



Chairman's Statement 主席報告書

On behalf of the Board of Directors (the "Board") of China Gas Holdings Limited ("China Gas" or the "Company", together with its subsidiaries, the "Group"), I would like to present to the shareholders the 2005 annual report.

Undoubtedly, 2004 was an unprecedented and developing year for China Gas. We owe our success to the effort made by the Directors, the management and the staff of China Gas and the strong growth in the natural gas business in China. Our success has not merely been a matter of being in the right place at the right time. The strategic investments we made in our infrastructure over the past two financial years have positioned China Gas as one of the major players in China's natural gas market. We commit to make these long-term investments benefit to our shareholders.

Our financial results were promising. For the financial year ended March 31, 2005, turnover amounted to HK\$410,202,000, profit attributable to shareholders was HK\$132,249,000 and earnings per share was HK7.17 cents, accumulated connected domestic households were 411,064 households and accumulated connected industrial and commercial customers were 524 users. The Group's total sales of natural gas reached 37,099,520 m³ for the period under review.

Given the cash need for continual business expansion, the Board resolved not to recommend the payment of a final dividend for the year ended March 31, 2005.

During the period, the Group had already secured 14 new pipeline natural gas projects. Among them, the largest and the most significant project is the one located in Jiangbei district, Nanjing city, Jiangsu province. This is the Group's first natural gas project to have its investment in such sizable city and this is also the first project of which its licence to operate pipelined gas was granted through open tendering. We are pleased that China Gas was being recognized as one of the major players in the natural gas industry in China.

本人謹代表中國燃氣控股有限公司（以下簡稱「中國燃氣」或「公司」，與附屬公司「集團」）董事會（「董事會」）向股東提呈2005年年報。

勿庸置疑，2004年對於中國燃氣來說是個發展年，公司業務得到了前所未有的發展。公司的成功主要歸功於各位董事、公司管理層和所有員工的共同努力，以及中國天然氣事業的強勁發展。我們的成功並不僅僅是天時地利的的原因，還要歸功於公司在過去兩個財政年度在中國天然氣市場基礎設施建設中所做的戰略性投資。這些投資奠定了中國燃氣在中國天然氣市場中的地位 and 角色。我們把這些長期投資收益貢獻給我們的股東。

我們的財政結果是值得肯定的。截至2005年3月31日止財政年度，營業額為410,202,000港元，股東應佔溢利為132,249,000港元，每股基本盈利為7.17港仙；住宅客戶累計為411,064戶和累計工商用戶為524戶。在這期間，集團天然氣總銷售共37,099,520立方米。

鑒於公司仍需現金繼續拓展業務，董事會決定不派發截至二零零五年三月三十一日止年度股息。

在本財政年度，集團已取得14個新的管道燃氣項目。其中最大且最值得關注的是江蘇省南京市江北區的項目。這是公司投資在這樣大規模城市的第一個項目，而且是第一次通過公開招標獲得的天然氣管道經營權。我們很高興中國燃氣已經得到中國天然氣行業的肯定，並成為其中重要的一方。



CHINA GAS

Market capitalization of the Company was doubled since the last financial year. Shareholding structure of the Company also has a new era. Hai Xia Finance Holdings Limited, the wholly-owned subsidiary of Strait Taiwan Affairs Office becomes the largest shareholder of the Company followed by Sinopec Corp. and GAIL (India) Limited. Both Sinopec Corp. and GAIL (India) Limited are well-known international natural gas investors and they subscribed the shares of the Company in late 2004 and early 2005 respectively. In addition, the Company also signed a strategic co-operation agreement with Sinopec Corp. for comprehensive cooperation in the areas of natural gas exploration and extraction, transportation and trading, purchases and supplies, natural gas projects investment, the construction and operation of urban gas pipeline network and information and human resources exchange. In mid-2004, the Company had signed a memorandum of understanding with Gazprom, a Russian open joint-stock company and is the largest gas producing company in the world. In early 2005, the Company had signed two memorandums of understanding with City Gas Pte. Ltd and Korea Gas Corporation respectively in respect of a number of strategic and business cooperation opportunities between the parties. We did position ourselves as one of the important players in piped natural gas network in Asia and our strategic moves attracted international attention and most importantly, this enabled our Group moves toward international.

As concluded, we are excited by the future because we have our position in the China's natural gas market. In future, we will continue to drive China Gas's growth. We will upgrade our technological capability, advance our management and technological skill and strengthen our competitiveness in the natural gas market in China. We look forward to the Group's earning ability to be further strengthened, market sharing to be further increased and revenue to be further broadened. Finally, we thank our shareholders for their faithful support; our staff, the management team and the fellow board members for their endeavors and dedication; investors and bankers for their ongoing support and confidence.

Li Xiao Yun
Chairman

July 8, 2005

從上個財務年度起，公司的市場資本化得到了雙倍的增長。公司的股東結構也進入了一個新時代。海峽金融控股有限公司是隸屬於國台辦旗下的公司，現已成為公司最大的股東，其後是中石化及印度燃氣公司GAIL。中石化與印度燃氣公司GAIL是國際知名的天然氣投資公司，他們分別於2004年及2005年認購了公司的股份。另外，公司還與中石化簽署了戰略合作協議，雙方將在天然氣領域的勘探開發、運輸貿易、採購供應、天然氣項目的投資、建設及經營城市輸氣管道網路及資訊與人才交流等方面開展廣泛合作。2004年中期，公司與全世界最大的燃氣生產公司—俄羅斯公司Gazprom簽署了合作意向書。在2005年初，公司還分別與City Gas Pte. Ltd及Korea Gas Corporation簽署了兩個關於業務合作戰略的意向書。公司在亞洲天然氣管網擔當了重要的角色，我們的戰略動向也引起了國際的關注，使我們集團進一步邁向國際化。

總括而言，我們對公司的未來充滿信心，因為我們已經在中國的天然氣市場中佔據了重要的地位。在未來的日子裡，我們也將繼續推動中國燃氣的發展。我們將不斷提升我們的技術水準，提高管理水準及技術能力以及鞏固我們在中國天然氣市場的競爭力。我們希望集團盈利能力能進一步加強，市場佔有率不斷增加，收益變得更豐厚。最後，我們向所有股東的長期支持，全體員工、管理層及所有董事會成員的努力及熱誠表示衷心感謝，也非常感謝投資者及銀行家的支持及給予的信心鼓勵。

李小雲
主席

2005年7月8日