



# MIE HOLDINGS CORPORATION

## MI 能源控股有限公司

*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

(Stock code 股份代號: 1555)

# 2017 年報

## ANNUAL REPORT



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# Company Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Mr. Zhang Ruilin (*Chairman*)

Mr. Zhao Jiangwei

Mr. Andrew Sherwood Harper

*(resigned with effect from June 30, 2017)*

Mr. Tian Hongtao

*(resigned with effect from June 30, 2017)*

#### Non-executive Directors

Ms. Xie Na

Mr. Jiao Qisen

*(appointed with effect from January 29, 2018)*

#### Independent Non-executive Directors

Mr. Mei Jianping

Mr. Jeffrey Willard Miller

Mr. Guo Yanjun

### REGISTERED ADDRESS

Maples Corporate Services Limited

P. O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

### PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre

183 Queen' s Road East

Hong Kong

### BEIJING OFFICE

Suite 1501, Block C

Grand Place

5 Hui Zhong Road

Chaoyang District

Beijing 100101

China

### 董事會

#### 執行董事

張瑞霖先生(主席)

趙江巍先生

Andrew Sherwood Harper 先生

*(於二零一七年六月三十日辭任)*

田洪濤先生

*(於二零一七年六月三十日辭任)*

#### 非執行董事

謝娜女士

焦祺森先生

*(於二零一八年一月二十九日獲委任)*

#### 獨立非執行董事

梅建平先生

Jeffrey Willard Miller 先生

郭燕軍先生

### 註冊地址

Maples Corporate Services Limited

P. O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

### 香港主要營業地點

香港

皇后大道東183號

合和中心54樓

### 北京辦公室

中國北京朝陽區

慧忠路5號

遠大中心C座1501室

郵編100101

# Company Information (Continued)

## 公司資料(續)

### LISTING INFORMATION

#### Stock Listing

The Stock Exchange of Hong Kong Limited  
Stock Code: 01555

#### Senior Notes Listing

The Company's 6.875%, 5 years senior notes due 2018  
The Singapore Exchange Securities Trading Limited  
(repaid in full on February 6, 2018)  
The Company's 7.5%, 5 years senior notes due 2019  
The Singapore Exchange Securities Trading Limited

### WEBSITE ADDRESS

www.mienergy.com.cn

### COMPANY SECRETARY

Ms. Wong Sau Mei (ACS, ACIS)

### AUTHORIZED REPRESENTATIVES

Mr. Tian Hongtao (resigned with effect from June 30, 2017)  
Mr. Zhang Ruilin (appointed with effect from June 30, 2017)  
Ms. Wong Sau Mei (ACS, ACIS)

### MEMBERS OF AUDIT COMMITTEE

Mr. Jeffrey Willard Miller (Chairman)  
Mr. Mei Jianping  
Mr. Guo Yanjun

### MEMBERS OF REMUNERATION COMMITTEE

Mr. Mei Jianping (Chairman)  
Mr. Jeffrey Willard Miller  
Mr. Guo Yanjun

### MEMBERS OF NOMINATION COMMITTEE

Mr. Mei Jianping (Chairman)  
Mr. Jeffrey Willard Miller  
Mr. Guo Yanjun

### 上市資料

#### 股份上市

香港聯合交易所有限公司  
股份代號：01555

#### 優先票據上市

本公司年息6.875%，於二零一八年到期為期5年的優先票據於新加坡證券交易所有限公司上市  
(已於二零一八年二月六日全部償還)  
本公司年息7.5%，於二零一九年到期為期5年的優先票據於新加坡證券交易所有限公司上市

### 公司網址

www.mienergy.com.cn

### 公司秘書

黃秀美女士(ACS, ACIS)

### 授權代表

田洪濤先生(於二零一七年六月三十日辭任)  
張瑞霖先生(於二零一七年六月三十日獲委任)  
黃秀美女士(ACS, ACIS)

### 審核委員會成員

Jeffrey Willard Miller 先生(主席)  
梅建平先生  
郭燕軍先生

### 薪酬委員會成員

梅建平先生(主席)  
Jeffrey Willard Miller 先生  
郭燕軍先生

### 提名委員會成員

梅建平先生(主席)  
Jeffrey Willard Miller 先生  
郭燕軍先生

# Company Information (Continued)

## 公司資料(續)

### INDEPENDENT TECHNICAL CONSULTANT

Ryder Scott Company, L.P.  
Sproule Associates Limited  
Gaffney, Cline & Associates Limited  
GLJ Petroleum Consultants Limited

### INDEPENDENT AUDITOR

PricewaterhouseCoopers

### LEGAL ADVISERS TO THE COMPANY

Dechert (As to Hong Kong law)  
Jingtian & Gongcheng Law Firm (As to PRC law)  
Maples and Calder (As to Cayman Islands law)

### PRINCIPAL BANKERS

Citibank, N.A.  
China Construction Bank Corporation Limited  
Canadian Imperial Bank of Commerce

### VALUER

Jones Lang LaSalle Sallmanns Limited  
Asia-Pacific Consulting and Appraisal Limited

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples FS Limited  
P. O. Box 1093, Queensgate House  
Grand Cayman  
KY1-1102  
Cayman Islands

### HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited  
Level 22 Hopewell Centre  
183 Queen's Road East  
Hong Kong

### 獨立技術顧問

Ryder Scott Company, L.P.  
Sproule Associates Limited  
Gaffney, Cline & Associates Limited  
GLJ Petroleum Consultants Limited

### 獨立核數師

羅兵咸永道會計師事務所

### 本公司法律顧問

德杰律師事務所(香港法律)  
競天公誠律師事務所(中國法律)  
Maples and Calder (開曼群島法律)

### 主要往來銀行

花旗銀行  
中國建設銀行股份有限公司  
加拿大帝國商業銀行

### 估值師

仲量聯行西門有限公司  
亞太評估諮詢有限公司

### 開曼群島主要股份過戶登記處

Maples FS Limited  
P. O. Box 1093, Queensgate House  
Grand Cayman  
KY1-1102  
Cayman Islands

### 香港股份過戶登記分處

卓佳證券登記有限公司  
香港  
皇后大道東183號  
合和中心22樓

# Financial Summary

## 財務摘要

(Amounts expressed in thousands of RMB)

(所有金額均以人民幣千元為單位)

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (AUDITED)

### 合併綜合收益表(經審核)

Year ended December 31

截至十二月三十一日止年度

		2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年
Total revenue	總收益	3,256,061	2,982,909	722,185	534,974	<b>1,125,982</b>
Finance costs, net	財務費用·淨值	(345,553)	(481,327)	(421,774)	(386,461)	<b>(138,749)</b>
Profit/(loss) before tax	除所得稅前利潤/(虧損)	454,867	236,712	(1,467,259)	(457,981)	<b>(1,012,296)</b>
Income tax (expense)/credit	所得稅(費用)/收益	(175,083)	(214,163)	121,118	(147,166)	<b>(87,180)</b>
Loss for the year from discontinued operations	本年終止經營所得虧損	-	-	(179,147)	(717,086)	-
Profit/(loss) for the year	本年利潤/(虧損)	279,784	22,549	(1,525,288)	(1,322,233)	<b>(1,099,476)</b>

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION (AUDITED)

### 合併財務狀況表(經審核)

As at December 31

於十二月三十一日

		2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	2017 二零一七年
Current assets	流動資產	1,186,539	1,650,635	1,033,667	2,260,010	<b>1,833,381</b>
Property, plant and equipment	不動產·工廠及設備	7,160,160	6,629,673	5,633,576	2,407,958	<b>7,719,859</b>
Intangible assets	無形資產	544,469	494,552	359,595	8,849	<b>708,193</b>
Investments in associates	聯營企業投資	-	-	-	246,667	<b>182,541</b>
Available-for-sale financial assets	可供出售金融資產	50,422	75,541	27,105	63,330	<b>67,132</b>
Prepayments, deposits and other receivables	預付款·保證金及其他應收款	34,941	210,389	497,878	820,224	<b>727,966</b>
Restricted cash	受限制現金	11,884	12,955	8,495	-	<b>43,285</b>
Total assets	資產總值	9,302,546	9,593,567	8,090,105	5,847,628	<b>11,308,343</b>
Current liabilities	流動負債	1,555,604	1,345,118	1,191,754	479,915	<b>2,747,026</b>
Non-current liabilities	非流動負債	4,042,512	4,683,938	4,687,355	4,727,926	<b>8,829,778</b>
Total liabilities	負債總額	5,598,116	6,029,056	5,879,109	5,207,841	<b>11,576,804</b>
Equity	權益	3,704,430	3,564,511	2,210,996	639,787	<b>(268,461)</b>

# Operating Summary

## 營運摘要

		Year ended December 31 截至十二月三十一日止年度				2017
		2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	二零一七年
<b>Properties Held by Subsidiaries</b>	<b>附屬公司所持資產</b>					
<b>Sales volume</b>	<b>銷量</b>					
<b>Crude oil (millions of barrels)</b>	<b>原油 (百萬桶)</b>	5.38	5.58	3.55	3.24	<b>2.38</b>
China oilfields	中國油田	3.77	3.67	2.44	2.12	<b>1.98</b>
Kazakhstan oilfields	哈薩克斯坦	1.56	1.88	1.09	1.10	-
Export sales	出口銷售	1.28	1.44	0.96	0.95	-
Domestic sales	國內銷售	0.28	0.44	0.13	0.15	-
USA oilfields	美國 (Condor)	0.05	0.03	0.02	0.02	<b>0.01</b>
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>0.39</b>
<b>NGL (Note) (millions of barrels)</b>	<b>天然氣凝析液 (附註) (百萬桶)</b>	-	-	-	-	<b>0.16</b>
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>0.16</b>
<b>Gas (MMscf)</b>	<b>天然氣 (百萬標準立方英尺)</b>	1,698.50	2,014.34	2,021.27	1,717.70	<b>25,315.39</b>
Kazakhstan oilfields	哈薩克斯坦	1,661.58	1,954.38	2,001.15	1,703.72	-
USA oilfields	美國 (Condor)	36.92	59.96	20.12	13.98	<b>1.43</b>
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>25,313.96</b>
<b>Net annual production volume</b>	<b>淨年產量</b>					
<b>Crude oil (millions of barrels)</b>	<b>原油 (百萬桶)</b>	5.36	5.59	3.71	3.27	<b>2.38</b>
China oilfields	中國油田	3.73	3.66	2.44	2.15	<b>1.98</b>
Kazakhstan oilfields	哈薩克斯坦	1.58	1.90	1.25	1.11	-
USA oilfields	美國 (Condor)	0.05	0.03	0.02	0.01	<b>0.01</b>
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>0.39</b>
<b>NGL (millions of barrels)</b>	<b>天然氣凝析液 (百萬桶)</b>	-	-	-	-	<b>0.16</b>
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>0.16</b>
<b>Gas (MMscf)</b>	<b>天然氣 (百萬標準立方英尺)</b>	1,929.72	2,222.90	2,190.61	1,899.18	<b>25,320.56</b>
Kazakhstan oilfields	哈薩克斯坦	1,812.44	2,146.48	2,150.78	1,875.30	-
USA oilfields	美國 (Condor)	117.28	76.42	39.83	23.88	<b>6.6</b>
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>25,313.96</b>
<b>Average daily net crude oil production</b>	<b>日平均淨原油產量</b>					
<b>Crude oil (barrels)</b>	<b>原油 (桶)</b>	14,673	15,326	10,153	9,241	<b>9,745</b>
China oilfields	中國油田	10,208	10,033	6,687	5,872	<b>5,454</b>
Kazakhstan oilfields	哈薩克斯坦	4,320	5,201	3,412	3,328	-
USA oilfields	美國 (Condor)	145	92	54	41	<b>29</b>
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>4,262</b>
<b>NGL (barrels)</b>	<b>天然氣凝析液 (桶)</b>	-	-	-	-	<b>1,690</b>
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>1,690</b>
<b>Gas (MMscf)</b>	<b>天然氣 (百萬標準立方英尺)</b>	5.30	6.09	6.00	5.67	<b>275.17</b>
Kazakhstan oilfields	哈薩克斯坦	5.00	5.88	5.89	5.60	-
USA oilfields	美國 (Condor)	0.30	0.21	0.11	0.07	<b>0.02</b>
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>275.15</b>

Note: Natural Gas Liquid

附註：天然氣凝析液

# Operating Summary (Continued)

## 營運摘要(續)

		Year ended December 31 截至十二月三十一日止年度				2017
		2013	2014	2015	2016	二零一七年
		二零一三年	二零一四年	二零一五年	二零一六年	
<b>Average realized price</b>	<b>平均實現價格</b>					
<b>Crude oil (US\$ per barrel of crude oil)</b>	<b>原油(美元/每桶原油)</b>	97.06	86.15	45.79	36.74	<b>48.96</b>
China oilfields (Note 1)	中國油田(附註1)	104.35	97.89	46.65	36.73	<b>48.89</b>
Kazakhstan oilfields	哈薩克斯坦	79.64	63.34	43.95	34.85	-
Export sales	出口銷售	87.80	70.63	48.41	38.39	-
Domestic sales	國內銷售	41.57	39.68	12.02	13.25	-
USA oilfields	美國(Condor)	90.30	83.11	40.68	37.77	<b>47.44</b>
Canada oilfields (Note 2)	加拿大(Canlin)(附註2)	-	-	-	-	<b>49.32</b>
<b>NGL (US\$ per barrel)</b>	<b>天然氣凝析液(美元/每桶)</b>	-	-	-	-	<b>26.64</b>
Canada oilfields	加拿大(Canlin)	-	-	-	-	<b>26.64</b>
<b>Gas (US\$ per MMscf)</b>	<b>天然氣(美元/千標準立方英尺)</b>	1.44	1.27	1.03	0.83	<b>1.50</b>
Kazakhstan oilfields	哈薩克斯坦	1.34	1.14	0.95	0.78	-
USA oilfields	美國(Condor)	6.10	6.44	2.61	2.30	<b>4.47</b>
Canada oilfields	加拿大(Canlin)	-	-	-	-	<b>1.50</b>
<b>Lifting costs (US\$ per barrel of oil equivalent)</b>	<b>直接採油成本(美元/每桶當量)</b>	9.34	9.46	7.52	8.31	<b>7.95</b>
China oilfields (Note 3)	中國油田(附註3)	11.08	11.83	9.49	8.31	<b>8.48</b>
Kazakhstan oilfields	哈薩克斯坦	5.18	4.85	3.66	2.25	-
Canada oilfields	加拿大(Canlin)	-	-	-	-	<b>7.73</b>
<b>Cash net-back (US\$ per barrel of oil equivalent)</b>	<b>現金淨回值(美元/每桶當量)</b>	74.22	69.62	35.56	26.94	<b>38.87</b>
China oilfields	中國油田	41.37	29.14	10.94	14.26	-
Kazakhstan oilfields	哈薩克斯坦	43.42	28.52	12.40	14.80	-
Export sales	出口銷售	31.97	31.81	5.11	9.25	-
Domestic sales	國內銷售	-	-	-	-	<b>5.55</b>
Canada oilfields	加拿大(Canlin)	-	-	-	-	-
<b>Wells drilled during the year (Gross)</b>	<b>年內鑽井數(總數)</b>	114	157	3	-	<b>15</b>
<b>China oilfields</b>	<b>中國油田</b>	102	151	-	-	<b>15</b>
Successful	成功鑽探	102	151	-	-	<b>15</b>
Dry	乾井	-	-	-	-	-
<b>Kazakhstan oilfields</b>	<b>哈薩克斯坦</b>	10	6	3	2	-
Successful	成功鑽探	10	6	3	2	-
Dry	乾井	-	-	-	-	-
<b>USA oilfields</b>	<b>美國(Condor)</b>	2	-	-	-	-
Successful	成功鑽探	2	-	-	-	-
Dry	乾井	-	-	-	-	-
<b>Canada oilfields</b>	<b>加拿大(Canlin)</b>	-	-	-	-	-
Successful	成功鑽探	-	-	-	-	-
Dry	乾井	-	-	-	-	-

Note 1: The data on the China oilfields does not include the last 16 days in 2017 as the Group has disposed of the Molqing project with effect from December 15, 2017.

Note 2: The data on the Canada oilfields only includes the 4th quarter of 2017 since the acquisition was completed in September 2017.

Note 3: Lifting costs include directly controllable costs to produce a barrel of oil. Other production costs such as safety fee, environment expenses, technical & research expenses and overhead have not been included since they are not directly attributable to the production of a barrel of oil.

附註1: 中國的資料不包含莫里青項目最後16天的資料, 因為集團於二零一七年十二月十五日出售了此項目。

附註2: 加拿大的資料只包含被集團收購後的第四季度的資料。

附註3: 直接採油成本包括生產一桶石油之直接可控制成本。其他生產成本如安全費、環境費用、技術及研究開支以及經常性費用等並不包括在內, 原因是該等成本並非一桶石油的直接成本。



# Operating Summary (Continued)

## 營運摘要(續)

		Year ended December 31 截至十二月三十一日止年度				2017
		2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	二零一七年
<b>Crude Oil Reserves (thousands of barrels)</b>	<b>原油儲量(千桶)</b>					
<b>Subsidiaries</b>	<b>附屬公司所持資產</b>					
<b>Total proved</b>	<b>探明儲量總額</b>	54,177	48,742	45,163	10,668	<b>19,366</b>
China oilfields	中國油田	20,409	14,495	12,440	10,552	<b>8,475</b>
Canada oilfields	加拿大(Canlin)	-	-	-	-	<b>10,844</b>
Kazakhstan oilfields	哈薩克斯坦	32,497	33,799	32,525	-	-
USA oilfields	美國(Condor)	1,271	448	198	116	<b>47</b>
<b>Total proved+probable</b>	<b>探明與概算儲量總額</b>	126,107	124,725	120,975	19,557	<b>27,453</b>
China oilfields	中國油田	35,998	25,832	24,416	18,893	<b>12,489</b>
Canada oilfields	加拿大(Canlin)	-	-	-	-	<b>14,893</b>
Kazakhstan oilfields	哈薩克斯坦	87,374	97,864	96,150	-	-
USA oilfields	美國(Condor)	2,735	1,029	409	664	<b>71</b>
<b>Total proved + probable + possible</b>	<b>探明、概算及可能儲量總額</b>	183,991	171,189	160,404	28,319	<b>32,274</b>
China oilfields	中國油田	51,617	36,248	34,088	26,487	<b>17,281</b>
Canada oilfields	加拿大(Canlin)	-	-	-	-	<b>14,893</b>
Kazakhstan oilfields	哈薩克斯坦	128,547	130,203	124,952	-	-
USA oilfields	美國(Condor)	3,827	4,738	1,364	1,832	<b>100</b>
<b>Equity-accounted entities (MIE share)</b>	<b>按權益入帳的實體所持資產(本集團應占部分)</b>					
<b>Total proved</b>	<b>探明儲量總額</b>	-	-	-	17,749	<b>11,618</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	12,611	<b>7,540</b>
Journey Energy Inc	Journey 項目	-	-	-	5,138	<b>4,078</b>
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
White Hawk	美國(White Hawk)	-	-	-	-	-
<b>Total proved+probable</b>	<b>探明、概算儲量總額</b>	-	-	-	41,549	<b>32,568</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	32,457	<b>24,984</b>
Journey Energy Inc	Journey 項目	-	-	-	9,092	<b>7,584</b>
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
White Hawk	美國(White Hawk)	-	-	-	-	-
<b>Total proved+probable+possible</b>	<b>探明、概算及可能儲量總額</b>	-	-	-	49,546	<b>53,836</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	40,454	<b>46,252</b>
Journey Energy Inc	Journey 項目	-	-	-	9,092	<b>7,584</b>
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
White Hawk	美國(White Hawk)	-	-	-	-	-
<b>Total proved</b>	<b>探明儲量總額</b>	54,177	48,742	45,163	28,417	<b>30,983</b>
<b>Total proved+probable</b>	<b>探明與概算儲量總額</b>	126,107	124,725	120,975	61,106	<b>60,021</b>
<b>Total proved+probable+possible</b>	<b>探明、概算及可能儲量總額</b>	183,991	171,189	160,404	77,865	<b>86,110</b>

# Operating Summary (Continued)

## 營運摘要(續)

		Year ended December 31 截至十二月三十一日止年度				2017
		2013	2014	2015	2016	二零一七年
		二零一三年	二零一四年	二零一五年	二零一六年	二零一七年
<b>NGL Reserves (thousands of barrels)</b>	<b>NGL 儲量(千桶)</b>					
<b>Subsidiaries</b>	<b>附屬公司所持資產</b>					
<b>Total proved</b>	<b>探明儲量總額</b>	-	-	-	-	<b>13,069</b>
China oilfields	中國油田	-	-	-	-	-
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>13,069</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	-	-
USA oilfields	美國 (Condor)	-	-	-	-	-
<b>Total proved+probable</b>	<b>探明與概算儲量總額</b>	-	-	-	-	<b>19,408</b>
China oilfields	中國油田	-	-	-	-	-
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>19,408</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	-	-
USA oilfields	美國 (Condor)	-	-	-	-	-
<b>Total proved+probable+possible</b>	<b>探明、概算及可能儲量總額</b>	-	-	-	-	<b>19,408</b>
China oilfields	中國油田	-	-	-	-	-
Canada oilfields	加拿大 (Canlin)	-	-	-	-	<b>19,408</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	-	-
USA oilfields	美國 (Condor)	-	-	-	-	-
<b>Equity-accounted entities (MIE share)</b>	<b>按權益入帳的實體所持資產 (本集團應占部分)</b>					
<b>Total proved</b>	<b>探明儲量總額</b>	-	-	-	730	<b>2,143</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	-	<b>856</b>
Journey Energy Inc	Journey 項目	-	-	-	730	<b>1,287</b>
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
White Hawk	美國 (White Hawk)	-	-	-	-	-
<b>Total proved+probable</b>	<b>探明、概算儲量總額</b>	-	-	-	994	<b>4,462</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	-	<b>2,588</b>
Journey Energy Inc	Journey 項目	-	-	-	994	<b>1,874</b>
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
White Hawk	美國 (White Hawk)	-	-	-	-	-
<b>Total proved+probable+possible</b>	<b>探明、概算及可能儲量總額</b>	-	-	-	994	<b>6,534</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	-	<b>4,660</b>
Journey Energy Inc	Journey 項目	-	-	-	994	<b>1,874</b>
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
White Hawk	美國 (White Hawk)	-	-	-	-	-
<b>Total proved</b>	<b>探明儲量總額</b>	-	-	-	730	<b>15,211</b>
<b>Total proved+probable</b>	<b>探明與概算儲量總額</b>	-	-	-	994	<b>23,870</b>
<b>Total proved+probable+possible</b>	<b>探明、概算及可能儲量總額</b>	-	-	-	994	<b>25,942</b>

# Operating Summary (Continued)

## 營運摘要(續)

		Year ended December 31 截至十二月三十一日止年度				2017
		2013 二零一三年	2014 二零一四年	2015 二零一五年	2016 二零一六年	二零一七年
<b>Gas Reserves (millions of SCF)</b>	<b>天然氣儲量 (百萬標準立方英尺)</b>					
<b>Subsidiaries</b>	<b>附屬公司所持資產</b>					
<b>Total proved</b>	<b>探明儲量總額</b>	40,178	44,147	36,262	155	<b>1,210,712</b>
China oilfields	中國油田	-	65	43	62	-
Canada oilfields	加拿大(Canlin)	-	-	-	-	<b>1,210,705</b>
Kazakhstan oilfields	哈薩克斯坦	37,541	43,232	36,006	-	-
USA oilfields	美國(Condor)	2,637	850	213	93	<b>7</b>
<b>Total proved+probable</b>	<b>探明與概算儲量總額</b>	96,090	97,249	93,050	1,356	<b>1,801,464</b>
China oilfields	中國油田	-	125	129	187	-
Canada oilfields	加拿大(Canlin)	-	-	-	-	<b>1,801,455</b>
Kazakhstan oilfields	哈薩克斯坦	90,416	95,111	92,380	-	-
USA oilfields	美國(Condor)	5,674	2,013	541	1169	<b>9</b>
<b>Total proved+probable+possible</b>	<b>探明、概算及可能儲量總額</b>	140,592	131,880	122,081	3,829	<b>1,801,471</b>
China oilfields	中國油田	-	226	237	352	-
Canada oilfields	加拿大(Canlin)	-	-	-	-	<b>1,801,455</b>
Kazakhstan oilfields	哈薩克斯坦	132,653	122,219	120,438	-	-
USA oilfields	美國(Condor)	7,939	9,435	1,406	3477	<b>16</b>
<b>Equity-accounted entities (MIE share)</b>	<b>按權益入帳的實體所持資產 (本集團應佔部分)</b>					
<b>Total proved</b>	<b>探明儲量總額</b>	134,069	364,140	375,870	46,696	<b>47,989</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	14,373	<b>8,708</b>
Journey Energy Inc	Journey 項目	-	-	-	32,323	<b>39,281</b>
Sino Gas & Energy	中國西北(三交北及臨興)	134,069	364,140	375,870	-	-
White Hawk	美國(White Hawk)	-	-	-	-	-
<b>Total proved+probable</b>	<b>探明、概算儲量總額</b>	302,582	466,650	574,260	76,408	<b>87,431</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	29,773	<b>28880</b>
Journey Energy Inc	Journey 項目	-	-	-	46,635	<b>58,551</b>
Sino Gas & Energy	中國西北(三交北及臨興)	302,582	466,650	574,260	-	-
White Hawk	美國(White Hawk)	-	-	-	-	-
<b>Total proved+probable+possible</b>	<b>探明、概算及可能儲量總額</b>	499,321	579,870	781,830	84,016	<b>113,099</b>
Kazakhstan oilfields	哈薩克斯坦	-	-	-	37,381	<b>54,548</b>
Journey Energy Inc	Journey 項目	-	-	-	46,635	<b>58,551</b>
Sino Gas & Energy	中國西北(三交北及臨興)	499,321	579,870	781,830	-	-
White Hawk	美國(White Hawk)	-	-	-	-	-
<b>Total proved</b>	<b>探明儲量總額</b>	174,247	408,287	412,132	46,851	<b>1,258,701</b>
<b>Total proved+probable</b>	<b>探明與概算儲量總額</b>	398,672	563,899	667,310	77,764	<b>1,888,895</b>
<b>Total proved+probable+possible</b>	<b>探明、概算及可能儲量總額</b>	639,914	711,750	903,911	87,845	<b>1,914,571</b>

# CHAIRMAN'S STATEMENT 主席報告書



# Chairman's Statement

## 主席報告書

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of MIE Holdings Corporation ("MIE" or the "Company", together with the subsidiaries, the "Group"), I hereby present the annual results of the Company for the year ended December 31, 2017 ("FY2017").

During FY2017, the oil and gas industry showed modest recovery and oil price was increasing, the Group's average realized crude oil price was US \$48.96/barrel ("bbl"), which was 33.3% higher than that in FY2016. The Group executed its Mergers and Acquisitions (M&A) strategy and made a transformational overseas acquisition, leading to a significant increase in reserves. Based on the year-end 2017 oil and gas reserves estimate prepared by independent consultants, the Group's Proved ("1P") oil and gas reserves were 256 million Barrel Oil Equivalent ("BOE", where 1 BOE = 6,000 standard cubic feet natural gas), representing 593% increase from year-end 2016. The Group's Proved + Probable ("2P") oil and gas reserves were 399 million BOE ("MMBOE"), representing 431% increase from year-end 2016. The Group's Proved + Probable + Possible ("3P") oil and gas reserves were 431 MMBOE, representing 361% increase from year-end 2016. Based on the discount rate of 10%, the net present value of the Group's 2P oil and gas reserves at the end of 2017 (NPV10) was approximately US\$1.965 billion, an increase of 123% compared to the US\$881 million at the end of 2016.

致各位尊敬的股東，

本人謹代表MI能源控股有限公司(以下簡稱「MI能源控股」或者「公司」，與其子公司並稱「集團」)董事會(「董事會」)提呈本集團截至二零一七年十二月三十一日止的年度業績。

二零一七年油氣行業逐步回暖，原油價格逐漸回升，本集團平均實現原油價格為48.96美元／桶，較二零一六年上升了33.3%。二零一七年本集團基於發展戰略考量積極進行海外收購，油氣儲量規模大幅增長。基於獨立技術顧問對二零一七年十二月三十一日油氣儲量所做的評估，二零一七年淨探明(「1P」)油氣儲量較2016年增加593%至2.56億桶當量(6千標準立方英尺天然氣=1桶當量)；淨探明+概算(「2P」)油氣儲量較二零一六年增加431%至3.99億桶當量；油氣的淨探明+概算+可能(「3P」)油氣儲量較二零一六年增加361%至4.31億桶當量。按照10%貼現率計算，本集團於二零一七年末2P油氣儲量稅前淨現值(NPV10)約為19.65億美元，較之二零一六年末的8.81億美元增加了123%。



# Chairman's Statement (Continued)

## 主席報告書(續)

During FY2017, the top theme for the Group remained liquidity while we optimized the asset portfolio and improved the productivity of existing assets.

On the one hand, the Group strategically acquired overseas oil and gas projects and achieved the integration of valuable assets. The Group successfully acquired the all the partnership interest of CQ Energy Partnership ("CQ Energy") at the end of September 2017. The successful acquisition of CQ Energy contributed towards a significant increase in the Group's sale scale, production, reserves and benefits and its 2P reserves were 334.5 MMBOE, accounting for 83.9% of the Group's total reserves and nearly 5.21 times the reserves of other projects in the Group, as of the end of 2017. The strategic acquisition of CQ Energy has greatly enhanced the scale of the Group and achieved the Group's transformation, making the Group an international oil and gas company and enhancing the financial stability and strength of the Group, as well as expanding the geographic coverage into North America natural gas market.

On the other hand, the Group actively communicated with the capital market. Using a combination of our own resources and external support, the Group successfully repaid the senior notes issued in 2013 in principal amount of US\$200 million in February 2018. In the current market environment, we also tried our best to dispose of some projects to generate liquidity for the Group needs. In alignment with the Group's strategy, we sold the entire issued share capital of Riyadh Energy Limited ("Riyadh Energy") for US\$45 million in December 2017. We will continue to focus on adjusting and optimizing the Group's capital structure, especially the Group's debt structure to protect the long-term and healthy development of the Group.

In the same period, we have implemented a cost leadership strategy for mature projects of the Group, such as the Daan and Moliqing projects in China, engaged our employees to reduce costs and increase efficiency. We were able to stabilize the production of old wells and delay the declining trend so as to create strong operating cash flow for the Group. In 2017, the all-in cash cost for the Daan project was US\$14.51 per barrel, the overall production declining rate was controlled at 9.22% and the lifting cost and production declining levels were significantly optimized over the previous year, reflecting our disciplined operational management.

二零一七年度本集團的主要工作仍以「現金」為重點，努力優化資產配置以及注重現有資產的效益管理。

一方面，戰略性收購海外油氣項目，實現優良資產併入。本集團於二零一七年九月底成功收購了加拿大CQ Energy Canada Partnership(以下簡稱「CQ Energy」)全部合夥權益。截至二零一七年底該項目2P儲量為334.5百萬桶當量，佔本集團總儲量83.9%，約為集團內其他項目儲量總和的5.21倍。對CQ Energy的成功收購，使得本集團的經營規模和儲量產量規模都得到了大幅度的提升，成功收購CQ Energy極大的擴充了本集團的規模，實現了本集團跨越式發展，使本集團一躍成為國際化大型油氣公司，增強了本集團財務穩定性和實力，也使本集團成功進入了北美的天然氣領域，實現了油氣並舉推進。

另一方面，本集團積極與資本市場對接，利用自身資源及獲得的外部支持，二零一八年二月份成功償還了二零一三年發行的兩億美元優先票據。同時在當前市場環境下，盡最大努力籌集本集團所需要的現金資源。為配合集團發展戰略，本集團於二零一七年十二月以4,500萬美元出售了利雅得能源公司(「利雅得能源」)全部已發行股本。接下來我們仍將集中精力調整和優化本集團的資本結構，尤其是本集團的債務結構，以保障集團長遠及健康的發展。

同時，二零一七年對於本集團的成熟項目，如中國的大安、莫裡青項目，集團實施低成本戰略，努力降本增效並穩定老井產量延緩遞減趨勢，為本集團創造更多的營運現金流。二零一七年，大安項目全要素的現金運營成本只有14.51美元/桶，綜合遞減率控制在9.22%，這體現出本集團較高的油田項目運作管理的水平，尤其是陸上油田管理能力位於國內油氣行業前列。

# Chairman's Statement (Continued)

## 主席報告書(續)

On the Group's performance, as a result of the successful acquisition of the CQ Energy (incorporated into the group's financial statements starting from the 2017 Q4), the Group's FY2017 annual oil and gas gross production increased by 43.0% to 9.44 million barrels of equivalent, and net production increased by 87.8% to 6.76 MMBOE. Benefitting from the increased production and oil prices, sales revenue of the Group increased by 110.5% to RMB1.126 billion in FY2017. The adjusted EBITDA increased by 22.9% to RMB348 million.

Despite the recent recovery in oil prices, natural gas prices in Canada remain low. The Group is positive about price recovery of oil and gas but remains cautious of the challenges we are facing. The Group will continue to focus on its core areas, diligently improving cost control and productivity and maximizing strategic value and financial returns. We will continue to work hard to balance the company's business development with improving its capital structure. With the joint efforts of all the staff, we are full of confidence in the future of our Group.

Finally, I would like to take this opportunity to express my heartfelt thanks to our Board and staff for riding through these trying times with us and to our shareholders, bondholders and business partners for your continued trust and support.

**Mr. Zhang Ruilin**  
Chairman

從公司業績上看，由於對CQ Energy的收購(二零一七年四季度開始併入集團報表)，二零一七年度本集團的油氣作業產量較之二零一六年度增加43.0%至944萬桶當量，淨產量增加87.8%至676萬桶當量。受產量和油價的雙重影響，二零一七年度本集團的銷售收入增加110.5%至11.26億元人民幣，經調整的EBITDA增加22.9%至3.48億元人民幣。

近期國際原油價格有所復蘇，但加拿大的氣價仍然低迷，本集團樂見油氣價格上漲，但仍對我們面臨的挑戰保持謹慎。本集團將繼續專注於其核心領域，加強成本控制和努力提高生產效率，最大化集團戰略價值和財務回報。同時，我們也將努力平衡好公司業務發展和改善資本結構兩者之間的關係。總之，在集團全體同仁共同努力下，我們對集團未來發展充滿信心。

最後，本人亦借此機會衷心感謝公司董事會及全體員工的辛勤耕耘和努力，亦感謝公司股東、債券持有人及各業務夥伴對我們的支持和信任。

董事長  
張瑞霖先生

# Directors and Senior Management

## 董事及高級管理層

### Executive Directors

**Zhang Ruilin**, aged 47, has been the Executive Director, Chairman and Chief Executive Officer of the Company since March 20, 2008. Mr. Zhang is one of the controlling shareholders of the Company. Mr. Zhang has over 27 years of experience in the oil and gas business. Following the takeover of the Company by Far East Energy Limited ("FEEL") in August 2003, Mr. Zhang joined us in September 2003 and has been a Director of the Company. He is primarily responsible for overseeing our overall strategies, planning and day-to-day management and operations. Mr. Zhang is also a director for the various subsidiaries of the Group.

**Zhao Jiangwei**, aged 46, has been the Executive Director and senior vice president of the Company since December 19, 2008. He is one of the controlling shareholders of the Company. Mr. Zhao has over 25 years of experience in the oil and gas industry. Following the takeover of the Company by Far East Energy Limited ("FEEL") in August 2003, Mr. Zhao joined the Company in September 2003 and has since been a director of the Company. He is and will continue to be primarily responsible for assisting the Chairman in overseeing the operations at oilfields in the PRC. Mr. Zhao obtained a bachelor of arts degree from Daqing Petroleum College in 1999.

**Andrew Sherwood Harper**, aged 66, has been our Executive Director since his appointment on July 19, 2013 and has resigned as an Executive Director and the Chief Geologist of the Company with effect from June 30, 2017. Mr. Harper has been the Company's chief geologist and president of the Company's international operations from 2001 to 2008 and rejoined the Company in April 2010 as the chief geologist. Mr. Harper is also the Chief Executive Officer and a director of MIE Jurassic Energy Corporation, overseeing the group's operations in the United States. Mr. Harper was appointed as a director of Canlin Energy Corporation in 2017. Mr. Harper has over 37 years of experience in the oil and gas industry, during which he acquired his experience working in the exploration and production team of ARCO International Oil & Gas Company prior to joining the Company in 2001. During his time with ARCO, Mr. Harper worked extensively overseas, including assignments in Chile, Dubai, Norway, the United Kingdom and Indonesia, and as ARCO's resident manager in Bogota, Colombia. Mr. Harper also worked as a basin studies director, Latin America exploration director and exploration project director at the headquarters of ARCO International in the United States from 1990 to 1996 and as an exploration manager at the Andean Basins in ARCO Latin America Inc. from 1999 to 2000. Mr. Harper received a bachelor's degree in Geology from Williams College and a master's degree in Geology from the University of Southern California. Mr. Harper is certified as a Professional Geologist by the Texas Board of Professional Geoscientists and a Certified Petroleum Geologist of American Association of Petroleum Geologists.

### 執行董事

**張瑞霖**，47歲，自二零零八年三月二十日起獲出任本公司執行董事、主席兼首席執行官。彼為本公司的控股股東之一。張先生在油氣行業擁有逾27年經驗。Far East Energy Limited (「FEEL」)於二零零三年八月並購本公司後，張先生於二零零三年九月加入本公司，自此一直擔任公司董事。彼主要負責監管本公司整體戰略、規劃及日常管理與經營。張先生亦為本集團多家附屬公司的董事。

**趙江巍**，46歲，自二零零八年十二月十九日起出任本公司執行董事兼高級副總裁。彼為本公司的控股股東之一。趙先生在油氣行業擁有逾25年經驗。FEEL於二零零三年八月併購本公司後，趙先生於二零零三年九月加入本公司，自此一直擔任公司董事。彼主要負責協助主席監管中國油田的營運。於一九九九年，趙先生取得大慶石油學院文學學士學位。

**Andrew Sherwood Harper**，66歲，自二零一三年七月十九日起出任本公司執行董事並於二零一七年六月三十日辭任本公司執行董事及首席地質師職務。Harper先生於二零零一年至二零零八年任本公司總地質師及本公司國際營運總裁，並於二零一零年四月重新加入本公司出任首席地質師。Harper先生現為MIE Jurassic Energy Corporation之行政總裁兼董事，負責統籌集團之美國業務。Harper先生於二零一七年獲委任為Canlin Energy Corporation董事。Harper先生在油氣行業擁有逾37年經驗，在二零零一年加入本公司之前，彼在ARCO International Oil & Gas Company參與勘探及生產團隊而累積工作經驗。於ARCO任職期間，Harper先生海外工作經驗豐富，包括獲派駐智利、迪拜、挪威、英國及印度尼西亞，以及出任哥倫比亞波哥大的駐當地經理。Harper先生亦於一九九零年至一九九六年出任美國ARCO International總部的盆地研究主任、拉丁美洲勘探主任及勘探項目主任，並於一九九九年至二零零零年任ARCO Latin America Inc.安第斯盆地的勘探經理。Harper先生獲Williams College地質學學士學位及南加州大學地質學碩士學位。Harper先生獲德州專業地質科學家協會(Texas Board of Professional Geoscientists)認證為專業地質師，並為美國石油地質師公會(American Association of Petroleum Geologists)之認可石油地質師。



# Directors and Senior Management (Continued)

## 董事及高級管理層(續)

**Tian Hongtao**, aged 47, has been our Executive Director since his appointment on December 5, 2014 and resigned with effect from June 30, 2017. Mr. Tian joined the Company in January 2014 as a vice president, he was the executive president of the Company from February 2015 to June 2017 and is a vice president since July 2017. He has over 23 years of experience in finance and accounting and brings considerable risk and control management expertise to the Company. Prior to joining us, Mr. Tian served as financial controller of Digital China Information Service Company Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 000555.SZ). Before that, Mr. Tian held positions as vice general manager, general manager, assistant president and vice president of Digital China Holdings Limited, a company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") ("Digital China", stock code: 00861), focusing on risk and control management of Digital China. Prior to his time at Digital China, Mr. Tian worked at the Lenovo Group, a company listed on the Stock Exchange (stock code: 0992). Mr. Tian graduated with a bachelor's degree in 1994 and then a master's degree in 2001, both in Economics from the Central University of Finance and Economics in China. He also obtained a master's degree in Business Administration from the Cheung Kong Graduate School of Business in China in 2007. He is a non-practicing certified public accountant in China.

### NON-EXECUTIVE DIRECTOR

**Xie Na**, aged 42, has been the Non-executive Director of the Company since November 13, 2015. She has previously held various positions at Shanghai Life Insurance Company Ltd., Sequoia Capital China and Monitor Group. Ms. Xie has experiences in equity investment, portfolio investment focusing on consumables and TMT as well as marketing, operations and post-investment management. She had led investment projects such as Peak Sport Products Co. Limited and Sky-mobi Limited (symbol: MOBI, NASDAQ). Ms. Xie is currently an executive council member of the China Women's Chamber of Commerce and the vice president of China Energy Storage Alliance. She was also a visiting professor of the Graduate University of Chinese Academy of Sciences. Ms. Xie obtained a bachelor's degree in computer engineering from the University of Toronto in 2002 and a master's degree in business administration from Stanford University in 2004.

**田洪濤**，47歲，自二零一四年十二月五日起出任本公司執行董事並於二零一七年六月三十日辭任。二零一四年一月，田先生加入本公司出任副總裁，二零一五年二月至二零一七年六月，任本公司執行總裁，於二零一七年七月至今任本公司副總裁。彼在財務及會計方面擁有逾23年的經驗，並給公司帶來豐富的風險控制管理的專業技能。加入本公司之前，田先生任深圳證券交易所上市公司神州數碼資訊服務股份有限公司(股票代碼：000555.SZ)財務總監一職。在此之前，田先生於香港聯合交易所有限公司(「聯交所」)上市公司神州數碼控股有限公司(「神州數碼」，股票代碼：00861)歷任副總經理，總經理，助理總裁及副總裁等職位，專註於神州數碼的風險控制管理工作。加入神州數碼之前，田先生任職於聯交所上市公司聯想集團(股票代碼：0992)。田先生於一九九四年和二零零一年分別獲得中央財經大學經濟學學士和經濟學碩士學位，並於二零零七年獲得長江商學院工商管理碩士學位。他亦獲得中國非執業註冊會計師資格。

### 非執行董事

**謝娜**，42歲，自二零一五年十一月十三日起出任本公司非執行董事。謝女士曾任職於上海人壽保險股份有限公司、紅杉資本中國基金及摩立特集團。謝女士在股權投資，專注消費品與現代服務、科技與傳媒等行業的投資組合以及市場行銷、運營、投融資及投後管理方面都有非常豐富的經驗。她曾主導的投資項目有匹克運動及斯凱網路(股份代號：NASDAQ: MOBI)等。謝女士現任全國工商聯女企業家商會常務理事、中關村儲能產業聯盟副理事長並曾任中國科學院研究生院客座教授。謝女士於二零零二年獲多倫多大學電腦工程學士學位，且於二零零四年獲斯坦福大學工商管理碩士學位。

## Directors and Senior Management (Continued)

### 董事及高級管理層(續)

**Jiao Qisen**, aged 37, has been a Non-executive Director of the Company since January 29, 2018. Mr. Jiao has extensive management experiences and is currently the chairman of ChemChina New Material Co. Ltd, China Sam Enterprise Group Co. Ltd., and China Jing An Ltd.. He obtained a doctoral degree in Management from Beijing Normal University in 2010, a doctoral degree in Philosophical Psychology from Bulacan State University in 2012 and a postdoctoral degree from Beijing Jiaotong University in 2016. Mr. Jiao has also published various essays and other publications in the field of management and psychology over the years.

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mei Jianping**, aged 57, has been our Independent Non-executive Director since his appointment on November 27, 2010. Mr. Mei has been a professor of finance at Cheung Kong Graduate School of Business in Beijing, China since 2006 and a fellow at Financial Institutions Center, the Wharton School of University of Pennsylvania since 2004. He was a tenured associate professor of finance from 1996 to 2005 and an assistant professor of finance from 1990 to 1995 at New York University. From 2003 to 2008, he also taught at Tsinghua University as a special term professor of finance. Mr. Mei has been a director of Cratings.com Inc., USA since 1999. Since 2009, Mr. Mei has served on the boards of Powerlong Real Estate Holdings Limited (stock code: 1238.HK), a company listed on the Stock Exchange, and also Zhong De Securities Company Limited. Mr. Mei also served as the chairman of board of Shanghai Zhangjiang JRtan.com Inc. from 2000 to 2012. From November 29, 2013, Mr. Mei has served as an independent non-executive director of Ground Properties Company Limited (stock code: 989.HK), and from August 11, 2014, Mr. Mei has served as an independent non-executive director of China Rundong Auto Group Limited (stock code: 1365.HK) (both companies listed on the Stock Exchange). Mr. Mei worked as a consultant for various financial institutions, such as Deutsche Bank, UBS, Prudential Insurance of America and Asia Development Bank. Mr. Mei has published a number of books and articles on topics related to finance. Mr. Mei received a bachelor's degree in Mathematics from Fudan University in 1982, a master's degree in Economics and a Ph.D. in Economics (Finance) from Princeton University in 1988 and 1990, respectively.

**焦祺森**，37歲，於二零一八年一月二十九日起出任本公司非執行董事。焦先生擁有豐富管理經驗，現任中國化工新材料有限公司董事長、中國森田企業集團有限公司董事長、及中國京安有限公司董事長。其於二零一零年取得北京師範大學管理學博士學位，二零一二年取得菲律賓布拉卡國立大學心理學哲學博士學位並於二零一六年取得北京交通大學經管學院博士後證書。此外，焦先生發表過多篇管理學及心理學方面的論文及多本著作。

#### 獨立非執行董事

**梅建平**，57歲，於二零一零年十一月二十七日起出任本公司獨立非執行董事。自二零零六年起，梅先生一直擔任中國北京長江商學院金融學教授，並自二零零四年起任賓夕法尼亞大學沃頓商學院金融機構研究中心學者。彼自一九九六年至二零零五年任紐約大學金融學副教授，並自一九九零年至一九九五年任紐約大學金融學助理教授。自二零零三年至二零零八年，彼亦曾在清華大學執教，任特聘金融學教授。自一九九九年，梅先生任美國Cratings.com Inc.的董事。自二零零九年以來，梅先生任寶龍地產控股有限公司(一家於聯交所上市的公司，股份代號：1238.HK)及中德證券有限責任公司董事會成員。自二零零零年至二零一二年，梅先生亦擔任上海張江金融灘網絡有限公司董事會主席。自二零一三年十一月以來，任廣澤地產股份有限公司(股票代碼：989.HK)獨立非執行董事；自二零一四年八月以來，任中國潤東汽車集團有限公司(股票代碼：1365.HK)獨立非執行董事(兩家均為於聯交所上市的公司)。梅先生曾出任德意志銀行、瑞士銀行、美國保誠保險和亞洲開發銀行等多家金融機構的顧問。他曾出版多本關於金融的書籍和發表多篇文章。梅先生於一九八二年獲復旦大學數學學士學位，並分別於一九八八年及一九九零年獲普林斯頓大學經濟學碩士學位和經濟學(金融)博士學位。

## Directors and Senior Management (Continued)

### 董事及高級管理層(續)

**Jeffrey Willard Miller**, aged 55, has been our Independent Non-executive Director since his appointment on November 27, 2010. Mr. Miller has over 31 years of experience in the oil and gas industry. Since 2012, Mr. Miller has been Managing Partner and Co-Founder of Vortus Investments, an energy private equity firm founded in later 2012. From 2008 to 2012, as the director of upstream and investments for Mercuria Energy Trading Inc. (“Mercuria”), one of the world’s largest independent physical energy trading firms, he was responsible for Mercuria and certain of its affiliates’ global portfolio of oil and natural gas assets, the majority of which are located in North and South America. Prior to joining Mercuria, Mr. Miller spent four years, from 2004 to 2008, as president of Moncrief Oil International, a private oil and natural gas company with assets in the former Soviet Union as well as North America. Prior to his career at Moncrief, Mr. Miller was a managing director in global energy investment banking for UBS AG, the successor of Dillon, Read & Co, which he joined in 1993. Mr. Miller was an investment banker with a focus on the energy industry and has extensive experience in the fields of corporate finance. Throughout his career as set out above, Mr. Miller has been involved in a substantial number of transactions including initial public offerings, debt offerings and mergers and acquisitions, which require expertise in financial analysis. As an investment banker, Mr. Miller also had extensive experience in valuation analysis, which involved reviewing and analyzing audited financial statements of public and private companies. Mr. Miller’s professional career began in a technical capacity as a petroleum engineer with Exxon. Mr. Miller received a bachelor’s degree, magna cum laude, in Petroleum Engineering from Texas A&M University and a master’s degree in Business Administration from the Columbia Business School.

**Guo Yanjun**, aged 65, has been the Independent Non-executive Director of the Company since November 13, 2015. He has extensive entrepreneurship experience and experience in corporate operation and management. Mr. Guo graduated from China People’s University with a Diploma in Law in 1984. Mr. Guo is currently an Independent Non-executive Director of Mei Ah Entertainment Group Limited (stock code: 391.HK). He is also the chairman of CNHK Tech Co. Ltd, CNHK Media Limited, CNHK Media (H.K.) Advertising Limited and CNHK Publications Limited.

**Jeffrey Willard Miller**, 55歲，自二零一零年十一月二十七日起出任本公司獨立非執行董事。Miller先生在油氣行業擁有逾31年經驗。二零一二年起，Miller先生擔任於該年成立的能源私募股權公司Vortus Investments的董事合夥人兼共同創辦人。Miller先生於二零零八年至二零一二年擔任Mercuria Energy Trading Inc. (「Mercuria」)(全球最大的獨立物理能源貿易公司之一)上游投資董事，負責Mercuria及其若干聯屬公司的石油及天然氣資產(大部分位於北美洲和南美洲)的全球投資組合。加入Mercuria之前，自二零零四年至二零零八年四年期間，Miller先生擔任Moncrief Oil International總裁，該公司為一家石油及天然氣私營公司，在前蘇聯及北美洲擁有資產。在Moncrief開展其職業生涯前，Miller先生於一九九三年加入UBS AG(其前身為Dillon, Read & Co)，擔任全球能源投資銀行董事總經理。Miller先生為能源行業投資銀行家，擁有企業金融領域豐富經驗，曾憑藉金融分析專長，參與多起交易，包括首次公開發售、債券發售、併購。身為投資銀行家，Miller先生亦擁有豐富估值經驗，包括審閱分析上市及非上市公司經審核財務報表。彼職業之初是在艾克森美孚任石油工程師技術職位。Miller先生以優異成績取得德克薩斯州農工大學石油工程學士學位，並取得哥倫比亞商學院工商管理碩士學位。

**郭燕軍**，65歲，自二零一五年十一月十三日起出任本公司獨立非執行董事。彼擁有豐富的創業經歷及企業運營管理經驗。郭先生於一九八四年畢業於中國人民大學，取得法律文憑。郭先生現時是美亞娛樂資訊集團有限公司(股份代號：391.HK)之獨立非執行董事。郭先生亦是北京君雲科技有限公司、中港傳媒有限公司、中港傳媒(香港)廣告有限公司及中港傳媒出版社有限公司之董事長。

# Directors and Senior Management (Continued)

## 董事及高級管理層(續)

### SENIOR MANAGEMENT

**Mei Liming**, aged 37, was our Chief Financial Officer from May 31, 2016 to April 12, 2017 and has resigned from his position with effect from April 12, 2017. He was subsequently re-designated as a vice president of finance and merger and acquisition. Mr. Mei joined the Group in January 2005 and has since worked across various functions including as an accountant, finance manager and vice financial controller. During his career in the Group, Mr. Mei gained extensive knowledge and experience in the oil & gas industry, financial management and capital markets. Since joining the Group, apart from daily financial management, Mr. Mei has also been closely involved in many transactions including various financings and acquisitions. He also participated in the process of the Group's initial public offering on the Main Board of the Stock Exchange. Mr. Mei graduated from Beijing Institute of Petrochemical Technology with a Bachelor of Accounting in 2003. Prior to joining the Company, Mr. Mei worked as an accountant at Sony Corporation in 2004.

**Song Wu**, aged 51, is our Chief Financial Officer. Mr. Song has over 28 years of experience in planning, finance, auditing and operational management in the oil and gas industry. Mr. Song joined the Group in January 2004 and has held different managerial positions within the finance department. Mr. Song had ever led MIE to be granted with the honor of "Pioneers of China National Petroleum Corporation ("CNPC") Foreign Cooperation Projects". Mr. Song gained extensive knowledge and experience in the oil & gas industry, corporate operation and financial management while working in the Group. Mr. Song graduated from Northeast Petroleum University with a double degree in accounting and computer science in 1996. Prior to joining us, Mr. Song worked for CNPC from 1989 to 2003. He obtained his accountant qualification in the PRC in 1998.

### 高級管理層

**梅黎明**，37歲，於二零一六年五月三十一日至二零一七年四月十二日任本公司首席財務官並於二零一七年四月十二日辭任。之後梅先生出任負責融資、併購及收購的副總裁。梅先生於二零零五年加入本集團，歷任會計師、財務經理及財務副總監等職位。在其於本集團任職期間，梅先生於油氣行業、財務管理及資本市場方面積累了豐富之實際知識及經驗。加入本集團後，除參與公司日常管理工作，梅先生亦緊密參與了本公司諸多的交易事項，包括多項融資及並購等，其亦完整參與了本公司於聯交所主板上市的相關工作。梅先生於二零零三年畢業於北京石油化工學院，獲得會計學學士學位。在加入本集團之前，梅先生於二零零四年曾出任索尼有限公司會計師。

**宋武**，51歲，本公司首席財務官。在油氣行業擁有28年計劃、財務、審計及企業運營管理的工作經驗。宋先生於二零零四年一月加入本集團，歷任財務部門多個經理職位，曾打造了中石油授予的「中國石油對外合作先進集體」。在其於本集團任職期間，宋先生於油氣行業及企業運營、財務管理方面積累了豐富之實際知識及經驗。宋先生於一九九六年畢業於大慶石油學院財務會計專業，擁有財務與計算機雙學歷。加入本集團之前，自一九八九年至二零零三年宋先生任職於中石油從事計劃及財務管理工作，彼於一九九八年取得中國會計師資格。

## Directors and Senior Management (Continued)

### 董事及高級管理層(續)

**Lian Yunfei**, aged 42, had been our general counsel from November 2009 to January 2015. She has rejoined the Company since August 2017 as a vice president and general counsel of the Group. Ms. Lian has over 14 years of experience in the legal field. Prior to joining us, Ms. Lian worked as an associate at Baker & McKenzie Hong Kong office between 2007 and 2009 focusing on mergers and acquisitions and general corporate advice and as North Asia general counsel of a US multi-national corporation between 2015 and 2017. In her early career, starting in 2001, she worked at a law firm in Canada, focusing on general practice for over three years. Ms. Lian obtained a juris doctor degree from the Faculty of Law at the University of British Columbia in 2007. She received a Master's degree in Engineering from the University of Florida in 2001 and a Bachelor's degree in Science from Shanghai University of Science and Technology in 1996. She is admitted to practice law in New York.

#### RELATIONSHIP AMONG DIRECTORS AND SENIOR MANAGEMENT

Save for Mr. Zhao Jiangwei, senior vice president and Executive Director, who is the brother-in-law of Mr. Zhang Ruilin, our Chairman, Chief Executive Officer and Executive Director, there are no familial relationships between any of our Directors and senior management.

**連雲飛**，42歲，曾於二零零九年十一月至二零一五年一月任職本公司總法律顧問，後於二零一七年八月重新加入本公司，現任本集團副總裁兼總法律顧問。連女士在法律領域擁有逾十四年經驗。在加入本公司前，連女士於二零零七年至二零零九年三月間擔任Baker & McKenzie香港辦事處律師，專注於合併與收購及一般公司交易；於二零一五年至二零一七年間擔任一家美國跨國公司亞洲北部總法律顧問。在其早期職業生涯中，彼自二零零一年開始任職於加拿大一家律師事務所，在加拿大逾三年。連女士於二零零七年取得英屬哥倫比亞大學法學院的法學博士學位，於二零零一年獲佛羅裏達大學材料科學與工程學碩士學位，並於一九九六年獲上海大學頒授材料科學與工學學士學位。彼獲准在紐約執業。

#### 董事與高級管理層之間的關係

除本公司高級副總裁兼執行董事趙江巍先生為本公司主席、首席執行官兼執行董事張瑞霖先生的內弟外，本公司董事與高級管理層之間概無親屬關係。

# Corporate Governance Report

## 企業管治報告

The Board of Directors (the “Board”) is pleased to present this corporate governance report in the Group’s Annual Report for the year ended December 31, 2017.

### CORPORATE GOVERNANCE COMMITMENT

The Board of the Company has responsibilities towards the shareholders and related stakeholders to ensure the Company’s successful operation. Sound corporate governance is not only vital for the Company to cope with the evolving regulatory environment and reinforce the relationship with its shareholders and stakeholders, but also important for the Company’s success and sustainable development. We are committed to achieving a high standard of corporate governance and have promoted corporate governance practices appropriate for our business operations and development.

### CORPORATE GOVERNANCE PRACTICES

The Board considers that good corporate governance standards are essential in providing a framework for the Company to safeguard shareholders’ interests, enhance corporate value and accountability, formulate its business strategies and policies and enhance transparency.

The Company’s corporate governance practices are established based on the provisions of the Corporate Governance Code (the “CG Code”), as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) (the “Stock Exchange”).

During the year ended December 31, 2017, the Company has applied and complied with the applicable provisions of the CG Code as set out in Appendix 14 to the Listing Rules, except the Company did not hold the Nomination Committee Meeting and the deviations with explanations below.

The Company shall review and improve its corporate governance practices on a regular basis to ensure a continuous compliance of such practices with the requirements of the CG Code.

本公司董事會欣然提呈本集團截至二零一七年十二月三十一日止年度年報之企業管治報告。

### 企業管治承諾

本公司董事會有責任向股東及利益相關人士確保本公司運營成功。良好的企業管治對本公司應對不斷變化的監管環境及增強與本公司股東及利益相關人士的關係而言至關重要，對本公司之成功及持續發展亦重要。我們致力提升至高標準的企業管治，亦已推行適合我們業務運營及發展之企業管治常規。

### 企業管治常規

董事會認為良好的企業管治標準乃本公司保障股東利益、提升企業價值與問責性、制定公司的商業策略及政策大綱及提升其透明度之關鍵。

公司管治常規建立在企業管治守則(「企業管治守則」)中的規定之上，為香港聯合交易所有限公司(「聯交所」)發布的上市規則(「上市規則」)附錄十四所載企業管治常規。

本公司截至二零一七年十二月三十一日止年度會計期間，已應用及遵守香港聯交所上市規則附錄十四的企業管治守則適用之守則條文，惟未舉行提名委員會會議及下文解釋之闡明原因的偏離行為除外。

公司管治常規建立在聯交所上市規則附錄十四企業管治守則之規定之上，將定期檢討及改善其企業管治常規，確保該等企業管治常規繼續符合企業管治守則之要求。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### MODEL CODE FOR SECURITIES TRANSACTIONS

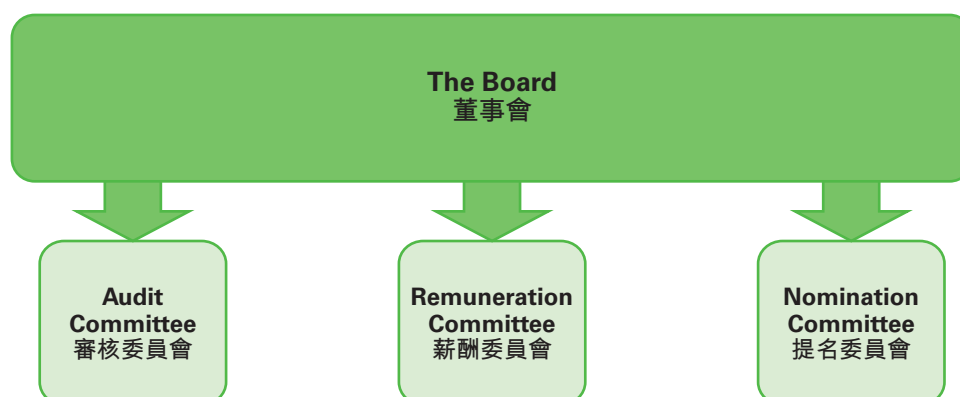
The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix 10 to the Listing Rules as code of conduct for securities transactions. Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions by directors throughout the year ended December 31, 2017.

