



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
中期報告 2018



Contents 目錄

Page 頁次

Financial Highlights	財務摘要	2
Enterprise Culture	企業文化	3
Natural Gas Distribution Business in China	中國天然氣分銷業務	4
Oil and Gas Production Business in Canada	加拿大油氣生產業務	5
Corporate Information	公司資料	6
Condensed Consolidated Statement of Comprehensive Income	簡明綜合全面收益表	8
Condensed Consolidated Statement of Financial Position	簡明綜合財務狀況表	10
Condensed Consolidated Statement of Changes in Equity	簡明綜合權益變動表	12
Condensed Consolidated Statement of Cash Flows	簡明綜合現金流量表	14
Notes to Condensed Consolidated Financial Statements	簡明綜合財務報表附註	15
Report of the Board	董事局報告	32



Financial Highlights

財務摘要

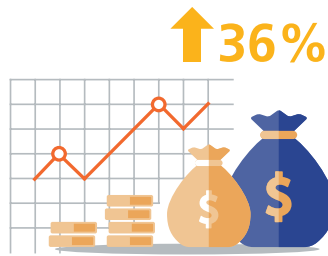
Profit for the period 期內溢利



1H18 **504.3** million HKD
百萬港元

1H17 **348.7** million HKD
百萬港元

Revenue 營業額



1H18 **4,969** million HKD
百萬港元

1H17 **3,657** million HKD
百萬港元

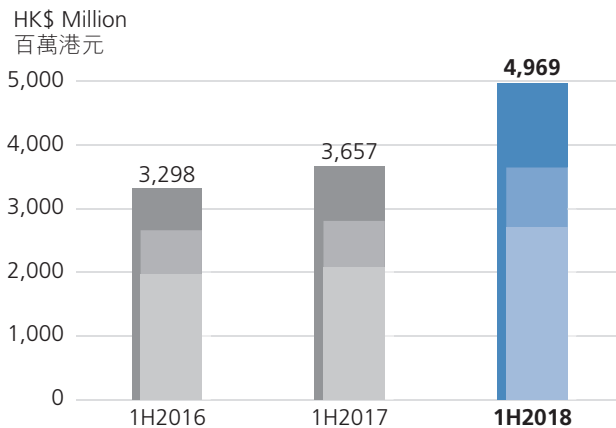
Natural Gas Sales Revenue¹ 天然氣銷售收入¹



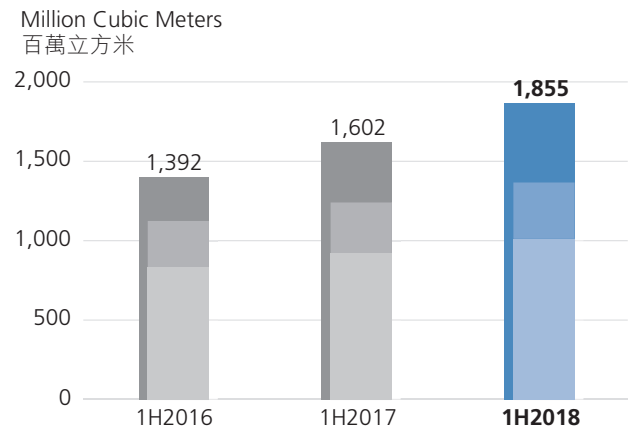
1H18 **4,260** million HKD
百萬港元

1H17 **3,173** million HKD
百萬港元

Revenue 營業額



Natural Gas Sales Volume 天然氣銷售量



For the period (in HK\$ million)
期內(百萬港元)

		1H2018	1H2017	Changes 變動
Revenue	營業額	4,969	3,657	+36%
Gross Profit	毛利	847	633	+34%
Profit for the period	期內溢利	504	349	+45%
Profit attributable to owners of the Company	公司擁有人應佔期內溢利	216	170	+27%
Earnings per Share (HK cents)	每股盈利(港仙)	4.339	3.286	+32%

¹ Natural Gas Sales Revenue includes revenue from the sales and distribution of natural gas and other related products
天然氣銷售收入包括銷售及輸送天然氣及其他相關產品之收入





Natural Gas Distribution Business in China

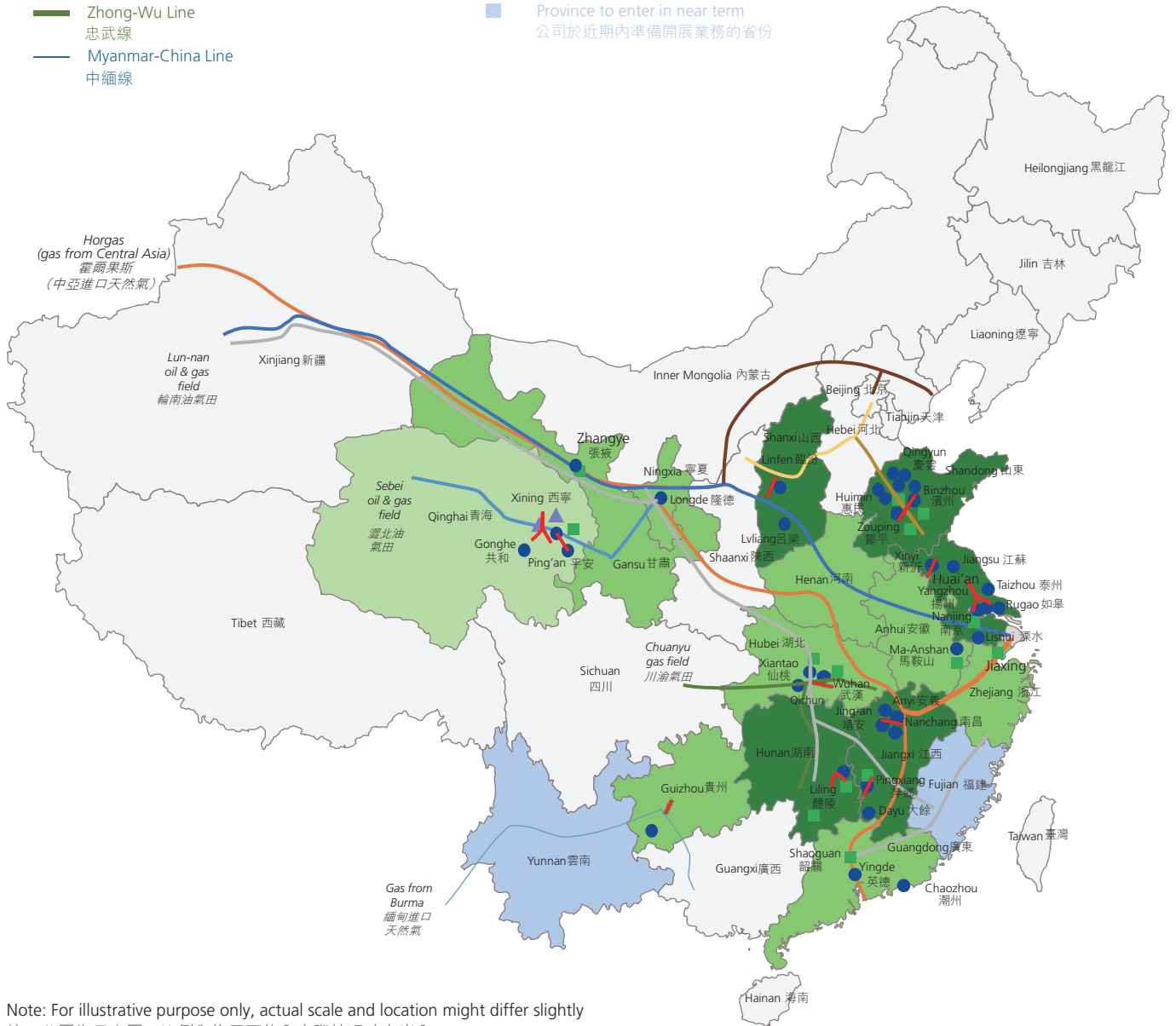
中國天然氣分銷業務

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
西氣東輸三線
- Se-Ning-Lan line
遼寧蘭線
- 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

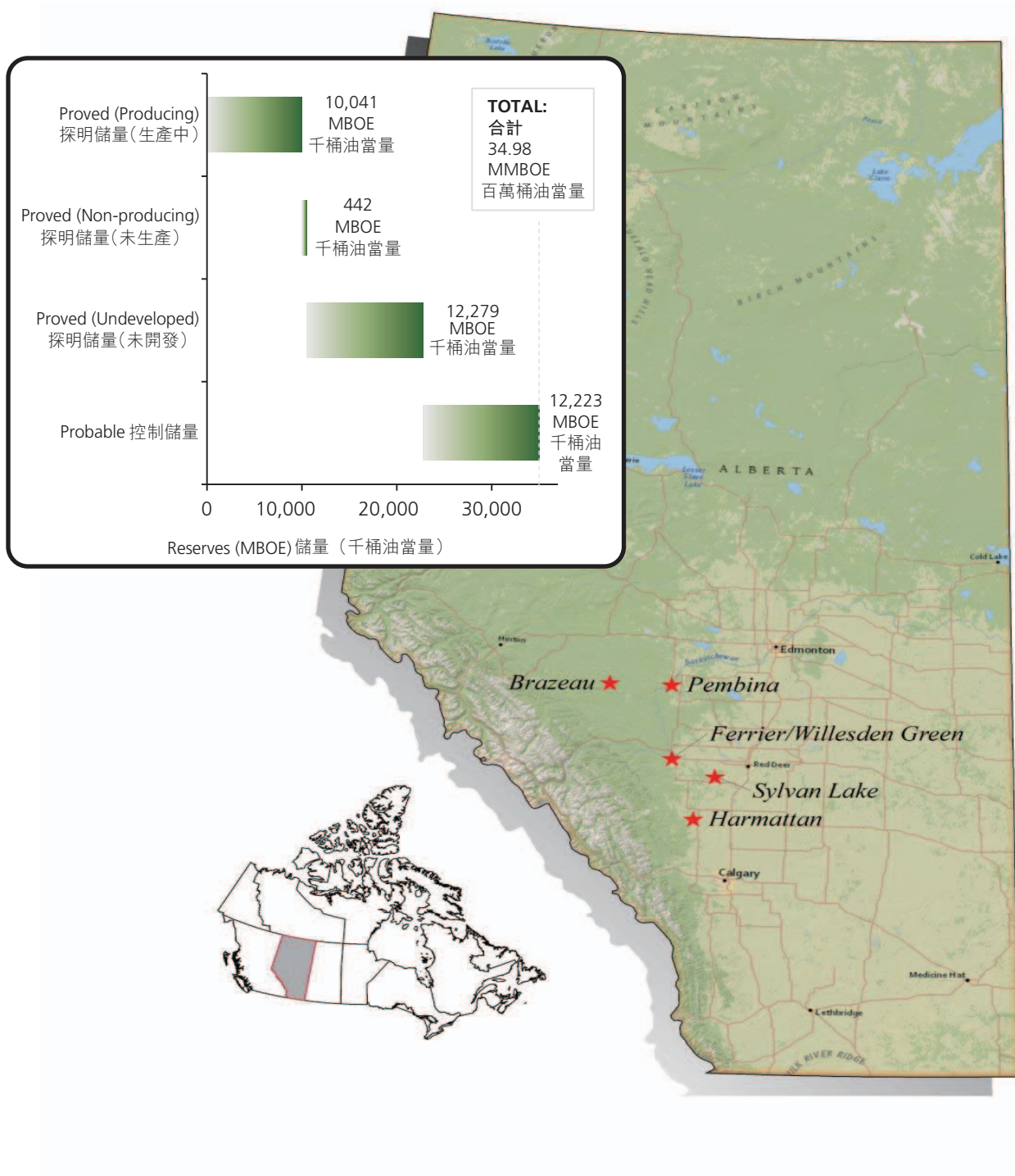
- Branch pipeline
公司自有支線管道
- City gas project with concession right
公司城市天然氣項目
- ▲ LNG processing plant
公司液化天然氣工廠
- CNG/LNG/L-CNG station
公司天然氣加氣站
- Province with natural gas sales volume > 500mn m³ in IH2018
公司銷氣量5.0億立方米以上省份(二零一八年上半年)
- Province with natural gas sales volume between 100mn m³ and 500mn m³ in IH2018
公司銷氣量1.0-5.0億立方米省份(二零一八年上半年)
- Province with natural gas sales volume < 100mn m³ in IH2018
公司銷氣量1.0億立方米以下省份(二零一八年上半年)
- 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





Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

XU Tie-liang (*Chairman & Chief Executive Officer*)
GUAN Yijun
LIU Chunsun

Independent Non-executive Directors

LI Yunlong
WANG Guangtian
YANG Jie

COMPANY SECRETARY

CHAN Yuen Ying Stella

AUTHORISED REPRESENTATIVES

XU Tie-liang
CHAN Yuen Ying Stella

AUDIT COMMITTEE

LI Yunlong (*Chairman*)
WANG Guangtian
YANG Jie

REMUNERATION COMMITTEE

LI Yunlong (*Chairman*)
WANG Guangtian
GUAN Yijun

NOMINATION COMMITTEE

WANG Guangtian (*Chairman*)
LI Yunlong
LIU Chunsun

CORPORATE GOVERNANCE COMMITTEE

XU Tie-liang (*Chairman*)
GUAN Yijun
LIU Chunsun
LAW Yin Shan Jenny
CHAN Yuen Ying Stella

AUDITOR

PricewaterhouseCoopers

董事局

執行董事

許鈇良 (*主席兼行政總裁*)
關懿君
劉春筍

獨立非執行董事

李雲龍
王廣田
楊傑

公司秘書

陳婉縈

授權代表

許鈇良
陳婉縈

審核委員會

李雲龍 (*主席*)
王廣田
楊傑

薪酬委員會

李雲龍 (*主席*)
王廣田
關懿君

提名委員會

王廣田 (*主席*)
李雲龍
劉春筍

企業管治委員會

許鈇良 (*主席*)
關懿君
劉春筍
羅盈珊
陳婉縈

核數師

羅兵咸永道會計師事務所



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

法律顧問

(香港法律)
李偉斌律師行

(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 號舖

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



Interim Results 中期業績

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 2018 (the “Period”).

The unaudited condensed consolidated financial information for the Period has not been audited but has been reviewed by the Company’s audit committee (the “Audit Committee”).

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2018

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」)截至二零一八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。

期內之未經審核簡明綜合財務資料未經審核，但經由公司審核委員會(「審核委員會」)審閱。

簡明綜合全面收益表

截至二零一八年六月三十日止六個月

		Six months ended 30 June	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		HK\$'000	HK\$'000
		千港元	千港元
		(unaudited)	(unaudited)
		(未經審核)	(未經審核)
Revenue	營業額	4,968,927	3,656,957
Cost of sales	銷售成本	(4,121,811)	(3,024,054)
Gross profit	毛利	847,116	632,903
Other income	其他收入	5	24,099
Other gains, net	其他收益，淨額	6	7,110
Selling and distribution costs	銷售及分銷費用	(22,637)	(20,956)
Administrative expenses	行政開支	(185,765)	(143,848)
Reversal of impairment losses on oil and gas properties under property, plant and equipment	物業、廠房及設備下油氣資產減值虧損回撥	20,237	-
Operating profit	經營溢利	680,537	499,308
Finance income	財務收入	7	53,953
Finance costs	財務費用	7	(106,186)
Share of (losses)/profits of investments accounted for using the equity method	分佔使用權益法入賬之投資(虧損)/溢利	(3,840)	893
Profit before taxation	除稅前溢利	636,680	450,151
Taxation	稅項	8	(101,416)
Profit for the period	期內溢利	504,330	348,735



Condensed Consolidated Statement of
Comprehensive Income (Continued)

For the six months ended 30 June 2018

簡明綜合全面收益表(續)

截至二零一八年六月三十日止六個月

		Six months ended 30 June 截至六月三十日止六個月	
		2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
Other comprehensive income: <i>Item that will not be reclassified to profit or loss:</i>	其他全面收入： 不可重新分類至損益之項目：		
Changes in fair value of equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益的 權益工具公平值變動	27,939	-
<i>Items that may be subsequently reclassified to profit or loss:</i>	可重新分類至損益之項目：		
Currency translation differences	貨幣換算差額	110,620	206,817
Changes in fair value of available-for-sale financial assets	可供出售金融資產公平值變動	-	14,674
Changes in fair value of debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益的 債務工具公平值變動	(36,993)	-
Total comprehensive income for the period	期內全面收入總額	605,896	570,226
Profit for the period attributable to:	以下人士應佔期內溢利：		
Owners of the Company	公司擁有人	216,160	170,251
Non-controlling interests	非控股權益	288,170	178,484
		504,330	348,735
Total comprehensive income attributable to:	以下人士應佔全面收入總額：		
Owners of the Company	公司擁有人	304,091	328,341
Non-controlling interests	非控股權益	301,805	241,885
		605,896	570,226
Earnings per share	每股盈利	HK cents 港仙	HK cents 港仙
- Basic	- 基本	4.339	3.286
- Diluted	- 攤薄	4.310	3.272



Interim Results

中期業績

Condensed Consolidated Statement of Financial Position

As at 30 June 2018

簡明綜合財務狀況表

於二零一八年六月三十日

		Notes 附註	30.6.2018 二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2017 二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	11	7,951,551	7,725,219
Exploration and evaluation assets	勘探及評估資產		211,450	215,189
Land use rights	土地使用權		447,025	456,458
Intangible assets	無形資產		1,043,495	1,035,324
Investments accounted for using the equity method	使用權益法入賬之投資		318,399	321,167
Available-for-sale financial assets	可供出售金融資產		-	596,360
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產		566,443	-
Other non-current assets	其他非流動資產		1,169,506	956,763
Deferred tax assets	遞延稅項資產		4,888	4,796
			11,712,757	11,311,276
Current assets	流動資產			
Inventories	存貨		263,116	244,438
Deposits, trade and other receivables	按金、貿易及其他應收款項	12	1,677,733	1,596,734
Financial assets at fair value through profit or loss	按公平值經損益入賬之金融資產		-	48,842
Current tax recoverable	當期可收回稅項		6,189	6,333
Time deposits with maturity over three months	存款期超過三個月之定期存款		-	48,531
Cash and cash equivalents	現金及現金等值項目		2,711,933	2,290,447
			4,658,971	4,235,325
Total assets	總資產		16,371,728	15,546,601



Condensed Consolidated Statement of Financial
Position (Continued)

As at 30 June 2018

簡明綜合財務狀況表(續)

於二零一八年六月三十日

		Notes 附註	30.6.2018 二零一八年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2017 二零一七年 十二月三十一日 HK\$'000 千港元 (audited) (經審核)
Liabilities	負債			
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	13	1,403,717	1,431,733
Receipt in advance	預收款項		–	1,584,003
Contract liabilities	合約負債		1,443,469	–
Short-term borrowings	短期借貸		1,382,899	689,258
Current tax payable	當期應付稅項		202,496	215,042
			4,432,581	3,920,036
Non-current liabilities	非流動負債			
Senior notes	優先票據		4,978,520	4,970,240
Long-term borrowings	長期借貸		77,055	60,000
Deferred tax liabilities	遞延稅項負債		274,612	260,359
Assets retirement obligation	資產報廢承擔		135,635	130,311
			5,465,822	5,420,910
Total liabilities	負債總額		9,898,403	9,340,946
Equity	權益			
Equity attributable to owners of the Company	公司擁有人應佔權益			
Share capital	股本	14	58,257	58,257
Reserves	儲備		3,327,392	3,286,289
			3,385,649	3,344,546
Non-controlling interests	非控股權益		3,087,676	2,861,109
Total equity	權益總額		6,473,325	6,205,655
Total equity and liabilities	權益及負債總額		16,371,728	15,546,601



