



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

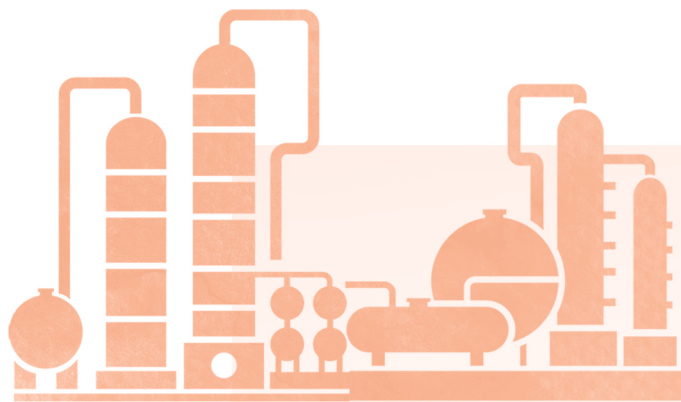
股份代號：603



2019

INTERIM REPORT

中期報告

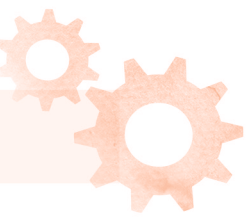


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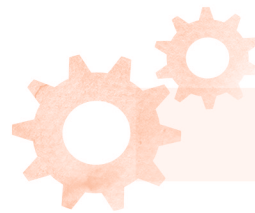




Enterprise Culture

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

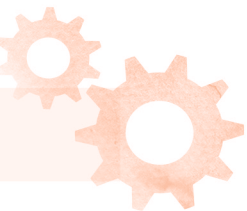
- West-to-East line 1
西氣東輸一線
- West-to-East line 2
西氣東輸二線
- - - West-to-East line 3
西氣東輸三線
- Se-Ning-Lan line
澀寧蘭線
- Shaan-Jing line 4
陝京四線
- Shaan-Jing line 3
陝京三線
- Cang-Zi Line
滄淄線
- Zhong-Wu Line
忠武線
- Myanmar-China Line
中緬線

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/L-CNG station
公司天然氣加氣站
- Province with natural gas sales volume > 500mn m³ in 1H2019
公司二零一九年上半年銷氣量5.0億立方米以上省份
- Province with natural gas sales volume between 100mn m³ and 500mn m³ in 1H2019
公司二零一九年上半年銷氣量1.0-5.0億立方米省份
- Province with natural gas sales volume < 100mn m³ in 1H2019
公司二零一九年上半年銷氣量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：此圖僅為示意圖，比例與位置可能和實際情況略有出入



Oil and Gas Production Business in Canada

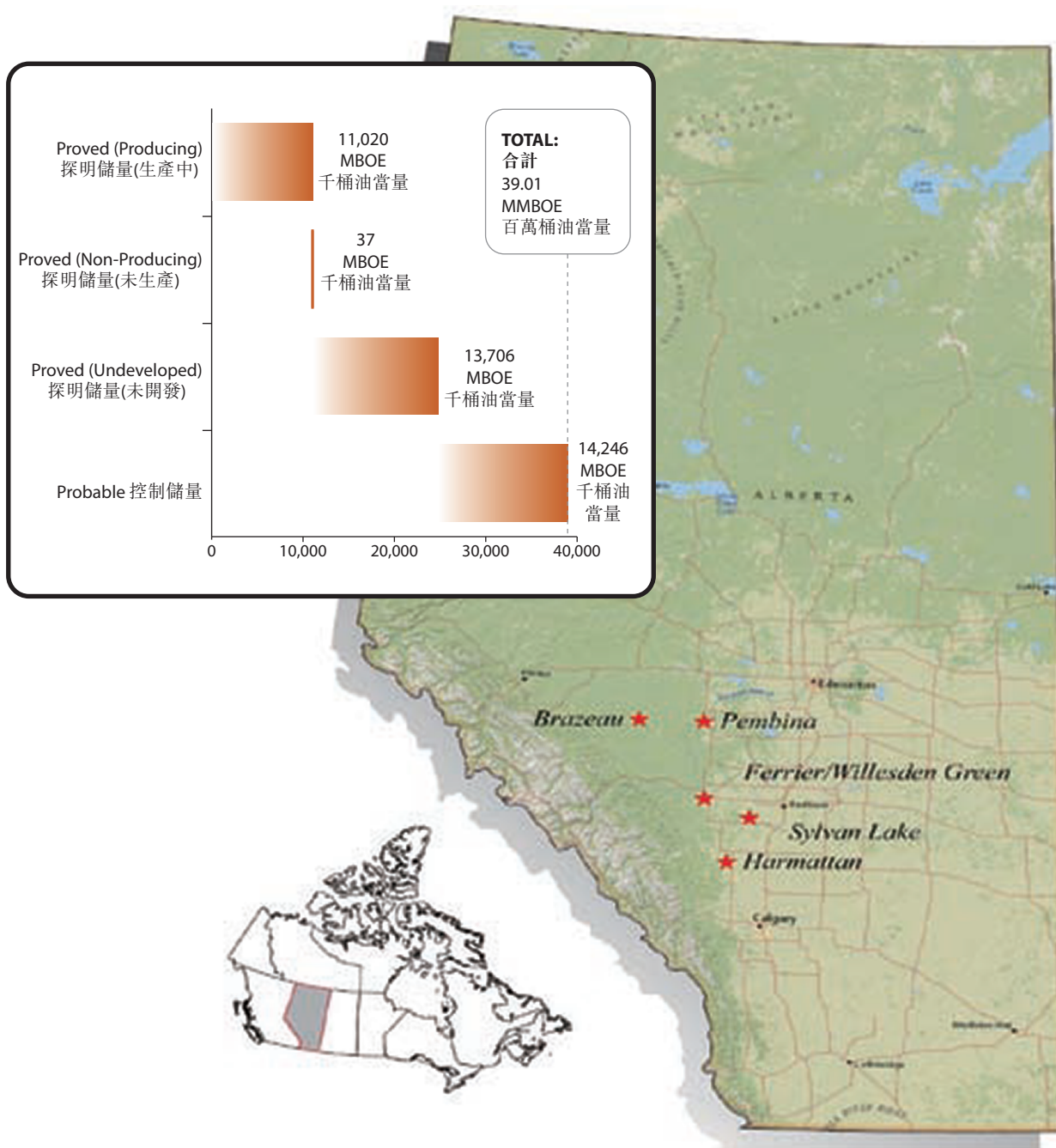
加拿大油氣生產業務

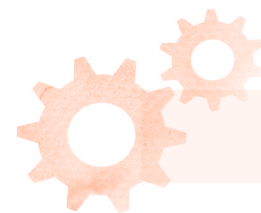
RESERVES

As at 31 December 2018

儲量

於二零一八年十二月三十一日





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





Corporate Information

公司資料

(continued) (續)

LEGAL ADVISERS

(As to Hong Kong Law)
LI & Partners

(As to PRC Law)
Beijing Huaao Law & Partners

PRINCIPAL REGISTRARS

MUFG Fund Services (Bermuda) Limited
4th floor North Cedar House
41 Cedar Avenue
Hamilton HM12
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
4th floor North Cedar House
41 Cedar Avenue
Hamilton HM12
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

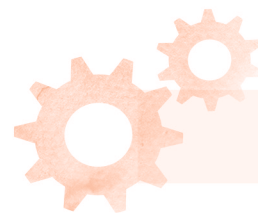
香港上海滙豐銀行有限公司

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”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2019 (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”).

中油燃氣集團有限公司(「公司」)董事(「董事」)局(「董事局」)欣然宣佈公司及其附屬公司(統稱「集團」)截至二零一九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。

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2019

簡明綜合全面收益表

截至二零一九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	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
Revenue	營業額	4	4,968,927
Cost of sales	銷售成本		(4,121,811)
Gross profit	毛利		847,116
Other income	其他收入	5	15,691
Other gains, net	其他收益，淨額	6	5,895
Selling and distribution costs	銷售及分銷費用		(22,637)
Administrative expenses	行政開支		(185,765)
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回撥		20,237
Operating profit	經營溢利		680,537
Finance income	財務收入	7	66,169
Finance costs	財務費用	7	(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)
Profit before taxation	除稅前溢利		636,680
Taxation	稅項	8	(132,350)
Profit for the period	期內溢利		504,330



Interim Results 中期業績

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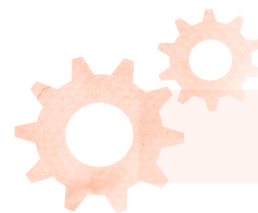
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)

For the six months ended 30 June 2019

簡明綜合全面收益表(續)

