APTUS HOLDINGS LIMITED
(問博控股有限公司)

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8212)

ANNUAL RESULTS ANNOUNCEMENT
YEAR ENDED 30 JUNE 2008

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

The Stock Exchange takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement, for which the board of directors of Aptus Holdings Limited collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

RESULTS

The board (the "Board") of directors (the "Directors") of Aptus Holdings Limited (the "Company") is pleased to present the audited consolidated results of the Company and its subsidiaries (together the "Group") for the year ended 30 June 2008, together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 30 June 2008

	Notes	**2008**	2007
		HK$'000	*HK$'000*
Revenue	*3*	**105,355**	57,655
Cost of sales		**(86,969)**	(54,140)
Gross profit		**18,386**	3,515
Other revenue	*3*	**1,009**	310
Selling and distribution costs		**(13,598)**	(3,254)
Administrative expenses		**(25,764)**	(86,810)
Finance costs	*5*	**(37,485)**	(24,396)
Share of result of an associate		**(40)**	–
Loss on deemed disposal of a subsidiary		**(7)**	–
Loss before taxation	*6*	**(57,499)**	(110,635)
Income tax	*7*	**412**	(464)
Loss for the year		**(57,087)**	(111,099)
Attributable to:			
Equity holders of the Company		**(56,843)**	(110,764)
Minority interests		**(244)**	(335)
		(57,087)	(111,099)
Loss per share			
Basic	*8*	**(HK3.33 cents)**	(HK6.61 cents)

CONSOLIDATED BALANCE SHEET
At 30 June 2008

	Notes	2008 HK$'000	2007 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment	10	**218,006**	183,140
Interest in an associate		**1,889**	–
Goodwill		**81,215**	81,215
Construction in progress		**6,912**	14,004
Prepaid lease payments	11	**15,502**	12,496
		323,524	290,855
CURRENT ASSETS			
Inventories	12	**4,306**	2,133
Accounts receivables	13	**610**	1,509
Prepaid lease payments	11	**452**	380
Prepayments, deposits and other receivables	14	**38,385**	35,671
Tax recoverable		**680**	–
Bank balances and cash		**40,629**	49,110
		85,062	88,803
CURRENT LIABILITIES			
Accounts payables	15	**6,823**	10,305
Accrued liabilities and other payables		**19,555**	9,487
Tax payable		**–**	688
Bank and other borrowings	16	**11,344**	2,125
		37,722	22,605
NET CURRENT ASSETS		**47,340**	66,198
TOTAL ASSETS LESS CURRENT LIABILITIES		**370,864**	357,053
CAPITAL AND RESERVES			
Share capital		**17,444**	16,979
Reserves		**(50,433)**	(24,487)
Equity attributable to equity holders of the Company		**(32,989)**	(7,508)
Minority interests		**15,278**	15,312
		(17,711)	7,804
NON-CURRENT LIABILITIES			
Bank and other borrowings	16	**114,251**	106,105
Convertible bonds	17	**274,324**	243,144
		388,575	349,249
		370,864	357,053

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2008

	Attributable to equity holders of the Company									
	Share capital	**Share option reserve**	**Convertible bonds reserve**	**Translation reserve**	**Share premium account**	**Capital reserve**	**Accumulated losses**	**Total**	**Minority interests**	**Total**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
At 1 July 2006	16,681	23,207	–	339	88,096	15,826	(114,725)	29,424	14,073	43,497
Shares issued on exercise of options	298	–	–	–	2,864	–	–	3,162	–	3,162
Recognition of equity-settled share based payments	–	54,913	–	–	–	–	–	54,913	–	54,913
Recognition of equity component of convertible bonds	–	–	10,712	–	–	–	–	10,712	–	10,712
Acquisition of jointly controlled entities	–	–	–	–	–	–	–	–	737	737
Exchange differences arising from translation of financial statements of overseas operations	–	–	–	5,045	–	–	–	5,045	837	5,882
Net loss for the year	–	–	–	–	–	–	(110,764)	(110,764)	(335)	(111,099)
At 30 June 2007 and at 1 July 2007	16,979	78,120	10,712	5,384	90,960	15,826	(225,489)	(7,508)	15,312	7,804
Shares issued on exercise of options	465	–	–	–	4,091	–	–	4,556	–	4,556
Recognition of equity-settled share based payments	–	7,674	–	–	–	–	–	7,674	–	7,674
Transfer to accumulated losses due to lapse of share options	–	(85,794)	–	–	–	–	85,794	–	–	–
Released on deemed disposal of a subsidiary	–	–	–	(12)	–	–	–	(12)	(737)	(749)
Exchange differences arising from translation of financial statements of overseas operations	–	–	–	19,144	–	–	–	19,144	947	20,091
Net loss for the year	–	–	–	–	–	–	(56,843)	(56,843)	(244)	(57,087)
At 30 June 2008	**17,444**	**–**	**10,712**	**24,516**	**95,051**	**15,826**	**(196,538)**	**(32,989)**	**15,278**	**(17,711)**

Notes:

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The consolidated financial statements are prepared in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Rules Governing the Listing of Securities on the GEM.

The consolidated financial statements have been prepared on the historical cost convention, except for certain financial instruments which are measured at fair values.

