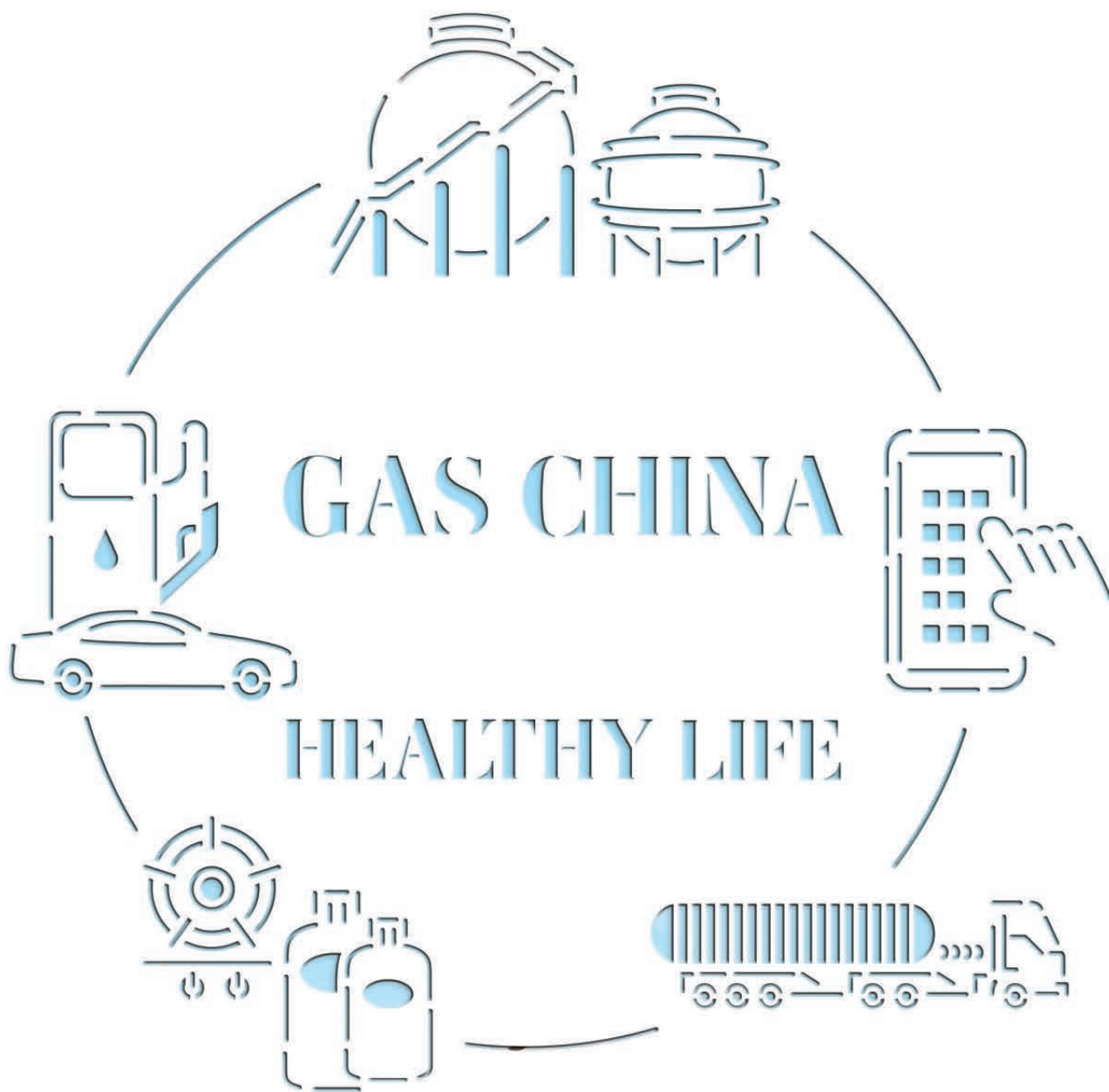




CHINA GAS
中國燃氣

Stock Code : 384



CHINA GAS HOLDINGS LIMITED

2016 ANNUAL REPORT



ABOUT CHINA GAS

The Group is a gas operator and service provider primarily engaged in the investment, construction and operation of city gas pipeline infrastructure facilities, gas terminals, storage and transportation facilities, and gas logistics systems, transmission of natural gas and liquefied petroleum gas (“LPG”) to residential, industrial and commercial users, construction and operation of compressed natural gas/liquefied natural gas refilling stations as well as development and application of technologies relating to natural gas and LPG in China.



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FINANCIAL HIGHLIGHTS

Financial Highlights for the year ended 31 March	2016 HK\$'000	2015 HK\$'000	Change
Turnover	29,138,527	31,666,111	-8.0%
Gross profit	7,033,290	6,455,712	9.0%
Profit for the year	2,733,292	3,869,686	-29.4%
Profit attributable to owners of the Company	2,273,121	3,371,053	-32.6%
Basic EPS (in HK cents)	45.79	67.30	-32.0%
Total dividend per share (in HK cents)	19.46	16.15	20.5%
EBIT	5,919,097	5,312,993	11.4%
EBITDA	6,832,618	6,196,411	10.3%
Total assets	53,532,891	50,624,436	5.7%
Bank balance and cash	5,772,495	5,291,981	9.1%
Shareholders' equity	17,852,562	18,396,317	-3.0%

Key Financial Indicators for the year ended 31 March	2016	2015
Average finance costs*	4.15%	3.87%
Current ratio (times)	0.69	1.11
Gross profit margin	24.1%	20.3%
Net gearing ratio	0.79	0.66
Core net profit margin*	14.3%	12.1%
Payout ratio (basic) (%)	42.5%	24.0%
Payout ratio (core) (%)	26.0%	24.4%
Return on average equity*	20.5%	19.4%

* Note: Net of one-off or non-operational items, such as FX gain/loss or impairment loss, etc.

Definitions:

- **Average finance costs**
Total interest expenses/Average borrowing for the year
- **Current ratio**
Current assets/Current liabilities
- **Gross profit margin**
Gross profit/Turnover
- **Net gearing ratio**
Net borrowing/Shareholders' funds (excluding LPG trade finance related facilities)
- **Net profit margin**
Net profit for the year/Turnover
- **Payout ratio**
Dividend per share/Earning per share
- **Return on average equity**
Profit attributable to equity holders of the Company/Average equity attributable to equity holders of the Company

OPERATIONAL HIGHLIGHTS

Operational Performance for the year ended 31 March	2016 million m ³	2015 million m ³	Change
Total natural gas sale volume	9,860.0	8,974.6	9.9%
Natural gas sold through city gas projects	7,294.8	6,753.3	8.0%
Natural gas sold through wholesales	2,565.2	2,221.3	15.5%
Sales of natural gas (Customer breakdown)			
Residential	1,544.6	1,339.8	15.3%
Industrial consumption in city projects	3,167.1	3,096.8	2.3%
Wholesales	2,565.3	2,221.4	15.5%
Commercial	1,429.8	1,244.6	14.9%
CNG/LNG stations	1,153.2	1,072.0	7.6%
New Connections and construction of CNG/LNG stations for the year ended 31 March	2016	2015	Change
Residential	2,100,256	1,920,790	9.3%
Industrial	922	930	-0.9%
Commercial	15,169	11,665	30.0%
CNG/LNG stations	51	167	-69.5%
for the year ended 31 March	2016	2015	Change
Number of city natural gas projects	305	273	32
Total length of existing pipelines (km)	74,105	60,419	22.7%
Accumulated number of connected customers and gas stations	2016	2015	Change
Residential	14,691,200	12,590,944	16.7%
Industrial	4,590	3,668	25.1%
Commercial	86,976	71,807	21.1%
CNG/LNG stations	571	520	9.8%
Urban population covered (million)	99.4	91.8	8.3%
Penetration rate (%)	48.1%	44.3%	3.8pts
Average connection fees (RMB)	2,530	2,568	-1.5%
Average tariffs (ex-tax) for the year ended 31 March	2016 RMB/m ³	2015 RMB/m ³	Change
Residential	2.29	2.36	-3.0%
Industrial	2.59	2.82	-8.2%
Commercial	2.68	2.98	-10.1%
CNG/LNG stations	3.01	3.33	-9.6%

OPERATIONAL STATISTICS

			as at 31 Mar 2016						
	Province/ Autonomous Region/Directly Administered City	Operational Location	Total Population	Urban Population	Connectable Residential Households	Accumulated Connected Residential Households	Accumulated Connected Industrial Customers	Accumulated Connected Commercial Customers	Length of Pipelines (km) Total Length
City Gas	Anhui	Wuhu	3,654,000	2,192,400	678,762	594,058	319	3,232	1,933
		Huainan	3,431,000	2,081,588	644,454	277,710	39	1,072	1,087
		Shouxian	1,034,000	429,420	132,947	29,492	1	52	213
		Suzhou	5,541,000	2,146,029	664,405	145,584	3	592	932
		Wuhuxian	299,000	157,000	48,607	52,337	113	295	86
		Nanlingxian	411,000	200,000	61,920	51,189	13	205	371
		Huoshanxian	322,000	82,000	25,387	23,578	6	100	170
		Fengtaixian	583,000	113,000	34,985	42,432	2	162	275
		Wuwei	1,033,000	468,200	144,954	43,910	1	249	360
		Qimen	159,000	39,000	12,074	3,630	1	3	44
		Xiuning	248,000	38,000	11,765	6,942	3	19	70
		Maoji Development Zone	104,000	22,256	6,890	2,839	4	15	20
		Huoqu	127,400	28,028	8,677	19,787		58	208
		Susong Linjiang Industrial Zone	10,000	10,000	3,096				
		Suzhou Si County	827,000	300,000	92,879	175,584	3	592	
		Suzhou Yangqiao Economic Zone	116,000	116,000	35,913				
		Wuhe County	165,000	165,000	47,143	21,818	1	41	89
		Susong City	836,900	61,900	19,164	81			1
		Taihu County	560,037	56,791	17,582				
	Hubei	Yichang	4,115,000	1,246,000	385,759	321,918	71	2,471	1,134
		Xiaogan	883,000	500,000	154,799	162,783	51	1,004	625
		Hanchuan	1,123,000	221,349	68,529	69,545	123	366	249
		Yingcheng	699,000	313,000	96,904	62,300	21	404	591
		Yunmeng	600,000	133,980	41,480	49,817	24	333	212
		Suizhou	2,580,000	1,049,400	324,892	143,931	38	570	560
		Tianmen	1,638,000	771,170	238,752	66,296	19	404	401
		Dangyang	560,000	212,000	65,635		30		233
		Wuhan Qingshan	485,000	192,000	59,443				
		wuhan Jiangnan	320,000	320,000	99,071	22,336		86	
Laohekou	609,000	251,000	77,709	48,623	11	409	491		
Danjiangkou	500,000	220,500	68,266	30,381	17	399	311		
Yuanan	194,249	78,500	24,303	6,618	1	27	39		
Dawu County	700,000	243,000	75,232	2,419			25		
Run County	636,100	216,910	67,155	8,020		2	15		

OPERATIONAL STATISTICS (CONTINUED)

			as at 31 Mar 2016						
	Province/ Autonomous Region/Directly Administered City	Operational Location	Total Population	Urban Population	Connectable Residential Households	Accumulated Connected Residential Households	Accumulated Connected Industrial Customers	Accumulated Connected Commercial Customers	Length of Pipelines (km) Total Length
		Wuxuetian Industrial Zone	25,000	25,000	7,740				
		Shiyan Wudangshan Zone	60,000	60,000	18,576	7,772	2	53	15
		Fang County	486,000	250,000	77,399				
		Danghu High-tech Zone	400,000	400,000	123,839				
		Jianli County	672,000	360,000	111,455				
		Hanghu City	941,352	99,000	30,650		1		
		Songzi City	767,800	108,792	33,682				
		Xinzhou district in Wuhan	960,866	178,000	55,108				
		Wuxue City	787,755	109,880	34,019				15
		Yingshan County	400,892	59,963	18,564				
		Tuanfeng County	378,423	48,359	14,972				
		Longganhu district in Huangmei County	39,477	13,351	4,133				
		Huanggang City	360,920	206,551	63,948		1		
		Xishui County	1,030,024	158,737	49,145				
		Meichuan Town in Wuxue City	137,711	60,000	18,576				
		Huangmei County	990,497	160,941	49,827		1		
		Shiyan City	1,183,300	473,320	146,539	33,745			
	Hunan	Yiyang	4,842,000	1,340,000	414,861	210,677	36	840	754
		Youxian	811,100	360,000	111,455	26,300	4	65	144
		Zhangjiajie	1,721,000	658,000	203,715	37,040	1	299	190
		Yiyang Datonghu	140,000	50,000	15,480				
		Yiyang City New Zone	158,000	158,000	48,916				
	Jiangsu	Pizhou	1,855,900	460,000	142,415	82,786	15	478	338
		Yangzhong	281,000	160,000	49,536	52,871	64	826	760
		Jiang Bei District, Nanjing	1,680,000	1,680,000	520,124	451,111	80	889	1,385
		Pu Kou District, Nanjing	626,615	375,969	116,399				
		Jiawang District, Xuzhou	520,700	259,000	80,186	37,443	10	108	40
		Xinyi, Xuzhou	1,126,600	280,000	86,687	48,304	29	143	436
		Yangzhou City	4,613,000	2,350,000	727,554	365,276	41	1,098	1,862
		Taixing East District	14,000	14,000	4,334	5,287	7	9	83
		Lianyungang Haizhou Economic Development Zone	240,000	240,000	74,303				
		Nanjing Jingqiao	48,000	48,000	13,714		6		7
		Donghai County	53,000	53,000	15,143		1	1	
		Pei County	229,796	229,796	65,656	50,522	4	58	433
		Sihong County	221,000	221,000	63,143	44,847	3	102	355
		Sixian County	164,000	164,000	46,857	13,420		24	58
		Guannan County	164,546	164,546	47,013	21,197		33	161
		Nanjing Changlu Industrial Park	52,000	52,000	16,099				

OPERATIONAL STATISTICS (CONTINUED)

			as at 31 Mar 2016						
Province/ Autonomous Region/Directly Administered City	Operational Location	Total Population	Urban Population	Connectable Residential Households	Accumulated Connected Residential Households	Accumulated Connected Industrial Customers	Accumulated Connected Commercial Customers	Length of Pipelines (km) Total Length	
Zhejiang	Xiaoshan district, Hangzhou	1,236,000	1,236,000	382,663	92,846	269	207	1,154	
	Taizhou	600,000	600,000	185,759	58,629	9	270	332	
	Jinhua	5,428,000	1,090,000	337,461	92,132	58	243	491	
	Hangzhou Jiangdong Development Zone	420,000	240,000	74,303					
	Daishan Economic Development Zone								
Hebei	Cangzhou Development Zone	370,000	270,000	83,591	4,566	49	25	64	
	Nanpixian	760,000	150,000	46,440	37,600	16	37	100	
	Qinghexian	407,000	113,000	34,985	7,658		18	32	
	Wangdu city	270,000	100,000	30,960	23,401	40	197	192	
	Tangshan Nampo	170,000	78,000	24,149	23,285	20	106	229	
	Lefingxian, Xinle, Gaocheng, Pingshanxian, Fengnan District of Tangshan, Neiqixian	4,320,000	894,000	276,780	233,092	166	815	1,249	
	Bohai New Zone	750,000	750,000	232,198	1,355	6	5	2	
	Cangzhou Hightech Zone	150,000	90,000	27,864	664	1	3	4	
	Tang County	590,000	310,000	95,975	16,632	1	46	128	
	Handan Jinan New Zone	918,000	70,000	21,672	250	6		26	
	Luquan	430,000	156,000	52,000	42,730	1	37	90	
	Quyuan	600,000	150,000	40,000	16,832	3	36	45	
	Raoyang County	300,000	67,000	20,743					
	Balou New Zone	830,000	380,000	117,647					
	Laishui County	100,000	100,000	30,960	1,482				
	Dingzhou	353,000	62,000	19,195	3,402	1	2	19	
	Ding Xing County	1,221,000	520,000	160,991					
	Yutian County	203,810	203,810	58,231	42,692	6	52	154	
	Changli County	200,000	200,000	57,143	29,424	1	29	188	
	Weixian County	120,869	120,869	19,588	19,588		3	131	
	Xiahuayuan District	67,648	67,648	19,328	14,015		11	96	
	Chengnan County	158,000	158,000	45,143	12,465	1	9	113	
	Wuqiao County	80,743	80,743	23,069	11,163	10	18	169	
	Ningjin County	122,000	122,000	34,857	19,884	5	80	206	
	linzhang County	127,154	127,154	36,330	12,859		15	156	
	Zaoqiang County	80,000	80,000	22,857	10,807		16	107	
	Longyao County	20,000	20,000	5,714	4,074		11	32	
	Xingtang County	50,000	50,000	14,286	4,742		9	74	
	Gucheng County	170,000	170,000	48,571	21,950	1	45	145	
	Nangong City	183,607	183,607	52,459	29,859		28	103	
	Jize County	51,234	51,234	14,638	4,980	3	12	63	
	Xinhe County	29,603	29,603	8,458	7,733	4	11	90	
Kangbao County	280,000	50,000	15,480						

OPERATIONAL STATISTICS (CONTINUED)

			as at 31 Mar 2016						
Province/ Autonomous Region/Directly Administered City	Operational Location	Total Population	Urban Population	Connectable Residential Households	Accumulated Connected Residential Households	Accumulated Connected Industrial Customers	Accumulated Connected Commercial Customers	Length of Pipelines (km) Total Length	
Guangxi Zhuang Autonomous Region	Yulin	7,107,300	1,064,000	329,412	97,536	22	419	399	
	Qinzhou	4,020,000	474,900	147,028	88,726	5	430	284	
	Liuzhou	3,779,400	1,454,000	450,155	303,252	30	1,134	1,335	
	Fangchenggang	908,000	278,333	86,171	67,396	3	239	435	
	Nanning ASEAN Development Zone	200,000	200,000	61,920	7,049	8	36	56	
	Laibin	2,658,400	386,000	119,505	42,708	1	171	340	
	Baise	4,120,200	354,000	109,598	21,555	1	90	152	
	Bobai	1,822,100	400,000	123,839	12,321		29	83	
	Nanning	7,296,600	3,100,000	959,752	788,088	106	2,663	2,345	
	Chongzuo	2,481,800	721,000	223,220	15,911		19	103	
	Guiping	1,950,000	263,000	81,424	10,455		18	79	
	Beihai	1,693,100	640,000	198,142					
	Luchuan	1,100,000	720,000	222,910	60		1	2	
	Tiandeng County	453,000	310,000	95,975					
Dahua County	449,000	300,000	92,879	175		1	12		
Hechi	4,198,500	600,000	185,759	1,652			29		
Tianlin County	260,000	24,000	7,430						
Shaanxi	Baoji	2,856,000	1,455,000	450,464	472,203	214	2,985	1,560	
	Qishanxian	477,075	232,000	71,827					
	Yulin	3,769,000	600,000	185,759	9,425	5	46	40	
	Linyouxian	88,188	30,000	9,288					
	Shangnan County	246,100	109,800	33,994					
Guangdong	Maoming	7,858,400	1,080,000	334,365	65,666	1	123	526	
	Canghua	630,000	300,000	92,879	48,797	48	167	579	
	Meizhou	1,237,000	886,000	274,303	67,412	10	166	564	
	Yunfu	2,989,300	290,000	89,783	29,547		171	278	
	Shanwei	3,590,000	531,000	164,396	13,288		66	119	
	Xinxing	488,109	107,384	33,246	13,798	24	54	168	
	Fengshun	702,000	250,000	77,399	7,405	3	18	80	
	Pingyuan	263,000	136,000	42,105	8,556	1	36	85	
	Dapu	549,000	198,000	61,300	8,477	1	8	67	
	Wuhua	1,335,000	490,000	151,703	5,395	4	29	70	
	Huazhou	1,653,000	580,000	179,567	15,383		17	111	
	Luhe	346,000	110,000	34,056				10	
Mei County	600,000	140,000	43,344						
Jieyang Industrial Park									

OPERATIONAL STATISTICS (CONTINUED)

			as at 31 Mar 2016						
Province/ Autonomous Region/Directly Administered City	Operational Location	Total Population	Urban Population	Connectable Residential Households	Accumulated Connected Residential Households	Accumulated Connected Industrial Customers	Accumulated Connected Commercial Customers	Length of Pipelines (km) Total Length	
Liaoning	Fushun	2,260,000	1,489,000	460,991	335,421	27	6,259	635	
	Jinzhou Economic Hi-Tech Development Zone	200,000	200,000	61,920	48,895	13	191	210	
	Shenyang Sujiatun	437,000	437,000	135,294	68,163	42	417	369	
	Dailian Jinzhou Development Zone	1,100,000	480,000	148,607	89,121	9	212	559	
	Liaoyang	1,824,000	750,000	232,198	99,634	39	335	294	
	Gaizhou	730,000	287,000	88,854	22,983	7	122	203	
	Zhuanghe	923,000	285,000	88,235	39,341	10	108	356	
	Zhuanghe Industrial Park	97,000	69,000	21,362					
	Pulandian	932,000	350,000	108,359	15,378	12	21	157	
	Liaoyang Economic Zone	87,000	63,200	19,567					
	Liaoyang Taizi River	131,000	67,000	20,743					
	Xinbin County	320,000	150,000	46,440	3,136		3	25	
	Jinzhou Longxiwan New Zone	60,000	25,000	7,740	7,347		18	59	
	Qingyuan County	350,000	160,000	49,536	5,087		17	30	
	Dashiqiao Jianping County								
	Fushun County	220,000	150,000	46,440					
Yixian Qilihe	34,800	34,800	10,774		1	6	5		
Chongqing	Yubei	1,136,000	1,000,000	309,598	148,065	27	6,699	1,208	
Shandong	Dezhou	5,742,300	1,800,000	557,276	201,160	23	2,109	585	
	Qingdao	7,736,000	3,140,000	972,136	909,161	10	5,452	2,465	
	Leling	810,000	350,000	108,359	1,860	2	8	50	
	Qufu	640,000	160,000	50,000	39,200	7	123	170	
	Sishui	620,000	168,000	52,500	12,762	4	76	70	
	Qufu New Zone	160,000	160,000	50,000	19,249	4	9	80	
	Weifang Binhai Economic Development Zone	100,000	100,000	30,960	1,476	10	17	32	
	Liaocheng	260,000	260,000	80,495	151		1	8	
	Dezhou Tianqu Industrial Zone					4	4	39	
	Linyi	1,280,000	1,280,000	365,714	279,773	108	978	743	
	Linyi Economic Zone	245,000	245,000	70,000	50,508	96	105	498	
Linshu County	9,000	9,000	2,571		50	3	133		
Shanxi	Shuozhou	350,000	350,000	110,000	100,380	4	627	634	
	Xiangning County in Linfen City	230,000	51,884	16,063					
Tianjin	Jinghai Economic Development Zone	600,000	150,000	43,000	15,680	8	26	188	
	Ziya Industrial Zone	50,000	50,000	15,480					
	Baodi district in Tianjin	690,000	150,000	46,440		2		36	
Jilin	Fusong	100,000	65,500	19,000	2,164			9	
	Baishan City	317,641	317,641	90,755	50,900		180	225	
	Changbai Mountain International Tourist Resort Zone in Fusong County	147,588	147,588	42,168	5,090		55	93	

OPERATIONAL STATISTICS (CONTINUED)

			as at 31 Mar 2016						
	Province/ Autonomous Region/Directly Administered City	Operational Location	Total Population	Urban Population	Connectable Residential Households	Accumulated Connected Residential Households	Accumulated Connected Industrial Customers	Accumulated Connected Commercial Customers	Length of Pipelines (km) Total Length
Inner Mongolia Autonomous Region		Hohhot	3,059,600	2,364,900	732,167	684,145	121	7,266	2,142
		Wuzhen Banner	120,000	90,000	27,864	25,706	5	802	549
		Baotou	2,829,000	190,000	58,824	522,647	504	4,400	2,287
		Helingeer County	202,000	90,000	27,864				
		Tuoketuo County	207,000	120,000	37,152				
		Tuzuo Banner	365,000	100,000	30,960				
		Wuchuan County	180,000	60,000	18,576				
		Alashangmeng	240,900	184,900	57,245				
		Alashangmeng Wusitai Industrial Zone	30,000	30,000	9,288				
		Zuo Banner Tenggelii Industrial Zone	13,000	6,000	1,858				
		Wuhai	555,800	448,000	138,700				
Wutelaqian Banner	450,000	150,000	46,440						
Liangcheng County	240,000	43,000	13,313						
Heilongjiang		Harbin	10,000,000	5,000,000	1,547,988	1,575,420	79	8,981	2,570
		Jiamusi	2,414,000	1,207,000	373,684	179,189	11	848	1,140
		Shuangcheng	900,000	250,000	77,399				
		Mudanjiang	2,764,000	968,000	299,690	134,912	3	325	883
		Jiagedaqui	550,000	160,000	49,536	7,767		19	83
		Huachuan County	220,000	137,000	42,415	13,252	1	99	3,061
		Tangyuan County	330,445	114,000	35,294	6,878	7	40	53
		Huanan County	461,000	140,000	43,344	4,511	10	60	54
		Suibin	220,000	100,000	30,960	533		8	15
		Tongjiang	210,000	106,000	32,817	2,447	1	13	34
		Mudanjiang Development Zone	70,000	70,000	21,672				
		Nongkenbaquanling	210,000	150,000	46,440	2,309		6	28
		Raohe County	150,000	100,000	30,960	1,031		2	13
		Qitaihe Jinsha New Zone	14,000	14,000	4,334	9,211		1	47
		Mu Lan County	274,000	120,000	37,152				
		Tieli Chengguan	198,000	198,000	56,571	4,398			18
		Fuyu County	300,000	120,000	37,152				6
		Boli County	374,491	137,592	42,598				
		Luobei County	230,000	136,000	42,105				
		Yichun City Xinqing District	56,718	56,718	17,560				2
		Ji Xi	380,000	180,000	55,728	8,086		34	44
Lingdong district in Shuangyashan	106,000	91,000	28,173						
Heibe City	1,679,000	721,000	223,220						
Nongken Hongxinglong district	345,452	69,090	21,390						
Wudalianchi City	346,202	187,099	57,925						
Ningxia Hui Autonomous Region		Zhongwei	1,133,500	599,000	185,449	44,397	13	1,482	571
		Guyuan	1,533,300	351,000	108,669	8,080		28	172

OPERATIONAL STATISTICS (CONTINUED)

			as at 31 Mar 2016						
Province/ Autonomous Region/Directly Administered City	Operational Location	Total Population	Urban Population	Connectable Residential Households	Accumulated Connected Residential Households	Accumulated Connected Industrial Customers	Accumulated Connected Commercial Customers	Length of Pipelines (km) Total Length	
Fujian	30 cities/regions	4,450,000	4,450,000	1,377,709	719,546	328	3,319	7,061	
	Sanming City	2,530,000	1,424,000	440,867					
	Shaowu City	165,000	165,000	47,143	6,894		3	44	
	Wuping County	388,700	120,800	37,399					
	Taining County	131,100	56,897	17,615					
	Qingliu County	147,000	33,900	10,495					
Jiangxi	Nanchang Wanli	90,000	50,000	15,480	17,914	2	68	184	
	Xinfeng County	780,000	260,000	80,495	20,959	5	108	376	
	Lean City	370,000	100,000	30,960					
	Wuyuan County	365,000	120,000	37,152	4,153	3	16	70	
	Yihuang County	232,000	70,000	21,672	1,100		1	6	
Gansu	Lingtai County	232,000	130,000	40,248					
	Huating County	194,900	130,000	40,248					
	Jingning County	488,000	144,000	44,582					
	Chongxin County	99,000	56,000	17,337					
	Huachi County	134,000	46,000	14,241	511			15	
	Heshui County	200,000	70,000	21,672	504			11	
Henan	Xinyang	700,000	700,000	220,000	121,605	7	659	1,399	
	Jiaozuo City	1,010,000	1,010,000	288,571	230,667	70	733	1,183	
	Qinyang City	130,000	130,000	37,143	18,637	14	78		
	Wuzhi County	520,000	520,000	148,571	20,638	6	29	196	
	Xiuwu County	90,000	90,000	25,714	8,029	33	49	225	
	Luohe City 7 Projects	1,295,000	1,295,000	370,000	198,870	109	666	686	
	Xiping County	32,800	32,800	9,371					
	Jiyuan City	525,000	525,000	150,000	110,010	132	747	676	
	Sanmenxia City	390,000	390,000	111,429	77,749	30	310	345	
	Shanxian County	53,000	53,000	15,143					
	Sanmenxia Industrial Park					7			
	Lingbao City	120,000	120,000	34,286	1,187	3		45	
	Yanshi City	150,000	150,000	42,857	25,345	63	77	236	
	Yongcheng City	400,000	400,000	114,286	57,787	3	107	339	
Yongcheng Industrial Zone	35,000	35,000	10,000		1				
Xinmi City	250,000	250,000	71,429	40,162	28	127	413		
	Huangchuan County	480,000	300,000	92,879					
Guizhou	Kaili City	1,060,000	516,000	159,752	19,411		77	24	

OPERATIONAL STATISTICS (CONTINUED)

			as at 31 Mar 2016						
	Province/ Autonomous Region/Directly Administered City	Operational Location	Total Population	Urban Population	Connectable Residential Households	Accumulated Connected Residential Households	Accumulated Connected Industrial Customers	Accumulated Connected Commercial Customers	Length of Pipelines (km) Total Length
	Yunnan	Dali Haidong New Zone	80,000	80,000	24,768	835		6	14
		Baoshan City	170,000	170,000	52,632	418		4	16
		lvchun County	233,000	30,000	9,288				
	Xinjiang Uygur Autonomous Region	Horgos Economic Development Zone	85,000	85,000	26,316				
		Ho City Economic Development Zone	100,000	100,000	30,960				
E&P	Chongqing	Chongqing Dingfa				77,408	16	1,424	1,119
Pipeline	Inner Mongolia Autonomous Region	Chang Meng Wushen Banner				4,275	13 5	51	359 549
	Tianjin	Tianjin					2		36
	Hubei	Xiaogan Dangyang Huanggang-Daye					1 1		202 71
	Hebei	Huanghua Cangzhou Zhongyou					3 43		51 1
	Chongqing	Chongqing					3	2	134
	Shanxi	Jing-Shuo							43
	Liaoning	Liaoyang							
	Jiangsu	Subei							
	Guangxi Zhuang Autonomous Region	Guangxi Provincial Natural Gas Pipeline							
	Total		244,427,437	99,439,021	30,529,434	14,691,200	4,590	86,976	74,105

NATURAL GAS

We Endeavor To Provide Quality Services, Make Innovations In Clean Energy, Improve The Environment And Increase The Standard Of Living.

The Group is primarily engaged in the construction and operation of city gas pipelines, and transmission of natural gas and sale of natural gas and LPG to residential, industrial and commercial users in China. The Group owns 305 city gas projects, the largest portfolio in China. The Group also invests in associated infrastructure such as gas terminals, storage and transportation facilities, gas logistics systems and vehicle refueling stations and engages in the development and application of technologies relating to natural gas and LPG in China.



A large, light-colored industrial storage tank is the central focus of the image. The tank is supported by a complex network of white metal legs and cross-braces. At the top of the tank, there are various pipes, valves, and a platform with railings. The sky is a clear, bright blue with a few wispy white clouds. A large, semi-transparent blue graphic is overlaid on the left side of the tank, featuring a stylized globe with latitude and longitude lines. The words "NATURAL GAS" are printed in a bold, serif font across the center of the globe graphic.

**NATURAL
GAS**

NATURAL

We End
Energy

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32

Project Development

Additional City Piped Gas Projects

16,091

Users Development

Additional Industrial and
Commercial Users

51

Stations Development

Additional CNG/LNG Stations





CHINA GAS
中國燃氣

NATURAL GAS



NATURAL GAS

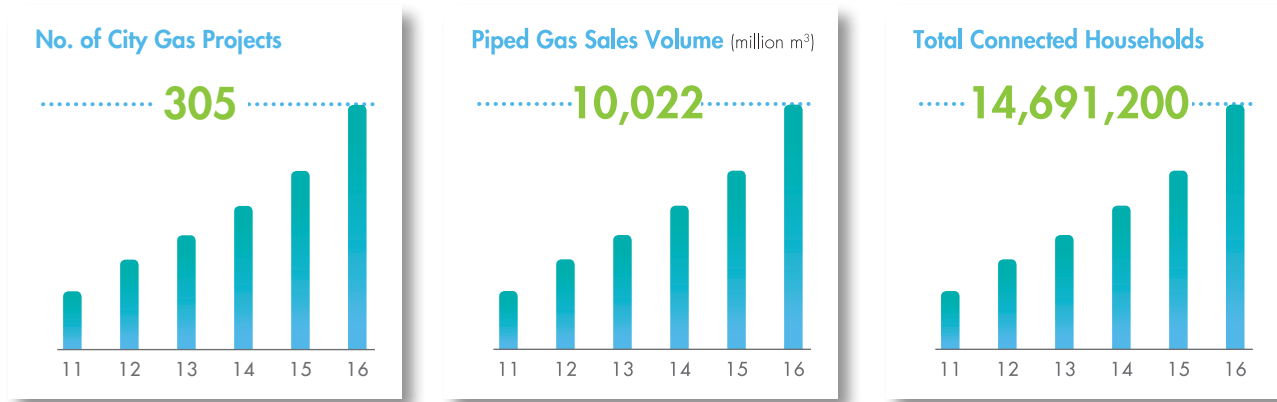
In view of the increasingly obvious risks posed by climate change and smog pollution to the ecosystem and social system all over the world, a global consensus was reached on developing low-carbon clean energy after the Paris Climate Conference. As the second largest economy and the largest energy producer and consumer, China made important commitments regarding climate governance and greenhouse gases emission. It will use clean energy while sticking to low-carbon and green development at a national level. Natural gas is a safe, efficient and clean energy source that can replace coal, heavy oil, diesel and petrol to reduce the emission of major pollutants. But natural gas only accounts for 6% of China's primary energy mix, which is at a level far below the world's average natural gas consumption at 24%, and China's per

capita consumption of natural gas is only one-fourth of the global average. Even though a diversified natural gas supply system consisting of "West-East Gas Pipelines", "North-South Gas Pipelines" and "Offshore LNG Supplies" has gradually taken shape in the country, China still lags behind other countries in natural gas consumption, mainly because China has been relying on coal to fuel its rapid economic growth for a long time. So putting considerable efforts to develop natural gas is of great significance to adjusting national energy structure, reducing atmospheric pollution and increasing energy security.

Currently, China is at a critical period of transformation in economic development path and energy consumption structure. Against the backdrop of a faltering global economy, China's domestic economy has entered into a period of economic decline known as the New Normal while its natural gas industry has headed into a period of demand decline also known as the New Normal. China's natural gas apparent consumption hit a near-decade low of approximately 193.2 billion cubic meters in 2015, representing a year-on-year growth of 5.7%. China's natural gas industry has been confronted with both challenges posed by the decrease and opportunities to carry out reform created by the falling international energy price and the diversifying gas supply source.

Market-oriented reform of natural gas pricing was pushed forward and non-residential gas price was progressively rationalized in China in 2015. To address atmospheric pollution, China promulgated relevant environmental protection policies in the year for renovating coal-fired boilers and accelerating the pace of "replacing coal with gas" in industrial and commercial sector. Riding on the prevailing trend, the Group gives full play to its strength while grasping the opportunities presented by local policies for "replacing coal with gas" to exploit market potential and increase natural gas consumption further.

NATURAL GAS (CONTINUED)



The 13th Five-Year Plan for National Economic and Social Development of the PRC was approved at the fourth session of China's 12th National People's Congress on March 17, 2016. Systems and measures set out in the Plan in details include "implementing action plan on pollution control thoroughly and increasing city gas penetration rate", "eliminating coal-fired boiler with a capacity less than 10 tons of steam per hour in cities above prefecture level", and "pushing forward 'coal-to-gas' projects in key cities and eliminating coal-fired boilers with a capacity of 189,000 tons in total during the 13th Five-Year Period". To further regulate and protect natural gas industry and franchising system in the industry, six ministries and commissions, including the National Development and Reform Commission, promulgated the Measures for the Administration on the Concession of Infrastructure and Public Utility on April 25.



Scientific fact: Natural gas is a fossil fuel consisting primarily of methane. It is colorless and odorless but has high calorific value. It can combust fully but contains no impurity. As a quality gas fuel, natural gas is clean, toxic-free and convenient for use with high calorific value. It is mainly used for heating and generating electricity and is usually found near a petroleum reserve.

NATURAL GAS (CONTINUED)

COMPRESSED NATURAL GAS (CNG) & LIQUEFIED NATURAL GAS (LNG)

New energy automobile industry has recently entered a rapid development period in China after being included in China's strategic emerging industries while natural gas has already been widely used in transportation sector as a clean, environmental-friendly and economically competitive fuel. Although the economic competitiveness of natural gas vehicles is impaired as the falling oil prices narrows the gap between natural gas price and the price of gasoline and diesel, natural gas vehicles are still the best option for reducing smog and achieving low-carbon economy, because technologies for producing, storing and transporting natural gas are mature and natural gas vehicles are not troubled with pollution from coal-fired power plants, battery life and disposal of waste battery that occurred in developing electric vehicles, comparing with other new energy vehicles fueled by electricity. As a cross-regional energy supplier, China Gas is blessed with pipeline network and business scale to develop CNG, LNG and other clean energy sources. The Group now owns 571 natural gas refilling stations and several vehicle fleets for carriage of dangerous goods in China, and has a close cooperation relationships with China's major vehicle and equipment manufacturers and key LNG suppliers. After years of practice and development, the Group has accumulated extensive experience in the operation and management of natural gas refilling stations for vehicles and vessels.

To develop its business of natural gas for vessels, China Gas completed the construction of China's first LNG refilling terminal, namely the project of Chongqing Ma Liu LNG Refilling Terminal for Vessels, and made headway towards security of gas source supply, market development and technical renovation of vessels in FY2016, laying a solid foundation for the development of China's massive market of natural gas for vessels and the materialization of the market layout of occupying "two horizontals and one vertical & two networks and eighteen channels" along the waterways in China. FY2016 marks a significant development in the Group's LNG trading business. The Group realized unified purchase and sale of LNG through China Gas Hongda Energy Trading Company Limited, a professional trading company of the Group, and made all-out efforts in expanding LNG market throughout the country to establish a LNG sales network. The Group also entered into direct purchase arrangement with several large state-owned oil and gas enterprises by leveraging on its strength in network and brand, which further increased the Group's efficiency in purchasing.



NATURAL GAS (CONTINUED)

DISTRIBUTED ENERGY RESOURCES (DER)

Distributed Energy Resources system is an energy development approach with multiple advantages, including energy conservation, emission reduction, safety and flexibility. It can effectively shave peak demand, minimize network damage, enhance efficiency, and defer or reduce the construction of electricity transmission facilities. It is not only a potent complement to



the existing urban energy supply system, but also an important gateway to achieve the goal of energy conservation and emission reduction. As far as China Gas is concerned, the development of distributed energy resources system is beneficial in improving gas consumption structure, reducing gas supply costs and diversifying products while further expanding enterprise's value chain and optimizing energy allocation.

Year 2015 marks "the beginning of natural gas-fired distributed energy systems in China" as many natural gas-fired distributed energy system projects entered into practical development stage and several large energy and electricity enterprises started to get involved in natural gas-fired distributed energy system business in China, helping to drive the market forward. According to statistics from the China Electricity Council, China's installed capacity of distributed energy power generation reached 10 million kilowatt in 2015, increasing by approximately 2.5 times as compared with the capacity installed in 2014, but falling far behind the goal of 50 million kilowatt set out for 2020 in the national development guidance.

China Gas achieved satisfactory results in its distributed energy business in 2015 during which some investment projects were completed and commenced business operation. The Group not only made good achievements in the promotion of its heating system business, gas power generation business and electricity sales businesses, but also made breakthroughs in the markets for heating of factory buildings, heating and cooling of commercial properties and central heating of industrial zones. Model projects were also successfully established and put into operation.

Scientific fact: Distributed energy resources refer to the integrated energy utilization systems which are distributed along end-users. They are new energy supply models and refer to systems with independent power, heat (cold) outputs at end-users' systems or near the sites. The natural gas-fired distributed energy system, which use natural gas as fuel, are modern energy supply methods with energy supply sources installing near to the load centers through realizing the graded energy utilization by the tri-generation of cold, heat and power. The integrated energy utilization efficiency rate of natural gas-fired distributed energy system can reach over 70%, which is therefore an important and highly efficient way of using natural gas.

NATURAL GAS

OPERATIONAL LOCATIONS

1 Hebei

Cangzhou Economic Development Zone, Nanpi, Qinghe, Leting, Xinle, Gaocheng, Pingshan, Fengnan, Neiqiu, Wangdu, Nanbao, Bohai New Zone, Huanghua Pipeline, Tang County, Cangzhou High-tech Zone, Handan Jinan New Zone, Luquan, Quyang County, Cangzhou Zhongyou pipeline, Raoyang County, Botou New Zone, Laishui, Dingzhou, Dingxing, Yutian, Changli, Weixian, Xiahuyuan District, Cheng'an, Wuqiao, Ningjin, Linzhang, Zaoqiang, Longyao, Xingtang, Gucheng, Nangong City, Jize, Xinhe, Kangbao County

2 Inner Mongolia Autonomous Region

Hohhot, Wushen Banner, Wushen Banner Pipeline, Changmeng Pipeline, Baotou, Helingeer, Tuoketuo County, Tuzuo Banner, Wuchuan, Alashanmeng, Zuo Banner Tenggei Industrial Zone, Wuhai, Alashanmeng Wusitai Industrial Zone, Wulateqian Banner, Liangcheng County

3 Gansu

Lingtai, Huating, Jingning, Chongxin, Huachi, Heshui County

4 Ningxia Hui Autonomous Region

Zhongwei, Guyuan City

5 Shaanxi

Baoji, Qishan, Yulin, Linyou, Shangnan County

6 Hubei

Yichang, Xiaogan, Hanchuan, Yingcheng, Yunmeng, Suizhou, Tianmen, Dangyang, Xiaogan Pipeline, Dangyang Pipeline, Huanggang-Daye pipeline, Wuhan Qingshan, Wugang Jiangnan, laohekou, Danjiangkou, Yuanan, Dawu County, Yun County, Wuxuetian Industrial Zone, Shiyang Wudangshan Zone, Fang County, Wuhan Donghu High-tech Zone, Jianli County, Hubei Province Honghu City, Songzi City, Xinzhou district in Wuhan City, Wuxue City, Yingshan County, Tuanfeng County, Longganhu district in Huangmei County, Huanggang City, Xishui County, Meichuan Town in Wuxue City, Huangmei County, Shiyang City

7 Chongqing

Dingfa E&P, Yubei, Chongqing Changnan Pipeline

8 Hunan

Yiyang, Zhangjiajie, You County, Yiyang Datonghu, New Zone of Yiyang City

9 Guangxi Zhuang Autonomous Region

Yulin, Qinzhou, Liuzhou, Fangchenggang, Laibin, Baise, Nanning, Nanning ASEAN Development Zone, Bobai, Chongzuo, Guiping, Beihai, Luchuan, Tiandeng County, Dahua County, Hechi, Guangxi Provincial Natural Gas Pipeline, Tianlin County

10 Heilongjiang

Harbin, Jiamusi, Shuangcheng, Mudanjiang, Jiagedaqi, Huachuan, Tanyuan, Huanan, Suibin, Tongjiang, Mudanjiang Jiangnan Development Zone, Nongkenbaoquanling, Raohe County, Qitaihe Jinsha New Zone, Mulan County, Tieli Chengguan, Fuyu, Boli, Luobei, Xinqing District of Yichun City, Jixi, Lingdong district in Shuangyashan City, Heihe City, Nongken Hongxinglong district, Wudalianchi City

11 Liaoning

Fushun, Jinzhou Economic Hi-Tech Development Zone, Shenyang Sujiatun, Jinzhou Development Zone, Liaoyang, Gaizhou, Zhuanghe, Liaoyang Economic Zone, Jinzhou Longxiwan New Zone, Zhuanghe Industrial Park, Qingyuan, Xinbin, Dashiqiao Industrial Zone, Jianping, Liaoyang Taizi River, Fushun County, Yixian Qilihe, Liaoyang Pipeline, Pulandian

12 Xinjiang Uygur Autonomous Region

Khorgos Economic Development Zone, Ho City Economic Development Zone

13 Tianjin

Jinghai Economic Development Zone, Ziya Industrial Zone, Tianjin Pipeline, Baodi district in Tianjin City

14 Shandong

Dezhou, Qingdao, Leling city, Qufu, Sishui, New Zone of Qufu, Weifang Binhai Economic Development Zone, Liaocheng, Dezhou Tianqu Industrial Zone, Linyi City, Linyi Economic Zone, Linshu County

15 Henan

Xinyang, Jiaozuo City, Qinyang City, Wuzhi County, Xiuwu County, Luohe City 7 Projects, Xiping County, Jiyuan City, Sanmenxia City, Shan County, Sanmenxia Industrial Park, Lingbao City, Yanshi City, Yongcheng City, Yongcheng Industrial Zone, Xinmi City, Huangchuan County

16 Jiangsu

Pizhou, Yangzhong, Nanjing Jiang Bei, Pukou, Xuzhou Jiawang, Xuzhou Xinyi, Yangzhou, Taixing East District, Nanjing Jingqiao, Donghai County, Subei Pipeline, Lianyungang Haizhou Economic Development Zone, Pei County, Sihong, Si County, Guannan, Nanjing Changlu Industrial Park

17 Anhui

Wuhu, Huainan, Shou County, Suzhou, Wuhu County, Nanling, Huoshan, Fengtai, Wuwei, Xiuning, Qimen, Maoji Development Zone, Huoqiu, Susong Linjiang Industrial Zone, Suzhou Si County, Suzhou Yongqiao Economic Zone, Wuhe, Susong City, Taihu County

18 Zhejiang

Hangzhou Xiaoshan, Taizhou, Jinhua, Hangzhou Jiangdong Development Zone, Daishan Economic Development Zone

19 Jiangxi

Nanchang Wanli District, Xinfeng, Le'an, Wuyuan, Yihuang County

20 Fujian

30 city gas concessions, Shaowu City, Sanming City, Wuping, Taining County, Qingliu County

21 Guangdong

Maoming, Conghua, Meizhou, Yunfu, Shanwei, Xinxing, Fengshun, Pingyuan, Dapu, Wuhua, Huazhou, Luhe, Mei County, Jiayang Industrial Park

22 Shanxi

Shuozhou City, Jing-Shuo Pipeline, Xiangning County in Linfen City

23 Jilin

Fusong, Baishan City, Changbaishan International Resort of Fusong County

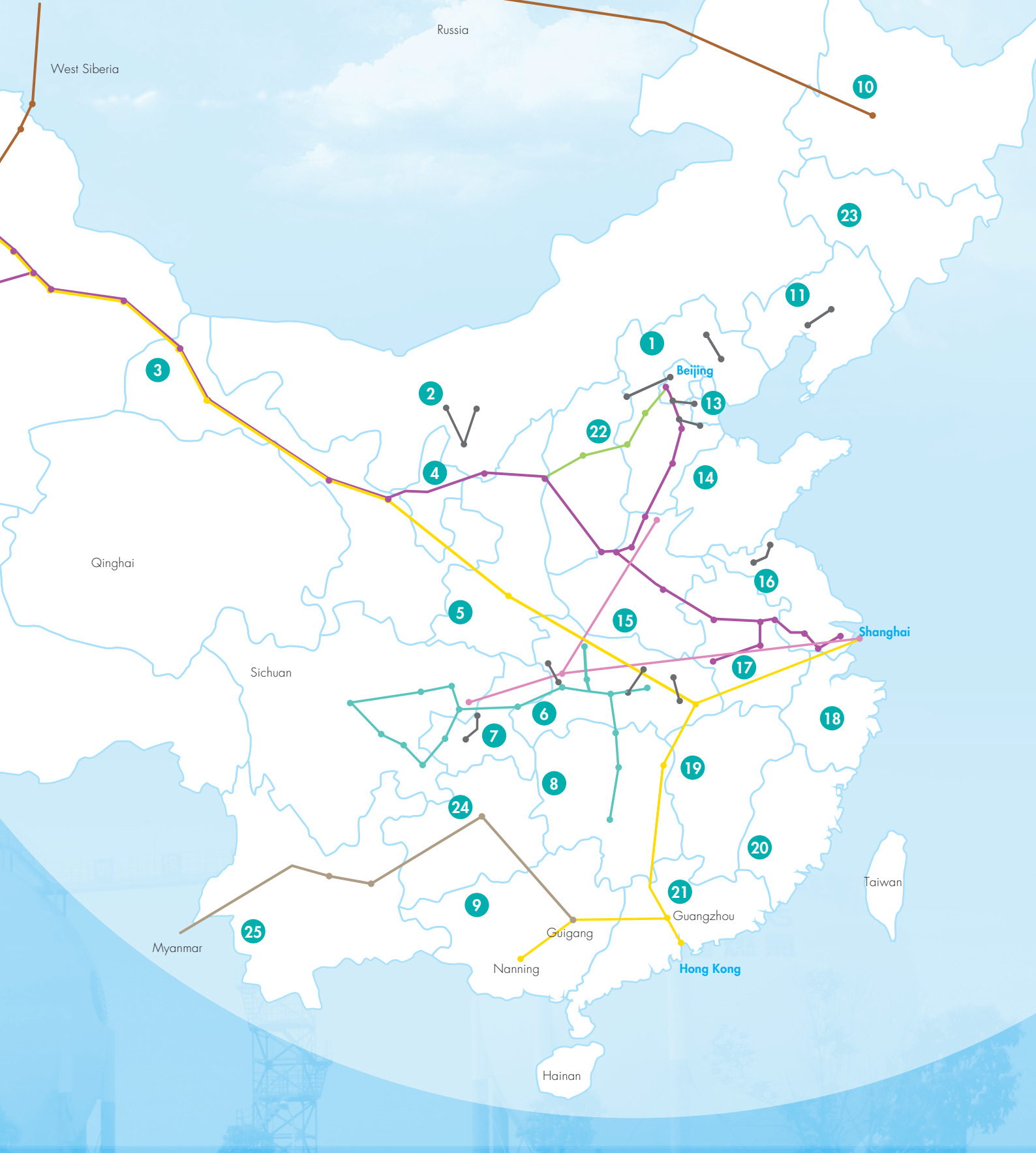
24 Guizhou

Kaili City

25 Yunnan

Haidong New Zone in Dali, Baoshan City, Lvchun County





— Long Distance Pipeline Project

MAJOR NATIONAL NATURAL GAS PIPELINES

- West-East Gas Pipeline No. 1
 - West-East Gas Pipeline No. 2
 - Shaanxi-Beijing Pipeline No. 2
 - Zhongwu Pipeline
- Sichuan-East Gas Pipeline
 - China-Russia Natural Gas Pipeline
 - China-Myanmar Natural Gas Pipeline

(not drawn to scale)

LIQUEFIED PETROLEUM GAS

Liquefied Petroleum Gas ("LPG") is a by-product from catalytic cracking and thermal cracking of crude oil in refinery, consisting of flammable hydrocarbons, as propane and butane, obtained as a by-product from the refining of petroleum. It is mainly used as a domestic fuel and also as an industrial and motor fuel.





LIQUEFIED
PETROLEUM
GAS

LION PI

8

LPG terminals with storage facilities of

300,000 m^3

98

LPG distribution projects and

covering **10** provinces. **1,000** retail points,



LIQUEFIED PETROLEUM GAS



LIQUEFIED PETROLEUM GAS (LPG)

LPG has a high heating or caloric value and is convenient to use. It is a clean burning fuel that emits virtually no black carbon and dust. It has entered into people's daily life and become an integral component of urban gas and an effective complement to piped natural gas in China. Along with China's accelerating urbanization process and increasing demand for clean energy, absolute consumptions of natural gas and LPG have been growing while apparent demand for LPG has been growing faster than that for natural gas in China in recent years. Statistics show that in 2014 and 2015, the domestic consumption surged 15% and 18% respectively. It is mainly due to the rapid growth of the LPG processing sector. On the other hand, LPG

has been widely used in areas not accessible to piped gas due to its economic efficiency and portability, playing a crucial role in saving energy and reducing emission.

China Gas has become China's largest integrated LPG operation service provider involved in import, terminal, trade, storage, logistic, filling, distribution and retail, serving residential, industrial and commercial users with its products. The Group endeavors to maintain the close collaboration between retail and trade businesses to reflect the complementary advantage arising from the cooperation between upstream and downstream sectors, and



LIQUEFIED PETROLEUM GAS BUSINESS (CONTINUED)

strengthen the advantage in upstream procurement to ensure the stable supply of retail resource. To procure upstream gas, it continues to enhance its strategic cooperation with China's domestic gas suppliers. To procure domestically manufactured LPG, it actively cooperates with upstream manufacturers to create powerful combination. To import LPG, it cements cooperation with its strategic



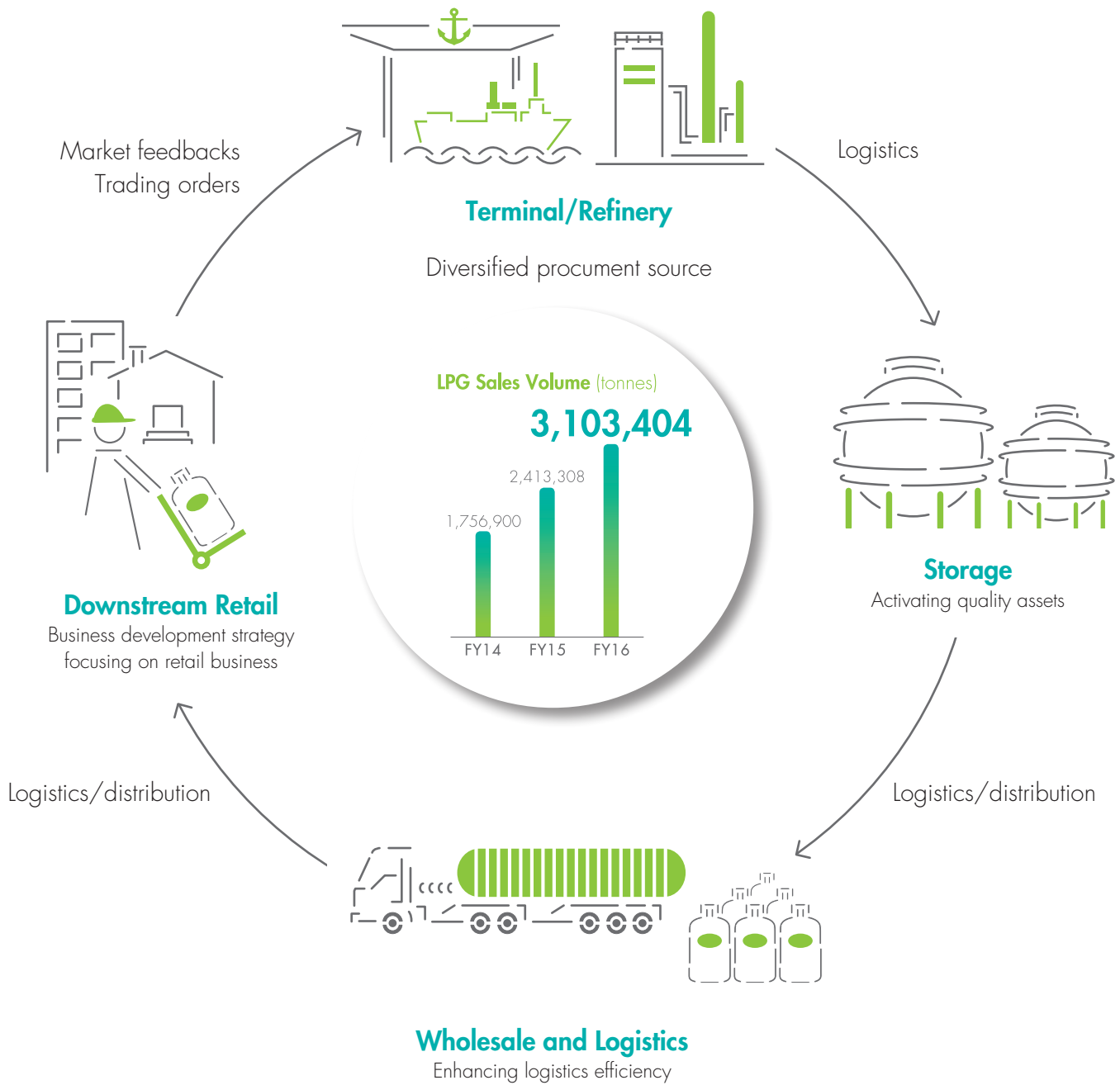
shareholders and large international LPG traders to continuously improve the procurement structure of imported gas and reasonably control the risk in and cost of procurement. The Group insists on regulating and integrating market by innovation and quality service and enhancing brand marketing by promoting the unified brand image of "China Gas Panva" with the goal of building its brand, using national service number of 95007 and gas ordering and sales app of Zhongran Smart Living E-commerce Company Limited to improve service quality, utilizing Internet of Things to actively develop procurement by tank and logistic business, and developing and introducing new technologies to supervise and control the operation and circulation of LPG cylinder. We believe that LPG consumption will maintain a stable growth in the future along with the accelerated process of new village construction and urbanization and the improved awareness of environmental conservation in China.

Scientific fact: Liquefied petroleum gas is also known as LPG. It is a liquefied product produced by pressurizing the gas produced and collected during the process of oil refining under room temperature. Its major components are propane, butane, propylene and butylene. It is mainly used as petrochemical raw material and can also directly be used as fuel after desulfurization.

Liquefied petroleum gas processing: refers to the projects of using liquefied petroleum gas as raw material to extract its components, for example, alkene for aromatization, isomerization, butanone and sec-butyl acetate; and alkane for maleic anhydride, butadiene and isobutene. It is an industrial chemical production process of using low value-added liquefied petroleum gas to produce high value-added products.

LIQUEFIED PETROLEUM GAS BUSINESS (CONTINUED)

BUSINESS CHAIN INTEGRATION STRATEGY OF OUR LPG BUSINESS FLOW



LIQUEFIED PETROLEUM GAS BUSINESS (CONTINUED)



LIQUEFIED PETROLEUM GAS

OPERATIONAL LOCATIONS





Xinjiang

Qinghai

Tibet

CHINA GAS is the

***Largest LPG
Distributor*** in China

-  LPG terminal
-  LPG wholesale
-  LPG retail
-  LPG storage facility



Heilongjiang

Jilin

Liaoning

Beijing

Tianjin

Hebei

Shanxi

Shandong

Henan

5 Jiangsu

Jiangsu Zhongyou Terminal

Shanghai

6 Anhui

Zhejiang Haiyan Huadian Terminal

7 Zhejiang

Wenzhou Zhongran Terminal

Wenzhou Xiaomen Island Terminal

Sichuan

1 Hubei

Chongqing

Jiangxi

Fujian Hengyuan Terminal

2 Hunan

3 Guizhou

8 Fujian

Jinjiang Xiahua Terminal

Taiwan

4 Yunnan

10 Guangxi

9 Guangdong

Guangzhou Huakai Terminal

Guangxi Zhongyou Terminal

Hainan

VALUE-ADDED SERVICES

The Group will also create an e-commerce portal, which mainly targets households and communities, with the aim of providing a more convenient internet marketing platform for the sales of gas and gas related products and services.





VALUE-ADDED SERVICES



VALU

Develop the enormous
"Value-added Services"
market for more than **20 million**
existing end-users





VALUE-ADDED SERVICES

In FY2016, on the basis of the consolidation and expansion of its core gas business, China Gas accelerated the development of non-gas sales business, including value-added service and e-commerce business, and continually explored and gradually formed an "Internet plus" operation platform to provide energy and non-energy product services. The Group now has over 20 million natural gas and LPG household user in over 25 provinces, municipalities and autonomous regions in China, and its gas business covers more than 100 million urban population. Its brand of "中國燃氣 • CHINA GAS" enjoys high public and customer recognition. Accordingly, the "Internet plus" and the self-developed e-commerce platform were utilized by the Group to integrate its brand, channels and customer resources with other essential resources along the industry chain to further develop customer resources and vigorously expand the scope of its value-added services, which encompasses industrial, commercial and residential gas products and services. Its customer service centers, service websites, e-commerce platforms, mobile applications, meter readers and safety inspectors were utilized by the Group to promote its value-added business under the service brand of "China Gas Smart Living". Gas appliances test centers were established and gas corrugated pipes and gas alarms under its own brand and various types of gas application products under Gasbo ("中燃寶") brand were launched by the Group to promote the sales of gas-fired boilers and energy-saving equipment and the business brought about by boiler renovation for energy conservation. To combine online and offline sales channels effectively, Zhongran Smart Living E-commerce Company Limited was founded by the Group in the year and achieved decent results after a half year of operation. As at the end of this financial year, the number of users, shops and products registered on the website of Zhongran Smart Living E-commerce amounted to 3.43 million, 1,000 and 10,000 respectively, and the Group is expected to transform from a gas user developer and gas vendor to a truly integrated operation service provider with gas business as basis.



CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors of China Gas Holdings Limited ("China Gas" or the "Company", together with its subsidiaries, the "Group"), I am pleased to present to the shareholders the 2016 annual report.

RESULTS

Despite the impact of domestic economic slowdown and continuous downtrend in oil prices, the Group achieved satisfactory overall financial and operational performance for the financial year ended 31 March 2016. The two major business segments both recorded significant growth, with turnover of HK\$29,138,527,000, gross profit of HK\$7,033,290,000 and profit attributable to shareholders of HK\$2,273,121,000, representing a drop of 8.0%, an increase of 8.9% and a decrease of 32.6% respectively as compared to the previous year. Basic earnings per share were HK45.79 cents, down 32% as compared to the same period last year.

DIVIDEND

The Board of Directors resolved to recommend payment of a final dividend of HK14.46 cents per share on or about 30 September 2016 to shareholders whose names appear on the register of members of the Company on 24 August 2016 (the record date for determining the entitlement of the shareholders to receive the proposed final dividend). Together with the interim dividend of HK5.0 cents per share paid to the shareholders on 29 January 2016, the total dividend for the year 2016 amounts to HK19.46 cents per share (total dividend for the year 2015 amounted to HK16.15 cents per share).

CHAIRMAN'S STATEMENT (CONTINUED)

CLOSURE OF REGISTER OF MEMBERS

To be eligible to attend and vote at the forthcoming annual general meeting

For the purpose of determining the shareholders who are entitled to attend and vote at the forthcoming annual general meeting, the register of members of the Company will be closed from 12 August 2016 (Friday) to 16 August 2016 (Tuesday) (both days inclusive), during which period no transfer of shares in the Company will be registered. In order to qualify for attending and voting at the forthcoming annual general meeting to be held on 16 August 2016 (Tuesday), all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 11 August 2016 (Thursday).

To qualify for the proposed final dividend

For the purpose of determining the shareholders who are entitled to receive the proposed final dividend for the year ended 31 March 2016, the register of members of the Company will be closed from 22 August 2016 (Monday) to 24 August 2016 (Wednesday) (both days inclusive), during which period no transfer of shares in the Company will be registered. Subject to the approval of the shareholders at the forthcoming annual general meeting, the final dividend will be payable to the shareholders whose names appear on the register of members of the Company on 24 August 2016 (Wednesday). In order to qualify for the final dividend, all transfers of shares accompanied by the relevant share certificates and transfer forms must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on 19 August 2016 (Friday).

CHAIRMAN'S PROSPECT

In 2015, the global economy was still in a period of deep adjustment after the global financial crisis while major economies and their monetary policies remained on diverging paths. Meanwhile, China's economy also entered a period of "New Normal", epitomized by tepid real estate market and slackening economic growth in general. To stabilize growth and prevent risks, the Chinese government actively promoted the marketization of Renminbi exchange rate regime, resulting in more fluctuating Renminbi exchange rate. At the same time, the profound changes in global energy landscape and China's pivot towards diversified, clean and low-carbon energy posed unprecedented opportunities and challenges to its clean energy industry. During the past year, the Group ushered in unprecedented opportunities in developing LPG business and made breakthroughs in new business such as value-added businesses by making continuous efforts in driving exploration and innovation, deepening reform of management model, constantly promoting rapid growth of piped natural gas supply business, improving operational efficiency and standard of vehicle refilling station and progressively accelerating the implementation and execution of distributed energy projects, which laid a solid foundation for the Group to realize its mid-to-long term strategic development objectives. Furthermore, the Group received high praises from the public for its safe operation, corporate cultural development and corporate social responsibility performance. A sizable and resourceful platform for sustainable development was formed with the Group's rising industry status and social influence.

