China Petrotech Holdings Limited
Registration No. 200305397E

Full Year Financial Statement and Dividend Announcement for the year ended 31 December 2006

1(a) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

		Group		
		Year ended 31 December	**Year ended 31 December**	
		2006	**2005**	**+/(-)**
	Note	**(Unaudited) RMB'000**	**(Audited) RMB'000**	**Change (%)**
Revenue		**89,948**	**66,539**	35
Cost of sales		(19,121)	(10,446)	83
Gross profit		**70,827**	**56,093**	**26**
Other income	1	1,920	14,652	(87)
Research and development costs	2	(2,816)	(4,351)	(35)
Selling and distribution costs	3	(1,993)	(1,640)	22
Administrative expenses	4	(16,857)	(11,587)	45
Other operating expenses	5	(19,989)	(1,641)	n.m
Impairment loss on intangible assets	6	(12,317)	-	n.m
Net finance income		2,026	2,464	(18)
Profit from continuing operations before taxation		**20,801**	**53,990**	**(61)**
Income tax expense		(390)	-	n.m.
Profit for the year		**20,411**	**53,990**	**(62)**
Attributable to:				
Equity holders of the parent		26,198	53,631	(51)
Minority interests		(5,787)	359	n.m.
Profit for the year		**20,411**	**53,990**	**(62)**

Explanatory notes:

1. Other income comprises:-

		Year ended 31 December 2006	**Year ended 31 December 2005**
	Note	**(Unaudited) RMB'000**	**(Audited) RMB'000**
Value added taxes ("VAT") refund	(i)	1,569	10,118
Gain on disposal of intangible assets	(ii)	-	4,425
Others		351	109
		1,920	14,652

(i) China Petrotech Holdings Limited ("CPHL") is entitled to a refund of VAT on the sales of self-developed software. The VAT refund represents the amount of VAT paid in excess of 3% of software sales. The amount of VAT refund is calculated on a monthly basis and recognized as other income when the relevant tax authorities approve the refund.

(ii) Four sets of software (capitalized as intangible assets) with a carrying value of RMB7.9 million were sold in FY2005 for RMB12.3 million, yielding a gain of RMB 4.4 million. These were one-off sales that were not repeated in FY2006.

2. Research and development costs decreased by 35% for FY2006 as compared to FY2005. The decrease was due to significantly higher level of oilfield services business which recorded lower R&D costs and activities.

3. Selling and distribution expenses increased by 22% for FY2006 as compared to FY2005 due to the business expansion into oilfield services in China.

4. Administrative expenses increased by 45% for FY2006 as compared to FY2005 as a result of the expanded scope of business operations of the Group.

5. Other operating expenses increased to RMB20.0 million in FY2006 as compared to FY2005 due to RMB1.5 million of expenses incurred for exploring new overseas business opportunities, additional allowance for trade receivables of RMB16.8 million and RMB1.6 million of foreign exchange losses arising from the appreciation of RMB against Hong Kong dollars during the year.

6. The Group acquired a 70% equity interests in Shaanxi Long Top ("SLT") in May 2005 for a consideration of RMB25.9 million. Taking into account the independent valuation report by 深圳廣信會計師事務所 – 資產評估部 on 10 January 2006, the fair value of goodwill and intangible assets of SLT at acquisition date were RMB11.5 million and RMB13.0 million respectively. At 31 December 2006, the directors of the Company reviewed the carrying value of goodwill and intangible assets of SLT, taking into account an updated independent valuation report by BMI Appraisals Limited. Based on the review, the directors have recognized impairment losses on goodwill and intangible assets of RMB3.6 million and RMB8.7 million respectively.

Notes to Income Statement

		Group		
		Year ended 31 December	**Year ended 31 December**	**Change**
		2006	**2005**	**+/(-) %**
	Note	**(Unaudited) RMB'000**	**(Audited) RMB'000**	
Other income	(a)	1,920	14,652	(87)
Interest income		2,077	2,468	(16)
Interest expense		51	4	n.m
Foreign exchange loss		1,629	344	374
Depreciation of property, plant and equipment		670	508	32
Amortization of intangible assets	(b)	7,570	9,075	(17)
Provision for doubtful trade receivables	(c)	16,849	-	n.m
Impairment loss on intangible assets	(d)	12,317	--	n.m
Operating lease charges in respect of properties		1,520	1,043	n.m
Loss on disposal of plant and equipment		-	14	n.m

Notes :

(a) The decrease in other income is mainly due to the decrease in VAT refund explained in Note 1 above.