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

In the current year, the Group has applied, for the first time, a number of new standard, amendments and interpretations ("new HKFRSs") issued by the HKICPA that are effective for accounting periods beginning on or after 1 July 2007.

HKAS 1 (Amendment)	Capital disclosures
HKFRS 7	Financial instruments: Disclosures
HK(IFRIC)-INT 8	Scope of HKFRS 2
HK(IFRIC)-INT 9	Reassessment of embedded derivatives
HK(IFRIC)-INT 10	Interim financial reporting and impairment
HK(IFRIC)-INT 11	HKFRS 2 – Group and treasury share transactions

The application of the new and amended HKFRSs had no material effect on how the Group's results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

The Group has applied the disclosure requirements under HKAS 1 (Amendment) and HKFRS 7 retrospectively. Certain information presented in prior years under the requirements of HKAS 32 has been removed and the relevant comparative information based on the requirements of HKAS 1 (Amendment) and HKFRS 7 has been presented for the first time in the current year.

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKAS 1 (Revised)	Presentation of financial statements[1]
HKAS 23 (Revised)	Borrowing costs[1]
HKAS 27 (Revised)	Consolidated and separate financial statements[2]
HKAS 32 & 1 (Amendments)	Puttable financial instruments and obligations arising on liquidation[1]
HKFRS 2 (Amendments)	Vesting conditions and cancellations[1]
HKFRS 3 (Revised)	Business combinations[2]
HKFRS 8	Operating segments[1]
HK(IFRIC)-INT 12	Service concession arrangements[3]
HK(IFRIC)-INT 13	Customer loyalty programmes[4]
HK(IFRIC)-INT 14	HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction[3]
HK(IFRIC)-INT 15	Agreements for the construction of real estate[1]
HK(IFRIC)-INT 16	Hedges of a net investment in a foreign operation[5]

1 Effective for annual periods beginning on or after 1 January 2009
2 Effective for annual periods beginning on or after 1 July 2009
3 Effective for annual periods beginning on or after 1 January 2008
4 Effective for annual periods beginning on or after 1 July 2008
5 Effective for annual periods beginning on or after 1 October 2008

The adoption of HKFRS 3 (revised) may affect the accounting for business combination for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 July 2009. HKAS 27 (revised) will affect the accounting treatment for changes in a parent's ownership interest in a subsidiary that do not result in a loss of control, which will be accounted for as equity transactions.

The directors of the Company anticipate that the application of the other new or revised standards and interpretations will have no material impact on the results and the financial position of the Group.

3. REVENUE AND OTHER REVENUE

The Group is principally engaged in the businesses of distribution of edible oil, holding profit sharing right of oil field, sales of gas and gas appliances, provision of gas transportation services and installation services for gas connected.

Revenue represents invoiced value of sales, net of returns, discounts allowed or sales taxes where applicable. Revenue recognized during the year is as follows:

	2008	2007
	HK$'000	*HK$'000*
Revenue		
Sales of goods	**81,407**	52,728
Gas transportation	**2,787**	644
Installation income for gas connection	**21,161**	4,283
	105,355	57,655

	2008	2007
	HK$'000	*HK$'000*
Other revenue		
Interest income	**707**	598
Rental income	**290**	–
Sundry income	**132**	165
Exchange losses, net	**(120)**	(453)
	1,009	310

4. SEGMENT INFORMATION

Business segments

The Group is engaged in the businesses of holding profit sharing right of oil field, distribution of edible oil, sales of gas and gas appliances, provision of gas transportation services and installation services.

Summary details of the business segments are as follows:

	Gas related		**Profit sharing on oil field**		**Distribution of edible oil**		**Total**	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:								
Sales to external customers	**65,793**	14,743	**–**	–	**39,562**	42,912	**105,355**	57,655
Segment results	**836**	(1,922)	**(840)**	(1,187)	**(28)**	123	**(32)**	(2,986)
Unallocated income							**10**	390
Unallocated expenses							**(19,945)**	(83,643)
Finance costs							**(37,485)**	(24,396)
Share of result of an associate							**(40)**	–
Loss on deemed disposal of a subsidiary							**(7)**	–
Loss before taxation							**(57,499)**	(110,635)
Income tax							**412**	(464)
Loss for the year							**(57,087)**	(111,099)
Segment assets	**290,486**	265,122	**33,126**	30,419	**1,754**	1,442	**325,366**	296,983
Unallocated assets							**83,220**	82,675
Total assets							**408,586**	379,658
Segment liabilities	**117,157**	104,709	**1,672**	1,233	**457**	531	**119,286**	106,473
Unallocated liabilities							**32,687**	22,237
Convertible bonds							**274,324**	243,144
Total liabilities							**426,297**	371,854
Other segment information:								
Depreciation of property, plant and equipment	**17,673**	4,194	**33**	–	**–**	–	**17,706**	4,194
Unallocated							**13**	17
							17,719	4,211
Amortization of prepaid lease payments	**461**	152	**–**	–	**–**	–	**461**	152
Capital expenditure	**12,837**	1,650	**2**	–	**–**	–	**12,839**	1,650
Allowance for doubtful receivable	**856**	–	**–**	–	**–**	–	**856**	–
Other non-cash expenses							**38,854**	74,769