截至二零一九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	
		2019 二零一九年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)
		Notes 附註	
Other comprehensive income/(loss): Items that may be reclassified to profit or loss:	其他全面收益/(虧損): 可重新分類至損益之項目:		
Currency translation differences	貨幣換算差額	3,435	110,620
Changes in value of debt investments at fair value through other comprehensive income	按公平值計入其他全面收益 之債務投資價值變動	27,752	(36,993)
Item that will not be reclassified to profit or loss:	將不會重新分類至損益 之項目:		
Change in value of equity investments at fair value through other comprehensive income	按公平值計入其他全面收益 之股本投資價值變動	(29,142)	27,939
Total comprehensive income for the period	期內全面收益總額	483,285	605,896
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	202,967	216,160
Non-controlling interests	非控股權益	278,273	288,170
		481,240	504,330
Total comprehensive income attributable to:	以下人士應佔 全面收益總額:		
Owners of the Company	公司擁有人	204,367	304,091
Non-controlling interests	非控股權益	278,918	301,805
		483,285	605,896
Earnings per share	每股盈利		
– Basic	— 基本	4.060	4.339
– Diluted	— 攤薄	4.056	4.310



Interim Results 中期業績

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

簡明綜合財務狀況表

於二零一九年六月三十日

		Notes 附註	30.6.2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2018 二零一八年 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	8,077,231	7,924,722
Exploration and evaluation assets	勘探及評估資產		176,859	182,981
Land use rights	土地使用權		425,344	415,234
Intangible assets	無形資產		971,083	974,526
Investments accounted for using the equity method	使用權益法入賬之投資		303,128	312,754
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產		351,812	439,120
Other non-current assets	其他非流動資產		1,058,675	1,063,841
Deferred tax assets	遞延稅項資產		7,646	7,646
			11,371,778	11,320,824
Current assets	流動資產			
Inventories	存貨		261,952	282,777
Contract assets, deposits, trade and other receivables	合約資產、按金、貿易及其他應收款項	12	1,965,750	1,751,116
Current tax recoverable	當期可收回稅項		6,086	6,024
Time deposits with maturity over three months	存款期超過三個月之定期存款		–	158,679
Cash and cash equivalents	現金及現金等值項目		2,341,816	2,508,223
			4,575,604	4,706,819
Total assets	總資產		15,947,382	16,027,643



Interim Results

中期業績

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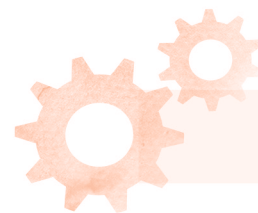
CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)

As at 30 June 2019

簡明綜合財務狀況表(續)

於二零一九年六月三十日

		Notes 附註	30.6.2019 二零一九年 六月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31.12.2018 二零一八年 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	1,438,011	1,415,917
Contract liabilities	合約負債		1,084,431	1,470,128
Short-term borrowings	短期借貸		1,389,111	1,455,839
Current tax payable	當期應付稅項		257,268	269,369
Senior notes	優先票據		2,320,198	-
			6,489,019	4,611,253
Non-current liabilities	非流動負債			
Senior notes	優先票據		2,718,507	5,029,991
Long-term borrowings	長期借貸		58,167	63,642
Deferred tax liabilities	遞延稅項負債		256,084	270,019
Assets retirement obligation	資產報廢承擔		144,523	140,678
			3,177,281	5,504,330
Total liabilities	負債總額		9,666,300	10,115,583
Equity	權益			
Equity attributable to owners of the Company	公司擁有人應佔權益			
Share capital	股本	14	58,391	58,391
Reserves	儲備		3,235,783	3,137,516
			3,294,174	3,195,907
Non-controlling interests	非控股權益		2,986,908	2,716,153
Total equity	權益總額		6,281,082	5,912,060
Total equity and liabilities	權益及負債總額		15,947,382	16,027,643



Interim Results 中期業績

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2019

簡明綜合權益變動表

截至二零一九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	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	Total	Non-controlling interests	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	計劃所持股份 HK\$'000 千港元	其他儲備 HK\$'000 千港元	匯兌波動儲備 HK\$'000 千港元	之酬金儲備 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 2019	於二零一九年一月一日	58,391	32,333	(420,686)	1,473,159	(533,702)	9,440	2,576,972	3,195,907	2,716,153	5,912,060
Profit for the period	期內溢利	-	-	-	-	-	-	202,967	202,967	278,273	481,240
Other comprehensive income:	其他全面收益：										
Exchange differences on translating foreign operations	換算海外業務之匯兌差額	-	-	-	-	2,790	-	-	2,790	645	3,435
Changes in value of equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益之權益工具價值變動	-	-	-	(29,142)	-	-	-	(29,142)	-	(29,142)
Changes in value of debt instruments at fair value through other comprehensive income	按公平值計入其他全面收益之債務工具價值變動	-	-	-	27,752	-	-	-	27,752	-	27,752
Total comprehensive income for the period	期內全面收益總額	-	-	-	(1,390)	2,790	-	202,967	204,367	278,918	483,285
Transfer at fair value gain on equity investment at fair value through other comprehensive income to retained profit upon disposal	於出售時轉撥按公平值計入其他全面收益之股本投資公平值收益至保留溢利	-	-	-	179	-	-	1,108	1,287	-	1,287
Vesting of shares under share award scheme	根據股份獎勵計劃歸屬股份	-	-	483	-	-	1,292	-	1,775	-	1,775
Shares purchased for share award scheme	為股份獎勵計劃購買股份	-	-	3,337	-	-	-	-	3,337	-	3,337
Value of employee services	僱員服務價值	-	-	-	-	-	-	-	-	-	-
Capital injection by non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	16,839	16,839
Dividend paid to non-controlling interests	支付股息予非控股權益	-	-	-	-	-	-	-	-	(25,002)	(25,002)
Final dividend for the year ended 31 December 2018	截至二零一八年十二月三十一日止年度之末期股息	-	-	-	(23,357)	-	-	(89,142)	(112,499)	-	(112,499)
At 30 June 2019	於二零一九年六月三十日	58,391	32,333	(416,866)	1,448,591	(530,912)	10,732	2,691,905	3,294,174	2,986,908	6,281,082

Interim Results

中期業績

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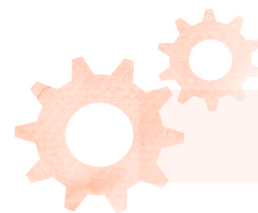
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)

For the six months ended 30 June 2019

簡明綜合權益變動表(續)

截至二零一九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 總額	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	計劃所持股份 HK\$'000 千港元	其他儲備 HK\$'000 千港元	匯兌波動儲備 HK\$'000 千港元	之酬金儲備 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 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:	其他全面收益：										
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 value of equity instruments at fair value through other comprehensive income	按公平值計入其他全面收益權益工具價值變動	-	-	-	27,939	-	-	-	27,939	-	27,939
Changes in 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價值變動	-	-	-	(36,993)	-	-	-	(36,993)	-	(36,993)
Total comprehensive income for the period	期內全面收益總額	-	-	-	(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 FVTOCI 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



Interim Results 中期業績

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

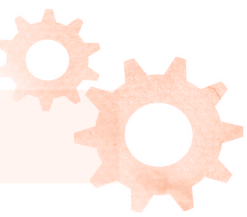
For the six months ended 30 June 2019

簡明綜合現金流量表

截至二零一九年六月三十日止六個月

		Unaudited 未經審核 (6 months) 1.1-30.6.2019 (六個月) 二零一九年 一月一日至 六月三十日 HK\$'000 千港元	Unaudited 未經審核 (6 months) 1.1-30.6.2018 (六個月) 二零一八年 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	453,146	403,692
Net cash used in investing activities	投資活動所用之現金淨額	(304,585)	(473,811)
Net cash (used in)/generated from financing activities	融資活動(所用)/所得之現金淨額	(318,403)	469,812
Net (decrease)/increase in cash and cash equivalents	現金及現金等值項目 (減少)/增加淨額	(169,842)	399,693
Cash and cash equivalents at beginning of the period	期初現金及現金等值項目	2,508,223	2,290,447
Effect of foreign exchange rate changes	匯率變動影響	3,435	21,793
Cash and cash equivalents at end of the period	期終現金及現金等值項目	2,341,816	2,711,933





Interim Results 中期業績

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2019

(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 2018.

簡明綜合財務報表附註

截至二零一九年六月三十日止六個月

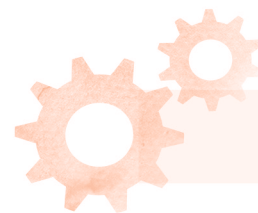
(1) 一般資料

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二零一八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

(continued) (續)

(3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the unaudited interim financial information are consistent with those used in the annual financial statements for the year ended 31 December 2018 except for the changes mentioned below.

Taxes on income in the interim periods are accrual using the tax rates that would be applicable to expected total annual earnings.

