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 2019

FINANCIAL HIGHLIGHT

Revenue of the Group amounted to approximately RMB1,955 million, representing a significant increase of 62.91% year-on-year.

Profit for the year amounted to approximately RMB216 million, decreased 6.18%. It was mainly due to the decrease in share of results of joint ventures and associates, offsetted part of the growth of the Group.

Basic earnings per share for the year was RMB1.95 cents (2018: basic and diluted earnings per share of RMB2.82 cents and RMB2.78 cents, respectively).

We do not recommend the payment of a final dividend (2018: 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 2019 (the "**Year**") together with the comparative figures for the corresponding year of 2018 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

	NOTES	**2019** *RMB'000*	2018 *RMB'000*
Revenue	*3*	**1,955,486**	1,200,359
Cost of sales and services		**(1,610,332)**	(902,188)
Gross profit		**345,154**	298,171
Impairment losses, net of reversal	*4*	**(12,096)**	(18,595)
Other gains and losses	*4*	**523**	(8,325)
Other income	*5*	**27,089**	20,935
Finance costs	*6*	**(9,330)**	(12,648)
Selling and distribution expenses		**(143,218)**	(101,834)
Administrative expenses		**(115,384)**	(103,578)
Share of results of associates		**27,948**	34,148
Share of results of joint ventures		**118,245**	148,343
Profit before tax		**238,931**	256,617
Income tax expense	*7*	**(23,227)**	(26,706)
Profit for the year	*8*	**215,704**	229,911
Other comprehensive (expense) income for the year			
Items that have been reclassified or may be reclassified subsequently to profit or loss:			
Fair value gain on available-for-sale ("**AFS**") investments		**–**	22
Reclassification adjustment of cumulative gain disposal of AFS investments		**–**	(15)
Item that will not reclassified subsequently to profit or loss:			
Fair value change on equity instruments at fair value through other comprehensive income ("**FVTOCI**"), net of tax		**(2,802)**	–
Other comprehensive (expense) income for the year		**(2,802)**	7
Total comprehensive income for the year		**212,902**	229,918

	NOTE	2019 RMB'000	2018 RMB'000
Profit for the year attributable to:			
Owners of the Company		**174,325**	201,456
Non-controlling interests		**41,379**	28,455
		215,704	229,911
Total comprehensive income attributable to:			
Owners of the Company		**171,248**	201,463
Non-controlling interests		**41,654**	28,455
		212,902	229,918
Earnings per share	*10*		
– basic		**RMB1.95 cents**	RMB2.82 cents
– diluted		**N/A**	RMB2.78 cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 MARCH 2019

	NOTES	2019 RMB'000	2018 RMB'000
Non-current assets			
Property, plant and equipment		**799,060**	694,524
Investment properties		**16,190**	11,300
Prepaid lease payments		**57,403**	57,254
Goodwill		**20,658**	7,064
Intangible assets		**24,367**	25,596
Interests in associates		**117,650**	127,919
Interests in joint ventures		**1,166,112**	1,065,899
Deferred tax assets		**4,030**	–
Equity instruments at FVTOCI		**42,133**	–
AFS investments		**–**	14,508
Long-term deposits		**20,648**	21,292
		2,268,251	2,025,356
Current assets			
Inventories		**46,031**	28,609
Trade, bills and other receivables and prepayments	11	**214,000**	154,095
Contract assets		**13,579**	–
Amount due from a joint venture		**14,498**	16,338
Prepaid lease payments		**1,482**	1,732
Bank balances and cash		**441,360**	409,630
		730,950	610,404
Current liabilities			
Trade and other payables	12	**191,061**	250,663
Contract liabilities		**173,141**	–
Tax liabilities		**39,826**	39,618
Amount due to an associate		**131**	–
Amount due to a joint venture		**189**	156
Bank borrowings – due within one year		**128,490**	113,000
		532,838	403,437
Net current assets		**198,112**	206,967
Total assets less current liabilities		**2,466,363**	2,232,323

	2019	2018
	RMB'000	*RMB'000*
Capital and reserves		
Share capital	**564,507**	570,574
Reserves	**1,627,906**	1,456,972
Equity attributable to owners of the Company	**2,192,413**	2,027,546
Non-controlling interests	**217,595**	180,529
Total equity	**2,410,008**	2,208,075
Non-current liabilities		
Bank borrowings – due after one year	**43,750**	16,000
Deferred tax liabilities	**12,605**	8,248
	56,355	24,248
	2,466,363	2,232,323

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2019

	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	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 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 AFS investments	–	–	–	–	–	–	–	22	–	–	–	22	–	22
Reclassification adjustment of cumulative gain upon disposal of AFS 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	12,402	13,033	–	–	–	–	–	–	(25,435)	–	–	–	–	–
Issue of subscription shares	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
Adjustments *(Note 2)*	–	–	–	–	–	–	–	22,385	–	–	(18,040)	4,345	589	4,934
At 1 April 2018 (as restated)	570,574	1,008,573	2,086	92,665	108,606	26,628	7,721	22,385	–	6,738	185,915	2,031,891	181,118	2,213,009
Profit for the year	–	–	–	–	–	–	–	–	–	–	174,325	174,325	41,379	215,704
Fair value change on equity investments at FVTOCL	–	–	–	–	–	–	–	(3,566)	–	–	–	(3,566)	366	(3,200)
Income tax relating to items that will not reclassified	–	–	–	–	–	–	–	489	–	–	–	489	(91)	398
Profit and total comprehensive income for the year	–	–	–	–	–	–	–	(3,077)	–	–	174,325	171,248	41,654	212,902
Shares repurchased and cancelled	(6,067)	(4,578)	–	–	–	–	–	–	–	–	–	(10,645)	–	(10,645)
Appropriations	–	–	–	–	13,046	–	–	–	–	–	(13,046)	–	–	–
Release of other reserve to profit or loss upon disposal of subsidiaries	–	–	–	–	–	–	–	–	–	(81)	–	(81)	–	(81)
Additions relating to acquisition of business	–	–	–	–	–	–	–	–	–	–	–	–	4,955	4,955
Disposal of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(204)	(204)
Dividends paid to non-controlling interest of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	(23,029)	(23,029)
Capital contribution from non-controlling interests of subsidiaries	–	–	–	–	–	–	–	–	–	–	–	–	13,101	13,101
At 31 March 2019	564,507	1,003,995	2,086	92,665	121,652	26,628	7,721	19,308	–	6,657	347,194	2,192,413	217,595	2,410,008

