



中民燃氣控股有限公司  
**Chinese People Gas** HOLDINGS COMPANY LIMITED

(Incorporated in Bermuda with limited liability 於百慕達註冊成立之有限責任公司)  
(Stock Code 股份代號: 681)



**2006-2007**

Annual Report 年報



Facilities for the distribution of piped natural gas in China  
owned by **Chinese People Gas Group**

**中民燃氣集團**於中國之配氣設施



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# Corporate Information

## 公司資料

<b>Board of Directors</b>	Mr. Xu Ruixin (Honourable Chairman) Mr. Liu Jing (Chairman) Dr. Mo Shikang (Managing Director) Mr. Zhu Peifeng (Deputy Chairman) Mr. Zhang Hesheng (Deputy Chairman) Mr. Jin Song Mr. Wong Ching Mr. Liu Junmin* Mr. Tan Qinglian* Mr. Sin Ka Man*  (* Independent Non-executive Directors)	<b>董事會</b>	徐瑞新先生 (榮譽主席) 劉京先生 (主席) 莫世康博士 (董事總經理) 朱培風先生 (副主席) 張和生先生 (副主席) 靳松先生 王政先生 劉駿民先生* 譚慶璉先生* 冼家敏先生*  (* 獨立非執行董事)
<b>Company Secretary</b>	Ms. Li Fun Replen	<b>公司秘書</b>	李歡小姐
<b>Qualified Accountant</b>	Mr. Tse Ting Kwan	<b>合資格會計師</b>	謝庭均先生
<b>Principal Bankers</b>	Bank of China (Hong Kong) Limited China Construction Bank	<b>主要往來銀行</b>	中國銀行(香港)有限公司 中國建設銀行
<b>Auditors</b>	SHINEWING (HK) CPA Limited	<b>核數師</b>	信永中和(香港)會計師 事務所有限公司
<b>Principal Share Registrar and Transfer Office</b>	The Bank of Bermuda Limited 6 Front Street Hamilton HM11 Bermuda	<b>股份過戶登記總處</b>	The Bank of Bermuda Limited 6 Front Street Hamilton HM11 Bermuda
<b>Hong Kong Branch Share Registrar and Transfer Office</b>	Tricor Tengis Limited 26th Floor Tesbury Centre 28 Queen's Road East Hong Kong	<b>股份過戶登記香港分處</b>	卓佳登捷時有限公司 香港 皇后大道東28號 金鐘匯中心 26樓
<b>Registered Office</b>	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda	<b>註冊辦事處</b>	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
<b>Head Office</b>	No. 36 International Business Park No. 2 Jingyuan North Street BDA Economic Technological Development Area Beijing, 100176	<b>總辦事處</b>	北京市經濟技術開發區 景園北街2號 BDA 國際企業大道36號 郵編100176
<b>Principal Place of Business in Hong Kong</b>	Unit 2113, 21st Floor China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Hong Kong	<b>香港主要營業地點</b>	香港 干諾道中168-200號 信德中心 招商局大廈 21樓2113室
<b>Email</b>	info@681hk.com	<b>電郵</b>	info@681hk.com
<b>Website</b>	www.681hk.com	<b>網址</b>	www.681hk.com
<b>Stock code</b>	681	<b>股份代號</b>	681

On behalf of the board of directors of Chinese People Gas Holdings Company Limited (the "Company") and all of its subsidiaries (collectively the "Group"), I am pleased to present the Group's annual report for the year ended 31 March 2007 to the shareholders.

## INDUSTRY REVIEW

During the course of the implementation of the "10th Five-Year Plan", China adhered to its energy adjustment strategy and increased the proportion of natural gas in the overall energy consumption structure. In respect of non-renewable energy, the production volume of natural gas increased from 27.2 billion cubic meters in 2000 to 49.3 billion cubic meters in 2005, with an average annual growth of 12.6% as to the total consumption of non-renewable energy, natural gas consumption increased from 24.5 billion cubic meters in 2000 to 47.9 billion cubic meters in 2005, with an average annual growth of 14.4%. Natural gas ranked top among the non-renewable energies in terms of production and consumption growth.

The economy of China achieved continuous, rapid and stable growth in 2006. According to the data released by the National Bureau of Statistics of China, the annual gross national production in 2006 was RMB21 trillion, representing an increase of 11.1% as compared to the previous year and it has been raising over 10% for four consecutive years. The growth of the Chinese economy brought along a continuous rise in the total consumption of energy, which amounted to 2.46 billion tons of standard coal equivalent in 2006, representing a growth of 9.3% from the previous year, in which the consumption growth rate of coal, crude oil and natural gas were 9.6%, 7.1% and 19.9%, respectively, as compared to the prior year, with natural gas still ranks first among all types of energy. Natural gas, being a kind of clean and highly efficient energy, occupied an ever more important role in the energy structure in China as well as in sustaining the growth of the Chinese economy.

本人謹代表中民燃氣控股有限公司(「本公司」)董事會及全體附屬公司(統稱「本集團」)，欣然向股東提呈本集團截至2007年3月31日之年度報告。

## 行業回顧

「十五」期間，中國貫徹能源調整戰略，增加天然氣在能源結構中的比例。在非再生能源生產總量方面，天然氣產量從2000年的272億立方米上升到2005年的493億立方米，年均增長12.6%；在非再生能源消費總量方面，天然氣消費量從2000年的245億立方米上升到2005年的479億立方米，年均增長14.4%。在非再生能源生產和消費增長幅度中，天然氣均為各類能源之首。

2006年，中國經濟持續、快速、穩定增長。中國國家統計局發佈的相關數據顯示，2006年全年國家生產總值人民幣為21萬億元，比上年增長11.1%，增長速度連續4年超過10.0%。中國經濟的增長，帶動了能源消費總量不斷攀升，2006年全年能源消費總量24.6億噸標準煤，比上年增長9.3%，其中煤炭消費量比上年增長9.6%，原油消費量比上年增長至7.1%，天然氣消費量比上年增長19.9%，消費量增長居各類能源之首。作為一種清潔、高效的能源，天然氣在中國能源結構中佔有日益重要之地位，並在保障中國經濟持續發展過程中起到日益重要之作用。

### INDUSTRY PROSPECT

According to the “Development Plan for Energy in the 11th Five-Year Plan” issued by the National Development and Reform Commission, the principle of supporting the sustainable growth of social economy of China by sustainable energy development was introduced and China will accelerate the exploration of petroleum and natural gas resources during the course of the implementation of the 11th Five-Year Plan, provide key support to the construction of energy bases and speed up the building of oil and gas bases. Pursuant to the principle of “Exploiting the potential of the East, Developing the West, Accelerating the development in the sea area and Exploring the South”, the national output of crude oil and natural gas in 2010 will be increased to 193 million tons and 92 billion cubic meters respectively. Meanwhile, the construction of energy storage and transportation projects will become the policy focus. The building of oil and gas pipeline networks will be expedited under the framework of “Transporting oil and gas from the West to the East, from the Northeast to the South and from sea to land” and the key pipelines network for oil and gas will be strengthened by building more necessary multiple lines and key linkages as well as accelerating the construction of connecting terminals and strategic reserves facilities with an aim to gradually constructing a national core pipelines network and key regional networks for oil and gas. China will lay approximately 50,000 kilometers in aggregate of natural gas pipelines and build 10 Liquefied Natural Gas (“LNG”) terminals in the coastal areas (the first phase of which will have a capacity of handling 33-35 million tons of LNG) by 2020.

According to experts' projections, the proportion of natural gas consumption in China's total non-renewable energy consumption will increase to approximately 6.0% (amounting to 110 to 120 billion cubic meters) in 2010 and further increase to approximately 10.0% in 2020, and by then the demand for natural gas will be 210 to 230 billion cubic meters. The gas supply in urban areas will account for one-third of the natural gas consumption and this represents a growth that is significantly higher than that of coal and petroleum. The rapid growth in consumption demand will widen the gap between supply and demand of natural gas in China where the discrepancy of 20 billion cubic meters by the year of 2010 be filled up mainly by imported natural gas. Diversification of natural gas sources will help gradually bring the prices of natural gas in China in line with the international level, push up the price for the seriously underpriced domestic natural gas and nationalize the pricing mechanism for natural gas.

### 行業展望

根據國家發展和改革委員會發佈的《能源發展「十一五」規劃》中提出的以能源可持續發展支持中國經濟社會可持續發展的方針，「十一五」期間中國將加快開發石油天然氣資源，重點扶持能源基地建設工程，加快建設油氣基地。按照「挖潛東部、發展西部、加快海域、開拓南方」的原則，使2010年全國原油、天然氣產量分別達到1.93億噸和920億立方米。同時將重點建設能源儲運工程，加快油氣輸送管網建設，按照「西部油氣東輸，東北油氣南送、海上油氣登陸」的格局，加強骨幹油氣管線建設，增加必要的複綫和重點聯絡綫，加快中轉樞紐和戰略儲備設施建設，逐步形成全國油氣骨幹管網和重點區域網路。2020年前中國將共鋪設約5萬公里的天然氣管線，同時將建成沿海10個液化天然氣（「LNG」）接收站，第一期工程將達到接收3,300-3,500萬噸LNG的能力。

據專家預測，2010年中國天然氣的消費在非再生能源消費中的比重將增加至約6.0%，達1,100-1,200億立方米；2020年進一步增加至約10.0%，需求量達2,100-2,300億立方米，天然氣消費的三分之一將用於城市燃氣供應，增長速度明顯快於煤和石油。消費需求的快速增長，使中國天然氣供需缺口不斷拉大，2010年將達200多億立方米，缺口主要依靠進口天然氣填補。天然氣氣源的多元化，將使中國天然氣價格逐步與國際接軌，國內天然氣價格明顯偏低狀況將得到改善，天然氣價格形成機制將不斷完善。

It is expected that the Chinese economy will grow continuously, steadily and rapidly, while the accelerated pace of industrialisation and urbanisation will promote the rapid development of the city gas business. Being the best clean energy in the 21st century, natural gas is rising as a major energy used by urban dwellers as well as industrial and commercial enterprises. With more effort made in the development of petroleum and natural gas, the continuous perfection of transmission pipelines facilities as well as strong support from the government policy, the use of natural gas will become more popular and the prospect of the city gas business will be brighter.

## APPRECIATION

On behalf of the board of directors of the Company, I sincerely thank all shareholders, customers and business partners for their support to the Group over the year.

**Liu Jing**  
*Chairman*

Beijing, 27 July 2007

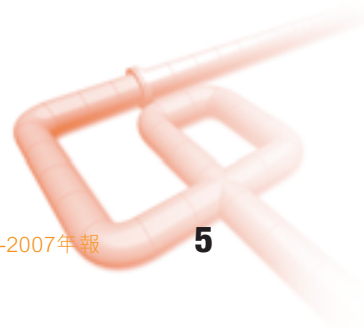
預計未來中國經濟將持續、平穩、快速增長，工業化和城市化進程的加快將推動城市燃氣行業快速發展。天然氣作為二十一世紀最佳清潔能源，正日益成為中國城市居民、工商業企業使用的主要能源。隨著石油天然氣開發力度進一步加強、輸送管線設施不斷完善及政策導向的大力扶持，天然氣的使用將更加普及，城市燃氣行業的前景將更加廣闊。

## 致謝

本人謹代表本公司董事會對全體股東、客戶及業務伙伴一年來對本集團的支持表示衷心感謝。

**劉京**  
主席

北京，2007年7月27日



# Management Discussion and Analysis

## 管理層討論及分析

During the financial year between April 2006 and March 2007, all the Group's businesses achieved sound development with the collaborative effort of the directors, management and all staff.

### THE GROUP'S MILESTONE

#### Investment from Merrill Lynch

In June 2006, the Company issued convertible notes in the amount of US\$40 million to Merrill Lynch. Merrill Lynch's investment in the Group provided capital for the Group's business development and manifested the recognition of the Group from international investment banks, which are confident in the Group's development. Please refer to the "Financial Review" section for further detail.

#### Acquisition of Fujian Province An Ran Gas Investment Co., Ltd. ("Fujian An Ran")

In September 2006, the Group entered into two equity transfer agreements and a management rights transfer agreement with independent third parties to acquire the 100% interest in Fujian An Ran. The acquisition of Fujian An Ran resulted in the leaping development in the Group's gas business scale and broadens the Group's future prospect. Please refer to the "Project Expansion" section for further detail.

2006年4月至2007年3月財政年度，在各董事、管理層及全體員工共同努力下，本集團在各項業務均取得健康的發展。

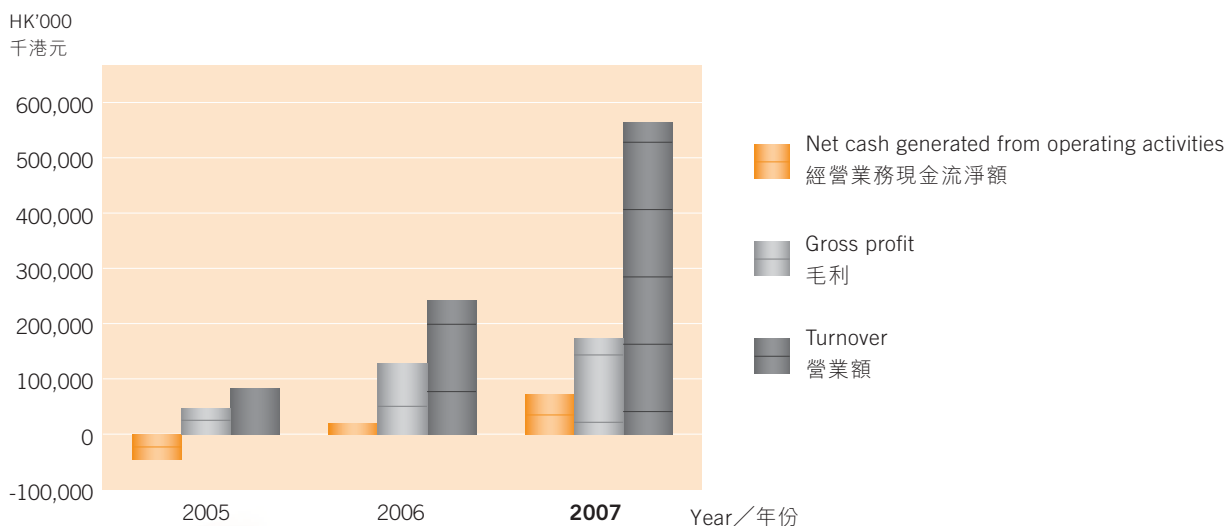
### 集團大事記

#### 獲得美林集團之投資

2006年6月，本公司向美林集團發行40,000,000美元之可換股票據。本集團獲得美林集團之投資，其一充足了本集團發展業務的資金；其二表明本集團受到國際知名投資銀行認可，對本集團之發展充滿信心，詳情見財務回顧部分。

#### 收購福建省安然燃氣投資有限公司 (「福建安然」)

2006年9月，本集團與獨立第三方訂立兩份股權轉讓協議及一份經營權轉讓協議，收購福建安然100%的權益。收購福建安然使本集團之燃氣業務規模得到了跳躍式發展，亦使本集團未來前景更為廣闊，詳情見項目拓展部分。





# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL HIGHLIGHTS

In the reporting period, the Group recorded turnover from continuing operations of approximately HK\$522,893,000, representing an increase of 141.5% from the last year;

Gross profit from continuing operations of approximately HK\$172,496,000, representing an increase of 41.4% from the last year;

Profit attributable to the shareholders approximately HK\$22,123,000, while it was loss attributable to the shareholders approximately HK\$56,061,000 in last year;

Basic earning per share of HK\$0.69 cents; while it was basis loss per share of HK\$2.13 cents in last year;

Operating net cash inflow of approximately HK\$75,814,000, representing an increase of 375.1% from the last year;

Net cash used in investment activities of approximately HK\$299,264,000, representing an increase of 598.3% from the last year;

Net cash generated from financing activities of approximately HK\$261,527,000, representing an increase of 75.9% from the last year;

Net cash and cash equivalents at the end of the year increased to approximately HK\$184,031,000, representing an increase of 38.4% from the last year.

Subsequent to the issue of unaudited interim report, there was reversal of approximately HK\$77,702,000 (it is mainly due to the remarkable increase of the share price of the Company in the second half and it is a non-cash item) of change in fair value of convertible notes in the second half. The convertible note issue expenses were approximately HK\$13,122,000. The loss on disposal of subsidiaries arising from not participating in further capital contribution into Mian Zhu City Hongsen Glass Products Company Limited amounted to approximately HK\$9,900,000 (it is a non-cash item). These several items caused a book loss of approximately HK\$100,724,000 in our consolidated income statements.

### 財務摘要

報告期內本集團持續經營之業務錄得營業額約港幣522,893,000元，較上年度增長141.5%；

持續經營之業務毛利約港幣172,496,000元，較上年度增長41.4%；

股東應佔溢利約港幣22,123,000元，上年度則股東應佔虧損為港幣56,061,000元；

每股基本盈利0.69港仙；上年度則每股基本虧損為2.13港仙；

經營活動所產生的淨現金流約港幣75,814,000元，較上年度增長375.1%；

投資活動所使用現金淨額約港幣299,264,000元，較上年度增長598.3%；

融資活動所產生現金淨額約港幣261,527,000元，較上年度增長75.9%；

年末現金淨額和現金等值項目增加至約港幣184,031,000元，較上年度增加38.4%。

繼上半年未經審核的中期報告後，下半年可換股票據之公平價值變動由盈轉虧差距約港幣77,702,000元（主要由於本公司股價在下半年有較大的增幅所致，此項並不涉及現金流）。發行可換股票據之發行開支約港幣13,122,000元。因不參予綿竹市紅森玻璃制品有限公司的增資而引致之視作出售附屬公司的虧損約港幣9,900,000元（此項並不涉及現金流）。該幾項在帳上產生虧損合計約港幣100,724,000元。

# Management Discussion and Analysis

## 管理層討論及分析

### OPERATIONAL HIGHLIGHTS

#### 營運摘要

Items	項目	As at 截至 2007 3.31	As at 截至 2006 3.31	Changes 變動	Percentage of changes 變動百分比 (%)
<b>No. of projects</b>	<b>項目數量</b>				
Gas	燃氣	33	7	26	371
LPG wholesale & retail	液化石油氣批發及零售	4	—	4	—
Other (see Note)	其他(見附註)	3	1	2	200
<b>No. of projects</b>	<b>項目總數(個)</b>	<b>40</b>	<b>8</b>	<b>32</b>	<b>400</b>
<b>Gas business (within coverage)</b>	<b>燃氣業務(覆蓋範圍內)</b>				
Total population (10,000p)	總人口(萬人)	2,046	387	1,659	429
No. of connectable population (10,000p)	可接駁人口(萬人)	1,081	265	816	308
No. of connectable households customers (10,000h)	可接駁居民用戶(萬戶)	360	88	272	309
<b>No. of connected (within reporting period)</b>	<b>已接駁用戶數量(於報告期內)</b>				
Household customers	居民用戶	73,874	50,544	23,330	46
Commercial & industrial customers	工商業用戶	5,389	7,853	-2,464	-31
<b>Total no. of customers connected</b>	<b>已接駁用戶總數</b>	<b>79,263</b>	<b>58,397</b>	<b>20,866</b>	<b>36</b>
<b>Accumulation of the connected</b>	<b>累計已接駁(戶)</b>				
Household customers	居民用戶	168,684	71,746	96,938	135
Commercial & industrial customers	工商業用戶	13,923	8,697	5,226	60
<b>Total no. of customers connected</b>	<b>已接駁用戶總數</b>	<b>182,607</b>	<b>80,443</b>	<b>102,164</b>	<b>127</b>
<b>Sales of gas (10,000 cm)</b>	<b>燃氣銷售量(萬立方米)</b>				
Household customers	居民用戶	3,389	1,710	1,679	98
Commercial & industrial customers	工商業用戶	14,665	9,416	5,249	56
<b>Total sales of gas</b>	<b>燃氣總銷售量</b>	<b>18,054</b>	<b>11,126</b>	<b>6,928</b>	<b>62</b>
<b>Sales of LPG (tons)</b>	<b>液化石油氣銷售量(噸)</b>	<b>8,017</b>	N/A不適用	N/A不適用	N/A不適用

Note: These other projects refer to “Zhongmin Zai Xian”, the “Yan Bian Hua Xin” Project and the “Yan Bian” Project. Please refer to the descriptions set out in the sections headed “Supply of Video Lottery System and Equipment” and “Project Expansion” below.

附註：其他項目指中民在綫、延邊華新項目及延邊項目，詳情見下文「視頻彩票系統及設備供應」及「項目拓展」中之相關介紹。

P = Person  
h = household  
cm = cubic meters

## BUSINESS REVIEW

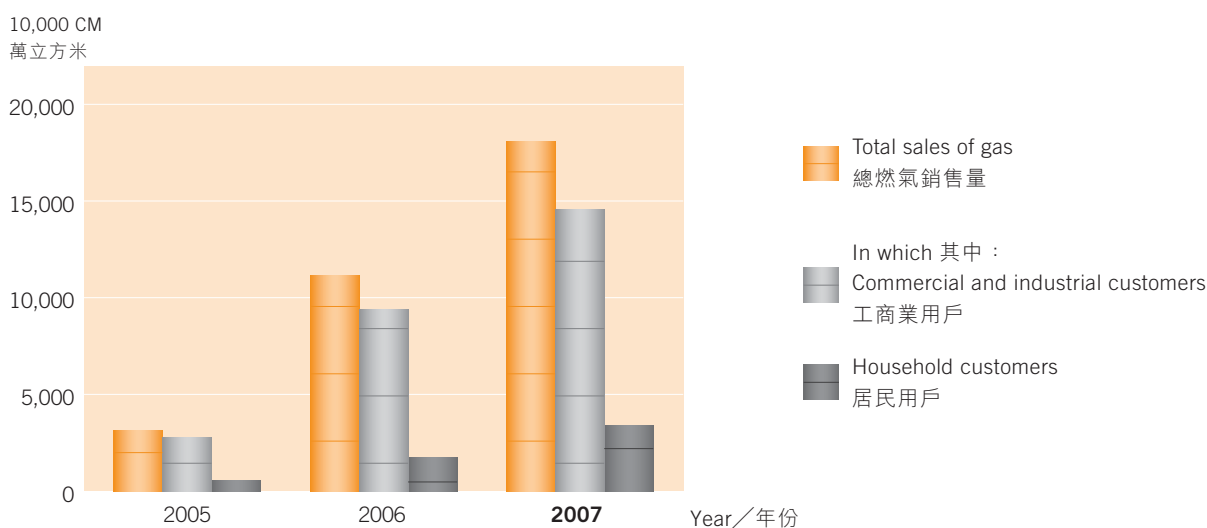
### Distribution, supply and installation of gas business

#### Distribution and supply of gas

The supply of gas to household and commercial and industrial customers is still the main business of the Group. During the reporting period, the Group achieved gas sales of 180.54 million cubic meters, representing an increase of 62.3% as compared with the corresponding period last year. The Group sold 33.89 million cubic meters of gas to household customers, an increase of 98.2% compared to the same period last year and sold 146.65 million cubic meters of gas to commercial and industrial customers, an increase of 55.7% compared to the corresponding period last year. The Group realised a gas sales income of approximately HK\$344,582,000, representing an increase of 302.8% as compared with the same period last year. Income from sales of gas accounted for 65.9% of the Group's turnover from continuing operations during the reporting period.

#### Sales of Gas

##### 燃氣銷售量



CM = Cubic Meter

## 業務回顧

### 分銷、供應及安裝燃氣業務

#### 分銷與供應燃氣

向居民及工商業用戶提供燃氣供應仍為本集團之主要業務。報告期內，本集團實現燃氣銷售量18,054萬立方米，較上年度同期增長62.3%；向居民用戶銷售燃氣3,389萬立方米，較去年同期增長98.2%；向工商業用戶銷售燃氣14,665萬立方米，較去年同期增長55.7%；實現燃氣銷售收入約港幣344,582,000元，較上年度同期增長302.8%。本集團報告期內之燃氣銷售收入佔持續經營業務營業額約65.9%。

# Management Discussion and Analysis

## 管理層討論及分析

### Gas pipeline connection

The Group was also engaged in the construction of main pipelines and branch pipelines networks and charged customers with connection fees for the construction of gas pipeline networks that connect households with the gas networks. Such fee is another major income source of the Group. During the reporting period, the Group has completed connection work for 73,874 household customers and 5,389 commercial and industrial customers, representing an increase of 46.2% and a decrease of 31.4% from the same period last year, respectively. Income generated from connection fees amounted to approximately HK\$178,222,000, representing an increase of 37.9% as compared with the corresponding period last year. Connection fees income accounted for approximately 34.1% of the Group's turnover from continuing operations during the reporting period.

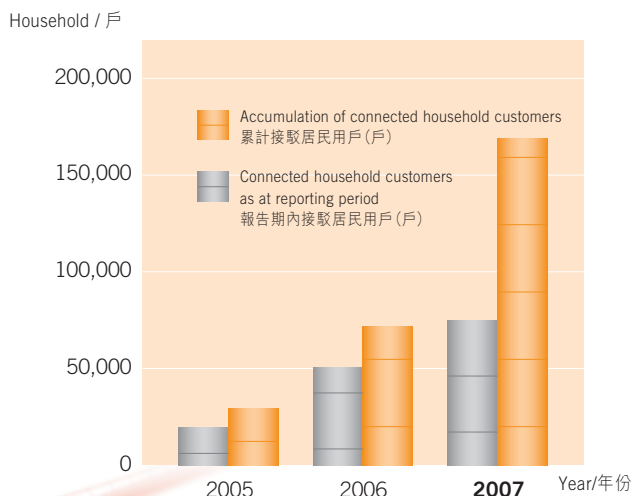
As at 31 March 2007, the Group has accumulated a total of 182,607 connected customers, representing an increase of 127.0% from the same period last year, in which 168,684 were household customers, representing an increase of 135.1% compared to the corresponding period last year and 13,923 were commercial and industrial customers, representing an increase of 60.1% compared to the same period last year.

### 接駁管道燃氣

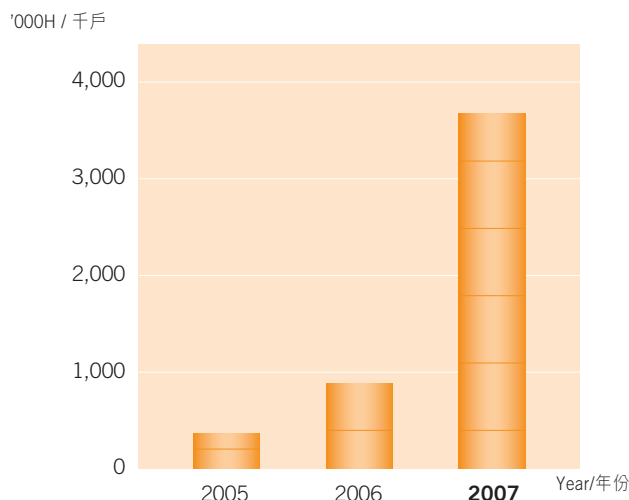
本集團亦參與修建城市燃氣主幹管網和支線管網，通過修建的燃氣管網最終將燃氣管道與用戶接駁，並向用戶收取接駁費，此為本集團另一主要收入來源。報告期內，本集團共接駁73,874戶居民用戶及5,389戶工商業用戶，較上年度同期分別增長46.2%，及減少31.4%。實現接駁費收入約港幣178,222,000元，較去年度同期增長37.9%。本集團報告期內接駁費收入佔持續經營業務營業額約34.1%。

於2007年3月31日，本集團累計已接駁用戶182,607戶，較去年度同期增長127.0%，其中累計已接駁居民用戶168,684戶，較去年度同期增長135.1%，累計已接駁工商業用戶13,923戶，較去年度同期增長60.1%。

Connected household customers  
已接駁用戶



Connectable household customers  
可接駁居民用戶



H = Household

# Management Discussion and Analysis

## 管理層討論及分析

### Transportation, distribution and retail of bottled liquefied petroleum gas (“LPG”).

During the reporting period, the Group established Huaihua Zhongmin Gas Company Limited (“Huaihua Zhongmin”) and Huaihua Zhongmin Petroleum Gas Supply Company Limited (“Huaihua Supply”) in Huaihua City of Hunan Province. The Group also set up Yunnan Zhongmin Gas Company Limited (“Yunnan Zhongmin”) in Kunming City of Yunnan Province and Guizhou Zhongmin Gas Company Limited (“Guizhou Zhongmin”) in Guiyang City of Guizhou Province. These companies engage in the transportation and distribution of LPG and the distribution and retail of bottled LPG.

### Exploitation of Natural Gas

During the reporting period, the Group expanded its business to natural gas exploitation through the acquisition of 50% equity interest in Yan Bian Hua Xin Oil Exploitation Company Limited (“Yan Bian Hua Xin”). Please refer to the sub-section headed “Yan Bian Hua Xin Project” under the section headed “Project Expansion” below.

### Supply of Video Lottery System and Equipment

The Group intended to engage in supply of video lottery system and equipment in the Mainland China through the associate — Zhongmin Zai Xian (Beijing) Technology Development Ltd. (“Zhongmin Zai Xian”)\* (中民在線(北京)科技發展有限公司), and Zhongmin Zai Xian was applying for the related licence. The lottery business has not duly commenced operation during the reporting period.

### 運輸分發及零售液化石油氣

報告期內，本集團在湖南省懷化市成立懷化中民燃氣有限公司(「懷化中民」、懷化中民石油氣運銷有限公司(「運銷公司」)，在雲南省昆明市成立雲南中民燃氣有限公司(「雲南中民」)及在貴州省貴陽市成立貴州中民燃氣有限公司(「貴州中民」)，涉及液化石油氣[LPG]運輸分發及瓶裝LPG的分發與零售業務。

### 天然氣開發

報告期內，本集團因收購延邊州華新石油開發有限公司(「延邊華新」)50%之權益而新增天然氣開發業務。詳見下文「項目拓展」之「延邊華新項目」一節。

### 視頻彩票系統及設備供應

本集團透過聯營公司中民在線(北京)科技發展有限公司(「中民在線」)擬於中國內地從事視頻彩票系統及設備供應業務，相關牌照正在審批過程中。本報告期內彩票業務尚未正式開展。

# Management Discussion and Analysis

## 管理層討論及分析

### Divestment during the reporting period

During the year, the Group discontinued its glass products business upon the deemed disposal of its controlling interest in Mian Zhu City Hongsen Glass Products Company Limited (the "Glass Products"). Additional capital investments were required by Glass Products to reconstruct its plant, property and equipment after moving to a new location and Glass Products increased its registered capital from RMB1,000,000 (HK\$1,009,000) to RMB17,000,000 (HK\$17,159,000) for additional general working capital purpose. However, the Group has not made further investment in Glass Products with a view to focus its resources on developing core business. New investors were introduced to make up the increased capital. The Group's interest in the Glass Products was decreased from 100% to 19% upon the completion of such increase in registered capital and the Glass Products ceased to be a subsidiary of the Company.

Besides, the Group disposed all of its equity interest in a wholly owned subsidiary — Penmark Limited together its property, with a saleable area of 534 square meters, in Shanghai Zhongda Square for HK\$6,500,000 in cash. The Group use the proceed from sales on the development of new gas projects.

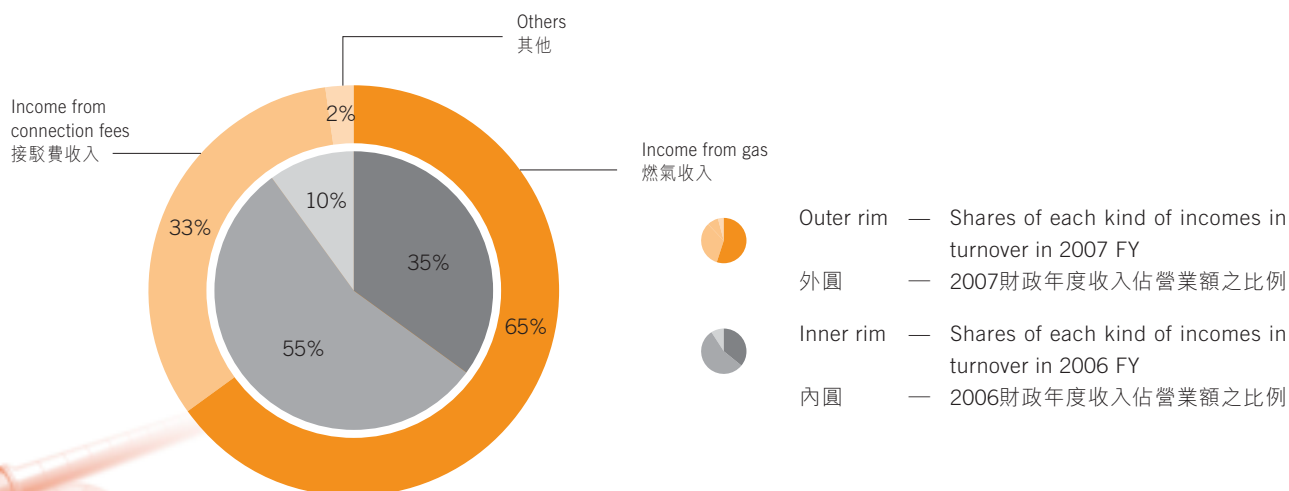
### 報告期內收縮之業務

於本年度，本集團於被視作出售其於綿竹市紅森林玻璃製品有限公司（「玻璃產品」）之控股權益後終止其玻璃產品業務。年內，玻璃產品於搬遷新址後，重建其廠房、物業及設備需要增加資本投資。玻璃產品將其註冊資本由人民幣1,000,000元（港幣1,009,000元）增加至人民幣17,000,000元（港幣17,159,000元）作為新增日常營運資金。然而，本集團為集中發展核心業務未再對其增加資金投入。因此引入新投資者以增加資本。於增加股本完成後，本集團於玻璃產品的股權亦由100%攤薄至19%，而玻璃製品不再為本公司之附屬公司。

其次，本集團以現金港幣6,500,000元出售全資附屬公司景達物業有限公司之全部股權及其擁有位於上海市中達廣場的534平方米之可供銷售物業，收回現金以集中用於燃氣新項目拓展。

### Income Portfolio

#### 收入組合



### Project Expansion

The projects that the Group secured during the reporting period were as follows:

#### The Yan Bian Hua Xin Project

In June 2006, the Company acquired a 50% equity interest in Yan Bian Hua Xin Oil Exploitation Company Limited (“Yan Bian Hua Xin”) at a consideration of HK\$30,000,000. Yan Bian Hua Xin is principally engaged in the exploration and extraction of oil and natural gas in Yanji Basin (延吉盆地) located at Yan Bian Korean Nation Autonomous Area in Jilin Province, the PRC (中國吉林省延邊朝鮮族自治州) in co-operation with Daqing Oilfield Company. Natural gas produced was sold to local gas suppliers through Yan Bian Zhongmin Gas Company Limited, a wholly-owned subsidiary of the Group (details of which are set out in the sub-section “The Yan Bian Project” below). The project was still at the stage of exploration in the financial year and hence extraction and production have not been commenced.

#### The Yanliang Project

In June 2006, the Group acquired a 70% interests in a natural gas business at Yanliang District, Xi’an at a consideration of RMB42,500,000 (approximately HK\$42,986,000) and set up Xi’an Zhongmin Gas Company Limited (“Xi’an Zhongmin”), which mainly engages in sale and distribution of natural gas, design of natural gas pipeline and related maintenance in Yanliang District, Xi’an City, Shaqnx Province. Yanliang District in Xi’an City, with approximately 240,000 residents in total, is China’s aviation industrial region integrating aircraft design and research, production and manufacturing, flight testing and authentication as well as related scientific research. China’s largest aircraft manufacturer, Xi’an Aircraft Industry (Group) Co., Ltd. (西安飛機工業(集團)有限責任公司) and many other enterprises and scientific research institutions are located there. In August 2004, the National Development and Reform Commission of the PRC approved the establishment of the national high and new technology aviation industry base with a planned area of 40 square kilometers in Yanliang District, Xi’an City. The base is expected to be built into Asia’s largest aviation industry base in three to five years.

### 項目拓展

本集團於報告期內獲得的項目為：

#### 延邊華新項目

2006年6月，本公司以代價港幣30,000,000元收購延邊州華新石油開發有限公司(「延邊華新」) 50%之權益。延邊華新主要與大慶油田公司合作在中國吉林省延邊朝鮮族自治州勘探開發延吉盆地之石油及天然氣資源，產出的天然氣將通過本集團之全資附屬公司延邊中民燃氣有限公司(詳見下文「延邊項目」)銷售給當地的其他燃氣供應公司。本財政年度仍處於勘探期，尚未正式開始生產開採。

#### 閻良項目

2006年6月，本集團以代價人民幣42,500,000元(相當於約港幣42,986,000元)收購西安市閻良區天然氣業務70%之權益，並成立西安中民燃氣有限公司(「西安中民」)。西安中民主要於陝西省西安市閻良區從事天然氣銷售及分銷、天然氣管道設計及相關之維修。西安市閻良區是中國航空工業區，總人口24萬人，是中國集飛機設計研究、生產製造、試飛鑒定和科研教學為一體之航空工業基地，區內有全國最大的飛機製造企業西安飛機工業(集團)有限責任公司及眾多企業和科研院所。2004年8月，國家發展改革委員會批准在西安市閻良區建立國家航空高新技術產業基地，規劃面積40平方公里，當地政府擬用3至5年時間將基地建設成為亞洲最大的航空產業基地。

# Management Discussion and Analysis

## 管理層討論及分析

### The Huaihua Project

In July 2006, the Group and an independent third party formed Huaihua Zhongmin Gas Co., Ltd. (“Huaihua Zhongmin”) in Huaihua City in Hunan Province of the PRC with a registered capital of RMB18,180,000 (approximately HK\$18,351,000), of which 55% of equity interest was held by the Group. Huaihua Zhongmin principally engages in the business of the sales of LPG in Huaihua City of Hunan Province. Huaihua City, which is situated at the boundary of Hunan, Guangxi and Guizhou Provinces, is an important transport pivot and logistic hub in central China. It has a population of 5.1 million and LPG is one of the major energy consumed. Huaihua Zhongmin has obtained a considerable market share in Huaihua City’s LPG market and such share is expected to grow significantly in view of the business development of the company.

### The An Ran Project

In September 2006, the Group and an independent third party entered into two equity transfer agreements and an operation rights transfer agreement whereby the Group acquired 100% equity interest in Fujian Province An Ran Gas Investment Co., Ltd. (“Fujian An Ran”) at a consideration of RMB104,320,000 (approximately HK\$110,793,000) and acquired its operation rights by issuing 200,000,000 consideration shares at an issue price of HK\$0.40 per share.

### 懷化項目

2006年7月，本集團與獨立第三方於中國湖南省懷化市成立懷化中民燃氣有限公司（「懷化中民」），註冊資本人民幣18,180,000元（相當於約港幣18,351,000元），本集團佔55%之權益。懷化中民主要在湖南省懷化市從事LPG銷售業務。湖南省懷化市地處湖南、廣西、貴州三省區交界處，為中國中部地區重要之交通樞紐及物流中心，總人口510萬，液化石油氣為其主要的消費能源之一，懷化中民在懷化市LPG市場已佔相當份額，隨著公司業務的發展，預計其市場佔有率仍會大有提升。

### 安然項目

2006年9月，本集團與獨立第三方訂立兩份股權轉讓協議及一份經營權轉讓協議，據此，本集團以代價人民幣104,320,000元（相當於約港幣110,793,000元）收購福建省安然燃氣投資有限公司（「福建安然」）100%的股權，並以每股發行價0.40港元發行200,000,000股代價股份，收購福建安然之經營權。



### The An Ran Project (Continued)

Fujian An Ran mainly engages in the sales and distribution of gas, designing, construction and installation of gas pipelines. Fujian An Ran has acquired a significant market presence in the natural gas market in Fujian Province. The acquisition of Fujian An Ran has significantly expanded the Group's gas market and extended the Group's growing potential for future development. The energy resources of Fujian Province are insufficient relative to its well developed economy. The China National Offshore Oil Corporation and Fujian Provincial Government jointly established LNG Terminal Project. Starting from early 2009, LNG terminals established in Fujian Province will import 2.6 million tones of LNG from Indonesia each year under a contract with a term of 25 years. The import will increase to 5 million tones upon the completion of the second phase of the project. Driven by the rapid economic growth of Fujian Province and with the offshore LNG from Indonesia becoming an onshore energy, LNG consumption among residential users and commercial and industrial users will increase rapidly. The robust increase in LNG demand will generate abundant cash flow from the Group.

### The Yan Bian Project

In November 2006, the Group set up Yan Bian Zhongmin Gas Company Limited ("Yan Bian Zhongmin"), a wholly-owned company with a registered capital of RMB 10,000,000 (approximately HK\$10,094,000), in the Yan Bian Korean National Autonomous Area of Jilin Province and Yan Bian Zhongmin principally engages in the sales of natural gas. Yan Bian Zhongmin will sell the natural gas which sourced by Yan Bian Hua Xin in Yanji Basin to other local gas suppliers. During the financial year, Yan Bian Zhongmin was still in the pre-operation stage and no operation has been commenced. It is expected that considerable revenue will be generated with the end of the pre-operation stage and Yan Bian Hua Xin will start to extract natural gas.

