



# 中國油氣控股有限公司 SINO OIL AND GAS HOLDINGS LIMITED

Stock Code 股份代號: 702



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REPORT | 報

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# Corporate Information

## 公司資料

### DIRECTORS

#### Executive Directors

Mr. Kong Siu Tim (*Chairman*)

Dr. Dai Xiaobing

Mr. Wang Ziming

Mr. Wan Tze Fan Terence

#### Non-executive Director

Mr. Ni Zhenwei

#### Independent Non-executive Directors

Mr. Wong Kwok Chuen Peter

Dr. Di Lingjun

Dr. Wong Lung Tak Patrick

### COMPANY SECRETARY

Mr. Wan Tze Fan Terence

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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### REGISTERED OFFICE

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Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Shops 1712-1716, 17/F., Hopewell Centre

183 Queen's Road East, Wanchai

Hong Kong

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited

Rosebank Centre, 11 Bermudiana Road

Pembroke HM08

Bermuda

### 董事

#### 執行董事

江少甜先生 (*主席*)

戴小兵博士

王自明先生

溫子勳先生

#### 非執行董事

倪振偉先生

#### 獨立非執行董事

黃國全先生

邱領軍博士

黃龍德博士

### 公司秘書

溫子勳先生

### 總辦事處及主要營業地點

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### 註冊辦事處

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Hamilton HM11

Bermuda

### 香港股份過戶登記分處

香港中央證券登記有限公司

香港

灣仔皇后大道東183號

合和中心17樓1712-1716室

### 主要股份過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited

Rosebank Centre, 11 Bermudiana Road

Pembroke HM08

Bermuda

# Corporate Information

## 公司資料



### HONG KONG LEGAL ADVISORS

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14/F., Printing House  
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Hong Kong

### BERMUDA LEGAL ADVISORS

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### AUDITOR

BDO Limited  
Certified Public Accountants  
25th Floor, Wing On Centre  
111 Connaught Road Central  
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### STOCK CODE

702

### WEBSITE

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### 香港法律顧問

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### 百慕達法律顧問

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香港  
中環康樂廣場8號  
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### 核數師

香港立信德豪會計師事務所有限公司  
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### 股份代號

702

### 網址

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# Five Year Financial Summary

## 五年財務概要

		Year ended 31 December 2010 截至2010年 12月31日止年度	Year ended 31 December 2009 截至2009年 12月31日止年度	Year ended 31 December 2008 截至2008年 12月31日止年度 (restated) (經重列)	Year ended 31 December 2007 截至2007年 12月31日止年度 (restated) (經重列)	Year ended 31 December 2006 截至2006年 12月31日止年度 (restated) (經重列)
		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
<b>Turnover</b>	<b>營業額</b>					
- Continuing operations	- 持續經營業務	29,224	15,155	4,206	294	-
- Discontinued operations	- 已終止經營業務	-	19,279	38,532	75,772	72,200
		<u>29,224</u>	<u>34,434</u>	<u>42,738</u>	<u>76,066</u>	<u>72,200</u>
<b>Result</b>	<b>業績</b>					
- Continuing operations	- 持續經營業務					
Profit/(loss) before income tax expenses	除所得稅支出前溢利/(虧損)	8,194	(32,940)	(40,244)	(36,673)	(42,790)
Income tax expenses	所得稅支出	(3,510)	-	-	-	-
		<u>4,684</u>	<u>(32,940)</u>	<u>(40,244)</u>	<u>(36,673)</u>	<u>(42,790)</u>
- Discontinued operations	- 已終止經營業務					
Gain/(loss) from discontinued operations	已終止經營業務之溢利/(虧損)	-	3,073	(9,543)	(37,213)	(61,440)
Gain/(loss) on disposal of subsidiaries	出售附屬公司收益/(虧損)	-	11,593	(87,531)	66,909	-
Income tax expenses	所得稅支出	-	(651)	(2,830)	(959)	(820)
		<u>-</u>	<u>14,015</u>	<u>(99,904)</u>	<u>28,737</u>	<u>(62,260)</u>
Profit/(loss) for the year	本年度溢利/(虧損)	<u>4,684</u>	<u>(18,925)</u>	<u>(140,148)</u>	<u>(7,936)</u>	<u>(105,050)</u>
Profit/(loss) attributable to:	以下人士應佔溢利/(虧損):					
Owners of the Company	本公司擁有人	6,108	(18,784)	(140,148)	(7,936)	(85,187)
Non-controlling interests	非控股權益	(1,424)	(141)	-	-	(19,863)
		<u>4,684</u>	<u>(18,925)</u>	<u>(140,148)</u>	<u>(7,936)</u>	<u>(105,050)</u>
Earning/(loss) per share	每股盈利/(虧損)					
- Basic (HK Cents)	- 基本(港仙)	0.101	(0.431)	(3.311)	(0.191)	(2.691)
- Diluted (HK Cents)	- 攤薄(港仙)	0.098	(0.431)	不適用	不適用	不適用

# Five Year Financial Summary

## 五年財務概要



		31 December 2010 於2010年 12月31日 HK\$' 000 千港元	31 December 2009 於2009年 12月31日 HK\$' 000 千港元	31 December 2008 於2008年 12月31日 HK\$' 000 千港元	31 December 2007 於2007年 12月31日 HK\$' 000 千港元	31 December 2006 於2006年 12月31日 HK\$' 000 千港元
<b>Assets and liabilities</b>	<b>資產與負債</b>					
Non-current assets	非流動資產	2,750,595	228,481	113,165	194,386	558,382
Net current assets/(liabilities)	流動資產淨值/(負債)	(207,122)	(4,384)	19,264	66,463	(294,270)
Non-current liabilities	非流動負債	(15,098)	(75,806)	-	-	(160,000)
Net assets	資產淨值	2,528,375	148,291	132,429	260,849	104,112
Non-controlling interest	非控股權益	-	(141)	(122)	-	-
Equity attributable to owner of the Company	本公司擁有人 應佔權益	2,528,375	148,150	132,307	260,849	104,112

The above figures are based on the latest published financial statements, except for the summary of result for year ended 31 December 2006 and assets and liabilities as at 31 December 2006 which were restated due to the change in presentation currency from Renminbi to Hong Kong dollars.

上述數字乃基於最近期刊發之財務報表編製，惟截至2006年12月31日止年度之業績概要，以及於2006年12月31日之資產及負債已將呈列貨幣由人民幣改為港元。

# Chairman's Statement

## 主席報告書

Dear Shareholders,

On behalf of the Board, I am pleased to report the audited annual results of the Company, together with its subsidiaries (collectively the "Group"), for the year ended 31 December 2010.

2010 was an important year for the Group as we had re-positioned our business in terms of strategic direction. The Group was renamed Sino Oil and Gas Holdings Limited in July 2010, signifying our commitment to make China our base for our core business activities, which focus on oil exploitation. We will use natural gas and coalbed methane ("CBM") as well as other clean energy sources as a driver to accelerate the growth of the Group's business.

### ERDOS BASIN IN SHAANXI PROVINCE: OUR NEW STRATEGIC BASE

The Group's oil and gas operations are mainly located in Erdos Basin in Shaanxi Province. This region has been designated by the Central Government as one of the five major areas with abundant and multiple energy sources for conducting strategic exploration and development. Erdos Basin's coal stockpile is one-sixth of the national capacity, while natural gas is one-third of the country's total. This region is also rich in mineral resources, which will be the focus of the Group's development of oil and gas businesses in the future.

During the year, the Group completed the acquisition of Orion Energy International Inc. ("Orion") and formally began CBM exploration in Sanjiao Block of the Erdos Basin, marking a new era for the Group's corporate development in the oil and gas sector in China.

各位股東：

本人謹代表董事會，向股東提呈本公司及其附屬公司（「本集團」）截至2010年12月31日止之12個月已審核之全年業績。

2010年是本集團重整業務策略方向的關鍵一年，本集團於2010年7月更名為「中國油氣控股有限公司」，標誌企業以中國為發展的根據地，業務以石油開採為基礎，並以天然氣及煤層氣等清潔能源，作為今後推動本集團快速成長的新動力。

### 以鄂爾多斯盆地為據點

本集團的油氣業務，集中在陝西省鄂爾多斯盆地，此區域為國家統籌規劃全國能源開發布局及建設重點之五大綜合能源基地之一。鄂爾多斯盆地的煤炭儲量佔全國的六分之一，天然氣則佔三分之一，而且擁有豐富的礦產資源，將是本集團未來油氣業務發展的焦點。

本集團於年度內通過完成收購奧瑞安能源國際有限公司（「奧瑞安」），正式投入鄂爾多斯盆地三交區塊的煤層氣開採業務，為中國油氣的企業發展，寫下新的一頁。

# Chairman's Statement

## 主席報告書



### CBM BUSINESS IN LINE WITH NATIONAL ENERGY POLICY

According to the 12th Five-year Plan for National Economic and Social Development (2011-2015, the "12th Five-year Plan") adopted in March this year, the national focus is on promoting energy production, using the right means to revolutionize and increase the country's energy production capacity by expanding exploration in oil and natural gas resources. China also emphasizes the need to stabilize national oil production and to promote the production of natural gas so as to match rising demands. In the meantime, China also further advances towards the exploration of CBM, shale gas and other forms of important unconventional gas resources. The 12th Five-year Plan also states that the government aims to expedite the construction of the oil and gas pipeline network strategically located across the country in order to facilitate the development and supply of natural gas and CBM.

The Coal Information Institute of China's State Administration of Work Safety stated on 30 November 2010, that the country's CBM exploration and production capacity are expected to gradually increase in the coming years towards the annual target of 20 billion cubic meters set by the 12th Five-year Plan.

### THE ADVANTAGE OF CBM

The methane concentration in the mixture of CBM is about 98% and it is generated and stored during the coal formation process. It is a type of unconventional natural gas resource and its heat content scale, properties and components are similar to those of natural gas. It is a clean fuel which does not produce a lot of pollutants at high temperatures. The characteristics of CBM and natural gas are similar except that the service life of CBM is longer which could always reach between 10 to 20 years. Further, as CBM is formed between layers of coal seams, it can be extracted at relatively shallow depths as compared to natural gas.

China is determined to develop CBM to satisfy rising energy demands from the growing middle-class and rapid urbanization. In the past, because of its limited alternatives of energy supply and related infrastructure, China depended heavily on coal-fired electricity in both residential and commercial consumption. Unregulated coal burning in urban areas had caused widespread pollution as well as producing large amounts of carbon dioxide to the detriment of the environment. CBM offers unparalleled environmental advantages that coal and other fossil fuels cannot offer. With rising incomes in urban areas, people become more educated and more environmentally aware. They want a better quality of life and environment. Natural gas is the future for urban development and thus the demand for CBM is growing rapidly.

### 發展配合國策的煤層氣業務

根據2011年3月發表的中華人民共和國國民經濟和社會發展第12個5年(2011-2015年,「十二五」)規劃綱要,國家強調推動能源生產和利用方式變革,主張加大石油、天然氣資源勘探開發力度,穩定國內石油產量,促進天然氣產量快速增長,並且推進煤層氣、頁岩氣等非常規油氣資源開發利用。綱要並提出國家將會加快縱橫全國各地域的油氣戰略通道建設,以形成天然氣及煤層氣等燃氣協調發展的供氣格局。

中國國家安監總局煤炭資訊研究院於2010年11月30日表示,中國煤層氣抽採量將逐年增加,十二五規劃目標為年產200億立方米。

### 煤層氣的優勢

煤層氣約有98%成分為甲烷,是在成煤過程中生成的,賦存於煤層中,屬於非常規天然氣的一種,其熱值與天然氣相約。煤層氣的成分與天然氣相近,燃燒發熱時不會產生大量污染物,屬清潔能源。煤層氣與天然氣其中的分別,是煤層氣的生產年限較長,一般達10-20年,而且由於伴生於煤層之間,埋藏深度較天然氣淺。

國家銳意發展煤層氣,主要是配合中國經濟步向小康,全國各地都市化的需要。過去由於能源結構條件所限,城市大量使用煤炭,工業和民用的燃煤造成污染,同時亦排放大量溫室氣體。煤層氣具有煤炭等其他礦石燃料無法比擬的環保優勢。隨著城鎮居民收入的提高,人民對環保的意識和需求日漸提高,城鎮燃氣化將是未來發展的趨勢,煤層氣的需求亦將迅速增長。



# Chairman's Statement

## 主席報告書

### NATIONAL POLICY SUPPORTS CBM INDUSTRY

CBM is safe, clean and environmentally sound and can also plug the supply gap in natural gas. Hence China has been encouraging and supporting the development of the CBM industry by introducing a series of directives and incentive policies.

On the taxation side, the CBM industry enjoys tax rebates while the importation of related industry materials is tariff-free. The pricing of CBM is free, adjusted in response to demand and supply of the market instead of being regulated by a pre-set structure. The central and local authorities also provide subsidies for CBM operation. Furthermore, the Central Government also provides reduction or exemption for certain levies in respect of exploration rights and mining rights.

CBM is trapped within coal seams, so conventional coal mining has always been plagued by the constant risk of gas explosions and water leakage. The state has therefore put measures in place to improve safety in view of the country's large numbers of mine-related accidents. The government has regulated CBM emissions and required that CBM, now recognized as a valuable resource, be exploited ahead of coal mining. This will improve the safety of coal mining while reducing the environmental impact due to gas leakage or combustion during the mining process.

Lastly, the government also encourages participation of foreign parties in CBM projects and provide support in research and development in order to further increase the production capacity of CBM fields.

### STRENGTHEN SHAREHOLDER BASE AND MANAGEMENT

In order to match the rapid growth of its oil and gas businesses, the Group actively strived to strengthen its shareholder base during the year. A number of experienced investors with extensive knowledge and understanding of the mainland China investment markets joined us as strategic shareholders, including Dr. Dai Xiaobing, Mr Chang Yim Yang, and Mr Chen Hua. Other major corporate investors, such as well-known financial establishments such as Och-Ziff and Ping An Life Insurance also came on board.

Orion, acquired by the Group in November 2010, was set up in 2006 and engaged mainly in the business of exploration, development and investment of CBM and related projects in mainland China. The Group appointed Dr. Yang Luwu in December 2010 as the Group's Vice President and Chief Geologist to lead the Group in geological exploration work in terms of identifying and developing new projects. Dr. Yang has long been involved in researching specialized drilling techniques required for the distinctive geological conditions of CBM fields.

### 國家對煤層氣產業的政策支持

煤層氣具有安全和環保等各方面優勢，亦可補天然氣的供應不足，因此國家為鼓勵和支持煤層氣產業發展及開發利用，推出了一系列指導方針和優惠政策。

在稅費優惠方面，煤層氣開採企業享有增值稅先徵後退優惠，進口設備則免徵關稅及進口環節增值稅，煤層氣價格由市場供求調節，免去過往的價格限制。中央和地方政府亦對煤層氣營運提供補貼。至於探礦、採礦等各種使用權徵費，國家亦有減免政策配合。

在資源開發政策方面，由於煤層氣主要吸附在煤層表面，以往開採煤礦，常有瓦斯爆炸和透水事故發生。因此國家推出了煤層氣排放的限制，規範企業在煤炭開發前必須先開採具資源價值的煤層氣，既可有效提升煤礦生產的安全程度，亦可減低氣體洩漏或當地燃燒時所造成的環境污染。

此外，國家亦鼓勵對外合作，並在科技研發上作出支持，冀進一步提升煤層氣的開發能力。

### 強化股東基礎及管理層

本集團為拓展高速增長的油氣業務，在年度內亦積極優化股東基礎，先後獲戴小兵博士、張賢陽先生及陳華先生等在中國擁有資深投資及經營經驗的投資者成為策略股東，並獲 Och-Ziff 及平安人壽等知名機構投資者入股。

本集團於2010年11月完成收購的奧瑞安成立於2006年，一直專注開發及投資中國煤層氣。本集團於2010年12月隨即委任楊陸武博士為本集團之副總裁兼首席地質學家，統領本集團的地質勘探、開發和新開採區拓展工作。楊陸武博士過去一直專注研發針對中國煤層氣特殊地質條件之開發專門技術。

# Chairman's Statement

## 主席報告書



Additionally, the Group also appointed Dr. Dai Xiaobing as Executive Director and Orion's director Mr. King Hap Lee as Chief Executive Officer of Sino Oil and Gas, responsible for the Company's strategic development and daily operation. These appointments have further strengthened the Group's professional management and operational capability. Their details are set out in "Directors and Senior Management Profiles" in this annual report.

New reporting regulations set out in Chapter 18 of the Listing Rules were introduced on 3 June 2010, which requiring mineral companies listed with the Stock Exchange of Hong Kong to have detailed disclosure of the oil and gas properties to be acquired and providing an internationally recognised technical report in accordance with certain basic requirements set out in the Listing Rules. Companies are also required to give details in subsequent interim and annual reports on the latest progress of their exploration, development and mining projects as well as the costs of related business activities. The Group completed the acquisition of Sanjiao Block CBM project in November 2010, the first major acquisition conducted after the introduction of the revised Chapter 18 of the Listing Rules. The Group fully complied with the new rules, in line with the strict requirements to protect investors' interests.

Since the beginning of 2011, major oil-producing countries in the Middle East and North Africa have been experiencing political and economic instability, while Japan's recent mega-earthquake triggered serious radioactive leaks. These have consequently changed the dynamics of global energy supply and clean energy sources will certainly become more popular and widely accepted in the market. The management therefore has every confidence in the future of the Group.

Finally, on behalf of the Board I would like to extend my gratitude to our shareholders and business partners for their long support. I would also like to express my most sincere appreciation to all our staff, especially our frontline colleagues in the oil fields who are facing extremely harsh working and weather conditions day after day. Thank you.

**Kong Siu Tim**  
Chairman

Hong Kong, 25 March 2011

此外，本集團亦在年度內委任戴小兵博士為執行董事，並委任奧瑞安董事景哈利先生為中國油氣之行政總裁，專責統率公司戰略發展規劃及日常運營，進一步增強本集團的專業管理和營運能力。他們的簡歷詳列於本年報「董事及高層管理人員簡介」。

香港聯合交易所針對採礦企業之上市規則第18章修訂自2010年6月3日起生效，所有上市公司如有重大的礦業或資源項目收購，必須按上市條例提交國際認可的技術報告，並且往後必須在中期及全年年報內，交代最新的礦產勘探、開發及開採情況，以及相關活動的開支。本集團於2010年11月完成收購之三交區塊煤層氣項目，為首個根據新的上市條例第18章規定而進行之重大收購事項，符合為保障投資者權益而訂立的嚴格要求。

自步入2011年以來，中東和北非等產油地區的局勢日趨緊張，日本東北9級地震後引發核幅射危機，此等外圍狀況均對全球的能源供應增添變數，但無論如何，清潔能源肯定會更受市場重視，管理層對集團未來的前景抱有信心。

最後，本人謹代表董事會，向一直支持本集團的所有股東和業務夥伴，致以最衷心感謝，並對全體員工，特別是在油田工作的前綫員工，對他們在嚴峻的天氣、惡劣的工作環境下辛勤的工作，予以充分的肯定及致謝！

**江少甜**  
主席

香港，2011年3月25日

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

For the year ended 31 December 2010, Sino Oil and Gas Holdings Limited (the “Company” or “Sino Oil and Gas”) and its subsidiaries (collectively the “Group”) recorded a turnover of HK\$29,200,000 (2009: HK\$15,200,000), representing an increase of 92.8% year on year. The increase in turnover was mainly contributed by the oil and gas blocks in Shaanxi Province, which have proceeded into the second phase of exploitation. While production levels were still below optimal scale, productivity has improved gradually. In addition, the Group expects the coalbed methane (CBM) field in the Sanjiao Block acquired in mid-November 2010 will commence production in 2011 and is expected to contribute further to the Group.

The Group disposed of its oilfield operations in the United States for considerations of HK\$150 million at the end of December 2010 and recorded gain on disposal of HK\$72.7 million. During the year under review, the profit attributable to shareholders of the Company amounted to HK\$4,600,000 (2009: Loss of HK\$18,900,000), with an operating profit of HK\$12,300,000 (2009: Loss of HK\$25,600,000).

### Oil and Natural Gas Exploitation

#### *Liuluoyu and Yanjiawan*

Both of our two oil fields in the PRC, namely Liuluoyu and Yanjiawan, are located in Erdos Basin, Shaanxi Province, with a production of approximately 6,810 tonnes of crude oil during the year. In addition to the existing oil wells, in view of the geological formation of the blocks and successful gas production in adjacent fields in Erdos Basin, our technical team has been actively working on the second phase of exploitation of the oil resources on these blocks, as well as the exploration of natural gas during the year in order to enhance the efficiency of our oil fields. The team successfully discovered a high-yield shallow gas reserve at Liu-cong 6-4 well in Liuluoyu oil field in October 2010. According to preliminary tests, the daily open flow of each gas well would be more than 10,000 cubic meters. It is conservatively expected that the minimum daily production of each well will be more than 3,000 cubic meters.

### 業務回顧

截至2010年12月31日止年度內，中國油氣控股有限公司（「本公司」或「中國油氣」）及其附屬公司（統稱「本集團」）之營業額為29,200,000港元（2009年：15,200,000港元），較上年度增加92.8%，營業額增長主要在陝西的各個油氣區塊正進行第二階段開採，生產雖尚未達至理想規模，但生產力已逐漸改善。此外，本集團預期於2010年11月中完成收購的三交煤層氣區塊則會於2011年進入全面生產階段，為本集團帶來貢獻。

本集團於2010年12月底，以1.5億港元代價，出售於美國的油田業務，因而錄得約72,700,000港元之收益。在回顧年度內，本公司之股東應佔溢利為4,600,000港元（2009年：虧損18,900,000港元），而經營溢利為12,300,000港元（2009年：虧損25,600,000港元）。

### 石油及天然氣開採

#### *柳洛峪及閻家灣*

本集團於中國的兩油田區塊均為生產中的油田，分別位於陝西省的鄂爾多斯盆地的柳洛峪及閻家灣，去年原油產量約為6,810噸。除現有油井外，鑒於此等區塊的地質構造及周邊同樣位於鄂爾多斯盆地的天然氣區塊，為了提高油田效益，技術隊伍在去年積極在此區塊石油資源內進行第二階段開採，同時亦對天然氣進行勘探工作，並成功於2010年10月在柳洛峪油田柳叢6-4油井發現淺層高產天然氣。經初步測試，每日單井無阻流量在10,000立方米以上。按保守配產方法，預計最低單井日產可達3,000立方米以上。

# Management Discussion and Analysis

## 管理層討論及分析



Liuluoyu oil field is located in Ganquan County, Shaanxi Province. According to estimate from oil field experts with reference to the relevant data, it is expected that the shallow gas reserve in the Liuluoyu block is at a depth of about 300-500 meters with an estimated recoverable reserve of about 500 million cubic meters. The natural gas production in Liuluoyu oil field will substantially increase in the future. In 2010, the trial production of natural gas yielded a total of approximately 2 million cubic meters.

The management remains cautiously optimistic of discovering large quantities of natural gas in the blocks and anticipates that the natural gas discovery will further enhance the investment return of the two oil fields in Erdos Basin.

### *Jinzhuang*

The Group obtained a 15 month operation right of Jinzhuang oil field in May 2010 under an operating agreement. As such, the Group owns a 95% economic interest in the turnover from the production sharing right of Jinzhuang oil field during the operating period. Pursuant to the agreement, the Group will have the first right of refusal to acquire the oil field at an agreed price upon the end of the period.

Jinzhuang oil field is located at the plateau of Erdos Basin, Shaanxi Province, with an area of 62 square kilometers. From September to December 2010, crude oil output amounted to approximately 1,680 tonnes. According to the preliminary assessment carried out by a local independent assessment agency, the 3P (the sum of proven, probable and possible reserves) of crude oil was approximately 25 million tonnes.

The Group has also carried out preliminary exploration of tight gas reserve in Jinzhuang oil field and completed two exploration wells to a depth of approximately 3,200 meters, leading to the discovery of tight gas reserve of industrial value at underground levels of about 3,200 meters to 2,800 meters. According to preliminary tests, the daily open flow of each gas well would be more than 50,000 cubic meters. It is expected that the daily production of each well will be more than 20,000 cubic meters upon stabilization of production. Trial sales of the natural gas commenced in November 2010, amounting to approximately 2.3 million cubic meters. The management expects that the discovery of the tight gas reserve in Jinzhuang oil field will bring promising additional income to the Group.

柳洛峪油田位處陝西省甘泉縣，根據油田專家就相關資料之估計，柳洛峪油田淺層天然氣埋深約300-500米，預測可採儲量約為五億立方米，未來在柳洛峪油田的天然氣產量將大幅上升。在2010年，試產天然氣約2,000,000立方米。

管理層對在此區域能發現大規模天然氣的可能性保持審慎樂觀，並期望天然氣的發現有助進一步提升鄂爾多斯盆地兩幅油田的投資效益。

### *金庄*

本集團於2010年5月通過承包營運合同的方式取得金庄油田的十五個月營運權。在營運期內，集團擁有金庄油田油氣產品營業額95%分成權。根據協議，本集團在營運期結束後，可以約定價格優先購買該油田。

金庄油田位處陝西省鄂爾多斯高原腹地，面積達62平方公里，為正在生產運營中的油田，去年9至12月份原油產量約為1,680噸。根據國內獨立評估機構初步評估，金庄油田的3P（證實、概算及可能儲量之總計）原油儲量約為2,500萬噸。

本集團並對金庄油田的深層天然氣進行了初步勘探，完成兩口井深約3,200米的天然氣探井，並在地下約3,200米至2,800米之地層中發現了具有工業價值的深層天然氣。經初步測試，每日單井天然氣無阻流量超過50,000立方米，預計未來穩產每日可達20,000立方米以上。自2010年11月起將採出之天然氣作試銷售，產量約為2,300,000立方米。管理層預期金庄油田深層天然氣的發現將會為本集團帶來可觀的額外收入。

# Management Discussion and Analysis

## 管理層討論及分析

### *Coalbed Methane Exploitation – Sanjiao Block in Erdos Basin*

In July 2010, the Group entered into an acquisition agreement to acquire the entire interest of Orion Energy International Inc. (“Orion”) for a total consideration of HK\$2.34 billion. Orion owns a 70% interest in a CBM exploration, exploitation and production project in the Sanjiao Block located in Shanxi and Shaanxi Provinces pursuant to a production sharing contract (“PSC”) entered into with PetroChina Company Limited (“PetroChina”, HKEX: 857), the Chinese partner in this project. The gross 2P (proved and probable) reserve of the Sanjiao Block as per the Competent Person’s Report as disclosed on the circular dated 26 September 2010 is 356.6 billion cubic feet. The acquisition was duly completed in November 2010.

In December 2010, the Ministry of Commerce of the PRC approved the extension of the exploration period of PSC of the Sanjiao Block to 30 June 2012, and the relevant government authorities renewed the operation license for Orion in December as well, with its term extended to 30 June 2012. The Ministry of Land and Resources of the PRC also approved the term of the exploration license of the Sanjiao Block to be extended to 8 July 2012. The obtaining of these three licenses provided a lawful foundation for the application of the overall development plan of the Sanjiao Block under the PSC. Moreover, according to the PRC standards, the proven reserve of CBM of 43.5 billion cubic meters of the Sanjiao Block has been reviewed and endorsed by the Expert Review Group of the State Reserve Committee of the PRC. Accordingly, the Company is in the process of preparing and reporting the overall development plan of the Sanjiao project, which is expected to obtain the approval from the National Development and Reform Commission during the year.

By end of December 2010, Orion had completed 17 multi-lateral horizontal wells in the Sanjiao Block, with an annual production capacity of 130 million cubic meters of CBM. The Chinese partner, PetroChina, has established and commenced the operation of a compressed natural gas head station with a daily compression capacity of 30,000 cubic meters. The project is ready to run external trial sales of CBM. The management expects that CBM production will enter into a formal production phase in the second quarter of 2011, which will contribute to the Group’s revenue.

### *煤層氣開採—鄂爾多斯盆地三交區塊*

本集團於2010年7月簽訂一份收購協議，收購奧瑞安能源國際有限公司（「奧瑞安」）全部權益，作價合共23.4億港元。奧瑞安根據與中國夥伴訂立的生產分成合約（「PSC」），在中國山西及陝西省三交區塊進行煤層甲烷田勘探、開採及生產活動中享有70%權益。此開發項目之中國夥伴為中國石油天然氣股份有限公司（「中石油」，香港交易所：857）。按刊於2010年9月26日之合資格人仕報告，三交區塊之總探明儲量(2P)為3,566億立方英尺。有關之收購已於2010年11月正式完成。

中國商務部已於2010年12月批准三交PSC的勘探期延長至2012年6月30日。此外，相關政府部門已於同月向奧瑞安發出新的營業執照，有效期同樣延長至2012年6月30日。中國國土資源部亦批准將三交區塊的探礦權證之有效期延長至2012年7月8日。按PSC，成功取得以上批准令三交區塊申請總體開發方案具備了法律條件。此外，三交區塊儲量已通過國家儲委專家組評審，按中國準則，煤層氣證實儲量達435億立方米。據此，公司正在編製並申報三交專案總體開發方案，預計年內將獲國家發展改革委員會批覆。

截至2010年12月底，奧瑞安已在三交地區完成多分支水平井17口，已具備年產煤層氣1.3億立方米的生產能力，中國夥伴中石油已建成每日壓縮量達3萬立方米的壓縮天然氣母站，並已投產。項目已經撥備對外試銷售煤層氣。管理層預期煤層氣生產可在2011年度第二季可正式進入生產階段，為本集團帶來收入貢獻。

# Management Discussion and Analysis

## 管理層討論及分析



### Disposal of the oil fields in the United States

The Group had previously operated two oil blocks in the United States, namely Grassy Trails located in Utah and Squaw Canyon located in the Four Corners area of Colorado, New Mexico, Utah and Arizona.

In view of the gradual shift of the business focus of the Group to oil and gas exploitation in the Erdos Basin of the PRC, and as it is planned to actively engage in the development of new CBM business, the management decided to dispose of the oilfield assets in the United States after cautious study and consideration, for more effective deployment of management and technical resources.

In December 2010, the Group disposed of its oil and gas business in the United States for a consideration of HK\$150 million. The disposal brought in a gain of approximately HK\$72.7 million to the Group.

### Summary of Resources

Oil and gas reserves of the Group as at 31 December 2010 are summarized as follows:

### 出售位於美國之油田

本集團過去在美國營運兩個油田區塊，分別為位於美國猶他州的草徑油田，以及位於科羅拉多州、新墨西哥州、猶他州和亞利桑那州四州鄰接區域的史科峽谷油田。

鑑於本集團逐步將業務重心專注於中國鄂爾多斯盆地的油氣開發，並計劃積極投入發展新的煤層氣業務。管理層審慎研究及考慮，為求更有效運用管理及技術資源，決定將美國的油田資產出售。

於2010年12月，本集團以1.5億港元代價，出售於美國的油田業務。有關之出售為集團帶來約72,700,000港元之收益。

### 資源概覽

本集團於2010年12月31日的油氣儲備概述如下：

		<b>Crude Oil</b> <b>原油</b>	<b>Coalbed Methane</b> <b>煤層氣</b>
		<b>Liuluoyu and Yanjiawan</b> <b>柳洛峪及閻家灣</b>	<b>Sanjiao</b> <b>三交</b>
		<i>Million barrels</i> 百萬桶	<i>Billion cubic feet (Gross)</i> 十億立方英尺(總額)
Proved and Probable	證實及概略	2.8 (Note a) (附註a)	356.7 (Note b) (附註b)
Notes		附註	
(a)	The oil reserve is estimated by internal expert. The study of the gas reserves on these fields has not been completed.	(a) 石油儲量由內部專家估計得出。該等油田的天然氣儲量研究尚未完成。	
(b)	The gas reserve is extracted from the Competent Person's Report published in the Company's circular dated 27 September 2010. The Company does not expect there will be material change of the gas reserve as at 31 December 2010.	(b) 天然氣儲量乃摘錄自本公司於2010年9月27日刊發的通函內所載合資格人士報告。本公司預期天然氣儲量於2010年12月31日將不會出現重大變動。	

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Capital Structure

In April and June 2010, the Company successfully placed 1,624 million shares and 600 million warrants, respectively, raising net proceeds of approximately HK\$343 million. The proceeds are used as general working capital, for possible oil and gas investment opportunities and further development of existing oil and exploitation projects in China.

Och-Ziff, one of the largest global institutional asset management firms, became the Group's strategic shareholder in October 2010. OZ Management LP under Och-Ziff subscribed to an aggregate of 432,220,000 new shares in the Company at a price of HK\$0.45 per share. The placing shares accounted for approximately 4.73% of the share capital of the Company as at the end of the year, contributing net proceeds of HK\$194.3 million to the Company.

A total of 437,000,000 new shares were placed to Ping An Life Insurance Company of China Limited, a subsidiary of Ping An Insurance (Group) Co. of China, Ltd. ("Ping An Life Insurance") at the same price of HK\$0.45 per share, in December 2010. Accordingly, Ping An Life Insurance became another important strategic shareholder of the Group in addition to Och-Ziff. Ping An Life Insurance is the second largest life insurance company in the PRC. The placing shares accounted for approximately 4.78% of the Company's share capital as of the end of the year, contributing net proceeds of approximately HK\$194.3 million to the Company.

While such placement activities brought additional working capital to the Group, it also satisfied future investment needs. With the engagement of quality strategic shareholders, the Group's management capability and development strategies were seen to be recognized by investors.

#### Liquidity, Financial Resources and Capital Structure

As at 31 December 2010, the net assets of the Group were HK\$2,528 million (31 December 2009: HK\$148.3 million) while its total assets were HK\$3,423 million (31 December 2009: HK\$246.2 million). As at 31 December 2010, the Group did not have external borrowings (31 December 2009: Nil) and the gearing ratio based on total assets was 0%. As at 31 December 2010, the current ratio was 0.76 (31 December 2009: 0.8). The current ratio as at the end of 2010 was seen to have weakened, but in early March 2011, with the support of the shareholders and business partners, the due date of payables of approximately HK\$556 million has been extended to early next year. The Group's liquidity has subsequently improved.

#### Foreign Exchange Fluctuations

The Group is exposed to currency risk primarily through sales and purchase transactions and recognized liabilities of assets that are denominated in a currency other than the functional currency of the operations to which they relate. At 31 December 2010, no related hedges were made by the Group. In respect of trade

### 財務回顧

#### 資本結構

於2010年4月及6月，本公司成功配售1,624,000,000股股份及600,000,000份認股權證，淨集資額約為343,000,000港元，集資款項用作一般營運資金，物色潛在油氣投資機遇及進一步發展現有的中國油氣開採項目。

於2010年10月，全球最大的機構資產管理公司之一，Och-Ziff成為本集團的策略股東，它旗下的OZ Management LP以每股0.45港元，認購合共432,220,000股本公司新股，配售股份佔公司年底股本約4.73%，為本公司帶來約194,300,000港元淨集資額。

於2010年12月，本集團同樣以每股0.45港元，配售合共437,000,000股新股予中國平安保險(集團)股份有限公司旗下之中國平安人壽保險股份有限公司(「平安人壽」)，成為本集團繼Och-Ziff後另一重要策略股東。平安人壽為國內第二大壽險公司，配售股份佔公司年底股本約4.78%，為本公司帶來約194,300,000港元淨集資額。

以上的配售活動，不但為集團帶來了額外的營運資金，以及應付未來投資的需要，更成功引入優質的策略股東，反映投資者對集團管理實力和發展策略予以肯定。

#### 流動資金、財務資源及資本結構

於2010年12月31日，本集團的資產淨值為2,528,000,000港元(2009年12月31日：148,300,000港元)，總資產值則為3,423,000,000港元(2009年12月31日：246,200,000港元)。於2010年12月31日，本集團沒有對外借貸(2009年12月31日：零)，負債比例按資產總值計算為0%。於2010年12月31日的流動比率為0.76(2009年12月31日：0.8)。2010年年底之流動比率似乎略遜於去年，但在2011年3月初，在股東及商業夥伴的支持下，其中約5.56億港元應付款的還款期順利延至明年初，而集團的流動資金狀況亦因而得以改善。

#### 外匯波動

本集團承受之貨幣風險主要源自以有關業務之功能貨幣以外之貨幣計值之買賣交易及已確認資產之負債。於2010年12月31日，本集團並無作出相關對沖。就以有關業務之功能貨幣以外之貨幣持有之應收款項及應付款項，

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and other receivables and payables held in currencies other than the functional currency of the operations to which they relate, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2010, the Group employed approximately 183 employees. The remuneration policy of the Group is based on the prevailing remuneration level in the market and the performance of respective companies and individual employees.

### PROSPECTS

The Group will continue to focus on the expansion of its oil and gas business in Erdos Basin in the coming year. In addition to the traditional business of oil exploitation, the Group will also actively engage in the exploitation of unconventional natural gas such as shallow gas reserves and CBM.

The shallow gas reserve discovered by the Group in Liuluoyu oil field will be a new profit growth point. The Group plans to make further investments in the development of shallow gas reserves in the coming two years, and in the construction of auxiliary ground transportation and distribution facilities. The Group has performed exploration and exploitation of the tight gas reserve in Jinzhuang oil field in early 2011. Trial sale of natural gas has commenced since the end of 2010, and the sale of natural gas from the tight gas reserve will improve the overall operating income. The management will continue to consolidate the oil and gas exploitation operations in Shaanxi area, optimize the resources of management and technical expertise allocated to the oil and gas assets in Erdos Basin, and enhance the overall synergy effect and production efficiency.

With the completion of the acquisition of Orion, the contribution from our CBM business will gradually be reflected in 2011. As Sanjiao Block is one of the best CBM fields in China, the management is confident that, upon the commencement of production in the first half of this year, Sanjiao Block will become a large-scale CBM field within the next three years with annual output exceeding one billion cubic meters.

The Government of Shanxi Province has planned three gas pipelines and a liquefied natural gas plant in Sanjiao and its surrounding areas, which were completed and put into operation in succession in early 2011. The CBM produced from Sanjiao Block will be transported primarily through these newly constructed facilities to the central and western parts of Shanxi Province where industrial natural gas consumption is concentrated. The management believes that the CBM project in Sanjiao Block will be the key driver of growth for the Group in the future which brings considerable long-term return on investment to the shareholders.

本集團在必要時按即期匯率買賣外匯以解決短期不均衡，以此確保風險處於可接受水平。

### 僱員薪酬政策

於2010年12月31日，本集團的僱員約有183人。本集團之薪酬政策主要按現行市場薪酬水平及各有關公司及個別僱員之表現釐訂。

### 前景

本集團在來年將繼續專注在鄂爾多斯盆地拓展油氣業務。除了傳統的石油開採，更會積極開發包括淺層天然氣及煤層氣等非常規天然氣。

本集團在柳洛峪油田發現的淺層天然氣，將會成為新的利潤增長點。本集團計劃在未來兩年會進一步投資在柳洛峪油田開發淺層天然氣氣井，並建設相應的地面輸配設施，而本集團於2011年初對金庄油田的深層天然氣進行勘探開發。自2010年底當地的天然氣已開始試銷售，深層天然氣的銷售將有助改善營運收益。管理層將繼續整合陝西區域的油氣開採業務，優化鄂爾多斯盆地內油氣資產的管理和技術資源，提升整體的協同效益和生產效率。

隨著完成收購奧瑞安，本集團的煤層氣業務的貢獻在2011年度將逐漸反映。三交區塊是中國最好的煤層氣區塊之一，集團管理層有信心今年上半年正式投產，並在未來三年將三交項目建成年產煤層氣不少於10億立方米的大型煤層氣氣田。

山西省政府已在三交及周邊地區規劃了三條煤層氣輸氣管道和一個液化天然氣廠，並已於2011年初陸續建成投產。三交區塊產出的煤層氣將主要通過這些新建設施輸送到山西省工業用氣集中的中西部。管理層相信，三交煤層氣項目將會是本集團未來增長動力的重點，可為股東帶來可觀的長遠投資回報。



# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

### BOARD OF DIRECTORS

#### Executive Directors

**Mr. Kong Siu Tim**, aged 45, was appointed as Non-executive Director of the Company in August 2005 and redesignated as Executive Director of the Company in November 2005. Mr. Kong has been appointed as Chairman of the Company since March 2009. Mr. Kong holds a master degree of Economics at University of Warwick, UK. Mr. Kong has years of experience in banking and securities industries and he is a member of the Hong Kong Securities Institute.

**Dr. Dai Xiaobing**, aged 43, was appointed as Executive Director of the Company in May 2010. Dr. Dai was awarded a PhD in Econometrics by the School of Economics, Jilin University, the PRC. Dr. Dai is experienced in the corporate finance sector as well as merger and acquisitions and corporate restructuring of companies in the PRC. He is also familiar with the capital market in the PRC. Dr. Dai had been one of the co-founder of China Securities Journal published by Xinhua News Agency and was a journalist, department head and deputy general manager of the agency, through which he has extensive experience in government public relations and investor relations. Currently, Dr. Dai is the executive director and Chief Executive Officer of China Precious Metal Resources Holdings Co., Ltd., (stock code: 1194), a company listed on the Hong Kong Stock Exchange. He is also an independent Director of Jiangxi Ganneng Co., Ltd. (江西贛能股份有限公司) (stock code: 000899), a company listed on the Shenzhen Stock Exchange and the Chairman of Beijing Ji Fude Information Technology Co., Ltd. (北京吉芙德信息技術有限公司), which is not a public company.

**Mr. Wang Ziming**, aged 44, was appointed as Executive Director of the Company in August 2010. Mr. Wang graduated from the College of Economy and Trade Management, Shanghai International Studies University in 1988, and received a Bachelor Degree in Economics. Mr. Wang has worked in Sinochem Corporation, PRC and has extensive experience in the exploration and management in the resources sector. He is also well experienced in mining business investment and possesses abundant governmental public relations resources.

### 董事會

#### 執行董事

**江少甜先生**，45歲，於2005年8月獲委任為本公司之非執行董事，於2005年11月由本公司非執行董事轉職為執行董事，江先生於2009年3月出任本公司之主席。江先生持有英國華威大學經濟學碩士學位，於銀行及證券行業有多年經驗，他亦為香港證券專業學會會員。

**戴小兵博士**，43歲，於2010年5月獲委任為本公司之執行董事。戴博士持有中國吉林大學商學院計量經濟學博士學位。戴博士在企業融資和中國企業併購與企業重組方面擁有豐富的經驗，彼亦熟悉中國之資本市場。戴博士曾參與創辦新華通訊社出版的《中國證券報》，歷任記者、部門主任和報社副總經理，期間積累了豐富的政府公共關係和投資者關係等資源。戴博士現任中國貴金屬資源控股有限公司執行董事及行政總裁(股份代號：1194，於香港交易所上市的公司)。他亦是江西贛能股份有限公司之獨立董事(股份代號：000899，於深圳交易所上市的公司)，以及北京吉芙德信息技術有限公司(並非公開上市公司)董事長。

**王自明先生**，44歲，於2010年8月獲委任為本公司之執行董事。王先生於1988年畢業於上海外國語大學經濟貿易管理學院，獲頒經濟學學士學位。王先生曾任職於中國中化集團，在資源領域的勘探和管理方面擁有豐富經驗，亦擁有豐富的礦業投資經驗和政府方面的公共關係資源。

## Directors and Senior Management Profiles

### 董事及高層管理人員簡介



**Mr. Wan Tze Fan Terence**, aged 46, was appointed as Executive Director of the Company in March 2009. He is also the chief financial officer and company secretary of the Company. Mr. Wan holds a bachelor degree of commerce and a master degree of business administration. He has years of experience in accounting and financial management and has worked for international accounting firms and listed companies in Hong Kong. He is a fellow member of Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia. He is an independent non-executive director of China Primary Resources Holdings Limited, a company listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited.

