



CHINA GAS
中國燃氣

中國燃氣控股有限公司
CHINA GAS HOLDINGS LIMITED



年 報 2005
Annual Report

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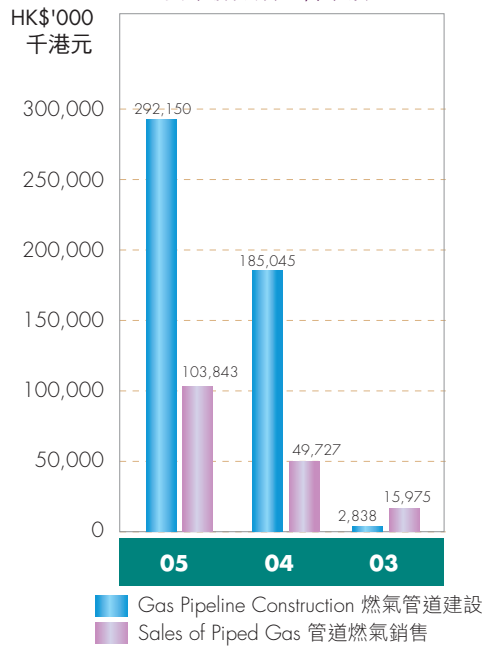
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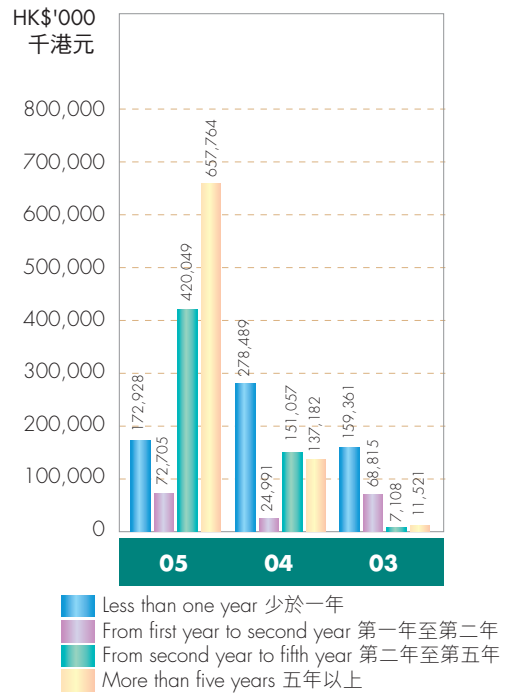


Financial Statistics 財務統計資料

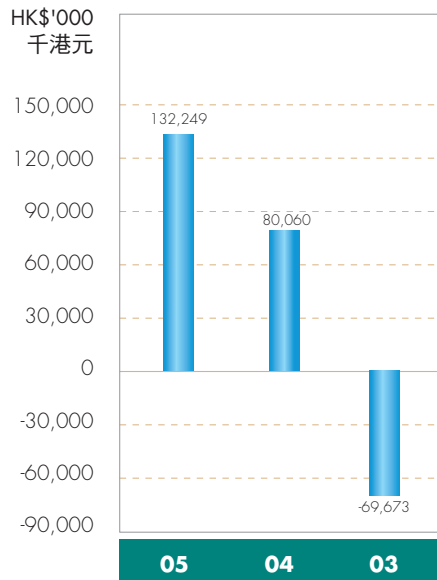
TURNOVER BY PRINCIPAL ACTIVITIES
以主要業務分類之營業額



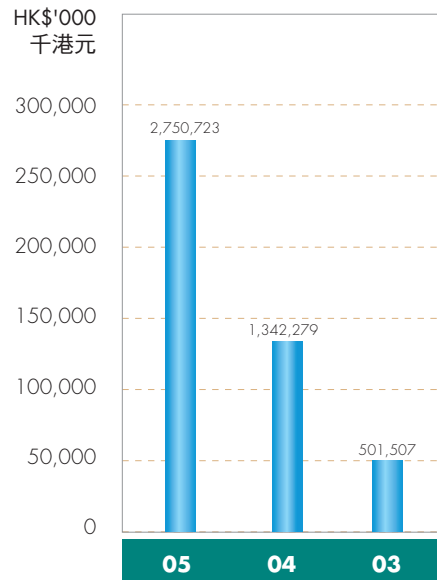
DEBT MATURITY PROFILE
債務到期日資料



PROFIT (LOSS) ATTRIBUTABLE TO
SHAREHOLDERS
股東應佔溢利 (虧損)



TOTAL ASSETS
總資產



Financial Ratios

財務比率

		2005 二零零五年	2004 二零零四年	2003 二零零三年
Earnings (loss) per share (HK cents)	每股盈利(虧損)(港仙)	7.17	6.15	-6.68
Net asset value per share (HK cents)	每股資產淨值(港仙)	44.04	32.27	11.94
Current ratio	流動比率	3.15	2.65	1.19
Quick ratio	速動比率	3.05	2.61	1.13
Net gearing ratio	淨資產負債比率	0.81	0.40	1.07
Gross profit margin	毛利率	60%	45%	25%
Net profit margin	純利率	32%	21%	-81%
Return on average equity (%)	平均股本回報(%)	18%	25%	-56%
Price to earning ratio	市盈率			
Year low	全年最低	7.8	10.4	N/A不適用
Year high	全年最高	22.5	19.8	N/A不適用

Formula for financial ratios:

Current ratio

流動比率

Quick ratio

速動比率

Net gearing ratio

淨資產負債比率

Gross profit margin

毛利率

Net profit margin

淨利率

Return on average equity

平均股本回報

財務比率之公式：

Current assets/Current liabilities

流動資產／流動負債

(Current assets - Inventories)/Current liabilities

(流動資產－存貨)／流動負債

Net borrowing/Shareholders' funds

淨借貸／股東權益

Gross profit/Turnover

毛利／營業額

Net profit for the year/Turnover

年度純利／營業額

Net profit for the year/Average shareholders' equity

年度純利／平均股東權益



Corporate Information 公司資料

Board of Directors

Executive Directors

Li Xiao Yun (*Chairman*)
 Xu Ying (*Vice-Chairman*)
 Liu Ming Hui (*Managing Director*)
 Zhu Wei Wei
 Ma Jin Long

Non-Executive Director

Feng Zhuo Zhi

Independent Non-Executive Directors

Zhao Yu Hua
 Mao Er Wan
 Wong Sin Yue Cynthia

Company Secretary

Yang Yan Tung Doris

Auditors

Deloitte Touche Tohmatsu
Certified Public Accountants

Principal Bankers

Hang Seng Bank
 Industrial and Commercial Bank of China
 China Construction Bank
 Agricultural Bank of China
 China Minsheng Banking Corp. Ltd.

董事會

執行董事

李小雲 (主席)
 徐鷹 (副主席)
 劉明輝 (董事總經理)
 朱偉偉
 馬金龍

非執行董事

馮卓志

獨立非執行董事

趙玉華
 毛二萬
 黃倩如

公司秘書

楊劬桐

核數師

德勤•關黃陳方會計師行
執業會計師

主要往來銀行

恒生銀行
 中國工商銀行
 中國建設銀行
 中國農業銀行
 中國民生銀行股份有限公司

Head Office and Principal Place Of Business in Hong Kong

Room 1601
16th Floor
AXA Centre
151 Gloucester Road
Wan Chai
Hong Kong

Legal Advisers

Michael Li & Co
Conyers Dill & Pearman

Registered Office

Clarendon House
Church Street
Hamilton HM11
Bermuda

Principal Share Registrar and Transfer Office

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
14 Bermudiana Road
Pembroke
Bermuda

Stock Code

384

Website

www.chinagasholdings.com

總辦事處及香港主要營業地點

香港
灣仔
告士打道151號
國衛中心
16樓
1601室

法律顧問

李智聰律師事務所
Conyers Dill & Pearman

註冊辦事處

Clarendon House
Church Street
Hamilton HM11
Bermuda

主要股份登記及過戶辦事處

Butterfield Fund Services (Bermuda) Limited
Rosebank Centre
14 Bermudiana Road
Pembroke
Bermuda

股份編號

384

網址

www.chinagasholdings.com



Chairman's Statement 主席報告書

On behalf of the Board of Directors (the "Board") of China Gas Holdings Limited ("China Gas" or the "Company", together with its subsidiaries, the "Group"), I would like to present to the shareholders the 2005 annual report.

Undoubtedly, 2004 was an unprecedented and developing year for China Gas. We owe our success to the effort made by the Directors, the management and the staff of China Gas and the strong growth in the natural gas business in China. Our success has not merely been a matter of being in the right place at the right time. The strategic investments we made in our infrastructure over the past two financial years have positioned China Gas as one of the major players in China's natural gas market. We commit to make these long-term investments benefit to our shareholders.

Our financial results were promising. For the financial year ended March 31, 2005, turnover amounted to HK\$410,202,000, profit attributable to shareholders was HK\$132,249,000 and earnings per share was HK7.17 cents, accumulated connected domestic households were 411,064 households and accumulated connected industrial and commercial customers were 524 users. The Group's total sales of natural gas reached 37,099,520 m³ for the period under review.

Given the cash need for continual business expansion, the Board resolved not to recommend the payment of a final dividend for the year ended March 31, 2005.

During the period, the Group had already secured 14 new pipeline natural gas projects. Among them, the largest and the most significant project is the one located in Jiangbei district, Nanjing city, Jiangsu province. This is the Group's first natural gas project to have its investment in such sizable city and this is also the first project of which its licence to operate pipelined gas was granted through open tendering. We are pleased that China Gas was being recognized as one of the major players in the natural gas industry in China.

本人謹代表中國燃氣控股有限公司（以下簡稱「中國燃氣」或「公司」，與附屬公司「集團」）董事會（「董事會」）向股東提呈2005年年報。

勿庸置疑，2004年對於中國燃氣來說是個發展年，公司業務得到了前所未有的發展。公司的成功主要歸功於各位董事、公司管理層和所有員工的共同努力，以及中國天然氣事業的強勁發展。我們的成功並不僅僅是天時地利的的原因，還要歸功於公司在過去兩個財政年度在中國天然氣市場基礎設施建設中所做的戰略性投資。這些投資奠定了中國燃氣在中國天然氣市場中的地位 and 角色。我們把這些長期投資收益貢獻給我們的股東。

我們的財政結果是值得肯定的。截至2005年3月31日止財政年度，營業額為410,202,000港元，股東應佔溢利為132,249,000港元，每股基本盈利為7.17港仙；住宅客戶累計為411,064戶和累計工商用戶為524戶。在這期間，集團天然氣總銷售共37,099,520立方米。

鑒於公司仍需現金繼續拓展業務，董事會決定不派發截至二零零五年三月三十一日止年度股息。

在本財政年度，集團已取得14個新的管道燃氣項目。其中最大且最值得關注的是江蘇省南京市江北區的項目。這是公司投資在這樣大規模城市的第一個項目，而且是第一次通過公開招標獲得的天然氣管道經營權。我們很高興中國燃氣已經得到中國天然氣行業的肯定，並成為其中重要的一方。



CHINA GAS

Market capitalization of the Company was doubled since the last financial year. Shareholding structure of the Company also has a new era. Hai Xia Finance Holdings Limited, the wholly-owned subsidiary of Strait Taiwan Affairs Office becomes the largest shareholder of the Company followed by Sinopec Corp. and GAIL (India) Limited. Both Sinopec Corp. and GAIL (India) Limited are well-known international natural gas investors and they subscribed the shares of the Company in late 2004 and early 2005 respectively. In addition, the Company also signed a strategic co-operation agreement with Sinopec Corp. for comprehensive cooperation in the areas of natural gas exploration and extraction, transportation and trading, purchases and supplies, natural gas projects investment, the construction and operation of urban gas pipeline network and information and human resources exchange. In mid-2004, the Company had signed a memorandum of understanding with Gazprom, a Russian open joint-stock company and is the largest gas producing company in the world. In early 2005, the Company had signed two memorandums of understanding with City Gas Pte. Ltd and Korea Gas Corporation respectively in respect of a number of strategic and business cooperation opportunities between the parties. We did position ourselves as one of the important players in piped natural gas network in Asia and our strategic moves attracted international attention and most importantly, this enabled our Group moves toward international.

As concluded, we are excited by the future because we have our position in the China's natural gas market. In future, we will continue to drive China Gas's growth. We will upgrade our technological capability, advance our management and technological skill and strengthen our competitiveness in the natural gas market in China. We look forward to the Group's earning ability to be further strengthened, market sharing to be further increased and revenue to be further broadened. Finally, we thank our shareholders for their faithful support; our staff, the management team and the fellow board members for their endeavors and dedication; investors and bankers for their ongoing support and confidence.

Li Xiao Yun
Chairman

July 8, 2005

從上個財務年度起，公司的市場資本化得到了雙倍的增長。公司的股東結構也進入了一個新時代。海峽金融控股有限公司是隸屬於國台辦旗下的公司，現已成為公司最大的股東，其後是中石化及印度燃氣公司GAIL。中石化與印度燃氣公司GAIL是國際知名的天然氣投資公司，他們分別於2004年及2005年認購了公司的股份。另外，公司還與中石化簽署了戰略合作協議，雙方將在天然氣領域的勘探開發、運輸貿易、採購供應、天然氣項目的投資、建設及經營城市輸氣管道網路及資訊與人才交流等方面開展廣泛合作。2004年中期，公司與全世界最大的燃氣生產公司—俄羅斯公司Gazprom簽署了合作意向書。在2005年初，公司還分別與City Gas Pte. Ltd及Korea Gas Corporation簽署了兩個關於業務合作戰略的意向書。公司在亞洲天然氣管網擔當了重要的角色，我們的戰略動向也引起了國際的關注，使我們集團進一步邁向國際化。

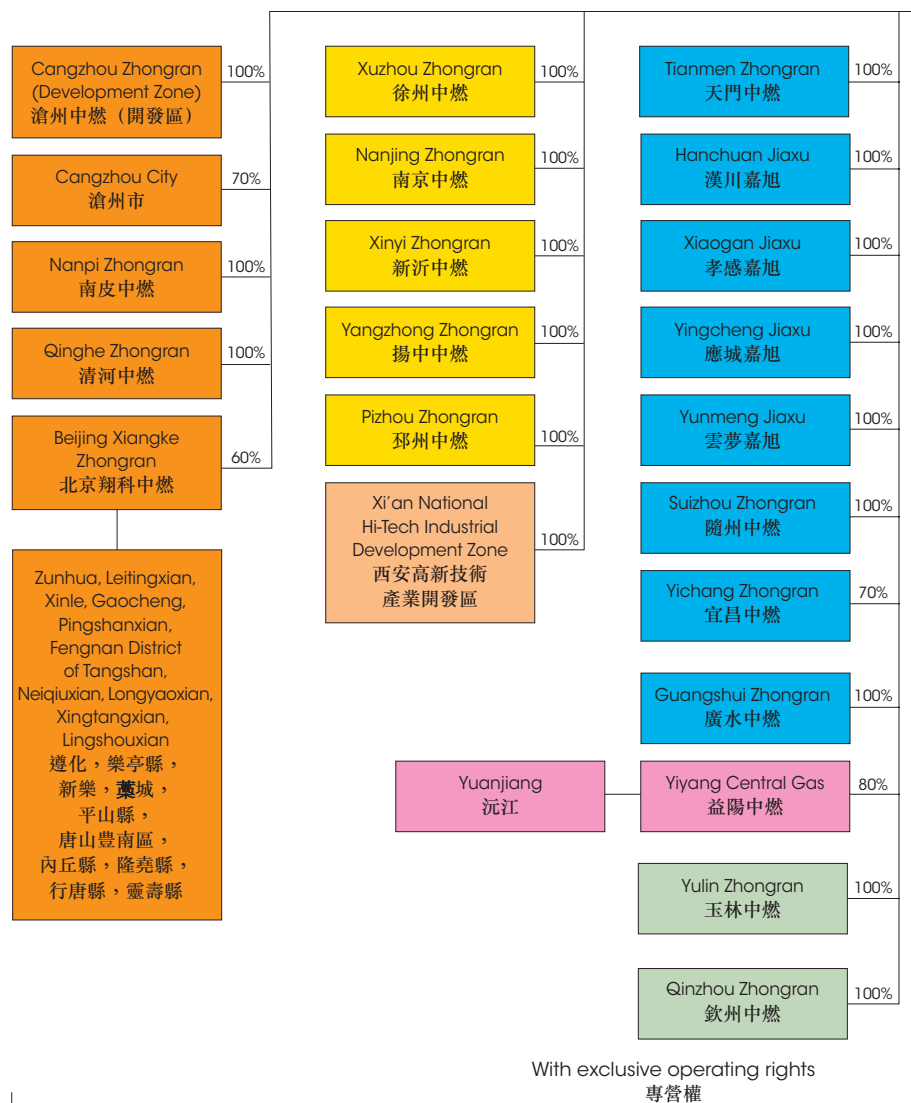
總括而言，我們對公司的未來充滿信心，因為我們已經在中國的天然氣市場中佔據了重要的地位。在未來的日子裡，我們也將繼續推動中國燃氣的發展。我們將不斷提升我們的技術水準，提高管理水準及技術能力以及鞏固我們在中國天然氣市場的競爭力。我們希望集團盈利能力能進一步加強，市場佔有率不斷增加，收益變得更豐厚。最後，我們向所有股東的長期支持，全體員工、管理層及所有董事會成員的努力及熱誠表示衷心感謝，也非常感謝投資者及銀行家的支持及給予的信心鼓勵。

李小雲
主席

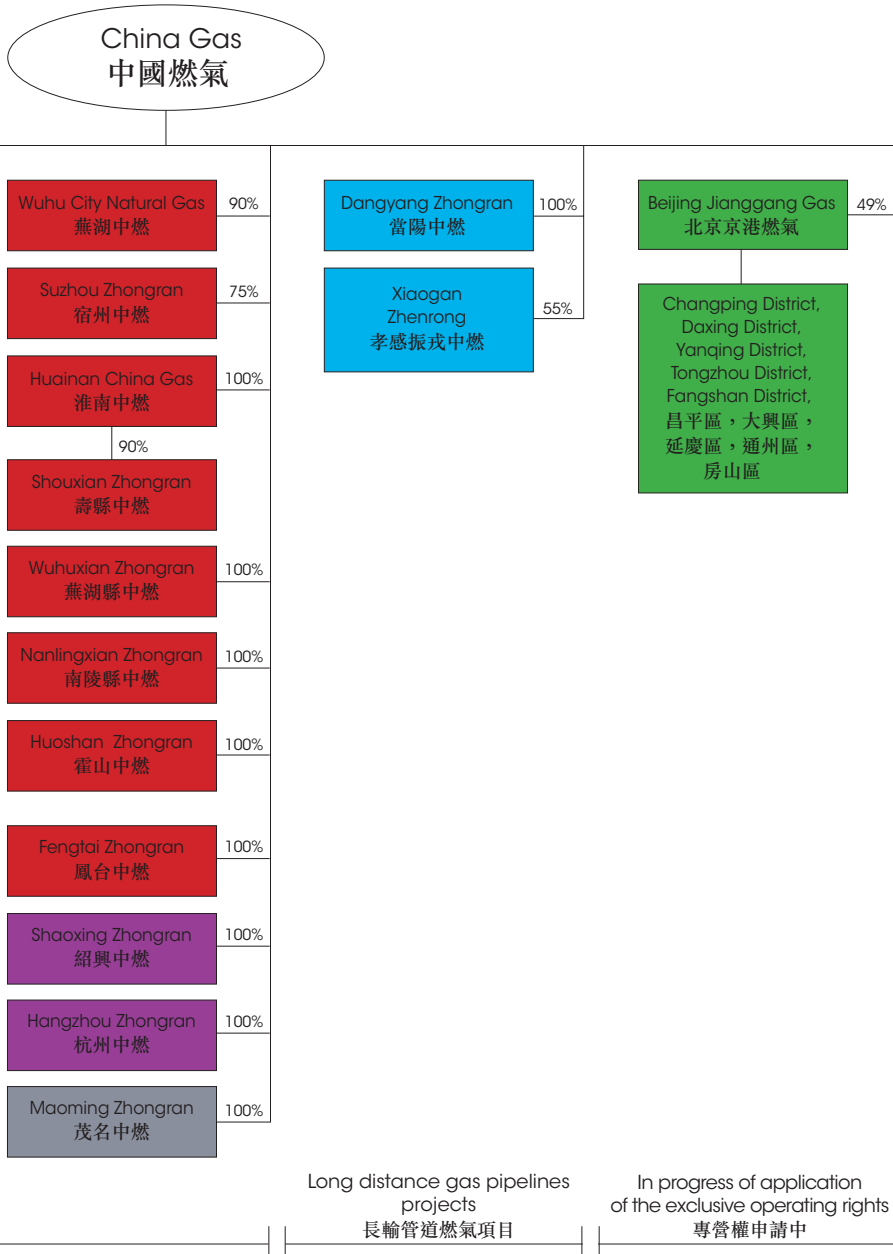
2005年7月8日



Operational Statistics 營運統計資料



- = Hubei Province 湖北省
- = Anhui Province 安徽省
- = Hebei Province 河北省
- = Zhejiang Province 浙江省
- = Shaanxi Province 陝西省
- = Hunan Province 湖南省



- = Jiangsu Province 江蘇省
- = Beijing 北京
- = Guangxi Zhuang Autonomous Region 廣西壯族自治區
- = Guangdong Province 廣東省



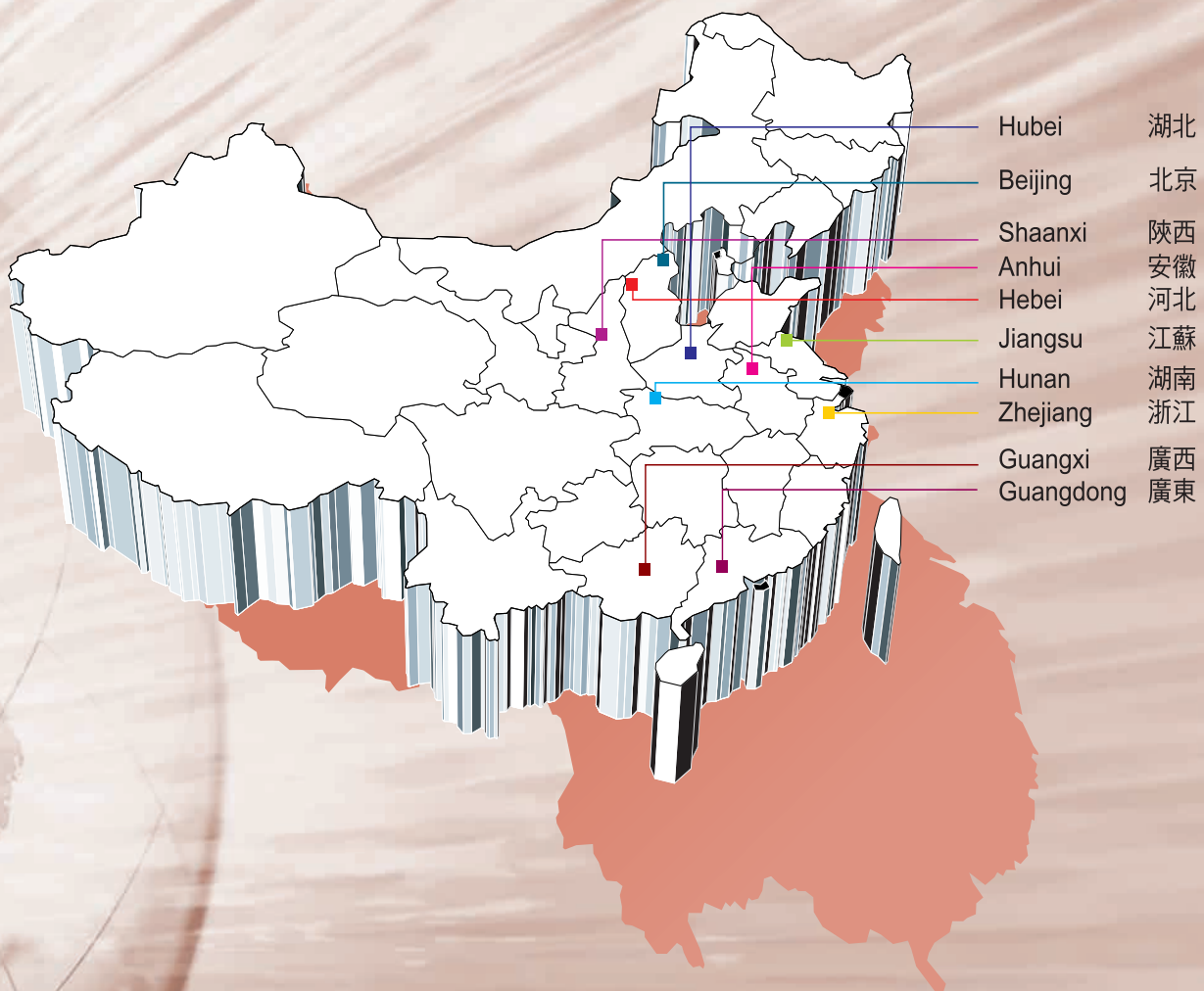
Natural Gas Network 天然氣供應網絡

Province 省	Operational Location 營運地點	Total Population 總人口	Urban Population 市區人口	Connectable Domestic Household 可接駁住宅客戶	Accumulated Connected Domestic Households* 累計已接駁住宅客戶	Accumulated Connected Industrial and Commercial Users* 累計已接駁工商業用戶
Auhui 安徽	Wuhu (蕪湖)	2,190,000	650,000	203,000	116,632	311
	Huainan (淮南)	2,065,000	1,090,000	341,000	53,368	11
	Shouxi (壽縣)	1,270,000	150,000	47,000	-	-
	Suzhou (宿州)	5,707,000	425,000	133,000	13,393	11
	Wuhuxian (蕪湖縣)	530,000	80,000	25,000	-	-
	Nanlingxian (南陵縣)	540,000	125,000	39,000	-	-
	Huoshanxian (霍山縣)	540,000	80,000	25,000	-	-
	Fengtaixian (鳳台縣)	580,000	90,000	28,000	-	-
	Hubei 湖北	Yichang (宜昌)	3,990,000	1,209,000	378,000	66,925
Xiaogan (孝感)		883,000	230,000	72,000	22,279	1
Hanchuan (漢川)		1,061,000	173,000	54,000	15,737	-
Yingcheng (應城)		669,000	175,000	55,000	15,450	-
Yunmeng (雲夢)		579,000	94,000	29,000	11,987	-
Suizhou (隨州)		2,580,000	782,000	244,000	28,684	-
Tianmen (天門)		1,740,000	200,000	63,000	-	-
Dangyang (當陽)		560,000	140,000	44,000	-	-
Guangshui (廣水)		899,000	125,000	39,000	-	-
Hunan 湖南	Yiyang (益陽) · Yuanjian (沅江)	4,600,000	860,000	269,000	30,237	-
Jiangsu 江蘇	Pizhou (邳州)	1,580,000	230,000	72,000	7,166	-
	Yangzhong (揚中)	273,000	88,000	28,000	9,283	48
	Jiang Bei District, Nanjing (南京江北地區)	1,200,000	650,000	203,000	-	-
	Jiawang District, Xuzhou (徐州賈汪區)	500,000	180,000	56,000	-	-
Zhejiang 浙江	Xinxi, Xuzhou (徐州新沂)	970,000	160,000	50,000	-	-
	Xiaoshan district, Hangzhou (杭州蕭山)	1,157,000	280,000	88,000	-	-
Hebei 河北	Shaoyingxian (紹興縣)	710,000	110,000	34,000	-	-
	Cangzhou (滄州)	6,670,000	470,000	147,000	-	-
	Cangzhou Economic Development Zone (滄州經濟開發區)	20,000	20,000	6,000	131	1
	Nanpixin (南皮縣)	760,000	152,000	48,000	-	-
	Qinghexian (清河縣)	340,000	72,000	23,000	-	-
	Zunhua (遵化)	5,760,000	1,051,000	329,000	19,792	50
	Lefingxian (樂亭縣)	-	-	-	-	-
	Xinle (新樂)	-	-	-	-	-
	Gaocheng (藁城)	-	-	-	-	-
	Pingshanxian (平山縣)	-	-	-	-	-
	Feng Nan district of Tangshan city (唐山豐南區)	-	-	-	-	-
	Neiqiuxian (內丘縣)	-	-	-	-	-
	Longyaoxian (隆堯縣)	-	-	-	-	-
Xingtangxian (行唐縣)	-	-	-	-	-	
Lingshouxian (靈壽縣)	-	-	-	-	-	
Guangxi Zhuang Autonomous Region 廣西壯族自治區	Yulin (玉林)	5,760,000	400,000	125,000	-	-
	Qinzhou (欽州)	3,260,000	220,000	69,000	-	-
Shaanxi 陝西	Xi'an National Hi-Tech Industrial Development Zone (西安高新技術產業開發區)	20,000	20,000	6,000	-	-
Beijing 北京	Changping district (昌平區)	4,419,000	2,594,000	811,000	-	-
	Daxing district (大興區)	-	-	-	-	-
	Yanqing district (延慶區)	-	-	-	-	-
	Tongzhou district (通州區)	-	-	-	-	-
	Shunyi district (順義區)	-	-	-	-	-
Guangdong 廣東	Fangshan district (房山區)	-	-	-	-	-
	Maoming (茂名)	6,700,000	1,200,000	375,000	-	-

* as at March 31, 2005
截至二零零五年三月三十一日



CHINA GAS





Management Discussion and Analysis 管理層之討論及分析

China's demand for energy is increasing as the Chinese economy enters a new era of high-speed development. In 2003, China surpassed Japan to become the second largest petroleum consumer only after the USA. China's petroleum consumption accounted for 23% of its consumption composition of disposable energy, while coal consumption even took up 66% of its consumption composition of disposable energy. However, since it becomes more difficult to raise output now due to the increasing difficulty in the exploitation of some oil fields in China, coupled with the rising international crude oil prices recently, these have created an impact on the Chinese economic development to a certain extent, while China's over reliance upon coals has given rise to not only a serious environmental pollution problem but also a major risk involved during the exploitation of resources. Thus, China's defective energy composition has drawn growing concerns.

The Chinese Government is mapping out a medium and long-term development plan for the natural gas industry to further accelerate the exploration, development and utilization of nature gas, and to optimize the energy composition for the security of the country's energy. In its sustainable development strategies, the Chinese Government has proposed an adjustment to the energy consumption composition, and the development and utilization of recyclable energy and new energy sources. This has offered a precious opportunity for the development of the natural gas industry, in particular, the downstream natural gas distribution business.

The Group moved into the urban gas distribution market in 2002, and since then it has been fully leveraging on the precious opportunity of China's move to open the downstream natural gas distribution market to foreign investors by taking a proactive approach to developing urban natural gas projects in China, with the success in securing a lot of franchised urban gas projects, resulting in a rapid growth in the development of the Group's business.

中國經濟建設正處於一個高速發展的新時期，對能源的需求日益增加，二零零三年，中國已經超越日本成為僅次於美國的第二大石油消費國，石油消費在中國一次性能源消費結構中的比重已經佔到23%，煤炭消費在中國一次性能源消費結構中的比重更佔到66%。但是，目前由於中國國內一些油田開採難度加大，產量的提高面臨較大困難，國際原油價格近來不斷攀升，對中國經濟的發展造成不同程度的影響；而過渡依賴煤炭不僅產生嚴重的環境污染，而且在資源開採過程中蘊藏著巨大風險。中國的能源結構缺陷受到越來越多的關注。

中國政府目前正在制定天然氣產業的中長期發展規劃，以進一步加快天然氣勘探、開發和利用，優化能源結構，維護國家能源安全。中國政府在其可持續發展戰略中提出，要調整能源消費結構，開發利用可再生能源和新能源，這為天然氣行業，尤其是下游的天然氣分銷業的發展提供了歷史機遇。

本集團自二零零二年進入城市燃氣分銷市場以來，充分利用國家向外資開放天然氣分銷下游市場的寶貴機遇，在中國大陸地區積極的拓展城市天然氣項目，取得了眾多有專營權的城市燃氣項目，使集團的業務得到了迅猛發展。



Business Review

For the year ended March 31, 2005, turnover of the Group amounted to HK\$410,202,000 (year ended March 31, 2004: HK\$376,491,000). Profit attributable to the shareholder was HK\$132,249,000 (year ended March 31, 2004: HK\$80,060,000). Earnings per share was HK7.17 cents (year ended March 31, 2004: HK6.15 cents).

New Projects Developments

In order to further develop the Group's business, during the financial year, the Group actively developed new projects in the central eastern part of China and achieved excellent results. We have secured 14 city piped gas projects (with exclusive operating rights) and one natural gas long distance pipeline project. The Group further secured 8 city piped gas projects (with exclusive operating rights) after the financial year. As at June 30, 2005, the Group secured the exclusive operating rights of city piped gas projects in 43 cities and districts across 9 provinces and two natural gas long distance pipeline projects.

The Group has obtained the following city piped gas projects during the financial year:

Anhui	Suzhou city, Shouxian, Wuhuxian
Hebei	Cangzhou city, Nanpixian, Qinghexian, Lingshouxian
Henan	Yuanjian city
Jiangsu	Jiangbei district of Nanjing city
Guangxi Zhuang Autonomous Region	Qinzhou city, Yulin city
Shaanxi	Xi'an National Hi-Tech Industrial Development Zone
Hubei	Tianmen city
Zhejiang	Xiaoshan district of Hangzhou city

業務回顧

截至二零零五年三月三十一日止年度，本集團營業額為410,202,000港元（截至二零零四年三月三十一日止年度：376,491,000港元）。股東應佔溢利為132,249,000港元（截至二零零四年三月三十一日止年度：80,060,000港元）。每股盈利為7.17港仙（截至二零零四年三月三十一日止年度每股盈利：6.15港仙）。

新項目拓展

為進一步拓展集團的發展空間，於財政年度，本集團在中國中東部地區積極拓展新項目並取得了豐碩成果，共取得14個城市管道燃氣項目（擁有專營權）及1個天然氣長輸管道項目。於財政年度期後，本集團再取得8個城市管道燃氣項目（擁有專營權）。截止二零零五年六月三十日，本集團共已取9個省共43個城市及地區的城市管道燃氣專營權項目及2個天然氣長輸管道項目。

本財政年度內取得的城市管道燃氣項目如下：

安徽省	宿州市、壽縣、蕪湖縣
河北省	滄州市、南皮縣、清河縣、靈壽縣
湖南省	沅江市
江蘇省	南京市江北地區
廣西壯族自治區	欽州市、玉林市
陝西省	西安高新技術產業開發區
湖北省	天門市
浙江省	杭州市蕭山區



Management Discussion and Analysis 管理層之討論及分析

The Group has obtained the following new natural gas long distance pipeline projects during the financial year:

Hubei	Zhijiang — Dangyang long distance gas pipeline
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The Group has obtained the following city piped gas projects after the financial year:

Anhui	Nanlingxian, Huoshanxian, Fengtaixian
Zhejiang	Xiaoxingxian
Jiangsu	Jiawang district of Xuzhou city, Xinyi city
Guangdong	Maoming city
Hubei	Guangshui city

As at the year 2004, the above projects were intended to serve the gas connectable population of approximately 14,575,000 (approximately 4,555,000 households). As compared with the gas connectable population of 9,060,000 last year (approximately 2,831,000 households), representing an increase of 60.9%.

The standards for urban economic development and industrial scale of the projects which the Group secured this year have increased remarkably over those of previous years. In January this year, the Group succeeded in bidding for the piped gas project in the Jiangbei District, Nanjing. In March, it also secured the piped gas project in the Xiaoshan District, Hangzhou. The Jiangbei District in Nanjing and the Xiaoshan District in Hangzhou are the two districts where Nanjing's and Hangzhou's industrial users are densely populated, thus offering bright prospects for natural gas consumption. The success in securing the Nanjing and Hangzhou projects demonstrates the enhanced competitive edge of the Group and the government's trust in the Group.

