



# 開拓 Shaping the Future

Annual Report

**2016** 年報



**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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# Corporate Information

## 公司資料

### DIRECTORS

#### Executive Directors

Dr. Dai Xiaobing (*Chairman*)

Mr. King Hap Lee (*Chief Executive Officer*)

Mr. Wan Tze Fan Terence

#### Non-executive Directors

Mr. Chen Hua

Mr. Huang Shaowu

Mr. He Lin Feng

Mr. Chen Chun Tung Jason

#### Independent Non-executive Directors

Mr. Wong Kwok Chuen Peter

Professor Wong Lung Tak Patrick

Dr. Wang Yanbin

Dr. Dang Weihua

### COMPANY SECRETARY

Ms. Yim Siu Hung

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 3707-3708, West Tower, Shun Tak Centre

168-200 Connaught Road Central

Hong Kong

### REGISTERED OFFICE

Clarendon House, 2 Church Street

Hamilton HM11

Bermuda

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited

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

183 Queen's Road East, Wanchai

Hong Kong

### 董事

#### 執行董事

戴小兵博士 (*主席*)

景哈利先生 (*行政總裁*)

溫子勳先生

#### 非執行董事

陳華先生

黃紹武先生

何林峰先生

程振東先生

#### 獨立非執行董事

黃國全先生

黃龍德教授

王延斌博士

黨偉華博士

### 董事會秘書

嚴筱虹女士

### 總辦事處及主要營業地點

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干諾道中168-200號

信德中心西座3707-3708室

### 註冊辦事處

Clarendon House, 2 Church Street

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited  
26 Burnaby Street  
Hamilton HM 11  
Bermuda

### HONG KONG LEGAL ADVISOR

Michael Li & Co.  
19/F, Prosperity Tower  
39 Queen's Road Central, Central, Hong Kong

### BERMUDA LEGAL ADVISOR

Conyers Dill & Pearman  
2901 One Exchange Square  
8 Connaught Place, Central  
Hong Kong

### AUDITOR

BDO Limited  
Certified Public Accountants  
25th Floor, Wing On Centre  
111 Connaught Road Central  
Hong Kong

### STOCK CODE

702

### WEBSITE

[www.sino-oilgas.hk](http://www.sino-oilgas.hk)

### 主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited  
26 Burnaby Street  
Hamilton HM 11  
Bermuda

### 香港法律顧問

李智聰律師事務所  
香港中環皇后大道中39號  
豐盛創建大廈19樓

### 百慕達法律顧問

Conyers Dill & Pearman  
香港  
中環康樂廣場8號  
交易廣場第1座2901室

### 核數師

香港立信德豪會計師事務所有限公司  
執業會計師  
香港  
干諾道中111號  
永安中心25樓

### 股份代號

702

### 網址

[www.sino-oilgas.hk](http://www.sino-oilgas.hk)



# Five Year Financial Summary

## 五年財務概要

		Year ended 31 December 2016 截至2016年 12月31日 止年度 HK\$'000 千港元	Year ended 31 December 2015 截至2015年 12月31日 止年度 (restated) (經重列) HK\$'000 千港元	Year ended 31 December 2014 截至2014年 12月31日 止年度 (restated) (經重列) HK\$'000 千港元	Year ended 31 December 2013 截至2013年 12月31日 止年度 (restated) (經重列) HK\$'000 千港元	Year ended 31 December 2012 截至2012年 12月31日 止年度 (restated) (經重列) HK\$'000 千港元
<b>Turnover</b>	<b>營業額</b>					
- Continuing operations	- 持續經營業務	333,553	56,411	-	-	-
- Discontinued operations	- 已終止經營業務	5,058	10,610	16,540	21,598	28,932
		<b>338,611</b>	<b>67,021</b>	<b>16,540</b>	<b>21,598</b>	<b>28,932</b>
<b>Result</b>	<b>業績</b>					
- Continuing operations	- 持續經營業務					
Profit/(loss) before income tax expense	除所得稅支出前溢利/(虧損)	(98,335)	(46,219)	16,248	(48,412)	(47,965)
Income tax expense	所得稅支出	(1,243)	(6,112)	-	-	-
		<b>(99,578)</b>	<b>(52,331)</b>	<b>16,248</b>	<b>(48,412)</b>	<b>(47,965)</b>
- Discontinued operations	- 已終止經營業務					
Profit/(loss) before income tax expense	除所得稅支出前溢利/(虧損)	5,509	(422,428)	(7,529)	(10,100)	(78,796)
Income tax credit/(expense)	所得稅抵減/(支出)	-	(2,952)	1,701	(2,820)	13,356
		<b>5,509</b>	<b>(425,380)</b>	<b>(5,828)</b>	<b>(12,920)</b>	<b>(65,440)</b>
Profit/(loss) for the year	本年度溢利/(虧損)	<b>(94,069)</b>	<b>(477,711)</b>	<b>10,420</b>	<b>(61,332)</b>	<b>(113,405)</b>
Profit/(loss) attributable to:	以下人士應佔溢利/(虧損):					
<b>Owners of the Company</b>	<b>本公司擁有人</b>					
Profit/(loss) for the year from continuing operations	本年度持續經營業務之溢利/(虧損)	(102,495)	(53,141)	16,248	(48,412)	(47,965)
Profit/(loss) for the year from discontinued operations	本年度已終止經營業務之溢利/(虧損)	5,509	(425,380)	(5,828)	(12,920)	(65,440)
		<b>(96,986)</b>	<b>(478,521)</b>	<b>10,420</b>	<b>(61,332)</b>	<b>(113,405)</b>
<b>Non-controlling interests</b>	<b>非控股權益</b>					
Profit/(loss) for the year from continuing operations	本年度持續經營業務之溢利/(虧損)	2,917	810	-	-	-
		<b>(94,069)</b>	<b>(477,711)</b>	<b>10,420</b>	<b>(61,332)</b>	<b>(113,405)</b>
Earning/(loss) per share	每股盈利/(虧損)					
- Basic (HK cents)	- 基本(港仙)	(0.556)	(2.682)	0.064	(0.467)	(0.927)
- Diluted (HK cents)	- 攤薄(港仙)	(0.556)	(2.682)	0.060	(0.467)	(0.927)

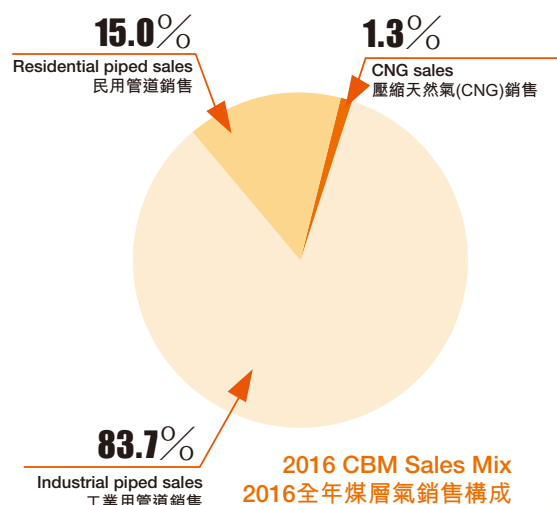
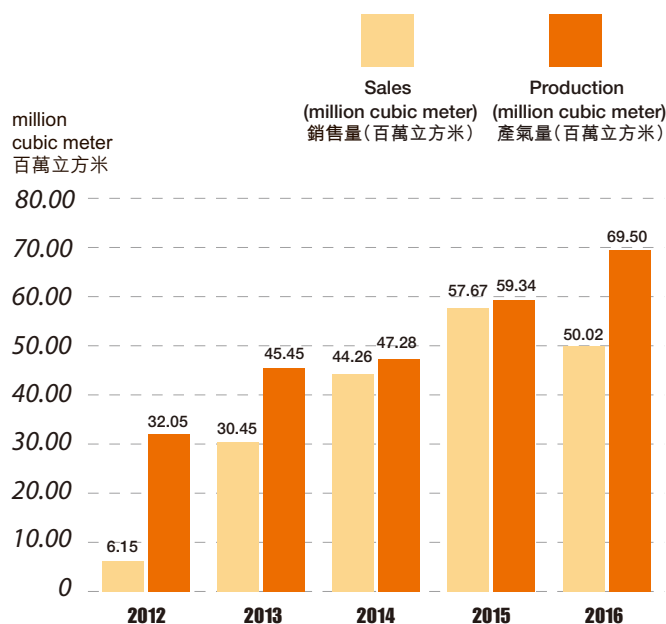
# Five Year Financial Summary

## 五年財務概要

		At 31 December 2016 於2016年 12月31日 HK\$'000 千港元	At 31 December 2015 於2015年 12月31日 HK\$'000 千港元	At 31 December 2014 於2014年 12月31日 HK\$'000 千港元	At 31 December 2013 於2013年 12月31日 HK\$'000 千港元	At 31 December 2012 於2012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	4,335,653	4,251,704	4,287,972	4,154,453	3,810,593
Net current assets/(liabilities)	流動資產/(負債)淨值	220,904	(208,848)	121,919	(226,968)	(412,360)
Non-current liabilities	非流動負債	(1,464,914)	(539,551)	(355,902)	(480,248)	(375,059)
Net assets	資產淨值	3,091,643	3,503,305	4,053,989	3,447,237	3,023,174
Non-controlling interests	非控股權益	(15,512)	(14,668)	-	-	-
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,076,131	3,488,637	4,053,989	3,447,237	3,023,174

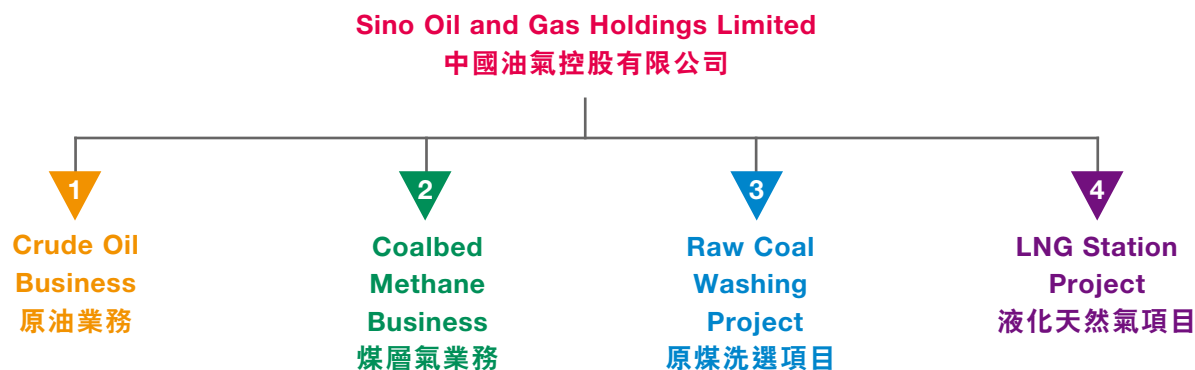
2016 total gas production recorded at 69.5 million cubic meter and gas sales at 50.02 million cubic meter  
2016年總產氣量達69.5百萬立方米及銷售量達50.02百萬立方米

2016 pipeline gas sales accounted for 98.7% of total gas sales  
2016年管道銷售佔總銷售量之98.7%



# Business Structure

## 業務架構圖



**1** The Group sold Shaanxi crude oil business in September 2016 and is actively seeking for merger and acquisitions opportunities of oil and gas project in North America

**2** The Group holds 70% interest of Sanjiao CBM Block through a production sharing contract, which PetroChina is the business partner of the project

**3** The Group holds a 75% equity interest of a raw coal washing project company located in Qinshui Basin, Shanxi Province

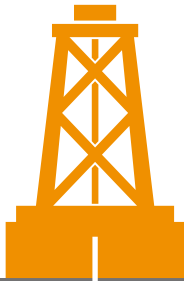
**4** The Group holds a 30% equity interest of a LNG project located in Shanxi Province

**1** 集團於2016年9月出售陝西油田業務，現正積極尋求北美原油及天然氣項目併購

**2** 集團透過一份產品分成合同擁有三交煤層氣區塊70%的權益，項目合作夥伴為中石油

**3** 集團擁有位於山西沁水盆地一家原煤洗選項目公司75%權益

**4** 集團擁有位於山西的一個液化天然氣項目30%權益



### Strategic Goal 戰略目標

Dedicated to become a professional international oil & gas explorer and producer  
致力於成為專業的國際化油氣勘探開發商

### Corporate Value 企業價值觀

People Oriented  
Effective Use of Resources  
Bring Harmony with Great Virtue  
以人為本 善用資源 厚德載物

### Business Principle 經營方針

Equal emphasis on business and capital  
Equal attention to resources and talent  
實業與資本並重 資源與人才並舉

### Enterprise Spirit 企業精神

Passion Efficiency Execution  
激情 高效 執行力





# Chairman's Statement

## 主席報告書

### Dear Shareholders,

On behalf of the board of directors (the "Board") of Sino Oil and Gas Holdings Limited (the "Company", and together with its subsidiaries, collectively the "Group"), I hereby present the annual results of the Group for the year ended 31 December 2016.

### 各位股東：

本人謹代表中國油氣控股有限公司（「本公司」，連同其附屬公司統稱「本集團」）董事會（「董事會」）提呈本集團截至二零一六年十二月三十一日止的年度業績。



# Chairman's Statement

## 主席報告書

### Overview

The year 2016 has been a challenging year. Despite the Group recorded a significant reduction in loss of approximately 80% as compared to the same period of 2015, the coalbed methane business was unsatisfactorily affected by the local economic slowdown and differentiated seasonal demands. The domestic and international economic development remained intricate. Since taking effect of the output reduction agreement by the Organization of the Petroleum Exporting Countries ("OPEC"), the international oil prices has continually fluctuated within a range of USD50 which shows that the international oil and gas market is bottoming out and the Chinese economy is recovering steadily. Moreover, the domestic consumption of natural gas continued to grow. With the launch of policies and measures by the Chinese government on supporting and promoting the use of natural gas, including pushing forward the price marketization of natural gas and the proposed "coal-to-gas" subsidy policy, it is expected that the natural gas industry in China will develop in an orderly and healthy manner. We are still confident with the industry outlook.

The economic development of Shanxi Province relies more on coal and related industries. With the efforts of the Chinese government on decapacity, the local economy showed a downward trend as impacted by the recent volatility of both the macro-economy and the coal industry. Although the sales of the Sanjiao CBM Project was unsatisfactorily affected by the economic environment in 2016, the project team took advantage of this opportunity to prepare itself to be well-poised for the large scale development stage, including improving well drilling and dewatering technologies, raising fund successfully for development, optimizing team strengths as well as actively exploring new sales channels. Currently, the project team is working on two fronts, being liquefied natural gas and national pipelines, to explore sales market beyond Shanxi in order to expand its market share and mitigate the risks arising from the regional economic fluctuation. Meanwhile, several construction projects are currently underway. In 2016, the Sanjiao CBM Project has added a total of 28 completed wells. Subject to the completion of the expansion of CBM processing station in mid-2017, its maximum daily processing capacity will reach 500,000 cubic meters to support the development of the Sanjiao CBM Project.

### 概覽

2016年，仍然是充滿挑戰的一年。集團於去年年度雖然錄得虧損較2015年同期大幅收窄約80%，但受地區經濟放緩及季節性需求差異影響，令煤層氣業務表現差強人意。國內外經濟發展形勢依然錯綜複雜，自石油輸出國組織落實減產協議後，國際油價持續於50美元上下波動，可見國際石油及天然氣市場正步出低谷，而中國經濟亦正在慢慢穩定回升。國內天然氣消費持續增長，隨著中國政府推出支持及推廣天然氣利用之政策措施，包括推進天然氣價格市場化、提出「煤改氣」補貼政策等，預期中國天然氣行業將有序健康發展，我們對於行業前景依然充滿信心。

山西省經濟發展對煤炭及相關產業較為依賴，在中國政府致力去產能的大前提下，近年受宏觀經濟及煤炭行業景氣度波動影響，經濟呈下滑趨勢。儘管三交煤層氣項目之銷售於2016年受到其經濟環境影響而表現未如理想，但項目團隊把握此契機為大開發階段作好充分準備，包括改進鑽井及排採技術、完成開發資金籌措、優化團隊實力，以及積極開拓新的銷售途徑等。目前，項目團隊正從液化天然氣及國家管道兩方面入手，致力開拓山西以外的銷售市場，加大市場份額，減低地區性經濟波動所帶來的風險。同時，我們正密鑼緊鼓地進行建設工程，2016年，三交項目共新增28口井，待煤層氣增壓脫水站擴建工程於2017年年中完成後，其最大日處理能力將達50萬方，以配合三交項目之發展。

# Chairman's Statement

## 主席報告書

### Prospect

The Group firmly believes that sound internal management will lay a solid foundation for the long-term and sustainable development. In this regard, we will continue to enhance internal management and control. On one hand, we will formulate and improve all rules and regulations and systems of the Group, refine the management procedures and enhance the team quality. On the other hand, we will strictly manage the budgets through the preparation and execution of reasonable budgets to uplift the efficiency of existing businesses and cost control.

Sanjiao CBM Project is the core asset of the Group. The Group will continue to facilitate the construction and development of the Sanjiao CBM Project, enhance the production capacity and explore new sales channels. All members of the Group will press ahead amidst all challenges to enhance efficiency and unleash the potential of the Sanjiao CBM Project, in order to develop the Group's first benchmark project.

In response to the market changes, the management of the Group reviews the resources input and operating performance of each business segment from time to time. In consideration of the regional operating constraints and the reduction in return, the Group disposed the Shaanxi crude oil business to a third party in early September 2016. In the meantime, the Group is actively seeking merger and acquisition ("M&A") opportunities, in particular oil and gas projects with potential in China and other countries to speed up the expansion of the Group's business. In 2014, the Group has established a team in Calgary, Canada to identify local business opportunities, indicating the Group's determination to develop overseas business. Regarding the M&A targets, in order to balance the business risks, the Group is also actively looking for suitable midstream and downstream projects in addition to upstream projects. In assessing potential M&A targets, we mainly consider projects with stable operation, higher controllability of risks, and good quality of resources. Further, for the benefit of the shareholders, the projects should be able to generate cash flow and revenue in short term.

### 願景

集團深信良好內部管理會為長遠持續發展奠定堅實的基礎，我們將繼續加強內部管理和控制。一方面制訂和完善集團的各項規章制度，精細化管理流程，強化團隊質素；另一方面通過編製和執行合理預算，嚴格預算管理，提升現有業務效率及成本控制。

三交煤層氣項目是集團的核心資產，集團將繼續推動三交項目的建設發展，提高產能，開拓新的銷售渠道。集團全人定會迎難而上，提高效益，發揮三交項目的潛力，全力打造集團第一個標杆項目。

因應市場環境的變化，集團管理層不時審視各個業務板塊的資源投入及經營表現。基於地區經營環境限制及項目效益下降，集團於去年9月初將陝西省油田業務出售予第三方，但與此同時，本集團亦積極於國內外尋求併購具發展潛力的油氣項目，加快集團業務版圖的拓展。早於2014年，集團已在加拿大卡加利設立團隊，尋找當地業務機遇，表明了集團致力發展海外業務的決心。併購目標方面，為平衡業務風險，除上游項目之外，集團亦會積極尋找合適的中下游項目。而對潛在併購目標的評估，我們主要集中考慮項目自身已經具有穩定業務，風險可程度較高，兼且資源質素良好，項目可以能夠短期內為集團帶來現金流和收益，以股東利益為依歸。

# Chairman's Statement

## 主席報告書

### Appreciation

Given the steady development of our current core assets, we will strive to expand our business scale. I strongly believe that the Group has sufficient strength to embrace more business opportunities in China and other countries. Lastly, I would like to take this opportunity to express my heartfelt gratitude to the Board and all staff members for their dedication and hard work in the previous year. I would also like to thank our shareholders, investors and business partners for their trust and support.

**Dai Xiaobing**

*Chairman*

Hong Kong, 29 March 2017

### 致謝

隨著現有核心資產的穩健發展，我們將努力拓展業務規模。本人相信本集團有足夠實力迎接在國內外的更多商機。最後，本人亦借此機會衷心感謝董事會及所有員工於過去一年所作出的貢獻和努力，亦感謝我們的股東，投資者及各業務伙伴的信任和支持。

主席

**戴小兵**

香港，2017年3月29日



Q1.

## How is the world's crude oil resources distributed?

### 世界原油資源如何分佈？

According to BP Statistical Review of World Energy 2016, among the world's proved oil reserves, the Middle East, Central and South America and Northern America accounted for 47.3%, 19.4% and 14% respectively. The proved oil reserves of China accounts for only about 1.1% of the world's total reserves. A quarter of the proven oil resources and 45% of the ultimate reserve recovery on earth are buried in the seabed.

根據2016《BP世界能源統計年鑒》，全球探明石油儲量中，中東地區佔47.3%、中南美洲佔19.4%、北美洲佔14%，而中國的探明石油儲量只佔全球總儲量約1.1%。而地球上已探明石油資源的1/4和最終可採儲量的45%，埋藏在海底。

Q2.

## How is the world's natural gas resources distributed?

### 世界天然氣資源如何分佈？

According to BP Statistical Review of World Energy 2016, the majority of natural gas resources are distributed across the Middle East, Europe and Eurasia (together accounts for approximately 73.2% of the total natural gas reserves in the world), followed by Asia Pacific region. The distribution in North America and North Africa is more concentrated whereas the reserves in elsewhere is minimal. The proven natural gas reserves of China only accounts for about 2.1% of the world's total reserves.

根據2016《BP世界能源統計年鑒》，天然氣蘊藏量的地域分佈主要集中在中東、歐洲及歐亞大陸。這些地區的天然氣儲量約佔全世界總儲量的73.2%。其次是亞太地區；北美和北非地區分佈較為集中。其他地區儲量極少。中國的探明天然氣儲量只佔全球總儲量約2.1%。

Q3.

## What is unconventional oil and gas?

### 什麼是非常規油氣？

There are various types of unconventional oil and gas, mainly including shale oil and gas, tight oil and gas, heavy oil, oil sands, coalbed methane, gas hydrates, etc..

Generally, the unconventional oil and gas have the following source and storage feature: the majority of them are that the source rock is just the reservoir itself, mainly including two types – source-storage assemblage and source-storage contact. Source-storage assemblage refers to oil and gas generated by hydrocarbon source rocks and oil and gas trapped and accumulated in-situ, including shale oil and gas, coalbed methane (CBM), etc.; while source-storage contact refers to various oil and gas accumulated in dense reservoirs by way of symbiosis with hydrocarbon source rocks, including tight oil and gas, etc..

CBM is a type of unconventional gas that the source rock is the reservoir. Its calorific value is the same as conventional gas and they can be mixed and used together.

非常規油氣類型多樣，主要包括頁岩油氣、緻密油氣、重油、油砂油、煤層氣、天然氣水合物等。

總體上非常規油氣主要具有的源儲特徵：大多數為源儲共生，當中主要包括源儲一體型和源儲接觸型兩種類型。源儲一體型是指源岩生成的油氣，原位滯留聚集的油氣，包括頁岩油氣、煤層氣等；而源儲接觸型是指與源岩層系共生的各類緻密儲層中聚集的油氣，如緻密油氣等。

煤層氣是其中一種源儲一體型的非常規天然氣，其熱值與常規天然氣相當，可以混輸混用。

Q4.

## What are the member states of the Organization of the Petroleum Exporting Countries (OPEC)?

### 有哪些國家是石油輸出國家組織成員國(OPEC)?

Currently, the OPEC has 14 member states: 6 Middle East countries (Iran, Iraq, Kuwait, Qatar, Saudi Arabia, United Arab Emirates), 5 African countries (Algeria, Angola, Gabon, Libya, Nigeria), 2 South American countries (Ecuador, Venezuela) and 1 South-Asian country (Indonesia).

石油輸出國家組織(OPEC)是現有14個成員國：6個在中東(伊朗、伊拉克、科威特、卡塔爾、沙特阿拉伯、阿聯酋)，5個在非洲(阿爾及利亞、安哥拉、加蓬、利比亞、尼日利亞)，2個在南美(厄瓜多爾、委內瑞拉)，1個在東南亞(印尼)。

Q5.

## Oil and gas is divided into proved, probable and possible reserves in reserves report. What is the difference?

### 油氣的儲量報告中，分別有證實、概略及可能儲量，有何不同？

Proved reserves: under the Petroleum Resources Management System (PRMS), quantities of oil and gas which, by analysis of geosciences and engineering data, can be estimated with at least a 90% probability that the estimated reserve quantity will be recovered using defined economic conditions, operating methods, and government regulations.

Probable reserves: under the PRMS, additional reserves which analysis of geosciences and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves

Possible reserves: under the PRMS, additional reserves which analysis of geosciences and engineering data indicate are of at least 10% probability of success to be recovered in the estimate quantities.

證實儲量：根據石油資源管理制度，通過地質科學和工程數據分析，利用界定的經濟狀況、經營模式及政府監管，估計至少90%概率油氣儲量是可採的。

概略儲量：根據石油資源管理制度，地質科學和工程數據分析顯示的額外儲量可採機會低於證實儲量，但較可能儲量具有更大機會。

可能儲量：根據石油資源管理制度，地質科學和工程數據分析顯示的額外儲量至少為估計儲量可成功開採概率的10%。

## How is the current situation of oil demand in China? 中國的石油需求現況如何?

Q6.

According to information by China Customs, China imported 381 million tonnes crude oil in 2016. It accounts for 65% of the total oil consumption of the country. According to the latest report from the International Energy Agency, China is expected to surpass the US in 2017 and become the world's largest importer of crude oil as demand grows. China is expected to increase the crude oil imported from North America, the Middle East and Africa and other regions to meet its demand.

根據中國海關資料，中國2016年全年進口原油3.81億噸，佔全國原油消費量約65%。國際能源署(IEA)最新發布的訊息稱，由於需求增長，中國最快會在2017年超過美國，成為全球最大的原油進口國。預期中國將從北美、中東及非洲等地區進口更多原油以滿足需求。

## How is the current situation of natural gas demand in China? 中國的天然氣需求現況如何?

Q7.

Natural gas consumption continues to rise in China. The statistics released by China National Development and Reform Commission showed that in 2016, China's natural gas consumption of 205.8 billion m<sup>3</sup>, with an increase of 9.8% as compared with the same period of last year. The growth rate has increased significantly as compared with the same period of last year. Imported natural gas was 72.1 billion m<sup>3</sup>, which accounts for 35% of the total natural gas consumption of the country. It is expected that China government continues to promote natural gas consumption and its demand will keep rising.

中國天然氣消費持續上升。國家發展和改革委員會發布的統計數據顯示，2016年，中國天然氣消費量為2058億立方，同比增長9.8%。增速與去年同期相比有顯著提高。天然氣進口量721億立方，佔全國天然氣消費量約35%。預期中國政府將繼續大力推動天然氣消費，國內天然氣需求將持續上升。

## There are several types of natural gas prices in China. What is the difference? 中國天然氣價格有多個種類，有何分別?

Q8.

Chinese natural gas prices involves three parts, i.e. the upstream production, midstream and downstream transportation terminal, and thereby generate the following price categories:

Wellhead price: Ex-factory price of natural gas through upstream exploration and exploitation, being the price earned by upstream companies

Pipeline charge: natural gas is transported through pipelines after exploitation, reflecting the construction and operation cost of gas pipelines

Citygate price: the price paid by local distributors for the purchase of natural gas after delivering to each city

Terminal price: the purchase price paid by users, including two types: residential gas and non-residential gas. Generally, the price of non-residential is higher than residential gas

Due to the different natural gas sources, different levels of consumption, and no uniform pricing standards for the natural gas distribution costs in different regions, coupled with national policy impact, resulting in the prices of natural gas end users are not the same, and the difference could be substantial.

中國的天然氣價格涉及三個部分，即上游生產、中游運輸和下游終端，並產生以下價格種類：

井口價：上游勘探及開採出的天然氣之出廠價，是上游公司所賺的價格

管輸價：開採後需要通過管道運輸，是反映輸氣管道建設和運營的成本

門站價：是天然氣送達各城市後，由當地分銷商購入的價格

終端價：用戶購入價，分兩種：居民用氣及非居民用氣，一般非居民用氣價格會較高

由於各地的天然氣來源不同，消費水平各異，兼且各地區對天然氣的城市配送氣費用沒有統一的定價標準，再加上國家政策影響，因而造成各地的天然氣終端用戶價格不盡相同，甚至有很大差別。

## What are the sales channels for natural gas in China? 中國天然氣銷售有什麼渠道?

Q9.

1. Pipeline sales: the most economical method for supplying larger gas volumes over the long term. Pipeline sales are generally made to city-gas distributors and large industrial users.
  2. LNG sales: it is natural gas that has been cooled to liquid form which can be transported through alternative channels other than pipelines. It can cover a wider area, however, with a higher transportation cost.
  3. CNG sales: it is pressurized natural gas in a gaseous state. It is an ideal alternative energy for vehicles. The delivery radius of this method is however limited to approximately 200 km.
1. 管道天然氣銷售：為長期供應較大量天然氣的最經濟方式，一般銷售對象為城市天然氣分銷商及大型工業用戶。
  2. 液化天然氣銷售：是冷卻至液態的天然氣，可通過管道以外的方式進行輸送，覆蓋範圍廣，但運輸成本較高。
  3. 壓縮天然氣銷售：是加壓的氣態天然氣，是一種理想的車用替代能源，這種方法的運輸半徑卻限制在200公里左右。

# Calendar of Events

## 年度摘要

Our Shanxi Sanjiao CBM project has been listed as one of the core CBM development projects of Shanxi province for two consecutive years, 2015 and 2016. Shanxi provincial government committed to create a favorable policy environment for CBM projects in order to ensure smooth progress of these key projects and take effect on investment returns as soon as possible.

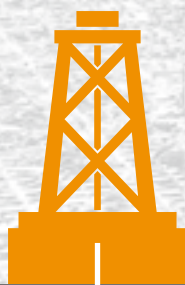
中國油氣旗下三交煤層氣項目於2015及2016年連續兩年被列入山西省重點煤層氣項目之一。山西省政府承諾為煤層氣項目創造利好的政策環境，確保重點工程順利建設，盡快發揮投資效益。

CCB International Overseas Limited subscribed the Group's convertible bonds in the aggregate principal amount of HK\$200,000,000 due 2018, in order to support the development of the Group's CBM and oil and gas businesses.

建銀國際海外有限公司認購本公司發行之本金總額為200,000,000港元並於2018年到期之可換股票據，以支持集團煤層氣及油氣業務發展。

On 14 February 2016, with reference to "Notice re Period of "13th Five-Year-Plan" Subsidies Granted to Development of Coalbed Methane", issued by the Chinese Ministry of Finance, the subsidy from central government for CBM production under the "13th Five-Year Plan" was increased 50% from RMB0.2 per cubic meter to RMB0.3 per cubic meter.

2016年2月14日，中國財政部發布《關於「十三五」期間煤層氣（瓦斯）開發利用補貼標準的通知》，規定於「十三五規劃」期間，煤層氣開發政府補貼標準從人民幣0.2元每立方米提高50%到0.3元每立方米。



2015.3 & 2016.3



2016.2



2016.2



# Calendar of Events

## 年度摘要

Central China International Investment Company Limited, Central China Blue Ocean Investment Management Co., Ltd., President Securities (Hong Kong) Limited subscribed the Group's convertible bonds in the aggregate principal amount of up to HK\$160,000,000 due 2018.

中州國際投資有限公司、中州藍海投資管理有限公司以及統一證券（香港）有限公司認購本公司發行之本金總額為160,000,000港元並於2018年到期之可換股票據。

Large-scale drilling plan kicked off. During the year, there were 28 new wells drilled, completed a total of 108 wells, comprising 57 multilateral horizontal wells and 51 vertical wells.

大規模打井計劃正式啟動，年內共新增28井，合計完成鑽井共108口，其中57口為多分支水平井，餘下的51口為直井。

Crescent Spring Investment Holdings Limited, a wholly-owned subsidiary of China Huarong International Holdings Limited subscribed the Group's convertible bonds in the aggregate principal amount of up to in the aggregate principal amount of US\$130,000,000 due 2019 to provide sufficient financial support to the large-scale development of Sanjiao CBM Project.

中國華融國際控股有限公司之全資附屬公司Crescent Spring Investment Holdings Limited認購本公司發行之本金總額為130,000,000美元並於2019年到期之可換股票據，為三交煤層氣項目大開發提供充足財務支持。



2016.5



2016.6



2016.9





# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

During the year ended 31 December 2016, Sino Oil and Gas Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) recorded a total revenue of approximately HK\$338,611,000 (2015: approximately HK\$67,021,000), which has largely increased by 4 times as compared with last year (note 6 to the financial statements). The revenue included the sales of Sanjiao Coalbed Methane (“CBM”) Project in Shanxi Province, the sales derived from raw coal washing project located in Qinshui Basin, Shanxi Province and oil exploitation operations in Shaanxi Province. By the end of 2015, the overall development plan of Sanjiao CBM Project (“ODP”) was approved by the National Development and Reform Commission (“NDRC”) and the project has stepped into large scale development stage. Thereby, the CBM sales could be officially recognized as turnover of principal activities in December 2015. The government subsidy and tax refund of approximately HK\$22,942,000 on the sales of CBM for the year 2015 has been recorded as “other revenue” during the year.

The Group recorded a net loss of approximately HK\$94,069,000 (2015: HK\$477,711,000), which has decreased largely by 80% as compared with last year. It was mainly because there was no need for any provision for impairment in this year.

The interest income amounted to approximately HK\$39,916,000 (2015: nil) disclosed in “other revenue”, mainly derived from the refundable deposit of CAD40 million of the Group’s possible acquisitions located in Alberta, Canada at an annual interest rate of 8.5%. Details please refer to note 28 to the financial statements. Further there is an other gain of HK\$52,809,000 which derived from the change of fair value of derivatives component in relation to the convertible notes issued during the year (note 34 to the financial statements).

During the year, the Group was exposed to certain key risks and uncertainties which have been disclosed in note 47 to the financial statements.

### 業務回顧

截至2016年12月31日止十二個月內，中國油氣控股有限公司（「本公司」）及其附屬公司（「本集團」）之錄得營業額為約338,611,000港元（2015年：約67,021,000港元），較去年同期大幅上升四倍（財務報表附註6）。營業額分別來自於山西省三交煤層氣項目銷售、山西沁水盆地之原煤洗選業務收入，以及陝西省之石油開採。於2015年底，三交煤層氣項目的總體開發方案（「ODP」）已獲中國國家發展和改革委員會（「發改委」）批覆，並進入大開發階段。故此，煤層氣銷售已於2015年12月開始正式列入主營業務的營業額。同時，2015年銷售煤層氣之政府補貼以及退稅額約22,942,000港元已於年內披露於其他收入。

集團錄得淨虧損約94,069,000港元（2015年：淨虧損約477,711,000港元），較去年同期大幅下降約80%，主要由於本年度並沒有需要就任何方面作減值準備。

另披露於其他收入的利息收入金額約39,916,000港元（2015年：無），該利息收入主要來自本集團位於加拿大阿爾伯特省的擬收購項目的可退還按金40,000,000加元按年利率8.5%計算所產生。詳情請參閱財務報表附註28。此外，還有一項其他收入約52,809,000港元，來自於年內發行的可轉換票據衍生負債元素之公允價值變動的收益（載於財務報表附註34）。

年內，本集團所面對的某些主要風險和不明朗因素經已載於財務報表附註47。

### Natural Gas and Oil Exploitation

#### Coalbed Methane Exploitation – Sanjiao Block in the Ordos Basin

##### 項目總覽

Through its wholly-owned subsidiary Orion Energy International Inc. (“Orion”), the Group entered into a production sharing contract (“PSC”) with China National Petroleum Corporation (“PetroChina”), its partner in the PRC, for exploration, utilization and production of the CBM field in the Sanjiao block, located in the Ordos Basin in Shanxi and Shaanxi provinces. The Group has a 70% interest in the PSC. The PSC covers a block in the Ordos Basin in Shanxi and Shaanxi provinces, with a total site area of 383 square kilometers. According to a competent person’s updated report provided to the Company by the end of 2015, the proved and probable CBM reserves of Sanjiao block amounted to approximately 8.301 billion cubic meters and the net present value at 10% discount of the future revenue of the reserve was approximately HK\$11.498 billion.

By the end of 2015, the NDRC has granted the ODP. Sanjiao CBM Project has officially entered into the large-scale development and production phase with a targeted annual production capacity of 500 million cubic meters. Substantial increase of the productivity and sales of CBM is expected.

##### 基礎建設

As at 31 December 2016, there are 28 new wells in Sanjiao CBM Project and it has completed a total of 108 wells, comprising 57 multilateral horizontal wells and 51 vertical wells. Out of the total 108 wells, 85 wells were in the normal dewatering stage, of which 69 wells had accessed to a gas collection pipeline network. A ground pipeline network of approximately 18 kilometers, inter-well pipelines of approximately 50 kilometers, and outbound pipelines of approximately 17 kilometers were completed. Approximately total 62 kilometers of 10KV power grid and branch power line were also completed.

During the year, the Group has undertaken the expansion of the CBM processing station. As at 31 December 2016, the total CBM daily processing capacity is 270,000 cubic meters. After the completion of the expansion in mid-2017, its maximum daily processing capacity will reach 500,000 cubic meters in order to cope with the development of Sanjiao CBM Project.

### 天然氣及石油開採

#### 煤層氣開採 — 鄂爾多斯盆地三交區塊

##### 項目總覽

本集團透過旗下全資附屬公司奧瑞安能源國際有限公司（「奧瑞安」），與中國夥伴中國石油天然氣集團公司（「中石油」）訂立產品分成合同（「PSC」），在中國山西及陝西省鄂爾多斯盆地三交區塊進行煤層氣田勘探、開採及生產，並享有當中70%權益。PSC覆蓋中國山西省及陝西省鄂爾多斯盆地合共383平方公里之區塊。根據一份由合資格人士於2015年底向本公司提供之儲量報告更新，三交煤層氣項目當時之淨儲量（已證實+概略）約為83.01億立方米，而該儲量未來收入淨現值（10%折現）約為114.98億港元。

按發改委於2015年底所批准的ODP，三交煤層氣項目正式進入目標年產能5億立方米的大規模開發和生產階段，預期可大幅度提高產能及增加煤層氣的銷售收入。

##### 基礎建設

截至2016年12月31日止，三交煤層氣項目三交項目共新增28口井，截至2016年底累計完成鑽井共108口，其中57口為多分支水平井，餘下的51口為直井。在上述108口井中，正常排採井為85口，當中接入集氣管網的井位69口。另三交地面系統工程方面，已建成區內集氣幹線約18公里，集氣支線約50公里，外輸管線約17公里；並架設總長度約62公里的10KV輸電幹線及電力支線。

集團於年內已開展擴建煤層氣增壓脫水站的工作。截至2016年12月31日，總煤層氣日處理量已達27萬立方米，待2017年年中之擴建工程完成後，其最大日處理能力將達50萬立方米，以配合三交煤層氣項目之發展。

# Management Discussion and Analysis

## 管理層討論及分析

During the year, the Group has started the low productivity wells rework program. After the technical examination and economic assessment conducted by local and foreign experts, 18 wells with great potential value have been selected. During the year, significant progress has been obtained through the reworks of low productivity wells, including the dewatering quantitative management, dewatering recovery of low productivity wells, blockage relief by nitrogen and fracturing reform etc. Steady increase of the single well productivity has been noted in a number of reworked wells. As at 31 December 2016, the rework program of 13 low productivity wells have been completed and those wells have contributed additional productivity.

### Sales

During the “13th Five-Year Plan” (from January 2016), government subsidy has been increased from RMB0.2 per cubic meter to RMB0.3 per cubic meter so as to boost the development of CBM industry. The Group believes that the state policy will have direct positive impact on the development of the Group’s Sanjiao CBM Project as well as the entire industry in the long run.

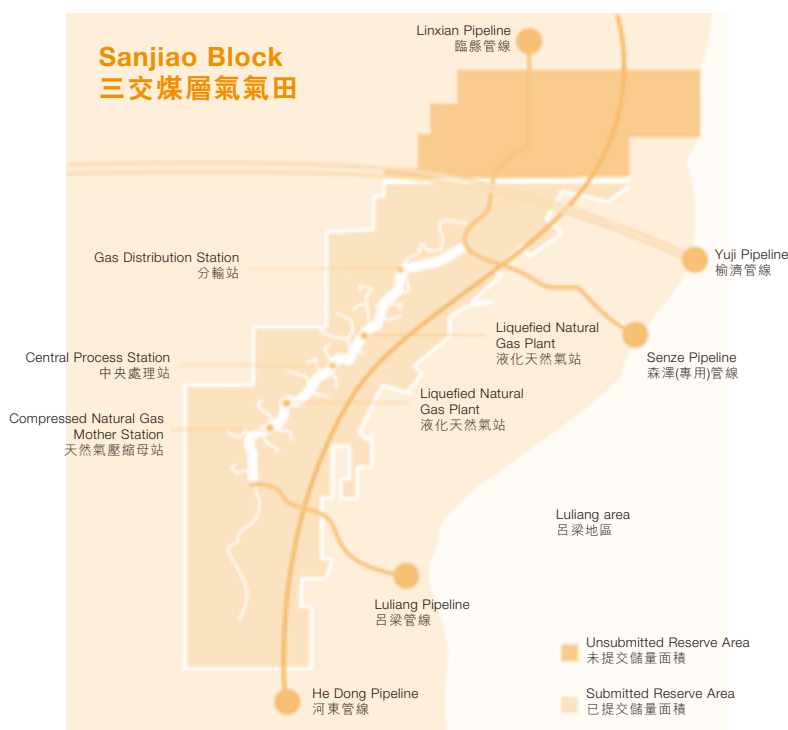
The Group’s Sanjiao CBM Project is currently using three designated CBM pipelines in the Sanjiao block and its surrounding areas, built by the Shanxi provincial government as its major sales channels. These pipelines are all constructed and invested by third parties. All three pipelines are currently operational.

集團已於年內開展低產井改造工作，經國內外專家技術審查和經濟評估之後，篩選出最具改造價值的18口潛力井，優化並提升單井產量。年內，低產井改造工作在排採定量化管理、低產井復排、氮氣解堵、壓裂改造等工程項目取得重大進展，多口改造井單井產量穩步提升。截至2016年12月31日，已有13口低產井完成改造工作，並開始貢獻新增產量。

### 銷售

於「十三五規劃」期間，即2016年1月起，煤層氣開發的中央財政補貼標準已從煤層氣每立方米人民幣0.2元提高到人民幣0.3元。集團相信，政策扶持將對本集團持有的三交煤層氣項目以及整個行業的發展有長遠而直接的正面影響。

本集團三交煤層氣項目現時以三交區域內及其周邊地區由省政府規劃的三條已建成煤層氣專用管線作為主要銷售渠道。該等管線均由第三方建設及投資，且均已投入營運。



# Management Discussion and Analysis

## 管理層討論及分析

During the year, the Sanjiao CBM Project recorded CBM production of approximately 69.5 million cubic meters (2015: approximately 59.34 million cubic meters) and CBM sales of approximately 50.02 million cubic meters (2015: approximately 57.67 million cubic meters), resulting in a gas sale-to-production rate of approximately 72% for the year (2015: approximately 97.2%). The decrease of sale-to-production rate is mainly because of the rigorous economic environment of Shanxi in the second half of 2016 which led to a significant reduction of natural gas consumption by the industrial users. In order to solve the immediate sales problem, the Group has actively explored potential downstream users so as to expand the sales channels. On the one hand, we will secure the gas consumption of the existing downstream industrial users while some of them are going to expand their production in 2017 and their gas consumption will increase 100,000 to 150,000 cubic meters per day accordingly. The Group, on the other hand, has planned to install a small scale liquefied natural gas (“LNG”) station within Sanjiao area with designed daily CBM processing ability of 50,000 to 100,000 cubic meters. It is expected to be completed and start operation in the second half of 2017. This will then provide an immediate alternative sales channel for our CBM produced.

In terms of the composition of gas sales throughout the year, industrial piped CBM sales accounted for approximately 83.7% of total sales (2015: approximately 92.7%), while residential piped CBM sales contributed approximately 15% (2015: approximately 7.3%). The remaining 1.3% was compressed natural gas (CNG) sales (2015: nil). In 2015, all CBM was sold by pipeline.

Sanjiao CBM Project is now at the large-scale development phase, its production and production capacity will continue to increase. The Group is striving to expand new sales channels. Apart from the new pipeline sales contract, Shanxi Guo Liang CBM Development Limited, the LNG project which 30% equity interest held by the Group, will become a secured long term sales channel for Sanjiao. It is in the process of setting up a LNG station with daily processing capacity of 1.2 million cubic meters in the Sanjiao area of Shanxi Province. The major government approval procedures, including environmental assessment and the professional qualification of four gas types (四氣從業資格) were ready. The Group believes that with the concerted efforts of the team, Sanjiao CBM Project can generate long-term and substantial returns.

