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華潤燃氣控股有限公司
China Resources Gas Group Limited

(Incorporated in Bermuda with limited liability)

(Stock code: 1193)

FINAL RESULTS FOR THE YEAR ENDED 31ST DECEMBER, 2020

During 2020, CR Gas recorded an increase of 2.14% in net profit attributable to shareholders to HK\$5,151 million and its net operating cash flow increased by 0.17% to HK\$8,616 million. The Board of CR Gas recommends an increase of 6.90% in total dividend per share to HK\$0.93.

	2020	2019*	Increase
Turnover (HK\$ million)	55,864	56,976	-1.95%
Profit attributable to owners of the Company (HK\$ million)	5,151	5,043	2.14%
Basic earnings per share (HK\$)	2.31	2.32	-0.43%
Net operating cash flow (HK\$ million)	8,616	8,602	0.17%
Interim dividend paid and proposed final dividend per share (HK\$)	0.93	0.87	6.90%
Gross gas sales volume (million m³)	29,024	28,010	3.62%
Total new connected residential customers (million)	3.05	3.28	-6.81%

* Restated

The board of directors (the “Board”) of China Resources Gas Group Limited (the “Company” or “CR Gas”) is pleased to announce the final results of the Company and its subsidiaries (the “Group”) for the year ended 31st December, 2020.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31st December, 2020

	<i>NOTES</i>	<u>2020</u> <i>HK\$' 000</i>	<u>2019</u> <i>HK\$' 000</i> (Restated)
Revenue	4	55,864,169	56,976,290
Cost of sales		<u>(40,836,692)</u>	<u>(42,762,709)</u>
Gross profit		15,027,477	14,213,581
Other income	5	1,397,652	1,550,182
Selling and distribution expenses		(4,663,717)	(4,550,109)
Administrative expenses		(3,168,075)	(2,917,417)
Impairment losses on financial and contract assets, net		(68,968)	(79,842)
Finance costs		(449,420)	(532,967)
Share of results of joint ventures		656,895	502,482
Share of results of associates		258,419	235,638
Profit before taxation	6	8,990,263	8,421,548
Taxation	7	(2,278,375)	(1,921,805)
Profit for the year		<u>6,711,888</u>	<u>6,499,743</u>
Other comprehensive income			
Other comprehensive income (expense) for the year			
<i>Item that may be subsequently reclassified to profit or loss</i>			
Exchange differences arising on translation		<u>3,094,857</u>	<u>(680,577)</u>
<i>Item that will not be subsequently reclassified to profit or loss</i>			
Equity investments designated at fair value through other comprehensive income:			
Changes in fair value, net of tax		<u>(989)</u>	<u>19,400</u>
Other comprehensive income for the year, net of tax		<u>3,093,868</u>	<u>(661,177)</u>
Total comprehensive income for the year		<u>9,805,756</u>	<u>5,838,566</u>
Profit for the year attributable to:			
Owners of the parent		5,151,292	5,043,477
Non-controlling interests		1,560,596	1,456,266
		<u>6,711,888</u>	<u>6,499,743</u>
Total comprehensive income for the year attributable to:			
Owners of the parent		7,479,431	4,391,551
Non-controlling interests		2,326,325	1,447,015
		<u>9,805,756</u>	<u>5,838,566</u>
		<i>HK\$</i>	<i>HK\$</i> (Restated)
Earnings per share – Basic	9	<u>2.31</u>	<u>2.32</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31st December, 2020

	NOTES	31st December, 2020 <i>HK\$' 000</i>	31st December, 2019 <i>HK\$' 000</i> (Restated)	1st January, 2019 <i>HK\$' 000</i> (Restated)
Non-current assets				
Property, plant and equipment		40,932,770	33,940,512	31,588,685
Investment properties		89,425	81,727	68,182
Right-of-use assets		2,816,236	2,526,102	2,505,436
Interests in joint ventures		12,114,832	9,230,984	9,250,414
Interests in associates		4,082,026	3,811,134	3,438,449
Equity investments designated at fair value through other comprehensive income		153,100	146,258	123,605
Goodwill		903,956	669,370	668,860
Operating rights		1,476,285	1,185,695	1,234,006
Deferred tax assets		345,422	278,090	266,220
Deposits for operating rights		1,954	3,143	1,593
Deposits for right-of-use assets		65,825	139,578	68,223
Deposits for purchase of property, plant and equipment		247,585	141,609	309,642
Total non-current assets		<u>63,229,416</u>	<u>52,154,202</u>	<u>49,523,315</u>
Current assets				
Inventories		1,006,828	1,007,501	954,367
Trade and other receivables	10	12,645,694	11,768,204	11,066,636
Assets related to contract works		3,534,472	3,386,424	2,650,530
Pledged bank deposits		12,193	5,208	7,550
Bank balances and cash		13,442,206	13,502,481	10,700,979
Total current assets		<u>30,641,393</u>	<u>29,669,818</u>	<u>25,380,062</u>
Current liabilities				
Trade and other payables	11	20,193,275	22,099,422	18,758,459
Contract liabilities		15,174,058	13,235,923	12,489,088
Government grants		74,439	91,223	72,681
Bank and other borrowings		2,548,358	2,031,347	2,634,961
Lease liabilities		98,946	92,177	88,168
Taxation payable		933,609	739,512	715,975
Total current liabilities		<u>39,022,685</u>	<u>38,289,604</u>	<u>34,759,332</u>
Net current liabilities		<u>(8,381,292)</u>	<u>(8,619,786)</u>	<u>(9,379,270)</u>
Total assets less current liabilities		<u><u>54,848,124</u></u>	<u><u>43,534,416</u></u>	<u><u>40,144,045</u></u>