Interim Results

中期業績

Condensed Consolidated Statement of Changes In Equity

For the six months ended 30 June 2018

簡明綜合權益變動表

截至二零一八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 以股份為基礎之酬金儲備	Retained profits 保留溢利	Non-controlling interests 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 2018	於二零一八年一月一日	58,257	24,578	(408,972)	1,547,729	(252,737)	7,194	2,368,497	3,344,546	2,861,109	6,205,655
Profit for the period	期內溢利	-	-	-	-	-	-	216,160	216,160	288,170	504,330
Other comprehensive income:	其他全面收入：										
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	-	-	-	-	96,985	-	-	96,985	13,635	110,620
Changes in fair value of equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益的權益工具公平值變動	-	-	-	27,939	-	-	-	27,939	-	27,939
Changes in fair value of debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益的債務工具公平值變動	-	-	-	(36,993)	-	-	-	(36,993)	-	(36,993)
Total comprehensive income for the period	期內全面收入總額	-	-	-	(9,054)	96,985	-	216,160	304,091	301,805	605,896
Equity-settled share-based payments	權益結算以股份為基準之付款	-	-	516	-	-	-	-	516	-	516
Shares purchased for share award scheme	為股份獎勵計劃購買股份	-	-	(32,002)	-	-	-	-	(32,002)	-	(32,002)
Value of employee services	僱員服務價值	-	-	-	-	-	1,877	-	1,877	-	1,877
Capital injection by non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	2,928	2,928
Dividend paid to non-controlling interests	支付股息予非控股權益	-	-	-	-	-	-	-	-	(78,166)	(78,166)
Final dividend for the year ended 31 December 2017	截至二零一七年十二月三十一日止年度之末期股息	-	-	-	(20,390)	-	-	(212,986)	(233,376)	-	(233,376)
Change in the ownership interests in subsidiaries that do not result in a loss of control	不導致失去控制權的附屬公司擁有權變動	-	-	-	-	-	-	-	-	-	-
Transfer of gain on disposal of equity investments at FVOCI to retained earnings	出售按公平值計入其他全面收益的股權投資之收益轉入保留溢利	-	-	-	(3,520)	-	-	3,520	-	-	-
At 30 June 2018	於二零一八年六月三十日	58,257	24,578	(440,458)	1,514,765	(155,752)	9,071	2,375,188	3,385,649	3,087,676	6,473,325



Condensed Consolidated Statement of Changes In
Equity (Continued)

For the six months ended 30 June 2018

簡明綜合權益變動表(續)

截至二零一八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 以股份為基礎之酬金儲備	Retained profits 保留溢利	Total	Non-controlling interests 非控股權益	Total equity 權益總額
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	所持股份 HK\$'000 千港元	其他儲備 HK\$'000 千港元	儲備 HK\$'000 千港元	儲備 HK\$'000 千港元	保留溢利 HK\$'000 千港元	總額 HK\$'000 千港元	非控股權益 HK'000 千港元	權益總額 HK'000 千港元
At 1 January 2017	於二零一七年一月一日	58,257	24,578	(305,706)	1,536,561	(604,730)	3,441	2,118,030	2,830,431	2,420,523	5,250,954
Profit for the period	期內溢利	-	-	-	-	-	-	170,251	170,251	178,484	348,735
Other comprehensive income:	其他全面收入：										
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	-	-	-	-	143,416	-	-	143,416	63,401	206,817
Changes in value of available-for-sale financial assets	可供出售金融資產價值變動	-	-	-	14,674	-	-	-	14,674	-	14,674
Release of translation reserve upon disposal of a subsidiary	於出售一間附屬公司時 變現匯兌儲備	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	期內全面收入總額	-	-	-	14,674	143,416	-	170,251	328,341	241,885	570,226
Equity-settled share-based payments	權益結算以股份為基準之付款	-	-	991	-	-	-	991	-	991	-
Shares purchased for share award scheme	為股份獎勵計劃購買股份	-	-	(14,824)	-	-	-	-	(14,824)	-	(14,824)
Value of employee services	僱員服務價值	-	-	-	-	-	1,877	-	1,877	-	1,877
Capital injection by non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	8,208	8,208
Dividend paid to non-controlling interests	支付股息予非控股權益	-	-	-	-	-	-	-	-	(59,122)	(59,122)
Final dividend for the year ended 31 December 2016	截至二零一六年十二月三十一日 止年度之末期股息	-	-	-	(29,128)	-	-	-	(29,128)	-	(29,128)
Change in the ownership interests in subsidiaries that do not result in a loss of control	不導致失去控制權的附屬公司 擁有權變動	-	-	-	(2,111)	-	-	-	(2,111)	(4,214)	(6,325)
Disposal of a subsidiary	出售一間附屬公司	-	-	-	-	-	-	-	-	-	-
At 30 June 2017	於二零一七年六月三十日	58,257	24,578	(319,539)	1,519,996	(461,314)	5,318	2,288,281	3,115,577	2,607,280	5,722,857



Interim Results 中期業績

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2018

簡明綜合現金流量表

截至二零一八年六月三十日止六個月

		Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2018 二零一八年 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) 1.1-30.6.2017 二零一七年 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	403,692	432,411
Net cash used in investing activities	投資活動所用之現金淨額	(473,811)	(402,531)
Net cash used in financing activities	融資活動所用之現金淨額	469,812	(133,177)
Net decrease in cash and cash equivalents	現金及現金等值項目減少淨額	399,693	(103,297)
Cash and cash equivalents at beginning of the period	期初現金及現金等值項目	2,290,447	1,833,483
Effect of foreign exchange rate changes	匯率變動影響	21,793	40,747
Cash and cash equivalents at end of the period	期終現金及現金等值項目	2,711,933	1,770,933



Notes to Condensed Consolidated Financial Statements

For the six months ended 30 June 2018

(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 sale of oil and gas and other upstream energy resources. The Company and its subsidiaries are collectively referred to 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 2017.

簡明綜合財務報表附註

截至二零一八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(「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二零一七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 standards, interpretation and amendments to standards which are effective for accounting period beginning on or after 1 January 2018.

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

Other than the impact of adoption of HKFRS 9 “Financial Instruments” and HKFRS 15 “Revenue from Contracts with Customers” as disclosed below, the adoption of above interpretation and amendments to standards did not have material impacts on the preparation of the condensed consolidated financial statements.

HKFRS 15 Revenue from Contract with Customers

HKFRS 15 supersedes HKAS 11 Construction Contracts, HKAS 18 Revenue and related interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

(3) 重大會計政策

於本中期期間，集團已首次應用於自二零一八年一月一日或之後開始的會計期間生效的如下新訂準則、詮釋及對準則的修訂：

香港財務報告準則第9號	金融工具
香港財務報告準則第15號	客戶合約收入及相關修訂
香港（國際財務報告詮釋委員會）—詮釋第22號	外幣交易及預付代價
香港會計準則第28號（修訂本）	作為二零一四年至二零一六年週期香港財務報告準則的年度改進的一部分
香港會計準則第40號（修訂本）	投資物業轉讓
香港財務報告準則第2號（修訂本）	以股份為基礎的支付交易的分類及計量
香港財務報告準則第4號（修訂本）	應用香港財務報告準則第9號金融工具及香港財務報告準則第4號保險合約
香港財務報告準則第15號（修訂本）	闡明香港財務報告準則第15號「來自客戶合約的收入」

出於下文披露的採納香港財務報告準則第9號「金融工具」及香港財務報告準則第15號「來自客戶合約的收入」的影響外，採納上述對準則的詮釋及修訂對編製簡明綜合財務報表概無重大影響。

香港財務報告準則第15號「來自客戶合約的收入」

香港財務報告準則第15號取代香港會計準則第11號「建築合約」、香港會計準則第18號「收入」及相關詮釋，且其應用於來自客戶合約的收入，除非該等合約屬於其他準則範圍。新準則確立一個五步模式，用於核算和計量來自客戶合約收入。根據香港財務報告準則第15號，收入按能反映實體預期就向客戶轉讓貨物或服務而有權在交換中獲取的代價金額進行確認。



(3) Significant accounting policies (Continued)

HKFRS 15 Revenue from Contract with Customers (Continued)

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Group adopted HKFRS 15 using the modified retrospective method of adoption. Any difference at the date of initial application is recognised in the opening retained earnings and comparative information has not been restated. Furthermore, the Group elected to apply the practical expedient for completed contracts and did not restate the contracts completed before 1 January 2018, thus certain comparative figures may not be comparable as comparative information was prepared under HKAS 18 “Revenue” and HKAS 11 “Construction Contracts” and the related interpretations.

The Group recognises revenue from the following major sources:

- Sales and distribution of natural gas and other related products
- Gas pipeline construction and connection
- Exploitation and production of crude oil and natural gas

The effects of the adoption of HKFRS 15 are further explained as follows:

- (a) Accounting for sales and distribution of natural gas and other related products, and exploitation and production of crude oil and natural gas

The Group’s contracts with customers for the sales and distribution of natural gas and other related products, and exploitation and production of crude oil and natural gas generally include one performance obligation. The Group has concluded that revenue from the above activities should be recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. Therefore, the adoption of HKFRS15 did not have a material impact on the timing of revenue recognition.

(3) 重大會計政策(續)

香港財務報告準則第15號「來自客戶合約的收入」(續)

該準則要求實體作出判斷，並計及於將該模式的各步應用於其客戶合約時的所有相關事實及情況。該準則亦訂明將獲得合約的額外成本及與履行合約直接相關的成本入賬。

集團採用修改後的追溯調整法採納香港財務報告準則第15號。於初步應用日期之任何差額於期初留存盈利內確認而比較資料未予重列。另外，集團選擇適用於已完成合約的簡化處理辦法，並無對於二零一八年一月一日前已完成的合約進行重列，由於比較資料乃根據香港會計準則第18號「收入」及香港會計準則第11號「建築合約」以及相關詮釋編製，因此，若干比較數字可能無法用作比較。

集團自下列主要來源確認收入：

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

採納香港財務報告準則第15號的影響進一步闡述如下：

- (a) 銷售及輸送天然氣及其他相關產品，開採及生產原油及天然氣的會計處理

集團就銷售及輸送天然氣及其他相關產品以及開採及生產原油及天然氣與客戶訂立的合約一般包括一項履約責任。集團認為上述業務的收益應於資產控制權轉移至客戶時（一般為交付貨物時）獲確認。因此，採納香港財務報告準則第15號對確認收益的時間並無重大影響。



Interim Results 中期業績

(3) Significant accounting policies (Continued)

HKFRS 15 Revenue from Contract with Customers (Continued)

(b) Accounting for gas pipeline construction and connection

In prior reporting periods, the Group accounted for gas pipeline construction and connection when the outcome of the construction contract for connection can be estimated reliably and the stage of completion at the end of reporting period can be measured reliably. Revenue from and expenses on construction contracts for gas pipeline connection are recognised using the percentage of completion method, measured by reference to the costs incurred during the year relative to the estimated total costs of the contract. When the outcome of a construction contract for gas pipeline connection cannot be estimated reliably, revenue is recognised only to the extent of contract cost incurred that is probable to be recoverable.

Under HKFRS 15, properties that have no alternative use to the Group due to contractual reasons and when the Group has an enforceable right to payment from the customers for performance completed to date, the Group recognises revenue as the performance obligation is satisfied over time in accordance with the input method for measuring progress.

The excess of cumulative revenue recognised in profit or loss over the cumulative billings to purchasers of properties is recognised as contract assets. The contract assets will be reclassified as receivables when the progress billings are issued or properties are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The excess of cumulative billings to purchasers of properties over the cumulative revenue recognised in profit or loss is recognised as contract liabilities.