年內，三交煤層氣項目錄得煤層氣產量約6,950萬立方米(2015年：約5,934萬立方米)，煤層氣銷售量約5,002萬立方米(2015年：約5,767萬立方米)，年內平均產銷比率約72%(2015年：約97.2%)。產銷比下降主要由於2016年下半年山西經濟形勢嚴峻，導致集團工業用戶天然氣使用量大幅減少。為解決當前的銷售問題，本集團積極拓展銷售管道，開發下游用戶，一方面確保原有下游工業用戶的用氣量，而部分工業用戶將於2017年內進行擴產，擴產後用氣量預期每日將提升10至15萬方。另一方面，本集團計劃在三交區內建設日處理煤層氣5至10萬方的小型液化天然氣(「LNG」)站項目，預計可於2017年下半年建成投產，將即時為我們生產的煤層氣提供其他銷售渠道。

年內銷售結構中，工業用管道煤層氣銷售佔約83.7%(2015年：約92.7%)，民用管道煤層氣銷售佔約15%(2015年：約7.3%)，其餘為壓縮天然氣銷售佔約1.3%(2015年：無)。而於2015年煤層氣銷售則均全部為管道銷售。

三交煤層氣項目現處於大開發階段，產能及產量將不斷提升，集團致力拓展新的銷售渠道，除新的管道銷售合約外，亦包括集團擁有30%權益的山西國梁煤層氣開發有限公司，已準備於山西三交籌建日處理能力達120萬立方米之LNG處理站，並將成為三交項目長遠而穩固的銷售渠道。該項目主要政府審批手續包括環境評估，四氣從業資格等已基本辦理完成。本集團相信在團隊共同努力下，三交煤層氣項目能帶來長遠而豐厚的盈利。



# Management Discussion and Analysis

## 管理層討論及分析

### **Oilfields Located in Shaanxi Province – Liuluoyu, Yanjiawan and Jinzhuang**

Due to the downturn on the local operating environment and depletion of the oil blocks, the Group decided to sell the Shaanxi oil field business to a third party at a consideration of HK\$29,000,000 on 1 September 2016. For the eight months ended 31 August 2016, the three oil fields, Liuluoyu, Yanjiawan and Jinzhuang, located at the Ordos Basin in Shaanxi Province, yielded an aggregate crude oil output of approximately 2,435 tonnes (2015: approximately 3,570 tonnes).

### **Raw Coal Washing Project Located in Shanxi Province**

The Group acquired a 75% equity interest of a raw coal washing project company located in Qinshui Basin, Shanxi Province in mid-2015. Due to the impact of coal price fluctuation in 2016, the raw coal washing business performance was mixed during the year. In the first half of the year, as Shanxi coal price was at a low level, the operation of the raw coal washing business was not satisfactory. Until the second half of 2016, the increase in coal price has led to significant improvement to the coal washing business. During the year, the coal washing operation recorded a total sale of refined coal approximately 325,000 tonnes (2015: approximately 84,000 tonnes). The coal industry is expected to gradually be out of the haze and become stable. Pursuant to the sale and purchase agreement entered into by both parties, the vendor will provide the Group with profit guarantee for six consecutive years. The project will therefore contribute stable income and cash flow to the Group.

### **位於陝西省的油田區塊 — 柳洛峪、閻家灣及金莊**

基於當地經營環境低迷及油田區塊資源衰減，集團於2016年9月1日決定以29,000,000港元出售陝西省油田業務予第三方。截至2016年8月31日8個月止，位於陝西省鄂爾多斯盆地的柳洛峪、閻家灣及金莊三個油田區塊之原油產量共約2,435噸（2015年全年：約3,570噸）。

### **位於山西省的原煤洗選項目**

本集團於2015年中收購一間位於山西省沁水盆地之原煤洗選項目公司之75%權益。2016年由於煤價震蕩影響，洗煤廠業務表現較為波動。上半年由於山西煤價處於低位，洗煤廠的營運情況未如理想。直至2016年下半年，煤炭價格回升，令洗煤廠業務大幅改善。年內，項目共銷售精煤約325,000噸（2015年：84,000噸）。預期行業將逐漸走出陰霾趨向平穩，加上雙方所訂立的買賣協議，賣方會對集團提供連續6年的利潤保證，該項目將會為集團貢獻穩定的收入以及現金流。

# Management Discussion and Analysis

## 管理層討論及分析

In January 2016, the Group entered into a non-legally binding Strategic Cooperation Framework Agreement (“Framework Agreement”) with Shanxi Guxian Lanhua Baoxin Coal Company Limited (山西古縣蘭花寶欣煤業有限公司) (“Lanhua Baoxin”). Pursuant to which the Company and Lanhua Baoxin, intend to establish a project management team for the development of potential CBM projects located in the coal mine block of Lanhua Baoxin, Qinshui Basin and eastern edge of Ordos Basin. After careful investigation, exploration and evaluation, the said coal mine block was found to be not commercially viable for CBM development. However, the Group will keep exploring into similar single well investment model and seek for cooperation with local sizable coal enterprises. As a result, we may effectively consolidate the potential CBM blocks in the neighbouring area and enter the CBM market of Qinshui Basin. The Group is always actively looking for various cooperative projects through different business models so as to strengthen the CBM development business and inject new momentum for the growth of the Group’s business.

### **Possible Acquisition – Oilfield in Alberta, Canada**

With the purpose of further enriching the Group’s resources reserves, apart from seeking suitable oil and gas blocks in China, the Group is also looking into investment opportunities in overseas upstream businesses. The Group hence entered into two non-legally-binding memorandums of understanding (“MOUs”) in June and September 2014. The acquisition targets are oil and gas fields located in Alberta, Canada. The Group is actively preparing for these possible acquisitions and conducting due diligence review on the resources of the target groups. The vendor has collected seismic data so as to identify areas where oil and gas may have accumulated; and has drilled exploratory wells to evaluate if the site can produce enough oil or gas to make it economically viable to develop. The Company expects that overseas acquisition activities can expand the Group’s business portfolio of natural gas and oil which will contribute profit and cash flow. Further, this can augment the Group’s overall risk resistance capacity when facing unstable external factors.

2016年1月，本集團與位於沁水盆地腹地的山西古縣蘭花寶欣煤業有限公司(「蘭花寶欣」)簽訂戰略合作框架協定。據此，本集團擬與蘭花寶欣組建項目管理團隊，開展在蘭花寶欣煤礦區塊開採煤層氣項目。經過審慎的調研、勘探及評估，項目管理團隊判斷該區塊並不適合商業化開採煤層氣。集團將繼續積極嘗試進行類似單井投資模式，尋求與當地大型煤礦的合作，使我們可以有效整合周邊潛在區塊，進軍沁水盆地煤層氣市場。集團一直積極尋求多樣化的合作項目，加強煤層氣商業發展，為集團業務增長注入新動力。

### **潛在的收購項目 — 位於加拿大阿爾伯特省的油田區塊**

進一步充實集團的資源儲備，除在國內尋求合適油氣區塊外，集團亦積極拓展海外上游業務，物色優質投資機會。集團於2014年6月及9月訂立兩份不具法律約束力之諒解備忘錄(「該等備忘錄」)。收購目標為位於加拿大阿爾伯特省之油氣田，集團積極準備是次潛在收購事宜，就上述目標的資源量進行盡職審查，賣方已採集地震數據，以識別出油氣可能聚集的區域，現正進行鑽造探井以評估該區域出產的油氣是否具有足夠的經濟開發價值。公司預期進行海外收購活動將可一方面擴大本集團的天然氣和石油的業務組合，帶來盈利及現金流貢獻，另一方面，當面對不穩定的外圍因素，可以加強集團整體的抗風險能力。



# Management Discussion and Analysis

## 管理層討論及分析

On 30 September 2016, the Group and the vendor have agreed to further extend the time limit for entering into formal agreements in respect of the terms in the MOUs to 30 June 2017. Meanwhile, during the year, after negotiation with the vendor, taking into account of the interests of shareholders and the Company, interest is charged at the rate of 8.5% per annum against the vendor on the refundable deposits on MOUs (i.e. CAD40 millions), with reference to the existing cost of capital to the Company (note 28 to the financial statements).

### Summary of Resources

The Group's oil and gas reserves, as at 31 December 2016, are summarized as follows:

#### Category

#### 類別

#### Coalbed Methane Reserve

#### 煤層氣儲量

Billion cubic feet (Gross)  
十億立方英尺(總額)

Proved (1P)	證實(1P)	137.8	(Note a)
Proved and Probable (2P)	證實及概略(2P)	434.3	(附註a)

(a) The Company has made an estimation on the oil reserve as at 31 December 2016 on the basis of a competent person's report prepared in accordance with the standards for "Petroleum Resources Management System" recognized under Chapter 18 of the Listing Rules on the Sanjiao CBM Field reserves as of 30 September 2015, adjusted and updated based on oil production volume.

(b) Reserve translation reference: One tonne of crude oil is equivalent to approximately 7.3 barrels; one cubic meter of natural gas is equivalent to approximately 35.2 cubic feet.

於2016年9月30日，本集團及賣方同意將該等諒解備忘錄中條款分別延至2017年6月30日。同時於年內，集團經與擬收購項目賣家協商同意後，考慮到股東及公司利益，參考集團目前融資成本，按該等備忘錄的可退還按金額(即4,000萬加元)，以年利率8.5%支付利息予公司(載於財務報表附註28)。

### 資源概覽

本集團於2016年12月31日的油氣儲備概述如下：

(a) 本公司以一份由合資格人士，按上市規則第18章認可的「石油資源管理體系」標準編製以三交煤層氣田於2015年9月30日之儲量作為基礎，再按煤層氣產量作出調整更新，估算截止至2016年12月31日的煤層氣儲量。

(b) 儲量換算參考：原油每噸約等於7.3桶；天然氣每立方米約等於35.2立方英尺。

# Management Discussion and Analysis

## 管理層討論及分析

### Capital Expenditure

For the year ended 31 December 2016, the total expenditure capitalised for the Sanjiao CBM Project was approximately HK\$377 million (2015: approximately HK\$275 million), which mainly comprises of (i) construction works in progress of oil and gas fields, (ii) direct expenses and (iii) finance expenses, The breakdown of which is as follows:

- (i) Construction works in progress of oil and gas field mainly representing drilling expenses approximately HK\$234 million (2015: approximately HK\$89 million), dewatering expenses amounted to approximately HK\$26 million (2015: approximately HK\$12 million) and ground facility expenditure amounted to approximately HK\$26 million (2015: approximately HK\$38 million);
- (ii) Direct expenses mainly represent direct labour cost (included, but not limit to, petroleum engineers and geologists etc.) amounted to approximately HK\$20 million (2015: approximately HK\$17 million) and other direct cost incidental to the exploration and development of the Sanjiao CBM Project amounted to approximately HK\$40 million (2015: approximately HK\$40 million); and
- (iii) The total finance expenses capitalised during the year was approximately HK\$31 million (2015: approximately HK\$79 million).

For the year ended 31 December 2016 and 2015, there was no significant drilling activities performed in the oilfields located in Shaanxi Province. The Group disposed of the oilfields during the year as disclosed in note 42 to the financial statements.

For the year ended 31 December 2016, the Group incurred around HK\$41 million (2015: nil) drilling costs for the farm-in project in Canada as disclosed in note 18 to the financial statements.

### 資本支出

截至2016年12月31日止年內，投入三交煤層氣項目的總資本化的支出約為377,000,000港元（2015年：約275,000,000港元），其中主要為(i)油氣田之在建工程，(ii)直接支出及(iii)財務支出，明細如下：

- (i) 油氣田之在建工程主要為鑽井工程支出約234,000,000港元（2015年：約89,000,000港元），排採工程支出共約26,000,000港元（2015年：約12,000,000港元）及地面工程支出共約26,000,000港元（2015年：約38,000,000港元）；
- (ii) 直接支出主要為直接工資（包括但不限於石油工程師和地質師等）共約20,000,000港元（2015年：約17,000,000港元）及其他有關於三交煤層氣項目勘探和發展的直接支出，共約40,000,000港元（2015年：約40,000,000港元）；及
- (iii) 年內資本化的總財務支出約為31,000,000港元（2015年：約79,000,000港元）。

截至2016年及2015年12月31日止年度，位於陝西省的油田區塊並無進行重大鑽井工程。本集團於年內出售該油田區塊（載於財務報表附註42）。

截至2016年12月31日，本集團已就位於加拿大的farm-in項目產生鑽探開支約41,000,000港元（2015年：無）（載於財務報表附註18）。





# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Liquidity and Financial Resources

As at 31 December 2016, mainly due to the operating loss and depreciation of RMB during the year, the consolidated net assets of the Group has dropped significantly with more than 10% to approximately HK\$3,091,000,000 (31 December 2015: approximately HK\$3,503,000,000) while its total assets were approximately HK\$5,245,000,000 (31 December 2015: approximately HK\$4,666,000,000). As at 31 December 2016, the Group had external borrowings including the liability component of convertible notes and borrowings of approximately HK\$1,553,000,000 (31 December 2015: approximately HK\$887,771,000), and the gearing ratio based on total assets was approximately 29.61% (31 December 2015: approximately 19.02%). Information on the Group's collateral assets and repayment of borrowings is set out in notes 17, 33 and 34 to the financial statements as disclosed in this annual report. As at 31 December 2016, the current ratio was approximately 1.32 (31 December 2015: approximately 0.66). As at 31 December 2016, the gearing ratio was still at an acceptable level. During the year, the large capital needs of Sanjiao CBM Project has led to a high current ratio in short-term. It is expected that when the CBM operation becomes stable gradually, the Group's overall financial situation, in particular the liquidity ratio, will also improve and become healthy and stable.

In February 2016, CCB International Overseas Limited subscribed the Group's convertible bonds in the aggregate principal amount of HK\$200,000,000 due 2018. 70% of the proceeds has been used for settlement of the construction and operation costs payable in respect of the Sanjiao CBM Project, the remaining of which has been used for development of oil and gas business and for repayment of certain financial obligations.

In May 2016, Central China International Investment Company Limited, Central China Blue Ocean Investment Management Co., Ltd. and President Securities (Hong Kong) Limited subscribed the Group's convertible bonds in the aggregate principal amount of up to HK\$160,000,000 due 2018. 65% of the proceeds has been used for the repayment of certain financial obligations and substantial of the remaining of which has been used for the working capital of the Sanjiao CBM Project.

### 財務回顧

#### 流動資金及財政資源

於2016年12月31日，主要受到年度虧損以及人民幣貶值之影響，集團綜合資產淨值較去年大幅下降逾10%至約3,091,000,000港元（2015年12月31日：約3,503,000,000港元），總資產值則約為5,245,000,000港元（2015年12月31日：約4,666,000,000港元）。於2016年12月31日，本集團的總借貸包括可換股票據之負債部分及借貸約為1,553,000,000港元（2015年12月31日：約887,771,000港元），負債比例按資產總值計算約為29.61%（2015年12月31日：約19.02%）。有關本集團已抵押資產及借貸償還期限的詳情分別載於財務報表附註17、附註33及附註34。於2016年12月31日的流動比率約為1.32（2015年12月31日：約0.66）。於2016年12月31日，本集團之負債比率仍然維持可接受水平，而於期內開發三交煤層氣項目資金需求量大，導致流動比率短期偏高，預期煤層氣營運逐漸穩定，集團整體財政狀況，尤其是流動比率，將會改善並愈趨穩健。

於2016年2月，建銀國際海外有限公司認購本公司發行之本金總額為200,000,000港元並於2018年到期之可換股票據。所得款用約70%的所得款項已用作支付本集團三交煤層氣項目之應付工程款項及運營支出，餘下所得款項則已用作油氣業務發展及償還若干財務承擔。

於2016年5月中旬，中州國際投資有限公司、中州藍海投資管理有限公司以及統一證券（香港）有限公司認購本公司發行之本金總額為160,000,000港元並於2018年到期之可換股票據。所得款用約65%的所得款項已用作償還若干財務承擔，而其餘已投入用作三交煤層氣項目之營運資金。

# Management Discussion and Analysis

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In September 2016, Crescent Spring Investment Holdings Limited, a wholly-owned subsidiary of China Huarong International Holdings Limited, subscribed the Group's convertible bonds in the aggregate principal amount of US\$130,000,000 due 2019. It was approved by special general meeting in July 2016. The proceeds are mainly used for the Sanjiao CBM Project, including exploration, drilling, exploitation, production and repayment of certain financial obligations.

The above financing sources, have provided Orion with the capital at lower cost and higher flexibility to support the sizable development of Sanjiao CBM Project. With sufficient funding and satisfactory operation and development of the Sanjiao CBM Project, the Group is able to meet its financing needs for developing various oil and gas projects.

### 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. As at 31 December 2016, no related hedges were made by the Group. In respect to trade 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 2016, the Group employed approximately 374 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.

### Environmental Protection

The Group is responsible for its impact to the environmental arising from its business operations. During the year, the Group strictly complied with the local environmental regulation of the PRC. Details are disclosed in the Environmental, Social, Governance Report 2016 to be issued by the Company pursuant to the Listing Rules.

於2016年9月，中國華融國際控股有限公司之全資附屬公司Crescent Spring Investment Holdings Limited與本公司認購本公司發行之本金總額為130,000,000美元於2019年到期之可換股票據，並於2016年7月份獲股東特別大會批准發行。所得款項淨額主要用於三交煤層氣項目（包括勘探、鑽井、開採、生產和償還相關財務承擔）。

上述之融資為奧瑞安提供成本較低及靈活性更高的資金以支持三交煤層氣項目大開發的進行。憑藉充足的資金以及三交煤層氣項目良好的營運與發展，集團足以應付未來各油氣項目發展及潛在投資機會的資金需要。

### 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和負債。於2016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，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準。

### 僱員薪酬政策

於2016年12月31日，本集團的僱員約有374人。本集團之薪酬政策主要按現行市場薪酬水準及各有關公司及個別僱員之表現釐訂。

### 環境保護

本集團須為業務經營對環境的影響承擔責任。年內，本集團緊守中國當地的環保法規。詳情載於本公司根據上市規則而發佈之2016年環境、社會及管治報告書內。



# Management Discussion and Analysis

## 管理層討論及分析

### PROSPECTS

In December 2016, National Energy Administration published 《CBM development and utilization of the “13th Five Year Planning”》 (“The Plan”). It clearly stated that during the “13th Five Year Planning”, the national CBM proven reserve will increase 420 billion m<sup>3</sup>, which will complete and strengthen the industrialization of the two major CBM bases: namely Qinshui and eastern edge of Ordos basin so as to achieve rapid growth of productivity. By 2020, the CBM productivity of these two bases will reach 8.3 billion m<sup>3</sup>. The Plan also expects that during the 13th Five Year, the acceleration of the pace of CBM exploration and development; the optimization of the industry structure and key technology breakthrough, will increase production significantly.

CBM has been incorporated into the important carrier to promote energy production and consumption revolution. In 2016, subsidy policy in place and the introduction of incentive measure have provided a favourable policy environment for the development of CBM industry. This has shown that the development of CBM is being accelerated. In February 2016, the Chinese Ministry of Finance announced the subsidy from central government for CBM production under the “13th Five-Year Plan” increases by 50%. In April 2016, the Ministry of Land and Resources announced that in the next two years, part of the CBM exploration and exploitation approval and registration will be processed by the Department of Land and Resources of Shanxi Province, entrusted by the Ministry of Land and Resources. Sanjiao CBM Project will directly benefit from the policy.

### 前景

中國國家能源局於2016年12月發佈《煤層氣煤礦瓦斯開發利用「十三五」規劃》以下簡稱《規劃》。《規劃》明確指出，「十三五」期間，將新增煤層氣探明地質儲量4200億立方米，強化兩大產業化基地，建成沁水盆地和鄂爾多斯盆地東緣煤層氣產業化基地，實現產量快速增長。到2020年，兩大產業化基地煤層氣產量達到83億立方米。《規劃》體現出，「十三五」期間，煤層氣勘探開發步伐將進一步加快，產業佈局更趨優化，關鍵技術將取得突破，產量大幅提升。

煤層氣已被納入推動能源生產和消費革命的重要載體。2016年，國家政策補貼的到位和激勵措施的推出為煤層氣產業發展提供了利好的政策環境，表明了煤層氣發展正式進入快車道。2016年2月，中國財政部公佈於「十三五」期間，煤層氣開發利用補貼標準提高50%；2016年4月，國土資源部決定於未來兩年，山西省部分煤層氣勘查開採審批將改為由國土資源部委託山西省國土資源廳實施審批，三交煤層氣項目成為直接受惠項目。

# Management Discussion and Analysis

## 管理層討論及分析

The oil and gas market outlook remains uncertain. The sustained low oil price is a result, not of lack of demand, but of oversupply. Despite the recent implementation of production cut agreement by OPEC since 2008, movement of oil prices remained uncertain whether major producers would extend output cut deal to ease global oil glut. Nevertheless, we are still confident that the growth of oil and gas industry as a whole will be eventually rebounding attributable to the oil prices gradually being stabilized. Therefore, the Group is taking the initiative to seize the opportunity, accelerate the pace of overseas mergers and acquisitions with gradient extension to the industrial chain targeting to become a professional international oil and gas player.

Looking forward, the Group will continue to push forward the construction and development of Sanjiao and build the Group's first benchmark project in full effort. Meanwhile, the Group is looking for mergers and acquisitions opportunities with reasonable and potential returns in China, North America and Southeast Asia in order to speed up the Group's business development. It is important for the Group to continue investing to achieve the most competitive portfolio, which can bring the shareholders and investors with long-term and fruitful returns.

石油和天然氣市場前景依然不明朗。導致持續低油價的原因不是缺乏需求，而是供過於求。儘管最近石油輸出國組織自2008年以來首次落實了減產協議，但石油價格走勢仍然難以預測，主要視乎生產商是否願意延長此協議以緩解全球石油供應過剩問題。然而，我們仍然相信，油價逐步靠穩後，石油和天然氣工業的整體增長最終將會反彈。集團正主動緊抓機遇，加速海外併購佈局，梯度化延伸產業鏈，成為專業的國際化油氣勘探開發商。

展望未來，集團將繼續推動三交的建設發展，全力打造集團的第一個標杆項目。與此同時，集團將於中國、北美及東南亞市場積極物色具備合理及潛在回報的併購機會，以加速集團業務發展的步伐。我們認為必須繼續投資，以令集團能達致一個最具競爭力的業務組合，方可以為股東以及投資者帶來長遠而豐厚的回報。



# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

### BOARD OF DIRECTORS

#### Executive Directors

**Dr. Dai Xiaobing**, aged 49, was appointed as Executive Director of the Company in May 2010 and Chairman of the Board of the Company in September 2011. Dr. Dai is in charge of the overall affairs of the Group. He is also responsible for the Group's human resources management (including human resources planning, personnel deployment, remuneration scheme and staff training), capital operation (including financing, investment and merger and acquisition of projects) and technology management (including introduction and application of technology), etc. 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 organized 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. He was also an independent director of Jiangxi Ganneng Co., Ltd. (江西贛能股份有限公司), a company listed on the Shenzhen Stock Exchange.

**Mr. King Hap Lee**, aged 54, was appointed as Chief Executive Officer of the Company in November 2010 and Executive Director of the Company in September 2011. Currently, Mr. King serves as Executive Director and Chief Executive Officer (and Deputy Chairman of the Board). Mr. King is responsible for the Group's strategic planning, operation planning, external relationship and organizational management (including rules and systems, organizational structure and corporate culture). Mr. King graduated from Xian Jiaotong University in 1983. He worked 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\*).

### 董事會

#### 執行董事

**戴小兵博士**，49歲，於2010年5月獲委任為本公司之執行董事，並於2011年9月獲委任為本公司董事會主席。戴博士主持本集團全面工作，並負責本集團的人力管理，包括人力規劃、人事調配、薪酬設計及職員培訓；資本運營，包括融資、投資、項目併購；技術管理，包括技術引進和技術應用等。戴博士持有中國吉林大學商學院計量經濟學博士學位，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主辦的《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。他曾擔任江西贛能股份有限公司之獨立董事（於深圳交易所上市的公司）。

**景哈利先生**，54歲，於2010年11月獲委任為本公司行政總裁，並於2011年9月獲委任為本公司之執行董事，現為本公司執行董事及行政總裁（兼董事會副主席）。景先生負責本集團的戰略規劃；營運計劃；對外關係；組織管理，包括規章制度、組織架構和企業文化。景先生於1983年畢業於西安交通大學，曾長期任職於中央國家機關和國有企業，擁有二十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。

# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

**Mr. Wan Tze Fan Terence**, aged 52, was appointed as Executive Director of the Company in March 2009. He is also the chief financial officer of the Company. Mr. Wan is responsible for the Group's financial management (including investment budget, allocation of funding, control on sales as well as inspection and audit of financial matters), legal matters (including tracking on legal matters, risk control and compliance monitoring) and internal affairs of the headquarter of the Group. 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 also an independent non-executive director of China Primary Energy Holdings Limited and Eagle Legend Asia Limited, both of which are listed on The Stock Exchange of Hong Kong Limited.

### Non-executive Directors

**Mr. Chen Hua**, aged 51, was appointed as Non-executive Director of the Company in June 2014. Mr. Chen holds a bachelor degree and founded the Kingkey Group Limited ("Kingkey Group") in 1994. He is the founder, chairman and chief executive officer of Kingkey Group. Kingkey Group is a Chinese well-known brand with an integrated business comprising property development, hotel, property management, financial investment, golf club and beverage operations. Kingkey Group has invested and developed total construction area of over 5 million square metres and its constructions have been awarded various prizes by different cities, provinces and the state. It is one of the Top 50 Property Enterprises in China and renowned in the property sector across the nation. Kingkey Group took four years to complete the 'KK100' Complex which has become the landmark of Shenzhen and one of the tallest complex building in the world. Mr. Chen also actively involves in various community charities and has accumulated hundreds of millions RMB charitable donations over the years.

**溫子勳先生**，52歲，於2009年3月獲委任為本公司之執行董事，現為本公司之財務總監，負責本集團的財務管理，包括投資預算、資金調撥、銷售監管以及財務巡查和審計；法務，包括法規跟蹤、風險控制和合規監管；本集團本部內務。溫先生持有商科學士學位及工商管理碩士學位，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，他亦為中國基礎能源控股有限公司及鵬程亞洲有限公司之獨立非執行董事，這兩間公司均於香港聯合交易所上市。

### 非執行董事

**陳華先生**，51歲，於2014年6月獲委任為本公司之非執行董事。陳先生本科學歷，於1994年創立京基集團有限公司（「京基集團」），為京基集團的創始人、董事長兼行政總裁。京基集團為中國的知名品牌企業，集合房地產、酒店、物業管理、金融投資、高爾夫俱樂部、餐飲等多元化產業的大型集團公司，投資開發的總建築面積超過500萬平方米，多次獲得市、省及國家頒發的各類獎項，是中國房地產50強企業之一，在全國地產界享有極高的聲譽。京基集團用四年時間傾力打造的京基100城市綜合體項目，目前已成為深圳最高建築地標，亦是世界上最高的綜合體之一。陳先生積極參與各項社會公益慈善事業，歷年累計慈善捐贈超過數億元人民幣。



# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

**Mr. Huang Shaowu**, aged 46, was appointed as Non-executive Director of the Company in June 2014. Mr. Huang was the main founder for Shenzhen Aisidi Co., Ltd. (“Aisidi”) (shares of which are listed on the Shenzhen Stock Exchange) in 1998 and it is the “Fortune” 500 enterprises in China. Mr. Huang is currently a director of Aisidi, the chairman of Shenzhen Sinomaster Investment Group Co., Ltd. (深圳市神州通投資集團有限公司, “SMT”) which is the controlling shareholder of Aisidi, the chairman and general manager of 深圳市全球星投資管理有限公司 which is major shareholder of Aisidi and a director of Yuanjing International Limited which is substantial shareholder of the Company, SMT is an investment conglomerate with extensive investments in distribution, retail, logistics, finance, real estate, tourism, high-tech, e-commerce and ecological agricultural businesses.

**Mr. He Lin Feng**, aged 47, was appointed as Non-executive Director of the Company in August 2014. Mr. He holds a bachelor degree in Economics from Renmin University of China. Mr. He has been an executive director of 珠海景順科技有限公司 since 2006. He was a director of 珠海市榮業投資有限公司 from 1996 to 2005 and the business manager of 珠海市海平實業公司 from 1991 to 1995. Mr. He has extensive experience in financial management and project investment businesses.

**Mr. Chen Chun Tung Jason**, aged 33, was appointed as Non-executive Director of the Company in September 2016. Mr. Chen is currently responsible for direct investments at China Huarong International Holdings Limited. He was previously a director in Corporate Finance Department responsible for leading origination and execution of corporate finance transactions and providing strategic advisory in Greater China at Standard Chartered Securities (Hong Kong) Limited from 2010 to 2015 and an associate at the Investment Banking Department of Citigroup Global Markets Asia Limited from 2006 to 2010. Mr. Chen holds a Bachelor of Science degree in Industrial Engineering Operations Research (cum laude) from Columbia University. Mr. Chen is currently a non-executive director of Beautiful China Holdings Company Limited which is listed on the Stock Exchange of Hong Kong Limited.

**黃紹武先生**，46歲，於2014年6月獲委任為本公司之非執行董事。黃先生於1998年作為主要創始人創立的深圳市愛施德股份有限公司（「愛施德」）（股份於深圳證券交易所上市），為《財富》中國500強企業。黃先生現為愛施德董事，現任愛施德控股股東深圳市神州通投資集團有限公司（「神州通投資集團」）董事長、愛施德主要股東深圳市全球星投資管理有限公司董事長兼總經理、及本公司主要股東圓景國際有限公司董事。神州通投資集團為大型綜合民營投資企業，投資控股產業橫跨分銷、零售、物流、金融、地產、旅遊、高科技、電子商務和生態農業等領域。

**何林峰先生**，47歲，於2014年8月獲委任為本公司之非執行董事。何先生持有中國人民大學的經濟學學士學位。何先生自2006年起擔任珠海景順科技有限公司的執行董事。於1996年至2005年，他曾任珠海市榮業投資有限公司的董事，並於1991年至1995年擔任珠海市海平實業公司的業務經理，何先生於財務管理、項目投資業務累積了豐富經驗。

**程振東先生**，33歲，於2016年9月獲委任為本公司之非執行董事。程先生現任職於中國華融國際控股有限公司，負責其直接投資項目。程先生於2010年至2015年擔任渣打證券（香港）有限公司企業融資部董事，負責領導開展及執行企業融資交易及在大中華區提供戰略諮詢，及於2006年至2010年擔任花旗環球金融亞洲有限公司投資銀行部經理。程先生持有美國哥倫比亞大學工業工程運籌系理學士學位，並以優異成績畢業。程先生現為美麗中國控股有限公司的非執行董事，該公司於香港聯合交易所上市。

# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

### Independent Non-executive Directors

**Mr. Wong Kwok Chuen Peter**, aged 57, 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 20 years of extensive experience in legal practice.

**Professor Wong Lung Tak Patrick**, *BBS, JP*, aged 68, was appointed as an Independent Non-Executive Director of the Company in August 2010. Professor Wong is a Certified Public Accountant (Practising) in Hong Kong and Managing Practising Director of Patrick Wong CPA Limited. He is also a Chartered Secretary and a Certified Tax Advisor. He has over 40 years' experience in the accountancy profession. Professor Wong was accorded Doctor of Philosophy in Business, was awarded a Badge of Honour by the Queen of England, was appointed a Justice of the Peace and was awarded a Bronze Bauhinia Star (BBS) by the Hong Kong Government of SAR. He was appointed Adjunct Professor, School of Accounting and Finance, The Hong Kong Polytechnic University from 2002 to 2013. Professor Wong is currently an independent non-executive director of Galaxy Entertainment Group Limited, CC Land Holdings Limited, Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, Water Oasis Group Limited, Real Nutraceutical Group Limited, National Arts Entertainment and Culture Group Limited, Winox Holdings Limited, Li Bao Ge Group Limited and BAIC Motor Corporation Limited and he resigned as independent non-executive director of Bisu Technology Group International Limited (formerly known as Excel Development (Holdings) Limited) and Munsun Capital Group Limited (formerly known as China Precious Metal Resources Holdings Co., Ltd.) on 10 August 2015 and 3 October 2016 respectively, all of which are listed on the Hong Kong Stock Exchange.

### 獨立非執行董事

**黃國全先生**，57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的商業管理(市場學)碩士學位及香港大學之法律深造證書，黃先生擁有二十多年豐富法律實務經驗。

**黃龍德教授**，*BBS, 太平紳士*，68歲，於2010年8月獲委任為本公司之獨立非執行董事。黃教授為香港執業會計師，並為黃龍德會計師事務所有限公司的執行董事。黃教授亦是特許秘書及註冊稅務師。彼於會計專業擁有逾四十年經驗。黃教授取得商業哲學博士學位，獲英女皇頒發榮譽獎章，獲委任為太平紳士，並獲香港特別行政區政府頒授銅紫荊星章。彼於2002年至2013年獲香港理工大學會計及金融學院委任為兼任教授。黃教授現為銀河娛樂集團有限公司、中渝置地控股有限公司、廣州白雲山醫藥集團股份有限公司、奧思集團有限公司、瑞年國際有限公司、國藝娛樂文化集團有限公司、盈利時控股有限公司、利寶閣集團有限公司及北京汽車股份有限公司的獨立非執行董事，並分別於2015年8月10日及於2016年10月3日辭任比速科技集團國際有限公司(前稱怡益控股有限公司)及麥盛資本集團有限公司(前稱中國貴金屬資源控股有限公司)的獨立非執行董事，該些公司均於香港聯合交易所上市。





# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

**Dr. Wang Yanbin**, aged 60, was appointed as an Independent Non-Executive Director of the Company in September 2011. Dr. Wang is a professor and tutor for doctoral candidates of China University of Mining & Technology (Beijing), and head of the Scientific Research Office of China University of Mining & Technology (Beijing). Dr. Wang holds a bachelor degree in coalfield geology from the faculty of geology of Huainan Mining Institute in China. He also holds a master degree in coal petrology and coalfield geology and a doctor degree in coalfield, oil and gas geology and organic geochemistry from China University of Mining & Technology (Beijing). Prior to 1993, Dr. Wang mainly engaged in teaching and scientific research on coalfield geology and coalbed methane geology. Since 1993, he has focused on geological research on coalfield geology, oil, natural gas and coalbed methane. He has led the development of a project for the National Natural Science Foundation of China, and few scientific projects for China National Petroleum Corporation and China Petrochemical Corporation. Dr. Wang has also participated in more than 30 scientific projects in cooperation with various oil fields and Mining Bureaus nationwide. He was granted the State Scientific and Technological Progress Award for several times and has published 3 books and more than 70 academic papers.

**Dr. Dang Weihua**, aged 51, was appointed as an Independent Non-Executive Director of the Company in July 2013. Dr. Dang currently works for 北京德恒（武漢）律師事務所 as a lawyer. Prior to this, he served as the General Manager of Shenzhen Branch of Changjiang Securities Company Limited (“Changjiang Securities”) and the Chief Representative of Shenzhen Representative Office of Changjiang Securities, Deputy General Manager of Asset Preservation Department and Legal & Compliance Department of Changjiang Securities. Dr. Dang had worked in Changjiang Securities (formerly known as Hubei Securities Company Limited) for 23 years and served in different departments and positions. He has extensive experience in securities industry. Dr. Dang holds a master degree of business administration at Zhongnan University of Economics and Law. He was awarded a PhD in Econometrics by the School of Economics, Jilin University. Dr. Dang holds Chinese lawyer qualification as well as securities practice qualification.

**王延斌博士**，60歲，於2011年9月獲委任為本公司之獨立非執行董事。王博士現為中國礦業大學（北京）教授、博士生導師，以及中國礦業大學（北京）科研處處長。王博士持有中國淮南礦業學院地質系煤田地質學士學位，以及中國礦業大學北京煤岩學和煤田地質學碩士學位及煤田、油氣地質學及有機地球化學博士學位。於1993年前，主要從事與煤田地質和煤層氣地質有關的教學科研工作。1993年以後，主要從事與煤田地質、石油天然氣和煤層氣有關的地質研究，先後主理國家自然科學基金項目，以及中國石油天然氣集團總公司、中國石化集團總公司等多項科技項目，與全國各油田和礦務局合作科技項目30餘項，先後多次獲得國家科技進步獎，出版專著3部，發表學術論文70餘篇。

**黨偉華博士**，51歲，於2013年7月獲委任為本公司之獨立非執行董事。黨博士現於北京德恒（武漢）律師事務所從事律師工作，在此之前，他曾先後擔任長江證券股份有限公司（「長江證券」）深圳分公司總經理兼深圳代表處首席代表職務、長江證券的資產保全部、法律合規部副總經理，黨博士任職於長江證券（前身為湖北證券有限責任公司）二十三年，歷任不同部門及職位，於業內累積豐富經驗。黨博士持有中南財經政法大學的工商管理碩士學位，以及於吉林大學商學院獲數量經濟學博士學位。黨博士持有國家法律執業資格，以及證券從業資格。

# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

### Senior Management

**Mr. Zhu Danping** joined the Company in September 2012 and is currently the Chief Operating Officer of the Group. Mr. Zhu is responsible for the operational management of the Company's subsidiaries, including daily routine inspection, supervision over their goals and responsibilities, evaluation of performance and statistics of information. Mr. Zhu is currently a Director of Orion Energy International Inc. and Director and Legal Representative of Pipeline International Limited (both being wholly-owned subsidiaries of the Company) and Vice Chairman of 山西國梁煤層氣開發有限公司, 30% equity interest of which is being held by Pipeline International Limited. Prior to joining the Company, Mr. Zhu worked in Shenzhen Industrial Exhibition Centre as a curator for the construction of the new building and the tender for exhibition during the period between 2007 and 2012 and has extensive experience in the operating management and working for government authorities. Mr. Zhu was a postgraduate in philosophy from Zhongshan University and worked for the institute for Shenzhen Intermediate People's Court as well as 深圳市海潤工貿公司 (Shenzhen Hairun Industrial and Trading Company\*) as a deputy general manager and a supervisor, 華展國際展覽公司 (Sinoexpo International Exhibition Company\*) of 深圳國際展覽中心 (Shenzhen International Exhibition Centre\*) as a managing director, Shenzhen Industrial Exhibition Centre as a deputy curator and Shenzhen Productivity Centre as an officer. He was responsible for the organization of various significant projects for the government and the planning and management of exhibitions during his term of office. With a strong social connection and network, he delivered a remarkable performance.

**Ms. Yim Siu Hung** was appointed as the Company Secretary of the Company in December 2011 mainly responsible for the Group's legal compliance work. Ms. Yim has joined the Company since August 2005 and holds a bachelor degree in law from Nottingham Trent University, UK and a bachelor degree in accountancy from City University of Hong Kong. She is a fellow member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She has years of extensive experience in the company secretarial sector and has worked for international accounting and law firms and listed companies in Hong Kong.

### 高層管理人員

**朱耽平先生**，於2012年9月加入本公司，現為本集團執行總裁，負責本公司附屬公司的運營管理，包括日常巡查、目標和責任督查、績效考核和信息統計。朱先生現為本公司全資附屬公司奧瑞安能源國際有限公司的董事及國際管網有限公司董事、法定代表人及其下屬持有30%權益的山西國梁煤層氣開發有限公司副董事長。朱先生於加入本公司前，曾自2007年至2012年期間出任深圳市工業展覽館館長，負責新館建設及展覽工程招標等工作，擁有豐富的營運管理及政府機關工作經驗。朱先生於中山大學哲學系研究生畢業，曾於深圳市中級人民法院研究室工作，並先後出任深圳市海潤工貿公司常務副總經理及主管、深圳國際展覽中心華展國際展覽公司總經理、深圳市工業展覽館副館長、深圳市生產力促進中心主任等職位，任內曾負責政府舉辦的各類大型項目及展覽會的策劃及管理工作，累積了豐富之人脈關係及網絡，成績斐然。

**嚴筱虹女士**，於2011年12月獲委任為本公司之董事會秘書，主要負責處理本集團法律及法規相關事宜。嚴女士於2005年8月加入本公司，持有英國Nottingham Trent University的法律學士學位及香港城市大學的會計學士學位，亦為香港特許秘書公會及英國特許秘書及行政人員公會的資深會員。嚴女士於董事會秘書範疇擁有多多年豐富經驗，並曾在國際會計師事務所和律師事務所以及香港上市公司等工作。

# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

**Dr. Rao Mengyu** has been working for Orion Energy International Inc. (a wholly-owned subsidiary of the Company since November 2010) since December 2007 and now serves as the Chief Geologist of the Group, mainly responsible for geology research and exploration work of the Company's Sanjiao coalbed methane project. Dr. Rao graduated from the Department of Geology of Anhui University of Science & Technology. In 2005, Dr. Rao was awarded a PhD in Geology by the China University of Petroleum (East China). He was engaged in research work for the oil and gas geology fundamental theories and coalbed methane ("CBM") development technology in the post-doctoral station of the College of Petroleum and Natural Gas Engineering, China University of Petroleum (Beijing). He has over 20 years of experience in the industry and has years of experience in onsite work and indoor scientific research in respect of CBM projects. Dr. Rao has published 24 research papers in the journals such as Acta Petrolei Sinica, and also is one of the principal participants in the scientific research achievement of "Research, development and application of CBM multi-lateral horizontal well". Such achievement was awarded the second prize of science and technology advancement in 2009 by the China National Coal Association.

**Mr. Mei Ximin** joined the Company in September 2015. Mr. Mei currently serves as Executive Vice President of the Group and Chief Supervisor of Orion Energy International Inc., responsible for the Company's coordination in relation to the government's public affairs and assisting in the production and operation of Orion Energy International Inc. Mr. Mei obtained a bachelor degree in economics from Jilin University in 1983. He was granted the professional title of senior economist in 1995. Before joining the Company, Mr. Mei had served as the Director of the Bureau of Commodity Prices of Jilin Province and senior executive of 吉林國聯集團公司. He had served as vice president of a Hong Kong listed company since 2008.

**Mr. Dai Zhonggang** joined the Company in April 2015. Currently, Mr. Dai serves as Vice President of the Group, Chairman and General Manager of Orion Energy International Inc. Mr. Dai is responsible for the production and operation management of the Sanjiao coalbed methane project and the overall deployment of the project's large scale development. Mr. Dai holds a bachelor degree in business administration from Jiangxi University of Finance and Economics. Mr. Dai had served as chairman and general manager of a mining company owned by a listed company and has accumulated extensive related management experience.

**饒孟餘博士**，自2007年12月起於奧瑞安能源國際有限公司(於2010年11月成為本公司之全資附屬公司)工作，現為本集團總地質師，主要負責本公司三交煤層氣項目的地質研究及勘探等工作。饒博士畢業於安徽理工大學地質系，於2005年獲得中石油大學(華東)地質學理學博士學位，並曾在中國石油大學(北京)石油與天然氣工程學院博士後站從事油氣基礎理論及煤層氣開發工藝的研究工作。他於行內有逾二十年工作經驗，擁有多多年從事煤層氣項目的現場工作經驗和室內科研經歷。饒博士曾在《石油學報》等期刊上發表科研論文二十四篇，亦是「煤層氣多分支水平井研發與應用」科技成果的主要參與人之一，該成果並榮獲2009年度中國煤炭工業協會科技進步二等獎。

**梅喜民先生**，於2015年9月加入本公司，現為本集團常務副總裁兼奧瑞安能源國際有限公司監事長，負責本公司有關政府公共事務協調工作，協助管理奧瑞安能源國際有限公司的生產和運營。梅先生於1983年獲吉林大學經濟學學士學位，並於1995年獲高級經濟師職稱。梅先生加入本公司前，曾在吉林省物價局擔任處長和吉林國聯集團公司擔任高級管理人員，自2008年起曾於香港上市公司出任副總裁。

**戴中剛先生**，於2015年4月加入本公司，現為本集團副總裁兼奧瑞安能源國際有限公司董事長兼總經理，負責三交煤層氣項目的生產及運營管理以及項目大開發之整體部署。戴先生持有江西財經大學的工商管理學士學位，曾出任上市公司旗下礦業公司董事長兼總經理，累積多年相關管理經驗。

# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

**Mr. Wang Liang** joined the Company in 2010 and was General Manager for the Company's Shaanxi oilfield projects. Mr. Wang currently serves as Vice President of the Group, Chief Representative of Orion Energy International Inc. and Manager of Sanjiao Joint Project Division fully in charge of Orion Energy International Inc. and Sanjiao Joint Project Division. Mr. Wang graduated from the Department of Law of Heilongjiang University. He has extensive management experience in the sectors of oil and natural gas.

**Mr. Tan Xin** joined the Company in February 2015 as Vice President of the Group, mainly responsible for financing and business mergers and acquisitions of the Company. Mr. Tan graduated from the Department of World Economy of Shanghai University of Finance and Economics majoring in international finance, and obtained his master degree from Nankai University in Tianjin. He has extensive experience in international finance and investment banking. Mr. Tan once worked in China Construction Bank, Shenzhen Branch, and acted as cadre at sub-section level and economist in the Foreign Exchange Department of China Construction Bank and General Department of China Investment Bank. Thereafter, he served as the deputy general manager of 中國遠東國際貿易公司, the general manager of China Affairs Department of 香港首億國際金融有限公司 and the general manager of 深圳市佳泰隆投資擔保有限公司.

