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CHINESE PEOPLE HOLDINGS COMPANY LIMITED
中民控股有限公司
(incorporated in Bermuda with limited liability) (stock code: 681)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2018

FINANCIAL HIGHLIGHTS

– The Group recorded a total piped gas and cylinder gas sales volume of 780.88 million m^3 and 470,402 tons respectively, significantly increased by 31.81% and 33.08% respectively year-on-year; total revenue increased by 23.81% to approximately RMB1,200 million, and profit for the Year amounted to approximately RMB230 million, increased by 0.62% year-on-year.

– The adjusted EBITDA of the Group for the Year was approximately RMB328 million, represented an increase of 16.24% when compared with last year. Adjusted EBITDA represented profit before income tax, finance costs, depreciation and amortisation and impairment, excluding share-based payments.

– Basic and diluted earnings per share from continuing operations for the Year were RMB2.82 cents and RMB2.78 cents respectively (2017: basic and diluted earnings per share of RMB2.20 cents).

– We do not recommend the payment of a final dividend (2017: nil).

The board (the "**Board**") of directors (the "**Director(s)**") of Chinese People Holdings Company Limited (the "**Company**") are pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 March 2018 (the "**Year**") together with the comparative figures for the corresponding year of 2017 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2018

	NOTES	**2018** **RMB'000**	2017 RMB'000
Continuing operations			
Revenue	*3*	**1,200,359**	969,524
Cost of sales and services		**(902,188)**	(697,908)
Gross profit		**298,171**	271,616
Other gains and losses	*4*	**(26,920)**	(16,642)
Other income	*5*	**20,935**	11,604
Finance costs	*6*	**(12,648)**	(14,779)
Selling and distribution expenses		**(101,834)**	(84,800)
Administrative expenses		**(103,578)**	(108,679)
Share of results of associates		**34,148**	19,259
Share of results of joint ventures		**148,343**	129,773
Profit before tax		**256,617**	207,352
Income tax expense	*7*	**(26,706)**	(32,284)
Profit for the year from continuing operations	*8*	**229,911**	175,068
Discontinued operation			
Profit for the year from discontinued operation		**–**	53,433
Profit for the year		**229,911**	228,501
Other comprehensive income (expense) for the year			
Items that may be reclassified subsequently to profit or loss:			
Change in fair value of available-for-sale investments		**22**	–
Reclassification adjustment of cumulative gain upon disposal of available-for-sale investments		**(15)**	–
Other comprehensive income for the year		**7**	–
Total comprehensive income for the year		**229,918**	228,501

	NOTE	2018 RMB'000	2017 RMB'000
Profit for the year attributable to:			
Owners of the Company			
Profit from continuing operations		**201,456**	152,462
Profit from discontinued operation		**–**	53,433
		201,456	205,895
Non-controlling interests			
Profit from continuing operations		**28,455**	22,606
		229,911	228,501
Total comprehensive income attributable to:			
Owners of the Company			
Profit from continuing operations		**201,463**	152,462
Profit from discontinued operation		**–**	53,433
		201,463	205,895
Non-controlling interests			
Profit from continuing operations		**28,455**	22,606
		229,918	228,501
Earnings per share	*9*		
From continuing and discontinued operations			
– basic		**N/A**	RMB2.96 cents
– diluted		**N/A**	RMB2.96 cents
From continuing operations			
– basic		**RMB2.82 cents**	RMB2.20 cents
– diluted		**RMB2.78 cents**	RMB2.20 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2018

	NOTES	2018 RMB'000	2017 RMB'000
Non-current assets			
Property, plant and equipment		**694,524**	619,984
Investment properties		**11,300**	13,200
Prepaid lease payments		**57,254**	59,306
Goodwill		**7,064**	14,051
Intangible assets		**25,596**	26,825
Interests in associates		**127,919**	107,566
Interests in joint ventures		**1,065,899**	917,556
Available-for-sale investments		**14,508**	15,032
Long-term deposits		**21,292**	31,844
		2,025,356	1,805,364
Current assets			
Inventories		**28,609**	21,401
Trade, bills and other receivables and prepayments	*11*	**154,095**	112,056
Amount due from a joint venture		**16,338**	24,556
Prepaid lease payments		**1,732**	1,494
Bank balances and cash		**409,630**	392,287
		610,404	551,794
Current liabilities			
Trade and other payables	*12*	**250,663**	216,352
Tax liabilities		**39,618**	41,635
Amount due to an associate		**–**	299
Amount due to a joint venture		**156**	4,103
Consideration payable		**–**	155,768
Bank borrowings		**113,000**	62,000
		403,437	480,157
Net current assets		**206,967**	71,637
Total assets less current liabilities		**2,232,323**	1,877,001

	NOTE	**2018** *RMB'000*	2017 *RMB'000*
Capital and reserves			
Share capital	*13*	**570,574**	453,328
Reserves		**1,456,972**	1,203,848
Equity attributable to owners of the Company		**2,027,546**	1,657,176
Non-controlling interests		**180,529**	168,937
Total equity		**2,208,075**	1,826,113
Non-current liabilities			
Bank borrowings		**16,000**	42,500
Deferred tax liabilities		**8,248**	8,388
		24,248	50,888
		2,232,323	1,877,001