	31st December, 2020	31st December, 2019	1st January, 2019
	<i>HK\$' 000</i>	<i>HK\$' 000</i>	<i>HK\$' 000</i>
		(Restated)	(Restated)
Capital and reserves			
Share capital	231,401	222,401	222,401
Reserves	36,042,886	26,573,036	23,858,719
Equity attributable to owners of the Company	36,274,287	26,795,437	24,081,120
Non-controlling interests	10,594,072	9,026,778	7,968,447
Total equity	46,868,359	35,822,215	32,049,567
Non-current liabilities			
Government grants	252,705	254,107	224,247
Bank and other borrowings	298,575	285,261	251,382
Lease liabilities	219,530	268,990	378,262
Senior notes	5,535,664	5,545,404	5,823,508
Other long-term liabilities	477,613	243,845	188,647
Deferred tax liabilities	1,195,678	1,114,594	1,228,432
Total non-current liabilities	7,979,765	7,712,201	8,094,478
	54,848,124	43,534,416	40,144,045

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 2020

1. GENERAL

The Company is a listed public company 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 Company’s intermediate parent company is China Resources (Holdings) Company Limited (“CRH”), a company incorporated in Hong Kong, and its ultimate holding company is China Resources Company Limited (“CRCL”) (formerly known as “China Resources National Corp.”), a company established in the People’s Republic of China (the “PRC”). The addresses of the registered office and principal place of business of the Company are disclosed in the Corporate Information of the annual report.

The consolidated financial statements are presented in Hong Kong dollars (“HK\$”) as the Company is a public company with its shares listed on the Stock Exchange in Hong Kong where most of its investors are located, and therefore, the directors of the Company consider that HK\$ is preferable in presenting the operating results and financial position of the Group.

2. BASIS OF PREPARATION

In preparing the consolidated financial statements, the directors of the Company have given careful consideration to the future liquidity of the Group in light of the fact that the Group’s current liabilities exceeded its current assets by HK\$8,381,292,000, and the Group had capital commitments of HK\$307,369,000 as at 31st December, 2020. As at 31st December, 2020, the Group had bank and other borrowings totalling HK\$2,846,933,000, of which HK\$2,548,358,000 was classified as current liabilities. The directors of the Company are of the opinion that there are good track records and relationship with banks which would enhance the Group’s ability on renewing the borrowing facilities.

The directors of the Company are of the opinion that, taking into account of the unutilised banking facilities of HK\$12,108,971,000 and internally generated funds of the Group and the other factors described above, the Group has sufficient working capital for its present requirements for the next twelve months from 31st December, 2020. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

Merger Accounting Restatement

Merger accounting business combination under common control

During the year ended 31st December, 2020, the Group acquired additional 28.9809% equity interests in 秦皇島華潤燃氣有限公司 (“秦皇島華潤”) from an independent third-party for a cash consideration of HK\$296,451,000 on 22nd December, 2020, and therefore, the Group totally had 66.4331% voting right in 秦皇島華潤, and controlled over 秦皇島華潤.

The Group and 秦皇島華潤 are both under the control of CRCL before and after the date of acquisition, as another 23.5669% equity interests of 秦皇島華潤 were held by 深圳潤成投資諮詢有限公司 (“潤成投資”), a subsidiary of CRCL, and that control is not transitory and hence the acquisition has been accounted for as a combination of entities under common control by applying the principles of merger accounting in accordance with Accounting Guideline 5 “Merger Accounting for Common Control Combinations” (“AG 5”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

Under merger accounting, the results of 秦皇島華潤 have been combined from the date when they first came under the control of CRCL. The assets and liabilities of 秦皇島華潤 have been reflected at their existing carrying values at the date of combination. No amount has been recognised in respect of goodwill or excess of the acquirer’s interest in the net fair value of acquiree’s identifiable assets, liabilities and contingent liabilities over cost at the time of common control combination, which, instead, has been recorded in other reserves in equity.

2. BASIS OF PREPARATION – CONTINUED

Accordingly, the consolidated statements of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year ended 31st December, 2019 have been restated to include the assets and liabilities and the operating results of 秦皇島華潤. The consolidated statement of financial position as at 1st January, 2019 and 31st December, 2019 have been restated to include the carrying amounts of the assets and liabilities of 秦皇島華潤 and the carrying value of the interests in the associate and the shares of results of 秦皇島華潤 have been eliminated respectively.

The effect of restatements described above on the consolidated income statement for the year ended 31st December, 2019 has resulted in an increase in the Group's revenue of HK\$1,141,177,000 and has no impact on the Group's profit attributable to owners of the Company.

The effect of restatements described above on the consolidated statement of financial position as at 1st January, 2019 and 31st December, 2019 has resulted in an increase in the Group's total equity by HK\$441,087,000 and HK\$465,432,000, respectively.

3. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the Conceptual Framework for Financial Reporting 2018 and the following revised HKFRSs for the first time for the current year's financial statements.

Amendments to HKFRS 3	<i>Definition of a Business</i>
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	<i>Interest Rate Benchmark Reform</i>
Amendments to HKFRS 16	<i>Covid-19-Related Rent Concessions(early adopted)</i>
Amendments to HKAS 1 and HKAS 8	<i>Definition of Material</i>

The nature and the impact of the *Conceptual Framework for Financial Reporting 2018* and the revised HKFRSs are described below:

- (a) *Conceptual Framework for Financial Reporting 2018* (the "Conceptual Framework") sets out a comprehensive set of concepts for financial reporting and standard setting, and provides guidance for preparers of financial statements in developing consistent accounting policies and assistance to all parties to understand and interpret the standards. The Conceptual Framework includes new chapters on measurement and reporting financial performance, new guidance on the derecognition of assets and liabilities, and updated definitions and recognition criteria for assets and liabilities. It also clarifies the roles of stewardship, prudence and measurement uncertainty in financial reporting. The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The Conceptual Framework did not have any significant impact on the financial position and performance of the Group.
- (b) Amendments to HKFRS 3 clarify and provide additional guidance on the definition of a business. The amendments clarify that for an integrated set of activities and assets to be considered a business, it must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. A business can exist without including all of the inputs and processes needed to create outputs. The amendments remove the assessment of whether market participants are capable of acquiring the business and continue to produce outputs. Instead, the focus is on whether acquired inputs and acquired substantive processes together significantly contribute to the ability to create outputs. The amendments have also narrowed the definition of outputs to focus on goods or services provided to customers, investment income or other income from ordinary activities. Furthermore, the amendments provide guidance to assess whether an acquired process is substantive and introduce an optional fair value concentration test to permit a simplified assessment of whether an acquired set of activities and assets is not a business. The Group has applied the amendments prospectively to transactions or other events that occurred on or after 1st January 2020. The amendments did not have any impact on the financial position and performance of the Group.

- (c) Amendments to HKFRS 9, HKAS 39 and HKFRS 7 address issues affecting financial reporting in the period before the replacement of an existing interest rate benchmark with an alternative risk-free rate (“RFR”). The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the introduction of the alternative RFR. In addition, the amendments require companies to provide additional information to investors about their hedging relationships which are directly affected by these uncertainties. The amendments did not have any impact on the financial position and performance of the Group as the Group does not have any interest rate hedging relationships.
- (d) Amendment to HKFRS 16 provides a practical expedient for lessees to elect not to apply lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. The practical expedient applies only to rent concessions occurring as a direct consequence of the pandemic and only if (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; (ii) any reduction in lease payments affects only payments originally due on or before 30th June 2021; and (iii) there is no substantive change to other terms and conditions of the lease. The amendment is effective for annual periods beginning on or after 1st June 2020 with earlier application permitted and shall be applied retrospectively.
- (e) Amendments to HKAS 1 and HKAS 8 provide a new definition of material. The new definition states that information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. The amendments clarify that materiality will depend on the nature or magnitude of information, or both. The amendments did not have any significant impact on the financial position and performance of the Group.

4. REVENUE AND SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purposes of resource allocation and assessment of segment performance, focuses on types of goods or services delivered or provided.

The Group’s operating segments under HKFRS 8 are as follows:

- (i) Sale and distribution of gas fuel and related products – sale of natural gas and to a much lesser extent, liquefied petroleum gas for residential, commercial and industrial use;
- (ii) Gas connection – construction of gas pipeline networks under gas connection contracts;
- (iii) Sale of gas appliances – sale of gas appliances and related products;
- (iv) Design and construction services – design, construction, consultancy and management for gas connection projects;
- (v) Gas stations – sale of gas fuel in natural gas filling stations.

No operating segments have been aggregated in arriving at the reportable segments of the Group.

Segment results represent the profit before taxation earned by each segment, excluding sundry income, interest income, rental income, finance costs, depreciation of investment properties, central administrative costs and directors’ salaries. This is the measure reported to the executive directors of the Company for the purpose of revenue allocation and assessment of segment performance.

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

The information of segment revenue, segment results, segment assets and segment liabilities is as follows:

For the year ended 31st December, 2020

Segment revenue and results

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Sale of gas appliances <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Revenue</i>						
External sales	<u>41,848,125</u>	<u>9,969,201</u>	<u>372,974</u>	<u>691,763</u>	<u>2,982,106</u>	<u>55,864,169</u>
<i>Results</i>						
Segment results	<u>5,614,203</u>	<u>4,279,850</u>	<u>62,774</u>	<u>87,185</u>	<u>595,485</u>	<u>10,639,497</u>
Share of results of joint ventures						656,895
Share of results of associates						258,419
Finance costs (other than interest on lease liabilities)						(433,020)
Unallocated income						1,045,933
Unallocated expenses						<u>(3,177,461)</u>
Profit before taxation						<u><u>8,990,263</u></u>

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

For the year ended 31st December, 2020 – continued

Segment assets and liabilities

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas Connection <i>HK\$'000</i>	Sale of gas appliances <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS						
Segment assets	<u>47,347,202</u>	<u>5,440,844</u>	<u>176,768</u>	<u>164,962</u>	<u>1,811,197</u>	<u>54,940,973</u>
Interests in joint ventures						12,114,832
Interests in associates						4,082,026
Deferred tax assets						345,422
Unallocated corporate assets (<i>Note a</i>)						<u>22,387,556</u>
						<u><u>93,870,809</u></u>
LIABILITIES						
Segment liabilities	<u>4,593,671</u>	<u>16,428,605</u>	<u>154,058</u>	<u>2,150,358</u>	<u>174,740</u>	<u>23,501,432</u>
Taxation payable						933,609
Deferred tax liabilities						1,195,678
Unallocated corporate liabilities (<i>Note b</i>)						<u>21,371,731</u>
						<u><u>47,002,450</u></u>

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

For the year ended 31st December, 2020 – continued

Other information

Amounts included in the measure of segment profit and segment assets:

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Sale of gas appliances <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets	5,825,141	-	-	8,578	94,846	-	5,928,565
Depreciation and amortization	2,058,655	-	-	3,131	56,692	-	2,118,478
(Reversal of impairment loss)/ impairment loss on trade receivables, net	15,808	54,687	-	393	(70)	-	70,818
Reversal of impairment loss on other receivables, net	-	-	-	-	-	(9,652)	(9,652)
Impairment loss on contract assets, net	-	7,802	-	-	-	-	7,802
Loss on disposal of property, plant and equipment	12,553	-	-	-	-	-	12,553
Loss on termination of right-of-use assets	1,068	-	-	-	-	-	1,068

