 主要往來銀行

香港上海滙豐銀行有限公司

### 股份代號

603

### 網址及電郵地址

網址：<http://www.hk603.com>  
電郵地址：[info@hk603.com](mailto:info@hk603.com)



The board (the "Board") of directors (the "Directors") of China Oil And Gas Group Limited (the "Company") announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 June 2016 (the "Period").

中油燃氣集團有限公司(「公司」)董事(「董事」)局(「董事局」)宣佈公司及其附屬公司(統稱「集團」)截至二零一六年六月三十日止六個月(「期內」)之未經審核簡明綜合中期業績。

### Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2016

### 簡明綜合全面收益表

截至二零一六年六月三十日止六個月

		<b>Six months ended 30 June</b> 截至六月三十日止六個月	
		<b>2016</b> 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)
	Notes 附註		
Revenue	4	<b>3,298,290</b>	3,857,615
Cost of sales		<b>(2,708,278)</b>	(3,433,429)
Gross profit		<b>590,012</b>	424,186
Other income	5	<b>15,091</b>	14,209
Other gains/(losses), net	6	<b>124,842</b>	(2,424)
Selling and distribution costs		<b>(23,158)</b>	(28,858)
Administrative expenses		<b>(139,884)</b>	(155,519)
Operating profit		<b>566,903</b>	251,594
Finance income	7	<b>42,120</b>	57,302
Finance costs	7	<b>(87,706)</b>	(81,850)
Share of losses of investments accounted for using the equity method		<b>(7,147)</b>	(2,582)
Profit before taxation		<b>514,170</b>	224,464
Taxation	8	<b>(101,282)</b>	(53,511)
Profit for the period		<b>412,888</b>	170,953
Other comprehensive income: <i>Items that may be subsequently reclassified to profit or loss:</i>			
Currency translation differences		<b>79,242</b>	(122,718)
Changes in value of available-for-sale financial assets		<b>8,597</b>	7,862
Release of exchange reserve upon disposal of subsidiaries		<b>4,456</b>	-
Total comprehensive income for the period		<b>505,183</b>	56,097
<b>Profit for the period attributable to:</b>			
Owners of the Company		<b>200,062</b>	89,694
Non-controlling interests		<b>212,826</b>	81,259
		<b>412,888</b>	170,953
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		<b>290,574</b>	(25,162)
Non-controlling interests		<b>214,609</b>	81,259
		<b>505,183</b>	56,097
<b>Earnings per share</b>		<b>HK cents</b> 港仙	HK cents 港仙
– Basic	9	<b>3.824</b>	1.822
– Diluted		<b>3.817</b>	1.821



# Interim Results

## 中期業績

### Condensed Consolidated Statement of Financial Position

As at 30 June 2016

### 簡明綜合財務狀況表

於二零一六年六月三十日

		Notes 附註	30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
<b>Assets</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	11	6,572,438	6,535,541
Exploration and evaluation assets	勘探及評估資產		247,564	249,139
Land use rights	土地使用權		355,460	314,013
Intangible assets	無形資產		1,031,941	1,055,676
Investments accounted for using the equity method	使用權益法入賬之投資		309,707	316,854
Available-for-sale financial assets	可供出售財務資產		509,417	354,947
Other non-current assets	其他非流動資產		1,027,091	904,806
Deferred tax assets	遞延稅項資產		19,064	16,735
			<b>10,072,682</b>	<b>9,747,711</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		145,113	201,470
Deposits, trade and other receivables	按金、貿易及其他應收款項	12	1,649,016	1,562,686
Financial assets at fair value through profit or loss	按公平值經損益入賬之財務資產		49,947	50,271
Current tax recoverable	當期可收回稅項		6,106	5,796
Time deposits with maturity over three months	存款期超過三個月之定期存款		-	216,000
Cash and cash equivalents	現金及現金等值項目		1,857,278	2,303,704
			<b>3,707,460</b>	<b>4,339,927</b>
<b>Total assets</b>	<b>總資產</b>		<b>13,780,142</b>	<b>14,087,638</b>



Condensed Consolidated Statement of Financial  
Position (Continued)

As at 30 June 2016

簡明綜合財務狀況表(續)

於二零一六年六月三十日

		Notes 附註	30.6.2016 二零一六年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2015 二零一五年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
<b>Liabilities</b>	<b>負債</b>			
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	貿易及其他應付款項	13	1,404,927	1,376,420
Receipt in advance	預收款項		938,980	1,089,707
Short-term borrowings	短期借貸		400,805	972,774
Current tax payable	當期應付稅項		140,557	126,288
			<b>2,885,269</b>	<b>3,565,189</b>
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Senior notes	優先票據		4,999,156	4,992,169
Deferred tax liabilities	遞延稅項負債		231,783	231,700
Other non-current liabilities	其他非流動負債		105,778	98,326
			<b>5,336,717</b>	<b>5,322,195</b>
<b>Total liabilities</b>	<b>負債總額</b>		<b>8,221,986</b>	<b>8,887,384</b>
<b>Equity</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>公司擁有人應佔權益</b>			
Share capital	股本	15	58,257	58,257
Reserves	儲備		3,004,923	2,718,807
			<b>3,063,180</b>	<b>2,777,064</b>
Non-controlling interests	非控股權益		2,494,976	2,423,190
<b>Total equity</b>	<b>權益總額</b>		<b>5,558,156</b>	<b>5,200,254</b>
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>13,780,142</b>	<b>14,087,638</b>

# Interim Results

## 中期業績

### Condensed Consolidated Statement of Changes In Equity

For the six months ended 30 June 2016

### 簡明綜合權益變動表

截至二零一六年六月三十日止六個月

		Attributable to owners of the Company 公司擁有人應佔									
		Shares held for share award		Other reserves	Exchange fluctuation reserve	Share-based compensation reserve	Retained profits	Total	Non-controlling interests	Total equity	
		Share capital	Share premium	為股份獎勵計劃所持股份	其他儲備	匯兌波動儲備	以股份為基礎之補償儲備	保留溢利	總額	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK'000	HK'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於二零一六年一月一日	58,257	24,578	(275,629)	1,534,741	(371,122)	-	1,806,239	2,777,064	2,423,190	5,200,254
<b>Profit for the period</b>	<b>期內溢利</b>	-	-	-	-	-	-	200,062	200,062	212,826	412,888
<b>Other comprehensive income:</b>	<b>其他全面收益：</b>										
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	-	-	-	-	79,242	-	-	79,242	-	79,242
Changes in value of available-for-sale financial assets	可供出售財務資產價值變動	-	-	-	8,597	-	-	-	8,597	-	8,597
Release of exchange reserve upon disposal of subsidiaries	於出售附屬公司時變現匯兌儲備	-	-	-	-	2,673	-	-	2,673	1,783	4,456
<b>Total comprehensive income for the period</b>	<b>期內全面收益總額</b>	-	-	-	8,597	81,915	-	200,062	290,574	214,609	505,183
Equity-settled share-based payments	權益結算以股份為基準之付款	-	-	1,798	-	-	1,710	-	3,508	-	3,508
Shares purchased for share award scheme	為股份獎勵計劃購買股份	-	-	(7,966)	-	-	-	-	(7,966)	-	(7,966)
Capital injection by non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	8,400	8,400
Dividend paid to non-controlling interests	支付股息予非控股權益	-	-	-	-	-	-	-	-	(64,382)	(64,382)
Disposal of subsidiaries	出售附屬公司	-	-	-	-	-	-	-	-	(86,841)	(86,841)
At 30 June 2016	於二零一六年六月三十日	58,257	24,578	(281,797)	1,543,338	(289,207)	1,710	2,006,301	3,063,180	2,494,976	5,558,156



Condensed Consolidated Statement of Changes In  
Equity (Continued)

For the six months ended 30 June 2016

簡明綜合權益變動表(續)

截至二零一六年六月三十日止六個月

		Attributable to owners of the Company 公司擁有人應佔									
		Share capital	Share premium	Shares held for share award scheme 為股份 獎勵計劃 所持股份	Other reserves 其他儲備	Exchange fluctuation reserve 匯兌波動 儲備	Share-based compensation reserve 以股份為 基礎之補償 儲備	Retained profits 保留溢利	Non- controlling interests 總額 非控股權益	Total equity 權益總額	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 1 January 2015	於二零一五年一月一日	52,996	32,960	(150,875)	1,526,112	149,809	-	1,990,105	3,601,107	2,491,642	6,092,749
<b>Profit for the period</b>	<b>期內溢利</b>	-	-	-	-	-	-	89,694	89,694	81,259	170,953
<b>Other comprehensive income:</b>	<b>其他全面收益:</b>										
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	-	-	-	-	(122,718)	-	-	(122,718)	-	(122,718)
Changes in value of available-for-sale financial assets	可供出售財務資產 價值變動	-	-	-	7,862	-	-	-	7,862	-	7,862
Total comprehensive income for the period	期內全面收益總額	-	-	-	7,862	(122,718)	-	89,694	(25,162)	81,259	56,097
Equity-settled share-based payments	權益結算以股份為基準之付款	-	-	512	-	-	-	-	512	-	512
Shares purchased for share award scheme	為股份獎勵計劃購買股份	-	-	(106,380)	-	-	-	-	(106,380)	-	(106,380)
Capital injection by non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	7,696	7,696
Dividend paid to non-controlling interests	支付股息予 非控股權益	-	-	-	-	-	-	-	-	(137,712)	(137,712)
Bonus issue of shares (Note 10)	發行紅股(附註10)	5,296	(4,879)	(417)	-	-	-	-	-	-	-
Repurchase of shares	購回股份	(35)	(2,751)	257	35	-	-	(35)	(2,529)	-	(2,529)
At 30 June 2015	於二零一五年六月三十日	58,257	25,330	(256,903)	1,534,009	27,091	-	2,079,764	3,467,548	2,442,885	5,910,433

