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

INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2013

FINANCIAL HIGHLIGHTS

- Turnover and gross profit of the Group was approximately RMB360,273,000 and RMB80,394,000 respectively for the six months ended 30 September 2013, representing an increase of 8.18% and 24.47% respectively from the corresponding period last year.

- Profit for the six months ended 30 September 2013 amounted to approximately RMB17,363,000, decreased 8.97% from the corresponding period last year.

- The decrease in profit was mainly attributable to the de-recognition for the shortfall of profit guarantee amounting to RMB60,000,000 upon the Settlement Deed become effective.

- If the non-cash items of (i) the above RMB60,000,000 and (ii) the amortisation of intangible asset in lottery business from the corresponding period last year were excluded, the operational profit of the period was approximately RMB77,363,000, representing an increase of 131.70% from the corresponding period last year.

- Basic earnings per share for the six months ended 30 September 2013 was RMB0.22 (2012: RMB0.26).

- No dividend was declared for the six months ended 30 September 2013 (2012: nil).

INTERIM RESULTS

The board (the "Board") of directors (the "Directors") of Chinese People Holdings Company Limited (the "Company") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (collectively the "Group") for the six months ended 30 September 2013, together with the unaudited comparative figures for the corresponding period in 2012. The unaudited condensed consolidated financial statements have been reviewed by the Audit Committee of the Company.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (UNAUDITED)

		Six months ended 30 September	
		2013	2012
	Notes	***RMB'000***	*RMB'000*
			(Restated)
Turnover	*3*	**360,273**	333,039
Cost of sales and services		**(279,879)**	(268,450)
Gross profit		**80,394**	64,589
Other operating income		**7,044**	7,349
Fair value change of contingent consideration		**(60,000)**	–
Administrative expenses		**(66,161)**	(76,203)
Share of profits of joint ventures		**62,437**	30,674
Finance costs	*4*	**(1,149)**	(1,389)
Profit before tax	*5*	**22,565**	25,020
Income tax expense	*6*	**(5,202)**	(5,946)
Profit for the period		**17,363**	19,074
Other comprehensive income (expense) for the period			
Items that are or may be reclassified subsequently to profit or loss:			
Foreign currency translation differences – foreign operations		**(1,054)**	451
Net change in the fair value changes of available-for-sale financial assets		**(5)**	(3)
Other comprehensive (expenses) income for the period		**(1,059)**	448
Total comprehensive income for the period		**16,304**	19,522

		Six months ended 30 September	
		2013	2012
	Notes	***RMB'000***	*RMB'000*
			(Restated)
Profit attributable to:			
Owners of the Company		**12,893**	15,231
Non-controlling interests		**4,470**	3,843
		17,363	19,074
Total comprehensive income attributable to:			
Owners of the Company		**11,834**	15,679
Non-controlling interests		**4,470**	3,843
		16,304	19,522
		RMB Cents	*RMB Cents*
Earnings per share	*8*		
– basic and diluted		**0.22**	0.26

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

At 30 September 2013

	Notes	At 30 September 2013 RMB'000	At 31 March 2013 RMB'000 (Restated)	At 1 April 2012 RMB'000 (Restated)
Non-current assets				
Property, plant and equipment		**405,687**	322,000	305,414
Investment properties		**14,200**	14,200	13,500
Prepaid lease payments		**24,249**	23,139	15,912
Goodwill		**7,065**	7,065	39,650
Intangible assets		**20,776**	21,234	656,175
Investments in joint ventures		**581,911**	532,868	360,430
Available-for-sale financial assets		**9,742**	6,990	67,990
Deposits paid for acquisition of property, plant and equipment and prepaid lease payments		**42,129**	28,510	13,571
		1,105,759	956,006	1,472,642
Current assets				
Inventories		**20,591**	21,549	15,781
Trade and other receivables	9	**78,643**	155,962	69,484
Amount due from a joint venture		**58**	530	–
Prepaid lease payments		**483**	456	365
Held-to-maturity investments		**2,500**	–	33,000
Bank balances and cash		**270,631**	258,520	260,195
		372,906	437,017	378,825
Current liabilities				
Trade and other payables	10	**147,520**	134,490	116,590
Tax liabilities		**34,549**	35,101	34,235
Amount due to an ex-director/a director		**–**	3,413	3,119
Bank borrowings – due within one year		**18,000**	26,000	18,500
		200,069	199,004	172,444
Net current assets		**172,837**	238,013	206,381
Total assets less current liabilities		**1,278,596**	1,194,019	1,679,023
Capital and reserves				
Share capital		**390,626**	390,626	390,626
Reserves		**755,847**	718,994	1,054,408
Equity attributable to owners of the Company		**1,146,473**	1,109,620	1,445,034
Non-controlling interests		**103,110**	59,186	50,356
Total equity		**1,249,583**	1,168,806	1,495,390
Non-current liabilities				
Amount due to an ex-director/a director		**24,485**	20,681	22,552
Deferred tax liabilities		**4,528**	4,532	161,081
		29,013	25,213	183,633
		1,278,596	1,194,019	1,679,023

CONDENSED CONSOLIDATED STATEMENT OF CHANGE IN EQUITY (UNAUDITED)