### 安然項目(續)

福建安然主要於福建省從事燃氣銷售及分銷、燃氣管道設計、建造及安裝業務。福建安然已於福建省燃氣市場取得市場先機，收購福建安然使本集團之燃氣市場規模躍上了新的台階，亦使本集團未來發展前景更為廣闊。福建省經濟較為發達，但能源資源相對匱乏，中國海洋石油總公司與福建省政府合資建設了LNG接收站項目，自2009年初起，福建省LNG接收站每年將從印度尼西亞進口260萬噸LNG，合同期25年，LNG二期工程建成後將達到500萬噸。在福建省經濟快速發展的帶動下，印度尼西亞海上LNG上岸後，福建省使用LNG的居民及工商業用戶數將迅速增加，LNG需求量將強勁增長，從而將為本集團帶來充足之現金流。

### 延邊項目

2006年11月，本集團於吉林省延邊朝鮮族自治州設立獨資公司延邊中民燃氣有限公司（「延邊中民」），註冊資本人民幣10,000,000元（相當於約港幣10,094,000元），主要業務為天然氣的銷售。延邊中民將向當地的其他燃氣供應公司銷售天然氣，氣源為上述延邊華新所開採之延吉盆地天然氣。本財政年度內，延邊中民公司仍處於籌建期，尚未開展業務，預計籌建期結束且延邊華新開採天然氣後，將會產生良好收益。

# Management Discussion and Analysis

## 管理層討論及分析

### The Huaihua Supply Project

In December 2006, the Group established Huaihua Zhongmin Petroleum Gas Supply Company Limited (“Supply Company”), a wholly-owned company with a registered capital of RMB26,000,000 (approximately HK\$26,244,000), in Hunan Province and the business scope of which covered the purchase, transportation and sales of LPG and related petrochemical products under the permitted scope of the relevant policies. The purpose of establishing Supply Company is to establish a transportation and distribution system for LPG in order to secure the resources supply of Huaihua Zhongmin, the Yunnan project and the Guizhou project (as set out below). The company owned 38 LPG rail carriages and leased certain other vehicles and such arrangement secured the gas supplies for various LPG project companies of the Group.

### The Yunnan Project

In December 2006, the Group established Yunnan Zhongmin Gas Company Limited (“Yunnan Zhongmin”) in Kunming City of Yunnan Province. Yunnan Zhong Min had a registered capital of RMB 7,560,000 (approximately HK\$7,631,000). Yunnan Zhongmin is principally engaged in the storage and transportation, wholesale and retail of LPG in Yunnan Province. Yunnan Zhongmin commenced its operation in January 2007 and its business covered the LPG retail business in Kunming City and the wholesale of gas in other cities in Yunnan Province. Yunnan Zhongmin’s business enjoyed excellent market prospects.

### 懷化運銷項目

2006年12月，本集團於湖南省懷化市設立獨資公司懷化中民石油氣運銷有限公司（「運銷公司」），註冊資本人民幣26,000,000元（相當於約港幣26,244,000元），經營範圍為液化石油氣及政策允許範圍內相關石化產品的採購、運輸和銷售。運銷公司的成立是為了建立起液化石油氣的運輸配送體系，保障懷化中民及雲南、貴州項目（見下文）的資源供應，公司擁有液化氣體鐵路罐車38輛，並租賃了部分其他車輛，充分保障了本集團各液化氣項目公司的氣源。

### 雲南項目

2006年12月，本集團於雲南省昆明市投資設立雲南中民燃氣有限公司（「雲南中民」），雲南中民註冊資本人民幣7,560,000元（相當於約港幣7,631,000元），主要在雲南省從事液化石油氣的儲運、批發與零售業務。雲南中民於2007年1月份正式營業，其業務範圍面向昆明市的LPG零售業務和面向雲南省其他地市的燃氣批發業務，業務開局良好，市場廣闊。

# Management Discussion and Analysis

## 管理層討論及分析

### The Guizhou Project

In January 2007, the Group set up Guizhou Zhongmin Gas Company Limited (“Guizhou Zhongmin”), a wholly-owned company with a registered capital of RMB 18,000,000 (approximately HK\$18,169,000) in Guiyang City of Guizhou Province. Guizhou Zhongmin is principally engaged in the storage and transportation, wholesale and retail of LPG in Guizhou Province. Guizhou Zhong Min owned large-scale LPG cylinders with a volume of 5,000 cubic meters and its business scope included the LPG retail business in Guiyang City and the wholesale of gas in other cities in Guizhou Province. Guizhou Zhong Min was still in the pre-operation stage during this financial year and no operation has been commenced.

## FINANCIAL REVIEW

### Gross Profit Margin

In 2007, the overall gross profit margin from continuing operations of the Group was 33.0%, representing a decrease of 23.3% as compared with the corresponding period last year. The decrease of gross profit margin was mainly attributable to the change in income structure of the Group. Since the Group was committed to enhance the gas utilization rate, the income from sales of gas has increased substantially from 39.5% of last year to 65.9% and the connection fees has decreased substantially from 59.7% of last year to 34.0%. The income from sales of piped gas and the connection fees have increased as compared with last year. However, the profit margin of connection fees was higher than that of sales of piped gas, and the resultant change in income structure of the Group has led to a decline in gross profit margin before the income structure has become relatively stable. It also reflected the further optimisation of the Group’s income structure from shifting the reliance on one-off connection fees to the sales of gas which would generate long-term and stable income.

### 貴州項目

2007年1月，本集團於貴州省貴陽市設立獨資公司貴州中民燃氣有限公司（「貴州中民」），註冊資本人民幣18,000,000元，（相當於約港幣18,169,000元），貴州中民主要在貴州省從事LPG的儲運、批發與零售業務。貴州中民擁有容量為約5,000立方米的大型液化石油氣庫，其業務面向貴陽市的LPG零售市場及貴州省其他地市的燃氣批發市場。於本財政年度內，貴州中民公司正處於籌建期，尚未正式營業。

### 財務回顧

#### 毛利率

2007年，本集團持續經營業務的整體毛利率為33.0%，與去年同期比較下降23.3%。毛利率下降的主要原因之一，是本集團收入結構的改變。隨著本集團大力提高氣化率，使燃氣收入比重由去年的39.5%大幅提升至65.9%，而接駁費收入比重則由去年的59.7%大幅下跌至34.0%。雖然兩者與去年比較都有很好的增長，但由於接駁費的利潤率比管道燃氣銷售高，所以收入結構的改變會使本集團的毛利率處於下降趨勢，直至收入結構相對穩定。但這亦反映本集團的收入結構進一步優化，從主要依靠一次性的接駁費收入逐步轉向長遠而穩定的燃氣銷售。

# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity and Capital Resources

As at 31 March 2007, the Group had total assets of HK\$1,436,863,000 and current liabilities, long term liabilities, shareholders' equity and minority interests of HK\$357,988,000, HK\$509,321,000, HK\$503,521,000 and HK\$66,033,000 respectively.

As at 31 March 2007, the Group's cash in hand and total borrowings were approximately HK\$184,031,000 (2006: approximately HK\$132,986,000) and approximately HK\$643,374,000 (2006: approximately HK\$164,859,000) respectively. The debt-to-capitalization ratio, representing the ratio of total borrowings to equity (excluding minority interests) was 56.1% (2006: 37.7%).

On 7 September 2005, the Company entered into an agreement whereby the Company issued US\$20,000,000 (equivalent to approximately HK\$156,000,000) 2 per cent convertible notes due in 2008 to Equator View Capital, an independent third party and is indirectly owned as to 49% by Oasis Management Holdings LLC, an international investment fund. For the year ended 31 March 2007, convertible notes with an amount of HK\$116,700,000 have been converted into 357,968,998 ordinary shares of the Company. Subsequent to the balance sheet date, convertible notes with an amount of HK\$19,450,000 have been further converted into 56,655,985 ordinary shares of the Company while convertible notes with an amount of HK\$19,450,000 remained outstanding. If the outstanding convertible notes were fully converted into shares, approximately 56,000,000 ordinary shares of the Company will be issued, representing 1.55% of the issued share capital of the Company as at 31 March 2007.

### 流動資金及資本來源

於2007年3月31日，本集團資產總值為約港幣1,436,863,000元以及流動負債、長期負債、股東權益及少數股東權益分別約為港幣357,988,000元、港幣509,321,000元、港幣503,521,000元和港幣66,033,000元。

於2007年3月31日，本集團的手持現金約港幣184,031,000元（2006年：約港幣132,986,000元），而借貸總額約港幣643,374,000元（2006年：約港幣164,859,000元），負債與資本比率（即借貸總額與（不包括少數股東權益）股本之比率）為56.1%（2006年：37.7%）。

於2005年9月7日，本公司向獨立第三方Equator View Capital簽訂合同藉此發行20,000,000美元（Oasis Management Holdings LLC，一家國際性投資基金，間接擁有其49%權益）（相當於約港幣156,000,000元）於2008年到期之兩厘可換股票據。截至2007年3月31日，116,700,000港元的可換股票據已轉換為本公司357,968,998股普通股股份。於結算日後，再有19,450,000港元的可換股票據已轉換為本公司56,655,985股普通股股份，剩餘19,450,000港元的可換股票據仍未轉換。若餘下的可換股債券全數轉換為股份，則可轉換為約56,000,000股本公司普通股股份，相等於2007年3月31日本公司已發行股本的1.55%。

# Management Discussion and Analysis

## 管理層討論及分析

### Liquidity and Capital Resources (Continued)

On 30 May 2006, the Company has entered into a subscription agreement (the “Subscription Agreement”) with Indopark Holdings Limited, an indirectly wholly owned subsidiary of Merrill Lynch with respect to the issue of US\$40,000,000 (equivalent to approximately HK\$310,000,000) 2% convertible bonds due in 2009. Pursuant to the terms of the Subscription Agreement, the convertible notes can be convertible into Shares at a conversion price of HK\$0.60 per share (subject to adjustment). Unless previously redeemed, converted or purchased and cancelled, the convertible notes shall be redeemed by the Company at 106% of their principal amount at the third anniversary of the issue date. The convertible notes carried interest from the issue date at the rate of 2% per annum of the principal amount of the convertible notes. The convertible notes were issued on 15 June 2006, providing the Group more funds for new project development and further broadening its strategic investor base. The issue also manifested the full recognition from international prestigious investment banks of the Group’s results after the business transformation and their confidence in the Group’s future development. For the year ended 31 March 2007, Indopark Holdings Limited has not converted any convertible notes into the ordinary shares of the Company. However, subsequent to the balance sheet date, convertible notes with an amount of HK\$77,500,000 have been converted into 129,166,666 ordinary shares of the Company and convertible notes with an amount of HK\$232,500,000 remained outstanding. If the outstanding convertible notes were fully converted into shares, approximately 387,000,000 ordinary shares of the Company will be issued, representing 10.69% of the issued share capital of the Company as at 31 March 2007.

### Borrowings Structure

As at 31 March 2007, the total borrowings of the Group was HK\$643,374,000 (2006: approximately HK\$164,859,000), which included interest-bearing convertible notes with a fair value of HK\$410,974,000 and domestic bank loans denominated in Renminbi of the project companies. Other than the convertible notes with fixed interest, other loans, which were used as normal working capital and operation expenses, carried interest at a fixed rate or an interest rate issued by the PBOC. Apart from the loans equivalent to approximately HK\$122,377,000 were pledged with certain assets with carrying value of approximately HK\$77,488,000, other loans were unsecured. Short-term loans were approximately HK\$106,238,000 while others were long-term loans due after 1 year. For the details of capital commitments and pledge of assets, please refer to notes 38 and 39 to the financial statements.

### 流動資金及資本來源(續)

於2006年5月30日，本公司與 Indopark Holdings Limited (美林集團之間接全資附屬公司) 就發行 40,000,000 美元 (相當於約港幣 310,000,000 元) 於 2009 年到期之兩厘可換股債券訂立認購協定 (「認購協定」)。根據認購協定之條款，可換股票據可按每股港幣 0.60 元之換股價 (可予調整) 轉換為股份，除非票據已被贖回、轉換或購買及登出，否則本公司將於發行日起第三周年按可換股債券本金額之 106% 贖回可換股票據。可換股票據於發行日起按債券本金額 2% 之年息支付利息。可換股債券於 2006 年 6 月 15 日發行，使本集團有更多之資金用於新項目拓展，並進一步擴大本集團策略投資者之基礎，亦再次表明本集團在業務轉型後所取得之成績已獲得國際知名投資銀行充分認可，並對本集團未來發展充滿信心。截至 2007 年 3 月 31 日，Indopark Holdings Limited 並無轉換本公司普通股股份。但於結算日後，77,500,000 港元的可換股債券已轉換為本公司 129,166,666 股普通股股份，剩餘 232,500,000 港元的可換股票據仍未轉換。若餘下的可換股票據全數轉換為股份，則可轉換為約 387,000,000 股本公司普通股股份，相等於 2007 年 3 月 31 日本公司已發行股本的 10.69%。

### 借貸結構

於 2007 年 3 月 31 日，本集團的借貸總額相等於約港幣 643,374,000 元 (2006 年：約港幣 164,859,000 元)，其中包括公平價值約港幣 410,974,000 元之附息可換股票據；其餘則為項目公司在國內當地銀行人民幣貸款。除可換股票據為定息外，其他貸款以固定息率或中國人民銀行公佈息率計算，作為日常流動資金及營運開支。除了相等於約港幣 122,377,000 元的貸款需要用賬面值相等於約港幣 77,488,000 元的資產作抵押外，其餘貸款均為無抵押的貸款。短期貸款相等於約港幣 106,238,000 元，其餘則為超過一年的長期貸款。而資本承擔及資產抵押詳情請分別參考財務報表附註 38 及 39。

# Management Discussion and Analysis

## 管理層討論及分析

### Capital Structure

The Group's long-term capital mainly comprises shareholders' equity which is confirmed by the sound gearing ratio as discussed in the section "Liquidity and capital resources" above.

### Exposure of Foreign Exchange

With all of the Group's operations located in the PRC and substantially all of its income and expenses were denominated in RMB, the Group has no significant exposure to the fluctuation of foreign exchange rate. The Group will closely monitor the market interest rates and make appropriate adjustments when necessary.

### Capital Commitments

As at 31 March 2007, the Group's capital commitment amounted to approximately HK\$323,609,000, mainly attributable to the major engineering works for the Fujian LNG terminals project as discussed above.

### Contingent Liabilities

As at 31 March 2007, the Group had no material contingent liabilities.

## POST BALANCE SHEET DATE EVENTS

Subsequent to the balance sheet date, the Group has not had any substantial event. For the details, please refer to note 40 to the consolidated financial statements.

## EMPLOYEES

As at 31 March 2007, the Group had 906 employees, of which 4 were based in Hong Kong and the remaining were based in Mainland China. The remuneration policy and package of the Group's employees are reviewed and approved by the directors after consulting the Remuneration Committee. Apart from pension funds, individual employees may be granted discretionary bonus and share options as rewards for their outstanding performance. The Group may provide training for our employees when necessary.

### 資本結構

本集團長期資本包括股東權益，從上文「流動資金及資本資源」一節所述之健康資本負債比率獲得確認。

### 外匯風險

由於本集團的所有業務均在中國，絕大部份收入與支出以人民幣為主，所以並無面對重大外匯波動風險。本集團會對市場的利率走勢作出緊密監控，在有需要時作出適當的調整。

### 資本承擔

於2007年3月31日，本集團的資本承擔約港幣323,609,000元，主要為上述福建LNG接收站項目的主要工程。

### 或然負債

於2007年3月31日，本集團並無重大或然負債。

## 結算日後事項

於結算日後，本集團並無任何重大事項，詳情請參考綜合財務報表附註40。

## 僱員

於2007年3月31日，本集團共有906名僱員，其中4名駐於香港，其餘駐於中國大陸。本集團僱員薪酬政策及待遇皆由董事會經諮詢薪酬委員會後審議及批准。除退休金外，個別僱員可因工作表現出色而獲派發酌情花紅及購股權以作獎勵。如有需要，本集團會為僱員提供培訓。

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

### PROSPECTS

#### Gas Supply Business

It is expected that the economy of the PRC will sustain continuous, rapid and healthy development during the "11th-Five Year Plan" period. As the city gas is monopolistic in nature, its market is relatively stable in the long run. The rapid growth in economy will continue to promote long-term and strong growth in energy consumption, particularly clean energy. With the constant rise in the level of industrialisation and urbanisation in the PRC, the prospects of the city piped gas business will be encouraging. Following the increase in the number of new projects undertaken by the Group and the continuous increase in the level of industrialisation and urbanisation in the regions in which the Group operates, the connection and sales of piped gas will continue to grow.

As natural gas resources are relatively scarce in Yunnan, Guizhou and the western region of Hunan, bottled LPG will become a long-term option available for household customers for a certain period. As a result, the number of users of bottled LPG will be stable and the market prospect is promising. The development of LPG will be benefited with the Group's edges in storage, delivery, wholesaling and retailing services of LPG in the afore mentioned regions of the PRC and the Group's solid relationship with upstream gas suppliers.

### 購買、出售及購回本公司之上市證券

報告期內，本公司及任何其附屬公司概無購買、出售及購回任何本公司上市證券。

### 前景展望

#### 燃氣供應業務

預計「十一五」期間，中國經濟將保持持續、快速、健康發展。由於城市燃氣自然壟斷之特徵，使其市場相對長期穩定。經濟的高速增長將使能源消費需求尤其是清潔能源消費需求保持長期旺盛增長趨勢，加之中國的工業化和城市化進程和水平不斷提升，城市管道燃氣業務前景廣闊。隨著本集團燃氣新項目的增加及營運區域的城市氣化率水平不斷提高，本集團管道燃氣接駁及銷售業績將持續增長。

在雲南、貴州及湖南西部地區天然氣資源相對匱乏，瓶裝液化石油氣將在一定時期內作為居民可選能源長期存在，用戶相對穩定，市場前景廣闊。本集團在上述地區液化氣市場具有儲運、批發、零售一體化之優勢，並且與上游氣源保持良好合作關係，將有助於液化石油氣業務的發展。

# Management Discussion and Analysis

## 管理層討論及分析

### Lottery Business

Since the official launch of lottery in 1987 in the PRC, the sales of lottery has been increased by more than 1,000 times over the past 20 years and the sales volume of which has climbed to the leading level in the world. In 2006, the sales volume of the lottery market in the PRC amounted to RMB81.8 billion, representing an increase of 14% as compared with the sales volume in 2005. The sales of lottery in the PRC has scaled a new height, of which the sales of welfare lottery in aggregate accounted for RMB49.56 billion, representing 61% of the lottery market in the PRC and a growth of over 20%. As the continuous economic development in the PRC has stimulated the growth in per capital income and the consumption power of the domestic residents, the directors are of the view that the lottery market in the PRC will sustain its continual and rapid development. Upon the launch of supply of video lottery system and equipment after the approval has been acquired, the business will bring promising return and sufficient cash flow to the Group.

Looking ahead, the Group will expand into industries with relatively higher entry requirements as well as abundant revenue and cash return, such as the lottery industry, after sustaining stable development in our gas business in order to strive for better profit and return for our shareholders and to develop the Group into a conglomerate. In line with the Group's development strategy, a special resolution will be proposed by the board of directors at the forthcoming annual general meeting to change the Company's name to "Chinese People Holdings Company Limited".

#### Dr. Mo Shikang

*Managing and Executive Director*

Beijing, 27 July 2007

### 彩票業務

中國自1987年正式發行彩票以來，20年間彩票銷售增長了1,000多倍，彩票銷售額已攀升至世界前列。2006年中國彩票市場銷售額達818億元，比2005年銷售額增長14%，創造中國彩票發行以來的最高銷售紀錄，其中福利彩票全年共銷售人民幣495.6億元，佔全國彩票市場份額的61%，增長幅度超過20%。鑒於中國經濟持續增長帶動國內居民人均收入及消費能力全面上升，董事預期中國彩票市場未來將持續、高速發展，視頻彩票系統及設備供應業務獲得審批並開展後，將會為本集團帶來豐厚回報及充足之現金流。

展望未來，本集團將在穩步發展燃氣業務的基礎上，還將拓展進入壁壘相對較高且收益及現金回報豐厚的行業，如彩票行業，為股東帶來更大的收益與回報，將集團發展成為控股型綜合性企業。因此，為配合集團的發展路向，董事會將提請在應屆的股東週年大會上通過將公司名稱更改為「中民控股有限公司」。

#### 莫世康 博士

*董事總經理兼執行董事*

北京，2007年7月27日



### EXECUTIVE DIRECTORS

**Mr. Xu Ruixin**, aged 66, is the Honourable Chairman of the Board and an Executive Director of the Company. Mr. Xu is currently the Chairman of the China Association of Social Workers. He had been a Vice Minister of the Ministry of Civil Affairs of the People's Republic of China and a member of the Ministry's Party Organisation Department. He joined the Company on 11 April 2005.

**Mr. Liu Jing**, aged 47, is the Chairman of the Board and an Executive Director of the Company. Mr. Liu holds an international Executive MBA degree from the Peking University. He is currently the Chairman of the Zhongmin group, Publisher of China Philanthropy Times (公益時報), a Vice President of the China Association of Social Worker, the Standing Vice Chairman of the China Committee of Corporate Citizenship and the Vice Chairman of Lottery Committee. Mr. Liu has been working in the Ministry of Civil Affairs of the People's Republic of China over 26 years, during which he held duties in various departments, including the General Office, the City Welfare Department, Central and Public Welfare Department (中福公司), the Government Offices Administration, and the Press Department. He has over 16 years experience in operational management, of which over 12 years involving in top management for big enterprises. Mr. Liu has substantial experience in investment, media, sales and marketing, import and export trade, real estate development, project management and tourism. He joined the Company on 11 April 2005.

**Dr. Mo Shikang**, aged 49, is the Managing Director and an Executive Director of the Company. Dr. Mo is also a member of the remuneration committee of the Company. He holds a Bachelor degree in Sciences from Tianjin Education University, a Master degree in Economics from Tianjin University of Finance & Economics and a Doctor degree in Economics from Nankai University. Dr. Mo has substantial experience in the development and management of natural gas projects in the PRC. He joined the Company on 30 April 2004. Dr. Mo is also the chairman of the board of Beijing Zhongmin Gas Co., Ltd. (北京中民燃氣有限公司), a wholly-owned subsidiary of the Company.

### 執行董事

**徐瑞新先生**，現年66歲，為董事會榮譽主席兼執行董事。徐先生目前擔任中國社會工作者協會會長。徐先生曾任中華人民共和國民政部副部長及民政部黨組成員。徐先生於2005年4月11日加入本公司。

**劉京先生**，現年47歲，為本公司董事會主席兼執行董事。劉先生持有北京大學頒發之國際工商管理行政碩士學位。彼目前擔任中民集團董事長、公益時報社長、中國社會工作者協會副會長、企業公民委員會常務副會長及彩票工作委員會副會長。劉先生於中華人民共和國民政部任職逾26年，先後任職辦公廳、城市福利司、中福公司、機關事務管理局、報社等部門。劉先生於經營管理擁有超過16年經驗，其中12年以上擔任大型企業最高管理層。劉先生於投資、傳媒、市場營銷、進出口貿易、房地產開發、項目管理及旅遊業等方面擁有豐富經驗。劉先生於2005年4月11日加入本公司。

**莫世康博士**，現年49歲，為本公司董事總經理兼執行董事，莫博士亦為本公司薪酬委員會成員。彼持有天津師範大學頒發之理學學士學位、天津財經大學頒發之經濟學碩士學位及南開大學頒發之經濟學博士學位。莫博士於中國發展及管理天然氣項目方面擁有豐富經驗。莫先生於2004年4月30日加入本公司。莫博士亦為本公司全資附屬公司北京中民燃氣有限公司董事長。

### EXECUTIVE DIRECTORS (Continued)

**Mr. Zhu Peifeng**, aged 50, is a Deputy Chairman of the Board and an Executive Director of the Company. Mr. Zhu holds a Bachelor degree from Shanghai Maritime University, and a Master degree from Tongji University in Shanghai. He had worked as General Manager of the Shenzhen branch of Guotai Securities Company Limited, General Manager of the international business headquarter of Guotai Junan Securities Company Limited, General Manager of the institutional customer services headquarter of Guotai Junan Securities Company Limited, Executive Director of Guotai Junan Financial Holdings Company Limited, Director of Guotai Junan Securities (Hong Kong) Company Limited, Director of Guotai Junan Assets Management (Asia) Limited, and Chairman of the Board of Harvest China Equities Investment Company Limited. Mr. Zhu joined the financial securities industry in 1992 and has worked over 10 years for Bank of Communications, Guotai Securities Company Limited and Guotai Junan Securities Company Limited. He has extensive practical experience in the capital markets of Mainland China and Hong Kong. He joined the Company on 21 March 2005.

**Mr. Zhang Hesheng**, aged 53, is a Deputy Chairman of the Board and an Executive Director of the Company. He is also the chairman of the remuneration committee of the Company. Mr. Zhang holds a MBA degree from the Latrobe University in Australia. He joined the emerging financial securities industry in China in late 1980s, and had engaged in the top management position in the areas of securities and financial investment, securities brokerages, investment banking, financial research and analysis for various companies such as Wanguo Holdings Limited, Guotai Securities Company Limited and Guotai Junan Securities Company Limited. Mr. Zhang has extensive experience in the financial industry and substantial working experience in the financial capital market. He joined the Company on 21 March 2005.

### 執行董事 (續)

**朱培風先生**，現年50歲，為本公司董事會副主席兼執行董事。朱先生擁有上海海事大學學士學位，上海同濟大學碩士學位。朱先生曾擔任國泰證券有限公司深圳分公司總經理、國泰君安證券股份有限公司國際業務總部總經理、國泰君安證券股份有限公司機構客戶服務總部總經理、國泰君安金融控股有限公司執行董事、國泰君安證券(香港)有限公司董事、國泰君安資產管理(亞洲)有限公司董事、Harvest China Equities Investment Company Limited董事局主席等職。朱先生於1992年加入金融證券界，曾任職交通銀行、國泰證券有限公司、國泰君安證券股份有限公司十餘年。朱先生於中國內地及香港資本市場擁有豐富的實際工作經驗。朱先生於2005年3月21日加入本公司。

**張和生先生**，現年53歲，為本公司董事會副主席兼執行董事，張先生亦為本公司薪酬委員會主席。張先生擁有澳洲Latrobe大學工商管理碩士學位。彼於80年代後期投身中國初創的金融證券業，先後在萬國證券公司、國泰證券有限公司、國泰君安證券有限公司等從事證券金融投資、證券經紀、投資銀行及財務分析研究等證券公司業務，並擔任高級經營管理職務。張先生具有資深金融業從業經歷和豐富的金融資本市場經驗。張先生於2005年3月21日加入本公司。

## EXECUTIVE DIRECTORS (Continued)

**Mr. Jin Song**, aged 35, is an Executive Director of the Company. Mr. Jin holds a MBA degree from Oklahoma City University, U.S.. He had engaged in marketing and project management for Shenzhen Huawei Technologies Co., Ltd., and had worked for years in investment banking business for Guangzhou Security Company Limited and Huatai Securities Co., Ltd. He is currently a Director and a President of Beijing Zhong Min Gas Co., Ltd. and is responsible for the investment and merger and acquisition businesses. Mr. Jin has substantial experience in investment banking as well as merging and acquisition of gas enterprises in the PRC. He joined the Company on 11 April 2005.

**Mr. Wong Ching**, aged 42, is an Executive Director of the Company. Mr. Wong was graduated from Department of Automation, Tsinghua University. He had participated in the establishment of various enterprises and has extensive experience in business operation and management, trading, financing and related markets. He was the deputy chief executive officer of Beijing Zhong Zheng Hai Financial Consultancy Company Limited (北京中政海投資顧問有限公司) and chief executive officer of Beijing Xin You Shi Tong Financial Consultancy Company Limited (北京信郵世通投資顧問有限公司). Mr. Wong had established jointly with foreign leading financial institutions including UBS Warburg and venture capital funds (“Rui Zhong Venture Capital Investment Seminar”), and acted as the PRC consultant of various foreign investment institutions. Mr. Wong had also joined Dreamer d3y Group (夢想家d3y集團) with experience in network industry, and established China Business Joint Networking Development (Beijing) Company Limited (中商聯合網絡發展(北京)有限公司), drawing into venture capital funds and joined with China General Chamber of Commerce (中國商業聯合會) in establishing CNBBCC (中國商業聯合網). Mr. Wong has been the executive director, chief executive officer of U.S. Fantasy Entertainment Group Company (美國夢幻娛樂集團公司), as well as the executive director and chief executive officer of U.S. Fantasy Entertainment Company in Shanghai, Guangzhou, Chengdu and Wuhan (美國夢幻樂園上海、廣州、成都、武漢公司), in which he was responsible for investment and management of U.S. companies in PRC, focusing on large-scale chained theme park entertaining industry. He joined the Company on 23 December 2006.

## 執行董事 (續)

**靳松先生**，現年35歲，為本公司執行董事。靳先生擁有美國Oklahoma City University工商管理碩士學位。彼曾於深圳華為技術有限公司從事市場計劃、項目管理工作；於廣州證券有限公司及華泰證券有限公司從事投資銀行業務多年。彼現任北京中民燃氣有限公司董事兼總裁，負責投資、合併及收購業務。靳先生在中國投資銀行業務以及燃氣企業併購方面擁有豐富經驗。靳先生於2005年4月11日加入本公司。

**王政先生**，現年42歲，為本公司執行董事。王先生於清華大學自動化系畢業。曾參與多項企業的創辦、有豐富的經營管理、貿易、融資及相關市場經驗。曾出任北京中政海投資顧問有限公司副總裁及北京信郵世通投資顧問有限公司總裁。王先生曾與國外大型的金融機構，包括瑞銀華寶及風險基金一起創辦（「瑞中風險投資研討會」），並作為多間外資機構投資中國的顧問。王先生亦曾加盟夢想家d3y集團，有從事網絡行業的經驗，更創立中商聯合網絡發展(北京)有限公司，引入風險基金與中國商業聯合會創辦了中國商業聯合網CNBBCC。王先生曾任美國夢幻娛樂集團公司執行董事、總裁、並兼美國夢幻樂園上海、廣州、成都、武漢公司執行董事及總裁，負責美資在中國的投資及管理，其主要是大型連鎖主題樂園娛樂行業。王先生於2006年12月23日加入本公司。

# Biography of Directors

## 董事之履歷

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Liu Junmin**, aged 57, is an Independent Non-executive Director of the Company. He is also a member of the audit committee and remuneration committee of the Company. He holds a Bachelor degree, a Master degree and a PhD degree in Economics from Nankai University. He is currently a Professor of the School of Economics of Nankai University, a Director of the Virtual Economics & Management Research Center of Nankai University, the President of the Tianjin branch of China Foreign Economics Research Association (中華外國經濟學研究會), a member of the Tianjin Academic Degree Committee as well as Independent Director of Tianjin Faw Xiali Automobile Co. Ltd. He was awarded the “Sun Yefang Economics Prize (「孫冶芳經濟學獎」)”. He joined the Company on 11 April 2005 and has entered into a service contract with the Company for three years.

**Mr. Tan Qinglian**, aged 69, is an Independent Non-executive Director of the Company. He is also a member of the audit committee and remuneration committee of the Company. He is the Member of the 10th National Committee of the Chinese People’s Political Consultative Conference and President of China Civil Engineering Society. He was the Vice Minister of the Ministry of Construction of the People’s Republic of China. He joined the Company on 11 April 2005 and has entered into a service contract with the Company for three years.

**Mr. Sin Ka Man**, aged 40, is an Independent Non-executive Director of the Company and also the Chairman and a member of the audit committee and remuneration committee respectively. Mr. Sin has over 16 years of professional experience in auditing, accounting and financial management for both private and listed corporations. Mr. Sin is an associate member of The Hong Kong Institute of Certified Public Accountants, a fellow member of The Association of Chartered Certified Accountants and a certified practising accountant of the CPA Australia. Mr. Sin is currently an Assistant General Manager who is responsible for the accounting and financial management of China Velocity Group Limited, a company listed on the Main Board of the The Stock Exchange of Hong Kong Limited. Mr. Sin holds a Bachelor degree in Social Sciences from the University of Hong Kong, a Master degree in Finance from the University of Strathclyde, the United Kingdom and a Master degree in accounting from Curtin University of Technology, Australia. Mr. Sin is an independent non-executive director of Sino Haijing Holdings Limited and was an independent non-executive director of China Leason Investment Group Co., Limited, both companies listed on Growth Enterprise Market. He joined the Company on 23 December 2006.

### 獨立非執行董事

**劉駿民先生**，現年57歲，為本公司獨立非執行董事，亦為本公司審核委員會及薪酬委員會成員。劉先生擁有南開大學經濟學學士、碩士及博士學位。彼現任南開大學經濟學院教授、南開大學虛擬經濟與管理研究中心主任；兼任中華外國經濟學研究會天津分會理事長、天津市學位委員會委員、天津一汽夏利汽車股份有限公司獨立董事。彼曾獲頒「孫冶芳經濟學獎」。劉先生於2005年4月11日加入本公司，並與本公司訂立為期三年之服務合約。

**譚慶璉先生**，現年69歲，為本公司獨立非執行董事，亦為本公司審核委員會及薪酬委員會成員。彼為第十屆全國政協委員及中國土木工程學會理事長，曾任中華人民共和國建設部副部長。譚先生於2005年4月11日加入本公司，並與本公司訂立為期三年之服務合約。

**冼家敏先生**，現年40歲，為本公司獨立非執行董事，並為審核委員會主席及薪酬委員會成員。冼先生在私人及上市公司核數、會計及財務管理方面累積逾16年之專業經驗。冼先生為香港會計師公會會員、特許公認會計師公會資深會員及澳洲註冊執業會計師。冼先生現時為香港聯合交易所有限公司主板上市公司中國高速(集團)有限公司之助理總經理，專責該公司之會計及財務管理。冼先生持有香港大學社會科學學士學位、英國University of Strathclyde金融學碩士學位及澳洲Curtin University of Technology會計學碩士學位。冼先生現為中國海景控股有限公司之獨立非執行董事，並曾擔任中國聯盛投資集團有限公司之獨立非執行董事(均為於創業板上市之公司)。冼先生於2006年12月23日加入本公司。

The board of Directors (the “Directors”) present their report and the audited financial statements of the Group for the year ended 31 March 2007.

## PRINCIPAL ACTIVITIES

The Company acts as an investment holding company. The Group is principally engaged in the supply of gas and gas pipeline connection business and properties holding and investment and supply of video lottery system and equipment in the PRC. The principal activities of its subsidiaries are set out in note 43 to the consolidated financial statements.

## RESULTS AND DIVIDENDS

The results of the Group for the year ended 31 March 2007 are set out in the consolidated income statement on page 60.

The directors do not recommend the payment of a final dividend for the year ended 31 March 2007 (2006: nil).

## PROPERTY, PLANT AND EQUIPMENT

Details of the movements during the year in the property, plant and equipment of the Group are set out in note 16 to the consolidated financial statements.

## SHARE CAPITAL

Details of movements during the year in the share capital of the Company are set out in note 30 to the consolidated financial statements.

## RESERVES

Details of movements in the reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 63.

董事會謹提呈本集團截至2007年3月31日止年度之年報及經審核財務報表。

## 主要業務

本公司為一間投資控股公司。本集團主要在中國從事供應燃氣及接駁燃氣管道、物業持有及投資及視頻彩票系統及設備供應業務。其附屬公司之主要業務載於綜合財務報表附註43。

## 業績及股息

本集團截至2007年3月31日止年度之業績載於第60頁之綜合收益表。

董事不建議派付截至2007年3月31日止年度之末期股息(2006年：無)。

## 物業、廠房及設備

本集團之物業、廠房及設備於本年度之變動詳情載於綜合財務報表附註16。

## 股本

本公司股本於本年度之變動詳情載於綜合財務報表附註30。

## 儲備

本集團於本年度之儲備變動詳情載於第63頁綜合權益變動表。

### DISTRIBUTABLE RESERVES

As at 31 March 2007, the Company did not have any distributable reserve.

### DIRECTORS

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

#### Executive directors:

Xu Ruixin (*Honourable Chairman*)

Liu Jing (*Chairman*)

Mo Shikang (*Managing Director*)

Zhang Hesheng (*Deputy Chairman*)

Zhu Peifeng (*Deputy Chairman*)

Jin Song

Wong Ching

(appointed on 23 December 2006)

Yan Wing Cheung

(resigned on 23 December 2006)

#### Independent non-executive directors:

Liu Junmin

Tan Qinglian

Sin Ka Man

(appointed on 23 December 2006)

Wong Shing Kay, Oliver

(resigned on 3 October 2006)

Chan Chuk Cheung, Ivan

(appointed on 3 October 2006 and resigned on 23 December 2006)

### 可供分派儲備

於2007年3月31日，本公司概無可供分派儲備。

### 董事

本公司於本年度內及截至本報告日期之董事如下：

#### 執行董事：

徐瑞新 (榮譽主席)

劉京 (主席)

莫世康 (董事總經理)

張和生 (副主席)

朱培風 (副主席)

靳松

王政

(於2006年12月23日獲委任)

甄永祥

(於2006年12月23日辭任)

#### 獨立非執行董事：

劉駿民

譚慶璉

冼家敏

(於2006年12月23日獲委任)

黃承基

(於2006年10月3日辭任)

陳祝祥

(於2006年10月3日獲委任及於2006年12月23日辭任)

## DIRECTORS (Continued)

In accordance with Bye-Law 99 of the Company's Bye-Laws, Mr. Xu Ruixin, Mr. Liu Jing and Mr. Jin Song will retire by rotation at the forthcoming annual general meeting and, being eligible, Mr. Xu Ruixin, Mr. Liu Jing and Mr. Jin Song will offer themselves for re-election at the forthcoming annual general meeting.

Besides, Mr. Wong Ching and Mr. Sin Ka Man who were appointed as Executive Director and Independent Non-executive Director of the Company respectively during the year 2006, will retire at the forthcoming annual general meeting, and being eligible, will offer themselves for re-election at the forthcoming annual general meeting pursuant to the Bye-Law 102(B) of the Company's Bye-Laws.

## BIOGRAPHY OF DIRECTORS

Biography of Directors are set out on pages 23 to 26.

## DIRECTORS' SERVICE CONTRACTS

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

## 董事 (續)

根據本公司之公司細則第99條規定，徐瑞新先生、劉京先生及靳松先生將於應屆股東週年大會上輪席告退並符合資格重選連任；徐瑞新先生、劉京先生及靳松先生願意於應屆股東週年大會上膺選連任。

此外，於2006年分別獲委任為本公司執行董事及獨立非執行董事之王政先生及冼家敏先生將於應屆股東週年大會退任並符合資格重選連任；彼等將根據本公司之公司細則第102(B)條規定於應屆股東週年大會上膺選連任。

## 董事之履歷

董事之履歷載於第23至26頁。

## 董事服務合約

概無任何建議於應屆股東週年大會上重選之董事已訂立本公司不可於一年內無須支付賠償(法定賠償除外)而予以終止之服務合約。

### DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2007, the interests of the directors and their associates in the shares, underlying shares and debentures of the Company or its associated corporations within the meaning of Part XV of the Securities Future Ordinance (the "SFO"), as recorded in the register required to be kept by the Company pursuant to Section 352 of SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

#### Issued shares of the Company

Name 名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of the Company's issued share capital 本公司 已發行股本 之概約百分比
Dr. Mo Shikang ("Dr. Mo") 莫世康博士(「莫博士」)	Through controlled corporations (Note 1 and 2) 通過所控制公司持有 (附註1及2)	1,000,798,538	27.65%
Asian Allied Limited ("Asian Allied")	Through a controlled corporation (Note 1) 通過所控制公司持有 (附註1)	1,000,798,538	27.65%
Super Win Development Limited ("Super Win")	Beneficial owner 實益擁有人	1,000,798,538	27.65%

Notes:

- Asian Allied is interested in the same block of 1,000,798,538 shares registered under the name of Super Win, its wholly-owned subsidiary.
- Dr. Mo is the beneficial owner of 42.75% of the issued share capital of Asian Allied. Pursuant to the provisions of Part XV of the SFO, Dr. Mo is deemed to be interested in the same block of 1,000,798,538 shares in which Asian Allied has an attributable interest.

### 董事於股份、相關股份及債券之權益

於2007年3月31日，根據證券及期貨條例第352條本公司存置之登記冊所記錄，或根據上市公司董事進行證券交易之標準守則(「標準守則」)須知會本公司及香港聯合交易所有限公司(「聯交所」)，有關董事及彼等之聯繫人士於本公司或其聯營公司之股份、相關股份及債券中屬證券及期貨條例(「證券期貨條例」)第XV部所述之權益如下：

#### 本公司已發行股份

Name 名稱	Capacity 身份	Number of shares 股份數目	Approximate percentage of the Company's issued share capital 本公司 已發行股本 之概約百分比
Dr. Mo Shikang ("Dr. Mo") 莫世康博士(「莫博士」)	Through controlled corporations (Note 1 and 2) 通過所控制公司持有 (附註1及2)	1,000,798,538	27.65%
Asian Allied Limited ("Asian Allied")	Through a controlled corporation (Note 1) 通過所控制公司持有 (附註1)	1,000,798,538	27.65%
Super Win Development Limited ("Super Win")	Beneficial owner 實益擁有人	1,000,798,538	27.65%

附註：

- Asian Allied於以Super Win(其全資附屬公司)之名義登記之同一批1,000,798,538股股份中擁有權益。
- 莫博士為Asian Allied之已發行股本42.75%之實益擁有人。根據證券及期貨條例第XV部，莫博士被視為於Asian Allied佔有權益之同一批1,000,798,538股股份中擁有權益。



## DIRECTORS' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES (Continued)

All the interests disclosed above represent long positions in the shares of the Company.