# Interim Results

## 中期業績

### Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2016

### 簡明綜合現金流量表

截至二零一六年六月三十日止六個月

		<b>Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2016 二零一六年 一月一日至 六月三十日 HK\$'000 千港元</b>	Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2015 二零一五年 一月一日至 六月三十日 HK\$'000 千港元
Net cash generated from operating activities	經營活動產生之現金淨額	<b>384,038</b>	156,574
Net cash used in investing activities	投資活動所用之現金淨額	<b>(44,742)</b>	(555,170)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	<b>(785,722)</b>	75,478
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	<b>(446,426)</b>	(323,118)
Cash and cash equivalents at beginning of the period	期初現金及現金等值項目	<b>2,303,704</b>	2,691,557
Effect of foreign exchange rate changes	匯率變動影響	-	914
Cash and cash equivalents at end of the period	期終現金及現金等值項目	<b>1,857,278</b>	2,369,353



## Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2016

### (1) General information

China Oil And Gas Group Limited (the “Company”) was incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business in Hong Kong is Suite 2805, 28th Floor, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong. The Company is an investment holding company. Its subsidiaries are principally engaging in investment in energy related business in various regions in the People’s Republic of China (“PRC”) and West Central Alberta, Canada, including but not limited to 1) piped city gas business, pipeline design and construction; 2) transportation, distribution and sales of compressed natural gas (“CNG”) and liquefied natural gas (“LNG”); and 3) development, production and sales of oil and gas and other upstream energy resources. The Company and its subsidiaries are collectively referred to as the “Group”.

### (2) Basis of preparation

The unaudited condensed consolidated interim financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standards (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange. These interim financial statements should be read in conjunction with the Group’s audited financial statements for the year ended 31 December 2015.

## 簡明綜合財務報表附註

截至二零一六年六月三十日止六個月

### (1) 一般資料

中油燃氣集團有限公司(「公司」)為於百慕達註冊成立之獲豁免有限公司，而其股份在香港聯合交易所有限公司(「聯交所」)上市。公司註冊辦事處地址為Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda。香港之主要營業地點之地址為香港銅鑼灣告士打道255-257號信和廣場28樓2805室。公司為一間投資控股公司，其附屬公司主要於中華人民共和國(「中國」)及加拿大阿爾伯塔省中西部多個地區從事能源相關業務之投資，包括但不限於：1)城市管道燃氣營運、管道設計及建造；2)壓縮天然氣(「CNG」)及液化天然氣(「LNG」)之運輸、分銷及銷售；及3)石油及天然氣等上游能源資源勘探開發、生產及銷售。公司及其附屬公司統稱為「集團」。

### (2) 編製基準

集團之未經審核簡明綜合中期財務報表乃依據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」及聯交所證券上市規則附錄十六而編製。此等中期財務報表應與集團截至二零一五年十二月三十一日止年度之經審核財務報表一併閱讀。

# Interim Results

## 中期業績

### (3) Significant accounting policies

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs issued by the HKICPA:

HKAS 1 (Amendment)	Disclosure initiative
HKAS 16 and HKAS 38 (Amendments)	Clarification of acceptable methods of depreciation and amortisation
HKAS 16 and HKAS 41 (Amendments)	Agriculture: Bearer plants
HKAS 27 (Amendment)	Equity method in separate financial statements
HKFRS 10 and HKAS 28 (Amendments)	Sale or contribution of assets between an investor and its associate or joint venture
HKFRS 10, HKFRS 12 and HKAS 28 (Amendments)	Investment entities: Applying the consolidation exception
HKFRS 11 (Amendment)	Accounting for acquisitions of interests in joint operations
HKFRS 14	Regulatory deferral accounts
Annual Improvements Project	Annual Improvements 2012-2014 Cycle

The application of the above new, revised or amended standards and interpretations have no material impact on the results and the financial position of the Group.

### (3) 重大會計政策

於本中期期間，集團已首次應用由香港會計師公會頒佈的如下香港財務報告準則新訂詮釋及修訂：

香港會計準則第1號(修訂本)	披露計劃
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊及攤銷可接受方法
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：生產性植物
香港會計準則第27號(修訂本)	獨立財務報表的權益法
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合資公司之間的資產出售或投入
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資實體：應用綜合入賬之例外情況
香港財務報告準則第11號(修訂本)	收購合資經營權益的會計處理
香港財務報告準則第14號年度改進項目	監管遞延賬目 二零一二年至二零一四年週期的年度改進

應用上述新訂、經修正或經修訂準則及詮釋對集團業績及財務狀況無重大影響。



#### (4) Revenue and segment information

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for the purposes of resources allocation and assessment of performance focuses more specifically on sales of natural gas, gas pipeline construction and connection; and exploitation and production of crude oil and natural gas.

The Group has presented the following three reportable segments for the six months ended 30 June 2016:

- sales and distribution of natural gas and other related products
- gas pipeline construction and connection
- exploitation and production of crude oil and natural gas

Information regarding the Group's reportable segments as provided to the executive directors for the purposes of resources allocation and assessment of segment performance for the six months ended 30 June 2016 and 2015 is set out below:

#### (4) 收入及分部資料

集團根據定期向執行董事匯報供資源分配及表現評估之內部財務資料識別其經營分部及編製分部資料，並更多側重於銷售天然氣、燃氣管道建造及接駁以及開採及生產原油及天然氣。

於截至二零一六年六月三十日止六個月期間，集團已呈列以下三個可報告經營分部：

- 銷售及輸送天然氣及其他相關產品
- 燃氣管道建造及接駁
- 開採及生產原油及天然氣

截至二零一六年及二零一五年六月三十日止六個月，向執行董事提供以用作資源分配及分部表現評估之集團報告分部相關資料載列如下：



# Interim Results

## 中期業績

### (4) Revenue and segment information (Continued)

#### Business Segments

For the six months ended 30 June 2016:

### (4) 收入及分部資料(續)

#### 業務分部

截至二零一六年六月三十日止六個月：

		Sales and distribution of natural gas and other related products 銷售及輸送天然氣及其他相關產品 HK\$'000 千港元	Gas pipeline construction and connection 燃氣管道建造及接駁 HK\$'000 千港元	Exploitation and production of crude oil and natural gas 開採及生產原油及天然氣 HK\$'000 千港元	Group 集團 HK\$'000 千港元
<b>Segment revenue and results</b>	<b>分部收入及業績</b>				
Sales to external customers	外部客戶銷售額	2,795,900	355,173	147,217	3,298,290
Segment results	分部業績	<b>321,077</b>	<b>176,261</b>	<b>3,031</b>	<b>500,369</b>
Finance income	財務收入				42,120
Other gains, net	其他收益，淨額				124,842
Finance costs	財務費用				(87,706)
Share of losses of investments accounted for using the equity method	分佔使用權益法入賬之投資虧損				(7,147)
Unallocated corporate expenses	未分配企業開支				(58,308)
Profit before taxation	除稅前溢利				514,170
Taxation	稅項				(101,282)
Profit for the period	期內溢利				<b>412,888</b>



(4) Revenue and segment information (Continued)

(4) 收入及分部資料(續)

For the six months ended 30 June 2015:

截至二零一五年六月三十日止六個月：

		Sales and distribution of natural gas and other related products 銷售及輸送 天然氣及其他 相關產品 HK\$'000 千港元	Gas pipeline construction and connection 燃氣管道 建造及接駁 HK\$'000 千港元	Exploitation and production of crude oil and natural gas 開採及 生產原油 及天然氣 HK\$'000 千港元	Group 集團 HK\$'000 千港元
<b>Segment revenue and results</b>	<b>分部收入及業績</b>				
Sales to external customers	外部客戶銷售額	3,201,711	413,211	242,693	3,857,615
Segment results	分部業績	<u>73,165</u>	<u>199,605</u>	<u>18,943</u>	291,713
Finance income	財務收入				57,302
Other losses, net	其他虧損，淨額				(2,424)
Finance costs	財務費用				(81,850)
Share of losses of investments accounted for using the equity method	分佔使用權益法入賬 之投資虧損				(2,582)
Unallocated corporate expenses	未分配企業開支				(37,695)
Profit before taxation	除稅前溢利				224,464
Taxation	稅項				(53,511)
Profit for the period	期內溢利				<u>170,953</u>

# Interim Results

## 中期業績

### (4) Revenue and segment information (Continued)

Analysis of the Group's assets by geographical market is set out below:

#### Assets

		<b>At 30.6.2016</b> 於二零一六年 六月三十日	At 31.12.2015 於二零一五年 十二月三十一日
		<b>Total assets</b> 總資產 <b>HK\$'000</b> 千港元	Total assets 總資產 HK\$'000 千港元
Hong Kong	香港	<b>562,918</b>	726,579
Mainland China	中國內地	<b>10,097,645</b>	10,529,668
Canada	加拿大	<b>2,231,444</b>	2,092,584
Total	合計	<b>12,892,007</b>	13,348,831
Unallocated	未分配		
Investments accounted for using the equity method	使用權益法入賬之投資	<b>309,707</b>	316,854
Deferred tax assets	遞延稅項資產	<b>19,064</b>	16,735
Available-for-sale financial assets	可供出售財務資產	<b>509,417</b>	354,947
Financial assets at fair value through profit or loss	按公平值經損益入賬之財務資產	<b>49,947</b>	50,271
Total assets	總資產	<b>13,780,142</b>	14,087,638