The HKICPA has issued a number of new HKFRSs and amendments to HKFRSs which are first effective for the current accounting period of the Group. Of these, the following new standards, amendments to standards and interpretation are relevant to the Group's consolidated financial statements:

HKFRS 16	Leases
HK(IFRIC) 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interest in Associates and Joint ventures
Annual Improvements Project (Amendments)	Annual Improvements 2015-2017 Cycle

Other than the impact of the adoption of HKFRS 16 "Leases" as disclosed below, the directors of the Company has assessed that there was no significant impact to the adoption of the above amendments to standards and interpretation on the Group's results and financial position. The Group has assessed the impact of the adoption of the above amendments to standards and interpretation, and considered that there was no significant impact on the Group's results and financial position.

(3) 重大會計政策

除以下提及的變動外，編製本未經審核的中期財務資料所採用的會計政策及計算方法與截至二零一八年十二月三十一日止年度的年度財務報表內所述一致。

於本期間的所得稅乃按預期總年度盈利適用的稅率應計。

香港會計師公會頒佈若干新訂及經修訂之《財報準則》，並於集團當前會計期間起首次生效。其中與集團財務報表有關的新訂準則、準則之修訂本及詮釋如下：

《財報準則》第16號	租賃
香港(國際財務報告詮釋委員會)第23號	所得稅處理的不確定性
香港財務報告準則第9號(修訂本)	具不贖人償條款的預付款
香港會計準則第19號(修訂本)	計劃修改、削減或結算
香港會計準則第28號(修訂本)	聯營公司及合營公司的長期利息
年度改進項目(修訂本)	二零一五年至二零一七年週期之年度改進

誠如下文所述，除採納香港財務報告準則第16號「租賃」的影響外，公司董事評估，採納上述準則修訂本及詮釋不會對集團業績及財務狀況造成重大影響。集團已評估採納上述準則之修訂本及詮釋之影響，並認為對集團的業績及財務狀況並無重大影響。





Interim Results 中期業績

(continued) (續)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

HKFRS 16, Leases

Under HKFRS 16, the lessees no longer distinguish between operating and finance leases. Instead, subject to practical expedients, a lease liability in respect of the present value of the minimum future lease payments and a corresponding right-of-use asset are recognised in the consolidated statement of financial position for all lease arrangements of more than 12 months by lessees. HKFRS 16 does not significantly change the way that lessors account for their rights and obligations under a lease.

At the commencement date of the lease, the Group as lessee recognises and measures a lease liability at the present value of the minimum future lease payment and recognises a corresponding “right-of-use” asset. After initial recognition of this asset and liability, the Group recognises interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset and impairment losses (if any), instead of the previous accounting policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term.

The Group adopted HKFRS 16 using the simplified transition approach from 1 January 2019 and has not restated comparative amounts for the year prior to the first adoption, as permitted under the specific transitional provisions in the standard.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as ‘operating leases’ under the principles of HKAS 17 Leases. These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee’s incremental borrowing rate as of 1 January 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 January 2019 was approximated 5%. The difference between the operating lease commitments as disclosed as at 31 December 2018 and the lease liabilities recognised as at 1 January 2019 is not material and mainly represented the discounting impact using the Group’s incremental borrowing rate as of the date of initial application, and also the short-term leases and those leases with a remaining lease term of less than 12 months as at 1 January 2019 recognised on a straight-line basis as expense.

(3) 重大會計政策(續)

《財報準則》第16號 — 租賃

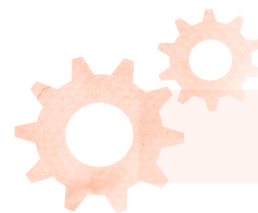
根據《財報準則》第16號，承租人不再區分經營租賃及融資租賃。相反，受可行權宜方法的規限，對於所有超過十二個月的租賃安排，承租人以最低租賃付款的現值計算租賃負債和相應的「使用權」資產於綜合財務狀況表內確認。《財報準則》第16號，對出租人的租約權利及義務的處理方式並無顯著改變。

在租賃期開始日，集團作為承租人將按日後最低租賃付款的現值確認及計算租賃負債，並確認相應的「使用權」資產。於初步確認該資產及負債後，集團確認租賃負債結餘所產生的利息開支及使用權資產折舊及減值虧損(如有)，而非根據先前的會計政策於租賃期內按系統基準計算及確認為租賃開支。

集團自二零一九年一月一日起使用簡化過渡方法採納香港財務報告準則第16號，但未根據該準則的特定過渡性條款允許的本年度之比較數字進行重列。

於採納香港財務報告準則第16號時，集團就先前根據香港會計準則第17號租賃的原則分類為「經營租賃」的租賃確認租賃負債。該等負債按租賃付款餘額的現值計量，並使用截至二零一九年一月一日的承租人增量借款利率進行貼現。於二零一九年一月一日所應用於租賃負債的加權平均承租人增量借款利率約為5%。於二零一八年十二月三十一日所披露的經營租賃與於二零一九年一月一日所確認的租賃負債之間的差額並不重大，主要指截至首次應用日期使用集團增量借款利率的折現影響，及短期租賃及該等於二零一九年一月一日使用直線法確認為開支的剩餘租賃期短於十二個月的租賃。





Interim Results 中期業績

(continued) (續)

(3) SIGNIFICANT ACCOUNTING POLICIES (Continued)

HKFRS 16, Leases (Continued)

The associated right-of-use assets for all leases were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

In applying HKFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- the use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- reliance on previous assessments on whether leases are onerous
- the accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases
- the exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- the use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying HKAS 17 and HK(IFRIC) 4 Determining whether an Arrangement contains a Lease.

Given the Group does not have material lease arrangements as a lessee, the Group considers that there is no significant financial impact on the condensed consolidated interim financial information of the Group upon the adoption of HKFRS 16.

The Group has not applied any new standards or amendments of standards that is not yet effective for the current accounting period.

(3) 重大會計政策 (續)

《財報準則》第16號 — 租賃 (續)

所有租賃的相關使用權資產乃按相等於租賃負債的金額計量，就於二零一八年十二月三十一日之財務狀況表確認的該租賃有關的任何預付或應計的租賃付款金額作出調整。概無虧損租賃合約須於首次應用日期對使用權資產作出調整。

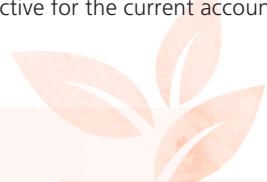
於首次應用香港財務報告準則第16號時，集團已使用以下該準則所允許的可行權宜方法：

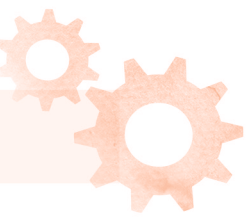
- 對具有合理相似特徵的租賃組合採用單一折現率
- 前期評估租賃合同是否是虧損性的
- 於二零一九年一月一日的剩餘租賃期短於十二個月的營運租賃作為短期租賃處理
- 首次採用日計量使用權資產時扣除初始直接費用，以及
- 倘合約包含續租或終止租賃的選擇權，則可在確定租賃期時使用後見之明

集團已選擇不在首次採納日期重新評估合約是否為租賃合同或是否包含租賃。對於在過渡日期之前簽訂的合約，集團根據香港會計準則第17號及香港(國際財務報告詮釋委員會)詮釋第4號確定一項安排是否包含租賃評估。

鑒於集團作為承租人並無重大經營租賃，集團認為採納《財報準則》第16號對集團的簡明綜合中期財務資料並無造成重大財務影響。

集團並無採用任何在當前會計期間尚未生效之新訂準則及準則之修訂本。





Interim Results 中期業績

(continued) (續)

(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 2019:

- 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 2019 and 2018 is set out below:

(4) 營業額及分部資料

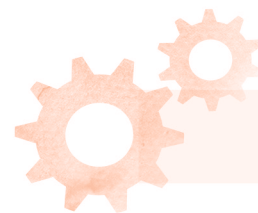
集團根據定期向執行董事匯報供資源分配及表現評估之內部財務資料識別其經營分部及編製分部資料，並更多側重於銷售天然氣、燃氣管道建造及接駁以及開採及生產原油及天然氣。

於截至二零一九年六月三十日止六個月，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

截至二零一九年及二零一八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可報告分部相關資料載列如下：





Interim Results 中期業績

(continued) (續)

(4) REVENUE AND SEGMENT INFORMATION (Continued)

Business Segments

For the six months ended 30 June 2019:

(4) 營業額及分部資料(續)

業務分部

截至二零一九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				
Segment revenue	分部營業額				
Recognised at a point in time	於某一時間點確認	4,626,383	–	218,873	4,845,256
Recognised over time	於一段時間內確認	–	301,868	–	301,868
Sales to external customers	外部客戶銷售額	4,626,383	301,868	218,873	5,147,124
Segment results	分部業績	423,726	160,465	69,553	653,744
Finance income	財務收入				78,550
Other gains, net	其他收益，淨額				6,541
Finance costs	財務費用				(116,773)
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				(16)
Unallocated corporate expenses	未分配企業開支				(52,586)
Profit before taxation	除稅前溢利				569,460
Taxation	稅項				(88,220)
Profit for the period	期內溢利				481,240