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2018

	Attributable to owners of the Company													
	Share capital	Share premium	Capital reserve	Contributed surplus	Surplus reserve fund	Deemed contribution	Capital contribution	Investment revaluation reserve	Share-based compensation reserve	Other reserve	(Accumulated losses) retained earnings	Total	Non-controlling interests	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
At 1 April 2016	453,328	944,616	2,086	92,665	77,270	26,628	7,721	(7)	–	7,175	(172,060)	1,439,422	164,988	1,604,410
Profit and total comprehensive income for the year	–	–	–	–	–	–	–	–	–	–	205,895	205,895	22,606	228,501
Appropriations	–	–	–	–	17,898	–	–	–	–	–	(17,898)	–	–	–
Recognition of share-based payments	–	–	–	–	–	–	–	–	12,212	–	–	12,212	–	12,212
Dividends paid to a non-controlling interest of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(23,310)	(23,310)
Acquisition of partial interests in a subsidiary	–	–	–	–	–	–	–	–	–	(353)	–	(353)	253	(100)
Capital injection from non-controlling interests of subsidiaries newly incorporated during the year	–	–	–	–	–	–	–	–	–	–	–	–	4,400	4,400
At 31 March 2017	453,328	944,616	2,086	92,665	95,168	26,628	7,721	(7)	12,212	6,822	15,937	1,657,176	168,937	1,826,113
Profit for the year	–	–	–	–	–	–	–	–	–	–	201,456	201,456	28,455	229,911
Change in the fair value of available-for-sale investments	–	–	–	–	–	–	–	22	–	–	–	22	–	22
Reclassification adjustment of cumulative gain upon disposal of available-for-sale investments	–	–	–	–	–	–	–	(15)	–	–	–	(15)	–	(15)
Profit and total comprehensive income for the year	–	–	–	–	–	–	–	7	–	–	201,456	201,463	28,455	229,918
Appropriations	–	–	–	–	13,438	–	–	–	–	–	(13,438)	–	–	–
Recognition of share-based payments	–	–	–	–	–	–	–	–	13,223	–	–	13,223	–	13,223
Issue of award shares *(note 13)*	12,402	13,033	–	–	–	–	–	–	(25,435)	–	–	–	–	–
Issue of subscription shares *(note 13)*	104,844	50,924	–	–	–	–	–	–	–	–	–	155,768	–	155,768
Dividends paid to a non-controlling interest of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(29,610)	(29,610)
Capital injection from non-controlling interests of subsidiaries newly incorporated during the Year	–	–	–	–	–	–	–	–	–	–	–	–	13,375	13,375
Deemed disposal of partial interests in subsidiaries	–	–	–	–	–	–	–	–	–	(84)	–	(84)	3,533	3,449
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(4,161)	(4,161)
At 31 March 2018	570,574	1,008,573	2,086	92,665	108,606	26,628	7,721	–	–	6,738	203,955	2,027,546	180,529	2,208,075

Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company acts as an investment holding company. The Group is principally engaged in the sales and distribution of fuel gas including the provision of piped gas, sales and distribution of cylinder gas and production and sales of barrelled drinking water in the People's Republic of China (the "**PRC**" or "**China**").

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**") and by the Hong Kong Companies Ordinance.

The consolidated financial statements are presented in Renminbi ("**RMB**"), which is also the functional currency of the Group.

2. APPLICATION OF NEW AND REVISED HKFRSs

Amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRSs issued by the HKICPA for the first time in the current year:

Amendments to Hong Kong Accounting Standard ("**HKAS**") 7	Disclosure Initiative
Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKFRS 12	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle

Except as described below, the application of the amendments to HKFRSs in the current year has had no material impact on the Group's performance and financial positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 7 Disclosure Initiative

The Group has applied these amendments for the first time in the current year. The amendments require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both cash and non-cash changes. In addition, the amendments also require disclosures on changes in financial assets if cash flows from those financial assets were, or future cash flows will be, included in cash flows from financing activities.

Specifically, the amendments require the following to be disclosed: (i) changes from financing cash flows; (ii) changes arising from obtaining or losing control of subsidiaries or other businesses; (iii) the effect of changes in foreign exchange rates; (iv) changes in fair values; and (v) other changes.

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs and the new interpretation that have been issued but are not yet effective:

HKFRS 9	Financial Instruments[1]
HKFRS 15	Revenue from Contracts with Customers and the related amendments[1]
HKFRS 16	Leases[2]
HKFRS 17	Insurance Contract[3]
HK(IFRIC) - Int 22	Foreign Currency Transactions and Advance Consideration[1]
HK(IFRIC) - Int 23	Uncertainty over Income Tax Treatments[2]
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions[1]
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts[1]
Amendments to HKFRS 9	Prepayment Features with Negative Compensation[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement[2]
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures[2]
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle[1]
Amendments to HKAS 40	Transfers of Investment Property[1]
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015 – 2017 Cycle[2]

1 Effective for annual periods beginning on or after 1 January 2018.
2 Effective for annual periods beginning on or after 1 January 2019.
3 Effective for annual periods beginning on or after 1 January 2021.
4 Effective for annual periods beginning on or after a date to be determined

3 SEGMENT INFORMATION

Information reported to the Group's chief operating decision maker ("**CODM**"), being the managing Director of the Company, for the purposes of resource allocation and assessment of segment performance focuses on types of goods sold or services rendered which is also consistent with the basis of organisation of the Group.

The Group ceased the lottery agency business upon the completion of disposal of a group of subsidiaries completed on 30 June 2016. Accordingly, the results of lottery agency business for the year ended 31 March 2017 had been separately presented as discontinued operation in the consolidated statement of profit or loss and other comprehensive income.

The Group's reportable and operating segments under HKFRS 8 ''Operating Segments'' are as follows:

(1) Provision of piped gas – provision of piped gas and construction of gas pipeline networks;

(2) Sales and distribution of cylinder gas (formerly named as "Transportation, distribution and retail of LPG") – the sales and distribution of fuel gas using tank containers to end–user residential household, industrial and commercial customers; and

(3) Production and sales of barrelled drinking water.