### (4) 收入及分部資料(續)

集團按地區市場劃分之資產之分析載列如下：

#### 資產



(5) Other income

		<b>Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2016 二零一六年 一月一日至 六月三十日 HK\$'000 千港元</b>	Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2015 二零一五年 一月一日至 六月三十日 HK\$'000 千港元
Government subsidies	政府補貼	<b>6,911</b>	7,190
Rental income	租金收入	<b>3,589</b>	2,494
Service income	服務收入	<b>2,944</b>	1,732
Others	其他	<b>1,647</b>	2,793
		<b>15,091</b>	14,209

(5) 其他收入

(6) Other gains/(losses), net

		<b>Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2016 二零一六年 一月一日至 六月三十日 HK\$'000 千港元</b>	Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2015 二零一五年 一月一日至 六月三十日 HK\$'000 千港元
Fair value losses on financial assets at fair value through profit or loss	按公平值經損益入賬之 財務資產之公平值虧損	<b>(324)</b>	(2,544)
Gain on disposal of available-for-sales assets	出售可供出售資產之收益	<b>967</b>	120
Gain on disposal of subsidiaries (Note 14)	出售附屬公司之收益(附註 14)	<b>124,199</b>	-
		<b>124,842</b>	(2,424)

(6) 其他收益／(虧損)，淨額

# Interim Results

## 中期業績

### (7) Finance income and costs

### (7) 財務收入及費用

		Unaudited (6 months) 未經審核 (六個月) <b>1.1-30.6.2016</b> 二零一六年 一月一日至 六月三十日 <b>HK\$'000</b> 千港元	Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2015 二零一五年 一月一日至 六月三十日 HK\$'000 千港元
Finance income from:	財務收入來自：		
Interest income on bank deposits	銀行存款之利息收入	<b>23,783</b>	41,523
Loan to an associate	貸款予聯營公司	<b>17,857</b>	15,271
Loans to third parties	貸款予第三方	<b>480</b>	508
		<b>42,120</b>	57,302
Finance costs from:	財務費用來自：		
Bank borrowings	銀行借款	<b>(27,993)</b>	(27,690)
Other borrowings	其他借款	<b>(59,713)</b>	(54,160)
		<b>(87,706)</b>	(81,850)
Finance costs, net	財務費用·淨額	<b>(45,586)</b>	(24,548)



## (8) Taxation

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits subject to Hong Kong profits tax for the Period (2015: Nil).

In accordance with the relevant PRC corporate income tax laws, regulations and implementation guidance note, subsidiaries in Mainland China are subject to the PRC corporate income tax rate at 25% (2015: 25%). Certain subsidiaries are entitled to tax concessions and tax relief whereby the profits of those subsidiaries are taxed at a preferential income tax rate of 15% (2015: 15%).

Taxation on overseas (other than Hong Kong and PRC) profits has been calculated on the estimated assessable profit for the year at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

## (8) 稅項

由於集團並無任何須在期內繳納香港利得稅之應課稅溢利，故並無就香港利得稅作出撥備(二零一五年：無)。

根據相關中國企業所得稅法律、規例及實施細則，中國內地附屬公司須按稅率25% (二零一五年：25%) 繳納中國企業所得稅。若干附屬公司享有稅務優惠及寬免，據此，該等附屬公司之溢利以優惠所得稅稅率15% (二零一五年：15%) 納稅。

海外(除香港及中國外)溢利乃以集團經營所在司法權區適用現行稅率按年內估計應課稅溢利計算稅項。

		Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2016 二零一六年 一月一日至 六月三十日 HK\$'000 千港元	Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2015 二零一五年 一月一日至 六月三十日 HK\$'000 千港元
Current tax:	本期稅項：		
PRC corporate income tax	中國企業所得稅	113,374	82,219
Overseas taxation	海外稅項	-	5,276
Under provision in prior years	過往年度撥備不足	1,281	-
		<b>114,655</b>	87,495
Deferred tax	遞延稅項	<b>(13,373)</b>	(33,984)
Taxation	稅項	<b>101,282</b>	53,511

# Interim Results

## 中期業績

### (9) Earnings per share

- (a) The calculation of basic earnings per share is based on the Group's profit attributable to owners of the Company of approximately HK\$200,062,000 (six months ended 30 June 2015: HK\$89,694,000) and weighted average number of ordinary shares in issue less shares held under share award scheme during the Period of approximately 5,232,314,000 shares (six months ended 30 June 2015: 4,923,182,000 shares).
- (b) Diluted earnings per share is calculated based on the profit attributable to owners of the Company of approximately HK\$200,062,000 (six months ended 30 June 2015: HK\$89,694,000), and the weighted average number of ordinary shares of approximately 5,241,745,000 shares (six months ended 30 June 2015: 4,925,306,000 shares), which is the weighted average number of ordinary shares in issue less shares held under share award scheme during the Period plus the weighted average number of dilutive potential ordinary shares in respect of share options of approximately 9,431,000 shares (six month ended 30 June 2015: 2,124,000 shares) deemed to be issued at no consideration if all outstanding share options granted had been exercised.

### (10) Dividend

The Board resolved not to declare any interim dividend for the six months ended 30 June 2016 (2015: Nil). During the Period, no dividend was paid to the shareholders (2015: The bonus issue related to the year ended 31 December 2014 credited as fully paid by way of capitalisation of an amount of approximately HK\$5,296,000 in the share premium account of the Company).

### (11) Property, plant and equipment

During the six months ended 30 June 2016, the Group acquired property, plant and equipment amounting to HK\$290,204,000 (six months ended 30 June 2015: HK\$392,840,000) and disposed of property, plant and equipment with net book value of HK\$162,890,000 (six months ended 30 June 2015: HK\$17,515,000).

### (9) 每股盈利

- (a) 每股基本盈利乃根據公司擁有人應佔集團溢利約200,062,000港元(截至二零一五年六月三十日止六個月: 89,694,000港元)及期內已發行普通股減股份獎勵計劃項下所持股份後之加權平均數約5,232,314,000股(截至二零一五年六月三十日止六個月: 4,923,182,000股)而計算。
- (b) 每股攤薄盈利乃根據公司擁有人應佔溢利約200,062,000港元(截至二零一五年六月三十日止六個月: 89,694,000港元)及普通股加權平均數約5,241,745,000股(截至二零一五年六月三十日止六個月: 4,925,306,000股)而計算, 該數目為期內已發行普通股減股份獎勵計劃項下所持股份後之加權平均數再加上假設所有已授出但尚未行使購股權已獲行使時購股權所涉及的潛在攤薄普通股加權平均數約9,431,000股(截至二零一五年六月三十日止六個月: 2,124,000股)(被視作按零代價所發行)。

### (10) 股息

董事局決議不宣派截至二零一六年六月三十日止六個月之任何中期股息(二零一五年: 無)。期內, 概無向股東派付股息(二零一五年: 與截至二零一四年十二月三十一日止年度有關的紅股發行將以公司股份溢價賬中為數約5,296,000港元撥充資本之方式入賬列作繳足)。

### (11) 物業、廠房及設備

截至二零一六年六月三十日止六個月, 集團收購物業、廠房及設備達290,204,000港元(截至二零一五年六月三十日止六個月: 392,840,000港元)及出售物業、廠房及設備賬面淨值為162,890,000港元(截至二零一五年六月三十日止六個月: 17,515,000港元)。



(12) Deposits, trade and other receivables

(12) 按金、貿易及其他應收款項

		Unaudited 未經審核 At 30.6.2016 於二零一六年 六月三十日 HK\$'000 千港元	Audited 經審核 At 31.12.2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收賬款	850,220	803,503
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	798,796	759,183
		<b>1,649,016</b>	<b>1,562,686</b>
The ageing analysis of trade receivables based on invoice date is as follows:	根據發票日期的貿易應收賬款 之賬齡分析如下：		
Up to 3 months	三個月以內	736,558	722,367
3 to 6 months	三個月至六個月	47,078	31,031
Over 6 months	六個月以上	66,584	50,105
Total	合計	<b>850,220</b>	<b>803,503</b>



# Interim Results

## 中期業績

### (13) Trade and other payables

### (13) 貿易及其他應付款項

		Unaudited 未經審核 At 30.6.2016 於二零一六年 六月三十日 HK\$'000 千港元	Audited 經審核 At 31.12.2015 於二零一五年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付賬款	640,695	670,774
Other payables and accruals	其他應付款項及應計費用	764,232	705,646
		<b>1,404,927</b>	<b>1,376,420</b>
The ageing analysis of trade payables based on invoice date is as follows:		根據發票日期的貿易應付賬款之賬齡分析如下：	
Up to 3 months	三個月以內	511,541	565,916
3 to 6 months	三個月至六個月	67,281	45,933
Over 6 months	六個月以上	61,873	58,925
Total	合計	<b>640,695</b>	<b>670,774</b>