Notes:

1. GENERAL INFORMATION AND BASIS OF PREPARATION

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the sales and distribution of gas fuel in the People's Republic of China (the "**PRC**") including the provision of piped gas, construction of gas pipelines, the operation of city gas pipeline network, the sales and distribution of cylinder gas and the fast moving consumer goods ("**FMCG**") and food ingredients supply business including the operation of chain stores including hypermarkets, supermarkets and convenience stores.

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

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants for the first time in the current year:

HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers and related Amendments
HK(IFRIC)-Int 22	Foreign Currency Transactions and Advance Consideration
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 "Financial Instruments" with HKFRS 4 "Insurance Contracts"
Amendments to HKAS 28	As part of the Annual Improvements to HKFRSs 2014-2016 Cycle
Amendments to HKAS 40	Transfers of Investment Property

Except as described below, the application of the above new and 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.

HKFRS 15 "Revenue from Contracts with Customers"

The Group has applied HKFRS 15 for the first time in the current year. HKFRS 15 superseded HKAS 18"Revenue", HKAS 11 "Construction Contracts" and the related interpretations.

The Group has applied HKFRS 15 retrospectively with the cumulative effect of initially applying this Standard, if any, recognised at the date of initial application, 1 April 2018. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Furthermore, in accordance with the transition provisions in HKFRS 15, the Group has elected to apply the Standard retrospectively only to contracts that are not completed at 1 April 2018. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 18 and HKAS 11 and the related interpretations.

Summary of effects arising from initial application of HKFRS 15

Based on the assessment by the Directors, there is no material impact of transition to HKFRS 15 on retained earnings at 1 April 2018.

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 April 2018. Line items that were not affected by the changes have not been included.

	Notes	**Carrying amounts previously reported at 31 March 2018** *RMB'000*	**Adjustments** *RMB'000*	**Carrying amounts under HKFRS 15 at 1 April 2018*** *RMB'000*
Current assets				
Contract assets	*(a)*	–	10,669	10,669
Trade, bills and other receivables and prepayments	*(a)*	154,095	(10,669)	143,426
Current liabilities				
Contract liabilities	*(b)*	–	123,930	123,930
Trade and other payables	*(b)*	250,663	(123,930)	126,733

* The amounts in this column are before the adjustments from the application of HKFRS 9.

Notes:

(a) In relation to construction contracts previously accounted for under HKAS 11, the Group has applied input method in estimating the performance obligations satisfied up to date of initial application of HKFRS 15. RMB10,669,000 of amounts due from contract work were reclassified to contract assets.

(b) At 1 April 2018, receipt in advance of approximately RMB123,930,000 previously in trade and other payables were reclassified to contract liabilities.

HKFRS 9 "Financial Instruments"

In the current year, the Group has applied HKFRS 9 "Financial Instruments" and the related consequential amendments to other HKFRSs. HKFRS 9 introduces new requirements for (1) the classification and measurement of financial assets and financial liabilities, (2) expected credit losses ("**ECL**") for financial assets and (3) general hedge accounting.

The Group has applied HKFRS 9 in accordance with the transition provisions set out in HKFRS 9, i.e. applied the classification and measurement requirements (including impairment under ECL model) retrospectively to instruments that have not been derecognised as at 1 April 2018 (date of initial application) and has not applied the requirements to instruments that have already been derecognised as at 1 April 2018. The difference between carrying amounts as at 31 March 2018 and the carrying amounts as at 1 April 2018 are recognised in the opening retained earnings and other components of equity, without restating comparative information.

Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 39 "Financial Instruments: Recognition and Measurement".

Summary of effects arising from initial application of HKFRS 9

The table below illustrates the classification and measurement (including impairment) of financial assets and financial liabilities and other items subject to ECL under HKFRS 9 and HKAS 39 at the date of initial application, 1 April 2018.

	Notes	AFS investments	Equity instruments at FVTOCI	Trade and bills receivables	Contract assets	Other receivables and prepayments	Interests in associates	Interests in joint ventures	Deferred tax assets	Deferred tax liabilities	Investment revaluation reserve	Retained earnings	Non-controlling interests
		RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Closing balance at 31 March 2018 – HKAS 39		14,508	–	58,040	–	96,055	127,919	1,065,899	–	8,248	–	203,955	180,529
Effect arising from initial application of HKFRS 15		–	–	–	10,669	(10,669)	–	–	–	–	–	–	–
Effect arising from initial application of HKFRS 9													
Reclassification													
From AFS investments	*(a)*	(14,508)	14,508	–	–	–	–	–	–	–	–	–	–
Remeasurement													
Impairment under ECL model	*(b) (c)*	–	–	(1,834)	(11)	(1,500)	(97)	(18,032)	671	–	–	(20,217)	(586)
From cost less impairment to fair value	*(a) (c)*	–	30,356	–	–	–	283	–	–	4,902	22,385	2,177	1,175
Opening balance at 1 April 2018		–	44,864	56,206	10,658	83,886	128,105	1,047,867	671	13,150	22,385	185,915	181,118

(a) AFS investments

The Group elected to present in other comprehensive income ("**OCI**") for the fair value changes of all its equity investments previously classified as AFS investments, relating to unquoted equity investments previously measured at cost less impairment under HKAS 39. These investments are not held for trading and not expected to be sold in the foreseeable future.

