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# 新奥能源控股有限公司 ENN Energy Holdings Limited

*(Incorporated in the Cayman Islands with limited liability)*  
(Stock Code: 2688)

## Interim Results Announcement For The Six Months Ended 30 June 2015

### Highlights of the Interim Results:

- Natural gas sales up 10.5% to 5,527 million cubic metres
- Revenue and gross profit increased by 10.7% to RMB15,887 million and 10.4% to RMB3,243 million respectively
- Due to a non-cash fair value loss of the convertible bonds of RMB109 million (non-cash gain of RMB 56 million in the same period last year), profit attributable to shareholders for the Period increased by 1.1% to RMB 1,227 million

The Board of Directors (the “Board”) of ENN Energy Holdings Limited (the “Company” and together with its subsidiaries, the “Group”) is pleased to announce the unaudited consolidated results of the Group for the six months ended 30 June 2015 (the “Period”) together with the comparative unaudited figures for the corresponding period in 2014. The unaudited condensed consolidated financial statements have been reviewed by the Company’s auditors and the Audit Committee.

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

FOR THE SIX MONTHS ENDED 30 JUNE 2015

	Notes	Six months ended 30 June	
		2015 RMB million (unaudited)	2014 RMB million (unaudited)
Revenue	3	15,887	14,351
Cost of sales		<u>(12,644)</u>	<u>(11,413)</u>
Gross profit		3,243	2,938
Other income		203	134
Other gains and losses	4	(161)	36
Distribution and selling expenses		(240)	(200)
Administrative expenses		(990)	(890)
Share of results of associates		42	45
Share of results of joint ventures		297	228
Finance costs		<u>(264)</u>	<u>(204)</u>
Profit before tax		2,130	2,087
Income tax expense	5	<u>(572)</u>	<u>(554)</u>
Profit for the period		1,558	1,533
Other Comprehensive income			
Exchange difference on translating foreign operations		<u>(2)</u>	<u>-</u>
Total comprehensive income for the period		<u>1,556</u>	<u>1,533</u>
Profit for the period attributable to:			
Owners of the Company		1,227	1,214
Non-controlling interests		<u>331</u>	<u>319</u>
		<u>1,558</u>	<u>1,533</u>
Profit and total comprehensive income for the period attributable to:			
Owners of the Company		1,225	1,214
Non-controlling interests		<u>331</u>	<u>319</u>
		<u>1,556</u>	<u>1,533</u>
Earnings per share	7	<i>RMB</i>	<i>RMB</i>
Basic		<u>1.13</u>	<u>1.12</u>
Diluted		<u>1.13</u>	<u>1.00</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2015

	Notes	At 30 June 2015 RMB million (unaudited)	At 31 December 2014 RMB million (audited)
<b>Non-current assets</b>			
Property, plant and equipment		20,043	19,441
Prepaid lease payments		1,142	1,138
Investment properties		83	83
Goodwill		728	728
Intangible assets		1,340	1,265
Interests in associates		885	882
Interests in joint ventures		3,530	3,436
Available-for-sale financial assets		4,159	114
Other receivables		32	18
Amounts due from associates		61	82
Amounts due from joint ventures		251	155
Deferred tax assets		486	422
Deposits paid for investments		13	18
Deposits paid for acquisition of property, plant and equipment, land use rights and operation rights		232	208
Restricted bank deposits		55	43
		33,040	28,033
<b>Current assets</b>			
Inventories		493	510
Trade and other receivables	8	3,024	2,883
Prepaid lease payments		24	26
Amounts due from customers for contract work		181	207
Amounts due from associates		95	57
Amounts due from joint ventures		484	552
Amounts due from related companies		53	127
Restricted bank deposits		525	71
Cash and cash equivalents		5,747	10,503
		10,626	14,936
Assets classified as held for sale		66	66
		10,692	15,002
<b>Current liabilities</b>			
Trade and other payables	9	6,414	7,262
Amounts due to customers for contract work		2,211	2,368
Amounts due to associates		54	89
Amounts due to joint ventures		1,671	1,413
Amounts due to related companies		462	239
Taxation payables		505	442
Bank and other loans – due within one year		1,496	1,530
Financial guarantee liability		43	48
Dividend payable		715	-
Obligations under finance leases		10	10
Deferred income		124	105
		13,705	13,506
Liability associated with assets classified as held for sale		34	34
		13,739	13,540
<b>Net current (liabilities) assets</b>		(3,047)	1,462
<b>Total assets less current liabilities</b>		29,993	29,495

**Capital and reserves**

Share capital	113	113
Reserves	12,493	11,985
Equity attributable to owners of the Company	12,606	12,098
Non-controlling interests	2,439	2,443
<b>Total equity</b>	<b>15,045</b>	<b>14,541</b>

**Non-current liabilities**

Bank and other loans – due after one year	1,155	1,476
Corporate bond	498	498
Senior notes	4,523	4,522
Medium-term notes	700	700
Convertible bonds at fair value through profit and loss	3,465	3,356
Unsecured bonds	2,419	2,418
Deferred tax liabilities	368	379
Deferred income	1,792	1,572
Obligations under finance leases	28	33
	14,948	14,954
	<b>29,993</b>	<b>29,495</b>

**Notes:****1. Basis of Preparation**

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) as well as with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

In preparing the condensed consolidated financial statements, the directors of the Company (the “Directors”) have given careful consideration of the Group in light of its net current liabilities of approximately RMB3,047 million as at 30 June 2015. Having considered the secured credit facilities of approximately RMB4,900 million which remain unutilised at the date of approval of the condensed consolidated financial statements, the Directors are satisfied that the Group will be able to meet in full its financial obligations as they fall due for the foreseeable future. Accordingly, the condensed consolidated financial statements for the period ended 30 June 2015 have been prepared on a going concern basis.

**2. Principal Accounting Policies**

The condensed consolidated financial statements have been prepared on the historical cost basis except for certain properties and financial instruments, which are measured at fair values, as appropriate.

Except as described below, the accounting policies and methods of computation used in the condensed consolidated financial statements are the same as those followed in the preparation of the Group’s annual financial statements for the year ended 31 December 2014.