For the year ended 31st December, 2019 (Restated)

Segment revenue and results

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Sale of gas appliances <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Total <i>HK\$'000</i>
<i>Revenue</i>						
External sales	41,444,613	10,671,241	399,772	678,975	3,781,689	56,976,290
<i>Results</i>						
Segment results	4,948,882	4,596,153	40,917	80,761	663,018	10,329,731
Share of results of joint ventures						502,482
Share of results of associates						235,638
Finance costs (other than interest on lease liabilities)						(517,177)
Unallocated income						1,086,175
Unallocated expenses						(3,215,301)
Profit before taxation						8,421,548

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

For the year ended 31st December, 2019 (Restated) – continued

Segment assets and liabilities

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas Connection <i>HK\$'000</i>	Sale of gas appliances <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Total <i>HK\$'000</i>
ASSETS						
Segment assets	40,093,171	5,352,660	148,124	207,572	1,459,037	47,260,564
Interests in joint ventures						9,230,984
Interests in associates						3,811,134
Deferred tax assets						278,090
Unallocated corporate assets (<i>Note a</i>)						21,243,248
						<u>81,824,020</u>
LIABILITIES						
Segment liabilities	4,589,714	14,591,150	101,112	1,403,621	101,148	20,786,745
Taxation payable						739,512
Deferred tax liabilities						1,114,594
Unallocated corporate liabilities (<i>Note b</i>)						23,360,954
						<u>46,001,805</u>

4. REVENUE AND SEGMENT INFORMATION – CONTINUED

For the year ended 31st December, 2019 (Restated) – continued

Other information

Amounts included in the measure of segment profit and segment assets:

	Sale and distribution of gas fuel and related products <i>HK\$'000</i>	Gas connection <i>HK\$'000</i>	Sale of gas appliances <i>HK\$'000</i>	Design and construction services <i>HK\$'000</i>	Gas stations <i>HK\$'000</i>	Unallocated <i>HK\$'000</i>	Total <i>HK\$'000</i>
Additions to non-current assets	5,069,184	–	–	6,525	129,944	–	5,205,653
Depreciation and amortization	1,896,298	–	–	2,984	65,611	–	1,964,893
(Reversal of impairment loss)/ impairment loss on trade receivables, net	(6,981)	81,778	(91)	1,827	(3,810)	–	72,723
Reversal of impairment loss on other receivables, net	–	–	–	–	–	(5,435)	(5,435)
Impairment loss on contract assets, net	–	12,554	–	–	–	–	12,554
Loss on disposal of property, plant and equipment	10,731	–	–	–	–	–	10,731
Loss on termination of right-of-use assets	388	–	–	–	–	–	388
	<u>388</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>388</u>

Notes:

- Unallocated corporate assets represent goodwill arising on acquisition of subsidiaries, investment properties, equity investments designated at fair value through other comprehensive income, other receivables, pledged bank deposits, other deposits and bank balances and cash.
- Unallocated corporate liabilities represent other payables, bank and other borrowings and senior notes. Bank and other borrowings and senior notes are classified as unallocated corporate liabilities because they are managed centrally by the treasury function of the Group.

Geographical information

Information about the Group's non-current assets (excluding financial instruments and deferred tax assets) is presented based on the locations of the assets:

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i> (Restated)
PRC	62,722,980	51,725,781
Hong Kong	7,914	4,073
	<u>62,730,894</u>	<u>51,729,854</u>

The Group's revenue is arisen in the PRC during both years.

5. OTHER INCOME

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i> (Restated)
Other income included:		
Extended service income	618,076	572,855
Government grants	147,662	103,420
Interest income from bank deposits	18,232	34,641
Interest income from other deposits (<i>note</i>)	271,347	263,255
Dividend income from equity investments designated at fair value through other comprehensive income	2,036	3,213
Interest income from deposits placed with a fellow subsidiary	13,006	8,670
Interest income from a loan to a fellow subsidiary	57,794	39,205
Interest income from a loan to an intermediate holding company	–	16,739
Interest income from joint ventures	1,568	1,326
Interest income from associates	2,790	299
Rental income from operating leases	43,405	35,492
Gain on disposal of joint ventures	6,165	153
Gain on disposal of an associate	169	–
Gain on deemed partial disposal of an associate	–	224,083
	<u>618,076</u>	<u>2,240,883</u>

Note: At 31st December, 2020, interest income from other deposits consisted of interest income from principal protected deposits and bank financing products denominated in RMB issued by banks in the PRC.

6. PROFIT BEFORE TAXATION

	2020 <i>HK\$'000</i>	2019 <i>HK\$'000</i> (Restated)
Profit before taxation has been arrived at after charging/(crediting):		
Staff costs		
Directors' emoluments	8,759	14,770
Other staff		
– Salaries and bonus	3,456,353	3,341,132
– Other benefits	959,067	785,958
– Retirement benefit scheme contributions	509,717	616,062
Total staff costs	<u>4,933,896</u>	<u>4,757,922</u>
Auditor's remuneration	12,943	11,975
Depreciation and impairment of property, plant and equipment	1,873,436	1,712,830
Depreciation of investment properties	4,007	3,952
Depreciation of right-of-use assets	176,218	184,646
Amortisation of operating rights (included in administrative expenses)	64,817	63,465
Impairment of financial and contract assets, net		
– Impairment of trade receivables, net	70,818	72,723
– Reversal of impairment of other receivables, net	(9,652)	(5,435)
– Impairment of contract assets, net	7,802	12,554
Loss on disposal of property, plant and equipment	12,553	10,731
Loss on termination of right-of-use assets	1,068	388
Lease payments not included in the measurement of lease liabilities	80,811	108,749

7. TAXATION

	2020 HK\$'000	2019 <i>HK\$'000</i> (Restated)
The tax charge comprises:		
Current taxation		
PRC Enterprise Income Tax, withholding tax paid for distributed profits and intergroup restructuring of investments in the PRC	2,305,904	1,985,425
Underprovision/(overprovision) in prior years	49,570	36,416
	2,355,474	2,021,841
Deferred taxation	(77,099)	(100,036)
	2,278,375	1,921,805

Hong Kong Profits Tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits arising in Hong Kong during the year. The company and its subsidiaries operating in Hong Kong did not have assessable profits, accordingly no provision for Hong Kong Profits Tax has been made in the consolidated financial statements for both years.