### 證券交易的標準守則

本公司採用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」作為董事買賣本公司證券之行為守則。經向全體董事作出具體查詢後，全體董事確認彼等於截至二零一七年十二月三十一日止年度一直遵守本守則所訂有關董事進行證券交易的標準。

### STRUCTURE OF CORPORATE GOVERNANCE

### 企業管治架構



# Corporate Governance Report (Continued)

## 企業管治報告(續)

### THE BOARD

As at December 31, 2017, the Board comprised six members, including two Executive Directors, a Non-executive Director and three Independent Non-executive Directors.

During the year, members of the Board are listed as follows:

#### Executive Directors:

Mr. Zhang Ruilin (*Chairman*)  
Mr. Zhao Jiangwei  
Mr. Andrew Sherwood Harper  
(Resigned with effect from June 30, 2017)  
Mr. Tian Hongtao  
(Resigned with effect from June 30, 2017)

#### Non-executive Director:

Ms. Xie Na

#### Independent Non-executive Directors:

Mr. Mei Jianping  
Mr. Jeffrey Willard Miller  
Mr. Guo Yanjun

Mr. Jiao Qisen was appointed as a Non-executive Director of the Company with effect from January 29, 2018.

The biographical information of the Directors is set out under "Directors and Senior Management" on page 15 to page 18 of this annual report.

The relationships among members of the Board are disclosed under "Relationships among Directors and Senior Management" on page 20.

The Board is responsible for performing the functions set out under the Code Provision D.3.1 of the CG Code.

### 董事會

董事會截至二零一七年十二月三十一日，由6名成員組成，包括2名執行董事、1名非執行董事及3名獨立非執行董事。

於年度內，董事會成員載列如下：

#### 執行董事：

張瑞霖先生(主席)  
趙江巍先生  
Andrew Sherwood Harper 先生  
(於二零一七年六月三十日辭任)  
田洪濤先生  
(於二零一七年六月三十日辭任)

#### 非執行董事：

謝娜女士

#### 獨立非執行董事：

梅建平先生  
Jeffrey Willard Miller 先生  
郭燕軍先生

焦祺森先生於二零一八年一月二十九日獲委任為本公司非執行董事。

董事的履歷資料載於本年報第15頁至第18頁「董事及高級管理層」一節。

董事會成員之間的關係於第20頁「董事與高級管理層之間的關係」披露。

董事會負責履行企業管治守則之守則條文第D.3.1條所載職能。



# Corporate Governance Report (Continued)

## 企業管治報告(續)

The Board has reviewed the Company's corporate governance policies and practices and made recommendations to the Company regarding the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance with the Model Code, the code of conduct and compliance manual for employees and Directors, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

### CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to Code Provision A.2.1 of the CG Code, the roles of Chairman and Chief Executive Officer should be separate and should not be performed by the same individual. Mr. Zhang Ruilin ("Mr. Zhang") is the Chairman of the Board. Apart from serving as Chairman, Mr. Zhang has also been appointed as Chief Executive Officer. Such appointment constitutes a deviation from the Code Provision A.2.1. The reasons for deviation are explained as below.

Different from integrated oil companies engaged in upstream and downstream business, the Company is engaged in the business of oil & gas exploration and production. Therefore, the Board considers that, the making and implementation of strategic planning decision by the same individual is in the best interest of the Company's oil & gas exploration and production business. The Nomination Committee of the Company also agrees that it is in the best interest of the Company that the roles of Chairman and Chief Executive Officer be performed by the same individual. Therefore, the Company does not currently proposed appoint another person to act as its Chief Executive Officer. However, the Company will continue to review the effectiveness of its corporate governance structure and consider if any changes are necessary (including separating the roles of Chairman and Chief Executive Officer).

董事會已檢討並建議本公司企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律及監管規定、標準守則及企業管治守則方面之政策及常規以及於本企業管治報告作出的披露。

### 主席和首席執行官

根據守則條文第A.2.1條，主席和首席執行官的角色應有區分，並不應由一人同時兼任。張瑞霖先生(「張先生」)為本公司的主席。除擔任主席一職外，張先生亦獲委任為首席執行官。該委任與守則條文第A.2.1條相偏離。該偏離的原因載於下文。

有別於從事上下游業務的綜合石油公司，本公司從事油氣勘探和生產業務。有鑒於此，董事會認為，由同一人制定戰略性計劃決策並付諸實施將最大程度地符合本公司油氣勘探和生產業務的利益。本公司提名委員會亦同意主席和首席執行官由同一人兼任符合本公司的最佳利益。故本公司目前並無計劃委任其他人士擔任本公司的首席執行官。然而，本公司將繼續檢討本公司企業管治架構的有效性，並考慮是否有必要作出任何變動(包括將主席及首席執行官的角色分開)。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### EXECUTIVE DIRECTORS

Mr. Zhang Ruilin and Mr. Zhao Jiangwei, being the Executive Directors, act as the Company's Chief Executive Officer and vice president respectively, and are collectively responsible for the operation of the whole group. Executive Directors should actively communicate with Non-executive Directors, and maintain an open and responsible attitude in respect of any reasonable administrative suggestions and enquiries raised by the Non-executive Directors.

Mr. Andrew Sherwood Harper had resigned as an Executive Director with effect from June 30, 2017.

Mr. Tian Hongtao had resigned as an Executive Director with effect from June 30, 2017.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

The five Non-executive Directors of the Company review the management's performance in fulfilling established corporate targets and principles. They should also ensure that financial information is reported clearly and accurately, and the risk management and internal control systems are implemented effectively.

During the year ended December 31, 2017, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors (representing one-third of the Board) with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Independent Non-executive Directors assume no management responsibilities in the Company, and hold no more than (either legally, beneficially or deemed) 1% of the total issued share capital of the Company; nor have they acquired any interest in securities of the Company either by gift or other methods; hence their independence is strongly guaranteed. In accordance with independence guidelines set out in Rule 3.13 of the Listing Rules, the Independent Non-executive Directors have provided an annual confirmation of independence to the Company. The Company considers all Independent Non-executive Directors to be independent.

### 執行董事

執行董事張瑞霖先生及趙江巍先生分別擔任本公司首席執行官及副總裁一職，所承擔之職責拓展至整個集團的運營。執行董事主動與非執行董事溝通，並對非執行董事提出的任何合理的行政建議及質詢持開放及負責的態度。

Andrew Sherwood Harper先生已於二零一七年六月三十日辭任執行董事。

田洪濤先生已於二零一七年六月三十日辭任執行董事。

### 獨立非執行董事

本公司5名非執行董事評估管理層在實現既定的企業目標和宗旨方面的表現。他們亦須確保財務資料得到清晰及準確的彙報，以及確保風險管理及內部監控系統的有效實施。

截至二零一七年十二月三十一日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事(佔董事會三分之一)，其中一名獨立非執行董事須具備合適專業資格或會計或相關財務管理專業知識的規定。

獨立非執行董事在本公司不擔任任何管理職務，且在法律上或實益持有，或被視為持有本公司已發行股本總額不超過1%，亦未以饋贈形式或其他資助方式，取得本公司任何證券權益；其獨立性得到了有力的保證。根據上市規則第3.13條的獨立性指引，各獨立非執行董事已簽署獨立性確認函。本公司確認全體獨立非執行董事的獨立性。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

Independent Non-executive Directors of the Company are involved in communications with the auditors, which fully exhibits the role of independent supervision. During the reporting period, no objections regarding the proposals of the Board or Board Committees have been raised by Independent Non-executive Directors.

### NON-EXECUTIVE DIRECTORS AND DIRECTORS' RE-ELECTION

Non-executive Directors serving the Board and Board Committees are equipped with different skills, specialties, backgrounds and qualifications, benefiting the Board a lot. Independent Non-executive Directors not only act as Non-executive Directors, but also equip the Board with expertise and business specialty supplementary to management, thus providing unique opinion and independent judgment for the possible situations during the implementation of the Company's business. Independent Non-executive Directors are acting as chairmen and members of Audit Committee, Remuneration Committee and Nomination Committee under the Board of the Company.

The appointment and re-election of all Directors of the Company for the year ended December 31, 2017 was in compliance with the CG Code. In accordance with the Code Provision A.4.2, all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The specific term of appointment for Directors of the Company is three years, which is subject to retirement by rotation at least once every three years. The appointment of Non-executive Directors of the Company shall comply with the Code Provision A.4.1 under the CG Code, namely, all Non-executive Directors should be appointed for a specific term and subject to re-election.

### RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leading and supervising the businesses, strategic policies and performance of the Company, as well as being collectively responsible for facilitating the successful development of the Company by detecting and supervising the Company's affairs. The Board makes objective decisions in the interest.

本公司獨立非執行董事參與與審計師的溝通，充分發揮了獨立監督作用。報告期內未出現獨立非執行董事對本公司董事會或委員會議案提出異議的情況。

### 非執行董事及董事重選

在董事會和董事委員會任職的非執行董事各自具備不同的技能、專長、背景及資格，讓該等委員會獲益良多。獨立非執行董事不單擔當非執行董事的角色，且為董事會帶來與管理互補互促的專業知識及業務專長，從而為本公司業務可能遇到的狀況提供獨到見解及獨立判斷。董事會審核委員會、薪酬委員會及提名委員會均由獨立非執行董事擔任。

截至二零一七年十二月三十一日止年度本公司全體董事的委任及重選遵行企業管治守則。根據守則條文第A.4.2條規定，所有獲委任填補臨時空缺之董事應在獲委任後的首次股東大會由股東選任。每位董事(包括按指定任期委任之董事)須至少每三年輪席退任一次。本公司各董事之指定任期為三年，須至少每三年輪席退任一次。本公司非執行董事委任遵行企業管治守則之守則條文第A.4.1條規定，全體非執行董事的委任均有指定任期並須重選。

### 董事會及管理層之職責、問責及貢獻

董事會負責領導及監察本公司、監督本公司之業務、策略方針及表現以及集體負責透過指導及監管本公司事務推動本公司成功發展。董事會以本公司利益作出客觀決定。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

The Board has delegated to the Chief Executive Officer and through him to senior management the authority and responsibility for carrying out the Company's day-to-day management and operation. The delegated duties and responsibilities will be reviewed on a regular basis. The aforementioned senior executives shall obtain the approval from the Board prior to entering into any significant transactions.

In addition, the Board has established the Board Committees and delegated responsibilities as set out in their respective written terms of reference.

All Directors (including Non-executive Directors and Independent Non-executive Directors) have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board, facilitating an efficient and effective operation thereof. All Directors shall ensure that they will perform their duties in good faith, comply with applicable laws and regulations and act in the interests of the Company and shareholders at all times.

All Directors have full and timely access to all relevant information of the Company and the services and advice of the company secretary, to ensure that procedures of the Board and all applicable laws and regulations are complied with. Upon request, Directors, may seek independent professional advice when appropriate for discharging their duties to the Company, at the Company's expense.

Directors shall disclose to the Company details regarding other offices held by them, and the Board shall review the contribution required from each Director in performing his duties to the Company on a regular basis.

The Board reserves the decision-making power over all important issues, including the Company's policy matters, strategies and budget, internal controls and risk management, significant transactions (especially those that may involve conflict of interest), financial information, appointment of Directors and other significant operational issues. The responsibilities regarding to implementing Board decisions, directing and coordinating the Company's daily operation and management are delegated to be the Management.

In respect of legal actions against Directors and senior management arising out of corporate activities, the Company has made arrangements for appropriate insurance cover Directors and executives regarding their duties.

董事會已授權首席執行官，並通過首席執行官向高級管理層轉授權力及責任進行本公司之日常管理及經營。所指派的職責及責任定期予以檢討。上述高級行政人員訂立任何重大交易前須取得董事會批准。

此外，董事會已成立董事委員會，並向該等董事委員會授出各自職權範圍所載的各項責任。

全體董事(包括非執行董事及獨立非執行董事)均為董事會注入多領域的寶貴業務經驗、知識及專長，促進董事會高效及有效運作。全體董事須確保真誠履行職責，遵守適用法例及法規，並時刻為本公司及其股東之利益行事。

全體董事均可全面及時查詢本公司所有相關資料及獲取本公司秘書的服務與意見，確保遵守董事會程序和所有適用法例及規例。董事提出要求後可在適當情況下尋求獨立專業意見，以向本公司履行職責，費用由本公司支付。

董事須向本公司披露彼等所擔任其他職務之詳情，而董事會定期審閱各董事向本公司履行職責時須作出的貢獻。

董事會保留對所有重要事項的決策權，包括本公司政策事宜、策略及預算、內部監控及風險管理、重大交易(特別是可能涉及利益衝突之交易)、財務數據、委任董事及其他重要營運事宜。有關執行董事會決策、指導及協調本公司日常營運及管理之職責授予管理層。

本公司已就董事及高級管理層可能面對因企業活動產生之法律行動，為董事及行政人員之職責作出適當投保安排。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Every newly appointed Director will obtain on-board induction upon first occasion of his/her appointment, in order to ensure appropriate understanding of the Company's business and operation and full awareness of the Directors' duties in accordance with Listing Rules and related laws. The Director shall keep abreast of the duties as a Director of the Company, and the conduct, business activities and development of the Company.

All Directors are continually updated on the legal and regulatory regime as well as the business environment, so as to assist in their performance of duties. The Company will make arrangements when necessary and provide briefing and professional development training to Directors.

All Directors should participate in appropriate continuing professional development for developing and updating their own knowledge and skills, so as to ensure that they can remain informed and continue to make contribution to Board as appropriate. The Company will arrange internal briefing sessions for Directors and distribute reading material on relevant topics where appropriate. The Company encourages all Directors to attend related training courses at the Company.

On April 6, 2017, all Directors of the Company attended a training titled "Duties of Directors and the Role and Functions of Board Committees" held by the Stock Exchange.

### BOARD COMMITTEES

Three Committees have been established under the Board, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, to supervise particular aspects of the Company. All Board Committees of the Company are established based on functions and powers set out in the written terms of reference which are available on the websites of the Company and the Stock Exchange for shareholders' reference.

A list of the chairman and members of each Board Committee is set out under "Company Information" on page 2. All members of the Board Committees are Independent Non-executive Directors.

### 董事的持續專業發展

每名新任董事於首次獲委任時均會獲得入職介紹，確保適當掌握本公司的業務及經營，並完全瞭解根據上市規則及相關法規的董事職責。董事須持續瞭解作為本公司董事的職責以及本公司的經營方式、業務活動及發展。

全體董事亦會持續獲得有關法律和監管機制及業務環境的最新消息，以協助彼等履行職責。本公司會於必要時作出安排，持續向董事提供簡介及專業發展培訓。

全體董事應參與適當的持續專業發展，發展並更新自身知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會做出貢獻。本公司將適時在公司內部為董事安排簡介會並向董事發放相關主題之閱讀材料。本公司鼓勵全體董事出席相關培訓課程，費用由本公司支付。

在二零一七年四月六日，本公司所有董事均參加了香港聯合交易所有限公司舉辦的董事職務及董事委員會的角色與職能的培訓。

### 董事會委員會

董事會已設立3個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司特定方面之事務。本公司所有董事會委員會均按書面界定之職權範圍成立，有關職權範圍刊登於本公司及聯交所網站供股東閱覽。

所有董事會委員會成員均為獨立非執行董事，各董事會委員會的主席及成員名單載於第2頁之「公司資料」。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

Board Committees are also equipped with sufficient resources to perform their duties, and can seek independent professional advices when appropriate (upon reasonable request) at the Company's expense.

董事會委員會亦有足夠資源履行職務，在作出合理請求後，可於適當情況下尋求獨立專業意見，費用由本公司支付。

Committees 委員會	Audit Committee 審核	Remuneration Committee 薪酬	Nomination Committee <sup>(1)</sup> 提名 <sup>(1)</sup>
<b>Chairman</b>  主席	Independent Non-executive Director: Mr. Jeffrey Willard Miller 獨立非執行董事： Jeffrey Willard Miller 先生	Independent Non-executive Director: Mr. Mei Jianping 獨立非執行董事： 梅建平先生	Independent Non-executive Director: Mr. Mei Jianping 獨立非執行董事： 梅建平先生
<b>Composition</b>  組成	All other members are Independent Non-executive Directors: Mr. Mei Jianping and Mr. Guo Yanjun 成員均為獨立非執行董事： 梅建平先生、郭燕軍先生	All other members are Independent Non-executive Directors: Mr. Jeffrey Willard Miller and Mr. Guo Yanjun 成員均為獨立非執行董事： Jeffrey Willard Miller 先生、郭燕軍先生	All other members are Independent Non-executive Directors: Mr. Jeffrey Willard Miller and Mr. Guo Yanjun 成員均為獨立非執行董事： Jeffrey Willard Miller 先生、郭燕軍先生

# Corporate Governance Report (Continued)

## 企業管治報告(續)

Committees 委員會	Audit Committee 審核	Remuneration Committee 薪酬	Nomination Committee <sup>(1)</sup> 提名 <sup>(1)</sup>
<b>Main responsibilities</b>	<ul style="list-style-type: none"> <li>Review financial statements and reports before they are submitted to the Board, and consider any significant or unusual issues raised by external auditors</li> <li>Review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of recommendations on the appointment, re- appointment and removal of external auditors to the Board</li> <li>Review the adequacy and efficiency of the Company's financial reporting system, internal control system, risk management system and related procedures</li> </ul>	<ul style="list-style-type: none"> <li>Review and make suggestions on the remuneration of Directors and senior management to the Board</li> <li>Review and make suggestions on the remuneration of Non-executive Directors to the Board</li> <li>Review and make suggestions on the Company's remuneration policies and structure of remuneration of all Directors and senior management to the Board</li> <li>Review and make suggestions on the appointment letter of Executive Directors newly appointed during the year to the Board</li> <li>Review and approve the compensation arrangements of Executive Directors and senior management</li> </ul>	<ul style="list-style-type: none"> <li>Review the structure, size and composition of the Board, and make suggestions on any changes</li> <li>Formulate and develop the relevant procedures for nomination and appointment of Directors</li> <li>Identify suitable candidates for appointment as Directors</li> <li>Make suggestions on the appointment or re- appointment of and succession planning for Directors to the Board</li> <li>Assess the independence of Independent Non-executive Directors</li> </ul>
<b>主要職責</b>	<ul style="list-style-type: none"> <li>向董事會提交財務報表及報告前審閱財務報表及報告，並考慮外聘核數師提出的任何重大或不尋常事項</li> <li>參考核數師的工作、其費用及聘用條款，檢討與外聘核數師的關係，並就外聘核數師的委任、重新委任及罷免向董事會提供建議</li> <li>檢討本公司財務報告制度、內部監控制度及風險管理制度及相關程序是否充足有效</li> </ul>	<ul style="list-style-type: none"> <li>就各執行董事及高級管理層的薪酬待遇向董事會提出建議</li> <li>審議並就非執行董事的薪酬向董事會提出建議</li> <li>審議並就本公司對全體董事及高級管理層的薪酬政策及架構向董事會提出建議</li> <li>就年內新任執行董事的任命函向董事會提出建議</li> <li>審議及批准執行董事及高級管理層的賠償安排</li> </ul>	<ul style="list-style-type: none"> <li>檢討董事會之架構、規模及組成，並就任何建議變動提出建議</li> <li>建立及制訂提名及委任董事之相關程序</li> <li>物色合適之董事人選</li> <li>就董事之委任或連任及繼任計劃向董事會提出建議</li> <li>評估獨立非執行董事之獨立性</li> </ul>

# Corporate Governance Report (Continued)

## 企業管治報告(續)

Committees 委員會	Audit Committee 審核	Remuneration Committee 薪酬	Nomination Committee <sup>(1)</sup> 提名 <sup>(1)</sup>
<b>Number of meetings held in 2017 and summary of work done</b>	Two meetings were held for reviewing of the financial performance and reports, financial reporting and compliance procedures, reviewing and reporting on the Company's internal controls and risk management system and procedures, work scope and further engagement of external auditor, related party transactions and arrangements focusing the staff on possible inappropriate acts	A meeting was held for reviewing the granting of share options to the directors, substantial shareholders and employees, granting of awarded shares to directors and employees. The meeting was also held for evaluating the performance of the directors and management discussing the remuneration policy and structure.	No meeting was held.
<b>二零一七年度舉行會議次數</b>	舉行2次會議，檢討財務業績及報告、財務申報及合規程序、本公司內部監控及風險管理制度和程序之報告、外聘核數師的工作範圍及續聘事宜、關連交易以及使僱員關注可能不當行為之安排。	舉行1次會議，評價公司董事及高級管理層績效，並討論本公司對全體董事及高級管理層的薪酬政策及架構。	未舉行會議。

Note:

- (1) When evaluating the composition of the Board, the Nomination Committee will consider different aspects required by the Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge, industry and regional experience. The Nomination Committee will discuss and reach consensus on measurable objectives of diversification of members of the Board and make recommendations to the Board.

The Nomination Committee has adopted a set of nomination procedures for selection of candidates for directors by making a reference to the skills, experience, expertise, personal conduct and time commitments of individuals, the Company's needs and relevant laws and regulations. When necessary, external recruitment professionals may be engaged to carry out the selection process.

The meeting of the Nomination Committee did not take place in the year ended December 31, 2017 and took place on January 25, 2018 instead.

附註：

- (1) 在評估董事會組成時，提名委員會將考量董事會成員多元化政策要求的不同方面包括但不限於性別、年齡、文化和教育背景、專業資質、技能、知識以及行業和地區經驗，將討論並同意達成董事會成員多樣化的可執行的目標，並向董事會推薦供應採納。

提名委員會已參考候選人的技能、經驗、專業知識、個人操守及時間投入、本公司需要及其他相關法律法規，採納本公司董事候選人的提名程式。必要時可委聘專家執行篩選程式。

公司盡力於二零一七年度召開提名委員會，但推遲至二零一八年一月二十五日才得以召開。



# Corporate Governance Report (Continued)

## 企業管治報告(續)

### ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The details regarding Directors' attendance of meetings held by the Board and the Board Committees during their tenure during the year ended December 31, 2017 are set out in the table below:

### 董事及委員會成員出席會議的記錄

各董事在其任期內出席截至二零一七年十二月三十一日止年度舉行的董事會與董事會委員會會議及本公司股東大會的記錄載於下表：

		Attendance/Number of Meetings 出席/會議次數					
		Board 董事會	Audit Committee 審核委員會	Nomination Committee (note 1) 提名委員會 (註1)	Remuneration Committee 薪酬委員會	Annual General Meeting 股東周年大會	Extraordinary General Meeting (note 2) 股東特別大會 (註2)
<b>Executive Director</b>	<b>執行董事</b>						
Mr. Zhang Ruilin	張瑞霖先生	6/6	N/A 不適用	N/A 不適用	N/A 不適用	1/1	1/1
Mr. Zhao Jiangwei	趙江巍先生	6/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1	0/1
Mr. Andrew Sherwood Harper (Resigned with effect from June 30, 2017)	Andrew Sherwood Harper 先生 (已於二零一七年六月三十日辭任)	3/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1	N/A 不適用
Mr. Tian Hongtao (Resigned with effect from June 30, 2017)	田洪濤先生(已於二零一七年六月三十日辭任)	3/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1	N/A 不適用
<b>Non-executive Director</b>	<b>非執行董事</b>						
Ms. Xie Na	謝娜女士	4/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1	0/1
<b>Independent Non-executive Director</b>	<b>獨立非執行董事</b>						
Mr. Mei Jianping	梅建平先生	4/6	2/2	0/0	1/1	0/1	1/1
Mr. Jeffrey Willard Miller	Jeffrey Willard Miller 先生	4/6	2/2	0/0	1/1	0/1	0/1
Mr. Guo Yanjun	郭燕軍先生	4/6	2/2	0/0	1/1	0/1	1/1

Note 1 The meeting of the Nomination Committee did not take place in the year ended December 31, 2017 and took place on January 25, 2018 instead.

註1 公司盡力於二零一七年度召開提名委員會，但推遲至二零一八年一月二十五日才得以召開。

Note 2 The Company held an Extraordinary General Meeting on September 22, 2017 for approving the Partnership Interest Purchase and Sale Agreement dated May 31, 2017 (the "PSA") entered into between Direct Energy Resources Partnership, A Partner, Canlin Energy Corporation and the Company, and the terms and conditions thereof and the transactions contemplated thereunder and the implementation thereof, and to authorise any one of the Directors or other person to take such action or steps to give effect to and implement the PSA.

註2 本公司於二零一七年九月二十二日舉行股東特別大會以批准Direct Energy Resources Partnership、A方、Canlin Energy Corporation及本公司訂立日期為二零一七年五月三十一日之合夥權益買賣協議(「買賣協議」)以及其條款及條件及據此擬進行的交易及其實施，並授權任何一名董事或其他人士採取有關行動或步驟以令買賣協議生效及實施。

The Company held an Extraordinary General Meeting on September 22, 2017 for approving the Subscription Agreement dated May 31, 2017 (the "Subscription Agreement") entered into between CCGRF Gastown Limited, Maple Marathon Investments Limited, Mercuria Energy Netherlands BV, Canlin Energy Corporation and the Company, and the terms and conditions thereof and the transactions contemplated thereunder and the implementation thereof, and to authorise any one of the Directors or other person to take such action or steps to give effect to and implement the Subscription Agreement.

本公司於二零一七年九月二十二日舉行股東特別大會以批准CCGRF Gastown Limited、Maple Marathon Investments Limited、Mercuria Energy Netherlands BV、Canlin Energy Corporation及本公司訂立日期為二零一七年五月三十一日之認購協議(「認購協議」)以及其條款及條件及據此擬進行的交易及其實施，並授權任何一名董事或其他人士採取有關行動或步驟以令認購協議生效及實施。

During the year ended December 31, 2017, apart from regular Board meetings, the Chairman also held meetings with Non-executive Directors (including Independent Non-executive Directors) without the presence of other Executive Directors.

截至二零一七年十二月三十一日止年度內，除定期董事會會議外，主席亦與非執行董事(包括獨立非執行董事)舉行會議，而無執行董事出席。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge that they are responsible for the preparation of the financial statements of the Company for the year ended December 31, 2017.

The Board is responsible for presenting balanced, clear and concise annual reports and interim reports, announcements on inside information and other disclosures as stipulated by the Listing Rules as well as other statutory and regulatory provisions.

The Directors are not aware of any material uncertainties regarding events or situations which may cast significant doubts upon the Company's ability to continue as a going concern.

The management has provided necessary explanations and information to the Board, such that the Board can make an informed assessment of on the Company's financial statements submitted for its approval.

### AUDITORS' REMUNERATION

The Company's external auditor is PricewaterhouseCoopers, whose responsibilities in respect of the Company's consolidated financial statements are set out in the Independent Auditor's Report on page 124 to 136.

For the year ended December 31, 2017, remuneration paid or payable to the Company's auditors (i.e., PricewaterhouseCoopers and its member firms within the same network) is set out below:

### 董事就財務報表承擔的責任

董事確認彼等有責任編製本公司截至二零一七年十二月三十一日止年度之財務報表。

董事會負責編製上市規則及其他法定及監管條文規定的均衡、清晰及簡明年度報告及中期報告、內幕消息公告及其他披露。

董事並不知悉任何涉及可能對本公司持續經營能力有重大疑惑的事件或情況的重大不確定因素。

管理層已向董事會提供必要的解釋及資料，以便董事會可對提呈予董事會批准的本公司財務報表作出知情評估。

### 核數師酬金

本公司之外部核數師為羅兵咸永道會計師事務所(以下簡稱「羅兵咸永道」)，其對本公司合併財務報表責任載於第124至136頁之獨立核數師報告。

於二零一七年，已付或應付予本公司核數師羅兵咸永道及羅兵咸永道網絡成員所的酬金列示如下：

		2017 二零一七年 RMB'000 人民幣千元
<b>Audit and related services</b>	<b>審計及審計相關服務</b>	
— Included in continuing operations	— 包含在持續經營	7,183
— Service in relation to acquisition	— 併購相關審計服務	8,318
<b>Non-audit service</b>	<b>非審計服務</b>	
— Included in continuing operations	— 包含在持續經營	665
		<b>16,166</b>

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### RISK MANAGEMENT AND INTERNAL CONTROLS

Risk management and internal controls are part of the core operational management activities and business activities of the Group. The Board aims to establish a comprehensive risk management system which complies with the Group's strategies and business features, perfect the organizational structure of risk management, standardize risk management processes, adopt qualitative and quantitative risk management methods, carry forward risk identification, evaluation and mitigation, and facilitate the sustainable and healthy development of different businesses of the Company. The Board is responsible for maintaining an adequate internal control system so as to safeguard shareholders' investments and the Company's assets, and reviewing the effectiveness of internal controls on a yearly basis, with the assistance of the Audit Committee.

The Company's risk management system and internal control system are established for an efficient and effective operation, so as to ensure reliable financial reporting and compliance with applicable laws and regulations, identification and management of potential risks and safeguarding of the Group's assets. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. Senior management of the Group reviews and evaluates internal control procedures, monitors any risk factors on a regular basis, and reports to the Audit Committee on the results and measures for handling differences and risks identified.

### 風險管理及內部監控

風險管理及內部監控是經營管理活動和業務活動的核心內容之一。穩步建立與集團戰略相匹配並與業務特點相結合的全面風險管理體系，完善風險管理組織架構，規範風險管理流程，採取定性和定量相結合的風險管理方法，推進風險的識別、評估和緩釋，在風險可控的前提下，促進本公司各項業務持續健康發展。董事會負責維持充足的內部監控系統以保障股東的投資及本公司資產，以及透過審核委員會按年檢討內部監控是否有效。

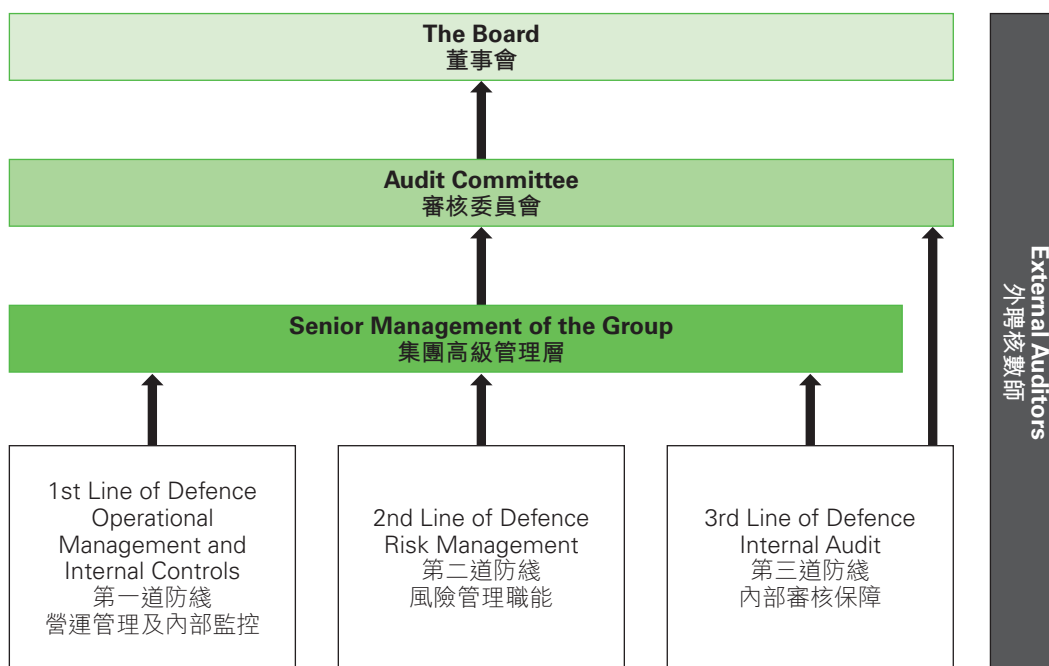
本公司之風險管理及內部監控制度為配合有效及高效的營運而設，確保財務申報可靠及符合適用法例及法規，辨識及管理潛在風險及保障本集團資產。該等系統旨在管理而非消除未能達成業務目標的風險而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。高級管理層定期檢討及評估監控程序、監察任何風險因素，並向審核委員會彙報結果及處理差異和已識別風險的措施。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### 1. Risk management structure and other details

The risk management system and internal controls of the Group are guided by the “three lines of defense” as listed below:



As the highest level decision-making body for the Company’s risk management and internal controls, the Board is responsible for reviewing the effectiveness of overall risk management and internal control systems. The Audit Committee, on behalf of the Board, performs the duties regarding risk management and internal controls, supervises management design, implements and monitors work regarding risk management and internal control system, fully understands various significant risks and corresponding management faced by the Company, and supervises the effectiveness of the risk management and internal control system.

### 1. 風險管理架構及說明

集團的風險管理及內部監控以下文所示的「三道防線」模式為指引：

董事會是公司風險管理及內部監控最高決策機構，對全面風險管理工作的有效性負責。董事會下設審核委員會，代表董事會履行風險管理及內部監控職責，監督管理設計、實施及監控風險管理及內部監控制度的工作，全面瞭解公司面臨的各項重大風險及其管理狀況，監督風險管理及內部監控體系運行的有效性。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### 2. Three lines of defence

#### 1st line of defence: operational management and internal controls

The 1st line of defence comprises the Company's internal control system, including (i) corporate policies shared with staff via the internal network; (ii) operational policies, procedures and practices covering authorization and transaction approval, etc.; (iii) application of financial reporting standards and (iv) review of financial performance and significant judgments.

##### (1) Company policies:

- **The Corporate Management Manual** is categorized into three parts: the Organization Chart, Segregation of Duties and Authority Guide, and Management System Compilation. The Organization Chart depicts the internal organizational structure of the Company. The Segregation of Duties and Authority Guide covers the key components of all functions of the Company's project companies, the Board Committees and management. It establishes clear management responsibilities, authorization and accountability. The Management System Compilation covers the processes and approval procedures related to internal controls within the Company, clarifying the responsibilities and rights of various departments. Since 2016, we have initiated a plan to reorganize and amend the Corporate Management Manual in a bid to update related systems and enhance operation efficiency based on the latest organizational structure.
- **The Staff Manual** regulates the behaviors of the staff of the Company, aiming at facilitating the penetration of integrity and moral values into the Company.
- **The Whistleblowing Policy** encourages the staff and other business-related personnel to report events involving misconducts or fraud in the Company, without being persecuted.

### 2. 三道防綫

#### 第一道防綫：營運管理及內部監控

第一道防綫由公司內部監控系統組成，其中包括：(i)透過內部網絡與僱員共享的公司政策；(ii)涵蓋授權及批准交易等各個方面的營運政策、程序及實務；(iii)應用財務報告準則；及(iv)審閱財務表現及重大判斷。

##### (1) 公司政策：

- **公司管理手冊**分為三大部分：組織機構圖、職責分工與權限指引、管理制度彙編。組織機構圖描述了公司內部的組織架構。職責分工與權限指引涵蓋了本公司所有項目公司、構成董事會的董事委員會、管理層及各項目公司而設的所有權限的重要組成部分。其中建立了明確的管理守職責、授權及問責。管理制度彙編涵蓋了公司內部各部門的內部監控相關流程及審批程序，詳細說明了各部門的職責與權利。於二零一六年起，我們已開始一項計劃重整及修改管理手冊，旨在根據最新的組織架構，更新相關制度，提高營運效率。
- **員工手冊**規管公司員工行為，旨在促進本公司誠信及道德價值觀的滲透。
- **舉報政策**鼓勵僱員及其他業務相關人士匿名舉報本公司內涉嫌行為失當或舞弊的事件，以免遭受迫害。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

- **The Information Disclosure Policy** regulates the handling and publishing of inside information of the Company. We ensure that inside information is saved and accessed in an absolutely confidential manner until the Company makes timely disclosure.

The Information Disclosure Policy includes:

- Applicable scope of policy
- Form of information disclosure
- Periodic reports
- Management of matters relating to information disclosure

### (2) **Operational policy:**

**The Accident Management Regulations** help the Company to systematically and timely report and handle accidents in a detailed, unified and coordinated manner, with corresponding follow-up and monitoring conducted by the Internal Audit Department.

### **2nd line of defence: risk management function**

The 2nd line of defence comprises several risk monitoring practices of the Company, and is subject to the supervision of the Audit Committee. The Company has adopted a risk management event library, and developed an exhaustive plan in respect of various risks, so as to support the Company's risk management program and assist the operating departments to identify and report significant risks affecting the Company in a timely manner. The Company's risk management event library adopts a top-down risk assessment approach at the corporate level, and within each operating unit, a bottom-up approach is adopted for re-examination by using the individual risk register (based on the impact from risks). The risk management event library identifies the main challenges faced by the Company, thereby assisting the Board and the management to make informed decisions.

- **信息披露政策**規管本公司內幕消息的處理及發布。我們確保在絕對保密的情況下存取潛在內幕資料，直至公司做出貫徹和及時的披露為止。

信息披露政策包括：

- 政策的適用範圍
- 信息披露的形式
- 定期報告
- 相關信息披露事務的管理

### (2) **營運政策：**

**事故管理**規定有助本公司以統一協調的形式系統地、及時地、詳盡地彙報本公司的各類事故、事故處理及跟進由內部審計部門監察。

### **第二道防綫：風險管理職能**

第二道防綫包括本公司多項風險監控實務，並由審核委員會監督。本公司會採用公司風險管理事件庫，就各項風險制定詳盡的計劃，藉以支持本公司的風險管理程序並協助營運部門識別及彙報對本公司有影響的重大風險。公司風險管理事件庫在企業層面由上至下的風險評估，同時輔以在每個營運單位採用單獨風險登記冊的由下至上方式，並基於風險影響力重新核准。風險管理事件庫識別本公司面對的主要挑戰，協助董事會及管理層作出明智決定。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

The Company's risk management event library and register classify risks into five different categories for assessment: strategic, market, legal, financial and operational risks, also comprising 70 types of risk data of the Company's project companies. The Company has noted the major risks posing significant impact on the above categories, and will periodically assess each major risk for its potential impact on finance and opportunity of occurrence. The existing controls are able to identify and address all the major risks and help improving the skills, benefits and costs required for the risks.

Project companies submit their respective updates on the risk register to the Internal Audit Department semi-annually, so as to assist in preparation of the Company's risk management report. In 2016, after a review of the risk management procedures, in order to comply with the Company's financial reporting regulations, the Internal Audit Department of the Company carried out risk review semi-annually and approved the Company's risk management report, to submit to the president office meeting, Audit Committee meeting and the Board, and finally for the approval by the Board, to facilitate the Audit Committee effective monitoring of the Company's major business risks and how the management copes with and mitigates the risks.

Details of the Company's major risks and potential risks are set out on page 41 to 44.

### 3rd defence: internal audit

The internal audit department of the Company is responsible for internal audit, which plays an important role in assessing the efficiency of the Company's risk management and internal controls system, and is responsible for reporting to Audit Committee periodically. The audit function of the department covers the whole Group, with evaluations handled by the head of the internal audit department of the Company. The head of the internal audit department of the Company is required to report to the Chief Executive Officer and may also contact with the Chairman of Audit Committee directly, and periodically submit the internal audit report on the efficiency of the controls system in accordance with the established audit plan to Audit Committee. During the year under review, Audit Committee is responsible for approving the annual audit plan and reviewing reports from the Risk Management Department.

公司風險管理事件庫及登記冊將風險分成五個不同的類別來作出評估：戰略、市場、法務、財務及運營風險。亦包括本公司所有項目公司在內的70種風險數據的類型。本公司已就上述類別指出可能對其構成重大影響的主要風險，並會定期評估每項主要風險對財務的潛在影響及發生的機會。現時的監控措施能夠識別及處理所有主要風險和有助改善該等風險所需的技能、利益及成本。

公司每半年向內部審計部門提交各項目各自的風險登記冊的更新，以編撰公司風險管理報告。於二零一六年，檢討風險管理程序後，為配合本公司的財務彙報規定，由公司內部審計部門每半年開展風險檢討並審批公司的風險管理報告，以提交公司總裁辦會議、審核委員會及董事會，最後由董事會批准該報告。以此讓審核委員會更有效地監察本公司的主要業務風險及管理層如何應對及降低該等風險。

有關本公司的主要風險及潛在風險的詳情載於第41頁—44頁。

### 第三道防綫：內部審核

內部審計崗位專責進行公司的內部審核，在評審公司風險管理和內部監控系統的成效擔當重要角色，並負責定期向審核委員會報告。此部門的審核職務覆蓋全集團，由公司負責內部審計的人員處理評審事宜。公司負責內部審計的人員須向執行總裁彙報及可以直接與審核委員會主席接觸。並定期遞交根據既定審核計劃所制訂之有關監控成效的內部審核報告予審核委員會。年內，審核委員會負責批閱年度審核計劃及檢閱審核及風險管理部報告。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

The head of the internal audit department reviews the Group's internal audit function based on risks of each project company at the operating and corporate level, and agrees on correction and improvement measures. The head of the internal audit department will follow up on the recommended implementation and report relevant results to the Audit Committee.

### External auditors

External auditors of the Company raise independent queries regarding various businesses, operations and the performance of internal auditors (especially any significant internal monitoring involving financial reporting confirmed during audit), so as to further improve the 3rd line of defence. External auditors will report any defects in the controls to the Audit Committee.

### Audit Committee and the Board

The Audit Committee reviews and examines the audit report and statements submitted by Management, each financial department, internal auditors and external auditors according to the requirements on reporting, and discuss any significant issues. Regular risk management reports can be divided into two reports, internal audit and controls report, and company risk management report, for further discussion. The internal audit report is submitted in accordance with the audit plan annually, and the Audit Committee reviews company risk management report in order to keep in line with the timing of financial reporting of the Company. The Audit Committee examines the impact of any defects in respect of content of reports, evaluation of efficiency of risk management and internal controls system, and whether responses are valid, and determines whether to conduct more extensive regulation. Besides, the Audit Committee will review the performance of internal auditors and external auditors, and the advice of external auditors on the internal finance department.

The Board holds meetings, proposes recommendations in respect of the final results submitted by the Audit Committee, and discusses to find out the final resolutions.

負責內部審計的人員對營運及企業層面以及各項目公司執行以風險為基礎的內部審核檢討，並於營運部門就問題或不足之處商定糾正和改善方案。負責內部審計的人員會跟進建議的落實情況，並向審核委員會彙報相關結果。

### 外聘核數師

本公司的外聘核數師透過對不同業務、營運及內部核數師的核證水平(尤其是在核數過程中確認的任何涉及財務彙報事項的重大內部監控)提出獨立質詢，進一步完善第三道防線程序。外聘核數師會向審核委員會彙報任何監控的不完善之處。

### 審核委員會及董事會

審核委員會根據彙報要求，審視及研究管理層、各財務部門、內部審核師及外聘核數師所提交的審核報告及陳述，在遇上重大事宜時更會加以探討。常規風險管理報告分拆為內部審計及監控、公司風險管理兩份獨立的報告，以作更深入探討。內部審計報告每年按審計計劃提交，審核委員會為配合本公司的財務彙報時間，檢討公司風險管理報告。審核委員會就報告內容，評審風險管理及內部監控系統的成效，研究任何不完善之處帶來的影響，及應變措施是否有效，並決定是否採取更廣泛的監察。此外，審核委員會將評核內部審計師與外聘核數師的表現，審視外聘核數師對內部財務部門的意見。

董事會開展會議，審核委員會最終呈上結果提出的建議意見，並進行商討決定最終解決方案。



# Corporate Governance Report (Continued)

## 企業管治報告(續)

### 3. Main scope of work conducted in 2017 in relation to risk management

Based on compliance control management, the Company will establish a sound all-around risk management system consistent with the highest international standards and continuously improve risk controls and technology based on risk governance, guided by risk preference, with risk quantitative tools and risk performance appraisal as primary measures, so as to achieve the balance between risk control and business development.

The specific work conducted by the Company in 2017 is as follows:

- Establish the Company's risk management register, record the Company's risk trend and specific ratings;
- Develop and improve the guide for project risk evaluation, provide practical and comprehensive project tools, and help improve management of major risks during project cycles;
- Periodically prepare company risk management reports for submission to senior management of the Company, subsequently submit to the Audit Committee and the Board for approval;
- Discuss existing and potential major risks, and measures and other activities adopted for addressing such risks.

### 3. 二零一七年風險管理主要工作範圍

本公司將在堅實的合規內控管理基礎上，以風險治理為基礎，以風險偏好為導向，以風險量化工具及風險績效考核為主要手段，建立健全符合國際最高標準的全面風險管理體系，持續提升風險管控與技術水平，實現風險管控與業務發展的平衡。

本公司在二零一七年的具體工作內容如下：

- 建立本公司的風險管理登記冊，記錄本公司的風險動向及具體評級；
- 制定及改進項目風險評估指引，提供實用及全面的項目工具，協助在項目周期更好的管理主要風險；
- 定期進行公司風險管理報告，以提交公司高級管理層，並隨後交於審核委員會及董事會以供審批；
- 討論現有及潛在的主要風險，以及處理風險所採取的措施及其他行動。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

#### 4. List of significant risks

In 2017, the top 10 major risks in relation to the Company's business and operations are as below. The Company arranges, selects and prioritizes the risks encountered by existing business, to compile the list of major risks. During the compilation of the Company's major risks, we held a special meeting with management to discuss and review responses to individual risks. Review of risk procedures is helpful to emphasize potential risks and identify new risks.

#### 4. 重要風險列示

於二零一七年，以下各項為與本公司業務及運營相關的十大主要風險。本公司將現有業務中所面對的風險加以整理、篩選及排定優先次序，編製主要風險。在編製本公司主要風險的過程中，我們與公司管理層舉行了一次特殊會議並討論及檢討有關個別風險的應對措施，以及管理層者多次面談及證實。檢討風險程序有助於突出潛在風險，並發現新的風險。

##### Major risks

##### 主要風險

##### Risk description and risk response

##### 風險描述及應對

Risk of oil and gas price fluctuation

油氣價格波動風險

International oil price is subject to the impact of various factors: changes in global and local political and economic conditions, supply and demand of oil and gas, and contingencies and controversies with international impact. Domestic oil price is determined and adjusted with reference to the price of international crude oil. The Company's businesses involve both domestic and overseas markets and are therefore subject in particular to the impact of risks of price fluctuation. However, the Company avoided the risk through hedging instruments, meanwhile, set up relevant personnel to continuously focus on the fluctuations of crude oil price and report, thereby reducing the risk from the fluctuation of oil and gas prices.

國際油價受全球及地區政治經濟的變化、油氣的供需狀況及具有國際影響的突發事件和爭端等多方面因素的影響。國內油價參照國際原油價格確定，國內油價隨國際市場原油價格變化而調整。本公司從事業務涉及國內與國外市場，因此，受到尤其價格波動風險的影響。但是，本公司通過套期保值工具對該風險進行規避，同時，設立相關人員持續關注原油價格的波動情況，並做彙報，降低了油氣價格波動帶來的風險。

Risk of oil and gas resources

油氣資源風險

The implementation of the Company's business activities may be impacted, due to the uncertainties in the exploration and development of oil and gas resources, or the uncertainties during the purchase of oil and gas resources with substantial funds. Although detailed assessment and feasibility study and analysis on investment projects in the prior period have been conducted, the Company cannot avoid the risk arising from the uncertainties of oil and gas resources.

由於公司在獲取石油與天然氣資源時的勘探和開發存在不確定性，或投入大量資金購買油氣資源過程中存在不確定性，導致公司經營項目的開展與實施受到影響。雖然本公司在項目前期對項目進行了詳細的評估與可行性研究分析，但不可避免由於油氣資源的不確定性帶來的風險。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

Major risks 主要風險	Risk description and risk response 風險描述及應對
Investment risk  投資風險	<p>Since the oil industry is a capital-intensive industry, the Company has adopted a prudent investment strategy to carry out strict and detailed feasibility study and analysis on investment projects. However, during the implementation of the projects, the projects may fail to achieve the expected benefits due to large variations in market environment, price of equipment materials, construction cycle, etc., therefore, some investment risks are presented.</p> <p>石油行業屬於資金密集型行業，本公司已採取了謹慎的投資策略，對投資項目均進行嚴格詳細的可行性研究與分析，但在項目實施過程中，仍有可能因為市場環境、設備材料的價格、施工周期等發生較大變化，使項目達不到原先預期的利益，因此存在一定的投資風險。</p>
Exchange rate risk  匯利率風險	<p>Although the Company has avoided exchanges rate risk by adopting tools such as forward exchanges, however, the fluctuation in exchange rates will inevitably have an impact on the profit of the Company. Besides, the adjustments in the national interest rate policies will also impact the Company's financing cost, thereby impacting the profit of the Company.</p> <p>雖然本公司已通過遠期外匯等工具，對匯率風險進行規避，但匯率的波動仍不可避免將對本公司的利潤產生影響。此外，國家利率政策的調整，也將影響本公司融資成本，從而影響本公司的利潤。</p>
Risk in international operations  國際化經營風險	<p>The Company engages in oil and gas businesses in some overseas territories. Overseas businesses and assets are governed by the laws and regulations of the country where the business, so the complexity of internal political and economy, including international sanction, instability of tax and fiscal policies and culture difference, may increase the risk of overseas business expansion and operation of the Company. Although the Company explores overseas businesses in the countries other than those with economically or politically unstable situations, and conducts detailed surveys prior to the commencement of projects, it is unable to completely avoid the impact from contingencies in the countries where its businesses are located.</p> <p>本公司在境外部分地區從事油氣業務。境外業務和資產受到所在國法律法規的管轄，由於國際政治、經濟的複雜性，包括國際制裁、財稅政策不穩定以及文化差異等，都可能加大本公司海外業務拓展及經營的風險。雖然本公司避免選擇政治經濟不穩定的國家進行海外業務的開拓，同時在項目前期進行詳細的調研，但不能避免所在國的突發情況給本公司帶來影響。</p>

# Corporate Governance Report (Continued)

## 企業管治報告(續)

<b>Major risks</b> 主要風險	<b>Risk description and risk response</b> 風險描述及應對
Risk of national policies 國家政策風險	<p>The Chinese government oversees the domestic oil and gas industry, therefore, its regulatory policies may impact the Company's business activities. The changes in government regulatory policies, such as tax and fiscal policies, energy-saving and emission-reducing policies, may impact the business performance of the Company.</p> <p>中國政府對國內石油和天然氣行業進行監管，其監管政策會影響本公司經營活動。財稅政策、節能減排與環保政策等政府監管政策的變化，都將影響本公司的經營業績。</p>
Production safety and environmental risk 安全生產環保風險	<p>As a high-risk and environmentally-unfriendly industry, oil exploration is vulnerable to natural disaster threats, and the production environment is flammable and prone to explosion. Emergencies such as well blowout and drill sticking may result in heavy economic losses and social impact as well as pose major harm to personal safety. Although the Company always stresses the importance of and implements safe production, and endeavours to avoid various accidents and makes insurance arrangements for major assets and inventories and against losses it may cause to any third-party, it still cannot make provisions for the full extent of the economic losses and adverse impacts which could be brought by such emergencies.</p> <p>石油開採是一個易燃、易爆、易污染環境且容易遭受自然災害威脅的高風險行業，突發事件可能會帶來重大經濟損失，社會影響以及對人身安全造成重大傷害，如：井噴、卡鑽等。本公司一直強調並執行安全生產，盡最大的努力的避免各類事故發生，並為主要資產、存貨及可能對第三方造成的損失購買保險，但仍不能完全避免此類突發事件給本公司帶來的經濟損失及不利影響。</p>
Market competition risk 市場競爭風險	<p>With the gradual opening of certain domestic petroleum and petrochemical markets, the Company faces more fierce competition from other domestic oil producers and foreign oil producers in relation to, for example, obtaining rights to enter resource countries, seizing oil and gas resources and expanding the market when it is making efforts to strengthen its own business. With a price advantage in a competitive environment, the Company keeps developing more advanced technology and reducing its cost. However, its earnings will inevitably be impacted by market competition.</p> <p>隨著國內部分石油石化市場的逐步開放，本公司在不斷加大業務進程中，與國內其他石油生產公司，以及國外石油公司在某些地區和領域獲得進入資源國的權利、搶佔油氣資源、開拓市場方面，面臨較為激烈的競爭。本公司不斷開發更具優勢的技術，並且不斷降低成本，在競爭環境中具備價格優勢，但不可避免由於市場競爭，影響本公司的收益。</p>

# Corporate Governance Report (Continued)

## 企業管治報告(續)

Major risks 主要風險	Risk description and risk response 風險描述及應對
Confidentiality 保密風險	Information on the Company's oil reserve and unsigned investment projects is strictly confidential. It is a policy of the Company that any staff in a key position should sign a confidentiality agreement and be obligated to keep information confidential. But even so, risk of information leakage brought by job hopping, change of employment or other events is still unavoidable. 本公司的儲量信息及未簽訂投資項目信息均為機密信息，本公司規定關鍵崗位員工需簽訂保密協議，對機密信息負有保密義務。但仍不可避免發生人員跳槽離職或其他情況，造成信息外泄帶來的風險。
Property safety risk 財產安全風險	With oil and gas exploitation as its principal business, the Company establishes comprehensive rules and regulations and strict monitoring process on aspects such as use of assets, production and transportation. But since oil and gas exploitation is an outdoor activity, there is still a risk that assets may be lost or stolen. 本公司主要從事油氣開採業務，雖然本公司對資產使用、生產、運輸等管理有完善的規章制度且進行嚴格監控，但由於油氣開採業務在室外進行，仍不可避免出現丟失被盜，造成資產流失或損失的風險。

### 5. Potential risks

In addition to addressing various major risks faced by the Company, the Audit Committee also reviews specific potential risks. Such potential risks often stem from changes in economic, political, legal or technical environments, and may but not necessarily fall into the scope of current major risk categories. In the opinion of the Company's Audit Committee, such potential risks may have a significant impact on the Company; therefore, it will aim to minimize such impact and develop risk mitigation plans.

### 5. 潛在風險

除應對本公司面對的各種主要風險外，審核委員會也檢查了特定的潛在風險。此等潛在風險通常源自經濟、政治、法律或技術環境的變動，這些變動可能但不一定屬於現有的主要風險類別。公司審核委員會認為，該等潛在風險可能造成重大的潛在影響，因此會減少其對本公司的潛在影響並制定降低風險的計劃。

Potential risks 潛在風險	Risk description and risk response 風險描述及應對
Network security risk 網絡安全風險	Due to increase in network viruses, hacker attacks and failure in network maintenance, leakage of data information becomes more and more frequent. Although the Company has installed software such as firewall to protect data and reduce network security risks, it is unable to eliminate the impact of such risks as it has both domestic and overseas businesses. 網絡病毒、黑客攻擊、系統故障維修導致的數據信息外泄事件增加，雖然公司安裝了防火牆等軟件保護數據，降低了網絡安全風險，但公司在境內外均有業務範疇，仍不可避免該類風險帶來的影響。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### 6. Work focus in 2018

In 2018, the Company will focus on improving its risk management framework and procedures, strengthening internal risk communication, raising risk awareness and defining risk bearers in accordance with the CG Code and best practices in the industry. We will arrange risk awareness related trainings for our main operating departments, and continue to assist the various business departments to enhance their risk management procedures in accordance with the Company's risk management framework and guidance. In addition, we will identify major risks and make arrangements in relation to the report and improvement of risk countermeasures, potential risk framework and close monitoring initiatives.

### 7. Statement of the Board on internal control responsibilities

The Company's internal controls are aimed at reasonably ensuring operation legality and compliance, asset safety and authenticity and completeness of financial report and related information, improving operating efficiency and effectiveness, and facilitating the implementation of development strategy. The Company has comprehensively assessed the effectiveness of its own internal controls and reported such assessment to the Audit Committee and the Board in 2017. No material weakness was identified during the assessment. In the opinion of the Board, for the year ended December 31, 2017, no events that may have significant impact on the Company's operation, financial reporting and compliance have been identified, and the existing risk management and internal control system remains effective and adequate to guarantee the interests of the Company and its shareholders.

### 6. 二零一八年主要工作

於二零一八年，本公司的工作重點是根據企業管治守則及行業最佳實務，完善公司的風險管理框架及程序，加強公司內部的風險溝通、提高風險意識、明確風險歸屬。我們將為所有主要營運部門安排風險意識培訓。根據公司風險管理框架及指引，繼續協助各業務部門強化其風險管理程序。識別主要風險，並為二零一八年作出主要風險的風險措施改進及彙報、潛在風險框架及密切監察行動計劃的安排。

### 7. 董事會關於內部控制責任的聲明

本公司內部控制的目標是合理保證經營合法合規、資產安全、財務報告及相關信息真實完整，提高經營效率和效果，促進實現發展戰略。二零一七年本公司已開展全面內部監控自我評估並向審核委員會及董事會彙報，該評估並未發現重大缺陷。董事會認為，截至二零一七年十二月三十一日止(本年度)，本公司並無發現任何可能嚴重影響本公司營運、財務申報及規章遵守之事宜，現有的風險管理及內部監控系統仍為有效充足，可保證本公司及股東權益。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### INFORMATION DISCLOSURE AND MANAGEMENT OF INSIDE INFORMATION

The Company discloses information in accordance with the rules and regulations of the Securities and Futures Commission in Hong Kong and the Stock Exchange, releases its periodic reports and interim announcements to the public in accordance with law, and discloses important information such as the Company's financial results, material information changes and information on significant projects to the market on a timely basis, bearing in mind the timeliness, fairness, accuracy, authenticity and completeness of information disclosure, therefore protecting the legal interests of investors and stakeholders.

### COMPANY SECRETARY

Ms. Wong Sau Mei of Tricor Services Limited, an external service provider, has been engaged by the Company, as its company secretary. Ms. Wong Sau Mei has complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training during the year. The company secretary reports to the Chairman of the Board and Chief Executive Officer regarding corporate governance issues, and all Directors can seek her advice and support. The company secretary is also responsible for providing advice to Directors and the Board Committees on the latest laws and regulations, such that procedures of the Board as well as all applicable laws, regulations and rules are complied with. The company secretary's primary contact person at the Company is Ms. Lian Yunfei, the general counsel of the Group.

### SHAREHOLDERS' RIGHTS

To safeguard the rights and interests of shareholders, the Company will propose a separate resolution in respect of each significant matter (including the election of individual Directors) at general meetings. All resolutions put forward at the general meeting will be voted on by poll in accordance with the Listing Rules, and the poll results will be announced on the websites of the Company and the Stock Exchange after each general meeting.