(b) The decrease in amortization of intangible assets in FY2006 is due to lower carrying value of intangible assets related to software development.

(c) The provision for doubtful trade receivables is made for trade debts due over one year.

(d) The impairment loss on intangible assets is recognized in goodwill and intangible assets of RMB3.6 million and RMB8.7 million respectively.

1(b)(i) A balance sheet (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

		Group		**Company**	
		31 December 2006	**31 December 2005**	**31 December 2006**	**31 December 2005**
Non-current assets	**Note**	**(Unaudited)** RMB'000	**(Audited)** RMB'000	**(Unaudited)** RMB'000	**(Audited)** RMB'000
Property, plant and equipment		4,751	1,875	185	207
Intangible assets	**1**	159,146	25,381	-	-
Subsidiaries	**2**	-	-	188,716	174,285
		163,897	**27,256**	**188,901**	**174,492**
Current assets					
Inventories		2,549	1,840	1,884	1,617
Trade and other receivables	**3**	75,743	63,847	8,295	618
Cash and cash equivalents		100,760	124,290	24,884	7,992
		179,052	**189,977**	**35,063**	**10,227**
Total assets		**342,949**	**217,233**	**223,964**	**184,719**
Equity attributable to equity holders of the parent					
Share capital		109,330	47,425	109,330	47,425
Reserves		102,448	150,491	(18,157)	63,478
		211,778	**197,916**	**91,173**	**110,903**
Minority interests	**1**	52,080	6,528	-	-
Total equity		**263,858**	**204,444**	**91,173**	**110,903**
Non-current liability					
Deferred tax liability	**1**	42,018	460	-	-
		42,018	**460**	-	-
Current liabilities					
Trade and other payables	**4**	35,641	12,329	18,666	2,985
Amounts due to subsidiary		-	-	114,125	70,831

Deferred income	**1**	1,432	-	-	-
Total current liabilities		**37,073**	**12,329**	**132,791**	**73,816**
Total liabilities		**79,091**	**12,789**	**132,791**	**73,816**
Total equity and liabilities		**342,949**	**217,233**	**223,964**	**184,719**

Notes :

1. (i) Carrying value of goodwill on consolidation of RMB2.8 million at 31 December 2006

   The amount of goodwill on consolidation of RMB11.5 million arose from the acquisition of a 70% stake in SLT in May 2005 for a consideration of RMB25.9 million. The amount of RMB2.8 million was arrived at after deducting impairment loss of RMB8.7 million as at 31 December 2006 respectively. At 31 December 2006, the directors of the Company reviewed the carrying value of goodwill of SLT by taking into account an updated independent valuation report by BMI Appraisals Limited. Based on the review, the directors have recognized impairment losses of RMB8.7 million for goodwill on consolidation.

   (ii) Intangible assets of RMB156.1 million at 31 December 2006 – This include the carrying value of software development costs of RMB 4.1 million, the costs of exploration rights pertaining to the Cambodia Offshore Oil Block D PSC of RMB150 million and a carrying value of pre-acquisition sales contracts of RMB2 million. In July 2006, the Company acquired 48% equity interest in China Zhen Rong (Cambodia) Energy Co., Ltd ("CZRCE") for a consideration of RMB45.9 million (US$5.76million). The acquisition resulted in an increase in minority interest of RMB50 million. The identifiable assets and liabilities acquired comprise mainly intangible assets of RMB 150 million, fixed assets of RMB0.3 million and deferred tax liabilities of RMB41 million. For the year ended 31 December 2006, the fair values to be assigned to the acquiree's identifiable assets and liabilities can be determined only provisionally. The Group is in the midst of reassessing the fair values of the intangible assets at the acquisition date. The Group will recognize any adjustment to the provisional values of the acquired identifiable assets and liabilities before the end of July 2007. The increase in intangible assets was partially offset by the impairment loss of RMB3.6 million of software of SLT with a carrying value of RMB 6.1 million during the financial year.

