



問博控股有限公司
APTUS HOLDINGS LIMITED

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)
Stock Code : 8212



Third Quarterly Report 2008/2009

Characteristics of The Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”)

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

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

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

RESULTS

The board of directors (the “**Board**”) of Aptus Holdings Limited (the “**Company**”) announces that the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “**Group**”) for the three months and nine months ended 31 March 2009, together with the comparative unaudited figures for the corresponding period in 2008, are as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

For the three months and nine months ended 31 March 2009

	Notes	(Unaudited) Three months ended 31 March		(Unaudited) Nine months ended 31 March	
		2009 HK\$'000	2008 HK\$'000	2009 HK\$'000	2008 HK\$'000
REVENUE	2	26,285	30,699	91,163	86,899
Cost of sales		(20,003)	(27,347)	(73,083)	(74,073)
Gross profit		6,282	3,352	18,080	12,826
Other revenue		193	356	858	1,162
Selling and distribution costs		(3,762)	(3,154)	(12,633)	(10,487)
Administrative expenses		(2,899)	(4,142)	(8,912)	(20,555)
Finance costs		(9,922)	(10,202)	(31,752)	(27,856)
Loss on disposal of an associate	3	-	-	(7)	-
Loss on deemed disposal of a subsidiary	3	-	-	-	(7)
Share of profit/(loss) of an associate	3	-	(59)	124	(42)
LOSS BEFORE TAXATION		(10,108)	(13,849)	(34,242)	(44,959)
Tax	4	(363)	(311)	(363)	330
LOSS FOR THE PERIOD		(10,471)	(14,160)	(34,605)	(44,629)
NET LOSS ATTRIBUTABLE TO:					
Equity holders of the Company		(10,428)	(14,113)	(34,474)	(44,427)
Minority interests		(43)	(47)	(131)	(202)
		(10,471)	(14,160)	(34,605)	(44,629)
LOSS PER SHARE	5				
Basic (HK Cents)		(0.592)	(0.831)	(1.959)	(2.615)

Notes:

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The unaudited consolidated results have been prepared in accordance with accounting principles generally accepted in Hong Kong which include Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the “GEM Listing Rules”).

The unaudited consolidated results have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

The accounting policies and methods of computation used in the preparation of these unaudited consolidated results are consistent with those applied in the annual financial statements for the year ended 30 June 2008.

2. REVENUE RECOGNITION

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

Revenue from sales of gas and gas appliances are recognized when goods are delivered and title has been passed.

Gas transportation revenue and gas connection fee income are recognized when the corresponding services are performed.

Sales of edible oil products are recognized when goods are delivered and title has been passed.

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.

3. DISPOSAL OF AN ASSOCIATE OF A JOINTLY CONTROLLED ENTITY

In November 2008, Changde Huayou Gas Co., Ltd., a jointly controlled entity of the Group, disposed of its associate, Linli Huayou Gas Co., Limited (“Linli Huayou”), at a consideration of RMB3,650,000. Loss on disposal of an associate of approximately HK\$7,000 was shared by the Group. Up to the date of disposal of Linli Huayou, the Group shared Linli Huayou’s profit of approximately HK\$124,000 during the nine months ended 31 March 2009 (2008: loss of approximately HK\$42,000).

In August 2007, Linli Huayou increased its registered capital, which led to the change of Linli Huayou from a subsidiary to an associate of Changde Huayou Gas Co., Ltd.. Loss on deemed disposal of a subsidiary of approximately HK\$7,000 was recorded by the Group.

4. TAX

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits arising in Hong Kong for the three months and nine months ended 31 March 2009 (three months and nine months ended 31 March 2008: NIL). Taxation arising in other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The potential deferred tax asset has not been recognized in the financial statements as the probability that future taxable profit will be available against which the temporary differences can be utilized in the foreseeable future is uncertain.

5. LOSS PER SHARE

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

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 March		31 March	
	2009	2008	2009	2008
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the purposes of basic loss per share	10,428	14,113	34,474	44,427

Number of shares

	(Unaudited)		(Unaudited)	
	Three months ended		Nine months ended	
	31 March		31 March	
	2009	2008	2009	2008
	'000	'000	'000	'000
Weighted average number of ordinary shares for the purposes of basic loss per share	1,762,448	1,698,831	1,759,643	1,698,734

Outstanding share options and convertible bonds of the Company are anti-dilutive since their exercise or concession would result in a decrease in loss per share. As such, no diluted loss per share has been presented in both periods.

6. DIVIDEND

The Board does not recommend the payment of any dividend for the nine months ended 31 March 2009 (nine months ended 31 March 2008: NIL).