In the current interim period, the Group has applied, for the first time, the following amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA:

Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions
Amendments to HKFRSs	Annual Improvements to HKFRSs 2010-2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011-2013 Cycle

The application of the above amendments to HKFRSs and Interpretation in the current interim period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

### 3. Segment Information

Information reported to the chief operating decision maker, the Company's President for the purposes of resource allocation and performance assessment among segments focuses specifically on different type of goods and services. Specifically, the Group's operating and reportable segment under HKFRS 8 are gas connection segment, sales of piped gas segment, vehicle refuelling stations segment, wholesale of gas segment, sales of other energy segment, sales of gas appliances segment and sales of material segment. Segment profit reviewed by President represents the gross profit earned by each segment.

The following is an analysis of the Group's revenues and results by reportable operating segments for the periods under review:

#### Six months ended 30 June 2015

	Gas		Vehicle gas		Sales		Sales		Consolidation
	connection	Sales of piped gas	refuelling stations	Wholesale of gas	of other energy	of gas appliances	Sales of material		
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	
Segment revenue	2,973	12,418	1,963	3,114	37	192	502	21,199	
Inter-segment sales	(416)	(2,793)	(4)	(1,561)	-	(134)	(404)	(5,312)	
Revenue from external customers	2,557	9,625	1,959	1,553	37	58	98	15,887	
Segment profit before depreciation and amortisation	1,608	1,737	255	25	13	27	12	3,677	
Depreciation and amortisation	(70)	(312)	(45)	(1)	(5)	(1)	-	(434)	
Segment profit	1,538	1,425	210	24	8	26	12	3,243	

#### Six months ended 30 June 2014

	Gas		Vehicle gas		Sales		Sales		Consolidation
	connection	Sales of piped gas	refuelling stations	Wholesale of gas	of other energy	of gas appliances	Sales of material		
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	
Segment revenue	2,449	12,504	1,825	2,500	171	158	607	20,214	
Inter-segment sales	(327)	(3,434)	(15)	(1,361)	(144)	(111)	(471)	(5,863)	
Revenue from external customers	2,122	9,070	1,810	1,139	27	47	136	14,351	
Segment profit before depreciation and amortisation	1,384	1,518	293	15	13	24	8	3,255	
Depreciation and amortisation	(62)	(213)	(28)	(1)	(12)	(1)	-	(317)	
Segment profit	1,322	1,305	265	14	1	23	8	2,938	

Segment profit represents the gross profit earned by each segment without allocation of other income, other gains and losses, distribution and selling expenses, administrative expenses, share of results of associates and joint ventures, finance costs and income tax expense. This is the measure reported to the President for the purposes of resources allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

Geographical information is analysed by the Group based on the location of the principal operations of the subsidiaries which are responsible for reporting the results. The following is an analysis of the Group's revenue and result by reportable geographical segments for period under review.

#### Six months ended 30 June 2015

	<b>PRC</b>	<b>North America</b>	<b>Europe</b>	<b>Consolidation</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Segment revenue	21,129	63	7	21,199
Inter-segment sales	(5,312)	-	-	(5,312)
Revenue from external customers	15,817	63	7	15,887
Segment profit (loss) before depreciation and amortisation	3,688	(12)	1	3,677
Depreciation and amortisation	(425)	(9)	-	(434)
Segment profit (loss)	3,263	(21)	1	3,243

#### Six months ended 30 June 2014

	<b>PRC</b>	<b>North America</b>	<b>Europe</b>	<b>Consolidation</b>
	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>	<i>RMB million</i>
Segment revenue	20,207	-	7	20,214
Inter-segment sales	(5,863)	-	-	(5,863)
Revenue from external customers	14,344	-	7	14,351
Segment profit before depreciation and amortisation	3,254	-	1	3,255
Depreciation and amortisation	(317)	-	-	(317)
Segment profit	2,937	-	1	2,938

#### 4. Other Gains and Losses

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB million</i>	<i>RMB million</i>
Other (losses) gains comprise:		
Gain on disposal of a subsidiary	1	14
Gain on disposal of an associate	-	13
Gain on disposal of a joint venture	-	1
Fair value (loss) gain of convertible bonds	(109)	56
Loss on foreign exchange, net	(26)	(50)
Impairment loss on trade and other receivables, net	(20)	(8)
Others	(7)	10
	<u>(161)</u>	<u>36</u>

## 5. Income Tax Expense

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB million</i>	<i>RMB million</i>
PRC Enterprise Income Tax:		
Current tax	615	570
Withholding tax	32	19
	<u>647</u>	<u>589</u>
Deferred tax:		
Current period	(75)	(35)
	<u>572</u>	<u>554</u>

PRC Enterprise Income Tax mainly comprises income tax of the Group which are recognised based on the applicable statutory tax rate of 25% expected for the full financial year (six months ended 30 June 2014: 25%).

No provision for Hong Kong Profits Tax has been made as the Group has no assessable profit for the period.

## 6. Dividend

The final dividend in respect of fiscal year 2014 of HK\$0.83 (equivalent to approximately RMB0.66) per share on 1,083,059,397 shares (six months ended 30 June 2014: final dividend in respect of 2013 of HK\$0.48 (equivalent to approximately RMB0.38) per share) amounting to approximately RMB715 million (six months ended 30 June 2014: RMB411 million) were declared on 27 March 2015 and were not paid as at 30 June 2015.

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2015 (six months ended 30 June 2014: nil).

## 7. Earnings Per Share

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

	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<i>RMB million</i>	<i>RMB million</i>
<b>Earnings</b>		
Earnings for the purposes of basic earnings per share (Profit for the period attributable to owners of the Company)	1,227	1,214
Effect of dilutive potential ordinary shares:		
Fair value gain of convertible bonds	-	(56)
Earnings for the purposes of diluted earnings per share	<u>1,227</u>	<u>1,158</u>
	<b>Six months ended 30 June</b>	
	<b>2015</b>	<b>2014</b>
	<i>'000</i>	<i>'000</i>
<b>Number of shares</b>		
Weighted average number of ordinary shares for the purpose of basic earnings per share	1,083,059	1,082,869
Effect of dilutive potential ordinary shares:		
Share options	267	412
Convertible bonds	-	79,779
Weighted average number of ordinary shares for the purpose of diluted earnings per share	<u>1,083,326</u>	<u>1,163,060</u>

The convertible bonds of US\$500 million issued by the Company on 26 February 2013 were anti-dilutive and accordingly had not been taken into account in the computation of the diluted earnings per share for the six months end 30 June 2015.