#### Non-executive Director

**Mr. Ni Zhenwei**, aged 74, was appointed as Independent Non-executive Director of the Company in November 2005 and redesignated as Non-executive Director of the Company in August 2010. Professor Ni graduated at Tsinghua University in 1959, majoring in mechanical engineering. Since then, he had been teaching and conducting research activities at the Tsinghua University. In 1987, Professor Ni obtained his qualification as an associate researcher in Tsinghua University and retired in 1996. Professor Ni is an independent non-executive director of Hong Kong listed VST Holdings Limited. He is also a senior advisor to Korea's POSCO Group, China Oceanwide Group, STIG Limited, EC Guard Limited and a number of conglomerates.

**溫子勳先生**，46歲，於2009年3月獲委任為本公司之執行董事。溫先生目前為本公司之財務總監及公司秘書。溫先生持有商科學士學位及工商管理碩士學位，溫先生擁有多年會計及財務管理經驗，並曾在國際會計師事務所及香港上市公司等工作。溫先生為香港會計師公會資深會員及澳洲會計師公會註冊會計師。溫先生為中國基礎資源控股有限公司之獨立非執行董事，一間於香港聯合交易所創業板上市的公司。

#### 非執行董事

**倪振偉先生**，74歲，於2005年11月獲委任為本公司之獨立非執行董事，於2010年8月由本公司獨立非執行董事調任為非執行董事。倪教授於1959年畢業於清華大學，主修動力機械工程。其後留校任教，從事教學科研的工作。於1987年，倪教授在清華大學取得副研究員的資格，並於1996年退休。倪教授為香港上市公司偉仕控股有限公司的獨立非執行董事並同時為韓國浦項制鐵公司、中國泛海控股集團、四通巨光控股公司、頤信科技公司等的高級顧問。

## Directors and Senior Management Profiles

### 董事及高層管理人員簡介

#### Independent Non-executive Director

**Mr. Wong Kwok Chuen Peter**, aged 51, was appointed as Independent Non-executive Director of the Company in April 2006. Mr. Wong is currently a practising barrister-at-law of the High Court of the Hong Kong SAR. Mr. Wong holds a master degree of commerce in marketing from University of Strathclyde, UK and a post-graduate certificate in laws from University of Hong Kong. Mr. Wong has more than 17 years of extensive experience in legal practice.

**Dr. Di Lingjun**, aged 55, was appointed as Independent Non-executive Director of the Company in August 2010. Dr. Di graduated from Northwest University, PRC, major in the field of petroleum and natural gas geology in 1980. Dr. Di was awarded a doctorate degree in sedimentology and basin analysis by the Northwest University, PRC. In his career, Dr. Di has worked as a project manager in the regional petroleum and natural gas exploration project, Changqing Oil Field; Geology Controller and Deputy General Manager of the North Shannxi Petroleum and Natural Gas Exploration Project conducted by the New District Exploration Division of the China National Petroleum Corporation. Dr. Di is at present the Deputy Chief Geologist of Exploration and Development Institute, Changqing Oil Field, CNPC.

**Dr. Wong Lung Tak Patrick**, aged 62, was appointed as Independent Non-executive Director of the Company in August 2010. Dr. Wong is a practising certified public accountant in Hong Kong and the managing director of Wong Lam Leung & Kwok CPA Limited. He has over 30 years' experience in the accountancy profession. Dr. Wong was accorded Doctor of Philosophy in Business, was awarded a Badge of Honour by the Queen of England in 1993, was appointed a Justice of the Peace in 1998 and was awarded a Bronze Bauhinia Star (BBS) by the Hong Kong Government of SAR in 2010. He has been appointed Adjunct Professor, School of Accounting and Finance, The Hong Kong Polytechnic University since 2002. Dr. Wong participates in many types of community services, holding posts in various organizations and committees, both governmental and voluntary agencies. Dr. Wong is currently an independent non-executive director of Water Oasis Group Limited, CC Land Holdings Limited, Galaxy Entertainment Group Limited, Ruinian International Limited, Guangzhou Pharmaceutical Co. Ltd. and China Precious Metal Resources Holdings Co., Ltd., all of which are listed on the Main Board of the Stock Exchange. Dr. Wong is also an independent non-executive director of National Arts Holdings Ltd. (listed on the Growth Enterprise Market of the Stock Exchange).

#### 獨立非執行董事

**黃國全先生**，51歲，於2006年4月獲委任為本公司之獨立非執行董事。黃先生現為香港執業大律師，黃先生持有英國University of Strathclyde之商業管理(市場學)碩士學位及香港大學之法律深造證書，黃先生擁有逾十七年豐富法律實務經驗。

**鄧領軍博士**，55歲，於2010年8月獲委任為本公司之獨立非執行董事。鄧博士於1980年畢業於中國西北大學(主修石油與天然氣地質)，他亦獲頒中國西北大學博士學位，專門研究沉積學與盆地分析。鄧博士歷任長慶油田石油天然氣區域勘探項目經理，中石油天然氣總公司新區勘探事業部陝北石油天然氣勘探項目的地質總監和副總經理；現任中石油長慶油田勘探開發研究院副總地質師。

**黃龍德博士**，62歲，於2010年8月獲委任為本公司之獨立非執行董事。黃博士為香港執業會計師及為黃林梁郭會計師事務所有限公司的董事總經理。彼於會計專業擁有逾三十年經驗。黃博士取得商業哲學博士學位，於1993年獲英女皇頒發榮譽獎章，於1998年獲委任為太平紳士，並於2010年獲香港特別行政區政府頒授銅紫荊星章。彼於2002年起獲香港理工大學會計及金融學院委任為兼任教授。黃博士參與多項社區服務，並於多個官方組織及委員會及志願機構擔任職務。黃博士現為奧思集團有限公司、中渝置地控股有限公司、銀河娛樂集團有限公司、瑞年國際有限公司、廣州藥業股份有限公司及中國貴金屬資源控股有限公司(該等公司均於聯交所主板上市)的獨立非執行董事。黃博士亦獲委任為國藝控股有限公司(於聯交所創業板上市)的獨立非執行董事。

# Directors and Senior Management Profiles

## 董事及高層管理人員簡介



### Senior Management

**Mr. King Hap Lee** joined the Company in November 2010 and was appointed as Chief Executive Officer of the Company. Mr. King is principally responsible for strategy development planning and daily operation of the Company. Mr. King graduated from Xian Jiaotong University in 1983. He has been working for various central government departments and state-owned enterprises for a considerable period of time and has more than 20 years' experience in government organizations and enterprises management. He was the deputy director and Chairman of Workers' Union of Mechanic and Electronic Products Importation and Exportation Office of the State Council, the deputy general manager of 中國機械工業供銷深圳集團公司 (China Machinery Industry Marketing & Supply Shenzhen Group Corporation\*) and managing director of 中機香港公司 (China National Machinery Hong Kong Company\*).

**Dr. Yang Luwu** joined the Company in November 2010 and was appointed as Vice President and Chief Geologist of the Company. Dr. Yang is principally responsible for geological exploration, development and new business expansion of the Company. Dr. Yang holds a PhD degree in geology of China University of Mining and Technology. He is a certified appraiser of mineral reserve in China and a member of Coalbed Methane Specialized Committee. He has nearly 15 years experience in project management and technical research for coalbed methane and petroleum and coal development. He is the founder of Orion Energy International Inc.. He was the director of technology department and research center of China United Coalbed Methane Co., Ltd. and led the formulation of Specifications for Coalbed Methane Resources/Reserves of China.

**Mr. Gong Jie** joined the Company in August 2010 and was appointed as Vice President of the Company. Mr. Gong is principally responsible for government and environment related affairs for the Company. Mr. Gong graduated from Jilin University, major in economy in 1982. He has nearly 40 years working experience in scientific research institutes, government departments and enterprises management. He was the vice secretary to the Communist Party Committee of Economics and Management School of Jilin University and executive vice president of Business School of Jilin University and a senior project officer of Department of International Cooperation and Exchanges, Ministry of Education of PRC. He was also the vice president of Shide Group in Dalian, vice president of 天津中基集團 (Tianjin Zhongji Group\*) and a director of Tianjin Huanbohao Holding Group.

### 高層管理人員

**景哈利先生**，於2010年11月加入本公司並獲委任為本公司行政總裁，景先生主要負責本公司的戰略發展規劃及日常營運。景先生於1983年畢業於西安交通大學，長期任職於中央國家機關和國有企業，擁有20多年政府機關及企業管理工作經驗。曾任國務院機電產品進出口辦公室副處長及工會主席、中國機械工業供銷深圳集團公司副總經理、以及中機香港公司董事總經理。

**楊陸武博士**，於2010年11月加入本公司並獲委任為本公司副總裁兼首席地質學家，楊博士主要負責集團的地質勘探、開發和新區拓展。楊博士持有中國礦業大學地質學博士學位，乃中國國家礦產儲量認證評估師和煤層氣專業委員會委員，擁有近15年從事煤層氣和石油與煤炭開發專案管理和技術研究的經驗，創立了奧瑞安能源國際有限公司。曾任中聯煤層氣有限責任公司科技部和研究中心主任，主持制訂了國家《煤層氣資源／儲量規範》。

**宮捷先生**，於2010年8月加入本公司，獲委任為副總裁，宮先生主要負責本公司的政府與環境事務。宮先生於1982年畢業於吉林大學經濟系，擁有近40年科研院所、政府部門及企業管理的工作經驗。曾任吉林大學經濟管理學院黨委副書記、吉林大學商學院常務副院長、教育部國際合作司高級專案官員、大連實德集團副總裁、天津中基集團副總裁、以及天津環渤海控股集團董事。

## Directors and Senior Management Profiles

### 董事及高層管理人員簡介

**Mr. He Hongbing** joined the Company in 2008 and was appointed as Vice President of the Company in November 2010. He is principally responsible for the corporate finance and investor relation of the Company. Mr. He holds a bachelor degree of Geology at Peking University and a master degree of Civil Law at Yantai University. He is a CFA Charterholder and a member of The Hong Kong Society of Financial Analysts. He holds a Chinese lawyer qualification, and has nearly 10 years working experience in corporate finance and investor relations. He was the financial manager of Shenzhen B&K Electronic Co., Ltd, the deputy general manager of the Investor Relation Division of China Gas Holdings Limited in Hong Kong and an investment analyst of Singapore UOB Kay Hian Research Pte Ltd.

**Mr. Ding Guiming** was appointed as Chairman of the Oil and Gas Expert Commission of the Company in November 2010. Mr. Ding is principally responsible for assisting the management team of the Company to formulate strategic development plans. Mr. Ding graduated from Chengdu University of Technology majoring in oil and gas geological exploration in 1964. He worked in Daqing Oilfield for a considerable period of time, and has nearly 40 years working experience in the exploration, exploitation, production and management of large oil and gas fields. He was a technician of Daqing Oilfield Institute (大慶油田研究院), the head of Daqing Petroleum Extraction Sixth Factory Institute (採油六廠研究所), the director of the Administrative Bureau of Daqing Oilfield, the director of Exploration Bureau and the assistant general manager of China National Petroleum Corporation. He was also a special inspector of the State Council, the chairman of the Supervisory Committee of Central Enterprises Working Commission and the vice chairman of China Enterprise Directors Association.

**賀紅兵先生**，於2008年加入本公司，於2010年11月獲委任為本公司副總裁，賀先生主要負責本公司的企業融資及投資者關係。賀先生持有北京大學地質學學士學位和煙臺大學民商法學碩士學位，乃CFA特許狀持有人，香港財經分析師協會會員，持有中國律師資格，擁有近10年企業融資及投資者關係工作經驗。曾任深圳邦凱電子有限公司財務經理，香港中國燃氣控股有限公司投資者關係部副總經理，新加坡大華繼顯研究(私人)有限公司投資分析員。

**丁貴明先生**，於2010年11月獲委任為本公司油氣專家委員會主席，丁先生主要負責協助本公司管理團隊制定戰略發展規劃。丁先生於1964年畢業於成都理工大學石油及天然氣地質勘探專業，曾長期在大慶油田工作，擁有近40年大型油氣田勘探、開發和生產管理的工作經驗。曾任大慶油田研究院技術員、採油六廠研究所所長、大慶油田管理局局長、中國石油天然氣總公司勘探局局長、總經理助理、國務院稽察特派員、中央企業工委監事會主席、以及中國企業家協會副主席。

\* For identification purpose only

# Corporate Governance Report

## 企業管治報告



### CORPORATE GOVERNANCE PRACTICES

The Board of Directors of the Company (the “Board”) is committed to high standards of corporate governance for the purpose of providing a framework and solid foundation for its business operation and development. The Company considers that effective corporate governance with probity, transparency and accountability makes an important contribution to corporate success and to enhancement of shareholders value.

The Company complied with the Code on Corporate Governance Practices (the “Code”) set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) in the year 2010.

### THE BOARD

The Board is structured to ensure it is of a high calibre and has a balance of key skills and knowledge. The Board comprises four executive Directors, namely Mr. Kong Siu Tim (Chairman), Dr. Dai Xiaobing, Mr. Wang Ziming and Mr. Wan Tze Fan Terence; one Non-executive Director, Mr. Ni Zhenwei; and three Independent Non-executive Directors (“INEDs”) required under Rule 3.10(1) of the Listing Rules, namely Dr. Di Lingjun, Mr. Wong Kwok Chuen Peter and Dr. Wong Lung Tak Patrick. All the Directors have entered into service contracts with the Company. The terms of appointment for Executive Directors and Non-executive Directors (including INEDs) are three years and one year respectively. Dr. Wong Lung Tak Patrick has appropriate qualifications and accounting related financial expertise required under Rule 3.10(2) of the Listing Rules. There is no financial, business, family or other material/relevant relationship between the Directors. All the three INEDs are independent under these independence criteria, and with their respective expertise and experience to the Group, they are capable to effectively exercise independent judgment on issues of strategy, performance, risk and people through their contribution at Board and committee meetings.

The Board has the necessary skills and experience appropriate for discharging their duties as Directors in the best interest of the Company and that the current board size is adequate for its present operations. Each of the Directors keeps abreast of his responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

The biographical details of the Directors are listed in the section of “Directors and Senior Management Profiles” in this annual report and that the INEDs are expressly identified in all of the Company’s publication such as circular, announcement or relevant corporate communications in which the names of Directors of the Company are disclosed.

### 企業管治常規

本公司董事會（「董事會」）致力維持高標準的企業管治，以為其業務營運及發展提供一個架構及穩固基礎。本公司認為，有效的企業管治，乃通過高度誠信，具透明度及負責任的處事態度，為企業成功作出重要貢獻，並提升股東價值。

本公司於2010年度已遵守香港聯合交易所有限公司證券上市規則（「上市規則」）附錄14所載的企業管治常規守則（「管治守則」）之規定。

### 董事會

董事會的架構確保其具有出眾的能力及擁有各主要範疇的技術和知識。根據上市規則第3.10(1)條的規定，董事會包括四名執行董事，即江少甜先生（主席）、戴小兵博士、王自明先生及溫子勳先生，一位非執行董事，即倪振偉先生，以及三位獨立非執行董事（「獨立非執行董事」），即邱領軍博士、黃國全先生及黃龍德博士。所有董事均與本公司簽訂服務合約，執行董事的任期為三年，而非執行董事及獨立非執行董事的任期為一年。黃龍德博士擁有上市規則第3.10(2)條所規定的適當資格及相關會計財務專長。董事間並不存在任何財務、業務、家族或其他重大／相關關係。根據該等獨立性標準，全部三位獨立非執行董事均具獨立性，並在管理本集團方面擁有相關技能及經驗，彼等可透過於董事會及委員會會議所付出的貢獻，就策略、表現、風險及人員事宜有效作出獨立判斷。

董事會各董事均具備履行彼等責任所需的適當技能及經驗，並以本公司最佳利益為依歸。董事會的現有規模足以應付其目前營運所需。各董事須瞭解擔任本公司董事所須負的責任，並瞭解操守、本公司業務活動及發展的最新情況。

董事的履歷詳情載於本年報「董事及高層管理人員簡介」一節，而獨立非執行董事均可在本公司披露本公司董事姓名的所有刊物（如通函、公佈或相關企業通訊）中明確識別。

# Corporate Governance Report

## 企業管治報告

The Board conducts meeting on a regular basis and on ad hoc basis to meet its business needs. The attendance of individual Directors at board meetings and at two other board committees (the Audit Committee and the Remuneration Committee) during the year is set out as below.

董事會會因應其業務需求，按定期基準及特殊基準舉行會議。個別董事於本年度內出席董事會會議及其他兩個董事委員會（審核委員會及薪酬委員會）會議的情況載於下文。

### Meetings attended/held during term of office in 2010

### 出席的會議／於2010年任職期間舉行的會議

		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
<b>Number of meetings held during the year</b>	<b>本年度內舉行會議數目</b>	13	2	1
<b>Executive Directors</b>	<b>執行董事</b>			
Kong Siu Tim ( <i>Chairman</i> )	江少甜 ( <i>主席</i> )	13/13	–	1/1
Dai Xiaobing (appointed on 1 May 2010)	戴小兵 (於2010年5月1日獲委任)	6/7	–	–
Wang Ziming (appointed on 16 August 2010)	王自明 (於2010年8月16日獲委任)	3/3	–	–
Wan Tze Fan Terence	溫子勳	13/13	–	–
Jiang Rizhong (resigned on 1 May 2010)	姜日忠 (於2010年5月1日辭任)	1/6	–	–
<b>Non-executive Director</b>	<b>非執行董事</b>			
Ni Zhenwei (redesignated on 16 August 2010)	倪振偉 (於2010年8月16日獲調任)	7/13	1/1	–
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>			
Wong Kwok Chuen Peter	黃國全	7/13	2/2	1/1
Di Lingjun (appointed on 16 August 2010)	邱領軍 (於2010年8月16日獲委任)	3/3	1/1	–
Wong Lung Tak Patrick (appointed on 16 August 2010)	黃龍德 (於2010年8月16日獲委任)	3/3	1/1	1/1
Yip Ching Shan (resigned on 16 August 2010)	葉青山 (於2010年8月16日辭任)	3/9	1/1	–

#### Notes:

1. Dr. Dai Xiaobing and Mr. Wang Ziming were appointed Executive Directors on 1 May 2010 and 16 August 2010 respectively.
2. Dr. Di Lingjun and Dr. Wong Lung Tak Patrick were appointed Independent Non-executive Directors and members of the Audit Committee on 16 August 2010.
3. Mr. Wong Kwok Chuen Peter and Dr. Wong Lung Tak Patrick were appointed members of the Remuneration Committee on 16 August 2010.
4. Mr. Ni Zhenwei was redesignated from Independent Non-executive Director to Non-executive Director and ceased to act as member of the Audit Committee and the Remuneration Committee on 16 August 2010.
5. Mr. Jiang Rizhong resigned as Executive Director on 1 May 2010.
6. Mr. Yip Ching Shan resigned as Independent Non-executive Director and ceased to act as member of the Audit Committee and the Remuneration Committee on 16 August 2010.

#### 附註：

1. 戴小兵博士及王自明先生分別於2010年5月1日及2010年8月16日獲委任為執行董事。
2. 邱領軍博士及黃龍德博士於2010年8月16日獲委任為獨立非執行董事及審核委員會成員。
3. 黃國全先生及黃龍德博士於2010年8月16日獲委任為薪酬委員會成員。
4. 倪振偉先生於2010年8月16日由獨立非執行董事調任非執行董事及離任審核委員會及薪酬委員會成員。
5. 姜日忠先生於2010年5月1日辭任執行董事。
6. 葉青山先生於2010年8月16日辭任獨立非執行董事及離任審核委員會及薪酬委員會成員。

# Corporate Governance Report

## 企業管治報告



### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer are segregated and performed by two separate individuals, Mr. Kong Siu Tim and Mr. King Hap Lee respectively, to ensure a balance of power and authority. The Chairman of the Company provides leadership to the Board and ensures that the Board discharges its responsibilities effectively. His primary roles and duties include to formulate corporate strategies and plans in conjunction with the Board and to ensure that Directors receive complete, accurate and timely information and are properly briefed on issues arising at Board meetings. The Chief Executive Officer is responsible for the effective management and operation of the Company and his primary roles and duties are to monitor and control the operational and financial performance within the Group and to implement the Company's strategy and policies for achieving its objectives.

### APPOINTMENTS, RE-ELECTION AND REMOVAL

The Company's Bye-laws provide that each Director is required to retire by rotation at least once every three years and that one-third (or the number nearest to but not less than one-third) of the Directors shall retire by rotation every year at the Company's annual general meeting. Retiring Directors shall be eligible for re-election at the annual general meeting of the Company. In considering the nomination of a new director, the Board will take into account the qualification, in particular any qualification as required in the Listing Rules, ability, working experience, leadership and professional ethics of the candidates that, in the opinion of the Directors, will enable them to make a positive contribution to the performance of the Board. The Board considers that the existing human resource policy in recruitment of new senior staff is also applicable to nomination of a new director. As the Board is responsible for selection and approval of candidates for appointment as directors to the Board, the Company has not established a nomination committee for the time being.

### 主席及行政總裁

主席與行政總裁的角色清楚劃分，分別由江少甜先生及景哈利先生擔任，以確保權力和權利得以平衡。本公司主席領導董事會並確保董事會能有效地履行其職責。江少甜先生的主要角色及職責包括與董事會共同制訂企業策略及規劃，以確保董事獲得完整、準確且及時的資料，並確保所有董事適當地獲悉董事會會議上提出的事宜。行政總裁負責本公司的有效管理及營運，其主要角色及職責包括監控本集團內的營運及財務表現，並執行本公司為達致其目標而制定的策略及政策。

### 委任、重選及罷免

本公司公司細則規定各董事須至少每三年輪席告退及三分之一董事(或最接近三分之一但不少於三分之一之數目)須於本公司股東週年大會上輪席告退。輪席告退董事符合資格於本公司股東週年大會上膺選連任。於考慮提名新董事時，董事會將計及候選人的資格(尤其是上市規則規定的任何資格)、能力、工作經驗、領導才能及職業道德操守，董事認為，這將能促使彼等對董事會的表現作出積極貢獻。董事會認為，招聘全新高級員工的現有人力資源政策亦適用於提名新董事。鑒於現由董事會負責遴選及批准董事候選人加入董事會，故本公司現時並無成立提名委員會。



# Corporate Governance Report

## 企業管治報告

### RESPONSIBILITIES OF DIRECTORS

Apart from the fiduciary duty and statutory responsibility towards the Company and the Group, the Board is responsible for the management of the business and affairs of the Group with the objective of enhancing the Company and shareholders' value. Key responsibilities include formulation of the Group's overall strategies, setting of corporate and management targets, monitoring of operational and financial matters, approval of major capital expenditures, material acquisitions and disposal of assets, corporate or financial restructuring, material borrowings and any issuing, or buying back, of equity securities. Responsibility for delivering Company's objectives and running the business on a day-to-day basis is delegated to divisional management who have been given clear guidelines and directions as to their authority.

The Company has adopted the Model Code (the "Model Code") for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as the Company's code of conduct and rules governing dealing by all directors in the securities of the company.

All the Directors have confirmed that they have complied with the required standard regarding directors' securities dealings set out in the Model Code during the year.

### SUPPLY OF AND ACCESS TO INFORMATION

The Company updates the Directors from time to time with development in the laws and regulations relevant to their role as director of the Company. Directors are also encouraged to update their skills, knowledge and familiarity with the Group through initial induction, ongoing participation at Board and committee meetings.

The Company's senior management regularly supplies the Board and its committees with adequate information in a timely manner to enable them to make informed decisions. All Directors have access to Board papers and related materials that will assist them for decision making. Any Director, wishing to do so in the furtherance of his or her duties, may take independent professional advice through the Company's expense.

### 董事的責任

除本公司及本集團須負的誠信責任及法定責任外，董事會亦負責管理本集團的業務及事務，目的乃提升本公司及股東的價值。主要責任包括制訂本集團的整體策略、設定公司及管理目標、監控營運及財務事宜、批准主要資本開支、重大收購及出售資產、公司或財務重組、重大借貸及任何發行或購回股本證券。各部門管理人員負責實現本公司的目標和本公司業務的日常營運工作，並已就該等人員的權利給予彼等清晰的指引及指示。

本公司已採納上市規則附錄10所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為本公司監管全體董事買賣本公司證券的操守準則和規則。

全體董事已確認，彼等於整個年度內一直遵守標準守則所載有關董事買賣證券所需的準則。

### 資料的提供和使用

本公司不時更新與擔任本公司董事相關的法律及法規之發展。本公司亦會鼓勵董事透過就任須知、持續參與董事會會議及委員會會議來提升彼等的技能、知識及對本集團的瞭解。

本公司高級管理人員定期向董事會及其委員會適時提供充足的資料，以令彼等作出知情決定。全體董事均有權使用將有助於彼等作出決定的董事會文件及相關資料。任何董事因履行職責而欲尋求獨立專業意見，由此所產生的費用將由本公司承擔。

# Corporate Governance Report

## 企業管治報告



### REMUNERATION COMMITTEE

The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. The Board has established a Remuneration Committee which comprises three members with a majority of whom are INEDs, namely Mr. Kong Siu Tim, Mr. Wong Kwok Chuen Peter and Dr. Wong Lung Tak Patrick. The committee is chaired by an INED, Dr. Wong Lung Tak Patrick. The Remuneration Committee meets at least once a year. With reference to business needs and company development, individual performance and contribution, changes in relevant markets and general economic situation, the Remuneration Committee reviews and recommends to the Board on the Company's policy and structure for remuneration of the Directors and senior management. During the review process, no individual director is involved in decisions relating to his or her own remuneration. The terms of reference of the Remuneration Committee is made available to the public on request and by including the information on the Company's website to ensure full compliance with the code provision B.1.4 of the Code.

### ACCOUNTABILITY AND AUDIT

#### Financial Reporting

The Board is accountable for proper stewardship of the Company's affairs, and is responsible for ensuring that the Group keeps fair and accurate accounting records which disclose its financial position. The Directors also acknowledge their responsibility to prepare the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. This responsibility extends to both interim and the annual reports.

#### Internal Controls

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's system of internal controls to ensure that shareholders' investments and the Group's assets are safeguarded.

In order to improve the level of corporate governance and safeguard shareholders' investment and the Group's assets, under the guidance of the Code, the Group has performed a comprehensive review for the internal control system systematically annually with an aim to establish an effective and comprehensive internal control system within the Group.

### 薪酬委員會

本公司的薪酬政策旨在根據業務需求及行業慣例維持公平且具競爭力的薪酬計劃。董事會已設立薪酬委員會，包括三名成員，佔大多數成員為獨立非執行董事，即江少甜先生、黃國全先生及黃龍德博士。該委員會的主席是獨立非執行董事黃龍德博士。薪酬委員會每年至少舉行會議一次。有關業務需求及公司發展情況、個人表現及貢獻、有關市場及整體經濟狀況的變動，薪酬委員會就本公司董事及高級管理人員的薪酬政策及架構進行檢討，並向董事會提供意見。於檢討過程中，任何董事不會參予有關其本人薪酬的決定。為全面遵守管治守則條文第B.1.4條的規定，薪酬委員會的權責範圍在公眾要求時可向公眾提供，並已將有關權責範圍的資料在本公司網站上刊登。

### 問責及審核

#### 財務報告

董事會有責任適當地管理本公司業務，並負責確保本集團保存披露其財政狀況所需的公平及準確的會計記錄。董事亦知悉，彼等的責任是根據法定要求及適用會計準則編製本集團的財務報表。董事亦須承擔編製中期報告及年報的責任。

#### 內部監控

董事會明瞭其有責任設立、維持及檢討本集團內部監控系統的有效性，以確保股東投資及本集團資產受到保障。

為了提升企業管治水平，以及保障股東投資和本集團資產，本集團根據管治守則下的指引每年對內部監控系統作出有系統的全面檢討，藉以於本集團成立有效而全面的內部監控系統。

# Corporate Governance Report

## 企業管治報告

The Group and its principal subsidiaries have established a variety of more effective and stringent regulations and management system for corporate internal controls. As such, subject to the requirements of the Group, all principal subsidiaries of the Group have completed the preparation of corporate internal control system in respect of control environment and control procedure with reference to their respective operational and managerial characteristics.

The internal control system of the Group covers all material control requirements, including financial controls, operational controls, compliance controls and risk management functions. The Board of the Company has ongoing comprehensive review on the Group's internal control systems and risk management which with execution in good condition and no significant control failures or weaknesses have been noted. The board considered that these systems of internal controls were effective and sufficient to guarantee the Group in achieving its operation and governance objectives.

The Group will constantly improve and strengthen its corporate control with reference to changes in the operating environment in order to enhance its corporate governance and safeguard the interests of its shareholders. The Board will continue to carry out regular review on the internal control system. The assessment shall cover all material controls and the management will regularly present particular report to the Audit Committee and report to the Board in a timely manner. All these aim at ensuring the efficient utilization of and adding value to the Group's assets, reducing corporate management risk and providing a better protection to shareholders' interests.

### AUDIT COMMITTEE

The Audit Committee assists the Board in discharging its responsibilities for corporate governance, financial reporting and corporate control. The Committee comprises three INEDs, namely Dr. Di Lingjun, Mr. Wong Kwok Chuen Peter and Dr. Wong Lung Tak Patrick, and is chaired by Dr. Wong Lung Tak Patrick. None of the Audit Committee members are members of the former or existing auditors of the Company. The Committee meets at least twice a year. The primary duties of the Audit Committee are to review the completeness, accuracy and fairness of the Company's financial statements, evaluating the Company's auditing scope and procedures as well as its internal

本集團及其主要附屬公司已制訂多項更有效、更嚴謹的企業內部監控規例及管理系統。因此，本集團所有主要附屬公司參考其各自的營運及管理特點，完成編製有關監控環境及監控程序的企業內部監控系統，並遵守本集團的規定。

本集團的內部監控系統涵蓋一切重大監控要求，包括財務監控、營運監控、合規監控及風險管理職能。本公司董事會持續對本集團的內部監控系統和風險管理作全面檢討，檢討結果認為內部監控系統及風險管理執行順暢，並無發現任何重大監控失當或缺失。董事會認為該等內部監控系統行之有效，足以確保本集團能夠達致其營運及管治目標。

本集團將參考經營環境變動，持續改善及強化其企業監控，藉以提升企業管治水平及保障其股東的權益。董事會將繼續對內部監控系統進行定期檢討。有關評估應涵蓋一切重大監控。管理層將定期向審核委員會遞交特定報告，並按時向董事會匯報。這些都是旨在確保本集團的資產獲有效利用及獲得增值，減低企業管理風險，以及對股東權益提供更佳保障。

### 審核委員會

審核委員會負責協助董事會履行企業管治、財務報告及企業監控的責任。審核委員會包括三名獨立非執行董事，即邱領軍博士、黃國全先生及黃龍德博士，黃龍德博士是審核委員會的主席。審核委員會的成員並非本公司前任或現任核數師。該委員會每年至少舉行兩次會議。審核委員會的主要職責是檢討公司財務報表的完整性、準確性及公平性、評估本公司的審核範圍和程序以及本公司的內部監控系統及在中期和末期財務報表遞交給董事會並在股東週年大會上批准前對該等

# Corporate Governance Report

## 企業管治報告



control systems and to review the interim and final financial statements before their submission to the Board and the annual general meeting for approval. The Audit Committee is provided with sufficient resources, including independent access to and advice from external auditors. The terms of reference which describes the authorities and duties of the Audit Committee has been adopted with reference to “A Guide for Effective Audit Committees” published by the Hong Kong Institute of Certified Public Accountants and in accordance with Appendix 14 of the Listing Rules. The terms of reference of the Audit Committee is made available to the public on request and by including the information on the Company’s website to ensure full compliance with the code provision C.3.4 of the Code.

### EXTERNAL AUDITOR

BDO Limited were appointed as external auditor of the Company by shareholders at the 2010 Annual General Meeting until the conclusion of the next annual general meeting.

During the year, the fees paid or payable to the external auditor of the Company, BDO Limited were approximately HK\$1,180,000 and HK\$520,000 for audit services and non-audit service rendered (excluding disbursement fees) to the Group, respectively.

The reporting responsibilities of BDO Limited, the auditor, are stated in the Independent Auditor’s Report on page 39 of the Annual Report.

### COMMUNICATION WITH SHAREHOLDERS

The Board recognizes the importance of good communication with shareholders as well as investors. Information in relation to the Group is disseminated to shareholders and investors in a timely manner through a number of formal channels include interim and annual reports, announcements and circulars. This information is always accessible through the Company’s website. Annual general meetings and special general meetings also provide a useful forum for shareholders to share views with the Board. Members of the Board (including member(s) of the Audit and Remuneration Committees) attend shareholders’ meetings and make themselves available to answer shareholders’ questions.

報表進行審閱。審核委員會獲提供充足資料來源，包括獨立會晤外聘核數師及獲得外聘核數師的意見。本公司已參照香港會計師公會刊發的「審核委員會有效運作指引」及根據上市規則附錄14編製及採納闡述審核委員會的權責範圍。為全面遵守管治守則條文第C.3.4條的規定，審核委員會的權責範圍在公眾要求時可向公眾提供，並已將有關權責範圍的資料在本公司網站上刊登。

### 外聘核數師

香港立信德豪會計師事務所有限公司已於2010年股東週年大會上經股東批准獲重新委任為本公司外聘核數師，任期直至下屆股東週年大會結束時為止。

於本年度內，就本集團獲提供的審核服務及非審核服務(不包括支出費用)，分別已支付或應付予本公司外聘核數師香港立信德豪會計師事務所有限公司的酬金約為1,180,000港元及520,000港元。

核數師香港立信德豪會計師事務所有限公司的申報責任載於本年報第39頁的獨立核數師報告。

### 與股東的溝通

董事會認識到與股東及投資者保持良好聯繫的重要性。有關本集團的資料乃透過多種正式渠道適時向股東傳達，該等資料包括中期報告及年報、公佈及通函，這些資料亦可隨時於本公司網站查閱。股東週年大會及股東特別大會亦為股東與董事會交流意見提供了一個有效平台。董事會成員(包括審核委員會及薪酬委員會成員)出席股東大會，並於會議上回答股東提問。

# Report of the Directors

## 董事會報告書

The directors submit their annual report together with the audited financial statements for the year ended 31 December 2010, which are set out on pages 42 to 156.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in operation of (i) exploitation and sale of crude oil and natural gas and (ii) exploration, development and production of coalbed methane in China. The Group ceased its business of oil and gas fields in the United States in December 2010.

### CHANGE OF COMPANY NAME

Pursuant to a special resolution passed by the shareholders of the Company on 8 July 2010 and approval by the Registrars of Companies in Bermuda and Hong Kong respectively, the name of the Company was changed from “Genesis Energy Holdings Limited” to “Sino Oil and Gas Holdings Limited” and the new Chinese name “中國油氣控股有限公司” was adopted as the secondary name of the Company to replace the Chinese name of “創新能源控股有限公司” with effect from 8 July 2010.

### SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 23 to the financial statements.

### DIVIDENDS

The Board has resolved not to recommend the payment of a dividend for the year ended 31 December 2010 (2009: Nil).

### PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 17 to the financial statements.

### SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 36 to the financial statements.

### SHARES ISSUED UNDER GENERAL MANDATE

On 23 April 2010, the Company issued an aggregate of 874,000,000 ordinary shares with an aggregate nominal value of HK\$8,740,000 at an issue price of HK\$0.198 per share to not less than six independent third parties respectively who were independent of the Company and the connected persons. The net price was about HK\$0.1977 per share. The market closing price on 26 March 2010, being the date on which the relevant subscription agreements were signed, was HK\$0.244 per share.

董事會謹此提呈此年度報告以及載於第42頁至第156頁之截至2010年12月31日止年度之經審核財務報表。

### 主要業務

本公司之主要業務為投資控股，而本集團主要於中國從事(i)開採及銷售原油及天然氣及(ii)勘探、開發及生產煤層氣。於2010年12月，本集團終止美國的油氣田業務。

### 更改公司名稱

根據於2010年7月8日獲本公司股東通過之特別決議案以及百慕達及香港的公司註冊處的批准，本公司的名稱已由「Genesis Energy Holdings Limited」更改為「Sino Oil and Gas Holdings Limited」及新中文名稱「中國油氣控股有限公司」已採納作為本公司的第二名稱代替中文名稱「創新能源控股有限公司」，自2010年7月8日起生效。

### 附屬公司

本公司附屬公司之詳情分別載於財務報表附註23。

### 股息

董事會已決議不會建議支付截至2010年12月31日止年度之股息(2009年：無)。

### 物業、廠房及設備

集團年內物業、廠房及設備之變動詳情載於財務報表附註17。

### 股本

本公司於年內股本變動之詳情載於財務報表附註36。

### 根據一般授權發行的股份

於2010年4月23日，本公司以發行價每股0.198港元發行共874,000,000普通股(面值總額為8,740,000港元)分別予不少於六名與本公司及本公司關連人士並無關連之獨立第三方人士，淨發行價約為每股0.1977港元，於2010年3月26日(即有關認購協議簽署當日)的收市價為每股0.244港元。

# Report of the Directors

## 董事會報告書



On 2 November 2010, the Company issued an aggregate of 432,220,000 ordinary shares with an aggregate nominal value of HK\$4,322,200 to investment funds managed by Och-Ziff Capital Management Group LLC (a leading global institutional asset management firm) at an issue price of HK\$0.45 per share. The net price was about HK\$0.4495 per share. The market closing price on 22 October 2010, being the date on which the relevant subscription agreement was signed, was HK\$0.51 per share.

On 17 December 2010, the Company placed 437,000,000 ordinary shares with an aggregate nominal value of HK\$4,370,000 to Ping An Life Insurance Company of China Limited at an issue price of HK\$0.45 per share. The net price was about HK\$0.445 per share. The market closing price on 17 December 2010, being the date on which the relevant placing agreement was signed, was HK\$0.49 per share.

The Directors considered that the aforesaid issues of shares represented opportunities to raise capital for the Company while broadening the base of shareholders and capital of the Company. The net proceeds from the aforesaid issues of shares are for general working capital of the Group and as funds for future investment of the Group when investment opportunities arise.

Further details of the aforesaid issues of shares are set out in the announcements of the Company dated 26 March 2010, 22 October 2010 and 17 December 2010 and note 36 to the financial statements.

### RESERVES

Details of movements in reserves of the Company and the Group during the year are set out in note 36 to the financial statements and the Consolidated Statement of Changes in Equity respectively.

### FINANCIAL SUMMARY

A summary of results, assets and liabilities of the Group for the last five financial years is set out on pages 4 and 5.

### MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales to the Group's five largest customers took up 100% of the turnover for the year and the largest customer accounted for approximately 80% of the Group's turnover for the year from continuing and discontinued operations. The aggregate purchases attributable to the Group's five largest suppliers accounted for 17% and the largest supplier accounted for approximately 8% of the Group's total purchases for the year.

於2010年11月2日，本公司以發行價每股0.45港元發行共432,220,000普通股（面值總額為4,322,200港元）予Och-Ziff Capital Management Group LLC（一間領先的環球機構資產管理公司）所管理的投資基金，淨發行價約為每股0.4495港元，於2010年10月22日（即有關認購協議簽署當日）的收市價為每股0.51港元。

於2010年12月17日，本公司以配售價每股0.45港元配售共437,000,000普通股（面值總額為4,370,000港元）予中國平安人壽保險股份有限公司，淨配售價約為每股0.445港元，於2010年12月17日（即有關配售協議簽署當日）的收市價為每股0.49港元。

董事認為上述股份發行乃本公司籌集資金的良好機會，並可擴闊本公司的股東基礎及股本基礎，上述股份發行所籌得的款項淨額用作本集團的一般營運資金及在出現投資機會時作為本集團的未來投資資金。

有關上述股份發行的進一步詳情載於本公司日期為2010年3月26日、2010年10月22日及2010年12月17日的公佈，以及財務報表附註36。

### 儲備

本公司及本集團於年內儲備之變動詳情分別載於財務報表附註36及綜合權益變動表。

### 財務概要

本集團最近五個財政年度之業績、資產及負債之概要載於第4及5頁。

### 主要客戶及供應商

本集團五大客戶之總銷售額佔本年度持續及非持續總營業額之100%，而最大客戶之總銷售額則佔本年度總營業額約80%。本集團五大供應商及最大供應商分別佔本集團於本年度總採購額17%及約8%。

# Report of the Directors

## 董事會報告書

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

### DIRECTORS

The directors of the Company during the year and up to the date of this report were:

#### Executive Directors

Mr. Kong Siu Tim (*Chairman*)  
Dr. Dai Xiaobing (*appointed on 1 May 2010*)  
Mr. Wang Ziming (*appointed on 16 August 2010*)  
Mr. Wan Tze Fan Terence  
Mr. Jiang Rizhong (*resigned on 1 May 2010*)

#### Non-executive Director

Mr. Ni Zhenwei (*redesignated on 16 August 2010*)

#### Independent Non-executive Directors

Mr. Wong Kwok Chuen Peter  
Dr. Di Lingjun (*appointed on 16 August 2010*)  
Dr. Wong Lung Tak Patrick (*appointed on 16 August 2010*)  
Mr. Yip Ching Shan (*resigned on 16 August 2010*)

Pursuant to the Company's bye-law 87(1), Mr. Kong Siu Tim, Mr. Wan Tze Fan Terence and Mr. Wong Kwok Chuen Peter will retire by rotation and, being eligible, will offer themselves for re-election. All other remaining directors continue in office.

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive directors are independent.

### DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

於年內任何時間，概無任何董事、彼等之聯繫人士或據董事所知擁有本公司股本5%以上之本公司任何股東，於此等主要客戶及供應商中擁有任何權益。

### 董事

本公司年內及截至本報告刊發日期止之在任董事如下：

#### 執行董事

江少甜先生 (*主席*)  
戴小兵博士 (*於2010年5月1日獲委任*)  
王自明先生 (*於2010年8月16日獲委任*)  
溫子勳先生  
姜日忠先生 (*於2010年5月1日辭任*)

#### 非執行董事

倪振偉先生 (*於2010年8月16日獲調任*)

#### 獨立非執行董事

黃國全先生  
邱領軍博士 (*於2010年8月16日獲委任*)  
黃龍德博士 (*於2010年8月16日獲委任*)  
葉青山先生 (*於2010年8月16日辭任*)

江少甜先生、溫子勳先生及黃國全先生將依據本公司細則第87(1)條輪席告退，並合資格及願意重選連任，所有其他董事均仍然留任。

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關彼等的獨立性之規定。本公司認為全體獨立非執行董事均為獨立人士。

### 董事之服務合約

擬在應屆股東週年大會上候選連任之董事概無與本公司訂立不可於一年內由本公司不作出賠償 (法定賠償除外) 而終止之服務合約。

# Report of the Directors

## 董事會報告書



### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2010, the interests and short positions of the directors (the "Directors") and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

### 董事於股份及相關股份中之權益

於2010年12月31日，本公司董事（「董事」）及最高行政人員於本公司或其任何相聯法團（具有證券及期貨條例（「證券及期貨條例」）第XV部所賦予之涵義）之股份、相關股份及債券中擁有誠如本公司根據證券及期貨條例第352條存置之登記冊所載或根據上市公司董事進行證券交易之標準守則（「標準守則」）而須知會本公司及聯交所之權益及淡倉如下：

### Long positions in the shares and underlying shares of the Company

### 於本公司股份及相關股份中擁有之好倉

Name of Director	Interests in shares/ underlying shares	Nature of interest	Number of shares/ underlying shares held
董事姓名	於股份及 相關股份中權益	權益性質	所持股份/ 相關股份數目
Kong Siu Tim 江少甜	shares 股份	Beneficial owner 實益擁有人	40,500,000
	share options 購股權	Beneficial owner 實益擁有人	22,000,000
Dai Xiaobing 戴小兵	shares 股份	Beneficial owner 實益擁有人	480,000,000
Wang Ziming 王自明	shares 股份	Beneficial owner 實益擁有人	100,000,000
	shares 股份	Interest of controlled corporation 受控制公司的權益（附註1）	5,000,000
Wan Tze Fan Terence 溫子勳	shares 股份	Beneficial owner 實益擁有人	30,660,000
	share options 購股權	Beneficial owner 實益擁有人	13,000,000
Ni Zhenwei 倪振偉	share options 購股權	Beneficial owner 實益擁有人	8,000,000
Wong Kwok Chuen Peter 黃國全	share options 購股權	Beneficial owner 實益擁有人	8,000,000

Notes:

附註：

- 5,000,000 shares of the Company are owned by Harmonie Developments Limited which is wholly and beneficially owned by Mr. Wang Ziming.
- Particulars of directors' interests in the share options of the Company are set out in the section "Share Option Schemes".