Save as disclosed above, none of the directors nor their associates had any interests or short positions in any shares, underlying shares or debenture of the Company or any of its associated corporations as at 31 March 2007 which had been entered in the register kept by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

## DIRECTOR'S RIGHT TO ACQUIRE SHARES OR DEBENTURES

As at 31 March 2007, the number of outstanding option shares granted by the Company under the 1997 Share Option Scheme and 2006 Share Option Scheme to the Directors to subscribe for shares of the Company, as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code is set out in the section head "Share Options" of this report.

## ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year was the Company, any of its subsidiaries or fellow 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.

## DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than as disclosed in note 35 to the consolidated financial statements, there are no contracts of significance to which the Company, any of its subsidiaries or fellow 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.

## 董事於股份、相關股份及債券之 權益 (續)

以上披露之所有權益代表於本公司股份之好倉。

除以上披露者外，於2007年3月31日，根據證券及期貨條例第352條本公司須予存置之登記冊所記錄，或根據標準守則須知會本公司及聯交所，概無董事或其聯繫人士於本公司或其任何聯營公司之股份、相關股份或債券中擁有任何權益或淡倉。

## 董事股份或債券之權利

於2007年3月31日，本公司根據1997年購股權計劃及2006年購股權計劃向董事授出，根據證券及期貨條例第352節本公司存置之記錄冊內所記錄，或根據標準守則須知會本公司及聯交所之可認購本公司股份之未行使購股權數目已載於本報告「購股權」一節。

## 購買股份或債券之安排

於本年度任何時間，本公司、其任何附屬公司或同集團附屬公司並無訂立任何安排，致使本公司董事可藉購入本公司或任何其他法團之股份或債券而獲益。

## 董事於重大合約之權益

除綜合財務報表附註35所披露者外，概無本公司、其任何附屬公司或同集團附屬公司訂立，而本公司董事（不論直接或間接地）擁有重大權益之任何重大合約於年終或本年度任何時間仍然有效。

### SUBSTANTIAL SHAREHOLDERS

As at 31 March 2007, according to the register maintained by the Company pursuant to Section 336 of the SFO, the following persons were, directly or indirectly, beneficially interested in 5% or more of the issued share capital and underlying shares of the Company.

Name of shareholder 股東名稱	Capacity and nature of interest 身份及權益性質	Number of shares held 持有股份數目	Number of underlying shares (under equity derivatives of the Company) 相關股份數目 (本公司股本 衍生工具項下)	Aggregate interest 權益總額	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比
Super Win	Directly beneficially owned 直接實益擁有	1,000,798,538	—	1,000,798,538	27.65%
Asian Allied	Through a controlled corporation 通過所控制公司持有	1,000,798,538	—	1,000,798,538	27.65%
Dr. Mo 莫博士	Through controlled corporations 通過所控制公司持有	1,000,798,538	2,600,000	1,003,398,538	27.72%
Merrill Lynch & Co., Inc ("Merrill Lynch")	Through controlled corporations (Note) 通過所控制公司持有 (附註)	3,586,000	522,943,147	526,529,147	14.54%
Indopark Holdings Ltd. ("Indopark")	Directly beneficially owned (Note) 直接實益擁有 (附註)	—	522,943,147	522,943,147	14.45%

*Note:* Indopark entered into a subscription agreement with the Company on 30 May 2006 to subscribe for US\$40,000,000 convertible notes ("Convertible notes") from the Company. The Convertible notes were issued to Indopark on 15 June 2006 and can be converted into shares of the Company from 15 December 2006. By virtue of Indopark being an indirect wholly-owned subsidiary of Merrill Lynch. Merrill Lynch is deemed to be interested in the 522,943,147 underlying shares of the Company held by Indopark.

### 主要股東

於2007年3月31日，根據本公司按證券及期貨條例第336條所存置之登記冊，以下人士直接或間接地實益擁有本公司已發行股本及相關股份之5%或以上權益：

Name of shareholder 股東名稱	Capacity and nature of interest 身份及權益性質	Number of shares held 持有股份數目	Number of underlying shares (under equity derivatives of the Company) 相關股份數目 (本公司股本 衍生工具項下)	Aggregate interest 權益總額	Percentage of the Company's issued share capital 佔本公司 已發行股本 百分比
Super Win	Directly beneficially owned 直接實益擁有	1,000,798,538	—	1,000,798,538	27.65%
Asian Allied	Through a controlled corporation 通過所控制公司持有	1,000,798,538	—	1,000,798,538	27.65%
Dr. Mo 莫博士	Through controlled corporations 通過所控制公司持有	1,000,798,538	2,600,000	1,003,398,538	27.72%
Merrill Lynch & Co., Inc ("Merrill Lynch")	Through controlled corporations (Note) 通過所控制公司持有 (附註)	3,586,000	522,943,147	526,529,147	14.54%
Indopark Holdings Ltd. ("Indopark")	Directly beneficially owned (Note) 直接實益擁有 (附註)	—	522,943,147	522,943,147	14.45%

*附註：* Indopark於2006年5月30日與本公司訂立認購協議，自本公司認購40,000,000美元之可換股票據（「可換股票據」）。可換股票據已於2006年6月15日發行予Indopark，自2006年12月15日起可轉換為本公司股份。由於Indopark乃Merrill Lynch之間接全資附屬公司，Merrill Lynch被視為擁有Indopark持有之522,943,147股本公司相關股份之權益。

All the interests disclosed under this section represent long positions in the shares of the Company.

於本節披露之所有權益均為本公司股份中之好倉。

### SUBSTANTIAL SHAREHOLDERS (Continued)

Other than as disclosed above, as at 31 March 2007, the Company has not been notified of any other relevant interests and short positions in the issued share capital and underlying shares of the Company which had been recorded in the register required to be kept under Section 336 of the SFO.

### SHARE OPTION SCHEME

On 3 October 2006, the shareholders of the Company approved the termination (to the effect that no further options shall be offered) of the share option scheme adopted by the Company on 4 April 1997 (the “1997 Share Option Scheme”) and the adoption of a new share option scheme on 3 October 2006 (the “2006 Share Option Scheme”).

As at 31 March 2007, a total of 123,200,000 option shares were outstanding which comprised 67,200,000 option shares and 56,000,000 option shares granted under the 1997 Share Option Scheme and the 2006 Share Option Scheme respectively.

The following is a summary of the principal terms of these two share option schemes (for the 1997 Share Option Scheme, only those terms applying to the outstanding option shares are set out).

#### (i) 1997 Share Option Scheme

The Company operates the 1997 Share Option Scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the option scheme include full-time employees (including executive directors) of the Group. The option scheme became effective on 4 April 1997 and, unless otherwise amended or altered, will remain in force for 10 years from that date.

The exercise period of the share options granted is determinable by the directors, and commences after a certain vesting period and ends on a date which is not later than three years from the date of the offer of the share options or the expiry date of the 1997 Share Option Scheme, if earlier. The amount paid on acceptance of an option was HK\$1.

### 主要股東 (續)

除上文所披露者外，於2007年3月31日，本公司並無獲悉本公司已發行股本及相關股份中之任何其他相關權益及淡倉記錄於根據證券及期貨條例第336條須予置存之登記冊內。

### 購股權計劃

於2006年10月3日，本公司之股東批准終止（據此不可進一步授出購股權）本公司於1997年4月4日採納之購股權計劃（「1997年購股權計劃」）及於2006年10月3日採納一項新購股權計劃（「2006年購股權計劃」）。

於2007年3月31日，合共有123,200,000份購股權尚未行使，其中包括分別根據1997年購股權計劃及2006年購股權計劃授出之67,200,000份購股權及56,000,000份購股權。

下文概述該兩項購股權計劃之主要條款（就1997年購股權計劃而言，僅載列適用於尚未行使購股權之條款）。

#### (i) 1997年購股權計劃

本公司設立1997年購股權計劃，藉以鼓勵及回饋對本集團之成功經營作出貢獻之合資格參與者。購股權計劃之合資格參與者包括本集團之全職僱員（包括執行董事）。除非另外修訂或更改，購股權計劃將自1997年4月4日起十年內有效。

所授出之購股權之行使期由董事釐定，並在若干歸屬期後開始，但不能長於提出授予購股權之日起計三年後或1997年購股權計劃到期日（以較早者為準）止。接受購股權需支付金額港幣1元。

### SHARE OPTION SCHEME (Continued)

#### (i) 1997 Share Option Scheme (Continued)

The exercise price of the share options is determinable by the directors at their discretion and will be the higher of a price being not less than 80% of the average of the closing price of the shares on the Stock Exchange for the five trading days immediately preceding the offer date, and the nominal value of the shares of the Company.

The 1997 Share Option Scheme was terminated on 3 October 2006 such that thereafter no further options should be offered but the options which had been granted during its life should continue to be valid and exercisable in accordance with their terms of issue and in all other respects its provisions should remain in full force and effect.

#### (ii) 2006 Share Option Scheme

The purpose of 2006 Share Option Scheme is to provide incentives to the executives, employees, directors (including non-executive directors and independent non-executive directors), consultants, advisers and/or agents of the Group to contribute to the Group, to enable the Group to recruit and retain quality employees to serve the Group on a long-term basis and to attract human resources that are valuable to the Group.

### 購股權計劃 (續)

#### (i) 1997年購股權計劃 (續)

購股權之行使價由董事酌情釐定，將不少於股份於緊接授出日前五個交易日於聯交所所報之平均收市價之80%之價格及本公司股份面值(以較高者為準)。

1997年購股權計劃於2006年10月3日終止，據此不可進一步授出購股權，惟於此計劃生效期間授出之購股權將繼續有效及可根據其發行條款行使，而就其他方面而言，其條款將繼續具有全面效力及作用。

#### (ii) 2006年購股權計劃

設立2006年購股權計劃旨在鼓勵本集團之行政人員、僱員、董事(包括非執行董事及獨立非執行董事)、顧問及/或代理為本集團作出貢獻、幫助本集團招聘及慰留僱員以長期服務本集團及吸引對本集團有價值之人力資源。

## SHARE OPTION SCHEME (Continued)

### (ii) 2006 Share Option Scheme (Continued)

The maximum number of shares of the Company which may be issued upon exercise of all options to be granted under the 2006 Share Option Scheme (and under any other scheme of the Company) shall not in aggregate exceed 10% of the shares in issue as at the date of the adoption of the 2006 Share Option Scheme (the "Scheme Mandate Limit") provided that the Company may at any time as the Board of Directors of the Company may think fit seek approval from its shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all options to be granted under the 2006 Share Option Scheme (and under any other scheme of the Company) shall not exceed 10% of the shares in issue as at the date of approval by the shareholders of the Company in general meeting where such limit is refreshed. Options previously granted under the 2006 Share Option Scheme and any other scheme of the Company (including those outstanding, cancelled, and lapsed in accordance with the terms of the 2006 Share Option Scheme or any other scheme of the Company or exercised options under the said schemes) shall not be counted for the purpose of calculating the limit as refreshed. Notwithstanding aforesaid in this paragraph, the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the 2006 Share Option Scheme (and under any other scheme of the Company) shall not exceed 30% of the shares in issue from time to time. As at 31 March 2007, a total of 247,675,994 Shares (representing approximately 6.84% of the existing issued share capital of the Company) are available for issue under the 2006 Share Option Scheme. Subsequent to the balance sheet date, an addition of 232,152,000 share options had been granted and a total of 288,152,000 are outstanding under the 2006 Share Option Scheme at the date of this report. The maximum entitlement of each participant under the 2006 Share Option Scheme is 1% of the Shares in issue from time to time.

## 購股權計劃 (續)

### (ii) 2006年購股權計劃 (續)

因根據2006年購股權計劃(及本公司任何其他計劃)授出之所有購股權獲行使而可予發行之本公司股份(「股份」)總數,最多不得超逾於2006年購股權計劃採納之日已發行股份之10%(「計劃授權上限」),惟本公司可於本公司董事會認為適當情況下尋求股東批准修訂計劃授權上限,惟因行使根據2006年購股權計劃(及本公司任何其他計劃)將予授出之所有購股權而可予發行之股份總數,最多不得超逾於本公司股東於股東大會批准修訂該上限之日已發行股份之10%。之前根據2006年購股權計劃及本公司任何其他計劃授出之購股權(包括根據2006年購股權計劃或本公司任何其他計劃之條款而尚未行使、已註銷及作廢之購股權或已根據上述計劃行使之購股權)將不會列入經修訂上限內。儘管本段前文所述者,惟因行使所有授出而尚未行使及根據2006年購股權計劃(及本公司任何其他計劃)有待行使之購股權而可予發行之股份總數,最多不得超逾不時已發行股份之30%。於2007年3月31日,根據2006年購股權計劃可予發行之股份合計為247,675,994股(佔本公司現有已發行股本約6.84%)。於結算日後,根據2006年購股權計劃新授出購股權232,152,000份及於本年報日期合共有288,152,000份購股權尚未行使。每位參與人根據2006年購股權計劃之最高配額不得超過不時已發行股份之1%。

### SHARE OPTION SCHEME (Continued)

#### (ii) 2006 Share Option Scheme (Continued)

No amount is payable on acceptance of an offer to grant an option to subscribe for the shares of the Company granted pursuant to the 2006 Share Option Scheme (the "Offer"). The 2006 Share Option Scheme may be exercised at any time for a period of ten years commencing after a period of six months from the date of acceptance of the Offer, subject to the conditions imposed by the Board.

The subscription price in respect of any particular option under the 2006 Share Option Scheme shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant option but the subscription price shall not be less than whichever is the highest of (a) the nominal value of a share; (b) the closing price of the share as stated in the Stock Exchange's daily quotations sheet on the date of the Board resolution approving the grant of options; (c) the average of the closing prices of the share as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of the Board resolution approving the grant of options.

The 2006 Share Option Scheme will expire on 2 October 2016.

### 購股權計劃 (續)

#### (ii) 2006年購股權計劃 (續)

合資格參與者毋須繳付款項以接納根據2006年購股權計劃授出認購本公司之股份之購股權(「授出」)。2006年購股權計劃可於自接納授出日起計之後6個月期間起計10年期間任何時間行使，惟須受限於本公司董事會提出之條件。

2006年購股權計劃之任何特定購股權所涉及之認購價，乃董事會於有關購股權授出時全權釐定之價格，惟認購價不得低於下列之較高者(a)股份之面值；(b)於董事會通過決議案批准授出購股權之日聯交所日報價表所報股份之收市價；及(c)於董事會通過決議案批准授出購股權之前五個營業日聯交所日報價表所報股份之平均收市價。

2006年購股權計劃將於2016年10月2日屆滿。

### SHARE OPTION SCHEME (Continued)

### 購股權計劃 (續)

The following tables disclose details of movements of the 1997 Share Option Scheme held by employees (including directors) during the year ended 31 March 2007 in accordance with rule 17.07 of the Listing Rules:

根據上市規則第17.07條，下表披露僱員（包括董事）於截至2007年3月31日止年度所持1997年購股權計劃之變動詳情：

Name or category of participant 參與者 名稱或類別	As at於 01.04.2006	Granted during the year 年內授出	Exercise during the year 年內行使	As at於 31.03.2007 (Note 5) (附註5)	Date of grant of share options 授出 購股權日期 (Note 1) (附註1)	Exercise period of share options 購股權 行使期間	Exercise price of share options 購股權 行使價 (Note 2) (附註2)
<b>Directors</b> <b>董事</b>							
Liu Jing 劉京	26,000,000	—	—	26,000,000	13.04.2005	12.10.2005 to 至 03.04.2007	0.365
Mo Shikang 莫世康	2,600,000	—	—	2,600,000	13.04.2005	12.10.2005 to 至 03.04.2007	0.365
Zhu Peifeng 朱培風	2,600,000	—	2,600,000	—	13.04.2005	12.10.2005 to 至 03.04.2007	0.365
Zhang Hesheng 張和生	2,600,000	—	—	2,600,000	13.04.2005	12.10.2005 to 至 03.04.2007	0.365

# Report of the Directors

## 董事會報告

### SHARE OPTION SCHEME (Continued)

### 購股權計劃 (續)

Name or category of participant 參與者 名稱或類別	As at 於 01.04.2006	Granted during the year 年內授出	Exercise during the year 年內行使	As at 於 31.03.2007 (Note 5) (附註5)	Date of grant of share options 授出 購股權日期 (Note 1) (附註1)	Exercise period of share options 購股權 行使期間	Exercise price of share options 購股權 行使價 (Note 2) (附註2)
<b>Directors</b> <b>董事</b>							
Jin Song 靳松	26,000,000	—	—	26,000,000	13.04.2005	12.10.2005 to 至 03.04.2007	0.365
Yan Wing Cheung (Note 3) 甄永祥 (附註3)	26,000,000	—	21,000,000	5,000,000	18.11.2005	17.05.2006 to 至 03.04.2007	0.400
<b>Employee(s)</b> <b>僱員</b>							
In aggregate 合計	5,000,000	—	—	5,000,000	13.04.2005	12.10.2005 to 至 03.04.2007	0.365
Total 總數	90,800,000	—	23,600,000	67,200,000			



### SHARE OPTION SCHEME (Continued)

Notes:

1. The vesting period is six months from the date of acceptance of the Offer.
2. The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
3. Mr. Yan Wing Cheung resigned as executive director of the Company on 23 December 2006.
4. During the year, no option shares were granted/granted the adjustment, cancelled or lapsed under the 1997 Share Option Scheme.
5. Subsequent to the balance sheet date, 67,200,000 share options had been exercised and converted into the Company's ordinary shares.

The following tables disclose details of movements of the 2006 Share Option Scheme held by employees (including directors, if any) during the year ended 31 March 2007 in accordance with rule 17.07 of the Listing Rules:—

Name or category of participant 參與者 名稱或類別	As at 於 01.04.2006	Granted during the year 年內授出	Exercise during the year 年內行使	As at 於 31.03.2007	Date of grant of share options 授出 購股權日期 (Note 1) (附註1)	Exercise period of share options 購股權 行使期間	Exercise price of share options 購股權 行使價 (Note 2) (附註2)
Consultants 顧問	—	56,000,000	—	56,000,000	11.10.2006	11.04.2007 to 至 10.04.2010	0.385
	—	56,000,000	—	56,000,000			

### 購股權計劃 (續)

附註：

1. 歸屬期為由接納授出日期起計6個月。
2. 購股權之行使價受限於因應供股或發行紅股而作出之調整或本公司股本之其他相近改變。
3. 甄永祥先生於2006年12月23日辭任本公司之執行董事。
4. 年內概無購股權根據1997年購股權計劃授出／獲批准調整、註銷或失效。
5. 於結算日後，67,200,000份購股權已行使及轉換為本公司之普通股。

根據上市規則第17.07條，下表披露僱員（包括董事，如有）於截至2007年3月31日止年度所持2006年購股權計劃之變動詳情：

### SHARE OPTION SCHEME (Continued)

Notes:

- (1) The vesting period is six months from the date of acceptance of the Offer.
- (2) The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
- (3) During the year, no option shares were cancelled or lapsed under the 2006 Share Option Scheme.

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, sales to the Group's five largest customers accounted for approximately 16.4% of the total sales for the year, and sales to the largest customer included therein amounted to approximately 6.4%. Purchases from the Group's five largest suppliers accounted for approximately 66.4% of the total purchases for the year, and purchases from the largest supplier included therein amounted to approximately 40.5%.

None of the directors of the Company, or any of their associates or any other shareholders, which, to the best knowledge of the directors, owns more than 5% of the Company's issued share capital, had any beneficial interest in the Group's five largest customers or suppliers.

### 購股權計劃 (續)

附註：

- (1) 歸屬期為由接納授出日期起計6個月。
- (2) 購股權之行使價受限於因應供股或發行紅股而作出之調整或本公司股本之其他相近改變。
- (3) 年內概無購股權根據2006年購股權計劃註銷或失效。

### 主要客戶與供應商

於本年度，本集團五大客戶之銷售額佔本年度總銷售額約16.4%，而其中最大客戶之銷售額則約佔6.4%。本集團向五大供應商作出之採購佔本年度採購總額約66.4%，而向其中最大供應商作出之採購額則約佔40.5%。

本公司董事或其任何聯繫人士或據董事所知擁有本公司已發行股本5%以上之任何其他股東概無於本集團五大客戶或五大供應商中擁有任何實益權益。

## COMPETITION AND CONFLICTS OF INTERESTS

None of the directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

## EMOLUMENT POLICY

The emolument policy regarding the employees of the Group is set up by the Remuneration Committee and is based on their merit, qualifications and competence.

The emoluments of the Directors are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics. No director, or any of his associates, and executive is involved in dealing his own remuneration.

The Company has adopted a share option scheme as an incentive to Directors and eligible employees, details of the scheme is set out in note 31 to the consolidated financial statements.

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

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

## PRE-EMPTIVE RIGHTS

There is 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 existing shareholders.

## 競爭與利益衝突

概無任何本公司董事或主要股東或任何彼等之聯繫人士參與任何與本集團業務構成競爭或可能構成競爭之業務，或與本集團有任何其他利益衝突。

## 酬金政策

本集團僱員的酬金政策由薪酬委員會制定，並按僱員的功勞、資歷及能力為基礎。

董事酬金由薪酬委員會經參考本公司之經營業績、個人表現及可資比較市場數據而釐定。概無任何董事或任何其聯繫人士以及行政人員參與處理其本身之薪酬。

本公司已採納一項購股權計劃，以向董事及合資格僱員提供獎勵，該計劃之詳情載於綜合財務報表附註31。

## 購買、出售或贖回本公司之上市證券

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。

## 優先購買權

本公司之公司細則或百慕達法律並無關於優先購買權之規定，致令本公司必須首先按比例向現有股東發售新股份。

### SUFFICIENCY OF PUBLIC FLOAT

Based on the publicly available information to the Company as at the date of this report and to the best knowledge of the directors, the Company has maintained a sufficient public float during the year as required under the Listing Rules.

### CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 44 to 57.

### ANNUAL CONFIRMATION OF INDEPENDENCE

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

### POST BALANCE SHEET EVENTS

Details of significant post balance sheet events of the Group are set out in note 40 to the consolidated financial statements.

### 足夠公眾持股量

於本年報日期根據公開獲得之資料及據董事所知，本公司於年內已按上市規則之規定維持足夠公眾持股量。

### 企業管治

本公司之企業管治常規之詳細資料載列於第44至57頁之企業管治報告。

### 年度獨立性確認

本公司已根據上市規則第3.13條收到各獨立非執行董事之年度獨立性確認書。本公司認為所有獨立非執行董事均為獨立人士。

### 結算日後事項

有關本集團之重大結算日後事項之詳情載於綜合財務報表附註40。

## AUDITORS

On 23 March 2005, Messrs. Ernst & Young, who acts as auditors for the period from 1 April 2002 to 31 March 2004, resigned and Messrs. Deloitte Touche Tohmatsu were appointed as auditors of the Company.

On 3 November 2006, Messrs Deloitte Touche Tohmatsu, who acts as auditors for the period from 1 April 2004 to 31 March 2006, resigned and Messrs. SHINEWING (HK) CPA Limited were appointed as auditors of the Company.

The financial statements have been audited by SHINEWING (HK) CPA Limited were appointed as the auditors of the Company to fill the casual vacancy and to hold office until the Annual General Meeting. Pursuant to section 89(3) of the Bermuda Companies Act 1981, a shareholder has given the Company a notice of intention to nominate SHINEWING (HK) CPA Limited as the auditors of the Company and an ordinary resolution will be proposed at the forthcoming annual general meeting accordingly.

On behalf of the Board

### **Dr. MO SHIKANG**

*Managing and Executive Director*

Beijing, 27 July 2007

## 核數師

於2005年3月23日，安永會計師事務所（於2002年4月1日至2004年3月31日止期間擔任本公司核數師）辭任，而德勤·關黃陳方會計師行獲委任為本公司核數師。

於2006年11月3日，德勤·關黃陳方會計師行（於2004年4月1日至2006年3月31日止期間擔任本公司核數師）辭任，而信永中和(香港)會計師事務所有限公司獲委任為本公司核數師。

信永中和(香港)會計師事務所有限公司獲委任為本公司核數師以填補臨時空缺，任期直至股東週年大會，此等財務報表由信永中和(香港)會計師事務所有限公司審核。根據百慕達1981年公司法第89(3)條，一名股東已向本公司發出意向通告以提名信永中和(香港)會計師事務所有限公司為本公司之核數師，據此將於應屆股東週年大會提呈一項普通決議案。

承董事會命

### **莫世康博士**

*董事總經理兼執行董事*

北京，2007年7月27日

### CORPORATE GOVERNANCE STATEMENT

The Company is committed to a high standard of corporate governance practices in enhancing the confidence of shareholders, investors, employees, creditors and business partners and also the growth of its business. The Company's corporate governance practices are based on the principles ("Principles") and the code provisions ("Code Provisions") as set out in the Code on Corporate Governance Practices ("CG Code") contained in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Stock Exchange") ("Listing Rules"). Code Provision A.4.1 stipulates that non-executive director should be appointed for a specific term, subject to re-election. Every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three year. In year of 2007, all independent non-executive directors of the Company have entered into service contracts with the Company for a specific term of three years. Thereafter, the Company has complied with the Principles and Code Provisions. The Company regularly reviews its corporate governance practices to ensure that these continue to meet the requirements of the CG Code.

### THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

The Company acknowledges the important role of its board of directors ("Board") in providing effective leadership and direction of the Company towards its objectives and ensuring transparency and accountability of all operations. The key corporate governance principles and practices of the Company are summarised as follows:

#### THE BOARD

##### Responsibilities

The Company has a division of functions reserved to the Board and delegated to the management. The Board provides leadership and approves strategic policies and plans with a view to enhance shareholders' interests while the day-to-day operations of the Company are delegated to the management. The Board reserves for its decisions all major matters of the Company, including: the approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those may involve conflict of interests), financial information, appointment of directors and other significant financial and operational matters.

### 企業管治聲明

本公司為增強股東、投資者、員工、債權人及業務夥伴的信心及促進業務增長，致力奉行高質素之企業管治常規。本公司之企業管治常規以香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載企業管治常規守則（「企業管治守則」）所列明之原則（「原則」）及守則條文（「守則條文」）作為基礎制定。守則條文第A.4.1條訂明，非執行董事須有固定任期，並須重選。每位董事（包括有固定任期）須最少每三年輪席退任一次。於2007年度本公司所有獨立非執行董事均已經與本公司訂立為期3年之服務合約。自此本公司已遵守原則及守則條文。本公司定期檢討其企業管治常規，以確保持續符合企業管治守則規定。

### 主要企業管治原則及常規

本公司明白董事會（「董事會」）在為本公司提供有效領導、引領本公司實踐目標，以確保所有業務運作維持透明度及問責性方面扮演著重要角色。本公司之主要企業管治原則及常規概述如下：

#### 董事會

##### 責任

本公司劃分董事會本身及授予管理人員之職責。董事會發揮領導角色及審批策略政策及計劃，務求提高股東權益，並將本公司之日常運作委以管理層負責。董事會保留對本公司所有重大事宜之決定權，包括批准及監察一切政策事宜、整體策略及財政預算、內部監控及風險管理系統、重大交易（特別是該等可能涉及利益衝突之交易）、財務資料、董事任命及其他重大財務及營運事宜。

## THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

### THE BOARD (Continued)

#### Responsibilities (Continued)

Each executive director is delegated individual responsibility to oversee and monitor the operations of a specific business unit and to implement the strategies and policies set by the Board. As noted below, the majority of the Audit Committee members and the Remuneration Committee members are independent non-executive directors. This structure ensures that the independence of views and opinions expressed by the directors at the Audit Committee and the Remuneration Committee meetings.

All directors have full and timely access to all relevant information as well as the advice and services of the Company Secretary, with a view to ensuring that Board procedures and all applicable rules and regulations are followed. Each director may seek for independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The day-to-day management, administration and operation of the Company are delegated to the Managing director and the management. The delegated functions and work tasks are periodically reviewed. Approval has to be obtained from the Board prior to any significant transactions entered into by the above mentioned officers. In addition, the Board has also delegated various responsibilities to the Remuneration Committee and the Audit Committee. Further details of these committees are set out in this annual report.

The Board has the full support of the Managing director and the management to discharge its responsibilities. The Board of directors has four scheduled meetings a year and meets more frequently as and when required. During the financial year ended 31 March 2007, the Board held for meetings and the attendance record, on a named basis, is set out in the table on page 49 of this annual report.

## 主要企業管治原則及常規 (續)

### 董事會 (續)

#### 責任 (續)

各執行董事獲授予以個別責任以監督及監控特定業務單位之營運及推行董事會制定之策略及政策。如下文所示，審核委員會及薪酬委員會之大部份成員均為獨立非執行董事。此架構可確保董事於審核委員會及薪酬委員會會議上表達之見解及意見之獨立性。

全體董事均可全面和適時取得一切有關資料，以及獲得公司秘書之意見及服務，藉此確保董事會議事程序及所有適用規則及規例獲得遵從。於適當情況下，每名董事可向董事會提出要求，尋求獨立專業意見，費用由本公司承擔。

本公司之日常管理、行政及營運乃委托董事總經理及管理層負責。本公司委托之職能及工作會定期進行檢討。上述主管人員於進行任何重大交易前，必須取得董事會事先批准。此外，董事會亦授予不同權力予薪酬委員會及審核委員會。有關該委員會之詳情，已載列本年報內。

董事會獲得董事總經理及管理人員全力支持，以履行其職責。董事會每年定期舉行四次會議，亦會在有需要時舉行更多會議。本年報第49頁之列表內，載有按成員姓名分列之會議出席記錄載於截至2007年3月31日止財政年度。

### THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

#### THE BOARD (Continued)

##### Composition

The Board has in its composition a balance of skills and experience necessary for independent decision making and fulfilling its business needs.

The Board of the Company comprises the following directors:

##### Executive directors

Mr. Xu Ruixin (*Honourable Chairman*)  
Mr. Liu Jing (*Chairman*)  
Dr. Mo Shikang (*Managing director*)  
(*Member of Remuneration Committee*)  
Mr. Zhu Peifeng (*Deputy Chairman*)  
Mr. Zhang Hesheng (*Deputy Chairman*)  
(*Chairman of Remuneration Committee*)  
Mr. Jin Song  
Mr. Wong Ching

##### Independent non-executive directors

Mr. Liu Junmin  
(*Member of Remuneration Committee and Audit Committee*)  
Mr. Tan Qinglian  
(*Member of Remuneration Committee and Audit Committee*)  
Mr. Sin Ka Man, Kenneth  
(*Member of Remuneration Committee and*  
*Chairman of Audit Committee*)

The biography of each of the current directors are set out from pages 23 to 26 of this annual report, which demonstrate a diversity of skills, expertise, experiences and qualifications. None of the members of the Board is related to one another.

### 主要企業管治原則及常規 (續)

#### 董事會 (續)

##### 組成

董事會之成員集各方專長技能和經驗，以達致獨立決策及滿足業務需求。

本公司董事會由以下董事組成：

##### 執行董事

徐瑞新先生 (*榮譽主席*)  
劉京先生 (*主席*)  
莫世康博士 (*董事總經理*)  
(*薪酬委員會成員*)  
朱培風先生 (*副主席*)  
張和生先生 (*副主席*)  
(*薪酬委員會主席*)  
靳松先生  
王政先生

##### 獨立非執行董事

劉駿民先生  
(*薪酬委員會兼審核委員會成員*)  
譚慶璉先生  
(*薪酬委員會兼審核委員會成員*)  
冼家敏先生  
(*薪酬委員會成員兼審核委員會主席*)

各現任董事之履歷載於本年報第23頁至第26頁，當中列載各人在各方面技能、專業知識、經驗及資格。董事會成員彼此概無關係。



## THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

### THE BOARD (Continued)

#### Independent non-executive directors (Continued)

During the year ended 31 March 2007, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company has received respective written annual confirmation from each independent non-executive director of his independence pursuant to the requirements of the Listing Rules. The Company considers all independent non-executive directors to be independent in accordance with the independence guidelines set out in the Listing Rules. Apart from their appointments as independent non-executive directors, none of them has any form of services contract with the Company or any of its subsidiaries.

The independent non-executive directors bring a wide range of business and financial expertise, experiences and independent judgement to the Board. Through active participation in Board meetings, taking the lead in managing issues involving potential conflict of interests and serving on Board committees, all independent non-executive directors will scrutinize the performance of the Company.

## 主要企業管治原則及常規 (續)

### 董事會 (續)

#### 獨立非執行董事 (續)

於截至2007年3月31日止年度之任何時間，董事會均符合上市規則有關委任至少三名獨立非執行董事之規定，其中至少一名獨立非執行董事具備適當專業資格或會計或相關財務管理專門知識。

本公司已分別接獲各獨立非執行董事根據上市規則規定就彼之獨立性作出之年度書面確認。本公司認為，根據上市規則所載有關董事獨立性之指引，全體獨立非執行董事均為獨立人士。除獲委任為獨立非執行董事外，彼等概無與本公司或其任何附屬公司訂立任何服務合約。

獨立非執行董事為董事會引入廣泛之業務及財務專業知識、經驗及獨立判斷。全體獨立非執行董事透過積極參與董事會會議，於處理涉及潛在利益衝突之事項扮演領導角色，以及出任董事委員會成員，監察本公司之表現。

### THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

#### THE BOARD (Continued)

##### Appointment and Succession Planning of directors

The Company has established formal, considered and transparent procedures for the appointment and succession planning of directors. Formal service contract has been signed with each non-executive director of the Company. Under the service contracts, the Non-executive directors have been appointed for a period of three years. Pursuant to the Company's Bye-Laws, all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointments and every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Company has not established a nomination committee. New directors are sought mainly through referral or internal promotion. In evaluating whether an appropriate is suitable to act a director of the Company, the Board will review the independence, experiences and skills of the appointees as well as personal ethics, integrity and time commitment of the appointee.

The Board recommended the re-appointment of the directors standing for re-election at the forthcoming annual general meeting. The Company's circular dated 31 July 2007 contains the detailed information of the directors standing for re-election.

### 主要企業管治原則及常規 (續)

#### 董事會 (續)

##### 董事之委任及接任計劃

本公司已就董事之委任及接任，確立正式、周詳及具透明度之程序。本公司已與各非執行董事簽訂正式服務合約。根據服務合約之內容，非執行董事以特定任期獲委任，任期為3年。根據本公司之公司細則，所有獲委任填補臨時空缺之董事須於彼等獲委任後首個股東大會上由股東選舉。各董事(包括該等按特定任期委任者)須最少每3年輪席退任一次。

本公司並無成立提名委員會。本公司主要透過介紹或內部晉升物色新董事人選。於評估獲提名人是否適合出任本公司之董事時，董事會將審閱彼之獨立性、經驗及技能以及個人操守、誠信及承諾可付出之時間。

董事會建議重新委任於應屆股東週年大會膺選連任之董事。本公司於2007年7月31日刊發之通函載有膺選連任董事之詳細資料。

## THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

### THE BOARD (Continued)

#### Training for directors

Each newly appointed director receives comprehensive, formal induction to ensure that he/she has appropriate understanding of the business and his/her responsibilities and obligations under the Listing Rules and relevant regulatory requirements.

There are also arrangements in place for providing continuing briefing and professional development to directors whenever necessary.

#### Board Meetings

During the year under review, four board meetings were held for reviewing and approving financial and operating performance, and considering and approving the overall strategies and policies of the Company. The individual attendance records of each director at the meeting(s) of the Board, the Audit Committee and the Remuneration Committee during the year ended 31 March 2007 are set out below:—

## 主要企業管治原則及常規 (續)

### 董事會 (續)

#### 董事培訓

每名新任董事均接受全面及正式就職介紹，以確保彼正確瞭解業務和彼之職責以及於上市規則及有關監管規例下之責任。

如有需要，本公司亦會持續安排為董事提供簡報及專業發展培訓。

#### 董事會會議

於回顧年內，本公司召開了4次董事會會議以審閱及批准財務和營運表現及考慮和批准本公司之整體策略及政策。於截至2007年3月31日止年度，各董事之董事會、審核委員會及薪酬委員會會議個別出席紀錄載列如下：

Name of director 董事姓名	Attendance/Number of Meetings entitled to attend 出席率／有權出席之會議之數目		
	Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
<b>Executive</b> 執行董事			
Xu Ruixin 徐瑞新	4/4	N/A 不適用	N/A 不適用
Liu Jing 劉京	4/4	N/A 不適用	N/A 不適用
Mo Shikang 莫世康	4/4	N/A 不適用	1/1
Zhu Peifeng 朱培風	4/4	N/A 不適用	N/A 不適用
Zhang Hesheng 張和生	4/4	N/A 不適用	1/1
Jin Song 靳松	4/4	N/A 不適用	N/A 不適用
Wong Ching 王政	2/2	N/A 不適用	N/A 不適用
Yan Wing Cheung (resigned) 甄永祥 (已辭任)	2/2	N/A 不適用	N/A 不適用
<b>Independent non-executive directors</b> 獨立非執行董事			
Liu Junmin 劉駿民	4/4	2/2	1/1
Tan Qinglian 譚慶璉	4/4	2/2	1/1
Sin Ka Man 冼家敏	1/2	0/1	1/1
Chan Chuk Cheung, Ivan (resigned) 陳祝祥 (已辭任)	N/A 不適用	N/A 不適用	N/A 不適用
Wong Shing Kay, Oliver (resigned) 黃承基 (已辭任)	2/2	N/A 不適用	N/A 不適用

### THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

#### THE BOARD (Continued)

##### Board Meetings (Continued)

Notices of regular Board meetings are served to all directors at least 14 days before the meetings. For other Board and committee meetings, reasonable notice is generally given.

Agenda and Board papers together with all appropriate information are sent to all directors at least three days before each Board meeting or committee meetings to give an opportunity and sufficient time to include matters in the agenda. The Board is also obligated to keep the directors apprised of the latest developments and financial position of the Company and to enable them to make informed decisions. The Board and each director also have separate and independent access to the executives whenever necessary.

The Company Secretary is responsible to take and keep minutes of all Board meetings and committee meetings. Draft minutes are normally circulated to directors for comment within a reasonable time after each meeting and the final version is open for directors' inspection. Directors are entitled to have access to board papers and queries will be responded fully. According to current Board practice, any material transaction, which involves a conflict of interests for a substantial shareholder or a director, will be considered and dealt with by the Board at a duly convened Board meeting. Such director must abstain from voting and will not be counted as quorum.

### 主要企業管治原則及常規 (續)

#### 董事會 (續)

##### 董事會會議 (續)

董事會定期會議通告最少於會議舉行前14天送達各董事。至於其他董事會會議及委員會會議，一般會發出合理通知。

議程及董事會文件以及所有適用資料，最少於各董事會會議或委員會會議舉行前3天寄交各董事，以便各董事有機會及充足時間提出商討事項列入議程。董事會亦有責任使董事知悉本公司之最新動向及財政狀況以及確保彼等可做出知情決定。董事會及各董事亦可於需要時個別與行政人員獨立接觸。

公司秘書負責記錄及保存各董事會會議及委員會會議之會議記錄。會議記錄草稿一般會在各會議結束後之合理時間內向董事傳閱以收集意見，定稿可公開供董事查閱。董事均有權查閱董事會文件，其疑問將得到充分答覆。根據現時董事會常規，任何涉及主要股東或董事利益衝突之重大交易將由董事會正式召開董事會會議予以考慮及處理。該董事必須放棄投票及不應計入法定人數內。

## THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The Company fully supports the division of responsibility between the Chairman of the Board and the Managing director, who performs similar role as Chief executive Officer, to ensure a balance of power and authority. The respective responsibilities of the Chairman and the Managing director are clearly defined and set out in writing. The Chairman provides leadership and is responsible for the effective functioning of the Board in accordance with good corporate governance practice. With the support of the management, the Chairman is also responsible for ensuring that the directors receive adequate information and appropriate briefing on issues arising at Board meetings.

The Managing director focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Managing director is also responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval. The position of the Chairman is held by Mr. Liu Jing while the position of the Managing director is held by Dr. Mo Shikang.

### BOARD COMMITTEES

The Board has established two committees, namely, the Remuneration Committee and the Audit Committee, for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with defined written terms of reference. The terms of reference of the Board committees are posted on the Company's website and are available to shareholders upon request. The Board committees are provided with sufficient resources to discharge their duties and, upon reasonable request, are able to seek for independent professional advice in appropriate circumstances, at the Company's expenses.