No operating segments have been aggregated to derive the reportable segments for segment information presentation.

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable and operating segment.

For the year ended 31 March 2018

Continuing operations	**Provision of piped gas** *RMB'000*	**Sales and distribution of cylinder gas** *RMB'000*	**Production and sales of barrelled drinking water** *RMB'000*	**Total** *RMB'000*
Segment revenue from external customers	**571,693**	**628,232**	**434**	**1,200,359**
Segment profit (loss)	**82,357**	**22,869**	**(218)**	**105,008**
Unallocated income				**9,202**
Central administration costs				**(27,436)**
Share of results of associates				**34,148**
Share of results of joint ventures				**148,343**
Finance costs				**(12,648)**
Profit before tax from continuing operations				**256,617**

For the year ended 31 March 2017

Continuing operations	Provision of piped gas *RMB'000*	Sales and distribution of cylinder gas *RMB'000*	Production and sales of barrelled drinking water *RMB'000*	Total *RMB'000*
Segment revenue from external customers	536,555	424,081	8,888	969,524
Segment profit	53,452	39,714	6,274	99,440
Unallocated income				4,068
Central administration costs				(30,409)
Share of results of associates				19,259
Share of results of joint ventures				129,773
Finance costs				(14,779)
Profit before tax from continuing operations				207,352

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales in both years.

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment result represents the profit (loss) earned by (incurred by) each segment without allocation of share of results of associates, share of results of joint ventures, central administration costs, finance costs and certain other income. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

Other segment information

Continuing operations	Provision of piped gas		Sales and distribution of cylinder gas		Production and sales of barrelled drinking water		Unallocated		Consolidated	
	2018	2017	**2018**	2017	**2018**	2017	**2018**	2017	**2018**	2017
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	RMB'000
For the year ended 31 March										
Amounts included in measure of segment profit or loss or segment assets:										
Depreciation of property, plant and equipment	**24,332**	22,327	**10,356**	9,818	**51**	50	**1,272**	1,782	**36,011**	33,977
Impairment loss on goodwill recognised in profit or loss	**–**	11,620	**4,868**	–	**–**	–	**–**	–	**4,868**	11,620
Impairment loss on available-for-sale investments recognised in profit or loss	**–**	–	**2,177**	–	**–**	–	**–**	–	**2,177**	–
Loss (gain) on disposal of property, plant and equipment	**525**	218	**(2,305)**	2,523	**–**	–	**40**	–	**(1,740)**	2,741
Loss on disposal of subsidiaries	**–**	–	**3,344**	–	**–**	–	**–**	–	**3,344**	–
Amortisation of prepaid lease payments	**911**	698	**789**	723	**–**	–	**–**	–	**1,700**	1,421
Amortisation of intangible assets	**1,229**	1,217	**–**	–	**–**	–	**–**	–	**1,229**	1,217
Net (reversal of allowances) allowance made in respect of trade and other receivables	**(117)**	(11)	**18,712**	2,788	**–**	–	**–**	150	**18,595**	2,927
Capital expenditure in respect of prepaid lease payments	**–**	5,867	**–**	4,433	**–**	–	**–**	–	**–**	10,300
Capital expenditure in respect of property, plant and equipment	**78,798**	96,811	**35,001**	17,782	**36**	–	**1,938**	368	**115,773**	114,961
Capital expenditure in respect of intangible assets	**–**	9,561	**–**	–	**–**	–	**–**	–	**–**	9,561
Amounts regularly provided to the CODM but not included in the measure of segment profit or loss or segment assets:										
Interests in associates	**–**	–	**–**	–	**–**	–	**127,919**	107,566	**127,919**	107,566
Interests in joint ventures	**–**	–	**–**	–	**–**	–	**1,065,899**	917,556	**1,065,899**	917,556
Share of results of associates	**–**	–	**–**	–	**–**	–	**(34,148)**	(19,259)	**(34,148)**	(19,259)
Share of results of joint ventures	**–**	–	**–**	–	**–**	–	**(148,343)**	(129,773)	**(148,343)**	(129,773)

Geographical information

The Group's business is principally carried out in the PRC. All the revenue of the Group for both years are derived from the PRC based on the location of goods delivered and services provided and the Group's non-current assets are physically located in the PRC. Accordingly, no geographical information is presented.

Information about major customers

None of the customers contributed over 10% of the total revenue of the Group during the years ended 31 March 2018 and 2017.

4. OTHER GAINS AND LOSSES

	2018	2017
	RMB'000	*RMB'000*
Gain (loss) on disposal of property, plant and equipment	**1,740**	(2,741)
Loss on disposal of subsidiaries	**(3,344)**	–
Impairment loss recognised in respect of goodwill	**(4,868)**	(11,620)
Impairment loss recognised in respect of available-for-sale investments	**(2,177)**	–
Fair value changes of investment properties	**(1,900)**	–
Gain (loss) gain on disposal of available-for-sale investments	**108**	(62)
Net foreign exchange gain	**2,116**	708
Net (allowance made) reversal of allowances in respect of:		
– trade receivables	**(1,782)**	11
– other receivables	**(16,813)**	(2,938)
	(26,920)	(16,642)

5 OTHER INCOME

	2018	2017
	RMB'000	*RMB'000*
Bank interest income	**8,125**	2,587
Waiver of overdue interest on consideration payable	**5,335**	–
Dividend income from available-for-sale investments	**1**	63
Interest income from loans to non-controlling interests of subsidiaries	**–**	241
Interest income from loan to a joint venture	**969**	1,241
Rental income	**960**	880
Repair and maintenance services income	**79**	2,825
Sales of gas appliance, net	**1,366**	2,162
Government grant	**913**	450
Others	**3,187**	1,155
	20,935	11,604

6. FINANCE COSTS

	2018	2017
	RMB'000	*RMB'000*
Imputed interest on consideration payable	**–**	12,137
Overdue interest on consideration payable	**5,335**	–
Interest on bank borrowings	**7,313**	2,642
	12,648	14,779

No borrowing costs capitalised during both years arose on the general borrowing pool.