CHAIRMAN'S STATEMENT (CONTINUED)

Looking forward, for city pipeline gas business, the Group will continue to optimize its management and operational level, redouble its efforts in developing terminal projects and vigorously develop customer service and value-added business so as to further consolidate its leading position in the industry. For LPG business, the Group will continue to enhance the "horizontal synergy" between the market and resources of city pipeline gas business and increase LPG's market share in deep-processing sector, while vertically integrating its vertically integrated industrial chain. The integration of upstream resources and technology improvement of the industry will create favourable conditions for the innovation of LPG industry business model and will also drive rapid growth of the Group's LPG business. For value-added business, the Group will make bold steps to explore and innovate by leveraging on its extensive customer resources, unique brand strength and outstanding information technology. It will enhance service awareness and standard that truly caters to the customers, thereby creating its unique core competitiveness. After over a decade of rapid and healthy growth, the Group is now serving more than 20 million residents and 210 thousand industrial and commercial customers with clean energy, and providing "face to face" customer services to over 100 million urban population. Adhering to the principle of increasing both economic effectiveness and social effectiveness, the Group will continue to devote in social services and provide better services to its customers with the aim to become a trustworthy, well-respected and well-organized gas company group that creates higher value for its shareholders continuously. We believe that the next round of change of energy production and consumer market will focus on such issues as price reform of energy product, opening up of energy market, end market services and Internet+. To meet challenges from severe economic environment and energy market reform, the Group will further integrate its city gas business, gas refilling business for vehicles and vessels, LPG business, LNG trade business, distributed energy business and value-added business. Efforts will also be made in developing these businesses synergistically and tapping the value of the industry and market in a "cross-region", "cross-method" and "cross-sector" approach. In the future, the Group will move forward amidst the downturn, overcome obstacles and difficulties and extend its reform efforts. It will proactively adapt to the transformation of industry and market and perform social responsibilities. With the corporate mission of "Benefiting the Society through Establishing a Harmonious Ambience", the Group will push forward industry and society development, supply "smart" energy to the society and general public and guide the country on a green growth pathway. Our goal is to develop into an outstanding integrated energy service provider and maximize the value for our shareholders, staff and the society. Lastly, I would like to express my thanks to the fellow board members for their contribution and support and to all our staff and management team for their endeavors and hard work.

MANAGEMENT DISCUSSION AND ANALYSIS



INTRODUCTION TO THE COMPANY

The Group is a gas operator and service provider primarily engaged in the investment, construction and operation of city gas pipeline infrastructure facilities, gas terminals, storage and transportation facilities, and gas logistics systems, transmission of natural gas and LPG to residential, industrial and commercial users, construction and operation of compressed natural gas/liquefied natural gas refilling stations as well as development and application of technologies relating to natural gas and LPG in China.

BUSINESS REVIEW

During the financial year, plagued by the complicated international political and economic environment, China's economy saw further slowdown as shown by the overcapacity in manufacturing sector, the inventory increase in real estate sector, the continued downturn in the price of bulk commodities, particularly crude oil, and the changes in exchange gains or losses of enterprises brought about by the reform of RMB exchange rate regime. Numerous traditional industries entered into a period of "freezing winter" while the domestic gas industry also experienced a rare decline in growth rate. In 2015, China's apparent consumption for natural gas was merely 193.2 billion cubic meters, representing a year-on-year increase of 5.7%. As city-gate prices of non-residential natural gas were reduced twice in 2015, natural gas has regained some ground against alternative energy sources in terms of economic benefits. In addition, with the continuous promotion of policies such as the Action Plan on Prevention and Control of Air Pollution (《大氣污染防治行動計劃》), it is expected that the growth of market demand for natural gas will start to rebound in 2016.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Notwithstanding the grim situation resulting from insufficient downstream demand for natural gas, the Group has taken a confident step forward by proactively overcoming the challenges from changes in economic environment. We continued to obtain new projects through external expansion while promoting the organic growth of existing projects. Through stringent management, proactive reform and innovation, and flexible adjustment to our marketing strategies, the Group succeeded in maintaining the robust development of traditional businesses such as city gas, LPG and gas for vehicles and vessels. Besides, the Group is dedicated to establishing a “4G” (namely piped natural gas (PNG), compressed natural gas (CNG), liquefied natural gas (LNG) and liquefied petroleum gas (LPG)) network for the gas industry and to developing projects such as “natural gas in towns” and “point-to-point gas supply”. With the timely and orderly launch of various innovative strategic initiatives, such as LNG trading, value-added business, distributed energy, gas appliances under Gasbo (中燃寶) brand and e-commerce business of Zhongran Smart Living E-commerce Company Limited (中燃慧生活), China Gas is on a solid footing to develop into a truly outstanding market enterprise.

During the period, despite the impact of domestic economic slowdown and continuous downtrend oil prices, the financial and operational performance of the Group’s two major business segments, natural gas and liquefied petroleum gas (LPG), recorded encouraging improvement. During the period, the core net profit for LPG business recorded a significant surge of 78.5% but LPG unit selling price and sales revenue declined significantly due to the drastic drop of international oil prices, pushing the Group’s total consolidated revenue down by 8.0% year-on-year to HK\$29,138,527,000. During the period, the Group’s consolidated gross profit was HK\$7,033,290,000, representing a year-on-year increase of 8.9%; the profit attributable to owners of the Company was HK\$2,273,121,000, representing a year-on-year decrease of 32.6%; and basic earnings per share was HK45.79 cents, representing a year-on-year decrease of 32.0%. The decrease in profit attributable to owners of the Company and basic earnings per share was mainly due to the combined effect of one-off or non-operational factors with a total amount of HK\$1,443,217,000 (namely the exchange loss of subsidiaries of the Group brought by the depreciation of RMB against US dollars in the amount of HK\$513,170,000; share of exchange loss attributable to Zhongyu Gas, an associate company, and the provision for its assets of HK\$95,553,000; increase in one-off front end fee of HK\$119,679,000 due to the replacement of US dollar loans; the provision attributable to a share option litigation of HK\$287,310,000, the provision made for the close down of coking methanol project of a joint venture company of HK\$269,404,000, the provision made for the closure of dimethyl ether production facilities of HK\$124,414,000 and other one-off factors of HK\$33,687,000). If stripping out these factors, core profit attributable to owners of the Company during the period was HK\$3,716,338,000 (31 March 2015: HK\$3,320,151,000), representing a year-on-year increase of 11.9%; and basic core profit per share was HK74.86 cents, representing a year-on-year increase of 12.9%.

NEW PROJECTS EXPANSION

The Group has long been leveraging on its penetrating market insight, dedicated project development strategies, excellent safety and operation management and good corporate image to maintain a leading performance in securing new projects in China’s city gas industry. During the financial year, the Group secured 32 additional city piped gas projects. As of 31 March 2016, the Group secured a total of 305 piped gas projects with exclusive concession rights, 13 long distance natural gas transmission pipeline projects, 571 CNG/LNG refilling stations for vehicles, 1 coal bed methane development project and 98 LPG distribution projects in 25 provinces, municipalities and autonomous regions in China.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

The Group secured 32 additional city piped gas projects from 1 April 2015 to 31 March 2016 in the following locations:

Provinces/Autonomous Regions/Municipalities	Cities/Districts
Anhui Province	Susong City, Taihu County
Hubei Province	Honghu City, Songzi City, Xinzhou district in Wuhan City, Wuxue City, Yingshan County, Tuanfeng County, Longganhu district in Huangmei County, Huanggang City, Xishui County, Meichuan Town in Wuxue City, Huangmei County, Shiyan City
Jiangsu Province	Nanjing ChangLu Industrial Park
Hebei Province	Kangbao County
Guangxi Zhuang Autonomous Region	Tianlin County
Shaanxi Province	Shangnan County
Guangdong Province	Mei County, Jieyang Industrial Park
Shanxi Province	Xiangning County in Linfen City
Tianjin City	Baodi district in Tianjin City
Inner Mongolia Autonomous Region	Liangcheng County
Heilongjiang Province	Lingdong district in Shuangyashan City, Heihe City, Nongken Hongxinglong district, Wudalianchi City
Fujian Province	Taining County, Qingliu County
Henan Province	Huangchuan County
Yunnan Province	Baoshan City, Luchun County

As at 31 March 2016, the total connectable urban population covered by the Group's gas projects increased to 99,439,021 (approximately 30,529,434 households), representing a year-on-year increase of 8.3%.

GAS BUSINESS REVIEW

The principal business segments of the Group are natural gas and LPG, which have different customer bases and marketing strategies. The performance of each segment for the year ended 31 March 2016 is discussed below.

Natural Gas Business

As an operator and service provider mainly focusing on supplying natural gas, the Group has, through its efforts in the past 14 years, established a unique operating and management system that suits it best in China's gas industry. With timely optimisation, such system has proven to contribute positively towards the management efficiency and operating results of the Group.

Construction of Piped Gas Networks

City gas pipeline networks are the foundation of the operation of gas suppliers. By constructing city gas trunk and branch pipeline networks, the Group connects natural gas pipelines with its residential as well as industrial and commercial users for connection fees and gas usage fees.

As at 31 March 2016, the Group distributed natural gas to 216 cities and completed the construction of gas transmission pipeline networks of 74,105 kilometres and 287 storage and distribution stations (city gates) and LNG regasification stations. Those storage and distribution stations and LNG regasification stations are designed to supply 81,210,000 cubic meters of gas per day.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

Natural Gas Users

Natural gas users of the Group are mainly classified into residential, industrial and commercial users, and CNG/LNG refilling stations for vehicles.

Residential Users

In recent years, China's new housing market continued to decline, posing challenges to gas companies in acquiring residential users. Since FY2013, the Group has taken the initiative in securing the connection of existing residential users through tailored marketing strategies and achieved great success. The proportion of newly connected existing residential users against the total number of newly connected residential users increased continuously and reached 34% in this financial year.

During the financial year, the Group completed connections for 2,100,256 new residential households (for the year ended 31 March 2015: 1,920,790 households), representing a year-on-year increase of approximately 9.3%. The average piped gas connection fee for residential customers during the financial year remains stable at RMB2,530/household (for the year ended 31 March 2015: RMB2,568/household).

As at 31 March 2016, the Group completed gas connections for 14,691,200 households (for the year ended 31 March 2015: 12,590,944 households) in total, representing a year-on-year increase of approximately 16.7% and accounting for 48.1% of the total number of connectable residential users of the Group.

Industrial and Commercial Users

The general slowdown in China's economy this year has taken the spark out of industries like real estate, construction and transportation. Operational capacity of the factories of industrial users fell while downstream users with greater demand for natural gas, such as glassworks, ceramics and steel industries, was negatively affected. Besides, as oil prices hovered at low levels this year, natural gas price lacked competitive advantages when compared with alternative energy, presenting enormous challenges to natural gas demand in industrial sector.

The Group proactively responded to the challenges arising from macro-economic environment and battered oil price by making timely adjustment to its marketing strategies, fully exploiting market potential, promoting the development of existing industrial and commercial users and seeking new growth driver for gas demand. The Group also assumed an active role in coordinating and cooperating with local governments at various levels. For example, it accelerated the construction of gas-fired central heating systems and "coal-to-gas" conversion projects according to the requirements of the Action Plan on Prevention and Control of Air Pollution promulgated by the State Council of China in September 2013. The Group also leveraged on its natural gas logistics fleet to develop rural and point-to-point natural gas supply projects in order to promote and drive up the Group's natural gas sales to industrial and commercial users and for winter heating consumption.

With regard to "coal-to-gas" projects, the Group made timely adjustments to its marketing and incentive policies and steadfastly increased supervision on project companies. During the financial year, the Group added 23 project companies which had obtained "coal-to-gas" approvals from local governments and a total of 67 project companies have obtained such approvals as of the end of the financial year. The Group also entered into "coal-to-gas" contracts with a total of 950 industrial and commercial customers and renovated coal-fired boilers with a capacity of 3,067 tons of steam. During the financial year, 430,000,000 cubic meters of natural gas were sold through "coal-to-gas" projects. In the next few years, natural gas demand from industrial and commercial users implementing "coal-to-gas" projects will continue to increase, which will become one of the important drivers of the growth in gas sales volume.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

During the financial year, the Group added 922 industrial users and 15,169 commercial users, of which industrial users implementing “coal-to-gas” projects accounted for 46.1% of the new industrial users. As at 31 March 2016, the Group had 4,590 industrial users, representing a year-on-year increase of approximately 25.1%; and 86,976 commercial users, representing a year-on-year increase of 21.1%. Average connection fees for industrial users and commercial users were RMB296,266 per user and RMB37,823 per user respectively.

During the financial year, the Group’s income from gas connection activities was HK\$4,793,584,000, representing a year-on-year increase of approximately 2.9% and accounting for approximately 16.5% of the Group’s total revenue for the year.

Compressed Natural Gas Refilling Station/Liquefied Natural Gas Refilling Stations

Since 2015, international oil price has remained at low levels after a nosedive and prices of gasoline and diesel in China have been on a downward trajectory. The economic benefits of natural gas for vehicles were diminishing, especially for LNG refilling business. As a result, sales of LNG passenger cars and LNG heavy trucks saw year-on-year decline simultaneously for the first time. Similarly, price difference between CNG and gasoline shrank with the slumping gasoline price, affecting the business of CNG stations which mainly engaged in providing services to taxis, buses and private cars.

In view of the short-term difficulties faced by gas refilling stations, the Group adhered to the principle of proactively adjusting its development strategy of refilling stations in accordance with the changing market. Through enhancing project management, strengthening investment risk control and promoting market development, the Group achieved the expected growth in number of gas refilling station projects and gas sales even in the face of sluggish economy and the relative diminishing economic benefits of gas for vehicles.

Regarding gas refilling business for vessels, the Group owns the patents and intellectual property rights in LNG vessel engine modifications and advanced conversion technology and development experience in “oil-to-gas” projects for vessels. Banking on the incentive policies promulgated by the National Development and Reform Commission (“NDRC”) and the Ministry of Transport in relation to the application of natural gas for vessels, the Group laid down the implementation principles of “innovative planning, detailed analysis, prudent development” for vessel projects to actively develop the LNG refilling business for vessels.

Besides, with a view to expanding the source of profit, attracting both new and old customers and enhancing customer loyalty, the Group also made great efforts to promote value-added businesses such as “Yikatong” smart card system and convenience stores in refilling stations by improving service quality for vehicle and vessel users.

During the period, the Group added a total of 38 new CNG refilling stations and 13 LNG refilling stations for vehicles. As at 31 March 2016, the Group owned a total of 398 CNG refilling stations and 173 LNG refilling stations for vehicles. The total number of gas refilling stations was 571, representing a year-on-year increase of 9.8%. Sales volume of CNG/LNG for vehicles made up 15.8% of the Group’s total natural gas sales volume from city gas projects during the financial year.

Sale of Natural Gas

During the financial year, the Group sold a total of 9,860,016,000 cubic meters of natural gas mainly through city piped gas network (retail) and wholesale business (including long distance natural gas transmission pipelines), representing a year-on-year increase of 9.9%, of which 7,294,760,000 cubic meters were sold through city retail pipeline networks, representing a year-on-year increase of 8.0%, and 2,565,256,000 cubic meters were sold through wholesale business (including long distance pipelines), representing a year-on-year increase of 15.5%.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

With respect to the sales volume of city gas projects, 1,544,593,000 cubic meters of gas were sold to residential users, accounting for approximately 21.2% of the Group's total natural gas sales volume of city gas projects; 3,167,147,000 cubic meters were sold to industrial users, accounting for approximately 43.4% of the Group's total natural gas sales volume of city gas projects; 1,429,774,000 cubic meters were sold to commercial users, accounting for approximately 19.6% of the Group's total natural gas sales volume of city gas projects; and 1,153,246,000 cubic meters were sold to CNG/LNG vehicle users, accounting for approximately 15.8% of the Group's total natural gas sales volume of city gas projects.

During the financial year, the Group's income from natural gas sales was HK\$12,995,664,000, representing a year-on-year increase of approximately 0.5% and accounting for approximately 44.6% of the Group's total revenue for the year. During the period, China has twice reduced the natural gas purchase price of urban non-residential users and timely initiated the price pass-through mechanism to reduce the selling price of non-residential users. As a result, even the total sales volume of natural gas has increased by 9.9% for the period, the sales income from natural gas merely recorded insignificant growth.

The core business of the Group is supply of piped natural gas. However, for projects in some areas where piped natural gas is not yet accessible, such as Fushun City of Liaoning Province, Liuzhou City of Guangxi Zhuang Autonomous Region and Mudanjiang City of Heilongjiang Province, piped coal gas or LPG blended with air is sold as a transitional fuel. During the financial year, a total of 162,667,000 cubic meters of piped coal gas and LPG blended with air were sold. With the availability of upstream natural gas supply to such cities, the sale of transitional fuels by the Group is likely to scale down gradually.

Selling Price of Natural Gas

During the period, the average selling price (pre-tax) of the Group's natural gas was RMB2.29 per cubic meter for residential users, RMB2.59 per cubic meter for industrial users, RMB2.68 per cubic meters for commercial users, and RMB3.01 per cubic meter for CNG/LNG vehicle users.

Since 2015, international oil price has remained at low levels after a nosedive and the prices of alternative energy sources such as fuel oil and LPG also followed the downward trend. Reasonable price difference between natural gas and alternative energy sources was wiped out, bringing enormous pressure on the promotion of natural gas usage. On 28 February 2015, the NRDC announced that existing gas price at city-gate for non-residential users would become in line with the incremental gas price with effect from 1 April 2015, making downward adjustment on incremental gas price by RMB0.44 per cubic meter and upward adjustment on existing gas price by RMB0.04 per cubic meter. However, the slight decrease in natural gas price is insufficient to alter the disadvantaged position of natural gas against alternative energies like fuel oil in terms of prices, therefore still limiting the growth of natural gas application.

On 18 November 2015, the NDRC again published a notice on price adjustment of natural gas which came into force on 20 November 2015. Pursuant to which, the maximum non-residential natural gas price at city gate stations would be reduced by RMB0.7 per cubic meter. Besides, the existing maximum gate station price management would be replaced by benchmark gate station price management and the reduced gate station price would become the benchmark gate station price. Within an upward adjustment of 20% and unlimited downward adjustment range, the suppliers and the purchasers can determine the specific gate station price through negotiation while the gate station price is only allowed to be adjusted upward from 20 November 2016. The Group communicated with the governmental departments at various levels as well as industrial and commercial users in places where its projects were located, and initiated the price pass-through mechanism. Under the principle of guaranteeing a reasonable price difference, the Group lowered its natural gas selling price, which would be beneficial to stimulating natural gas usage in the last 3 months of the financial year. As of the end of the financial year, the Group has reduced the price of the affected city gas projects, which immediately relieved the burden of downstream corporate gas users, pushed forward the use of natural gas in various industries, such as industrial and commercial sectors, transportation, power generation and central heating, and effectively facilitated the long-term and healthy development of natural gas as a clean energy in China.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

According to the Guiding Opinions on the Establishment of a Well-established Natural Gas Tier-pricing System for Residential Users (《關於建立健全居民生活用氣階梯價格制度的指導意見》) issued by the NDRC in March 2014, residential gas is categorised into three tiers and a progressive pricing rate is applied to each tier. Besides, all cities are required to establish residential gas tier-pricing systems. As at the end of this financial year, the Group has obtained approval from local governments in 43.8% of the cities and established a residential gas tier-pricing system. The implementation of such policy gradually brings the price differences of natural gas sold to residential customers by city gas enterprises to a more reasonable level.

Liquefied Petroleum Gas (LPG) Business

The Group currently owns 8 LPG terminals and 98 LPG distribution projects. The Group has developed into the largest vertically integrated LPG business operation service provider in China.

During the financial year, the Group sold 3,103,404 tons of LPG, representing a year-on-year increase of 28.6%, of which, wholesale sales volume amounted to 2,156,543 tons, representing a year-on-year increase of 38.3%; retail sales volume was 946,861 tons, representing a year-on-year increase of 10.9%. Total revenue amounted to HK\$11,349,279,000 (for the year ended 31 March 2015: HK\$14,078,066,000), representing a year-on-year decrease of 19.4%; the decrease in revenue was attributed to the corresponding decline in LPG sales price brought about by the plunge of international oil price during the period despite the significant decrease in procurement costs of LPG at the same time. During the period, gross profit was HK\$1,379,340,000 (for the year ended 31 March 2015: HK\$1,089,230,000), representing a year-on-year growth of 26.6%. Operating profit was HK\$508,989,000 (for the year ended 31 March 2015: HK\$387,072,000), while net profit was HK\$152,956,000 (for the year ended 31 March 2015: HK\$171,048,000), which was net of exchange loss for the period and one-off provision made for the production suspension of dimethyl ether facilities. If excluding exchange loss and provision for dimethyl ether, core net profit of LPG will be HK\$417,763,000 (for the year ended 31 March 2015: HK\$234,090,000), representing a substantial increase of 78.5%.

With the increasing popularity of LPG in townships and villages and its long-term and stable growth in utilisation amongst industrial and commercial markets, China's LPG industry meets a rare development opportunity, especially in the rapid growth of the petrochemical synthesis and deep-processing sector where LPG is being used as a raw material. The Group fully utilised its existing LPG terminals, storage facilities and fleets of vehicles and vessels to boost overseas and domestic purchases of LPG, and in turn gradually increased the utilisation rate of LPG assets. The Group capitalised the advantage of its integrated business chain by putting in place a central procurement system of LPG resources for its downstream retail business, so as to deploy its gas sources, storage resources and market coverage appropriately and reach an effective synergy between the wholesale segment and retail segment of LPG business, which will maximise the profit of the whole value chain. The Group will leverage its extensive urban natural gas network and resources across the country to expand the LPG distribution business from the existing 10 provinces in Southern China to provinces, cities, villages and towns nationwide, thereby significantly raising the volume of LPG sold and realising economies of scale. In addition, the Group's logistics management of LPG business has also shown initial success, and sales management was effectively enhanced through the optimization of sales management and control system and the construction of a sales information sharing platform. Meanwhile, we proactively strengthened brand building and marketing and comprehensively pushed forward the registration and launch of 95007 and "China Gas Panva" trademarks.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

VALUE-ADDED SERVICES FOR END USERS

Our customer base has been rapidly expanding with the continuous increase in connection rate. Currently, the Group provides natural gas and LPG services to more than 20,000,000 residential, industrial and commercial users with enormous potential for value-added services in the customer network. Accordingly, the Group will strive to increase the percentage of its income from value-added services in the Group's overall operating income by enriching its value-added services and edging up its marketing efforts. In this way, the Group is transforming itself from a mere gas product provider to a provider of comprehensive energy and customer services so as to further improve the profitability and overall competitiveness of the Group's operational and service network. The Group established departments of value-added business, Gasbo Electrical & Gas Appliances Company Limited (中燃寶電氣(深圳)有限公司) and Zhongran Smart Living E-commerce Company Limited (中燃慧生活電子商務有限公司) successively to actively expand various emerging businesses centering on its primary business of sales of gas, including value-added services such as promotion of gas appliances under the brand of Gasbo (中燃寶), comprehensive gas insurance and agency, maintenance and equipment conversion, gas corrugated pipes and gas alarms.

The Group is making use of its advantages in piped gas market to develop distributed energy projects progressively. With its years of experience in market research and technology innovation, the Group will start to utilise natural gas in a comprehensive manner with the aim of providing large scale customers with highly efficient comprehensive energy and satisfying their various needs for heating, electricity and cooling.

During the period, gross profit from value-added business amounted to HK\$245,135,000, representing a year-on-year growth of 48.3%. Sales of gas insurance, alarm system, corrugated pipe and gas appliances also increased substantially.

HUMAN RESOURCES

A team of excellent employees is vital to the success of an enterprise. The Group has been adhering to the management concept of "people come first". With regard to personnel training and team building, the Group clings to the philosophy of "cultivating potential talents within the Group while recruiting talents from outside" to establish a healthy system of recruitment and internal training.

The Group constantly upgrades the professionalism and competence of its staff at all levels. It also proactively creates platforms for exchanging knowledge and sharing experience among its staff, and recruits and retains capable personnel by enhancing job satisfaction and providing attractive remuneration packages.

As at 31 March 2016, the Group had approximately 38,500 employees in total and more than 99.9% of them are based in China. Employee remuneration is determined with reference to the qualification and experience of individual staff concerned and the prevailing industry practice in the respective places of operation. Apart from basic salary and pension fund contribution, discretionary bonuses, merit payments and certain number of share options will be awarded to selected employees according to the Group's financial results and the performance of such employees.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CORPORATE MANAGEMENT AND CORPORATE GOVERNANCE

It has been a long-standing tradition of the Group to adhere to a “systematic, standardised and institutionalised” management philosophy in continuously enhancing its level of corporate management and operation. Meanwhile, along with its growing scale, expanding operational region, changing staff structure as well as a gradually maturing gas industry, the Group keeps on optimizing its management policies to achieve a scientific corporate management. During the financial year, the Group continued to implement the management and control model of “shifting the operational focus to a lower level and moving the management platform to the frontend” to promote and continuously improve regional coordination and management. By delegating the specific functions of the functional departments of the Group’s headquarters of supervising, guiding and providing services to the project companies to the regional management centre, each department of the Group’s headquarters then transforms and focuses on overall budget management, standardised management, assessed target responsibilities management and management of future development strategies, thereby forming a highly efficient service-oriented headquarters and enhancing management efficiency. By giving more power to regional offices through streamlining policies and delegating authority, the regional management centre has a backbone in respect of management to efficiently foster and achieve vertical management of the Group. Management reform which “empowered” project companies was carried out to procure such companies to increase their autonomous operating capability, respond more flexibly to the market and substantially increase the profitability of various businesses. The ultimate goal is to achieve an integrated management system featuring “the headquarters as the strategic guidance body, regional centers as the management and undertaking body and project companies as the implementation entities”. The implementation of regional management centre plan is an important reform of the Group’s management model, which is essential for it to achieve more standardised, more efficient and safer development, and effectively enhance the efficiency of the Group in making decisions.

In terms of operation management, the Group proactively refines its operating system, continues to invest in its information technology system, and actively encourages innovation. In addition to continuously improving the standards of operation management, the Group is also gradually shifting its focus from standardising the management of the operation system to the application of information technology in its management system, thereby strengthening the overall operational standards of the Group on an ongoing basis. The Group remains as one of the leaders in the industry in terms of gas loss management, which is an important indicator gauging a gas company’s overall management standard. This achievement has significantly reduced our operating costs and enhanced the safety standard of our operations, with no major accident happened during this financial year.

The Group is also actively promoting the reform plan of optimising project companies which are “old state-owned enterprises”, rationalising the management structure, establishing a market-oriented incentive mechanism and performance appraisal system, and accelerating operational development in order to provide practical solutions to various problems which they faced when developing the old state-owned enterprises.

In terms of construction management, the Group has established a standardised system which emphasises on the categorisation and classification management of construction and construction tenders to make full use of the functions of on-site coordination, supervision and service of the regional management centres. While speeding up its construction progress, the Group continuously strengthens its management of construction investment in compliance with the principle of “setting strict standards on efficiency to improve investment returns” with a view to maintain reasonable control over the investment scale of construction projects which are not essential to production, thereby efficiently utilising its core assets and maximising the returns.

Over the course of development, the Group is also committed to improving its corporate governance and internal control on an ongoing basis. Through internal review and adoption of professional opinions provided by independent third parties, the Group undertakes to incorporate effective and sustainable corporate governance and internal control measures into its corporate development strategies and risk management system, with an aim to ensuring higher standard of corporate governance and internal control.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

For the year ended 31 March 2016, the Group's revenue amounted to HK\$29,138,527,000 (for the year ended 31 March 2015: HK\$31,666,111,000), representing a year-on-year decrease of 8.0%. Gross profit amounted to HK\$7,033,290,000 (for the year ended 31 March 2015: HK\$6,455,712,000), representing a year-on-year increase of 8.9%. Overall gross profit margin was 24.1% (for the year ended 31 March 2015: 20.4%). Profit for this year amounted to HK\$2,733,292,000 (for the year ended 31 March 2015: HK\$3,869,686,000), representing a year-on-year decrease of 29.4%.

Operating Expenses

Operating expenses (including selling and distribution costs and administrative expenses) increased by 2.4% to HK\$2,648,704,000 from HK\$2,585,533,000 in the same period last year.

Finance Costs

For the year ended 31 March 2016, finance costs increased by 36.8% to HK\$758,180,000 from HK\$554,159,000 in the same period last year. During the period, in order to reduce potential foreign exchange risk, the Group actively adjusted the structure of debt in domestic currency (RMB) and foreign currencies and replaced the existing debts denominated in US dollars with those denominated in RMB, resulting in a substantial increase in finance costs for the period, of which HK\$119,679,000 was one-off cost generated from the replacement of debts in US dollars. All US dollar debts replaced were long-term bank loans and in accordance with Hong Kong Financial Reporting Standards, the front end fee of the loans shall be amortised over the term of the loan. As a substantial amount of US dollar bank loans were repaid early, all unamortised front end fee was recognised as finance costs for the period immediately.

Share of results of associates

For the year ended 31 March 2016, share of results of associates was HK\$185,462,000 (for the year ended 31 March 2015: HK\$309,057,000). The decrease in share of profit of associates was mainly due to the exchange loss incurred by Zhongyu Gas and the provision for its assets, which resulted in a decrease in share of profit of Zhongyu Gas to HK\$41,142,000 (31 March 2015: HK\$142,890,000).

Share of results of joint ventures

For the year ended 31 March 2016, share of results of joint ventures was approximately HK\$197,925,000 (for the year ended 31 March 2015: HK\$458,129,000). The decrease in share of profit of joint ventures was mainly due to the impairment of asset made for the shut down of relevant equipment of coke business under Hohhot Zhongran City Gas Development Company Limited amounted to HK\$269,404,000.

Income Tax Expenses

For the year ended 31 March 2016, income tax expenses amounted to HK\$984,408,000 (for the year ended 31 March 2015: HK\$940,050,000).

Liquidity

The principal business of the Group is featured with a fast growing cash flow. Coupled with an effective and well-established capital management system, the Group is able to maintain stable and healthy operations amidst uncertainties in the macro-economy development and capital market operation.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 31 March 2016, the total assets of the Group were HK\$53,532,891,000, representing an increase of approximately 5.8% as compared with 31 March 2015. Cash on hand was HK\$5,772,495,000 (31 March 2015: HK\$5,291,981,000). The Group had a current ratio of 0.69 (31 March 2015: 1.11). Net gearing ratio was 0.79 (31 March 2015: 0.66), which was calculated on the basis of net borrowings of HK\$16,561,687,000 (total borrowings of HK\$22,334,182,000 and bank balance and cash of HK\$5,772,495,000) and net assets of HK\$20,964,120,000 as at 31 March 2016.

The Group has always adopted a prudent financial management policy. Most of the available cash is deposited with credible banks as demand and time deposits.

Financial Resources

The Group has long-standing relationships with Chinese (including Hong Kong) and foreign capital banks. As the Group's principal cooperating bank, China Development Bank provided the Group with a long-term credit facility of RMB20 billion under a term of up to 15 years, giving a strong financial support to the Group's project investments and stable operations. In addition, the Group also received long-term credit support from major domestic and foreign capital banks such as Asian Development Bank (ADB), Industrial and Commercial Bank of China, Bank of Communications, Bank of China, Agricultural Bank of China, and China Merchants Bank. As at March 2016, over 20 banks have extended syndicated loans and credit facilities to the Group with an average maturity of five years. Bank loans are generally used to fund the working capital requirements and project investments of the Group.

China's RMB bonds market has achieved significant development in 2015 with a sharp rise in the size of bond issuance. Domestic subsidiaries wholly-owned by the Group actively participated in China's interbank bond market and issued mid-term RMB notes and short-term RMB financing bonds in the amount of RMB6.6 billion during this financial year. The interest rates of such issued notes and bonds are all lower than the benchmark rates required by the People's Bank of China for loans of same terms. At the same time, the Company has been actively participating in financing channels for issuing RMB bonds in the bonds market of the stock exchange in China, and has completed the issuance of corporate bonds in an aggregate principal amount of RMB1 billion with a term of three years on 13 January 2016. As one of the first Hong Kong-listed companies to issue corporate bonds which are traded on the Shanghai Stock Exchange Comprehensive Electronic Platform of Fixed Income Securities, the Group believes that RMB bond market offers deep liquidity to the Group, diversifies the funding channels of the Group and brings more financial flexibility. Proceeds from the issuance of RMB bonds are mainly used for replacing foreign currency debts to reduce the Group's foreign exchange risk exposure.

As at 31 March 2016, the Group's portfolio of bank loans and other debentures was as follows:

	2016 HK\$'000	2015 HK\$'000
Less than one year	10,324,484	3,918,554
More than one year but not more than two years	2,093,984	5,242,474
More than two years but not more than five years	8,188,859	9,509,517
After five years	1,726,855	2,065,017
	22,334,182	20,735,562

* Of these, the acceptance bills and trust receipts related to the Group's LPG business amounted to HK\$Nil. (31 March 2015: HK\$1,337,240,000).

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

As at 31 March 2016, bank loans and other loans of the Group amounted to HK\$22,334,182,000 in aggregate, representing a year-on-year increase of 7.7%.

The operating and capital expenditures of the Group are financed by operating cash income, indebtedness and financing of share capital. The Group has sufficient funding to satisfy its future capital expenditures and working capital requirements.

Foreign Exchange and Interest Rate

Most of the revenue of the Group is received in RMB while most of the expenses and capital expense are also denominated in RMB. However, certain bank loans and other borrowings and bank balances of the Group are denominated in currencies other than the functional currencies of the relevant entities of the Group. The appreciation or depreciation of RMB against foreign currencies will give rise to exchange gain or loss. Although most of such gain or loss is non-operating in nature, it can make a positive or negative impact on the results of the Group.

On 11 August 2015, the People's Bank of China announced a reform of the central parity quotation mechanism of RMB against US dollars, which increased the uncertainty of the exchange rate between US dollars and Renminbi. Upon the introduction of such policy, as of the end of this financial year, RMB recorded a depreciation of over 5%, which significantly affected the final results of the Group for this year. In view of this milestone change of foreign exchange policy, the Board revised its exchange rate risks management policies, closely monitored the trends of market rates and foreign exchange rates and adjusted its debt structure in a timely and reasonable manner to avoid risks effectively. In accordance with such exchange rate risks management policies, the Group actively adjusted the structure of debt in domestic currency (RMB) and foreign currencies by replacing the existing debts denominated in US dollars with those denominated in RMB, and adopted currency hedging derivatives to hedge the currency risk of a small portion of existing foreign currency loans, which significantly lowered the potential exchange rate risks. The proportion of foreign currency debts to all debts of the Group significantly decreased from 83% in the beginning of this financial year to 7.1% at the end of this financial year. The reasonable adjustment of the aforesaid debt structure will immensely decrease the impact of future exchange loss and profit to the Group's results.

Charge on Assets

As at 31 March 2016, the Group pledged certain properties, plants and equipment and prepaid lease payments with net carrying values of HK\$68,536,000 (31 March 2015: HK\$321,475,000) and HK\$Nil (31 March 2015: HK\$23,508,000) respectively, investment properties with net carrying value of HK\$64,000,000 (31 March 2015: HK\$60,600,000), and pledged bank deposits of HK\$275,554,000 (31 March 2015: HK\$63,484,000) and certain subsidiaries pledged their equity investments in other subsidiaries to banks to secure loan facilities.

Capital Commitments

The Group had capital commitments in respect of the acquisition of property, plant and equipment and construction materials contracted but not provided for in the financial statements as at 31 March 2016 amounting to HK\$226,399,000 (31 March 2015: HK\$172,378,000) and HK\$83,379,000 (31 March 2015: HK\$148,358,000) respectively, and such commitments would require the utilisation of the Group's cash on hand and external borrowings. The Group has undertaken to acquire shares in certain Chinese enterprises and set up Sino-foreign joint ventures in China.

Contingent Liabilities

As at 31 March 2016, the Group did not have any material contingent liabilities (31 March 2015: nil).

CORPORATE SOCIAL RESPONSIBILITY REPORT

In FY2016, the domestic economy further slowed down, posing unprecedented challenges to the Group in the face of adversities such as the reverse trends of supply and demand in the domestic gas industry and the inferior competitiveness of natural gas vis-a-vis alternative energies in terms of pricing. Notwithstanding the economic malaise and complicated landscape of industrial development, all of the Group's employees continued to stick to our corporate mission of "Benefiting the Society through Establishing a Harmonious Ambience", adhere to our core values of "Social Respect, Customer Trust, Members' Well-Being, and Win-Win with Shareholders" and actively respond to the state's call for "Energy Conservation, Emission Reduction and Environmental Governance Policies and Thorough Implementation of the Action Plan of Air Pollution Prevention". Even in the face of huge difficulties, we have demonstrated outstanding bravery and continued to implement the macro-market strategy through practical actions and enhanced our management capabilities while proactively driving reform and innovation. In order to provide clean and convenient energy and services to users, improve urban ecological environment and keep creating stable and long-term value for shareholders, staff, customers and the society, we made persistent efforts to beef up the strength and execution capability of our people and seized the initiative to achieve further development.

I. RESPONSIBILITIES FOR EMPLOYEES

Since 2002, China Gas has been on a fast track of development with nearly 38,000 employees in 25 provinces, cities and autonomous regions across the country. We are blessed with dedicated staff who are totally committed to their jobs and are always striving to improve their skills. By actively implementing the corporate culture of China Gas and setting an example, our employees have become the driving force for the development of China Gas.

The Group adheres to its "people-oriented" operating ideology to retain a diverse array of talents and build a sense of belonging among our employees. In particular, we increase the self-value of employees and their sense of identity with the Company through cultural promotions, system building, business trainings and a variety of other initiatives. In terms of compliance with labour laws, the Group has strictly followed the requirements of the "Labour Contract Law" and insisted in promoting merit-based employment, paying wages on time, making contributions to social security funds and improving labour relations to avoid labour disputes. In addition to performing comprehensive assessment on all employees, including the Group's management, through performance appraisal, the Group also carried out competence appraisal for employees from the headquarters and various districts and project companies during this financial year. We make all-out efforts to optimize human resources allocation through closely aligning with the Group's strategies and business development; we strive to promote market-and-service-oriented transformation through team building and weeding out the inferior; we also improve our personnel structure through strengthening our front-line and general staff. We continue to adopt a dynamic management model for manager-level positions and prioritize basic working experience when selecting candidates for manager vacancies. With a view to providing strong support to the Group through refining manager-level management, we vest the power of recruitment, management and allocation of managers to regional offices and strengthen the organizational and disciplinary aspects of such allocation. In terms of remuneration system, we motivate the whole team of staff through improving our remuneration system which gives more rewards to employees who create value. The Group's motivating remuneration system and differentiated assessment system are designed in

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

accordance with the nature of our market-oriented businesses such as value-added business and emerging business. In addition, through offering incentives by means of economic leverage, the productivity of our staff can be fully unleashed while the personal goals of employees and corporate development targets can be closely aligned to realize joint development of staff and the Company.

To build a learning-oriented and innovative enterprise, the Group also introduced a series of effective measures with full involvement of our employees, including Management Institute, general manager training camp, professional trainings on safety, engineering, finance and legal affairs, book recommendations from CEO and sharing sessions of reading. In this financial year, the number of enrollments for courses and exams offered through E-learning online learning system is 106,507 while that for offline learning is 122,079 and a total of over 72,536 training hours was completed.

In addition, the Group also established a smooth complain and whistle-blowing procedure under which every complaint is investigated by the Group's audit supervision department and the investigation results are reported to the higher management and the complainants. Once a material complaint is confirmed, rewards will be given to the relevant complainant. This internal audit system has great significance in safeguarding the legal rights of staff and ensuring fairness, justice and openness within the Group. Moreover, to address the requests of employees, China Gas has established a column of inner voices on the "China Gas House" WeChat platform for employees to share their difficulties and stress from work which will later on be replied and answered by different professional departments of the Group. Since its establishment in November 2015, the platform has received about 400 questions raised by employees which were all replied and given feedbacks by the relevant departments.

FY2016 is the "Year of Quality Service Culture" of China Gas. During the year, the Group has continuously strengthened occupational health and safety management. Various regional management centers, business departments and project companies also rolled out a series of activities, including indoor gas facilities installation and maintenance skills competition, home safety and customer services skills competition, which effectively foster a culture of customer services within the Group as well as enhancing employees' occupational skills and professional quality.

Also encouraging is that the "Elite Billboard" annual review has become a stage where the spotlight is turned on our outstanding staff. As more and more outstanding employees have become well-known within the Group through such billboard, team cohesion and staff loyalty to the Group are greatly increased. "China Gas House" WeChat corporate account has successfully developed into yet another important communication tool other than internal OA Forum and periodicals. Through such account, corporate updates and news on various staff caring activities and corporate culture activities and promotions are timely published to our staff members to let them understand more about the Company's strategies and targets. The Group's headquarters and various project companies also organized a variety of activities to enrich the cultural life of our staff, such as regular meetings of democratic life, benchmark learning, body check, hiking, fun sport day games, speech competitions, just to name a few.

II. RESPONSIBILITIES FOR CREDITORS AND SHAREHOLDERS

China Gas has always upheld the ideology of integrity, innovation and cooperation to promote the core value of "Pursuing Win-Win with Shareholders". With total commitment to stakeholders such as shareholders and creditors, we treasure every bit of capital and make strenuous efforts to build up a well-established corporate governance structure and develop a corporate operational culture which focuses on maximizing value as we know that only by constantly increasing corporate value and delivery satisfactory rewards to our shareholders can we win long-term trust and support from shareholders and investors. As a listed-company in Hong Kong, China Gas has not only strictly complied with the requirements of relevant laws, regulations and company constitution to establish an open and transparent communication mechanism with investors, but also strictly observed the information disclosure requirements under the Listing Rules to communicate closely with investors and shareholders.

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

In FY2016, besides organizing visits and teleconference for investors on a regular basis, the Group also participated in 18 large-scale investor summits organized by domestic and foreign investment banking institutions, held 2 non-deal road shows for global investors, received visitors from about 100 large-scale domestic and overseas institutional investment funds, and continuously deepened the understanding of shareholders and creditors of the Group through result presentations, announcements and press releases.

While emphasizing on protecting the interests of shareholders, the Group also attaches great importance on meeting its liabilities to creditors. The Group has always been well trusted by many domestic and foreign financial institutions and maintained sound cooperation with them. With the support from numerous financial institutions, the Group has made full and reasonable use of its capital to facilitate the healthy and orderly development of the Group. Meanwhile, the Group's solid operational results and stringent corporate capital management system provide further protection to the interests of creditors. The Group takes into full consideration the legal rights of creditors when making important operational decisions, discharges its liabilities to creditors in strict compliance with contracts entered into with them, passes on important information relating to its creditors in a timely manner, fully discharges its liabilities to the creditors and protects the legal rights of creditors from being infringed, all contributing to our well-earned social and capital reputation.

III. RESPONSIBILITIES FOR CONSUMERS

During FY2016, the Year of Quality Services Culture of China Gas, we improved our service quality by leveraging on convenient and user-friendly measures. We also increased satisfaction level by leveraging on technological innovation and created a more trustworthy consumption environment through improving management practices. China Gas keeps abreast of the times and combines quality services with information system, as demonstrated by the use of customer services mobile app and customer services satisfaction level assessment system as well as the use of GPS system to inspect and repair pressure regulating boxes and meter readings of industrial and commercial users. Meanwhile, to improve users' experience, various group companies under the Group introduced grading management system for users and promoted standard service codes.

In FY2016, China Gas conducted the its first customer satisfaction survey and attained an outstanding rating for overall customer satisfaction level. During such period, a number of project companies received honours such as "Youth of Civilization Entity", "Workers' Vanguard" and "May 1st Labor Medal" from governments of their respective provinces and cities. In FY2017, the Group will introduce a series of customer services innovation and improvement activities under the theme of the "Year of Quality Services Culture" to provide convenient, high-quality and highly-efficient professional services to our users continuously.

The Group requires its employees to always bear in mind the personal and property safety of consumers and put the Group's safety concept into full practice when delivering customer services. One of our key initiatives in FY2016 is the safe operation benchmark management which aims at improving the level of safe operation management. Other successful campaigns include regular safety inspection on all levels, emergency drill on safe operation, strengthened control and management on sources of danger and wide-ranging potential risks report. The Group performed operational inspections on 75 operating cylinder stations and made suggestions to improve leakage alarm, emergency disconnection, safe evacuation, safety inspection, safe distance and other areas. In line with the bringing "A Safe Home" to the community campaign of the Year of Quality Services Culture, the Group carried out a series of safety promotion activities while providing quality services to users. Our project companies distributed promotional materials to local residents, answered inquiries, strenuously promoted urban gas regulations and all kinds of practical safety knowledge and provided personalized and convenient services to our residents, which won us wide applauses and praises from the relevant government leaders and residents.

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

IV. RESPONSIBILITIES FOR SOCIAL WELFARE

China Gas never forgets its mission of “Benefiting the Society through Establishing a Harmonious Ambience”. With a grateful heart, the Group gives back to the society through practical actions and actively launches various charity projects such as free tutorials, disaster relief and poverty alleviation. Our Employees Care Committee and China Gas Charity Foundation Limited (“China Gas Charity Foundation”), sponsored by several substantial shareholders of the Company under the principle of extending love to outsiders and delivering care to members, have been actively offering a helping hand to the poor and our employees in difficulties. To give back to the society, we engaged in a variety of activities, including relief for seriously ill employees, donation to Maternal and Child Recreation Center in Baise City, Guangxi, “Don’t Let My Mother Go Campaign”, Gu Jiang Chun Lei Scholarship Scheme, joint donation with the Overseas Friendship Association of Guangxi and annual elderly care activities in Hong Kong.

Besides charity donations, the Group also encourages all staff members to organize various charity activities to meet local practical needs, such as participating in the Walk for Million organized by The Community Chest of Hong Kong. The “Passing Caring and Love to People” blood donation campaign held by the Group in October 2015 was a stellar success and the Group has put out a call for project companies to organize blood donation activities. A number of project companies have also launched activities for the causes of forest plantation and caring for disabled children with a view to actively bearing social responsibility, supporting social charity and spreading the caring and corporate spirit of China Gas to others.

At the same time, China Gas Charity Foundation issued the Manifesto of Great Love, emphasizing its role as a platform of love and harbor of care for all staff members. China Gas Employees Care Committee keeps creating a warm and harmonious atmosphere under the banner of “Awaking Passion and Showing Friendly Affection Together Like Family Members” and “Staying Warm and Healthy by the Light of China Gas” for all employees to overwhelm them with the warmth of family.

V. RESPONSIBILITIES FOR THE ENVIRONMENT AND RESOURCES

As one of the largest domestic cross-regional gas companies, China Gas has been promoting wide application of natural gas as a clean energy and optimization of urban energy structure since its establishment. We supply clean energy to 300 cities and areas across the country and contribute to improve urban environment and people’s quality of life.

The Group combined the urban gas, gas for vehicles and vessels, LPG business, LPG trading, distributed energy and value-added business through implementing the “Three-Leap” strategic breakthrough plan. Benefiting from the “cross-region”, “cross-method”, “cross-category” model of development, different business segments have created synergistic effects and realized full coverage of gas supply in cities and towns, giving a positive thrust to the nation-wide application of various clean energies.

To improve the atmospheric environment, it is essential to replace highly polluting and energy-consuming energies such as coal with natural gas. China Gas actively responded to the policy of “coal-to-gas”, offered assistance to local governments and enthusiastically implemented this green and environmental-friendly project. So far, we have renovated over 3,000 tons of steam of coal-fired boilers and recorded gas sales of 430 million m³ through replacing coal with gas.

CORPORATE SOCIAL RESPONSIBILITY REPORT (CONTINUED)

In terms of natural gas refilling for vehicles and vessels, China Gas now has over 571 natural gas refilling stations and several vehicle fleets for carriage of dangerous goods. We have commenced cooperation with major domestic vehicles and equipment manufacturers and will construct more natural gas refilling stations for vehicles and vessels to give full support to eco-environment conservation.

In terms of energy saving, the Group has promoted the idea of low-carbon offices, encouraged staff to switch to paperless work, equipped offices with complete sets of video conference system, adopted E-learning online learning and training system and reduced business travel, thereby reducing the emission of carbon dioxide over the years, which put environmental protection into practice in all aspects of employees' work and life.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

BOARD MEMBERS

Executive Directors

Mr. ZHOU Si, aged 59, is currently the Chairman of the Board of the Company and the Chairman of the Corporate Governance and Risk Control Committee. Mr. ZHOU was appointed as an Executive Director of the Company in August 2013. He is the Vice Chairman, Executive Director and Chief Executive Officer of Beijing Enterprises Holdings Limited, a company listed in The Stock Exchange of Hong Kong Limited ("Stock Exchange") (Stock Exchange Stock Code: 392). Mr. ZHOU is also Vice Chairman of Beijing Enterprises Group Company Limited, both of which have discloseable interest in the shares and underlying shares of the Company under the provisions of Division 2 and 3 of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO") and the relevant information is disclosed in the Directors' Report. Mr. ZHOU received a Bachelor's degree in Science (Physics) from Capital Normal University in 1982, a Master's degree in Business Administration from School of Economics and Management, Tsinghua University in 1998 and possesses the title of Senior Economist. From 1984 to 2003, Mr. ZHOU worked with Comprehensive Planning Department of Urban Management Commission of Beijing Municipality as Chief Officer, Deputy Director and Director; and later worked as Deputy Director of Urban Management Commission of Beijing Municipality. From January 2011 to January 2014, he served as Chairman and Executive Director of Beijing Properties (Holdings) Limited (Stock Exchange Stock Code: 925). He has extensive experience in urban management, economics, finance and corporate management.

Mr. LIU Ming Hui, aged 53, is currently the Executive Chairman, Managing Director and President of the Company and a member of each of the Nomination Committee and the Remuneration Committee. Mr. LIU was appointed as a Non-executive Director of the Company in August 2012 and has been elected as an Executive Director of the Company in September 2012. Mr. LIU was a Non-executive Director of the Company from April 2002 to July 2002, an Executive Director of the Company from July 2002 to April 2011 and the Managing Director of the Company from July 2002 to January 2011. He is also a director of certain subsidiaries of the Company. Mr. LIU graduated from Hebei Normal University in the Faculty of Mathematics. He is also a postgraduate candidate in Politics and Economics of Renmin University of China and a doctoral candidate in Business Administration of Renmin University of China. He has substantial experience in the infrastructure and energy industry in China. Mr. LIU is the founder of the Company. He is the elder brother of Mr. LIU Mingxing. Mr. LIU has discloseable interest in the shares and underlying shares of the Company under the provisions of Division 2 and 3 of Part XV of the SFO and the relevant information is disclosed in the Directors' Report.

Mr. HUANG Yong, aged 53, is the Executive President of the Company since joining the Company in 2002. Mr. HUANG was appointed as an Executive Director of the Company in June 2013. He is also a director of certain subsidiaries of the Company. Prior to joining the Company, Mr. HUANG worked at Shenzhen Nanyou (Holdings) Ltd. (深圳市南油集團) and Asia Environmental Development Company Limited (亞洲環境發展有限公司). He graduated from Wuhan University with a Master's degree in Law, and has extensive experience in legal affairs and corporate management.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Mr. ZHU Weiwei, aged 43, is currently a Vice President of the Company. Mr. ZHU was appointed as an Executive Director of the Company in September 2002. He is also a director of certain subsidiaries of the Company. Mr. ZHU received a Master's degree in Finance from Zhongnan University of Finance and Economic, the PRC. Mr. ZHU has substantial experience in financing and project management.

Mr. MA Jinlong, aged 49, is currently a Vice President of the Company and a member of the Nomination Committee. Mr. MA was appointed as an Executive Director of the Company in September 2002. He is also a director of certain subsidiaries of the Company. Mr. MA received a Bachelor's degree in Economics from Hebei University and Executive Master's degree in Business Administration from University of International Business and Economics. He has substantial experience in financial and business operation management.

Ms. LI Ching, aged 58, was appointed as an Executive Director of the Company in January 2014. She is also a director of certain subsidiaries of the Company. Since 1998, she has been an Executive Director of Fortune Oil Limited (formerly known as Fortune Oil PLC and was listed on the London Stock Exchange), which has discloseable interest in the shares and underlying shares of the Company under the provisions of Division 2 and 3 of Part XV of the SFO and the relevant information is disclosed in the Directors' Report. She has been working in Fortune Oil Limited for more than 15 years. Prior to joining Fortune Oil Limited, Ms. LI worked in China North Industries Corporation for 15 years. She was in charge of finance and audit departments. She received a Bachelor's degree from the School of Public Finance of Central University of Finance and Economics in 1982. Ms. LI has extensive experience in finance and corporate management.

Non-executive Directors

Mr. YU Jeong Joon, aged 53, is currently the Vice Chairman of the Company and a member of the Corporate Governance and Risk Control Committee. Mr. YU was appointed as a Non-executive Director of the Company in April 2013. He is currently the representative director of SK E&S Co., Ltd, a subsidiary of SK Group, Korea, which has discloseable interest in the shares and underlying shares of the Company under the provisions of Division 2 and 3 of Part XV of the SFO and the relevant information is disclosed in the Directors' Report. He holds a Bachelor's degree in Business Administration from Korea University and a Master's degree in Accounting from the University of Illinois at Urbana-Champaign. Mr. YU joined SK Group since 1998 and he has substantial experience in international corporate management. Mr. YU is a member of the American Institute of Certified Public Accountants (AICPA).

Mr. KIM Yong Joong (*alternate to Mr. YU Jeong Joon*), aged 54, is currently a Vice President of the Company. He is also a director of certain subsidiaries of the Company. Mr. KIM was appointed as the alternate Director to Mr. YU Jeong Joon in April 2013. He graduated from Korea University with a Bachelor's degree in Laws in 1984. He joined SK Group, Korea since 1987. He is currently the Vice President, China Business Unit of SK E&S Co., Ltd which has discloseable interest in the shares and underlying shares of the Company under the provisions of Division 2 and 3 of Part XV of the SFO and the relevant information is disclosed in the Directors' Report.

Mr. LIU Mingxing, aged 43, was appointed as a Non-executive Director of the Company in July 2014. He is also currently a member of the Corporate Governance and Risk Control Committee. Mr. LIU is the Vice Director-General and a professor of Economics of China Institute for Educational Finance Research, Peking University. He was an associate professor of Economics of China Institute for Educational Finance Research, Peking University from January 2008 to July 2013, and a lecturer of Economics and an associate professor of Economics of the School of Government, Peking University from September 2003 to December 2007. He graduated from the Faculty of Investment Economics, Zhongnan University of Finance and Economics with a Bachelor's degree in Economics in 1994 and he was awarded a Master's degree in Economics in 1997. In 2001, he was awarded his Doctorate degree in Economics at China Center for Economic Research, Peking University. From 2001 to 2003, he did postdoctoral research at The National Bureau of Economic Research in the United States. Mr. LIU acted as a consultant and provided policy advisory services to the Ministry of Finance and the Ministry of

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

Education of China, the World Bank, the Organization for Economic Co-operation and Development (OECD), the United Nations Educational, Scientific and Cultural Organization and Department for International Development of the United Kingdom on various occasions. Mr. LIU published a large number of academic papers and books in respect of economics and finance in China and worldwide. Mr. LIU is the younger brother of Mr. LIU Ming Hui.

Mr. Arun Kumar MANCHANDA, aged 58, was appointed as a Non-executive Director of the Company in November 2014. He is also currently a member of the Corporate Governance and Risk Control Committee. Mr. MANCHANDA is currently the Executive Director of Marketing with GAIL (India) Limited ("GAIL"). Prior to this, Mr. MANCHANDA headed GAIL's Liquid Hydrocarbon division and was also responsible for marketing of natural gas and Polymers from 2012 to 2014. Mr. MANCHANDA is a Chemical Engineer from Punjab University with Management Degree in Sales and Marketing Management and has over 35-year of experience in the marketing of natural gas, petrochemicals and petroleum products.

Mr. JIANG Xinhao, aged 51, was appointed as a Non-executive Director of the Company in June 2015. He is also currently a member of the Corporate Governance and Risk Control Committee. Mr. JIANG graduated from Fudan University in 1987 with a Bachelor's degree in Law, then he devoted in policy analysis in the State Commission of Restructuring Economic System from 1987 to 1989. In 1992, he was granted a Master's degree in Law by Fudan University. Mr. JIANG taught at Peking University between 1992 and 1994. From 1995 to 1997, Mr. JIANG was a Deputy General Manager of Jingtai Finance Company in Hong Kong, and subsequently a Director and Deputy General Manager of BHL Industrial Investment Company. From 1997 to February 2005, Mr. JIANG was a Director and the Chief Executive Officer of Tramford International Limited, a public company listed on Nasdaq. Mr. JIANG was a Manager of the investment development department of Beijing Holdings Limited and a General Manager of Beijing BHL Investment Center between May 2000 and February 2005. Mr. JIANG has extensive experience in economics, finance and corporate management. Mr. JIANG is currently the Executive Director and Vice President of Beijing Enterprises Holdings Limited (Stock Exchange Stock Code: 392). Mr. JIANG also serves as Vice General Manager of Beijing Enterprises Group Company Limited and an Executive Director of Beijing Enterprises Water Group Limited (Stock Exchange Stock Code: 371). Both of Beijing Enterprises Holdings Limited and Beijing Enterprises Group Company Limited have discloseable interests in the shares and underlying shares of the Company under the provisions of Division 2 and 3 of Part XV of the SFO and the relevant information is disclosed in the Directors' Report.

Independent Non-executive Directors

Mr. ZHAO Yuhua, aged 49, was appointed as an Independent Non-executive Director of the Company in November 2002. He is also currently the Chairman of the Audit Committee and a member of each of the Nomination Committee, the Remuneration Committee and the Corporate Governance and Risk Control Committee. Mr. ZHAO graduated from Institute of International Economy, Nankai University and holds a Master's degree in Economics. He has been engaging in corporate financing and financial advisory business since 1993.

Dr. MAO Erwan, aged 53, was appointed as an Independent Non-executive Director of the Company in January 2003. He is also currently the Chairman of the Nomination Committee and a member of each of the Audit Committee and the Remuneration Committee and the Corporate Governance and Risk Control Committee. Dr. MAO graduated from Mathematics and System Sciences, Chinese Academy of Sciences and holds a Doctorate Degree. He was a Senior Economist of Da Cheng Fund Management Co. Ltd. He is currently a deputy professor of School of International Business, Beijing Foreign Studies University, a committee member of China Institute of Finance, Financial Engineering, deputy director of Financial and Securities Institute of Beijing Foreign Studies University and deputy director of Financial Quantity Analysis and Computation Committee.

Ms. WONG Sin Yue, Cynthia, aged 64, was appointed as an Independent Non-executive Director of the Company in October 2003, having taken up the position as Non-executive Chairperson of the Board from March 2011 to August 2013. She is also currently the Chairperson of the Remuneration Committee, the Vice Chairperson

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT (CONTINUED)

of the Corporate Governance and Risk Control Committee and a member of each of the Audit Committee and the Nomination Committee. Ms. WONG holds a Master's degree in Business Administration from the University of East Asia in Macau. Ms. WONG retired in February 2015 from the position of Deputy General Manager of China Merchants Holdings (International) Company Limited (Stock Exchange Stock Code: 144), a position she has held since November 2003. Prior to that, she held various senior positions at reputable international investment banks including Societe Generale, Deutsche Morgan Grenfell, Samuel Montague and Bear Stearns Asia for over 15 years during which she had advised more than 50 companies in Greater China and Asia in their equity, equity finance or equity-related activities.

Mr. HO Yeung, aged 61, was appointed as an Independent Non-executive Director of the Company in December 2012. He is also currently a member of each of the Audit Committee and the Corporate Governance and Risk Control Committee. Mr. HO has been a senior executive at a leading high-tech software company in China since 1999 and has been an executive director of a renowned real estate company in China for more than ten years. Since 1994, Mr. HO has been a member of the board of the council at the China Association for the Promotion of Investment.

Ms. CHEN Yanyan, aged 53, was appointed as an Independent Non-executive Director of the Company in December 2012. She is also currently a member of each of the Audit Committee and the Corporate Governance and Risk Control Committee. Ms. CHEN is currently an economist, senior political engineer, and an expert in Logistics and Supply Chain Management Specialty of Expert Database of Science and Technology Expert Committee of Shenzhen Municipal Government. She is also a research fellow of the Chinese Logistics Society and a representative of the 11th Women's Congress of Guangdong Province. Ms. CHEN is currently an independent director of Shenzhen Jame Technology Corp., Ltd. (深圳市杰美特科技股份有限公司) and three public companies listed on the Shenzhen Stock Exchange, ("SZSE") i.e. Shenzhen Woer Heat-Shrinkable Material Co., Ltd. (SZSE Stock Code: 2130), Shenzhen Wenke Landscape Co., Ltd. (SZSE Stock Code: 2775), and Shenzhen Comix Group Co., Ltd. (SZSE Stock Code: 2301). Ms. CHEN graduated from Guangdong Provisional Committee Party School in 1999 and obtained a post-graduate degree in Economics. She received "Second Prize of Technological Progress by the China Federation of Logistic and Purchasing" in 2008 and 2009.

SENIOR MANAGEMENT

Mr. CHEN Xinguo, aged 48, is currently a Vice President of the Company. Mr. CHEN was appointed as an Executive Director of the Company in April 2013 and resigned on 24 June 2015. Mr. CHEN is a Senior Economist. He holds a Doctorate degree in Economics from Renmin University of China. Prior to joining the Company, Mr. CHEN was a Deputy General Manager of Beijing Gas Holdings Limited and Beijing Gas Group Co., Ltd from 2009 to 2013 and a deputy manager and a manager of strategic development department of Beijing Enterprises Group Company Limited from 2005 to 2009. He was an Officer and a Deputy Commissioner of Beijing Planning Committee (Development and Planning Committee) from 1994 to 2003.

Mr. DENG Yaobo, aged 44, is currently the Vice President of the Company. He is responsible for the Company's investment development and executive management. Mr. DENG joined the Company in 2002 with abundant experience in project investment and corporate management. Mr. DENG obtained a Bachelor's degree in Economics from Zhongnan University of Finance and Economics, and holds the Registered Qualification Certificate for Cost Engineer of the PRC and the Registered Qualification Certificate for Certified Public Valuer of the PRC.

CORPORATE GOVERNANCE REPORT

The Company is committed to maintaining high standard of corporate governance. The Board believes that good corporate governance is essential for sustainable development and growth of the Company and enhancement of shareholders' value and is therefore in the long-term interests of the Company and the shareholders.

The Company has adopted all code provisions (the "Code Provisions") and, where applicable, the recommended best practices of the Corporate Governance Code, as set out in Appendix 14 of the Rules Governing the Listing of Securities ("Listing Rules") on The Stock Exchange of Hong Kong Limited.

Throughout the year ended 31 March 2016, the Company complied with all the Code Provisions except for the deviation from the Code Provision A.4.1, details of which are set out in the paragraph headed "Appointment, Re-election and Removal of Directors" below.

THE BOARD

The Company is headed by the Board, which assumes responsibility for leadership and control of the Group. The Directors are collectively responsible for promoting the success of the Group by directing and supervising its affairs in an effective manner. The Board is responsible for all major aspects of the Group's affairs, including setting overall strategies and priorities, identifying and assessing the opportunities and challenges that the Group might face, approving annual budgets, ensuring that sound internal control and risk management systems are in place, monitoring the performance of the management and other significant financial and operational matters. All operational decisions are delegated to the Executive Committee, which comprises five executive Directors and two vice presidents of the Company. Details of the committee are set out in the paragraph headed "Executive Committee" below. All Directors are kept informed on a timely basis of major development of the Group's businesses.

The Board meets regularly at least four times each year and additional meetings are arranged if and when required. The Company schedules regular Board meetings in advance to give Directors the opportunity to participate actively.

Directors receive written notices of the regular Board meetings at least 14 days in advance and an agenda with supporting Board papers no less than three days prior to the meeting. All Directors are consulted for matters to be included in the agenda for regular Board meetings. For non-regular Board meetings, reasonable notices were given. Special Board meetings are convened as and when needed. Minutes of the Board, Board committees and general meetings are kept by the Company Secretary and are made available and circulated to all Directors periodically. 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. Management has an obligation to supply to the Board and its Committees adequate, complete and reliable information in a timely manner to enable them to make informed decisions. Each Director also has separate and independent access to management.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Except for those circumstances permitted by the Bye-laws of the Company and the Listing Rules, Directors are required to declare their interests (if any) in any business proposals discussed by the Board, and, where appropriate, they are required to abstain from voting. If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter will be dealt with in accordance with applicable rules and regulations and, if appropriate, an independent board committee will be set up to deal with the matter.