## 主要企業管治原則及常規 (續)

### 主席及行政總裁

本公司全面支持董事會主席與董事總經理(其履行與行政總裁類似之職能)間之責任區分,以確保權力及職權之平衡分配。主席及董事總經理各自之責任有明確界定,並以書面訂明。主席擔當領導角色,負責確保董事會按照良好企業管治常規有效運作。在管理層支持下,主席亦負責確保董事獲得足夠之資料及獲適當簡介董事會會議事宜。

董事總經理主要負責執行經董事會批准及授權之目標、政策及策略。彼負責本公司之日常管理及運作。董事總經理亦負責制定策略計劃及擬定組織架構、監控制度及內部程序,以供董事會批准。主席職位由劉京先生出任,而董事總經理之職由莫世康博士出任。

### 董事委員會

董事會已成立兩個委員會,分別為薪酬委員會及審核委員會,以監察本公司特定方面之事務。本公司各董事委員會均以書面界定職權範圍。董事委員會之職權範圍載於本公司網站及需要時可供股東索閱。董事委員會獲提供足夠資源以履行其職務,並於適當情況下可提出合理要求徵詢獨立專業意見,費用由本公司承擔。

### THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

#### BOARD COMMITTEES (Continued)

##### Remuneration Committee

Mr. Zhang Hesheng, Dr. Mo Shikang, Mr. Liu Junmin, Mr. Tan Qinglian and Mr. Sin Ka Man are the members of the Remuneration Committee and Mr. Zhang Hesheng is the chairman of the committee. The primary objectives of the Remuneration Committee include making recommendations on and approving the remuneration policy and structure and remuneration packages of the executive directors and the executives after consultation with the Chairman/Managing director and accessed to professional advice, at the Company's expenses, when necessary. The Remuneration Committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no director or any of his/her associates will participate in deciding his/her own remuneration, which remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions. The Remuneration Committee normally meets towards the end of each year for reviewing the remuneration policy and structure and determination of the annual remuneration packages of the executive directors and the executives and other related matters. The Remuneration Committee met once during the year ended 31 March 2007 and reviewed the remuneration policy and structure of the Company and remuneration packages of the executive directors and the executives for the year under review.

### 主要企業管治原則及常規 (續)

#### 董事委員會 (續)

##### 薪酬委員會 (續)

張和生先生、莫世康博士、劉駿民先生、譚慶璉先生及冼家敏先生為薪酬委員會成員，而張和生先生為委員會主席。薪酬委員會之主要目標，包括在諮詢主席／董事總經理之意見並於必要時徵詢專業意見（費用由本公司承擔）後，就執行董事及行政人員之薪酬政策及架構以及薪酬福利作出建議及審批。薪酬委員會亦負責確立具透明度之程序，以擬定有關薪酬政策及架構，確保概無董事或彼任何聯繫人士將參與決定彼之個人薪酬，有關薪酬將參考個人及本公司表現以及市場慣例及狀況釐定。薪酬委員會一般於每年年底前舉行會議，檢討薪酬政策及架構，釐定執行董事及行政人員之每年薪酬福利及其他相關事宜。於截至2007年3月31日止年度內，薪酬委員會曾舉行一次會議，檢討本公司之薪酬政策及架構，以及執行董事及行政人員於回顧年度之薪酬福利。

## THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

### BOARD COMMITTEES (Continued)

#### Remuneration Committee (Continued)

Details of attendance record of members of the Remuneration Committee are set out in the table on page 49 of this annual report:

#### Audit Committee

The Audit Committee comprises the three independent non-executive directors (including one independent non-executive director who possesses the appropriate professional qualifications or accounting or related financial management expertise) and Mr. Sin Ka Man is the chairman of the committee. None of the members of the Audit Committee is a former partner of the Company's existing external auditors.

The main duties of the Audit Committee include the following:

- (a) To review the financial statements and reports and consider any significant or unusual items raised by the qualified accountant, compliance officer (if any) or external auditors before submission to the Board.
- (b) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, reappointment and removal of external auditors.

## 主要企業管治原則及常規 (續)

### 董事委員會 (續)

#### 薪酬委員會 (續)

薪酬委員會各成員之出席記錄詳情載列於本年報第49頁之列表。

#### 審核委員會

審核委員會由三名獨立非執行董事(包括一名具備適當專業資格或會計或相關財務管理專業知識之獨立非執行董事)組成，而冼家敏先生為委員會主席。審核委員會成員概非本公司現任外聘核數師之前任合夥人。

審核委員會之主要職責包括下列各項：

- (a) 審閱財務報表及報告，考慮合資格會計師、合規主任(如有)或外聘核數師提出之任何重大或不尋常事項，然後提交董事會。
- (b) 根據外聘核數師履行之工作、其收費及委聘條款，檢討與該核數師之關係，並就委聘、續聘及撤換外聘核數師之事宜，向董事會提出推薦意見。

### THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

#### BOARD COMMITTEES (Continued)

##### Audit Committee (Continued)

- (c) To review the adequacy and effectiveness of the Company's financial reporting system, and risk management system and associated procedures.

The Audit Committee held two meetings during the year ended 31 March 2007 to review the financial results and reports, financial reporting and compliance procedures and the appointment of the external auditors. There is no material uncertainties relating to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Sufficient resources is provided by the Company for the Audit Committee to perform its duties.

There is no disagreement between the Board and the Audit Committee regarding the selection, appointment, resignation or dismissal of the external auditors.

The Audit Committee held two meetings during the year under review.

Details of the attendance of the Audit Committee Meetings are set out in the table on page 49 of this annual report.

### 主要企業管治原則及常規 (續)

#### 董事委員會 (續)

##### 審核委員會 (續)

- (c) 檢討本公司財務報告系統及風險管理系統及相關程序是否足夠及有效。

於截至2007年3月31日止年度內，審核委員會曾舉行兩次會議，以審閱財務業績及報告、財務報告及合規程序以及委聘外部核數師事宜。現時並無存在可能令本公司持續經營之能力出現重大疑問之事件或情況相關之重大不明朗因素。本公司為審核委員會提供足夠資源以便其履行有關職責。

董事會及審核委員會就篩選、委任、辭退或解聘外部核數師並不存在意見分歧。

審核委員會於回顧年度內曾舉行兩次會議。

審核委員會會議之出席率詳情載列於本年報第49頁之列表。



### THE KEY CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES (Continued)

#### BOARD COMMITTEES (Continued)

##### Auditors' remuneration

For the year ended 31 March 2007, the Group had engaged the Group's external auditors, SHINEWING (HK) CPA LIMITED, to provide the following services and their respective fees charged are set out as below:

#### Fees Charged for the year ended 31 March

截至3月31日止年度之收費

		2007	2006
		HK\$	HK\$
		港元	港元
Types of Services	服務種類		
Audit for the year	本年度核數	3,500,000	1,980,000
Non-audit services — interim review	非核數服務 — 中期審閱	—	720,000
Non-audit services — taxation services	非核數服務 — 稅務服務	—	—
Non-audit services — others	非核數服務 — 其他	—	—
Total	總計	<b>3,500,000</b>	<b>2,700,000</b>

#### Nomination Committee

The Company does not have a Nomination Committee. The Board as a whole is responsible for the procedure for agreeing to the appointment of its members and for nominating appropriate person for election by shareholders at the annual general meeting either to fill a casual vacancy or as an addition to the existing directors.

### MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules.

### 主要企業管治原則及常規 (續)

#### 董事委員會 (續)

##### 核數師酬金

截至2007年3月31日止年度，本集團已委聘外部核數師信永中和(香港)會計師事務所有限公司提供下列服務，各項服務之收費載列如下：

#### 提名委員會

本公司並無成立提名委員會。董事會整體負責協定委任董事以及提名適當人選供股東在股東週年大會選舉以填補臨時空缺或出任新增董事職位之程序。

### 證券交易標準守則

本公司已採納上市規則附錄十所載之上市發行人董事進行證券交易的標準守則(「標準守則」)。

### MODEL CODE FOR SECURITIES TRANSACTIONS (Continued)

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2007.

The Company has adopted the same Model Code for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company.

No incident of non-compliance of the Model Code by the relevant employees was noted by the Company.

#### Responsibilities in respect of the Financial Statements

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other financial disclosures required under the Listing Rules and other regulatory requirements. The directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2007. The statement of the external auditors of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 58 and 59. Management of the Company is obligated to provide explanation and information to the Board to make informed assessment of relevant matters.

### INTERNAL CONTROL

The Board has overall responsibilities for the system of internal controls of the Company and for reviewing its effectiveness. The Board is committed to implementing an effective and sound internal controls system to safeguard the interests of shareholders and the assets of the Group. During the year, the Board, through the Audit Committee, has reviewed the implementation of the system of internal controls and reviewing of all relevant financial, operational, compliance controls and risk management functions. A review will be conducted at least annually on the effectiveness of the system of internal controls.

### 證券交易標準守則(續)

本公司已向全體董事作出特別查詢，而董事已確認彼等於截至2007年3月31日止整個年度一直遵守標準守則。

本公司已就可能得悉本公司未公佈之股價敏感資料之僱員進行之證券交易採納相同標準守則。

本公司並不知悉有關僱員不遵守標準守則之事件。

#### 有關財務報表之責任

董事會負責呈交平衡、清晰及易明之年度及中期報告、股價敏感公佈及上市規則及其他監管規定所要求之其他財務披露。董事確悉其就編製本公司於截至2007年3月31日止年度財務報表之責任。本公司外部核數師就其對財務報表申報責任之聲明載於第58和59頁之「獨立核數師報告」。本公司管理層須向董事會提供解釋及資料以便其就有關事宜作出知情評估。

### 內部監控

董事會整體對本公司之內部監控系統負責及須檢討其成效。董事會致力實行有效及完善之內部監控系統以保障股東利益及本集團資產。董事會年內已透過審核委員會檢討內部監控系統之實行及檢討所有相關財務、營運、合規監控及風險管理功能。董事會每年至少對內部監控系統之成效進行一次檢討。

## INVESTORS RELATIONS

The Company is committed to maintain an open and effective investors relations policy and to update investors on relevant information/developments in a timely manner, subject to relevant regulatory requirements. Briefings and meetings with institutional investors and analysts are conducted from time to time. The Company also replied the enquiries from shareholders timely. The directors host the annual general meeting each year to meet the shareholders and answer their enquiries.

The Company's website at [www.681hk.com](http://www.681hk.com) contains important corporate information, biographical details of directors, organization structure, annual and interim report, major historical developments with comprehensive and user-friendly information about the Group, as well as announcements and circulars issued by the Company in order to enable the Company's shareholders and the investor community to have timely access to updated information about the Group.

## SHAREHOLDER RIGHTS

The rights of shareholders and the procedures for demanding a poll on resolutions at shareholders' meetings are contained in the Company's Bye-Laws. Details of such rights and procedures are included in all circulars to shareholders convening shareholders' meetings and will be explained during the proceedings of meetings. Whenever voting by way of a poll is required, the detailed procedures for conducting a poll will be explained.

Poll results will be counted by the Company's Hong Kong Branch Share Registrar, Tricor Tengis Limited, and will be posted on the website of the Stock Exchange and the Company's website ([www.681hk.com](http://www.681hk.com)) on the business day following the shareholders' meeting. The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. The Chairman of the Board as well as chairmen of the Remuneration Committee and the Audit Committee, or in their absence, other members of the respective committees, and where applicable, the independent Board committee, are available to answer questions at the shareholders' meetings.

Separate resolutions are proposed at shareholders' meetings on each substantial issue, including the election of individual directors.

## 投資者關係

本公司致力按照有關監管規定，維持公開及有效的投資者關係政策，並適時向投資者提供最新的業務資料／發展。本公司不時與機構投資者及分析員會面及簡報，亦適時回應股東查詢。董事每年主持股東週年大會，會見股東及回應彼等之提問。

本公司之網站[www.681hk.com](http://www.681hk.com)載有重要公司資料、董事詳盡履歷、組織架構、年報及中期報告、主要過去發展，並配合本集團之全面及方便瀏覽者使用之資料以及本公司所刊發之公佈及通函以使本公司之股東及投資者能適時評估有關本集團之最新資料。

## 股東權利

股東於股東大會上要求就決議案進行投票表決之權利及程序載於本公司之公司細則。該等權利及程序詳情載於向股東發出召開股東大會之所有通函內，並將於大會舉行期間進行解釋。如有要求以投票方式表決，將會解釋進行投票表決之詳細程序。

投票表決之結果將由本公司之香港股份登記分處卓佳登捷時有限公司進行統計，並將於股東大會後下一個營業日刊登於聯交所網頁及本公司網頁 ([www.681hk.com](http://www.681hk.com))。本公司之股東大會為股東與董事會提供溝通之良機。董事會主席及薪酬委員會及審核委員會主席或(在其缺席時)各委員會之其他委員及(倘適用)獨立董事委員會在股東大會上回答問題。

股東大會上會就各重要事項(包括推選個別董事)個別提呈決議案。

# Independent Auditor's Report

## 獨立核數師報告



SHINEWING (HK) CPA Limited  
16/F., United Centre  
95 Queensway, Hong Kong

### TO THE SHAREHOLDERS OF CHINESE PEOPLE GAS HOLDINGS COMPANY LIMITED *(incorporated in the Bermuda with limited liability)*

We have audited the consolidated financial statements of Chinese People Gas Holdings Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 60 to 155, which comprise the consolidated balance sheet as at 31 March 2007, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

### DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Company's directors are responsible for the preparation and the true and fair presentation of these consolidated financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

### AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume

### 致中民燃氣控股有限公司股東 *(於百慕達註冊成立之有限公司)*

我們已完成審核第60至155頁所載中民燃氣控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，其中包括於2007年3月31日之綜合資產負債表及截至該日期止年度之綜合收益表、綜合權益變動表及綜合現金流量表及主要會計政策概要及其他說明附註。

### 董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港《公司條例》有關之披露規定編製及真實而公平地列報該等綜合財務報表。這責任包括設計、實施及維護與編製及真實而公平地列報綜合財務報表相關之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述；選擇和應用適當之會計政策；及按情況下作出合理之會計估計。

### 核數師之責任

我們的責任是根據我們的審核對該等綜合財務報表作出意見，我們的報告僅按照《百慕達1981年公司法》第90條，為股東(作為一個團體)而編製，並不為其他任何目的。我們並不就本報告

# Independent Auditor's Report 獨立核數師報告

responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of the Group's affairs as at 31 March 2007 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### SHINEWING (HK) CPA Limited

*Certified Public Accountants*

**Ip Yu Chak**

Practicing Certificate Number: P04798

Hong Kong  
27 July 2007

之內容對任何其他人士承擔任何義務或接受任何責任。我們已根據香港會計師公會頒佈之香港審計準則進行審核。這些準則要求我們遵守道德規範，並規劃及執行審核，以合理確定綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執行情序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選取之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製及真實而公平地列報綜合財務報表相關之內部控制，以設計適當之審核程序，但並非為對實體內部控制之效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

我們相信，我們所獲得的審核憑證是充足和適當地，為我們之審核意見提供基礎。

## 意見

我們認為，綜合財務報表已根據香港財務報告準則真實公平地反映 貴集團於2007年3月31日之事務狀況，以及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

信永中和(香港)會計師事務所有限公司

執業會計師

**葉汝澤**

執業證書號碼：P04798

香港  
2007年7月27日

# Consolidated Income Statement

## 綜合收益表

For the year ended 31 March 2007  
截至2007年3月31日止年度

		Notes 附註	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元 (restated) (經重列)
<b>Continuing operations</b> 持續經營之業務				
Turnover	營業額	6	522,893	216,537
Cost of sales	銷售成本		(350,397)	(94,564)
Gross profit	毛利		172,496	121,973
Other operating income	其他經營收入	8	16,078	14,567
Administrative expenses	行政開支		(115,562)	(43,364)
Discount on acquisition of subsidiaries	收購附屬公司之折讓		—	2,806
Discount on acquisition of additional interests in subsidiaries	收購附屬公司額外權益之折讓		9,240	—
Loss on disposal of subsidiaries	出售附屬公司虧損	33	(10,143)	(5,519)
Change in fair value of convertible notes	可換股票據公平值變動		(19,797)	(117,800)
Convertible notes issue expenses	可換股票據發行開支		(13,122)	(10,140)
Share of results of associates	應佔聯營公司業績		25,299	652
Finance costs	財務成本	10	(16,740)	(2,805)
Profit/(loss) before taxation	除稅前溢利/(虧損)		47,749	(39,630)
Taxation	稅項	11	(15,208)	(17,950)
Profit/(loss) for the year from continuing operations	本年度持續經營之業務之溢利/(虧損)		32,541	(57,580)
<b>Discontinued operation</b> 已終止經營之業務				
Profit for the year from discontinued operation	本年度已終止經營之業務之溢利	12	923	2,469
Profit/(loss) for the year	本年度溢利/(虧損)	13	33,464	(55,111)
Attributable to:	由下列人士應佔:			
Equity holders of the Company	本公司權益持有人		22,123	(56,061)
Minority interests	少數股東權益		11,341	950
			33,464	(55,111)
Dividend	股息		—	—
<b>Earning/(loss) per share</b> 每股盈利/(虧損)				
From continuing and discontinued operations	來自持續及已終止經營之業務	14		
Basic (cents per share)	基本(每股港仙)		0.69	(2.13)
Diluted (cents per share)	攤薄(每股港仙)		0.69	n/a 不適用
From continuing operations	來自持續經營之業務			
Basic (cents per share)	基本(每股港仙)		0.67	(2.20)
Diluted (cents per share)	攤薄(每股港仙)		0.67	n/a 不適用
From discontinued operation	來自已終止經營之業務			
Basic (cents per share)	基本(每股港仙)		0.02	0.07
Diluted (cents per share)	攤薄(每股港仙)		0.02	n/a 不適用

# Consolidated Balance Sheet

## 綜合資產負債表

At 31 March 2007  
於2007年3月31日

		Notes	2007	2006
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16	615,764	227,824
Investment properties	投資物業	17	7,237	6,984
Prepaid lease payments	預付租金	18	27,470	8,737
Goodwill	商譽	19	225,050	44,725
Intangible assets	無形資產	20	122,570	—
Interests in associates	於聯營公司權益	21	84,138	3,564
Available-for-sale investments	可供出售投資	22	11,601	194
			<b>1,093,830</b>	292,028
Current assets	流動資產			
Inventories	存貨	23	23,562	4,404
Trade and other receivables	貿易及其他應收款項	24	118,696	66,484
Amounts due from associates	應收聯營公司款項	21	16,150	—
Prepaid lease payments	預付租金	18	594	366
Bank balances and cash	銀行結餘及現金		184,031	132,986
			<b>343,033</b>	204,240
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	25	149,550	25,325
Taxation payable	應付稅項		39,542	28,835
Bank borrowings	一年內到期之			
— due within one year	銀行借款	26	106,238	28,264
Convertible notes	可換股票據	27	62,658	133,788
			<b>357,988</b>	216,212
Net current liabilities	流動負債淨額		<b>(14,955)</b>	(11,972)
Total assets less current liabilities	總資產減流動負債		<b>1,078,875</b>	280,056
Non-current liabilities	非流動負債			
Bank borrowings	一年後到期之			
— due after one year	銀行借款	26	126,162	2,807
Convertible notes	可換股票據	27	348,316	—
Deferred tax liabilities	遞延稅項負債	28	27,777	61
Other payables	一年後到期之			
— due after one year	其他應付款項	29	7,066	—
			<b>509,321</b>	2,868
			<b>569,554</b>	277,188

# Consolidated Balance Sheet

## 綜合資產負債表

At 31 March 2007  
於2007年3月31日

		Note	2007	2006
		附註	HK\$'000 港幣千元	HK\$'000 港幣千元
Capital and reserves	股本及儲備			
Share capital	股本	30	253,406	201,989
Reserves	儲備		250,115	70,486
Equity attributable to equity holders of the Company	本公司權益持有人 應佔權益		503,521	272,475
Minority interests	少數股東權益		66,033	4,713
			569,554	277,188

The financial statements on pages 60 to 155 were approved and authorised for issue by the board of directors on 27 July 2007 and are signed on its behalf by:

載於第60至155頁之財務報表已獲董事會於2007年7月27日批准及授權發行，並由以下代表簽署：

**Mo Shikang**  
DIRECTOR  
莫世康  
董事

**Jin Song**  
DIRECTOR  
靳松  
董事



# Consolidated Statement of Changes in Equity

For the year ended 31 March 2007  
截至2007年3月31日止年度

## 綜合權益變動表

		Share capital	Share premium	Capital reserve	Contributed surplus	Surplus reserve fund	Capital contribution	Employee share-based compensation reserve	Exchange reserve	Accumulated losses	Attributable to equity holders of the Company	Minority interests	Total
		股本	股份溢價	資本儲備	繳入盈餘	盈餘公積金	注入資金	以股份支付之權員酬金儲備	匯兌儲備	累計虧損	本公司權益持有人應佔	少數股東權益	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元 (Note c) (附註c)	港幣千元 (Note a) (附註a)	港幣千元 (Note b) (附註b)	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2005	於2005年4月1日	183,030	30,856	2,182	89,800	1,093	7,482	—	—	(148,878)	165,565	1,834	167,399
Exchange difference arising on translation of foreign operations	換算境外業務所產生之匯兌差額	—	—	—	—	—	—	—	3,113	—	3,113	—	3,113
Loss for the year	本年度虧損	—	—	—	—	—	—	—	—	(56,061)	(56,061)	950	(55,111)
Total recognised income and expense for the year	本年度已確認收入及開支總額	—	—	—	—	—	—	—	3,113	(56,061)	(52,948)	950	(51,998)
Issue of shares upon exercise of share options	行使購股權時發行股份	2,520	10,271	—	—	—	(2,251)	—	—	—	10,540	—	10,540
Appropriations	轉撥	—	—	—	—	1,536	—	—	—	(1,536)	—	—	—
Issue of shares on conversion of convertible notes	兌換可換股票據時所發行股份	16,439	123,572	—	—	—	—	—	—	—	140,011	—	140,011
Recognition of equity-settled share-based payments	確認以權益結算股份為基準之付款	—	—	—	—	—	—	9,307	—	—	9,307	—	9,307
Acquisition of additional interest in a subsidiary	收購附屬公司額外權益	—	—	—	—	—	—	—	—	—	—	1,929	1,929
At 31 March 2006 and 1 April 2006	於2006年3月31日及2006年4月1日	201,989	164,699	2,182	89,800	2,629	7,482	7,056	3,113	(206,475)	272,475	4,713	277,188
Exchange difference arising on translation of foreign operations	換算境外業務所產生之匯兌差額	—	—	—	—	—	—	—	20,567	—	20,567	—	20,567
Profit for the year	本年度溢利	—	—	—	—	—	—	—	—	22,123	22,123	11,341	33,464
Total recognised income and expense for the year	本年度已確認收入及開支總額	—	—	—	—	—	—	—	20,567	22,123	42,690	11,341	54,031
Issue of shares upon exercise of share options	行使購股權時發行股份	28,798	23,091	—	—	—	—	(1,821)	—	—	50,068	—	50,068
Issue of shares on conversion of convertible notes	兌換可換股票據時所發行股份	8,619	43,992	—	—	—	—	—	—	—	52,611	—	52,611
Issue of shares for acquisition of subsidiaries	收購附屬公司發行股份	14,000	66,000	—	—	—	—	—	—	—	80,000	—	80,000
Acquisition of subsidiaries	收購附屬公司	—	—	—	—	—	—	—	—	—	—	72,771	72,771
Capital contribution by minority shareholders	少數股東注資	—	—	—	—	—	—	—	—	—	—	12,036	12,036
Acquisition of additional interests in subsidiaries	收購附屬公司額外權益	—	—	—	—	(947)	—	—	—	947	—	(34,828)	(34,828)
Appropriations	轉撥	—	—	—	—	2,801	—	—	—	(2,801)	—	—	—
Recognition of equity-settled share-based payments	確認以權益結算股份為基準之付款	—	—	—	—	—	—	5,677	—	—	5,677	—	5,677
At 31 March 2007	於2007年3月31日	253,406	297,782	2,182	89,800	4,483	7,482	10,912	23,680	(186,206)	503,521	66,033	569,554

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 March 2007  
截至2007年3月31日止年度

### Notes:

- (a) The contributed surplus of the Group represents the difference between the nominal value of the Company's share capital issued as consideration in exchange for the nominal value of the issued share capital of the subsidiaries acquired at the time of the Company's listing in 1997.
- (b) As stipulated by the relevant laws and regulations for foreign investment enterprises in the People's Republic of China (the "PRC"), the Company's PRC subsidiaries are required to maintain a statutory surplus reserve fund and a discretionary surplus reserve fund, which are non-distributable. Appropriations to such reserves are made out of profit after taxation of the statutory financial statements of the PRC subsidiaries while the amount and allocation basis are decided by their board of directors annually. The statutory surplus reserve fund can be used to make up their prior year losses, if any, and can be applied in conversion into capital by means of capitalisation issue.
- (c) The amount represents a revaluation surplus which was recognised as a result of the acquisition of an additional interest in Xin Hua Resources Investment Limited ("Xin Hua") (previously an associate) which resulted in Xin Hua becoming a subsidiary. Xin Hua was deregistered in year 2006 and its assets and liabilities were transferred to the Company.

### 附註：

- (a) 本集團之繳入盈餘指本公司用以作為代價於1997年上市時所收購之附屬公司而發行之本公司股本面值，與該等附屬公司已發行股本面值之差額。
- (b) 誠如中華人民共和國（「中國」）外資企業之相關法律及法例所規定，本公司之中國附屬公司須維持法定盈餘公積金及任意盈餘公積金（為不可分派）。該等儲備之撥入來自中國附屬公司法定財務報表中之除稅後純利，而金額及分配基準則由該附屬公司董事會每年釐定。法定盈餘公積金可用作補足上年度之虧損（如有），並可透過資本化轉換為股本。
- (c) 該金額指因收購Xin Hua Resources Investment Limited（「Xin Hua」）（本集團當時之聯營公司）額外權益（導致Xin Hua成為本集團附屬公司）而確認之重估盈餘。Xin Hua已於2006年註銷，其資產及負債已轉移至本公司。

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 March 2007  
截至2007年3月31日止年度

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
<b>Operating activities</b>	<b>經營活動</b>		
Profit/(loss) before taxation from continuing operations	來自持續經營業務之除稅前溢利／(虧損)	47,749	(39,630)
Profit before taxation from discontinued operation	來自已終止經營業務之除稅前溢利	1,632	3,919
Profit/(loss) before taxation	除稅前溢利／(虧損)	49,381	(35,711)
Adjustments for :	就下列項目作出調整：		
Amortisation of intangible assets	攤銷無形資產	3,605	—
Amortisation of prepaid lease payments	攤銷預付租金	498	72
Change in fair value of convertible notes	可換股票據公平值變動	19,797	117,800
Convertible notes issue expenses	可換股票據發行開支	13,122	10,140
Depreciation	折舊	17,257	7,285
Discount on acquisition of additional interests in subsidiaries	收購附屬公司額外權益折讓	(9,240)	—
Discount on acquisition of subsidiaries	收購附屬公司折讓	—	(2,812)
Impairment loss of goodwill	商譽減值虧損	91	—
Interest expenses	利息開支	16,771	2,907
Interest income	利息收入	(8,232)	(657)
Loss on disposal of available-for-sale investments	出售可供出售投資虧損	79	—
Loss on disposal of prepaid lease payments	出售預付租金虧損	303	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	13,758	27
Loss on disposal of subsidiaries	出售附屬公司虧損	10,143	5,519
Revaluation gain on investment properties	投資物業之重估收益	(455)	—
Share of results of associates	佔聯營公司業績	(25,299)	(652)
Equity-settled share-based payment expenses	以股權結算以股份為基準付款開支	5,677	9,307
Write back of provision for scheme debts	撤銷計劃債務撥備	—	(1,047)
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	107,256	112,178
Increase in inventories	存貨增加	(3,881)	(1,866)
Decrease in trade and other receivables	貿易及其他應收款項減少	50,681	14,409
Decrease in trade and other payables	貿易及其他應付款項減少	(73,765)	(107,366)
Cash generated from operations	經營業務產生現金	80,291	17,355
PRC Enterprise Income Tax paid	繳付中國企業所得稅	(4,477)	(1,399)
Net cash generated from operating activities	經營活動產生現金淨額	75,814	15,956

# Consolidated Cash Flow Statement

## 綜合現金流量表

For the year ended 31 March 2007  
截至2007年3月31日止年度

	Notes 附註	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
<b>Investing activities</b> <b>投資活動</b>			
Acquisition of subsidiaries (net of cash and cash equivalents acquired)	34	(123,840)	(27,999)
Purchase of property, plant and equipment and investment properties		(127,041)	(15,146)
Investment in associates		(49,645)	(2,904)
Proceed from disposal of property, plant and equipment		44,902	—
Acquisition of additional interests in subsidiaries		(33,432)	(338)
Increase in amounts due from associates		(16,150)	—
Interest received		8,232	657
Acquisition of available-for-sale investments		(5,322)	—
Disposal of subsidiaries	33	2,521	21,267
Contribution from minority shareholders		2,214	—
Addition of prepaid lease payments		(1,947)	—
Proceed from disposal of prepaid lease payments		127	—
Proceed from disposal of available-for-sale investments		117	—
Deposit paid for investments		—	(18,391)
Net cash used in investing activities		(299,264)	(42,854)
<b>Financing activities</b> <b>融資活動</b>			
Issue of convertible notes		310,000	156,000
Repayment of bank borrowings		(187,320)	(36,641)
New bank borrowings raised		117,139	31,702
Share options conversion		50,068	10,540
Expenses incurred in connection with issue of convertible notes		(13,122)	(10,140)
Interest paid		(15,238)	(2,907)
Decrease in pledged bank deposits		—	130
Net cash generated from financing activities		261,527	148,684
Net increase in cash and cash equivalents		38,077	121,786
Cash and cash equivalents at beginning of the year		132,986	9,993
Effect of foreign currency rate changes		12,968	1,207
Cash and cash equivalents at the end of the year		184,031	132,986
Analysis of balances of cash and cash equivalents			
Bank balances and cash		184,031	132,986

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
截至2007年3月31日止年度

## 綜合財務報表附註

### 1. GENERAL INFORMATION

The Company was incorporated in Bermuda as an exempted company with limited liability. The shares of the Company are listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office and principal place of business of the Company are disclosed in the section headed “Corporate Information” of the Annual Report.

The Company acts as an investment holding company. Details of the principal subsidiaries are set out in note 43 to the consolidated financial statements.

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current year, the Company and its subsidiaries (collectively referred to as the “Group”) has adopted all of the new and revised standards, amendments and interpretations (“new HKFRSs”) issued by Hong Kong Institute of Certified Public Accountants (the “HKICPA”) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 December 2005, 1 January 2006 or 1 March 2006. The adoption of these new and revised standards and interpretations has no material effect on how the results for the current or prior accounting year have been prepared and presented. Accordingly, no prior year adjustment has been required.

The Group has not early adopted the following standards or interpretations that have been issued but are not yet effective. The Group has commenced considering the potential impact of these new HKFRSs but is not yet in a position to determine whether these new HKFRSs would have a significant impact on how its results of operations and financial position are prepared and presented. These new HKFRSs may result in changes in the future as to how the results and financial position are prepared and presented.

### 1. 一般資料

本公司於百慕達註冊成立為獲豁免有限公司。本公司之股份於香港聯合交易所有限公司（「聯交所」）上市。本公司註冊辦事處及主要營業地點之地址於本年報之「公司資料」一節內披露。

本公司為一間投資控股公司，其主要附屬公司業務詳情載列於綜合財務報表附註43。

### 2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）

於本年度，本集團已採納所有與其業務相關由香港會計師公會（「香港會計師公會」）新頒佈於2005年12月1日、2006年1月1日或2006年3月1日或之後起之年度報告期間生效之新訂及經修訂準則條訂本及詮釋（「新香港財務報告準則」）。採納新訂及經修訂準則及詮釋對本年度或過往會計年度業績之編製及呈列方式概無重大影響。因此，毋須作出過往年度調整。

本集團並無提早採納以下已頒佈惟尚未生效之準則及詮釋。本集團已開始但仍在評估該等新香港財務報告準則對集團之盈運成果及財務狀況是否有重大影響。該等新香港財務報告準則可能對集團未來業績之編製及呈列方式產生影響。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
截至2007年3月31日止年度

### 2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

Hong Kong Accounting Standard (“HKAS”) 1 (Amendment)	Capital disclosures <sup>1</sup>
HKAS 23 (Revised)	Borrowing costs <sup>6</sup>
HKFRS 7	Financial instruments: disclosures <sup>1</sup>
HKFRS 8	Operating Segments <sup>6</sup>
HK(IFRIC) — Interpretation (“Int”) 8	Scope of HKFRS 2 <sup>2</sup>
HK(IFRIC) — Int 9	Reassessment of embedded derivatives <sup>3</sup>
HK(IFRIC) — Int 10	Interim Financial Reporting and Impairment <sup>4</sup>
HK(IFRIC) — Int 11	HKFRS 2 — Group and Treasury Share Transactions <sup>5</sup>
HK(IFRIC) — Int 12	Service Concession Arrangement <sup>7</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2007.

<sup>2</sup> Effective for annual periods beginning on or after 1 May 2006.

<sup>3</sup> Effective for annual periods beginning on or after 1 June 2006.

<sup>4</sup> Effective for annual periods beginning on or after 1 November 2006.

<sup>5</sup> Effective for annual periods beginning on or after 1 March 2007.

<sup>6</sup> Effective for annual periods beginning on or after 1 January 2009.

<sup>7</sup> Effective for annual periods beginning on or after 1 January 2008.

### 2. 採納新訂及經修訂香港財務報告準則（「香港財務報告準則」）（續）

香港會計準則（「香港會計準則」）第1號（經修訂）	資本披露 <sup>1</sup>
香港會計準則第23號（經修訂）	借貸成本 <sup>6</sup>
香港財務報告準則第7號	金融工具：披露 <sup>1</sup>
香港財務報告準則第8號	營運分部 <sup>6</sup>
香港（國際財務報告詮釋委員會）— 詮釋（「詮釋」）第8號	香港財務報告準則第2號之範圍 <sup>2</sup>
香港（國際財務報告詮釋委員會）— 詮釋第9號	重估內嵌式衍生工具 <sup>3</sup>
香港（國際財務報告詮釋委員會）— 詮釋第10號	中期財務報告及減值 <sup>4</sup>
香港（國際財務報告準則詮釋委員會）— 詮釋第11號	香港財務報告準則第2號 — 集團及庫存股份交易 <sup>5</sup>
香港（國際財務報告詮釋委員會）— 詮釋第12號	服務經營權安排 <sup>7</sup>

<sup>1</sup> 於2007年1月1日或之後開始的年度期間生效。

<sup>2</sup> 於2006年5月1日或之後開始的年度期間生效。

<sup>3</sup> 於2006年6月1日或之後開始的年度期間生效。

<sup>4</sup> 於2006年11月1日或之後開始的年度期間生效。

<sup>5</sup> 於2007年3月1日或之後開始的年度期間生效。

<sup>6</sup> 於2009年1月1日或之後開始的年度期間生效。

<sup>7</sup> 於2008年1月1日或之後開始的年度期間生效。

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
截至2007年3月31日止年度

# 綜合財務報表附註

## 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 3A Basis of preparation of the consolidated financial statements

After reviewing the Group's and Company's budget for 2007/2008 and taking into consideration the cash inflow from the issue of shares upon exercise of share options in April 2007 and other long term plans, the directors consider that adequate resources exist for the Group to continue in operational existence for the foreseeable future and are satisfied that, at the time of approving the consolidated financial statements, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

These consolidated financial statements have been prepared in accordance with HKFRSs, which collective term includes all applicable individual Hong Kong Financial Reporting Standards, HKAS and interpretations issued by the HKICPA, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. The measurement basis used in the preparation of the consolidated financial statements is the historical cost basis except for the investment properties and certain financial instruments, which are stated at their fair value as explained in the accounting policies set out below.

The consolidated financial statements are presented in Hong Kong dollars while the functional currency is Renminbi. The reason for selecting Hong Kong dollars as its presentation currency is because the Company is a public company with the shares listed on the Stock Exchange where most of its investors are located.

## 3. 編製基準及主要會計政策摘要

### 3A 綜合財務報告編制基準

經審閱本集團及本公司2007/2008年預算及2007年4月行使購股權而發行股份所產生之現金流入及其他長期計劃後，董事認為本集團有充足資源在可預見將來繼續營運，並信納於批准綜合財務報表時，以持續經營原則編製財務報表屬合適。

本綜合財務報表乃按照香港會計師公會頒佈之香港財務報告準則(此統稱已包括所有適用之個別香港財務報告準則、香港會計準則及詮釋)、香港公認的會計原則以及香港公司條例的披露規定而編製。此外，本綜合財務報表亦符合聯交所證券上市規則之適用披露規定。除投資物業及部分金融工具均如下列會計政策所述以公平值列賬外，本財務報表以歷史成本法為編製時之計量基準。

綜合財務報表乃以港幣呈列，而功能貨幣則為人民幣。選擇以港幣作為呈列貨幣之理由，為本公司乃一家公眾公司，其股份於聯交所上市，而其大部份投資者均位於香港。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies

##### Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. 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. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests in the net assets consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an additional investment to cover the losses.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策

##### 綜合賬目基準

綜合財務報表包括本公司及本公司所控制之實體(其附屬公司)之財務報表。本公司有權力監督一間實體之財務及經營政策以從其業務中取得利益，則對其具有控制權。於年內收購或出售之附屬公司業績分別由收購生效日期起或截至出售生效日期止(如適用)計入綜合收益表內。如有需要，將對附屬公司之財務報表進行調整，以使其會計政策與本集團旗下其他成員公司所使用者一致。所有集團內公司間之交易、結餘、收入及開支已於綜合賬目內對銷。

被合併之附屬公司淨資產內之少數股東權益會於本集團之權益中單獨呈列。於資產淨值中之少數股東權益包括於原來業務合併當日之應佔權益金額以及自合併日起少數股東所佔之權益變動額。歸屬於少數股東權益的虧損，如超過其在附屬公司之應佔權益，除非該等少數股東有具有約束力之責任及能夠增加投資以彌補有關損失，否則有關超出之虧損額會由本集團承擔。



### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Business combination

The acquisition of subsidiaries is accounted for using purchase method. The cost of acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 "Business Combinations" are recognised at their fair values at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 "Non-Current Assets Held for Sale and Discontinued Operations", which are recognised and measured at fair value less costs to sell.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities, and contingent liabilities exceeds the cost of the business combination, the excess is recognised immediately in profit and loss.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities, and contingent liabilities recognised.

##### Investments in subsidiaries

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

### 3. 編製基準及主要會計政策摘要(續)

#### 3B 主要會計政策(續)

##### 業務合併

收購附屬公司使用收購法列賬。收購成本按本集團於交換日為交換被收購者的控制權而放棄的資產、產生或承擔的負債及發行的股本工具的公平值總額，另加業務合併產生的任何直接成本而計算。被收購者的可確認資產、負債及或然負債，若符合香港財務報告準則第3號「業務合併」的確認條件，則於收購日按其公平值確認。惟根據香港財務報告準則第5號「持作銷售及已終止業務的非流動資產」分類為持有作出售之非流動資產(或出售組合)，乃以公平價值減銷售成本確認及計算。

因收購而產生的商譽，指業務合併成本超逾本集團已確認可識別資產、負債及或然負債公平淨值的差額，乃確認為資產並於首次按成本計量。倘經重新評估後，本集團應佔被收購者的可識別資產、負債及或然負債的公平淨值的權益超逾業務合併成本，則超逾差額即時確認為損益。

被收購者的少數股東權益於最初時會按少數股東所佔的已確認資產、負債及或然負債的公平淨值比例計量。

##### 於附屬公司之投資

於附屬公司之投資按成本減任何已識別之減值虧損而於本公司之資產負債表中列賬。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Investments in associates

The results and assets and liabilities of the associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investment in an associate is carried in the consolidated balance sheet at cost as adjusted for post-acquisition changes in the Group's share of the profit or loss and of changes in equity of the associate, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 聯營公司投資

聯營公司之業績、資產及負債按權益法計入綜合財務報表內。按照權益法，聯營公司之投資是按成本及於收購後本集團應佔損益和權益之變動扣除任何經確認減值虧損列於綜合資產負債表內。倘本集團所佔聯營公司之虧損等於或超越本集團於聯營公司應佔之權益(包括會構成本集團對聯營公司淨投資之任何長期權益)，本集團應停止確認應佔之進一步虧損。額外應佔虧損之撥備及負債之確認只限於本集團須承擔法律或推定責任或代聯營公司付款下才作出。

任何收購成本超出本集團攤分聯營公司之可識別資產、負債及或然負債之公平淨值，則於收購當日將差額以商譽列賬。該商譽將列入投資之賬面值，並作為投資之一部分進行減值評估。

本集團佔可識別資產、負債及或然負債公平淨值超過收購成本之部份，於重新評核後即時於損益內確認。

當集團實體與本集團之聯營公司進行交易，溢利及虧損以本集團於有關聯營公司之權益為限對銷。

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
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# 綜合財務報表附註

## 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3B Significant accounting policies (Continued)

#### Goodwill

##### *Goodwill arising on acquisitions prior to 1 April 2005*

Goodwill arising on an acquisition of a subsidiary for which the agreement date is before 1 April 2005 represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of the relevant subsidiary at the date of acquisition.