7. MOVEMENT OF RESERVES

	(Unaudited) Share option reserve HK\$'000	(Unaudited) Convertible bonds reserve HK\$'000	(Unaudited) Translation reserve HK\$'000	(Unaudited) Share premium account HK\$'000	(Unaudited) Capital reserve HK\$'000	(Unaudited) Accumulated losses HK\$'000	(Unaudited) Total HK\$'000
At 1 July 2008	-	10,712	24,516	95,051	15,826	(196,538)	(50,433)
Shares issued on exercise of options	-	-	-	1,671	-	-	1,671
Exchange differences arising from translation of financial statements of overseas operations	-	-	(546)	-	-	-	(546)
Net loss for the period	-	-	-	-	-	(34,474)	(34,474)
At 31 March 2009	-	10,712	23,970	96,722	15,826	(231,012)	(83,782)
At 1 July 2007	78,120	10,712	5,384	90,960	15,826	(225,489)	(24,487)
Shares issued on exercise of options	-	-	-	96	-	-	96
Exchange differences arising from translation of financial statements of overseas operations	-	-	14,443	-	-	-	14,443
Recognition of equity-settled share based payments	7,674	-	-	-	-	-	7,674
Net loss for the period	-	-	-	-	-	(44,427)	(44,427)
At 31 March 2008	85,794	10,712	19,827	91,056	15,826	(269,916)	(46,701)

8. EVENTS AFTER BALANCE SHEET DATE

On 24 April 2009, the Company entered into agreements relating to the disposals of the equity interests in the Changde Huayou Gas Co. Ltd. and Hunan Huayou Natural Gas Transportation and Distribution Co. Limited for the consideration of approximately RMB255,000,000 (approximately HK\$289,350,000) and approximately RMB100,144,000 (approximately HK\$113,634,000) respectively and CNPC Huayou Cu Energy Investment Co. Ltd. entered into agreements terminating the profit sharing arrangement with respect to the Xin Jiang Oilfield for an amount of approximately RMB39,856,000 (approximately HK\$45,225,000).

MANAGEMENT DISCUSSION AND ANALYSIS

Aptus Holdings Limited is divided into 3 operating segments: (1) two downstream natural gas-related businesses in the province of Hunan, the PRC, i.e. the Changde Huayou Gas Co. Ltd (“Changde Joint Venture” in which the Group has a stake of 48.33%) and Hunan Huayou Natural Gas Transportation and Distribution Co., Limited (“Hunan Joint Venture” in which the Group has a stake of 33%) (collectively known as “Natural Gas Joint Ventures”); (2) holding of a profit sharing right of the Xin Jiang Oilfield; and (3) an edible oil trading business via our non-listed Singapore subsidiary.

FINANCIAL REVIEW

For the nine months ended 31 March 2009 (“Period 2009”), the Group recorded an unaudited consolidated turnover of approximately HK\$91.2 million, which represented an increase of approximately 4.9% as compared to approximately HK\$86.9 million for the nine months ended 31 March 2008 (“Period 2008”). The increase was due to the Natural Gas Joint Ventures recording a growth in revenue as compared to the previous corresponding period, despite a fall in revenue contribution from the edible oil segment. The Natural Gas Joint Ventures contributed approximately HK\$72.9 million in revenue as compared to approximately HK\$48 million for Period 2008, an increase of about 51.9%. As for the edible oil trading business, the Group recorded a decrease of about 53.0% in revenue from approximately HK\$38.9 million recorded in the Period 2008 as compared to approximately HK\$18.3 million for the Period 2009, a result of the poor economic backdrop.

The gross profit for the Period 2009 increased by about 41.4% to approximately HK\$18.1 million (Period 2008: approximately HK\$12.8 million). Approximately HK\$18.0 million (Period 2008: approximately HK\$12.3 million) of gross profit was generated by our natural gas related operations and approximately HK\$46,000 (Period 2008: approximately HK\$0.5 million) of gross profit was generated by our edible oil trading business.

Overall, gross margin increased to approximately 19.8% for the Period 2009 as compared to 14.7% in the Period 2008. Gross margin for the edible oil trading business for the Period 2009 was approximately 0.2% against 1.3% previously. The lower gross margin here was due to the low-price strategy adopted by the Group in reaction to tougher market conditions. This, however, was offset by the 24.7% gross margin being achieved by our natural gas related operations.

For nine months ended 31 March 2009, a net loss of approximately HK\$34.6 million (Period 2008: approximately HK\$44.6 million) was recorded. A decrease of about 22.4% as compared to previous corresponding period was resulted. The decrease was mainly attributable to share option expenses of approximately HK\$7.7 million charged in Period 2008. No share option expense was recorded in Period 2009.