Geographical segments

A summary of the geographical segments is set out as follows:

	Revenue		Segment results		Segment assets		Capital expenditure	
	2008	2007	**2008**	2007	**2008**	2007	**2008**	2007
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
PRC	**65,793**	14,743	**(4)**	(3,109)	**323,612**	295,541	**12,839**	1,650
Hong Kong	**–**	–	**–**	–	**83,220**	82,675	**–**	–
South East Asia	**39,562**	42,232	**(28)**	121	**1,754**	1,442	**–**	–
Europe	**–**	680	**–**	2	**–**	–	**–**	–
	105,355	57,655	**(32)**	(2,986)	**408,586**	379,658	**12,839**	1,650
Unallocated income			**10**	390				
Unallocated expenses			**(19,945)**	(83,643)				
Finance costs			**(37,485)**	(24,396)				
Share of result of an associate			**(40)**	–				
Loss on deemed disposal of a subsidiary			**(7)**	–				
Loss before taxation			**(57,499)**	(110,635)				
Income tax			**412**	(464)				
Loss for the year			**(57,087)**	(111,099)				

5. FINANCE COSTS

	2008	2007
	HK$'000	*HK$'000*
Interest on:		
– borrowings wholly repayable within five years	**1,957**	2,606
– borrowings wholly repayable after five years	**4,348**	1,934
– convertible bonds	**31,180**	19,856
	37,485	24,396

6. LOSS BEFORE TAXATION

	2008	2007
	HK$'000	*HK$'000*
Loss before taxation has been arrived at after charging:		
Staff costs (excluding directors' emoluments):		
– Wages and salaries	**9,839**	8,902
– Retirement benefits scheme contributions	**111**	162
Total staff costs	**9,950**	9,064
Cost of inventories sold *(Note)*	**86,968**	54,140
Auditors' remuneration	**392**	350
Depreciation of property, plant and equipment *(Note)*	**17,719**	4,211
Share option expenses	**7,674**	54,913
Minimum lease payments under operating leases:		
– Land and buildings	**1,064**	1,248
Loss on disposal of property, plant and equipment	**–**	65
Allowance for doubtful receivable	**856**	–
Amortization of prepaid lease payments	**461**	152
Loss on deemed disposal of a subsidiary	**7**	–

Note: Included in the depreciation of approximately HK$17,719,000 (2007: HK$4,211,000) was an amount of approximately HK$10,533,000 (2007: HK$2,380,000) capitalized in cost of inventories sold during the year. The amount of approximately HK$10,533,000 (2007: HK$2,380,000) was included in cost of inventories sold of approximately HK$86,968,000 (2007: HK$54,140,000).

7. INCOME TAX

The amount of tax (credited) charged to the consolidated income statement represents:

	2008	2007
	HK$'000	*HK$'000*
Overseas income tax:		
– Charged for the year	**1,956**	464
– Overprovision in prior years	**(2,368)**	–
Total tax (credited) charged for the year	**(412)**	464

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

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

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the Group's loss attributable to the equity holders of the Company:

	2008	2007
	HK$'000	*HK$'000*
Loss for the purposes of basic loss per share	**56,843**	110,764
Number of shares		
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic loss per share	**1,706,834**	1,676,490

No diluted loss per share has been presented in both years, as outstanding share options and convertible bonds of the Company are anti-dilutive since their exercise or concession would result in a decrease in loss per share.

9. DIVIDENDS

No dividend was paid or proposed during the year ended 30 June 2008, nor has any dividend been proposed since the balance sheet date (2007: Nil).

10. PROPERTY, PLANT AND EQUIPMENT

	Furniture and fixtures	Computer equipment	Office equipment	Gas distribution network	Motor vehicles	Gas storage equipment	Other equipment	Leasehold buildings	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
COST									
At 1 July 2006	57	148	6	–	–	–	–	–	211
Additions	–	–	–	–	1,334	–	316	–	1,650
Disposals	(19)	–	–	–	(70)	–	(3)	–	(92)
Acquisition of jointly controlled entities	–	–	–	153,943	1,488	9,822	5,190	11,100	181,543
Exchange realignment	1	6	–	3,431	33	219	116	247	4,053
At 30 June 2007 and at 1 July 2007	39	154	6	157,374	2,785	10,041	5,619	11,347	187,365
Transferred from construction in progress	–	–	–	15,022	–	–	9,089	1,520	25,631
Additions	–	–	2	9,637	302	–	471	254	10,666
Deemed disposal of a subsidiary	–	–	–	(1,818)	(54)	(160)	(17)	(50)	(2,099)
Exchange realignment	5	49	2	16,602	291	1,055	601	1,206	19,811
At 30 June 2008	**44**	**203**	**10**	**196,817**	**3,324**	**10,936**	**15,763**	**14,277**	**241,374**
DEPRECIATION									
At 1 July 2006	15	22	1	–	–	–	–	–	38
Charged for the year	12	34	1	3,332	150	280	229	173	4,211
Eliminated on disposal	(9)	–	–	–	(15)	–	(3)	–	(27)
Exchange realignment	–	3	–	–	–	–	–	–	3
At 30 June 2007 and at 1 July 2007	18	59	2	3,332	135	280	226	173	4,225
Charged for the year	8	36	2	14,640	485	1,122	1,035	391	17,719
Deemed disposal of a subsidiary	–	–	–	(43)	(3)	(8)	(2)	(1)	(57)
Exchange realignment	5	42	1	1,175	41	92	85	40	1,481
At 30 June 2008	**31**	**137**	**5**	**19,104**	**658**	**1,486**	**1,344**	**603**	**23,368**
NET BOOK VALUES									
At 30 June 2008	**13**	**66**	**5**	**177,713**	**2,666**	**9,450**	**14,419**	**13,674**	**218,006**
At 30 June 2007	21	95	4	154,042	2,650	9,761	5,393	11,174	183,140