## 8. Trade and Other Receivables

Included in the trade and other receivables are trade receivables amounting to RMB1,035 million (31 December 2014: RMB893 million). The Group allows an average credit period ranging from 60 to 90 days to its trade customers, except for certain customers with credit period more than 90 days. The following is an aged analysis of trade receivables, net of impairment, presented based on the invoice date at the end of the reporting period, which approximated the respective revenue recognition dates:

	<b>At 30 June 2015</b>	<b>At 31 December 2014</b>
	<i>RMB million</i>	<i>RMB million</i>
Within three months	891	792
4-6 months	88	52
7-9 months	33	32
10-12 months	23	17
	<u>1,035</u>	<u>893</u>

## 9. Trade and Other Payables

Included in trade and other payables are trade payables of RMB1,482 million (31 December 2014: RMB2,034 million). The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	<b>At 30 June 2015</b>	<b>At 31 December 2014</b>
	<i>RMB million</i>	<i>RMB million</i>
Within three months	1,117	1,723
4-6 months	139	107
7-9 months	77	35
10-12 months	18	42
More than 1 year	131	127
	<u>1,482</u>	<u>2,034</u>



## BUSINESS REVIEW

The major results and operational data of the Group for the Period together with the comparative figures for the corresponding period last year are as follows:

	<b>Six months ended 30 June</b>		<b>Increase/ (Decrease)</b>
	<b>2015</b>	<b>2014</b>	
	<b>(Unaudited)</b>	<b>(Unaudited)</b>	
Revenue (RMB million)	15,887	14,351	10.7%
Gross profit (RMB million)	3,243	2,938	10.4%
Profit attributable to owners of the Company (RMB million)	1,227	1,214	1.1%
Earnings per share – Basic (RMB)	1.13	1.12	0.9%
Connectable urban population	65,625,000	61,645,000	6.5%
Connectable residential households	21,875,000	20,548,000	6.5%
New natural gas connections made during the period:			
– residential households	791,822	650,484	21.7%
– commercial/industrial (“C/I”) customers (sites)	4,621	4,115	12.3%
– installed designed daily capacity for C/I customers (m <sup>3</sup> )	4,225,616	4,653,800	(9.2)%
Accumulated number of connected natural gas customers:			
– residential households	11,316,230	9,852,169	14.9%
– C/I customers (sites)	52,124	42,958	21.3%
– installed designed daily capacity for C/I customers (m <sup>3</sup> )	54,413,984	46,524,925	17.0%
Accumulated number of connected piped gas (including natural gas) customers:			
– residential households	11,396,420	9,931,749	14.7%
– C/I customers (sites)	52,310	43,156	21.2%
– installed designed daily capacity for C/I customers (m <sup>3</sup> )	54,468,771	46,581,062	16.9%
Piped gas (including natural gas) penetration rate	52.1%	48.3%	3.8%
Total gas sales volume (’000 m <sup>3</sup> )	5,550,601	5,013,145	10.7%
Natural gas sales volume (’000 m <sup>3</sup> )	5,526,877	5,000,546	10.5%
– Unit of natural gas sold to residential households (’000 m <sup>3</sup> )	775,581	651,107	19.1%
– Unit of natural gas sold to C/I customers (’000 m <sup>3</sup> )	3,486,368	3,318,247	5.1%
– Unit of natural gas sold to vehicles (’000 m <sup>3</sup> )	743,168	666,592	11.5%
– Unit of wholesale gas sold (’000 m <sup>3</sup> )	521,760	364,599	43.1%
Number of vehicle gas refuelling stations	543	485	58
Number of natural gas processing stations	155	141	14
Total length of existing intermediate and main pipelines (km)	29,637	25,179	17.7%

### Review of the Period

In the first half of 2015, the natural gas market encountered tremendous challenges given the confluence of the slowdown in the global economic recovery, complex domestic and foreign economic conditions as well as a plunge in international oil prices. Apparent national consumption of natural gas in the first half of the year grew by only 2.1% over the corresponding period last year. Amidst such a harsh market environment, the Group upheld its customer-oriented philosophy while further realising the potential of traditional businesses and keenly exploring new businesses. Coupled with the efforts of all staff, the Group’s principal businesses recorded steady growth. During the period, the Group’s total gas sales volume was 5,551 million cubic metres, up 10.7% over the corresponding period last year.

Following the introduction of a series of economic measures by the central government to stimulate the economy, major economic indicators have shown steady and promising signs since the end of the second quarter, and economic growth has since regained momentum. According to the latest data released by the National Statistics Bureau, gross domestic product (GDP) for the first half of this year has maintained a steady pace of 7% growth over the corresponding period last year. China submitted its target for climate change strategies to the Secretariat of the United Nations Framework Convention on Climate Change during the year, stating that the carbon dioxide emissions per unit of GDP for 2030 will be reduced by 60-65% as compared with 2005 levels. To achieve this target, it is inevitable for China to increase the proportion of natural gas in the energy structure in the long run. Adjustments in the energy structure, green and low carbon urbanisation and the development of low energy consumption industries will

become the major driving forces in the growth of natural gas demand. The Group is set to continue to benefit from the favorable policies and operating environment, and will ride on its own advantages to greatly expand all of its main businesses while striving to attain its business goals for the year.

## **CITY-GAS BUSINESS**

### **Commercial/Industrial (“C/I”) Customers**

During the period, the Group’s natural gas sales volume for C/I customers was 3,486 million cubic metres, representing growth of 5.1% over the corresponding period last year, accounted for 63.1% of total natural gas sales. The main reason for the lower rate of growth was the higher base number for gas sales volume, followed by the decline in gas usage by some customers who reduced energy consumption as influenced by the macro-economic environment. Meanwhile, the persistently low crude oil prices led to a significant decline in the prices of substitute energies, thus lowered the incentive of gas consumption by low value-added C/I customers, who increased the use of cheaper substitute energies instead.