   (iii) In January 2006, the Group acquired a 60% equity interest in Ba Zhou Zhong You Yang Guang Oil and Gas Technology Co. Ltd ("BZZY") for a consideration of RMB 0.9 million. Taking into account the independent valuation report by 深圳廣信會計師事務所 in September 2006, the fair value of the net assets acquired gave rise to intangible assets (Pre-acquisition sales contracts) of BZZY at acquisition date of RMB 3.0 million. The fair value of the net asset was determined on provisional basis only.

2. In February 2006, the Company incorporated a wholly-owned subsidiary Xi'an Cenozoic Oilfield Information Engineering Co., Ltd ("XCOIE") in Xi'an, PRC, with a registered and paid up capital of HK$ 5 million. In July 2006, the Company acquired 48% equity interest in CZRCE for a consideration of RMB45.9 million.

3. Trade receivables in 2006 increased by RMB27.1 million to RMB74.8 million which is partly due to the increase in sales revenue. Other receivables and prepayments decreased by RMB15.2 million to RMB0.92 million.

4. Trade and other payables increased by RMB23.3 million mainly due to outstanding payments of RMB16.0 million that arose from the purchase of equity interest in CZRCE as well as other payables of RMB5.0 million.

1(b) (ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31/12/2006		As at 31/12/2005	
Secured	**Unsecured**	**Secured**	**Unsecured**
(Unaudited) RMB'000	**(Unaudited) RMB'000**	**(Audited) RMB'000**	**(Audited) RMB'000**
Nil	**Nil**	**Nil**	**Nil**

Amount repayable after one year

As at 31/12/2006		As at 31/12/2005	
Secured	**Unsecured**	**Secured**	**Unsecured**
(Unaudited) RMB'000	**(Unaudited) RMB'000**	**(Audited) RMB'000**	**(Audited) RMB'000**
Nil	**Nil**	**Nil**	**Nil**

Details of any collateral :

Not applicable.

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group	
	Year ended 31 December 2006	**Year ended 31 December 2005**
	(Unaudited) RMB'000	**(Audited) RMB'000**
Operating activities		
Profit from ordinary activities before taxation	**20,801**	**53,990**
Adjustments for :		
Depreciation of property, plant and equipment	670	508
Amortization of intangible assets	7,570	9,075
Loss on disposal of plant and equipment	35	14
Allowance for doubtful trade receivables	16,849	-
Interest expenses	51	4
Interest income	(2,077)	(2,468)
Impairment losses on intangible assets	12,317	-
Gain on disposal of intangible assets	-	(4,425)
Operating profit before changes in working capital	**56,216**	**56,698**
Changes in working capital		

Inventories	(372)	(1,817)
Trade and other receivables	(28,035)	(30,751)
Amount due from directors	-	(677)
Trade and other payables	3,613	5,053
Cash generated from operations	**31,422**	**28,506**
Interest received	2,077	2,468
Interest paid	(51)	(4)
Cash flows from operating activities	**33,448**	**30,970**
Investing activities		
Purchase of property, plant and equipment	(3,262)	(993)
Purchase of intangible assets	(13,472)	-
Proceeds from sales of plant and equipment	-	37
Acquisition of CZRCE's net assets	(28,346)	-
Net cash inflow/ (outflow) on acquisition of a subsidiary	280	(24,121)
Cash flows from investing activities	**(44,800)**	**(25,077)**

Financing activities			
Repayment of amounts due to director		-	(1,621)
Dividend paid		(12,178)	(11,667)
Cash flows from financing activities		**(12,178)**	**(13,288)**
Net (decrease) in cash and cash equivalents		(23,530)	(7,395)
Cash and cash equivalents at beginning of the year		**124,290**	**131,685**
Cash and cash equivalents at end of the year		**100,760**	**124,290**

1d(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) Change in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediate preceding financial year.