For the six months ended 30 September 2013

	Share capital	Share premium	Capital reserve	Contributed surplus	Surplus reserve fund	Capital contribution	Investment revaluation reserve	Warrants reserve	Share-based compensation reserve	Exchange reserve	Retained earnings (accumulated losses)	Attributable to owners of the Company	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*
Restated balance at 1 April 2012	390,626	788,187	2,086	92,665	35,371	7,721	18	–	14,313	148	113,899	1,445,034	50,356	1,495,390
Total comprehensive income for the period														
Profit for the period (restated)	–	–	–	–	–	–	–	–	–	–	15,231	15,231	3,843	19,074
Total other comprehensive income (expenses) (restated)	–	–	–	–	–	–	(3)	–	–	451	–	448	–	448
Total comprehensive income for the period	–	–	–	–	–	–	(3)	–	–	451	15,231	15,679	3,843	19,522
At 30 September 2012 (as restated)	390,626	788,187	2,086	92,665	35,371	7,721	15	–	14,313	599	129,130	1,460,713	54,199	1,514,912
Restated balance at 1 April 2013	390,626	788,187	2,086	92,665	40,827	7,721	18	–	14,313	(164)	(226,659)	1,109,620	59,186	1,168,806
Total comprehensive income for the period														
Profit for the period	–	–	–	–	–	–	–	–	–	–	12,893	12,893	4,470	17,363
Total other comprehensive expenses	–	–	–	–	–	–	(5)	–	–	(1,054)	–	(1,059)	–	(1,059)
Total comprehensive income for the period	–	–	–	–	–	–	(5)	–	–	(1,054)	12,893	11,834	4,470	16,304
Change in ownership interests in a subsidiary	–	–	–	–	–	–	–	–	–	–	13,343	13,343	41,559	54,902
Dividends paid to non-controlling interest of a subsidiary	–	–	–	–	–	–	–	–	–	–	–	–	(2,105)	(2,105)
Effect of share options lapsed	–	–	–	–	–	–	–	–	(2,597)	–	2,597	–	–	–
Issue of warrants	–	–	–	–	–	–	–	11,676	–	–	–	11,676	–	11,676
At 30 September 2013	390,626	788,187	2,086	92,665	40,827	7,721	13	11,676	11,716	(1,218)	(197,826)	1,146,473	103,110	1,249,583

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

For the six months ended 30 September 2013

	Six months ended 30 September	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Net cash generated from operating activities	**57,245**	12,754
Net cash used in investing activities	**(42,188)**	(1,092)
Net cash used in financing activities	**(1,900)**	(3,022)
Net increase in cash and cash equivalents	**13,157**	8,640
Cash and cash equivalents at beginning of the period	**258,520**	260,195
Effect of foreign currency rates changes	**(1,046)**	447
Cash and cash equivalents at end of the period	**270,631**	269,282
Analysis of balances of cash and cash equivalents		
Bank balances and cash	**270,631**	269,282

NOTES:

1. BASIS OF PREPARATION

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

The interim financial statements has been prepared in accordance with the same accounting policies adopted in the 2012/13 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2013/14 annual financial statements and the change of presentation currency of the Group from HKD to RMB as explained in the following. Details of these changes in accounting policies are set out in note 2.

Changes in presentation currency

The Company's functional currency is Renminbi ("RMB"). The presentation currency of the consolidated financial statements in prior financial years was Hong Kong dollars ("HKD"). Starting from 1 April 2013, the Group has changed its presentation currency for the preparation of its interim financial statements from HKD to RMB as a result of that most of its major operating subsidiaries' business transactions in terms of operating; investing and financing activities have increasingly placed greater reliance on RMB. The change in presentation currency is to better reflect the Group's business activities and to improve investors' ability to compare the Group's financial results with other publicly traded businesses in the gas and lottery industries. Accordingly, the Directors consider that it is more appropriate to use RMB as the presentation currency in presenting the operating results and financial positions of the Group.

The change in presentation currency of the Group has been applied retrospectively in accordance with HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", and the comparative figures as at 1 April 2012 and 31 March 2013 and for the six months ended 30 September 2012 have also been restated to RMB accordingly. The changes in presentation currency have no significant impact on the financial positions of the Group as at 30 September 2013 and 31 March 2013, or the results and cash flows of the Group for six months ended 30 September 2013 and year ended 31 March 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

The HKICPA has issued a number of new Hong Kong Financial Reporting Standards ("HKFRSs") and amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKAS 1, *Presentation of financial statements – Presentation of items of other comprehensive income*
- HKFRS 10, *Consolidated financial statements*
- HKFRS 11, *Joint arrangements*
- HKFRS 12, *Disclosure of interests in other entities*
- HKFRS 13, *Fair value measurement*
- Revised HKAS 19, *Employee benefits*
- *Annual Improvements to HKFRSs 2009-2011 Cycle*
- Amendments to HKFRS 7 – *Disclosures – Offsetting financial assets and financial liabilities*

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

Except as described below, the accounting policies and methods of computation used in the interim financial statements are the same as those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2013.

Amendments to HKAS 1, Presentation of financial statements – Presentation of items of other comprehensive income

The Amendments to HKAS 1 require entities to present the items of other comprehensive income that would be reclassified to profit or loss in the future if certain conditions are met separately from those that would never be reclassified to profit or loss. The Group's presentation of other comprehensive income in these financial statements has been modified accordingly.

HKFRS 10, Consolidated financial statements

HKFRS 10 replaces the requirements in HKAS 27, Consolidated and separate financial statements relating to the preparation of consolidated financial statements and HK-SIC 12 Consolidation – Special purpose entities. It introduces a single control model to determine whether an investee should be consolidated, by focusing on whether the entity has power over the investee, exposure or rights to variable returns from its involvement with the investee and the ability to use its power to affect the amount of those returns. As a result of the adoption of HKFRS 10, the Group has changed its accounting policy with respect to determining whether it has control over an investee. The adoption does not change any of the control conclusions reached by the Group in respect of its involvement with other entities as at 1 April 2013.

HKFRS 11, Joint arrangements

HKFRS 11, which replaces HKAS 31, Interests in joint ventures, divides joint arrangements into joint operations and joint ventures. Entities are required to determine the type of an arrangement by considering the structure, legal form, contractual terms and other facts and circumstances relevant to their rights and obligations under the arrangement. Joint arrangements which are classified as joint operations under HKFRS 11 are recognised on a line-by-line basis to the extent of the joint operator's interest in the joint operation. All other joint arrangements are classified as joint ventures under HKFRS 11 and are required to be accounted for using the equity method in the Group's consolidated financial statements. Proportionate consolidation is no longer allowed as an accounting policy choice.

The application of HKFRS 11 resulted in changes in the accounting of the Group's jointly controlled entities that are previously accounted for using proportionate consolidation. Under HKFRS 11, the Group's jointly controlled entities were classified as joint ventures and accounted for using the equity method, resulting in the aggregation of the Group's proportionate share of respective net assets and items of profit or loss and other comprehensive income into a single line item which were presented in the condensed consolidated statement of financial position and in the condensed consolidated statement of profit or loss and other comprehensive income as "investments in joint ventures" and "share of profits of joint ventures" respectively.