7. INCOME TAX EXPENSE

	2018	2017
	RMB'000	*RMB'000*
PRC Enterprise Income Tax:		
– Current tax	**27,438**	31,924
– (Over) under provision in prior years	**(592)**	500
Deferred taxation	**(140)**	(140)
	26,706	32,284

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements as the Group had no assessable profit derived in Hong Kong for both years.

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**") and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25% for both years, except certain PRC group entities are entitled to the preferential tax rate pursuant to the relevant regulations applicable to enterprises situated in the western regions of the PRC. The applicable tax rate of those PRC group entities was 15% for both years.

8. PROFIT FOR THE YEAR FROM CONTINUING OPERATIONS

Profit for the year from continuing operations has been arrived at after charging:

	2018	2017
	RMB'000	*RMB'000*
Staff costs		
Directors' emoluments	**12,910**	13,812
Other staff costs		
Salaries, allowances and benefits in kind	**98,213**	95,567
Share-based payments	**5,697**	5,106
Retirement benefits scheme contributions	**13,709**	12,658
	130,529	127,143
Cost of inventories recognised as expenses	**824,041**	584,538
Auditor's remuneration	**2,291**	2,255
Depreciation of property, plant and equipment	**36,011**	33,977
Amortisation of prepaid lease payments	**1,700**	1,421
Amortisation of intangible assets	**1,229**	1,217
Operating lease payments in respect of rented premises	**7,675**	8,233
Contract cost recognised as expense in respect of gas connection construction contracts	**48,819**	62,478

9. EARNINGS PER SHARE

From continuing operations

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

	2018	2017
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to the owners of the Company	**201,456**	205,895
Less: Profit for the year from the discontinued operation	**–**	53,433
Earnings for the purposes of basic and diluted earnings per share from continuing operations	**201,456**	152,462

	2018	2017
Number of shares		
Number of ordinary shares for the purpose of basic earnings per share	**7,132,038,632**	6,944,954,136
Effect of dilutive potential ordinary shares:		
Award Shares	**104,284,932**	314,391
Weighted average number of ordinary shares for the purpose of diluted earnings per share calculation	**7,236,323,564**	6,945,268,527

From continuing and discontinued operations

For the year ended 31 March 2017, the calculation of the basic and diluted earnings per share attributable to the owners of the Company was based on the following data:

	2018	2017
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to the owners of the Company for the purposes of basic and diluted earnings per share	**N/A***	205,895

* As the discontinued operation was disposed on 30 June 2016, there is no earnings from discontinued operation during the year ended 31 March 2018.

From discontinued operation

For the year ended 31 March 2017, basic earnings and diluted per share from discontinued operation was RMB0.76 cents per share, based on the profit from discontinued operation of RMB53,433,000 and the denominators detailed above for both basic and diluted earnings per share.

10. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2018 (2017: nil), nor has any dividend has been proposed since the end of the reporting period.

11. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

	2018	2017
	RMB'000	*RMB'000*
Trade receivables	**57,257**	45,473
Less: Allowance for doubtful debts	**(1,428)**	(1,440)
	55,829	44,033
Bills receivables	**2,211**	1,075
Other receivables and prepayments	**96,055**	66,948
Total trade, bills and other receivables and prepayments	**154,095**	112,056

The Group allows its trade customers with credit periods normally ranging from 30 days to 90 days and extending to 180 days for major customers. The bills receivables are matured within the range of 30 days to 180 days as at the end of the reporting period. The Group does not hold any collateral over the balances. The following is an aged analysis of the trade receivables (net of impairment loss recognised) presented based on the invoice date as at the end of the reporting period, which approximated the respective revenue recognition dates for sales of piped gas and the billing dates for work performed for construction contracts. The aged analysis of bills receivables at the end of the reporting period is presented based on the date of the Group's receipt of the bills.

	2018	2017
	RMB'000	*RMB'000*
0 to 90 days	**47,041**	39,608
91 to 180 days	**4,392**	2,671
Over 180 days	**4,396**	1,754
Trade receivables	**55,829**	44,033
0 to 90 days	**2,211**	1,075
Bills receivables	**2,211**	1,075
Trade and bills receivables	**58,040**	45,108

The trade receivables with carrying amount of RMB51,433,000 (2017: RMB42,279,000) are neither past due nor impaired at the end of the reporting period for which the Group believes that the amounts are considered recoverable.

The Group has policies for allowance of bad and doubtful debts which are based on the evaluation of collectability and age analysis of accounts and on the management's judgment including the past collection history of each customer. Before accepting any new customer, the Group uses a system to assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed on a regular basis.

Included in the Group's trade receivables balance are debtors with aggregate carrying amount of RMB4,396,000 (2017: RMB1,754,000) which are past due as at the end of the reporting period for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances.

As at 31 March 2018, included in other receivables, there are deposits and advance payment to suppliers of RMB35,909,000 (2017: RMB13,822,000) in relation to the purchase of natural gas and cylinder gas products, which will be delivered within one year from the end of the reporting period.

As at 31 March 2018, included in other receivables, there are advance payment to the non-controlling interest of a subsidiary of RMB3,318,000 (2017: RMB141,000) for the purchase of natural gas.