For previously capitalised goodwill arising on acquisitions prior to 1 April 2005, the Group has discontinued amortisation from 1 April 2005 onwards, and such goodwill is tested for impairment annually, and whenever there is an indication that the cash generating unit to which the goodwill relates may be impaired (see the accounting policy below).

##### *Goodwill arising on acquisitions on or after 1 April 2005*

Goodwill arising on an acquisition of a subsidiary represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary or associate recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses.

Capitalised goodwill arising on an acquisition of subsidiaries is presented separately in the consolidated balance sheet.

## 3. 編製基準及主要會計政策摘要 (續)

### 3B 主要會計政策 (續)

#### 商譽

##### *於2005年4月1日前收購產生之商譽*

協議日期為2005年4月1日前收購附屬公司產生之商譽指於收購當日收購成本超逾本集團於收購當日在有關附屬公司可識別資產及負債公平值之權益之差額。

就於2005年4月1日前因收購而產生於先前撥充資本之商譽而言，本集團已由2005年4月1日起終止攤銷，而有關商譽會每年及於有跡象顯示商譽所屬現金產生單位出現減值時進行測試(見下列會計政策)。

##### *於2005年4月1日或之後收購產生之商譽*

協議日期為2005年4月1日或之後收購附屬公司產生之商譽指於收購當日收購成本超逾本集團於收購當日在有關附屬公司及聯營公司可識別資產、負債及或然負債公平淨值之權益之差額。商譽會初步按成本確認為資產，其後並按成本減任何累計減值虧損列賬。

因收購附屬公司而產生之撥充資本之商譽乃於綜合資產負債表單獨呈列。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Goodwill (Continued)

##### **Goodwill arising on acquisitions on or after 1 April 2005 (Continued)**

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. Cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill have been allocated is tested for impairment before the end of that financial year. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised are included in the determination of the amounts of profit or loss on disposal.

##### **Excess of an acquirer's interest in the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over cost ("discount on acquisition")**

A discount on acquisition arising on an acquisition of a subsidiary or an associate for which an agreement date is on or after 1 April 2005 represents the excess of the net fair value of an acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination. Discount on acquisition is recognised immediately in profit or loss. A discount on acquisition arising on an acquisition of an associate (which is accounted for using the equity method) is included as income in the determination of the investor's share of results of the associates in the period in which the investment is acquired.

### 3. 編製基準及主要會計政策摘要(續)

#### 3B 主要會計政策(續)

##### 商譽(續)

##### **於2005年4月1日或之後收購產生之商譽(續)**

就測試有否減值而言，因收購而產生之商譽乃分配予預計可從收購之協同效益受惠之各有關現金產生單位(或各組現金產生單位)。獲分配商譽之現金產生單位每年及每當有跡象顯示該單位出現減值時測試有否減值。就於任何財政年度內進行收購所產生之商譽而言，獲分配商譽之現金產生單位須於該財政年度結束前測試有否減值。當現金產生單位之可收回數額少於該單位之賬面值，將分配減值虧損以首先減低任何分配予該單位之商譽之賬面值，然後根據該單位各資產之賬面值按比例地減低分配予該單位之其他資產。商譽之任何減值虧損直接於綜合收益表確認。商譽之減值虧損於確認後不會在隨後之期間撥回。

隨後出售附屬公司時，已資本化之應佔商譽金額計入以釐定出售之損益金額。

##### **收購公司所佔被收購公司可識別資產、負債及或然負債的公平淨值權益高出成本值的剩餘價值(「收購折讓」)**

收購附屬公司(其協議日期為2005年4月1日或以後)產生的收購折讓，即被收購公司可識別資產、負債及或然負債的公平淨值高出業務合併成本值的剩餘價值。收購折讓即時於損益內確認。收購聯營公司(而該聯營公司以權益法入賬)產生的收購折讓會包括在收購當期投資者分佔聯營公司業績所確定的溢利中。

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
截至2007年3月31日止年度

## 綜合財務報表附註

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Property, plant and equipment

Property, plant and equipment other than construction in progress are stated at cost less accumulated depreciation and any identified impairment losses.

The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the consolidated income statement in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life.

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at each balance sheet date.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 物業、廠房及設備

物業、廠房及設備(在建工程除外)按成本值減累計折舊及任何可識別減值虧損列賬。

資產成本包括其購入價及將該資產達至其預定用途之營運狀態及工作地點涉及之任何直接應佔成本。物業、廠房及設備項目運作後產生之開支，包括維修及保養，一般在其產生之期間在綜合收益表中扣除。倘若可清楚顯示有關開支導致使用該項物業、廠房及設備預計可取得之未來經濟效益有所增加，且該項目之成本可以可靠計量，則有關開支予以資本化，作為該資產之額外成本或重置。

折舊以直線法於其預計可使用年期限內，將各物業、廠房及設備項目之成本撇銷至其剩餘價值。

當一項物業、廠房及設備之各部份有著不同之可使用年期，該項目之成本將按合理之基準分配至多個部分，而各部分將作個別折舊。剩餘價值、可使用年期及折舊方法將於各結算日審閱，並於適當時作出調整。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Property, plant and equipment (Continued)

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the consolidated income statement in the year the asset is derecognised is the difference between the net sale proceeds and the carrying amount of the relevant asset.

Construction in progress represents pipelines, plant and machinery and other fixed assets under construction, which is stated at cost less any impairment losses, and is not depreciated. Cost comprises direct cost of construction and capitalised borrowing costs on related borrowed funds during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

##### Investment properties

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit and loss for the period in which they arise.

##### Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are identified and recognised separately from goodwill where they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 物業、廠房及設備 (續)

當一項物業、廠房及設備被出售或不能因使用或出售而帶來未來經濟收益時，將終止確認其價值。出售或報廢所產生之任何損益按有關資產之出售所得款項淨額與賬面值之差額於終止確認資產當年在綜合收益表中確認。

在建工程指興建中之管道、廠房及機器及其他固定資產，按成本扣除任何減值虧損列賬，且不予折舊。成本包括建築直接開支及建築期內借貸基金相關之資本化借貸成本。在建工程於竣工及投入使用時重新分類為物業、廠房及設備之適當類別。

##### 投資物業

於最初確認時，投資物業以成本計量，包括任何直接應佔開支。於最初確認後，投資物業使用公平值模式計量。投資物業公平值變動產生之收益或虧損於其產生期間計入損益。

##### 於業務合併所收購之無形資產

倘於業務合併所收購之無形資產符合無形資產之定義，且其公平值能可靠衡量，則會與商譽分開識別及確認。該等無形資產之成本為於收購日之公平值。

## 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 3B Significant accounting policies (Continued)

#### Intangible assets acquired in a business combination (Continued)

Subsequent to initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

Intangible assets with finite useful lives are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment losses below).

#### Leases

Leases are classified as finance leases whenever the terms of the leases transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

#### *The Group as lessor*

Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

#### *The Group as lessee*

Rentals applicable to operating leases net of any incentives received from the leasing company are charged to the consolidated income statement on straight-line basis over the lease term.

Prepaid land lease premium under operating leases are up-front payments to acquire long-term interests in lessee-occupied properties. Prepaid land lease premium are stated at cost less accumulated amortisation and any impairment and are amortised over the remaining lease terms on a straight-line basis to the consolidated income statement.

## 3. 編製基準及主要會計政策摘要 (續)

### 3B 主要會計政策 (續)

#### 於業務合併所收購之無形資產 (續)

於首次確認後，具有有限可使用年期之無形資產，按成本減累計攤銷及任何累計減值虧損。有限可使用年期之無形資產攤銷乃按直線基準於其估計可使用年期撥備。

具有有限可使用年期之無形資產於有跡象顯示資產已減值時進行減值測試(請參閱下文有關減值虧損之會計政策)。

#### 租賃

根據租賃條款將擁有權之大部份風險及回報歸於承租人之租賃列為融資租賃。所有其他租賃均列作經營租賃。

#### *本集團作為出租人*

根據經營租賃之租金收入按相關租賃期以直線法計。商議及安排經營租賃之最初直接成本計入租賃資產之賬面值，並於租約期內以直線法基準確認。

#### *本集團作為承租人*

適用於經營租約的租金在扣除來自出租公司之任何優惠後，以直線法基準確認入綜合收益表中。

於經營租約下之預付土地租賃費用為收購承租人佔用物業長期權益之初期付款。預付土地租賃費用乃按成本減累計攤銷及任何減值入賬，及於剩餘租約年期按直線基準攤銷於綜合收益表中。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Impairment losses

At each balance sheet date, the Group reviews the carrying amounts of its tangible and intangible assets (other than goodwill which is disclosed 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. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so 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.

##### Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method. Net realisable value is based on estimated selling prices in the ordinary course of business less estimated costs to completion and the estimated costs necessary to make the sale.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 減值虧損

本集團會於每年結算日檢討有形及無形資產之賬面值(不包括上載所披露之商譽),以釐定該等資產有否出現減值虧損之跡象。倘估計資產之可收回數額降至低於其賬面值,則該資產之賬面值將調減至可收回數額之水平。減值虧損會即時確認為開支。

倘減值虧損其後撥回,則資產之賬面值調升至可收回數額之經修訂估計值。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。

##### 存貨

存貨乃按成本值及可變現淨值之較低者列賬。成本值按先入先出法計算。可變現淨值以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計算。



### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Financial instruments

Financial assets and financial liabilities are recognised on the consolidated balance sheet when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit and loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

##### Financial assets

The Group's financial assets are mainly loans and receivables and available-for-sale investments. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation of convention in the marketplace. The accounting policies adopted are set out as below.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 金融工具

當集團實體成為工具合約條文之一方，金融資產及金融負債於綜合資產負債表內確認。金融資產及金融負債初步按公平值計算。收購或發行金融資產及金融負債直接應佔之交易成本(按公平值計入損益之金融資產及金融負債除外)乃於首次確認時加入金融資產或金融負債之公平值，或從金融資產或金融負債之公平值扣除。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本，即時於損益內確認。

##### 金融資產

本集團之金融資產主要為貸款及應收款項及可供出售投資。所有正常購買或銷售之金融資產，按交易日之基準確認及不予確認。正常購買或銷售之金融資產是指按照市場規條或慣例須在一段期限內進行資產交付之金融資產買賣。採納之會計政策載於下文。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### *Financial assets (Continued)*

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. At each balance sheet date subsequent to initial recognition, loans and receivables (including trade and bill receivables, deposits and other receivables, amounts due from associates and bank balances) are carried at amortised cost using the effective interest method, less any identified impairment losses. Impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent years when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 金融工具 (續)

##### 金融資產 (續)

##### 貸款及應收款項

貸款及應收款項為不於交投活躍之市場內報價而附帶固定或可議定付款之非衍生金融資產。於首次確認後之每個結算日，貸款及應收款項（包括應收貿易款項及票據、按金及其他應收款項、應收聯營公司款項及銀行結餘）使用實際利率法按攤銷成本減任何可識別之減值虧損列賬。當有客觀證據顯示資產已減值，則於損益內確認減值虧損，並以資產之賬面值與按原實際利率折讓其估計未來現金流量之現值兩者之差額計量。當於確認減值後發生一項事件可以客觀地與資產可收回款項增加有關，減值虧損於其後年度撥回，惟受限於該減值撥回日期之資產賬面值為限，不得超過該項資產原未確認減值之已攤銷成本。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### *Financial assets (Continued)*

##### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated or not classified as financial assets at fair value through profit or loss, loans and receivables or held-to-maturity investments. At each balance sheet date subsequent to initial recognition, available-for-sale financial assets are measured at fair value. Changes in fair value are recognised in equity, until the financial asset is disposed of or is determined to be impaired, at which time, the cumulative gain or loss previously recognised in equity is removed from equity and recognised in profit or loss. Any impairment losses on available-for-sale financial assets are recognised in profit or loss. Impairment losses on available-for-sale equity investments will not reverse through profit or loss in subsequent periods. For available-for-sale debt investments, impairment losses are subsequently reversed if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

For available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments, they are measured at cost less any identified impairment losses at each balance sheet date subsequent to initial recognition. An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired. The amount of the impairment loss is measured as the difference between the carrying amount of the asset and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses will not reverse in subsequent periods.

### 3. 編製基準及主要會計政策摘要(續)

#### 3B 主要會計政策(續)

##### 金融工具(續)

##### 金融資產(續)

##### 可供出售金融資產

可供出售金融資產為非衍生項目，無論是否已被指定或未被分類為按公平值計入損益的金融資產的貸款及應收款項或持至到期投資。於首次確認後之各結算日，可供出售金融資產會按公平值計算。公平值的變動會於股本權益中確認，直至該金融資產被出售或決定被減值，屆時，過往於股本權益中獲確認的累計損益會自股本權益中剔除，並於損益內確認。可供出售金融資產的任何減值虧損會於損益內確認。可作出售的股本投資的減值虧損將不會於以後期間在損益中撥回。而可供出售的債券投資，倘可實質證明該投資的公平價值盈餘乃於減值虧損被確認以後出現，其減值虧損則可在以後撥回。

對於在活躍的市場上沒有市場報價且其公平值不能可靠計量的可供出售股本投資，以及與該等無報價的股本工具相聯繫、且須通過交付該等股本工具進行結算的衍生工具，首次確認後在每個結算日，以成本減任何已識別減值虧損計量。當存在客觀證據表明資產已發生減值，減值虧損會在損益中確認。減值虧損的金額按資產的賬面值與以類似金融資產的當時市場回報率對預期未來現金流量進行貼現後的現值兩者的間的差額計量。有關減值虧損不會在其後期間撥回。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### *Financial liabilities and equity instruments*

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are mainly other financial liabilities. The accounting policies adopted for financial liabilities and equity instruments are set out below.

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss has two subcategories, including financial liabilities held for trading and those designated at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

##### *Other financial liabilities*

Other financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

##### *Equity instruments*

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 金融工具 (續)

##### *金融負債及股權工具*

集團實體發行的金融負債及股權工具乃根據合同安排的性質與金融負債及股權工具的定義分類。

股權工具乃證明本集團於扣減所有負債後的資產中擁有剩餘權益的任何合同。本集團的金融負債主要為其他金融負債。就金融負債及股權工具所採納的會計政策乃載於下文。

##### *按公平值計入損益的金融負債*

按公平值計入損益的金融負債分為兩類，包括所持至交易之金融負債及於首次確認時按公平值計入損益之金融負債。於首次確認後之各個結算日，透過損益按公平值計入損益之金融負債乃按公平值計量。公平值的變動會於變動產生期間直接在損益內確認。

##### *其他金融負債*

其他金融負債包括貿易及其他應付款項及銀行借款乃隨後採用實際利率法按已攤銷成本計量。

##### *股權工具*

本公司發行的股權工具乃按已收所得款項(扣除直接發行成本)記賬。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Financial instruments (Continued)

##### *Financial liabilities and equity instruments (Continued)*

##### *Convertible notes*

Convertible notes issued by the Company (including related embedded derivatives) are designated as financial liabilities at fair value through profit or loss on initial recognition. At each balance sheet date subsequent to initial recognition, the entire convertible notes are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

##### *Derecognition*

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised directly in equity is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 金融工具 (續)

##### 金融負債及股權工具 (續)

##### 可換股票據

於最初確認時，本公司發行之可換股票據（包括相關嵌入式衍生工具）指定為按公平值計入賬損益之金融負債。於最初確認後之每個結算日，所有可換股票據均以公平值計量，公平值之變動於其產生期間直接於損益內確認。

##### 取消確認

若從資產收取現金流量之權利已到期，或金融資產已轉讓及本集團已將其於金融資產擁有權之絕大部份風險及回報轉移，則金融資產將被取消確認。於取消確認金融資產時，資產賬面值與已收及應收代價及已直接於權益確認之累計損益之總和之差額，將於損益中確認。

當有關合約之特定責任獲解除、取消或到期，金融負債則取消確認。取消確認之金融負債賬面值與已付及應付代價之差額乃於損益中確認。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B 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. The Group's liability for current tax is recognised using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts 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 profit 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.

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.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 稅項

所得稅開支指現行應付稅項及遞延稅項之總和。

現行應付稅項根據本年度之應課稅溢利計算。由於應課稅溢利不包括其他年度應課稅或可扣稅之收入或開支項目，亦不包括毋須課稅或不可扣減之收益表項目，故有別於收益表所呈報之溢利淨額。本集團當期稅務負債使用於結算日已頒佈或實質頒佈之稅率確認。

遞延稅項乃就財務報表內資產及負債之賬面值與計算應課稅溢利時使用之相應稅基之差額而預期應付或可收回之稅項，乃以資產負債表負債法入賬。一般而言，所有應課稅暫時差額均確認遞延稅項負債，而僅於可能出現應課稅溢利以抵銷可扣稅暫時差額時，始確認遞延稅項資產。倘臨時差額因商譽（或負商譽），或初次確認（並非在業務合併之情況下）一項交易中之其他資產及負債而產生，惟對應課稅溢利或會計溢利概無影響，則不予確認該等資產及負債。

遞延稅項資產之賬面值乃於每個結算日檢討並減至再無足夠應課稅溢利可用以就收回之全部或部份資產作準備之數額。

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
截至2007年3月31日止年度

## 綜合財務報表附註

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited to the consolidated 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.

##### Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value if the effect is material.

##### Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services in the normal course of business, net of discounts and sales related taxes.

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

Gas connection revenue is recognised upon completion of pipeline construction which according to industry practice in the region coincides with the "fire ignition ceremony".

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial assets to the net carrying amount of that financial assets.

Rental income is recognised on a straight-line basis over the period of the relevant lease terms.

### 3. 編製基準及主要會計政策摘要(續)

#### 3B 主要會計政策(續)

##### 稅項(續)

遞延稅項按償還負債或變現資產期間預期適用之稅率計算。遞延稅項於綜合收益表中扣除或計入，惟倘與直接於權益扣除或計入權益之項目有關，則遞延稅項亦於權益中處理。

##### 撥備

本集團若因過往事件而有現存責任，並本集團可能將須履行該等責任，則會確認撥備。撥備乃按董事對於結算日履行該等責任所須之開銷之最佳估計值而釐定，倘影響深遠者則貼現至現值。

##### 收入確認

收入按已收或應收代價之公平價值計算，代表經扣除折扣及銷售相關稅項後於日常業務過程中之貨品及服務應收款項。

天然氣、液化石油氣及燃氣器具之銷售須於貨物送抵且物權轉移時確認。

燃氣接駁收入於完成建造管道時確認，此乃根據該地區之行業慣例與「點火儀式」一致。

利息收入，根據實際利率法按應計基準以可將金融資產預期期限的估計未來現金回報貼現為該金融資產賬面淨值的比率計算。

租金收入於相關租約期間內以直線法確認。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in equity in the consolidated financial statements. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity, in which cases, the exchange difference are also recognised directly in equity.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 外幣

於編製各個別集團實體之財務報表時，以該實體功能貨幣以外之貨幣（外幣）進行之交易均按交易日期之適用匯率換算為功能貨幣（即該實體經營所在主要經濟地區之貨幣）記賬。於各結算日，以外幣定值之貨幣項目均按結算日之適用匯率重新換算。按公平值以外幣定值之非貨幣項目乃按於公平值釐定當日之適用匯率重新換算。按外幣歷史成本計量之非貨幣項目毋須重新換算。

於結算及換算貨幣項目時產生之匯兌差額均於彼等產生期間內於損益中確認，惟倘貨幣性項目所產生之匯兌差異構成本公司於外國業務之淨投資之一部份則除外，在該情況下，該等匯兌差異會於綜合財務報表之權益內確認。以公平值入賬之非貨幣項目經重新換算後產生之匯兌差額於該期間列作損益，惟損益直接於股本權益確認之非貨幣項目之重新換算所產生之差額除外，在此情況下，有關匯兌差額會直接於股本權益確認。



### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Foreign currencies (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the rate of exchange prevailing at the balance sheet date, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised as a separate component of equity (the exchange reserve). Such exchange differences are recognised in profit or loss in the period in which the foreign operation is disposed of.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 April 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the balance sheet date. Exchange differences arising are recognised in the exchange reserve.

##### Government grants

Government grants are recognised as income over the periods necessary to match them with the related costs. Grant related to depreciable assets are presented as deferred income and are released to income over the useful lives of the assets.

##### Borrowing costs

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

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

##### Retirement benefits costs

Payments to state-managed retirement benefit schemes and the Mandatory Provident Fund Scheme are charged as expenses when employees have rendered service entitling them to the contributions.

### 3. 編製基準及主要會計政策摘要 (續)

#### 3B 主要會計政策 (續)

##### 外幣 (續)

就呈報綜合財務報表而言，本集團之境外業務資產及負債乃按結算日之適用匯率換算為本公司呈報貨幣（即港幣），相關收支則按年內平均匯率換算，惟倘期內匯率顯著波動，則會採用交易日期適用之匯率。所產生之匯兌差額（如有）乃確認為權益之獨立部份（匯兌儲備）。該項匯兌差額乃於出售境外業務之期間在損益確認。

於2005年4月1日或之後，於收購境外業務時產生之有關所收購可識別資產之商譽及公平值調整乃作為該境外經營業務之資產及負債處理，並按結算日之適用匯率進行換算。產生之匯兌差額乃於匯兌儲備內確認。

##### 政府津貼

政府津貼於所需與相關成本配合之期間確認為收入。與可予折舊資產相關之津貼以遞延收入呈列，並在資產之可使用年期轉撥至收入。

##### 借貸成本

直接因收購、建造或生產合資格資產而產生之借貸成本，乃撥充資本作為部份資產。當此等合資格資產大致上已可作其擬定用途或予以出售時，則該等借貸停止撥充資本。

所有其他借貸成本乃於產生期間確認為開支。

##### 退休福利成本

向中央公積金計劃及強制性公積金計劃所作供款是於僱員已提供服務使其有權獲得供款時列作開支。

### 3. BASIS OF PREPARATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 3B Significant accounting policies (Continued)

##### Equity-settled share-based payment transactions

##### *Share options granted to employees*

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period with a corresponding increase in equity (“Employee share-based compensation reserve”).

At each balance sheet date, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to Employee share-based compensation reserve.

At the time when the share options are exercised, the amount previously recognised in Employee share-based compensation reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in Employee share-based compensation reserve will be transferred to retained profits.

### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgments, estimates and assumption that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other source. Actual results may differ from these estimates.

### 3. 編製基準及主要會計政策摘要(續)

#### 3B 主要會計政策(續)

##### 以股權結算股份為基礎之付款交易

##### *向本集團僱員批授購股權*

參考所授出購股權於授出日期公平值而釐定之應收服務公平值，按歸屬期以直線基準列支，股本（「以股份支付之僱員酬金儲備」）則相應增加。

集團於每個結算日修訂其對預期最終授予的購股權之估計數字。若修訂對原來的估計數字產生任何影響，概於歸屬期的餘下時間內在損益內處理，並於以股份支付之僱員酬金儲備作相應調整。

當購股權獲行使時，早前於以股份支付之僱員酬金儲備確認之數額將轉撥至股份溢價。倘購股權於歸屬日期後被收回或於屆滿日期尚未行使，早前於以股份支付之僱員酬金儲備確認之數額將轉撥至保留盈利。

### 4. 估計不確定性之主要來源

於編製符合香港財務報告準則之綜合財務報表時，管理層須作出判斷、估計及假設，有關判斷、估計及假設影響政策應用及資產、負債、收入及開支之申報金額。管理層根據過往經驗，以及於特定情況下彼等認為合理之其他因素作出估計及相關之假設，所得結果構成管理層就目前未能從其他來源而得出之資產及負債之賬面值所作出賬面值判斷之基準。實際數字或會有別於估計數字。

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in below.

### Estimated impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 March 2007, the carrying amount of goodwill is approximately HK\$225,050,000. No impairment loss has been recognised as, in the opinion of the management, the relevant projects of the Group will have sufficient cash flows generated from gas pipeline connection and supply of gas. Details of the recoverable amount calculation are disclosed in note 19.

### Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual value. The Group assesses annually the residual value and the useful life of the property, plant and equipment and if the expectation differs from the original estimates, such differences from the original estimates will impact the depreciation charges in the year in which the estimates change.

## 4. 估計不確定性之主要來源 (續)

本公司按持續基準就所作估計及相關假設作出檢討。倘會計估計數字之修訂僅會影響修訂估計數字之期間，則有關會計估計數字之修訂將於該期間內確認，或倘該項會計估計數字之修訂影響現時及未來期間，則有關會計估計數字之修訂將於修訂期間及未來期間確認。管理層在應用香港財務報告準則時所作出並對財務報表有重大影響之判斷，以及作出極可能在下年度構成重大調整風險之估計，乃於下文討論。

### 商譽之估計減值

釐定商譽是否減值須對獲分派商譽之賺取現金單位之使用價值作出估計。使用價值計算要求本集團估計預期產生自賺取現金單位之日後現金流量及合適之貼現率以計算現值。倘日後現金流量之實際金額少於預期金額，則可能產生重大減值。截至2007年3月31日，商譽之賬面值約為港幣225,050,000元。由於管理層認為本集團將可自燃氣管道接駁費及天然氣銷售取得充足現金流量，故未有確認任何減值虧損。可收回金額計算方法之詳情於附註19披露。

### 物業、廠房及設備之折舊

物業、廠房及設備之折舊乃按其估計可使用年期，並參考其估計剩餘價值以直線法計算。本集團每年評估物業、廠房及設備之剩餘價值及可使用年期，而倘若預期與原來之估計有差異時，該差異可能影響估計變動之年度內之折舊。

#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Estimated impairment of assets (other than goodwill)

At each balance sheet date, the Group reviews internal and external sources of information to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment;
- intangible assets; and
- investments in subsidiaries and associates

If any such indication exists, the asset's recoverable amount is estimated. In addition, for intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment. An impairment loss is recognised in the consolidated income statement whenever the carrying amount of an asset exceeds its recoverable amounts.

The sources utilised to identify indications of impairment are often subjective in nature and the Group is required to use judgment in applying such information to its business. The Group's interpretation of this information has a direct impact on whether an impairment assessment is performed as at any given balance sheet date.

#### 4. 估計不確定性之主要來源 (續)

##### 估計資產(商譽除外)減值

於各結算日，本集團會審閱內部及外來資料以識別下列資產可能減值或(除商譽外)先前已確認之減值虧損不再存在或可能已經減少之跡象：

- 物業、機器及設備；
- 無形資產；及
- 於附屬公司及聯營公司之投資

倘有任何該等跡象存在，資產之可收回金額會被評估。此外，就未可供使用之無形資產及具有無限期可使用年期之無形資產而言，其可收回金額會每年進行評估(無論是否存在任何減值跡象)。當資產之賬面值超過其可收回金額時，減值虧損會在綜合利潤表內確認。

用以識別減值跡象之有關資料通常具有主觀性質，故本集團就其業務採用有關資料時須作出判斷。本集團對此等資料之詮釋會直接影響是否於任何指定結算日進行減值評估。

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

### Estimated impairment of assets (other than goodwill) (Continued)

If an indication of impairment is identified, such information is further subject to an exercise that requires the Group to estimate the recoverable value, representing the greater of the asset's fair value less cost to sell or its value in use. Depending on the Group's assessment of the overall materiality of the asset under review and complexity of deriving reasonable estimates of the recoverable value, the Group would perform such assessment utilising internal resources and engage external advisors to counsel the Group in making this assessment. Regardless of the resources utilised, the Group is required to make many assumptions to make this assessment, including the utilisation of such asset, the cash flows to be generated, appropriate market discount rates and the projected market and regulatory conditions. Changes in any of these assumptions could result in a material change to future estimates of the recoverable value of any asset.

### Allowances for bad and doubtful debts

The policy for allowance of bad and doubtful debts of the Group is based on the evaluation of collectibility and aging analysis of accounts and on management's judgment. A considerable amount of judgment is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

## 4. 估計不確定性之主要來源 (續)

### 估計資產(商譽除外)減值(續)

倘確定出現減值跡象，本集團進一步處理有關資料時須估計資產之可收回價值，即資產之公平值減出售成本或使用價值兩者之較高值。視乎本集團對檢討資產之整體重要性之評估及合理估算可收回價值之複雜性，本集團可能會利用內部資源進行有關評估或委聘外部顧問以於評估時向本集團提供意見。無論利用何種資源，本集團於評估時均須作出眾多假設，包括有關資產之使用情況、產生之現金流量、適當市場貼現率及預計市場及規管情況。該等假設如出現任何變動，可能會導致日後對任何資產可收回價值之估算出現重大變動。

### 呆壞賬撥備

有關本集團呆壞賬撥備之政策乃根據對賬目作出可收回程度及賬齡分析及根據管理層判斷進行評估後釐定。管理層需要就評估該等應收款項之最終變現款額(包括目前之信用程度及每名客戶之過往還款歷)作出大量判斷。倘本集團客戶之財務狀況惡化，導致其還款能力受到影響，則可能需要增加撥備。

#### 4. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

##### Income taxes

As at 31 March 2007, the Group has unused tax losses of approximately HK\$35,456,000 available for offset against future profits. No deferred tax asset in relation to unused tax losses has been recognised in the Group's consolidated balance sheet due to unpredictability of future profit streams. In cases where there are future profits generated to utilise the tax losses, a material deferred tax assets may arise, which would be recognised in the consolidated income statement for the period in which such future profits are recorded.

##### Share-based payment expenses

The share-based payment expense is subject to the limitations of the Black-Scholes option pricing model and the uncertainty in estimates used by management in the assumptions. The estimates include limited early exercise behaviour, expected interval and frequency of open exercise periods in the share option life, and other relevant parameters of the share option model.

##### Fair values of convertible notes

The fair values of the convertible notes were calculated using the Binomial model and the Monte Carlo Simulation Model. The models involve assumptions on the Company's credit spread, discount rate, expected credit rating and future cash flows. Should these assumptions change, there would be material changes to the valuation.

#### 4. 估計不確定性之主要來源 (續)

##### 所得稅

於2007年3月31日，本集團之未動用稅務虧損約為港幣35,456,000元，可用作抵銷未來溢利。由於未能估計未來的溢利，故並無就未動用稅務虧損於本集團之綜合資產負債表中確認遞延稅項資產。倘日後錄得可用於抵銷稅務虧損之溢利，屆時可能出現重大遞延稅項資產，並會於錄得上述未來溢利期內的綜合收益表確認。

##### 以股份為基準付款開支

以股份為基準付款開支受Black-Scholes期權定價模式限制及管理層於假設所使用估計之不確定性所影響。該等估計包括有限提早行使行為、購股權有效期內預期公開行使期間之間隔及次數，以及購股權模式之其他相關參數。

##### 可換股票據公平值

可換股票據換股選擇權成份之公平值乃使用二項模式及蒙特卡羅模擬模式計算。該等模式涉及本公司有關信貸息差、貼現率、預期信貸評級及未來現金流量所作之假設。假如此等假設改變，有關估值將出現重大變動。

## 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks which result from both its operating and investing activities. The Group does not have written risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate strategies to manage the Group's exposure to market risk. The Group's exposure to market risk is kept to a minimum. The Group has not used any derivative or other instruments for hedging purpose.

The Group's financial assets include trade and other receivables, bank balances and cash, trade and other payables, bank borrowings, convertible notes and bank overdrafts.

### Foreign currency risk

The Group has certain investments in operations in Mainland China, whose net assets are denominated in Renminbi. Renminbi is not a freely convertible currency in the international market and its exchange rate is determined by the People's Bank of China.

### Cash flow and interest rate risk

The Group's income and operating cash flows are substantially independent of changes in market interest rates as the Group has no significant interest-bearing assets. The Group's exposure to changes in interest rates is mainly attributable to its long-term borrowings. Borrowings at variable rates expose the Group to cash flow interest-rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk.

## 5. 財務風險管理目標及政策

本集團面臨自其經營及投資業務產生之各種金融風險。本集團並無書面風險管理政策及指引。然而，董事會定期開會分析及制定措施管理本集團所涉市場風險。本集團所涉市場風險維持於最低水平。本集團並無採用任何衍生工具或其他工具作對沖之用。

本集團財務資產包括貿易及其他應收款項、銀行結餘及現金、貿易及其他應付賬款、銀行借款、可換股票據及銀行透支。

### 外匯風險

本集團於中國內地有多項投資業務，其資產淨值乃以人民幣計值。人民幣在國際市場並非屬自由兌換貨幣，其兌換率乃由中國人民銀行釐定。

### 現金流量及利率風險

因本集團未持有重大附息資產，故本集團收入和經營活動產生之不受市場利率變動影響。本集團按浮動利率計息之借貸受現金流量利率風險影響，按固定利率計息的借貸受公平值利率風險影響。

本集團並無利用任何利率掉期對沖利率風險。

### 5. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

#### Credit risk

All the Group's cash and cash equivalents are deposited with major banks located in Hong Kong and the People's Republic of China (the "PRC").

The carrying amounts of trade receivables included in the consolidated balance sheet represent the Group's maximum exposure to credit risk in relation to its financial assets. No other financial assets carrying a significant exposure to credit risk. The Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

#### Fair value

The fair values of financial assets and financial liabilities reported in the balance sheets of the Group and the Company approximate their carrying amounts due to their immediate or short-term maturities. The fair value of non-current liabilities was not disclosed because the carrying value is not materially different from the fair values.

#### Liquidity risk

For the management of the Group's liquidity risk, the Group monitors and maintains a sufficient level of cash and cash equivalents considered adequate by management to finance the Group's operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors its working capital requirements regularly.

### 5. 財務風險管理目標及政策 (續)

#### 信用風險

本集團之所有現金及現金等值項目均存放於香港及中華人民共和國(「中國」)之主要銀行。

綜合資產負債表所列之貿易應收款項為本集團就其金融資產承擔之最高信用風險。概無其他金融資產附帶重大信用風險。本集團透過利用與一定數量之客戶及交易對手作風險利差，並無重大集中之信用風險。

#### 公平值

因即期或短期關係，呈列於本集團及本公司之金融資產及金融負債的公平值與賬面值相若。由於非流動負債之面值與公平值並無重大差異，故並無披露有關公平值。

#### 流動資金風險

於管理本集團流動資金風險時，本集團會監督及維持充足現金及等同現金項目處於管理層認為充足水平，以撥付本集團之營運及減低現金流量波動之影響。管理層定期回顧及監督其營運資金需要。



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## 綜合財務報表附註

### 6. TURNOVER

An analysis of the Group's turnover, for both continuing and discontinued operations, is as follows:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Continuing operations	持續經營業務		
Supply of gas	供應燃氣	344,582	85,539
Gas pipeline connection	接駁燃氣管道	178,222	129,271
Property holding and investment	物業持有及投資	89	1,727
		<b>522,893</b>	216,537
Discontinued operation	已終止業務		
Glass products	玻璃製品	9,613	24,070
		<b>532,506</b>	240,607

### 6. 營業額

本集團之營業額(包括持續經營及已終止業務)如下:

### 7. SEGMENT INFORMATION

Business segment information is chosen as the primary reporting format because this is more relevant to the Group in making operating and financial decisions.

No segment information by geographical segment is presented as over 90% (2006: over 90%) of the Group's sales are made in the PRC and over 90% (2006: over 90%) of the Group's assets are situated in the PRC.

For management purposes the Group is currently organised into two operating divisions:

- supply of gas and gas pipeline connection; and
- property holding and investment.

These divisions are the basis on which the Group reports its primary segment information.

### 7. 分類資料

由於業務分部資料與本集團訂立經營及財政決策較為相關，故被選為主要申報方式。

由於本集團逾90%(2006年:逾90%)之銷售於中國進行及本集團逾90%之資產(2006年:逾90%)均在中國，因此，不再按營業地區劃分分類資料。

為方便管理，本集團現分為兩個業務分部:

- 供應燃氣及接駁燃氣管道; 及
- 物業持有及投資。

本集團按此等分類報告其主要分類資料。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
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### 7. SEGMENT INFORMATION (Continued)

### 7. 分類資料(續)

An analysis of the Group's revenue and contribution by business segment during the year is as follows:

下表呈列本集團年內按業務分類之收入及貢獻：

		Continuing operations 持續業務				Discontinued operation 已終止業務				Consolidation 綜合	
		Supply of gas and gas pipeline connection 供應燃氣及 接駁燃氣管道		Property holding and investment 物業持有及投資		Total 合計		Glass Products 玻璃產品		2007	2006
		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Turnover	營業額	522,804	214,810	89	1,727	522,893	216,537	9,613	24,070	532,506	240,607
Segment results	分類業績	97,040	113,022	89	(3,889)	97,129	109,133	1,663	4,069	98,792	113,202
Unallocated other operating income	未分配其他 經營收入									10,634	8,694
Change in fair value of convertible notes	可換股票據 公平值 變動									(19,797)	(117,800)
Convertible notes issue expenses	可換股票據 發行開支									(13,122)	(10,140)
Loss on disposal of subsidiaries	出售附屬 公司虧損			(243)	—	(243)	—	(9,900)	—	(10,143)	(5,519)
Discount on acquisition of additional interests in subsidiaries	收購附屬 公司額外 權益之 折讓									9,240	—
Discount on acquisition of subsidiaries	收購附屬 公司權益 之折讓									—	2,806
Unallocated corporate expenses	未分配企業 開支									(34,751)	(24,699)
Finance costs	財務成本									(16,771)	(2,907)
Share of results of associates	應佔聯營 公司業績									25,299	652
Profit/(loss) before taxation	除稅前 溢利/(虧損)									49,381	(35,711)
Taxation	稅項									(15,917)	(19,400)
Profit/(loss) for the year	本年度 溢利/(虧損)									33,464	(55,111)

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## 綜合財務報表附註

### 7. SEGMENT INFORMATION (Continued)

### 7. 分類資料(續)

		Continuing operations 持續業務				Discontinued operation 已終止業務					
		Supply of gas and gas pipeline connection 供應燃氣及 接駁燃氣管道		Property holding and investment 物業持有及投資		Total 合計		Glass Products 玻璃產品		Consolidation 綜合	
		2007	2006	2007	2006	2007	2006	2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Segment assets	分類資產	1,013,487	310,363	7,237	6,984	1,020,724	317,347	—	25,807	1,020,724	343,154
Interests in associates	於聯營公司權益									84,138	3,564
Goodwill	商譽									225,050	44,725
Unallocated assets	未分配資產									106,951	104,825
Total assets	資產總額									1,436,863	496,268
Segment liabilities	分類負債	361,215	19,736	—	847	361,215	20,583	—	4,742	361,215	25,325
Convertible notes	可換股票據									410,974	133,788
Unallocated liabilities	未分配負債									95,120	59,967
										867,309	219,080
Depreciation	折舊	15,728	5,721	—	—	15,728	5,721	447	1,152	16,175	6,873
Unallocated amount	未分配數額									1,082	412
										17,257	7,285
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	13,712	27	—	—	13,712	27	—	—	13,712	27
Unallocated amount	未分配數額									46	—
										13,758	27
Amortisation of intangible assets	攤銷無形資產	3,605	—	—	—	3,605	—	—	—	3,605	—
Impairment loss of goodwill	商譽減值虧損									91	—
Revaluation gain on investment properties	投資物業重估收益	—	—	(455)	—	(455)	—	—	—	(455)	—
Capital expenditure	資本支出										
Property, plant and equipment, through acquisition of subsidiaries	透過收購附屬公司 之物業、廠房及設備	340,775	104,217	4,221	—	344,996	104,217	—	—	344,996	104,217
Unallocated amount	未分配數額									3,668	—
										348,664	104,217
Property, plant and equipment by the group itself	本集團本身於物業、 廠房及設備	110,781	9,029	2,561	—	113,342	9,029	3,559	2,247	116,901	11,276
Unallocated amount	未分配數額									19,615	3,870
										136,516	15,146
										485,180	119,363

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## 綜合財務報表附註

For the year ended 31 March 2007  
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### 8. OTHER OPERATING INCOME

### 8. 其他經營收入

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Sales of equipment	銷售設備	—	331
Bank and other interest income	銀行及其他利息收入	<b>8,228</b>	657
Compensation from supplier	供應商賠償	—	1,957
Subsidy income	補貼收入	<b>20</b>	48
Write-off of long-outstanding account payables	撇銷長期應付欠款	—	647
Surplus fund of scheme of arrangement (Note)	債務償還安排盈餘資金 (附註)	—	10,746
Exchange gain	兌匯收益	<b>4,777</b>	84
Revaluation gain on investment properties	投資物業之重估收益	<b>455</b>	—
Others	其他	<b>2,598</b>	97
		<b>16,078</b>	14,567
<b>Discontinued operation</b>	<b>已終止業務</b>		
Subsidy income	補貼收入	<b>1,103</b>	1,494
Bank and other interest income	銀行及其他利息收入	<b>4</b>	—
Others	其他	<b>1</b>	—
		<b>1,108</b>	1,494
<b>Total</b>	<b>總計</b>	<b>17,186</b>	16,061

Note : In prior years, the Company entered into a debt restructuring and share subscription agreement with Wonderland Development Limited, the former holding company of the Group. The scheme of arrangement was set up to repay the debt owing. In last year, this scheme had been finalised by the appointed administrator after all claims had been fully settled and therefore, the surplus funds were refunded to the Company.