**Mr. Zhuang Kemin** joined the Company in 2012 and was appointed as Vice President of the Group in January 2016, mainly responsible for financing and mergers and acquisitions of the Company in China. Mr. Zhuang graduated from Hubei University of Economics and holds a college degree in foreign trade and a master degree in finance from Zhongnan University of Economics and Law. Previously, Mr. Zhuang worked for 深圳市君軒投資有限公司 as chief financial officer and 凱源租賃(深圳)有限公司 as chairman and general manager. He is well experienced in corporate financing and business mergers.

**王亮先生**，於2010年加入本公司，曾擔任本公司陝西油田項目的總經理，現為本集團副總裁及奧瑞安能源國際有限公司首席代表兼三交聯合項目部經理，全面主持奧瑞安能源國際有限公司及三交聯合項目部工作。王先生畢業於黑龍江大學法律系，在石油、天然氣等行業有豐富管理經驗。

**談心先生**，於2015年2月加入本公司，擔任本集團副總裁，主要負責本公司融資及業務併購。談先生畢業於上海財經大學財經大學世界經濟系國際金融專業，並於天津南開大學完成了研究生課程，在國際金融及投資銀行領域擁有豐富經驗。談先生曾於中國建設銀行深圳市分行工作，曾先後在建設銀行外滙處、中國投資銀行綜合部工作，任副科級幹部、經濟師。其後先後出任中國遠東國際貿易公司副總經理、香港首億國際金融有限公司中國事務部總經理及深圳市佳泰隆投資擔保有限公司總經理。

**莊軻敏先生**，於2012年加入本公司，並於2016年1月獲委任為本集團副總裁，主要負責本集團國內融資及業務併購。莊先生於湖北經濟管理學院外貿專業大專畢業，並於中南財經大學金融系完成研究生課程。莊先生曾擔任深圳市君軒投資有限公司財務總監、凱源租賃(深圳)有限公司董事長兼總經理，擁有豐富的企業融資及業務併購經驗。



# Directors and Senior Management Profiles

## 董事及高層管理人員簡介

**Mr. Li Yuxin** joined the Company in March 2015 as Vice President of the Group, mainly responsible for the Company's financing and business mergers and acquisitions. Mr. Li obtained a master degree from Institute of Economics of Nankai University and a PhD degree from Finance and Trade Economics Faculty of Graduate School of Chinese Academy of Social Sciences. Mr. Li also completed post-doctoral research at Guanghua Management School of Peking University. With affluent academic knowledge, Mr. Li has launched the enterprise asset-light operating systematic theory in recent years. Mr. Li has been working in the oil and gas industry for more than 18 years and has extensive practical experience in corporate strategy, equity management, investment banking and managing oil and gas industry. Before joining the Company, Mr. Li served as office manager of Business Management and Legal Department of Daqing Oilfield Co., Ltd. and deputy manager of 第九採油廠和測試技術服務公司. Mr. Li engaged in development strategies, equity management, asset restructuring and merger and acquisition business planning in Capital Operation Department of China National Petroleum Corporation ("CNPC") and participated in the overall planning activities for the listing of CNPC's A Shares. Mr. Li also worked in 香港海峽能源有限公司 responsible for the establishment of business merger and acquisition funds and in charge of a number of investment projects in Fujian Province.

**Mr. Zhou Suolin** joined the Company in 2007 and now serves as Deputy Chief Accountant of the Group, responsible for the financial management of the Group. Mr. Zhou graduated from Changchun College of Geology majoring in Geology and holds a college degree in statistics, and obtained his master degree in accounting from Business School of Jilin University. Mr. Zhou was once Head of the Accounting and Finance Division of Jilin Petroleum Survey and Exploration Command Office of the Ministry of Geology and Mineral Resources, Director of the Finance Department of Northeast Petroleum Bureau of the Ministry of Geology and Mineral Resources (Shihai Bureau) and Director of the Finance Department of Northeast Petroleum Bureau of Sinopec Star Petroleum Co., Ltd. Mr. Zhou has extensive financial management experience in the oil and natural gas sectors.

**李玉新先生**，於2015年3月加入本公司，擔任本集團副總裁，主要負責本公司融資和產業併購。李先生先後於南開大學經濟研究所取得碩士學位，於中國社會科學院研究生院財貿經濟系取得博士學位，並在北京大學光華管理學院完成博士後研究，近年提出了企業資產輕量化運營的系統理論，具有較深的學術造詣。李先生在石油天然氣行業連續工作十八年以上，擁有豐富的公司戰略、股權管理、投資銀行業務和油氣行業管理的實戰經驗。先後在大慶油田有限責任公司企業管理與法律事務部任合資合作辦公室主任、第九採油廠和測試技術服務公司任副經理。在中國石油天然氣集團公司（「中國石油」）資本運營部從事發展戰略、股權管理、資產重組和併購業務策劃，全程參與了中國石油回歸A股的一系列統籌工作。李先生也曾在香港海峽能源有限公司負責組建產業併購基金，主導在福建省的多項投資項目。

**周鎖林先生**，於2007年加入本公司，現為本集團副總會計師，主要負責本公司財務管理。周先生持有長春地質學校地質專業學歷、亦擁有統計專業大專學歷，並於吉林大學商學院完成了會計專業研究生課程。周先生曾出任地礦部吉林石油普查勘探指揮所計財科科長，其後先後出任地礦部（石海局）東北石油局財務處及中國新星石油公司東北石油局財務處的處長，周先生於石油及天然氣行業擁有豐富的財務管理經驗。

\* For identification purpose only

### CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the “Board”) is committed to maintain and develop high standards of corporate governance practices for the purpose of providing a framework and solid foundation for its business operation and development. Effective corporate governance provides probity, transparency, accountability which contributes to the corporate success and enhancement of shareholder value.

The Company complied with all the code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2016.

### COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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.

### THE BOARD OF DIRECTORS

As at 31 December 2016, the Board comprises three executive Directors, namely Dr. Dai Xiaobing (Chairman), Mr. King Hap Lee (Chief Executive Officer) and Mr. Wan Tze Fan Terence; four Non-executive Directors, namely Mr. Chen Hua, Mr. Huang Shaowu and Mr. He Lin Feng, Mr. Chen Chun Tung Jason; and four Independent Non-executive Directors (“INEDs”), namely Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.

### 企業管治常規

本公司董事會（「董事會」）竭力維持及發展高水平的企業管治，目的為其業務營運及發展提供一個架構及穩固基礎。有效的企業管治通過高度誠信，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。

本公司於截至2016年12月31日止年度已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「管治守則」）的全部守則條文。

### 遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載的上市公司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。

### 董事會

於2016年12月31日，董事會包括三名執行董事，即戴小兵博士（主席）、景哈利先生（行政總裁）及溫子勳先生，四位非執行董事，即陳華先生、黃紹武先生、何林峰先生及程振東先生以及四位獨立非執行董事（「獨立非執行董事」），即黃國全先生、黃龍德教授、王延斌博士及黨偉華博士。



# Corporate Governance Report

## 企業管治報告

The individual attendance records of each Director at the meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee and general meetings during the year are set out below:

各董事於董事會、審核委員會、薪酬委員會、提名委員會會議及股東大會之個別出席記錄載列如下：

### Number of meetings attended/held during term of office in 2016

### 於2016年任職期間出席／舉行的會議次數

		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會	Special General Meeting 股東特別大會
<b>Number of meetings held during the year</b>	<b>本年度內舉行會議次數</b>	8	2	1	2	1	1
<b>Executive Directors</b>	<b>執行董事</b>						
Dai Xiaobing (Chairman)	戴小兵(主席)	8/8	—	1/1	2/2	1/1	1/1
King Hap Lee (Chief Executive Officer)	景哈利(行政總裁)	6/8	—	—	—	0/1	0/1
Wan Tze Fan Terence	溫子勳	8/8	—	—	—	1/1	1/1
<b>Non-executive Directors</b>	<b>非執行董事</b>						
Chen Hua	陳華	0/8	—	—	—	0/1	0/1
Huang Shaowu	黃紹武	7/8	—	—	—	0/1	0/1
He Lin Feng	何林峰	6/8	—	—	—	0/1	0/1
Chen Chun Tung Jason (appointed on 29 September 2016)	程振東 (於2016年9月29日獲委任)	0/0	—	—	—	0/0	0/0
<b>Independent Non-executive Directors</b>	<b>獨立非執行董事</b>						
Wong Kwok Chuen Peter	黃國全	8/8	2/2	1/1	2/2	1/1	1/1
Wong Lung Tak Patrick	黃龍德	8/8	2/2	1/1	2/2	1/1	0/1
Wang Yanbin	王延斌	7/8	2/2	—	—	0/1	0/1
Dang Weihua	黨偉華	8/8	—	—	—	0/1	0/1

Notes:

附註：

- The Audit Committee comprises Professor Wong Lung Tak Patrick (Chairman of the Committee), Mr. Wong Kwok Chuen Peter and Dr. Wang Yanbin.
- The Remuneration Committee comprises Professor Wong Lung Tak Patrick (Chairman of the Committee), Dr. Dai Xiaobing and Mr. Wong Kwok Chuen Peter.

- 審核委員會成員為黃龍德教授(委員會主席)、黃國全先生及王延斌博士。
- 薪酬委員會成員為黃龍德教授(委員會主席)、戴小兵博士及黃國全先生。

3. The Nomination Committee comprises Dr. Dai Xiaobing (Chairman of the Committee), Mr. Wong Kwok Chuen Peter and Professor Wong Lung Tak Patrick.

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 shareholder 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 Board also delegates certain specific responsibilities to three committees (Audit Committee, Remuneration Committee and Nomination Committee). The composition and functions of each committee are described below.

The Board includes four INEDs representing not less than one-third of the Board which is in compliance with under Rule 3.10(1) and 3.10A of the Listing Rules. Professor Wong Lung Tak Patrick has appropriate qualifications and accounting related financial expertise required under Rule 3.10(2) of the Listing Rules.

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. All the four INEDs are independent under these independence criteria, and with their wide range of skills 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.

3. 提名委員會成員為戴小兵博士(委員會主席)、黃國全先生及黃龍德教授。

董事會除對本公司及本集團負有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，並已就該等人員的職權給予彼等清晰的指引及指示。董事會同時分派特定職責予三個委員會(審核委員會、薪酬委員會及提名委員會)，每個委員會的組成及功能在下文說明。

董事會包括四名獨立非執行董事佔董事會成員人數不少於三分之一，符合上市規則第3.10(1)條及第3.10A條的規定。黃龍德教授擁有上市規則第3.10(2)條所規定的適當資格及相關會計財務專長。

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。根據該等獨立性標準，全部四位獨立非執行董事均具獨立性，並在管理本集團方面擁有豐富技能及經驗，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。





# Corporate Governance Report

## 企業管治報告

The Board has extensive corporate and strategic planning and industry experience 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.

There is no financial, business, family or other material or relevant relationship between the Directors.

On appointment to the Board, each Director receives a comprehensive induction package covering the general, statutory and regulatory obligations of being a Director to ensure that he is sufficiently aware of his responsibilities under the Listing Rules and other relevant regulatory requirements. All Directors and senior management are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Directors are regularly briefed on the business operations and policies of the Company and from time to time provided with written training materials to develop and refresh their professional skills.

All the Directors, namely Dr. Dai Xiaobing, Mr. King Hap Lee, and Mr. Wan Tze Fan Terence, Mr. Chen Hua, Mr. Huang Shaowu, Mr. He Lin Feng, Mr. Chen Chun Tung Jason, Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua, participated in continuous professional development by reading materials and attending seminars on corporate governance, regulatory development and other relevant topics with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the CG Code during the year.

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.

董事會各董事均具備履行彼等責任所需的豐富企業策略規劃及行業經驗，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。

董事間並不存在任何財務、業務、家族或其他重大或相關關係。

在獲委任加入董事會時，各董事將收到一份詳盡之入職資料，涵蓋作為董事在一般、法律及監管規定上所須履行責任之資料，以確保其充分瞭解其於上市規則及其他相關監管規定下之責任。本公司鼓勵全體董事和高級管理層參與持續專業發展，以發展及更新彼等的知識及技能。董事定期獲簡介本公司業務營運和政策，以及不時獲提供書面培訓材料以發展及重溫專業技能。

所有董事，即戴小兵博士、景哈利先生、溫子勳先生、陳華先生、黃紹武先生、何林峰先生、程振東先生、黃國全先生、黃龍德教授、王延斌博士及黨偉華博士，為符合管治守則，於年內透過閱讀有關企業管治、監管規定的發展和其他相關主題的讀物及參加相關研討會，參與重點在於上市公司董事的角色、職能及責任之持續專業發展。

本公司不時向董事提供與擔任本公司董事相關的法律及法規之發展的更新資料。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更新彼等的技能、知識及對本集團的瞭解。

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. Monthly updates as required in C.1.2 of the CG Code are provided by the senior management to all Directors to enable them to be apprised of the circumstances of the Company and to discharge their duties. The Company Secretary provides the Directors with updates on developments regarding the Listing Rules and other applicable regulatory requirements. 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 duties, may take professional advice at the Company's expense as arranged by the Company.

The biographical details of the Directors are listed in the section of "Directors and Senior Management Profiles" in this annual report and 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. The Company maintains on its website and on the Stock Exchange's website a list of its directors with their role and function.

### **DIRECTORS' AND OFFICERS' INSURANCE**

The Company continues to subscribe for an insurance policy to indemnify the Directors and senior executives of the Group from any losses, claims, damages, liabilities and expenses, including without limitation, any proceedings brought against them, arising from the performance of their duties pursuant to their appointment under their respective service agreements entered into with the Company. The current policy shall be under constant review to ensure that the insurance cover is appropriate.

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。高級管理人員會根據管治守則第C.1.2條的規定每月提供更新資料予所有董事，使彼等了解本公司的現況，以履行其職責。董事會秘書提供予董事有關上市規則及其他適用法規的發展的更新資料。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可由本公司安排尋求獨立專業意見，由此所產生的費用將由本公司承擔。

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。於本公司網站及聯交所網站上已列載本公司的董事及其角色和職能。

### **董事及要員的投保安排**

本公司續保一份保單，乃關於彌償本集團董事及高級行政人員因根據與本公司訂立之相關服務協議項下之委聘履行彼等之職責而產生之任何損失、索償、損害賠償、債務及開支（包括但不限於針對彼等提出之任何訴訟）。現有保單將獲定期檢討以確保投保安排適當。



# 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, Dr. Dai Xiaobing and Mr. King Hap Lee respectively, to ensure a balance of power and authority. Dr. Dai Xiaobing as the Chairman of the Company provides leadership to the Board and ensures that the Board discharges its responsibilities effectively and the Directors receive complete, accurate and timely information and are properly briefed on issues arising at Board meetings. He also holds annually meeting with the non-executive directors (including independent non-executive directors) without the presence of other executive directors. Dr. Dai Xiaobing is in charge of the overall affairs of the Group. He is also responsible for the Group's human resources management (including human resources planning, personnel deployment, remuneration scheme and staff training), capital operation (including financing, investment and merger and acquisition of projects) and technology management (including introduction and application of technology). The Chief Executive Officer, Mr. King Hap Lee, is responsible for the Group's strategic planning, operation planning, external relationship and organizational management (including rules and systems, organizational structure and corporate culture).

### NON-EXECUTIVE DIRECTORS

Each of Mr. Chen Hua, Mr. Huang Shaowu, Mr. He Lin Feng, Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua, being non-executive Directors and INEDs of the Company, has entered into a service contract with the Company for a term of two years. Mr. Chen Chun Tung Jason, a non-executive Director of the Company, has entered into a service contract with the Company for a term of three years. In accordance with the Company's Bye-laws, at each AGM of the Company, one third (or the number nearest to but not less than one-third) of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years and, being eligible, offer themselves for re-election. As such, all the non-executive Directors and INEDs are also regarded as appointed for a specific term. Furthermore, the Company's Bye-laws provide that any Director appointed by the Board to fill a casual vacancy in the Board or as an additional member of the Board shall hold office only until the first general meeting of the Company and shall then be eligible for re-election at such meeting.

### 主席及行政總裁

主席與行政總裁的角色清楚劃分，分別由戴小兵博士及景哈利先生擔任，以確保權力和權利得以平衡。戴小兵博士作為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及確保董事獲得完整、準確且及時的資料及適當地獲悉董事會會議上提出的事宜，本公司主席每年與非執行董事（包括獨立非執行董事）舉行一次沒有執行董事出席的會議。戴小兵博士主持本集團全面工作，並負責本集團的人力管理，包括人力規劃、人事調配、薪酬設計及職員培訓；資本運營，包括融資、投資及項目併購；技術管理，包括技術引進和技術應用等。行政總裁景哈利先生負責本集團的戰略規劃；營運計劃；對外關係；組織管理，包括規章制度、組織架構和企業文化。

### 非執行董事

本公司之非執行董事及獨立非執行董事陳華先生、黃紹武先生、何林峰先生、黃國全先生、黃龍德教授、王延斌博士及黨偉華博士，分別與本公司訂立為期兩年之服務合約。本公司非執行董事程振東先生已與本公司訂立為期三年之服務合同。另按照本公司章程細則規定，於本公司每屆股東週年大會上，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）須輪席告退，惟各董事須最少每三年輪席告退一次，屆時均符合資格並可膺選連任。故此，所有非執行董事及獨立非執行董事據此亦被視為以指定任期委任。根據本公司章程細則規定，任何獲董事會委任以填補臨時空缺或新加入董事會的董事的任期將直至其獲委任後首屆股東大會為止，並符合資格於該大會上膺選連任。

### BOARD COMMITTEES

The Board has established three committees delegated with various responsibilities, including Audit Committee, Remuneration Committee and Nomination Committee. All the Board committees perform their distinct roles in accordance with their respective terms of reference which are available on the websites of the Company and the Stock Exchange. The meetings and proceedings of the committees are governed by the provisions contained in the Bye-laws of the Company for regulating the meetings and proceedings of Directors unless otherwise stipulated in their respective terms of reference.

### AUDIT COMMITTEE

The Audit Committee assists the Board in discharging its responsibilities for financial reporting and corporate control. The Committee comprises three INEDs, namely Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick and Dr. Wang Yanbin, and is chaired by Professor Wong Lung Tak Patrick.

The Company has complied with Rule 3.21 of the Listing Rules which requires that the audit committee has a minimum of three non-executive directors, must be chaired by an INED, at least one of the audit committee member is an INED who possesses appropriate professional qualifications or accounting or related financial management expertise, and a majority of the audit committee are INEDs.

None of the Audit Committee members are members of the former or existing auditors of the Company. The Audit Committee met twice during the year in accordance with its terms of reference. The Audit Committee discharges its duties which include 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 risk management and internal control systems, to review the interim and final financial statements before their submission to the Board and the annual general meeting for approval, and to make recommendation on the appointment of external auditor and approve the remuneration and terms of engagement of external auditor. The Audit Committee is provided with sufficient resources, including independent access to and advice from external auditors.

### 董事委員會

董事會轄下已成立三個委員會，並將分派各種職責，分別為審核委員會、薪酬委員會及提名委員會。全部董事委員會均按其各自的職權範圍履行其特定的職務，而該職權範圍於本公司網站及聯交所網站可供查閱。除非各自的職權範圍另有規定外，各委員會之會議及程序均受本公司的章程細則規定，以規管各會議及其程序。

### 審核委員會

審核委員會負責協助董事會履行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，即黃國全先生、黃龍德教授及王延斌博士，黃龍德博士是審核委員會的主席。

本公司已遵守上市規則第3.21條之規定，即審核委員會最少須由三名非執行董事組成，且必須由獨立非執行董事擔任主席，最少一名成員為具有適當專業資格或會計或相關財務管理經驗之獨立非執行董事，並且大部份的審核委員會成員為獨立非執行董事。

審核委員會的成員並非本公司前任或現任核數師，該委員會按照其職權範圍於年內舉行了兩次會議。審核委員會已履行其職責，包括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風險管理和內部監控系統、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報表進行審閱、就外聘核數師的委任提供建議、以及批准外聘核數師的薪酬及聘用條款。審核委員會獲提供充足資源，包括獨立會晤外聘核數師及獲得外聘核數師的意見。

# Corporate Governance Report

## 企業管治報告

The amendment to the terms of reference of the Audit Committee which set out the Audit Committee's authority and duties was approved by the Board in January 2016 to align with the relevant amendments to the CG Code set out in the Listing Rules to include the risk management function of audit committee. The terms of reference of the Audit Committee are available on the websites of the Company and the Stock Exchange.

### 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 Remuneration Committee comprises three members including one Executive Director and two INEDs, namely Dr. Dai Xiaobing, Mr. Wong Kwok Chuen Peter and Professor Wong Lung Tak Patrick. The committee is chaired by an INED, Professor Wong Lung Tak Patrick. The Company has complied with Rule 3.25 of the Listing Rules which requires that the remuneration committee has a majority of the member being INEDs and must be chaired by an INED.

With reference to business needs and company development, individual performance and contribution, changes in relevant markets and general economic situation, the Remuneration Committee has adopted the model set out in B.1.2(c)(ii) of the CG Code where the 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 own remuneration.

The terms of reference of the Remuneration Committee setting out the Remuneration Committee's authority and duties are available on the websites of the Company and the Stock Exchange.

由於上市規則的管治守則因加入了審核委員會風險管理功能而有所修改，載有本公司審核委員會權力及職責之審核委員會職權範圍亦已於2016年1月獲董事會批准作出相應的修改，審核委員會職權範圍可於本公司網站及聯交所網站查閱。

### 薪酬委員會

本公司的薪酬政策旨在根據業務需要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，包括一名執行董事及兩名獨立非執行董事共三名成員，分別為戴小兵博士、黃國全先生及黃龍德教授。該委員會的主席是獨立非執行董事黃龍德教授。本公司已遵守上市規則第3.25條之規定，即薪酬委員會之會員過半為獨立非執行董事，且必須由獨立非執行董事擔任主席。

參照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，薪酬委員會已採納管治守則B.1.2(c)(ii)條所載之模式，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。

載有薪酬委員會權力及職責之薪酬委員會職權範圍可於本公司網站及聯交所網站查閱。

### NOMINATION COMMITTEE

The Board has adopted a board diversity policy which aims to set out the approach to achieve diversity on the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills. In identifying suitable candidates, the Nomination Committee will consider candidates with the objective criteria with due regard of the benefits of diversity on the Board.

The Nomination Committee currently has three members including one Executive Director and two INEDs, namely Dr. Dai Xiaobing, Mr. Wong Kwok Chuen Peter and Professor Wong Lung Tak Patrick. Dr. Dai Xiaobing acts as Chairman of the Nomination Committee. The Nomination Committee bases on the aforesaid criteria when making recommendations to the Board on the nomination and appointment of directors, assesses the independence of INEDs, review the structure, size and composition of the Board at least annually and makes recommendations on any proposed changes to the Board to complement the Company's corporate strategy. The terms of reference of the Nomination Committee are made available on the websites of the Company and the Stock Exchange.

### CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions within its terms of reference. Its duties include to develop and review the Company's policies and practices on corporate governance; review and monitor the training and continuous professional development of directors and senior management and the Company's policies and practices on compliance with legal and regulatory requirements; develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report as required under Appendix 14 of the Listing Rules.

### 提名委員會

董事會已採納一項董事會多元化政策。該政策旨在為達到董事會多元化而訂出之方法，以確保董事會具備所需技巧、經驗及多樣的觀點與角度，包括（但不限於）性別、年齡、文化及教育背景、專業經驗、知識及技能。提名委員會物色合適人選時，會考慮有關人選的長處，並以客觀條件充分顧及董事會成員多元化的裨益。

本公司提名委員會現有三名成員，包括一名執行董事及兩名獨立非執行董事，分別為戴小兵博士、黃國全先生及黃龍德教授，戴小兵博士為提名委員會主席。提名委員會按照上述準則，就提名及委任董事向董事會提出建議，以及評核獨立非執行董事的獨立性。提名委員會至少每年檢討董事會之架構、人數及組成，並就任何為配合公司策略而擬對董事會作出的變動提出建議。提名委員會之職權範圍可於本公司網站及聯交所網站查閱。

### 企業管治職能

董事會依照企業管治職權範圍負責執行企業管治職務，職務包括制定及檢討本公司的企業管治政策及常規；檢討及監察董事及高級管理人員的培訓及持續專業發展；以及本公司在遵守法律及監管規定方面的政策及常規；制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；以及檢討本公司遵守上市規則附錄十四管治守則的情況及在《企業管治報告》內的披露。



# Corporate Governance Report

## 企業管治報告

### ACCOUNTABILITY AND AUDIT

#### External Auditor

BDO Limited was re-appointed as external auditor of the Company by shareholders at the 2016 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\$1,700,000 and HK\$96,200 for audit service and non-audit service rendered (excluding disbursement fees) to the Group respectively. The reporting responsibilities of BDO Limited are stated in the Independent Auditor's Report contained in this Annual Report.

#### 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 annual reports.

#### Risk Management and Internal Control

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's risk management and internal control systems to ensure that shareholders' investments and the Group's assets are safeguarded. The Group's systems of risk management and internal control include the setting up of a management structure with limits of authority and are designed to help the Group to identify and manage the significant risks amid achieving its business objectives, protect its assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of financial information for internal use or for publication and ensure compliance with relevant laws and regulations. The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risks of failure to achieve the Group's business objectives.

### 問責及審核

#### 外聘核數師

香港立信德豪會計師事務所有限公司已於2016年股東週年大會上經股東批准獲續聘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），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分別約為1,700,000港元及96,200港元。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內的獨立核數師報告書。

#### 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。

#### 風險管理和內部監控

董事會明瞭其有責任設立、維持及檢討本集團風險管理及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。本集團風險管理及內部監控系統包括界定管理架構及其權限，旨在協助本集團識別及管理實現業務目標所面對之重大風險，保障資產免於未經授權挪用或處置，維護妥當之會計記錄以提供財務資料供內部使用或作發表之用以及確保遵守相關法例及規例。上述系統旨在合理地（但並非絕對地）保證並無重大失實陳述或損失，並管理而非杜絕本集團未能實現業務目標之風險。

During the year, the nature of the Group's operation remained unchanged comparing with that of last year. In order to maintain effective and efficient risk management and internal control systems, the Group performs review for the risk management and internal control systems systematically on a regular basis which covers financial, operational, and compliance controls.

On behalf of the Board, the Audit Committee reviews at least annually results of the internal audit work performed by the Group's internal audit function covering the effectiveness of the Group's risk management and internal control systems regarding financial management and reporting, the effectiveness and efficiency of operations and compliance with laws and regulations. Where areas for improvement in respect of the design and implementation of risk management and internal control systems are identified, actions will be taken as recommended to refine the systems. Significant internal control issues are reported to the Audit Committee and the Board on a timely basis to ensure prompt and appropriate actions are taken. During the year, no significant control failures or weaknesses have been noted. The Board considers that these systems of risk management and internal control are effective and sufficient to guarantee the Group in achieving its business objectives and there are adequate resources, staff qualifications and experience, training programmes in respect of the Group's accounting, internal audit and financial reporting functions.

The Company strictly complies with the requirements of the Securities and Futures Ordinance ("SFO") and the Listing Rules, particularly, in the disclosure of inside information and financial reporting. The Company discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as set out in the SFO. Before the information is fully disclosed to the public, the Company ensures the information is kept strictly confidential. If the Company believes that the necessary degree of confidentiality cannot be maintained or confidentiality may not be preserved, the Company would immediately disclose the information to the public. The Company is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact. The Company discloses its information in an open, fair and just manner by disseminating information to the public through publication of corporate information on the websites of the Stock Exchange and the Company respectively.

於年內，本集團的運營性質與上年度比較沒有變動，為了可維持有效而高效率的風險管理及內部監控系統，本集團定期對風險管理及內部監控系統作出有系統的檢討，包括財務、營運及合規監控。

審核委員會代表董事會最少每年檢討一次本集團內部審核功能涵蓋處理風險與財務管理及財務報告的風險管理及內部監控是否有效、營運是否有效及富效率和有否遵守有關法例及規例的內部審計結果。如發現風險管理及內部監控系統的設計及實施有需改善之處，會按建議採取優化上述系統的措施。重大內部監控問題會及時向審核委員會及董事會彙報，以確保及時採取適當措施。於年內，並無發現任何重大監控失當或缺失。董事會認為該等風險管理及內部監控系統行之有效，足以確保本集團能夠達致其業務目標。本集團關於會計、內部審核及財務申報職能部門之資源、具合適資歷及經驗的員工及培訓課程均屬充裕。

本公司嚴格遵循證券及期貨條例（「證券及期貨條例」）和上市規則的規定，尤其是有關內幕消息和財務資料的披露。本公司在合理切實可行的情況下，會盡快披露內幕消息，除非有關消息屬證券及期貨條例所規定屬於任何安全港範圍內。本公司在向公眾全面披露有關消息前，會確保該消息絕對保密。若本公司認為無法保持所需的機密性，或該消息可能未保密，會即時向公眾披露該消息。本公司致力確保公告或通函中所載的資料就重大事實而言並不屬虛假或具誤導性或並不因遺漏重大事實而屬虛假或具誤導性。本公司通過聯交所網站及本公司網站發放企業資訊，以使其資料可以公開、公平、公正的方式披露予公眾。



# Corporate Governance Report

## 企業管治報告

### COMPANY SECRETARY

The Company Secretary of the Company, Ms. Yim Siu Hung, is a full-time employee of the Company and has day-to-day knowledge of the Company's affairs. The Directors have access to the advice and services of the Company Secretary regarding board procedures, and relevant laws, rules and regulations. For the year ended 31 December 2016, Ms. Yim has complied with paragraph 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

### SHAREHOLDERS' RIGHTS

Pursuant to Section 74 of the Companies Act 1981 of Bermuda (the "Act") and Bye-law 58 of the Bye-laws of the Company, shareholders holding in aggregate not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company have the right, by written requisition to the Board or the Company Secretary of the Company, to request a special general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. If the directors do not within twenty-one days from the date of the deposit of the requisition proceed to convene such meeting, any of the requisitionists representing more than one half of the total voting rights of all of them, may themselves convene a meeting to be held within three months from the said date.

Any number of shareholders representing not less than 5% of the total voting rights of the Company at the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the requirements and procedures as set out in Section 79 of the Act for putting forward such proposal at a general meeting. The procedures for shareholders to propose a person for election as a director are made available on our website as required by the Listing Rules. The requisition of the proposals made by shareholders may be addressed to the Company Secretary at the Company's head office and principal place of business in Hong Kong.

### 董事會秘書

本公司的董事會秘書為嚴筱虹女士，她為本公司的全職僱員，並瞭解本公司的每日運作情況。董事可就董事會程序及相關法律、法規和規章向董事會秘書尋求意見及服務。嚴女士於截至2016年12月31日止年度已遵守上市規則第3.29條接受了不少於15小時的相關專業培訓。

### 股東權利

根據百慕達1981年公司法（「公司法」）第74條及本公司之章程細則第58條，持有不少於10%本公司已繳足股本而有權於股東大會投票之股東有權透過向本公司董事會或董事會秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項，而有關會議須於遞交有關要求後之兩個月內舉行。倘於提交要求當日起計21日內，董事會並無著手召開有關大會，則提出要求人士（佔彼等全體之總投票權一半以上者）可自行召開大會，惟按此方式召開之任何大會須於有關日期起計三個月內舉行。

於提出要求當日佔不少於本公司總投票權5%之股東（不論任何人數）或不少於100名之本公司股東，有權於本公司股東大會上提出建議以供考慮。股東於股東大會上提出之有關建議須根據公司法第79條所載列之規定及程序作出。股東提名一名人士參選董事的程序已根據上市規則於本公司網站刊載。股東可致函本公司香港總辦事處及主要營業地點向董事會秘書提出建議。

Annual general meetings and special general meetings provide a useful forum for shareholders to share views with the Board. Members of the Board (also including members of the Audit, Remuneration and Nomination Committees) attend shareholders' meetings and make themselves available to answer shareholders' questions. Enquiries of shareholders may also be put to the Board by contacting the Company Secretary by phone or email, as stated in our website, [www.sino-oilgas.hk](http://www.sino-oilgas.hk).

### COMMUNICATION WITH INVESTORS

The Board recognizes the importance of good communication with shareholders as well as investors. During the year, press and analysts' conferences were held regarding the Group's operational and financial performances. Information in relation to the Group is disseminated to shareholders and investors in a timely manner through a number of channels include interim and annual reports, announcements, circulars and press releases. Electronic copies of these documents and general information of the Group's operation can be obtained through the Company's website. Throughout 2016, the Company also avails itself of opportunities to communicate and explain its strategies to shareholders and the investor community, through active participation in investors' conferences and regular meetings with financial analysts, fund managers and potential investors. The Company will continue to promote and enhance investor relations and communication with its investors. During the year, an updated consolidated version of the Company's Memorandum of Association and Bye-laws reflecting the increase in the authorised share capital of the Company to HK\$400,000,000 divided into 40,000,000,000 ordinary shares of HK\$0.01 each on 3 June 2016 was published on the websites of the Company and the Stock Exchange.

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(也包括審核委員會、薪酬委員會及提名委員會成員)出席股東大會,並於會議上回答股東提問。股東亦可透過刊載於本公司網站 [www.sino-oilgas.hk](http://www.sino-oilgas.hk) 的電話號碼和電郵地址聯絡本公司的董事會秘書以便向董事會作出查詢。

### 與投資者的溝通

董事會認識到與股東及投資者保持良好聯繫的重要性。年內,本公司就有關本集團運營及財務表現舉行了記者及分析員會議。有關本集團的資料乃透過多種管道適時向股東及投資者傳達,該等資料包括中期報告及年報、公佈、通函、以及新聞稿。此等檔的電子版及有關本集團營運的一般資料可於本公司網站取得。於2016年,本公司也透過積極參予投資者簡報會及定期與分析員、基金經理及潛在投資者會面把握機會與股東及投資者溝通及解釋本公司的策略,本公司會繼續促進及提升與投資者的關係及溝通。年內,有關本公司法定股本於2016年6月3日增加至400,000,000港元(分為40,000,000,000股每股面值0.01港元之普通股)的已更新綜合版本的組織章程大綱及細則已登載於本公司網站及聯交所網站。



# 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 2016, which are set out on pages 76 to 212.

### PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in (i) exploration, development and production of coalbed methane, (ii) raw coal washing and sale of raw and cleaned coal and (iii) exploitation and sale of crude oil and natural gas in China.

### BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2016 is set out in the section headed "Management Discussion and Analysis" on pages 16 to 27 of this annual report.

### SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 40 to the financial statements.

### DIVIDENDS

The Board has resolved not to recommend the payment of a dividend for the year ended 31 December 2016 (2015: 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 38 to the financial statements.

### RESERVES

Details of movements in reserves of the Company and the Group during the year are set out in note 38 to the financial statements and the Consolidated Statement of Changes in Equity respectively.

董事會謹此提呈此年度報告以及載於第76頁至第212頁之截至2016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)勘探、開發及生產煤層氣及(ii)原煤洗選及銷售原煤及精煤及(iii)開採及銷售原油及天然氣。

### 業務回顧

本集團截至2016年12月31日止年度的業務回顧載於本年報第16至27頁「管理層討論與分析」一節。

### 附屬公司

本公司附屬公司之詳情載於財務報表附註40。

### 股息

董事會已決議不會建議支付截至2016年12月31日止年度之股息(2015年：無)。

### 物業、廠房及設備

本集團年內物業、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38。

### 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38及綜合權益變動表。

### 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 88% and the largest customer accounted for 23% of the Group's revenue for the year. The aggregate purchases attributable to the Group's five largest suppliers accounted for 79% and the largest supplier accounted for 75% of the Group's total purchases for the year.

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

Dr. Dai Xiaobing (*Chairman*)  
Mr. King Hap Lee (*Chief Executive Officer*)  
Mr. Wan Tze Fan Terence

#### Non-executive Directors

Mr. Chen Hua  
Mr. Huang Shaowu  
Mr. He Lin Feng  
Mr. Chen Chun Tung Jason (appointed on 29 September 2016)

#### Independent Non-executive Directors

Mr. Wong Kwok Chuen Peter  
Professor Wong Lung Tak Patrick  
Dr. Wang Yanbin  
Dr. Dang Weihua

Pursuant to the Company's bye-law 87(1), Mr. Wan Tze Fan Terence, Mr. Huang Shaowu, Mr. He Lin Feng 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.

### 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

本年度本集團五大客戶之總銷售額佔本年度收入之88%，而最大客戶之總銷售額則佔本年度收入的23%。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79%及75%。

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

戴小兵博士 (*主席*)  
景哈利先生 (*行政總裁*)  
溫子勳先生

#### 非執行董事

陳華先生  
黃紹武先生  
何林峰先生  
程振東先生 (於2016年9月29日獲委任)

#### 獨立非執行董事

黃國全先生  
黃龍德教授  
王延斌博士  
黨偉華博士

溫子勳先生、黃紹武先生、何林峰先生及黃國全先生將依據本公司章程細則第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。

# Report of the Directors

## 董事會報告書

### 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.

### DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2016, the interests and short positions of the directors (the "Directors") or 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 pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

### 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。

### 董事於股份及相關股份中之權益

於2016年12月31日，本公司董事(「董事」)或行政總裁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、相關股份或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規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)而須知會本公司及聯交所之權益及淡倉如下：

Name of Director	Long/short position	Interests in shares/ underlying shares	Nature of interest	Number of shares/ underlying shares of the Company held	Percentage of issued shares
董事姓名	好倉/淡倉	於股份及相關 股份中權益	權益性質	所持本公司股份/ 相關股份數目	佔已發行 股份百分比
Dai Xiaobing 戴小兵	Long position 好倉	Shares 股份	Interest of controlled corporation/Beneficial owner 受控制公司權益/實益擁有人	1,383,245,000	8.08%
	Short position 淡倉	Shares 股份	Interest of controlled corporation 受控制公司權益	708,000,000	4.14%
	Long position 好倉	Underlying shares 相關股份	Interest of controlled corporation 受控制公司權益	4,879,710,144	28.51%
	Long position 好倉	Share options 購股權	Beneficial owner/Family interest (Note 2) 實益擁有人/家族權益(附註2)	96,000,000	0.56%
King Hap Lee 景哈利	Long position 好倉	Shares 股份	Interest of controlled corporation (Note 3) 受控制公司權益(附註3)	100,000,000	0.58%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	66,000,000	0.39%
Wan Tze Fan Terence 溫子勳	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	33,660,000	0.20%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	66,000,000	0.39%

# Report of the Directors

## 董事會報告書

Name of Director	Long/short position	Interests in shares/ underlying shares	Nature of interest	Number of shares/ underlying shares of the Company held	Percentage of issued shares
董事姓名	好倉/淡倉	於股份及相關 股份中權益	權益性質	所持本公司股份/ 相關股份數目	佔已發行 股份百分比
Chen Hua 陳華	Long position 好倉	Underlying shares 相關股份	Interest of controlled corporation (Note 4) 受控制公司權益(附註 4)	768,971,796	4.49%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	30,000,000	0.18%
Huang Shaowu 黃紹武	Long position 好倉	Shares 股份	Interest of controlled corporation/ Beneficial owner (Note 5) 受控制公司權益/實益擁有人(附註 5)	1,983,730,000	11.59%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	17,000,000	0.10%
He Lin Feng 何林峰	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	1,500,000,000	8.76%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	30,000,000	0.18%
Wong Kwok Chuen Peter 黃國全	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	6,000,000	0.04%
Wong Lung Tak Patrick 黃龍德	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	6,000,000	0.04%
Wang Yanbin 王延斌	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	6,000,000	0.04%
Dang Weihua 黨偉華	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	3,000,000	0.02%



# Report of the Directors

## 董事會報告書

### Notes:

- (1) Particulars of directors' interests in the share options of the Company are set out in the section "Share Option Scheme".
- (2) Sino Oil and Gas Resources Investments Limited ("SOGRI") owns 708,000,000 shares and has short position of 708,000,000 shares. SOGRI is wholly owned by Dr. Dai Xiaobing. Pursuant to the SFO, Dr. Dai is taken to have interests and short position in such shares. In addition, Dr. Dai beneficially owns 675,245,000 shares of the Company.

Unless the context requires otherwise, capitalized terms used in this paragraph shall have the same meanings as defined in the announcement issued by the Company on 31 May 2016. On 31 May 2016, the Company entered into the Subscription Agreement with Crescent Spring Investment Holdings Limited (the "Bondholder") pursuant to which the Company issued to the Bondholder the Convertible Bonds in the aggregate principal amount of US\$130,000,000 due 2019 on 29 September 2016, and Sino Oil and Gas Resources Limited ("SOGR"), a company wholly owned by Dr. Dai Xiaobing, entered into a Put and Call Option Deed with the Bondholder pursuant to which the Bondholder grants to SOGR an irrevocable and unconditional right (but without obligation) to purchase some or all of the Convertible Bonds at the Call Option Purchase Price during the Call Option Period, and SOGR grants to the Bondholder an irrevocable and unconditional right (but without obligation) to require SOGR to purchase some or all of the Convertible Bonds at the Put Option Purchase Price during the Put Option Period. Based on the conversion price of HK\$0.207 per share, a maximum of 4,879,710,144 shares may be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full. Further details are set out in the announcements and circular issued by the Company on 31 May 2016, 30 September 2016 and 12 July 2016 respectively. Pursuant to the SFO, the Convertible Bonds give rise to an interest in 4,879,710,144 underlying shares of the Bondholder and the Put and Call Option Deed gives rise to an interest in 4,879,710,144 underlying shares of the Company of SOGR and Dr. Dai Xiaobing and short position of 4,879,710,144 underlying shares of the Bondholder.

Dr. Dai Xiaobing and his spouse, Ms. Xu Ning, hold 66,000,000 options and 30,000,000 options respectively.

### 附註：

- (1) 董事於本公司購股權的權益詳情載於「購股權計劃」一節。
- (2) 中國油氣資源投資有限公司(「SOGRI」)持有708,000,000股股份的權益及708,000,000股股份的淡倉。SOGRI由戴小兵博士全資擁有。根據證券及期貨條例，戴博士被視為於該等股份中擁有權益及淡倉。此外，戴博士實益擁有本公司675,245,000股股份。

除文義另有所指外，本段中所採用之詞彙與本公司於2016年5月31日刊發之公佈所界定者具有相同涵義。於2016年5月31日，本公司與Crescent Spring Investment Holdings Limited(「債券持有人」)訂立認購協議，據此，本公司於2016年9月29日發行本金總額130,000,000美元於2019年到期之可換股債券予債券持有人；以及由戴小兵博士全資擁有的中國油氣資源有限公司(「SOGR」)，與債券持有人訂立認沽及認購期權契據，據此，債券持有人授予SOGR一項不可撤回及無條件權利(但並無責任)，可於認購期權期間內按認購期權購買價購入部份或全部可換股債券，而SOGR授予債券持有人一項不可撤回及無條件權利(但並無責任)，可要求SOGR於認沽期權期間內按認沽期權購買價購入部份或全部可換股債券。根據換股價每股0.207港元，於悉數行使可換股債券所附之換股權後將予配發及發行最多4,879,710,144股股份，有關詳情載於本公司於2016年5月31日及2016年9月30日發出之公告及2016年7月12日發出之通函。根據證券及期貨條例，債券持有人按照可換股債券持有本公司4,879,710,144股相關股份權益，而SOGR及戴小兵博士按照認沽及認購期權契據持有4,879,710,144股相關股份權益及債券持有人按照認沽及認購期權契據持有4,879,710,144股相關股份之淡倉。

戴小兵博士及其夫人徐寧女士分別持有66,000,000購股權及30,000,000購股權。

# Report of the Directors

## 董事會報告書

- (3) Wai Tech Limited owns 100,000,000 shares of the Company. Wai Tech Limited is wholly owned by Petromic Corporation which in turn is wholly and beneficially owned by Mr. King Hap Lee. Pursuant to the SFO, Mr. King is taken to have interests in such shares.
- (4) 768,971,796 underlying shares are owned by 天津京基酒店有限公司, a wholly owned subsidiary of 京基集團有限公司 which is owned as to 90% by Mr. Chen Hua. Pursuant to the SFO, Mr. Chen is taken to be interested in such underlying shares.
- (5) 1,883,730,000 shares are owned by Yuanjing International Limited, a company wholly and beneficially owned by Mr. Huang Shaowu. Pursuant to the SFO, Mr. Huang is taken to be interested in such shares. In addition, Mr. Huang beneficially owns 100,000,000 shares of the Company.
- (3) 威達有限公司持有100,000,000股股份的權益，而威達有限公司由美科石油有限公司擁有，而後者則由景哈利先生全資及實益擁有。根據證券及期貨條例，景先生被視為於該等股份中擁有權益。
- (4) 768,971,796相關股份由天津京基酒店有限公司持有，其為京基集團有限公司的全資附屬公司，後者由陳華先生擁有90%權益，根據證券及期貨條例，陳先生被視為於該等相關股份中擁有權益。
- (5) 1,883,730,000股股份由圓景國際有限公司持有，其為一間由黃紹武先生全資及實益擁有的公司，根據證券及期貨條例，黃先生被視為於該等股份中擁有權益。此外，黃先生個人實益擁有本公司100,000,000股股份。

Save as disclosed above, as at 31 December 2016, none of the Directors nor the chief executive had any interests or short positions 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.