With the aim of proactively tackling changes in the macro-economic environment and the transformation of market environment caused by the decline in oil price, the Group enhanced customer care and increased the number of customer visits to understand their needs and difficulties via regular communication. Taking into consideration the affordability of C/I customers and trend of substitute energies, the Group managed to strike a balance between profit and gas sales volume to formulate a flexible pricing strategy, and in turn boosted demand for gas among downstream C/I customers. The Group also reduced the integrated energy consumption of its customers via energy saving technology and successfully maintained the gas usage volume of most of its customers. On the other hand, the Group made innovations to continue to develop new customers. The Group captured scalable customers in different regions and peripheral markets not yet covered by the pipeline network via direct supply by fully utilising low-priced LNG sources and self-owned natural gas logistics fleet. Through the use of distributed energy technology, the Group expanded its customer portfolio into public facility such as hospitals, data centres and urban complexes and lowered its customers’ overall energy consumption costs. We will strive to unleash the business potential of C/I customers so as to provide a solid revenue source for our gas distribution business.

### **Residential Customers**

During the period, the Group’s natural gas sales volume for residential customers was 776 million cubic metres, up 19.1% over the corresponding period last year, accounted for 14.0% of total natural gas sales. Sales volume of gas for residential customers maintained steady growth, because newly connected residential customers last year started gas consumption, and they were not affected by the oil price fluctuations and challenging macro-economic conditions. As of the end of the Period, the Group had 27 projects with residential tier-pricing mechanism. Following the gradual implementation of the relevant policies on all gas projects, the dollar margin of residential gas sales will gradually settle at more reasonable levels.

### **Sales of Gas Appliances**

The Group actively promoted its own “GREAT”-branded gas appliances business during the period and offered a variety of products such as stoves, water heaters, chimney hoods, heaters and sterilisation cabinets to fully capture the overall energy demand of residential households. In the first half of 2015, the Group sold 46,000 units of such products, up 4 times over the corresponding period last year. According to National Statistics Bureau, disposable income per capita in China for the first half of the year grew by 9% over the corresponding period last year. The use of heaters and other gas appliances is expected to become more popular as living standards improve in the future. “GREAT” enjoys a number of advantages over other appliance brands. For instance, the Group is the sole provider of regular residential safety inspections, offering round-the-clock customer service, and is capable of assigning repair personnel to handle contingencies on-site within two hours. The Group will expand its market share leveraging on its existing customer base of over 11.4 million residential households, and promoting the gas appliances to scalable clients including property developers and hotels, as well as through the e-commerce platform. The Group will innovate its sales methods while playing to its strengths in its brand, service and information as it aims to achieve swift penetration into the household gas appliance market.

### **New Customer Development**

During the period, the Group’s revenue from connection fees was RMB2,557 million, up 20.5% over the

corresponding period last year, and accounted for 16.1% of the Company's total revenue, up 1.3 percentage points. The Group connected 791,822 residential households during the period. The average one-off connection fee collected by the Group from its residential households was RMB2,698. As at the end of June 2015, the aggregate number of connected piped gas residential households reached 11,396,420, representing an increase of 14.7% over the corresponding period last year, including 11,316,230 residential households connected for natural gas usage.

Although the new property markets in which the Group operates witnessed a slowdown in growth during the first half of the year, government took the initiative to ensure steady and sound market development. With an interest rate cut and a series of loosening measures on home purchases, the property market has shown signs of recovery. Experts from the Chinese Academy of Social Sciences have predicted that the urbanisation rate will increase from 54.8% in last year to 68% by 2030. Therefore, urbanisation will advance steadily in the next 15 years, stimulating keen demand for housing. The Group has edged up its efforts in developing new residential markets, while also placing emphasis on exploring and thoroughly unveiling the potential of the old buildings market in suburbs and peripheral counties and towns. The average gas penetration rate in areas where the Group has operations is only 52.1%, and over 10 million existing households have yet to be connected to gas pipelines. It is believed that short-term fluctuation in the property market will not pose any significant impacts on the Group's connections business in coming years.

During the period under review, the Group connected 4,621 C/I customers (with total installed designed daily capacity of 4,225,616 cubic metres), and the average connection fee was RMB206 per cubic metre. As of the end of June 2015, the aggregate number of connected piped gas C/I customers of the Group reached 52,310 (with total designed installed daily capacity of 54,468,771 cubic metres), including 52,124 piped natural gas customers (with total installed designed daily capacity of 54,413,984 cubic metres).

To continue to optimise the energy structure in China and to boost efforts in environmental governance, the Chinese government has introduced a growing number of stringent environmental protection policies and coal-to-gas policies. In the "Several Opinions on Establishing and Securing the Long-term Mechanism of a Stable Supply of Natural Gas", the National Development and Reform Commission (the "NDRC") suggested that the demand for natural gas for "coal-to-gas" projects will reach 112.0 billion cubic metres by 2020. In the "Implementation Plan on Integrated Energy Conservation and Environmental Protection Upgrading Projects for Coal-fired Boilers" published by seven ministries and commissions, including the NDRC, the National Energy Administration and the Ministry of Environmental Protection, it is also expressly stated that obsolete coal-fired boilers with capacities amounting to 400,000 steam tonnes should be phased out in 2018. During the period, the Group leveraged these policies to conduct coal-to-gas conversion from industrial coal-fired boilers and kilns with stable energy usage. Along with the development of the modified industrial kiln market using industrial energy saving technology, the Group helps its customers lower their integrated energy costs and enhance efficiency of their energy usage. Such approaches not only helped the Group accomplish the goal of new C/I customers development, but has also laid a foundation for future growth in gas sales.