本集團於財政年度內取得的新天然氣長輸管道項目如下：

湖北省	枝江—當陽燃氣長輸管線
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本集團於財政年度之後取得的城市燃氣管道項目如下：

安徽省	南陵縣，霍山縣，鳳台縣
浙江省	紹興縣
江蘇省	徐州市賈汪區，新沂市
廣東省	茂名市
湖北省	廣水市

以上項目覆蓋的截止二零零四年城市市區可接駁人口約為14,575,000人（約合4,555,000戶），與去年同期的9,060,000人（約合2,831,000戶）相比，增長了約60.9%。

與以往相比，本集團今年以來獲取的項目在城市經濟發展水平，工業用氣規模上都有了明顯的提升，今年一月集團成功中標南京江北地區管道燃氣項目，三月本集團又獲得杭州市蕭山區管道燃氣項目，南京江北地區和杭州市蕭山區分別為南京市及杭州市工業用戶相對集中的區域，天然氣消費前景巨大。成功獲取南京與杭州項目，充分說明了集團的競爭實力的提升和政府對集團的信任。



Construction of Piped Gas Networks

Construction of city gas pipeline networks, through which to distribute natural gas, is one of the Group's principal businesses. The Group builds city main pipeline network and branch pipeline network to make gas connection to resident users and industrial and commercial users, and charges from them gas connection fee and gas usage fee.

During the financial year, the Group completed 12 processing stations, 12 gas pressure regulating stations and built high-pressure gas pipelines of 283 km, city medium to low pressure gas pipelines of approximately 541 km and branch and customer pipeline network of 710 km.

Natural gas projects in Wuhu, Huainan, Suzhou, Yichang, Suizhou, Xiaogan, Yingcheng, Yumeng, Hanchuen and Dangyang invested by the Group commenced operation. In particular, it took only three months that Dangyang's project completed 54 km high-pressure pipelines and its related facilities and put it into commercial production. It served as a miracle for completing projects to the industrial players in China and valuable experience for the Group to build and manage long distance pipeline projects. As at March 31, 2005, the total number of completed city piped gas reached 19 cities.

As at March 31, 2005, the Group accumulated 18 processing stations, high-pressure gas pipelines of 617 km, city medium to low pressure gas pipelines of approximately 1,109 km and branch and customer pipeline network of 2,025 km. Designed daily gas supply capacity of processing stations is 5,223,140 cubic meters/day.

管道燃氣網路建設

修建城市燃氣管網並利用這些管網分銷天然氣是本集團的主要業務之一，本集團通過修建城市主幹管網及支線管網，最終將天然氣管道接駁到居民用戶和工商業用戶，並向用戶收取接駁費和燃氣使用費。

本財政年度集團共完成門站、儲配站12座，高壓調壓站12座，高壓管線283公里，市政中低壓管線541公里，庭院小區管網710公里。

集團投資建設的蕪湖、淮南、宿州、宜昌、隨州、孝感、應城、雲夢、漢川、當陽等天然氣利用項目相繼點火通氣。特別是當陽公司在短短的三個多月，完成了54公里天然氣高壓管線及配套設施的建設任務，並投產通氣，創造國內同行業項目建設的奇跡，為集團的長輸管道項目的建設管理提供了寶貴的經驗。於二零零五年三月三十一日，集團已實現天然氣通氣的城市達到19個。

截止二零零五年三月三十一日，本集團累計已建成18座儲配站（門站），高壓管線617公里，中低壓管線1,109公里，庭院小區管網2,025公里，儲配站（門站）設計日供氣能力為5,223,140立方米。



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Domestic Customers

The rapid development of the Chinese economy and the changes in industrial structure have resulted in substantial labour forces switching from the rural areas to the urban districts. With the increasing percentage of urban population in China, cities' demand for energy is expected to grow sharply. Besides, given that the environmental issue has sparked popular concerns in many countries around the world, environmental protection has become part of China's primary national policy. Local governments are taking a proactive approach to formulating and improving specific measures for environmental protection. The use of clean energy, with natural gas as the principal source, will undoubtedly bring about a positive impact on environmental protection. In comparison with coal, coal gas and liquefied petroleum gas, natural gas is the top priority as a safe and environmental friendly energy source for residential users. With the accelerated process of urbanization and increased income levels of urban residents in China, more and more urban residents will be able to use clean and highly efficient natural gas.

During the financial year, the Group completed natural gas connections for 132,309 domestic households, an increase of 50.47% compared to the same period of last year. The Group acquired 11,763 domestic households during the financial year. As at March 31, 2005, the Group accumulated connected domestic households reached 411,064 households, an increase of 53.96% compared to last year, representing 9.02% of the total gas connectable domestic households. During the financial year, the average connection fee paid by domestic households was RMB2,217.

住宅用戶

中國經濟的快速發展和產業結構的變化使大批勞動力由農村轉向城市。隨著中國城鎮人口比例的不斷提升，城市對能源的需求將進入一個急劇增長的階段。另外，環境問題已引起世界各國的普遍重視，保護環境在中國已經成為一項基本國策。各地方政府都在積極制定和改善環境的具體措施，以天然氣利用為主導的清潔能源無疑將對環境保護產生積極的影響。與煤、煤氣和液化石油氣相比，天然氣作為安全環保的能源是住宅用戶的首選，隨著中國城市化進程的加快和城市居民收入水平的提高，越來越多的住宅用戶將能夠使用上清潔高效的天然氣。

本財政年度內，集團共為132,309戶住宅用戶完成接駁天然氣工程，較去年同期增長約50.47%。於財政年度內本集團收購11,763戶住宅用戶，截至二零零五年三月三十一日止集團累計接駁的住宅用戶為411,064戶，較去年同期增長約53.96%，佔集團整體可供接駁住宅用戶的9.02%。財政年度期間，住宅用戶平均管道燃氣接駁費為人民幣2,217元。



Industrial and Commercial Customers

Industrial users mainly use natural gas as the fuels or raw materials. Industrial and commercial users use gas much more than residential users. As the increasing international crude oil prices in recent years has led to rising prices of petrol, diesel and heavy oil, while the stringent Chinese environmental protection legislation and strengthened regulation of small coal mines have resulted in a short supply of coals in China and rising coal prices, more and more industrial and commercial users have switched to the use of clean and highly efficient natural gas to save their production costs.

During the financial year, the Group completed natural gas connections for 46 industrial and commercial customers and acquired 171 industrial and commercial customers. As at March 31, 2005, the Group accumulated connected industrial and commercial customer reached 524 users. The connection fee for industrial and commercial customers was calculated based on the contracted capacity in average of RMB50 per cubic meter per day and average connection fee paid by industrial and commercial customers was RMB110,673 per customer.

Connection fee represented approximately 71% to the Group's total turnover during the year.

Sale of Piped Gas

Connection fee is a one-off income, whereas the Group's ultimate profit comes from the sales income of piped gas.

工商業用戶

工業用戶主要以天然氣作為燃料或原料，與住宅用戶相比，工商業用戶的用氣規模要大得多。近年來由於國際原油價格不斷上漲，導致汽油、柴油、重油的價格居高不下；同時由於國內環保法規的日益嚴厲和治理小煤礦導致的國內煤炭供應日益緊張，煤炭價格不斷上漲，越來越多的工商業用戶開始轉用清潔高效的天然氣，以節約生產成本。

本財政年度內，集團共完成接駁46戶工商業天然氣用戶，收購171戶工商業用戶，截至二零零五年三月三十一日止集團累計接駁524戶工商業用戶，工業用戶的接駁費按照合同的供應量計算平均人民幣50元／立方米／日，工商業用戶的接駁費平均每戶人民幣110,673元。

接駁費收入佔集團年度內總營業額的比例約為71%。

管道燃氣銷售

接駁費為一次性的收入，本集團最終的利潤由銷售燃氣中獲得。



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During the financial year, natural gas sales from the companies in Wuhu, Yichang, Suizhou, Xiaogan, Huainan and Beijing Xiangke were recorded. The Group sold in total 37,099,520 m³ of natural gas of which 9,666,920 m³ to domestic customers, 24,736,000 m³ to industrial users and 2,707,600 m³ to commercial users and recorded natural gas sales income of HK\$76,218,000, representing approximately 19% of the Group's total turnover for the year. The natural gas sales income was approximately 140% higher than that of the same period last year.

As at March 31, 2005, actual usage for domestic customers was approximately 52,700 m³/day, the scale of actual daily usage for industrial customers was approximately 286,900 m³/day, the scale of actual usage for commercial customers was approximately 63,600 m³/day. Average selling price (including tax) was RMB2.21 per cubic meter for domestic customers, RMB1.82 per cubic meter for industrial customers, RMB2.34 per cubic meter for commercial customers.

During the financial year, piped coal gas sales from Wuhu Zhongran and Yichang Zhongran was recorded while piped LPG sales income was recorded from Yangzhong Zhongran, Suzhou Zhongran and Huainan Zhongran. A total of 39,183,390 cubic meters of coal gas and LPG was sold during the financial year of which 27,063,120 cubic meters of coal gas and LPG to domestic customers and 2,783,270 cubic meters of coal gas and LPG to industrial customers and 9,337,000 cubic meters of coal gas and LPG to commercial customers. Income from coal gas and LPG was HK\$27,625,000, representing approximately 6.7% to the Group's total turnover.

於財政年度，蕪湖、宜昌、隨州、孝感、淮南、北京翔科等公司錄得天然氣的銷售。集團共銷售37,099,520立方米天然氣，其中銷售9,666,920立方米天然氣予住宅用戶，24,736,000立方米天然氣予工業用戶，2,707,600立方米天然氣予商業用戶，天然氣銷售收入76,218,000港元，佔本集團年度內總營業額的比例約為19%，天然氣銷售收入較去年同期增長約140%。

截止二零零五年三月三十一日，住宅用戶實際日用氣約為52,700立方米，工業用戶實際日用氣規模約為286,900立方米，商業用戶實際日用氣規模約為63,600立方米。對住宅用戶的平均售價(含稅)為人民幣2.21人民幣/立方米，對工業用戶的平均售價(含稅)為人民幣1.82人民幣/立方米，對商業用戶的平均售價(含稅)為人民幣2.34人民幣/立方米。

於財政年度，蕪湖中燃及宜昌中燃錄得管道煤氣的銷售，揚中中燃、宿州中燃及淮南中燃錄得管道液化石油氣的銷售。本財政年度內集團共銷售39,183,390立方米煤氣及液化石油氣，其中銷售27,063,120立方米煤氣及液化石油氣予住宅用戶，2,783,270立方米煤氣及液化石油氣予工業用戶，9,337,000立方米煤氣及液化石油氣予商業用戶，煤氣及液化石油氣的銷售收入為27,625,000港元，佔本集團總營業額的比例約為6.7%。



CHINA GAS

Gross Profit Margin and Net Profit Margin

During the financial year, the Group realized revenue of HK\$410,202,000 (2004: HK\$376,491,000) and gross profit of HK\$247,116,000 (2004: HK\$168,410,000), representing 60% of the Group's overall gross profit margin (2004: 45%). The Group realized net profit of HK\$132,249,000 (2004: HK\$80,060,000), representing an overall net profit margin of 32% (2004: 21%).

Attracting strategic shareholders to enhance competitiveness

During the financial year, the Group made a big move by bringing in one of the three major petroleum companies in China, Sinopec Corporation and India's largest natural gas operator, GAIL (India) Limited as the Group's strategic shareholders. The Group and Sinopec Corporation will have full strategic cooperation in the exploration and exploitation of natural gas, transportation trade, procurement and supply, investment in long distance natural gas transmission pipelines, investment in the construction and operation of urban gas pipe networks, information exchange and human resources for the joint development of China's rapid-growing and huge natural gas market. Sinopec's involvement in the Group as a strategic shareholder will enable the Group's downstream gas distribution business to secure a strong support from the upstream and midstream manufacturers. The Group has also entered into an agreement with GAIL for the joint development of CNG automobile gassing business in China. The Group's cooperation with experienced GAIL in this potential market will enable GAIL to become a new business growth point of the Group.

毛利率及純利率

本集團於財政年度內實現營業收入410,202,000港元(二零零四年:376,491,000港元),實現毛利247,116,000港元(二零零四年度:168,410,000港元),整體毛利潤率為60%(二零零四年度:45%);實現純利132,249,000港元(二零零四年度:80,060,000港元),整體純利率為32%(二零零四年度:21%)。

引入策略股東,提升競爭力

於本財務年度內,集團在引入策略性股東方面作出了非常重大的舉措,先後引入中國三大石油公司之一的中國石油化工股份有限公司、印度最大的天然氣營運商印度燃氣(GAIL (India) Limited)成為集團策略性股東,集團將與中國石油化工股份有限公司在天然氣勘探開採、運輸貿易及採購供應、天然氣長輸管線投資、城市燃氣管網投資建設與運營、信息交流及人力資源方面進行全面戰略合作,共同拓展中國迅猛發展及龐大天然氣市場。中石化成為集團的策略性股東使集團的下游燃氣分銷業務獲得了來自上中游廠商的強力支持。同時集團也與GAIL簽署了共同拓展中國CNG汽車加汽業務的協議,準備在這個非常有發展潛力的市場與經驗豐富的GAIL合作,使其成為集團新的業務增長點。



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In addition, the Group has also entered into a strategic cooperation framework agreement with the world's largest natural gas company Gazprom, the world's largest LNG business operator Korea Gas Corporation and Asia's most long-standing company City Gas Pte Ltd.. These international energy companies have all indicated their intention to join the Group as strategic shareholders and to carry out full cooperation with the Group in their respective areas where they have competitive edges.

The Group believes that bringing in strategic shareholders will not only be able to secure the financial support which the Group is in urgent need for the development of its natural gas business, but also be able to rapidly raise the Group's technical, operation and management standards in all areas of natural gas, which in turn will be a great benefit to the Company's speedy development. Building up a company background with international shareholders will enable the Company to develop itself in future into an energy corporation that focuses on the natural gas business and has international competitiveness and an ever-lasting brand.

Establishing a safety operation and management system

The Group is engaged in public utilities by transmitting clean energy sources to numerous residents as well as industrial, commercial and corporate users. Hence, the Group is fully aware that safety operation is vital to the Group's business.

另外，集團還與世界最大的天然氣公司俄羅斯天然氣工業股份有限公司 (Gazprom) 及世界最大的 LNG 業務公司韓國燃氣 (Korea Gas Corporation) 及亞洲經營歷史最悠久的新加坡城市燃氣 (City Gas Pte. Ltd) 簽署了戰略合作框架協定，這些國際能源公司均有意成為集團的策略性股東，在各自的優勢業務領域與集團展開全面合作。

集團相信，引入策略性股東不僅可以為集團帶來發展天然氣業務所急需的資金支持，還可以迅速提升集團在天然氣各個領域的技術、運營和管理水平，對支持公司的迅速發展具有實質性的幫助。而打造一個國際性的股東背景，也將使公司在未來成長為一個具備國際競爭力的以天然氣業務為主的百年常青的品牌能源企業。

建立安全運營管理體系

集團所從事的是公用事業，將清潔能源輸送至眾多居民和工商企業用戶，因此集團深明安全運營對集團業務的重要性。



During the financial year, a HSE Safety Management Department was particularly set up in accordance with the requirements of the industry's international standards, and subsequently further improvements were made to the Group's safety management manual in line with the Group's actual circumstances and in combination with the safety operation standards of the international energy industry, and training was provided to all project companies of the Group in accordance with the new standards. Immediately after the training, an inspection was carried out on a regular basis to identify, on a timely basis, safety problems of the project companies arising during project construction, production and operation, and to urge these companies to make improvements in accordance with the new standards.

Improvements have also been made to the safety management network within the Group, and for this purpose a safety production committee has been set up, comprising members from the senior management of the Group's head office and general managers of the project companies under the Group. The HSE Safety Management Department will convene meetings on a regular basis to assess and inspect safety management and draw conclusions thereon, and to fully implement the Group's measures in all areas of safety production, operation and management.

Human Resources

The Group's development relies upon the retention and education of talented people. Only with competent and high quality staff can the Group's competitiveness be secured completely. The Group is committed to the "people-centered" business concept. It has carried out a lot of measures for attracting and training talented people in the areas below.

按照行業國際標準的要求，集團在本財政年度專門成立了HSE安全管理部，HSE安全管理部成立後，根據集團的實際情況，結合國際能源行業的安全運營標準，進一步完善了集團的安全管理手冊，並對全集團所有項目公司按新標準進行了培訓，培訓後隨即進行了定期檢查以及時發現各項目公司在工程建設和生產運營時的安全問題並敦促其按新標準進行改進和完善。

集團也完善了全公司範圍內安全管理網路，為此設立了安全生產委員會，由集團總部高層和下屬項目公司總經理擔任委員。由HSE安全管理部定期組織召開安全運營的評估、檢查、總結會議並將集團對安全生產運營管理的各方面要求進行貫徹落實。

人力資源

集團的發展有賴於人才的儲備和培養，只有充實高素質的員工，集團的競爭力才有充分的保障。集團堅持“人才為本”的經營理念，在人才引進、培訓以下方面做了大量的工作。



Management Discussion and Analysis 管理層之討論及分析

The Group has set up 中燃哈工大燃氣技術研究院 (Gas Technology Research Institute of China Gas and HIT) and 哈工大中燃產學研基地 (Production Research Base of HIT and China Gas) with 哈爾濱工業大學 (Harbin Institute of Technology), a Chinese domestic university which is the strongest in the gas discipline. This is the first time for the Group to join hands with a Chinese domestic university to set up the research institutes. Harbin Institute of Technology is the first institution in China that runs the gas discipline, and is stronger in research and advantage in the area of natural gas transmission and distribution. The establishment of the Gas Technology Research Institute of China Gas and HIT and the Production Research Base of HIT and China Gas will be beneficial to the Group's education and training of various gas technicians and management staff, and enhancement of the standards for its construction, operation and management of urban natural gas projects. Furthermore, the Group is negotiating with Harbin Institute of Technology about assigning the Group as 哈爾濱工業大學燃氣博士後工作流動站 (Post-doctorate Gas Work Mobile Station of Harbin Institute of Technology), 哈爾濱工業大學研究生工作實習站 (Fieldwork Station for Post-graduates of Harbin Institute of Technology) and 哈爾濱工業大學本科生實習基地 (Fieldwork Station for Undergraduates of Harbin Institute of Technology). In this way, the Group is also able to attract outstanding graduates trained from that university every year. At present, there is a batch of outstanding people with doctorate and master degree stationed at the work station of the Group.

集團與國內燃氣專業實力最強的大學哈爾濱工業大學及中國國家建設部下屬的中國燃氣協會成立了中國第一所燃氣研究院“中燃哈工大燃氣技術研究院”和“哈工大中燃產學研基地”這是集團首次和國內高等學府聯手成立的研究機構。哈工大是全國第一個開辦燃氣專業的大學，在天然氣輸配領域上有較強的研究實力和優勢。通過成立“中燃哈工大燃氣技術研究院”和“哈工大中燃產學研基地”將有利於集團培養和培訓各類燃氣技術和管理人才，推動集團在城市燃氣建設、運營、管理水平上的提升。此外，集團通過與哈爾濱工業大學協商並達成協議將集團確立為“哈爾濱工業大學燃氣博士後工作流動站”、“哈爾濱工業大學研究生工作實習站”以及“哈爾濱工業大學本科生實習基地”。這樣集團也可以每年引進該校培養的優秀畢業生，目前已有一批優秀的博士和碩士進駐集團工作站。



The Group has established a system for providing general training, on-the-job training and senior management training. Through general training, each new staff member, upon joining the Group, will be able to understand the Group's fundamental concept, management concept, corporate culture, business and technical procedures, primary codes, etc.. On-the-job training will enable professional technicians and operators to acquire professional operating skills, updates of gas technology development, new technology and methods in accordance with the Group's requirements and standards. For this purpose, an in-house training base has been set up particularly and a detailed plan formulated for offering on-the-job training on a shift basis. Training for senior management is carried out mainly through the Production Research Base of HIT and China Gas. By providing training to the senior management of the Group's head office and its subsidiaries, the senior management will be able to broaden their perspectives, renew and enrich their knowledge base and further raise their management standards.

As at March 31, 2005, the Group has approximately 1,750 employees, representing a decrease of approximately 16% over last year. The decrease was mainly attributable to the layout of staff from the Group as a result of re-organization of positioning and systems. Remuneration is determined by reference to their qualifications and experiences of the staff concerned and according to the prevailing industry practice in the respective regions in which it operates. Beside the basic salaries and pension fund, some employees are entitled to discretionary bonuses, merit payment and share options which depend on the performances of individual employee. Share options were granted to eligible staff in this financial year.

集團建立了普及性培訓、專業崗位培訓及高層管理培訓的培訓體系。集團通過普及性培訓使每個新員工在加入集團後瞭解集團的基本理念、管理理念、集團文化、業務流程、工藝流程和基本守則等內容。通過專業崗位培訓使專業技術人員、操作人員按集團要求標準掌握專業操作技能、燃氣技術發展動態、新技術、新方法，為此集團還在內部專門成立了培訓基地，制訂了詳細的崗位輪訓計劃。高層管理培訓則主要通過哈工大中燃產學研基地進行，通過對集團總部和下屬子公司高級管理人員的培訓力求使其視野得以拓展，知識儲備得以更新和豐富，管理水平得以進一步提升。

於二零零五年三月三十一日，本集團總員工數目約為1,750名，與去年比較減少約16%。員工的減少主要源於本集團通過對下屬子公司的定崗位及定編制將一些冗員通過各種手段調整出集團，員工薪酬將根據員工的履歷及經驗來釐定，及根據現時行業於營運當地的一般模式。除基本薪金及退休金供款外，員工將根據員工的個別表現，決定其可獲得酌情花紅、獎金及購股期權的數量。於本財政年度，集團已向合資格員工授予購股期權。



Management Discussion and Analysis 管理層之討論及分析

Natural Gas Joint Venture Companies

Anhui Province

The Group currently has operations in Wuhu city, Huainan city, Suzhou city, Wuhuxian and Shouxian, Anhui Province.

As at March 31, 2005, completed facilities in Wuhu Zhongran included pipelines of approximately 980 km (approximately 557 km belongs to branch and customer pipeline network), an increase of 22.96% compared to the last financial year. Accumulated connected domestic households reached 116,632 households and accumulated connected industrial and commercial customers was 311 users, an increase of approximately 16.7% and 5.1% respectively. As at March 31, 2005, contribution from Wuhu Zhongran accounted for 17.8% of the Group's turnover.

Wuhuxian Zhongran is a wholly owned subsidiary of the Group and established in January 2005 and is in its stage of preparation of construction works. As at March 31, 2005, no contribution was recorded.

As at March 31, 2005, completed facilities in Huainan Zhongran included pipelines of approximately 437 km (approximately 292 km belongs to branch and customer pipeline network), an increase of 22.25% compared to the last financial year. Accumulated connected domestic households reached 53,368 households and accumulated industrial and commercial customers reached 11 users, an increase of approximately 15.1% and 175% respectively. Contribution from Huainan Zhongran accounted for 6.0% of the Group's turnover for the year ended March 31, 2005.

Shouxian Zhongran is a 90% owned subsidiary of the Group and established in October 2004 and in its stage of preparation of construction works. As at March 31, 2005, no contribution was recorded.

天然氣合資公司

安徽省

本集團目前於安徽省蕪湖市、淮南市、宿州市、蕪湖縣、壽縣及安徽省已有業務。

截至二零零五年三月三十一日，蕪湖中燃已建成設施包括合共約980公里的管道(其中庭院管網約557公里)，較與去年同期增加約22.96%。累計已接駁天然氣住宅用戶為116,632戶及累計已接駁工商業用戶311戶，較去年同期分別增加約16.7%及5.1%。截至二零零五年三月三十一日止年度的營業額蕪湖中燃佔本集團營業額17.8%。

蕪湖縣中燃為本集團的全資附屬公司，於二零零五月註冊成立，目前尚在工程準備階段。截至二零零五年三月三十一日，該公司並未對本集團業績作出貢獻。

截至二零零五年三月三十一日，淮南中燃已建成設施包括合共約437公里的管道(其中庭院管網約292公里)，與去年同期比較增加22.25%；累計已接駁天然氣住宅用戶為53,368戶及累計已接駁工商業用戶11戶，較去年同期分別增加約15.1%及175%。截至二零零五年三月三十一日止年度的營業額淮南中燃佔本集團營業額6.0%。

本集團持有壽縣中燃90%權益，壽縣中燃於二零零四年十月註冊成立，目前尚在工程籌備階段。截至二零零五年三月三十一日，該公司並未對本集團業績作出貢獻。



Suzhou city has a total population of 5,930,000 of whom 452,000 resided in the urban areas. The Group owned 75% in Suzhou Zhongran. As at March 31, 2005, completed facilities in Suzhou Zhongran included pipelines of approximately 59 km (approximately 40 km belongs to branch and customer pipeline network). Accumulated connected domestic households was 13,393 households and accumulated connected industrial and commercial customers was 11 users. Contribution from Suzhou Zhongran accounted for 5.9% of the Group's turnover for the year ended March 31, 2005.

Hubei Province

The Group currently has operations in Yichang city, Xiaogan city, Hanchuan city, Yingcheng city, Yunmeng city, Suizhou city, Tianmen city and Dangyang city, Hubei Province.

As at March 31, 2005, Yichang Zhongran had completed facilities included 573 km pipelines (approximately 244 km belongs to branch and customer pipeline network). Accumulated connected domestic households reached 66,925 households and accumulated connected industrial and commercial customers was 91 users. Contribution from Yichang Zhongran accounted for 3.6% of the Group's turnover for the year ended March 31, 2005.

As at March 31, 2005, the joint venture companies of Xiaogan, Hanchuan, Yingcheng, Yunmeng and Xiaogan Zenrong had completed facilities included pipelines of approximately 889 km (approximately 370 km belongs to branch and customer pipeline network). Accumulated connected domestic households was 65,453 households and accumulated connected industrial and commercial customer was 1 user. Contribution from the five joint venture companies accounted for 21% of the Group's turnover for the year ended March 31, 2005.

宿州總人口約593萬人，當中45.2萬人居於城市地區。本集團持有宿州中燃75%權益。截至二零零五年三月三十一日，宿州中燃已建成設施包括合共約59公里的管道（其中庭院管網約40公里）；累計已接駁天然氣住宅用戶為13,393戶及累計已接駁工商業用戶11戶。截至二零零五年三月三十一日止年度的營業額佔本集團營業額5.9%。

湖北省

本集團目前於湖北省宜昌市、孝感市、漢川市、應城市、雲夢市、隨州市、天門市及當陽市已有業務。

截至二零零五年三月三十一日，宜昌中燃已建成設施包括合共約573公里的管道（其中庭院管網約244公里）；累計已接駁天然氣住宅用戶為66,925戶及累計已接駁工商業用戶91戶。截至二零零五年三月三十一日止年度的營業額佔本集團營業額3.6%。

截至二零零五年三月三十一日，孝感市、漢川市、應城市、雲夢縣及孝感振戎長輸管道合資公司已建成設施包括合共約889公里的管道（其中庭院管網約370公里）。累計已接駁天然氣住宅用戶為65,453戶及累計已接駁工商業用戶1戶。五間合資公司截至二零零五年三月三十一日止年度的營業額佔本集團營業額21%。



Management Discussion and Analysis 管理層之討論及分析

As at March 31, 2005, Suizhou Zhongran completed facilities included pipelines of approximately 157 km (approximately 116 km belongs to branch and customer pipeline network) as at March 31, 2005. Accumulated connected domestic households was 28,684 households. Contribution from Suizhou Zhongran accounted for 11.2% of the Group's turnover for the year ended March 31, 2005.

Tianman Zhongran is a wholly owned subsidiary of the Group. Tianman has a total population of 1,600,000 of whom 400,000 resided in the urban areas. Tianman Zhongran was in its stage of establishment during the financial year ended March 31, 2005.

Dangyang Zhongran is a wholly owned subsidiary of the Group. Dangyang has a total population of 560,000 of whom 140,000 resided in the urban areas. As at 31 March 2005, no contribution was recorded.

Hunan Province

The Group currently has operation in Yiyang city and Yuanjian city, Hunan Province.

As at March 31, 2005, Yiyang Zhongran had completed facilities included pipelines of approximately 301 km (approximately 272 km belongs to branch and customer pipeline network). Accumulated connected domestic households was 30,237 households. Contribution from Yiyang Zhongran accounted for 10.4% of the Group's turnover for the year ended March 31, 2005.

Jiangsu Province

The Group currently has operation in Pizhou city, Yangzhong city and Jiang Bei District of Nanjing city, Jiangsu Province.

As at March 31, 2005, Pizhou Zhongran completed facilities included pipelines of approximately 22 km and accumulated connected domestic households was 7,166 households. Contribution from Pizhou Zhongran accounted for 3.4% of the Group's turnover for the year ended March 31, 2005.

截至二零零五年三月三十一日，隨州中燃已建成設施包括合共約157公里的管道(其中庭院管網約116公里)。累計已接駁天然氣住宅用戶為28,684戶。截至二零零五年三月三十一日止年度的隨州中燃營業額佔本集團營業額11.2%。

天門中燃為本集團全資附屬公司。天門市總人口約160萬人，當中40萬人居於城市地區。截至二零零五年三月三十一日止天門中燃仍在成立階段。

當陽中燃為本集團之全資附屬公司。當陽市有人口共560,000人，其中140,000人居住市內。於二零零五年三月三十一日，並無錄得貢獻。

湖南省

本集團目前於湖南省益陽市、沅江市已有業務。

截至二零零五年三月三十一日，益陽中燃已建成設施包括合共約301公里的管道(其中庭院管網約272公里)。累計已接駁天然氣住宅用戶為30,237戶。截至二零零五年三月三十一日止年度的益陽中燃營業額佔本集團營業額10.4%。

江蘇省

本集團目前於江蘇省邳州市、揚中市及南京市江北地區已有業務。

截至二零零五年三月三十一日，邳州中燃已建成設施包括合共約22公里的管道。累計已接駁天然氣住宅用戶為7,166戶。截至二零零五年三月三十一日止年度的邳州中燃營業額佔本集團營業額3.4%。



As at March 31, 2005, Yangzhong Zhongran completed facilities included pipelines of approximately 86 km (approximately 29 km belongs to branch and customer pipeline network) and accumulated connected domestic households was 9,283 households and accumulated connected industrial and commercial customers was 48 users. Contribution from Yangzhong Zhongran accounted for 1.9% of the Group's turnover for the year ended March 31, 2005.

In January 2005, the Group was granted the licence for a period of 30 years to operate the piped gas for the Jiang Bei District of Nanjing City, the PRC. Nanjing Zhongran is a wholly owned subsidiary of the Company with registered capital of US\$24,180,400 and was duly set up in June 2005. Nanjing city is the capital of Jiangsu Province and Jiang Bei district of Nanjing city includes Luhe district and Pukou district and the area of which covers more than 50% of the Nanjing city. The planned population of this area is about 3.6 million. Pukou district is an important strategic development area and is planned to be a luxury residential area and high technology development zone while Luhe district is a major area for petroleum chemical industry for Nanjing city.

Zhejiang Province

The Group currently has its investments in Xiaoshan District of Hangzhou city, Zhejiang Province.

In March 2005, the Group signed a cooperation agreement with People's Government of Xiaoshan District, Hangzhou city to establish a wholly owned subsidiary to be named Hangzhou Zhongran and was granted an exclusive licence to operate natural gas projects in Xiaoshan District, Hangzhou city for a term of 30 years. Hangzhou Zhongran will have its registered capital of RMB100,000,000 and is a wholly-owned subsidiary of the Group. As of March 31, 2005, Hangzhou Zhongran was in the process of establishment.

截至二零零五年三月三十一日，揚中中燃已建成設施包括合共約86公里的管道（其中庭院管網約29公里）。累計已接駁天然氣住宅用戶為9,283戶及累計已接駁工商業用戶48戶。截至二零零五年三月三十一日止年度的揚中中燃營業額佔本集團營業額1.9%。

於二零零五年一月，本集團獲授予中國南京市江北區管道燃氣三十年專營權。南京中燃為本集團全資附屬公司，註冊資本為24,180,400美元，於二零零五年六月正式成立。南京市是江蘇省省會，南京市江北區包含六合區和浦口區，面積佔南京市城區總面積的50%以上，地區規劃人口約為360萬人。浦口區是南京市沿江開發戰略的重點組成部份，是南京市規劃大型高尚住宅區和高新技術開發區；六合區是南京市重點發展的石油化學工業園區。

浙江省

本集團目前於浙江省杭州市蕭山區已有投資。

於二零零五年三月，本集團與杭州市蕭山區人民政府簽訂合作協議，於杭州市蕭山區成立一家外商獨資企業名為“杭州中燃”並附有為期三十年獨家經營城市天然氣項目之專營權。杭州中燃註冊資本為人民幣100,000,000元並為本集團之全資附屬公司。截至二零零五年三月三十一日，杭州中燃仍在成立中。



Management Discussion and Analysis 管理層之討論及分析

Hebei Province

Beijing Zhongran Xiangke Oil Gas Technology Co. Ltd ("Beijing Zhongran Xiangke") is the Group's 60% owned joint venture company and is principally engaged in sale of compressed natural gas to domestic households and industrial around sub-urban areas of Beijing and part of sub-urban areas in Hebei Province and Tianjin. As at March 31, 2005, Beijing Zhongran Xiangke owned 13 wholly-owned subsidiaries, exclusive piped gas operating rights in ten cities and districts including Zunhua, Neiqiuxian, Letingxian City, Xinle, Gaocheng, Pingshanxian, Fengnan district of Tangshan, Lingshouxian, Longyaoxian and Xingtangxian of Hebei Province. As at March 31, 2005, Beijing Zhongran Xiangke had completed facilities included pipelines of approximately 185 km (approximately 85 km belongs to branch and customer pipeline network). Accumulated connected natural gas domestic customers was 19,792 households and accumulated connected industrial and commercial customers reached 50 users, an increase of 81.23% and 600% compared to last financial year. Turnovers of Beijing Zhongran Xiangke represented 18.5% of the Group's total turnover for the year ended March 31, 2005.

Besides Beijing Zhongran Xiangke, the Group currently has operation in Cangzhou City. Cangzhou Economic and Technology Development Zone, Nanpixian and Qinghexian, Hebei Province.

Cangzhou Zhongran, a wholly-owned subsidiary of the Group was established in October 2004 and was granted a 30-years exclusive operating rights to operate natural gas project in Cangzhou Economic and Technology Development Zone. As at March 31, 2005, accumulated connected domestic households was 131 households and accumulated connected industrial and commercial customer was 1 user.

河北省

北京中燃翔科油氣技術有限公司(「北京中燃翔科」)為本集團持有60%權益的合資公司，其主要業務為於北京周邊地區、河北省周邊地區及天津地區向居民用戶及工業用戶銷售壓縮天然氣；截至二零零五年三月三十一日，北京中燃翔科擁有13間全資附屬公司，擁有河北省遵化、內丘縣、樂亭縣、新樂、藁城、平山、唐山豐南區、靈壽縣、隆堯縣及行唐縣10個城市和地區的管道燃氣專營權。截至二零零五年三月三十一日，北京中燃翔科已建成合共約185公里的燃氣管道(其中庭院管網約85公里)，累計已接駁天然氣住宅用戶為19,792戶及累計已接駁工商業用戶為50戶，較去年同期分別增加約81.23%及600%。截至二零零五年三月三十一日止年度的北京中燃翔科營業額佔本集團營業額18.5%。

除北京中燃翔科外，本集團目前於河北省滄州市、滄州經濟技術開發區、南皮縣及清河縣已有業務。

滄州中燃於二零零四年十月成立並為本集團全資附屬公司，並獲授予中國滄州經濟技術開發區管道天然氣三十年專營權。截至二零零五年三月三十一日，累計已接駁天然氣住宅用戶為131戶及累計已接駁工商業用戶1戶。



CHINA GAS

In October 2004, the Group signed a joint venture agreement with Cangzhou Municipal Government for the establishment of a joint venture company to operate natural gas project in Cangzhou city. The joint venture company will have a registered capital of RMB50,000,000 and total investment of RMB150,000,000 and the Group would have 70% interest in the joint venture company. Cangzhou city is located in south-east of Hebei Province comprising two direct governance districts and ten counties. It has a total population of approximately 6,770,000. The joint venture company of Cangzhou city is under the stage of establishment as at March 31, 2005.