### 信息披露和內幕信息管理

本公司按照香港證券及期貨事務監察委員會、港交所的各項證券監管規定進行信息披露活動，依法公開對外發布各類定期報告及臨時公告，及時向市場披露了本公司財務業績、公司重大信息變更、重大項目情況等重要信息，做到了信息披露的及時性、公平性、準確性、真實性和完整性，以保護投資者及利益相關人士的合法權益。

### 公司秘書

外聘服務供應商卓佳專業商務有限公司之黃秀美女士獲本公司委聘為公司秘書。黃秀美女士已遵守上市規則第3.29條，於本年度期間接受不少於十五個小時的相關專業培訓。公司秘書就管治事宜向董事會主席及行政總裁彙報，所有董事均可取得公司秘書的意見及支援。公司秘書亦負責向董事及委員會就最新的法律、監管提供意見以確保董事會程序及所有適用法律、規則及規例均獲得遵守。其於本公司之主要聯絡人為本公司總法律顧問連雲飛女士。

### 股東權利

為保障股東權益及權利，本公司將就各重大事宜(包括選舉個別董事)於股東大會提呈獨立決議案。股東大會上提呈之所有決議案將根據上市規則進行投票表決，且投票表決之結果將於各屆股東大會結束後於本公司及聯交所網站上刊載。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

### Convening an Extraordinary General Meeting by Shareholders

Extraordinary general meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognized clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

### Putting Forward Proposals at General Meetings

There is no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

### 應股東要求召開股東特別大會

股東特別大會亦可應本公司任何兩名或多名股東的書面要求召開，但彼等須將列明大會議題及經請求人簽署的書面要求送交本公司於香港的主要辦事處或(倘本公司不再設有該主要辦事處)註冊辦事處，惟該等請求人於送交要求之日須持有本公司不少於十分之一附帶本公司股東大會投票權之繳足股本。股東大會亦可應本公司任何一名股東(倘為認可結算所(或其代名人))的書面要求召開，但其須將列明大會議題及經該請求人簽署之書面要求送交本公司於香港之主要辦事處或(倘本公司不再設有該主要辦事處)註冊辦事處，但該請求人於送交要求之日須持有本公司不少於十分之一附帶本公司股東大會投票權之繳足股本。倘董事會並未於正式送交要求之日起計二十一內召開將予在其後的二十一內舉行的大會，則請求人本人或擁有所有請求人全部投票權二分之一以上的任何請求人可按儘量接近董事會召開大會的相同方式召開股東大會，惟按上述方式召開的任何大會不得於送交要求當日起計三個月屆滿後召開，而所有因董事會未有召開大會致使請求人產生的合理開支，須由本公司向彼等償付。

### 於股東大會提呈決議案

開曼群島公司法或本公司的組織章程細則並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案的股東可按上段所載程序要求本公司召開股東大會。



# Corporate Governance Report (Continued)

## 企業管治報告(續)

### Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send the written enquiry to the Company by post or email as per the below contact information.

### CONTACT DETAILS

Shareholders may send their enquiries or requests by post or email:

Address: Room 521–26, 5F, Sun Hung Kai Centre,  
30 Harbour Road, Wanchai, Hong Kong  
(with the Board of Directors as designated recipient)  
Tel: 852-2511-0028  
Fax: 852-2511-1983  
Email: investors@mienergy.com.cn

Shareholders must deposit or send (as the case may be) the original of the duly signed written requisitions, notices or statements or enquires to the above address, and provide their full names, contact details and identification such that the Company could reply to them. It is likely that the shareholder information will be disclosed as required by law.

### COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for strengthening relationships with investors and increasing investors' understanding of the Company's business performance and strategy. Also, the Company understands that maintaining transparency and disclosing the Company's information on a timely basis are very important for shareholders and investors to make the best investment decisions.

For this purpose, the Company has set up a website (<http://www.mienergy.com.cn>), where relevant latest information, the up-to-date state of the Company's business operation and development, the Company's financial information and corporate governance practices and other data are available to the public.

### 向董事會作出查詢

有關向本公司董事會作出任何查詢，股東可按照下列聯絡方式將書面查詢寄送或電郵至本公司。

### 聯絡詳情

股東可透過郵寄或電郵方式發送上述查詢或要求：

地址：香港灣仔港灣道30號  
新鴻基中心5樓521–26室  
(註明收件人為董事會)  
電話：852-2511-0028  
傳真：852-2511-1983  
電子郵件：investors@mienergy.com.cn

股東須將妥善簽署的書面要求、通知或聲明或查詢(視情況而定)的正本存放於及寄發至上述地址，並須提供彼等全名、聯絡詳情及身份，以便本公司可回復。股東資料可能根據法律規定而予以披露。

### 與股東及投資者之溝通／投資者關係

本公司認為，與股東有效溝通對加強投資者關係及投資者對本公司業務表現及策略之瞭解相當重要。本公司亦知悉保持透明度及適時披露公司資料之重要性，此舉將令股東及投資者作出最佳投資決策。

為此，本公司設有網站，網址為<http://www.mienergy.com.cn>，有關最新的信息以及本公司業務營運及發展的最新情況、財務資料、企業管治常規及其他資料將刊登於該網站內，並可供公眾查閱。

# Corporate Governance Report (Continued)

## 企業管治報告(續)

The Company endeavors to maintain an ongoing dialogue with shareholders, especially through annual general meetings and other general meetings. The Chairman of the Board, all Non-executive Directors, Independent Non-executive Directors and the Chairmen of all Board Committees (or their representatives) will attend annual general meetings to meet shareholders and respond to their enquires. The Company's general meeting is a platform for the Board and shareholders to communicate with each other.

### ARTICLES OF ASSOCIATION

During the year under review, no changes have been made to Articles of Association of the Company. An up-to-date version of the Company's Articles of Association is available on the websites of the Company and the Stock Exchange.

本公司盡力保持與股東之間的對話，尤其是透過股東周年大會及其他股東大會。董事會主席、全體非執行董事、獨立非執行董事、所有董事委員會之主席(或彼等的代表)將出席股東周年大會與股東會面並回答彼等的問詢。本公司股東大會提供董事會與股東溝通之平台。

### 組織章程細則

於回顧年度內，本公司並無對組織章程細則作出任何更改。本公司最新組織章程細則登載於本公司網站及聯交所網站。

# Report of the Directors

## 董事會報告

The Directors submit their report together with the audited financial statements for the year ended December 31, 2017.

### PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal business of the Company, its subsidiaries and joint controlled entities is to engage in the exploration, development, production and sale of crude oil and other petroleum products under production sharing contracts and other similar arrangements. The Group currently has the following oil and gas properties: (1) one producing production oil sharing contract in northeast China; (2) a diverse producing, resource and infrastructure oil and gas asset throughout Western Canada; (3) a working interest in the Niobrara shale oil and gas asset in the United States of America held by Condor Energy Technology LLC's; (4) participating an exploration contract and four production contracts in Kazakhstan held by Emir-Oil; (5) Invested in Canadian listed company Journey Energy Inc.; and (6) participating one producing production oil sharing contract in South China Sea.

### RESULTS AND APPROPRIATIONS

The results of the Group for the year ended December 31, 2017 are set out in the consolidated statement of comprehensive income on pages 139 to 141.

The Board did not recommend the payment of final dividend for the year ended December 31, 2017 (2016: Nil).

### BUSINESS REVIEW

The business review of the Group for the year has been set out in pages 11 to 14 of the Chairman's Statement, pages 96 to 123 of the Management Discussion and Analysis, and this Report of the Directors.

### RESERVES

Please refer to the consolidated statement of changes in equity on pages 142 to 143 and note 22 to the consolidated financial statements on pages 262 to 263 for movements in the reserves of the Group and the Company, respectively, for the year ended December 31, 2017.

董事會謹此提呈截至二零一七年十二月三十一日止年度之報告書及經審核財務報表。

### 主要業務及營運地區分析

本公司之主要業務為投資控股。本公司及其附屬公司和共同控制實體的主要業務為通過產品分成合同和類似協定，從事勘探、開發、生產及銷售原油和其他石油產品。本集團目前擁有如下油氣資產：(1)位於中國東北之一個生產原油產品分成合同；(2)貫穿整個加拿大西部的油氣資產，資源和基礎設施；(3)位於美國的Niobrara頁岩油和天然氣資產的營運權益；(4)參股位於哈薩克斯坦之一個勘探合同和四個生產合同；(5)投資加拿大上市油氣公司Journey Energy之股份；及(6)參股一項中國南海原油產品分成合同。

### 業績及派息

本集團截至二零一七年十二月三十一日止年度的業績載於第139頁至第141頁之合併綜合收益表。

董事會並無建議就截至二零一七年十二月三十一日止年度派付末期股息(二零一六年：無)。

### 業務審視

本集團本年度業務審視已載於第11至第14頁的主席報告書，第96至第123頁的管理層討論及分析，及本董事會報告內。

### 儲備

有關本集團及本公司截至二零一七年十二月三十一日止年度之儲備變動，請分別參閱第142頁至第143頁的合併權益變動表及第262頁至第263頁的合併財務報表附註22。

# Report of the Directors (Continued)

## 董事會報告(續)

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 6 to the consolidated financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 20 to the consolidated financial statements.

### SENIOR NOTES

Details of the senior notes are set out in note 26 to the consolidated financial statements.

### DISTRIBUTABLE RESERVES

Distributable reserves of the Company at December 31, 2017 are disclosed in the consolidated statements of changes in equity.

### PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

### FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the group is set out on page 5 of the annual report.

### BUY-BACK, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended December 31, 2017, the Company repurchased a portion of its 6.875% senior notes due in 2018 and 7.5% senior notes due in 2019 listed on the Singapore Stock Exchange ("2018 Notes" and "2019 Notes") pursuant to a tender offer made to its noteholders. The repurchase price paid in relation to the 2018 Notes and the 2019 Notes validly tendered and accepted by the Company was US\$117.6 million in aggregate. On July 13, 2017, (i) the 2018 Notes and 2019 Notes repurchased by the Company were cancelled; and (ii) US\$497.6 million in aggregate principal amount of the 2018 Notes and 2019 Notes remain outstanding. Subsequently on February 6, 2018, the Company repaid the 2018 Notes that remain outstanding in full upon its maturity.

### 不動產、工廠及設備

本集團不動產、工廠及設備之變動詳情載於財務報表附註6。

### 股本

本公司之股本變動詳情載於合併財務報表附註20。

### 優先票據

優先票據之詳情載於合併財務報表附註26。

### 可供分派儲備

本公司於二零一七年十二月三十一日的可供分派儲備已於合併權益變動表披露。

### 優先購股權

本公司之組織章程細則或開曼群島之法例中並無優先購股權之條文而規定本公司需按比例向現有股東發售新股。

### 財務概要

本集團之業績、資產及負債概要載於本年報第5頁。

### 回購、出售或贖回本公司上市證券

截至二零一七年十二月三十一日止年度，本公司根據其向票據持有人作出的收購要約回購了部分本公司於新加坡交易所發行的二零一八年到期票息6.875厘的優先票據及二零一九年到期票息7.50厘的優先票據(「2018票據」和「2019票據」)。本公司有效提交並接受的2018票據和2019票據的回購金額為117.6百萬美元。截至二零一七年七月十三日，(1)本公司已經註銷本公司回購的票據；及(2)本金總額為4.976億美元的票據仍流通在外。於二零一八年二月六日，本公司在到期日已全部償還與2018票據相關的未償還金額。

# Report of the Directors (Continued)

## 董事會報告(續)

Save as disclosed above, during the year ended December 31, 2017, neither the Company nor its subsidiaries had bought-back, sold or redeemed any other listed securities of the Company.

A summary of the buy-back, sale or redemption of the Company's listed securities is set out in note 20 to the consolidated financial statements.

### SHARE OPTIONS

#### (i) Stock Incentive Compensation Plan ("Plan")

The Board adopted the Plan prior to the listing of the Company on the Stock Exchange designed to attract and retain the best available personnel for positions of substantial responsibility, provide additional incentive to employees and directors and promote the success of our business. Under the Plan, a total of 29,902,758 share options were granted to Directors, executives and employees, of which 7,880,387 share options lapsed. The share options were granted at nil consideration.

The exercise price of the granted share options is equal to or higher than the market price of the shares on the date of the grant. Each share option gives the holder the right to subscribe for one share of the Company. The share options granted under the Plan typically vest over a two or three year period at each anniversary of the grant date, subject to the participant continuing to be an employee on each vesting date.

The Company has undertaken that no further share options will be granted under the Plan upon the listing of the Company, but the provisions of the Plan shall in all other respects remain in full force and effect and share options granted under the Plan prior to the listing of the Company continue to be exercisable in accordance with the Plan and agreements entered into pursuant to the Plan.

除上述所披露外，於截至二零一七年十二月三十一日止年度，本公司及其任何子公司均無回購，出售或贖回本公司任何其他上市證券。

本公司回購、出售或贖回本公司上市證券之概要載於合併財務報表附註20。

### 購股權

#### (i) 股份獎勵酬金計劃(「該計劃」)

董事會已於本公司於聯交所上市之前採納該計劃，旨在為具重大責任的職位招攬及聘留優秀適用人才，為僱員及董事提供額外獎勵並促進本公司的業務發展。根據該計劃，合共29,902,758份購股權已向董事、行政人員及僱員授出，其中7,880,387份購股權已失效。購股權乃以零代價授出。

所授出的購股權的行權價等於或高於授出日期的股份市場價格。各份購股權賦予持有人權利可認購本公司一股股份。根據該計劃授出的購股權一般於授出日期各個周年的兩或三年期間歸屬，惟參與者須在各個歸屬日期須仍為僱員。

本公司已承諾於本公司上市後將不會根據該計劃授出其他購股權，惟該計劃的條文在所有其他方面須保持全面生效及有效，而本公司上市前根據該計劃授出的購股權可繼續根據該計劃及根據該計劃所訂立的協議行使。

# Report of the Directors (Continued)

## 董事會報告(續)

Details of the share options outstanding as at December 31, 2017 which have been granted under the Plan are as follows:

於二零一七年十二月三十一日，根據該計劃已授出但尚未行使之購股權詳情如下：

Name	Held at January 1, 2017	Number of options granted during the year	Number of options exercised during the year	Held at December 31, 2017	Exercise price (per Share)	Date of grant	Exercisable period
姓名	於二零一七年一月一日持有	本年度授出之購股權數目	本年度已行使之購股權數目	於二零一七年十二月三十一日持有	行權價(每股)	授出日期	可予行使期間
<b>Independent non-executive Directors</b>							
<b>獨立非執行董事</b>							
Mr. Mei Jianping 梅建平先生	1,267,933	-	-	1,267,933	US\$0.25 0.25美元	November 23, 2010 二零一零年十一月二十三日	from November 23, 2011 to November 22, 2020 自二零一一年十一月二十三日 至二零二零年十一月二十二日
Mr. Jeffrey Willard Miller Jeffrey Willard Miller 先生	1,811,333	-	-	1,811,333	US\$0.25 0.25美元	November 23, 2010 二零一零年十一月二十三日	from November 23, 2011 to November 22, 2020 自二零一一年十一月二十三日 至二零二零年十一月二十二日
<b>Other employees</b> 其他員工	17,048,120	-	-	10,986,312	US\$0.13 0.13美元	November 20, 2009 二零零九年十一月二十日	from November 20, 2011 to November 19, 2019 自二零一一年十一月二十日 至二零一九年十一月十九日
<b>Total 總計</b>	20,127,386	-	-	14,065,578			

### (ii) Share Option Scheme ("Scheme")

On November 27, 2010, the Board adopted the Scheme to enable the Company to grant options to selected participants as incentives or rewards for their contributions to our Group. Participants of the Scheme include any executive Director, non-executive Director or full time employee of the Group as invited by the Board. The Scheme shall be valid and effective for a period of 10 years commencing from the approval of the Scheme.

### (ii) 購股權計劃(「購股權計劃」)

於二零一零年十一月二十七日，董事會採用購股權計劃，本公司可向選定參與者授出購股權，作為彼等對本集團所作貢獻的獎勵或回報。購股權計劃參與者包括董事會邀請的本集團任何執行董事、非執行董事或全職僱員。購股權計劃將於獲批准起計10年期間有效及生效。

# Report of the Directors (Continued)

## 董事會報告(續)

The exercise period of any option granted under the Scheme must not be more than 10 years commencing on the date of grant. The acceptance of an offer of the grant of the option must be made within 28 days from the date of grant with a non-refundable payment of HK\$1.00 from the grantee. The exercise price determined by the Board will be at the higher of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant and (iii) the nominal value of the shares.

The share options granted under the Scheme typically vest over three years on the last day of each year starting from the subsequent year of the grant, subject to the participant continuing to be an employee on each vesting date and other performance evaluation results.

### **Cancellation of Vested Options**

On September 20, 2011, the Company granted, pursuant to the Scheme adopted by the Company on November 27, 2010, share options to certain employees of the Company, entitling the option holders to subscribe for an aggregate of 112,048,000 ordinary shares of the Company of USD0.001 each at the exercise price of HK\$2.254 per Share ("2011 Grant").

Since February 2013, the exercise price of the vested options has been higher than the prevailing market price of the Shares. As a result, the options could no longer serve as an effective incentive. In view of this, the Company offered these option holders a cash consideration of HK\$0.20 per Share to cancel vested options under the 2011 Grant, subject to the option holders consenting to such cancellation. As a result, options in respect of 65,358,066 Shares were cancelled on March 21, 2014.

根據購股權計劃授出的任何購股權之行使期間不得超過授出日期起計十年。倘接納授出之購股權，承授人必須於授出日期後28天內支付1.00港元之不可退還付款。由董事會釐定之行權價將為下列三者中之較高者：(i)於授出日期在聯交所每日報價表所示的股份收市價；(ii)緊接授出日期前五個交易日在聯交所每日報價表所示的股份平均收市價及(iii)股份面值。

根據購股權計劃授出的購股權一般於授出翌年起每年最後一天的三年內歸屬，惟參與者須於各歸屬日期仍為僱員及須受限於其他表現評估結果。

### **取消已得權購股權**

根據公司二零一零年十一月二十七日採納的購股權計劃，公司於二零一一年九月二十日向公司部分員工授予購股權，允許持有人按照每股2.254港元的價格認購本公司共計112,048,000股每股面值0.001美元普通股股票。

自二零一三年二月以來，已得權購股權的行權價格始終高於公司股票的普遍市場價格，導致已得權購股權不再為有效激勵。因此，公司決定在現購股權持有人同意取消已得權購股權的前提下，向現購股權持有人提出以每股0.20港元的現金對價取消已得權購股權。自二零一四年三月二十一日起，已得權購股權中共計65,358,066股已得權購股權已經被取消。

# Report of the Directors (Continued)

## 董事會報告(續)

### Grant of Options

On March 21, 2014, the Company granted share options pursuant to the Scheme to 151 eligible participants comprising certain directors, substantial shareholders and employees of the Company to subscribe for an aggregate of 97,280,000 Shares. These options have an exercise price of HK\$1.40 per share and a term of 10 years from the grant date, and will vest over the next three or four years.

The closing price per share as at March 20, 2014, being the date immediately before the date the share options were granted was HK\$1.34.

On December 9, 2016, the Company granted share options pursuant to the Scheme to 93 eligible participants comprising certain directors, substantial shareholders and employees of the Company to subscribe for an aggregate of 95,920,000 Shares. These options have an exercise price of HK\$0.816 per share and a term of 10 years from the grant date, and will vest over the next three years.

The closing price per share as at December 8, 2016, being the date immediately before the date the share options were granted was HK\$0.78.

### 授予購股權

二零一四年三月二十一日，公司根據購股權計劃向151名合資格人士，包括公司的部分董事，主要股東和員工授予新的認股期權，認購共計97,280,000的股份。購股權行權價為每股1.40港元，購股權有效期為自授予日起十年，且將於授權日後三或四年間得權。

於二零一四年三月二十日，即購股權授出前當日，每股股份收市價格為1.34港元。

二零一六年十二月九日，公司根據購股權計劃向93名合資格人士，包括公司的部分董事，主要股東和員工授予新的認股期權，認購共計95,920,000的股份。購股權行權價為每股0.816港元，購股權有效期為自授予日起十年，且將於授權日後三年間得權。

於二零一六年十二月八日，即購股權授出前當日，每股股份收市價格為0.78港元。



# Report of the Directors (Continued)

## 董事會報告(續)

Under the Scheme, a total of 305,248,000 share options were granted to Directors, executives and employees, of which 68,649,619 share options were lapsed during the year ended December 31, 2017. Details of the share options outstanding as at December 31, 2017 which have been granted under the Scheme are as follows:

根據購股權計劃，合共305,248,000份購股權已授予董事、行政人員及僱員。截至二零一七年十二月三十一日止十二個月，其中68,649,619份購股權失效。根據購股權計劃已授出但於二零一七年十二月三十一日尚未行使的購股權詳情如下：

Name	Held at January 1, 2017	Number of options granted during the period	Number of options exercised during the period	Number of options lapsed during the period	Number of options cancelled during the period	Held at December 31, 2017	Exercise price (per Share)	Date of grant	Exercisable period
姓名	於二零一七年一月一日持有	於期內授出之購股權數目	於期內行使之購股權數目	於期內已失效之購股權數目	於期內已取消之購股權數目	於二零一七年十二月三十一日持有	行使價(每股)	授權日	可予行使期間
<b>Executive Directors</b>									
<b>執行董事</b>									
Mr. Zhang Ruilin 張瑞霖先生	2,347,000	-	-	-	-	2,347,000	HK\$2.254 2.254港元	September 20, 2011 二零一一年九月二十日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起 至二零二一年九月十九日止
	2,640,000	-	-	-	-	2,640,000	HK\$1.40 1.40港元	March 21, 2014 二零一四年三月二十一日	from March 21, 2016 to March 20, 2024 自二零一六年三月二十一日起 至二零二四年三月二十日止
	2,900,000	-	-	-	-	2,900,000	HK\$0.816 0.816港元	December 9, 2016 二零一六年十二月九日	from December 9, 2016 to December 8, 2026 自二零一六年十二月九日起 至二零二六年十二月八日止
Mr. Zhao Jiangwei 趙江巍先生	2,347,000	-	-	-	-	2,347,000	HK\$2.254 2.254港元	September 20, 2011 二零一一年九月二十日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起 至二零二一年九月十九日止
	2,640,000	-	-	-	-	2,640,000	HK\$1.40 1.40港元	March 21, 2014 二零一四年三月二十一日	from March 21, 2016 to March 20, 2024 自二零一六年三月二十一日起 至二零二四年三月二十日止
	2,900,000	-	-	-	-	2,900,000	HK\$0.816 0.816港元	December 9, 2016 二零一六年十二月九日	from December 9, 2016 to December 8, 2026 自二零一六年十二月九日起 至二零二六年十二月八日止

# Report of the Directors (Continued)

## 董事會報告(續)

Name	Held at January 1, 2017 於二零一七年一月一日持有	Number of options granted during the period 於期內授出之購股權數目	Number of options exercised during the period 於期內行使之購股權數目	Number of options lapsed during the period 於期內已失效之購股權數目	Number of options cancelled during the period 於期內已取消之購股權數目	Held at December 31, 2017 於二零一七年十二月三十一日持有	Exercise price (per Share) 行使價(每股)	Date of grant 授權日	Exercisable period 可予行使期間
Mr. Andrew Sherwood Harper (Resigned as an Executive Director with effect from June 30, 2017) Andrew Sherwood Harper 先生(於二零一七年六月三十日辭任執行董事)	441,000 3,000,000 4,000,000	- - -	- - -	441,000 3,000,000 4,000,000	- - -	0 0 0	HK\$2.254 2.254港元 HK\$1.40 1.40港元 HK\$0.816 0.816港元	September 20, 2011 二零一一年九月二十日 March 21, 2014 二零一四年三月二十一日 December 9, 2016 二零一六年十二月九日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起 至二零一二年九月十九日止 from March 21, 2016 to March 20, 2024 自二零一六年三月二十一日起 至二零一四年三月二十日止 from December 9, 2016 to December 8, 2026 自二零一六年十二月九日起 至二零一六年十二月八日止
Mr. Tian Hongtao (Resigned as an Executive Director with effect from June 30, 2017) 田洪濤先生 (於二零一七年六月三十日辭任執行董事)	3,000,000 17,000,000	- -	- -	- -	- -	3,000,000 17,000,000	HK\$1.40 1.40港元 HK\$0.816 0.816港元	March 21, 2014 二零一四年三月二十一日 December 9, 2016 二零一六年十二月九日	from March 21, 2015 to March 20, 2024 自二零一五年三月二十一日起 至二零一四年三月二十日止 from December 9, 2016 to December 8, 2026 自二零一六年十二月九日起 至二零一六年十二月八日止
<b>Other employees</b> 其他員工	21,827,334 60,230,505 69,120,000	- - -	- - -	7,397,334 16,964,153 13,050,000	- - -	14,430,000 43,266,352 56,070,000	HK\$2.254 2.254港元 HK\$1.40 1.40港元 HK\$0.816 0.816港元	September 20, 2011 二零一一年九月二十日 March 21, 2014 二零一四年三月二十一日 December 9, 2016 二零一六年十二月九日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起 至二零一二年九月十九日止 from March 21, 2015 to March 20, 2024/ from March 21, 2016 to March 20, 2024 自二零一五年三月二十一日起 至二零一四年三月二十日止/ 自二零一六年三月二十一日起 至二零一四年三月二十日止 from December 9, 2016 to December 8, 2026 自二零一六年十二月九日起 至二零一六年十二月八日止
<b>Total 總計</b>	194,392,839	-	-	44,852,487	-	149,540,352			

# Report of the Directors (Continued)

## 董事會報告(續)

### (iii) 2012 Share Award Scheme (“2012 Share Award Scheme”)

To supplement the Plan in respect the operation of the share appreciation rights (“SARs”), the Board resolved to adopt a 2012 Share Award Scheme on May 30, 2012, pursuant to which the Company granted to selected grantees who are persons holding SARs under the Plan, such number of awarded shares as is equal to the number of outstanding notional shares to which the SARs of the selected grantees relates. The 2012 Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

The Board resolved to adopt on November 20, 2015 the amended Plan, pursuant to which, restrictions on grant price of SARs granted after the adoption of amended Plan are removed. Lapsed SARs will be re-used and re-granted upon terms and conditions determined by the remuneration committee of the Company in its sole discretion, in accordance with the amended Plan.

According to the 2012 Share Award Scheme, shares of up to 44,415,800 of the Company will be purchased by a trustee from the market out of cash contributed by the Company and be held in trust for the benefit of the selected grantees pending the exercise of the SARs. Upon exercise of the SAR by the selected grantees, the trustee will sell the awarded shares to which the SAR so exercised relates and pay the selected grantees in satisfaction of the Company’s payment obligations in relation to the SAR under the Plan. Unless early terminated by the board of the Company, the 2012 Share Award Scheme shall continue in full force and effect until the date when all the SARs are exercised, terminated or expired.

As at December 31, 2017, the trustee held 41,195,002 shares acquired through purchases from the market at an aggregate consideration of approximately HK\$77,337,547 (including transaction costs). As at December 31, 2017, the trustee sold 3,218,998 shares upon exercise of SARs so exercised by certain grantees.

### (iii) 2012 股份獎勵計劃(「2012 股份獎勵計劃」)

為對該計劃作出股份增值權(「股份增值權」)方面的補充，董事會於二零一二年五月三十日議決採納一項2012股份獎勵計劃，本公司將向經挑選的承授人授出獎勵股份，該等承授人須為根據該計劃持有股份增值權之人士，而所授出之獎勵股份數目相等於與經挑選承授人相關之股份增值權之尚未發行名義股份數目。2012股份獎勵計劃並不構成上市規則第17章所定議的購股權計劃，是公司自行酌情決定的計劃。

董事會已於二零一五年十一月二十日議決採納修訂的該計劃，根據修訂的該計劃，對於該計劃實施後新授予的股份增值權，原該計劃中對股份增值權授予價格的限制條款被取消，並且原該計劃下已失效的股份增值權將在經由本公司薪酬委員會酌情決定的條件下恢復有效並被重新授予。

根據2012股份獎勵計劃，股票經紀或受托人將以本公司提供之現金於市場購買最多44,415,800股本公司股份，並以經挑選承授人為受益人以信托形式持有，以待行使股份增值權。於經挑選承授人行使股份增值權時，受托人將就所行使之股份增值權出售獎勵股份，並且向經挑選承授人付款已履行本公司在該計劃項下股份增值權之付款責任。除非由董事會提早終止，2012股份獎勵計劃將一直全面生效及有效，直至所有股份增值權獲行使、終止或到期當日為止。

截至二零一七年十二月三十一日，受托人持有41,195,002股股份，在市場以總代價約港幣77,337,547元(包括交易成本)購買。截至二零一七年十二月三十一日，受托人已於若干承授人行使股份增值權時累計出售3,218,998股獎勵股份。

# Report of the Directors (Continued)

## 董事會報告(續)

### (iv) 2015 Share Award Scheme (“2015 Share Award Scheme”)

To recognize the contributions by certain grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group, the Board resolved to adopt on January 6, 2015 and amend on November 20, 2015 the 2015 Share Award Scheme, pursuant to which the Board may at their absolute discretion select any grantee, who is an employee or consultant of the Group or of any affiliate, for participation in the 2015 Share Award Scheme and determine the number of awarded shares to be granted to such grantee. The 2015 Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company, and will be in effect in parallel with the Plan, the Scheme and the 2012 Share Award Scheme.

Pursuant to the 2015 Share Award Scheme rules, existing shares will be purchased by a trustee from open market out of cash which will be paid by the Company as trust shares and be held on trust for the grantees until the relevant award(s) is vested in accordance with the relevant award agreement and the 2015 Share Award Scheme rules. Upon vesting, the trustee shall transfer the relevant trust shares as awarded shares to the relevant grantee, or upon receipt of the instructions from the grantees, dispose of the relevant awarded shares in open market and transfer the proceeds of the sale of the relevant awarded shares (after deduction of the relevant charges, expenses, stamp duty and levy) to the relevant grantee.

Subject to any early termination as may be determined by the Board pursuant to the 2015 Share Award Scheme rules, the 2015 Share Award Scheme shall be valid and effective from January 6, 2015 to the date of the last of the awarded shares has been vested and transferred to the relevant grantee or has lapsed, whichever is later, in accordance with the 2015 Share Award Scheme rules, provided that no award shall be made on or after the 10th anniversary date of the adoption date.

### (iv) 2015 股份獎勵計劃(「2015 股份獎勵計劃」)

本公司董事會已分別於二零一五年一月六日議決採納，並於二零一五年十一月二十日議決修訂2015股份獎勵計劃，目的是認可特定承授人所做的貢獻並給予激勵，為本集團的持續運營和發展聘留特定承授人，並為本集團進一步發展吸引適用人才。董事會將根據該計劃，不時自行酌情決定挑選任何承授人作為被挑選承授人參與該計劃，並決定授予該等被挑選承授人的獎勵股份數量，該等承授人為集團任何成員或其任何關聯公司的員工或顧問。2015股份獎勵計劃並不構成上市規則第17章所定議的購股權計劃，是公司自行酌情決定的計劃，其將與該計劃，購股權計劃及2012股份獎勵計劃並行生效。

根據2015股份獎勵計劃規則，受托人將以公司安排的現金從市場上購買現有股份作為信托股份，並由受托人為經挑選承授人持有信托，直到相關獎勵根據相關獎勵協議及2015股份獎勵計劃規則歸屬。歸屬後，受托人應將相關信托股份作為獎勵股份轉讓給相關承授人，或在收到承授人的指示後，在市場上處置相關獎勵股份，並將出售相關獎勵股份的收益(扣除相關費用，開支，印花稅及稅款後)轉讓給相關承授人。

倘董事會並未根據2015股份獎勵計劃條款決定提前終止，2015股份獎勵計劃將於二零一五年一月六日起，直至最終獎勵股份歸屬並轉移到相關經挑選承授人或其根據該計劃條款失效之日止，以較遲者為準，且採納日後的十周年日之後不得授出任何獎勵。

# Report of the Directors (Continued)

## 董事會報告(續)

As at December 31, 2017, the trustee held 79,704,000 shares acquired through purchases from the market at an aggregate consideration of approximately HK\$67,700,095 (including transaction costs).

On November 20, 2015, the Board of Directors has resolved to offer to certain directors and employees 14,200,000 shares under the 2015 Share Award Scheme.

On December 9, 2016, the Board has resolved to offer to certain director 12,000,000 shares under the 2015 Share Award Scheme.

### (v) Others

The total number of shares issued and which may fall to be issued upon exercise of the options granted under each of the Scheme, the Plan and any other share option scheme of the Company to each participant in any 12 month period shall not exceed 1% of the issued share capital of the Company from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares in issue at the date of the 2012 annual general meeting.

As at the date of this report, the maximum number of shares available for issue under the Scheme and the Plan is 264,784,079 shares and 14,065,578 shares respectively, representing approximately 9.01% and 0.48% of the issued share capital respectively.

截至二零一七年十二月三十一日，受託人持有79,704,000股股份，在市場以總代價約港幣67,700,095元(包括交易成本)購買。

於二零一五年十一月二十日，本公司董事會決議根據2015股份獎勵計劃授予本公司特定董事及僱員合計14,200,000股股份。

於二零一六年十二月九日，本公司董事會決議根據2015股份獎勵計劃授予本公司特定董事合計12,000,000股股份。

### (v) 其他

在任何12個月期間因行使根據購股權計劃、該計劃及本公司任何其他購股權計劃授出之購股權而已發行及可發行予各參與者的股份總數不得超過本公司不時已發行股本的1%。因行使根據購股權計劃、該計劃及本公司任何其他購股權計劃授出之全部購股權而可發行的股份總數合共不得超過二零一二年股東周年大會當天已發行股份的10%。

截至本報告日期，根據購股權計劃及該計劃最多可供發行的股份數目分別為264,784,079股及14,065,578股，分別佔已發行股本約9.01%及0.48%。

# Report of the Directors (Continued)

## 董事會報告(續)

### DIRECTORS

The directors during the year were:

#### Executive Directors

Mr. Zhang Ruilin (*Chairman*)  
Mr. Zhao Jiangwei  
Mr. Andrew Sherwood Harper  
(*Resigned with effect from June 30, 2017*)  
Mr. Tian Hongtao  
(*Resigned with effect from June 30, 2017*)

#### Non-executive Director

Ms. Xie Na

#### Independent Non-executive Directors

Mr. Mei Jianping  
Mr. Jeffrey Willard Miller  
Mr. Guo Yanjun

Mr. Jiao Qisen was appointed as a Non-executive Director of the Company with effect from January 29, 2018.

In accordance with Article 16.18 of the Company's Articles of Association, Ms. Xie Na, Mr. Jeffrey Willard Miller and Mr. Guo Yanjun shall retire by rotation at the forthcoming Annual General Meeting. In addition, Mr. Jiao Qisen, who was appointed by the Board as a Non-executive Director with effect from January 29, 2018, shall hold office until the Annual General Meeting pursuant to Article 16.2 of the Articles of Association. All of the above retiring Directors, being eligible, will offer themselves for re-election.

### DIRECTORS' SERVICE CONTRACTS

We have entered into letters of appointment with each of our Directors, pursuant to which each of the Executive Directors, non-executive Directors and Independent Non-executive Directors is appointed for terms of three years, subject to re-election in accordance with our Articles of Association at our general meeting.

### 董事

於本年度，列任董事如下：

#### 執行董事

張瑞霖先生(主席)  
趙江巍先生  
Andrew Sherwood Harper 先生  
(於二零一七年六月三十日辭任)  
田洪濤先生  
(於二零一七年六月三十日辭任)

#### 非執行董事

謝娜女士

#### 獨立非執行董事

梅建平先生  
Jeffrey Willard Miller 先生  
郭燕軍先生

焦祺森先生於二零一八年一月二十九日獲委任為本公司非執行董事。

根據本公司章程細則第16.18條，謝娜女士、Jeffrey Willard Miller先生及郭燕軍先生須於應屆股東週年大會上輪值退任，惟符合資格膺選連任。另外，根據章程細則第16.2條，焦祺森先生自二零一八年一月二十九日獲董事會委任為非執行董事，任期僅至本公司股東週年大會。所有上述退任董事都符合資格膺選連任。

### 董事服務合同

本公司已和各董事訂立委任書，據此，各執行董事、各非執行董事及各獨立非執行董事獲委任的任期為三年，惟須根據本公司組織章程細則於本公司股東大會上重選連任。

# Report of the Directors (Continued)

## 董事會報告(續)

On November 20, 2009, Mr. Zhang Ruilin and Mr. Zhao Jiangwei, each an Executive Director, has entered into a service contract with the Company, which is renewable yearly unless terminated (i) with 12 months' notice by either party, or (ii) by the Company upon certain events such as the Director having committed serious or persistent breaches of the service contract. Should the Company terminate the service contract, Mr. Zhang Ruilin and Mr. Zhao Jiangwei will be entitled to receive severance payment equivalent to one year's basic pay under the service contract, save for circumstances described in item (ii) above.

Save as disclosed above, none of our Directors have entered into a service contract with us which does not expire or which is not terminable by us within one year without the payment of compensation (other than statutory compensation).

### DIRECTORS' INTERESTS IN CONTRACTS AND CONTINUED CONNECTED TRANSACTIONS

During the year ended December 31, 2017, the Company had followed policies and guidelines to determine the price and terms of the CCTs conducted. The Group had the following transactions with Ms. Zhao Jiangbo ("Mrs. Zhang") and Jilin Guotai Petroleum Development Company, Songyuan Guotai Petroleum Technology Service Company and their subsidiaries ("Jilin Guotai"), which are connected persons of the Company under the Listing Rules:

- (A) Lease of vehicles by Mrs. Zhang to the Company
- (B) Provision of oilfield services by Jilin Guotai to us

#### Category I – Continuing Connected Transactions Exempt from Independent Shareholder's Approval

##### (A) Lease of vehicles by Mrs. Zhang to us

Mrs. Zhang is the spouse of Mr. Zhang Ruilin, and is therefore a connected person of our Company. Since 2008, Mrs. Zhang has been regularly leasing a substantial number of vehicles to us.

於二零零九年十一月二十日，張瑞霖先生及趙江巍先生(各為執行董事)分別與本公司訂立服務合同，有關服務合同可每年續約，除非(i)由任何一方發出十二個月的通知予以終止，或(ii)於出現若干情況時(如董事嚴重違背或反覆違背服務合同)，由本公司予以終止。倘本公司終止服務合同，則張瑞霖先生及趙江巍先生將可收取一筆相等於彼等於各自服務合同項下全年基本薪資的遣散費，惟出現上文(ii)項所述情況者例外。

除以上所披露者外，本公司董事並無與本公司訂立並非於一年內屆滿或本公司不可於一年內不付賠償(法定賠償除外)而終止的服務合同。

### 董事於合同及持續關連交易的權益

於截至二零一七年十二月三十一日止年度，本公司遵守持續關聯交易定價條款制度及指引。本集團與趙江波女士(「張夫人」)及吉林省國泰石油開發有限公司，松原市國泰石油科技服務有限公司及其等附屬有限公司(「吉林國泰」)(根據上市規則為本公司之關連人士)進行了以下交易：

- (A) 張夫人向本公司出租汽車
- (B) 吉林國泰向本公司提供油田服務

#### 第一類 – 豁免遵守獨立股東批准規定之持續關連交易

##### (A) 張夫人向本公司出租汽車

張夫人為張瑞霖先生之配偶，因此為本公司之關連人士。自二零零八年以來，張夫人一直向我們定期出租大量汽車。

# Report of the Directors (Continued)

## 董事會報告(續)

On December 31, 2012, we entered into a renewed framework vehicle rental agreement with Mrs. Zhang (the "Vehicle Rental Agreement"), pursuant to which Mrs. Zhang agreed to rent to us a number of vehicles for the purpose of the day-to-day business operations of our Group, subject to the entering into of individual contracts as agreed between Mrs. Zhang and us pursuant to the Vehicle Rental Agreement.

No individual vehicle rental contract has been entered into with Mrs. Zhang under above Vehicle Rental Agreement during FY2017.

### Category II – Non-exempt Continuing Connected Transactions

#### (B) Provision of oilfield services by Jilin Guotai to us

Jilin Guotai is owned by Mrs. Zhang and Mr. Zhao Jiangwei, and is therefore a connected person of the Company.

On November 23, 2010, we entered into a framework oilfield service agreement with Jilin Guotai (the "Oilfield Service Agreement"), pursuant to which Jilin Guotai agreed to provide to us various oilfield services including well maintenance services, well logging services, oil tanker transportation services, oilfield construction related works and other oil operations related services, subject to the entering into of individual contracts as agreed between Jilin Guotai and us pursuant to the Oilfield Service Agreement. The service fees will be based on normal commercial terms and negotiated on arm's length basis between the parties, and shall be no less favourable than those offered by independent third parties to our Group.

On December 31, 2012, we entered into the Renewed Oilfield Services Agreement with Jilin Guotai for a term of three years ending December 31, 2015.

On December 31, 2015, we entered into the Renewed Oilfield Services Agreement with Jilin Guotai for a term of three years ending December 31, 2018. The proposed annual caps for the transactions under the Renewed Oilfield Services Agreement are RMB99.0 million, RMB96.0 million and RMB82.0 million for the three years ending December 31, 2018, respectively.

於二零一二年十二月三十一日，本公司與張夫人訂立經修訂框架汽車租賃協議（「汽車租賃協議」），據此，張夫人同意向本公司出租多輛汽車，以用於本集團的日常業務經營，惟根據汽車租賃協議，有待張夫人與本公司訂立個別合同。

二零一七年，在以上汽車租賃協議下，本集團沒有與張夫人訂立個別汽車租賃合同。

### 第二類 — 非豁免持續關連交易

#### (B) 吉林國泰向本公司提供油田服務

吉林國泰由張夫人及趙江巍先生擁有，因此為本公司的關連人士。

本公司於二零一零年十一月二十三日與吉林國泰訂立框架油田服務協議（「油田服務協議」），據此，吉林國泰同意向本公司提供各類油田服務，包括修井服務、測井服務、油罐運輸服務、油田建設相關工程及其他石油作業相關服務，惟根據油田服務協議，有待吉林國泰與本公司訂立協定的個別合同。服務費將根據正常商業條款由雙方按公平基準磋商釐定，且其條款不得遜於獨立第三方向本集團所提供者。

於二零一二年十二月三十一日，我們與吉林國泰訂立經續訂油田服務協議，年期為截至二零一五年十二月三十一日止三年。

於二零一五年十二月三十一日，我們與吉林國泰訂立經續訂油田服務協議，年期為截至二零一八年十二月三十一日止三年。經續訂油田服務協議項下交易於截至二零一八年十二月三十一日止三個年度的建議年度上限分別為人民幣9,900萬元、人民幣9,600萬元及人民幣8,200萬元。



# Report of the Directors (Continued)

## 董事會報告(續)

As listed below, the aggregate annual transaction amount of each continuing connected transaction for the year ended December 31, 2017 has not exceeded the respective proposed annual cap in the Renewed Oilfield Services Agreement as set out in the announcement published by the Company on December 31, 2015.

誠如下文所列，各持續關連交易於截至二零一七年十二月三十一日止之年度交易總額不超過二零一三年五月二十四日股東週年大會批准的相關建議年度上限，同時受限於本公司於二零一五年十二月三十一日發布的公告。

Connected Person 關聯人士	Nature of transaction 交易性質	Proposed annual cap 建議年度上限	Transaction amount for the year ended December 31, 2017 截止二零一七年十二月三十一日交易額
Mrs. Zhang 張夫人	Lease of vehicles by Mrs. Zhang to the Company 張夫人向本公司出租汽車	RMB5.1 million 人民幣510萬元	None 無
Jilin Guotai 吉林國泰	Provision of oilfield services by Jilin Guotai to the Company 吉林國泰向本公司提供油田服務	RMB96.0 million 人民幣9,600萬元	RMB60.81 million 人民幣6,081萬元

In the opinion of the independent non-executive Directors, the above transactions were entered into: (i) in the Group's ordinary and usual course of business; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole. Details of such connected transactions are set out in note 38 to the consolidated financial statements.

獨立非執行董事認為，以上交易乃(i)於一般及日常業務過程中；(ii)按正常商業條款或更優條款；並(iii)根據有關規管協議按屬公平合理及符合本公司及其股東整體利益的條款而進行。該等關連交易載於合併財務報表的附註38內。

The auditor of the Company has confirmed that for the year 2017 the continuing connected transactions (i) have received approval of the Board; (ii) are in accordance with the pricing policies of the Group, where applicable; (iii) have been entered into in accordance with the terms of the agreements governing the transactions; and (iv) have not exceeded the respective cap amounts set by the Company.

核數師確認，二零一七年的持續關連交易(i)已獲董事會批准；(ii)符合本集團定價政策(如適用)；(iii)按規管該等交易的協議條款訂立；及(iv)並無超出本公司訂立的全年上限。

# Report of the Directors (Continued)

## 董事會報告(續)

Pursuant to Rule 14A.56 of the Listing Rules, the Board engaged the auditor of the Company to conduct a limited assurance engagement on the above non-exempt continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” and with reference to Practice Note 740 “Auditor’s Letter on Continuing Connected Transactions under the Listing Rules” issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their conclusion to the Board, stating that:

- a. nothing has come to the auditor’s attention that causes the auditor to believe that the relevant non-exempt continuing connected transactions have not been approved by the Company’s board of directors.
- b. for transactions involving the provision of goods or services by the Group, nothing has come to the auditor’s attention that causes the auditor to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group.
- c. nothing has come to the auditor’s attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- d. with respect to the aggregate amount of the relevant non-exempt continuing connected transactions, nothing has come to the auditor’s attention that causes the auditor to believe that the relevant continuing connected transactions have exceeded the annual cap as set by the Company.

Save as disclosed above, there is no contract of significance between the Group and a controlling shareholder of the Company (as defined in the Listing Rules) or any of its subsidiaries, including the provision of services by the controlling shareholder or its subsidiaries to the Group.

根據上市規則第14A.56條，董事會已委聘本公司核數師按照香港會計師公會所頒佈的香港鑒證業務準則第3000號「歷史財務資料審計或審閱以外之鑒證工作」及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」對非豁免持續關聯交易執行若干事實查明程序。核數師已將結果向董事會報告。當中指出：

- a. 核數師並無注意到任何事項令他們相信該等相關的非豁免持續關連交易未獲本公司董事會批准。
- b. 就本集團提供貨品或服務所涉及的交易，核數師並無注意到任何事項令他們相信該等交易在各重大方面沒有按照本集團的定價政策進行。
- c. 核數師並無注意到任何事項令他們相信該等交易在各重大方面沒有根據有關該等交易的協定進行。
- d. 就非豁免持續關連交易的總金額而言，核數師並無注意到任何事項令他們相信該等持續關連交易的金額超逾本公司訂立的全年上限。

除上文披露者外，本集團與本公司控股股東(定義見上市規則)或其任何附屬公司並無訂立任何重大合同(包括控股股東或其附屬公司向本集團提供服務)。

# Report of the Directors (Continued)

## 董事會報告(續)

### RELATED PARTY TRANSACTIONS

During 2017, the Group entered into certain transactions with “related parties” as defined under the applicable accounting standards, details of which are disclosed in note 38 to the consolidated financial statements. In particular, as disclosed in note 38(a) to the consolidated financial statements: (i) the transactions in connection with the purchase for oilfield services fall under the definition of continuing connected transactions under the Listing Rules, and are subject to reporting, announcement, annual review and independent shareholders’ approval requirements; (ii) the transactions in relation to purchase of spare parts and rental of vehicles and office premises fall under the definition of continuing connected transactions under the Listing Rules and are fully exempt from the connected transaction requirements under the Listing Rules; and (iii) the transactions in relation to sales of vehicles and loans fall under the definition of connected transactions under the Listing Rules and are fully exempt from the connected transaction requirements under the Listing Rules.

During 2017, the Group did not carry out any transactions in connection with the lease of vehicles by Mrs. Zhang to us as mentioned on page 62 of this annual report, which fall under the definition of continuing connected transactions under the Listing Rules and are exempt from independent shareholder’s approval.

The relevant requirements under Chapter 14A of the Listing Rules (as applicable) with respect to all the above connected transactions and continuing connected transactions have been complied with.

Save as disclosed above, no other related party transactions of the Group constituted connected transactions under Chapter 14A of the Listing Rules.

### BIOGRAPHICAL DETAILS OF THE DIRECTORS

Brief biographical details of the Directors are set out on pages 15 to 18.

### 關聯方交易

於二零一七年，本集團與根據適用會計準則定義的「關聯方」的某些交易於合併財務報表附註38中披露。尤其是，合併財務報表附註38(a)中披露：(i)有關購買油田服務的交易構成上市規則定義下的持續關聯交易，需遵守報告、公告、年度審閱和獨立股東批准之要求；(ii)有關購買備品備件和租賃汽車及辦公場所的交易構成上市規則定義下的持續關聯交易，且完全豁免於上市規則規定的關聯交易要求；以及(iii)有關出售汽車及借款之交易構成上市規則定義下的關聯交易，且完全豁免於上市規則規定的關聯交易要求。

於二零一七年，本集團未就本報告第62頁所載之張夫人向本公司出租汽車進行任何交易，該等交易構成上市規則定義下的持續關聯交易，且豁免獨立股東批准。

上市規則第14A項下有關上述關聯交易和持續關聯交易的相關要求(如適用)已被滿足。

除上述所披露外，上市規則第14A項下再無持續關連交易。

### 董事履歷

董事履歷載於第15頁至第18頁。

# Report of the Directors (Continued)

## 董事會報告(續)

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

董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債權證中擁有的權益及／或淡倉

As at December 31, 2017, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were detailed as follows:

於二零一七年十二月三十一日，本公司董事及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的條文而當作或被視為擁有的權益及淡倉），或根據證券及期貨條例第352條的規定須登記於該條所指的登記冊內的權益或淡倉，或根據載於上市規則內上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉詳述如下：

Name of Director	Name of Corporation	Capacity/ Nature of interest	Number of ordinary shares (including options to be exercised) 股份數目 (包括可行使購股權)	Approximate total percentage of interest in the corporation 佔法團權益的概約總百分比
Mr. Zhang Ruilin 張瑞霖先生	Our Company 本公司	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,521,295,234 (L)	51.77%
		Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	88,521,234 (S)	3.01%
		Beneficial owner (Note 4) 實益擁有人(附註4)	7,987,000 (L)	0.27%
Mr. Zhao Jiangwei 趙江巍先生	Our Company 本公司	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,521,295,234 (L)	51.77%
		Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	88,521,234 (S)	3.01%
		Beneficial owner (Note 4) 實益擁有人(附註4)	10,187,000 (L)	0.35%

# Report of the Directors (Continued)

## 董事會報告(續)

Name of Director	Name of Corporation	Capacity/ Nature of interest	Number of ordinary shares (including options to be exercised) 股份數目 (包括可行使購股權)	Approximate total percentage of interest in the corporation 估法團權益的概約總百分比
董事姓名	法團名稱	身份/權益性質		
Mr. Zhang Ruilin 張瑞霖先生	Far East Energy Limited ("FEEL")	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	8,999	9.99%
Mr. Zhao Jiangwei 趙江巍先生	FEEL	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	9,000	10%
Mr. Mei Jianping 梅建平先生	Our Company 本公司	Beneficial owner 實益擁有人	1,267,933(L)	0.04%
Mr. Jeffrey Willard Miller Jeffrey Willard Miller 先生	Our Company 本公司	Beneficial owner 實益擁有人	1,811,333 (L)	0.06%

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company. The letter "S" denotes the person's short position in the shares of the Company.
- (2) FEEL is held by Ms. Zhao Jiangbo ("Mrs. Zhang"), Mr. Zhang Ruilin ("Mr. Zhang") and Mr. Zhao Jiangwei ("Mr. Zhao") as to 80%, 9.99% and 10%, respectively. On May 24, 2013, 72,000 shares in FEEL were issued to Mrs. Zhang, 399,070,000 shares in the Company were transferred from FEEL to Champion International Energy Limited ("Champion"), 399,070,000 shares in the Company were transferred from FEEL to Orient International Energy Limited ("Orient"), 475,000,000 shares in the Company were transferred from FEEL to New Sun International Energy Limited ("New Sun") and 141,460,000 shares in the Company were transferred from FEEL to Power International Energy Limited ("Power"). Each of Champion, Orient, New Sun and Power is a wholly-owned subsidiary of Sunrise Glory Holdings Limited, which is itself a wholly-owned subsidiary of FEEL. Mrs. Zhang, Mr. Zhang and Mr. Zhao have entered into an Acting-in-Concert Agreement under which they agreed to act in concert in relation to all matters that require the decisions of the shareholders of FEEL. Pursuant to the Acting-in-Concert Agreement, if a unanimous opinion in relation to the matters that require action in concert is unable to be reached, Mr. Zhang shall be allowed to vote on his, Mrs. Zhang's and Mr. Zhao's shares.

附註：

- (1) 字母「L」指某位人士於本公司股份中的好倉。字母「S」指某位人士於本公司股份中的淡倉。
- (2) FEEL由趙江波(「張夫人」、張瑞霖先生(「張先生」)及趙江巍先生(「趙先生」)分別擁有80%、9.99%及10%權益。於二零一三年五月二十四日，FEEL的72,000股股份發行予張夫人，FEEL分別將本公司399,070,000股、399,070,000股、475,000,000股及141,460,000股股份轉讓予Champion International Energy Limited(「Champion」)、Orient International Energy Limited(「Orient」)、New Sun International Energy Limited(「New Sun」)及Power International Energy Limited(「Power」)。Champion、Orient、New Sun及Power均為Sunrise Glory Holdings Limited的全資附屬公司。而Sunrise Glory Holdings Limited則為FEEL的全資附屬公司。張夫人、張先生及趙先生已訂立一致行動協議，據此，彼等同意就需由FEEL股東決定的一切事項一致行動。根據一致行動協議，倘未能達成有關需一致行動事項的一致意見，張先生獲准就其、張夫人及趙先生的股份進行投票表決。

# Report of the Directors (Continued)

## 董事會報告(續)

The long interests which FEEL, Mr. Zhang and Mr. Zhao have in the 1,521,295,234 shares in the Company include (i) the beneficial interests which FEEL has (and in the case of Mr. Zhang and Mr. Zhao, the indirect beneficial interests which they have (through their shareholdings in FEEL)) in the 1,414,600,000 shares in the Company held by FEEL through its subsidiaries, (ii) the 7,887,000 share options granted to Mr. Zhang, (iii) the 7,887,000 share options, (iv) the call option which FEEL, Mr. Zhang and Mr. Zhao have been granted, pursuant to a put and call option agreement, over the 88,521,234 shares in the Company held by Mr. Ho Chi Sing through Celestial Energy Limited ("Celestial"), as further described in note (3) below, (v) the 100,000 shares owned by Mr. Zhang himself, and (vi) the 2,300,000 shares owned by Mr. Zhao himself.

- (3) The Company was informed on November 8, 2014 that TPG Star Energy Ltd. and Celestial had entered into a sale and purchase agreement pursuant to which Celestial had acquired and TPG Star Energy Ltd. has sold 211,855,234 ordinary shares in the Company.

On November 8, 2014, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang and Celestial entered into a put and call option agreement in relation to certain of shares (the "PCA"), pursuant to which the parties to the put and call option agreement have agreed to grant each other certain rights in relation to their shares, and section 317(1)(a) of the SFO applies. Mr. Ho Chi Sing is the sole shareholder of Celestial.

In particular, Mr. Ho Chi Sing, through his holdings in Celestial, is beneficially interested in 211,855,234 shares in the Company. Pursuant to the abovementioned put and call option agreement, Mr. Ho Chi Sing and Celestial have been granted a put option to resell/put 211,855,234 shares to FEEL, Mr. Zhang and Mr. Zhao.

On January 6, 2017, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang and Celestial entered into a letter agreement in relation to the put and call option. The Board was also informed that Great Harmony International Ltd ("Great Harmony") and Celestial have entered into a sale and purchase agreement pursuant to which Great Harmony has agreed to acquire (or procure its affiliate or other person or company designated by it to acquire) and Celestial has agreed to sell 211,855,234 ordinary shares in the Company.

On January 18, 2017, February 23, 2017 and March 7, 2017, Celestial had ceased to have 53,334,000 shares, 40,000,000 shares and 30,000,000 shares in long and short positions, respectively.

On May 17, 2017, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang (collectively, the "Controlling Shareholders") and Celestial entered into a second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated May 17, 2017.

On November 30, 2017, the Controlling Shareholders and Celestial entered into the supplemental agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated November 30, 2017.

FEEL, 張先生和趙先生於本公司持有的1,521,295,234股長期權益包括(i)FEEL通過其子公司(而張先生和趙先生通過在FEEL的持股)持有的本公司1,414,600,000股實益權益, (ii)張先生持有的7,887,000股購股權, (iii)趙先生持有的7,887,000股購股權, (iv)根據認沽及認購期權協議, FEEL, 張先生和趙先生被授予Ho Chi Sing先生通過Celestial Energy Limited(「Celestial」)持有的本公司88,521,234股認購期權, 見下文附註(3), (v)張先生本人持有的100,000股實益權益, 以及(vi)趙先生本人持有的2,300,000股實益權益。

- (3) 本公司於二零一四年十一月八日獲悉, TPG Star Energy Ltd.與Celestial訂立買賣協議, 據此, Celestial同意收購及TPG Star同意出售211,855,234股本公司普通股。

於二零一四年十一月八日, FEEL、張先生、趙先生、張夫人及Celestial就若干股份訂立認沽及認購期權協議, 據此, 該協議之訂約方同意互相之間授出彼等股份之若干權利並應用證券及期貨條例第317(1)(a)條規定。Ho Chi Sing先生為Celestial的唯一股東。

尤其值得一提的是, Ho Chi Sing先生通過其在Celestial的持股, 持有本公司211,855,234股權益。根據上述認沽及認購期權協議, Ho Chi Sing先生和Celestial持有認沽期權, 得向FEEL, 張先生和趙先生轉售/出211,855,234股權。

於二零一七年一月六日, FEEL、張先生、趙先生、張夫人及Celestial簽訂一份與認沽及認購期權協議相關的協議且董事會獲悉, Great Harmony International Ltd(「Great Harmony」)與Celestial簽訂了購銷協議, 據此, Great Harmony同意購買(或確保其附屬公司或指定的其他人或公司購買), 且Celestial同意出售本公司211,855,234股普通股。

Celestial分別於二零一七年一月十八日, 二零一七年二月二十三日及二零一七年三月七日, 再無擁有53,334,000股、40,000,000股及30,000,000股的好倉及淡倉。

於二零一七年五月十七日, FEEL, 張瑞霖先生, 趙江巍先生, 趙江波女士(統稱「控股股東」)及Celestial簽訂認沽及認購期權協議的第二份相關協議。詳細信息請參照本公司於二零一七年五月十七日發佈之公告。

於二零一七年十一月三十日, 控股股東及Celestial簽訂認沽及認購期權協議的第二份相關協議的補充協議。詳細信息請參照本公司於二零一七年十一月三十日發佈之公告。

# Report of the Directors (Continued)

## 董事會報告(續)

(4) These interests represent interests in outstanding stock options under the Plan and the Scheme. For further details, please refer to the section headed “Share Options”. Mr. Zhang’s interests includes the 100,000 shares held by himself. Mr. Zhao’s interests includes the 2,300,000 shares held by himself.