At 30 June 2008, none of the Group's property, plant and equipment was held under finance lease (2007: Nil).

Leasehold buildings of the Group are located in the People's Republic of China and held under medium term leases.

The Group has pledged gas distribution network having a carrying amount of approximately HK$122,336,000 (2007: HK$113,432,000) to secure bank borrowings granted to the Group.

11. PREPAID LEASE PAYMENTS

	2008	2007
	HK$'000	*HK$'000*
At 1 July	**12,876**	–
Acquisition of jointly controlled entities	**–**	12,645
Additions	**2,191**	99
Exchange realignment	**1,348**	284
	16,415	13,028
Less: Charged to consolidated income statement for the year	**(461)**	(152)
At 30 June	**15,954**	12,876
Analysis for reporting purposes:		
Non-current portion	**15,502**	12,496
Current portion	**452**	380
At 30 June	**15,954**	12,876

The amount represented medium-term land use rights situated in the PRC and premises under operating leases in the PRC.

12. INVENTORIES

	2008	2007
	HK$'000	*HK$'000*
Construction materials	**2,197**	1,075
Finished goods and natural gas	**2,109**	1,058
	4,306	2,133

13. ACCOUNTS RECEIVABLES

Accounts receivables, which generally have credit terms of not more than 180 days, are recognized and carried at original invoiced amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

	2008	2007
	HK$'000	*HK$'000*
Trade receivables	**1,466**	1,509
Less: Allowance for doubtful receivable	**(856)**	–
	610	1,509

An aged analysis of the Group's accounts receivables at the balance sheet dates, based on the date of goods delivered is as follows:

	2008	2007
	HK$'000	*HK$'000*
Current to 90 days	**489**	226
91-180 days	**–**	1,045
Over 180 days	**977**	238
	1,466	1,509

The accounts receivables with carrying amount of HK$489,000 (2007: HK$1,159,000) are neither past due nor impaired at the announcement date.

The Group has policies for allowances of bad and doubtful receivable which are based on the evaluation of collectibility and age analysis of accounts and on the management's judgement including the credit creditworthlness, collaterals and the past collection history of each customer.

During the year ended 30 June 2008, the Group made an allowance of HK$856,000 (2007: Nil) in respect of trade receivables, which was past due at the announcement date with long age and slow repayments were received from respective customers since the due date. The directors considered the related receivables may be impaired and specified allowance is made.

Movement in the allowance for bad and doubtful debts:

	2008	2007
	HK$'000	*HK$'000*
Balance at the beginning of the year	**–**	–
Charge for the year	**856**	–
Balance at the end of the year	**856**	–

In determining the recoverability of the trade receivables, the Group considers any change in the credit quality of the trade receivables from the date credit was initially granted up to the announcement date. The trade receivables past due but not provided for were either subsequently settled as at the date of this announcement or no historical default of payments by the respective customers. The concentration of credit risk is limited due to the customer base being large and unrelated. Accordingly, the directors believe that there is no further credit provision required in excess of the allowance for bad and doubtful debts.

Included in the Group's accounts receivables with a carrying amount of HK$121,000 (2007: HK$350,000) which are past due at the announcement date for which the Group has not provided as there has not been a significant change in credit quality and the amount are still considered recoverable. The Group does not hold any collateral over these balances.

The fair value of the Group's accounts receivables as at 30 June 2008 approximates to the corresponding carrying amount.

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

Included in prepayments, deposits and other receivables are prepayments for the drilling operation of Xin Jiang Oilfield in the PRC of approximately HK$34 million (2007: HK$30 million).

15. ACCOUNTS PAYABLES

	2008	2007
	HK$'000	*HK$'000*
Trade payables	**6,823**	10,305

An aged analysis of the Group's accounts payables at the balance sheet dates, based on the date of goods and services received, is as follows:

	2008	2007
	HK$'000	*HK$'000*
Within 90 days	**219**	1,662
Over 90 days	**6,604**	8,643
	6,823	10,305

The fair value of the Group's accounts payables as at 30 June 2008 approximates to the corresponding carrying amount.

16. BANK AND OTHER BORROWINGS

	2008	2007
	HK$'000	*HK$'000*
Bank loans	**80,276**	71,179
Other borrowings	**45,319**	37,051
	125,595	108,230

	2008	2007
	HK$'000	*HK$'000*
Secured loans *(note a)*	**93,994**	88,426
Unsecured loans *(note b)*	**31,601**	19,804
	125,595	108,230

(a) Borrowings of approximately HK$16,500,000 (2007: HK$16,500,000) is interest bearing at 2% over prime rate, secured by corporate guarantee from China Vanguard, the ultimate holding company of the Company, and not repayable in next twelve months.

