

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2006

1. BASIS OF PREPARATION

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

2. PRINCIPAL ACCOUNTING POLICIES

The condensed financial statements have been prepared on the historical cost basis except for certain investment properties and financial instruments which are measured at revalued amounts or fair values, as appropriate.

The accounting policies used in the condensed financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 March 2006 except as described below.

In the current interim period, the Group has applied, for the first time, a number of new standards, amendments and interpretations ("new HKFRSs") issued by the HKICPA, which are either effective for accounting periods beginning on or after 1 December 2005 or 1 January 2006 or 1 March 2006 respectively. The adoption of the new Hong Kong Financial Reporting Standards ("HKFRSs") has no material effect on how the results for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

簡明財務報表附註

截至二零零六年九月三十日止六個月

1. 編製基準

簡明財務報表乃根據香港聯合交易所有限公司證券上市規則(「上市規則」)附錄16之適用披露規定，以及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號「中期財務報告」而編製。

2. 主要會計政策

簡明財務報表已根據歷史成本法編製，惟若干投資物業及金融工具則以重估值或公平值(如適用)計量。

編製簡明財務報表所採用之會計政策，與編製本集團截至二零零六年三月三十一日止年度之全年財務報表所依據者一致，惟下文所述者除外。

於本中中期間，本集團首次採納多項由香港會計師公會頒佈分別於二零零五年十二月一日、二零零六年一月一日或二零零六年三月一日或之後開始之會計期間起生效的新準則、修訂及詮釋(「新香港財務報告準則」)。採納新香港財務報告準則(「香港財務報告準則」)對本集團於本會計期間或過往會計期間業績之編製及呈列方式並無重大影響。因此，毋須就過往期間作出調整。

3. POTENTIAL IMPACT ARISING FROM THE HONG KONG FINANCIAL REPORTING STANDARDS ISSUED BUT NOT EFFECTIVE

The Group has not early applied the following new standards, amendments and interpretations that have been issued but are not yet effective. The Group is in the process of making an assessment on the impact on the application of these standards, amendments or interpretations and has so far concluded that the adoption of them will have no material impact on the results and the financial position of the Group.

HKAS 1 (Amendment)

香港會計準則第1號修訂

HKFRS 7

香港財務報告準則第7號

HK(IFRIC) – INT 8

香港財務報告詮釋委員會 – 詮釋8

HK(IFRIC) – INT 9

香港財務報告詮釋委員會 – 詮釋9

HK(IFRIC) – INT 10

香港財務報告詮釋委員會 – 詮釋10

Capital disclosures¹

資本披露¹

Financial instruments: Disclosures¹

金融工具：披露¹

Scope of HKFRS 2²

香港財務報告準則第2號之範圍²

Reassessment of embedded derivatives³

重估附帶衍生工具³

Interim financial reporting and impairment⁴

中期財務報告及減值⁴

¹ Effective for accounting periods beginning on or after 1 January 2007.

² Effective for accounting periods beginning on or after 1 May 2006.

³ Effective for accounting periods beginning on or after 1 June 2006.

⁴ Effective for annual periods beginning on or after 1 November 2006.

3. 已頒佈但尚未生效之香港財務報告準則可能引致之影響

本集團並未提前採用下列已頒佈但尚未生效之新準則、修訂及詮釋。本集團現正評估採用此等準則、修訂或詮釋之影響，至今之結論為採用此等準則、修訂或詮釋將不會對本集團之業績及財務狀況構成重大影響。

¹ 自二零零七年一月一日或之後開始之會計期間生效。

² 自二零零六年五月一日或之後開始之會計期間生效。

³ 自二零零六年六月一日或之後開始之會計期間生效。

⁴ 自二零零六年十一月一日或之後開始之年度期間生效。

4. SEGMENT INFORMATION

For management purposes, the Group is currently organised into four operating divisions – property investment, financial and securities investment, gas pipeline construction and sales of piped gas. These principal operating activities are the basis on which the Group reports its primary segment information.

Segment information for the six months ended 30 September 2006 and 2005 about these businesses is presented below.