(4) 該等權益指該計劃及購股權計劃所涉未行使購股權的權益。其他詳情請參閱「購股權」一節。張先生的權益包括張先生本人持有的100,000股實益權益。趙先生的權益包括趙先生本人持有的2,300,000股實益權益。

Save as disclosed above and in the section headed “Share Options”, as at December 31, 2017, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she had taken or was deemed to have under such provisions of the SFO) or which were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code; nor had there been any grant or exercise of rights of such interests during the year ended December 31, 2017.

除上文及「購股權」一節所披露者外，於二零一七年十二月三十一日，本公司董事或主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的條文而當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條的規定須登記於本公司存置的登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉；於截至二零一七年十二月三十一日年度，亦無授予或行使該等權益之權利。

### SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

### 主要股東於本公司的股份、相關股份中擁有的權益及／或淡倉

So far as the Directors are aware of, as at December 31, 2017, the following persons (other than the Directors, chief executive(s) or members of the Group) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions two and three of Part XV of the SFO, or, which would be required, pursuant to section 336 of the SFO, to be entered into the register referred to therein, were as follows:

就董事所知，於二零一七年十二月三十一日，下列人士(除董事、主要行政人員或本集團成員公司外)於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益及／或淡倉，或根據證券及期貨條例第336條須登記於該條所指之登記冊內的權益及／或淡倉如下：

Name of interested	Party Capacity/Nature of interest	Total number of Shares (including options to be exercised)	Approximate percentage of interest in our company
權益方名稱	身份／權益性質	股份總數(包括可行使購股權)	佔本公司權益的概約百分比
Ms. Zhao Jiangbo 趙江波女士	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,521,295,234 (L) 88,521,234 (S)	51.77% 3.01%
FEEL	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,521,295,234 (L) 88,521,234 (S)	51.77% 3.01%

# Report of the Directors (Continued)

## 董事會報告(續)

Name of interested	Party Capacity/Nature of interest	Total number of Shares (including options to be exercised)	Approximate percentage of interest in our company
權益方名稱	身份/權益性質	股份總數(包括可行使購股權)	佔本公司權益的概約百分比
Mr. Ho Chi Sing	Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	1,521,295,234 (L) 88,521,234 (S)	51.77% 3.01%
Celestial Energy Limited ("Celestial")	Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	1,521,295,234 (L) 88,521,234 (S)	51.77% 3.01%
Citigroup Inc.	Interest of controlled corporation (Note 4) 受控制法團權益(附註4)	147,002,894 (L) 203,997 (P)	5.00% 0.00%

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company. The letter "S" denotes the person's short position in the shares of the Company. The letter "P" denoted the person's shares of the Company held by approved lending agent.
- (2) FEEL is held by Mrs. Zhang, Mr. Zhang and Mr. Zhao as to 80%, 9.99% and 10%, respectively. On May 24, 2013, 72,000 shares in FEEL were issued to Mrs. Zhang, 399,070,000 shares in the Company were transferred from FEEL to Champion, 399,070,000 shares in the Company were transferred from FEEL to Orient, 475,000,000 shares in the Company were transferred from FEEL to New Sun and 141,460,000 shares in the Company were transferred from FEEL to Power International Energy Limited ("Power"). Each of Champion, Orient, New Sun and Power is a wholly-owned subsidiary of Sunrise Glory Holdings Limited, which is itself a wholly-owned subsidiary of FEEL. Mrs. Zhang, Mr. Zhang and Mr. Zhao have entered into an Acting-in-Concert Agreement under which they agreed to act in concert in relation to all matters that require the decisions of the shareholders of FEEL. Pursuant to the Acting-in-Concert Agreement, if a unanimous opinion in relation to the matters that require action in concert is unable to be reached, Mr. Zhang shall be allowed to vote on his, Mrs. Zhang's and Mr. Zhao's shares.

The long interests which FEEL, Mr. Zhang and Mr. Zhao have in the 1,521,295,234 shares in the Company include (i) the beneficial interests which FEEL has (and in the case of Mr. Zhang and Mr. Zhao, the indirect beneficial interests which they have (through their shareholdings in FEEL)) in the 1,414,600,000 shares in the Company held by FEEL through its subsidiaries, (ii) the 7,887,000 share options granted to Mr. Zhang, (iii) the 7,887,000 share options, (iv) the call option which FEEL, Mr. Zhang and Mr. Zhao have been granted, pursuant to a put and call option agreement, over the 88,521,234 shares in the Company held by Mr. Ho Chi Sing through Celestial, as further described in note (3) below, (v) the 100,000 shares owned by Mr. Zhang himself, and (vi) the 2,300,000 shares owned by Mr. Zhao.

附註：

- (1) 字母「L」指某位人士於本公司股份中的好倉。字母「S」指某位人士於本公司股份中的淡倉。字母「P」指某位人士於可供借出股份中持有的本公司股份。
- (2) FEEL由張夫人、張先生及趙先生分別擁有80%、9.99%及10%權益。於二零一三年五月二十四日，FEEL的72,000股股份發行予張夫人，FEEL分別將本公司399,070,000股、399,070,000股、475,000,000股及141,460,000股股份轉讓予Champion、Orient、New Sun及Power。Champion、Orient、New Sun及Power均為Sunrise Glory Holdings Limited的全資附屬公司，而Sunrise Glory Holdings Limited則為FEEL的全資附屬公司。張夫人、張先生及趙先生已訂立一致行動協議，據此，彼等同意就需由FEEL股東決定的一切事項一致行動。根據一致行動協議，倘未能達成有關需一致行動事項的一致意見，張先生獲准就其、張夫人及趙先生的股份進行投票表決。

FEEL、張先生和趙先生於本公司持有的1,521,295,234股長期權益包括(i)FEEL通過其子公司(而張先生和趙先生通過在FEEL的持股)持有的本公司1,414,600,000股實益權益，(ii)張先生持有的7,887,000股購股權，(iii)趙先生持有的7,887,000股購股權，(iv)根據認沽及認購期權協議，FEEL、張先生和趙先生被授予Ho Chi Sing先生通過Celestial持有的本公司88,521,234股認購期權，見下文附註(3)，(v)張先生本人持有的100,000股實益權益，以及(vi)趙先生本人持有的2,300,000股實益權益。



# Report of the Directors (Continued)

## 董事會報告(續)

(3) The Company was informed on November 8, 2014 that TPG Star Energy Ltd. and Celestial had entered into a sale and purchase agreement pursuant to which Celestial had acquired and TPG Star Energy Ltd. has sold 211,855,234 ordinary shares in the Company.

On November 8, 2014, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang and Celestial entered into the PCA in relation to certain of the shares, pursuant to which the parties to the put and call option agreement have agreed to grant each other certain rights in relation to their shares, and section 317 (1) (a) of the SFO applies. Mr. Ho Chi Sing is the sole shareholder of the Celestial.

In particular, Mr. Ho Chi Sing, through his holdings in Celestial, is beneficially interested in 211,855,234 shares in the Company. Pursuant to the abovementioned put and call option agreement, Mr. Ho Chi Sing and Celestial have been granted a put option to resell/put 211,855,234 shares to FEEL, Mr. Zhang and Mr. Zhao.

On January 6, 2017, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang (collectively, the "Controlling Shareholders") and Celestial entered into the letter agreement in relation to the put and call option. The Board was also informed that Great Harmony International Ltd ("Great Harmony") and Celestial have entered into a sale and purchase agreement pursuant to which Great Harmony has agreed to acquire (or procure its affiliate or other person or company designated by it to acquire) and Celestial has agreed to sell 211,855,234 ordinary shares in the Company.

On January 18, 2017, February 23, 2017 and March 7, 2017, Celestial had ceased to have 53,334,000 shares, 40,000,000 shares and 30,000,000 shares in long and short positions, respectively.

On May 17, 2017, the Controlling Shareholders and Celestial entered into a second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated May 17, 2017.

On November 30 2017, the Controlling Shareholders and Celestial entered into the supplement agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated November 30, 2017.

(4) Please refer to Form 2 – Corporate Substantial Shareholder Notice dated 29 December 2017 for further details of the shareholding structure.

Save as disclosed above, as at December 31, 2017, no person (other than the Directors or the chief executive of our Company, whose interests have been disclosed in the above section headed "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation") had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO.

(3) 本公司於二零一四年十一月八日獲悉，TPG Star Energy Ltd.與Celestial訂立買賣協議，據此，Celestial同意收購及TPG Star同意出售211,855,234股本公司普通股。

於二零一四年十一月八日，FEEL、張先生、趙先生、張夫人及Celestial就若干股份訂立認沽及認購期權協議，據此，該協議之訂約方同意互相之間授出彼等股份之若干權利並應用證券及期貨條例第317(1)(a)條規定。Ho Chi Sing先生為Celestial的唯一股東。

尤其值得一提的是，Ho Chi Sing先生通過其在Celestial的持股，持有本公司211,855,234股權益。根據上述認沽及認購期權協議，Ho Chi Sing先生和Celestial持有認沽期權，得向FEEL、張先生和趙先生轉售/出211,855,234股權。

於二零一七年一月六日，FEEL、張先生、趙先生、張夫人(統稱「控股股東」)及Celestial簽訂一份與認沽及認購期權協議相關的協議且董事會獲悉，Great Harmony International Ltd(「Great Harmony」)與Celestial簽訂了購銷協議，據此，Great Harmony同意購買(或確保其附屬公司或指定的其他人或公司購買)，且Celestial同意出售本公司211,855,234股普通股。

Celestial分別於二零一七年一月十八日，二零一七年二月二十三日及二零一七年三月七日，再無擁有53,334,000股、40,000,000股及30,000,000股的好倉及淡倉。

於二零一七年五月十七日，控股股東及Celestial簽訂認沽及認購期權協議的第二份相關協議。詳細信息請參照本公司於二零一七年五月十七日發佈之公告。

於二零一七年十一月三十日，控股股東及Celestial簽訂認沽及認購期權協議第二份相關協議的補充協議。詳細信息請參照本公司於二零一七年十一月三十日發佈之公告。

(4) 有關股權架構的詳情，請參閱日期為二零一七年十二月二十九日的表格2—法團大股東通知。

除上文所述者外，於二零一七年十二月三十一日，概無任何人士(除於上文「董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債權證中擁有的權益及/或淡倉」一節已披露權益的本公司董事或主要行政人員外)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條登記於本公司存置之登記冊內的權益或淡倉。

# Report of the Directors (Continued)

## 董事會報告(續)

### MAJOR SUPPLIERS AND CUSTOMERS

During the year, the Group purchased around 30.82% of its goods and services from its 5 largest suppliers as well as 8.56% of its goods and services from the largest supplier; and 57.99% and 79.09% respectively of the Group's revenue are from PetroChina, its largest customer, and its 5 largest customers combined.

Save as otherwise disclosed in this report (if any), none of the Directors, their close associates or any shareholder (which to the knowledge of Directors owns more than 5% of the Company's issued share capital) has any interest in the Group's 5 largest suppliers and customers.

### RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The employees, suppliers and customers of the Company play an important role in the Company's development and on which the Company's success depends. The Company provides competitive remuneration packages to attract and motivate the employees. The Company maintains good relationship with customers, suppliers and other business partners to achieve its long-term goals. In 2016, there was no material and significant dispute between our Group and its customers, suppliers and other business partners.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

During the process of hydrocarbon production, the Company highly values the protection of natural and ecological environment and its comprehensive environmental protection measures to ensure that the Company complies with the applicable laws and regulations in relation to environmental protection. During the process of construction and production of oilfields, we place environment impact assessment, compliance with set standards or targets on pollutant emissions, control on total discharge amount and reduction on emissions as our priorities.

The Company views energy saving and reduction in emission as an important aspect of our cost reduction and maintaining high management standards. We also continue to strengthen efforts on technical reformation during daily management, which is the key to improve energy efficiency and reduce carbon emissions.

### 主要供應商及客戶

年內，本集團向五大供應商共採購約30.82%的商品及服務，其中最大供應商採購約8.56%，而本集團收益57.99%及79.09%分別來自最大客戶中石油及五大客戶(合計)。

除上文所披露者外，概無董事、彼等的聯繫人或就董事所知擁有本公司已發行股本5%或以上的任何股東擁有本集團五大供應商及客戶的任何權益。

### 與僱員、供應商及客戶的關係

本公司的僱員、供應商及客戶對本公司的發展非常重要，亦是本公司成功的關鍵。本公司提供具競爭力的薪酬待遇，以吸引及激勵僱員。本公司與客戶、供應商、及其他商業合作夥伴等保持良好關係，以達到長期目標。於二零一六年，本集團與客戶、供應商、及其他商業合作夥伴等並無發生重大糾紛。

### 環境政策及表現

公司在從事油氣開採的過程中，高度重視對自然環境和生態環境的保護，以全面的環境保護管理措施確保公司實現遵法達標及合規運營。在項目建設和生產過程中，以環評管理、污染物達標排放、總量控制和統籌減排為重點，實施環境保護的全過程管理。

公司把節能減排作為降低成本、提高管理水平的重要工作，並且在日常管理中加大節能減排的技术改造力度，通過技术改造促進能效提升和降低碳排放。

# Report of the Directors (Continued)

## 董事會報告(續)

For the year ended December 31, 2017, the Company has constructed oilfields of green environmental protection in accordance with regulatory requirements and there were no matters arising from environmental-related regulatory non-compliances.

### COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and senior management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. During the year ended December 31, 2017, there was no material breach of or non-compliance with applicable laws and regulations by the Group.

### Sufficiency of Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares as required under the Listing Rules during the period from January 1, 2017 to April 21, 2018 (being the latest practicable date for ascertaining information prior to the issue of this annual report).

### PERMITTED INDEMNITY

The Company's Articles of Association provides that every Director, auditor or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director, auditor or other officer of the Company in defending any proceedings, in which judgment is given in his favour, or in which he is acquitted.

The Company has arranged appropriate directors and officers liabilities insurance coverage for Directors and officers of the Company.

截至二零一七年十二月三十一日止年度，公司按照建設綠色環保油田要求，未發生一起環保污染問題。

### 遵守有關法律法規

如董事會及管理層所知，本集團在所有重大方面全面遵守與本集團業務及運營有關的法律法規。截至二零一七年十二月三十一日止年度，本集團並無重大違反適用法律法規的情形。

### 充足公眾持股量

根據本公司公開可得之資料及據董事所知，其確認於二零一七年一月一日至二零一七年四月二十一日(年報刊發前最後可行日)，本公司根據上市規則要求至少25%已發行股份由公眾持有。

### 獲准許彌償

公司章程細則規定各董事、公司核數師或其他高級管理人員有權就彼作為董事、公司核數師或其他高級管理人員於維護任何法律程序(彼獲勝訴或被判無罪)中產生或承擔的所有損失或責任於公司資產中獲得彌償。

公司已為董事及公司高級管理人員安排適當之董事及高級管理人員責任保險。

# Report of the Directors (Continued)

## 董事會報告(續)

### COMPETING BUSINESS

A non-competition deed in favor of the Company was entered into by FEEL, Mr. Zhang and Mr. Zhao on November 23, 2010. Our independent non-executive Directors have reviewed the compliance and enforcement of the non-competition deed and were of the view that FEEL, Mr. Zhang and Mr. Zhao were in compliance with the Non-Competition Deed during the reporting period.

None of the Directors of the Company had an interest in a business which competes with the Company or is likely to compete with the business of the Group.

### SUBSEQUENT EVENTS

#### Proposed Dividend

The Board did not recommend the payment of final dividend for the year ended December 31, 2017 (2016: Nil).

#### Placing of Convertible Bonds

On January 26, 2018, the Company completed the placing of a convertible bonds to independent placee(s) (the "Convertible Bonds"). The Convertible Bonds is in the principal amount of HK\$340.0 million (equivalent to approximately RMB280.3 million) and with an interest rate of 5.0% per annum payable semi-annually. The maturity date to the Convertible Bonds is January 26, 2021. The holders of Convertible Bonds have the right to convert into ordinary shares of the Company at any time, on or after 41 days after the completion date, until 10 days prior to maturity. Upon full conversion of the Convertible Bonds, a total of 586.2 million shares will be issued, representing approximately 16.63% of the issued share capital of the Company as enlarged by the impact of the full conversion of the Convertible Bonds. The proceeds of the Convertible Bonds was utilised for the repayment of the 2018 Notes.

### 競爭業務

FEEL、張先生及趙先生於二零一零年十一月二十三日為本公司訂立不競爭契約。本公司獨立非執行董事已檢討不競爭契約的遵守及執行情況，認為FEEL、張先生及趙先生於報告期內已遵守不競爭契約。

本公司概無任何董事於與本公司業務競爭或可能與本集團業務構成競爭之業務中擁有任何權益。

### 期後事項

#### 建議股息

董事會並無建議就截至二零一七年十二月三十一日年度派付末期股息(二零一六年：無)。

#### 配售可轉股債券

於二零一八年一月二十六日，本公司完成向承配人配售可換股債券。「可換股債券」可換股債券本金為港幣340.0百萬元(折合人民幣280.3百萬元)。該可換股債券的年利率為5%且利息每半年支付。可換股債券到期日為二零二一年一月二十六日。債券持有人有權於完成日期後滿41日或之後直至到期日前10日期間隨時將其可換股債券兌換為兌換股份。可換股債券全部轉換時，將會發行總計586.2百萬股普通股，約佔本公司由於轉換所有可換股債券對已發行股本產生增加後總額的16.63%。發行可換股債券所得款項將用作償還部分2018優先票據。

# Report of the Directors (Continued)

## 董事會報告(續)

### Proposed Disposal of Certain Assets within the Carrot Creek Area Located in Central Alberta, Canada

On March 23, 2018, the Group and an independent purchaser entered into a purchase and sale agreement, pursuant to which, the Group agreed to sell and the purchaser agreed to purchase certain assets at a base price of C\$60.0 million (equivalent to RMB312.1 million). The subject matter assets under this transaction are the legal and beneficial interest held by Canlin in certain petroleum and natural gas rights, certain tangible assets and certain miscellaneous interests within the Carrot Creek area located in central Alberta, Canada. The consideration of this disposal is subject to any adjustments pursuant to the terms of the purchase and sale agreement.

This transaction is subject to fulfilment of certain conditions. As conditions of this transaction did not exist at year end, the corresponding financial impact will be reflected upon completion of the transaction.

### GROUP'S EMOLUMENTS POLICY

The emoluments policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

### CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Friday, May 18, 2018 ("AGM"). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, May 15, 2018 to Friday, May 18, 2018, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all completed transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. on Monday, May 14, 2018 (Hong Kong time), being the last registration date.

### 處置位於加拿大阿爾伯塔省中部 Carrot Creek 地區的某些資產

於二零一八年三月二十三日，本集團與一家獨立的買方簽訂買賣協議，據此，本集團同意出售且買方同意以基準價格加幣60.0百萬元(等價於人民幣312.1百萬元)購買資產。該項交易下的標的資產為Canlin在加拿大阿爾伯塔省中部Carrot Creek地區擁有的某些石油天然氣權利，固定資產以及其他權益中持有的合法權益。此出售對價須根據買賣協議的條款作出調整。

本次交易需滿足一定的條件，由於本次交易的條件在年末不存在，相應的財務報表影響將在交易完成時反映。

### 本集團之薪酬政策

本集團僱員之薪酬政策由薪酬委員會根據彼等的優點、資歷及能力而定。

本公司董事之薪酬由薪酬委員會根據本公司之經營業績、個人表現及可資比較市場數據釐定。

### 暫停辦理股東登記手續

本公司預定於二零一八年五月十八日(星期五)舉行股東周年大會。為釐定符合出席並於大會上投票的資格，本公司將於二零一八年五月十五日(星期二)至二零一八年五月十八日(星期五)(包含首尾日)暫停辦理股東登記手續，期間亦不會辦理股份過戶登記手續。為符合出席股東周年大會及於會上投票的資格，所有過戶文件連同有關股票需不遲於二零一八年五月十四日(星期一)香港時間下午四時三十分(最後股份登記日)遞交至本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址香港皇后大道東183號合和中心22樓。

# Report of the Directors (Continued)

## 董事會報告(續)

### AUDITOR

The financial statements have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offered themselves for re-appointment as the Company's auditor.

On behalf of the Board

**Mr. Zhang Ruilin**

*Chairman*

Hong Kong, March 29, 2018

### 核數師

財務報表已由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所任滿退任並符合資格且願意獲續聘為本公司核數師。

承董事會命

主席

張瑞霖先生

香港，二零一八年三月二十九日

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### I. QUALITY OF WORKING ENVIRONMENT

#### (1) Employment

The Group implements the following employment policies and regulations for recruitment and dismissal, remuneration and promotion, working hours, holidays, diversification and other bonus and benefits:

1. The remuneration of employees is in accordance with the relevant provisions of the Group's internal policy titled "*MIE Holdings Corporation's Remuneration Management System*". The Company provides employees with comprehensive and competitive packages taking into account market competition and equality within the Group. An employee's remuneration package is based on an overall evaluation of work performance, the employee's relevant rank and position and capability.
2. The recruitment, promotion and dismissal of employees of the Group in China are governed by the "*Labor Law of the People's Republic of China*", the "*Labor Contract Law of the People's Republic of China*", the "*Policies Governing Employee Relations of MIE Holdings Corporation*", other national and regional laws and regulations, and the Company's administrative policies. Recruitment, promotion and dismissal of employees in Hong Kong are conducted in accordance with the "*Employment Ordinance*" and other relevant Hong Kong laws and regulations. The recruitment, promotion and dismissal of employees of Canlin in Canada are governed by the "*Provincial Employment Standards*", "*Provincial Human Rights Laws*", "*Privacy Laws*", "*Provincial Case Law*", other national and regional laws and regulations in Canada, and the Company's administrative policies. Recruitment, promotion, and termination of employees in the United States are carried out in conformity with applicable U.S. national and regional laws and regulations.

### 一、工作環境質素

#### (一) 僱傭

本集團在有關員工招聘及解僱、薪酬及晉升、工作時數、假期、多元化以及其他待遇及福利等方面主要執行以下政策、法規：

- 1、本集團員工的薪酬按照《MI能源控股有限公司薪酬管理制度》的相關規定執行，公司在兼顧市場競爭和內部公平的基礎上，為員工提供完善的、具有競爭力的薪酬福利體系。公司結合公司經營業績、員工職位等級、績效及能力評估為員工確定薪酬。
- 2、本集團在中國境內的員工招聘、晉升及解僱按照《中華人民共和國勞動法》、《中華人民共和國勞動合同法》以及《MI能源控股有限公司員工關係管理辦法》等國家、地區法律法規及公司管理規定執行。在香港境內的員工招聘、晉升及解僱按照香港《僱傭條例》及地區法律法規執行。在加拿大境內的員工招聘、晉升及解僱按照加拿大《省級就業準則》、《省級人權法》、《隱私法》、《省級判例法》等國家、地區法律法規及公司管理規定執行。在美國境內的員工招聘、晉升及解僱按照美國及地區相關法律規定執行。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

3. The working hours for employees in China are strictly in accordance with the "Labor Contract Law of the People's Republic of China", namely eight hours per day, 40 hours per week and rest days include statutory holidays, Saturdays and Sundays. The working hours for employees in Canada are strictly in accordance with the "Provincial Employment Standards", namely eight hours per day, 40 hours per week and rest days include statutory holidays, Saturdays and Sundays.
  4. The Group provides its employees in China with paid holidays in strict accordance with the "Order of the State Council of the People's Republic of China (No.514) in relation to the Regulation on Paid Annual Leave for Employees". For Hong Kong employees, paid holidays are provided in strict accordance with the provisions of the "General Holidays Ordinance" and the "Employment Ordinance". Canlin provides its employees in Canada with paid holidays in strict accordance with the Company's administrative policies in addition to "Provincial Employment Standards."
  5. Based on the principle of equality and anti-discrimination, the Group complies with the "Administrative Policies for Employee Recruitment of MIE Holdings Corporation" for recruitment matters.
  6. The Group has established a scientific and reasonable performance appraisal system and an effective incentive and restraint mechanism to ensure the joint development of the Company and its employees. During the year ended December 31, 2017, the Group continued to optimize its KPI assessment system, improved the quantification of its evaluation standards and enhanced the feasibility of its evaluation mechanism.
- 3、本集團中國境內員工的工作時數嚴格按照《中華人民共和國勞動合同法》的相關規定，執行每天工作8小時，每週工作40個小時工作制，國家規定的法定節假日、週六、週日休息。本集團加拿大境內員工的工作時數嚴格按照加拿大《省級就業準則》的相關規定執行，每天工作8小時，每週工作40個小時工作制，國家規定的法定節假日、週六、週日休息。
  - 4、本集團中國境內員工嚴格按照《中華人民共和國國務院令第514號關於職工帶薪年休假條例》的規定為員工提供帶薪假期。對於香港員工，嚴格按照《公眾假期條例》和《僱傭條例》的規定為員工提供帶薪假期。對於加拿大境內的員工執行加拿大《省級就業準則》及公司管理規定執行。
  - 5、本集團本著平等的原則，遵照《MI能源控股有限公司員工招聘管理規定》執行招聘事宜，該規定中包含反對歧視的條款。
  - 6、本集團根據集團的經營目標，構建了科學合理的績效考核體系和有效的激勵約束機制，全面保證企業與員工的共同發展。二零一七年度，本集團繼續優化KPI考核體系，提高考評標準的量化程度，增強考評辦法的可操作性。

During the year ended December 31, 2017, the Group was not involved in any arbitration and did not have any judgment against it on labor disputes.

截至二零一七年十二月三十一日止年度，本集團無勞動糾紛仲裁及判決。



# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

The Group had 1,495 employees, comprising 1,217 males (81.4%) and 278 females (18.6%) as of December 31, 2017. Due to the nature of the Group's business, there are more male employees than female employees.

截至二零一七年十二月三十一日，本集團共有員工1,495名，其中男員工1,217人，佔81.4%，女員工278人，佔18.6%。由於本集團業務範圍、工作環境等原因，男員工數量多於女員工數量。

Table 1: Staff Numbers by Work Category as of December 31, 2017

表1：截至二零一七年十二月三十一日根據崗位類別分類的員工情況

Work Category 崗位類別	Technical 技術類	Production 生產類	Support 支持類	Total Management 管理合計	Core production 主體生產類	Support services 支持服務類	Total Operation services 操服合計	Total 合計

Table 2: Staff Numbers by Education Background as of December 31, 2017

表2：截至二零一七年十二月三十一日根據受教育程度分類的員工情況

Education Category 教育程度	Masters and above 碩士以上	Bachelor 大學本科	Junior College 大學專科	Technical Secondary High School 中專、高中	Junior High School and below 初中及以下	Total 合計

Table 3: Staff Numbers by Age Group as of December 31, 2017

表3：截至二零一七年十二月三十一日根據年齡分類的員工情況

Age Group 年齡	20-24yrs 20至24歲	25-34yrs 25至34歲	35-44yrs 35至44歲	45-54yrs 45至54歲	55yrs and above 55歲及以上	Total 合計

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

Table 4: Staff Numbers by Geographical Region as of December 31, 2017

表4：截至二零一七年十二月三十一日根據地域分類的員工情況

Geographical Region 地域		PRC 中國內地	Hong Kong 中國香港	US 美國	Canada 加拿大	Total 合計
Total	合計	1,082	7	2	404	1,495

### (2) Development and Training

### (二) 發展及培訓

Throughout the year ended December 31, 2017, the Group organized tailored training programs based on Group's development strategy, employee job requirements and employees' personal development needs to accelerate the growth of employees' working ability and professional quality. Through the various tailored training programs, the Group comprehensively developed the management ability and skill levels of all employees across various positions.

截至二零一七年十二月三十一日止年度本集團為加快培養各類員工隊伍，提升員工工作技能和職業素質，根據集團發展戰略、崗位要求及個人發展需求編製全年培訓計劃，並按計劃組織各類員工培訓，通過組織各類培訓項目，全面提升各類員工的管理能力和技能水平。

Aimed at improving the business standards, and management ability and also overall ability among management staff, the Group also offered targeted professional knowledge training to strengthen their common general skills. With the purpose of improving the professional and technical ability of technical personnel, the Group also placed emphasis on the cultivation of their business knowledge and ability, including the learning of basic knowledge, application software tools, and new technology and cutting-edge knowledge. As regards operational staff, the Group aimed to strengthen their operating skills, standardize the operation process and improve operation ability by providing various trainings.

對於管理人員，本集團對其進行針對性的專業知識的培訓，同時加強共有的通用技能的培訓。其目的是提高管理人員的業務水平和管理能力，達到整體素質的提升。對於技術人員，本集團注重其業務知識和業務能力的培養，包括基礎理論知識的補充、應用軟件工具的學習、新技術及前沿理論知識的瞭解。其目的是提高專業技術人員的相關的業務能力，提高理論與實踐水平。對於操作服務人員，本集團主要對其進行操作技能培訓，規範其操作流程、提高其操作能力。

Table 5: Staff Training Statistics by Gender as of December 31, 2017

表5：截至二零一七年十二月三十一日受訓人員的男女百分比

Gender 性別		Male 男	Female 女
Percentage	百分比	82%	18%

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

Table 6: Staff Training Statistics by Gender and Hours as of December 31, 2017

表6：截至二零一七年十二月三十一日男女員工每人平均受訓時長

Gender 性別		Male 男	Female 女
Average Training Hours	平均時長	46	19

As there are more male than female employees in the Group, the number of male employees who have received training is also higher as compared to the female employees. Also, due to the business scope and working environment of the Group, project staff who work outdoors receive more training opportunities than the staff based in the office. Given that there are more male employees working on projects outdoors, the difference between the number of average training hours for male and female appear marked.

由於本集團男員工數量多於女員工數量，本集團培訓工作中，男女比例差異較大，且由於本集團業務範圍、工作環境等原因，野外工作的員工培訓時間應多於其他崗位員工，且野外工作的員工多為男性員工，因此，在本集團培訓工作中，男女員工的培訓時長有較大差異。

### (3) Labor Standards

The Group primarily implements the relevant laws and regulations including the "Labor Law of the People's Republic of China" and the "Labor Contract Law of the People's Republic of China" for the prevention of child labor and forced labor.

The Group strictly abides by relevant laws and regulations and conducts a rigorous inspection of the identity of employees during recruitment and employment to ensure that they are above 18 years old, in an effort to eliminate the employment of child labor or forced labor with in the Group. During recruitment, we enter into employment contracts with employees on the principle of equality and voluntarism and keep track of work performance to avoid any forced labor situations.

During the year ended December 31, 2017, the Group did not have any serious violations of the relevant standards or rules.

### (三) 勞工準則

本集團在有關防止童工或強制勞工方面，主要執行《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等相關法律法規。

本集團嚴格遵守相關法律、法規，在員工招聘、僱傭期間嚴格審核員工身份證、戶口等信息，遵循僱傭員工的年齡不低於18周歲的原則，杜絕僱傭童工的情況在本集團發生；於此同時，本集團堅決反對強制勞工，在招聘過程中，本著平等自願的原則與員工簽訂勞動合同，時時關注員工的工作狀況，避免強制勞工的情況在本集團發生。

截至二零一七年十二月三十一日止年度，本集團沒有發生嚴重違反相關準則、規則的情況。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

### II. ENVIRONMENT AND OCCUPATIONAL HEALTH 二、環境與安全保護

#### (1) Occupational Health and Safety

Since its establishment, the Group has placed great emphasis on health, safety and environmental protection management. It has adhered to the following core management principles: scientific management, health upmost, safety first, environmental protection prioritization and sustainable development. The Group is dedicated to the creation of a culture rigorous corporate safety culture and the establishment of a sound management system. Concurrently, the Group focuses on increasing employees' and contractors' attention towards safety and environmental protection during the production process, raising awareness and skills of employees and contractors on safety risks identification and awareness, accelerating clean production management and reducing the business's environmental impact.

During the year ended December 31, 2017, the Group's health, safety and environmental management system was endorsed by the auditors of the Beijing CNPC Certification Center, and has also passed its renewal audit.

The Group has consistently implemented the "Law of the People's Republic of China on Work Safety", "Law of the People's Republic of China on Prevention and Control of Occupational Diseases", "Provisions on the Supervision and Administration of Occupational Health at Work Sites", "Regulations Governing the Declaration of Projects with Occupational Hazards", "Regulations Governing the Supervision and Administration of Occupational Health Surveillance of Employers", "Interim Regulations Governing the Supervision and Administration of "Three Simultaneities" for Construction Projects", and national standards including "Technical Specifications for Occupational Health Surveillance", "Regulations on Labor Protection in Workplaces Where Toxic Substances Are Used", "Regulations on the Control over Safety of Dangerous Chemicals" and other relevant laws, regulations, rules, normative documents, national standards, industry standards and technical specifications in its provision of a safe working environment.

#### (一) 環境與安全

本集團自成立以來非常重視健康、安全、環保管理工作，堅持科學管理、健康至上、安全第一、環保優先、持續發展的核心管理方針；致力於創建良好的企業安全文化，建立較為完善的管理體系。同時，本集團注重提高員工與承包商在生產作業過程中對安全和環境保護的關注，提升員工與承包商對安全風險的防範意識與識別技能，並加速推進清潔生產管理工作，降低集團業務對環境構成的影響。

截至二零一七年十二月三十一日止年度，本集團健康、安全、環境管理體系得到北京中油認證中心審核專家的一致認可，一次性通過北京中油認證中心體系換證審核。

本集團在有關提供安全生產工作環境和保障員工避免職業性危害方面，一貫執行《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《工作場所職業衛生監督管理規定》、《職業病危害項目申報辦法》、《用人單位職業健康監護監督管理辦法》、《建設項目〈三同時〉監督管理暫行辦法》及國家標準《職業健康監護技術規範》、《使用有毒物品作業場所勞動保護條例》、《危險化學品安全管理條例》等相關法律、法規、規章、規範性文件、國家標準、行業標準及技術規範。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

The Group strictly enforces the above laws, regulations, rules, regulatory documents, standards and technical specifications, strives to provide a safe work environment for all employees and also protects employees against occupational hazards. During the year ended December 31, 2017, the Group did not violate any relevant laws, regulations, rules, normative documents, standards and technical specifications. During the year ended December 31, 2017, the Group did not have any work-related injuries or deaths from work-related matters.

本集團嚴格執行上述法律、法規、規章、規範性文件、標準及技術規範，努力為全體員工提供安全工作環境及保障員工避免職業性危害。截至二零一七年十二月三十一日止年度本集團沒有發生嚴重違反相關法律、法規、規章、規範性文件、標準及技術規範的情況。截至二零一七年十二月三十一日止年度，本集團未發生員工工傷，無員工因工作關係死亡。

Table 7: Safety Statistics of the Group

表7：本集團安全統計表

**(1) Projects in China:**

**(1) 中國項目**

Scope		Total work hours	Recordable incidents	Recordable incident rate	Lost time incidents	Lost time incident rate	Deaths
範圍		總工時	可記錄事件數	可記錄事件率	誤工事件數	誤工事件率	致死人數
Company staff	公司員工	2,506,428	0	0	0	0	0
External contractors	外部承包商	291,936	0	0	0	0	0

**(2) Project in Canada:**

**(2) 加拿大項目**

Scope		Total workhours	Recordable incidents	Recordable incident rate	Lost time incidents	Lost time incident rate	Deaths
範圍		總工時	可記錄事件數	可記錄事件率	誤工事件數	誤工事件率	致死人數
Company staff	公司員工	889,970	5	1.12	2	0.45	0
External contractors	外部承包商	981,354	1	0.20	0	0	0

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

The occupational health and safety measures, related implementation and monitoring methods adopted by the Group mainly include:

1. Establish an occupational health and safety management administration team which is staffed with full-time employees. The Group currently has 13 registered national safety engineers. Improve the safety production responsibility system, improve the occupational health management archive and management system, strengthen the basic management of occupational health and safety measures, strictly implement management policies, refine the management scope, and effectively avoid health and safety risks. During the year ended December 31, 2017, the Group organized multiple special inspections to continuously track and rectify any discovered problems.
2. Establish occupational health monitoring archives for employees of the Group, implement the occupational health notification system, regularly arrange occupational health examinations for staff and make corresponding work adjustments for employees that do not suit their particular position.
3. Provide employees with requisite occupational hazards precaution facilities and labor protection supplies based on the findings of occupational health assessment reports. Authorize a third party occupational disease prevention and control institution to regularly monitor and assess potential occupational health hazards of the Group, and evaluate the Group's occupational hazards protection measures and the efficacy of protection provided.
4. Provide work injury insurance, basic medical insurance, serious illness insurance for employees of the Group to fully protect their interests.

本集團所實施的職業健康與安全措施、相關執行與監察方法主要有：

- 1、 建立健全職業健康與安全措施管理機構，配備專職管理人員，目前本集團配有國家註冊安全工程師13人。完善安全生產責任制，完善職業健康管理檔案與管理制度，加強對職業健康與安全措施的基礎管理工作，嚴格執行各項管理制度，細化管理內容，有效規避健康與安全風險。截至二零一七年十二月三十一日止年度本集團多次組織專項檢查，對發現的問題持續進行跟蹤整改。
- 2、 建立集團員工職業健康監護檔案，落實職業健康告知制度，定期組織員工進行職業健康體檢，對不適合崗位的員工進行崗位調整。
- 3、 依據職業健康場所評價報告，為員工提供良好的職業病危害防護設施與勞動防護用品，並委託第三方職業病預防控制機構定期對集團的職業健康危害因素進行監測，對集團職業危害防護設施與防護效果進行評價。
- 4、 為集團員工提供工傷保險、基本醫療保險、大病保險，充分保障員工的利益。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

5. Since the Group is engaged in oil exploration and oil has certain dangerous and hazardous characteristics, such as combustion, explosion and secondary environmental pollution, the Group has paid special attention to emergency management and engaged experts to assess the sources of hazards and pollution of the Company; it has also developed contingency plans for major sources of hazards and key sources of pollution, and also regularly conducts emergency drills.

During the year ended December 31, 2017, the Group organized a number of practice emergency drills, to practice the implementation of plans such as “Emergency Plan for Fire and Explosion Accidents”, “Emergency Plan for Sudden Environmental Incidents”, “Comprehensive Plan for Flood and Drought Prevention”. Results of the practice emergency drills were evaluated for feasibility and any plans that were not applicable to the actual scenarios were revised.

### (2) Emissions

The emissions discharged during the development and production process of the Group’s projects mainly include: furnace heating exhaust gas and hazardous wastes (such as oil sludge, oil residuals and drilling muds generated during oil exploration). Such hazardous wastes are disposed of by service providers certified by environmental protection authorities.

Table 8: Waste Emission Data of Each Project of the Group

#### (1) Projects in China

		Natural Gas Consumption (WM <sup>3</sup> ) 實際用天然氣 (萬立方米)	Hazardous Waste Transferred (tonnes) 危廢轉移數量 (噸)	Water Consumption (WM <sup>3</sup> ) 用水量 (萬立方米)	Drilling Mud (M <sup>3</sup> ) 泥漿量 (立方米)	Power Consumption (WkW.h) 耗電量 (萬千瓦時)
Daan	大安	1,711.8722	414.4	40.00	5,200	8,578.0075
Moliqing	莫里青	415.0000	256.1	18.25	0	1,335.2300
Total	合計	2,126.8722	670.5	58.25	5,200	9,913.2375

- 5、因本集團為石油開採行業，石油具有一定的燃燒、爆炸及次生環境污染等危險特性，集團對應急管理工作特別重視，聘請專家對公司危險源與污染源進行評估，對重大危險源、重要污染源編製應急預案，定期組織員工對應急預案進行演練。

截至二零一七年十二月三十一日止年度，本集團組織《突發火災爆炸事故應急預案》演練、《突發環境事件應急預案》演練、《防洪、防汛綜合預案》演練等多項預案演練工作，通過演練結果，評價應急預案的可操作性，對不符合實際的環節進行修訂評估。

### (二) 排放物

本集團項目開發生產過程中排放廢棄物主要有：加熱爐廢氣及危險廢物（如石油開採過程中產生的油泥、油腳，鑽井廢棄泥漿），危險廢物均由環保部門認證的服務商環保處理。

表8：本集團各項目廢物排放數據

#### (1) 中國項目

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

### (2) Project in Canada

### (2) 加拿大項目

		Natural Gas Consumption (WM <sup>3</sup> ) 實際用天然氣 (萬立方米)	Hazardous Waste Transferred (tonnes) 危廢轉移數量 (噸)	Water Consumption (WM <sup>3</sup> ) 用水量 (萬立方米)	Drilling Mud (M <sup>3</sup> ) 泥漿量 (立方米)	Power Consumption (WkW.h) 耗電量 (萬千瓦時)
Canlin	麒麟	31,006.2510	5,543	64.1624	Not recorded	15,725.8604
Total	合計	31,006.2510	5,543	64.1624	Not recorded	15,725.8604

Environmental protection measures and related implementation and monitoring methods adopted by the Group at present mainly include:

目前本集團所採取的環境保護措施、相關執行與監測方法主要有：

Underground environmental protection measures, cyclic utilization of drilling muds and other measures can reduce the amount of hazardous waste produced. Any hazardous waste generated will be disposed of and recycled by qualified units under the supervision of the local government environmental protection department.

井下環保作業措施、鑽井泥漿循環利用等可消減危險廢物產生量的措施。所產生的危險廢物經地方政府環保部門監督，全部交由有處置資質的單位進行回收再利用。

Production wastewater passes through the sewage treatment plant for filtering and purification. Part of the purified water will be heated and enters into the pipeline for production while the rest will be injected underground to supplement the formation pressure, so as to achieve zero emission targets for waste water.

生產廢水經過污水處理裝置過濾淨化後，部分污水經加溫進入管道用於生產。另一部分經化驗合格後回注地下，補充地層壓力，污水達到零排放目標。

The Company chooses energy efficient furnaces that can use clean energy as the combustion material and the fuel used is natural gas, which mainly releases carbon dioxide and water vapor after combustion.

公司在加熱爐選用上，選用高效節能可利用清潔能源為燃燒原料的加熱爐，使用燃料為天然氣，天然氣燃燒後產生的廢氣主要成份為二氧化碳與水蒸汽。

The Group entrusts third party organizations to regularly monitor the surface water, ground water, sewage, noise, soil within the operation boundary and monitor the environmental changes brought about by the production and development processes to the surrounding area.

集團委託第三方機構定期對運營邊界內的地表水、地下水、生活污水、噪聲、土壤等周邊環境進行監測，監測生產開發對周邊區域帶來的環境變化。



# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

The total amount of hazardous wastes of our projects in China generated during the year ended December 31, 2017 was 670.5 tons, approximately 2,870.5 tons less than that 2016, and that of our project in Canada generated in 2017 was 5,543M<sup>3</sup>. The drilling mud wastes of projects in China produced in 2017 were 5,200M<sup>3</sup>, and the amount of its' wastewater efflux was zero; in 2017 about 331.3312 million M<sup>3</sup> of natural gas was used by all projects of MIE group; and greenhouse gas emissions were about 4,164.75 tons. Given that the acquisition of Canlin Project was completed in September 2017, relevant data was not recorded for the year ended December 31, 2017.

In terms of emissions, projects in China mainly adhere to the "Environmental Protection Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste", the "Law of the People's Republic of China on the Prevention and Control of Water Pollution", the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", the "Law of the People's Republic of China on Promotion of Cleaner Production", the "Law of the People's Republic of China on Environmental Impact Assessment", the "Catalog of State Hazardous Wastes", the "People's Republic of China's Emergency Response Law", the "Interim Regulations Governing the Sudden Environmental Emergency Contingencies", "China's Oil and Gas Production Enterprises Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines (Trial)"; Canadian Projects mainly implement the "The Canadian Environmental Protection Act, 1999 (CEPA)", the "National Energy Board Act", at Alberta Province implement the "Climate Change and Emissions Management Act", "Water Act" and other relevant laws, regulations, rules and regulatory documents.

The Group strictly enforces the laws, regulations, rules and regulatory documents of the above-mentioned countries, intensifies recycling and reuse of wastes, strives to reduce waste discharge, and actively promotes clean production and use of clean energy. During the year ended December 31, 2017, the Group did not violate any laws, regulations, rules and regulatory documents.

截至二零一七年十二月三十一日止年度中國項目產生危險廢物總量約670.5噸，同比2016年減少約2,870.5噸，加拿大項目產生危險廢物量約5,543立方米(因加拿大項目二零一七年九月收購，無對比數據)。二零一七年度中國項目產生鑽井廢棄泥漿約5,200方，加拿大項目未統計；中國項目污水外排數量為零，加拿大項目未統計；使用天然氣約33,133.1232萬立方米；溫室氣體排放約4,164.75噸(溫室氣體排放數據不包含加拿大項目)。由於公司於二零一七年九月完成對Canlin項目的收購。截至二零一七年十二月三十一日相關數據未做統計。

在排放物方面，中國境內項目主要執行《中華人民共和國環境保護法》、《中華人民共和國固體廢物污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國清潔生產促進法》、《中華人民共和國環境影響評價法》、《國家危險廢物名錄》、《中華人民共和國突發事件應對法》、《突發環境事件應急預案管理暫行辦法》、《中國石油天然氣生產企業溫室氣體排放核算方法與報告指南(試行)》，加拿大項目主要執行《加拿大國家環境保護法》、《國家能源委員會法案》、阿爾伯塔省《氣候變化與排放管理法》、《水資源法》等相關法律、法規、規章、規範性文件。

本集團嚴格執行上述國家的法律、法規、規章、規範性文件，加大對廢棄物的回收再利用，努力減少廢棄物排放，積極推進清潔生產，使用清潔能源。截至二零一七年十二月三十一日止年度，集團沒有發生違反法律、法規、規章、規範性文件的情況。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

### (3) Use of resources

The Group has strictly adhered to the "Energy Law of the People's Republic of China", the "Water Law of the People's Republic of China", the "Electricity Law of the People's Republic of China", the "Law on Energy Conservation of People's Republic of China"; our Canadian project strictly implement "National Energy Board Act" and "Oil and Gas Conservation Act" and other relevant laws and regulations for effective use of resources (including energy, water, and other raw materials).

Resource conservation is a fundamental requirement for the Group to implement scientific management, improve the economic efficiency of the Group and enhance the Group's core competitiveness. To this end, the Group has done a lot of work in 2016 surrounding business management, technological innovations and energy saving goals and has achieved satisfying results. Details are as follows:

During the year ended December 31, 2017, the Group's annual water consumption was approximately 1.2241 million tons; electricity consumption was approximately 256.3909 million kWh, whereas our projects in the PRC consumed 5.587775 million kWh more as compared to the year ended 31 December 2016.

The consumption of gasoline by our projects in the PRC was 244.12 tons in 2017; the consumption of diesel was 167.32 tons, 18.44 tons more than that of 2016. As the acquisition of Canlin project in Canada was completed in September 2017, relevant data was not recorded for our project in Canada for the year ended December 31, 2017.

Major measures and relevant implementation methods adopted by the Group in the use of resources include:

1. Establish a three-tier energy management network comprising a supervising manager, relevant department heads and entry-level personnel, formulate scientific and strict management of quantitative energy consumption, and have a good grasp on the basic assessment work.

### (三) 資源使用

本集團在有效使用資源(包括能源、水、及其他原材料)方面，中國項目嚴格執行《中華人民共和國能源法》、《中華人民共和國水法》、《中華人民共和國電力法》、《中華人民共和國能源節約法》；加拿大項目嚴格執行《國家能源委員會法案》、《石油天然氣保護法》等相關法律、法規。

節約資源是本集團落實科學管理，提高集團經濟效益、增強集團核心競爭力的根本要求。為此，今年本集團圍繞企業經營管理、技術革新和節能降耗目標做了大量的工作，取得了較好的成效。具體情況如下：

截至二零一七年十二月三十一日止年度，集團年度耗水量約為122.4124萬噸；耗電約為25,639.0979萬千瓦時，中國項目同比二零一六年十二月三十一日止年度增加約558.7775萬千瓦時。

中國項目二零一七年消耗汽油244.12噸，消耗柴油167.32噸，同比二零一六年增加18.44噸。加拿大Canlin項目由於二零一七年九月完成收購，所以截至二零一七年十二月三十一日止年度沒有記錄相關數據。

目前本集團在資源使用方面的主要措施、相關執行的方法有：

- 1、建立由主管經理、相關部門負責人和基層人員的三級能源管理網絡，制定科學嚴謹的管理量化能耗定額，抓好基礎考核工作。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

2. Achieve high efficiency using technology and reduce energy consumption through technological advances.

- (1) Usage of automatic control frequency systems, automatically analyze motor operation parameters, real-time adjustment of operation parameters, and achieve the aim of energy saving.
- (2) Strengthen equipment management, e.g. adoption of high-performance motors; elimination of high-energy transformers; timely adjustment of balance rates and other measures to reduce power consumption.
- (3) As for production wells with poor liquid supply capacity, optimize the production parameters, carry out intermittent production, suspend wells, shut down wells and implement other measures to reduce inefficient production rate.

Table 9: Energy Saving Statistics of Each Project of the Group

### Statistics on Energy Conserving Compared to the Year Ended 31 December 2016

		Natural Gas (WM <sup>3</sup> ) 天然氣 (萬立方米)	Energy Conservation on Electricity (WkW.h) 節電 (萬千瓦時)	Energy Conservation on Oil (tonnes) 節油 (噸)
Daan	大安	(284.8722)	(663.1775)	(15.71)
Moliqing	莫里青	(83)	104	(2.73)
		(367.8722)	(559.1775)	(18.44)

Note: As the acquisition of the Canlin project in Canada was completed in September 2017, relevant statistics were not recorded for the year ended December 31, 2017.

2、向科技要效益，靠技術進步降能耗。

- (1) 採用自動控制變頻系統，通過自動分析電機運行參數，實時調整運行參數，達到節能的目的是。
- (2) 加強設備管理，如：通過採用高效能電機；淘汰高耗能變壓器；及時調整平衡率等辦法，降低耗電量。
- (3) 針對供液能力差的生產井，優化生產參數，採取間歇生產、停井、關井等模式，降低無效生產時率。

表9：本集團各項目節能數據統計

節能數據同比截至二零一七年十二月三十一日止年度

註：因加拿大Canlin項目於二零一七年九月完成收購，該數據未統計。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

The Group strictly observes relevant laws, regulations, rules and regulatory documents of the above mentioned countries and it did not and violate any abovementioned laws, regulations, rules regulatory documents in 2017.

本集團嚴格執行上述相關國家的法律、法規、規章、規範性文件，二零一七年度，集團沒有發生違反上述法律、法規、規章、規範性文件的情況。

### (4) Environment and natural resources

The Group is an enterprise engaged in the oil exploration business which consumes mineral resources, land and other natural resources during the process of oil production. The Group abides strictly by the “Mineral Resources Law of the People’s Republic of China”, the “Land Administration Law of the People’s Republic of China”, the “Environmental Protection Law of the People’s Republic of China”, “the Canadian Environmental Protection Act, 1999 (CEPA)”, the “National Energy Board Act ”and other related laws, regulations and requirements. The Group aims to reduce its impact on the environment and natural resources via the following: make good use of natural resources, improve comprehensive recycling ability of natural resources, reduce the consumption of natural resources and all kinds of waste emissions.

The Group aims to establish the concepts of conserving resources, reducing waste emissions, protecting the ecological environment, increasing investment in new technology, formulating policies on improving the level of enterprise technology for comprehensive utilization of resources, technology innovation, energy conservation and emissions reduction, constantly promoting enterprise to improve resource utilization efficiency, environmental protection compliance in accordance with the laws and regulations, continual improving of the regional environment as well as improving sustainable health development.

### (四) 環境及天然資源

本集團為石油開採企業，在石油開採過程中會消耗礦產資源，佔用土地等天然資源。本集團嚴格按照《中華人民共和國礦產資源法》、《中華人民共和國土地管理法》、《中華人民共和國環境保護法》、《加拿大國家環境保護法》、《國家能源委員會法案》等相關法律法規要求，依法獲得、使用天然資源，不斷提高天然資源綜合回收循環利用能力，減少對天然資源的消耗和各類廢棄物排放，降低集團營運對環境和天然資源的重大影響。

集團致力於建立全員重視資源節約、減少廢棄物排放、保護生態環境的企業理念，加大對新技術、新工藝的投資力度提高企業工藝技術水平，制定綜合利用資源、技術迎新、節能減排的激勵政策和具體措施，不斷推動企業實現資源利用高效節約、環境保護依法合規，區域環境不斷得到改善的可持續健康發展之路。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

### III. OPERATIONAL PRACTICES

#### (1) Supply chain management

The Group continuously optimized its supply chain management and established a comprehensive management mechanism for supplier access, selection, review and withdrawal. As of December 31, 2017, the Group has established relationships with 533 suppliers comprising 199 Chinese suppliers and 334 overseas suppliers. The Group adopts a prudent attitude and strict standards on supplier selection. Not only do we value product quality, service level, business ethics, corporate reputation, but we also place importance on their social responsibility performance. At present, the Group's supply chain management is carried out in accordance with the "Contract Law of the People's Republic of China" and other laws of the countries where resources are located. The Group has updated and improved its "Policies Governing Tenders of MIE Holdings Corporation", the "Policies Governing Contracts of MIE Holdings Corporation", the "Policies Governing the Procurement of Goods of MIE Holdings Corporation", the "Policies Governing the Management of Materials of MIE Holdings Corporation" and the "Policies Governing the Early Implementation of Service Projects without Signing Contracts under Special Circumstances", together which provide a unified basis and procedures for the selection and management of suppliers and contractors. The Group has developed four supply chain management modules centered on tender management, contract management, material management and supplier management. During the process, suppliers and contractors are provided with an opportunity for participation based on openness, fairness and transparency. The Group puts forward the requirements of honesty, trustworthiness, legal operation, due attention to health, safety and environmental protection for our suppliers and contractors during pre qualification, bidding, provision of products and services, and performance evaluation. At the same time, the Group also includes anti-bribery and anti corruption clauses into contract terms, creating a clean environment for supply chain management.

### 三、營運慣例

#### (一) 供應鏈管理

本集團不斷優化供應鏈管理，建立了完整的供應商准入、使用、評審及退出的管理機制，截至二零一七年十二月三十一日建立合作關係的供應商達533家，其中中國企業199家，國外企業334家。對供應商的選擇採取審慎的態度和嚴格的標準，不僅看重其產品質量、服務水平、商業道德、企業信譽，更重視其履行社會責任的表現。目前集團供應鏈管理依照《中華人民共和國合同法》等資源所屬國法律開展。集團內部在管理上根據上述法律更新完善了《MI能源控股有限公司招標管理辦法》、《MI能源控股有限公司合同管理辦法》、《MI能源控股有限公司採購管理辦法》、《MI能源控股有限公司物資管理辦法》及《關於對特殊情況下未簽訂合同急需提前實施服務類項目的管理規定》，為供應商、承包商選擇及管理提供了統一的依據和程序標準。形成了以招標管理、合同管理、物資管理、供應商管理為中心的四大供應鏈管理模塊。操作過程中為供應商、承包商提供了「公開、公平、透明」的參與機會。在供應商、承包商投標資格預審、參與投標、提供產品和服務、績效評價等環節，集團提出誠實守信、依法經營，關注健康、安全、環保的要求；同時，集團還將行賄、反貪污條款納入合同條款內，為供應鏈管理創建一個綠色環境。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

The Group implements a unified order system and makes purchases in accordance with the "Purchase Plan Order" issued by the material services department. The relevant order would cover the budget amount, material model, service contents and specific time requirements, which subsequently makes the completion of remaining steps in the supply chain more smooth and efficient.

The Group selects vendors through tendering or price negotiations. During the procurement process, priority will be given to those suppliers that offer a more favorable price for a product of the same quality and also regular suppliers that have passed the Group's yearly examination.

Input from multiple departments is tapped during the acceptance inspection and quality control process to more effectively control the quality of goods and services. To confirm the quality of purchased goods, joint acceptance inspection is conducted by the procurement department and also the relevant department that will use the goods. This is supplemented by quality feedbacks during use. For service projects, the safety, environmental protection, production, supervision and other relevant departments will submit their feedback onsite. A timely feedback system is implemented to receive information feedback during the process. Feedback and processing results are filed for review and integrated into yearly business evaluations.

To guarantee the overall quality of its suppliers, the Group organizes an annual assessment of suppliers, based on their performance of contracts, standards and quality system certification, health, safety, environmental protection and other qualifications. The Group will issue warnings to or remove suppliers who have failed the assessment from its internal list. The Group implements a dynamic management system of registered suppliers and any supplier who demonstrates serious non-compliance during the business collaboration or fails the assessment will be dismissed.

本集團統一執行訂單制，即採購依據為物資服務發生部門申報的《採購計劃訂單》，訂單內容涵蓋採購預算金額、物資型號、服務內容及具體時間要求等，使後續供應鏈的完成更加順暢、高效。

本集團通過招標或議價的方式選擇商家，在採購過程中「同質、同價」優先考慮與往年合作過且通過年度考核合格的商家。

為更有效的把控物資、服務的質量關，在驗收及質量控制環節採取多部門介入方式開展工作。物資類採用聯合驗收的方式確認物資質量，即入庫前採購部門及使用部門的聯合驗收及使用過程中的質量反饋。服務類工程各部門現場簽署本部門驗收意見，即安全、環保、生產、監理及相關專業部門意見。對於使用過程的信息反饋，實行適時反饋制度，且反饋及處理結果存檔備查，納入年度商家考評。

為保障供應商整體質量，集團每年組織供應商年度評審，主要關注其履約情況、標準和質量體系認證情況，健康、安全、環保資質的持證情況等。對評審不合格的供應商，本集團給予警示或清退。集團對庫內供應商實施動態管理，對合作過程中違規情節嚴重的或評審不合格的實施清退。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

### (2) Product responsibility

No information is disclosed in this report as the indicators are not applicable to the industry to which the Group belongs.

### (3) Anti-corruption

In accordance with the “Law of the PRC against Unfair Competition” and “The Basic Norms of Internal Control”, the Group has formulated and implemented policies such as the “Internal Audit System of MIE Holdings Corporation”, the “Audit System for Management Departures of MIE Holdings Corporation”, and “Special Audit (Interim) Policies of MIE Holdings Corporation” and such policies have been in place since 2015 in order to standardize the operation and management of the Group, strengthen internal control and audit supervision, ensure the safety and integrity of the Group’s property and materials, and ensure the smooth achievement of the Group’s objectives, provide reasonable guarantees for use of objective, truthful and effective management information by all levels of management, ensure that the business activities of various departments and units are carried out in accordance with the operating principles and policies of the Group and reduce operational risks and improve performance.