附註：於過往年度，本公司與本集團前控股公司Wonderland Development Limited訂立債務重組及股份認購協議。該協議之設立乃用以償還所欠債務。去年，於所有索償獲償還後，委任管理人已完成此協議安排，因此，盈餘資金已退回本公司。

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## 綜合財務報表附註

### 9. STAFF COSTS

### 9. 員工成本

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Details of total staff costs, including directors' emoluments are as follows:	員工成本(包括董事酬金)總額 詳情如下：		
<b>Continuing operations</b>	<b>持續經營業務</b>		
Salaries, wages, allowances and benefits in kind	薪金、工資、津貼及實物利益	<b>33,803</b>	21,945
Retirement benefits scheme contributions	退休福利計劃供款	<b>1,730</b>	822
Share-based payment expense	以股份為基準付款開支	<b>5,677</b>	9,307
Total staff costs including directors' emoluments	員工成本總額(包括董事酬金)	<b>41,210</b>	32,074
<b>Discontinued operation</b>	<b>已終止業務</b>		
Salaries, wages, allowances and benefits in kind	薪金、工資、津貼及實物利益	<b>153</b>	417
Retirement benefits scheme contributions	退休福利計劃供款	<b>19</b>	57
		<b>172</b>	474
Total	總計	<b>41,382</b>	32,548

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
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### 10. FINANCE COSTS

### 10. 財務成本

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Interest on convertible notes	可換股票據之利息	6,277	1,063
Interest on bank loans and overdrafts	銀行貸款及透支利息		
— wholly repayable within five years	— 須於5年內悉數償還	18,275	1,799
Interest on other borrowing	其他借貸利息	—	45
		<b>24,552</b>	2,907
Less: amount capitalised in construction in progress (Note)	減：撥充在建工程成本之金額(附註)	<b>(7,781)</b>	—
		<b>16,771</b>	2,907
Attributable to:	以下應佔：		
Continuing operations	持續經營業務	16,740	2,805
Discontinued operation	已終止業務	31	102
		<b>16,771</b>	2,907

Note : Borrowing costs capitalised during the year arose on the specific borrowings.

附註：年內資本化之借貸成本來自特定借貸。

### 11. TAXATION

### 11. 稅項

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Current tax:	即期稅項：		
PRC Enterprise Income Tax	中國企業所得稅	20,180	19,400
Overprovision for prior years	過往年度超額撥備	(4,263)	—
		<b>15,917</b>	<b>19,400</b>
Attributable to:	以下應佔：		
Continuing operations	持續經營業務	15,208	17,950
Discontinued operation	已終止業務	709	1,450
		<b>15,917</b>	19,400

No provision for Hong Kong Profits tax has been made in the consolidated financial statements as the Group did not have any assessable profit in Hong Kong for both years.

由於本集團本年度及上年度均並無來自香港之應課稅溢利，故並未於綜合財務報表作出香港利得稅撥備。

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
截至2007年3月31日止年度

## 綜合財務報表附註

### 11. TAXATION (Continued)

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

Pursuant to the relevant law and regulations in the PRC, certain of the Company's PRC subsidiaries are entitled to exemption from PRC Enterprise Income Tax for two years commencing from their respective first profit-making year of operation and thereafter, they are entitled to a 50% relief from PRC Enterprise Income Tax for the following three years.

Certain of the Company's PRC subsidiaries are entitled to a preferential tax rate of 15% under the Western China Development policy.

Details of deferred tax liabilities are set out in note 28 to the consolidated financial statements.

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

### 11. 稅項 (續)

產生自其他司法權區之稅項按有關司法權區之現行稅率計算。

根據中國有關法律及規例，本公司若干中國附屬公司有權自經營首個獲利年度起獲豁免繳納中國企業所得稅兩年，而其後3年則有權獲豁免繳納50%中國企業所得稅。

本公司位於中國若干附屬公司根據中國西部開發政策有權享有15%的優惠所得稅率。

遞延稅項負債之詳情載於綜合財務報表附註28。

綜合收益表之溢利／(虧損)與本年度之稅項對賬如下：

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Profit/(loss) before taxation	除稅前溢利／(虧損)	<b>49,381</b>	(35,711)
Tax at the applicable rate of 33% (2006: 33%)	按適用稅率33%計算之稅項 (2006年：33%)	<b>16,296</b>	(11,785)
Tax effect of share of results of associates	分佔聯營公司業績之稅務影響	<b>(8,349)</b>	(215)
Tax effect of income not taxable in determining taxable profit	釐定應課稅溢利 毋須繳稅收入之稅務影響	<b>(2,580)</b>	(4,708)
Tax effect of expenses not deductible for tax purpose	不可扣稅支出之稅務影響	<b>15,443</b>	43,236
Tax loss not recognised	未確認之稅項虧損	<b>9,126</b>	11,000
Tax effect of 50% income tax relief granted to subsidiaries	附屬公司獲授50% 所得稅優惠之稅務影響	<b>(4,552)</b>	(4,317)
Tax effect of exemption granted to subsidiaries	附屬公司獲授豁免之稅務影響	<b>(2,410)</b>	(12,934)
Effect of different tax rate of subsidiaries	附屬公司不同稅率之影響	<b>(2,794)</b>	(725)
Overprovision for prior years	過往年度超額撥備	<b>(4,263)</b>	—
Others	其他	—	(152)
Taxation for the year	本年度稅項	<b>15,917</b>	19,400

### 12. DISCONTINUED OPERATION

During the year, the Group discontinued its glass products business upon the disposal of its controlling interest in Mian Zhu City Hongsen Glass Products Company Limited (the "Glass Products"). The Glass Products was a 70% owned subsidiary of the Group as at 31 March 2006. The Group acquired the remaining 30% of equity interest from the minority shareholder effective on 31 May 2006 at a total consideration of HK\$1,009,000. Discount on acquisition of additional interest in subsidiary of HK\$1,751,000 is resulted. The acquisition has resulted in Glass Products becoming a wholly-owned subsidiary of the Group.

During the year, the Glass Products reconstructed its plant, property and equipment after moving to a new location and increased its registered capital from RMB1,000,000 (HK\$1,009,000) to RMB17,000,000 (HK\$17,159,000) for additional general working capital purpose. However, the Group has not made further investment in Glass Products with a view to focus its resources on developing core business. New investors were introduced to make up the increased capital. The Group's interest in the Glass Products was decreased from 100% to 19% upon the completion of such increase in registered capital and the Glass Products ceased to be a subsidiary of the Company. The discontinued operation results in a loss of approximately HK\$9,900,000 included in the consolidated income statement for the year ended 31 March 2007.

### 12. 已終止經營之業務

於本年度，本集團出售其於綿竹市紅森玻璃製品有限公司（「玻璃產品」）之控股權益後終止其玻璃產品業務。於2006年3月31日，玻璃產品為本集團擁有70%之附屬公司。本集團以港幣1,009,000元之總代價向少數股東收購餘下30%股本權益，由2006年5月31日生效。收購附屬公司額外權益之折讓為港幣1,751,000元。該收購導致玻璃產品成為本集團全資擁有附屬公司。

年內，玻璃產品於搬遷新址後，重建其廠房、物業及設備。玻璃產品將其註冊資本由人民幣1,000,000元（港幣1,009,000元）增加至人民幣17,000,000元（港幣17,159,000元）作為日常營運資金。然而，本集團為集中發展核心業務未再對其增加資金投入。因此引入新投資者以增加資本。於增加股本完成後，本集團於玻璃產品的權益亦由100%減少至19%，而玻璃產品不再為本公司之附屬公司。已終止經營之業務業績產生虧損約港幣9,900,000元，已計入截至2007年3月31日止綜合收益表。



# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
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## 綜合財務報表附註

### 12. DISCONTINUED OPERATION (Continued)

### 12. 已終止經營之業務(續)

Profits for the year from discontinued operation

已終止經營之業務之年度溢利

		1 April 2006 to 31 July 2006 2006年4月1日至 2006年7月31日 HK\$'000 港幣千元	1 April 2005 to 31 March 2006 2005年4月1日至 2006年3月31日 HK\$'000 港幣千元
Turnover	營業額	9,613	24,070
Cost of sales	銷售成本	(8,531)	(18,717)
Gross profit	毛利	1,082	5,353
Other operating income	其他經營收入	1,108	1,494
Administrative expenses	行政開支	(527)	(2,826)
Finance costs	財務成本	(31)	(102)
Profit before taxation	稅前溢利	1,632	3,919
Taxation	稅項	(709)	(1,450)
Profit for the year from discontinued operation	已終止經營之業務之年度溢利	923	2,469
Attributable to:	由下列人士應佔：		
Equity holders of the Company	本公司權益持有人	712	1,728
Minority interests	少數股東權益	211	741
		923	2,469
Cash flows from discontinued operation:	已終止經營之業務之現金流量淨額：		
Net cash flows from operating activities	來自經營活動之現金流量淨額	5,326	3,511
Net cash flows used in investing activities	用於投資活動之現金流量淨額	(3,559)	(2,766)
Net cash flows from financing activities	來自融資活動之現金流量淨額	—	968
		1,767	1,713

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
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### 13. PROFIT/(LOSS) FOR THE YEAR

Profit/(loss) for the year has been arrived after charging (crediting) the following:

### 13. 本年度溢利／(虧損)

本年度溢利／(虧損)已扣除(計入)下列各項：

		Continuing operations		Discontinued operation		Consolidated	
		持續業務		已終止業務		綜合	
		2007	2006	2007	2006	2007	2006
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Cost of inventories sold	已售存貨成本	350,397	94,564	8,531	18,717	358,928	113,281
Auditors' remuneration	核數師酬金						
— current year provision	— 該年撥備	3,500	2,967	—	—	3,500	2,967
— underprovision in prior years	— 過往年度少撥	293	—	—	—	293	—
Depreciation of property, plant and equipment	物業、廠房及設備折舊	16,810	6,148	447	1,137	17,257	7,285
Amortisation of prepaid lease payments	攤銷預付租金	485	29	13	43	498	72
Amortisation of intangible assets	攤銷無形資產	3,605	—	—	—	3,605	—
Minimum lease payments under operating leases for rented premises	租用樓宇經營租賃最低租金付款額	2,466	918	—	—	2,466	918
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	13,758	27	—	—	13,758	27
Loss on disposal of prepaid lease payments	出售預付租金虧損	303	—	—	—	303	—
Loss on disposal of available-for-sale investments	出售可供出售投資虧損	79	—	—	—	79	—
Impairment loss of goodwill (included in administrative expenses)	商譽減值虧損 (計入行政開支)	91	—	—	—	91	—
Allowance for bad and doubtful debts in respect of trade and other receivables	貿易及其他應收款項之呆壞賬撥備	2,565	18	—	—	2,565	18
Exchange gain	匯兌收益	(4,777)	(84)	—	—	(4,777)	(84)
Interest income	利息收入	(8,228)	(657)	(4)	—	(8,232)	(657)
Revaluation gain on investment properties	投資物業重估收益	(455)	—	—	—	(455)	—
Rental income under operating leases, less outgoing of nil (2006: HK\$277,000)	按經營租賃之租金收入，減零開支 (2006年：港幣277,000元)	(89)	(1,450)	—	—	(89)	(1,450)
Share of tax of associates (included in share of results of associates)	應佔聯營公司稅項 (已計入應佔聯營公司業績)	13,704	110	—	—	13,704	110

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
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## 綜合財務報表附註

### 14. EARNING/(LOSS) PER SHARE

The calculation of the basic earning/(loss) per share attributable to the ordinary equity holders of the Company is based on the following data:

### 14. 每股盈利／（虧損）

本公司普通權益持有人應佔每股基本盈利／（虧損）按下列數據計算：

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Profit/(loss) for the year attributable to equity holders of the Company	本公司權益持有人應佔年度溢利／（虧損）	22,123	(56,061)
Profit for the year from discontinued operation attributable to equity holders of the Company used in the calculation of basic earning/(loss) per share from discontinued operation (note 12)	用作計算來自已終止經營業務之每股基本盈利／（虧損）之本公司權益持有人應佔年度溢利（附註12）	712	1,728
Profit/(loss) used in the calculation of basic earning/(loss) per share from continuing operations	用作計算來自持續經營業務之每股基本盈利／（虧損）之溢利／（虧損）	21,411	(57,789)
		2007	2006
Weighted average number of ordinary shares for the purpose of basic earning/(loss) per share	計算每股基本盈利／（虧損）之普通股加權平均數	3,190,879,300	2,629,455,628

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
截至2007年3月31日止年度

### 14. EARNING/(LOSS) PER SHARE (Continued)

#### Diluted earning per share

The weighted average number of ordinary shares for the purposes of diluted earning per share reconciles to the weighted average number of ordinary shares used in the calculation of basic earning/(loss) per share as follows:

		Number of shares 股數	
		2007	2006
Weighted average number of ordinary shares for the purpose of basic earning/(loss) per share	計算每股基本盈利／(虧損)所使用之普通股加權平均數	3,190,879,300	2,629,455,628
Effect of dilutive potential ordinary shares:	具攤薄作用之潛在普通股之影響：		
— share options	— 購股權	18,331,867	n/a不適用
Weighted average number of ordinary shares for the purpose of diluted earning per share	計算每股攤薄盈利所使用之普通股加權平均數	3,209,211,167	2,629,455,628

The computation of diluted earning per share for the year ended 31 March 2007 does not assume the conversion of the Company's outstanding convertible notes since their exercise would result in an increase in earning per share from continuing operations.

The diluted loss per share for the year ended 31 March 2006 is not presented as the exercise of the share options and convertible notes outstanding would result in a decrease in loss per share.

### 14. 每股盈利／(虧損) (續)

#### 每股攤薄盈利

計算每股攤薄盈利所使用之普通股加權平均數與計算每股基本盈利／(虧損)所使用之普通股加權平均數對賬如下：

截至2007年3月31日止年度每股攤薄盈利之計算乃假設本公司並無未行使之可換股票據，因行使可換股票據會導致來自持續經營之業務之每股盈利增加。

由於行使購股權及可換股票據會導致每股虧損減少，故並無呈列截至2006年3月31日止年度每股攤薄虧損。

# Notes to the Consolidated Financial Statements

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## 綜合財務報表附註

### 15. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

#### (a) DIRECTORS' EMOLUMENTS

The emoluments paid or payable to the directors were as follows:

For the year ended 31 March 2007

Executive directors	執行董事
Xu Ruixin	徐瑞新
Liu Jing	劉京
Mo Shikang	莫世康
Zhu Peifeng	朱培風
Zhang Hesheng	張和生
Jin Song	靳松
Yan Wing Cheung	甄永祥
— resigned on 23 December 2006	— 於2006年12月23日辭任
Wong Ching	王政
— appointed on 23 December 2006	— 於2006年12月23日委任
Independent non-executive directors	獨立非執行董事
Liu Junmin	劉駿民
Tang Qinglian	譚慶堦
Wong Shing Kay, Oliver	黃承基
— resigned on 3 October 2006	— 於2006年10月3日辭任
Chan Chuk Cheung, Ivan	陳祝祥
— appointed on 3 October 2006 and resigned on 23 December 2006	— 於2006年10月3日委任及於2006年12月23日辭任
Sin Ka Man	冼家敏
— appointed on 23 December 2006	— 於2006年12月23日委任

### 15. 董事及高級管理層酬金

#### (a) 董事酬金

已付或應付予董事酬金如下：

截至2007年3月31日止年度

Directors' fee	Salaries, allowances and benefits in kind	Share-based payment	Retirement benefit scheme contributions	Total emoluments
董事袍金	薪金、津貼及實物利益	以股份為基準之付款	退休福利計劃供款	總酬金
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
—	—	—	—	—
—	1,620	—	—	1,620
—	1,833	—	23	1,856
—	1,828	—	30	1,858
—	1,828	—	30	1,858
—	435	—	20	455
—	686	505	9	1,200
—	230	—	—	230
131	—	—	—	131
—	—	—	—	—
68	—	—	—	68
32	—	—	—	32
33	—	—	—	33
264	8,460	505	112	9,341

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## 綜合財務報表附註

For the year ended 31 March 2007  
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### 15. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

### 15. 董事及高級管理層酬金 (續)

#### (a) DIRECTORS' EMOLUMENTS (Continued)

#### (a) 董事酬金 (續)

For the year ended 31 March 2006

截至2006年3月31日止年度

		Salaries, allowances and benefits		Share-based payment	Retirement benefit scheme contributions	Total emoluments
		in kind	fee			
		薪金、津貼及實物利益	董事袍金	以股份為基準之付款	退休福利計劃供款	總酬金
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Executive directors	執行董事					
Xu Ruixin	徐瑞新					
— appointed on 11 April 2005	— 於2005年4月11日委任	—	—	—	—	—
Liu Jing	劉京					
— appointed on 11 April 2005	— 於2005年4月11日委任	—	772	2,251	—	3,023
Mo Shikang	莫世康					
Zhu Peifeng	朱培風					
Zhang Hesheng	張和生					
Jin Song	靳松					
— appointed on 11 April 2005	— 於2005年4月11日委任	—	124	2,251	—	2,375
Yan Wing Cheung	甄永祥					
— appointed on 15 July 2005	— 於2005年7月15日委任	—	551	1,472	9	2,032
Ong Chi King	王子敬					
— resigned on 15 July 2005	— 於2005年7月15日辭任	—	192	2,251	5	2,448
Wang Ke Duan	王克端					
— resigned on 11 April 2005	— 於2005年4月11日辭任	—	—	—	—	—
Tjia Boen Sien	謝文盛					
— resigned on 11 April 2005	— 於2005年4月11日辭任	—	—	—	—	—
Wang Jing Ning	王京寧					
— resigned on 11 April 2005	— 於2005年4月11日辭任	—	—	—	—	—
Keung Kwok Cheung	姜國祥					
— resigned on 11 April 2005	— 於2005年4月11日辭任	—	—	—	—	—
Kong Kwok Fai	江國輝					
— resigned on 11 April 2005	— 於2005年4月11日辭任	—	—	—	—	—
Independent non-executive directors	獨立非執行董事					
Liu Junmin	劉駿民					
— appointed on 11 April 2005	— 於2005年4月11日委任	124	—	—	—	124
Tang Qinglian	譚慶蓮					
— appointed on 11 April 2005	— 於2005年4月11日委任	—	—	—	—	—
Wong Shing Kay, Oliver	黃承基					
Siu Man Po	蕭文波					
— resigned on 11 April 2005	— 於2005年4月11日辭任	2	—	—	—	2
Wong Sin Yee	黃倩儀					
— resigned on 11 April 2005	— 於2005年4月11日辭任	—	—	—	—	—
		256	4,445	8,900	14	13,615

## 15. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (Continued)

### (a) DIRECTORS' EMOLUMENTS (Continued)

None of the directors of the Company waived or agreed to waive any emoluments paid by the Group and no incentive payment for joining the Group or compensation for loss of office was paid or payable to any director of the Company during the two years ended 31 March 2007 and 2006.

### (b) FIVE HIGHEST PAID INDIVIDUALS

Of the five individuals with the highest emoluments, all (2006: all) are directors whose emoluments are disclosed in note 15(a).

During the two years ended 31 March 2007 and 2006, no emoluments were paid to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

## 15. 董事及高級管理層酬金 (續)

### (a) 董事酬金 (續)

概無本公司董事放棄或同意放棄任何本集團支付之酬金，及截至2007年3月31日及2006年3月31日止兩個年度，本集團概無支付或應付款項予任何本公司董事作加盟本集團獎勵酬金或離職補償。

### (b) 五位最高薪酬人士

五位(2006：五位)最高薪酬人士均為董事，其酬金已披露於附註15(a)內。

於2007年3月31日及2006年3月31日止兩個年度，本集團概無支付酬金予五位最高薪酬人士，作為加盟本集團之獎勵或作為離職補償。

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## 綜合財務報表附註

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### 16. PROPERTY, PLANT AND EQUIPMENT

### 16. 物業、廠房及設備

		Buildings in PRC for own use 位於中國之 自用樓宇 HK\$'000 港幣千元	Leasehold improvements 租約物業 裝修 HK\$'000 港幣千元	Furniture, fixtures and office equipment 傢俬、 裝置及 辦公室設備 HK\$'000 港幣千元	Plant, machinery and pipeline 廠房、機器 及管道 HK\$'000 港幣千元	Motor vehicles 汽車 HK\$'000 港幣千元	Construction in progress 在建工程 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元
<b>Cost</b>	<b>成本</b>							
At 1 April 2005	於2005年4月1日	10,739	—	560	66,043	1,255	37,010	115,607
Exchange realignment	滙兌調整	175	—	10	1,080	21	605	1,891
Acquisition of subsidiaries	收購附屬公司	3,369	—	384	45,002	314	55,148	104,217
Additions	增加	505	427	371	2,383	3,362	8,098	15,146
Transfer	轉讓	—	—	—	98,932	—	(98,932)	—
Transfer to prepaid expenses	轉撥預付開支	—	—	—	—	—	(230)	(230)
Disposals	出售	—	—	—	—	(106)	—	(106)
At 31 March 2006 and 1 April 2006	於2006年3月31日及 於2006年4月1日	14,788	427	1,325	213,440	4,846	1,699	236,525
Exchange realignment	滙兌調整	634	—	48	9,135	160	73	10,050
Acquisition of subsidiaries	收購附屬公司	33,309	—	1,405	144,498	4,081	165,371	348,664
Disposal of subsidiaries	出售附屬公司	(2,328)	—	(45)	(13,546)	—	(3,294)	(19,213)
Additions	增加	22,072	—	2,764	26,094	6,036	79,550	136,516
Transfer	轉讓	649	—	—	124,501	—	(125,150)	—
Transfer to prepaid expenses	轉撥預付開支	—	—	—	—	—	(13,219)	(13,219)
Disposals	出售	(1,176)	—	(744)	(34,021)	(880)	(25,464)	(62,285)
At 31 March 2007	於2007年3月31日	67,948	427	4,753	470,101	14,243	79,566	637,038
<b>Accumulated depreciation and impairment loss</b>	<b>累計折舊及 減值虧損</b>							
At 1 April 2005	於2005年4月1日	126	—	44	1,203	99	—	1,472
Exchange realignment	滙兌調整	2	—	—	20	1	—	23
Provided for the year	本年度撥備	501	21	191	6,078	494	—	7,285
Eliminated on disposal	出售時撇銷	—	—	—	—	(79)	—	(79)
At 31 March 2006 and 1 April 2006	於2006年3月31日及 於2006年4月1日	629	21	235	7,301	515	—	8,701
Exchange realignment	滙兌調整	69	—	27	667	48	—	811
Provided for the year	本年度撥備	1,583	85	666	13,382	1,541	—	17,257
Disposal of subsidiaries	出售附屬公司	(121)	—	(12)	(1,737)	—	—	(1,870)
Eliminated on disposal	出售時撇銷	(818)	—	(315)	(1,998)	(494)	—	(3,625)
At 31 March 2007	於2007年3月31日	1,342	106	601	17,615	1,610	—	21,274
<b>Net carrying value</b>	<b>賬面淨值</b>							
At 31 March 2007	於2007年3月31日	66,606	321	4,152	452,486	12,633	79,566	615,764
At 31 March 2006	於2006年3月31日	14,159	406	1,090	206,139	4,331	1,699	227,824

As at 31 March 2007, certain of the Group's buildings in PRC, plant, machinery and pipeline with an aggregate net carrying value of approximately HK\$15,529,000 (2006: nil) have been pledged to secure general banking facilities granted to the Group (note 39).

於2007年3月31日，本集團若干位於中國之樓宇、廠房及機器及管道賬面淨值合計港幣15,529,000元（2006年：無）已予抵押，以取得授予本集團之一般銀行信貸（附註39）。



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For the year ended 31 March 2007  
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## 綜合財務報表附註

### 16. PROPERTY, PLANT AND EQUIPMENT (Continued)

The official property title certificates for certain of the Group's buildings with carrying amounts of approximately HK\$13,675,000 (2006: HK\$333,000) in aggregate have not yet been issued by the relevant local government authorities. The directors are of the opinion that the Group's right and interest in such buildings will not be therefore severely prejudiced.

The above items of property, plant and equipment are depreciated on a straight-line basis at the following rates per annum:

Buildings	Over the shorter of 40 years or the operation period of the relevant company
Leasehold improvements	Over the shorter of the terms of the leases, or 5 years
Furniture, fixtures and office equipment	20%
Plant, machinery and pipeline	2.5% — 20%
Motor vehicles	12.5% — 20%

### 16. 物業、廠房及設備(續)

本集團有若干樓宇之賬面值合共約港幣13,675,000元(2006年：港幣333,000元)仍未獲相關本地政府機關發出正式物業權證書。董事認為，本集團於該等樓宇之權利及權益不會因此受到嚴重損害。

上述物業、廠房及設備項目乃以直線法按下列年率折舊：

樓宇	40年或有關公司之經營期限(以較短者為準)
租約物業裝修	租約期限或5年(以較短者為準)
傢俬、裝置及辦公室設備	20%
廠房、機器及管道	2.5%至20%
汽車	12.5%至20%

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
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### 17. INVESTMENT PROPERTIES

### 17. 投資物業

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Investment properties, stated at fair value	以公平值列值之投資物業		
At 1 April	於4月1日	<b>6,984</b>	48,138
Acquisition of subsidiaries (note 34)	收購附屬公司(附註34)	<b>4,221</b>	—
Disposal of subsidiaries (note 33)	出售附屬公司(附註33)	<b>(6,984)</b>	(41,154)
Additions	增加	<b>2,561</b>	—
Fair value adjustment	公平值調整	<b>455</b>	—
		<b>7,237</b>	6,984
Detail of geographical locations and tenure of investment properties were:	投資物業之地理位置及年期詳情如下：		
Mainland China — leases between 10 to 50 years	中國內地 — 租賃期由10年至50年	<b>7,237</b>	6,984

The fair value of the Group's investment properties at 31 March 2007 have been arrived at on the basis of a valuation carried out on that day by Asset Appraisal Limited, independent qualified professional valuers not connected with the Group. Asset Appraisal Limited is a member of the Institutes of Valuers, and have appropriate qualifications and recent experience in the valuation of similar properties in the relevant locations. The valuation, which conforms to International Valuation Standards, was arrived at by reference to market evidence of transaction prices for similar properties.

The Group leases out certain investment properties under operating leases, for an initial period of three to seven years, with an option to renew on renegotiated terms.

At 31 March 2007, the Group's investment properties amounting to HK\$1,756,000 (2006: nil) were pledged to secure bank loans granted to the Group (note 39).

None of the leases include contingent rentals. During the year ended 31 March 2007, the gross rental income from investment properties amounted to approximately HK\$89,000 (2006: HK\$1,727,000).

於2007年3月31日，本集團投資物業之公平值乃根據在該日獨立合資格專業物業估值機構資產評估顧問有限公司(與本集團並無關連)所進行之估值得出。資產評估顧問有限公司為香港測量師學會之會員，並具備適當資格及曾對近期有關地點之類似物業進行估值。根據國際估值準則進行之估值，乃於參考相似物業之交易價格之市場證據後得出。

本集團根據經營租賃出租若干投資物業，最初期限由3年至7年，可選擇按重新商議條款續期。

於2007年3月31日，本集團之投資物業港幣1,756,000元(2006年：無)已予抵押作為授予本集團銀行貸款之擔保(附註39)。

概無任何租賃包括或然租金。於截至2007年3月31日止年度，來自投資物業之總租金收入為約港幣89,000元(2006年：港幣1,727,000元)。

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## 綜合財務報表附註

### 18. PREPAID LEASE PAYMENTS

### 18. 預付租金

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
The Group's prepaid lease payments comprise land in PRC under medium-term lease:	本集團預付租金包括按中期租約下之中國土地：		
Cost	按成本		
At 1 April	於4月1日	9,222	5,110
Exchange realignment	匯兌調整	385	—
Acquisition of subsidiaries (note 34)	收購附屬公司(附註34)	11,748	4,112
Additions	添置	9,672	—
Disposal of subsidiaries (note 33)	出售附屬公司(附註33)	(1,953)	—
Disposals	出售	(436)	—
At 31 March	於3月31日	<b>28,638</b>	9,222
Amortisation and impairment loss	攤銷及減值虧損		
At 1 April	於4月1日	119	47
Exchange realignment	匯兌調整	22	—
Charge for the year	本年度扣除	498	72
Disposal of subsidiaries (note 33)	出售附屬公司(附註33)	(59)	—
Eliminated on disposal	出售時對銷	(6)	—
At 31 March	於3月31日	<b>574</b>	119
Net carrying value	賬面淨值	<b>28,064</b>	9,103
Analysed for reporting purposes as:	按申報目的分析：		
Current portion	即期部份	594	366
Non-current portion	非即期部份	27,470	8,737
		<b>28,064</b>	9,103

The Group's prepaid lease payments with carrying values of approximately HK\$793,000 (2006: Nil) represent interest in land use rights in respect of which official land use certificate have not yet been issued by relevant local government authorities. The directors are of the opinion that the Group's rights and interest in respect of such land lots will not be therefore severely prejudiced.

At 31 March 2007, the Group's prepaid lease payments amounting to approximately HK\$11,184,000 (2006: Nil) were pledged to secure bank loans granted to the Group (note 39).

本集團賬面值約港幣793,000元(2006年：無)之預付租金代表於土地使用權之權益，相關本地政府機關仍未發出有關正式土地使用權證。董事認為，本集團於該等樓宇之權利及權益不會因此受到嚴重損害。

於2007年3月31日，本集團之預付租金約為港幣11,184,000元(2006年：無)已予抵押作為授予本集團銀行貸款之擔保(附註39)。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
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### 19. GOODWILL

### 19. 商譽

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Cost	成本		
At 1 April	於4月1日	<b>44,725</b>	41,093
Eliminated of amortisation accumulated prior to the adoption of HKFRS 3	撇除於採納香港財務報告準則第3號前之累計攤銷	—	(2,198)
Arising on acquisition of subsidiaries (note 34)	因收購附屬公司而產生 (附註34)	<b>165,256</b>	5,659
Arising on acquisition of additional interests in subsidiaries	因收購附屬公司額外權益而產生	<b>14,910</b>	171
Exchange realignment	匯兌調整	<b>250</b>	—
At 31 March	於3月31日	<b>225,141</b>	44,725
Amortisation and impairment	攤銷及減值		
At 1 April	於4月1日	—	2,198
Eliminated of amortisation accumulated prior to the adoption of HKFRS 3	撇除於採納香港財務報告準則第3號前之累計攤銷	—	(2,198)
Impairment recognised during the year	年內已確認減值	<b>91</b>	—
At 31 March	於3月31日	<b>91</b>	—
Carrying value	賬面值		
At 31 March	於3月31日	<b>225,050</b>	44,725

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The management considers each subsidiary represents a separate cash generating unit (“CGU”) for the purpose of goodwill impairment testing. At the balance sheet date, the carrying amount of goodwill mainly represents goodwill arising from the acquisition of following subsidiaries:

本集團每年檢測商譽減值，或倘有跡象顯示商譽可能已減值，則更頻密檢測減值。

管理層認為，就商譽減值測試而言，每家附屬公司代表一個獨立的現金產生單位（「現金產生單位」）。於結算日，商譽的賬面值主要指因收購下列附屬公司：

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## 綜合財務報表附註

### 19. GOODWILL (Continued)

### 19. 商譽 (續)

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Mian Zhu City Han Wang Natural Gas Company Limited	綿竹市漢旺天然氣有限公司	2,384	2,286
Relevant natural gas assets in Bei Chuan County	北川縣相關天然氣資產	1,853	1,777
Chongqing Zhongmin Gas Company Limited	重慶中民燃氣有限公司	1,664	1,596
Xin Hua Resources Investment Limited	Xin Hua Resources Investment Limited	38,895	38,895
Gas business in Yan Liang District, Xi'an	西安市閩良區之燃氣業務	2,884	—
Fujian Province An Ran Gas Investment Company Limited and its subsidiaries (collectively as "Fujian An Ran")	福建省安然燃氣投資有限公司及其附屬公司(「福建安然」)	162,372	—
Yunnan Zhongmin Gas Company Limited	雲南中民燃氣有限公司	7,130	—
Dehua Guang An Natural Gas Company Limited	德化廣安天然氣有限公司	7,689	—
Others	其他	179	171
		<b>225,050</b>	<b>44,725</b>

The recoverable amounts of the CGUs are determined from value in use calculations based on the cashflow forecast of the relevant CGUs. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling price 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 expectation of future changes in the market.

現金產生單位之可收回金額乃經基於有關現金產生單位之現金流量之計算使用價值而釐定。計算使用價值所採用之主要假設為期內該等相關之貼現率、增長率、售價及直接成本之預計變動。管理層利用可反映市場對當時貨幣價值之評估以及現金產生單位之特定風險的除稅前利率來估計貼現率。增長率則按行業增長預測為基準。售價及直接成本之預計變動乃按過往慣例及預期市場之日後變動為基準。

## 19. GOODWILL (Continued)

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by management for the next 5 years on an estimated growth pattern at growth rates between 1.5% to 170% (2006: 2.34% to 12.45%) and a discount rate of 12% (2006: 10%). The financial budgets and growth rates are estimated according to the stage of each operation with reference to the development curve of the natural gas industry in the PRC region. This pattern is consistent with the track record of the Group's projects.

## 19. 商譽 (續)

本集團乃根據經管理層就未來5年審批之最近期財政預算案，以增長率1.5%至170% (2006年：2.34%至12.45%)及12%貼現率 (2006年：10%)推斷之增長模式編製現金流量預測。財政預算及增長率根據各業務之階段，經參考中國地區天然氣行業之發展曲線作出估計。這模式與本集團項目之往績一致。

## 20. INTANGIBLE ASSETS

## 20. 無形資產

		Exclusive rights of operations 獨家經營權利 HK\$'000 港幣千元
Cost	成本	
Acquisition of subsidiaries and balance at 31 March 2007 (note 34)	收購附屬公司及 於2007年3月31日結餘 (附註34)	126,271
Amortisation	攤銷	
Charge for the year	本年度扣除	3,605
Exchange realignment	匯兌調整	96
At 31 March 2007	於2007年3月31日	3,701
Carrying value	賬面值	
At 31 March 2007	於2007年3月31日	122,570
At 31 March 2006	於2006年3月31日	—

## Notes:

The addition arose from the acquisition of subsidiaries who was granted with exclusive rights to operate in gas pipeline infrastructure and provision of gas by local government in various cities in the PRC for a period of 10 to 60 years.

All of the exclusive rights of operation are amortised on a straight-line basis over the operation period of 10 to 60 years.

At 31 March 2007, the Group's certain exclusive rights of operation amounted to approximately HK\$49,019,000 (2006: nil) were pledged to secure bank loans granted to the Group (note 39).

## 附註：

所涉及增加金額是收購由中國若干城市地方政府授予本公司附屬公司燃氣管道基礎設施投資及提供燃氣為期10至60年之獨家經營權利。

所有獨家經營權利於經營期間為10至60年以直線基準攤銷。

於2007年3月31日，本集團之若干獨家經營權利約為港幣49,019,000元 (2006年：無) 已予抵押作為授予本集團銀行貸款之擔保 (附註39)。

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## 綜合財務報表附註

### 21. INTERESTS IN ASSOCIATES

### 21. 於聯營公司權益

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Cost of unlisted investment	未上市投資成本	58,187	2,912
Share of post-acquisitions profits less losses	分佔收購後溢利減虧損	25,951	652
		<b>84,138</b>	3,564
Amounts due from associates	應收聯營公司款項	<b>16,150</b>	—

Amounts due from associates are unsecured, interest-free and repayable on demand.

應收聯營公司款項為無抵押、免息及須於要求時償還。

The directors consider that the carrying amount of amounts due from associates approximates the fair value.

董事認為應收聯營公司款項之賬面值與公平值相若。

Movements in carrying amount of interests in associates during the year are shown as follows:

於聯營公司權益之賬面值於年內之變動如下：

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
At the beginning of the year	於年初	3,564	—
Acquisition of subsidiaries (note 34)	收購附屬公司(附註34)	4,806	—
Acquisition of associates	收購聯營公司	49,645	2,904
Exchange realignment	匯兌調整	824	8
Share of results of associates for the year	本年度應佔聯營公司業績	25,299	652
At the end of the year	於年終	<b>84,138</b>	3,564

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## 綜合財務報表附註

For the year ended 31 March 2007  
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### 21. INTERESTS IN ASSOCIATES (Continued)

Details of the Group's associates as at 31 March 2007 are as follow:

### 21. 於聯營公司權益 (續)

於2007年3月31日，本集團之聯營公司詳情如下：

Name of company 公司名稱	Form of business structure 業務架構形式	Place of establishment and operation 成立及經營所在地	Group effective interest 本集團實際權益	Principal activities 主要業務
銀川中民燃氣有限公司 ("Yin Chuan Zhongmin Gas Company Limited")	Limited liability company 有限公司	PRC 中國	50%	Provision of natural gas and gas pipeline construction 提供天然氣及燃氣管道建造
延邊州華新石油開發有限公司 ("Yan Bian Hua Xin Oil Exploitation Company Limited")	Limited liability company 有限公司	PRC 中國	50%	Exploration and extraction of oil and gas in Yanji Basin located in the Yan Bian Korean Nation Autonomous Area in Jilin Province, PRC 在中國吉林省延邊朝鮮族自治州勘探及開發延吉盆地之石油及天然氣資源
福州安然居管道燃氣有限公司 ("Fuzhou An Ran Ju Pipeline Gas Company Limited")	Limited liability company 有限公司	PRC 中國	49%	Provision of natural gas and gas pipeline construction 提供天然氣及燃氣管道建造
廈門嘉安燃氣有限公司 ("Xiamen Jia An Gas Company Limited")	Limited liability company 有限公司	PRC 中國	49%	Provision of natural gas and gas pipeline construction 提供天然氣及燃氣管道建造
中民在線(北京)科技發展有限公司 ("Zhongmin Zai Xian (Beijing) Technology Development Limited")	Limited liability company 有限公司	PRC 中國	40%	Participate in supply of video lottery system and equipment in the PRC 於中國參與視頻彩票系統及設備供應



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## 綜合財務報表附註

### 21. INTERESTS IN ASSOCIATES (Continued)

Included in the cost of investment in associates is goodwill of HK\$39,376,000 (2006: HK\$1,379,000). This goodwill is attributable to the anticipated profitability of (1) sales and distribution of gas fuel and related products, (2) the gas pipeline construction operations, (3) exploration and extraction of oil and natural gas in Yanji Basin and (4) the participation in supply of video lottery system and equipment respectively. The movement of goodwill is set out below.

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
At 1 April	於4月1日	1,379	—
Exchange realignment	匯兌調整	59	—
Arising on acquisition of associates	因收購聯營公司而產生	37,938	1,379
At 31 March	於3月31日	39,376	1,379

The Group tests goodwill annually for impairment or more frequently if there are indications that goodwill might be impaired.

The recoverable amounts of interests in associates are determined from value in use calculations. The value in use of the investment represents the Group's dividends from associates. The amount of future dividends depends on the profitability and availability of cash of the associates.

The cashflow forecasts were prepared by the management of the associates and were derived from the financial budgets covering a period of 5 years approved by management of the associate on an estimated growth pattern at growth rate between 7.8% to 120% (2006: 10%) at discount rate of 12% (2006: 10%). The financial budgets and growth rates are estimated according to the stage of each operation with reference to the development curve of the natural gas industry in the PRC region.

### 21. 於聯營公司權益 (續)

聯營公司投資成本包括年內因收購聯營公司而產生之商譽港幣39,376,000元(2006年：港幣1,379,000元)。此商譽乃歸因於(1)銷售及分銷燃氣及相關產品，(2)天然氣管道建設業務，(3)勘探及開採延吉盆地之石油及天然氣資源；及(4)參與視頻彩票系統及設備供應之預期盈利能力。商譽之變動載列如下：

本集團每年檢測商譽減值，或倘有跡象顯示商譽可能已減值，則更頻密檢測減值。

聯營公司投資之可收回金額以使用值方法計算。投資之使用值為本集團從聯營公司收取之股息。未來股息的數額倚靠聯營公司之盈利能力及現金之可利用性。

現金流預測乃管理層根據為期5年之財務算案以增長率7.8%至120% (2006年：10%) 及貼現率12% (2006年：10%) 推斷之增長模式編製現金流量預測。財政預算及增長率根據各業務之階段，經參考中國地區天然氣行業之發展曲線作出估計。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
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### 21. INTERESTS IN ASSOCIATES (Continued)

The summarised financial information in respect of the Group's associates is set out below:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Total assets	資產總額	159,485	5,923
Total liabilities	負債總額	(63,808)	(1,553)
Net assets	資產淨額	95,677	4,370
Group's share of net assets of associates	本集團應佔聯營公司資產淨額	44,762	2,185
Revenue	收益	99,762	2,914
Profit for the year	本年度溢利	51,171	1,304
Group's share of results of associates for the year	本集團應佔聯營公司本年度業績	25,299	652

### 21. 於聯營公司權益 (續)

本集團聯營公司之財務資料概述如下：

### 22. AVAILABLE-FOR-SALE INVESTMENTS

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Unlisted equity securities	非上市股本證券	11,601	194

The above unlisted investment represents investment in unlisted interest in a private entity incorporated in the PRC. They are measured at cost less impairment at each balance sheet date because the range of reasonable fair value estimates is so significant that the directors of the Company are of the opinion that their fair values cannot be measured reliably.