12. TRADE AND OTHER PAYABLES

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs with the average credit period on purchases of goods is 90 days. The following is an aged analysis of trade payables presented based on the invoice date at the end of the reporting period:

	2018	2017
	RMB'000	*RMB'000*
0 to 90 days	**40,759**	26,886
91 to 180 days	**3,276**	3,473
Over 180 days	**4,788**	5,683
Trade payables	**48,823**	36,042
Advances received from customers for gas connection contracts	**21,446**	14,175
Piped gas customers deposits and other deposits received	**45,983**	44,408
Piped gas income received in advance	**94,025**	71,206
Accrued charges and other payables	**40,386**	50,521
Total trade and other payables	**250,663**	216,352

13. SHARE CAPITAL

	Ntumber of shares			
	2018	2017	**2018**	2017
			HKD'000	*HKD'000*
Authorised:				
Ordinary shares of HKD0.07 each	**38,000,000,000**	38,000,000,000	**2,660,000**	2,660,000
Issued and fully paid:				
At the beginning of the year	**6,944,954,136**	6,944,954,136	**486,147**	486,147
Issue of award shares *(note (i))*	**208,000,000**	–	**14,560**	–
Issue of subscription shares *(note (ii))*	**1,888,865,067**	–	**132,220**	–
At the end of the year	**9,041,819,203**	6,944,954,136	**632,927**	486,147

	2018	2017
	RMB'000	*RMB'000*
Presented in consolidated financial statements as:		
At the end of the year	**570,574**	453,328

Notes:

(i) On 30 September 2017, a total of 208,000,000 shares of the Company ("**Share(s)**") were issued and allotted to the entitled grantees pursuant to the terms of award shares.

(ii) On 29 December 2017, the Company and Dr. Mo Shikang ("**Dr. Mo**") entered into the subscription agreement whereby Dr. Mo agreed to subscribe for, and the Company agreed to allot and issue an aggregate of 1,888,865,067 subscription Shares at the subscription price of HKD0.104 per subscription Share to set off the consideration payable on a dollar-to-dollar basis. The subscription Agreement was approved by the independent shareholders of the Company at the special general meeting held on 9 March 2018. The Company issued and allotted the subscription Shares to Dr. Mo on 16 March 2018. Details of the subscription Agreement are set out in the Company's circular dated 2 February 2018.

14. CAPITAL AND OTHER COMMITMENTS

	2018	2017
	RMB'000	*RMB'000*
Capital commitment		
Capital expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Property, plant and equipment	**59,660**	20,143
Prepaid lease payments	**2,051**	2,051
	61,711	22,194

15. PLEDGE OF ASSETS

The Group pledged certain assets to banks to secure certain bank borrowings of the Group. Carrying amounts of the assets pledged were as follows:

	2018	2017
	RMB'000	*RMB'000*
Property, plant and equipment	**146,014**	94,795
Intangible assets – exclusive rights of operation of piped gas	**1,939**	1,990
Prepaid lease payments	**5,293**	3,346
Trade receivables	**5,167**	2,943
	158,413	103,074

16. CONTINGENT LIABILITIES

As at 31 August 2015, Beijing Civigas Co., Ltd. ("**Beijing Civigas**", a wholly-owned subsidiary of the Group), together with the joint venture partner entered into a guarantee agreement with a bank, whereby Beijing Civigas and the joint venture partner have agreed to provide a joint and several corporate guarantee in favor of the bank for the loan of RMB100,000,000 granted to Fujian Province An Ran Gas Investment Co., Ltd. ("**Fujian An Ran**") (as borrower), a joint venture of the Group. Details of this transaction are set out in the Company's announcement dated 31 August 2015. Up to 31 March 2018, Fujian An Ran has repaid the whole facility line while such facility line is revolving in nature and could be drawn in future.

BUSINESS REVIEW

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

	For the year ended 31 March		Increase (decrease)
	2018	2017	%
Results			
Revenue (RMB'000)	**1,200,359**	969,524	23.81
Gross profit (RMB'000)	**298,171**	271,616	9.78
Gross profit margin (%)	**24.84**	28.02	(3.18)
Net profit margin (%)	**19.15**	23.57	(4.42)
Profit for the year from continuing operations (RMB'000)	**229,911**	175,068	31.33
Profit for the year attributable to owners of the Company (RMB'000)	**201,456**	205,895	(2.16)
Earnings per share from continuing operations			
– Basic (RMB cents)	**2.82**	2.20	28.18
– Diluted (RMB cents)	**2.78**	2.20	26.36
Consolidated debt-to-capitalisation ratio (%)	**5.98**	13.57	(7.59)
Operational data#			
Number of projects in China			
– Piped gas	**52**	52	–
– Cylinder gas	**54**	53	1.89
– Barrelled drinking water	**1**	1	–
New connected during the Year			
– Residential household customers	**204,854**	182,774	12.08
– Commercial and industrial ("**C/I**") customers	**4,296**	3,629	18.38
Accumulated number of connected			
– Residential household customers	**1,541,876**	1,337,022	15.32
– C/I customers	**17,227**	12,931	33.22
Unit of piped gas sold to			
– Residential household customers (10,000 cubic metre ("**m^3**")	**13,044**	10,768	21.14
– C/I customers (10,000 m^3)	**65,044**	48,475	34.18
Unit of cylinder gas sold (tons)	**470,402**	353,486	33.08
Unit of barrelled drinking water sold (bottle)	**175,388**	1,905,435	(90.80)

#: *The Group's operational data disclosed in the above table included the data of its subsidiaries, joint ventures and associates.*