除上文所披露者外，於2016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，概無董事或行政總裁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淡倉，或擁有須根據標準守則知會本公司及聯交所之任何權益或淡倉。





# Report of the Directors

## 董事會報告書

### EQUITY-LINKED AGREEMENTS

#### Issue of Convertible Bonds under General Mandate

On 26 January 2016, the Company and CCB International Overseas Limited (“CCBI”) entered into a subscription agreement pursuant to which the Company issued to CCBI Convertible Bonds in the principal amount of HK\$200,000,000 due 2018. Terms defined in the Company’s announcement dated 26 January 2016 have the same meanings when used in this paragraph. The Convertible Bonds carrying rights to subscribe for 966,183,574 Conversion Shares (with the aggregate nominal value of HK\$9,661,835.74) at the conversion price of HK\$0.207 per share. The closing market price of the Company’s shares was 0.187 on 26 January 2016, being the date on which the terms relating to the issue of the Convertible Bonds were fixed. CCBI and its ultimate beneficial owners were third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules). Approximately 70% of the proceeds had been used for settlement of the construction and operation costs payable in respect of the Group’s Sanjiao CBM Project, the remaining of which was used as intended for development of oil and gas business and for repayment of certain financial obligations. The net conversion price per Conversion Share is approximately HK\$0.205. Further details of the aforesaid issue of Convertible Bonds are set out in the announcements of the Company dated 26 January 2016 and 5 February 2016 respectively and note 34 to the financial statements.

### 股票掛鈎協議

#### 根據一般授權發行的可換股債券

於2016年1月26日，本公司與建銀國際海外有限公司（「建銀國際」）訂立認購協議。據此，本公司發行本金額為200,000,000港元於2018年到期之可換股債券予建銀國際。在本段中所採用之詞彙與本公司於2016年1月26日刊發之公佈所界定者具有相同涵義。可換股債券附帶權利可按每股0.207港元換股價認購966,183,574股換股股份（面值總額共9,661,835.74港元）。本公司股份於2016年1月26日，即確定有關可換股債券發行的條款日期之收市價為每股0.187港元。建銀國際及其最終實益擁有人為與本公司及本公司之關連人士（定義見上市規則）並無關連之獨立第三方。約70%的所得款項已用作支付本集團三交項目之應付工程款項及運營支出，餘下所得款項則已用作油氣業務發展及償還若干財務承擔。每股換股股份之淨轉換價約為0.205港元。有關發行上述可換股債券的進一步詳情載於本公司2016年1月26日及2016年2月5日發表之公佈，及財務報表附註34。

On 19 May 2016, the Company entered into subscription agreements with Central China International Investment Company Limited, Central China Blue Ocean Investment Management Co., Ltd. and President Securities (Hong Kong) Limited respectively pursuant to which the Company issued to the Subscribers convertible bonds in the principal amount of HK\$100,000,000, HK\$30,000,000 and HK\$30,000,000 respectively all due in 2018. Terms defined in the Company's announcement dated 19 May 2016 have the same meanings when used in this paragraph. The Convertible Bonds I, Convertible Bonds II and Convertible Bonds III carrying rights to subscribe for 483,091,787 Conversion Shares, 144,927,536 Conversion Shares and 144,927,536 Conversion Shares respectively (with the aggregate nominal values of HK\$4,830,917.87, HK\$1,449,275.36 and HK\$1,449,275.36 respectively) at the conversion price of HK\$0.207 per share. The closing market price of the Company's shares was 0.175 on 19 May 2016, being the date on which the terms relating to the issue of the Convertible Bonds were fixed. The Subscribers and their ultimate beneficial owners were third parties independent of the Company and the connected persons of the Company. The proceeds from the issue of the Convertible Bonds of approximately HK\$160,000,000, Approximately 65% of the proceeds had been used for repayment of certain financial obligations and the remaining of which was used for construction and operation costs payable in respect of the Group's Sanjiao CBM Project. The net conversion price per Conversion Share is approximately HK\$0.204. Further details of the aforesaid issue of Convertible Bonds are set out in the announcements of the Company dated 19 May 2016 and 30 May 2016 respectively and note 34 to the financial statements.

於2016年5月19日，本公司分別與中州國際投資有限公司、中州藍海投資管理有限公司以及統一證券(香港)有限公司訂立認購協議，據此，本公司發行本金額為100,000,000港元、30,000,000港元和30,000,000港元均於2018年到期之可換股債券予認購人。在本段中所採用之詞彙與本公司於2016年5月19日刊發之公佈所界定者具有相同涵義。可換股債券 I、可換股債券 II 及可換股債券 III 分別附帶權利可按每股0.207港元換股價認購483,091,787 股換股股份、144,927,536 股換股股份及144,927,536 股換股股份(總面值分別為4,830,917.87港元、1,449,275.36港元及1,449,275.36港元)。本公司股份於2016年5月19日，即確定有關可換股債券發行的條款日期之收市價為每股0.175港元。認購人及其最終實益擁有人為與本公司及本公司之關連人士並無關連之獨立第三方。發行可換股債券之所得款項總額約160,000,000港元，當中約65%的所得款項已用作償還若干財務承擔，餘下所得款項則已用作支付本集團三交項目之應付工程款項及運營支出。淨換股價約為每股換股股份0.204港元。有關發行上述可換股債券的進一步詳情載於本公司2016年5月19日及2016年5月30日發表之公佈，及財務報表附註34。



# Report of the Directors

## 董事會報告書

On 31 May 2016, the Company and Crescent Spring Investment Holdings Limited entered into a subscription agreement pursuant to which the Company issued to the Bondholder Convertible Bonds in the principal amount of US\$130,000,000 due 2019. Terms defined in the Company's announcement dated 31 May 2016 have the same meanings when used in this paragraph. The Convertible Bonds carrying rights to subscribe for 4,879,710,144 Conversion Shares (with the aggregate nominal value of HK\$48,797,101.44) at the conversion price of HK\$0.207 per share. The closing market price of the Company's shares was 0.177 on 31 May 2016, being the date on which the terms relating to the issue of the Convertible Bonds were fixed. The Bondholder and its ultimate beneficial owners were third parties independent of the Company and the connected persons of the Company. Approximately 75% of the proceeds had been used as intended for the Sanjiao Project, including exploration, drilling, exploitation and production, and repayment of financial obligation as well as for general working capital requirements of the Group, the remaining of which has been kept as bank deposits and will be used as intended. The net conversion price per Conversion Share is about HK\$0.205. Further details of the aforesaid issue of Convertible Bonds are set out in the announcements of the Company dated 31 May 2016 and 30 September 2016 respectively and note 34 to the financial statements.

### Share Option Scheme

The Company currently has a share option scheme (the "Scheme") which was adopted by way of an ordinary resolution passed by the shareholders at the Annual General Meeting of the Company held on 28 May 2010.

The Scheme are in full compliance with the relevant requirements of Chapter 17 of the Listing Rules. The purpose of the Scheme 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.

於2016年5月31日，本公司與Crescent Spring Investment Holdings Limited訂立認購協議，據此，本公司發行予債券持有人本金總額為130,000,000美元於2019年到期之可換股債券。在本段中所採用之詞彙與本公司於2016年5月31日刊發之公佈所界定者具有相同涵義。可換股債券附帶權利可按每股0.207港元換股價認購4,879,710,144股換股股份（面值總額共48,797,101.44港元）。本公司股份於2016年5月31日，即確定有關可換股債券發行的條款日期之收市價為每股0.177港元。債券持有人及其最終實益擁有人為與本公司及本公司之關連人士並無關連之獨立第三方。約75%的所得款項已用於三交項目（包括勘探、鑽井、開採及生產及償還財務承擔）以及用於本集團之一般營運資金所需，其餘所得款項現正存放於銀行作存款，並將按照擬定用途使用。每股換股股份之淨轉換價約為0.205港元。有關發行上述可換股債券的進一步詳情載於本公司2016年5月31日及2016年9月30日發表之公佈，及財務報表附註34。

### 購股權計劃

本公司現有一購股權計劃（「計劃」），計劃於2010年5月28日舉行的股東週年大會上經股東通過普通決議案而採納。

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，並激勵其繼續為本集團之利益而工作。

# Report of the Directors

## 董事會報告書

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 Scheme became effective on 28 May 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of coming into effect.

Pursuant to the Scheme, the maximum number of shares in respect of which options may be granted under the Scheme 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 Scheme and any other share option schemes must not exceed 30% of the shares in issue from time to time. As at 31 December 2016, there are outstanding options for subscription of 1,479,000,000 shares under the Scheme, representing 8.64% of the issued shares of the Company.

Under the Scheme, 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.

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。計劃於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%。於2016年12月31日，於計劃下尚有可認購1,479,000,000股股份的購股權尚未行使，佔本公司已發行股份約8.64%。

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。向本公司董事或行政總裁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5,000,000港元(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。



# Report of the Directors

## 董事會報告書

The period within which an option may be exercised under the Scheme will be determined by the Board in its absolute discretion. Under the Scheme, an option may not be exercised after the expiration of 10 years from the date of grant of the option.

Pursuant to the Scheme, 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 higher 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; and (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.

Some further disclosures relating to the Scheme are set out in note 37 to the financial statements.

As at 31 December 2016, 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 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 2016 are as follows:

計劃之購股權可行使之期限將由董事會絕對酌情釐定，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兩者中之較高者：(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；及(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。

有關計劃之若干進一步披露載於財務報表附註37。

於2016年12月31日，本集團董事及僱員於根據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2016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			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 2016 於2016年 1月1日 尚未行使	Lapsed during the year 於年內失效	Outstanding at 31 December 2016 於2016年 12月31日 尚未行使			
<b>Directors</b> <b>董事</b>						
Dai Xiaobing 戴小兵	36,000,000 30,000,000	–	36,000,000 30,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
King Hap Lee 景哈利	36,000,000 30,000,000	–	36,000,000 30,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Wan Tze Fan Terence 溫子勳	36,000,000 30,000,000	–	36,000,000 30,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Chen Hua 陳華	30,000,000	–	30,000,000	23.11.2015	23.11.2015–22.11.2018	0.222
Huang Shaowu 黃紹武	17,000,000	–	17,000,000	23.11.2015	23.11.2015–22.11.2018	0.222
He Lin Feng 何林峰	30,000,000	–	30,000,000	23.11.2015	23.11.2015–22.11.2018	0.222
Wong Kwok Chuen Peter 黃國全	3,000,000 3,000,000	–	3,000,000 3,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Wong Lung Tak Patrick 黃龍德	3,000,000 3,000,000	–	3,000,000 3,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Wang Yanbin 王延斌	3,000,000 3,000,000	–	3,000,000 3,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Dang Weihua 黨偉華	3,000,000	–	3,000,000	23.11.2015	23.11.2015–22.11.2018	0.222
<b>Employees</b> <b>僱員</b>	321,000,000 879,000,000	16,000,000 1,000,000	305,000,000 878,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
<b>Total</b> <b>合計</b>	1,496,000,000	17,000,000	1,479,000,000			

# Report of the Directors

## 董事會報告書

### Notes:

(1) On 23 November 2015, the Company granted 1,058,000,000 options to eligible persons at an exercise price of HK\$0.222 per share exercisable for three years from 23 November 2015, being the date of grant. Out of these options, 30,000,000 options and 10,000,000 options were granted (and remained outstanding as at 31 December 2016) to Ms. Xu Ning (being Dr. Dai Xiaobing's spouse and she had previously provided personal guarantee to a loan facility to Orion Energy International Inc. ("Orion"), a wholly owned subsidiary of the Company) and Ms. Dai Qing Fang (being Dr. Dai Xiaobing's sister and she is the deputy general manager of Orion) respectively.

(2) No option was granted or exercised during the year.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the sections "Directors' Interests in Shares and Underlying Shares" and "Share Option Scheme", 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.

### 附註：

(1) 於2015年11月23日，本公司向合資格人士授出1,058,000,000購股權，其行使價為每股0.222港元並可自2015年11月23日（即授出日期）起計三年內行使。在這等購股權中，30,000,000購股權及10,000,000購股權分別授予（並於2016年12月31日仍尚未行使）徐寧女士（戴小兵博士夫人，她之前曾向本公司全資附屬公司奧瑞安能源國際有限公司（「奧瑞安」）的貸款提供個人擔保）及戴清芳女士（戴小兵博士的姊妹，為奧瑞安的副總經理）。

(2) 年內並無購股權獲授出或行使。

### 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。

### SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 31 December 2016, the following persons, not being a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

### 主要股東及其他人士之權益

於2016年12月31日，以下人士（並非本公司董事或行政總裁）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或相關股份中擁有權益或淡倉：

Name	Long/short position	Interests in shares/ underlying shares	Nature of interest	Number of shares/ underlying shares held	Percentage of issued shares
名稱	好倉／淡倉	於股份及 相關股份權益	權益性質	所持股份／ 相關股份數目	佔已發行 股份百分比
<b>Substantial shareholders</b>					
<b>主要股東</b>					
Yuanjing International Limited (Note 1) 圓景國際有限公司(附註1)	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	1,883,730,000	11.01%
<b>Other persons</b>					
<b>其他人士</b>					
Crescent Spring Investment Holdings Limited (Note 2)	Long position 好倉	Underlying shares 相關股份	Beneficial owner 實益擁有人	4,879,710,144	28.51%
Crescent Spring Investment Holdings Limited (附註2)	Short position 淡倉	Underlying shares 相關股份	Beneficial owner 實益擁有人	4,879,710,144	28.51%
	Long position 好倉	Shares 股份	Security interest 保證權益	708,000,000	4.14%
Sino Oil and Gas Resources Limited (Note 2) 中國油氣資源有限公司(附註2)	Long position 好倉	Underlying shares 相關股份	Beneficial owner 實益擁有人	4,879,710,144	28.51%
CCB International Overseas Limited (Note 3) 建銀國際海外有限公司(附註3)	Long position 好倉	Underlying shares 相關股份	Beneficial owner 實益擁有人	966,183,574	5.64%



# Report of the Directors

## 董事會報告書

### Notes:

- 1,883,730,000 shares are owned by Yuanjing International Limited, a company wholly and beneficially owned by Mr. Huang Shaowu (a non-executive director of the Company).
- Crescent Spring Investment Holdings Limited (“Crescent”) owns convertible bonds in the principal amount of US\$130,000,000 (equivalent to approximately HK\$1,010,100,000) due 2019 carrying the right to convert into shares of the Company at a conversion price of HK\$0.207 per share. Based on the conversion price of HK\$0.207 per share, a maximum of 4,879,710,144 shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds in full. The convertible bonds give rise to an interest in 4,879,710,144 underlying shares of Crescent.

Unless the context requires otherwise, capitalized terms used in this paragraph shall have the same meanings as defined in the Company’s announcement dated 31 May 2016. Pursuant to the Put and Call Option Deed entered into between Crescent and Sino Oil and Gas Resources Limited (“SOGR”), a company wholly owned by Dr. Dai Xiaobing, Crescent grants to SOGR an irrevocable and unconditional right (but without obligation) to purchase some or all of the Convertible Bonds at the Call Option Purchase Price during the Call Option Period, and SOGR grants to Crescent an irrevocable and unconditional right (without obligation) to require SOGR to purchase some or all of the Convertible Bonds at the Put Option Purchase Price during the Put Option Period. The Put and Call Option Deed gives rise to an interest in 4,879,710,144 underlying shares of each of SOGR and Dr. Dai Xiaobing, and short position of 4,879,710,144 underlying shares of Crescent.

Crescent also holds security interest in 708,000,000 shares of the Company.

### 附註：

- 1,883,730,000股股份由圓景國際有限公司持有，其為一間由黃紹武先生（本公司非執行董事）全資及實益擁有的公司。
- Crescent Spring Investment Holdings Limited（「Crescent」）持有本公司本金總額為130,000,000美元（相等於約1,010,100,000港元）於2019年到期之可換股債券，有權以換股價每股0.207港元兌換為本公司的股份。根據換股價每股0.207港元，於悉數行使可換股債券所附之換股權後將予配發及發行最多4,879,710,144股股份。根據可換股債券，Crescent持有本公司4,879,710,144股相關股份權益。

除文義另有所指外，本段落所採用之詞彙與本公司於2016年5月31日刊發之公佈所界定者具有相同涵義。根據Crescent與由戴小兵博士全資擁有的中國油氣資源有限公司（「SOGR」）訂立的認沽及認購期權契據，Crescent授予SOGR一項不可撤回及無條件權利（但並無責任），可於認購期權期間內按認購期權購買價購入部份或全部可換股債券，而SOGR授予Crescent一項不可撤回及無條件權利（但並無責任），可要求SOGR於認沽期權期間內按認沽期權購買價購入部份或全部可換股債券。根據證券及期貨條例，按照認沽及認購期權契據，SOGR及戴小兵博士持有本公司4,879,710,144股相關股份權益及Crescent持有4,879,710,144股相關股份之淡倉。

Crescent亦持有本公司708,000,000股股份保證權益。

Crescent is a wholly-owned subsidiary of China Huarong International Holdings Limited (中國華融國際控股有限公司) which in turn is owned as to 88.1% by Huarong Real Estate Co., Ltd. (華融置業有限責任公司) (“Huarong Real Estate”) and 11.9% by Huarong Zhiyuan Investment & Management Co., Ltd. (華融致遠投資管理有限責任公司) (“Huarong Zhiyuan”). Both Huarong Real Estate and Huarong Zhiyuan are wholly owned by China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) which is in turn owned as to 77.49% by Ministry of Finance of the People’s Republic of China (中華人民共和國財政部). Pursuant to the SFO, China Huarong International Holdings Limited, Huarong Real Estate, China Huarong Asset Management Co., Ltd. and Ministry of Finance of the People’s Republic of China are deemed to have the aforesaid interests and short position held by Crescent.

3. CCB International Overseas Limited owns convertible bonds in the principal amount of HK\$200,000,000 due 2018 carrying the right to convert into shares of the Company at a conversion price of HK\$0.207 per share. Based on the conversion price of HK\$0.207 per share, a maximum of 966,183,574 shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds in full. The convertible bonds give rise to an interest in 966,183,574 underlying shares of CCB International Overseas Limited.

CCB International Overseas Limited is a wholly-owned subsidiary of CCB International (Holdings) Limited which in turn is wholly-owned by CCB Financial Holdings Limited (“CCB Financial”). CCB Financial is a wholly-owned subsidiary of CCB International Group Holdings Limited which is in turn wholly-owned by China Construction Bank Corporation which is owned as to 57.31% by Central Huijin Investment Ltd. Pursuant to the SFO, CCB International (Holdings) Limited, CCB Financial, CCB International Group Holdings Limited, China Construction Bank Corporation and Central Huijin Investment Ltd. are deemed to be interested in the underlying shares held by CCB International Overseas Limited.

Crescent是中國華融國際控股有限公司的全資附屬公司，華融置業有限責任公司（「華融置業」）及華融致遠投資管理有限責任公司（「華融致遠」）分別持有中國華融國際控股有限公司的88.1%權益及11.9%權益。華融置業及華融致遠均由中國華融資產管理股份有限公司全資擁有，後者則由中華人民共和國財政部持有77.49%權益。根據證券及期貨條例，中國華融國際控股有限公司、華融置業、中國華融資產管理股份有限公司及中華人民共和國財政部也被視為持有上述Crescent的權益及淡倉。

3. 建銀國際海外有限公司持有本金額200,000,000港元於2018年到期的可換股債券，有權以換股價每股0.207港元兌換為本公司股份。根據換股價每股0.207港元，於悉數行使可換股債券所附之換股權後將予配發及發行最多966,183,574股股份。建銀國際海外有限公司根據可換股債券持有本公司966,183,574股相關股份權益。

建銀國際海外有限公司為建銀國際（控股）有限公司的全資附屬公司，而建銀國際（控股）有限公司由建行金融控股有限公司（「建行金融」）全資擁有。建行金融為建行國際集團控股有限公司的全資附屬公司，而建行國際集團控股有限公司由中國建設銀行股份有限公司全資擁有，中國建設銀行股份有限公司則由中央匯金投資有限責任公司擁有57.31%。根據證券及期貨條例，建銀國際（控股）有限公司、建行金融、建行國際集團控股有限公司、中國建設銀行股份有限公司及中央匯金投資有限責任公司被視為於建銀國際海外有限公司所持相關股份中擁有權益。



# Report of the Directors

## 董事會報告書

Saved as disclosed above in this section, as at 31 December 2016, the Company has not been notified of any other persons (other than the Directors or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

### 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 36 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 12 and note 13 to the financial statements respectively.

### PERMITTED INDEMNITY

Pursuant to the Company's Bye-laws, subject to the applicable laws and regulations, the directors shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the year and is still in force. In addition, the Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and senior executives of the Group.

### DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 50 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.

除上文所披露者外，於2016年12月31日，本公司並無接獲任何其他人士（不包括本公司之董事或行政總裁）告知於根據證券及期貨條例第336條存置之登記冊所記錄於本公司股份或相關股份中擁有權益或淡倉。

### 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36。

### 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12及附註13。

### 獲准許的彌償

根據本公司的章程細則，並受適用法律及法規所規限，董事就彼等基於其職位履行其職務而產生或蒙受的所有訴訟、費用、收費、損失、賠償及開支，均可自本公司的資產及溢利獲得彌償，確保免就此受損。該等獲准許的彌償條文於年內及直至現在仍然有效。再者，本公司已就本集團董事及高級行政人員購買合適的董事及行政人員責任保險。

### 董事於合約中之權益

除財務報表附註50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。

### 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 ended 31 December 2016, the Company repurchased a total of 509,945,000 shares on the Stock Exchange for enhancing its per share's net asset value and earnings, of which 487,750,000 shares were cancelled during the year and 22,195,000 shares were cancelled in January 2017. Details of the repurchase of shares are as follows:

### 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

截至2016年12月31日止年度，為提高本公司的每股資產淨值及盈利，本公司在聯交所購回股份共509,945,000股，其中487,750,000股及22,195,000股分別於年內及2017年1月註銷。購回股份的詳情如下：

Month of repurchase during the year ended 31 December 2016	Number of shares repurchased	Price per share 每股股份價格		Total consideration (excluding expenses) HK\$' 000
		Highest HK\$	Lowest HK\$	
截至2016年12月31日止年度之購回月份	購回股份數目	最高 港元	最低 港元	總代價 (不包括費用) 千港元
March	43,930,000	0.190	0.183	8,310
April	32,995,000	0.190	0.183	6,170
June	247,155,000	0.190	0.175	44,650
October	6,445,000	0.190	0.186	1,230
November	67,050,000	0.190	0.189	12,740
December	112,370,000	0.194	0.187	21,290
Total:	509,945,000			94,390

# Report of the Directors

## 董事會報告書

Except as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the year ended 31 December 2016.

### 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

**Dai Xiaobing**

*Chairman*

Hong Kong, 29 March 2017

除上文所披露者外，截至2016年12月31日止年度，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

根據本公司之章程細則或百慕達法例，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

**戴小兵**

香港，2017年3月29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

(incorporated in Bermuda with limited liability)

### 致中國油氣控股有限公司股東

(於百慕達註冊成立之有限公司)

#### OPINION

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 76 to 212, which comprise the consolidated statement of financial position as at 31 December 2016, 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 notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

#### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) issued by the HKICPA. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Group in accordance with the HKICPA’s “Code of Ethics for Professional Accountants” (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### 意見

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76至212頁之綜合財務報表，此綜合財務報表包括於2016年12月31日之綜合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，以及綜合財務報表附註(包括主要會計政策概要)。

本行認為，綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港財務報告準則真實而公平地反映 貴集團於2016年12月31日的綜合財務狀況以及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港公司條例的披露規定妥為編製。

#### 意見基礎

本行根據香港會計師公會頒佈的香港審計準則(「香港審計準則」)進行審核。本行在該等準則下的責任在本行的報告內「核數師就審核綜合財務報表須承擔的責任」一節進一步闡述。本行根據香港會計師公會的「國際職業會計師道德守則」(「守則」)獨立於 貴集團，並已遵循守則履行其他道德責任。本行相信，本行所獲得的審核憑證能充足及適當地為本行的審核意見提供基礎。

# Independent Auditor's Report

## 獨立核數師報告書

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

#### Impairment assessment of deposit paid

As at 31 December 2016, the Group had a refundable deposit of approximately HK\$231 million paid for potential acquisition of oil fields in Canada. Up to the date of this report, the Group is still performing due diligence review in respect of this potential acquisition.

The directors undertake an impairment review based upon an evaluation of the recoverability of the deposit at the end of reporting period.

We consider the impairment assessment of deposit paid as a key audit matter because of the significance amount of deposit paid and significant judgement exercised by management in determining the recoverability of the deposit paid.

Refer to notes 4(k)(ii), 5(b)(ii) and 28 to the consolidated financial statements.

Our response:

Our audit procedures in relation to the directors' impairment assessment included:

- Obtaining the non-legally binding Memorandum of Understanding ("MOU") and supplemental MOUs in relation to the potential acquisition and reviewing the terms of the MOUs;
- Enquiring with the management of the Company whether there is any impairment indicator for the deposit paid;
- Obtaining and reviewing the collateral document and registration documents;
- Confirming the deposit amount and the collateral hold by the Group with the vendor; and
- Discussing with the management on the progress of the due diligence review relating to the potential acquisition and assessing the status of the review to the underlying supporting documentation.

### 關鍵審核事項

根據本行的專業判斷，關鍵審核事項為本行審核於本期間的綜合財務報表中最重要的事項。本行在審核綜合財務報表及就此達致意見時一併處理此等事項，且不會就此等事項單獨發表意見。

#### 已付按金減值評估

於2016年12月31日，貴集團就可能收購加拿大油田已付之可退還按金約為231,000,000港元。截至本報告日期，貴集團仍在就該潛在收購事項進行盡職審查。

於報告期間結束時，董事根據對按金的可收回程度作出之評估進行減值檢討。

本行將已付按金減值評估視為關鍵審核事項，原因是已付按金的金額龐大，且管理層在釐定已付按金的可收回程度時行使重大判斷。

請參閱綜合財務報表附註4(k)(ii)、5(b)(ii)及28。

本行的回應：

本行與董事的減值評估有關的審核程序包括：

- 就潛在收購事項取得不具法律約束力的諒解備忘錄（「諒解備忘錄」）及補充諒解備忘錄，並審閱諒解備忘錄的條款；
- 向貴公司管理層查詢已付按金是否存在任何減值跡象；
- 取得並審閱抵押文件及登記文件；
- 確認按金金額及貴集團持有的賣家抵押品；及
- 與管理層討論有關潛在收購事項的盡職審閱過程，以及評估審閱相關證明文件的狀況。

### KEY AUDIT MATTERS (Continued)

#### Impairment assessment of cash generating unit of coalbed methane

As at 31 December 2016, this cash generating unit of coalbed methane had property, plant and equipment of HK\$1,875 million and intangible asset of HK\$2,150 million.

Management has assessed the recoverable amount of this cash generating unit by conducting impairment assessment based on value in use model. The model requires the Group to estimate the future cash flows expected to arise from this cash generating unit and the use of suitable discount rate in order to calculate present value.

This requires significant management judgement with respect to the use of discount rate and underlying cash flows, in particular future revenue growth and capital expenditure.

Refer to notes 4(s), 5(b)(i), 17 and 20 to the consolidated financial statements.

Our response:

Our audit procedures in relation to the directors' impairment assessment included:

- Evaluating the process by which the management's future cash flow forecasts and impairment assessment were prepared;
- Assessing the methodology used and challenged the reasonableness and appropriateness of the key assumptions based on our knowledge of the business and industry;
- Assessing the reasonableness of cash flows projection by comparison to historical performance and future outlook; and
- Reconciling input data to supporting evidence, such as approved cash flows projection and considering the reasonableness thereof.

### 關鍵審核事項(續)

#### 煤層氣現金產生單位的減值評估

於2016年12月31日，煤層氣的現金產生單位擁有物業、廠房及設備1,875,000,000港元及無形資產2,150,000,000港元。

管理層已透過根據使用價值模式進行減值評估，評估此現金產生單位的可收回金額。貴集團須就該模式估計預期將從現金產生單位產生的未來現金流量，以及使用合適的折現率以計算現值。

管理層須就使用折現率及相關現金流量(特別是未來收入增長及資本開支)作出重大判斷。

請參閱綜合財務報表附註4(s)、5(b)(i)、17及20。

本行的回應：

本行與董事的減值評估有關的審核程序包括：

- 評估管理層編製未來現金流量預測及減值評估的過程；
- 評估所採用方法，以及根據本行對業務及行業的知識，質疑主要假設是否合理及合適；
- 透過將過往表現與未來前景進行比較，評估現金流量預測是否合理；及
- 將輸入數據支持憑證(如經批准的現金流量預測)對賬，並考慮其是否合理。





# Independent Auditor's Report

## 獨立核數師報告書

### OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA 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.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

### 年報的其他資料

董事須對其他資料承擔責任。其他資料包括載於 貴公司年報的資料，惟不包括綜合財務報表及本行的核數師報告。

本行對綜合財務報表作出的意見並無涵蓋其他資料，且本行不會對其他資料發表任何形式的核證結論。

就本行審核綜合財務報表而言，本行的責任為閱讀其他資料，從而考慮其他資料是否與綜合財務報表或本行在審核過程中獲悉的資料存在重大不符，或似乎存在重大錯誤陳述。倘若本行基於已進行的工作認為其他資料出現重大錯誤陳述，本行須報告有關事實。就此，本行毋須作出報告。

### 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平地反映情況的綜合財務報表，及董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

董事亦須負責履行監督 貴集團財務報告流程的責任。審核委員會協助董事履行彼等在此方面的職責。

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 核數師就審核綜合財務報表須承擔的責任

本行的目標為合理確定綜合財務報表整體而言不會存在由於欺詐或錯誤而導致的重大錯誤陳述，並發出載有本行意見的核數師報告。本行根據百慕達1981年公司法第90條僅向全體股東報告，不作其他用途。本行並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。

合理確定屬高層次的核證，惟根據香港審計準則進行的審核工作不能保證總能察覺所存在的重大錯誤陳述。錯誤陳述可因欺詐或錯誤產生，而倘個別或整體在合理預期情況下可影響使用者根據綜合財務報表作出的經濟決定時，則被視為重大錯誤陳述。

作為根據香港審計準則進行審核的一部分，本行運用專業判斷，保持專業懷疑態度。本行亦：

- 識別及評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險、設計及執行審核程序以應對該等風險，以及獲取充足和適當的審核憑證，作為本行意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述或凌駕內部監控的情況，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審核相關的內部監控，以設計適當的審核程序，惟並非旨在對貴集團內部監控的有效性發表意見。
- 評估董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

# Independent Auditor's Report

## 獨立核數師報告書

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### 核數師就審核綜合財務報表須承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論，並根據所獲取的審核憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。倘本行認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露，或倘有關披露不足，則修訂本行的意見。本行的結論乃基於截至核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致貴集團無法持續經營。
- 評估綜合財務報表的整體呈列方式、結構及內容，包括披露資料，以及綜合財務報表是否公平反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足及適當的審核憑證，以便對綜合財務報表發表意見。本行負責集團審核的方向、監督及執行。本行為審核意見承擔全部責任。

本行與審核委員會就(其中包括)審核的計劃範圍及時間以及重大審核發現進行溝通，該等發現包括本行在審核過程中識別的內部監控的任何重大缺失。

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **BDO Limited**

*Certified Public Accountants*

#### **Cheung Or Ping**

Practising Certificate Number P05412

Hong Kong, 29 March 2017

### 核數師就審核綜合財務報表須承擔的責任(續)

本行亦向審核委員會作出聲明，指出本行已符合有關獨立性的相關道德要求，並與彼等就可能被合理認為會影響本行的獨立性的所有關係及其他事宜以及相關防範措施(如適用)進行溝通。

從與董事溝通的事項中，本行釐定對本期間綜合財務報表的審核至關重要的事項，因而構成關鍵審核事項。本行在核數師報告中描述該等事項，除非法律或法規不允許公開披露該等事項，或在極端罕見的情況下，倘合理預期在本行報告中傳達就某事項造成的負面後果超出產生的公眾利益，則本行決定不應在報告中傳達該事項。

#### **香港立信德豪會計師事務所有限公司**

*執業會計師*

#### **張珂屏**

執業證書號碼P05412

香港，2017年3月29日



# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2016 截至2016年12月31日止年度

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>			
Turnover	營業額	6 & 16	<b>333,553</b>	56,411
Direct cost	直接成本		<b>(323,439)</b>	(47,653)
Gross profit	毛利		<b>10,114</b>	8,758
Other revenue	其他收入	7	<b>73,161</b>	95,039
Other gains, net	其他收益淨額	8	<b>58,352</b>	3,412
Administrative expenses	行政費用		<b>(86,338)</b>	(146,269)
Profit/(loss) from operations	經營溢利/(虧損)		<b>55,289</b>	(39,060)
Finance costs	融資成本	9(a)	<b>(152,962)</b>	(5,369)
Share of loss of a joint venture	應佔一家合營企業虧損	22	-	(587)
Share of loss of an associate	應佔一家聯營公司虧損	23	<b>(662)</b>	(1,203)
Loss before income tax expense	除所得稅支出前虧損	9	<b>(98,335)</b>	(46,219)
Income tax expense	所得稅支出	11	<b>(1,243)</b>	(6,112)
Loss for the year from continuing operations	持續經營業務之本年度虧損		<b>(99,578)</b>	(52,331)
<b>Discontinued operations</b>	<b>已終止經營業務</b>			
Profit/(loss) for the year from discontinued operations	本年度已終止經營業務之溢利/(虧損)	10	<b>5,509</b>	(425,380)
<b>Loss for the year</b>	<b>本年度虧損</b>		<b>(94,069)</b>	(477,711)
Other comprehensive income, after tax item that may be reclassified to profit or loss:	其他全面收益，除稅後可能重新分類至損益之項目：			
Exchange differences on translating foreign operations	換算海外業務之匯兌差異		<b>(222,943)</b>	(110,428)
Changes in fair value of available-for-sale investment	可供出售金融資產之公平值變動		<b>(260)</b>	-
Other comprehensive income for the year, after tax	本年度其他全面收益，除稅後		<b>(223,203)</b>	(110,428)
Total comprehensive income for the year	本年度全面收益總額		<b>(317,272)</b>	(588,139)

# Consolidated Statement of Comprehensive Income

## 綜合全面收益表

For the year ended 31 December 2016 截至2016年12月31日止年度

	Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
(Loss)/profit attributable to:	以下人士應佔(虧損)/溢利:		
Owners of the Company	本公司擁有人		
Loss for the year from continuing operations	本年度持續經營業務之虧損	(102,495)	(53,141)
Profit/(loss) for the year from discontinued operations	本年度已終止經營業務之溢利/(虧損)	5,509	(425,380)
		<b>(96,986)</b>	(478,521)
Non-controlling interests	非控股權益		
Profit for the year from continuing operations	本年度持續經營業務之溢利	2,917	810
		<b>(94,069)</b>	(477,711)
Total comprehensive income attributable to:	以下人士應佔總全面收益:		
Owners of the Company	本公司擁有人		
Loss for the year from continuing operations	本年度持續經營業務之虧損	(323,625)	(162,182)
Profit/(loss) for the year from discontinued operations	本年度已終止經營業務之溢利/(虧損)	5,509	(426,740)
		<b>(318,116)</b>	(588,922)
Non-controlling interests	非控股權益		
Profit for the year from continuing operations	本年度持續經營業務之溢利	844	783
		<b>(317,272)</b>	(588,139)
<b>Loss per share from continuing and discontinued operations</b>	<b>來自持續經營業務及已終止經營業務的每股虧損</b>		
– Basic and diluted	– 基本及攤薄	15	15
		<b>(0.556) HK cents港仙</b>	(2.682) HK cents港仙
<b>Loss per share from continuing operations</b>	<b>來自持續經營業務的每股虧損</b>		
– Basic and diluted	– 基本及攤薄	15	15
		<b>(0.588) HK cents港仙</b>	(0.298) HK cents港仙
<b>Earning/(loss) per share from discontinued operations</b>	<b>來自已終止經營業務的每股盈利/(虧損)</b>		
– Basic and diluted	– 基本及攤薄	15	15
		<b>0.032 HK cents港仙</b>	(2.384) HK cents港仙

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2016 於2016年12月31日

	Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Non-current assets</b>			
Property, plant and equipment	17	1,878,250	1,699,730
Oil and gas exploration and evaluation assets	18	41,307	–
Payment for leasehold land held for own use	19	4,277	4,812
Intangible assets	20	2,207,202	2,341,404
Goodwill	21	93,483	99,896
Interest in a joint venture	22	–	–
Interest in an associate	23	58,010	60,118
Financial assets at fair value through profit or loss	24	4,487	22,417
Available-for-sale investment	25	4,592	–
Deposits and prepayments	28	44,045	21,235
Loan receivables	26	–	2,092
Total non-current assets		4,335,653	4,251,704
<b>Current assets</b>			
Inventories	27	10,591	10,981
Financial assets at fair value through profit or loss	24	18,134	–
Trade, notes and other receivables, deposits and prepayments	28	534,315	289,122
Short-term investment	29	71,804	76,729
Loan receivables	26	22,334	1,267
Amount due from a joint venture	22	320	320
Cash and cash equivalents	30	251,530	35,564
Total current assets		909,028	413,983
<b>Total assets</b>		5,244,681	4,665,687
<b>Current liabilities</b>			
Other payables and accruals	31	(349,603)	(237,575)
Borrowings	33	–	(186,155)
Convertible notes	34	(105,112)	(192,029)
Financial liabilities at fair value through profit or loss	34	(224,937)	–
Taxation		(8,472)	(7,072)
Total current liabilities		(688,124)	(622,831)
<b>Net current assets/(liabilities)</b>		220,904	(208,848)
<b>Total assets less current liabilities</b>		4,556,557	4,042,856

# Consolidated Statement of Financial Position

## 綜合財務狀況表

As at 31 December 2016 於2016年12月31日

		Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Provisions	撥備	32	(4,810)	(2,409)
Borrowings	借貸	33	(322,109)	(416,366)
Convertible notes	可換股票據	34	(1,125,300)	(93,221)
Deferred tax	遞延稅項	35	(12,695)	(27,555)
Total non-current liabilities	非流動負債總額		<b>(1,464,914)</b>	(539,551)
<b>NET ASSETS</b>	<b>資產淨值</b>		<b>3,091,643</b>	3,503,305
<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	38(a)	170,937	176,036
Reserves	儲備		2,905,194	3,312,601
Equity attributable to owners of the Company	本公司擁有人應佔權益		<b>3,076,131</b>	3,488,637
Non-controlling interests	非控股權益	41	15,512	14,668
<b>TOTAL EQUITY</b>	<b>總權益</b>		<b>3,091,643</b>	3,503,305

On behalf of the directors  
代表董事會

**Dai Xiaobing**  
戴小兵  
Director  
董事

**Wan Tze Fan Terence**  
溫子勳  
Director  
董事



# Consolidated Statement of Changes in Equity

## 綜合權益變動表

For the year ended 31 December 2016 截至2016年12月31日止年度

		Equity attributable to owners of the Company 本公司擁有人應佔權益										
		Share capital (note 38(a))	Share premium (note 38(c)(i))	Contributed surplus (note 38(c)(ii))	Share option reserve (note 38(c)(iii))	Available-for-sale investment Reserve (note 38(c)(iv))	Convertible note equity reserve (note 38(c)(v))	Exchange reserve (note 38(c)(vi))	Accumulated losses (note 38(c)(viii))	Non-controlling interests	Total	
		股本 (附註 38(a))	股份溢價 (附註 38(c)(i))	繳納盈餘 (附註 38(c)(ii))	購股權儲備 (附註 38(c)(iii))	可供出售 金融資產儲備 (附註 38(c)(iv))	可換股票據 權益儲備 (附註 38(c)(v))	匯兌儲備 (附註 38(c)(vi))	累計虧損 (附註 38(c)(viii))	總計 非控股權益	總計	
		HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	
<b>At 1 January 2015</b>	<b>於2015年1月1日</b>	179,539	4,362,863	81,043	35,785	-	15,913	4,116	(625,270)	4,053,989	-	4,053,989
(Loss)/profit for the year	本年度(虧損)/溢利	-	-	-	-	-	-	-	(478,521)	(478,521)	810	(477,711)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	(110,401)	-	(110,401)	(27)	(110,428)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	(110,401)	(478,521)	(588,922)	783	(588,139)
Issue of convertible notes (note 34)	發行可換股票據(附註34)	-	-	-	-	-	10,409	-	-	10,409	-	10,409
Issue of share options (note 37(c))	發行購股權(附註37(c))	-	-	-	77,518	-	-	-	-	77,518	-	77,518
Released upon lapse of share options (note 38(a)(iii))	於購股權失效時發回 (附註 38(a)(iii))	-	-	-	(1,509)	-	-	-	1,509	-	-	-
Acquisition of subsidiaries (note 43)	收購附屬公司(附註43)	-	-	-	-	-	-	-	-	-	13,885	13,885
Repurchase of shares (note 38(a)(ii))	股份購回(附註38(a)(ii))	(3,503)	(60,854)	-	-	-	-	-	-	(64,357)	-	(64,357)
<b>At 31 December 2015</b>	<b>於2015年12月31日</b>	<b>176,036</b>	<b>4,302,009</b>	<b>81,043</b>	<b>111,794</b>	<b>-</b>	<b>26,322</b>	<b>(106,285)</b>	<b>(1,102,282)</b>	<b>3,488,637</b>	<b>14,668</b>	<b>3,503,305</b>
(Loss)/profit for the year	本年度(虧損)/溢利	-	-	-	-	-	-	-	(96,986)	(96,986)	2,917	(94,069)
Other comprehensive income	其他全面收益	-	-	-	-	(260)	-	(220,870)	-	(221,130)	(2,073)	(223,203)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(260)	-	(220,870)	(96,986)	(318,116)	844	(317,272)
Released upon expiry of convertible notes (note 34)	於可換股票據到期時發回 (附註34)	-	-	-	-	-	(15,913)	-	15,913	-	-	-
Released upon lapse of share options (note 38(a)(iii))	於購股權失效時發回 (附註 38(a)(iii))	-	-	-	(1,450)	-	-	-	1,450	-	-	-
Repurchase of shares (note 38 (a)(ii))	股份購回(附註 38 (a)(ii))	(5,099)	(89,291)	-	-	-	-	-	-	(94,390)	-	(94,390)
<b>At 31 December 2016</b>	<b>於2016年12月31日</b>	<b>170,937</b>	<b>4,212,718</b>	<b>81,043</b>	<b>110,344</b>	<b>(260)</b>	<b>10,409</b>	<b>(327,155)</b>	<b>(1,181,905)</b>	<b>3,076,131</b>	<b>15,512</b>	<b>3,091,643</b>

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2016 截至2016年12月31日止年度

	Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Operating activities</b>	<b>經營業務</b>		
(Loss)/profit before income tax expense	除所得稅支出前(虧損)/溢利		
From continuing operations	來自持續經營業務	<b>(98,335)</b>	(46,219)
From discontinued operations	來自已終止經營業務	<b>5,509</b>	(422,428)
		<b>(92,826)</b>	(468,647)
Adjustments for:	調整項目:		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>41,552</b>	8,494
Amortisation of intangible assets	無形資產之攤銷	<b>19,688</b>	7,269
Amortisation of payment for leasehold land held for own use	自用租賃土地付款之攤銷	<b>237</b>	21
Interest expense	利息支出	<b>152,962</b>	6,008
Interest income	利息收入	<b>(49,865)</b>	(7,766)
Change in fair value of warranty liabilities	認股權證負債公平值變動	-	(1,955)
Change in fair value of financial assets through profit or loss	按公平值透過損益列賬的財務資產公平值變動	<b>(2,705)</b>	-
Change in fair value of financial liabilities through profit or loss	按公平值透過損益列賬的財務負債公平值變動	<b>(52,089)</b>	-
Gain on disposal/written off of plant and equipment	出售/註銷廠房及設備之收益	-	(110)
Share of loss of a joint venture	應佔一家合營企業虧損	-	587
Share of loss of an associate	應佔一家聯營公司虧損	<b>662</b>	1,203
Gain on disposal of subsidiaries	出售附屬公司之收益	<b>(11,647)</b>	-
Equity-settled share-based payment expenses	股本結算以股份支付之支出	-	77,518
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	204,562
Impairment loss on intangible assets	無形資產減值虧損	-	209,064
<b>Operating profit before changes in working capital</b>	<b>營運資金變動前經營溢利</b>	<b>5,969</b>	36,248
Decrease in inventories	存貨減少	<b>390</b>	4,182
Increase in trade, notes and other receivables, deposits and prepayments	應收賬款、應收票據、其他應收賬款、按金及預付款項增加	<b>(211,496)</b>	(36,497)
Increase in amount due from a joint venture	應收一家合營企業款項增加	-	(320)
Increase in other payables and accruals	其他應付款項及預提費用增加	<b>120,618</b>	85,028
<b>Net cash (used in)/from operating activities</b>	<b>經營業務(所用)/所得之現金淨額</b>	<b>(84,519)</b>	88,641

# Consolidated Statement of Cash Flows

## 綜合現金流量表

For the year ended 31 December 2016 截至2016年12月31日止年度

	Notes 附註	2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Investing activities</b>	<b>投資活動</b>		
Payment of purchase of property, plant and equipment	17	(316,090)	(3,441)
Payment of purchase of intangible assets	20	–	(543)
Proceeds from disposal of property, plant and equipment		–	110
Payment of purchase of oil and gas exploration and evaluation assets		(41,031)	(194,664)
Payment of available-for-sale investment		(4,852)	–
Settlement of financial assets at fair value through profit or loss		4,235	–
Increase in loan receivables	26	(22,412)	–
Acquisition of subsidiaries, net of cash acquired	43	–	(62,466)
Interest received		20,200	5,230
Disposal of subsidiaries, net of cash disposed of	42	(396)	–
<b>Net cash used in investing activities</b>	<b>投資活動所用之現金淨額</b>	<b>(360,346)</b>	<b>(255,774)</b>
<b>Financing activities</b>	<b>融資活動</b>		
Payment for repurchase of shares	38(a)(ii)	(94,390)	(64,357)
Proceeds from borrowings	33	506,054	325,595
Repayment of borrowings	33	(763,129)	(123,400)
Proceeds from convertible notes issued, net	34	1,336,310	97,600
Repayment of convertible notes upon expiry	34	(192,760)	–
Repayment to loan from a shareholder		–	(14,207)
Interest paid		(104,237)	(42,560)
<b>Net cash generated from financing activities</b>	<b>融資活動產生之現金淨額</b>	<b>687,848</b>	<b>178,671</b>
<b>Net increase in cash and cash equivalents</b>	<b>現金及現金等價物增加淨額</b>	<b>242,983</b>	<b>11,538</b>
<b>Cash and cash equivalents at 1 January</b>	<b>於1月1日之現金及現金等價物</b>	<b>35,564</b>	<b>19,455</b>
<b>Effect of foreign exchange rate changes</b>	<b>匯率變動之影響</b>	<b>(27,017)</b>	<b>4,571</b>
<b>Cash and cash equivalents at 31 December, representing cash and bank balances</b>	<b>於12月31日之現金及現金等價物，即現金及銀行結餘</b>	<b>251,530</b>	<b>35,564</b>

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 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 (as amended) and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“The Stock Exchange”) 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 40.