### **New Projects**

In line with its strategy of building an urban gas network around major project cities, the Group stepped up its expansion efforts in major cities and peripheral industrial parks, development zones, towns and counties. In the increasingly competitive market in which there are fewer opportunities for mergers and acquisitions, the Group managed to acquire 4 new projects during the period leveraging its outstanding management system, solid track record and ability to secure gas supply. It also secured 8 new concessions near existing projects to further expand its geographic coverage. As at 30 June 2015, the Group had 146 projects in China with total connectable population of 65,625,000 people.

<b>Projects</b>	<b>The Group's shareholding</b>	<b>Major industries</b>
Dongkeng Town, Dongguan	80%	Electronics, hardware, garment and toy industries
Shangrao Economic Development Zone	90%	Non-ferrous metals, automobile manufacturing, photovoltaic, and pharmaceuticals manufacturing industries

Zone B, Qingyuan County Western Industrial Zone	49%	Automobile components production, new hardware materials, food and beer industries
Wuzhou Imported Renewable Resources Processing Industrial Park	49%	Non-ferrous metal and processing of renewable resources industries

The 8 new concessions near existing projects include:

Provinces	Operational areas
Anhui Province	Miaogang Village, Langan Ji Town, Suwan Town and Zhegao Town Centralized Industrial Zone, Chaohu
Jiangsu Province	Jiulongkou Town and Yanhe Town, Jianhu County; Heping Town and Wudun Town in Qingpu District, Huai'an

## VEHICLE/SHIP REFUELLING BUSINESS

### Construction and Operation of Vehicle Gas Refuelling Stations

During the period, the Group's vehicular natural gas sales volume in the PRC increased by 11.5% to 743 million cubic metres, accounted for 13.4% of total natural gas sales. Based on the general demand in the domestic market and the time required for processing the registration of new refuelling stations, the Group built 8 CNG refuelling stations and 8 LNG refuelling stations during the period, bringing the total number of CNG and LNG refuelling stations in operation to 294 and 249, respectively.

As oil prices continued to fluctuate at low levels, the economic advantages of natural gas as compared to diesel oil and gasoline diminished. This, coupled with the gloomy outlook for the logistics and transportation industry, has affected the sales volume of vehicular natural gas to a certain extent. Despite the challenges faced by the gas refuelling station business in the short term, we were given an opportunity of market integration. Leveraging our sound brand image and operational experience, we will enhance our influence and market share by way of alliance cooperation and franchise distribution, which will help us complete our gas refuelling station network and capture more customer resources. Meanwhile, we will also continue to facilitate the promulgation of supporting government policies and promote the stable and healthy development of the industry. In April this year, the Group signed a "Letter of Intent for Cooperation on the Integration of Beijing, Tianjin and Hebei" with Beijing Gas, according to which both parties will jointly contribute to the establishment of a joint venture in Beijing involving comprehensive cooperation in various aspects, including vehicle gas, city gas, upstream resources and energy services. The cooperation will also facilitate the integration of the parties' existing gas refuelling stations in Beijing, Tianjin and Hebei as well as in peripheral areas, and will also involve in the investment, construction and operation of new vehicle gas refuelling stations. Meanwhile, the Group also formed a joint venture with Tewoo Group Co., Ltd., and plans to build vehicle gas refuelling stations in Tianjin city are now in place.

In the second half of the year, the Group will continue to increase the number of traditional users (such as taxis and buses) while stepping up its development of social vehicles, including large and small commercial vehicles, urban public service vehicles and transport vehicles. At the same time, it will cooperate with leading logistic companies in China to increase the total number of gas-powered vehicles, and will continue to enhance the utilisation of existing gas refuelling stations and optimise the distribution of gas refuelling stations. In addition, the Company will broaden its revenue streams by launching a range of value-added services in its existing gas refuelling station network such as express repair and maintenance; the sale of components, spare parts and oil products; convenience stores, etc. In addition, the Company introduced a "Smart Card" membership program and cooperated with other gas refuelling station operators, which not only solved the gas refuelling problems of its customers along their haul roads, but also resulted in the sharing of customer resources and increased customer loyalty.

### Development of LNG Bunkering Business

In the first half of the year, the Group's gas sales volume for LNG bunkering business amounted to 960,000 cubic meters. It successfully completed bunkering for an ocean-going vessel of Nor Lines, Norway, and an LNG-powered tugboat of CNOOC. The Group's bunkering barge in Xijiang, Guangxi, the first standardised bunkering barge since the official announcement of the "Specifications for Classification and Construction of LNG-powered Bunkering Barge" by the China Classification Society, has officially commenced operation. It was also built within the shortest construction period in China,

which demonstrated the leading advantages of ENN Energy in the LNG bunkering industry. The Group currently has a total of 3 bunkering stations for LNG vessels. It will continue to promote the development of the industry through strategic alliances and development at key ports. During the period, the Group signed strategic cooperation framework agreements with a number of organisations, including Samchully Company (the largest downstream city gas distributor in Korea), Minsheng Bank, Nantong Port, Wuhan New Port Construction Investment and Development Group and Quanzhou Port Authority, in respect of the cooperation in vessel building and bunkering, technical support, sharing of market information and the comprehensive utilisation of clean energy.

The Chinese government promulgated a number of favorable policies in the first half of the year, including “Exposure Draft on Action Implementation Plan (2015-2020) for Prevention of Pollution from Vessels and in Ports” and “Threshold and Measurement of Emitted Pollutants from Vessel Engines (Phase I & II, China)”, which listed out the mandatory requirements for vessel emission standards. The government is also in the process of formulating standards such as “Standards of Design for LNG On-shore Refuelling Stations for Vessels” and “Standards of Design for Natural Gas Bunkering Vessels”, which will gradually complete the formulation of regulations on the construction of LNG bunkering stations. Moreover, the “Notice on Matters in Relation to the Promotion of Use of Liquefied Natural Gas by Vessels” issued by the Bureau of Maritime Affairs will expand the types of vessel allowed to use LNG as fuel to include dangerous chemical vessels and passenger ships, which will also enlarge our target market. Looking ahead, the Group will continue to cooperate with shipping companies, port authorities and various provincial and municipal transport departments to seize opportunities to set up more stations at major ports and to develop more new LNG-powered vessels so as to prepare for the rapid development of LNG bunkering business.