Nanpixian is located in south-east part of Hebei Province and has a total area of 800 square miles with total population of 360,000 of whom 50,000 resided in the urban areas. Nanpi Zhongran was established in October 2004. As at March 31, 2005, no contribution was recorded from Nanpi Zhongran.

Qinghexian is located in south-east part of Hebei Province and has a total area of 502 square miles with total population of 360,000 of whom 40,000 resided in the urban areas. As at March 31, 2005, Qinghexian Zhongran was under the stage of establishment.

Guangxi Zhuang Autonomous Region

The Group currently has its investment in Yulin city and Qin Zhou city, Guangxi Zhuang Autonomous Region.

Yulin city is located in south-east part of Guangxi Zhuang Autonomous Region and has a total area of 12,800 square miles with total population of 5,400,000 of whom 400,000 resided in the urban areas. As at March 31, 2005, Yulin Zhongran was in the process of establishment.

於二零零四年十月，本集團與滄州市政府就成立合資公司簽訂合營協議，合資公司主要於滄州市從事天然氣項目。合資公司的註冊資本為人民幣5,000萬元，總投資金額為人民幣150,000,000元。合資公司由本集團擁有70%權益。滄州市位於河北省東南部，包括兩個直轄區及十個縣。滄州市約有人口6,770,000人。截至二零零五年三月三十一日，滄州市合資公司仍在成立中。

南皮縣位於河北省東南部，總面積800平方里，人口約36萬人，當中約5萬人居於城市地區。南皮中燃於二零零四年十月成立。截至二零零五年三月三十一日，南皮中燃並未有業績貢獻。

清河縣位於河北省東南部，面積502平方里，人口約36萬人，當中約4萬人居於城市地區。截至二零零五年三月三十一日，清河中燃仍在成立中。

廣西壯族自治區

本集團目前於廣西壯族自治區玉林市及欽州市已有投資。

玉林市位於廣西壯族自治區東南部，面積1.28萬平方里，玉林市人口約540萬人，當中40萬人居於城市地區。截至二零零五年三月三十一日，玉林中燃仍在成立中。



Management Discussion and Analysis 管理層之討論及分析

Qinzhou city is located along the coastal of the southern part of Guangxi Zhuang Autonomous Region and has a total area of 10,800 square miles with total population of 3,300,000 of whom 220,000 resided in the urban areas. Qinzhou Zhongran was established in January 2005 and is wholly owned by the Group. As at March 31, 2005, no contribution was recorded.

Shaanxi Province

This is the first time of the Group to have its investment in Shaanxi province.

A cooperation agreement was entered into between the Company and Xi'an National Hi-Tech Industrial Development Zone Administrative Committee for the establishment of Xi'an Zhongran, a wholly-owned subsidiary of the Group, to operate natural gas project in Xi'an National Hi-Tech Aviation Development Zone and the new development zones around X'ian National Hi-Tech Industrial Development Zone in November 2004. Xi'an Zhongran was in the process of establishment as at March 31, 2005.

Beijing

Following the cooperation agreement entered into between the Company and 北京市燃氣集團有限責任公司 (Beijing Gas Group Company Limited) ("Beijing Gas Group") in May 2004, a joint venture company namely Beijing Jinggang Gas Development Company Limited ("Beijing Jinggang") was formed by the Company and Beijing Gas Group in January 2005. Beijing Jinggang has a registered capital of RMB30,000,000 and was owned as to 49% by the Company and 51% by Beijing Gas Group and it will operate natural gas projects in the suburb areas including six districts in Beijing and the relevant exclusive operating rights are under the process of application.

欽州市位於廣西壯族自治區南部沿海，面積1.08萬平方公里，欽州市人口約330萬人，當中22萬人居於城市地區。欽州中燃於二零零五年一月成立，為集團全資附屬公司。截至二零零五年三月三十一日，公司並未有業績貢獻。

陝西省

本集團首次於陝西省投資天然氣項目。

於二零零四年十一月，集團與西安高新技術產業開發區管理委員會簽訂合作協議成立西安中燃並為集團之全資附屬公司，西安中燃於西安高新區航空科技產業園及高新區新開發區域經營天然氣項目。截至二零零五年三月三十一日，西安中燃仍在成立中。

北京

於二零零四年五月，本集團與北京市燃氣集團有限責任公司（「北京燃氣集團」）簽署合作協議成立合資公司，合資公司名稱為北京京港燃氣發展有限公司（「北京京港」）並於二零零五年一月成立。北京京港註冊資本為人民幣30,000,000元，其中49%權益由本集團持有，51%權益由北京燃氣集團持有；並共同投資經營北京周邊地區共6區的管道天然氣項目，有關管道燃氣專營權的申請正在進行之中。



CHINA GAS

Other events

In March 2005, the Group, through its subsidiaries, signed a cooperation agreement with People's Government of Nanlingxian, Anhui province for the establishment of a wholly owned subsidiary namely Nanlingxian Zhongran and will have a registered capital of RMB10,000,000.

In April 2005, the Group, through its subsidiaries, signed a cooperation agreement with People's Government of Guangshui city for the establishment of a wholly owned subsidiary namely Guangshui Zhongran and will have a registered capital of HK\$7,500,000.

In April 2005, the Group, through its subsidiaries, signed a joint venture agreement with 紹興縣中國輕紡城管道燃氣有限公司 (Shaoxing County China Qing Fang City Piped Gas Company Limited) ("China Qing Fang City") for the establishment of Shaoxing Zhongran to be engaged in the natural gas project in Shaoxing, Zhejiang province with exclusive rights for the operation of the piped gas business for 30 years. Shaoxing Zhongran will have a registered capital of RMB70,000,000 and owned as to 55% by the Group and 45% by China Qing Fang City.

In April 2005, the Group signed a cooperation agreement with 廣東省茂名市建設局 (Maoming City Construction Bureau, Guangdong province) for the establishment of a wholly-owned subsidiary by the Company namely Maoming Zhongran to operate natural gas project in Maoming city, Guangdong province. Maoming Zhongran will have a registered capital of RMB50,000,000.

其他

二零零五年三月，本集團通過附屬公司與安徽省南陵縣人民政府簽署《安徽省南陵縣天然氣項目投資開發合同》，於南陵縣成立一間公司名為南陵縣中燃並由本集團全資擁有，南陵縣中燃之註冊資本為人民幣10,000,000元。

二零零五年四月，本集團通過附屬公司與廣水市人民政府簽署《廣水市燃氣利用工程項目建設經營協議書》，於廣水市成立一間公司名為廣水中燃並由本集團全資擁有，廣水中燃之註冊資本為7,500,000港元。

二零零五年四月，本集團通過附屬公司與紹興縣中國輕紡城管道燃氣有限公司（「中國輕紡城」）簽署合資合同，於浙江省紹興縣成立一間合資公司名為紹興中燃，主要從事天然氣項目並獲發為期三十年的經營管道燃氣項目之專營權。紹興中燃之註冊資本為人民幣70,000,000元並分別由本集團擁有55%及中國輕紡城擁有45%。

二零零五年四月，本集團與廣東省茂名市建設局簽署合作合同，於廣東省茂名市成立一間公司名為茂名中燃並由本集團全資擁有，茂名中燃於廣東茂名市經營天然氣項目，其註冊資本為人民幣50,000,000元。



Management Discussion and Analysis 管理層之討論及分析

In May 2005, the Group, through its subsidiaries, signed 《徐州市賈汪區燃氣利用工程項目經營合同書》(Operation Agreement of Exploitation of Natural Gas Construction Project of Jiawang district, Xuzhou city) with People's Government of Jiawang district, Xuzhou city, Jiangsu province and 《新沂市燃氣利用工程項目經營合同書》(Operation Agreement of Exploitation of Natural Gas Construction Project of Xinyi city) with People's Government of Xinyi city, Jiangsu province for the establishment of two wholly owned subsidiaries in Jiawang district, Xuzhou city and Xinyi city namely Xuzhou Zhongran and Xinyi Zhongran respectively and with registered capital of RMB10,000,000 and HK\$10,000,000 respectively.

In May 2005, the Group, through its subsidiaries, signed two cooperation agreements in Fengtaixian and Huoshanxian, Anhui province for the establishment of two wholly owned subsidiaries in Fengtaixian and Huoshanxian namely Fengtaixian Zhongran and Huoshanxian Zhongran respectively and with registered capital each of RMB5,000,000.

Financial Review

Liquidity and Financial Resources

As at March 31, 2005, the audited total assets of the Group was HK\$2,750,723,000, increased by approximately 105% as compared to March 31, 2004.

As at March 31, 2005, cash on hand was HK\$695,389,000 (March 31, 2004: HK\$471,823,000). The Group's total bank and other borrowings amounted to HK\$1,323,446,000 (March 31, 2004: HK\$591,719,000) of which approximately 13.1%, 5.5%, 31.7% and 49.7% would be due within one year, from first to second year, from second to fifth year and after the fifth year, respectively.

二零零五年五月，本集團通過附屬公司先分別與江蘇省徐州市賈汪區人民政府和江蘇省新沂市人民政府簽署《徐州市賈汪區燃氣利用工程項目經營合同書》及《新沂市燃氣利用工程項目經營合同書》，分別於徐州市賈汪區和新沂市成立徐州中燃和新沂中燃並由本集團全資擁有，兩間公司的註冊資本分別為人民幣10,000,000元及10,000,000港元。

二零零五年五月，本集團通過附屬公司先後在安徽省鳳台縣和霍山縣簽署兩份合作合同，分別於鳳台縣和霍山縣成立鳳台中燃和霍山中燃並由本集團全資擁有，兩間公司的註冊資本均為人民幣5,000,000元。

財務回顧

流動資金及財務資源

於二零零五年三月三十一日，本集團經審核總資產值為2,750,723,000港元，與二零零四年三月三十一日比較，增加約105%。

於二零零五年三月三十一日，本集團現金為695,389,000港元(二零零四年三月三十一日：471,823,000港元)。本集團銀行貸款及其它貸款總額為1,323,446,000港元(二零零四年三月三十一日：591,719,000港元)，而其約13.1%、5.5%、31.7%及49.7%將分別於一年、由一至兩年、由兩年至五年及五年後到期。



The Group has a current ratio of approximately 3.15 (March 31, 2004: 2.65) and the net gearing ratio was 0.81 (March 31, 2004: 0.4). The calculation of net gearing ratio was based on the net borrowings of HK\$797,073,000 (total borrowings of HK\$1,492,462,000 less bank balances and cash of HK\$695,389,000) and the net assets of HK\$988,541,000 as at March 31, 2005.

Capital commitments in respect of the acquisition of property, plant and equipment and construction materials contracted for as at March 31, 2005 was HK\$661,157,000 (March 31, 2004: HK\$572,712,000) and HK\$405,968,000 (March 31, 2004: HK\$561,696,000) which would require a substantial use of the Group's present cash resources and external funding. The Group has committed to acquire interests in certain PRC enterprise and to establish certain Sino-foreign joint venture companies in the PRC.

The Group does not anticipate any material foreign exchange exposure since its cash, borrowings, revenue and expenses are denominated in Hong Kong dollars and RMB.

Capital Structure

During the financial year, the Group obtained various funds from institutions or by placing of shares to strategic investors.

In September 2004, the Company placed a total of 90,000,000 shares at HK\$0.52 per share to an independent investor and the net proceeds of approximately HK\$46,700,000 was received.

In September 2004, the Company entered two warrants placing agreements with two independent investors for the placing of a total of 260,000,000 warrants at an issue price of HK\$0.01 per warrant (the "Warrant"). The Warrant has an initial exercise price of HK\$0.66 per share for a period of five years commencing from the date of issue of the Warrant. As at March 31, 2005, 170,000,000 Warrants were exercised and the proceeds from exercising of Warrants HK\$112,200,000 were received.

本集團流動比率約為3.15(二零零四年三月三十一日: 2.65), 淨資產負債比率為0.81(二零零四年三月三十一日: 0.4), 淨產本負債比率之計算是根據截至二零零五年三月三十一日之淨借貸797,073,000港元(總借貸1,492,462,000港元減銀行結餘及現金695,389,000港元)及淨資產988,541,000港元計算。

於二零零五年三月三十一日, 本集團於就已訂約收購之物業、廠房及設備及建築材料合同分別作出為數661,157,000港元(二零零四年三月三十一日: 572,712,000港元)及405,968,000港元(二零零四年三月三十一日: 561,696,000港元)之資本承擔, 需要動用大量本集團現有現金及向外融資。本集團已承諾收購部份中國企業股份及於中國成立中外合資企業。

外匯風險對本集團並沒有太重要的影響, 因本集團所持有的現金、貸款、收益及費用全部以港元及人民幣列值。

資本結構

於財政年度, 本集團獲得不同渠道的融資及向策略性投資者配售公司股份。

於二零零四年九月, 公司向一位獨立投資者以每股0.52港元配售公司合共90,000,000股股份, 所得款項淨額約46,700,000港元。

於二零零四年九月, 公司與兩位獨立投資者簽署認股權證協定, 以發行價每份認股權證0.01港元配售合共260,000,000份認股權證(「認股權證」)。認股權證初步行使價為每股0.66港元, 由認股權證配發日起計五年。截至二零零五年三月三十一日, 共170,000,000份認股權證已行使, 所得款項約112,200,000港元。



Management Discussion and Analysis 管理層之討論及分析

In October 2004, the Group entered into a repurchase agreement with Merrill Lynch International for (i) the repurchase of US\$3,500,000 convertible bonds at a repurchase price of US\$3,850,000; and (ii) to amend the terms of the remaining outstanding US\$3,500,000 convertible bonds ("Outstanding Bonds"). Pursuant to the terms of the agreement, the Group has the rights to make cash payment at 115% of the principal amount of the Outstanding Bonds to Merrill Lynch in full satisfaction of the conversion rights of the Outstanding Bonds converted. During the financial period under review, a total of US\$2,500,000 of the Outstanding Bonds was being repurchased by the Group and US\$1,000,000 of the Outstanding Bonds was converted into ordinary shares of the Group.

On October 31, 2004, the Company entered into a subscription agreement with Sinopec Corp for the subscription of 210,000,000 shares of the Company at a subscription price of HK\$0.61 per share. Net proceeds of approximately HK\$128,000,000 was received.

In February 2005, the Company entered into a subscription agreement with GAIL (India) Limited for the subscription of 210,000,000 shares of the Company at a subscription price of HK\$1.158 per share. Net proceeds of approximately HK\$242,000,000 was received. Completion of the transaction was taken place in May 2005.

In April 2005, the Company and eleven foreign banks signed a syndicated loan agreement for a five-year international syndicated loan in the amount of US\$60,000,000. The syndicated loan was arranged and underwritten by SG, Commerzbank and OUS together with eight other banks from South Korea, Thailand, Italy, France, Russia, Indonesia and Hong Kong. This is the first time the Group had obtained an unsecured bank loan since engaging in natural gas business and will mainly be used to invest in natural gas projects and of general working capital.

於二零零四年十月，集團與Merrill Lynch International簽訂回購協議(i)以回購價3,850,000美元購回3,500,000美元可換股債券；及(ii)更改餘下3,500,000美元可換股債券條款(「未行使債券」)。根據回購協定，集團有權以現金款項履行換股權，以未行使債券之本金額115%支付。於回顧期內，集團共購回2,500,000美元之未行使債券及共將1,000,000美元之未行使債券兌換集團普通股。

於二零零四年十月三十一日，本公司與中國石化簽署認購協議，中國石化同意以認購價每股0.61港元認購合共210,000,000股本公司股份，所得款項淨額約128,000,000港元。

於二零零五年二月，本公司與GAIL (India) Limited簽署認購協議，GAIL同意以認購價每股1.158港元認購合共210,000,000股本公司股份，所得款項淨額約242,000,000港元。交易已於二零零五年五月完成。

於二零零五年四月，本公司和11家外資銀行簽定銀團貸款協定，獲得五年期計6,000萬美元的國際銀團貸款。銀團貸款由法國興業銀行、德國商業銀行和新加坡華僑銀行協調安排並包銷，其他參與行包括來自南韓、泰國、意大利、法國、俄羅斯、印尼和香港本地的8家銀行，是集團自從事天然氣業務以來首次進行的完全由外資銀行提供無擔保銀團貸款，貸款所得資金將主要用於投資天然氣項目和一般營運資金。



CHINA GAS

In June 2005, a subscription agreement was entered into among the Group, CQS Convertible and Quantitative Strategies Master Fund Limited (“CQS”) and Courtenay Enterprise Limited (“Courtenay”) for the subscription of US\$40,000,000 convertible bonds by CQS and Courtenay. CQS will subscribe for an amount of US\$25,000,000 and Courtenay will subscribe for an amount of US\$15,000,000. The conversion price of the Convertible Bonds is HK\$1.731 and the maturity date will be 29 June 2010 with 1 per cent interest. Net proceeds of approximately HK\$301,860,000 will be applied to the investment of natural gas projects and for the general working capital of the Group.

Charge on Assets

As at March 31, 2005, the Group pledged part of fixed assets having a net book value of approximately HK\$399,393,000 (March 31, 2004: HK\$39,682,000) and certain investments in subsidiaries to financial institutions to secure loan facilities granted to the Group.

Contingent Liabilities

As at March 31, 2005, the Group did not have any material contingent liabilities (March 31, 2004: Nil).

Liu Ming Hui
Managing Director

July 8, 2005

於二零零五年六月，集團與CQS Convertible and Quantitative Strategies Master Fund Limited (“CQS”) 和 Courtenay Enterprise Limited (“Courtenay”) 簽署認購協定，CQS 和 Courtenay 認購本公司按面值發行的可轉換債券4,000萬美元，其中CQS認購2,500萬美元，Courtenay認購1,500萬美元。可轉換債券的換股價為1.731港元，債券到期日為二零一零年六月二十九日，發行的票面利率為1%。集團於完成交易後將所得款項淨額約301,860,000港元，將用於投資天然氣項目及本集團一般營運資金。

抵押資產

於二零零五年三月三十一日，本集團抵押部份固定資產，其賬面淨值約399,393,000港元(二零零四年三月三十一日：39,682,000港元)及部份附屬公司之投資予財務機構，以獲得貸款額度。

或然負債

於二零零五年三月三十一日，本集團並無任何重大或然負債(二零零四年三月三十一日：無)。

董事總經理
劉明輝

二零零五年七月八日



Biographical Details of Directors 董事履歷

Executive Directors

Mr. Li Xiao Yun, aged 50, is a Director of the Company since August 2001 and is appointed as Chairman of the Company since April 2002. Mr. Li graduated from Beijing University in 1979 and has over 23 years experience in economic management. Mr. Li is the President of Strait Travel Agency.

Mr. Xu Ying, aged 44, is a Director of the Company and is appointed as Vice-Chairman of the Company since August 2001. Mr. Xu graduated from Shanghai Jiao Tong University of Agriculture and Biology. Mr. Xu is the deputy President of Strait Travel Agency.

Mr. Liu Ming Hui, aged 42, is a Director of the Company since April 2002 and is appointed as Managing Director of the Company since July 2002. Mr. Liu received his Bachelor of Science Degree in Mathematics from Hebei Normal University in 1984. He had worked in various local government authorities and Chinese enterprises.

Mr. Ma Jin Long, aged 39, is a Director of the Company since September 2002. Mr. Ma received his Degree in Economics from Hebei University and has over 15 years experience in financial management. Mr. Ma is the Vice President of Beijing Zhongran Xiangke Oil Gas Technology Company Limited.

Mr. Zhu Wei Wei, aged 33, is a Director of the Company since September 2002. Mr. Zhu received his Degree of Master in Finance from Zhong-nan University of Finance & Economic. Mr. Zhu has over 10 years experience in project management.

Non-Executive Director

Mr. Feng Zhuo Zhi, aged 49, is a non-executive Director of the Company since May 2005. Mr. Feng graduated from 中國人民解放軍炮兵指揮學院 (Artillery College of the People's Liberation Army). Mr. Feng is the general manager of Straits Travel Agency.

執行董事

李小雲先生，年50歲，自二零零一年八月獲委任為本公司董事，並於二零零二年四月獲委任為本公司之主席。李先生在一九七九年畢業於北京大學，擁有超過二十三年之經濟管理經驗。李先生現為海峽旅行社之董事長。

徐鷹先生，年44歲，自二零零一年八月獲委任為本公司董事及副主席。徐先生畢業於上海交通大學農業與生物學院。徐先生現為海峽旅行社之副董事長。

劉明輝先生，年42歲，自二零零二年四月獲委任為本公司董事，並自二零零二年七月獲委任為本公司董事總經理。劉先生於一九八四年畢業於河北師範大學數學系獲理學士。彼曾在國內地方政府及多家中資企業任職。

馬金龍先生，年39歲，自二零零二年九月獲委任為本公司董事。馬先生獲河北大學頒授經濟學士學位並擁有超過十五年之財務管理經驗。馬先生現為北京中燃翔科嘉華油氣技術有限公司之副總裁。

朱偉偉先生，年33歲，自二零零二年九月獲委任為本公司董事。朱先生獲中南大學財經及經濟學頒授財經碩士學位。朱先生擁有超過十年項目管理經驗。

非執行董事

馮卓志先生，49歲，自二零零五年五月獲委任為本公司非執行董事。馮先生畢業於中國人民解放軍炮兵指揮學院。馮先生現為海峽旅行社總經理。

Independent non-executive Directors

Mr. Zhao Yu Hua, aged 38, appointed as an independent non-executive Director of the Company in November 2002. Mr. Zhao graduated from Institute of International Economic, Nankai University and holds a Master's Degree in Economic. He joined J&A Securities Company in 1993, engaging in corporate financing and advisory business.

Dr. Mao Er Wan, aged 42, appointed as an independent non-executive Director of the Company in January 2003. Dr. Mao graduated from Mathematics and System Sciences, Chinese Academy of Sciences and holds a Doctor Degree. He was the Chief Economist of Da Cheng Fund Management Co. Ltd. He is currently a professor of School of International Business, Beijing Foreign Studies University and a committee member of China Institute of Finance, Financial Engineering.

Ms. Wong Sin Yue Cynthia, aged 53, appointed as an independent non-executive director of the Company in October 2003. Ms. Wong holds a MBA degree and has over 15 years of investment banking experience. She has worked at Deutsche Morgan Grenfell and Societe Generale Hong Kong and held various senior positions during her services.

獨立非執行董事

趙玉華先生，年38歲，於二零零二年十一月獲委任為本公司獨立非執行董事。趙先生畢業於南開大學國際經濟研究所並持有經濟學碩士學位。趙先生自1993年起加入君安証券有限公司長期從事企業融資和財務顧問工作。

毛二萬博士，年42歲，於二零零三年一月獲委任為本公司獨立非執行董事。毛博士畢業於中國科學院數學與系統科學研究院並持有博士學位。毛博士曾為大成基金管理有限公司高級經濟師，現為北京外國語大學國際商學院教授及中國金融學會金融工程專業委員會委員。

黃倩如女士，年53歲，於二零零三年十月獲委任為本公司獨立非執行董事。黃女士持有工商管理碩士學位及擁有超過十五年之投資銀行經驗。彼曾於Deutsche Morgan Grenfell及Societe Generale Hong Kong工作並擔任資深職位。



Corporate Governance Report 企業管治報告書

Corporate governance refers to the system by which corporate affairs are directed and managed. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders, and clearly defines the rules and procedures for making decisions on corporate affairs and through monitoring performance to attain the Company's objectives. Fundamentals of good corporate governance include timely and reliable financial reporting, transparent and efficient management.

The Board of Directors (the "Board") and the management of China Gas Holdings Limited are committed to high standards of corporate governance.

Board Matters

The primary role of the Board is to protect and enhance long-term shareholder value. The Board is responsible for setting overall strategy for the Group, overseeing the businesses and affairs of the Group and monitoring the performance of the management.

The Board currently consists of nine directors of which five are executive directors, one is non-executive director and three are independent non-executive directors. Their names and positions are as follows:

Name of Director	Position
Executive Directors	
Mr. Li Xiao Yun	Chairman
Mr. Xu Ying	Vice-Chairman
Mr. Liu Ming Hui	Managing Director
Mr. Zhu Wei Wei	Executive Director
Mr. Ma Jin Long	Executive Director
Non-Executive Directors	
Mr. Feng Zhuo Zhi	Non-Executive
Mr. Zhao Yu Hua	Independent Non-Executive
Dr. Mao Er Wan	Independent Non-Executive
Ms. Wong Sin Yue Cynthia	Independent Non-Executive

企業管治是指監督和管理企業事務的體系。企業管治架構訂明企業內不同參與者(如董事會、經理、股東及其他股權持有人)的權利及職務分配，並明確界定就作出企業事務決策時的規則及程序，以及通過監察表現以達到本公司的目標。良好的企業管治基礎包括按時及可靠地披露財務報告、具透明度及有效的管理模式。

中國燃氣控股有限公司董事會(「董事會」)及管理層承諾保持高度的企業管治水平。

董事會事務

董事會的主要角色為保障及增加股東長遠的利益。董事會負責製定本集團整體的策略、監督本集團業務及事務，並監察管理層的表现。

董事會目前由九名董事組成，包括五名執行董事，一名非執行董事以及三名獨立非執行董事。彼等的姓名及職位載列如下：

董事名稱	職位
執行董事	
李小雲先生	主席
徐鷹先生	副主席
劉明輝先生	董事總經理
朱偉偉先生	執行董事
馬金龍先生	執行董事
非執行董事	
馮卓志先生	非執行
趙玉華先生	獨立非執行
毛二萬博士	獨立非執行
黃倩如女士	獨立非執行

With one-third of the members of the Board are independent, the Board is able to exercise independent judgment on corporate affairs and provide the management with a diverse and objective perspective on issues. The Board considers that all of the independent non-executive directors are independent and each of the independent non-executive directors has provided an annual confirmation of his/her independence to the Company pursuant to the requirement of the Listing Rules.

There is a clear separation of the roles and responsibilities of the Chairman and Managing Director and the two positions are held by two different members of the Board. The Chairman, though who is an executive director, is not responsible for daily business operation but he is responsible for the Company's overall strategic planning and to ensure the effectiveness of the Board. The Managing Director, on the other hand, is responsible to the daily operation of the Group and the running of the Group's business.

Directors are expected to attend board meetings and meetings of committees on which they serve and to spend the time needed and meet as frequently as necessary to properly discharge their responsibilities. Meeting agenda of the board meeting or committee meeting is generally distributed at least seven business days before the meeting date whereas the relevant board papers are generally distributed in writing to the directors at least three days in advance of the meeting for review by the directors. Sensitive subject matters may be discussed at the meeting without written materials being distributed in advance or at the meeting.

New director to the board is provided with appropriate briefings. In order to ensure our directors to be well-equipped, the Company is periodically provided materials or arrange for outside preparation for all directors on subjects that would assist them in discharging their duties.

由於董事會三分之一成員為獨立董事，故董事會可就企業事務作出獨立判斷，並向管理層就各項事宜提供各方面的意見及客觀分析。董事會認為，所有獨立非執行董事均為獨立人士，而每名獨立非執行董事已根據上市規則的規定向本公司提供有關其獨立性的年度確認書。

主席及董事總經理的角色及職責已清晰劃分，並由董事會兩位不同成員擔任。主席(須為執行董事)並不負責日常業務營運，但須負責計劃本公司整體策略及確保董事會有效運作；而董事總經理則負責本集團的日常營運及經營集團的業務。

董事預期須出席董事會會議及其擔任職務的委員會會議，並須付出適當履行其職責所需的時間及定期出席會議。董事會會議或委員會會議議程一般會在召開會議日期前最少七個工作日分發，而相關董事會文件一般會在召開會議前最少三日以書面方式分發予董事以供審閱。任何敏感事項可能會於並無事先或在會議上派發書面資料的情況下於會上討論。

董事會會向新加入的董事進行適當的簡要介紹。為確保各董事能妥善履行職務作好準備，本公司定期就若干題材提供資料或安排外界協助編製有關資料。



Corporate Governance Report 企業管治報告書

Pursuant to the bye-laws of the Company, at each annual general meeting ("AGM"), one-third of the directors shall retire from the office whilst the Chairman and Managing Director shall not be subject to retirement by rotation or to be taken in determining the number of directors to retire in each year. The retired directors should be those who have been the longest in the office since their last re-election. New director appointed by the Board during the year shall hold office until the next following AGM. The newly appointed director shall not be taken into account in determining the number of directors who are to retire by rotation at that AGM. All retiring directors are eligible for re-election at each AGM of the Company. Non-executive directors are not appointed for a fixed term but they are subject to retirement by rotation and re-election at AGM in accordance to the Bye-laws of the Company.

Analysts' reports and the relevant articles on the Group are forwarded to the directors on an on-going basis as and when received. Contacts details of the Group's senior management and the company secretary are provided so as to facilitate access. Besides, each director has the right to seek independent professional advice concerning any aspect of the Group's operations and undertakings in order to fulfill their duties and responsibilities as directors. The cost of such professional advice will be borne by the Company.

In order to ensure that the Board is able to fulfill its responsibilities, the Board has established and delegated specific responsibilities to the following committees:

1. Executive Committee
2. Audit Committee
3. Remuneration Committee

Other ad-hoc committees can be formed from time to time to look into specific areas as and when the need arises.

根據本公司的公司細則，三分之一的董事須於本公司每年的股東週年大會（「股東週年大會」）上退任，而主席及董事總經理毋須輪值退任或計入每年須退任的董事人數內。退任董事須為自上次膺選連任以來任期最長的董事。年內由董事會新委任的董事應在任直至下屆股東週年大會召開為止。新委任的董事毋須計入須於股東週年大會上輪值告退的董事人數內。所有退任董事均合資格在本公司每屆股東週年大會上膺選連任。非執行董事並無固定任期，惟須根據本公司的公司細則在股東週年大會上輪值告退，惟可膺選連任。

本集團不斷將有關集團的分析報告及有關報導於接獲時轉發予董事。本公司已提供集團高級管理人員及公司秘書的聯絡資料予各董事，方便聯絡。此外，各董事有權就本集團營運各方面及作出的承諾尋求獨立專業的意見，以履行作為董事的職責及責任，而有關專業意見的費用由本公司承擔。

為確保董事會能履行其職務，董事會已設立以下委員會並授予特定職權：

1. 執行委員會
2. 審核委員會
3. 薪酬委員會

如有需要，董事會可不時就特定範疇成立其他臨時委員會。

The principle functions of each of the above committees are as follows:

1. Executive Committee

The executive committee provides overall strategic direction to the management, to monitor the operations of all business units and to ensure that funding is adequate for the Group's investment projects. The members of the committee included the Vice-Chairman, Managing Director and two executive directors. The committee meets as and when required to discuss the daily operations and affairs of the Group. Besides, a committee comprising two of the executive directors was set up to approve the issue and allotment of shares under the share option scheme of the Company when exercise of share options arose. In order to further assist the executive committee, sub-committees are formed which including executive directors and senior management of which they are performing key operational and functional areas and they report to the Managing Director regularly.

2. Audit Committee

Audit committee consists of all independent non-executive directors. The main responsibility of the audit committee is to review with the external auditors and the management, the Company's general policies and internal financial control procedures. It also reviews half-yearly and annual results announcements as well as the financial statements of the Group before they are submitted to the Board for approval. The audit committee also recommends the appointment and re-appointment of the Company's external auditors.

The audit committee had met two times during the financial year ended 31 March 2005 to review the interim and annual results of the Group.

上述各委員會的主要職能如下：

1. 執行委員會

執行委員會負責向管理層提供整體策略的方向，監察所有業務單位的運作，並確保本集團有充足的資金應付投資項目所需。委員會的成員包括副主席、董事總經理及兩名執行董事。委員會不時舉行會議商討本集團日常營運及事務。此外，包括兩名執行董事的委員會已成立，以批准根據本公司購股權計劃行使購權股而需發行及配發股份。為了進一步協助執行委員會履行職責，小組委員會亦成立，其成員包括執行董事及負責主要運作及職能的高級管理人員，他們須定期向董事總經理作出匯報。

2. 審核委員會

審核委員會由全體獨立非執行董事組成。審核委員會的主要職責為與外部核數師及管理層共同檢討本公司的常務政策及內部財務監控程序。在呈交董事會批准前，該委員會亦須審閱本集團的中期、全年業績公佈及財務報表。審核委員會亦須就聘任及續聘本公司的外部核數師提供推薦意見。

審核委員會於截至二零零五年三月三十一日止財政年度召開兩次會議，以省覽本集團中期及年度業績。



Corporate Governance Report 企業管治報告書

3. Remuneration Committee

The remuneration committee consists of all independent non-executive directors and one executive director. The principal responsibilities of the remuneration committee are to approve and to recommend to the board the remuneration policy, compensation policy, structure for directors and senior management and on the establishment of a formal and transparent procedure for developing such policies. It also ensures that no directors or any of his/her associates is involved in determining his/her own remuneration.

Directors' securities transactions

The Group has adopted Model Code set out in Appendix 10 of the Listing Rules.

The Board confirmed that for the financial year ended March 31, 2005, all of the directors of the Company have complied with the Model Code set out in Appendix 10 of the Listing Rules.

Communications with shareholders

The Board is accountable to the Company's shareholders for the performance and activities of the Group and is very much aware of maintaining good relations and communications with all its shareholders. Information is communicated to shareholders on a timely basis through corporate announcements, annual reports, interim reports, half-year and full-year announcements and circulars. The Board recognises that the Annual General Meeting ("AGM") provides a principal forum for dialogue with shareholders. The notice of the AGM is dispatched to the shareholders of the Company, together with explanatory notes or a circular on items of special business, at least 21 calendar days before the meeting. The Board welcomes questions from shareholders who have an opportunity to raise issues either formally or informally before or at the AGM.

3. 薪酬委員會

薪酬委員會由全體獨立非執行董事及一位執行董事組成。薪酬委員會的主要職責為批准薪酬政策、補償政策，以及董事與高級管理層的架構，並就制定上述政策的正式和具透明度的程序向董事會提供建議。該委員會亦須確保董事或其任何聯繫人士並無參與釐定其本身酬金。

董事進行證券交易

本集團採納上市規則附錄10所載的標準守則。

董事會確認，截至二零零五年三月三十一日止財政年度，本公司所有董事一直遵守上市規則附錄10所載的標準守則。

與股東保持良好溝通

董事會須就本集團的表現及業務向本公司股東作出交代，並充分明瞭與全體股東維持良好關係與溝通的重要性。透過刊發公司公告、年報、中期報告、中期與全年業績公佈及通函，按時向股東發放有關信息。董事會了解到股東週年大會（「股東週年大會」）為與股東直接對話的主要渠道。於召開股東週年大會最少21個曆日前，本公司股東可獲寄發股東週年大會通告，以及就特別事項發出的說明文件或通函。董事會歡迎股東藉此機會於股東週年大會召開當日或之前，以正式或非正式的途徑提問。

Separate resolution for each substantially issue, including the election of director, is proposed at a general meeting. Details of the poll voting procedures and rights of shareholders to demand a poll are included in the Company's circulars.