BUSINESS REVIEW

The Changde Joint Venture has completed about 777.2 km of city-level pipelines connecting approximately 315 commercial and public welfare establishment users, 8 industrial users, and approximately 60,000 residential users to its network as of the date of this report with sales of about 46.8 million cubic meters of natural gas for Period 2009, an increase of 40.1% as compared to sales of about 33.4 million cubic meters for Period 2008. The Hunan Joint Venture has completed the construction of its main pipelines (about 188 km in total) branching out to reach 7 city-level gas distribution stations in the province of Hunan. The Hunan Joint Venture transported about 54.7 million cubic meters of natural gas to the 7 city-level gas distribution stations in Period 2009, an increase of approximately 75.9% as compared to 31.1 million cubic meters in Period 2008.

Business conditions for the edible oil trading business deteriorated with the impact of a deteriorating global economic climate making itself felt.

With regards to Aptus' convertible bonds, during the period review Aptus announced that the last of the conditions precedent set out in the second amendment deed was satisfied on 17 February 2009. Aptus has delivered the fulfillment notice dated 17 February 2009 to other parties to the second amendment deed. The amendments to the trust deed and the bonds as set out in the second amendment deed have come into effect on 17 February 2009 accordingly. For the details of the second amendment deed, please refer to the Company's Circular dated 21 January 2009.

FUTURE OUTLOOK AND PROSPECTS

Management will focus its efforts in scaling up the operation of the edible oil trading segment while at the same time continue to expand its operations by exploring new business opportunities.

On 24 April 2009, the Company entered into agreements relating to the disposals of the equity interests in the Changde Joint Venture and Hunan Joint Venture for the consideration of approximately RMB255,000,000 (approximately HK\$289,350,000) and approximately RMB100,144,000 (approximately HK\$113,634,000) respectively and CNPC Huayou Cu Energy Investment Co. Ltd. entered into agreements terminating the profit sharing arrangement with respect to the Xin Jiang Oilfield for an amount of approximately RMB39,856,000 (approximately HK\$45,225,000). For further details, please refer to the announcement to be released by the Company.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2009, the interests of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were 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 have taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

(1) Long positions in the ordinary shares of the Company or any of its associated corporations

	Number of ordinary shares held			Total interest	Percentage of the Company's issued share capital
	Personal interest	Corporate interest	Under share option scheme		
Madam Cheung Kwai Lan	-	971,746,428	-	971,746,428	55.12

Note: These shares are owned by Precise Result Profits Limited, which is an indirect wholly-owned subsidiary of China Vanguard Group Limited. Accordingly, Madam Cheung Kwai Lan is deemed to be interested in the shares of the Company under SFO for her controlling interests in Best Frontier Investments Limited, which owns approximately 65.25% of the issued share capital of China Vanguard Group Limited.

(2) Share option scheme

As at 31 March 2009, no share option had been granted or agreed to be granted to the Directors and chief executives under the share option scheme.

Save as disclosed above, as at 31 March 2009, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which would have 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 which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and chief executives' interests and short positions in the shares, underlying shares and debentures of the Company or any associated corporation" above, at no time during the period was the Company or any of its holding companies, subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors and chief executives of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any body corporate, and none of the directors and chief executives or their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the period.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 March 2009, so far as is known to the Directors and the chief executives of the Company, the interests and short positions of the persons or corporations in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

Long positions in the shares

Name of Shareholders	Capacity	Number of ordinary shares held	Number of share options and underlying shares held	Aggregate long position	Percentage of shareholding
Precise Result Profits Limited ("Precise") (Note 1)	Beneficial owner, directly held	971,746,428	–	971,746,428	55.12
China Success Enterprises Limited ("China Success") (Notes 1 and 2)	Beneficial owner, held by a controlled corporation	971,746,428	–	971,746,428	55.12
China Vanguard Group Limited ("China Vanguard") (Notes 1 and 3)	Beneficial owner, held by controlled corporations	971,746,428	–	971,746,428	55.12
Best Frontier Investments Limited ("Best Frontier") (Notes 1 and 4)	Beneficial owner, held by controlled corporations	971,746,428	–	971,746,428	55.12
Cheung Kwai Lan (Notes 1 and 5)	Beneficial owner, held by controlled corporations	971,746,428	–	971,746,428	55.12
Chan Tung Mei (Notes 1 and 6)	Beneficial owner, held by controlled corporations	971,746,428	–	971,746,428	55.12

Name of shareholders	Capacity	Number of ordinary shares held	Number of share options and underlying shares held	Aggregate long position	Percentage of shareholding
Evolution Master Fund Ltd. SPC, Segregated Portfolio M ("Evolution") (Note 7)	Beneficial owner	–	455,282,314	455,282,314	25.83
Evolution Capital Management LLC ("Evo LLC") (Note 7)	Investment manager	–	455,282,314	455,282,314	25.83
Structured Investments Ltd. (Note 7)	Other*	–	455,282,314	455,282,314	25.83
Evo Capital Management Asia Limited ("Evo Capital") (Note 7)	Investment manager	–	455,282,314	455,282,314	25.83

* Referred to the Disclosure of Interests System of the Stock Exchange of Hong Kong Limited.