### (二) 產品責任

因本集團所屬行業不適用該類指標，因此不進行披露。

### (三) 反貪污

為了規範本集團的經營管理，加強內部控制與審計監督，保障集團財產物資的安全、完整，保證經營目標的順利實現，為集團各級管理部門使用客觀、真實、有效的經營管理信息提供合理保障，保證各部門、各單位的經營活動按照本集團的經營方針、政策進行，降低經營管理風險，提高績效，本集團根據《中華人民共和國反不正當競爭法》及《企業內部控制基本規範》規定，結合本公司實際，特制定了《MI能源控股有限公司內部審計制度》、《MI能源控股有限公司管理人員離任審計制度》、《MI能源控股有限公司專項審計(暫行)管理辦法》等制度，並於二零一五年以制度手冊彙編的形式下發。

# Environmental, Social and Governance Report (Continued)

## 環境、社會及管治報告(續)

Whistle blowing, as one of the sources of information in the audit plan, is set out as part of the “Internal Audit System of MIE Holdings Corporation”. Whistleblowing methods includes correspondences, visits, telephone calls and internet submissions and the abovementioned policy specifies the reporting hotline and email, and is distributed as a management policy among all employees for study and comprehension. During the year ended December 31, 2017, the Group did not receive any reports of crimes such as duty-related crimes, bribery, extortion, blackmail, fraud and money laundering. In accordance with the audit plan, the business operation department conducted a management investigation of correspondences and records, the expense management audit of Gobi Energy Company and other audits. It was found in the audit that the archive deadlines, archive directories, archive persons in charge and relevant ledgers needed to be improved upon, and the control exercised over expenses incurred or approved by the general manager of the project was insufficient. Relevant responsible persons and departments have been reorganized in line with the internal audit process for rectifications.

#### IV. COMMUNITY PARTICIPATION

The Group takes an interest in the spiritual and cultural life of its employees and has organized a series of cultural and recreational activities from time to time including hiking, badminton, autumn outings and sports games which have been well received by employees. The Chinese New Year condolence activities were carried out and efforts were made to improve the working environment for staff through the provision of staff dormitories, a canteen, and an activity room and tea parties were held together with local villagers in villages where the Group has operations.

The Group has organized a series of cultural and recreational activities including corporate donations and volunteering at local food banks, homeless shelters and other local charities. The Group also has an active employee-led Social Committee that organizes events including Christmas Parties, Calgary Stampede events and other seasonal activities.

其中舉報問責作為審計計劃的信息來源之一包含於《MI能源控股有限公司內部審計制度》中，舉報方式包含來信舉報、來訪舉報、電話舉報和網絡舉報四種方式，並於制度中明確了舉報電話和郵箱，以制度形式下發要求全體員工學習瞭解。截至二零一七年十二月三十一日止年度，本集團未收到職務犯罪、賄賂、勒索、欺詐及洗黑錢等違法犯罪行為的任何舉報，按照審計計劃，企業運營部進行了往來信函檔案管理調研、戈壁能源公司費用管理審計等審計工作，審計發現制度流程中關於歸檔期限、歸檔資料目錄、歸檔環節責任人及相關台賬還有待完善，集團對項目總經理費用管控存在漏洞，根據內部審計流程已組織相關責任人、責任部門進行了整改工作。

#### 四、社區參與

本集團關心員工的精神文化生活，不定期組織了一系列文化娛樂活動，如爬山、羽毛球比賽、秋遊、趣味運動會等，得到了員工的廣泛響應。並開展春節慰問活動，著力改善員工工作環境、為員工提供員工宿舍、員工食堂、員工活動室，並與公司所在村莊居民舉行茶話會。

本集團在加拿大進行一系列文化娛樂活動，包括企業捐款和在當地的食物銀行，無家可歸者的收容所和其他當地的慈善機構做義工。本集團有一個積極的員工為主導的社會委員會，活動包括聖誕晚會組織、卡爾加里牛仔節和其他季節性活動。



# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW AND PROSPECTS

#### Overview

The world economy recovered moderately, uncertainties such as international political and economic risks increased, the Chinese economy continued to develop steadily, and the supply and demand of the global oil market began to balance in FY2017. West Texas Intermediate (“WTI”) oil prices fluctuated within the range of US\$42 to US\$52 per barrel in the first half of 2017 (“1H2017”). With the fact of Organization of Petroleum Exporting Countries (“OPEC”) reducing crude oil production, crude oil prices, the oil and gas industry and the global economy rebounded moderately in the second half of 2017 (“2H2017”) and the WTI oil price stabilized at around US\$60 per barrel at the end of the year. International oil prices fluctuated widely, and the average oil prices increased significantly year-on-year during the period. However, the US shale gas production and the number of drilling rigs started to rise again, bringing global oil prices uncertainties and potential fluctuations. In such a challenging macro environment, on the one hand, subject to the Group adheres to the principle of stable development as well as strengthening management, controlling costs, and improving operating efficiency, on the other hand, it continuously evaluates strategic investment opportunities globally, optimizes existing asset allocation and acquires valuable strategic assets.

During FY2017 (“Current Period”), the gas and oil operational production and net production of the Group increased sharply compared with the same period in FY2016 (“Prior Period”). The Group’s oil and gas production increased by 43.0% to about 9.44 million barrels of oil equivalent (“BOE”) compared with the first half of 2016 (“1H2016”). Net oil gas production increased by 87.8% to about 6.76 MMBOE compared with the Prior Period. During the Current Period, our crude oil sales decreased by 26.5% to approximately 2.38 million barrels from the Prior Period, while our natural gas sales increased 13.7 times to 25,315.4 million standard cubic feet (“MMscf”). In 2H2017, the Group’s acquisition of 100% of partnership interests of CQ Energy Canada Partnership (“CQ Energy”) in Canada boosted the Group’s oil and natural gas reserves, production capacity and revenue substantially.

### 業務回顧及前景

#### 概覽

二零一七年世界經濟溫和復甦，國際政治經濟風險不確定因素增加，中國經濟延續穩中向好的發展態勢，全球石油市場供需逐步趨向平衡。二零一七上半年西德克薩斯中級原油（「WTI」）油價一直在每桶42到52美元的範圍內波動。隨著石油輸出國組織（「歐佩克」）國家原油減產持續，原油價格、油氣行業和全球經濟在二零一七下半年適度回升，WTI油價在年底穩定在60美元／桶左右，國際油價寬幅震盪，期內平均油價同比大幅上升。但美國頁岩氣產量及開工鑽機數量再次開始回升使得全球石油價格仍然存在高度的不確定性和潛在的波動。在這樣一個具有挑戰性的宏觀環境下運作時，本集團一方面堅持穩健發展方針，加強管理、控制成本、提高經營效率，另一方面持續評估在全球範圍內的戰略投資機會，優化現有資產配置，吸收優良戰略性資產。

二零一七年（「本期間」）本集團的油氣作業產量、淨產量較之二零一六年（「前期」）均有大幅上升。本期間本集團的油氣作業產量較之前期上升43.0%至9.44百萬桶當量，油氣淨產量較之前期增加87.8%至約6.76百萬桶當量。本集團的原油銷量較之前期減少26.5%至約2.38百萬桶，天然氣銷量為25,315.4百萬標準立方英尺，同比大幅增加13.7倍。二零一七年下半年本集團收購位於加拿大的CQ Energy Canada Partnership（「CQ Energy」）全部合夥權益使得本集團的油氣儲量、產能、收入均大幅提高。

## Management Discussion and Analysis (Continued)

### 管理層討論及分析(續)

The average realized crude oil price of the Group increased by 33.3% to US\$48.96 per barrel, with average natural gas prices rising to US\$1.50 per thousand metric cubic feet ("Mscf") in Current Period. As the recovery in crude oil prices and the increase in oil and gas production brought about by the acquisition of CQ Energy, the Group's revenue of FY2017 increased by 110.5% to RMB1,126 million compared with the Prior Period. EBITDA recorded a decline of RMB676.0 million from the Prior Period to a loss of RMB383.7 million. The adjusted EBITDA increased by 22.9% to approximately RMB348.1 million in the Current Period. During the Current Period, the Group recorded a net loss of RMB1,099.5 million.

In 2H2017, the Group successfully acquired 100% of the partnership interests of CQ Energy, a Canadian oil and gas exploration and development company with a very comprehensive and mature oil and gas business, through its wholly-owned subsidiary in Canada, Canlin Energy Corporation ("Canlin Energy"). CQ Energy owns a diverse base of producing, resource and infrastructure portfolio located throughout the Western Canadian Sedimentary and Williston basins in Alberta, Saskatchewan, Manitoba, Ontario and British Columbia in Canada. Canlin Energy has an average working interest (average percentage of ownership) of 67% in the relevant asset sand properties in relation to its oil and gas reserves, which as of June 6, 2017 covered an area with gross land coverage of 3,492,600 acres (or net coverage of 2,200,814 acres). CQ Energy possesses natural gas resources producing low decline, long life asset base products and infrastructure. It has vast acreage of undeveloped land and has potential for growth. The acquisition enlarged the Group's business scope from oil production to natural gas production, acquired new profit growth points, and allowed the Group to enter the Canadian market at the same time. Based on the Company's globalization development strategy, the acquisition enhanced oil and natural gas production capacity and improved the Company's profitability and competitiveness.

本期間，平均實現原油價格上升33.3%至48.96美元/桶，平均實現天然氣價格1.50美元/千標準立方英尺。由於原油價格回升以及收購CQ Energy帶來的油氣產量的增加，導致二零一七年本集團實現的銷售收入較之前期增加110.5%至11.260億元人民幣。EBITDA較之前期下降人民幣6.760億元，錄得虧損人民幣3.837億元。經調整的EBITDA同比上升22.9%至約人民幣3.481億元。本期間本集團錄得淨虧損為人民幣10.995億元。

二零一七年下半年，本集團通過加拿大的全資子公司麒麟能源公司(「麒麟能源」)，成功收購了CQ Energy的100%合夥權益。CQ Energy是加拿大油氣勘探開發公司，擁有非常全面和成熟的石油和天然氣業務。CQ Energy在加拿大的阿爾伯塔省、薩斯喀徹爾省、馬尼托巴省、安大略省及不列顛哥倫比亞省的加拿大西部沖積及威利斯頓盆地擁有多元化的生產基地、資源及基建業務組合。該公司擁有總佔地面積為3,492,600英畝(或淨佔地面積為2,200,814英畝)的油氣區塊，並享有區塊內與油氣儲量相關的資產及財產的67%平均工作權益(平均所有權百分比)。CQ Energy擁有產量高遞減率低、生產年限長的天然氣資源及基礎設施，同時其擁有的大量尚未開發土地具備潛在的增長能力。本次收購促進了集團業務領域範圍從石油開採進一步拓展至天然氣生產領域，獲得了新的利潤增長點，同時進入加拿大市場。基於公司未來國際化的發展戰略，本次收購增強石油天然氣生產能力，提升公司盈利水平和綜合競爭力。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

Completion of the acquisition of 100% of the partnership interests of CQ Energy from the Vendors took place on September 29, 2017. Upon Closing, the partnership arrangement of CQ Energy consequently dissolved by way of operation of law due to having only one partner which being Canlin Energy. The entire business of CQ Energy was transferred to and operated by Canlin Energy.

In 2H2017, the Group disposed of the entire issued share capital of Riyadh Energy Limited (“Riyadh Energy”). The principal business activity of Riyadh Energy is oil and gas development operations in China pursuant to the Moliqing PSC. Riyadh Energy holds 90% of the participating interests in the foreign contractor’s entitlement and obligations covering Moliqing block within Jilin oilfield and is the sole operator.

Following the acquisition and divestment exercises of the Group during FY2017, based on the year-end 2017 oil and gas reserves and resources estimate prepared by independent consultants, the Group’s Proved +Probable (“2P”) oil and gas reserves were 398.71 MMBOE, representing 4.31 times increase from year-end 2016. The increase in the Group’s 2P oil and gas reserves is largely attributable to the Group’s acquisition of CQ Energy.

In FY2017, the Group implemented efficiency management, focused on optimizing the allocation of existing assets, implementing a cost leadership strategy, striving to reduce costs, increasing efficiency, and stabilizing the production of old wells to delay the trend of declining production. In 2017, while the oil prices were significantly higher than the Prior Period, the lifting cost remained stable. Direct lifting costs for Daan and Moliqing increased slightly by 2.0% to US\$8.48 per barrel as compared to the Prior Period. As of December 31, 2017, except for over 8,500 production wells belonging to Canlin Energy, the Group operated a total of 2,369 wells, of which 2,364 were located in China and five wells were located in the United States. Taking CQ Energy acquisition and Riyadh Energy disposal into account, the total headcount of the Group increased from 1,387 as of December 31, 2016 to 1,495 as of December 31, 2017.

收購CQ Energy全部合夥權益的事項於二零一七年九月二十九日完成。交割後，由於CQ Energy僅存一方合夥人，即麒麟能源，合夥制安排根據法律途徑解散。CQ Energy全部業務交由麒麟能源公司運營管理。

二零一七年下半年，本集團出售全資子公司利雅得能源有限公司(「利雅得能源」)全部已發行股本。利雅得能源作為外國合同方根據莫里青產品分成合同在中國吉林油田進行油氣開發作業，並擁有吉林油田內莫里青區塊90%的油氣開發權利，並為唯一的作業方。

本集團收購及出售項目後，基於獨立技術顧問對於二零一七年底油氣儲量及資源量所做的評估，本集團2P油氣儲量為398.71百萬桶當量，相比二零一六年底上升4.31倍。2P油氣儲量總量的上升很大程度上是由於本集團對CQ Energy的收購所致。

二零一七年，本集團推行效益管理，關注既有資產優化配置，實施成本領先戰略，努力降本增效，穩定老井產量，延緩產量遞減趨勢。二零一七年在油價同比大幅上升時，採油成本基本保持穩定。大安和莫里青項目全年直接採油成本小幅上升了2.0%至8.48美元/桶，截至二零一七年十二月三十一日，除麒麟能源超過8,500口在產作業井外，本集團的作業井數為2,369口，其中2,364口井位於中國，5口井位於美國。由於對CQ Energy的收購及利雅得能源的出售，集團總人數從二零一六年底的1,387人上升至二零一七年底的1,495人。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

The following table provides a recap of the Group's key operational metrics and product prices for the FY2017:

以下是本集團二零一七全年之關鍵運營數據：

		<b>FY2017</b> <b>2017年</b>	FY2016 2016年	% Change 變化比例	2017 Guidance 2017年指引
Average Daily Gross Production (BOE/day)	日均油氣總產量 (桶當量/天)	<b>64,664</b>	18,359	252.2%	
Average Daily Net Production (BOE/day)	日均油氣淨產量 (桶當量/天)	<b>57,297</b>	10,184	462.6%	8,932-9,566
Average Daily Net Oil Production (barrels/day)	日均原油淨產量 (桶/天)	<b>9,745</b>	9,241	5.4%	
Average Daily Net NGL Production (barrels/day)	日均天然氣凝析液淨產量 (桶/天)	<b>1,690</b>	-	-	
Average Daily Net Gas Production (Mcf/day)	日均天然氣淨產量 (千立方英尺/天)	<b>275,170</b>	5,663	4,759.1%	

Notes:

附註：

- |  |  |
|--|--|
| (1) For reference purpose only, barrels of oil equivalent is calculated using the conversion factor of six Mscf of natural gas being equivalent to one barrel of oil | (1) 此處桶當量基於6千標準立方英尺天然氣=1桶原油的換算比例進行計算，僅供參考為目的             |
| (2) Gross Production means total production from all assets of the Group   | (2) 總產量 = 本集團在各項目中的總產量                                   |
| (3) Net Production means entitled production from all assets of the Group  | (3) 淨產量 = 本集團在各項目中的淨收益產量                                 |
| (4) The data of China does not include the last 16 days of 2017 as the Group disposed of Moliqing on December 15, 2017.  | (4) 中國的數據中不包含莫里青項目二零一七年度最後16天的數據，因為集團於二零一七年十二月十五日出售了此項目。 |
| (5) The data of Canlin Energy only include the 4th quarter of 2017 since the acquisition completed in September 2017.  | (5) 麒麟能源的數據只包含被集團收購後的二零一七年度第四季度的數據。                      |

The following table is the summary of the expenditures incurred in our exploration, development and production activities for FY2017:

以下是本集團二零一七年度發生的勘探、開發及生產支出的匯總數據：

(millions of RMB) (人民幣百萬元)		<b>Exploration expenditures</b> 勘探支出	<b>Development expenditures</b> 開發支出	<b>Production/operating expenditures</b> 生產成本
China Onshore Projects (Daan, Moliqing)	中國陸地項目(大安、莫里青)	-	51	292
USA (Condor)	美國(Condor)	-	-	4
Canada (Canlin Energy)	加拿大(麒麟能源)	-	36	248
<b>Total</b>	<b>合計</b>	<b>-</b>	<b>87</b>	<b>544</b>

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Review of Operations by Segment

#### China Operations (Daan, Moliqing, South China Sea)

By introducing some advanced new technologies and optimizing traditional oilfield development technologies, our projects in northeastern China maintained a relatively high level of production in FY2017. During FY2017, the total gross operated production for our two China oil projects in Daan and Moliqing decreased by 9.5% to 4.65 million barrels as compared to FY2016. Total net production allocated to the Group decreased by 6.6% to 1.98 million barrels. During FY2017, the gross operated production per day decreased by 9.0% to 12,812 BOPD as compared to FY2016, and net production per day allocated to the Group decreased by 7.1% to 5,454 BOPD. With the recovery of international crude oil prices, the average oil price of Daan and Moliqing increased by 33.1% from US\$36.73 per barrel in FY2016 to US\$48.89 per barrel in FY2017. Based on rising oil prices, there were 15 wells drilled in Daan in FY2017, including 14 vertical wells and 1 horizontal well. Direct lifting costs for Daan and Moliqing increased by US\$0.17/barrel, or 2.0%, from US\$8.31/barrel for FY2016 to US\$8.48/barrel for FY2017. EBITDA per barrel for Daan and Moliqing increased by US\$11.93/barrel, or 53.1%, from US\$22.45/barrel for FY2016 to US\$34.38/barrel for FY2017. The increase in EBITDA per barrel was primarily due to the rise in average realized oil price. Considering the Group's development strategy, the Group disposed of the entire interest in the Moliqing oil project through the disposal of Riyadh Energy in the 2H2017. The free cash flow contributed by the Daan is crucial for the development and operation of the Group's other projects.

As of the end of 2017, the Group had a 34% interest in the South China Sea project. On August 11, 2017, the Ministry of Land and Resources examined and approved our South China Sea project reserve report, and we obtained the approval of the review of the Ministry of Land and Resources on November 30, 2017. At present, the block has commissioned China National Offshore Oil Corporation ("CNOOC") research institute to make the overall development plan ("ODP") and plans to complete the preparation and review of the ODP by the end of 2018. The successful exploration of this block has provided good experience for the operation of MIE in offshore oil fields.

### 分區域業務運營回顧

#### 中國業務(大安、莫里青、南海項目)

二零一七年通過吸納一些先進的新技術以及優化傳統的油田開發技術，我們在中國東北的項目依然保持著較高的產量水平。二零一七年，本集團位於中國的大安、莫里青兩個原油項目總的作業產量較之二零一六年同期減少9.5%至4.65百萬桶。歸屬於本集團的份額原油產量減少6.6%至1.98百萬桶。與二零一六年相比，二零一七年日均作業產量下降9.0%至12,812桶/天，日均淨產量下降7.1%至5,454桶/天。隨著國際原油價格的回升，大安和莫里青項目二零一七年平均實現油價較二零一六年的36.73美元/桶上升33.1%，至48.89美元/桶。基於油價回升的考慮，中國大安項目在二零一七年鑽井15口，其中直井14口，水平井1口。二零一七年大安和莫里青項目的直接採油成本從二零一六年的8.31美元/桶上升0.17美元/桶，或者2.0%至二零一七年的8.48美元/桶。大安和莫里青項目的EBITDA從二零一六年的22.45美元/桶上升11.93美元/桶，或者53.1%至二零一七年的34.38美元/桶。EBITDA上升的主要原因在於平均實現油價的大幅上升。出於集團發展戰略考量，二零一七年下半年本集團通過出售利雅得能源公司處置了莫里青項目全部權益。大安項目所貢獻的自由現金流對於支持其他項目的開發和運行至關重要。

截至二零一七年底本集團在南海項目擁有34%的權益，二零一七年八月十一日國土資源部審查通過了南海項目儲量報告，並於二零一七年十一月三十日取得了國土資源部評審備案證明。目前該區塊已委託中國海洋石油總公司(「中海油」)研究總院編制總體開發方案，計畫在2018年底前完成總體開發方案的編制及審查工作。該區塊的成功勘探，為本公司在海上油田的操作取得了很好的經驗。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### North America Operations

- Canada (Canlin Energy, Journey)

As of the end of 2017, Canlin Energy's 2P reserves were 334.5 MMBOE, accounting for 83.9% of the Group's total reserves, and Canlin Energy accounted for 5.21 times the reserves of other projects in the Group. Canlin Energy was consolidated into the Group's financial statements from the fourth quarter of FY2017, and its net annual production was 4.77 MMBOE, accounting for 70.5% of the Group's total annual production, Canlin Energy's production in one quarter is about 2.39 times the total annual production of the Group's other projects. The successful acquisition of Canlin Energy has greatly enhanced the scale of the Group and achieved the Group's leap-forward development, making the Group an international large-scale oil and gas company and enhancing the financial stability and strength of the Group.

Canlin Energy is an oil and gas company that prefers natural gas development. Canlin Energy has more than 11,500 oil and gas wells, of which more than 8,500 are producing wells. Daily oil and gas production was 51,811 BOE, of which natural gas and natural gas condensate accounted for about 91.8%, the crude oil accounted for about 8.2%. Daily oil production was 4,262 barrels, daily natural gas condensate production was 1,690 barrels, and daily nature gas production was 275.2 MMscf. Despite average realized gas price was only US\$1.50 per Mscf in the fourth quarter 2017, considering the natural growth in global energy demand and the substitution of natural gas for coal and oil as a kind of clean energy, the Group is confident in the development of natural gas.

### 北美業務

- 加拿大(麒麟能源, Journey)

截至二零一七年底麒麟能源2P儲量為334.5百萬桶當量，佔本集團總儲量83.9%。麒麟能源儲量約為集團內其他項目儲量總和的5.21倍。麒麟能源從二零一七年第四季度起併入集團報表，其淨產量為4.77百萬桶當量，佔本集團全年總淨產量70.5%。麒麟能源一個季度的產量約為集團其他項目年產量總和的2.39倍。成功收購麒麟能源極大的增強了本集團的規模，實現了本集團跨越式發展，使本集團一躍成為國際化大型油氣公司，增強本集團財務穩定性和實力。

麒麟能源是一家以天然氣開發為主的油氣田公司。麒麟能源擁有油氣井超過11,500口，其中在產井超過8,500口。日產油氣51,811桶當量，其中天然氣及天然氣凝析液佔比約91.8%，原油佔比約8.2%。日產原油4,262桶，日產天然氣凝析液1,690桶，日產天然氣275.2百萬立方英尺。儘管二零一七年第四季度麒麟能源平均實現天然氣價格只有1.50美元/千立方英尺，考慮到全球能源需求自然增長以及天然氣作為一種清潔能源對煤炭和原油的替代，本集團對天然氣的開發充滿信心。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

Canlin Energy has a high level, international and professional management team. To face the current low gas prices, Canlin Energy optimized management, improved staffing and asset allocation, downsized staff and improved efficiency, and strived to reduce lifting costs, satisfactory results were achieved in the fourth quarter of FY2017. As a large-scale oil and gas company in Canada, Canlin Energy's high-quality business management had improved the international management of the Group and improved our ability to further expand our business market in Canada. At present, the focus of the Group's business has shifted from the Chinese market to the Canadian market. The business structure, personnel composition and management methods of the Group will be more international in the future, which would be beneficial to the widening of our global footprint, development of a more balanced oil and gas business portfolio, expansion of our operational capabilities and enhancement of our profile and image as an international energy company.

Journey Energy Inc. ("Journey") planned to drill 14 wells in FY2017, with 14 wells having been completed in FY2017. Daily production increased by 14% to 9,962 barrels per day from 8,712 barrels per day in FY2016. The Group generated investment loss of RMB63.0 million in FY2017.

- USA (Condor)

There were no drilling activities during FY2017 in relation to our US business. The Group's subsidiary, Condor Energy Technology LLC ("Condor"), operates 5 horizontal wells in the Niobrara project. For FY2017, the average daily operated oil and gas production was 38 BOPD and 23 Mscf per day, net oil and gas production was 29 BOPD and 18 Mscf per day, respectively. Average realized oil and gas price was US\$47.44 per barrel and US\$4.47 per Mscf, respectively.

### Kazakhstan Operations (Emir-Oil)

With the recovery of oil prices, six production wells had been opened again in FY2017 and the total number of producing wells was 20 at the end of 2017. Daily production of crude oil decreased by 28.0% from 3,328 barrels per day in FY2016 to 2,396 barrels per day in FY2017.

麒麟能源擁有一支高水平的國際化、專業化的管理團隊。為應對當前低迷的低氣價，麒麟能源不斷優化管理，改善人員配置及資產配置，推動減員增效，努力降低採油成本。在二零一七年四季度取得了令人滿意的成效。麒麟能源作為加拿大規模較大的油氣公司所具備的優質的業務管理能力提高了本集團整體的國際化管理水平，以及提高了我們借此平台進一步拓展加拿大業務市場的能力。目前，本集團業務重心已由中國市場轉為加拿大市場，本集團的業務結構、人員構成、管理方式將更加國際化，這有利於未來本集團擴大全球業務，開發更加平衡和多樣化的石油和天然氣業務組合，擴大我們技術和運營能力，並提升我們作為國際能源公司的形象。

加拿大Journey能源公司(「Journey」)全年計畫鑽井14口，二零一七年實際完鑽井14口，二零一七年日產量比二零一六年的每天8,712桶增加14%至每天9,962桶。二零一七年本集團在該項目下產生投資虧損63.0百萬元。

- 美國 (Condor)

於二零一七年，本公司在美國 Niobrara 項目沒有新的鑽井活動，目前本公司通過附屬公司 Condor Energy Technology LLC (「Condor」) 在美國 Niobrara 項目共操作5口水平井。二零一七年 Niobrara 項目的日均原油和天然氣作業產量分別為38桶/天和23千立方英尺/天，淨產量分別為29桶/天和18千立方英尺/天，平均實現油價和氣價分別為47.44美元/桶和4.47美元/千立方英尺。

### 哈薩克斯坦業務 (Emir-Oil)

隨著油價的回升，Emir-Oil項目在二零一七年恢復生產油井6口，截至二零一七年末，生產井共計20口。二零一七年原油日產量比二零一六年的每天3,328桶下降28.0%至每天2,396桶。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Review of Reserves

The Group's net reserves evaluation for 2017 year-end shows a significant increase over 2016, primarily driven by the acquisition of CQ Energy Canada Partnership ("CQ", subsequently dissolved by operation of law due to having one partner being the Group's subsidiary, Canlin Energy Corporation or "Canlin"). Highlights of the Group's 2017 year-end reserves are as follows:

- Overall, the Group's total net Proved ("1P") oil, gas and natural gas liquid ("NGL") reserves increased by 593% to 256 million barrels of oil equivalents ("BOE", where 1 BOE = 6,000 cubic feet gas), total net Proved + Probable ("2P") oil, gas and NGL reserves increased by 431% to 399 MMBOE, and total net Proved + Probable + Possible ("3P") oil, gas and NGL reserves increased by 361% to 431 MMBOE<sup>(Note)</sup>. The increases in these reserve categories were mainly contributed by the gas and NGL reserves of Canlin properties in the Western Canada Basin.
- The Group's net 1P oil reserves for 2017 increased by 9% to 31.0 million barrels, while 2P net oil reserves slightly decreased by 2% to 60.0 million barrels and 3P net oil reserves increased by 11% to 86.0 million barrels respectively, reflecting the combined impact of the production of Daan Project and the divestment of Moliquing Project in Jilin Province, China, the revision on Emir-Oil's reserves for 2017 year-end in Kazakhstan and the acquisition of CQ in Canada in 3Q 2017.
- Canlin's 1P and 2P reserves are 226 MMBOE and 335 MMBOE respectively for the year-end of 2017 and these reserves represent 88% and 84% of the Group's net 1P and 2P reserves on BOE basis, of which approximately 90% is natural gas and the balance crude oil and NGL. Canlin's highly proved and prolific reserve, long life assets and vast undeveloped lands provide great growth potential for the Group.
- Based on the 2017 year-end reserves estimates reviewed by independent consultants, the Group's 2P net present value, before tax and discounted at 10% ("NPV10") is approximately US\$1.965 billion, which represents 123% increase from the reported 2016 year-end 2P NPV10 value of US\$881 million.

#### Note:

As per industry practice, exploration and production companies in Canada do not prepare or disclose possible reserves. As such, Canlin and Journey have followed the same approach. Accordingly, the Group's total 3P reserves only include the 2P reserves of Canlin and Journey.

### 儲量回顧

由於收購 CQ Energy Canada Partnership (「CQ」，由於僅存一方合夥人，即集團子公司 Canlin Energy Corporation 或「Canlin」，合夥制安排根據法律途徑解散)因素所致，本集團於二零一七年末之油氣儲量的評估結果相比去年有了顯著提升，以下是此次評估的要點：

- 與二零一六年末相比，本集團於二零一七年年末折合成桶當量的淨探明(1P)油氣儲量增加593%至2.56億桶當量(1桶當量=6,000立方英尺氣)，淨探明+概算(2P)油氣儲量增加431%至3.99億桶當量，淨探明+概算+可能(3P)油氣儲量增加361%至4.31億桶當量(附註)。儲量的增長主要是由於西加拿大盆地的Canlin資產所帶來的天然氣和NGL增長所致。
- 由於大安油田的當年的原油產出，出售位於中國吉林省的莫里青油田，哈薩克儲量的調整以及加拿大CQ項目的收購等多重因素，二零一七年末本集團淨的1P原油儲量較之二零一六年末增加9%至3,100萬桶，2P原油儲量較之二零一六年末微幅下降2%至6,000萬桶，3P原油儲量較之二零一六年末增加11%至8,600萬桶。
- 於二零一七年末，本集團於Canlin擁有的淨的1P和2P油氣儲量分別為2.26億桶當量和3.35億桶當量，在集團1P和2P油氣淨儲量中所佔比例分別為88%和84%，其中約90%為天然氣，其餘為原油和NGL。Canlin豐富的可持續開採的證實儲量和廣闊的未開發的土地，為集團發展提供了巨大的潛力。
- 根據獨立顧問評估的結果，若按照10%貼現率進行計算，本集團於二零一七年年末2P油氣儲量的稅前淨現值(NPV10)約為19.65億美元，較之二零一六年末的8.81億美元增加了123%。

#### 附註：

加拿大的石油公司通常不計算或披露可能級別的儲量，Canlin和Journey也遵循同樣的做法。因此本集團的3P儲量僅包括Canlin和Journey的2P儲量。



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

The following were the prices used to determine the reserves and resources at the year-end of FY2016 and FY2017:

以下是確定二零一六年末及二零一七年末儲量所用的價格：

Segment 區域	Basin 盆地	FY2017 2017 年末	FY2016 2016 年末
China — Gobi Energy	Songliao	Escalated price profile based on price projections published by Sproule for WTI Crude. An average differential for 2017 January — November between WTI Cushing Spot and Daqing of — \$2.16 was used. The differential is assumed to remain constant in the future.	Escalated price profile based on price projections published by Moody's Analytics for WTI Crude. An average differential for 2016 between WTI Cushing Spot and Daqing of —\$5.94 was used. The differential is assumed to remain constant in the future.
中國 — 戈壁	松遼	按照 Sproule 公佈的 WTI 原油價格預測。採用 2017 年 1–11 月 WTI 庫欣交貨點和大慶原油價格平均差 -2.16 美元。該差別假定在未來保持不變。	按照穆迪分析公佈的 WTI 原油價格預測。採用 2016 年 WTI 庫欣交貨點和大慶原油價格平均差 -5.94 美元。該差別假定在未來保持不變。
Kazakhstan — Emir-Oil	Mangistau	Export oil at escalated price profile based on price projections published by GCA for Brent Crude which has been estimated to be \$51.31/Stock Tank Barrel in 2018. Domestic oil price is estimated to be \$13.67/Stock Tank Barrel in 2018. Domestic gas price \$0.62/MSCF has been utilized for solution gas sales and assumed to be constant throughout the report.	Export oil at escalated price profile based on price projections published by Moody's Analytics for Brent Crude which has been estimated to be \$58.00/Stock Tank Barrel in 2017. Domestic oil price reduced by VAT 12% resulting in 17.98/Stock Tank Barrel in 2017. The price is forecast to gradually increase related to Brent price. Domestic gas price \$0.77/MSCF has been utilized for solution gas sales and assumed to be constant throughout the report.
哈薩克斯坦 — Emir-Oil	Mangistau	外銷原油價格按 GCA 公佈的布倫特原油逐步增長的價格預期，2018 年為外銷油價 51.31 美元/桶。2018 年內銷油價為 13.67 美元/桶。內銷氣價按 0.62 美元/千立方英尺，在報告中保持恒定。	外銷原油價格按穆迪分析公佈的布倫特原油逐步增長的價格預期，2017 年為外銷油價 58 美元/桶。2017 年內銷油價為減去 12% 的增值稅為 17.98 美元/桶。內銷氣價按 0.77 美元/千立方英尺，在報告中保持恒定。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

Segment 區域	Basin 盆地	FY2017 2017 年末	FY2016 2016 年末
US — Condor	Niobrara	Escalated price profile based on price projections published by Sproule. Appropriate oil and gas price offsets were determined by examining Condor's current oil and gas sales contracts and comparing them to historical prices Condor has actually received. The realized price is estimated to be \$51.85/Stock Tank Barrel in 2018.	Escalated price profile based on price projections published by Moody's Analytics. Appropriate oil and gas price offsets were determined by examining Condor's current oil and gas sales contracts and comparing them to historical prices Condor has actually received. The realized price is estimated to be \$48.46/Stock Tank Barrel in 2017.
美國 — Condor	Niobrara	按Sproule公佈的逐步增長價格預測。通過檢查Condor目前原油和天然氣銷售協議，並比較歷史的實際價格，確定適當的可實現原油和天然氣價格。2018年實現原油銷售價格為\$51.85美元/桶。	按穆迪分析公佈的WTI原油逐步增長價格預測。通過檢查Condor目前原油和天然氣銷售協議，並比較歷史的實際價格，確定適當的可實現原油和天然氣價格。2017年實現原油銷售價格為\$48.46/桶。
Canada — Journey	Western Canadian	Forecast pricing used is the average of the published price forecasts for GLJ Petroleum Consultants Ltd., Sproule Associates Ltd. and McDaniel & Associates Consultants Ltd. as at January 1, 2018. It is estimated to be \$57.5/Stock Tank Barrel WTI Cushing Oklahoma in 2018.	Forecast pricing used is the average of the published price forecasts for GLJ Petroleum Consultants Ltd., Sproule Associates Ltd. and McDaniel & Associates Consultants Ltd. as at December 31, 2016. It is estimated to be \$55.00/Stock Tank Barrel WTI Cushing Oklahoma in 2017.
加拿大 — Journey	加拿大西部	預測價格是根據GLJ石油顧問有限公司，Sproule和McDaniel三家諮詢公司於2018年1月1日公佈的價格預測的平均值。2018年WTI庫欣奧克拉荷馬原油價格為57.5美元/桶。	預測價格是根據GLJ石油顧問有限公司，Sproule和McDaniel三家諮詢公司於2016年12月31日公佈的價格預測的平均值。2017年WTI庫欣奧克拉荷馬原油價格為55.00/桶。
Canada — Canlin	Canadian	Escalated price profile based on price projections published by Sproule. Canadian Light Sweet Crude 40° API oil price is estimated to be 65.44 \$Cdn/bbl in 2018. Alberta AECO-C Spot gas price is estimated to be 2.85 \$Cdn/MMbtu in 2018.	
加拿大 — Canlin	加拿大	按Sproule公佈的逐步增長價格預測。二零一八年加拿大40°API輕質原油價格為65.44加元/桶，二零一八年AlbertaAECO-Cspot的氣價為2.85加元/MMbtu。	

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### FY2018 Guidance

The following is our preliminary guidance for FY2018. The Group will closely monitor the situation and we may revise our work program as warranted in a timely manner, based on changes in oil prices. We believe it is very important to maintain a high degree of flexibility in order to ensure the stability and profitability of our business in this current volatile oil price environment.

### 二零一八年指引

以下是本集團二零一八年度的初步指引，我們會適時地根據國際油價的變化調整我們的工作計畫。我們相信保持這樣的靈活度對於保障本集團安全平穩運營及盈利能力非常重要。

	Interest (%)	Numbers of Wells (Gross)	Group Net Capex Investment (millions of US\$)	Net production
	權益 (%)	鑽井數量(總)	集團資本開支投資淨額 (百萬美元)	淨產量
China Onshore Projects (Daan)	90%	13	9	4,200–4,500 BOPD
— crude oil				4,200–4,500 BOPD
中國陸地項目(大安)				4,200–4,500 桶/天
— 原油				4,200–4,500 桶/天
Canada (Canlin Energy)	100%	—	50	47,500–51,170 BOED
— crude oil				3,750–4,275 BOPD
— NGL				1,250–1,425 BOPD
— natural gas				255,000–272,820 MSCF
加拿大(麒麟能源)				47,500–51,170 桶當量/天
— 原油				3,750–4,275 桶/天
— 天然氣凝析液				1,250–1,425 桶/天
— 天然氣				255,000–272,820 千立方英尺/天
USA (Condor)	100%	—		27 BOPD
— crude oil				27 BOPD
美國(Condor)				27 桶/天
— 原油				27 桶/天
Group Total		13	59	51,727–55,697 BOED
集團總計				51,727–55,697 桶當量/天

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### FINANCIAL RESULTS

The Group's management and shareholders approved the disposal of 60% equity interest in PBV on June 20, 2016. Emir-Oil, which is located in Kazakhstan, is the 100% wholly-owned subsidiary of PBV (collectively, the "PBV Group"). The Kazakhstan operation is recognized as a disposal group and discontinued operation as at December 31, 2016, as Emir-Oil represents the business in Kazakhstan segment, which is a major line of business of the Group. Emir-Oil's operating results from the Kazakhstan operation were recorded as a loss for the period from discontinued operations, and were not included in the results of continuing operations.

#### Continuing operations

##### Revenue

The Group's revenue is generated from sales of oil and gas products and provision of services.

The Group's revenue from sales of oil and gas increased by RMB553.7 million, or 105.6%, from RMB524.3 million for 2016 to RMB1,078.0 million for 2017.

This increase was mainly due to the acquisition of CQ Energy in September 2017, which contributed revenue RMB421.8 million during the three months ended December 31, 2017. There was increase in crude oil prices during the course of 2017 as well. Average realized oil price was US\$48.96 per barrel for 2017, compared to US\$36.74 per barrel for 2016. The Group's total crude oil sales volume was 2.38 million barrels for 2017, compared to 2.14 million barrels for 2016.

### 經營業績

本集團之管理層及股東於二零一六年六月二十日批准處置荷蘭PBV公司60%的權益。Emir-Oil位於哈薩克斯坦，是PBV的100%全資子公司(統稱「PBV集團」)。由於Emir-Oil代表哈薩克斯坦分部業務，所以哈薩克斯坦業務於二零一六年十二月三十一日被視為非持續經營業務，Emir-Oil的經營業績，未含在持續經營業績中。

#### 持續經營

##### 收益

本集團收益主要來自於銷售石油和天然氣產品及提供服務。

本集團的油氣銷售收益，由二零一六財務年度人民幣5.243億元增加人民幣5.537億元或105.6%至二零一七財務年度人民幣10.78億元。

該增加主要是由於二零一七年九月CQ Energy的收購，截止二零一七年十二月三十一日三個月期間內的收入為4.218億元。該增加的另一原因是二零一七年原油價格的增長，二零一七財務年度平均實現油價為每桶48.96美元，較之於二零一六財務年度則為每桶36.74美元。二零一七財務年度原油總銷量為238萬桶，較之於二零一六財務年度則為214萬桶。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

The Group's revenue from rendering of services is RMB48.0 million for 2017.

二零一七財務年度本集團來自於提供服務的收益為人民幣4,800萬元。

- **PRC**

Revenue from our China oil fields increased from RMB519.6 million for 2016 to RMB652.2 million for 2017. The average realized oil price was US\$48.89 per barrel for 2017, compared to US\$36.73 per barrel for 2016. Our sales volume was 1.98 million barrels for 2017, compared to 2.12 million barrels for 2016.

- **中國**

中國油田實現收益，由二零一六財務年度人民幣5.196億元增加至二零一七財務年度人民幣6.522億元。二零一七財務年度平均實現油價為每桶48.89美元，較之於二零一六財務年度為每桶36.73美元。二零一七財務年度銷量為198萬桶，較之於二零一六財務年度為212萬桶。

- **North America**

*Canada*

During the three months ended December 31, 2017, our Canada oil fields realized revenue from crude oil sales of RMB130 million. The average realized oil price was US\$49.32 per barrel, with sales volume of 392,129 barrels.

During the three months ended December 31, 2017, our Canada operations realized revenue from gas sales of RMB256 million, with a realized gas price of US\$1.50 per MSCF and total gas sales volume of 25.3 BSCF for 2017.

During the three months ended December 31, 2017, our Canada operations realized revenue from NGL sales of RMB27.92 million, with a realized gas price of US\$26.64 per barrel and total NGL sales volume of 155,466 barrels for 2017.

During the three months ended December 31, 2017, our Canada oil fields realized revenue from sulphur sales of RMB18.88 million, royalty income of RMB10.96 million, and other revenue (incl. processing income) of RMB21.25 million.

- **北美**

*加拿大*

截至二零一七年十二月三十一日的三個月內，加拿大油田實現原油銷售收益人民幣1.30億元。平均實現油價為每桶49.32美元，銷量為392,129桶。

截至二零一七年十二月三十一日的三個月內，加拿大油田實現天然氣銷售收益人民幣2.56億元，平均實現氣價為每千標準立方英尺1.5美元，二零一七年天然氣總銷量為253億標準立方英尺。

截至二零一七年十二月三十一日的三個月內，加拿大油田實現天然氣凝析液銷售收益人民幣2,792萬元，每桶天然氣凝析液實現價格26.64美元，二零一七財務年度總的液態天然氣銷售量為155,466桶。

截至二零一七年十二月三十一日的三個月內，加拿大油田實現硫磺銷售收益人民幣1,888萬元，特許權收益人民幣1,096萬元，其他收益(包括油氣處理收入)2,125萬元。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### USA

In 2017, our America oil fields realized revenue from crude oil sales of RMB3.2 million. The average realized oil price was US\$47.44 per barrel, with sales volume of 9,956 barrels. In 2016, our America oil fields realized revenue from crude oil sales of RMB3.9 million. For 2016, the average realized oil price was US\$37.77 per barrel, with sales volume of 15,328 barrels.

Our America operations realized revenue from gas sales of RMB43,025, with a realized gas price of US\$4.47 per MSCF and total gas sales volume of 1,428 MSCF for 2017. In 2016, revenue from gas sales of RMB0.2 million was recorded from realized gas price of US\$2.30 per MSCF and total gas sales volume of 13,981 MSCF.

### Depreciation, depletion and amortization

The Group's depreciation, depletion and amortization increased by RMB126.0 million, or 34.6%, from RMB363.9 million for 2016 to RMB489.9 million for 2017. The increase in depreciation, depletion and amortization was mainly due to the acquisition of CQ Energy in September 2017, which has a depreciation expense of RMB137.2 million during the three months ended December 31, 2017.

### 美國

二零一七財務年度，美國油田實現石油銷售收益人民幣320萬元，平均實現油價為每桶47.44美元，銷量為9,956桶。二零一六財務年度，美國油田實現石油銷售收益人民幣390萬元，平均實現油價為每桶37.77美元，銷量為15,328桶。

二零一七財務年度，美國油田實現天然氣銷售收益人民幣4.30萬元，實現天然氣價格為每千標準立方英尺4.47美元，天然氣總銷量為1,428千標準立方英尺。二零一六財務年度，天然氣銷售收益人民幣20萬元，實現天然氣價格為每千標準立方英尺2.30美元，天然氣總銷量為13,981千標準立方英尺。

### 折舊、耗損及攤銷

本集團的折舊、耗損及攤銷由二零一六財務年度人民幣3.639億元增加人民幣1.26億元或34.6%至二零一七財務年度為人民幣4.899億元。折舊、耗損及攤銷增加主要由於：二零一七年九月CQ Energy的收購，截至二零一七年十二月三十一日的三個月內折舊費用為人民幣1.372億元。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Taxes other than income taxes

The Group's taxes other than income taxes increased by RMB0.8 million, or 6%, from RMB13.4 million for 2016 to RMB14.2 million for 2017. The following table summarizes taxes other than income taxes for 2017 and 2016:

### 稅項(所得稅除外)

本集團的稅項(所得稅除外)由二零一六財務年度人民幣1,340萬元增加人民幣80萬元或6%至二零一七財務年度為人民幣1,420萬元。下表總結截至二零一七年十二月三十一日及二零一六年十二月三十一日的稅項(所得稅除外)：

		Year ended December 31, 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>PRC</b>	<b>中國</b>		
Urban construction tax and education surcharge	城市建設稅及教育附加費	3,488	2,839
Others	其他	91	96
		<b>3,579</b>	2,935
<b>Corporate and other segments</b>	<b>總部及其他分部</b>		
Withholding tax and others	代扣代繳稅及其他	10,635	10,479
		<b>14,214</b>	13,414

### PRC

The Ministry of Finance of the People's Republic of China announced that the threshold of the special oil income levy was revised from US\$55 to US\$65 per barrel, effective from January 1, 2015. As no sales were realized at or above US\$65 per barrel during 2017, no special oil levy was incurred for our China oilfields.

### 中國

中華人民共和國財政部發佈通知修訂石油特別收益金徵稅的稅基從55美金／桶到65美金／桶，自二零一五年一月一日生效。由於二零一七財務年度實現油價沒有超過每桶65美金，沒有產生石油特別收益金。

### Corporate and other segments

### 總部及其他分部

#### Withholding Tax and others

#### 代扣代繳稅及其他

Withholding tax represents accrual of withholding tax on interest charged on intercompany loans.

代扣代繳稅指就公司間貸款利息應計提的代扣代繳稅。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Employee compensation costs

The Group's employee compensation costs increased by RMB73.2 million, or 54.9%, from RMB133.3 million for 2016 to RMB206.5 million for 2017. The increase in employee compensation costs was primarily due to acquisition of CQ Energy, which has compensation cost of RMB84.5 million during the three months ended December 31, 2017, and partially offset by the reduction of headcount during 2017.

### Purchases, services and other expenses

Our purchases, services and other expenses increased by RMB194.8 million, or 184.5%, from RMB105.6 million for 2016 to RMB300.4 million for 2017. The increase was due to acquisition of CQ Energy, which had purchases, services and other expenses of RMB199.5 million during the three months ended December 31, 2017.

### Distribution expenses

The Group's distribution expenses increased by RMB37.5 million, or 206%, from RMB18.2 million in 2016 to RMB55.7 million in 2017. The increase in distribution expenses was primarily due to acquisition of CQ Energy, which has distribution expenses of RMB38.6 million during the three months ended December 31, 2017.

### General and administrative expenses

The Group's general and administrative expenses increased by RMB103.3 million, or 152.6%, from RMB67.7 million for 2016 to RMB171.0 million for 2017. The increase in administrative expenses was primarily due to: (i) the acquisition of CQ Energy, which had general and administrative expenses of RMB65.0 million (including transaction fee for acquiring CQ Energy of RMB16.7 million) during the three months ended December 31, 2017; (ii) the other portion of transaction fees incurred in relation to the acquisition of CQ Energy charged on the Company of RMB17.3 million.

### 員工薪酬成本

本集團的員工薪酬成本由二零一六財務年度的人民幣1.333億元增加人民幣7,320萬元或54.9%至二零一七財務年度的人民幣2.065億元。員工薪酬成本增加主要由於：CQ Energy的收購，截至二零一七年十二月三十一日的三個月其員工薪酬成本為人民幣8,450萬元，另外，二零一七年人員數量減少降低了部份薪酬成本。

### 採購，服務及其他費用

本集團的採購，服務及其他費用由二零一六財務年度的人民幣1.056億元增加人民幣1.948億元或184.5%至二零一七財務年度的人民幣3.004億元。採購，服務及其他費用的增加是由於CQ Energy的收購，截至二零一七年十二月三十一日的三個月其採購，服務及其他費用為人民幣1.995億元。

### 銷售費用

本集團的銷售費用由二零一六財務年度的人民幣1,820萬元增加人民幣3,750萬元或206%至二零一七財務年度的人民幣5,570萬元。銷售費用的增加主要由於CQ Energy的收購，截至二零一七年十二月三十一日的三個月其銷售費用為人民幣3,860萬元。

### 管理費用

本集團的管理費用由二零一六財務年度的人民幣6,770萬元增加人民幣1.033億元或152.6%至二零一七財務年度的1.71億元。管理費用的增加主要由於：(i) CQ Energy的收購，截至二零一七年十二月三十一日的三個月其管理費用為人民幣6,500萬元(包括收購CQ Energy的交易費用人民幣1,670萬元)；(ii)公司收購CQ Energy其他的交易費用為人民幣1,730萬元。



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Impairment charges

The Group recognized: (i) impairment charge amounting to RMB33.5 million on the investment in PetroBroad; (ii) impairment loss on available-for-sale financial assets amounting to RMB2 million.

### Other (losses)/income

The Group incurred other loss of RMB652.5 million for 2017, compared to other income of RMB297.8 million for 2016. Other loss for 2017 arose primarily from the provision for receivables of RMB730.1 million due to long aging and lower collectability, which was offset by (i) gains on disposal of subsidiaries of RMB46.3 million; and (ii) gains on financial instruments of RMB45.7 million; Other income for 2016 includes mainly: (i) gain on disposal of a subsidiary of RMB526.1 million in July 2016; (ii) gains arising from acquisition of Journey of RMB29.8 million, which was offset by (i) provision for receivables of RMB252.8 million due to long aging and lower collectability; and (ii) losses on derivative financial instruments of RMB19.6 million.

### Finance income/(costs), net

The Group's finance income increased by RMB31.7 million, or 181.1%, from RMB17.5 million for 2016 to RMB49.2 million for 2017.

Finance cost decreased by RMB216 million, or 53.5%, from RMB404.0 million for 2016 to RMB188.0 million for 2017.

### Share of loss of associates

As at December 31, 2017, the Group holds a 34.0% interest in PetroBroad, 31.9% interest in Journey and 40.0% in PBV, respectively. These investments are accounted for as associates by the Group and our share of loss of amounted to RMB63.0 million in 2017.

### 減值損失

本集團確認：(i) 對博道長和的投資減值損失總計人民幣3,350萬元；(ii) 可供出售金融資產減值損失總計人民幣200萬元。

### 其他(虧損)/收益

二零一七財務年度，本集團錄得其他損失人民幣6.525億元，二零一六年度之其他收益為人民幣2.978億元。二零一七財務年度的其他損失主要來自於由於長賬齡及低回收率確認的應收賬款減值準備人民幣7.301億元，對沖：(i) 處置子公司的收益人民幣4,630萬元；(ii) 來源於金融工具的收益人民幣4,570萬元。二零一六財務年度年其他收益主要包括：(i) 於二零一六年七月處置子公司的收益5.261億元，(ii) 收購Journey的收益2,980萬元。對沖：(i) 由於長賬齡及低回收率確認的應收賬款減值準備人民幣2.528億；(ii) 衍生金融工具損失人民幣1,960萬元。

### 淨財務收入/(成本)

本集團的財務收入由二零一六財務年度的人民幣1,750萬元增加人民幣3,170萬元或181.1%至二零一七財務年度的人民幣4,920萬元。

本集團的財務成本由二零一六財務年度的人民幣4.04億元減少人民幣2.16億元或53.5%至二零一七財務年度的人民幣1.88億元。

### 享有聯營企業損失份額

截止二零一七年十二月三十一日，本集團持有PetroBroad 34%的股權，Journey 31.9%的股權，以及40% PBV的股權，這些股權投資在本集團按照聯營公司核算，二零一七年佔有聯營公司虧損份額為人民幣6,300萬元。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Loss before income tax

The Group's loss before income tax was RMB1,012.3 million for 2017, compared to the loss before income tax of RMB458.0 million for 2016. This was primarily due to the cumulative effects of the above factors.

### Income tax expense

The Group recorded an income tax expense of RMB87.2 million for 2017, compared to an income tax expense of RMB147.2 million for 2016. The effective tax rate for 2017 is negative 9% compared to an effective tax rate for 2016 of negative 32%.

### Loss for the year from continuing operations

As a result of the foregoing, our net loss from continuing operations for 2017 was RMB1,099.5 million, compared to a net loss from continuing operations of RMB605.1 million for 2016.

### Loss for the year

The Group's net loss for 2017 was RMB1,099.5 million, compared to the net loss of RMB1,322.2 million for 2016.

## EBITDA AND ADJUSTED EBITDA

We provide a reconciliation of EBITDA and adjusted EBITDA to profit for 2017, our most directly comparable financial performance calculated and presented in accordance with IFRS. EBITDA refers to earnings before finance income, finance costs, income tax and depreciation, depletion and amortization. Adjusted EBITDA refers to EBITDA adjusted to exclude non-cash and non-recurring items such as share-based payment to employees, Impairment loss, provision for receivable, geological and geophysical expense, withholding tax, gains/(losses) on derivative financial instruments, gains on disposal of subsidiaries, gains arising from acquisition of an associate and any other non-cash or non-recurring income/expenses.

### 除所得稅前損失

二零一七財務年度本集團的除所得稅前損失為人民幣10.123億元，相比二零一六財務年度的除所得稅前損失為人民幣4.58億元。該增幅主要由於上述綜合因素的累計影響。

### 所得稅費用

二零一七財務年度本集團的所得稅費用為人民幣8,720萬元，相比二零一六財務年度的所得稅費用為人民幣1.472億元有所下降。二零一七財務年度的實際稅率為負9%，而二零一六財務年度為負32%。

### 年度持續經營損失

由於上述原因，我們二零一七財務年度的淨損失是人民幣10.995億元，相比二零一六財務年度淨損失為人民幣6.051億元。

### 淨損失

基於上述事項，二零一七財務年度我們的淨損失為人民幣10.995億元，相比二零一六財務年度的淨損失為人民幣13.222億元。

## EBITDA 及經調整 EBITDA

我們已提供 EBITDA 及經調整 EBITDA 與年內本期利潤的調節，本期利潤為根據國際財務報告準則計算及呈列的最直接的可資比較財務表現。EBITDA 指扣除財務收入、財務成本、所得稅及折舊、耗損及攤銷前盈利。經調整 EBITDA 指經調整以扣除非現金及非經常性項目，如購股權計劃下僱員服務成本、減值損失、計提應收壞賬準備、衍生金融工具(收益)/損失、地質及地球物理費用、公司間貸款應計利息的代扣代繳稅、處置子公司利得以及其他非現金或非經常性收入/支出。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

The Group's adjusted EBITDA reflects the Group's recurring cash flow earnings from its core operations.

We have included EBITDA and adjusted EBITDA as we believe EBITDA is a financial measure commonly used in the oil and gas industry. We believe that EBITDA and adjusted EBITDA are used as supplemental financial measures by our management and by investors, research analysts, bankers and others, to assess our operating performance, cash flow and return on capital as compared to those of other companies in our industry, and our ability to take on financing. However, EBITDA and adjusted EBITDA should not be considered in isolation or construed as alternatives to profit from operations or any other measure of performance or as an indicator of our operating performance or profitability. EBITDA and adjusted EBITDA fail to account for corporate tax, finance income, finance costs and other non-operating cash expenses. EBITDA and adjusted EBITDA do not consider any functional or legal requirements of the business that may require us to conserve and allocate funds for any purposes.

本集團經調整EBITDA反映本集團核心業務的經常性現金流盈利。

我們加載EBITDA及經調整EBITDA乃由於我們相信EBITDA為油氣行業常用的財務計量。我們相信EBITDA及經調整EBITDA乃由我們管理層、投資者、研究分析師、銀行及其他人士用作補充財務計量，以評估我們相較於業內其他公司的經營表現、現金流量及資本回報，以及我們進行融資的能力。然而，EBITDA及經調整EBITDA不可獨立於經營溢利或任何其他表現計量予以考慮，亦不可詮釋為經營溢利或任何其他表現計量的替代項目，或詮釋為我們經營表現或盈利能力的指標。EBITDA及經調整EBITDA並不計及稅項、財務收入、財務費用及其他非經營性現金開支。EBITDA及經調整EBITDA並無考慮可能導致我們須就任何目的而保留及分配資金的任何業務的功能或法定要求。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

The following table presents a reconciliation of EBITDA and adjusted EBITDA from continuing operations to loss before income tax from continuing operations for the years ended December 31, 2017 and December 31, 2016:

下表載列為持續經營EBITDA及經調整持續經營EBITDA於截至二零一七年十二月三十一日及二零一六年十二月三十一日止年度之持續經營稅前淨虧損的對比。

		<b>Year ended December 31,</b>	
		<b>截至十二月三十一日止年度</b>	
		<b>2017</b>	2016
		<b>二零一七年</b>	二零一六年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
Not loss for the year from continuing operations	本期虧損	<b>(1,012,296)</b>	(457,981)
Finance income	財務收入	<b>(49,248)</b>	(17,490)
Finance costs	財務費用	<b>187,997</b>	403,951
Depreciation, depletion and amortization	折舊、折耗及攤銷	<b>489,863</b>	363,860
<b>EBITDA from continuing operations</b>	<b>持續經營EBITDA</b>	<b>(383,684)</b>	292,340
Share-based payment to employees	購股權計劃下僱員服務成本	<b>20,158</b>	27,990
Impairment loss	減值損失	<b>35,524</b>	234,667
Provision for receivable	計提應收壞賬準備	<b>730,116</b>	252,756
Geological and geophysical	地質及地球物理費用	-	1,227
Exploration and evaluation expense	勘探及評價資產相關費用	<b>10,737</b>	-
Withholding tax	代扣代繳稅	<b>10,633</b>	10,647
Gains/(losses) on derivative financial instruments	衍生金融工具(收益)/損失	<b>(52,390)</b>	19,595
Gains on disposal of subsidiaries	處置子公司利得	<b>(46,318)</b>	(526,132)
Gains arising from acquisition of an associate	收購聯營企業產生的收益	-	(29,798)
Others	其他	<b>23,339</b>	-
<b>Adjusted EBITDA from continuing operations</b>	<b>經調整持續經營EBITDA</b>	<b>348,115</b>	283,292

The Group generated negative EBITDA of RMB383.7 million for 2017, compared to the positive EBITDA of RMB292.3 million for 2016. The decrease in EBITDA in 2017 was primarily due to: (i) share of loss of investment accounted for using the equity method of RMB63.0 million for 2017, compared to the gain of RMB32.3 million for 2016; (ii) bad debt provision of receivables of RMB730.1 million for 2017, compared to the amount of RMB252.8 for 2016.

本集團二零一七財務年度的EBITDA約人民幣負3.837億元，相比二零一六財務年度的約人民幣2.923億元。二零一七財務年度的EBITDA的減少主要由於：(i)權益法核算下投資損失份額二零一七財務年度為人民幣6,300萬元，相較二零一六年人民幣為3,230萬元；(ii)二零一七年財務年度應收賬款壞賬準備計提為人民幣7.301億元，二零一六年為人民幣2.528億元。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

The Group's adjusted EBITDA increased by approximately RMB64.8 million, or 22.9%, from approximately RMB283.3 million for 2016 to approximately RMB348.1 million for 2017. The increase in adjusted EBITDA was primarily due to the acquisition of CQ Energy and the increase in oil price as well.