- 5,000,000股股份由王自明先生全資擁有之公司Harmonie Developments Limited持有。
- 董事於本公司購股權的權益詳情載於「購股權計劃」一節。



# Report of the Directors

## 董事會報告書

Save as disclosed above, as at 31 December 2010, none of the Directors nor any of their associates had any interests in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### SHARE OPTION SCHEMES

At the Annual General Meeting of the Company held on 28 May 2010, the shareholders of the Company approved the adoption of a new share option scheme (the “New Option Scheme”) and the termination of the old share option scheme adopted on 6 March 2002 (the “Old Option Scheme”, together with the New Option Scheme, collectively the “Schemes”). No further options may be granted under the Old Option Scheme upon its termination and options granted and unexercised prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Old Option Scheme.

The Schemes are in full compliance with the relevant requirements of Chapter 17 of the Listing Rules. The purpose of the Schemes is to enable the Company to recognise the contributions of the participants to the Group and to motivate the participants to continuously work to the benefit of the Group by offering to the participants an opportunity to have personal interest in the share capital of the Company.

The eligible participants includes any full-time and part-time employee (including Directors) of the Company or its subsidiaries, any suppliers, consultants, agents and advisers. The Old Option Scheme and the New Option Scheme became effective on 6 March 2002 and 28 May 2010 respectively and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of coming into effect.

Pursuant to the Schemes, the maximum number of shares in respect of which options may be granted under the Schemes shall not in aggregate exceed 10% of the shares of the Company in issue as at the date of approval of the limit and such limit may be refreshed by shareholders in general meeting. However, the total maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Schemes and any other share option schemes must not exceed 30% of the shares in issue from time to time.

除上文所披露者外，於2010年12月31日，根據證券及期貨條例第352條存置之登記冊所載，概無董事或彼等之聯繫人士於本公司或其相聯法團（具有證券及期貨條例第XV部所賦予之涵義）之證券中擁有任何權益，或擁有須根據標準守則知會本公司及聯交所之任何權益。

### 購股權計劃

本公司於2010年5月28日舉行的股東週年大會上經股東批准採納新購股權計劃（「新購股權計劃」）及終止於2002年3月6日通過的購股權計劃（「舊購股權計劃」，連同新購股權計劃，統稱「計劃」），舊購股權計劃於終止後不可再授出購股權，惟已授出而尚未行使的購股權仍為有效，並可根據其發行條款行使。

計劃完全符合上市規則第17章之有關規定。計劃之目的為透過向參與者提供擁有本公司股本權益之機會，肯定其對本集團之貢獻，並激勵其繼續為集團之利益而工作。

計劃之合資格參與者包括本公司或其附屬公司之任何全職或兼職僱員（包括董事）及任何供應商、諮詢人、代理及顧問。舊購股權計劃及新購股權計劃分別於2002年3月6日及2010年5月28日生效，而除非另行註銷或修訂，否則計劃將由生效日期起計10年內有效。

根據計劃可能授出之購股權涉及之股份數目最多不得超過於批准限制日期之已發行本公司股份之10%，股東可於股東大會上更新該限制。然而，因行使根據計劃及任何其他購股權計劃授出的所有尚未行使及有待行使之購股權而可能發行之最高股份數目總額須不得超過不時已發行股份之30%。

# Report of the Directors

## 董事會報告書



Under the Schemes, the maximum entitlement for any eligible person (other than a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates) is that the total number of shares issued and to be issued upon exercise of all options granted and to be granted in any 12-month period up to and including the date of the latest grant does not exceed 1% of the shares of the Company in issue at the relevant time. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting. Share options to be granted to a director, chief executive or substantial shareholder of the Company or any of their respective associates are subject to approval by the independent non-executive directors of the Company. In addition, any grant of share options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, when aggregated with all share options (whether exercised, cancelled or outstanding) already granted to any of them during the 12-month period up to the date of grant, in excess of 0.1 percent of the shares of the Company in issue and with an aggregate value in excess of HK\$5,000,000 (based on the closing price of the shares at the date of each grant of the options), is subject to shareholders' approval in general meeting of the Company.

The period within which an option may be exercised under the Schemes will be determined by the Board in its absolute discretion. Under the Old Option Scheme, no option may be exercised later than 10 years from 6 March 2002. Under the New Option Scheme, an option may not be exercised after the expiration of 10 years from the date of grant of the option.

Pursuant to the Schemes, the exercise price in relation to each option shall be determined by the Board in its absolute discretion, but in any event shall not be less than the highest of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of such option; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of such option; and (iii) the nominal value of a share on the date of grant of such option.

Some further disclosures relating to the Schemes are set out in note 35 to the financial statements.

根據計劃，任何合資格人士（不包括本公司之主要股東或獨立非執行董事或彼等各自之任何聯繫人士）之配額最多為截至最後授出日期（包括該日）止任何12個月期間內授出及將授出之所有購股權獲行使時發行及將發行之股份總數不得超過於有關時間之本公司已發行股份之1%，任何進一步授出之購股權倘超過此限制，則須得到股東於股東大會上批准。向本公司董事、最高行政人員或主要股東或其任何聯繫人士授出購股權，均須待本公司獨立非執行董事批准，方可作實。此外，如果向本公司主要股東或獨立非執行董事或其任何聯繫人士授出的任何購股權，連同其於直至授出日期的十二個月期間獲授的所有購股權（不論是否已經行使、註銷或尚未行使）合共超過本公司已發行股份0.1%，且總值超過港幣5,000,000元（按每次購股權授出當日股份收市價計算），則須待股東於本公司股東大會批准，方可作實。

計劃之購股權可行使之期間將由董事會絕對酌情釐定，惟舊購股權計劃之購股權不可於2002年3月6日起計10年後行使，而新購股權計劃之購股權不得於授出購股權日期起計十年屆滿後行使。

根據計劃，每份購股權之行使價將由董事會絕對酌情釐定，惟於任何情況下均不可低於下列3者中之最高者：(i)股份於授出購股權日期在聯交所每日報價表載列之收市價；(ii)股份於緊接授出購股權日期前5個營業日在聯交所每日報價表載列之平均收市價；及(iii)股份於授出該購股權日期之面值。

有關計劃之若干進一步披露載於財務報表附註35。

# Report of the Directors

## 董事會報告書

As at 31 December 2010, the directors and employees of the Group had the following personal interests in options to subscribe for shares of the Company granted at nominal consideration under the Old Option Scheme. Each option gives the holder the right to subscribe for one share. Details of share options held by the Directors and employees of the Group and movements in such holdings during the year ended 31 December 2010 are as follows:

於2010年12月31日，本集團董事及僱員於根據舊購股權計劃以名義上的代價授出可認購本公司股份之購股權中擁有以下之個人權益。每份購股權賦予持有人認購1股股份之權利。本集團董事及僱員於截至2010年12月31日止年度所持購股權及該等持股量之變動詳情載於下表：

	Number of options 購股權數目			Outstanding at 31 December 2010 於2010年 12月31日 尚未行使	Date of grant (D.M.Y) 授出日期 (日.月.年)	Exercise period (D.M.Y) 行使期限 (日.月.年)	Exercise price per share HK\$ 每股股份 之行使價 港元
	Outstanding at 1 January 2010 於2010年 1月1日 尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使				
<b>Directors:</b> 董事：							
Kong Siu Tim 江少甜	5,000,000	-	5,000,000	-	02.11.2005	03.11.2005-02.11.2010	0.035
	25,000,000	-	25,000,000	-	02.11.2006	02.11.2006-01.11.2011	0.053
	17,000,000	-	-	17,000,000	22.08.2007	22.08.2007-05.03.2012	0.375
	9,000,000	-	9,000,000	-	21.08.2008	21.08.2008-05.03.2012	0.180
	5,000,000	-	5,000,000	-	07.11.2008	07.11.2008-05.03.2012	0.060
	-	5,000,000	-	5,000,000	22.04.2010	22.04.2010-05.03.2012	0.390
Wan Tze Fan Terence 溫子勳	3,000,000	-	3,000,000	-	02.11.2005	03.11.2005-02.11.2010	0.035
	20,000,000	-	20,000,000	-	02.11.2006	02.11.2006-01.11.2011	0.053
	10,000,000	-	-	10,000,000	22.08.2007	22.08.2007-05.03.2012	0.375
	5,000,000	-	2,000,000	3,000,000	21.08.2008	21.08.2008-05.03.2012	0.180
	2,000,000	-	2,000,000	-	07.11.2008	07.11.2008-05.03.2012	0.060
Ni Zhenwei 倪振偉	4,000,000	-	-	4,000,000	22.08.2007	22.08.2007-05.03.2012	0.375
	2,000,000	-	-	2,000,000	21.08.2008	21.08.2008-05.03.2012	0.180
	-	2,000,000	-	2,000,000	22.04.2010	22.04.2010-05.03.2012	0.390
Wong Kwok Chuen Peter 黃國全	4,000,000	-	-	4,000,000	22.08.2007	22.08.2007-05.03.2012	0.375
	2,000,000	-	-	2,000,000	21.08.2008	21.08.2008-05.03.2012	0.180
	2,000,000	-	2,000,000	-	07.11.2008	07.11.2008-05.03.2012	0.060
	-	2,000,000	-	2,000,000	22.04.2010	22.04.2010-05.03.2012	0.390
<b>Employees</b> 僱員	19,000,000	-	19,000,000	-	02.11.2005	03.11.2005-02.11.2010	0.035
	55,000,000	-	55,000,000	-	02.11.2006	02.11.2006-01.11.2011	0.053
	288,250,000	-	191,000,000	97,250,000	26.01.2007	26.02.2007-25.02.2012	0.189
	364,500,000	-	16,310,000	348,190,000	22.08.2007	22.08.2007-05.03.2012	0.375
	34,900,000	-	28,900,000	6,000,000	21.08.2008	21.08.2008-05.03.2012	0.180
	91,300,000	-	91,300,000	-	07.11.2008	07.11.2008-05.03.2012	0.060
	-	211,000,000	1,600,000	209,400,000	22.04.2010	22.04.2010-05.03.2012	0.390

Note: During the year, the weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$0.4736 per share.

附註：年內，本公司股份於緊接行使日期前行使購股權之加權平均收市價為每股0.4736港元。

# Report of the Directors

## 董事會報告書



### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the sections "Directors' Interests in Shares and Underlying Shares" and "Share Option Schemes", at no time during the year was the Company or any of its associated corporations a party to any arrangement to enable the directors of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

### SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2010, the following persons, not being a Director or chief executive of the Company, had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

### Long position in the shares and underlying shares of the Company

### 董事購買股份或債券之權利

除於「董事於股份及相關股份中之權益」及「購股權計劃」兩節中所披露者外，本公司或其任何相聯法團概無於年內任何時間訂立任何安排，致使本公司董事或彼等任何配偶或18歲以下子女藉購入本公司或任何其他公司機構之股份或債券而獲益。

### 主要股東之權益

於2010年12月31日，以下人士（並非本公司董事或最高行政人員）於根據證券及期貨條例第336條存置之登記冊所載於本公司之股份及相關股份中擁有權益或淡倉：

### 於本公司股份及相關股份中擁有之好倉

Name of shareholder	Nature of interest	Number of shares held	Number of underlying shares held	Total number of shares and underlying shares held	Percentage of shares and underlying shares to issued shares
股東名稱	權益性質	所持股份數目	所持相關股份數目	所持股份及相關股份總數	股份及相關股份共佔已發行股份之概約百分比
Smart Force Group Limited (Note 1) 智強集團有限公司(附註1)	Beneficial owner 實益擁有人	306,428,571	306,428,572	612,857,143	6.70%
Ocean Glory Limited (Note 1) 海耀有限公司(附註1)	Interest of controlled corporation 受控制公司的權益	306,428,571	306,428,572	612,857,143	6.70%
Orion Energy Holding, Inc. (Note 1)(附註1)	Interest of controlled corporation 受控制公司的權益	306,428,571	306,428,572	612,857,143	6.70%
Major Port Limited (Note 1)(附註1)	Interest of controlled corporation 受控制公司的權益	306,428,571	306,428,572	612,857,143	6.70%
Yang Luwu (Note 1) 楊陸武(附註1)	Interest of controlled corporation 受控制公司的權益	306,428,571	306,428,572	612,857,143	6.70%
OZ Management, L.P. (Note 2)(附註2)	Interest of controlled corporation 受控制公司的權益	398,880,000	216,110,000	614,990,000	6.73%
Och-Ziff Holding Corporation (Note 2)(附註2)	Interest of controlled corporation 受控制公司的權益	398,880,000	216,110,000	614,990,000	6.73%
Och-Ziff Capital Management Group LLC (Note 2)(附註2)	Interest of controlled corporation 受控制公司的權益	398,880,000	216,110,000	614,990,000	6.73%

# Report of the Directors

## 董事會報告書

Name of shareholder	Nature of interest	Number of shares held	Number of underlying shares held	Total number of shares and underlying shares held	Percentage of shares and underlying shares to issued shares
股東名稱	權益性質	所持股份數目	所持相關股份數目	所持股份及相關股份總數	股份及相關股份共佔已發行股份之概約百分比
Daniel Saul Och (Note 2) (附註2)	Interest of controlled corporation 受控制公司的權益	398,880,000	216,110,000	614,990,000	6.73%
Wai Tech Limited (Note 3) 威達有限公司(附註3)	Beneficial owner 實益擁有人	-	1,170,000,000	1,170,000,000	12.80%
Petromic Corporation (Note 3) 美科石油有限公司(附註3)	Interest of controlled corporation 受控制公司的權益	-	1,170,000,000	1,170,000,000	12.80%
King Hap Lee (Note 3) 景哈利(附註3)	Interest of controlled corporation 受控制公司的權益	-	1,170,000,000	1,170,000,000	12.80%

### Notes:

### 附註：

- Smart Force Group Limited owned 306,428,571 shares of the Company and convertible notes (the "Convertible Note") in the principal amount of HK\$153,214,286 due in 2013 not carrying any interest with right to convert the Convertible Note into shares of the Company at a conversion price of HK\$0.50 per share. Based on the conversion price of HK\$0.50 per share, a maximum number of 306,428,572 shares may be allotted and issued upon exercise of the conversion rights attached to the Convertible Note in full. The Convertible Note gave rise to an interest in 306,428,572 underlying shares of the Company of Smart Force Group Limited.

Smart Force Group Limited was wholly and beneficially owned by Ocean Glory Limited of which Orion Energy Holding, Inc. owned 60%. Dr. Yang Luwu wholly and beneficially owned Major Port Limited which in turn owned 75% of Orion Energy Holding, Inc. Accordingly, each of Ocean Glory Limited, Orion Energy Holding, Inc., Major Port Limited and Dr. Yang Luwu was deemed to be interested in the shares and the underlying shares of the Company held by Smart Force Group Limited.

- 398,880,000 shares of the Company and 216,110,000 unlisted warrants (the "Warrants") were held by OZ Management, L.P. through its controlled corporations including OZ Master Fund, Ltd., OZ Asia Master Fund, Ltd., OZ ELS Master Fund, Ltd., OZ Select Master Fund, Ltd., Gordel Holdings Ltd. and OZ Global Special Investment Masters Fund, LP (the Warrants will be due in 2014 and each Warrant has the right to subscribe one share of the Company at a subscription price of HK\$0.53). The Warrants gave rise to an interest in 216,110,000 underlying shares of the Company of OZ Management, L.P.

- 智強集團有限公司擁有本公司306,428,571股股份及本金額153,214,286港元由本公司發行不計息、於2013年到期、以及有權以換股價每股0.50港元將可換股債券兌換為本公司股份之可換股債券(「可換股債券」)。根據換股價每股0.50港元，於悉數行使可換股債券所附之兌換權後將予配發及發行最多306,428,572股股份。智強集團有限公司根據可換股債券擁有本公司306,428,572股相關股份權益。

智強集團有限公司由海耀有限公司全資及實益擁有，而後者則由Orion Energy Holding, Inc.實益擁有60%權益。楊陸武博士全資及實益擁有Major Port Limited，而後者實益擁有Orion Energy Holding, Inc. 75%權益。據此，海耀有限公司、Orion Energy Holding, Inc.、Major Port Limited及楊陸武博士各自被視作擁有由智強集團有限公司所持有的本公司股份及相關股份的權益。

- OZ Management, L.P.透過其受控制公司(包括OZ Master Fund, Ltd.、OZ Asia Master Fund, Ltd.、OZ ELS Master Fund, Ltd.、OZ Select Master Fund, Ltd.、Gordel Holdings Ltd.及OZ Global Special Investment Masters Fund, LP)持有本公司398,880,000股股份及216,110,000份非上市權證(「權證」)(權證於2014年到期，每份權證可以認購價0.53港元認購1股本公司股份)。OZ Management, L.P.根據權證擁有本公司216,110,000股相關股份權益。

# Report of the Directors

## 董事會報告書



OZ Management, L.P. was wholly owned by Och-Ziff Holding Corporation which was wholly owned by Och-Ziff Capital Management Group LLC. Mr. Daniel Saul Och owned 77.4% of Och-Ziff Capital Management Group LLC. Accordingly, each of Och-Ziff Holding Corporation, Och-Ziff Capital Management Group LLC and Mr. Daniel Saul Och was deemed to be interested in the shares and the underlying shares of the Company held by OZ Management, L.P..

3. Wai Tech Limited beneficially owned Convertible Note in the principal amount of HK\$585,000,000. Based on the conversion price of HK\$0.50 per share, a maximum number of 1,170,000,000 shares may be allotted and issued upon exercise of the conversion rights attached to the Convertible Note in full. The Convertible Note gave rise to an interest in 1,170,000,000 underlying shares of the Company of Wai Tech Limited.

Wai Tech Limited was wholly and beneficially owned by Petromic Corporation which in turn was wholly and beneficially owned by Mr. King Hap Lee. Accordingly, each of Petromic Corporation and Mr. King Hap Lee was deemed to be interested in the underlying shares of the Company held by Wai Tech Limited.

### RETIREMENT SCHEMES

The employees of the Group's subsidiaries in the PRC are members of retirement schemes operated by local authorities in the PRC. The Group also operates a defined contribution scheme covering full time employees in Hong Kong. Details of employee retirement benefits are set out in note 34 to the financial statements.

### DIRECTORS' REMUNERATION AND HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Particulars of the directors' remuneration and highest paid individuals' emoluments are set out in note 10 and note 11 to the financial statements respectively.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 46 to the financial statements, no contracts of significance subsisted at any time during the year to which the Company or any of its subsidiaries was a party and in which a director of the Company had material interest, whether directly or indirectly.

OZ Management, L.P.乃由Och-Ziff Holding Corporation全資擁有，而後者由Och-Ziff Capital Management Group LLC全資擁有。Daniel Saul Och先生擁有Och-Ziff Capital Management Group LLC之77.4%。據此，Och-Ziff Holding Corporation、Och-Ziff Capital Management Group LLC及Daniel Saul Och先生各自被視作擁有由OZ Management, L.P.所持有的本公司股份及相關股份的權益。

3. 威達有限公司實益擁有本金額585,000,000港元之可換股債券。根據換股價每股0.50港元，於悉數行使可換股債券所附之兌換權後將予配發及發行最多1,170,000,000股股份。威達有限公司根據可換股債券擁有本公司1,170,000,000股相關股份的權益。

威達有限公司由美科石油有限公司全資及實益擁有，而後者則由景哈利先生全資及實益擁有，據此，美科石油有限公司及景哈利先生各自被視作擁有由威達有限公司所持有的本公司相關股份的權益。

### 退休計劃

本集團於中國之附屬公司僱員乃中國地方機關營辦之退休計劃之成員。本集團亦營辦一個定額供款計劃，成員包括香港之全職僱員。僱員退休福利詳情載列於財務報表附註34。

### 董事及最高薪人士之酬金

有關董事及最高薪人士之酬金之詳情已分別載於財務報表附註10及附註11。

### 董事於合約中之權益

除財務報表附註46所披露者外，本公司董事概無在本公司或其任何附屬公司於年內任何時間訂立之重大且仍然生效之合約中直接或間接擁有任何重大權益。

# Report of the Directors

## 董事會報告書

### PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its directors, as of the date of this report, there is sufficient public float of the shares with not less than 25% of the total issued shares of the Company as required under the Listing Rules.

### PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year, neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities.

### PRE-EMPTIVE RIGHTS

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

### AUDITOR

The financial statements for the year have been audited by BDO Limited who retires and, being eligible, offers for re-appointment.

By order of the Board

**Kong Siu Tim**

*Chairman*

Hong Kong, 25 March 2011

### 公眾持股量

根據本公司可取得的資料及據董事所知，於本報告日期，公眾人士持有本公司所有已發行股份不少於25%，符合上市規則的規定。

### 購買、贖回或出售上市證券

年內，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

### 優先購股權

根據本公司之公司細則或百慕達法例，並無有關優先購股權之規定以致本公司須就此按比例向現有股東提呈發售新股。

### 核數師

本年度財務報表經香港立信德豪會計師事務所有限公司審核，該核數師現依章卸任，惟願意受聘連任。

承董事會命

主席

**江少甜**

香港，2011年3月25日

# Independent Auditor's Report

## 獨立核數師報告書



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### TO THE SHAREHOLDERS OF SINO OIL AND GAS HOLDINGS LIMITED (FORMERLY KNOWN AS GENESIS ENERGY HOLDINGS LIMITED)

*(Incorporated in Bermuda with limited liability)*

We have audited the consolidated financial statements of Sino Oil and Gas Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 42 to 156, which comprise the consolidated and company statements of financial position as at 31 December 2010, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the 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. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

### 致中國油氣控股有限公司

(前稱創新能源控股有限公司)

(於百慕達註冊成立之有限公司)

本核數師(以下簡稱「本行」)已審核中國油氣控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第42至156頁之綜合財務報表,此綜合財務報表包括於2010年12月31日之綜合及公司財務狀況表與截至該日止年度之綜合全面收益表、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說明附註。

### 董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表,以令綜合財務報表作出真實公平之反映及落實董事認為編製綜合財務報表所必要之內部控制,以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

### 核數師之責任

本行之責任為根據本行之審核對該等綜合財務報表提出意見。根據百慕達一九八一年公司法第90條,本報告僅向全體股東報告而不作其他用途。本行不會就本報告之內容,對任何其他人士負責或承擔責任。



# Independent Auditor's Report

## 獨立核數師報告書

### AUDITOR'S RESPONSIBILITY (Continued)

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.

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 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 state of affairs of the Company and of the Group as at 31 December 2010 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 核數師之責任(續)

本行乃根據香港會計師公會頒佈之香港核數準則進行審核工作。該等準則規定本行遵守道德規範，並規劃與履行審核工作，以合理確保綜合財務報表是否不存有重大錯誤陳述。

審核包括進行獲取有關綜合財務報表內金額及披露事項之審核憑證之程序。所選擇之程序視乎核數師之判斷而定，包括評估綜合財務報表是否存在由於欺詐或錯誤而導致之重大錯誤陳述風險。評估該等風險時，核數師考慮與該實體編製綜合財務報表相關之內部控制，以令綜合財務報表作出真實公平之反映，並按情況設計適當之審核程序，但並非旨在對該實體之內部控制成效表示意見。審核亦包括評估所使用之會計政策是否適當、董事作出之會計估計是否合理，以及評估綜合財務報表之整體列報。

本行認為本行已取得充分及適當之審核憑證，作為本行之審核意見之基準。

### 意見

本行認為，綜合財務報表已根據香港財務報告準則真實公平地反映 貴公司及 貴集團於2010年12月31日之財務狀況及 貴集團截至該日止年度之溢利及現金流量，並已按照香港公司條例之披露規定妥為編製。

# Independent Auditor's Report

## 獨立核數師報告書



### EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 3(b) to the consolidated financial statements which indicates that the Group had operating cash outflows of HK\$109,333,000 for the year ended 31 December 2010 and, as at that date, the Group's current liabilities exceeded its current assets by HK\$207,122,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

### BDO Limited

*Certified Public Accountants*

Shiu Hong NG

Practising Certificate Number P03752

Hong Kong, 25 March 2011

### 強調事項

本行在不作保留意見之情況下，謹請閣下垂注綜合財務報表附註3(b)所顯示，貴集團截至2010年12月31日止年度之經營現金流出為109,333,000港元，且貴集團於當日之流動負債超出其流動資產207,122,000港元。該等情況顯示，貴集團存在重大不明朗因素，或會對貴集團持續經營之能力構成重大疑問。

### 香港立信德豪會計師事務所有限公司

*執業會計師*

伍兆康

執業證書號碼P03752

香港，2011年3月25日

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2010 截至2010年12月31日止年度  
(Expressed in Hong Kong Dollars) (以港元計算)

		Notes	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
		附註		
<b>Continuing operations</b>	<b>持續經營業務</b>			
Turnover	營業額	5 & 16	29,224	15,155
Direct costs	直接成本		(26,021)	(20,241)
Gross profit/(loss)	毛利/(毛損)		3,203	(5,086)
Other revenue	其他收入	6	5,558	2,283
Other gains and (losses), net	其他收益及(虧損)淨額	7	73,066	1,049
Administrative expenses	行政費用		(69,522)	(23,897)
Profit/(loss) from operations	經營溢利/(虧損)		12,305	(25,651)
Finance costs	融資成本	8(a)	(1,453)	(1,767)
Share of loss of a jointly controlled entity	應佔一家共同控權合資公司虧損	22	(2,658)	(5,522)
Profit/(loss) before income tax expenses	除所得稅支出前溢利/(虧損)	8	8,194	(32,940)
Income tax expenses	所得稅支出	9	(3,510)	-
Profit/(loss) for the year from continuing operations	持續經營業務之本年度溢利/(虧損)		4,684	(32,940)
<b>Discontinued operations</b>	<b>已終止經營業務</b>			
Profit for the year from discontinued operations	已終止經營業務之本年度溢利	12	-	14,015
Profit/(loss) for the year	本年度溢利/(虧損)		4,684	(18,925)
Other comprehensive income, after tax	其他全面收益，除稅後			
Exchange differences on translating foreign operation	換算海外業務之匯兌差異		7,407	364
Less: Reclassification of exchange reserve to profit or loss upon disposal of foreign subsidiaries	減：出售海外附屬公司之匯兌儲備轉入損益賬之重新分類	37	(335)	(16,456)
Other comprehensive income for the year	本年度其他全面收益		7,072	(16,092)
Total comprehensive income for the year	本年度全面收益總額		11,756	(35,017)

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2010 截至2010年12月31日止年度  
(Expressed in Hong Kong Dollars) (以港元計算)



		Notes	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
		附註		
Profit/(loss) attributable to:	以下人士應佔溢利/(虧損)：			
Owners of the Company	本公司擁有人	13	<b>6,108</b>	(18,784)
Non-controlling interests	非控股權益		<b>(1,424)</b>	(141)
			<b>4,684</b>	(18,925)
Total comprehensive income attributable to:	以下人士應佔全面收益總額：			
Owners of the Company	本公司擁有人		<b>13,180</b>	(34,876)
Non-controlling interests	非控股權益		<b>(1,424)</b>	(141)
			<b>11,756</b>	(35,017)
Earnings/(loss) per share – Basic	每股盈利/(虧損) – 基本	15		
– From continuing and discontinued operations	– 來自持續經營及已終止經營業務		<b>0.101 HK cents 港仙</b>	(0.431) HK cents 港仙
– From continuing operations	– 來自持續經營業務		<b>0.101 HK cents 港仙</b>	(0.752) HK cents 港仙
– From discontinued operations	– 來自已終止經營業務		<b>N/A 不適用</b>	0.321 HK cents 港仙
Earnings/(loss) per share – Diluted	每股盈利/(虧損) – 攤薄	15		
– From continuing and discontinued operations	– 來自持續經營及已終止經營業務		<b>0.098 HK cents 港仙</b>	(0.431) HK cents 港仙
– From continuing operations	– 來自持續經營業務		<b>0.098 HK cents 港仙</b>	(0.752) HK cents 港仙
– From discontinued operations	– 來自已終止經營業務		<b>N/A 不適用</b>	0.321 HK cents 港仙

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2010 於2010年12月31日  
(Expressed in Hong Kong Dollars) (以港元計算)

		Notes 附註	2010 HK\$'000 千港元	2009 HK\$'000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	17	89,199	115,805
Gas exploration and evaluation assets	天然氣勘探及評估資產	19	2,598,644	–
Intangible assets	無形資產	20	49,219	95,434
Goodwill	商譽	21	4,230	4,230
Interest in a jointly controlled entity	於一家共同控權合資公司之權益	22	6,948	9,606
Pledged deposits	已抵押存款	24	–	1,130
Deposits paid	已付按金		2,355	2,276
Total non-current assets	非流動資產總值		2,750,595	228,481
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	25	–	446
Trade and other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項	26	72,738	6,740
Notes receivable	應收票據	27	135,000	–
Other assets	其他資產	28	222,458	–
Cash and cash equivalents	現金及現金等價物	29	242,529	10,535
Total current assets	流動資產總值		672,725	17,721
<b>Total assets</b>	<b>總資產</b>		3,423,320	246,202
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款項及預提費用	30	(878,952)	(21,767)
Provision	撥備	31	–	(338)
Taxation	稅項		(895)	–
Total current liabilities	流動負債總額		(879,847)	(22,105)
<b>Net current liabilities</b>	<b>流動負債淨額</b>		(207,122)	(4,384)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		2,543,473	224,097

# Consolidated Statement of Financial Position

## 綜合財務狀況表

At 31 December 2010 於2010年12月31日  
(Expressed in Hong Kong Dollars) (以港元計算)



	Notes 附註	2010 HK\$'000 千港元	2009 HK\$'000 千港元
<b>Non-current liabilities</b>			
<b>非流動負債</b>			
Convertible note	32	–	(16,824)
可換股票據			
Deferred tax liabilities	33	(15,098)	(12,461)
遞延稅項負債			
Amount due to a controlling owner	46(d)	–	(46,521)
應付控股股東款項			
Total non-current liabilities		(15,098)	(75,806)
非流動負債總額			
<b>NET ASSETS</b>		<b>2,528,375</b>	148,291
<b>資產淨值</b>			
<b>Capital and reserves attributable to owners of the Company</b>			
<b>本公司擁有人應佔資本及儲備</b>			
Share capital	36(a)	91,414	43,861
股本			
Reserves		2,436,961	104,289
儲備			
Equity attributable to owners of the Company		2,528,375	148,150
本公司擁有人應佔權益			
<b>Non-controlling interests</b>		–	141
<b>非控股權益</b>			
<b>TOTAL EQUITY</b>		<b>2,528,375</b>	148,291
<b>總權益</b>			

On behalf of the Board  
代表董事會

**Kong Siu Tim**  
江少甜  
Director  
董事

**Dai Xiaobing**  
戴小兵  
Director  
董事

# Statement of Financial Position

## 財務狀況表

At 31 December 2010 於2010年12月31日  
(Expressed in Hong Kong Dollars) (以港元計算)

		Notes 附註	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Interests in subsidiaries	於附屬公司之權益	23	2,871,252	92,983
Notes receivable	應收票據	27	9,000	–
Total non-current assets	非流動資產總值		2,880,252	92,983
<b>Current assets</b>	<b>流動資產</b>			
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	26	1,738	562
Other assets	其他資產	28	60,000	–
Cash and cash equivalents	現金及現金等價物	29	28,087	55
Total current assets	流動資產總值		89,825	617
<b>Total assets</b>	<b>總資產</b>		2,970,077	93,600
<b>Current liabilities</b>	<b>流動負債</b>			
Other payables and accruals	其他應付款項及預提費用	30	(502,832)	(2,185)
<b>Net current liabilities</b>	<b>流動負債淨額</b>		(413,007)	(1,568)
<b>Total assets less current liabilities</b>	<b>總資產減流動負債</b>		2,467,245	91,415
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Convertible note	可換股票據	32	–	(16,824)
<b>NET ASSETS</b>	<b>資產淨值</b>		2,467,245	74,591
<b>Capital and reserves attributable to owners of the Company</b>	<b>本公司擁有人應佔資本及儲備</b>			
Share capital	股本	36(a)	91,414	43,861
Reserves	儲備	36(b)	2,375,831	30,730
<b>TOTAL EQUITY</b>	<b>總權益</b>		2,467,245	74,591

On behalf of the Board  
代表董事會

**Kong Siu Tim**  
江少甜  
Director  
董事

**Dai Xiaobing**  
戴小兵  
Director  
董事

# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2010 截至2010年12月31日止年度  
(Expressed in Hong Kong Dollars) (以港元計算)



		Attributable to owners of the Company											
		本公司擁有人應佔											
		(note 36(c))											
		(附註36(c))											
											Non-		Total equity
											controlling		
		Share capital	Share premium	Contributed surplus	Share option reserve	Warrant reserve	Convertible note equity reserve	Exchange reserve	Capital reserve	Accumulated losses	Total	interests	
		股本	股份溢價	繳納盈餘	購股權 儲備	認股權證 儲備	可換股票據 股本儲備	匯兌儲備	資本儲備	累計虧損	總計	非控股權益	總權益
		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
<b>At 1 January 2009</b>	<b>於2009年1月1日</b>	42,269	364,780	81,043	22,433	-	-	25,817	-	(404,035)	132,307	122	132,429
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	(18,784)	(18,784)	(141)	(18,925)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	(16,092)	-	-	(16,092)	-	(16,092)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	(16,092)	-	(18,784)	(34,876)	(141)	(35,017)
Issue of convertible note (note 32)	發行可換股票據(附註32)	-	-	-	-	-	9,489	-	-	-	9,489	-	9,489
Shares issued for acquisitions (note 36(a)(v))	發行代價股份(附註36(a)(v))	724	26,087	-	-	-	-	-	-	-	26,811	-	26,811
Share issued under share option scheme (note 36(a)(iv))	按購股權計劃發行之股份(附註36(a)(iv))	868	7,111	-	(1,301)	-	-	-	-	-	6,678	-	6,678
Capital contribution by a non-controlling interest of a subsidiary	一家附屬公司非控股權益之股本注資	-	-	-	-	-	-	-	-	-	-	160	160
Contribution from controlling owner in the form of interest free loans	控股股東以免息貸款形式作出之注資	-	-	-	-	-	-	-	7,741	-	7,741	-	7,741
<b>At 31 December 2009 and at 1 January 2010</b>	<b>於2009年12月31日及2010年1月1日</b>	43,861	397,978	81,043	21,132	-	9,489	9,725	7,741	(422,819)	148,150	141	148,291
Profit/(loss) for the year	本年度溢利/(虧損)	-	-	-	-	-	-	-	-	6,108	6,108	(1,424)	4,684
Other comprehensive income	其他全面收益	-	-	-	-	-	-	7,072	-	-	7,072	-	7,072
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	7,072	-	6,108	13,180	(1,424)	11,756
Issue of share options (note 35)	發行購股權(附註35)	-	-	-	19,200	-	-	-	-	-	19,200	-	19,200
Share issued under share option scheme (note 36(a)(iv))	按購股權計劃發行之股份(附註36(a)(iv))	4,761	65,489	-	(7,966)	-	-	-	-	-	62,284	-	62,284



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2010 截至2010年12月31日止年度  
(Expressed in Hong Kong Dollars) (以港元計算)

Attributable to owners of the Company

本公司擁有人應佔

(note 36(c))

(附註36(c))

		Attributable to owners of the Company								Non-controlling interests	Total equity		
		Share capital	Share premium	Contributed surplus	Share option reserve	Warrant reserve	Convertible note equity reserve	Exchange reserve	Capital Accumulated reserve			Accumulated losses	
		股本	股份溢價	繳納盈餘	購股權儲備	認股權證儲備	可換股票據股本儲備	匯兌儲備	資本儲備	累計虧損	總計	非控股權益	總權益
		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
Redemption of convertible note (note 32)	贖回可換股票據(附註32)	-	-	-	-	-	(6,313)	-	-	-	(6,313)	-	(6,313)
Release of convertible note equity reserve (note 32)	可換股票據權益儲備撥回(附註32)	-	-	-	-	-	(3,176)	-	-	3,176	-	-	-
Shares issued for acquisitions (note 36(a)(v))	就收購發行股份(附註36(a)(v))	15,600	733,200	-	-	-	-	-	-	-	748,800	-	748,800
Issue of convertible note for acquisition (note 32)	就收購發行可換股票據(附註32)	-	-	-	-	-	780,000	-	-	-	780,000	-	780,000
Shares issued on placing (note 36(a)(vi))	就配售發行股份(附註36(a)(vi))	24,932	689,061	-	-	-	-	-	-	-	713,993	-	713,993
Issue of warrants (note 36(a)(ii))	發行認股權證(附註36(a)(ii))	-	-	-	-	7,250	-	-	-	-	7,250	-	7,250
Share issued on exercise of warrants (note 36(a)(iii))	行使認股權證而發行之股份(附註36(a)(iii))	2,260	49,720	-	-	(2,260)	-	-	-	-	49,720	-	49,720
Reversal for contribution from controlling owner in the form of interest free loans	控股股東以免息貸款形式作出之注資撥發	-	-	-	-	-	-	-	(7,741)	-	(7,741)	-	(7,741)
Acquisition of additional equity interest in a subsidiary	收購一家附屬公司之額外股權	-	-	-	-	-	-	-	-	(148)	(148)	(141)	(289)
Disposal of subsidiaries (note 37(a))	出售附屬公司(附註37(a))	-	-	-	-	-	-	-	-	-	-	1,424	1,424
<b>At 31 December 2010</b>	<b>於2010年12月31日</b>	<b>91,414</b>	<b>1,935,448</b>	<b>81,043</b>	<b>32,366</b>	<b>4,990</b>	<b>780,000</b>	<b>16,797</b>	<b>-</b>	<b>(413,683)</b>	<b>2,528,375</b>	<b>-</b>	<b>2,528,375</b>

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2010 截至2010年12月31日止年度  
(Expressed in Hong Kong Dollars) (以港元計算)



		2010 HK\$'000 千港元	2009 HK\$'000 千港元
<b>Operating activities</b>	<b>經營業務</b>		
Profit/(loss) before income tax expenses	除所得稅支出前溢利/(虧損)		
From continuing operations	來自持續經營業務	8,194	(32,940)
From discontinued operations	來自已終止經營業務	-	14,666
		<b>8,194</b>	<b>(18,274)</b>
Adjustments for:	調整項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	10,351	9,365
Amortisation of prepaid lease payments	租賃預付款項攤銷	-	155
Amortisation of intangible assets	無形資產攤銷	323	122
Imputed interest on convertible note	可換股票據之應計利息	1,452	1,555
Imputed interest income on notes receivable	應收票據之應計利息收入	(1,444)	-
Interest income	利息收入	(103)	(198)
Gain on disposal of subsidiaries	出售附屬公司收益	(72,798)	(11,593)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	3	-
Impairment loss on goodwill	商譽減值虧損	-	4,000
Loss on fair value adjustment on note receivable	應收票據公平值調整虧損	-	1,000
Gain on disposal of available-for-sales investments	出售可供出售投資收益	-	(1,056)
Equity-settled share-based payment expenses	股本結算以股份支付之支出	19,200	-
Share of loss of a jointly controlled entity	應佔一家共同控權合資公司虧損	2,658	5,522
Excess of Group's share of net fair value of the interests acquired over the cost of acquisition	集團購入權益所佔之公平淨值高於購入成本之淨額	-	(4,585)
Other receivables written off	其他應收款項撇銷	465	-
Loss on redemption of convertible note	贖回可換股票據虧損	703	-
<b>Operating loss before changes in working capital</b>	<b>營運資金變動前經營虧損</b>	<b>(30,996)</b>	<b>(13,987)</b>
Decrease/(increase) in inventories	存貨減少/(增加)	446	(485)
Increase in other assets	其他資產增加	(116,656)	-
(Increase)/decrease in trade and other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項(增加)/減少	(50,324)	1,518
Increase/(decrease) in other payables and accruals	其他應付款項及預提費用增加/(減少)	89,636	(2,391)
Effect of foreign exchange rate changes	匯率變動之影響	(1,439)	(171)
<b>Cash used in operations</b>	<b>經營業務所用之現金</b>	<b>(109,333)</b>	<b>(15,516)</b>
Tax paid	已繳稅項		
Income tax paid – the Peoples' Republic of China (the "PRC")	已繳中國所得稅項—中華人民共和國(「中國」)	-	(963)
<b>Net cash used in operating activities</b>	<b>經營業務所用之現金淨額</b>	<b>(109,333)</b>	<b>(16,479)</b>

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2010 截至2010年12月31日止年度  
(Expressed in Hong Kong Dollars) (以港元計算)

	Notes 附註	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
<b>Investing activities</b>			
Payment for purchase of property, plant and equipment		(4,339)	(3,723)
Payment for purchases of other assets		(105,802)	–
Payment for purchases of intangible assets		(910)	–
Payment for purchase of gas exploration and evaluation assets		(22,906)	–
Decrease in pledged deposits		–	1,186
Disposal of subsidiaries, net of cash disposed of	37	(236)	(15,760)
Acquisitions of subsidiaries, net of cash acquired of	38	(275,318)	(72,651)
Interest received		103	37
Interest paid		(534)	–
Proceeds from sale of available-for-sale investments		–	2,487
<b>Net cash used in investing activities</b>		<b>(409,942)</b>	<b>(88,424)</b>
<b>Financing activities</b>			
Proceeds from convertible note issued	32	–	25,000
Redemption of convertible note	32	(25,000)	–
Proceeds from issuance of warrants	36(a)(ii)	7,250	–
Proceeds from exercising warrants	36(a)(iii)	49,720	–
Proceeds from shares issued under share option scheme	36(a)(iv)	62,284	6,678
Issuance of shares	36(a)(vi)	713,993	–
Payment for acquisition of additional equity interest in a subsidiary		(289)	–
Contribution from non-controlling interest (Repayment to)/advance from a controlling owner		–	160
Advance from a non-controlling interest of a subsidiary		(52,818)	63,642
		–	378
<b>Net cash generated from financing activities</b>		<b>755,140</b>	<b>95,858</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>235,865</b>	<b>(9,045)</b>
<b>Cash and cash equivalents at 1 January</b>		<b>10,535</b>	<b>19,622</b>
<b>Effect of foreign exchange rate changes on cash and cash equivalents</b>		<b>(3,871)</b>	<b>(42)</b>
<b>Cash and cash equivalents at 31 December, representing cash and bank balances</b>	29	<b>242,529</b>	<b>10,535</b>

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 1. GENERAL

Sino Oil and Gas Holdings Limited (the "Company") was incorporated as an exempted company with limited liability in Bermuda on 2 November 1999 under the Companies Act 1981 of Bermuda and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited on 9 February 2000. The registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Suite 3707-3708, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, respectively.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 23(a).