### 22. 可供出售投資

上述非上市投資指於中國註冊成立之私人實體所發行之非上市股本證券之投資，由於合理公平值估計的範圍頗大，以致本公司董事認為其公平值不能可靠地計量，故有關投資在各結算日按成本減減值計量。

### 23. INVENTORIES

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Construction materials, spare parts and consumables	建築物料、備件及消耗品	11,018	1,383
Gas appliances	燃氣器具	233	257
Glass	玻璃	—	2,764
Gas, including natural gas and liquefied petroleum gas	燃氣(包括天然氣及液化石油氣)	12,154	—
Others	其他	157	—
		<b>23,562</b>	<b>4,404</b>

At both balance sheet dates, all inventories were stated at cost.

### 23. 存貨

於各結算日，存貨均按成本列賬。

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
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## 綜合財務報表附註

### 24. TRADE AND OTHER RECEIVABLES

The Group allows a credit period ranging from 30 to 90 days to its customers.

The following is an aged analysis of trade receivables:

### 24. 貿易及其他應收款項

本集團給予客戶之信貸期由30日至90日不等。

貿易應收賬之賬齡分析如下：

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
0 — 3 months	0 — 3個月	14,002	13,372
4 — 6 months	4 — 6個月	847	52
6 — 12 months	6 — 12個月	1,325	465
Over 1 year	1年以上	2,587	—
Trade receivables	貿易應收款項	18,761	13,889
Advances to third parties (Note)	第三方之墊款 (附註)	5,275	—
Prepayments	預付款項	25,618	19,498
Bill receivable	應收票據	1,009	—
Deposit paid to/payment in advance to suppliers	支付供應商之按金／墊款	33,894	9,311
Deposit paid for capital expenditures	支付資本開支按金	15,140	—
Deposit paid for investments	支付投資按金	—	18,391
Others	其他	18,999	5,395
		<b>118,696</b>	66,484
The balance represents:	結餘代表：		
Trade and other receivables, gross	貿易及其他應收款項總額	121,279	66,502
Less: accumulated impairment	減：累計減值	(2,583)	(18)
		<b>118,696</b>	66,484

Note: The advances to third parties are unsecured, borne interest at 5.58% and repayable on demand.

The fair values of the Group's trade and other receivables at 31 March 2007 approximate the corresponding carrying amounts.

附註：第三方墊款為無抵押，附息5.58%及須於提出要求後償還。

於2007年3月31日本集團之貿易及其他應收款項之公平值與其賬面值相若。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
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### 25. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables:

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
0 — 3 months	0 — 3個月	16,285	2,990
4 — 6 months	4 — 6個月	4,031	55
Over 6 months	6個月以上	21,889	1,893
Trade payables	貿易應付賬款	42,205	4,938
Deposits received from customers (Note i)	收取客戶之按金 (附註i)	15,464	5,583
Convertible notes interest payable	應付可換股票據利息	2,169	635
Customer gas deposits	客戶燃氣按金	13,952	—
Other deposits received	其他已收按金	6,056	—
Gas fee income received in advance	預收之燃氣費收入	12,506	—
Received in advance for the exercise of share options (Note ii)	就行使購股權預收款項 (附註ii)	9,607	—
Other payables for the purchase of property, plant and equipment	收購物業、廠房及設備之其他應付款項	8,803	—
Accrued charges and other payables	應計費用及其他應付款項	38,788	14,169
		<b>149,550</b>	<b>25,325</b>

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

*Note ii:* Received in advance for the exercise of share options represent the amount received from the share option holders. The Company allotted and issued the shares to the share options holders as a result of the exercise of share options subsequent to the balance sheet date. Please refer to note 40 to the consolidated financial statements for details.

The fair values of the Group's trade and other payables at 31 March 2007 approximate the corresponding carrying amounts.

### 25. 貿易及其他應付款項

貿易應付賬款之賬齡分析如下：

	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
0 — 3 months	16,285	2,990
4 — 6 months	4,031	55
Over 6 months	21,889	1,893
Trade payables	42,205	4,938
Deposits received from customers (Note i)	15,464	5,583
Convertible notes interest payable	2,169	635
Customer gas deposits	13,952	—
Other deposits received	6,056	—
Gas fee income received in advance	12,506	—
Received in advance for the exercise of share options (Note ii)	9,607	—
Other payables for the purchase of property, plant and equipment	8,803	—
Accrued charges and other payables	38,788	14,169
	<b>149,550</b>	<b>25,325</b>

*附註i:* 收取客戶之按金指已收取之燃氣管道接駁費收入，惟管道尚未完成。

*附註ii:* 就行使購股權預先收取款項代表收取購股權持有人的金額。於結算日後，購股權持有人行使購股權，本公司因而配發及發行股份。詳情請參閱綜合財務報表附註40。

於2007年3月31日之本集團之貿易及其他應付款項之公平值與其賬面值相若。

# Notes to the Consolidated Financial Statements

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# 綜合財務報表附註

## 26. BANK BORROWINGS

## 26. 銀行貸款

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Secured bank loans	有抵押銀行貸款	<b>122,377</b>	11,518
Unsecured bank loans	無抵押銀行貸款	<b>110,023</b>	19,553
		<b>232,400</b>	31,071
The bank loans are repayable:	須於下列時間償還之銀行貸款：		
Within one year or on demand	一年內或於要求時	<b>106,238</b>	28,264
In the second year	於第二年	<b>52,488</b>	2,807
In the third to fifth years, inclusive	於第三至五年(包括首尾兩年)	<b>73,674</b>	—
		<b>232,400</b>	31,071
Less: amount due within one year shown under current liabilities	減：流動負債項目中一年內 到期應付款額	<b>(106,238)</b>	(28,264)
Amount due after one year	一年後到期應付款額	<b>126,162</b>	2,807

Secured bank loans were secured by pledging of various assets of the Group, details of which are set out in note 39 to the consolidated financial statements.

有抵押銀行貸款以抵押本集團之若干資產作為擔保，詳情載列於綜合財務報表附註39。

All bank loans (secured and unsecured) are fixed rate borrowings of which interest rates are in the range of 4.88% to 7.96% per annum (2006: ranging from 1% to 10.04%).

所有銀行貸款(有抵押及無抵押)為年利率介乎4.88%至7.96%之固定息率貸款(2006年：由1%至10.04%)。

The directors of the Company consider the carrying amount of the Group's bank loans within one year approximate their fair value and estimate the difference between carrying amount and fair value of bank loans due after one year as insignificant.

本公司董事認為本集團一年內到期之銀行貸款賬面值與其公平值相約，並估計一年後到期銀行貸款之賬面值與其公平值之差異乃屬微不足道。

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 27. CONVERTIBLE NOTES

The details of the Group's and the Company's convertible notes outstanding as at 31 March 2007 are set out below:

### 27. 可換股票據

本集團及本公司於2007年3月31日尚餘之可換股票據如下所載：

	Convertible note — Indopark (the "Indopark") 可換股票據 (「Indopark」)	Convertible note — Equator (the "Equator") 可換股票據 (「Equator」)
Date of issue 發行日期	15 June 2006 2006年6月15日	28 October 2005 2005年10月28日
Aggregate principal amount 合計本金額	US\$40,000,000 (approximately HK\$310,000,000) 40,000,000美元 (約港幣310,000,000元)	US\$20,000,000 (approximately HK\$156,000,000) 20,000,000美元 (約港幣156,000,000元)
Coupon rate 票面息率	2 percent 2%	2 percent 2%
Conversion price (HK\$) 換股價 (HK\$)	HK\$0.60 港幣0.60元	Note (i) 附註(i)
Conversion period 轉換期	six months after the issue date and up to the tenth trading day before the maturity date 由發行日起滿六個月 當日起計直至到期日前 十個營業日止之期間	2 calendar months after the issue date and ending on the date 3 weeks prior to the maturity date 由發行日期起計屆滿 兩個曆月之日開始， 於到期日前屆滿 三個星期之日止
Collaterals 抵押品	Nil 無	Nil 無
Maturity date 到期日	14 June 2009 2009年6月14日	27 October 2008 2008年10月27日

*Note (i):* at the lower of (i) fixed conversion price of HK\$0.3433 or (ii) floating conversion price, which is equal to the average of any four consecutive trading days as selected by the holders during the 30 consecutive trading days immediately prior to date of conversion.

*附註i：* 換股價按以下之較低者為準(i)固定換股價港幣0.3433元或(ii)浮動換股價(相等於緊接換股日期前30個連續交易日內，由持有人選定之任何連續4個交易日之平均價)。

# Notes to the Consolidated Financial Statements

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## 綜合財務報表附註

### 27. CONVERTIBLE NOTES (Continued)

#### Other terms for Equator

The Company is entitled to redeem the note by paying a premium of 6% per annum if the closing price of the Company's shares is equal to or less than 65% of the fixed conversion price of HK\$0.3433 (i.e. HK\$0.223 or below). In addition, if the amount of the note being converted is less than US\$5 million after six months from the grant date or less than US\$10 million after 12 months from the grant date, the Company is entitled to redeem the balancing amount of the convertibles which is not converted.

If the share price of any 10 consecutive trading days is equal to or less than the 40% of the fixed conversion price, the holders can require the Company to redeem the notes. The redemption schedule is 50% of the notes to be redeemed within six months after notice, another 25% within nine months and the balance amount within twelve months. The Company's circular dated 12 October 2005 contained the details of the terms of the notes.

#### Other terms for Indopark

The convertible note shall be redeemed by the Company at 106% of their principal amount on the third anniversary of the issue date of the convertible note.

If on each anniversary of the issue date of the note the average volume-weighted closing price per share for the 15 trading days up to and including the trading day immediately prior to such anniversary (the "Reset Reference Price") is less than the then current conversion price, the conversion price will be reset to the Reset Reference Price, subject to the floor price of HK\$0.50 per share.

As determined by an independent qualified valuer, Asset Appraisal Limited, no value has been assigned for these redemption options of the issuer and holder as they are considered to be insignificant in value.

### 27. 可換股票據 (續)

#### 有關Equator之其他條款

本公司有權支付年息率6%之溢價贖回票據，倘本公司收市價相等於或低於固定換股價港幣0.3433元之65% (即港幣0.223元或以下)。此外，倘於授出日期起計6個月後，已兌換票據金額低於5,000,000美元，或於授出日期起計12個月後低於10,000,000美元，本公司有權贖回尚未兌換之可換股票據餘下金額。

倘於任何10個連續交易日之股價相等於或低於固定換股價之40%，持有人可要求本公司贖回票據。贖回時間為於接到通知後6個月內贖回50%之票據、9個月內贖回另外25%及於12個月內贖回其餘金額。有關票據條款之詳情請參閱本公司2005年10月12日之通函。

#### 有關Indopark之其他條款

本公司可於發行日起第三周年按可換股票據本金額之106%贖回可換股票據。

如於票據發行日的每一週年，每股股份於截至緊接該週年日期前的交易日 (及包括該日) 止的十五個交易日的加權平均收市價 (「重訂參考價」) 低於當時的轉換價，轉換價將重新設定為重訂參考價，惟價格下限以每股0.50港元為限。

誠如獨立合資格估值公司資產評估顧問有限公司所釐定，此等發行人及持有人之贖回選擇權並無賦予任何價值，因該等選擇權之價值被視為微不足道。

## 27. CONVERTIBLE NOTES (Continued)

The functional currency of the Group is Renminbi and the conversion option of these notes is denominated in U.S. dollars. Since the conversion price for the notes is subject to change, the conversion will not result in settlement by the exchange of a fixed number of equity instruments. Therefore, upon application of HKAS 32 and HKAS 39, it was determined that the notes do not contain any equity component and the entire notes were designated as “financial liabilities at fair value through profit or loss” which requires the notes to be carried at fair value at the balance sheet date and the changes in fair values are recognised in the consolidated income statement. During the year, a loss on change in its fair value of approximately HK\$19,797,000 is recognised in the consolidated income statement (2006: approximately HK\$117,800,000).

The Company incurred one-off expenses of approximately HK\$13,122,000 (2006: approximately HK\$10,140,000) for the issuance of the note. Such expenses have been recognised in the consolidated income statement for the year.

The fair value of the notes at each of the balance sheet date was calculated using the market value basis. The inputs into the model were as follows:

## 27. 可換股票據 (續)

本公司之功能貨幣為人民幣，此等票據之換股選擇權則以美元為面值。由於換股價可予變動，換股不會導致須以固定數目股權工具作為結算。因此，於採納香港會計準則第32號及第39號後，本集團釐定票據並不包含任何股權成份，而全部票據已指定為「按公平值計入損益之金融負債」，規定票據須於結算日以公平值列值，其公平值之變動於綜合收益表內確認。年內，綜合收益表內確認其公平值變動產生之虧損約為港幣19,797,000元（2006年：約港幣117,800,000元）。

本公司就發行票據而引起一次性開支約港幣13,122,000元（2006年：約港幣10,140,000元）。該等開支已於該年度綜合收益賬內確認。

於各結算日，票據之公平值使用市值基準計算。該模型之輸入值如下：

		2007		2006
		Indopark	Equator	Equator
Stock price	股價	<b>HK\$0.5300</b> 港幣0.5300元	<b>HK\$0.5300</b> 港幣0.5300元	HK\$0.5700 港幣0.5700元
Exercise price	行使價	<b>HK\$0.6000</b> 港幣0.6000元	<b>HK\$0.3433</b> 港幣0.3433元	HK\$0.3433 港幣0.3433元
Expected volatility	預期波幅	<b>56.78%</b>	<b>56.78%</b>	40.00%
Stock borrowing cost	股份借貸成本	<b>3.73%</b>	<b>3.79%</b>	4.31%
Expected dividend yield	預期股息收益	<b>0%</b>	<b>0%</b>	0%
Market yield	市場收益	<b>13.20%</b>	<b>13.20%</b>	6.88%



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## 綜合財務報表附註

### 28. DEFERRED TAX LIABILITIES

The components of deferred tax liabilities recognised in the consolidated balance sheet and the movements during the year are as follows:

		Property, plant and equipment 物業、廠房 及設備 HK\$'000 港幣千元	Revaluation of investment properties 重估 投資物業 HK\$'000 港幣千元	Intangible assets 無形資產 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
At 31 March 2005 and 31 March 2006	於2005年3月31日及 2006年3月31日	—	61	—	61
Acquisition of subsidiaries (note 34)	收購附屬公司(附註34)	2,426	—	25,351	27,777
Disposal of subsidiaries (note 33)	出售附屬公司(附註33)	—	(61)	—	(61)
At 31 March 2007	於2007年3月31日	2,426	—	25,351	27,777

At the balance sheet date, the Group had unrecognised tax losses of approximately HK\$35,456,000 (2006: HK\$35,533,000) available to offset against future profit. No deferred tax asset has been recognised in respect of the unrecognised tax losses due to the unpredictability of future profit streams. Such unrecognised tax losses will be carried forward for five years from respective dates of origination.

遞延稅項負債之組成部份於綜合資產負債表確認，該等組成部份於本年度之變動如下：

於結算日，本集團可用作抵銷未來溢利之未確認稅項虧損約為港幣35,456,000元(2006年：港幣35,533,000元)。由於未來溢利乃不可預料，概無就未確認之稅項虧損確認遞延稅項資產。該等未確認之稅項虧損自起始日起計之五年內生效。

### 29. OTHER PAYABLES — DUE AFTER ONE YEAR

The amount represents unpaid balance of consideration payable for the acquisition of additional interest in a subsidiary during the year (note 36). The balance is unsecured, interest-free, repayable by instalments and will be fully repaid in January 2009.

The directors have assessed the fair value of the balance by considering the effect of discounting the balance with applicable market interest rate and are of the opinion that such effect is not material and the carrying amount of the balance does not materially deviate from its fair value.

### 29. 其他應付款項 — 一年後到期

有關金額代表就於本年度收購於一間附屬公司之額外權益之應付代價之未支付結餘(附註36)。該結餘乃無抵押、免息、分期償還及將於2009年1月全數償還。

董事已透過考慮以適用市場利率貼現該結餘之影響估評該結餘之公平值，並認為有關影響並不重大及結餘之賬面值不會與其公平值有重大偏差。

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### 30. SHARE CAPITAL

### 30. 股本

		2007	2006	2007	2006
		Number of shares	Number of shares	HK\$'000	HK\$'000
		股份數目	股份數目	港幣千元	港幣千元
Shares of HK\$0.07 each	每股面值港幣0.07元				
Authorised:	法定：				
At the beginning of the year	於年初	4,999,999,999	4,999,999,999	350,000	350,000
Increase of share capital	股本增加	3,000,000,000	—	210,000	—
At the end of the year	於年終	7,999,999,999	4,999,999,999	560,000	350,000
Issued and fully paid:	已發行及繳足：				
At the beginning of the year	於年初	2,885,559,946	2,614,715,736	201,989	183,030
Issue of shares upon exercise of share options	行使購股權時發行股份	411,400,000	36,000,000	28,798	2,520
Issue of shares upon conversion of convertible notes	轉換可換股票據發行股份	123,124,788	234,844,210	8,619	16,439
Issue of shares for acquisition of subsidiaries	收購附屬公司時發行股份	200,000,000	—	14,000	—
		3,620,084,734	2,885,559,946	253,406	201,989

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## 綜合財務報表附註

### 30. SHARE CAPITAL (Continued)

#### Notes:

Pursuant to the special resolution passed on 3 October 2006, the authorised share capital of the Company was increased from HK\$350,000,000 to HK\$560,000,000 by the creation of an additional 3,000,000,000 shares which is rank equally in all respects with all issued shares.

On 15 November 2006, 200,000,000 ordinary shares at a price of HK\$0.40 each were issued to satisfy the consideration pursuant to the Management Rights Transfer Agreement dated 29 September 2006 entered into between the Company and an independent third party as an introduction fee for the transfer of the rights of operation of gas business in Fujian An Ran.

On 18 July 2006, 1 August 2006, 23 August 2006, 26 September 2006, 26 October 2006, 27 October 2006 respectively, the Company allotted and issued an aggregate of 387,800,000 shares of HK\$0.07 each for cash at the exercise price of HK\$0.105 as a result of the exercise of share options.

On 26 March 2007, the Company allotted and issued 2,600,000 shares of HK\$0.07 each for cash at the exercise price of HK\$0.365 as a result of the exercise of share options.

On 6 February 2007, 8 February 2007, 21 February 2007, 2 March 2007 and 26 March 2007 respectively, the Company allotted and issued in an aggregate of 21,000,000 shares of HK\$0.07 each for cash at the exercise price of HK\$0.40, as a result of the exercise of share options.

On 28 November 2006 and 9 February 2007, 77,800,000 shares and 45,324,788 shares, respectively, of HK\$0.07 each were issued to the convertible notes holders upon the partial conversion of the convertible notes of HK\$23,340,000 and HK\$15,560,000 respectively at a conversion price of HK\$0.30 and HK\$0.3433 each.

All the above shares rank pari passu in all respects with other shares in issue.

### 30. 股本 (續)

#### 附註：

根據於2006年10月3日所通過之特別決議案，本公司之法定股本增設額外3,000,000,000股股份由港幣350,000,000元增至港幣560,000,000元，該等股份將在各方面與全部已發行股份享有同等權益。

於2006年11月15日，200,000,000股每股價值為港幣0.40元之普通股作為根據本公司與獨立第三方於2006年9月29日訂立有關轉讓福建安然經營燃氣業務之經營權之顧問服務費之代價。

於2006年7月18日、2006年8月1日、2006年8月23日、2006年9月26日、2006年10月26日及2006年10月27日，購股權因被行使，本公司按行使價每股港幣0.105元之現金，配發及發行合共387,800,000股每股面值港幣0.07元之股份。

於2007年3月26日，因購股權被行使，本公司按行使價每股港幣0.365元之現金，配發及發行2,600,000股每股面值港幣0.07元之股份。

分別於2007年2月6日、2007年2月8日、2007年2月21日、2007年3月2日及2007年3月26日，因購股權被行使，本公司按行使價每股港幣0.40元之現金，配發及發行合共21,000,000股每股面值港幣0.07元之股份。

於2006年11月28日及2007年2月9日，由於本金分別為港幣23,340,000元及港幣15,560,000元之可換股票據持有人提出部分兌換可換股票據，本公司分別以換股價每股港幣0.30元及港幣0.3433元發行77,800,000股及45,324,788股每股面值港幣0.07元之股份。

上述所有股份與其他已發行股份在所有方面獲享同等權利。

### 31. SHARE OPTIONS

The Company operates a share option scheme (the “Option Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Option Scheme include full-time employees (including executive directors) of the Group. The Option Scheme became effective on 4 April 1997 (the “1997 Share Option Scheme”) and, unless otherwise amended or altered, will remain in force for 10 years from that date.

On 3 October 2006, a new share option scheme (the “2006 Share Option Scheme”) was adopted by the shareholders of the Company and the 1997 Share Option Scheme were terminated accordingly on the same day and no further options will be granted under the 1997 Share Option Scheme but in all other respects, the provision of the 1997 Share Option Scheme shall remain in full force and effect in respect of any options granted prior to the adoption of the 2006 Share Option Scheme and any such options shall continue to be exercisable in accordance with their terms of issue.

#### Term of 2006 Share Option Scheme

As at 31 March 2007, the total number of shares available for issue under the 2006 Share Option Scheme was 15,523,994, representing approximately 0.43% and 0.40% of the issued share capital of the Company as at 31 March 2007 and the date of this Annual Report respectively. Without prior approval from the Company’s shareholders, 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 any point in time, and the aggregate number of shares in respect of which options may be granted to any individual in any year is not permitted to exceed 1% of the shares of the Company in issue at any point in time.

### 31. 購股權

本公司設有一項購股權計劃（「該計劃」），藉以鼓勵及回饋對本集團之成功經營作出貢獻之合資格參與者。該計劃之合資格參與者包括本集團之全職僱員（包括執行董事）。除非另外修訂或更改，該計劃將自1997年4月4日起十年內有效（「1997年購股權計劃」）。

於2006年10月3日，本公司股東採納新購股權計劃（「2006年購股權計劃」），1997年購股權計劃於同日被終止，據此將不會再根據1997年購股權計劃授出任何購股權，但就採納2006年購股權計劃之前所授出之任何購股權而言，1997年購股權計劃在所有其他方面仍具十足效力及作用，且任何該等購股權可根據其發行條款繼續予以行使。

#### 2006年購股權計劃之條款

於2007年3月31日，根據2006年購股權計劃可發行股份總數為15,523,994股，即本公司於2007年3月31日及本年報公報日已發行股本分別約為0.43%及0.40%。未得本公司股東事先批准前，按購股權計劃可予授出購股權之股份總數不得超過本公司於任何時間已發行股份之10%，及於任何年間向任何個別人士授出及可予授出購股權之已發行及將予發行股份之數目不得超過本公司於任何時間已發行股份之1%。

## 31. SHARE OPTIONS (Continued)

### Term of 2006 Share Option Scheme (Continued)

No amount is payable on acceptance of an offer to grant an option to subscribe for the shares of the Company granted pursuant to the 2006 Share Option Scheme (the "Offer"). The 2006 Share Option Scheme may be exercised at any time for a period of ten years commencing after a period of six months from the date of acceptance of the Offer, subject to the conditions imposed by the board of the directors of the Company. The exercise price of the option shares would be at a price equal to the higher of: (i) the closing price of the shares of the Company on the Stock Exchange's daily quotation sheet on the date of offer of the option; (ii) the average closing prices of the shares of the Company on the Stock Exchange for the five trading days immediately preceding the date of offer of the options; and (iii) the nominal value of a share.

During the year ended 31 March 2007, 56,000,000 options were granted under the 2006 Share Option Scheme to the Company's employees of the Group. For the year ended 31 March 2006, 116,800,000 options were granted under the 1997 Share Option Scheme to the Company's directors and employees of the Group.

At 31 March 2007, the number of shares in respect of which option had been granted and remained outstanding under the 2006 Share Option Scheme and the 1997 Share Option Scheme was 56,000,000 and 67,200,000 respectively (2006: 90,800,000 under the 1997 Share Option Scheme), representing 48.6% (2006: 44.9%) of the shares of the Company in issue at the date.

## 31. 購股權 (續)

### 2006年購股權計劃之條款 (續)

合資格參與者毋須繳付款項以接納根據2006年購股權計劃授出之購股權(「授出」)認購本公司之股份之購股權。2006年購股權計劃可於自接納授出日起計之後6個月期間起計10年期間任何時間行使，惟須受限於本公司董事會提出之條件。購股權之行使價應等於：(i)於購股權授出日期，於聯交所日報表所列本公司之收市價；(ii)緊接授出日期前五個營業日，於聯交所上本公司股份之平均收市價；或(iii)股份面值(取其較高者)。

於截至2007年3月31日止年度，根據2006年購股權計劃授出56,000,000份購股權予本集團僱員。截至2006年3月31日止年度，根據1997購股權計劃授出116,800,000份購股權予本公司董事及本集團僱員。

於2007年3月31日，就根據2006年購股權計劃及1997年購股權計劃已授出而尚未行使購股權分別涉及56,000,000股及67,200,000股(2006年：根據1997年購股權計劃涉及90,800,000股)股份，佔本公司於該日已發行股份之48.6%(2006年：44.9%)。

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## 綜合財務報表附註

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### 31. SHARE OPTIONS (Continued)

The following tables disclose details of the Company's share options held by employees (including directors) and movements in such holdings during the year.

### 31. 購股權 (續)

下表披露僱員(包括董事)持有本公司購股權之詳情及年內該等持有量之變動情況。

Name or category of participant 參與者姓名或類別	Date of grant of share options (Note 1) 購股權授出日期 (附註1)	At 1 April 2005 於2005年4月1日	Granted during the year 年內已授出	Exercise during the year 年內已行使	At 31 March 2006 and 1 April 2006 於2006年3月31日及2006年4月1日	Granted during the year 年內已授出	Exercise during the year 年內已行使	At 31 March 2007 於2007年3月31日	Exercise period of share options 購股權行使期間	Exercise price of share options (Note 2) 購股權行使價 (附註2)
<b>Directors</b> 董事										
Liu Jing 劉京	13 April 2005 2005年4月13日	—	26,000,000	—	26,000,000	—	—	26,000,000	12 October 2005 to 3 April 2007 2005年10月12日至2007年4月3日	0.365
Mo Shikang 莫世康	13 April 2005 2005年4月13日	—	2,600,000	—	2,600,000	—	—	2,600,000	12 October 2005 to 3 April 2007 2005年10月12日至2007年4月3日	0.365
Zhu Peifeng 朱培風	13 April 2005 2005年4月13日	—	2,600,000	—	2,600,000	—	(2,600,000)	—	12 October 2005 to 3 April 2007 2005年10月12日至2007年4月3日	0.365
Zhang Hesheng 張和生	13 April 2005 2005年4月13日	—	2,600,000	—	2,600,000	—	—	2,600,000	12 October 2005 to 3 April 2007 2005年10月12日至2007年4月3日	0.365
Jin Song 靳松	13 April 2005 2005年4月13日	—	26,000,000	—	26,000,000	—	—	26,000,000	12 October 2005 to 3 April 2007 2005年10月12日至2007年4月3日	0.365
Yan Wing Cheung (Note 3) 甄永祥 (附註3)	18 November 2005 2005年11月18日	—	26,000,000	—	26,000,000	—	(21,000,000)	5,000,000	17 May 2006 to 3 April 2007 2006年5月17日至2007年4月3日	0.400
Sub-total 小計		—	85,800,000	—	85,800,000	—	(23,600,000)	62,200,000		
<b>Others</b> 其他										
In aggregate 合計	13 April 2005 2005年4月13日	—	31,000,000	(26,000,000)	5,000,000	—	—	5,000,000	12 October 2005 to 3 April 2007 2005年10月12日至2007年4月3日	0.365
	11 October 2006 2006年10月11日	—	—	—	—	56,000,000	—	56,000,000	11 April 2007 to 10 April 2010 2007年4月11日至2010年4月10日	0.385
Total 總計		—	116,800,000	(26,000,000)	90,800,000	56,000,000	(23,600,000)	123,200,000		

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## 綜合財務報表附註

### 31. SHARE OPTIONS (Continued)

*Notes:*

1. The vesting period of the share options is from the date of the grant until the commencement of the exercise period.
2. The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.
3. Mr. Yan Wing Cheung resigned as executive director of the Company on 23 December 2006.
4. Subsequent to the balance sheet date, 67,200,000 share options had been exercised and converted into the Company's ordinary shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The fair value of the Company's shares at date of issue of share options during the year is HK\$0.385 (2006: HK\$0.365 on 13 April 2005 and HK\$0.395 on 18 November 2005).

The fair values of the share options granted during the year were calculated using The Black-Scholes pricing model. The inputs into model were as follows:

		11 October 2006 2006年10月11日	18 November 2005 2005年11月18日	13 April 2005 2005年4月13日
Weighted average share price	加權平均股價	HK\$0.385 港幣0.385元	HK\$0.395 港幣0.395元	HK\$0.365 港幣0.365元
Weighted average exercise price	加權平均行使價	HK\$0.385 港幣0.385元	HK\$0.400 港幣0.400元	HK\$0.365 港幣0.365元
Expected volatility	預期波幅	65.23%	40%	40%
Expected life	預期年期	1.5	1.37	2
Risk free rate	無風險利率	3.744%	4.163%	2.951%
Expected dividend yield	預期股息收益	N/A 不適用	N/A 不適用	N/A 不適用

The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices over one and a half years immediately proceeding the grant date.

### 31. 購股權 (續)

*附註：*

1. 購股權之歸屬期由授出日期至行使期間開始為止。
2. 當本公司配售新股、發行紅股或本公司股本出現其他類似變動時，購股權之行使價須作出調整。
3. 甄永祥於2006年12月23日辭任本公司執行董事。
4. 於結算日後，67,200,000份購股權被行使並轉換為本公司普通股。

購股權不會授予持有人享有股息或於股東大會上投票之權利。

於年內發行購股權之日，本公司股份之公平價值為港幣0.385元(2006年：於2005年4月13日為港幣0.365元及於2005年11月18日為港幣0.395元)。

年內授出之購股權公平值乃採用Black-Scholes定價模式計算。該模式輸入值如下：

以預期股價回報標準差計量之波幅乃根據緊接授出日期前之一年半內每日股價之統計分析。

### 31. SHARE OPTIONS (Continued)

The estimated fair value of options granted on 11 October 2006 is approximately HK\$5,172,000. During the year ended 31 March 2006, the estimated fair values of the options granted on 13 April 2005 and 18 November 2005 were approximately HK\$7,835,000 and HK\$1,977,000 respectively.

The weighted average share price of the Company at the dates of exercise of the share options was at a range of HK\$0.34 to HK\$0.63.

### 32. EMPLOYEE RETIREMENT BENEFIT SCHEMES

In April 2005, the Group enrolled all non-PRC employees in a Mandatory Provident Fund (“MPF”) Scheme. The assets of the MPF Scheme are held separately from those of the Group under the control of trustees. The retirement benefit cost for the MPF charged to the consolidated income statement represents contributions payable to the fund by the Group at rates specified in the rules of the MPF Scheme.

The Group’s subsidiaries operating in the PRC have participated in defined contribution retirement schemes organised by the relevant local government authorities in the PRC. All PRC employees are entitled to an annual pension equal to a fixed portion of their ending basic salaries at their retirement dates. The Group is required to make specific contributions to the retirement schemes at a rate of 12% to 25% of basic salary of its PRC employees and have no further obligation for post-retirement benefits beyond the annual contributions made.

### 33. DISPOSAL OF SUBSIDIARIES

During the year ended 31 March 2007, the Group entered into an agreement with an independent third party for the disposal of Penmark Limited, a wholly owned subsidiary of the Company, for a consideration of HK\$6,500,000.

During the year ended 31 March 2007, the Group disposed of its controlling interest in the Glass Products. Relevant details are set out in note 12. After the disposal, the Group remains 19% equity interest in the Glass Products. This investment is classified as available-for-sale investment and disclosed as non-current asset.

On 30 December 2005, the Group disposed of two subsidiaries, namely Billion Treasure Holdings Limited and Bless Honour Limited.

### 31. 購股權 (續)

於2006年10月11日授出之購股權之估計公平價值約為港幣5,172,000元。於截至2006年3月31日止年度，於2005年4月13日及2005年11月18日授出之購股權之估計公平價值分別約為港幣7,835,000元及港幣1,977,000元。

於購股權行使日期本公司加權平均股價之範圍港幣0.34元至港幣0.63元。

### 32. 僱員退休福利計劃

於2005年4月，本集團安排所有非中國僱員參與強制性公積金計劃（「強積金計劃」）。強積金計劃之資產與本集團受託人所控制之資產分開持有。於綜合收益表內扣除之退休福利成本指本集團按強積金計劃規則指定之比率應付基金之供款。

本集團於中國營運之附屬公司已參加中國有關地方政府機構營辦之定額供款退休計劃。所有中國僱員有權享有相等於彼等於退休日期時之基本薪資之固定比例作為退休年金。本集團須按中國僱員基本薪資之12%至25%向退休計劃作出特別供款，除作出之年度供款外，本集團並無其他退休後福利之承擔。

### 33. 出售附屬公司

於截至2007年3月31日止年度，本集團與一名獨立第三方訂立一項協議，以代價港幣6,500,000元出售景達物業有限公司（本公司全資附屬公司）。

於截至2007年3月31日止年度，本集團出售其於玻璃產品中之控股權益。相關詳情載於附註12。於出售後，本集團於玻璃產品餘下19%股權權益，並已分類為可供出售投資及列為非流動資產。

於2005年12月20日，本集團出售兩間附屬公司Billion Treasure Holdings Limited及Bless Honour Limited。



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## 綜合財務報表附註

### 33. DISPOSAL OF SUBSIDIARIES (Continued)

The net assets of these subsidiaries at the date of disposal were as follows:

### 33. 出售附屬公司 (續)

於出售日該等附屬公司之資產淨值如下所載：

		Penmark Limited 景達物業 有限公司 2007 HK\$'000 港幣千元	Glass Products 玻璃產品 2007 HK\$'000 港幣千元	Total 合計 2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Net assets disposed of	出售之資產淨值				
Property, plant and equipment	廠房、物業及設備	—	17,343	<b>17,343</b>	—
Investment properties	投資物業	6,984	—	<b>6,984</b>	41,154
Prepaid lease payments	預付租金款項	—	1,894	<b>1,894</b>	—
Trade and other receivables	貿易及其他應收款項	—	7,124	<b>7,124</b>	1,456
Inventories	存貨	—	1,855	<b>1,855</b>	—
Bank balances and cash	銀行結餘及現金	—	3,979	<b>3,979</b>	233
Trade and other payables	貿易及其他應付款項	(134)	(13,305)	<b>(13,439)</b>	(15,824)
Taxation payable	應付稅項	(46)	(2,398)	<b>(2,444)</b>	—
Bank borrowings	銀行借貸	—	(1,009)	<b>(1,009)</b>	—
Deferred tax liabilities	遞延稅項負債	(61)	—	<b>(61)</b>	—
Net assets disposed of	出售之資產淨值	6,743	15,483	<b>22,226</b>	27,019
Remaining interests of 19% in Glass Products	餘下玻璃產品 19%權益	—	(5,583)	<b>(5,583)</b>	—
Loss on disposal	出售虧損	(243)	(9,900)	<b>(10,143)</b>	(5,519)
Total consideration	總代價	6,500	—	<b>6,500</b>	21,500
Satisfied by:	支付方式：				
Cash consideration	現金代價	6,500	—	<b>6,500</b>	21,500
Net cash inflow/(outflow) arising on disposal:	出售時產生之現金 流入／(流出)淨額：				
Cash consideration	現金代價	6,500	—	<b>6,500</b>	21,500
Bank balances and cash disposed of	出售之銀行結餘 及現金	—	(3,979)	<b>(3,979)</b>	(233)
		6,500	(3,979)	<b>2,521</b>	21,267

33. DISPOSAL OF SUBSIDIARIES  
(Continued)

The impact of disposed subsidiaries on the Group results in the current and prior periods is as follow:

## 33. 出售附屬公司 (續)

出售附屬公司對本集團本年度及過往期間之業績之影響如下：

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Revenue	收入	9,613	25,709
Expenses	開支	(7,981)	(21,536)
Profit before tax	除稅前溢利	1,632	4,173
Income tax expense	所得稅開支	(709)	(1,580)
		923	2,593
Cash flows from disposed subsidiaries:	來自己出售附屬公司之現金流量：		
Net cash flows from operating activities	來自經營活動之現金流量淨額	5,326	3,511
Net cash flows used in investing activities	來自投資活動之現金流量淨額	(3,559)	(2,766)
Net cash flows from financing activities	來自融資活動之現金流量淨額	—	968
		1,767	1,713

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## 綜合財務報表附註

### 34. ACQUISITIONS OF SUBSIDIARIES/ BUSINESS

#### (a) Acquisitions during the year ended 31 March 2007

##### (i) Acquisition of Fujian An Ran

During the year, the Group and an independent third party entered into two equity transfer agreements and an operation rights transfer agreement whereby the Group acquired 100% equity interest in Fujian An Ran at a consideration of RMB104,320,000 (approximately HK\$110,793,000) and acquired its operation rights by issued and allotted 200,000,000 consideration shares at an issue price of HK\$0.40 each. The fair value of the ordinary shares of the Company, being the average of the closing price as quoted on the Stock Exchange for the last ten days prior to the date of the agreement, amounting to HK\$80,000,000.

##### (ii) Acquisition of gas business at Yan Liang District, Xi'an

On 8 June 2006, the Group acquired 70% of equity interest in a gas business at Yanliang District, Xi'an for cash consideration of RMB42,500,000 (approximately HK\$42,986,000) and set up Xi'an Zhongmin Gas Company Limited ("Xi'an Zhongmin"). This transaction has been accounted for using the purchase method of accounting.

The fair values of assets and liabilities acquired in the transaction and the goodwill arising are as follows:

### 34. 收購附屬公司／業務

#### (a) 於2007年3月31日止年度內收購

##### (i) 收購福建安然

於本年度，本集團與獨立第三方訂立兩項股權轉讓協議及一項經營權轉讓協議。本集團以代價人民幣104,320,000元(約港幣110,793,000元)收購福建安然100%之股權權益及以每股港幣0.40元發行及配發200,000,000股股份為代價收購其經營權。本公司普通股之公平價值(即協議日期前最後10日內聯交所所報之平均收市價)為港幣80,000,000元。

##### (ii) 收購西安市閻良區燃氣業務

於2006年6月8日，本集團以現金代價人民幣42,500,000元(約港幣42,986,000元)收購西安市閻良區之天然氣業務70%之註冊資本並成立西安中民燃氣有限公司(「西安中民」)。該交易已以收購會計法入賬。

交易內收購資產及負債之公平值及所產生之商譽如下所載：

	Fujian An Ran 福建安然	Gas business at Yan Liang District, Xi'an 西安市閻良區 燃氣業務
Effective date of acquisition 收購之生效日期	1 May 2006 2006年5月1日	8 June 2006 2006年6月8日
Percentage of equity interests acquired (voting rights) 已收購股本權益百分比(投票權)	100%	70%

These transactions have been accounted for by the purchase method of accounting.

該等交易已根據收購會計法入賬。

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## 綜合財務報表附註

For the year ended 31 March 2007

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### 34. ACQUISITIONS OF SUBSIDIARIES/ BUSINESS (Continued)

### 34. 收購附屬公司／業務(續)

#### (a) Acquisitions during the year ended 31 March 2007 (Continued)

The net assets acquired, being the fair value, in the transaction, and the goodwill on acquisition or discount arising, are as follows:

#### (a) 於截至2007年3月31日止年度內收購(續)

於交易中收購之資產淨值(以公平值計算)及收購產生之商譽或所產生之折讓如下:

	Fujian An Ran 福建安然			Gas business at Yan Liang District, Xi'an 西安市閩良區燃氣業務			Total 合計			
	Acquiree's carrying amount before combination		Fair value 公平值	Acquiree's carrying amount before combination		Fair value 公平值	Acquiree's carrying amount before combination		Fair value 公平值	
	被收購方 於合併前 之賬面值	Fair value adjustments 公平值調整		被收購方 於合併前 之賬面值	Fair value adjustments 公平值調整		被收購方 於合併前 之賬面值	Fair value adjustments 公平值調整		
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元		
Property, plant and equipment	物業、廠房及設備	287,655	6,410	294,065	50,753	3,846	54,599	338,408	10,256	348,664
Investment properties	投資物業	4,221	—	4,221	—	—	—	4,221	—	4,221
Prepaid lease payments	預付租金	11,243	—	11,243	—	505	505	11,243	505	11,748
Intangible assets	無形資產	23,722	74,791	98,513	—	27,758	27,758	23,722	102,549	126,271
Interests in associates	於聯營公司權益	4,806	—	4,806	—	—	—	4,806	—	4,806
Inventories	存貨	19,011	(2,363)	16,648	334	—	334	19,345	(2,363)	16,982
Trade and other receivables	貿易及其他應收款項	106,858	(15,833)	91,025	6,487	(991)	5,496	113,345	(16,824)	96,521
Available-for-sales investments	可供出售投資	656	—	656	40	—	40	696	—	696
Bank balances and cash	銀行結餘及現金	18,547	—	18,547	11,392	—	11,392	29,939	—	29,939
Taxation recoverable/(payable)	可收回/(應付)稅項	971	(1,083)	(112)	42	12	54	1,013	(1,071)	(58)
Trade and other payables	貿易及其他應付款項	(156,695)	(6,776)	(163,471)	(36,059)	—	(36,059)	(192,754)	(6,776)	(199,530)
Deferred tax liabilities	遞延稅項負債	—	(27,777)	(27,777)	—	—	—	—	(27,777)	(27,777)
Bank borrowings	銀行貸款	(264,359)	—	(264,359)	(6,830)	—	(6,830)	(271,189)	—	(271,189)
Minority interests	少數股東權益	56,636	27,369	84,005	26,159	31,130	57,289	82,795	58,499	141,294
Goodwill	商譽	—	—	(55,584)	—	—	(17,187)	2,884	—	(72,771)
				162,372						165,256
Total consideration	代價總價			190,793			42,986			233,779
Satisfied by:	以下列方式支付:									
Cash consideration	現金代價			110,793			42,986			153,779
Issue of shares	發行股份			80,000			—			80,000
				190,793			42,986			233,779
Cash outflow arising from the transaction	交易產生之現金流出									
Cash consideration	現金代價			110,793			42,986			153,779
Bank balances and cash acquired	收購銀行結餘及現金			(18,547)			(11,392)			(29,939)
Net cashflow of cash and cash equivalents	現金及現金等值項目流出淨額			92,246			31,594			123,840

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綜合財務報表附註

## 34. ACQUISITIONS OF SUBSIDIARIES/ BUSINESS (Continued)

### (a) Acquisitions during the year ended 31 March 2007 (Continued)

The goodwill arising on the acquisition of Fujian An Ran and Xi'an Zhongmin are attributable to the anticipated profitability of the gas pipeline connection business.