During the financial year ended 2004, there was no other significant changes made in the Company's bye-laws except for those amendments which were in compliance with the change in Listing Rules and Securities and Future Ordinance which took effect in April 2004.

Investors Relations

The Board acknowledged the importance to establish good relationship with analysts and investors. The Company has established a channel for communication with institutional investors and analysts. During the financial year, there are regular site visits, luncheons, telephone conferences and non deal roadshow with analysts and investors to update them on the latest business development of the Group. Public are welcome to give their comments and make their enquires through the Company's website (www.chinagasholdings.com.)

就重大事項(其中包括甄選董事)將於股東大會上另行提呈決議案。有關投票表決程序及股東要求以投票方式表決程序的詳情載於本公司通函內。

於截至二零零四年止財政年度,除了為符合由二零零四年四月起生效的上市規則及證券及期貨條例的修訂而作出的修訂外,本公司的公司細則並無作出任何其他重大修訂。

投資者關係

董事會明白與分析員及投資者建立良好關係尤為重要。本公司與機構投資者及分析員已建立了溝通渠道。於本財政年度,本公司定期安排分析員及投資者參觀項目,共進午餐,並舉行電話會議及不涉及交易的路演,藉此向他們披露本集團業務最新發展的情況。公眾人士歡迎透過本公司網站(網址為www.chinagasholdings.com)提供意見及作出查詢。



Directors' Report 董事會報告書

The directors present their annual report and the audited financial statements for the year ended March 31, 2005.

PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The activities of its principal subsidiaries and an associate are set out in notes 17 and 18, respectively, to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended March 31, 2005 are set out in the consolidated income statement on page 60.

No dividend was paid during the year.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 139.

PROPERTY, PLANT AND EQUIPMENT

Movements in the property, plant and equipment of the Group and the Company during the year are set out in note 15 to the financial statements.

MAJOR PROPERTIES

Details of the major properties of the Group at March 31, 2005 are set out on page 140.

董事會謹此提呈截至二零零五年三月三十一日止年度之年度報告書及經審核財務報表。

主要業務

本公司為一間投資控股公司。其主要附屬公司及聯營公司之業務分別載於財務報表附註17及18。

業績及股息分派

本集團截至二零零五年三月三十一日止年度之業績載於第60頁之綜合收益表。

年內並無派發股息。

財務摘要

本集團過去五個財政年度之業績摘要及資產與負債之摘要載於第139頁。

物業、廠房及設備

本集團及本公司之物業、廠房及設備於年內之變動載於財務報表附註15。

主要物業

本集團於二零零五年三月三十一日之主要物業詳情載於第140頁。

SHARE CAPITAL AND WARRANTS

Movements in the share capital and outstanding warrants of the Company are set out in note 30 to the financial statements.

On September 28, 2004, pursuant to agreements made between the Company and two independent investors, 260,000,000 warrants were issued at a price of HK\$0.01 per warrant. Each of the warrants will give the holder the right to subscribe in cash for one share of the Company at an initial subscription price of HK\$0.66 per share of HK\$0.01 of the Company at any time from the date of issue thereof up to and including September 27, 2009.

During the year, 170,000,000 warrants were exercised and 170,000,000 ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.66 per share were issued. At the balance sheet date, the Company had outstanding 90,000,000 warrants. Exercise in full of such warrants would result in the issue of 90,000,000 additional shares.

RESERVES

Movements in the reserves of the Group and the Company during the year are set out in the consolidated statement of changes in equity on page 64 and note 31 to the financial statements, respectively.

POST BALANCE SHEET EVENTS

Details of the significant events occurring after the balance sheet date are set out in note 46 to the financial statements.

股本及認股權證

本公司之股本及尚未償還認股權證變動載於財務報表附註30。

於二零零四年九月二十八日，根據本公司與兩位獨立投資者訂立之協議，以每份認股權證0.01港元之價格，發行260,000,000份認股權證。每份認股權證賦予其持有人權利，由認股權證發行當日起計至二零零九年九月二十七日（包括該日）之任何期間，按初步認購價為每股0.66港元，以現金認購一股本公司股本中每股面值0.01港元之股份。

於年內，170,000,000份認股權證已獲行使，本公司已按每股股份0.66港元之價格發行170,000,000股每股面值0.01港元之普通股。於結算日，本公司有90,000,000份尚未行使之認股權證。倘悉數行使上述認股權證，則本公司將額外發行90,000,000股股份。

儲備

本集團及本公司儲備年內變動分別載於第64頁之綜合權益變動表及財務報表附註31。

結算日後事項

結算日後發生之重要事項詳情載於財務報表附註46。



Directors' Report 董事會報告書

DIRECTORS

The directors of the Company during the year and up to the date of this report are:

Executive directors

Mr. Li Xiao Yun
Mr. Xu Ying
Mr. Liu Ming Hui
Mr. Zhu Wei Wei
Mr. Ma Jin Long

Non-executive directors

Mr. Feng Zhuo Zhi (appointed on May 20, 2005)
Mr. Wu Bang Jie (resigned on May 20, 2005)

Independent non-executive directors

Mr. Zhao Yu Hua
Dr. Mao Er Wan
Ms. Wong Sin Yue Cynthia

In accordance with the provisions of the Company's Bye-laws, Mr. Feng Zhuo Zhi, Mr. Zhao Yu Hua and Mr. Zhu Wei Wei shall retire and, being eligible, offer themselves for re-election.

The term of office of each non-executive director or independent non-executive director is the period up to his retirement by rotation in accordance with the above clause of the Company's Bye-laws.

No director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

董事

年內及截至本報告刊發日期，本公司之在任董事如下：

執行董事

李小雲先生
徐鷹先生
劉明輝先生
朱偉偉先生
馬金龍先生

非執行董事

馮卓志先生
(於二零零五年五月二十日獲委任)
吳邦杰先生
(於二零零五年五月二十日辭任)

獨立非執行董事

趙玉華先生
毛二萬博士
黃倩如女士

按照本公司公司細則之規定，馮卓志先生、趙玉華先生及朱偉偉先生將會告退，彼等合乎資格並願膺選連任。

各非執行董事或獨立非執行董事之任期乃按照上述本公司公司細則之條款規定至其輪值告退為止之期間。

概無擬於應屆股東週年大會上膺選連任之董事訂有可由本集團於一年內在不予補償(法定補償除外)下終止之服務合約。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at March 31, 2005, the interests or short positions of the directors and chief executives of the Company in the equity or debt securities and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange of Hong Kong Limited ("Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Rules Governing the Listing of Securities (the "Listing Rules"), to be notified to the Company and the Stock Exchange were as follows:

(a) Ordinary shares of HK\$0.01 each of the Company (the "Shares")

董事及行政總裁於股份之權益

於二零零五年三月三十一日，董事及行政總裁於本公司或其相聯法團（按證券及期貨條例（「證券及期貨條例」）第XV部之涵義）之股本或債務證券及相關股份中擁有(a)根據證券及期貨條例第XV部第7及第8分部必須知會本公司及香港聯合交易所（「聯交所」）之權益或短倉（包括根據證券及期貨條例有關條文該董事被視為或當作擁有之權益或短倉）；或(b)根據證券及期貨條例第352條規定必須列入該條例所指之登記冊內之權益或短倉；或(c)根據證券上市規則（「上市規則」）所載上市公司董事進行證券交易之標準守則必須通知本公司及聯交所之權益或短倉如下：

(a) 本公司每股面值0.01港元之普通股（「股份」）

Name of director	Nature of interest	Number of attributable number of Shares held	Approximate percentage or attributable percentage of shareholdings (%)
董事名稱	權益性質	應佔之股份數目	持股概約百分比或應佔百分比(%)
Mr. Liu Ming Hui ("Mr. Liu") 劉明輝先生（「劉先生」）	Personal 個人	375,000,000 (L) 180,000,000 (S) (Note) (附註)	16.71 8.02

L: Long position
S: Short position

L: 長倉
S: 短倉



Directors' Report 董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES (Continued)

- (a) Ordinary shares of HK\$0.01 each of the Company (the "Shares") (Continued)

Note: Pursuant to the sale and purchase agreement dated March 8, 2005 (the "Sale and Purchase Agreement"), Mr. Liu has agreed to sell an aggregate of 190,000,000 Shares to Hai Xia Finance Holdings Limited ("Hai Xia"). As at March 31, 2005, the sale and purchase of 10,000,000 Shares has been completed. Details of the Sale and Purchase Agreement are set out in the announcement of the Company dated March 9, 2005.

These 375,000,000 Shares represent 195,000,000 Shares beneficially owned by Mr. Liu and 180,000,000 Shares agreed to be delivered to Hai Xia pursuant to the Sale and Purchase Agreement.

- (b) Share options

Name of director	Number of options held (Note) 持有購股權 數目 (附註)
Li Xiao Yun 李小雲	5,000,000 5,000,000份
Xu Ying 徐鷹	95,000,000 95,000,000份
Mr. Liu 劉先生	135,000,000 135,000,000份

董事及行政總裁於股份之權益 (續)

- (a) 本公司每股面值0.01港元之普通股(「股份」)(續)

附註： 根據於二零零五年三月八日訂立之買賣協議(「買賣協議」)，劉先生已同意向海峽金融控股有限公司(「海峽」)出售合共190,000,000股股份。於二零零五年三月三十一日已完成買賣10,000,000股股份。買賣協議之詳情載於本公司在二零零五年三月九日刊發之公佈內。

該等375,000,000股股份乃指由劉先生實益擁有之195,000,000股股份及根據買賣協議將予交付海峽之180,000,000股股份。

- (b) 購股權

Nature of interest	Number of underlying shares
Beneficial owner 實益擁有人	5,000,000 5,000,000份
Beneficial owner 實益擁有人	95,000,000 95,000,000份
Beneficial owner 實益擁有人	135,000,000 135,000,000份

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES (Continued)

(b) Share options (Continued)

Name of director	Number of options held (Note) 持有購股權數目 (附註)
Zhu Wei Wei 朱偉偉	10,000,000 10,000,000份
Ma Jin Long 馬金龍	9,240,711 9,240,711份
Wu Bang Jie 吳邦杰	3,000,000 3,000,000份
Zhao Yu Hua 趙玉華	1,700,000 1,700,000份
Mao Er Wan 毛二萬	1,700,000 1,700,000份
Wong Sin Yue Cynthia 黃倩如	1,700,000 1,700,000份
	<u>262,340,711</u>

Note: The share options were granted under the share option scheme adopted by the Company on February 6, 2003 and the holders thereof are entitled to subscribe for Shares at an exercise price and exercise period as disclosed in the section headed "Share Options" below.

董事及行政總裁於股份之權益 (續)

(b) 購股權 (續)

Nature of interest	Number of underlying shares
Beneficial owner 實益擁有人	10,000,000 10,000,000份
Beneficial owner 實益擁有人	9,240,711 9,240,711份
Beneficial owner 實益擁有人	3,000,000 3,000,000份
Beneficial owner 實益擁有人	1,700,000 1,700,000份
Beneficial owner 實益擁有人	1,700,000 1,700,000份
Beneficial owner 實益擁有人	1,700,000 1,700,000份
	<u>262,340,711</u>

附註：該等購股權乃根據本公司於二零零三年二月六日採納之購股權計劃授出，其持有人可按下文「購股權」一節所述之行使價及行使期認購股份。



Directors' Report 董事會報告書

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES *(Continued)*

Save as disclosed above, as at March 31, 2005, none of the directors nor the chief executives of the Company had or was deemed to have any interests or short positions in the equity or debt securities and underlying shares of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors were taken or deemed to have under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and Chief Executives' Interests in Shares" above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

SHARE OPTIONS

Particulars of the Company's share option scheme are set out in note 44 to the financial statements.

董事及行政總裁於股份之權益 (續)

除上文所披露者外，於二零零五年三月三十一日，本公司之董事及行政總裁概無於本公司或其相聯法團（按證券及期貨條例第XV部之涵義）之股本或債務證券及相關股份中擁有或被視作擁有(a)根據證券及期貨條例第XV部第7及第8分部必須通知本公司及聯交所之權益或短倉（包括根據證券及期貨條例有關條文該等董事被視為或當作擁有之權益或短倉）；或(b)根據證券及期貨條例第352條規定必須列入該條例所指之登記冊內之權益或短倉；或(c)根據上市規則所載上市公司董事進行證券交易之標準守則必須通知本公司及聯交所之權益或短倉。

購買股份或債券之安排

除上文「董事及行政總裁於股份之權益」一節所披露者外，本公司或其任何附屬公司或均無於年內任何時間作出任何安排，以便本公司董事藉收購本公司或任何其他法人團體之股份或債券而獲益。

購股權

本公司購股權計劃之詳情載於財務報表附註44。

SHARE OPTIONS (Continued)

The following table discloses movements in the Company's share options during the year:

購股權 (續)

下表披露本公司購股權於年內之變動：

Name	Exercisable period	Exercise price per share	Outstanding at April 1, 2004	Number of share options			Outstanding at March 31, 2005
				Granted during the year	Exercised during the year	Lapsed during the year	
姓名	行使期	每股行使價 HK\$ 港元	於 二零零四年 四月一日 尚未行使	於年內授出 (Note 3) (附註3)	於年內行使	於年內失效	於 二零零五年 三月三十一日 尚未行使
Directors							
董事							
Li Xiao Yun 李小雲	9.1.2004 to 1.8.2014	0.80	5,000,000	-	-	-	5,000,000
Xu Ying 徐鷹	9.1.2004 to 1.8.2014 (Note 1) (附註1)	0.80 0.71	5,000,000 -	- 90,000,000	- -	- -	5,000,000 90,000,000
Mr. Liu 劉先生	9.1.2004 to 1.8.2014 (Note 1) (附註1)	0.80 0.71	5,000,000 -	- 130,000,000	- -	- -	5,000,000 130,000,000
Zhu Wei Wei 朱偉偉	9.1.2004 to 1.8.2014 (Note 2) (附註2)	0.80 0.71	4,000,000 -	- 6,000,000	- -	- -	4,000,000 6,000,000
Ma Jin Long 馬金龍	9.1.2004 to 1.8.2014	0.80	9,240,711	-	-	-	9,240,711
Wu Bang Jie* 吳邦杰*	9.1.2004 to 1.8.2014 (Note 2) (附註2)	0.80 0.71	2,000,000 -	- 1,000,000	- -	- -	2,000,000 1,000,000
Zhao Yu Hua 趙玉華	9.1.2004 to 1.8.2014 1.1.2005 to 10.5.2014	0.80 0.71	1,000,000 -	- 700,000	- -	- -	1,000,000 700,000
Mao Er Wan 毛二萬	9.1.2004 to 1.8.2014 1.1.2005 to 10.5.2014	0.80 0.71	1,000,000 -	- 700,000	- -	- -	1,000,000 700,000
Wong Sin Yue Cynthia 黃倩如	9.1.2004 to 1.8.2014 1.1.2005 to 10.5.2014	0.80 0.71	1,000,000 -	- 700,000	- -	- -	1,000,000 700,000
			33,240,711	229,100,000	-	-	262,340,711
Other employees 其他僱員	9.1.2004 to 1.8.2014 (Note 2) (附註2)	0.80 0.71	88,000,000 -	- 166,300,000	(5,780,000) -	(1,100,000) -	81,120,000 166,300,000
			88,000,000	166,300,000	(5,780,000)	(1,100,000)	247,420,000
			<u>121,240,711</u>	<u>395,400,000</u>	<u>(5,780,000)</u>	<u>(1,100,000)</u>	<u>509,760,711</u>

* Resigned as a director of the Company on May 20, 2005.

* 已於二零零五年五月二十日辭任本公司董事一職。



Directors' Report 董事會報告書

SHARE OPTIONS (Continued)

Notes:

- (1) The exercisable period is from November 22, 2004 to October 5, 2014. The exercise of the options will be subject to the condition that the consolidated net asset value of the Company and its subsidiaries which shall be certified by the auditors appointed by the Company as at the date of the exercise of the options being not less than HK\$1 billion.
- (2) The original exercisable period was July 1, 2005 to October 5, 2014. Pursuant to a resolution passed in the board of directors meeting held on March 20, 2005, the exercisable period is changed to the period from March 20, 2005 to October 5, 2014.
- (3) The closing price of the Company's shares immediately before October 6, 2004, the date of grant, was HK\$0.71 per share.

The fair value of the options granted in the current year measured at the date of grant on October 6, 2004 was HK\$0.51 per option. The following significant assumptions were used to derive the fair value using the Black-Scholes option pricing model:

- i. an expected volatility of 59% based on historical volatility;
- ii. no annual dividend; and
- iii. the estimated expected life of the options granted during the year is 10 years. The corresponding 10 years Hong Kong Exchange Fund Notes interest rate at the date the options were granted was 4.32% per annum.

For the purposes of the calculation of fair value, no adjustment has been made in respect of options expected to be forfeited due to lack of historical data.

The Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share price. Because changes in subjective input assumptions can materially affect the fair value estimate, in the directors' opinion, the existing model does not necessarily provide a reliable single measure of the fair value of the share options.

購股權 (續)

附註：

- (1) 行使期由二零零四年十一月二十二日至二零一四年十月五日。行使購股權須視乎本公司所聘任之核數師於行使購股權時確認，本公司及其附屬公司之綜合資產淨值不少於10億港元。
- (2) 行使期原為由二零零五年七月一日至二零一四年十月五日。根據於二零零五年三月二十日召開董事會會議所通過之決議案，行使期更改由二零零五年三月二十日至二零一四年十月五日之期間。
- (3) 本公司股份於緊接二零零四年十月六日(授出日期)前之收市價為每股股份0.71港元。

於本年度內授出之購股權於授出日期二零零四年十月六日之公平值為每份購股權0.51港元。在運用畢蘇購股權定價模式推斷公平價值時曾作出下列各項主要假設：

- i. 基於過往波幅之預期波幅為59%；
- ii. 不設全年股息；及
- iii. 所授出購股權之預期有效期限為十年。於授出購股權日期，相對應之十年期香港外匯基金票據之接近息率為4.32%。

就計算合理價值而言，由於缺乏以往數據，並無對預期沒收之購股權方面作出調整。

畢蘇購股權定價模式需要投入高度主觀之假設，包括股價之波動。由於主觀投入假設之變動是以重大影響合理價值估計，董事會認為，現有模式未必一定提供購股權公平價值之可靠單一量度。

SUBSTANTIAL SHAREHOLDERS

As at March 31, 2005, so far as was known to the directors and the chief executives of the Company, the following persons, other than a director or chief executive of the Company, had an interest or short position in the shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

主要股東

據本公司董事及行政總裁所知，於二零零五年三月三十一日，下列人士(本公司之董事或行政總裁除外)於股份及相關股份中擁有根據證券及期貨條例第XV部第2及第3分部之條文必須向本公司披露之權益或短倉，或直接或間接擁有5%或以上之任何類別股本面值(附有一切情況下於本公司或本集團任何其他成員公司之股東大會上投票的權利)：

Name of shareholder	Capacity	Number or attributable number of shares held or short position	Approximate percentage or attributable percentage of shareholdings (%)
股東名稱	身份	持有或應佔之 股份數目或短倉	持股概約百分比 或應佔百分比
Hai Xia (Note 1) 海峽 (附註1)	Beneficial owner 實益擁有人	340,000,003(L) 150,000,003(S)	15.15 6.68
China Petroleum & Chemical Corporation 中國石油化工股份有限公司	Beneficial owner 實益擁有人	210,000,000(L)	9.35
Madam Xu Xau Lan (Note 2) 許秀蘭女士 (附註2)	Deemed Interest 視作權益	510,000,000(L) 180,000,000(S)	22.72 8.02

L: Long position
S: Short position

L : 長倉
S : 短倉



Directors' Report 董事會報告書

SUBSTANTIAL SHAREHOLDERS (Continued)

Notes:

- (1) On March 8, 2005, a sale and purchase agreement was entered into between Hai Xia and Mr. Liu. Pursuant to which Mr. Liu has agreed to sell and Hai Xia has agreed to purchase 190,000,000 Shares from Mr. Liu in five tranches for a cash consideration in an aggregate amount of HK\$330,000,000. Details of the transaction was set out in the announcement of the Company dated March 9, 2005. As at March 31, 2005, sale and purchase of 10,000,000 Shares has been completed, the outstanding number of share to be sold and purchased is 180,000,000 Shares.

The 340,000,003 Shares represented 160,000,003 Shares beneficially owned by Hai Xia and 180,000,000 Shares agreed to be acquired by Hai Xia from Mr. Liu.

- (2) Madam Xu Xau Lan is the spouse of Mr. Liu, the managing director of the Company.

The 510,000,000 Shares represented 195,000,000 Shares beneficially owned by Mr. Liu, 135,000,000 share options granted to Mr. Liu by the Company and the 180,000,000 Shares agreed to be delivered to Hai Xia by Mr. Liu pursuant to note 1 above.

- (3) On February 19, 2005, a subscription agreement was entered into between the Company and GAIL (India) Limited in relation to the subscription of 210,000,000 new Shares of the Company at a subscription price of HK\$1.158 per new Shares. As at March 31, 2005, GAIL (India) Limited did not hold any shares of the Company. Completion was taken place on May 3, 2005.

Save as disclosed herein, as at March 31, 2005, the directors and the chief executives of the Company were not aware of any person who had an interest or short position in the shares or underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any member of the Group.

主要股東 (續)

附註：

- (1) 於二零零五年三月八日，海峽與劉先生訂立一項買賣協議，據此，劉先生同意出售而海峽同意購買190,000,000股股份，買賣共分五次進行，現金代價總值330,000,000港元。交易詳情載於本公司於二零零五年三月九日刊發之公佈內。於二零零五年三月三十一日，其中10,000,000股股份之買賣交易已告完成，買賣股份之餘額為180,000,000股。

該等340,000,003股股份乃指由海峽實益擁有之160,000,003股股份及海峽同意將予向劉先生購入之180,000,000股股份。

- (2) 許秀蘭女士為本公司董事總經理劉先生之配偶。

該等510,000,000股股份乃指由劉先生實益擁有之195,000,000股股份、本公司授予劉先生之135,000,000份購股權及根據上文附註1劉先生將予交付海峽之180,000,000股股份。

- (3) 於二零零五年二月十九日，本公司與GAIL (India) Limited訂立一項認購協議，內容有關按認購價每股新股份1.158港元，認購210,000,000股本公司之新股份。於二零零五年三月三十一日，GAIL (India) Limited並無持有本公司任何股份。完成於二零零五年五月三日進行。

除上文所披露者外，於二零零五年三月三十一日，本公司董事及行政總裁概不知悉任何人士於股份或相關股份中擁有或被視作擁有根據證券及期貨條例第XV部第2及第3分部之條文必須向本公司披露之權益或短倉，或直接或間接擁有5%或以上之任何類別股本面值（附有在一切情況下於本公司或本集團任何成員公司之股東大會上投票的權利）。

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than those set out in "Connected Transaction" below and note 45 to the financial statements, no contract of significance to which the Company or any of its subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

CONNECTED TRANSACTIONS

On April 28, 2004, the Company issued 130,000,000 ordinary shares of HK\$0.01 each for a total consideration of HK\$84,500,000 to Mr. Liu, the managing director of the Company.

On May 19, 2004, 中亞燃氣實業(深圳)有限公司 (Central Asia Natural Gas (Shenzhen) Company Limited) (「中亞燃氣」) entered into an agreement with a minority shareholder of 淮南中燃城市燃氣發展有限公司 (Huainan China Gas City Gas Development Co., Ltd.) ("Huainan China Gas") in relation to the acquisition of the remaining 30% equity interests of a non-wholly owned subsidiary—Huainan China Gas at zero consideration. A summary of the terms of agreement is set out in the announcement of the Company dated May 24, 2004.

On July 27, 2004, 中亞燃氣 entered into an agreement with a minority shareholder of 隨州中燃城市燃氣發展有限公司 (Suizhou Zhongran City Gas Development Limited) ("Suizhou Zhongran") in relation to the acquisition of the remaining 10% equity interests of a non-wholly owned subsidiary—Suizhou Zhongran at zero consideration. A summary of the terms of agreement is set out in the announcement of the Company dated July 28, 2004.

董事之重要合約權益

除下文「關連交易」及財務報表附註45所載者外，本公司之董事概無於本公司或其附屬公司所訂立於本年度結束時或本年度任何時間有效之任何重大合約中直接或間接擁有重大權益。

關連交易

於二零零四年四月二十八日，本公司向本公司董事總經理劉先生發行130,000,000股每股面值0.01港元之股份，總代價為84,500,000港元。

於二零零四年五月十九日，中亞燃氣實業(深圳)有限公司(「中亞燃氣」)與淮南中燃城市燃氣發展有限公司(「淮南中燃」)之少數股東訂立協議，內容有關以無償方式收購非全資附屬公司—淮南中燃城市燃氣發展有限公司之其餘30%股本權益。該協議條款之概要載於本公司於二零零四年五月二十四日刊發之公佈內。

於二零零四年七月二十七日，中亞燃氣與隨州中燃城市燃氣發展有限公司(「隨州中燃」)之少數股東訂立一項協議，內容有關以無償方式收購非全資擁有公司—隨州中燃城市燃氣發展有限公司餘下之10%股本權益。該協議條款之概要載於本公司於二零零四年七月二十八日發表之公佈內。



Directors' Report 董事會報告書

CONNECTED TRANSACTIONS (Continued)

On August 19, 2004, the Company entered into an agreement with the vendor in relation to the acquisition of the entire share capital and the shareholder loan of Great Sun Investment Co. Ltd., which held 25% equity interest in Xiaogan Zhenrong Gas Co., Ltd., Hanchuan Jiaxu Gas Co., Ltd., Yingcheng Jiaxu Gas Co., Ltd., Yumeng Jiaxu Gas Co., Ltd., and Xiaogan Jianxu Gas Co., Ltd., at a total consideration of RMB81,600,000 (approximately HK\$77,714,000). On the same date, 中亞燃氣 entered into agreements with the vendor in relation to acquisition of 10% equity interests in Hanchuan Jiaxu Gas Co., Ltd., Yingcheng Jiaxu Gas Co., Ltd., Yumeng Jiaxu Gas Co., Ltd., and Xiaogan Jianxu Gas Co., Ltd., at a total consideration of RMB17,700,000 (approximately HK\$16,856,000).

The independent non-executive directors confirm that the transactions have been entered into by the Company in the ordinary course of its business and in accordance with the terms of the agreement governing such transactions.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group accounted for less than 30% of the Group's turnover. The aggregate purchases attributable to the Group's five largest suppliers were 53% of total purchases of the Group, with the largest supplier accounted for approximately 19%.

At no time during the year did any director, any associate of a director, or any shareholder, which to the knowledge of the directors owned more than 5% of the Company's share capital, have any beneficial interests in the Group's five largest suppliers.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

關連交易 (續)

於二零零四年八月十九日，本公司與賣方訂立一項協議，內容關於以總代價人民幣81,600,000元(約相當於77,714,000港元)收購嘉旭投資有限公司(持有孝感振戎天然氣有限公司、漢川嘉旭天然氣有限公司、應城嘉旭天然氣有限公司、雲夢嘉旭天然氣有限公司及孝感嘉旭天然氣有限公司之25%股本權益)全部股本及股東貸款。同日，中亞燃氣與賣方訂立協議，內容關於以總代價人民幣17,700,000元(約相當於16,856,000港元)，收購漢川嘉旭天然氣有限公司、應城嘉旭天然氣有限公司、雲夢嘉旭天然氣有限公司及孝感嘉旭天然氣有限公司之10%股本權益。

獨立非執行董事確認此項交易乃由本公司於日常業務範圍內根據規管此項交易之協議之條款訂立。

主要客戶及供應商

本集團五大客戶佔本集團營業額少於30%。本集團五大供應商之採購額總和共佔本集團總採購額53%，而最大供應商則約佔19%。

年內概無董事、董事之聯繫人士或就董事所知擁有本公司股本5%以上之股東於本集團五大供應商擁有實益權益。

購買、出售或贖回上市證券

年內，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

PRE-EMPTIVE RIGHTS

There are no provision for pre-emptive rights under the Company's Bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro-rata basis to the existing shareholders.

CORPORATE GOVERNANCE

The Company has complied throughout the year ended March 31, 2005 with the Code of Best Practice as set out in Appendix 14 of the Listing Rules on the Stock Exchange (which has in force prior to January 1, 2005) except that the independent non-executive directors are not appointed for a specific term but are subject to a retirement by rotation and re-election at the annual general meeting in accordance with the Bye-laws of the Company.

The Company has received from each of the independent non-executive directors, an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

AUDITORS

A resolution will be submitted to the annual general meeting to re-appoint, Messrs. Deloitte Touche Tohmatsu as auditors of the Company.

On behalf of the Board

Xu Ying
VICE CHAIRMAN

July 8, 2005

優先購買權

根據本公司之公司細則或百慕達公司法，並無任何規定本公司按比例向現有股東發售新股份之優先購買權條文。

公司管治

本公司於截至二零零五年三月三十一日止年度全年均遵守聯交所頒佈之上市規則附錄十四所載之最佳應用守則(於二零零五年一月一日前仍具效力)，惟非執行董事並無固定任期，而是根據本公司公司細則於股東週年大會上輪席告退及重選連任。

本公司已收到各獨立非執行董事根據上市規則第3.13條有關其獨立性之每年確認函。本公司認為，所有獨立非執行董事均為獨立人士。

核數師

在股東週年大會上將提呈一項決議案，續聘德勤•關黃陳方會計師行為本公司之核數師。

代表董事會

副主席
徐鷹

二零零五年七月八日



Auditors' Report 核數師報告書

Deloitte. 德勤

TO THE SHAREHOLDERS OF CHINA GAS HOLDINGS LIMITED
(Incorporated in Bermuda with limited liability)

We have audited the financial statements on pages 60 to 138 which have been prepared in accordance with accounting principles generally accepted in Hong Kong.

Respective responsibilities of directors and auditors

The directors of the Company are responsible for the preparation of financial statements which give a true and fair view. In preparing financial statements which give a true and fair view it is fundamental that appropriate accounting policies are selected and applied consistently.

It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Basis of opinion

We conducted our audit in accordance with Statements of Auditing Standards issued by the Hong Kong Institute of Certified Public Accountants. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the circumstances of the Company and the Group, consistently applied and adequately disclosed.

致中國燃氣控股有限公司
(於百慕達註冊成立之有限公司)
列位股東

本核數師行已完成審核載於第60至138頁按照香港普遍採納之會計原則編製之財務報表。

董事及核數師之個別責任

貴公司之董事須負責編製真實兼公平之財務報表。在編製該等真實兼公平之財務報表時，董事必須貫徹選用合適之會計政策。

本核數師行之責任是根據本核數師行審核工作之結果，對該等報表表達獨立意見，並根據百慕達公司法第90條向作為團體之股東作出匯報。除此以外，本報告概不可用作其他用途。本核數師行概不就本報告之內容對任何其他人士負責或承擔任何責任。

意見基礎

本核數師行是按照香港會計師公會頒佈之核數準則進行審核工作。審核範圍包括以抽查方式查核與財務報表所載數額及披露事項有關之憑證，亦包括評估董事於編製該等財務報表時所作之重大估計和判斷，所選用之會計政策是否適合貴公司及貴集團之具體情況，以及是否貫徹應用並足夠地披露該等會計政策。

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the Company and the Group as at March 31, 2005 and of the profit and cash flows of the Group for the year then ended and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong

July 8, 2005

本核數師行在策劃和進行審核工作時，均以取得一切本核數師行認為必需之資料及解釋為目標，以使本核數師行能獲得充份之憑證，就該等財務報表是否存有重大錯誤陳述，作出合理之確定。在表達意見時，本核數師行亦已衡量該等財務報表所載之資料在整體上是否足夠。本核數師行相信，本核數師行之審核工作已為下列意見建立了合理之基礎。

意見

本核數師行認為財務報表均真實及公平地反映 貴公司及 貴集團於二零零五年三月三十一日之財務狀況及 貴集團截至該日止年度之溢利和現金流量，並已按照香港公司條例之披露資料規定而妥善編製。

德勤 • 關黃陳方會計師行
執業會計師
香港

二零零五年七月八日



CONSOLIDATED INCOME STATEMENT 綜合收益表

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

			2005 二零零五年	2004 二零零四年
		NOTES 附註	HK\$'000 千港元	HK\$'000 千港元
Turnover	營業額	5	410,202	376,491
Cost of sales	銷售成本		<u>(163,086)</u>	<u>(208,081)</u>
Gross profit	毛利		247,116	168,410
Other operating income	其他經營收益	7	15,657	12,349
Distribution costs	分銷成本		(12,469)	(7,649)
Administrative expenses	行政開支		(75,526)	(61,730)
Amortisation of goodwill	商譽攤銷		-	(1,959)
Deficit on revaluation of investment properties	投資物業之重估虧絀		-	(180)
Impairment loss reversed in respect of property, plant and equipment	物業、廠房及設備之減值撥回		2,668	5,987
Profit from operations	經營溢利	8	177,446	115,228
Finance costs	財務費用	9	(21,270)	(24,602)
(Loss) gain on disposal of subsidiaries	出售附屬公司之(虧損)收益		(1,650)	20,017
Discount on acquisitions of subsidiaries and an associate	收購附屬公司及聯營公司之折扣	10	15,998	-
Profit on disposal of discontinued operation	出售已終止業務之溢利		-	7,569
Share of results of an associate	應佔聯營公司業績		(1,035)	-
Profit before taxation	除稅前溢利		169,489	118,212
Taxation	稅項	12	(1,475)	(1,344)
Profit before minority interests	未計少數股東權益前溢利		168,014	116,868
Minority interests	少數股東權益		(35,765)	(36,808)
Net profit for the year	本年度溢利淨額		<u>132,249</u>	<u>80,060</u>
Earnings per share	每股盈利	13		
Basic	基本		<u>HK7.17 cents港仙</u>	<u>HK6.15 cents 港仙</u>
Diluted	攤薄		<u>HK6.82 cents港仙</u>	<u>HK6.04 cents 港仙</u>

CONSOLIDATED BALANCE SHEET 綜合資產負債表

At March 31, 2005 於二零零五年三月三十一日

			2005 二零零五年	2004 二零零四年
		NOTES 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Investment properties	投資物業	14	-	9,620
Property, plant and equipment	物業、廠房及設備	15	998,112	237,469
Properties held for development	持作發展物業	16	17,500	36,200
Interest in an associate	於聯營公司之權益	18	20,454	-
Investments in securities	證券投資	19	5,490	5,490
Goodwill	商譽	20	209,394	107,133
Deposits for acquisition of property, plant and equipment	收購物業、廠房及 設備按金	21	298,700	-
Deposits for investments	投資按金	22	-	12,381
			1,549,650	408,293
Current assets	流動資產			
Inventories	存貨	23	38,829	12,714
Amounts due from customers for contract work	應收客戶之合約 工程款項	24	366,664	143,435
Trade and other receivables	貿易應收賬款及 其他應收賬項	25	85,761	291,214
Investments in securities	證券投資	19	14,430	14,800
Bank balances and cash	銀行結存及現金		695,389	471,823
			1,201,073	933,986
Current liabilities	流動負債			
Trade and other payables	貿易應付賬款及 其他應付賬項	26	170,876	72,315
Amounts due to customers for contract work	應付客戶之合約 工程款項	24	892	343
Amounts due to minority shareholders of subsidiaries	欠附屬公司少數 股東款項		435	985
Taxation	稅項		157	381
Bank and other borrowings - due within one year	銀行及其他借貸 - 於一年內到期	28	172,928	278,489
Obligations under a finance lease - due within one year	融資租賃承擔 - 於一年內到期	29	64	112
Convertible note	可換股票據	33	35,900	-
			381,252	352,625
Net current assets	流動資產淨額		819,821	581,361
			2,369,471	989,654