Attendance of members at regular Board meetings for the year ended 31 March 2016 is set out below:

Name of Director	Number of regular meetings attended/held
Executive Directors	
Mr. ZHOU Si	4/4
Mr. LIU Ming Hui	4/4
Mr. HUANG Yong	3/4
Mr. ZHU Weiwei	4/4
Mr. MA Jinlong	4/4
Mr. CHEN Xinguo (note 1)	1/1
Ms. LI Ching	4/4
Non-executive Directors	
Mr. YU Jeong Joon	1/4
Mr. KIM Yong Joong (alternate to Mr. YU Jeong Joon)	4/4
Mr. LIU Mingxing	3/4
Mr. Arun Kumar MANCHANDA	2/4
Mr. JIANG Xinhao (note 2)	2/3
Independent Non-executive Directors	
Mr. ZHAO Yuhua	4/4
Dr. MAO Erwan	4/4
Ms. WONG Sin Yue, Cynthia	4/4
Mr. HO Yeung	1/4
Mr. CHEN Yanyan	4/4

Notes:

1. Mr. CHEN resigned on 24 June 2015.
2. Mr. JIANG was appointed on 24 June 2015.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Board composition

As at the date of this Annual Report, the Board comprises 15 Directors, including six executive Directors, four non-executive Directors (one of whom has appointed an alternate Director) and five independent non-executive Directors. The names and biographical details of the Directors are set out on pages 51 to 54. The list of Directors and their roles and function is also available on the websites of the Company and the Stock Exchange.

A Board Diversity Policy has been adopted by the Company since 2013 so as to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Group's business. The diverse backgrounds of the Board members ensure that they can fully represent the interests of all shareholders of the Company and to enhance the effectiveness of the Board and corporate governance. The Company believes that the active involvement of the non-executive Directors and independent non-executive Directors in the management and decision making of the Board and its committees strengthens the objectivity and independence of the Board. Further details relating to the diversity of the Board are set out in the paragraph headed "Nomination Committee" below.

Save as disclosed in the section headed "Biographies of Directors and Senior Management", there is no financial, business, family and other material or relevant relationships among members of the Board.

The Company has received annual confirmations from all of the independent non-executive Directors acknowledging full compliance with the relevant requirements in respect of their independence pursuant to Rule 3.13 of the Listing Rules. The Company is therefore of the view that all of the Independent Non-executive Directors are independent.

Chairman, and Managing Director and President

The roles of the Chairman as well as the Managing Director and President of the Company are separately played by Mr. ZHOU Si and Mr. LIU Ming Hui respectively.

The Chairman provides leadership for the Board and ensures that the Board works effectively in discharging its responsibilities, and that all key issues are discussed and addressed to in a timely manner. The Managing Director and President develops strategic operation plans to implement the Company's set strategies and priorities and leads the day-to-day management of the Group's business.

The clear division of responsibilities between the Chairman and Managing Director and President ensures a balance of power and authority, as well as efficient management and operation of the Company.

Appointment, re-election and removal of Directors

The procedures and processes of appointment, re-election and removal of Directors are laid down in the Bye-laws of the Company. The Board, with the recommendation of the Nomination Committee, is responsible for developing and formulating the relevant procedures for nomination and appointment of Directors, monitoring the appointment and succession of Directors and assessing the independence of Independent Non-executive Directors.

Under Code Provision A.4.1, non-executive directors should be appointed for a specific term and be subject to re-election. None of the existing non-executive Directors and independent non-executive Directors is appointed for a specific term. This constitutes a deviation from the Code Provision A.4.1. However, according to Bye-law 87(1) of the Company's Bye-laws, one-third of the Directors for the time being must retire from the office by rotation at each annual general meeting. The Company has observed the need for good corporate governance practices. All non-executive Directors and independent non-executive Directors have retired from the office by rotation and have been re-elected in the past three years. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the relevant Code Provision.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Pursuant to Bye-law 87(1) of the Bye-laws of the Company and the Code Provision A.4.2 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, Mr. ZHOU Si, Ms. LI Ching, Mr. LIU Mingxing, Dr. MAO Erwan and Ms. WONG Sin Yue, Cynthia will retire by rotation, and being eligible, will offer themselves for re-election at the forthcoming AGM.

BOARD COMMITTEES

The Board has delegated authority to five standing committees, namely the Executive Committee, the Remuneration Committee, the Nomination Committee, the Audit Committee and the Corporate Governance and Risk Control Committee, to deal with specific matters under defined terms of reference. Sufficient resources, including advice of the external Auditor and independent professional advisers, are provided to the Board committees to enable them to discharge their duties.

Executive Committee

The Board has delegated the power, authorities and discretions for the management of the Group's operations and activities to a formally established Executive Committee, which comprises five executive Directors and two vice presidents of the Company, namely Mr. LIU Ming Hui (Chairman), Mr. HUANG Yong, Mr. ZHU Weiwei, Mr. MA Jinlong, Ms. LI Ching, Mr. CHEN Xinguo, and Mr. KIM Yong Joong.

The major responsibilities and authorities of the Executive Committee are:

- advising the Board in formulating policies and strategies in relation to the management and business operation of the Company and supervising the management in implementing such policies and strategies;
- supervising and directing the management on the conduct of the business operations of the Company;
- preparing monthly management reports and annual business plans and budgets of the Company;
- formulating and implementing remuneration policies for the staff of the Group below the level of vice-president;
- approving the appointment of directors of the Group's subsidiaries and joint venture companies; and
- approving debt financing in the amount of not exceeding US\$100 million or equivalent amount in other currencies.

Certain matters including matters which are subject to disclosure and/or shareholders' approval requirements, and fund raising above certain predetermined thresholds are specifically reserved for approval by the Board.

In respect of the decision making process, management, pursuant to the levels of authority formally approved by the Executive Committee, submits written proposals with detailed analysis and recommendations to the Executive Committee for consideration and approval. Where the subject matter exceeds the authority of the Executive Committee or relates to any matters specifically reserved to the Board as aforesaid, it would be submitted to the Board for approval.

During the year, the Executive Committee approved, among others, numerous loan facilities and issuance of bonds and notes and certain business acquisition and cooperation.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Remuneration Committee

The Remuneration Committee comprises three independent non-executive Directors and one executive Director, namely Ms. WONG Sin Yue, Cynthia (Chairperson), Mr. LIU Ming Hui, Mr. ZHAO Yuhua and Dr. MAO Erwan.

The Remuneration Committee is delegated with the authority of determining and reviewing remuneration packages of the Directors and senior management with a view to attracting, retaining and motivating Directors and senior management of the quality required to run the Company successfully. The terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The objective of the Company's remuneration policy for the Directors and senior management is to attract, motivate and retain talented employees to achieve the Group's long-term corporate goals and objectives. The remuneration of the Directors and senior management is determined with reference to the performance and responsibilities of the individuals, the performance of the Company, prevailing market conditions and remuneration benchmarks from comparable companies. No individual Director or senior management of the Company is permitted to determine his/her own remuneration. Details of the remuneration, as well as the share option benefits of Directors, for the year ended 31 March 2016 are set out on in notes 14 and 45 of the Financial Report 2016.

Attendance of members at Remuneration Committee meetings for the year ended 31 March 2016 is set out below:

Name of Member	Number of meetings attended/held
Ms. WONG Sin Yue, Cynthia (Chairperson)	2/2
Mr. LIU Ming Hui	2/2
Mr. ZHAO Yuhua	2/2
Dr. MAO Erwan	2/2

During the year ended 31 March 2016, the principal work performed by the Remuneration Committee included:

- review and approval of the Company's remuneration policy;
- review and making recommendation on the Directors' remuneration for the year ended 31 March 2016 subject to approval at the annual general meeting;
- review and approval of payment of bonus to executive Directors and employees ranking vice-president and above;
- review and making recommendation on payment of bonus to all non-executive and independent non-executive directors; and
- review and determination of grant of share options to certain Directors.

CORPORATE GOVERNANCE REPORT (CONTINUED)

For the year ended 31 March 2016, the annual remuneration of the senior management who are not Directors was within the following band:

	Number of senior management
HK\$1,000,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$3,000,000	1

Nomination Committee

The Nomination Committee comprises three independent non-executive Directors and two executive Directors, namely Dr. MAO Erwan (Chairman), Mr. LIU Ming Hui, Mr. MA Jinlong, Mr. ZHAO Yuhua and Ms. WONG Sin Yue, Cynthia.

In reviewing the structure, size and composition of the Board and making recommendations on any proposed changes, the Nomination Committee is mindful of the principle of achieving a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The terms of reference of the Nomination Committee are posted on the websites of the Company and the Stock Exchange.

The Company recognises the benefits of having a diverse Board to enhance the quality of its performance. In 2013, the Board adopted a Board Diversity Policy upon the recommendation of the Nomination Committee to set out the approach to achieve diversity of the Board members. When recommending nominations to the Board for approval, the Nomination Committee will consider the merit and contribution that the selected candidates will bring to the Board, having due regard for a range of diversity perspectives (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) as set out in the Board Diversity Policy.

The composition, structure and size of the Board are reviewed annually by the Nomination Committee to ensure that it has a balance of appropriate skills, experience and diversity of perspectives to meet the business needs of the Group. Members of the Board have a diverse range of business, financial and professional expertise. Brief biographical details of the Directors are set out in the section headed "Biographies of Directors and Senior Management".

An analysis of the current Board composition is set out in the following chart:

Number of Directors	Gender	Designation	Ethnicity	Age group	Skills/industry experience	Directorship with the Company (number of years)
15	Female	Executive	Non-Chinese	41–50	Industry experience	1–10 years
14						
13			Chinese			
12	Male					
11				51–60		
10						
9		No-executive			Accounting & Financial Management	
8						Over 10 years
7						
6						
5		Independent Non-executive				
4					Business Administration	
3						
2				Over 60	Legal Logistics	
1						

CORPORATE GOVERNANCE REPORT (CONTINUED)

Attendance of members at Nomination Committee meetings for the year ended 31 March 2016 is set out below:

Name of Member	Number of meetings attended/held
Dr. MAO Erwan (Chairman)	2/2
Mr. LIU Ming Hui	2/2
Mr. MA Jinlong	2/2
Mr. ZHAO Yuhua	2/2
Ms. WONG Sin Yue, Cynthia	2/2

During the year ended 31 March 2016, the principal work performed by the Nomination Committee included:

- review of the structure, size and composition of the Board taking into account of a number of aspects, including but not limited to gender, age, cultural background, educational background, skills, knowledge, professional experience and/or length of service;
- review of the Board Diversity Policy and the measurable objectives for implementing diversity on the Board;
- making recommendation to the Board on the appointment of Directors of the Board and senior management;
- assessment of independence of the independent non- executive Directors;
- review of the Company's policy on nomination of Directors; and
- determination of the rotation and re-election of the Directors for the forthcoming annual general meeting.

Audit Committee

The Audit Committee comprises five independent non- executive Directors, namely Mr. ZHAO Yuhua (Chairman), Dr. MAO Erwan, Ms. WONG Sin Yue, Cynthia, Mr. HO Yeung and Ms. CHEN Yanyan.

The Audit Committee is accountable to the Board and assists the Board to oversee the Company's financial reporting process and internal control and risk management systems and to review the Group's interim and annual consolidated financial statements. The terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

Attendance of members at Audit Committee meetings for the year ended 31 March 2016 is set out below:

Name of Member	Number of meetings attended/held
Mr. ZHAO Yuhua (Chairman)	2/2
Dr. MAO Erwan	2/2
Ms. WONG Sin Yue, Cynthia	2/2
Mr. HO Yeung	1/2
Mr. CHEN Yanyan	2/2

CORPORATE GOVERNANCE REPORT (CONTINUED)

During the year ended 31 March 2016, the principal work performed by the Audit Committee included:

- review of the Company's interim and annual financial statements and making recommendation to the Board for approval;
- making recommendation to the Board to re-appoint Deloitte Touche Tohmatsu as external auditors of the Company for the financial year 2016 subject to shareholders' approval at the forthcoming annual general meeting;
- review of the external auditor's independence and engagement of non-audit services;
- approval of the remuneration and terms of engagement of the external auditors;
- approval of the annual audit fee;
- review of the report and the management letter submitted by the external auditors for the matters arising from their audit on the Group for the year ended 31 March 2016;
- review and examination of the Group's internal control system;
- review of annual and interim reports of the Group's internal audit and the internal audit plan;
- review of the Group's financial information, financial reporting procedures, internal control system, risk management, and financial and accounting policies and practices;
- review of the adequacy of resources, qualifications and experience of staff of the Group's accounting and financial reporting functions and related issues; and
- meeting with the external auditors in the absence of executive Directors and management.

A summary of remuneration paid and payable in connection with the services provided by Deloitte Touche Tohmatsu, the Company's auditors, for the year ended 31 March 2016, is as follows:

Audit services	Amount HK\$
Final results for the year ended 31 March 2016 (to be agreed)	9,000,000
Final results for the year ended 31 March 2015	9,000,000
Non-audit services	Amount HK\$
Agreed-upon procedures on preliminary announcement of results	20,000
Other services	190,000

Corporate Governance and Risk Control Committee

The Corporate Governance and Risk Control Committee (the "CGRC Committee") is accountable to the Board and assists the Board to oversee the corporate governance and risk control on business operations and financial management of the Group. The terms of reference of the CGRC Committee are available on the websites of the Company and the Stock Exchange.

CORPORATE GOVERNANCE REPORT (CONTINUED)

The CGRC Committee comprises one executive Director, all the non-executive Directors and independent non-executive Directors, namely Mr. ZHOU Si (Chairman), Ms. WONG Sin Yue, Cynthia (Vice Chairperson), Mr. YU Jeong Joon, Mr. LIU Mingxing, Mr. Arun Kumar MANCHANDA, Mr. JIANG Xinhao, Mr. ZHAO Yuhua, Dr. MAO Erwan, Mr. HO Yeung and Ms. CHEN Yanyan.

Attendance of members at CGRC Committee meetings for the year ended 31 March 2016 is set out below:

Name of Member	Number of meetings attended/held
Mr. ZHOU Si (Chairman)	1/2
Ms. WONG Sin Yue, Cynthia (Vice Chairperson)	2/2
Mr. YU Jeong Joon	0/2
Mr. KIM Yong Joong (alternate to Mr. YU Jeong Joon)	2/2
Mr. LIU Mingxing	1/2
Mr. Arun Kumar MANCHANDA	1/2
Mr. JIANG Xinhao (note 1)	0/1
Mr. ZHAO Yuhua	2/2
Dr. MAO Erwan	2/2
Mr. HO Yeung	1/2
Mr. CHEN Yanyan	2/2

Note:

1. Mr. JIANG was appointed on 24 June 2015.

During the year ended 31 March 2016, the principal work performed by the CGRC Committee included:

- review of and advising on general corporate governance and risk control policy and procedures of the Group; and
- review the adequacy and effectiveness of the Group's internal control and risk management system.

Company Secretary

The Company Secretary of the Company provides support to the Board by ensuring good information flow within the Board and Board policy and procedures are followed. The Company Secretary is also responsible for advising the Board through the Chairman and/or the Executive Committee on governance matters and should facilitate induction and professional development of Directors.

The Company Secretary had complied with Rule 3.29 of the Listing Rules during the year under review.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Induction and Continuous Professional Development

Every Director must always know his responsibilities as a director of a listed company and its conduct, business activities and development. Each newly appointed Director receives a comprehensive induction on the first occasion of his/her appointment so as to ensure that he/she has a proper understanding of the Group's operations and business and his/her responsibilities and obligations under the Listing Rules and the relevant regulatory requirements. In addition, all Directors are advised to participate in continuous professional development to develop and refresh their knowledge and skills.

The Company also continues its effort in providing updates on the changes in the relevant regulatory requirements applicable to the Group from time to time and recommending and organizing relevant seminars and trainings to the Directors as and when appropriate.

During the year ended 31 March 2016, the Company organized an in-house seminar for the Directors. Details of trainings received by each Director for the year ended 31 March 2016 is set out as follows:

Name of Director	Reading materials	Attending seminars/conferences
Executive Directors		
Mr. ZHOU Si		√
Mr. LIU Ming Hui		√
Mr. HUANG Yong		√
Mr. ZHU Weiwei		√
Mr. MA Jinlong		√
Mr. CHEN Xinguo (note 1)	√	√
Ms. LI Ching		√
Non-executive Directors		
Mr. YU Jeong Joon	√	
Mr. KIM Yong Joong (alternate to Mr. YU Jeong Joon)		√
Mr. LIU Mingxing		√
Mr. Arun Kumar MANCHANDA	√	
Mr. JIANG Xinhao (note 2)	√	
Independent Non-executive Directors		
Mr. ZHAO Yuhua		√
Dr. MAO Erwan		√
Ms. WONG Sin Yue, Cynthia		√
Mr. HO Yeung	√	
Mr. CHEN Yanyan		√

Notes:

1. Mr. CHEN resigned on 24 June 2015
2. Mr. JIANG was appointed on 24 June 2015

The Directors acknowledge the need for continuous professional development, and the Company provides support whenever relevant and necessary. All Directors are required to provide the Company with the records of the training they received annually.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Directors' Responsibility for the Consolidated Financial Statements

The Board acknowledges its responsibilities for presenting a balanced, clear and comprehensible assessment in respect of annual and interim reports, announcements of inside information and other disclosures required under the Listing Rules and other regulatory requirements. The Directors also acknowledge their responsibility for preparing the financial statements of the Company for each financial period.

The Directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern. Accordingly, the Directors have prepared the consolidated financial statements on a going concern basis.

The Model Code for Securities Transactions

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

Following the specific enquiries by the Company, all Directors confirmed that they have complied with the Model Code throughout the financial year ended 31 March 2016.

Formal notifications were sent by the Company to all Directors and relevant employees reminding them that they should not deal in the securities of the Company during the black-out periods specified in the Model Code.

Internal Control and Risk Management

The Board is committed to implementing effective and sound internal control system to safeguard the interest of shareholders and the Group's assets. The internal control system includes a well-defined management structure with limits of authority, clear and written policies, standard operation procedures, and risk control self-assessment conducted for all major operating units of the Group. The system is designed to provide reasonable assurance of no material misstatement or loss and to manage risks failure in operational systems and achievement of the Group's objectives.

Internal audit function provides independent assurance to the Board and executive management as to the adequacy and effectiveness of internal controls for the Group on an ongoing basis. The internal audit function is carried out by the Company's Audit and Supervisory Department. During the year ended 31 March 2016, the Audit and Supervisory Department performed operational and financial reviews with objectives to ensure that all material controls, including financial, operational and compliance controls and risk management functions are in place and functioning effectively. The team summarised audit findings and control weaknesses and reported directly to the Audit Committee on a biannual basis.

In addition to the Company's Audit and Supervisory Department and the Audit Committee, the Corporate Governance and Risk Control Committee also assists the Board to review the adequacy and effectiveness of internal control and risk management. For the financial year ended 31 March 2016, the Audit and Supervisory Department was not aware of any significant internal control issues that would have been an adverse impact on the financial position or operations of the Group. The Board, through the review of the Audit Committee and the Corporate Governance and Risk Control Committee, considered the internal control system of the Group effective and adequate in all material aspects.

CORPORATE GOVERNANCE REPORT (CONTINUED)

Investor Relations and Communication with Shareholders

The Board places considerable importance on communication with shareholders and recognises the significance of transparency and timely disclosure of corporate information, which enables shareholders and investors to make the most informed investment decisions.

Information in relation to the Group is disseminated to shareholders in a timely manner through a number of formal channels, which include interim and annual reports, announcements and circulars published in accordance with the Listing Rules. Such published documents, together with the latest corporate information and news, are also available on the Company's website.

During the year ended 31 March 2016, the Investors Relations Department conducted about 220 meetings with analysts and investors including meetings in Hong Kong and Shenzhen offices, 2 analyst briefings, 18 international investors conferences and 9 overseas road shows.

The annual general meeting of the Company also provides a valuable forum for the Board to communicate directly with the shareholders each year. The Chairman of the Board chairs the annual general meeting to answer any questions from the shareholders. In addition, the chairpersons of the various Board committees, or in their absence, other members of the relevant committees and the Company's external auditor are available to answer questions at the meeting.

Attendance of Directors at general meetings of the Company for the year ended 31 March 2016 is set out below:

Name of Director	Number of meetings attended/held (note 1)
Executive Directors	
Mr. ZHOU Si	1/1
Mr. LIU Ming Hui	1/1
Mr. HUANG Yong	1/1
Mr. ZHU Weiwei	1/1
Mr. MA Jinlong	0/1
Mr. CHEN Xinguo (note 2)	0/0
Ms. LI Ching	1/1
Non-executive Directors	
Mr. YU Jeong Joon	0/1
Mr. KIM Yong Joong (alternate to Mr. YU Jeong Joon)	1/1
Mr. LIU Mingxing	0/1
Mr. Arun Kumar MANCHANDA	0/1
Mr. JIANG Xinhao (note 3)	1/1
Independent Non-executive Directors	
Mr. ZHAO Yuhua	0/1
Dr. MAO Erwan	1/1
Ms. WONG Sin Yue, Cynthia	1/1
Mr. HO Yeung	0/1
Mr. CHEN Yanyan	1/1

CORPORATE GOVERNANCE REPORT (CONTINUED)

Notes:

1. The annual general meeting of the Company for the year ended 31 March 2015 was held on 19 August 2015.
2. MR. CHEN resigned on 24 June 2015.
3. Mr. JIANG was appointed on 24 June 2015.

SHAREHOLDERS' RIGHTS

The Board and management shall ensure that all shareholders are treated equitably and fairly. Pursuant to the Bye-laws of the Company, any shareholder entitled to attend and vote at a general meeting of the company is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. Shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall have the right, by written requisition to the Board, to require a special general meeting to be called by the Board for the transaction of any business specified in such requisition. In addition, shareholders holding not less than one-twentieth of the total voting rights or not less than 100 shareholders may submit a written request to the Company stating the resolution intended to be proceeded at the annual general meeting.

Any vote of the shareholders at a general meeting must be taken by poll (other than procedural matters). Voting results are posted on the websites of the Company and the Stock Exchange on the day of the general meeting. Since August 2009, there were no changes to the memorandum of association of the Company and Bye-laws. The updated versions of the memorandum of association of the Company and Bye-laws are available on the websites of the Company and the Stock Exchange.

Detailed procedures for the Shareholders to convene a special general meeting, putting forward proposals at a general meeting and proposing a person for election as a Director are also available on the website of the Company.

DIRECTORS' REPORT

The directors (the "Directors") of the Company present this annual report together with the audited consolidated financial statements of the Group for the year ended 31 March 2016 (the "Financial Report 2016").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is a gas operator and service provider principally engaged in the investment, construction and operation of city gas pipeline infrastructure facilities, gas terminals, storage and transportation facilities, gas logistics systems, transmission of natural gas and liquefied petroleum gas to residential, industrial and commercial users, construction and operation of compressed natural gas/liquefied natural gas refilling stations as well as development and application of technologies relating to natural gas and liquefied petroleum gas in China. Details of the Group's principal subsidiaries, joint ventures and associates as at 31 March 2016 are set out in notes 48, 22 and 21 respectively to the financial statements.

BUSINESS REVIEW

A fair review of the Group for the year ended 31 March 2016 as required pursuant to Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising analysis of the Group's performance during the year, description of the principal risks and uncertainties facing the Group, important events affecting the Company that have occurred since 1 April 2015, an indication of likely future development in the Group's business, a discussion on the Group's environmental policies and performance, the Group's compliance with the relevant laws and regulations that have a significant impact on the Group and an account of the Group's key relationships of the Group and its stakeholders, is set out in the sections headed "Financial Highlights", "Operational Highlights", "Operational Statistics", "Natural Gas", "Natural Gas Operational Locations", "CNG/LNG Refilling Stations Business", "Liquefied Petroleum Gas Business", "LPG Operational Locations", "Value-Added Services", "Management Discussion and Analysis", "Corporate Social Responsibility", "Corporate Governance Report", and "Financial Report" of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 March 2016 are set out in the consolidated statement of profit or loss and other comprehensive income of the Financial Report 2016.

The interim dividend of HK5.0 cents per share for the six months ended 30 September 2015 (2014: HK2.2 cents) was paid on 29 January 2016.

The Board resolved to recommend payment of a final dividend of HK14.46 cents per share for the year ended 31 March 2016 (2015: HK13.95 cents) to the holders of ordinary shares of the Company whose names appear on the register of members of the Company on 24 August 2016 amounting to approximately HK\$710,042,000 subject to shareholders' approval at the forthcoming annual general meeting.

The final dividend, if approved by the shareholders, is expected to be payable on or about 30 September 2016.

DIRECTORS' REPORT (CONTINUED)

BANK AND OTHER BORROWINGS

Details of the bank and other borrowings of the Group are set out in note 34 to the consolidated financial statements of the Financial Report 2016.

DEBENTURE ISSUED DURING THE YEAR

During the year, the Company has issued the following debenture:

On 13 January 2016, the Company, through private placement, issued a domestic corporate bonds in a principal amount of RMB1,000,000,000 at interest rate of 4.2% per annum with a term of 3 years. The corporate bonds were issued in the PRC and listed on Shanghai Stock Exchange Comprehensive Electronic Platform of Fixed Income Securities on 19 February 2016. The net proceeds after deducting the estimated expenses amounted to approximately RMB990,000,000 and would be used for the repayment of interest-bearing debts, working capital and general corporate purposes.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five financial years is set out on page 199 of the Financial Report 2016.

INVESTMENT PROPERTIES AND PROPERTY, PLANT AND EQUIPMENT

The Group revalued all of its investment properties at the year end date. The net increase in fair value of investment properties in the amount of HK\$2,792,000 has been credited to statement of comprehensive income.

Details of movements during the year in investment properties and property, plant and equipment of the Group are set out in notes 18 and 19 to the consolidated financial statements of the Financial Report 2016 respectively.

MAJOR PROPERTIES

Details of the major properties of the Group as at 31 March 2016 are set out on page 200 of the Financial Report 2016.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 35 to the consolidated financial statements of the Financial Report 2016.

RESERVES

The Company's reserve, comprising the accumulated profits, available for distribution to shareholders as at 31 March 2016 amounted to approximately HK\$1,478,129,000.

Movement during the year in the reserves of the Group are set out in the consolidated statement of changes in equity on page 7 of the Financial Report 2016.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS

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

Executive Directors

Mr. ZHOU Si
Mr. LIU Ming Hui
Mr. HUANG Yong
Mr. ZHU Weiwei
Mr. MA Jinlong
Mr. CHEN Xinguo (resigned on 24 June 2015)
Ms. LI Ching

Non-executive Directors

Mr. YU Jeong Joon
Mr. KIM Yong Joong (alternate to Mr. YU Jeong Joon)
Mr. LIU Mingxing
Mr. Arun Kumar MANCHANDA
Mr. JIANG Xinhao (appointed on 24 June 2015)

Independent Non-executive Directors

Mr. ZHAO Yuhua
Dr. MAO Erwan
Ms. WONG Sin Yue, Cynthia
Mr. HO Yeung
Ms. CHEN Yanyan

Pursuant to Bye-law 87(1) of the Bye-laws of the Company and the Code Provision A.4.2 of the Corporate Governance Code set out in Appendix 14 to the Listing Rules, Mr. ZHOU Si, Ms. LI Ching, Mr. LIU Mingxing, Dr. MAO Erwan and Ms. WONG Sin Yue, Cynthia will retire by rotation, and being eligible, will offer themselves for re-election at the forthcoming AGM.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the forthcoming annual general meeting has any service contract with the Group which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' REPORT (CONTINUED)

DISCLOSURE UNDER RULE 13.51B(1) OF THE LISTING RULES

Save as disclosed below, there is no change in the information of the Directors required to be disclosed in this annual report pursuant to Rule 13.51B(1) of the Listing Rules:

Mr. ZHOU Si	He waived all the emoluments, allowances and discretionary bonus as a director and a member of board committee.
Mr. LIU Ming Hui	He is entitled to housing allowance of up to HK\$100,000 per month with effect from 1 June 2016.
Mr. HUANG Yong	He is entitled to housing allowance of up to HK\$100,000 per month with effect from 1 June 2016.
Mr. ZHU Weiwei	He is entitled to housing allowance of up to HK\$50,000 per month with effect from 1 June 2016.
Mr. MA Jinlong	He is entitled to housing allowance of up to HK\$50,000 per month with effect from 1 June 2016.
Mr. JIANG Xinhao	He waived all the emoluments, allowances and discretionary bonus as a director and a member of board committee.
Mr. KIM Yong Joong	He is entitled to housing allowance of up to HK\$50,000 per month with effect from 1 June 2016.

On 27 June 2016, the Remuneration Committee of the Company has (1) approved (a) payment of bonus equivalent to 8 months' salary to be made to each of Mr. LIU Ming Hui and Mr. HUANG Yong; (b) payment of bonus equivalent to 6 months' salary to be made to each of Mr. ZHU Weiwei and Mr. MA Jinlong; (c) payment of bonus equivalent to 5 months' salary to be made to each of Ms. LI Ching and Mr. KIM Yong Joong; (2) resolved to make recommendation to the board of Directors of the Company payment of bonus equivalent to 4 months' salary to be made to each of Mr. YU Jeong Joon, Mr. LIU Mingxing, Mr. Arun Kumar MANCHANDA and all Independent Non-executive Directors for the year ended 31 March 2016.

On 28 June 2016, the Board of Directors of the Company has confirmed and approved the above bonus payment.

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes are set out in note 44 to the consolidated financial statements set out in the Financial Report 2016.

DIRECTORS' REPORT (CONTINUED)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

As at 31 March 2016, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

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

Name of director	Nature of interest	Number of Shares held (long position*)	Approximate percentage of total issued shares of the Company (%) (Note 1)
Mr. LIU Ming Hui ("Mr. LIU")	Personal and corporate	1,042,706,000 (Note 2)	21.23
Mr. HUANG Yong	Personal	117,278,000 (Note 3)	2.39
Mr. ZHU Weiwei	Personal	7,000,000	0.14
Mr. MA Jinlong	Personal	1,216,000	0.02
Mr. ZHAO Yuhua	Personal	1,400,000	0.03
Dr. MAO Erwan	Personal	1,800,000	0.04
Ms. WONG Sin Yue, Cynthia	Personal	3,400,000	0.07

DIRECTORS' REPORT (CONTINUED)

(b) Share options

Name of Director	Number of options	Nature of Interest	Number of underlying Shares	Approximate percentage of total issued shares of the Company (%) (Note 1)
Mr. ZHOU Si	4,000,000	Beneficial	4,000,000	0.08
Mr. LIU	50,000,000	Beneficial	50,000,000	1.02
Mr. HUANG Yong	50,000,000	Beneficial	50,000,000	1.02
Mr. ZHU Weiwei	2,000,000	Beneficial	2,000,000	0.04
Mr. MA Jinlong	2,000,000	Beneficial	2,000,000	0.04
Mr. CHEN Xinguo (Note 4)	2,000,000	Beneficial	2,000,000	0.04
Ms. LI Ching	2,000,000	Beneficial	2,000,000	0.04
Mr. YU Jeong Joon	4,000,000	Beneficial	4,000,000	0.08
Mr. KIM Yong Joong	2,000,000	Beneficial	2,000,000	0.04
Mr. LIU Mingxing	800,000	Beneficial	800,000	0.02
Mr. Arun Kumar MANCHANDA	800,000	Beneficial	800,000	0.02
Mr. JIANG Xinhao (Note 5)	800,000	Beneficial	800,000	0.02
Mr. ZHAO Yuhua	1,000,000	Beneficial	1,000,000	0.02
Dr. MAO Erwan	1,000,000	Beneficial	1,000,000	0.02
Ms. WONG Sin Yue, Cynthia	1,000,000	Beneficial	1,000,000	0.02
Mr. HO Yeung	1,000,000	Beneficial	1,000,000	0.02
Ms. CHEN Yanyan	1,000,000	Beneficial	1,000,000	0.02

Notes:

* Long position in Shares (other than pursuant to equity derivatives such as share options, warrants or convertible bonds)

- The percentage was calculated based on 4,910,384,561 Shares in issue as at 31 March 2016.
- Mr. LIU was deemed to be interested in a total of 1,042,706,000 Shares, comprising:
 - 287,798,000 Shares beneficially owned by him: and
 - 754,908,000 Shares beneficially owned by China Gas Group Limited, which was owned as to 50% by Joint Coast Alliance Market Development Limited, which, in turn, is wholly-owned by Mr. LIU.
- The number of shares held included the 770,000 Shares held by Ms. ZHAO Xiaoyu, the spouse of Mr. HUANG Yong.
- Mr. CHEN Xinguo resigned as a director of the Company on 24 June 2015.
- Mr. JIANG Xinhao was appointed as a director of the Company on 24 June 2015.

Save as disclosed above, as at 31 March 2016, none of the Directors nor the chief executives of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' REPORT (CONTINUED)

SHARE OPTIONS

Particulars of the Company's share option scheme (the "Share Option Scheme") and details of movements in the share options under the Share Option Scheme during the year ended 31 March 2016 are set out in note 45 to the consolidated financial statements of the Financial Report 2016 and summarized as below:

Name or category of grantee	Date of grant	Exercise period	Exercise price (HK\$)	Number of options				
				Balance as at 1/4/2015	Granted during the year	Exercised during the year	Lapsed during the year	Balance as at 31/3/2016
Directors								
Mr. ZHOU Si	16 April 2014	16 April 2017 to 15 April 2019	12.40	4,000,000	—	—	—	4,000,000
Mr. LIU	25 June 2015	25 June 2015 to 24 June 2022	13.84	—	50,000,000	—	—	50,000,000
Mr. HUANG Yong	25 June 2015	25 June 2015 to 24 June 2022	13.84	—	50,000,000	—	—	50,000,000
Mr. ZHU Weiwei	16 April 2014	16 April 2017 to 15 April 2019	12.40	2,000,000	—	—	—	2,000,000
Mr. MA Jinlong	16 April 2014	16 April 2017 to 15 April 2019	12.40	2,000,000	—	—	—	2,000,000
Mr. CHEN Xinguo (Note 1)	16 April 2014	16 April 2017 to 15 April 2019	12.40	2,000,000	—	—	—	2,000,000
Ms. LI Ching	16 April 2014	16 April 2017 to 15 April 2019	12.40	2,000,000	—	—	—	2,000,000
Mr. YU Jeong Joon	16 April 2014	16 April 2017 to 15 April 2019	12.40	4,000,000	—	—	—	4,000,000
Mr. KIM Yong Joong	16 April 2014	16 April 2017 to 15 April 2019	12.40	2,000,000	—	—	—	2,000,000
Mr. LIU Mingxing	25 June 2015	16 April 2017 to 15 April 2019	13.84	—	800,000	—	—	800,000
Mr. Arun Kumar MANCHANDA	25 June 2015	16 April 2017 to 15 April 2019	13.84	—	800,000	—	—	800,000
Mr. JIANG Xinhao (Note 2)	25 June 2015	16 April 2017 to 15 April 2019	13.84	—	800,000	—	—	800,000
Mr. ZHAO Yuhua	16 April 2014	16 April 2017 to 15 April 2019	12.40	1,000,000	—	—	—	1,000,000
Dr. MAO Erwan	16 April 2014	16 April 2017 to 15 April 2019	12.40	1,000,000	—	—	—	1,000,000
Ms. WONG Sin Yue, Cynthia	16 April 2014	16 April 2017 to 15 April 2019	12.40	1,000,000	—	—	—	1,000,000
Mr. HO Yeung	16 April 2014	16 April 2017 to 15 April 2019	12.40	1,000,000	—	—	—	1,000,000
Ms. CHEN Yanyan	16 April 2014	16 April 2017 to 15 April 2019	12.40	1,000,000	—	—	—	1,000,000
Sub-total				23,000,000	102,400,000	—	—	125,400,000
Other employees	20 October 2005	20 October 2010 to 19 October 2015	1.50	94,800,000	—	—	94,800,000 (Note 3)	—
Other eligible persons (Note 4)	16 April 2014	16 April 2017 to 15 April 2019	12.40	225,000,000	—	—	—	225,000,000
Sub-total				319,800,000	—	—	94,800,000	225,000,000
Total				342,800,000	102,400,000	—	94,800,000	350,400,000

Notes:

- Mr. CHEN Xinguo resigned as a director of the Company on 24 June 2015.
- Mr. JIANG Xinhao was appointed as a director of the Company on 24 June 2015.
- Out of these options to subscribe for 94,800,000 Shares, certain persons sought to exercise options to subscribe for 60,000,000 Shares, but the board of directors of the Company rejected the same with reasonable grounds.
- Such share options were granted to certain subsidiaries of the Company or companies in which the Company holds, either directly or indirectly, 20% or more of its equity interest, with an aim to ultimately benefit their respective staff.

DIRECTORS' REPORT (CONTINUED)

INTERESTS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 March 2016, so far as was known to the Directors and chief executive of the Company, the interests or short positions of substantial shareholders and other persons of the Company (other than a Director or chief executive of the Company), in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO, or as otherwise notified to the Company, were as follows:

Long positions in shares and underlying shares of the Company:

Name	Capacity	Number of Shares held	Approximate percentage of total issued shares of the Company (%) (Note 6)
Beijing Enterprises Group Company Limited ("BE Group")	Interest of controlled corporation	1,275,962,382 (Note 1)	25.98
Beijing Enterprises Group (BVI) Company Limited ("BE Group BVI")	Interest of controlled corporation	1,275,962,382 (Note 1)	25.98
Beijing Enterprises Holdings Limited ("Beijing Enterprises")	Interest of controlled corporation	1,203,210,382	24.50
	Beneficial owner	72,752,000 (Note 1)	1.48
Hong Mao Developments Limited ("Hong Mao")	Beneficial owner	1,054,088,132 (Note 1)	21.47
Mr. LIU	Beneficial owner and interest of controlled corporation	1,092,706,000 (Notes 2 and 3)	22.25
Joint Coast Alliance Market Development Limited ("Joint Coast")	Interest of controlled corporation	754,908,000 (Notes 2 and 3)	15.37
China Gas Group Limited ("CGGL")	Beneficial owner	754,908,000 (Notes 2 and 3)	15.37
Mr. CHIU Tat Jung Daniel ("Mr. CHIU")	Interest of controlled corporation	953,279,463 (Note 4)	19.41
First Level Holdings Limited ("First Level")	Interest of controlled corporation	953,279,463 (Note 4)	19.41
Fortune Dynasty Holdings Limited ("Fortune Dynasty")	Interest of controlled corporation	952,279,463 (Note 4)	19.39

DIRECTORS' REPORT (CONTINUED)

Name	Capacity	Number of Shares held	Approximate percentage of total issued shares of the Company (%) (Note 6)
Fortune Oil Limited ("Fortune Oil")	Interest of controlled corporation	952,279,463 (Note 4)	19.39
Fortune Oil PRC Holdings Limited ("Fortune Oil PRC")	Interest of controlled corporation	754,908,000	15.37
Mr. CHEY Taewon ("Mr. CHEY")	Interest of controlled corporation	778,042,500 (Note 5)	15.84
SK Holdings Co., Ltd. ("SK Holdings")	Interest of controlled corporation	778,042,500 (Note 5)	15.84
SK E&S Co., Ltd. ("SK E&S")	Beneficial owner and Interest of controlled corporation	778,042,500 (Note 5)	15.84

Notes:

1. Each of BE Group, BE Group BVI and Beijing Enterprises was deemed to be interested in 1,275,962,382 Shares, 72,752,000 of which were beneficially owned by Beijing Enterprises, 149,122,250 consideration shares were deemed to be beneficially owned by Beijing Gas Group (BVI) Co., Ltd. ("Beijing Gas Group BVI") (pursuant to the Company's announcement dated 31 March 2016, 149,122,250 consideration shares have not yet allotted and issued by the Company) and 1,054,088,132 Shares were directly and beneficially owned by Hong Mao. Hong Mao and Beijing Gas Group BVI were both wholly-owned by Beijing Enterprises which was deemed to be owned as to 60.96% by BE Group BVI. BE Group BVI was wholly-owned by BE Group.
2. Mr. LIU was deemed to be interested in a total of 1,092,706,000 Shares, comprising:
 - (i) 287,798,000 Shares beneficially owned by him;
 - (ii) 50,000,000 underlying Shares beneficially owned by way of share options; and
 - (iii) 754,908,000 Shares beneficially owned by CGGL. CGGL was owned as to 50% by Joint Coast which, in turn, is wholly-owned by Mr. LIU.
3. Joint Coast was deemed to be interested in 754,908,000 Shares beneficially owned by CGGL. CGGL is owned as to 50% by Joint Coast which, in turn, is wholly-owned by Mr. LIU.
4. Each of Mr. CHIU and First Level was deemed to be interested in a total of 953,279,463 Shares, comprising:
 - (i) 754,908,000 Shares beneficially owned by CGGL. CGGL was owned as to 50% by Fortune Oil PRC;
 - (ii) 156,501,544 Shares beneficially owned by Fortune Oil PRC which is a wholly-owned subsidiary of Fortune Oil. Fortune Oil is a wholly-owned subsidiary of Fortune Dynasty which is owned as to 70% by First Level;
 - (iii) 1,000,000 Shares beneficially owned by First Level which, in turn, is owned as to 99% by Mr. CHIU;
 - (iv) 27,617,919 Shares beneficially owned by First Marvel Investment Limited which is a wholly-owned subsidiary of Fortune Oil; and
 - (v) 13,252,000 Shares beneficially owned by Fortune Oil Holdings Limited which is a wholly-owned subsidiary of Fortune Oil.

DIRECTORS' REPORT (CONTINUED)

5. Each of Mr. CHEY, SK Holdings and SK E&S was deemed to be interested in a total of 778,042,500 Shares, comprising:
 - (a) 705,034,500 Shares beneficially owned by SK E&S. SK E&S is owned as to 100% by SK Holdings. SK Holdings was originally owned as to 41.77% by SK C&C Co., Ltd. which was merged with SK Holdings on 3 August 2015. SK Holdings is owned as to 23.4% by Mr. CHEY; and
 - (b) 73,008,000 Shares beneficially owned by Pusan City Gas Co., Ltd. which is owned as to 74.05% by SK E&S.
6. The percentage was calculated on the basis of 4,910,384,561 Shares in issue as at 31 March 2016.

Save as disclosed above, as at 31 March 2016, there was no other person (other than directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO.

EQUITY-LINKED AGREEMENTS

Other than the Share Option Scheme of the Company as disclosed in the "Share Option" section as disclosed in note 45 to the consolidated financial statements, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Other than the share option schemes as mentioned above, at no time during the year was the Company or any of its subsidiaries a party to any arrangements which enable the Directors to acquire benefits by means of the acquisition of the Shares in, or debenture of, the Company or any other body corporate.

CONNECTED TRANSACTIONS

The following continuing connected transactions were recorded during the year and up to the date of this annual report:

(1) Acquisition of Beijing Gas Development Limited

On 26 November 2014, the Company, Fresh Goal Limited (the purchaser and a wholly-owned subsidiary of the Company), Beijing Gas Group (BVI) Co., Ltd. (the seller) ("Beijing Gas Group BVI"), and Beijing Enterprises Holdings Limited (the guarantor) ("Beijing Enterprises") entered into a share purchase agreement (subsequently amended and supplemented by certain side agreements) (the "Original SPA"). Beijing Gas Group BVI is a wholly-owned subsidiary of Beijing Enterprises which in turn is a substantial shareholder of the Company by virtue of directly and indirectly holding an aggregate of approximately 22.44% of the issued share capital of the Company as at the date of the transaction. As such, the transaction constituted a connected transaction of the Company. Pursuant to the Original SPA, Fresh Goal Limited conditionally agreed to acquire from Beijing Gas Group BVI the entire issued share capital of Beijing Gas Development Limited ("Beijing Gas") at a consideration of RMB1,632,795,828 (equivalent to approximately HK\$2,063,851,945) (subject to adjustments) and the number of Shares to be issued to Beijing Gas Group BVI (or a wholly-owned subsidiary of Beijing Enterprises) as consideration was 149,122,250 Shares at a benchmark share price of HK\$13.84 per Share.

However, Beijing Gas Group BVI and Beijing Gas have not been able to complete the original reorganisation (being one of the conditions in the Original SPA) due to difficulties in obtaining local PRC governmental approvals for the transfer of the legal and/or beneficial interest in the certain target group companies to Beijing Gas, accordingly the completion has not taken place.

DIRECTORS' REPORT (CONTINUED)

As such, to facilitate completion of the transaction, on 28 June 2016, the parties to the Original SPA entered into the Amended and Restated Share Purchase Agreement ("Amended SPA"), pursuant to which the parties thereto agreed to amend and restate certain terms of the Original SPA, in particular, to amend the composition of the target group to exclude two target group companies from the reorganisation. The Amended SPA replaced and superseded the Original SPA in its entirety. Under the Amended SPA, the consideration for the transaction was revised to RMB1,213,443,000 (equivalent to approximately HK\$1,533,790,480) (subject to adjustments) and the number to be issued to Beijing Gas Group BVI (or a wholly-owned subsidiary of Beijing Enterprises) as consideration would be 110,823,011 Shares at a benchmark share price of HK\$13.84 per Share. The purpose of the transaction is to expand the urban population coverage of the Group's project for the continuing growth of the Group's business.

An independent board committee has been established to advise the independent shareholders regarding the amended acquisition and a special general meeting will be convened for the shareholders to consider and approve the Amended SPA and the transaction contemplated thereunder.

For the details of the above transaction, please refer to the relevant announcements and circular of the Company on the websites of the Company and the Stock Exchange.

(2) Acquisition of 51% Equity Interest in PetroChina Beijing Gas (Jinzhou) Natural Gas Co., Ltd.

On 23 June 2016, Shenzhen City Zhongran Gas Company Limited (an indirect wholly-owned subsidiary of the Company as the purchaser) and Beijing Gas Group Limited (as the seller) entered into an equity transfer agreement pursuant to which Beijing Gas Group Limited has conditionally agreed to sell, and Shenzhen City Zhongran Gas Company Limited has conditionally agreed to acquire, 51% equity interests in PetroChina Beijing Gas (Jinzhou) Natural Gas Co., Ltd. (中石油北燃(錦州)燃氣有限公司), at a consideration of RMB234,557,600 (equivalent to approximately HK\$276,011,814). Such 51% equity interests in the target company is in addition to the 48% equity interests in the target company which the Company has agreed to, among other things, acquire under the Original SPA and the Amended SPA referred to in the paragraph headed "(1) Acquisition of Beijing Gas Development Limited" above. The business of the target company is expected to complement and generate synergy with the Group's existing business.

Beijing Gas Group Limited is an indirect wholly-owned subsidiary of Beijing Enterprises Holdings Limited which directly and indirectly owned approximately 22.95% of the issued share capital of the Company as at the date of the transaction. Beijing Gas Group Limited is a connected person of the Company and the proposed transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules.

For the details of the above transaction, please refer to the relevant announcements of the Company on the websites of the Company and the Stock Exchange.

(3) Acquisition of Remaining 49% Interests in Joint Ventures from SK E&S HongKong Corporation Limited

On 28 June 2016, Rosy Link Investments Limited (a wholly-owned subsidiary of the Company as the purchaser) and SK E&S HongKong Corporation Limited (as the seller) entered into a share purchase agreement pursuant to which the purchaser has conditionally agreed to purchase and the seller has conditionally agreed to sell the shares representing approximately 49% of the entire issued share capital of China Gas - SK E&S HongKong Company Limited at a consideration of RMB70,000,000 (equivalent to approximately HK\$82,353,000).

DIRECTORS' REPORT (CONTINUED)

On 28 June 2016, Wuhan Zhongran Investment Company Limited (a wholly-owned subsidiary of the Company as the purchaser) and SK E&S HongKong Corporation Limited (as the seller) entered into an equity transfer agreement pursuant to which the purchaser has conditionally agreed to purchase and the seller has conditionally agreed to sell the equity interest representing approximately 49% equity interest in the registered capital of Wuhan Zhongran — SK E&S Gas Group Co., Ltd* (武漢中燃愛思開燃氣集團有限公司) at a consideration of RMB210,000,000 (equivalent to approximately HK\$247,059,000).

The Group will own the entire equity interests of the two target companies through the two transactions. By achieving the absolute control over the two companies, it will be favorable to the introduction of the Group's operation philosophy and operational mechanism to improve the operating efficiency of the two companies and the affiliated natural gas projects, which will in turn raise the profitability of these projects.

The seller is a non-wholly-owned subsidiary of SK E&S Co., Ltd. which is a substantial shareholder of the Company holding approximately 15.84% of the issued share capital of the Company as at the date of the two transactions. Accordingly, the seller is a connected person of the Company and the two proposed transactions constitute connected transactions of the Company.

For the details of the above transactions, please refer to the relevant announcement of the Company on the websites of the Company and the Stock Exchange.

(4) Master Agreement for Sale and Purchase of LNG

On 26 February 2016, China Gas Hongda Energy Trading Co. Ltd., ("Hongda") (a wholly-owned subsidiary of the Company) and China Gas –SK E&S LNG Trading Limited ("CSLT") (a joint venture company held as to 50% by each of the Company and SK E&S Co., Ltd., a substantial shareholder of the Company) by virtue of holding approximately 15.76% of the issued share capital of the Company as at the date of the transaction, entered into a master agreement which provided a framework for the sale and purchase of LNG between Hongda and CSLT from time to time from the date of the agreement up to and including 31 March 2016. Hongda and CSLT shall not have any binding commitment to sell and purchase LNG under the master agreement unless and until a confirmation memorandum recording a particular sale and purchase of LNG has been executed by the parties.

The Directors considered that the master agreement would benefit the Group as the Group would enjoy a reliable and timely supply of LNG taking into account the relationship between CSLT and the Group and would not be bound by certain constraints for comparable purchases of LNG from other suppliers.

For the financial year ended 31 March 2016, the annual transaction amount for purchase of LNG by Hongda Trading from CSLT was HK\$42,821,969.

The above continuing connected transaction has been reviewed and confirmed by the independent non-executive Directors of the Company that the transaction has been entered into:

- (a) in the ordinary and usual course of business of the Group;
- (b) on normal commercial terms or better; and
- (c) according to the agreement governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole.

DIRECTORS' REPORT (CONTINUED)

The Company has engaged the auditor of the Company to report on the continuing connected transaction in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transaction under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

The auditors has issued a letter confirming that nothing has come to their attention that causes them to believe that the continuing connected transactions:

- (a) have not been approved by the Company's board of directors;
- (b) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and
- (c) have exceeded the cap.

(5) Related Party Transactions

During the year, the Group entered into certain related party transactions which are disclosed in note 46 to the consolidated financial statements of the Financial Report 2016. Item (i) of note 46 included the transaction set out in the paragraph headed "(4) Master Agreement for Sale and Purchase of LNG" above. Other than that, the related party transactions as disclosed in note 46 did not constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed, as at 31 March 2016 or during the year, none of the Directors had a material interest, whether directly or indirectly, in any transactions, arrangements or contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

During the year, none of the Directors or their respective associates had any interest in any business apart from the Company's business which competes or is likely to compete, either directly or indirectly, with the Company's business.

MAJOR CUSTOMERS AND SUPPLIERS

During the year ended 31 March 2016, the aggregate amount of turnover attributable to the Group's five largest customers was less than 30% (being the Listing Rule disclosure threshold) of total turnover of the Group. The amount of purchases attributable to the Group's five largest suppliers and the largest supplier were approximately 36% and approximately 15% respectively, of the total purchases of the Group for the year.

To the knowledge of the Directors, none of the Directors, their close associates, or any shareholders (which to the knowledge of the Directors own 5% or more of the issued shares of the Company) had an interests in the major suppliers mentioned above.

DIRECTORS' REPORT (CONTINUED)

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year, the Company repurchased a total of 91,454,000 Shares on the Stock Exchange at an aggregate consideration of HK\$946,097,529.40. Details of the repurchases are as follows:

Month	Total number of Shares repurchased	Price per Share		Aggregate consideration HK\$
		Highest HK\$	Lowest HK\$	
July 2015	27,934,000	12.00	10.74	313,432,851.60
August 2015	7,438,000	11.88	10.36	81,534,295.60
September 2015	1,628,000	10.64	10.36	17,064,880.00
October 2015	174,000	10.98	10.44	1,870,552.20
December 2015	6,722,000	10.42	10.06	68,876,990.00
January 2016	38,984,000	10.22	9.15	383,311,720.00
February 2016	8,574,000	9.47	9.11	80,006,240.00
Total	91,454,000			946,097,529.40

Up to the date of this annual report, all of the above repurchased Shares were cancelled.

The repurchases were made for the purpose of enhancing the net asset value per Share and earnings per Share and were pursuant to the repurchase mandate granted to the Board at the 2015 annual general meeting of the Company.

EMOLUMENT POLICY

The Company's emolument policy is to maintain fair and competitive packages with reference to industry standards and prevailing market conditions. The Board is mindful that levels of remuneration must be sufficient to attract and retain Directors and senior management to run the Company successfully, but at the same time, the Company should avoid setting remunerations which are in excess of those necessary for this purpose.

The emoluments of the executive Directors and employees ranking vice-president or above are decided by the Remuneration Committee while the remuneration of the non-executive Directors and other senior management are determined by the Board, having regard to the Company's results, individual performance and prevailing market conditions.

The Company has adopted a share option scheme on 20 August 2013 as an incentive to Directors and eligible employees and persons, details of the scheme are set out in note 45 to the consolidated financial statements of the Financial Report 2016.

PRE-EMPTIVE RIGHTS

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

DIRECTORS' REPORT (CONTINUED)

DONATIONS

During the year, donations made by the Group were approximately HK\$3,438,000.

INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of the independent non-executive Director an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considered all of them to be independent.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is available to the Company and within the knowledge of the Directors, the Company maintained sufficient amount of public float under the Listing Rules as at the date of this annual report.

POST BALANCE SHEET EVENTS

No significant event occurred after the date of the balance sheet.

PERMITTED INDEMNITY PROVISION

Pursuant to the Company's Bye-laws, the Directors shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which any of them shall or may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duties in their offices.

Such permitted indemnity provision has been in force throughout the year and is still in force. In addition, the Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

AUDITORS

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

On behalf of the Board

ZHOU Si
Chairman

28 June 2016

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. ZHOU Si (*Chairman*)

Mr. LIU Ming Hui

(Executive Chairman, Managing Director and President)

Mr. HUANG Yong (*Executive President*)

Mr. ZHU Weiwei (*Vice President*)

Mr. MA Jinlong (*Vice President*)

Ms. LI Ching

Non-executive Directors

Mr. YU Jeong Joon (*Vice Chairman*)

Mr. KIM Yong Joong

(Vice President, alternate to Mr. YU Jeong Joon)

Mr. LIU Mingxing

Mr. Arun Kumar MANCHANDA

Mr. JIANG Xinhao

Independent Non-executive Directors

Mr. ZHAO Yuhua

Dr. MAO Erwan

Ms. WONG Sin Yue, Cynthia

Mr. HO Yeung

Ms. CHEN Yanyan

COMPANY SECRETARY

Ms. LAM Ngan Ling

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

PRINCIPAL BANKERS

China Development Bank

Industrial and Commercial Bank of China

Agricultural Bank of China

Bank of China

Bank of Communications

China Construction Bank

Hang Seng Bank

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 1601

16th Floor, AXA Centre

151 Gloucester Road

Wanchai, Hong Kong

REGISTERED OFFICE

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited

The Belvedere Building

69 Pitts Bay Road

Pembroke HM 08

Bermuda

CORPORATE INFORMATION (CONTINUED)

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716
17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

STOCK CODE

384

WEBSITE

www.chinagasholdings.com.hk

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INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

Deloitte.

德勤

TO THE MEMBERS OF CHINA GAS HOLDINGS LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of China Gas Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 4 to 198, which comprise the consolidated statement of financial position as at March 31, 2016, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Directors' Responsibility for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view 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, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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, and for no other purpose. We do not assume 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 about whether the consolidated financial statements are free from material misstatement.

致中國燃氣控股有限公司股東
(於百慕達註冊成立之有限公司)

本行已完成審核第4至198頁所載中國燃氣控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，此綜合財務報表包括於二零一六年三月三十一日的綜合財務狀況表、截至該日止年度之綜合損益及其他全面收入報表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平列報的綜合財務報表，並維護董事認為屬必要的內部監控，以確保綜合財務報表的編製不存在因欺詐或錯誤引起的重大錯誤陳述。

核數師責任

本行的責任是根據本行的審核對該等綜合財務報表作出意見，並根據百慕達公司法第90條僅向作為法人團體的股東報告，不可用作其他用途。本行概不會就本報告的內容對任何其他人士負責或承擔法律責任。本行已根據香港會計師公會頒佈的香港審計準則進行審核。這些準則要求本行遵守道德規範，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。

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

獨立核數師報告(續)

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 of the consolidated financial statements that give a true and fair view 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 financial position of Group as at March 31, 2016, and of its financial performance and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
June 28, 2016

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，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的風險。在評估該等風險時，核數師考慮與該公司編製真實而公平列報的綜合財務報表相關的內部控制，以設計適當的審核程序，但並非為對公司的內部控制的效能發表意見。審核亦包括評價董事所採用的會計政策的合適性及所作出的會計估計的合理性，以及評價綜合財務報表的整體列報方式。

本行認為，本行所獲審核憑證充足及已適當地為本行的審核意見提供基礎。

意見

本行認為，綜合財務報表均已根據香港財務報告準則真實及公平地反映貴集團於二零一六年三月三十一日之財務狀況及貴集團截至該日止年度之財務表現和現金流量，並已遵守香港公司條例之披露規定妥善編製。

德勤•關黃陳方會計師行
執業會計師
香港
二零一六年六月二十八日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收入報表

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (Restated) (重列)
Revenue	收入	7	29,138,527	31,666,111
Cost of sales	銷售成本		(22,105,237)	(25,210,399)
Gross profit	毛利		7,033,290	6,455,712
Other income	其他收入	9	666,488	675,976
Other gains and losses	其他收益及虧損	10	(958,581)	50,554
Selling and distribution costs	銷售及分銷成本		(1,087,858)	(1,149,980)
Administrative expenses	行政開支		(1,560,846)	(1,435,553)
Finance costs	財務費用	11	(758,180)	(554,159)
Share of results of associates	應佔聯營公司之業績		185,462	309,057
Share of results of joint ventures	應佔合資公司之業績		197,925	458,129
Profit before taxation	除稅前溢利		3,717,700	4,809,736
Taxation	稅項	12	(984,408)	(940,050)
Profit for the year	年度溢利	13	2,733,292	3,869,686
Other comprehensive income	其他全面收入			
Items that will be reclassified subsequently to profit or loss:	其後將重新分類至損益之項目：			
(Decrease) increase in fair value on available-for-sale investments	可供出售之投資公平值(減少)增加		(11,042)	29,235
Reclassification adjustment for the cumulative loss included in profit or loss upon disposal of available-for-sale investments	於出售可供出售投資後計入損益之累計虧損重新分類調整		5,463	—
Item that will not be reclassified subsequently to profit or loss:	其後將不會重新分類至損益之項目：			
Exchange differences arising on translation	換算產生之匯兌差額		(1,082,357)	993
Other comprehensive (expense) income for the year	年度其他全面(開支)收入		(1,087,936)	30,228
Total comprehensive income for the year	年度全面收入總額		1,645,356	3,899,914
Profit for the year attributable to:	年度溢利歸屬：			
Owners of the Company	本公司擁有人		2,273,121	3,371,053
Non-controlling interests	非控股權益		460,171	498,633
			2,733,292	3,869,686
Total comprehensive income attributable to:	全面收入總額歸屬：			
Owners of the Company	本公司擁有人		1,449,198	3,398,309
Non-controlling interests	非控股權益		196,158	501,605
			1,645,356	3,899,914
Earnings per share	每股盈利	17		
Basic	基本		HK45.79 cents 港仙	HK67.30 cents 港仙
Diluted	攤薄		HK45.79 cents 港仙	HK65.48 cents 港仙

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At March 31, 2016 於二零一六年三月三十一日

	Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets			
Investment properties	18	190,450	262,364
Property, plant and equipment	19	22,849,608	21,115,635
Prepaid lease payments	20	1,493,028	1,373,881
Investments in associates	21	3,832,849	3,684,098
Investments in joint ventures	22	5,070,331	4,873,719
Available-for-sale investments	23	211,175	236,469
Goodwill	24	2,479,992	2,505,688
Other intangible assets	25	3,060,222	3,064,500
Deposit for acquisition of property, plant and equipment		485,949	275,809
Deposit for acquisition of subsidiaries, joint venture and associates		46,632	104,120
Amount due from an associate	26	—	35,658
Deferred tax assets	38	166,106	124,489
		39,886,342	37,656,430
Current assets			
Inventories	27	1,213,116	1,198,879
Amounts due from customers for contract work	28	1,136,446	797,749
Trade and other receivables	29	5,093,878	5,327,853
Amounts due from associates	26	100,540	26,276
Amounts due from joint ventures	22	271,069	271,980
Prepaid lease payments	20	47,641	42,323
Held-for-trading investments	30	11,364	10,965
Pledged bank deposits	31	275,554	63,484
Bank balances and cash	31	5,496,941	5,228,497
		13,646,549	12,968,006
Current liabilities			
Trade and other payables	32	8,549,457	6,924,326
Amounts due to customers for contract work	28	525,157	427,659
Derivative financial instrument	37	4,500	—
Taxation		398,773	365,526
Amount due to a non-controlling interest of a subsidiary	33	509	1,077
Bank and other borrowings — due within one year	34	10,324,484	3,918,554
		19,802,880	11,637,142
Net current (liabilities) assets		(6,156,331)	1,330,864
Total assets less current liabilities		33,730,011	38,987,294

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

綜合財務狀況表(續)

At March 31, 2016 於二零一六年三月三十一日

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Equity	權益			
Share capital	股本	35	49,104	50,019
Reserves	儲備		17,803,458	18,346,298
Equity attributable to owners of the Company	歸屬本公司擁有人之權益		17,852,562	18,396,317
Non-controlling interests	非控股權益		3,111,558	3,039,183
Total equity	權益總額		20,964,120	21,435,500
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他借貸			
— due after one year	— 於一年後到期	34	12,009,698	16,817,008
Deferred taxation	遞延稅項	38	756,193	734,786
			12,765,891	17,551,794
			33,730,011	38,987,294

The consolidated financial statements on pages 4 to 198 were approved and authorised for issue by the Board of Directors on June 28, 2016 and are signed on its behalf by:

第4至198頁之綜合財務報表已於二零一六年六月二十八日經董事會批准並授權刊發，並由以下人士代表簽署：

ZHOU SI
周思
DIRECTOR
董事

LIU MING HUI
劉明輝
DIRECTOR
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

		Attributable to owners of the Company 歸屬本公司擁有人													
		Share capital	Share premium	Employee share-based compensation reserve	Translation reserve	Investment revaluation reserve	Properties revaluation reserve	Special reserve	Capital reserve	Capital redemption reserve	Statutory funds	Accumulated profits	Total	Non-controlling interests	Total
		股本	股份溢價	僱員股份報酬儲備	匯兌儲備	重估儲備	重估儲備	特別儲備	資本儲備	贖回儲備	法定基金	累計溢利	總計	非控股權益	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	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
					(note 36)	(note 36)		(note i)			(note ii)				
					(附註36)	(附註36)		(附註i)			(附註ii)				
At April 1, 2014	於二零一四年四月一日	49,953	8,189,749	17,736	794,098	7,120	1,601	1,602	(78,692)	-	628,194	6,172,128	15,783,489	2,373,523	18,157,012
Other comprehensive (expense) income for the year	年度其他全面(開支)收入	-	-	-	(1,979)	29,235	-	-	-	-	-	-	27,256	2,972	30,228
Profit for the year	年度溢利	-	-	-	-	-	-	-	-	-	-	3,371,053	3,371,053	498,633	3,869,686
Total comprehensive (expense) income for the year	年度全面(開支)收入總額	-	-	-	(1,979)	29,235	-	-	-	-	-	3,371,053	3,398,309	501,605	3,899,914
Acquisition of additional interest of subsidiaries (note 39(B))	收購附屬公司額外權益(附註39(B))	-	-	-	-	-	-	-	4,518	-	-	-	4,518	(16,928)	(12,410)
Acquisition of subsidiaries (note 40(C))	收購附屬公司(附註40(C))	-	-	-	-	-	-	-	-	-	-	-	-	252,786	252,786
Acquisition of assets (note 41)	收購資產(附註41)	-	-	-	-	-	-	-	-	-	-	-	-	60,760	60,760
Exercise of share options	行使購股權	258	63,451	(15,413)	-	-	-	-	-	-	-	-	48,296	-	48,296
Repurchase of shares	回購股份	(192)	(232,565)	-	-	-	-	-	-	192	-	(192)	(232,757)	-	(232,757)
Transfer to accumulated profits upon forfeiture of share options	於沒收購股權後轉撥至累計溢利	-	-	(955)	-	-	-	-	-	-	-	955	-	-	-
Capital contribution from non-controlling interests of subsidiaries	附屬公司非控股權益之出資	-	-	-	-	-	-	-	-	-	-	-	-	122,058	122,058
Dividends paid by subsidiaries to non-controlling interests	附屬公司派付非控股權益之股息	-	-	-	-	-	-	-	-	-	-	-	-	(254,621)	(254,621)
Dividends paid	已付股息	-	-	-	-	-	-	-	-	-	-	(605,538)	(605,538)	-	(605,538)
Transfer	轉撥	-	-	-	-	-	-	-	-	-	202,989	(202,989)	-	-	-
At March 31, 2015	於二零一五年三月三十一日	50,019	8,020,635	1,368	792,119	36,355	1,601	1,602	(74,174)	192	831,183	8,735,417	18,396,317	3,039,183	21,435,500

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

綜合權益變動表(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

		Attributable to owners of the Company 歸屬本公司擁有人														
		Share capital	Share premium	Employee share-based compensation reserve	Translation reserve	Investment revaluation reserve	Properties revaluation reserve	Special reserve	Capital reserve	Capital redemption reserve	Statutory funds	Accumulated profits	Total	Non-controlling interests	Total	
		股本	股份溢價	報酬儲備	匯兌儲備	重估儲備	重估儲備	特別儲備	資本儲備	贖回儲備	法定基金	累計溢利	總計	非控股權益	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	HK\$'000	HK\$'000	
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
					(note 36) (附註36)	(note 36) (附註36)		(note i) (附註i)	(note ii) (附註ii)		(note iii) (附註iii)					
At April 1, 2015	於二零一五年四月一日	50,019	8,020,635	1,368	792,119	36,355	1,601	1,602	(74,174)	192	831,183	8,735,417	18,396,317	3,039,183	21,435,500	
Other comprehensive expense for the year	年度其他全面開支	—	—	—	(818,344)	(5,579)	—	—	—	—	—	—	(823,923)	(264,013)	(1,087,936)	
Profit for the year	年度溢利	—	—	—	—	—	—	—	—	—	—	2,273,121	2,273,121	460,171	2,733,292	
Total comprehensive (expense) income for the year	年度全面(開支)收入總額	—	—	—	(818,344)	(5,579)	—	—	—	—	—	2,273,121	1,449,198	196,158	1,645,356	
Acquisition of additional interest of subsidiaries (note 39(A))	收購附屬公司額外權益(附註39(A))	—	—	—	—	—	—	—	(103,591)	—	—	—	(103,591)	(54,602)	(158,193)	
Acquisition of subsidiaries (note 40(A))	收購附屬公司(附註40(A))	—	—	—	—	—	—	—	—	—	—	—	—	53,187	53,187	
Acquisition of assets (note 41)	收購資產(附註41)	—	—	—	—	—	—	—	—	—	—	—	—	7,532	7,532	
Repurchase of shares	購回股份	(915)	(946,354)	—	—	—	—	—	—	915	—	(915)	(947,269)	—	(947,269)	
Transfer to accumulated profits upon forfeiture of share options	於沒收購股權後轉撥至累計溢利	—	—	(1,368)	—	—	—	—	—	—	—	1,368	—	—	—	
Capital contribution from non-controlling interests of subsidiaries	附屬公司非控股權益之出資	—	—	—	—	—	—	—	—	—	—	—	—	166,662	166,662	
Dividends paid by subsidiaries to non-controlling interests	附屬公司派付非控股權益之股息	—	—	—	—	—	—	—	—	—	—	—	—	(296,562)	(296,562)	
Dividends paid	已付股息	—	—	—	—	—	—	—	—	—	—	(942,093)	(942,093)	—	(942,093)	
Transfer	轉發	—	—	—	—	—	—	—	—	—	154,142	(154,142)	—	—	—	
At March 31, 2016	於二零一六年三月三十一日	49,104	7,074,281	—	(26,225)	30,776	1,601	1,602	(177,765)	1,107	985,325	9,912,756	17,852,562	3,111,558	20,964,120	

Notes:

- (i) The special reserve of the Group represents the difference between the nominal value of the shares of the acquired subsidiaries and the nominal value of the Company's shares issued for the acquisition at the time of the group reorganisation prior to the listing of the Company's shares in 1995.
- (ii) Capital reserve represent the effect of changes in the ownership interests in subsidiaries on the equity attributable to owners of the Company upon the acquisition of non-controlling interests.
- (iii) In accordance with statutory requirements in the People's Republic of China, other than Hong Kong (the "PRC"), subsidiaries registered in the PRC are required to transfer a certain percentage of the annual net income from accumulated profits to the statutory funds, until the statutory funds are accumulated up to 50% of its registered capital. Under normal circumstances, the statutory funds are not allowed to be distributed to the subsidiaries' shareholders as dividends. The statutory funds shall only be used for making good losses, capitalisation into paid-in capital and expansion of its production and operations.