HKFRS 13, Fair Value Measurement

The Group has applied HKFRS 13 for the first time in the current interim period. HKFRS 13 establishes a single source of guidance for, and disclosures about, fair value measurements, and replaces those requirements previously included in various HKFRSs.

Saved as disclosed above, the application of other new or revised HKFRSs in the current interim period has had no material effect on the amounts reported in the interim financial statements and/or disclosures set out in the interim financial statements.

The following tables summarise the material impacts resulting from the above changes in accounting policies on the Group's financial position, comprehensive income and cash flows. As the Group has taken advantage of the transitional provisions of Consolidated Financial Statements, Joint Arrangements and Disclosure of interests in Other Entities: Transition Guidance (Amendments to HKFRS 10, HKFRS 11 and HKFRS 12), the following tables do not include the effect of the change in accounting policy for subsidiaries on the current period.

	Effect of changes in accounting policies		
	As original stated as	**Application of HKFRS 11**	**As restated**
	RMB'000	***RMB'000***	***RMB'000***
At 31 March 2013			
Property, plant and equipment	**863,401**	**(541,401)**	**322,000**
Investment properties	**23,237**	**(9,037)**	**14,200**
Prepaid lease payments	**65,791**	**(42,196)**	**23,595**
Goodwill	**86,360**	**(79,295)**	**7,065**
Intangible assets	**70,746**	**(49,512)**	**21,234**
Interests in associates	**33,431**	**(33,431)**	**–**
Investments in joint ventures	**–**	**532,868**	**532,868**
Available-for-sale financial assets	**7,322**	**(332)**	**6,990**
Deposits paid for acquisition of property, plant and equipment and prepaid lease payments	**34,594**	**(6,084)**	**28,510**
Inventories	**62,506**	**(40,957)**	**21,549**
Trade and other receivables	**276,232**	**(120,270)**	**155,962**
Amount due from an associate	**840**	**(840)**	**–**
Amount due from a jointly controlled entity	**273**	**(273)**	**–**
Amount due from a joint venture	**–**	**530**	**530**
Pledged bank deposits	**5,106**	**(5,106)**	**–**
Bank balances and cash	**314,376**	**(55,856)**	**258,520**
Total assets	**1,844,215**	**(451,192)**	**1,393,023**
Trade and other payables	**299,446**	**(164,956)**	**134,490**
Tax liabilities	**54,086**	**(18,985)**	**35,101**
Amount due to a director	**24,094**	**–**	**24,094**
Bank borrowings	**285,934**	**(259,934)**	**26,000**
Deferred tax liabilities	**15,550**	**(11,018)**	**4,532**
Total liabilities	**679,110**	**(454,893)**	**224,217**
Net assets	**1,165,105**	**3,701**	**1,168,806**

	Effect of changes in accounting policies		
	As original stated as *RMB'000*	Application of HKFRS 11 *RMB'000*	As restated *RMB'000*
At 1 April 2012			
Property, plant and equipment	719,554	(414,140)	305,414
Investment properties	21,828	(8,328)	13,500
Prepaid lease payments	41,576	(25,299)	16,277
Goodwill	118,945	(79,295)	39,650
Intangible assets	707,932	(51,757)	656,175
Interests in associates	31,582	(31,582)	–
Investments in joint ventures	–	360,430	360,430
Available-for-sale financial assets	68,322	(332)	67,990
Deposits paid for acquisition of property, plant and equipment and prepaid lease payments	20,272	(6,701)	13,571
Inventories	38,940	(23,159)	15,781
Trade and other receivables	136,925	(67,441)	69,484
Amount due from an associate	838	(838)	–
Held-to-maturity investments	33,000	–	33,000
Pledged bank deposits	4,386	(4,386)	–
Bank balances and cash	284,591	(24,396)	260,195
Total assets	2,228,691	(377,224)	1,851,467
Trade and other payables	257,805	(141,215)	116,590
Tax liabilities	45,517	(11,282)	34,235
Amount due to a joint venturer	23	(23)	–
Amount due to an associate	1	(1)	–
Amount due to a director	25,671	–	25,671
Bank borrowings	231,553	(213,053)	18,500
Deferred tax liabilities	172,731	(11,650)	161,081
Total liabilities	733,301	(377,224)	356,077
Net assets	1,495,390	–	1,495,390

	Effect of changes in accounting policies		
	As original stated as *RMB'000*	Application of HKFRS 11 *RMB'000*	As restated *RMB'000*
For the six months ended 30 September 2012			
Turnover	495,558	(162,519)	333,039
Cost of sales and services	(371,844)	103,394	(268,450)
Gross profit	123,714	(59,125)	64,589
Other operating income	7,797	(448)	7,349
Administrative expenses	(95,053)	18,850	(76,203)
Share of results of associates	2,164	(2,164)	–
Share of profits of joint ventures	–	30,674	30,674
Finance costs	(3,577)	2,188	(1,389)
Profit before tax	35,045	(10,025)	25,020
Income tax expense	(15,971)	10,025	(5,946)
Profit for the period	19,074	–	19,074
Net cash generated from operating activities	65,689	(52,935)	12,754
Net cash used in from investing activities	(53,808)	52,716	(1,092)
Net cash generated from (used in) financing activities	10,090	(13,112)	(3,022)
Net increase in cash and cash equivalents	21,971	(13,331)	8,640
Cash and cash equivalents at beginning of the period	284,591	(24,396)	260,195
Effect of foreign currency rates changes	451	(4)	447
Cash and cash equivalents at end of the period	307,013	(37,731)	269,282

3. SEGMENT INFORMATION

The Group's operating segments, based on information reported to the Directors, being the chief operating decision maker ("CODM") for the purpose of resources allocation and assessment of segment performance focus on types of goods or services delivered or provided.