### 1. 一般資料

中國油氣控股有限公司(「本公司」)根據百慕達1981年公司法(經修訂)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(「聯交所」)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40。

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

#### (a) Adoption of new/revised HKFRSs – effective 1 January 2016

HKFRSs (Amendments)  
香港財務報告準則之修訂  
Amendments to HKAS 1  
香港會計準則第1號之修訂  
Amendments to HKAS 16  
and HKAS 38  
香港會計準則第16號及香港會計  
準則第38號之修訂  
Amendments to HKAS 27  
香港會計準則第27號之修訂  
Amendments to HKFRS 11  
香港財務報告準則第11號之修訂  
HKFRS 14  
香港財務報告準則第14號

The adoption of these amendments has no material impact on the Group’s financial statements.

### 2. 採納香港財務報告準則

#### (a) 採納新訂／經修訂香港財務報告準則 – 2016年1月1日起生效

Annual Improvements 2012-2014 Cycle  
年度改進 2012-2014週期  
Disclosure Initiative  
披露計劃  
Clarification of Acceptable Methods of Depreciation  
and Amortisation  
釐清折舊及攤銷之可接受方法  
Equity Method in Separate Financial Statements  
獨立財務報表之權益法  
Accounting for Acquisitions of Interests in Joint Operations  
收購聯營業務權益之會計處理  
Regulatory Deferral Accounts  
監管遞延賬目

採納該等修訂對本集團財務報表並無重大影響。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

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

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

The following new/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.

Amendments to HKAS 7

香港會計準則第7號之修訂

Amendments to HKAS 12

香港會計準則第12號之修訂

Amendments to HKFRS 2

香港財務報告準則第2號之修訂

HKFRS 9

香港財務報告準則第9號

HKFRS 15

香港財務報告準則第15號

Amendments to HKFRS 15

香港財務報告準則第15號之修訂

HKFRS 16

香港財務報告準則第16號

Amendments to HKFRS 10

and HKAS 28

香港財務報告準則第10號及香港會計準則第28號之修訂

HKFRSs (Amendments)

香港財務報告準則之修訂

Disclosure Initiative<sup>1</sup>

披露計劃<sup>1</sup>

Recognition of Deferred Tax Assets for Unrealised Losses<sup>1</sup>

就未變現虧損確認遞延稅項資產<sup>1</sup>

Classification and Measurement of Share-Based Payment Transactions<sup>2</sup>

以股份為基礎付款交易之分類及計量<sup>2</sup>

Financial Instruments<sup>2</sup>

財務工具<sup>2</sup>

Revenue from Contracts with Customers<sup>2</sup>

客戶合約收益<sup>2</sup>

Revenue from Contracts with Customers (Clarifications to HKFRS 15)<sup>2</sup>

客戶合約收益(澄清香港財務報告準則第15號)<sup>2</sup>

Leases<sup>3</sup>

租賃<sup>3</sup>

Sale or Contribution of Assets between an Investor and its Associate or Joint Venture<sup>4</sup>

投資者與其聯營公司或合營企業之間之資產出售或注資<sup>4</sup>

Annual Improvements 2014-2016 Cycle<sup>5</sup>

年度改進2014-2016週期<sup>5</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2017

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2018

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2019

<sup>4</sup> The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted

<sup>5</sup> Effective for annual periods beginning on or after 1 January 2017 and 1 January 2018

### 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／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2017年1月1日或之後開始的年度期間生效

<sup>2</sup> 於2018年1月1日或之後開始的年度期間生效

<sup>3</sup> 於2019年1月1日或之後開始的年度期間生效

<sup>4</sup> 該等修訂本最初擬於2016年1月1日或之後開始之年度期間生效。生效日期現已推遲／取消。提早應用該等修訂本仍獲准許

<sup>5</sup> 於2017年1月1日及2018年1月1日或之後開始的年度期間生效

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

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

#### *Amendments to HKAS 7 – Disclosure Initiative*

The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

#### *Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses*

The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

#### *Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions*

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

## 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7號之修訂 – 披露計劃  
該等修訂引入其他披露，將使財務報表之用戶得以評估融資活動所產生之負債變動。

#### 香港會計準則第12號之修訂 – 就未變現虧損確認遞延稅項資產

該等修訂與確認遞延稅項資產有關及澄清若干必需之考量，包括與按公平值計量之債務工具相關的遞延稅項資產該如何入賬。

#### 香港財務報告準則第2號之修訂 – 以股份支付之交易之分類及計量

該等修訂規定歸屬及非歸屬條件對以現金結算以股份支付之計量之會計處理；預扣稅責任具有淨額結算特徵之以股份支付之交易；以及交易類別由現金結算變更為權益結算之以股份支付條款及條件之修訂。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

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

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

##### *HKFRS 9 – Financial Instruments*

HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income (“FVTOCI”) if the objective of the entity’s business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at FVTOCI. All other debt and equity instruments are measured at fair value through profit or loss (“FVTPL”).

### 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)

##### *香港財務報告準則第9號 – 財務工具*

香港財務報告準則第9號引進有關財務資產分類及計量之新要求。按業務模式持有而目的為收取合約現金流之債務工具(業務模式測試)以及具產生現金流之合約條款且僅為支付本金及未償還本金利息之債務工具(合約現金流特徵測試)，一般按攤銷成本計量。倘該實體業務模式之目的為持有及收取合約現金流以及出售財務資產，則符合合約現金流特徵測試之債務工具以按公平值於其他全面收益列賬(「FVTOCI」)計量。實體可於初步確認時作出不可撤銷之選擇，以FVTOCI計量並非持作買賣之股本工具。所有其他債務及股本工具按公平值於損益列賬(「FVTPL」)。

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

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

#### *HKFRS 9 – Financial Instruments (Continued)*

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at FVTPL replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at FVTPL, where the amount of change in fair value attributable to change in credit risk of the 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.

#### *HKFRS 15 – Revenue from Contracts with customers*

The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 “Revenue”, HKAS 11 “Construction Contracts” and related interpretations.

## 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)

#### *香港財務報告準則第9號 – 財務工具(續)*

香港財務報告準則第9號就並非以FVTPL計量的所有財務資產納入新的預期虧損減值模式(取代了香港會計準則第39號的已產生虧損模式)以及新的一般對沖會計規定,以讓實體於財務報表內更好地反映其風險管理活動。

香港財務報告準則第9號貫徹香港會計準則第39號之財務負債確認、分類及計量規定,惟指定以FVTPL計量之財務負債除外,該負債信貸風險變動產生之公平值變動金額於其他全面收益確認,除非在其他全面收益呈列該負債之信貸風險變動影響會導致或加劇會計錯配則作別論。此外,香港財務報告準則第9號保留香港會計準則第39號有關終止確認財務資產及財務負債之規定。

#### *香港財務報告準則第15號 – 客戶合約收益*

該項新訂準則設立單一收入確認框架。框架的核心原則為實體應確認收入,以說明實體按反映交換商品及服務預期所得代價的金額向客戶轉讓所承諾商品或服務。香港財務報告準則第15號取代現有收入確認指引,包括香港會計準則第18號「收入」、香港會計準則第11號「建築合約」及相關詮釋。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

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

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

*HKFRS 15 – Revenue from Contracts with customers (Continued)*

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

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

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

### 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)

*香港財務報告準則第15號 – 客戶合約收益(續)*

香港財務報告準則第15號規定確認收入之五個步驟：

- 第1步： 識別與客戶所訂立合約
- 第2步： 識別合約的履約責任
- 第3步： 釐定交易價格
- 第4步： 分配交易價格至各履約責任
- 第5步： 於履行各履約責任後確認收入

香港財務報告準則第15號包括對與可能改變目前根據香港財務報告準則的做法的特定收入相關事宜的特定指引。該項準則亦顯著加強有關收入的定性及定量披露。

香港財務報告準則第15號之修訂包括澄清對履行義務的辨別；應用委託人及代理人；知識產權許可；及過渡規定。

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

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

#### HKFRS 16 – Leases

HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

## 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)

#### 香港財務報告準則第16號 – 租賃

香港財務報告準則第16號由生效當日起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就為期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產則作別論。具體而言，根據香港財務報告準則第16號，承租人須確認使用權資產(表示其有權使用相關租賃資產)及租賃負債(表示其有責任支付租賃款項)。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，並於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃之情況下，將於選擇權期間內作出之付款。此會計處理方法與承租人會計法顯著不同，後者適用於根據原準則即香港會計準則第17號分類為經營租賃之租賃。

就出租人會計處理而言，香港財務報告準則第16號大致繼承了香港會計準則第17號之出租人會計處理規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同之會計處理。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

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

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

*Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

The Group has already commenced an assessment of the impact of adopting the above standards and amendments to existing standards to the Group. The Group is not yet in a position to state whether these new pronouncements will result in substantial changes to the Group’s accounting policies and financial statements.

### 3. BASIS OF PREPARATION

#### (a) Statement of compliance

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

#### (b) Basis of measurement

The consolidated financial statements have been prepared under the historical cost basis except for certain financial instruments, which are measured at fair values as explained in the accounting policies set out below.

### 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)

*香港財務報告準則第10號及香港會計準則第28號之修訂 – 投資者與其聯營公司或合營企業之間之資產出售或注資*

該等修訂澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認收益或虧損之程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務之資產，則僅須就不相關投資者於合營企業或聯營公司之權益確認收益或虧損。

本集團已開始評估採納上述準則及現有準則之修訂對本集團之影響。本集團尚未能陳述此等新公佈是否將引致本集團之會計政策及財務報表出現重大變動。

### 3. 編製基準

#### (a) 遵例聲明

財務報表乃按照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(下文統稱為「香港財務報告準則」)及香港公司條例之披露規定編製。此外，本財務報表亦載有符合聯交所證券上市規則規定之適用披露資料。

#### (b) 計量基準

綜合財務報表乃採用歷史成本為基礎編製，惟如下文所載會計政策所述，若干財務工具乃以公平值計量。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 3. BASIS OF PREPARATION (Continued)

#### (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 dollar ("HKD"), which is also the functional currency of the Company.

### 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 dates of acquisition or up to the 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.

### 3. 編製基準(續)

#### (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。綜合財務報表乃以港元(「港元」)(亦即本公司之功能貨幣)呈報。

### 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，乃由收購日期起或截至出售日期止(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。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. All other non-controlling interests are measured at fair value unless another measurement basis is required by HKFRSs. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

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.

### 4. 主要會計政策 (續)

#### (a) 業務合併及綜合基準 (續)

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值重新計量，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識別資產淨值應佔比例計算現時於附屬公司之擁有權權益之非控股權益。除非香港財務報告準則有規定其他計量基準，否則所有其他非控股權益均按公平值計量。所產生之收購相關成本列作支出，除非該等成本乃於發行股本工具時產生，在該情況下，有關成本乃從權益中扣除。

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十二個月)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。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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 interests that represent present ownership interests in the subsidiary is the amount of those interests at initial recognition plus such non-controlling interest's share of subsequent changes in equity. Total comprehensive income is attributed to such non-controlling interests even if this results in those non-controlling interests having a deficit balance.

##### (b) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

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)

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，現時於附屬公司之擁有權權益之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。

##### (b) 附屬公司

附屬公司為本公司可行使控制權的被投資方。以下三個因素全部滿足時，本公司控制該被投資方：對被投資方的權力、來自被投資方可變回報的風險或權利及利用其權力影響該等可變回報的能力。當有事實或情況顯示任何該等控制因素可能出現變動時，控制權會被重新評估。

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。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (c) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of identifiable assets and liabilities acquired.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, 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 is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4(s)), and whenever there is an indication that the unit may be impaired.

### 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、已確認之被收購方之非控股權益金額及收購方先前所持被收購方股權之收購當日公平值之總額超出所收購可辨別資產及負債公平值之金額。

倘可辨別資產及負債之公平值超出已付代價之公平值、被收購方之任何非控股權益金額及收購方先前所持被收購方股權之收購當日公平值之總額，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。現金產生單位為可識別之最小資產組合，該等資產組合產生之現金流入很大程度上獨立於其他資產或資產組之現金流入。獲分配商譽之現金產生單位每年透過比較其賬面值及其可收回金額（見附註4(s)）及每當有跡象顯示單位可能出現減值時進行減值測試。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (c) Goodwill (Continued)

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. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

##### (d) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

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

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

#### 4. 主要會計政策 (續)

##### (c) 商譽 (續)

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。然而，獲分配至各資產之虧損將不會減少個別資產之賬面值至低於其公平值減出售成本（如可計量）或其使用價值（如可釐定）之兩者較高者。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) 聯營公司

聯營公司為本集團對其擁有重大影響力之實體，既非附屬公司，亦非合營安排。重大影響力指有權力參與被投資方之財務及經營決策，但並非對該等政策擁有控制或聯合控制權。

聯營公司乃採用權益法入賬，據此聯營公司按成本初步確認，此後其賬面值於聯營公司之資產淨值內調整以反映本集團應佔收購後變動，惟超過本集團於聯營公司之權益之虧損不會確認，除非有責任彌補該等虧損。

本集團與其聯營公司之間的交易產生之損益僅於不相關投資者於聯營公司擁有權益時方才確認。該等交易產生之投資者分佔聯營公司溢利及虧損與聯營公司之賬面值對銷。倘未發現虧損證明所轉移資產出現減值，則即時於損益賬確認。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Associates (Continued)

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

#### (e) Joint arrangements

The group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The group classifies its interests in joint arrangements as either:

- Joint ventures: where the group has rights to only the net assets of the joint arrangement; or
- Joint operations: where the group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

### 4. 主要會計政策 (續)

#### (d) 聯營公司 (續)

就聯營公司已付之任何溢價高於已收購本集團應佔可識別資產、負債及或有負債之公平值乃撥充資本，計入聯營公司之賬面值內。倘客觀證據證明聯營公司投資已出現減值，則投資的賬面值按與其他非財務資產相同的方式進行減值測試。

#### (e) 聯合安排

當有合約安排賦予本集團及至少一名其他訂約方之相關安排活動之共同控制權時，本集團為聯合安排之訂約方。共同控制乃根據控制附屬公司之相同原則予以評估。

本集團將其於聯合安排之權益分類為：

- 合營企業：倘本集團僅對聯合安排之資產淨值擁有控制權；或
- 合營業務：倘本集團對聯合安排之資產及負債責任均擁有控制權。

於評估有關於聯合安排之權益之分類時，本集團會考慮：

- 聯合安排之架構；
- 透過獨立實體組織之合營安排之法律形式；
- 聯合安排協議之合約條款；及
- 任何其他事實及情況（包括任何其他合約安排）。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (e) Joint arrangements (Continued)

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method – see note 4(d)).

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

The Group accounts for its interests joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

##### (f) Property, plant and equipment

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

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.

#### 4. 主要會計政策 (續)

##### (e) 聯合安排 (續)

本集團採用與於聯營公司之投資相同之方式(即使用權益法 – 見附註4(d))將其於合營企業之權益列賬。

任何支付作投資合營企業而較本集團應佔已購入可識別資產、負債及或然負債的公平值更高的溢價將獲資本化，並計入於合營企業的投資的賬面值。倘有客觀證據顯示於合營企業的投資已出現減值，則該投資的賬面值將會以與其他非財務資產相同的方式進行減值測試。

本集團根據按合約獲賦予之權利及義務，透過確認其應佔資產、負債、收入及費用將其合營業務之權益入賬。

##### (f) 物業、廠房及設備

物業、廠房及設備乃按照成本扣除累計折舊及累計減值虧損於綜合財務狀況表列賬。

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賬確認為開支。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis except for oil and gas properties which are depreciated by the units of production method. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

- Building	20 years
- Leasehold improvements	The shorter of their estimated useful lives or the lease term
- Compressed natural gas ("CNG") station, building and ancillary facilities	20 years
- Oil and gas properties	Units of production
- Furniture, fixtures and office equipment	3-10 years
- Motor vehicles	4-5 years

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalized during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

### 4. 主要會計政策 (續)

#### (f) 物業、廠房及設備 (續)

興建、安裝或完成平台、管道等基礎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。

物業、廠房及設備(除油氣資產以生產單位法折舊外)於估計可用年限內按直線基準折舊,以註銷其扣除預計剩餘價值後之成本。於各報告期間結束時,均會檢討可用年限、剩餘價值及折舊方法,並視需要作出調整。可用年限如下:

- 樓宇	20年
- 租賃物業裝修	估計可用年限或租賃期間(以較短者為準)
- 壓縮天然氣 ("CNG") 站、樓宇及配套設施	20年
- 油氣資產	生產單位
- 傢俬、固定裝置及辦公室設備	3至10年
- 汽車	4至5年

在建工程按成本減去減值虧損入賬。成本包括直接建築成本,以及建築及安裝期間之資本化借貸成本。當資產投入擬定用途所需之準備工作大致完成時,該等成本便會停止資本化,而在建工程亦會轉入適當類別之物業、廠房及設備內。在建工程在完工並可隨時投入擬定用途前不計提任何折舊準備。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

An asset is written down immediately to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

##### (g) Intangible assets (other than goodwill)

###### (i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows:

- Oil and gas operation rights      Units of production
- Favourable supplier agreement      10 years

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

The amortisation expense is recognised in profit or loss and included in direct costs.

#### 4. 主要會計政策 (續)

##### (f) 物業、廠房及設備 (續)

資產之賬面值如高於估計可收回金額，則會立即撇減至可收回金額。

出售物業、廠房及設備項目之收益或虧損，乃出售所得款項淨額與其賬面值之差額，且會於出售時於損益中確認。

##### (g) 無形資產 (商譽除外)

###### (i) 所收購之無形資產

單獨收購之無形資產初步按成本確認。於業務合併中收購之無形資產成本為收購日期之公平值。隨後，有限使用年期之無形資產按成本減累計攤銷及累計減值虧損列賬。

攤銷於如下使用年內按直線法撥備：

- 油氣營運權      生產單位
- 優惠之供應商協議      10年

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。

攤銷費用在損益賬內確認並計入直接成本內。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (g) Intangible assets (other than goodwill) (Continued)

##### (ii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4(s)).

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.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount; however, the carrying amount should not be increased above the lower of its recoverable amount and the carrying amount that would have resulted had no impairment loss been recognised for the asset in prior years. All reversals are recognised in the income statement immediately.

#### (h) Oil and gas exploration and evaluation assets

Oil and gas exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

### 4. 主要會計政策 (續)

#### (g) 無形資產 (商譽除外) (續)

##### (ii) 減值

具有有限使用年期之無形資產每當有跡象顯示資產可能出現減值時進行減值測試。具有無限使用年期之無形資產及尚未可供使用之無形資產均會每年進行減值測試，不論其有否出現任何可能減值跡象。無形資產透過比較其賬面值及其可收回金額為其進行減值測試 (見附註 4(s))。

倘資產之可收回金額估計低於其賬面值，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。

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；然而，賬面值不應增加高於其可收回金額與倘資產於過往年度並無確認減值虧損而導致之賬面值兩者較低者。所有撥回即時在收益表內確認。

#### (h) 油氣勘探及評估資產

油氣勘探及評估活動包括尋找礦產資源、釐定技術可行性及評估已識別資源之商業可行性。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (h) Oil and gas exploration and evaluation assets (Continued)

The licence costs paid in connection with a right to explore are capitalised as oil and gas exploration and evaluation asset. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as gas exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

Geological and geophysical costs are also capitalised as oil and gas exploration and evaluation asset.

If extractable coalbed methane or oil are found and, subject to further appraisal activity (e.g. the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible assets while sufficient/continued progress is made in assessing the commerciality of the coalbed methane or oil. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of coalbed methane, including the costs of appraisal wells where coalbed methane or oil were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

#### 4. 主要會計政策 (續)

##### (h) 油氣勘探及評估資產 (續)

已支付有關勘探權之特許權費用乃資本化為油氣勘探及評估資產。倘合法勘探權被收購，與勘探井直接相關之成本將資本化為天然氣勘探及評估資產，直至鑽井結束及就結果進行評估為止。該等成本包括直接應佔僱員薪酬、所用物料及燃料費、鑽機成本及向承包商支付之款項。

地質及地球物理成本亦資本化為油氣勘探及評估資產。

如發現可萃取煤層氣或石油，且根據進一步評估活動（例如，新井鑽探），該等煤層氣可能能夠進行商業開發，則在評估煤層氣之商業性取得充分／繼續進展時，成本將繼續作為無形資產入賬。與最初發現煤層氣或石油之後進行之釐定儲集層之大小、特性及商業潛力之評估活動直接相關之成本（包括評估未發現煤層氣或石油之乾井之成本）將初步資本化為無形資產。

所有該等資本化成本每年至少須接受一次技術、商業及管理審核，以及減值指標檢討，以確定繼續開發或以其他方式萃取有關儲量價值之意圖。如情況有變，有關成本將於損益中註銷。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Oil and gas exploration and evaluation assets (Continued)

When proved reserves of coalbed methane or oil are identified, development is sanctioned by management and approved by relevant government bodies, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is reclassified to intangible assets and oil and gas properties under property, plant and equipment. After reclassification, amortisation or depreciation will be provided for the respective assets consistent with the relevant accounting policy. No amortisation or depreciation is charged during the exploration and evaluation phase.

#### (i) Payments for leasehold land held for own use

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

#### (j) Leasing

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

##### *The Group as lessee*

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

### 4. 主要會計政策 (續)

#### (h) 油氣勘探及評估資產 (續)

當釐定煤層氣或石油之已證實儲量，且管理層及有關政府機構已批准開發時，有關資本化開支將首先接受減值評估及任何減值虧損將獲確認（如必要），之後，剩餘結餘將重新分類至無形資產及物業、廠房及設備項下之油氣資產。重新分類後，將根據相關會計政策，就各項資產計提攤銷或折舊撥備。在勘探及評估階段期間，不作任何攤銷或折舊。

#### (i) 自用租賃土地付款

經營租賃之自用租賃土地付款指收購承租人自用物業長期權益之前期付款。該等付款按成本列賬，並於租賃期內按直線基準攤銷為開支。

#### (j) 租賃

當租賃條款轉移與擁有權有關之絕大部分風險及回報予承租人時，租賃分類為融資租賃。所有其他租賃分類為經營租賃。

##### *本集團作為承租人*

經營租賃之應付租金總額在租賃期內按直線法確認計入損益。所收取之租賃優惠於租賃期內確認為租金開支總額之一部分。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) 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.

##### Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

#### 4. 主要會計政策 (續)

##### (k) 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。按公平值於損益列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。

##### 按公平值於損益列賬之財務資產

該等資產包括持作買賣之財務資產。倘收購財務資產旨在於短期內出售，則有關財務資產將分類為持作買賣。衍生工具(包括獨立內含衍生工具)，除非指定為有效對沖工具或財務擔保合約，否則亦分類為持作買賣。

初步確認後，按公平值於損益列賬之財務資產按公平值計量，而公平值變動於變動產生期間在損益確認。





# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) 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.

##### Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

##### (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;

### 4. 主要會計政策 (續)

#### (k) 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。

##### 可供出售財務資產

該等資產乃被指定為可供出售或不計入財務資產之其他分類之非衍生財務資產。初步確認後，該等資產按公平值列賬，而公平值變動於其他全面收益內確認，惟減值虧損及貨幣工具之外匯收益及虧損外，並於損益賬內確認。

##### (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任何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任何客觀減值跡象，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。減值跡象或包括：

- 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；

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial instruments (Continued)

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

- granting concession to a debtor because of debtor's financial difficulty; or
- 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.

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.

##### For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

#### 4. 主要會計政策 (續)

##### (k) 財務工具 (續)

###### (ii) 財務資產之減值虧損 (續)

- 由於債務人出現財務困難而給予債務人優惠條件；或
- 債務人可能破產或進行其他財務重組。

##### 貸款及應收款項

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。

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。

##### 可供出售財務資產

倘公平值下跌構成減值客觀證據，則虧損金額自權益中扣除並於損益內確認。

就可供出售權益投資而言，減值虧損後之任何公平值增加乃於其他全面收益中確認。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Financial instruments (Continued)

##### (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 fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

### 4. 主要會計政策 (續)

#### (k) 財務工具 (續)

##### (iii) 財務負債

本集團按產生負債之目的將其財務負債分類。按公平值於損益列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初步按公平值減直接應佔所產生之成本計量。

#### 按公平值於損益列賬之財務負債

按公平值於損益列賬之財務負債包括持作買賣之財務負債，以及於初步確認時指定為按公平值於損益列賬之財務負債。

倘收購財務負債旨在於短期內出售，則有關財務負債將分類為持作買賣。衍生工具(包括獨立內含衍生工具)，除非指定為有效對沖工具，否則亦分類為持作買賣。持作買賣負債之收益或虧損於損益賬確認。

倘一份合約包含一份或多份內含衍生工具，則整份混合式合約將被指定為按公平值於損益列賬之財務負債，除非有關內含衍生工具不會對現金流量產生重大影響，或此衍生工具被明令禁止拆分。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial instruments (Continued)

(iii) Financial liabilities (Continued)

##### Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

##### Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings and the debt element of convertible loan note 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.

#### 4. 主要會計政策 (續)

##### (k) 財務工具 (續)

(iii) 財務負債 (續)

##### 按公平值於損益列賬之財務負債 (續)

符合以下條件之財務負債可於初步確認時指定為按公平值於損益列賬：(i)有關指定能消除或大大減低因按照不同基準計量有關負債或確認其收益或虧損而出現之不一致處理情況；(ii)根據列明之風險管理策略，該等負債為一組受管理且其表現乃按公平值估值之財務負債之其中一部分；或(iii)該財務負債包含需單獨入賬之內含衍生工具。

初步確認後，按公平值於損益列賬之財務負債按公平值計量，而公平值變動於變動產生期間在損益賬確認。

##### 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貸款票據之債務部分，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。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Financial instruments (Continued)

##### (iv) Convertible notes

Convertible notes 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.

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 notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible notes into equity, is included in equity (convertible notes equity reserve).

In subsequent periods, the liability component of the convertible notes 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 notes equity reserve until the embedded option is exercised when the balance stated in convertible notes equity reserve will be transferred to share premium. Where the option remains unexercised at the expiry dates, the balance stated in convertible notes equity reserve will be released to accumulated losses. No gain or loss is recognised upon conversion or expiration of the option.

### 4. 主要會計政策 (續)

#### (k) 財務工具 (續)

##### (iv) 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。

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（即持有人將可換股票據兌換為權益之兌換權）之公平值差額計入權益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累計虧損。選擇權兌換或到期時不會確認任何收益或虧損。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial instruments (Continued)

###### (iv) Convertible notes (Continued)

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the proceeds. Transaction costs relating to the equity component are charged directly to equity. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible loan notes using the effective interest method.

Convertible notes with conversion options which are not settled by exchanging a fixed amount of cash for a fixed number of the Company's own shares comprise a derivative component and a liability component.

At initial recognition the derivative component of the convertible notes is measured at fair value. Any excess of the proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs relating to the issue of the convertible notes are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability component. The portion relating to the derivative component is recognised immediately in profit or loss.

#### 4. 主要會計政策 (續)

##### (k) 財務工具 (續)

###### (iv) 可換股票據 (續)

與發行可換股票據相關之交易成本，按分配所得款項之比例分配至負債及權益部分。與權益部分相關之交易成本會直接於權益扣除。與負債部分相關之交易成本計入負債部分之賬面值，並以實際利率法於可換股貸款票據期限內攤銷。

並非以指定金額現金交換本公司指定數目之股份結算之附兌換權可換股票據包括衍生工具部分與負債部分。

於初步確認時，可換股票據之衍生工具部分按公平值計量。所得款項超出初步確認為衍生工具部分之金額會確認為負債部分。與發行可換股票據相關之交易成本按分配所得款項之比例分配至負債及衍生工具部分。與負債部分相關之交易成本部分會初步確認為負債部分之一部分，而與衍生工具部分相關之部分則即時於損益確認。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Financial instruments (Continued)

##### (iv) Convertible notes (Continued)

The derivative component is subsequently remeasured at fair value, with changes in fair value recognised immediately in profit or loss. The liability component is subsequently measured at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The liability component is classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

##### (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)

#### (k) 財務工具 (續)

##### (iv) 可換股票據 (續)

衍生工具部分其後按公平值計量，而公平值變動即時於損益確認。負債部分其後按攤銷成本計量。就負債部分於損益確認之利息支出使用實際利率法計算。除非本集團可無條件延至報告期末起計至少十二個月始清償負債，否則負債部分會分類為流動負債。

##### (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。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (k) Financial instruments (Continued)

###### (vii) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. A financial guarantee contract issued by the Group and not designated as at fair value through profit or loss is recognised initially at its fair value less transaction costs that are directly attributable to the issue of the financial guarantee contract. Subsequent to initial recognition, the Group measures the financial guarantee contract at the higher of: (i) the amount determined in accordance with HKAS 37 Provisions, Contingent Liabilities and Contingent Assets; and (ii) the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with HKAS 18 Revenue.

###### (viii) 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.

#### 4. 主要會計政策 (續)

##### (k) 財務工具 (續)

###### (vii) 財務擔保合約

財務擔保合約乃在債務工具根據其原始或修訂條款到期時特定債務人無法還款之情況下要求發行人向持有人支付特定金額以補償其所受損失之合約。由本集團發行之並非指定按公平值入賬損益之財務擔保合約，初步按其公平值減發行財務擔保合約直接應佔之交易成本確認。初步確認後，本集團以下列較高者計量財務擔保合約：(i)根據香港會計準則第37號撥備、或有負債及或有資產釐定之金額；及(ii)初步確認之款額減(如適用)根據香港會計準則第18號收益確認之累計攤銷。

###### (viii) 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。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (k) Financial instruments (Continued)

##### (viii) Derecognition (Continued)

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

#### (l) 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.

#### (m) 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 is calculated by using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 4. 主要會計政策 (續)

#### (k) 財務工具 (續)

##### (viii) 終止確認 (續)

倘由於重新磋商財務負債之條款，本集團向債權人發行其自身股本工具以支付全部或部分之財務負債，則已發行之股本工具為已付代價並於抵銷全部或部分財務負債日期按彼等之公平值初步確認及計量。倘已發行股本工具之公平值不能可靠計量，則股本工具將計量以反映所抵銷財務負債之公平值。所抵銷財務負債或其部分之賬面值與已付代價之差額於本年度損益賬中確認。

#### (l) 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。

#### (m) 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。成本以加權平均法計算。可變現淨值指以日常業務過程中之估計售價減去估計完工成本及銷售所需之估計成本後所得之數。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (n) Provision 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.

###### 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 recognised as part of the cost of the related oil and gas properties. 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 oil and gas properties.

#### 4. 主要會計政策 (續)

##### (n) 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。

###### 停止運作負債

本集團因過往事件產生現有法律或推定責任，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確認為相關油氣資產成本之一部分。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油氣資產之相應調整金額記錄入賬之方式在未來處理。停止運作撥備折現值回撥入賬列為融資成本。

# Notes to the Financial Statements

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As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (n) Provision and contingent liabilities (Continued)

##### (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.

#### (o) Income tax

Income tax for the year comprise 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.

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 taxable 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 appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

### 4. 主要會計政策 (續)

#### (n) 撥備及或有負債 (續)

##### (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。

#### (o) 所得稅

年內所得稅包括即期稅項及遞延稅項。

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。

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，所有應課稅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扣減暫時差額抵銷時確認。遞延稅項乃按適用於資產或負債之賬面值獲變現或結算之預期方式及於各報告期末已頒佈或實際頒佈之稅率計量。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (o) Income tax (Continued)

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 recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income or when they relate to items recognised directly in equity in which case the taxes are also recognised directly in equity.

##### (p) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (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.

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.

#### 4. 主要會計政策 (續)

##### (o) 所得稅 (續)

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、聯營公司及共同控制實體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，稅項亦於其他全面收益確認，或當與直接在權益確認之項目有關時，稅項則直接於權益確認。

##### (p) 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。

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。

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## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) Foreign currencies (Continued)

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)

#### (p) 外幣 (續)

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重新分類至損益賬，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業務之資產及負債處理，並按報告期間結束時之現行匯率進行換算。產生之匯兌差異乃於外匯儲備內確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (q) Employee benefits

###### (i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

###### (ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

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.

#### 4. 主要會計政策 (續)

##### (q) 僱員福利

###### (i) 短期僱員福利

短期僱員福利是指預計在僱員提供相關服務之年度報告期結束後十二個月以前將全數結付之僱員福利(終止福利除外)。短期僱員福利於僱員提供相關服務之年度確認。

###### (ii) 界定供款退休計劃

向界定供款退休計劃作出之供款於僱員提供服務時在損益賬內確認為開支。

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界定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。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (r) 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)

#### (r) 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。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (s) Impairment of assets (other than financial 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;
- intangible assets; and
- investments in subsidiaries, joint venture and associate

If the recoverable amount (i.e. the greater of the fair value less costs of disposal 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.

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.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (see note 4(c)), 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 or cash generating unit.

#### 4. 主要會計政策 (續)

##### (s) 資產之減值 (財務資產除外)

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；
- 無形資產；及
- 於附屬公司、合營企業及聯營公司之投資

倘資產之可收回金額 (即公平值減銷售成本之差額與使用價值之較高者) 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。

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。

使用價值按資產或現金產生單位產生之估計日後現金流量計算 (見附註4(c))，並使用除稅前折現率折現至現值，而有關折現率反映現時市場所評估之金額之時間值及資產或現金產生單位之特定風險。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (t) Capitalisation of borrowing costs

Borrowing costs attributable directly 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. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

#### (u) Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

#### (v) Related parties

- (i) A person or a close member of that person's family is related to the Group if that person:
- (a) has control or joint control over the Group;
  - (b) has significant influence over the Group; or
  - (c) is a member of key management personnel of the Group or the Company's parent.

### 4. 主要會計政策 (續)

#### (t) 借貸成本資本化

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。將有待用於該等資產之特定借貸作臨時投資所賺取之收入，已從撥充資本之借貸成本中扣除。所有其他借貸成本均於產生期間於損益賬內確認。

#### (u) 政府補貼

政府補貼於合理確信將會獲得及本集團符合其所附條件時予以確認。補償本集團所產生開支之補貼於產生開支期間有系統地於損益賬確認為收益。補償本集團資產成本之補貼自該資產之賬面值扣減，其後按該資產之可使用年期以扣減折舊開支之方式於損益賬有效確認。

#### (v) 關連人士

- (i) 倘適用下列情況，該名人士或該名人士之近親家屬成員便被視為與本集團有關聯：
- (a) 對本集團有控制權或共同控制權；
  - (b) 對本集團有重大影響力；或
  - (c) 為本集團或本公司母公司主要管理人員。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (v) Related parties (Continued)

- (ii) An entity is related to the Group if any of the following conditions apply:
  - (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (b) One entity is joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (c) Both entities are joint ventures of the same third party.
  - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (e) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
  - (f) The entity is controlled or jointly controlled by a person identified in (i).
  - (g) A person identified in (i)(a) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
  - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

#### 4. 主要會計政策 (續)

##### (v) 關連人士 (續)

- (ii) 倘適用下列情況，該實體便被視為與本集團有關聯：
  - (a) 該實體及本集團屬同一集團之成員（即各母公司、附屬公司及同系附屬公司互相關聯）。
  - (b) 一個實體為另一實體之合營企業（或為某一集團之成員之聯營企業或合營企業，而該另一實體為此集團之成員）。
  - (c) 兩個實體皆為相同第三方之合營企業。
  - (d) 一個實體為第三實體之合營企業及另一實體為第三實體之聯營企業。
  - (e) 該實體為本集團或與本集團有關聯之實體之僱員福利而設之離職後福利計劃。
  - (f) 該實體受(i)部分所識別之人士控制或共同控制。
  - (g) 於(i)(a)所識別對實體有重大影響之人士，或是實體（或實體之母公司）高級管理人員。
  - (h) 該實體或一組任何成員部分向本集團或本集團母公司提供主要管理人員服務。



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## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (v) Related parties (Continued)

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependents of that person or that person's spouse or domestic partner.

#### (w) 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 coalbed methane

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

### 4. 主要會計政策 (續)

#### (v) 關連人士 (續)

某一人士之近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該人士影響之有關家屬成員並包括：

- (a) 該名人士之子女及配偶或家庭夥伴；
- (b) 該名人士之配偶或家庭夥伴之子女；及
- (c) 該名人士或該名人士之配偶或家庭夥伴之受養人。

#### (w) 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) 銷售煤層氣

煤層氣銷售收入在煤層氣吸入至客戶之油箱時（即視為客戶接收已送達煤層氣及其擁有權相關之風險及回報時）確認。

#### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

##### (w) Revenue recognition (Continued)

###### (ii) Sale of coalbed methane (Continued)

Revenue from sales of natural gas through pipeline is recognised when the natural gas passes through the gas reader built in CNG station 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.

###### (iii) Sale of raw and cleaned coal

Revenue from sale of raw and cleaned coal is recognised when the raw and/or cleaned coal is loaded to the customers' truck which is taken to be the point in time when the customer has accepted the raw and/or cleaned coal delivered and the related risks and rewards of ownership.

###### (iv) Interest income

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

##### (x) Discontinued operation

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 if the operation is abandoned.

#### 4. 主要會計政策 (續)

##### (w) 收入確認 (續)

###### (ii) 銷售煤層氣 (續)

透過管道銷售天然氣之收入在天然氣經過CNG站之天然氣儀表時(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。

###### (iii) 銷售原煤及精煤

原煤及精煤銷售收入在原煤及／或精煤卸載至客戶之卡車時(即視為客戶接收已送達原煤及／或精煤及其擁有權相關之風險及回報時)確認。

###### (iv) 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。

##### (x) 已終止經營業務

已終止經營業務為本集團業務之組成部分，而其經營及現金流量可與本集團其他業務清楚區分，並代表一項獨立之業務主線或業務地區，或是單一協調計劃之一部分，以出售單獨之業務主線或業務地區，或一間專為轉售而收購之附屬公司。

於出售或當業務達到分類為持有至銷售之條件時，則分類為已終止經營業務(以較早者為準)。倘業務被放棄時，亦會分類為已終止經營業務。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Discontinued operation (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 groups constituting the discontinued operation.

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgements, 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.

### 4. 主要會計政策 (續)

#### (x) 已終止經營業務 (續)

倘業務被分類為已終止經營業務，單一金額於全面收益表中列示，其中包括：

- 已終止經營業務之除稅後溢利或虧損；及
- 就構成已終止經營業務之資產或出售組合，計量公平值減銷售成本或於出售時確認之除稅後收益或虧損。

### 5. 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。實際結果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）。

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### (a) Critical judgments in applying the Group's accounting policies

##### (i) Units of production for depreciation and amortisation

Oil and gas properties are depreciated and intangible assets are amortised using the units of production method over total proved and probable reserves. This results in depreciation and amortisation charge proportional to the depletion of the anticipated remaining production from the field. Each item's life, which is assessed annually, having regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves. The calculation of the units of production rate of depreciation and amortisation could be affected by actual future production which may differ from current forecast production based on total proved and probable reserves. Changes to proved and probable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including price assumptions. If there is any changes in the assumptions used, the calculation will be changed prospectively.

### 5. 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判斷

##### (i) 生產單位之折舊及攤銷

油氣資產及無形資產乃使用生產單位法就證實及概略總油氣儲量分別進行折舊及攤銷。這導致按油田之預計剩餘生產量消耗比例計之折舊及攤銷費用。各項目之壽命每年經考慮其實際壽命限制及資產所處之油田經濟上可採儲備之現時估計後評估。該等計算需要採用估計及假設，包括可採儲備量。生產單位之折舊率及攤銷率之計算可能受或不同於基於證實及概略總儲量之當前預測生產量之實際未來生產量影響。證實及概略儲量可能因估計儲量時採用之因素或假設(包括價格假設)變動而變動。若採用之假設發生任何變動，計算或將變動。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 5. 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 and intangible assets

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its 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 judgment 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 performs impairment review 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.

### 5. 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、廠房及設備以及無形資產減值

資產之可收回金額為其公平值減出售成本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收入及經營費用之推算作估算。該等估計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賬款(倘適用)可收回性之評估就呆賬進行減值檢討。該等估計乃根據應收賬款及其他應收賬款結餘之賬齡及過往註銷經驗作出,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。

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### (b) Key sources of estimation uncertainty (Continued)

##### (iii) Income tax and deferred taxation

The Group is subject to income tax 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.

### 5. 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

本集團須繳納不同司法權區之所得稅。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。





# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### (b) Key sources of estimation uncertainty (Continued)

##### (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 judgement are reasonable, it is possible that certain matters may be resolved for amounts materially different from any estimated provisions or previous disclosures.

### 5. 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)

##### (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。

### 5. 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 judgment involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated oil and gas 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 depreciation rate and amortisation rate of oil and gas properties and intangible assets respectively.

Despite the inherent imprecision, engineering estimates are used in determining depreciation and amortisation charges and impairment losses. The oil and gas properties and operation rights are amortised using the units of production method based on the proven and probable oil and gas reserves.

### 5. 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，並按預期基準分別反映於有關油氣資產之折舊率及無形資產之攤銷率中。

儘管工程估計存有內在不精確性，但該等估計可用作釐定折舊及攤銷費用及減值虧損。油氣資產及營運權按證實及概略油氣儲量以生產單位法攤銷。



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## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

#### (b) Key sources of estimation uncertainty (Continued)

##### (vi) Estimation of assets retirement obligations

Provision is recognised for the future decommissioning and restoration of oil and gas properties. The amount of 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 is also impacted by the estimation of the economic lives of oil and gas 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.

### 6. TURNOVER

The principal activities of the Group are operation of (i) exploration, development and production of coalbed methane, (ii) raw coal washing and sale of raw and cleaned coal, and (iii) exploitation and sale of crude oil and natural gas.

### 5. 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)

##### (vi) 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，其金額乃確認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，對油氣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內之經營業績及財務狀況。

### 6. 營業額

本集團之主要業務是經營(i)勘探、開發及生產煤層氣、(ii)原煤洗選和銷售原煤及精煤及(iii)開採及銷售原油及天然氣。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 6. TURNOVER (Continued)

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

### 6. 營業額(續)

年內在營業額確認之收入款額如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Sale of coalbed methane (note)	銷售煤層氣(附註)	57,467	8,543
Sale of raw and cleaned coal	銷售原煤及精煤	276,086	47,868
		<b>333,553</b>	56,411
<b>Discontinued operations</b>	<b>已終止經營業務</b>		
Sale of crude oil	銷售原油	5,058	10,610
		<b>338,611</b>	67,021

Note:

For the period from 1 January 2015 to 20 November 2015, the trial sales of coalbed methane generated from the Sanjiao production sharing contract ("Sanjiao CBM Project") is recognised as other revenue (note 7). After the Group had obtained the approval of Overall Development Plan ("ODP") in November 2015, the Sanjiao CBM Project stepped into the production stage, and the sale of coalbed methane from the Sanjiao CBM Project from 21 November 2015 and afterward is recognised as turnover.