Statement of Changes in Equity

The Group	Share capital	Share premium	Merger reserve	Statutory reserves	Foreign exchange reserve	Accumulated profits	Total attributable to equity holders of the parents	Minority interest	Total equity
	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000	(Unaudited) RMB'000

At 1 January 2005	47,425	61,905	5,055	5,788	(76)	35,772	155,869	-	155,869
Acquisition of subsidiary	-	-	-	-	-	-	-	6,169	6,169
Profit for the year	-	-	-	-	-	53,631	53,631	359	53,990
Exchange differences arising from translation of an overseas subsidiary	-	-	-	-	83	-	83	-	83
Dividend paid	-	-	-	-	-	(11,667)	(11,667)	-	(11,667)
At 31 December 2005	47,425	61,905	5,055	5,788	7	77,736	197,916	6,528	204,444

At 1 January 2006	47,425	61,905	5,055	5,788	7	77,736	197,916	6,528	204,444
Acquisition of subsidiary								51,307	51,307
Profit for the Year	-	-	-	-	-	26,198	26,198	(5,787)	20,411
Transfer of share premium	61,905	(61,905)	-	-	-	-	-	-	-
Exchange differences arising from translation of an overseas subsidiary	-	-	-	-	(158)	-	(158)	32	(126)
Dividend Paid	-	-	-	-	-	(12,178)	(12,178)		(12,178)
At 31 December 2006	**109,330**	**-**	**5,055**	**5,788**	**(151)**	**91,756**	**211,778**	**52,080**	**263,858**

The Company	**Share capital**	**Share premium**	**Accumulated (losses)/profits**	**Total**
	(Audited) RMB'000	**(Audited) RMB'000**	**(Audited) RMB'000**	**(Audited) RMB'000**
At 1 January 2005	47,425	61,905	(5,720)	103,610
Profit for the year	-	-	18,960	18,960
Dividend paid	-	-	(11,667)	(11,667)
At 31 December 2005	**47,425**	**61,905**	**1,573**	**110,903**
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
At 1 January 2006	47,425	61,905	1,573	110,903
Loss for the year	-	-	(7,552)	(7,552)
Transfer of share premium	61,905	(61,905)	-	-
Dividend paid	-	-	(12,178)	(12,178)
At 31 December 2006	**109,330**	**-**	**(18,157)**	**91,173**

1(d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the

previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 December 2005, the authorized share capital of the Company was S$20,000,000 comprising 500,000,000 ordinary shares of S$0.04 each and the issued and paid-up capital of the Company was S$9,781,416 (RMB 47,425,000) comprising 244,535,400 ordinary share of S$0.04 each.

The Companies (Amendment) Act 2005 came into effect on 30 January 2006 ("Amendments"). Among other things, the Companies Act was amended to abolish the concepts of par value, authorized share capital, share premium redemption reserve and share discounts.

As a result of the Amendments, the issued and paid-up capital of the company as at 31 December 2006 was S$22,637,000 (RMB 109,330,000) comprising 244,535,400 ordinary shares.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The same accounting policies and methods of computation in the financial statements have been consistently applied by the Group for the periods presented.

5. There any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Year ended 31 December 2006	**Year ended 31 December 2005**
Earnings per ordinary share for the period based on net profit attributable to shareholders:		
Basic and fully diluted (RMB cents) (Note 1)	**10.7**	**21.9**

Note 1:		
Basic and fully diluted earnings per share were based on:		
Net profit for the year (RMB'000)	**26,198**	**53,631**
	No. of shares	**No. of shares**
Shares outstanding at the beginning of the year	244,535,400	244,535,400
Weighted average number of new shares issued during the year pursuant to the public invitation	-	-
Weighted average number of shares issued during the year (Basic and diluted)	**244,535,400**	**244,535,400**

Notes: The group announced the proposed issue of S$8 million of Non-Secured Zero Coupon Equity-Linked Convertible notes on 3 January 2007 and has issued a total of S$6 million notes as at 27 February 2007. These notes had since been converted and allotted into 10,572,000 new shares in February 2007. Pursuant to these conversion exercises, the shares outstanding as at 27 February 2007 were 255,107,400.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the :-

(a) current financial period reported on ; and (b) immediately preceding financial year.