At the date of initial application of HKFRS 9, RMB14,508,000 were reclassified from AFS investments to equity instruments at FVTOCI, of which the fair value gains of RMB30,356,000 relating to those unquoted equity investments previously carried at cost less impairment under HKAS 39 and the corresponding deferred tax impact of RMB4,902,000 were adjusted to investment revaluation reserve, deferred tax liabilities and non-controlling interests as at 1 April 2018. The fair value of those investments are appropriate to its carrying amounts at the date of initial application of HKFRS 9.

In addition, impairment loss previously recognised of RMB2,177,000 was transferred from retained earnings to investment revaluation reserve at 1 April 2018.

(b) Impairment under ECL model

The Group applies the HKFRS 9 simplified approach to measure ECL which uses a lifetime ECL for all contract assets and trade receivables.

To measure the ECL, except for those trade and bills receivables which are credit impaired, the remaining trade and bills receivables and contract assets have been grouped based on share credit risk characteristics.

The contract assets related to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has there concluded that the expected loss rates for the trade receivables are a reasonable approximation of the loss rates for the contract assets.

Loss allowances for other financial assets at amortised cost mainly comprise of bank balances, amount due from a joint venture and other receivables are measured on 12-month ECL basis as there had been no significant increase in credit risk since initial recognition.

As at 1 April 2018, the additional credit loss allowance of RMB1,834,000 has been recognised against retained earnings, non-controlling interests and trade and bills receivables. As at 31 March 2018, the loss allowance for trade and bill receivables amounted to RMB1,428,000 under HKAS 39. With the aforesaid additional credit allowance of RMB1,834,000, the loss allowance for trade and bill receivables as at 1 April 2018 amounted to RMB3,262,000 under HKFRS 9.

As at 1 April 2018, the additional credit loss allowance of RMB1,500,000 has been recognised against retained earnings, non-controlling interests and other receivables. As at 31 March 2018, the loss allowance for other receivables amounted to RMB52,008,000 under HKAS 39. With the aforesaid additional credit allowance of RMB1,500,000, the loss allowance for other receivables as at 1 April 2018 amounted to RMB53,508,000 under HKFRS 9.

As at 1 April 2018, the additional credit loss allowance of RMB11,000 has been recognised against retained earnings and contract assets. The loss allowance for contract assets as at 1 April 2018 amounted to RMB11,000 under HKFRS 9.

Deferred tax assets increased by RMB671,000 as a result of the additional loss allowance charged.

(c) Interests in associates/joint ventures

The initial application of HKFRS 9 resulted in a net increase in interests in associates of RMB186,000, which is arising from the impacts relating to additional loss allowance for trade receivables under ECL model of RMB97,000 and the fair value gains of RMB283,000, net of deferred tax, relating to those unquoted equity investments previously carried at cost less impairment under HKAS 39 with corresponding adjustments to retained earnings by debit of RMB97,000 and investment revaluation reserve by credit of RMB283,000 respectively.

The initial application of HKFRS 9 resulted in a decrease in the interests in joint ventures of RMB18,032,000, which is arising from the impact relating to additional loss allowance for trade receivables under ECL model with corresponding adjustment to retained earnings by debit of RMB18,032,000.

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.

During the Year, the Group commenced the business in the FMCG and food ingredients supply along with the acquisition of Chongqing Yubaijia Supermarket Chain Co., Ltd. ("**Chongqing Yubaijia**") and Chongqing Qiaojiali Supply Chain Management Co., Ltd. ("**Chongqing Qiaojiali**"), and it is considered as a new operating and reportable segment by the CODM.

The Group currently organises its operations into three operating divisions, which also represent the operating segments of the Group for financial reporting purposes, namely provision of piped gas; sale and distribution of cylinder gas and FMCG and food ingredients supply. They represent three major lines of business engaged by the Group. The principal activities of the operating and reportable segments are as follows:

(1) Provision of piped gas – sales of piped gas and construction of gas pipeline networks under gas connection contracts;

(2) Sale and distribution of cylinder gas – sales and distribution of gas using tank containers to end-user households, industrial and commercial customers; and

(3) FMCG and food ingredients supply (formerly known as production and sales of barrelled drinking water) – retail and wholesales of merchandise (including but not limited to rice; meat; fresh food; FMCG and barrelled drinking water) through hypermarkets, supermarkets and convenience stores..

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 2019

	Provision of piped gas *RMB'000*	**Sales and distribution of cylinder gas** *RMB'000*	**FMCG and food ingredients supply** *RMB'000*	**Total** *RMB'000*
Segment revenue from external customers	**938,968**	**910,503**	**106,015**	**1,955,486**
Segment profit (loss)	**76,966**	**47,907**	**(8,929)**	**115,944**
Unallocated income				**9,714**
Central administration costs				**(23,590)**
Share of results of associates				**27,948**
Share of results of joint ventures				**118,245**
Finance costs				**(9,330)**
Profit before tax				**238,931**

For the year ended 31 March 2018

	Provision of piped gas *RMB'000*	Sales and distribution of cylinder gas *RMB'000*	FMCG and food ingredients supply *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				256,617

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.