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% except for certain group entities which are entitled to various concessionary tax rates or tax exemptions and reliefs.

According to a joint circular of the Ministry of Finance and State Administration of Taxation, Cai Shui 2011 No. 1, only the profits earned by foreign-investment enterprise prior to 1st January, 2008, when distributed to foreign investors, can be grandfathered and exempted from withholding tax. Whereas, dividend distributed out of the profits generated thereafter, shall be subject to the Enterprise Income Tax at 5% or 10% and withheld by the PRC entities, pursuant to Articles 3 and 27 of the New Law and Article 91 of its Detailed Implementation Rules.

8. DIVIDENDS

	2020 HK\$'000	2019 <i>HK\$'000</i> (Restated)
Dividends recognised as distribution during the year:		
2020 interim dividend – 15 HK cents per share (2019: 2019 interim dividend – 15 HK cents per share)	340,232	326,740
2019 final dividend – 72 HK cents per share (2019: 2018 final dividend – 62 HK cents per share)	1,633,115	1,350,494
	1,973,347	1,677,234

The directors recommend the payment of a final dividend of 78 HK cents (2019: 72 HK cents) per share for the year ended 31st December, 2020 in an aggregate amount of HK\$1,769,208,000 (2019: HK\$1,633,115,000).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

	2020 HK\$'000	2019 HK\$'000 (Restated)
Earnings:		
Earnings for the purposes of basic earnings per share (profit for the year attributable to owners of the Company)	5,151,292	5,043,477
	2020	2019
Number of shares:		
Weighted average number of shares in issue less shares held for incentive award scheme for the purpose of basic earnings per share	2,232,313,848	2,178,215,487

No diluted earnings per share are presented as there were no potential ordinary shares in issue for both years.

10. TRADE AND OTHER RECEIVABLES

The Group generally allows credit periods ranging from 30 to 90 days to its customers. The ageing analysis of trade receivables, net of loss allowance, is presented based on the invoice date at the end of the reporting period, which approximated to the respective revenue recognition date as follows:

	2020 HK\$'000	2019 HK\$'000 (Restated)
0 to 90 days	3,881,917	4,157,314
91 to 180 days	467,884	350,374
181 to 365 days	404,052	310,963
Over 365 days	141,728	111,349
	4,895,581	4,930,000

11. TRADE AND OTHER PAYABLES

The ageing analysis of trade payables is presented based on the invoice date at the end of the reporting period as follows:

	2020 HK\$'000	2019 HK\$'000 (Restated)
0 – 90 days	5,537,878	4,744,096
91 – 180 days	583,813	641,630
181 – 365 days	750,457	926,853
Over 365 days	546,397	556,891
	7,418,545	6,869,470

The average credit periods on purchases of goods range from 7 to 180 days.

REVIEW AND AUDIT OF ACCOUNTS

The consolidated financial statements of the Group for the year ended 31st December, 2020 have been reviewed by the Audit and Risk Management Committee of the Company, which comprises three Independent Non-executive Directors and two Non-executive Directors, and have been audited by the Company's auditor, Ernst & Young. The Independent Auditor's Report will be included in the Annual Report to the shareholders.

BUSINESS REVIEW

Annual results

In 2020, the spread of COVID-19 pandemic worldwide had a significant impact over the world's economic development. Benefiting from the effective prevention and control measures implemented by the Chinese government, China's economy picked up its pace of development in the second quarter, accelerating the process of resumption of work and production in various industries. With stimulus policies of the central and local governments as well as enterprises to activate the markets through multiple ways and stimulate consumption, the annual GDP recorded a growth of 2.3%, making China the only country among the world's major economies to achieve positive growth. The year 2020 marked the conclusion of China's "13th Five-Year Plan" and it was also the final year for the government to win the "Three Critical Battles against Major Risks, Poverty and Pollution". The Chinese government remained unwaveringly in its attitude in dealing with environmental governance, and governments at all levels have introduced a number of policies to promote the increase of proportion of clean energy in the energy consumption structure. The development trend of China's energy consumption has brought long-term growth momentum to the Group's clean energy sales business and integrated service business.

During the year, the Group stringently implemented the pandemic prevention and control policies of governments at all levels, actively participated in the fight against the pandemic, put forward the anti-pandemic work policy of "guarantee customer service, ensure operation, ensure development and prioritize pandemic prevention work", and participated in the construction of major anti-pandemic projects such as Wuhan Leishenshan Hospital and mobile cabin hospitals. During the pandemic, the Group did not experience any suspension of gas supply or a safety accident. It has been recognized by governments at all levels as well as media and has established a good social image. Upholding the belief of "pursuing for excellence", the Group took the initiative to tackle with the negative impact brought about by the pandemic. The annual natural gas sales volume reached 29.024 billion cubic meters, representing a year-on-year increase of 3.62%. The Group is committed to improving operating efficiency, optimizing the structure of gas sources, and promoting the mergers and acquisitions of large-scale city gas projects. The profit attributable to the owners of the Group was HK\$5.151 billion, representing a year-on-year increase of 2.14%. The proposed final dividend was 78 HK cents per share, bringing a total dividend of 93 HK cents per share for the year, representing an increase of 6.90% from 87 HK cents in 2019, with a dividend payout ratio of 40.26%.