本集團的經調整EBITDA由二零一六財務年度的約人民幣2.833億元增加約人民幣6,480萬元或22.9%至二零一七財務年度的約人民幣3.481億元。經調整EBITDA增加亦主要由於CQ Energy的收購和油價的上漲。

The Group's EBITDA and Adjusted EBITDA from continuing operations by operating segment are set out below:

本集團按經營分部劃分的持續經營EBITDA及經調整持續經營EBITDA如下所示：

		Year Ended December 31, 2017 截至二零一七年十二月三十一日止年度			
		PRC	North America	Corporate and others	Total
		中國	北美	總部及其他	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Loss before income tax from continuing operations	持續經營除所得稅前虧損	(35,209)	(237,756)	(739,331)	(1,012,296)
Finance income	財務收入	(366)	(1,284)	(47,598)	(49,248)
Finance costs	財務費用	57,618	149,771	(19,392)	187,997
Depreciation, depletion and amortization	折舊、折耗及攤銷	349,853	139,829	181	489,863
<b>EBITDA from continuing operations</b>	<b>持續經營EBITDA</b>	<b>371,896</b>	<b>50,560</b>	<b>(806,140)</b>	<b>(383,684)</b>
Share-based payment to employees	購股權計劃下雇員服務成本	5,788	-	14,370	20,158
Impairment loss	減值損失	2,000	-	33,524	35,524
Provision for receivable	計提應收壞賬準備	82,798	1,503	645,815	730,116
Exploration and evaluation expense	勘探及評價資產相關費用	-	10,737	-	10,737
Withholding tax	代扣代繳稅	-	-	10,633	10,633
Gains on disposal of subsidiaries	處置子公司利得	-	-	(46,318)	(46,318)
Gains on derivative financial instruments	衍生金融工具收益	-	(61,677)	9,287	(52,390)
Others	其他	(3,534)	6,652	20,221	23,339
<b>Adjusted EBITDA from continuing operations</b>	<b>經調整持續經營EBITDA</b>	<b>458,948</b>	<b>7,775</b>	<b>(118,608)</b>	<b>348,115</b>

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

		Year Ended December 31, 2016 截至二零一六年十二月三十一日止年度			
		PRC	North America	Corporate and others	Total
		中國	北美	及其他	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Loss before income tax from continuing operations	持續經營除所得稅前虧損	(346,756)	22,191	(133,416)	(457,981)
Finance income	財務收入	(700)	(3,277)	(13,513)	(17,490)
Finance costs	財務費用	24,724	43	379,184	403,951
Depreciation, depletion and amortization	折舊、折耗及攤銷	360,141	3,258	461	363,860
<b>EBITDA from continuing operations</b>	<b>持續經營EBITDA</b>	<b>37,409</b>	<b>22,215</b>	<b>232,716</b>	<b>292,340</b>
Value of employee services under stock options schemes	購股權計劃下僱員服務成本	4,853	–	23,137	27,990
Assets impairment loss	減值損失	150,245	3,083	81,339	234,667
Losses from changes in fair value of derivative financial instrument	以公允價值計量且變動記入當期損益金融資產損失	–	–	19,595	19,595
Geological and geophysical	地質及地球物理費用	–	–	1,227	1,227
Withholding tax	代扣代繳稅	–	–	10,647	10,647
Provision for bad debt	應收及其他應收壞賬損失	136,944	36,029	79,783	252,756
Gain on disposal of subsidiary	處置子公司收益	–	–	(526,132)	(526,132)
Gains arising from acquisition of an associate	收購聯營公司產生的收益	–	(29,798)	–	(29,798)
<b>Adjusted EBITDA from continuing operations</b>	<b>經調整持續經營EBITDA</b>	<b>329,451</b>	<b>31,529</b>	<b>(77,688)</b>	<b>283,292</b>

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### LIQUIDITY AND CAPITAL RESOURCES

#### Overview

The Group's primary sources of cash during 2017 were cash generated from financing activities.

In 2017, we had net cash generated from operating activities of RMB40.9 million, net cash used in investing activities of RMB3,959.3 million, net cash generated from financing activities of RMB3,160.8 million, an exchange loss on cash and cash equivalent of RMB15.2 million, and a net decrease in cash and cash equivalent of RMB757.6 million.

#### Cash generated from/used in operating activities

Net cash generated from operating activities was RMB40.9 million in the year ended December 31, 2017. In the year ended December 31, 2017, our net cash generated from operating activities included loss before income tax of RMB1,012.3 million adjusted for, depreciation, depletion and amortization of RMB489.9 million, net interest expenses of RMB143.3 million, provision for receivable of RMB730.1 million, impairment loss of RMB35.5 million, share of losses from investments in associates of RMB63.0 million, share-based payment to employees of RMB20.2 million, exploration and evaluation expense of RMB10.7 million, others of RMB23.3 million, which was offset by gains on disposal of subsidiaries of RMB46.3 million, exchange gains of RMB4.6 million, gains on derivative financial instruments of RMB52.4 million. The cash movements from changes in working capital which included an increase in trade and other receivables of RMB18.0 million and an increase in trade and other payable of RMB76.7 million and a decrease of inventories of RMB6.2 million, interest paid of RMB422.0 million and income tax paid of RMB2.4 million.

### 流動資金及資本資源

#### 概覽

本集團二零一七年的主要現金來源為融資活動產生的現金流量。

於二零一七年，本公司經營活動所得現金淨額為人民幣4,090萬元，投資活動所用現金淨額為人民幣39,593億元，融資活動所得現金淨額為人民幣31,608億元，現金及現金等價物的外匯損失為人民幣1,520萬元，以及現金及現金等價物淨減少人民幣7,576億元。

#### 經營活動所得／所用現金

截至二零一七年十二月三十一日止年度，經營活動所得現金淨額為人民幣4,090萬元。截至二零一七年十二月三十一日止年度，本公司經營活動所用現金淨額包括所得稅前虧損人民幣10.123億元，經調整折舊、耗損及攤銷人民幣4.899億元、淨利息支出人民幣1.433億元、計提應收壞賬準備人民幣7.301億元，減值損失3,550萬元，享有聯營企業投資的虧損人民幣6,300萬元，購股權計劃下僱員服務成本人民幣2,020萬元，勘探及評價資產相關費用人民幣1,070萬元，其他調整人民幣2,330萬元，另外，處置子公司利得人民幣4,630萬元，匯兌收益人民幣460萬元，衍生金融工具收益人民幣5,240萬元。營運資金變動包括應收及其他應收款項增加人民幣1,800萬元，應付及其他應付款項增加人民幣7,670萬元，存貨減少人民幣620萬元、已付利息人民幣4.220億元及已付所得稅人民幣240萬元。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

Net cash used in operating activities was RMB370.9 million in the year ended December 31, 2016. In the year ended December 31, 2016, our net cash used in operating activities included loss before income tax of RMB458.0 million adjusted for, depreciation, depletion and amortization of RMB363.9 million, net interest expenses of RMB362.6 million, provision for receivable of RMB252.8 million, gains arising from acquisition of an associate of RMB29.8 million, share-based payment to employees of RMB28.0 million, share of losses from investments in associates of RMB35.7 million, exchange loss of RMB23.9 million, impairment loss of RMB234.7 million, losses on derivative financial instruments of RMB19.6 million, which was offset by gains on disposal of subsidiaries of RMB526.1 million. The cash movements from changes in working capital which included an increase in trade and other payables of RMB65.5 million, an increase in trade and other receivables of RMB123.0 million and an increase in inventories of RMB4.6 million, and interest paid of RMB383.0 million and income tax paid of RMB69.6 million, and net cash used in discontinued operations of RMB81.1 million.

### Cash used in/generated from investing activities

Net cash used in investing activities in the year ended December 31, 2017 amounted to RMB3,959.3 million, as a result of proceeds from disposals of subsidiaries of RMB90.7 million and interest received of RMB3.7 million, which was offset by payment for acquisition of subsidiary of RMB3,557.0 million, purchases of property, plant and equipment of RMB60.7 million, increase in financial assets of RMB336.7 million, loans and deposits to third parties of RMB24.7 million, contribution and loans to investments accounted for using equity method of RMB33.5 million and others of RMB41.2 million.

Net cash generated from investing activities in the year ended December 31, 2016 amounted to RMB1,790.7 million, as a result of proceeds from disposal of subsidiaries of RMB2,283.7 million, decrease in restricted cash of RMB462.6 million, and interest received of RMB20.2 million, which was offset by purchases of property, plant and equipment of RMB21.6 million, increase in financial assets of RMB96.4 million, loans and deposits to third parties of RMB375.0 million, contribution and loans to/acquisition of investments accounted for using equity method of RMB277.0 million, and net cash used in discontinued operations of RMB205.7 million.

截至二零一六年十二月三十一日止年度，經營活動所用現金淨額為人民幣3.709億元。截至二零一六年十二月三十一日止年度，本公司經營活動所用現金淨額包括所得稅前虧損人民幣4.580億元，經調整折舊、耗損及攤銷人民幣3.639億元，淨利息支出人民幣3.626億元，計提應收壞賬準備人民幣2.528億元，收購聯營企業產生的利得人民幣2,980萬元，購股權計劃下僱員服務成本人民幣2,800萬元，享有聯營企業的投資的收益人民幣3,570萬元，匯兌損失人民幣2,390萬元。減值損失2.347億元，衍生金融工具損失人民幣1,960萬元。對沖處置子公司利得人民幣5.261億元。營運資金變動包括應付及其他應付款項增加人民幣6,550萬元，應收及其他應收款項增加人民幣1.230億元，存貨增加人民幣460萬元，已付利息人民幣3.830億元及已付所得稅人民幣6,960萬元，終止經營所用現金淨額為人民幣8,110萬元。

### 投資活動所用／所得現金

截至二零一七年十二月三十一日止年度，投資活動所用現金淨額為人民幣39.593億元，是由於收到子公司處置款項人民幣9,070萬元，收到利息收入人民幣370萬元，被收購子公司所支付的款項人民幣35.57億元，購買不動產、工廠及設備人民幣6,070萬元，金融資產增加人民幣3.367億元，支付第三方借款和保證金人民幣2,470萬元，投入以權益法入賬的投資及貸款人民幣3,350萬元及其他人民幣4,120萬元抵銷。

截至二零一六年十二月三十一日止年度，投資活動所得現金淨額為人民幣17.907億元，是由於收到子公司處置款項人民幣22.837億元，限制性用途資金減少人民幣4.626億元，收到利息收入人民幣2,020萬元，被購買不動產、工廠及設備人民幣2,160萬元，金融資產增加人民幣9,640萬元，支付第三方借款和保證金人民幣3.750億元，投入／收購以權益法入賬的投資及貸款人民幣2.770億元，終止經營所用現金淨額為人民幣2.057億元抵銷。



# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Cash generated from/used in financing activities

Net cash generated from financing activities in the year ended December 31, 2017 amounted to RMB3,160.8 million primarily due to: (i) repayments of borrowings of RMB609.9 million, (ii) payment for repurchase and cancellation of 2018 & 2019 Notes of RMB791.2 million, (iii) payment of others of RMB27.7 million, offset by (i) proceeds from borrowings of RMB3,431.9 million, (ii) increase in other payable of RMB67.9 million and (iii) proceeds from financial liabilities at fair value through profit or loss of RMB1,089.7 million.

Net cash used in financing activities in the year ended December 31, 2016 amounted to RMB750.3 million primarily due to: (i) repayments of borrowings of RMB930.2 million, (ii) payments relating to share-based compensation of RMB63.7 million, (iii) payment for repurchase and cancellation of 2018 & 2019 Notes RMB110.7 million, (iv) cash paid to non-controlling interest for additional interest in subsidiary of RMB103.9 million, (v) others of RMB33.2 million, offset by proceeds from borrowings of RMB491.5 million.

As at December 31, 2017, the Group's borrowings from the bank and third parties amounted to approximately RMB6,049.5 million, representing an increase of approximately RMB1,358.9 million as compared to December 31, 2016. Among which, borrowings repayable within one year amounted to approximately RMB1,529.0 million, representing an increase of RMB1,425.0 million as compared to December 31, 2016. All of the Group's borrowings are denominated in RMB, United States Dollars, Hong Kong Dollars and Canadian Dollars. The Group's borrowings all at fixed interest rates. No hedging instruments are used for bank borrowings.

Our gearing ratio, which is defined as total borrowings less cash and cash equivalents ("Net Borrowings") divided by the sum of Net Borrowings and total equity, increased from 85.5% as at December 31, 2016 to 104.8% as at December 31, 2017, principally due to a decrease in equity.

Our total borrowings to Adjusted EBITDA ratio, which is defined as total borrowings divided by Adjusted EBITDA increased from 16.56 as at December 31, 2016 to 17.38 as at December 31, 2017.

### 融資活動所得／所用現金

截至二零一七年十二月三十一日止年度，融資活動所得的現金淨額為人民幣31.608億元，主要有：(i)償還貸款人民幣6.909億元，(ii)支付回購並註銷2018和2019票據人民幣7.912億元，(iii)支付其他人民幣2,770萬元，被(i)貸款所得款項人民幣34.319億元，(ii)其他應付款的增加人民幣6,790萬元及(iii)收到以公允價值計量且其變動計入當期損益的金融負債所得款項人民幣10.897億元抵銷。

截至二零一六年十二月三十一日止年度，融資活動所用的現金淨額為人民幣7.503億元，主要原因有：(i)償還貸款人民幣9.302億元，(ii)與股權獎勵計劃相關支付的款項人民幣6,370萬元，(iii)支付回購並註銷2018和2019票據人民幣1.107億元，(iv)額外取得子公司非控制性權益所支付的款項人民幣1.039億元，(v)其他3,320萬元，被借款所得款項人民幣4.915億元抵銷。

於二零一七年十二月三十一日，本集團來源於銀行和第三方的借款約人民幣60.495億元，比二零一六年十二月三十一日增加人民幣13.589億元；其中，須於一年內償還之借款約人民幣15.290億元，比二零一六年十二月三十一日增加約人民幣14.250億元。本集團的所有借款均以人民幣、美元、港幣及加元計值。本集團的所有借款均為固定利率借款。本集團沒有為借款做套期保值。

本集團的負債比率(即借款總額減現金及現金等價物(「淨借款額」)除以淨借款額及權益總額之和)自二零一六年十二月三十一日之85.5%增至二零一七年十二月三十一日的104.8%，主要是由於權益減少。

本集團借款總額的經調整EBITDA比率(即借款總額除以經調整EBITDA)由二零一六年十二月三十一日的16.56增加至二零一七年十二月三十一日的17.38。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### Market Risks

Our market risk exposures primarily consist of fluctuations in oil and gas prices and exchange rates.

### Oil and gas price risk

Our realized oil and gas prices are determined by reference to oil and gas prices in the international market, changes in international oil and gas prices will have a significant impact on us. Unstable and highly volatile international oil and gas prices may have a significant impact on our revenue and profit. During 2017, the Group entered into oil and gas hedge options contracts to manage its price risk.

### Currency risk

The majority of the Group's China operation sales are in US dollars, while production and other expenses in China are incurred in RMB. The RMB is not a freely convertible currency and is regulated by the PRC government. Limitations on foreign exchange transactions imposed by the PRC government could cause future exchange rates to vary significantly from current or historical exchange rates.

The functional currency of the Canada subsidiary is in Canadian dollars and all sales are in Canadian dollars. Management is not in a position to anticipate changes in the fluctuations between the Canadian dollar and RMB exchange rates, and as such is unable to reasonably anticipate the impacts on the Group's results of operations or financial position arising from future changes in exchange rates.

The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

### 市場風險

我們面臨的市場風險主要包括石油和天然氣價格及匯率的波動。

### 原油和天然氣價格風險

本公司的實現石油和天然氣價格乃參照國際市場油價釐定，國際原油和天然氣價的變動將對我們帶來重大影響。國際原油和天然氣價的不穩定及高波動性對本公司的收益及溢利造成顯著影響。在二零一七年，本集團簽訂了原油和天然氣套期保值合同來管理價格風險。

### 貨幣風險

集團的大部份銷售以美元計值，而於中國的生產及其他支出則以人民幣入賬。人民幣並非為自由轉換貨幣，須受中國政府規管。中國政府對外匯交易所設定的限制可能導致未來匯率與當前或歷史匯率相比出現大幅變動。

加拿大子公司的功能貨幣為加元，而所有銷售亦以加元計算。管理層無法預測加元和人民幣匯率波動之影響，故無法合理估計未來匯率變動對本集團經營業績或財務狀況的影響。

本集團現時並未從事旨在或意在管理外匯匯率風險的對沖活動。本集團將繼續監察外匯變動，以盡量保障本集團的現金價值。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### CHARGES ON GROUP ASSETS

As of December 31, 2017, certain assets, comprising principally oil assets and properties in Alberta, Canada, were pledged to banks as collateral security for banking facilities with outstanding amount of RMB870.3 million. In addition, as of December 31, 2017, certain available for sale financial assets, bank accounts and shares of subsidiaries of the Group were pledged to secure borrowings in the aggregate amount of RMB1,958.8 million.

### EMPLOYEES

As at December 31, 2017, the Company had 1,495 employees, with 1,089 based in China (Mainland and Hong Kong), two based in USA and 404 based in Canada. There have been no material changes to the information disclosed in the Annual Report 2016 in respect of the remuneration of employees, remuneration policies and staff development.

### CONTINGENCIES

On August 28, 2000, MI Energy Corporation ("MI Energy") entered into a PSC with China Petrochemical Corporation ("Sinopec") for exploration and development of the Shengli oilfield in Shandong Province. In 2000, MI Energy began the trial-development phase of its operations at the Shengli oilfield and drilled a dry hole. The project has been suspended since the end of 2004. In April 2005, MI Energy requested an extension from Sinopec to restart the project at the Shengli oilfield. On September 27, 2006, MI Energy received a letter from Sinopec denying the request to restart the project and seeking to terminate the PSC on the grounds that the extension period of the trial-development phase had expired and MI Energy had not met its investment commitment of at least US\$2 million under the PSC. MI Energy believed its investment in the project at Shengli oilfield had met the required commitment amount under the PSC. The PSC with Sinopec has not been formally terminated and the dispute has not entered any judicial proceedings. On November 17, 2017, the Group completed the sale of the entire issued share capital of MI Energy.

### 集團資產質押

截止二零一七年十二月三十一日，本集團以位於加拿大阿爾伯塔省的油氣資產向銀行提供抵押擔保，獲取銀行貸款，餘額為人民幣8.703億元。此外，截止二零一七年十二月三十一日，本集團以可供出售資產、銀行賬戶和子公司股份作為抵押擔保，獲得借款，餘額為人民幣19.588億元。

### 僱員

於二零一七年十二月三十一日，本公司擁有1,495名僱員，當中1,089名在中國(大陸及香港)工作、2名在美國工作以及404名在加拿大工作。而就僱員薪酬、薪酬政策及員工發展方面的資料與在二零一六年年報內所披露的並無重大變動。

### 或有事項

於二零零零年八月二十八日，MI能源公司(「MI能源」)與中國石油化工集團公司(「中石化」)訂立產品分成合同，以勘探及開發位於山東省勝利油田的羅家義64區塊。於二零零零年，MI能源開始進入勝利油田試驗開發階段，並鑽了一口干井。該項目已自二零零零年末起被擱置。二零零五年四月，MI能源向中石化要求延長期限以重新啟動勝利油田項目。於二零零六年九月二十七日，MI能源接獲中石化否決其重新啟動該項目要求的函件，且中石化以試驗開發階段延長期限已屆滿及MI能源並未履行產品分成合同項下的至少2百萬美元的投資承諾為由，要求終止產品分成合同。MI能源認為於勝利油田項目中的投資已符合產品分成合同的所規定的承諾金額。與中石化的產品分成合同並未正式終止，且該爭端並未進入任何司法程式。本集團於二零一七年十一月十七日完成了MI能源全部已發行股本的出售。

# Management Discussion and Analysis (Continued)

## 管理層討論及分析(續)

### DIVIDEND

The Board did not recommend the payment of final dividend for the year ended December 31, 2017 (2016: NIL).

### CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company ("AGM") is scheduled to be held on Friday, May 18, 2018. For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from Tuesday, May 15, 2018 to Friday, May 18, 2018, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all completed transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Monday, May 14, 2018, being the last registration date.

### AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the Group's consolidated financial statements for the year ended December 31, 2017 including the accounting policies adopted by the Group and has discussed the internal controls and financial reporting matters of the Group.

### 股息

董事會並無建議就截至二零一七年十二月三十一日年度派付末期股息(二零一六年：無)。

### 暫停辦理股東登記手續

本公司預定於二零一八年五月十八日(星期五)舉行股東周年大會(「股東大會」)。為釐定符合出席並於股東大會上投票的資格，本公司將於二零一八年五月十五日(星期二)至二零一八年五月十八日(星期五)(包含首尾日)暫停辦理股東登記手續，期間亦不會辦理股份過戶登記手續。為符合出席股東大會及於會上投票的資格，所有過戶文件連同有關股票需不遲於二零一八年五月十四日(星期一)下午四時三十分遞交至本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址香港皇后大道東183號合和中心22樓。

### 審核委員會

本公司審核委員會已審閱本集團截至二零一七年十二月三十一日年度的綜合財務報表(包括本集團所採用的會計政策)，並就本集團的內部控制及財務申報等事宜進行討論。

# Independent Auditor's Report

## 獨立核數師報告



羅兵咸永道

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MIE HOLDINGS CORPORATION

(incorporated in the Cayman Islands with limited liability)

### OPINION

#### What we have audited

The consolidated financial statements of MIE Holdings Corporation (the "Company") and its subsidiaries (the "Group") set out on pages 137 to 308, which comprise:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Our opinion

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 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 獨立核數師報告

致MI能源控股有限公司股東

(於開曼群島註冊成立的有限公司)

### 意見

#### 我們已審計的內容

MI能源控股有限公司(以下簡稱「貴公司」)及其子公司(以下統稱「貴集團」)列載於第137至308頁的合併財務報表，包括：

- 於二零一七年十二月三十一日的合併財務狀況表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

#### 我們的意見

我們認為，該等合併財務報表已根據《國際財務報告準則》真實而中肯地反映了貴集團於二零一七年十二月三十一日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MIE HOLDINGS CORPORATION (Continued)

(incorporated in the Cayman Islands with limited liability)

#### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

#### 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.

Key audit matters identified in our audit are summarised as follows:

- Recoverability of the carrying amount of oil and gas properties
- Allocation of purchase price in respect of the acquisition of the entire partnership interests in CQ Energy Canada Partnership

#### 獨立核數師報告

致MI能源控股有限公司股東(續)  
(於開曼群島註冊成立的有限公司)

#### 意見的基礎

我們已根據《國際審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

#### 獨立性

根據國際會計師專業操守理事會頒布的《專業會計師道德守則》(以下簡稱「道德守則」)，我們獨立於貴集團，並已履行道德守則中的其他專業道德責任。

#### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 油氣資產賬面價值的可收回性
- 收購CQ Energy Canada Partnership全部合夥權益購買價格的分配

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
MIE HOLDINGS CORPORATION (Continued)**  
*(incorporated in the Cayman Islands with limited liability)*

獨立核數師報告  
致MI能源控股有限公司股東(續)  
(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

#### Key Audit Matter

#### 關鍵審計事項

#### How our audit addressed the Key Audit Matter

#### 我們的審計如何處理關鍵審計事項

#### Recoverability of the carrying amount of oil and gas properties

#### 油氣資產賬面價值的可收回性

In addressing this matter, we performed following procedures, amongst others:

我們執行了下列審計程序以處理該關鍵審計事項：

Refer to note 6 to the consolidated financial statements.

請參閱合併財務報表附註6。

As at 31 December 2017, the carrying amount of oil and gas properties of the Group amounted to RMB6,700.8 million.

於二零一七年十二月三十一日，貴集團油氣資產賬面價值金額為人民幣6,700.8百萬元。

- Understood the key processes and controls relating to the identification of impairment indicator, determination of cash generating units and the assessment of the recoverable amount.

了解關於識別潛在減值跡象、確定現金流產出單元及評估可收回金額相關的關鍵流程和相關控制。

- Evaluated management's identification of potentially impaired assets. Where an impairment indicator was identified by management, procedures were performed on their impairment assessment, as below:

評估管理層對潛在減值資產的識別。當管理層識別出存在資產減值跡象，則對其實施如下減值評估的程式：

- Compared the forecast oil or gas prices used in the determination of the recoverable amounts of respective oil and gas properties against a range of oil or gas price forecasts published by various reputable banks and industry organisations. 將管理層在評估油氣資產可收回金額時採用的預測油氣價格與各家知名銀行及行業組織發佈的預測油氣價格範圍相比較。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
MIE HOLDINGS CORPORATION (Continued)**  
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獨立核數師報告  
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### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

#### Key Audit Matter

#### How our audit addressed the Key Audit Matter

##### 關鍵審計事項

##### 我們的審計如何處理關鍵審計事項

Management assess the oil and gas properties for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. When indicators of impairment were identified, management assessed the recoverable amount of oil and gas properties of the cash generating units ("CGU") based on their value in use as estimated using discounted cash flow models. In performing such assessment, management adopted key assumptions, including:

當存在事項或外部環境變化顯示油氣資產帳面值可能無法收回，管理層將對油氣資產實施減值評估。若管理層識別出存在減值跡象時，管理層採用基於折現現金流模型估算得出的資產的使用價值金額為基礎對油氣資產可收回金額進行評估。在實施該項評估時，管理層採用了以下關鍵假設：

- Forecast oil or gas prices;  
預測油氣價格；
- Forecast production volumes;  
預測產量；
- Forecast operating costs and capital expenditures;  
and  
預測操作費用和投資支出；及
- Discount rates.  
折現率

- Assessed the forecast production volume by comparing it against (i) the approved production plan; (ii) forecast production volume for the remaining concession periods prepared by management and as set out in the reserve report; and (iii) historical actual production volume. We also performed procedures to evaluate the competence, capability and objectivity of external reserve experts engaged by management for preparing the reserve report.

在評估預測產量時，將預測產量與下述作出比較(i)經批准的生產計劃(ii)管理層編制並列示於儲量報告中的在剩餘合同期限內預測產量，及(iii)歷史實際產量。此外，我們還通過實施審計程序，對管理層引入參與編制儲量報告的外部專家的資質、能力及客觀性進行評估。

- Assessed the forecast operating costs against (i) the approved budget; and (ii) the historical actual costs. Compared the forecast capital expenditures against the approved budget.
- 在評估預測成本時，將預測操作費用與下述作出比較(i)經批准的預算成本(ii)歷史實際成本。將預測投資支出與經批准的預算成本進行比較。



# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
MIE HOLDINGS CORPORATION (Continued)**  
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獨立核數師報告  
致MI能源控股有限公司股東(續)  
(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

#### Key Audit Matter

##### 關鍵審計事項

Given the significant balance of oil and gas properties as at 31 December 2017, together with the use of significant management judgements over various assumptions in estimating the recoverability of their carrying amount, we had identified this matter as a key audit matter.

鑒於油氣資產於二零一七年十二月三十一日的賬面價值的重要性，以及在對該賬面價值的可收回性進行評估時涉及的各项假設需要運用重大的管理層判斷，我們將此事項識別為關鍵審計事項。

#### How our audit addressed the Key Audit Matter

##### 我們的審計如何處理關鍵審計事項

- Challenged the underlying assumptions adopted in the determination of the discount rates based on external market data and published information of comparable companies.  
基於外部市場數據及可比公司信息對計算折現率時所採用的假設進行評估。
- Tested mathematical accuracy of the discounted cash flow projections.  
測算折現現金流預測計算中的數據計算準確性。

Based on our work, we found the key assumptions adopted were supported by the audit evidence we gathered.

基於我們的工作，我們發現所採用的關鍵假設均可以從我們所收集到的審計證據中得到支持。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT  
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(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

#### Key Audit Matter

##### 關鍵審計事項

**Allocation of purchase price in respect of the acquisition of the entire partnership interests in CQ Energy Canada Partnership**  
收購CQ Energy Canada Partnership全部合夥權益購買價格的分配

Refer to note 37 to the consolidated financial statements.  
請參閱合併財務報表附註37。

On 29 September 2017, Canlin Energy Corporation (the "Purchaser"), a wholly owned subsidiary of the Company, completed the acquisition (the "Acquisition") of the entire partnership interests in the CQ Energy Canada Partnership ("CQ Energy") for a consideration of approximately C\$699.4 million (equivalent to RMB3,735.9 million). CQ Energy owns a diverse base of producing, reserve and infrastructure assets located throughout Western Canada.

於二零一七年九月二十九日，貴公司的全資附屬子公司Canlin Energy Corporation(「買方」)以對價約699.4百萬加元(折合人民幣3,735.9百萬元)完成對CQ Energy Canada Partnership(「CQ Energy」)全部合夥權益的收購(「收購」)。CQ Energy擁有遍佈加拿大西部各地的生產、儲備和基礎設施資產。

#### How our audit addressed the Key Audit Matter

##### 我們的審計如何處理關鍵審計事項

In addressing this matter, we performed the following procedures, amongst others:  
我們執行了下列審計程序以處理該關鍵審計事項：

- Obtained the sales and purchase agreement of the Acquisition and shareholder agreement to understand the transaction details including considerations, conditions of completion, the respective rights and obligations of the Group upon completion.  
取得該收購事項的買賣協議及股東協議，以了解包括交易對價、交割完成條件、以及貴集團於交割完成後相應承擔的權利及義務等交易詳情。
- Evaluated the competence, capability and objectivity of the external professional valuer engaged in preparing the fair value assessment.  
評估實施公允價值評估的外部專業評估師的資質、能力和客觀性。
- With the assistance of our internal valuation specialists, assessed the appropriateness of the valuation methodology and the underlying assumptions adopted in determining fair value allocation. We checked the mathematical accuracy of the valuation models.  
在審計師內部估值專家的協助下，評估估值方法及釐定公允價值分配時所採用的相關假設的適當性。我們檢查了估值模型數據的數據計算準確性。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
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獨立核數師報告  
致MI能源控股有限公司股東(續)  
(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

#### Key Audit Matter

##### 關鍵審計事項

With the assistance of an external professional valuer, management performed the fair value assessment on the allocation of purchase price in respect of the Acquisition as of the completion date. Based on the assessment, a goodwill of C\$135.6 million (equivalent to RMB724.3 million) arose from the Acquisition. The goodwill is attributable to the synergy expected from the Acquisition.

在外部專業估值師的協助下，管理層就收購事項的購買價格分配於收購完成日的公允價值進行了評估。根據評估，收購產生商譽135.6百萬加元(折合人民幣724.3百萬元)。商譽來自收購事項預期的協同效應。

Management exercised significant judgement in the fair valuation of assets acquired particularly when developing key assumptions including forecast gas and oil prices, forecast production volume, forecast operating costs and capital expenditures.

管理層對所收購資產的公允價值進行評估運用了重大管理層判斷，特別是對於其中涉及的預測油氣價格、預測產量、預測操作費用和投資支出等關鍵假設。

We identified this matter as a key audit matter because of the significance of the purchase consideration and significant management judgments involved in the allocation of the purchase price for the Acquisition.

鑒於購買對價金額的重大程度及該收購中購買價格分配中涉及的重大管理層判斷，我們將此事項識別為關鍵審計事項。

#### How our audit addressed the Key Audit Matter

##### 我們的審計如何處理關鍵審計事項

- Assessed the fair value adjustments on the assets acquired. Our assessment was based on our understanding of the business of CQ Energy and the business plan in respect of the Acquisition. In addition, we considered comparable market transactions and market factors relevant to oil and gas assets in Western Canada when assessing the fair value adjustments.  
評估所收購資產的公允價值調整。我們的評估基於我們對CQ Energy業務以及收購計劃的了解。此外，我們在評估公允價值調整時還考慮了與加拿大西部油氣資產相關的可比市場交易和市場因素。
- For key assumptions, our audit procedures included:  
對於關鍵假設，我們的審計程式包括：
  - Compared the forecast gas and oil prices used against the forecast published in the reserve report prepared by the external reserve experts.  
將預測的油氣價格與外部儲量專家編制的儲量報告中公佈的預測價格進行對比。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
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*(incorporated in the Cayman Islands with limited liability)*

獨立核數師報告  
致MI能源控股有限公司股東(續)  
(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

#### Key Audit Matter 關鍵審計事項

#### How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

- Assessed the forecast production volume by comparing against (i) forecast production volume for the remaining concession periods prepared by the external reserve experts as set out in the reserve report; and (ii) historical actual production volume. We also performed procedures to evaluate the competence, capability and objectivity of the external reserve experts engaged by management for preparing the reserve report.  
在評估預測產量時，將預測產量與下述作出比較(i)管理層編制並列示於儲量報告中的在剩餘合同期限內預測產量，及(ii)歷史實際產量。此外，我們還通過實施審計程序，對管理層引入參與編制儲量報告的外部專家的資質、能力及客觀性進行評估。
- Compared the forecast operating costs against historical actual costs.  
將預測操作費用與歷史實際費用進行比較。
- Assessed the forecast capital expenditures against the approved budget.  
將預測投資支出與經批准的預算進行比較。
- Assessed the underlying assumptions adopted in the determination of the discount rates against external market data and published information of comparable companies.  
將確定貼現率時所採用的基本假設與外部市場數據和可比公司公開信息進行比較。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
MIE HOLDINGS CORPORATION (Continued)**  
*(incorporated in the Cayman Islands with limited liability)*

獨立核數師報告  
致MI能源控股有限公司股東(續)  
(於開曼群島註冊成立的有限公司)

### KEY AUDIT MATTERS (Continued)

### 關鍵審計事項(續)

#### Key Audit Matter 關鍵審計事項

#### How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項

- Tested the mathematical accuracy of the goodwill calculation and assessed as to whether the business rationale supported the goodwill recognition.  
測算商譽計算中的數據計算準確性，並評估是否存在商業合理性以支持商譽的確認。

Based on our work, we found the key assumptions adopted were supported by the audit evidence we gathered.

基於我們的工作，我們發現所採用的關鍵假設均可以從我們所收集到的審計證據中得到支持。

### OTHER INFORMATION

### 其他信息

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括合併財務報表及我們的核數師報告。

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

我們對合併財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

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.

結合我們對合併財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與合併財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

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.

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MIE HOLDINGS CORPORATION (Continued)

(incorporated in the Cayman Islands with limited liability)

### RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs 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 Audit Committee is responsible for overseeing the Group's financial reporting process.

### 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. We report our opinion solely to you, as a body, 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 ISAs 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.

羅兵咸永道

獨立核數師報告  
致MI能源控股有限公司股東(續)  
(於開曼群島註冊成立的有限公司)

### 董事及審核委員會就合併財務報表須 承擔的責任

貴公司董事須負責根據《國際財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備合併財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督貴集團的財務報告過程。

### 核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《國際審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或匯總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
MIE HOLDINGS CORPORATION (Continued)**  
*(incorporated in the Cayman Islands with limited liability)*

獨立核數師報告  
致MI能源控股有限公司股東(續)  
(於開曼群島註冊成立的有限公司)

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

### 核數師就審計合併財務報表承擔的責任(續)

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

在根據《國際審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 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.
- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，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。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。
- 評價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 (Continued)

## 獨立核數師報告(續)



羅兵咸永道

### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MIE HOLDINGS CORPORATION (Continued)

(incorporated in the Cayman Islands with limited liability)

### 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.

### 獨立核數師報告

致MI能源控股有限公司股東(續)

(於開曼群島註冊成立的有限公司)

### 核數師就審計合併財務報表承擔的責任(續)

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，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。如果我們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合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。



# Independent Auditor's Report (Continued)

## 獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
MIE HOLDINGS CORPORATION (Continued)**  
*(incorporated in the Cayman Islands with limited liability)*

獨立核數師報告  
致MI能源控股有限公司股東(續)  
(於開曼群島註冊成立的有限公司)

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

### 核數師就審計合併財務報表承擔的責任(續)

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.

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

From the matters communicated with those charged with governance, 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.

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

The engagement partner on the audit resulting in this independent auditor's report is: LEONG Kin Bong.

出具本獨立核數師報告的審計項目合夥人是梁建邦。

**PricewaterhouseCoopers**  
*Certified Public Accountants*

羅兵咸永道會計師事務所  
執業會計師

Hong Kong, 29 March 2018

香港，2018年3月29日

(If there is any inconsistency between the English and Chinese version of this independent auditor's report, the English version shall prevail.)

(本獨立核數師報告的中英文文本如有任何歧義，概以英文文本為準。)

# Consolidated Statement of Financial Position

## 合併財務狀況表

		<b>As at December 31,</b> 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Notes 附註		
<b>Assets</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	不動產、工廠及設備	6	7,719,859
Intangible assets	無形資產	7	2,407,958
Investments in associates	聯營企業投資	8	708,193
Deferred income tax assets	遞延所得稅資產	23	182,541
Available-for-sale financial assets	可供出售金融資產	12	334
Derivative financial instrument	衍生金融工具	13	67,132
Prepayments, deposits and other receivables	預付款、保證金及其他應收款	15	25,652
Restricted cash	受限制現金	18	727,966
			820,224
			43,285
			<b>9,474,962</b>
			3,587,618
<b>Current assets</b>	<b>流動資產</b>		
Inventories	存貨	17	16,745
Prepayments, deposits and other receivables	預付款、保證金及其他應收款	15	751,426
Trade receivables	應收賬款	16	407,035
Derivative financial instruments	衍生金融工具	13	342,763
Available-for-sale financial assets	可供出售金融資產	12	111,228
Restricted cash	受限制現金	18	72,012
Cash and cash equivalents	現金及現金等價物	19	132,172
			<b>1,833,381</b>
			2,260,010
<b>Total assets</b>	<b>資產總額</b>		<b>11,308,343</b>
			5,847,628
<b>Equity</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>歸屬於本公司所有者的權益</b>		
Share capital	股本	20	1,068,796
Other reserves	其他儲備	22	47,265
Accumulated losses	累計虧損		(1,384,495)
			1,068,796
			(143,963)
			(285,019)
			<b>(268,434)</b>
Non-controlling interests	非控制性權益		639,814
			(27)
<b>Total equity</b>	<b>權益總額</b>		<b>(268,461)</b>
			639,787

# Consolidated Statement of Financial Position (Continued)

## 合併財務狀況表(續)

		As at December 31, 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Notes 附註	
<b>Liabilities</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借款	26	4,520,457
Deferred income tax liabilities	遞延所得稅負債	23	589,281
Trade and notes payable	應付賬款及應付票據	24	26,529
Provisions, accruals and other liabilities	準備、預提及其他負債	25	2,620,311
Derivative financial instruments	衍生金融工具	13	5,574
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債	14	1,067,626
			<b>8,829,778</b>
			4,727,926
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and notes payable	應付賬款及應付票據	24	392,984
Provisions, accruals and other liabilities	準備、預提及其他負債	25	718,598
Current income tax liabilities	當期所得稅負債		97,233
Derivative financial instruments	衍生金融工具	13	9,200
Borrowings	借款	26	1,529,011
			<b>2,747,026</b>
			479,915
<b>Total liabilities</b>	<b>負債總額</b>		<b>11,576,804</b>
			5,207,841
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>		<b>11,308,343</b>
			5,847,628

The accompanying notes on pages 146 to 308 are an integral part of these consolidated financial statements.

後附第146頁至第308頁之附註為本合併財務報表的整體部分。

The consolidated financial statements on pages 137 to 308 were approved by the Board of Directors on March 29, 2018 and were signed on its behalf.

第137頁至第308頁之合併財務報表已於二零一八年三月二十九日獲董事會批准刊發，並代表董事會簽署：

**Zhang Ruilin**

張瑞霖

Director

董事

**Zhao Jiangwei**

趙江巍

Director

董事

# Consolidated Statement of Comprehensive Income

## 合併綜合收益表

		<b>Year ended December 31</b>	
		<b>截至十二月三十一日止年度</b>	
		<b>2017</b>	2016
		<b>二零一七年</b>	二零一六年
		<b>RMB'000</b>	RMB'000
		<b>人民幣千元</b>	人民幣千元
	Notes 附註		
<b>Continuing operations</b>	<b>持續經營</b>		
<b>Revenue</b>	<b>收益</b>	<b>1,125,982</b>	534,974
Depreciation, depletion and amortisation	折舊、折耗及攤銷	<b>(489,863)</b>	(363,860)
Exploration and evaluation expense	勘探及評價資產相關費用	<b>(10,737)</b>	-
Taxes other than income taxes	稅項(所得稅除外)	<b>(14,214)</b>	(13,414)
Employee benefit expense	員工薪酬成本	<b>(206,510)</b>	(133,291)
Purchases, services and other direct costs	採購、服務及其他直接成本	<b>(300,435)</b>	(105,573)
Distribution expense	銷售支出	<b>(55,689)</b>	(18,172)
General and administrative expense	管理費用	<b>(171,017)</b>	(67,666)
Impairment charges	資產減值損失	<b>(35,524)</b>	(234,667)
Other (losses)/gains, net	其他(損失)/利得, 淨值	<b>(652,517)</b>	297,849
Finance income	財務收入	<b>49,248</b>	17,490
Finance costs	財務費用	<b>(187,997)</b>	(403,951)
Share of (losses)/profits of investments in associates	享有聯營企業投資的(虧損)/利潤份額	<b>(63,023)</b>	35,682
Share of losses of investments in joint ventures	享有合營企業投資的虧損份額	-	(3,382)
<b>Loss before income tax</b>	<b>除所得稅前虧損</b>	<b>(1,012,296)</b>	(457,981)
<b>Income tax expense</b>	<b>所得稅費用</b>	<b>(87,180)</b>	(147,166)
<b>Loss for the year from continuing operations</b>	<b>本年持續經營所得虧損</b>	<b>(1,099,476)</b>	(605,147)
<b>Discontinued operations</b>	<b>終止經營</b>		
Loss for the year from discontinued operations	本年終止經營所得虧損	-	(717,086)
<b>Loss for the year</b>	<b>本年虧損</b>	<b>(1,099,476)</b>	(1,322,233)

# Consolidated Statement of Comprehensive Income (Continued)

## 合併綜合收益表(續)

		Year ended December 31 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Notes 附註	
<b>Other comprehensive income</b>	其他綜合收益：		
<b>Items that may be reclassified to profit or loss</b>	其後可能會重分類至損益的項目		
Change in value of available-for-sale financial assets	可供出售金融資產的價值變動	8,168	18,405
Share of other comprehensive income of investments in associates	享有聯營企業投資的其他綜合收益的份額	(3,758)	2,799
Currency translation differences	外幣折算差額	166,660	(129,976)
<b>Other comprehensive income/(loss) for the year, net of tax</b>	稅後本年其他綜合收益/(損失)	171,070	(108,772)
<b>Total comprehensive loss for the year</b>	本年綜合虧損總額	(928,406)	(1,431,005)
<b>Loss for the year attributable to:</b>	本年虧損歸屬於：		
Owners of the Company	本公司所有者	(1,099,476)	(1,322,453)
Non-controlling interests	非控制性權益	-	220
		(1,099,476)	(1,322,233)
<b>Loss for the year attributable to owners of the Company arising from:</b>	歸屬於本公司所有者的本年損失來源於：		
— Continuing operations	— 持續經營	(1,099,476)	(605,367)
— Discontinued operations	— 終止經營	-	(717,086)
		(1,099,476)	(1,322,453)
<b>Total comprehensive loss for the year attributable to:</b>	本年綜合虧損總額歸屬於：		
Owners of the Company	本公司所有者	(928,406)	(1,431,225)
Non-controlling interests	非控制性權益	-	220
		(928,406)	(1,431,005)

# Consolidated Statement of Comprehensive Income (Continued)

## 合併綜合收益表(續)

		Year ended December 31 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Notes 附註	
<b>Total comprehensive loss attributable to owners of the Company arising from:</b>	歸屬於本公司所有者的本期綜合損失總額來源於：		
— Continuing operations	— 持續經營		(714,139)
— Discontinued operations	— 終止經營		(717,086)
			<b>(928,406)</b>
			(1,431,225)
<b>Loss per share for loss attributable to owners of the Company for the year (expressed in RMB per share)</b>	本年本公司所有者應佔虧損的每股虧損(每股人民幣)		
<b>Basic loss per share</b>	基本每股虧損	34	
— Continuing operations	— 持續經營		(0.21)
— Discontinued operations	— 終止經營		(0.25)
			<b>(0.39)</b>
			(0.46)
<b>Diluted loss per share</b>	稀釋每股虧損	34	
— Continuing operations	— 持續經營		(0.21)
— Discontinued operations	— 終止經營		(0.25)
			<b>(0.39)</b>
			(0.46)

The accompanying notes on pages 137 to 308 are an integral part of these consolidated financial statements.

後附第137頁至第308頁之附註為本財務報表的整體部分。

# Consolidated Statement of Changes in Equity

## 合併權益變動表

		Attributable to owners of the Company 歸屬於本公司所有者						
		Ordinary shares	Share premium	Other reserves	Retained Earnings/ (Accumulated losses)	Total	Non- controlling interests	Total Equity
		普通股 RMB'000 人民幣千元	股本溢價 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元	留存收益/ (累計虧損) RMB'000 人民幣千元	總計 RMB'000 人民幣千元	非控制性權益 RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
<b>As at January 1, 2016</b>	於二零一六年一月一日	19,489	1,049,307	65,457	1,037,434	2,171,687	39,309	2,210,996
<b>Comprehensive income for the year</b>	<b>本年綜合收益</b>							
Loss for the year	本年虧損	-	-	-	(1,322,453)	(1,322,453)	220	(1,322,233)
Available-for-sale financial assets (Note 12)	可供出售金融資產 (附註12)	-	-	18,405	-	18,405	-	18,405
Share of other comprehensive income of investment accounted for using the equity method	享有按權益法入賬的投資的其他綜合收益的份額	-	-	2,799	-	2,799	-	2,799
Currency translation differences	外幣折算差額	-	-	(129,976)	-	(129,976)	-	(129,976)
		19,489	1,049,307	(43,315)	(285,019)	740,462	39,529	779,991
<b>Transactions with owners in their capacity as owners</b>	<b>與所有者以其所有者的身份進行的交易</b>							
Employees stock option schemes	僱員購股權計劃							
— value of employee services (Note 31)	— 僱員服務價值 (附註31)	-	-	27,990	-	27,990	-	27,990
— shares to settle SARs under the plan	— 售出股份增值權計劃下股份	-	-	599	-	599	-	599
Share purchased under Share Award Scheme (Note 21(a))	股份獎勵計劃所購股份 (附註21(a))	-	-	(63,706)	-	(63,706)	-	(63,706)
Acquisition of additional interest in a subsidiary	額外取得子公司權益	-	-	(65,531)	-	(65,531)	(39,556)	(105,087)
		-	-	(100,648)	-	(100,648)	(39,556)	(140,204)
<b>As at December 31, 2016</b>	於二零一六年十二月三十一日	19,489	1,049,307	(143,963)	(285,019)	639,814	(27)	639,787

# Consolidated Statement of Changes in Equity (Continued)

## 合併權益變動表(續)

		Attributable to owners of the Company 歸屬於本公司所有者					Non- controlling interests 非控制性權益 RMB'000 人民幣千元	Total Equity 權益總額 RMB'000 人民幣千元
		Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元		
<b>As at January 1, 2017</b>	於二零一七年一月一日	19,489	1,049,307	(143,963)	(285,019)	639,814	(27)	639,787
<b>Comprehensive income for the year</b>	本年綜合收益							
Loss for the year	本年虧損	-	-	-	(1,099,476)	(1,099,476)	-	(1,099,476)
Available-for-sale financial assets (Note 12)	可供出售金融資產 (附註12)	-	-	8,168	-	8,168	-	8,168
Share of other comprehensive income of investment accounted for using the equity method	享有按權益法入賬的投資的其他綜合收益的份額	-	-	(3,758)	-	(3,758)	-	(3,758)
Currency translation differences	外幣折算差額	-	-	166,660	-	166,660	-	166,660
		19,489	1,049,307	27,107	(1,384,495)	(288,592)	(27)	(288,619)
<b>Transactions with owners in their capacity as owners</b>	與所有者以其所有者的身份進行的交易							
Employees stock option schemes — value of employee services (Note 31)	僱員購股權計劃 — 僱員服務價值 (附註31)	-	-	20,158	-	20,158	-	20,158
		-	-	20,158	-	20,158	-	20,158
<b>As at December 31, 2017</b>	於二零一七年十二月三十一日	19,489	1,049,307	47,265	(1,384,495)	(268,434)	(27)	(268,461)

The accompanying notes on pages 137 to 308 are an integral part of these consolidated financial statements.

後附第137頁至第308頁之附註為本財務報表的整體部分。



# Consolidated Statement of Cash Flows

## 合併現金流量表

		Year ended December 31 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註	
<b>Cash flows from operating activities</b>	<b>經營活動的現金流量</b>		
<b>Continuing operations</b>	<b>持續經營</b>		
Cash generated from operations	經營活動產生的現金	465,380	162,742
Interest paid	已付利息	(422,038)	(382,997)
Income tax paid	已付所得稅	(2,401)	(69,567)
<b>Discontinued operations</b>	<b>終止經營</b>	-	(81,057)
<b>Net cash generated from/(used in) operating activities</b>	<b>經營活動產生/(使用)的現金淨額</b>	35 <b>40,941</b>	(370,879)
<b>Cash flows from investing activities</b>	<b>投資活動的現金流量</b>		
<b>Continuing operations</b>	<b>持續經營</b>		
Payment for acquisition of subsidiary, net of cash acquired	並購子公司所支付的款項，現金淨額	(3,557,006)	-
Purchases of property, plant and equipment	購買不動產、工廠及設備	(60,685)	(21,621)
Increase in financial assets	金融資產的增加	(336,686)	(96,422)
Proceeds from disposals of subsidiaries	收到處置子公司所得款項	90,660	2,283,724
Loans and deposits to third parties	支付第三方借款和保證金	(24,656)	(375,045)
Contribution and loans to/acquisition of investments accounted for using equity method	投入/收購以權益法入賬的投資及貸款	(33,490)	(277,007)
Interest received	已收利息	3,718	20,171
Others	其他	(41,153)	-
Decrease in restricted cash	受限制現金的減少	-	462,646
<b>Discontinued operations</b>	<b>終止經營</b>	-	(205,736)
<b>Net cash (used in)/generated from investing activities</b>	<b>投資活動(使用)/產生的現金淨額</b>	<b>(3,959,298)</b>	1,790,710

# Consolidated Statement of Cash Flows (Continued)

## 合併現金流量表(續)

		Year ended December 31 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註	
<b>Cash flows from financing activities</b>	<b>融資活動的現金流量</b>		
<b>Continuing operations</b>	<b>持續經營</b>		
Repayments of borrowings	償還借款	35	(609,921) (930,224)
Proceeds from borrowings	借款所得款項	35	3,431,882 491,534
Payment for repurchase and cancellation of 2018 and 2019 Notes	回購並註銷2018和2019優先票據	35	(791,173) (110,739)
Increase in other payables	其他應付款的增加		67,909 -
Proceeds from financial liabilities at fair value through profit or loss	收到以公允價值計量且其變動計入當期損益的金融負債所得的款項		1,089,748 -
Cash paid to non-controlling interest for additional interest in subsidiary	額外取得子公司非控制性權益所支付的款項		- (103,919)
Payments relating to share-based compensation	與股權激勵計劃相關支付的款項		- (63,706)
Others	其他		(27,677) (33,206)
<b>Net cash generated from/(used in) financing activities</b>	<b>融資活動產生/(使用)的現金淨額</b>		<b>3,160,768</b> (750,260)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金及現金等價物的(減少)/增加淨額</b>		<b>(757,589)</b> 669,571
Cash and cash equivalents at beginning of the year	年初現金及現金等價物		904,961 202,967
Exchange (losses)/gains on cash and cash equivalents	現金及現金等價物的匯兌損益		(15,200) 32,423
<b>Cash and cash equivalents at end of the year</b>	<b>年末現金及現金等價物</b>		<b>132,172</b> 904,961

The accompanying notes on pages 137 to 308 are an integral part of these consolidated financial statements.

後附第137頁至第308頁之附註為本合併財務報表的整體部分。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 1. GENERAL INFORMATION

MIE Holdings Corporation (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the exploration, development, production and sale of oil, gas and other petroleum products in the People’s Republic of China (the “PRC”) under production sharing contract (the “PSC”) and in the exploration, development and holding interests in petroleum and natural gas properties directly and through investments in other partnership holdings in oil and natural gas properties or related production infrastructure in Canada. The Group also participates as associates in the exploration, development and production of petroleum assets located in the Republic of Kazakhstan (the “Kazakhstan”), western Canada and the northern part of the South China Sea in the PRC.

On September 29, 2017, Canlin Energy Corporation (“Canlin” or the “Purchaser”), a wholly owned subsidiary of the Company, completed the acquisition of all the partnership interests in the CQ Energy Canada Partnership (“CQ Energy”) (the “Acquisition”). The aggregate purchase price for the Acquisition is C\$699.4 million (equivalent to RMB3,735.9 million). The purchase price was paid in cash to the vendors upon completion. A goodwill of RMB724.3 million arose upon completion of the Acquisition. Further details of the Acquisition are provided in Note 37.

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is Maples Corporate Services Limited, P.O. Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company’s shares were listed on the Stock Exchange of Hong Kong Limited (“SEHK”) on December 14, 2010.

The financial statements are presented in Chinese Renminbi (“RMB”) unless otherwise stated. These financial statements have been approved for issue by the board of directors of the Company (the “Board of Directors”) on March 29, 2018.

### 1. 一般資料

MI能源控股有限公司(以下簡稱「本公司」)及其子公司(統稱「本集團」)主要在中華人民共和國(以下簡稱「中國」)按照產品分成合同及類似協議，從事勘探、開發、生產及銷售石油、天然氣和其他石油產品和在加拿大從事勘探、開發、直接持有石油和天然氣資產的權益以及通過投資其他合伙企業持有的石油、天然氣資產或相關的生產基礎設施。本集團通過聯營企業形式參與位於哈薩克斯坦共和國(「哈薩克斯坦」)、加拿大西部地區和中國南海北部地區的勘探、開發、生產及銷售石油和其他石油產品活動。

於二零一七年九月二十九日，Canlin Energy Corporation(「Canlin」或「買方」)，本公司的一家全資子公司，已經完成收購CQ Energy Canada Partnership(「CQ Energy」)的全部合夥權益(該收購)。本次收購總收購對價金額為加幣699.4百萬元(等價於人民幣3,735.9百萬元)。收購完成產生的商譽金額為人民幣724.3百萬元。收購詳細信息見附註37。

本公司是一家於開曼群島註冊成立的有限公司。註冊地址為Maples Corporate Services Limited, P.O. Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands。

本公司的股份於二零一零年十二月十四日在香港聯合交易所有限公司上市(以下簡稱「香港聯交所」)。

本財務報表以人民幣列報(除非另有說明)。本財務報表已經由本公司董事會於二零一八年三月二十九日批准刊發。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and financial liabilities (including derivative instruments) through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

### 2. 重要會計政策摘要

編製本合併財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所列報的所有年度內貫徹應用。

#### 2.1 編製基礎

合併財務報表是根據所有適用的國際會計準則委員會發佈的國際財務報告準則編製。合併財務報表按照歷史成本法編製，並就可供出售金融資產以公允價值計量且其變動計入損益的金融資產和金融負債(包括衍生工具)的重估而作出修訂。

編製符合國際財務報告準則的財務報表需要使用特定關鍵會計估計。這亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度判斷或高度複雜性的範疇，或涉及對合併財務報表作出重大假設和估計的範疇，在附註4中披露。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.1 Basis of preparation (Continued)

#### 2.1.1 Going Concern

On December 31, 2017, the Group's current liabilities exceeded its current assets by RMB913.6 million, which was mainly due to the approaching maturity of the outstanding principal plus accrued interest of the 2018 Notes in the amount of US\$188.0 million (equivalent to RMB1,222.0 million). As described in Note 41, the Company has repaid the outstanding balance and accrued interests in relation to the 2018 Notes in full upon its maturity on February 6, 2018. The directors of the Company have taken measures and are confident to obtain available sources of long term funding from financial institutions in the foreseeable future. Based on their assessment, the Board of Directors of the Company is of the opinion that the Group has sufficient working capital to enable it to repay its debts as and when they fall due. The Group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

## 2. 重要會計政策摘要(續)

### 2.1 編製基礎(續)

#### 2.1.1 持續經營

於二零一七年十二月三十一日，本集團流動負債超出流動資產約人民幣913.6百萬元，其主要是由於2018票據未償還部分的本金和計提利息188.0百萬美元(等價於人民幣1,222.0百萬元)接近到期日所導致。如附註41所述，於二零一八年二月六日，本公司在票據到期日已經償還了所有與2018票據相關的未償還餘額和已計提的利息。本公司董事已經採取了行動並有信心在可預見的期間從金融機構獲得可使用的長期的資金。根據公司的評估，本公司的董事會認為本集團有足夠的營運能力償還到期的債務。因此，本集團繼續以持續經營為基礎來編製本合併財務報表。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures

**(a) New and amended standards adopted by the Group**

The following standards have been adopted by the Group for the first time for the financial year beginning on or after January 1, 2017:

- Recognition of Deferred Tax Assets for Unrealised Losses — Amendments to IAS 12; and
- Disclosure initiative — amendments to IAS 7.

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

The amendments to IAS 7 require disclosure of changes in liabilities arising from financing activities.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動

**(a) 本集團已採納的新訂和已修改的準則**

本集團自二零一七年一月一日或之後開始的財政年度首次採納的新準則和已修訂的準則列示如下：

- 就未發現虧損確認遞延稅項資產 — 國際會計準則第12號的修改；及
- 披露提倡 — 國際會計準則第7號的修改。

採納該等修改對當期和任何前期並無影響，且不大可能會對未來期間產生影響。

國際會計準則第7號的修改要求披露融資活動產生的負債變動。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:**

- (i) IFRS 9, 'Financial instruments'

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The Group does not expect the new guidance to have a significant impact on the classification and measurement of its financial assets given fair value through other comprehensive income ("FVOCI") election is available for the equity instruments which are currently classified as available-for-sale ("AFS").

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：**

- (i) 國際財務報告準則第9號「金融工具」

此項新準則針對金融資產和金融負債的分類、計量和終止確認，並介紹套期會計的新規定和金融資產的新減值模型。

本集團預期新指引將不會對其金融資產的分類和計量產生重大影響。由於現分類為可供出售金融資產「AFS」的權益工具符合條件而分類為以公允價值計量且其變動計入其他綜合收益「FVOCI」，因此該等資產的會計處理將不會發生重大變化。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below: (Continued)**

- (i) IFRS 9, 'Financial instruments' (Continued)

There will not be a significant impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. The derecognition rules have been transferred from IAS 39 "Financial Instruments: Recognition and Measurement" and have not been changed.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：(續)**

- (i) 國際財務報告準則第9號「金融工具」(續)

由於新規定僅影響被指定為以公允價值計量且其變動計入損益的金融負債的會計處理，因此新規定對本集團的金融負債並無重大影響。終止確認規則引自國際會計準則第39號「金融工具：確認及計量」，沒有任何變動。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below: (Continued)**

- (i) IFRS 9, 'Financial instruments' (Continued)

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. However, at this stage the Group does not expect to identify any new hedge relationships. It would appear that the Group's current hedge relationships would qualify as continuing hedges upon the adoption of IFRS 9. Accordingly, the Group does not expect a significant impact on the accounting for its hedging relationships

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：(續)**

- (i) 國際財務報告準則第9號「金融工具」(續)

新套期會計規則將套期會計更緊密配合本集團的風險管理實務。作為一般性原則，因為準則引入更多原則為本的方針，所以更多套期關係可能符合套期會計條件。就目前階段，本集團預期將不會發生新的套期關係。當國際財務報告準則第9號生效時，本集團當前的套期關係仍將符合條件繼續適用套期會計。因此，本集團預期不會對其套期關係有重大影響。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below: (Continued)**

- (i) IFRS 9, 'Financial instruments' (Continued)

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under IFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：(續)**

- (i) 國際財務報告準則第9號「金融工具」(續)

新減值模型要求按預期信貸損失(ECL)確認減值撥備，而非僅發生的信貸損失(根據國際會計準則第39號)。其適用於按攤余成本分類的金融資產、按FVOCI計量的債務工具、國際財務報告準則第15號「與客戶之間的合同產生的收入」下的合同資產、應收租賃款、貸款承擔和若干財務擔保合同。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below: (Continued)**

(i) IFRS 9, 'Financial instruments' (Continued)

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

IFRS 9 must be applied for financial years commencing on or after 1 January 2018. Group does not intend to adopt IFRS 9 before its mandatory date. The Group does not expect this new standard to have a material impact to the financial statements.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：(續)**

(i) 國際財務報告準則第9號「金融工具」(續)

新準則亦增加了披露規定和列報的改變。預期將改變本集團有關其金融工具的披露性質和範圍，尤其是在新準則採納的年度內。

國際財務報告準則第9號必須在二零一八年一月一日後之後開始的財政年度起應用。本集團不打算在強制性日期前採納國際財務報告準則第9號。本集團預期新指引不會對其財務報表有重大影響。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below: (Continued)**

- (ii) IFRS 15, 'Revenue from contracts with customers'

The International Accounting Standards Board ("IASB") has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers revenue arising from the sale of goods and the rendering of services and IAS 11 which covers construction contracts.