4. OTHER GAINS AND LOSSES, IMPAIRMENT LOSSES, NET OF REVERSAL

	2019	2018
	RMB'000	*RMB'000*
(a) Other gains and losses		
(Loss) gain on disposal of property, plant and equipment	**(2,946)**	1,740
Gain (loss) on disposal of subsidiaries	**3,445**	(3,344)
Impairment loss recognised in respect of goodwill	**–**	(4,868)
Impairment loss recognised in respect of AFS investments	**–**	(2,177)
Fair value changes of investment properties	**–**	(1,900)
Gain on disposal of AFS investments	**–**	108
Net foreign exchange (loss) gain	**(876)**	2,116
Recovery of bad debts previously written off	**900**	–
	523	(8,325)
(b) Impairment loss, net of reversal		
Trade receivables from contracts with customers	**(1,348)**	(1,782)
Other receivables	**(10,748)**	(16,813)
	(12,096)	(18,595)

5. OTHER INCOME

	2019	2018
	RMB'000	*RMB'000*
Bank interest income	**9,049**	8,125
Waiver of overdue interest on consideration payable	**–**	5,335
Dividend income from AFS investments	**–**	1
Interest income from loan to a joint venture	**665**	969
Rental income, net	**1,803**	960
Repair and maintenance services income	**4,977**	79
Sales of gas appliance, net	**2,692**	1,366
Government grant	**4,607**	913
Others	**3,296**	3,187
	27,089	20,935

6. FINANCE COSTS

	2019	2018
	RMB'000	*RMB'000*
Overdue interest on consideration payable	**–**	5,335
Interest on bank borrowings	**9,330**	7,313
	9,330	12,648

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

7. INCOME TAX EXPENSE

	2019	2018
	RMB'000	*RMB'000*
PRC Enterprise Income Tax ("**EIT**"):		
– Current tax	**27,504**	27,438
– Over provision in prior years	**(771)**	(592)
Deferred taxation	**(3,506)**	(140)
	23,227	26,706

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.

The EIT rates applicable for the Group's PRC subsidiaries ranged from 15% to 25% (2018: 15% to 25%).

Following the Catalogue of Encouraged Industries in Western Region which was promulgated by the National Development and Reform Commission of the PRC in 2014, certain subsidiaries which are operating in the Western China were granted a concessionary tax rate of 15% by the local tax bureau.

8. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging:

	2019	2018
	RMB'000	*RMB'000*
Directors' emoluments	**7,621**	12,910
Other staff costs		
Salaries, allowances and benefits in kind	**117,291**	98,213
Share-based payments	**–**	5,697
Retirement benefits scheme contributions (excluding Directors)	**17,095**	13,709
Total staff costs	**142,007**	130,529
Cost of inventories recognised as expenses	**1,510,298**	850,386
Auditor's remuneration	**2,567**	2,291
Depreciation of property, plant and equipment	**44,371**	36,011
Amortisation of prepaid lease payments	**1,482**	1,700
Amortisation of intangible assets (included in administrative expenses)	**1,229**	1,229
Operating lease payments in respect of rented premises	**14,130**	7,675
Contract cost recognised as expense in respect of gas connection construction contracts	**100,034**	51,802

9. DIVIDEND

No dividend was paid or proposed during the year ended 31 March 2019 (2018: nil), nor has any dividend has been proposed since the end of the reporting period.

10. EARNINGS PER SHARE

The calculation of the basic (2018: basic and diluted) earnings per share attributable to the owners of the Company is based on the following data:

	2019	2018
	RMB'000	*RMB'000*
Earnings		
Profit for the year attributable to the owners of the Company and for the purposes of basic (2018: basic and diluted) earnings per share	**174,325**	201,456

	2019	2018
Number of shares		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**8,943,154,211**	7,132,038,632
Effect of dilutive potential ordinary shares:		
Award shares	**N/A**	104,284,932
Weighted average number of ordinary shares for the purpose of diluted earnings per share calculation	**N/A**	7,236,323,564

No diluted earnings per share was presented for the year ended 31 March 2019 as there was no potential ordinary shares in issue.

11. TRADE, BILLS AND OTHER RECEIVABLES AND PREPAYMENTS

	2019	2018
	RMB'000	*RMB'000*
Trade receivables (net of allowance for credit loss)	**93,526**	55,829
Bills receivables	**1,700**	2,211
Total trade and bill receivables	**95,226**	58,040
Deposits paid for purchase of natural gas; cylinder gas; merchandises and construction materials	**70,008**	35,909
Rental and utilities deposits and prepayments	**11,811**	16,566
Other tax recoverable	**11,748**	8,672
Other receivables and deposits	**25,207**	34,908
Total other receivables and prepayments	**118,774**	96,055
	214,000	154,095

The Group has a policy of allowing a credit period ranging from 0 to 180 days to its customers. Longer credit period is also allowed on a case by case basis. The following is an aged analysis of trade and bill receivables presented based on the invoice date, which approximated the revenue recognition date for sales of goods and the respective construction contracts completion dates, as appropriate:

	2019	2018
	RMB'000	*RMB'000*
0 to 90 days	**83,445**	47,041
91 to 180 days	**7,160**	4,392
Over 180 days	**2,921**	4,396
Trade receivables	**93,526**	55,829
0 to 90 days	**1,700**	2,211
Bills receivables	**1,700**	2,211

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:

	2019	2018
	RMB'000	*RMB'000*
0 to 90 days	**61,051**	40,759
91 to 180 days	**10,984**	3,276
Over 180 days	**8,441**	4,788
Trade payables	**80,476**	48,823
Advance received from customers for gas connection contracts	**–**	29,905
Piped gas customers deposits	**36,795**	37,524
Piped gas income received in advance	**–**	94,025
Amounts due to non-controlling interests of subsidiaries	**8,105**	900
Accrued charges and other payables	**65,685**	39,486
Total trade and other payables	**191,061**	250,663

13. CAPITAL AND OTHER COMMITMENTS

	2019	2018
	RMB'000	*RMB'000*
Capital and other expenditure contracted for but not provided in the consolidated financial statements in respect of:		
Property, plant and equipment	**77,341**	59,660
Prepaid lease payments	**6,949**	2,051
	84,290	61,711

14. 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:

	2019	2018
	RMB'000	*RMB'000*
Property, plant and equipment	**90,664**	146,014
Intangible assets – exclusive rights of operation of piped gas	**1,889**	1,939
Investment properties	**11,300**	–
Prepaid lease payments	**7,797**	5,293
Trade receivables	**2,507**	5,167
	114,157	158,413

15. CONTINGENT LIABILITIES

Beijing Civigas Co., Ltd. ("**Beijing Civigas**", a wholly-owned subsidiary of the Company) 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. Up to 31 March 2019, Fujian An Ran has drawn RMB80,000,000 of the facility line. In the opinion of the directors of the Company, the fair value of the financial guarantee contracts of the Group are insignificant at initial recognition after taking into consideration the possibility of the default of Fujian An Ran. Accordingly, no value has been recognised in the consolidated financial statements.

16. EVENT AFTER THE END OF THE REPORTING PERIOD

On 22 March 2019, Beijing Zhongmin Zhongfeng Information Technology Company Limited ("**Zhongmin Zhongfeng**"), an indirect wholly-owned subsidiary of the Company, entered an equity transfer agreement with certain transferors (the "**Transferors**", all of them are independent third parties of the Group). Pursuant to the equity transfer agreement, Zhongmin Zhongfeng conditionally agreed to acquire, and the Transferors conditionally agreed to disposed of, an aggregate of 73.50% equity interest in 北京光點互動科技股份有限公司 (Beijing Guangdian Interactive Technology Company Limited) ("**Guangdian Interactive**") at a total consideration of RMB6,321,000. Guangdian Interactive is a company incorporated in the PRC with limited liability, the issued shares of which are quoted on the over-the-counter trading platform operated by the National Equities Exchange and Quotations Co., Ltd.* ("**NEEQ**") (全國中小企業股份轉讓系統有限責任公司) (stock code: 871892. NEEQ). Guangdian Interactive is principally engaged in the area of software development and information technology consultancy in the PRC. The transaction was completed on 23 April 2019.

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
	2019	2018	**(decrease)**
	RMB'000	*RMB'000*	
Results			
Revenue	**1,955,486**	1,200,359	62.91
Gross profit	**345,154**	298,171	15.76
Profit for the year	**215,704**	229,911	(6.18)
Profit for the year attributable to owners of the Company	**174,325**	201,456	(13.47)
Earnings per share			
– Basic (RMB cents)	**1.95**	2.82	(30.85)
– Diluted (RMB cents)	**N/A**	2.78	N/A
Gross profit margin (%)	**17.65**	24.84	(7.19) pts
Net profit margin (%)	**11.03**	19.15	(8.12) pts
Consolidated debt-to-capitalisation ratio (%)	**7.28**	5.98	1.30 pts
Operational data#			
Number of projects in China (at 31 March)			
– Piped Gas	**55**	52	5.77
– Cylinder Gas	**50**	54	(7.41)
– FMCG and food ingredients supply	**5**	1	400.00
New connected during the Year			
– Residential household customers	**184,555**	204,854	(9.91)
– Commercial and industrial ("**C/I**") customers	**3,608**	4,296	(16.01)
Accumulated number of connected (at 31 March)			
– Residential household customers	**1,726,431**	1,541,876	11.97
– C/I customers	**20,835**	17,227	20.94
Unit of piped gas sold (10,000 cubic metre ("**m^3**")) to			
– Residential household customers	**16,374**	13,044	25.53
– C/I customers	**77,993**	65,044	19.91
Unit of cylinder gas sold (tons)	**548,725**	470,402	16.65

#: 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 2019, revenue from operations of the Group amounted to approximately RMB1,955 million (2018: RMB1,200 million), representing a year-on-year increase of 62.91%, while profit for the Year was approximately RMB215.70 million (2018: RMB229.91 million), representing a year-on-year decrease of 6.18%. Basic earnings per share was RMB1.95 cents (2018: basic and diluted earnings per share were RMB2.82 cents and RMB2.78 cents, respectively). The overall gross profit margin of the Group was 17.65% (2018: 24.84%), representing a decrease of 7.19 percentage point 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; keen competition for new projects located and the increase in its average purchase and operational costs.

Piped gas business

Piped gas business is our main business and our main source of income. During the year ended 31 March 2019, revenue of approximately RMB938,968,000 was recorded from our provision of piped gas business, representing a year-on-year increase of RMB367,275,000 or 64.24% over last year, which accounted for approximately 48.02% (2018: 47.63%) of our total revenue. The overall gross profit margin of provision of piped gas business for the Year was 15.60% (2018: 27.52%).

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.