CONSOLIDATED BALANCE SHEET 綜合資產負債表

At March 31, 2005 於二零零五年三月三十一日

		NOTES 附註	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Capital and reserves	股本及儲備			
Share capital	股本	30	22,448	15,578
Reserves	儲備		966,093	487,096
			988,541	502,674
Minority interests	少數股東權益		97,360	91,121
Non-current liabilities	非流動負債			
Amount due to a minority shareholder of a subsidiary	應付一家附屬公司一名 少數股東款項	27	132,931	-
Bank and other borrowings - due after one year	銀行及其他借貸 - 於一年後到期	28	1,150,518	313,230
Obligations under a finance lease - due after one year	融資租賃承擔 - 於一年後到期	29	121	185
Convertible note	可換股票據	33	-	46,800
Convertible bonds	可換股債券	34	-	35,644
			1,283,570	395,859
			2,369,471	989,654

The financial statements on pages 60 to 138 were approved and authorised for issue by the Board of Directors on July 8, 2005 and are signed on its behalf by:

第60頁至第138頁之財務報表已由董事會於二零零五年七月八日批准及授權發行並由下列董事代表簽署：

Xu Ying
Vice-Chairman

Liu Ming Hui
Managing Director

徐鷹
副主席

劉明輝
董事總經理

BALANCE SHEET 資產負債表

At March 31, 2005 於二零零五年三月三十一日

		NOTES 附註	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	15	886	667
Interests in subsidiaries	於附屬公司之權益	17	726,917	493,536
Interest in an associate	於聯營公司之權益	18	16,456	-
Investments in securities	證券投資	19	-	5,220
Deposits for investments	投資按金	22	-	12,381
			744,259	511,804
Current assets	流動資產			
Trade and other receivables	貿易應收賬款及 其他應收賬項		1,088	219
Bank balances and cash	銀行結存及現金		52,238	14,233
			53,326	14,452
Current liabilities	流動負債			
Trade and other payables	貿易應付賬款及 其他應付賬項		4,100	3,895
Bank and other borrowings	銀行及其他借貸			
- due within one year	- 於一年內到期	28	2,116	2,061
Obligations under a finance lease	融資租賃承擔			
- due within one year	- 於一年內到期	29	64	112
Convertible note	可換股票據	33	35,900	-
			42,180	6,068
Net current assets	流動資產淨額		11,146	8,384
			755,405	520,188
Capital and reserves	股本及儲備			
Share capital	股本	30	22,448	15,578
Reserves	儲備	31	697,670	381,266
			720,118	396,844
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他借貸			
- due after one year	- 於一年後到期	28	16,042	17,992
Obligations under a finance lease	融資租賃承擔			
- due after one year	- 一年後到期	29	121	185
Amounts due to subsidiaries	欠附屬公司款項	32	19,124	22,723
Convertible note	可換股票據	33	-	46,800
Convertible bonds	可換股債券	34	-	35,644
			35,287	123,344
			755,405	520,188

Xu Ying
Vice-Chairman

Liu Ming Hui
Managing Director

徐鷹
副主席

劉明輝
董事總經理



CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 綜合權益變動表

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

		Share		Other	Translation	Special	Accumulated		Total
		Share	premium				reserve	reserve	
		capital	account			reserve	funds	profits	
		股本	股份溢價賬	其他儲備	匯兌儲備	特別儲備	法定基金	溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At April 1, 2003	於二零零三年三月三十一日	18,423	284,290	-	1,175	1,602	2,140	(162,904)	144,726
Exchange gain on translation of operations outside Hong Kong and gain not recognised in the consolidated income statement	未於綜合收益表確認之換算海外業務之匯兌收益	-	-	-	2,066	-	-	-	2,066
Realised upon the disposal of a subsidiary	出售附屬公司時變現	-	-	-	-	-	(190)	190	-
Private placements	私人配售	2,800	214,500	-	-	-	-	-	217,300
Conversion of convertible bonds	轉換可換股債券	169	10,717	-	-	-	-	-	10,886
Conversion of preference shares	轉換優先股	(5,814)	5,814	-	-	-	-	-	-
Share issue expenses	股份發行開支	-	(9,432)	-	-	-	-	-	(9,432)
Expenses on issuing convertible bonds	發行可換股債券之開支	-	(932)	-	-	-	-	-	(932)
Proceeds of private placements received in advance	私人配售之預收所得款項	-	-	58,000	-	-	-	-	58,000
Net profit for the year	年度溢利淨額	-	-	-	-	-	-	80,060	80,060
Transfer	轉讓	-	-	-	-	-	3,052	(3,052)	-
At March 31, 2004	於二零零四年三月三十一日	15,578	504,957	58,000	3,241	1,602	5,002	(85,706)	502,674
Exchange gain on translation of operations outside Hong Kong and gain not recognised in the consolidated income statement	未於綜合收益表確認之換算海外業務之匯兌收益	-	-	-	842	-	-	-	842
Issue of new warrants	發行新認股權證	-	-	2,600	-	-	-	-	2,600
Private placements	私人配售	4,301	255,212	(58,000)	-	-	-	-	201,513
Conversion of convertible bonds	轉換可換股債券	811	42,631	-	-	-	-	-	43,442
Exercise of share options	行使認股權	58	4,566	-	-	-	-	-	4,624
Exercise of warrants	行使認股權證	1,700	112,200	(1,700)	-	-	-	-	112,200
Share issue expenses	股份發行開支	-	(10,130)	-	-	-	-	-	(10,130)
Expenses on issuing convertible bonds	發行可換股債券之開支	-	(1,283)	-	-	-	-	-	(1,283)
Expenses on issuing warrants	發行認股權證之開支	-	(190)	-	-	-	-	-	(190)
Net profit for the year	本年度溢利淨額	-	-	-	-	-	-	132,249	132,249
Transfer	轉讓	-	-	-	-	-	4,073	(4,073)	-
At March 31, 2005	於二零零五年三月三十一日	<u>22,448</u>	<u>907,963</u>	<u>900</u>	<u>4,083</u>	<u>1,602</u>	<u>9,075</u>	<u>42,470</u>	<u>988,541</u>

Note: The special reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1995.

The statutory funds are reserves required by the relevant laws of the People's Republic of China, other than Hong Kong (the "PRC") applicable to the Group's PRC subsidiaries.

Other reserve as at March 31, 2005 represents the consideration received from subscribers for the issue of warrants.

Other reserve as at March 31, 2004 represented the advance payment received from the subscriber for the private placement of which the shares have been issued and allotted during the year ended March 31, 2005.

附註: 本集團之特別儲備乃指本公司所收購附屬公司之股份面值與本公司股份於一九九五年上市前進行集團重組期間收購附屬公司而發行之股份之面值二者之差額。

法定基金乃中華人民共和國(「中國」)就此而言不包括香港)有關法例規定本集團中國附屬公司須設有之儲備。

於二零零五年三月三十一日之其他儲備代表就發行認股權證向認購人士收取之代價。

於二零零四年三月三十一日之其他儲備代表截至二零零五年三月三十一日止年度以私人配售方式發行及配發股份而向認購人士收取之墊款。

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit from operations	經營溢利	177,446	115,228
Adjustments for:	經以下調整：		
Deficit on revaluation of investment properties	投資物業重估虧絀	-	180
Impairment loss reversed in respect of property, plant and equipment	物業、廠房及設備之已撥回減值虧損	(2,668)	(5,987)
Unrealised holding loss (gain) on other investments	持有其他投資之未變現虧損(收益)	370	(370)
Depreciation and amortisation of property, plant and equipment	物業、廠房及設備之折舊及攤銷	11,071	9,605
Amortisation of goodwill	商譽攤銷	-	1,959
Gain on disposal of investment properties	出售投資物業收益	(300)	-
Loss (gain) on disposals of property, plant and equipment	出售物業、廠房及設備之虧損(收益)	51	(173)
Interest income	利息收入	(1,911)	(425)
Operating cash flows before movements in working capital	營運資金變動前之經營業務現金流	184,059	120,017
Increase in other investments	其他投資增加	-	(14,430)
Increase in inventories	存貨增加	(25,640)	(8,825)
Increase in amounts due from customers for contract work	應收客戶之合約工程款項增加	(223,229)	(143,435)
Decrease (increase) in trade and other receivables	貿易應收賬款及其他應收賬項減少(增加)	21,402	(204,493)
Decrease in amount due from an associate	聯營公司欠款減少	-	2,199
Increase in amounts due to customers for contract work	應付客戶之合約工程款項增加	549	343
Increase in trade and other payables	貿易應付賬款及其他應付賬項增加	79,409	70,649
(Decrease) increase in amounts due to minority shareholders of subsidiaries	欠附屬公司少數股東款項(減少)增加	(550)	2,395
Cash from (used in) operations	經營業務產生(所用)現金	36,000	(175,580)
PRC income tax paid	已付中國所得稅	(1,699)	(327)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	經營業務產生(所用)現金淨額	34,301	(175,907)



CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

		2005 二零零五年	2004 二零零四年
	NOTES 附註	HK\$'000 千港元	HK\$'000 千港元
INVESTING ACTIVITIES	投資活動		
Interest received	已收利息	1,911	425
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 已付按金	(264,513)	-
Deposits refunded (paid) for investments	退還(支付)投資按金	5,714	(12,381)
Decrease in pledged bank deposits	已抵押銀行存款減少	-	57,143
Purchase of additional interest in subsidiaries	增購附屬公司權益	(95,413)	(571)
Purchase of property, plant and equipment	購買物業、廠房及設備	(505,822)	(107,273)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備 所得款項	18	9,909
Proceeds from disposal of an associate	出售聯營公司所得款項	-	1,704
Proceeds from disposal of investment properties	出售投資物業所得款項	9,920	-
Purchase of subsidiaries, net of cash and cash equivalents acquired	購買附屬公司，扣除收購 之現金及現金等值項目	36 (72,743)	(111,623)
Disposal of subsidiaries, net of cash and cash equivalents disposed of	出售附屬公司，扣除出售 之現金及現金等值項目	37 17,050	43,152
Purchase of an associate	收購聯營公司	(7,210)	-
Capital injection into an associate	向聯營公司注資	(9,246)	-
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額	(920,334)	(119,515)

CONSOLIDATED CASH FLOW STATEMENT 綜合現金流量表

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
FINANCING ACTIVITIES	融資活動		
Interest paid	已付利息	(22,571)	(26,171)
Proceeds from issue of ordinary shares	發行普通股之所得款項	318,337	217,300
Proceeds from issue of convertible note	發行可換股票據之所得款項	-	46,800
Proceeds from issue of convertible bonds	發行可換股債券之所得款項	54,523	46,530
Proceeds from issue of warrants	發行認股權證之所得款項	2,600	-
Share issue expenses	股份發行開支	(10,130)	(9,432)
Expenses on issuing convertible bonds	發行可換股債券之開支	(1,283)	(932)
Expenses on issuing warrants	發行認股權證之開支	(190)	-
Repayment of convertible notes	償還可換股票據	(10,900)	-
Repayment of convertible bonds	償還可換股債券	(46,725)	-
New bank and other borrowings raised	新籌得銀行及其他借貸	994,017	640,976
Repayments of bank borrowings	償還銀行借貸	(319,433)	(301,267)
Repayments of obligations under a finance lease	融資租約承擔之還款	(112)	(53)
Capital injected by minority shareholders of subsidiaries	附屬公司少數股東注資	17,693	933
Advance from a minority shareholder of a subsidiary	附屬公司少數股東墊款	132,931	-
Proceeds of private placements received in advance	預先收取之私人配售 所得款項	-	58,000
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	<u>1,108,757</u>	<u>672,684</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等值項目之 增加淨額	<u>222,724</u>	<u>377,262</u>
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	年初之現金及現金等值 項目	<u>471,823</u>	<u>92,477</u>
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	<u>842</u>	<u>2,084</u>
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	年終之現金及現金等值 項目	<u><u>695,389</u></u>	<u><u>471,823</u></u>
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS	現金及現金等值項目 結餘分析		
Bank balances and cash	銀行結餘及現金	<u><u>695,389</u></u>	<u><u>471,823</u></u>



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

1. GENERAL

The Company is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company acts as an investment holding company. Its subsidiaries are principally engaged in the operation of natural gas, property investment and financial and securities investment.

2. ADOPTION OF NEW HONG KONG FINANCIAL REPORTING STANDARDS

The Hong Kong Institute of Certified Public Accountants (the "HKICPA") issued a number of new or revised Hong Kong Financial Reporting Standard ("HKFRS") and Hong Kong Accounting Standards ("HKAS(s)") (hereinafter collectively referred to as "new HKFRS(s)") which are effective for accounting periods beginning on or after January 1, 2005. In the current year, the Group resolved to early adopt the following new HKFRSs:

HKFRS 3	Business Combinations
HKAS 36	Impairment of Assets

HKFRS 3 applies to accounting for business combination for which the agreement date is on or after January 1, 2005. The early adoption of HKFRS 3 and HKAS 36 from April 1, 2004 has resulted in the Group ceasing annual amortisation of goodwill and to test for impairment annually at the cash generating unit level (unless an event occurs during the year which requires the goodwill to be tested more frequently). Discount on acquisition is credited to the income statement in the period of acquisition. The transitional provisions of HKFRS 3 have required the Group to eliminate the carrying amount of the accumulated amortisation by approximately HK\$1,908,000 with a corresponding entry to the cost of goodwill. As a result of this change in accounting policy, the profit of the Group for the year has been increased by approximately HK\$22,056,000.

1. 一般資料

本公司於百慕達註冊成立為一間獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。

本公司為一間投資控股公司，其附屬公司主要從事天然氣業務、物業投資以及金融及證券投資。

2. 採納新香港財務申報準則

香港會計師公會頒佈若干新訂立或經修訂之香港財務申報準則及香港會計準則（統稱「新香港財務申報準則」），該等新香港財務申報準則於二零零五年一月一日或其後的會計期間生效。於本年度，本集團已提早採納以下新香港財務申報準則：

香港財務申報準則第3號	業務合併
香港會計準則第36號	資產減值

香港財務申報準則第3號適用於協議日期為二零零五年一月一日或其後業務合併之會計賬目。自二零零四年四月一日起提早採納香港財務申報準則第3號及香港會計準則第36號，令本集團於二零零四年一月一日開始終止每年的商譽攤銷及每年就產生現金單位水平作減值測試（除非於年內發生事項令商譽須作多次測試）。收購之折扣計入收購期間的收益表。香港財務申報準則第3號過渡性條款規定，本集團須取消約1,908,000港元累積商譽攤銷之賬面價值並與商譽相對入賬。就會計政策之變動，本集團年內之溢利增加約22,056,000港元。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

3. POTENTIAL IMPACT ARISING FROM THE RECENTLY ISSUED ACCOUNTING STANDARDS

In 2004, the HKICPA issued a number of new HKFRSs which are effective for accounting periods beginning on or after January 1, 2005. Except for early adoption of HKFRS 3 and HKAS 36 as mentioned in note 2, the Group has not early adopted the remaining new HKFRSs in the financial statements for the year ended March 31, 2005.

In relation to those new HKFRSs that have not been early adopted by the Group (other than HKFRS 3 and HKAS 36 as mentioned in note 2), the Group has commenced considering these remaining new HKFRSs but is not yet in a position to determine whether these HKFRSs would have a significant impact on how the results of operations and financial position of the Group are prepared and presented. These remaining new HKFRSs may result in changes in the future as to how the results and financial positions are prepared and presented.

4. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention as modified for revaluation of certain investment properties and investments in securities.

The financial statements have been prepared in accordance with accounting principles generally accepted in Hong Kong. The principal accounting policies adopted are as follows:

3. 近期頒發會計準則之潛在影響

於二零零四年，香港會計師公會頒發若干新香港財務申報準則，於二零零五年一月一日或期後開始之會計期間生效。除於附註2所述提早採納香港財務申報準則第3號及香港會計準則第36號外，本集團並無於截至二零零五年三月三十一日止年度之財務報表中提早採納其他新香港財務申報準則。

就本集團並未提早採納之新香港財務申報準則（附註2所述提早採納香港財務申報準則第3號及香港會計準則第36號外），本集團已開始考慮該等新香港財務申報準則，惟未能釐定該等香港財務申報準則對編製及呈列本集團之營運業績及財務狀況會否造成重大影響。該等新香港財務申報準則可能對日後編製及呈列業績及財務狀況造成影響。

4. 重要會計政策

財務報表乃按歷史成本法編製，並已就若干重估投資物業及證券投資作出修訂。

財務報表乃根據香港普遍接納之會計原則編製。所採用之主要會計政策如下：



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to March 31 each year.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the effective date of acquisition or up to the effective date of disposal, as appropriate.

All significant intercompany transactions and balances within the Group have been eliminated on consolidation.

Goodwill

Goodwill arising on acquisitions before March 31, 2004 is capitalised and amortised on a straight-line basis over its useful economic life. From April 1, 2004 onwards, the Group has ceased annual amortisation of goodwill and to test for impairment at least annually. Goodwill arising on the acquisition of subsidiaries is presented separately in the balance sheet.

Goodwill arising on acquisitions on or after April 1, 2004 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition.

4. 重要會計政策 (續)

綜合基準

綜合財務報表包括本公司及其附屬公司編製至每年三月三十一日之財務報表。

年內收購或出售之附屬公司之業績由收購生效日期起或於截至出售生效日期止(以適用者為準)計入綜合收益表。

所有本集團內公司間之重大交易及結餘已於綜合賬目時對銷。

商譽

於二零零四年三月三十一日前因收購而產生之商譽按其可用經濟年期以直線基準資本化及攤銷。由二零零四年四月一日起，本集團停止每年攤銷商譽，改為最少每年一次測試減值。收購附屬公司而產生之商譽於資產負債表內另行呈列。

於二零零四年四月一日或期後產生之商譽代表於收購日期，收購成本值與本集團於附屬公司可辨認資產、負債及或然負債公平值之權益之差額。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Goodwill (Continued)

Goodwill is tested annually for impairment, and whenever there is an indication that the cash generating unit to which the goodwill is allocated may be impaired. An impairment loss is determined by comparing the carrying amount of the cash generating unit, including the goodwill, with the recoverable amount of the cash generating unit. Where the recoverable amount of the cash generating unit is less than the carrying amount, an impairment loss is recognised in the income statement. Where goodwill forms part of a cash generating unit and part of the operation within that unit are disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Reversal of impairment loss of goodwill is prohibited.

For acquisitions after April 1, 2004, any deficiency of the cost of acquisition below the Group's share of the fair values of the assets, liabilities and contingent liabilities of the subsidiaries at the date of acquisition (i.e. discount on acquisition) is credited to the income statement in the period of acquisition.

Investments in subsidiaries

Investments in subsidiaries are included in the Company's balance sheet at cost less any identified impairment loss.

4. 重要會計政策 (續)

商譽 (續)

每年檢討商譽有否減值，及是否有跡象表明商譽被撥入之現金產生單位可能減值。減值虧損乃透過比較現金產生單位(包括商譽)之賬面值與現金產生單位之可收回金額而釐定。倘現金產生單位之可收回金額少於賬面值，則於收益表中確認減值虧損。倘商譽構成現金產生單位之一部分且該單位內之部分業務已出售，則於釐定出售業務之盈利及虧損時，與已出售業務有關之商譽計入業務之賬面值。商譽減值虧損概不能回撥。

就二零零四年四月一日後之收購而言，於收購日期收購成本值與本集團應佔附屬公司資產、負債及或然負債公平值之差額(即收購折讓)乃計入收購期間之收益表。

於附屬公司之投資

於附屬公司之投資乃按成本值扣減任何可辨別減值虧損計入本公司資產負債表內。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Revenue recognition

Gas connection revenue is recognised when the outcome of a contract can be estimated reliably and the stage of completion at the balance sheet date can be measured reliably. Revenue from gas connection contracts is recognised on the percentage of completion method, measured by reference to the value of work carried out during the year. When the outcome of a gas connection contract cannot be estimated reliably, revenue is recognised only to the extent of contract cost incurred that it is probable to be recoverable.

Sales of petroleum, natural gas and gas appliances are recognised when goods are delivered and title has passed.

Rental income under operating leases is recognised on a straight-line basis over the terms of the relevant leases.

Sale proceeds on trading of securities are recognised on a trade date basis when a sale and purchase contract is entered into.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

4. 重要會計政策 (續)

收入確認

燃氣接駁收入乃於合同之結果得以可靠衡量及於結算日完成階段得以可靠計算時確認。燃氣接駁合同之收入乃參考年內進行工程之價值，按已完成之百分比之方法確認。倘燃氣接駁合同之結果不能可靠衡量，收入僅按產生之可收回合同成本之範圍內確認。

石油、天然氣及燃氣器具之銷售須於貨物送抵且物權轉移時確認。

經營租約之租金收入乃按有關租約之年期以直線基準加以確認。

買賣證券之銷售所得款項乃按訂立買賣合約之交易日作為基準加以確認。

利息收入乃根據未償還本金額及適用利率按時間基準計算。

投資之股息收入於股東收取股息之權利獲確立時加以確認。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Interest in an associate

The consolidated income statement includes the Group's share of the post-acquisition results of its associate for the year. In the consolidated balance sheet, interests in an associate are stated at the Group's share of the net assets of the associates plus the premium paid less any discount on acquisition in so far as it has not already been amortised to the income statement, less any identified impairment loss.

The results of an associate is accounted for by the Company on the basis of dividends received and receivable during the year. In the Company's balance sheet, investment in an associate is stated at cost, as reduced by any identified impairment loss.

Investment properties

Investment properties are completed properties which are held for their investment potential, any rental income being negotiated at arm's length.

Investment properties are stated at their open market value based on independent professional valuations at the balance sheet date. Any revaluation increase or decrease arising on the revaluation of investment properties is credited or charged to the investment property revaluation reserve unless the balance of this reserve is insufficient to cover a revaluation decrease, in which case the excess of the revaluation decrease over the balance on the investment property revaluation reserve is charged to the income statement. Where a decrease has previously been charged to the income statement and a revaluation increase subsequently arises, this increase is credited to the income statement to the extent of the decrease previously charged.

4. 重要會計政策 (續)

於聯營公司之權益

綜合收益表包括本集團所佔聯營公司於本年度之收購後業績。在綜合資產負債表內，於聯營公司之權益乃按本集團所佔聯營公司之資產淨值，加上已付溢價並扣除尚未在收益表攤銷之收購折讓，以及減去任何已辨識之減值虧損列賬。

本公司按年內已收及應收股息計算所佔聯營公司之業績。於聯營公司之投資乃按成本值減任何已辨識之減值虧損後在本公司之資產負債表列賬。

投資物業

投資物業指已建成並因其投資潛力而持有之物業，任何租金收入需經公平磋商後釐定。

投資物業根據結算日之獨立專業估值計算之公開市值列賬。投資物業之任何重估盈餘或虧絀均計入投資物業重估儲備或從該儲備中扣除，除非該儲備之結存不足以補償重估虧絀，則重估虧絀超出投資物業重估儲備結存之部份從收益表中扣除。倘一項虧絀曾於以往自收益表中扣除，並於其後產生重估盈餘，則該項盈餘可計入收益表以抵銷先前扣除之虧絀。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investment properties (Continued)

On disposal of an investment property, the balance on the investment property revaluation reserve attributable to that property is transferred to the income statement.

No depreciation is provided on investment properties except where the unexpired term of the relevant lease is 20 years or less.

Properties held for development

Properties held for development are stated at the cost of acquisition to the Group together with any attributable expenses less impairment losses, where appropriate.

Property, plant and equipment

Property, plant and equipment, other than construction in progress, are stated at cost less depreciation and amortisation and accumulated impairment loss.

4. 重要會計政策 (續)

投資物業 (續)

出售投資物業時，有關物業應佔之投資物業重估儲備結存均撥入收益表。

除租約尚餘年期為二十年或以下之投資物業外，其他投資物業均不作折舊撥備。

持作發展之物業

持作發展之物業乃按本集團之收購費用及應佔開支減減值虧損 (若適用) 列賬。

物業、廠房及設備

物業、廠房及設備 (不包括在建工程) 乃按成本減折舊及攤銷以及累積減值虧損入賬。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Property, plant and equipment (Continued)

Depreciation is provided to write off the cost of items of property, plant and equipment over their estimated useful lives and after taking into account their estimated residual value, using the straight-line method, at the following rates per annum:

Land use rights	Over the shorter of the term of the lease or the operation period of the relevant company
Leasehold land	Over the remaining terms of the leases
Buildings	Over the shorter of the remaining terms of the leases or 50 years
Pipelines	Over the shorter of 30 years or the operation period of the relevant company
Machinery and equipment	10%
Furniture and fixtures	15% - 50%
Motor vehicles	25%

The gain or loss arising from disposal or retirement of an asset is determined as the difference between the sale proceed and the carrying amount of the asset and is recognised in the income statement.

Construction in progress

Construction in progress represents machinery and pipelines under construction and is stated at cost. Costs comprise direct and indirect incremental costs of acquisition or construction. Completed items are transferred from construction in progress to proper categories of property, plant and equipment when they are ready for their intended use.

4. 重要會計政策 (續)

物業、廠房及設備 (續)

折舊撥備乃按物業、廠房及設備之估計可使用年期，並考慮其估計剩餘價值後，以直線法撇銷其成本值。所用之年率如下：

土地使用權	有關公司之租約年期或經營年期 (以較短者為準)
租賃土地	剩餘租約年期
樓宇	剩餘租約年期或50年 (以較短者為準)
管道	30年或有關公司之經營年期 (以較短者為準)
機器及設備	10%
傢俬及裝置	15% - 50%
汽車	25%

出售或停用該資產所產生之收益或虧損乃按資產之銷售所得款項與賬面值兩者之差額在收益表中確認。

在建工程

在建工程指興建中之機器及管道，並以成本值列賬。成本包括收購或建造之直接及間接增量成本。完成項目於可作擬定用途時則由在建工程撥至適當的物業、廠房及設備類別。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Investments in securities

Investments in securities are recognised on a trade-date basis and are initially measured at cost.

Investments other than held-to-maturity debt securities are classified as investment securities and other investments.

Investment securities, which are securities held for an identified long-term strategic purpose are measured at subsequent reporting dates at cost, as reduced by any impairment loss that is other than temporary.

Other investments are measured at fair value, with unrealised gains and losses included in net profit or loss for the year.

Construction contracts

When the outcome of a construction contract can be estimated reliably, contract costs are charged to the income statement by reference to the stage of completion of the contract activity at the balance sheet date, as measured by the proportion that costs incurred to date to estimated total costs for the contract.

When the outcome of a construction contract cannot be estimated reliably, contract costs are recognised as an expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

4. 重要會計政策 (續)

證券投資

證券投資乃按交易日基準確認，並初步按成本值計算。

持有至到期債務證券外之投資概列為投資證券及其他投資。

投資證券乃為按已確認長期策略之目的而持有之證券，且須於隨後報告日按成本扣除任何非暫時減值虧損計算。

其他投資以公平值計算，而未變現之收益及虧損則列入本年度之純利或虧損淨額內。

建造合同

倘建造合同之結果得以可靠估計，合同成本乃參考合同活動於結算日之完成階段(即截至結算日所錄得之成本佔合同估計成本總額之比例)從收益表中扣除。

倘建造合同之結果未能可靠衡量，合同成本將於彼等產生之期間作開支確認。

倘合同成本總額可能超逾合同收入時，預期虧損將立即作開支確認。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Construction contracts (Continued)

When a contract covers a number of assets, the construction of each asset is treated as a separate contract when separate proposals have been submitted for each asset, each asset has been separately negotiated and the costs and revenues of each asset can be separately identified. A group of contracts, performed concurrently or in a continuous sequence, is treated as a single construction contract when they were negotiated as a single package and are so closely inter-related that they constitute a single project with an overall profit margin.

Inventories

Inventories, including construction materials, gas appliances and gas for sales, petroleum, consumables and spare parts, are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less estimated costs to completion and the estimated costs necessary to make the sale.

Impairment

At each balance sheet date, the Group reviews the carrying amounts of its assets, other than goodwill as stated above, to determine whether there is any indication that those assets have suffered an impairment loss. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another standard, in which case the impairment loss is treated as a revaluation decrease under that standard.

4. 重要會計政策 (續)

建造合同 (續)

當一份合約涉及多項資產，而建造每項資產須分別提交其個別建議書，或須就每項資產個別議價，或每項資產之成本及收益均可獨立區分，則建造之每項資產均被視為一份獨立合約。倘一組合約須同時或按次序連續進行並以一籃子形式商訂，而各項合約之關係非常密切，實際上為一項具有整體利潤之工程，則該組合約將被視為單一之建造合約。

存貨

存貨，包括建築物料，作銷售之燃氣器具及燃氣、石油、消耗品及備件乃按成本及可變現淨值兩者中較低者入賬。成本按加權平均成本法計算。可變現淨值指估計在日常業務中售價減去完成時之估計成本及進行銷售之估計成本。

減值

於各結算日，本集團均審閱資產(上文所述之商譽除外)之賬面值，以釐定是否有資產減值虧損之跡象。倘資產之可收回款額估計比其賬面值為少，資產之賬面值則調低至可收回款額。減值虧損即時確認為開支。除非有關資產根據另一標準入賬列為重估款項(在此情況下，減值虧損視為該標準項下之一項重估虧絀)。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Impairment (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless that relevant asset is carried at a revalued amount under another standard, in which case the reversal of the impairment loss is treated as a revaluation increase under that other standard.

Convertible note/bonds

Convertible note/bonds are recognised as liabilities unless conversion actually occurs. The finance cost recognised in the income statement in respect of the convertible note/bonds is calculated so as to produce a constant periodic rate of charge on the remaining balance of the convertible note/bonds for each financial year.

Leases

Leases are classified as finance leases when the terms of the lease transfer substantially all the risk and rewards of ownership of the assets concern to the Group. Assets held under finance leases are capitalised at their fair value at the dates of acquisition. The corresponding liability to the lessor is included in the balance sheet as obligations under finance leases. The finance costs, which represent the difference between the total finance leases commitments and the fair value of the assets acquired, are charged to the income statement over the term of the relevant lease so as to produce a constant periodic rate of charge on the remaining balance of the obligations for each accounting period.

4. 重要會計政策 (續)

減值 (續)

倘減值虧損其後撥回，則資產之賬面調升至可收回款額之經修訂估計值。惟該增加之賬面值不可超過倘該資產於過往年度無減值虧損時釐定之賬面值。減值虧損之撥回即時確認為收入。除非有關資產根據另一標準入賬列為重估款項(在此情況下，減值虧損視為該標準項下之一項重估虧絀)。

可換股票據／債券

可換股票據／債券按負債減實際轉換確認。就可換股票據／債券確認之融資成本乃按餘下之可換股票據／債券於各財政年度以固定之期率作為計算支出。

租賃

倘租賃條款將資產所有權之大部份風險及回報轉讓至本集團，則該等租賃均被列為融資租賃。按融資租賃持有之資產按收購資產日期之公平值撥充資本。對出租人之相應負債於資產負債表內列為融資租賃承擔。財務費用(即租賃承擔總額與所收購資產公平價值之差額)乃按有關租賃之年期自收益表扣除，使每個會計期間之承擔餘額有固定之週期扣減比率。

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For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Leases (Continued)

All other leases are classified as operating leases and the rentals are charged to the income statement on a straight-line basis over the relevant lease term.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") and other defined contribution schemes are charged as an expense as they fall due.

Foreign currencies

Transactions in foreign currencies are initially recorded at the rates of exchange prevailing on the dates of the transactions or at the contracted settlement rate. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rates prevailing on the balance sheet date. Profits and losses arising on exchange are included in net profit or loss for the year.

On consolidation, the assets and liabilities of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

4. 重要會計政策 (續)

租賃 (續)

所有其他租約乃列作經營租約，租金則於有關租期以直線基準在收益表扣除。

退休福利成本

向強制性公積金計劃(「強積金計劃」)及其他定額供款計劃所作供款於到期應付時支銷。

外幣

外幣交易乃按交易日之匯率或訂約結算匯率初步入賬。以外幣定價之貨幣資產及負債，乃按結算日之匯率重新換算。所有換算盈虧均計入該年度之純利或虧損淨額。

綜合賬目時，本集團海外業務之資產負債按結算日之通行匯率換算。收支項目按年內平均匯率換算。所產生之匯兌差額(如有)列作權益並轉入本集團之換算儲備。該等匯兌差額於出售業務之年度確認為收入或開支。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes income statement items that are never taxable or deductible.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

4. 重要會計政策 (續)

稅項

所得稅開支指現時應付稅項及遞延稅項。

現時應付稅項乃按本年度應課稅盈利計算。應課稅盈利與收入表中所報盈利淨額不同，乃由於前者不包括在其他年度應課稅或可扣稅收入及開支，並且不包括收入表內從未課稅及扣稅之項目。

遞延稅項為就財務報表資產及負債賬面值及計算應課稅盈利相應稅基差額而須支付或收回之稅項，並以資產負債表負債法處理。遞延稅項負債通常會就所有應課稅臨時差額確認，而遞延稅項資產乃按可能出現可利用臨時時差扣稅之應課稅盈利時提撥。若於一項交易中，因商譽(或負商譽)或因業務合併以外原因開始確認其他資產及負債而引致之臨時時差既不影響應課稅務盈利、亦不影響會計盈利，則不會確認該等資產及負債。

遞延稅項負債乃按因於附屬公司及聯營公司之投資而引致之應課稅臨時差異而確認，惟若本集團可令臨時差額對沖及臨時差額有可能未必於可見將來對沖之情況除外。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

4. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

Taxation (Continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the year when the liability is settled or the asset is realised. Deferred tax is charged or credited to the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, are capitalised as part of the cost of these assets. Capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grants related to expense items are recognised in the same period as those expenses are charged in the income statement and are reported separately as "other operating income".

4. 重要會計政策 (續)

稅項 (續)

遞延稅項資產之賬面值於每個結算日作檢討，並於沒可能會有足夠應課稅盈利恢復全部或部分資產價值時作調減。

遞延稅項乃按預期於負債清償或資產變現年度適用之稅率計算。遞延稅項於收入表中扣除或計入收入表。惟倘遞延稅項直接在股本權益中扣除或計入股本權益之情況（在此情況下遞延稅項亦會於股本權益中處理）除外。

借貸成本

收購、興建或生產合資格資產應佔的直接借款成本，將資本化作為該等資產的部分成本。將有關借款成本撥充資本於資產已實際上可作擬定用途或銷售時終止。

所有借貸成本於產生期間確認為開支。

政府補助金

政府補助金乃在與相關成本配對之所需期間確認為收入。有關開支項目之補助金乃於該等開支於收益表支銷之同一期間確認入賬，並分開呈報為「其他經營收入」。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

5. TURNOVER

Turnover represents the net amounts received and receivable for goods sold, sales of piped gas, gas connection fees, dividend income and rental income received and receivable by the Group for the year and is analysed as follows:

Gas connection fees	燃氣接駁費
Sales of petroleum	銷售石油
Sales of piped gas	銷售管道燃氣
Sales of goods	銷售貨物
Rental income	租金收入
Dividend income	股息收入
Others	其他

5. 營業額

營業額指年內本集團已售貨品之已收及應收款項淨額、銷售管道燃氣、燃氣接駁費、股息收入及租金收入，分析如下：

	2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
	292,150	185,045
	-	129,791
	103,843	49,727
	13,347	3,410
	494	1,262
	368	94
	-	7,162
	410,202	376,491

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

Business segments

For management purposes, the Group is currently organised into four operating divisions - property investment, financial and securities investment, gas pipeline construction and sales of piped gas. These principal operating activities are the basis on which the Group reports its primary segment information. The Group had disposed its sales of petroleum business during the year March 31, 2004.