附註:

- (i) 本集團之特別儲備乃指本公司所收購附屬公司之股份面值與本公司股份於一九九五年上市前集團重組期間進行收購所發行本公司股份面值之差額。
- (ii) 資本儲備指於收購非控股權益後，附屬公司所有權權益變動對本公司擁有人應佔權益之影響。
- (iii) 根據中華人民共和國(「中國」，不包括香港)的法定規定，於中國註冊的附屬公司須從累計溢利將其年度淨收入若干百分比撥往法定基金，直至法定基金達致其註冊資本50%為止。在一般情況下，法定基金不得分派予該附屬公司股東作為股息。法定基金僅可用作彌補虧損、資本化至繳入資本及擴展生產及營運。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
OPERATING ACTIVITIES	經營業務		
Profit before taxation	除稅前溢利	3,717,700	4,809,736
Adjustments for:	經以下調整：		
Change in fair value of investment properties	投資物業之公平值變動	(2,792)	(7,296)
Allowance for trade receivables	貿易應收賬款撥備	31,852	57,072
Allowance for amount due from an associate	應收聯營公司賬款撥備	—	145,646
Impairment loss recognised on property, plant and equipment	就物業、廠房及設備 確認之減值虧損	124,414	—
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	832,342	811,874
Release of prepaid lease payments	發還預付租賃款項	45,444	47,976
Amortisation of intangible assets	無形資產攤銷	81,179	71,544
Change in fair value of held-for-trading investments	持作買賣投資之公平值變動	5,759	(2,387)
Gain on disposal on prepaid lease payments	出售預付租賃款項之收益	(4,155)	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之 虧損	8,112	14,643
Loss on disposal of available-for-sale investments	出售可供出售投資之虧損	5,463	—
Gain on deemed disposal of a joint venture	視作出售合資公司之收益	(1,970)	(205,562)
Gain on bargain purchase	議價購買收益	(470)	—
Interest expense	利息開支	758,180	554,159
Share of results of associates	應佔聯營公司業績	(185,462)	(309,057)
Share of result of joint ventures	應佔合資公司業績	(197,925)	(458,129)
Interest income	利息收入	(69,210)	(94,604)
Exchange loss	匯兌虧損	513,170	—
Operating cash flows before movements in working capital	營運資金變動前之經營業務 現金流	5,661,631	5,435,615
(Increase) decrease in inventories	存貨(增加)減少	(69,372)	9,160
Increase in amounts due from customers for contract work	應收客戶之合約工程款項增加	(381,689)	(268,384)
Decrease (increase) in trade and other receivables	貿易應收賬款及其他應收 賬項減少(增加)	4,062	(591,922)
(Increase) decrease in amounts due from associates	應收聯營公司款項(增加)減少	(60,064)	91,627
Increase in trade and other payables	貿易應付賬款及其他應付 賬項增加	1,579,806	611,805
Increase in amounts due to customers for contract work	應付客戶之合約工程款項 增加	120,545	290,848
Decrease in amounts due to non-controlling interests of subsidiaries	應付附屬公司非控股權益 款項減少	(582)	(15,622)
Cash from operations	經營業務產生現金	6,854,337	5,563,127
PRC Enterprise Income Tax paid	已付中國企業所得稅	(992,260)	(910,349)
NET CASH GENERATED FROM OPERATING ACTIVITIES	經營業務所得現金淨額	5,862,077	4,652,778

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

		Notes 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
INVESTING ACTIVITIES	投資活動			
Interest received	已收利息		69,210	94,604
Deposits paid for acquisition of property, plant and equipment	收購物業、廠房及設備 已付按金		(500,813)	(275,809)
Deposits paid for acquisition of subsidiaries, joint ventures and associates	收購附屬公司、合資公司 及聯營公司已付按金		(32,935)	(60,163)
Placement of pledged bank deposits	已抵押銀行存款存入		(334,953)	—
Withdrawal of pledged bank deposits	提取已抵押銀行存款		119,462	187,264
Addition of property, plant and equipment	添置物業、廠房及設備		(2,722,334)	(3,617,366)
Addition of prepaid lease payments	添置預付租賃款項		(244,300)	(270,128)
Addition of available-for-sale investments	添置可供出售投資		(2,563)	(44,632)
Addition of other intangible assets	添置其他無形資產		(63,477)	(93,236)
Addition of held-for-trading investments	添置持作買賣投資		(6,158)	—
Proceeds from disposal of available-for-sale investments	出售可供出售投資之 所得款項		4,334	382
Proceeds from disposal of property, plant and equipment and prepaid lease payment	出售物業、廠房及 設備及預付租賃款項 所得款項		68,892	33,705
Proceeds from disposal of held-for-trading investments	出售持作買賣投資 所得款項		—	235
Acquisition of businesses, net of cash and cash equivalents acquired	收購業務，扣除所得現金 及現金等值項目	40	(214,026)	(174,008)
Acquisition of assets through the acquisition of subsidiaries	透過收購附屬公司 收購資產	41	(143,098)	(546,835)
Addition of investments in associates	添置於聯營公司之投資		—	(69,117)
Addition of investments in joint ventures	添置於合資公司之投資		(370,782)	(506,700)
Repayment from non-controlling interests of subsidiaries	獲附屬公司非控股權益 還款		—	5,287
(Advance to) repayment from joint ventures	(向合資公司作出的 墊款)獲合資公司還款		(13,747)	95,952
Repayment from associates	獲聯營公司還款		18,120	66,439
Capital injection into an associate	向聯營公司注資		(15,028)	(12,657)
Dividend paid by an associate	聯營公司已付股息		14,968	—
Dividend paid by joint ventures	合資公司已付股息		367,780	16,595
NET CASH USED IN INVESTING ACTIVITIES	投資活動所用現金淨額		(4,001,448)	(5,170,188)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

綜合現金流量表(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

	Note 附註	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
FINANCING ACTIVITIES			
Interest paid		(840,084)	(554,159)
Payment on repurchase of ordinary shares		(947,269)	(232,757)
Proceeds from exercise of share options		—	48,296
Dividends paid		(942,093)	(605,538)
New bank and other borrowings raised		23,034,776	7,237,327
Repayments of bank and other borrowings		(21,341,903)	(6,469,184)
Advance from non-controlling interests of a subsidiary		—	37,019
Repayment to non-controlling interests of subsidiaries		(2,678)	(24,481)
Acquisition of additional interests in subsidiaries	39	(158,193)	(12,410)
Capital contribution from non-controlling interests of subsidiaries		166,662	122,058
Dividend paid by subsidiaries to non-controlling interests		(296,562)	(254,621)
NET CASH USED IN FINANCING ACTIVITIES		(1,327,344)	(708,450)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		533,285	(1,225,860)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		5,228,497	6,453,899
EFFECT OF FOREIGN EXCHANGE RATE CHANGES		(264,841)	458
CASH AND CASH EQUIVALENTS AT END OF THE YEAR		5,496,941	5,228,497
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Bank balances and cash		5,496,941	5,228,497

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

1. General

The Company is a public limited company incorporated in Bermuda as an exempted company with limited liability and its shares are listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office and principal place of business are disclosed in the section headed "Corporate Information" of the Group's annual report.

The Company acts as an investment holding company. The activities of its principal subsidiaries are set out note 48.

The consolidated financial statements are presented in Hong Kong dollars ("HK\$") and the functional currency of the Company and its subsidiaries is Renminbi ("RMB"). As the Company is listed entity in Hong Kong, the directors of the Company consider that it is appropriate to present the consolidated financial statements in HK\$.

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs")

The Group has applied the following amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time in the current year.

Amendments to HKAS 19	Defined benefit plans: Employee contributions
Amendments to HKFRSs	Annual improvements to HKFRSs 2010–2012 cycle
Amendments to HKFRSs	Annual improvements to HKFRSs 2011–2013 cycle

The application of the amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

1. 一般資料

本公司為於百慕達註冊成立之公眾有限公司，為一間獲豁免有限公司，其股份於香港聯合交易所有限公司（「聯交所」）上市。本公司之註冊辦事處及主要營業地點於本集團年報「公司資料」一節內披露。

本公司為一間投資控股公司。本公司主要附屬公司之業務載於附註48。

綜合財務報表乃以港元（「港元」）列示，而本公司及其附屬公司之功能貨幣則為人民幣（「人民幣」）。由於本公司為於香港上市之實體，故本公司董事認為以港元呈列綜合財務報表屬恰當。

2. 應用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，本集團已首次應用以下由香港會計師公會（「香港會計師公會」）頒佈之香港財務報告準則（修訂本）。

香港會計準則第19號 (修訂本)	香港會計準則 第19號 (修訂本)	界定福利計劃： 僱員供款
香港財務報告準則 (修訂本)	香港財務報告準則 (修訂本)	二零一零年至二零一二年週期之香港財務報告準則之年度改進
香港財務報告準則 (修訂本)	香港財務報告準則 (修訂本)	二零一一年至二零一三年週期之香港財務報告準則之年度改進

於本年度應用香港財務報告準則（修訂本）對本集團於本年度及過往年度之財務表現及狀況及／或此等綜合財務報表所作披露並無重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

New and revised HKFRSs in issue but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

HKFRS 9	Financial instruments ²
HKFRS 15	Revenue from contracts with customers ²
HKFRS 16	Leases ³
Amendments to HKFRS 11	Accounting for acquisitions of interests in joint operations ¹
Amendments to HKFRS 15	Clarifications to HKFRS 15 Revenue from contracts with customers ²
Amendments to HKAS 1	Disclosure initiative ¹
Amendments to HKAS 16 and HKAS 38	Clarification of acceptable methods of depreciation and amortisation ¹
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer plants ¹
Amendments to HKFRS 10 and HKAS 28	Sale or contribution of assets between an investor and its associate or joint venture ⁴
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment entities: Applying the consolidation exception ¹
Amendments to HKFRSs	Annual improvements to HKFRSs 2012–2014 cycle ¹

¹ Effective for annual periods beginning on or after January 1, 2016.

² Effective for annual periods beginning on or after January 1, 2018.

³ Effective for annual periods beginning on or after January 1, 2019.

⁴ Effective for annual periods beginning on or after a date to be determined.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

已頒佈但未生效的新訂及經修訂香港財務報告準則

本集團並無提早應用以下已頒佈但未生效之新訂及經修訂香港財務報告準則：

香港財務報告準則第9號	金融工具 ²
香港財務報告準則第15號	客戶合約收益 ²
香港財務報告準則第16號	租賃 ³
香港財務報告準則第11號(修訂本)	收購合資經營權益之會計處理 ¹
香港財務報告準則第15號(修訂本)	澄清香港財務報告準則第15號客戶合約收益 ²
香港會計準則第1號(修訂本)	披露動議 ¹
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊及攤銷之可接受方式 ¹
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：生產性植物 ¹
香港財務報告準則第10號及香港會計準則第28號(修訂本)	投資者與其聯營公司或合資公司之間之資產出售或注資 ⁴
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資實體：應用綜合入賬之例外情況 ¹
香港財務報告準則(修訂本)	二零一二年至二零一四年週期之香港財務報告準則之年度改進 ¹

¹ 由二零一六年一月一日或之後開始之年度期間生效。

² 由二零一八年一月一日或之後開始之年度期間生效。

³ 由二零一九年一月一日或之後開始之年度期間生效。

⁴ 由將予釐定的日期或之後開始之年度期間生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 9 "Financial instruments"

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described as follows:

- All recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號「金融工具」

香港財務報告準則第9號(於二零零九年頒佈)引進有關金融資產分類及計量之新規定。其後於二零一零年修訂之香港財務報告準則第9號包括分類及計量金融負債以及取消確認之規定，並於二零一三年修訂以包括一般對沖會計法之新規定。於二零一四年頒佈之香港財務報告準則第9號另一經修訂版本主要加入a)有關金融資產的減值規定及b)藉為若干簡單債務工具引入「於其他全面收入以公平值列賬」(「於其他全面收入以公平值列賬」)計量類別，對分類及計量規定作出有限修訂。

香港財務報告準則第9號之主要規定描述如下：

- 所有屬香港會計準則第39號「金融工具：確認及計量」範疇內之已確認金融資產須於其後均按攤銷成本或公平值計量。尤其是，按商業模式持有而目的為收取合約現金流量之債務投資，以及僅為支付本金及未償還本金之利息之債務投資，一般均於其後會計期間結束時按攤銷成本計量。於目標為同時收回合約現金流量及出售金融資產之業務模式中持有之債務工具，以及合約條款令於特定日期產生之現金流量僅為支付本金及尚未償還本金利息之債務工具，乃於其他全面收入以公平值列賬計量。所有其他債務投資及股本投資均於其後會計期間結束時按其公平值計量。此外，根據香港財務報告準則第9號，實體可以不可撤回地選擇於其他全面收入呈列股本投資(並非持作買賣)之其後公平值變動，而一般僅於損益內確認股息收入。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

HKFRS 9 “Financial instruments” (Continued)

- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The directors of the Company anticipate that the application of HKFRS 9 in the future may have an impact on amounts reported in respect of the Group’s financial assets and financial liabilities (e.g. the Group’s available for sale investments will have to be measured at fair value at the end of subsequent reporting periods, with changes in the fair value being recognised in profit or loss or other comprehensive income of certain criteria are met). Furthermore, the application of the expected credit loss model may result in earlier recognition of credit losses for the Group’s financial assets and contract assets. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

HKFRS 15 “Revenue from contracts with customers”

HKFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 will supersede the current revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction contracts” and the related Interpretations when it becomes effective.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第9號「金融工具」(續)

- 就金融資產減值而言，與香港會計準則第39號項下按已產生信貸虧損模式計算相反，香港財務報告準則第9號規定按預期信貸虧損模式計算。預期信貸虧損模式需要實體於各報告日期將預期信貸虧損及該等信貸虧損之預期變動入賬，以反映信貸風險自初始確認以來之變動。換言之，毋須再待發生信貸事件即可確認信貸虧損。

本公司董事預期，日後應用香港財務報告準則第9號可能對有關本集團之金融資產及金融負債呈報之金額造成影響(如本集團之可供出售投資將須按其後報告期結束時之公平值計量，並符合於損益或其他全面收入中確認公平值變動的若干標準)。此外，採用預期信貸虧損模式可能導致提早確認本集團之財務資產及合約資產之信貸虧損。然而，完成詳細檢討前，要合理估計該影響並不可行。

香港財務報告準則第15號「客戶合約收益」

香港財務報告準則第15號經已頒佈，其制定單一全面模式，供實體用以將自客戶合約產生之收益入賬。於香港財務報告準則第15號生效後，其將取代現時載於香港會計準則第18號「收益」、香港會計準則第11號「建築合約」及相關詮釋之收益確認指引。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards ("HKFRSs") (Continued)

HKFRS 15 "Revenue from contracts with customers" (Continued)

The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors of the Company anticipate that the application of HKFRS 15 in the future may have an impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of HKFRS 15 until the Group performs a detailed review.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第15號「客戶合約收益」(續)

香港財務報告準則第15號之核心原則為實體所確認描述向客戶轉讓承諾貨品或服務之收益金額，應為能反映該實體預期就交換該等貨品或服務有權獲得之代價。具體而言，該準則引入確認收益之五個步驟：

- 第一步：識別與客戶訂立之合約
- 第二步：識別合約中之履約責任
- 第三步：釐定交易價
- 第四步：將交易價分配至合約中之履約責任
- 第五步：於實體完成履約責任時(或就此)確認收益

根據香港財務報告準則第15號，實體於完成履約責任時(或就此)確認收益，即於特定履約責任相關之貨品或服務之「控制權」轉讓予客戶時。香港財務報告準則第15號已就特別情況之處理方法加入更明確之指引。此外，香港財務報告準則第15號要求更詳盡之披露資料。

本公司董事預期，往後應用香港財務報告準則第15號或會對本集團綜合財務報表所呈報金額及所作披露資料產生影響。然而，直至本集團完成詳細審閱前，就香港財務報告準則第15號之影響提供合理估計並不可行。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

2. Application of New and Revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

HKFRS 16 “Leases”

HKFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases. The standard introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. This is significantly different from the current requirements of HKAS 17 which does not require the recognition of a right-of-use assets or liability for lessees in relation to operating leases, but for which certain disclosures regarding lease commitments are made as in note 41. HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The directors of the Company anticipate that the application of HKFRS 16 in the future may have a material impact on the amounts reported and disclosures made in the Group’s consolidated financial statements. The Group is yet to assess the full impact of the standard on its financial position and results of operations.

The directors of the Company anticipate that the application of the other new and revised HKFRSs will have no material impact on the Group’s financial performance and positions and/or on the disclosures set out in these consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

香港財務報告準則第16號「租賃」

香港財務報告準則第16號載有確認、計量、呈列及披露租賃之原則。該準則引進單一承租人會計模型，規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產屬低價值則作別論。承租人須確認使用權資產以反映其使用相關租賃資產之權利，並確認租賃負債以反映其支付租金之責任。這與香港會計準則第17號之目前規定大相逕庭，毋須就有關經營租約之承租人確認使用權資產或負債，惟有關租賃承擔之若干披露則於附註41作出。香港財務報告準則第16號大致上繼承香港會計準則第17號之出租人會計規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並以不同方式將該兩類租賃入賬。本公司董事預期，日後應用香港財務報告準則第16號可能對本集團綜合財務報表呈報之金額及作出之披露造成重大影響。本集團尚未評估該準則對其財務狀況及經營業績之全面影響。

本公司董事預期，應用其他新訂及經修訂香港財務報告準則將不會對本集團之財務表現及狀況，及/或此等綜合財務報表所載披露資料造成任何重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies

The financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange ("Listing Rules") and by the Hong Kong Companies Ordinance ("CO").

The disclosure requirements set out in the Listing Rules regarding annual accounts have been amended with reference to the preparation of accounts and directors' reports and audits and to streamline with HKFRSs, which became effective for the Company for the financial year ended March 31, 2016. Accordingly the presentation and disclosure of information in the consolidated financial statements for the financial year ended March 31, 2016 have been changed to comply with these new requirements. Comparative information in respect of the financial year ended March 31, 2015 are presented or disclosed in the consolidated financial statements based on the new requirements. Information previously required to be disclosed under the predecessor CO or Listing Rules but not under the new CO or amended Listing Rules are not disclosed in these consolidated financial statements.

The financial statements have been prepared on the historical cost basis except for investment properties and certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of HKFRS 2 "Share-based payment", leasing transactions that are within the scope of HKAS 17 "Leases", and measurements that have some similarities to fair value but are not fair value, such as net realisable value for the purposes of measuring inventories in HKAS 2 or value in use in HKAS 36.

3. 重大會計政策

財務報表乃根據香港會計師公會頒佈之香港財務報告準則編製。此外，財務報表亦載入聯交所證券上市規則（「上市規則」）及香港公司條例（「公司條例」）所規定的適用披露資料。

上市規則所載有關全年賬目的披露規定經已修訂，當中參考有關編製賬目及董事報告及審核的條文，並藉此與香港財務報告準則精簡一致，其對本公司截至二零一六年三月三十一日止財政年度生效。因此，截至二零一六年三月三十一日止財政年度綜合財務報表的資料呈列及披露已作更改，以遵守該等新規定。有關截至二零一五年三月三十一日止財政年度的比較資料已根據新規定於綜合財務報表內呈列或披露。根據前公司條例或上市規則在以往須予披露但根據新公司條例或經修訂上市規則毋須披露的資料，於該等綜合財務報表中已再無披露。

誠如以下所載會計政策所說明，財務報表乃於各報告期末按歷史成本基準編製，惟投資物業及按公平值計量之若干金融工具除外。歷史成本一般根據換取貨物及服務所付代價之公平值得出。

公平值為於計量日期在市場參與者之間在有序交易中出售一項資產而將收取或轉讓一項負債而將支付之價格（無論該價格為直接可觀察或採用另一估值技巧估計而得出）。在估計一項資產或負債之公平值時，本集團考慮資產或負債之特徵（倘市場參與者會於計量日期在為資產或負債定價時考慮該等特徵）。於此等綜合財務報表中用作計量及／或披露之公平值乃按此基準釐定，惟香港財務報告準則第2號「以股份形式付款」範圍內以股份為基礎之付款交易、香港會計準則第17號「租賃」範圍內之租賃交易及與公平值有部分類似但並非公平值之計量，如香港會計準則第2號計量存貨之可變現淨值或香港會計準則第36號之使用價值除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

3. 重大會計政策(續)

此外，就財務報告而言，公平值計量乃根據公平值計量之輸入數據之可觀察程度及輸入數據對公平值計量整體之重要性而分為第一、二及三級，其載述如下：

- 第一級輸入數據是於計量日期實體可獲得之活躍市場上相同資產或負債之報價(不作調整)；
- 第二級輸入數據是第一級所包括報價以外，有關資產或負債可直接或間接觀察之輸入數據；及
- 第三級輸入數據是有關資產或負債之不可觀察輸入數據。

主要會計政策載列如下。

綜合基準

綜合財務報表包括本公司及受本公司及其附屬公司控制實體之財務報表。倘屬以下情況，則本公司獲得控制權：

- 可對投資對象行使權力；
- 因參與投資對象之業務而可獲得或有權獲得可變回報；及
- 有能力藉行使其權力而影響其回報。

倘有事實及情況顯示上述三項控制因素中，有一項或以上出現變動，本集團會重新評估其是否控制投資對象。

本集團於獲得附屬公司控制權時將附屬公司綜合入賬，並於失去附屬公司控制權時終止入賬。具體而言，於年內購入或出售之附屬公司之收入及開支自本集團獲得控制權當日起至本集團失去附屬公司控制權當日止計入綜合損益及其他全面收入報表內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Basis of consolidation (Continued)

Profit or loss and each item of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intra group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted (the carrying amount of the net assets attributable to non-controlling interests) and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

3. 重大會計政策(續)

綜合基準(續)

損益及各其他全面收入項目歸屬於本公司擁有人及非控股權益。附屬公司之全面收入總額歸屬於本公司擁有人及非控股權益，即使因此而導致非控股權益出現虧絀結餘。

於必要時，對附屬公司之財務報表作出調整，以使其會計政策與本集團會計政策一致。

有關本集團成員公司之間交易的所有集團內公司間資產及負債、權益、收入、支出及現金流均於綜合賬目時予以全數對銷。

本集團於現有附屬公司之擁有權益變動

本集團於現有附屬公司擁有權益之變動倘並無導致本集團失去其對附屬公司之控制權，則會列作權益交易入賬。本集團之權益與非控股權益之賬面值均予以調整，以反映其於附屬公司相對權益之變動。非控股權益之調整額(非控股權益應佔淨資產賬面值)與已付或已收代價公平值兩者間之任何差額，均直接於權益確認，並歸屬於本公司擁有人。

業務合併

收購業務採用收購法入賬。業務合併轉讓的代價按公平值計量，而計算方法為本集團所轉讓的資產於收購日期的公平值、本集團向被收購方前擁有人產生的負債及本集團於交換被收購方控制權時發行的股權之總額。有關收購的費用通常於產生時於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 "Income taxes" and HKAS 19 "Employee benefits" respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 "Share-based payment" at the acquisition date (see the accounting policy below); and
- 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" are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

3. 重大會計政策(續)

業務合併(續)

於收購日期，所收購的可識別資產及所承擔的負債按其公平值確認，惟以下情況除外：

- 遞延稅項資產或負債及僱員福利安排相關的負債或資產分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」確認及計量；
- 與被收購方以股份支付的安排有關或以本集團所訂立以股份支付的安排取代被收購方以股份支付的安排有關的負債或權益工具，乃於收購日期(見下文會計政策)按香港財務報告準則第2號「以股份形式付款」計量；及
- 根據香港財務報告準則第5號「持作出售的非流動資產及已終止經營業務」分類為持作出售的資產(或出售組別)根據該準則計量。

商譽是以所轉撥的代價、任何非控股權益於被收購方中所佔金額及收購方以往持有的被收購方股權的公平值(如有)的總和，減所收購的可識別資產及所承擔的負債於收購日期的淨值後所超出的差額計值。倘經過重新評估後，所收購的可識別資產與所承擔負債於收購日期的淨額高於轉撥的代價、任何非控股權益於被收購方中所佔金額以及收購方以往持有的被收購方股權的公平值(如有)的總和，則差額即時於損益內確認為議價購買收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Business combinations (Continued)

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRS.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control), and the resulting gain or loss, if any, is recognised in profit or loss or other comprehensive income, as appropriate. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

3. 重大會計政策(續)

業務合併(續)

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔實體淨資產的非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值的已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他種類的非控股權益乃按其公平值或(倘適用)按其其他香港財務報告準則規定的基準計量。

倘業務合併的初步會計處理於合併發生的報告期末尚未完成，則本集團報告未完成會計處理的項目暫定數額。該等暫定數額會於計量期間(見上文)予以調整，及確認額外資產或負債，以反映於收購日期已存在而據所知可能影響該日已確認款額的事實與情況所取得的新資訊。

倘業務合併分階段達成，則本集團以往所持的被收購方股權於收購日期(即本集團取得控制權當日)按公平值重新計量，所產生之盈虧(如有)於損益或其他全面收入(如適用)確認。如出售於被收購方權益，以往於其他全面收入確認的從該等權益於收購日期前產生的金額重新分類至損益(如出售該權益時有關處理屬適當)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Goodwill

Goodwill arising on the acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the CGUs (or groups of CGUs) that is expected to benefit from the synergies of the combination.

A CGU to which goodwill has been allocated is tested for impairment annually or more frequently when there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the CGU to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

3. 重大會計政策(續)

商譽

收購業務產生之商譽，按收購該業務之日所定成本(見上文會計政策)減累計減值虧損(如有)列賬。

就減值測試而言，商譽分配到預期從合併之協同效應中受益之各個現金產生單位(或現金產生單位組別)。

獲分配商譽之現金產生單位按年或當有跡象顯示單位可能出現減值時更加頻繁進行減值測試。就於某個報告期間因收購產生的商譽而言，獲分配有關商譽的現金產生單位會於該報告期末前測試減值。倘現金產生單位之可收回金額少於單位之賬面值，則首先將減值虧損分配，扣減首先分配到該單位的任何商譽的賬面值，而其後則按單位內各資產的賬面值按比例分配至該單位的其他資產。商譽之減值虧損均直接於損益確認。就商譽確認之減值虧損不會於其後期間撥回。

出售相關現金產生單位時，商譽的應佔金額會於出售時計入損益金額之釐定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates and joint ventures are incorporated in these consolidated financial statements using the equity method of accounting. The financial statements of associates and joint ventures used for equity accounting purposes are prepared using uniform accounting policies as those of the Group for like transactions and events in similar circumstances. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 重大會計政策(續)

於聯營公司及合資公司之投資

聯營公司為本集團擁有重大影響力的實體。重大影響力指參與被投資方的財務及經營決策但並非控制或共同控制該等政策的權力。

合資公司為合營安排，各方於該安排下共同擁有合營安排下之淨資產。共同控制乃以合約協議攤分對安排的控制權，僅於相關業務決策須攤分控制權各方一致同意時存在。

聯營公司及合資公司的業績、資產及負債乃以權益會計法於此等綜合財務報表列賬。聯營公司及合資公司用於權益會計之財務報表，編製時所用會計政策與本集團對類似交易及類似情況中事件所用者一致。根據權益法，於聯營公司或合資公司之投資初步按成本於綜合財務狀況表確認，並於其後作出調整以確認本集團分佔該聯營公司或合資公司之損益及其他全面收入。當本集團應佔某聯營公司或合資公司的虧損超出本集團於該聯營公司或合資公司的權益(其包括任何長期權益，而該長期權益實質上構成本集團於該聯營公司或合資公司的投資淨額一部份)，則本集團不再確認其應佔的進一步虧損。額外虧損之確認僅限於本集團已產生法定或擬定責任或代該聯營公司或合資公司支付款項。

於聯營公司或合資公司之投資自被投資方成為聯營公司或合資公司之日起按權益法入賬。收購聯營公司或合資公司投資時，投資成本超出本集團分佔被投資方可識別資產及負債的公平淨值的任何差額確認為商譽，並計入該投資之賬面值。本集團應佔可識別資產及負債的公平淨值超出收購成本的任何差額(重估後)會即時於收購投資期間的損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Investments in associates and joint ventures (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment (or a portion thereof) is classified as held for sale. When the Group retains an interest in the former associate or joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate or joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. 重大會計政策(續)

於聯營公司及合資公司之投資(續)

香港會計準則第39號之規定乃應用以釐定是否需要就本集團於聯營公司或合資公司之投資確認任何減值虧損。如有必要，該項投資之全部賬面值(包括商譽)會根據香港會計準則第36號「資產減值」作為單獨資產進行減值測試，方法是比較其可收回金額(即使用價值與公平值減出售成本之較高者)與其賬面值。任何已確認之減值虧損構成該項投資之賬面值的一部份。有關減值虧損之任何撥回乃根據香港會計準則第36號確認，惟以該項投資其後增加之可收回金額為限。

自投資不再為聯營公司或合資公司之日或投資(或其部份)分類為持作出售之日起，本集團不再使用權益法。本集團倘保留前聯營公司或合資公司權益，而所保留權益為金融資產，則本集團將所保留權益會按當日之公平值計量，並將該公平值視為根據香港會計準則第39號初步確認之公平值。聯營公司或合資公司於終止使用權益法之日的賬面值與任何所保留權益公平值之間的差額，以及出售聯營公司或合資公司部份權益所得之任何所得款項乃於釐定出售該聯營公司或合資公司之收益或虧損時計入。此外，本集團將先前於其他全面收入就該聯營公司或合資公司確認之所有金額入賬，基準與倘該聯營公司或合資公司直接出售相關資產或負債時所規定之基準相同。因此，倘該聯營公司或合資公司先前於其他全面收入確認之收益或虧損將於出售相關資產或負債時重新分類至損益，則當停用權益法時，本集團將收益或虧損由權益重新分類至損益(作為重新分類調整)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Investments in associates and joint ventures (Continued)

When the Group reduces its ownership interest in an associates or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be classified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate or a joint venture of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Revenue from the sale of goods is recognised when goods are delivered and title has passed, at which time all the following conditions are satisfied:

- the Group has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Group; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

3. 重大會計政策(續)

於聯營公司及合資公司之投資(續)

本集團減低於聯營公司或合資公司之擁有權權益時，倘續用權益法，而關於減低擁有權權益之收益或虧損先前於其他全面收入中確認之部份，於出售相關資產或負債時轉為分類至損益，則將相關部份重新分類至損益。

倘某集團實體與本集團聯營公司或合資公司交易(例如出售或注入資產)，則與該聯營公司或合資公司交易所產生之損益僅會在於聯營公司或合資公司之權益與本集團無關的情況下，才會在本集團綜合財務報表確認。

收入確認

收入按已收或應收代價之公平值計算。收入按估計客戶回報、回扣及其他類似撥備而減少。

於交付商品及所有權轉移時，當符合所有以下條件時，應確認銷售商品的收入：

- 本集團已將商品所有權的重大風險和報酬轉移給買方；
- 本集團既無保留通常與所有權相關的繼續管理權，亦無對已售出商品實施實際控制；
- 收入的金額能夠可靠地計量；
- 與交易相關的經濟利益將可能流入本集團；及
- 與交易相關的已產生或將產生的成本能夠可靠計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Revenue recognition (Continued)

Revenue from sales of natural gas and liquefied petroleum gas ("LPG") are recognised when the gas or goods are delivered and title has passed.

Deposits received by the Group prior to meeting the above for revenue recognition criteria are included in the consolidated statement of financial position under current liabilities.

Connection revenue from gas pipeline construction is recognised when the outcome of a contract can be estimated reliably and the stage of completion at the end of the reporting period can be measured reliably. Revenue from gas connection contracts is recognised on the percentage of completion method, measured by reference to the proportion of contract cost incurred for work performed to date bear to the estimated total contract costs. When the outcome of a gas connection contract cannot be estimated reliably, revenue is recognised only to the extent of contract cost incurred that it is probable to be recoverable.

The Group's policy for the recognition of revenue from construction services is described in the accounting policy for construction contracts below.

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

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

3. 重大會計政策(續)

收入確認(續)

天然氣及液化石油氣(「液化石油氣」)之銷售收入於燃氣或貨物送抵且物權轉移時確認。

在達成上述收入確認準則之前，本集團收取之按金計入於綜合財務狀況表的流動負債項下。

建造燃氣管道之接駁收入乃於合約之結果能夠可靠估計時，且於報告期末時的完成階段能可靠計量時確認。燃氣接駁合約收入乃按完成比率之計算法，參照至今已履行工程產生的合約成本佔估計總合約成本之比例而確認入賬。倘在不可以可靠估計合約結果時，僅將可收回之合約成本確認為收入。

本集團對建築服務之收入確認政策於下文建造合約之會計政策內說明。

經營租約之租金收入乃按有關租約之年期以直線基準加以確認。

當經濟利益將可能流入本集團且收入的金額能可靠計量時，應確認金融資產的利息收入。金融資產之利息收入乃按未償還本金之金額並按適用實際利率(乃將估計未來現金收入於金融資產之預期年期完全貼現至該資產初步確認時賬面淨值之利率)以時間比例基準累計。

投資之股息收入於股東收取付款之權利獲確立時加以確認(前提為經濟利益將可能流入本集團且收入的金額能可靠計量)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Property, plant and equipment

Property, plant and equipment including land (classified as finance leases) and buildings held for use in the production or supply of goods and services, or for administrative purposes, (other than construction in progress and described below) are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Depreciation is recognised so as to write off the cost of assets other than construction in progress less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 重大會計政策(續)

物業、廠房及設備

物業、廠房及設備包括持作生產或供應貨品及服務或行政用途之土地(分類為融資租約)及樓宇(不包括下述在建工程)，其按成本減後續累計折舊及後續累計減值虧損(如有)於綜合財務狀況表內列賬。

作生產、供應或行政用途之在建物業乃按成本減任何已確認之減值虧損列賬。成本包括專業費用，以及就合資格資產而言，根據本集團之會計政策資本化之借貸成本。當有關物業竣工及可作擬定用途時，其乃撥入物業、廠房及設備之適當類別。此等資產按與其他物業資產之相同基準，當資產可作擬定用途時開始計算折舊。

該等資產(不包括在建工程)確認的折舊乃按成本減其剩餘價值在估計可使用年期按直線法撇銷。估計可使用年期、剩餘價值及折舊法會在各報告期末檢討，而任何估計變動之影響均按前瞻基準入賬。

物業、廠房及設備項目在出售或預期繼續使用該資產不會帶來未來經濟利益時終止確認。出售或棄用物業、廠房及設備項目之任何盈虧按出售所得款項與資產賬面值之間的差額計算並於損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Property, plant and equipment (Continued)

Building under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payments provided during the construction period is included as part of costs of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

Investment properties

Investment properties are properties held to earn rentals or for capital appreciation. Investment properties include land held for undetermined future use, which is regarded as held for capital appreciation purpose.

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

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the item is derecognised.

Transfer from investment property to owner-occupied property

An item of investment property becomes an owner-occupied property because its use has changed as evidenced by commencement of owner-occupation. When an investment property carried at fair value is transferred to owner-property, the property's deemed cost for subsequent accounting is measured at its fair value of the date of change in use. Furthermore, the property interests held under an operating lease that is transferred to property, plant and equipment continues to be accumulated for as if it were a finance lease.

3. 重大會計政策(續)

物業、廠房及設備(續)

用作未來業主自用之發展中樓宇

當樓宇正在發展作生產或行政用途，於興建期就預付租賃款項攤銷之撥備乃計入在建樓宇之部分成本。在建樓宇按成本減任何已識別減值虧損列賬。樓宇於可供使用(即其地點及狀況已可供其按符合管理層擬定的方式營運)時開始計算折舊。

投資物業

投資物業為持作賺取租金或資本增值之物業。投資物業包括未決定未來用途之土地，該等土地被視為持作資本增值用途。

於初步確認時，投資物業按成本(包括任何直接應佔費用)計量。於初步確認後，投資物業按公平值計量。因投資物業之公平值變動而產生之盈虧於變動產生期間計入損益。

投資物業乃於出售後或在投資物業永久不再使用且預期出售該物業不會產生未來經濟利益時取消確認。於取消確認該物業時產生的任何盈虧(以出售所得款項淨額與該資產的賬面值的差額計算)乃計入終止確認該項目的期間的損益。

由投資物業轉移至自用物業

投資物業項目因用途轉變並已證實開始作自用用途而變為一項自用物業。當按公平值列賬之投資物業轉撥至自用物業，就日後之會計處理而言，該物業權益視作成本按其於改變用途當日之公平值計量。此外，轉讓至物業、廠房及設備的根據經營租約持有的物業權益繼續作為融資租約累計。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Intangible assets

Other intangible assets acquired in a business combination

Other intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair values at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are reported at costs less accumulated amortisation and any accumulated impairment losses, on the same basis as intangible assets that are acquired separately. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion that contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. Contract costs are recognised as expense in the period in which they are incurred.

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

3. 重大會計政策(續)

無形資產

業務合併中所收購之其他無形資產

業務合併中所收購之其他無形資產與商譽分開確認，並按彼等於收購日期之公平值(有關公平值被視為彼等之成本)初步確認。

於初步確認後，有限定可用年期之無形資產乃按另行收購之無形資產之相同基準，按成本減累計攤銷及任何累計減值虧損匯報。有限定可用年期之無形資產按彼等之估計可使用年期以直線法計提攤銷。

於出售時或預期使用或出售不會帶來未來經濟效益時，方會終止確認無形資產。終止確認一項無形資產產生的盈虧乃按出售所得款項淨額與該資產的賬面值的差額計算，並於終止確認該資產時於損益中確認。

建造合同

倘建造合同之結果得以可靠估計，收入及成本會參考於報告期末合約活動完成階段來確認，有關完成階段乃按至今已履行工程產生的合約成本佔估計總合約成本的比例而計算，惟倘若未能反映完成階段則除外。合約工程、索償及獎金的變動乃僅當能夠可靠計量有關金額及認為有可能收回時方予以計入。

倘建造合同之結果未能可靠衡量，合同收入以大有可能收回之合同成本確認。合同成本將於彼等產生之期間作為開支確認。

倘合同成本總額將可能超逾合同收入總額時，預期虧損將立即作為開支確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Construction contracts (Continued)

Where contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

Inventories

Inventories, including construction materials, gas appliances and gas for sales, LPG, coke, consumables and spare parts, are stated at the lower of cost and net realisable value. Cost of inventories are determined on a weighted average method. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

Leasing

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

The Group as lessor

Rental income from operating lease is recognised in profit or loss 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 as an expense on a straight-line basis over the lease term.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

3. 重大會計政策(續)

建造合同(續)

倘直至當日所產生之合同成本加已確認溢利減已確認虧損超逾按進度開發賬單之數額，多出之數額會被列示為應收客戶合約工程款項。倘合約按進度開發賬單之數額超逾直至當日所產生之合同成本加已確認溢利減已確認虧損，多出之數額會列示為應付客戶合約工程款項。於進行有關工作前已收取之款項於綜合財務狀況表計作負債，列作已收墊款。若已進行工程並開出賬單但客戶尚未付款，有關金額乃列作綜合財務狀況表中的貿易應收賬款及其他應收賬項。

存貨

存貨(包括建築物料、銷售之燃氣器具及燃氣、液化石油氣、燃煤、消耗品及備件)乃按成本及可變現淨值兩者中之較低者列賬。存貨成本按加權平均法釐定。可變現淨值指存貨的估計銷售價格減一切估計完成成本及進行銷售所需的成本。

租賃

當租賃條款將所有權之絕大部份風險及回報轉讓至承租人，則該等租約均被分類為融資租約。所有其他租約乃分類作經營租約。

本集團作為出租人

經營租約租金收入乃於損益按有關租約之年期以直線法確認。在磋商及安排經營租約時產生之初期直接成本乃加入租約資產之賬面值並於租約年期以直線法確認為開支。

本集團作為承租人

經營租約付款於租約期間按直線法確認為開支。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group, unless it is clear that both elements are operating leases in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is amortised over the lease term on a straight-line basis, except for those that are classified and accounted for as investment properties under the fair value model and those that are transferred from investment properties under the fair value model to property, plant and equipment. When the lease payments cannot be allocated reliably between the land and building elements, the entire lease is generally classified as a finance lease and accounted for as property, plant and equipment.

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 recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that 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.

3. 重大會計政策(續)

租賃土地及樓宇

倘租約包括土地及樓宇部分，則本集團根據評估各部分所附帶擁有權之絕大部分風險及回報是否已轉讓予本集團，評估各部分之融資或經營租約分類，除非土地及樓宇部分均明顯為經營租約，而在該情況下，本集團會將整份租賃分類作一項經營租約。具體而言，最低租金付款(包括任何一次過預付款項)乃按租約開始時租賃土地部分及樓宇部分租賃權益之相對公平值比例在土地及樓宇部分之間分配。

倘能可靠分配租約付款，則計入經營租約之租賃土地權益於綜合財務狀況表內呈列為「預付租賃款項」並按直線法於租期內攤銷，惟分類作投資物業並按公平值模式入賬者及按公平值模式自投資物業轉讓至物業、廠房及設備者除外。倘不能可靠分配租約付款至土地及樓宇部分，則整份租賃一般分類為融資租約，並作為物業、廠房及設備入賬。

外幣

在編製各個別集團實體的財務報表時，以該實體的功能貨幣以外的貨幣(外幣)計價之交易按交易日期之通行匯率確認。在報告期末，以外幣計值之貨幣項目均按該日之通行匯率重新換算。按公平值列賬以外幣計值的非貨幣項目按釐定公平值當日通行匯率重新換算。按歷史成本計算以外幣計值的非貨幣項目不予重新換算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Foreign currencies (Continued)

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

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 dollar) using exchange rates prevailing at the end of each reporting period. Income and expenses are translated at the average exchange rates for the period, 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 in other comprehensive income and accumulated in equity under the heading of translation reserve (attributable to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3. 重大會計政策(續)

外幣(續)

貨幣項目匯兌差額會在其產生的期間在損益確認，惟日後用於生產的在建資產相關的外幣借貸匯兌差額則除外，如其被視為該等外幣借貸利息成本的調整，則列入該等資產的成本。

就編製綜合財務報表而言，本集團海外業務之資產及負債按各報告期末之通行匯率換算為本集團的呈報貨幣(即港元)。收入及開支則按期內之平均匯率換算，除非匯率在期內大幅波動，在該情況下，則使用交易日期的通行匯率。所產生之匯兌差額(如有)將於其他全面收入確認，並累計至權益內換算儲備項下(歸屬於非控股權益，倘適用)。

於出售海外業務(即出售本集團於海外業務之全部權益、或涉及失去對包含海外業務之附屬公司控制權之出售、或出售於包含海外業務之合營安排或聯營公司部份權益而使所保留權益變為金融資產)時，於本公司擁有人應佔業務之權益累計之所有匯兌差額會重新分類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Foreign currencies (Continued)

In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation before January 1, 2005 is treated as non-monetary foreign currency items of the acquirer and reported using the historical cost prevailing at the date of acquisition.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after January 1, 2005 are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme ("MPF Scheme") and state-managed retirement benefit schemes are recognised as an expense when employees have rendered service entitling them to the contributions.

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 'profit before taxation' as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 重大會計政策(續)

外幣(續)

此外，就部分出售附屬公司並未導致本集團失去對該附屬公司之控制權而言，則按比例將累計匯兌差額重新撥歸至非控股權益，且不會於損益確認。就所有其他部分出售(即部分出售聯營公司或合營安排而並未導致本集團失去重大影響力或共同控制權)而言，則按比例將累計匯兌差額重新分類至損益。

於二零零五年一月一日前於收購海外業務所產生之已收購可識別資產商譽及公平值調整被視為收購方之非貨幣外幣項目，並於收購日期按當時的歷史成本呈報。

於二零零五年一月一日或之後收購海外業務所產生之已收購可識別資產商譽及公平值調整被視作該海外業務的資產及負債，並按各報告期末的匯率重新換算。產生之匯兌差額於其他全面收入確認。

退休福利成本

向強制性公積金計劃(「強積金計劃」)及國家管理退休福利計劃所作供款於僱員已提供服務而有權獲得供款時確認為開支。

稅項

所得稅開支指現時應付稅項及遞延稅項之總和。

現時應付稅項乃按本年度應課稅溢利計算。應課稅溢利與綜合損益及其他全面收入報表中所匯報「除稅前溢利」不同，乃由於在其他年度應課稅或可扣稅收入或開支及從未課稅或扣稅之項目所致。本集團之即期稅項負債以報告期末前已制訂或實際制訂的稅率計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Taxation (Continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arise from the initial recognition of goodwill.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. 重大會計政策(續)

稅項(續)

遞延稅項乃按綜合財務報表中資產及負債賬面值及計算應課稅溢利所用相應稅基之暫時差額而確認。遞延稅項負債通常會就所有應課稅暫時差額確認。遞延稅項資產在可能出現可利用該等暫時差額扣稅之應課稅溢利時通常會就所有可扣稅暫時差額確認。若於一項交易中，因業務合併以外原因而初步確認其他資產及負債所引致之暫時差額既不影響應課稅溢利、亦不影響會計溢利，則不會確認該等遞延資產及負債。此外，倘暫時差額自初步確認商譽產生，則不會確認遞延稅項負債。

遞延稅項負債乃就與附屬公司及聯營公司之投資及於合營安排之權益相關之應課稅暫時差額確認，惟本集團可控制暫時差額之撥回及暫時差額於可見未來將不會撥回則除外。因與該等投資及權益相關的可扣減暫時差額產生的遞延稅項資產僅於極有可能有足夠應課稅溢利可得益於使用暫時差額，且預期有關暫時差額於可見將來可以撥回時確認。

遞延稅項資產之賬面值於報告期末作檢討，並以不再可能有足夠應課稅溢利恢復全部或部分資產價值為限作調減。

遞延稅項資產及負債按清償負債或變現資產期內預期應用的稅率計算，有關稅率按報告期末已頒佈或實際頒佈的稅率(及稅法)釐定。

遞延稅項負債及資產的計量反映按照本集團預期於報告期末以可收回或結算其資產及負債賬面值的方式計算而得出的稅務結果。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Taxation (Continued)

For the purposes of measuring deferred tax liabilities or deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Current and deferred tax are recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3. 重大會計政策(續)

稅項(續)

就使用公平值模式計量投資物業之遞延稅項負債或遞延稅項資產而言，有關物業之賬面值乃假設為可通過銷售全數收回，惟該假設被推翻則除外。當投資物業可予折舊及於業務模式(其目標是隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益)範圍內持有時，有關假設會被推翻。

即期及遞延稅項於損益確認，惟倘與其他全面收入或直接於權益確認的項目有關則除外，在該情況下，即期及遞延稅項亦分別於其他全面收入或直接於權益確認。倘即期稅項或遞延稅項產生自業務合併的初步會計處理，則稅項影響會計入該業務合併的會計處理內。

借貸成本

收購、興建或生產合資格資產(即必須經過長時間方可作擬定用途或可供銷售之資產)應佔的直接借款成本會計入該等資產的成本，直至有關資產已實際上可作擬定用途或銷售時為止。

特定借貸在用作合資格資產開支前作暫時投資所賺取之投資收入乃從合資格資本化之借貸成本中扣除。

所有其他借貸成本於產生期間在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Financial instruments

Financial assets and financial liabilities are recognised 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 costs 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 or 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 classified into one of the three categories, including financial assets at fair value through profit or loss ("FVTPL"), loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. 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 or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as FVTPL, of which interest income included in net gains or losses.

3. 重大會計政策(續)

金融工具

當集團實體成為工具合約條文的一方時，會確認金融資產及金融負債。

金融資產和金融負債在初步確認時以公平值計量。於購置或發行金融資產及金融負債(按公平值計入損益之金融資產及金融負債除外)直接應佔的交易成本在初步確認時計入或扣自金融資產或金融負債(視何者適用而定)的公平值。購置按公平值計入損益之金融資產或金融負債的直接應佔交易成本即時在損益確認。

金融資產

本集團之金融資產分別分類為按公平值計入損益(「按公平值計入損益」)之金融資產、貸款和應收款項及可供出售金融資產三項其中一項。該分類乃依賴金融資產之性質及目的，並於初步確認時釐定。所有以一般方式買賣之金融資產均按買賣日期基準確認及終止確認。以一般方式買賣金融資產是指須於市場法規或慣例所設定時限內交付資產之金融資產買賣。

實際利率法

實際利率法為計算債務工具攤銷成本及分配於有關期間之利息收入之方法。實際利率乃按債務工具之預計年期或(倘適用)較短期間內於初步確認時準確折現估計未來現金收入(包括構成實際利率不可或缺部分之一切已付或已收費用及點數、交易成本及其他溢價或折讓)至其賬面淨值之利率。

就並非分類為按公平值計入損益之金融資產之債務工具而言，其利息收入乃計入盈虧淨額。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss of the Group comprise held for trading financial assets.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- on initial recognition it is a part of a portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets and is included in the "other gains and losses" line item. Fair value is determined in the manner described in note 6.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables including trade and other receivables, amounts due from associates and joint ventures, pledged bank deposits and bank balances are carried at amortised cost using the effective interest method, less any impairment (see accounting policy on impairment loss on financial assets below).

Interest income is recognised by applying the effective interest rate, except for short-term receivables where the recognition of interest would be immaterial.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益之金融資產

本集團按公平值計入損益之金融資產包括持作買賣之金融資產。

倘屬下列各項，金融資產乃分類為持作買賣：

- 主要作為近期內出售用途而購入；或
- 初始確認時，金融資產為本集團共同管理之金融工具組合之一部分及其具短期獲利之近期實際模式；或
- 金融資產為衍生工具而非指定及用作對沖工具。

按公平值計入損益之金融資產以公平值計量，而因重新計量而產生的任何盈虧則於損益確認。於損益確認之盈虧淨額不包括金融資產所賺取之任何股息或利息，並列入「其他收益及虧損」專項。公平值按附註6所述之方法釐定。

貸款及應收款項

貸款及應收款項指並非於活躍市場報價而具有固定或可確定付款之非衍生金融資產。於初步確認後，貸款及應收款項(包括貿易應收賬款及其他應收賬項、應收聯營公司及合資公司款項、已抵押銀行存款以及銀行結餘)乃利用實際利率法按攤銷成本扣除任何減值列賬(請參閱下文有關金融資產減值虧損之會計政策)。

利息收入以實際利率確認，惟短期應收款項因所確認利息微小的情況則屬例外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. 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 as available-for-sale or not classified as (a) loan and receivables, (b) held to maturity investments or (c) financial assets at FVTPL.

Equity and debt securities held by the Group that are classified as available-for-sale and are traded in an active market are measured at fair value at the end of each reporting period. Changes in the carrying amount of available-for-sale monetary financial assets relating to interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognised in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss (see the accounting policy in respect of impairment loss on financial assets below).

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established.

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 are measured at cost less any identified impairment losses at the end of each reporting period (see accounting policy on impairment loss on financial assets below).

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

可供出售金融資產

可供出售金融資產乃被劃定為可供出售或並無歸入為以下各項之任何其他類別的非衍生工具：(a)貸款及應收款項；(b)持有至到期投資；或(c)按公平值計入損益之金融資產。

本集團持有之股本及債務證券乃分類為可供出售並於活躍市場買賣，於各報告期末按公平值計量。與按實際利率法計算的利息收入有關的可供出售貨幣性金融資產的賬面值變動及可供出售股本投資的股息乃於損益內確認。其他可供出售金融資產的賬面值變動於其他全面收入中確認，並累計至投資重估儲備項下。當投資被出售或確定為已認減值時，過往累計於投資重估儲備項下之累積收益或虧損會重新分類至損益(見下文金融資產減值虧損之會計政策)。

可供出售股本工具的股息於本集團確立收取有關股息之權利時於損益確認。

就於活躍市場並無市場報價及其公平值無法可靠計算之可供出售之股本投資，以及與該等無報價股本工具有關並須以交付該等工具結算之衍生工具而言，該等可供出售之股本投資及衍生工具於各報告期末按成本減任何已確定減值虧損計算(見下文有關金融資產減值虧損之會計政策)。

金融資產減值

金融資產(分類為按公平值計入損益之金融資產除外)會於各報告期末評估減值跡象。倘有客觀憑證顯示因於初步確認金融資產後發生之一項或多項事件而令金融資產之估計未來現金流受到影響，則金融資產會被視為經已減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

For an available-for sale equity investment, a significant or prolonged decline in the fair value of that investment below its cost is considered to be objective evidence of impairment.

For all other financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default and delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments and observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets' original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

就可供出售股本投資而言，該投資之公平值大幅或長期低於其成本可被視為減值之客觀證據。

就所有其他金融資產而言，減值之客觀證據可能包括：

- 發行人或交易對手出現重大財政困難；或
- 違反合約，例如違約及逾期尚未償還利息或本金；或
- 借款人將有可能面臨破產或財務重組。

就若干金融資產類別(如貿易應收賬款)而言，被評估為不會個別減值之資產其後亦會按整體基準進行減值評估。應收款項組合減值之客觀證據可包括本集團收回款項之過往經驗，以及與拖欠應收款項有關之國家或地方經濟狀況明顯轉變。

就按攤銷成本列賬之金融資產而言，減值虧損金額按資產賬面值與按金融資產原實際利率貼現之估計未來現金流現值之間的差額確認。

就所有金融資產而言，金融資產之賬面值會直接扣減有關減值虧損，惟貿易應收賬款除外，其賬面值會透過撥備賬作出扣減。撥備賬內之賬面值變動會於損益確認。當貿易應收賬款被視為不可收回時，其將於撥備賬內撇銷。其後收回之前已撇銷的款項均計入損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial assets (Continued)

Impairment of financial assets (Continued)

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity investments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investment revaluation reserve.

Financial liabilities and equity instruments

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. 重大會計政策(續)

金融工具(續)

金融資產(續)

金融資產減值(續)

倘一項可供出售金融資產被視為減值時，先前於其他全面收入確認之累計盈虧於期間重新分類至損益。

就按已攤銷成本列賬之金融資產而言，如在隨後之期間減值虧損金額減少，而有關減少在客觀上與確認減值後發生之事件有關，則先前已確認之減值虧損將透過損益撥回，惟該投資於減值被撥回當日之賬面值不得超過無確認減值下之已攤銷成本。

至於可供出售股本投資，之前於損益確認之減值虧損不會在損益撥回。減值虧損後公平值之增加會於其他全面收入確認，並於投資重估儲備內累計。

金融負債及股本工具

集團實體發行的債務和股本工具根據所訂立的合約安排的實質內容以及金融負債和股本工具的定義而歸類為金融負債或股本。

股本工具

股本工具指能證明擁有實體資產在減除其所有負債後的剩餘權益的任何合約。本集團發行之股本工具按已收取的所得款項(扣除直接發行成本)確認。

購回本公司自身股本工具於權益中直接確認及扣除。概無購買、銷售、發行或註銷本公司自身的股本工具的任何盈虧於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Financial liabilities and equity instruments (Continued)

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Interest expense is recognised on an effective interest basis.

Financial liabilities at fair value through profit or loss

Financial liabilities at FVTPL represent financial liabilities held for trading, which comprise derivatives that are not designated and effective as a hedging instrument.

At the end of the reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise.

Other financial liabilities

Other financial liabilities including trade and other payables, amount due to a non-controlling interest of a subsidiary and bank and other borrowings are subsequently measured at amortised cost, using the effective interest method.

Derecognition

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire.

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 in other comprehensive income and accumulated in equity is recognised in profit or loss.

The Group derecognised financial liabilities when, and only when, the Group's obligation are discharged, cancelled or expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. 重大會計政策(續)

金融工具(續)

金融負債及股本工具(續)

實際利率法

實際利率法為計算金融負債攤銷成本及分配於有關期間利息開支之方法。實際利率乃按金融負債之預計年期或(倘適用)較短期間內於初步確認時準確貼現估計未來現金付款(包括構成實際利率不可或缺部分之一切已付或已收費用、交易成本及其他溢價或折讓)至其賬面淨值之利率。利息開支按實際利率基準確認。

按公平值計入損益之金融負債

按公平值計入損益之金融負債指持作買賣之金融負債，包括非指定及作為對沖工具之衍生工具。

於初步確認後之報告期末，按公平值計入損益之金融負債以公平值計量，而重新計量產生的公平值變動則直接於產生期間於損益確認。

其他金融負債

其他金融負債包括貿易應付賬款及其他應付賬項、應付一家附屬公司非控股權益款項以及銀行及其他借貸，乃其後運用實際利率法以攤銷成本計量。

終止確認

僅當從資產收取現金流之合約權利屆滿時，本集團方會終止確認金融資產。

一旦終止確認金融資產，資產的賬面值與收到的代價及應收款項與已在其其他全面收入中確認並在權益中積累的累計盈虧之總和的差額會在損益確認。

本集團僅會有在其義務獲解除、取消或終止時，方會終止確認金融負債。終止確認的金融負債的賬面值與已付及應付代價之間的差額會在損益確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Financial instruments (Continued)

Derivative financial instrument

Derivatives are initially recognised at fair value at the date when derivative contracts are entered into and are subsequently remeasured to their fair value at the end of the reporting period. The resulting gain or loss is recognised in profit or loss immediately.

Equity settled share-based payment transactions

Share options granted to employees

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 45 to the Group's consolidation financial statements.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity (employee share-based compensation reserve). Market conditions are taken into account when estimating the fair value of the equity instruments granted. Vesting conditions other than market conditions are not taken into account when estimating the fair value of the shares or share options at the measurement date. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest based on an assessment of the non-market vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For market conditions, the Group recognised share-based payment expense from employees who satisfy all other vesting conditions, irrespective of whether the market conditions is satisfied.

When share options are exercised, the amount previously recognised in share options 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 accumulated profits.

3. 重大會計政策(續)

金融工具(續)

衍生金融工具

衍生工具初始以衍生工具合約簽訂日的公平值確認，其後則以報告期末的公平值重新計量。所產生的收益或虧損將即時於損益內確認。

以股本結算及以股份形式付款之交易

授予僱員之購股權

向僱員及其他提供類似服務的人士作出以股本結算及以股份形式付款乃按股本工具於授出日期之公平值計量。有關釐定以股本結算及以股份形式付款之交易之公平值的詳情載於本集團綜合財務報表附註45。

於以股本結算及以股份形式付款之授出日期釐定之公平值於歸屬期間按直線法基於本集團估計最終歸屬之股本工具支銷，而權益(僱員股份報酬儲備)亦會相應增加。於估計所授股本工具的公平值時會考慮市場狀況。於估計股份或購股權於計量日期的公平值時，除市場狀況外的歸屬條件不會加以考慮。於各報告期末，基於本集團評估非市場歸屬條件修訂其預期歸屬之股本工具之估計數目。修訂原估計之影響(如有)於損益中確認，從而使累計開支反映經修訂估計，而以股本結算的僱員福利儲備亦會作出相應調整。

就市場狀況而言，本集團確認來自達成所有其他歸屬條件的僱員之以股份形式付款開支，而不論市場狀況是否達成。

當購股權獲行使時，先前於購股權儲備確認之款額將轉撥至股份溢價賬。當購股權於歸屬日期後被沒收或於到期日仍未行使，先前於僱員股份報酬儲備確認之款額將轉撥至累計溢利。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as a deduction from the carrying amount of the relevant asset in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible assets with finite useful life to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

3. 重大會計政策(續)

政府補助金

政府補助金在可合理保證本集團將遵守彼等所附帶之條件並獲得有關補助金前不作確認。

政府補助金乃就本集團確認的有關開支(預期補助金可予抵銷成本開支)期間按系統化的基準於損益中確認。具體而言，主要條件為本集團須購買、興建或以其他方法獲得非流動資產的政府補助金於綜合財務狀況表作為有關資產賬面值的扣減確認，並於有關資產的可使用年期內有系統及合理地撥入損益。

政府補助金是作為支出或已發生的虧損補償或以給予本集團即時財務支援為目的而應收，且並無未來相關成本，並在其成為應收的期間內於損益確認。

有形資產及無形資產(商譽除外)之減值虧損(見上文有關商譽之會計政策)

於報告期末，本集團會審閱具有有限可使用年期之有形及無形資產之賬面值，以釐定是否有資產出現減值虧損之跡象。倘出現任何有關跡象，將估計資產的可收回金額以釐定減值虧損(如有)的程度。當無法估計一項個別資產之可收回金額時，本集團估計資產所屬之現金產生單位之可收回金額。如分配的合理及一致基準可予識別，則公司資產亦被分配至個別現金產生單位，或於其他情況下彼等則被分配至現金產生單位的最小組合，而該現金產生單位的合理及一致分配基準為可予識別。

可收回金額為減除銷售成本後之公平值與使用價值兩者之較高者。在評估使用價值時，估計未來現金流量乃使用除稅前貼現率貼現至其現值，該貼現率能反映當前市場所評估之貨幣時間值及資產特定風險(就此而言，未來現金流量估計尚未作出調整)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

3. Significant Accounting Policies (Continued)

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above) (Continued)

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.