#### **North America Gas Refuelling Business**

In the first half of the year, the sales volume of vehicular natural gas in North America amounted to 2.58 million diesel gallon equivalent (DGE), generating revenue of RMB63 million, and recorded a loss of RMB68 million. Influenced by the decline in international oil prices, the development of LNG refuelling stations in this region faced headwinds. However, the Group took active measures to increase revenue and reduce costs through its continuous efforts in the development of its LNG refuelling business, and stringent control of corporate expenses, thus, was able to achieve its target to reduce losses. The retail price advantage of LNG over diesel in North America was diminished in the first half of the year. However, as the US federal government approved the refund of US\$0.85/DGE LNG fuel tax to gas refuelling stations operators last year, the Company managed to maintain the incentive to use LNG by sharing the tax rebate with its customers. While annual review and approval are required, the policy had been extended in the past few years, and the government is expected to continue to support this policy, and thus the healthy development of the industry. Another important policy that has been favorable to the Group was the proposed LNG tax equalization, which was approved by House of Representatives and the Senate in July this year after intensive the unremitting promotion by major industrial players and senators. After this policy takes effect on 1 January 2016, the fuel tax to be levied on LNG users, calculated by heat value, will be comparable to that levied on diesel users, reducing their tax bills by 40%, and hence giving drivers more incentive to use LNG as a vehicle fuel.

Since LNG-powered trucks in North America are more expensive than diesel-powered trucks, drivers had less motivation to convert their vehicles. In order to solve the problem of high incremental cost of LNG-powered trucks, the Company cooperated with an equipment manufacturer in China to introduce LNG fuel tanks into North America. As the tank is the most costly part of an LNG-powered truck, this will significantly reduce the overall cost of purchasing LNG trucks and shorten the payback period for users. However, with the sharp decline in oil prices in the first half of the year, many interested customers suspended their plans to purchase LNG trucks. Nevertheless, the Company will respond to the adverse environment in a positive manner by continuing to engage in research and development to enhance the efficiency of the LNG fuel tank systems and to step up its promotional efforts. With oil prices stabilising and with the introduction of favorable policies, drivers are expected to gradually regain the motivation to convert their vehicles. As for new customers development, the Company will utilise skid-mounted refuelling stations to provide gas refuelling services to customers initially. This may help lower capital costs and at the same time provide flexibility in allocating refuelling equipment to different places, thereby establishing a flexible mobile refuelling network.

## **DEVELOPMENT OF DISTRIBUTED ENERGY PROJECT**

With the growing energy demand, rising pressure to achieve energy savings and emissions reduction, and the introduction of supportive government policies, China became one of the fastest growing markets in the world for distributed energy. Recently, the Chinese government also introduced a series of policies to encourage the development of distributed energy. On 31 December 2014, with a view to regulate the management of on-grid tariffs on natural gas power and to promote the healthy, orderly and proper development of the natural gas power industry, the NDRC issued the “Notice of the NDRC on the Standardised Management of On-grid Tariffs on Natural Gas Powered Electricity”, which imposed a benchmark on-grid tariff policy for new generating units of natural gas-fired cogeneration. This policy will encourage natural gas distributed energy operators and electricity users to enter into transaction contracts directly and to determine the amount of usage and tariffs through mutual negotiation, thereby establishing a linkage mechanism for natural gas prices and electricity tariffs. On 15 March 2015, the State Council issued the “Opinions on Further Reform of the Power Industry”, which explicitly stated that it will actively promote the development of distributed energy and fully relax the restriction on the development of distributed energy facilities on the user end, and which will provide support to enterprises, organisations, communities and families to invest in and establish distributed energy projects for gas-powered “Cooling, Heating and Power” cogeneration based on their own conditions and locally available resources. They will also be allowed to access to the grid at different voltage levels.

The Group actively developed its distributed energy business by conducting comprehensive market research in key regions; it also initiated industrial and commercial distributed energy projects and customised energy systems catering to different users’ specific needs to accelerate the growth of gas sales given the opportunities arising from the State Council reforms of the power industry. During the period, we signed a number of new contracts involving distributed energy projects, including Langfang Cloud Storage, Shandong Qingdao Wanda Boating Industrial Park and Hunan Liuyang Thermal Power. The Changsha Huanghua Airport project and the Yancheng Tinghu Hospital project were in full operation, while projects such as Zhuzhou Shennong City, Zhuzhou Vocational City, Guangdong Zhaoqing New Zone and Qingdao Sino-German Ecopark are currently under construction. Leveraging the Company’s advantages from its mature technologies and as an early entrant, we will strive to develop more distributed energy projects and provide the Group with new growth momentum.

## **ENERGY TRADING BUSINESS**

During the period, the Group’s wholesale volume of natural gas reached 522 million cubic metres, representing a year-on-year increase of 43.1% and accounting for 9.4% of total natural gas sales volume.

The Group has signed gas supply agreements with refuelling stations operated by Sinopec in various provinces such as Zhejiang, Guangdong and Guangxi. Pursuant to these agreements, the Group supplied natural gas to over 90 Sinopec’s refuelling stations in the first half of the year. Leveraging on low-cost LNG resources, the Group expanded natural gas supply services to more customers located in areas without pipeline coverage, and other domestic LNG refuelling stations during the period, led to a robust growth in overall wholesale gas volume. On 1 July 2015, the Shanghai Petroleum and Natural Gas Exchange officially commenced trading. This provided a platform for the Group to openly trade piped gas and LNG with various upstream suppliers and allowed the trading of natural gas to be conducted based on a market-driven pricing mechanism predetermined by demand and supply. The Group will continue to capitalise on its advanced dispatch system, transportation fleet and strong ability of acquiring upstream resources to supply gas to customers not covered by the pipeline network, thereby creating higher returns for the Company.

## **INTERNATIONAL AWARDS**

With steady growth in operating results and enhanced management capability, the Group was once again selected as the “Best CFOs” (second place in power sector) by investors and sell-side analysts on *Institutional Investor’s* 2015 All-Asia Executive Team. In addition, the Group received several honours at the Fifth Asian Excellence Recognition Awards, including “Best CFO”, “Best Investor Relations Company” and “Best Investor Relations Professional”, awarded by *Corporate Governance Asia*. These accolades demonstrated the industry’s widespread recognition of the Group’s commitment to investor relations and transparency in the past year, and proved that the performance and management of the

Group gained recognition from investors, shareholders and industry analysts. In view of this, the Group will continue to redouble its efforts to ensure that investors and shareholders can share its fruitful results.