6. 業務及地域分項資料

業務分項

就管理而言，本集團目前經營四類業務－物業投資、金融及證券投資、燃氣管道建設及銷售管道燃氣。此等主要經營業務乃本集團呈報其主要分類資料之基礎。本集團已於二零零四年三月三十一日年度出售其石油銷售業務。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

Segment information about these businesses is presented below:

2005	二零零五年	Property investment 物業投資 HK\$'000 千港元	Financial and securities investment 金融及證券投資 HK\$'000 千港元	Gas pipeline construction 燃氣管道建設 HK\$'000 千港元	Sales of piped gas 管道燃氣銷售 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
REVENUE	收益						
Turnover	營業額	494	368	292,150	103,843	13,347	410,202
SEGMENT RESULT	分類業績	(940)	(7)	200,895	9,013	276	209,237
Unallocated corporate revenue	未分配公司收益						5,931
Unallocated corporate expenses	未分配公司開支						(37,722)
Profit from operations	經營溢利						177,446
Finance costs	財務費用						(21,270)
Loss on disposal of subsidiaries	出售附屬公司之虧損	(1,650)	-	-	-	-	(1,650)
Discount on acquisitions of subsidiaries and an associate	收購附屬公司及聯營公司之折扣						
Share of results of an associate	應佔聯營公司業績	-	-	-	15,998	-	15,998
Profit before taxation	除稅前溢利						169,489
Taxation	稅項						(1,475)
Profit before minority interests	未計少數股東權益前溢利						168,014
Minority interests	少數股東權益						(35,765)
Net profit for the year	本年度溢利淨額						132,249
ASSETS	資產						
Segment assets	分類資產	17,500	19,920	247,404	2,095,654	10,304	2,390,782
Unallocated corporate assets	未分配公司資產						359,941
Consolidated total assets	綜合資產總值						2,750,723
LIABILITIES	負債						
Segment liabilities	分類負債	113	-	86,406	70,238	8,590	165,347
Unallocated corporate liabilities	未分配公司負債						1,499,475
Consolidated total liabilities	綜合負債總值						1,664,822
OTHER INFORMATION	其他資料						
Additions to goodwill	商譽添置	-	-	-	102,261	-	102,261
Additions to property, plant and equipment	物業、廠房及設備之添置	-	-	-	764,245	-	764,245
Additions to property, plant and equipment (unallocated)	物業、廠房及設備之添置(未分配)						4,870
Depreciation and amortisation	折舊及攤銷						8,344
Depreciation and amortisation (unallocated)	折舊及攤銷(未分配)						2,727
							11,071

6. 業務及地域分項資料 (續)

業務分項 (續)

此等業務之分類資料呈列如下：



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Business segments (Continued)

2004

二零零四年

6. 業務及地域分項資料 (續)

業務分項 (續)

		Continuing operations					Discontinued operation	Consolidated
		持續經營業務					已終止經營業務	
		Property investment	Financial and securities investment	Gas pipeline construction	Sales of piped gas	Others	Sales of petroleum	
		物業投資	金融及證券投資	管道建設	管道燃氣銷售	其他	銷售石油	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
REVENUE	收益							
Turnover	營業額	1,262	94	185,045	49,727	10,572	129,791	376,491
SEGMENT RESULT	分類業績	(715)	54	130,015	8,152	2,556	(518)	139,544
Unallocated corporate revenue	未分配公司收益							10,109
Unallocated corporate expenses	未分配公司開支							(34,425)
Profit from operations	經營溢利							115,228
Finance costs	財務費用							(24,602)
Gain on disposal of subsidiaries	出售附屬公司之收益	-	-	-	20,017	-	-	20,017
Profit on disposal of discontinued operation	出售已終止經營業務之溢利	-	-	-	-	-	7,569	7,569
Profit before taxation	除稅前溢利							118,212
Taxation	稅項							(1,344)
Profit before minority interests	未計少數股東權益前溢利							116,868
Minority interests	少數股東權益							(36,808)
Net profit for the year	本年度溢利淨額							80,060
ASSETS	資產							
Segment assets	分類資產	45,966	20,290	164,601	858,012	9,087	-	1,097,956
Unallocated corporate assets	未分配公司資產							244,323
Consolidated total assets	綜合資產總值							1,342,279
LIABILITIES	負債							
Segment liabilities	分類負債	1,125	-	31,052	32,551	1,857	-	66,585
Unallocated corporate liabilities	未分配公司負債							681,899
Consolidated total liabilities	綜合負債總值							748,484
OTHER INFORMATION	其他資料							
Additions to goodwill	商譽添置	-	-	-	93,727	-	-	93,727
Additions to property, plant and equipment	物業、廠房及設備之添置	-	-	-	166,486	-	14,955	181,441
Additions to property, plant and equipment (unallocated)	物業、廠房及設備之添置 (未分配)							3,278
								278,446
Depreciation and amortisation	折舊及攤銷	-	-	-	2,896	-	5,213	8,109
Depreciation and amortisation (unallocated)	折舊及攤銷 (未分配)							1,496
								9,605
Deficit on revaluation of investment properties	重估投資物業之虧損	180	-	-	-	-	-	180
Amortisation of goodwill	商譽攤銷	-	-	-	497	-	1,462	1,959

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

6. BUSINESS AND GEOGRAPHICAL SEGMENTS

(Continued)

Geographical segments

The Group's operations are located in Hong Kong and the PRC. The Group's property investment, financial and securities investment divisions are located in Hong Kong. Sales of piped gas and gas pipeline construction are carried out in the PRC. Accordingly, no analysis of the Group's sales by geographical market, the carrying amount of segment assets, and additions to property, plant and equipment, analysed by the geographical area is presented.

7. OTHER OPERATING INCOME

6. 業務及地域分項資料 (續)

地區分部

本集團之業務位於香港及中國。本集團之物業投資、金融及證券投資分部位於香港。管道燃氣與燃氣管道建設業務則於中國進行。因此，本集團並無按地區市場劃分、分部資產之賬面值與添置物業、廠房及設備對銷售作出分析。

7. 其他經營收入

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest income	利息收入	1,911	425
Subsidies of PRC governmental authorities	中國政府機構之資助	10,665	7,857
Sundry income	雜項收入	2,781	3,524
Gain on disposal of investment properties	出售投資物業之收益	300	-
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	-	173
Unrealised holding gain on other investments	持有其他投資之未變現收益	-	370
		<u>15,657</u>	<u>12,349</u>



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

8. PROFIT FROM OPERATIONS

8. 經營溢利

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Profit from operations has been arrived at after charging (crediting):	經營溢利已扣除(計入)下列各項:		
Auditors' remuneration	核數師酬金	1,500	900
Depreciation and amortisation of property, plant and equipment on:	物業、廠房及設備之折舊及攤銷:		
Owned assets	自置資產	10,954	9,537
Asset held under a finance lease	根據融資租賃持有之資產	117	68
		11,071	9,605
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	51	-
Minimum lease payments for operating leases in respect of:	經營租約之最低租金:		
- rented premises	- 租賃物業	4,640	788
- equipment	- 設備	550	351
Staff costs:	員工成本:		
Directors' emoluments (note 11)	董事酬金(附註11)	6,276	5,253
Salaries and allowances of other staff	其他僱員之薪酬及津貼	29,420	17,678
Contributions to retirement benefit scheme contributions of other staff	為其他僱員向退休福利計劃供款	1,477	971
Less: amount capitalised in construction in progress	減:撥充在建工程成本之金額	(2,168)	(608)
		35,005	23,294
Unrealised holding loss on other investments	持有其他投資之未變現虧損	370	-
Rental income from investment properties less outgoings of HK\$54,000 (2004: HK\$76,000)	投資物業產生之租金收入減支銷 54,000港元(二零零四年:76,000港元)	(440)	(1,186)

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

9. FINANCE COSTS

9. 財務費用

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Interest on:	以下項目之利息：		
Bank loans and other borrowings wholly repayable within five years	須於五年內全數償還之銀行貸款及其他借款	28,980	25,081
Bank loans not wholly repayable within five years	毋須於五年內全數償還之銀行貸款	22,189	1,713
Obligations under a finance lease	融資租賃承擔	20	13
Convertible note	可換股票據	817	759
Convertible bonds	可換股債券	228	165
Convertible bonds redemption premium	贖回可換股債券溢價	5,646	-
		<u>57,880</u>	<u>27,731</u>
Less: Interest capitalised to construction in progress	減：撥充在建工程成本之利息	(36,610)	(3,129)
		<u>21,270</u>	<u>24,602</u>

10. DISCOUNT ON ACQUISITIONS OF SUBSIDIARIES AND AN ASSOCIATE

10. 收購附屬公司及聯營公司之折讓

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Discount on acquisition of a subsidiary (note 36)	收購一家附屬公司之折讓 (附註36)	150	-
Discount on acquisitions of additional interest in subsidiaries (note 45(ii))	收購附屬公司額外權益之折讓 (附註45(ii))	10,815	-
Discount on acquisition of an associate (note 18)	收購一家聯營公司之折讓 (附註18)	5,033	-
		<u>15,998</u>	<u>-</u>



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

11. EMOLUMENTS OF DIRECTORS AND EMPLOYEES

11. 董及僱員酬金

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Directors' fees	董事袍金		
- executive	- 執行	1,100	100
- non-executive	- 非執行	240	240
- independent non-executive	- 獨立非執行	360	321
		<u>1,700</u>	<u>661</u>
Other emoluments - executive	其他酬金 - 執行		
- salaries and other benefits	- 薪金及其他福利	4,540	4,592
- contributions to retirement benefit scheme	- 向退休福利計劃供款	36	-
		<u>4,576</u>	<u>4,592</u>
Total emoluments	酬金總額	<u><u>6,276</u></u>	<u><u>5,253</u></u>

The emoluments of the directors were within the following bands:

屬於下文所載酬金範圍內之董事人數如下：

		2005 二零零五年 No. of Directors 董事人數	2004 二零零四年 No. of Directors 董事人數
Nil to HK\$1,000,000	零至1,000,000港元	6	9
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	1	-
HK\$2,000,001 to HK\$2,500,000	2,000,001港元至2,500,000港元	<u>2</u>	<u>2</u>

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

11. EMOLUMENTS OF DIRECTORS AND EMPLOYEES

(Continued)

Employees (Continued)

Of the five individuals with the highest emoluments in the Group, three (2004: two) were directors of the Company whose emoluments are included in the disclosures above. The emoluments of the remaining two (2004: three) individuals were as follows:

Salaries and other benefits	薪金及其他福利
Retirement benefit scheme contributions	退休福利計劃供款

Emoluments of each of the two (2004: three) individuals were below HK\$1,000,000.

12. TAXATION

The amount represents PRC income tax for both years.

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

Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdictions.

Certain subsidiaries operating in the PRC are eligible for tax holidays and concessions and were exempted from the PRC income taxes for the year.

11. 董及僱員酬金 (續)

僱員酬金 (續)

本集團最高薪之五名個別人士中，三人(二零零四年：兩名)為本公司董事，彼等之酬金於上文披露。其餘兩名(二零零四年：三名)個別人士之酬金如下：

2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
1,215	1,525
42	34
1,257	1,559

該兩名(二零零四年：三名)人士各自之酬金低於1,000,000港元。

12. 稅項

有關款項指二零零四年及二零零五年之中國所得稅。

由於本集團於兩年度均無應課稅溢利，故並未於財務報表就香港利得稅作出撥備。

其他司法權區之稅項乃按個別司法權區之適用稅率計算。

若干於中國經營之附屬公司可取得免稅期及稅務減免，並獲豁免本年度之中國所得稅。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

12. TAXATION (Continued)

The taxation for the year can be reconciled to the profit (loss) before taxation per the income statement as follows:

12. 稅項 (續)

年度稅項與收益表所示之除稅前溢利(虧損)之對賬如下:

		Hong Kong		PRC		Total	
		香港		中國		總計	
		2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Profit (loss) before taxation	除稅前溢利(虧損)	(35,285)	(2,002)	204,774	120,214	169,489	118,212
Tax at the domestic income tax rate	按本地所得稅率計算之稅項	(6,175)	(351)	67,575	39,671	61,400	39,320
Tax effect of share of result of an associate	應佔聯營公司業績之稅務影響	-	-	342	-	342	-
Tax effect of expenses not deductible for tax purpose	就稅項而言不可扣減之開支之稅項影響	1,747	712	1,250	1,526	2,997	2,238
Tax effect of income not taxable for tax purpose	就稅項而言毋須課稅之開支之稅項影響	(596)	(5,183)	(6,162)	(2,447)	(6,758)	(7,630)
Tax effect of deferred tax asset not recognised	並無確認之遞延稅項資產之稅項影響	5,250	4,822	1,055	263	6,305	5,085
Utilisation of tax losses previously not recognised	動用過往未確認之稅務虧損	(179)	-	(68)	-	(247)	-
Effect of tax exemption granted to certain PRC subsidiaries	授予若干中國附屬公司之稅項豁免之影響	-	-	(62,517)	(37,669)	(62,517)	(37,669)
Others	其他	(47)	-	-	-	(47)	-
Taxation for the year	年度稅項	-	-	1,475	1,344	1,475	1,344

Note: The applicable tax rate for Hong Kong and the PRC is 17.5% and 33%, respectively (2004: 17.5% and 33%, respectively).

附註: 香港及中國適用之所得稅稅率分別為17.5%及33%(二零零四年:分別為17.5%及33%)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

13. EARNINGS PER SHARE

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

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Earnings for the purpose of basic earnings per share	計算每股基本溢利之溢利	132,249	80,060
Effect of dilutive potential ordinary shares:	普通股潛在攤薄之影響：		
Interest on convertible note and convertible bonds	可換股票據及可換股債券之利息	1,045	924
Earnings for the purposes of diluted earnings per share	計算每股攤薄溢利之溢利	<u>133,294</u>	<u>80,984</u>
		2005 二零零五年 '000 千股	2004 二零零四年 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本溢利之普通股加權平均數	1,844,957	1,300,959
Effect of dilutive potential ordinary shares:	普通股潛在攤薄之影響：		
Convertible note	可換股票據	21,593	17,518
Convertible bonds	可換股債券	916	21,973
Share options	購股期權	55,882	-
Warrants	認股權證	31,275	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄溢利之普通股加權平均數	<u>1,954,623</u>	<u>1,340,450</u>

The computation of diluted earnings per share for the year ended March 31, 2004 does not assume the exercise of the Company's outstanding share options as the exercise price of those options was higher than the average market price for shares for the year ended March 31, 2004.

13. 每股溢利

每股基本及攤薄溢利乃按下列資料計算：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
Earnings for the purpose of basic earnings per share	計算每股基本溢利之溢利	132,249	80,060
Effect of dilutive potential ordinary shares:	普通股潛在攤薄之影響：		
Interest on convertible note and convertible bonds	可換股票據及可換股債券之利息	1,045	924
Earnings for the purposes of diluted earnings per share	計算每股攤薄溢利之溢利	<u>133,294</u>	<u>80,984</u>
		2005 二零零五年 '000 千股	2004 二零零四年 '000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本溢利之普通股加權平均數	1,844,957	1,300,959
Effect of dilutive potential ordinary shares:	普通股潛在攤薄之影響：		
Convertible note	可換股票據	21,593	17,518
Convertible bonds	可換股債券	916	21,973
Share options	購股期權	55,882	-
Warrants	認股權證	31,275	-
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄溢利之普通股加權平均數	<u>1,954,623</u>	<u>1,340,450</u>

計算截至二零零四年三月三十一日止年度之每股攤薄盈利時，並無假設本公司購股權獲行使，原因是本公司購股權之行使價高於股份截至二零零四年三月三十一日止年度之平均市價。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

14. INVESTMENT PROPERTIES

14. 投資物業

		THE GROUP	
		本集團	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Valuation	估值		
At beginning of the year	年初	9,620	9,800
Disposals	出售	(9,620)	-
Deficit on revaluation	估值虧絀	-	(180)
		<u>-</u>	<u>(180)</u>
At end of the year	年終	<u>-</u>	<u>9,620</u>

During the year, the Group has disposed of all its investment properties to independent third parties at an aggregate consideration of HK\$9,920,000.

於本年度，本集團向獨立第三者出售其所有投資物業，代價總額為9,920,000港元。

The market value of investment properties shown above comprises:

上文投資物業之市價包括：

		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Long lease in Hong Kong	於香港之長期租約	-	8,020
Medium-term lease in Hong Kong	於香港之中期租約	-	1,600
		<u>-</u>	<u>1,600</u>
		<u>-</u>	<u>9,620</u>

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT

15. 物業、廠房及設備

		Land use rights under medium- term leases in the PRC 於中國按 中期租約 之土地 使用權	Leasehold land and buildings 租賃土地 及樓宇	Pipelines 管道	Construction in progress 在建工程	Machinery and equipment 機器 及設備	Furniture and fixtures 傢俬及 固定裝置	Motor vehicles 汽車	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
THE GROUP	本集團								
COST	成本								
At April 1, 2004	於二零零四年四月一日	-	48,388	35,823	134,243	12,101	4,720	11,435	246,710
Additions	添置	8,373	2,303	10,906	609,984	12,522	2,639	10,695	657,422
Acquired on acquisition of subsidiaries	收購附屬公司所得	3,317	16,020	25,029	44,970	20,452	523	1,382	111,693
Reclassification	重新分類	-	155	32,183	(32,338)	-	-	-	-
Disposals	出售	-	-	-	-	(67)	(62)	-	(129)
At March 31, 2005	於二零零五年 三月三十一日	11,690	66,866	103,941	756,859	45,008	7,820	23,512	1,015,696
DEPRECIATION, AMORTISATION AND IMPAIRMENT	折舊、攤銷及減值								
At April 1, 2004	於二零零四年四月一日	-	4,521	591	-	2,062	618	1,449	9,241
Provided for the year	年內撥備	204	1,619	1,958	-	3,402	1,051	2,837	11,071
Impairment loss reversed in the income statement (Note below)	已於收益表撥回之減值 虧損(見下文附註)	-	(2,668)	-	-	-	-	-	(2,668)
Eliminated on disposals	出售後撇除	-	-	-	-	(2)	(58)	-	(60)
At March 31, 2005	於二零零五年 三月三十一日	204	3,472	2,549	-	5,462	1,611	4,286	17,584
NET BOOK VALUES	賬面淨值								
At March 31, 2005	於二零零五年 三月三十一日	11,486	63,394	101,392	756,859	39,546	6,209	19,226	998,112
At March 31, 2004	於二零零四年 三月三十一日	-	43,867	35,232	134,243	10,039	4,102	9,986	237,469



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

15. 物業、廠房及設備 (續)

THE COMPANY

本公司

		Motor vehicles 汽車 HK\$'000 千港元
COST	成本	
At April 1, 2004	於二零零四年四月一日	815
Additions	添置	548
		<hr/>
At March 31, 2005	於二零零五年三月三十一日	1,363
		<hr/>
DEPRECIATION	折舊	
At April 1, 2004	於二零零四年四月一日	148
Provided for the year	年內撥備	329
		<hr/>
At March 31, 2005	於二零零五年三月三十一日	477
		<hr/>
NET BOOK VALUES	賬面淨值	
At March 31, 2005	於二零零五年三月三十一日	886
		<hr/> <hr/>
At March 31, 2004	於二零零四年三月三十一日	667
		<hr/> <hr/>

The net book value of leasehold land and buildings of the Group shown above comprises:

本集團上述租賃土地及樓宇之賬面淨值包括：

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
In Hong Kong	於香港之長期租約		
Long lease		41,295	39,682
Outside Hong Kong	於香港以外之中期租約		
Medium-term lease		22,099	4,185
		<hr/>	<hr/>
		63,394	43,867
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

15. PROPERTY, PLANT AND EQUIPMENT (Continued)

At March 31, 2005, interest capitalised in construction in progress amounted to HK\$36,610,000 (2004: HK\$3,129,000).

The net book value of property, plant and equipment includes an amount of HK\$281,000 (2004: HK\$398,000) in respect of an asset held under a finance lease.

Note: During the year, the directors determined that the impairment loss of HK\$2,668,000 (2004: HK\$5,987,000) of certain leasehold land and buildings held by the subsidiaries were reversed, due to the increase in the recoverable amount after change of the core business of the Group.

16. PROPERTIES HELD FOR DEVELOPMENT

Medium-term lease in	於香港以中期租約持有
Hong Kong – at cost	— 以成本計算
Less: Impairment loss recognised	減：已確認減值虧損

Properties held for development were reassessed at their open market value at March 31, 2005 on an open market existing use basis. The directors of the Company consider that no further impairment loss (2004: nil) was required to be charged to the consolidated income statement.

15. 物業、廠房及設備 (續)

於二零零五年三月三十一日，撥充在建工程資本化之利息為36,610,000港元(二零零四年：3,129,000港元)。

物業、廠房及設備之賬面淨值中包括根據融資租賃持有之資產281,000港元(二零零四年：398,000港元)。

附註： 於本年內，董事釐定附屬公司所持有之若干租賃土地與樓宇之2,668,000港元(二零零四年：5,987,000港元)減值虧損復歸，原因是本集團之核心業務變動後可收回款項增加。

16. 持作發展之物業

THE GROUP	
本集團	
2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
千港元	千港元
23,200	43,100
(5,700)	(6,900)
<u>17,500</u>	<u>36,200</u>

持作發展之物業乃以此等物業於二零零五年三月三十一日之公開市值，按公開市場現行用途之基準進行重估。本公司董事認為並無(二零零四年：無)其他減值虧損須於綜合收益表扣除。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

17. INTERESTS IN SUBSIDIARIES

17. 於附屬公司之權益

		THE COMPANY	
		本公司	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Unlisted shares, at cost	非上市股份，按成本	517,770	325,689
Less: Impairment losses recognised	減：已確認減值虧損	(51,494)	(51,504)
		<u>466,276</u>	<u>274,185</u>
Amounts due from subsidiaries	附屬公司欠款	370,129	356,527
Less: Allowance	減：撥備	(109,488)	(137,176)
		<u>260,641</u>	<u>219,351</u>
		<u>726,917</u>	<u>493,536</u>

The amounts due from subsidiaries are unsecured and interest-free. In the opinion of the directors, the amounts will not be repaid within twelve months from the balance sheet date. Accordingly, they are classified as non-current.

附屬公司欠款並無抵押及免息。董事認為，附屬公司欠款將不會於結算日起計十二個月內償還，故有關款項列為非流動項目。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

17. INTERESTS IN SUBSIDIARIES (Continued)

Particulars of the principal subsidiaries at March 31, 2005 are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架 構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Faith Profit Limited 進雅有限公司	Hong Kong 香港	Incorporated 註冊成立	Ordinary HK\$10,000 普通股 10,000港元	100	-	Property holding 持有物業
Hai Xia Finance Limited 海峽財務有限公司	Hong Kong 香港	Incorporated 註冊成立	Ordinary HK\$2 普通股 2港元	-	100	Securities investment 證券投資
Iwai's Holdings (Hong Kong) Limited	Hong Kong 香港	Incorporated 註冊成立	Ordinary HK\$1,000 Non-voting deferred shares HK\$1,000,000 (Note) 普通股 1,000港元 無投票權 1,000,000港元 (附註)	-	100	Investment holding, property investment and provision of management services to group companies 投資控股、物業投資及提供 管理服務予 集團公司
Wellgem Asia Limited 偉寶亞洲有限公司	Hong Kong 香港	Incorporated 註冊成立	Ordinary HK\$10,000 普通股 10,000港元	100	-	Property development 物業發展

17. 於附屬公司之權益 (續)

於二零零五年三月三十一日，主要附屬公司詳情如下：



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

17. INTERESTS IN SUBSIDIARIES (Continued)

17. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架 構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
中亞燃氣實業(深圳) 有限公司 Central Asia Natural Gas (Shenzhen) Company Limited* (*中亞燃氣)	PRC 中國	Wholly owned foreign enterprise 外商獨資企業	Registered US\$29,800,000 註冊資本 29,800,000美元	100	-	Investment holding and treasury 投資控股及財資
Beijing Zhongran Xiangke Oil Gas Technology Company Limited* 北京中燃翔科油氣技術 有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資 企業	Registered RMB20,000,000 註冊資本 人民幣 20,000,000元	-	60	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道 建造
Elegant Cheer Limited 雅緻有限公司	Hong Kong 香港	Incorporated 註冊成立	Ordinary HK\$10,000 普通股 10,000港元	-	100	Property holding 持有物業
China Gas Corporate Services Limited 中國燃氣企業服務有限公司	Hong Kong 香港	Incorporated 註冊成立	Ordinary HK\$100 普通股 100港元	100	-	Provision of secretarial services 提供秘書服務
Wuhan China Natural Gas Investment Company Limited* 武漢中燃投資有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB69,980,000 註冊資本 人民幣 69,980,000元	-	100	Investment holding 投資控股

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

17. INTERESTS IN SUBSIDIARIES (Continued)

17. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架 構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Yiyang Central Gas & City Gas Development Co., Ltd.* 益陽中燃城市燃氣發展 有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB44,000,000 註冊資本 人民幣 44,000,000元	-	80	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Wuhu City Natural Gas Development Company Limited* 蕪湖中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB100,000,000 註冊資本 人民幣 100,000,000元	-	90	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
北京中油翔科科技有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB2,000,000 註冊資本 人民幣 2,000,000元	-	80	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
唐山翔科燃氣有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB1,000,000 註冊資本 人民幣 1,000,000元	-	70	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
廊坊市翔科危險貨物運輸 有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB500,000 註冊資本 人民幣 500,000元	-	80	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
廊坊市翔科油氣技術 有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB2,680,000 註冊資本 人民幣 2,680,000元	-	51	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造



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For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

17. INTERESTS IN SUBSIDIARIES (Continued)

17. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架 構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Yichang Zhongran City Gas Development Limited* 宜昌中燃城市燃氣發展 有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB70,000,000 註冊資本 人民幣 70,000,000元	-	70	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
蕪城翔科燃氣有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB2,000,000 註冊資本 人民幣 2,000,000元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Clever Decision Enterprises Limited	BVI 英屬處女群島	Incorporated 註冊成立	Ordinary US\$100 普通股 100美元	100	-	Investment holding 投資控股
北京通寶華油燃氣技術發展 有限公司	PRC 中國	Wholly owned foreign enterprise 外商獨資企業	Registered RMB20,000,000 註冊資本 人民幣 20,000,000元	-	100	Investment holding 投資控股
Huainan China Gas City Gas Development Co., Ltd.* ("Huainan China Gas") 淮南中燃城市燃氣發展有限公司 (「淮南中燃」)	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB72,000,000 註冊資本 人民幣 72,000,000元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Suizhou Zhongran City Gas Development Co., Ltd.* ("Suizhou Zhongran") 隨州中燃城市燃氣發展有限公司 (「隨州中燃」)	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB35,000,000 人民幣 35,000,000元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造

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17. INTERESTS IN SUBSIDIARIES (Continued)

17. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架 構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Xiaogan Zhenrong Gas Co., Ltd.* 孝感振戎天然氣有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB48,950,000 註冊資本 人民幣 48,950,000元	-	55	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Xiaogan Jiayu Gas Co., Ltd.* 孝感嘉旭天然氣有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB16,002,000 註冊資本 人民幣 16,002,000元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Hanchuen Jiayu Gas Co., Ltd.* 漢川嘉旭天然氣有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB11,274,000 註冊資本 人民幣 11,274,000元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Yumeng Jiayu Gas Co., Ltd.* 雲夢嘉旭天然氣有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB9,708,000 註冊資本 人民幣 9,708,000元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Yingcheng Jiayu Gas Co., Ltd.* 應城嘉旭天然氣有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB10,074,000 註冊資本 人民幣 10,074,000元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Dangyang Zhongran Gas Co., Ltd.* 當陽中燃天然氣有限公司	PRC 中國	Wholly owned foreign enterprise 外商獨資企業	Registered HK\$20,000,000 註冊資本 20,000,000港元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造



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17. INTERESTS IN SUBSIDIARIES (Continued)

17. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架 構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Pizhou Zhongran City Gas Development Co., Ltd.* 邳州中燃城市燃氣發展 有限公司	PRC 中國	Wholly owned foreign enterprise 外商獨資企業	Registered US\$600,000 註冊資本 600,000美元	-	100	Trading of natural gas and gas pipeline 買賣天然氣 及燃氣管道
Suzhou Zhongran City Gas Development Co., Ltd.* 宿州中燃城市燃氣發展 有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered US\$3,625,000 註冊資本 3,625,000美元	-	75	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Cangzhou Zhongran City Gas Development Co., Ltd.* 滄州中燃城市燃氣發展 有限公司	PRC 中國	Wholly owned foreign enterprise 外商獨資企業	Registered HK\$2,000,000 註冊資本 2,000,000港元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Nanpixian Zhongran City Gas Development Co., Ltd.* 南皮縣中燃城市燃氣發展 有限公司	PRC 中國	Wholly owned foreign enterprise 外商獨資企業	Registered HK\$2,000,000 註冊資本 2,000,000港元	-	100	Trading of natural gas and gas pipeline 買賣天然氣 及燃氣管道
Wuhuxian Zhongran City Gas Development Co., Ltd.* 蕪湖縣中燃城市燃氣發展 有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB10,000,000 註冊資本 人民幣 10,000,000元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造

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17. INTERESTS IN SUBSIDIARIES (Continued)

17. 於附屬公司之權益 (續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架 構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				Directly 直接 %	Indirectly 間接 %	
Qinzhou Zhongran City Gas Development Co., Ltd.* 欽州中燃城市燃氣發展 有限公司	PRC 中國	Wholly owned foreign enterprise 外商獨資企業	Registered RMB20,000,000 註冊資本 人民幣 20,000,000元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Yangzhong Zhongran City Gas Development Co., Ltd.* 揚中中燃城市燃氣發展 有限公司	PRC 中國	Wholly owned foreign enterprise 外商獨資企業	Registered US\$1,000,000 註冊資本 1,000,000美元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造
Tianmen Zhongran City Gas Development Co., Ltd.* 天門中燃城市燃氣發展 有限公司	PRC 中國	Wholly owned foreign enterprise 外商獨資企業	Registered HK\$9,450,000 註冊資本 9,450,000港元	-	100	Trading of natural gas and gas pipeline construction 買賣天然氣 及燃氣管道建造

* English name is for identification purposes only.

* 英文名稱僅供識別



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17. INTERESTS IN SUBSIDIARIES (Continued)

The above table lists the principal subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Note: The deferred shares, which are not held by the Group, practically carry no rights to dividends or to receive notice of or to attend or vote at any general meeting of the company or to participate in any distribution on winding up.

None of the subsidiaries had any debt securities outstanding at the end of the year.

18. INTEREST IN AN ASSOCIATE

17. 於附屬公司之權益 (續)

上表載列董事認為對本集團業績或資產有主要影響之本集團各主要附屬公司。董事認為，提供其他附屬公司詳情會導致資料過於冗長。

附註： 遞延股份並非由本集團持有，而實際上並不附帶收取股息、接獲本公司任何股東大會通告、出席會議或於會上投票或於清盤時分享任何分派之權利。

各附屬公司於年終時並無任何未償還債務證券。

18. 於聯營公司之權益

Share of net assets

應佔資產淨值

THE GROUP	
本集團	
2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
千港元	千港元
20,454	-

Unlisted shares, at cost

非上市股份，成本值

THE COMPANY	
本公司	
2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
千港元	千港元
16,456	-

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18. INTEREST IN AN ASSOCIATE (Continued)

As at March 31, 2005, the Group had interest in the following associate:

Name of entity	Form of business structure	Place of incorporation/ registration	Principal place of operation	Registered Capital	Proportion of nominal value of registered capital held by the Group	Nature of business
實體名稱	業務架構形式	註冊成立/ 註冊地點	主要 營業地點	註冊股本	本集團所 持有註冊 股本面值比例 %	業務性質
Beijing Jinggang Gas Development Company Limited ("Beijing Jinggang")* 北京京港燃氣有限公司 (「北京京港」)	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	RMB30,000,000 人民幣 30,000,000元	49	Trading of gas 燃氣銷售

* English name is for identification purposes only.

During the year, the Group acquired 49% equity interests in Beijing Jinggang at a consideration of RMB7,634,000 (equivalent to HK\$7,210,000). Discount on the acquisition of Beijing Jinggang of HK\$5,033,000 was recognised directly in the consolidated income statement on the acquisition date.

Pursuant to the acquisition agreement, all the equity owners of Beijing Jinggang have agreed to inject RMB20,000,000 as additional capital to Beijing Jinggang in accordance with their proportion of equity interests held. The Group has injected RMB9,800,000 (equivalent to HK\$9,246,000) accordingly.

18. 於聯營公司之權益 (續)

於二零零五年三月三十一日，本集團於以下聯營公司擁有權益：

Name of entity	Form of business structure	Place of incorporation/ registration	Principal place of operation	Registered Capital	Proportion of nominal value of registered capital held by the Group	Nature of business
實體名稱	業務架構形式	註冊成立/ 註冊地點	主要 營業地點	註冊股本	本集團所 持有註冊 股本面值比例 %	業務性質
Beijing Jinggang Gas Development Company Limited ("Beijing Jinggang")* 北京京港燃氣有限公司 (「北京京港」)	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	RMB30,000,000 人民幣 30,000,000元	49	Trading of gas 燃氣銷售

* 英文名稱僅供識別。

於年內，本集團收購北京京港股權49%，代價人民幣7,634,000元（相當於7,210,000港元）。收購北京京港之折讓5,033,000港元直接於收購日期於綜合收益表中確認。

根據收購協議，所有北京京港的證券擁有人已同意根據彼等持有之股權比例，向北京京港額外注資人民幣20,000,000元。本集團因此注資人民幣9,800,000元（相當於9,246,000港元）。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

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19. INVESTMENTS IN SECURITIES

19. 證券投資

		Investment securities		Other investments		Total	
		投資證券		其他投資		總計	
		2005	2004	2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
THE GROUP	本集團						
Equity securities listed in Hong Kong	於香港上市之股本證券	<u>5,490</u>	<u>5,490</u>	<u>14,430</u>	<u>14,800</u>	<u>19,920</u>	<u>20,290</u>
Market value	市場價值	<u>5,856</u>	<u>4,392</u>	<u>14,430</u>	<u>14,800</u>	<u>20,286</u>	<u>19,192</u>
Carrying amount analysed for reporting purpose as:	賬面值分析供呈報用途：						
Current	流動	-	-	14,430	14,800	14,430	14,800
Non-current	非流動	<u>5,490</u>	<u>5,490</u>	-	-	<u>5,490</u>	<u>5,490</u>
		<u>5,490</u>	<u>5,490</u>	<u>14,430</u>	<u>14,800</u>	<u>19,920</u>	<u>20,290</u>
THE COMPANY	本公司						
Equity securities listed in Hong Kong	於香港上市之股本證券	<u>-</u>	<u>5,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,220</u>
Market value	市場價值	<u>-</u>	<u>4,176</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,176</u>
Carrying amount analysed for reporting purpose as:	賬面值分析供呈報用途：						
Non-current	非流動	<u>-</u>	<u>5,220</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,220</u>

Note:

The investment securities represent approximately 5.1% equity interests in Greater China Holdings Limited held by the Group.