Borrowings of approximately HK$17,474,000 (2007: HK$17,694,000) is secured by corporate guarantee from a shareholder of a jointly controlled entity, interest charged at 2.55% per annum and has fixed repayment term.

Borrowings of approximately HK$60,020,000 (2007: HK$54,232,000) is secured by gas network of a jointly controlled entity, interest charged at 5.5-5.7% per annum and have fixed repayment term.

(b) Borrowings of approximately HK$11,345,000 (2007: HK$2,857,000) is unsecured, bears interest at prime rate and not repayable in next twelve months.

Borrowings of approximately HK$20,256,000 (2007: HK$16,947,000) is unsecured, interest charged at 4.8% per annum and has fixed repayment term.

Borrowings are repayable as follows:

	2008	2007
	HK$'000	*HK$'000*
On demand or within one year	**11,344**	2,125
In more than one year but not more than two years	**63,704**	28,031
In more than two years but not more than five years	**40,054**	63,307
Over five years	**10,493**	14,767
	125,595	108,230
Less: Amount shown under non-current liabilities	**(114,251)**	(106,105)
Amount shown under current liabilities	**11,344**	2,125

The details of the Group's borrowings which are denominated in foreign currencies are set out below:

	RMB
	HK$'000 equivalent
At 30 June 2008	**97,750**
At 30 June 2007	88,873

17. CONVERTIBLE BONDS

On 22 November 2006, the Company issued convertible bonds due on 21 November 2011 with a principal amount of HK$234 million, which is interest-bearing at 5% per annum from and including 21 May 2008. The convertible bonds were issued for the purpose of the acquisition of a 48.33% equity interest in Changde Huayou Gas Co., Limited ("Changde Joint Venture"), 33% equity interest in the Hunan Huayou Natural Gas Transportation & Distribution Company Limited ("Hunan Joint Venture") and general working purposes.

On or at any time after 21 November 2008 and prior to 11 November 2011, the Company may redeem the convertible bonds in whole but not in part, together with the interest accrued to the redemption date.

The holder(s) of the convertible bonds may exercise the right at any time from 1 January 2007 up to close of business on 11 November 2011 or, if the convertible bonds shall have been called for redemption before 21 November 2011, up to the close of business on a date no later than 7 business days prior to the date fixed for redemption thereof. The initial conversion price will be HK$2.4 per share, subject to adjustment upon occurrence of certain prescribed dilution events.

On each of 21 November 2008, 21 November 2009 and 21 November 2010 (each a "Put Option Date"), each bondholder will have the right to require the Company to redeem in whole or in part of the convertible bonds of such bond holders on the Put Option Date together with interest accrued to the Put Option Date.

Unless previously redeemed converted or purchased and cancelled, the convertible bonds will be redeemed at 150.15% of their principal amount on 21 November 2011.

Further details of the convertible bonds can also be found in the joint announcement made by the Company and China Vanguard Group Limited dated 9 November 2006.

The fair value of the liability component of the convertible bonds is estimated by computing the present value of all future cash flows discounted using prevailing market rate of interest for similar instrument with a similar credit rating and with consideration of the convertible bonds. The residual amount, representing the value of the equity component is credited to a Company's reserve account.

The Directors had assessed the fair values of the early redemption rights and considered the fair value is insignificant.

The convertible bonds have been spilt between the liability and equity components as follows:

	2008	2007
	HK$'000	*HK$'000*
Nominal value of convertible bonds issued	**234,000**	234,000
Equity component	**(10,712)**	(10,712)
Liability component at the issuance date	**223,288**	223,288
Imputed finance cost	**51,036**	19,856
Non-current liability component as at the balance sheet date	**274,324**	243,144

BUSINESS REVIEW

Overview

Aptus has continued to expand its operations while also putting in new management structures and procedures through the introduction of a senior level "Operating Committee" as well as effective measures to control costs. The natural gas related operations have achieved a significant year on year increase in revenue and, for the first time since their acquisition in February 2007, these operations have become our leading source of revenue.

The Group's business is divided into 3 operating segments: (1) two downstream natural gas operations in the province of Hunan, the PRC; (2) a crude oil mining operation via Xin Jiang Oilfield; and (3) an edible oil trading business via our non-listed Singapore subsidiary.

Natural Gas Operations

Aptus has stakes in two natural gas related joint ventures in the province of Hunan, the PRC. Aptus has 48.33% and 33.0% shareholdings respectively in Changde Huayou Gas Co., Ltd ("Changde Joint Venture"), a city level natural gas pipeline project, and Hunan Huayou Natural Gas Transportation and Distribution Company Limited ("Hunan Joint Venture"), a provincial level natural gas pipeline project. The twelve-month revenue contribution to the Group this financial period was approximately HK$65.8 million compared to HK$14.7 million for the period from February to June 2007. These results marked the maiden full year contribution from these operations as the two joint ventures were only just acquired in February 2007.