The Group's reportable segments under HKFRS 8 are as follows:

1. Provision of piped gas fuel – construction of gas pipeline networks and provision of piped gas fuel;

2. Transportation, distribution and bottled retail of liquefied petroleum gas ("LPG") – the sale of LPG in bulk to wholesale customers and the retail of bottled LPG to end user households, industrial and commercial customers; and

3. Lottery agency – agent to operate and sales of welfare lottery tickets.

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

For the six months ended 30 September

	Provision of piped gas fuel		Transportation, distribution and retail of bottled LPG		Lottery agency		Consolidated	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
	RMB'000	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*	***RMB'000***	*RMB'000*
		(Restated)		(Restated)		(Restated)		(Restated)
Revenue from external customers	**193,392**	177,660	**164,562**	154,783	**2,320**	596	**360,274**	333,039
Segment profit (loss)	**29,493**	18,182	**8,638**	9,254	**(10,098)**	(26,940)	**28,033**	496
Unallocated income							**3,557**	3,381
Unallocated corporate expenses							**(7,600)**	(8,142)
Fair value change of contingent consideration							**(60,000)**	–
Share-based payment expenses							**(2,713)**	–
Share of profits of joint ventures							**62,437**	30,674
Finance costs							**(1,149)**	(1,389)
Profit before tax							**22,565**	25,020
Other segment information:								
Amounts included in the measure of segment results:								
Depreciation	**6,458**	5,857	**1,724**	1,696	**577**	668	**8,759**	8,221
Amortisation	**627**	804	**80**	80	**87**	15,981	**794**	16,865
							9,553	25,086
Unallocated depreciation and amortisation							**1,072**	1,220
Total							**10,625**	26,306
Loss on disposal of property, plant and equipment	**72**	36	**12**	–	**(36)**	–	**48**	36
Unallocated							**118**	–
Total							**166**	36
Amounts regularly provided to the CODM but not included in the measure of segment results:								
Investments in joint ventures	**481,250**	391,257	**100,661**	–	**–**	–	**581,911**	391,257
Share of profits of joint ventures	**49,760**	30,674	**12,677**	–	**–**	–	**62,437**	30,674

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment profit (loss) represents the profit (loss) from each segment without allocation of bank interest income, other operating income, central administrative expenses, Directors' emoluments, finance costs, share-based payment expenses, fair value change of contingent consideration and share of profits of joint ventures. This is the measure reported to CODM for the purpose of resource allocation and performance assessment.

The following is an analysis of the Group's assets and liabilities by reportable and operating segments.

Segment assets	**At 30 September 2013**	At 31 March 2013 (restated)
	RMB'000	*RMB'000*
Provision of piped gas fuel	**420,313**	333,959
Transportation, distribution and retail of bottled LPG	**139,349**	139,368
Lottery agency	**17,949**	23,070
	577,611	496,397
Investments in joint ventures	**581,911**	532,868
Unallocated	**319,143**	363,758
Consolidated assets	**1,478,665**	1,393,023

Segment liabilities	**At 30 September 2013**	At 31 March 2013 (restated)
	RMB'000	*RMB'000*
Provision of piped gas fuel	**115,340**	107,259
Transportation, distribution and bottled retail of LPG	**28,553**	23,489
Lottery agency	**2,056**	1,283
Total segment liabilities	**145,949**	132,031
Unallocated	**83,133**	92,186
Consolidated liabilities	**229,082**	224,217

For the purposes of monitoring segment performances and allocating resources between segments:

– all assets are allocated to operating segments other than investment properties, investments in joint ventures, available-for-sale financial assets, held-to-maturity investments, compensation receivable, amount due from a joint venture, bank balances and cash and assets used jointly by reportable segments are allocated on the basis of the revenue earned by individual reportable segments; and

– all liabilities are allocated to operating segments other than tax liabilities, amount due to an ex-director/a director, bank borrowings, deferred tax liabilities and liabilities for which reportable segments are jointly liable are allocated on the basis of the revenue earned by individual reportable segments.

4. FINANCE COSTS

	(Unaudited) Six months ended 30 September	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Imputed interest for amount due to an ex-director/a director	**396**	831
Interest on bank loans wholly repayable within five years	**753**	558
	1,149	1,389

5. PROFIT BEFORE TAX

Profit before tax has been arrived at after charging the following:

	(Unaudited) Six months ended 30 September	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Depreciation and amortisation:		
Intangible assets	**458**	16,667
Property, plant and equipment	**9,831**	9,441
	10,289	26,108
Release of prepaid lease payments	**336**	198
Total staff costs including Directors' emoluments:		
Salaries, wages, allowance and benefits in kind	**32,668**	25,563
Retirement benefits scheme contribution	**3,438**	2,794
Share-based payment expenses (included in administrative expenses)	**2,713**	–
	38,819	28,357
Loss on disposal of property, plant and equipment	**166**	36

6. INCOME TAX EXPENSE

	(Unaudited) Six months ended 30 September	
	2013	2012
	RMB'000	*RMB'000*
		(Restated)
Current tax		
PRC Enterprise Income Tax		
– current period	**8,258**	7,615
– overprovision in previous periods	**(3,052)**	–
Deferred tax liabilities		
– current period	**(4)**	(1,669)
	5,202	5,946

Pursuant to the rules and regulations of the Bermuda and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Bermuda and the BVI. No Hong Kong Profits Tax has been provided for as the Group does not have estimated assessable profits in Hong Kong.

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 periods except for the tax relief explained below.

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 is 15% (30 September 2012: 15%).

7. DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 September 2013 (2012: nil).

No dividend payable to owners of the Company attributable to the previous financial year, approved and paid during the interim period.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to owners of the Company of RMB12,893,000 (2012: RMB15,231,000, as restated) and the weighted average number of shares in issue during the period of 5,809,954,136 (2012: 5,809,954,136) during the period.

(b) Dilutive earnings per share

For the six months ended 30 September 2013 and 2012, the Company's outstanding share options and unlisted warrants had no dilutive effect because the exercise prices of the Company's share options and unlisted warrants were higher than the average market price for shares, accordingly, no diluted earnings per share amount has been presented.