The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：(續)**

- (ii) 國際財務報告準則第15號「與客戶之間的合同產生的收入」

國際會計師公會已發布收入確認的新準則。這將取代國際會計準則第18號(涵蓋出售貨品和提供服務產生的收入)和國際會計準則第11號(涵蓋建造合同)。

新準則的原則為收入須在貨品或服務的控制權轉移至客戶後確認。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below: (Continued)**

- (ii) IFRS 15, 'Revenue from contracts with customers' (Continued)

IFRS 15 is mandatory for financial years commencing on or after January 1, 2018. Group does not intend to adopt the standard before its effective date. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognized in retained earnings as of January 1, 2018 and that comparatives will not be restated. The Group does not expect this new standard to have a material impact to the financial statements.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：(續)**

- (ii) 國際財務報告準則第15號「與客戶之間的合同產生的收入」(續)

二零一八年一月一日或之後開始的財政年度強制採納。本集團不會在生效日期前採納此準則。本集團擬採用修訂追溯方式來應用新準則，意味著採納的累計影響將在二零一八年一月一日的留存收益中確認，而比較數字不會重述。本集團預期新指引不會對其財務報表有重大影響。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below: (Continued)**

(iii) IFRS 16, 'Leases'

IFRS 16 will result in almost all leases being recognised on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：(續)**

(iii) 國際財務報告準則第16號「租賃」

國際財務報告準則第16號「租賃」將導致差不多所有租賃在資產負債表內確認，經營租賃與融資租賃的劃分已被刪除。根據該新準則，資產(該租賃項目的使用權)與支付租金的金融負債被確認。唯一例外者為短期和低價值租賃。

對承租人的會計處理將不會有重大改變。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below: (Continued)**

(iii) IFRS 16, 'Leases' (Continued)

The standard will affect primarily the accounting for the Group's operating leases. The Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low-value leases and some commitments may relate to arrangements that will not qualify as leases under IFRS 16.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：(續)**

(iii) 國際財務報告準則第16號「租賃」(續)

此準則會主要影響本集團經營租賃的會計處理。本集團尚未確定該承擔將如何影響確認資產和就未來付款的負債，以及將如何影響本集團的利潤和現金流量的分類。

短期及低價值租賃的豁免可能會涵蓋部份經營租賃承擔，而某些承擔則可能與國際財務報告準則第16號中不包含的租賃合同有關。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### 2.1.2 Changes in accounting policy and disclosures (Continued)

**(b) A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after January 1, 2017 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below: (Continued)**

(iii) IFRS 16, 'Leases' (Continued)

The new standard is mandatory for financial years commencing on or after January 1, 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基礎(續)

##### 2.1.2 會計政策和披露的變動(續)

**(b) 多項新準則和準則的修改及解釋在二零一七年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：(續)**

(iii) 國際財務報告準則第16號「租賃」(續)

此新準則必須在二零一九年一月一日或之後開始的財政年度採納。在目前階段，本集團不準備在生效日期前採納此準則。

此外，沒有其他尚未生效的國際財務報告準則或國際財務報告解釋委員會一解釋公告預期會對本集團有重大影響。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Consolidation and subsidiaries

#### 2.2.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

#### (a) *Business combinations*

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

## 2. 重要會計政策摘要(續)

### 2.2 合併及子公司

#### 2.2.1 合併

子公司指本集團對其具有控制權的所有主體(包括結構性主體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該主體的權力影響此等回報時，本集團即控制該主體。子公司在控制權轉移至本集團之日起合併入賬。子公司在控制權終止之日起停止合併入賬。

#### (a) *業務合併*

本集團利用購買法將業務合併入賬。購買一子公司所轉讓的對價，為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的對價包括或有對價安排所產生的任何資產和負債的公允價值。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。本集團按個別收購基準，確認在被購買方的任何非控制性權益。被購買方的非控制性權益為現時的擁有權權益，並賦予持有人一旦清盤是按比例應佔主體的淨資產，可按公允價值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日期的公允價值計量，除非國際財務報告準則規定必須以其他計量基準計算。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.2 Consolidation and subsidiaries (Continued)

##### 2.2.1 Consolidation (Continued)

###### (a) Business combinations (Continued)

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the consolidated statement of comprehensive income.

### 2. 重要會計政策摘要(續)

#### 2.2 合併及子公司(續)

##### 2.2.1 合併(續)

###### (a) 業務合併(續)

購買相關成本在產生時支銷。

如業務合併分階段進行，收購方之前在被收購方持有權益於收購日期的賬面值，按收購日期的公允價值重新計量，重新計量產生的任何盈虧在損益中確認。

本集團將轉讓的任何或有對價按收購日期的公允價值計量。被視為資產或負債的或有對價公允價值的其後變動，根據國際會計準則第39號的規定，在損益中或作為其他綜合收益的變動確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。

所轉讓對價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨識淨資產公允價值的數額記錄為商譽。如所轉讓對價、確認的任何非控制性權益及之前持有的權益計量，低於購入子公司淨資產的公允價值，則將該數額直接在合併綜合收益表中確認。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Consolidation and subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

##### (a) Business combinations (Continued)

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

##### (b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

## 2. 重要會計政策摘要(續)

### 2.2 合併及子公司(續)

#### 2.2.1 合併(續)

##### (a) 業務合併(續)

集團內公司之間的交易、結余及交易的未變現利得予以對銷。未變現損失亦予以對銷，除非交易提供所轉撥資產的減值證據。子公司報告的數額已按需要作出改變，以確保與本集團採用的政策符合一致。

##### (b) 子公司所有者權益變動但控制權不變

本集團將其與非控制性權益進行、不導致失去控制權的交易入賬為權益交易 — 即與子公司所有者以其作為所有者身份進行的交易。所支付任何對價的公允價值與相關應佔所收購子公司淨資產賬面價值的差額記錄為權益，向非控制性權益的處置的盈虧亦記錄在權益中。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.2 Consolidation and subsidiaries (Continued)

#### 2.2.1 Consolidation (Continued)

##### (c) Disposals of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

#### 2.2.2 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

## 2. 重要會計政策摘要(續)

### 2.2 合併及子公司(續)

#### 2.2.1 合併(續)

##### (c) 出售子公司

當集團不再持有控制權，在主體的任何保留權益與失去控制權當日重新計量公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他綜合收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他綜合收益中確認的數額重新分類至損益。

#### 2.2.2 獨立財務報表

子公司投資按成本扣除減值列賬。成本包括投資的直接歸屬成本。子公司的業績由本公司按已收及應收股利入賬。

如股利超過宣派股利期內子公司的綜合收益，或如在獨立財務報表的投資賬面值超過合併財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對子公司投資作減值測試。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.3 Associates

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in associates include goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

### 2. 重要會計政策摘要(續)

#### 2.3 聯營公司

聯營指所有本集團對其有重大影響力而無控制權的主體，通常附帶有20%–50%投票權的股權。聯營投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營的投資包括購買時已辨認的商譽。在購買聯營企業的投資時，購買成本與本集團享有的對聯營企業可辨認資產和負債的公允價值淨額的差額確認為商譽。

如聯營的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他綜合收益中確認的數額重新分類至損益(如適當)。

本集團應佔聯營購買後利潤或虧損於利潤表內確認，而應佔其購買後的其他綜合收益變動則於其他綜合收益內確認，並相應調整投資賬面值。如本集團應佔一家聯營的虧損等於或超過其在該聯營的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營已產生法律或推定債務或已代聯營作出付款。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.3 Associates (Continued)

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to 'share of profit of investments accounted for using equity method' in the statement of profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the statement of profit or loss.

#### 2.4 Joint arrangements

The Group applies IFRS 11 to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint ventures and joint operations.

### 2. 重要會計政策摘要(續)

#### 2.3 聯營公司(續)

本集團在每個報告日期釐定是否有客觀證據證明聯營投資已減值。如投資已減值，本集團計算減值，數額為聯營可收回數額與其賬面值的差額，並在利潤表中確認於「享有按權益法入賬的投資的利潤份額」。

本集團與其聯營之間的上流和下流交易的利潤和虧損，在集團的財務報表中確認，但僅限於無關連投資者在聯營權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在聯營股權稀釋所產生的利得或損失於利潤表確認。

#### 2.4 合營安排

本集團已對所有合營安排應用國際財務報告準則第11號。根據國際財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合同權益和義務而定。本公司已評估其合營安排的性質並釐定為共同經營和合營企業。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.4 Joint arrangements (Continued)

#### 2.4.1 Joint ventures

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investments in joint ventures include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in a joint venture equals or exceeds its interests in the joint ventures (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in the joint ventures. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint ventures have been changed where necessary to ensure consistency with the policies adopted by the Group.

## 2. 重要會計政策摘要(續)

### 2.4 合營安排(續)

#### 2.4.1 合營企業

根據權益法，合營企業權益初步以成本確認，其後經調整以確認本集團享有的收購後利潤或虧損以及其他綜合收益變動的份額。本集團對合營企業的投資包括在購買時已辨認的商譽。在購買合營企業的投資時，購買成本與本集團享有的對合營企業可辨認資產和負債的公允價值淨額的差額確認為商譽。當集團享有某一合營企業的虧損超過或相等於在該合營企業的權益(包括任何實質上構成集團在該合營淨投資的長期權益)，則集團不確認進一步虧損，除非集團已產生義務或已代合營企業付款。

集團與其合營企業之間的未變現交易利得按集團在該等合營企業的權益予以對銷。未變現虧損也予以對銷，除非交易提供證據證明所轉讓的資產出現減值。合營企業的會計政策如有需要已改變以符合集團採納的政策。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.4 Joint arrangements (Continued)

##### 2.4.2 Joint operations

The Group's development and production activities in the PRC are conducted, through its subsidiaries, jointly with others through PSCs. These PSCs establish joint control over the development and production activities. The assets are not owned by a separate legal entity but are controlled by individual participants in the PSCs. Each participant is entitled to a predetermined share of the related output and bears an agreed share of the costs.

The consolidated financial statements reflect:

- the Group's share of any assets used in the joint operations;
- any liabilities that the Group incurred;
- the Group's share of any liabilities incurred jointly with the other PSC partners in relation to the joint production;
- any income from the sale or use of the Group's share of the output of the production, together with its share of any expenses incurred in the production; and
- any expense that the Group has incurred in respect of its interests in the production.

### 2. 重要會計政策摘要(續)

#### 2.4 合營安排(續)

##### 2.4.2 共同經營

本集團在中國通過子公司在產品分成合同下與其他方共同進行開發及生產活動。該等合同形成開發及生產活動的共同控制。該等資產並非由獨立法人實體擁有，而由產品分成合同的個人參與者控制。各參與者有權享有相關產品預先釐定的份額，並承擔協議份額的成本。

本合併財務報表反映：

- 本集團用於共同經營的資產份額；
- 本集團已產生的任何負債；
- 就共同生產而與其他產品分成合同參與者產生的任何負債內本集團的份額；
- 來自銷售或使用產品內本集團份額的收入，及其攤佔生產所產生的任何支出；及
- 本集團就產品權益所產生的任何支出。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.5 Foreign currency translation

##### (a) Functional and presentation 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 "functional currency"). The functional currency of the Company is United States dollar ("US\$"). The presentation currency of the consolidated financial statements is RMB.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income' or 'finance costs'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available for sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

### 2. 重要會計政策摘要(續)

#### 2.5 外幣折算

##### (a) 功能及列報貨幣

本集團每個主體的財務報表所列項目乃採用該實體經營所在地主要經濟環境的貨幣(「功能貨幣」)進行計量。本公司的功能貨幣為美元。合併財務報表的列報貨幣為人民幣。

##### (b) 交易及結餘

外幣交易採用交易或項目重新計量的估值日期的匯率折算為功能貨幣。結算此等交易及按年末匯率折算以外幣計值的貨幣資產及負債所導致的外匯收益及虧損計入損益。與借款和現金及現金等價物有關的匯兌利得和損失在合併綜合收益表內的「財務收入」或「財務費用」中列報。

以外幣為單位及被分類為可供出售的債務證券的公允價值變動，按照證券的攤余成本變動與該證券賬面值的其他變動所產生的折算差額進行分析。與攤余成本變動有關的折算差額計入損益，賬面值的其他變動則於其他綜合收益中確認。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.5 Foreign currency translation (Continued)

##### (b) Transactions and balances (Continued)

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as available for sale, are included in other comprehensive income.

##### (c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of the statement of financial position;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognised in other comprehensive income.

### 2. 重要會計政策摘要(續)

#### 2.5 外幣折算(續)

##### (b) 交易及結餘(續)

非貨幣性金融資產及負債(例如以公允價值計量且其變動計入損益的權益)的折算差額作為公允價值利得和損失的一部分計入損益。非貨幣性金融資產(例如分類為可供出售的權益)的折算差額包括在其他綜合收益中。

##### (c) 集團公司

其功能貨幣與本集團的列報貨幣不同的所有集團內的主體(當中沒有惡性通貨膨脹經濟的貨幣)的業績和財務狀況按如下方法折算為列報貨幣：

- (i) 每份列報的財務狀況表內的資產和負債按該財務狀況表日期的收市匯率折算；
- (ii) 每份綜合收益表內的收益和費用按平均匯率折算(除非此匯率並不代表交易日期匯率的累計影響的合理約數；在此情況下，收支項目按交易日期的匯率折算)；及
- (iii) 所有由此產生的匯兌差額在其他綜合收益中確認。

購買境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債，並按期末匯率折算。產生的外幣折算差異在其他綜合收益中入賬。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.5 Foreign currency translation (Continued)

##### (d) Disposals of foreign operation and partial disposal

On the disposals of a foreign operation (that is, a disposals of the Group's entire interest in a foreign operation, or a disposals involving loss of control over a subsidiary that includes a foreign operation, a disposals involving loss of joint control over a joint venture that includes a foreign operation, or a disposals involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In the case of a partial disposals that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

### 2. 重要會計政策摘要(續)

#### 2.5 外幣折算(續)

##### (d) 境外經營的處置和部分處置

對於境外經營的處置(即處置本集團在境外經營中的全部權益,或者處置涉及喪失對擁有境外經營的子公司的控制權,或涉及喪失對擁有境外經營的合營企業的共同控制權,或涉及喪失對擁有境外經營的聯營企業的重大影響),就該項經營累計計入權益的歸屬於本公司所有者的所有匯兌差額均重分類至損益。

對於並不導致本集團喪失對擁有境外經營的子公司的控制權的部分處置,本集團在累計匯兌差額中的比例份額重新歸屬於非控制性權益並且不在損益中確認。對於所有其他部分處置(即本集團在聯營企業或合營企業中的所有權權益的減少並不導致本集團喪失重大影響或共同控制權),本集團在累計匯兌差額中的比例份額重分類至損益。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.6 Property, plant and equipment

Property, plant and equipment, including oil and gas properties, is stated at historical cost less accumulated depreciation, depletion, amortisation and impairment. Historical cost includes expenditures that are 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 any replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

The cost of oil and gas properties is amortised at the field level based on the unit of production method. Unit of production rates are based on oil and gas proved and probable developed producing reserves estimated to be recoverable from existing facilities based on the current terms of the respective production agreements. The Group's reserves estimates represent crude oil and gas which management believes can be reasonably produced within the current terms of their production agreements.

### 2. 重要會計政策摘要(續)

#### 2.6 不動產、工廠及設備

包括油氣資產在內的不動產、廠房及設備按歷史成本減累計折舊、折耗及攤銷和累計減值損失後的價值列示。歷史成本包括直接歸屬於購買該等物品的支出。

後續發生的成本只有當與其相關的未來經濟利益很可能流入本集團並且此類支出能夠可靠計量時，才計入資產的賬面價值或確認為獨立資產。被替換部分的賬面價值將終止確認。此外的所有其他維修及保養支出，均在費用發生時計入該財務期間的損益。

油氣資產的成本乃以油田為單位按單位產量法予以攤銷。單位產量乃根據各自生產協議的現有期限，按照在現有設施下預計可回收石油及天然氣的已探明及概算已開發產油儲量計算。本集團的儲量估計為管理層認為可於此等生產協議現有期限內合理開採的原油及天然氣。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Depreciation on other assets is calculated using the straight-line method to allocate their cost less their residual values over their estimated useful lives, as follows:

Buildings and improvements	7–10 years
Office equipment	3 years
Motor vehicles and production equipment	10 years
Facility turnarounds	4–6 years

The asset's residual values and useful lives are reviewed and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains, net' in profit or loss.

### 2. 重要會計政策摘要(續)

#### 2.6 不動產、工廠及設備(續)

其他資產折舊以直線法按各項資產的預計可使用年限扣除殘值後計提。預計可使用年限如下：

樓宇及裝修	七至十年
辦公室設備	三年
汽車及生產設備	十年
周轉設備	四至六年

本集團至少於報告期末對相關資產的殘值及可使用年限進行評估，並在必要時進行調整。當資產的賬面價值大於其預計的可回收金額時，相關資產賬面價值應立即撇減至其可回收金額。

處置的利得或損失按所得款與賬面值的差額確定，並計入損益中的「其他(損失)/利得，淨額」。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.7 Exploration and evaluation expenditure

The successful efforts method of accounting is used for oil and gas exploration and production activities. Under this method, all costs for development wells, supporting equipment and facilities, and proved mineral interests in oil and gas properties are capitalised. Geological and geophysical costs are expensed when incurred. Costs of exploratory wells (including certain geophysical costs which are directly attributable to the drilling of these wells) are capitalised as exploration and evaluation assets pending determination of whether the wells find proved oil and gas reserves. Proved oil and gas reserves are the estimated quantities of crude oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions.

Exploratory wells in areas not requiring major capital expenditures are evaluated for economic viability within one year of completion of drilling. The related well costs are expensed as dry holes if it is determined that such economic viability is not attained. Otherwise, the related well costs are reclassified to oil and gas properties and subject to impairment review. For exploratory wells that are found to have economically viable reserves in areas where major capital expenditure will be required before production can commence, the related well costs remain capitalised only if additional drilling is under way or firmly planned. Otherwise the related well costs are expensed as dry holes. The Group does not have any costs of unproved properties capitalised in oil and gas properties. Expired lease costs are expensed as part of exploration and evaluation expense as they occur.

### 2. 重要會計政策摘要(續)

#### 2.7 勘探、評價資產和油氣資產

油氣勘探與生產活動採用成果法記賬。根據此方法，開發井、配套設施以及油氣資產中的已探明礦區權益的所有成本均予以資本化。地質及地球物理成本於產生時費用化。勘探井的成本(包括直接歸屬於鑽井服務的特定地質成本)乃根據該等井是否發現探明油氣儲量而決定是否作為在建工程予以資本化。探明油氣儲量為在現有經濟及作業條件(即於估算日的價格及成本)下，地質及工程數據表明於未來年度可合理肯定從已知油藏開採出原油及天然氣的估算量。價格包括僅按合同安排規定的現有價格變化的考慮，而並非根據未來條件調高價格。

於無需投入大量資本支出的地域的勘探井乃於完成鑽探的一年期內按經濟可行性予以評估。倘若釐定該等油氣井並不存在經濟可行性，則相關井乃作為乾井支出。否則，相關油氣井成本乃重新分類至油氣資產，並進行減值審閱。至於在可開始投產前將需投入大量資本支出的地域發現具有經濟可行儲量的勘探井，相關油氣井成本僅當正在進行或已正式計劃額外鑽探時仍維持資本化。否則，相關油氣井成本乃作為乾井支出。本集團並未將任何未探明資產的成本資本化於油氣資產中。到期租約計入勘探及評價資產相關費用。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.7 Exploration and evaluation expenditure (Continued)

Identifiable exploration assets acquired are recognised as assets at their fair value, as determined by the requirements of business combinations. Exploration and evaluation expenditure incurred subsequent to the acquisition of an exploration asset in a business combination is accounted for in accordance with the policy outlined above.

#### 2.8 Intangible assets

Intangible assets represent computer software, mineral extraction rights, mining rights and goodwill.

##### (a) Computer software

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives of three years.

##### (b) Mineral extraction and mining rights

Mineral extraction rights and mining rights are amortised based on the unit of production method.

Unit of production rates are based on oil and gas proved and probable reserves estimated to be recoverable from existing facilities based on the current terms of the respective production agreements.

### 2. 重要會計政策摘要(續)

#### 2.7 勘探、評價資產和油氣資產(續)

業務合併產生的可辨認勘探資產根據公允價值予以確認。收購後發生的勘探、評價支出按照上述會計政策予以賬務處理。

#### 2.8 無形資產

無形資產指電腦軟件、礦產開採權、採礦權和商譽。

##### (a) 電腦軟件

所獲得的電腦軟件許可證已按獲得及使用有關軟件所產生的成本為基準撥充資本。該等成本乃按其估計可使用年期三年攤銷。

##### (b) 礦產開採權和採礦權

礦產開採權和採礦權利用單位產量法予以攤銷。

單位產量乃根據各自生產協議的現有期限，按照在現有設施下預計可回收石油及天然氣的已探明及概算儲量計算。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.8 Intangible assets (Continued)

##### (c) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

### 2. 重要會計政策摘要(續)

#### 2.8 無形資產(續)

##### (c) 商譽

商譽為收購子公司所得，並相當於所轉讓對價超過本公司在被收購方的可辨認資產、負債和或有負債淨公允價值權益的數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組(預期可從合併中獲取協同利益)。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。商譽賬面值與可收回數額(使用價值與公允價值減出售成本較高者)比較。任何減值須實時確認及不得在之後期間撥回。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.9 Impairment of non-financial assets

Intangible assets that have an indefinite useful life or intangible assets not ready to use are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal at each reporting date.

#### 2.10 Disposal groups classified as held for sale and discontinued operation

Disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The disposal group, are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates), which are classified as held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

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 geographic area of operations, or is part of a single coordinated 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.

### 2. 重要會計政策摘要(續)

#### 2.9 非金融資產減值

使用壽命不限定的無形資產或尚未可供使用的無形資產無需攤銷，但每年須就減值進行測試。須予攤銷的資產會於發生事項或情況出現變化而顯示面值未必能夠收回時，評估有否減值。減值虧損按有關資產的面值超逾其可收回金額的數額確認。可收回金額為資產的公允價值減銷售成本與使用價值兩者的較高者。於進行減值評估時，資產按可獨立識別現金流量的最小單位(現金產生單位)分類。出現減值的非金融資產(商譽除外)於各呈報日期檢討是否可能進行減值撥回。

#### 2.10 持有待售的處置組和終止經營

當處置組的賬面值將主要透過一項出售交易收回而該項出售被視為極可能時，分類為持有待售。處置組按賬面值與公允價值減去處置費用兩者的較低者列賬。遞延稅項資產、職工福利產生之資產、金融資產(於子公司和聯營的投資除外)，乃分類為持有待售，將繼續根據附註2所載的政策計量。

終止經營業務為本集團業務一個重要組成部分，其營運和現金流量可清晰地與本集團其餘業務分開，並代表業務或經營地域的一項獨立主要項目，或是出售業務或經營地域的一項獨立主要項目的單一協調計劃的一部分，或是一家全為了轉售而購入的子公司。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.10 Disposal groups classified as held for sale and discontinued operation (Continued)

When an operation is classified as discontinued, a single amount is presented in the consolidated statement of comprehensive income, which comprises the post-tax profit or loss of the discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposals of the assets or disposal group(s) constituting the discontinued operations.

### 2.11 Financial assets

#### 2.11.1 Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

#### (a) *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

## 2. 重要會計政策摘要(續)

### 2.10 持有待售的處置組和終止經營(續)

當一項業務被分類為終止經營時，綜合收益表中只列示單一合計金額，該合計金額為終止經營的稅後利潤或虧損加上按公允價值減去處置費用確認的稅後利得或損失，或者加上處置包含該終止經營業務的資產或處置組時確認的利得或損失。

### 2.11 金融資產

#### 2.11.1 分類

本集團將其金融資產分類為以下類別：以公允價值計量且其變動計入損益、貸款及應收賬款，以及可供出售。分類視乎購入金融資產之目的。管理層應在初始確認時確定金融資產的分類。

#### (a) *以公允價值計量且其變動計入損益的金融資產*

以公允價值計量且其變動計入損益的金融資產指交易性金融資產。金融資產若在購入時主要用作在短期內出售，則分類為此類別。衍生工具除非被指定為套期，否則亦分類為持作交易性。在此類別的資產分類為流動資產。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.11 Financial assets (Continued)

#### 2.11.1 Classification (Continued)

##### (b) *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the statement of financial position.

##### (c) *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

## 2. 重要會計政策摘要(續)

### 2.11 金融資產(續)

#### 2.11.1 分類(續)

##### (b) *貸款及應收賬款*

貸款及應收賬款為有固定或可確定付款額且沒有在活躍市場上報價的非衍生金融資產。此等項目包括在流動資產內，但預期將於報告期末起計超過12個月結算的數額，則分類為非流動資產。本集團的貸款及應收賬款由財務狀況表「應收賬款及其他應收款」與「現金及現金等價物」組成。

##### (c) *可供出售金融資產*

可供出售金融資產為被指定作此類別或並無分類為任何其他類別的非衍生工具。除非投資到期或管理層有意在報告期末後12個月內處置該投資，否則此等資產列在非流動資產內。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.11 Financial assets (Continued)

##### 2.11.2 Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date — the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivable are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in profit or loss within 'Other gains, net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in profit or loss as part of 'Other gains, net' when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

### 2. 重要會計政策摘要(續)

#### 2.11 金融資產(續)

##### 2.11.2 確認和計量

常規購買及出售的金融資產在交易日確認 — 交易日指本集團承諾購買或出售該資產之日。對於以公允價值計量但其變動並非計入損益的所有金融資產，其投資初始按其公允價值加交易成本確認。以公允價值計量且其變動計入損益的金融資產，初始按公允價值確認，而交易成本則計入損益。當從投資收取現金流量的權利已到期或已轉讓，而本集團已實質上將所有權的所有風險和報酬轉讓時，金融資產即終止確認。可供出售金融資產及以公允價值計量且其變動計入損益的金融資產其後按公允價值列賬。貸款及應收賬款其後利用實際利率法按攤餘成本列賬。

「以公允價值計量且其變動計入損益的金融資產」類別的公允價值變動所產生的利得或損失，於其產生的期間呈列在損益中的「其他利得 — 淨值」內。以公允價值計量且其變動計入損益的金融資產的股利收入，當本集團收取款項的權利確定時列入損益作為「其他利得，淨值」的一部分。

分類為可供出售的貨幣性及非貨幣性證券的公允價值變動在其他綜合收益中確認。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.11 Financial assets (Continued)

##### 2.11.2 Recognition and measurement (Continued)

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in profit or loss as 'Other gains, net'.

Interest on available-for-sale securities calculated using the effective interest method is recognised in profit or loss as part of 'Other (losses)/gains, net'. Dividends on available-for-sale equity instruments are recognised in profit or loss as part of 'Other (losses)/gains, net' when the Group's right to receive payments is established.

#### 2.12 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 2. 重要會計政策摘要(續)

#### 2.11 金融資產(續)

##### 2.11.2 確認和計量(續)

當分類為可供出售的證券售出或減值時，在權益中確認的累計公允價值調整列入損益作為「其他利得，淨值」。

可供出售證券利用實際利率法計算的利息於損益中確認為「其他(損失)／利得，淨值」的一部分。至於可供出售權益工具的股利，當本集團收取有關款項的權利確定時，於損益中確認為「其他(損失)／利得，淨值」的一部分。

#### 2.12 金融工具的抵銷

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.13 Impairment of financial assets

##### (a) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the consolidated statement of comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

### 2. 重要會計政策摘要(續)

#### 2.13 金融資產減值

##### (a) 以攤餘成本列賬的資產

本集團於每個報告期末評估是否存在客觀證據證明某一金融資產或某一金融資產組出現減值。只有當存在客觀證據證明於因為首次確認資產後發生一宗或多宗事件導致出現減值(「損失事項」)，而該宗(或該等)損失事項對該項或該組金融資產的估計未來現金流量構成的影響可以合理估計，有關的金融資產或金融資產組才算出現減值及產生減值虧損。

減值虧損的證據可包括債務人或一組債務人遇上嚴重財政困難、逾期或拖欠償還利息或本金、債務人很有可能破產或進行其他財務重組，以及有可觀察數據顯示估計未來現金流有可計量的減少，例如與違約有相互關連的拖欠情況或經濟狀況改變。

對於貸款及應收款類別，損失金額乃根據資產賬面值與按金融資產原實際利率貼現而估計未來現金流量(不包括仍未產生的未來信用損失)的現值兩者的差額計量。資產賬面值予以削減，而損失金額於合併綜合收益表中確認。如貸款或持有至到期投資有浮動利率，計量任何減值損失的貼現率為按合同釐定的當前實際利率。在實際應用中，本集團可利用可觀察的市場價格，按工具的公允價值計量減值。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.13 Impairment of financial assets (Continued)

##### (a) Assets carried at amortised cost (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the consolidated statement of comprehensive income.

##### (b) Assets classified as available for sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the consolidated statement of comprehensive income.

### 2. 重要會計政策摘要(續)

#### 2.13 金融資產減值(續)

##### (a) 以攤餘成本列賬的資產(續)

如在後繼期間，減值虧損的數額減少，而此減少可客觀地聯繫至減值在確認後才發生的事件(例如債務人的信用評級有所改善)，則之前已確認的減值虧損可在合併綜合收益表中轉回。

##### (b) 可供出售金融資產

本集團在每個報告期末評估是否有客觀證據證明某一金融資產或某一金融資產組已經減值。

對於債券，若存在此等證據，累計虧損 — 按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算 — 自權益中剔除並在損益中記賬。如在較後期間，被分類為可供出售金融資產的債務工具的公允價值增加，而增加可客觀地與減值虧損在損益確認後發生的事件有關，則將減值虧損在合併綜合收益表中轉回。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.13 Impairment of financial assets (Continued)

##### (b) Assets classified as available for sale (Continued)

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists, the cumulative loss — measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss — is removed from equity and recognised in profit or loss. Impairment losses recognised in the consolidated statement of comprehensive income on equity instruments are not reversed through the consolidated statement of comprehensive income.

#### 2.14 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Group has not designated any derivative financial instruments as hedging instruments. Changes in the fair value of these derivative instruments are recognised immediately in profit or loss with 'Other (losses)/gains, net'.

#### 2.15 Inventories

Inventories are crude oil and materials and supplies which are stated at the lower of cost and net realizable value. Materials and supplies costs are determined using the first-in first-out method. Crude oil costs are determined using the weighted average cost method. The cost of crude oil comprises direct labour, depreciation, other direct costs and related production overhead, but excludes borrowing costs.

### 2. 重要會計政策摘要(續)

#### 2.13 金融資產減值(續)

##### (b) 可供出售金融資產(續)

對於權益投資，證券公允價值的大幅或長期跌至低於其成本值，亦是證券已經減值的證據。若存在此等證據，累計虧損 — 按購買成本與當時公允價值的差額，減該金融資產之前在損益確認的任何減值虧損計算 — 自權益中剔除並在損益中記賬。在合併綜合收益表中確認的權益工具的減值虧損不得透過合併的損益中轉回。

#### 2.14 衍生金融工具

衍生金融工具初始按衍生工具合同訂立日的公允價值確認，其後按其公允價值重新計量。本集團未指定任何衍生工具為套期工具。該等衍生工具公允價值的變動隨即在損益中確認為「其他(損失)/利得，淨值」。

#### 2.15 存貨

存貨為按成本及可變現淨值間較低者列賬的原油、物料及供應品。物料及供應品成本乃按先進先出法釐定。原油成本乃按加權平均成本法釐定。原油成本包括直接勞工、折舊、其他直接成本及有關生產費用，惟不包括借款成本。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.16 Trade and other receivables

Trade receivables are amounts due from customers for oil and gas and other petroleum products sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

#### 2.17 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks or other short-term highly liquid investments with original maturities of three months or less.

#### 2.18 Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### 2. 重要會計政策摘要(續)

#### 2.16 應收賬款及其他應收款

應收賬款為在日常經營活動中就油氣及其他石油產品銷售或提供服務而應收客戶的款項。如應收賬款及其他應收款的收回預期在一年或以內(如仍在正常經營周期中,則可較長時間),其被分類為流動資產,否則分類為非流動資產。

應收賬款及其他應收款以公允價值為初始確認,其後利用實際利率法按攤余成本扣除減值準備計量。

#### 2.17 現金及現金等價物

在合併現金流量表中,現金及現金等價物包括庫存現金、銀行通知存款、原到期為三個月或以內的其他短期高流動性投資。

#### 2.18 股本

普通股被分類為權益。強制性可贖回優先股分類為負債。

直接歸屬於發行新股或期權的新增成本在權益中列為所得款的減少(扣除稅項)。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.18 Share capital (Continued)

Where any group company purchases the Company's equity share capital (shares held in trust), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Where the company's shares are acquired from the market by trust under the employee share scheme, the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as shares held for employee share scheme and deducted from total equity. Upon vesting, the related costs of the vested shares for employee share scheme purchased from the market are credited to shares held for employee share scheme, with a corresponding decrease in employee share-based compensation reserve for employee share scheme.

#### 2.19 Current and deferred income tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

### 2. 重要會計政策摘要(續)

#### 2.18 股本(續)

如任何集團公司購入本公司的權益股本(信託持有股份)，所支付的對價，包括任何直接所佔的新增成本(扣除所得稅)，自歸屬於本公司所有者的權益中扣除，直至股份被註銷或重新發行為止。如股份其後被重新發行，任何已收取的對價(扣除任何直接所佔的新增交易費用及相關受影響的所得稅)包括在歸屬於本公司所有者的權益內。

在員工股份計劃下，通過信託機構從公開市場獲取的公司股票，從公開市場上獲取的股票的對價(包含任何直接的可分配的增量成本)列為僱員股份計劃所持股份並從總的權益中扣除。一旦行權，為僱員股份計劃從公開市場上購買的已行權股票的相關成本計入僱員股份計劃所持的股份，同時在僱員股份計劃下的員工股份支付的儲備相應的減少。

#### 2.19 當期及遞延所得稅

本年度稅項支出包括當期及遞延稅項。稅項在損益中確認，惟其與其他綜合收益或直接於權益內確認的項目有關則除外。於此情況下，稅項亦分別於其他綜合收益或直接於權益內確認。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.19 Current and deferred income tax (Continued)

##### (i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company's subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### (ii) Deferred income tax

###### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated statement of financial position. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, and deferred income tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

### 2. 重要會計政策摘要(續)

#### 2.19 當期及遞延所得稅(續)

##### (i) 當期所得稅

當期所得稅支出按本公司及其子公司經營及產生應課稅收入的國家於資產負債表日已頒佈或實質上已頒佈的稅法計算。管理層就須對適用稅務法規作出詮釋的情況，定期評估報稅的狀況，並在適用時按預期須向稅務機關繳納的款項作出準備。

##### (ii) 遞延所得稅

###### *內在差異*

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在合併財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延所得稅負債來自對商譽的初始確認，以及若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在資產負債表日已頒佈或實質上已頒佈，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.19 Current and deferred income tax (Continued)

##### (ii) Deferred income tax (Continued)

###### *Inside basis differences (Continued)*

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

###### *Outside basis differences*

Deferred income tax is provided on temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

### 2. 重要會計政策摘要(續)

#### 2.19 當期及遞延所得稅(續)

##### (ii) 遞延所得稅(續)

###### *內在差異(續)*

遞延所得稅資產是就很可能有未來應課稅利潤而就此可使用暫時性差異而確認。

###### *外在差異*

遞延稅項就子公司、聯營以及合營安排產生的暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。

就子公司、聯營和合營安排產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.19 Current and deferred income tax (Continued)

##### (iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 2.20 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

### 2. 重要會計政策摘要(續)

#### 2.19 當期及遞延所得稅(續)

##### (iii) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

#### 2.20 借款

一般及特定借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤餘成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內於損益中確認。

設立貸款融資時支付的費用倘部分或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部分或全部融資將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.21 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

#### 2.22 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### 2. 重要會計政策摘要(續)

#### 2.21 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的借款成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借款，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借款成本中扣除。

所有其他借款成本皆在產生期內的損益中確認。

#### 2.22 應付賬款

應付賬款為在日常經營活動中購買商品或服務而應支付的債務。如應付款的支付日期在一年或以內(如仍在正常經營周期中，則可較長時間)，其被分類為流動負債，否則分類為非流動負債。

應付賬款以公允價值為初始確認，其後利用實際利率法按攤餘成本計量。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.23 Provisions

Provisions are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

Asset retirement obligations (including future decommissioning and restoration) which meet the criteria of provisions are recognised as provisions and the amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements, while a corresponding addition to the related oil and gas properties of an amount equivalent to the provision is also created. This is subsequently depleted as part of the costs of the oil and gas properties. Interest expenses from the assets retirement obligations for each period are recognised with the effective interest method during the useful life of the related oil and gas properties.

### 2. 重要會計政策摘要(續)

#### 2.23 準備

當本集團因已發生的事件而產生現有的法律或推定債務；很可能發生金額能夠可靠估計的資源流出以結算債務。

如有多項類似債務，其需要在結算中有資源流出的可能性，則可根據債務的類別整體考慮。即使在同一債務類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認準備。

準備採用稅前利率按照預期需結算有關債務的支出現值計量，該利率反映當時市場對金錢時間值和有關債務固有風險的評估。隨著時間過去而增加的準備確認為利息費用。

符合準備標準的資產棄置義務(包括有關未來停止運作及復原的準備)將確認為準備。確認金額為根據當地條件及要求確定的預計未來支出的現值。同時產生與準備數額相等的有關油氣資產的相應增加部分。該增加部分隨後作為油氣資產成本的一部分進行折舊。於每個期間的資產棄置義務產生的利息費用將按照實際利率法在相關油氣資產的使用壽命內予以確認。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.24 Employee benefits

##### (a) Defined contribution plan

The Group has various defined contribution plans for state pensions, housing fund and other social obligations in accordance with the local conditions in the PRC and practices in the municipalities and province in which they operate. A defined contribution plan is a pension and/or other social benefits plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

##### (b) Other post-employment obligations

Some group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

### 2. 重要會計政策摘要(續)

#### 2.24 僱員福利

##### (a) 定額供款計劃

本集團根據中國在省、市的地方條件及慣例實行若干的定額供款計劃，包括國家養老金、住房公積金及其他社會義務。定額供款計劃是本集團為其僱員向一個獨立實體(一項基金)支付固定金額的養老金及/或其他社會福利計劃，如該基金不能擁有足夠資產以支付與當期及過往期間僱員服務相關的所有僱員福利，本集團不再負有進一步支付供款的法定義務或推定義務。供款支付時確認為僱員福利支出。

##### (b) 其他退休後義務

若干集團公司向退休職工提供退休後醫療福利。享有此等福利一般視乎職工在達到退休年齡前仍然維持服務，以及已完成最低服務期。此等福利的預期成本利用與設定受益退休計劃類似的會計方法，按僱用期累計。根據經驗調整產生的精算利得和損失以及精算假設的變動，在產生期間內於其他綜合收益的權益中扣除或貸記。此等債務每年由獨立合資格精算師估值。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.24 Employee benefits (Continued)

##### (c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

##### (d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

### 2. 重要會計政策摘要(續)

#### 2.24 僱員福利(續)

##### (c) 辭退福利

辭退福利在本集團於正常退休日期前終止僱用職工，或當職工接受自願遣散以換取此等福利時支付。本集團在以下較早日期發生時確認辭退福利：(a)當本集團不再能夠撤回此等福利要約時；及(b)當主體確認的重組成本屬於國際會計準則第37號的範圍並涉及支付辭退福利時。在鼓勵職工自動遣散的要約情況下，辭退福利按預期接受要約的職工數目計算。在報告期末後超過12個月支付的福利應貼現為現值。

##### (d) 職工假期權益

職工的年假權益在假期累計至職工時確認。因職工提供服務而產生的年假估計負債，就截至結算日止作出準備。

職工的病假權益和產假在休假前不作確認。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.25 Share-based payments

##### (a) Equity-settled share-based payment transactions

###### (i) Employee stock option

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specific period of time).

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

### 2. 重要會計政策摘要(續)

#### 2.25 以股份為基礎的支付

##### (a) 以權益結算的股份酬金

###### (i) 員工股票期權

本集團設有多項以權益結算、以股份為基礎的報酬計劃，根據該等計劃，主體收取職工的服務以作為本集團權益工具(期權)的對價。職工為換取獲授期權而提供服務的公允價值確認為費用。將作為費用的總金額參考授予期權的公允價值釐定：

- 包括任何市場業績條件(例如主體的股價)；
- 不包括任何服務和非市場業績可行權條件(例如盈利能力、銷售增長目標和職工在某特定時期內留任實體)的影響；及
- 包括任何非可行權條件(例如規定職工儲蓄或在一段指定期間內持有股份)的影響。

此外，在某些情況下，職工可能在授出日期之前提供服務，因此授出日期的公允價值就確認服務開始期與授出日期之間內的支出作出估計。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.25 Share-based payments (Continued)

##### (a) Equity-settled share-based payment transactions (Continued)

###### (i) *Employee stock option (Continued)*

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the options are exercised, the shares under exercise are transferred from trust under employee share scheme to employees. The proceeds received net of any directly attributable transaction costs are credited to share premium.

###### (ii) *Share award scheme*

The fair value of shares granted to employees for nil consideration under stock incentive compensation plan is recognised as an expense over the relevant service period, being the year to which the bonus relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share-based payment reserve.

### 2. 重要會計政策摘要(續)

#### 2.25 以股份為基礎的支付(續)

##### (a) 以權益結算的股份酬金(續)

###### (i) *員工股票期權(續)*

在每個報告期末，本集團依據非市場表現和服務條件修訂其對預期可行權的期權數目的估計。於損益中確認對原估算修訂(如有)的影響，並對權益作出相應調整。

在期權行使時，根據員工的股權計劃，已行權股份通過信託機構轉給員工。本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本溢價。

###### (ii) *股份獎勵計劃*

在股份獎勵酬金計劃下，以零對價授予員工的股票公允價值在相關的服務期內被確認為費用，費用確認在與獎金相關的年度和股份行權的期間。在股份授予日，股份以公允價值計量，其在權益中確認以股份為基礎的支付的儲備中。預期行權的股份的數量根據非公開市場的行權條件進行估計。在每個報告期的期末對估計進行修正，調整被確認為當期損益和以股份為基礎的支付。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.25 Share-based payments (Continued)

##### (b) Cash-settled share-based compensation

Compensation under the stock appreciation rights is measured based on the fair value of the liability incurred and is expensed over the vesting period. The liability is remeasured at each reporting period to its fair value until settlement with all the changes in liability related to the vested portion recorded as employee benefit expense in profit or loss, the related liability is included in the salaries and welfare payable.

##### (c) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent entity accounts.

##### (d) Social security contributions on share options gains

The social security contributions payable in connection with the grant of the share options is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

### 2. 重要會計政策摘要(續)

#### 2.25 以股份為基礎的支付(續)

##### (b) 以現金結算的股份酬金

股份增值權的酬金以歸屬期所產生負債的公允價值及其支出計量。負債在清償之前，於各報告期重新計量至公允價值，而其變動則記錄於損益表內員工薪酬成本項下，有關負債計入應付薪金及福利。

##### (c) 集團內以股份為基礎的支付交易

本公司向集團子公司的職工授予其權益工具的期權，被視為資本投入。收取職工服務的公允價值，參考授出日的公允價值計量，並在等待期內確認，作為對子公司投資的增加，並相應對母公司賬目的權益貸記。

##### (d) 股份期權的社會保障投入

就授予股份期權而應支付的社會保障被視為是授予本身的整體組成部分，而開支將被視為以現金結算的交易。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.26 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

Revenue from sales of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods, and retains neither continuing managerial involvement nor effective control over the goods sold, and it is probable that the economic benefits associated with the transaction will flow to the Group and related revenue and cost can be measured reliably.

With respect to the Group's operation under PSC, revenues are recognised upon delivery of crude oil that are allocated to the Group under the relevant PSCs (Note 9) and other conditions discussed above are met.

#### 2.27 Interest income

Interest income is recognised using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognised using the original effective interest rate.

### 2. 重要會計政策摘要(續)

#### 2.26 收入確認

收入按已收或應收對價的公允價值計量，並相當於供應貨品的應收賬款，扣除折扣、退貨和增值稅後列賬。當收入的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收入確認。

當本集團於其一般業務活動中將商品所有權的重大風險及回報轉讓予買方，對已售出商品不再繼續管理或保留控制權，且有關交易已產生或將產生的收入、成本及虧損的金額能可靠計量，而本集團可能獲得經濟利益時，方會確認收入。

在中國，交付產品分成合同(附註9)下分配予本集團的原油及滿足上述條件下的銷售時，會確認收入。

#### 2.27 利息收入

利息收入採用實際利率法按時間比例基準確認。倘貸款和應收款出現減值，本集團會將賬面值減至可收回款額，即估計的未來現金流量按該工具的原實際利率貼現值，並繼續將貼現計算並確認為利息收入。已減值貸款的利息收入利用原實際利率確認。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.28 Dividend income

Dividend income is recognised when the right to receive payment is established.

#### 2.29 Repairs and maintenance

Repairs and maintenance are recognised as expenses in the year in which they are incurred.

#### 2.30 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

The Group leases certain property, plant and equipment. Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long term payables. The interest element of the finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

### 2. 重要會計政策摘要(續)

#### 2.28 股利收益

股利收益在收取款項的權利確定時確認。

#### 2.29 維修及維護

維修及維護於發生年度作為支出確認。

#### 2.30 租賃

如租賃所有權的重大部分風險和報酬由出租人保留，分類為經營租賃。根據經營租賃支付的款項(扣除自出租人收取的任何激勵措施後)於租賃期內以直線法在合併綜合收益支銷。

本集團出租若干不動產、工廠及設備。本集團持有實質上所有所有權的風險和報酬的不動產、工廠及設備的租賃，分類為融資租賃。融資租賃於租賃開始時按租賃物業的公允價值與最低租賃付款現值兩者的較低者資本化。

每項租賃付款在負債和融資費用之間分攤。相應的租金債務在扣除融資費用後，包括在其他長期應付款中。融資成本的利息部分按租賃期在損益中扣除，以對每個期間餘下負債結餘產生常數定期比率。根據融資租賃購買的不動產、工廠及設備按資產的可使用年期與租期兩者的較短者折舊。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### 2.31 Dividend distributions

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

### 2.32 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of the Company (Note 5).

## 3. FINANCIAL RISK MANAGEMENT

### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures, but hedge accounting had not been applied.

## 2. 重要會計政策摘要(續)

### 2.31 股利分配

向本公司股東分配的股利在股利獲本公司股東批准的期間內於本集團及本公司的財務報表內列為負債。

### 2.32 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者為本公司董事會，負責分配資源和評估經營分部的表現(附註5)。

## 3. 財務風險管理

### 3.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險(包括匯率風險、公允價值利率風險及價格風險)、信用風險及流動性風險。本集團的整體風險管理計劃專注於財務市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。本集團利用衍生金融工具套期若干承受的風險。套期會計並沒有得到應用。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

Risk management is carried out by the Company headquarter financial department (“Group Finance Team”) on a regular basis under policies approved by the Board of Directors. Group Finance Team identifies, evaluates and hedges financial risks in close co-operation with the Group’s operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

##### (a) Market risk

###### (i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar (US\$), Canadian Dollar (“C\$”) and Hong Kong Dollar (HK\$). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

RMB is not a freely convertible currency and is regulated by the PRC government. Limitation in foreign exchange transactions imposed by the PRC government could cause future exchange rates to vary significantly from current or historical exchange rates. Management is not in a position to anticipate changes in the PRC foreign exchange regulations and as such is unable to reasonably anticipate the impacts on the Group’s results of operations or financial position arising from future changes in exchange rates.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

風險管理由本公司總部財務部(以下簡稱「集團財務團隊」)按照董事會批准的政策定期執行。集團財務團隊透過與本集團經營單位的緊密合作，負責確定、評估和套期財務風險。董事會為整體風險管理訂定書面原則，亦為若干特定範疇提供書面政策，例如外匯風險、利率風險、信用風險、使用衍生和非衍生金融工具，以及投資剩餘的流動資金。

##### (a) 市場風險

###### (i) 外匯風險

本集團在全球經營，故此承受多種因不同貨幣而產生的外匯風險，主要涉及美元(「美元」)和加拿大元(「加幣」)以及港元(「港幣」)。外匯風險來自未來商業交易、已確認資產和負債以及境外經營淨投資。

人民幣並非為自由轉換貨幣，須受中國政府監管。中國政府對外匯交易所設定的限制可能導致遠期匯率與當期匯率或歷史匯率相比產生重大波動。管理層無法預測中國外匯監管變化，故無法合理估計遠期匯率變動對本集團經營業績或財務狀況的影響。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (i) Foreign exchange risk (Continued)

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At December 31, 2017, if US\$ had weakened/strengthened by 1% against the HK\$ with all other variables held constant, the Group's pre-tax loss for the year ended December 31, 2017 would have been RMB4.0 million higher/lower respectively, mainly as a result of foreign exchange gains/losses on translation of HK\$-denominated borrowings.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for the years presented.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (i) 外匯風險(續)

本集團持有若干境外經營投資，其淨資產承受外幣折算風險。來自本集團境外經營淨資產所產生的匯率風險，主要透過以相關外幣計值的借款來管理。

於二零一七年十二月三十一日，倘美元兌港幣貶值／升值1%，而所有其他因素維持不變，則本集團於此等年度的除所得稅前利潤將增加／減少人民幣4.0百萬元，主要由於折算以港幣計值的借款產生外匯收益／虧損所致。

上述變化代表了管理層對截至下一個資產負債表日年度外匯合理變化可能性的評估。該分析的基礎與以前報告年度一致。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (ii) Fair value interest rate risk

The Group's interest rate risk arises from borrowings, including bank loans and senior notes payable. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During 2017, the borrowings were at fixed rate, denominated in US\$ and HK\$, the borrowings were at floated rate, denominated in C\$.

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The Group has no material interest bearing cash assets. The Group's income and operating cash flows are substantially independent of the changes in market rates. The Group's interest rates risk arises from borrowings. A detailed analysis of the Group's borrowings, together with their respective effective interest rates and maturity dates, are included in Note 26.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (ii) 公允價值利率風險

本集團的利率風險來自借款，包括銀行借款和應付優先票據。以浮動利率獲得的借款令本集團承受現金流利率風險，該風險部分由持有的浮動利率現金存款所抵銷。以固定利率獲得的借款令本集團承受公允價值利率風險。於二零一七年內，固定利率的借款以美元、加幣以及港幣為單位，浮動利率的借款以加幣為單位。

本集團以動態基礎分析其利率風險。本集團利用多個模擬方案，以計入再融資、現有持倉的續訂、其他可採用的融資和套期。根據此等方案，本集團計算界定利率轉移對利潤和虧損的影響。就每個模擬方案，所有貨幣均採用同一利率轉移。此等模擬方案只運用於主要計息持倉的負債上。

本集團並無重大計息資產。本集團的收入及經營現金流量大致上獨立於市場利率的變動。本集團的利率風險來自於借款。有關本集團借款的詳細分析連同其各自實際利率及到期日，列載於附註26。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

##### (iii) Oil and natural gas price risk

The Group is engaged in crude oil and natural gas development, production and selling activities. Prices of crude oil and natural gas are affected by both domestic and global factors which are beyond the control of the Group. The fluctuations in such prices may have favourable or unfavourable impacts to the Group. Therefore the Group was exposed to general price fluctuations of crude oil and natural gas.

##### (b) Credit risk

As the majority of the cash at bank balance is placed with PRC state-owned banks and major financial institutions, the directors of the Company are of their opinion that the corresponding credit risk is relatively low. Therefore, credit risk arises primarily from trade and other receivables and risk management contracts. The Group has controls in place to assess the credit quality of its customers and closely monitor significant counterparties and dealing with a broad section of partner's that diversify risk within the sector. The carrying amounts of cash and cash equivalents, pledged deposits, amounts due from related parties and trade and other receivables and risk management contracts included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk. At December 31, 2017 and 2016, the Group has no significant concentration of credit risk for its cash and cash equivalents.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (a) 市場風險(續)

##### (iii) 石油和天然氣價格風險

本集團從事原油和天然氣開發、生產及銷售。原油和天然氣價格受本集團無法控制的諸多國內國際因素影響。上述價格波動可能對本集團構成有利或不利影響。因此，本集團面臨原油和天然氣總體價格波動風險。

##### (b) 信用風險

因大部分銀行現金結餘存放於中國有銀行及主要金融機構，故本公司董事認為信貸風險相對較低。因此應收及其他應收賬款和風險管理合約成為信貸風險的主要來源。本集團對客戶信用質量的評價進行控制並密切監察重要的交易對方及與多個合作者進行合作以分散業內風險。計入合併財務狀況表的現金及現金等價物、受限制現金、應收關聯方款項及應收及其他應收賬款以及風險管理合約的賬面價值反映了本集團所面臨的最大信貸風險。於二零一七年及二零一六年十二月三十一日，就其現金及現金等價物而言，本集團並無重大信貸集中風險。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

During the year ended December 31, 2017, the Group has one customer in China and customers and joint operation partners concentrated within western Canada which in aggregate accounts for 79.1% (2016: 97.3%) of the Group's revenue and as such, has concentration of credit risk for its trade and other receivables. However, the Group regards it as low risk as the customer in China is PetroChina Company Limited ("PetroChina"), a PRC state-owned enterprise with high credit rating in China, and the customers in Canada are mainly from major marketing companies who have credit ratings which are deemed acceptable.

##### (c) Liquidity risk

The Group's liquidity risk management involves maintaining sufficient cash and cash equivalents and availability of funding through an adequate amount of committed credit facilities.

Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, the availability of funding from an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Group aims to maintain flexibility in funding by maintaining availability under committed credit facilities.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 信用風險(續)

截至二零一七年十二月三十一日止年度，本集團的收益主要來自中國的單一客戶和集中於加拿大西部的客戶和共同經營合作者，總計收益約佔本集團收益的79.1%（二零一六年：97.3%），因此本集團的應收及其他應收賬款存在信貸集中風險。然而，由於本集團在中國的單一客戶為具有高信貸評級的國有企業中國石油天然氣股份有限公司（以下簡稱「中石油」），而加拿大的客戶主要來源於信用評級較好的主要貿易公司，因此本集團認為信貸集中風險較低。

##### (c) 流動性風險

本集團的流動性風險管理包括維持足夠的現金及現金等價物以及依靠充裕的已承諾信貸融資額維持的可用資金額度。

審慎的流動性風險管理是指維持充足的現金及現金等價物，通過足夠的已承諾信貸融資額度維持可用資金，以及結算市場持倉的能力。由於相關業務的變動性質，本集團旨在通過已承諾信貸額度維持資金的靈活性。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

Group Finance Team monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs through: (i) maintaining flexibility by placing reliance primarily on external borrowings; (ii) periodically evaluating banking facilities position and maintaining sufficient headroom on its undrawn committed borrowing facilities; (iii) compliance with borrowing limits or covenants on any of its borrowing facilities — for example: fixed charge coverage ratio, limitation on restricted payments, limitation on liens and asset sales, etc. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

The table below analyses the Group's and the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the end of the reporting period to their contractual maturity dates. The amounts disclosed in the table are the contractual undiscounted cash flows of principal amount and interests.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (c) 流動性風險

集團財務團隊監控對本集團流動性需求的滾動預測，並通過如下渠道確保有足夠資金滿足經營需要：(i) 主要依賴於銀行借款以維持流動彈性；(ii) 定期評估銀行授信額度狀況並維持充足的未提取承諾借款額度；(iii) 遵循借款限額或條款(例如對抵押資產的恰當管理，滿足特定債務比率以及其他信用等級要求等)。此等預測考慮了本集團債務融資計劃、條款遵從以及符合內部資產負債表比率目標。

下表顯示本集團及本公司的非衍生金融負債按照相關的到期組別，根據報告期末起至合同到期日的剩餘期間的分析。表中披露的金額為合同列示本金和利息的未折現現金流量。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

### 3. 財務風險管理(續)

#### 3.1 Financial risk factors (Continued)

#### 3.1 財務風險因素(續)

##### (c) Liquidity risk (Continued)

##### (c) 流動性風險(續)

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一至兩年 RMB'000 人民幣千元	Between 2 and 5 years 二至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元
<b>At December 31, 2017</b>	於二零一七年 十二月三十一日				
Borrowings	借款	1,531,078	3,112,223	1,572,189	-
Interest payables on borrowings	借款利息	443,575	218,839	51,850	-
Trade and notes payable	應付賬款及應付票據	392,984	26,529	-	-
Provisions, accruals and other liabilities	準備、預提及其他 負債	660,702	-	-	2,567,526
<b>At December 31, 2016</b>	於二零一六年 十二月三十一日				
Borrowings	借款	104,000	1,387,400	3,302,012	-
Interest payables on borrowings	借款利息	344,349	257,320	78,875	-
Trade and notes payable	應付賬款及應付票據	74,196	14,161	-	-
Provisions, accruals and other liabilities	準備、預提及其他 負債	202,640	-	-	15,757

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of Debt over EBITDA. Debt is calculated as total borrowings including 'current and non-current borrowings' as shown in the consolidated statement of financial position. EBITDA is determined as continuing operation income before finance income, finance cost, income tax and depreciation, depletion and amortisation.

The Debt over EBITDA ratios at December 31, 2017 and 2016 were as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Total borrowings (Note 26)	借款總額(附註26)	6,049,468	4,690,555
Loss before income tax from continuing operation	源於持續經營的 除所得稅前虧損	(1,012,296)	(457,981)
Finance income (Note 29)	財務收入(附註29)	(49,248)	(17,490)
Finance cost (Note 29)	財務費用(附註29)	187,997	403,951
Depreciation, depletion and amortisation	折舊、折耗及攤銷	489,863	363,860
EBITDA	EBITDA	(383,684)	292,340
Debt over EBITDA ratio	債務總額與EBITDA的比率	(15.8)	16.0

The Debt over EBITDA ratio decreased from positive 16 to negative 15.8 was mainly due to the increase in the loss by Group for the year ended December 31, 2017 as compared to December 31, 2016.