The subsidiaries acquired contributed to the Group's turnover of HK\$367,189,000 and contributed to the Group's profit for the year of HK\$94,751,000 for the period between the date of acquisition and the balance sheet date.

If the acquisition of Fujian An Ran and Xi'an Zhongmin had been completed on 1 April 2006, total group revenue for the year ended 31 March 2007 would have been HK\$532,865,000 and profit for the year ended 31 March 2007 would have been HK\$33,676,000. The proforma information is 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 1 April 2006, nor is it intended to be a projection of future results.

### (b) Acquisitions during the year ended 31 March 2006

In last year, the Group acquired the following subsidiaries/business at an aggregated consideration of HK\$31,417,000.

	Mian Zhu City Han Wang Natural Gas Co. Ltd. 綿竹市漢旺天然氣 有限公司	Relevant natural gas assets in Bei Chuan County 北川縣相關 天然氣資產	Chongqing Zhongmin Gas Co. Ltd. 重慶中民燃氣 有限公司	Fu Ping County Zhongmin Gas Co. Ltd. 富平縣中民燃氣 有限公司
Date of acquisition 收購日期	31 July 2005 2005年7月31日	31 July 2005 2005年7月31日	31 July 2005 2005年7月31日	5 August 2005 2005年8月5日
Percentage of equity interests acquired (voting rights) 已收購股本權益(投票權)百分比	100%	N/A 不適用	100%	80%

These transactions have been accounted for by the purchase method of accounting.

## 34. 收購附屬公司／業務 (續)

### (a) 於截至2007年3月31日止年度內收購(續)

因收購福建安然及西安中民所產生之商譽乃劃歸天然氣管道接駁業務之預期效益。

於本年度收購日及結算日期間，收購附屬公司為本集團帶來為港幣367,189,000元營業額及為本集團帶來港幣94,751,000元溢利。

倘於2006年4月1日完成收購福建安然及西安中民，截至2007年3月31日止年度之總集團收益為港幣532,865,000元，而截至2007年3月31日止年度之溢利為港幣33,676,000元。備考資料僅供參考，不一定倘收購於2006年4月1日完成，本集團實際可取得之指示性業績及經營業績，亦不擬為未來業績之預測。

### (b) 於截至2006年3月31日止年度內收購

本集團於去年以港幣31,417,000元之總代價收購以下附屬公司／業務。

該等交易已使用收購會計法入賬。

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## 綜合財務報表附註

For the year ended 31 March 2007  
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### 34. ACQUISITIONS OF SUBSIDIARIES/ BUSINESS (Continued)

### 34. 收購附屬公司／業務（續）

#### (b) Acquisitions during the year ended 31 March 2006 (Continued)

#### (b) 於截至2006年3月31日止年度內收購（續）

The net assets acquired, being the fair value, in the transaction, and the goodwill on acquisition or discount arising, are as follows:

於交易中收購之資產淨額（即公平值）及收購時商譽或所產生之折讓如下：

		Mian Zhu City Han Wang Natural Gas Co. Ltd. 綿竹市漢旺天然氣有限公司		Relevant natural gas assets in Bei Chuan County 北川縣相關天然氣資產			Chongqing Zhongmin Gas Co. Ltd. 重慶中民氣有限公司			Fu Ping County Zhongmin Gas Co. Ltd. 富平縣中民燃氣有限公司			Total 總計			
		Acquiree's carrying amount before combination		Acquiree's carrying amount before combination			Acquiree's carrying amount before combination			Acquiree's carrying amount before combination			Acquiree's carrying amount before combination			
		Fair value adjustments	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value		
		於合併前 之賬面值	公平值 調整	於合併前 之賬面值	公平值 調整	於合併前 之賬面值	公平值 調整	於合併前 之賬面值	公平值 調整	於合併前 之賬面值	公平值 調整	於合併前 之賬面值	公平值 調整	於合併前 之賬面值		
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000		
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元		
Property, plant and equipment	物業、廠房及設備	11,810	62	11,872	16,313	(36)	16,277	61,883	1,534	63,417	12,690	(39)	12,651	102,696	1,521	104,217
Prepaid lease payments	預付租金	428	—	428	105	—	105	3,571	—	3,571	8	—	8	4,112	—	4,112
Inventories	存貨	67	—	67	74	—	74	761	—	761	270	—	270	1,172	—	1,172
Trade and other receivables	貿易及其他應收款項	4,539	—	4,539	1,783	—	1,783	14,229	130	14,359	606	—	606	21,157	130	21,287
Bank balances and cash	銀行結存及現金	185	—	185	77	—	77	3,065	—	3,065	91	—	91	3,418	—	3,418
Trade and other payables	貿易及其他應付款項	(13,350)	(415)	(13,765)	(9,580)	—	(9,580)	(62,368)	—	(62,368)	(2,777)	—	(2,777)	(88,075)	(415)	(88,490)
Tax recoverable/(payable)	可收回/(應付)稅項	(85)	—	(85)	—	—	—	84	—	84	(21)	—	(21)	(22)	—	(22)
Bank borrowings	銀行借貸	—	—	—	(2,904)	—	(2,904)	(11,906)	—	(11,906)	(193)	—	(193)	(15,003)	—	(15,003)
		3,594	(353)	3,241	5,868	(36)	5,832	9,319	1,664	10,983	10,674	(39)	10,635	29,455	1,236	30,691
Minority interests	少數股東權益			—			—			—			(2,127)			(2,127)
Goodwill	商譽			2,286			1,777			1,596			—			5,659
Discount on acquisition	收購時折讓			—			—			—			(2,806)			(2,806)
Satisfied by:	支付方式：															
Cash consideration	現金代價			5,527			7,609			12,579			5,702			31,417

# Notes to the Consolidated Financial Statements

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## 綜合財務報表附註

### 34. ACQUISITIONS OF SUBSIDIARIES/ BUSINESS (Continued)

### 34. 收購附屬公司／業務 (續)

		Relevant natural gas assets in				
	Mian Zhu City Han Wang Natural Gas Co. Ltd. 綿竹市 漢旺天然氣 有限公司 HK\$'000 港幣千元	Bei Chuan County 北川縣 相關天然氣 輸配資產 HK\$'000 港幣千元	Chongqing Zhongmin Gas Co. Ltd. 重慶中民燃氣 有限公司 HK\$'000 港幣千元	Fu Ping County Zhongmin Gas Co., Ltd. 富平縣中民燃氣 有限公司 HK\$'000 港幣千元	Total 總計 HK\$'000 港幣千元	
Cash outflow arising from the transaction:	交易產生之 現金流出：					
Cash consideration	現金代價	5,527	7,609	12,579	31,417	
Bank balances and cash acquired	收購銀行結存及 現金	(185)	(77)	(3,065)	(3,418)	
		5,342	7,532	9,514	27,999	

The subsidiaries acquired during the year contributed HK\$101,694,000 to the Group's turnover and a profit of HK\$55,588,000 to the Group's profit before tax for the period between the date of acquisition and the balance sheet date. If the acquisition had been completed on 1 April 2005, total group revenue for the year would have been HK\$251,472,000 and loss for the year would have been HK\$52,797,000. The proforma information is for illustrative purpose 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 1 April 2005, nor is it intended to be a projection of future results.

年內收購之附屬公司於收購日期至結算日期間為本集團之營業額貢獻港幣101,694,000元及為本集團之除稅前溢利貢獻溢利港幣55,588,000元。倘若收購事項於2005年4月1日完成，年內集團總收入將為港幣251,472,000元及年內虧損將為港幣52,797,000元。備考資料僅作說明之用，未必能夠真實反映倘若收購事項已於2005年4月1日完成本集團實際可達致之收入及經營業績，亦不作為對未來業績之預測。

### 35. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following material related party transactions:

#### (a) Nature of transaction

	2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Amounts due from associates (Note i) 應收聯營公司款項(附註i)		
Zhongmin Zai Xian (Beijing) Technology Development Limited 中民在線(北京)科技發展有限公司	7,066	—
Yan Bian Hua Xin Oil Exploitation Company Limited 延邊州華新石油開發有限公司	9,084	—
	<b>16,150</b>	—
Sales of gas to an investee company 銷售燃氣予被投資公司		
Glass Products (Note ii) 玻璃產品(附註ii)	788	—

Notes: (i) Glass Products was a 70% owned subsidiary of the Group in last year. During the year ended 31 March 2007, the Group acquired an additional 30% interests in Glass Products and subsequently disposed of 81% of its interests.

(ii) The amounts due from associates are unsecured, interest-free and repayable on demand.

#### (b) Key management personnel remuneration

Remuneration for key management personnel which comprises mainly Company's directors is disclosed in note 15 (a) to the consolidated financial statements.

### 35. 與有關連人士之交易

年內，本集團與有關連人士進行下列之重大交易：

#### (a) 交易性質

附註：(i) 去年玻璃產品為本集團70%擁有之附屬公司。於截至2007年3月31日止年度，本集團收購玻璃產品之30%額外權益，其後出售其81%權益。

(ii) 應收聯營公司款項為無抵押、不計息及須按要求償還。

#### (b) 主要管理人員酬金

主要管理人員酬金包括本公司董事已於綜合財務報表附註15(a)內披露。



## 36. OTHER MAJOR NON-CASH TRANSACTION

During the year, the Group established subsidiaries, namely Huaihua Zhongmin Gas Company Limited and Yunnan Zhongmin Gas Company Limited (“Yunnan Zhongmin”), which the Group owns 55% of the registered capital at the incorporation date respectively. The minority shareholders injected bank balances and cash, property, plant and equipment, prepaid lease payments, inventory, trade and other receivables and other payables in aggregate of RMB11,925,000 (approximately HK\$12,036,000).

During the year after the establishment of Yunnan Zhongmin, the Group entered into an agreement with the minority shareholder of Yunnan Zhongmin to acquire the whole of the 45% equity interest in Yunnan Zhongmin it held at a total consideration of RMB10,500,000 (equivalent to HK\$10,599,000) to be settled in cash by installments, and will be fully settled by January 2009. At 31 March 2007, a balance of RMB8,000,000 equivalent to HK\$8,075,000 of the consideration was unsettled and of which RMB7,000,000 equivalent to HK\$7,066,000 recorded as non-current liability in the consolidated balance sheet of the Group (note 29).

## 37. OPERATING LEASES ARRANGEMENTS

### (a) The Group as lessor

The Group leases its investment properties, as set out in note 17 to the consolidated financial statements, under operating lease arrangements with leases negotiated for terms ranging from three to seven years. The terms of the leases generally also require the tenants to pay security deposits and provide for periodic rent adjustments according to the then prevailing market conditions.

## 36. 其他主要非現金交易

於年內，本集團分別成立兩間附屬公司名為懷化中民燃氣有限公司及雲南中民燃氣有限公司（「雲南中民」）。於註冊成立日期，本集團分別擁有該等公司55%之註冊資本。少數股東注入銀行結餘及現金，物業、廠房及設備，預付租金，存貨及貿易及其他應收款項及其他應付款項，總共人民幣11,925,000元（約港幣12,036,000元）。

於成立雲南中民後之年度，本集團與雲南中民之少數股東訂立協議，以人民幣10,500,000元（相等於港幣10,599,000元）之總代價收購其所持有於雲南中民之全部45%股權權益，該代價以現金分期支付及將於2009年1月前全數支付。於2007年3月31日，人民幣8,000,000元（相等於港幣8,075,000元）之代價結餘尚未支付及其中人民幣7,000,000元（相等於港幣7,066,000元）於本集團之綜合資產負債表中入賬為非流動負債（附註29）。

## 37. 經營租賃安排

### (a) 本集團作為出租人

如綜合財務報表附註17所載，本集團根據經營租賃安排出租其投資物業，經商討後租賃年期為3至7年。租賃條款一般要求租戶按當時的市場情況，繳交保證按金及作定期租金調整。

### 37. OPERATING LEASES ARRANGEMENTS (Continued)

#### (a) The Group as lessor (Continued)

At the balance sheet date, the Group had contracted with tenants for the following future minimum lease payments.

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Within one year	一年內	125	240
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	270	520
After five years	五年後	71	—
		<b>466</b>	<b>760</b>

Property rental income earned during the year was approximately HK\$89,000 (2006: HK\$1,727,000). Properties held at the balance sheet date are expected to generate rental yields of 1% to 2% (2006: 3% to 4%) on an outgoing basis. All of the properties held have committed tenants for the next seven (2006: five) years.

#### (b) The Group as lessee

Certain office properties leased by the Group are under operating lease arrangements. Leases for properties are negotiated for terms of one to three years. Rents are fixed for the relevant lease term.

At the balance sheet date, the Group had commitments for future minimum lease payments under non-cancellable operating leases falling due as follows:

### 37. 經營租賃安排 (續)

#### (a) 本集團作為出租人 (續)

於結算日，本集團與租戶訂有合約之未來最低租賃款項如下：

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Within one year	一年內	125	240
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	270	520
After five years	五年後	71	—
		<b>466</b>	<b>760</b>

於本年度，物業租金收入約為港幣89,000元(2006年：港幣1,727,000元)。於結算日持有之物業預期可持續帶來1%至2%之租金回報率(2006年：3%至4%)。所有物業於未來7年(2006年：5年)已有承租人。

#### (b) 本集團作為承租人

根據經營租賃安排，本集團承租若干辦公室物業，經商討後租約年期為1至3年。根據相關租賃條款租金為固定不變。

於結算日，本集團根據不能取消經營租賃之未來最低租賃付款承擔如下：

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Within one year	一年內	1,080	1,300
In the second to fifth years, inclusive	第二至第五年(包括首尾兩年)	357	336
		<b>1,437</b>	<b>1,636</b>

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## 綜合財務報表附註

### 38. COMMITMENTS

### 38. 承擔

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Contracted for but not provided in the consolidated financial statements	已簽約但未於綜合財務報表上撥備		
Capital expenditure in respect of:	資本開支：		
investments in associates	於聯營公司投資	9,690	—
investments in subsidiaries	於附屬公司投資	16,150	30,975
Commitments in respect of the acquisition of property, plant and equipment	收購物業、廠房及設備之承擔	297,769	—
		<b>323,609</b>	30,975

Apart from the above, the Group had no other material commitments or contingent liabilities at the balance sheet date.

除上文所述者外，本集團於結算日並無其他重大承擔及或然負債。

### 39. PLEDGED OF ASSETS

### 39. 資產抵押

Assets with the following carrying amounts have been pledged to secure bank borrowings of the Group.

以下賬面值之資產已抵押，作為本集團借貸之擔保。

		2007 HK\$'000 港幣千元	2006 HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	15,529	—
Investment properties	投資物業	1,756	—
Intangible assets	無形資產		
— exclusive rights of operations	— 獨家經營權利	49,019	—
Prepaid lease payments in respect of land use rights	有關土地使用權之預付租金	11,184	—
		<b>77,488</b>	—

In addition to the above, the Group has also pledged its rights to receive fee income of certain subsidiaries in favour of banks to secure banking facilities granted to the Group at 31 March 2007.

除上述外，於2007年3月31日本集團亦將若干附屬公司收取費用收入之權利抵押，作為取得銀行授予本集團銀行融資之擔保。

### 40. POST BALANCE SHEET EVENT

On 2 April 2007, an aggregate of 232,152,000 share options at the exercise price of HK\$0.53 were granted to the directors and employees of the Company pursuant to the Company's 2006 Share Option Scheme adopted on 3 October 2006. As determined by an independent qualified valuer, Asset Appraisal Limited, the Company will incur one-off expenses of approximately HK\$26,455,000 for the grant of such share options. Such expense will be recognised as share-based employee expense in the consolidated income statement in the next financial year.

On 4 April 2007 and 10 April 2007 respectively, the Company allotted and issued in an aggregate of 62,200,000 shares of HK\$0.07 each for cash at the exercise price of HK\$0.365 as a result of the exercise of share options.

On 4 April 2007, the Company allotted and issued in an aggregate of 5,000,000 shares of HK\$0.07 each for cash at the exercise price of HK\$0.40, as a result of the exercise of share options.

On 25 May 2007, 13 June 2007, 22 June 2007 and 25 June 2007 respectively, an aggregate of 56,655,985 shares of HK\$0.07 each were issued to the convertible note holder upon the partial conversion of the convertible note with total principal amount of HK\$19,450,000 at a conversion price of HK\$0.3433 each.

On 13 June 2007, 129,166,666 shares of HK\$0.07 each were issued to the convertible note holder upon the partial conversion of the convertible note with total principal amount of HK\$77,500,000 at a conversion price of HK\$0.60 each.

In order to reflect its current and further development of business scope and base of operations of the Company, a special resolution will be proposed at the coming annual general meeting to change the Company's name from "Chinese People Gas Holdings Company Limited" to "Chinese People Holdings Company Limited" and "中民控股有限公司" will be adopted as the Chinese name of the Company.

### 40. 結算日後事項

於2007年4月2日，根據2006年10月3日採納之本公司2006年購股權計劃，向本公司董事及僱員授予購股權以行使價為每股港幣0.53元認購總共232,152,000股股份。獨立合資格估值機構資產評值顧問有限公司認為，本公司授予該購股權後會產生一次性開支約為港幣26,455,000元。該開支會確認為下個財政年度之綜合收益表中之股份形式之僱員開支。

因行使購股權，本公司按每股行使價為港幣0.365元之現金，分別於2007年4月4日及2007年4月10日配發及發行62,200,000股每股面值為港幣0.07元之股份。

因行使購股權，本公司按每股行使價為港幣0.40元之現金，於2007年4月4日配發及發行5,000,000股每股面值為港幣0.07元之股份。

分別於2007年5月25日、2007年6月13日、2007年6月22日及2007年6月25日，可換股票據持有人部分轉換其本金額為港幣19,450,000元之可換股票據，本公司以每股轉換價港幣0.3433元發行共56,655,985股每股為港幣0.07元之股份。

於2007年6月13日，可換股票據持有人部分轉換其本金額為港幣77,500,000元之可換股票據，本公司以每股轉換價港幣0.60元發行129,166,666股每股為港幣0.07元之股份。

為了反映本公司業務範疇及經營地點之目前及未來發展，將於應屆股東週年大會提呈特別決議案以將公司名稱由「Chinese People Gas Holdings Company Limited」更改為「Chinese People Holdings Company Limited」，並採納「中民控股有限公司」為本公司之中文名稱。

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## 綜合財務報表附註

### 41. BALANCE SHEET INFORMATION OF THE COMPANY

### 41. 本公司之資產負債表資料

Balance sheet information of the Company at the balance sheet date includes:

本公司於結算日之資產負債表資料包括：

		2007	2006
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Non-current assets	非流動資產		
Property, plant and equipment	物業、廠房及設備	1,142	1,472
Investments in subsidiaries	於附屬公司之投資	391,992	230,688
Amount due from a subsidiary	應收一間附屬公司款項	117,000	—
		<b>510,134</b>	232,160
Current assets	流動資產		
Other receivables	其他應收款項	519	430
Amounts due from subsidiaries	應收附屬公司款項	116,242	8,558
Bank balances and cash	銀行結餘及現金	80,345	46,494
		<b>197,106</b>	55,482
Current liabilities	流動負債		
Other payables	其他應付款項	15,704	2,759
Convertible notes	可換股票據	62,658	133,788
		<b>78,362</b>	136,547
Net current assets	流動資產淨值	<b>118,744</b>	(81,065)
Total assets less current liabilities	總資產減流動負債	<b>628,878</b>	151,095
Non-current liabilities	非流動負債		
Convertible notes	可換股票據	348,316	—
Net assets	資產淨值	<b>280,562</b>	151,095
Share capital (note 30)	股本(附註30)	253,406	201,989
Reserves (note 42)	儲備(附註42)	27,156	(50,894)
Total equity	總權益	<b>280,562</b>	151,095

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 42. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior year are presented in the consolidated statement of changes in equity on page 63 of the consolidated financial statements.

The following table sets out the components of the reserves of the Company and the movements thereof during the current and prior year.

### 42. 儲備

本集團之儲備金額及其於目前及過往年度之變動呈列於綜合財務報表第63頁之綜合權益變動表。

下表載列本公司之儲備之組成部份及其於目前及過往年度之變動。

		Share premium	Contributed surplus	Capital contribution	Employee share-based compensation reserve	Accumulated losses	Total
		股份溢價	實繳盈餘	注入資金	以股份支付之 僱員酬金儲備	累計虧損	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
		(note a)	(note b)		(note c)		
		(附註a)	(附註b)		(附註c)		
At 1 April 2005	於2005年4月1日	30,856	101,688	7,482	—	(183,159)	(43,133)
Issue of shares upon exercise of share options	於購股權獲行使時 發行之股份	10,271	—	—	(2,251)	—	8,020
Issue of shares on conversion of convertible notes	於兌換可換股票據時 發行之股份	123,572	—	—	—	—	123,572
Recognition of equity-settled share-based payment	以股權結算股份 為基準之付款	—	—	—	9,307	—	9,307
Loss for the year	年內虧損	—	—	—	—	(148,660)	(148,660)
At 31 March 2006 and 1 April 2006	於2006年3月31日及 2006年4月1日	164,699	101,688	7,482	7,056	(331,819)	(50,894)
Issue of shares upon exercise of share options	於購股權獲行使時 發行之股份	23,091	—	—	(1,821)	—	21,270
Issue of shares on conversion of convertible notes	於兌換可換股票據時 發行之股份	43,992	—	—	—	—	43,992
Issue of shares for the acquisition of subsidiaries	就收購附屬公司發行 股份	66,000	—	—	—	—	66,000
Recognition of equity-settled share-based payment	以股權結算股份 為基準之付款	—	—	—	5,677	—	5,677
Loss for the year	年內虧損	—	—	—	—	(58,889)	(58,889)
At 31 March 2007	於2007年3月31日	297,782	101,688	7,482	10,912	(390,708)	27,156

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
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## 綜合財務報表附註

### 42. RESERVES (Continued)

Notes:

- a. The share premium account represents the excess of proceeds received over the nominal value of the Company's shares issued, less share issue expenses.
- b. The contributed surplus represents the difference between the nominal value of the Company's shares issued and the value of net assets of the underlying subsidiaries acquired. Under the Companies Act 1981 of Bermuda (as amended), a company may not declare or pay a dividend, or make a distribution out of contributed surplus, if there are reasonable grounds for believing that (i) the Company is, or would after the payment be, unable to pay its liabilities as they become due; (ii) the realisable value of the Company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.
- c. The employee share-based payment reserve comprises the fair value of unexercised share options granted to employees of the Company recognised in accordance with HKFRS 2.

### 42. 儲備(續)

附註：

- a. 股份溢價賬代表已收取所得款項超過本公司已發行股份面值減股份發行開支。
- b. 實繳盈餘代表本公司已發行股份面值與已收購相關附屬公司之資產淨值之差額。根據百慕達一九八一年公司法(經修訂)，本公司在下列情況下不可以其實繳盈餘宣派或派付股息或作出分派：如有足夠理由相信(i)本公司於宣派、派付或作出分派後會或可能未能償還到期債務；(ii)公司之資產變現值會因此少於其負債、已發行股本及股份溢價賬之總額。
- c. 以股份支付之僱員酬金儲備包括根據香港財務報告準則第2號確認，已授予本公司僱員之未行使購股權之公平價值。

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## 綜合財務報表附註

For the year ended 31 March 2007  
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### 43. PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2007 are as follows:

### 43. 主要附屬公司

於2007年3月31日，本公司之主要附屬公司詳情如下：

Name of company 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Particulars of registered capital 註冊股本詳情	Group effective interest 集團有效權益 %	Directly	Indirectly	Principal activities 主要業務
				直接 %	間接 %	
北京中民燃氣有限公司 ("Beijing Zhongmin Gas Company Limited")	PRC # 中國#	US\$45,000,000 45,000,000美元	100	100	—	Investment Holding 投資控股
綿竹市漢旺天然氣有限公司 ("Mian Zhu City Han Wang Natural Gas Company Limited")	PRC # 中國#	RMB1,000,000 人民幣1,000,000元	100	—	100	Distribution and supply of gas 分銷及供應燃氣
綿竹市紅森天然氣有限責任公司 ("Mian Zhu City Hong Sen Natural Gas Company Limited")	PRC # 中國#	RMB16,308,800 人民幣16,308,800元	100	—	100	Distribution and supply of gas 分銷及供應燃氣
綿竹市龍騰燃氣安裝 有限責任公司 ("Mian Zhu City Long Teng Gas Installation Company Limited")	PRC # 中國#	RMB7,633,400 人民幣7,633,400元	100	—	100	Installation of gas distribution facilities 安裝燃氣分銷設備
鹽亭龍興燃氣有限責任公司 ("LongXin (Yan Ting) Natural Gas Company Limited")	PRC # 中國#	RMB3,018,900 人民幣3,018,900元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備
北川縣中民燃氣有限公司 ("Bei Chuan County Zhongmin Gas Company Limited")	PRC 中國	RMB6,000,000 人民幣6,000,000元	100	—	100	Distribution and supply of gas 分銷及供應燃氣



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## 綜合財務報表附註

### 43. PRINCIPAL SUBSIDIARIES (Continued)

### 43. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Particulars of registered capital 註冊股本詳情	Group effective interest 集團有效權益 %	Directly 直接 %	Indirectly 間接 %	Principal activities 主要業務
重慶中民燃氣有限公司 ("Chongqing Zhongmin Gas Company Limited")	PRC # 中國#	RMB4,080,004 人民幣4,080,004元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應管道燃氣及 安裝燃氣分銷設備
富平縣中民燃氣有限公司 ("Fu Ping County Zhongmin Gas Company Limited")	PRC ## 中國##	RMB10,000,000 人民幣10,000,000元	80	—	80	Distribution and supply of gas 分銷及供應燃氣
西安中民燃氣有限公司 ("Xi'an Zhongmin Gas Company Limited")	PRC 中國	RMB40,000,000 人民幣40,000,000元	70	—	70	Sales and distribution of gas, design of gas pipeline and related maintenance 銷售及分銷燃氣， 設計燃氣管道及 相關維修
懷化中民燃氣有限公司 ("Huaihua Zhongmin Gas Company Limited")	PRC 中國	RMB18,180,000 人民幣18,180,000元	55	—	55	Sale of LPG 液化石油氣銷售
延邊中民燃氣有限公司 ("Yan Bian Zhongmin Gas Company Limited")	PRC 中國	RMB10,000,000 人民幣10,000,000元	100	—	100	Gas transportation and sales and installation of gas pipelines 氣體運輸及銷售及 安裝氣體管道
貴州中民燃氣有限公司 ("Guizhou Zhongmin Gas Company Limited")	PRC 中國	RMB18,000,000 人民幣18,000,000元	100	—	100	Sale of LPG 液化石油氣銷售

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

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### 43. PRINCIPAL SUBSIDIARIES (Continued)

### 43. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Particulars of registered capital 註冊股本詳情	Group effective interest 集團有效權益 %	Directly 直接 %	Indirectly 間接 %	Principal activities 主要業務
雲南中民燃氣有限公司 ("Yunnan Zhongmin Gas Company Limited")	PRC 中國	RMB7,560,000 (RMB2,592,000 unpaid) 人民幣7,560,000元 (人民幣2,592,000元 未繳足)	100	—	100	Storage and transportation, wholesale and retail of LPG 儲存及運輸·批發及 零售液化石油氣
懷化中民石油氣運銷有限公司 ("Huaihua Zhongmin Petroleum Gas Supply Company Limited")	PRC 中國	RMB26,000,000 (RMB16,000,000 unpaid) 人民幣26,000,000元 (人民幣16,000,000元 未繳足)	100	—	100	Purchase, transportation and sale of LPG and related petrochemical products 購買·運輸及銷售石油氣及 相關石油化工產品
福建省安然燃氣投資有限公司 ("Fujian Province An Ran Gas Investment Company Limited")	PRC 中國	RMB120,000,000 人民幣120,000,000元	100	—	100	Investment holding 投資控股
南平安然燃氣有限公司 ("Nanping An Ran Gas Company Limited")	PRC 中國	RMB10,000,000 人民幣10,000,000元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應管道燃氣及 安裝燃氣分銷設備
長樂安然燃氣有限公司 ("Changle An Ran Gas Company Limited")	PRC 中國	RMB10,000,000 人民幣10,000,000元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
截至2007年3月31日止年度

## 綜合財務報表附註

### 43. PRINCIPAL SUBSIDIARIES (Continued)

### 43. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Particulars of registered capital 註冊股本詳情	Group effective interest 集團有效權益 %	Directly 直接 %	Indirectly 間接 %	Principal activities 主要業務
福州開發區福鐵安然管道 燃氣有限公司 ("Fuzhou Development Area Futie An Ran Pipe Gas Company Limited")	PRC 中國	RMB600,000 人民幣600,000元	60	—	60	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備
永安安然管道燃氣有限公司 ("Yongan An Ran Pipeline Gas Company Limited")	PRC ## 中國 ##	RMB10,000,000 人民幣10,000,000元	90	—	90	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備
德化廣安天然氣有限公司 ("Dehua Guang An Natural Gas Company Limited")	PRC 中國	RMB20,000,000 人民幣20,000,000元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備
福鼎市安然燃氣有限公司 (前稱福鼎市平安管道燃氣 有限公司) ("Fuding City An Ran Gas Company Limited (formerly known as Fuding City Ping An Pipeline Gas Company Limited))	PRC 中國	RMB3,550,000 人民幣3,550,000元	26	—	51	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備
龍岩安然燃氣有限公司 ("Long Yan An Ran Gas Company Limited")	PRC ## 中國 ##	RMB10,000,000 人民幣10,000,000元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備

# Notes to the Consolidated Financial Statements

## 綜合財務報表附註

For the year ended 31 March 2007  
截至2007年3月31日止年度

### 43. PRINCIPAL SUBSIDIARIES (Continued)

### 43. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Particulars of registered capital 註冊股本詳情	Group effective interest 集團有效權益 %	Directly 直接 %	Indirectly 間接 %	Principal activities 主要業務
羅源安然管道燃氣有限公司 ("Luoyuan An Ran Pipeline Gas Company Limited")	PRC 中國	RMB3,000,000 人民幣3,000,000元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備
福州開發區安然燃氣有限公司 ("Fuzhou Development Area An Ran Gas Company Limited")	PRC 中國	RMB10,000,000 人民幣10,000,000元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備
漳州安然燃氣有限公司 ("Zhangzhou An Ran Gas Company Limited")	PRC 中國	RMB90,000,000 人民幣90,000,000元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備
連江安然燃氣有限公司 ("Lianjiang An Ran Gas Company Limited")	PRC 中國	RMB10,000,000 人民幣10,000,000元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 安裝燃氣分銷設備
閩清廣安天然氣有限公司 ("Minqing Guang An Natural Gas Company Limited")	PRC 中國	RMB20,000,000 人民幣20,000,000元	100	—	100	Distribution and supply of gas 分銷及供應燃氣

# Notes to the Consolidated Financial Statements

For the year ended 31 March 2007  
截至2007年3月31日止年度

## 綜合財務報表附註

### 43. PRINCIPAL SUBSIDIARIES (Continued)

### 43. 主要附屬公司 (續)

Name of company 公司名稱	Place of incorporation/ operation 註冊成立/ 營業地點	Particulars of registered capital 註冊股本詳情	Group effective interest 集團有效權益 %	Directly 直接 %	Indirectly 間接 %	Principal activities 主要業務
宁德安然燃氣有限公司 ("Ningde An Ran Gas Company Limited")	PRC 中國	RMB10,000,000 人民幣10,000,000元	51	—	51	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 裝設燃氣管道設施
漳浦安然燃氣有限公司 ("Zhangpu An Ran Gas Company Limited")	PRC 中國	RMB1,000,000 人民幣1,000,000元	100	—	100	Distribution and supply of gas and installation of gas distribution facilities 分銷及供應燃氣及 裝設燃氣管道設施

# Wholly foreign-owned enterprises registered in the PRC.

# 於中國註冊之外商獨資企業。

## Sino-foreign joint equity enterprises registered in the PRC.

## 於中國註冊之中外合資合營企業。

None of the subsidiaries had issued any debt securities during the year and at the end of the year.

年內及直至本年度完結，附屬公司概無發行任何債務證券。

All of the above subsidiaries operate principally in their respective place of incorporation/establishment.

所有上述附屬公司主要在其各自的公司/機構所在地經營。

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

上表所包括之本公司之附屬公司，對本集團是年度業績有重大影響。而倘提供其他附屬公司之詳情，董事則認為會使資料過於冗長。

The English names of the PRC companies referred to above in this note represent management's best efforts in translating the Chinese names of those companies as no English names have been registered or available.

由於本附註內上述公司名稱並無註冊或可用之英文名稱，故此英文版的公司名稱為管理層對公司中文名稱的翻譯。

# Five-year Financial Summary

## 五年財務概要

For the year ended 31 March 2007  
截至2007年3月31日止年度

The following is a summary of the published results and of the assets, liabilities and minority interests of the Group for the five financial years ended 31 March 2007:

本集團截至2007年3月31日止五個財政年度之資產、負債及少數股東權益之刊發業績概要如下：

		Year ended 31 March 截至3月31日止年度				
		2007	2006	2005	2004	2003
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
<b>RESULTS</b>	<b>業績</b>					
Turnover	營業額	<b>532,506</b>	240,607	81,080	38,243	31,136
Profit/(loss) before tax	除稅前溢利／(虧損)	<b>49,381</b>	(35,711)	27,435	(9,024)	(8,805)
Tax	稅項	<b>(15,917)</b>	(19,400)	(11,603)	(135)	—
Profit/(loss) for the year	本年度溢利／(虧損)	<b>33,464</b>	(55,111)	15,832	(9,159)	(8,805)
Attributable to:	由以下應佔：					
Equity holders of the Company	本公司權益持有人	<b>22,123</b>	(56,061)	15,336	(9,132)	(8,760)
Minority interests	少數股東權益	<b>11,341</b>	950	496	(27)	(45)
		<b>33,464</b>	(55,111)	15,832	(9,159)	(8,805)
<b>ASSETS, LIABILITIES AND MINORITY INTERESTS</b>	<b>資產、負債及少數股東權益</b>					
Total assets	資產總額	<b>1,436,863</b>	496,268	260,351	72,053	17,274
Total liabilities	負債總額	<b>(867,309)</b>	(219,080)	(92,952)	(38,711)	(20,420)
Net assets/(liabilities)	資產／(負債)淨額	<b>569,554</b>	277,188	167,399	33,342	(3,146)
Minority interests	少數股東權益	<b>(66,033)</b>	(4,713)	(1,834)	(274)	(683)

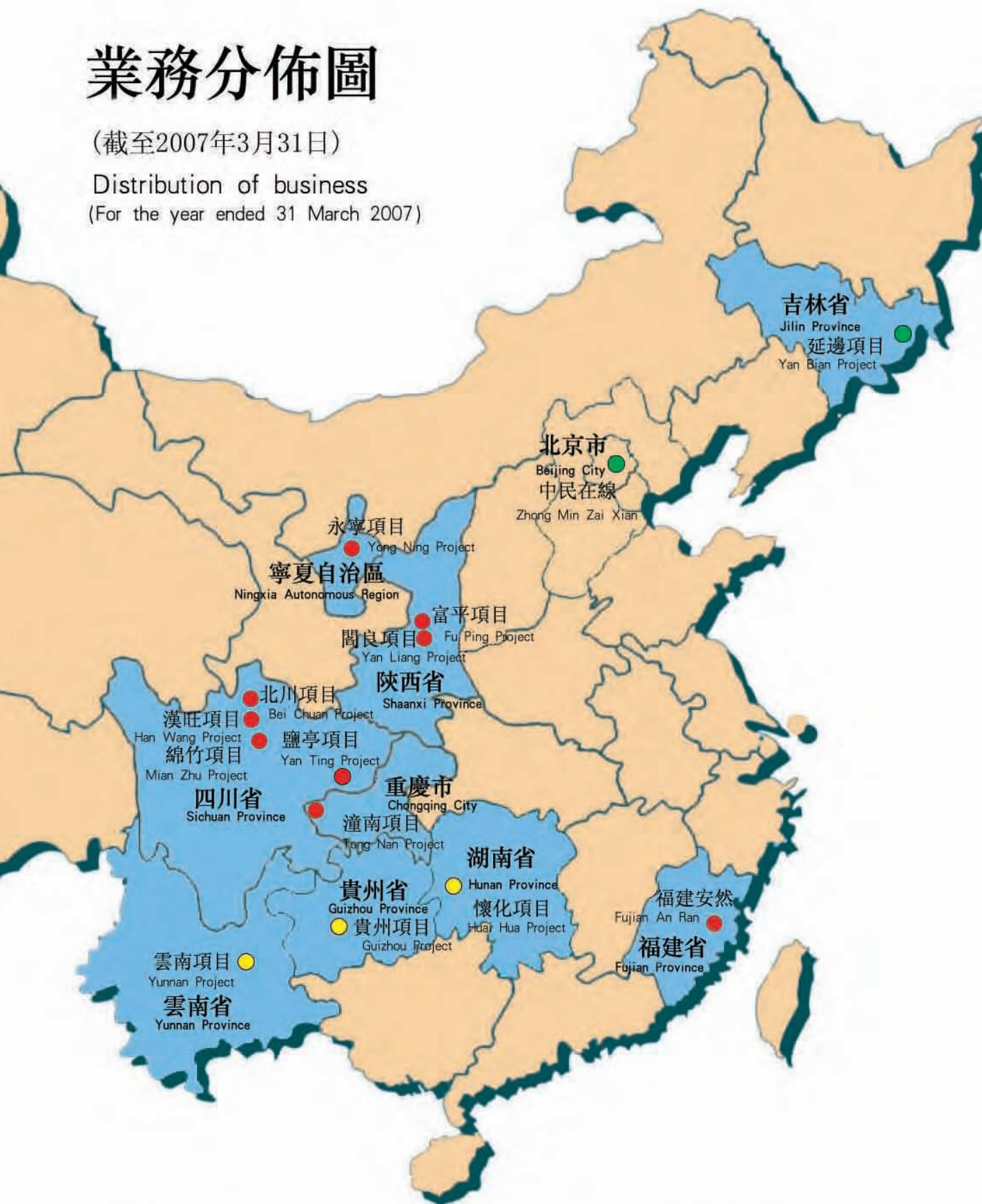
*Note 1:* The results of the year ended 31 March 2003 and 2004 have not been restated for the effect of the changes to the Group's accounting policies for the adoption of the new HKFRSs.

*附註1:* 本集團並無因為採納新香港財務報告準則導致會計政策變動造成之影響而重列截至2003年及2004年3月31日止各年度之業績。

# 業務分佈圖

(截至2007年3月31日)

Distribution of business  
(For the year ended 31 March 2007)



本集團業務所在省市

本集團已投資管道燃氣項目 (福建安然業務已覆蓋福建省內9個地區中的8個, 共有28個項目公司)

本集團已投資液化石油氣批發零售項目 (懷化項目包括懷化中民和懷化運銷公司2個項目)

本集團已投資其他項目 (包括延邊華新、延邊中民、中民在線3個項目)

The province in which the Group operates

The Group's investment on gas pipeline projects (The operation of Fujian An Ran covers 8 out of 9 regions in Fujian province, with a total of 28 project companies)

The Group's investment on wholesale and retail of LPG projects (Huai Hua project includes 2 projects: Huai Hua Zhong Min and Huai Hua Petroleum Gas Supply Company)

The Group's other invested projects (including 3 projects: Yan Bian Hua Xin, Yan Bian Zhong Min and Zhong Min Zai Xian)

A large, stylized graphic of a wave or flame, rendered in various shades of teal and green, occupies the upper half of the page. It has a fluid, organic shape with a pointed tip on the left side.

**中民燃氣控股有限公司**  
**CHINESE PEOPLE GAS HOLDINGS COMPANY LIMITED**

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