9. TRADE AND OTHER RECEIVABLES

	At 30 September 2013 *RMB'000*	At 31 March 2013 *RMB'000* (Restated)
Trade receivables	**28,840**	24,606
Less: Impairment loss recognised in respect of trade receivables	**(1,221)**	(1,295)
	27,619	23,311
Other receivables	**68,154**	150,075
Less: Impairment loss recognised in respect of other receivables	**(17,130)**	(17,424)
	51,024	132,651
Total	**78,643**	155,962

The Group allows its trade customers with credit period normally ranging from 30 to 90 days and extending to 180 days for major customers. The Group does not hold any collateral over the balances.

(a) An aged analysis of the trade receivables (net of impairment loss recognised) as at the end of the reporting period, based on the invoice date which approximated the respective revenue recognition dates is as follow:

	At 30 September 2013	At 31 March 2013
	RMB'000	*RMB'000* (Restated)
Current to 90 days	**25,452**	21,856
91 to 180 days	**558**	262
Over 180 days	**1,609**	1,193
	27,619	23,311

(b) An analysis of other receivables by nature (net of impairment loss recognised) as at the end of the reporting period is as follows:

	At 30 September 2013	At 31 March 2013
	RMB'000	*RMB'000* (Restated)
Prepayments	**7,150**	5,986
Deposit paid/payment in advance to suppliers	**31,664**	43,890
Loan receivable	**–**	6,000
Compensation receivable *(note)*	**–**	60,000
Others	**12,210**	16,775
	51,024	132,651

The Group does not hold any collateral over these balances.

Note:

As disclosed in the annual report for the year ended 31 March 2013, pursuant to the agreement, Yongheng Development Corporation Limited ("Yongheng Development") has given a profit guarantee to the Company that the net profits after tax of Grand Destiny Group Limited ("Grand Destiny") as shown in the audited consolidated financial statement of Grand Destiny for the period from the date of completion of 1 September 2011 to 31 March 2013 shall be not less than RMB60,000,000 (the "Profit Guarantee") and will compensate the Company for any shortfall between the Profit Guarantee and the actual profits after tax as shown in the audited consolidated financial statements of Grand Destiny. Further details are set out in notes 37(c) and 42(b) to the consolidated financial statement in the annual report for the year ended 31 March 2013. The amount represented compensation receivable from Yongheng Development for the shortfall of Profit Guarantee. The amount was secured by the charge of 297,654,321 consideration shares of the Company held by Yongheng Development. Such share charge was released upon the fulfilment of the Profit Guarantee.

On 8 April 2013, the Company and Yongheng Development entered into a settlement deed (as supplemented by a supplemental settlement deed on 16 May 2013) which waived the Profit Guarantee obligation of Yongheng Development and released the share charge. The settlement deed was then approved by the members in special general meeting dated 24 July 2013. Upon the time when such waiver becomes effective, the amount is derecognised in profit or loss.

10. TRADE AND OTHER PAYABLES

The following is an analysis of major components of the balance with aged analysis of trade payables based on the invoice date:

	At 30 September 2013 *RMB'000*	At 31 March 2013 *RMB'000* (Restated)
Trade payables, falling due in:		
Current to 90 days	**16,784**	11,509
91 to 180 days	**2,178**	901
Over 180 days	**6,841**	6,436
Trade payables	**25,803**	18,846
Deposit received from customers *(note)*	**71,695**	69,812
Customers gas deposits and other deposit received	**19,009**	20,269
Gas fuel income received in advance	**11,941**	5,455
Commission income from lottery sales received in advance	**262**	149
Accrued charges and other payables	**18,810**	19,959
	147,520	134,490

The average credit period on purchases of goods is 90 days. The Group has financial risk management policies in place to ensure that all payables are settled within the credit time frame.

Note:

Deposits received from customers represent the gas pipeline connection fee received but the pipelines have not yet been completed.

11. COMMITMENTS

Contracted for but not provided in the interim financial statements

	At 30 September 2013 *RMB'000*	At 31 March 2013 *RMB'000* (As restated)
Capital commitment in respect of:		
Available-for-sale financial assets	**114,000**	114,000
Property, plant and equipment	**8,676**	19,616
	122,676	133,616

12. COMPARATIVE FIGURES

As a result of the application of HKFRS11 and changes in presentation currency, certain comparative figures have been adjusted to conform to current period presentation and to provide comparative amounts in respect of items disclosed for the first time during the six months ended 30 September 2013.

FINANCIAL REVIEW

	For the six months ended 30 September		Variance	
	2013	2012		
	RMB'000	*RMB'000* (Restated)	*RMB'000*	%
Analysis on profit for the period:				
Net profit of each business:				
Provision of piped gas fuel business[1]	**28,880**	13,727	15,153	110.39
Transportation, distribution & retail of bottled LPG business[2]	**6,457**	6,841	(384)	(5.61)
Lottery agency business (excluding amortisation of intangible assets)	**(10,494)**	(11,743)	1,249	(10.64)
Share of profits of joint ventures	**62,437**	30,674	31,763	103.55
Others	**(9,917)**	(6,109)	(3,808)	62.33
	77,363	33,390	43,973	131.70
Amortisation of intangible assets in respect of exclusive rights of operation of lottery sales, net of tax[3]	**–**	(14,316)	14,316	(100.00)
Fair value change of contingent consideration[4]	**(60,000)**	–	(60,000)	N/A
Profit for the period	**17,363**	19,074	(1,711)	(8.97)

Notes:

1. The increase was mainly attributable to an increase of approximately 34.08% in gas connection revenue with higher margin as compared with the corresponding period last year and the approval of increase in gas sales price for non-household customers in some regions.

2. The decrease was due to the upfront costs for LPG new projects.

3. We fully impaired the intangible asset in respect of exclusive rights of operation of lottery sales in Shenzhen during the year 2012/2013. Therefore, no amortisation was provided for the intangible asset during the period.

4. The Group recognised the compensation receivable for the shortfall of profit guarantee based on relevant accounting standards and it was credited as income in the 2012/13 financial statements. The proposal of waiving the compensation in accordance with the settlement deed was approved by the shareholders at the special general meeting dated 24 July 2013. Accordingly, we derecognised the above income during this period. The accounting treatment of such compensation does not involve cash flow and had no effect on our operation.