SALE OF NATURAL GAS

In 2020, the government continued to intensify its efforts in environmental governance in a bid to promote natural gas as a clean energy source to replace coal in key areas for civil, heating, and industrial usage. With the reform of China's natural gas market being further facilitated, the Group seized opportunities arising from the reform of China's natural gas market, and accurately grasped international and domestic LNG price trends. In November, the Group won the window period for receiving terminals for the first time, and carried out the first independent procurement of 64,000 tons international LNG, which effectively alleviated the operating pressure brought along by the rising LNG market price during the heating season. By rationally allocating domestic and overseas LNG resources, the Group optimized the gas source procurement structure.

During the year, the Group sold 29.024 billion cubic meters of natural gas, of which industrial gas sales recorded 14.866 billion cubic meters, an increase of 6.41%, accounting for 51.22% of the Group's gas sales; commercial gas sales recorded 5.800 billion cubic meters, a decrease of 5.38%, accounting for 19.98% of the Group's gas sales, and residential gas sales increased by 10.66% to 6.988 billion cubic meters, accounting for 24.08% of the Group's gas sales.

DEVELOPMENT OF NEW USERS

China is at a critical stage of building a well-off society in an all-round way. By 2020, the urbanization rate of the national permanent population will exceed 60%. The government aims to increase the urbanization rate to 65% during the "14th Five-Year Plan" period. While urbanization is accelerating, the government is also paying more attention to the construction of major strategic regions, central cities and urban agglomerations. Central cities will experience continuous geographic expansion and more inflows of immigrants. Benefiting from the relatively high proportion of the Group's large-scale city gas projects, most of which are located in the Beijing-Tianjin-Hebei region, the Yangtze River Delta region, the Chengdu-Chongqing Two Cities Economic Zone, the Guangdong-Hong Kong-Macao Greater Bay Area and other national major strategic regions, the Group believes that in the future it will have a large room for market development in terms of new users.

The Group continued to focus on the development of new users for city gas projects, also vigorously assisted local governments in pollution prevention and control, continued to develop industrial and commercial "coal-to-gas conversion" users, prudently developed rural "coal-to-gas conversion" users surrounding the project, and optimized the energy structure through the replacement of bulk coal. The Group had 41,900 new industrial and commercial users and 3.0526 million new residential users connected during the year, including the connection to 2,347,900 new houses users, 540,700 old houses users and 164,000 rural "coal-to-gas conversion" users.

Thanks to the constant acquisition and merger by the Group and expansion of more operation areas by the project companies of the Group, during the year, the growth rate in the number of connectable users outpacing the number of newly connected users. As of the end of 2020, the average gas penetration rate of city gas projects operated by the Group in China decreased from 53.00% at the end of 2019 to 52.40%.

EXPANSION OF NEW PROJECTS

The Group continued to focus on its core business of city gas operation. Leveraging on its strong market development capabilities, reputable corporate brand image and outstanding operation capabilities. In 2020, a total of 28 project registrations were completed. Meanwhile, the Group and its subsidiaries had 32 new contracted projects. The new contracted projects are expected to bring in 883 million cubic meters of gas sales per year. The number of new users was 663,100, and the newly expanded business area was 18,200 square kilometers. The newly registered and contracted projects cover business areas such as city gas, integrated energy, charging posts and hydrogen refueling stations.

During the year, the Group successfully registered the Ningbo project. Ningbo is a sub-provincial city in Zhejiang Province, which is planned as a separate provincial city, an economic center, and a chemical industry base in the southern wing of the Yangtze River Delta. In 2019, Ningbo achieved a regional GDP of RMB1,198.51 billion, ranking 12th in China. In 2020, the Ningbo Project has 770,000 pipeline natural gas users and 510,000 bottled natural gas users, with gas sales volume of 890 million cubic meters per annum, a turnover of RMB2.25 billion and a net profit of RMB170 million.

As of 31st December 2020, the number of registered city gas projects at the Group level reached 257, spanning across 22 provinces, 3 direct administrative municipalities and 75 prefecture-level cities. The ever expanding operational regions and prime geographic locations where the projects are located have laid a solid foundation for the sustained and rapid growth of the Group's core business.

DEVELOPMENT OF NEW BUSINESS

In 2020, the Group seized the opportunities brought by national development and industry reforms. Riding on the government supported policies and the advantage of its own huge market and existing customer base, the Group continued to develop new clean energy supply business to meet the diversified energy demand of customers.

During the year, the Group steadily promoted the development of distributed energy business, newly signed 14 projects, with an estimated total investment of approximately HK\$295 million, the cumulative number of projects reaching 46.

With the rapid development of the new energy automobile industry, the Group continued to attach great importance to the field of charging stations. During the year, 38 charging stations were newly put into operation, resulting in the total number of charging stations into operation amounting to 107. The net generation throughout the year increased by 30.80% to 168 million kWh as compared with the last year.

The Group reinforced the development and exploration of the hydrogen energy terminal sales market. During the year, 2 new hydrogen refueling stations were put into operation, bringing the total number of hydrogen refueling stations that had been approved for construction and operation to 9, spreading across Weifang, Xiangyang, Wuxi, Baicheng, Wuhan and Taizhou.

In recent years, the demand for central heating in southern cities has become increasingly strong. The traditional heating in the south and north with Qinling and Huaihe River as the boundary can no longer meet the actual heating demand. By the end of 2020, the Group has accumulatively put into operation 18 residential heating pilot projects on a small scale, equivalent to 22.00 million cubic meters per annum.