## **HUMAN RESOURCES**

As at 30 June 2015, the Group employed a total of 28,040 employees, of which 14 were based in Hong Kong. The workforce was expanded to support the Group's new projects and business development. The employees were compensated at rates, with benefits such as bonuses, retirement benefits, professional training and a share option scheme.

## **FINANCIAL RESOURCES REVIEW**

### **Key Financial Data**

During the period, the Company's total revenue amounted to RMB15,887 million, representing an increase of 10.7% over the same period last year. Revenue attributable to piped gas sales, the vehicle gas refuelling business and gas connection increased by 6.1%, 8.2% and 20.5% to RMB9,625 million, RMB1,959 million and RMB2,557 million, respectively, while revenue from wholesale gas, sales of gas appliances, and sales of other energy reached RMB1,553 million, RMB58 million and RMB37 million, respectively, representing increases of 36.3%, 23.4% and 37%. During the period, the Group's overall gross profit margin and net profit margin were 20.4% and 9.8%, respectively. Gross profit margin was similar compared with last year, while net profit margin decreased 0.9 percentage points. The decrease in net profit margin was mainly due to the change in fair value of convertible bonds which led to a non-cash loss of approximately RMB109 million.

### **Liquidity and Financial Resources**

As at 30 June 2015, the Group's total debts amounted to RMB14,256 million (31 December 2014: RMB14,500 million) and the bank balances and cash for the purpose of computing net gearing ratio amounted to RMB5,747 million (31 December 2014: RMB10,503 million). The Group's net gearing ratio, i.e. ratio of net debt to equity (including non-controlling interests), was 56.6% (2014: 27.5%). The increase in gearing ratio compared with last year was due to the approximately RMB4 billion payment made during the period for the acquisition of 1.13% stake of Sinopec Marketing. For the same reason, the Group's net current liability as at 30 June 2015 amounted to RMB 3,047 million (2014: net current assets of RMB 1,462 million).

Currently, the Group's operating and capital expenditures are funded by operating cash flow, internal liquidity, bank loans and issued bonds. The Group has sufficient sources of funds and unutilised banking facilities to meet the future capital expenditure, working capital requirements and repayment of debts.

### **Borrowings Structure**

As at 30 June 2015, the Group's total debts amounted to RMB14,256 million (31 December 2014: RMB14,500 million), including fixed rate bonds of US\$400 million (equivalent to RMB2,419 million) and US\$750 million (equivalent to RMB4,523 million), as well as zero coupon convertible bonds of US\$500 million (equivalent to RMB3,465 million). Except for bank loans of US\$146 million (equivalent to RMB891 million), the remaining bank and other loans are denominated in Renminbi and bear interest at the interest rate announced by the People's Bank of China. Except for the loan amount equivalent to RMB618 million that are secured by assets with a carrying value equivalent to RMB12 million and the Group's rights to receive gas connection and gas supply fee income of certain subsidiaries and joint ventures, all of the other loans are unsecured. Short-term loans amounted to RMB1,496 million while the remaining were long-term loans falling due after one year or above.

### **2019 Five-year 3.25% Fixed Rate Bonds**

On 23 October 2014, the Group issued five-year bonds in the aggregate principal amount of US\$400 million (equivalent to RMB2,460 million) with issue price of 99.502% and redemption price of 100%. The coupon of the bonds is 3.25%, and interests are paid semi-annually. The terms of the bonds require Mr. Wang Yusuo, Chairman of the Company, to retain not less than 20% of the issued share capital of the Company throughout the term of the bonds.

### **2021 Ten-year 6% Fixed Rate Bonds**

On 13 May 2011, the Company issued 10-year bonds in the aggregate principal amount of US\$750

million (equivalent to RMB4,863 million) with an issue price of 99.274% and a redemption price of 100%. The coupon of the bonds is 6.0%, and interests are paid semi-annually. The terms of the bonds require Mr. Wang Yusuo, the Chairman of the Company, to retain not less than 25% of the issued share capital of the Company throughout the term of the bonds.

### 2018 Five-year Zero Coupon Convertible Bonds

On 26 February 2013, the Company issued zero coupon United States dollar denominated convertible bonds with the aggregate principal amount of US\$500 million (approximately RMB3,141 million). Each bond will, at the option of the holder, be convertible into fully paid ordinary shares with a par value of HK\$0.10 each in the issued and paid up capital of the Company at an initial conversion price of HK\$48.62 per share. Conversion may occur at any time on or after 8 April 2013 up to 16 February 2018. If the Bonds have not been converted, they will be redeemed on 26 February 2018 at 102.53 per cent of their principal amount. If the Bonds are converted into shares, it will be converted into 79,778,897 ordinary shares, representing 7.37% of the total issued share capital of the Company.

According to HKFRS 13 and HKAS 39, the Bonds need to be stated at fair value, with any gains or losses arising on measurement recognised in profit or loss in the current period from time to time until the Bonds mature, converted or redeemed. For the current year, the change in fair value of such Bonds amounts to RMB113 million, it is calculated by reference to its trading price on the Singapore Stock Exchange on 30 June 2015, together with the impact from USD translation difference. As such, a RMB109 million non-cash loss was recorded on book. For more details of major terms about the Bonds, please refer to the announcement in relation to the proposed issue of the Bonds published on 30 January 2013 and the “Offering Memorandum” attached in the overseas regulatory announcement published on 27 February 2013.

As at 30 June 2015, no Bonds were converted into ordinary shares.

As the main operations of the Group are in China, revenues and expenses were mainly denominated in Renminbi. There were no significant foreign exchange exposures or risks in operation. The Group currently does not have foreign currency hedging policy but the Directors will monitor the market trends of exchange rates and interest rates closely and adopt appropriate measures when necessary.