	For the six months ended 30 September		Variance	
	2013	2012		
	RMB'000	*RMB'000* (Restated)	*RMB'000*	*%*
Turnover:				
Provision of piped gas fuel business	**193,392**	177,660	15,732	8.86
Transportation, distribution & retail of bottled LPG business	**164,561**	154,783	9,778	6.32
Lottery agency business	**2,320**	596	1,724	289.26
Total	**360,273**	333,039	27,234	8.18
Gross profit:				
Provision of piped gas fuel business	**56,046**	43,235	12,811	29.63
Transportation, distribution & retail of bottled LPG business	**27,629**	24,711	2,918	11.81
Lottery agency business	**(3,281)**	(3,357)	76	(2.26)
Total	**80,394**	64,589	15,805	24.47
Segment results:				
Provision of piped gas fuel business	**29,493**	18,182	11,311	62.21
Transportation, distribution & retail of bottled LPG business	**8,638**	9,254	(616)	(6.66)
Lottery agency business	**(10,098)**	(26,940)	16,842	(62.52)
Total	**28,033**	496	27,537	5,551.81
Share of profits of joint ventures	**62,437**	30,674	31,763	103.55
Fair value change of contingent consideration	**(60,000)**	–	(60,000)	N/A
Other income and expenses (net)	**(7,905)**	(6,150)	(1,755)	28.54
Income tax	**(5,202)**	(5,946)	744	(12.51)
Profit for the period	**17,363**	19,074	(1,711)	(8.97)

Gross margin and net margin

During the period, our overall gross margin and net margin were 22.31% and 4.82% respectively. Gross margin and net margin increased by 2.92% and decreased by 0.91% respectively over the corresponding period last year.

The increase in overall gross margin was mainly due to the approval of increase in gas sales price for non-household customers in some regions and the significant increase in income from construction of piped gas fuel network over the corresponding period last year.

The decrease in net margin was mainly due to the change in fair value of contingent consideration. Excluding such non-recurring and non-cash item, net margin shall increase to 21.47%, which is mainly benefited from the increase in share of profits of joint ventures and the growth of provision of piped gas fuel business and transportation, distribution and bottled retail of LPG business.

Financial position

Our financial position is healthy.

Liquidity and capital resources

As at 30 September 2013, our bank balances and cash amounted to approximately RMB270,631,000 (31 March 2013: approximately RMB258,520,000), and the total borrowings was approximately RMB18,000,000 (31 March 2013: RMB26,000,000).The debt-to-capitalisation ratio, representing the ratio of total borrowings to borrowings and equity attributable to owners of the Company, was 1.55% (31 March 2013: 2.29%).

As at 30 September 2013, our total assets amounted to approximately RMB1,478,665,000 (31 March 2013: approximately RMB1,393,023,000), and current liabilities, non-current liabilities, equity attributable to owners of the Company and non-controlling interests amounted to approximately RMB200,069,000 (31 March 2013: RMB199,004,000), RMB29,013,000 (31 March 2013: RMB25,213,000), RMB1,146,473,000 (31 March 2013: RMB1,109,620,000) and RMB103,110,000 (31 March 2013: RMB59,186,000) respectively.

Borrowing structure

As at 30 September 2013, the total borrowings of the Group were RMB18,000,000 (31 March 2013: RMB26,000,000), which mainly comprised of domestic bank borrowings denominated in RMB of the project companies in the PRC. The borrowings, which carried interest at fixed rates or the interest rate announced by People's Bank of China, were applied to gas pipeline construction, as general working capital and for operating expenses. Apart from the borrowings with an amount equivalent to approximately RMB5,000,000 (31 March 2013: RMB15,000,000) which were secured by certain assets with a carrying amount of approximately RMB3,460,000 (31 March 2013: approximately RMB15,281,000), others were unsecured. All borrowings were short-term borrowings.

Capital structure

Our long-term capital comprised equity attributable to owners of the Company and borrowings.

OPERATIONAL HIGHLIGHTS

Provision of piped gas fuel business

Piped gas fuel business comprises of gas fuel connection and sales of gas fuel, which are our main businesses and sources of income. We have been emphasised on the development of piped gas fuel business. We provide quality service to customers and are exploring new markets continuously. During the period, piped gas fuel business achieved income of approximately RMB193,392,000 in total, representing a growth of RMB15,732,000 or 8.86% over the corresponding period last year. The income from provision of piped gas fuel represented approximately 53.68% of our total turnover.

Gas fuel connection

During the period, gas fuel connection fee income was approximately RMB42,720,000, representing a growth of RMB10,858,000 or 34.08% over the corresponding period last year. Gas fuel connection fee represented approximately 22.09% of provision of piped gas fuel business. There was an addition of 14,284 household customers and an addition of 226 commercial & industrial customers. As at 30 September 2013, the accumulated number of connected customers was 229,283, which included 225,864 household customers and 3,419 commercial & industrial customers.

Gas fuel sales

During the period, gas fuel sales was approximately RMB150,672,000, representing a growth of RMB4,874,000 or 3.34% over the corresponding period last year. Gas fuel sales represented approximately 77.91% of provision of piped gas fuel business. The Group realised gas fuel sales of 79.16 million metre cube ("m^3") which slightly decreased by 0.88%. Among the total sales, 18.80 million m^3 of gas fuel were made to household customers and 60.36 million m^3 of gas fuel were made to commercial & industrial customers, representing a growth of 4.62% and a decrease of 2.47% over the corresponding period last year. Gas fee income has stably become our main source of income which improved and optimised our income structure.

Transportation, distribution and bottled retail of liquefied petroleum gas ("LPG") business

The business has a development history of six years. Rapid development has been seen in such a short period of time. We have been, on one hand, leveraging the enhancement of the close relationship with the upper-stream gas suppliers and the effort on the exploration of new sources of LPG. On the other hand, we have also enhanced its transportation capabilities, so as to guarantee the supply of resources. Meanwhile, we have been developing the LPG market with 6 new LPG projects during the period. The scope of business has been expanded from the southwest of the nation to central regions such as Shaanxi Province, Sichuan Province and Chongqing City. Moreover, we are developing the construction of informatisation management of LPG, including the construction of customer service call centre and the construction of steel bottle management system. We believe that, through the continuous enhancement of management, its management will be regulated more scientifically and its service quality will be improved in the future so that its influence will be further enhanced.