Interim Results

中期業績

(continued) (續)

(4) REVENUE AND SEGMENT INFORMATION (Continued)

Business Segments (Continued)

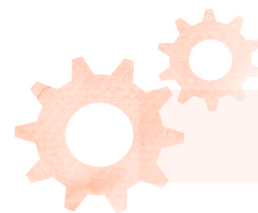
For the six months ended 30 June 2018:

(4) 營業額及分部資料(續)

業務分部(續)

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				
Segment revenue	分部營業額				
Recognised at a point in time	於某一時間點確認	4,259,870	-	236,585	4,496,455
Recognised over time	於一段時間內確認	-	472,472	-	472,472
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 油氣資產減值虧損回撥				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

(continued) (續)

(4) REVENUE AND SEGMENT INFORMATION (Continued)

Business Segments (Continued)

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

Assets

		At 30.6.2019 於二零一九年 六月三十日 Total assets 總資產 HK\$'000 千港元	At 31.12.2018 於二零一八年 十二月三十一日 Total assets 總資產 HK\$'000 千港元
Hong Kong	香港	200,755	145,069
Mainland China	中國內地	12,588,813	12,692,966
Canada	加拿大	2,495,228	2,430,088
Total	合計	15,284,796	15,268,123
Unallocated	未分配		
Investments accounted for using the equity method	使用權益法入賬之投資	303,128	312,754
Deferred tax assets	遞延稅項資產	7,646	7,646
Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	351,812	439,120
Total assets	總資產	15,947,382	16,027,643

(4) 營業額及分部資料(續)

業務分部(續)

集團按地區市場劃分之資產之分析載列如下：

資產

		At 30.6.2019 於二零一九年 六月三十日 Total assets 總資產 HK\$'000 千港元	At 31.12.2018 於二零一八年 十二月三十一日 Total assets 總資產 HK\$'000 千港元
Hong Kong	香港	200,755	145,069
Mainland China	中國內地	12,588,813	12,692,966
Canada	加拿大	2,495,228	2,430,088
Total	合計	15,284,796	15,268,123
Unallocated	未分配		
Investments accounted for using the equity method	使用權益法入賬之投資	303,128	312,754
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Financial assets at fair value through other comprehensive income	按公平值計入其他全面收益之金融資產	351,812	439,120
Total assets	總資產	15,947,382	16,027,643



Interim Results 中期業績

(continued) (續)

(5) OTHER INCOME

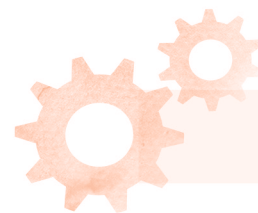
		Unaudited 未經審核 (6 months) 1.1-30.6.2019 (六個月) 二零一九年 一月一日至 六月三十日 HK\$'000 千港元	Unaudited 未經審核 (6 months) 1.1-30.6.2018 (六個月) 二零一八年 一月一日至 六月三十日 HK\$'000 千港元
Dividend income from listed securities	上市證券股息收入	534	725
Government subsidies	政府補貼	2,121	2,573
Rental income	租金收入	4,476	3,996
Service income	服務收入	5,254	4,691
Others	其他	5,673	3,706
		18,058	15,691

(5) 其他收入

(6) OTHER GAINS, NET

		Unaudited 未經審核 (6 months) 1.1-30.6.2019 (六個月) 二零一九年 一月一日至 六月三十日 HK\$'000 千港元	Unaudited 未經審核 (6 months) 1.1-30.6.2018 (六個月) 二零一八年 一月一日至 六月三十日 HK\$'000 千港元
Gain on disposal of fixed assets	出售固定資產收益	1,104	4,589
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的金融資產之收益	5,437	1,306
		6,541	5,895

(6) 其他收益，淨額



Interim Results 中期業績

(continued) (續)

(7) FINANCE INCOME AND COSTS

	財務收入來自：	Unaudited 未經審核 (6 months) 1.1–30.6.2019 (六個月) 二零一九年 一月一日至 六月三十日 HK\$'000 千港元	Unaudited 未經審核 (6 months) 1.1–30.6.2018 (六個月) 二零一八年 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	45,675	40,496
Loan to an associate	貸款予聯營公司	32,411	25,181
Loan to a third parties	貸款予第三方	464	492
		78,550	66,169
Finance costs from:	財務費用來自：		
Bank borrowings	銀行借款	(45,167)	(37,227)
Other borrowings	其他借款	(71,606)	(68,959)
		(116,773)	(106,186)
Finance costs, net	財務費用，淨額	(38,223)	(40,017)

(7) 財務收入及費用

	財務收入來自：	Unaudited 未經審核 (6 months) 1.1–30.6.2019 (六個月) 二零一九年 一月一日至 六月三十日 HK\$'000 千港元	Unaudited 未經審核 (6 months) 1.1–30.6.2018 (六個月) 二零一八年 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	45,675	40,496
Loan to an associate	貸款予聯營公司	32,411	25,181
Loan to a third parties	貸款予第三方	464	492
		78,550	66,169
Finance costs from:	財務費用來自：		
Bank borrowings	銀行借款	(45,167)	(37,227)
Other borrowings	其他借款	(71,606)	(68,959)
		(116,773)	(106,186)
Finance costs, net	財務費用，淨額	(38,223)	(40,017)

(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 (2018: Nil).

Pursuant to the relevant PRC corporate income tax rules and regulations, withholding tax is imposed on dividends declared in respect of profits earned by the Company's PRC subsidiaries from 1 January 2008 onwards at 10% (2018: 10%). Certain entities of the Group with Hong Kong business and directly owns at least 25% of the capital of the PRC subsidiaries are entitled to the lower withholding tax rate at 5% (2018: 5%).

(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(二零一八年：無)。

根據相關中國企業所得稅法及條例，自二零零八年一月一日起，就公司中國附屬公司所賺取之溢利申報股息按10%(二零一八年：10%)之稅率繳納預扣稅。若干擁有香港業務且直接擁有中國附屬公司至少25%股本之集團實體享有5%(二零一八年：5%)之較低預扣稅。



Interim Results 中期業績

(continued) (續)

(8) TAXATION (Continued)

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% (2018: 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% (2018: 15%).

Canada income tax has been provided for at the rate of 27% on the estimated assessable profits for the year (2018: 27%), which represented the tax rate in Alberta, Canada and the Canada's federal tax rate of 12% (2018: 12%) and 15% (2018: 15%) respectively.

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.

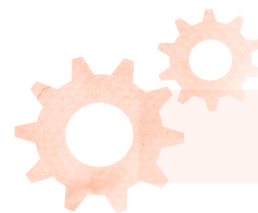
(8) 稅項(續)

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%（二零一八年：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%（二零一八年：15%）納稅。

年內加拿大所得稅乃按27%對估計應課稅溢利計提（二零一八年：27%），即阿爾伯塔省及加拿大聯邦稅率分別為12%（二零一八年：12%）及15%（二零一八年：15%）。

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 未經審核 (6 months) 1.1-30.6.2019 (六個月) 二零一九年 一月一日至 六月三十日 HK\$'000 千港元	Unaudited 未經審核 (6 months) 1.1-30.6.2018 (六個月) 二零一八年 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	99,062	113,236
Overseas taxation	海外稅項	-	-
Under provision in prior years	過往年度撥備不足	-	-
		99,062	113,236
Deferred tax	遞延稅項	(10,842)	19,114
Taxation	稅項	88,220	132,350



Interim Results 中期業績

(continued) (續)

(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\$202,967,000 (six months ended 30 June 2018: HK\$216,160,000) and weighted average number of ordinary shares in issue less shares held under share award scheme during the Period of approximately 4,999,509,000 shares (six months ended 30 June 2018: 4,982,096,000 shares).
- (b) Diluted earnings per share is calculated based on the profit attributable to owners of the Company of approximately HK\$202,967,000 (six months ended 30 June 2018: HK\$216,160,000), and the weighted average number of ordinary shares of approximately 5,003,947,000 shares (six months ended 30 June 2018: 5,014,815,000 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 2,905,000 shares (six month ended 30 June 2018: 31,377,000 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 1,533,000 shares (six months ended 30 June 2018: 1,342,000).

(10) DIVIDEND

The Board resolved not to declared any interim dividend for the six months ended 30 June 2019 (2018: Nil). During the Period, a dividend of HK cent 0.4 per share (2018: HK cent 0.35) amounting to approximately HK\$23,356,000 (2018: HK\$20,390,000) was paid to the shareholders as the final dividend for 2018.