(14) Disposal of subsidiaries

(14) 出售附屬公司

		2016 二零一六年 HK\$'000 千港元
Net assets disposed of:	已出售資產淨值：	
Property, plant and equipment	物業、廠房及設備	116,429
Land use rights	土地使用權	1,998
Intangible assets	無形資產	22,154
Inventories	存貨	23,252
Deposits, trade and other receivables	按金、貿易及其他應收款項	55,253
Cash and cash equivalents	現金及現金等值項目	43,764
Trade and other payables	貿易及其他應付款項	(8,219)
Receipt in advance	預收款項	(15,645)
Non-controlling interests	非控股權益	(86,841)
		152,145
Release of exchange reserve upon disposal of subsidiaries	於出售附屬公司時變現匯兌儲備	4,456
		156,601
Gain on disposal (Note 6)	出售收益(附註6)	124,199
Cash consideration received	已收現金代價	280,800

An analysis of the net inflow of cash and cash equivalents in respect of the disposal of subsidiaries is as follows:

有關出售附屬公司的現金及現金等值項目之淨流入分析如下：

		2016 二零一六年 HK\$'000 千港元
Cash consideration received	已收現金代價	280,800
Cash and bank balances disposed of	已出售現金及銀行結餘	(43,764)
Net inflow of cash and cash equivalents in respect of the disposal of subsidiaries	有關出售附屬公司的現金及現金等值項目之淨流入	237,036

# Interim Results

## 中期業績

### (15) Share capital

### (15) 股本

		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each at 30 June 2015, 31 December 2015 and 30 June 2016	於二零一五年六月三十日、 二零一五年十二月三十一日及 二零一六年六月三十日每股 面值0.01 港元之普通股	125,000,000	1,250,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.01 each at 30 June 2015, 31 December 2015 and 30 June 2016	於二零一五年六月三十日、 二零一五年十二月三十一日及 二零一六年六月三十日每股 面值0.01 港元之普通股	5,825,684	58,257

### (16) Approval of the interim financial statements

### (16) 中期財務報表之批准

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 29 August 2016.

簡明綜合中期財務報表已於二零一六年八月二十九日獲董事局批准及授權刊發。



## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

In the first half of 2016, with the implementation of “Coal to Gas Project” and the significant rebound of the international oil prices as well as the benefit from downward adjustment of the prices of upstream gas in November last year, natural gas had regained some ground against alternative energy sources in terms of economic benefits and the downstream environment got improved. The Group optimized the management mode and improved the structure and procedures based on the business development needs; adhered the principle of “simplicity and high efficiency” for equipment acquisition and personnel recruitment to simplify the job function of the position; established a budget benchmarking management and fee standardized system to optimize budget management; enhanced performance management to improve incentive and restriction system for market expansion and sales growth of gas. The amount of total sales of natural gas of the Group recorded a 10% growth for the first half of 2016.

Benefited from the continuous enhancement in operating management which effectively controlled the cost and expense and broaden income sources as well as the completion of price adjustment in major regions of the natural gas distribution business of the Group and a considerable growth in the sales of natural gas, the Group recorded a profit of HK\$413 million for the six months ended 30 June 2016, representing a remarkable growth of 142% as compared with the profit of HK\$171 million for the six months ended 30 June 2015.

### CITY PIPELINE NATURAL GAS BUSINESS

#### Sales and distributions of natural gas revenue

Revenue from the sales and distribution of natural gas amounted to HK\$2,796 million, which accounted for 85% of the total revenue. During the period ended 30 June 2016, the Group's total gas sales volume reached 1,392 million cubic meters (2015: 1,271 million cubic meters), representing an increase of 10% as compared to the corresponding period last year. Amongst the total gas sales volume, gas consumption by residential user was 452 million cubic meters (2015: 356 million cubic meters); by industrial and commercial users was 756 million cubic meters (2015: 728 million cubic meters); and by gas stations was 183 million cubic meters (2015: 187 million cubic meters), representing an increase of 27%, 4% and a decrease of 2% respectively. Pipeline gas transmission volume was 155 million cubic meters (2015: 247 million cubic meters); and the transportation volume was 8 million cubic meters (2015: 30 million cubic meters).

## 管理層討論及分析

### 業務回顧

二零一六年上半年，隨著中國政府推動「煤改氣」工程實施力度的加大，及國際油價由低位大幅回升，加之受惠去年十一月份上游氣價下調因素，使天然氣相對替代能源的經濟性加強，下游市場環境逐步好轉。集團根據發展需要，調整優化管控模式，完善架構與流程；按照「精幹、高效」的原則規範機構設置和人員編製，精簡管理崗位職權；搭建預算對標體系與費用標準化體系，優化預算管理；加強績效管理，完善激勵與約束機制，助推市場拓展及銷氣量的增長。二零一六年首六個月，集團天然氣總銷售量錄得百分之十的增長。

得益於集團在經營管理上的持續提升，有效控制成本和費用，不斷開源節流，加之天然氣分銷業務之主要區域順價工作的順利完成以及可觀的天然氣銷售量增長，集團錄得截至二零一六年六月三十日止六個月之期內溢利4.13億港元，較其截至二零一五年六月三十日止六個月之期內溢利1.71億港元顯著增長142%。

### 城市管道天然氣業務

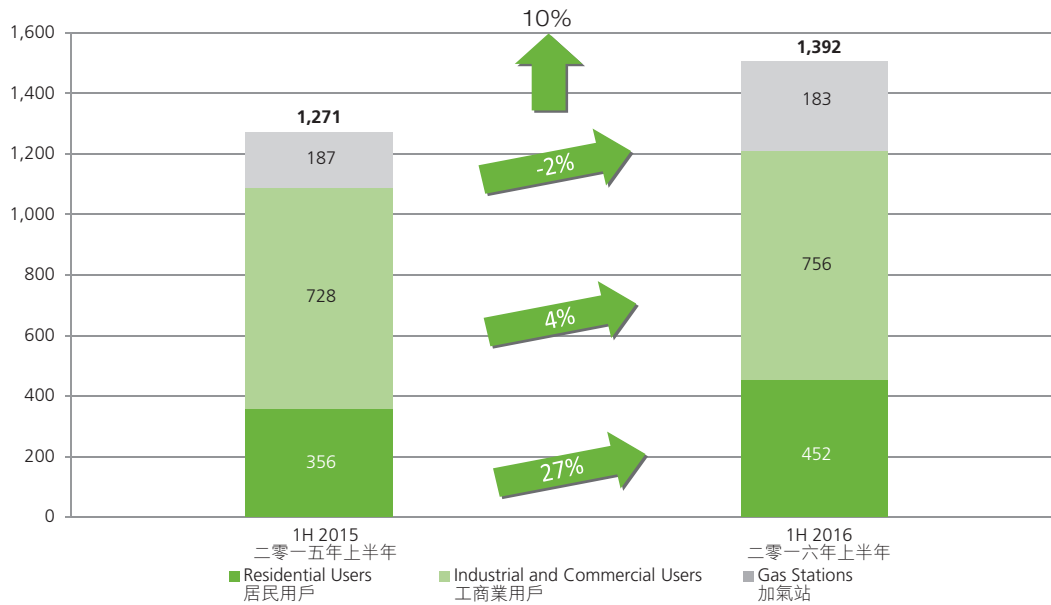
#### 銷售及輸送天然氣收入

銷售及輸送天然氣之收入為27.96億港元，佔總收入85%。截至二零一六年六月三十日止期間，集團總銷氣量為13.92億立方米（二零一五年：12.71億立方米），較去年同期增長10%。總銷氣量中居民用量為4.52億立方米（二零一五年：3.56億立方米）；工商業用戶用量為7.56億立方米（二零一五年：7.28億立方米）；加氣站用量為1.83億立方米（二零一五年：1.87億立方米），分別增長27%、4%及減少2%。管輸氣量為1.55億立方米（二零一五年：2.47億立方米）；及運輸氣量為0.08億立方米（二零一五年：0.30億立方米）。

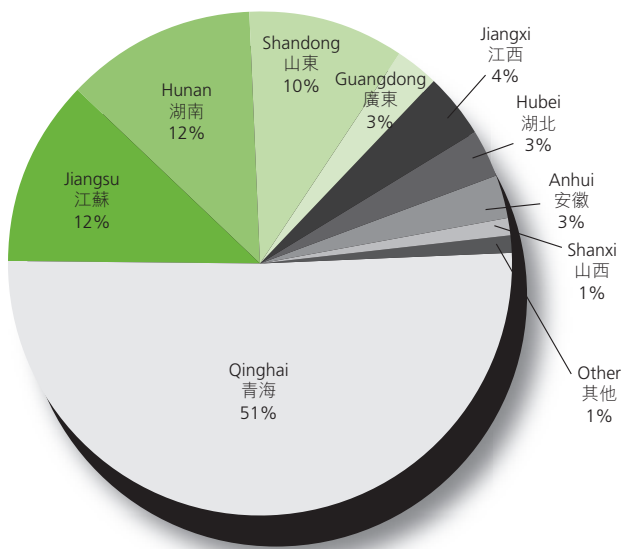
# Report of the Board

## 董事局報告

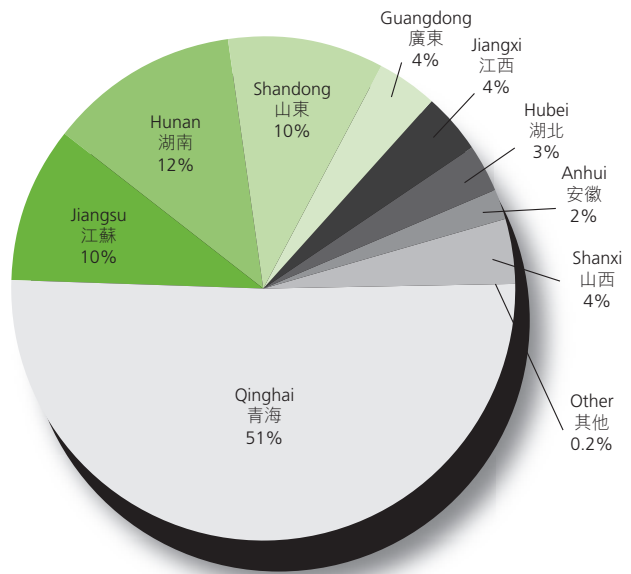
Natural Gas Sales Volume (million m<sup>3</sup>)  
天然氣銷售量(百萬立方米)