During the period, sales of LPG recorded 23,441 tons in total. Sales income of approximately RMB164,561,000 was realised, representing an increase of RMB9,778,000 or 6.32% over the corresponding period last year. Transportation, distribution and bottled retail of LPG represented approximately 45.68% of our total turnover.

Lottery agency business

Lottery agency business is our new business since year 2011/12 and is currently operating sales of China Welfare Lottery in Shenzhen and Guizhou Province, the PRC. It includes an instant lottery called "Keno Games Lottery" which is exclusively available in Shenzhen. During the period, lottery agency business realised income of approximately RMB2,320,000, representing an increase of RMB1,724,000 or 289.26% over the corresponding period last year. Lottery agency business represented approximately 0.64% of our total turnover.

Notwithstanding the significant increase in turnover over the corresponding period last year, lottery agency business has yet contributed positive financial impact to us and loss continued. The loss was mainly due to a series of necessary input to the decorations, ancillary equipment and facilities, indoor and outdoor promotions, safety control and employment of staff throughout the process of site selection, construction and operation of lottery betting stores, resulting in an increase in cost. In addition, affected by the real property market across the nation, lottery betting stores are under a macro-environment that the rent will increase continuously and there has been a trend of increase. This will particularly affect our schedule of opening new lottery betting stores.

On 8 April 2013, we and Yongheng Development entered into the Settlement Deed (as supplemented by the Supplemental Settlement Deed on 16 May 2013) (details of the Settlement Deed are set out in our circular issued on 8 July 2013, unless defined otherwise, capitalised terms used herein shall have the same meanings as those defined in the circular, the Settlement Deed was passed at the general meeting on 24 July 2013). Pursuant to the arrangement of the Settlement Deed, in the event that the 2013/14 Valuation Difference shall show a positive sum, the Escrow Agent shall not release any of the Consideration Shares held in escrow by the Escrow Agent. In the event that the 2013/14 Valuation Difference shall be zero or show a negative sum, Yongheng Development and we shall jointly procure the Placing Agent, on the best effort basis, to dispose of 1,727,729,582 Consideration Shares within six months after the date of the 2014 Settlement Certificate at the then best price reasonably obtainable by the Placing Agent. The Placing Agent shall pay the net proceeds from such sale to us promptly after completion of such sale. Should the Placing Agent fail to place all of the 1,727,729,582 Consideration Shares during the 2014 Placing Period, the Escrow Agent shall release and transfer the remaining Consideration Shares which are held in the escrow of the Escrow Agent to shareholders whose names appear on the register of members of the Company at the close of business on the last day of the 2014 Placing Period (other than Yongheng Development) on a pro-rata. The Directors expect that the settlement deed may have material impact on the amounts reported in our financial statement. However, as the Directors have yet to quantify the actual financial effect at this stage, it is not practicable to provide a reasonable estimate of that effect.

NEW INVESTMENT PROJECTS DURING THE REPORTING PERIOD

During the period, the Group invested in 6 LPG projects and 2 gas fuel projects. The LPG projects are located in Kunming City and Yuxi City in Yunnan Province, Chengdu City in Sichuan Province, Changshun City in Guizhou Province, Xi’an City in Shaanxi Province and Chongqing City respectively while the gas fuel projects are located in Fujian Province. The industry and commerce in the locations of the new projects are more prosperous. The development prospects are significant and our scope of gas fuel sales may further expand. Meanwhile, the new projects are near to our existing projects. We may fully leverage our scale advantage and there will be synergy so that operation cost will decrease. As at 30 September 2013, we managed 72 projects in the PRC. With the adjustment of energy structure and the acceleration of urbanisation and industrialisation in the PRC, it is expected that there will be continuous opportunities for new projects in the future.

EXPOSURE TO FOREIGN EXCHANGE RISK

We do not have a foreign currency hedging policy. However, the Board closely monitors the trend of foreign exchange rate and interest rate and will carry out appropriate measures when necessary. Currently, sources of the our operational and capital expenses are funded by operating cash flow, internal liquidity, current assets and bank borrowings. We have sufficient capital and bank credits available to meet the needs for capital expenses and operation in the future.

CAPITAL COMMITMENTS

As at 30 September 2013, our capital commitments amounted to approximately RMB122,676,000 mainly attributable to running district gas pipeline construction, property, plant and equipment and the investment in Yongbaofu Insurance Company Limited. Please refer to note 11 for details.

CONTINGENT LIABILITIES

As at 30 September 2013, we had no material contingent liabilities.

PROSPECTS

Piped Gas Fuel Business

Pursuant to the data issued by China National Development and Reform Commission, for the first three quarters of 2013, production of natural gas increased by 9.2% to approximately 86.3 billion m^3; natural gas import (including liquefied natural gas) increased by 27.3% to approximately 38.8 billion m^3 in aggregate; apparent consumption rate of natural gas increased by 13.5% to approximately 120.8 billion m^3.