The Hunan Joint Venture has completed the construction of its main pipeline (about 188 km in total). The pipeline now reaches 7 city-level gas distribution stations in the province of Hunan as compared to only 5 city-level gas distribution stations in the previous fiscal year. The 7 cities are Changde (常德), Yiyang (益陽), Deshan (德山), Wangcheng (望城), Hanshou (漢壽), Tongguan (銅官) and Ningxiang (寧鄉). In the last twelve months the Hunan Joint Venture transported about 47.1 million cubic meters of natural gas to the 7 city-level gas distribution stations, an increase of approximately 260% as compared to 13.1 million cubic meters in the previous twelve months[1].

[1] *For comparison purposes only, a full twelve-month figure is used. The Hunan Joint Venture and Changde Joint Venture were acquired in February 2007. Thus, only natural gas turnover for the period from February to June 2007 was recorded in last fiscal year.*

The Changde Joint Venture has added 84 km to its city-level pipeline network increasing it to 678 km from 594 km previously. This pipeline network now connects to a total of circa 53,000 users (as of 30 June 2007, approximately 37,600 users were connected) this include approximately 144 commercial users, 95 public welfare establishments, 8 industrial users and over 52,000 residential users to its network with sales of about 41.5 million cubic meters of natural gas this financial year, an increase of approximately 173% as compared to 15.2 million cubic meters in the previous twelve months[1]. During the year, management implemented a sales target-linked remuneration system for its sales staff as motivation to increase overall connectivity. As can be seen from the numbers above, this remuneration reward system is giving us highly satisfactory results.

In addition to increasing sales and better cost control, staff safety is also a top priority. Both Hunan Joint Venture and Changde Joint Venture have received HSE certification from the Health and Safety Executive Association and have managed to maintain zero injuries, zero accidents and zero contaminations for the past two years. Management will continue to do all that is necessary to ensure the three zeros will be maintained.

Xin Jiang Oilfield

Initial drilling at our Xin Jiang Oilfield project in Feng Cheng has continued to yield very positive results with crude flowing successfully. However, progress in its development on our behalf has been slow this financial year. Many of the delays have stemmed from business restructuring of the China National Petroleum Corporation Xin Jiang Petroleum Management Bureau (中國石油集團新疆石油管管理局) and PetroChina Company Limited Xin Jiang Oilfield Branch Company (中國石油天然氣股份有限公司新疆油田分公司) who were, together with China Huayou Group Corporation, responsible for the development, management and operation of the oilfield. Their restructuring, which disrupted progress on our behalf, is now nearing completion. This year we will continue to work hard to bring commercial production of the Xin Jiang Oilfield to the shareholders of Aptus.

Edible Oil Trading Business

Business conditions continued to be tough for the edible oil trading business as cost of basic consumer goods continue to rise resulting in margin pressure throughout the supply chain. The Group recorded a slight decrease in turnover down to approximately HK$39.6 million this fiscal year as compared to approximately HK$42.9 million recorded in the previous fiscal year. Management is in the process of repositioning the edible oil trading business in the market place with goals to increasing its market share and sales.

FUTURE OUTLOOK AND PROSPECTS

The Group now has three operational segments: (1) two downstream natural gas operations in the province of Hunan; (2) a crude oil mining operation via Xin Jiang Oilfield; and (3) an edible oil trading business in Singapore. As mentioned previously, for the first time, natural gas related revenue has become our leading source of revenue indicating that our oil and gas operations in the PRC are beginning to gain traction. Our objective is to build on this, bring our oilfield on stream and to eventually become a large vertically integrated player in the oil and gas industry in the PRC.

[1] *For comparison purposes only, a full twelve-month figure is used. The Hunan Joint Venture and Changde Joint Venture were acquired in February 2007. Thus, only natural gas turnover for the period from February to June 2007 was recorded in last fiscal year.*

We will continue to scale up production at the two natural gas joint ventures in Hunan province. The penetration strategy for Changde Joint Venture is to sign up industrial and commercial users in the area as, by their nature, they are significantly larger users of natural gas. Some of the targets set for this year are to connect an additional (1) 5,000 residential users, (2) 2-3 large commercial/industrial users, and (3) 3-5 additional public welfare establishments. In order to support the abovementioned expansion, the pipeline network with be extended to connect to the target public welfare establishments, residential, and commercial/industrial users.

Regarding the Xin Jiang Oilfield, this year we will continue to work hard to bring commercial production to the shareholders which would enable the Group to enjoy strong cashflow and capitalise on the existing strong demand and firm pricing environment for crude oil.

In addition to our existing oil and gas operations, the Group will continue to explore more opportunities in the natural gas business in the PRC as natural gas is a more environmental friendly energy source. Industrial users have been able to provide better quality products while reducing the impact to the environment thus creating a win-win situation.

FINANCIAL REVIEW

Turnover

The Group recorded a turnover of approximately HK$105.4 million for the year ended 30 June 2008 (“Year 2008”), an increase of about 83% as compared to approximately HK$57.7 million for the year ended 30 June 2007 (“Year 2007”). In the year under review, turnover from our natural gas related operations improved significantly while turnover of our edible oil trading business contracted slightly.