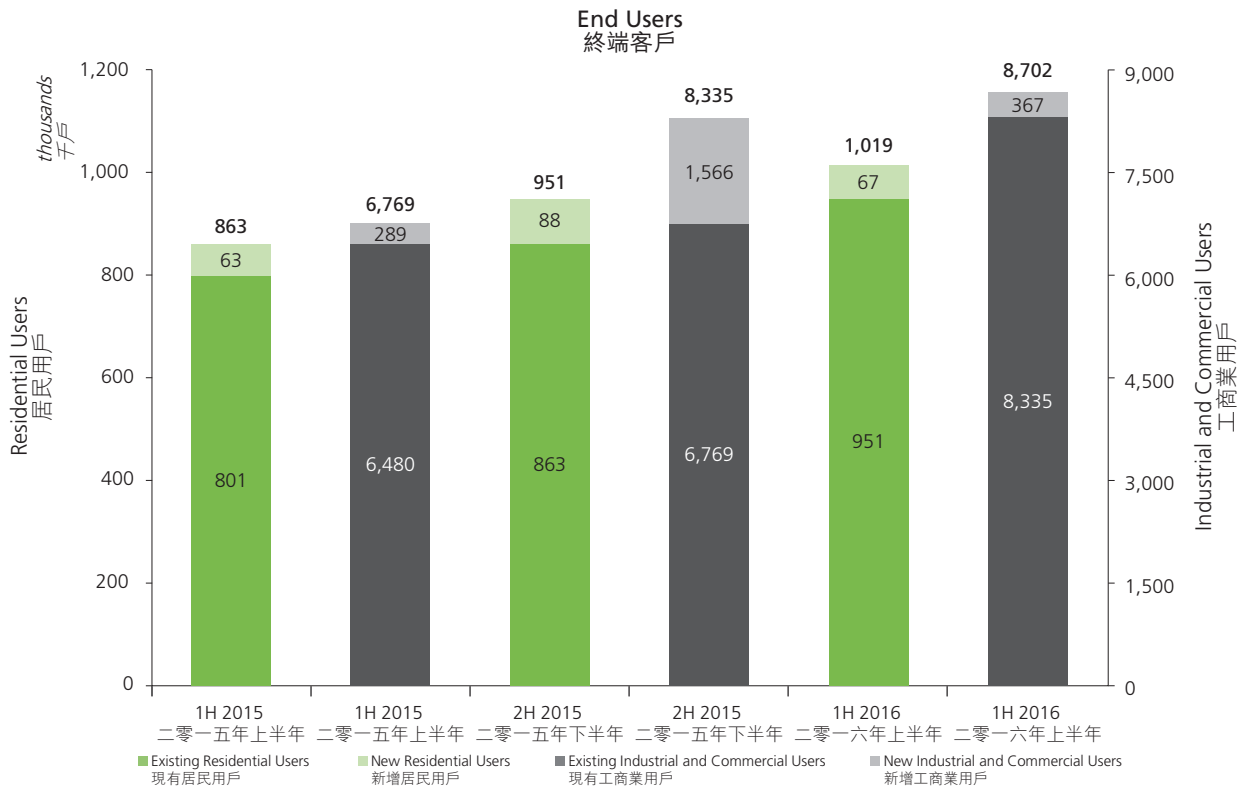


1H2015  
二零一五年上半年



1H2016  
二零一六年上半年





### Gas pipeline construction and connection revenue

The Group has completed new connections to 67,472 residential users and 367 industrial and commercial users during the Period, with accumulated connections of the Group of 1,018,852 residential users and 8,702 industrial and commercial users. The Group will continue to develop more channels for the sales of natural gas and provide services to more natural gas end-users, which will lay a solid foundation for the sales of natural gas by the Group in the future.

### New Projects Expansion

In April 2016, the Group has successfully obtained the concession right for operation of pipeline gas business in the area of Wulie area, Dongtai City, Jiangsu Province. In July 2016, the Group also entered into an exclusive concession right agreement with the management committee of Zhangye Economic and Technological Development Zone in Zhangye City, Gansu Province. The Group has established a total of 111 natural gas project companies in 14 provinces with 68 concession rights in the PRC. As at 30 June 2016, the Group has a total of 53 natural gas stations, where two CNG stations, one LNG natural gas station and two L/CNG refueling stations are newly put into operation in 2016. During the first half of 2016, the Group has extended its high pressure pipeline network to 1,085 km, which prompted the development of downstream projects effectively. The city and courtyard pipeline network reached an aggregated length of 6,927 km. The Group will make persistent efforts to obtain new gas projects and promote the development of natural gas distribution business.

### 燃氣管道建造及接駁收入

期內，集團已實現居民用戶和工商業用戶分別新增67,472戶及367戶，累積接駁居民用戶約1,018,852戶和工商業用戶8,702戶，集團將開發更多天然氣銷售渠道，為更多天然氣的終端客戶提供服務，亦為日後集團的天然氣銷售奠定堅實基礎。

### 新項目拓展

於二零一六年四月，集團成功獲得經營江蘇省東台市五烈區域燃氣管道業務的特許經營權。於二零一六年七月，集團亦與甘肅省張掖市張掖經濟技術開發區管理委員會訂立獨家特許經營權協議。集團於中國14個省成立天然氣項目公司111家，擁有68項燃氣特許經營權。於二零一六年六月三十日，本集團合共有53座加氣站，其中CNG加氣站兩座、LNG加氣站一座及L/CNG加氣站兩座，均於二零一六年首次投入運行。於二零一六年上半年，集團將其高壓管線網增至1,085公里，有效的帶動了下游項目的開發。城市管網及庭院管網累計總長6,927公里。集團將再接再厲，繼續獲取新天然氣項目及推動天然氣分銷業務的發展。

### EXPLOITATION AND PRODUCTION OF CRUDE OIL AND NATURAL GAS

For the six months ended 30 June 2016, the Group continued the business of exploitation and production of light oil and natural gas in Canada. According to the reserve report prepared by GLJ Petroleum Consultants, the Group has recorded proved reserves of 20.5 million barrels of oil equivalent and proved plus probable reserves of 30.1 million barrels of oil equivalent (62% is liquid products, 38% is natural gas) as of 31 December 2015.

During the first half of 2016, the average daily production of the Group was 5,218 barrels of oil equivalent (2015: 5,638 barrels of oil equivalent), where 60% is light oil and NGLs, 40% is natural gas. The average operating netback value was CAD16.37/boe (2015: CAD23.02/boe).

### BUSINESS PROSPECT

Recently, the National Development and Reform Commission issued the “Administrative Measure for the Pricing of Natural Gas Pipeline Transmission (Trial)” and “Supervising Measures for the Cost Pricing of Natural Gas Pipeline Transmission (Trial)”, which have regulated that the pipeline transmission price shall be charged based on the principle of “permitted cost plus reasonable revenue”. The government’s intention is to make the pricing mechanism of pipeline transmission more open and more transparent which will be beneficial to the marketizing reform of natural gas price. It is expected that the successful implementation of such measures can control the supply-sided cost of upstream natural gas which is expected to lower the cost of gas for end users, and the demand for natural gas consumption will also be stimulated, so as to benefit the sales of natural gas of the Group.

In respect of natural gas distribution business, “Coal to Gas Project” will become the major promotion force for growth of natural gas consumption in China. The “Action Plan on Prevention and Control of Air Pollution” 《大氣污染防治行動計劃》 issued by the State Council clearly stated “gradually eliminate small coal-fired boilers, increase the speed of “replaced by natural gas” in existing industrial enterprises gas facilities in major regions, and will basically complete the “replaced by natural gas” task of coal-fired boilers, industrial kilns and self-owned coal-fired power plants by 2017.” At present, local governments of nearly 20 provinces, including Jiangsu, Jiangxi, Shandong and Hunan etc., gradually launched incentive of “Coal to Gas Project”. The Group will display its own advantages, grasp all opportunities from local policies, and actively participate in business “Coal to Gas Project” and generating power by gas in place of coal, which can further enhance the sales volume of natural gas distribution business.