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

#### (a) Adoption of new/revised HKFRSs – effective 1 January 2010

HKFRSs (Amendments)  
香港財務報告準則(修訂本)  
Amendments to HKAS 39  
香港會計準則第39號(修訂本)  
Amendments to HKFRS 2  
香港財務報告準則第2號(修訂本)  
HKAS 27 (Revised)  
香港會計準則第27號(經修訂)  
HKFRS 3 (Revised)  
香港財務報告準則第3號(經修訂)  
HK(IFRIC) – Interpretation 17  
香港(國際財務報告詮釋委員會)  
— 詮釋第17號  
HK Interpretation 5  
香港詮釋第5號

The adoption of the above new/revised HKFRSs had no material effect on the reported results or financial position of the Group for the current or prior reporting periods, except for the following:

Improvements to HKFRSs  
香港財務報告準則之改進  
Eligible Hedged Items  
合資格對沖項目  
Share-based Payment – Group Cash-settled Share-based Payment Transactions  
以股份支付之款項—集團以現金結算之股份付款交易  
Consolidated and Separate Financial Statements  
綜合及獨立財務報表  
Business Combinations  
業務合併  
Distributions of Non-cash Assets to Owners  
向擁有人分派非現金資產  
Presentation of Financial Statements – Classification by Borrower of a Term Loan that Contains a Repayment on Demand Clause  
財務報表之呈報—借款人對有償還要求之有期貨款之分類

### 1. 一般資料

中國油氣控股有限公司(「本公司」)根據百慕達一九八一年公司法於1999年11月2日在百慕達註冊成立為受豁免有限公司，其股份於2000年2月9日於香港聯合交易所有限公司主板上市。本公司之註冊辦事處及主要營業地點分別位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda及香港干諾道中168-200號信德中心西座3707-3708室。

本公司為一家投資控股公司，其附屬公司之主要業務載於附註23(a)。

### 2. 採納香港財務報告準則(「香港財務報告準則」)

#### (a) 採納新訂／經修訂香港財務報告準則—2010年1月1日起生效

採納上述新訂／經修訂香港財務報告準則對本集團現時或過往報告期間已呈報之業績或財務狀況並無重大影響，惟以下各項除外：

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (a) Adoption of new/revised HKFRSs – effective 1 January 2010 (Continued)

##### HKAS 27(Revised) – Consolidated and Separate Financial Statements

The revised standard applies prospectively for annual periods beginning on or after 1 July 2009, requires the effects of all transactions with non-controlling interests (previously minority interests) to be recognised within equity if there is no loss in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss is recognised in profit or loss. As the Group had already adopted such approach in the past, the revised standard has had no impact on the Group's financial statements for the current year.

##### HKFRS 3 (revised) – Business Combinations

The revised standard introduces significant changes in the accounting for business combinations occurring after 1 July 2009. Changes affect the valuation of non-controlling interests, the accounting for transaction costs, the initial recognition and subsequent measurement of a contingent consideration and business combination achieved in stages. These changes impact the amount of goodwill recognised, the reported results in the period that at an acquisition occurs and future results. The Group applied HKFRS 3 (revised) prospectively to the business combinations from 1 January 2010 and the adoption of the revised standard has had no impact to the financial statement as there has been no business combination transaction during the year.

##### HKAS 17 (Amendment) – Leases

The amendment to HKAS 17 made under "Improvements to HKFRSs 2009", mandatory for accounting periods beginning on or after 1 January 2010, removes the specific guidance which stated that land held under a lease should be classified as an operating lease unless title to the land is expected to pass at the end of the lease term. It provides new guidance which indicates that entity should use judgment to decide whether the lease transfers the significant risks and rewards of ownership of the land in accordance with the criteria set out in HKAS 17. The Group has reassessed the classification of land elements of unexpired leases at the date it adopts the amendments on the basis of information existing at the inception of the lease and concluded that the classification of such land leases as operating leases continues to be appropriate.

### 2. 採納香港財務報告準則(續)

#### (a) 採納新訂／經修訂香港財務報告準則－2010年1月1日起生效(續)

##### 香港會計準則第27號(經修訂)－綜合及獨立財務報表

該經修訂準則往後應用於2009年7月1日或之後開始之年度期間，規定倘並無失去控制權及交易不再產生商譽或盈虧時，則所有與非控股權益(前稱少數股東權益)進行之交易影響須於權益內確認。該準則亦訂明失去控制權時之會計處理。於實體內之任何剩餘權益按公平值重新計量，而盈虧則於損益賬內確認。由於本集團過往已採用此方法，故該經修訂準則對本集團本年度之財務報表並無影響。

##### 香港財務報告準則第3號(經修訂)－業務合併

該經修訂準則對於2009年7月1日後發生之業務合併之會計處理帶來重大變動。該等變動影響非控股權益之估值、交易成本之會計處理、或有代價及分多個階段達成之業務合併之初步確認及其後計量。該等變動影響已確認商譽金額、進行收購期間之已呈報業績及未來業績。本集團自2010年1月1日起對業務合併應用香港財務報告準則第3號(經修訂)，而由於本年度並無進行業務合併交易，故採納經修訂準則對財務報表並無影響。

##### 香港會計準則第17號(修訂本)－租賃

根據「2009年香港財務報告準則之改進」對香港會計準則第17號之修訂於2010年1月1日或之後開始之會計期間強制生效，其刪除了列明根據租賃持有之土地須分類為經營租賃(惟預期土地擁有權將於租期結束時轉讓除外)之特定指引。有關修訂定下新指引，列明實體須運用判斷以決定租賃有否根據香港會計準則第17號所載之標準轉讓土地擁有權之絕大部分風險及回報。本集團已根據租賃開始時已存在之資料，重新評估於採納有關修訂當日尚未屆滿之土地租賃之分類，並總括將該等土地租賃分類為經營租賃仍為恰當。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective

The following new or revised HKFRSs, potentially relevant to the Group's financial statements, have been issued but are not yet effective and have not been early adopted by the Group.

HKFRSs (Amendments)  
香港財務報告準則(修訂本)  
Amendments to HKAS 32  
香港會計準則第32號(修訂本)  
Amendments to HK(IFRIC)  
– Interpretation 14  
香港(國際財務報告詮釋委員會)  
– 詮釋第14號(修訂本)  
HK(IFRIC) – Interpretation 19  
香港(國際財務報告詮釋委員會)  
– 詮釋第19號  
HKAS 24 (Revised)  
香港會計準則第24號(經修訂)  
Amendments to HKFRS 7  
香港財務報告準則第7號(修訂本)  
Amendments to HKAS 12  
香港會計準則第12號(修訂本)  
HKFRS 9  
香港財務報告準則第9號

Improvements to HKFRSs 2010<sup>2&3</sup>  
2010年香港財務報告準則之改進<sup>2&3</sup>  
Classification of Rights Issues<sup>1</sup>  
供股之分類<sup>1</sup>  
Prepayments of a Minimum Funding Requirement<sup>3</sup>  
最低資金要求之預付款項<sup>3</sup>  
Extinguishing Financial Liabilities with Equity Instruments<sup>2</sup>  
以股本工具抵銷財務負債<sup>2</sup>  
Related Party Disclosures<sup>3</sup>  
關聯人士披露<sup>3</sup>  
Disclosure – Transfers of Financial Assets<sup>4</sup>  
披露 – 轉讓財務資產<sup>4</sup>  
Deferred Tax – Recovery of Underlying Assets<sup>5</sup>  
遞延稅項 – 收回相關資產<sup>5</sup>  
Financial Instruments<sup>6</sup>  
財務工具<sup>6</sup>

- <sup>1</sup> Effective for annual periods beginning on or after 1 February 2010
- <sup>2</sup> Effective for annual periods beginning on or after 1 July 2010
- <sup>3</sup> Effective for annual periods beginning on or after 1 January 2011
- <sup>4</sup> Effective for annual periods beginning on or after 1 July 2011
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2012
- <sup>6</sup> Effective for annual periods beginning on or after 1 January 2013

### 2. 採納香港財務報告準則(續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

本集團並無提前採納下列已頒佈但尚未生效之新訂或經修訂香港財務報告準則，但有關準則可能與本集團之財務報表相關。

- <sup>1</sup> 於2010年2月1日開始或之後之年度期間生效
- <sup>2</sup> 於2010年7月1日開始或之後之年度期間生效
- <sup>3</sup> 於2011年1月1日開始或之後之年度期間生效
- <sup>4</sup> 於2011年7月1日開始或之後之年度期間生效
- <sup>5</sup> 於2012年1月1日開始或之後之年度期間生效
- <sup>6</sup> 於2013年1月1日開始或之後之年度期間生效

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

HKAS 24 (Revised) clarifies and simplifies the definition of related parties. It also provides for a partial exemption of related party disclosure to government-related entities for transactions with the same government or entities that are controlled, jointly controlled or significantly influenced by the same government.

The disclosure exemptions introduced in HKAS 24 (Revised) do not affect the Group because the Group is not a government-related entity. However, disclosures regarding related party transactions and balances in these consolidated financial statements may be affected when the revised version of the standard is applied in future accounting periods because some counterparties that did not previously meet the definition of a related party may come within the scope of the standard.

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities

### 2. 採納香港財務報告準則(續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港會計準則第24號(經修訂)釐清及簡化關聯人士之定義。該準則亦訂明倘若政府相關實體與同一政府或受同一政府所控制、共同控制或重大影響之實體進行交易，則可獲部分豁免關聯人士披露。

由於本集團並非政府相關實體，因此香港會計準則第24號(經修訂)所引入之披露豁免並未影響本集團。然而，倘該準則之經修訂版本於未來會計期間應用，則此等綜合財務報表中有關關聯人士交易及結餘之披露可能會受到影響，原因在於部分以往不符合關聯人士定義之對方可能會歸入該準則之範圍。

根據香港財務報告準則第9號，財務資產可按公平值或攤銷成本計量，視乎實體管理財務資產之業務模式及財務資產之合約現金流特性而定。公平值收益或虧損將於損益賬內確認，惟非買賣性股本投資除外，實體可選擇於其他全面收益確認損益。香港財務報告準則第9號承接了香港會計準則第39號對財務負債之確認及計量規定，惟指定於損益賬按公平值計量之財務負債除外，其因負債之信貸風險變動而產生之公平值變動金額乃於其他全面收益確認，除非此舉會引致或擴大會計差異。此外，香港財務報告準則第9號保留香港會計準則第39號就終止確認財務資產及財務負債之規定。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for the annual period beginning 1 January 2013 and that the application of the new standard may have a significant impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

The Group is in the process of making an assessment of the potential impact of other new and revised HKFRSs and the directors so far concluded that the application of the other new and revised HKFRSs will have no material impact on the results and the financial position of the Group.

### 3. BASIS OF PREPARATION

#### a) Statement of compliance

The consolidated financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRSs") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

#### b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost convention as modified by the inclusion of certain financial instruments at fair value.

The Group had operating cash outflows of HK\$109,333,000 for the year ended 31 December 2010. As at that date, the Group's current liabilities exceeded current assets by HK\$207,122,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The Group's ability to do so will depend on management's continuing efforts to improve the Group's profitability and operating cash flows and extending the payment period of payable.

### 2. 採納香港財務報告準則(續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

董事預計，香港財務報告準則第9號將在本集團於2013年1月1日開始之年度期間之綜合財務報表採納，採用新準則可能會對本集團財務資產及財務負債之呈報金額造成重大影響。然而，在完成詳細檢討之前，不可能就該影響提供合理估計。

本集團現正評估其他新訂及經修訂香港財務報告準則之潛在影響，而董事迄今認為，採納其他新訂及經修訂香港財務報告準則不會對本集團之業績及財務狀況構成重大影響。

### 3. 編製基準

#### a) 合規聲明

本綜合財務報表乃按照香港所有適用之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(以下統稱「香港財務報告準則」)及香港公司條例之披露規定編製。此外，本綜合財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露規定。

#### b) 計量基準及持續經營假設

本綜合財務報表乃採用經若干按公平值列賬之財務工具調整後之歷史成本慣例編製。

本集團截至2010年12月31日止年度之經營現金流出為109,333,000港元。於當日，本集團之流動負債超出其流動資產207,122,000港元。該等情況顯示本集團存在重大不明朗因素，或會對本集團持續經營之能力構成重大疑問。本集團之持續經營能力將取決於管理層能否繼續努力提升本集團之獲利能力並改善經營現金流量，以及延長應付款項之付款期。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 3. BASIS OF PREPARATION (Continued)

#### b) Basis of measurement and going concern assumption (Continued)

Subsequent to the end of reporting period, the Group has successfully obtained confirmation of the vendor of Power Great Limited as set out in the note 38(a) that the Group can defer the settlement of the remaining consideration of HK\$300,000,000 included in "other payables and accruals" as set out in note 30(i) due to them to early 2012. In addition, Orion Energy International Inc. ("OEI"), a subsidiary of the Group, has obtained a letter of financial support from a contractor company of OEI, a shareholder of which is also a non-controlling shareholder of the Company, confirming that it will not request for payment of the exploration costs payable of approximately HK\$256,000,000 included in "other payables and accruals" as set out in note 30(ii), until OEI has the necessary working capital to do so. Three major shareholders of the Company have provided letters of financial support respectively to the Group undertaking to provide continuous financial support to the Group in the next twelve months.

As a result of the financial support the Group has obtained and after taking into account the Group's cash flow projection for the coming year, the directors are confident that the Group will have sufficient working capital to meet its liabilities as they fall due in the next twelve months from the end of the reporting period. Accordingly, the directors are of the opinion that it is appropriate to prepare these consolidated financial statements on a going concern basis. These consolidated financial statements do not include any adjustments relating to the carrying amount and reclassification of assets and liabilities that might be necessary should the Group be unable to continue as a going concern.

#### c) Functional and presentational currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Hong Kong dollars ("HKD"), which is also the functional currency of the Company.

### 3. 編製基準(續)

#### b) 計量基準及持續經營假設(續)

繼本報告期間終結後，如附註38(a)所載，本集團已成功取得威遠有限公司之賣方之確認，本集團可延後支付計入「其他應付款項及預提費用」應付賣方之餘下代價300,000,000港元如附註30(i)所載應付賣方之金額之期限至2012年初。此外，本集團之附屬公司奧瑞安能源國際有限公司(「奧瑞安」)已獲奧瑞安之一家承包公司(其股東亦為本公司之非控股股東)發出財務支持函，確認在奧瑞安未具備必要之營運資金付款之前，該承包公司不會要求支付計入附註30(ii)所載「其他應付款項及預提費用」約256,000,000港元之應付勘探成本。本公司三名主要股東亦已分別向本集團發出財務支持函，承諾在未來十二個月內將繼續向本集團提供財務支持。

鑒於本集團獲得財務支持及在計入本集團對來年現金流量之預測下，董事有信心本集團將具備足夠營運資金應付自報告期終結日起未來十二個月之到期負債。因此，董事認為，按持續經營之基準編製本綜合財務報表乃屬適當。本綜合財務報表並不包括倘本集團無法持續經營時，有關與賬面值以及資產和負債重新分類之任何必要調整。

#### c) 功能及呈報貨幣

本集團各實體之財務報表內之項目，均採用該實體經營業務所在之主要經濟環境之貨幣計量。本綜合財務報表乃以香港貨幣(「港元」)(亦即本公司之功能貨幣)呈報。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES

#### a) Business combination and basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the "Group"). Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective dates of acquisition or up to the effective dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

#### *Business combination from 1 January 2010*

Acquisition of subsidiaries or businesses is accounted for using the acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure the non-controlling interest either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed.

### 4. 主要會計政策

#### a) 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司（「本集團」）之財務報表。集團內公司間之交易及結餘連同未變現溢利均於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，除非有關交易顯示已轉讓資產出現減值，在此情況下，虧損於損益賬內確認。

於年內收購或出售之附屬公司之業績，乃由收購生效日期起或截至出售生效日期止（如適當）列入綜合全面收益表。必要時，附屬公司之財務報表將予調整以使其會計政策與本集團其他成員公司所使用者一致。

#### *自2010年1月1日起之業務合併*

收購附屬公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團（作為收購方）發行之股權於收購當日之公平值總額計量。所收購可辨別資產及所承擔負債則主要按收購當日之公平值計量。本集團先前所持被收購方之股權以收購當日公平重新計量，而所產生之收益或虧損則於損益賬內確認。本集團可按每宗交易選擇以公平值或被收購方之可辨別資產淨值應佔比例計算非控股權益。所產生之收購相關成本列作開支。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### a) Business combination and basis of consolidation (Continued)

*Business combination from 1 January 2010 (Continued)*

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

Subsequent to acquisition, the carrying amount of non-controlling interest is the amount of those interests at initial recognition plus the non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interest having a deficit balance.

### 4. 主要會計政策 (續)

#### a) 業務合併及綜合基準 (續)

*自2010年1月1日起之業務合併 (續)*

收購方將予轉讓之任何或有代價按收購日期之公平值確認。其後對代價之調整僅於調整源出於計量期(最長為收購日期起計12個月)內所取得有關於收購日期之公平值之新資料時,方以商譽確認。所有其他分類為資產或負債之或有代價之其後調整均於損益賬內確認。

本集團於附屬公司之權益變動如未導致失去控制權,則入賬列為權益交易。本集團權益及非控股權益之賬面值均予以調整,以反映其各自於附屬公司之權益之變動。經調整後非控股權益金額與所付或所收代價公平值之任何差額,直接於權益中確認,並歸屬於本公司擁有人。

當本集團失去附屬公司控制權,出售損益乃按以下兩者之差額計算:(i)已收代價之公平值與任何保留權益之公平值之總額;與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股權益過往之賬面值。先前於其他全面收益確認與附屬公司有關之金額以相同方式入賬,猶如有關資產或負債已經出售。

收購後,非控股權益之賬面值為該等權益於初步確認時之款額加以非控股權益應佔權益其後變動之部分。即使會導致非控股權益出現虧絀結餘,全面收益總額乃歸屬於非控股權益。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### a) Business combination and basis of consolidation (Continued)

*Business combination prior to 1 January 2010*

On acquisition, the assets and liabilities of the relevant subsidiaries are measured at their fair values at the date of acquisition. The interest of minority shareholders is stated at the minority's proportion of the fair values of the assets and liabilities recognised.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connected with business combinations were capitalised as part of the cost of the acquisition.

Where losses applicable to the minority exceed the minority's interest in the equity of a subsidiary, the excess, and any further losses applicable to the minority, are charged against the Group's interest except to the extent that the minority has a binding obligation to, and is able to, make additional investment to cover the losses. If the subsidiary subsequently reports profits, the Group's interest is allocated all such profits until the minority's share of losses previously absorbed by the Group has been recovered.

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group are recognised profit or loss. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary.

#### b) Subsidiaries

A subsidiary is an entity over which the Company is able to exercise control. Control is achieved where the Company, directly or indirectly, has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

### 4. 主要會計政策 (續)

#### a) 業務合併及綜合基準 (續)

*2010年1月1日之前之業務合併*

收購時，相關附屬公司之資產及負債按收購日期之公平值計量。少數股東權益則按少數股東佔已確認資產及負債公平值之比例列賬。

本集團在業務合併中產生之交易成本(與發行債券或股本證券有關之成本除外)已資本化為收購成本之一部分。

倘少數股東應佔虧損超出其所佔附屬公司之股本權益，則其差額及少數股東權益應佔之任何進一步虧損乃自本集團權益扣除，惟倘少數股東須承擔具約束力之責任，並有能力作出額外投資彌補虧損之情況則除外。倘附屬公司其後錄得溢利，則本集團權益會獲分配所有該等溢利，直至收回本集團早前承擔之少數股東應佔虧損為止。

本集團之政策為將與少數股東進行之交易視為與本集團以外人士進行之交易。本集團向少數股東所作出售所產生盈虧乃於損益內確認。向少數股東採購產生商譽，即所付任何代價與應佔所購入相關附屬公司資產賬面淨值之間的差額。

#### b) 附屬公司

附屬公司指本公司能對其行使控制權之實體。倘本公司直接或間接有權監控一家實體之財務及經營政策，並藉此從其活動中取得利益，即本公司具有控制權。在評估控制權時，已考慮現時可行使之潛在投票權。

在本公司之財務狀況表中，於附屬公司之投資按成本扣除減值虧損(如有)列賬。附屬公司之業績按已收及應收股息由本公司入賬。

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## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### c) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

#### d) Joint Venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

##### *Jointly controlled entities*

Jointly controlled entities are accounted for using equity method whereby they are initially recognised at cost and thereafter, their carrying amounts are adjusted for the Group's share of the post-acquisition change in the jointly controlled entities' net assets except that losses in excess of the Group's interest in the jointly controlled entities are not recognised unless there is an obligation to make good those losses.

### 4. 主要會計政策 (續)

#### c) 商譽

商譽初步按成本確認，即所轉讓代價總額及已確認之非控股權益金額超出所收購可辨別資產、負債及或有負債公平值之金額。

倘可辨別資產、負債及或有負債之公平值超出已付代價之公平值，則超出部分於重估後於收購日期在損益賬內確認。

商譽按成本減任何減值虧損計量。就減值測試而言，因收購而產生之商譽分配至相關預期受惠於收購所帶來協同效益之各現金產生單位。獲分配商譽之現金產生單位每年及每當有跡象顯示單位可能出現減值時進行減值測試。

就於某一財政年度進行收購產生之商譽而言，獲分配商譽之現金產生單位會於該財政年度完結之前進行減值測試。倘現金產生單位之可收回金額低於該單位之賬面值，則本集團首先會分配減值虧損以減少分配予該單位之任何商譽之賬面值，再根據該單位之各項資產之賬面值按比例分配至該單位之其他資產。商譽之任何減值虧損於損益賬內確認，且不會在其後期間撥回。

#### d) 合營公司

合營公司指本集團與其他有關方在共同控制下進行經濟活動之合約安排，合營各方不能單方面控制合營企業之經濟活動。

##### *共同控權合資公司*

共同控權合資公司採用權益法列賬，初步按成本確認，此後其賬面值就本集團應佔共同控權合資公司收購後之資產淨值變動作出調整，惟超出本集團所佔共同控權合資公司權益之虧損不予確認，除非有責任補償該等虧損則除外。

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(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### d) Joint Venture (Continued)

##### *Jointly controlled entities (Continued)*

Unrealised profits and losses resulting from transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are immediately recognised in profit or loss.

The Company's interests in jointly controlled entities are stated at cost less impairment losses, if any. Results of jointly controlled entities are accounted for by the Company on the basis of dividends received and receivable.

##### *Accounting for production sharing contracts*

Production sharing contracts constitute jointly controlled operations. The Group's interests in production sharing contracts are accounted for in the financial statements on the following bases:

- (i) the assets that the Group controls and the liabilities that the Group incurs; and
- (ii) the expenses that the Group shares and the Group's share of the income from production according to the terms of the contracts.

### 4. 主要會計政策 (續)

#### d) 合營公司 (續)

##### *共同控權合資公司 (續)*

本集團與其共同控權合資公司進行交易時所產生之未變現溢利及虧損，將按本集團所佔共同控權合資公司之權益對銷，但假如未變現虧損顯示已轉讓資產出現減值，則該等未變現虧損會即時在損益賬內確認。

本公司於共同控權合資公司之權益按成本扣除減值虧損(如有)列賬。共同控權合資公司之業績按已收及應收股息由本公司入賬。

##### *產品分成合同之會計處理*

產品分成合同構成共同控制之業務。本集團於產品分成合同之權益在財務報表內按下列基準列賬：

- (i) 本集團控制之資產及本集團產生之負債；及
- (ii) 按此等合約之條款分擔本集團所產生之開支及分享生產所得收入。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) Property, plant and equipment

The following items of property, plant and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and impairment losses.

- buildings held for own use which are situated on leasehold land, where the fair value of the buildings could be measured separately from the fair value of the leasehold land at the inception of the lease; and
- other items of plant and equipment.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised as an expense in profit or loss during the financial period in which they are incurred.

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells is capitalised as oil and gas properties under property, plant and equipment.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

### 4. 主要會計政策(續)

#### e) 物業、廠房及設備

下列各物業、廠房及設備項目乃按照成本扣除累計折舊及減值虧損於綜合財務狀況表列賬。

- 持作自用而建於租賃土地上之樓宇，且其公平值在租賃開始時可與租賃土地之公平值分開計量；及
- 其他廠房及設備項目。

物業、廠房及設備之成本包括其購入價及收購項目之直接應佔成本。

其後成本包括在資產賬面值內，或僅於與項目有關之未來經濟利益可能流向本集團且項目成本能可靠計量時確認為獨立資產（視何者適用而定）。替補部分之賬面值予以終止確認。所有其他維修及保養開支於其產生之財政期間在損益確認為開支。

興建、安裝或完成平臺、管道等基建設施及鑽探開發井之開支乃撥充作物業、廠房及設備項下之油氣資產。

報廢或出售一項物業、廠房及設備所產生之損益以出售所得款項淨額與該項目之賬面值之間之差額釐定，並於報廢或出售當日在損益賬內確認。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### e) Property, plant and equipment (Continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives. The estimated useful lives, residual values and depreciation method are reviewed at each reporting date, with the effect of any changes in estimate accounted for on a prospective basis.

- Buildings held for own used situated on leasehold land are depreciated over the shorter of the unexpired term of the lease and their estimated useful lives of not more than 50 years after the date of completion.
- Leasehold improvements are depreciated over the shorter of their estimated useful lives or the lease term.
- Refilling stations 10 years
- Oil and gas properties 10 – 14 years
- Furniture, fixtures and office equipment 5 – 7 years
- Motor vehicles 5 – 8 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

#### f) Intangible assets

##### *Oil exploitation rights and operation rights*

Oil exploitation rights and operation rights are stated at cost less accumulated amortisation and any impairment losses and are amortised on the units of production method utilising only proven and probable oil reserves in the depletion base.

Intangible assets of the oil exploitation rights and operation rights are tested for impairment when there is an indication that an asset may be impaired (see the accounting policies in respect of impairment of other assets set out in note 4(p)).

##### *Motor vehicle registration license*

Motor vehicle registration licenses with indefinite useful lives acquired are carried at cost less any accumulated impairment losses.

### 4. 主要會計政策 (續)

#### e) 物業、廠房及設備 (續)

折舊是在各項物業、廠房及設備之估計可使用年限內，以直線法減去其估計剩餘價值(如有)計算，以撇銷其成本值。估計可使用年限、剩餘價值及折舊法會於各報告日檢討，任何估計變動之影響按預期基準入賬。

- 持作自用而建於租賃土地上之樓宇乃按其餘下租賃年期及估計可使用年限(完成日期起計不超過50年)(以較短者為準)折舊。
- 租賃物業裝修按估計可使用年限或租賃期間(以較短者為準)折舊。
- 補給站 10年
- 油氣資產 10至14年
- 傢俬、固定裝置及辦公室設備 5至7年
- 汽車 5至8年

當一項物業、廠房及設備之各部分有不同之可使用年限，此項目各部分之成本將按合理基礎分配，而每部分將作個別折舊。資產之可使用年限及其剩餘價值(如有)於每年進行檢討。

#### f) 無形資產

##### *石油開採權及營運權*

石油開採權及營運權按成本減累計攤銷及任何減值虧損列賬，並按消耗基礎，僅按證實及概略石油儲量以生產單位法攤銷。

無形資產石油開採權及營運權於顯示資產可能出現減值時進行減值測試(請參閱附註4(p)所載有關其他資產減值之會計政策)。

##### *汽車登記牌照*

具無限使用年期之汽車登記牌照按成本減任何累計減值虧損列賬。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### f) Intangible assets (Continued)

##### *Motor vehicle registration license (Continued)*

The Group tested impairment for the indefinite useful lives motor vehicle licenses annually by comparing its carrying amounts with its recoverable amounts, irrespective of whether there is any indication that it may be impaired. 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, but when an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount to the extent 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.

#### g) Gas exploration and evaluation assets

Exploration and evaluation costs are initially capitalised. Such exploration and evaluation costs may include costs of licenses acquisition, technical services and studies, seismic acquisition, exploration drilling and testing, but do not include costs incurred prior to having obtained the legal rights to explore an area, which are expensed directly to profit or loss as they are incurred.

Tangible assets acquired for use in exploration and evaluation activities are classified as property, plant and equipment. However, to the extent that such tangible assets are consumed in developing an intangible exploration and evaluation assets, the amount reflecting the consumption is recorded as part of the cost of the intangible assets.

Intangible exploration and evaluation assets related to each exploration license/prospect are not depreciated and are carried forward until the existence (or otherwise) of commercial reserves has been determined. The Group's definition of commercial reserves for this purpose is proven and probable reserves on an entitlement basis including obtaining approval from the relevant PRC authorities in respect of the "overall development program" related to each license/prospect.

### 4. 主要會計政策 (續)

#### f) 無形資產 (續)

##### *汽車登記牌照 (續)*

就擁有無限使用年期之汽車登記牌照而言，不論其有否出現可能減值跡象，本集團均會每年透過比較汽車登記牌照之賬面值及其可收回金額為其進行減值測試。倘資產之可收回金額估計低於賬面值，則資產之賬面值會調低至其可收回金額。減值虧損即時確認為開支，惟倘減值虧損其後撥回，則資產之賬面值增加至經修訂之估計可收回金額，惟增加後之賬面值不可超逾倘資產於過往年度並無確認減值虧損而原應釐定之賬面值。

#### g) 天然氣勘探及評估資產

勘探及評估成本初步撥作資本。該等勘探及評估成本可包括購入特許證、技術服務及研究、採集地震數據、勘探鑽井及測試，但不可包括在獲得勘探某地帶之合法權力前所引致之費用，此等費用乃於產生時直接於損益賬列作開支。

購入以供勘探及評估活動應用之有形資產均列為物業、廠房及設備。然而，倘此等有形資產在展開無形勘探及評估資產時消耗，則所消耗之款額將錄為無形資產成本之一部份。

與無形勘探及評估資產有關之各項勘探特許證／前景不予折舊及予以結轉直至已確定存在(或不存在)商業儲量為止。就此而言，本集團對商業儲量之定義為按應佔基準計算之證實及概略儲量，包括獲得有關中國機關批准與各特許權／前景有關之「整體發展計劃」。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### g) Gas exploration and evaluation assets (Continued)

If commercial reserves have been discovered, the related exploration and evaluation assets are assessed for impairment as set out below and any impairment loss is recognised in profit or loss. The carrying value, after any impairment loss, of the relevant exploration and evaluation assets is then reclassified as development and production assets within property, plant and equipment.

Intangible exploration and evaluation assets that relate to exploration and evaluation activities that have resulted in the discovery of commercial reserves remain capitalised as intangible exploration and evaluation assets at cost less accumulated amortisation, subject to meeting impairment test. Such exploration and evaluation assets are amortised on a unit of production basis. Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount may exceed its recoverable amount. Such indicators include the point at which a determination is made as to whether or not commercial reserves exist. Where the exploration and evaluation assets concerned fall within the scope of an established full cost, the exploration and evaluation assets are tested for impairment together with all development and production assets associated with that cost, as a single cash generating unit. The aggregate carrying value is compared against the expected recoverable amount, generally by reference to the present value of the future net cash flows expected to be derived from production of commercial reserves. Where the exploration and evaluation assets to be tested fall outside the scope of any established cost, there will generally be no commercial reserves and the exploration and evaluation assets concerned will generally be written off in full.

Any impairment loss is recognised in profit or loss as additional depreciation and separately disclosed.

### 4. 主要會計政策 (續)

#### g) 天然氣勘探及評估資產 (續)

倘發現商業儲量，則有關之勘探及評估資產均按下列方式作減值評估，而任何減值虧損均會在損益賬內確認。有關勘探及評估資產在扣除減值虧損後之賬面值後，重新列作物業、廠房及設備中之開發及生產資產。

與勘探及評估活動有關，並因發現商業儲量而產生之無形勘探及評估資產仍然撥充資本並按成本減累計攤銷列作無形勘探及評估資產，惟須待通過減值測試後方可作實。該等勘探及評估資產均按生產單位為基準予以攤銷。勘探及評估資產在事實與情況均顯示賬面值可能超過其可收回款額之時進行減值評估。此等指標包括能斷定是否存在商業儲量之時刻。當有關之勘探及評估資產歸入設定之整體成本範圍內，則會對勘探及評估資產進行減值測試，連同與有關成本相關之所有開發及生產資產一併作為單一現金生產單位。一般而言，賬面值總額與預期可收回金額之比較乃藉著參考預期因生產商業儲量所得之未來現金流淨額之現值而作出。當將予測試之勘探及評估資產歸入任何既定成本範圍之外，則一般不會有任何商業儲量，而有關之勘探及評估資產一般將會全數撇銷。

任何減值虧損均在損益賬內確認為額外折舊，並予以獨立披露。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### h) Leases

##### (i) Classification of assets leased to the Group

Assets that are held by Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

##### (ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

#### i) Financial instruments

##### (i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

### 4. 主要會計政策 (續)

#### h) 租賃

##### (i) 租賃予本集團資產之分類

就本集團根據租賃而持有之資產，如有關租賃將擁有資產之絕大部分風險及回報轉移至本集團，則有關資產會分類為根據融資租賃持有。不會轉移擁有資產之絕大部分風險及回報至本集團之租賃乃分類為經營租賃。

##### (ii) 經營租賃開支

假如本集團使用經營租賃持有資產，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額分期在損益賬扣除；惟倘有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。租賃所涉及之激勵措施均在損益賬內確認為租賃淨付款總額之組成部分。或有租金於其產生之會計期間內在損益賬扣除。

以經營租賃持有土地之收購成本乃按直線法在租賃期內攤銷。

#### i) 財務工具

##### (i) 財務資產

本集團於初步確認時按收購資產之目的將財務資產分類。按公平值計入損益賬之財務資產初步按公平值計量，而所有其他財務資產則初步按公平值加收購財務資產之應佔直接交易成本計量。所有按常規購買或出售之財務資產乃按交易日基準確認及終止確認。所謂按常規購買或出售，指根據合約購買或出售財務資產，而該合約條款規定須一般按有關市場之規則或慣例所設時限內交付資產。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Financial instruments (Continued)

##### (i) Financial assets (Continued)

##### Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

##### (ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;

##### For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

### 4. 主要會計政策 (續)

#### i) 財務工具 (續)

##### (i) 財務資產 (續)

##### 貸款及應收款項

該等資產為沒有活躍市場報價並具固定或可確定收款金額之非衍生財務資產，主要透過向客戶(貿易債務人)提供貨品及服務而產生，亦涵蓋其他具有合約性之貨幣資產類別。初步確認後，該等資產採用實際利率法按攤銷成本減任何已確定之減值虧損列賬。

##### (ii) 財務資產之減值虧損

本集團於每個報告期間結束時評估是否存在客觀跡象顯示財務資產出現減值。倘於初步確認資產後發生一項或多項事件導致存在客觀減值跡象，而該項事件對財務資產之估計未來現金流量造成之影響能夠可靠地估計，則有關財務資產為出現減值。減值跡象包括：

- 債務人有重大財務困難；
- 違反合約，如違約或拖欠償還利息或本金；
- 由於債務人出現財務困難而給予債務人優惠條件；
- 債務人可能破產或進行其他財務重組；

##### 就貸款及應收款項而言

減值虧損於有客觀證據顯示資產已減值時在損益賬內確認，並按資產賬面值與以原實際利率折現之估計未來現金流量現值之差額計量。財務資產之賬面值透過使用撥備賬目減少。倘財務資產之任何部分被釐定為無法收回，則與相關財務資產之撥備賬目撇銷。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Financial instruments (Continued)

##### (ii) Impairment loss on financial assets (Continued)

##### For loans and receivables (Continued)

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

##### (iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

##### Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, the debt element of convertible debt issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

##### (iv) Convertible note containing liability and equity components

Convertible note issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

### 4. 主要會計政策 (續)

#### i) 財務工具 (續)

##### (ii) 財務資產之減值虧損 (續)

##### 就貸款及應收款項而言 (續)

倘資產可收回金額之增加客觀上可與確認減值後發生之事件有關，則減值虧損於其後期間撥回，惟該資產於撥回減值當日之賬面值不得超出倘並無確認減值原應有之攤銷成本。

##### (iii) 財務負債

本集團按產生負債之目的將其財務負債分類。按公平值計入損益賬之財務負債初步按公平值計量，而按攤銷成本計量之財務負債則初步按公平值減直接應佔所產生之成本計量。

##### 按攤銷成本計量之財務負債

按攤銷成本計量之財務負債包括應付賬款及其他應付款項、借貸及本集團所發行可換股債項之債務部分，其後使用實際利率法按攤銷成本計量。相關利息支出於損益賬確認。

當負債終止確認時，以及在攤銷過程中，收益或虧損會在損益賬內確認。

##### (iv) 包括負債及權益部分之可換股票據

本集團發行之可換股票據包括負債及兌換權部分，於初步確認時分別歸類至相關項目。將以指定金額現金或其他財務資產交換本公司指定數目之股本工具結算之兌換權分類為股本工具。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Financial instruments (Continued)

##### (iv) Convertible note containing liability and equity components (Continued)

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible note equity reserve).

In subsequent periods, the liability component of the convertible note is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible note equity reserve until the embedded option is exercised (in which case the balance stated in convertible note equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry dates, the balance stated in convertible note equity reserve will be released to retained earnings/accumulated losses. No gain or loss is recognised upon conversion or expiration of the option.

##### (v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

##### vi) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 4. 主要會計政策 (續)

#### i) 財務工具 (續)

##### (iv) 包括負債及權益部分之可換股票據 (續)

初步確認時，負債部分之公平值按同類非可換股債項之現行市場利率釐定。發行可換股票據之所得款項與撥入負債部分之公平值差額（即持有人將票據兌換為權益之兌換權）計入權益中之可換股票據權益儲備。

於其後期間，可換股票據之負債部分使用實際利率法按攤銷成本列賬。權益部分（即將負債部分兌換為本公司普通股之選擇權）保留於可換股票據權益儲備，直至附帶選擇權獲行使為止，屆時可換股票據權益儲備之結餘將轉撥至股份溢價。倘選擇權於到期日仍未行使，則可換股票據權益儲備之結餘將轉撥至保留盈利／累計虧損。選擇權兌換或到期時不會確認任何收益或虧損。

##### (v) 實際利率法

實際利率法乃財務資產或財務負債攤銷成本及於有關期間分配利息收入或利息支出之計算方法。實際利率乃於財務資產或負債之預期年期或（倘適用）較短期間用作準確折現估計未來現金收款或付款之利率。

##### vi) 股本工具

由本公司發行之股本工具按收取之款項扣除直接發行成本入賬。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### i) Financial instruments (Continued)

##### (vi) Equity instruments (Continued)

Warrants issued by the Company that will be settled by a fixed amount of cash for fixed number of the Company's own equity instruments are equity (warrant reserve). The warrant reserve will be transferred to the share capital and share premium accounts upon the exercise of the warrants. When the warrants are still not yet exercised at the expiry date, the amount previously recognised in warrant reserve will be transferred to retain earnings/accumulated losses.

##### (vii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

#### j) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

#### k) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost of the crude oil and natural gas is calculated using the weighted average cost method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

### 4. 主要會計政策 (續)

#### i) 財務工具 (續)

##### (vi) 股本工具 (續)

本公司發行之認股權證乃一種股本(認股權證儲備)，其將以指定金額現金交換本公司指定數目股本工具之方式結算。認股權證儲備將於行使認股權證時轉撥至股本及股份溢價賬。倘認股權證於到期日仍未行使，則先前於認股權證儲備確認之金額將轉撥至保留盈利／累計虧損。

##### (vii) 終止確認

倘涉及財務資產之未來現金流量之合約權利屆滿，或倘財務資產已經轉讓，而有關轉讓符合香港會計準則第39號之終止確認標準，則本集團可終止確認該項財務資產。

財務負債於有關合約內指定之責任獲履行、被取消或到期時終止確認。

#### j) 現金及現金等價物

現金及現金等價物包括手頭現金及銀行通知存款以及其他具高流動性之短期投資，此等投資可隨時變現為可知數量之現金，而所須承受之價值變動風險屬輕微。

#### k) 存貨

存貨初步按成本確認，其後按成本及可變現淨值兩者中之較低數額確認。成本包括所有採購成本、加工成本及將存貨運輸至現時地點及變成現狀所產生之其他成本。原油及天然氣之成本以加權平均成本法計算。可變現淨值指以日常業務過程中之估計售價減去銷售所需之估計成本後所得之數。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### I) Provisions and contingent liabilities

##### (i) Provisions

##### General

Provision are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 4. 主要會計政策 (續)

#### I) 撥備及或有負債

##### (i) 撥備

##### 一般情況

倘若本集團須就已發生事件承擔現有法律或推定責任，而本集團有可能須履行有關責任，且能夠可靠地估計有關責任數額，則會確認撥備。

已確認為撥備之數額乃計及有關責任之風險及不確定因素後，於報告期間結束時履行現有責任所需代價之最佳估計數額。倘撥備以預期履行現有責任之現金流量計算，則其賬面值為該等現金流量之現值。

倘預期結算撥備所需之部分或全部經濟利益可自第三方收回，且幾乎肯定能收回償付金額及應收款項金額能可靠地計量，則該應收款項將確認為資產。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### l) Provisions and contingent liabilities (Continued)

##### (i) Provisions (Continued)

##### **Decommissioning liability**

Decommissioning liability is recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is also recognised as part of the cost of the related property, plant and equipment. The amount recognised is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost.

##### (ii) Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

#### m) Income tax

Income tax expense represents current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

### 4. 主要會計政策 (續)

#### l) 撥備及或有負債 (續)

##### (i) 撥備 (續)

##### **停止運作負債**

本集團因過往事件產生法律或推定責任，並可能流出資源以清償該責任而有關責任之金額能可靠估計時，則確認停止運作負債。相等於有關撥備之相應金額亦確認為相關物業、廠房及設備成本之一部分。所確認之金額為停止運作之估計成本並經折現至其現值。停止運作之估計時間或停止運作成本估計數字之變動乃透過將撥備之調整金額及物業、廠房及設備之相應調整金額記錄入賬之方式處理。停止運作撥備折現值回撥入賬列為融資成本。

##### (ii) 或有負債

或有負債指一項因已發生事件而可能引致之責任，而其存在與否僅取決於日後是否發生一件或以上並非完全受本集團控制之不確定事件而定。或有負債亦可能是已發生事件所引致之現有承擔，但由於可能不需要有經濟資源流出，或承擔金額不能可靠地計量而未有確認。

或有負債不予確認，但須於財務報表中披露。當經濟資源流出之可能性改變而可能導致資源流出時，則或有負債將確認為撥備。

#### m) 所得稅

所得稅支出指現時應付稅項及遞延稅項之總和。

即期稅項乃按已就毋須就所得稅課稅或不可扣減所得稅之項目作出調整之日常業務損益，按報告期間結束時已頒佈或實際頒佈之稅率計算。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### m) Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, 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.

Income taxes are recognised in profit or loss except when they relate to items directly recognised in other comprehensive income in which case the taxes are also directly recognised in other comprehensive income.

#### n) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which it operates (the "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. 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.