附註：

由2015年1月1日至2015年11月20日，於三交產品分成合同(「三交煤層氣項目」)所產生之煤層氣試銷售以其他收入入賬(附註7)。本集團於2015年11月取得總體開發方案(「總體開發方案」)的批覆後，三交煤層氣項目進入生產期，由2015年11月21日起及之後於三交煤層氣項目銷售的煤層氣確認為營業額。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 7. OTHER REVENUE

### 7. 其他收入

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Interest income	利息收入		
– bank deposits	– 銀行存款	134	7
– short-term investment	– 短期投資	9,772	7,471
– others (note (i))	– 其他(附註(i))	39,916	–
Total interest income on financial assets that are not at fair value through profit or loss	並非按公平值於損益列賬之財務資產之利息收入總額	49,822	7,478
Income from sale of coalbed methane (note 6)	煤層氣的銷售收入(附註6)	–	78,694
Government subsidies and grants (note (ii))	政府補貼及補助(附註(ii))	22,942	7,646
Others	其他	397	1,221
		<b>73,161</b>	<b>95,039</b>

Notes:

- (i) It represents interest income from the refundable deposits paid for possible acquisitions of oil fields in Canada. Details please refer to note 28(iii).
- (ii) It represents regular subsidies received during the year from relevant government authority on the sales/trial sales of coalbed methane from the Sanjiao CBM Project for the year of 2015 (2015: from year of 2014) and VAT refund from local tax bureau.

附註：

- (i) 此乃就可能收購加拿大油田項目之已付可退還按金的利息收入。詳情請參閱附註28(iii)。
- (ii) 此乃來自相關政府部門就三交煤層氣項目於2015年(2015年：來自2014年)產生之煤層氣銷售／試銷售並於年內收到的恆常補貼及當地稅務部門退回之增值稅。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 8. OTHER GAINS, NET

### 8. 其他收益淨額

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Change in fair value of warrant liability	認股權證負債公平值變動	-	1,955
Change in fair value of financial assets through profit or loss	按公平值透過損益列賬的財務資產公平值變動	2,705	-
Change in fair value of financial liabilities through profit or loss	按公平值透過損益列賬的財務負債公平值變動	52,809	-
Exchange gains, net	匯兌收益淨額	1,933	1,457
Others	其他	905	-
		<b>58,352</b>	<b>3,412</b>

### 9. LOSS BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS

Loss before income tax expense from continuing operations is arrived at after (crediting)/charging:

### 9. 來自持續經營業務的除所得稅支出前虧損

來自持續經營業務的除所得稅支出前虧損已(計入)/扣除:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
<b>(a) Finance costs</b>	<b>(a) 融資成本</b>		
Amortisation of convertible notes transaction costs (note 34)	可換股票據的交易成本之攤銷(附註34)	8,539	3,432
Amortisation of corporate bonds transaction costs	企業債券的交易成本之攤銷	7,730	3,215
Interest on borrowings	借款利息	28,207	22,000
Imputed interest on convertible notes (note 34)	可換股票據之應歸利息(附註34)	111,756	40,888
Interest on corporate bonds	企業債券之利息	21,735	8,893
Interest on promissory note	匯兌票據之利息	728	5,311
Others	其他	4,900	803
		<b>183,595</b>	<b>84,542</b>
Less: interest capitalised in qualifying assets*	減: 轉入合格資產之資本化利息*	<b>(30,633)</b>	<b>(79,173)</b>
		<b>152,962</b>	<b>5,369</b>

\* Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 14.6% (2015: 9.7%) to expenditure on qualifying assets.

\* 本年轉入合格資產之借貸成本是指用於按資產的一般性借貸以14.6%(2015年: 9.7%)的利率予以資本化。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 9. LOSS BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS (Continued)

### 9. 來自持續經營業務的除所得稅支出前虧損(續)

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>(b) Employee costs (including directors' remuneration in note 12)</b>	<b>(b) 員工成本(包括附註12之董事酬金)</b>		
Salaries, wages and other benefits	薪金、工資及其他福利	<b>35,181</b>	23,548
Contributions to defined contribution retirement plan	定額供款退休計劃之供款	<b>355</b>	293
Equity-settled share-based payment expenses (note 37(c))	股本結算以股份支付之支出(附註37(c))	-	77,518
		<b>35,536</b>	101,359
<b>(c) Other items</b>	<b>(c) 其他項目</b>		
Auditor's remuneration	核數師酬金	<b>1,700</b>	1,600
Cost of inventories sold recognised as expenses <sup>#</sup>	已售存貨成本確認為費用 <sup>#</sup>	<b>243,805</b>	37,141
Depreciation of property, plant and equipment	物業、廠房及設備折舊	<b>41,552</b>	5,943
Amortisation of payments for leasehold land held for own use	自用租賃土地付款之攤銷	<b>237</b>	21
Amortisation of intangible assets <sup>#</sup>	無形資產之攤銷 <sup>#</sup>	<b>19,688</b>	7,269
Minimum lease payments under operating lease – property rentals	經營租賃之最低租賃款項 – 物業租金	<b>9,898</b>	6,993

<sup>#</sup> Included in "direct cost" in the consolidated statement of comprehensive income.

<sup>#</sup> 計入綜合全面收益表之「直接成本」。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 10. DISCONTINUED OPERATIONS

On 1 September 2016, the Group entered into a sale and purchase agreement to dispose of Key Wisdom Investments Limited and its subsidiaries (collectively known as “Key Wisdom Group”), which was engaged in the exploitation and sale of crude oil and natural gas in the People’s Republic of China (“PRC”). The disposal was completed on 1 September 2016. The results and cash flows of the discontinued operations were as follows:

### 10. 已終止經營業務

於2016年9月1日，本集團訂立一份買賣協議出售堅俊投資有限公司及其附屬公司（統稱「堅俊集團」）。堅俊集團於中華人民共和國（「中國」）從事開採及銷售原油和天然氣業務。出售於2016年9月1日完成。已終止經營業務之業績及現金流量如下：

		<b>1 January 2016 to 1 September 2016 2016年 1月1日至 2016年 9月1日 HK\$'000 千港元</b>	1 January 2015 to 31 December 2015 2015年 1月1日至 2015年 12月31日 HK\$'000 千港元
Turnover	營業額	<b>5,058</b>	10,610
Direct cost	直接成本	<b>(7,638)</b>	(15,705)
Gross loss	毛損	<b>(2,580)</b>	(5,095)
Other revenue	其他收入	<b>43</b>	288
Other losses, net (including impairment loss on property, plant and equipment and intangible assets)	其他虧損淨額(包括物業、廠房及設備以及無形資產減值虧損)	-	(413,516)
Administrative expenses	行政費用	<b>(3,601)</b>	(3,466)
Loss from operations	經營虧損	<b>(6,138)</b>	(421,789)
Finance costs	融資成本	-	(639)
Loss before income tax expense	除所得稅支出前虧損	<b>(6,138)</b>	(422,428)
Gain on disposal of Key Wisdom Group (note 42)	出售堅俊集團的收益(附註42)	<b>11,647</b>	-
Income tax expense	所得稅支出	-	(2,952)
Profit/(loss) for the year from discontinued operation	來自已終止經營業務的年內溢利/(虧損)	<b>5,509</b>	(425,380)
Net cash used in operating activities	經營業務所用之現金淨額	<b>(6,416)</b>	(14,253)
Net cash used in investing activities	投資活動所用之現金淨額	-	(857)
Net cash (used in)/generated from financing activities	融資活動(所用)/產生之現金淨額	<b>(17,535)</b>	37,020
Net cash (outflows)/inflows	現金(流出)/流入淨額	<b>(23,951)</b>	21,910



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 10. DISCONTINUED OPERATIONS (Continued)

The carrying amounts of the assets and liabilities of Key Wisdom Group at the date of disposal are disclosed in note 42 to the financial statements.

A profit of HK\$11,647,000 arose on the disposal of Key Wisdom Group, being the proceeds of disposal less the carrying amount of Key Wisdom Group's net assets. Neither tax charge nor credit arose from the disposal.

For the purpose of presenting discontinued operations, the comparative consolidated statement of comprehensive income and the related notes have been re-presented as if the operations discontinued during the year had been discontinued at the beginning of the comparative period.

### 11. INCOME TAX EXPENSE

No provision for Hong Kong profits tax has been made as the group companies did not have any estimated assessable profits subject to Hong Kong profits tax during the years ended 31 December 2016 and 2015. During the years ended 31 December 2016 and 2015, the subsidiaries in the PRC were subject to statutory tax rate of 25%.

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

### 10. 已終止經營業務(續)

堅俊集團之資產及負債於出售日期之賬面值於財務報表附註42內披露。

出售堅俊集團產生溢利11,647,000港元，即出售所得款項減堅俊集團之資產淨值。出售並無產生任何稅務支出或抵免。

為呈列已終止經營業務，比較綜合收益表及相關附註已重列，猶如年內已終止經營業務於比較期間初終止。

### 11. 所得稅支出

截至2016年及2015年12月31日止年度內，由於集團公司並無須任何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。於截至2016及2015年12月31日止年度內，位於中國之附屬公司按法定稅率25%繳納稅項。

- (i) 除綜合全面收益表的所得稅支出包括：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Current income tax	即期所得稅		
– PRC enterprises income tax	– 中國企業所得稅	(2,975)	(6,112)
Deferred tax for the year (note 35)	年內之遞延稅項(附註35)	1,732	–
Income tax expense	所得稅支出	<b>(1,243)</b>	<b>(6,112)</b>

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 11. INCOME TAX EXPENSE (Continued)

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

### 11. 所得稅支出(續)

- (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虧損對賬如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Loss before income tax expense	除所得稅支出前虧損	<b>98,335</b>	46,219
Tax credit on loss before income tax expense, calculated at 25% (2015: 25%)	所得稅支出前虧損，按25% (2015年：25%) 計算	<b>24,584</b>	11,555
Effect of different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區營運之附屬公司不同稅率之影響	<b>(8,359)</b>	(6,188)
Tax effect of non-deductible expenses and non-taxable income	不可扣除支出及毋須課稅收入之稅務影響	<b>(15,839)</b>	(11,115)
Tax effect of utilisation of tax loss not recognised	未確認之稅項虧損之動用之稅務影響	<b>(1,629)</b>	(364)
Income tax expense	所得稅支出	<b>(1,243)</b>	(6,112)

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 12. DIRECTORS' REMUNERATION

Directors' emoluments are disclosed as follows:

### 12. 董事酬金

董事酬金披露如下：

For the year ended 31 December 2016

截至2016年12月31日止年度

		Directors' fees	Salaries, allowances and benefits	Retirement scheme contributions	Sub-total	Share-based payment (note 37)	Total
		董事袍金	薪金、津貼及福利	退休計劃供款	小計	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	戴小兵	-	2,497	18	2,515	-	2,515
King Hap Lee	景哈利	-	2,000	18	2,018	-	2,018
Wan Tze Fan Terence	溫子勳	-	2,000	18	2,018	-	2,018
		-	6,497	54	6,551	-	6,551
Independent non-executive directors	獨立非執行董事						
Wong Kwok Chuen Peter	黃國全	200	-	-	200	-	200
Wong Lung Tak Patrick	黃龍德	200	-	-	200	-	200
Wang Yanbin	王延斌	200	-	-	200	-	200
Dang Weihua	黨偉華	200	-	-	200	-	200
		800	-	-	800	-	800
Non-executive directors	非執行董事						
Chen Hua	陳華	200	-	-	200	-	200
Huang Shaowu	黃紹武	200	-	-	200	-	200
He Lin Feng	何林峰	200	-	-	200	-	200
Chen Chun Tung Jason <sup>1</sup>	程振東先生 <sup>1</sup>	51	-	-	51	-	51
		651	-	-	651	-	651
		1,451	6,497	54	8,002	-	8,002

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 12. DIRECTORS' REMUNERATION (Continued)

Directors' emoluments are disclosed as follows: (Continued)

For the year ended 31 December 2015

### 12. 董事酬金 (續)

董事酬金披露如下：(續)

截至2015年12月31日止年度

		Directors' fees	Salaries, allowances and benefits	Retirement scheme contributions	Sub-total	Share-based payment (note 37)	Total
		董事袍金	薪金、津貼及福利	退休計劃供款	小計	股份支付之款項 (附註37)	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	戴小兵	-	2,492	18	2,510	2,236	4,746
King Hap Lee	景哈利	-	2,000	18	2,018	2,236	4,254
Wan Tze Fan Terence	溫子勳	-	2,000	18	2,018	2,236	4,254
		-	6,492	54	6,546	6,708	13,254
Independent non-executive directors		獨立非執行董事					
Wong Kwok Chuen Peter	黃國全	200	-	-	200	223	423
Wong Lung Tak Patrick	黃龍德	200	-	-	200	223	423
Wang Yanbin	王延斌	200	-	-	200	223	423
Dang Weihua	黨偉華	200	-	-	200	223	423
		800	-	-	800	892	1,692
Non-executive directors		非執行董事					
Chen Hua	陳華	200	-	-	200	2,236	2,436
Huang Shaowu	黃紹武	200	-	-	200	1,267	1,467
He Lin Feng	何林峰	200	-	-	200	2,236	2,436
Ma Tengying <sup>2</sup>	馬騰營 <sup>2</sup>	-	-	-	-	-	-
		600	-	-	600	5,739	6,339
		1,400	6,492	54	7,946	13,339	21,285

Notes:

- 1: Appointed in September 2016
- 2: Resigned in June 2015

附註：

1. 於2016年9月獲委任
2. 於2015年6月辭任

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 12. DIRECTORS' REMUNERATION (Continued)

During the year, no emoluments (2015: 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 2016 and 2015.

### 13. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2015: four) were directors of the Company whose emoluments are disclosed in note 12. The emolument of the remaining two (2015: one) individual is as follows:

### 12. 董事酬金(續)

年內，本集團並無向任何董事支付酬金(2015年：零港元)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2016年及2015年12月31日止年度，概無董事放棄或同意放棄任何酬金。

### 13. 最高薪人士

本集團五位最高薪人士中，三位(2015年：四位)為本公司之董事，其酬金已在附註12披露。其餘兩位(2015年：一位)最高薪人士之酬金如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	3,351	1,934
Equity-settled share-based payments	股本結算以股份支付之款項	–	2,236
		<b>3,351</b>	<b>4,170</b>

The emoluments paid or payable to members of senior management (non-director individual) were within the following bands:

已支付或應付予高級管理層成員(非董事人士)之酬金介乎下列範圍：

		2016 Number of individuals 人數	2015 Number of individuals 人數
Below HK\$1,000,000	1,000,000港元以下	5	–
HK\$1,000,000 – HK\$1,500,000	1,000,000港元至1,500,000港元	6	10
		<b>11</b>	<b>10</b>

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

No emoluments were paid by the Group to the above highest paid non-director individual as an inducement to join or upon joining the Group or as a compensation for loss of office.

### 14. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 December 2016 (2015: Nil).

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

#### For continuing operations

##### (a) Basic loss per share from continuing operations

The calculation of basic loss per share from continuing operations is based on the loss attributable to owners of the Company from continuing operations of HK\$102,495,000 (2015: loss of HK\$53,141,000) and the weighted average number of 17,443,525,000 ordinary shares (2015: 17,841,940,000) ordinary shares in issue during the year.

##### (b) Diluted loss per share from continuing operations

Diluted loss per share from continuing operations for the years ended 31 December 2016 and 2015 is the same as the basic loss per share from continuing operations as the Company's outstanding share options and convertible notes, where applicable, had an anti-dilutive effect on the basic loss per share from continuing operations for the years ended 31 December 2016 and 2015.

#### For discontinued operations

##### (a) Basic earning/(loss) per share from discontinued operations

The calculation of basic earning/(loss) per share from discontinued operations is based on the profit attributable to owners of the Company of HK\$5,509,000 (2015: loss of HK\$425,380,000) and the weighted average number of 17,443,525,000 ordinary shares (2015: 17,841,940,000) ordinary shares in issue during the year.

### 13. 最高薪人士 (續)

本集團並無向上述最高薪非董事人士支付酬金作為彼加入或於加入本集團時之獎勵或作為離職之補償。

### 14. 股息

董事不建議派發截至2016年12月31日止年度任何股息(2015年：無)。

### 15. 每股(虧損)/盈利

#### 持續經營業務

(a) 來自持續經營業務之每股基本虧損  
來自持續經營業務之每股基本虧損乃根據本公司股權持有人來自持續經營業務之應佔虧損102,495,000港元(2015年：虧損53,141,000港元)，以及年內已發行普通股之加權平均數17,443,525,000股(2015年：17,841,940,000股)普通股計算。

(b) 來自持續經營業務之每股攤薄虧損  
截至2016年及2015年12月31日止年度，來自持續經營業務之每股攤薄虧損與來自持續經營業務之每股基本虧損相同，因本公司尚未行使之購股權及可換股票據(如適用)，對上述兩年度內，來自持續經營業務之每股基本虧損具有反攤薄影響。

#### 已終止經營業務

##### (a) 來自已終止經營業務之每股基本盈利/(虧損)

來自已終止經營業務之每股基本盈利/(虧損)乃根據本公司股權持有人應佔溢利5,509,000港元(2015年：虧損425,380,000港元)，以及年內已發行普通股之加權平均數17,443,525,000股(2015年：17,841,940,000股)普通股計算。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

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

#### For discontinued operations (Continued)

(b) Diluted loss per share from discontinued operations

Diluted loss per share from discontinued operations for the years ended 31 December 2016 and 2015 is the same as the basic loss per share from discontinued operations as the Company's outstanding share options and convertible notes, where applicable, had an anti-dilutive effect on the basic loss per share from discontinued operations for the years ended 31 December 2016 and 2015.

### 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 three (2015: three) 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:

Coalbed methane:	Exploration, development and production of coalbed methane
Raw and cleaned coal:	Raw coal washing and sale of raw and cleaned coal
Oil and gas exploitation:	Exploitation and sale of crude oil and natural gas

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' used by the chief operating decision-maker in the assessment of segment performance.

As disclosed in note 10, the Group disposed the Key Wisdom Group on 1 September 2016, which led to discontinue part of the operation of oil and gas exploitation segment. In accordance with HKFRS 5, part of the segment of oil and gas exploitation for the years ended 31 December 2016 and 2015 were classified as discontinued operations in the Group's consolidated financial statements.

### 15. 每股(虧損)/盈利(續)

#### 已終止經營業務(續)

(b) 來自已終止經營業務之每股攤薄虧損

截至2016年及2015年12月31日止年度，來自已終止經營業務之每股攤薄虧損與來自已終止經營業務之每股基本虧損相同，因本公司尚未行使之購股權及可換股票據(如適用)，對上述兩年度內，來自已終止經營業務之每股基本虧損具有反攤薄影響。

### 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。

本集團擁有三個(2015年：三個)可報告分部。由於各自業務提供不同產品及服務需要不同業務策略，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：

煤層氣：	勘探、開發和生產煤層氣
原煤及精煤：	原煤洗選及銷售原煤及精煤
石油和天然氣開採：	開採及銷售原油和天然氣

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，原因是主要經營決策者評估分部表現的分部分部計算並無包括有關收益及開支在內。

誠如附註10所披露，本集團於2016年9月1日出售堅俊集團，導致終止石油和天然氣開採分部部分業務。根據香港財務報告準則第5號，於截至2016年及2015年12月31日止年度，部分石油和天然氣開採分部於本集團綜合財務報表內分類為已終止經營業務。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 16. SEGMENT REPORTING (Continued)

#### (a) Business segments

Segment information about these businesses is set out as follows:

For the year ended 31 December 2016

### 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2016年12月31日止年度

	Continuing operations					Discontinued operations	Total
	Coalbed methane	Raw and cleaned coal	Oil and gas exploitation	Unallocated	Subtotal	Oil and gas exploitation	
	煤層氣	原煤及精煤	石油和天然氣開採	未分配	小計	石油和天然氣開採	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>Results</b>	<b>業績</b>						
Revenue from external customers	57,467	276,086	-	-	333,553	5,058	338,611
Segment results <sup>1&amp;2</sup>	(5,934)	11,706	35,134	(38,426)	2,480	(6,138)	(3,658)
Change in fair value of financial liabilities through profit or loss	-	-	-	52,809	52,809	-	52,809
Finance costs	-	(1,782)	-	(151,180)	(152,962)	-	(152,962)
Share of loss of an associate	(662)	-	-	-	(662)	-	(662)
Gain on disposal of subsidiaries	-	-	-	-	-	11,647	11,647
(Loss)/profit before income tax expense	(6,596)	9,924	35,134	(136,797)	(98,335)	5,509	(92,826)
Income tax expense	-	(1,161)	-	(82)	(1,243)	-	(1,243)
(Loss)/profit for the year	(6,596)	8,763	35,134	(136,879)	(99,578)	5,509	(94,069)
<b>Assets and liabilities</b>	<b>資產及負債</b>						
Reportable segment assets <sup>3</sup>	4,341,968	374,132	303,233	225,348	5,244,681	-	5,244,681
Reportable segment liabilities <sup>3</sup>	259,243	89,982	15	1,803,798	2,153,038	-	2,153,038
<b>Other segment information</b>	<b>其他分部資料</b>						
Depreciation and amortisation	53,740	7,018	-	674	61,432	45	61,477
Capital expenditure incurred during the year	347,998	717	41,307	288	390,310	-	390,310



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 16. SEGMENT REPORTING (Continued)

#### (a) Business segments (Continued)

Segment information about these businesses is set out as follows:

For the year ended 31 December 2015

### 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2015年12月31日止年度

		Continuing operations				Discontinued operations	Total	
		Coalbed methane	Raw and cleaned coal	Oil and gas exploitation	Unallocated	Subtotal		
						Oil and gas exploitation		
		煤層氣	原煤及精煤	天然氣開採	未分配	小計	天然氣開採	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>Results</b>	<b>業績</b>							
Revenue from external customers	來自外界客戶之收入	8,543	47,868	-	-	56,411	10,610	67,021
Segment results <sup>1&amp;2</sup>	分部業績 <sup>1&amp;2</sup>	67,709	220	111	(107,100)	(39,060)	(8,163)	(47,223)
Finance costs	融資成本	-	(58)	-	(5,311)	(5,369)	(639)	(6,008)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	-	-	-	-	-	(204,562)	(204,562)
Impairment loss on intangible assets	無形資產減值虧損	-	-	-	-	-	(209,064)	(209,064)
Share of loss of a joint venture	應佔一家合營企業虧損	-	-	(587)	-	(587)	-	(587)
Share of loss of an associate	應佔一家聯營公司虧損	(1,203)	-	-	-	(1,203)	-	(1,203)
(Loss)/profit before income tax expense	除所得稅支出前(虧損)/溢利	66,506	162	(476)	(112,411)	(46,219)	(422,428)	(468,647)
Income tax expense	所得稅支出	(5,011)	(1,101)	-	-	(6,112)	(2,952)	(9,064)
(Loss)/profit for the year	本年度(虧損)/溢利	61,495	(939)	(476)	(112,411)	(52,331)	(425,380)	(477,711)
<b>Assets and liabilities</b>	<b>資產及負債</b>							
Reportable segment assets <sup>3</sup>	可報告分部資產 <sup>3</sup>	4,073,699	214,998	224,404	93,042	4,606,143	59,544	4,665,687
Reportable segment liabilities <sup>3</sup>	可報告分部負債 <sup>3</sup>	435,297	149,329	15	523,128	1,107,769	54,613	1,162,382
<b>Other segment information</b>	<b>其他分部資料</b>							
Depreciation and amortisation	折舊及攤銷	6,492	5,498	-	755	12,745	3,039	15,784
Capital expenditure incurred during the year	年內產生之資本支出	196,852	181	-	758	197,791	857	198,648

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 16. SEGMENT REPORTING (Continued)

#### (a) Business segments (Continued)

Notes:

- Unallocated results mainly include salaries, rental expense and professional fees for Hong Kong head office and equity-settled share-based payment expense.
- The 2016 segment result of coalbed methane included revenue of HK\$57,467,000 (2015: HK\$8,343,000 and HK\$78,694,000, the sales and trial sales of coalbed methane generated from the Sanjiao CBM Project respectively) and government subsidies and grants of HK\$22,942,000 (2015: HK\$7,646,000).
- Unallocated assets mainly include cash and cash equivalents, short term investment, and available-for-sale investment and unallocated liabilities mainly include convertible notes, corporate bonds and financial liabilities at fair value through profit or loss.

#### (b) Geographical information and major customers

The following table provides an analysis of the Group's revenue from an external customer and non-current assets other than financial instruments ("specified non-current assets").

##### (a) Revenue from external customers

		2016			2015		
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
		持續經營業務	已終止經營業務	總計	持續經營業務	已終止經營業務	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
Hong Kong (place of domicile)	香港(所在地)	-	-	-	-	-	-
The PRC	中國	333,553	5,058	338,611	56,411	10,610	67,021
		<b>333,553</b>	<b>5,058</b>	<b>338,611</b>	<b>56,411</b>	<b>10,610</b>	<b>67,021</b>

### 16. 分部報告(續)

#### (a) 業務分部(續)

附註：

- 未分配業績主要包括薪金、租金、專業費用及股本結算以股份支付之支出等香港總辦事處開支。
- 2016年煤層氣之分部業績包括57,467,000港元(2015年：8,543,000港元及78,694,000港元來自於三交煤層氣項目之銷售及試銷售收入)和22,942,000港元(2015年：7,646,000港元)之政府補貼及補助。
- 未分配資產主要包括現金和現金等價物、短期投資、可供出售金融資產以，未分配負債主要包括可換股票據、企業債券和按公平值透過損益列賬的財務負債。

#### (b) 地區資料及主要客戶

下表就本集團來自外界客戶之收益及除金融工具以外之非流動資產(「指定非流動資產」)進行分析。

##### (a) 來自外界客戶之收入

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 16. SEGMENT REPORTING (Continued)

#### (b) Geographical information and major customers (Continued)

(b) Specified non-current assets

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Continuing operations</b>	<b>持續經營業務</b>		
Hong Kong (place of domicile)	香港(所在地)	4,274	4,781
The PRC	中國	4,281,114	4,201,179
Canada	加拿大	41,186	-
		<b>4,326,574</b>	<b>4,205,960</b>

#### Information about major customers

During the years ended 31 December 2016 and 2015, there were three customers contributed to 10% or more revenue to the Group's total revenue.

### 16. 分部報告(續)

#### (b) 地區資料及主要客戶(續)

(b) 指定非流動資產

#### 主要客戶資料

截至2016及2015年12月31日止年度，三個客戶貢獻集團之總收入達10%或多於10%。

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
	<b>Segment 分部</b>		
Customer A 客戶A	Raw and cleaned coal 原煤及精煤	78,296	N/A 不適用
Customer B 客戶B	Coalbed methane 煤層氣	57,456	8,543
Customer C 客戶C	Raw and cleaned coal 原煤及精煤	53,283	17,947
Customer D 客戶D	Raw and cleaned coal 原煤及精煤	51,916	N/A 不適用
Customer E 客戶E	Raw and cleaned coal 原煤及精煤	33,381	N/A 不適用

N/A – Below 10% of revenue to the Group's total revenue

不適用 – 客戶貢獻集團之總收少於10%

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 17. PROPERTY, PLANT AND EQUIPMENT

### 17. 物業、廠房及設備

		Building	Leasehold improvements	CNG station and ancillary facilities	Construction in progress	Oil and gas properties	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	CNG站及配套設施	在建工程	油氣資產	傢俬、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	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
<b>Costs:</b>	<b>成本:</b>								
At 1 January 2015	於2015年1月1日	-	1,027	-	22,736	259,355	3,783	10,891	297,792
Additions	添置	-	-	-	-	-	335	3,106	3,441
Transfer from oil and gas exploration and evaluation assets (note 18)	自油氣勘探及評估資產轉撥(附註 18)	1,564	-	344,306	125,641	1,267,800	487	-	1,739,798
Disposal/Written off	出售/註銷	-	-	-	-	-	(19)	(194)	(213)
Exchange adjustments	匯兌調整	(49)	(45)	(10,218)	(5,046)	(50,773)	(176)	(641)	(66,948)
					(Note(i))				
					(附註(i))				
At 31 December 2015	於2015年12月31日	1,515	982	334,088	143,331	1,476,382	4,410	13,162	1,973,870
Additions	添置	-	455	16,362	243,371	86,808	1,278	729	349,003
Transfer	轉撥	-	-	1,925	(73,379)	71,454	-	-	-
Disposal of subsidiaries (note 42)	出售附屬公司(附註 42)	-	(932)	-	(21,225)	(244,952)	-	(549)	(267,658)
Exchange adjustments	匯兌調整	(92)	(37)	(19,855)	(15,706)	(86,299)	(308)	(584)	(122,881)
At 31 December 2016	於2016年12月31日	1,423	468	332,520	276,392	1,303,393	5,380	12,758	1,932,334

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

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

### 17. 物業、廠房及設備(續)

		Building	Leasehold improvements	CNG station and ancillary facilities	Construction in progress	Oil and gas properties	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃 物業裝修	CNG站及 配套設施	在建工程	油氣資產	傢俬、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	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
					(Note(i)) (附註(i))				
<b>Accumulated depreciation and impairment</b>	<b>累計折舊及減值</b>								
At 1 January 2015	於2015年1月1日	-	231	-	-	63,121	1,912	6,286	71,550
Charge for the year	年內支出	6	56	1,720	-	4,201	800	1,711	8,494
Impairment loss for the year	年內減值虧損	-	673	-	22,459	181,394	9	27	204,562
Written back on disposal	撥回出售	-	-	-	-	-	(19)	(194)	(213)
Exchange adjustments	匯兌調整	-	(37)	-	(741)	(8,887)	(89)	(499)	(10,253)
At 31 December 2015	於2015年12月31日	6	923	1,720	21,718	239,829	2,613	7,331	274,140
Charge for the year (note 9(c))	年內支出(附註9(c))	71	47	19,712	-	19,483	800	1,439	41,552
Written back on disposal of subsidiaries (note 42)	撥回出售附屬公司(附註42)	-	(884)	-	(21,225)	(229,405)	-	(510)	(252,024)
Exchange adjustments	匯兌調整	-	(22)	-	(493)	(8,514)	(200)	(355)	(9,584)
At 31 December 2016	於2016年12月31日	77	64	21,432	-	21,393	3,213	7,905	54,084
<b>Carrying amount:</b>	<b>賬面值:</b>								
At 31 December 2016	於2016年12月31日	1,346	404	311,088	276,392	1,282,000	2,167	4,853	1,878,250
At 31 December 2015	於2015年12月31日	1,509	59	332,368	121,613	1,236,553	1,797	5,831	1,699,730

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

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

Notes:

- (i) It represents oil and gas properties under construction as at the end of the reporting period.
- (ii) During the year ended 31 December 2015, as a result of the significant decrease in oil prices and change in the implementation of the development plans of Jinzhuang Oil Field, Liuluoyu Oil Field and Yanjiawan Oil Field, the recoverable amount of each of the cash generating unit of Jinzhuang Oil Field ("Jinzhuang CGU"), Liuluoyu Oil Field and Yanjiawan Oil Field (together as "Liuluoyu CGU"), which both CGUs are under oil and gas exploitation segment, as determined by an independent professional firm of valuers using the value-in-use approach is HK\$22,983,000 and nil, which is less than their respective carrying amount. Accordingly, impairment losses of HK\$158,868,000 and HK\$45,694,000 on the oil and gas properties of Jinzhuang CGU and Liuluoyu CGU, HK\$183,427,000 and HK\$25,637,000 on the operation rights (note 20) of Jinzhuang CGU and Liuluoyu CGU were recognised. The recoverable amounts of the relevant assets have been determined on the basis of their value in use and the pre-tax discount rate used in the value in use calculations at 31 December 2015 was 18%.

### 17. 物業、廠房及設備(續)

附註：

- (i) 其表示於報告期間結束時之在建油氣資產。
- (ii) 截至2015年12月31日止年度內，由於原油價格驟降及金莊油田、柳洛峪油田及閻家灣油田之開發計劃實施的改變，經一家獨立專業估值公司使用價值法釐定，金莊油田現金產生單位（「金莊現金產生單位」）、柳洛峪油田及閻家灣油田現金產生單位（合稱「柳洛峪現金產生單位」）（該兩個現金產生單位均屬於油氣開採分部）之可收回金額低於其各自之賬面值，分別為22,983,000港元及無價值。因此，金莊現金產生單位及柳洛峪現金產生單位之有關油氣資產之減值虧損分別為158,868,000港元及45,694,000港元，有關金莊現金產生單位及柳洛峪現金產生單位營運權之減值虧損分別為183,427,000港元及25,637,000港元均獲確認（附註20）。於2015年12月31日，相關資產之可收回金額根據其使用價值釐定，計算使用價值所用之稅前折現率為18%。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 18. OIL AND GAS EXPLORATION AND EVALUATION ASSETS

### 18. 油氣勘探及評估資產

		HK\$'000 千港元
<b>Cost:</b>	<b>成本：</b>	
At 1 January 2015	於2015年1月1日	3,749,048
Additions	添置	195,851
Interest capitalised (note 9(a))	資本化利息(附註9(a))	79,173
Transfer to property, plant and equipment (note 17)	轉撥物業、廠房及設備 (附註17)	(1,614,157)
Transfer to construction in progress (note 17)	轉撥在建工程(附註17)	(125,641)
Transfer to intangible assets (note 20)	轉撥無形資產(附註20)	(2,261,818)
Transfer to payment for leasehold land held for own use (note 19)	轉撥自用租賃土地付款 (附註19)	(4,997)
Exchange adjustments	匯兌調整	(17,459)
		<hr/>
At 31 December 2015	於2015年12月31日	-
Additions	添置	41,031
Interest capitalised	資本化利息	276
		<hr/>
At 31 December 2016	於2016年12月31日	41,307
		<hr/> <hr/>

#### Sanjiao CBM Project

The operations of Power Great Limited and its subsidiary ("Power Great Group") are governed by and based on the Sanjiao CBM Project. Details of the Sanjiao CBM Project are set out in note 44(i). As at 31 December 2015, development is sanctioned by management and the approval of ODP is obtained for Sanjiao CBM Project, the gas exploration and evaluation assets were fully reclassified to intangible assets, payment for leasehold land held for own use and property, plant and equipment.

#### 三交煤層氣項目

威遠有限公司及其附屬公司(「威遠集團」)之營運受三交煤層氣項目約束，並據此進行。三交煤層氣項目之詳情載於附註44(i)。於2015年12月31日，發展獲管理層批覆及三交煤層氣項目取得總體開發方案批准後，相關天然氣勘探及評估資產已悉數重新分類至無形資產、自用租賃土地付款以及物業、廠房及設備。

### 18. OIL AND GAS EXPLORATION AND EVALUATION ASSETS (Continued)

#### Canada Farm-in Project

In October 2015, the Company's subsidiary, SOG Energy Inc., entered into a farm-in agreement ("Farm-in Agreement") with a Canadian company ("Farmor"), which is under exploration and evaluation. Pursuant to the Farm-in Agreement, the Company became as a Farmee shall drill the test well within an area ("Farm-out Land") agreed between the Farmor and Farmee. When the Farmee has drilled the test well to an agreed depth and if the anticipated output from any zone in the Farm-out Land are reasonably anticipated to be covered the cost of drilling, equipping and operating of the wells, Farmee shall case the well and conduct production test. Once the Farmee caps the test well with the obligation to conduct production test and has performed all related obligations under Farmout Agreement to Farmor's reasonable satisfaction, Farmee shall earn the interests in the Farm-out Land, subject to the reservation to Farmor therefrom the agreed royalty. No consideration is paid by the Group to the Farmor, but the Group needs to be responsible for all the costs of the drilling. Under this Farm-in Agreement, the Farmor giving up future economic benefits, in the form of its oil reserves, in exchange for a reduction in future funding obligations. The Group recognises its expenditure under this Farm-in Agreement in respect of its own interest and that retained by the by the Farmor, as and when the costs are incurred. The Group accounts for its expenditure under this Farm-in Agreement in the same way as directly incurred exploration and evaluation expenditure. Up to 31 December 2016, the Company incurred around HK\$41,307,000 drilling costs for this Farm-in project (2015: nil).

The Group classified this Farm-in project as oil exploration and evaluation assets under HKFRS 6. The directors have assessed the impairment of this oil exploration and evaluation assets in accordance with the criteria under HKFRS 6 and by reference to the progress in the implementation of this Farm-in project during the year. The directors concluded that there are no facts or circumstances with may indicate that the carrying amount of this oil exploration and evaluation assets has exceed the recoverable amount as at the end of reporting period.

### 18. 油氣勘探及評估資產(續)

#### 加拿大Farm-in項目

於2015年10月，本公司附屬公司 SOG Energy Inc. 與一家加拿大公司 (「Farmor」) 訂立farm-in協議 (「Farm-in協議」)。根據Farm-in協議，本公司 (作為 Farmee) 將於Farmor與Farmee協定的面積 (「Farm-out土地」) 內鑽探測試井。於 Farmee 已鑽探測試井至協定深度時，倘合理地預測來自Farm-out土地內任何區域的預測產量將覆蓋鑽探、裝備及營運油井的成本，Farmee將加蓋油井並進行生產測試。一旦Farmee在進行生產測試責任下將測試井封頂，並獲Farmor合理信納其已履行Farm-in協議項下所有相關責任，Farmee將獲取Farm-out土地的權益，惟須向Farmor支付約定的礦權費。本集團並無向Farmor支付任何代價，惟本集團需負責所有鑽探成本。根據此 Farm-in協議，Farmor放棄日後經濟利益 (以其石油儲量)，以換取降低日後資金提供之責任。於成本產生時，本集團會就其自身權益及由Farmor保留的權益確認其於此Farm-in協議的支出。本集團會按相同方式將其於Farm-in協議項下的開支列賬為直接產生的勘探及評估支出。直至2016年12月31日，本公司已就此 Farm-in項目產生鑽探成本約41,307,000 港元 (2015年：無)。

根據香港財務報告準則第6號，本集團將該Farm-in項目分類為石油勘探及評估資產。按照香港財務報告準則第6號項下標準及經參考年內執行該Farm-in項目的進度，董事已評估該石油勘探及評估資產的減值。董事推定，於報告期間結束時，概無任何事實或情況可能顯示該石油勘探及評估資產的賬面值已超過其可收回金額。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 19. PAYMENT FOR LEASEHOLD LAND HELD FOR OWN USE

### 19. 自用租賃土地付款

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
At 1 January	於1月1日	4,812	–
Transfer from gas exploration and evaluation assets (note 18)	自天然氣勘探及評估資產轉撥 (附註18)	–	4,997
Amortisation for the year	本年度攤銷	(237)	(21)
Exchange adjustments	匯兌調整	(298)	(164)
At 31 December	於12月31日	4,277	4,812

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 20. INTANGIBLE ASSETS

### 20. 無形資產

		Motor vehicle registration license 汽車登記牌照 HK\$' 000 千港元	Operation rights 營運權 HK\$' 000 千港元	Favourable supplier contract 優惠供應商合約 HK\$' 000 千港元	Total 總計 HK\$' 000 千港元
<b>Costs:</b>	<b>成本：</b>				
At 1 January 2015	於2015年1月1日	1,729	252,844	-	254,573
Additions	添置	543	-	-	543
Acquired through business combinations (note 43)	透過業務合併收購 (附註 43)	-	-	74,054	74,054
Transfer from gas exploration and evaluation assets (note 18)	自天然氣勘探及評估資產轉撥 (附註18)	-	2,261,818	-	2,261,818
Exchange adjustments	匯兌調整	-	(11,334)	(3,320)	(14,654)
At 31 December 2015	於2015年12月31日	2,272	2,503,328	70,734	2,576,334
Disposals of subsidiaries (note 42)	出售附屬公司 (附註42)	-	(236,325)	-	(236,325)
Exchange adjustments	匯兌調整	-	(102,674)	(4,541)	(107,215)
At 31 December 2016	於2016年12月31日	2,272	2,164,329	66,193	2,232,794
<b>Accumulated amortisation:</b>	<b>累計攤銷：</b>				
At 1 January 2015	於2015年1月1日	-	27,046	-	27,046
Amortisation for the year	本年度攤銷	-	1,783	5,486	7,269
Impairment loss (note 17(ii))	減值虧損 (附註 17(ii))	-	209,064	-	209,064
Exchange adjustments	匯兌調整	-	(8,268)	(181)	(8,449)
At 31 December 2015	於2015年12月31日	-	229,625	5,305	234,930
Amortisation for the year (note 9(c))	本年度攤銷 (附註 9(c))	-	12,759	6,929	19,688
Written back on disposal of subsidiaries (note 42)	撥回出售附屬公司 (附註42)	-	(223,488)	-	(223,488)
Exchange adjustments	匯兌調整	-	(4,887)	(651)	(5,538)
At 31 December 2016	於2016年12月31日	-	14,009	11,583	25,592
<b>Carrying amount:</b>	<b>賬面值：</b>				
At 31 December 2016	於2016年12月31日	2,272	2,150,320	54,610	2,207,202
At 31 December 2015	於2015年12月31日	2,272	2,273,703	65,429	2,341,404

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 20. INTANGIBLE ASSETS (Continued)

#### Operation rights

As at 31 December 2016, the Group's operation rights represent the rights under one (2015: two) production sharing contract and no development contract (2015: two) which give the Group the rights to participate in the production of crude oil and gas with details as follows:

Oil and Gas fields 油氣田	Location 地點	Expiry date 到期日
1 Liuluoyu Oil Field 柳洛峪油田	Shaanxi Province, the PRC 中國陝西省	2023
2 Yanjiawan Oil Field 閻家灣油田	Shaanxi Province, the PRC 中國陝西省	2023
3 Jinzhuang Oil Field 金莊油田	Shaanxi Province, the PRC 中國陝西省	2025
4 Sanjiao CBM Project 三交煤層氣項目	Shanxi Province, the PRC 中國山西省	2036

The operation rights are initially recognised at their fair value on the date of acquisition by reference to a professional valuation prepared by Asset Appraisal Limited. Subsequent to the reporting period, the operation rights are measured using the cost mode.

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

During the year ended 31 December 2016, the development contracts of Liuluoyu Oil Field and Yanjiawan Oil Field and a production sharing contract of Jinzhuang Oil Field were disposed (note 42). As at 31 December 2016, the Group has only one production sharing contract of Sanjiao CBM Project.

### 20. 無形資產(續)

#### 營運權

於2016年12月31日，本集團之營運權包括一份(2015年：兩份)產品分成合同內(並無開發合同(2015年：兩份))之權利，讓本集團有權參與原油及天然氣生產，詳情如下：

營運權初步按收購當日之公平值經參考中誠達資產評估顧問有限公司編製之專業估值後確認。於報告期間後，營運權採用成本模式計量。

撇銷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。

截至2016年12月31日止年度內，已出售柳洛峪油田及閻家灣油田之開發合同及金莊油田之產品分成合同(附註42)。於2016年12月31日，本集團只有一份三交煤層氣項目之產品分成合同。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 20. INTANGIBLE ASSETS (Continued)

#### Favourable supplier agreement

Favourable supplier agreement represents the coal supplier agreement with one of the Group's subsidiaries. According to the agreement, the supplier will provide raw coal at 3% lower than the market price. The supplier agreement has estimated useful lives of ten years.

### 21. GOODWILL

#### Impairment Testing on Goodwill

For the purpose of impairment testing, goodwill is allocated to the raw and cleaned coal cash generating units ("CGU").

The recoverable amounts of the raw and cleaned coal CGU have been determined from value in use calculations based on cash flow projections from formally approved budgets covering a nine-year period, which is the remaining contractual period of the coal wash lease factory. Management considered that the budgets should cover the remaining contractual period of the coal wash lease factory as it reflects the development and production plan of this CGU.

### 20. 無形資產(續)

#### 優惠之供應商協議

優惠之供應商協議指本集團一家附屬公司之煤炭供應商協議。根據協議，供應商將按低於市價3%之價格供應原煤。供應商協議估計可用年期為十年。

### 21. 商譽

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
As at 1 January	於1月1日	99,896	–
Acquired through business combinations (note 43)	透過業務合併收購(附註43)	–	104,584
Exchange adjustment	匯兌調整	(6,413)	(4,688)
As at 31 December	於12月31日	93,483	99,896

#### 商譽之減值測試

就減值測試而言，商譽分配至原煤及精煤現金產生單位(「現金生產單位」)。

原煤及精煤現金生產單位之可收回金額自正式批准包含九年期(即洗煤租賃廠之餘下合約期)預算之現金流量預測之使用值釐定。管理層認為，預算應包含洗煤租賃廠餘下合約期，原因在於其反映本現金生產單位之開發及生產計劃。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 21. GOODWILL (Continued)

#### Impairment Testing on Goodwill (Continued)

The following are key assumptions on which management has based its cash flow projections for the period covered by the most recent budgets:

		2016	2015
Discount rate	折現率	18.69%	20.63%
Operating margin	經營利潤率	7.58%	13.04%
Growth rate	增長率	5.00%	3.00%

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate have been based on past experience.