For the six months ended 30 June, 2018, the Group has concluded that the adoption of HKFRS 15 did not have a material impact on the timing of revenue recognition.

(3) 重大會計政策(續)

香港財務報告準則第15號「來自客戶合約的收入」(續)

(b) 天然氣管道建造及接駁的會計處理

於過往報告期間，當可以可靠地估計接駁建築合約的結果並且能夠可靠地計量報告期末的完工階段時，集團確認燃氣管道接駁的收入。有關燃氣管道接駁的建築合約收入及開支按完成百分比的方法確認並參照年內產生的成本相對於合約的估計總成本計量。當燃氣管道接駁建築合約的結果不能可靠地估計時，僅對可能收回的已產生合約成本確認收入。

根據香港財務報告準則第15號，集團在履約過程中所產出的商品具有不可替代用途，且集團在整個合約期間內有權就累計至今已完成的履約部分收取款項。集團根據滿足在一段時間內履行義務的條件，按投入法計量的履約進度確認收入。

計入損益的累計確認收入超過向物業買家累計收取的款項的差額確認為合約資產。當出具進度賬單或交付物業時，合約資產將重新分類為應收款項，因為該時點正是付款到期前僅因時間流逝而令代價成為無條件之時。

向物業買家累計收取的款項超過計入損益的累計確認收入的差額確認為合約負債。

截至二零一八年六月三十日止六個月，集團的結論為採納香港財務報告準則第15號不會對收入確認的時間產生重大影響。



(3) Significant accounting policies (Continued)

HKFRS 15 Revenue from Contract with Customers (Continued)

(c) Presentation and disclosure requirements

The Group's contract liabilities include receipts in advance under HKFRS 15.

The condensed consolidated statement of financial position as at 1 January 2018 was adjusted, resulting in reclassification of receipt in advance of HK\$1,584,003,000 to contract liabilities of HK\$1,584,003,000.

Apart from the above, the application of HKFRS 15 in the current interim period has had no material impact on the amounts and/or disclosures reported on these condensed consolidated financial statements.

HKFRS 9 Financial Instruments

HKFRS 9 Financial Instruments replaces HKAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January, 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

(a) Classification and measurement

Except for certain trade receivables, under HKFRS 9, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

Under HKFRS 9, debt financial instruments are subsequently measured at fair value through profit or loss ("FVPL"), amortised cost, or fair value through other comprehensive income ("FVOCI"). The classification is based on two criteria: the Group's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding (the "SPPI criterion").

(3) 重大會計政策(續)

香港財務報告準則第15號「來自客戶合約的收入」(續)

(c) 呈列及披露規定

根據香港財務報告準則第15號，集團的合約負債包括預收款項。

於二零一八年一月一日之簡明綜合財務狀況表已調整，導致1,584,003,000港元之預收款項重新分類為1,584,003,000港元之合約負債。

除以上所述外，於本中期期間應用香港財務報告準則第15號對於本簡明綜合財務報表內報告的金額及／或披露事宜概無任何重大影響。

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號「金融工具」於二零一八年一月一日或以後開始的年度期間取代香港會計準則第39號「金融工具：確認及計量」，集合金融工具會計的所有三個方面：分類及計量；減值；及對沖會計。

(a) 分類及計量

根據香港財務報告準則第9號，除若干應收貿易賬款外，集團初步按公平值計量金融資產，倘並非按公平值計入損益的金融資產，則另加交易成本。

根據香港財務報告準則第9號，債務金融工具隨後按公平值計入損益（「按公平值計入損益」）、按攤銷成本或按公平值計入其他全面收益（「按公平值計入其他全面收益」）計量。該分類乃根據兩個準則：集團管理資產的業務模式；及該等工具的合約現金流量是或否尚未償還本金「僅為支付本金及利息」（「SPPI」準則）。



Interim Results 中期業績

(3) Significant accounting policies (Continued)

HKFRS 9 Financial Instruments (Continued)

(a) Classification and measurement (Continued)

The new classification and measurement of the Group's financial assets are as follows:

- The Group elected to present in other comprehensive income for the fair value changes of all debt investments previously classified as available-for-sales financial assets and financial assets at fair value through profit or loss under HKAS 39, as management considered that all debt investments are held within a business model with the objective by both collecting contractual cash flows that meet the SPPI criterion and selling financial assets. At the date of initial application of HKFRS 9, HK\$48,842,000 and HK\$459,627,000 were reclassified from financial assets at fair value through profit or loss and available-for-sales financial assets to debt instruments at FVOCI respectively; HK\$4,790,400, represented the accumulated fair value gains of debt investments previously classified as financial assets at fair value through profit or loss under HKAS 39, was reclassified from retained earnings to reserves.
- Equity instruments at FVOCI, with no recycling of gains or losses to profit or loss on derecognition. The Group intends to hold them for the foreseeable future and which the Group has irrevocably elected to so classify upon initial recognition or transition. The Group classified its quoted equity instruments as equity instruments at FVOCI. Equity instruments at FVOCI are not subject to an impairment assessment under HKFRS 9. At the date of initial application of HKFRS 9, equity instruments previously classified as available-for-sales financial assets under HKAS 39 amounted to HK\$136,733,000 were reclassified to equity instruments at FVOCI.

(3) 重大會計政策(續)

香港財務報告準則第9號「金融工具」(續)

(a) 分類及計量(續)

集團金融資產的新分類及計量如下：

- 由於管理層認為，所有債務工具均在以收取合約現金流量(符合SPPI標準)與出售金融資產為目的之業務模式內持有，集團選擇於其他全面收入內列報所有債務投資的公平值變動(先前根據香港會計準則第39號分類為可供出售金融資產即按公平值計入損益的金融資產)。於初步應用香港財務報告準則第9號之日期，48,842,000港元及459,627,000港元分別自按公平值計入損益的金融資產及可供出售金融資產重新分類為按公平值計入其他全面收益的債務工具；債務投資的累計公平值收益4,790,400港元(先前根據香港會計準則第39號分類為按公平值計入損益的金融資產)重新自留存盈利分類至儲備。
- 按公平值計入其他全面收益的權益工具於終止確認時概無收益或虧損重新撥回損益。集團擬就可預見未來持有權益工具且集團於初步確認或過渡時不可撤回地選擇如此分類的權益工具。集團將其有價權益工具分類為按公平值計入其他全面收益的權益工具。按公平值計入其他全面收益的權益工具毋須遵照香港財務報告準則第9號進行減值評估。於初步應用香港財務報告準則第9號之日期，先前根據香港會計準則第39號分類為可供出售金融資產的權益工具金額136,733,000港元重新分類為按公平值計入其他全面收益的權益工具。



(3) Significant accounting policies (Continued)

HKFRS 9 Financial Instruments (Continued)

(a) Classification and measurement (Continued)

The assessment of the Group's business model was made as of initial application, i.e. 1 January, 2018, and then applied retrospectively to those financial assets that were not derecognised as at 1 January, 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

The accounting for the Group's financial liabilities remains largely the same as it was under HKAS 39. Similar to the requirements of HKAS 39, HKFRS 9 requires contingent consideration liabilities to be treated as financial instruments measured at fair value, with the changes in fair value recognised in the statement of profit or loss.

Under HKFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on their contractual terms and the Group's business model. The accounting for derivatives embedded in financial liabilities and in non-financial host contracts has not been changed from that required by HKAS 39.

(b) Impairment

The adoption of HKFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing HKAS 39's incurred loss approach with a forward-looking expected credit loss "ECL" approach.

The Group records an allowance for ECLs on financial assets which are subject to impairment under HKFRS 9, including all loans and other debt financial assets and contract assets.

For contract assets and trade receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(3) 重大會計政策 (續)

香港財務報告準則第9號「金融工具」(續)

(a) 分類及計量 (續)

集團的業務模式評估乃於初步應用日期(即二零一八年一月一日)進行,且其後追溯應用於並未於二零一八年一月一日終止確認的金融資產。債務工具的合約現金流量是否僅包括本金及利息乃根據於初步確認資產時的事實及情況進行評估。

集團金融負債的會計處理很大程度上與香港會計準則第39號規定一致。與香港會計準則第39號的規定相近,香港財務報告準則第9號規定將或然代價負債視作按公平值計量的金融工具,而公平值變動於損益表內確認。

根據香港財務報告準則第9號,嵌入式衍生工具將不再與主體金融資產分開列示。反之,金融資產根據其合約條款及集團業務模式分類。於金融負債中,嵌入非金融主體合約的衍生工具的會計處理與香港會計準則第39號規定者保持不變。

(b) 減值

香港財務報告準則第9號透過以前瞻性預期信貸虧損(「預期信貸虧損」)法取代香港會計準則第39號的產生虧損法,故採納香港財務報告準則第9號已基本上改變集團金融資產減值虧損的會計處理。

集團已記錄香港財務報告準則第9號規定下的金融資產的預期信貸虧損撥備,包括所有貸款及其他債務金融資產及合約資產。

就合約資產和應收貿易賬款而言,集團已應用標準簡化計算法及已根據年限內預期信貸虧損計量預期信貸虧損。集團已設立根據集團過往信貸虧損經驗計算的撥備矩陣,並按與債務人相關的前瞻性因素及經濟環境調整。



Interim Results 中期業績

(3) Significant accounting policies (Continued)

HKFRS 9 Financial Instruments (Continued)

(b) Impairment (Continued)

For all other assets that are subject to impairment under HKFRS 9, the Group assessed for their impairment based on 12-month expected credit losses: 12-month ECLs are the portion of lifetime ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the asset is less than 12 months). However, when there has been a significant increase in credit risk since origination, the allowance will be based on the lifetime ECL.

The Group considers a financial asset in default when contractual payment are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

Based on the assessments undertaken, the Group concluded that the adoption of new expected credit loss model did not have a material impact on loss allowances for its financial assets.

As a result of the adoption of HKFRS 9, certain comparative information in these condensed consolidated financial statements may not be comparable as it was prepared in accordance with HKAS 39.