	For the year ended 31 March		Changes in	
	2018	2017	amount	
	RMB'000	*RMB'000*	*RMB'000*	%
Analysis of results				
Profit for the year from continuing operations	**229,911**	175,068	54,843	31.33
Adjustments for:				
Finance costs	**12,648**	14,779	(2,131)	(14.42)
Depreciation and amortisation	**38,940**	36,615	2,325	6.35
Income tax expense	**26,706**	32,284	(5,578)	(17.28)
Impairment loss recognised in respect of goodwill	**4,868**	11,620	(6,752)	(58.11)
Impairment loss recognised in respect of available-for-sale investments	**2,177**	–	2,177	n/a
Share-based payments	**13,223**	12,212	1,011	8.28
Adjusted EBITDA* from continuing operations	**328,473**	282,578	45,895	16.24
Breakdown as follows:				
The Group	**145,982**	133,546	12,436	9.31
Share of results of associates	**34,148**	19,259	14,889	77.31
Share of results of joint ventures	**148,343**	129,773	18,570	14.31
	328,473	282,578	45,895	16.24

* Adjusted EBITDA represents profit before income tax, finance costs, depreciation and amortisation and impairment, excluding share-based payments.

Result for the Year

For the year ended 31 March 2018, revenue from continuing operations of the Group amounted to approximately RMB1,200.36 million, representing a year-on-year increase of 23.81%, while profit for the Year from continuing operations was approximately RMB229.91 million (2017: RMB175.07 million), representing a year-on-year increase of 31.33%. Basic and diluted earnings per share from continuing operations were RMB2.82 cents and RMB2.78 cents respectively (2017: basic and diluted earnings per share were RMB2.20 cents). The overall gross profit margin of the Group was 24.84% (2017: 28.02%), representing a decrease of 3.18% as compared with last year. The decrease in gross profit margin was mainly due to the increase in sales proportion of cylinder gas (with lower margin) as a recurring income and the increase in its average purchase price. The decrease in net profit margin from 23.57% in 2017 to 19.15% in 2018 was mainly due to the decrease in the gross profit margin and the profit from discontinued operation recognised in last year.

Provision of piped gas business

Provision of piped gas is our main business and our main source of income. During the Year, revenue of approximately RMB571,693,000 was recorded from our piped gas business, representing a year-on-year increase of RMB35,138,000 or 6.55% over last year, which accounted for 47.63% (2017: 55.34%) of our total revenue from continuing operations. The overall gross profit margin of provision of piped gas business for the Year was 27.52% (2017: 26.34%).

The piped gas business mainly relies on the gas pipeline which were built by the Group to transport flammable gas fuels to end-users. Profit comes from two main aspects: connection of gas pipeline and sales of piped gas. Currently, the piped gas the Group distributing is mainly natural gas.

Piped gas connection

During the Year, revenue from piped gas connection construction contracts was approximately RMB122,095,000, representing a decrease of RMB16,546,000 or 11.93% over the corresponding period last year. Gross profit margin from piped gas connection was approximately 55.74% (2017: 52.98%) Revenue from piped gas connection construction contracts represented approximately 21.36% (2017: 25.84%) of the total revenue of the provision of piped gas business. During the Year, there was an addition of 38,080 units of residential household customers and 1,087 units of C/I customers from subsidiary companies. At the end of the reporting period, the accumulated number of connected residential household customers from subsidiary companies was 368,407 units; and the accumulated number of connected C/I customers from subsidiary companies was 7,014 units, representing a growth of 11.53% and 18.34% respectively over the corresponding period last year. The overall connection rate of the Group's piped gas projects continues to rise, but there is still a gap compared with the average gas connection rate of mature markets in China of 70-80%. It is expected that the number of newly connected residential household will increase steadily, bringing the Group a steady increase in gas connection income.

Piped gas sales

During the Year, revenue from piped gas sales was approximately RMB449,598,000, representing an increase of RMB51,684,000 or 12.99% over the corresponding period last year, while the gross profit margin of piped gas sales is 19.86% (2017: 17.06%). Revenue from piped gas sales accounted for approximately 78.64% (2017: 74.16%) of the total revenue from the piped gas business. Our total piped gas sales from subsidiary companies achieved approximately 248.08 million m^3, representing a year-on-year increase of 12.73%. Among the total sales, 82.62 million m^3 were sold to residential household customers, which represented a year-on-year increase of 16.63%; 165.46 million m^3 were sold to C/I customers, which represented a year-on-year increase of 10.88%. The piped gas sales volume of residential household customers increased steadily is mainly due to the newly-connected residential household customers gradually use natural gas. Meanwhile, in the C/I aspect, the demand from the "Coal to Gas" C/I customers continuous to grow, which become the main driving force of the growth of piped gas sales volume.

Sales and distribution of cylinder gas business

The sales and distribution of cylinder gas is another major business of the Group. The sales and distribution of cylinder gas is mainly through transport vehicles and tank containers (pressure and cryogenic). Currently, the cylinder gas distributed by the Group includes liquefied petroleum gas (LPG), liquefied natural gas (LNG) and dimethyl ether (DME).

During the Year, sales and distribution of cylinder gas from subsidiary companies was 118,755 tons in total, representing an increase of 43.13% over the corresponding period last year. Revenue from cylinder gas accounted for approximately 52.34% (2017: 43.74%) of our total revenue from continuing operations. The gross profit margin of cylinder gas business was 22.46% (2017: 28.74%). The increase in sales volume and revenue are mainly due to the common usage of C/I market, as well as the significant growth in Beijing-Tianjin-Hebei regions. The decrease in gross profit marign is mainly due to the increase in its average purchase costs.