### 21. 商譽(續)

#### 商譽之減值測試(續)

以下為管理層根據最近預算包含期間其現金流量預測作出之主要假設：

所用之折現率乃稅前折現率並反映有關現金生產單位之特定風險。經營利潤率及增長率根據過往經驗釐定。

### 22. INTEREST IN A JOINT VENTURE

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
As at 1 January	於1月1日	-	587
Share of loss for the year (note (i))	年內分佔虧損(附註(i))	-	(587)
As at 31 December	於12月31日	-	-
Amount due from a joint venture (note (ii))	應收一家合營企業款項 (附註(ii))	320	320
		<b>320</b>	<b>320</b>

Notes:

- (i) Share of loss for the years ended 31 December 2016 and 2015 was recognised up to the investment in a joint venture.
- (ii) The amount due from a joint venture is unsecured, interest free and repayable on demand.

### 22. 於一家合營企業之權益

附註：

- (i) 截至2016年及2015年12月31日止年度，所確認之應佔虧損最高達到於一家合營企業之投資。
- (ii) 應收一家合營企業款項為無抵押、免息及須按要即時償還。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 22. INTEREST IN A JOINT VENTURE (Continued)

The Group has a 50% (2015: 50%) interest in a joint venture, Smart Win International Limited, a separate structured vehicle incorporated in the British Virgin Island ("BVI") and operating in Hong Kong. The primary activity of Smart Win International Limited is investment holding.

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with Smart Win International Limited. Under HKFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method. In the opinion of the directors of the Company, this joint venture is not material to the Group, and the summarised financial information in relation to the joint venture is presented below:

### 22. 於一家合營企業之權益 (續)

本集團於合營企業凱智國際有限公司擁有50% (2015年: 50%) 權益，後者為於英屬維爾京群島註冊成立並於香港經營業務之獨立結構實體。凱智國際有限公司之主要業務為投資控股。

合約安排僅向本集團提供對合營安排資產淨值之權利，而對合營安排資產之權利及負債之義務主要歸於凱智國際有限公司。根據香港財務報告準則第11號，該合營安排分類為合營企業並使用權益法於綜合財務報表入賬。本公司董事認為，該合營企業對本集團影響不大，而有關合營企業之財務資料概要呈列如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Loss for the year	年內虧損	(6)	(1,194)
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	總全面收益	(6)	(1,194)

### 23. INTEREST IN AN ASSOCIATE

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
As at 1 January	於1月1日	60,118	62,448
Share of loss for the year	年內分佔虧損	(662)	(1,203)
Exchange adjustment	匯兌調整	(1,446)	(1,127)
As at 31 December	於12月31日	58,010	60,118

### 23. 於一家聯營公司之權益

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 23. INTEREST IN AN ASSOCIATE (Continued)

Details of the Group's associate are as follows:

Name of company	Form of business structure	Place of incorporation	Percentage of ordinary share indirectly held	Principal activity
公司名稱	業務架構形式	註冊成立地點	普通股百分比	主要業務
山西國梁煤層氣開發有限公司	Sino-foreign equity joint venture	The PRC	30%	Development and operation of a liquefied natural gas plant ("LNG plant") in the PRC to produce liquefied coalbed methane
	中外合資企業	中國		於中國發展及經營液化天然氣處理站(「液化天然氣處理站」)以生產液化煤層氣

In the opinion of the directors of the Company, this associate is not material to the Group, and the financial information in respect of the Group's associate is set out below:

### 23. 於一家聯營公司之權益(續)

有關本集團聯營公司之詳情載列如下：

本公司董事認為，該聯營公司對本集團的影響不大，本集團聯營公司的財務資料呈列如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Loss for the year	年內虧損	(2,208)	(4,010)
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	總全面收益	(2,208)	(4,010)

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

### 24. 按公平值透過損益列賬的財務資產

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Contingent consideration in relation to acquisition of subsidiaries (note 43)	有關收購附屬公司之或有代價(附註43)		
– Non-current	– 非流動	4,487	22,417
– Current	– 流動	18,134	–
		<b>22,621</b>	<b>22,417</b>

During the year ended 31 December 2015, the Group had acquired 75% equity interests of Golden Glow Group, which the vendor irrevocably guaranteed the Group that from 1 October 2015 until 30 September 2021, six years in total, the total net profit after income tax expense attributable to Golden Glow Group per annum should not be less than RMB30,000,000 (“the Guaranteed Profit”). Detail as set out in note 43.

The Group has engaged an independent valuer to assess the fair value of the Guarantee Profit as at the end of reporting period. The fair value of the contingent consideration arrangement was estimated by applying the income approach at a discount rate of 18.69% (2015: 20.63%).

截至2015年12月31日止年度內，本集團收購Golden Glow集團其為75%之股權，當中賣方不可撤回地向本集團擔保由2015年10月1日起至2021年9月30日止之合共6年內，每年Golden Glow集團應佔之除所得稅支出後總純利應不少於人民幣30,000,000元(「保證溢利」)。詳情載於附註43。

本集團已委任一名獨立估值師，以評估保證溢利於報告期末之公平值。或有代價安排之公平值乃採用收入法按折現率18.69%(2015年：20.63%)進行估計。

### 25. AVAILABLE-FOR-SALE INVESTMENT

### 25. 可供出售金融資產

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Listed securities in Hong Kong, at fair value	香港上市證券，按公平值	4,592	–

As at 31 December 2016, the listed securities represented the equity interests in companies that listed on the Main Board of The Stock Exchange.

During the year ended 31 December 2016, net fair value loss on the available-for-sale investment of the Group amounted to HK\$260,000 (2015: nil) was recognised in other comprehensive income.

於2016年12月31日，上市證券指於聯交所主板上市之公司之股權。

截至2016年12月31日止年度內，本集團可供出售金融資產之淨公平值虧損260,000港元(2015年：無)已於其他全面收益內確認。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 25. AVAILABLE-FOR-SALE INVESTMENT (Continued)

The fair values of listed equity investments are based on quoted market prices.

### 25. 可供出售金融資產(續)

上市股權投資之公平值乃以市場報價為基準。

### 26. LOAN RECEIVABLES

Current assets	流動資產
Non-current assets	非流動資產

### 26. 應收貸款

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
	<b>22,334</b>	1,267
	<b>-</b>	2,092
	<b>22,334</b>	3,359

As at 31 December 2016 and 2015, the loan receivables are as follows:

- (i) In November 2016, the Group advanced a loan to an independent third party of RMB20,000,000. The loan is secured by certain equipment, interest bearing at 10% per annum and repayable in 2017.
- (ii) In 2014, the Group advanced a loan to an independent third party of HK\$3,670,000. The loan was secured by certain motor vehicles and equipment, interest bearing at 8% per annum and repayable within 5 years. The loan was fully settled in June 2016.

於2016年及2015年12月31日，應收貸款如下：

- (i) 於2016年11月，本集團向一名獨立第三方墊付貸款人民幣20,000,000元。該貸款以若干設備作抵押，按年利率10%計息，並須於2017年償還。
- (ii) 於2014年，本集團向一名獨立第三方墊付貸款3,670,000港元。該貸款以若干汽車及設備作抵押，按年利率8%計息，並須於5年內償還。該貸款已於2016年6月悉數償付。

### 27. INVENTORIES

Spare parts, consumables and others	備件、耗材及其他
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### 27. 存貨

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
	<b>10,591</b>	10,981

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 28. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

### 28. 應收賬款、應收票據、其他應收賬款、按金及預付款項

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Non-current assets	非流動資產		
Deposits and prepayments (note (i))	按金及預付款項(附註(i))	<b>44,045</b>	21,235
Current assets	流動資產		
Trade receivables	應收賬款	<b>34,669</b>	27,857
Notes receivable	應收票據	<b>48,018</b>	18,374
Other receivables (note (ii))	其他應收款項(附註(ii))	<b>53,295</b>	7,836
		<b>135,982</b>	54,067
Utility deposits	水電按金	<b>726</b>	747
Other deposits ad prepayments (note (iii))	其他按金及預付款項 (附註(iii))	<b>397,607</b>	234,308
		<b>398,333</b>	235,055
		<b>534,315</b>	289,122

Notes:

- (i) As at 31 December 2016, the balance included prepaid exploration costs of HK\$27,965,000 (2015: HK\$11,455,000) on the Group's construction in progress, prepaid rental of HK\$16,080,000 (2015: nil) for coal washing factory and there is no guarantee deposit (2015: HK\$9,780,000) paid to secure the Group's borrowings as set out in note 33(i).
- (ii) As at 31 December 2016, the balance included mainly consideration receivables of HK\$27,550,000 on the disposal of Key Wisdom Group as set out in note 42 and government grants receivable of HK\$12,901,000.

附註：

- (i) 於2016年12月31日，餘款包括對本集團在建工程之預付勘探成本27,965,000港元（2015年：11,455,000港元）及供原煤洗選廠之預付租金16,080,000港元（2015年：無），而誠如附註33(i)所載，並無擔保本集團之借款之保證金（2015年：9,780,000港元）。
- (ii) 於2016年12月31日，餘款主要包括附註42所載出售堅俊集團之應收代價27,550,000港元及應收政府補助12,901,000港元。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 28. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(iii) The balance mainly includes prepayment to raw coal supplier of HK\$125,239,000 (2015: HK\$10,416,000) and deposit of HK\$230,740,000 (2015: HK\$223,892,000) paid for possible acquisitions of Canada oil fields as disclosed in the Company's announcement dated 30 June 2014 and 1 September 2014 respectively and interest receivables of HK\$28,975,000 in relation to this deposits. On 30 June 2014, a wholly-owned subsidiary of the Company has entered into first non-legally binding memorandum of understanding ("MOU 1") with Jade Million Co Ltd, (the "Vendor") in relation to a possible acquisition of the interests of certain oil and gas blocks in Canada ("Target 1"). According to the MOU 1, the Group paid a refundable deposit of Canadian Dollars ("CAD") 30 million which is interest-free to the Vendor in July 2014. On 1 September 2014, the Group has entered into another memorandum of understanding ("MOU 2") with Vendor and paying a refundable deposit of CAD 10 million which is interest bearing at 4.5% per annum in relation to a possible acquisition of the interests of certain oil and gas blocks (other than Target 1) in Canada ("Target 2"). In both MOU 1 and MOU 2, the Vendor has pledged the interests of Target 1 and Target 2 to the Group as return. On 30 April 2015, 31 December 2015 and 30 September 2016, the Group and the Vendor have agreed in writing to further extend the time limit for entering into formal agreements in respect of MOUs and the exclusive periods as set out in the MOUs respectively to 31 December 2015, 30 September 2016 and 30 June 2017 respectively.

On 30 June 2016, supplemental agreements for MOU 1 and MOU 2 were signed for interest charge based on the outstanding deposit at the rate of 8.5% per annum commencing from 1 December 2014 and 1 May 2015 respectively.

Save and except for the aforesaid extension of the time limit for entering into formal agreements and the exclusive periods, all other terms of the MOUs shall remain unchanged. Up to the date of this report, the Group is still performing the due diligence review.

### 28. 應收賬款、應收票據、其他應收賬款、按金及預付款項(續)

附註：(續)

(iii) 餘款主要包括預付原煤供應商125,239,000港元(2015年：10,416,000港元)及按金230,740,000港元(2015年：223,892,000港元)，為本公司分別於2014年6月30日及2014年9月1日公佈披露之可能收購加拿大油田之按金及相關按金的應收利息28,975,000港元。於2014年6月30日，本公司全資附屬公司已與Jade Million Co Ltd(「賣方」)訂立第一份不具法律約束力之諒解備忘錄(「諒解備忘錄1」)，內容有關可能收購加拿大若干油田區塊(「目標1」)之權益。根據諒解備忘錄1，本集團已於2014年7月向賣方支付免息之可退還按金30,000,000加元(「加元」)。於2014年9月1日，本集團已與賣方訂立另一份諒解備忘錄(「諒解備忘錄2」)，內容有關可能收購加拿大若干油田區塊(「目標2」，目標1以外區塊)之權益，並支付按每年4.5%計息之可退還按金10,000,000加元。就諒解備忘錄1及諒解備忘錄2而言，賣方已將目標1及目標2之權益抵押予本集團作為回報。於2015年4月30日、2015年12月31日及2016年9月30日，本集團及賣方書面同意進一步延長就該等諒解備忘錄訂立正式協議的期限及該等諒解備忘錄所載的獨家有效期，兩者分別延至2015年12月31日、2016年9月30日及2017年6月30日。

於2016年6月30日，已分別就諒解備忘錄1及諒解備忘錄2簽署補充協議，內容有關根據尚未支付按金按每年8.5%計回利息，分別從2014年12月1日及2015年5月1日開始計算利息。

除上述延長訂立正式協議的期限及該等獨家有效期外，該等諒解備忘錄所有其他條款維持不變。截至本報告日期，本集團仍在進行盡職審查。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 28. TRADE, NOTES 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:

30 days	30天
31 – 60 days	31至60天
61 – 90 days	61至90天
Over 90 days	多於90天

The average credit period granted to customers is 0 – 30 days from the invoice date.

All trade receivables are less than 180 days past due, not impaired and related to few customers which have a good track record with the Group. 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(k)(ii).

### 28. 應收賬款、應收票據、其他應收賬款、按金及預付款項(續)

應收賬款於報告期間結束時按發票日期之賬齡分析如下：

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
30 days	4,987	23,371
31 – 60 days	4,232	699
61 – 90 days	3,976	64
Over 90 days	21,474	3,723
	<b>34,669</b>	<b>27,857</b>

集團給客戶的平均信貸期為開單日起0 – 30天。

所有應收賬款為到期後180天內，本集團與客戶有良好的商業記錄，故沒有作減值。根據以往經驗，管理層估計其賬面金額將全數收回。

本集團根據附註4(k)(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

As at 31 December 2016 於2016年12月31日

### 29. SHORT-TERM INVESTMENT

Short-term investment 短期投資

On 10 July 2014, the Group entered into a subscription agreement with a PRC company ("Investee"), an independent third party, to acquire bonds with term of 15 months, bearing interest at 8.5% per annum amounted to RMB64,300,000. The bonds were extended for another 6 months from 26 October 2015 to 25 April 2016 with interest bearing at 13% per annum. On 27 April 2016, the bonds were further extended for another 1 year to 28 April 2017 with other terms remain unchanged. The bonds are guaranteed by the shares of an Investee's related company.

### 29. 短期投資

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
	<b>71,804</b>	76,729

於2014年7月10日，本集團與為獨立第三方的一間中國公司（「被投資方」）訂立認購協議，以認購人民幣64,300,000元為期15個月之債券，年息率為8.5%。該等債券到期日由2015年10月26日延長六個月至2016年4月25日，期間年息率為13%。於2016年4月27日，債券進一步延長一年至2017年4月28日，其他條款維持不變。該等債券由被投資方之一間關連公司作擔保。

### 30. CASH AND CASH EQUIVALENTS

Cash and bank balances, denominated in 以下列貨幣計值之現金及銀行結餘

- HKD and USD	- 港元及美元
- RMB	- 人民幣
- CAD	- 加元
- Others	- 其他

Cash and cash equivalents of HK\$41,385,000 (equivalent to RMB37,060,000) (2015: HK\$29,285,000 (equivalent to RMB24,534,000)) were denominated in RMB. RMB 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.

### 30. 現金及現金等價物

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
	<b>207,938</b>	6,034
	<b>41,385</b>	29,285
	<b>2,190</b>	228
	<b>17</b>	17
	<b>251,530</b>	35,564

41,385,000港元（相等於人民幣37,060,000元）（2015年：29,285,000港元（相等於人民幣24,534,000元））之現金及現金等價物以人民幣計值。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管制所規限。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 31. OTHER PAYABLES AND ACCRUALS

### 31. 其他應付款項及預提費用

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Current liabilities	流動負債		
Other payables and accruals (note (i))	其他應付款項及預提費用 (附註(i))	337,910	227,432
Amount due to a shareholder (note (ii))	應付股東款項(附註(ii))	11,693	10,143
		<b>349,603</b>	<b>237,575</b>

Notes:

- (i) Other payables mainly included exploration costs payable of approximately HK\$249,776,000 (2015: HK\$172,586,000) in respect of oil and gas properties.
- (ii) The amount represented a loan from a shareholder denominated in CAD. The loan was unsecured, interest free and repayable on demand.

附註：

- (i) 其他應付款項主要包括有關油氣資產之應付勘探成本約249,776,000港元(2015年：約172,586,000港元)。
- (ii) 應付股東款項為以加元計值之貸款。該貸款為無抵押，免息及須按要求即時償還。

### 32. PROVISIONS

### 32. 撥備

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Balance at 1 January	於1月1日之結餘	2,409	1,280
Provision for environmental restoration and decommissioning costs	環境修復及停止使用費 之撥備	2,556	1,187
Exchange adjustments	匯兌調整	(155)	(58)
Balance at 31 December	於12月31日之結餘	<b>4,810</b>	<b>2,409</b>

The provision for environmental restoration and decommissioning costs for 2016 and 2015 represented directors' estimated assets retirement obligations relating to the Sanjiao CBM Project as set out in note 44(i).

2016年及2015年環境修復及停止使用費之撥備指與三交煤層氣項目(載於附註44(i))有關之董事估計資產棄置報廢。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 33. BORROWINGS

### 33. 借貸

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Secured interest-bearing borrowings (notes (i))	有抵押附息借貸(附註(i))	-	214,794
Other borrowings – unsecured (note (ii) and (iii))	其他借貸—無抵押 (附註(ii)及(iii))	-	66,825
Corporate bonds (note (iv))	企業債券(附註(iv))	<b>322,109</b>	219,471
Promissory note (note (v))	匯兌票據(附註(v))	-	101,431
		<b>322,109</b>	602,521
Secured	有抵押	-	214,794
Unsecured	無抵押	<b>322,109</b>	387,727
		<b>322,109</b>	602,521
On demand or within one year	按要求或一年內償還	-	186,155
More than one year, but not exceeding two years	超過一年，但不超過兩年	-	170,045
More than two years, but not exceeding five years	超過兩年，但不超過五年	<b>7,500</b>	34,349
More than five years	超過五年	<b>314,609</b>	211,972
		<b>322,109</b>	602,521
Amount due within one year included in current liabilities	列入流動負債一年內 到期之金額	-	(186,155)
Non-current portion	非流動部分	<b>322,109</b>	416,366

### 33. BORROWINGS (Continued)

Notes:

- (i) On 23 December 2011, OEI entered into a financing agreement with CDB Leasing Co., Ltd (國銀金融租賃有限公司) (“CDB Leasing”), an independent third party, pursuant to which CDB Leasing granted a facility of RMB1,000,000,000 to OEI to be repaid by instalment over five years, of which RMB200,000,000 was to finance the exploration phase and RMB800,000,000 to be drawn after obtaining the approval of the Overall Development Plan (“ODP”) in respect of the Sanjiao CBM Project. In 2012, a revised agreement was signed between OEI and CDB Leasing, pursuant to which OEI can draw loans to the extent of RMB400,000,000 and RMB600,000,000 during exploration stage and production stage of the Sanjiao CBM Project respectively. The loans due to CDB Leasing were fully repaid in November 2016.

As at 31 December 2015, the facility was secured by certain oil and gas properties with a carrying amount of HK\$1,235,200,000 (note 17), a guarantee deposit of HK\$9,780,000 (note 28(i)), all accounts receivable from sales generated from the Sanjiao CBM Project, all the shares of OEI held by Power Great Limited, a wholly-owned subsidiary of the Company, 2,296,000,000 shares of the Company held by certain directors and shareholders of the Company, personal guarantees of Dr. Dai Xiaobing and his spouse and a corporate guarantee by the Company.

In the opinion of the directors, the financing arrangement is in substance a secured borrowing.

- (ii) On 29 December 2015, the Group entered into an agreement with an independent third party to borrow RMB30,000,000 with 1% interest rate per month. The loan was guaranteed by the director of the Company, Dr. Dai Xiaobing and one of the Group’s subsidiaries. The loan was fully repaid in February 2016.
- (iii) On 29 November 2015 and 22 December 2015, the Group entered into agreements with an independent third party to borrow RMB20,000,000 and RMB6,000,000 respectively with interest rate at 2% per month. Both loans were guaranteed by one of the Group’s subsidiaries. The loans were fully repaid in February 2016.

### 33. 借貸(續)

附註：

- (i) 於2011年12月23日，奧瑞安與獨立第三方國銀金融租賃有限公司(「國銀金融租賃」)訂立一項融資協議，據此國銀金融租賃向奧瑞安提供人民幣1,000,000,000元之融資，該融資將按五年分期償還，其中人民幣200,000,000元已用於勘探階段，剩餘人民幣800,000,000元融資需就有關三交煤層氣項目之總體開發方案取得批覆後方可提取。於2012年，奧瑞安與國銀金融租賃簽訂一份經修訂協議，據此，奧瑞安於三交煤層氣項目的勘探階段及生產階段可分別最多提取貸款人民幣400,000,000元及人民幣600,000,000元。應付國銀金融租賃之貸款已於2016年11月悉數償還。

於2015年12月31日，該融資之抵押品包括賬面值為1,235,200,000港元之若干油氣資產(附註17)、9,780,000港元之擔保按金(附註28(i))、三交煤層氣項目產生之所有銷售應收賬款、威遠有限公司(本公司之全資附屬公司)持有之所有奧瑞安股份、由本公司數位董事及股東持有之本公司2,296,000,000股股份、戴小兵博士及其配偶提供之個人擔保，以及本公司提供之公司擔保。

董事認為，以上融資安排在本質上屬於有抵押借貸之一。

- (ii) 於2015年12月29日，本集團與獨立第三方訂立人民幣30,000,000元、月息為1%之貸款協議。該貸款由本公司董事戴小兵博士及本集團一家附屬公司擔保。該貸款已於2016年2月悉數償還。
- (iii) 於2015年11月29日及2015年12月22日，本集團與獨立第三方訂立分別為人民幣20,000,000元及人民幣6,000,000元、月息為2%之貸款協議。該等貸款由本集團一家附屬公司擔保。該等貸款已於2016年2月悉數償還。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 33. BORROWINGS (Continued)

Notes: (Continued)

- (iv) During the year ended 31 December 2016, the Company issued the corporate bonds of HK\$102,638,000 (2015: HK\$219,471,000) carried fixed interest rate ranging from 5% to 7% per annum (2015: 6% to 7%) with maturity in 4 to 8 years (2015: 4 to 8 years).
- (v) On 15 May 2015, the Company issued promissory note with principal amount of RMB85,000,000 as part of the consideration for the acquisition of Golden Glow Group. The promissory note was unsecured, interest bearing at 8% per annum and mature in three years (note 43). The promissory note was fully repaid in February 2016.
- (vi) The range of effective interest rates on the Group's borrowings for the years ended 31 December 2016 and 2015 are as follows:

### 33. 借貸(續)

附註：(續)

- (iv) 截至2016年12月31日止年度內，本公司發行固定年息5%至7%（2015年：6%至7%）、年期為4至8年（2015年：4至8年）之企業債券102,638,000港元（2015年：219,471,000港元）。
- (v) 於2015年5月15日，本公司發行本金額為人民幣85,000,000元之承兌票據，用作收購Golden Glow集團其中一筆代價。該承兌票據年期為三年、無抵押及年息8%（附註43）。該承兌票據已於2016年2月悉數償還。
- (vi) 截至2016年及2015年12月31日止年度內，本集團相關之借貸的實際利息為下列範圍：

		2016	2015
Secured interest-bearing borrowings	有抵押附息借貸	8.0% – 9.4%	8.0% – 9.4%
Other borrowings – unsecured	其他借貸 – 無抵押	12% – 24%	12% – 24%
Corporate bonds	企業債券	5.0% – 7.0%	6.0% – 7.0%
Promissory note	承兌票據	8%	8%

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 34. CONVERTIBLE NOTES

The convertible notes recognised in the statement of financial position are calculated as follows:

		<b>Liability component</b>	<b>Derivates component</b>	<b>Equity component</b>	<b>Total</b>
		<b>負債部分</b>	<b>衍生部分</b>	<b>權益部分</b>	<b>總計</b>
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元
At 1 January 2015	於2015年1月1日	160,750	-	15,913	176,663
Issue of convertible notes during the year	年內發行之可換股票據	87,191	-	10,409	97,600
Amortisation of transaction costs (note 9(a))	交易成本之攤銷(附註9(a))	3,432	-	-	3,432
Imputed interest expense (note 9(a))	應歸利息支出(附註9(a))	40,888	-	-	40,888
Interest paid	已付利息	(7,011)	-	-	(7,011)
		<u>285,250</u>	<u>-</u>	<u>26,322</u>	<u>311,572</u>
At 31 December 2015	於2015年12月31日	285,250	-	26,322	311,572
Issue of convertible notes during the year	年內發行之可換股票據	1,058,564	277,746	-	1,336,310
Released upon expiry	於到期時撥回	(192,760)	-	(15,913)	(208,673)
Amortisation of transaction costs (note 9(a))	交易成本之攤銷(附註9(a))	8,539	-	-	8,539
Imputed interest expense (note 9(a))	應歸利息支出(附註9(a))	111,756	-	-	111,756
Interest paid	已付利息	(40,937)	-	-	(40,937)
Change in fair value	公平值變動	-	(52,089)	-	(52,089)
Exchange adjustment	匯兌調整	-	(720)	-	(720)
		<u>1,230,412</u>	<u>224,937</u>	<u>10,409</u>	<u>1,465,758</u>

#### Convertible note 1

The Company issued convertible note in an aggregate principal amount of HK\$275,000,000 with a 4% discount and a 2% coupon rate on 26 April 2013. The convertible note was denominated in Hong Kong dollars and will mature in three years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.167 per share. Imputed interest expense on the convertible note was charged at the rate of 18.67% calculated using the effective interest method. The convertible note was fully redeemed during the year.

### 34. 可換股票據

於財務狀況表確認之可換股票據計算如下：

#### 可換股票據(一)

本公司於2013年4月26日以4%折讓發行本金總額為275,000,000港元且票息率為2%之可換股票據。可換股票據以港元計值，自發行日期起計三年內到期。票據可依據持有人之選擇以每股0.167港元之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.67%計算。可換股票據已於年內悉數贖回。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 34. CONVERTIBLE NOTES (Continued)

#### Convertible note 2

The Company issued convertible note in an aggregate principal amount of HK\$100,000,000 with a 8% coupon rate on 19 June 2015. The convertible note was denominated in Hong Kong dollars and will mature in two years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.207 per share. Imputed interest expense on the convertible note was charged at the rate of 18.96% calculated using the effective interest method.

#### Convertible note 3

The Company issued convertible note in an aggregate principal amount of HK\$200,000,000 with a 8% coupon rate on 1 February 2016. The convertible note was denominated in Hong Kong dollars and will mature in two years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.207 per share. Imputed interest expense on the convertible note was charged at the rate of 18.96% calculated using the effective interest method.

The share conversion option element of the convertible note was treated as a derivative liability with subsequent changes in fair value recognised in profit or loss. The fair values at the date of issuance and as at 31 December 2016, were assessed by an independent valuer, was calculated using the binomial options pricing model. Key input assumptions were set out in note 52(b)(ii). As at 31 December 2016, there was change in the fair value of derivative liability compared to the issuance date that recognised in profit or loss during the year (note 8).

The convertible note is personally guaranteed by two directors of the Company, Dr Dai Xiaobing and Mr King Hap Lee, to the bondholder.

### 34. 可換股票據 (續)

#### 可換股票據 (二)

本公司於2015年6月19日發行本金總額為100,000,000港元且票息率為8%之可換股票據。可換股票據以港元計值，自發行日期起計兩年內到期。票據可依據持有人之選擇以每股0.207港元之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.96%計算。

#### 可換股票據 (三)

本公司於2016年2月1日發行本金總額為200,000,000港元且票息率為8%之可換股票據。可換股票據以港元計值，自發行日期起計兩年內到期。票據可依據持有人之選擇以每股0.207港元之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.96%計算。

可換股票據中的換股選擇權元素視作衍生負債處理，其後公平值如有變動則在損益確認。於發行日期及2016年12月31日之公平值由獨立估值師進行評估，乃使用二項式期權定價模型計算。主要輸入數據假設載於附註52(b)(ii)。於2016年12月31日，衍生負債之公平值較發行日期(已於年內損益確認)有所變動(附註8)。

可換股票據由公司之兩位董事，戴小兵博士及景哈利先生，向債券持有人提供擔保。

### 34. CONVERTIBLE NOTES (Continued)

#### Convertible note 4

The Company issued convertible note in an aggregate principal amount of HK\$160,000,000 with a 8% coupon rate on 26 May 2016. The convertible note was denominated in Hong Kong dollars and will mature in two years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.207 per share. Imputed interest expense on the convertible note was charged at the rate of 18.96% calculated using the effective interest method.

The convertible note is personally guaranteed by two directors of the Company, Dr Dai Xiaobing and Mr King Hap Lee, to the bondholder.

The share conversion option element of the convertible note was treated as a derivative liability with subsequent changes in fair value recognised in profit or loss. The fair values at the date of issuance and as at 31 December 2016, were assessed by an independent valuer, was calculated using the binomial options pricing model. Key input assumptions were set out in note 52(b)(ii). As at 31 December 2016, there was change in the fair value of derivative liability compared to the issuance date that recognised in profit or loss during the year (note 8).

### 34. 可換股票據(續)

#### 可換股票據(四)

本公司於2016年5月26日發行本金總額為160,000,000港元且票息率為8%之可換股票據。可換股票據以港元計值，自發行日期起計兩年內到期。票據可依據持有人之選擇以每股0.207港元之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.96%計算。

可換股票據由公司之兩位董事，戴小兵博士及景哈利先生，向債券持有人提供擔保。

可換股票據中的換股選擇權元素視作衍生負債處理，其後公平值如有變動則在損益確認。於發行日期及2016年12月31日之公平值由獨立估值師進行評估，乃使用二項式期權定價模型計算。主要輸入數據假設載於附註52(b)(ii)。於2016年12月31日，衍生負債之公平值較發行日期(已於年內損益確認)有所變動(附註8)。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 34. CONVERTIBLE NOTES (Continued)

#### Convertible note 5

The Company issued convertible note in an aggregate principal amount of US\$130,000,000 with a 8% coupon rate on 29 September 2016. The convertible note was denominated in US dollars and will mature in three years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.207 per share. Imputed interest expense on the convertible note was charged at the rate of 22.852% calculated using the effective interest method.

The convertible note is secured by the issued shares of two subsidiaries of the Company, Power Great Limited and Orion Energy International Inc. by way of first fixed legal charge to the bondholder as continuing security.

The share conversion option element of the convertible note was treated as a derivative liability with subsequent changes in fair value recognised in profit or loss. The fair values at the date of issuance and as at 31 December 2016, were assessed by an independent valuer, was calculated using the binomial options pricing model. Key input assumptions were set out in note 52(b)(ii). As at 31 December 2016, there was change in the fair value of derivative liability compared to the issuance date that recognised in profit or loss during the year (note 8).

### 34. 可換股票據(續)

#### 可換股票據(五)

本公司於2016年9月29日發行本金總額為130,000,000美元且票息率為8%之可換股票據。可換股票據以美元計值，自發行日期起計三年內到期。票據可依據持有人之選擇以每股0.207港元之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率22.852%計算。

可換股票據以公司之兩家附屬公司，威遠有限公司和奧瑞安能源國際有限公司，之已發行股份，透過第一固定法定押記之方式向債券持有人作持續抵押。

可換股票據中的換股選擇權元素視作衍生負債處理，其後公平值如有變動則在損益確認。於發行日期及2016年12月31日之公平值由獨立估值師進行評估，乃使用二項式期權定價模型計算。主要輸入數據假設載於附註52(b)(ii)。於2016年12月31日，衍生負債之公平值較發行日期(已於年內損益確認)有所變動(附註8)。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 35. DEFERRED TAX

Details of the deferred tax assets and (liabilities) recognised and movements during the year were as follows:

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Intangible assets 無形資產 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2015	於2015年1月1日	(30,556)	(6,520)	30,599	(6,477)
Arising from acquisitions during the year (note 43)	年內收購產生 (附註43)	-	(18,514)	-	(18,514)
Credited/(charged) to profit or loss (note 10)	計入/(扣除)損益賬 (附註10)	20,578	6,440	(29,970)	(2,952)
Exchange adjustments	匯兌調整	691	80	(383)	388
At 31 December 2015	於2015年12月31日	(9,287)	(18,514)	246	(27,555)
Disposal of subsidiaries during the year (note 42)	年內出售附屬公司 (附註42)	9,077	2,403	(240)	11,240
Credited to profit or loss (note 11)	計入損益賬(附註11)	-	1,732	-	1,732
Exchange adjustments	匯兌調整	210	1,684	(6)	1,888
At 31 December 2016	於2016年12月31日	-	(12,695)	-	(12,695)

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 net amounts determined after appropriate offsetting, are shown on the consolidated statement of financial position.

遞延稅項資產及負債在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淨值。

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Deferred tax liabilities	遞延稅項負債	(12,695)	(27,801)
Deferred tax assets	遞延稅項資產	-	246
		<b>(12,695)</b>	<b>(27,555)</b>

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 35. DEFERRED TAX (Continued)

Pursuant to the PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises in the PRC. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. As at 31 December 2016 and 2015, no deferred tax has been recognised for withholding taxes, as there is no distributable profit for the Group's subsidiary established in the PRC.

### 36. 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\$30,000 (2015: HK\$30,000) 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 21% to 30% (2015: 21% to 30%) 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.

### 35. 遞延稅項 (續)

根據中國稅法，於中國之外資企業向境外投資者宣派股息會被徵收10%預扣稅。倘中國與境外投資者之司法權區訂有稅務條約，則可能應用較低之預扣稅率。於2016年及2015年12月31日，並無就預扣稅確認遞延稅項，原因是本集團於中國成立之附屬公司並無可供分派之溢利。

### 36. 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立強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理之界定供款退休計劃。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30,000港元（2015年：30,000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界定供款退休福利計劃（「該等計劃」）。據此，本集團須按合資格僱員的薪金向該等計劃作出介乎21%至30%（2015年：21%至30%）的供款。當地政府機關須對應付退休僱員之全部退休金負責。該等責任乃根據基本薪金之某個百分比計算。

### 37. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company operates a share option scheme which was adopted on 28 May 2010 (“Scheme”) for a period of ten years commencing from 28 May 2010 whereby the directors of the Company are 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 are determined by the Board at the time of grant. The exercisable period of an option is not to exceed a period of ten years commencing the date the share options be granted. The options give the holder the right to subscribe for ordinary shares in the Company. A nominal consideration of HK\$1 is payable by the grantee upon acceptance of an option. Options would be forfeited should the employee leave the Group. All the existing share options were granted under the Scheme.

### 37. 股本結算以股份付款之交易

本公司於2010年5月28日採納一項購股權計劃（「計劃」），自2010年5月28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購股權授出日期起計10年。購股權賦予持有人權利認購本公司普通股。承授人於接納購股權時，須支付象徵式代價1港元。倘僱員離開本集團，則將沒收有關購股權。現有之所有購股權乃根據計劃授出。





# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 37. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) The terms and conditions of the share options that existed during the year ended 31 December 2016 were as follows and all options are settled by physical delivery of shares:

Date of grant 授出日期	Vesting condition 歸屬條件	Exercise period 行使期限	Contractual exercise price 合約行使價	Number of options 購股權數目 '000 千份	Contractual life of options 購股權合約年期
<b>Options granted to directors:</b> 授予董事之購股權：					
- on 6 December 2011 - 於2011年12月6日	Immediately 即時	6 December 2011 to 5 December 2021 2011年12月6日至2021年12月5日	HK\$0.276港元	117,000	10 years年
- on 23 November 2015 - 於2015年11月23日	Immediately 即時	23 November 2015 to 22 November 2018 2015年11月23日至2018年11月22日	HK\$0.222港元	179,000	3 years年
<b>Option granted to employees:</b> 授予僱員之購股權：					
- on 6 December 2011 - 於2011年12月6日	Immediately 即時	6 December 2011 to 5 December 2021 2011年12月6日至2021年12月5日	HK\$0.276港元	304,000	10 years年
- on 23 November 2015 - 於2015年11月23日	Immediately 即時	23 November 2015 to 22 November 2018 2015年11月23日至2018年11月22日	HK\$0.222港元	879,000	3 years年
<b>Total share options</b> 購股權總數				<u>1,479,000</u>	

### 37. 股本結算以股份付款之交易 (續)

(a) 以下為截至2016年12月31日止年度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

As at 31 December 2016 於2016年12月31日

### 37. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(b) The number and weighted exercise prices of share options are as follows:

### 37. 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：

		2016		2015	
		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\$	'000	HK\$	'000
		港元	千份	港元	千份
Outstanding at beginning of the year	於年初尚未行使	0.238	1,496,000	0.276	455,700
Granted during the year	年內授予	-	-	0.222	1,058,000
Lapsed during the year	年內失效	0.276	(17,000)	0.276	(17,700)
Outstanding at the end of the year	於年末尚未行使	0.238	1,479,000	0.238	1,496,000
Exercisable at the end of the year	於年末可予行使	0.238	1,479,000	0.238	1,496,000

The options outstanding at 31 December 2016 had exercise prices of HK\$0.238 (2015: HK\$0.238) and a weighted average remaining contractual life of 2.79 years (2015: 3.79 years).

於2016年12月31日，尚未行使購股權之行使價為0.238港元（2015年：0.238港元），而加權平均餘下合約年期為2.79年（2015年：3.79年）。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 37. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

#### (c) Fair value of share options and assumption

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 share options is measured based on binomial lattice option pricing model. Lives of the options are incorporated into the model.

### 37. 股本結算以股份付款之交易 (續)

#### (c) 購股權之公平值及假設

所授出之購股權作為回報所接收服務之公平值參考所授出購股權之公平值計量。購股權之公平值估計根據二項式點陣期權定價模式計量。購股權年期納入模式。

#### Options granted on 23 November 2015 於2015年11月23日 授出之購股權

Grant date share price	授出日期股價	HK\$0.222港元
Exercise price	行使價	HK\$0.222港元
Expected life	預期年期	3 years年
Expected volatility	預期波幅	50.30%
Expected dividend yield (%)	預期股息收益率(%)	0%
Risk-free interest rate (%)	無風險利率(%)	0.733%

The expected volatility was 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 were based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognised total expenses of HK\$77,518,000 in respect of the equity-settled share-based payment transactions in 2015 (note 9(b)).

預期波幅根據歷史波幅(參考購股權加權平均餘下年期)調整任何預期變動至未來波幅(參考公開資料)。預期股息根據歷史股息釐定。主觀輸入數據假設變動可能對公平值估計產生重大影響。

於2015年，本集團就股本結算以股份付款之交易確認支出總額77,518,000港元(附註9(b))。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 38. CAPITAL AND RESERVES

#### (a) Share capital

(i) Authorised and issued share capital

### 38. 資本及儲備

#### (a) 股本

(i) 法定及已發行股本

		2016		2015	
		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>	25,000,000	250,000
Increase in authorised shares (15,000,000,000 ordinary shares@HK\$0.01 each)	法定股份增加 (15,000,000,000股每股 面值0.01港元之普通股)	<b>15,000,000</b>	<b>150,000</b>	—	—
As at 31 December	於12月31日	<b>40,000,000</b>	<b>400,000</b>	25,000,000	250,000
<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	<b>17,603,601</b>	<b>176,036</b>	17,953,931	179,539
At beginning of the year	於年初	<b>(509,945)</b>	<b>(5,099)</b>	(350,330)	(3,503)
Share repurchased (ii)	股份購回(ii)				
At end of the year	於年末	<b>17,093,656</b>	<b>170,937</b>	17,603,601	176,036

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.

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

As at 31 December 2016 於2016年12月31日

### 38. CAPITAL AND RESERVES (Continued)

#### (a) Share capital (Continued)

##### (ii) Repurchase of shares

The company repurchased a total of 509,945,000 shares (2015: 350,330,000 shares) of the Company at an aggregate consideration of approximately HK\$94,390,000 (2015: HK\$64,357,000) of which HK\$5,099,000 (2015: HK\$3,503,000) was debited to share capital and balances of HK\$89,291,000 (2015: HK\$60,854,000) was debited to the share premium account. Out of 509,945,000 shares (2015: 350,330,000 shares) repurchased, 487,750,000 shares (2015: 350,330,000 shares) were cancelled during the year while the remaining 22,195,000 shares (2015: nil shares) were cancelled on 26 January 2017.

##### (iii) Lapse of vested share options

In 2016, 17,000,000 share options lapsed (2015: 17,700,000).

### 38. 資本及儲備(續)

#### (a) 股本(續)

##### (ii) 股份購回

本公司購回本公司總代價約94,390,000港元(2015年: 64,357,000港元)之股份共509,945,000股(2015年: 350,330,000股),其中5,099,000港元(2015年: 3,503,000港元)計入股本,餘額89,291,000港元(2015年: 60,854,000港元)計入股份溢價賬。509,945,000股購回股份(2015年: 350,330,000股)中,487,750,000股(2015年: 350,330,000股)已於年內註銷,而餘下的22,195,000股(2015年: 零股)則於2017年1月26日註銷。

##### (iii) 已歸屬認股權證之失效

於2016年,17,000,000份(2015年: 17,700,000份)購股權已失效。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 38. CAPITAL AND RESERVES (Continued)

#### (b) The Company

		Share capital	Share premium	Contributed surplus	Share option reserve	Available-for-sale investment reserve	Convertible note equity reserve	Accumulated losses	Total
	Notes	股本	股份溢價	繳納盈餘	購股權儲備	金融資產儲備	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 2015	於2015年1月1日	179,539	4,362,863	81,043	35,785	-	15,913	(880,350)	3,794,793
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	-	-	-	-	(443,862)	(443,862)
Issue of convertible notes	發行可換股票據 34	-	-	-	-	-	10,409	-	10,409
Issue of share options	發行購股權 37	-	-	-	77,518	-	-	-	77,518
Release upon lapse of share options	於購股權失效時撥回 38(a)(ii)	-	-	-	(1,509)	-	-	1,509	-
Repurchase of shares	股份購回 38(a)(i)	(3,503)	(60,854)	-	-	-	-	-	(64,357)
At 31 December 2015	於2015年12月31日	176,036	4,302,009	81,043	111,794	-	26,322	(1,322,703)	3,374,501
Loss for the year	本年度虧損	-	-	-	-	-	-	(313,686)	(313,686)
Other comprehensive income	其他全面收益	-	-	-	-	(260)	-	-	(260)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(260)	-	(313,686)	(313,946)
Released upon expiry of convertible notes	於可換股票據到期時撥回 34	-	-	-	-	-	(15,913)	15,913	-
Release upon lapse of share options	於購股權失效時撥回 38(a)(ii)	-	-	-	(1,450)	-	-	1,450	-
Repurchase of shares	股份購回 38(a)(i)	(5,099)	(89,291)	-	-	-	-	-	(94,390)
At 31 December 2016	於2016年12月31日	170,937	4,212,718	81,043	110,344	(260)	10,409	(1,619,026)	2,966,165

#### (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 equity holders as fully paid bonus shares or to provide the premiums on repurchase of own shares.

#### (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溢價。股份溢價不可分派但可用作繳清本公司將作為繳足紅股向權益持有人發行之未發行股份或為購回本身股份提供溢價。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 38. CAPITAL AND RESERVES (Continued)

#### (c) Nature and purpose of reserves (Continued)

##### (ii) Contributed surplus

Contributed surplus arose when the Company issues shares in exchange for the shares of subsidiaries being acquired, and represented 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 (as amended), contributed surplus is available for distribution to equity holders. 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(r).

##### (iv) Available-for-sale investment reserve

Gains/losses arising on recognising financial assets classified as available-for-sale investment reserve at fair value.

##### (v) Convertible notes equity reserve

The reserve represents the equity component (i.e. option to convert the notes into shares) of the convertible notes issued by the Company.

### 38. 資本及儲備(續)

#### (c) 儲備性質及用途(續)

##### (ii) 繳納盈餘

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與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1981年公司法(經修訂)，繳納盈餘可供分派予權益持有人。然而，倘發生下列情況，本公司不可自繳納盈餘宣派或派付股息或作出分派：

- 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

購股權儲備為本公司已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(r)就以股份支付之款項所採納會計政策確認入賬。

##### (iv) 可供出售金融資產儲備

確認按公平值分類為可供出售金融資產儲備之財務資產會產生收益／虧損。

##### (v) 可換股票據權益儲備

儲備代表本公司發行之可換股票據之權益部分(即將票據轉換為股份之選擇權)。

### 38. 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 were dealt with in accordance with the accounting policy as set out in note 4(p).