附註：

該等證券投資乃本集團所持有大中華實業控股有限公司約5.1%之股本權益。

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20. GOODWILL

20. 商譽

		THE GROUP 本集團 HK\$'000 千港元
COST		
At April 1, 2003	於二零零三年四月一日	20,784
Arising on acquisitions of subsidiaries during the year (note 36)	年內收購附屬公司所產生 (附註36)	93,501
Arising on acquisition of additional interest in a subsidiary	增購附屬公司權益所產生	226
Eliminated on disposals of subsidiaries during the year	年內出售附屬公司所撤銷	(5,470)
At March 31, 2004	於二零零四年三月三十一日	109,041
At April 1, 2004	於二零零四年四月一日	
- as stated above	- 按上文重列	109,041
- adjustment on adoption of HKFRS 3	- 採納香港財務申報準則第3號之調整	
- elimination of accumulated amortisation (note 2)	- 撤銷累計攤銷 (附註2)	(1,908)
- as restated	- 經重列	107,133
Arising on acquisitions of subsidiaries during the year (note 36)	年內收購附屬公司所產生 (附註36)	51,718
Arising on acquisitions of additional interest in subsidiaries (note 45(iii))	增購附屬公司權益所產生 (附註45(iii))	50,543
At March 31, 2005	於二零零五年三月三十一日	209,394
AMORTISATION		
At April 1, 2003	於二零零三年四月一日	654
Charge for the year	年內支出	1,959
Eliminated on disposals of subsidiaries	出售附屬公司撤銷	(705)
At March 31, 2004	於二零零四年三月三十一日	1,908
At April 1, 2004	於二零零四年四月一日	
- as stated above	- 按上文重列	1,908
- adjustment on adoption of HKFRS 3	- 採納香港財務申報準則第3號之調整	
- written off against cost (note 2)	- 成本注銷 (附註2)	(1,908)
As restated and as at March 31, 2005	經重列及於二零零五年三月三十一日	-
CARRYING AMOUNTS		
At March 31, 2005	於二零零五年三月三十一日	209,394
At March 31, 2004	於二零零四年三月三十一日	107,133



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20. GOODWILL (Continued)

The Group tests goodwill annually for impairment in the financial year in which the acquisition takes place, or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of the cash generating units ("CGUs") are determined based on value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the period. Management estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The Group prepares cash flows forecasts derived from the most recent financial budgets approved by management for the next five to seven years and extrapolates cash flows for the following five to seven years based on the estimated growth rate of 3%. This rate does not exceed the average long-term growth rate for the relevant markets. The rates used to discount the forecast cash flows for CGUs are from 15% to 17%. In the opinion of the directors, no material impairment loss is identified as at March 31, 2005.

21. DEPOSITS FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

The amount includes HK\$34,187,000 which was paid to a minority shareholder of a subsidiary for acquisition of property, plant and equipment.

20. 商譽 (續)

本集團於發生收購之每個財政年度檢討商譽有否減值，以及是否有跡象表明商譽可能減值。

現金產生單位(「現金產生單位」)之可回收價值乃按使用價值釐定。計算使用價值主要假設於期內售價之折扣率、增長率及預期變動及直接成本值。管理層按反映目前評估金錢之時間值及現金產生單位之特定風險之稅前比率估計折扣率。增長率按業內預期增長釐定。售價變動及直接成本按過往慣例及預期市場未來之變動而釐定。

本集團自管理層批准未來五年至七年之最近期財務預算編製現金流量預算，以及根據增長率3%推算日後五至七年之現金流量。增長率3%並無超越有關市場之平均長期增長率。用於現金產生單位之現金流量折扣比率由15%至17%不等。董事認為，於二零零五年三月三十一日概無重大可辨認減值虧損。

21. 收購物業、廠房及設備之按金

該款項包括就收購物業、廠房及設備向一家附屬公司一名少數股東權益支付34,187,000港元。

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22. DEPOSITS FOR INVESTMENTS

THE GROUP AND THE COMPANY

The amount at March 31, 2004 represented the deposits paid by the Company for the acquisition of 100% equity interests in United Keen Investment Limited ("United Keen") and Glorywish Investment Limited ("Glorywish"). The principal activities of the subsidiaries of United Keen and Glorywish are trading of natural gas and gas pipeline construction.

During the year, the Company acquired United Keen but did not proceed the acquisition of Glorywish. Deposit paid for acquisition of Glorywish of HK\$5,714,000 was refunded during the year.

No deposit was paid for investments at March 31, 2005.

23. INVENTORIES

The following is an analysis of inventories at the reporting date:

Construction materials	建材
Consumables and spare parts	消耗品及備件
Natural gas	天然氣

The inventories are stated at cost. Cost of inventories recognised as expenses during the year is HK\$115,335,000 (2004: HK\$23,808,000).

22. 投資按金

本集團及本公司

於二零零四年三月三十一日之款項代表本公司就收購United Keen Investment Limited (「United Keen」) 及 Glorywish Investment Limited (「Glorywish」) 100% 股權而支付之按金。附屬公司United Keen及Glorywish之主要業務為買賣天然氣及燃氣管道建設。

於年內，本公司已收購United Keen但並未收購Glorywish。就收購Glorywish之按金5,714,000港元已於年度退還。

於二零零五年三月三十一日並無就投資支付按金。

23. 存貨

THE GROUP 本集團

2005 二零零五年	2004 二零零四年
HK\$'000 千港元	HK\$'000 千港元
33,387	11,475
1,886	1,239
3,556	-
38,829	12,714

存貨按成本列值。年內確認為開支之存貨成本達115,335,000港元(二零零四年: 23,808,000港元)。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

24. AMOUNTS DUE FROM (TO) CUSTOMERS FOR CONTRACT WORK

24. 應收(應付)客戶之合約工程款項

		THE GROUP 本集團	
		2005 二零零五年	2004 二零零四年
		HK\$'000 千港元	HK\$'000 千港元
Contracts in progress at balance sheet date:	於結算日之在建工程：		
Contract costs incurred plus recognised profits less recognised losses	已錄得之合約成本加已確認溢利減已確認虧損	378,496	150,943
Less: progress billings	減：進度付款	(12,724)	(7,851)
		<u>365,772</u>	<u>143,092</u>
Represented by:	代表：		
Due from customers included in current assets	計入流動資產之應收客戶款項	366,664	143,435
Due to customers included in current liabilities	計入流動負債之應付客戶款項	(892)	(343)
		<u>365,772</u>	<u>143,092</u>

At March 31, 2005 and 2004, there were no retention monies held by customers for contract work performed. At March 31, 2005, advances received from customers for contract work amounted to HK\$19,474,000 (2004: HK\$7,296,000) which were included in trade and other payables.

於二零零五年及二零零四年三月三十一日，並無保留款項由客戶就已進行之合約工程而持有。於二零零五年三月三十一日，已向合約工程客戶收取之墊款為19,474,000港元(二零零四年：7,296,000港元)，並已列入應付賬款及其他應付款項。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

25. TRADE AND OTHER RECEIVABLES

The Group allows an average credit period of 30 to 60 days to its trade customers.

The following is an aged analysis of trade and other receivables at the reporting date:

25. 貿易應收賬款及其他應收賬項

本集團向其貿易客戶提供平均30-60日之信貸期。

於申報當日，貿易應收賬款及其他應收賬項之賬齡分析如下：

		THE GROUP	
		本集團	
		2005	2004
		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
0 - 30 days	0-30日	7,930	2,198
31 - 60 days	31-60日	11,474	2,519
61 - 90 days	61-90日	78	2,568
91 - 120 days	91-120日	2,295	514
121 - 180 days	121-180日	473	-
Over 180 days	180日以上	6,974	1,910
Trade receivables	貿易應收賬款	29,224	9,709
Deposits paid for construction materials	建材已付按金	7,161	179,433
Other receivables, deposits and prepayments	其他應收賬項、按金及預付款項	48,881	63,419
Deposit paid to a minority shareholder of a subsidiary for acquisition of property, plant and equipment	就購置物業、廠房及設備而向附屬公司之少數股東支付之按金	-	37,066
Amount due from a minority shareholder of a subsidiary	應收一間附屬公司少數股東款項	495	1,587
		85,761	291,214



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

26. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade and other payables at the reporting date:

0 – 60 days	0-60日
61 – 90 days	61-90日
91 – 120 days	91-120日
121 – 180 days	121-180日
Over 180 days	180日以上
Trade payables	貿易應付賬款
Other payables and accrued charges	其他應付賬項及應計支出

26. 貿易應付賬款及其他應付賬項

於申報當日，貿易應付賬款及其他應付賬項之賬齡分析如下：

THE GROUP		2005	2004
本集團		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
		49,720	24,695
		6,724	1,169
		6,182	842
		14,490	57
		17,880	3,946
		94,996	30,709
		75,880	41,606
		170,876	72,315

27. AMOUNTS DUE TO A MINORITY SHAREHOLDER OF A SUBSIDIARY

The amount is unsecured, interest bearing at not more than 2% per annum and repayable in year 2013. Accordingly, amount is classified as non-current liability as at the balance sheet date.

27. 應付一家附屬公司一名少數股東款項

該款項為無抵押、按年息不超過2厘計息，並須於二零一三年償還。因此，該款項於結算日列作非流動負債。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

28. BANK AND OTHER BORROWINGS

28. 銀行及其他借貸

		THE GROUP		THE COMPANY	
		本集團		本公司	
		2005	2004	2005	2004
		二零零五年	二零零四年	二零零五年	二零零四年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Bank loans	銀行貸款	1,180,950	571,666	-	-
Mortgage loan	按揭貸款	18,158	20,053	18,158	20,053
Other loans	其他貸款	124,338	-	-	-
		<u>1,323,446</u>	<u>591,719</u>	<u>18,158</u>	<u>20,053</u>
Secured	有抵押	967,803	591,719	18,158	20,053
Unsecured	無抵押	355,643	-	-	-
		<u>1,323,446</u>	<u>591,719</u>	<u>18,158</u>	<u>20,053</u>
The maturity profile of the above loans is as follows:	上述貸款之到期明細如下：				
On demand or within one year	於要求時或於一年內償付	172,928	278,489	2,116	2,061
More than one year, but not exceeding two years	多於一年但不超過兩年	72,705	24,991	2,197	2,134
More than two years, but not exceeding five years	多於兩年但不超過五年	420,049	151,057	7,104	6,867
More than five years	多於五年	657,764	137,182	6,741	8,991
		<u>1,323,446</u>	<u>591,719</u>	<u>18,158</u>	<u>20,053</u>
Less: Amount due within one year shown under current liabilities	減：一年內到期列入流動負債之款項	(172,928)	(278,489)	(2,116)	(2,061)
Amount due after one year	一年後到期之款項	<u>1,150,518</u>	<u>313,230</u>	<u>16,042</u>	<u>17,992</u>



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

29. OBLIGATIONS UNDER A FINANCE LEASE

THE GROUP AND THE COMPANY

Amounts payable under a finance lease:	根據融資租賃應付金額：
Within one year	一年內
In the second to fifth year inclusive	第二至第五年 (包括首尾兩年)
Less: Future finance charges	減：未來融資費用
Present value of lease obligations	租約承擔之現值
Less: Amount due for settlement within one year (shown under current liabilities)	減：一年內到期支付之款項(列作流動負債)

29. 融資租賃承擔

本集團及本公司

	Minimum lease payments		Present value of minimum lease payments	
	2005	2004	2005	2004
	二零零五年	二零零四年	二零零五年	二零零四年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
	66	132	64	112
	131	197	121	185
	197	329	185	297
	(12)	(32)	-	-
	<u>185</u>	<u>297</u>	<u>185</u>	<u>297</u>
			(64)	(112)
			<u>121</u>	<u>185</u>

It is the Group's policy to lease certain of its property, plant and equipment under finance lease. The lease term is 3 years. For the year ended March 31, 2005, the effective borrowing rate was approximately 8% per annum (2004: 8%). Interest rate is fixed at the contract date. The lease is on a fixed repayment basis and no arrangement has been entered into for contingent rental payments.

The Group's obligations under a finance lease are secured by the lessor's charge over the leased asset.

本集團之政策為根據融資租賃租用若干物業、廠房及設備。租期3年。截至二零零五年三月三十一日止年度，實質借貸年利率約為8厘(二零零四年：8厘)。利息乃於訂約日期釐定。租約乃以固定還款基準訂立，並無就或然租約付款作出安排。

本集團於融資租賃之承擔乃以出租人以租賃資產設立之押記作抵押。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

30. SHARE CAPITAL

30. 股本

		Ordinary shares		Convertible preference shares		Total
		普通股		可換股優先股		
		No. of shares		No. of shares		
		'000	HK\$'000	'000	HK\$'000	HK\$'000
		HK\$0.01		HK\$1		
		each		each		
		千股股數		千股股數		
		每股面值		每股面值		
		0.01港元	千港元	1港元	千港元	千港元
Authorised	法定	9,000,000	90,000	124,902	124,902	214,902
Issued and fully paid:	已發行及繳足：					
At April 1, 2003	於二零零三年四月一日	1,212,407	12,125	6,298	6,298	18,423
Issue of new ordinary shares	發行新普通股	280,000	2,800	-	-	2,800
Conversion of convertible bonds	轉換可換股債券	16,922	169	-	-	169
Conversion of preference shares to ordinary shares	轉換優先股為普通股	48,451	484	(6,298)	(6,298)	(5,814)
At March 31, 2004	於二零零四年三月三十一日	1,557,780	15,578	-	-	15,578
Issue of new ordinary shares (Notes a, b, c and d)	發行新普通股 (附註a, b, c及d)	430,100	4,301	-	-	4,301
Conversion of convertible bonds (Note e)	轉換可換股債券 (附註e)	81,153	811	-	-	811
Exercise of share options (Note 44)	行使購股權 (附註44)	5,780	58	-	-	58
Exercise of warrants (Note f)	行使認股權證 (附註f)	170,000	1,700	-	-	1,700
At March 31, 2005	於二零零五年三月三十一日	2,244,813	22,448	-	-	22,448



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

30. SHARE CAPITAL (Continued)

Notes:

- (a) On January 16, 2004, arrangements were proposed to make for a private placement to Mr. Liu Ming Hui, an executive director of the Company, of 130,000,000 ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.65 per share, representing a discount of 9.72% to the closing market price of the Company's shares on January 16, 2004, being the latest trading day before the date of the announcement issued by the Company on January 21, 2004. The net proceeds of approximately HK\$85 million were applied as to approximately HK\$36 million for the repayments of the Group's short term borrowings, approximately HK\$13 million for the contribution to the enlarged registered capital of 中亞燃氣, approximately HK\$31 million for the contribution of the natural gas projects in Yiyang and Suizhou and the remaining balance as general working capital of the Group. The advance payment of approximately HK\$58 million from Mr. Liu Ming Hui was received before March 31, 2004. The new shares were issued under the special mandate granted to the directors at the special general meeting held on March 4, 2004. The remaining proceeds of approximately HK\$27 million was received upon the allotment of the shares.
- (b) On September 30, 2004, arrangements were made for a private placement to an independent investor of 90,000,000 ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.52 per share, representing a discount of 16.13% to the closing market price of the Company's shares on September 28, 2004. The net proceeds of approximately HK\$48 million were applied as to approximately HK\$14 million for the repayment of the Group's short term borrowings, approximately HK\$25.3 million for the investment of the natural gas projects in Dangyang, Nanpixin, Beijing and Wuhuxian, approximately HK\$3.4 million for the repayment of convertible notes and the remaining balance as general working capital of the Group. The issue of 90,000,000 shares were issued under the general mandate granted to the directors at the annual general meeting of the Company held on August 12, 2004.

30. 股本 (續)

附註：

- (a) 於二零零四年一月十六日，建議向本公司執行董事劉明輝先生以私人配售方式配售本公司130,000,000股每股面值0.01港元之普通股，價格為每股股份0.65港元，較本公司於二零零四年一月十六日(即本公司刊發公佈前之最後交易日)股份收市價折讓9.72%。所得款項淨額約85,000,000港元，其中約36,000,000港元、13,000,000港元及31,000,000港元分別用於償還本集團短期借貸、向中亞燃氣之經擴大註冊股本注資及向宜陽及隋州之天然氣項目注資，餘額將用作本集團之一般營運資金。劉明輝先生提供墊款約58,000,000港元於二零零四年三月三十一日前取得。新股份乃根據二零零四年三月四日召開之股東特別大會授予董事之特別授權而發行。有關款項之餘額約27,000,000港元於配發股份後取得。
- (b) 於二零零四年九月三十日，本公司向一名獨立投資者私人配售本公司90,000,000股每股面值0.01港元之普通股，價格為每股股份0.52港元，較二零零四年九月二十八日本公司股份之收市價折讓16.13%。所得款項淨額約48,000,000港，其中約14,000,000港元、25,300,000港元及3,400,000港元分別用於償還本集團短期貸款、投資於當陽、北京及Wuhuxian之天然氣項目。餘額則用作本集團一般營運資金。發行90,000,000股股份乃根據二零零四年八月十二日召開之本公司股東週年大會授予董事之一般授權而發行。

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For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

30. SHARE CAPITAL (Continued)

- (c) On October 31, 2004, arrangements were made for a private placement to an independent investor of 210,000,000 ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.61 per share, representing a discount of 39.6% to the closing market price of the Company's shares on October 28, 2004. The net proceeds of approximately HK\$128 million were applied as to approximately HK\$10 million for the repayments of the Group's short term borrowings, approximately HK\$20 million for the acquisition of projects located in Xiaogan, approximately HK\$91 million for the investments in projects located in Yangzhong, Suzhou and Dangyang and the remaining balance as general working capital of the Group. These shares were issued under a special mandate granted to the directors at the special general meeting of the Company held on December 9, 2004.
- (d) On February 22, 2005, pursuant to a subscription letter on October 29, 2003, the Company issued 100,000 ordinary shares of HK\$0.01 each in the Company at a price of HK\$1.128 per share to Merrill Lynch International ("ML"). The details of the subscription letter have been set out in note 34. The net proceeds of approximately HK\$113,000 were applied as general working capital of the Group.
- (e) During the year, the holder of convertible bonds exercised the rights to convert US\$5,600,000 (approximately HK\$43,442,000) convertible bonds into 81,153,000 ordinary shares of HK\$0.01 each.
- (f) On September 28, 2004, pursuant to agreements made between the Company and two independent investors, 260,000,000 warrants were issued at a price of HK\$0.01 per warrant. Each of the warrants will give the holder the right to subscribe in cash for one share of the Company at an initial subscription price of HK\$0.66 per share of HK\$0.01 of the Company at any time from the date of issue thereof up to and including September 27, 2009.

During the year, 170,000,000 warrants were exercised and 170,000,000 ordinary shares of HK\$0.01 each in the Company at a price of HK\$0.66 per share were issued.

These shares issued during the year rank pari passu with the then existing shares in all respects.

30. 股本 (續)

- (c) 於二零零四年十月三十一日，本公司向一名獨立投資者私人配售本公司210,000,000股每股面值0.01港元之普通股，價格為每股股份0.61港元，較二零零四年十月二十八日本公司股份之收市價折讓39.6%。所得款項淨額約128,000,000港元，其中約10,000,000港元、20,000,000港元及91,000,000港元分別用作償還本集團之短期借貸、收購位於孝感之項目及投資於揚中、蘇州及東陽之項目，餘額用作本集團之一般營運資金。發行該等股份乃根據二零零四年十二月九日召開本公司股東特別大會授予董事之特別授權而發行。
- (d) 於二零零五年二月二十二日，本公司根據二零零三年十月二十九日之認購書向Merrill Lynch International ("ML")發行100,000股每股面值0.01港元之普通股，價格為每股股份1.128港元。認購書之詳情載於附註34。所得款項淨額約113,000港元用作本集團一般營運資金。
- (e) 於年內，可換股債券持有人行使價值5,600,000美元(約43,442,000港元)可換股債券之權利，以轉換81,153,000股每股面值0.01港元之普通股。
- (f) 於二零零四年九月二十八日，本公司根據與兩位獨立投資者簽訂之協議，以每份認股權證0.01港元發行260,000,000份認股權證。認股權證之持有人可於發行日期至包括二零零九年九月二十七日任何期間，按初步認購價0.66港元以現金認購本公司每股面值0.01港元之股份。

於年內，170,000,000份認股權證已獲行使，本公司已按每股股份0.66港元之價格發行170,000,000股每股面值0.01港元之普通股。

於年內發行之股份於所有方面與現有股份享有同等權利。



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31. RESERVES

31. 儲備

		Share premium 股份溢價 HK\$'000 千港元	Contributed surplus 繳入盈餘 HK\$'000 千港元	Other reserve 其他儲備 HK\$'000 千港元	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
				(note 2 below) (請參閱下文附註2)		
THE COMPANY	本公司					
At April 1, 2003	於二零零三年四月一日	284,290	94,712	-	(252,724)	126,278
Private placements	私人配售	214,500	-	-	-	214,500
Conversion of convertible bonds	轉換可換股債券	10,717	-	-	-	10,717
Conversion of preference shares	轉換優先股	5,814	-	-	-	5,814
Share issue expenses	股份發行開支	(9,432)	-	-	-	(9,432)
Expenses on issuing convertible bonds	發行可換股債券之開支	(932)	-	-	-	(932)
Proceeds of private placements received in advance	預收私人配售之 所得款項	-	-	58,000	-	58,000
Net loss for the year	年度虧損淨額	-	-	-	(23,679)	(23,679)
At March 31, 2004	於二零零四年三月三十一日	504,957	94,712	58,000	(276,403)	381,266
Proceeds from issue of new warrants	發行新認股權證之所得款項	-	-	2,600	-	2,600
Premium arising on private placements	私人配售所產生之溢價	255,212	-	(58,000)	-	197,212
Premium arising on conversion of convertible bonds	轉換可換股債券所產生 之溢價	42,631	-	-	-	42,631
Premium arising on exercise of share options	行使購股權所產生 之溢價	4,566	-	-	-	4,566
Exercise of warrants	行使認股權證	112,200	-	(1,700)	-	110,500
Share issue expenses	股份發行開支	(10,130)	-	-	-	(10,130)
Expenses on issuing convertible bonds	發行可換股債券之開支	(1,283)	-	-	-	(1,283)
Expenses on issuing warrants	發行認股權證之開支	(190)	-	-	-	(190)
Net loss for the year	年度虧損淨額	-	-	-	(29,502)	(29,502)
At March 31, 2005	於二零零五年三月三十一日	<u>907,963</u>	<u>94,712</u>	<u>900</u>	<u>(305,905)</u>	<u>697,670</u>

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31. RESERVES (Continued)

Notes:

- (1) The contributed surplus of the Company represents the difference between the underlying net assets of the subsidiaries acquired by the Company as a result of the group reorganisation prior to the listing of the Company's shares in 1995 and the nominal amount of the Company's share capital issued as consideration for the acquisition.

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of the Company is available for distribution. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if

- (a) it is, or would after the payment be, unable to pay its liabilities as they become due; or
- (b) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.
- (2) The amount at March 31, 2004 represented the advance payment received before March 31, 2004 from the subscriber for the private placement of which the shares have been issued and allotted during the year ended March 31, 2005. The amount at March 31, 2005 represents the proceeds received for the subscription of warrants.

At March 31, 2005 and 2004, the Company had no reserve available for distribution.

31. 儲備 (續)

附註：

- (1) 本公司之繳入盈餘乃指本公司於一九九五年本公司股份上市前進行之集團重組而收購之附屬公司於收購當日之基本淨資產，與就收購而發行本公司股份作為代價之本公司股本面值二者之差額。

根據百慕達一九八一年公司法(經修訂)，本公司之繳入盈餘賬乃可供分派。然而，在下列情況下，本公司不得從繳入盈餘撥款宣派或派付股息或作出分派：

- (a) 本公司當時或在付款後無法償還到期債項；或
- (b) 本公司資產之可變現價值會低於其負債與其已發行股本及股份溢價賬之總額。
- (2) 於二零零四年三月三十一日之款項指於二零零四年三月三十一日來自私人配售認購人之預收款項，私人配售股份已於截至二零零五年三月三十一日止年度內配發及發行。二零零五年三月三十一日之款項指認購認股權證收取之所得款項。

於二零零四年及二零零五年三月三十一日，本公司並無可供分派之儲備。



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32. AMOUNTS DUE TO SUBSIDIARIES

The amounts of the Company are unsecured, interest-free and have no fixed term of repayment. The subsidiaries have confirmed that repayment of the amounts will not be demanded within one year from the balance sheet date and accordingly, the amounts are classified as non-current.

33. CONVERTIBLE NOTE

THE GROUP AND THE COMPANY

Pursuant to an agreement dated June 10, 2003, the Company issued a convertible note (the "Note") amounting to US\$6 million (equivalent to HK\$46,800,000) to an independent third party, Eastern Linker Holdings Limited. The Note bears interest at the rate of 2% per annum on the outstanding principal amount of the Note. The conversion price is HK\$2 per share and would be matured at 24 months from the date of the issue of the Note.

During the year, the Group and the Company repaid US\$1,397,000 (equivalent to HK\$10,900,000) to the holder of the Note.

As at March 31, 2005, the Note will be repaid within 12 months after the balance sheet date and amount was classified as current liabilities.

32. 欠附屬公司之款項

欠附屬公司之款項並無抵押、免息及無固定還款期。附屬公司確認不會於結算日起計一年內提出還款要求，因此，此等款項被列為非流動負債。

33. 可換股票據

本集團及本公司

根據二零零三年六月十日之協議，本公司向一獨立第三方Eastern Linker Holdings Limited發行6,000,000美元（相當於46,800,000港元）之可換股票據（「票據」）。票據以票據之未償還本金額按年利率2厘計息。換股價為每股2港元，並將於票據發行日期起計24個月屆滿。

年內，本集團及本公司已償付1,397,000美元（相當於10,900,000港元）予票據持有人。

於二零零五年三月三十一日，該票據將於結算日後十二個月內償付，而款項則列作流動負債。

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34. CONVERTIBLE BONDS

THE GROUP AND THE COMPANY

On October 29, 2003, the Company and ML entered into a subscription agreement ("Agreement") pursuant to which the Company would issue up to US\$41 million 1.0 per cent unlisted and unsecured convertible bonds due 2008 in five tranches ("Bonds") and ML subscribed in an aggregate principal amount of US\$6 million ("Tranche 1 Bonds") under whereas the Agreement, the Company would grant to ML options to subscribe for additional four tranches of the Bonds in aggregate principal amount of up to US\$35 million. Under the terms and conditions of the Bonds, ML might convert the Bonds at any time from and including the respective date of issue of the Bonds up to the date falling one week prior to October 30, 2008 ("Maturity Date"). The Bonds could be converted, at the option of ML, either at (i) HK\$1.128 initially (subject to adjustments) or (ii) 90 percent of the average of any eight closing prices per share as selected by ML during the 30 consecutive business days immediately prior to the date on which a conversion notice of ML is received by the Company and such price shall not be less than the par value of the shares on the date of conversion. The Bonds may be early redeemed at an amount equal to 105% of the principal amount of the Bonds plus accrued interest at any time after September 30, 2006 with the written request of either the Company or ML.

Besides, the Company has also entered into a subscription letter on October 29, 2003 with ML pursuant to which the Company granted to ML, the rights to subscribe for new shares of the Company (the "Letter"). Under the terms of the Letter, ML would have a right to subscribe for new shares up to 15% of the principal amount of each tranche of the Bonds issued divided by 0.94 with a subscription price of HK\$1.128 per share (subject to adjustments). The subscription right are exercisable by ML at any time from and including the date of issue of the relevant tranche of the Bonds to and including the Maturity Date.

34. 可換股債券

本集團及本公司

於二零零三年十月二十九日，本公司與美林訂立認購協議（「該協議」），據此，本公司將分五期發行最多41,000,000美元於二零零八年到期之1厘非上市及無抵押可換股債券（「債券」）而美林認購總本金額為6,000,000美元之債券（「第一批債券」）。根據該協議，本公司將向美林授出購股權以認購額外四批本金總額最多為35,000,000美元債券。根據債券之條款及條件，美林可由各債券發行日期（包括該日）起至二零零八年十月三十日（「到期日」）前一星期之內任何時間將債券換股。債券可由美林選擇按相等於(i)暫定價1.128港元（可予調整）；或(ii)於緊接本公司收到美林之換股通知日期前連續30個營業日期間內，由美林所選定之該期間內每股股份之任何八天收市價計算得出之平均數之90%，此價格不得低於股份在換股日期之面值。該等債券可於二零零六年九月三十日後之任何時間，由本公司或美林提出書面要求，以相當於本金總額105%加上應計利息提早贖回。

此外，本公司亦於二零零三年十月二十九日與美林訂立認購書（「函件」），據此，本公司向美林授出認購本公司新股份之權利。根據函件之條款，美林將有權認購新股份，並以相關已發行債券本金額之15%除以0.94之數目為限，認購價為每股1.128港元（可予調整）。美林可於有關批數之債券發行日期（包括該日）起至到期日（包括該日）期間內隨時行使上述認購權。



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34. CONVERTIBLE BONDS (Continued)

THE GROUP AND THE COMPANY (Continued)

The Tranche 1 Bonds of US\$6 million and the Bonds with an aggregate principal amount of US\$7 million ("Tranche 2 Bonds") were issued to ML on November 13, 2003 and June 10, 2004, respectively.

The issue of remaining three tranches of the Bonds is subject to the approval from the shareholders of the Company. The proposed resolutions to approve the issue of these three tranches of the Bonds and the shares to be issued upon conversion of such Bonds and the exercise of the related subscription rights were not passed by the shareholders at the Special General Meeting held on December 19, 2003.

During the year, approximately US\$4.6 million (approximately HK\$35.6 million) of the Tranche 1 Bonds (2004: approximately US\$1.4 million (approximately HK\$10.9 million)) were converted to ordinary shares of the Company. Approximately US\$1 million (approximately HK\$7.8 million) of the Tranche 2 Bonds were converted to ordinary shares of the Company.

Pursuant to the repurchase and amendment agreement ("Amended Agreement") dated October 7, 2004, the Company repurchased the principal amount of approximately US\$3.5 million (approximately HK\$27.3 million) of the Tranche 2 Bonds at a repurchase price of approximately US\$3.85 million (approximately HK\$30.0 million). The remaining outstanding balance of the Tranche 2 Bonds can be redeemed by the Company for an amount equal to 115% of the principal amount pursuant to the Amended Agreement. Remaining outstanding balance of approximately US\$2.5 million (approximately HK\$19.5 million) of the Tranche 2 Bonds were redeemed by the Company before the balance sheet date.

34. 可換股債券 (續)

本集團及本公司 (續)

第1批6,000,000美元之債券與本金總額7,000,000美元之債券(「第2批債券」)乃分別於二零零三年十一月十三日及二零零四年六月十日發行予美林。

餘下三批債券須取得本公司股東批准後方可發行。有關發行此三批債券及因此等債券換股而將予發行之股份及相關認購權之行使之擬議決議案在二零零三年十二月十九日舉行之股東特別大會上並未獲股東通過。

年內，約4,600,000美元(約35,600,000港元)之第一批債券(二零零四年：約1,400,000美元(約10,900,000港元))已轉換為本公司之一般股份。約1,000,000美元(約7,800,000港元)之第二批債券已轉換為本公司之一般股份。

根據日期為二零零四年十月七日之購回及修訂協議(「修訂協議」)，本公司以購回價3,850,000美元(約30,000,000港元)，購回本金額約為3,500,000美元(約27,300,000港元)之第二批債券。根據修訂協議，餘下尚未償還之第二批債券可由本公司以相當於本金額115%之金額贖回。餘額約2,500,000美元(約19,500,000港元)之第二批債券於結算日前已由本公司贖回。

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35. DEFERRED TAXATION

The following is the deferred tax liabilities and assets recognised and movements thereon during the current and prior reporting periods.

THE GROUP

At April 1, 2003	於二零零三年四月一日
(Credit) charge to income statement for the year	年內於收益表 (計入) 扣除
Effect of change in tax rate	稅率變動之影響
At March 31, 2004	於二零零四年三月三十一日
Charge (credit) to income statement for the year	年內於收益表 (計入) 扣除
At March 31, 2005	於二零零五年三月三十一日

At March 31, 2005, the Group has estimated unused tax losses of HK\$127,906,000 (2004: HK\$116,208,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$102,000 (2004: HK\$15,000) of the tax losses. No deferred tax asset has been recognised for the remaining estimated tax losses of HK\$127,804,000 (2004: HK\$116,193,000) due to the uncertainty of future profits streams. Included in unrecognised estimated tax losses are losses of HK\$4,993,000 (2004: HK\$2,003,000) that will expire within 5 years. Other losses may be carried forward indefinitely.

THE COMPANY

At March 31, 2005, the Company has estimated unused tax losses of HK\$72,622,000 (2004: HK\$47,538,000) available for offset against future profits. No deferred tax asset has been recognised due to uncertainty of future profits streams. Losses may be carried forward indefinitely.

35. 遞延稅項

以下為於本申報期間及前申報期間之已確認遞延稅項負債及資產以及相關變動。

本集團

Accelerated tax depreciation 加速稅項折舊	Tax losses 稅項虧損	Total 總計
HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
3	(3)	-
(1)	1	-
1	(1)	-
3	(3)	-
15	(15)	-
18	(18)	-

於二零零五年三月三十一日，本集團可用以抵銷未來溢利之估計未動用稅項虧損為127,906,000港元（二零零四年：116,208,000港元）。已就102,000港元（二零零四年：15,000港元）之稅項虧損確認遞延稅項資產。由於未可肯定未來溢利來源，其餘估計稅項虧損127,804,000港元（二零零四年：116,193,000港元）並無確認遞延稅項資產。未確認估計稅項虧損中包括將於五年內屆滿之4,993,000港元（二零零四年：2,003,000港元）虧損。其他虧損可無限期結轉。

本公司

於二零零五年三月三十一日，本集團可用以抵銷未來溢利之估計未動用稅項虧損為72,622,000港元（二零零四年：47,538,000港元）。由於未可肯定未來溢利來源，故並無確認遞延稅項資產。虧損可無限期結轉。



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36. ACQUISITION OF SUBSIDIARIES

On December 20, 2004, December 22, 2004 and July 15, 2004, the Group acquired 100% equity interests in China Gas Investment Construction Limited, China Gas Pipeline Limited and United Keen, respectively, at a total consideration of HK\$101,587,000.

36. 收購附屬公司

於二零零四年十二月二十日、二零零四年十二月二十二日及二零零四年七月十五日，本集團以總代價101,587,000港元分別收購China Gas Investment Construction Limited、China Gas Pipeline Limited及United Keen之100%權益。

		Carry amounts and fair values 賬面值及公允值	
		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
NET ASSETS ACQUIRED	收購之淨資產		
Property, plant and equipment	物業、廠房及設備	111,693	64,443
Inventories	存貨	475	-
Trade and other receivables	貿易賬項及其他應收賬款	1,761	26,007
Bank balances and cash	銀行結存及現金	22,177	6,550
Trade and other payables	貿易賬款及其他應付賬款	(20,478)	(10,783)
Bank and other borrowings	銀行及其他借貸	(57,143)	(38,095)
Minority interests	少數股東權益	(8,466)	(23,450)
		<u>50,019</u>	<u>24,672</u>
Goodwill	商譽	51,718	93,501
Discount on acquisition	收購附屬公司折讓	(150)	-
		<u>101,587</u>	<u>118,173</u>
SATISFIED BY	支付方式		
Cash consideration	現金代價	94,920	118,173
Deposits for investments	投資用之存款	6,667	-
		<u>101,587</u>	<u>118,173</u>
NET CASH OUTFLOW ARISING ON ACQUISITION	因收購而產生之 現金流出淨額		
Cash consideration paid	已付現金代價	(94,920)	(118,173)
Bank balances and cash acquired	收購之銀行結存及現金	22,177	6,550
		<u>(72,743)</u>	<u>(111,623)</u>

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36. ACQUISITION OF SUBSIDIARIES (Continued)

The goodwill arising on the above acquisitions is attributable to the anticipated profitability of the Group's gas connection and sales of piped gas businesses.

The subsidiaries acquired during the year contributed HK\$38,192,000 (2004: HK\$60,536,000) to the Group's turnover, and a profit of HK\$24,860,000 (2004: HK\$50,747,000) to the Group's profit from operations.

Pro forma unaudited Group's revenue and results

If the acquisition had been completed on April 1, 2004, unaudited Group's revenue and Group's net profit for the year ended March 31, 2005 would have been HK\$412,344,000 and HK\$129,650,000, respectively. The pro forma information is presented for illustrative purposes only and is not necessarily an indicative revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on April 1, 2004, and is not intended to be a projection of future results.