(11) PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2019, the Group acquired property, plant and equipment amounting to HK\$427,230,000 (six months ended 30 June 2018: HK\$504,009,000) and disposed of property, plant and equipment with net book value of HK\$37,958,000 (six months ended 30 June 2018: HK\$530,000).

(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202,967,000港元(截至二零一八年六月三十日止六個月: 216,160,000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4,999,509,000股(截至二零一八年六月三十日止六個月: 4,982,096,000股)而計算。
- (b) 每股攤薄盈利乃根據公司擁有人應佔溢利約202,967,000港元(截至二零一八年六月三十日止六個月: 216,160,000港元)及普通股加權平均數約5,003,947,000股(截至二零一八年六月三十日止六個月: 5,014,815,000股)計算。該普通股加權平均數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倘行使所有已授出但尚未行使之購股權而被視為將以零代價發行之購股權涉及的潛在攤薄普通股加權平均數約2,905,000股(截至二零一八年六月三十日止六個月: 31,377,000股)及獎勵股份約1,533,000股(截至二零一八年六月三十日止六個月: 1,342,000股)。

(10) 股息

董事局決議不宣派截至二零一九年六月三十日止六個月之任何中期股息(二零一八年: 無)。於期內, 公司向股東派付二零一八年的末期股息每股0.4港仙(二零一八年: 0.35港仙), 合共約23,356,000港元(二零一八年: 20,390,000港元)。

(11) 物業、廠房及設備

截至二零一九年六月三十日止六個月, 集團收購物業、廠房及設備427,230,000港元(截至二零一八年六月三十日止六個月: 504,009,000港元)及出售物業、廠房及設備賬面淨值為37,958,000港元(截至二零一八年六月三十日止六個月: 530,000港元)。



Interim Results 中期業績

(continued) (續)

(12) CONTRACT ASSETS, DEPOSITS, TRADE AND OTHER RECEIVABLES

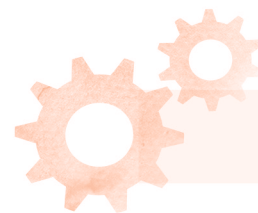
(12) 合約資產、按金、貿易及其他應收款項

		Unaudited 未經審核 At 30.6.2019 於二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 At 31.12.2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Trade receivables	貿易應收賬款	393,736	625,352
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	1,572,014	1,125,764
		1,965,750	1,751,116
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	362,243	552,984
3 to 6 months	三個月至六個月	23,635	43,421
Over 6 months	六個月以上	7,858	28,947
Total	合計	393,736	625,352

(13) TRADE AND OTHER PAYABLES

(13) 貿易及其他應付款項

		Unaudited 未經審核 At 30.6.2019 於二零一九年 六月三十日 HK\$'000 千港元	Audited 經審核 At 31.12.2018 於二零一八年 十二月三十一日 HK\$'000 千港元
Trade payables	貿易應付賬款	647,764	505,977
Other payables and accruals	其他應付款項及應計費用	790,247	909,940
		1,438,011	1,415,917
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	524,680	402,076
3 to 6 months	三個月至六個月	50,524	40,910
Over 6 months	六個月以上	72,560	62,991
		647,764	505,977



Interim Results 中期業績

(continued) (續)

(14) SHARE CAPITAL

(14) 股本

		Number of shares	Amount
		股份數目	金額
		'000	HK\$'000
		千股	千港元
Authorised:	法定：		
Ordinary shares of HK\$0.01 each at 30 June 2018, 31 December 2018 and 30 June 2019	於二零一八年六月三十日、二零一八年十二月三十一日及二零一九年六月三十日 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 2018, 31 December 2018 and 30 June 2019	於二零一八年六月三十日、二零一八年十二月三十一日及二零一九年六月三十日 每股面值0.01港元之普通股	5,839,124	58,391

(15) PLEDGE OF ASSETS

No material assets of the Group have been pledged as at 30 June 2019 (2018: Nil).

(15) 資產抵押

集團於二零一九年六月三十日概無以任何重大資產作抵押(二零一八年：無)。

(16) CONTINGENT LIABILITY

As at 30 June 2019, the Group has no material contingent liability (2018: Nil).

(16) 或然負債

集團於二零一九年六月三十日並無任何重大或然負債(二零一八年：無)。

(17) APPROVAL OF THE INTERIM FINANCIAL STATEMENTS

The condensed consolidated interim financial statements were approved and authorised for issue by the Board on 26 August 2019.

(17) 中期財務報表之批准

簡明綜合中期財務報表已於二零一九年八月二十六日獲董事局批准及授權刊發。



Report of the Board

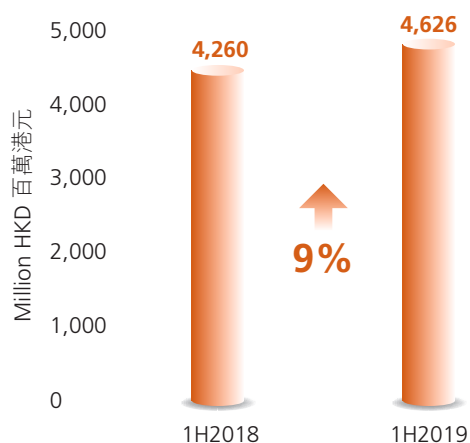
董事局報告

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

Since the beginning of 2019, the Sino-US trade war has continued, and the macro-economic control and risk of economic downturn have increased. Under the environment of changing policies and fierce market competition, China's natural gas consumption in the first half of the year still increased by 11% year on year to 149.3 billion cubic meters. Leveraging its market and business advantages, the Group vigorously promoted the construction of key branch pipelines, and further cultivated existing and potential markets. The Group recorded total revenue of HK\$5,147 million for the first half of 2019, representing a year-on-year growth of 4%. The income from sales and distribution of natural gas and other related products was HK\$4,626 million, representing an increase of 9% as compared to HK\$4,260 million for the corresponding period of last year. Due to the decrease in revenue of gas pipeline construction and connection, the Group recorded a profit for the Period of HK\$481 million with a year-on-year decrease of 5%. Excluding reversal of impairment losses on oil and gas properties and other one-off gains, the profit attributable to owners of the Company would increase by 3%.

Income from Sales and Distribution of Natural Gas and Other Related Products 銷售及輸送天然氣及其它相關產品之收入

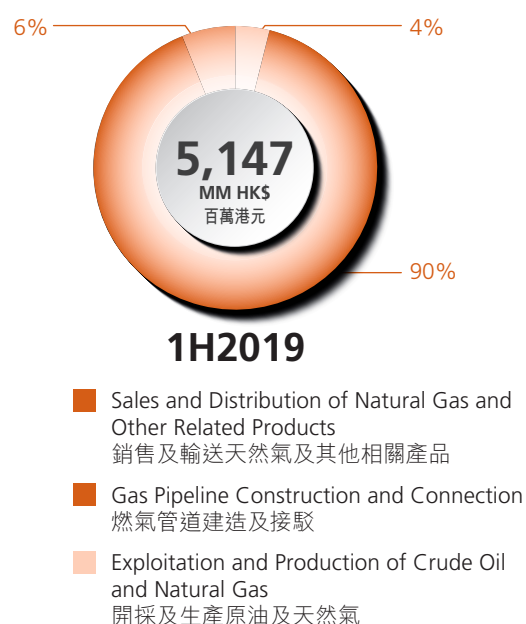


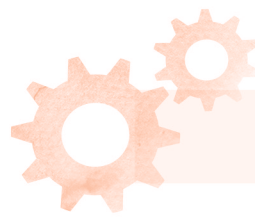
管理層討論及分析

業務回顧

二零一九年年初以來，在中美貿易戰持續、宏觀調控與經濟下行風險加大、政策多變及市場競爭激烈的環境下，中國上半年天然氣消費量仍然同比增長11%至1,493億立方米。集團充分發揮市場和業務優勢，大力推動重點支線管道建設，深耕現有和潛在市場，二零一九年上半年錄得總營業額51.47億港元，同比增長4%；銷售及輸送天然氣及其他相關產品之收入為46.26億港元，較之去年同期的42.60億港元增長9%。由於燃氣管道建造及接駁收入減少，集團錄得期內溢利4.81億港元，同比減少5%。撇除油氣資產減值虧損回撥及其他一次性收益後，公司擁有人應佔溢利增長3%。

Revenue Breakdown (By Segment) 分部營業額





Report of the Board 董事局報告

(continued) (續)

CITY PIPELINE NATURAL GAS BUSINESS

Sales and distribution of natural gas

For the first six months of 2019, the Group's natural gas sales and transmission volume reached 2,552 million cubic meters (2018: 2,203 million cubic meters), representing an increase of 16% as compared with the same period last year.

Gas consumption of industrial and commercial users recorded 1,245 million cubic meters, representing a growth of 6% as compared with 1,175 million cubic meters for the same period last year and accounting for 62% of the Group's total gas sales volume; gas consumption of residential users increased by 16% to 571 million cubic meters, accounting for 28% of the total gas sales volume; gas consumption of gas stations increased by 8% to 200 million cubic meters and continued to account for 10% of the Group's total gas sales volume. The transmission volume of pipeline was recorded 536 million cubic meters with a year-on-year increase of 54%.