4. Key Sources of Estimation Uncertainty

In the application of the Group's accounting policies, which are described in note 3, the following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the recoverable amount which is the higher of fair value less costs to sell and 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 present value. When the actual future cash flows are less than expected, a material impairment loss may arise. As at March 31, 2016, the carrying amount of goodwill was HK\$2,479,992,000 (2015: HK\$2,505,688,000) with no impairment loss recognised. Details of the recoverable amount calculation disclosed in note 24.

3. 重大會計政策(續)

有形資產及無形資產(商譽除外)之減值虧損(見上文有關商譽之會計政策)(續)

倘資產之可收回金額估計少於其賬面值，則資產之賬面值調低至可收回金額。減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產之賬面值調升至其可收回金額之經修訂估計值，惟該增加之賬面值不可超過倘該資產於過往年度並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。

4. 估計不明朗因素之主要來源

以下為於應用附註3所述之本集團會計政策時涉及日後之主要假設及於報告期末估計不明朗因素之其他主要來源(其均擁有導致下個財政年度內之資產及負債之賬面值出現大幅調整之重大風險)。

商譽減值

釐定商譽是否出現減值須估計獲分配商譽之現金產生單位之公平值減銷售成本及使用價值中較高者之可收回金額。計算使用價值時，本集團須估計現金產生單位預期未來產生之現金流量，以及選擇合適之貼現率以計算現值。當實際未來現金流量少於預期時，則可能會產生重大減值虧損。於二零一六年三月三十一日，商譽之賬面值為2,479,992,000港元(二零一五年：2,505,688,000港元)，且並無確認減值虧損。計算可收回金額之詳情載於附註24。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

4. Key Sources of Estimation Uncertainty (Continued)

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.

Deferred taxation

As at March 31, 2016, the Group has unused tax losses of HK\$4,932,062,000 (2015: HK\$4,264,561,000) available for offset against future profits. No deferred tax asset in relation to these unused tax losses approximately to HK\$4,844,000,000 (2015: HK\$4,175,099,000) has been recognised in the consolidated statement of financial position. 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 statement of profit or loss and other comprehensive income for the period in which the estimated future profits are expected.

Revenue recognition of gas connection contract

Construction revenue from gas connection contracts is recognised on the percentage of completion method, measured by reference to the proportion of the contract costs incurred for the work performed to date over the estimated total contract costs. Accordingly, any changes to the estimated total contract cost may have material impact on the contract revenue recognised in each accounting period over the contract term.

4. 估計不明朗因素之主要來源(續)

物業、廠房及設備之折舊

物業、廠房及設備之折舊乃於其估計可使用年期內按直線法基準折舊，並經計及估計剩餘價值。本集團會按年評估物業、廠房及設備之剩餘價值及可用年期，而倘預期有別於原有估計，則與原有估計之有關差異將對估計變更之年內之折舊費用構成影響。

遞延稅項

於二零一六年三月三十一日，本集團可供對銷未來溢利之未使用稅項虧損為4,932,062,000港元(二零一五年：4,264,561,000港元)。本集團並無於綜合財務狀況表內確認關於該等未使用稅項虧損約4,844,000,000港元(二零一五年：4,175,099,000港元)之遞延稅項資產。倘日後產生溢利以使用稅項虧損，則可能引致重大遞延稅項資產，而該等遞延稅項資產將於預計收取估計未來溢利之期間內在綜合損益及其他全面收入報表確認。

燃氣接駁合約之收入確認

燃氣接駁合約之工程收入乃按完成百分比方法確認，並參考就迄今完成之工程產生之合約成本佔估計總合約成本之比例而計量。因此，估計總合約成本之任何變動均可能對合約期內各個會計期間所確認之合約收入構成重大影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

4. Key Sources of Estimation Uncertainty (Continued)

Equity settled share-based payment transactions

As described in note 3, at the end of the reporting period, 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 that the cumulative expense reflects the revised estimate, with a corresponding adjustment to employee share-based compensation reserve. Therefore, the directors of the Company are required to exercise judgment in the estimation of the number of options that are expected to ultimately vest. After the assessment, as at March 31, 2016, the directors of the Company consider that the options granted during the years ended March 31, 2016 and 2015 will not vest as the performance condition for exercising those share options is not probable to be met. Accordingly, for the year ended March 31, 2016, no share-based payment expense is recognised (2015: nil).

5. Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged throughout the year.

The capital structure of the Group consists of debts, which include the amount due to a non-controlling interest of a subsidiary and bank and other borrowings disclosed in notes 33 and 34 respectively, and equity attributable to owners of the Company, comprising issued share capital disclosed in note 35, reserves and accumulated profits as disclosed in the consolidated statement of changes in equity.

The management reviews the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt or the redemption of existing debt.

4. 估計不明朗因素之主要來源(續)

以股本結算及以股份形式付款之交易

誠如附註3所述，於報告期末，本集團會修改其對預期最終歸屬之購股權數目的估計。修改原始估計之影響(如有)會在損益確認(以使累計開支反映修改後之估計)，而僱員股份報酬儲備將相應予以調整。故此，本公司董事須就預期最終歸屬之購股權數目的估計作出判斷。經評估後，於二零一六年三月三十一日，本公司董事認為，由於截至二零一六年及二零一五年三月三十一日止年度授出的購股權之行使履行條件不可能達成，故此該等購股權將不會歸屬。因此，截至二零一六年三月三十一日止年度，並無確認任何以股份形式付款開支(二零一五年：零)。

5. 資本風險管理

本集團管理其資本，以確保本集團旗下實體將可繼續以持續經營基準經營，同時透過優化債務及股本平衡擴大股東回報。年內，本集團之整體策略維持不變。

本集團之資本結構包括債務(其包括分別於附註33及34披露之應付附屬公司非控股權益之款項以及銀行及其他借貸)及本公司擁有人應佔權益(由於附註35披露之已發行股本以及綜合權益變動表披露之儲備及累計溢利組成)。

管理層藉審議資本成本及與各類別資本有關之風險檢討資本結構。基於管理層之建議，本集團將透過派付股息、發行新股及發行新債或贖回現有債務平衡其整體資本結構。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments

Categories of financial instruments

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial assets	金融資產		
Available-for-sale investments	可供出售投資	211,175	236,469
Held-for-trading investments	持作買賣投資	11,364	10,965
Loans and receivables (including cash and cash equivalents)	貸款及應收款項(包括現金及現金等值項目)	8,817,280	8,429,408
Financial liabilities	金融負債		
Amortised cost	攤銷成本	28,866,133	25,567,709
Derivative financial instrument	衍生金融工具	4,500	—

Financial risk management objectives and policies

The Group's major financial instruments include available-for-sale investments, held-for-trading investments, amounts due from associates, joint ventures, trade and other receivables, trade and other payables, amount due to a non-controlling interests of a subsidiary, derivative financial instrument, bank and other borrowings, pledged bank deposits and bank balances. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risks

Currency risk

The Group collects most of its revenue in RMB and most of the expenditures as well as capital expenditures are also denominated in RMB. However, the Group has certain bank balances, amount due to a non-controlling interest of a subsidiary and bank and other borrowings that are not denominated in functional currency of the respective group entities. The appreciation or devaluation of RMB against foreign currencies may have positive or negative impact on the results of operations of the Group.

6. 金融工具

金融工具類別

財務風險管理目標及政策

本集團之主要金融工具包括可供出售投資、持作買賣投資、應收聯營公司、合資公司款項、貿易應收賬款及其他應收賬項、貿易應付賬款及其他應付賬項、應付附屬公司非控股權益之款項、衍生金融工具、銀行及其他借貸、已抵押銀行存款以及銀行結餘。該等金融工具之詳情於相關附註披露。下文載列與該等金融工具有關之風險及有關如何降低該等風險之政策。管理層管理及監控該等風險，以確保及時和有效地實行適當之措施。

市場風險

貨幣風險

本集團大部份收入均以人民幣收取，而大部份開支及資本開支亦均以人民幣計值。不過，本集團亦有若干銀行結餘、應付附屬公司非控股權益款項以及銀行及其他借貸並非以相關集團實體的功能貨幣計值。人民幣對外幣升值或貶值可能會對本集團之經營業績構成正面或負面影響。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risks (Continued)

Currency risk (Continued)

During the current year, the Group entered into a cross currency interest rate swaps contract to mitigate against the USD foreign currency risk arising from its USD denominated bank borrowings.

As at end of the reporting period, the carrying amounts of the Group's monetary assets and liabilities that are denominated in foreign currency are as follows:

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

於本年度，本集團訂立交叉貨幣利率掉期合約，以減低其以美元計值的銀行借貸產生之美元外幣風險。

於報告期末，本集團以外幣計值之貨幣資產及負債之賬面值如下：

		Assets 資產		Liabilities 負債	
		2016 二零一六 HK\$'000 千港元	2015 二零一五 HK\$'000 千港元	2016 二零一六 HK\$'000 千港元	2015 二零一五 HK\$'000 千港元
United States Dollars ("USD")	美元(「美元」)	576,566	561,911	1,018,568	16,572,877
HK\$	港元	101,695	32,986	—	—
Japanese Yen ("JPY")	日圓(「日圓」)	—	—	554,099	540,500
Euro Dollar ("EURO")	歐元(「歐元」)	—	—	22,515	26,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risks (Continued)

Currency risk (Continued)

Sensitivity analysis

The following table details the Group's sensitivity to a 5% (2015: 5%) increase and decrease in RMB against respective foreign currencies. 5% (2015: 5%) is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currencies denominated monetary items and adjusts their translation at the end of the reporting period for a 5% (2015: 5%) change in foreign currencies rates. A positive number below indicates an increase in post-tax profit where RMB strengthen 5% (2015: 5%) against the USD, JPY and EURO or where RMB weaken 5% (2015: 5%) against HKD. For a 5% (2015: 5%) weakening of RMB against the USD, JPY and EURO or strengthening against the HKD, there would be an equal and opposite impact on the result for the year and the balance below would be negative.

		Increase (decrease) in post-tax profit for the year 年度除稅後溢利增加(減少)	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
USD impact	美元影響	16,575	600,411
HK\$ impact	港元影響	(3,814)	(1,237)
JPY impact	日圓影響	20,779	20,269
EURO impact	歐元影響	845	977
		34,385	620,420

In management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

貨幣風險(續)

敏感度分析

下表詳述本集團就人民幣兌各外幣升值及貶值5%(二零一五年:5%)之敏感度。5%(二零一五年:5%)為向主要管理人員內部呈報外幣風險所用之敏感度比率,並代表管理層就外幣匯率合理可能變動進行之評估。敏感度分析僅包括發行在外之外幣計值貨幣項目,並就外幣匯率之5%(二零一五年:5%)變動於報告期末調整其換算。下表所示之正數指出倘人民幣兌美元、日圓及歐元升值5%(二零一五年:5%)或兌港元貶值5%(二零一五年:5%)時,除稅後溢利會有所上升。倘人民幣兌美元、日圓及歐元貶值或兌港元升值5%(二零一五年:5%)時,將對年度業績構成相同但反向之影響,且下述結餘將為負數。

管理層認為,由於年末風險並不能反映年內之風險,故敏感度分析不可代表固有之外匯風險。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risks (Continued)

Interest rate risk

The Group manages its interest rate exposure based on interest rate level as well as potential impact on the Group's financial position arising from volatility.

The Group is exposed to fair value interest rate risk in relation to amounts due from associates, amount due to a non-controlling interest of a subsidiary and fixed-rate bank and other borrowings issued by the Group (see notes 26, 33 and 34 for details of these balances respectively).

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances and floating-rate bank and other borrowings (see notes 31 and 34 for details of bank balances and these borrowings respectively). It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk.

Sensitivity analysis

The sensitivity analysis has been determined based on the exposure to interest rate risk for both floating-rate bank and other borrowings, together with the interest capitalised to construction in progress at the end of the reporting period. Floating-rate bank balances have not been included in the sensitivity analysis as the management considers that the interest rate would not fluctuate significantly in the near future and therefore the financial impact to the group is not significant. A change of 100 basis points (2015: 100 basis points) was applied to the yield curves and interest rate on both floating-rate bank and other borrowings, together with the interest capitalised to construction in progress. The applied change is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates. If the interest rate of variable rate bank and other borrowings, had been 100 basis points (2015: 100 basis points) higher/lower and all other variables were held constant, after taking into account the interest capitalised to construction in progress, the Group's post-tax profit for the year, after taking amount of interest capitalised to construction in progress, would decrease/increase by HK\$150,616,000 (2015: HK\$148,903,000).

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

利率風險

本集團根據利率水平及波幅對本集團財務狀況所構成之潛在影響管理其利率風險。

本集團面臨與應收聯營公司款項、應付附屬公司非控股權益之款項及本集團發行之定息銀行及其他借貸(有關該等結餘之詳情分別見附註26、33及34)有關之公平值利率風險。

本集團亦面臨涉及浮息銀行結餘及浮息銀行及其他借貸(該等銀行結餘及借貸詳情分別見附註31及34)之現金流量利率風險。本集團之政策乃爭取最多浮動利率的借貸以盡量降低公平值利率風險。

敏感度分析

敏感度分析乃根據浮息銀行及其他借貸之利率風險，連同於報告期末已撥充在建工程資本之利息釐定。由於管理層認為於可見將來利率不會大幅波動，對集團的財務影響不大，故並無將浮息銀行結餘計入敏感性分析中。已就浮息銀行及其他借貸之收益曲線及利率(連同撥充在建工程資本之利息)使用100個基點(二零一五年：100個基點)為變動單位。於內部向主要管理人員呈報利率風險時會使用適用變動，其代表管理層對利率之合理可能變動之評估。倘浮息銀行及其他借貸之利率上升/下跌100個基點(二零一五年：100個基點)，而所有其他變數維持不變，經計及已撥充在建工程資本之利息後，則本集團之年度除稅後溢利於計及已撥充在建工程資本之利息後將減少/增加150,616,000港元(二零一五年：148,903,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risks (Continued)

Equity price risk

The Group's certain available-for-sale investments and held-for-trading investments are measured at fair value at the end of the reporting period. Therefore, the Group is exposed to equity price risk. The management manages this exposure by maintaining a portfolio of investments with different risk profiles.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risks of listed equity instrument at the reporting date. A 10% (2015: 10%) change is used when reporting equity price risk internally to key management personnel and represents management's assessment of the reasonably possible change in equity price.

For the year ended March 31, 2016, if the market bid prices of the listed investments had been 10% (2015: 10%) higher/lower and all other variables were held constant, the Group's post-tax profit for the year would increase/decrease by HK\$949,000 (2015: HK\$916,000) and the Group's investment revaluation reserve will increase/decrease by HK\$2,627,000 (2015: HK\$4,163,000) respectively. This is mainly attributable to the changes in fair values of the listed held-for-trading investments and available-for-sale investments respectively.

Credit risk

As at March 31, 2016, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties or debtors provided by the Group is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

股本價格風險

本集團之若干可供出售投資及持作買賣投資按於報告期末之公平值計量。因此，本集團須承受股本價格風險。管理層已維持不同風險程度之投資組合以管控此方面之風險。

敏感度分析

下文之敏感度分析乃根據上市股本工具於呈報日期須承受之股本價格風險而釐定。於內部向主要管理人員呈報股本價格風險時會使用10%(二零一五年: 10%)為變動單位，其代表管理層對股本價格之合理可能變動之評估。

截至二零一六年三月三十一日止年度，倘上市投資之市場買價上升/下跌10%(二零一五年: 10%)，而所有其他變數維持不變，則本集團之年度除稅後溢利將增加/減少949,000港元(二零一五年: 916,000港元)，而本集團之投資重估儲備將增加/減少2,627,000港元(二零一五年: 4,163,000港元)。此主要由於上市持作買賣投資及可供出售投資之公平值分別有所變動所致。

信貸風險

於二零一六年三月三十一日，本集團所面臨將導致本集團出現財務損失的最大信貸風險乃因交易對手未能履行義務或本集團因提供於綜合財務狀況表所列之已確認金融資產相關賬面值而產生之債項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risks (Continued)

Credit risk (Continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at each half-reporting end date and end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are reputable banks in the PRC and banks with high credit-ratings assigned by international credit-rating agencies.

At the end of the reporting period, the Group does not have any significant concentration of credit risk on trade receivables, with exposure spread over a number of sub-contractors, commercial and household customers.

The policy of allowances for doubtful debts of the Group is based on the evaluation of collectability and aging analysis of accounts and on management's estimate. In determining whether impairment is required, the Group takes into consideration of aging status and likelihood of collection. Specific allowance is only made for receivables that are unlikely to be collected and is recognised on the difference between the estimated future cash flows expected to receive discounted using the original effective interest rate and the carrying value. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowance may be required.

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

信貸風險(續)

為盡量減低信貸風險，本集團之管理層已指派隊伍負責釐定信貸額度、信貸審批及其他監察程序，以確保就追討逾期債項採取跟進行動。此外，本集團於報告中期末當日及報告期末審閱各項個別貿易債項之可收回金額，以確保就未能收回之金額作出足夠減值虧損。就此而言，本公司董事認為本集團之信貸風險已大幅減低。

由於對手方均為中國信譽良好之銀行及獲得國際信貸評級組織評定為屬高信貸評級之銀行，因此流動資金之信貸風險有限。

於報告期末，本集團並無任何有關貿易應收賬款之重大集中信貸風險，風險分佈於多名分包商、商業及家庭客戶。

本集團就呆賬撥備之政策乃根據賬款之可收回性及賬齡分析評估以及管理層估計釐定。於釐定是否須作出減值時，本集團考慮賬齡狀況及可收回性。僅會就不大可能收回之應收款項作出特別撥備，並按使用原實際利率貼現之將予收取估計未來現金流與賬面值之間的差額確認。倘本集團客戶之財務狀況轉差，致使彼等之還款能力減弱，則可能須作出額外撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risks (Continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition to issuance of new shares, the Group also relies on bank and other borrowings as a significant source of liquidity. The Group has net current liabilities of HK\$6,156,331,000 as at March 31, 2016. The consolidated financial statements have been prepared on a going concern basis because the directors believe that the Group has sufficient funds to finance its current working capital requirements taking into account of the cash flows from operations and assuming the continuing ability to utilise the available long-term bank loans facilities. As at March 31, 2016, the Group had available unutilised long-term bank loans facilities of HK\$49,894,666,000 (2015: HK\$51,069,973,000). Details of the Group's bank and other borrowings as at March 31, 2016 are set out in note 34.

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay.

The tables include both interest and principal gross cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

流動資金風險

於管理流動資金風險時，本集團監控現金及現金等值項目水平及將其維持在管理層視為足夠撥付本集團營運所需及減低現金波動影響之水平。除發行新股外，本集團亦倚賴銀行及其他借貸作為主要流動資金來源。本集團於二零一六年三月三十一日之淨流動負債為6,156,331,000港元。由於董事相信，考慮到經營所得現金流量及假設動用可供使用長期銀行貸款融資之持續能力，本集團有充足資金以為其目前營運資金需要提供資金，故綜合財務報表乃按持續經營基準編製。於二零一六年三月三十一日，本集團之可用惟未動用之長期銀行貸款融資為49,894,666,000港元(二零一五年：51,069,973,000港元)。本集團於二零一六年三月三十一日之銀行及其他借款詳情載於附註34。

下表詳述本集團就其非衍生金融負債之餘下合約到期情況。有關列表按本集團可被要求付款之最早日期的金融負債未貼現現金流列示。

表中包括利息及本金現金流量總額。倘按浮動利率計息，未貼現金額按報告期末的利率曲線得出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Financial risk management objectives and policies (Continued)

Market risks (Continued)

Liquidity tables

6. 金融工具(續)

財務風險管理目標及政策(續)

市場風險(續)

流動資金表

		Weighted average contractual interest rate	Payable on demand	Less than 1 month	Between 1 to 3 months	Between 3 months to 1 year	Between 1 to 5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at the end of reporting period
		加權平均合約利率 %	須應要求償還 HK\$'000 千港元	少於一個月 HK\$'000 千港元	一個月至三個月 HK\$'000 千港元	三個月至一年 HK\$'000 千港元	一年至五年 HK\$'000 千港元	五年以上 HK\$'000 千港元	未貼現現金流總額 HK\$'000 千港元	於報告期末之賬面值 HK\$'000 千港元
At March 31, 2016	於二零一六年三月三十一日									
Non-derivative financial liabilities	非衍生金融負債									
Trade and bill payables	貿易應付賬款及應付票據	—	—	2,487,386	397,989	1,075,683	958,132	—	4,919,190	4,919,190
Other payables and accrued charges	其他應付賬項及應計費用	—	—	1,032,674	240,597	107,308	—	—	1,380,579	1,380,579
Amounts due to non-controlling interests of subsidiaries	應付附屬公司非控股權益之款項	—	231,673	—	—	—	—	—	231,673	231,673
Bank and other borrowings	銀行及其他借貸									
— fixed rate	— 定息	4.72	—	—	—	1,383,025	2,527,750	459,461	4,370,236	4,005,862
— floating rate	— 浮息	5.32	—	155,320	—	9,315,122	8,829,316	1,755,343	20,055,101	18,328,320
Amount due to a non-controlling interest of a subsidiary	應付一間附屬公司非控股權益之款項		2	509	—	—	—	—	509	509
			232,182	3,675,380	638,586	11,881,138	12,315,198	2,214,804	30,957,288	28,866,133
At March 31, 2015	於二零一五年三月三十一日									
Non-derivative financial liabilities	非衍生金融負債									
Trade and bill payables	貿易應付賬款及應付票據	—	—	924,718	455,128	1,433,787	404,342	—	3,217,975	3,217,975
Other payables and accrued charges	其他應付賬項及應計費用	—	—	1,078,445	251,260	112,066	—	—	1,441,771	1,441,771
Amounts due to non-controlling interests of subsidiaries	應付附屬公司非控股權益之款項	—	171,324	—	—	—	—	—	171,324	171,324
Bank and other borrowings	銀行及其他借貸									
— fixed rate	— 定息	5.40	—	—	—	367,893	2,376,359	416,228	3,160,480	2,812,752
— floating rate	— 浮息	5.98	—	155,605	—	3,562,350	14,169,693	2,339,787	20,227,435	17,922,810
Amount due to a non-controlling interest of a subsidiary	應付一間附屬公司非控股權益之款項		2	1,077	—	—	—	—	1,077	1,077
			172,401	2,158,768	706,388	5,476,096	16,950,394	2,756,015	28,220,062	25,567,709

The amounts included above for variable rate bank borrowings are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

倘浮動利率的變動有別於報告期末所釐定的估計利率，則以上就浮息銀行借貸計及的金額或會改變。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Fair value measurements of financial instruments

This note provides information about how the Group determines fair values of various financial assets.

(i) *Fair value of the Group's financial assets that are measured at fair value on a recurring basis*

The Group's financial assets at FVTPL are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial assets 金融資產	Fair value 公平值		Fair value hierarchy 公平值層級
	2016 二零一六年	2015 二零一五年	
Held-for-trading investments 持作買賣投資	Listed equity securities in Hong Kong – HK\$11,364,000 香港上市股本證券 – 11,364,000 港元	Listed equity securities in Hong Kong – HK\$10,965,000 香港上市股本證券 – 10,965,000 港元	Level 1 第一級
Available-for-sale investments 可供出售投資	Listed equity securities in Hong Kong – HK\$26,274,000 香港上市股本證券 – 26,274,000 港元	Listed equity securities in Hong Kong – HK\$41,627,000 香港上市股本證券 – 41,627,000 港元	Level 1 第一級
Available-for-sale investments 可供出售投資	Club debentures in Hong Kong – HK\$700,000 香港會所債券 – 700,000 港元	Club debentures in Hong Kong – HK\$723,000 香港會所債券 – 723,000 港元	Level 2 第二級
Derivative Financial Instrument 衍生金融工具	Cross currency interest rate swap Hong Kong – HK\$4,500,000 香港交叉貨幣利率掉期 – 4,500,000 港元	— —	Level 2 第二級

There were no transfer between instruments in Level 1 and 2 in both years.

第一及二級工具之間於兩個年度均無轉撥。

6. 金融工具(續)

金融資產公平值計量

本附註提供有關本集團如何釐定各類金融資產公平值之資料。

(i) *本集團根據持續基準按公平值計量之金融資產公平值*

本集團按公平值計入損益之金融資產乃於各報告期末按公平值計量。下表提供有關如何釐定該等金融資產之公平值之資料。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

6. Financial Instruments (Continued)

Fair value measurements of financial instruments (Continued)

(ii) *Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis*

The fair value of other financial assets and financial liabilities, except for corporate bonds, is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The directors of the Company consider that the carrying amounts of other financial assets and financial liabilities carried at amortised cost approximate their respective fair values.

6. 金融工具(續)

金融資產公平值計量(續)

(ii) *根據持續基準並非按公平值計量之金融資產及金融負債公平值*

其他金融資產及金融負債(公司債券除外)公平值乃根據公認之定價模式按貼現現金流量分析而釐定。

本公司董事認為按攤銷成本列賬之其他金融資產及金融負債之賬面值與其各自之公平值相若。

7. Revenue

Revenue mainly represents the net amounts received and receivable for sales of piped gas, LPG and construction contract revenue from gas connection contracts by the Group for the year and is analysed as follows:

7. 收入

收入主要指年內本集團銷售管道天然氣、液化石油氣及來自燃氣接駁合約之工程合約收入之已收及應收款項淨額，並分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (重列)
Sales of piped gas	管道天然氣銷售	12,995,664	12,929,203
Gas connection income	燃氣接駁收入	4,793,584	4,658,842
Sales of LPG	液化石油氣銷售	11,349,279	14,078,066
		29,138,527	31,666,111

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

8. Segment Information

Information reported to the Group's chief operating decision maker ("CODM"), being the managing director of the Group, for the purposes of resource allocation and assessment of segment performance focuses on types of goods or services rendered which is also consistent with the basis of organisation of the Group.

The CODM reviews the results of Zhongyu Gas Holdings Limited ("Zhongyu Gas"), an associate of the Group, being shared by the Group under equity accounting separately and thus Zhongyu Gas is presented as a single operating and reportable segment.

During the current year, due to the downsizing of the operation of the coke and gas appliances business, the management reclassified the revenue from the coke and gas appliance segment to other income and the CODM did not review it for the purpose of resource allocation and assessments of segment performance. Furthermore, during the current year, the CODM also reviewed the result of Fortune Gas Investment Holdings Limited ("Fortune Gas"), which used to be reviewed as a separate operating segment and presented as a separate reportable segment in the past, by nature of its operation together with similar operations of the Group. Accordingly, the segment information reported below for the year ended March 31, 2015 has been restated to conform with the current year presentation.

The Group's reportable and operating segments under HKFRS 8 are as follows:

- (i) Sales of piped gas;
- (ii) Gas connection;
- (iii) Sales of LPG; and
- (iv) Zhongyu Gas.

Information regarding the above segments is presented below.

8. 分類資料

向本集團主要營運決策者(「主要營運決策者」)(即本集團董事總經理)呈報以便進行資源分配及分部表現評估之資料集中於所提供產品或服務之類型，其亦與本集團之組織基礎相吻合。

主要營運決策者個別審閱依據權益會計法計算本集團應佔本集團聯營公司中裕燃氣控股有限公司(「中裕燃氣」)之業績，故中裕燃氣呈列為單一經營及可報告分部。

於本年度內，由於燃煤業務營運規模縮減，管理層將燃煤及燃氣用具分部之收入重新分類至其他收入，且主要營運決策者並未就資源分配及分部表現評估而審閱該收入。另外，於本年度內，主要營運決策者亦根據富地燃氣投資控股有限公司(「富地燃氣」)之業務性質與本集團類似之營運一同審閱其業績，而過去則為單獨營運分部及呈列為單獨的可呈報分部。因此，下文呈報截至二零一五年三月三十一日止年度的分部資料已重列以符合本年度的呈列。

根據香港財務報告準則第8號，本集團之呈報及經營分部如下：

- (i) 管道天然氣銷售；
- (ii) 燃氣接駁收入；
- (iii) 液化石油氣銷售；及
- (iv) 中裕燃氣

有關上述分部之資料於下文呈列。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

8. Segment Information (Continued)

The following is an analysis of the Group's revenue and results by reportable and operating segment.

Segment revenues and results

For the year ended March 31, 2016

8. 分類資料(續)

本集團按呈報及營運分部劃分之收入及業績分析如下。

分部收入及業績

截至二零一六年三月三十一日止年度

		Sales of piped gas 管道 天然氣銷售 HK\$'000 千港元	Gas connection 燃氣接駁 HK\$'000 千港元	Sales of LPG 液化 石油氣銷售 HK\$'000 千港元	Zhongyu Gas 中裕燃氣 HK\$'000 千港元	Segment Total 分部總額 HK\$'000 千港元
Segment revenue from external customers	來自外界客戶之 分部收入	12,995,664	4,793,584	11,349,279	—	29,138,527
Segment profit	分部溢利	2,096,816	2,527,088	508,989	41,142	5,174,035
Change in fair value of investment properties	投資物業公平值變動					2,792
Interest and other gains	利息及其他收益					77,639
Impairment loss recognised on property, plant and equipment	就物業、廠房及設備 確認之減值虧損					(124,414)
Litigation claim	訴訟申索					(287,310)
Unallocated corporate expenses	未分配公司開支					(269,973)
Finance costs	財務費用					(758,180)
Loss on disposal of available-for-sale investments	出售可供出售 投資之虧損					(5,463)
Gain on deemed disposal of a joint venture	視為出售合資公司 之收益					1,970
Exchange loss on translation of foreign currency monetary items into functional currency	換算外幣貨幣項目 為功能貨幣之 匯兌虧損					(435,641)
Share of results of unlisted associates	應佔非上市聯營 公司之業績					144,320
Share of results of joint ventures	應佔合資公司之業績					197,925
Profit before taxation	除稅前溢利					3,717,700

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

8. Segment Information (Continued)

Segment revenues and results (Continued)

For the year ended March 31, 2015 (restated)

8. 分類資料(續)

分部收入及業績(續)

截至二零一五年三月三十一日止年度(重列)

		Sales of piped gas 管道 天然氣銷售 HK\$'000 千港元	Gas connection 燃氣接駁 HK\$'000 千港元	Sales of LPG 液化 石油氣銷售 HK\$'000 千港元	Zhongyu Gas 中裕燃氣 HK\$'000 千港元	Segment Total 分部總額 HK\$'000 千港元
Segment revenue from external customers	來自外界客戶之 分部收入	12,929,203	4,658,842	14,078,066	—	31,666,111
Segment profit	分部溢利	1,924,007	2,345,723	387,072	142,890	4,799,692
Change in fair value of investment properties	投資物業公平值變動					7,296
Interest and other gains	利息及其他收益					94,961
Allowance for amount due from an associate	應收聯營公司賬款之撥備					(145,646)
Unallocated corporate expenses	未分配公司開支					(222,266)
Finance costs	財務費用					(554,159)
Gain on deemed disposal of a joint venture	視為出售合資公司之收益					205,562
Share of results of unlisted associates	應佔非上市聯營公司之業績					166,167
Share of results of joint ventures	應佔合資公司之業績					458,129
Profit before taxation	除稅前溢利					4,809,736

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

8. Segment Information (Continued)

Segment revenues and results (Continued)

All of the segment revenue reported above is from external customers and no inter-segment sales are noted for current and prior years.

The accounting policies of the operating segments are the same as the Group's accounting policies described in note 3. Except for segment profit of Zhongyu Gas, segment profit for remaining reportable segments represents the profit earned by each segment without allocation of bank interest income and other gains, central administration cost, change in fair value of investment properties, impairment loss recognised on property, plant and equipment, litigation claim, allowance for an amount due from an associate, loss on disposal of available-for-sale investments, gain on deemed disposal of a joint venture, share of results of unlisted associates, share of results of joint ventures, exchange loss on translation of foreign currency monetary items into functional currency and finance costs. The segment profit of Zhongyu Gas represents share of results of Zhongyu Gas. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

8. 分類資料(續)

分部收入及業績(續)

以上呈報之全部分類收入均來自外界客戶，而本年度及過往年度概無分類間銷售。

營運分類的會計政策與附註3所述之本集團會計政策相同。除中裕燃氣之分類溢利外，餘下呈報分類的分類溢利指各分類所賺取的溢利，而並無計及銀行利息收入及其他收益分配、中央行政成本、投資物業公平值變動、就物業、廠房及設備確認之減值虧損、訴訟申索、應收聯營公司款之撥備、出售可供出售投資之虧損、視為出售合資公司之收益、應佔非上市聯營公司業績、應佔合資公司業績、換算外幣貨幣項目為功能貨幣之匯兌虧損及財務費用。中裕燃氣分類溢利指應佔中裕燃氣業績。此乃就資源分配及表現評估而言向主要營運決策者匯報的計量方法。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

8. Segment Information (Continued)

Segment assets and liabilities

The following is an analysis of the Group's segment assets and segment liabilities that are regularly reviewed by the CODM:

At March 31, 2016

		Sales of piped gas 管道 天然氣銷售 HK\$'000 千港元	Gas connection 燃氣接駁 HK\$'000 千港元	Sales of LPG 液化 石油氣銷售 HK\$'000 千港元	Zhongyu Gas 中裕燃氣 HK\$'000 千港元	Segment Total 分部總額 HK\$'000 千港元
Assets	資產					
Segment assets	分類資產	30,136,118	2,964,536	4,256,870	1,367,404	38,724,928
Investment properties	投資物業					190,450
Property, plant and equipment (for corporate)	物業、廠房及設備 (公司)					63,314
Prepaid lease payments (for corporate)	預付租賃款項(公司)					33,450
Investments in unlisted associates	於非上市聯營公司之 投資					2,465,445
Investments in joint ventures	於合資公司之投資					5,070,331
Amounts due from associates	應收聯營公司之款項					100,540
Amounts due from joint ventures	應收合資公司之款項					271,069
Available-for-sale investments	可供出售投資					211,175
Deferred tax assets	遞延稅項資產					166,106
Held-for-trading investments	持作買賣投資					11,364
Other receivables (for corporate)	其他應收款項(公司)					452,224
Pledged bank deposits	已抵押銀行存款					275,554
Bank balances and cash	銀行結餘及現金					5,496,941
Consolidated total assets	綜合資產總額					53,532,891
Liabilities	負債					
Segment liabilities	分類負債	1,794,998	5,376,818	906,407	—	8,078,223
Other payables (for corporate)	其他應付賬項(公司)					996,391
Derivative financial instrument	衍生金融工具					4,500
Taxation	稅項					398,773
Bank and other borrowings	銀行及其他借貸					22,334,182
Amount due to a non-controlling interest of a subsidiary	應付附屬公司非控股 權益款項					509
Deferred taxation	遞延稅項					756,193
Consolidated total liabilities	綜合負債總額					32,568,771

8. 分類資料(續)

分部資產及負債

以下為本集團由主要營運決策者定期檢討的分類資產及分類負債分析：

於二零一六年三月三十一日

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

8. Segment Information (Continued)

Segment assets and liabilities (Continued)

At March 31, 2015 (restated)

8. 分類資料(續)

分部資產及負債(續)

於二零一五年三月三十一日(重列)

		Sales of piped gas 管道 天然氣銷售 HK\$'000 千港元	Gas connection 燃氣接駁 HK\$'000 千港元	Sales of LPG 液化 石油氣銷售 HK\$'000 千港元	Zhongyu Gas 中裕燃氣 HK\$'000 千港元	Segment Total 分部總額 HK\$'000 千港元
Assets	資產					
Segment assets	分類資產	27,836,495	2,837,624	4,739,078	1,361,847	36,775,044
Investment properties	投資物業					262,364
Property, plant and equipment (for corporate)	物業、廠房及設備(公司)					67,675
Prepaid lease payments (for corporate)	預付租賃款項(公司)					35,356
Investments in unlisted associates	於非上市聯營公司之投資					2,322,251
Investments in joint ventures	於合資公司之投資					4,873,719
Amounts due from associates	應收聯營公司款項					61,934
Amounts due from joint ventures	應收合資公司款項					271,980
Available-for-sale investments	可供出售投資					236,469
Deferred tax assets	遞延稅項資產					124,489
Held-for-trading investments	持作買賣投資					10,965
Other receivables (for corporate)	其他應收款項(公司)					290,209
Pledged bank deposits	已抵押銀行存款					63,484
Bank balances and cash	銀行結餘及現金					5,228,497
Consolidated total assets	綜合資產總額					50,624,436
Liabilities	負債					
Segment liabilities	分類負債	2,379,145	3,398,282	878,594	—	6,656,021
Other payables (for corporate)	其他應付賬項(公司)					695,964
Taxation	稅項					365,526
Bank and other borrowings	銀行及其他借貸					20,735,562
Amount due to a non-controlling interest of a subsidiary	應付附屬公司非控股權益 款項					1,077
Deferred taxation	遞延稅項					734,786
Consolidated total liabilities	綜合負債總額					29,188,936

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

8. Segment Information (Continued)

Segment assets and liabilities (Continued)

For the purposes of monitoring segment performances and allocating resources between segments:

- All assets are allocated to operating segments, except for the investments in associates other than Zhongyu Gas, investments in joint ventures, amounts due from associates and joint ventures, available-for-sale investments, property, plant and equipment and prepaid lease payments for corporate use, deferred tax assets, held-for-trading investments, pledged bank deposits and bank balances and cash of the Group, and corporate assets of the Group.
- All liabilities are allocated to operating segments other than taxation, derivative financial instrument, bank and other borrowings, amount due to a non-controlling interest of a subsidiary and deferred taxation of the Group, and corporate liabilities of the Group.

8. 分類資料(續)

分部資產及負債(續)

就監察分類表現及於分類間分配資源而言：

- 除於聯營公司(不包括中裕燃氣)之投資、合資公司投資、應收聯營公司及合資公司款項、可供出售投資、公司用途之物業、廠房及設備及預付租賃款項、遞延稅項資產、持作買賣投資、已抵押銀行存款及本集團銀行結餘及現金以及本集團公司資產外，所有資產均分配至營運分類。
- 除稅項、衍生金融工具、銀行及其他借貸、應付附屬公司非控股權益款項及本集團遞延稅項以及本集團公司負債外，所有負債均分配至營運分類。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

8. Segment Information (Continued)

Other segment information

8. 分類資料(續)

其他分類資料

	Sales of piped gas 管道 天然氣 銷售 HK\$'000 千港元	Gas connection 燃氣接駁 HK\$'000 千港元	Sales of LPG 液化 石油氣 銷售 HK\$'000 千港元	Zhongyu Gas 中裕燃氣 HK\$'000 千港元	Segment total 分類總額 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Consolidated 綜合 HK\$'000 千港元
Amounts included in the measure of segment profit or loss or segment assets:	包括在計算分類損益或分類資產的金額：						
2016	二零一六年						
Additions of prepaid lease payments	235,944	—	8,356	—	244,300	—	244,300
Additions to goodwill	109,341	—	—	—	109,341	—	109,341
Additions to property, plant and equipment	3,055,538	—	225,948	—	3,281,486	7,011	3,288,497
Loss on disposal of property, plant and equipment	8,112	—	—	—	8,112	—	8,112
Amortisation of intangible assets	81,179	—	—	—	81,179	—	81,179
Release of prepaid lease payments	28,396	—	17,048	—	45,444	—	45,444
Depreciation of property, plant and equipment	731,157	—	87,516	—	818,673	13,669	832,342
Allowance for trade receivables	31,066	—	786	—	31,852	—	31,852
Share of results of associates	—	—	—	41,142	41,142	144,320	185,462
2015 (restated)	二零一五年(重列)						
Additions of prepaid lease payments	249,778	—	20,350	—	270,128	—	270,128
Additions to goodwill	168,249	—	—	—	168,249	—	168,249
Additions to property, plant and equipment	3,870,372	—	122,534	—	3,992,906	9,685	4,002,591
Loss on disposal of property, plant and equipment	13,132	—	1,387	—	14,519	124	14,643
Amortisation of intangible assets	71,544	—	—	—	71,544	—	71,544
Release of prepaid lease payments	24,456	—	23,520	—	47,976	—	47,976
Depreciation of property, plant and equipment	704,057	—	94,366	—	798,423	13,451	811,874
Allowance for trade receivables	—	—	57,072	—	57,072	—	57,072
Allowance for amount due from an associate	—	—	—	—	—	145,646	145,646
Share of results of associates	—	—	—	142,890	142,890	166,167	309,057

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

8. Segment Information (Continued)

Geographical information

The Group's operations are mainly located in the PRC.

All of the Group's revenue contributed by the external customers in the PRC.

None of the customers contributed over 10% of total revenue of the Group.

The following is the information about non-current assets other than financial instruments and deferred tax assets by the geographical area in which the assets are located:

8. 分類資料(續)

地區資料

本集團的業務主要位於中國。

本集團全部收益來自在中國的外界客戶。

概無客戶佔本集團總收入的10%以上。

以下為按資產所在地劃分的非流動資產(金融工具及遞延稅項資產除外)的資料：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Hong Kong	香港	166,440	167,454
PRC	中國	39,342,621	37,092,360
		39,509,061	37,259,814

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

9. Other Income

9. 其他收入

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (重列)
Interest income	利息收入	69,210	94,604
Subsidies from PRC governmental authorities:	中國政府機關之補貼：		
— compensation for loss incurred in coal gas operation (note a)	— 煤氣業務引致的虧損的賠償 (附註 a)	26,594	19,938
— subsidy for replacement of pipelines for natural gas supply (note b)	— 置換天然氣供應管道之補貼 (附註 b)	130,937	63,021
— tax refund (note c)	— 退稅(附註 c)	17,644	60,628
Repair and maintenance services fee	維修及保養服務費	7,645	24,602
Other services income	其他服務收入	245,135	193,452
Income from gas storage containers	儲氣罐收入	40,800	45,534
Income from leasing of equipment	出租設備收入	30,741	27,253
Others	其他	97,782	146,944
		666,488	675,976

Notes:

- (a) Pursuant to a notice of compensation dated August 28, 2007 issued by the relevant government authority in the PRC, 撫順中燃城市發展有限公司("撫順中燃"), a subsidiary of the Company, received compensation from the government authority to subsidise for the increase in cost of sales of coal gas by reference to monthly purchase volume by 撫順中燃 for both years.
- (b) During the years ended March 31, 2016 and 2015, certain subsidiaries received subsidies for (1) the cost incurred for connection contracts relating to pipeline network for customers in new urban areas and replacement of old pipeline network of the natural gas users in the relevant cities; (2) the additional costs incurred in certain gas connection contracts in which the connection fee is fixed by the relevant government authority in the PRC; and (3) the cost incurred in removing the coal gas pipelines and the coal gas storage and replace with the newly built natural gas pipelines. All the required work has been completed by the relevant subsidiaries. All the costs incurred were recognised as cost of sales in profit or loss either during the current or prior year.
- (c) The PRC government authorities have granted tax incentives to certain subsidiaries in the PRC by way of tax refund for natural gas business operated in the PRC.

附註：

- (a) 根據中國有關政府機關於二零零七年八月二十八日發出的補償通知書，本公司附屬公司撫順中燃城市發展有限公司(「撫順中燃」)有權於該兩個年度從政府機關獲得賠償，以補貼煤氣銷售成本增加(參考撫順中燃之每月購買量)。
- (b) 截至二零一六年及二零一五年三月三十一日止年度，若干附屬公司已就以下事項獲取補貼：(1)相關城市的新市區客戶管道網有關之接駁合約及天然氣用戶的舊管道網置換產生的成本；(2)若干接駁燃氣合約(當中的接駁費乃由中國有關政府機關釐定)所產生之額外成本；及(3)移除煤氣管道及貯存之煤氣所產生之成本，並以新建的天然氣管道取代。相關附屬公司已完成所有規定工序。所有已產生之成本已於本年度或過往年度之損益中確認為銷售成本。
- (c) 中國政府機關已授出一項稅務獎勵予若干中國附屬公司，即退回在中國經營天然氣業務之稅項。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

10. Other Gains and Losses

10. 其他收益及虧損

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Other gains and losses comprise:	其他收益及虧損包括：		
Gain on deemed disposal of a joint venture (note 40)	視作出售合資公司的收益(附註40)	1,970	205,562
Gain on bargain purchase (note 40)	議價購買收益(附註40)	470	—
Allowance for amount due from an associate (note 26)	應收聯營公司賬款撥備(附註26)	—	(145,646)
Impairment loss recognised on disposal of property, plant and equipment	就出售物業、廠房及設備確認之減值虧損	(124,414)	—
Gain on disposal of prepaid lease payments	出售預付租賃款項收益	4,155	—
Change in fair value of investment properties	投資物業的公平值變動	2,792	7,296
Change in fair value of held-for-trading investments	持作買賣投資的公平值變動	(5,759)	2,387
Loss on disposal of available-for-sale investments	出售可供出售投資之虧損	(5,463)	—
Allowance for trade receivables (note 29)	貿易應收賬款撥備(附註29)	(31,852)	(57,072)
Litigation claim (Note)	訴訟申索撥備(附註)	(287,310)	—
Exchange (loss) gain	匯兌(虧損)收益	(513,170)	38,027
		(958,581)	50,554

Note: In April 2011, two former directors initiated legal proceedings against the Company with regards to their respective purported exercise of share options of the Company. On 15 October 2015, the Court of Appeal of Hong Kong ordered the Company to pay the former directors a total sum of HK\$279,291,000 as damages, plus interests and costs of the trial and appeal. On 17 February 2016, the Court of Appeal stayed enforcement of the judgment pending determination of the Company's application for leave to appeal to the Court of Final Appeal on condition that the Company make payment into court the full judgment sum of HK\$279,291,000, together with HK\$8,019,000, being part of the post-judgment interests. The Company duly made the payment into the Court. The Company is applying to the Court of Final Appeal for leave to appeal.

附註：於二零一一年四月，兩名前任董事就彼等各自意圖行使本公司之購股權向本公司展開法律程序。於二零一五年十月十五日，香港上訴法庭頒令本公司向該等前任董事支付總額279,291,000港元作為賠償，另加利息及訴訟及上訴成本。於二零一六年二月十七日，上訴法庭暫緩執行判決，以待本公司作出向終審法院提出上訴許可申請的決定，條件為本公司須向法院全數支付判決總額279,291,000港元連同作為部份判決後利息的8,019,000港元。本公司已妥為向法院支付款項。本公司正向終審法院提出上訴許可申請。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

11. Finance Costs

11. 財務費用

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Interest on bank loans and other borrowings	銀行貸款及其他借貸利息	1,048,532	788,108
Interest capitalised to construction in progress	撥充在建工程資本之利息	(290,352)	(233,949)
		758,180	554,159

Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 4.62% (2015: 5.29%) per annum to expenditure on qualifying assets.

本年度內已撥充資本之借貸成本乃產生自一般性借貸組合，按用於合資格資產的開支之4.62%（二零一五年：5.29%）的年度資本化率計算。

12. Taxation

12. 稅項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
PRC Enterprise Income Tax	中國企業所得稅	1,045,206	970,271
Deferred taxation (note 38)	遞延稅項(附註38)	(60,798)	(30,221)
		984,408	940,050

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

由於本集團於該兩個年度並無於香港產生應課稅溢利，故並未於綜合財務報表就香港利得稅作出撥備。

The tax rate of the PRC subsidiaries is 25% except for the tax relief explained below.

除下述的稅務寬免外，中國附屬公司之稅率為25%。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

12. Taxation (Continued)

Certain PRC group entities are entitled to the preferential tax rate pursuant to the relevant regulations applicable to enterprises situated in the western region of the PRC. The applicable tax rates of those PRC group entities is 15% for the year ended March 31, 2016 (2015: 15%).

The taxation for the year can be reconciled to the (loss) profit before taxation per the consolidated statement of profit or loss and other comprehensive income as follows:

12. 稅項(續)

若干中國集團公司有權享有根據相關法規適用於位於中國西部地區企業的優惠稅率。截至二零一六年三月三十一日止年度，該等中國集團公司的適用稅率為15%(二零一五年：15%)。

年度稅項與綜合損益及其他全面收入報表所示除稅前(虧損)溢利之對賬如下：

		Hong Kong 香港		PRC 中國		Total 總計	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
(Loss) profit before taxation	除稅前(虧損)溢利	(704,321)	(351,533)	4,422,021	5,161,269	3,717,700	4,809,736
Tax at the domestic income tax rate	按國內所得稅稅率計算之稅項	(116,213)	(58,003)	1,105,505	1,290,317	989,292	1,232,314
Tax effect of share of results of associates	應佔聯營公司業績之稅項影響	—	—	(46,365)	(77,264)	(46,365)	(77,264)
Tax effect of share of result of joint ventures	應佔合資公司業績之稅項影響	—	—	(49,481)	(114,532)	(49,481)	(114,532)
Tax effect of expenses not deductible for tax purpose	就稅項而言不可扣減開支之稅項影響	47,408	—	68,266	19,165	115,674	19,165
Tax effect of income not taxable for tax purpose	就稅項而言毋須課稅收入之稅項影響	(304)	(5,236)	(42,326)	(92,144)	(42,630)	(97,380)
Tax effect of estimated tax losses not recognised	並無確認之估計稅項虧損之稅項影響	69,109	63,239	62,515	39,156	131,624	102,395
Tax effect of income tax at concessionary rate	按優惠稅率計算所得稅之稅項影響	—	—	(113,706)	(124,648)	(113,706)	(124,648)
Taxation	稅項	—	—	984,408	940,050	984,408	940,050

Note: The applicable tax rate for Hong Kong and PRC are 16.5% (2015: 16.5%) and 25% (2015: 25%) respectively.

附註：香港及中國之適用稅率分別為16.5%(二零一五年：16.5%)及25%(二零一五年：25%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

13. Profit for the Year

13. 年度溢利

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元 (restated) (重列)
Profit for the year has been arrived at after charging (crediting):	年度溢利已扣除(計入)下列各項:		
Auditor's remuneration	核數師酬金	9,000	9,000
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	832,342	811,874
Release of prepaid lease payments	發還預付租賃款項	45,444	47,976
Amortisation of intangible assets included in cost of sales	包括於銷售成本內之無形資產攤銷	81,179	71,544
Minimum lease payments for operating leases in respect of:	有關以下項目之經營租約之最低租金:		
— rented premises	— 租賃物業	128,578	113,985
— equipment	— 設備	32,711	38,694
		161,289	152,679
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	8,112	14,643
Share of tax of associates (included in share of results of associates)	應佔聯營公司之稅項 (計入應佔聯營公司業績)	74,808	126,887
Share of tax of joint ventures (included in share of results of joint ventures)	應佔合資公司之稅項 (計入應佔合資公司業績)	145,400	137,140
Staff costs:	員工成本:		
Directors' emoluments (note 14)	董事酬金(附註14)	39,217	40,734
Salaries and allowances of other staff	其他員工之薪酬及津貼	1,337,516	1,234,523
Contributions to retirement benefit scheme contributions of other staff	為其他員工向退休福利計劃供款	341,667	293,320
Less: Amount capitalised in construction in progress	減:撥充在建工程資本之金額	(92,626)	(86,990)
		1,625,774	1,481,587
Cost of inventories recognised as expenses in respect of:	就以下項目已確認為開支之存貨成本:		
Sales of piped gas	管道天然氣銷售	10,079,876	10,314,837
Sales of LPG	液化石油氣銷售	9,250,967	12,442,290
Contract costs recognised as expense in respect of gas connection construction contracts	就燃氣接駁工程合約確認為開支的合約成本	1,349,758	1,396,988
		20,680,601	24,154,115
Rental income from investment properties less outgoings of HK\$975,000 (2015: HK\$3,823,000)	投資物業產生之租金收入減支銷975,000港元 (二零一五年: 3,823,000 港元)	(30,857)	(37,520)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

14. Directors' and Executive Chairman's Emoluments 14. 董事及執行主席酬金

Directors 董事

The emoluments paid or payable to each of the 16 (2015: 15) directors and the chief executive disclosed pursuant to the applicable Listing Rules and Companies Ordinance, were as follows:

2016

二零一六年

		Directors' fees 董事袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Performance related incentive payments 表現相關獎勵款項 HK\$'000 千港元 (Note iii) (附註iii)	Contributions to retirement benefits scheme 退休福利計劃供款 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元
Executive directors	執行董事					
Mr. Zhou Si (Chairman)	周思先生(主席)	—	—	—	—	—
Mr. Liu Ming Hui (Executive Chairman and Managing Director)	劉明輝先生 (執行主席兼 董事總經理)	—	6,300	3,600	18	9,918
Mr. Huang Yong	黃勇先生	—	5,850	3,600	18	9,468
Mr. Zhu Wei Wei	朱偉偉先生	—	2,850	1,800	18	4,668
Mr. Ma Jin Long	馬金龍先生	—	2,021	1,800	—	3,821
Mr. Chen Xin Guo (note i)	陳新國先生(附註i)	—	490	1,600	—	2,090
Ms. Li Ching	李晶女士	—	840	560	—	1,400
Non-executive directors	非執行董事					
Mr. Yu Jeong Joon (Vice Chairman)	俞征准先生 (副主席)	300	—	100	—	400
Mr. Kim Yong Joong	金容仲先生	—	1,652	1,600	—	3,252
Mr. Liu Ming Xing	劉明興先生	525	—	75	—	600
Mr. Arun Kumar Manchanda	Arun Kumar Manchanda先生	300	—	100	—	400
Dr. Jiang Xin Hao (note ii)	姜新浩博士(附註ii)	—	—	—	—	—
Independent non-executive directors	獨立非執行董事					
Ms. Wong Sin Yue, Cynthia	黃倩如女士	600	—	200	—	800
Mr. Zhao Yu Hua	趙玉華先生	540	—	180	—	720
Dr. Mao Er Wan	毛二萬博士	540	—	180	—	720
Mr. Ho Yeung	何洋先生	360	—	120	—	480
Ms. Chen Yan Yan	陳燕燕女士	360	—	120	—	480
		3,525	20,003	15,635	54	39,217

Note:

- (i) Resigned on July 24, 2015
(ii) Appointed on June 24, 2015
(iii) Performance related incentive payments were determined by the remuneration committee, having regard to the performance of directors and the Group's operating result.

附註：

- (i) 於二零一五年七月二十四日辭任
(ii) 於二零一五年六月二十四日獲委任
(iii) 表現相關獎勵款項由薪酬委員會釐定，當中參考董事表現及本集團之經營業績。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

14. Directors' and Executive Chairman's Emoluments (Continued) 14. 董事及執行主席酬金(續)

Directors (Continued)

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments and independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

董事(續)

以上所示執行董事之酬金主要有關彼等管理本公司及本集團事務之服務。

以上所示非執行董事之酬金及獨立非執行董事之酬金主要有關彼等擔任本公司董事之服務。

2015

二零一五年

		Directors' fees 董事袍金 HK\$'000 千港元	Salaries and other benefits 薪金及其他福利 HK\$'000 千港元	Performance related incentive payments 表現相關獎勵款項 HK\$'000 千港元 (Note vii) (附註vii)	Contributions to retirement benefits scheme 退休福利計劃供款 HK\$'000 千港元	Total emoluments 酬金總額 HK\$'000 千港元
Executive directors	執行董事					
Mr. Zhou Si (Chairman)	周思先生(主席)	—	—	—	—	—
Mr. Liu Ming Hui (Executive Chairman and Managing Director)	劉明輝先生 (執行主席兼 董事總經理)	—	3,600	2,850	17	6,467
Mr. Leung Wing Cheong, Eric (Deputy Managing Director) (Note i)	梁永昌先生 (副董事總經理) (附註i)	—	4,980	2,250	4	7,234
Mr. Huang Yong	黃勇先生	—	3,600	2,850	17	6,467
Mr. Zhu Wei Wei	朱偉偉先生	—	2,400	1,500	17	3,917
Mr. Ma Jin Long	馬金龍先生	—	2,400	1,500	—	3,900
Mr. Chen Xin Guo (Note ii)	陳新國先生 (附註ii)	—	2,400	1,500	—	3,900
Ms. Li Ching	李晶女士	—	1,030	—	—	1,030
Non-executive directors	非執行董事					
Mr. Yu Jeong Joon (Vice Chairman)	俞樞准先生 (副主席)	336	—	60	—	396
Mr. Kim Yong Joong (Note iii)	金容仲先生 (附註iii)	—	3,900	—	—	3,900
Mr. Rajeev Mathur (Note iv)	Rajeev Mathur先生 (附註iv)	336	—	60	—	396
Mr. Leung Ming Xing (Note v)	劉明興先生 (附註v)	—	—	—	—	—
Mr. Arun Kumar Manchanda (Note vi)	Arun Kumar Manchanda先生 (附註vi)	—	—	—	—	—
Independent non-executive directors	獨立非執行董事					
Ms. Wong Sin Yue, Cynthia	黃倩如女士	673	—	120	—	793
Mr. Zhao Yu Hua	趙玉華先生	576	—	120	—	696
Dr. Mao Er Wan	毛二萬博士	576	—	120	—	696
Mr. Ho Yeung	何洋先生	396	—	75	—	471
Ms. Chen Yan Yan	陳燕燕女士	396	—	75	—	471
		3,289	24,310	13,080	55	40,734

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

14. Directors' and Executive Chairman's Emoluments (Continued)

Directors (Continued)

Notes:

- (i) Resigned on July 1, 2014
- (ii) Resigned on July 24, 2015
- (iii) Reappointed as alternate to Mr. Yu Jeong Joon on August 26, 2014
- (iv) Resigned on November 26, 2014
- (v) Appointed on July 1, 2014
- (vi) Appointed on November 26, 2014
- (vii) Performance related incentive payments were determined by the remuneration committee, having regard to the performance of directors and the Group's operating result.

The executive directors' emoluments shown above were mainly for their services in connection with the management of the affairs of the Company and the Group.

The non-executive directors' emoluments and independent non-executive directors' emoluments shown above were mainly for their services as directors of the Company.

Mr. Liu Ming Hui is also the Chief Executive of the Company and his emoluments disclosed above included those for services rendered by him as the Chief Executive.

15. Emoluments of Employees

During the year ended March 31, 2016 and 2015, of the five individuals with the highest emoluments in the Group, all of them were directors which included the executive Chairman of the Company whose emoluments are included in note 14.

No emoluments were paid by the Group to the chief executive or the directors as an inducement to join the Group or as a compensation for loss of office for both years.

Neither the Chief Executive nor any of the directors waived any emoluments during both years.

14. 董事及執行主席酬金(續)

董事(續)

附註：

- (i) 於二零一四年七月一日辭任
- (ii) 於二零一五年七月二十四日辭任
- (iii) 於二零一四年八月二十六日獲重新委任為俞枉准先生之替任董事
- (iv) 於二零一四年十一月二十六日辭任
- (v) 於二零一四年七月一日獲委任
- (vi) 於二零一四年十一月二十六日獲委任
- (vii) 表現相關獎勵款項由薪酬委員會釐定，當中參考董事表現及本集團之經營業績。

以上所示執行董事之酬金主要有關彼等管理本公司及本集團事務之服務。

以上所示非執行董事之酬金及獨立非執行董事之酬金主要有關彼等擔任本公司董事之服務。

劉明輝先生亦為本公司之行政總裁，上述所披露之酬金包括就其擔任行政總裁提供的服務所支付者。

15. 僱員酬金

於截至二零一六年及二零一五年三月三十一日止年度，本集團最高薪之五名個人全部為董事(包括本公司執行主席)，有關酬金載於附註14。

於該兩個年度本集團概無向主要行政人員或董事支付任何酬金作為加入本集團之獎金或離職賠償。

行政總裁或任何董事概無於該兩個年度內放棄任何酬金。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

16. Dividends

16. 股息

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Final dividend paid in respect of year ended March 31, 2015 of HK\$0.1395 (2015: HK\$0.0986 in respect of year ended March 31, 2014) per share	已付截至二零一五年三月三十一日止年度每股0.1395港元(二零一五年：截至二零一四年三月三十一日止年度每股0.0986港元)之末期股息	693,861	495,075
Interim dividend paid in respect of financial six months ended September 30, 2015 of HK\$0.05 (2015: HK\$0.022 in respect of six months ended September 30, 2014) per share	已付截至二零一五年九月三十日止財政六個月每股0.05港元(二零一五年：截至二零一四年九月三十日止六個月每股0.022港元)之中期股息	248,232	110,463
		942,093	605,538

A final dividend of HK\$0.1446 in respect of the year ended March 31, 2016 (2015: final dividend of HK\$0.1395 in respect of the year ended March 31, 2015) per share has been proposed by the directors and is subject to approval by the shareholders in the forthcoming general meeting.

董事建議派發截至二零一六年三月三十一日止年度每股0.1446港元(二零一五年：截至二零一五年三月三十一日止年度每股0.1395港元之末期股息)之末期股息，惟須經股東於應屆股東大會批准方可作實。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

17. Earnings Per Share

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

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Earnings for the purposes of basic and diluted earnings per share, being profit for the year attributable to owners of the Company	2,273,121	3,371,053

17. 每股盈利

本公司擁有人應佔每股基本及攤薄盈利乃按下列數據計算：

	2016 二零一六年 '000 千股/千份	2015 二零一五年 '000 千股/千份
Weighted average number of ordinary shares for the purpose of basic earnings per share	4,964,687	5,009,233
Adjustment for effect of dilutive potential ordinary shares: Share options (Note)	—	138,902
Weighted average number of ordinary shares for the purpose of diluted earnings per share	4,964,687	5,148,135

Note: The computation of diluted earnings per share does not assume the exercise of the Company's outstanding share options as the exercise price of those options is higher than the average market price for the shares for 2016.

附註：每股攤薄盈利之計算並無假設行使本公司之尚未行使購股權，理由是該等購股權之行使價高於二零一六年股份之平均市價。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

18. Investment Properties

18. 投資物業

		HK\$'000 千港元
At April 1, 2014	於二零一四年四月一日	255,068
Change in fair value	公平值變動	7,296
At March 31, 2015	於二零一五年三月三十一日	262,364
Exchange adjustments	匯兌調整	(8,870)
Transferred to property, plant and equipment	轉撥至物業、廠房及設備	(65,836)
Change in fair value	公平值變動	2,792
At March 31, 2016	於二零一六年三月三十一日	190,450

The Group's investment properties are analysed as follows:

本集團之投資物業分析如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Properties held:	持有之物業：		
— in Hong Kong	— 位於香港	126,000	127,400
— in the PRC	— 位於中國	64,450	134,964
		190,450	262,364

The fair value of the Group's investment properties in Hong Kong at March 31, 2016 has been arrived at on the basis of a valuation carried out as on the respective dates by LCH (Asia-Pacific) Surveyors Limited, independent qualified professional valuers not connected to the Group. The resulting deficit of HK\$1,400,000 (surplus in 2015: HK\$6,600,000) was debited (2015: credited) to the consolidated statement of profit or loss and other comprehensive income. The valuation was arrived at by reference to comparable market transactions available in the relevant markets for similar properties in the similar locations and conditions.