36. 收購附屬公司 (續)

因上述收購而產生之商譽乃基於本集團燃氣接駁及銷售管道燃氣業務之預期盈利能力。

年內收購附屬公司對本集團之營業額及經營溢利分別注入38,192,000港元(二零零四年: 60,536,000港元)及溢利24,860,000港元(二零零四年: 50,747,000港元)。

備考未經審核本集團之收入及業績

如收購事項已於二零零四年四月一日完成，未經審額本集團之收入及本集團於二零零五年三月三十一日止年度之溢利淨額將分別為412,344,000港元及129,650,000港元。備考之資料只作解說之用，並不必然地說明本集團如二零零四年四月一日完成收購時會達到之收入及業績，及無意圖對將來之業績作預測。



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37. DISPOSAL OF SUBSIDIARIES

During the year, the Group disposed of 100% in Luckford Enterprises Limited at a consideration of HK\$17,050,000.

37. 出售附屬公司

年內，本集團以代價17,050,000港元出售六福企業有限公司之100%權益。

		2005 二零零五年 HK\$'000 千港元	2004 二零零四年 HK\$'000 千港元
NET ASSETS DISPOSED OF	出售之淨資產		
Property, plant and equipment	物業、廠房及設備	-	111,666
Properties held for development	持作發展物業	18,700	-
Goodwill	商譽	-	4,765
Inventories	存貨	-	10,169
Trade and other receivables	貿易應收賬項及其他應收賬款	25	14,298
Pledged bank deposits	已抵押銀行存款	-	9,524
Bank balances and cash	銀行結存及現金	-	64,198
Trade and other payables	貿易應付賬款及其他應付賬款	(25)	(48,788)
Amount due to a minority shareholder	欠少數股東款項	-	(6,848)
Taxation	稅項	-	(7,331)
Bank and other borrowings	銀行及其他信貸	-	(32,890)
Minority interests	少數股東權益	-	(38,999)
		18,700	79,764
(Loss) gain on disposals	出售(虧損)收益	(1,650)	20,017
Profit on disposal of discontinued operation	出售已終止經營業務之溢利	-	7,569
		17,050	107,350
Net cash flow arising on disposal:	出售產生之現金流量淨額：		
Cash consideration	現金代價	17,050	107,350
Bank balances and cash disposed of	出售之銀行結存及現金	-	(64,198)
		17,050	43,152

The subsidiary disposed of during the year did not have any material effect on the Group's turnover and the Group's profit from operations.

年內出售之附屬公司對本集團之營業額及本集團之經營虧損並無重大影響。

The subsidiaries disposed of during the year ended March 31, 2004 contributed HK\$129,791,000 to the Group's turnover and had a loss of HK\$518,000 included in the Group's profit from operations.

於二零零四年三月三十一日止年度，出售附屬公司應佔本集團之營業額為129,791,000港元及產生虧損518,000港元，並計入本集團之經營溢利內。

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38. MAJOR NON-CASH TRANSACTIONS

During the year, the Group acquired certain property, plant and equipment with the deposits paid in prior year of HK\$151,600,000 which were included in "trade and other receivables" at March 31, 2004.

During the year ended March 31, 2004, the Group established certain subsidiaries in the PRC, a minority shareholder of a subsidiary contributed the capital in the form of property, plant and equipment with carrying amount of HK\$9,524,000.

During the year ended March 31, 2004, the Group entered into a finance lease arrangement in respect of an asset with a total capital value of the inception of the lease of HK\$350,000.

39. OPERATING LEASE ARRANGEMENTS

The Group as lessee

At the balance sheet date, the Group had commitment for future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年 (包括首尾兩年)

Operating lease payments represent rentals payable by the Group in respect of leasehold land and buildings. Leases for rented premises are negotiated for an average term of 2 years with fixed rental.

38. 主要非現金交易

於年內，本集團收購若干物業、廠房及設備，並於上年度支付按金151,600,000港元，有關款項計入二零零四年三月三十一日之「貿易應收賬款及其他應收賬項」項內。

截至二零零四年三月三十一日止年度內，本集團於中國成立若干附屬公司，一名附屬公司少數股東以賬面值9,524,000港元之物業、廠房及設備之形式出資。

截至二零零四年三月三十一日止年度內，本集團訂立融資租賃安排，有關資產租賃之立約總資本值為350,000港元。

39. 經營租約安排

本集團作為承租人

於結算日，本集團根據在下列期間屆滿之租賃物業之不可撤銷經營租約而承諾將於未來支付之最低租金如下：

THE GROUP	
本集團	
2005	2004
二零零五年	二零零四年
HK\$'000	HK\$'000
千港元	千港元
1,432	727
316	1,788
1,748	2,515

經營租約之付款指本集團就所租用之土地及樓宇應付之租金。租賃物業租約經議定平均為期兩年，租金固定。



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39. OPERATING LEASE ARRANGEMENTS (Continued)

The Group as lessor

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments under non-cancellable operating leases in respect of rented premises which fall due as follows:

Within one year	一年內
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)

Leases are negotiated for an average term of two years.

40. CAPITAL COMMITMENTS

- (i) On October 24, 2004, a subsidiary of the Company entered into an agreement with Cangzhou Municipal Government 滄州市人民政府, pursuant to which all parties have agreed to establish a sino-foreign equity joint venture company ("Cangzhou JV") in the PRC which principally engages in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of piped natural gas in Cangzhou. Pursuant to the terms of the agreement, the subsidiary will contribute RMB\$35,000,000 to Cangzhou JV. Cangzhou JV will be owned as to 70% by the Group, 30% by 滄州市人民政府.

39. 經營租約安排 (續)

本集團作為出租人

於結算日，根據在下列期間屆滿之不可撤銷租賃物業經營租約，本集團已與租戶就以下未來最低租金簽訂合約：

THE GROUP		2005	2004
本集團		二零零五年	二零零四年
		HK\$'000	HK\$'000
		千港元	千港元
Within one year	一年內	-	684
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	-	18
		<u>-</u>	<u>702</u>

租約之平均年期經議定為兩年。

40. 資本承擔

- (i) 二零零四年十月二十四日，本公司一家附屬公司與滄州市人民政府訂立協議。據此，各方同意於中國成立一家中外合資經營公司（「滄州合資公司」），主要於滄州從事設計、建造及經營天然氣管道網絡及配套設施，以及提供管道天然氣。根據協議之條款，該附屬公司將向滄州合資公司出資人民幣35,000,000元。滄州合資公司分別由本集團及滄州市人民政府擁有70%及30%權益。

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40. CAPITAL COMMITMENTS (Continued)

- (ii) On November 4, 2004, a wholly owned subsidiary of the Company signed a cooperation agreement with 廣西壯族自治區欽州市人民政府 and obtained the exclusive operation right on natural gas business in Qinzhou City for a term of 30 years. The Group will invest RMB20,000,000 to set up a wholly foreign-owned enterprise, which principally engages in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of piped natural gas in Qinzhou City.
- (iii) On November 5, 2004, two wholly owned subsidiaries of the Company signed a cooperation agreement with 廣西壯族自治區玉林市建設局 and obtained the exclusive operation right on natural gas business in 玉林市 for a term of 30 years. The Group will invest RM20,000,000 to set up a wholly owned enterprise.
- (iv) On November 25, 2004, a wholly owned subsidiary of the Company signed a cooperation agreement with 河北省清河縣人民政府 and obtained the exclusive operation right on natural gas business in Qinhexian for a term of 30 years. The Group will invest HK\$2,000,000 to set up a wholly foreign-owned enterprise, which principally engages in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of piped natural gas in Qinhexian.

40. 資本承擔 (續)

- (ii) 於二零零四年十一月四日，本公司一家全資附屬公司與廣西壯族自治區欽州市人民政府簽訂合作協定，並取得欽州市天然氣業務之專營權，為期30年。本集團將投資人民幣20,000,000元用作成立外商獨資企業，以主要從事欽州市天然氣管道網絡及配套設施之設計、建造及經營，並提供管道天然氣。
- (iii) 於二零零四年十一月五日，本公司兩家全資附屬公司與廣西壯族自治區玉林市人民建設政府簽訂合作協議，並獲發玉林市天然氣業務之專營權，為期30年。本集團將投資人民幣20,000,000元成立一家全資附屬公司。
- (iv) 二零零四年十一月二十五日，本公司全資附屬公司與河北省清河縣人民政府簽定合作協定，並取得河北省清河縣之天然氣業務專營權，為期30年。本集團將投資2,000,000港元成立一家外商獨資企業，主要於河北省清河縣從事設計、建造及經營天然氣管道網絡及配套設施，以及提供管道天然氣。



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40. CAPITAL COMMITMENTS (Continued)

- (v) On November 30, 2004, a wholly owned subsidiary of the Company signed a cooperation agreement with 天門市人民政府 and obtained the exclusive operation right on natural gas business in Tianmen city for a term of 30 years. The Group will invest HK\$9,450,000 to set up a wholly foreign-owned enterprise, which principally engages in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of piped natural gas in Tianmen city.
- (vi) In January 2005, the Company was granted the licence for a period of 30 years to operate the pipelined gas project for Jiang Bei district of Nanjing City through the tender made by the Company in November 2004. The Group will invest RMB200,000,000 to set up a wholly-owned subsidiary which principally engages in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of piped natural gas in Jiang Bei district of Nanjing City.
- (vii) On March 31, 2005, a wholly owned subsidiary of the Company signed a cooperation agreement with People's Government of Xiaoshan district of Hangzhou City 杭州市蕭山區人民政府, and obtained the exclusive operation right on natural gas business in Xiaoshan district of Hangzhou city for a term of 30 years. The Group will invest RMB100,000,000 to set up a wholly foreign-owned enterprise, which principally engages in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of piped natural gas in Xiaoshan district of Hangzhou city.

Save as disclosed above, as at March 31, 2005, the Group has capital commitments in respect of the acquisition for property, plant and equipment and construction materials for property, plant and equipment contracted for but not provided in the financial statements amounting to HK\$661,157,000 (2004: HK\$572,712,000) and HK\$405,968,000 (2004: HK\$561,696,000), respectively.

40. 資本承擔 (續)

- (v) 於二零零四年十一月三十日，本公司全資附屬公司與天門市人民政府簽訂合作協定，並取得天門市天然氣業務之專營權，為期30年。本集團將投資9,450,000港元用作成立外商獨資企業，以主要從事天門市天然氣管道網絡及配套設施之設計、建造及經營，並提供管道天然氣。
- (vi) 於二零零五年一月，本公司於二零零四年十一月成功中標南京江北地區管道天然氣項目，獲發執照經營上述項目，為期30年。本集團將投資人民幣200,000,000元成立全資附屬公司，其主要業務為設計、建設及經營天然氣管道網絡與配套設施，以及在南京江北地區提供管道天然氣。
- (vii) 於二零零五年三月三十一日，本公司全資附屬公司與杭州市蕭山區人民政府簽訂合作協定，並取得杭州市蕭山區天然氣業務之專營權，為期30年。本集團將投資人民幣100,000,000元用作成立外商獨資企業，以主要從事杭州市蕭山區天然氣管道網絡及配套設施之設計、建造及經營，並提供管道天然氣。

除以上所披露者外，於二零零五年三月三十一日，本集團就已訂約而尚未於財務報表上撥備之收購物業、廠房及設備及物業、廠房及設備之建材分別作出為數661,157,000港元（二零零四年：572,712,000港元）及405,968,000港元（二零零四年：561,696,000港元）之資本承擔。

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41. PLEDGE OF ASSETS

THE GROUP

The Group pledged certain property, plant and equipment having a net book value of HK\$399,393,000 (2004: HK\$39,682,000) and certain subsidiaries pledged their own investments in other subsidiaries to banks to secure loan facilities granted to the Group.

42. CONTINGENT LIABILITIES

The Company has given guarantees to banks in respect of banking facilities utilised by subsidiaries amounted to HK\$133,333,000 (2004: HK\$238,095,000).

43. RETIREMENT BENEFITS SCHEMES

With effective from December 1, 2000, the Group has joined a MPF Scheme for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years.

Employees located in the PRC are covered by the retirement and pension schemes defined by local practice and regulations.

The calculation of contributions for PRC eligible staff is based on certain percentage of the applicable payroll costs. The contribution to the MPF Scheme is calculated based on the rules set out in the MPF Ordinance which is 5% on the basic salary of the relevant employee subject to a specific ceiling.

41. 資產抵押

本集團

本集團將賬面淨值約399,393,000港元(二零零四年：39,682,000港元)之若干物業、廠房及設備及其他若干附屬公司之投資押予某財務機構，作為授予本集團之貸款融通之抵押。

42. 或然負債

本集團已就附屬公司所動用為數133,333,000港元(二零零四年：238,095,000港元)之銀行融資向銀行作出擔保。

43. 退休福利計劃

自二零零零年十二月一日起，本集團為所有香港僱員參加強制性公積金計劃。強積金計劃乃根據強制性公積金計劃條例，向強制性公積金計劃管理局註冊。強積金計劃之資產與本集團之資產分開持有並由獨立受託人管理。根據強積金計劃之規則，僱主及僱員皆須以規則指定之比率向該計劃供款。本集團就強積金計劃之唯一責任為按該計劃之要求供款。並無沒收供款可作減低未來數年應付之供款。

國內僱員受地方慣例及規定界定之退休及退休金計劃保障。

國內合資格員工供款乃根據適用工資成本某個百分比計算。對強積金計劃之供款乃根據強積金條例所列明規則計算，即有關僱員底薪之5%加特定上限。



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44. SHARE OPTION SCHEME

The share option scheme was adopted by the shareholders pursuant to a resolution passed on February 6, 2003 (the "Scheme") for the primary purpose of providing incentives to any directors of the Company, any employees of the Group, or any employee, partner or director of any business consultant, joint venture partner, financial adviser or legal adviser of the Group.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at the date of shareholders' approval of the Scheme ("Scheme Mandate Limit") or, if such 10% limit is refreshed, at the date of shareholders' approval of the renewal of the Scheme Mandate Limit. The maximum aggregate number of shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Scheme must not exceed 30% of the total number of shares of the Company in issue from time to time. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company then in issue. Each grant of options to any director, chief executive or substantial shareholder must be approved by independent non-executive directors. Where any grant of options to substantial shareholder or an independent non-executive director or any of their respective associate would result in the shares of the Company issued and to be issued upon exercise of options already granted and to be granted in excess of 0.1% of the Company's issued share capital and with a value in excess of HK\$5,000,000 in the 12-month period up to the date of grant must be approved in advance by the Company's shareholders.

44. 購股權計劃

本公司之購股權計劃(「該計劃」)乃由股東根據本公司二零零三年二月六日通過之決議案而採納。新計劃之宗旨乃為獎勵本公司任何董事、本集團任何僱員或任何業務顧問、合營夥伴、財務顧問或法律顧問之任何僱員、夥伴或董事。

根據新計劃可授出之購股權所涉及之股份總數股東批准該計劃當日本公司已發行股份之10%(「計劃授權上限」)或如該10%限額予以更新,則指股東批准續授計劃授權上限當日本公司已發行股份之10%。因行使根據該計劃而授出但尚未行使之所有未行使購股權而可能發行之股份總數上限不得超出本公司不時已發行股份總數之30%。任何一個年度授予任何人士之購股權所涉及之股份數目,不得超過當時本公司已發行股份數目1%。每授出購股權予任何董事、行政總裁或主要股東須得到獨立非執行董事批准。任何授出購股權予主要股東或任何獨立非執行董事或其任何聯繫人士會引至於行使時已授權及即將授權之本公司已發行及即將發行股份超過本公司已發行股本0.1%而截止授權日為止十二個月價值超過5,000,000港元,需要得到本公司股東事先批准。

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44. SHARE OPTION SCHEME (Continued)

Options granted must be taken up within 28 days from the date of grant, upon payment of HK\$10 per each grant. Options may be exercised at any time from the date to be determined by the board of directors to the tenth anniversary of the date of grant. The exercise price is determined by the directors of the Company, and will not be less than the higher of (i) the closing price of the Company's shares on the date of grant; (ii) the average closing price of the shares for the five business days immediately preceding the date of grant and (iii) the nominal value of a share.

The life of the Scheme is effective for 10 years from the date of adoption until February 5, 2013.

The following table discloses details of the Company's share options held by employees (including directors) and movements in such holdings during the two years ended March 31, 2005:

44. 購股權計劃 (續)

授出之購股權須於授出日期起計28日內承購，每次授出購股權之作價10港元。購股權可於董事會決定之日期起至授出日期之十週年期間隨時行使。行使價由本公司董事釐定，並將不可低於以下之較高者：(i) 授出日期本公司股份收市價；(ii) 授出日期對上五個營業日股份之平均收市價及 (iii) 股份面值。

該計劃有效期由採納日期至二零一三年二月五日止十年。

下表列出僱員(包括董事)所持本公司購股權之詳情及截至二零零五年三月三十一日止兩年度持有購股權之變動情況：

Date of grant	Exercisable period	Exercise price per share	Number of share options at 4.1.2003 於二零零三年 四月一日 之購 股權數目	Granted during the year	Number of share options at 3.31.2004 於二零零四年 四月一日之 購股權數目	Granted during the year	Exercised during the year	Lapsed during the year	Number of share options at 3.31.2005 於二零零五年 四月一日之 購股權數目
授出日期	可行使期限	每股行使價 HK\$ 港元	股權數目	年內已授出	購股權數目	年內已授出	年內已行使	年內已失效	購股權數目
Directors 董事									
1.9.2004	9.1.2004 to 1.8.2014	0.80	-	33,240,711	33,240,711	-	-	-	33,240,711
10.6.2004	Note 1 附註1	0.71	-	-	-	220,000,000	-	-	220,000,000
10.6.2004	Note 2 附註2	0.71	-	-	-	9,100,000	-	-	9,100,000
			-	33,240,711	33,240,711	229,100,000	-	-	262,340,711
Other employees 其他僱員									
1.9.2004	9.1.2004 to 1.8.2014	0.80	-	88,000,000	88,000,000	-	(5,780,000)	(1,100,000)	81,120,000
10.6.2004	Note 2 附註2	0.71	-	-	-	166,300,000	-	-	166,300,000
			-	88,000,000	86,000,000	166,300,000	(5,780,000)	(1,100,000)	247,420,000
			-	121,240,711	121,240,711	395,400,000	(5,780,000)	(1,100,000)	509,760,711



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44. SHARE OPTION SCHEME (Continued)

Notes:

- (1) The exercisable period is from November 22, 2004 to October 5, 2014. The exercise of the options will be subject to the condition that the consolidated net asset value of the Company and its subsidiaries which shall be certified by the auditors appointed by the Company as at the date of the exercise of the options being not less than HK\$1 billion.
- (2) The original exercisable period was July 1, 2005 to October 5, 2014. Pursuant to the resolution passed in the board of directors meeting held on March 20, 2005, the exercisable period is changed to the period from March 20, 2005 to October 5, 2014.

The consideration received during the year from the directors and employees for taking up the options granted amounted to HK\$1,000 (2004: HK\$1,000).

The total fair value, which represents the total market value, of the Company's share at the date of issues for the exercise of share options during the year is HK\$7,901,000.

The financial impact of share options granted is not recorded in the Company's or the Group's financial statements until such time as the options are exercised, and no charge is recognised in the income statement in respect of the value of options granted in the year. Upon the exercise of the share options, the resulting shares issued are recorded by the Company as additional share capital at the nominal value of the shares, and the excess of the exercise price per share over the nominal value of the shares is recorded by the Company in the share premium account. Options which lapse or are cancelled prior to their exercise date are deleted from the register of outstanding options.

45. RELATED PARTY TRANSACTIONS

- (i) On April 28, 2004, the Company issued 130,000,000 ordinary shares of HK\$0.01 each for a total consideration of HK\$84,500,000 to Mr. Liu Ming Hui, the managing director of the Company.
- (ii) On May 19, 2004, 中亞燃氣, a wholly owned subsidiary of the Company, entered into an agreement with a minority shareholder of Huainan China Gas in relation to the acquisition of the remaining 30% equity interests of a non-wholly owned subsidiary – Huainan China Gas at zero consideration ("Huainan China Gas Acquisition").

44. 購股權計劃 (續)

附註：

- (1) 可行使期為二零零四年十一月二十二日至二零一四年十月五日止。行使購股權須視乎本公司所聘任之核數師於行使購股權時確認，本公司及其附屬公司之綜合資產淨值不少於10億港元。
- (2) 行使期原為由二零零五年七月一日至二零一四年十月五日。根據於二零零五年三月二十日召開董事會會議所通過之決議案，行使期更改為二零零五年三月二十日至二零一四年十月五日。

就董事及僱員接納之獲授購股權而於年內已收總代價達1,000港元(二零零四年：1,000港元)。

本公司股份就於年內行使購股權於發行日期之總公允值(為總市值)為7,901,000港元。

已授出購股權之財務影響於購股權行使時方會於本公司或本集團財務報表中紀錄，故並無就年內授出之購股權價值於收益表確認借項。於購股權行使時，因而產生之已發行股份乃由本公司按股份面值紀錄為額外股本，而每股行使價超出股份面值之部分乃由本公司紀錄於股份溢價賬。行使日期前失效或註銷之購股權乃自未行使購股權登記冊中剔除。

45. 關連人士交易

- (i) 於二零零四年四月二十八日，本公司向本公司董事總經理劉明輝先生發行130,000,000股每股面值0.01港元之普通股，代價為84,500,000港元。
- (ii) 於二零零四年五月十九日，本公司全資附屬公司中亞燃氣與淮南中燃就以零代價收購非全資附屬公司淮南中燃餘下之30%股權訂立協議(「淮南中燃收購」)。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

45. RELATED PARTY TRANSACTIONS (Continued)

On July 27, 2004, 中亞燃氣 entered into an agreement with a minority shareholder of Suizhou Zhongran in relation to the acquisition of the remaining 10% equity interests of a non-wholly owned subsidiary - Suizhou Zhongran at zero consideration ("Suizhou Zhongran China Gas Acquisition").

Discount on acquisitions arising from the Huainan China Gas Acquisition and Suizhou Zhongran China Gas Acquisition is HK\$10,815,000.

- (iii) On August 19, 2004, the Company entered into an agreement with the vendor in relation to the acquisition of the entire share capital and the shareholder loan of Great Sun Investment Co. Ltd., which held 25% equity interests in Xiaogan Zhenrong Gas Co., Ltd. Hanchuan Jiaxu Gas Co., Ltd. Yingcheng Jiaxu Gas Co., Ltd. Yumeng Jiaxu Gas Co., Ltd. and Xiaogan Jianxu Gas Co., Ltd. at a total consideration of RMB81,600,000 (approximately HK\$77,714,000). On the same date, 中亞燃氣 entered into agreements with the vendor in relation to acquisition of 10% equity interests in Hanchuan Jiaxu Gas Co., Ltd. Yingcheng Jiaxu Gas Co. Ltd. Yumeng Jiaxu Gas Co., Ltd., and Xiaogan Jianxu Gas Co., Ltd. at a total consideration of RMB17,700,000 (approximately HK\$16,856,000). The goodwill arising from the above acquisitions of additional interest in subsidiaries is HK\$50,543,000. The goodwill arising on this acquisition is attributable to the anticipated profitability of the Group's gas connection and sales of piped gas businesses.

- (iv) During the year, the Group purchased gas for total amount of HK\$23,711,000 (2004: HK\$9,039,000) from minority shareholders of subsidiaries for the price agreed by both parties.

45. 關連人士交易 (續)

於二零零四年七月二十七日，中亞燃氣與隨州中燃之少數股東就以零代價收購非全資附屬公司－隨州中燃餘下之10%股權訂立協議（「隨州中燃收購」）。

淮南中燃收購及隨州中燃收購就收購產生折讓10,815,000港元。

- (iii) 於二零零四年八月十九日，本公司與賣方就收購嘉旭投資有限公司（持有孝感振戎天然氣有限公司、漢川嘉旭天然氣有限公司、應城嘉旭天然氣有限公司、雲夢嘉旭天然氣有限公司及孝感嘉旭天然氣有限公司的股權25%）全部股權及股東貸款訂立協議，代價總額為人民幣81,600,000元（約77,714,000港元）。於同日，中亞燃氣與賣方就收購漢川嘉旭天然氣有限公司、應城嘉旭天然氣有限公司、雲夢嘉旭天然氣有限公司及孝感嘉旭天然氣有限公司之10%股權訂立協議，代價總額為人民幣17,700,000元（約16,856,000港元）。上述收購附屬公司額外權益而產生之商譽達50,543,000港元。有關收購產生之商譽計入本集團燃氣接駁及管道燃氣銷售業務之預期溢利。

- (iv) 於年內，本集團按附屬公司少數股東同意之價值，向彼等購入燃氣合共23,711,000港元（二零零四年：9,039,000港元）。



NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

46. POST BALANCE SHEET EVENTS

- (i) On April 1, 2005, a subsidiary of the Company entered into a cooperation agreement with 南陵縣人民政府 pursuant to which a wholly owned subsidiary namely Nanlingxian Zhongran City Gas Development Company Ltd ("Nanlingxian Zhongran") will be formed and owned by the Group. The registered capital of Nanlingxian Zhongran will be RMB10,000,000.
- (ii) On April 7, 2005, the Company entered into an agreement with 茂名市建設局 (Maoming City Construction Bureau) for the establishment of a wholly foreign-owned enterprise, Maoming Zhongran City Gas Development Co., Ltd. ("Maoming Zhongran") in the PRC which principally engages in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of piped natural gas in Maoming. The registered capital of Maoming Zhongran will be RMB50,000,000.
- (iii) On April 11, 2005, a subsidiary of the Company entered into an agreement with 紹興縣中國輕紡城管道燃氣有限公司 (Shaoxing County China Qing Fang City Piped Gas Company Limited) ("PRC Party"), pursuant to which both parties have agreed to establish a sino-foreign equity joint venture company, Shaoxing Zhongran City Gas Development Co., Ltd. ("Shaoxing JV") in the PRC which principally engages in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of piped natural gas in Shaoxing County. Pursuant to the terms of the agreement, the subsidiary will contribute RMB38,500,000 to Shaoxing JV. The registered capital of Shaoxing JV will be RMB70,000,000.

46. 結算日後事項

- (i) 於二零零五年四月一日，本公司附屬公司與南陵縣人民政府訂立協議，並據此成立全資附屬公司南陵中燃城市燃氣發展有限公司（「南陵中燃」），南陵中燃由本集團擁有。南陵中燃之註冊資本為人民幣10,000,000元。
- (ii) 於二零零五年四月七日，本公司與茂名市建設局就於中國成立外商獨資企業茂名中燃城市燃氣發展有限公司（「茂名中燃」）訂立協議。茂名中燃主要從事茂名市天然氣管道網絡及配套設施之設計、建造及經營，並提供管道天然氣。茂名中燃之註冊資本為人民幣50,000,000元。
- (iii) 於二零零五年四月十一日，本公司附屬公司與紹興縣中國輕紡城管道燃氣有限公司（「中國訂約方」）訂立協議。訂約雙方同意據此於中國成立中外合資公司紹興中燃城市燃氣發展有限公司（「紹興中燃」）。紹興中燃主要從事紹興縣天然氣管道網絡及配套設施之設計、建造及經營，並提供管道天然氣。根據協議之條款，該附屬公司將向紹興中燃注資人民幣38,000,000元。紹興中燃之註冊資本將為人民幣70,000,000元。

NOTES TO THE FINANCIAL STATEMENTS 財務報表附註

For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

46. POST BALANCE SHEET EVENTS (Continued)

- (iv) On April 18, 2005, a subsidiary of the Company entered into a cooperation agreement with 徐州市賈汪區人民政府 pursuant to which a wholly owned subsidiary namely Xuzhou Zhongran City Gas Development Company Ltd (“Xuzhou Zhongran”) will be formed and owned by the Group. The registered capital of Xuzhou Zhongran will be RMB10,000,000.
- (v) On April 18, 2005, a subsidiary of the Company entered into a cooperation agreement with 新沂市人民政府 pursuant to which a wholly owned subsidiary namely Xinyi Zhongran City Gas Development Company Limited (“Xinyi Zhongran”) will be formed and owned by the Group. Xinyi Zhongran was established on June 8, 2005 with registered capital of HK\$10,000,000.
- (vi) On April 18, 2005, the Company and eleven foreign banks signed a facility agreement for a five-year international syndicated loan in an amount of US\$60,000,000.
- (vii) On April 27, 2005, the Company entered into a subscription agreement to subscribe 190 new shares of China Review Network Limited (“China Review”) for a consideration of HK\$9,500,000, China Review is engaged in the business of publication of business magazine.
- (viii) In April 2005, a subsidiary of the Company entered into a cooperation agreement with 鳳台縣人民政府 pursuant to which a wholly owned subsidiary namely Fengtai Zhongran City Gas Development Company Ltd (“Fengtai Zhongran”) will be formed and owned by the Group. The registered capital of Fengtai Zhongran will be RMB5,000,000.

46. 結算日後事項 (續)

- (iv) 於二零零五年四月十八日，本公司附屬公司與徐州市賈汪區人民政府訂立合作協定，並據此成立全資附屬公司徐州中燃城市燃氣發展有限公司「徐州中燃」，徐州中燃由本集團擁有。徐州中燃之註冊資本為人民幣10,000,000元。
- (v) 於二零零五年四月十八日，本公司附屬公司與新沂市人民政府訂立合作協定，並據此於二零零五年六月八日成立全資附屬公司新沂中燃城市燃氣發展有限公司「新沂中燃」，新沂中燃由本集團擁有，註冊資本為10,000,000港元。
- (vi) 於二零零五年四月十八日，本公司與十一家外資銀行就為期五年金額為60,000,000美元之國際銀團貸款簽訂融資協議。
- (vii) 於二零零五年四月二十七日，本公司訂立認購協議認購中國評論網絡有限公司（「中國評論」）之190股新股份，代價為9,500,000港元。中國評論從事商業雜誌發行業務。
- (viii) 於二零零五年四月，本公司附屬公司與鳳台縣人民政府訂立合作協定，並據此成立全資附屬公司鳳台中燃城市燃氣發展有限公司「鳳台中燃」，鳳台中燃由本集團擁有。鳳台中燃之註冊資本為人民幣5,000,000元。



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For the year ended March 31, 2005 截至二零零五年三月三十一日止年度

46. POST BALANCE SHEET EVENTS (Continued)

- (ix) In April 2005, a subsidiary of the Company entered into a cooperation agreement with 霍山縣人民政府 pursuant to which a wholly owned subsidiary namely Huoshan Zhongran City Gas Development Company Ltd (“Huoshan Zhongran”) will be formed and owned by the Group. Huoshan Zhongran was established on June 24, 2005 with registered capital of RMB5,000,000.
- (x) On May 3, 2005, pursuant to the subscription agreement dated on February 19, 2005, the Company allotted and issued 210,000,000 ordinary shares of HK\$0.01 each in the Company at a price of HK\$1.158 per share to GAIL (India) Limited, an independent investor.
- (xi) On May 9, 2005, a subsidiary of the Company entered into a cooperation agreement with 廣水市人民政府 pursuant to which a wholly owned subsidiary namely Guangshui Zhongran City Gas Development Company Ltd (“Guangshui Zhongran”) will be formed and owned by the Group. Guangshui Zhongran will have registered capital of HK\$7,500,000.
- (xii) On June 23, 2005, the Company entered into a conditional subscription agreement with CQS Convertible and Quantitative Strategies Master Fund Limited (“CQS”) and Courtenay Enterprises Limited (“Courtenay”) whereby CQS and Courtenay had agreed to subscribe for the United States dollar denominated Bonds to be issued at par by the Company in an aggregate principal amount of US\$40,000,000.

46. 結算日後事項 (續)

- (ix) 於二零零五年四月，本公司附屬公司與霍山縣人民政府訂立合作協定，並據此於二零零五年六月二十四日成立全資附屬公司霍山中燃城市燃氣發展有限公司「霍山中燃」，霍山中燃由本集團擁有，註冊資本為人民幣5,000,000元。
- (x) 於二零零五年五月三日，本公司根據二零零五年二月十九日之認購協議，以每股股份1.158港元之價格向獨立投資者GAIL (India) Limited配發及發行本公司210,000,000股每股面值0.01港元普通股。
- (xi) 於二零零五年五月九日，本公司附屬公司與廣水市人民政府訂立合作協定，並據此成立全資附屬公司廣水中燃城市燃氣發展有限公司「廣水中燃」，廣水中燃由本集團擁有。廣水中燃之註冊資本為7,500,000港元。
- (xii) 於二零零五年六月二十三日，本公司與CQS Convertible and Quantitative Strategies Master Fund Limited (「CQS」) 與Courtenay Enterprises Limited (「Courtenay」) 訂立有條件認購協議，而CQS及Courtenay同意認購以本公司面值發行本金總額達40,000,000美元之債券。

FINANCIAL SUMMARY 財務摘要

		For the year ended March 31, 截至三月三十一日止年度				
		2001	2002	2003	2004	2005
		二零零一年	二零零二年	二零零三年	二零零四年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
RESULTS	業績					
TURNOVER	營業額	<u>4,169</u>	<u>4,827</u>	<u>85,537</u>	<u>376,491</u>	<u>410,202</u>
(LOSS) PROFIT BEFORE TAXATION	除稅前(虧損)溢利	(5,172)	(7,383)	(64,825)	118,212	169,489
TAXATION CREDIT (CHARGE)	稅項抵免(支出)	<u>-</u>	<u>89</u>	<u>(1,861)</u>	<u>(1,344)</u>	<u>(1,475)</u>
(LOSS) PROFIT BEFORE MINORITY INTERESTS	除少數股東權益前(虧損)溢利	(5,172)	(7,294)	(66,686)	116,868	168,014
MINORITY INTERESTS	少數股東權益	<u>-</u>	<u>-</u>	<u>(2,987)</u>	<u>(36,808)</u>	<u>(35,765)</u>
NET (LOSS) PROFIT FOR THE YEAR	本年度(虧損)溢利淨額	<u>(5,172)</u>	<u>(7,294)</u>	<u>(69,673)</u>	<u>80,060</u>	<u>132,249</u>
		At March 31, 於三月三十一日				
		2001	2002	2003	2004	2005
		二零零一年	二零零二年	二零零三年	二零零四年	二零零五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
TOTAL ASSETS	總資產	71,754	108,968	501,507	1,342,279	2,750,723
TOTAL LIABILITIES	總負債	(4,569)	(5,044)	(297,049)	(748,484)	(1,664,822)
MINORITY INTERESTS	少數股東權益	<u>-</u>	<u>-</u>	<u>(59,732)</u>	<u>(91,121)</u>	<u>(97,360)</u>
SHAREHOLDERS' FUNDS	股東資金	<u>67,185</u>	<u>103,924</u>	<u>144,726</u>	<u>502,674</u>	<u>988,541</u>



PARTICULARS OF MAJOR PROPERTIES 主要物業資料

Location 地點	Type 類別	Group's interest (%) 本集團之權益(%)	Lease term 租期
<i>Leasehold land and buildings</i> 租賃土地及樓宇			
In Hong Kong: 香港地區：			
No. 151 Gloucester Road, 16/F., AXA Centre Wan Chai Hong Kong 香港灣仔 告士打道151號 國衛中心16樓	Office premises 辦公室物業	100 100	Long lease 長期租約
In the People's Republic of China: 於中華人民共和國：			
深圳市濱河大道5002號 聯合廣場B座1301室	Commercial 商業	100	Medium term lease 中期租約
<i>Properties held for development</i> 持作發展之物業			
No. 28 - 30 Kai Tak Road Kowloon City Kowloon Hong Kong 香港 九龍九龍城 啟德道28-30號	Vacant land 空置土地	100 100	Medium term lease 中期租約



CHINA GAS HOLDINGS LIMITED
中國燃氣控股有限公司