COMPREHENSIVE SERVICE BUSINESS

Relying on the scale advantages of city gas business, the Group accelerates the development of comprehensive service business, penetrates into the user gas-related life scenarios, strengthens customer loyalty, and gains customer trust. There are currently 41.5029 million residential users, 25,000 industrial users, and 315,300 commercial users, which constitutes the foundation for the development of comprehensive service business, and the overall market are promising. Therefore, the Group will fully exploit user needs, focus on improving product quality, and diligently build quality services to further enhance the competitiveness of its comprehensive service business.

In 2020, through perfecting comprehensive service business management model, the Group met the increasing needs of users for personalization and customization. At the same time, the Group innovated its comprehensive service business sales channels and implemented “online + offline” dual-channel sales. During the year, the total revenue of comprehensive services reached HK\$2.463 billion, representing a year-on-year increase of 22.44%. Various comprehensive service businesses, such as gas appliances, gas insurance, and personalized installation achieved robust growth. The penetration rate of the Group’s comprehensive service business is currently still at a low level. The Group believed that through vigorous promotion, the comprehensive service business will step into a stage of rapid development in the future and become an important part of the Group’s business.

SUSTAINABLE DEVELOPMENT

In the course of its rapid development, the Group proactively facilitated the development of the corporate governance of the Board. It built and constantly enhanced the role of the Board and the management, whereby each had defined terms of reference and responsibilities, executed effective check and balance and conducted rational decision-making, thus forming a corporate governance structure with high efficiency. The Group has always attached great importance to honesty & integrity management, and complied with laws and regulations, international practice and business ethics. It has also insisted that the relationship among staff, suppliers, customers, relevant authorities, partners, competitors and other interested parties shall be dealt with on an arm’s length basis and in good faith, so as to gain the market share and win respect with integrity and to improve the Company’s inherent qualities and value with compliance management.

The Group also attaches great importance to environmental, social, and governance (ESG) management, and has established an ESG working group under the leadership of the Board with the participation of all departments of the Group to promote the full implementation of the ESG sustainable development management system. With the efforts of all employees and effective management, in 2020, the Group’s total greenhouse gas emission reduced by 20.2% year-on-year, and comprehensive energy consumption per RMB10,000 revenue (comparables) reduced by 1% in terms of tons of standard coal, and the comprehensive energy consumption per RMB10,000 value added (comparables) reduced by 0.5% in terms of tons of standard coal. During the year, the Group and 47 regional companies of the Group successfully obtained OHSAS18001 or ISO45001 international certifications, reflecting that the Group’s occupational health and safety and environmental management systems meet the international standards. We will continue to promote more member companies of the Group to obtain the above-mentioned international certifications. The Group attached great importance to the life, health and safety of employees and users, and provided a total of 699,000 hours of safety training throughout the year. We also continued to engage consulting firms to provide professional advice on the Group’s ESG management system, policies, data disclosure, performance and practice, and strive to further improve the Group’s ESG performance. The Group believes that these measures in place will promote the Group’s sustainable development and contribute to the construction of a better ecological environment.

In 2020, the Group organized members of the Board and management to conduct anti-corruption and environmental protection training by carrying out an in-depth study to strengthen the culture of integrity and awareness of environmental protection. During the year, the Group was awarded the “Hong Kong Green Award” and the “2020 Environmental, Health and Safety Award”. During the year, MSCI rated the Group an ESG rating of BB. The Group will obtain recognition and affirmation from all walks of life through pragmatic and accountable ESG quality management measures, integrating the national dual goals of “peak carbon dioxide emissions target by 2030 and reach carbon neutrality by 2060” into daily operational management to achieve substantive business development.

FINANCIAL INFORMATION

In 2020, the Group fully supported the governmental policy regarding resuming work and production. However, the upstream natural gas price dropped during the year and the Group promptly channeled the impact due to dropped price to end users, leading to the Group’s turnover fell slightly by 1.95% to HK\$55.864 billion. Benefiting from the optimization of gas source procurement structure, the overall gross profit margin increased by 2 percentage points to 26.90%, and the overall gross profit increase by 5.73% to HK\$15.027 billion. Meanwhile, the Group launched a share placement during the year and issued 90 million new shares, which facilitated the total number of shares increased to 2.314 billion shares and diluted the basic earnings per share. The basic earnings per share for the year was HK\$2.31, down by 0.43%.

The Group has been adopting prudent financial resources management policies to keep borrowings and capital expenditure at a sound level. In 2020, the Group’s operating cash flow achieved HK\$8.616 billion, representing a year-on-year increase of 0.17%. The Group has sufficient funds and available banking facilities to meet capital expenditures and operating requirements in the future.

Given the Group’s sustained and steady development and continuous improvement in performance, Standard & Poor’s, Moody’s and Fitch Ratings maintained the credit rating of the Group to A-, A3 and A- in 2020. The rating reflects the Group’s development strategy of focusing on its core business and its financial performance for current period has been widely recognised by the market, which will further reduce the finance costs to be incurred by the Group in its potential financing activities, and provide sufficient financial resources for the long-term healthy development of the Group.

DEVELOPMENT PROSPECT

In 2020, the Chinese government reiterated to take domestic demand as the starting point and foothold of its economic development, gradually forming a new pattern of development, according to which domestic circulation would play a leading role while domestic and international dual circulations would complement one another. Based on the stable fundamentals of the Chinese economy and the strong resilience of the economic system, the formation of this new pattern of development will become the main driving force for China’s economic growth in the future. During the year, the Chinese government put forward the carbon neutrality goal at the 75th session of the General Assembly of the United Nations, and formulated a series of policies to promote China’s carbon neutrality standard. Its unwavering focus on environmental governance policies and pollution reduction and carbon reduction goals had a strong impetus on the development of the natural gas industry in the short to medium term. Meanwhile, with the deepening of the market-oriented reforms of the oil and gas industry, China’s natural gas industry will also usher in new strategic opportunities.