(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 resource 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 2018:

- 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 purpose of resources allocation and assessment of segment performance for the six months ended 30 June 2018 and 2017 is set out below:

(3) 重大會計政策(續)

香港財務報告準則第9號「金融工具」(續)

(b) 減值(續)

就其他適用於香港財務報告準則第9號計提減值的資產而言，集團根據基於十二個月預期信貸虧損評估損耗。十二個月預期信貸虧損為報告日期後十二個月內(或較短期間，如有關資產的預期年限少於十二個月)可能發生違約事項而導致的預期信貸虧損，是本期預期信貸虧損的一部分。然而，倘信貸風險自產生以來大幅上升，則有關撥備將根據全期預期信貸虧損計算。

倘合約已逾期還款90天，則集團認為金融資產違約。然而，在若干情況下，倘內部或外部資料顯示，在沒有計及集團的任何信貸提升措施前，集團不大可能悉數收到未償還合約款項，則集團亦可認為金融資產違約。

根據已作出的評估，集團認為採納新的預期信貸虧損模式對其金融資產的虧損撥備並無重大影響。

由於新採用香港財務報告準則第9號，簡明綜合財務狀況表中的部分可比信息可能與採用香港會計準則第39號時信息不具有可比性。

(4) 營業額及分部資料

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。

於截至二零一八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

截至二零一八年及二零一七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：



(4) Revenue and segment information (Continued)

(4) 營業額及分部資料(續)

Business Segments

業務分部

For the six months ended 30 June 2018:

截至二零一八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
Segment revenue and results	分部營業額及業績				
Sales to external customers	外部客戶銷售額	4,259,870	472,472	236,585	4,968,927
Segment results	分部業績	413,603	210,631	90,520	714,754
Finance income	財務收入				66,169
Other gains, net	其他收益，淨額				5,895
Finance costs	財務費用				(106,186)
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				(3,840)
Reversal of impairment losses on oil and gas properties under property, plant and equipment	物業、廠房及設備項下油氣資產減值虧損撥回				20,237
Unallocated corporate expenses	未分配企業開支				(60,349)
Profit before taxation	除稅前溢利				636,680
Taxation	稅項				(132,350)
Profit for the period	期內溢利				504,330



Interim Results

中期業績

(4) Revenue and segment information (Continued)

Business Segments (Continued)

For the six months ended 30 June 2017:

		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
Segment revenue and results	分部營業額及業績				
Sales to external customers	外部客戶銷售額	3,173,001	315,619	168,337	3,656,957
Segment results	分部業績	360,269	151,448	34,785	546,502
Finance income	財務收入				53,953
Other gains, net	其他收益，淨額				7,110
Finance costs	財務費用				(104,003)
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				893
Unallocated corporate expenses	未分配企業開支				(54,304)
Profit before taxation	除稅前溢利				450,151
Taxation	稅項				(101,416)
Profit for the period	期內溢利				348,735

(4) 營業額及分部資料 (續)

業務分部 (續)

截至二零一七年六月三十日止六個月：



(4) Revenue and segment information (Continued)

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

Assets

		At 30.6.2018 於二零一八年 六月三十日	At 31.12.2017 於二零一七年 十二月三十一日
		Total assets 總資產 HK\$'000 千港元	Total assets 總資產 HK\$'000 千港元
Hong Kong	香港	165,272	137,351
Mainland China	中國內地	12,862,160	12,018,750
Canada	加拿大	2,454,566	2,419,335
Total	合計	15,481,998	14,575,436
Unallocated	未分配		
Investments accounted for using the equity method	使用權益法入賬之投資	318,399	321,167
Deferred tax assets	遞延稅項資產	4,888	4,796
Available-for-sale financial assets	可供出售金融資產	-	596,360
Financial assets at fair value through profit and loss	按公平值經損益入賬之金融資產	-	48,842
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產	566,443	-
Total assets	總資產	16,371,728	15,546,601

(4) 營業額及分部資料(續)

集團按地區市場劃分之資產之分析載列如下：

資產

		At 30.6.2018 於二零一八年 六月三十日	At 31.12.2017 於二零一七年 十二月三十一日
		Total assets 總資產 HK\$'000 千港元	Total assets 總資產 HK\$'000 千港元
Hong Kong	香港	165,272	137,351
Mainland China	中國內地	12,862,160	12,018,750
Canada	加拿大	2,454,566	2,419,335
Total	合計	15,481,998	14,575,436
Unallocated	未分配		
Investments accounted for using the equity method	使用權益法入賬之投資	318,399	321,167
Deferred tax assets	遞延稅項資產	4,888	4,796
Available-for-sale financial assets	可供出售金融資產	-	596,360
Financial assets at fair value through profit and loss	按公平值經損益入賬之金融資產	-	48,842
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益的金融資產	566,443	-
Total assets	總資產	16,371,728	15,546,601



Interim Results 中期業績

(5) Other income

		Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2018 二零一八年 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) 1.1-30.6.2017 二零一七年 一月一日至 六月三十日 HK\$'000 千港元
Dividend income from listed securities	上市證券股息收入	725	249
Government subsidies	政府補貼	2,573	13,942
Rental income	租金收入	3,996	4,021
Service income	服務收入	4,691	4,675
Others	其他	3,705	1,212
		15,690	24,099

(5) 其他收入

(6) Other gains/(losses), net

		Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2018 二零一八年 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) 1.1-30.6.2017 二零一七年 一月一日至 六月三十日 HK\$'000 千港元
Gain on disposal of fixed assets	處置固定資產的收益	4,589	-
Fair value gains/(losses) on financial assets at fair value through profit or loss	按公平值經損益入賬之金融資產之公平值收益/(虧損)	-	1,582
Gain on disposal of an associate	出售一間聯營公司之收益	-	3,697
Gain on disposal of available-for-sales assets	出售可供出售資產之收益	-	1,831
Gain on disposal of financial assets at fair value through other comprehensive income	出售按公平值計入其他全面收益之金融資產之收益	1,306	-
		5,895	7,110

(6) 其他收益/(虧損)，淨額



(7) Finance income and costs

		Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2018 二零一八年 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) 1.1-30.6.2017 二零一七年 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	40,496	31,169
Loan to an associate	貸款予聯營公司	25,181	22,220
Loan to a third parties	貸款予第三方	492	564
		66,169	53,953
Finance costs from:	財務費用來自：		
Bank borrowings	銀行借款	(37,227)	(23,301)
Other borrowings	其他借款	(68,958)	(80,702)
		106,185	(104,003)
Finance costs, net	財務費用，淨額	(40,016)	(50,050)

(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 (2017: 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% (2017: 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% (2017: 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.

(7) 財務收入及費用

		Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2018 二零一八年 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) 1.1-30.6.2017 二零一七年 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	40,496	31,169
Loan to an associate	貸款予聯營公司	25,181	22,220
Loan to a third parties	貸款予第三方	492	564
		66,169	53,953
Finance costs from:	財務費用來自：		
Bank borrowings	銀行借款	(37,227)	(23,301)
Other borrowings	其他借款	(68,958)	(80,702)
		106,185	(104,003)
Finance costs, net	財務費用，淨額	(40,016)	(50,050)

(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(二零一七年：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% (二零一七年：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% (二零一七年：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。



Interim Results 中期業績

(8) Taxation (Continued)

		Unaudited (6 months) 未經審核 (六個月) 1.1-30.6.2018 二零一八年 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) 1.1-30.6.2017 二零一七年 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	113,236	104,238
Overseas taxation	海外稅項	-	-
Under provision in prior years	過往年度撥備不足	-	122
		113,236	104,360
Deferred tax	遞延稅項	19,114	(2,944)
Taxation	稅項	132,350	101,416

(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\$216,160,000 (six months ended 30 June 2017: HK\$170,251,000) and weighted average number of ordinary shares in issue less shares held under share award scheme during the Period of approximately 4,982,096,273 shares (six months ended 30 June 2017: 5,181,050,000 shares).
- (b) Diluted earnings per share is calculated based on the profit attributable to owners of the Company of approximately HK\$216,160,000 (six months ended 30 June 2017: HK\$170,251,000), and the weighted average number of ordinary shares of approximately 5,014,815,085 shares (six months ended 30 June 2017: 5,203,916,000 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 31,377,142 shares (six month ended 30 June 2017: 21,749,000 shares) deemed to be issued at no consideration if all outstanding share options granted had been exercised and the effect of awarded shares of approximately 1,341,670 shares (six months ended 30 June 2017: 1,117,000).

(8) 稅項(續)

(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216,160,000港元(截至二零一七年六月三十日止六個月: 170,251,000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4,982,096,273股(截至二零一七年六月三十日止六個月: 5,181,050,000股)而計算。
- (b) 每股攤薄盈利乃根據公司擁有人應佔溢利約216,160,000港元(截至二零一七年六月三十日止六個月: 170,251,000港元)及普通股加權平均數約5,014,815,085股(截至二零一七年六月三十日止六個月: 5,203,916,000股)及獎勵股份約1,341,670股(截至二零一七年六月三十日止六個月: 1,117,000股)之影響而計算,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31,377,142股(截至二零一七年六月三十日止六個月: 21,749,000股)(被視作按零代價所發行)。



(10) Dividend

The Board resolved not to declare any interim dividend for the six months ended 30 June 2018 (2017: Nil). Subsequent to the end of the reporting period, a distribution of HK cent 0.35 (2017: HK cent 0.5) per share out of the contributed surplus, amounting to approximately HK\$20,390,000 (2017: HK\$29,128,000), shall be paid to the shareholders as the final dividend for 2017.

(11) Property, plant and equipment

During the six months ended 30 June 2018, the Group acquired property, plant and equipment amounting to HK\$504,009,000 (six months ended 30 June 2017: HK\$281,913,000) and disposed of property, plant and equipment with net book value of HK\$530,000 (six months ended 30 June 2017: HK\$17,558,000).

(12) Deposits, trade and other receivables

Trade receivables	貿易應收賬款	
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	
		874,488
		1,677,733
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	722,920
3 to 6 months	三個月至六個月	48,195
Over 6 months	六個月以上	32,130
Total	合計	803,245

(10) 股息

董事局決議不宣派截至二零一八年六月三十日止六個月之任何中期股息(二零一七年：無)。報告期末後，應向股東自實繳盈餘作出分派每股0.35港仙(二零一七年：0.5港仙)，合共約20,390,000港元(二零一七年：29,128,000港元)，作為二零一七年末期股息。

(11) 物業、廠房及設備

截至二零一八年六月三十日止六個月，集團收購物業、廠房及設備504,009,000港元(截至二零一七年六月三十日止六個月：281,913,000港元)及出售物業、廠房及設備賬面淨值為530,000港元(截至二零一七年六月三十日止六個月：17,558,000港元)。

(12) 按金、貿易及其他應收款項

Unaudited 未經審核 At 30.6.2018 於二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 At 31.12.2017 於二零一七年 十二月三十一日 HK\$'000 千港元
803,245	784,363
874,488	812,371
1,677,733	1,596,734
722,920	730,625
48,195	30,363
32,130	23,375
803,245	784,363



Interim Results 中期業績

(13) Trade and other payables

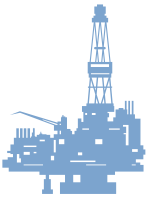
		Unaudited 未經審核 At 30.6.2018 於二零一八年 六月三十日 HK\$'000 千港元	Audited 經審核 At 31.12.2017 於二零一七年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付賬款	353,361	447,956
Other payables and accruals	其他應付款項及應計費用	1,050,356	983,777
		1,403,717	1,431,733
The ageing analysis of trade payables based on invoice date is as follows:		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	290,052	358,365
3 to 6 months	三個月至六個月	42,347	40,316
Over 6 months	六個月以上	20,962	49,275
		353,361	447,956

(13) 貿易及其他應付款項

(14) Share capital

		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 2017, 31 December 2017 and 30 June 2018	於二零一七年六月三十日、二零一七年十二月三十一日及二零一八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 2017, 31 December 2017 and 30 June 2018	於二零一七年六月三十日、二零一七年十二月三十一日及二零一八年六月三十日每股面值0.01 港元之普通股	5,825,684	58,257

(14) 股本



(15) Pledge Of Assets

No material assets of the Group have been pledged as at 30 June 2018 (2017: Nil).