	Group		**Company**	
	31 December 2006	**31 December 2005**	**31 December 2006**	**31 December 2005**
Net asset value per ordinary share (RMB cents)	**86.6**	**83.60**	**37.28**	**45.35**
Net asset value (RMB'000)	**211,778**	**204,444**	**91,173**	**110,903**
Issued and fully paid ordinary shares	**244,535,400**	**244,535,400**	**244,535,400**	**244,535,400**

8. A review of the performance for the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following :-

(a) any significant factors that affected the turnover, costs, and earnings of the group for current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of the Group Performance

<u>2006 vs 2005</u>

Revenue (RMB '000)	**2006**	**2005**	**% change**

Oilfield Services	64,501	2,925	n.m.
Software & related services	24,784	59,771	-59%
Others	663	3,843	-83%
Total	89,948	66,539	+35%

As mentioned previously, the Group made a strategic shift in focus from sales of exploration software products to the provision of oilfield services in late 2005. The success of this business strategy is clearly reflected in FY2006, with revenue growing by 35% to RMB89.9 million. Revenue from oilfield services in FY2006 were RMB64.5 million compared to RMB2.9 million in FY2005. The Group derived oilfield services revenue from its current nine service teams in the Ta Zhi Oil Field, Xinjiang and in Yanchang Oil Fields. Revenue from software and software-related products fell from RMB59.8 million in FY2005 to RMB24.8 million in FY2006 as there were no major series of logging or exploration software launched in FY2006. In addition, there were some major software upgrades in FY2005 that did not occur in FY2006. Notwithstanding this, the Group secured RMB7 million of new contracts to provide software services in the year.

Gross profit rose 26% in FY2006 to RMB70.8 million due to greater contributions from oilfield services. Gross margin fell slightly to 79% in FY2006 as gross margin is typically lower for oilfield services business than that for software business. The Group posted other income of RMB1.9 million in FY2006 compared to RMB14.7 million in FY2005. This decrease is due mainly to one-off disposal of four sets of software FY2005 and lower refund of VAT in FY2006.

Research and development costs decreased by 35% to RMB2.8 million in FY2006 due to less R & D activities. Group selling and distribution costs rose 22% to RMB2.0 million, in line with increase in sales. Administrative expense rose 45% to RMB16.9 million in FY2006 due to the expanded scope of business. Apart from its healthy oilfield logging services deployed in Ta Zhi Oil Field and Yan Chang Oil Fields, the Group has been engaging in business development activities and secured its first larger-scale, integrated oilfield services contract for a 4.5 sq km area of an existing producing oilfield in Shaanbei in February 2007.

Management is continuously reviewing all segments of its business as an ongoing exercise. In December 2006, the Group reviewed the carrying value of goodwill and intangible assets of Shaanxi Long Top ("SLT") and decided to recognize impairment losses in goodwill and intangible assets of RMB12.3 million. It also decided to take a prudent approach and made allowance for doubtful debts of RMB16.8 million. These are non-cash items. Despite this, SLT, which provides oil and gas ERP software solutions, is still a profitable business. However, the ERP projects have been experiencing longer than expected project durations as well as longer payment terms versus the Group's oilfield services business. In order to streamline SLT business with Xian Cenozoic's business model, it is now focusing on smaller and more manageable projects with better payment terms.

Consequently, profit before taxation fell 61% to RMB20.8 million in FY2006 and net profit attributable to shareholders fell 51% to RMB26.2 million.

Financial Position and Liquidity

As at 31 December 2006, the Group total assets rose to RMB342.9 million. The increase was mainly attributable to the acquisition of a 48% stake in China Zhen Rong (Cambodia) Energy Co., Ltd ("CZRCE"), which owns the Cambodia Offshore Block D PSC. This was also mainly responsible for the increase in intangible assets from RMB25.4 million in FY2005 to RMB159.1 million in FY2006.

Trade receivables increased by RMB27.1 million to RMB74.8 million, in line with the increase in sales revenue. Trade and other payables increased by RMB23.3 million mainly due outstanding payments that arise from the purchase of the 48% equity interest in CZRCE of RMB16 million as well as other payables of RMB5.0 million.

As at 31 December 2006, the Group remained debt-free.