##### (vii) Accumulated losses

Cumulative net gains and losses recognised in profit or loss.

#### (d) Distribution of reserves

At 31 December 2016, the Company had no reserves available for cash distribution and/or distribution in specie. Under the Bermuda Companies Act 1981, the Company's contributed surplus in the amount of HK\$81,043,000 (2015: HK\$81,043,000) is currently not available for distribution. The Company's share premium account in the amount of HK\$4,212,718,000 as at 31 December 2016 (2015: HK\$4,302,009,000) may be distributed in the form of fully paid bonus shares.

### 38. 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(p)所載之會計政策處理。

##### (vii) 累計虧損

累計淨收益及虧損於損益確認。

#### (d) 分派儲備

於2016年12月31日，本公司概無儲備可供現金分派及／或實物分派。根據百慕達1981年公司法，本公司之繳納盈餘81,043,000港元（2015年：81,043,000港元）現不可分派。於2016年12月31日，本公司之股份溢價賬為4,212,718,000港元（2015年：4,302,009,000港元），可以繳足紅股方式分派。





# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 39. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

### 39. 本公司於2016年12月31日之財務狀況表

	Notes 附註	2016		2015	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<b>Non-current assets</b>					
Interests in subsidiaries	40		4,678,417		3,888,749
Available-for-sale investment			4,592		-
Total non-current assets			4,683,009		3,888,749
<b>Current assets</b>					
Other receivables, deposits and prepayments			31,549	2,559	
Cash and cash equivalents			48,383	5,555	
Total current assets			79,932	8,114	
<b>Total assets</b>			4,762,941		3,896,863
<b>Current liabilities</b>					
Other payables and accruals			(19,318)	(17,641)	
Convertible notes			(105,112)	(192,029)	
Financial liabilities at fair value through profit or loss			(224,937)	-	
			(349,367)	(209,670)	
<b>Net current liabilities</b>			(269,435)		(201,556)
<b>Total assets less current liabilities</b>			4,413,574		3,687,193
<b>Non-current liabilities</b>					
Borrowings			(322,109)	(219,471)	
Convertible notes			(1,125,300)	(93,221)	
Total non-current liabilities			(1,447,409)		(312,692)
<b>NET ASSETS</b>			2,966,165		3,374,501
<b>Capital and reserves attributable to owners of the Company</b>					
Share capital	38(a)		170,937		176,036
Reserves	38(b)		2,795,228		3,198,465
<b>TOTAL EQUITY</b>			2,966,165		3,374,501

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 40. INTERESTS IN SUBSIDIARIES

Details of principal subsidiaries as at 31 December 2016 are listed below. The class of shares held is ordinary unless stated otherwise.

### 40. 於附屬公司之權益

於2016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。

Name of company 公司名稱	Notes 附註	Place of incorporation/ operation 註冊成立/經營地點	Particular 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 activity 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	
Wiseley Investments Limited 偉利投資有限公司		The BVI 英屬維爾京群島	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
Easy Sino Investments Limited 慧領投資有限公司		Hong Kong 香港	1 ordinary share of HK\$1 1股面值1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
Chuang Xin Management Services Limited 創新管理服務有限公司		Hong Kong 香港	2 ordinary shares of HK\$2 2股面值2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
Grand Rise Development Limited 浩晉發展有限公司		Hong Kong 香港	100 ordinary shares of HK\$100 100股面值100港元之普通股	100%	100%	-	Investment holding 投資控股
Power Great Limited 威遠有限公司		The Cayman Islands 開曼群島	1 ordinary share of US\$1.00 each 1股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Superb China Limited 秀華有限公司		The BVI 英屬維爾京群島	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
Bi Tuo Yuan Technology (Shenzhen) Co., Ltd 鉅拓源科技(深圳)有限公司	i	The PRC 中國	Registered capital RMB500,000 註冊資本人民幣500,000元	100%	-	100%	Inactive 無業務
Orion Energy International Inc. ("OEI") 奧瑞安能源國際有限公司(「奧瑞安」)		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 勘探、開發和生產煤層氣

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 40. INTERESTS IN SUBSIDIARIES (Continued)

### 40. 於附屬公司之權益(續)

Name of company 公司名稱	Notes 附註	Place of incorporation/ operation 註冊成立/經營地點	Particular 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 activity 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	
Xian Hong Chang Co., Inc. 西安鴻昌石油開發服務有限公司	i	The PRC 中國	Registered capital RMB51,700,000 註冊資本人民幣51,700,000元	100%	-	100%	Inactive 無業務
Pipeline International Limited 國際管網有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股面值1.00港元之普通股	100%	-	100%	Investment holding 投資控股
Metro Standard Limited 衡城有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股面值1.00港元之普通股	100%	-	100%	Investment holding 投資控股
Ultraway International Limited 超揚國際有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股面值1.00港元之普通股	100%	100%	-	Investment holding 投資控股
SOG Energy Inc.		Canada 加拿大	1 ordinary share of CAD1.00 each 1股每股面值1.00加元之 普通股	100%	-	100%	Participation in oil and gas projects 參與油氣項目
Sino Executive Limited		The BVI 英屬維爾京群島	100 ordinary share of US\$1.00 100股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Total Orient Global Limited		The BVI 英屬維爾京群島	100 ordinary share of US\$1.00 100股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Abundant Discovery Limited 溢發有限公司		The BVI 英屬維爾京群島	100 ordinary share of US\$1.00 each 100股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Golden Glow Holdings Limited		The BVI 英屬維爾京群島	100 ordinary shares of USD1.00 each 100股面值1.00美元之 普通股	75%	-	75%	Investment holding 投資控股

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 40. INTERESTS IN SUBSIDIARIES (Continued)

### 40. 於附屬公司之權益(續)

Name of company 公司名稱	Notes 附註	Place of incorporation/ operation 註冊成立/經營地點	Particular 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 activity 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	
安澤縣佳潤鑫成煤業有限公司("安澤縣 佳潤鑫成")		The PRC 中國	Registered capital RMB50,000,000 註冊資本人民幣50,000,000元	75%	-	75%	Raw coal washing and sales of raw and cleaned coal 原煤洗選及銷售原煤及精煤
Soperton Limited		The Cayman Islands 開曼群島	1 ordinary share of US\$1.00 each 1股面值1.00美元之 普通股	100%	100%	-	Investment holding 投資控股
SOG Capital Limited 兆銀資本有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股面值1.00港元之普通股	100%	100%	-	Investment holding 投資控股
陝西兆銀融資租賃有限公司	i, ii	The PRC 中國	Registered capital RMB300,000,000 註冊資本人民幣300,000,000元	100%	-	100%	Finance leasing 融資租賃

Notes:

- i Registered under the laws of the PRC as a wholly-owned foreign enterprise
- ii Registered in 2016

None of the subsidiaries had issued any debt securities at the end of the year.

附註：

- i 根據中國法律登記為外資獨資企業
- ii 於2016年註冊

於年末，概無附屬公司發行任何債務證券。

### 41. NON-CONTROLLING INTERESTS

Golden Glow Holdings Limited and its subsidiaries (collectively as "Golden Glow Group"), 25% owned subsidiaries of the Company, has material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the group are considered to be immaterial.

### 41. 非控股權益

本公司擁有25%權益之附屬公司Golden Glow Holdings Limited及其附屬公司(統稱「Golden Glow集團」)擁有重大非控股權益。本集團並非100%擁有所有其他附屬公司之非控股權益被視為並不重大。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 41. NON-CONTROLLING INTERESTS (Continued)

Summarised financial information in relation to the Golden Glow Group, before intra-group eliminations, is presented below:

### 41. 非控股權益 (續)

有關Golden Glow集團(於集團內部抵銷前)之財務資料概要呈列如下:

		<b>From 1 January 2016 to 31 December 2016 由2016年 1月1日至 2016年 12月31日 HK\$'000 千港元</b>	From date of acquisition to 31 December 2015 由收購日期 至2015年 12月31日 HK\$'000 千港元
<b>For the year/period ended 31 December</b>	<b>截至12月31日止年度/期間</b>		
Revenue	收入	<b>273,223</b>	47,868
Profit for the year/period	年/期內溢利	<b>11,667</b>	3,237
Total comprehensive income	全面收入總額	<b>9,270</b>	3,129
Profit allocated to NCI	分配至非控股權益之溢利	<b>2,917</b>	810
<b>For the year/period ended 31 December</b>	<b>截至12月31日止年度/期間</b>		
Cash flows used in operating activities	經營業務所用之現金流量	<b>(118,972)</b>	(3,237)
Cash flows (used in)/from investing activities	投資活動(所用)/所得之 現金流量	<b>(382)</b>	108
Cash flows from/(used in) financing activities	融資活動所得/(所用)之 現金流量	<b>119,274</b>	(3,129)
Net cash outflows	現金流出淨額	<b>(80)</b>	(6,258)

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 41. NON-CONTROLLING INTERESTS (Continued)

### 41. 非控股權益 (續)

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>As at 31 December</b>	<b>於12月31日</b>		
Current assets	流動資產	<b>182,435</b>	27,099
Non-current assets	非流動資產	<b>82,347</b>	74,215
Current liabilities	流動負債	<b>(189,082)</b>	(24,130)
Non-current liabilities	非流動負債	<b>(13,652)</b>	(18,514)
Net assets	資產淨值	<b>62,048</b>	58,670
Accumulated non-controlling interests	累計非控股權益	<b>15,512</b>	14,668

### 42. DISPOSAL OF SUBSIDIARIES

On 1 September 2016, the Group disposed Key Wisdom Group that engaged in the exploration and sale of crude oil and natural gas. The net assets of Key Wisdom Group as at the completion date were as follows:

### 42. 出售附屬公司

於2016年9月1日，本集團出售從事開採及銷售原油和天然氣業務之堅俊集團。堅俊集團於完成日期之資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	15,634
Intangible assets	無形資產	12,837
Trade and other receivables	應收賬款及其他應收賬款	6,865
Cash and cash equivalents	現金及現金等價物	1,846
Trade and other payables	應付賬款及其他應付款項	(8,589)
Deferred tax liabilities	遞延稅項負債	(11,240)
Net assets disposed of	出售之資產淨值	17,353
Gain on disposal of subsidiaries included in profit for the year from discontinued operations in the consolidated statement of comprehensive income (note 10)	計入綜合全面收益表內本年度已終止經營業務之溢利之出售附屬公司收益(附註10)	11,647
Total consideration	總代價	29,000

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 42. DISPOSAL OF SUBSIDIARIES (Continued)

### 42. 出售附屬公司(續)

		HK\$'000 千港元
Satisfied by:	支付：	
Cash paid	已付現金	1,450
Consideration receivables (note 28(ii))	應收現金代價(附註28(ii))	27,550
		<u>29,000</u>
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash consideration received	已收現金代價	1,450
Cash and cash equivalents disposed of	出售之現金及現金等價物	(1,846)
		<u>(396)</u>

### 43. ACQUISITION OF SUBSIDIARIES

During the year ended 31 December 2015, the Group has acquired 75% equity interest of Golden Glow Group at consideration of RMB135,000,000 (equivalent to HK\$168,656,000). The principal activity is raw coal washing and sale of raw and cleaned coal. The fair value of assets acquired and liabilities assumed at the date of acquisition are as follows:

### 43. 收購附屬公司

於2015年12月31日止年度內，本集團收購Golden Glow集團75%之權益，作價為人民幣135,000,000元(相等於168,656,000港元)，其主要業務為原煤洗選及銷售原煤及精煤。於收購日所得資產及負債淨值之公平值如下：

		HK\$'000 千港元	HK\$'000 千港元
Intangible assets (note (i))	無形資產(附註(i))	74,054	
Deferred tax liabilities	遞延稅項負債	(18,514)	
Non-controlling interests	非控股權益	(13,885)	
			<u>41,655</u>
Total consideration satisfied by:	總代價支付：		
Cash	現金	62,466	
Promissory note (note (ii))	承兌票據(附註(ii))	106,190	
Fair value of contingent consideration (note (iii))	或有代價之公平值(附註(iii))	(22,417)	
			<u>146,239</u>
Goodwill	商譽		<u>104,584</u>
Net cash outflow arising on acquisition:	收購產生之現金流出淨額：		
Cash consideration paid	已付現金代價		<u>62,466</u>

### 43. ACQUISITION OF SUBSIDIARIES (Continued)

Notes:

- (i) Golden Glow Group has a 10-year guaranteed favourable supply agreement (“the Agreement”) with adjacent coal mines. Intangible assets represent the fair value of the Agreement.
- (ii) The promissory note of HK\$106,190,000 (equivalent to RMB85,000,000) is unsecured, 8% per annum interest bearing and will mature in three years from the date of issue of the promissory note on 15 May 2015. The promissory note was fully settled in February 2016.
- (iii) The vendor irrevocably guaranteed the Group that from 1 July 2015 until 30 June 2021, six years in total (“guaranteed period”), the total net profit after income tax expense attributable to Golden Glow Group per annum should not be less than RMB30,000,000 (“the Guaranteed Profit”). The guaranteed period was changed from 1 October 2015 to 30 September 2021 subsequently. Contingent consideration represented amount to be received by the Group if the Golden Glow Group fails to meet the Guaranteed Profit.

At the acquisition date, the fair value of the contingent consideration arrangement was estimated by applying the income approach at a discount rate of 20.63% and an estimated profit in 安澤縣佳潤鑫成 for the six-year period from RMB2,695,000 to RMB37,951,000. As at 31 December 2015, there was no change in the fair value of contingent consideration compared to the acquisition date.

The goodwill arising on the acquisition is attributable to the anticipated profitability generated from the synergy, revenue growth and future market development in the coal wash industry, which the Group intends to develop.

### 43. 收購附屬公司 (續)

附註：

- (i) Golden Glow集團擁有10年年期之相鄰煤礦擔保優惠供應協議（「協議」）。無形資產為該協議的公平值。
- (ii) 於2015年5月15日，106,190,000港元（相等於人民幣85,000,000元）之承兌票據乃無抵押，年利率8%計息，並將自承兌票據發行日期起三年內到期。該承兌票據已於2016年2月悉數償還。
- (iii) 賣方不可撤回地向本集團擔保由2015年7月1日起至2021年6月30日止之6年內（「保證期」），每年Golden Glow集團應佔之除所得稅支出後總純利應不少於人民幣30,000,000元（「保證利潤」）。保證期及後更改為由2015年10月1日至2021年9月30日。若Golden Glow集團未能達到保證利潤，則須向本集團繳付或然代價。

於收購日期，或有代價安排之公平值採用收入法按折現率20.63%及於安澤縣佳潤鑫成之六年期估計溢利預期為人民幣2,695,000元至人民幣37,951,000元。於2015年12月31日，或有代價之公平值較收購日期概無變動。

收購所產生之商譽歸因於協同效應所產生之預期盈利能力、本集團擬開發洗煤業之收入增長及未來市場發展。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 43. ACQUISITION OF SUBSIDIARIES (Continued)

Since its acquisition, Golden Glow Group contributed revenue of HK\$47,868,000 and net profit before income tax expense of HK\$3,237,000 to the Group for the period from 23 April 2015 to 31 December 2015. If the acquisition had occurred on 1 January 2015, the revenue and profit before tax expense of the Group for the year ended 31 December 2015 would have been HK\$47,868,000 and HK\$3,236,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor intended to be a projection of future performance.

The acquisition-related costs of HK\$193,000 have been expensed and are included in the administrative expenses.

The Group has engaged an independent valuer, to assess the fair value of the assets and liabilities and the contingent consideration at the acquisition date.

The Group has elected to measure the non-controlling interests in the Golden Glow Group at the proportionate share of the acquiree's identifiable net assets.

### 44. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS

As at 31 December 2016, the Group has one (2015: two) production sharing arrangement and no (2015: two) development contract in respect of the development and production and development of coalbed methane, crude oil and natural gas in the PRC.

### 43. 收購附屬公司(續)

因Golden Glow集團之收購，其自2015年4月23日至2015年12月31日向本集團貢獻收入47,868,000港元及除所得稅支出前淨利潤3,237,000港元。倘收購於2015年1月1日發生，則本集團截至2015年12月31日止年度之收入及除稅項支出前利潤將分別為47,868,000港元及3,236,000港元。此備考資料僅為說明用途，並非本集團於2015年1月1日完成收購實際錄得之收入及營運業績之指標，亦不擬為對未來業績之預測。

收購相關成本193,000港元列作支出，並計入行政費用。

本集團已委任一名獨立估值師，以評估收購日期資產及負債及或有代價之公平值。

本集團已選擇被收購方之可識別資產淨值應佔比例計量Golden Glow集團之非控股權益。

### 44. 產品分成合同及開發合同

於2016年12月31日，本集團在中國有一項(2015年：兩項)與煤層氣、原油及天然氣開發及生產有關之產品分成安排而並無(2015年：兩項)開發合同。

### 44. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

- (i) On 28 March 2006, OEI (which the Group acquired on 15 November 2010) entered into the Sanjiao CBM Project 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 383 square kilometers subject to reduction in accordance with the Sanjiao CBM Project located in the Erdos Basin of Shanxi and Shaanxi Provinces in the PRC (the “Contract Area”).

Pursuant to the Sanjiao CBM Project, 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 CBM Project 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 interest and associated obligations with respect to certain gas fields, including the areas covered by the Sanjiao CBM Project, to PetroChina. The transfer was approved by the State-owned Assets Supervision and Administration Commission of the State Council. PetroChina joined the Joint Management Committee of the Sanjiao CBM Project.

Under the Sanjiao CBM Project, the development of the Contract Area is divided into the exploration phase development 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.

### 44. 產品分成合同及開發合同(續)

- (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)與中聯煤層氣有限責任公司(「中聯煤層氣」)(「中方夥伴」)訂立一份三交煤層氣項目，有關按照位於中國山西省及陝西省之鄂爾多斯盆地(「合約地區」)之三交煤層氣項目勘探、開發、生產及銷售可能在約383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。

根據三交煤層氣項目，奧瑞安作為外方夥伴及營運商，提供必要之技術知識及委派稱職之專家以從合約地區勘探、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煤層氣項目要求成立聯合管理委員會(「聯管會」)及委任代表出任該委員會之成員。聯管會負責監督合約地區之營運。

於2009年4月，中聯煤層氣把其於若干油氣田(包括有關三交煤層氣項目所覆蓋之區域)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。中石油已加入三交煤層氣項目之聯管會。

根據三交煤層氣項目，合約地區之開發分為勘探期、開發及生產期。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田之潛在商業價值。

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## 財務報表附註

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### 44. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(i) (Continued)

The exploration phase has an initial term of four years and expired on 1 July 2010. The PRC partner has extended the exploration period to 30 June 2012 in order to develop a larger production scale. Based on the supplementary agreement of the Sanjiao CBM Project dated 28 October 2010, the exploration period was extended to 6 years to 30 June 2012. The exploration period has been further extended to 30 June 2014 by way of a further supplementary agreement of the Sanjiao CBM Project dated on 6 July 2012. In December 2014, a further supplementary agreement of the Sanjiao CBM Project was signed, the exploration period has been further extended to 30 June 2016. All costs incurred in the exploration phase shall be borne by OEI.

On 20 November 2015, the Group received the official written notification from NEA for the approval of ODP and the project then enter into the development and production phase. On commencement of the development and production 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 interest in the coalbed methane field.

### 44. 產品分成合同及開發合同(續)

(i) (續)

勘探期初步為期四年，於2010年7月1日屆滿。中方夥伴已將勘探期延期至2012年6月30日，以擴大生產規模。根據日期為2010年10月28日之三交煤層氣項目補充協議，勘探期已延期為六年至2012年6月30日。根據日期為2012年7月6日之三交煤層氣項目之進一步補充協議，勘探期已進一步延期至2014年6月30日。於2014年12月，簽訂三交煤層氣項目之進一步補充協議，勘探期已進一步延期至2016年6月30日。勘探期產生之所有成本應由奧瑞安承擔。

於2015年11月20日，本集團接獲國家能源局官方書面通知(內容有關批准總體開發方案)，項目隨後進入開發及生產階段。當開發及生產期展開後，所有開發及經營成本將會由奧瑞安及中方夥伴各自按70%及30%之比例承擔，惟倘中方夥伴選擇不參與開採某一特定地點，則作別論。倘中方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發及經營成本。此外，中方夥伴在若干油氣井之參與亦可少於30%，而中方夥伴就此毋須承擔開採成本，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氣田之實際參與權益而作出調整。

### 44. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(i) (Continued)

The Sanjiao CBM Project 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 ODP, unless production is suspended or abandoned in accordance with the Sanjiao CBM Project or under special circumstances, the production period can be extended with the approval of the relevant PRC authority.

- (ii) 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 existed 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”) for a period up to 2025. Pursuant to the operation agreement, the Group was engaged as the operator to explore, develop and produce crude oil and natural gas from the oil field. The Group bore all 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 was jointly controlled by the Group and the PRC Party. At the same time, Kenwin Group based in Hong Kong, acquired the rights and obligations of the Jinzhuang PSC from the PRC Party. The Group signed a memorandum of understanding (“MOU”) with the owner of Kenwin Group and paid an interest free and refundable deposit of HK\$60,000,000 to the owner such that the Group had the option to acquire the entire equity interest of Kenwin Group.

### 44. 產品分成合同及開發合同 (續)

(i) (續)

三交煤層氣項目為期三十年，生產期由商業生產開始日期起至生產期到期日（根據總體開發方案所指定）止不可多於連續二十年，除非根據三交煤層氣項目暫停生產或放棄生產或因特別情況生產期在有關中國政府機關批准下續期。

- (ii) 於2010年5月，本集團與中國一名獨立第三方（「中方夥伴」）訂立營運協議以從2010年5月1日至2011年7月31日在位於中國陝西省之勘探區（「金莊油田」）進行原油及天然氣勘探、開發及生產。中方夥伴已與一家國營企業訂立金莊油田勘探、開發及生產原油及天然氣為期直至2025年之產品分成合同（「金莊產品分成合同」）。根據營運協議，本集團獲聘為營運商，以勘探、開發及生產油田之原油及天然氣。本集團承擔所有開發及營運成本及享有金莊油田之95%原油銷售收入及該油田全部天然氣銷售收入。金莊油田之營運乃由本集團及中方夥伴共同控制。與此同時，總部位於香港之Kenwin Group向中方夥伴收購金莊產品分成合同之權利及責任。本集團與Kenwin Group擁有人簽訂一項諒解備忘錄（「諒解備忘錄」），支付一筆免息及可退回之按金60,000,000港元予該擁有人，因此，本集團可選擇是否收購Kenwin Group之全數權益。

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## 財務報表附註

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### 44. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(ii) (Continued)

In June 2011, the Group and the PRC party agreed to extend the operation period to 31 October 2011. In November 2011, the Group acquired the Jinzhuang Oil Field by acquiring 100% equity interest in Kenwin Group.

In September 2016, the Group disposed the Jinzhuang Oil Field with detail in note 42.

- (iii) During 2009, the Group acquired through a transfer agreement and an assignment agreement the rights and obligations to participate in two oil exploitation projects for the exploitation, development and production of a number of oil wells, each for a period up to 2023. The oil wells of these projects are separately located in Liuluoyu, Shannxi Province, the PRC (the “Liuluoyu Oil Field”) and in Yanjiawan, Shannxi Province, the PRC (the “Yanjiawan Oil Field”). The Group also acquired, under the transfer agreement and assignment agreement, the business assets including oil and gas properties, the rights to use the on-site plant, machinery and facilities for the exploration, evaluation and development, and assumed the liabilities associated these oil fields.

As advised by the Company’s PRC legal advisers, 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 and Yanjiawan Oil Field. Since the Group has, in practice and substance, the power to govern the financial and operational policies over the operation of the oil fields, the Group incorporated the results of the oil production and the related assets and liabilities of these oil fields into its financial statements.

In September 2016, the Group disposed the Liuluoyu Oil Field and Yanjiawan Oil Field with detail in note 42.

### 44. 產品分成合同及開發合同 (續)

(ii) (續)

於2011年6月，本集團及中方夥伴同意將經營期限延期至2011年10月31日。2011年11月，本集團透過收購Kenwin Group 100%股權而收購金莊油田。

於2016年9月，本集團已出售金莊油田，詳情載於附註42。

- (iii) 於2009年內，本集團透過讓渡協議及轉讓協議，收購參與兩項石油開採項目之權利及責任，以開採、開發及生產多個油井，均為期至2023年。該等項目之油井分別位於中國陝西省柳洛峪（「柳洛峪油田」）及中國陝西省閻家灣（「閻家灣油田」）。本集團亦根據讓渡協議及轉讓協議收購業務資產（包括油氣資產）及就勘探、評估及開發使用廠房、器械及設施之權利，並承擔與該等油田有關之負債。

根據本公司之中國法律顧問之意見，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及閻家灣油田之原油開採及生產。由於本集團擁有實際權力監管該等油田營運之財務及營運政策，因此本集團已將該等油田之石油生產業績以及相關資產及負債合併列入其財務報表。

於2016年9月，本集團已出售柳洛峪油田及閻家灣油田，詳情載於附註42。

### 45. SIGNIFICANT NON-CASH TRANSACTIONS

- (a) During 2016, interest on borrowings of HK\$30,633,000. (2015: HK\$79,173,000) was capitalised as property, plant and equipment and oil and gas exploration and evaluation assets (2015: capitalised as oil and gas exploration and evaluation assets) (note 9(a)).
- (b) During 2016, provision for environmental restoration and decommissioning costs which increased by HK\$2,556,000 (2015: increased by HK\$1,187,000) was included in the property, plant and equipment (note 17).
- (c) During 2015, the oil and gas exploration and evaluation assets of HK\$4,006,613,000 (note 18) was transferred to property, plant and equipment of the HK\$1,739,798,000 (note 17), payment for leasehold land held for own use of HK\$4,997,000 (note 19), and intangible assets of HK\$2,261,818,000 (note 20).

### 46. 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, provisions and borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

### 45. 重大非現金交易

- (a) 於2016年內，借貸利息30,633,000港元（2015年：79,173,000港元）已資本化為物業、廠房及設備以及油氣勘探及評估資產（2015年：資本化為油氣勘探及評估資產）（附註9(a)）。
- (b) 於2016年內，環境修復和停止使用費撥備增加2,556,000港元（2015年：增加1,187,000港元）已計入物業、廠房及設備（附註17）內。
- (c) 於2015年內，4,006,613,000港元之油氣勘探及評估資產（附註18）轉撥為1,739,798,000港元之物業、廠房及設備（附註17）、4,997,000港元之自用租賃土地付款（附註19）及2,261,818,000港元之無形資產（附註20）。

### 46. 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之其他應付款項及預提費用、撥備及借貸）及本公司擁有人應佔權益（包括已發行股本及儲備）。

# Notes to the Financial Statements

## 財務報表附註

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### 46. CAPITAL MANAGEMENT (Continued)

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 payment of dividends, new share issue as well as the issue of new debts or repayment of existing debts. The net debts-to-equity ratios at 31 December 2016 and 2015 were as follows:

### 46. 資本管理(續)

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。於2016年及2015年12月31日之債務淨值對權益比率如下：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Total debts:	債務總額：		
Other payables and accruals	其他應付款項及預提費用	349,603	237,575
Borrowings	借貸	322,109	602,521
Provisions	撥備	4,810	2,409
Convertible notes	可換股票據	1,230,412	285,250
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債	224,937	—
		<b>2,131,871</b>	1,127,755
Less: Cash and cash equivalents	減：現金及現金等價物	<b>(251,530)</b>	(35,564)
Net debts	債務淨值	<b>1,880,341</b>	1,092,191
Equity	權益	<b>3,091,643</b>	3,503,305
Net debts-to-equity ratio	債務淨值對權益比率	<b>61%</b>	31%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

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。

### 47. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate, currency risks 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.

### 47. 財務風險管理

信貸、流動資金、利率、貨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。

### 47. FINANCIAL RISK MANAGEMENT (Continued)

#### (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. As at 31 December 2016, the Group has no significant concentration of credit risk. The Group had a significant concentration of credit risk as at 31 December 2015, which the entire trade receivables was from one customer and entire other receivables was from the Sanjiao CBM Project partner.

##### (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.

#### (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.

### 47. 財務風險管理(續)

#### (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賬款及銀行現金。

##### (i) 應收賬款及其他應收賬款

本集團之信貸風險主要來自應收賬款及其他應收賬款。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。於2016年12月31日，本集團概無重大信貸集中風險。於2015年12月31日，本集團面對重大信貸集中風險，全部應收賬款來自一名客戶及全部其他應收賬款來自三交煤層氣項目夥伴。

##### (iii) 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。

#### (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或聲譽受損風險。



# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 47. FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Liquidity risk (Continued)

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.

The contractual maturities of financial liabilities are shown as below:

### 47. 財務風險管理(續)

#### (b) 流動資金風險(續)

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。

財務負債之合約到期情況如下：

		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	More than 5 years
		賬面值	現金流量總額	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	5年以上
		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
<b>2016</b>	<b>2016年</b>						
Non-derivatives:	非衍生：						
Other payables and accruals	其他應付款項及預提費用	349,603	349,603	349,603	-	-	-
Convertible notes	可換股票據	1,230,412	1,455,594	104,663	371,575	979,356	-
Borrowings	借貸	322,109	523,756	25,249	25,249	57,278	415,980
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債	224,937	224,937	224,937	-	-	-
<b>Total</b>	<b>總計</b>	<b>2,127,061</b>	<b>2,553,890</b>	<b>704,452</b>	<b>396,824</b>	<b>1,036,634</b>	<b>415,980</b>
<b>2015</b>	<b>2015年</b>						
Non-derivatives:	非衍生：						
Other payables and accruals	其他應付款項及預提費用	237,575	237,575	237,575	-	-	-
Convertible notes	可換股票據	285,250	297,955	200,984	96,971	-	-
Borrowings	借貸	602,521	801,859	228,544	201,587	73,106	298,622
<b>Total</b>	<b>總計</b>	<b>1,125,346</b>	<b>1,337,389</b>	<b>667,103</b>	<b>298,558</b>	<b>73,106</b>	<b>298,622</b>

### 47. FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Interest rate risk

At 31 December 2016, the Group's fair value interest rate risk arises primarily from borrowings and convertible notes. Borrowings and convertible notes were issued at fixed rates which expose the Group to fair value interest rate risk. 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.

As at 31 December 2015, the Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The interest rates and terms of repayment of the Group's borrowings are disclosed in note 33 to the financial statements.

At 31 December 2016, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss (decrease/increase the Group's loss) for the year by HK\$Nil (2015: HK\$6,025,000) before the consideration of capitalisation of interest. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

#### (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 2016 and 2015, no related hedges were made by the Group.

### 47. 財務風險管理 (續)

#### (c) 利率風險

於2016年12月31日，本集團之公平值利率風險主要來自借貸及可換股票據。本集團因按固定利率發放借貸及可換股票據而承受公平值利率風險。由於沒有借貸按浮動利率計息，故此本集團並無現金流量利率風險。本集團並未採用任何財務工具對沖利率潛在波動。

於2015年12月31日，本集團之利率風險主要來自借貸。本集團因按可變動利率發放借貸而承受現金流量利率風險。本集團借貸之利率及償還期於財務報表附註33內披露。

於2016年12月31日，估計在所有其他變數維持不變之情況下，利率總體增加／降低100個基點將令本集團本年度虧損增加／減少（本集團虧損減少／增加）零港元（2015年：6,025,000港元）（不計及資本化利息）。敏感度分析乃假設利率變動於報告期間結束時已發生，且已計入於該日存在之借貸利率風險後釐定。增加或減少100個基點為管理層對下一年度報告日期之前期間利率之可能合理變動之估計。

#### (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2016年及2015年12月31日，本集團並無作出相關對沖。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 47. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Currency risk (Continued)

##### (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.

	2016				2015			
	Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元	CAD 加元 '000 千元	Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元	CAD 加元 '000 千元
Short-term investment 短期投資	-	-	64,300	-	-	-	64,300	-
Trade and other receivables 應收賬款及其他應收賬款	-	3	302	45,022	-	20	1,686	40,022
Notes receivable* 應收票據*	2,000	-	-	-	2,000	-	-	-
Cash and cash equivalents 現金及現金等價物	1	20,386	2	5	1	162	7	17
Amounts due from group companies 應收集團公司款項	-	130,000	20,175	-	-	127,795	268,320	-
Trade and other payables 應付賬款及其他應付款項	-	-	-	-	-	(247)	-	(3)
Amounts due to group companies 應付集團公司款項	-	(244,911)	(96,716)	(7,410)	-	(26,986)	(50,735)	(10,300)
Convertible notes 可換股票據	-	(130,000)	-	-	-	-	-	-
Overall net exposure 整體風險淨值	2,001	(224,522)	(11,937)	37,617	2,001	100,744	283,578	29,736

\* Included in interest in a jointly controlled entity

#### (d) 貨幣風險(續)

##### (i) 所承受之貨幣風險

下表載列本集團於報告期間結束時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。

\* 納入於一家合營企業之權益

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 47. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Currency risk (Continued)

##### (ii) Sensitivity analysis

The following table indicates the approximate change in the Group's (loss)/profit after income tax expense 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 a decrease in loss/increase in profit and decrease in accumulated losses 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 loss/profit and accumulated losses, and the balances below would be negative.

### 47. 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之可能合理變動造成本集團除所得稅支出後(虧損)/溢利及累計虧損以及綜合權益其他組成部分之概約變動。敏感度分析包括本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。倘港元兌相關貨幣疲弱，以下正數表示溢利虧損/增加減少及累計虧損減少。當港元兌有關貨幣強勁，則可能對虧損/溢利及累計虧損造成金額等同但相反之影響，故以下結餘可能會為負數。

		2016		2015	
		<b>(Increase)/ decrease in loss after taxation and accumulated losses</b>		Decrease in loss after taxation and accumulated losses	
<b>Weakening in HKD</b>		<b>除稅後虧損 累計虧損 (增加)/減少 HK\$'000 千港元</b>		除稅後虧損 及累計虧損 減少 HK\$'000 千港元	
<b>港元貶值 %</b>		<b>港元貶值 %</b>		<b>港元貶值 %</b>	
RMB	人民幣	2%	(267)	2%	6,768
CAD	加元	2%	4,928	2%	3,239
Australian dollars	澳元	3%	335	3%	339

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 47. 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 or 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 2015.

### 47. 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)保持不變釐定。

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之可能合理變動之評估。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損益及權益之影響總額。該分析乃按與2015年相同之基準進行。

### 47. FINANCIAL RISK MANAGEMENT (Continued)

#### (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.

The Group is exposed to equity price changes arising from equity instruments classified as available-for-sale equity securities which are listed on the Stock Exchange of Hong Kong. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

The Group is also exposed to equity price risk arising from changes in the Company's own share price to the extent that the Company's own equity instruments underlie the fair values of derivatives liabilities of the Group. At the end of reporting period, the Group is exposed to this risk through the conversion rights attached to the convertible notes issued by the Company as disclosed in note 34.

#### *Sensitivity analysis*

The sensitivity analysis on equity price risk includes the Group's financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset's equity price. If the prices of the respective equity instruments had been 20% higher/lower, loss for the year would increase/decrease by nil and other component of equity would decrease by HK\$918,000.

### 47. 財務風險管理 (續)

#### (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。

本集團承受因分類為可供出售股本證券(於香港聯交所上市)而產生之股本工具之股本價格變動風險。於可供出售投資組合內持有之上市投資乃根據其較長期增長潛力而選擇，並根據預期對表現進行定期監察。投資組合根據本集團設定之限制分散於不同行業。

倘本集團之衍生工具負債公平值建基於本公司本身之股本工具，則本集團亦因本公司本身之股價變動而承受股價風險。誠如附註34所披露，於報告期間結束時，本集團因本公司所發行可換股債券附帶之換股權而承受此風險。

#### *敏感度分析*

股本價格風險之敏感度分析包括本集團之財務工具，其公平值或未來現金流量將會因其相應或相關資產之股本價格變動而波動。倘各股本工具之價格上升/下跌20%，本年度虧損將增加/減少零港元，而其他股本部分則將減少918,000港元。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 48. COMMITMENTS

#### (a) Operating lease commitments – Lessee

As at 31 December 2016 and 2015, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

Within 1 year	1年內
After 1 year but within 5 years	1年後但5年內

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 six years without an extension option. None of the leases includes contingent rentals.

#### (b) Capital commitments

Commitments in respect of the Sanjiao CMB Project	就三交煤層氣項目之承擔
Commitments in respect of the LNG project	就液化天然氣廠房之承擔

### 48. 承擔

#### (a) 經營租賃承擔 – 承租人

於2016年及2015年12月31日，應付不可撤銷經營租賃之未來最低租賃款項總額如下：

2016 HK\$'000 千港元	2015 HK\$'000 千港元
7,170	7,435
7,253	22,450
<b>14,423</b>	<b>29,885</b>

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6年，並無續期選擇權。所有租賃概無包括或有租金。

#### (b) 資本承擔

2016 HK\$'000 千港元	2015 HK\$'000 千港元
39,803	32,945
64,089	68,664
<b>103,892</b>	<b>101,609</b>

### 49. 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. As at 31 December 2016, a provision of HK\$4,810,000 (2015: HK\$2,409,000) was made in the consolidated statement of financial position (note 32).

### 50. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, no related party transactions have been entered into during the year which might reasonably affect any decisions made by the users of these consolidated financial statements

### 49. 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後果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。

本集團亦經營煤層氣資源之勘探、開發和生產，而進行煤層開採之後果包括拆遷及拆除礦場之基本設施。本集團或須負責在礦場完成開採後，支付礦區土地復原及復墾之費用。於2016年12月31日，綜合財務狀況表內作出了4,810,000港元（2015年：2,409,000港元）之撥備（附註32）。

### 50. 關連人士交易

除財務報表內另行披露者外，年內概無訂立可能對該等綜合財務報表使用者任何已作出之決定產生合理影響之關連人士交易。





# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 50. RELATED PARTY TRANSACTIONS (Continued)

#### Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 12, all the highest paid employees as disclosed in note 12, and other nine (2015: nine) senior management personnel are as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	19,547	16,335
Post-employment benefits	離職後福利	-	-
Equity-settled share-based payment	以股本結算股份支付之款項	-	22,101
		<b>19,547</b>	<b>38,436</b>

Total remuneration is included in "employee costs" (see note 9(b)).

### 50. 關連人士交易(續)

#### 主要管理人員酬金

本集團主要管理人員酬金(包括附註12所披露之已向本公司董事支付之款項、附註12所披露之已向全體最高薪僱員支付之款項及向九名(2015年:九名)其他高級管理人員支付之款項)如下:

	2016 HK\$'000 千港元	2015 HK\$'000 千港元
Short-term employee benefits	19,547	16,335
Post-employment benefits	-	-
Equity-settled share-based payment	-	22,101
	<b>19,547</b>	<b>38,436</b>

酬金總額乃計入「員工成本」中(見附註9(b))。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 51. 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 2016 and 2015 may be categorised as follows:

### 51. 財務資產及財務負債之分類概要

於2016年及2015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：

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Financial assets</b>	<b>財務資產</b>		
Financial assets at fair value through profit or loss	按公平值透過損益列賬的財務資產	22,621	22,417
Available-for-sale investment	可供出售金融資產	4,592	—
Loans and receivables (including cash and bank balances)	貸款及應收款項 (包括現金及銀行結餘)	780,747	404,457
		<b>807,960</b>	<b>426,874</b>
<b>Financial liabilities</b>	<b>財務負債</b>		
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債	224,937	—
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債	1,902,124	1,125,346
		<b>2,127,061</b>	<b>1,125,346</b>

### 52. FAIR VALUE MEASUREMENT

#### (a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include trade, notes and other receivables, loan receivables, short-term investment, pledged bank deposits, cash and cash equivalents, other payables, borrowings and convertible notes. The fair value of all these financial assets and financial liabilities are not materially different from their carrying amounts.

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

### 52. 公平值計量

#### (a) 並非按公平值計量之財務工具

並非按公平值計量之財務工具包括應收賬款、應收票據及其他應收賬款、應收貸款、短期投資、已抵押銀行存款、現金及現金等價物、其他應付款項、借貸及可換股票據。所有該等財務資產及財務負債之公平值均與其賬面值相若。

具有標準條款及條件並於流動性活躍市場買賣的財務資產及財務負債的公平值乃參考市場報價釐定。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 52. FAIR VALUE MEASUREMENT (Continued)

#### (a) Financial instruments not measured at fair value (Continued)

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the relationship between key observable inputs and fair value are set out below.

#### (b) Financial instruments measured at fair value

*Information about level 3 fair value measurements*

- (i) The fair value of contingent consideration is estimated using a discounted cash flow method.

Significant unobservable inputs

		2016	2015
Discount rate	折現率	22.08%	20.63%
Growth rate	增長率	5%	3%

Increase in discount rate and growth rate by 1% and the 1% would decrease/increase the fair value of the contingent consideration by HK\$152,000 and HK\$5,700,000 respectively.

- (ii) The fair value of derivative component in convertible notes is estimated using a binomial options pricing model.

Significant unobservable inputs

		2016	2015
Dividend yield	股息收益率	0%	N/A不適用
Volatility	波動性	17.35%-36.99%	N/A不適用

Increase in the volatility by 1% would increase the fair value of the derivative component in convertible notes by HK\$385,000 to HK\$608,000.

### 52. 公平值計量(續)

#### (a) 並非按公平值計量之財務工具(續)

下文載列於釐定第2層及第3層財務工具之公平值計量時所運用的估值技術及重大不可觀察數據，以及主要可觀察數據與公平值之間的關係。

#### (b) 按公平值計量之財務工具

*有關第3層公平值計量的資料*

- (i) 或有代價之公平值使用現金流量折現法估算。

重大不可觀察數據

	2016	2015
Discount rate	22.08%	20.63%
Growth rate	5%	3%

折現率及增長率分別增加1%及此1%將導致或有代價公平值分別減少152,000港元及增加5,700,000港元。

- (ii) 可換股票據之公平值使用二項式期權定價模型估算。

重大不可觀察輸入數據

	2016	2015
Dividend yield	0%	N/A不適用
Volatility	17.35%-36.99%	N/A不適用

波動性增加1%將導致可換股票據衍生部分的公平值增加385,000港元至608,000港元。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 52. FAIR VALUE MEASUREMENT (Continued)

#### (b) Financial instruments measured at fair value (Continued)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 52. 公平值計量(續)

#### (b) 按公平值計量之財務工具(續)

下表提供按公平值列賬的財務工具按公平值層級劃分之分析：

- 第1層：相同資產或負債於活躍市場之報價(未經調整)；
- 第2層：使用可直接(即價格)或間接(即由價格衍生)觀察但不包括第1層內報價之資產或負債之數據；及
- 第3層：並非根據可觀察市場數據之資產或負債之數據(不可觀察數據)。

		2016			
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值透過損益列賬的財務資產</b>				
- Contingent consideration	- 或有代價	-	-	22,621	22,621
<b>Available-for-sale investment</b>	<b>可供出售金融資產</b>				
- Listed securities in Hong Kong at fair value	- 香港上市證券(按公平值)	4,592	-	-	4,592
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公平值透過損益列賬的財務負債</b>				
- Derivative component in convertible notes	- 可換股票據之衍生部分	-	-	(224,937)	(224,937)

		2015			
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值透過損益列賬的財務資產</b>				
- Contingent consideration	- 或有代價	-	-	22,417	22,417

There were no transfers between levels during the year.

年內各層級之間並無發生任何轉讓。

# Notes to the Financial Statements

## 財務報表附註

As at 31 December 2016 於2016年12月31日

### 52. FAIR VALUE MEASUREMENT (Continued)

#### (b) Financial instruments measured at fair value (Continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

		2016 HK\$'000 千港元	2015 HK\$'000 千港元
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值透過損益列賬的財務資產</b>		
At 1 January	於1月1日	22,417	–
At issue date	於發行日期	–	22,417
Change in fair value	公平值變動	2,705	–
Settled during the year	年內結算	(4,235)	–
Exchange adjustment	匯兌調整	1,734	–
		<u>22,621</u>	<u>22,417</u>
At 31 December	於12月31日		
<b>Financial liabilities at fair value through profit or loss</b>	<b>按公平值透過損益列賬的財務負債</b>		
At 1 January	於1月1日	–	–
At issue date	於發行日期	277,746	–
Change in fair value	公平值變動	(52,089)	–
Exchange adjustment	匯兌調整	(720)	–
		<u>224,937</u>	<u>–</u>
At 31 December	於12月31日		
<b>Warrant liability</b>	<b>認股權證負債</b>		
At 1 January	於1月1日	–	1,955
Gains in profit or loss: included in other losses, net (note 8)	於損益賬之收益： 計入其他虧損淨額(附註8)	–	(1,955)
		<u>–</u>	<u>–</u>
At 31 December	於12月31日		

### 52. 公平值計量(續)

#### (b) 按公平值計量之財務工具(續)

根據重大不可觀察輸入數據(第3層)按公平值入賬的財務工具之對賬如下:

### 53. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29 March 2017.

### 53. 財務報表之審批

財務報表已由董事會於2017年3月29日審批及授權刊發。



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