As a clean energy, natural gas can effectively reduce the use of coal and oil, which can help to improve the environmental pollution problem, and at the same time, it has the advantages of safety, high unit heat value and low price. It has become an important development direction of international clean energy. Under the dual background of the low-carbon development appeal of the international community and the rapid development of China's economy, China's natural gas production and demand have been rapidly improved. In August 2018, the State Council issued the "Opinions on Promoting Coordinated and Stable Development of Natural Gas", proposed to accelerate the construction of major natural gas production capacity and infrastructure projects, increased domestic exploration and development efforts, and achieved a healthy, orderly, safe and sustainable development of the natural gas industry. In this regard, the Group actively grasps the development opportunities brought about by market demand and national policies, while gradually expands market share and improves operational efficiency, it will improve its safe operation level and risk management capabilities, and promote continuous and steady growth in performance.

Piped Gas Connection

During the Year, revenue from piped gas connection was approximately RMB178,751,000, representing an increase of RMB56,656,000 or 46.40% over last year. Gross profit margin from piped gas connection was approximately 43.78% (2018: 55.74%). Revenue from piped gas connection represented approximately 19.04% (2018: 21.36%) of the total revenue of the piped gas business. During the Year, there was an addition of 35,417 units of residential household customers and 1,097 units of C/I customers from our subsidiary companies, respectively. As at the end of the reporting period, the accumulated number of connected residential household customers from our subsidiary companies was 403,824 units; and the accumulated number of connected C/I customers from our subsidiary companies was 8,111 units, representing a growth of 9.61% and 15.64% respectively over 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 customers 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 RMB760,217,000, representing an increase of RMB310,619,000 or 69.09% over last year, while the gross profit margin of piped gas sales was 8.97% (2018: 19.86%). Revenue from piped gas sales accounted for approximately 80.96% (2018: 78.64%) of the total revenue from the piped gas business. During the year ended 31 March 2019, our piped gas sales from subsidiary companies achieved approximately 355.02 million m^3, representing a year-on-year increase of 43.11%. Among the total sales, 102.95 million m^3 were sold to residential household customers, which represented a year-on-year increase of 24.61%; 252.07 million m^3 were sold to C/I customers, which represented a year-on-year increase of 52.35%. The 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 new customer sources and growth impetus brought by the new projects and 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.

Cylinder gas business

The cylinder gas business is another major business of the Group. During the reporting period, we rely on a large cylinder gas services network and high quality customer resources to consolidate the existing sale market and combine with the local market conditions to fully meet a variety of needs for customers' retail and distribution. Meanwhile, we have developed sale markets in the surrounding areas, and developed new projects through various cooperation methods such as acquisitions and establishment of new companies to gradually expand the market. In addition, we strictly implement the safety production management system of the sector management company, conduct safety inspections on the project companies every year, start from safety management, production operation management and customer management aspects, find problems and solve problems, realise the professionalisation of safety management personnel and standardise enterprise management.

During the year ended 31 March 2019, sales and distribution of cylinder gas from our subsidiary companies was 164,896 tons in total, representing an increase of 38.85% over the corresponding period of last year. Revenue from cylinder gas of the Group reached approximately RMB910,503,000, representing an increase of RMB282,271,000 or 44.93% over the corresponding period of last year. Revenue from cylinder gas accounted for approximately RMB46.56% (2018: 52.34%) of our total revenue. The gross profit margin of cylinder gas business was 20.75% (2018: 22.46%). The increase in sales volume and revenue are mainly due to the stable usage of C/I market, as well as the significant growth in Beijing-Tianjin-Hebei region. The decrease in gross profit margin is mainly due to the increase in its average purchase and operating costs.

FMCG and food ingredients supply business

During the Year, Beijing Zhongmin Ruojia Supply Chain Management Co., Ltd., an indirect wholly-owned subsidiary of the Company, acquired 80% equity interests in Chongqing Yubaijia and 53.50% equity interest in Chongqing Qiaojiali, respectively, officially launched its business in FMCG and food ingredients supply.

The supply of FMCG is mainly operated through the chain of hypermarkets, community supermarkets and convenience stores, taking care of the different needs of various consumers. The consumer groups targeted by the hypermarkets and community supermarket chain are mainly the residents' community population. They provide convenient goods and services for the fixed community residents through the combination of online and offline operations, while the convenience store chain is aimed at the consumer group which is a mobile population, and provides goods and services that are convenient for the mobile population by selling FMCG.

The supply of food ingredients is mainly a one-stop service for the supply of fruits and vegetables, fresh produce, seasoning, dry foods and oil to commercial users through a combination of online and offline operations.

For the year ended 31 March 2019, the Group's FMCG and food ingredients supply business realised revenue of approximately RMB106,015,000, accounting for approximately 5.43% of our total revenue. During the Year, on the one hand, we reduced operating losses by combing the loss-making outlets. On the other hand, we adjusted the profit model for upgrading existing outlets, not only adjusting the category structure, but also improving the fresh-keeping operation capacity. At the same time, we cooperated with the transformation and upgrading of the stores, rationally allocated high-quality investment resources, increased investment income and controlled the rigid growth of labour costs.

New projects during the reporting period

During the reporting period, we invested in the establishment of 5 new projects (3 piped gas and 2 cylinder gas projects) and acquired a total of 4 FMCG and food ingredients supply business projects. These projects are mainly located in Shaanxi, Guangdong, Tianjin and Chongqing. As of 31 March 2019, we have a total of 110 projects managed in China. The industry and commerce of new gas projects location are relatively developed, and the development prospects are very promising, which will help us further expand the scope of sales and scale effects, reduce operating costs and seize market share. The newly acquired FMCG and food ingredients supply business projects will help us to increase new profit growth points on the basis of original business.