Cash Flow Statement

Cash flow from operating activities for the Group rose from RMB31.0 million in FY2005 to RMB33.4 million in FY2006 as the Group's oilfield services business continued to grow. Cash outflow due to investing activities was RMB44.8 million in FY2006 versus RMB25.1 million in FY2005 mainly attributable to the acquisition of CZRCE. As a result, there was a net decrease in cash of RMB23.5 million, resulting in a net cash balance of RMB100.8 million for the Group as at 31 December 2006.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

The Group did not make any prospect statement in the third quarter results that was announced on 14 November 2006.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months.

Oil and gas exploratory and production activities continue to increase as a result of the overall positive global economics and, the rising energy demand from growing economies like China and India. In China, the opening up of the domestic economy, including the oil and gas industry activities, presents opportunities for private small and medium size companies to enter into previously-closed sectors like the oilfield services business that the Group is engaged in. In addition, smaller oil and gas players are now presented with opportunities to obtain oilfield services contracts and oilfield concessions on existing producing oilfields.

On the Group level, CPHL business has seen positive development and growth potential. Group business has evolved from pure sales of exploration software solutions to the provision of oilfield services. Its strong technological platform has provided the Group a firm foothold in its logging services segment. This has in turn paved the way for the Group to move into larger scale, integrated oilfield services contract in marginal oilfields. In addition, the provision of oilfield services has also opened up new opportunities for CPHL, including direct investment in oil block concession, such as the Cambodian Offshore Block D PSC.

Given these factors, the Group continues to see great potential in its oilfield services business in China. Besides its existing nine oilfield service teams that have been deployed in Ta Zhi Oil Field and Yanchang Oil Fields to provide logging services, the Group has also started expanding into larger scale, integrated oilfield services contract in marginal fields. On 13 February 2007, CPHL announced that it had secured, through wholly-owned subsidiary, Xi'an Cenozoic Oilfield Information Engineering Co., Ltd, a 7-year integrated oilfield services contract for a 4.5 sq km area of an oil block in Shaanbei, China. In this project, the Group will provide oilfield engineering and technical services as well as other types of oilfield services that include well drilling, logging, drill stem testing, production testing and oil extraction. The service revenue will be based on production sharing agreement. CPHL expects contributions from this project this year. It is also actively pursuing similar integrated service contracts in China.

In Cambodia, the Group is on track to complete our 3-D data acquisition and analysis program on 360 sq km area of our Cambodia Offshore Block D PSC by April 2007. Upon completion, CPHL will commence on the exploration planning and exploration well drilling program.

On the technological development front, CPHL will continue to invest in R&D. The Group has completed the development of three new software products involving logging workflow management, complex situations monitoring and diagnosis and 3-D borehole visualization and expect them to be launched this year.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported ?

Nil

(b) Corresponding Period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None.

(c) Date payable

NA

(d) Book Closure Date

NA

12. If no dividend has been declared/recommend, a statement to that effect.

Interim dividend was paid in October 2006. No final dividend will be declared for the year ended 31 December 2006.

PART II-ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half year Results)

13. Segmented revenue and results for business or geographical segments (of the Group) in the form presented in the issuer 's most recently audited annual financial statements, with comparative information for the immediately preceding year.

The Group's profits are almost entirely attributable to the sale of software solutions and provision of service in oil and gas industry in the People's Republic of China. Accordingly, no segmental analysis is provided.

14. In review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to item 8.

15. A breakdown of sales.

Group	Latest Year 2006	Previous Year 2005	+/(-) % Change
	(Unaudited) RMB'000	(Audited) RMB'000	
(a) Sales for first half year	41,742	24,858	+68
(b) Profit after tax	21,773	15,267	+43
(c) Sales for second half year	48,206	41,681	+16
(d) (Loss) profit after tax	(1,362)	38,723	-103

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

Total Annual Dividend (refer to Para 16 of appendix 7.2 for the required details)

	Latest Full Year 2006 (RMB million)	Previous Full Year 2005 (RMB million)
Ordinary	12.18	11.67
Preference	Nil	Nil
Total :	12.18	11.67

By Order of the Board

William Chan Shut Li
Chairman of the Board
27 February 2007