### 4. 主要會計政策 (續)

#### m) 所得稅 (續)

遞延稅項乃就財務報告之資產及負債之賬面值與就稅務所用相應數值間之暫時差額確認。除不影響會計或應課稅溢利之商譽及已確認資產及負債外，所有暫時差額之遞延稅項負債均會確認。遞延稅項資產僅在應課稅溢利可供可扣減暫時差額抵銷時確認。遞延稅項乃按預期適用於清償負債或變現資產期間之稅率，按報告期間結束時已頒佈或實際頒佈之稅率計量。

除本集團可控制暫時差額之撥回而暫時差額有可能在可預見未來不予撥回之情況外，因投資附屬公司、聯營公司及共同控股合資公司而引致之應課稅暫時差額會確認遞延稅項負債。

所得稅乃於損益賬內確認，惟所得稅與直接於其他全面收益確認之項目有關則除外，在此情況下，所得稅亦直接於其他全面收益確認。

#### n) 外幣

本集團旗下各實體以其經營業務所在之主要經濟環境之貨幣(「功能貨幣」)以外其他貨幣進行之交易，乃按交易當日之匯率入賬。以外幣為單位之貨幣資產及負債按報告期間結束時之匯率換算。以外幣表示公平值之非貨幣項目按公平值釐定當日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### n) Foreign currencies (Continued)

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which case, the exchange differences are also recognised directly in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities' separate financial statements on the translation of long-term monetary items forming part of the Group's net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

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

### 4. 主要會計政策 (續)

#### n) 外幣 (續)

因結算及換算貨幣項目所產生之匯兌差異，於產生期間之損益賬內確認。重新換算按公平值列賬之非貨幣項目所產生之匯兌差異計入期內損益賬，惟重新換算有關收益及虧損而直接於其他全面收益確認之非貨幣項目所產生之匯兌差異，亦直接於其他全面收益確認。

綜合賬目時，海外業務之收入及支出項目以年內平均匯率換算為本集團之呈報貨幣（即港元），除非期內匯率大幅波動，在此情況下，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期間結束時之匯率換算。所產生之匯兌差異（如有），於其他全面收益確認，並於權益累計入賬為外匯儲備（在適當情況下歸屬於少數股東權益）。於換算構成本集團於所涉海外業務之部分投資淨額之長期貨幣項目時，在本集團旗下各實體獨立財務報表之損益賬內確認之匯兌差異則重新分類至其他全面收益，並於權益累計入賬為外匯儲備。

出售海外業務時，外匯儲備內確認該業務截至出售日期止之累計匯兌差異將轉至損益賬，作為出售損益之一部分。

於2005年1月1日或之後，於收購海外業務時產生之所收購可辨別資產之商譽及公平值調整乃作為該海外經營業務之資產及負債處理，並按報告期間結束時之適用匯率進行換算。產生之匯兌差異乃於外匯儲備內確認。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### o) Employees' benefits

##### i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

##### ii) Share-based payments

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.

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. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share option reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of each reporting period.

### 4. 主要會計政策 (續)

#### o) 僱員福利

##### i) 短期僱員福利及界定供款退休計劃之供款

薪金、年度花紅、有薪年假、界定供款退休計劃供款及非貨幣福利成本在僱員提供相關服務之年度內累計。如屬遞延付款或結算，而其影響可能很大，則該等數額會以現值列示。

##### ii) 以股份支付之款項

向僱員及提供類似服務之其他人士支付股本結算以股份支付之款項，乃以股本工具於授出日期之公平值計量。

於股本結算以股份支付之款項授出日期釐定之公平值會於歸屬期內根據最終將會歸屬之本集團股本工具之估計，按直線法支銷。於各報告期間結束時，本集團會修訂預期將歸屬之股本工具數目之估計數字。對原估計進行修訂(如有)所產生之影響乃於餘下歸屬期於損益賬內確認，並對購股權儲備作出相應調整。

與其他人士所進行股本結算以股份付款之交易，乃以所獲貨品或服務之公平值計量，惟倘公平值未能可靠地估計，則將於本集團獲得貨品或交易方提供服務當日以授出股本工具之公平值計量。

就現金結算以股份支付之款項而言，相等於所獲貨品或服務部分之負債按於各報告期間結束時釐定之當前公平值確認。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### o) Employees' benefits (Continued)

##### iii) Retirement benefits scheme

The Group operates a defined contribution Mandatory Provident Fund retirement benefits scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance for all of its employees in Hong Kong. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the Scheme. The assets of the Scheme are held separately from those of the Group in an independently administered fund. The Group's contributions as employer vest fully with the employees when contributed into the Scheme.

The Group has joined a mandatory central pension scheme organised by the PRC government for certain of its employees, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees' salaries and are charged to profit or loss as they became payable, in accordance with the rules of the scheme. The employer's contributions vest fully once they are made.

#### p) Impairment of other assets

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment under cost model;
- oil exploitation rights and operation rights
- interests in leasehold land held for own use under operating lease; and
- investments in subsidiaries and jointly controlled entity

If the recoverable amount (i.e. the greater of the fair value less costs to sell and value in use) 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, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

### 4. 主要會計政策 (續)

#### o) 僱員福利 (續)

##### iii) 退休福利計劃

本集團根據強制性公積金計劃條例，為其香港所有僱員設立定額供款強制性公積金退休福利計劃(「該計劃」)。供款乃以僱員之基本薪金百分比作出，並根據該計劃之規則於應付時在損益賬內扣除。該計劃之資產乃存放於一個獨立管理之基金內，與本集團之資產分開持有。當本集團向該計劃供款後，僱員有權完全享有僱主供款。

本集團已為若干僱員參加由中國政府管理之強制性中央退休金計劃，計劃資產與本集團資產分開持有。供款乃以合資格僱員之薪金百分比作出，並根據計劃之規則於應付時在損益賬內扣除。僱主供款於作出供款時即全數歸屬僱員。

#### p) 其他資產之減值

於每個報告期間結束時，本集團審閱下列資產之賬面值，以判斷是否有任何跡象顯示該等資產出現減值虧損，或先前確認之減值虧損已不復存在或已有所減少：

- 成本模式下之物業、廠房及設備；
- 石油開採權及營運權
- 於經營租賃下持作自用之租賃土地之權益；及
- 於附屬公司及共同控權合資公司之投資

倘資產之可收回金額(即公平值減銷售成本之差額或使用價值之較高者)估計低於其賬面值，則資產之賬面值會調低至其可收回金額。減值虧損即時確認為開支，惟倘有關資產根據另一項香港財務報告準則以重估金額列賬，則減值虧損根據該項香港財務報告準則視作重估價值減少處理。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### p) Impairment of other assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent 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, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that other HKFRS.

#### q) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets, are substantially ready for their intended use or sale.

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

#### r) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs when the operation is abandoned.

### 4. 主要會計政策 (續)

#### p) 其他資產之減值 (續)

倘減值虧損其後撥回，則資產之賬面值增加至其經修訂之估計可收回金額，惟增加後之賬面值不可超逾倘資產於過往年度並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時確認為收入，惟倘有關資產根據另一項香港財務報告準則以重估金額列賬，則減值虧損撥回根據該項其他香港財務報告準則視作重估價值增加處理。

#### q) 借貸成本

需要相當長時間才可以投入原定用途或銷售之合資格資產在購入、建設或生產過程中直接引致之借貸成本，均撥充資本作為該等資產之部分成本，直至該等資產大致上可作其原定用途或銷售。

所有其他借貸成本均於產生期間於損益賬內確認。

#### r) 已終止經營業務

已終止經營業務為本集團業務一部分，其營運及現金流量可明確地與本集團其他業務區分。已終止經營業務代表一項按業務或經營地區劃分之獨立主要業務，或作為出售一項按業務或經營地區劃分之獨立主要業務之單一統籌計劃之一部分，或為一家純粹為轉售而收購之附屬公司。

倘業務被出售或符合列為持作出售項目之準則（以較早者為準），則分類為已終止經營業務。撤出業務時，有關業務亦會分類為已終止經營業務。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### r) Discontinued operations (Continued)

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of comprehensive income, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal group(s) constituting the discontinued operation.

#### s) 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 and excluded value added tax or other sales related taxes.

##### (i) Sale of crude oil

Revenue is recognised when crude oil is delivered at the customers' premises which is taken to be the point in time when the customer has accepted the crude oil delivered and the related risks and rewards of ownership.

##### (ii) Sale of natural gas

Revenue from sale of natural gas from the continuing operation is recognised when the natural gas is siphoned to the customers' tankers which is taken to be the point in time when the customer has accepted the natural gas delivered and the related risks and rewards of ownership.

Revenue from sale of liquefied petroleum gas ("LPG") and natural gas in refilling stations from the discontinued operation is recognised upon completion of the gas filling transactions.

##### (iii) Interest income

Interest income is accrued on a time-apportioned basis by reference to the principal outstanding using the effective interest method.

### 4. 主要會計政策 (續)

#### r) 已終止經營業務 (續)

倘業務分類為已終止經營，則全面收益表上會呈列單一數額，當中包含：

- 已終止經營業務之除稅後損益；及
- 就構成已終止經營業務之資產或出售組合計算公平值減銷售成本或計算出售時公平值之時，所確認之除稅後收益或虧損。

#### s) 收入確認

收入乃以已收或應收代價之公平值計量。收入已就估計客戶退貨、回扣及其他類似津貼作出扣減，惟不包括增值稅或其他銷售稅。

##### (i) 銷售原油

收入在原油送達客戶物業時（即視為客戶接收已送達原油及其擁有權相關之風險及回報時）確認。

##### (ii) 銷售天然氣

來自持續經營業務之天然氣銷售收入在天然氣吸入至客戶之油箱時（即視為客戶接收已送達天然氣及其擁有權相關之風險及回報時）確認。

來自已終止經營業務之補給站液化石油氣（「液化石油氣」）及天然氣銷售收入乃於氣體供應交易完成時確認。

##### (iii) 利息收入

利息收入就未償還本金額使用實際利率法按時間比例基準累計。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 5. TURNOVER

The principal activities of the Group are operation of (i) exploitation and sale of crude oil and natural gas and (ii) exploration, development and production of coalbed methane. Since the operation of exploration, development and production of coalbed methane is in the exploration stage, no turnover was generated during the year 2010. The activities relating to the operation of refilling stations supplying natural gas and LPG for vehicles use and sale of LPG in cylinders were discontinued during the year 2009 as a result of the disposal of Excellent Century Limited and its subsidiaries (note 12).

The amount of each significant category of revenue recognised in turnover during the year was as follows:

### 5. 營業額

本集團之主要業務為經營(i)開採及銷售原油及天然氣及(ii)勘探、開發及生產煤層氣。由於勘探、開發及生產煤層氣之業務尚在勘探階段，故此於2010年內並無任何營業額產生。由於出售耀暉世紀有限公司及其附屬公司，有關經營供應汽車用天然氣及液化石油氣之補給站及銷售罐裝液化石油氣之業務已於2009年度終止經營(附註12)。

年內在營業額確認之每項主要收入類別之款額如下：

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
<i>Continuing operations</i>	<i>持續經營業務</i>		
Sale of crude oil	銷售原油	23,899	15,155
Sale of natural gas	銷售天然氣	5,325	—
		<u>29,224</u>	<u>15,155</u>
<i>Discontinued operations (note 12)</i>	<i>已終止經營業務(附註12)</i>		
Sale of natural gas and LPG at refilling stations	在補給站銷售天然氣及 液化石油氣	—	19,279
		<u>29,224</u>	<u>34,434</u>



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 6. OTHER REVENUE

### 6. 其他收入

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
<i>Continuing operations</i>	<i>持續經營業務</i>		
Interest income on bank deposits	銀行存款利息收入	103	193
Imputed interest income on notes receivable	應收票據之應歸利息收入	1,444	—
Rental income	租金收入	115	583
Compensation (note)	賠償(註)	2,962	1,481
Others	其他	934	26
		<b>5,558</b>	2,283
<i>Discontinued operations (note 12)</i>	<i>已終止經營業務(附註12)</i>		
Interest income on bank deposits	銀行存款利息收入	—	5
		<b>5,558</b>	2,288

Note: During the year 2009, the Group received compensation of HK\$4,443,000 from an operating consultant for causing a technical fault in the production of crude oil which resulted in less crude oil being produced from the Liuluoyu Oil Field since it was acquired by the Group. The fault was only temporary and production had resumed to most the normal level by the beginning of year 2010. The Group originally expected it would take up to 36 months to make up the loss in production caused by the fault and decided to recognise the compensation received as other income over a period of three years from February 2009. During the year 2010, the Group continued to make progress and the rate of crude oil production in the Liuluoyu Oil Field exceeded expectation of management. Accordingly, management considered it would be appropriate to recognise the balance of compensation of HK\$2,962,000 in year 2010.

註：於2009年期間，本集團從營運顧問獲得賠償4,443,000港元，因為自本集團收購柳洛峪油田以來其原油生產技術失誤導致產油量下降。有關失誤只屬短暫，於2010年初產量亦已大部分回復正常水平。本集團初時預期將需要最多36個月以彌補有關失誤所導致產量下降之損失，並決定於2009年2月起三年期間將所收取之賠償確認為其他收入。於2010年度內，本集團持續取得進展，而柳洛峪油田之原油生產率亦超過管理層之預期。因此，管理層認為2,962,000港元賠償餘額應當於2010年度確認。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 7. OTHER GAINS AND (LOSSES), NET

### 7. 其他收益及(虧損)淨額

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
<i>Continuing operations</i>	<i>持續經營業務</i>		
Impairment loss on goodwill (note 21)	商譽之減值虧損(附註21)	-	(4,000)
Other receivables written off	其他應收款項撇銷	<b>(465)</b>	-
Fair value loss on notes receivable	應收票據之公平值虧損	-	(1,000)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備 之虧損	<b>(3)</b>	-
Exchange gains, net	匯兌收益淨額	<b>1,439</b>	408
Excess of the Group's share of the fair value of net assets of the Yanjiawan Oil Field acquired over the cost of acquisition (note 38(b)(ii))	集團購入閩家灣油田權益所佔 之淨資產公平值高於購入 成本(附註38(b)(ii))	-	4,585
Gain on disposal of available-for-sale investments	出售可供出售投資之收益	-	1,056
Gain on disposal of subsidiaries (note 37(a))	出售附屬公司之收益 (附註37(a))	<b>72,798</b>	-
Loss on redemption of convertible note (note 32)	贖回可換股票據之虧損 (附註32)	<b>(703)</b>	-
		<b>73,066</b>	1,049

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 8. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSES

Profit/(loss) before income tax expenses is arrived at after charging/(crediting):

### 8. 除所得稅支出前溢利／（虧損）

除所得稅支出前溢利／（虧損）已扣除／（計入）：

	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
<b>a) Finance costs</b>		
<i>Continuing operations</i>		
Imputed interest on convertible note (note 32)	1,452	1,555
Interest on borrowing repayable within one year	-	212
Interest on loan from third parties repayable within one year	196	-
Less: interest capitalised to gas exploration and evaluation assets (note 19)	(196)	-
Others	1	-
	<u>1,453</u>	<u>1,767</u>
<b>b) Staff costs (including directors' remuneration in note 10)</b>		
<i>Continuing operations</i>		
Salaries, wages and other benefits	13,995	10,612
Equity-settled share-based payment expenses (note 35)	19,200	-
Contributions to defined contribution retirement plan	613	169
	<u>33,808</u>	<u>10,781</u>
<i>Discontinued operations (note 12)</i>		
Salaries, wages and other benefits	-	599
	<u>33,808</u>	<u>11,380</u>

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 8. PROFIT/(LOSS) BEFORE INCOME TAX EXPENSES (Continued)

### 8. 除所得稅支出前溢利／(虧損) (續)

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
<b>c) Other items</b>	<b>c) 其他項目</b>		
<i>Continuing operations</i>	<i>持續經營業務</i>		
Cost of inventories	存貨成本	446	-
Auditor's remuneration	核數師酬金	1,243	913
Depreciation of property, plant and equipment (note 17)	物業、廠房及設備折舊 (附註17)	10,351	7,741
Amortisation of intangible assets # (note 20)	無形資產之攤銷# (附註20)	323	122
Operating lease charges – minimum lease payments – property rentals	經營租賃開支最低租賃款項 – 物業租金	2,788	2,527
<i>Discontinued operations (note 12)</i>	<i>已終止經營業務 (附註12)</i>		
Cost of inventories	存貨成本	-	9,717
Auditor's remuneration	核數師酬金	-	62
Depreciation of property, plant and equipment (note 17)	物業、廠房及設備折舊 (附註17)	-	1,624
Amortisation of prepaid lease payments (note 18)	租賃預付款項攤銷 (附註18)	-	155

# Included in "direct costs" as disclosed in the consolidated statement of comprehensive income.

# 計入綜合全面收益表所披露之「直接成本」。

### 9. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made as the group companies comprising the continuing operations did not have any estimated assessable profits subject to Hong Kong profits tax during the years ended 31 December 2010 and 2009. During the year 2010, the subsidiaries in the PRC are subject to statutory tax rate of 25%. The PRC subsidiaries did not have any assessable income subject to PRC income tax during the year ended 31 December 2009. The former subsidiaries in the United States ("US"), which are subject to a tax rate of 34%, incurred losses for tax purpose during the years ended 31 December 2010 and 2009.

### 9. 所得稅支出

截至2010年及2009年12月31日止年度內，由於含有持續經營業務之集團公司並無須繳納香港利得稅之估計應課稅溢利，故並無計提香港利得稅撥備。於2010年度內，位於中國之附屬公司按法定稅率25%繳納稅項。於截至2009年12月31日止年度內，有關中國之附屬公司並無任何中國所得稅之應課稅收入。位於美國之前附屬公司按稅率34%繳納稅項，而該等附屬公司於截至2010年及2009年12月31日止年度內產生稅項虧損。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 9. INCOME TAX EXPENSES (Continued)

- (i) The amount of income tax expenses charged to the consolidated statement of comprehensive income represents:

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Current income tax	即期所得稅		
– PRC enterprises income tax	– 中國企業所得稅	873	–
Deferred tax expenses for the year (note 33)	年內遞延稅項支出(附註33)	2,637	–
Income tax expenses	所得稅支出	<b>3,510</b>	–

- (ii) The income tax expenses for the year can be reconciled to the Group's profit/(loss) before income tax expenses per the consolidated statement of comprehensive income as follows:

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Profit/(loss) before income tax expenses	除所得稅支出前溢利/(虧損)	8,194	(32,940)
Tax on profit/(loss) before income tax expenses, calculated at 25% (2009: 25%)	除所得稅支出前溢利/(虧損)按25%稅項計算之稅項(2009年: 25%)	2,049	(8,235)
Effect of different tax rates of subsidiaries operating in other jurisdictions	於其他司法權區營運之附屬公司不同稅率之影響	(1,557)	(35)
Tax effect of non-deductible expenses	不可扣除支出之稅務影響	11,639	6,526
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(16,057)	(3,962)
Utilisation of tax losses previously not recognised	動用先前未確認稅項虧損	(45)	(54)
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	4,844	5,760
Tax effect of temporary differences not recognised previously	過往未確認之暫時差額之稅務影響	2,637	–
Income tax expenses	所得稅支出	<b>3,510</b>	–

### 9. 所得稅支出(續)

- (i) 於綜合全面收益表扣除之所得稅支出額即：

	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Current income tax		
– PRC enterprises income tax	873	–
Deferred tax expenses for the year (note 33)	2,637	–
Income tax expenses	<b>3,510</b>	–

- (ii) 本年度之所得稅支出與綜合全面收益表之本集團除所得稅支出前溢利/(虧損)對賬如下：

	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Profit/(loss) before income tax expenses	8,194	(32,940)
Tax on profit/(loss) before income tax expenses, calculated at 25% (2009: 25%)	2,049	(8,235)
Effect of different tax rates of subsidiaries operating in other jurisdictions	(1,557)	(35)
Tax effect of non-deductible expenses	11,639	6,526
Tax effect of non-taxable income	(16,057)	(3,962)
Utilisation of tax losses previously not recognised	(45)	(54)
Tax effect of tax losses not recognised	4,844	5,760
Tax effect of temporary differences not recognised previously	2,637	–
Income tax expenses	<b>3,510</b>	–

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 10. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

For the year ended 31 December 2010 are as follows:

### 10. 董事酬金

根據香港公司條例第161條披露之董事酬金如下：

截至2010年12月31日止年度如下：

		Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments (note 35)	Total
		董事袍金	薪金、津貼及實物利益	退休計劃供款	小計	以股份支付之款項	總計
		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
Executive directors	執行董事						
Dai Xiaobing <sup>1</sup>	戴小兵 <sup>1</sup>	-	900	1	901	-	901
Wang Ziming <sup>2</sup>	王自明 <sup>2</sup>	-	474	-	474	-	474
Jiang Rizhong <sup>4</sup>	姜日忠 <sup>4</sup>	-	210	-	210	-	210
Kong Siu Tim	江少甜	-	1,290	12	1,302	436	1,738
Wan Tze Fan Terence	溫子勳	-	1,169	12	1,181	-	1,181
		-	4,043	25	4,068	436	4,504
Independent non-executive directors	獨立非執行董事						
Di Lingjun <sup>2</sup>	邱領軍 <sup>2</sup>	75	-	-	75	-	75
Wong Lung Tak Patrick <sup>2</sup>	黃龍德 <sup>2</sup>	75	-	-	75	-	75
Yip Ching Shan <sup>5</sup>	葉青山 <sup>5</sup>	90	-	-	90	175	265
Ni Zhenwei <sup>3</sup>	倪振偉 <sup>3</sup>	90	-	-	90	175	265
Wong Kwok Chuen Peter	黃國全	165	-	-	165	175	340
		495	-	-	495	525	1,020
Non-executive director	非執行董事						
Ni Zhenwei <sup>3</sup>	倪振偉 <sup>3</sup>	75	-	-	75	-	75
		570	4,043	25	4,638	961	5,599

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 10. DIRECTORS' REMUNERATION (Continued)

For the year ended 31 December 2009 are as follows:

### 10. 董事酬金(續)

截至2009年12月31日止年度如下：

		Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments (note 35)	Total
		董事袍金	薪金、津貼及實物利益	退休計劃供款	小計	以股份支付之款項(附註35)	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
Executive directors	執行董事						
Xing Xiao Jing <sup>6</sup>	邢曉晶 <sup>6</sup>	-	345	3	348	-	348
Ma Ji <sup>6</sup>	馬驥 <sup>6</sup>	-	42	-	42	-	42
Kong Siu Tim	江少甜	-	1,118	12	1,130	-	1,130
Jiang Rizhong	姜日忠	-	511	-	511	-	511
Wan Tze Fan Terence	溫子勳	-	812	10	822	-	822
		-	2,828	25	2,853	-	2,853
Independent non-executive directors	獨立非執行董事						
Yip Ching Shan	葉青山	144	-	-	144	-	144
Ni Zhenwei	倪振偉	144	-	-	144	-	144
Wong Kwok Chuen Peter	黃國全	144	-	-	144	-	144
		432	-	-	432	-	432
		432	2,828	25	3,285	-	3,285

Notes:

1. Appointed in May 2010
2. Appointed in August 2010
3. Redesignated from independent non-executive director to non-executive director in August 2010
4. Resigned in May 2010
5. Resigned in August 2010
6. Resigned in March 2009

附註：

1. 於2010年5月獲委任
2. 於2010年8月獲委任
3. 於2010年8月由獨立非執行董事調任為非執行董事
4. 於2010年5月辭任
5. 於2010年8月辭任
6. 於2009年3月辭任

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 10. DIRECTORS' REMUNERATION (Continued)

During the year, no emoluments (2009: HK\$ Nil) were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as a compensation for loss of office. None of the directors waived or agreed to waive any remuneration for the years ended 31 December 2010 and 2009.

Note: These represented the estimated fair value of share options granted to the directors under the Company's share option scheme. The value of these share options was measured according to the Group's accounting policy for share-based payment transactions as set out in note 4(o)(ii).

Details of the Company's share option scheme, including the principal terms and number of options granted, are disclosed in the directors' report and note 35.

### 11. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2009: three) were directors of the Company whose emoluments are disclosed in note 10. The emoluments of the remaining two (2009: two) individuals are as follows:

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Salaries and other emoluments	薪金及其他酬金	1,985	1,492
Share-based payments	以股份支付之款項	52	-
Retirement scheme contributions	退休計劃供款	24	-
		<b>2,061</b>	<b>1,492</b>

### 10. 董事酬金 (續)

年內，本集團並無向任何董事支付酬金 (2009年：無) 作為彼等加入或於加入本集團時之獎勵或作為離職之補償。截至2010年及2009年12月31日止年度，概無董事放棄或同意放棄任何酬金。

附註：以股份支付之款項指根據本公司購股權計劃授予董事之購股權之估計價值。此等購股權之價值乃根據附註4(o)(ii)所載以股份支付之交易之本集團會計政策計量。

本公司購股權計劃之詳情 (包括所授出購股權之主要條款及數目) 已於董事會報告及附註35披露。

### 11. 最高薪人士

本集團五位最高薪人士中，三位 (2009年：三位) 為本公司之董事，其酬金已在附註10披露。其餘兩位 (2009年：兩位) 最高薪人士之酬金如下：



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 11. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

The emoluments of the two (2009: two) non-director individuals with the highest emoluments are within the following bands:

		2010 Number of individuals 人數	2009 Number of individuals 人數
Below HK\$1,000,000	1,000,000港元以下	1	2
HK\$1,000,000 – HK\$1,500,000	1,000,000港元至1,500,000港元	1	–
		<u>2</u>	<u>2</u>

During the year, no emoluments (2009: Nil) were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office.

### 12. DISCONTINUED OPERATIONS

On 11 May 2009, the Group entered into an agreement to dispose of Excellent Century Limited and its subsidiaries ("Excellent Group"), which engages in sale of natural gas and LPG at refilling stations, to an independent third party for a consideration of HK\$21,000,000. The disposal was effected to streamline the non-core business. The disposal was completed on 8 July 2009, when the control of Excellent Group was passed to the acquirer.

The profit of the discontinued operations was as follows:

		HK\$'000 千港元
Gain on disposal of Excellent Group (note 37(b))	出售耀暉集團之收益(附註37(b))	11,593
Profit for the period (note a)	期內溢利(附註a)	<u>2,422</u>
		<u>14,015</u>

### 11. 最高薪人士(續)

最高薪之兩位(2009年:兩位)非董事人士之酬金介乎下列範圍:

	2010 Number of individuals 人數	2009 Number of individuals 人數
Below HK\$1,000,000	1	2
HK\$1,000,000 – HK\$1,500,000	1	–
	<u>2</u>	<u>2</u>

本集團於年內概無支付任何酬金(2009年:無)予任何五位最高薪人士,作為彼等加入或於加入本集團時之獎勵或作為離職之補償。

### 12. 已終止經營業務

本集團於2009年5月11日訂立一份協議,以21,000,000港元代價出售耀暉世紀有限公司及其附屬公司(「耀暉集團」)予一名獨立第三者。耀暉集團從事於補給站銷售天然氣及液化石油氣。該項出售實現精簡非核心業務。該項出售於2009年7月8日完成,即耀暉集團之控制權轉讓予收購方之日期。

已終止經營業務之溢利如下:

	HK\$'000 千港元
Gain on disposal of Excellent Group (note 37(b))	11,593
Profit for the period (note a)	<u>2,422</u>
	<u>14,015</u>

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 12. DISCONTINUED OPERATIONS (Continued)

- a) The results from discontinued operations for the period from 1 January 2009 to date of disposal were as follows:

		Notes 附註	HK\$' 000 千港元
Turnover	營業額	5 & 16	19,279
Cost of sales and services	銷售及服務成本		(11,462)
Gross profit	毛利		7,817
Other revenue	其他收入	6	5
Selling expenses	銷售支出		(3,693)
Administrative expenses	行政費用		(1,056)
Profit before income tax expenses	除所得稅支出前溢利		3,073
Income tax expenses	所得稅支出		(651)
Profit for the period	期內溢利		2,422

- b) The cash flows from discontinued operations for the period from 1 January 2009 to date of disposal were as follows:

		HK\$' 000 千港元
Net cash inflow from operating activities	經營業務之現金流入淨額	17,246
Net cash outflow from investing activities	投資活動之現金流出淨額	(310)
Net cash outflow from financing activities	融資活動之現金流出淨額	(13,230)
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	3,706

The carrying amounts of the assets and liabilities of Excellent Group as at the date of disposal are disclosed in note 37(b).

The disposal resulted in a gain of HK\$11,593,000, being disposal proceeds less the carrying amount of the net assets of Excellent Group. No tax charge or tax credit arose from the disposal.

### 12. 已終止經營業務(續)

- a) 已終止經營業務於2009年1月1日起至出售日期止期間之業績如下：

- b) 已終止經營業務於2009年1月1日起至出售日期止期間之現金流量如下：

耀暉集團於出售日期之資產及負債之賬面值於附註37(b)披露。

該項出售導致產生收益11,593,000港元，即出售所得款項減耀暉集團資產淨值之賬面值。該項出售並無產生任何稅務支出或稅務抵免。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 13. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company includes a loss of HK\$29,949,000 (2009: HK\$7,882,000) which has been dealt with in the financial statements of the Company.

### 14. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 December 2010 (2009: Nil).

### 15. EARNINGS/(LOSS) PER SHARE

#### a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit/(loss) attributable to owners of the Company of HK\$6,108,000 (2009: loss of HK\$18,784,000) and the weighted average number of 6,064,116,000 ordinary shares (2009: 4,360,388,000 ordinary shares) in issue during the year.

(i) Profit/(loss) attributable to owners of the Company

Continuing operations	持續經營業務
Discontinued operations	已終止經營業務

(ii) Number of ordinary shares

Weighted average number of ordinary shares in issue during the year	年內已發行普通股加權平均數
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### 13. 本公司擁有人應佔虧損

本公司擁有人應佔虧損包括已載於本公司財務報表之虧損29,949,000港元(2009年: 7,882,000港元)。

### 14. 股息

董事不建議派發截至2010年12月31日止年度任何股息(2009年: 無)。

### 15. 每股盈利/(虧損)

#### a) 每股基本盈利/(虧損)

每股基本盈利/(虧損)乃根據本公司擁有人應佔溢利/(虧損)6,108,000港元(2009年: 虧損18,784,000港元), 以及年內已發行普通股之加權平均數6,064,116,000股普通股(2009年: 4,360,388,000股普通股)計算。

(i) 本公司擁有人應佔溢利/(虧損)

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
Continuing operations	6,108	(32,799)
Discontinued operations	-	14,015
	<b>6,108</b>	<b>(18,784)</b>

(ii) 普通股數目

	2010 '000 千股	2009 '000 千股
Weighted average number of ordinary shares in issue during the year	<b>6,064,116</b>	<b>4,360,388</b>

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 15. EARNINGS/(LOSS) PER SHARE (Continued)

#### b) Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is calculated based on the profit/(loss) attributable to owners of the Company and the weighted average number of shares in issue during the year after adjusting for the number of dilutive potential ordinary shares on share options granted and warrant subscribed.

(ii) Number of ordinary shares

Weighted average number of ordinary shares in issue during the year	年內已發行普通股加權平均數		
Effect of dilutive potential ordinary shares:	攤薄潛在普通股之影響：		
– Share options	– 購股權		
– Unlisted warrants	– 非上市認股權證		
Weighted average number of ordinary shares for purposes of diluted earnings/(loss) per share	每股攤薄盈利／(虧損)之普通股加權平均數		

Diluted loss per share for the year ended 31 December 2009 is the same as the basic earnings/(loss) per share as the Company's outstanding share options and convertible note, where applicable, had an anti-dilutive effect on the basic loss per share in that year.

### 15. 每股盈利／(虧損)(續)

#### b) 每股攤薄盈利／(虧損)

每股攤薄盈利／(虧損)乃根據本公司擁有人應佔溢利／(虧損)及年內已發行股份之加權平均數(就已授出購股權及已認購認股權證涉及之潛在攤薄普通股數目作出調整後)計算。

(ii) 普通股數目

	2010 '000 千股	2009 '000 千股
Weighted average number of ordinary shares in issue during the year	6,064,116	4,360,388
Effect of dilutive potential ordinary shares:		
– Share options	109,077	–
– Unlisted warrants	77,044	–
Weighted average number of ordinary shares for purposes of diluted earnings/(loss) per share	<u>6,250,237</u>	<u>4,360,388</u>

由於本公司於截至2009年12月31日止年度尚未行使之購股權及可換股票據(如適用)對該年度之每股基本虧損構成反攤薄影響，故該年度之每股攤薄虧損與每股基本盈利／(虧損)相同。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 16. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has two (2009: two) reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

#### Continuing operations

Oil and gas exploitation: Exploitation and sale of crude oil and natural gas

Coalbed methane: Exploration, development and production of coalbed methane

#### Discontinued operations

Natural gas and LPG: Operation of gas refilling stations supplying natural gas and LPG for vehicle use and sale of LPG in cylinders

There are no sales or trading transactions between the business segments. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measurement of the segments' results used by the chief operating decision-maker in the assessment of segment performance.

### 16. 分部報告

本集團按主要經營決策者審閱並用以作出策略性決策之報告釐定其經營分部。

本集團擁有兩個(2009年:兩個)可報告分部。由於各自業務提供不同產品及服務並需要不同業務策略,故分部須獨立管理。以下為本集團各可報告分部營運之概要:

#### 持續經營業務

石油及天然氣開採: 開採及銷售原油及天然氣

煤層氣: 勘探、開發及生產煤層氣

#### 已終止經營業務

天然氣及液化石油氣: 經營供應汽車用天然氣及液化石油氣之補給站及銷售罐裝液化石油氣

業務分部間並無出售或買賣交易。企業收入及開支不分配至各經營分部,原因在於主要經營決策者評估分部表現之分部業績計算並無包括有關收益及開支在內。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 16. SEGMENT REPORTING (Continued)

#### a) Business segments

Segment information about these businesses is set out as follows:

For the year ended 31 December 2010

### 16. 分部報告(續)

#### a) 業務分部

有關該等業務之分部資料載列如下：

截至2010年12月31日止年度

		Continuing operations			Discontinued operations		
		Oil and gas exploitation	Coalbed methane	Unallocated	Total	Natural gas and LPG	Consolidated
		石油及天然氣開採	煤層氣	未分配	總計	天然氣及液化石油氣	綜合
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元	千港元
<b>Results</b>	<b>業績</b>						
Revenue from external customers	來自外界客戶之收入	29,224	-	-	29,224	-	29,224
Segment results <sup>1</sup>	分部業績 <sup>1</sup>	(2,794)	(626)	(57,073)	(60,493)	-	(60,493)
Finance costs	融資成本	-	-	(1,453)	(1,453)	-	(1,453)
Gain on disposal of subsidiaries	出售附屬公司收益	72,798	-	-	72,798	-	72,798
Share of loss of a jointly controlled entity	應佔一間共同控權合資公司虧損	(2,658)	-	-	(2,658)	-	(2,658)
Profit/(loss) before income tax expenses	除所得稅支出前溢利/(虧損)	67,346	(626)	(58,526)	8,194	-	8,194
Income tax expenses	所得稅支出	(3,510)	-	-	(3,510)	-	(3,510)
Profit/(loss) for the year	本年度溢利/(虧損)	63,836	(626)	(58,526)	4,684	-	4,684
<b>Assets and liabilities</b>	<b>資產及負債</b>						
Reportable segment assets <sup>2</sup>	可報告分部資產 <sup>2</sup>	377,772	2,646,885	398,663	3,423,320	-	3,423,320
Reportable segment liabilities	可報告分部負債	53,156	837,034	4,755	894,945	-	894,945
<b>Other segment information</b>	<b>其他分部資料</b>						
Depreciation and amortisation	折舊及攤銷	10,116	27	531	10,674	-	10,674
Capital expenditure incurred during the year	年內產生之資本支出	108,474	2,595,157	2,577	2,706,208	-	2,706,208

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 16. SEGMENT REPORTING (Continued)

#### a) Business segments (Continued)

Segment information about these businesses is set out as follows:

For the year ended 31 December 2009

### 16. 分部報告 (續)

#### a) 業務分部 (續)

有關該等業務之分部資料載列如下：

截至2009年12月31日止年度

		Continuing operations 持續經營業務			Discontinued operations 已終止經營業務		
		Oil and gas exploitation 石油及 天然氣開採 HK\$' 000 千港元	Coalbed methane 煤層氣 HK\$' 000 千港元	Unallocated 未分配 HK\$' 000 千港元	Total 總計 HK\$' 000 千港元	Natural gas and LPG 天然氣及 液化石油氣 HK\$' 000 千港元	Consolidated 綜合 HK\$' 000 千港元
<b>Results</b>	<b>業績</b>						
Revenue from external customers	來自外界客戶之收入	15,155	-	-	15,155	19,279	34,434
Segment results <sup>1</sup>	分部業績 <sup>1</sup>	(13,319)	-	(12,332)	(25,651)	3,073	(22,578)
Finance costs	融資成本	-	-	(1,767)	(1,767)	-	(1,767)
Gain on disposal of subsidiaries	出售附屬公司收益	-	-	-	-	11,593	11,593
Share of loss of a jointly controlled entity	應佔一間共同控權合資 公司虧損	(5,522)	-	-	(5,522)	-	(5,522)
(Loss)/profit before income tax expenses	除所得稅支出前(虧損)/ 溢利	(18,841)	-	(14,099)	(32,940)	14,666	(18,274)
Income tax expenses	所得稅支出	-	-	-	-	(651)	(651)
(Loss)/profit for the year	本年度(虧損)/溢利	(18,841)	-	(14,099)	(32,940)	14,015	(18,925)
<b>Asset and liabilities</b>	<b>資產及負債</b>						
Reportable segment assets <sup>2</sup>	可報告分部資產 <sup>2</sup>	226,302	-	19,900	246,202	-	246,202
Reportable segment liabilities	可報告分部負債	54,362	-	43,549	97,911	-	97,911
<b>Other segment information</b>	<b>其他分部資料</b>						
Depreciation and amortisation	折舊及攤銷	7,377	-	486	7,863	1,779	9,642
Capital expenditure incurred during the year	年內產生之資本支出	134,553	-	132	134,685	-	134,685

Notes:

- Unallocated segment results mainly include expenses for Hong Kong head office and equity-settled share-based payment expenses.
- Unallocated segment assets mainly include cash and cash equivalents and notes receivable.

附註：

- 未分配分部業績主要包括香港總辦事處支出及股本結算以股份支付之支出。
- 未分配分部資產主要包括現金及現金等價物及應收票據。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 16. SEGMENT REPORTING (Continued)

#### b) Geographical information and major customers

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments, deferred tax assets and post-employment benefit assets ("specified non-current assets").

		Revenue from external customers 來自外界客戶之收入		Specified non-current assets 指定非流動資產	
		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Hong Kong (place of domicile)	香港(所在地)	—	—	3,126	1,122
The PRC	中國	28,490	33,345	2,738,166	133,807
The US	美國	734	1,089	—	80,540
		<b>29,224</b>	34,434	<b>2,738,166</b>	214,347
		<b>29,224</b>	34,434	<b>2,741,292</b>	215,469

During the year, revenues from the Group's largest and second largest customers were HK\$23,253,000 (2009: HK\$14,066,000) and HK\$5,237,000 (2009: Nil), being 80% (2009: 93%) and 18% (2009: 0%) of the Group's total revenue from the oil and gas exploitation segment, respectively.

For 2009, the revenues from the Group's largest customer of the natural gas and LPG segment amounted to less than 10% of the Group's total revenue.

### 16. 分部報告(續)

#### b) 地區資料及主要客戶

下表就本集團來自外界客戶之收入及除財務工具、遞延稅項資產及離職後福利資產以外之非流動資產(「指定非流動資產」)進行分析。

年內，來自本集團最大及第二大客戶之收入分別為23,253,000港元(2009年：14,066,000港元)及5,237,000港元(2009年：無)，分別佔本集團石油及天然氣開採分部收入總額之80%(2009年：93%)及18%(2009年：0%)。

於2009年，來自天然氣及液化石油氣分部之本集團最大客戶收入佔本集團收入總額少於10%。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 17. PROPERTY, PLANT AND EQUIPMENT The Group

### 17. 物業、廠房及設備 本集團

		Buildings held for own use	Leasehold improvements	Refilling stations (note)	Oil and gas properties	Furniture, fixtures and office equipment 傢私、 固定裝置及 辦公室設備	Motor vehicles	Total
		持作自用樓宇	租賃 物業裝修	補給站 (附註)	油氣資產	辦公室內備	汽車	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
<b>Costs:</b>	<b>成本：</b>							
At 1 January 2009	於2009年1月1日	2,190	23	34,220	37,825	1,082	2,668	78,008
Additions	添置	-	16	300	3,291	116	-	3,723
Acquired through business combinations (note 38(b))	通過業務合併之收購 (附註38(b))	-	-	-	84,233	-	-	84,233
Disposals	出售	-	-	-	-	(295)	-	(295)
Disposals of subsidiaries (note 37(b))	出售附屬公司(附註37(b))	(2,194)	-	(34,593)	-	(212)	(272)	(37,271)
Exchange adjustments	匯兌調整	4	-	73	197	1	1	276
At 31 December 2009	於2009年12月31日	-	39	-	125,546	692	2,397	128,674
Acquired through acquisition (note 38(a))	因收購而購入(附註38(a))	-	-	-	-	-	1,665	1,665
Additions	添置	-	-	-	1,994	84	2,261	4,339
Disposals	出售	-	-	-	-	(13)	-	(13)
Disposal of subsidiaries (note 37(a))	出售附屬公司(附註37(a))	-	-	-	(39,908)	-	-	(39,908)
Exchange adjustments	匯兌調整	-	1	-	6,098	10	51	6,160
At 31 December 2010	於2010年12月31日	-	40	-	93,730	773	6,374	100,917

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 17. PROPERTY, PLANT AND EQUIPMENT (Continued) The Group (Continued)

### 17. 物業、廠房及設備(續)

#### 本集團(續)

		Buildings held for own use	Leasehold improvements	Refilling stations (note)	Oil and gas properties	Furniture, fixtures and office equipment	Motor vehicles	Total
		持作自用樓宇	租賃 物業裝修	補給站 (附註)	油氣資產	傢私、 固定裝置及 辦公室設備	汽車	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
<b>Accumulated depreciation and impairment:</b>	<b>累計折舊 及減值:</b>							
At 1 January 2009	於2009年1月1日	754	9	29,318	4,134	792	701	35,708
Charge for the year (note 8(c))	年內支出(附註8(c))	49	12	1,540	7,117	140	507	9,365
Written back on disposal	出售時撥回	-	-	-	-	(295)	-	(295)
Disposal of subsidiaries (note 37(b))	出售附屬公司(附註37(b))	(805)	-	(30,905)	-	(208)	(46)	(31,964)
Exchange adjustments	匯兌調整	2	-	47	5	1	-	55
At 31 December 2009	於2009年12月31日	-	21	-	11,256	430	1,162	12,869
Charge for the year (note 8(c))	年內支出(附註8(c))	-	5	-	9,658	115	573	10,351
Written back on disposal	出售時撥回	-	-	-	-	(10)	-	(10)
Disposal of subsidiaries (note 37(a))	出售附屬公司(附註37(a))	-	-	-	(11,805)	-	-	(11,805)
Exchange adjustments	匯兌調整	-	1	-	301	6	5	313
At 31 December 2010	於2010年12月31日	-	27	-	9,410	541	1,740	11,718
<b>Carrying amount:</b>	<b>賬面值:</b>							
At 31 December 2010	於2010年12月31日	-	13	-	84,320	232	4,634	89,199
At 31 December 2009	於2009年12月31日	-	18	-	114,290	262	1,235	115,805

Note:

The refilling stations were disposed of in July 2009.

附註:

補給站已於2009年7月出售。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 18. PREPAID LEASE PAYMENTS

#### The Group

Carrying amount at 1 January	於1月1日之賬面值
Amortisation for the year (note 8(c))	本年度之攤銷(附註8(c))
Disposal of subsidiaries (note 37(b))	出售附屬公司(附註37(b))
Exchange adjustments	匯兌調整
Carrying amount at 31 December	於12月31日之賬面值

The leasehold land was held under a medium-term lease and situated in the PRC. The leasehold land was held by the Excellent Group which was disposed of during 2009 as set out in note 37(b).