(16) Contingent liability

As at 30 June 2018, the Group has no material contingent liability (2017: Nil).

(17) Approval of the interim financial statements

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 28 August 2018.

(15) 資產抵押

集團於二零一八年六月三十日概無以任何重大資產作抵押(二零一七年：無)。

(16) 或然負債

集團於二零一八年六月三十日並無任何重大或然負債(二零一七年：無)。

(17) 中期財務報表之批准

簡明綜合中期財務報表已於二零一八年八月二十八日獲董事局批准及授權刊發。



Report of the Board

董事局報告

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

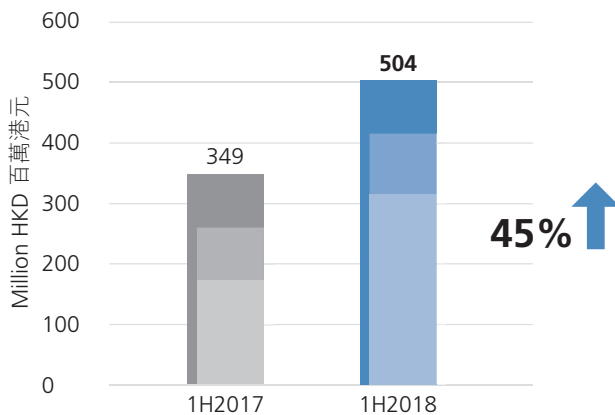
Since the beginning of 2018, driven by the Chinese government's environmental policies, the demand for clean natural gas energy has continued to grow in the society. Leveraging its strong sales network and gas source advantages, the Group has seized those favorable opportunities to achieve rapid business growth. The Group recorded total revenue of HK\$4,969 million for the first half of 2018, representing a remarkable increase of 36% as compared to HK\$3,657 million for the corresponding period of last year. The income from sales and distribution of natural gas and other related products was HK\$4,260 million, representing a year-on-year growth of 34% and accounting for 86% of the total revenue. Thanks to the continuous enhancement in the operation and management, sound sales strategy and effective cost control measures, the Group recorded a profit for the Period of HK\$504 million with a year-on-year increase of 45%. The profit attributable to the owners of the Company was HK\$216 million with a year-on-year increase of 27%.

管理層討論及分析

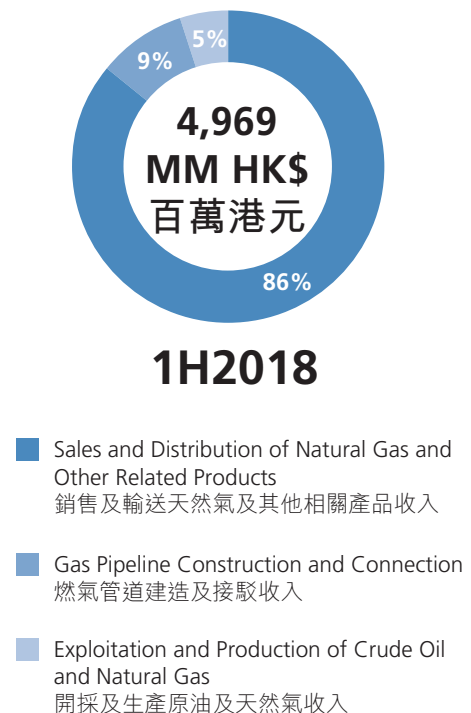
業務回顧

二零一八年年初以來，在中國政府的環保政策的推動下，社會對清潔天然氣能源的需求持續增長。面對良好機遇，集團充分利用自身強大的銷售網絡及氣源優勢，實現業務快速增長，集團錄得二零一八年首六個月總營業額49.69億港元，較之去年同期的36.57億港元顯著增長36%；銷售及輸送天然氣及其他相關產品之收入為42.60億港元，同比增長34%，佔總收入86%。得益於經營管理的持續提升、良好的銷售策略和有效的成本控制等措施，集團實現期內溢利5.04億港元，同比增長45%，公司擁有人應佔溢利2.16億港元，同比增長27%。

Profit for the period
期內溢利



Revenue Breakdown (By Segment)
分部營業額





CITY PIPELINE NATURAL GAS BUSINESS

Sales and distribution of natural gas

For the first six months of 2018, the Group's natural gas sales volume reached 1,855 million cubic meters (2017: 1,602 million cubic meters), representing an increase of 16% as compared with the same period last year; pipeline gas transmission volume reached 348 million cubic meters, which was flat with the same period last year.

The significant increase in gas sales volume was mainly attributable to that gas consumption of industrial and commercial users recorded 1,175 million cubic meters, representing a substantial growth of 19% as compared with 991 million cubic meters for the same period last year and accounting for 63% of the Group's total gas sales volume; gas consumption of gas stations increased by 18% to 186 million cubic meters, accounting for 10% of the total gas sales volume; and gas sales volume of residential users increased by 9% to 494 million cubic meters, accounting for 27% of the total gas sales volume.

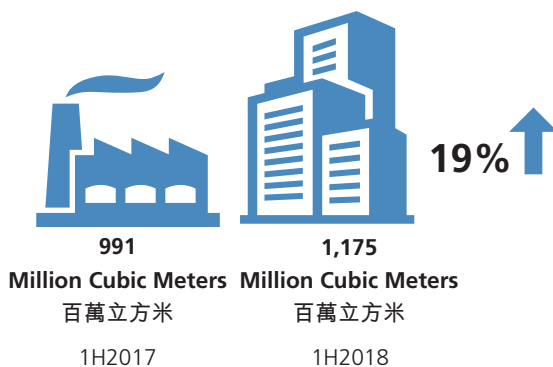
城市管道天然氣業務

銷售及輸送天然氣

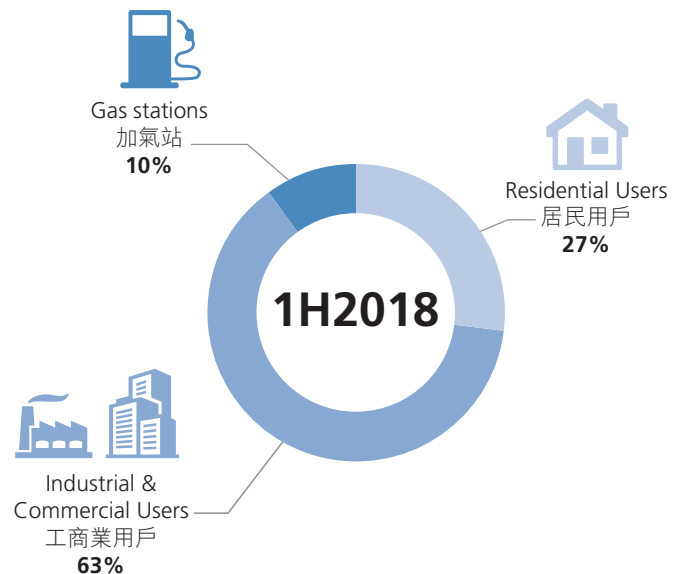
二零一八年首六個月，集團實現天然氣銷售量18.55億立方米(二零一七年：16.02億立方米)，較去年同期增長16%；管輸氣量3.48億立方米，與去年同期相若。

銷氣量大幅增長的主要因為工商業用戶用氣量錄得11.75億立方米，較去年同期的9.91億立方米顯著增長19%，佔集團總銷氣量的63%；加氣站用量增長18%至1.86億立方米，佔總銷氣量的10%；居民用戶銷氣量也有9%的增長，達4.94億立方米，佔總銷氣量的27%。

Industrial and Commercial Users –
Gas Sales Volume
工商業用戶天然氣銷售量



Sales Volume Breakdown – By Users Group
天然氣銷售量分類—按用戶類型





Report of the Board

董事局報告

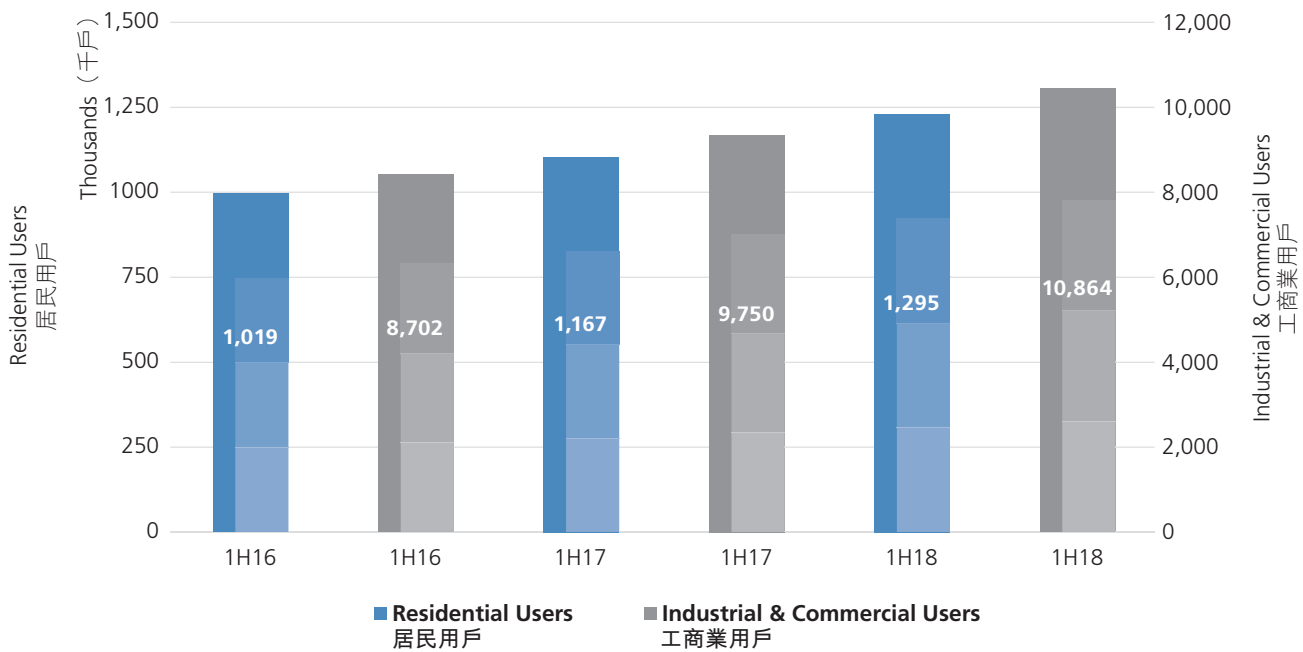
Development of new users

For the first six months of 2018, the Group connected 59,019 new residential users, and the accumulated connections of residential users were 1,294,516, including 27,607 users of coal-to-gas village connection; and connected 438 new industrial and commercial users, and the accumulated connections of industrial and commercial users were 10,864. With the increasing number of users, the Group will continue to expand 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 of the Group in the future.