### 開採及生產原油及天然氣業務

截至二零一六年六月三十日止六個月，集團在加拿大繼續進行輕質原油和天然氣的開採及生產業務。根據由GLJ Petroleum Consultants準備的儲量報告，截至二零一五年十二月三十一日，集團錄得探明儲量為20.5百萬桶油當量，探明加控制儲量為30.1百萬桶油當量（62%為液態產品，38%為天然氣）。

於二零一六年上半年內，集團平均每日產量為5,218桶油當量（二零一五年：5,638桶油當量），其中60%為輕質原油及天然氣凝析液，40%為天然氣。平均運營淨回值为每桶油當量16.37加元（二零一五年：每桶油當量23.02加元）。

### 業務展望

近日，中國國家發改委擬定了《天然氣管道運輸價格管理辦法(試行)》和《天然氣管道運輸定價成本監審辦法(試行)》，宣佈管輸費價格將按照「准許成本加合理收益」的原則制定，政府此舉將使管輸費定價機制更加公開透明，從而有利於天然氣價格的市場化改革。同時可有效控制上游天然氣供給側成本，使天然氣需求側成本有望降低，天然氣消費需求也將受到有效促進，對集團的天然氣銷售業務是重大利好。

在天然氣分銷及銷售業務方面，「煤改氣」將成為中國天然氣消費量增長的主要驅動力。中國國務院發佈的《大氣污染防治行動計劃》明確提出了「逐步淘汰小燃煤鍋爐，加快重點區域現有工業企業燃煤設施天然氣替代步伐，到2017年基本完成燃煤鍋爐、工業窯爐、自備燃煤電站的天然氣替代改造任務」。目前，江蘇、江西、山東和湖南等近20個省的地方政府出臺了推進「煤改氣」的鼓勵政策。集團將發揮自身優勢，緊抓各地政策契機，積極參與工商業「煤改氣」和「以氣代煤」發電，進一步提升集團的天然氣分銷及銷售量。



For the users connection business, according to the “13th Five-Year Plan” of the Central Government, there will be 10 million new urban households each year in the coming years and the potential for connection to residential users is huge. The Group will adopt positive measures within the existing areas with concession rights to increase effort in market expansion and explore new customers for an accelerated growth of users.

As the year 2016 is the first year for the “13th Five-Year Plan”, under the effect of structural adjustment and industry upgrade themed supply-side structural reform, the economy of China shows signs of stabilising and recovering. As the main driving force in energy structured adjustment, the proportion of natural gas in the total consumption of major energy sources has reached 5.9%. However, there is still a wide gap from the target of the “13th Five-Year Plan” of China that the proportion of natural gas consumption in the total consumption of major energy sources should reach 10%, and the consumption of natural gas will reach 350 billion cubic meters by 2020. Therefore, the development of the natural gas industry will have a very promising prospect. The Group is full of confidence in the natural gas distribution business that we have engaged in.

For the business of exploitation of upstream oil and gas, leveraging its advantages in premium light oil assets, highly efficient cost management and above-peer technology, the Group effectively mitigated the impact of the decline in oil price. In the second half of 2016, the Group will continue its prudent planning for the development of oil and gas with fewer drilling activities and make use of the market environment, of which the oil price is low, to strategically increase its reserve and interest in high-valued light oil and gas in order to reinforce the foundation of the Group’s long-term development. Meanwhile, the Group will continue to strictly control over its investments and costs, improve production technology and structure, compress the inefficient capacity and raise revenue while cutting expenditure to increase the unit profit of the oil and gas exploitation business.

Facing opportunities and challenges, the Group proactively adapts to changes in the market environment by coordinating its various businesses to form a diversified development layout with city gas projects as the main body plus “Coal to Gas Project”, pipeline construction, transportation, LNG processing plant, gas stations and overseas exploitation of upstream resources, hence realising the optimal allocation of resources. The Group will continue to do its best in enhancing its operational and managerial standards, strengthening market development and sales, optimising its business layout and asset structure and actively explore the model of “internet +” energy in order to create sustainable rewards for users, community and shareholders. With the various factors and development planning mentioned above, the Group will grow steadily in the second half of 2016 and in the future.

用戶接駁業務方面，根據中央政府的「十三五」規劃，未來幾年平均每年將有1,000萬戶新城鎮居民，居民用戶接駁潛力巨大。集團將採取有效措施，在現有特許權經營區域內，加大市場開發力度，努力開發新用戶，使新增增量用戶保持高速增長。

二零一六年是中國「十三五」規劃的開局之年，在以供給側結構性改革為核心的結構調整和產業升級的作用下，中國經濟開始呈現企穩回升的跡象。作為能源結構調整的主力，天然氣在主要能源消費中的比例達到5.9%，但仍與中國政府「十三五」規劃的「到二零二零年，天然氣消費量在主要能源消費中的比例達到10%，天然氣消費量將達到3,500億立方米」的目標有很大差距，中國天然氣行業的發展前景十分可觀。集團對所從事的中國天然氣分銷領域的前景充滿信心。

上游油氣開採業務方面，集團憑借優質的輕質油資產，高效率的成本管理及高於同行業的技術等優勢，有效的降低油價下跌的影響。下半年，集團將繼續維持謹慎的油氣開發計劃，減少鑽井活動，並利用低油價的市場環境，戰略性的增加高價值的輕質油氣儲備和權益，以夯實集團長期發展的基礎。同時，集團將繼續嚴控投資和成本、優化生產技術和結構、壓縮低效產量、開源節流、提高油氣開採業務的單位現金利潤。

面對機遇和挑戰，集團積極應對市場環境的變化，統籌規劃旗下各項業務，形成以城市燃氣項目為主體、「煤改氣」、管道建設、物流運輸、LNG加工廠、加氣站、海外上游資源開採的多元化發展格局，實現了資源的優化配置。集團將繼續竭盡所能提高經營管理水平，強化市場開發和銷售，繼續優化業務佈局和資產結構，積極探索「互聯網+」能源模式，努力為用戶、社會和股東創造可持續回報。憑藉上述各項因素和發展規劃，集團於二零一六年下半年及日後將繼續穩步增長。



### FINANCIAL REVIEW

For the six months ended 30 June 2016, the Group recorded the revenue of HK\$3,298 million. Due to the city-gate gas price cut in PRC during November 2015 and the exchange differences arising on translation from the operating currencies to presentation currency, revenue registered a decrease of 14% from HK\$3,858 million.

The total revenue combining by three segments, namely (1) sales and distribution of natural gas and other related products, (2) gas pipeline construction and connection and (3) exploitation and production of crude oil and natural gas, amounted to HK\$2,796 million, HK\$355 million and HK\$147 million respectively.

Although the revenue recorded a decrease as compared to that for the last corresponding period, the Group's overall gross profit amounted to HK\$590 million (2015: HK\$424 million), represented a 39% growth and its gross profit margin increase to 18% from the last corresponding period's 11%. Profit for the Period recorded a significant increase of 142% from the last corresponding period's HK\$171 million to current period's HK\$413 million. These increases are derived from the increase in the natural gas sales volume and the successful transfer of the natural gas prices to end users.

Throughout all these years, the Group placed great emphasis on the effectiveness and appropriateness of sales strategies and successfully controlled all of its expenses. Administrative expenses were HK\$140 million (2015: HK\$156 million), representing a decrease of 10% and selling and distribution costs was decreased by 20% to HK\$23 million (2015: HK\$29 million).

Finance costs (net of capitalization) increased slightly from the last corresponding period's HK\$82 million to HK\$88 million. The Group's weighted average cost of all indebtedness (including bank borrowings, other borrowings and senior notes) as at 30 June 2016 was 5.67% (2015: 5.4%).

### LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

It is the Group's policy to use the cash flow generated from operations and appropriate level of borrowings as the principal source of fund to finance major expansion and acquisition. As at 30 June 2016, the Group's total indebtedness (including bank borrowings, other borrowings and senior notes) amounted to HK\$5,400 million (31 December 2015: HK\$5,965 million).

### 財務回顧

於截至二零一六年六月三十日止六個月，集團錄得營業額 32.98 億港元。由於中國於二零一五年十一月門站天然氣價格下調及集團經營業務之計值貨幣與報告之計值貨幣的兌換匯率上升，營業額由 38.58 億港元錄得下降 14%。

總營業額分為三個分部，(1)銷售及輸送天然氣及其他相關產品、(2)燃氣管道建造及接駁及(3)開採及生產原油及天然氣，分別為 27.96 億港元、3.55 億港元及 1.47 億港元。

儘管收入較去年同期錄得下降，集團整體毛利為 5.90 億港元（二零一五年：4.24 億港元），增長 39%。毛利率由去年同期的 11% 增長至 18%。期內溢利錄得大幅增長，較去年同期的 1.71 億港元增加 142% 至 4.13 億港元。上述增長乃源於天然氣銷量增長及成功將天然氣價格轉嫁至終端客戶。

歷年以來，集團着重關注銷售戰略的有效性及其適當性且成功控制其所有開支。行政開支為 1.40 億港元（二零一五年：1.56 億港元），減少 10%，銷售及分銷費用下降 20% 至 0.23 億港元（二零一五年：0.29 億港元）。

財務費用（扣除資本化）由去年同期的 0.82 億港元略增至 0.88 億港元。集團於二零一六年六月三十日之所有債務（包括銀行借貸、其他借貸及優先票據）的加權平均成本為 5.67%（二零一五年：5.4%）。

### 流動資金、財務及資本資源

集團的政策為使用經營業務所得現金流量及適當水平的借貸，作為主要資金來源，以撥付資金用於重大擴展及收購。於二零一六年六月三十日，集團的債務總額（包括銀行借貸、其他借貸及優先票據）為 54.00 億港元（二零一五年十二月三十一日：59.65 億港元）。



As at 30 June 2016, the Group had cash and cash equivalents of HK\$1,857 million (31 December 2015: HK\$2,304 million). Total assets were HK\$13,780 million (31 December 2015: HK\$14,088 million), in which current assets were HK\$3,707 million (31 December 2015: HK\$4,340 million). Total liabilities of the Group were HK\$8,222 million (31 December 2015: HK\$8,887 million), in which current liabilities were HK\$2,885 million (31 December 2015: HK\$3,565 million). The Group's debt-to-assets ratio, measured on the basis of total indebtedness divided by total assets was 39% (31 December 2015: 42%). The current ratio (current assets divided by current liabilities) of the Group was 1.28 times (31 December 2015: 1.22 times). The Group's financial and liquidity remain stable, and well prepared for the development in the next half of 2016.

## EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2016, the Group employed a total of 3,543 (31 December 2015: 3,713) full-time employees, most of them were stationed in the PRC. Total staff cost for the year amounted to HK\$141 million (2015: HK\$134 million). The Group remunerates its employees based on their performance, working experience and the prevailing market wage level. The total remuneration of the employees consisted of basic salary, cash bonus and share-based incentives.

## PLEDGE OF ASSETS

As at 30 June 2016, no assets of the Group has been pledged.

## CONTINGENT LIABILITIES

The Group has no material contingent liability as at 30 June 2016.

## FINANCIAL MANAGEMENT AND TREASURY POLICY

The financial risk management of the Group is the responsibility of the Group's treasury function at the head office in Hong Kong. One of the major objectives of the Group's treasury policies is to manage its exposure to fluctuation in interest rates and foreign currency exchange rates. It is the Group's policy not to engage in speculative activities.

The Group conducts its business primarily in Renminbi. The Group's certain bank deposits are denominated in Hong Kong dollars, Renminbi and United State dollars, and the Group's offshore bank loans and senior notes are denominated in Renminbi and United State dollars.

於二零一六年六月三十日，集團的現金及現金等值項目為18.57億港元（二零一五年十二月三十一日：23.04億港元）。總資產為137.80億港元（二零一五年十二月三十一日：140.88億港元），其中流動資產為37.07億港元（二零一五年十二月三十一日：43.40億港元）。集團之總負債為82.22億港元（二零一五年十二月三十一日：88.87億港元），其中流動負債為28.85億港元（二零一五年十二月三十一日：35.65億港元）。集團的債務對資產比率（總債務除以總資產）為39%（二零一五年十二月三十一日：42%）。集團流動比率（流動資產除以流動負債）為1.28倍（二零一五年十二月三十一日：1.22倍）。集團的財務及流動資金保持平穩，為集團二零一六年下半年的發展作好充分準備。

## 僱員及酬金政策

於二零一六年六月三十日，集團共有3,543名（二零一五年十二月三十一日：3,713名）全職僱員，其中大部分僱員駐於中國。年內員工總成本為1.41億港元（二零一五年：1.34億港元）。集團根據員工的工作表現、工作經驗及現行市場薪酬水平釐定其酬金。員工之總酬金包括基本薪金、現金花紅及股份獎勵。

## 資產抵押

於二零一六年六月三十日，集團並無任何資產抵押。

## 或然負債

集團於二零一六年六月三十日並無任何重大或然負債。

## 財務管理及庫務政策

集團之財務風險管理為集團於香港總辦事處之庫務職能。集團庫務政策之主要目標之一為管理其利率及匯率波動風險。集團的政策為不從事投機行為。

集團主要以人民幣經營業務。集團若干銀行存款以港元、人民幣及美元計值，而集團的境外銀行貸款及優先票據則以人民幣及美元計值。

# Report of the Board

## 董事局報告

Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations. The Group does not have a foreign currency hedging policy. However, the Group monitors its foreign currency exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adopting a significant foreign currency hedging policy in the future.

### LITIGATION

As at 30 June 2016, the Group has no litigation.

### CAPITAL STRUCTURE

As at 30 June 2016, the issued share capital of the Company was HK\$58,256,838 divided into 5,825,683,834 Shares with a nominal value of HK\$0.01 each.

### INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2016 (30 June 2015: Nil).

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 June 2016, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) ("SFO")), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), are set out below:

除上述所披露者外，集團並無承受任何重大外匯匯率波動風險。集團並無訂立外匯對沖政策。然而，集團會緊密監察外匯風險及日後可能（視情況及外幣走勢而定）考慮採用重大外幣對沖政策。

### 訴訟

於二零一六年六月三十日，集團並無牽涉任何訴訟。

### 資本架構

於二零一六年六月三十日，公司已發行股本為58,256,838港元，分為每股面值0.01港元的5,825,683,834股股份。

### 中期股息

董事局決議不宣派截至二零一六年六月三十日止六個月之任何中期股息（二零一五年六月三十日：無）。

### 董事及主要行政人員於股份、相關股份及債券之權益

於二零一六年六月三十日，董事及公司之主要行政人員於公司或任何相聯法團（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份及債券中，擁有根據證券及期貨條例第XV部第7及第8分部而須知會公司及聯交所之權益或淡倉（包括根據證券及期貨條例之有關條文而被視作或當作擁有之權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條例所述之登記冊之權益或淡倉；或根據上市發行人董事進行證券交易的標準守則（「標準守則」）而須知會公司及聯交所之權益或淡倉載列如下：



### Interests in shares, underlying shares and debentures of the Company

### 於公司股份、相關股份及債券之權益

Name of Director 董事姓名	Capacity 身份	Long position/ short position 好倉/淡倉	Notes 附註	Approximate percentage of the Company's issued share capital		
				Number of ordinary shares held 持有普通股數目	佔公司 已發行股本 概約百分比	Amount of debentures held 所持債券金額
Xu Tie-liang 許鈇良	Interest in controlled corporations 受控制法團之權益	Long position 好倉	1, 2	1,392,688,130	23.91%	US\$1,000,000 1,000,000美元
Zhu Yuan 朱遠	Beneficial owner 實益擁有人	Long position 好倉	3	2,750,000	0.05%	-
Cheung Shing 張成	Beneficial owner 實益擁有人	Long position 好倉		1,518,000	0.03%	-

#### Notes:

- 353,120,130 ordinary shares and 1,039,568,000 ordinary shares of the Company ("Shares") are held through Sino Advance Holdings Limited ("Sino Advance") and Sino Vantage Management Limited ("Sino Vantage") respectively, both of which were incorporated in the British Virgin Islands with limited liability and are wholly-owned by Sino Best International Group Limited ("Sino Best") (a company incorporated in the British Virgin Islands with limited liability) which in turn is wholly and beneficially owned by Mr. Xu Tie-liang ("Mr. Xu"). Therefore, Mr. Xu is deemed to be interested in the 1,392,688,130 Shares pursuant to the SFO.
- An amount of US\$1,000,000 of the US\$350,000,000 5.25% senior notes of the Company due 2018 are held through Sino Vantage.

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company which were recorded on the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code as at 30 June 2016.

#### 附註：

- 353,120,130股及1,039,568,000股公司普通股(「股份」)乃分別透過Sino Advance Holdings Limited(「Sino Advance」)及Sino Vantage Management Limited(「Sino Vantage」)持有，Sino Advance及Sino Vantage均為在英屬維爾京群島註冊成立之有限公司，由中泰國際集團有限公司(「中泰國際」)全資擁有，而中泰國際為一間在英屬維爾京群島註冊成立之有限公司，由許鈇良先生(「許先生」)全資及實益擁有。因此，根據證券及期貨條例，許先生被視為於1,392,688,130股股份中擁有權益。
- 透過Sino Vantage持有公司於二零一八年到期350,000,000美元5.25厘優先票據之1,000,000美元。

除上文所披露者外，於二零一六年六月三十日，董事或公司之主要行政人員概無於公司股份、相關股份或債券中擁有記錄於根據證券及期貨條例第352條規定須予存置之登記冊，或根據標準守則知會公司及聯交所之任何權益或淡倉。

# Report of the Board

## 董事局報告

### SUBSTANTIAL SHAREHOLDERS

At 30 June 2016, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO showed that other than the interests disclosed above in respect of certain Directors and chief executives, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

#### Interest in the shares and underlying shares of the Company

Name of shareholder 股東名稱	Capacity 身份	Long position/ short position 好倉/淡倉	Number of Shares held 持有股份 數目	Approximate percentage of the Company's issued share capital 佔公司已發行 股本之概約百分比
Sino Advance Holdings Limited	Beneficial owner 實益擁有人	Long position 好倉	353,120,130	6.06%
Sino Vantage Management Limited	Beneficial owner 實益擁有人	Long position 好倉	1,039,568,000	17.84%
Sino Best International Group Limited 中泰國際集團有限公司	Interest in controlled corporations 受控制法團之權益	Long position 好倉	1,392,688,130	23.91%

Note: Sino Advance and Sino Vantage are wholly-owned by Sino Best which in turn is wholly and beneficially owned by Mr. Xu Tie-liang. Hence, Mr. Xu is deemed to be interested in the 353,120,130 ordinary shares and 1,039,568,000 Shares held through Sino Advance and Sino Vantage.

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 30 June 2016.

### SHARE OPTION SCHEME

The Company adopted a new share option scheme (the "New Share Option Scheme") at the special general meeting of the Company held on 23 November 2011. Pursuant to the New Share Option Scheme, the Board may at its discretion offer options to any eligible participant including, but not limited to any person being an employee, executive directors or non-executive directors of the Group or any invested entity (including independent non-executive directors of the Group or any invested entity) and any suppliers, consultants or advisers who will provide or have provided services to the Group or any invested entity.