During the reporting period, we disposed and closed a number of unsatisfactory projects, and the funds recovered will focus on investing in more economically efficient projects to increase the rate of return on capital.

FINANCIAL REVIEW

	For the year ended 31 March		**Changes in**	
	2019	2018	**amount**	
Analysis of results	***RMB'000***	*RMB'000*	***RMB'000***	%
Profit for the Year	**215,704**	229,911	**(14,207)**	**(6.18)**
Adjustments for:				
Finance costs	**9,330**	12,648	**(3,318)**	**(26.23)**
Depreciation and amortisation	**47,082**	38,940	**8,142**	**20.91**
Income tax expense	**25,991**	26,706	**(715)**	**(2.68)**
Impairment loss recognised for goodwill	**–**	4,868	**(4,868)**	**(100.00)**
(Gain) loss on disposal of subsidiaries	**(3,445)**	3,344	**(6,789)**	**n/a**
Impairment loss recognised for AFS investments	**–**	2,177	**(2,177)**	**(100.00)**
Share-based payments	**–**	13,223	**(13,223)**	**(100.00)**
Adjusted profit	**294,662**	331,817	**(37,155)**	**(11.20)**
Breakdown as follows:				
The Group	**148,469**	149,326	**(857)**	**(0.57)**
Share of results of associates	**27,948**	34,148	**(6,200)**	**(18,16)**
Share of results of joint ventures	**118,245**	148,343	**(30,098)**	**(20.29)**
	294,662	331,817	**(37,155)**	**(11.20)**

Revenue:

Piped gas : The revenue in 2019 increased 64.24% from approximately RMB572 million in 2018 to approximately RMB939 million. Such increases are mainly attributable to the contribution from new projects for the provision of gas and the rise in sales volume and average gas price.

Cylinder gas : As cylinder gas is being used stably and persistently in C/I market, the cylinder gas revenue increased continuously, among which the Beijing-Tianjin-Hebei market becomes the main driving force of the Group's cylinder gas business.

FMCG and food ingredients supply : It provides pre-packaged foods, daily use products and fresh ingredients for daily life for individual consumers and commercial customers by means of hypermarkets, community supermarkets and convenience stores chain operations model.

Segment results:

Piped gas : The segment results of the piped gas business decreased by 6.55% as compared with the corresponding period of last year, which was due to the recognition of the impairment loss on receivables and the increase in operating expenses.

Cylinder gas : Benefited from the continuous increase in gas sales volume in Hunan and Beijing-Tianjin-Hebei regions and the decrease in the recognition of impairment losses on other receivables, goodwill and AFS investments for the Year, the segment results of the cylinder gas business increased by 109.48% as compared with the corresponding period of last year.

FMCG and food ingredients supply : The loss was mainly attributable to the expenditure incurred for the optimisation of the staff structure and closure of some low-efficiency stores.

Liquidity and capital resources

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 2019, the total borrowings of the Group were approximately RMB172,240,000 (2018: RMB129,000,000), which comprised domestic bank borrowings 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 RMB105,240,000 (2018: RMB111,000,000) which were secured by certain assets with carrying amount of approximately RMB114,157,000 (2018: RMB158,413,000), others were unsecured. Short-term borrowings amounted to approximately RMB128,490,000 (2018: RMB113,000,000), while others were long-term borrowings due after one year. Details of the capital commitments and pledge of assets are set out in notes 13 and 14 respectively.

Capital Structure

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

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.

PROSPECTS AND OUTLOOK

Piped gas business

Under the background of China's energy structure adjustment and the realisation of low-carbon clean development, the state and local governments have introduced policies to promote the use of natural gas and vigorously develop clean energy. In June 2018, the State Council issued the "Three-Year Action Plan to Win the Blue Sky Defence War", and continued to promote the "Coal to Gas" policy, emphasised "Changing with Gas." At the current time, the "Coal to Gas" policy is an important driver for remaining the rapid growth of natural gas demand in the next five years. In addition, the normalisation of environmental protection will force consumption process to accelerate for clean energy and the natural gas price has advantages over other alternative energy in the urban gas end, and natural gas demand is expected to continue to break out in the urban gas. In the industrial fuel sector, the policy promotes the continuous rapid growth of "Coal to Gas" conversion for coal-fired boilers, which will help the natural gas industry to welcome the golden phase I of the ten-year golden development period during the "Thirteenth Five-Year Plan"; Meantime, in the process of urbanisation, the coverage scope of natural gas in township and rural markets will gradually expand. The township gas, industrial "Coal to Gas" and natural gas power generation will make natural gas demand to continue to be released and have great development space.

Piped gas is the most important supply method in gas sales. The Group's piped gas business is focused on the construction of city pipeline networks and the end-user terminals construction and use. In the future, the natural gas industry still has a good development trend. We will keep up with the national development trend, tap potential users, accelerate and increase the construction of urban pipeline network, improve the gasification rate of urban residents, and continue to promote the development of piped gas business steadily.

Cylinder gas business

Combustible gases such as liquefied natural gas (LNG), liquefied petroleum gas (LPG) and dimethyl ether (DME) are all clean energy and are all important components of urban gas. Affected by the "gas shortage" in the heating season of 2017-2018, the upstream LNG suppliers actively produces and expands the import volume. In 2018, the overall supply of LNG is abundant, while the terminal demand growth is less than expected, there has also been a sharp decline on the average price of LNG market in 2018 compared with 2017; In 2018, domestic liquefied gas supply and consumption have increased slightly. It is expected that there will still be an overall increase in 2019, especially during the peak season of heating in winter. Due to resource constraints of piped natural gas, many users will use LPG as the main fuel. The Group's cylinder gas business is mainly distributed in Yunnan, Guizhou, Hunan and Tianjin. Most of its households are still using cylinder gas as their main fuel, and with the improvement of economic and material standards, the use of cylinder gas in rural areas and townships have been increasing. In the environment where opportunities and challenges coexist, we will actively explore new development models, further improve the scale and management level of the cylinder gas business, and study the application of emerging technologies in the field of the cylinder gas business to provide customers with better service.