### Financial Guarantee Liability

As at 30 June 2015, the Group had issued guarantees to banks to secure loan facilities granted to associates and joint ventures to the extent of approximately RMB466 million (31 December 2014: RMB466 million). The amounts have been utilised on the balance date.

### Commitments

#### (a) Capital commitments

	At 30 June 2015 RMB million	At 31 December 2014 RMB million
Capital expenditure in respect of acquisition of property, plant and equipment contracted but not provided for	328	339
Capital commitment in respect of investments in:		
- joint ventures	91	69
- associates	17	17
- share acquisition	63	4,160

#### (b) Other commitments

As at 30 June 2015, the Group has commitment amounting to RMB25 million (31 December 2014: RMB43 million) in respect of acquisition of land use rights in the PRC.

## STRATEGIES AND PROSPECTS

The “Energy Development Strategy Action Plan (2014-2020)” published by the Chinese government clearly stated that the proportion of natural gas in primary energy consumption shall increase to 10% or more by 2020. To attain this goal, the supply capacity and infrastructure of natural gas will increase each



year. Against this background, the Nanning-Baise branch line of the West to East Pipeline II was launched for operation in the first half of 2015. While construction of the China-Russia East Pipeline commenced, the Central Asia-China Pipeline, China-Myanmar Pipelines and coastal LNG import channels were broken through, and the four major oil and gas import channels in China began to take shape. At the same time, there were also gradual developments in the main lines and branch lines of the West to East Pipeline and the Shaanxi-Beijing pipeline. To date, a total of 12 LNG terminals have been completed and launched for operation with a total designed capacity of 40.70 million tonnes per year. This rapid pace of construction and infrastructure development is expected to better satisfy the strong demand for natural gas in China.

Looking ahead, the Group will fully consider the macro-economic environment and trends in the natural gas industry as it allocates resources in a prudent and rational manner to ensure that it meets its operational targets for the year, and will formulate strategies for the Company's future development. The Group will continue to expand its natural gas distribution business by penetrating into regions surrounding its existing city gas projects. In addition, it will fully utilise energy saving technology to actively explore new C/I users. The Group will better realise the market potential of the residential market through deepening gas penetration into existing residential buildings and to accelerate the promotion of sales of gas appliances. In terms of optimising the layout of its natural gas refuelling station network, the Group will construct combined oil-gas stations and adopt a diversified station construction model while improving operating efficiency to reduce costs as well. In order to promote the use of natural gas on vehicles and vessels, the Group will seek closer alliances with external parties. Meanwhile, it will continue to strengthen corporate management, stepping up cost and measurement control, enhancing customer service levels, and ensuring safe operations and striving to excel in corporate operations so as to reduce costs and improve efficiency. The Company will also improve operational efficiency by adopting innovative measures in managing its existing businesses. It will utilise mobile app to provide functions such as assisting customers in making appointments for maintenance services, purchasing gas and settling bills in order to reduce the number of sales offices for city gas projects, which will in turn help cut costs.

The Group believes the natural gas industry in China is still under an important stage of development. As the use of clean energy is currently a major trend in China, the natural gas industry will enjoy more rapid growth and experience extensive development in the foreseeable future. The Group will continue to seize the opportunities and leverage its strengths to adapt to any changes in the market and will meet its customers' needs. Apart from making significant contributions to environmental protection and the energy sector both within and beyond the country, the Group will also maximise the long-term interests of its shareholders, customers and employees, as well as to society and itself.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

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

## **AUDIT COMMITTEE**

The Company established an Audit Committee on 28 March 2001. The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing, internal control (including financial control, operational control, compliance control, risk management function and the adequacy of resources, qualifications and experience of staff of the accounting and financial reporting function, as well as their training programmes and budget) and financial reporting matters. The Audit Committee currently comprised of all members who are all Independent Non-executive Directors. On 29 May 2015, Mr. Wang Guangtian retired from the Board of Directors and also ceased to be the Audit Committee member. Thereafter, Ms. Yien Yu Yu, Catherine (the chairperson of the Audit Committee), Mr. Ma Zhixiang and Mr. Yuen Po Kwong and Law Yee Kwan, Quinn continues as the member of the Audit Committee. An audit committee meeting was held on 18 August 2015 to review the unaudited interim results and interim financial report for the six months ended 30 June 2015. Deloitte Touche Tohmatsu, the Group's external auditors, have carried out a review of the unaudited interim report for the six months ended 30 June 2015 in accordance with the Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

## **THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standards set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to the Listing Rules. Specific enquiries have been made with all Directors who have confirmed that they have complied with the required standard set out in the Model Code and the code of conduct regarding Directors' securities transactions during the Period.

## **THE CORPORATE GOVERNANCE CODE**

To the knowledge of the Board, the Company has complied with the Code Provisions set out in the Corporate Governance Code (the "Code") as contained in Appendix 14 to the Listing Rules throughout the Period except a deviation from Code Provision E.1.2., Mr. Wang Yusuo (Chairman of the Board) was unable to attend the annual general meeting of the Company held on 29 May 2015 due to business trips. Alternatively, Mr. Cheung Yip Sang, the Executive Director and Vice Chairman of the Company, attended and acted as the chairman of the said annual general meeting.

By order of the Board  
**WANG YUSUO**  
*Chairman*

Hong Kong, 19 August 2015

*As at the date of this announcement, the Board comprises the following directors:*

### Executive Directors:

*Mr. Wang Yusuo (Chairman)*

*Mr. Cheung Yip Sang (Vice Chairman)*

*Mr. Yu Jianchao*

*Mr. Han Jishen (President)*

*Mr. Wang Dongzhi (Chief Financial Officer)*

### Non-executive Directors:

*Mr. Wang Zizheng*

*Mr. Jin Yongsheng*

*Mr. Lim Haw Kuang*

### Independent Non-executive Directors:

*Ms. Yien Yu Yu, Catherine*

*Mr. Ma Zhixiang*

*Mr. Yuen Po Kwong*

*Mr. Law Yee Kwan, Quinn*

*The Interim Report 2015 will be dispatched to the shareholders and published on the websites of the Company and the Stock Exchange.*