4. 分項資料

就管理而言，本集團目前經營四類業務——物業投資、金融及證券投資、燃氣管網建設及銷售管道燃氣。此等主要經營業務乃本集團呈報其主要分項資料之基礎。

有關此等業務截至二零零六年及二零零五年九月三十日止六個月之分項資料載列於下文。

Six months ended 30 September 2006

截至二零零六年九月三十日止六個月

		Property investment	Financial and securities investment	Gas pipeline construction	Sales of piped gas	Others	Consolidated
		物業投資	金融及證券投資	燃氣管網建設	管道燃氣銷售	其他	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Revenue	收益	468	-	156,582	270,346	47,702	475,098
Segment result	分類業績	(100)	32,005	90,688	14,560	(2,129)	135,024
Unallocated corporate revenue	未分配公司收益						24,500
Unallocated corporate expenses	未分配公司開支						(30,459)
Change in fair value of derivative financial instruments	衍生金融工具之公平值變動						14,843
Finance cost	財務費用						(41,596)
Share of results of associates	應佔聯營公司業績						142
Profit before taxation	除稅前溢利						102,454
Taxation	稅項						(1,068)
Profit for the period	本期間溢利						101,386

4. SEGMENT INFORMATION (Continued)

4. 分項資料 (續)

Six months ended 30 September 2005

截至二零零五年九月三十日止六個月

		Property investment	Financial and securities investment	Gas pipeline construction	Sales of piped gas	Others	Consolidated
		物業投資	金融及 證券投資	燃氣 管網建設	銷售 管道燃氣	其他	綜合
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Revenue	收益	580	-	131,433	96,107	34,400	262,520
Segment result	分類業績	(674)	(22)	91,000	6,964	1,102	98,370
Unallocated corporate revenue	未分配公司收益						7,573
Unallocated corporate expenses	未分配公司開支						(40,789)
Change in fair value of derivative financial instruments	衍生金融工具之 公平值變動						4,000
Finance cost	財務費用						(15,895)
Share of result of an associate	應佔聯營公司業績						(139)
Profit before taxation	除稅前溢利						53,120
Taxation	稅項						(147)
Profit for the period	本期間溢利						52,973

5. FINANCE COSTS

5. 融資成本

		Six months ended 截至下列日期止六個月	
		30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	30 September 2005 二零零五年 九月三十日 HK'000 千港元 (unaudited) (未經審核及 重列)
Interest on:	以下各項之利息：		
- Bank loans and other borrowings wholly repayable within five years	- 須於五年內全數償還之銀行貸款及其他借款	52,174	24,476
- Bank loans not wholly repayable within five years	- 毋須於五年內全數償還之銀行貸款	12,967	19,487
- Obligation under a hire purchase contract	- 租購合約承擔	2	6
- Convertible note	- 可換股票據	-	145
- Convertible bonds	- 可換股債券	6,246	3,071
		71,389	47,185
Less: Interest capitalised to construction in progress	減：在建工程之資本化利息	(29,793)	(31,290)
		41,596	15,895

6. TAXATION

The amount represents PRC income tax for both period.

No provision for Hong Kong Profits Tax has been made in the financial statements as the Group had no assessable profit for either period. Taxation arising in other jurisdiction is calculated at the rates prevailing in the relevant jurisdiction.

6. 稅項

有關款項指截至二零零五年及二零零六年九月三十日止六個月之中國所得稅。

由於本集團於上述期間均無應課稅溢利，故並未於財務報表就香港利得稅作出撥備。其他司法權區之稅項乃按個別司法權區之適用稅率計算。

7. PROFIT BEFORE TAXATION

7. 除稅前溢利

Six months ended
截至下列日期止六個月

		30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	30 September 2005 二零零五年 九月三十日 HK'000 千港元 (unaudited) (未經審核)
Profit before taxation has been arrived at after charging (crediting):	除稅前溢利已扣除(計入)下列各項:		
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	31,485	8,857
Release of prepaid lease payment	預付租賃款項之撥回	1,336	148
Interest income	利息收入	(21,743)	(6,860)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	42	245
Share of tax of jointly controlled entities	分佔共同控制實體之稅項	160	77

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the parent is based on the following data:

		Six months ended 截至下列日期止六個月	
		30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	30 September 2005 二零零五年 九月三十日 HK'000 千港元 (unaudited) (未經審核)
Earnings	盈利		
Earnings for the purpose of basic and diluted earnings per share (profit for the period attributable to equity holders of the parent)	計算每股基本及攤薄盈利之盈利（歸屬母公司股東之本期間溢利）	89,918	43,457
Number of shares	股份數目	'000 千股	'000 千股
Weighted average number of ordinary shares for the purpose of basic earnings per share	計算每股基本盈利之普通股加權平均數	2,923,032	2,424,690
Effect of dilutive potential ordinary shares:	普通股潛在攤薄之影響：		
Share options	購股權	206,187	228,176
Convertible note	可換股票據	N/A不適用	N/A不適用
Convertible bonds	可換股債券	N/A不適用	N/A不適用
Warrants	認股權證	-	45,730
Weighted average number of ordinary shares for the purpose of diluted earnings per share	計算每股攤薄盈利之普通股加權平均數	3,129,219	2,698,596

The computation of diluted earnings per share for both periods did not assume the exercise of the Company's outstanding convertible note and bonds as the exercise price was higher than the average market price for shares.

8. 每股盈利

歸屬母公司普通股股東之每股基本及攤薄盈利乃根據下表載列數據計算：

計算截至二零零五年及二零零六年九月三十日止六個月之每股攤薄盈利並無假設本公司之未行使可換股票據及債券獲行使，此乃由於當時行使價較股份之平均市價為高。

9. MOVEMENTS IN INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

During the period, the Group acquired property, plant and equipment at a total cost of approximately HK\$217,203,000 of which HK\$38,462,000 was acquired through acquisition of business.

During the period, the Group disposed of certain property, plant and equipment with a carrying amount of HK\$261,000 for proceeds of HK\$219,000, resulting in a loss on disposal of HK\$42,000.

10. INTEREST IN ASSOCIATES

During the period, the Group had acquired 44% equity interest of 重慶市川東燃氣工程建設有限公司 for a consideration of HK\$1,222,000. A discount on acquisition of HK\$334,000 has been included as other income in determination of the Group's share of results of associates.

11. TRADE AND OTHER RECEIVABLES

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

The following is an aged analysis of trade receivables:

9. 投資物業和物業、廠房及設備變動

期內，本集團購入總成本約217,203,000港元之物業、廠房及設備，其中38,462,000港元乃透過收購業務所得。

期內，本集團已出售賬面值261,000港元之物業、廠房及設備，所得款項為219,000港元，由此產生之出售虧損為42,000港元。

10. 於聯營公司之權益

期內，本集團以1,222,000港元之代價收購重慶市川東燃氣工程建設有限公司之44%股本權益。收購折讓334,000港元已於釐定本集團應佔聯營公司業績時計入為其他收入。

11. 貿易應收賬款及其他應收賬項

本集團給予其貿易客戶之平均信貸期為30日至60日。

貿易應收賬款之賬齡分析如下：

		30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2006 二零零六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
0 – 30 days	0 – 30日	73,039	60,738
31 – 60days	31 – 60日	11,898	1,459
61 – 90 days	61 – 90日	2,582	8,763
91 – 120 days	91 – 120日	683	7,980
121-180 days	121 – 180日	3,613	22,678
Over 180 days	180日以上	34,143	38,595
Trade receivables	貿易應收賬款	125,958	140,213
Deposits paid for construction materials	就建材支付之按金	55,656	22,979
Other receivables, deposits and prepayments	其他應收賬項、按金及預付款項	234,952	182,278
Amounts due from minority shareholders of subsidiaries	應收附屬公司少數股東款項	2,159	2,196
		418,725	347,666

12. TRADE AND OTHER PAYABLES

The following is an aged analysis of trade payables:

		30 September 2006 二零零六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2006 二零零六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
0 – 60 days	0 – 60日	88,878	123,175
61 – 90 days	61 – 90日	17,947	5,190
91 – 120 days	91 – 120日	7,483	5,681
121 – 180 days	121 – 180日	7,019	13,731
Over 180 days	180日以上	123,641	59,347
Trade payables	貿易應付賬款	244,968	207,124
Other payables and accrued charges	其他應付賬項及應計費用	183,597	184,641
		428,565	391,765

13. BANK AND OTHER BORROWINGS

During the period, the Group obtained new bank and other borrowings of approximately HK\$774,776,000 of which approximately HK\$372,115,000 is repayable within one year. The loans bears interest at 2% to 7.68% per annum. The proceeds were used to finance the capital expenditure and general working capital of the Group.