Production and sales of barrelled drinking water business

During the reporting period, affected by the increase in the labour cost and the Group allocated relevant manpower to actively expand its cylinder gas business in Beijing-Tianjin-Hebei regions, the sales volume of barrelled drinking water had been slowdown. We are now consolidating the market situation and adjusting our business strategy continuously, and actively developing the barrelled drinking water.

New projects during the reporting period

During the reporting period, we have invested 6 cylinder gas projects. As at 31 March 2018, the number of domestic projects under our management amounted to 107. The projects are mainly diversified across Sichuan, Yunnan, Fujian Provinces and Tianjin. The local commercial and industrial business of our new projects resided are more developed and the development prospects are very impressive, which can further expand our scale of gas sales and generate economies of scale, reduce operating costs; and seize market share. In the face of energy structure adjustment of China, and the advance of urbanisation and industrialisation, we expect the continuous emergence of new project opportunities in the future.

FINANCIAL REVIEW

Currently, the sources of the operating and capital expenditure of the Group are operating cash flow, internal current capital, and bank borrowings. The Group has sufficient funds to meet future capital expenditures and operational needs.

Borrowing structure

At 31 March 2018, the total borrowings of the Group were approximately RMB129,000,000 (2017: RMB260,268,000), which mainly comprised domestic bank borrowings (2017: bank borrowings and consideration payable) denominated in RMB of the project companies in China. Bank borrowings, in which interest is calculated by reference to the interest rate announced by the People's Bank of China plus certain basis points, are mainly applied to gas pipelines construction, as general working capital and for operating expenses. Apart from the borrowings of approximately RMB111,000,000 (2017: RMB91,500,000) which were secured by certain assets with carrying amount of approximately RMB158,413,000 (2017: RMB103,074,000), others were unsecured. Short-term borrowings amounted to approximately RMB113,000,000 (2017: RMB217,768,000), while others were long-term borrowings due after one year.

Capital structure

The long-term capital of the Group comprised equity attributable to owners of the Company and borrowings, which was confirmed by the sound debt-to-capitalisation ratio.

Issue of award Shares and subscription Shares

On 27 July 2016, the Board resolved to grant share awards (the "**Award Shares**") in respect of 208,000,000 Shares to the entitled grantees, who are certain Directors, chief executive of the Company and employees of the Group, by way of issue of 208,000,000 new Shares approved by the shareholders of the Company at the special general meeting held on 14 October 2016. Details of the Award Shares are set out in the Company's circular dated 23 September 2016. On 30 September 2017, a total of 208,000,000 Shares were vested; issued and allotted to the entitled grantees pursuant to the terms of Award Shares.

On 29 December 2017, the Company and Dr. Mo, the chairman of the Board and an executive Director, entered into the subscription agreement whereby Dr. Mo agreed to subscribe for, and the Company agreed to allot and issue an aggregate of 1,888,865,067 subscription Shares at the subscription price of HKD0.104 per subscription Share to set off the consideration payable on a dollar-to-dollar basis. The subscription agreement was approved by the independent shareholders of the Company at the special general meeting held on 9 March 2018. The Company issued and allotted the subscription Shares to Dr. Mo on 16 March 2018. Details of the subscription agreement are set out in the Company's circular dated 2 February 2018.

Foreign exchange risk

As all of our operations are in China and substantially all of its revenue and expenses are denominated in RMB, there was no significant foreign exchange risk in its operation. We currently do not have foreign currency hedging policy but monitor the market trends of exchange rates closely, and adopt appropriate measures when necessary.

Capital and other commitments

As at 31 March 2018, the capital and other commitments of the Group amounted to approximately RMB61,711,000 (2017: RMB22,194,000), mainly attributable to running district gas pipelines construction and prepaid lease payments.

Contingent liabilities

Save as disclosed in note 16 above, as at 31 March 2018, the Group had no material contingent liabilities.

Events after the end of the reporting period

The Board is of the view that the recent trading price of the Shares reflects that the Shares have been undervalued thus failing to reflect the true value of the Company. Having taken into account the current working capital position of the Group, the Directors consider that there would be no material adverse effect on the working capital and gearing position of the Group in conducting the Share repurchase and the Share repurchase could enhance the value of the Shares thereby benefitting the Shareholders. Subsequent to the end of the reporting period and up to the date of this announcement, the Company repurchased its own Shares on the Stock Exchange as follows:

	Number of ordinary Shares of HKD0.07	**Price per Share**		**Aggregated repurchase cost**
		Highest	**Lowest**	
		HKD	*HKD*	*HKD'000*
Month of repurchase				
April 2018	43,828,000	0.120	0.104	4,992
May 2018	63,430,000	0.129	0.119	7,933

The Share repurchase complied with the general mandate to the Directors to repurchase the Company's Shares that passed by the Shareholders in the Company's 2017 annual general meeting. 43,828,000 and 63,430,000 ordinary Shares repurchased were then cancelled on 4 May 2018 and 25 May 2018 respectively.

PROSPECTS AND OUTLOOK

The economic structure of our country is continuously optimised, the resource utilisation rate is constantly improved, and the circular industry is under development. Green traffic and green construction have grown rapidly, and energy-saving and emission reduction are initially taking effect. The tremendous achievements made in energy development of China have created a new situation in the reform of energy development with Chinese characteristics and has provided the Group with a good environment for growth.