新用戶開發

二零一八年首六個月，集團新增居民用戶59,019戶，累計接駁的居民用戶達到1,294,516戶，其中包括氣代煤村村通用戶27,607戶；新增工商業用戶438戶，累計接駁的工商業用戶為10,864戶。隨著用戶數量的增加，集團將繼續擴充天然氣銷售，為更多天然氣終端客戶提供服務，為集團未來的天然氣銷售奠定了堅實的基礎。

Total Connected Users as of 30 June
截至6月30日累計接駁用戶數量





Gas Sales Volume Breakdown – By Province
天然氣銷售量分類－按省份

Province	省份	1H2018	1H2017
Qinghai	青海	44.6%	46.9%
Shandong	山東	9.0%	8.2%
Hunan	湖南	8.2%	9.4%
Jiangsu	江蘇	12.4%	12.7%
Guangdong	廣東	4.4%	4.0%
Jiangxi	江西	5.6%	5.1%
Hubei	湖北	3.1%	2.9%
Shanxi	山西	8.1%	6.8%
Guizhou	貴州	2.8%	2.7%
Others	其他	1.8%	1.3%

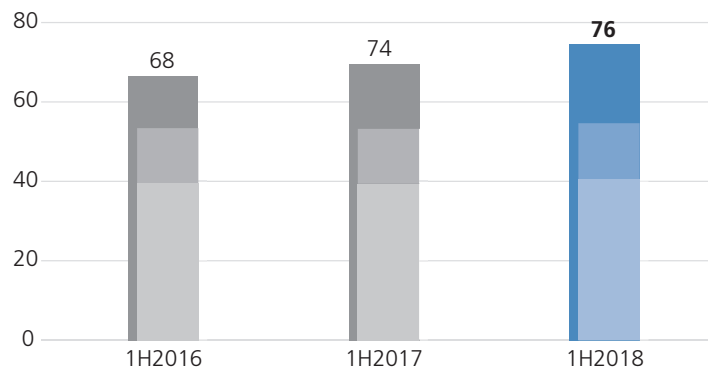
New project expansion

In 2018, the Group acquired two natural gas integrated utilization projects in Shandong Province, signed a natural gas distributed energy framework cooperation agreement in Jiangsu Province and entered into a strategic cooperation agreement with China Huadian Corporation. By virtue of the above cooperation, the Group has expanded its gas supply coverage by making full use of its pipeline network to achieve interconnection and secured certain overseas LNG sources for peak-shaving in winter. Until now, the Group has established a total of 144 project companies in 15 provinces and autonomous regions with 76 concession rights in the PRC. The total length of the natural gas pipelines constructed by the Group has reached 11,734km, which effectively promoted the development of projects downstream.

新項目拓展

集團於二零一八年分別於山東省取得了兩個天然氣綜合利用項目、於江蘇省簽署了天然氣分佈式能源框架合作協議及與中國華電集團公司簽署戰略合作協議。上述合作，讓集團能擴大供氣的範圍，集團的管網亦能得到充份的利用，實現互聯互通，同時得到部份海外LNG的氣源作為冬季調峰的保障。截至目前，集團已於中國15個省及自治區成立項目公司144家，擁有76個燃氣特許經營權，累計投資建設天然氣管道11,734公里，有效帶動了下游項目的開發。

Concession Rights as of 30 June
截至6月30日特許經營權數量





Report of the Board

董事局報告

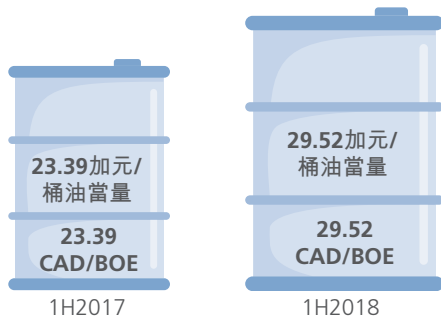
EXPLOITATION AND PRODUCTION OF CRUDE OIL AND NATURAL GAS

Since the beginning of this year, 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 for the year ended 31 December 2017, the proved plus probable reserves of the Group were approximately 35.0 million barrels of oil equivalent. For the first six months of 2018, the upstream oil and gas exploitation business of the Group achieved an average daily production of 5,368 barrels of oil equivalent (2017: 4,695 barrels of oil equivalent) with a growth of 14%. Benefiting from the effective operating cost control measures and the rebound of international oil prices, the Group achieved the average operating netback of CAD29.52 per barrel of oil equivalent, representing an increase of 26% as compared with CAD23.39 per barrel of oil equivalent for the same period last year. Net cash generated from operating activities amounted to CAD16.04 million, representing an increase of 44% as compared with CAD11.12 million for the same period last year.

開採及生產原油及天然氣業務

本年初以來，集團在加拿大持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準備的截至二零一七年十二月三十一日止年度之儲量報告，集團探明加控制儲量約為3,500萬桶油當量。於二零一八年首六個月，集團上游油氣開採業務的產量實現14%的增長，平均產量為5,368桶油當量/天（二零一七年：4,695桶油當量/天）。得益於有效的運營成本控制措施及國際油價的回升，集團實現平均運營淨回值29.52加元/桶油當量，較去年同期的23.39加元/桶油當量增長26%，經營活動產生之現金淨額為1,604萬加元，較去年同期的1,112萬加元增長44%。

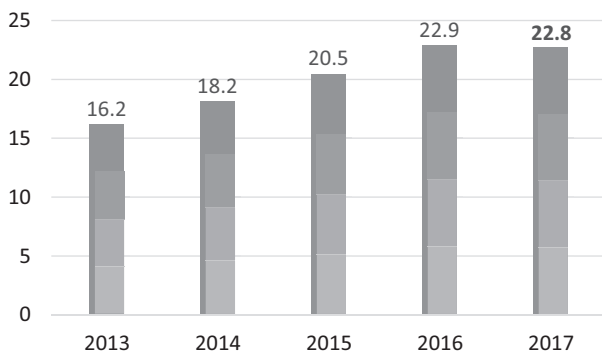
Operating Netback 運營淨回值



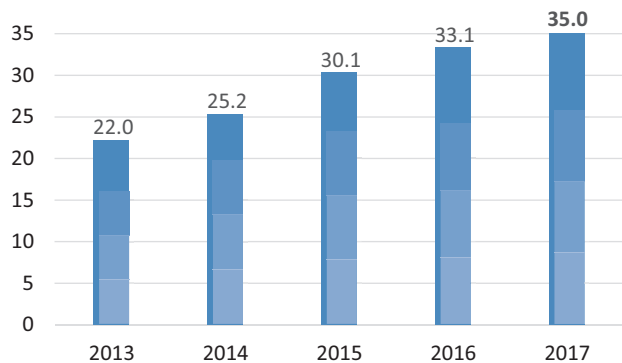
The Group's upstream business operating netback increased to 29.52 CAD/BOE by **26%**

集團上游業務的運營淨回值上升至 29.52加元/桶油當量，增幅達 **26%**

Proved Reserve (MMBOE) 探明儲量（百萬桶油當量）



Proved Plus Probable Reserve (MMBOE) 探明加控制儲量（百萬桶油當量）





BUSINESS PROSPECT

The Chinese government strongly supports the development of the natural gas industry. In the first half of 2018, the National Development and Reform Commission issued policies such as the Circular on Rationalizing the Gas Station Price of Natural Gas Used for Residential Purpose (關於理順居民用氣門站價格的通知) and the Circular on Overall Planning, Construction and Operation of Gas Storage Facilities (關於統籌規劃做好儲氣設施建設運行的通知), which clarified that natural gas prices will be increasingly market-driven and prepared for the mismatch between supply and demand of natural gas at the end of last year. The Group will continue to make strategic plans based on the industrial and market-based reform, develop existing market in an orderly manner, actively expand incremental market and further improve the distribution and sales volume of natural gas through the opportunities arising from the competitive advantage of natural gas price. Meanwhile, the Group strives to explore opportunities for the development of outstanding projects such as distributed energy and natural gas integrated utilization, so as to deliver ever better returns to shareholders.

FINANCIAL REVIEW

For the six months ended 30 June 2018, the Group recorded the revenue of HK\$4,969 million, representing a growth of 36% from HK\$3,657 million for the six months ended 30 June 2017.

The total revenue combined 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\$4,260 million, HK\$472 million and HK\$237 million respectively (2017: HK\$3,173 million, HK\$316 million and HK\$168 million respectively).

The Group's overall gross profit amounted to HK\$847 million (2017: HK\$633 million), its gross profit margin was 17% and was flat with the last corresponding period; Profit for the Period was HK\$504 million; Profit for the Period attributable to the owners of the Company was HK\$216 million, represented a substantial growth of 27%.

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\$186 million (2017: HK\$144 million), the proportion of administrative expenses to revenue was further decreased to 3.7% (2017: 3.9%); and the proportion of selling and distribution costs to revenue was 0.5% (2017: 0.6%).