本集團位於香港之投資物業於二零一六年三月三十一日之公平值乃根據與本集團並無關連的獨立合資格專業估值師利駿行測量師有限公司於該日進行之估值得出。由此產生之1,400,000港元虧絀(二零一五年盈餘：6,600,000港元)已從綜合損益及其他全面收入報表扣減(二零一五年：列入)。估值乃參考類似物業於類似地理位置及條件下之相關市場可獲得的可資比較市場交易而得出。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

18. Investment Properties (Continued)

The fair value of the Group's investment properties in the PRC at March 31, 2016 has been arrived at on the basis of a valuation carried out at these dates by Crowe Horwath (HK) Consulting & Valuation Limited, independent qualified professional valuers not connected to the Group. The resulting surplus of HK\$4,192,000 (2015: HK\$696,000) was credited to consolidated statement of profit or loss and other comprehensive income. The valuation was arrived at by reference to comparable market transactions available in the relevant markets for similar properties in the similar locations and conditions.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

During the year ended March 31, 2016, investment properties with carrying amounts of HK\$65,836,000 were transferred to property, plant and equipment with the commencement of owner-occupation.

Details of the Group's investment properties and information about the fair value hierarchy as March 31, 2016 and 2015 are as follows:

		Fair value Level 3 公平值 – 第三級	
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Commercial property units located in Hong Kong	位於香港的商用物業單位	126,000	127,400
Offices located in the PRC	位於中國的辦公室	64,450	134,964

There were no transfers into or out of Level 3 during the year.

At the end of the reporting period, the management of the Group works closely with the independent qualified external valuer to establish and determine the appropriate valuation techniques and inputs for Level 3 fair value measurements. Where there is a material change in the fair value of the assets, the causes of the fluctuations will be reported to the directors of the Company.

18. 投資物業(續)

於二零一六年三月三十一日，本集團位於中國之投資物業之公平值乃根據與本集團概無關連之獨立合資格專業估值師行國富浩華(香港)諮詢評估有限公司於該等日期進行之估值得出。由此產生之4,192,000港元盈餘(二零一五年：696,000港元)已列入綜合損益及其他全面收入報表。估值乃參考類似物業於類似地理位置及條件下之相關市場可獲得的可資比較市場交易而得出。

本集團全部根據經營租約持有以賺取租金或作為資本增值之物業權益乃以公平值模式測量及歸類並入賬記作投資物業。

截至二零一六年三月三十一日止年度，賬面值為65,836,000港元的投資物業已轉移至開始持作自用之物業、廠房及設備。

本集團截至二零一六年及二零一五年三月三十一日的投資物業及有關公平值等級資料的詳情如下：

年內並無轉入或轉出第三級。

於報告期末，本集團管理層與獨立合資格外聘估值師緊密合作，就第三級公平值計量確立及釐定適合估值方法及輸入數據。倘資產公平值有重大變動，有關變動原因將向本公司董事報告。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

18. Investment Properties (Continued)

Information about fair value measurements using key unobservable inputs (Level 3)

The following table shows the valuation techniques used in the determination of fair values for investment properties and the key unobservable inputs used in the valuation models.

Description 概況	Fair value as at March 31, 於三月三十一日 之公平值		Valuation techniques 估值方法	Unobservable inputs 不可觀察輸入數據	Range of unobservable inputs 不可觀察輸入 數據範圍	Relationship of unobservable inputs to fair value 不可觀察輸入數據 與公平值之關係
	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元				
Commercial units located in Hong Kong 位於香港的 商用單位	126,000	127,400	Comparison approach 比較法	Adjusted transaction price to reflect market value of similar properties 經調整交易價格以反映 類似物業的市值	HK\$23,000–HK\$35,900 per square foot (2015: HK\$19,300–HK\$37,100 per square foot) 每平方米23,000港元至 35,900港元(二零一五年: 每平方米19,300港元至 37,100港元)	The higher the adjusted transaction price the higher the fair value 經調整交易價格越高, 公平值越高
Offices located in the PRC 位於中國的 辦公室	64,450	134,964	Comparison approach 比較法	Adjusted transaction price to reflect direction and height 經調整交易價格以 反映方向及高度	RMB8,700–RMB52,300 per square meter (2015: RMB8,938–RMB47,337 per square meter) 每平方米人民幣8,700元至 人民幣52,300元(二零一五 年:每平方米人民幣8,938 元至人民幣47,337元)	The higher the adjusted transaction price the higher the fair value 經調整交易價格越高, 公平值越高
	190,450	262,364				

For the purposes of measuring deferred taxation arising from investment properties that are measured using the fair value model, the directors of the Company have reviewed the Group's investment property portfolio and concluded that the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, in measuring the Group's deferred taxation on investment properties, the directors of the Company have determined that the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is rebutted. Accordingly, deferred taxation in relation to the Group's investment properties has been measured based on the tax consequences of recovering the carrying amounts entirely through use.

18. 投資物業(續)

有關運用主要不可觀察輸入數據之公平值計量(第三級)之資料

下表顯示就投資物業釐定公平值時所用估值方法及估值模型所用主要不可觀察輸入數據。

為計量利用公平值模型計量的投資物業產生的遞延稅項，本公司董事已檢討本集團的投資物業組合，結論為本集團的投資物業乃根據以隨時間而非透過銷售消耗投資物業所包含的絕大部分經濟利益為目標的業務模式持有。因此，於計量本集團投資物業的遞延稅項時，本公司董事斷定，利用公平值模型計量的投資物業的賬面值乃透過銷售全數收回的假設已被推翻。因此，有關本集團投資物業的遞延稅項已根據透過使用全數收回賬面值的稅務後果計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

19. Property, Plant and Equipment

19. 物業、廠房及設備

		Leasehold land and buildings 租賃土地及 樓宇	Pipelines 管道	Construction in progress 在建工程	Machinery and equipment 機器及 設備	Furniture and fixtures 傢俬及 固定裝置	Motor vehicles 汽車	Vessels 船舶	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
COST	成本								
At April 1, 2014	於二零一四年四月一日	2,079,015	10,688,211	4,352,447	2,601,667	308,358	608,654	213,271	20,851,623
Additions	添置	84,721	161,752	3,394,548	268,562	36,544	50,279	6,185	4,002,591
Acquired on acquisitions of businesses	收購業務所得	24,770	33,778	36,214	20,938	60	3,685	—	119,445
Acquisition of assets	收購資產	—	—	—	—	—	150	—	150
Disposal for the year	年內出售	(442)	(5,475)	—	(19,598)	(8,203)	(34,679)	(18,467)	(86,864)
Reclassification	重新分類	256,171	1,640,557	(2,172,255)	275,527	—	—	—	—
At March 31, 2015	於二零一五年三月三十一日	2,444,235	12,518,823	5,610,954	3,147,096	336,759	628,089	200,989	24,886,945
Exchange adjustment	匯兌調整	(110,203)	(666,130)	(295,960)	(144,398)	(26,783)	(33,488)	(12,280)	(1,289,242)
Additions	添置	168,602	195,019	2,672,774	128,677	41,641	81,784	—	3,288,497
Acquired on acquisitions of businesses	收購業務所得	21,655	165,915	61,488	25,705	3,788	46,206	—	324,757
Acquisition of assets (note 41)	收購資產(附註41)	150,630	—	—	—	—	—	—	150,630
Transfer from investment properties	自投資物業轉撥	65,836	—	—	—	—	—	—	65,836
Disposal for the year	年內出售	(9,594)	(3,003)	—	(16,744)	(3,203)	(78,549)	(5,947)	(117,040)
Reclassification	重新分類	172,899	1,619,707	(1,976,807)	180,524	129	3,548	—	—
At March 31, 2016	於二零一六年三月三十一日	2,904,060	13,830,331	6,072,449	3,320,860	352,331	647,590	182,762	27,310,383
DEPRECIATION AND IMPAIRMENT	折舊及攤銷								
At April 1, 2014	於二零一四年四月一日	322,263	1,519,808	—	762,083	144,014	231,041	37,793	3,017,002
Provided for the year	年內撥備	70,247	361,568	—	324,428	21,235	7,307	27,089	811,874
Eliminated on disposals	出售時撇除	(138)	(4,956)	—	(4,115)	(4,471)	(27,556)	(16,330)	(57,566)
At March 31, 2015	於二零一五年三月三十一日	392,372	1,876,420	—	1,082,396	160,778	210,792	48,552	3,771,310
Exchange adjustment	匯兌調整	(18,378)	(104,985)	—	(61,099)	(12,138)	(11,712)	(2,617)	(210,929)
Provided for the year	年內撥備	84,218	393,194	—	239,787	40,395	62,023	12,725	832,342
Impairment loss recognised in profit or loss	於損益確認之減值虧損	—	—	—	124,414	—	—	—	124,414
Eliminated on disposals	出售時撇除	(2,288)	(1,042)	—	(9,294)	(2,763)	(36,672)	(4,303)	(56,362)
At March 31, 2016	於二零一六年三月三十一日	455,924	2,163,587	—	1,376,204	186,272	224,431	54,357	4,460,775
CARRYING VALUES	賬面值								
At March 31, 2016	於二零一六年三月三十一日	2,448,136	11,666,744	6,072,449	1,944,656	166,059	423,159	128,405	22,849,608
At March 31, 2015	於二零一五年三月三十一日	2,051,863	10,642,403	5,610,954	2,064,700	175,981	417,297	152,437	21,115,635

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

19. Property, Plant and Equipment (Continued)

The pipelines of the Group are located in the PRC.

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

Leasehold land and buildings	Over the shorter of the remaining terms of the leases or 50 years
Pipelines	Over the shorter of 30 years or the operation period of the relevant company
Machinery and equipment	5%–10%
Furniture and fixtures	15%–50%
Motor vehicles	25%
Vessels	7% (new vessels acquired from suppliers) or 34% (acquired from second hand market)

During the year ended March 31, 2016, interest capitalised in construction in progress amounted to HK\$290,352,000 (2015: HK\$233,949,000).

During the year ended March 31, 2016, the Group is in the process of obtaining title deeds from relevant government authorities for its land and buildings in the PRC amounting to HK\$18,625,000 (2015: HK\$19,686,000). In the opinion of the directors, the Group is not required to incur additional cost in obtaining the title deeds for its land and buildings in the PRC.

At March 31, 2016, the directors of the Company considered that in the leasehold land and building elements of certain properties located in the PRC with a carrying value of HK\$132,666,000 (2015: HK\$74,039,000) cannot be separately identified.

19. 物業、廠房及設備(續)

本集團之管道位於中國。

上述物業、廠房及設備項目(不包括在建工程)乃按直線法以下列年率折舊:

租賃土地及樓宇	租約餘下年期或50年之較短者
管道	30年或有關公司之經營年期之較短者
機器及設備	5%–10%
傢俬及固定裝置	15%–50%
汽車	25%
船舶	7%(從供應商購入之新船舶)或34%(從二手市場購入)

於截至二零一六年三月三十一日止年度，撥充在建工程資本之利息為290,352,000港元(二零一五年：233,949,000港元)。

於截至二零一六年三月三十一日止年度，本集團正就其價值18,625,000港元(二零一五年：19,686,000港元)位於中國之土地及樓宇從有關政府機關獲取所有權契約。董事認為，本集團毋須就獲取中國土地及樓宇之所有權契約而產生額外成本。

於二零一六年三月三十一日，本公司董事認為若干位於中國及賬面值為132,666,000港元(二零一五年：74,039,000港元)之物業之租賃土地及樓宇部分無法分開識別。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

20. Prepaid Lease Payments

20. 預付租賃款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's prepaid lease payments comprise leasehold land in the PRC and are analysed for reporting purposes as:	本集團之預付租賃款項包括於中國之租賃土地及就呈報而言分析為：		
Non-current portion	非即期部分	1,493,028	1,373,881
Current portion	即期部分	47,641	42,323
		1,540,669	1,416,204

The leasehold land and land use rights are charged to consolidated statement of profit or loss and other comprehensive income on a straight-line basis over the term of the leases.

During the year, the Group is in the process of obtaining title deeds from relevant government authorities for its prepaid lease payments in the PRC amounting to HK\$18,747,000 (2015: HK\$19,755,000). In the opinion of the directors, the Group is not required to incur additional cost in obtaining the title deeds for its prepaid lease payments in the PRC.

租賃土地及土地使用權以直線法按租賃年期自綜合損益及其他全面收入報表扣除。

年內，本集團正就其價值18,747,000港元(二零一五年：19,755,000港元)位於中國之預付租賃款項從有關政府機關獲取所有權契約。董事認為，本集團毋須就獲取中國預付租賃款項之所有權契約而產生額外成本。

21. Investments in Associates

21. 於聯營公司之投資

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of investments in associates:	投資於聯營公司之成本：		
Listed in Hong Kong	於香港上市	881,765	881,765
Unlisted	非上市	1,564,113	1,549,085
Share of pre-acquisition dividend	分佔收購前股息	(1,296)	(1,296)
Share of post-acquisition profit and other comprehensive income (net of post-acquisition dividend received)	分佔收購後溢利及其他全面收入(扣除收購後所收股息)	1,155,297	1,021,574
Discount on acquisition of associates	收購聯營公司之折讓	232,970	232,970
		3,832,849	3,684,098
Fair value of listed investments, based on quoted market price	上市投資之公平值(按市場報價計量)	1,979,243	2,557,449

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

21. Investments in Associates (Continued)

The Group had interests in the following significant associates:

21. 於聯營公司之投資(續)

本集團於以下重大聯營公司擁有權益：

Name of entity 實體名稱	Form of business structure 業務架構形式	Place of registration/ incorporation 註冊/ 註冊成立地點	Principal place of operations 主要營業地點	Class of capital 股本類型	Proportion of nominal value of registered/ issued capital held by the Group 本集團所持註冊/ 已發行股本面值比例		Principal activities 主要業務
					2016 二零一六年 %	2015 二零一五年 %	
重慶市川東燃氣工程建設有限公司	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	Registered 註冊	44.00	44.00	Gas pipeline construction 燃氣管道建設
重慶鼎發實業股份有限公司	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	Registered 註冊	38.69	38.69	Exploration, collection transportation, purification and sales of natural gas 勘探、收集、運輸、淨化及銷售天然氣
重慶市渝北區佳渝天然氣有限公司	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	Registered 註冊	49.00	49.00	Sales of natural gas 天然氣銷售
哈爾濱中慶燃氣有限責任公司(「哈爾濱中慶」)	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	Registered 註冊	48.00	48.00	Sales of nature gas and gas pipeline construction 天然氣銷售及燃氣管道建設
福建省晉江慶華石化有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	35.00	35.00	Refining process, storage of LPG 液化石油氣提煉加工處理、貯存
湖北能源集團鄂東天然氣有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	25.00	25.00	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建設
滄州中油燃氣有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	40.00	40.00	Sales of LPG 銷售液化石油氣
Zhongyu Gas	Limited liability company	Cayman Island	PRC	Ordinary	44.05	44.05	Investment holding, sales of natural gas and gas pipeline construction 投資控股、天然氣銷售及燃氣管道建設
中裕燃氣	有限責任公司	開曼群島	中國	普通			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

21. Investments in Associates (Continued)

21. 於聯營公司之投資(續)

Name of entity 實體名稱	Form of business structure 業務架構形式	Place of registration/ incorporation 註冊/ 註冊成立地點	Principal place of operations 主要營業地點	Class of capital 股本類型	Proportion of nominal value of registered/ issued capital held by the Group 本集團所持註冊/ 已發行股本面值比例		Principal activities 主要業務
					2016 二零一六年 %	2015 二零一五年 %	
滄州渤海新區中燃城市燃氣發展有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	44.00	44.00	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建設
榆林中燃天然氣有限公司	Limited liabilities company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	25.00	25.00	Sales of natural gas, and gas pipeline construction 天然氣銷售及燃氣管道建設
廣西中石油天然氣管網有限公司	Limited liabilities company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	24.50	24.50	Sales of natural gas, and gas pipeline construction 天然氣銷售及燃氣管道建設
Rankan International Holdings Limited	Limited liability company 有限公司	Bermuda 百慕達	Hong Kong 香港	Paid-up capital 繳足股本	20.00	20.00	Investment holding 投資控股
Daily Pride Limited	Limited liability company 有限公司	Bermuda 百慕達	Hong Kong 香港	Paid-up capital 繳足股本	49.00	49.00	Holding of project companies for trading of heaters and boilers 持有買賣發熱器及鍋爐之項目公司
河北華通燃氣設備有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	31.00	—	Sales of gas meter, gas pressure regulator and gas pipeline construction 燃氣表、氣壓調節器銷售及燃氣管道建設
天津國潤振華能源技術有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	27.00	—	Development of energy technology and sales of natural gas 能源技術開發及天然氣銷售
成都鑫金秋液化石油氣有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	40.00	—	Sales of LPG 銷售液化石油氣

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

21. Investments in Associates (Continued)

At March 31, 2016, included in the cost of investment in associates is goodwill of HK\$918,328,000 (2015: HK\$483,469,000).

The financial year end date for Zhongyu Gas is December 31. For the purpose of applying the equity method of accounting, the consolidated financial statements of Zhongyu Gas for the year ended December 31, 2015 and 2014 have been used as the Group considers that it is impracticable for Zhongyu Gas with its shares listed on the Stock Exchange to provide a separate and complete set of financial statements as of March 31. No significant transactions requiring adjustments took place during the intervening period.

Summarised financial information of material associates

Summarised financial information in respect of each of the Group's material associates is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with HKFRSs for the purpose of preparation of these consolidated financial statements.

All of the Group's associates are accounted for using the equity method in these consolidated financial statements:

哈爾濱中慶

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	1,124,435	870,224
Non-current assets	非流動資產	2,933,461	3,037,991
Current liabilities	流動負債	(1,274,385)	(1,259,315)
Non-current liabilities	非流動負債	(44,365)	(63,249)
Net assets	資產淨值	2,739,146	2,585,651
Revenue	收益	1,538,365	1,681,308
Profit and total comprehensive income for the year	年內溢利及全面收入總額	203,495	291,655

21. 於聯營公司之投資(續)

於二零一六年三月三十一日，聯營公司之投資成本包括商譽918,328,000港元(二零一五年：483,469,000港元)。

中裕燃氣之財政年度結算日為十二月三十一日。為應用權益會計法，本集團已使用中裕燃氣於截至二零一五年及二零一四年十二月三十一日止年度之綜合財務報表，原因為本集團認為中裕燃氣(其股份於聯交所上市)不可能提供於三月三十一日之獨立完整之財務報表。於間隔期間，概無發生須作出調整的重大交易。

重要聯營公司財務資料概述

本集團各重要聯營公司之財務資料概要載列如下。下文載列之財務資料概要指為編製此等綜合財務報表而根據香港財務報告準則編製之聯營公司財務報表所示金額。

本集團所有聯營公司乃採用權益法於此等綜合財務報表內入賬：

哈爾濱中慶

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

21. Investments in Associates (Continued)

Summarised financial information of material associates (Continued)

哈爾濱中慶 (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the investments in associates recognised in the consolidated financial statements:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets of 哈爾濱中慶	哈爾濱中慶的資產淨值	2,739,146	2,585,651
Proportion of the Group's ownership interest in 哈爾濱中慶	本集團於哈爾濱中慶之擁有權權益比例	48%	48%
Carrying amount of the Group's interest in 哈爾濱中慶 reflected in the Group's consolidated statement of financial position	本集團於哈爾濱中慶之權益賬面值(在本集團綜合財務狀況表中反映)	1,314,790	1,241,112

Zhongyu Gas and its subsidiaries

中裕燃氣及其附屬公司

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	1,933,467	1,710,497
Non-current assets	非流動資產	6,775,842	5,188,325
Current liabilities	流動負債	(2,610,921)	(1,525,522)
Non-current liabilities	非流動負債	(3,825,994)	(3,080,560)
Net assets	資產淨值	2,272,394	2,292,740
Non-controlling interests	非控股權益	265,730	298,092
Revenue	收益	3,276,666	3,412,690
Profit and total comprehensive income for the year	年內溢利及全面收入總額	44,407	369,160
Profit attributable to owners of the Company	本公司擁有人應佔溢利	93,390	324,351

21. 於聯營公司之投資(續)

重要聯營公司財務資料概述(續)

哈爾濱中慶(續)

上述財務資料概要與於綜合財務報表確認之聯營公司之投資賬面值對賬：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

21. Investments in Associates (Continued)

Summarised financial information of material associates (Continued)

Zhongyu Gas and its subsidiaries (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the investments in associates recognised in the consolidated financial statements:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Equity attributable to owners of Zhongyu Gas reported in the consolidated financial statements	綜合財務報表所呈報中裕燃氣擁有人應佔權益	2,006,664	1,994,048
Proportion of the Group's ownership interest in Zhongyu Gas	本集團於中裕燃氣之擁有權益比例	44.05%	44.05%
Goodwill	商譽	483,469	483,469
Carrying amount of the Group's interest in Zhongyu Gas reflected in the Group's consolidated statement of financial position	本集團於中裕燃氣之權益賬面值(在本集團之綜合財務狀況表中反映)	1,367,404	1,361,847

Aggregate information of associates that are not individually material

個別而言並非重大之聯營公司的合計資料

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's share of profit	本集團應佔溢利	46,647	26,186
Aggregate carrying amount of the Group's interests in these associates	本集團於該等聯營公司之權益的合計賬面值	1,150,655	1,081,138

21. 於聯營公司之投資(續)

重要聯營公司財務資料概述(續)

中裕燃氣及其附屬公司(續)

上述財務資料概要與於綜合財務報表確認之聯營公司之投資賬面值對賬：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

22. Investments in Joint Ventures

22. 於合資公司之投資

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Cost of investment in joint ventures — unlisted	於合資公司之投資成本 — 非上市	3,128,684	2,758,205
Share of post-acquisition profit and other comprehensive income (net of received)	分佔收購後溢利及其他全面收入 (除去所收取股息)	1,890,597	2,064,464
Discount on acquisition of joint ventures	收購合資公司折讓	51,050	51,050
		5,070,331	4,873,719

As at March 31, 2016 and 2015, the Group had interests in the following significant joint ventures:

於二零一六年及二零一五年三月三十一日，本集團於以下主要合資公司中擁有權益：

Name of entity 實體名稱	Form of business structure 業務架構形式	Place of registration/ incorporation 註冊/ 成立地點	Principal place of operations 主要經營地點	Class of capital 股本類別	Proportion of nominal value of registered/ issued capital held by the Group 本集團所持註冊/已發行股本面值比例		Principal activity 主要業務
					2016 二零一六年 %	2015 二零一五年 %	
柳州中燃城市燃氣有限公司	Sino-foreign equity joint venture	PRC	PRC	Registered	50.0	50.0	Sales of natural gas and gas pipeline construction
	中外合資企業	中國	中國	註冊			天然氣銷售及燃氣管道建設
揚州中燃城市燃氣發展有限公司	Sino-foreign equity joint venture	PRC	PRC	Registered	50.0	50.0	Sales of natural gas and gas pipeline construction
	中外合資企業	中國	中國	註冊			天然氣銷售及燃氣管道建設
呼和浩特中燃城市燃氣發展有限公司 (「呼和浩特中燃」)	Sino-foreign equity joint venture	PRC	PRC	Registered	51.0	51.0	Sales of natural gas and gas pipeline construction
	中外合資企業	中國	中國	註冊			天然氣銷售及燃氣管道建設
德州中燃城市燃氣發展有限公司	Sino-foreign equity joint venture	PRC	PRC	Registered	50.0	50.0	Sales of natural gas and gas pipeline construction
	中外合資企業	中國	中國	註冊			天然氣銷售及燃氣管道建設

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

22. Investments in Joint Ventures (Continued)

22. 於合資公司之投資(續)

Name of entity 實體名稱	Form of business structure 業務架構形式	Place of registration/ incorporation 註冊/ 成立地點	Principal place of operations 主要經營地點	Class of capital 股本類別	Proportion of nominal value of registered/ issued capital held by the Group 本集團所持註冊/已發行股本面值比例		Principal activity 主要業務
					2016 二零一六年 %	2015 二零一五年 %	
蕪湖中燃新福利汽車燃氣有限公司	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	Registered 註冊	50.0	50.0	Nature gas refill service and gas station administration 天然氣加氣服務及管理加氣站
泰能天然氣有限公司	Equity joint venture 合資企業	PRC 中國	PRC 中國	Registered 註冊	51.0	51.0	Sales of natural gas 天然氣銷售
Fujian Anran Gas Investment Company Limited ("Fujian Anran") 福建省安然氣投資有限公司(「福建安然」)	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	49.0	49.0	Investment holding 投資控股
重慶長南天然氣輸配有限責任公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	49.0	49.0	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建設
武鋼江南中燃燃氣(武漢)有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	49.0	49.0	Gas pipeline construction 燃氣管道建設
台州中燃愛思開城市燃氣發展有限公司	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	Registered 註冊	50.0	50.0	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建設
金華中燃愛思開匯能城市燃氣發展有限公司	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	Registered 註冊	50.0	50.0	Retailing and wholesaling of gas accessories and provision of maintenance service 零售及批發燃氣配件及提供保養服務
天津市天匯燃氣發展有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	40.0	40.0	Provision of pipe natural gas 提供管道天然氣

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

22. Investments in Joint Ventures (Continued)

22. 於合資公司之投資(續)

Name of entity 實體名稱	Form of business structure 業務架構形式	Place of registration/ incorporation 註冊/ 成立地點	Principal place of operations 主要經營地點	Class of capital 股本類別	Proportion of nominal value of registered/ issued capital held by the Group 本集團所持註冊/已發行股本面值比例		Principal activity 主要業務
					2016 二零一六年 %	2015 二零一五年 %	
杭州百江液化氣有限公司	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	Registered 註冊	50.0	50.0	Sales and distribution of LPG 液化石油氣銷售及分銷
凱里市新能燃氣有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	50.0	50.0	Sales of natural gas, petrochemical products and gas accessories 天然氣、石化產品及燃氣配件銷售
三明市鑫源燃氣有限責任公司	Sino-foreign equity joint venture 中外合資企業	PRC 中國	PRC 中國	Registered 註冊	49.0	49.0	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建設
Pleasign Ace Limited	Limited liability company 有限責任公司	Hong Kong 香港	Hong Kong 香港	Registered 註冊	50.0	—	Investment holding 投資控股
張家口中燃清潔能源有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	51.0	—	Sales of nature gas and delivery of hazardous products 天然氣銷售及危險品運輸
杭州蕭山環能實業有限公司	Limited liability company 有限責任公司	PRC 中國	PRC 中國	Registered 註冊	50.0	—	Sales of natural gas 天然氣銷售

As all the relevant activities of the above entities require unanimous consent from all joint venture parties, they are accounted for as joint ventures.

At March 31, 2016, included in the cost of investment in joint ventures is goodwill of HK\$251,481,000 (2015: HK\$265,806,000).

由於上述實體的相關活動須所有合資公司參與方的一致同意，其以合資公司入賬。

於二零一六年三月三十一日，合資公司之投資成本包括商譽251,481,000港元(二零一五年：265,806,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

22. Investments in Joint Ventures (Continued)

Summarised financial information of material joint ventures

The summarised financial information below represents amounts shown in the joint ventures' consolidated financial statements prepared in accordance with HKFRSs.

All of the Group's joint ventures are accounted for using the equity method in these consolidated financial statements.

呼和浩特中燃

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	1,230,978	1,189,659
Non-current assets	非流動資產	2,979,936	3,260,032
Current liabilities	流動負債	(2,074,634)	(2,219,635)
Non-current liabilities	非流動負債	(389,310)	(112,833)
Net assets	資產淨值	1,746,970	2,117,223

22. 於合資公司之投資(續)

重要合資公司財務資料概述

下文載列之財務資料概要指根據香港財務報告準則編製之合資公司綜合財務報表所示金額。

本集團所有合資公司乃採用權益法於該綜合財務報表內入賬：

呼和浩特中燃

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	1,540,080	1,655,106
Profit (loss) and total comprehensive income (expense) for the year	年內溢利(虧損)及全面收入(開支)總額	(256,153)	58,708

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

22. Investments in Joint Ventures (Continued)

Summarised financial information of material joint ventures (Continued)

呼和浩特中燃 (Continued)

Reconciliation of the above summarised financial information to the carrying amount of the investments in joint ventures recognised in the consolidated financial statements:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets reported in the consolidated financial statements of 呼和浩特中燃	綜合財務報表所呈報 呼和浩特中燃之資產淨值	1,746,970	2,117,223
Proportion of the Group's ownership interest in 呼和浩特中燃	本集團於呼和浩特中燃之 擁有權權益比例	51%	51%
Carrying amount of the Group's interest in the joint venture	本集團於合資公司之權益的 賬面值	890,955	1,079,784

Fujian Anran and its subsidiaries

福建安然及其附屬公司

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Current assets	流動資產	820,310	732,481
Non-current assets	非流動資產	2,331,474	2,117,920
Current liabilities	流動負債	(797,732)	(871,546)
Non-current liabilities	非流動負債	(579,251)	(461,158)
Net assets	資產淨值	1,774,801	1,517,697

22. 於合資公司之投資(續)

重要合資公司財務資料概述 (續)

呼和浩特中燃(續)

上述財務資料概要與於綜合財務報表 確認之合資公司之投資賬面值對賬：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

22. Investments in Joint Ventures (Continued)

Summarised financial information of material joint ventures (Continued)

Fujian Anran and its subsidiaries (Continued)

22. 於合資公司之投資(續)

重要合資公司財務資料概述(續)

福建安然及其附屬公司(續)

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Revenue	收益	1,534,751	1,562,577
Profit and total comprehensive income for the year	年內溢利及全年收入總額	323,477	307,971
Dividend received from Fujian Anran and its subsidiaries during the year	年內自福建安然及其附屬公司收取之股息	352,096	—

Reconciliation of the above summarised financial information to the carrying amount of the investments in joint ventures recognised in the consolidated financial statements:

上述財務資料概要與於綜合財務報表確認之合資公司之投資賬面值對賬：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Net assets reported in the consolidated financial statements of Fujian Anran	綜合財務報表所呈報福建安然之資產淨值	1,774,801	1,517,697
Proportion of the Group's ownership interest in Fujian Anran	本集團於福建安然之擁有權益比例	49%	49%
Carrying amount of the Group's interest in the joint venture	本集團於合資公司之權益的賬面值	869,652	743,672

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

22. Investments in Joint Ventures (Continued)

Summarised financial information of material joint ventures (Continued)

Fujian Anran and its subsidiaries (Continued)

Aggregate information of joint ventures that are not individually material:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The Group's share of profit	本集團應佔溢利	170,059	277,282
Aggregate carrying amount of the Group's interest in these joint ventures	本集團於該等合資公司之權益的合計賬面值	3,309,724	3,050,263

Included in the balance of amounts due from joint ventures are loans of HK\$206,715,000 (2015: HK\$175,970,000) which are unsecured, interest bearing at fixed rates ranging from 5.10% to 5.81% per annum (2015: 5.10% to 5.84% per annum). The remaining balance is unsecured, non-interest bearing and repayable on demand. As at March 31, 2016, the balance is expected to be repayable within twelve months and shown under current assets. All balances are neither past due nor impaired at the reporting date as there has not been a significant change in credit quality and the Group believes that the amounts are considered recoverable.

22. 於合資公司之投資(續)

重要合資公司財務資料概述(續)

福建安然及其附屬公司(續)

個別而言並非重大之合資公司的合計資料：

計入應收合資公司款項結餘之貸款206,715,000港元(二零一五年：175,970,000港元)乃無抵押、按每年5.10厘至5.81厘(二零一五年：每年5.10厘至5.84厘)之固定利率計息。餘額乃無抵押、不計息且按要求償還。於二零一六年三月三十一日，結餘預計須於十二個月內償還，並計入流動資產。由於信貸質素並無重大改變，且本集團相信有關金額視作可予收回，故於報告日期，所有結餘均無逾期及減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

23. Available-For-Sale Investments

23. 可供出售投資

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Equity securities listed in Hong Kong, at fair value	於香港上市之股本證券， 按公平值列值	26,274	41,627
Unlisted equity securities, at cost less impairment	非上市股本證券， 按成本值列值(扣除減值)	184,201	194,119
Club debenture, at fair value	會所債券，按公平值列值	700	723
		211,175	236,469

Equity securities listed in Hong Kong are stated at fair value. The fair values of listed equity securities are based on quoted market bid price. Change in fair value of the listed equity securities classified as available-for-sale investments for the year ended March 31, 2016 with an decrease of HK\$11,042,000 (2015: increase of HK\$29,235,000) was recognised in the consolidated statement of profit or loss and other comprehensive income.

Unlisted equity securities issued by private entities incorporated in the PRC. They are measured at cost less impairment at the end of the reporting period 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.

Club debentures are stated at fair value. Fair value of the club debenture has been determined by reference to the bid prices quoted in the second hand market. No fair value change was recognised in both years.

於香港上市之股本證券乃按公平值列賬。上市股本證券之公平值乃根據所報之市場買入價釐定。於截至二零一六年三月三十一日止年度，被歸類為可供出售投資之上市股本證券之公平值變動減少11,042,000港元(二零一五年：增加29,235,000港元)於綜合損益及其他全面收入報表確認。

非上市股本證券由於中國註冊成立之私人公司發行，乃於報告期末按成本扣除減值計量，原因為合理公平值估計之範圍太大，本公司董事認為，其公平值不能可靠地計量。

會所債券乃按公平值列賬。會所債券之公平值乃經參考二手市場所報之買入價釐定。該兩個年度均並無確認公平值變動。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

24. Goodwill

24. 商譽

		HK\$'000 千港元
COST	成本	
At April 1, 2014	於二零一四年四月一日	2,337,439
Arising on acquisitions of businesses (note 40)	產生自收購業務(附註40)	168,249
At March 31, 2015	於二零一五年三月三十一日	2,505,688
Arising on acquisitions of businesses (note 40)	產生自收購業務(附註40)	109,341
Exchange realignment	匯兌調整	(135,037)
At March 31, 2016	於二零一六年三月三十一日	2,479,992

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

本集團於每年及於進行收購之財政年度均會測試商譽有否減值，當有跡象表明商譽可能減值時，會更頻密測試。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

24. Goodwill (Continued)

Impairment testing on goodwill

Management considered the sales of piped gas and sales of LPG businesses with each subsidiary represents a separate CGU for the purpose of goodwill impairment testing.

The carrying amounts of goodwill as at March 31, 2016 and 2015 are allocated as follows:

24. 商譽(續)

商譽減值測試

管理層認為，就商譽減值測試而言，各附屬公司之管道燃氣銷售及液化石油氣銷售業務代表獨立現金產生單位。

於二零一六年及二零一五年三月三十一日的商譽的賬面值分置如下：

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Sales of piped gas business within each of the following subsidiaries		
Clever Decision Enterprise Limited 宿州中燃城市燃氣發展有限公司	147,656	156,067
北京中油翔科科技有限公司	46,680	49,339
湖南明程貿易發展有限公司	16,191	17,114
南昌中燃城市燃氣發展有限公司	55,938	59,124
遼陽中燃城市燃氣發展有限公司	15,555	16,441
牡丹中燃城市燃氣發展有限公司	28,273	29,884
陝西紫晶能源有限公司	31,671	33,475
北京國潤富力能源技術發展有限公司	121,955	128,902
China Gas — SK Energy Holdings Co., Limited ("China Gas — SK Energy")	33,647	35,564
Fortune Gas 富地柳林燃氣有限公司("富地柳林")	94,926	100,333
信陽富地車用燃氣有限公司("車用燃氣")	894,024	944,950
蕪湖中燃百江燃氣有限公司("蕪湖百江")	19,397	20,502
Other CGUs	122,599	129,582
	17,363	—
	250,968	168,046
Sales of LPG business within each of the following subsidiaries		
上海中油能源控股有限公司("上海中油")	219,681	232,194
上海華辰船務有限公司	26,128	27,616
清遠普華能源投資有限公司	44,103	46,615
Panva Gas Holdings Limited ("Panva Gas")	293,237	309,940
	2,479,992	2,505,688

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

24. Goodwill (Continued)

Impairment testing on goodwill (Continued)

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

The Group prepares cash flows forecasts derived from the most recent financial budgets approved by management for the next five years. The CGUs cashflows beyond the 5-year period until the expiry of the relevant operation period or exclusive rights ranging from 15 to 30 years are extrapolated using a steady 3% (2015: 3%) growth rate for CGUs in the natural gas business and 5% (2015: 5%) for CGUs in the LPG business. 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. The pre-tax rates used to discount the forecast cash flows for CGUs are from 13% to 15% (2015: 13% to 15%). In the opinion of the directors, no material impairment loss is identified for both years. Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of CGUs to exceed the aggregate recoverable amount of CGUs.

24. 商譽(續)

商譽減值測試(續)

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

本集團根據管理層批准未來五年之最近期財務預算編製現金流量預算。有關天然氣業務及液化石油氣業務五年期後直至相關經營期間或獨家經營權期間(介乎15至30年不等)屆滿之現金產生單位現金流量則分別採用穩定增長率3%(二零一五年:3%)及5%(二零一五年:5%)進行推算。財務預算及增長率乃根據各業務之發展階段及經參考中國地區之天然氣行業之發展曲線後估計。用於預測現金產生單位之稅前現金流量折扣比率由13%至15%(二零一五年:13%至15%)不等。董事認為,於該兩個年度概無重大可辨認減值虧損。管理層認為以上假設之任何合理可能產生的變動均不會導致現金產生單位之賬面總值超越其總可回收價值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

25. Other Intangible Assets

25. 其他無形資產

		Exclusive rights of natural gas operation 天然氣 業務之獨 家經營權 HK\$'000 千港元	Production sharing rights 生產 分成權 HK\$'000 千港元	Technology rights 技術權 HK\$'000 千港元	Customer Relationship 客戶關係 HK\$'000 千港元	Total 總計 HK\$'000 千港元
COST	成本					
At April 1, 2014	於二零一四年四月一日	2,088,356	—	59,922	16,519	2,164,797
Exchange adjustments	匯兌調整	374	152	25	—	551
Addition	添置	—	93,236	—	—	93,236
Acquired on acquisition of businesses (Note 40(D)(i))	收購業務所得(附註40(D)(i))	—	1,057,944	—	—	1,057,944
At March 31, 2015	於二零一五年三月三十一日	2,088,730	1,151,332	59,947	16,519	3,316,528
Exchange adjustments	匯兌調整	(112,567)	(62,048)	(3,231)	(890)	(178,736)
Addition	添置	821	62,656	—	—	63,477
Acquired on acquisition of businesses (Note 40)	收購業務所得(附註40)	178,577	—	—	—	178,577
At March 31, 2016	於二零一六年三月三十一日	2,155,561	1,151,940	56,716	15,629	3,379,846
AMORTISATION	攤銷					
At April 1, 2014	於二零一四年四月一日	165,414	—	3,565	11,489	180,468
Exchange adjustments	匯兌調整	14	1	1	—	16
Charge for the year	年內攤銷	67,406	2,397	241	1,500	71,544
At March 31, 2015	於二零一五年三月三十一日	232,834	2,398	3,807	12,989	252,028
Exchange adjustments	匯兌調整	(12,548)	(130)	(205)	(700)	(13,583)
Charge for the year	年內攤銷	70,625	7,770	1,284	1,500	81,179
At March 31, 2016	於二零一六年三月三十一日	290,911	10,038	4,886	13,789	319,624
CARRYING VALUES	賬面值					
At March 31, 2016	於二零一六年三月三十一日	1,864,650	1,141,902	51,830	1,840	3,060,222
At March 31, 2015	於二零一五年三月三十一日	1,855,896	1,148,934	56,140	3,530	3,064,500

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

25. Other Intangible Assets (Continued)

Note: The exclusive rights of natural gas operation, technology rights and customer relationship are amortised on a straight-line method over the period of 30 years, 40 years and 10 years respectively.

Production sharing right represents the right under the production contract entered between a subsidiary of the Group and a PRC entity for the exploitation and development of a coal-bed methane resource in the PRC ("CBM Project") under an exclusive right granted by the PRC government to explore, develop and produced coal-bed methane with that PRC entity as joint operation partner up to 2029. The Group has a 50% participating stake in the CBM Project. Production sharing right is amortised by using the units of production method based on the expected proven reserve to be extracted during the contractual period.

26. Amounts Due From/To Associates

Included in the balance of amounts due from associates are loans of HK\$14,200,000 (2015: HK\$61,934,000) which are unsecured, interest bearing at fixed rates of 6% per annum (2015: 6% per annum). The remaining balance of HK\$52,096,000 (2015: nil) are of trade nature aged within 180 days based on invoice date and a dividend receivable of HK\$34,244,000 (2015: nil). A credit period of 30 to 180 days is granted to these trade customers. As at March 31, 2015, the balance of HK\$35,658,000 is expected to be repayable after one year and shown under non-current assets. The remaining balance is expected to be repayable within twelve months and shown under current assets. During the year ended March 31, 2015 (2016: nil), the Group made an allowance of HK\$145,646,000 in respect of the non-trade balance of amount due from an associate, which was past due at the reporting date with long age and slow repayments were received from that associate since the due date. The directors of the Company considered the related receivables may be impaired and specific allowance was made. Except the above, all balances are neither past due nor impaired at the reporting date as there has not been a significant change in credit quality and the Group believes that the amounts are considered recoverable.

25. 其他無形資產(續)

附註：天然氣業務之獨家經營權、技術權及客戶關係分別於30年、40年及10年之期間內以直線法予以攤銷。

生產分成權指本集團一間附屬公司與一間中國實體就根據中國政府授出與該中國實體(作為共同營運夥伴)勘探、開發及生產煤層氣的獨家經營權而勘探及開發中國煤層氣資源(「煤層氣項目」)訂立的生產合約項下之權益，有效期至二零二九年。本集團於煤層氣項目擁有50%參與權益。生產分成權根據於合約期內將開採的預期探明儲備使用生產單位法作攤銷。

26. 應收／應付聯營公司款項

計入應收聯營公司款項結餘之貸款14,200,000港元(二零一五年：61,934,000港元)乃無抵押、按每年6厘(二零一五年：每年6厘)之固定利率計息。餘額52,096,000港元(二零一五年：零)屬貿易性質，賬齡由發票日期起計180日內，以及應收股息34,244,000港元(二零一五年：零)。本集團向該等貿易客戶授予30日至180日之信貸期。於二零一五年三月三十一日，結餘35,658,000港元預計須於一年後償還，並計入非流動資產。餘額預計須在十二個月內償還，並計入流動資產。截至二零一五年三月三十一日止年度(二零一六年：零)，本集團就應收聯營公司非貿易結餘作出145,646,000港元撥備，原因為該等款項於報告日期已逾期一段時間且該聯營公司自到期日以來之還款速度緩慢。本公司董事認為有關應收賬款或會減值，並作出特定撥備。由於信貸質素並無重大改變，且本集團相信有關金額視作可予收回，故於報告日期，除上述事項外，所有結餘均無逾期及減值。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

27. Inventories

27. 存貨

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Construction materials	建材	504,888	424,471
Consumables, spare parts and other materials	消耗品、備件及其他物料	323,617	337,650
Natural gas	天然氣	110,068	78,540
LPG	液化石油氣	274,543	358,218
		1,213,116	1,198,879

28. Amounts Due from (to) Customers for Contract Work

28. 應收(應付)客戶之合約工程款項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Contracts in progress at end of the reporting period: 於報告期末之在建工程：			
Contract costs incurred plus recognised profits less recognised losses	已錄得之合約成本加已確認溢利減已確認虧損	2,714,333	1,945,730
Less: Progress billings	減：進度付款	(2,103,044)	(1,575,640)
		611,289	370,090
Analysed for reporting purposes as: 作呈報用途分析：			
Amounts due from customers for contract work	應收客戶之合約工程款項	1,136,446	797,749
Amounts due to customers for contract work	應付客戶之合約工程款項	(525,157)	(427,659)
		611,289	370,090

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

28. Amounts Due from (to) Customers for Contract Work (Continued)

At March 31, 2016 and 2015, there was no retention monies held by customers for contract work performed. At March 31, 2016, advances received from customers for contract work not yet commenced amounted to HK\$548,345,000 (2015: HK\$606,971,000) which were included in trade and other payables in note 32.

28. 應收(應付)客戶之合約工程款項(續)

於二零一六年及二零一五年三月三十一日，並無保留款項由客戶就已進行之合約工程而持有。於二零一六年三月三十一日，已向尚未展開之合約工程客戶收取之墊款為548,345,000港元(二零一五年：606,971,000港元)，並已列入附註32貿易應付賬款及其他應付賬項。

29. Trade and Other Receivables

29. 貿易應收賬款及其他應收賬項

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Trade receivables	貿易應收賬款	1,814,935	1,716,337
Less: Accumulated allowances	減：累計撥備	(394,188)	(375,685)
Trade receivables	貿易應收賬款	1,420,747	1,340,652
Deposits paid for construction and other materials	工程及其他材料已付按金	418,902	796,171
Deposits paid for purchase of natural gas and LPG	購買天然氣及液化石油氣已付按金	763,441	641,747
Advance payments to sub-contractors	預付予分包商之款項	611,011	525,896
Rental and utilities deposits	租金及公用事業按金	174,462	233,709
Other tax recoverable	其他可收回稅項	254,074	242,742
Other receivables and deposits	其他應收賬項及按金	1,068,245	1,247,221
Prepaid operating expenses	預付經營開支	350,226	265,078
Amounts due from non-controlling interests of subsidiaries	應收附屬公司非控股權益款項	32,770	34,637
Total trade and other receivables	貿易應收賬款及其他應收賬項總額	5,093,878	5,327,853

Other than certain major customers with good repayment history which the Group allows a longer credit period or settlement by instalment basis, the Group generally allows an average credit period of 30 to 180 days to its trade customers.

除若干付款記錄良好之主要客戶獲本集團准許有較長信貸期或分期付款外，本集團一般向其貿易客戶提供平均30至180日之信貸期。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

29. Trade and Other Receivables (Continued)

The following is an aged analysis of trade receivables net of impairment losses presented based on invoice date at the end of the reporting period:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-180 days	0至180日	1,191,176	1,124,493
181-365 days	181至365日	148,515	155,878
Over 365 days	365日以上	81,056	60,281
		1,420,747	1,340,652

The trade receivables with carrying amount of HK\$1,191,176,000 (2015: HK\$1,124,493,000) are neither past due nor impaired at the reporting date for which the Group believes that the amounts are considered recoverable.

The Group has policies for allowance of bad and doubtful debts which are based on the evaluation of collectability and age analysis of accounts and on the management's judgment including the current creditworthiness and the past collection history of each customer.

During the year ended March 31, 2016, the Group made an allowance of HK\$31,852,000 (2015: HK\$57,072,000) in respect of the trade receivables related to the gas pipeline construction business and LPG business, which was past due at the reporting date with long age and slow repayments were received from respective customers since the due date. The directors of the Company considered the related receivables may be impaired and specific allowance is made.

29. 貿易應收賬款及其他應收賬項(續)

於報告期末，按發票日期呈列之貿易應收賬款(扣除減值虧損)之賬齡分析如下：

賬面值1,191,176,000港元(二零一五年：1,124,493,000港元)之貿易應收賬款於報告日期並無逾期或出現減值，而本集團相信該等款項乃被視為可收回。

本集團之呆壞賬撥備政策乃根據追回款項機率之評估及賬項之賬齡分析，並根據管理層對包括每名客戶現時之信用能力及收款往績之判斷。

於截至二零一六年三月三十一日止年度內，本集團就與輸氣管道建設業務有關之貿易應收賬款作出31,852,000港元(二零一五年：57,072,000港元)之撥備，原因為該等款項於報告日期已逾期，其賬齡久遠且有關客戶自欠款日期以來之還款速度緩慢。本公司董事認為有關應收款項或會減值，並作出特定撥備。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

29. Trade and Other Receivables (Continued)

Movement in the allowance for bad and doubtful debts:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Balance at the beginning of the year	年初結餘	375,685	318,613
Exchange differences	匯兌差額	(13,349)	—
Charge for the year	年內費用	31,852	57,072
Balance at the end of the year	年終結餘	394,188	375,685

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 reporting date. The trade receivables past due but not provided for impairment were either subsequently settled as at the date these consolidated financial statements were authorised for issuance 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 of the Company believe that there is no further credit provision required in excess of the allowance for bad and doubtful debts.

Included in the Group's trade receivables are debtors, with a carrying amount of HK\$229,571,000 (2015: HK\$216,159,000) which are past due at the reporting date for which the Group has not provided for impairment 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 average age of these trade receivable is 365 days (2015: 345 days) as at March 31, 2016.

29. 貿易應收賬款及其他應收賬項(續)

呆壞賬撥備之變動：

判斷貿易應收賬款能否收回時，本集團會考慮貿易應收賬款之信用質素自信貸初次批出當日直至報告日期期間之任何變化。逾期但未作出減值之貿易應收賬款若非其後於本綜合財務報表獲授權刊發之日已償付，即屬於並無過往拖欠還款紀錄之客戶。由於客戶層範圍廣大及並不關連，故信貸集中風險有限。據此，本公司董事相信毋須於呆壞賬撥備以外進一步提撥信貸準備。

本集團之貿易應收賬款中包括賬面值229,571,000港元之欠款(二零一五年：216,159,000港元)，該筆款項於報告日期已逾期，但本集團基於信貸質素未有重大變化且金額仍被視為可收回而尚未提撥減值準備。本集團並無就該等結餘持有任何抵押。於二零一六年三月三十一日，該等貿易應收賬款之平均賬齡為365日(二零一五年：345日)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

29. Trade and Other Receivables (Continued)

Ageing of trade receivables which are past due but not impaired:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
180–365 days	180至365日	148,515	155,878
Over 365 days	365日以上	81,056	60,281
		229,571	216,159

The non-trade balances of amounts due from non-controlling interests of subsidiaries are unsecured, non-interest bearing and repayable on demand.

29. 貿易應收賬款及其他應收賬項(續)

已逾期但未列作減值之貿易應收賬款之賬齡分析如下：

應收附屬公司非控股權益之非貿易結餘均為無抵押、免息且須按的要求償還。

30. Held-For-Trading Investments

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Equity securities at fair value listed in Hong Kong	按公平值計算之香港上市股本證券	11,364	10,965

Held-for-trading investments as at March 31, 2016 and March 31, 2015, represent equity securities listed in Hong Kong. The fair values of the investments are determined based on the quoted market bid prices available on the Stock Exchange. The fair value of held-for-trading investments was classified as Level 1 of the fair value hierarchy.

30. 持作買賣投資

於二零一六年三月三十一日及二零一五年三月三十一日的持作買賣投資指於香港上市之股本證券。該等投資之公平值基於聯交所所報之市場買價而釐定。持作買賣投資之公平值分類為公平值層級第一級。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

31. Pledged Bank Deposits/Bank Balances and Cash

Bank balances and cash comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less and carry interest at market rates which range from 0.01% to 2.80% per annum (2015: 0.01% to 2.80% per annum).

Pledged bank deposits represent deposits pledged to banks to secure banking facilities granted to the Group. Deposits amounting to HK\$275,554,000 (2015: HK\$63,484,000) have been pledged to secure short-term bank loans and undrawn short-term facilities and are therefore classified as current assets. The pledged bank deposits carry fixed interest rates of 1.55% to 2.80% (2015: 2.80% to 2.90%) per annum.

The details of the Group's pledged bank deposits and bank balances and cash which are denominated in currencies other than the functional currency of the respective group entities are set out below:

31. 已抵押銀行存款／銀行結餘及現金

銀行結餘及現金包括本集團持有之現金及原本於三個月或以內到期之短期銀行存款，按每年0.01厘至2.80厘(二零一五年：每年0.01厘至2.80厘)之市場利率計息。

已抵押銀行存款指為取得授予本集團之銀行融資而抵押予銀行之存款。275,554,000港元(二零一五年：63,484,000港元)之存款已作抵押以取得短期銀行貸款及未提取之短期融資，因此分類為流動資產。已抵押銀行存款按每年1.55厘至2.80厘(二零一五年：每年2.80厘至2.90厘)之固定利率計息。

本集團以各相關集團實體之功能貨幣以外之貨幣計值之已抵押銀行存款以及銀行結餘及現金之詳情載列如下：

		USD 美元 HK\$'000 千港元 equivalent 相等於	HK\$ 港元 HK\$'000 千港元
At March 31, 2016	於二零一六年三月三十一日	576,566	101,695
At March 31, 2015	於二零一五年三月三十一日	561,911	32,986

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

32. Trade and Other Payables

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The following is an aged analysis of trade and other payables presented based on the invoice date at the end of the reporting period:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
0-90 days	0至90日	2,885,375	1,379,846
91-180 days	91至180日	427,899	477,489
Over 180 days	180日以上	1,605,916	1,360,640
Trade and bill payables	貿易應付賬款及應付票據	4,919,190	3,217,975
Other payables and accrued charges	其他應付賬項及應計費用	553,768	642,893
Construction fee payables	應付工程費用	514,591	528,918
Other tax payables	應付其他稅項	72,087	60,792
Accrued staff costs	應計員工成本	105,797	86,397
Loan interest payables	應付貸款利息	134,332	76,827
Deposits received from customers	已收客戶之按金	—	45,939
Advance payments from customers	來自客戶之預付款項	1,469,674	1,486,290
Advances received from customers for contract work that have not yet been started	已向尚未展開之合約工程客戶收取之墊款	548,345	606,971
Amounts due to non-controlling interests of subsidiaries	應付附屬公司非控股權益款項	231,673	171,324
		8,549,457	6,924,326

Included in the amounts due to non-controlling interests of subsidiaries are trade payables amounting to Nil (2015: HK\$582,000) respectively. All of the balances were aged within 90 days based on invoice date and the average credit period is 90 days.

The non-trade balances of amounts due to non-controlling interests of subsidiaries are unsecured, non-interest bearing and repayable on demand.

32. 貿易應付賬款及其他應付賬項

貿易應付賬款及其他應付賬項包括貿易買入及持續成本之未結清數額。於報告期末，按發票日期呈列之貿易應付賬款及其他應付賬項之賬齡分析如下：

計入應付附屬公司非控股權益之金額為貿易應付賬款零(二零一五年：582,000港元)。所有結餘之賬齡為發出發票日期起計90日內，平均信貸期為90日。

應付附屬公司非控股權益之非貿易結餘為無抵押、免息及須於要求時償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

33. Amount Due to a Non-Controlling Interest of a Subsidiary

The amount was unsecured, bearing fixed-rate interest at 2% per annum, repayable on demand and denominated in JPY.

33. 應付附屬公司非控股權益款項

該款項為無抵押、按年利率2厘計息、於要求時償還及以日圓計值。

34. Bank and Other Borrowings

34. 銀行及其他借貸

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Bank and other borrowings comprise the following:	銀行及其他借貸包括以下各項：		
Bank borrowings	銀行借貸	21,095,107	19,326,169
Trust receipt loans	信託收據貸款	—	112,687
Other bank borrowings	其他銀行借貸	—	1,224,553
Other borrowings	其他借款	1,239,075	72,153
		22,334,182	20,735,562
Secured	有抵押	14,518,042	7,187,277
Unsecured	無抵押	7,816,140	13,548,285
		22,334,182	20,735,562

As at March 31, 2016, other borrowings included corporate bonds of HK\$1,166,922,000 (approximately RMB1 billion) (2015: nil) with a term of 3 years with coupon and effective interest rate of 4.2% per annum issued through private placement on January 13, 2016 with maturity date on January 13, 2019. The corporate bonds are issued in the PRC and listed on Shanghai Stock Exchange Comprehensive Electronic Platform of Fixed Income Securities on February 19, 2016.

於二零一六年三月三十一日，其他借款包括於二零一六年一月十三日透過私募配售方式發行之3年期公司債券1,166,922,000港元(約人民幣10億元)(二零一五年：零)，到期日為二零一六年一月十三日，票面息及實際年利率為4.2厘。公司債券於中國發行，並於二零一六年二月十九日於上海證券交易所固定收益證券綜合電子平台上市。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

34. Bank and Other Borrowings (Continued)

34. 銀行及其他借貸(續)

	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
The maturity profile of the above borrowings 上述借款之到期情況如下： is as follows:		
Within one year 於一年內	10,324,484	3,918,554
More than one year, but not exceeding two years 多於一年但不超過兩年	2,093,984	5,242,474
More than two years, but not exceeding five years 多於兩年但不超過五年	8,188,859	9,509,517
More than five years 多於五年	1,726,855	2,065,017
	22,334,182	20,735,562
Less: Amount due within one year shown under current liabilities 減：一年內到期列入流動負債之款項	10,324,484	3,918,554
Amount due after one year 一年後到期之款項	12,009,698	16,817,008
Borrowings comprise: 借貸包括：		
Fixed-rate borrowings 定息借貸	4,005,862	2,812,752
Floating-rate borrowings 浮息借貸		
— London Interbank Offered Rate ("LIBOR") plus 1.75%–2.35% (2015: 1.50%–2.35%) 一倫敦同業拆借利率另加1.75厘至2.35厘(二零一五年：1.5厘至2.35厘)	5,310,290	12,602,918
— Base rate of People's Bank of China 一中國人民銀行基準利率	13,018,030	5,319,892
	22,334,182	20,735,562

During the year ended March 31, 2016, amount of HK\$11,522,131,000, which is denominated in USD is early repaid.

於截至二零一六年三月三十一日止年度，以美元計值的款項11,522,131,000港元獲提早償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

34. Bank and Other Borrowings (Continued)

The range of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

		2016 二零一六年	2015 二零一五年
Effective interest rate per annum:	實際年利率：		
Fixed-rate borrowings	定息借貸	2.00%–6.55%	2.00%–5.89%
Floating-rate borrowings	浮息借貸	3.29%–9%	3.84%–6.16%

The details of the Group's borrowings which are denominated in currencies other than the functional currency of the respective group entities are set out below:

34. 銀行及其他借貸(續)

本集團借貸之實際利率的範圍(亦相當於訂約利率)如下：

本集團除各相關集團實體之功能貨幣以外之貨幣計值之借貸詳情載列如下：

		USD 美元 HK\$'000 千港元 equivalent 等值	JPY 日圓 HK\$'000 千港元 equivalent 等值	EURO 歐元 HK\$'000 千港元 equivalent 等值
At March 31, 2016	於二零一六年三月三十一日	1,014,068	553,590	22,515
At March 31, 2015	於二零一五年三月三十一日	16,572,877	539,423	26,056

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

35. Share Capital

35. 股本

		Ordinary shares		Convertible preference shares		Total
		普通股	可換股優先股	可換股優先股	可換股優先股	
		No. of shares '000 at HK\$0.01 each 千股股數每股 面值0.01港元	No. of shares '000 at HK\$1.00 each 千股股數每股 面值1.00港元	No. of shares '000 at HK\$1.00 each 千股股數每股 面值1.00港元	No. of shares '000 at HK\$1.00 each 千股股數每股 面值1.00港元	合計 合計
Authorised	法定	9,000,000	90,000	124,902	124,902	214,902
Issued and fully paid:	已發行及繳足：					
At April 1, 2014	於二零一四年四月一日	4,995,288	49,953	—	—	49,953
Repurchase of shares (Note)	回購股份(附註)	(19,210)	(192)	—	—	(192)
Exercise of share option (note 45)	行使購股權(附註45)	25,760	258	—	—	258
At March 31, 2015	於二零一五年三月三十一日	5,001,838	50,019	—	—	50,019
Repurchase of shares (Note)	回購股份(附註)	(91,454)	(915)	—	—	(915)
At March 31, 2016	於二零一六年三月三十一日	4,910,384	49,104	—	—	49,104

The new shares issued rank pari passu with the existing shares in all respects.

已發行新股於各方面與現有股份享有相同權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

35. Share Capital (Continued)

Note:

During the year ended March 31, 2016 and 2015, the Company repurchased its own shares through the stock Exchange as follows:

35. 股本(續)

附註：

截至二零一六年及二零一五年三月三十一日止年度，本公司透過聯交所回購其自身之股份如下：

Month of repurchase	回購月份	No. of ordinary shares of HK\$0.01 0.01 港元之普通股數目	Price per share 每股價格		Aggregated repurchased costs 總購回成本 HK\$'000 千港元
			highest 最高	lowest 最低	
2016					
二零一六年					
July 2015	二零一五年七月	27,934,000	12.00	10.74	313,741
August 2015	二零一五年八月	7,438,000	11.88	10.36	81,644
September 2015	二零一五年九月	1,628,000	10.64	10.36	17,109
October 2015	二零一五年十月	174,000	10.98	10.44	1,875
December 2015	二零一五年十二月	6,722,000	10.42	10.06	69,056
January 2016	二零一六年一月	38,984,000	10.22	9.15	383,631
February 2016	二零一六年二月	8,574,000	9.47	9.11	80,213
2015					
二零一五年					
December 2014	二零一四年十二月	6,610,000	12.40	11.94	80,955
January 2015	二零一五年一月	11,734,000	12.56	11.74	141,409
February 2015	二零一五年二月	866,000	11.98	11.94	10,393

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

36. RESERVES

36. 儲備

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Translation reserve	換算儲備		
At the beginning of the reporting period	於報告期初	792,119	794,098
Exchange difference arising on translation	因換算而產生之匯兌差額	(818,344)	(1,979)
At the end of the reporting period	於報告期末	(26,225)	792,119
Investment revaluation reserve	投資重估儲備		
At the beginning of the reporting period	於報告期初	36,355	7,120
(Decrease) increase in fair value on available-for-sale investments	可供出售投資公平值(減少)增加	(11,042)	29,235
Reclassification adjustment for the cumulative loss included in profit or loss upon disposal of available-for-sale investments	於出售可供出售之投資時計入損益之累計虧損之重新分類調整	5,463	—
At the end of the reporting period	於報告期末	30,776	36,355

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

37. Derivative Financial Instruments

37. 衍生金融工具

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Financial liabilities	財務負債		
Cross currency interest rate swap contract	交叉貨幣利率掉期合約	4,500	—

In order to manage the Group's foreign currency exposure and interest rate exposure in relation to the Group's borrowings which are denominated in USD, the Group entered into a cross currency interest rate swap contract to buy US\$ for RMB.

At the end of the reporting period, the Group has an outstanding cross currency interest rate swap contract with an aggregate notional amount of US\$35 million (2015: nil) that require the Group to buy US\$ for RMB at exchange rate of RMB6.534 (2015: not applicable) for US\$1 and the floating interest rate is 6 month LIBOR+1.75% per annum to fixed rate of 5.52% per annum with maturity periods to be matched with the maturity periods relevant borrowings.

The cross currency interest rate swap is measured at fair value at the end of the reporting period which is determined by reference to the prices as quoted by the counterparty financial institution.

為管理本集團有關以美元計值之本集團借貸的外幣風險及利率風險，本集團訂立交叉貨幣利率掉期合約，以人民幣購入美元。

於報告期末，本集團之未到期交叉貨幣利率掉期合約的總名義金額為35百萬美元(二零一五年：零)，規定本集團按1美元兌人民幣6.534元(二零一五年：不適用)之匯率以人民幣購入美元，而浮動年利率為6個月倫敦銀行同業拆息率加1.75厘至固定年利率5.52厘，期限與相關借貸的期限相配。

交叉貨幣利率掉期於報告期末按經參考對手方金融機構所報價格而釐定的公平值計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

38. Deferred Taxation

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

38. 遞延稅項

以下為於本申報年度及前申報年度之已確認遞延稅項負債(資產)以及相關變動。

		Accelerated tax depreciation	Revaluation investment properties	Fair value adjustment on property, plant and equipment and prepaid lease payments 物業、 廠房及設備 以及預付 租賃款項之 公平值調整	Tax losses	Intangible assets	Impairment on trade receivables and amounts due from customers for contract work 貿易 應收賬款及 應收客戶之 合約工程 款項減值	Impairment on property, plant and equipment 物業、 廠房及 設備減值	Total
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
At April 1, 2014	於二零一四年 四月一日	471	26,936	145,058	(13,673)	472,586	(110,798)	—	520,580
Exchange adjustments	匯兌調整	—	—	(31)	—	519	—	—	488
Charge (credit) to profit or loss for the year (note 12)	年內於損益中扣 除(抵免) (附註12)	—	1,263	(4,662)	(1,089)	(12,042)	(13,691)	—	(30,221)
Acquisition of businesses	收購業務	—	—	—	—	119,450	—	—	119,450
At March 31, 2015	於二零一五年 三月三十一日	471	28,199	140,365	(14,762)	580,513	(124,489)	—	610,297
Exchange adjustments	匯兌調整	—	—	156	—	(2,028)	(2,185)	—	(4,057)
Charge (credit) to profit or loss for the year (note 12)	年內於損益中扣 除(抵免) (附註12)	—	817	(4,663)	231	(17,751)	(8,328)	(31,104)	(60,798)
Acquisition of businesses	收購業務	—	—	—	—	44,645	—	—	44,645
At March 31, 2016	於二零一六年 三月三十一日	471	29,016	135,858	(14,531)	605,379	(135,002)	(31,104)	590,087

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

38. Deferred Taxation (Continued)

For the purpose of presentation in the consolidated statement of financial position, certain deferred tax assets and liabilities have been offset. The following is the analysis of the deferred tax balances for financial reporting purposes:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Deferred tax assets	遞延稅項資產	166,106	124,489
Deferred tax liabilities	遞延稅項負債	(756,193)	(734,786)
		(590,087)	(610,297)

Under the Law of the PRC on Enterprise Income Tax, withholding tax is imposed on dividends declared in respect of profit earned by PRC subsidiaries from January 1, 2008 onward. No deferred taxation has been provided for in the consolidated financial statements in respect of temporary differences attributable to accumulated profits of the PRC entities amounting to HK\$11,868,356,000 (2015: HK\$8,890,918,000) as the Group is able to control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

All joint ventures and associates established in the PRC are held directly by certain wholly-owned subsidiaries of the Group established in the PRC which are therefore not subject to the above-mentioned withholding tax.