Natural gas, liquefied petroleum gas, and dimethyl ether and other flammable gas fuels are all clean energy and are all important components of urban gas. In 2017, the 13 agencies including the National Development and Reform Commission published and issued the "Opinions on Accelerating the Use of Natural Gas", and proposed to gradually cultivate natural gas as one of the main sources of energy for China's modern clean energy system. By 2020, the share of natural gas in the primary energy consumption structure will strive to reach around 10%. By 2030, it will strive to increase the share of natural gas in primary energy consumption to about 15%. With the deepening of the state's implementation of atmospheric governance and environmental protection policies in recent years, focus on the centralised improvement of scattered companies, accelerate the comprehensive management of bulk coal pollution, promote the treatment of coal-fired boilers in a deep-going manner, and strongly promote "Coal to Gas", we believe that the fuel gas market will continue to expand.

Piped gas

The piped gas distribution mainly includes the long-distance transmission of high-pressure gas pipelines, the urban transmission and distribution of medium-pressure gathering pipeline networks, and the terminal distribution of low-pressure courtyard pipeline networks and household pipeline networks. Along with the increase in fuel gas demand, the space for construction and development of gas pipeline is huge. The Group's piped gas mainly concentrates on the construction of urban medium-pressure pipeline network and the construction and use of terminal courtyard pipeline network and household pipeline network, and it aims at end-users to develop piped gas business.

Cylinder gas

As the construction of gas pipelines is affected by the investment cost, user's degree of adaptability, geographic location and many other factors, as well as the advantages of cylinder gas itself, many users still choose to use cylinder gas. The Government adopts concept of "when it is necessary to use pipeline, then use pipeline; necessary to use cylinder, then use cylinder" in dealing with the fuel gas supply method. The cylinder gas has been the focus of the Group's development over the years and the market has great potential.

The Group will continue to make strategic planning in advance in accordance with policy and market changes, seize the business opportunities brought by the favorable business environment, fully tap market and customer potential, actively expand industrial and commercial users, steadily develop residential household users, and actively seize the opportunity to enter new markets, and further enhance the scale and management standard of the piped gas and cylinder gas businesses, constantly consolidating the value of the Group.

Barrelled drinking water

Barrelled drinking water is commonly used in the daily lives of households and has become an indispensable product in lives. With the implementation of the new national standard, the standardisation of the barrelled drinking water industry will be conducive to the development of the purified water market. From the perspective of the overall development of the industry, the growth in consumer demand will still drive the development of the industry. It is expected that by 2021, the demand for purified water market will exceed RMB80 billion. The Group will cater to the market demand, vigorously develop barrelled drinking water, and increase the proportion of barrelled drinking water in the Group's revenue.

Other business opportunities

Food ingredients and fast moving consumer goods ("FMCG")

Compared with fuel gas, food ingredients (including rice, flour, dry foods, oil, seasoning, and fresh foods such as fruits and vegetables, frozen foods) and FMCG (refers to daily use (hybrid) products and pre-packaged foods) are more frequently used by all types of users, and are more encrypted and inseparable. They are essential for people's lives.

The food ingredients and FMCG supply chain business will be the other business area the Group intended to focus and actively developed. The supply chain system of food ingredients will be operated under the brand name of "Civi Kitchen" and "Yelang Kitchen" while FMCG will be operated under the brand name "Civi Home". As the new business growth point of the Group, we will summarise and develop a business model that is suitable for the Group's development, work steadily to expand the Group's business scope in the supply chain of food ingredients and FMCG and create new profit growth point for the Group; increase the enterprise value of the Group to reward all Shareholders.

In order to streamline its business operations, the Group is actively considering the possibilities of seeking a separate listing of certain business segments on different capital markets by way of spin-off. As of the date hereof, no concrete plan has been finalised and in this regard, the Company would update further the Shareholders and the investing public on a timely basis.

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

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

Subsequent to the end of the reporting period and up to the date of this announcement, the Company had repurchased 107,258,000 Shares on the Stock Exchange and then all Shares have been cancelled. For details please refer to the section headed "Events after the end of the reporting period" above.

CORPORATE GOVERNANCE

The Company has complied with the provisions of the code as set out in Appendix 14 "Corporate Governance Code and Corporate Governance Report" of the Listing Rules for the Year. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Corporate Governance Code.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as set out in the Model Code under Appendix 10 of the Listing Rules (the "**Model Code**") throughout the Year. The Company had also made specific enquiries with all Directors and the Company was not aware of any non-compliance with the required standard of dealings set out in the Model Code and its code of conduct regarding securities transactions by Directors.

REVIEW OF ANNUAL RESULTS

The audit committee comprises all three independent non-executive Directors, namely, Mr. Sin Ka Man (committee chairman), Dr. Liu Junmin and Prof. Zhao Yanyun. The audit committee of the Company has reviewed with management the consolidated financial statements of the Group for the Year, including accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters.

SCOPE OF WORK OF MESSRS. DELOITTE TOUCHE TOHMATSU

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and the related notes thereto for the Year as set out in this announcement have been agreed by the Group's auditor, Messrs. Deloitte Touche Tohmatsu, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by Messrs. Deloitte Touche Tohmatsu in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Messrs. Deloitte Touche Tohmatsu on this announcement.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange at www.hkex.com.hk and the Company at www.681hk.com respectively. The annual report of the Company for the year ended 31 March 2018 will be dispatched to the shareholders and published on the aforesaid websites in due course.

On behalf of the Board of
Chinese People Holdings Company Limited
Mr. Fan Fangyi
Managing Director

Beijing, 29 June 2018

As at the date of this announcement, the Board comprises five Executive Directors namely, Dr. Mo Shikang (Chairman), Mr. Zhang Hesheng (Deputy Chairman), Mr. Chu Kin Wang Peleus (Deputy Chairman), Mr. Fan Fangyi (Managing Director) and Miss Mo Yunbi, and three Independent Non-executive Directors namely, Dr. Liu Junmin, Prof. Zhao Yanyun and Mr. Sin Ka Man.