城市管道天然氣業務

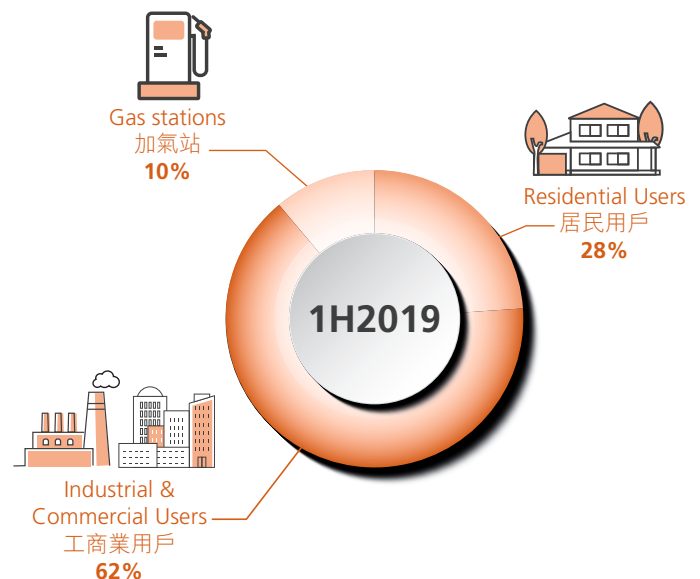
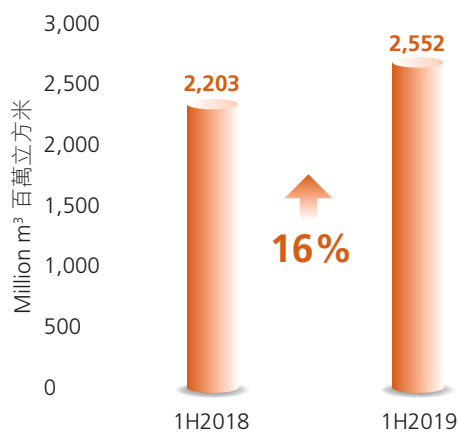
銷售及輸送天然氣

二零一九年首六個月，集團實現天然氣銷售及輸送量25.52億立方米(二零一八年：22.03億立方米)，較去年同期增長16%。

工商業用戶用氣量錄得12.45億立方米，較去年同期的11.75億立方米增長6%，佔集團總銷氣量的62%；居民用戶銷氣量增長16%至5.71億立方米，佔總銷氣量的28%；加氣站用量增長8%至2.00億立方米，再次佔總銷氣量的10%。管輸量5.36億立方米，同比增長54%。

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

Natural Gas Sales and Transmission Volume 天然氣銷售及輸送量



Report of the Board

董事局報告

(continued) (續)

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

Province	省份	1H2019 二零一九年上半年	1H2018 二零一八年上半年
Qinghai	青海	42.5%	44.6%
Shandong	山東	9.2%	9.0%
Hunan	湖南	8.0%	8.2%
Jiangsu	江蘇	14.1%	12.4%
Guangdong	廣東	3.6%	4.4%
Jiangxi	江西	6.9%	5.6%
Hubei	湖北	3.8%	3.1%
Shanxi	山西	8.4%	8.1%
Guizhou	貴州	2.3%	2.8%
Others	其他	1.2%	1.8%

Development of new users

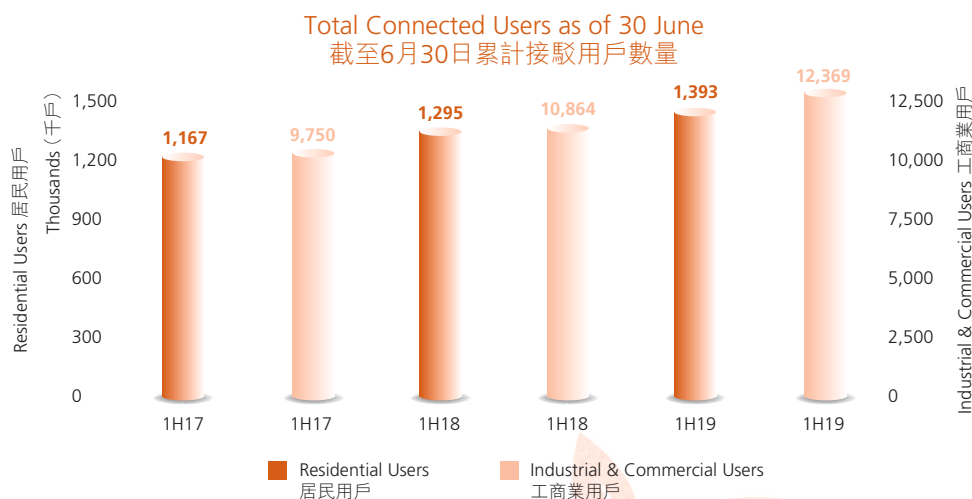
For the first six months of 2019, the Group connected 49,346 new residential users, and the accumulated connections of residential users were 1,393,190. And connected 557 new industrial and commercial users, and the accumulated connections of industrial and commercial users were 12,369. With the increasing number of users, the Group will be continued 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.

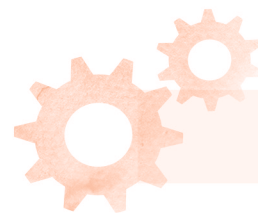
In the first half of the year, the Group made active selection among a range of projects and analysed their economic benefits and feasibility; and made efforts to promote our distributed energy projects and gas storage projects with a view to bringing the projects to implementation stage as soon as practical in the second half of the year.

新用戶開發

二零一九年首六個月，集團新增居民用戶49,346戶，累計接駁的居民用戶達到1,393,190戶。新增工商業用戶557戶，累計接駁的工商業用戶為12,369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。

集團於上半年積極篩選各類項目，分析項目經濟性及可行性，同時推進分佈式能源及儲氣庫項目，爭取下半年項目能早日落地。





Report of the Board 董事局報告

(continued) (續)

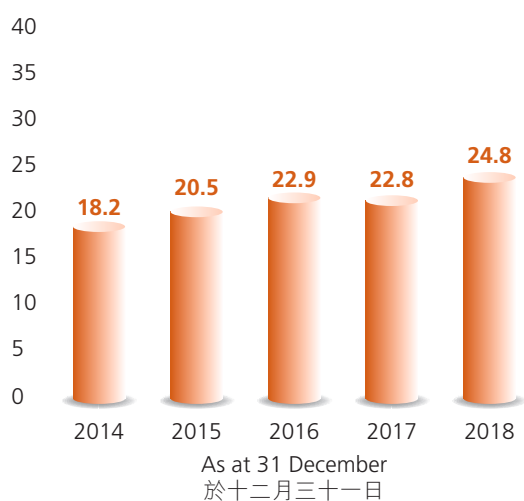
EXPLOITATION AND PRODUCTION OF CRUDE OIL AND NATURAL GAS

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 2018, the proved plus probable reserves of the Group were approximately 39 million barrels of oil equivalent. For the first six months of 2019, the upstream oil and gas exploitation business of the Group achieved an average daily production of 5,577 barrels of oil equivalent (2018: 5,368 barrels of oil equivalent) with a growth of 4%. The Group achieved the average operating netback of CAD27.00 per barrel of oil equivalent, representing a decrease of 8.5% as compared with CAD29.52 per barrel of oil equivalent for the same period last year.