業務展望

中國政府大力支持天然氣行業的發展。二零一八年上半年，國家發展和改革委員會分別印發了「關於理順居民用氣門站價格的通知」及「關於統籌規劃做好儲氣設施建設運行的通知」等政策，明確天然氣價格將走向市場化及對去年底天然氣供需矛盾作出準備。集團將繼續根據行業及市場化改革作出戰略部署，借助天然氣價格競爭優勢帶來的機遇，有序開發存量市場，積極拓展增量市場，進一步提升天然氣分銷及銷售量。集團同時努力尋找分佈式能源及天然氣綜合利用等優秀項目的發展機會，努力回報股東。

財務回顧

於截至二零一八年六月三十日止六個月，集團錄得營業額49.69億港元，對比截至二零一七年六月三十日止六個月的36.57億港元，錄得36%增長。

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42.60億港元、4.72億港元及2.37億港元(二零一七年：31.73億港元、3.16億港元及1.68億港元)。

集團整體毛利為8.47億港元(二零一七年：6.33億港元)，毛利率為17%，與去年同期基本持平；期內溢利約為5.04億港元；公司擁有人應佔期內溢利為2.16億港元，顯著增長27%。

集團歷來重視銷售戰略的有效性及適當性且成功控制集團所有開支。行政開支為1.86億港元(二零一七年：1.44億港元)，行政開支佔營業額比例進一步下降至3.7%(二零一七年：3.9%)；銷售及分銷費佔營業額0.5%(二零一七年：0.6%)。



Report of the Board 董事局報告

Finance costs (net of capitalization) increased slightly from the last corresponding period's HK\$104 million to HK\$106 million. The Group's weighted average cost of all indebtedness (including bank borrowings, other borrowings and senior notes) as at 30 June 2018 was 5.17% (2017: 5.24%).

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 expansion and acquisition. As at 30 June 2018, the Group's total indebtedness (including bank borrowings, other borrowings and senior notes) amounted to HK\$6,438 million (31 December 2017: HK\$5,719 million).

As at 30 June 2018, the Group had cash and cash equivalents of HK\$2,712 million (31 December 2017: HK\$2,339 million). Total assets were HK\$16,372 million (31 December 2017: HK\$15,547 million), in which current assets were HK\$4,659 million (31 December 2017: HK\$4,235 million). Total liabilities of the Group were HK\$9,898 million (31 December 2017: HK\$9,341 million), in which current liabilities were HK\$4,433 million (31 December 2017: HK\$3,920 million). The Group's debt-to-assets ratio, measured on the basis of total indebtedness divided by total assets was 39% (31 December 2017: 37%). The current ratio (current assets divided by current liabilities) of the Group was 1.05 times (31 December 2017: 1.08 times). The Group's financial and liquidity remain stable, and well prepared for the development in the next half of 2018.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2018, the Group employed a total of 3,542 (31 December 2017: 3,600) full-time employees, most of them were stationed in the PRC. Total staff cost for the Period amounted to HK\$203 million (2017: HK\$148 million), including amortization of share options of approximately HK\$27 million (2017: HK\$5 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 2018, no assets of the Group has been pledged.

財務費用(扣除資本化)由去年同期的1.04億港元略增至1.06億港元。集團於二零一八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5.17%(二零一七年: 5.24%)。

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，以撥付資金用於擴展及收購。於二零一八年六月三十日，集團的債務總額(包括銀行借貸、其他借貸及優先票據)為64.38億港元(二零一七年十二月三十一日: 57.19億港元)。

於二零一八年六月三十日，集團的現金及現金等值項目為27.12億港元(二零一七年十二月三十一日: 23.39億港元)。總資產為163.72億港元(二零一七年十二月三十一日: 155.47億港元)，其中流動資產為46.59億港元(二零一七年十二月三十一日: 42.35億港元)。集團之總負債為98.98億港元(二零一七年十二月三十一日: 93.41億港元)，其中流動負債為44.33億港元(二零一七年十二月三十一日: 39.20億港元)。集團的債務對資產比率(總債務除以總資產)為39%(二零一七年十二月三十一日: 37%)。集團流動比率(流動資產除以流動負債)為1.05倍(二零一七年十二月三十一日: 1.08倍)。集團的財務及流動資金保持平穩，為集團二零一八年下半年的發展作好充分準備。

僱員及酬金政策

於二零一八年六月三十日，集團共有3,542名(二零一七年十二月三十一日: 3,600名)全職僱員，其中大部分僱員駐於中國。期內員工總成本為2.03億港元(二零一七年: 1.48億港元)，二零一八年的成本中包括了約0.27億港元之購股權攤銷(二零一七年: 0.05億港元)。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

於二零一八年六月三十日，集團並無任何資產抵押。



CONTINGENT LIABILITIES

The Group has no material contingent liability as at 30 June 2018.

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 States dollars, and the Group's offshore bank loans and senior notes are denominated in Renminbi and United States dollars.

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 2018, the Group has no litigation.

CAPITAL STRUCTURE

As at 30 June 2018, 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 2018 (30 June 2017: Nil).

或然負債

集團於二零一八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。

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

於二零一八年六月三十日，集團並無牽涉任何訴訟。

資本架構

於二零一八年六月三十日，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二零一八年六月三十日止六個月之任何中期股息（二零一七年六月三十日：無）。



Report of the Board

董事局報告

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

At 30 June 2018, 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 to notify to the Company and the Stock Exchange, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), are set out below:

Interests in shares, underlying shares and debentures of the Company

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		
				Number of ordinary shares held 持有普通股數目	capital 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 許鉄良	Interest in controlled corporations 受控制法團之權益	Long position 好倉	1,2	1,429,554,130	24.54%	US\$2,000,000
Guan Yijun 關懿君	Interest of spouse 實益擁有人	Long position 好倉	1	1,429,554,130	24.54%	-
	Interest of controlled corporation 受控制法團之權益	Long position 好倉	2	-	-	US\$2,000,000
Liu Chunsun 劉春筭	Beneficial owner 實益擁有人	Long position 好倉	3	2,200,000	0.04%	-

Notes:

- 353,120,130 ordinary shares and 1,076,434,000 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 1,429,554,130 Shares pursuant to the SFO.

董事及主要行政人員於股份、相關股份及債券之權益

於二零一八年六月三十日，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當作或視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：

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		
				Number of ordinary shares held 持有普通股數目	capital 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 許鉄良	Interest in controlled corporations 受控制法團之權益	Long position 好倉	1,2	1,429,554,130	24.54%	US\$2,000,000
Guan Yijun 關懿君	Interest of spouse 實益擁有人	Long position 好倉	1	1,429,554,130	24.54%	-
	Interest of controlled corporation 受控制法團之權益	Long position 好倉	2	-	-	US\$2,000,000
Liu Chunsun 劉春筭	Beneficial owner 實益擁有人	Long position 好倉	3	2,200,000	0.04%	-

附註：

- 353,120,130股及1,076,434,000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，由許鉄良先生（「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1,429,554,130股股份中擁有權益。



- An amount of US\$2,000,000 of the US\$350,000,000 4.625% senior notes of the Company due 2022 held through Moral High Limited which is owned by Mr. Xu and Ms. Guan 50% each.
- These interest are derived from the interest in the 2,200,000 share options granted under the share option scheme adopted by the Company on 23 November 2011, which carrying right to subscribe for 2,200,000 shares of the Company at the exercise price of HK\$0.46 per share.

- 透過德高有限公司(由許先生及關女士分別擁有50%)持有公司350,000,000美元於二零二二年到期之4.625厘優先票據之2,000,000美元。
- 該等權益乃源自於根據公司於二零一一年十一月二十三日採納的購股權計劃授出的2,200,000份購股權當中擁有的權益，而該等購股權附帶權利可按每股0.46港元之行使價認購2,200,000股公司股份。

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 2018.

除上文所披露者外，於二零一八年六月三十日，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。

SUBSTANTIAL SHAREHOLDERS

At 30 June 2018, 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:

主要股東

於二零一八年六月三十日，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：

Interest in the shares and underlying shares of the Company

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 股本之概約百分比
Sino Advance	Beneficial owner 實益擁有人	Long position 好倉	353,120,130	6.06%
Sino Vantage	Beneficial owner 實益擁有人	Long position 好倉	1,076,434,000	18.48%
Sino Best 中泰國際	Interest in controlled corporations 受控制法團之權益	Long position 好倉	1,429,554,130	24.54%

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 Shares and 1,076,434,000 Shares held through Sino Advance and Sino Vantage respectively.

附註：Sino Advance及Sino Vantage由中泰國際全資擁有，而中泰國際由許銜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1,076,434,000股股份中擁有權益。

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 2018.

除上文所披露者外，於二零一八年六月三十日，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。



Report of the Board

董事局報告

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.

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

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 2018
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	於二零一八年六月三十日 尚未行使
Employees 僱員	0.46	22/01/2016	22/01/2018 to 21/01/2026	-	-	-	100,000,000
Total 總計				-	-	-	100,000,000

Note:

These share options are exercisable in the following manner:

- (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.

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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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 2018, other than those purchased by its trustee for the Restricted Share Award Scheme adopted by the Board on 4 November 2011.

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。

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 2018
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	於二零一八年六月三十日 尚未行使
Employees 僱員	0.46	22/01/2016	22/01/2018 to 21/01/2026	-	-	-	100,000,000
Total 總計				-	-	-	100,000,000

附註：

該等購股權可按下列方式行使：

- (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。

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。

購買、贖回或出售公司之上市證券

公司及其任何附屬公司於截至二零一八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 2018. 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 2018, 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 Tieliang 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 nonexecutive Directors.

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").

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

截至二零一八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。

於截至二零一八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。

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。



Report of the Board 董事局報告

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 2018.

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; to approve the remuneration and terms of engagement of the external auditor, to provide recommendations for any questions regarding the resignation or dismissal of such auditor; to review the interim and annual reports, and financial statements of the Group; to oversee 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 to review the risk management and internal control system.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Li Yunlong (as chairman), Mr. Wang Guangtian and Mr. Yang Jie. The Audit Committee has reviewed the unaudited interim financial statements of the Group for the six months ended 30 June 2018.

By Order of the Board
China Oil And Gas Group Limited
Xu Tie-liang
Chairman

Hong Kong, 28 August 2018

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（除許鉄良先生外）。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二零一八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；批准外聘核數師的薪酬及聘用條款以及就有關該核數師辭職或辭退該核數師的任何問題提供推薦建議；審閱集團中期及年度報告與財務報表；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，以及檢討風險管理內部監控系統。

審核委員會由三名獨立非執行董事李雲龍先生（主席）、王廣田先生及楊傑先生組成。審核委員會已審閱集團截至二零一八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
主席
許鉄良

香港，二零一八年八月二十八日