12. 貿易應付賬款及其他應付賬項

貿易應付賬款之賬齡分析如下：

13. 銀行及其他借貸

期內，本集團取得新造銀行及其他借款約774,776,000港元，其中約372,115,000港元須於一年內償還。有關貸款按2厘至7.68厘之年利率計息。所得款項已用作本集團之資本開支及一般營運資金。

14. SHARE CAPITAL

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each issued and fully paid:	每股面值0.01港元之 已發行及繳足股款普通股：	2,921,562	29,216
At 1 April 2006	於二零零六年四月一日		
Exercise of share options	行使購股權	2,680	26
At 30 September 2006	於二零零六年九月三十日	2,924,242	29,242

15. ACQUISITION OF SUBSIDIARIES

During the period, the Group acquired 100% of the issued share capital of China City Natural Gas Investment Limited ("CCNC Investment") for a cash consideration of HK\$70,200,000. Cash consideration paid for the acquisition amounted to HK\$66,000,000 and the balance is payable within 6 month from the date of agreement.

CCNC Investment acquired are engaged in natural gas business. The asset owned by CCNC Investment is the 90% equity interest in 無為縣川東燃氣有限公司 ("無為川東燃氣") in Anhui province, and 100% equity interest in 內蒙古烏審中天天氣輸配有限公司 ("烏審中天"). The goodwill arising on the above acquisition amounted to HK\$70,200,000 which is attributable to the anticipated profitability of gas connection and sales of piped gas business of this Company. Since the natural gas business in the PRC has barrier of entry, the directors considered that such barrier of entry allows these companies to exercise monopolistic power in respective local markets and able to obtain a steady future cash inflow. Both 無為川東燃氣 and 烏審中天 has not commenced business during the period.

14. 股本

		Number of shares 股份數目 '000 千股	Share capital 股本 HK\$'000 千港元
Ordinary shares of HK\$0.01 each issued and fully paid:	每股面值0.01港元之 已發行及繳足股款普通股：	2,921,562	29,216
At 1 April 2006	於二零零六年四月一日		
Exercise of share options	行使購股權	2,680	26
At 30 September 2006	於二零零六年九月三十日	2,924,242	29,242

15. 收購附屬公司

期內，本集團以70,200,000港元之現金代價收購China City Natural Gas Investment Limited(「CCNC Investment」)之100%已發行股本。就收購支付之現金代價為66,000,000港元，而餘款須由協議日期起計六個月內支付。

已收購之CCNC Investment乃從事天然氣業務。CCNC Investment所擁有之資產為於安徽省無為縣川東燃氣有限公司(「無為川東燃氣」)之90%股本權益及於內蒙古烏審中天天氣輸配有限公司(「烏審中天」)之100%股本權益。因上述收購所產生之商譽為70,200,000港元，乃基於該公司之燃氣接駁及銷售管道燃氣業務之預期盈利能力。由於中國之天然氣業務擁有進入門檻，董事認為，該等進入門檻將令該等公司於本土市場享有獨家經營優勢，因而可獲得穩定未來現金流入。期內，無為川東燃氣及烏審中天尚未展開業務。

16. ACQUISITION OF BUSINESS

Establishment of subsidiaries

On 11 April 2005, the Group entered into an agreement with 紹興縣中國輕紡城管理燃氣有限公司 (“Shaoxing Partner”) pursuant to which a subsidiary namely Shaoxing Zhongran City Gas Development Co. Ltd. (“Shaoxing JV”) was established. The Group owns 55% issued share capital of Shaoxing JV and contributed the capital in cash of HK\$36,846,600. The Shaoxing Partner would contribute the capital in the form of assets and liabilities. Up to the balance sheet date, the Shaoxing Partner has not contributed the capital. Shaoxing JV will be principally engaged in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of natural gas in Shaoxing. During the period, Shaoxing JV was formed but has not commenced business.

On 8 June 2006, the Group entered into a joint venture agreement with 撫順市人民政府國有資產監督管理委員會 (“Fushun Partner”) to establish a subsidiary namely 撫順中燃城市燃氣發展有限公司 (Fushan JV). Fushan JV is engaged principally in the natural gas business. The registered capital of Fushan JV is RMB133,330,000. The Group holds 70% equity interest of Fushan JV and contributed the capital in cash and Fushun Partner contributed the capital in the form of assets and liabilities. The assets and liabilities contributed by Fushun Partner after considering the fair value adjustment was approximately HK\$38,462,000.