In 2021, a number of challenges remained in international community to contain the COVID-19 pandemic. China's invincible position as the world's factory will continue to become the world's major industrial production area, driving the growth of energy consumption in the region. Meanwhile, 2021 is the commencement year of the "14th Five-Year Plan" and the promulgation of "Central Government's No. 1 Document" indicated that the Chinese government will continue to promote green development, endorse the harmonious coexistence of man and nature, and establish a sound environmental governance system, whereby the prospect of market development of natural gas remains clear and promising.

Looking forward to 2021, the Group will seize opportunities arising from the development of industry as part of our efforts to align with the green development policies of governments at all levels, achieving sustained and rapid growth in the core business of city gas projects. Meanwhile, it will extend customer value surrounding the industry chain and step up its efforts in new business expansion including distributed energy, charging posts and hydrogen refueling stations with a view to promoting integrated business, meeting customers' more diversified energy and service needs, continuously improving shareholder returns, and thereby promoting the long-term sustainable development of the Group.

FINAL DIVIDEND

The Directors have resolved to recommend the payment of a final dividend of 78 HK cents per share. Together with the interim dividend of 15 HK cents per share paid, total distribution for 2020 would thus be 93 HK cents per share (2019: 87 HK cents per share).

Subject to the approval of shareholders at the forthcoming annual general meeting, the final dividend will be payable on 15th June, 2021 to shareholders whose names appear on the register of members of the Company on 28th May, 2021.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Monday, 17th May, 2021 to Friday, 21st May, 2021, both days inclusive. In order to determine the identity of members who are entitled to attend and vote at the annual general meeting to be held on Friday, 21st May, 2021, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Friday, 14th May, 2021.

Subject to the approval of shareholders at the annual general meeting, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company after the close of business at 4:30 p.m. on Friday, 28th May, 2021 and the register of members of the Company will be closed from Thursday, 27th May, 2021 to Friday, 28th May, 2021, both days inclusive, during which no transfer of shares of the Company will be registered. In order to be entitled to the proposed final dividend, completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Tricor Secretaries Limited at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, 26th May, 2021.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the period ended 31st December, 2020.

ISSUE OF THE EQUITY SECURITIES

Pursuant to the placing, underwriting and subscription agreement dated 12th May, 2020, the Company has successfully placed a total of 90,000,000 shares of the Company held by CRH (Gas) Limited at the Placing Price of HK\$40.81 per Share to no less than six independent placees which are selected and/or procured by the Placing Agent or its representatives. Pursuant to the placing, underwriting and subscription agreement, the Company issued 90,000,000 new shares and sold these shares to CRH (Gas) Limited at the Placing Price. The net Subscription Price for each Subscription Share, after deducting expenses in relation to the Placing and the Subscription, amounts to HK\$40.77. The Subscription Shares represent approximately 3.89% of the Company's issued share capital as enlarged by the Subscription. The net proceeds received from the Subscription by the Company amount to approximately HK\$3.67 billion in total. Details of the Placing and the Top-up Subscription are disclosed in the announcements of the Company dated 12th May, 2020 and 25th May, 2020. The Company intends to use the net proceeds from the Subscription mainly for acquisition of more downstream city gas distribution businesses in the PRC and replenishment of general working capital of the Company. The Directors consider that the Placing and the Subscription strengthen the capital base of the Company. Save as disclosed above, neither the Company nor any of its subsidiaries conducted any fund raising in relation to the issue of the equity securities during the year.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has adopted the mandatory provisions of the Corporate Governance Code (the "Code") set out in Appendix 14 to the Listing Rules. In line with the mandatory provisions of the Code, the Company adopted a Corporate Governance Handbook (the "Handbook") on 23rd December, 2005 and subsequently updated it in 2008, 2009, 2010, 2012, 2013, 2014, 2015, 2016 and 2018 respectively. The contents of the Handbook include, among others, directors' duties, model code for securities transactions by directors, model code for securities transactions by relevant employees, the functions and terms of reference of the Audit and Risk Management, Remuneration, Nomination, Investment and Corporate Governance Committees, disclosure of information, communication with shareholders, procedures for shareholders to propose a person for election as a director and board diversity policy. All the mandatory provisions under the Code have been adopted and reflected in the Handbook. During the year, the Company was in compliance with the mandatory provisions of the Code except for the deviation from code provision D.1.4 which are explained as follows:

Under the code provision D.1.4, 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. However, the Directors are subject to retirement by rotation at least once every three years in accordance with the Company's 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 of the Company. 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 those mentioned above, in the opinion of the Directors, the Company has met the code provisions set out in the Code during the year.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code throughout the year.

EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred subsequent to the reporting date which had significantly affected, or may significantly affect the Group's operations, results or state of affairs.

PUBLICATION OF ANNUAL REPORT ON THE WEBSITE OF THE STOCK EXCHANGE

The Annual Report of the Company will be dispatched to shareholders and published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.crcgas.com) in due course.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express our most sincere appreciation to our business partners, customers and shareholders for their unfailing support as well as all the Group's employees for their hard work and dedication in carrying out their duties and in achieving the Group's business goal.

By order of the Board
CHINA RESOURCES GAS GROUP LIMITED
WANG Chuandong
Chairman

Hong Kong, 26th March, 2021

As at the date of this announcement, the directors of the Company are Mr. SHI Baofeng and Mr. GE Bin, being Executive Directors; Mr. WANG Chuandong, Mr. CHEN Ying, Mr. WANG Yan, Madam WAN Suet Fei and Mr. JING Shiqing, being Non-executive Directors; and Mr. WONG Tak Shing, Mr. YU Hon To, David, Mr. YANG Yuchuan and Mr. HU Xiaoyong, being Independent Non-executive Directors.