With the sustainable economic and social development of the PRC, the total amount of energy demand is growing continuously. Meanwhile, the problem of environmental pollution is deteriorating, particularly the frequent smog weather in northern regions in 2013 which affected nearly 60 million of population. As a green, clean and highly efficient energy, natural gas is called "the cleanest fossil energy on Earth". Natural gas will be the best choice of energy which may meet the continuously increasing energy demand in the PRC and solve the environmental challenges. The increasing in proportion of natural gas in energy structure will produce enormous economic, environmental and social value. Accordingly, the PRC government has been introducing relevant policies, promoting natural gas infrastructure and exploring gas sources. "The "Twelfth-Five Year" Plan for Natural Gas Development" issued by National Development and Reform Commission in December 2012 indicates that the PRC has formulated aggressive plans in respect of exploration and development of natural gas. In 2015, the supply capability of locally produced natural gas will reach approximately 176 billion m^3. To achieve the target, the PRC is increasing its diversified investment in natural gas infrastructure. The natural gas pipes of 44,000 kilometres is planned to be constructed from 2011 to 2015, which will benefit 250 million of population. The State Council issued "the "Twelfth-Five Year" Plan for Energy Development" in January 2013. During the period of the "Twelfth-Five Year", the share of natural gas in primary energy consumption will increase to 7.5%. Irregular natural gas resources will be intensively developed and natural gas price reform will also continue. The State Council issued "the Action Plan for Air Pollution Prevention" (《大氣污染防治行動計劃》) in September 2013 which regulates the acceleration of energy structure adjustment, the increase in clean energy supply and the acceleration of clean energy substitution. It also aims at increasing the supply of natural gas, substitute natural gas and coalbed methane; in 2015, increase in new trunk pipeline transportation capacity will exceed 150 billion m^3 and cover regions such as Beijing-Tianjin-Hebei, Changjiang Delta and Zhujiang Delta. In October 2013, the whole Sino-Burma Pipeline was through. Since then, the strategic placement of the 4 main oil and gas pipelines, which are the Northeast Pipeline, the Northwest Pipeline, the Southwest Pipeline and the Marine Pipeline, is primarily completed.

During the process of pursuing the balance between economy and environment and sustainable development in the PRC, natural gas will undoubtedly be facing a better development prospect. Leveraging the opportunities of natural gas development in the PRC, we shall put its ongoing effort on improving its service quality, exploring new markets and enhancing its corporate influence, aiming to obtain more contributions to the consolidated result of its operation.

LPG Business

With the development of petrochemical industry, LPG draws more attention as a basic raw material for chemical industry and a new type of fuel. In chemical production, LPG can be turned into ethylene, propene and butylene through separation in order to produce neoprene, synthetic rubber, synthetic fibre and products such as pharmaceuticals, explosives and dyestuff. Since it is of high heat value, free of smoke, dust and carbon residue and easy to use, LPG has been widely applied in people's life as a fuel. Besides, LPG can also be applied in areas including slicing of non-ferrous metal, baking of agricultural products and roasting of industrial stoves.

As a mature source of gas fuel, LPG has its advantage in substitution. In addition, due to the limitation in natural gas resources in the PRC, followed by its rapid development in recent years, the supply of natural gas has been tight. Under the persistent development of domestic economy and further urbanisation, in addition to the continuous growth of total urban energy consumption and the more diversified regional consumption, the room of development for LPG is enormous.

Meanwhile, LPG has its advantage of being automobile alternative fuel, owing to its nature of high octane number, high anti-explosion performance, high heat value and low storage and transportation pressure. The harmful ingredients of carbon monoxide, hydrocarbon and nitrogen oxides reduce significantly without black smoke and carbon deposition in LPG vehicle emission. Therefore, it is beneficial to environmental protection. In the aspects of environmental protection, promotion history and technical maturity, the prospect of LPG vehicle development is positive. It is expected that LPG vehicle will become a new trigger of LPG consumption. We shall, as usual, proactively explore new business areas through various activities such as equity acquisition and merger in the future. We shall also strengthen our existing market status by intensively integrating our retailer networks among the existing LPG business regions, and optimising the allocation of resources. In addition, we have also strived for the rapid growth of our LPG business through the optimisation of corporate management by management informatisation and enhancement of service quality.

In the future, we shall continue to increase our contribution in LPG business by unifying the servicing pattern in retail markets, further promoting service quality, building and enhancing our LPG brands, and ultimately increasing our market share, so as to obtain greater contribution to the consolidated beneficial result of our operation.

Lottery Business

According to the statistics published by the Ministry of Finance of China, the nationwide lottery sales in September 2013 was approximately RMB25.8 billion, representing an increase of RMB5.3 billion or 25.6% over the corresponding period last year; the aggregate nationwide lottery sales from January to September 2013 was RMB224.5 billion, representing an increase of RMB35 billion or 18.5% over the corresponding period last year. The PRC has a huge consumption market with 1.3 billion of population, rapid development of domestic economy, improving living standard and consumption standard, and abundant deposit resources of citizens. These factors lay a solid material foundation for the development of lottery industry in the PRC. The potential of lottery market in the PRC has far not been developed. With the continuous introduction of lottery industry related policies in the PRC, the development of lottery industry will be more regulated and the room of development for lottery market will definitely be wider in the future. The Ministry of Finance issued “Administrative Measures for Lottery Issuance and Sales” in December 2012 and has become effective since January 2013. The measures aim at strengthening lottery management, regulating lottery issuance and sales behaviours and protecting the legal interests of lottery participants. It serves as a basis for promoting a solid development of lottery business.

Under the background of the rapid and solid development of lottery market in the PRC, we shall adopt necessary measures to broaden sources of income and reduce expenditure so as to improve the current lottery business.

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 during the period.

CORPORATE GOVERNANCE

The Company has committed to perform a high standard of corporate governance practices in enhancing the confidence of shareholders, investors, employees, creditors and business partners and also the growth of its business. The Company's corporate governance practices are based on the principles and the code provisions ("Code Provisions") as set out in the Code of Corporate Governance Code ("CG Code") and Corporate Governance Report contained in Appendix 14 to the Listing Rules, as amended from time to time. As far as the CG Code is concerned, during the period and up to date of this announcement, the Company complies with all aspect of the Code Provisions.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as set out in Appendix 10 to the Listing Rules, amended from time to time. Upon enquiry by the Company, all Directors have confirmed that they have complied with the required standards set out in the Model Code during the period.

REVIEW OF THE INTERIM RESULTS BY AUDIT COMMITTEE

The Audit Committee has reviewed with management the appropriateness and consistent application of significant accounting principles and policies as well as internal control adopted by the Group, and discussed judgmental issues, accounting estimates, adequacy of disclosures and internal consistency of the interim financial statements for the six months ended 30 September 2013.

By order of the Board of
Chinese People Holdings Company Limited
Mr. Jin Song
Managing Director and Executive Director

Beijing, 29 November 2013

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