### 18. 租賃預付款項

#### 本集團

2010 HK\$'000 千港元	2009 HK\$'000 千港元
-------------------------	-------------------------

-	1,420
-	(155)
-	(1,273)
-	8
-	-

租賃土地乃按中期租賃持有並位於中國。租賃土地由耀暉集團持有，如附註37(b)所載，耀暉集團已於2009年出售。

### 19. GAS EXPLORATION AND EVALUATION ASSETS

#### The Group

Cost	成本
At 1 January 2009 and 2010	於2009年及2010年1月1日
Additions through acquisition (note 38(a))	通過收購之添置(附註38(a))
Additions	添置
Interest capitalised (note 8(a))	資本化利息(附註8(a))
Exchange adjustments	匯兌調整
At 31 December 2010	於2010年12月31日

Gas exploration and evaluation assets arose from the acquisition of Power Great Limited and its subsidiary ("Power Great Group") set out in note 38(a). The operations of Power Great Group are governed by and based on a production sharing contract ("PSC"). Details of this PSC are set out in note 39.

No amortisation is provided for during the year, as the project is in its exploration stage.

As at 31 December 2010, the major components of gas exploration and evaluation assets were exploratory drilling and trenching costs. The directors have assessed the gas exploration and evaluation assets for impairment in accordance with the criteria under HKFRS 6 and by reference to the progress in the implementation of the PSC during the year, and the valuation report prepared by the American Appraisal China Limited. The directors concluded that there are no facts or circumstances which may indicate that the carrying amount of gas exploration and evaluation assets has exceeded the recoverable amount as at the end of reporting period.

### 19. 天然氣勘探及評估資產

#### 本集團

HK\$'000  
千港元

-
2,570,586
22,906
196
4,956
2,598,644

因收購威遠有限公司及其附屬公司(「威遠集團」)所得之天然氣勘探及評估資產載於附註38(a)。威遠集團之營運乃受生產分成合同監營及以此為基礎。有關生產分成合同之詳情載於附註39。

由於該項目仍處於勘探階段，因此年內並無計提攤銷。

於2010年12月31日，天然氣勘探及評估資產主要由勘探鑽井及槽探成本組成。董事已根據香港財務報告準則第6號之標準並參考年內生產分成合同之執行進度及美國評估有限公司所編製之估值報告，評估天然氣勘探及評估資產有否出現減值。董事推定，於報告期結束時不存在事實或情況顯示天然氣勘探及評估資產之賬面值已超過其可收回金額。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 20. INTANGIBLE ASSETS

The Group

### 20. 無形資產

本集團

		Motor vehicle registration license 汽車 登記牌照 HK\$' 000 千港元	Oil exploitation rights 石油 開採權 HK\$' 000 千港元	Operation rights 營運權 HK\$' 000 千港元	Total 總計 HK\$,000 千港元
<b>Cost:</b>	<b>成本：</b>				
At 1 January 2009	於2009年1月1日	–	48,911	–	48,911
Acquired through business combinations (note 38 (b))	通過業務合併之收購 (附註38(b))	–	–	46,729	46,729
Exchange differences	匯兌差異	–	3	151	154
At 31 December 2009	於2009年12月31日	–	48,914	46,880	95,794
Additions	添置	910	–	–	910
Disposal of subsidiaries (note 37(a))	出售附屬公司 (附註37(a))	–	(49,174)	–	(49,174)
Exchange differences	匯兌差異	–	260	1,606	1,866
At 31 December 2010	於2010年12月31日	910	–	48,486	49,396
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>				
At 1 January 2009	於2009年1月1日	–	238	–	238
Amortisation for the year (note 8(c))	本年度攤銷(附註8(c))	–	122	–	122
At 31 December 2009	於2009年12月31日	–	360	–	360
Amortisation for the year (note 8(c))	本年度攤銷(附註8(c))	–	146	177	323
Disposal of subsidiaries (note 37(a))	出售附屬公司 (附註37(a))	–	(507)	–	(507)
Exchange differences	匯兌差異	–	1	–	1
At 31 December 2010	於2010年12月31日	–	–	177	177
<b>Carrying amount:</b>	<b>賬面值：</b>				
At 31 December 2010	於2010年12月31日	910	–	48,309	49,219
At 31 December 2009	於2009年12月31日	–	48,554	46,880	95,434

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 20. INTANGIBLE ASSETS (Continued)

#### i) Oil exploitation rights

Details of the Group's oil exploitation rights are as follows:

	Oil fields 油田	Location 地點	Expiry date 到期日
1	Grassy Trails Oil Field 草徑油田	Carbon County and Emery County, Utah, US 美國猶他州卡本郡及艾美莉郡	Note 附註
2	Squaw Canyon Oil Field 史科峽谷油田	San Juan County, Utah, US 美國猶他州珊祖安郡	Note 附註

Note: The exploitation rights of the oil fields in the US do not have a termination date and are valid as long as oil and/or natural gas are produced from the reserves. On 30 December 2010, the exploitation rights for both the Grassy Trails Oil Field and Squaw Canyon Oil Field held by the Ally Bond Limited and its subsidiary, Genesis Petroleum US, Inc. ("Ally Bond Group") and King Giant Investments Limited and its subsidiaries, G Energy US Holdings Inc. and Nathan Oil LLC ("King Giant Group") respectively were disposed of. Details are set out in note 37(a).

#### ii) Operation rights

The Group's operation rights represent the rights under two development contracts which give the Group the rights to participate in the production of crude oil in the Liuluoyu Oil Field and Yanjawan Oil Field, located at Shaanxi Province, the PRC for a period up to 2023.

The exploitation rights and operation rights are initially recognised at their fair value on the date of acquisition by reference to a professional valuation prepared by Assets Appraisal Limited, an independent firm of professional valuers, which have the relevant professional qualification and experience. Subsequent to the reporting period, the exploitation rights and operation rights are measured using the cost model.

Amortisation is provided to write off the cost of the exploitation rights and operation rights using the units of production method based on the amount of proven and probable oil and gas reserves. Amortisation was charged to "direct costs" in the consolidated statement of comprehensive income.

### 20. 無形資產(續)

#### i) 石油開採權

本集團之石油開採權詳情如下：

附註：位於美國之油田之開採權並無終止日期，只要儲量仍能出產石油及／或天然氣則繼續有效。於2010年12月30日，由協邦有限公司及其附屬公司Genesis Petroleum US, Inc. (「協邦集團」) 及君鴻投資有限公司及其附屬公司G Energy US Holdings Inc. 及Nathan Oil LLC (「君鴻集團」) 持有之草徑油田及史科峽谷油田開採權已被出售。詳情載於附註37(a)。

#### ii) 營運權

本集團之營運權乃兩份開發合同內之權利，讓本集團有權參與位於中國陝西省之柳洛峪油田及閻家灣油田之原油生產至2023年。

開採權及營運權初步按收購當日之公平值經參考資產評估顧問有限公司(一間獨立專業估值公司，具有相關專業資格及經驗)進行之專業估值後確認。於報告期間後，開採權及營運權採用成本模式計量。

撇銷開採權及營運權成本乃按證實及概略油氣儲量以生產單位法進行攤銷。攤銷在綜合全面收益表之「直接成本」內扣除。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 21. GOODWILL

#### Group

		HK\$' 000 千港元
At 1 January 2009	於2009年1月1日	—
Acquired through business combinations (note 38(b))	通過業務合併之收購 (附註38(b))	8,230
Impairment (note 7)	減值(附註7)	(4,000)
Carrying amount as at 31 December 2009 and 2010	於2009年及2010年12月31日之賬面值	<u>4,230</u>

#### IMPAIRMENT TESTING ON GOODWILL

For the purpose of impairment test, goodwill is allocated to the cash generating units ("CGU") of oil exploitation.

The recoverable amounts of the CGU have been determined from the value in use calculations based on formally approved cash flow projections for five years and budgets.

The following key assumptions have been made for the purpose of the analysis:

1 Discount rate	16%
2 Operating margin	34%
3 Growth rate within a five year period	5%
4 Wage inflation	3%
5 Crude oil price increase	5%

The discount rate used is pre-tax and reflects the specific risks of the oil and gas exploitation segment. The operating margin and growth rate within the five-year period are based on past experience. Wage inflation is based on the expected long term inflation rate set by the PRC Government. Crude oil price is based on the expected market price.

The impairment of goodwill in 2009 is included in the oil and gas exploitation segment.

### 22. INTEREST IN A JOINTLY CONTROLLED ENTITY

The Group has a 50% interest in a jointly controlled entity which is accounted for by the equity method.

Particulars of the Group's jointly controlled entity are as follows:

Name of company 公司名稱	Form of business structure 業務架構形式	Place of incorporation 註冊成立地點	Percentage of ordinary shares indirectly held 間接持有普通股百分比	Principal activity 主要業務
Smart Win International Limited	Limited company	The British Virgin Islands ("BVI")	50%	Investment holding
凱智國際有限公司	有限公司	英屬處女群島		投資控股

### 21. 商譽

#### 本集團

HK\$' 000  
千港元

At 1 January 2009	於2009年1月1日	—
Acquired through business combinations (note 38(b))	通過業務合併之收購 (附註38(b))	8,230
Impairment (note 7)	減值(附註7)	(4,000)
Carrying amount as at 31 December 2009 and 2010	於2009年及2010年12月31日之賬面值	<u>4,230</u>

#### 商譽之減值測試

就減值測試而言，商譽分配至石油開採之現金產生單位（「現金產生單位」）。

現金產生單位之可收回金額乃根據使用價值釐定，而使用價值則根據正式獲批准之五年現金流量預測及預算計算。

為進行分析，已作出下列重要假設：

1 折現率	16%
2 經營利潤率	34%
3 五年期內之增長率	5%
4 工資通脹	3%
5 原油價格上升	5%

所使用之折現率為反映油氣開採分部之特定風險之稅前折現率。經營利潤率及五年期內之增長率乃根據過往經驗釐定。工資通脹乃根據中國政府之預期長期通脹率而定。原油價格乃以預期市場價格為準。

2009年之商譽減值包括在油氣開採分部內。

### 22. 於一家共同控權合資公司之權益

按權益法計算，本集團於一家共同控權合資公司擁有50%權益。

本集團之共同控權合資公司詳情如下：

## Notes to the Financial Statements

### 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

#### 22. INTEREST IN A JOINTLY CONTROLLED ENTITY (Continued)

The following amounts have been recognised in the consolidated statement of financial position and consolidated statement of comprehensive income relating to this jointly controlled entity.

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Unlisted shares, at cost	非上市股份，按成本		
As at 1 January	於1月1日	9,606	15,128
Less: share of loss for the year	減：本年度分佔虧損	(2,658)	(5,522)
As at 31 December	於12月31日	<u>6,948</u>	<u>9,606</u>
Non-current assets	非流動資產	4,728	9,920
Current assets	流動資產	9,169	9,373
Current liabilities	流動負債	-	(80)
Net assets	資產淨值	<u>13,897</u>	<u>19,213</u>
Group's share of net assets	本集團分佔資產淨值	<u>6,948</u>	<u>9,606</u>
Turnover	營業額	-	-
Expenses	支出	(5,316)	(11,044)
Loss for the year	本年度虧損	<u>(5,316)</u>	<u>(11,044)</u>
Group's share of loss for the year	本年度本集團分佔虧損	<u>(2,658)</u>	<u>(5,522)</u>

#### 23. INTERESTS IN SUBSIDIARIES The Company

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Unlisted equity investments, at cost	非上市股本投資，按成本	2,405,361	81,148
Less: impairment loss (note 23(b))	減：減值虧損(附註23(b))	(81,143)	(81,143)
Amounts due from subsidiaries (note 23(c))	應收附屬公司款項 (附註23(c))	<u>2,324,218</u>	5
		<u>547,034</u>	92,978
		<u>2,871,252</u>	<u>92,983</u>

#### 22. 於一家共同控權合資公司之權益(續)

該共同控權合資公司之下列金額已於綜合財務狀況表及綜合全面收益表中確認。

#### 23. 於附屬公司之權益 本公司

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 23. INTERESTS IN SUBSIDIARIES (Continued) The Company (Continued)

a) Details of principal subsidiaries as at 31 December 2010 are listed below. The class of shares held is ordinary unless stated otherwise.

Name of the Company 公司名稱	Notes 附註	Place of incorporation/ operation 註冊成立/ 經營地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 擁有權百分比			Principal activities 主要業務
				Group's effective holding 本集團 實際持股量	Held by the Company 由本 公司持有	Held by a subsidiary 由一家附 屬公司持有	
Chuang Xin Management Services Limited 創新管理服務有限公司		Hong Kong 香港	2 shares of HK\$1.00 each 2股每股面值1.00港元之普通股	100%	100%	-	Provision of management services to group companies 向集團公司提供管理服務
Elite Ascend Holdings Limited 怡陸控股有限公司		the BVI 英屬處女群島	690 ordinary shares of US\$1.00 each 690股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Genesis Energy (Hong Kong) Limited 創新能源(香港)有限公司		Hong Kong 香港	2 ordinary shares of HK\$1.00 each 2股每股面值1.00港元之普通股	100%	-	100%	Provision of administrative services to group companies 向集團公司提供行政服務
Glory Boom International Limited 榮昌國際有限公司		the BVI 英屬處女群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Key Well Development Limited 啟隆發展有限公司		Hong Kong 香港	100 ordinary shares of HK\$1.00 each 100股每股面值1.00港元之普通股	100%	-	100%	Investment holding 投資控股
Orion Energy International Inc. 奧瑞安能源國際有限公司	2	the Cayman Islands 開曼群島	100,000,000 ordinary shares of US\$0.001 each 100,000,000股每股面值0.001美元之普通股	100%	-	100%	Exploration, development and production of coalbed methane 煤層氣勘探、開採及生產
Power Great Limited 威遠有限公司	2	the Cayman Islands 開曼群島	1 ordinary share of US\$1.00 1股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Toppace Limited 達迅有限公司		the BVI 英屬處女群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Xian Hong Chang Co., Limited 西安鴻昌石油開發服務有限公司	1	the PRC 中國	Registered capital RMB43,500,000 註冊股本人民幣43,500,000元	100%	-	100%	Participation in oil and gas projects 參與油氣項目
Bi Tuo Yuan Technology (Shenzhen) Co., Ltd. 鉅拓源科技(深圳)有限公司	1	the PRC 中國	Registered capital RMB500,000 註冊股本人民幣500,000元	100%	-	100%	Participation in oil and gas projects 參與油氣項目

#### Notes:

1 : registered under the laws of the PRC as a wholly-owned foreign enterprise

2 : newly incorporated/acquired in 2010

### 23. 於附屬公司之權益(續) 本公司(續)

a) 於2010年12月31日主要附屬公司之詳情如下。除另有說明者外，所持股份類別為普通股。

#### 附註：

1 : 根據中國法律登記為外資獨資企業

2 : 於2010年新註冊成立/收購



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 23. INTERESTS IN SUBSIDIARIES (Continued)

#### The Company (Continued)

##### b) Impairment on investments in subsidiaries

The movements in the provision for impairment loss during the year were as follows:

		The Company	
		本公司	
		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於1月1日	81,143	81,143
Impairment loss recognised	已確認減值虧損	-	-
At 31 December	於12月31日	81,143	81,143

Provision for impairment loss is made based on the directors' annual assessment by reference to the net assets of the subsidiaries.

### 23. 於附屬公司之權益(續)

#### 本公司(續)

##### b) 於附屬公司之投資減值

本年度減值虧損撥備之變動如下:

		The Company	
		本公司	
		2010	2009
		HK\$'000	HK\$'000
		千港元	千港元
At 1 January	於1月1日	81,143	81,143
Impairment loss recognised	已確認減值虧損	-	-
At 31 December	於12月31日	81,143	81,143

減值虧損撥備乃參考附屬公司之資產淨值根據董事每年之評估而作出。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 23. INTERESTS IN SUBSIDIARIES (Continued)

#### c) Amounts due from subsidiaries

An analysis of the amounts due from subsidiaries is listed below:

		The Company 本公司	
		2010	2009
		HK\$' 000	HK\$' 000
		千港元	千港元
Due from subsidiaries	應收附屬公司款項	815,904	405,441
Less: impairment loss	減：減值虧損	(268,870)	(312,463)
		<u>547,034</u>	<u>92,978</u>

The amounts due from subsidiaries are unsecured, interest-free and in substance represent the Company's investments in the subsidiaries in the form of quasi-equity loans.

The movements in the provision for impairment loss during the year were as follows:

		The Company 本公司	
		2010	2009
		HK\$' 000	HK\$' 000
		千港元	千港元
At 1 January	於1月1日	312,463	226,665
Additional provision	額外撥備	40,849	100,712
Reversal of provision	撥備回撥	(84,442)	(14,914)
At 31 December	於12月31日	<u>268,870</u>	<u>312,463</u>

The impairment loss and reversal of impairment on amounts due from subsidiaries are made by the directors by reference to the net assets of the subsidiaries.

### 24. PLEDGED DEPOSITS

The amount as at 31 December 2009 represented fixed deposits pledged to cover the estimated future assets retirement costs for the exploitation of crude oil in the US as required under the laws and regulations of the US (note 31). The US operations were disposed of during the year (note 37(a)).

### 23. 於附屬公司之權益(續)

#### c) 應收附屬公司款項

應收附屬公司款項之分析如下：

		The Company 本公司	
		2010	2009
		HK\$' 000	HK\$' 000
		千港元	千港元
Due from subsidiaries	應收附屬公司款項	815,904	405,441
Less: impairment loss	減：減值虧損	(268,870)	(312,463)
		<u>547,034</u>	<u>92,978</u>

應收附屬公司款項為無抵押、免息，實質上指本公司以準股權性質貸款形式作出之投資。

年內減值虧損撥備之變動如下：

		The Company 本公司	
		2010	2009
		HK\$' 000	HK\$' 000
		千港元	千港元
At 1 January	於1月1日	312,463	226,665
Additional provision	額外撥備	40,849	100,712
Reversal of provision	撥備回撥	(84,442)	(14,914)
At 31 December	於12月31日	<u>268,870</u>	<u>312,463</u>

應收附屬公司款項之減值虧損及減值撥回乃由董事參考附屬公司之資產淨值而作出。

### 24. 已抵押存款

於2009年12月31日有關款項指根據美國法例及法規之規定用以支付開採美國原油估計未來資產棄置成本作出抵押之定期存款(附註31)。美國業務已於本年度被出售(附註37(a))。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 25. INVENTORIES

### 25. 存貨

		The Group 本集團	
		2010	2009
		HK\$' 000	HK\$' 000
		千港元	千港元
Crude oil	原油	-	446

### 26. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

### 26. 應收賬款、其他應收款項、按金及預付款項

		The Group 本集團		The Company 本公司	
		2010	2009	2010	2009
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元
Trade receivables	應收賬款	6,945	3,117	-	-
Bills receivable	應收票據	5,317	1,707	-	-
Other receivables (note i)	其他應收款項(附註i)	16,718	937	1,074	480
Amount due from a non-controlling interest of a subsidiary (note 46(d))	應收一家附屬公司 非控股權益款項 (附註46(d))	166	160	-	-
		<u>29,146</u>	5,921	<u>1,074</u>	480
Utility and other deposits	水電及其他按金	1,034	599	504	-
Prepayments (note ii)	預付款項(附註ii)	42,558	220	160	82
		<u>43,592</u>	819	<u>664</u>	82
		<u>72,738</u>	6,740	<u>1,738</u>	562

#### Notes:

- (i) The balance includes considerations receivable of HK\$15,000,000 on the disposal of Ally Bond Group and King Giant Group as set out in note 37(a), which was subsequently received in early January 2011.
- (ii) Prepayments include prepaid exploration costs of HK\$42,231,000 on the Group's gas evaluation and exploration assets. The amounts are expected to be recognised as assets within one year.

#### 附註:

- (i) 餘額包括計入附註37(a)所載出售協邦集團及君鴻集團之應收代價15,000,000港元，餘額其後於2011年1月初收取。
- (ii) 預付款項包括對本集團天然氣勘探及評估資產之預付勘探成本42,231,000港元。預計該金額將於一年內確認為資產。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 26. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The ageing analysis of trade receivables based on invoice date at the end of reporting period is as follows:

		The Group 本集團		The Company 本公司	
		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
< 30 days	少於30天	3,210	2,606	-	-
30 – 60 days	30至60天	3,569	511	-	-
61 – 90 days	61至90天	166	-	-	-
		<b>6,945</b>	<b>3,117</b>	<b>-</b>	<b>-</b>

The average credit period granted to customers is 0-30 days from the invoice date.

All trade receivables are less than 90 days past due, not impaired and related to one customer which has a good track record with the Company. Based on the past experience, management estimated that the carrying amount will be fully recovered.

The Group recognised impairment loss on individual assessment based on the accounting policy stated in note 4(i)(ii).

### 26. 應收賬款、其他應收款項、按金及預付款項(續)

按開單日期之應收賬款於報告期間結束時之賬齡分析如下：

		The Group 本集團		The Company 本公司	
		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
< 30 days	少於30天	3,210	2,606	-	-
30 – 60 days	30至60天	3,569	511	-	-
61 – 90 days	61至90天	166	-	-	-
		<b>6,945</b>	<b>3,117</b>	<b>-</b>	<b>-</b>

集團給予客戶之平均信貸期為開單日起計0至30天。

所有應收賬款均為到期後90天內及屬於單一客戶，本公司與該客戶有良好之商業記錄，故並無作出減值。根據以往經驗，管理層估計其賬面值將全數收回。

本集團根據附註4(i)(ii)所載之會計政策，通過個別評估確認減值虧損。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 27. NOTES RECEIVABLE

### 27. 應收票據

		The Group		The Company	
		本集團		本公司	
		2010	2009	2010	2009
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元
Notes receivable	應收票據	<b>135,000</b>	–	<b>9,000</b>	–

Notes receivable represents the considerations receivable on disposal of Ally Bond Group and King Giant Group as set out in note 37(a). These notes receivable are interest free, repayable within one year and secured by the shares of these companies.

應收票據指出售協邦集團及君鴻集團(載於附註37(a))之應收代價。應收票據為免息、須於一年內償還及以該等公司之股份作抵押。

### 28. OTHER ASSETS

### 28. 其他資產

		The Group		The Company	
		本集團		本公司	
		2010	2009	2010	2009
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元
Refundable deposits	可退回按金	<b>60,000</b>	–	<b>60,000</b>	–
Advance payments	預付款項	<b>56,656</b>	–	–	–
Oil and gas properties	油氣資產	<b>105,802</b>	–	–	–
		<b>222,458</b>	–	<b>60,000</b>	–

The other assets arose from the Group's interest in the Jinzhuang Oil Field in the PRC as described below and include (i) a refundable deposit of HK\$60,000,000; (ii) advance payments of HK\$56,656,000 for future funding of the development and operation of Jinzhuang Oil Field; and (iii) amounts of HK\$105,802,000 on oil and gas properties the Group has developed in the Jinzhuang Oil Field.

其他資產是因集團於位於中國的金庄油田而產生為(見下列資料),包括(i)可退回按金60,000,000港元;(ii)就開發及經營金庄油田的未來資金之墊款56,656,000港元;以及(iii)集團為發展金庄油田已付於油氣資產之金額105,802,000港元。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 28. OTHER ASSETS (Continued)

In May 2010, the Group entered into an operation agreement with an independent PRC third party (the “PRC Party”) for the exploration, development and production of crude oil and natural gas that exist in an exploration area located in Shaanxi Province in the PRC (the “Jinzhuang Oil Field”) for the period from 1 May 2010 to 31 July 2011. The PRC Party is a party to a production sharing contract with a state owned enterprise for the exploration, development and production of crude oil and natural gas in the Jinzhuang Oil Field (the “Jinzhuang PSC”).

Jinzhuang Oil Field is in its production phase. Pursuant to the operation agreement, the Group is engaged as the operator to explore, develop and produce crude oil and natural gas from the oil field. During the period, the Group bore all the development and operation costs and shared 95% of the income from sale of crude oil and the entire income from the sale of natural gas extracted from the Jinzhuang Oil Field. The operation of the Jinzhuang Oil Field is jointly controlled by the Group and the PRC Party. At the expiration of the operation agreement, the PRC Party is obligated to purchase the oil and gas properties developed and paid for by the Group at their carrying amount.

In the meantime, a Hong Kong holding company (the “HK Group”) has acquired the rights and obligations of the Jinzhuang PSC from the PRC Party. The Group has also signed a memorandum of understanding (“MOU”) with the HK Group and paid an interest free and fully refundable deposit of HK\$60,000,000 to the HK Group such that the Group has up to July 2011 to decide whether or not to acquire the entire equity interest of HK Group. The deposit is secured by the shares of HK Group.

The Group currently has not decided whether or not to acquire the HK Group. The Group’s decision will depend on the oil and gas reserves of the Jinzhuang Oil Field and the internal resources of the Group. Until the Group makes the decision, all the Group’s assets in respect of the Jinzhuang Oil Field are shown as “Other assets” as detailed above.

### 28. 其他資產(續)

於2010年5月，本集團與中國一名獨立第三方(「中方夥伴」)訂立營運合同以使本集團從2010年5月1日至2011年7月31日在位於中國陝西省之金庄油田進行石油天然氣勘探、開發及生產。中方夥伴已與一間國營企業訂立在金庄油田開發及生產石油天然氣之生產分成合同(「金庄分成合同」)。

金庄油田現時正在它的產油階段，根據營運協議，本集團獲聘為營運商，以勘探、開發及生產金庄油田的石油及天然氣。於這時期內，本集團承擔所有發展及營運成本及分享95%來自金庄油田石油銷售的收入及全部該油田天然氣銷售收入。金庄油田的營運乃由本集團及中方夥伴共同控制。於營運協議到期時，中方夥伴有責任購買已發展的油氣資產及向本集團支付相關賬面值。

與此同時，一間香港控股公司(「香港集團」)向中方夥伴收購金庄分成合同的權利及責任。本集團亦與香港集團簽訂一諒解備忘錄，支付一筆免息及可全數退回的按金60,000,000港元予香港集團，而該按金通過香港集團股票抵押，本集團則可以在2011年7月前決定會否收購香港集團之全數權益。

目前本集團尚未決定會否收購香港集團，本集團之決定將取決於金庄油田的油氣儲量以及本集團之內部資源。在本集團對此有所決定之前，所有本集團有關金庄油田之資產皆如上面列示於「其他資產」。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 29. CASH AND CASH EQUIVALENTS

Cash and bank balances, denominated in  
– HKD and United States dollars (“USD”)  
– Renminbi

以下列貨幣計值之現金及銀行結餘  
–港元及美元  
–人民幣

29. 現金及現金等價物			
The Group		The Company	
本集團		本公司	
2010	2009	2010	2009
HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
千港元	千港元	千港元	千港元
<b>234,953</b>	5,324	<b>28,087</b>	55
<b>7,576</b>	5,211	–	–
<b>242,529</b>	10,535	<b>28,087</b>	55

Cash and cash equivalents of HK\$7,576,000 (equivalent to RMB6,412,000) (2009: HK\$5,211,000; equivalent to RMB4,579,000) were denominated in Renminbi. Renminbi is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC Government.

7,576,000港元(相當於人民幣6,412,000元)之現金及現金等價物(2009年: 5,211,000港元, 相當於人民幣4,579,000元)以人民幣計值。人民幣並非自由兌換貨幣, 從中國匯出資金須受中國政府之外匯限制所規限。

### 30. OTHER PAYABLES AND ACCRUALS

Consideration payable (note (i)) 應付代價(附註(i))  
Other payables and accruals (note (ii)) 其他應付款項及預提費用(附註(ii))  
Amount due to a non-controlling interest of a subsidiary (note 46(d)) 應付一家附屬公司非控股權益款項(附註46(d))  
Amounts due to directors (note 46(d)) 應付董事款項(附註46(d))

30. 其他應付款項及預提費用			
The Group		The Company	
本集團		本公司	
2010	2009	2010	2009
HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
千港元	千港元	千港元	千港元
<b>500,000</b>	–	<b>500,000</b>	–
<b>378,952</b>	21,330	<b>2,832</b>	2,018
–	270	–	–
–	167	–	167
<b>878,952</b>	21,767	<b>502,832</b>	2,185

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 30. OTHER PAYABLES AND ACCRUALS (Continued)

Notes:

- (i) This represents the remaining consideration for the acquisition of the Power Great Group (note 38(a)) to be settled in cash. Subsequent to the end of reporting period, an amount of HK\$200,000,000 was settled and the vendor agreed to extend the repayment date for the remaining balance of HK\$300,000,000 to early 2012.
- (ii) Other payables and accruals include loans denominated in USD of HK\$78,877,000 (2009: Nil) from certain non-controlling shareholders of the Group. The loans are unsecured, bear interest at 3% per annum and repayable within 1 year. The balance also includes exploration costs payable of approximately HK\$290,205,000 in respect of gas exploration and evaluation assets and oil and gas properties. Subsequent to the end of reporting period, OEI, a subsidiary of the Group, has obtained a letter of financial support from a contractor company of OEI, a shareholder of which is also a non-controlling shareholder of the Company, confirming that it will not request for payment of the exploration costs payable of approximately HK\$256,000,000, until OEI has the necessary working capital to do so.

### 30. 其他應付款項及預提費用 (續)

附註：

- (i) 此乃指收購威遠集團而將以現金支付之代價餘額(附註38(a))。於報告期末，已支付200,000,000港元之款項，而賣方同意將餘額300,000,000港元之還款日延後至2012年初。
- (ii) 其他應付款項及預提費用包括以美元計值之本集團若干非控股股東貸款78,877,000港元(2009年：無)。該等貸款為無抵押、年息3%及須於一年內償還。餘額亦包括有關油氣勘探及評估資產以及油氣資產之應付勘探成本約290,205,000港元。繼本報告期間終結後，本集團之附屬公司奧瑞安已獲奧瑞安之一家承包公司(其股東亦為本公司之非控股股東)發出財務支持函，確認在奧瑞安未具備必要之營運資金付款之前，該承包公司不會要求支付約256,000,000港元之應付勘探成本。

### 31. PROVISIONS

Balance at 1 January	於1月1日之結餘
Disposal of subsidiaries (note 37(a))	出售附屬公司 (附註37(a))
Balance at 31 December	於12月31日之結餘

The provision represents directors' estimated assets retirement obligations relating to oil and gas properties located in the US.

### 31. 撥備

		The Group 本集團	
		2010	2009
		HK\$' 000	HK\$' 000
		千港元	千港元
		338	338
		(338)	-
		-	338

該項撥備指與位於美國之油氣資產有關之董事估計資產棄置報廢。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 32. CONVERTIBLE NOTE

#### The Group and Company

(i) *Convertible note issued on 30 April 2009*

The Company issued a convertible note with a principal amount of HK\$25,000,000 and 2% coupon rate on 30 April 2009. The convertible note was denominated in HKD and would mature in four years from the issue date. The note was convertible to 54,347,826 ordinary shares of the Company at the holder's option at the rate of HK\$0.46 per share.

The fair values of the liability component and equity conversion component were determined at the date of issue. The fair value of the liability component, included as non-current financial liabilities, was calculated using the market interest rate for an equivalent non-convertible note. The residual amount, representing the value of the equity conversion component, was included in equity, net of deferred income taxes, where applicable.

Imputed interest expense on the liability component of convertible note was charged at the rate of 14.12% using the effective interest method.

Pursuant to the terms and conditions of the convertible note, the Company was permitted to redeem the note at 100% of the outstanding principal amount (in whole or in part) at any time before the maturity date, by serving at least seven days' prior written notice on the note holder. This redemption right constituted as an embedded derivative in accordance with HKAS 32. In the opinion of an independent professional valuers, Assets Appraisal Limited, the fair value of this embedded derivative was nil as at the issue date and 31 December 2009. This convertible note was early redeemed in full at a consideration of HK\$25,000,000 in July 2010, resulting in a loss on early redemption of HK\$703,000.

### 32. 可換股票據

#### 本集團及本公司

(i) *於2009年4月30日發行之可換股票據*

本公司於2009年4月30日發行本金額為25,000,000港元且票息率為2%之可換股票據。可換股票據以港元計值，自發行日期起計四年內到期。票據可依據持有人之選擇以每股0.46港元之價格轉換為本公司54,347,826股普通股。

負債部分及權益轉換部分之公平值乃於發行日期釐定。負債部分之公平值作為非流動財務負債入賬，並使用同等不可換股票據之市場利率計算。餘額指權益轉換部分之價值，扣除遞延所得稅（如適用）後計入權益內。

可換股票據負債部分之應歸利息支出乃按實際利率14.12%使用實際利息法計算。

根據可換股票據之條款及條件，本公司獲准於到期日之前之任何時間通過向票據持有人發出至少七天之事先書面通知，以100%之未償還本金額（全部或部分）贖回票據。根據香港會計準則第32號，該贖回權構成嵌入式衍生工具。根據獨立專業估值師－資產評估顧問有限公司之意見，於發行日期及2009年12月31日，該嵌入式衍生工具之公平值接近零。該可換股票據已提早於2010年7月按代價25,000,000港元全數贖回，導致產生提早贖回虧損703,000港元。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 32. CONVERTIBLE NOTE (Continued)

#### The Group and Company (Continued)

(ii) *Convertible note issued on 18 November 2010*

The Company issued a convertible note with zero coupon interest on 18 November 2010 as part of the consideration on the acquisition of Power Great Group as set out in note 38(a). The convertible note is denominated in HKD and will mature in the third anniversary of the date of issuance. The nominal value of the note is HK\$780,000,000 and it can be converted into ordinary shares of the Company at the price of HK\$0.5 per conversion share. A total of 1,560,000,000 shares will be issued upon full conversion. In accordance with the terms of the convertible note, the Company shall redeem the convertible note on maturity date at the redemption amount which is 100% of the principal amount of the convertible note then outstanding. The Company has the right to elect to settle the redemption in cash or by the issue of conversion shares at the conversion price or a combination of both. In the opinion of the directors, the convertible note is an equity instrument as the Company has the option to issue shares at the conversion price on maturity date. The Company has no obligations to redeem the convertible note in cash. Accordingly, the nominal value of the note of HK\$780,000,000 was credited to the convertible note equity reserve on the date of issue of the note.

### 32. 可換股票據(續)

#### 本集團及本公司(續)

(ii) *於2010年11月18日發行之可換股票據*

本公司於2010年11月18日就附註38(a)所載收購威遠集團之部分代價而發行零票息可換股票據。可換股票據以港元計值，自發行日期起計第三週年到期。票據面值為780,000,000港元，可以每股換股股份0.5港元之價格轉換為本公司普通股。可換股票據被悉數轉換後，將合共發行1,560,000,000股股份。根據可換股票據之條款，本公司將於到期日按贖回款額(即可換股票據當時之尚未償還本金額之100%)贖回可換股票據。本公司有權選擇以現金方式，或選擇按換股價發行換股股份之方式，或綜合上述兩種方式以支付贖回款額。董事認為，可換股票據為權益工具，因為本公司有權於到期日按換股價發行股份。本公司並無責任以現金贖回可換股票據。因此，在發行票據當日，面值780,000,000港元之票據已撥入可換股票據權益儲備。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 32. CONVERTIBLE NOTE (Continued)

The convertible note recognised in the statement of financial position is calculated as follows:

### 32. 可換股票據(續)

於財務狀況表確認之可換股票據計算如下：

		Liability component 負債部分 HK\$' 000 千港元	Equity component 權益部分 HK\$' 000 千港元
At 1 January 2009	於2009年1月1日	–	–
Face value of convertible note issued on 30 April 2009	於2009年4月30日發行之 可換股票據面值	15,511	9,489
Imputed interest expense (note 8(a))	應歸利息支出(附註8(a))	1,555	–
Interest paid	已付利息	(242)	–
At 31 December 2009	於2009年12月31日	16,824	9,489
Imputed interest expense (note 8(a))	應歸利息支出 (附註8(a))	1,452	–
Interest paid	已付利息	(292)	–
Release of equity component	撥回權益部分	–	(3,176)
Redemption of convertible note	贖回可換股票據	(18,687)	(6,313)
Loss on redemption of convertible note (note 7)	贖回可換股票據之 虧損(附註7)	703	–
Face value of convertible note issued on 18 November 2010 (note 38(a))	於2010年11月18日發行之 可換股票據公平值 (附註38(a))	–	780,000
At 31 December 2010	於2010年12月31日	–	780,000

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 33. DEFERRED TAX

Details of the deferred tax assets and (liabilities) recognised and movements during the year:

### 33. 遞延稅項

年內確認之遞延稅項資產及(負債)之詳情及變動:

		Accelerated tax depreciation	Intangible assets	Tax losses	Total
		加速稅項 折舊	無形資產	稅項虧損	總計
		HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元
At 1 January 2009	於2009年1月1日	-	-	-	-
Arising from acquisitions during the year (note 38(b))	本年度收購產生 (附註38(b))	(779)	(11,682)	-	(12,461)
At 31 December 2009	於2009年12月31日	(779)	(11,682)	-	(12,461)
(Charged)/credited to profit or loss (note 9)	(扣除)/計入損益賬 (附註9)	(7,386)	35	4,714	(2,637)
At 31 December 2010	於2010年12月31日	(8,165)	(11,647)	4,714	(15,098)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off when the deferred tax related to same fiscal authority. The following amounts, determined after appropriate offsetting, are shown on the consolidated statement of financial position.

遞延稅項資產及負債只有有合法強制執行權利抵銷以及遞延稅項為同一稅務機關下，方會作出抵銷。以下是在綜合財務狀況表合理抵銷後釐定之金額。

		The Group 本集團	
		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Deferred tax liabilities	遞延稅項負債	(19,812)	(12,461)
Deferred tax assets	遞延稅項資產	4,714	-
		(15,098)	(12,461)

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 33. DEFERRED TAX (Continued)

In accordance with the accounting policy set out in note 4(m), the Group had HK\$18,856,000 (2009: HK\$35,510,000) unused tax losses at the end of the reporting period. No deferred tax asset for the unused tax losses was recognised for the year ended 31 December 2009 as it was not probable that future taxable profits against which the losses could be utilised would be available in the relevant tax jurisdiction and group entity. Tax losses as at 31 December 2009 were in respect of the subsidiaries in the US which were disposed of during the year (note 37(a)).

### 34. EMPLOYEE RETIREMENT BENEFITS

- a) The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, both the employer and each employee are required to make contributions to the plan at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$20,000 by each party. Contributions to the plan vest immediately.
- b) Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes (the "Schemes") organised by the relevant local government authorities, whereby the Group is required to make contributions to the Schemes at a rate ranging from 18% to 22% of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. The obligations are calculated based on a certain percentage of the basic payroll.

### 33. 遞延稅項(續)

根據附註4(m)所載之會計政策，本集團於報告期間結束時有18,856,000港元(2009年：35,510,000港元)之未動用稅項虧損。由於相關稅務司法權區及集團實體不可能產生用作抵銷虧損之日後應課稅溢利，故並無就截至2009年12月31日止年度確認未動用稅項虧損之遞延稅項資產。於2009年12月31日之稅項虧損乃有關已於本年度出售之美國附屬公司(附註37(a))。

### 34. 僱員退休福利

- a) 本集團根據香港強制性公積金計劃條例，為根據香港僱傭條例受僱之僱員設定強制性公積金計劃(「強積金計劃」)。強積金計劃乃由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及各僱員各自須按僱員之有關收入之5%作出供款，惟各方每月有關收入以20,000港元為上限。向計劃作出之供款即時歸僱員所有。
- b) 根據中國相關勞動規則及法規，本集團參與由有關當地政府機關管理之定額供款退休福利計劃(「該等計劃」)。據此，本集團須按合資格僱員薪金介乎18%至22%向該等計劃作出供款。當地政府機關須對應付退休僱員之全部退休金責任負責。該等責任乃根據基本薪金之某個百分比計算。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 35. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company had a share option scheme which was adopted on 6 March 2002 (“Old Scheme”) for a period of ten years commencing from 6 March 2002 whereby the directors of the Company were authorised, at their discretion, to invite employees of the Group, including directors of any companies within the Group, to take up options to subscribe for shares of the Company. The terms and conditions of the grant were determined by the Board at the time of grant. The exercisable period of an option was not to exceed a period of ten years commencing on 6 March 2002. The options gave the holder the right to subscribe for ordinary shares in the Company. A nominal consideration of HK\$1 was payable by the grantee upon acceptance of an option. Options were forfeited if the employee leaves the Group.

The Company adopted a new share option scheme on 28 May 2010 (“New Scheme”). The New Scheme is for a period of ten years commencing from 28 May 2010. Upon the adoption of the New Scheme, the Old Scheme was immediately terminated. The terms and conditions of the New Scheme are the same as the Old Scheme except for the effective period of the option scheme. Any share options granted under the Old Scheme are still valid and follow terms of Old Scheme. No share options has been issued under the New Scheme up to 31 December 2010.

### 35. 股本結算以股份付款之交易

本公司於2002年3月6日採納一項購股權計劃（「舊計劃」），自2002年3月6日起計為期10年，據此，本公司董事獲授權酌情向本集團僱員（包括本集團任何成員公司之董事）授出購股權，以認購本公司股份。授出之條款及條件由董事會於授出時釐定。購股權之可予行使期不得超過自2002年3月6日起計十年。購股權賦予持有人權利認購本公司普通股。獲授購股權之人士於接納購股權時，須支付象徵式代價1港元。倘僱員離開本集團，則沒收有關購股權。

本公司於2010年5月28日採納一項新購股權計劃（「新計劃」）。新計劃自2010年5月28日起計為期10年。採納新計劃後，舊計劃即告終止。除購股權計劃之有效期外，新計劃之條款及條件均與舊計劃相同。根據舊計劃授出之任何購股權仍屬有效，並繼續遵從舊計劃之條款。截至2010年12月31日，概無根據新計劃發行購股權。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 35. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

a) The terms and conditions of the share options that existed during the year ended 31 December 2010 under the Old Scheme were as follows and all options are settled by physical delivery of shares:

Date of grant	Vesting condition	Exercise period	Contractual exercise price	Number of options	Contractual life of options
授出日期	歸屬條件	行使期限	合約行使價	購股權數目	購股權合約年期
Options granted to directors: 授予董事之購股權：					
- on 22 August 2007 - 於2007年8月22日	Immediately 即時	22 August 2007 to 5 March 2012 2007年8月22日至2012年3月5日	HK\$0.375 0.375港元	35,000,000	4.5 years 4.5年
- on 21 August 2008 - 於2008年8月21日	Immediately 即時	21 August 2008 to 5 March 2012 2008年8月21日至2012年3月5日	HK\$0.180 0.180港元	7,000,000	3.5 years 3.5年
- on 22 April 2010 - 於2010年4月22日	Immediately 即時	22 April 2010 to 5 March 2012 2010年4月22日至2012年3月5日	HK\$0.390 0.390港元	9,000,000	2 years 2年
Option granted to employees: 授予僱員之購股權：					
- on 26 January 2007 - 於2007年1月26日	Immediately 即時	26 February 2007 to 25 February 2012 2007年2月26日至2012年2月25日	HK\$0.189 0.189港元	97,250,000	5 years 5年
- on 22 August 2007 - 於2007年8月22日	Immediately 即時	22 August 2007 to 5 March 2012 2007年8月22日至2012年3月5日	HK\$0.375 0.375港元	348,190,000	4.5 years 4.5年
- on 21 August 2008 - 於2008年8月21日	Immediately 即時	21 August 2008 to 5 March 2012 2008年8月21日至2012年3月5日	HK\$0.180 0.180港元	6,000,000	2.5 years 2.5年
- on 22 April 2010 - 於2010年4月22日	Immediately 即時	22 April 2010 to 5 March 2012 2010年4月22日至2012年3月5日	HK\$0.390 0.390港元	209,400,000	2 years 2年
Total share options 購股權總數				<b>711,840,000</b>	

### 35. 股本結算以股份付款之交易 (續)

a) 以下為截至2010年12月31日止年度根據舊計劃存在之購股權之條款及條件，所有購股權均透過實際交付股份結算：

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 35. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

b) The number and weighted exercise prices of share options are as follows:

		2010		2009	
		Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options
		加權平均行使價	購股權數目	加權平均行使價	購股權數目
		HK\$ 千元	'000 千份	HK\$ 千元	'000 千份
Outstanding at beginning of the year	於年初尚未行使	0.233	967,950	0.221	1,055,250
Granted during the year	年內授出	0.390	220,000	–	–
Exercised during the year	年內行使	0.131	(476,110)	0.077	(86,800)
Lapsed during the year	年內失效	–	–	0.375	(500)
Outstanding at the end of the year	於年末尚未行使	0.351	711,840	0.233	967,950
Exercisable at the end of the year	於年末可予行使	0.351	711,840	0.233	967,950

The weighted average share price at the date of exercise of the shares options during the year was HK\$0.47 (2009: HK\$0.24).