At the end of the reporting period, the Group has estimated unused tax losses of HK\$4,932,062,000 (2015: HK\$4,264,561,000) available for offset against future profits. A deferred tax asset has been recognised in respect of HK\$88,062,000 (2015: HK\$89,462,000) of the tax losses. No deferred tax asset has been recognised for the remaining estimated tax losses of HK\$4,844,000,000 (2015: HK\$4,175,099,000) due to the uncertainty of future profits streams. Included in unrecognised estimated tax losses are losses of HK\$3,001,303,000 (2015: HK\$2,751,245,000) that will expire in 5 years from the year of origination which is ranged from 2016 to 2020 (2015: 2015 to 2019). Other losses may be carried forward indefinitely.

38. 遞延稅項(續)

就呈列綜合財務狀況表而言，若干遞延稅項資產及負債已予抵銷。以下為就財務報告而言之遞延稅項結餘分析：

根據中國企業所得稅法，由二零零八年一月一日起，就中國附屬公司所賺取之溢利而宣派之股息須徵收預扣稅。綜合財務報表並無就中國實體累計溢利11,868,356,000港元(二零一五年：8,890,918,000港元)之暫時差額作出遞延稅項撥備，原因是本集團能控制撥回暫時差額之時間，且暫時差額很可能不會於可見將來撥回。

所有於中國成立的合資公司及聯營公司均由本集團在中國成立之若干全資附屬公司直接持有，因此毋須繳納上述預扣稅。

於報告期末，本集團可用以抵銷未來溢利之估計未動用稅項虧損為4,932,062,000港元(二零一五年：4,264,561,000港元)。已就88,062,000港元(二零一五年：89,462,000港元)之稅項虧損確認遞延稅項資產。由於未來溢利來源尚不確定，其餘估計稅項虧損4,844,000,000港元(二零一五年：4,175,099,000港元)並無確認遞延稅項資產。未確認估計稅項虧損中包括自起始年度二零一六年至二零二零年(二零一五年：二零一五年至二零一九年期間)起計5年內屆滿之3,001,303,000港元(二零一五年：2,751,245,000港元)虧損。其他虧損可無限期結轉。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

39. Acquisition of Additional Interest in Subsidiaries 39. 收購附屬公司額外權益

(A) Acquisition of additional interest in subsidiaries in 2016

The Group entered into a sale and purchase agreements with the respective holders of the remaining equity interests holders of certain subsidiaries in the PRC for a total consideration of RMB132,091,000 (approximately HK\$158,193,000). The difference between the consideration paid and the carrying amount of the additional interest acquired by the Group of HK\$103,591,000 was credited to equity as capital reserve during the year ended March 31, 2016.

(B) Acquisition of additional interest in subsidiaries in 2015

The Group entered into a sale and purchase agreements with the respective holders of the remaining equity interests holders of certain subsidiaries in the PRC for a total consideration of RMB9,804,000 (approximately HK\$12,410,000). The difference between the consideration paid and the carrying amount of the additional interest acquired by the Group of HK\$4,518,000 was credited to equity as capital reserve during the year ended March 31, 2015.

(A) 於二零一六年收購附屬公司額外權益

本集團與若干中國附屬公司之餘下股本權益各自之持有人按總代價人民幣132,091,000元(約158,193,000港元)訂立買賣協議。已支付代價與本集團所收購額外權益賬面值之差額103,591,000港元於截至二零一六年三月三十一日止年度以資本儲備計入權益中。

(B) 於二零一五年收購附屬公司額外權益

本集團與若干中國附屬公司之餘下股本權益各自之持有人按總代價人民幣9,804,000元(約12,410,000港元)訂立買賣協議。已支付代價與本集團所收購額外權益賬面值之差額4,518,000港元於截至二零一五年三月三十一日止年度以資本儲備計入權益中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses

(A) Acquisition of a business through purchase of subsidiaries in 2016

- (i) On January 10, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 51% equity interest of 濰坊中凱清潔能源技術有限公司 ("濰坊中凱") at a consideration of RMB33,880,000 (approximately HK\$41,571,000). The acquisition was completed on June 1, 2015, on that date the control in 濰坊中凱 was passed to the Group. 濰坊中凱 is principally engaged in natural gas and gas pipeline construction business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

Cash	現金	
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40. 業務收購

(A) 於二零一六年透過收購附屬公司收購業務

- (i) 於二零一五年一月十日，本集團之附屬公司與獨立第三方訂立收購協議，據此，本集團收購濰坊中凱清潔能源技術有限公司(「濰坊中凱」)之51%股本權益，代價為人民幣33,880,000元(約41,571,000港元)。收購已於二零一五年六月一日完成，於當日，濰坊中凱之控制權轉移至本集團。濰坊中凱主要從事天然氣業務及輸氣管道建設業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

HK\$'000
千港元

		41,571
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(i) (Continued)

Fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	25,397
Intangible assets	無形資產	54,004
Inventories	存貨	1,229
Trade and other receivables	貿易應收賬款及其他應收賬項	3,926
Bank balances and cash	銀行結餘及現金	20,519
Trade and other payables	貿易應付賬款及其他應付賬項	(24,929)
Deferred taxation	遞延稅項	(13,501)
		66,645
Non-controlling interests	非控股權益	(32,656)
Goodwill	商譽	7,582
		41,571

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$3,926,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(i) (續)

本集團於收購日確認之所收購資產及所承擔負債之公平值：

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為3,926,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(i) (Continued)

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	41,571
less: Fair value of identifiable net assets acquired, net of non-controlling interests	減：所收購可識別淨資產之公平值，扣除非控股權益	(33,989)
Goodwill arising on acquisition	因收購而產生之商譽	7,582

The goodwill arising on the acquisition of 濰坊中凱 was attributed to the anticipated profitability of its natural gas and gas pipeline construction business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Non-controlling interests

The non-controlling interests in 濰坊中凱 recognised at the date of the acquisition was measured by reference to the respective proportionate shares of recognised amounts of net assets of relevant subsidiary and amounted to HK\$32,656,000.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(i) (續)

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	41,571
less: Fair value of identifiable net assets acquired, net of non-controlling interests	減：所收購可識別淨資產之公平值，扣除非控股權益	(33,989)
Goodwill arising on acquisition	因收購而產生之商譽	7,582

因收購濰坊中凱而產生之商譽乃基於其天然氣業務及輸氣管道建設業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

非控股權益

於收購日確認之濰坊中凱非控股權益經參考相關附屬公司資產淨值的各相關已確認金額比例計量為32,656,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(i) (Continued)

Net cash inflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	20,519
Cash consideration	現金代價	(41,571)
Deposit paid	所支付之按金	36,172
		15,120

Impact of acquisition on the results of the Group

Included in the profit for the year ended March 31, 2016 was HK\$4,130,000 attributable to the acquisition of 濰坊中凱. Revenue of 濰坊中凱 included in the Group's revenue for the year ended March 31, 2016 amounted to HK\$38,721,000.

- (ii) On April 15, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 80% equity interest of 聊城厚德燃氣有限公司 ("聊城厚德") at a consideration of RMB86,666,700 (approximately HK\$106,340,000). The acquisition was completed on August 31, 2015, on that date the control in 聊城厚德 was passed to the Group. 聊城厚德 is principally engaged in natural gas and gas pipeline construction business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(i) (續)

因收購而產生之現金流入淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	20,519
Cash consideration	現金代價	(41,571)
Deposit paid	所支付之按金	36,172
		15,120

收購對本集團業績之影響

截至二零一六年三月三十一日止年度之溢利包括歸屬於收購濰坊中凱之4,130,000港元。計入本集團截至二零一六年三月三十一日止年度收益的濰坊中凱收益為38,721,000港元。

- (ii) 於二零一五年四月十五日，本集團附屬公司與獨立第三方訂立收購協議，據此，本集團收購聊城厚德燃氣有限公司(「聊城厚德」)之80%股本權益，代價為人民幣86,666,700元(約106,340,000港元)。收購已於二零一五年八月三十一日完成，於當日，聊城厚德之控制權轉移至本集團。聊城厚德主要從事天然氣及輸氣管道建設業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(ii) (Continued)

Consideration transferred

		HK\$'000 千港元
Cash	現金	95,706
Consideration payable	應付代價	10,634
Total	總計	106,340

Fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	35,406
Prepaid lease payment	預付租賃款項	6,374
Intangible assets	無形資產	90,331
Inventories	存貨	1,078
Trade and other receivables	貿易應收賬款及其他應收賬項	2,382
Bank balances and cash	銀行結餘及現金	5,277
Trade and other payables	貿易應付賬款及其他應付賬項	(15,612)
Deferred taxation	遞延稅項	(22,583)
		102,653
Non-controlling interests	非控股權益	(20,531)
Goodwill	商譽	24,218
		106,340

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$2,382,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(ii) (續)

已轉讓代價

本集團於收購日確認之所收購資產及所承擔負債之公平值：

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為2,382,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(ii) (Continued)

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	106,340
Less: Fair value of identifiable net assets acquired, net of non-controlling interests	減：所收購可識別淨資產之公平值，扣除非控股權益	(82,122)
Goodwill arising on acquisition	因收購而產生之商譽	24,218

The goodwill arising on the acquisition of 聊城厚德 was attributed to the anticipated profitability of its natural gas and gas pipeline construction business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Non-controlling interests

The non-controlling interests in 聊城厚德 recognised at the date of the acquisition was measured by reference to the respective proportionate shares of recognised amounts of net assets of relevant subsidiary and amounted to HK\$20,531,000.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	5,277
Cash consideration	現金代價	(95,706)
Deposit paid	所支付之按金	31,902
		(58,527)

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(ii) (續)

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	106,340
Less: Fair value of identifiable net assets acquired, net of non-controlling interests	減：所收購可識別淨資產之公平值，扣除非控股權益	(82,122)
Goodwill arising on acquisition	因收購而產生之商譽	24,218

因收購聊城厚德而產生之商譽乃基於其天然氣及輸氣管道建設業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

非控股權益

於收購日確認之聊城厚德非控股權益經參考相關附屬公司資產淨值的各相關已確認金額比例計量為20,531,000港元。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	5,277
Cash consideration	現金代價	(95,706)
Deposit paid	所支付之按金	31,902
		(58,527)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(ii) (Continued)

Impact of acquisition on the results of the Group

Included in the Group's result for the year ended March 31, 2016 was a loss of HK\$1,627,000 attributable to the acquisition of 聊城厚德. Revenue of 聊城厚德 included in the Group's revenue for the year ended March 31, 2016 amounted to HK\$565,000.

(iii) On April 3, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 河池明陽燃氣有限公司 ("河池中燃") at a consideration of RMB50,000,000 (approximately HK\$61,350,000). The acquisition was completed on August 31, 2015, on that date the control in 河池中燃 was passed to the Group. 河池中燃 is principally engaged in natural gas and gas pipeline construction business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

Cash

現金

HK\$'000
千港元

61,350

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(ii) (續)

收購對本集團業績之影響

本集團截至二零一六年三月三十一日止年度之業績包括歸屬於收購聊城厚德之虧損1,627,000港元。計入本集團截至二零一六年三月三十一日止年度收益的聊城厚德收益為565,000港元。

(iii) 於二零一五年四月三日，本集團附屬公司與獨立第三方訂立收購協議，據此，本集團收購河池明陽燃氣有限公司("河池中燃")之100%股本權益，代價為人民幣50,000,000元(約61,350,000港元)。收購已於二零一五年八月三十一日完成，於當日，河池中燃之控制權轉移至本集團。河池中燃主要從事天然氣及輸氣管道建設業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(iii) (Continued)

Fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	5,693
Intangible assets	無形資產	34,242
Inventories	存貨	493
Trade and other receivables	貿易應收賬款及其他應收賬項	21,959
Bank balances and cash	銀行結餘及現金	85
Trade and other payables	貿易應付賬款及其他應付賬項	(2,758)
Deferred taxation	遞延稅項	(8,561)
		51,153
Goodwill	商譽	10,197
		61,350

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$21,959,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(iii) (續)

本集團於收購日確認之所收購資產及所承擔負債之公平值：

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為21,959,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(iii) (Continued)

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	61,350
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(51,153)
Goodwill arising on acquisition	因收購而產生之商譽	10,197

The goodwill arising on the acquisition of 河池中燃 was attributed to the anticipated profitability of its sales of natural gas and gas pipeline construction business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	85
Cash consideration paid	所支付之現金代價	(61,350)
		(61,265)

Impact of acquisition on the results of the Group

Included in the profit for the year ended March 31, 2016 was HK\$386,000 attributable to the acquisition of 河池中燃. Revenue of 河池中燃 included in the Group's revenue for the year ended March 31, 2016 amounted to HK\$5,449,000.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(iii) (續)

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	61,350
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(51,153)
Goodwill arising on acquisition	因收購而產生之商譽	10,197

因收購河池中燃而產生之商譽乃基於其天然氣銷售及輸氣管道建設業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	85
Cash consideration paid	所支付之現金代價	(61,350)
		(61,265)

收購對本集團業績之影響

截至二零一六年三月三十一日止年度之溢利包括歸屬於收購河池中燃之386,000港元。計入本集團截至二零一六年三月三十一日止年度收益的河池中燃收益為5,449,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

- (iv) On April 26, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 勃利縣泰和管道燃氣有限公司 (“勃利縣泰和”) at a consideration of RMB30,376,000 (approximately HK\$36,378,000). The acquisition was completed on January 1, 2016, on that date the control in 勃利縣泰和 was passed to the Group. 勃利縣泰和 is principally engaged in natural gas and gas pipeline construction business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

		HK\$'000 千港元
Cash	現金	7,004
Consideration payable	應付代價	29,374
Total	總計	36,378

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

- (iv) 於二零一五年四月二十六日，本集團附屬公司與獨立第三方訂立收購協議，據此，本集團收購勃利縣泰和管道燃氣有限公司(「勃利縣泰和」)之100%股本權益，代價為人民幣30,376,000元(約36,378,000港元)。收購已於二零一六年一月一日完成，於當日，勃利縣泰和之控制權轉移至本集團。勃利縣泰和主要從事天然氣及輸氣管道建設業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(iv) (Continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	38,302
Inventories	存貨	215
Trade and other receivables	貿易應收賬款及其他應收賬項	393
Bank balances and cash	銀行結餘及現金	233
Trade and other payables	貿易應付賬款及其他應付賬項	(8,325)
		30,818
Goodwill	商譽	5,560
		36,378

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$393,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(iv) (續)

本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：

上述收購事項之初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為393,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(iv) (Continued)

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	36,378
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(30,818)
Goodwill arising on acquisition	因收購而產生之商譽	5,560

The goodwill arising on the acquisition of 勃利縣泰和 was attributed to the anticipated profitability of its natural gas and gas pipeline construction business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	233
Cash consideration paid	所支付之現金代價	(7,004)
		(6,771)

Impact of acquisition on the results of the Group

Included in the profit for the year ended March 31, 2016 was HK\$883,000 attributable to the acquisition of 勃利縣泰和. Revenue of 勃利縣泰和 included in the Group's revenue for the year ended March 31, 2016 amounted to HK\$4,091,000.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(iv) (續)

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	36,378
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(30,818)
Goodwill arising on acquisition	因收購而產生之商譽	5,560

因收購勃利縣泰和而產生之商譽乃基於其天然氣及燃氣管道建設業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	233
Cash consideration paid	所支付之現金代價	(7,004)
		(6,771)

收購對本集團業績之影響

截至二零一六年三月三十一日止年度之溢利包括歸屬於收購勃利縣泰和之883,000港元。計入本集團截至二零一六年三月三十一日止年度收益的勃利縣泰和收益為4,091,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

- (v) On August 28, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 雙鴨山九洲龍能源科技有限公司 ("雙鴨山九洲龍") at a consideration of RMB26,358,000 (approximately HK\$31,567,000). The acquisition was completed on February 1, 2016, on that date the control in 雙鴨山九洲龍 was passed to the Group. 雙鴨山九洲龍 is principally engaged in natural gas and gas pipeline construction business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

		HK\$'000 千港元
Consideration payable	應付代價	31,567

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	49,127
Inventories	存貨	103
Trade and other receivables	貿易應收賬款及其他應收賬項	1,169
Bank balances and cash	銀行結餘及現金	12,325
Trade and other payables	貿易應付賬款及其他應付賬項	(41,417)
		21,307
Goodwill	商譽	10,260
		31,567

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

- (v) 於二零一五年八月二十八日，本集團附屬公司與獨立第三方訂立收購協議，據此，本集團收購雙鴨山九洲龍能源科技有限公司(「雙鴨山九洲龍」)之100%股本權益，代價為人民幣26,358,000元(約31,567,000港元)。收購已於二零一六年二月一日完成，於當日，雙鴨山九洲龍之控制權轉移至本集團。雙鴨山九洲龍主要從事天然氣及輸氣管道建設業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

		HK\$'000 千港元
Consideration payable	應付代價	31,567
Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:	本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：	

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	49,127
Inventories	存貨	103
Trade and other receivables	貿易應收賬款及其他應收賬項	1,169
Bank balances and cash	銀行結餘及現金	12,325
Trade and other payables	貿易應付賬款及其他應付賬項	(41,417)
		21,307
Goodwill	商譽	10,260
		31,567

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(v) (Continued)

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$1,169,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	31,567
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(21,307)
Goodwill arising on acquisition	因收購而產生之商譽	10,260

The goodwill arising on the acquisition of 雙鴨山九洲龍 was attributed to the anticipated profitability of its natural gas and gas pipeline construction business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash inflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	12,325

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(v) (續)

上述收購事項之初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為1,169,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	31,567
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(21,307)
Goodwill arising on acquisition	因收購而產生之商譽	10,260

因收購雙鴨山九洲龍而產生之商譽乃基於其天然氣及輸氣管道建設業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流入淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	12,325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(v) (Continued)

Impact of acquisition on the results of the Group

Included in the Group's result for the year ended March 31, 2016 was a loss of HK\$860,000 attributable to the acquisition of 雙鴨山九洲龍. No revenue contributed by 雙鴨山九洲龍 for the year ended March 31, 2016.

- (vi) On May 18, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 黃石中燃清潔能源有限公司 ("黃石中燃") at a consideration of RMB17,733,000 (approximately HK\$21,237,000). The acquisition was completed on March 1, 2016, on that date the control in 黃石中燃 was passed to the Group. 黃石中燃 is principally engaged in natural gas business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

		HK\$'000
		千港元
Cash	現金	19,081
Consideration payable	應付代價	2,156
Total	總計	21,237

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(v) (續)

收購對本集團業績之影響

本集團截至二零一六年三月三十一日止年度之業績包括歸屬於收購雙鴨山九洲龍之虧損860,000港元。雙鴨山九洲龍於截至二零一六年三月三十一日止年度並無貢獻任何收益。

- (vi) 於二零一五年五月十八日，本集團附屬公司與獨立第三方訂立收購協議，據此，本集團收購黃石中燃清潔能源有限公司(「黃石中燃」)之100%股本權益，代價為人民幣17,733,000元(約21,237,000港元)。收購已於二零一六年三月一日完成，於當日，黃石中燃之控制權轉移至本集團。黃石中燃主要從事天然氣業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(vi) (Continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	17,285
Trade and other receivables	貿易應收賬款及其他應收賬項	843
Bank balances and cash	銀行結餘及現金	2,077
Trade and other payables	貿易應付賬款及其他應付賬項	(3,320)
		16,885
Goodwill	商譽	4,352
		21,237

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$843,000 at the date of acquisition.

The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(vi) (續)

本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：

上述收購事項之初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為843,000港元。

於收購日對預期無法收回合約現金流之最佳估計為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of a business through purchase of subsidiaries in 2016 (Continued)

(vi) (Continued)

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	21,237
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(16,885)
Goodwill arising on acquisition	因收購而產生之商譽	4,352

The goodwill arising on the acquisition of 黃石中燃 was attributed to the anticipated profitability of its natural gas business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	2,077
Cash consideration paid	所支付之現金代價	(19,081)
		(17,004)

Impact of acquisition on the results of the Group

Included in the Group's result for the year ended March 31, 2016 was a loss of HK\$192,000 attributable to the acquisition of 黃石中燃. No revenue contributed by 黃石中燃 for the year ended March 31, 2016.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(vi) (續)

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	21,237
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(16,885)
Goodwill arising on acquisition	因收購而產生之商譽	4,352

因收購黃石中燃而產生之商譽乃基於其天然氣業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	2,077
Cash consideration paid	所支付之現金代價	(19,081)
		(17,004)

收購對本集團業績之影響

本集團截至二零一六年三月三十一日止年度之業績包括歸屬於收購黃石中燃之虧損192,000港元。黃石中燃於截至二零一六年三月三十一日止年度並無貢獻任何收益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(vii) On August 31, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 保山中燃燃氣工程安裝有限公司 (“保山中燃工程安裝”) at a consideration of RMB3,100,000 (approximately HK\$3,713,000). The acquisition was completed on March 1, 2016, on that date the control in 保山中燃工程安裝 was passed to the Group. 保山中燃工程安裝 is principally engaged in LPG storage, construction and maintenance of pipeline projects business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

		HK\$'000 千港元
Cash	現金	3,713

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(vii) 於二零一五年八月三十一日，本集團之附屬公司與獨立第三方達成收購協議，據此，本集團收購保山中燃燃氣工程安裝有限公司(「保山中燃工程安裝」)之100%股本權益，代價為人民幣3,100,000元(約3,713,000港元)。收購已於二零一六年三月一日完成，於當日，保山中燃工程安裝之控制權轉移至本集團。保山中燃工程安裝主要從事液化石油氣貯存、建造及保養管道項目業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(vii) (Continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	7,370
Inventories	存貨	1,018
Trade and other receivables	貿易應收賬款及其他應收賬項	10,037
Cash and bank balances	現金及銀行結餘	615
Trade and other payables	貿易應付賬款及其他應付賬項	(14,857)
		4,183
Gain on bargain purchase	議價購買收益	(470)
		3,713

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$10,037,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Gain on bargain purchase

		HK\$'000 千港元
Consideration transferred	已轉讓代價	3,713
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(4,183)
Gain on bargain purchase	議價購買收益	(470)

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(vii) (續)

本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	7,370
Inventories	存貨	1,018
Trade and other receivables	貿易應收賬款及其他應收賬項	10,037
Cash and bank balances	現金及銀行結餘	615
Trade and other payables	貿易應付賬款及其他應付賬項	(14,857)
		4,183
Gain on bargain purchase	議價購買收益	(470)
		3,713

上述收購的初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為10,037,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

議價購買收益

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(vii) (Continued)

Goodwill arising on acquisition

The goodwill arising on the acquisition of 保山中燃工程安裝 was attributed to the anticipated profitability of its LPG storage, construction and maintenance of pipeline projects.

Net cash outflow arising on acquisition

Bank balances and cash acquired
Cash consideration paid

所收購之銀行結餘及現金
所支付之現金代價

HK\$'000
千港元

615
(3,713)

(3,098)

Impact of acquisition on the results of the Group

Included in the profit for the year ended March 31, 2016 was HK\$2,107,000 attributable to the acquisition of 保山中燃工程安裝. Revenue of 保山中燃工程安裝 included in the Group's revenue for the year ended March 31, 2016 amounted to HK\$2,845,000.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(vii) (續)

因收購而產生之商譽

因收購保山中燃工程安裝而產生之商譽乃基於其於液化石油氣貯存、建造及保養管道項目之預期盈利能力。

因收購而產生之現金流出淨額

收購對本集團業績之影響

截至二零一六年三月三十一日止年度之溢利包括歸屬於收購保山中燃工程安裝之2,107,000港元。計入本集團截至二零一六年三月三十一日止年度之保山中燃工程安裝收益為2,845,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(viii) On August 31, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 保山中燃城市燃氣發展有限公司 ("保山中燃") at a consideration of RMB58,680,000 (approximately HK\$70,275,000). The acquisition was completed on March 1, 2016, on that date the control in 保山中燃 was passed to the Group. 保山中燃 is principally engaged in natural gas and gas pipeline construction business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

		HK\$'000 千港元
Cash	現金	46,323
Consideration payable	應付代價	23,952
Total	總計	70,275

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(viii) 於二零一五年八月三十一日，本集團之附屬公司與獨立第三方達成收購協議，據此，本集團收購保山中燃城市燃氣發展有限公司(「保山中燃」)之100%股本權益，代價為人民幣58,680,000元(約70,275,000港元)。收購已於二零一六年三月一日完成，於當日，保山中燃之控制權轉移至本集團。保山中燃主要從事天然氣及輸氣管道建設業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(viii) (Continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	59,821
Inventories	存貨	2,127
Trade and other receivables	貿易應收賬款及其他應收賬項	5,692
Bank balances and cash	銀行結餘及現金	7,279
Trade and other payables	貿易應付賬款及其他應付賬項	(14,195)
		60,724
Goodwill	商譽	9,551
		70,275

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(viii) (續)

本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：

上述收購的初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(viii) (Continued)

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$5,692,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	70,275
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(60,724)
Goodwill arising on acquisition	因收購而產生之商譽	9,551

The goodwill arising on the acquisition of 保山中燃 was attributed to the anticipated profitability of its sales of natural gas and gas pipeline construction business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	7,279
Cash consideration paid	已支付之現金代價	(46,323)
		(39,044)

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(viii) (續)

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為5,692,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	70,275
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(60,724)
Goodwill arising on acquisition	因收購而產生之商譽	9,551

因收購保山中燃而產生之商譽乃基於其天然氣銷售及輸氣管道建設業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	7,279
Cash consideration paid	已支付之現金代價	(46,323)
		(39,044)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(viii) (Continued)

Impact of acquisition on the results of the Group

Included in the profit for the year ended March 31, 2016 was HK\$3,741,000 attributable to the acquisition of 保山中燃. Revenue of 保山中燃 included in the Group's revenue for the year ended March 31, 2016 amounted to HK\$6,115,000.

- (ix) On December 30, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 蕪湖百江 at a consideration of RMB39,459,000 (approximately HK\$47,257,000). The acquisition was completed on December 31, 2015, on that date the control in 蕪湖百江 was passed to the Group. 蕪湖百江 is principally engaged in LPG and delivery of hazardous products business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

	HK\$'000 千港元
Cash 現金	47,257

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(viii) (續)

收購對本集團業績之影響

截至二零一六年三月三十一日止年度之溢利包括歸屬於收購保山中燃之3,741,000港元。計入本集團截至二零一六年三月三十一日止年度收益的保山中燃收益為6,115,000港元。

- (ix) 於二零一五年十二月三十日，本集團之附屬公司與獨立第三方達成收購協議，據此，本集團收購蕪湖百江之100%股本權益，代價為人民幣39,459,000元(約47,257,000港元)。收購已於二零一五年十二月三十一日完成，於當日，蕪湖百江之控制權轉移至本集團。蕪湖百江主要從事液化石油氣及危險品運輸業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(ix) (Continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	12,307
Inventories	存貨	2,901
Trade and other receivables	貿易應收賬款及其他應收賬項	21,106
Bank balances and cash	銀行結餘及現金	3,122
Trade and other payables	貿易應付賬款及其他應付賬項	(9,542)
		29,894
Goodwill	商譽	17,363
		47,257

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(ix) (續)

本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：

上述收購的初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(ix) (Continued)

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$21,106,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	47,257
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(29,894)
Goodwill arising on acquisition	因收購而產生之商譽	17,363

The goodwill arising on the acquisition of 蕪湖百江 was attributed to the anticipated profitability of its LPG and delivery of hazardous products business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	3,122
Cash consideration	現金代價	(47,257)
		(44,135)

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(ix) (續)

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為21,106,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	47,257
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(29,894)
Goodwill arising on acquisition	因收購而產生之商譽	17,363

因收購蕪湖百江而產生之商譽乃基於其液化石油氣及危險品運輸業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	3,122
Cash consideration	現金代價	(47,257)
		(44,135)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(ix) (Continued)

Impact of acquisition on the results of the Group

Included in the profit for the year ended March 31, 2016 was HK\$3,014,000 attributable to the acquisition of 蕪湖百江. Revenue of 蕪湖百江 included in the Group's revenue for the year ended March 31, 2016 amounted to HK\$18,506,000.

- (x) On December 23, 2014, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 黑龍江豐澤化工產品銷售有限公司 ("黑龍江豐澤") at a consideration of RMB3,800,000 (approximately HK\$4,551,000). The acquisition was completed on October 1, 2015, on that date the control in 黑龍江豐澤 was passed to the Group. 黑龍江豐澤 is principally engaged in sales of chemical products business. The director considered that the acquisition will bring additional business to the Group.

Consideration transferred

	HK\$'000 千港元
Cash	4,551

現金

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(ix) (續)

收購對本集團業績之影響

本集團截至二零一六年三月三十一日止年度之溢利包括歸屬於收購蕪湖百江之3,014,000港元。計入本集團截至二零一六年三月三十一日止年度收益的蕪湖百江收益為18,506,000港元。

- (x) 於二零一四年十二月二十三日，本集團附屬公司與獨立第三方訂立收購協議，據此，本集團收購黑龍江豐澤化工產品銷售有限公司(「黑龍江豐澤」)之100%股本權益，代價為人民幣3,800,000元(約4,551,000港元)。收購已於二零一五年十月一日完成，於當日，黑龍江豐澤之控制權轉移至本集團。黑龍江豐澤主要從事化學產品銷售業務。董事認為收購事項將為本集團帶來更多業務。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(x) (Continued)

Consideration transferred (Continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	2,615
Trade and other receivables	貿易應收賬款及其他應收賬項	1,129
Bank balances and cash	銀行結餘及現金	2,362
Trade and other payables	貿易應付賬款及其他應付賬項	(2,513)
		3,593
Goodwill	商譽	958
		4,551

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(x) (續)

已轉讓代價(續)

本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：

	HK\$'000 千港元
物業、廠房及設備	2,615
貿易應收賬款及其他應收賬項	1,129
銀行結餘及現金	2,362
貿易應付賬款及其他應付賬項	(2,513)
	3,593
商譽	958
	4,551

上述收購的初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(x) (Continued)

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$1,129,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	4,551
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(3,593)
Goodwill arising on acquisition	因收購而產生之商譽	958

The goodwill arising on the acquisition of 黑龍江豐澤 was attributed to the anticipated profitability of its sales of chemical products business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash inflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	2,362
Cash consideration	現金代價	(4,551)
Deposit paid	所支付之按金	4,551
		2,362

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(x) (續)

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為1,129,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	4,551
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(3,593)
Goodwill arising on acquisition	因收購而產生之商譽	958

因收購黑龍江豐澤而產生之商譽乃基於其化學產品銷售業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流入淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	2,362
Cash consideration	現金代價	(4,551)
Deposit paid	所支付之按金	4,551
		2,362

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(x) (Continued)

Impact of acquisition on the results of the Group

Included in the profit for the year ended March 31, 2016 was HK\$57,000 attributable to the acquisition of 黑龍江豐澤. No revenue contributed by 黑龍江豐澤 for the year ended March 31, 2016.

- (xi) On March 26, 2014, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 泊頭市方華燃氣有限公司 ("泊頭市方華") at a consideration of RMB2,000,000 (approximately HK\$2,395,000). The acquisition was completed on October 1, 2015, on that date the control in 泊頭市方華 was passed to the Group. 泊頭市方華 is principally engaged in gas appliances business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

		HK\$'000 千港元
Cash	現金	2,108
Consideration payable	應付代價	287
Total	總計	2,395

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(x) (續)

收購對本集團業績之影響

本集團截至二零一六年三月三十一日止年度之溢利包括歸屬於收購黑龍江豐澤之57,000港元。黑龍江豐澤於截至二零一六年三月三十一日止年度並無貢獻任何收益。

- (xi) 於二零一四年三月二十六日，本集團之附屬公司與獨立第三方達成收購協議，據此，本集團收購泊頭市方華燃氣有限公司(「泊頭市方華」)之100%股本權益，代價為人民幣2,000,000元(約2,395,000港元)。收購已於二零一五年十月一日完成，於當日，泊頭市方華之控制權轉移至本集團。泊頭市方華主要從事燃氣器具業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(xi) (Continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	525
Trade and other receivables	貿易應收賬款及其他應收賬項	667
Bank balances and cash	銀行結餘及現金	1,076
		2,268
Goodwill	商譽	127
		2,395

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(xi) (續)

本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：

上述收購的初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(xi) (Continued)

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$667,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	2,395
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(2,268)
Goodwill arising on acquisition	因收購而產生之商譽	127

The goodwill arising on the acquisition of 泊頭市方華 was attributed to the anticipated profitability of its gas appliances business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash inflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	1,076
Cash consideration	現金代價	(2,108)
Deposit paid	所支付之按金	2,108
		1,076

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(xi) (續)

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為667,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	2,395
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(2,268)
Goodwill arising on acquisition	因收購而產生之商譽	127

因收購泊頭市方華而產生之商譽乃基於其燃氣器具業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流入淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	1,076
Cash consideration	現金代價	(2,108)
Deposit paid	所支付之按金	2,108
		1,076

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(xi) (Continued)

Impact of acquisition on the results of the Group

Included in the Group's result for the year ended March 31, 2016 was a loss of HK\$2,000 attributable to the acquisition of 泊頭市方華. No revenue contributed by 泊頭市方華 for the year ended March 31, 2016.

- (xii) On April 30, 2014, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 泊頭市東海車輛加氣有限公司 ("泊頭市東海") at a consideration of RMB24,500,000 (approximately HK\$29,341,000). The acquisition was completed on October 1, 2015, on that date the control in 泊頭市東海 was passed to the Group. 泊頭市東海 is principally engaged in natural gas and LPG business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

		HK\$'000 千港元
Cash	現金	25,820
Consideration payable	應付代價	3,521
Total	總計	29,341

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(xi) (續)

收購對本集團業績之影響

本集團截至二零一六年三月三十一日止年度之業績包括歸屬於收購泊頭市方華之虧損2,000港元。泊頭市方華於截至二零一六年三月三十一日止年度並無貢獻任何收益。

- (xii) 於二零一四年四月三十日，本集團之附屬公司與獨立第三方達成收購協議，據此，本集團收購泊頭市東海車輛加氣有限公司(「泊頭市東海」)之全部股本權益，代價為人民幣24,500,000元(約29,341,000港元)。收購已於二零一五年十月一日完成，於當日，泊頭市東海之控制權轉移至本集團。泊頭市東海主要從事天然氣及液化石油氣業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(xii) (Continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	13,822
Inventories	存貨	153
Trade and other receivables	貿易應收賬款及其他應收賬項	11,849
Bank balances and cash	銀行結餘及現金	2,557
Trade and other payables	貿易應付賬款及其他應付賬項	(14,194)
		14,187
Goodwill	商譽	15,154
		29,341

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$11,849,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(xii) (續)

本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：

上述收購的初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為11,849,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(A) Acquisition of business through purchase of subsidiaries in 2016 (Continued)

(xii) (Continued)

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	29,341
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(14,187)
Goodwill arising on acquisition	因收購而產生之商譽	15,154

The goodwill arising on the acquisition of 泊頭市東海 was attributed to the anticipated profitability of its natural gas and LPG business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	2,557
Cash consideration paid	所支付之現金代價	(25,820)
Deposit paid	所支付之按金	10,079
		(13,184)

Impact of acquisition on the results of the Group

Included in the profit for the year ended March 31, 2016 was HK\$1,873,000 attributable to the acquisition of 泊頭市東海. Revenue of 泊頭市東海 included in the Group's revenue for the year ended March 31, 2016 amounted to HK\$14,807,000.

40. 業務收購(續)

(A) 於二零一六年透過收購附屬公司收購業務(續)

(xii) (續)

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	29,341
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(14,187)
Goodwill arising on acquisition	因收購而產生之商譽	15,154

因收購泊頭市東海而產生之商譽乃基於其天然氣及液化石油氣業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	2,557
Cash consideration paid	所支付之現金代價	(25,820)
Deposit paid	所支付之按金	10,079
		(13,184)

收購對本集團業績之影響

本集團截至二零一六年三月三十一日止年度之溢利包括歸屬於收購泊頭市東海之1,873,000港元。計入本集團於截至二零一六年三月三十一日止年度收益之泊頭市東海收益為14,807,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(B) Acquisition of a business through purchase of additional interests in a joint venture in 2016

- (i) On March 15, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired an additional 51% equity interest of 北京富華燃氣物流有限公司 ("富華物流") at a consideration of RMB1,975,000 (approximately HK\$2,365,000). The acquisition was completed on November 30, 2015, on which date control in 富華物流 was passed to the Group. Since then 富華物流 ceased to be a joint venture of the Group and become a wholly-owned subsidiary of the Company. 富華物流 is principally engaged in the business storage and transportation of gas and hazardous products. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

		HK\$'000 千港元
Cash	現金	2,365
Fair value of previously held interest	先前所持權益之公平值	2,273
		4,638

40. 業務收購(續)

(B) 於二零一六年透過收購合資公司額外權益收購業務

- (i) 於二零一五年三月十五日，本集團之附屬公司與獨立第三方達成收購協議，據此，本集團收購北京富華燃氣物流有限公司(「富華物流」)之額外51%股本權益，代價為人民幣1,975,000元(約2,365,000港元)。收購已於二零一五年十一月三十日完成，於當日，富華物流之控制權轉移至本集團。自此，富華物流不再為本集團之合資公司，並成為本公司之全資附屬公司。富華物流主要從事燃氣及危險品貯存及運輸業務。本公司董事認為收購事項將為本集團現有業務帶來更多協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(B) Acquisition of a business through purchase of additional interests in a joint venture in 2016 (Continued)

(i) (Continued)

Consideration transferred (Continued)

Provisional fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	57,087
Inventories	存貨	158
Trade and other receivables	貿易應收賬款及其他應收賬項	7,917
Bank balances and cash	銀行結餘及現金	484
Trade and other payables	貿易應付賬款及其他應付賬項	(65,027)
		619
Goodwill	商譽	4,019
		4,638

The initial accounting for the above acquisition has been determined provisionally, awaiting the receipt of professional valuation in relation to the property, plant and equipment.

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$7,917,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected is nil.

40. 業務收購(續)

(B) 於二零一六年透過收購合資公司額外權益收購業務(續)

(i) (續)

已轉讓代價(續)

本集團於收購日確認之所收購資產及所承擔負債之暫定公平值：

		HK\$'000 千港元
物業、廠房及設備		57,087
存貨		158
貿易應收賬款及其他應收賬項		7,917
銀行結餘及現金		484
貿易應付賬款及其他應付賬項		(65,027)
		619
商譽		4,019
		4,638

上述收購的初步會計處理乃暫時釐定，仍須待取得有關物業、廠房及設備之專業估值後確定。

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為7,917,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(B) Acquisition of a business through purchase of additional interests in a joint venture in 2016 (Continued)

(i) (Continued)

Goodwill arising on acquisition

		HK\$'000 千港元
Cash consideration transferred	已轉讓代價	2,365
Previously held interest in 富華物流 as a joint venture, at fair value	按公平值計算先前所持合資公司富華物流之權益	2,273
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(619)
Goodwill arising on acquisition	因收購而產生之商譽	4,019

The goodwill arising on the acquisition of 富華物流 was attributed to anticipated profitability of its investment in storage and transportation of gas and hazardous products.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

The fair value of the 49% equity interest in 富華物流 previously held by the Group was re-measured as of the date of acquisition, resulting in a gain of HK\$1,970,000 recognised in profit or loss and for the year ended March 31, 2016.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	484
Cash consideration paid	所支付之現金代價	(2,365)
		(1,881)

40. 業務收購(續)

(B) 於二零一六年透過收購合資公司額外權益收購業務(續)

(i) (續)

因收購而產生之商譽

		HK\$'000 千港元
Cash consideration transferred	已轉讓代價	2,365
Previously held interest in 富華物流 as a joint venture, at fair value	按公平值計算先前所持合資公司富華物流之權益	2,273
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(619)
Goodwill arising on acquisition	因收購而產生之商譽	4,019

因收購富華物流而產生之商譽乃基於其於燃氣及危險品貯存及運輸的投資之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

本集團先前所持富華物流49%股本權益之公平值於收購日重新計量，致使截至二零一六年三月三十一日止年度損益確認收益1,970,000港元。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	484
Cash consideration paid	所支付之現金代價	(2,365)
		(1,881)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(B) Acquisition of a business through purchase of additional interests in a joint venture in 2016 (Continued)

(i) (Continued)

Impact of acquisition on the results of the Group

Included in the Group's result for the year ended March 31, 2016 was a loss of HK\$9,665,000 attributable to the acquisition of 富華物流。Revenue of 富華物流 included in the Group's revenue for the year ended March 31, 2016 amount to HK\$4,795,000.

(C) Acquisition of a business through purchase of subsidiaries in 2015

- (i) On January 14, 2014, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 宜黃縣通達管道燃氣有限公司 ("宜黃通達") at a consideration of RMB23,000,000 (approximately HK\$29,114,000). The acquisition was completed on April 1, 2014, on that date the control in 宜黃通達 was passed to the Group. 宜黃通達 is principally engaged in natural gas business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

Cash

現金

HK\$'000
千港元

29,114

40. 業務收購(續)

(B) 於二零一六年透過收購合資公司額外權益收購業務(續)

(i) (續)

收購對本集團業績之影響

本集團截至二零一六年三月三十一日止年度之業績包括歸屬於收購富華物流之虧損9,665,000港元。計入本集團於截至二零一六年三月三十一日止年度收益的富華物流收益為4,795,000港元。

(C) 於二零一五年透過購買附屬公司收購業務

- (i) 於二零一四年一月十四日，本集團之附屬公司與獨立第三方訂立收購協議，據此，本集團收購宜黃縣通達管道燃氣有限公司(「宜黃通達」)100%股本權益，代價為人民幣23,000,000元(約29,114,000港元)。收購已於二零一四年四月一日完成，於當日，宜黃通達之控制權轉移至本集團。宜黃通達主要從事天然氣業務。本公司董事認為，收購事項將為本集團之現有業務帶來進一步協同效應。

已轉讓代價

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(C) Acquisition of a business through purchase of subsidiaries in 2015 (Continued)

(i) (Continued)

Fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

Consideration transferred (Continued)

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	11,164
Prepaid lease payments	預付租賃款項	3,894
Trade and other receivables	貿易應收賬款及其他應收賬項	6,337
Bank balances and cash	銀行結餘及現金	4
Trade and other payables	貿易應付賬款及其他應付賬項	(230)
		21,169
Goodwill	商譽	7,945
		29,114

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$6,337,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	29,114
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(21,169)
Goodwill arising on acquisition	因收購而產生之商譽	7,945

40. 業務收購(續)

(C) 於二零一五年透過購買附屬公司收購業務(續)

(i) (續)

本集團於收購日確認之所收購資產及所承擔的負債之公平值：

已轉讓代價(續)

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	11,164
Prepaid lease payments	預付租賃款項	3,894
Trade and other receivables	貿易應收賬款及其他應收賬項	6,337
Bank balances and cash	銀行結餘及現金	4
Trade and other payables	貿易應付賬款及其他應付賬項	(230)
		21,169
Goodwill	商譽	7,945
		29,114

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為6,337,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

因收購而產生之商譽

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(C) Acquisition of a business through purchase of subsidiaries in 2015 (Continued)

(i) (Continued)

The goodwill arising on the acquisition of 宜黃通達 was attributed to the anticipated profitability of its natural gas business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	已收購的銀行結餘及現金	4
Cash consideration paid	已付現金代價	(29,114)
Deposit paid	已付按金	8,734
		(20,376)

Impact of acquisition on the results of the Group

Included in the Group's result for the year ended March 31, 2015 was a loss of HK\$1,703,000 attributable to the acquisition of 宜黃通達. Revenue of 宜黃通達 included in the Group's revenue for the year ended March 31, 2015 amounted to HK\$800,000.

- (ii) On March 27, 2014, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 十堰武當山特區中燃城市燃氣發展有限公司 ("十堰武當山") at a consideration of RMB25,524,000 (approximately HK\$32,309,000). The acquisition was completed on May 31, 2014, on that date the control in 十堰武當山 was passed to the Group. 十堰武當山 is principally engaged in natural gas business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

40. 業務收購(續)

(C) 於二零一五年透過購買附屬公司收購業務(續)

(i) (續)

因收購宜黃通達而產生之商譽乃基於其天然氣業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

	HK\$'000 千港元
Bank balances and cash acquired	4
Cash consideration paid	(29,114)
Deposit paid	8,734
	(20,376)

收購對本集團業績之影響

本集團截至二零一五年三月三十一日止年度之業績包括歸屬於收購宜黃通達之虧損1,703,000港元。計入本集團截至二零一五年三月三十一日止年度收益的宜黃通達收益為800,000港元。

- (ii) 於二零一四年三月二十七日，本集團之附屬公司與獨立第三方訂立收購協議，據此，本集團收購十堰武當山特區中燃城市燃氣發展有限公司(「十堰武當山」)100%股本權益，代價為人民幣25,524,000元(約32,309,000港元)。收購已於二零一四年五月三十一日完成，於當日，十堰武當山之控制權轉移至本集團。十堰武當山主要從事天然氣業務。本公司董事認為，收購事項將為本集團之現有業務帶來進一步協同效應。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(C) Acquisition of business through purchase of subsidiaries in 2015 (Continued)

(ii) (Continued)

Consideration transferred

	HK\$'000 千港元
Cash	32,309

Fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

	HK\$'000 千港元
Property, plant and equipment	7,678
Prepaid lease payment	506
Inventories	42
Trade and other receivables	37,739
Bank balances and cash	1,031
Trade and other payables	(4,787)
Bank borrowings	(14,557)
Goodwill	27,652
	4,657

32,309

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$37,739,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

40. 業務收購(續)

(C) 於二零一五年透過收購附屬公司收購業務(續)

(ii) (續)

已轉讓代價

HK\$'000
千港元

32,309

本集團於收購日確認之所收購資產及所承擔的負債之公平值：

	HK\$'000 千港元
物業、廠房及設備	7,678
預付租賃款項	506
存貨	42
貿易應收賬款及其他應收賬項	37,739
銀行結餘及現金	1,031
貿易應付賬款及其他應付賬項	(4,787)
銀行借貸	(14,557)
商譽	27,652
	4,657

32,309

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為37,739,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(C) Acquisition of business through purchase of subsidiaries in 2015 (Continued)

(ii) (Continued)

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	32,309
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(27,652)
Goodwill arising on acquisition	因收購而產生之商譽	4,657

The goodwill arising on the acquisition of 十堰武當山 was attributed to the anticipated profitability of its natural gas business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	1,031
Cash consideration paid	所支付之現金代價	(32,309)
		(31,278)

Impact of acquisition on the results of the Group

Included in the profit for the year ended March 31, 2015 was HK\$1,297,000 attributable to the acquisition of 十堰武當山. Revenue of 十堰武當山 included in the Group's revenue for the year ended March 31, 2015 amounted to HK\$15,739,000.

40. 業務收購(續)

(C) 於二零一五年透過收購附屬公司收購業務(續)

(ii) (續)

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	32,309
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(27,652)
Goodwill arising on acquisition	因收購而產生之商譽	4,657

因收購十堰武當山而產生之商譽乃基於其天然氣業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	1,031
Cash consideration paid	所支付之現金代價	(32,309)
		(31,278)

收購對本集團業績之影響

本集團截至二零一五年三月三十一日止年度之溢利包括歸屬於收購十堰武當山之1,297,000港元。計入本集團截至二零一五年三月三十一日止年度收益的十堰武當山收益為15,739,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(C) Acquisition of business through purchase of subsidiaries in 2015 (Continued)

- (iii) On June 30, 2014, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 100% equity interest of 富裕縣龍光能源有限責任公司 (“富裕龍光”) at a consideration of RMB32,000,000 (approximately HK\$40,506,000). The acquisition was completed on October 1, 2014, on that date the control in 富裕龍光 was passed to the Group. 富裕龍光 is principally engaged in natural gas business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

Consideration transferred

	HK\$'000 千港元
Cash 現金	40,506

Fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

	HK\$'000 千港元
Property, plant and equipment 物業、廠房及設備	35,271
Prepaid lease payment 預付租賃款項	2,981
Inventories 存貨	583
Trade and other receivables 貿易應收賬款及其他應收賬項	563
Bank balances and cash 銀行結餘及現金	82
Trade and other payables 貿易應付賬款及其他應付賬項	(4,537)
	34,943
Goodwill 商譽	5,563
	40,506

40. 業務收購(續)

(C) 於二零一五年透過收購附屬公司收購業務(續)

- (iii) 於二零一四年六月三十日，本集團附屬公司與獨立第三方訂立收購協議，據此，本集團收購富裕縣龍光能源有限責任公司(「富裕龍光」)之100%股本權益，代價為人民幣32,000,000元(約40,506,000港元)。收購已於二零一四年十月一日完成，於當日，富裕龍光之控制權轉移至本集團。富裕龍光主要從事天然氣業務。本公司董事認為，收購事項將為本集團之現有業務帶來進一步協同效應。

已轉讓代價

	HK\$'000 千港元
Cash 現金	40,506

本集團於收購日確認之所收購資產及所承擔負債之公平值：

	HK\$'000 千港元
Property, plant and equipment 物業、廠房及設備	35,271
Prepaid lease payment 預付租賃款項	2,981
Inventories 存貨	583
Trade and other receivables 貿易應收賬款及其他應收賬項	563
Bank balances and cash 銀行結餘及現金	82
Trade and other payables 貿易應付賬款及其他應付賬項	(4,537)
	34,943
Goodwill 商譽	5,563
	40,506

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(C) Acquisition of business through purchase of subsidiaries in 2015 (Continued)

(iii) (Continued)

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$563,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	40,506
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(34,943)
Goodwill arising on acquisition	因收購而產生之商譽	5,563

The goodwill arising on the acquisition of 富裕龍光 was attributed to the anticipated profitability of its natural gas business.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	82
Cash consideration paid	所支付之現金代價	(40,506)
		(40,424)

40. 業務收購(續)

(C) 於二零一五年透過收購附屬公司收購業務(續)

(iii) (續)

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為563,000港元。於收購日對預期無法收回合約現金流之最佳估計為零。

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	40,506
less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(34,943)
Goodwill arising on acquisition	因收購而產生之商譽	5,563

收購富裕龍光產生之商譽乃基於其天然氣業務之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	82
Cash consideration paid	所支付之現金代價	(40,506)
		(40,424)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(C) Acquisition of business through purchase of subsidiaries in 2015 (Continued)

(iii) (Continued)

Impact of acquisition on the results of the Group

Included in the Group's result for the year ended March 31, 2015 was a loss of HK\$634,000 attributable to the acquisition of 富裕龍光. Revenue of 富裕龍光 included in the Group's revenue for the year ended March 31, 2015 amounted to HK\$1,610,000.

(D) Acquisition of a business through purchase of additional interests in a joint venture in 2015

- (i) On April 8, 2014, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired an additional 20% equity interest of 富地柳林 at a consideration of US\$23,611,000 (approximately HK\$183,221,000). The acquisition was completed on June 30, 2014, on that date the control in 富地柳林 was passed to the Group. Since then 富地柳林 ceased to be a joint venture of the Group and became a subsidiary of the Company. 富地柳林 is principally engaged in the business of exploration and production of coalbed methane. The director considered that the acquisition will bring additional business to the Group.

Consideration transferred

Cash	現金	14,829
Capitalisation of amount due from 富地柳林	應收富地柳林款項撥充資本	168,392
Fair value of previously held interest	先前所持權益之公平值	406,810
		590,031

40. 業務收購(續)

(C) 於二零一五年透過收購附屬公司收購業務(續)

(iii) (續)

收購對本集團業績之影響

本集團截至二零一五年三月三十一日止年度之業績包括歸屬於收購富裕龍光之虧損634,000港元。計入本集團截至二零一五年三月三十一日止年度收益的富裕龍光收益為1,610,000港元。

(D) 於二零一五年透過收購合資公司額外權益收購業務

- (i) 於二零一四年四月八日，本集團之附屬公司與獨立第三方達成收購協議，據此，本集團收購富地柳林額外20%股本權益，代價為23,611,000美元(約183,221,000港元)。收購已於二零一四年六月三十日完成，於當日，富地柳林之控制權轉移至本集團。自此，富地柳林不再為本集團之合資公司，並成為本公司之附屬公司。富地柳林主要從事勘探及生產煤層氣。董事認為，收購事項將為本集團帶來額外業務。

已轉讓代價

HK\$'000
千港元

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(D) Acquisition of a business through purchase of additional interests in a joint venture in 2015 (Continued)

(i) (Continued)

Fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	14,209
Intangible assets	無形資產	1,057,944
Trade and other receivables	貿易應收賬款及其他應收賬項	4,004
Bank balances and cash	銀行結餘及現金	21,418
Trade and other payables	貿易應付賬款及其他應付賬項	(63,399)
Amount due to a non-controlling interest of 富地柳林	應付富地柳林非控股權益款項	(101,113)
Deferred taxation	遞延稅項	(119,450)
		813,613
Non-controlling interests	非控股權益	(244,084)
Goodwill	商譽	20,502
		590,031

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$4,004,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected was nil.

40. 業務收購(續)

(D) 於二零一五年透過收購合資公司額外權益收購業務(續)

(i) (續)

本集團於收購日確認之所收購資產及所承擔負債之公平值：

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為4,004,000港元。對預期無法收回合約現金流之最佳估計為零。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(D) Acquisition of a business through purchase of additional interests in a joint venture in 2015 (Continued)

(i) (Continued)

Non-controlling interests

The non-controlling interests in 富地柳林 recognised at the date of the acquisition was measured by reference to the respective proportionate shares of recognised amounts of net assets of relevant subsidiary and amounted to HK\$244,084,000.

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	14,829
Capitalisation of amount due from 富地柳林	應收富地柳林款項撥充資本	168,392
Previously held interest in 富地柳林 as a joint venture, at fair value	按公平值計算先前所持合資 公司富地柳林之權益	406,810
Plus: Non-controlling interests (30% share of net assets in 富地柳林)	加: 非控股權益(富地柳林 淨資產之30%)	244,084
Less: Fair value of identifiable net assets acquired	減: 所收購可識別淨資產之 公平值	(813,613)
Goodwill arising on acquisition	因收購而產生之商譽	20,502

The goodwill arising on the acquisition of 富地柳林 was attributed to anticipated profitability of its investment in exploration and production of coal bed methane.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

The fair value of the 50% equity interest in 富地柳林 previously held by the Group was re-measured as of the date of acquisition, resulting in a gain of HK\$205,562,000 recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended March 31, 2015.

40. 業務收購(續)

(D) 於二零一五年透過收購合資公司額外權益收購業務(續)

(i) (續)

非控股權益

於收購日確認之富地柳林非控股權益經參考相關附屬公司資產淨值的各相關已確認金額比例計量為244,084,000港元。

因收購而產生之商譽

因收購富地柳林而產生之商譽乃基於其於勘探及生產煤層氣的投資之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

本集團先前所持富地柳林50%股本權益之公平值於收購日重新計量，致使截至二零一五年三月三十一日止年度綜合損益及其他全面收入報表確認收益205,562,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(D) Acquisition of a business through purchase of additional interests in a joint venture in 2015 (Continued)

(i) (Continued)

Net cash inflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	21,418
Cash consideration paid	所支付之現金代價	(14,829)
		6,589

Impact of acquisition on the results of the Group

Included in the Group's profit for the year ended March 31, 2015 was HK\$3,608,000 attributable to the acquisition of 富地柳林. Revenue of 富地柳林 included in the Group's revenue for the year ended March 31, 2015 amount to HK\$8,963,000.

- (ii) On December 29, 2014, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired additional 51% equity interest of 車用燃氣 at a consideration of RMB85,000,000 (approximately HK\$107,595,000). The acquisition was completed on December 29, 2014, on that date the control in 車用燃氣 was passed to the Group. 車用燃氣 is principally engaged in the provision of compressed natural gas business. The directors of the Company considered that the acquisition will bring about a further synergy effect of the existing business of the Group.

40. 業務收購(續)

(D) 於二零一五年透過收購合資公司額外權益收購業務(續)

(i) (續)

因收購而產生之現金流入淨額

收購對本集團業績之影響
本集團截至二零一五年三月三十一日止年度之溢利包括歸屬於收購富地柳林之3,608,000港元。計入本集團截至二零一五年三月三十一日止年度收益的富地柳林收益為8,963,000港元。

- (ii) 於二零一四年十二月二十九日，本集團之附屬公司與獨立第三方達成收購協議，據此，本集團收購車用燃氣額外51%股本權益，代價為人民幣85,000,000元(約107,595,000港元)。收購已於二零一四年十二月二十九日完成，於當日，車用燃氣之控制權轉移至本集團。壓縮車用燃氣主要從事提供壓縮天然氣業務。本公司董事認為，收購事項將為本集團之現有業務帶來進一步協同效應。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(D) Acquisition of a business through purchase of additional interests in a joint venture in 2015 (Continued)

(ii) (Continued)

Consideration transferred

		HK\$'000 千港元
Cash	現金	107,595
Fair value of previously held interest	先前所持權益之公平值	75,442
		183,037

Fair value of assets acquired and liabilities assumed at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	51,123
Prepaid lease payment	預付租賃款項	1,117
Inventories	存貨	132
Trade and other receivables	貿易應收賬款及其他應收賬項	12,858
Bank balances and cash	銀行結餘及現金	19,051
Trade and other payables	貿易應付賬款及其他應付賬項	(20,828)
Taxation	稅項	(1,296)
		62,157
Non-controlling interests	非控股權益	(8,702)
Goodwill	商譽	129,582
		183,037

The fair value as well as the gross contractual amounts of the trade and other receivables acquired amounted to HK\$12,858,000 at the date of acquisition. The best estimate at acquisition date of the contractual cash flows not expected to be collected is nil.

於收購日，所收購之貿易應收賬款及其他應收賬項之公平值及合約總額為12,858,000港元。於收購日對預期無法收回收約現金流之最佳估計為零。

40. 業務收購(續)

(D) 於二零一五年透過收購合資公司額外權益收購業務(續)

(ii) (續)

已轉讓代價

HK\$'000
千港元

Cash	現金	107,595
Fair value of previously held interest	先前所持權益之公平值	75,442
		183,037

本集團於收購日確認之所收購資產及所承擔負債之公平值：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	51,123
Prepaid lease payment	預付租賃款項	1,117
Inventories	存貨	132
Trade and other receivables	貿易應收賬款及其他應收賬項	12,858
Bank balances and cash	銀行結餘及現金	19,051
Trade and other payables	貿易應付賬款及其他應付賬項	(20,828)
Taxation	稅項	(1,296)
		62,157
Non-controlling interests	非控股權益	(8,702)
Goodwill	商譽	129,582
		183,037

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(D) Acquisition of a business through purchase of additional interests in a joint venture in 2015 (Continued)

(ii) (Continued)

Non-controlling interests

The non-controlling interests in 車用燃氣 recognised at the date of the acquisition was measured by reference to the respective proportionate shares of recognised amounts of net assets of relevant subsidiary and amounted to HK\$8,702,000

Goodwill arising on acquisition

		HK\$'000 千港元
Consideration transferred	已轉讓代價	107,595
Previously held interest in 車用燃氣 as a joint venture, at fair value	按公平值計算先前所持合資公司車用燃氣之權益	75,442
Plus: Non-controlling interests (14% share of net assets in 車用燃氣)	加：非控股權益(車用燃氣淨資產之14%)	8,702
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(62,157)
Goodwill arising on acquisition	因收購而產生之商譽	129,582

The goodwill arising on the acquisition of 車用燃氣 was attributed to anticipated profitability of its investment in exploration and production of coal bed methane.

None of the goodwill arising on this acquisition was expected to be deductible for tax purposes.

Net cash outflow arising on acquisition

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	19,051
Cash consideration paid	所支付之現金代價	(107,595)
		(88,544)

40. 業務收購(續)

(D) 於二零一五年透過收購合資公司額外權益收購業務(續)

(ii) (續)

非控股權益

於收購日確認之車用燃氣非控股權益經參考相關附屬公司資產淨值的各相關已確認金額比例計量為8,702,000港元。

因收購而產生之商譽

		HK\$'000 千港元
Consideration transferred	已轉讓代價	107,595
Previously held interest in 車用燃氣 as a joint venture, at fair value	按公平值計算先前所持合資公司車用燃氣之權益	75,442
Plus: Non-controlling interests (14% share of net assets in 車用燃氣)	加：非控股權益(車用燃氣淨資產之14%)	8,702
Less: Fair value of identifiable net assets acquired	減：所收購可識別淨資產之公平值	(62,157)
Goodwill arising on acquisition	因收購而產生之商譽	129,582

因收購車用燃氣而產生之商譽乃基於其於勘探及生產煤層氣的投資之預期盈利能力。

預期並無因該項收購而產生之商譽可扣減稅項。

因收購而產生之現金流出淨額

		HK\$'000 千港元
Bank balances and cash acquired	所收購之銀行結餘及現金	19,051
Cash consideration paid	所支付之現金代價	(107,595)
		(88,544)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

40. Acquisition of Businesses (Continued)

(D) Acquisition of a business through purchase of additional interests in a joint venture in 2015 (Continued)

(ii) (Continued)

Impact of acquisition on the results of the Group

Included in the Group's profit for the year ended March 31, 2015 was HK\$35,261,000 attributable to the acquisition of 車用燃氣. Revenue of 車用燃氣 included in the Group's revenue for the year ended March 31, 2016 amount to HK\$166,219,000.

If the above acquisitions during the year ended March 31, 2016 had been completed on April 1, 2015, total group revenue and profit for the year would have been HK\$29,432,600,000 and HK\$2,885,770,000 respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the operations of the Group that actually would have been achieved had above acquisition been completed on April 1, 2015, nor is it intended to be projection of future results.

If the above acquisitions during the year ended March 31, 2015 had been completed on April 1, 2014, total group revenue and profit for the year would have been HK\$31,763,459,000 and HK\$3,868,928,000 respectively. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of the operations of the Group that actually would have been achieved had above acquisition been completed on April 1, 2014, nor is it intended to be projection of future results.

40. 業務收購(續)

(D) 於二零一五年透過收購合資公司額外權益收購業務(續)

(ii) (續)

收購對本集團業績之影響

本集團截至二零一五年三月三十一日止年度之溢利包括歸屬於收購車用燃氣之35,261,000港元。計入本集團截至二零一六年三月三十一日止年度收益的車用燃氣收益為166,219,000港元。

倘上述於截至二零一六年三月三十一日止年度之收購事項均已於二零一五年四月一日完成，年內之集團總收益及溢利將分別為29,432,600,000港元及2,885,770,000港元。備考資料僅供說明，且未必為倘上述收購事項均已於二零一五年四月一日完成時本集團實際能取得之收益及營運業績之指標，亦不擬作為未來業績之預測。

倘上述於截至二零一五年三月三十一日止年度之收購事項均已於二零一四年四月一日完成，年內之集團總收益及溢利將分別為31,763,459,000港元及3,868,928,000港元。備考資料僅供說明，且未必為倘上述收購事項均已於二零一四年四月一日完成時本集團實際能取得之收益及營運業績之指標，亦不擬作為未來業績之預測。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

41. Acquisition of Assets Through Purchase of Subsidiaries

- (i) On October 12, 2015, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 95% equity interest of 深圳市中燃建築安裝有限公司 ("中燃建築安裝") at a consideration of RMB119,487,000 (approximately HK\$143,098,000). The acquisition was completed on October 25, 2015, on that date the control in 中燃建築安裝 was passed to the Group. 中燃建築安裝 is principally engaged in property holding business.

Assets at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	150,630
Non-controlling interest	非控股權益	(7,532)
		143,098

The non-controlling interests in 中燃建築安裝 recognised at the date of the acquisition was measured by reference to the respective proportionate shares of recognised amounts of net assets of relevant subsidiary and amounted to HK\$7,532,000.