As indicated in the Business Review above, the Changde Joint Venture benefited from an increase in end users within its jurisdiction whilst the Hunan Joint Venture benefited from an increase in distribution stations. As a result, revenues from these operations increased by about 3.5 times from approximately HK$14.7 million in Year 2007 to approximately HK$65.8 million in Year 2008.

The turnover from our edible oil trading business decreased by about 8% from approximately HK$42.9 million in Year 2007 to approximately HK$39.6 million in Year 2008, which was resulted from the continuous increase in the price of consumer goods thus reducing margins and demand.

Gross Profit

The details of gross profit and gross profit ratio of the Group are as follows:

	2008		2007	
	Gross Profit HK$’000	**Gross Profit Ratio %**	Gross Profit HK$’000	Gross Profit Ratio %
Natural gas related	**18,133**	**27.6**	2,843	19.3
Trading of edible oil	**253**	**0.6**	672	1.6
Overall	**18,386**	**17.5**	3,515	6.1

The Group's overall gross profit ratio increased significantly from 6.1% in Year 2007 to 17.5% in Year 2008 due to the increasing relative contribution from the higher margin natural gas related operations acquired in February 2007. Natural Gas Joint Ventures (Hunan Joint Venture and Changde Joint Venture) accounted for 62.4% of the Group's revenue in Year 2008 against just 25.5% last year. As can be seen from the above, the major share of gross profits are now being contributed by the Natural Gas Joint Ventures.

The Group's share of turnover from the Natural Gas Joint Ventures for Year 2008 included installation income for gas connection of approximately HK$21.2 million against approximately HK$4.3 million in Year 2007. Gross profit margin of installation income is very high. As such, the significant rise in installation income has contributed to the overall widening of the gross profit margins of the Group's natural gas related operations. Further, costs of the Hunan Joint Venture are predominantly fixed in nature (mainly depreciation) and are thus inelastic in relation to the volume of gas transported along its pipeline. Thus the increase in turnover of the Hunan Joint Venture in Year 2008 did not see a corresponding increase in cost of sales thereby also contributing to the widening of overall gross profit margins.

As mentioned previously, the prices of consumer goods in general rose significantly in Year 2008. In reaction to tougher market conditions, the low-price strategy adopted by the Group's edible oil trading business resulted in lower gross margins here in Year 2008.

Operating Costs

The Group's operating costs, comprising selling and distribution costs and administrative expenses, decreased significantly by about HK$50.6 million from approximately HK$90 million in Year 2007 to approximately HK$39.4 million this year. The decrease was mainly attributable to the net effect of (i) less share option expenses charged against the Group's profit and loss account from approximately HK$54.9 million in Year 2007 to approximately HK$7.7 million in Year 2008; (ii) a decrease in legal and professional fees from approximately HK$13.7 million (mainly for issue of convertible bonds) in Year 2007 to approximately HK$0.2 million in Year 2008; and (iii) an increase in depreciation under selling and distribution costs from approximately HK$1.5 million in Year 2007 to approximately HK$6.8 million in Year 2008. The increase in depreciation was mainly attributable to city-level gas operation operated by Changde Joint Venture as additional 84km pipeline network was built in the current year.

Finance Costs

The increase in finance costs over Year 2008 of about HK$13.1 million, from HK$24.4 million in Year 2007 to HK$37.5 million in Year 2008, was mainly attributable to the increase in imputed finance costs of convertible bonds (at the Aptus level), which were issued by the Group in November 2006. The imputed finance costs of convertible bonds increased due principally to the fact that only approximately seven months interest were charged to the Group's financial statements in Year 2007 against a full year charge this year.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2008, the Group had assets of approximately HK$408.6 million (2007: approximately HK$379.7 million), including cash and bank balances of approximately HK$40.6 million (2007: approximately HK$49.1 million).

As at 30 June 2008, the Group had borrowed loans (including convertible bonds) of approximately HK$399.9 million (2007: HK$351.4 million), for details please refer to notes 16 and 17 to the consolidated balance sheet in this announcement.

The Directors consider it is not meaningful to publish a gearing ratio for the Group until such time as the Group is in a positive shareholders' equity position.

CONTINGENT LIABILITIES

As at 30 June 2008, the Group had no contingent liabilities.

CHARGES ON GROUP ASSETS

As at 30 June 2008 and up to the date of this announcement issued the 100% of the issued share capital of Good United Management Limited ("GUM"), a wholly-owned subsidiary of the Company, was pledged in favor of the holder(s) of the convertible bonds issued by the Company on 22 November 2006. GUM held 70% equity interests in CNPC Huayou Cu Energy Investment Co., Limited, which owned profit sharing rights on Xin Jiang Oilfield. In addition, bank borrowings of approximately HK$60 million were secured by the gas network of the Hunan Joint Venture.

CAPITAL STRUCTURE

During the year ended 30 June 2008, the Company issued 46,510,000 shares based on share options granted in 2004 under the share option scheme to eligible participants. As at 30 June 2008, the number of the Company's issued shares was enlarged to 1,744,391,428 shares.