The goodwill arising on the acquisition of business amounted to approximately HK\$2,885,000 and is attributable to the anticipated profitability of the gas connection and sales of piped gas. Since the natural gas business in the PRC has barrier of entry, the directors considered that such barrier of entry allows Fushan JV to exercise monopolistic power in the market and able to obtain a steady future cash inflow.

Fushan JV contributed HK\$8,399,000 to the Group’s revenue and HK\$2,740,000 to the Group’s profit before taxation for the period from the date of establishment to the balance sheet date.

16. 收購業務

成立附屬公司

於二零零五年四月十一日，本集團與紹興縣中國輕紡城管理燃氣有限公司（「紹興夥伴」）訂立協議，據此成立一家名為紹興中燃城市燃氣發展有限公司（「紹興合資公司」）之附屬公司。本集團擁有紹興合資公司之55%已發行股本，並以現金方式注資36,846,600港元。紹興夥伴將以資產與負債注入方式出資。截至結算日止，紹興夥伴尚未出資。紹興合資公司主要從事紹興縣天然氣管道網絡及配套設施之設計、建造及經營，並提供天然氣。期內，紹興合資公司經已成立但尚未展開業務。

於二零零六年六月八日，本集團與撫順市人民政府國有資產監督管理委員會（「撫順夥伴」）訂立合營協議，據此成立一家名為撫順中燃城市燃氣發展有限公司（「撫順合營公司」）之附屬公司。撫順合營公司主要從事天然氣業務。撫順合營公司之註冊資本為人民幣133,330,000元。本集團持有撫順合營公司之70%股本權益，並以現金出資，而撫順夥伴則以資產與負債注入方式出資。經計及公平值調整後，撫順夥伴所注入之資產與負債約為38,462,000港元。

因收購業務所產生之商譽為2,885,000港元，乃基於燃氣接駁及銷售管道燃氣業務之預期盈利能力。由於中國之天然氣業務擁有進入門檻，董事認為，該等進入門檻將令撫順合資公司於本土市場享有獨家經營優勢，因而可獲得穩定未來現金流入。

由成立日至結算日期間，撫順合營公司為本集團帶來8,399,000港元之收益及為本集團帶來2,740,000港元之除稅前溢利。

17. CAPITAL COMMITMENTS

- (i) On 24 October 2004, a subsidiary of the Company entered into an agreement with Gangzhou Municipal Government 滄州市人民政府 (“Gangzhou Government”), pursuant to which the Company and Gangzhou Government have agreed to establish a sino-foreign equity joint venture company (“Gangzhou JV”) in the PRC which principally engages in the design, construction and operation of natural gas pipeline network and ancillary facilities as well as provision of piped natural gas in Gangzhou. Pursuant to the terms of the agreement, the subsidiary will contribute HK\$35,000,000 to Gangzhou JV. Gangzhou JV will be owned as to 70% by the Group, 30% by Gangzhou Government. Gangzhou JV is a subsidiary of the Group after completed of the establishment. The transaction was not yet completed at the balance sheet date.
- (ii) On 9 May 2005, a subsidiary of the Company entered into a cooperation agreement with 廣水市人民政府 pursuant to which a wholly owned subsidiary namely Guangshui Zhongran City Gas Development Company Ltd (“Guangshui Zhongran”) will be formed and wholly owned by the Group. Guangshui Zhongran will have registered capital of HK\$7,500,000. The transaction was not yet completed at the balance sheet date.
- (iii) On 6 June 2006, the Group entered into an investment agreement (“Investment Agreement”) with Dalian SOA Administration Bureau to establish a subsidiary namely 大連中燃城市燃氣發展有限公司 (“Dalian JV”). Dalian JV will engage principally in the natural gas business. The Group will hold 75% equity interest of Dalian JV after its establishment. Pursuant to the Investment Agreement, the registered capital of the Dalian JV will be RMB1,000,000,000 (approximate HK\$961,538,000). RMB750,000,000 (approximate HK\$721,154,000) will be contributed by the Group by way of cash and the remaining RMB250,000,000 (approximate HK\$240,384,000) will be contributed by Dalian SOA Administration Bureau by way of assets injection. The transaction was not completed at the balance sheet date.