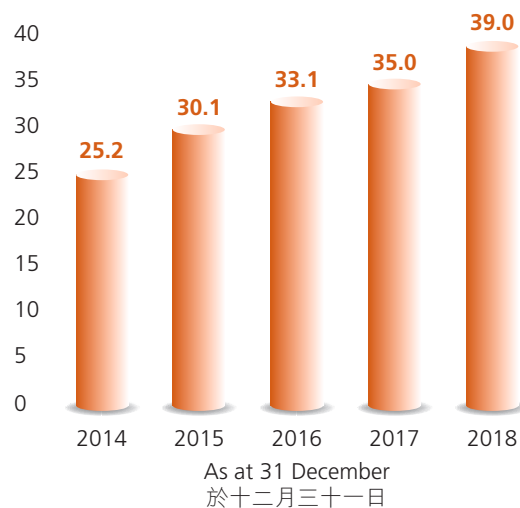
開採及生產原油及天然氣

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準備的截至二零一八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3,900萬桶油當量。於二零一九年首六個月，集團上游油氣開採業務的產量實現4%的增長，平均產量為5,577桶油當量／天(二零一八年：5,368桶油當量)。集團實現平均運營淨回值27.00加元／桶油當量，較去年同期的29.52加元／桶油當量減少8.5%。

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)





Report of the Board 董事局報告

(continued) (續)

BUSINESS PROSPECT

In the first half of 2019, for the oil and gas industry, the Chinese government issued a series of favourable policies which would benefit urban gas suppliers, including (1) allowing wholly foreign-owned enterprises to conduct the operations of oil and gas exploration and exploitation by removing the previous restriction that such operations can only be conducted in the form of joint venture or cooperation; (2) allowing foreign investors to hold the majority of equity interests in the operations of urban gas and heat supply pipeline networks of cities with a population of 0.5 million or above by removing the previous restriction that such operations must be under the control of domestic investors; and (3) the plan to establish a state oil and gas pipeline network company which is expected to provide more gas source choices for downstream natural gas operators. In addition, the Chinese section and the Russian section of China-Russia Eastern Natural Gas Pipeline has been successfully connected and the gas transmission is expected to commence by the end of the year. Upon put into full operation, this pipeline is expected to supply 38 billion cubic meters of natural gas to China per year, which will facilitate the growth of domestic natural gas industry. As of present, China has become the world's second largest LNG importer with the total reception capacity of the LNG terminals exceeding 80 million tonnes per year, and with the additional LNG terminals previously built across the country being successively put into operation, it is expected the LNG reception capacity of China will reach 100 million tonnes by 2025. All of the aforesaid factors will contribute to the formation of a diversified gas-source landscape in the natural gas market in China and in turn bring plenty of opportunities to the natural gas sector where the Group operates. In the second half of 2019, the Group will continue to explore new markets, reinforce its presence in the existing markets, enhance its team building, and grasp the arising opportunities. Facing challenges, the Group will uphold the principle of "creating value for our customers, creating future for our employees and creating rewards for our shareholders" and strive to develop into a clean energy company with international influence.

FINANCIAL REVIEW

For the six months ended 30 June 2019, the Group recorded the revenue of HK\$5,147 million, representing a growth of 4% from HK\$4,969 million for the six months ended 30 June 2018.

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\$4,626 million, HK\$302 million and HK\$219 million respectively (2018: HK\$4,260 million, HK\$472 million and HK\$237 million respectively).

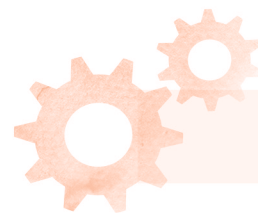
業務展望

二零一九年上半年，中國政府針對石油天然氣行業推出了一系列有利城市燃氣供應商的政策：(1)取消石油、天然氣勘探開發限於合資、合作的限制，准許外商獨資企業參與從事該類經營；(2)取消50萬人口或以上城市燃氣、熱力管網須由中方控股的限制，外商現可持有該類經營的多數股權；及(3)宣佈成立國家管網公司，預計將為下游天然氣營運商帶來更多的氣源選擇。此外，中俄東線天然氣管道中方段與俄羅斯段已連接成功，並預計將於本年年底通氣，項目全面投產後，預計每年將向中國供應380億立方米天然氣，有助推動天然氣行業增長。截至目前，中國已是全球第二大LNG進口國，LNG接收站總接收能力超過8千萬噸／年，而早前在全國各地增建的LNG接收站也將陸續投產，全國LNG接受能力預計在二零二五年前將達到1億噸。上述各項，都為中國天然氣市場打造多氣源供應的格局，為集團身處的天然氣行業帶來種種機遇。二零一九年下半年，集團將繼續開拓新市場及深耕存量市場，加強隊伍建設，把握機遇，同時迎接各種挑戰，牢記「為客戶創造價值，為員工創造前途，為股東創造回報」的宗旨，將集團建設成國際有影響力的清潔能源公司。

財務回顧

於截至二零一九年六月三十日止六個月，集團錄得營業額51.47億港元，對比截至二零一八年六月三十日止六個月的49.69億港元，錄得4%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46.26億港元、3.02億港元及2.19億港元(二零一八年：分別為42.60億港元、4.72億港元及2.37億港元)。



Report of the Board 董事局報告

(continued) (續)

The Group's overall gross profit amounted to HK\$786 million (2018: HK\$847 million), its gross profit margin was 15.3% and last period was 17.0%; Profit for the Period was HK\$481 million; Profit for the Period attributable to the owners of the Company was HK\$203 million, represented a decrease of 6%.

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\$174 million (2018: HK\$186 million) as compared to a decrease of 6% for the same period last year, the proportion of administrative expenses to revenue was further decreased to 3.4% (2018: 3.7%); and the proportion of selling and distribution costs to revenue was 0.6% (2018: 0.5%).

Finance costs (net of capitalization) increased slightly from the last corresponding period's HK\$106 million to HK\$117 million. The Group's weighted average cost of all indebtedness (including bank borrowings, other borrowings and senior notes) as at 30 June 2019 was 4.18% (2018: 5.17%).

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 2019, the Group's total indebtedness (including bank borrowings, other borrowings and senior notes) amounted to HK\$6,486 million (31 December 2018: HK\$6,549 million).

As at 30 June 2019, the Group had cash and cash equivalents of HK\$2,342 million (31 December 2018: HK\$2,508 million). Total assets were HK\$15,947 million (31 December 2018: HK\$16,028 million), in which current assets were HK\$4,576 million (31 December 2018: HK\$4,707 million). Total liabilities of the Group were HK\$9,666 million (31 December 2018: HK\$10,116 million), in which current liabilities were HK\$6,489 million (31 December 2018: HK\$4,611 million). As at 30 June 2019, the Group's current liabilities exceeded their current assets by HK\$1,913,415. The ability of the Group to continue as going concern is dependent on the Group's ability to generate positive cash flows. On 18 July 2019, the Group has issued senior notes with an aggregate nominal value of US\$320,000,000 (equivalent to HK\$2,480,000,000) with its maturity on 25 January 2023. The Board of Directors is confident that the Group would have adequate financial resources to meet its financial obligations as and when they fall due. The Group's debt-to-assets ratio, measured on the basis of total indebtedness divided by total assets was 41% (31 December 2018: 41%). The Group's financial and liquidity remain stable, and well prepared for the development in the next half of 2019.

集團整體毛利為7.86億港元(二零一八年：8.47億港元)，毛利率為15.3%，上一期間為17.0%；期內溢利為4.81億港元；公司擁有人應佔期內溢利為2.03億港元，減少6%。

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1.74億港元(二零一八年：1.86億港元)比去年同期減少6%，行政開支佔營業額比例進一步下降至3.4%(二零一八年：3.7%)；銷售及分銷費佔營業額0.6%(二零一八年：0.5%)。

財務費用(扣除資本化)由去年同期的1.06億港元略增至1.17億港元。集團於二零一九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4.18%(二零一八年：5.17%)。

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。於二零一九年六月三十日，集團的債務總額(包括銀行借貸、其他借貸及優先票據)為64.86億港元(二零一八年十二月三十一日：65.49億港元)。

於二零一九年六月三十日，集團的現金及現金等值項目為23.42億港元(二零一八年十二月三十一日：25.08億港元)。總資產為159.47億港元(二零一八年十二月三十一日：160.28億港元)，其中流動資產為45.76億港元(二零一八年十二月三十一日：47.07億港元)。集團之總負債為96.66億港元(二零一八年十二月三十一日：101.16億港元)，其中流動負債為64.89億港元(二零一八年十二月三十一日：46.11億港元)。於二零一九年六月三十日，集團的流動負債超出其流動資產1,913,415港元。集團能否持續經營取決於集團產生正面現金流量的能力。於二零一九年七月十八日，集團發行於二零二三年一月二十五日到期的賬面總值為320,000,000美元(相當於2,480,000,000港元)的優先票據。董事局有信心，集團將具備足夠財務資源以應對其到期時應付之財務責任。集團的債務對資產比率(總債務除以總資產)為41%(二零一八年十二月三十一日：41%)。集團的財務及流動資金保持平穩，為集團二零一九年下半年的發展作好充分準備。





Report of the Board 董事局報告

(continued) (續)

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2019, the Group employed a total of 3,488 (31 December 2018: 3,595) full-time employees, most of whom were stationed in the PRC. Total staff cost for the Period amounted to HK\$178 million (2018: HK\$203 million). The Group remunerates its employees based on their performance, working experience and the prevailing market wage level. The total remuneration of the employees consists of basic salary, cash bonus and share-based incentives.

PLEDGE OF ASSETS

As at 30 June 2019, no assets of the Group has been pledged.

CONTINGENT LIABILITIES

The Group has no material contingent liability as at 30 June 2019.

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 2019, the Group has no litigation.