The options outstanding at 31 December 2010 had exercise prices of HK\$0.375, HK\$0.189, HK\$0.180 and HK\$0.390 (2009: HK\$0.035, HK\$0.053, HK\$0.189, HK\$0.375, HK\$0.18 and HK\$0.06) respectively and a weighted average remaining contractual life of 1.2 years (2009: 2.1 years).

c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured with reference to the fair value of share options granted. The estimate of the fair values of the services received is measured based on the Black-Scholes option pricing model or Binomial lattice option pricing model. Lives of the options are incorporated into the model.

### 35. 股本結算以股份付款之交易 (續)

b) 購股權之數目及加權行使價如下：

		2010		2009	
		Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options
		加權平均行使價	購股權數目	加權平均行使價	購股權數目
		HK\$ 千元	'000 千份	HK\$ 千元	'000 千份
Outstanding at beginning of the year	於年初尚未行使	0.233	967,950	0.221	1,055,250
Granted during the year	年內授出	0.390	220,000	–	–
Exercised during the year	年內行使	0.131	(476,110)	0.077	(86,800)
Lapsed during the year	年內失效	–	–	0.375	(500)
Outstanding at the end of the year	於年末尚未行使	0.351	711,840	0.233	967,950
Exercisable at the end of the year	於年末可予行使	0.351	711,840	0.233	967,950

年內，購股權獲行使當日之加權平均股價為0.47港元(2009年：0.24港元)。

於2010年12月31日，尚未行使購股權之行使價分別為0.375港元、0.189港元、0.180港元及0.390港元(2009年：0.035港元、0.053港元、0.189港元、0.375港元、0.18港元及0.06港元)，而加權平均餘下合約年期為1.2年(2009年：2.1年)。

c) 購股權之公平值及假設

換取授出購股權所獲得服務之公平值乃參考所授出購股權之公平值計量。所獲得服務之公平值乃根據華蘇購股權定價模式或二項式點陣購股權定價模式估計。該模式已將購股權之年期計算在內。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 35. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

c) Fair value of share options and assumptions  
(Continued)

*Fair value of share options and assumptions*

Date of grant	22 April 2010	7 November 2008	21 August 2008	22 August 2007	26 January 2007	2 November 2006
授出日期	2010年 4月22日	2008年 11月7日	2008年 8月21日	2007年 8月22日	2007年 1月26日	2006年 11月2日
Fair value at measurement date 於計量日期之公平值	HK\$0.087 0.087港元	HK\$0.014 0.014港元	HK0.032 0.032港元	HK\$0.035 0.035港元	HK\$0.011 0.011港元	HK\$0.013 0.013港元
Share price 股價	HK\$0.39 0.39港元	HK\$0.06 0.06港元	HK\$0.18 0.18港元	HK\$0.375 0.375港元	HK\$0.189 0.189港元	HK\$0.053 0.053港元
Exercise price 行使價	HK\$0.39 0.39港元	HK\$0.18 0.18港元	HK\$0.18 0.18港元	HK\$0.375 0.375港元	HK\$0.189 0.189港元	HK\$0.053 0.053港元
Expected volatility 預期波幅	72.06%	58.06%	50.73%	56%	33.7%	85.73%
Expected life 預期年期	2 years 年	1 year 年	1 year 年	0.17 year 年	0.16 year 年	0.75 year 年
Expected dividends 預期股息	0%	0%	0%	0%	0%	0%
Risk-free interest rate (based on the yields to maturity of Hong Kong Exchange Fund Note) 無風險利率(按香港外匯基金票據到期收益率計算)	0.58%	0.48%	1.63%	4%	3.725%	3.6%

The expected volatility is based on the historical volatility (by reference to the weighted average remaining life of the share options), adjusted for any expected changes to future volatility by reference to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognised total expenses of HK\$19,200,000 (2009: Nil) in respect of the equity-settled share-based payment transactions during the year (note 8(b)).

### 35. 股本結算以股份付款之交易 (續)

c) 購股權之公平值及假設 (續)

*購股權之公平值及假設*

預期波幅乃以歷史波幅為基準(參照購股權之加權平均剩餘年期計算), 並按就公開可得資料之預期未來波動變動作出調整。預期股息乃按歷史股息為依據。主觀假設之變動可能對公平值估計構成重大影響。

於本年度, 本集團確認有關股本結算以股份付款之交易之總支出19,200,000港元(2009年: 零港元)(附註8(b))。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 36. CAPITAL AND RESERVES

#### a) Share capital

(i) Authorised and issued share capital

### 36 資本及儲備

#### a) 股本

(i) 法定及已發行股本

The Company

本公司

		2010		2009	
		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
<b>Authorised</b>	<b>法定</b>				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股	<b>25,000,000</b>	<b>250,000</b>	10,000,000	100,000
<b>Issued and fully paid</b>	<b>已發行及繳足</b>				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股				
At beginning of the year	於年初	<b>4,386,148</b>	<b>43,861</b>	4,226,884	42,269
Shares issued on exercise of warrants (iii)	行使認股權證時發行股份(iii)	<b>226,000</b>	<b>2,260</b>	–	–
Shares issued under share option scheme (iv)	按購股權計劃發行股份(iv)	<b>476,110</b>	<b>4,761</b>	86,800	868
Shares issued for acquisitions (v)	就收購發行股份(v)	<b>1,560,000</b>	<b>15,600</b>	72,464	724
Shares issued on placing (vi)	按配售發行股份(vi)	<b>2,493,220</b>	<b>24,932</b>	–	–
At end of the year	於年末	<b>9,141,478</b>	<b>91,414</b>	4,386,148	43,861

At the special general meeting on 16 August 2010, the shareholders approved to increase the authorised share capital of the Company from HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each to HK\$250,000,000 divided into 25,000,000,000 shares of HK\$0.01 each.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

於2010年8月16日股東特別大會，股東批准將本公司法定股本由100,000,000港元分為10,000,000,000股每股面值0.01港元之股份增加至250,000,000港元分為25,000,000,000股每股面值0.01港元之股份。

普通股持有人有權收取不時宣派之股息，並在本公司大會上每股可獲一票投票權。所有普通股對本公司之餘下資產享有同等權益。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 36. CAPITAL AND RESERVES (Continued)

#### a) Share capital (Continued)

##### (ii) Issue of warrants

The Company entered into a separate agreement on issuance of warrants on 7 June 2010 and 10 November 2010. Pursuant to the agreements, the Company issued 600,000,000 and 250,000,000 unlisted warrants at the price of HK\$0.01 and HK\$0.005 each on those dates respectively. The contractual exercise prices of the warrants are HK\$0.22 and HK\$0.53 per subscription share, respectively. The proceeds of HK\$7,250,000 were credited to warrant reserve.

##### (iii) Shares issued on exercise of warrants

During 2010, 226,000,000 warrants were exercised to subscribe for 226,000,000 (2009: Nil) ordinary shares in the Company at a consideration of HK\$49,720,000 (2009: Nil) of which HK\$2,260,000 (2009: Nil) was credited to share capital and the balance of HK\$47,460,000 (2009: Nil) was credited to the share premium account. HK\$2,260,000 (2009: Nil) was transferred from the warrant reserve to the share premium account accordingly.

##### (iv) Shares issued under share option scheme

During 2010, options were exercised to subscribe for 476,110,000 (2009: 86,800,000) ordinary shares in the Company at a consideration of HK\$62,284,000 (2009: HK\$6,678,000) of which HK\$4,761,000 (2009: HK\$868,000) was credited to share capital and the balance of HK\$57,523,000 (2009: HK\$5,810,000) was credited to the share premium account. HK\$7,966,000 (2009: HK\$1,301,000) was transferred from the share option reserve to the share premium account in accordance with accounting policy set out in note 4(o)(ii).

### 36 資本及儲備(續)

#### a) 股本(續)

##### (ii) 發行認股權證

本公司於2010年6月7日及2010年11月10日先後訂立獨立協議。根據該等協議，本公司分別於上述日期按每份0.01港元及0.005港元之價格發行600,000,000份及250,000,000份非上市認股權證。認股權證之合約行使價分別為每股認購股份0.22港元及0.53港元。所得款項7,250,000港元已計入認股權證儲備。

##### (iii) 行使認股權證時發行股份

於2010年，226,000,000份認股權證已獲行使以認購本公司226,000,000股(2009年：無)普通股，代價為49,720,000港元(2009年：無)，其中2,260,000港元(2009年：無)計入股本，餘下47,460,000港元(2009年：無)計入股份溢價賬。據此，2,260,000港元(2009年：無)已自認股權證儲備轉撥至股份溢價賬。

##### (iv) 按購股權計劃發行股份

於2010年，購股權已獲行使以認購本公司476,110,000股(2009年：86,800,000股)普通股，代價為62,284,000港元(2009年：6,678,000港元)，其中4,761,000港元(2009年：868,000港元)計入股本，餘下57,523,000港元(2009年：5,810,000港元)計入股份溢價賬。根據附註4(o)(ii)所載之會計政策，7,966,000港元(2009年：1,301,000港元)已自購股權儲備轉撥至股份溢價賬。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 36. CAPITAL AND RESERVES (Continued)

#### a) Share capital (Continued)

##### (v) Shares issued for acquisitions

On 17 February 2009, the Company's issued share capital was increased by HK\$724,000 through the issue of 72,463,768 shares as part of the consideration to acquire the Liulouyu Oil Field as set out in note 38(b). The fair value of the consideration shares as determined by the closing market price of HK\$0.37 per share on 17 February 2009 (being the date of completion) was HK\$26,811,000. The premium on the issue of new shares amounted to HK\$26,087,000 was credited to the share premium account.

On 15 November 2010, the Company's issued share capital was increased by HK\$15,600,000 through the issue of 1,560,000,000 shares as part of the consideration to acquire the Power Great Group as set out in note 38(a). The fair value of the consideration shares as determined by the closing market price of HK\$0.48 per share on 15 November 2010 (being date of completion) was HK\$748,800,000. The premium on the issue of new shares amounted to HK\$733,200,000 was credited to the share premium account.

##### (vi) Shares issued on placing

During 2010, 874,000,000, 750,000,000 and 869,220,000 ordinary shares were subscribed at HK\$0.198, HK\$0.22 and HK\$0.45 per share and the corresponding proceeds were of HK\$173,052,000, HK\$165,000,000 and HK\$391,149,000 respectively. Accordingly, the Company's issued share capital was increased by HK\$24,932,000 and the balance of the proceeds of HK\$689,061,000, after deducting direct issued costs of HK\$15,208,000, was credited to share premium.

### 36 資本及儲備(續)

#### a) 股本(續)

##### (v) 就收購發行股份

於2009年2月17日，透過發行72,463,768股股份以作為收購柳洛峪油田(載於附註38(b))之部分代價，本公司之已發行股本增加724,000港元。代價股份之公平值為26,811,000港元，乃按2009年2月17日(即完成日期)之收市價每股0.37港元釐定。發行新股份之溢價為26,087,000港元，已計入股份溢價賬。

於2010年11月15日，透過發行1,560,000,000股股份以作為收購威遠集團(載於附註38(a))之部分代價，本公司之已發行股本增加15,600,000港元。代價股份之公平值為748,800,000港元，乃按2010年11月15日(即完成日期)之收市價每股0.48港元釐定。發行新股份之溢價為733,200,000港元，已計入股份溢價賬。

##### (vi) 按配售發行股份

於2010年，874,000,000股、750,000,000股及869,220,000股普通股分別按0.198港元、0.22港元及0.45港元之價格獲認購，相應之所得款項分別為173,052,000港元、165,000,000港元及391,149,000港元。因此，本公司之已發行股本增加24,932,000港元，而所得款項餘額689,061,000港元(已扣除直接發行成本15,208,000港元)已計入股份溢價賬。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 36. CAPITAL AND RESERVES (Continued)

#### b) The Company

### 36. 資本及儲備(續)

#### b) 本公司

		Share capital	Share premium	Contributed surplus	Share option reserve	Warrant reserve	Convertible note equity reserve	Accumulated losses	Total
	Notes	股本	股份溢價	繳納盈餘	購股權儲備	認股權證儲備	可換股票據權益儲備	累計虧損	總計
	附註	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 1 January 2009	於2009年1月1日	42,269	364,780	81,043	22,433	-	-	(385,232)	125,293
Issue of convertible note for acquisition	就收購發行可換股票據	32	-	-	-	-	9,489	-	9,489
Shares issued for acquisitions	就收購發行股份	36(a)(v)	724	26,087	-	-	-	-	26,811
Shares issued under share option scheme	按購股權計劃發行股份	36(a)(iv)	868	7,111	(1,301)	-	-	-	6,678
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	-	-	-	-	(93,680)	(93,680)
At 31 December 2009	於2009年12月31日	43,861	397,978	81,043	21,132	-	9,489	(478,912)	74,591
Issue of share options	發行購股權	35	-	-	19,200	-	-	-	19,200
Shares issued under share option scheme	按購股權計劃發行股份	36(a)(iv)	4,761	65,489	(7,966)	-	-	-	62,284
Redemption of convertible note	贖回可換股票據	32	-	-	-	-	(6,313)	-	(6,313)
Release of convertible note equity reserve	可換股票據權益儲備撥回	32	-	-	-	-	(3,176)	3,176	-
Shares issued for acquisition	就收購發行股份	36(a)(v)	15,600	733,200	-	-	-	-	748,800
Issue of convertible note for acquisition	就收購發行可換股票據	32	-	-	-	-	780,000	-	780,000
Shares issued on placing	按配售發行股份	36(a)(vi)	24,932	689,061	-	-	-	-	713,993
Issue of warrants	發行認股權證	36(a)(ii)	-	-	-	7,250	-	-	7,250
Shares issued on exercise of warrants	行使認股權證時發行股份	36(a)(iii)	2,260	49,720	-	(2,260)	-	-	49,720
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	-	-	-	-	-	-	17,720	17,720
At 31 December 2010	於2010年12月31日	91,414	1,935,448	81,043	32,366	4,990	780,000	(458,016)	2,467,245

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 36. CAPITAL AND RESERVES (Continued)

#### c) Nature and purpose of reserves

##### (i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Share premium is not distributable but may be applied in paying up unissued shares of the Company to be issued to shareholders as fully paid bonus shares or to provide the premiums on repurchase of own shares.

##### (ii) Contributed surplus

Contributed surplus arises when the Company issues shares in exchange for the shares of subsidiaries being acquired, and represents the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired under the group reorganisation in 1999 in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong. Under the Companies Act 1981 of Bermuda, contributed surplus is available for distribution to shareholders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- it is or would after the payment, be unable to pay its liabilities as they become due; or
- the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

##### (iii) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted by the Company and recognised in accordance with the accounting policy adopted for share-based payments as set in note 4(o)(ii).

##### (iv) Warrant reserve

Warrant reserve represents the net proceed received from the issue of warrants by the Company.

##### (v) Convertible note equity reserve

The reserve represents the equity component (i.e. option to convert the note into shares) of convertible note issued by the Company.

### 36. 資本及儲備(續)

#### c) 儲備性質及用途

##### (i) 股份溢價

股份溢價指以超出股份每股面值價格發行股份而產生之不可分派溢價。股份溢價可用作繳清本公司將作為繳足紅股向股東發行之未發行股份或為購回本身股份提供溢價。

##### (ii) 繳納盈餘

本公司之繳納盈餘來自本公司發行股份以交換所購入附屬公司之股份，相當於本公司已發行股份面值根據1999年為籌備本公司股份在香港聯合交易所上市而進行之集團重組所購入附屬公司資產淨值之間之差額。根據百慕達一九八一年公司法，繳納盈餘可供分派予股東。然而，倘發生下列情況，本公司不可宣派或派付股息或自繳納盈餘作出分派：

- 派付或於派付後導致無法或可能無法償還到期負債；或
- 導致資產之可變現價值低於負債、已發行股本及股份溢價賬之總額。

##### (iii) 購股權儲備

購股權儲備為已向本公司僱員授出之實際或估計數目之尚未行使購股權之公平值，並已按照附註4(o)(ii)就以股份支付之款項所採納會計政策確認入賬。

##### (iv) 認股權證儲備

認股權證儲備代表本公司就發行認股權證收取之所得款項淨額。

##### (v) 可換股票據權益儲備

儲備代表本公司發出之可換股票據之權益部分(即將票據轉換為股份之選擇權)。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 36. CAPITAL AND RESERVES (Continued)

#### c) Nature and purpose of reserves (Continued)

##### (vi) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong which are dealt with in accordance with the accounting policy as set out in note 4(n).

##### (vii) Capital reserve

Capital reserve represents capital contribution from the controlling owner in the form of interest-free loans. The amounts are estimated by discounting the nominal value of their non-interest bearing loans to the Group at current market interest rate for similar financial instruments.

### 36. 資本及儲備(續)

#### c) 儲備性質及用途(續)

##### (vi) 匯兌儲備

匯兌儲備包括因換算香港以外業務之財務報表所產生之所有外匯差額，乃按照附註4(n)所載之會計政策處理。

##### (vii) 資本儲備

資本儲備指控股股東以無息貸款之方式作出之股本注資。該等金額按類似金融工具現行市場利率折現其向本集團作出之無息貸款之面值進行估計。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 37. DISPOSAL OF SUBSIDIARIES

#### a) Disposal of subsidiaries during the year ended 31 December 2010

On 30 December 2010, the Group disposed of Ally Bond Group, whose activities are in oil exploitation and sale of crude oil. The net assets of Ally Bond Group as at the completion date were as follows:

		HK\$'000 千港元
Property, plant and equipment (note 17)	物業、廠房及設備(附註17)	28,103
Intangible assets (note 20)	無形資產(附註20)	43,092
Pledged deposits (note 24)	已抵押存款(附註24)	1,130
Cash and cash equivalents	現金及現金等價物	65
Other payables and accruals	其他應付款項及預提費用	(1,708)
Provision (note 31)	撥備(附註31)	(338)
Net assets disposed of	所出售資產淨值	70,344
Reclassification from exchange reserve	自匯兌儲備重新分類	(334)
Non-controlling interest	非控股權益	1,424
		71,434
Gain on disposal (note 7)	出售之收益(附註7)	68,566
Total consideration	總代價	140,000
Satisfied by:	支付方式:	
Cash consideration receivable (note 26(i))	應收現金代價(附註26(i))	14,000
Note receivable (note 27)	應收票據(附註27)	126,000
		140,000
Net cash outflow arising on disposal:	出售所產生之現金流出淨額:	
Cash and cash equivalents balances disposed of	所出售現金及現金等價物結餘	(65)

Ally Bond Group contributed HK\$ Nil to the Group's turnover and a loss of HK\$14,248,000 for the period to the date of disposal.

### 37. 出售附屬公司

#### a) 截至2010年12月31日止年度內出售附屬公司

於2010年12月30日，本集團出售從事原油開採及銷售之協邦集團。協邦集團於完成日期之資產淨值如下：

	HK\$'000 千港元
Property, plant and equipment (note 17)	28,103
Intangible assets (note 20)	43,092
Pledged deposits (note 24)	1,130
Cash and cash equivalents	65
Other payables and accruals	(1,708)
Provision (note 31)	(338)
Net assets disposed of	70,344
Reclassification from exchange reserve	(334)
Non-controlling interest	1,424
	71,434
Gain on disposal (note 7)	68,566
Total consideration	140,000
Satisfied by:	
Cash consideration receivable (note 26(i))	14,000
Note receivable (note 27)	126,000
	140,000
Net cash outflow arising on disposal:	
Cash and cash equivalents balances disposed of	(65)

期內直至出售日期，協邦集團為本集團營業額帶來零港元貢獻，反之造成虧損14,248,000港元。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 37. DISPOSAL OF SUBSIDIARIES (Continued)

#### a) Disposal of subsidiaries during the year ended 31 December 2010(Continued)

On 30 December 2010, the Group disposed of King Giant Group, whose activities are in oil exploitation and sale of crude oil. The net assets of King Giant Group as at the completion date were as follows:

		HK\$' 000 千港元
Intangible assets (note 20)	無形資產(附註20)	5,575
Trade and other receivables	應收賬款及其他應收款項	294
Cash and cash equivalents	現金及現金等價物	171
Other payables and accruals	其他應付款項及預提費用	(271)
		<hr/>
Net assets disposed of	所出售資產淨值	5,769
Reclassification from exchange reserve	自匯兌儲備重新分類	(1)
		<hr/>
		5,768
		<hr/>
Gain on disposal (note 7)	出售之收益(附註7)	4,232
		<hr/>
Total consideration	總代價	10,000
		<hr/>
Satisfied by:	支付方式:	
Cash consideration	應收現金代價(附註26(i))	1,000
receivable (note 26(i))		<hr/>
Note receivable (note 27)	應收票據(附註27)	9,000
		<hr/>
		10,000
		<hr/>
Net cash outflow arising on disposal:	出售所產生之現金流出淨額:	
Cash and cash equivalents balances disposed of	所出售現金及現金等價物結餘	(171)
		<hr/>

King Giant Group contributed HK\$734,000 to the Group's turnover and a profit of HK\$266,000 for the period to the date of disposal.

### 37. 出售附屬公司(續)

#### a) 截至2010年12月31日止年度內 出售附屬公司(續)

於2010年12月30日，本集團出售從事原油開採及銷售之君鴻集團。君鴻集團於完成日期之資產淨值如下：

	HK\$' 000 千港元
	5,575
	294
	171
	(271)
	<hr/>
	5,769
	(1)
	<hr/>
	5,768
	<hr/>
	4,232
	<hr/>
	10,000
	<hr/>
	1,000
	<hr/>
	9,000
	<hr/>
	10,000
	<hr/>
	(171)
	<hr/>

期內直至出售日期，君鴻集團為本集團營業額貢獻734,000港元，並帶來溢利266,000港元。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 37. DISPOSAL OF SUBSIDIARIES (Continued)

#### b) Disposal of subsidiaries during the year ended 31 December 2009

As set out in note 12, on 11 May 2009, the Group disposed of Excellent Group, whose activities are in the operation of refilling stations supplying natural gas and LPG. The net assets of Excellent Group as at the completion date were as follows:

		HK\$' 000 千港元
Property, plant and equipment (note 17)	物業、廠房及設備(附註17)	5,307
Land lease prepaid (note 18)	土地租賃預付款項(附註18)	1,273
Inventories	存貨	90
Amount due from a non-controlling interest	應收非控股權益款項	1,425
Other receivables	其他應收款項	148
Cash and cash equivalents	現金及現金等價物	16,383
Other payables	其他應付款項	(653)
Taxation	稅項	(431)
Net assets disposed of	所出售資產淨值	23,542
Reclassification from exchange reserve	自匯兌儲備重新分類	(16,456)
Direct costs incurred on disposal	出售所產生之直接成本	877
		7,963
Gain on disposal (note 12)	出售之收益(附註12)	11,593
Total consideration	總代價	19,556
Satisfied by:	支付方式:	
Cash consideration received	已收現金代價	1,500
Note receivable	應收票據	18,056
		19,556
Net cash outflow arising on disposal:	出售所產生之現金流出淨額:	
Cash consideration received	已收現金代價	1,500
Cash and cash equivalents balances disposed of	所出售現金及現金等價物結餘	(16,383)
Cash paid for direct costs incurred	就所產生直接成本支付之現金	(877)
		(15,760)

Excellent Group contributed HK\$19,279,000 to the Group's turnover and a profit of HK\$2,422,000 for the period to the date of disposal.

### 37. 出售附屬公司(續)

#### b) 截至2009年12月31日止年度內出售附屬公司

如附註12所述，於2009年5月11日，本集團出售從事經營供應天然氣及液化石油氣之補給站之耀暉集團。耀暉集團於完成日期之資產淨值如下：

		HK\$' 000 千港元
Property, plant and equipment (note 17)	物業、廠房及設備(附註17)	5,307
Land lease prepaid (note 18)	土地租賃預付款項(附註18)	1,273
Inventories	存貨	90
Amount due from a non-controlling interest	應收非控股權益款項	1,425
Other receivables	其他應收款項	148
Cash and cash equivalents	現金及現金等價物	16,383
Other payables	其他應付款項	(653)
Taxation	稅項	(431)
Net assets disposed of	所出售資產淨值	23,542
Reclassification from exchange reserve	自匯兌儲備重新分類	(16,456)
Direct costs incurred on disposal	出售所產生之直接成本	877
		7,963
Gain on disposal (note 12)	出售之收益(附註12)	11,593
Total consideration	總代價	19,556
Satisfied by:	支付方式:	
Cash consideration received	已收現金代價	1,500
Note receivable	應收票據	18,056
		19,556
Net cash outflow arising on disposal:	出售所產生之現金流出淨額:	
Cash consideration received	已收現金代價	1,500
Cash and cash equivalents balances disposed of	所出售現金及現金等價物結餘	(16,383)
Cash paid for direct costs incurred	就所產生直接成本支付之現金	(877)
		(15,760)

期內直至出售日期，耀暉集團為本集團營業額貢獻19,279,000港元，並帶來溢利2,422,000港元。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 38. ACQUISITIONS OF SUBSIDIARIES

#### a) Acquisitions of subsidiaries during the year ended 31 December 2010

##### (i) Power Great Limited

On 15 November 2010, the Group indirectly acquired a 100% equity interest of OEI by acquiring a 100% equity interest of Power Great Limited, the holding company of OEI. The acquisition was accounted for as purchase of assets and assumption liabilities since the operation of OEI did not constitute a business for accounting purpose. OEI solely engages in coalbed methane exploration, development and production and the project was in the exploration stage as at year end. Details of the costs of net assets acquired are as follows:

		HK\$'000 千港元	HK\$'000 千港元
Gas exploration and evaluation assets (note 19)	天然氣勘探及評估資產 (附註19)	2,570,586	
Property, plant and equipment (note 17)	物業、廠房及設備(附註17)	1,665	
Cash and cash equivalents	現金及現金等價物	4,682	
Other receivables	其他應收款項	1,433	
Other payables and accruals	其他應付款項及預提費用	(269,566)	
			<u>2,308,800</u>
Satisfied by:	支付方式：		
Cash consideration paid	已付現金代價	280,000	
Cash consideration payable (note 30)	應付現金代價(附註30)	500,000	
Issue of ordinary shares at fair value (note 36(a)(v))	按公平值發行普通股 (附註36(a)(v))	748,800	
Issue of convertible note (note 32)	發行可換股票據(附註32)	780,000	
			<u>2,308,800</u>
Net cash outflow arising from acquisition:	因收購產生之現金流出淨額：		
Cash consideration paid	已付現金代價		(280,000)
Cash and cash equivalents acquired	所收購現金及現金等價物		4,682
			<u>(275,318)</u>

### 38. 收購附屬公司

#### a) 截至2010年12月31日止年度內收購附屬公司

##### (i) 威遠有限公司

於2010年11月15日，本集團透過收購奧瑞安之控股公司威遠有限公司100%股權而間接收購奧瑞安100%股權。由於奧瑞安之經營就會計而言並不構成一項業務，故此項收購將視作為購買資產及承擔負債入賬。奧瑞安僅從事煤層氣勘探、開發及生產，截至年底有關項目乃處於勘探階段。所收購資產淨值之成本詳列如下：

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

#### a) Acquisitions of subsidiaries during the year ended 31 December 2010 (Continued)

##### (i) Power Great Limited (Continued)

As part of the consideration is to be settled by the Company's equity instruments, the acquisition is an equity settled share-based payment transaction. According to HKFRS 2, the fair value of the equity instruments should be recognised based on the fair value of the net assets acquired. However, the directors of the Company consider that it would be more prudent and appropriate to measure the fair value of the net assets acquired by reference to the fair value of the equity instruments to be issued, as the valuation of the Group's participating interest in the production sharing contract is based on the reserve of the coalbed methane resources, which cannot be reliably measured at this moment. The amount by which the consideration exceeded the net assets acquired as at completion date is included as cost of gas exploration and evaluation assets on the consolidated statement of financial position.

#### b) Acquisition of subsidiaries during the year ended 31 December 2009

##### (i) Toppace Limited

On 17 February 2009, the Company acquired a 100% of the issued capital of Toppace Limited. On the same date, a subsidiary of Toppace Limited entered into a transfer agreement with Shenzhen Yong You Investment Development Company Limited ("Yong You"), an independent third party which was established in the PRC. Pursuant to the transfer agreement, the subsidiary acquired all the rights and obligations of Yong You has under a development contract. The transfer agreement therefore gives the subsidiary the rights and obligations to participate in an oil exploitation project for the exploitation, development and production of a number of oil wells located in Ganquan County, Shaanxi Province, the PRC (the "Liuluoyu Oil Field") for a period up to 2023. The subsidiary also acquired, under the transfer agreement, the business assets (other than property, plant and equipment) and assumed the liabilities of Yong You associated with the operation of the Liuluoyu Oil Field, and the rights to use the onsite plant, machinery and facilities for the exploration, evaluation and development of the Liuluoyu Oil Field.

### 38. 收購附屬公司 (續)

#### a) 截至2010年12月31日止年度內 收購附屬公司 (續)

##### (i) 威遠有限公司 (續)

由於此項收購被視為購入資產淨值且部分代價由本公司之股本工具支付，故收購屬一項股本結算以現金付款之交易。根據香港財務報告準則第2號，股本工具之公平值應根據所購入資產淨值之公平值予以確認。然而，本公司董事認為，由於本集團於產品分成合同所參與權益之估值乃根據煤層氣資產儲量而作出，而當時未能可靠地確認儲量，計算所收購資產淨值之公平值時以將予發行之股本工具之公平值作參考會較為審慎及適當。該代價超出完成日期所收購資產淨值之金額已於綜合財務狀況表中計入天然氣勘探及評估資產之成本。

#### b) 截至2009年12月31日止年度內 收購附屬公司

##### (i) 達迅有限公司

本公司於2009年2月17日收購達迅有限公司之全部已發行股本。同日，達迅有限公司一家附屬公司與一家於中國成立之獨立第三者—深圳市擁友投資發展有限公司(「擁友」)訂立讓渡協議。根據讓渡協議，該附屬公司收購開發合同內擁友之所有權利及責任。因此讓渡協議給予附屬公司擁有可參與開採、開發及生產位於中國陝西省甘泉縣之多個油井之石油開採項目(「柳洛峪油田」)之權利及責任至2023年。該附屬公司亦根據讓渡協議收購擁友與油井營運有關之業務資產(物業、廠房及設備除外)及承擔有關之負債以及就勘探、評估及開採油柳洛峪油田所使用廠房、器械及設施之權利。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

#### b) Acquisition of subsidiaries during the year ended 31 December 2009 (Continued)

##### (i) Toppace Limited (Continued)

As supported by a legal opinion issued by a firm of PRC lawyers, the directors are of the opinion that the Group is entitled to the rights and obligations of the development contract and participate in the exploitation and production of crude oil in the Liuluoyu Oil Field. Since the Group has, in practice and substance, the power to govern the financial and operational policies over the operation of the Liuluoyu oil field, the Group consolidated the results of oil production of the Liuluoyu Oil Field starting from 17 February 2009.

The fair value of the identifiable net assets acquired, purchase consideration paid and goodwill arising are as follows:

### 38. 收購附屬公司 (續)

#### b) 截至2009年12月31日止年度內收購附屬公司 (續)

##### (i) 達迅有限公司 (續)

在中國律師事務所出具之法律意見支持下，董事認為本集團擁有開發合同下之權利及責任，並可參與柳洛峪油田原油開採及生產。由於本集團擁有實際權力監管柳洛峪油田營運之財務及營運政策，因此本集團已由2009年2月17日起將柳洛峪油田之石油生產業績綜合入賬。

所收購可辨別資產淨值之公平值、已付購買代價及由此產生之商譽如下：

		HK\$'000 千港元	HK\$'000 千港元
Fair value of assets acquired and liabilities assumed	所收購資產及承擔負債之公平值		
Property, plant and equipment (note 17)	物業、廠房及設備(附註17)	46,441	
Intangible assets (note 20)	無形資產(附註20)	42,531	
Cash and cash equivalents	現金及現金等價物	11	
Trade and other receivables	應收賬款及其他應收款項	5,661	
Trade and other payables	應付賬款及其他應付款項	(16,070)	
Deferred tax liabilities (note 33)	遞延稅項負債(附註33)	(10,932)	
			<u>67,642</u>
Satisfied by:	支付方式：		
Cash consideration	現金代價	36,400	
Issue of ordinary shares at fair value (note 36 (a)(v))	按公平值發行普通股(附註36(a)(v))	26,811	
Assignment of note receivable at carrying value (notes 40)	按賬面值轉讓應收票據(附註40)	12,661	
			<u>75,872</u>
Goodwill (note 21)	商譽(附註21)		<u>8,230</u>
Net cash outflow arising from acquisition:	因收購產生之現金流出淨額：		
Cash consideration paid	已付現金代價		(36,400)
Cash and cash equivalents acquired	所收購現金及現金等價物		11
			<u>(36,389)</u>

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

#### b) Acquisition of subsidiaries during the year ended 31 December 2009 (Continued)

##### (i) Toppace Limited (Continued)

The fair value of the shares issued was determined by reference to the quoted market price of the Company at the date of acquisition. The fair values of receivables and payables were the same as the carrying amounts immediately prior to the acquisition.

The Liuluoyu operation contributed HK\$10,206,000 to the Group's turnover and a profit of HK\$2,261,000 during the period from 17 February 2009 to 31 December 2009.

Had the Group acquired Toppace Limited and its subsidiaries on 1 January 2009, turnover of the Group would have been increased by HK\$11,319,000 and loss for the year ended 31 December 2009 would have been reduced by HK\$2,521,000.

##### (ii) Yanjiawan Oil Field

On 7 September 2009, a subsidiary of the Group entered into an assignment agreement with Shenzhen Feng Yuan Information Consultants Limited, an independent third party which was established in the PRC (the "Assignor"). Under the assignment agreement, the subsidiary acquired all the rights and obligations the Assignor has under a development contract. The assignment agreement therefore gives the subsidiary the rights and obligations to participate in an oil exploitation project for the exploitation, development and production of a number of oil wells located in Yanjiawan, Shanxi Province, the PRC (the "Yanjiawan Oil Field") for a period to 2023. The subsidiary also acquired, under the assignment agreement, the business assets (other than property, plant and equipment) and assumed the liabilities of the Assignor associated with the Yanjiawan Oil Field, and the rights to use the onsite plant, machinery and facilities for the exploration, evaluation and development of the Yanjiawan Oil Field.

### 38. 收購附屬公司 (續)

#### b) 截至2009年12月31日止年度內收購附屬公司 (續)

##### (i) 達迅有限公司 (續)

已發行股份之公平值乃參考於收購日期公司之已報市價釐定。應收款項及應付款項之公平值與緊接收購前之賬面值相同。

自2009年2月17日至2009年12月31日期間柳洛峪油田營運為本集團貢獻營業額10,206,000港元及溢利2,261,000港元。

倘本集團於2009年1月1日購入達迅有限公司及其附屬公司，則本集團之營業額原應會增加11,319,000港元，而截至2009年12月31日止年度之虧損則原應減少2,521,000港元。

##### (ii) 閻家灣油田

於2009年9月7日，本集團一家附屬公司與一家於中國成立之獨立第三者—深圳市豐源信息諮詢有限公司(「轉讓人」)訂立轉讓協議。根據轉讓協議，該附屬公司收購轉讓人於開發合同內之所有權利及責任。因此轉讓協議給予該附屬公司可參與開採、開發及生產位於中國陝西省閻家灣多個油井之石油開採項目(「閻家灣油田」)之權利及責任至2023年。該附屬公司亦根據轉讓協議收購轉讓人與閻家灣油田有關之業務資產(物業、廠房及設備除外)及承擔有關之負債以及就勘探、評估及開採閻家灣油田所使用廠房、器械及設施之權利。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 38. ACQUISITIONS OF SUBSIDIARIES (Continued)

#### b) Acquisition of subsidiaries during the year ended 31 December 2009 (Continued)

##### (ii) Yanjiawan Oil Field (Continued)

As supported by a legal opinion issued by a firm of PRC lawyers, the directors are of the opinion that the Group is entitled to the rights and obligations of the development contract and participate in the exploitation and production of crude oil in the Yanjiawan Oil Field. Since the Group has, in practice and in substance, the power to govern the financial and operational policies over the operation of the Yanjiawan Oil Field, the Group consolidated results of oil production of the Yanjiawan Oil Field from 7 September 2009.

The fair value of the identifiable net assets acquired, purchase consideration paid and discount on acquisition arising are as follows:

		HK\$'000 千港元	HK\$'000 千港元
Fair value of assets acquired and liabilities assumed	所收購資產及承擔負債之公平值		
Property, plant and equipment (note 17)	物業、廠房及設備(附註17)	37,792	
Intangible assets (note 20)	無形資產(附註20)	4,198	
Trade and other receivables	應收賬款及其他應收款項	759	
Trade and other payables	應付賬款及其他應付款項	(373)	
Deferred tax liabilities (note 33)	遞延稅項負債(附註33)	(1,529)	
			40,847
Satisfied by:	支付方式:		
Cash consideration	現金		36,262
Excess of the Group's share of net fair value of the interests acquired over the cost of acquisition (note 7)	集團購入權益所佔之公平淨值高於購入成本之淨額(附註7)		(4,585)

The Yanjiawan operation contributed HK\$3,860,000 to the Group's turnover and a profit of HK\$650,000 for the period from 7 September 2009 to 31 December 2009.

It was not practical for the Group to obtain accurate information on the revenue and result of the Yanjiawan operation for the period from 1 January 2009 to 7 September 2009.

### 38. 收購附屬公司(續)

#### b) 截至2009年12月31日止年度內收購附屬公司(續)

##### (ii) 閩家灣油田(續)

在中國律師事務所出具之法律意見支持下，董事認為本集團擁有開發合同下之權利及責任，並可參與閩家灣油田原油開採及生產。由於本集團擁有實際權力監管閩家灣油田營運之財務及營運政策，因此本集團已由2009年9月7日起將閩家灣油田之石油生產業績綜合入賬。

所收購可辨別資產淨值之公平值、已付購買代價及由此產生之收購折現如下：

	HK\$'000 千港元	HK\$'000 千港元
		40,847
		36,262
		(4,585)

自2009年9月7日起至2009年12月31日期間閩家灣營運為本集團負貢獻營業額3,860,000港元及溢利650,000港元。

本集團不大可能取得閩家灣油田由2009年1月1日至2009年9月7日止期間之營運收入及業績之準確資料。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 39. PRODUCTION SHARING CONTRACT

The Group currently has two production sharing arrangements in the PRC.

- (i) On 28 March 2006, OEI (which the Group acquired on 15 November 2010 as set out in note 38(a)) entered into a production sharing contract (the “Sanjiao PSC”) with China United Coalbed Methane Corporation Ltd (“CUCMCL”) (the “PRC partner”) for the exploration, development, production and sale of the coalbed methane and other related or derivative products that may exist in a total exploration area of approximately 461.74 square kilometers subject to reduction in accordance with the Sanjiao PSC located in the Ordos Basin of Shanxi and Shaanxi Provinces in the PRC (the “Contract Area”).

Pursuant to the Sanjiao PSC, OEI is engaged as the foreign partner and operator to provide the necessary technology know how and assign its competent experts to explore, develop, produce and sell coalbed methane or coalbed methane products extracted from the Contract Area. OEI and PRC partner have formed a joint management committee as required under the Sanjiao PSC and appointed representatives as members of the committee (the “Joint Management Committee”). The Joint Management Committee is responsible to oversee the operation in the Contract Area.

In April 2009, CUCMCL transferred all of its interests and associated obligations with respect to certain gas fields, including the areas covered by the Sanjiao PSC, to PetroChina. The transfer has been approved by the State-owned Assets Supervision and Administration Commission of the State Council. The formalities and regulatory approvals and consents necessary for the completion of such transfer of interests are in progress. In the meantime, PetroChina has replaced CUCMCL and already commenced participation in the joint management of the project under the Sanjiao PSC.

Under the Sanjiao PSC, the development of the Contract Area is divided into the exploration phase, development phase and production phase. OEI is required to conduct core testing and run pilot production to ascertain the potential commercial value of the coalbed methane field in the planned exploration area.

### 39. 生產分成合同

本集團目前在中國有兩項生產分成安排。

- (i) 於2006年3月28日，奧瑞安（本集團於2010年11月15日收購該公司（載於附註38(a)）與中聯煤層氣有限責任公司（「中聯煤層氣」）（「中方夥伴」）訂立一份生產分成合同（「三交生產分成合同」），有關按照位於中國山西省及陝西省之鄂爾多斯盆地之三交生產分成合同（「合同地區」）勘探、開發、生產及銷售可能在約461.74平方公里總勘探面積（有待削減）內存在之煤層氣及其他有關或衍生產品。

根據三交生產分成合同，奧瑞安獲委聘為外國夥伴及營運商，提供必要之技術知識及委派稱職之專家以從合同地區勘探、開發、生產及銷售所提取之煤層氣或煤層氣產品。奧瑞安與中方夥伴已根據三交生產分成合同要求成立聯合管理委員會及委任代表出任該委員會（「聯合管理委員會」）之成員。聯合管理委員會負責監督合同地區之營運。

於2009年4月，中聯煤層氣把其於若干油氣田（包括有關三交生產分成合同所覆蓋之面積）之權益及相關責任轉移予中石油。該項轉移已獲國務院國有資產監督管理委員會批准。現時正在辦理完成轉移有關權益所需之正式手續及申請所需之監管批文及同意。同時，中石油（取代中聯煤層氣）亦已開始參與聯合管理三交生產分成合同之項目。

根據三交生產分成合同，合同地區之開發分為勘探期、開發期及生產期。奧瑞安須進行主要測試及試產以確定在規劃勘探區內之煤層氣的潛在商業價值。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 39. PRODUCTION SHARING CONTRACT (Continued)

(i) (Continued)

The exploration phase had an initial term of four years and expired on 1 July 2010. The extension of the exploration period to 30 June 2012 has been approved. All costs incurred in the exploration phase shall be borne by OEI. The project will enter the development phase when OEI has developed and submitted a plan for the development of a coalbed methane field or part of a coalbed methane field for approved by the National Development and Reform Commission (the "Overall Development Program").

On commencement of the development phase, all the development and operating costs shall be borne as to 70% by OEI and 30% by the PRC partner, except if the PRC partner chooses not to participate in a particular site. If the PRC partner chooses not to participate in a particular site, all the development and operating cost will be fully borne by OEI. Also, the PRC partner's participation can be less than 30% for certain wells in respect of which the PRC partner will not need to bear the development costs or will bear at a specifically agreed percentage. As a result, the profit sharing ratio will be adjusted according to their actual participating interests in the coalbed methane field.

The Sanjiao PSC has a term of thirty years, with production period not more than twenty consecutive years beginning from the date of commencement of commercial production to the expiry date of the production period as specified in the Overall Development Program, unless production is suspended or abandoned in accordance with the Sanjiao PSC or the production period is extended under special circumstances, with the approval of the relevant PRC authority.