Short positions in underlying share of the Company

Name of shareholders	Capacity	Number of underlying shares	Percentage of shareholding
Evolution (Note 7)	Beneficial owner	48,750,000	2.77
Evo LLC (Note 7)	Investment manager	48,750,000	2.77

Notes:

- As further detailed in note 7 below, 48,750,000 share of the Company, which were included in 971,746,428 shares as at 31 March 2009, were lent to Evolution.
- Precise is a wholly owned subsidiary of China Success. The shares referred to herein related to the same parcel of shares held by Precise.
- China Success is a wholly owned subsidiary of China Vanguard. The shares referred to herein related to the same parcel of shares held by Precise.

4. As at 31 March 2009, Best Frontier is interested in approximately 65.25% of the issued share capital of China Vanguard. The shares referred to herein related to the same parcel of shares held by Precise.
5. Madam Cheung Kwai Lan and Mr. Chan Tung Mei have equity interests of 99.89% and 0.11%, respectively of the issued share capital of Best Frontier. Madam Cheung Kwai Lan is the spouse of Mr. Chan Tung Mei. Accordingly, Madam Cheung Kwai Lan is deemed to be 100% interested in the shares of Best Frontier under SFO. The shares referred to herein relate to the same parcel of shares held by Precise.
6. Madam Cheung Kwai Lan and Mr. Chan Tung Mei have equity interests of 99.89% and 0.11%, respectively of the issued share capital of Best Frontier. Mr. Chan Tung Mei is the spouse of Madam Cheung Kwai Lan. Accordingly, Mr. Chan Tung Mei is deemed to be 100% interested in the shares of Best Frontier under SFO. The shares referred to herein relate to the same parcel of shares held by Precise.
7. Evolution is an Asia-focused fund organised and existing under the laws of the Cayman Islands.

The investment managers of Evolution are Evo Capital, a Hong Kong-based asset management company, and Evo LLC, a U.S.-based investment adviser. Evo Capital is licensed under the SFO to carry on Type 9 (asset management) activities.

As at 31 March 2009, Evolution has borrowed 48,750,000 Shares ("Borrowed Shares") from Precise pursuant to the stock lending agreement dated 22 November 2006 entered into between China Vanguard and Evolution.

Each of Evo Capital and Evo LLC is interested in the Borrowed Shares in its capacity as investment manager. Structured Investments Ltd. (a wholly-owned subsidiary of Evolution) is interested in the Borrowed Shares by virtue of Evolution having written a participation right to it.

Upon full conversion of the convertible bonds, a maximum of 406,532,314 shares of the Company will be allotted and issued to Evolution and Evolution will be holding 455,282,314 shares (including the Borrowed Shares).

Save as disclosed above, as at 31 March 2009, the Directors or chief executives of the Company were not aware of any person (other than a Director or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, was, directly or indirectly, interest in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of any other member of the Group.

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

During the nine months ended 31 March 2009, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the rules set out in Rules 5.48 to 5.67 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "GEM" Listing Rules) as the code for dealing in securities of the Company by the Directors. Having made specific enquiry of all Directors, the Company was not aware of any non-compliance with the required standard as set out in the code of conduct regarding securities transactions by the directors throughout the nine months ended 31 March 2009.

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had any business that competed or might compete with the business of the Group.

AUDIT COMMITTEE

The Company has established an audit committee with written terms of reference based upon the guidelines published by the Hong Kong Institute of Certified Public Accountants. The primary duties of the audit committee are to review the Company's annual report and accounts, half-year reports and quarterly reports and to provide advice and comments thereon to the Board. The audit committee is also responsible for reviewing and supervising the Company's financial reporting and internal control procedures. The audit committee consisted of five Independent Non-executive Directors, namely Mr. Tian He Nian, Mr. Zhang Xiu Fu, Mr. Zhao Zhi Ming, Mr. Zou Qi Jun and Mr. To Yan Ming Edmond. Mr. To Yan Ming Edmond is the chairman of the audit committee. The Group's unaudited results for the nine months ended 31 March 2009 have been reviewed by the audit committee which was of the opinion that the preparation of such results complied with applicable accounting standards and requirements and that adequate disclosures had been made.

By order of the Board,
CHAN Ting
Director

Hong Kong, 12 May 2009

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