17. 資本承擔

- (i) 於二零零四年十月二十四日，本公司一家附屬公司與滄州市人民政府訂立協議。據此，本公司與滄州市人民政府（「滄州市人民政府」）同意於中國成立一家中外合資經營公司（「滄州合資公司」），主要於滄州從事設計、建造及經營天然氣管道網絡及配套設施，以及提供管道天然氣。根據協議之條款，該附屬公司將向滄州合資公司出資35,000,000港元。滄州合資公司分別由本集團及滄州市人民政府擁有70%及30%權益。滄州合資公司於完成設立後為本集團之附屬公司。於結算日，交易仍未完成。
- (ii) 於二零零五年五月九日，本公司附屬公司與廣水市人民政府訂立合作協定，並據此成立一家名為廣水中燃城市燃氣發展有限公司（「廣水中燃」）之全資附屬公司，廣水中燃由本集團全資擁有。廣水中燃之註冊資本為7,500,000港元。於結算日，交易仍未完成。
- (iii) 於二零零六年六月六日，本集團與大連國資管委會訂立投資協議（「投資協議」），以成立一家名為大連中燃城市燃氣發展有限公司（「大連合營公司」）之附屬公司。大連合營公司將主要從事天然氣業務。於大連合營公司成立後，本集團將持有其75%股本權益。根據投資協議，大連合營公司之註冊股本將為人民幣1,000,000,000元（約961,538,000港元）。本集團將以現金方式注入人民幣750,000,000元（約721,154,000港元），而餘款人民幣250,000,000元（約240,384,000港元）將由大連國資管委會以注入資產方式出資。於結算日，交易仍未完成。

17. CAPITAL COMMITMENTS (Continued)

- (iv) On 18 August, 2006, the Company entered into sale and purchase agreement pursuant to which the Company agreed to acquire 100% equity interest in China Gas Investment Development Limited (“CGIDL”) at a consideration of RMB30,000,000. CGIDL is principally engaged in nature gas business in Tianjin City, the PRC. The transaction was not completed at the balance sheet date.
- (v) On 26 August 2006, a wholly owned subsidiary of the Company entered into a agreement with 呼和浩特市煤氣有限責任公司 (“Hohhot Partner”) pursuant to which 呼和浩特中燃城市燃氣發展有限公司 (“Hohhot JV”) will be established in Hohhot city, Inner Mongolia Autonomous Region, the PRC. Hohhot JV will be engaged principally in the natural gas business in Hohhot city. Hohhot JV will be owned beneficially as to 50% by the Group and 50% by Hohhot Partner. The registered capital of Hohhot JV will be RMB800,000,000 of which RMB400,000,000 (equivalent to approximately HK\$388,349,514) will be contributed by the Group by way of cash. The transaction was not completed at the balance sheet date.
- (vi) On 16 September 2006, a wholly owned subsidiary of the Company entered into a agreement with 德州市燃氣總公司 (“Dezhou Partner”) pursuant to which 德州中燃城市燃氣發展有限公司 (“Dezhou JV”) will be established in Dezhou city, Shandong Province, the PRC. Dezhou JV will be engaged principally in the natural gas business in Dezhou city. Dezhou JV will be owned beneficially as to 51% by the Group and 49% by Dezhou Partner. The registered capital of Dezhou JV will be RMB218,622,000 of which RMB111,497,000 (equivalent to approximately HK\$108,249,514) will be contributed by the Group by way of cash. The transaction was not completed at the balance sheet date.

17. 資本承擔 (續)