FMCG and food ingredients supply business

In 2018, the Chinese government further stimulated the consumption potential of residents and achieved significant results through adoption of a series of upgrading measures, including optimising the consumption environment of urban and rural communities, expanding effective supply, innovating circulation modes and improving the consumption promotion system. As a result, the scale of consumption has steadily expanded, the momentum of consumption upgrades has not slowed down, the consumption patterns have been constantly innovated and the contribution of consumption has increased significantly. The consumption sector has become the key driving force of China's economic growth for the fifth consecutive year. Based on the data from the National Bureau of Statistics of the PRC, in 2018, the national disposable income per capita had an actual growth of 6.5%, representing a year-on-year decrease of 0.8 percentage point in growth rate. However, the national consumption expenditure per capita had an actual increase of 6.2%, representing a year-on-year increase of 0.8 percentage point in growth rate. The contribution rate of final consumption expenditure to gross domestic product (GDP) growth was 76.2%, representing an increase of 18.6 percentage point compared to that of last year. In 2018, the national consumer price index (CPI) had a year-on-year increase of 2.1%, representing an increase in growth of 0.5 percentage point compared to that of last year, and exceeded 2.0% for the first time since 2015, and remained at high levels.

According to the data issued by the Ministry of Commerce of the PRC, in 2018, retail sales of key enterprises monitored by the Ministry of Commerce increased by 4.3% year-on-year, which represented 0.3 percentage point lower in growth rate over last year. In particular, the sales of convenience stores and supermarkets increased by 7.9% and 4.9% year-on-year, respectively, and the growth rate increased by 0.5 and 1.0 percentage point, respectively. In 2018, national online retail sales accounted for approximately 23.6% of the total retail sales of social consumer goods, representing a year-on-year increase of approximately 4.0 percentage point.

The FMCG and food ingredients supply business is a new business segment of the Group, which includes (i) hypermarkets, community supermarkets and convenience store chain operations and (ii) distribution of food ingredients.

The hypermarkets and community supermarkets are located in the residential area. Its service targets are mainly the stable inhabitants and families. The community population is relatively concentrated and the consumption is relatively stable. The Group provides merchandise and services to community residents through two ways of offline physical stores and online stores. With the accelerating urbanisation process, urban planning has caused urban residents to move from urban to suburban areas, and the distance between residential communities and commercial central has been increasing. Hypermarkets and community supermarkets have met the daily life needs of the majority of the inhabitants, and relatively stable business circle has won a good development space for hypermarkets and community supermarkets.

Convenience stores are mainly based on real-time goods or services to meet the needs of convenience as the first purpose and to solve the problem of shopping convenience during outside. With the improvement of residents' consumption standards, the rise of new generation consumer groups and the increase in density of the urban population, convenience stores will usher in the "Golden Age" in China.

The Group is developing a WeChat mini program on its business, while realising the integration of online and offline channels, by leveraging on the traffic flow of mini program, the Group will constantly improve their level of business convenience and increase customer's stickiness. We will also gradually expand the distribution and coverage of the retail business relying on our large gas customer base in gas fuel. In the process, the Group will keep abreast of development of the stores and the needs of its customers in time by investigating the store and customers to provide a faster, more convenient and more practical shopping experience for online and offline customers.

Relying on the rapid development of the logistics industry, the distribution of food ingredients has also been greatly developed. The Group's food ingredients supply business is currently concentrated in Chongqing and Tianjin area. The food ingredients supply business mainly supplies fruit and vegetables, fresh produce, seasoning, dry foods and oil and other ingredients to commercial users. As a necessity for daily life of residents, the food ingredients have the characteristics of fast speed consumption and irreplaceable consumption. At the same time, with the improvement of residents' living standards, safe and sanitary food ingredients have become the first choice for residents' lives. We will adjust the direction of business operations in time according to the characteristics of consumers' needs to ensure the steady development of the food ingredients supply business.

Looking ahead, we will plan the development direction of the FMCG and food ingredients supply business in a targeted manner. Using technologies such as the Internet to ensure seamless connection and supervision of products throughout progress from source to circulation. We will create a standardised operation management system, and establish standardised management for each step including customer orders, procurement, distribution, settlement, and strive to achieve the goal of "Zero inventory, Zero loss"; Quickly open the market through the online and offline consumption methods, and improve the visibility by means of high quality services and high-quality products to lay the foundation for future business expansion.

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

	Number of ordinary Shares of HKD0.07	**Price per Share**		**Aggregated repurchase cost**
		Highest	**Lowest**	
		HKD	*HKD*	*HKD*
Month of repurchase				
April 2018	43,828,000	0.120	0.104	4,992
May 2018	63,430,000	0.129	0.119	7,993

The Share repurchase complied with the terms and conditions of 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.

Save as disclosed above, during the reporting period, neither the Company nor any of its subsidiaries has purchased, sold or repurchased any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with all 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 Board has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**"), amended from time to time, as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors.

Specific respectively enquiry has been made to all the Directors regarding any non-compliance with the Model Code during the Year, they all confirmed in writing that they have fully complied with the required standard set out in the Model Code during the Year and up to the date of this announcement.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company 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 2019 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, 28 June 2019

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.