CONVERTIBLE BONDS

In addition to the details disclosed in note 17 to the consolidated balance sheet in this announcement, during the period from 1 July 2007 to the date of this announcement issued, the Company did not receive request from any bondholders to redeem the convertible bonds on the forthcoming Put Option Dates. If the Company receives notice from any bondholders to redeem the convertible bonds in future, the Company will consider the liquidity for the redemption and issue an announcement to shareholders about the redemption details as soon as practicable, if necessary.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND ANY RELATED HEDGES

No significant exchange risk is expected as the Group's cash, borrowings, income and expenses are settled in Hong Kong dollars, RMB or US dollars. The Group's major investment and financing strategies are to invest in domestic projects in the PRC by Hong Kong dollars borrowings. As RMB appreciation is expected to continue in the foreseeable future and the Group's operating income is substantially denominated in RMB, the Group did not perform any foreign currency hedging activities during the year. Nevertheless, the Group will from time to time review and adjust the Group's investment and financing strategies based on the RMB, US dollars and Hong Kong dollars exchange rate movement.

EMPLOYEES, REMUNERATION POLICIES AND SHARE OPTION SCHEME

As at 30 June 2008, the Group had 17 full time staff employed by the Company and its subsidiaries and the Group's jointly controlled entities employed 258 full time staff. Remuneration is determined by reference to market terms and the performance, qualification and experience of individual employees. In addition to salaries and provident fund contributions, the Group also offers medical benefits and training programs. Share options may be granted to employees based on performance evaluation in order to provide incentives and rewards.

SIGNIFICANT INVESTMENT

For the year ended 30 June 2008, the Group did not have any significant investments.

MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES

For the year ended 30 June 2008, the Group did not have any material acquisition and disposal of subsidiaries.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The auditors of the Company included a section of "Emphasis of Matters" in their independent auditor's report, the details of which are as follows:

Without qualifying in our opinion, we would like to draw your attention to note 4 in the financial statements which indicates that the possible early redemption request from the convertible bonds holder to exercise their right on 21 November 2008. These conditions, along with other matters as set forth in note 4 regarding the convertible bonds, indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern.

The section in respect of convertible bonds included in note 4 to the consolidated financial statements – Critical Accounting Judgements and Key Sources of Estimation Uncertainty, which explained the circumstances leading to the Auditors' modified opinion above, are as follows:

Refering to the agreement entered into between the Company and the holder(s) of convertible bonds (the "Bondholders") dated 2 November 2006, on each of 21 November 2008, 21 November 2009 and 21 November 2010 (each a "Put Option Date"), each Bondholder will have the right to require the Company to redeem in whole or in part of the convertible bonds of such Bondholder(s) on the Put Option Date together with interest accrued to the Put Option Date. Any early redemption request from the Bondholders will cause unexpected cash outflow from the Company and will have an impact on the going concern of the Company. Up to the date of the financial statements approved by the Board, the Company did not receive request from any Bondholder to redeem the convertible bonds on the forthcoming Put Option Dates. As such, in the opinion of the directors, the Company did not have going concern problem as at the balance sheet date and the liability portion of the convertible bonds is classified under non-current liabilities.

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

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

CORPORATE GOVERNANCE PRACTICES

The Company has committed itself to a high standard of corporate governance. The Directors strongly believe that reasonable and sound corporate governance practices are vital to the Group's rapid growth and to safeguarding and enhancing shareholders' interests.

Except for the deviation from the provision A.4.1 of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 15 of the Rules Governing the Listing of Securities on the GEM, the Company has complied all remaining provisions of the Code.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based on the guidelines recommended by the HKICPA and the mandatory provisions set out in the Code. The primary duties of the audit committee are to review the Company's annual report and accounts, semi-annual report and quarterly reports and to provide advices and comments thereon to the Board.

The audit committee meets at least four times each year with management to review the accounting principles and practices adopted by the Group and to discuss auditing, internal control and financial reporting matters.

The audit committee currently comprises five Independent Non-executive Directors of the Company, namely Mr. To Yan Ming, Edmond, Mr. Tian He Nian, Mr. Zhao Zhi Ming, Mr. Zhang Xiu Fu and Mr. Zou Qi Jun.

The audit committee met four times during the year ended 30 June 2008. Individual attendance of each committee member at these meetings is as follows:

	Attendance
Mr. To Yan Ming, Edmond	4/4
Mr. Tian He Nian	4/4
Mr. Zhao Zhi Ming	4/4
Mr. Zhang Xiu Fu *(appointed on 25 January 2008)*	*2/2
Mr. Zou Qi Jun *(appointed on 9 September 2008)*	N/A

* For the period from 25 January 2008 to 30 June 2008, the audit committee held two meetings and Mr. Zhang Xiu Fu attended all these two meetings.

The audit committee reviewed the Group's audit results for the year ended 30 June 2008 with management and the Company's external auditors and recommended its adoption by the Board.

By order of the Board
Aptus Holdings Limited
Chan Ting
Director

Hong Kong, 25 September 2008

As at the date of this announcement, the executive Directors are Madam Cheung Kwai Lan, Mr. Chan Ting and Mr. Fung King Him, Daniel; and the independent non-executive Directors are Mr. Tian He Nian, Mr. Zhao Zhi Ming, Mr. Zhang Xiu Fu, Mr. Zou Qi Jun and Mr. To Yan Ming, Edmond.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for a minimum period of 7 days from the day of its posting and on the website of the Company at www.aptus.com.hk.