As mentioned above, the development of the Sanjiao PSC is currently in the exploration stage and no income has been generated in the current year.

(ii) Details of the Jinzhuang PSC are set out in note 28.

The Group's interest in the Sanjiao PSC and in the Jinzhuang Oil Field under an operation agreement which in substance is also a production sharing contract, constitute jointly control operations, are accounted for in accordance with the accounting policy as set out in note 4(d).

### 39. 生產分成合同 (續)

(i) (續)

勘探期初步為期四年，於2010年7月1日屆滿。勘探期延長至2012年6月30日已獲批准。而勘探期所涉及之一切成本須由奧瑞安負責。當奧瑞安發展至提呈有關開發煤層氣田或部分煤層氣田之計劃並獲國家發展和改革委員會批准時（「整體開發計劃」），該項目將告踏入開採期。

當開採期展開後，所有開採及經營成本將會由奧瑞安及中國夥伴各自按70%及30%之比例承擔，惟倘中國夥伴選擇不參與開採某一特定地點，則作別論。倘中國夥伴選擇不參與開採某一特定地點，則奧瑞安將會承擔所有與此有關之開採及經營成本。此外，中國夥伴在若干油氣井之參與亦可以少於30%，而中國夥伴就此毋須承擔上述既定之開採成本，又或將承擔一個特別協定之百分比。因此，溢利分成比率將會根據彼等各自於煤層甲烷田之實際參與權益而作出調整。

三交生產分成合同為期三十年，生產期間由商業生產開始日期起至生產期的到期日（根據整體發展計劃所指定）為止不可多於連續二十年，除非根據三交生產分成合同或因特別情況而導致暫停生產或放棄生產或生產期在有關中國政府機關批准下續期。

如上文所述，現時三交生產分成合同之發展正處於勘探期，且於本年度並無產生收益。

(ii) 金庄生產分成合同之詳情載於附註28。

本集團於三交生產分成合同及根據營運合同（實質上亦為生產分成合同）於金庄油田之權益構成共同控制之業務，並根據附註4(d)所載之會計政策入賬。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 40. SIGNIFICANT NON-CASH TRANSACTIONS

- (a) During the year, the Group acquired Power Great Group at a consideration of HK\$2,308,800,000 of which HK\$748,800,000 was settled by the issue of 1,560,000,000 shares of the Company (note 36(a)(v)), issue of a convertible note with a carrying value of HK\$780,000,000 (note 32) and cash consideration of HK\$780,000,000. As at 31 December 2010, an amount of HK\$280,000,000 was paid and the balance of HK\$500,000,000 was included in “other payables and accruals” as set out in note 30(i).
- (b) During the year, the Group disposed of Ally Bond Group and King Giant Group for a consideration of HK\$150,000,000, comprising cash consideration of HK\$15,000,000 and promissory notes of HK\$135,000,000 (note 27). As at 31 December 2010, the cash consideration receivables of HK\$15,000,000 was included in “trade and other receivables, deposits and prepayments as set out in note 26(i).
- (c) During the year, interest on loan to third parties of HK\$196,000 was capitalised as gas exploration and evaluation assets (note 8(a)).
- (d) During the year 2009, the Group acquired a subsidiary for a consideration of HK\$75,872,000, of which HK\$26,881,000 was settled by the issue of 72,463,768 shares of the Company (note 36 (a)(v)) and an assignment of a note receivable with a carrying value of HK\$12,661,000 (note 38(b)(i)).
- (e) During the year 2009, the Group disposed of a subsidiary group for a consideration of HK\$19,556,000, of which HK\$18,056,000 was settled by way of a note receivable. This note was subsequently assigned to the controlling owner of the Company as partial settlement of the loans due to him.

### 40. 重大非現金交易

- (a) 年內，本集團以代價2,308,800,000港元收購威遠集團，其中748,800,000港元以發行本公司1,560,000,000股股份（附註36(a)(v)）、發行賬面值780,000,000港元之可換股票據（附註32）及現金代價780,000,000港元支付。截至2010年12月31日，本集團已支付280,000,000港元，餘額500,000,000港元已計入附註30(i)所載之「其他應付款項及預提費用」內。
- (b) 年內，本集團以代價150,000,000港元出售協邦集團及君鴻集團，包括現金代價15,000,000港元及135,000,000港元之承兌票據（附註27）。截至2010年12月31日，應收現金代價15,000,000港元已計入附註26(i)所載之「應收賬款、其他應收款項、按金及預付款項」內。
- (c) 年內，向第三方之貸款利息196,000港元已資本化為天然氣勘探及評估資產（附註8(a)）。
- (d) 於2009年度內，本集團以代價75,872,000港元收購一家附屬公司，其中26,881,000港元以發行本公司72,463,768股股份（附註36(a)(v)）及轉讓賬面值為12,661,000港元之應收票據支付（附註38(b)(i)）。
- (e) 於2009年度內，本集團以代價19,556,000港元出售一家附屬公司，其中18,056,000港元將以應收票據支付。該票據其後轉讓予本公司控股股東，用於支付部分應付彼之款項。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 41. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between higher owners returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the capital structure of the Group consists of net debts, which include other payables and accruals, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issue as well as the issue of new debts or the repayment of existing debts.

### 41. 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續以持續經營基準經營，從而透過與風險水平相對應之產品及服務定價以及獲得合理成本之融資，繼續為擁有人創造回報及向其他利益相關者帶來利益。

本集團積極及定期對資本架構開展檢討及管理，從而使較高借貸水平情況下可能產生之較高擁有人回報與良好資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變化對資本架構作出調整。

在遵從行業慣例之情況下，本集團之資本架構包括淨債務，其中包括扣除現金及現金等價物及本公司擁有人應佔權益（包括已發行股本及儲備）之其他應付款項及預提費用。

董事定期對資本架構進行檢討。檢討之工作之一，為董事對資本成本及各類資本之相關風險進行審議。根據董事之建議，本集團將透過支付股息、新股發行、發行新增債務或償還現有債務，使整體資本架構保持平衡。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 41. CAPITAL MANAGEMENT (Continued)

The net debts-to-equity ratios at 31 December 2010 and 2009 were as follows:

		The Group 本集團	
		2010	2009
		HK\$' 000	HK\$' 000
		千港元	千港元
Total debts:	負債總額：		
Other payables and accruals	其他應付款項及預提費用	878,952	21,767
Convertible note	可換股票據	–	16,824
Amount due to a controlling owner	應付控股股東款項	–	46,521
		<u>878,952</u>	<u>85,112</u>
Less: Cash and cash equivalents	減：現金及現金等價物	(242,529)	(10,535)
		<u>636,423</u>	<u>74,577</u>
Net debts	債務淨值		
		<u>636,423</u>	<u>74,577</u>
Equity	權益	2,528,375	148,291
		<u>2,528,375</u>	<u>148,291</u>
Net debts-to-equity ratio	債務淨值對權益比率	25%	50%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

### 41. 資本管理(續)

於2010年及2009年12月31日之債務淨值對權益比率如下：

		The Group 本集團	
		2010	2009
		HK\$' 000	HK\$' 000
		千港元	千港元
Total debts:	負債總額：		
Other payables and accruals	其他應付款項及預提費用	878,952	21,767
Convertible note	可換股票據	–	16,824
Amount due to a controlling owner	應付控股股東款項	–	46,521
		<u>878,952</u>	<u>85,112</u>
Less: Cash and cash equivalents	減：現金及現金等價物	(242,529)	(10,535)
		<u>636,423</u>	<u>74,577</u>
Net debts	債務淨值		
		<u>636,423</u>	<u>74,577</u>
Equity	權益	2,528,375	148,291
		<u>2,528,375</u>	<u>148,291</u>
Net debts-to-equity ratio	債務淨值對權益比率	25%	50%

本公司及其任何附屬公司並不受外部實施之資本規定所規限。

### 42. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgement, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

### 42. 重大會計判斷及估計不明朗因素之主要理據

於應用本集團之會計政策時，董事須就未能從其他來源取得之資產及負債之賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及其他被視為相關之因素而作出。實際業績可能有別於該等估計。

估計及相關假設會按持續基準檢討。會計估計所作之修訂於該估計修訂之期間確認(倘該修訂僅影響該期間)，或於修訂期間及未來期間確認(倘該修訂影響現時及未來期間)。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 42. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### a) Critical judgements in applying the Group's accounting policies

##### (i) Recognition of share-based expenses

The Company has granted share options to directors and employees. Management has used valuation model to determine the total fair value of the options granted, which is to be expensed over the vesting period. Significant judgement, such as risk free rate, dividend yield and expected volatility and expectations of early exercise, is required to be made by management as the parameters for applying the valuation model. Accordingly, any changes to the variables adopted may materially affect the estimation of the fair value of share options.

##### (ii) Participation in oil and gas exploitation and production in the PRC

By way of a transfer agreement and an assignment agreement, the Group has acquired the rights and obligations of two development contract in 2009. Each development contract enables to the Group to participate in an oil and gas exploitation project to produce crude oil and natural gas in an oil field in the PRC. Significant judgement is required from the directors that the Group has the rights to participate in, and the power to govern the financial and operational policies of the exploitation and production of crude oil and natural gas in oil fields in the PRC so that the Group is entitled to consolidate the results from the operation of these oil exploitation projects into the results of the Group.

### 42. 重大會計判斷及估計不明朗因素之主要理據 (續)

#### a) 本集團會計政策所應用之重大會計判斷

##### (i) 確認以股份支付之開支

本公司已向其董事及僱員授出購股權。管理層乃採用估值模式，釐定已授出購股權之總公平值，並將於歸屬期間支銷。管理層須作出重大判斷，作為採用該估值模式之參數，如無風險利率、股息率，預期波動及預期提早行使。因此，所採納之可變因素發生任何變動將對購股權公平值之估計造成重大影響。

##### (ii) 於中國參與油氣開採及生產

透過讓渡協議及轉讓協議，本集團已於2009年分別收購兩份開發合同之權利及責任。每份開發合同使本集團可參與油氣開採項目，於中國之油田生產原油及天然氣。董事須作出重大判斷，認為本集團有權參與，並有權利監管中國油田原油及天然氣開採及生產之財務及營運政策。因此，本集團有權將有關石油開採項目之業績列入本集團之業績內。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 42. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### b) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 4, management has made certain key assumptions concerning the future and other key sources of estimated uncertainty at the end of reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

##### (i) Impairment of property, plant and equipment

The recoverable amount of an asset is the greater of its net selling price 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, which requires significant judgement relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

##### (ii) Impairment of receivables

The Group maintains impairment allowance for doubtful accounts based upon evaluation of the recoverability of the trade receivables and other receivables, where applicable, at each the end of reporting period. The estimates are based on the ageing of the trade receivable and other receivables balances and the historical write-off experience, net of recoveries. If the financial condition of the debtors were to deteriorate, additional impairment allowance may be required.

### 42. 重大會計判斷及估計不明朗因素之主要理據 (續)

#### b) 估計不明朗因素之主要理據

於應用本集團會計政策(載於附註4)之過程中,管理層曾就報告期間結束時估計不確定因素之未來及其他主要來源作出若干重要假設,有關假設可能帶有導致於下個財政年度對資產及負債之賬面值作出重大調整之重大風險,如下文討論。

##### (i) 物業、廠房及設備減值

資產之可收回金額為其淨售價及使用價值之較高者。在評估使用價值時,按除稅前折現率將估計之日後現金流量折現至現值,而有關折現率須反映現時市場所評估之金額之時間值及與資產相關之特定風險,當中須對收入水準及經營成本金額作出重大判斷。本集團利用所有現有資料對可收回金額作合理估算,包括基於合理及可支持之假設以及對收入及經營費用之推算。估計金額之變動可能對資產之賬面值造成重大影響,並可能導致在未來期間計提額外減值開支或作出減值撥回。

##### (ii) 應收款項減值

於每個報告期間結束時,本集團根據對應收賬款及其他應收款項(倘適用)可收回性之評估就呆賬計提減值撥備。該等估計乃根據應收賬款及其他應收款項結餘之賬齡及過往撇銷經驗作出,並扣除收回之款項。倘債務人之財務狀況轉差,則可能需要作出額外減值撥備。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 42. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### (iii) Income taxes and deferred taxation

The Group is subject to income taxes in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. Transactions and calculations may exist for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised to the extent that management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax in the periods in which such estimate is changed.

##### (iv) Contingencies

Periodically, the Group assesses potential liabilities related to any lawsuits or claims brought against the Group or any asserted claims. Although it is typically very difficult to determine the timing and ultimate outcome of such actions, the Group uses its best judgement to determine if it is probable that it will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss, if any, can be made. In accordance with HKAS 37, Provisions, Contingent Liabilities and Contingent Assets, the Group accrues a liability when it believes a loss is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertainties related to the eventual outcome of litigation, although the Group believes that the estimates and judgements are reasonable, it is possible that certain matters may be resolved for amounts materially different from any estimated provisions or previous disclosures.

### 42. 重大會計判斷及估計不明朗因素之主要理據 (續)

#### b) 估計不明朗因素之主要理據 (續)

##### (iii) 所得稅及遞延稅項

本集團須繳納若干司法權區之所得稅。釐定所得稅撥備時需要作出重大判斷。許多交易及計算方法在日常業務過程中難以確定最終稅項。本集團按照會否出現額外應繳稅項之估計確認預期稅務審核事宜所產生之負債。倘該等事宜之最終稅務結果與起初記賬之金額不同，則該等差額將會影響作出有關決定期間之所得稅及遞延稅項撥備。

由於管理層認為日後應課稅溢利可能用於抵銷暫時差額或稅項虧損，故確認與若干暫時差額及稅項虧損有關之遞延稅項資產。倘預期有別於原本估計，則有關差異將於有關估計變動之期間影響遞延稅項資產及稅項之確認。

##### (iv) 或有事項

本集團定期評估任何有關向本集團提出之訴訟或申索或任何聲稱申索之潛在負債。儘管一般而言難以確定該等事宜之時間及最終結果，本集團將作出最佳判斷確定會否因和解或最終判決該等事宜而產生開支，以及能否就該等可能虧損(如有)作出合理估計。根據香港會計準則第37號撥備、或有負債及或有資產，本集團於其相信有可能出現虧損並可合理地估計虧損金額時產生負債。由於訴訟最終結果內在之不穩定因素，儘管本集團相信估計及判斷屬合理，仍可能導致若干事宜獲解決金額與估計撥備或先前披露者出現重大差異。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 42. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### (v) Oil and gas reserves

Engineering estimates of the Group's oil and gas reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated oil reserves can be designated as 'proven' and 'probable'. Proven and probable oil and gas reserve estimates are updated on regular intervals taking into account recent production and technical information about each oil and gas field. In addition, as prices and cost levels change from year to year, the estimate of proven and probable oil and gas reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in the related amortisation rate for of intangible assets.

Despite the inherent imprecision, engineering estimates are used in determining amortisation charges and impairment losses. The capitalised costs of oil exploitation rights and operation rights are amortised using the units of production method based on the proven and probable oil and gas reserves. The useful lives are reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the oil fields.

##### (vi) Estimation of impairment of coalbed methane resources

The Group tests the exploration and evaluation assets for impairment according to accounting policies stated in note 4(g). The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations which require the use of assumptions and estimates. While conducting an impairment review of the assets, the Group makes certain judgements in making assumptions about the future gas prices and production costs, changes in these estimates may result in significant variance to the statement of comprehensive income.

### 42. 重大會計判斷及估計不明朗因素之主要理據 (續)

#### b) 估計不明朗因素之主要理據 (續)

##### (v) 油氣儲量

鑒於編製有關資料涉及主觀判斷，本集團油氣儲量之工程估計存有內在不精確性，並僅屬相若數額。在估計石油儲量可確定為「證實儲量」及「概略儲量」之前，需要遵從若干有關工程標準之權威性指引。證實及概略油氣儲量之估計須定期更新，並計入各個油氣田最近之生產及技術資料。此外，由於價格及成本水平按年變更，因此，證實及概略油氣儲量之估計也會出現變動。就會計目的而言，該變動視為估計變更處理，並按預期基準反映於有關無形資產攤銷率中。

儘管工程估計存有內在不精確性，但該等估計可用作釐定攤銷費用及減值虧損。資本化石油開採權及營運權成本按證實及概略石油儲量以生產單位法攤銷。可使用年限根據本集團之生產計劃及油田之證實及概略儲量，每年審閱一次。

##### (vi) 估計煤層甲烷氣資源之減值

本集團根據附註4(g)所載之會計政策為勘探及評估資產進行減值測試。有關資產在事件或情況改變，顯示有關資產之賬面值超逾其可收回款額時進行減值檢討。一項資產或一個產生現金之單位之可收回金額乃根據其使用價值之基準(就此而言，需要採用假設及估計)而釐定。在進行資產之減值檢討時，本集團須就未來之燃氣價格及生產成本的假設作出若干判斷，倘此等估計改變，或會導致全面收益表出現重大變動。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 42. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### b) Key sources of estimation uncertainty (Continued)

##### (vii) Estimation of assets retirement obligations

Provision is recognised for the future decommissioning and restoration of oil and gas properties. The amounts of the provision recognised is the present value of the estimate future expenditure. The estimation of the future expenditure is based on current local conditions and requirements, including legal requirements, technology, price level, etc.. In addition to these factors, the present value of these estimated future expenditure are also impacted by the estimation of the economic lives of oil properties. Changes in any of these estimates will impact the operating results and the financial position of the Group over the remaining economic lives of the oil and gas properties.

### 43. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate, currency and commodity price risk arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

#### a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's trade and other receivables and cash at banks.

##### (i) Trade and other receivables

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset, in the statement of financial position after deducting any impairment allowance. The Group does not provide any guarantees which would expose the Group to credit risk.

As at 31 December 2010 and 2009, the Group had a significant concentration of credit risk as 100% (2009: 94%) of total trade receivables was from one customer.

### 42. 重大會計判斷及估計不明朗因素之主要理據 (續)

#### b) 估計不明朗因素之主要理據 (續)

##### (vii) 對資產棄置報廢之估計

本集團就油氣資產未來之棄置及重置確認撥備，其金額為估計未來開支之現值。未來開支之估計乃基於當地現有狀況及有關規定作出，包括法律規定、技術及價格水平等。除該等因素外，對石油資產經濟年期之估計亦會影響估計未來開支之現值。任何該等估計之變動將影響本集團於油氣資產之剩餘經濟年期內之經營業績及財務狀況。

### 43. 財務風險管理

信貸、流動資金、利率、外幣及商品價格風險會於本集團之日常業務過程中產生。該等風險乃透過本集團之財務管理政策及常規(見下文)得以限制。

#### a) 信貸風險

信貸風險指倘客戶或財務工具交易方不能履行合約責任而導致本集團財務虧損之風險，有關風險主要來自本集團之應收賬款及其他應收款項及銀行現金。

##### (i) 應收賬款及其他應收款項

本集團之信貸風險主要來自應收賬款及其他應收款項。管理層有既定之信貸政策，並會持續監控所承受之該等信貸風險。

所承受之最大信貸風險為財務狀況表上各財務資產之賬面值減去任何減值撥備。本集團並無作出任何擔保，致使本集團承受信貸風險。

於2010年及2009年12月31日，由於100% (2009年：94%)之應收來自一名客戶，因此本集團面對重大信貸集中風險。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 43. FINANCIAL RISK MANAGEMENT (Continued)

#### a) Credit risk (Continued)

##### (ii) Cash with banks

The Group limits its exposure to credit risk by placing cash and deposits with financial institutions that meet the established credit rating or other criteria. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

As at 31 December 2010 and 2009, the Group had significant concentration of credit risk as 89% (2009: 48%) of total cash and cash equivalents were deposited at one financial institution in Hong Kong with a high credit rating.

#### b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

### 43. 財務風險管理 (續)

#### a) 信貸風險 (續)

##### (ii) 銀行現金

本集團存放現金及存款於財務機構以減低信貸風險，該等財務機構均達到受認可信貸評級或其他標準。鑒於該等財務機構獲得信貸評級較高，管理層預期並無任何交易方不能履行其責任。

於2010年及2009年12月31日，由於89% (2009年：48%)之現金及現金等價物總額乃存放於香港一家具較高信貸評級之財務機構內，因此本集團面對重大信貸集中風險。

#### b) 流動資金風險

流動資金風險乃本集團未能於財務責任到期時履行有關責任之風險。本集團管理流動資金之方法是盡量確保具備足夠流動資金應付到期負債，令本集團無須承擔不能接受之虧損及聲譽受損。

本集團旗下個別經營實體自行負責現金管理，包括現金盈餘之短期投資及借貸以彌補預期現金需求，惟倘借貸金額超過預先釐定之授權限額時須經本公司董事會批准。本集團之政策為定期監察其流動資金需求及其有否遵守借貸契約，以確保其維持足夠之現金儲備及隨時可變現之有價證券，以及在主要財務機構之信貸額度足夠應付其短期及長期流動資金需要。

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## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 43. FINANCIAL RISK MANAGEMENT (Continued)

#### b) Liquidity risk (Continued)

The contractual maturities of financial liabilities are shown as below:

The Group	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but Less than 5 years
本集團	賬面值	合約未折現現金流量	1年內或按要求	1年以上但2年以下	2年以上但5年以下
	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
2010	2010年				
Non-derivatives:	非衍生：				
Other payables and accruals	其他應付款項及預提費用	878,952	880,317	880,317	-
2009	2009年				
Non-derivatives:	非衍生：				
Other payables and accruals	其他應付款項及預提費用	21,330	21,330	21,330	-
Amount due to a non-controlling interest of a subsidiary	應付一家附屬公司非控股權益款項	270	270	270	-
Amount due to a controlling owner - non current	應付一控股股東款項 - 非即期	46,521	54,262	-	54,262
Amounts due to directors	應付董事款項	167	167	167	-
Convertible note	可換股票據	16,824	27,000	500	500
		85,112	103,029	22,267	54,762
					26,000

#### c) Interest rate risk

Borrowings issued at variable rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest rate risk respectively. The Group's interest rate risk arises primarily from its loans from certain non-controlling shareholders included in other payables which bear fixed interest rate at 3% per annum. The Group has no cash flow interest rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

### 43. 財務風險管理 (續)

#### b) 流動資金風險 (續)

財務負債之合約到期情況如下：

The Group	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but Less than 5 years
本集團	賬面值	合約未折現現金流量	1年內或按要求	1年以上但2年以下	2年以上但5年以下
	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
2010	2010年				
Non-derivatives:	非衍生：				
Other payables and accruals	其他應付款項及預提費用	878,952	880,317	880,317	-
2009	2009年				
Non-derivatives:	非衍生：				
Other payables and accruals	其他應付款項及預提費用	21,330	21,330	21,330	-
Amount due to a non-controlling interest of a subsidiary	應付一家附屬公司非控股權益款項	270	270	270	-
Amount due to a controlling owner - non current	應付一控股股東款項 - 非即期	46,521	54,262	-	54,262
Amounts due to directors	應付董事款項	167	167	167	-
Convertible note	可換股票據	16,824	27,000	500	500
		85,112	103,029	22,267	54,762
					26,000

#### c) 利率風險

本集團因按可變動利率及固定利率發放之借貸而分別承受現金流量利率風險及公平值利率風險。本集團之利率風險主要來自其計入其他應付款項按固定年利率3%計息之若干非控股股東貸款。由於本集團並無按浮息利率計息之借貸，因此本集團並無現金流量利率風險。本集團並無使用任何財務工具對沖利率之潛在波動。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 43. FINANCIAL RISK MANAGEMENT (Continued)

#### d) Currency risk

The Group is exposed to currency risk primarily through recognised assets and liabilities that are denominated in a currency other than the functional currency of the operations to which they relate. At 31 December 2010 and 2009, no related hedges were made by the Group.

##### (i) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The sensitivity analysis includes balances between group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

#### The Group

		本集團					
		2010			2009		
		Australian	United		Australian	United	
		dollars	States	Renminbi	dollars	States	Renminbi
		澳元	美元	人民幣	澳元	美元	人民幣
		'000	'000	'000	'000	'000	'000
		千元	千元	千元	千元	千元	千元
Trade and other receivables	應收賬款及其他應收款項	-	-	406	-	14	573
Note receivable *	應收票據*	1,949	-	-	1,943	-	-
Deposits paid	已付按金	-	59	2,095	-	-	-
Cash and cash equivalents	現金及現金等價物	1	1	106	1	1	11
Amounts due from group companies	應收集團公司款項	-	922	3,883	-	8,091	1,871
Trade and other payables	應付賬款及其他應付款項	-	(78,667)	-	-	-	(42)
Amount due to a controlling owner	應付控股股東款項	-	-	-	-	-	(12,361)
Amounts due to group companies	應付集團公司款項	-	(100)	-	-	(2,539)	-
Overall net exposure	整體風險淨值	1,950	(77,785)	6,490	1,944	5,567	(9,948)

\* Included in interest in a jointly controlled entity

### 43. 財務風險管理 (續)

#### d) 貨幣風險

本集團承受之貨幣風險主要源自以有關業務之功能貨幣以外之貨幣計值之已確認資產及負債。於2010年及2009年12月31日，本集團並無作出相關對沖。

##### (i) 所承受之貨幣風險

下表載列本集團於報告期間結束日期因確認以有關實體之功能貨幣以外之貨幣計值之資產或負債而承受之貨幣風險詳情。敏感度分析包括集團內公司間之結餘，而該等結餘乃以貸方或借方之功能貨幣以外之貨幣計值。

\* 納入於共同控權合資公司之權益。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 43. FINANCIAL RISK MANAGEMENT (Continued)

#### d) Currency risk (Continued)

##### (ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit/(loss) after income tax expenses (and accumulated losses) and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between Group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower. A positive number below indicates an increase in profit/decrease in loss and other equity where the HKD weakens against the relevant currency. For a strengthening of the HKD against the relevant currency, there would be an equal and opposite impact on the profit or loss and other equity, and the balances below would be negative.

#### The Group

		2010			2009		
		Increase in profit after taxation and decrease in accumulated losses			Decrease/ (increase) in loss after taxation and accumulated losses		
		Effect on other components of equity	Effect on other components of equity	Effect on other components of equity	Effect on other components of equity	Effect on other components of equity	Effect on other components of equity
		Weakening in HKD	Weakening in HKD	Weakening in HKD	Weakening in HKD	Weakening in HKD	Weakening in HKD
		除稅後 溢利增加 及累計虧損	除稅後 溢利增加 及累計虧損	除稅後 溢利增加 及累計虧損	除稅後 溢利增加 及累計虧損	除稅後 溢利增加 及累計虧損	除稅後 溢利增加 及累計虧損
		港元貶值	港元貶值	港元貶值	港元貶值	港元貶值	港元貶值
		%	HK\$' 000	HK\$' 000	%	HK\$' 000	HK\$' 000
		%	千港元	千港元	%	千港元	千港元
Renminbi	人民幣	3.5%	268	-	3%	(366)	-
Australian dollars	澳元	12%	1,853	-	10%	1,058	-

### 43. 財務風險管理 (續)

#### d) 貨幣風險 (續)

##### (ii) 敏感度分析

下表顯示於報告期間結束時對本集團構成重大風險之外匯匯率可能之合理變動造成本集團除所得稅支出後溢利／(虧損) (及累計虧損) 以及綜合權益其他組成部分之概約變動。敏感度分析包括集團內公司間之結餘，而該等結餘乃以貸方或借方之功能貨幣以外之貨幣計值。倘港元較相關貨幣之匯率疲弱，以下正數表示溢利增加／虧損及其他權益減少。當港元較有關貨幣之匯率強勁，則可能對損益及其他權益造成金額等同但相反之影響，故以下結餘可能會為負數。

#### 本集團

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 43. FINANCIAL RISK MANAGEMENT (Continued)

#### d) Currency risk (Continued)

##### (ii) Sensitivity analysis (Continued)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to each of the Group entities' exposure to currency risk for the financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period. In this respect, it is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit/(loss) after income tax expenses and equity measured in the respective functional currencies, translated into HKD at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2009.

#### e) Commodity price risk

The Group engages in petroleum-related activities. The oil market is affected by global and regional demands and supplies. Prices of onshore crude oil are determined with reference to the prices of crude oil on the international markets. A decline in the prices of crude oil and refined products could adversely affect the Group's financial position. The Group historically has not used derivative financial instruments to hedge against potential price fluctuations of crude oil.

#### f) Fair values

The fair values of all financial assets and liabilities are not materially different from their carrying amounts.

### 43. 財務風險管理(續)

#### d) 貨幣風險(續)

##### (ii) 敏感度分析(續)

敏感度分析乃假設外匯匯率之變動於報告期間結束時已發生及已對本集團旗下各實體應用該日存續之財務工具所涉及之貨幣風險，而所有其他變數(尤其是利率)保持不變。

所述之變動指管理層對直至下一個報告期間結束止期間之外匯匯率可能合理之變動之評估。就此而言，假定港元及美元之聯繫匯率不會受到美元兌換其他貨幣之任何價值變動之重大影響。上表列示之分析結果指對本集團旗下各實體按各功能貨幣計算並按報告期間結束時之現行匯率換算為港元以供呈列之用之除所得稅支出後溢利／(虧損)及權益之影響總額。該分析乃按與2009年相同之基準進行。

#### e) 商品價格風險

本集團從事與石油相關之業務。石油市場受全球及地區供求關係之影響。陸上原油價格乃參照國際市場之原油價格確定。原油及精煉產品價格下降可能對本集團財務狀況造成不利影響。本集團過往並未採用衍生財務工具對沖原油潛在價格波動。

#### f) 公平值

所有財務資產及負債之公平值與其賬面之間並無重大差異。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 44. COMMITMENTS

#### (a) Operating lease commitments

##### Group

At 31 December 2010 and 2009, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Within 1 year	1年內	3,302	1,656
After 1 year but within 5 years	1年後但5年內	20	1,656
		<u>3,322</u>	<u>3,312</u>

The Group is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of one to two years without an extension option. None of the leases includes contingent rentals.

##### Company

The Company does not have any significant operating lease commitments as at 31 December 2009 and 2010.

### 44. 承擔

#### (a) 經營租賃承擔

##### 本集團

於2010年及2009年12月31日，應付不可撤銷經營租賃之最低租賃款項總額如下：

	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
	3,302	1,656
	20	1,656
	<u>3,322</u>	<u>3,312</u>

本集團為根據經營租賃持有多項物業之承租人。一般而言，該等租賃之初步期間介乎1至2年，並無續期選擇權。所有租賃概無包括或有租金。

##### 本公司

本公司於2009年及2010年12月31日並無任何重大經營租賃承擔。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 44. COMMITMENTS (Continued)

#### (b) Capital commitments

##### Group

##### (i) *Authorised but no contracted for*

As at 31 December 2010 and 2009, the Group was committed to develop in total 16 (2009:19) new oil wells under the development contracts of the Liuluoyu Oil Field and Yanjiawan Oil Field. The estimated total capital expenditure for developing these new oil wells is HK\$16.4 million (2009: HK\$17.3 million).

##### (ii) *Contracted but not provided for*

Commitments in respect of the Sanijao PSC	就三交產品分成合同之承擔
Commitments in respect of the Jinzhuang PSC	就金庄產品分成合同之承擔

##### Company

The Company does not have any significant capital commitments as at 31 December 2009 and 2010.

### 44. 承擔(續)

#### (b) 資本承擔

##### 本集團

##### (i) *已授權但未訂約*

於2010年及2009年12月31日，本集團致力根據柳洛峪油田及閻家灣油田開發合同開發合共16個(2009年：19個)新油井。估計開發該等新油井之資本支出總額為16,400,000港元(2009年：17,300,000港元)。

##### (ii) *已訂約但未撥備*

	2010 HK\$'000 千港元	2009 HK\$'000 千港元
	<b>118,750</b>	—
	<b>4,590</b>	—
	<b>123,340</b>	—

##### 本公司

本公司於2009年及2010年12月31日並無任何重大資本承擔。



# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 45. CONTINGENT LIABILITIES

#### Environmental liabilities

The Group carries out oil exploitation operations in the PRC. The PRC has adopted environmental laws and regulations that affect the operations of the oil industry. The outcome of environmental liabilities under proposed or future environmental legislation cannot reasonably be estimated at present, and could be material. Under the existing legislations, however, management believes that there are no probable liabilities that will have a material adverse effect on the financial position of the Group.

The Group also engages in the exploration, development and production of coalbed methane resources. The consequence of coalbed mining includes dismantlement and demolition of infrastructure in the mining sites. The Group may have obligations to make payments for restoration and rehabilitation of the land after the sites have been extracted. However, such amount cannot be measured reliably at this preliminary stage. Accordingly, no provision is made by Group in this regard. The director of the Group will assess such payments at the end of each reporting period.

### 46. MATERIAL RELATED PARTY TRANSACTIONS

The directors consider that the following were related parties of the Group during the years ended 31 December 2010 and 2009.

#### Name of party 關聯人士名稱

#### Relationship with the Group 與本集團之關係

Hong Chang Group Limited<sup>1</sup>  
("Hong Chang Group")  
鴻昌集團有限公司(「鴻昌集團」)<sup>1</sup>

Controlling owner of the Company, which is a company controlled by Ms. Xing Xiao Jing, a director of the Company  
本公司之控股股東，由本公司董事邢曉晶女士控制

Hong Chang China Limited ("HCC")<sup>1</sup>  
鴻昌中國有限公司(「鴻昌中國」)<sup>1</sup>

A wholly-owned subsidiary of Hong Chang Group  
鴻昌集團之全資附屬公司

Mar/Reg Oil Company<sup>2</sup>  
Mar/Reg Oil Company<sup>2</sup>

Operator of a subsidiary  
一家附屬公司之營運商

Notes:

附註：

1. Hong Chang Group was no longer a controlling owner of the Company as at 31 December 2010 and Ms. Xing Xiao Jing resigned from the Company's director in March 2009.
2. Mar/Reg Oil Company ceased to be a related party of the Group after the disposal of King Giant Group set out in note 37(a).

1. 鴻昌集團於2010年12月31日不再為本公司之控股股東，而邢曉晶女士已於2009年3月辭任本公司董事。
2. Mar/Reg Oil Company於附註37(a)所載出售君鴻集團後不再為本集團之關聯人士。

### 45. 或有負債

#### 有關環保之負債

本集團於中國經營石油開採業務。中國已實行環保法律及法規，該等法律及法規影響到石油工業之經營。建議中或未來之環保立法所引致之有關環保之負債目前尚無法合理地估計，負債可能重大。然而，根據現有立法，管理層認為，並不存在任何可能對本集團財務狀況產生重大負面影響之負債。

本集團亦經營煤層甲烷氣資源之勘探、開發和生產，而進行煤層採礦之後果包括拆遷及拆除礦場之基本設施。本集團或須負責在完成在礦場採礦後，支付礦區土地復原及復墾之費用。然而，現時在此初期階段無法可靠地估計就此將會涉及之費用，故本集團並無就此作出任何撥備。本集團董事將於每個報告期間結束時評估有關付款。

### 46. 重大關聯人士交易

截至2010年及2009年12月31日止年度內，董事認為，本集團之關聯人士如下：

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 46. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

#### (a) Recurring transactions

##### (i) Sale of crude oil

During the year, the Group sold crude oil of HK\$734,000 (2009: HK\$584,000) to Mar/Reg Oil Company in the US.

##### (ii) Rental income

During 2009, the Group received rental income of HK\$582,000 from a related company. The spouse of Ms Xing Xiao Jing, a controlling owner of the Company, is a director of that related company.

The directors are of the opinion that the above related party transactions were conducted on normal commercial terms and in the ordinary course of business.

#### (b) Non-recurring transactions

##### (i) Convertible note

During 2009, the Company issued a convertible note with a nominal value of HK\$25,000,000 to Hong Chang Group. The convertible note was fully redeemed during the year. Details are set out in note 32 to the financial statement.

##### (ii) Indemnity

Ms. Xing Xiao Jing had given undertakings to indemnify to the Group in connection with all losses the Group might incur relating to an alleged loans and alleged interest thereon relating to a subsidiary disposed of in 2007. At the request of Ms. Xing, the Company has agreed to release Ms. Xing from the indemnity with effect from September 2009. The directors are of the opinion that the risk of losses associated with alleged loans and alleged interest as mentioned above is now minimal.

The directors are of the opinion that the above non-recurring related party transactions, were conducted for commercial reasons and in the ordinary course of business.

### 46. 重大關聯人士交易(續)

#### (a) 經常性交易

##### (i) 銷售原油

年內，本集團向位於美國之Mar/Reg Oil Company出售原油734,000港元(2009年：584,000港元)。

##### (ii) 租金收入

於2009年內，本集團向一家關聯公司收取租金收入582,000港元。本公司控股股東邢曉晶女士之配偶為該關聯公司之董事。

董事認為，上述關聯人士交易均於日常業務過程中按正常商業條款進行。

#### (b) 非經常性交易

##### (i) 可換股票據

於2009年內，本公司以面值25,000,000港元發行可換股票據予鴻昌集團。該可換股票據已於本年度悉數贖回。詳情載於財務報表之附註32。

##### (ii) 彌償保證

邢曉晶女士曾經承諾，無論基於任何原因，倘本集團因一家已於2007年出售之附屬公司有關之指稱貸款及其所附帶之指稱利息而遭受損失，其會彌償本集團所承受之所有損失。按邢女士要求，本公司同意由2009年9月開始解除有關彌償保證。董事認為以上有關之指稱貸款及其所附帶之指稱利息現有風險甚低。

董事認為，上述非經常性關聯人士交易均於日常業務過程中因商業理由而進行。

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 46. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

#### (c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's executive directors as disclosed in note 10, all of the highest paid employees as disclosed in note 11, and three senior management personnel are as follows:

		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Short-term employee benefits	短期僱員福利	6,649	4,909
Post-employment benefits	離職後福利	90	27
Equity settled share-based payments	股本結算以股份支付之款項	488	-
		<u>7,227</u>	<u>4,936</u>

Total remuneration is included in "staff costs" (see note 8(b)).

### 46. 重大關聯人士交易(續)

#### (c) 主要管理人員酬金

本集團主要管理人員酬金(包括附註10所披露之已向本公司執行董事支付之款項、附註11所披露之已向全體最高薪僱員支付之款項及向三名高級管理人員支付之款項)如下:

酬金總額乃計入「員工成本」中(見附註8(b))。

#### (d) Financing arrangements

#### (d) 融資安排

		The Group 本集團		The Company 本公司	
		Amounts due (from)/to related parties As at 31 December (應收)／應付關聯人士款項 於12月31日		Amounts due to related parties As at 31 December 應付關聯人士款項 於12月31日	
		2010 HK\$' 000 千港元	2009 HK\$' 000 千港元	2010 HK\$' 000 千港元	2009 HK\$' 000 千港元
Amount due (from)/to a non-controlling interest of a subsidiary, net	(應收)／應付一家附屬公司 非控股權益款項淨額	(166)	110	-	-
Amount due to a controlling owner	應付控股股東款項	-	46,521	-	-
Amounts due to directors	應付董事款項	-	167	-	167
		<u>(166)</u>	<u>46,798</u>	<u>-</u>	<u>167</u>

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)



### 46. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

#### (d) Financing arrangements (Continued)

Amount due to a controlling owner as at 31 December 2009 represented loans of HK\$54,262,000 which were unsecured, interest free and repayable in December 2011. The loans were stated at fair value as of the end of the reporting period which was estimated by discounting the nominal value of the loans at current market interest rate of similar financial instruments. Imputed interest at 8% per annum of HK\$7,741,000 was credited to capital reserve during the year (note 36 (c) (vii)). During 2010, the loans were early settled and, the related capital reserve was released to accumulated losses accordingly.

The outstanding balances with other related parties are unsecured, interest-free and repayable on demand. The amounts due (from)/to related parties are included in “other receivables, deposits and prepayments” and “other payables and accruals” (notes 26 and 30).

### 47. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities recognised as at 31 December 2010 and 2009 may be categorised as follows:

### 46. 重大關聯人士交易(續)

#### (d) 融資安排(續)

於2009年12月31日應付控股股東款項指54,262,000港元之貸款，該筆貸款為無抵押、免息，並須於2011年12月償還。該等貸款於報告期間結束時按公平值列賬，而公平值則按類似財務工具之現行市場利率折現貸款面值進行估計。年內，按年率8%計算之應歸利息7,741,000港元已計入資本儲備(附註36(c)(vii))。於2010年內，該等貸款已提早償付，因此相關資本儲備已撥回至累計虧損。

與其他關聯人士之尚未結清結餘為無抵押、免息及按要求償還。(應收)／應付關聯人士款項乃計入「其他應收款項、按金及預付款項」及「其他應付款項及預提費用」(附註26及30)。

### 47. 財務資產及財務負債之分類概要

於2010年及2009年12月31日確認之本集團財務資產及財務負債之賬面值分類如下：

		2010 HK\$'000 千港元	2009 HK\$'000 千港元
<b>Financial assets</b>	<b>財務資產</b>		
Loans and receivables (including cash and bank balances)	貸款及應收款項(包括現金及銀行結餘)	<u>526,720</u>	<u>19,862</u>
<b>Financial liabilities</b>	<b>財務負債</b>		
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債	<u>878,952</u>	<u>85,112</u>

# Notes to the Financial Statements

## 財務報表附註

(Expressed in Hong Kong Dollars) (以港元計算)

### 48. EVENT AFTER THE REPORTING PERIOD

Subsequent to the end of the reporting period, the Group has partially settled the consideration due to the vendor of Power Great Group by HK\$200,000,000. The Group also signed a supplementary agreement with the vendor for the repayment of the balance of the consideration payable of HK\$300,000,000 (the "Balance"). Pursuant to the supplementary agreement, the repayment date for the Balance was extended to January 2012. The Balance shall bear no interest if it can be fully settled by 30 June 2011. Otherwise the Balance shall bear interest at 0.027% per day from 28 February 2011 to 30 June 2011, 0.05% per day from 1 July 2011 to 31 December 2011 and 0.1% per day from 1 January 2012 to date of settlement. If before the maturity date, the Group improves its financial position or has raised new funds, the Group would use the proceeds to settle the Balance at once.

### 49. COMPARATIVE FIGURES

As a result of internal restructuring in the current year, certain comparative figures of the segment information have been adjusted or re-classified to conform with changes in disclosures in the year.

In addition, after the disposal of the subsidiaries in the US as set out in note 37(a), the major operations of the Group are now in the PRC and the Group is mainly subject to PRC taxes. Accordingly, the Group has changed the presentation of the tax reconciliation in the current year. Certain comparative figures of the tax reconciliation have been adjusted or re-classified to conform with current year's presentation.

### 50. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 25 March 2011.

### 48. 報告期間後事項

於報告期間結束後，本集團已部分支付所欠威遠集團之賣方之代價200,000,000港元。本集團亦與賣方就償還應付代價餘額300,000,000港元（「餘額」）簽訂補充協議。根據補充協議，餘額之還款日延後至2012年1月。倘餘額於2011年6月30日前悉數償還，餘額將不計息，否則，餘額將由2011年2月28日至2011年6月30日每日按0.027%計息，並由2011年7月1日至2011年12月31日每日按0.05%，以及由2012年1月1日至還款日每日按0.1%計息。如本集團於到期日前能改善其財務狀況或籌集新資金，本集團將即時動用所得款項償還餘額。

### 49. 比較數字

因本年度進行內部重組，分部資料之若干比較數字已進行調整或重新分類，以符合本年度之披露變動。

此外，於出售附註37(a)所述之美國附屬公司後，現時本集團之主要業務均位於中國，集團亦主要繳納中國稅項。因此，本集團已改變本年度之稅項對賬。稅項對賬之若干比較數字已進行調整或重新分類，以符合本年度之呈列。

### 50. 財務報表之審批

財務報表已由董事會於2011年3月25日審批及授權刊發。