- (iv) 於二零零六年八月十八日，本公司訂立買賣協議，據此，本公司同意以人民幣30,000,000元之代價收購China Gas Investment Development Limited (「CGIDL」)之100%股本權益。CGIDL主要於中國天津市從事天然氣業務。於結算日，交易仍未完成。
- (v) 於二零零六年八月二十六日，本公司一家全資附屬公司與呼和浩特市煤氣有限責任公司(「呼和浩特夥伴」)訂立協議，據此將於中國內蒙古自治區成立呼和浩特市成立呼和浩特中燃城市燃氣發展有限公司(「呼和浩特合資公司」)。呼和浩特合資公司將主要於呼和浩特市從事天然氣業務。呼和浩特合資公司將由本集團與呼和浩特夥伴各自實益擁有50%權益。呼和浩特合資公司之註冊資本將為人民幣800,000,000元，其中人民幣400,000,000元(約相當於388,349,514港元)將由本集團以現金方式出資。於結算日，交易仍未完成。
- (vi) 於二零零六年九月十六日，本公司一家全資附屬公司與德州市燃氣總公司(「德州夥伴」)，據此將於中國山東省德州市成立德州中燃城市燃氣發展有限公司(「德州合資公司」)。德州合資公司將主要於德州市從事天然氣業務。德州合資公司將由本集團實益擁有51%權益，並由德州夥伴實益擁有餘下之49%權益。德州合資公司之註冊資本將為人民幣218,622,000元，其中人民幣111,497,000元(約相當於108,249,514港元)將由本集團以現金方式出資。於結算日，交易仍未完成。

17. CAPITAL COMMITMENTS (Continued)

Save as disclosed above, as at 30 September 2006, the Group has capital commitments in respect of the acquisition for property, plant and equipment and construction materials for property, plant and equipment contracted for but not provided in the financial statements amounting to HK\$440,241,000 (31 March 2006: HK\$453,224,000) and HK\$52,775,000 (31 March 2006: HK\$175,573,000), respectively.

18. PLEDGE OF ASSETS

The Group pledged certain property, plant and equipment and prepaid lease payments having a net carrying amount of approximately HK\$355,162,000 (31 March 2006: HK\$355,417,000) and investment properties having a carrying value of HK\$16,450,000 (31 March 2006: HK\$16,450,000) and certain subsidiaries pledged their equity investments in other subsidiaries to banks to secure loan facilities granted to the Group.

19. RELATED PARTY TRANSACTIONS

During the period, the Group purchased gas for total amount of approximately HK\$629,000 (year ended 31 March 2006: HK\$7,029,000) from minority shareholders of subsidiaries.

20. POST BALANCE SHEET EVENTS

On 4 December 2006, the Company entered into Chongqing LNG Cooperation Agreement with 重慶市開縣人民政府 pursuant to which a wholly foreign-owned enterprise, 重慶中燃液化天然氣有限公司 will be established to operate Chongqing LNG project. The wholly owned subsidiary will have a total investment of RMB800,000,000 and has registered capital of RMB240,000,000. A summary of the terms of the agreement is set out in the announcement dated 5 December 2006.

Subsequent to balance sheet date, the Company has acquired 38.69% equity interest of 重慶鼎發實業股份有限公司 for a consideration of RMB62,160,000 (approximate HK\$59,769,000) through the auction process, which principally engages in exploration, collection transportation, purification and sales of nature gas.

17. 資本承擔 (續)

除上文所披露者外，於二零零六年九月三十日，本集團就已訂約收購但尚未於財務報表上撥備之物業、廠房及設備以及物業、廠房及設備之建材分別作出為數440,241,000港元(二零零六年三月三十一日：453,224,000港元)及52,775,000港元(二零零六年三月三十一日：175,573,000港元)之資本承擔。

18. 資產抵押

本集團已抵押賬面淨值355,162,000港元(二零零六年三月三十一日：355,417,000港元)之若干物業、廠房及設備和預付租賃款項，以及賬面值為16,450,000港元(二零零六年三月三十一日：16,450,000港元)之投資物業，而若干附屬公司亦已抵押彼等於其他附屬公司之股本投資予銀行，以令本集團獲授貸款融資。

19. 有關連人士交易

期內，本集團向附屬公司少數股東合共購入約629,000港元(截至二零零六年三月三十一日止年度：7,029,000港元)之燃氣。

20. 結算日後事項

於二零零六年十二月四日，本公司與重慶市開縣人民政府訂立重慶液化天然氣合作協議，據此將成立一家外商獨資企業重慶中燃液化天然氣有限公司，以經營重慶液化天然氣項目。該全資附屬公司之投資總額及註冊資本將分別為人民幣800,000,000元及人民幣240,000,000元。協議之條款概述於日期為二零零六年十二月五日之公佈內。

於結算日後，本公司於拍賣中以人民幣62,160,000元(約59,769,000港元)之代價收購重慶鼎發實業股份有限公司之38.69%股本權益，該公司之主要業務為勘探、採集、運輸、淨化及銷售天然氣。