41. 透過購買附屬公司收購資產

- (i) 於二零一五年十月十二日，本集團之附屬公司與獨立第三方訂立收購協議，據此，本集團收購深圳市中燃建築安裝有限公司（「中燃建築安裝」）95%股本權益，代價為人民幣119,487,000元（約143,098,000港元）。收購已於二零一五年十月二十五日完成，於當日，中燃建築安裝之控制權轉移至本集團。中燃建築安裝主要從事物業控股業務。

本集團於收購日確認之資產：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	150,630
Non-controlling interest	非控股權益	(7,532)
		143,098

於收購日確認之中燃建築安裝非控股權益經參考相關附屬公司資產淨值的各相關已確認金額比例計量為7,532,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

41. Acquisition of Assets Through Purchase of Subsidiaries

- (ii) On March 21, 2014, a subsidiary of the Group entered into an acquisition agreement with an independent third party, pursuant to which the Group acquired 90% equity interest of 瑞川新能(北京)投資有限公司 ("瑞川新能") at a cash consideration of RMB432,000,000 (approximately HK\$546,835,000). The acquisition was completed on April 17, 2014, on that date the control in 瑞川新能 was passed to the Group. 瑞川新能 is an investment holding which associate is principally engaged in natural gas business.

Assets at the date of acquisition recognised by the Group:

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	150
Investment in an associate	於聯營公司之投資	607,227
Trade and other receivables	貿易應收賬款及其他應收賬項	193
Bank balances and cash	銀行結餘及現金	25
		607,595
Non-controlling interests	非控股權益	(60,760)
		546,835

The initial accounting for the above acquisition has been completed during the year ended March 31, 2016, no additional assets and liabilities is recognised.

The non-controlling interests in 瑞川新能 recognised at the date of the acquisition was measured by reference to the respective proportionate shares of recognised amounts of net assets of relevant subsidiary and amounted to HK\$60,670,000.

41. 透過購買附屬公司收購資產

- (ii) 於二零一四年三月二十一日，本集團之附屬公司與獨立第三方訂立收購協議，據此，本集團收購瑞川新能(北京)投資有限公司(「瑞川新能」)90%股本權益，現金代價為人民幣432,000,000元(約546,835,000港元)。收購已於二零一四年四月十七日完成，於當日，瑞川新能之控制權轉移至本集團。瑞川新能為投資控股，其聯營公司主要從事天然氣業務。

本集團於收購日確認之資產：

	HK\$'000 千港元
物業、廠房及設備	150
於聯營公司之投資	607,227
貿易應收賬款及其他應收賬項	193
銀行結餘及現金	25
	607,595
非控股權益	(60,760)
	546,835

上述收購事項之初步會計處理已於截至二零一六年三月三十一日止年度完成，概無確認額外資產及負債。

於收購日確認之瑞川新能非控股權益經參考相關附屬公司資產淨值的各相關已確認金額比例計量為60,670,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

42. COMMITMENTS

Operating lease arrangements

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of rented premises and equipment which fall due as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	72,969	80,875
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	48,861	166,450
After five years	五年後	92,933	109,827
		214,763	357,152

Operating lease payments represent rentals payable by the Group in respect of rented premises and equipment. Leases for rented premises and equipment are negotiated for an average term of one to six years with fixed rental.

The Group as lessor

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

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Within one year	一年內	9,670	16,441
In the second to fifth year inclusive	第二年至第五年(包括首尾兩年)	8,287	4,582
After five years	五年後	5,716	10,297
		23,673	31,320

Leases are negotiated for an average term of one to ten years with fixed rentals.

42. 承擔

經營租約安排

本集團作為承租人

於報告期末，本集團根據在下列期間屆滿之租賃物業及設備之不可撤銷經營租約而承諾將於未來支付之最低租金如下：

經營租約之付款指本集團就租賃物業及設備應付之租金。租賃物業及設備租約經議定平均為期一至六年，租金固定。

本集團作為出租人

於報告期末，根據在下列期間屆滿之不可撤銷租賃物業經營租約，本集團已與租戶就以下未來最低租金付款簽訂合約：

租約之平均年期經議定為一至十年，且租金固定。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

42. COMMITMENTS (Continued)

Capital arrangements

The Group has entered into the following significant transactions, which have not been completed at the end of the reporting period nor at the date these consolidated financial statements were authorised for issuance.

- (i) On November 26, 2014, the Group has entered into a share purchase agreement ("Original SPA") with Beijing Gas Group (BVG) Co., Ltd ("Seller"), pursuant to which the Group has conditionally agreed to acquire the entire issued share capital of Beijing Gas Development Limited ("BGDL") and its 12 project companies established in the PRC ("Target Group"), which are principally engaged in the holding, management and operations of PRC projects and business relating to natural gas, for a consideration of RMB1,632,796,000 (equivalent to approximately HK\$2,063,852,000) from the Seller ("Proposed Acquisition").

As at the date of the Original SPA, Beijing Enterprises Holdings Limited ("BEHL"), as the guarantor to the Proposed Acquisition, directly and indirectly owns 1,126,840,132 shares of the Company, representing approximately 22.44% of the issued share capital of the Company. As such, BEHL is a connected person of the Company. The Seller is a wholly-owned subsidiary of BEHL. Therefore, the Seller is a connected person of the Company and the Proposed Acquisition will constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements thereunder. As at March 31, 2016 and up to the date these consolidated financial statements were authorised for issuance, no deposit was paid and the transaction has not been completed.

42. 承擔(續)

資本安排

本集團已訂立下列重大交易，該等交易於報告期末及該等綜合財務報表獲授權刊發之日均尚未完成。

- (i) 於二零一四年十一月二十六日，本集團與北京燃氣集團(BVG)有限公司(「賣方」)訂立購股協議(「原先購股協議」)，據此，本集團已有條件地同意向賣方收購北燃發展有限公司(「北燃發展」)及其12家項目公司(其於中國成立，並主要從事中國項目之控股、管理及營運，以及與天然業相關之業務)(「目標集團」)之全部已發行股本，代價為人民幣1,632,796,000元(相當於約2,063,852,000港元)(「建議收購」)。

於原先購股協議日期，北京控股有限公司(「北京控股」，作為建議收購的擔保人)直接及間接擁有本公司1,126,840,132股股份，佔本公司已發行股本的約22.44%。因此，北京控股為本公司之關連人士。賣方為北京控股之全資附屬公司。故賣方為本公司之關連人士，根據上市規則第14A章，建議收購將構成本公司之關連交易，須遵守上市規則項下申報及公告之規定。於二零一六年三月三十一日及直至該等綜合財務報表獲授權刊發之日，本公司概無支付任何按金，而交易亦尚未完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

42. COMMITMENTS (Continued)

Capital arrangements (Continued)

(i) (Continued)

On June 28, 2016, the Group has entered into an amended and restated share purchase agreement ("Amended SPA") with the Seller and BEHL in relation to the Proposed Acquisition, pursuant to which the parties thereto agreed to amend and restate certain terms of Original SPA, in particular, to amend the composition of the Target Group to exclude the certain companies in the Target Group. The Amended SPA replaces and supersedes the Original SPA in its entirety and all amendments thereto prior to the date of the Amended SPA. Pursuant to the Amended SPA, the Group has conditionally agreed to acquire from the entire issued share capital of the BGDG for a consideration of RMB1,213,443,000 (equivalent to approximately HK\$1,533,790,480), subject to adjustments. Further details of the transactions are included in the Company's announcement on June 28, 2016.

(ii) In January 2016, a wholly-owned subsidiary of the Company entered into an equity transfer agreement with an independent third parties to acquire 100% equity interest in 商南縣天然氣有限公司 at a total cash consideration of RMB31,775,500 (approximately HK\$38,054,000). Total deposit of RMB5,000,000 (approximately HK\$5,988,000) was paid during the year ended March 31, 2016. The transaction has not been completed as at the date these consolidated financial statements were authorised for issuance.

42. 承擔(續)

資本安排(續)

(i) (續)

於二零一六年六月二十八日，本集團與賣方及北京控股就建議收購訂立經修訂及經重述購股協議(「經修訂購股協議」)，據此，有關訂約方同意修訂及重述原先購股協議之若干條款，尤其是修訂目標集團之組成以排除目標集團之若干公司。經修訂購股協議完全替代及取消原先購股協議及其於經修訂購股協議日期前之全部修訂。根據經修訂購股協議，本集團有條件同意向北燃發展收購全部已發行股本，代價為人民幣1,213,443,000元(相等於約1,533,790,480港元)(可予調整)。有關交易的進一步詳情載於本公司日期為二零一六年六月二十八日之公佈。

(ii) 於二零一六年一月，本公司之一間全資附屬公司與一名獨立第三方訂立股權轉讓協議，以收購商南縣天然氣有限公司之100%股本權益，總現金代價為人民幣31,775,500元(約38,054,000港元)。總按金人民幣5,000,000元(約5,988,000港元)已於截至二零一六年三月三十一日止年度支付。於此等綜合財務報表獲授權刊發之日，此交易尚未完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

42. COMMITMENTS (Continued)

Capital arrangements (Continued)

- (iii) In January 2016, a wholly-owned subsidiary of the Company entered into an equity transfer agreement with an independent third parties to acquire 100% equity interest in 臨汾中燃源博清潔能源有限公司 at a total cash consideration of RMB16,800,000 (approximately HK\$20,120,000). Total deposit of RMB8,668,000 (approximately HK\$10,380,000) was paid during the year ended March 31, 2016. The transaction has not been completed as at the date these consolidated financial statements were authorised for issuance.
- (iv) In January 2016, a wholly-owned subsidiary of the Company entered into an equity transfer agreement with an independent third parties to acquire 51% equity interest in 武漢愛思開匯能賽洛燃氣集團有限公司 at a total cash consideration of RMB81,720,000 (approximately HK\$97,868,000). Total deposit of RMB7,920,000 (approximately HK\$9,485,000) was paid during the year ended March 31, 2016. The transaction has not been completed as at the date these consolidated financial statements were authorised for issuance.
- (v) In January 2016, a wholly-owned subsidiary of the Company entered into an equity transfer agreement with an independent third parties to acquire 51% equity interest in SK E&S HongKong Corporation Limited at a total cash consideration of RMB133,280,000 (approximately HK\$159,617,000). No deposit was paid during the year ended March 31, 2016. The transaction has not been completed as at the date these consolidated financial statements were authorised for issuance.

As at March 31, 2016, 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 consolidated financial statements amounting to HK\$226,399,000 (2015: HK\$172,378,000) and HK\$83,379,000 (2015: HK\$148,358,000) respectively.

42. 資本承擔(續)

資本安排(續)

- (iii) 於二零一六年一月，本公司之一間全資附屬公司與一名獨立第三方訂立股權轉讓協議，以收購臨汾中燃源博清潔能源有限公司之100%股本權益，總現金代價為人民幣16,800,000元(約20,120,000港元)。總按金人民幣8,668,000元(約10,380,000港元)已於截至二零一六年三月三十一日止年度支付。於此等綜合財務報表獲授權刊發之日，此交易尚未完成。
- (iv) 於二零一六年一月，本公司之一間全資附屬公司與一名獨立第三方訂立股權轉讓協議，以收購武漢愛思開匯能賽洛燃氣集團有限公司之51%股本權益，總現金代價為人民幣81,720,000元(約97,868,000港元)。總按金人民幣7,920,000元(約9,485,000港元)已於截至二零一六年三月三十一日止年度支付。於此等綜合財務報表獲授權刊發之日，此交易尚未完成。
- (v) 於二零一六年一月，本公司一間全資附屬公司與一名獨立第三方訂立股權轉讓協議，以總現金代價人民幣133,280,000元(約159,617,000港元)收購SK E&S HongKong Corporation Limited之51%股權。於截至二零一六年三月三十一日止年度並未支付按金。該交易於該等綜合財務報表獲授權刊發之日均尚未完成。

於二零一六年三月三十一日，本集團就收購物業、廠房及設備及物業、廠房及設備之建材分別作出為數226,399,000港元(二零一五年：172,378,000港元)及83,379,000港元(二零一五年：148,358,000港元)之已訂約而尚未於綜合財務報表撥備之資本承擔。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

43. Pledge of Assets

The Group pledged certain non-current and current assets and equity interests over certain subsidiaries to banks to secure loan facilities granted to the Group. Carrying amount of the non-current and current assets pledged to banks to secure loan facilities granted to the Group is as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Long-term loan facilities	長期貸款融資		
Investment properties	投資物業	64,000	60,600
Property, plant and equipment	物業、廠房及設備	68,536	321,475
Prepaid lease payments	預付租賃款項	—	23,508
Short-term loan facilities	短期貸款融資		
Pledged bank deposits	已抵押銀行存款	275,554	63,484
		408,090	469,067

At the end of the reporting period, the Company's equity interests in certain subsidiaries were pledged to a bank for credit facilities granted to the Group.

本集團將於若干附屬公司之若干非流動及流動資產及股權抵押予銀行，作本集團獲授之貸款融資之擔保。已抵押予銀行作為本集團獲授之貸款融資擔保之非流動及流動資產賬面值如下：

於報告期末，本公司於若干附屬公司之股本權益已就授予本集團之信貸融資抵押予一間銀行。

44. Retirement Benefits Schemes

The Group has joined a MPF Scheme for all employees in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Schemes Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the rule of the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at rate specified in the rules. The only obligation of the Group with respect of the MPF Scheme is to make the required contributions under the scheme. No forfeited contribution is available to reduce the contribution payable in the future years at March 31, 2016 and 2015.

44. 退休福利計劃

本集團為所有香港僱員參加強積金計劃。強積金計劃乃根據強制性公積金條例，向強制性公積金計劃管理局註冊。強積金計劃之資產與本集團之資產分開持有並由獨立受託人管理。根據強積金計劃之規則，僱主及僱員皆須以規則指定之比率向該計劃供款。本集團就強積金計劃之唯一責任為按該計劃之要求供款。於二零一六年及二零一五年三月三十一日，並無沒收供款可作減低未來數年應付之供款。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

44. Retirement Benefits Schemes (Continued)

Employees of the Group's subsidiaries in the PRC are covered by the retirement and pension schemes defined by local practice and regulations. The subsidiaries are required to contribute a specific percentage of their payroll costs to the retirement and pension schemes. The only obligation of the Group in respect to the retirement benefits scheme is to make the specified contribution.

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

45. Share Option Scheme and Share-Based Payments

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

44. 退休福利計劃(續)

本集團國內附屬公司之僱員受地方慣例及規定界定之退休及退休金計劃保障。附屬公司須向退休及退休金計劃按彼等工資成本之特定百分比作出供款。本集團就退休福利計劃之責任僅為作出特定供款。

國內合資格員工供款乃根據適用工資成本若干百分比計算。對強積金計劃之供款乃根據強積金條例所列明規則計算，即有關僱員底薪之5%加特定上限。

45. 購股權計劃及以股份形式付款

本公司根據於二零零三年二月六日通過之決議案而採納一項購股權計劃(「該計劃」)。該計劃之主要宗旨乃為獎勵本公司任何董事、本集團任何僱員或任何業務顧問、合營夥伴、本集團財務顧問或法律顧問之任何僱員、合夥人或董事。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) 綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

45. Share Option Scheme and Share-Based Payments (Continued)

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

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

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

Since the Scheme expired on February 6, 2013, no further options can be granted thereunder. However, the provisions of the Scheme shall remain in force in all other respects and all options, granted prior to its expiration shall continue to be valid and exercisable in accordance therewith.

45. 購股權計劃及以股份形式付款(續)

根據該計劃可授出之購股權所涉及之股份總數，不可超過股東批准該計劃當日本公司已發行股份之10%（「計劃授權上限」）或如該10%限額予以更新，則指股東批准續授計劃授權上限當日本公司已發行股份之10%。因行使根據該計劃而授出但尚未行使之所有未行使購股權而可能發行之股份總數上限不得超出本公司不時已發行股份總數之30%。任何12個月期間授予任何人士之購股權所涉及之股份數目，不得超過當時本公司已發行股份數目1%。每授出購股權予任何董事、行政總裁或主要股東須得到獨立非執行董事批准。任何授出購股權予主要股東或獨立非執行董事或其任何聯繫人士會引致於行使已授出及將予授出之期權時已發行及將予發行股份超過本公司已發行股本0.1%而截至授權日為止12個月期間價值超過5,000,000港元，需要得到本公司股東事先批准。

授出之購股權須於授出日期起計28日內承購，每次授出購股權之代價為10港元。購股權可於董事會決定之日期起至授出日期之十週年期間隨時行使。行使價由本公司董事釐定，並將不可低於以下之較高者：(i)授出日期本公司股份收市價；(ii)緊接授出日期前五個營業日股份之平均收市價及(iii)股份面值。

該計劃有效期由採納日期至二零一三年二月五日止，為期10年。

由於該計劃已於二零一三年二月六日屆滿，不會再按該計劃授出任何期權。然而，該計劃之條文於全部其他方面將仍然有效，而於屆滿前授出之購股權將仍然有效，並可根據該等條文予以行使。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

45. Share Option Scheme and Share-Based Payments (Continued)

A new share option scheme was adopted pursuant to a resolution passed on August 20, 2013 (the "New Scheme"). The purpose of the New Scheme is to grant share options to eligible persons as incentives or rewards for their contribution to the Group. The New Scheme will expire on November 27, 2023.

The eligible person as defined in the New Scheme are individuals or entities who or which may participate in the New Scheme ("Eligible Persons"). The following individuals or entities who in the absolute discretion of the Board of Directors of the Company have contributed to the Group on the basis of their contribution to the development and growth of the Group may participate in the New Scheme:

- (i) an eligible employee; and
- (ii) a non-executive director and an independent non-executive director of any member of the Group; and
- (iii) an agent or a consultant of any member of the Group; and
- (iv) a supplier of goods or services to any member of the Group or any director or employee of such supplier; and
- (v) a customer of any member of the Group or any director or employee of such customer; and
- (vi) person or entity that provides research, development or other technological support or any advisory, consultancy or professional services to any member of the Group or any director or employee of any such entity; and
- (vii) a subsidiary; and
- (viii) a company in which the Company holds, either directly or indirectly, 20% or more of its equity interest.

45. 購股權計劃及以股份形式付款(續)

根據二零一三年八月二十日通過的一項決議案採納新購股權計劃(「新計劃」)。新計劃旨在向合資格人士授予股份期權以激勵或獎勵其為本集團作出的貢獻。新計劃將於二零二三年十一月二十七日屆滿。

新計劃內所界定的合資格人士指可參與新計劃的個人或實體(「合資格人士」)。本公司董事會基於以下個人或實體對本集團的發展及增長所作的貢獻，依其絕對酌情決定權認定以下個人或實體對本集團有貢獻，可參與新計劃：

- (i) 合資格僱員；及
- (ii) 任何本集團成員的非執行董事和獨立非執行董事；及
- (iii) 任何本集團成員的代理人或顧問；及
- (iv) 任何本集團成員的貨物或服務的供應商，或該供應商的任何董事或僱員；及
- (v) 任何本集團成員的客戶，或該客戶的任何董事或僱員；及
- (vi) 向本集團成員提供研究、開發或其他技術支援或任何建議、諮詢或專業服務的個人或實體，或任何該等實體的董事或僱員；及
- (vii) 附屬公司；及
- (viii) 本公司直接或間接持有其20%或以上股本權益的另一家公司。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

45. Share Option Scheme and Share-Based Payments (Continued)

Maximum number of shares available for subscription

- (i) Subject to the Listing Rules, the maximum number of the shares of the Company subject to outstanding unvested or vested options under the New Scheme ("New Options") and outstanding options under other share option scheme of the Company ("Other Options") must not exceed 30% of the shares of the Company in issue from time to time ("Overriding Limit"). No New Options or Other Options may be granted if it will result in this Overriding Limit being exceeded.
- (ii) Subject to the Overriding Limit, paragraphs (iii) and (iv) below, the total number of shares of the Company issued and to be issued upon exercise of all New Options and Other Options must not exceed 10% of the shares of the Company in issue as at the August 20, 2013 (subject to adjustment in the event of a capitalisation issue or rights issue or open offer of shares of the Company, or consolidation, sub-division or reduction of share capital of the Company (other than an issue of shares of the Company as consideration in respect of a transaction)) ("Mandate Limit"). Unless approved pursuant to paragraphs (iii) and (iv) below, no New Options or Other Options may be granted if such grant will result in the Mandate Limit being exceeded. New Options and Other Options lapsed according to the terms of the New Scheme or other share option scheme(s) will not be counted for the purpose of calculating the Mandate Limit.

45. 購股權計劃及以股份形式付款(續)

可供認購之股份之最大數目

- (i) 在上市規則的規限下，新計劃項下未行使的未歸屬或已歸屬期權(「新期權」)及本公司其他購股權計劃項下未行使的期權(「其他期權」)所涉及的股份數目上限不得超過本公司不時已發行的股份的30%(「絕對限額」)。概不得授出會導致已發行的股份總數超過此絕對限額的任何新期權或其他期權。
- (ii) 在絕對限額、下文(iii)及(iv)段的規限下，行使所有新期權及其他期權後已發行或將予發行的本公司股份總數不得超過二零一三年八月二十日本公司已發行股份的10%(在資本化發行、供股或公開發售本公司股份，或本公司股份合併、分拆或消滅股本的情況(發行本公司股份作交易對價者除外)下，該股份數目將予調整)(「授權限額」)。除非根據下文(iii)及(iv)段的規定獲得批准，概不得授出會導致已發行股份總數超過此授權限額的任何新期權或其他期權。釐定該授權限額時根據新計劃或其他購股權計劃條款已失效的新期權及其他期權不予計算。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

45. Share Option Scheme and Share-Based Payments (Continued)

Maximum number of shares available for subscription (Continued)

- (iii) Subject to the Overriding Limit and an approval of shareholders of the Company, the Company may from time to time “refresh” a Mandate Limit provided that the total number of shares of the Company which may be issued upon exercise of all New Options or Other Options to be granted under the limit as “refreshed” must not exceed 10% of the shares of the Company in issue at the date of the resolution to approve the “refreshed” limit (“Refresher Date”). New Options and Other Options previously granted (whether outstanding, cancelled, lapsed (according to the New Scheme or the other share option schemes of the Company) or exercised) will not be counted for the purpose of calculating the limit as “refreshed”. The Company can seek the approval of shareholders of the Company to “refresh” a Mandate Limit any number of times as the Board of Directors of the Company considers appropriate. Unless approved pursuant to paragraph (iv) below, the board of directors of the Company cannot grant any New Options on or after the Refresher Date if such grant will result in the Mandate Limit as refreshed being exceeded.
- (iv) Subject to the Overriding Limit and a specific approval of shareholders of the Company, the board of directors of the Company may grant New Options to Eligible Persons identified by the board of directors of the Company. If the approval of shareholders of the Company is obtained, the board of directors of the Company may grant New Options to any Eligible Person in respect of such number of shares of the Company and on such terms as specified in that approval of shareholders of the Company.

Options granted under the New Scheme must be taken up within 20 business days of the date of grant and pay the Company the amount payable, if any, on acceptance of the option. Any option under the New Scheme which has vested, in respect of which all conditions attaching to it have satisfied and which has not lapsed may be exercised at any time, by no option may be exercised if such exercise would, in the opinion of the board of directors of the Company, be in breach of the New Scheme, any applicable law, rule or regulation or the terms and conditions of the relevant option granted under the New Scheme.

45. 購股權計劃及以股份形式付款(續)

可供認購之股份之最大數目(續)

- (iii) 在絕對限額及本公司股東批准的規限下，本公司可不時「更新」授權限額，但限額「更新」後授出的所有新期權或其他期權予以行使時發行的本公司股份總數不得超過批准「更新」限額日（「更新日」）本公司已發行股份的10%。釐定「更新」限額時，先前授出的（無論未行使、已註銷、（根據新計劃或本公司其他購股權計劃）已失效或已行使的）新期權或其他期權將不予計算。在本公司董事會認為適當的情況下，本公司可不限次數地尋求本公司股東批准「更新」授權限額。除非根據下文(iv)段的規定經股東批准，本公司董事會不會在更新日或之後授出會導致已發行股份總數超過被更新的授權限額的任何新期權。
- (iv) 在絕對限額及本公司股東特別批准的規限下，本公司董事會可向本公司董事會指定的合資格人士授出新期權。在獲得本公司股東批准後，本公司董事會可按本公司股東批准中列明的本公司股份數目及條款向任何合資格人士授出新期權。

根據新計劃授予期權須於授予日並向本公司支付應付款項(如有)後起計20個營業日內作出，以接納期權。可隨時行使新計劃項下任何已歸屬及所附帶的所有條件均已達成且尚未失效的期權。倘本公司董事會認為行使期權將會違反新計劃、任何適用法律、規則、規章或根據新計劃授予相關期權的條款及條件，則不可行使期權。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

45. Share Option Scheme and Share-Based Payments (Continued)

Maximum number of shares available for subscription (Continued)

The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the closing price of the Company's shares on the date of grant, (ii) the average closing price of the shares for the five business days immediately preceding the date of grant; and (iii) the nominal value of the Company's share.

For the year ended March 31, 2015, 250,000,000 share options were granted by the Company to certain directors and employees of the Group on April 16, 2014 and none of the share options has been exercised. These share options may be exercised on or after April 16, 2017. The estimated fair value of the options granted on this date is HK\$891,000,000.

The fair value of the share options granted on April 16, 2014 was calculated by using the Binomial Options Pricing Model. The variables and assumptions used in computing the fair value of the options are based on the directors' best estimate. The value of a share option varies with different variables of certain subjective assumptions. The following assumptions were used to calculate the fair value of the share options:

Grant date share price	HK\$12.40
Exercise price	HK\$12.40
Expected life of option	4.90 years
Annualised volatility	35%
Expected dividend yield	0.76%
Risk-free interest rate	1.18%
Exercise multiple	4.0
Post-vesting exit rate	0%

For the year ended March 31, 2016, 102,400,000 share options were granted by the Company to certain directors of the Company on June 25, 2015 and none of the share options were exercised. 100,000,000 share options are exercisable from June 25, 2015 to June 24, 2022 upon satisfaction of some conditions and 2,400,000 share options are exercisable from April 16, 2017 to April 15, 2019 upon satisfaction of some conditions. The estimated fair value of the options granted on this date is HK\$268,000,000.

45. 購股權計劃及以股份形式付款(續)

可供認購之股份之最大數目(續)

行使價由本公司董事釐定，並不得低於下列最高者：(i)本公司股份在授予日期的收市價；(ii)股份在緊接授予日期前5個營業日的平均收市價；及(iii)本公司股份的面值。

截至二零一五年三月三十一日止年度，本集團於二零一四年四月十六日已向本集團若干董事及僱員授出250,000,000份期權；亦概無期權獲行使。該等購股權可於二零一七年四月十六日當天或之後獲行使。估計於該日授出的期權之公平值為891,000,000港元。

於二零一四年四月十六日已授出的購股權的公平值乃使用二項期權定價模式計算。計算購股權之公平值時使用的可變因素及假設乃基於董事的最佳估計。購股權價值會因若干主觀假設的不同可變因素而改變。計算購股權公平值時使用了以下假設：

授出日期股價	12.40港元
行使價	12.40港元
購股權之預期壽命	4.90年
年度化波動率	35%
預期股息收益率	0.76%
無風險利率	1.18%
行使倍數	4.0倍
歸屬後退出率	0%

截至二零一六年三月三十一日止年度，本公司於二零一五年六月二十五日已向本公司若干董事授出102,400,000份購股權，亦概無購股權獲行使。100,000,000份購股權於達成若干條件後可於二零一五年六月二十五日至二零二二年六月二十四日行使，2,400,000份購股權於達成若干條件後可於二零一七年四月十六日至二零一九年四月十五日行使。估計於該日授出的期權之公平值為268,000,000港元。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

45. Share Option Scheme and Share-Based Payments (Continued)

Maximum number of shares available for subscription (Continued)

The fair value of the share options granted on June 25, 2015 was calculated by using the Monte Carlo Simulation Model. The variables and assumptions used in computing the fair value of the options are based on the directors' best estimate. The value of a share option varies with different variables of certain subjective assumptions. The following assumptions were used to calculate the fair value of the share options:

		Tranche 1 第一批	Tranche 2 第二批
Grant date share price	授出日期股價	HK\$11.06/ 11.06港元	HK\$11.06/ 11.06港元
Exercise price	行使價	HK\$13.84/ 13.84港元	HK\$13.84/ 13.84港元
Expected life of option	購股權之預期壽命	7.00 years/ 7.00年	3.80 years/ 3.80年
Annualised volatility	年度化波動率	36%	36%
Expected dividend yield	預期股息收益率	1.15%	1.15%
Risk-free interest rate	無風險利率	1.35%	0.72%
Exercise multiple	行使倍數	4.1	4.1
Post-vesting exit rate	歸屬後退出率	0%	0%

As at March 31, 2016, the directors of the Company consider that the options being granted on April 16, 2014 and June 25, 2015 respectively will not vest as it is not probable that the non-market performance conditions for exercising those share options will be met. For the year ended March 31, 2016, no share-based payment expense is recognised (2015: nil).

At March 31, 2016, the number of shares in respect of which options had been granted and remaining outstanding under the New Scheme is 350,400,000 (2015: 248,000,000) representing 6.67% (2015: 4.96%) of the shares of the Company in issue at that date.

45. 購股權計劃及以股份形式付款(續)

可供認購之股份之最大數目(續)

於二零一五年六月二十五日已授出的購股權的公平值乃使用蒙地卡羅模擬法計算。計算購股權之公平值時使用的可變因素及假設乃基於董事的最佳估計。購股權價值會因若干主觀假設的不同可變因素而改變。計算購股權公平值時使用了以下假設：

		Tranche 1 第一批	Tranche 2 第二批
Grant date share price	授出日期股價	HK\$11.06/ 11.06港元	HK\$11.06/ 11.06港元
Exercise price	行使價	HK\$13.84/ 13.84港元	HK\$13.84/ 13.84港元
Expected life of option	購股權之預期壽命	7.00 years/ 7.00年	3.80 years/ 3.80年
Annualised volatility	年度化波動率	36%	36%
Expected dividend yield	預期股息收益率	1.15%	1.15%
Risk-free interest rate	無風險利率	1.35%	0.72%
Exercise multiple	行使倍數	4.1	4.1
Post-vesting exit rate	歸屬後退出率	0%	0%

於二零一六年三月三十一日，由於不可能達成行使分別於二零一四年四月十六日及二零一五年六月二十五日授出的購股權的非市場表現條件，因此本公司董事認為該等購股權將不會被歸屬。截至二零一六年三月三十一日止年度，概無確認以股份為基礎之開支(二零一五年：零)。

於二零一六年三月三十一日，根據新計劃已授出且尚未行使的期權涉及的股份數目為350,400,000股(二零一五年：248,000,000股)，佔本公司當日已發行股份的6.67%(二零一五年：4.96%)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

45. Share Option Scheme and Share-Based Payments (Continued)

Maximum number of shares available for subscription (Continued)

The following table discloses details of the Company's share options held by employees (including directors) and movements in such holdings during the two years ended March 31, 2016:

Date of grant	Vesting period	Exercisable period	Exercise price per share	Number of share options at 4.1.2014	Exercised during the year	Granted during the year	Forfeited/lapsed during the year	Number of share options at 3.31.2015	Granted during the year	Lapsed during the year	Number of share options at 3.31.2016		
授出日期	歸屬期	可行使期限	每股行使價 HK\$ 港元	於二零一四年 四月一日 之購股權數目	年內已行使 (Note 5) (附註5)	年內已授出	年內已 沒收/失效 (Note 6) (附註6)	於二零一五年 三月三十一日 之購股權數目	年內已授出	年內已失效 (Note 6) (附註6)	於二零一六年 三月三十一日 之購股權數目		
Held by Directors 由董事持有													
8.3.2009	8.3.2009 to 8.2.2011 8.3.2009至8.2.2011	8.3.2011 to 8.2.2014 8.3.2011至8.2.2014	2.10	10,000,000	(10,000,000)	-	-	-	-	-	-		
4.16.2014	(Note 1) (附註1)	(Note 1) (附註1)	12.40	-	-	25,000,000	(2,000,000)	23,000,000	-	-	23,000,000		
6.25.2015	(Note 2) (附註2)	(Note 2) (附註2)	13.84	-	-	-	-	-	100,000,000	-	100,000,000		
6.25.2015	(Note 3) (附註3)	(Note 3) (附註3)	13.84	-	-	-	-	-	2,400,000	-	2,400,000		
				10,000,000	(10,000,000)	25,000,000	(2,000,000)	23,000,000	102,400,000	-	125,400,000		
Held by Others 由其他人持有													
10.6.2004	10.6.2004 to 3.19.2005 10.6.2004至3.19.2005	3.20.2005 to 10.5.2014 3.20.2005至10.5.2014	0.71 (Note 4) (附註4)	33,600,000	-	-	(33,600,000)	-	-	-	-		
10.20.2005	10.20.2005 to 10.19.2010 10.20.2005至10.19.2010	10.20.2010 to 10.19.2015 10.20.2010至10.19.2015	1.50	104,800,000	(10,000,000)	-	-	94,800,000	-	(94,800,000)	-		
8.3.2009	8.3.2009 to 8.2.2011 8.3.2009至8.2.2011	8.3.2011 to 8.2.2014 8.3.2011至8.2.2014	2.10	6,440,000	(5,360,000)	-	(1,080,000)	-	-	-	-		
9.17.2009	9.17.2009 to 9.16.2012 9.17.2009至9.16.2012	9.17.2012 to 9.16.2014 9.17.2012至9.16.2014	2.60	400,000	(400,000)	-	-	-	-	-	-		
4.16.2014	(Note 1) (附註1)	(Note 1) (附註1)	12.40	-	-	225,000,000	-	225,000,000	-	-	225,000,000		
				145,240,000	(15,760,000)	225,000,000	(34,680,000)	319,800,000	-	(94,800,000)	225,000,000		
Weighted average exercise price			加權平均行使價			155,240,000 HK\$1.39 1.39港元	(25,760,000) HK\$1.65 1.65港元	250,000,000 HK\$12.40 12.40港元	(36,680,000) HK\$1.39 1.39港元	342,800,000 HK\$9.39 9.39港元	102,400,000 HK\$13.84 13.84港元	(94,800,000) HK\$1.50 1.50港元	350,400,000 HK\$12.82 12.82港元
Exercisable at the end of the year			可於年末行使			155,240,000		94,800,000					

45. 購股權計劃及以股份形式付款(續)

可供認購之股份之最大數目(續)

下表列出僱員(包括董事)所持本公司購股權之詳情及截至二零一六年三月三十一日止兩個年度持有購股權之變動情況:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

45. Share Option Scheme and Share-Based Payments (Continued)

Maximum number of shares available for subscription (Continued)

Notes:

- (1) The validity period of the options is five years from April 16, 2014 to April 15, 2019. And the options may be exercised on or after April 16, 2017. The exercise of the options will be subject to the conditions that (i) the audited profit after tax of the Group after deduction of non-controlling interests for the financial year March 31, 2017 or before shall not be less than HK\$5.5 billion; (ii) if the above condition is not fulfilled, the options may be exercised if the audited profit after tax of the Group after deduction of non-controlling interests for the financial year ended March 31, 2018 shall not be less than HK\$6 billion; and (iii) the options will lapse if the above two conditions are not satisfied.
- (2) The validity period of the options is from June 25, 2015 to June 24, 2022. And the options are exercisable upon satisfaction of either one of the conditions that (i) the Group's audited net profit after tax and deduction of non-controlling interests for a full financial year based on the consolidated audited financial statements of the Group amounts to HK\$7.5 billion or above; or (ii) the total market capitalisation of the Group amounts to HK\$150 billion or above, where the "total market capitalisation" shall be the product of the closing price of the shares of the Company as stated in the daily quotation sheets of the Stock Exchange at the end of any trading day and the total number of issued shares of the Company on that same day. The options will lapse if none of the above conditions is satisfied within the validity period of the options.
- (3) The validity period of the options is from June 25, 2015 to April 15, 2019. And the options may be exercised on or after April 16, 2017. The exercise of the options will be subject to the satisfaction of either one of the conditions that (i) the Group's audited net profits after tax and deduction of non-controlling interests for the financial year ending March 31, 2017 based on the consolidated audited financial statements of the Group amounts to HK\$5.5 billion or above; or (ii) if the above condition is not fulfilled, the options may be exercised if the Group's audited net profit after tax and deduction of non-controlling interests for the financial year ending March 31, 2018 based on the consolidated audited financial statements of the Group amounts to HK\$6 billion or above. The options will lapse if none of the above conditions is satisfied within the validity period of the options.
- (4) The original exercisable period was July 1, 2005 to October 5, 2014. Pursuant to a resolution passed in the board of directors meeting held on March 20, 2005, the exercisable period is changed to the period from March 20, 2005 to October 5, 2014.

45. 購股權計劃及以股份形式付款(續)

可供認購之股份之最大數目(續)

附註：

- (1) 購股權之有效期為二零一四年四月十六日至二零一七年四月十五日，而購股權可於二零一七年四月十六日或之後行使。行使購股權須受限於以下條件：(i)本集團於截至二零一七年三月三十一日止財政年度或之前之經審核稅後溢利(經扣除非控股權益後)須不少於55億港元；(ii)倘以上條件未獲達成，則購股權可在倘本集團於截至二零一八年三月三十一日止財政年度之經審核稅後溢利(經扣除非控股權益後)不少於60億港元的情況下行使；及(iii)倘以上兩項條件未獲達成，則購股權將會失效。
- (2) 購股權之有效期自二零一五年六月二十五日至二零二二年六月二十四日，而購股權可於達成以下任何一項條件後行使：(i)根據本集團之綜合經審核財務報表，本集團於一個完整財政年度之經審核稅後純利(經扣除非控股權益後)達到75億港元或以上；或(ii)本集團之總市值達到1,500億港元或以上，而「總市值」應為本公司的股份於任何交易日完結時於聯交所每日報價表所列之收市價，乘以本公司同日已發行股份總數。倘上述條件均未於購股權之有效期內達成，則購股權將會失效。
- (3) 購股權之有效期自二零一五年六月二十五日至二零一七年四月十五日，而購股權可於二零一七年四月十六日或之後行使。行使購股權將須達成任何一項以下條件：(i)根據本集團之綜合經審核財務報表，本集團於截至二零一七年三月三十一日止財政年度之經審核稅後純利(經扣除非控股權益後)達到55億港元或以上；或(ii)若上述條件未獲達成，則倘根據本集團之綜合經審核財務報表，本集團於截至二零一八年三月三十一日止財政年度之經審核稅後純利(經扣除非控股權益後)達到60億港元或以上，則本集團可行使購股權。倘上述條件均未於購股權之有效期內達成，則購股權將會失效。
- (4) 可行使期限原為由二零零五年七月一日至二零一四年十月五日。根據於二零零五年三月二十日舉行之董事會會議所通過之決議案，可行使期限更改為二零零五年三月二十日至二零一四年十月五日。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

45. Share Option Scheme and Share-Based Payments (Continued)

Maximum number of shares available for subscription (Continued)

Notes: (Continued)

- (5) During the year March 31, 2015, weighted average share price on exercise dates and the weighted average price immediately before exercise dates are HK\$15.17 per share.
- (6) The options were forfeited upon resignation of the employees.

The options outstanding as at March 31, 2016 have a weighted average remaining contractual life of 6 years (2015: 5 years).

46. Related Party Transactions

Apart from the amounts due from/to related parties and transactions as disclosed in notes 22, 26, 29, 32 and 33 respectively, the Group entered into the following transactions with major related parties that are not members of the Group:

- (i) During the year ended March 31, 2016, the Group purchased gas for total amount of HK\$69,248,000 (2015: HK\$39,894,000) from joint ventures.
- (ii) During the year ended March 31, 2016, the Group sold gas for a total amount of HK\$283,000 (2015: HK\$54,040,000) to joint ventures.
- (iii) During the year ended March 31, 2016, the Group received interest income for total amount of HK\$836,000 (2015: HK\$9,531,000) from an associate.

45. 購股權計劃及以股份形式付款(續)

可供認購之股份之最大數目(續)

附註：(續)

- (5) 截至二零一五年三月三十一日止年度，於行使日期之加權平均股價及緊接行使日期前之加權平均股價為每股15.17港元。
- (6) 期權於僱員辭職時失效。

於二零一六年三月三十一日，尚未行使期權之加權平均剩餘合約年期為六年(二零一五年：五年)。

46. 關聯方交易

除附註22、26、29、32及33分別所披露之應收／應付關聯方之款項及交易外，本集團與並非本集團成員公司之主要關聯方訂立下列交易：

- (i) 截至二零一六年三月三十一日止年度，本集團以總金額69,248,000港元(二零一五年：39,894,000港元)向合資公司購買燃氣。
- (ii) 截至二零一六年三月三十一日止年度，本集團以總金額283,000港元(二零一五年：54,040,000港元)向合資公司出售燃氣。
- (iii) 截至二零一六年三月三十一日止年度，本集團從一家聯營公司收取之利息收入總額為836,000港元(二零一五年：9,531,000港元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

46. Related Party Transactions (Continued)

The remuneration of key management of the Group was as follows:

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Short-term benefits	短期福利	40,759	40,332
Post employment benefits	離職後福利	54	55
		40,813	40,387

The remuneration of key management is determined by the remuneration committee having regard to the performance of individuals and market trends.

46. 關聯方交易(續)

本集團主要管理層之酬金如下：

主要管理層酬金由薪酬委員會經考慮個人表現及市場趨勢後釐定。

47. Events After the Reporting Period

(i) On 23 June 2016, the Group and Beijing Gas Group Limited ("BGGL") entered into an equity transfer agreement pursuant to which the Group has conditionally agreed to sell, and the wholly owned subsidiary has conditionally agreed to acquire, 51% equity interests in PetroChina Beijing Gas (Jinzhou) Natural Gas Co., Ltd. (中石油北燃(錦州)燃氣有限公司), at a consideration of RMB234,558,000 (equivalent to approximately HK\$276,012,000). Such 51% equity interests in the target company is in addition to the 48% equity interests in the target company which the Company has agreed to, among other things, acquire under the Original SPA and the Amended SPA referred to the note 42 (i) & (ii). BGGL is an indirect wholly-owned subsidiary of BEHL which directly and indirectly owned approximately 22.95% of the issued share capital of the Company as at the date of the transaction. The BGGL is a connected person of the Company and the proposed transaction constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements thereunder. Further details of the transactions are included in the Company's announcement on June 23, 2016. The above transactions have not been completed as at the date these consolidated financial statements were authorised for issuance.

47. 報告期後事項

(i) 於二零一六年六月二十三日，本集團與北京燃氣集團有限公司（「北京燃氣集團」）訂立股權轉讓協議，據此，本集團有條件同意出售，而該全資附屬公司有條件同意收購中石油北燃（錦州）燃氣有限公司的51%股權，代價為人民幣234,558,000元（相當於約276,012,000港元）。該於目標公司之51%股權乃上文附註42(i)和(ii)所述本公司已同意（其中包括）根據原先購股協議及經修訂購股協議收購之目標公司之48%股權外額外作出之收購。北京燃氣集團為北京控股之間接全資附屬公司，其於交易日期直接及間接擁有本公司約22.95%已發行股本。北京燃氣集團為本集團之關連人士，而建議交易構成上市規則第14A章項下本公司之關連交易，並須遵守其項下之申報及公告規定。有關上述交易的詳情，請參閱本公司於二零一六年六月二十三日的公佈。於此等綜合財務報表獲授權刊發之日，上述交易尚未完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

47. Events After the Reporting Period (Continued) 47. 報告期後事項(續)

- (ii) On June 28, 2016, the Group has entered into a share purchase agreement with SK E&S HongKong Corporation Limited ("SK E&S HK"), pursuant to which the Group has conditionally agreed to acquire 49% of the entire issued share capital of China Gas – SK E&S HongKong Company Limited, a joint venture of the Company, at the consideration of RMB70,000,000 (equivalent to approximately HK\$82,353,000).

On the same date, the Group has entered into another share purchase agreement with SK E&S HK, pursuant to which the Group has conditionally agreed to acquire 49% equity interest in the registered capital of 武漢中燃愛思開燃氣集團有限公司 at the consideration of RMB210,000,000 (equivalent to approximately HK\$247,059,000).

SK E&S HK is a non-wholly-owned subsidiary of SK E&S Co., Ltd., which is a substantial shareholder of the Company holding approximately 15.84% of the issue share capital of the Company as at the date of the share purchase agreements. Accordingly, SK E&S HK is a connected person of the Company and the proposed acquisition will constitute a connected transaction of the Company pursuant to Chapter 14A of the Listing Rules and is subject to the reporting and announcement requirements thereunder. Further details of the transactions are included in the Company's announcement on June 28, 2016. The above transactions have not been completed as at the date these consolidated financial statements were authorised for issuance.

- (ii) 於二零一六年六月二十八日，本集團與SK E&S HongKong Corporation Limited (「SK E&S HK」) 訂立購股協議，據此，本集團有條件同意收購本公司合資公司China Gas – SK E&S HongKong Company Limited全部已發行股本的49%，代價為人民幣70,000,000元(相等於約82,353,000港元)。

於同日，本集團與SK E&S HK訂立另一份購股協議，據此，本集團有條件同意收購武漢中燃愛思開燃氣集團有限公司已註冊股本的49%股權，代價為人民幣210,000,000元(相等於約247,059,000港元)。

SK E&S HK為本公司主要股東SK E&S Co., Ltd.的非全資附屬公司，於購股協議日期持有本公司已發行股本約15.84%。因此，SK E&S HK為本公司之關連人士，而建議收購將構成上市規則第14A章項下本公司之關連交易及須遵守其項下之申報及公告規定。有關交易的進一步詳情載於本公司日期為二零一六年六月二十八日之公佈。於此等綜合財務報表獲授權刊發之日，上述交易尚未完成。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

48. Particular of Principal Subsidiaries

Particulars of the principal subsidiaries are as follows:

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				2016	2015	
				二零一六年 %	二零一五年 %	
中燃燃氣實業(深圳)有限公司	PRC 中國	Wholly-foreign owned enterprises ("WFOE") 外商獨資企業 (「外商獨資企業」)	Registered US\$29,800,000 註冊資本 29,800,000美元	100 [#]	100 [#]	Investment holding and treasury 投資控股及財資
中燃投資有限公司	PRC 中國	WFOE 外商獨資企業	Registered RMB898,637,000 註冊資本人民幣 898,637,000元	100 [#]	100 [#]	Investment holding and treasury 投資控股及財資
北京中燃翔科油氣技術有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB20,000,000 註冊資本人民幣 20,000,000元	60 [#]	60 [#]	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建造
益陽中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB44,000,000 註冊資本人民幣 44,000,000元	80 [#]	80 [#]	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建造
蕪湖中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB100,000,000 註冊資本人民幣 100,000,000元	90 [#]	90 [#]	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建造
宜昌中燃城市燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB70,000,000 註冊資本人民幣 70,000,000元	70 [#]	70 [#]	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建造
淮南中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB72,000,000 註冊資本人民幣 72,000,000元	100 [#]	100 [#]	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建造
隨州中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB35,000,000 註冊資本人民幣 35,000,000元	100 [#]	100 [#]	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣管道建造

48. 主要附屬公司詳情

主要附屬公司詳情如下：

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

48. Particular of Principal Subsidiaries (Continued) 48. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
孝感中燃天然氣有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB118,950,000 註冊資本人民幣 118,950,000元	100**	100**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
孝感中亞城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB16,002,000 註冊資本人民幣 16,002,000元	100**	100**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
漢川中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB11,274,000 註冊資本人民幣 11,274,000元	100**	100**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
邳州中燃城市燃氣發展有限公司	PRC 中國	WFOE 外商獨資企業	Registered US\$3,060,000 註冊資本 3,060,000美元	100**	100**	Sales of natural gas and gas pipeline 天然氣銷售及燃氣 管道建造
宿州中燃	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB40,000,000 註冊資本人民幣 40,000,000元	75**	75**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
揚中中燃城市燃氣發展有限公司	PRC 中國	WFOE 外商獨資企業	Registered US\$1,000,000 註冊資本 1,000,000美元	100**	100**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
寶雞中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB265,725,000 註冊資本人民幣 265,725,000元	64**	64**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
南京中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB200,000,000 註冊資本人民幣 200,000,000元	100**	100**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
玉林中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB42,000,000 註冊資本人民幣 42,000,000元	100**	100**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

48. Particular of Principal Subsidiaries (Continued) 48. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
烏審中燃天然氣有限公司	PRC 中國	WFOE 外商獨資企業	Registered RMB50,000,000 註冊資本人民幣 50,000,000元	100**	100**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
撫順中燃	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB133,330,000 註冊資本人民幣 133,330,000元	70**	70**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
重慶中燃城市燃氣發展有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB20,000,000 註冊資本人民幣 20,000,000元	100**	100**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
包頭市燃氣有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB183,800,000 註冊資本人民幣 183,800,000元	80**	80**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
上海中油	PRC 中國	Limited liability company 有限責任公司	Registered RMB1,130,000,000 註冊資本人民幣 1,130,000,000元	100**	100**	Investment in petrochemical facilities of storage and transportation, fundamental facilities of pier, sales of raw chemical materials and construction materials 石化貯存及運輸設施及碼頭基礎設施投資、化學原材料及建築材料銷售
廣州華凱石油燃氣有限公司	PRC 中國	Limited liability company 有限責任公司	Registered USD60,000,000 註冊資本 60,000,000美元	95.37**	95.37**	Manufacturing of highly purified LPG, highly purified propane and butane 高淨化液化石油氣、高淨化丙烷及丁烷生產
廣西中油能源有限公司	PRC 中國	Limited liability company 有限責任公司	Registered USD7,000,000 註冊資本 7,000,000美元	60**	60**	Storing and trading of LPG, sales of chemical products, filling of LPG and delivery of hazardous products 液化石油氣貯存及買賣、化學產品銷售、液化石油氣加氣及危險品運輸

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

48. Particular of Principal Subsidiaries (Continued) 48. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
江蘇中燃長江石化有限公司	PRC 中國	Limited liability company 有限責任公司	Registered US\$10,000,000 註冊資本 10,000,000美元	100**	100**	Producing and storing LPG and chemical product 液化石油氣及化學產品 生產及貯存
北京富華燃氣有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB50,000,000 註冊資本人民幣 50,000,000元	80**	80**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
富地燃氣投資有限公司	PRC 中國	WFOT 外商獨資企業	Registered RMB30,000,000 註冊資本人民幣 30,000,000元	100*	—	Investment holding 投資控股
信陽富地燃氣有限公司	PRC 中國	Sino-foreign equity joint venture 中外合資企業	Registered RMB64,000,000 註冊資本人民幣 64,000,000元	100**	100**	Sales of natural gas 天然氣銷售
寶雞中燃蔡家坡燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB38,000,000 註冊資本人民幣 38,000,000元	64**	64**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
寶雞中燃陳倉燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB20,000,000 註冊資本人民幣 20,000,000元	64**	64**	Design, construction and maintenance of city pipeline projects 城市管道項目之設計、 建造及保養
廣州從化中燃城市燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB30,000,000 註冊資本人民幣 30,000,000元	100**	100**	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
杭州中燃城市燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB100,000,000 註冊資本人民幣 100,000,000元	100**	100**	Design, construction and maintenance of city pipeline projects 城市管道項目之設計、 建造及保養
包頭市東河中燃城市燃氣有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB20,000,000 註冊資本人民幣 20,000,000元	80**	80**	Design, construction and maintenance of city pipeline projects 城市管道項目之設計、 建造及保養

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

48. Particular of Principal Subsidiaries (Continued) 48. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 /營業地點	Form of business structure 業務架構形式	Paid up issued share capital/ registered capital 繳足已發行股本 /註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 /註冊資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
梅州中燃城市燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB50,000,000 註冊資本人民幣 50,000,000元	100 ^{##}	100 ^{##}	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
寧夏深中天然氣開發有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB16,000,000 註冊資本人民幣 16,000,000元	75 ^{##}	75 ^{##}	Design, construction and maintenance of city pipeline projects 城市管道項目之設計、 建造及保養
佳木斯中燃城市燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB150,000,000 註冊資本人民幣 150,000,000元	99 ^{##}	99 ^{##}	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
大連金州中燃城市燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB24,489,800 註冊資本人民幣 24,489,800元	69.80 ^{##}	69.80 ^{##}	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
牡丹中燃	PRC 中國	Limited liability company 有限責任公司	Registered RMB40,000,000 註冊資本人民幣 40,000,000元	100 ^{##}	100 ^{##}	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
南寧中燃城市燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB300,000,000 註冊資本人民幣 300,000,000元	100 ^{##}	100 ^{##}	Design, construction and maintenance of city pipeline projects 城市管道項目之設計、 建造及保養
浙江中燃華電能源有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB300,000,000 註冊資本人民幣 300,000,000元	100 ^{##}	100 ^{##}	Producing and storing LPG and chemical product 液化石油氣及化學產品 生產及貯存
中燃宏遠工程建設有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB50,000,000 註冊資本人民幣 50,000,000元	100 ^{##}	100 ^{##}	Producing and storing LPG and chemical product 液化石油氣及化學產品 生產及貯存
中燃清潔能源(深圳)有限公司	PRC 中國	Limited liability company 有限責任公司	Registered US\$59,600,000 註冊資本 59,600,000美元	100 ^{##}	100 ^{##}	Gas station construction, management and consultancy services 加氣站建設、管理及顧問 服務

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

48. Particular of Principal Subsidiaries (Continued) 48. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
深圳市中燃中燃氣技術有限公司	PRC 中國	Limited liability company 有限責任公司	Registered US\$10,000,000 註冊資本 10,000,000美元	100**	100**	Production of natural gas 天然氣生產
重慶市川東燃氣工程設計研究院	PRC 中國	Limited liability company 有限責任公司	Registered RMB6,000,000 註冊資本人民幣 6,000,000元	66**	66**	Design, construction and maintenance of city pipeline projects 城市管道項目之設計、建造及保養
深圳市中燃科技有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB20,000,000 註冊資本人民幣 20,000,000元	100**	100**	Consultancy services on IT communication systems and sales of computer softwares 資訊科技通訊系統顧問服務及電腦軟件銷售
十堰東風中燃城市燃氣發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB397,050,000 註冊資本人民幣 397,050,000元	85**	85**	Design, construction and maintenance of city pipeline projects 城市管道項目之設計、建造及保養
中燃宏大能源貿易有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB100,000,000 註冊資本人民幣 100,000,000元	100**	—	Development, consultancy services and investment in clean energy 潔淨能源的發展、顧問服務及投資
進雅融資租賃(深圳)有限公司	PRC 中國	Limited liability company 有限責任公司	Registered US\$30,000,000 註冊資本 30,000,000美元	100**	—	Provision of finance leasing consultancy services 提供融資租賃顧問服務
中燃慧生活電子商務有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB200,000,000 註冊資本人民幣 200,000,000元	100**	—	Consultancy services on IT communication systems and sales of computer softwares 資訊科技通訊系統顧問服務及電腦軟件銷售
中燃物資供應鏈管理(深圳)有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB100,000,000 註冊資本人民幣 100,000,000元	100**	—	Provision of management services to group companies 提供管理服務予集團公司

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

48. Particular of Principal Subsidiaries (Continued) 48. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
深圳市中油能源發展有限公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB400,000,000 註冊資本人民幣 400,000,000元	100 ^{##}	100 ^{##}	Sales of LPG 液化石油氣銷售
鄂托克旗長蒙天然氣有限責任公司	PRC 中國	Limited liability company 有限責任公司	Registered RMB133,000,000 註冊資本人民幣 133,000,000元	65 ^{##}	65 ^{##}	Sales of natural gas and gas pipeline construction 天然氣銷售及燃氣 管道建造
Panva Gas	BVI 英屬處女群島	Incorporated 註冊成立	Ordinary US\$1,111 普通股 1,111美元	100 ^{##}	100 ^{##}	Investment holding and sales of LPG 投資控股及液化石油氣銷售
China Natural Gas Investments Limited	BVI 英屬處女群島	Limited liability company 有限責任公司	Ordinary USD100 普通股 100美元	100 [#]	100 [#]	Investment holding 投資控股
Panriver Investments Company Limited	BVI 英屬處女群島	Limited liability company 有限責任公司	Ordinary HK\$200,000,000 普通股 200,000,000港元	100 ^{##}	100 ^{##}	Investment holdings 投資控股
China Gas-SK Energy	Hong Kong 香港	Incorporated 註冊成立	Ordinary HK\$18,200,000 普通股 18,200,000港元	100 ^{##}	100 ^{##}	Investment holding 投資控股
富地柳林	Hong Kong 香港	Incorporated 註冊成立	Ordinary USD59,027,780 普通股 59,027,780美元	70 ^{##}	70 ^{##}	Exploration and production of coal bed methane 勘探及生產煤層氣
Fortune Gas	Hong Kong	Incorporated	Ordinary HK\$702,730,911 普通股 702,730,911港元	100 ^{##}	100 ^{##}	Investment holding, sales of natural gas and CBM business 投資控股、天然氣銷售及煤層氣業務
Energy Link Investments Limited	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary HKD800,000,000 普通股 800,000,000港元	100 [#]	100 [#]	Investment holding 投資控股

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

48. Particular of Principal Subsidiaries (Continued) 48. 主要附屬公司詳情(續)

Name of subsidiary 附屬公司名稱	Place of incorporation or registration/ operations 註冊成立或註冊 ／營業地點	Form of business structure 業務架構形式	Paid up issued share capital/ registered capital 繳足已發行股本 ／註冊資本	Proportion of nominal value of issued share capital/ registered capital held by the Company 本公司所持已發行股本 ／註冊資本面值比例		Principal activities 主要業務
				2016 二零一六年 %	2015 二零一五年 %	
China Gas Energy Utilisation Holdings Limited	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary HKD1 普通股 1港元	100 [#]	100 [#]	Investment holding 投資控股
Zhongran Energy Network Development Limited	Hong Kong 香港	Limited liability company 有限責任公司	Ordinary HKD100 普通股 100港元	100 [#]	100 [#]	Investment holding 投資控股

The proportion of nominal value of issued share capital/registered capital/registered capital directly held by the Company.

** The proportion of nominal value of issued share capital/registered capital/registered capital indirectly held by the Company.

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

Note:

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

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

本公司直接持有之已發行股本／註冊資本／註冊資本面值比例。

** 本公司間接持有之已發行股本／註冊資本／註冊資本面值比例。

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

附註：

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

各附屬公司於該兩個年度結束時並無任何未償還債務證券。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

49. Statement of Financial Position of the Company 49. 本公司財務狀況表

Information about the statement of the financial position of the Company at the end of the reporting period is as follows:

本公司於報告期末之財務狀況表資料如下：

		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
Non-current assets	非流動資產		
Plant and equipment	廠房及設備	608	374
Interests in subsidiaries	於附屬公司之權益	6,443,140	5,838,627
Investments in associates	於聯營公司之投資	1,410,350	1,410,350
Investments in joint ventures	於合資公司之投資	598,974	598,974
Available-for-sale investments	可供出售之投資	2,900	2,900
Amounts due from subsidiaries	應收附屬公司款項	13,023,688	12,462,346
		21,479,660	20,313,571
Current assets	流動資產		
Other receivables and prepayment	其他應收款項及預付款項	14,251	10,641
Amount due from a subsidiary	應收一間附屬公司款項	—	1,062,500
Bank balances and cash	銀行結存及現金	329,095	292,217
		343,346	1,365,358
Current liabilities	流動負債		
Other payables and accruals	其他應付賬項及應計款項	33,062	55,674
Amounts due to subsidiaries	應付附屬公司款項	6,808,889	116,493
Bank borrowings — due within one year	銀行借貸 — 於一年內到期	1,095,504	985,190
		7,937,455	1,157,357
Net current (liabilities) assets	流動(負債)資產淨額	(7,594,109)	208,001
		13,885,551	20,521,572
Equity	權益		
Share capital	股本	49,104	50,019
Reserves	儲備	8,413,628	9,239,503
Total equity	權益總額	8,462,732	9,289,522
Non-current liability	非流動負債		
Bank borrowings — due after one year	銀行借貸 — 於一年後到期	5,422,819	11,232,050
		13,885,551	20,521,572

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

綜合財務報表附註(續)

For the year ended March 31, 2016 截至二零一六年三月三十一日止年度

49. Statement of Financial Position of the Company (Continued) 49. 本公司財務狀況表(續)

Movement in the Company's reserves:

本公司之儲備變動：

		Share premium	Employee share-based compensation reserve	Translation reserve	Contributed surplus	Capital redemption reserve	Accumulated profits	Total
		股份溢價	僱員股份報酬儲備	匯兌儲備	實繳盈餘	資本贖回儲備	累計溢利	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
At April 1, 2014	於二零一四年四月一日	8,189,749	17,736	(115,794)	65,475	—	597,122	8,754,288
Profit and total comprehensive income for the year	年內溢利及全面收入總額	—	—	—	—	—	1,275,280	1,275,280
Exercise of share options	行使購股權	63,451	(15,413)	—	—	—	—	48,038
Repurchase of shares	購回股份	(232,565)	—	—	—	192	(192)	(232,565)
Transfer to accumulated profits upon forfeiture of share options	於沒收購股權後轉撥至累計溢利	—	(955)	—	—	—	955	—
Dividends paid	已付股息	—	—	—	—	—	(605,538)	(605,538)
At March 31, 2015	於二零一五年三月三十一日	8,020,635	1,368	(115,794)	65,475	192	1,267,627	9,239,503
Profit and total comprehensive income for the year	年內溢利及全面收入總額	—	—	—	—	—	1,152,142	1,152,142
Exchange difference arising from translation	換算產生之匯兌差額	—	—	(89,570)	—	—	—	(89,570)
Repurchase of shares	購回股份	(946,354)	—	—	—	915	(915)	(946,354)
Transfer to accumulated profits upon forfeiture of share options	於沒收購股權後轉撥至累計溢利	—	(1,368)	—	—	—	1,368	—
Dividends paid	已付股息	—	—	—	—	—	(942,093)	(942,093)
At March 31, 2016	於二零一六年三月三十一日	7,074,281	—	(205,364)	65,475	1,107	1,478,129	8,413,628

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

附註：本公司之實繳盈餘指本公司因本公司股份於一九九五年上市前進行集團重組而收購之附屬公司之相關資產淨值及本公司作為收購之代價而發行之股本之面值之差額。

FINANCIAL SUMMARY

財務摘要

		For the year ended 31 March 截至三月三十一日止年度				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Results	業績					
Revenue	收入	29,138,527	31,666,111	26,007,997	17,955,672	18,933,565
Profit for the year attributable to owners of the Company	本公司 擁有人應佔 年度溢利	2,273,121	3,371,053	2,575,506	1,764,264	953,926
		At 31 March 於三月三十一日				
		2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元	2013 二零一三年 HK\$'000 千港元	2012 二零一二年 HK\$'000 千港元
Assets and liabilities	資產及負債					
Total assets	總資產	53,532,891	50,624,436	45,264,629	32,495,039	31,874,385
Total liabilities	總負債	(32,568,771)	(29,188,936)	(27,107,617)	(19,752,254)	(21,075,395)
		20,964,120	21,435,500	18,157,012	12,742,785	10,798,990
Equity attributable to owners of the Company	本公司擁有人 應佔溢利	17,852,562	18,396,317	15,783,489	11,484,640	9,742,213
Non-controlling interests	非控股權益	3,111,558	3,039,183	2,373,523	1,258,145	1,056,777
		20,964,120	21,435,500	18,157,012	12,742,785	10,798,990

PARTICULARS OF MAJOR PROPERTIES

主要物業資料

Location 地點	Type 類別	Group's interest (%) 本集團之權益(%)	Lease term 租期
Leasehold land and buildings 租賃土地及樓宇			
In Hong Kong: 香港地區：			
16/F., AXA Centre No. 151 Gloucester Road Wan Chai Hong Kong 香港 灣仔 告士打道151號 安盛中心16樓	Office premises 辦公室物業	100	Long lease 長期租約
In the People's Republic of China: 於中華人民共和國：			
深圳市濱河大道5002號 聯合廣場B座6樓、8樓、10樓101室、商業 13樓、15樓及18樓	Commercial 商業	100	Medium term lease 中期租約
聯合廣場A座4樓4305室	Commercial 商業	100	Medium term lease 中期租約
北京市宣武門廣安門南街6號	Office premises 辦公室物業	100	Medium term lease 中期租約
Investment properties 投資物業			
No. 28-30 Kai Tak Road Kowloon City Kowloon Hong Kong 香港 九龍 九龍城 啟德道28-30號	Vacant land 空置土地	100	Medium term lease 中期租約







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