僱員及酬金政策

於二零一九年六月三十日，集團共僱用3,488名(二零一八年十二月三十一日：3,595名)全職僱員，其中大部分僱員駐於中國。期內員工總成本為1.78億港元(二零一八年：2.03億港元)。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。僱員之總酬金包括基本薪金、現金花紅及股份獎勵。

資產抵押

於二零一九年六月三十日，集團並無任何資產抵押。

或然負債

集團於二零一九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外匯匯率波動風險。集團的政策為不從事投機行為。

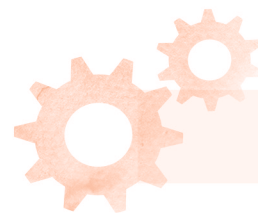
集團主要以人民幣經營業務。集團若干銀行存款以港元、人民幣及美元計值，而集團的境外銀行貸款及優先票據則以人民幣及美元計值。

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

於二零一九年六月三十日，集團並無牽涉任何訴訟。





Report of the Board 董事局報告

(continued) (續)

CAPITAL STRUCTURE

As at 30 June 2019, the issued share capital of the Company was HK\$58,391,238 divided into 5,839,123,834 Shares with a nominal value of HK\$0.01 each.

EVENTS AFTER REPORTING PERIOD

On 18 July 2019, the Company issued US\$320,000,000 5.5% senior notes due on 25 January 2023, and raised gross proceeds, before deduction of the underwriting commissions and other estimated expenses, of approximately US\$318 million ("2023 Notes"). Part of the proceeds of the 2023 Notes in the amount of US\$308,083,333.33 has been utilized to redeem the 5.0% senior notes due 2020 in the principal amount of US\$300,000,000 at the redemption price equal to 101.25% of the principal amount thereof on 21 August 2019. The remaining proceed will be used for general corporate purpose.

INTERIM DIVIDEND

The Board resolved not to declare any interim dividend for the six months ended 30 June 2019 (30 June 2018: Nil).

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

At 30 June 2019, 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:

資本架構

於二零一九年六月三十日，公司已發行股本為58,391,238港元，分為每股面值0.01港元的5,839,123,834股股份。

報告期後事項

於二零一九年七月十八日，本公司發行於二零二三年一月二十五日到期320,000,000美元的5.5厘優先票據，並籌集所得款項總額（於扣除包銷佣金及其他估計開支前）約為318,000,000美元（「二零二三票據」）。二零二三票據部份所得款項308,083,333.33美元已於二零一九年八月二十一日用於贖回將於二零二零年到期本金額300,000,000美元的5.0厘優先票據，贖回價為有關本金額之101.25%。所得款項餘額將用於一般公司用途。

中期股息

董事局決議不宣派截至二零一九年六月三十日止六個月之任何中期股息（二零一八年六月三十日：無）。

董事及主要行政人員於股份、相關股份及債券之權益

於二零一九年六月三十日，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彼等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：



Report of the Board

董事局報告

(continued) (續)

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	Capacity	Long position/ short position	Notes	Number of ordinary shares held	Approximate percentage of the Company's issued share capital	Amount of debentures held
董事姓名	身份	好倉／淡倉	附註	持有普通股 數目	佔公司 已發行股本 概約百分比	所持債券金額
Xu Tie-liang	Interest in controlled corporations	Long position	1,2	1,451,074,130	24.85%	US\$3,500,000
許鈺良	受控制法團之權益	好倉	1,2	1,451,074,130	24.85%	3,500,000美元
Guan Yijun	Interest of spouse	Long position	1	1,451,074,130	24.85%	–
關懿君	配偶權益	好倉	1	1,451,074,130	24.85%	–
	Interest of controlled corporation	Long position	2	–	–	US\$3,500,000
	受控制法團之權益	好倉	2	–	–	3,500,000美元
Liu Chunsun	Beneficial owner	Long position	3	2,200,000	0.04%	–
劉春筍	實益擁有人	好倉	3	2,200,000	0.04%	–

Notes:

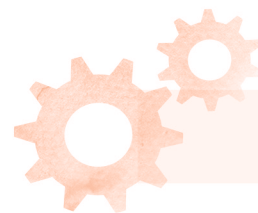
- 353,120,130 ordinary shares and 1,097,954,000 ordinary shares of the Company ("Shares") are held through Sino Advance Holdings Limited ("Sino Advance") and Sino Vantage Management Limited ("Sino Vantage") respectively, both of which were incorporated in the British Virgin Islands with limited liability 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 1,451,074,130 Shares pursuant to the SFO.
- (i) An amount of US\$2,000,000 of the US\$350,000,000 4.625% senior notes of the Company due 2022 (the "2022 Notes") is held through Moral High Limited which is owned by Mr. Xu and Ms. Guan 50% each; and (ii) an amount of US\$1,500,000 of the 2022 Notes is held through Sino Advance.
- These interest are derived from the interest in 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.

附註：

- 透過 Sino Advance Holdings Limited (「Sino Advance」) 及 Sino Vantage Management Limited (「Sino Vantage」) 分別持有公司 353,120,130 股普通股及 1,097,954,000 股普通股 (「股份」)。(該兩間公司均為在英屬維爾京群島註冊成立的有限公司並由中泰國際集團有限公司 (「中泰國際」) (在英屬維爾京群島註冊成立的有限公司) 全資擁有，而中泰國際則由許鈺良先生 (「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 1,451,074,130 股股份中持有權益。
- (i) 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 (「二零二二年票據」) 之 2,000,000 美元；及 (ii) 透過 Sino Advance 持有二零二二年票據之 1,500,000 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 2019.

除上文所披露者外，於二零一九年六月三十日，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

(continued) (續)

SUBSTANTIAL SHAREHOLDERS

At 30 June 2019, 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	Capacity	Long position/ short position	Number of Shares held	Approximate percentage of the Company's issued share capital 佔公司已發行 股本之 概約百分比
股東名稱	身份	好倉／淡倉	持有股份數目	
Sino Advance	Beneficial owner	Long position	353,120,130	6.05%
Sino Advance	實益擁有人	好倉	353,120,130	6.05%
Sino Vantage	Beneficial owner	Long position	1,097,954,000	18.80%
Sino Vantage	實益擁有人	好倉	1,097,954,000	18.80%
Sino Best	Interest in controlled corporations	Long position	1,451,074,130	24.85%
中泰國際	受控制法團之權益	好倉	1,451,074,130	24.85%

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 1,097,954,000 Shares held through Sino Advance and Sino Vantage respectively.

主要股東

於二零一九年六月三十日，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

附註：Sino Advance及Sino Vantage由中泰國際全資擁有，而中泰國際由許鈺良先生全資及實益擁有。因此，許先生被視為透過Sino Advance及Sino Vantage分別持有之353,120,130股及1,097,954,000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 2019.

除上文所披露者外，於二零一九年六月三十日，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。

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.

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。

Report of the Board 董事局報告

(continued) (續)

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	Outstanding as at 1 January 2019 於二零一九年一月一日尚未行使	Granted during the period 期內授出	Exercised during the period 期內行使	Lapsed during the period 期內失效	Outstanding as at 30 June 2019 於二零一九年六月三十日尚未行使
參與者姓名或類別	行使價 (HK\$) (港元)	授出日期	行使期					
Director	0.46	22/01/2016	22/01/2018 to 21/01/2026	1,540,000	-	-	-	1,540,000
Liu Chunsun 董事 劉春筓	0.46	二零一六年一月二十二日	二零一八年一月二十二日至二零二六年一月二十一日	1,540,000	-	-	-	1,540,000
Employees	0.46	22/01/2016	22/01/2018 to 21/01/2026	84,986,000	-	-	-	84,986,000
僱員	0.46	二零一六年一月二十二日	二零一八年一月二十二日至二零二六年一月二十一日	84,986,000	-	-	-	84,986,000
Total 總計				86,560,000 86,560,000	-	-	-	86,560,000 86,560,000

Note:

These share options are exercisable in the following manner:

- 30% of the share options shall become exercisable on 22 January 2018;
- 30% of the share options shall become exercisable on 22 January 2019; and
- 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 2019, other than those purchased by its trustee for the Restricted Share Award Scheme adopted by the Board on 4 November 2011.

附註：

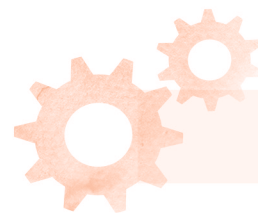
該等購股權可按下列方式行使：

- 30%之購股權將於二零一八年一月二十二日可行使；
- 30%之購股權將於二零一九年一月二十二日可行使；及
- 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二零一九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。



Report of the Board 董事局報告

(continued) (續)

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 2019. 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 2019, 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.

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

截至二零一九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。

於截至二零一九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。許鈇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

(continued) (續)

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 relevant code provisions as set out in the CG Code during the six months ended 30 June 2019.

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 2019.

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

Hong Kong, 26 August 2019

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(除許銜良先生外)之正式函件。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二零一九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二零一九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
許銜良

香港，二零一九年八月二十六日





中油燃氣集團有限公司
CHINA OIL AND GAS GROUP LIMITED