### 主要股東

於二零一六年六月三十日，根據證券及期貨條例第336條由公司存置之主要股東登記名冊顯示，除上文所披露若干董事及主要行政人員之權益外，以下股東已通知公司其於公司已發行股本中之相關權益：

#### 於公司股份及相關股份之權益

Name of shareholder 股東名稱	Capacity 身份	Long position/ short position 好倉/淡倉	Number of Shares held 持有股份 數目	Approximate percentage of the Company's issued share capital 佔公司已發行 股本之概約百分比
Sino Advance Holdings Limited	Beneficial owner 實益擁有人	Long position 好倉	353,120,130	6.06%
Sino Vantage Management Limited	Beneficial owner 實益擁有人	Long position 好倉	1,039,568,000	17.84%
Sino Best International Group Limited 中泰國際集團有限公司	Interest in controlled corporations 受控制法團之權益	Long position 好倉	1,392,688,130	23.91%

附註：Sino Advance 及 Sino Vantage 由中泰國際全資擁有，而中泰國際由許錫良先生全資及實益擁有。因此，許先生被視為於 Sino Advance 及 Sino Vantage 分別持有之 353,120,130 股及 1,039,568,000 股股份中擁有權益。

除上文所披露者外，於二零一六年六月三十日，概無其他人士於根據證券及期貨條例第336條規定須存置之公司登記冊中記錄為於公司之股份或相關股份中擁有權益或淡倉。

### 購股權計劃

公司於二零一一年十一月二十三日舉行的股東特別大會上採納新購股權計劃（「新購股權計劃」）。根據新購股權計劃，董事局可酌情提呈購股權予任何合資格參與者，包括但不限於集團或任何投資實體之僱員、執行董事或非執行董事（包括集團或任何投資實體之獨立非執行董事），以及任何將會或曾經為集團或任何投資實體提供服務之供應商、諮詢人或顧問。



Details of movements in the share options granted under the New Share Option Scheme are as follows:

根據新購股權計劃授出之購股權變動詳情載列如下：

Name or category of participants	Exercise price	Date of grant	Exercisable period	Granted during the period	Exercised during the period	Lapsed during the period	Outstanding as at 30 June 2016
參與者姓名或類別	行使價 (HK\$) (港元)	授出日期	行使期	期內授出	期內行使	期內失效	於二零一六年六月三十日 尚未行使
Employees 僱員	0.46	22/01/2016	22/01/2018 to 21/01/2026	100,000,000	—	—	100,000,000
Total 總計				100,000,000	—	—	100,000,000

Note:

附註：

These share options are exercisable in the following manner:

該等購股權可按下列方式行使：

- (i) 30% of the share options shall become exercisable on 22 January 2018;
- (ii) 30% of the share options shall become exercisable on 22 January 2019; and
- (iii) 40% of the share options shall become exercisable on 22 January 2020.

- (i) 30% 之購股權將於二零一八年一月二十二日可行使；
- (ii) 30% 之購股權將於二零一九年一月二十二日可行使；及
- (iii) 40% 之購股權將於二零二零年一月二十二日可行使。

These share options were granted on 22 January 2016, the closing price of the shares on 21 January 2016, being the date immediately before the date of grant, was HK\$0.43.

該等購股權於二零一六年一月二十二日授出，股份於二零一六年一月二十一日（即緊接授出日期前之日）之收市價為0.43港元。

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

## 購買、贖回或出售公司之上市證券

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 June 2016, other than those purchased by its trustee for the Restricted Share Award Scheme adopted by the Board on 4 November 2011.

公司及其任何附屬公司於截至二零一六年六月三十日止六個月概無購買、贖回或出售任何公司上市證券，惟董事局於二零一一年十一月四日採納之限制性股份獎勵計劃之受託人所購買者除外。

### MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) as the code of conduct regarding securities transactions by the Directors. Having made specific enquiries of all Directors, the Company confirmed that all Directors have complied with the required standards set out in the Model Code throughout the Period.

### CORPORATE GOVERNANCE PRACTICES

The Company has all along committed to fulfilling its responsibilities to its shareholders by ensuring that the proper processes for supervision and management of the Group’s businesses are duly operated and reviewed and that good corporate governance practices and procedures are established throughout the six months ended 30 June 2016. The Company has adopted the code provisions set out in the Corporate Governance Code (the “CG Code”) as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

During the six months ended 30 June 2016, the Company was in compliance with the relevant code provisions set out in the CG Code except for the deviations as explained below.

Code provision A.2.1 of the CG Code provides that the responsibilities between chairman and chief executive officer should be divided. Mr. Xu Tie-liang is the Chairman and the Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

### 董事進行證券交易之標準守則

公司已採納聯交所證券上市規則(「上市規則」)附錄十所載之上市發行人董事進行證券交易的標準守則作為其董事進行證券交易之操守守則。經向所有董事作出特定查詢後，公司確認於期內全體董事已遵守標準守則所規定之必守標準。

### 企業管治常規

截至二零一六年六月三十日止六個月，公司已透過確保妥善運作及檢討集團業務之適當監督及管理程序以及建立良好之企業管治常規及程序，一直致力於向其股東履行其責任。公司已採納上市規則附錄十四企業管治守則(「企業管治守則」)所載之守則條文作為公司本身之企業管治守則。

於截至二零一六年六月三十日止六個月，公司已遵照企業管治守則所載之相關守則條文，惟下文所述之偏離情況除外。

企業管治守則守則條文第A.2.1條訂明主席及行政總裁之職責須有所區分。許鈺良先生為公司主席兼行政總裁。董事局相信，由同一名人士同時擔任主席及行政總裁兩個職位，可確保集團之貫徹領導，有助更有效及高效率地實現集團之整體策略。董事局相信現時之安排不會損害職權及授權兩者間之平衡，而現時由經驗豐富之人才(其中有充足人數擔任獨立非執行董事)組成之董事局亦能確保此平衡。



Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term and subject to re-election. The independent non-executive Directors are not appointed for a specific term, but they are subject to retirement from office by rotation at least once every three years in accordance with the Bye-Laws of the Company (the “Bye-Laws”).

Code provision D.1.4 of the CG Code requires that the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors (except for Mr. Xu Tie-liang). However, the Directors shall be subject to retirement by rotation in accordance with the Bye-Laws. In addition, the Directors are required to refer to the guidelines set out in “A Guide on Directors’ Duties” issued by the Companies Registry and “Guidelines for Directors” and “Guide for Independent Non-executive Directors” (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company’s business and governance policies.

Save as the aforesaid and in the opinion of the Directors, the Company has met all code provisions as set out in the CG Code during the six months ended 30 June 2016.

## AUDIT COMMITTEE

The Company established the Audit Committee in 1998 with written terms of reference in compliance with the CG Code, which is currently made available on the Stock Exchange’s website and the Company’s website.

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor, and any questions of resignation or dismissal of such auditor; reviewing the interim and annual reports and accounts of the Group; and overseeing the Company’s financial reporting system including the adequacy of resources, qualifications and experience of staff in charge of the Company’s financial reporting function and their training arrangement and budget, and the internal control procedures.

企業管治守則守則條文第A.4.1條規定非執行董事應有特定任期及須膺選連任。獨立非執行董事均無特定任期，惟彼等須按照公司細則（「細則」）至少每三年輪值告退一次。

企業管治守則守則條文第D.1.4條規定公司應具備委任董事之正式函件，當中載明彼等委任之主要條款及條件。公司並無委任董事之正式函件（除許鈺良先生外）。然而，董事將根據細則輪值退任。此外，董事須於履行其作為董事之職務及責任時參考由公司註冊處刊發之「董事責任指引」及由香港董事學會刊發之「董事指引」及「獨立非執行董事指南」（如適用）所載指引。此外，董事須遵守成文法及普通法、上市規則、法律及其他監管規定以及公司業務及管治政策。

除上述者外，董事認為公司於截至二零一六年六月三十日止六個月內已符合企業管治守則所載之所有相關守則條文。

## 審核委員會

公司於一九九八年成立審核委員會，並遵照企業管治守則訂明書面職權範圍，書面職權範圍現已上傳至聯交所網站及公司網站。

審核委員會主要負責就外聘核數師的委任、重新委任及罷免向董事局提供建議，並批准外聘核數師的薪酬及聘用條款，及處理任何有關該核數師辭職或辭退該核數師的問題；審閱集團中期及年度報告及賬目；以及監管公司財務申報制度，包括公司在財務匯報職能方面的資源、員工資歷及經驗是否足夠及員工所接受的培訓課程及有關預算是否充足，以及內部監控程序。





## Report of the Board

### 董事局報告

The Audit Committee comprises three independent non-executive Directors, namely Mr. Li Yunlong (as chairman), Mr. Shi Xun-zhi and Mr. Wang Guangtian. The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2016.

By Order of the Board  
**China Oil And Gas Group Limited**  
**Chan Yuen Ying, Stella**  
*Company Secretary*

Hong Kong, 29 August 2016

審核委員會由三名獨立非執行董事李雲龍先生(主席)、史訓知先生及王廣田先生組成。審核委員會已審閱集團截至二零一六年六月三十日止六個月之未經審核中期財務報表。

承董事局命  
**中油燃氣集團有限公司**  
公司秘書  
**陳婉縈**

香港，二零一六年八月二十九日