### 3. 財務風險管理(續)

#### 3.2 資本管理

本集團的資本管理政策，是保障本集團能持續經營，以為股東提供回報和為其他利益關係者提供利益，同時維持最佳的資本結構以減低資本成本。

本集團以債務對息稅前營運盈利(以下簡稱「EBITDA」)比率為基準監控其資本。債務等於借款總額(包括合併財務狀況表所列示的「流動及非流動借款」)。EBITDA等於除財務收入、財務費用、所得稅、折舊、折耗及攤銷前的持續經營利潤。

於二零一七年及二零一六年十二月三十一日的債務總額與EBITDA的比率列載如下：

債務總額與EBITDA的比率由二零一六年十二月三十一日的16.0減少至二零一七年十二月三十一日的負15.8，主要由於截至二零一七年十二月三十一日止年度本集團虧損相比二零一六年的增大導致。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation

##### Financial assets and liabilities

##### (i) Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2017 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

### 3. 財務風險管理(續)

#### 3.3 公允價值估計

##### 金融資產和金融負債

##### (i) 公允價值層級

下表根據在評估公允價值的估值技術中所運用到的輸入的層級，分析本集團於二零一七年十二月三十一日按公允價值入賬的金融工具。這些輸入按照公允價值層級歸類為如下三層：

- 相同資產或負債在活躍市場1的報價(未經調整)(第一層)。
- 除了第一層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第二層)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第三層)。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### Financial assets and liabilities (Continued)

##### (i) Fair value hierarchy (Continued)

The following table presents the Group's financial assets that are measured at fair value at December 31, 2017.

		Level 1 第一層 RMB'000 人民幣千元	Level 2 第二層 RMB'000 人民幣千元	Level 3 第三層 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Assets	資產				
As at December 31, 2017	於二零一七年 十二月三十一日				
Available-for-sale financial assets:	可供出售金融資產：				
— Equity investments (Note 12)	— 權益投資(附註12)	111,507	-	61,768	173,275
— Debt investments (Note 12)	— 債務投資(附註12)	-	-	5,085	5,085
Derivative financial instruments	衍生金融工具				
— MAST index Linked investment (Note 13)	— 與美林指數相關的投資(附註13)	-	293,798	-	293,798
— Commodity swaps contracts (Note 13)	— 商品互換合同(附註13)	-	74,617	-	74,617
		111,507	368,415	66,853	546,775
Liabilities	負債				
As at December 31, 2017	於二零一七年 十二月三十一日				
Financial liabilities at fair value through profit or loss (Note 14)	以公允價值計量且其變動計入當期損益的金融負債(附註14)	-	-	1,067,626	1,067,626
Derivative financial instruments	衍生金融工具				
— Commodity swaps contracts (Note 13)	— 商品互換合同(附註13)	-	14,774	-	14,774
		-	14,774	1,067,626	1,082,400

### 3. 財務風險管理(續)

#### 3.3 公允價值估計(續)

##### 金融資產和金融負債(續)

##### (i) 公允價值層級(續)

下表呈列本集團於二零一七年十二月三十一日以公允價值計量的金融資產。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

### 3. 財務風險管理(續)

#### 3.3 Fair value estimation (Continued)

#### 3.3 公允價值估計(續)

##### Financial assets and liabilities (Continued)

##### 金融資產和金融負債(續)

##### (i) Fair value hierarchy (Continued)

##### (i) 公允價值層級(續)

The following table presents the Group's financial assets that are measured at fair value at December 31, 2016.

下表呈列本集團於二零一六年十二月三十一日以公允價值計量的金融資產。

		Level 1 第一層 RMB'000 人民幣千元	Level 2 第二層 RMB'000 人民幣千元	Level 3 第三層 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Assets</b>					
As at December 31, 2016	資產 於二零一六年 十二月三十一日				
Available-for-sale financial assets:	可供出售金融資產：				
— Equity investments	— 權益投資	15,685	—	42,246	57,931
— Debt investments	— 債務投資	—	—	5,399	5,399
Derivative financial instruments	衍生金融工具				
— MAST index Linked investment	— 與美林指數相關的投資	—	90,325	—	90,325
		15,685	90,325	47,645	153,655
<b>Liabilities</b>					
As at December 31, 2016	負債 於二零一六年 十二月三十一日				
Derivative financial instruments	衍生金融工具				
— Oil options	— 原油期權	—	20,576	—	20,576
		—	20,576	—	20,576

There were no transfers between level 1, level 2 and level 3 during the year.

本年度無第一層級，第二層級以及第三層間的轉換。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### Financial assets and liabilities (Continued)

##### (i) Fair value hierarchy (Continued)

##### (a) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price as at December 31, 2017. These instruments are included in level 1, and represent equity investments listed on NYSE, which are classified as available-for-sale.

##### (b) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### 3. 財務風險管理(續)

#### 3.3 公允價值估計(續)

##### 金融資產和金融負債(續)

##### (i) 公允價值層級(續)

##### (a) 在第一層內的金融工具

在活躍市場中交易的金融工具的報告期末的公允價值皆源於市場報價。倘市場報價易於定期從交易所、經銷商、經紀人、行業協會、定價服務機構或監管機構獲得，則該價格代表按市場規律實際發生的市場交易，則該市場視為活躍市場。本集團持有的金融資產所使用的市場報價乃二零一七年十二月三十一日的收盤價。這些金融工具為於紐交所上市的權益投資，分類為可供出售，歸屬於第一層級。

##### (b) 在第二層內的金融工具

沒有在活躍市場買賣的金融工具(例如場外衍生工具)的公允價值利用估值技術釐定。估值技術盡量利用可觀察市場數據(如有)，盡量少依賴主體的特定估計。如計算一金融工具的公允價值所需的所有重大輸入為可觀察數據，則該金融工具歸屬於第二層。如一項或多項重大輸入並非根據可觀察市場數據，則該金融工具歸屬於第三層。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation (Continued)

##### Financial assets and liabilities (Continued)

##### (i) Fair value hierarchy (Continued)

##### (c) Financial instruments in level 3

With respect to the level 3 fair value measurement for the Group's financial assets at fair value that are unlisted equity investments and debt investments with no active market exists, the Group's finance department benchmark to the market price of certain comparable listed companies within the same or similar operation/industry and apply certain adjustments/discount for non-marketability. At December 31, 2017, the directors of the Company are of their opinion that there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

##### (ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

### 3. 財務風險管理(續)

#### 3.3 公允價值估計(續)

##### 金融資產和金融負債(續)

##### (i) 公允價值層級(續)

##### (c) 在第三層內的金融工具

對於本集團以公允價值計量的金融資產中以第三層公允價值確認其公允價值的部分，因其為非上市的權益投資和債務投資，無活躍市場存在，本集團財務部門會對標若干相同或相似的行業／運營模式的可比上市公司的市價，並因其無市場可交易性作出特定調整／折讓。於二零一七年十二月三十一日，本公司董事認為，可確認的公允價值存在一個較大區間，在此區間內成本可代表其公允價值的最佳估計。

##### (ii) 用以評估公允價值的估值技術

用以估值金融工具的特定估值技術包括：

- 同類型工具的市場報價或交易商報價
- 其他技術，例如折算現金使用分析，用以釐定其餘金融工具的公允價值

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### 4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

##### (i) Estimation of proved and probable reserves

Proved reserves are those quantities of petroleum that by analysis of geoscience and engineering data can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. Economic conditions include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions. Proved developed producing reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Proved undeveloped reserves are quantities expected to be recovered through future investments: from new wells on undrilled acreage in known accumulations, from extending existing wells to a different (but known) reservoir, or from infill wells that will increase recovery. Probable reserves are additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely to be recovered.

### 4. 關鍵會計估計及判斷

估計和判斷乃按持續基準進行評估，並基於過往經驗及其他因素，包括在若干情況下對未來事項作出相信是合理的預期。

#### 4.1 關鍵會計估計及假設

本集團對未來作出會計估計和假設。所得出的會計估計如其定義，很少會與其實際結果相同。有重大風險可能會導致對下一個財政年度的資產和負債的賬面價值作出重大調整的估計和假設討論如下。

##### (i) 已探明儲量和概算儲量的估計

已探明儲量為透過分析地球科學及工程數據，於明確的經濟條件、操作方法及政府法規下，從特定未來日期起自己知油藏以合理確信估計可商業開採回收的石油數量。經濟條件包括考慮僅由合同安排規定的現有價格變動，惟日後條件引致的增長除外。探明已開發儲量為預期從處於開放及產油狀態的完井層段中開採的儲量。探明未開發儲量為通過未來投資預期採出的油氣數量，包括開採已知油藏的未鑽的新井，延伸現有井至不同(但為已知)的油藏，或通過加密井提高採收率。概算儲量為相比探明儲量存在較大開採不確定性的額外儲量，但其與探明儲量一樣均存在獲取的可能性。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.1 Critical accounting estimates and assumptions (Continued)

##### (i) Estimation of proved and probable reserves (Continued)

The Group's reserve estimates were prepared for each oilfield and include only reserves that the Group believes can be reasonably produced within current economic and operating conditions.

Proved and probable reserves cannot be measured exactly. Reserve estimates are based on many factors related to reservoir performance that require evaluation by the engineers interpreting the available data, as well as price and other economic factors. The reliability of these estimates at any point in time depends on both the quality and quantity of the technical and economic data, and the production performance of the reservoirs as well as engineering judgement. Consequently, reserve estimates are subject to revision as additional data become available during the producing life of a reservoir. When a commercial reservoir is discovered, proved reserves are initially determined based on limited data from the first well or wells. Subsequent data may better define the extent of the reservoir and additional production performance. Well tests and engineering studies will likely improve the reliability of the reserve estimate. The evolution of technology may also result in the application of improved recovery techniques such as supplemental or enhanced recovery projects, or both, which have the potential to increase reserves beyond those envisioned during the early years of a reservoir's producing life.

### 4. 關鍵會計估計及判斷(續)

#### 4.1 關鍵會計估計及假設(續)

##### (i) 已探明儲量和概算儲量的估計(續)

本集團的儲量估計乃就各油田而編製，僅包括本集團認為可於現時經濟及操作條件下合理生產的原油。

已探明儲量和概算儲量無法予以精確計量。儲量估計乃基於有關油藏動態的眾多因素(需要工程師詮釋所獲得數據的評估)以及價格等其他經濟因素。在任何方面該等估計的可靠性視乎技術及經濟數據的質量及數量、油藏的產量動態及工程判斷而定。因此，於油藏的生產周期內，如有額外數據時，儲量估計可予以修訂。於發現商業油藏時，已探明儲量首先乃根據首個或首批油井的有限數據而釐定。其後數據或可更好地確定油藏的範圍及額外產量動態，而油井試驗及工程研究將可能提升儲量估計的可靠性。技術的發展亦可導致應用經改善的採油技術，例如補充或經提升採油項目，或兩者，該等項目有潛力使儲量增至超逾於油藏生產周期初期數年內所預想者。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.1 Critical accounting estimates and assumptions (Continued)

##### (i) Estimation of proved and probable reserves (Continued)

In general, changes in the technical maturity of reserves resulting from new information becoming available from development and production activities and change in oil and gas price have tended to be the most significant cause of annual revisions.

##### (ii) Depletion, depreciation and amortisation of property, plant and equipment and intangible assets

In addition to the depletion, depreciation and amortisation of oil and gas properties, mining extraction and mining rights using the unit of production method (Notes 2.6 and 2.7) based on the estimated reserves as disclosed in Note 4.1(i), management of the Group determines the estimated useful lives and related depreciation and amortisation charges for other property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions, or based on value-in-use calculations or market valuations according to the estimated periods that the Group intends to derive future economic benefits from the use of intangible assets.

Management will adjust the estimated useful lives where useful lives vary with previously estimated useful lives. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require material adjustments to the carrying amount of property, plant and equipment and intangible assets.

### 4. 關鍵會計估計及判斷(續)

#### 4.1 關鍵會計估計及假設(續)

##### (i) 已探明儲量和概算儲量的估計(續)

一般而言，自開發及生產活動取得新數據而導致石油儲量技術成熟度變動以及油氣價格變動已趨向成為年度修訂的最重要因素。

##### (ii) 不動產、工廠及設備以及無形資產的折舊、折耗及攤銷

關於油氣資產和基於估計儲量採用單位產量法(附註2.6和2.7)核算的礦產開採權及採礦權的折舊、耗損及攤銷已在附註4.1(i)中披露。除此之外，本集團管理層還需對其他不動產、工廠及設備和無形資產的預計使用年限及相關折舊和攤銷進行估計。此類估計依賴於類似性質和功能的不動產、工廠及設備的實際使用年限的歷史經驗，或者基於使用價值法或本集團預計使用該無形資產在未來期間產生經濟價值的市場價值法。

管理層通過比較已估計使用年限與目前可使用年限對不動產、工廠及設備和無形資產預計可使用年限進行調整。基於對現有情況的了解，可以合理的認為不動產、工廠及設備和無形資產的賬面價值於未來財政年度中不同的假設條件下可能出現重大調整。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.1 Critical accounting estimates and assumptions (Continued)

##### (iii) Estimation of impairment of property, plant and equipment and intangible assets

Property, plant and equipment, including oil and gas properties, and intangible assets are reviewed for possible impairments when events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involve management estimates and judgements such as forecast crude oil prices, forecast production volumes, forecast operating costs and capital expenditures and discount rates. However, the impairment reviews and calculations are based on assumptions that are consistent with the Group's business plans. Favourable changes to some assumptions may allow the Group to avoid the need to impair any assets in these years, whereas unfavourable changes may cause the assets to become impaired.

### 4. 關鍵會計估計及判斷(續)

#### 4.1 關鍵會計估計及假設(續)

##### (iii) 不動產、工廠、設備及無形資產減值估計

在有相關事件或情況變化表明賬面價值無法收回的情況下，為應對可能存在的減值會對包括石油和天然氣資產在內的不動產、工廠及設備和無形資產進行評估。確定一項資產是否以及減值多少涉及管理預測和判斷，如預測原油價格，預測產量，預測經營成本和資本支出以及貼現率。但是，減值評估和計算基於與本集團業務計劃一致的假設。對某些假設的有利變化可能會使本集團避免在近些年避免對任何資產進行減值，而不利的變化可能導致資產發生減值。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.1 Critical accounting estimates and assumptions (Continued)

##### (iv) Provision for remediation and restoration

Provision for remediation and restoration included environmental remediation costs, assets retirements obligation and similar obligation in relation to the Group's operations. Provision is made when the related environmental disturbance and present obligations occur, based on the net present value of estimated future costs. The ultimate cost of environmental disturbances, asset retirement and similar obligation are uncertain and management uses its judgment and experience to provide for these costs over the life of operations. Cost estimates can vary in response to many factors including changes to the relevant legal requirements, the Group's related policies, the emergence of new restoration techniques and the effects of inflation. Cost estimates are updated throughout the life of the operation. The expected timing of expenditure included in cost estimates can also change, for example in response to changes in reserves, or production volumes or economic conditions. Expenditure may occur before and after closure and can continue for an extended period of time depending on the specific site requirements. Cash flows must be discounted if this has a material effect. The selection of appropriate sources on which to base calculation of the risk free discount rate used for this purpose also requires judgment. As a result of all of the above factors there could be significant adjustments to the provision for close down, restoration and clean-up costs which would affect future financial results.

### 4. 關鍵會計估計及判斷(續)

#### 4.1 關鍵會計估計及假設(續)

##### (iv) 補償及復用準備

補償及修復準備包括環境治理成本、資產棄置義務以及與本集團經營活動有關的其他類似義務。當發生相關環境破壞和現實義務時，依據估計未來成本的淨現值來確定準備金額。環境破壞、資產報廢和其他義務的最終成本是不確定的。管理層將依據經驗和判斷在經營期限內確定準備費用。費用的估計需要考慮和比較眾多因素，包括相關法律需求、集團相關政策、新修復技術的更新以及通貨膨脹等因素。費用估計將在經營期限內進行更新。估計費用的預期支出發生時間也會隨儲量、產量和經濟形勢的變化而發生變化。該項費用的支出會根據特定現實需求發生在期前或期後，並影響其後的一個期間。若上述事項產生重大影響，則現金流需進行折現。為此所選擇的無風險折現率也需進行重新評估和判斷。所以，上述因素的影響可能導致對恢復和清理費用的準備的重大調整，也會影響到未來期間的財務業績。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.1 Critical accounting estimates and assumptions (Continued)

##### (iv) Provision for remediation and restoration

The Group currently operates mainly in PRC and Canada. The outcome of environmental and other similar obligations under proposed or future environmental legislation cannot reasonably be estimated at present, and could be material. Under existing legislation, however, the directors of the Company are in their opinion that there are no probable liabilities that are in addition to amounts which have already been reflected in the financial statements that will have a materially adverse effect on the financial position of the Group.

##### (v) Income taxes

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is still subject to finalisation. The Group recognises liabilities for anticipated tax audit 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 current and deferred income tax assets and liabilities in the period in which such determination is made.

### 4. 關鍵會計估計及判斷(續)

#### 4.1 關鍵會計估計及假設(續)

##### (iv) 補償及復用準備(續)

本集團當下主要於中國和加拿大作業。在當前已有或未來的環境法律框架下，對環境及其他類似義務的影響目前暫時無法合理估計，且該影響可能是重大的。然而，在現有法律框架下，本公司董事認為，除已於本財務報表反映的負債之外，不存在可能的負債對本集團財務狀況產生潛在重大不利影響。

##### (v) 所得稅

本集團於多個管轄區內繳納所得稅。本集團存在一些交易及事件的所得稅處理還需要最終敲定。在計算不同地區的所得稅費用時，本集團會作出重大會計判斷。根據對額外稅項是否到期的估計，本集團就預期稅務審計問題對負債進行了確認。倘這些事項的最終稅務結果與其初始記錄金額出現差異，這些差異將影響確定期間的當期及遞延所得稅資產及負債。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.1 Critical accounting estimates and assumptions (Continued)

##### (vi) Purchase price allocation for business combination

Accounting for business acquisitions requires the Group to allocate the cost of the acquisition to the specific assets acquired and liabilities assumed based on their estimated fair values at the date of acquisition. In connection with the acquisition of the Group, management undertakes a process to identify all assets and liabilities acquired, including any identified intangible assets where appropriate. The judgments made in identifying all acquired assets, determining the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as assets useful lives, may materially impact the Group's financial position and results of operation. In determining the fair values of the identifiable assets acquired and liabilities assumed, a valuation was conducted by an independent valuer and estimated fair values are based on information available near the acquisition date and on expectations and assumptions that have been deemed reasonable by management.

### 4. 關鍵會計估計及判斷(續)

#### 4.1 關鍵會計估計及假設(續)

##### (vi) 業務合併收購對價分攤

按照業務收購的會計處理要求，本集團需將收購成本根據所收購特定資產及所承擔負債於收購日期的估計公允價值進行分配。就本集團的收購而言，管理層實施一項流程以識別所收購的全部資產及負債，包括任何可識別的無形資產(如適用)。在識別所收購的全部資產、確定分配至各類所收購資產及所承擔負債的估計公允價值以及釐定資產可使用年期的過程中作出的判斷可能對本集團的財務狀況及營運業績造成重大影響。為釐定所收購可識別資產及所承擔負債的公允價值，獨立估值師進行有關評估，所評估的公允價值乃基於收購日期前後可用的數據以及管理層認為合理的預期及假設釐定。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors of the Company that are used to make strategic decisions.

The Board of Directors considers the business performance of the Group from a geographic perspective being the PRC and North America. The PRC segment derives its revenue substantially from the sale of oil. Revenue is realized from the sale of the Group's share of crude oil to PetroChina pursuant to respective PSCs (Note 9). The North America segment derives its revenue from the sale of oil and natural gas in Canada, and the sale of shale oil and gas through working interest in the Niobrara asset in the USA and its share of profit from the investment in associate in Canada.

The Board of Directors assesses the performance of the operating segments based on each segment's operating result.

### 5. 分部信息

管理層已根據經本公司董事會審議用於分配資源和評估表現的報告釐定經營分部。

董事會從地域的角度考慮了中國和北美區塊的業績表現。中國區塊主要收入來源於原油銷售。中國分部的收入主要來自於中國各區塊根據產品分成合同(附註9)取得的對中石油的銷售款。北美分部的收入主要來源於加拿大的原油和天然氣的銷售收入，位於美國的Niobrara所擁有的作業權益產生的頁岩油和天然氣銷售收入以及享有的一家加拿大聯營企業投資的利潤份額。

董事會基於每個經營分部的經營業績對其進行業績評價。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 5. SEGMENT INFORMATION (Continued)

The segment information provided to the Board of Directors for the reportable segments for the year ended December 31, 2017 is as follows:

### 5. 分部信息(續)

截至二零一七年十二月三十一日止年度向董事會提供的經營分部信息如下：

		PRC 中國 RMB'000 人民幣千元	North America 北美 RMB'000 人民幣千元	Corporate and others 總部及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Segment revenue</b>	<b>分部收益</b>	<b>657,365</b>	<b>468,617</b>	<b>-</b>	<b>1,125,982</b>
Depreciation, depletion and amortisation	折舊、折耗及攤銷	(349,853)	(139,829)	(181)	(489,863)
Exploration and evaluation expense	勘探及評價資產相關費用	-	(10,737)	-	(10,737)
Taxes other than income taxes (Note 28)	稅項(所得稅除外) (附註 28)	(3,579)	-	(10,635)	(14,214)
Employee benefit expense	員工薪酬成本	(65,721)	(87,886)	(52,903)	(206,510)
Purchases, services and other direct costs	採購、服務及其他直接成本	(98,398)	(202,037)	-	(300,435)
Distribution expense	銷售支出	(17,055)	(38,634)	-	(55,689)
General and administrative expense	管理費用	(20,426)	(69,261)	(81,330)	(171,017)
Impairment charges	資產減值損失	(2,000)	-	(33,524)	(35,524)
Other (losses)/gains, net	其他(損失)/收益, 淨值	(78,290)	53,521	(627,748)	(652,517)
Finance income	財務收入	366	1,284	47,598	49,248
Finance costs	財務費用	(57,618)	(149,771)	19,392	(187,997)
Share of losses of investments in associates	享有聯營企業投資的虧損份額	-	(63,023)	-	(63,023)
<b>Loss before income tax</b>	<b>除所得稅前虧損</b>	<b>(35,209)</b>	<b>(237,756)</b>	<b>(739,331)</b>	<b>(1,012,296)</b>
Income tax (expense)/credit	所得稅(費用)/收益	(105,267)	18,303	(216)	(87,180)
<b>Loss for the year</b>	<b>本年虧損</b>	<b>(140,476)</b>	<b>(219,453)</b>	<b>(739,547)</b>	<b>(1,099,476)</b>

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 5. SEGMENT INFORMATION (Continued)

The segment information provided to the Board of Directors for the reportable segments for the year ended December 31, 2017 is as follows (Continued):

### 5. 分部信息(續)

截至二零一七年十二月三十一日止年度向董事會提供的經營分部信息如下(續)：

		PRC 中國 RMB'000 人民幣千元	North America 北美 RMB'000 人民幣千元	Corporate and others 總部及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Total assets</b>	<b>資產總額</b>	<b>1,991,778</b>	<b>7,375,871</b>	<b>1,940,694</b>	<b>11,308,343</b>
Total assets includes:	資產總額包括：				
Property, plant and equipment	不動產、工廠及設備	1,788,647	5,930,102	1,110	7,719,859
Intangible assets	無形資產	3,047	705,146	-	708,193
Investments in associates	聯營企業投資	-	182,541	-	182,541
Additions to non-current assets	非流動資產增加	(617,851)	6,629,195	(99)	6,011,245
<b>Total liabilities</b>	<b>負債總額</b>	<b>1,160,834</b>	<b>6,354,276</b>	<b>4,061,694</b>	<b>11,576,804</b>

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 5. SEGMENT INFORMATION (Continued)

The segment information provided to the Board of Directors for the reportable segments for the year ended December 31, 2016 is as follows:

### 5. 分部信息(續)

截至二零一六年十二月三十一日止年度向董事會提供的經營分部信息如下：

		PRC 中國 RMB'000 人民幣千元	Kazakhstan 哈薩克斯坦 RMB'000 人民幣千元	North America 北美 RMB'000 人民幣千元	Corporate and others 總部及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>From continuing operations</b>	<b>源於持續經營</b>					
<b>Segment revenue</b>	<b>分部收益</b>	530,908	–	4,066	–	534,974
Depreciation, depletion and amortisation	折舊、折耗及攤銷	(360,141)	–	(3,258)	(461)	(363,860)
Taxes other than income taxes (Note 28)	稅項(所得稅除外)(附註 28)	(2,935)	–	–	(10,479)	(13,414)
Employee benefit expense	員工薪酬成本	(65,683)	–	(2,019)	(65,589)	(133,291)
Purchases, services and other direct costs	採購、服務及其他直接成本	(102,017)	–	(3,556)	–	(105,573)
Distribution expense	銷售支出	(18,172)	–	–	–	(18,172)
General and administrative expense	管理費用	(20,495)	–	(2,687)	(44,484)	(67,666)
Impairment charges	資產減值損失	(150,245)	–	(3,083)	(81,339)	(234,667)
Other (losses)/gains, net	其他(損失)/收益, 淨值	(133,952)	–	(6,188)	437,989	297,849
Finance income	財務收入	700	–	3,277	13,513	17,490
Finance costs	財務費用	(24,724)	–	(43)	(379,184)	(403,951)
Share of profits of investments in associates	享有聯營企業投資的利潤份額	–	–	35,682	–	35,682
Share of losses of investments in joint venture	享有合營企業投資的虧損份額	–	–	–	(3,382)	(3,382)
<b>(Loss)/profit before income tax</b>	<b>除所得稅前(虧損)/收益</b>	(346,756)	–	22,191	(133,416)	(457,981)
<b>Income tax expense</b>	<b>所得稅費用</b>	(29,503)	–	(52)	(117,611)	(147,166)
(Loss)/profit for the year from continuing operations	本年持續經營所得(虧損)/收益	(376,259)	–	22,139	(251,027)	(605,147)
<b>From discontinued operations</b>	<b>源於終止經營</b>					
Loss for the year from discontinued operations	本年終止經營所得虧損	–	(717,086)	–	–	(717,086)
<b>(Loss)/profit for the year</b>	<b>本年(虧損)/利潤</b>	(376,259)	(717,086)	22,139	(251,027)	(1,322,233)

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 5. SEGMENT INFORMATION (Continued)

The segment information provided to the Board of Directors for the reportable segments for the year ended December 31, 2016 is as follows (Continued):

		PRC 中國 RMB'000 人民幣千元	North America 北美 RMB'000 人民幣千元	Corporate and others 總部及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Total assets</b>	<b>資產總額</b>	2,998,635	9,750	2,839,243	5,847,628
Total assets includes:	資產總額包括：				
Property, plant and equipment	不動產、工廠及設備	2,400,696	6,053	1,209	2,407,958
Intangible assets	無形資產	8,849	-	-	8,849
Investments in associates	聯營企業投資	-	246,667	-	246,667
Additions to non-current assets	非流動資產增加	581	1,393	14	1,988
<b>Total liabilities</b>	<b>負債總額</b>	303,611	3,972	4,900,258	5,207,841

All segment information above re-presented segment results after elimination of inter-segment transactions, which primarily include interest income or expense from intra-group accounts and loans.

The revenue reported to the Board of Directors is measured consistently with that in the consolidated statement of comprehensive income. The amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset.

### 5. 分部信息(續)

截至二零一六年十二月三十一日止年度向董事會提供的經營分部信息如下(續)：

上述分部報告信息為各分部之間交易抵銷之後進行列示。分部之間交易主要包括集團內公司賬目往來和借款產生的利息收入或支出。

向董事會報告的收益的計量方法與合併綜合收益表的計量方法一致。向董事會提供有關資產及負債總額的計量方法與合併財務報表的計量方法一致。此等資產及負債根據分部的經營和資產的實際位置分配。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 5. SEGMENT INFORMATION (Continued)

#### Entity-wide information

#### Analysis of revenue by category

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Sales of oil and gas	銷售原油及天然氣	1,077,965	524,331
Provision of services	提供服務	48,017	10,643
		<b>1,125,982</b>	534,974

For the year ended December 31, 2017, total revenue from crude oil sales in the PRC amounting to RMB652.2 million (2016: RMB519.6 million) are derived solely from PetroChina. Crude oil sales revenues from PetroChina accounted for 57.9% (2016: 97.1%) of the Group's total revenue for the year ended December 31, 2017.

### 5. 分部信息(續)

#### 企業層面信息

#### 收入按類別分析

截至二零一七年十二月三十一日止年度，本集團在中國的原油銷售收入金額為人民幣652.2百萬元(二零一六年：人民幣519.6百萬元)，均為銷售給中石油取得的收入。截至二零一七年十二月三十一日止年度從中石油取得的原油收入佔本集團總收入的57.9%(二零一六年：97.1%)。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 6. PROPERTY, PLANT AND EQUIPMENT

### 6. 不動產、工廠及設備

		Exploration and evaluation assets	Oil and gas properties	Buildings and improvements	Vehicles, office, production equipment and turnarounds 汽車、辦公室 設備、生產設備	Construction in progress	Total
		勘探及 評價資產 RMB'000 人民幣千元	油氣資產 RMB'000 人民幣千元	建築物及設施 RMB'000 人民幣千元	及周轉設施 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
<b>Year ended December 31, 2016</b>	<b>截至二零一六年 十二月三十一日止年度</b>						
Opening net book amount	年初賬面淨值	90,558	4,781,034	22,573	44,661	694,750	5,633,576
Exchange differences	匯兌差額	9,993	102,433	702	838	33,625	147,591
Additions	增加	11,527	6,698	159	1,237	60,616	80,237
Disposals	處置	-	-	-	(344)	-	(344)
Reclassification	重分類	-	-	-	-	(134,030)	(134,030)
Disposals of subsidiaries	處置子公司	(215,833)	(1,652,241)	(11,568)	(12,337)	(601,029)	(2,493,008)
Transfers	轉撥	103,755	(72,400)	-	-	(31,355)	-
Depreciation charge	折舊費用	-	(492,251)	(3,307)	(9,265)	-	(504,823)
Impairment charge	減值損失	-	-	-	-	-	-
— Continued operations	— 持續經營	-	(153,288)	-	-	-	(153,288)
— Discontinued operations	— 終止經營	-	(161,510)	-	-	(6,443)	(167,953)
Closing net book amount	年末賬面淨值	-	2,358,475	8,559	24,790	16,134	2,407,958
<b>At December 31, 2016</b>	<b>於二零一六年 十二月三十一日</b>						
Cost	成本	-	8,819,467	10,375	74,582	33,146	8,937,570
Accumulated depreciation and impairment	累計折舊及減值	-	(6,460,992)	(1,816)	(49,792)	(17,012)	(6,529,612)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>-</b>	<b>2,358,475</b>	<b>8,559</b>	<b>24,790</b>	<b>16,134</b>	<b>2,407,958</b>
<b>Year ended December 31, 2017</b>	<b>截至二零一七年 十二月三十一日止年度</b>						
Opening net book amount	年初賬面淨值	-	2,358,475	8,559	24,790	16,134	2,407,958
Exchange differences	匯兌差額	(23,684)	(137,110)	-	(3,096)	-	(163,890)
Additions	增加	8,275	12,047	-	18,822	45,654	84,798
Acquisition through business combination (Note 37)	企業合併導致的增加 (附註37)	897,439	5,190,977	-	113,646	-	6,202,062
Disposals	處置	-	(1,237)	-	-	-	(1,237)
Disposals of subsidiaries	處置子公司	-	(308,784)	-	(3,414)	(3,988)	(316,186)
Transfers	轉撥	-	53,507	-	-	(53,507)	-
Depreciation charge	折舊費用	-	(467,081)	(1,038)	(14,790)	-	(482,909)
Lease expiries	租約到期	(10,737)	-	-	-	-	(10,737)
Closing net book amount	年末賬面淨值	871,293	6,700,794	7,521	135,958	4,293	7,719,859
<b>At December 31, 2017</b>	<b>於二零一七年 十二月三十一日</b>						
Cost	成本	871,293	11,848,183	10,375	188,716	4,293	12,922,860
Accumulated depreciation and impairment	累計折舊及減值	-	(5,147,389)	(2,854)	(52,758)	-	(5,203,001)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>871,293</b>	<b>6,700,794</b>	<b>7,521</b>	<b>135,958</b>	<b>4,293</b>	<b>7,719,859</b>

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 6. PROPERTY, PLANT AND EQUIPMENT (Continued) 6. 不動產、工廠及設備(續)

(a)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Depreciation charge is recognised as:			
Charged to loss for the year	折舊費用確認如下： 計入本年虧損	467,439	487,866
Capitalised into oil in tank	資本化入庫存油	15,470	16,957
		<b>482,909</b>	504,823

(b)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Recognition of charges relating to asset retirement obligations			
— Additions of oil and gas properties (Note 25)	確認的資產棄置義務 — 增加的油氣資產(附註25)	206	1,354
— Acquisition through business combination	— 企業合併導致的增加	1,136,864	-
		<b>1,137,070</b>	1,354

(c)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Assets directly used in and operated under the Group's PSCs with PetroChina in the PRC			
— Cost	本集團與中石油訂立的產品分成合同直接予以使用及操作的資產 — 成本	6,646,007	8,694,370
— Accumulated depreciation and impairment	— 累計折舊及減值	(4,864,902)	(6,302,272)
		<b>1,781,105</b>	2,392,098

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 6. PROPERTY, PLANT AND EQUIPMENT (Continued)

#### (d) Impairment assessment

As at 31 December 2017, the carrying amounts of oil and gas properties of the Group amounted to RMB6,700.8 million. Management has reviewed whether any indicators exist for possible impairment on the carrying amount of oil and gas properties at each of the cash generating units ("CGU") in the PRC and Canada.

When indicators of impairment are identified, management therefore performed impairment assessment at the relevant CGU. The carrying value of the CGU is compared against respective recoverable amount, which is estimated based on value-in-use. Value-in-use is calculated based on pre-tax cash flow projections which is consistent with the financial budgets as approved by the Board of Directors.

In performing the impairment assessment, key assumptions adopted by the management include forecast crude oil or gas prices, forecast production volumes, forecast operating costs and capital expenditures and discount rates. Management determined the forecast crude oil prices based on the approved financial budgets and also bench-marked against a range of price forecasts published by various reputable banks and industry organisations. The forecast production volumes were based on management's production plan and forecast production volume for the remaining concession periods as set out in the reserve reports. Management determined the forecast operating costs and capital expenditures based on its financial budget and business plan. The discount rates used are pre-tax and reflect specific risks relating to the relevant business.

### 6. 不動產、工廠及設備(續)

#### (d) 減值評估

於二零一七年十二月三十一日，本集團油氣資產賬面值為人民幣6,700.8百萬元。管理層已覆核了中國及加拿大各現金產生現金產出單元油氣資產賬面值是否存在減值跡象。

當確定減值跡象時，管理層因此在相關現金產生單元進行減值評估。現金產生單位的賬面值與相應的可收回金額進行比較，可回收金額是根據使用價值進行估計。使用價值是根據與董事會批准的財務預算相一致的稅前現金流量預測計算的。

在進行減值評估時，管理層所採用的關鍵假設包括原油價格和天然氣預測，預測產量，預測操作費用和投資支出以及貼現率。其中，管理層將根據批准的財務預算來預測原油價格，並採用各種知名的銀行和行業組織發布的預測原油價格範圍進行參考。而預測產量是根據儲量報告中呈列出的剩餘合同期的管理生產計劃和預測產量進行預測。管理層根據其財務預算和業務計劃制定預測操作費用和投資支出。所使用的貼現率為稅前貼現率，並且稅前貼現率可反映與行業相關的特定風險。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 7. INTANGIBLE ASSETS

### 7. 無形資產

		Software 軟件 RMB'000 人民幣千元	Mineral extraction rights 礦產開採權 RMB'000 人民幣千元	Mining rights 採礦權 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Year ended December 31, 2016</b>	<b>截至二零一六年 十二月三十一日止年度</b>				
Opening net book amount	年初賬面淨值	16,008	767	342,820	359,595
Additions	增加	251	–	–	251
Disposals of subsidiaries	處置子公司	(1,107)	–	(185,037)	(186,144)
Amortisation charge (Note 30)	攤銷費用(附註30)	(6,364)	(747)	(4,137)	(11,248)
Exchange differences	匯兌差額	61	20	14,015	14,096
Impairment charge	減值損失				
— Continuing operations	— 持續經營	–	(40)	–	(40)
— Discontinued operations	— 終止經營	–	–	(167,661)	(167,661)
<b>Closing net book amount</b>	<b>年末賬面淨值</b>	<b>8,849</b>	<b>–</b>	<b>–</b>	<b>8,849</b>
<b>At December 31, 2016</b>	<b>於二零一六年 十二月三十一日</b>				
Cost	成本	34,459	20,555	–	55,014
Accumulated amortisation and impairment	累計攤銷及減值	(25,610)	(20,555)	–	(46,165)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>8,849</b>	<b>–</b>	<b>–</b>	<b>8,849</b>

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 7. INTANGIBLE ASSETS (Continued)

### 7. 無形資產(續)

		Goodwill 商譽 RMB'000 人民幣千元	Mineral extraction rights 礦產開採權 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Year ended December 31, 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>				
Opening net book amount	年初賬面淨值	-	-	8,849	8,849
Acquisition through business combination (Note 37)	企業合併導致的增加(附註37)	724,262	-	-	724,262
Disposals of subsidiaries	處置子公司	-	-	(335)	(335)
Amortisation charge (Note 30)	攤銷費用(附註30)	-	-	(5,467)	(5,467)
Exchange differences	匯兌差額	(19,116)	-	-	(19,116)
<b>Closing net book amount</b>	<b>年末賬面淨值</b>	<b>705,146</b>	<b>-</b>	<b>3,047</b>	<b>708,193</b>
<b>At December 31, 2017</b>	<b>於二零一七年十二月三十一日</b>				
Cost	成本	705,146	19,362	28,960	753,468
Accumulated amortisation and impairment	累計攤銷及減值	-	(19,362)	(25,913)	(45,275)
<b>Net book amount</b>	<b>賬面淨值</b>	<b>705,146</b>	<b>-</b>	<b>3,047</b>	<b>708,193</b>

### 8. INVESTMENTS IN ASSOCIATES

### 8. 聯營企業投資

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>At January 1,</b>	<b>於一月一日</b>	246,667	-
Additions	增加	33,490	283,677
Share of profits for the year	年內享有的利潤份額	(63,023)	36,115
Impairment (Note (a)(ii))	減值(附註(a)(ii))	(33,524)	(81,339)
Exchange differences	匯兌差額	(3,722)	8,647
Others	其他	2,653	(433)
<b>At December 31,</b>	<b>於十二月三十一日</b>	<b>182,541</b>	<b>246,667</b>

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 8. INVESTMENTS IN ASSOCIATES (Continued)

### 8. 聯營企業投資(續)

#### (a) Details of investments in associates

#### (a) 聯營企業投資詳情：

Name of entity 公司名稱	Place of business/ country of incorporation 經營地點/ 企業註冊地址	Principal activities 主要業務	% of interest held indirectly 間接持有 權益比例	Measurement method 核算方法
Palaeontol B.V. ("PBV")	Netherlands 荷蘭	Exploration and production of oil in Kazakhstan through associate 通過聯營企業形式在哈薩克斯坦 生產及出售石油	40.0%	Equity 權益法
Journey Energy Inc. ("Journey")	Canada 加拿大	Exploration and production of conventional, oil- weighted assets in western Canada 在加拿大西部進行以油為主的 常規資產的勘探和開發	31.9%	Equity 權益法
PetroBroad Copower Limited ("PetroBroad")	PRC/Hong Kong 中國/香港	Exploration of petroleum products in the northern part of the South China Sea pursuant to the PSC with CNOOC 按照其與中海油簽訂的產品分成 合同約定在中國南海的北部 對海上石油項目進行勘探	34.0%	Equity 權益法

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 8. INVESTMENTS IN ASSOCIATES (Continued)

#### (a) Details of investments in associates (continued)

##### (i) Journey

As new shares was issued by Journey, as at December 31, 2017, the Group's equity interest in Journey is 31.9% .

##### (ii) PetroBroad

As of at December 31, 2017, amounting to RMB114.9 million investment in PetroBroad was provided by the Company, for the year ended December 31, 2017, amount of investment in PetroBroad is RMB33.5 million (2016: RMB81.3 million)

As indicated by the accumulated loss incurred in PetroBroad and the current result from its exploration activities, the Company has provided a full impairment provision on the investment in PetroBroad of RMB33.5 million (2016: RMB81.3 million) in 2017.

#### (b) Fair value

PBV and PetroBroad are private companies and there are no quoted market price available for its shares.

As at December 31, 2017, the fair value of the Group's interest in Journey was C\$28.9 million, (equivalent to RMB150.6 million) (2016: C\$45.8 million, equivalent to RMB235.4 million).

### 8. 聯營企業投資(續)

#### (a) 聯營企業投資詳情(續)

##### (i) Journey

由於 Journey 發行新股，於二零一七年十二月三十一日，集團持有 Journey 股份為 31.9%。

##### (ii) PetroBroad

截至二零一七年十二月三十一日，公司已提供金額為人民幣 114.9 百萬元的投資對 PetroBroad，截至二零一七年十二月三十一日止年度，公司提供的投資為人民幣 33.5 百萬元(二零一六年：人民幣 81.3 百萬元)。

根據 PetroBroad 的累計損失及其目前勘探情況，本公司將二零一七年對其投資的人民幣 33.5 百萬元(二零一六年：人民幣 81.3 百萬元)的全部計提減值。

#### (b) 公允價值

PBV 及 PetroBroad 為非上市公司，因此其股份沒有可用的市場價格。

於二零一七年十二月三十一日，本集團持有的 Journey 股份的公允價值為加幣 28.9 百萬元(折合成人民幣 150.6 百萬元)(二零一六年：加幣 45.8 百萬元，折合人民幣 235.4 百萬元)。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 8. INVESTMENTS IN ASSOCIATES (Continued)

#### (c) Accounting policies

Major differences in accounting policies between the Group and Journey are listed as below:

- Journey adopts full cost method for its gas exploration and production activities. Under this method, all costs incurred in exploring for, acquiring and developing oil and gas reserves are capitalised, regardless of whether the results of specific costs are successful, as exploration and evaluation assets and will be transferred to oil & gas properties, and ultimately being depreciated on the unit-of-production basis upon production phase of the project in future.
- The Group adopts successful efforts method, and certain expenditures incurred and capitalised by Journey would not be qualified for capitalisation under successful efforts method; therefore, such expenditures were expensed off to ensure consistency with the Group's policies.

#### (d) Contingent liabilities

As December 31, 2017 and 2016, there are no contingent liabilities relating to the Group's interest in its associates.

### 8. 聯營企業投資(續)

#### (c) 會計政策

本集團與Journey的主要會計政策差異：

- Journey對其天然氣開採及生產活動採用完全成本法核算。於該方法下，勘探、獲取和開發石油及天然氣儲量發生的所有成本，不論其結果是否成功，均於發生時資本化計入勘探和開發資產，並轉入油氣資產後最終於未來項目生產階段按單位產量法進行折舊。
- 本集團採用成果法核算，在該方法下，Journey原已發生並資本化的特定支出不符合資本化條件，為與本集團政策保持一致性，該等支出將會費用化。

#### (d) 或有負債

於二零一七年和二零一六年十二月三十一日，沒有與本集團在聯營企業的利益相關的或有負債。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 8. INVESTMENTS IN ASSOCIATES (Continued)

### 8. 聯營企業投資(續)

#### (e) Summarised financial information

#### (e) 摘要財務資料如下：

#### Summarised statement of comprehensive income

#### 摘要綜合收入表

		Year ended December 31, 2017 截至二零一七年十二月三十一日止年度		
		Palaeontol B.V PBV RMB' 000 人民幣千元	Others 其他 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Revenue	收入	247,429	562,742	810,171
Depreciation and amortisation expense	折舊及攤銷費用	(69,253)	(251,971)	(321,224)
General and administration expenses	管理費用	(18,824)	(53,913)	(72,737)
Taxes other than income taxes	除所得稅外其他稅費	(74,093)	(2)	(74,095)
Impairments charges	稅費	(11,867)	(135,828)	(147,695)
Others	資產減值損失	(208,945)	(321,061)	(530,006)
<b>Loss before income tax</b>	<b>除所得稅前損失</b>	<b>(135,553)</b>	<b>(200,033)</b>	<b>(335,586)</b>
Income tax expense	所得稅費用	(38,728)	2,360	(36,368)
<b>Profit for the year</b>	<b>本年損失</b>	<b>(174,281)</b>	<b>(197,673)</b>	<b>(371,954)</b>
<b>Total comprehensive loss for the year</b>	<b>本年綜合損失總額</b>	<b>(174,281)</b>	<b>(197,673)</b>	<b>(371,954)</b>

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 8. INVESTMENTS IN ASSOCIATES (Continued)

### 8. 聯營企業投資(續)

#### (e) Summarised financial information (Continued)

#### (e) 摘要財務資料如下：(續)

#### Summarised statement of financial position

#### 摘要財務狀況表

		As at December 31, 2017 於二零一七年十二月三十一日		
		Palaeontol B.V. PBV RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Current</b>	<b>流動</b>			
Cash and cash equivalents	現金及現金等價物	2,464	48,554	51,018
Other current assets	其他流動資產	60,124	128,784	188,908
<b>Total current assets</b>	<b>流動資產總額</b>	<b>62,588</b>	<b>177,338</b>	<b>239,926</b>
Trade payables	應付賬款	(85,882)	(168,958)	(254,840)
Other current liabilities	其他流動負債	(1,357,118)	(590,994)	(1,948,112)
<b>Total current liabilities</b>	<b>流動負債總額</b>	<b>(1,443,000)</b>	<b>(759,952)</b>	<b>(2,202,952)</b>
<b>Non-current</b>	<b>非流動</b>			
Property, plant and equipment	不動產、工廠及設備	1,980,796	1,974,457	3,955,253
Other non-current assets	其他非流動資產	151,491	226,424	377,915
<b>Total non-current assets</b>	<b>非流動資產總額</b>	<b>2,132,287</b>	<b>2,200,881</b>	<b>4,333,168</b>
<b>Total non-current liabilities</b>	<b>非流動負債總額</b>	<b>(892,412)</b>	<b>(1,049,328)</b>	<b>(1,941,740)</b>
<b>Net (liabilities)/assets</b>	<b>淨(負債)/資產</b>	<b>(140,537)</b>	<b>568,939</b>	<b>428,402</b>

The information above reflects the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates (if any), and not the Group's share of those amounts.

以上數據反映在聯營企業的財務報表內呈列的數額(並非本集團享有此等數額的份額)，並經就本集團與聯營企業之間會計政策的差異作出調整。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 8. INVESTMENTS IN ASSOCIATES (Continued)

#### (f) Reconciliation of summarised financial information

		2017 二零一七年 Total 總計 RMB'000 人民幣千元	2016 二零一六年 Total 總計 RMB'000 人民幣千元
<b>At January 1,</b>	於一月一日	<b>685,892</b>	534,952
Profit for the year	本年盈利	<b>(371,954)</b>	124,866
Currency translation differences	外幣折算差額	<b>114,464</b>	26,074
<b>Closing net assets</b>	年末淨資產	<b>428,402</b>	685,892
Interest in associates	聯營權益	<b>182,541</b>	246,667
<b>Carrying value</b>	賬面價值	<b>182,541</b>	246,667

### 8. 聯營企業投資(續)

#### (f) 摘要財務資料的調節

### 9. JOINT ARRANGEMENTS

#### (a) Joint operations

During the year ended December 31, 2017, through its subsidiaries, the Group has the following joint arrangements which are accounted for as joint operation in accordance with IFRS 11 "Joint arrangements".

##### Daan and Moliqing PSCs

The Group and Global Oil Corporation ("GOC"), a limited liability company incorporated in Bahamas, (collectively the "Foreign Contractors"), respectively hold a 90% interest and a 10% interest in the foreign participating interest in each of Daan and Moliqing blocks within the Daan and Moliqing oilfields located in Northeast region in the PRC. These oilfields had been in the commercial production phase since 2005 and 2008, respectively, the Daan PSC would expire after about 8 years in 2024, whereas the Moliqing PSC would expire after about 12 years in 2028.

### 9. 合營安排

#### (a) 共同經營

截至二零一七年十二月三十一日止年度，通過其子公司，本集團擁有以下共同經營業務根據國際財務報告準則第11號「合營安排」釐定為共同經營。

##### 大安和莫里青產品分成合同

本集團與澳大利亞環球石油公司(以下簡稱「環球石油」)，一家設立於巴哈馬的公司，(統稱「外方合同者」)於大安及莫里青兩個區塊產品分成合同的外國參與權益內分別持有90%及10%的權益。大安及莫里青油田位於中國東北地區。上述兩個區塊分別在二零零五年和二零零八年進入商業生產期。大安產品分成合同將於二零二四年到期，合同剩餘有效時間約為八年；莫里青產品分成合同將於二零二八年到期，合同剩餘有效時間約為十二年。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 9. JOINT ARRANGEMENTS (Continued)

#### (a) Joint operations (Continued)

##### Daan and Moliqing PSCs (Continued)

Pursuant to the respective PSCs with PetroChina the annual gross production of the crude oil shall, after payment for value added tax and royalty, be firstly deemed as the cost recovery oil and shall be used for cost recovery in the following sequence:

- (i) Payment in kind for the operating costs actually incurred by Foreign Contractors and PetroChina.
- (ii) The remainder of the cost recovery oil shall, after payment for the operating costs, be deemed as investment recovery oil. Such investment recovery oil shall be used for the simultaneous recovery of the pilot test costs and the development costs incurred by Foreign Contractors and predevelopment costs spent by PetroChina in proportion of 20% by PetroChina and 80% by Foreign Contractors. The unrecovered costs of the parties shall be carried forward to and recovered from the investment recovery oil in succeeding calendar years until being fully recovered.
- (iii) After all pilot test costs and development costs incurred up to that time have been recovered, the remainder of the gross production of crude oil for that period is referred to as profit oil and shall be allocated in proportion of PetroChina 52% and Foreign Contractors 48%.
- (iv) The operating costs so incurred after the date of commencement of commercial production shall be paid respectively by PetroChina and Foreign Contractors in accordance with the proportion of oil allocated to each party.

### 9. 合營安排(續)

#### (a) 共同經營(續)

##### 大安和莫里青產品分成合同(續)

根據與中石油的相關產品分成合同，原油的年度總產量在支付增值稅及礦區使用費後，將首先被視為費用回收油，並將按如下步驟用於費用回收：

- (i) 就外方合同者及中石油實際產生的操作費作出實物付款。
- (ii) 費用回收油的剩餘部分在支付操作費後，將被視為投資回收油。該投資回收油將被用於按中石油分佔20%及外方合同者分佔80%的比例，同步回收外方合同者所產生的先導試驗期成本、開發費用及中石油所支付的前期開發費用。訂約方未回收的成本則被結轉至隨後日歷年的投資回收油，並於其中回收，直至全數回收為止。
- (iii) 於任何日歷年，在當期先導試驗期成本及開發費用回收後，該期間原油總產量的剩餘部分將作為利潤分成油並且按中石油分佔52%及外方合同者分佔48%的比例進行分配。
- (iv) 開始商業生產後所產生的操作費將分別由中石油及外方合同者按石油分配的比例予以支付。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 9. JOINT ARRANGEMENTS (Continued)

#### (a) Joint operations (Continued)

##### Daan and Moliqing PSCs (Continued)

GOC is entitled to a 10% share of the Foreign Contractors' interest in property, plant and equipment, income and expenses. The Group received income and paid expenses on behalf of GOC, which has been recorded in the relevant accounts with GOC (Note 38).

In December 2017, the Group completed the disposal of the Moliqing block, by way of disposal of all equity interest of the relevant holding companies of the blocks.

### 9. 合營安排(續)

#### (a) 共同經營(續)

##### 大安和莫里青產品分成合同(續)

環球石油有權分佔外方合同者不動產、工廠及設備、收入及支出份額中的10%。本集團代表環球石油收取收入，並支付支出。此等款項已記錄於環球石油有關賬目內(附註38)。

本集團於二零一七年十二月完成了對相關區塊控股子公司的權益處置，以此完成對莫里青區塊的處置。

### 10. SUBSIDIARIES

#### Details of principal subsidiaries

Name 名稱	Country of incorporation 註冊成立地點	Kind of legal entity 法律實體類型	Principal activities and Place of operation 主要業務及經營地點	Particulars of issued share 註冊及全部注入資本	Proportion (%) of ordinary shares held by 所持普通股比例 (%)	
					The Company 公司	The Group 集團
Gobi Energy Limited ("Gobi")	Cayman 開曼群島	Limited liability company 有限責任公司	Production and sale of oil in the PRC 在中國生產及出售石油	100 ordinary shares of 1 US\$ each 100 普通股，每股一美元	100%	100%
Canlin Energy Corporation	Canada 加拿大	Limited liability company 有限責任公司	Production and sale of Gas and oil in the Canada 在加拿大生產及出售 天然氣及石油	Registered capital of C\$296 million 註冊資本 296 百萬加幣	100%	100%

### 10. 子公司

#### 主要子公司詳情



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 11. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

### 11. 金融工具(按類別)(續)

		Loans and receivables 貸款及 應收款 RMB'000 人民幣千元	Available- for-sale 可供出售 金融資產 RMB'000 人民幣千元	Derivative financial instruments 衍生 金融工具 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>December 31, 2016</b>	<b>二零一六年十二月三十一日</b>				
<b>Assets as per statement of financial position</b>	<b>根據財務狀況表的資產</b>				
Available-for-sale financial assets (Note 12)	可供出售金融資產 (附註12)	-	63,330	-	63,330
Trade and other receivables excluding prepayments (Notes 15,16)	應收賬款及其他應收款， 不包括預付款 (附註15,16)	2,046,989	-	-	2,046,989
Derivative financial instruments (Note 13)	衍生金融工具 (附註13)	-	-	90,325	90,325
Cash and cash equivalents (Note 18)	現金及現金等價物 (附註18)	904,961	-	-	904,961
		2,951,950	63,330	90,325	3,105,605
			Other financial liabilities at amortised cost 其他 金融負債， 按攤餘成本 RMB'000 人民幣千元	Derivative financial instruments 衍生 金融工具 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Liabilities as per statement of financial position</b>	<b>根據財務狀況表的負債</b>				
Borrowings (Note 26)	借款(附註26)	4,690,555	-	-	4,690,555
Trade and other payables excluding non-financial liabilities (Notes 24, 25)	應付賬款及其他應付款， 不包括非金融負債 (附註24, 25)	306,757	-	-	306,757
Derivative financial instruments (Note 13)	衍生金融工具 (附註13)	-	-	20,576	20,576
		4,997,312	-	20,576	5,017,888



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 12. AVAILABLE-FOR-SALE FINANCIAL ASSETS

### 12. 可供出售金融資產

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>At January 1,</b>	於一月一日	<b>63,330</b>	27,105
Exchange differences	匯兌差額	<b>(9,197)</b>	4,845
Addition	增加	<b>203,989</b>	39,044
Net gain transfer to equity (Note 22)	淨收益轉撥入權益(附註22)	<b>8,168</b>	18,405
Impairment provision	減值準備	<b>(2,000)</b>	-
Disposal	處置	<b>(85,930)</b>	(26,069)
<b>At December 31,</b>	於十二月三十一日	<b>178,360</b>	63,330
<b>Less: non-current portion</b>	減：非流動部分	<b>(67,132)</b>	(63,330)
<b>Current portion</b>	流動部分	<b>111,228</b>	-
Represent:	包括		
Listed securities:	上市證券：		
— Ordinary shares	— 普通股		
— USA	— 美國	<b>3,551</b>	1,039
— Hong Kong	— 香港	<b>91,659</b>	14,646
— Australia	— 澳大利亞	<b>16,297</b>	-
Unlisted securities:	非上市證券：		
— Equity interest	— 股權投資	<b>61,768</b>	42,246
— Corporate debenture	— 公司債	<b>5,085</b>	5,399
		<b>178,360</b>	63,330
Market value of listed securities	上市證券市場價值	<b>111,507</b>	15,685

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 12. AVAILABLE-FOR-SALE FINANCIAL ASSETS (Continued)

- (a) The carrying amounts are denominated in the following currencies:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
US\$	美元	61,569	43,285
HK\$	港幣	96,744	20,045
AU\$	澳大利亞元	16,297	-
RMB	人民幣	3,750	-
		<b>178,360</b>	63,330

- (b) The fair value of unlisted securities are based on cash flows discounted using a rate based on the market interest rate and risk premium specific to the unlisted securities. The fair value are within level 3 of the fair value hierarchy (Note 3.3).
- (c) The maximum exposure to credit risk at the reporting date is the carrying value of the debt investments classified as available-for-sale.
- (d) None of these financial assets is past due.

### 12. 可供出售金融資產(續)

- (a) 賬面金額以下列貨幣為單位：

- (b) 非上市證券的公允價值是根據現金流量採用市場利率以及非上市證券獨有的風險溢價貼現計算。公允價值在公允價值層級的第三層內(附註3.3)。
- (c) 在報告日期，信用風險的最高風險承擔為可供出售債務投資的賬面價值。
- (d) 上述金融資產概無已逾期。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 13. DERIVATIVE FINANCIAL INSTRUMENTS

### 13. 衍生金融工具

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Assets</b>	<b>資產</b>		
<b>Current</b>	<b>流動部分</b>		
MAST Index Linked Investment (Note (a))	與美林指數相關投資(附註(a))	293,798	90,325
Commodity swaps contracts (Note (b))	商品互換合同(附註(b))	48,965	-
<b>Non-current</b>	<b>非流動部分</b>		
Commodity swaps contracts (Note (b))	商品互換合同(附註(b))	25,652	-
		<b>368,415</b>	90,325
<b>Liabilities</b>	<b>負債</b>		
<b>Current</b>	<b>流動部分</b>		
Oil options	石油期權	-	20,576
Commodity swaps contracts (Note (b))	商品互換合同(附註(b))	9,200	-
<b>Non-current</b>	<b>非流動部分</b>		
Commodity swaps contracts (Note (b))	商品互換合同(附註(b))	5,574	-
		<b>14,774</b>	20,576

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 13. DERIVATIVE FINANCIAL INSTRUMENTS (Continued)

#### (a) MAST Index Linked Investment

On July 24, 2017, the Group entered into an investment agreement with Lan Mu Limited (“Lan Mu”), pursuant to which the Group purchased an investment that pays a coupon linked to the 4% volatility target performance of Merrill Lynch Multi Asset Strategy Index (the “MAST Index”) at an consideration of HK\$351.0 million (equivalent to RMB293.8 million) (the “MAST Index Linked Investment”). The maturity date of the investment is April 23, 2018. As at December 31, 2017, the fair value of the MAST Index Linked Investment does not change and no gains/losses was recognised due to the changes in fair value.

On February 1, 2018, HK\$351.0 million of the principal of the investment was received.

#### (b) Commodity swaps contracts

The operational results and financial condition of Canlin are largely dependent on the commodity prices received for its gas, oil and natural gas liquids production. Commodity prices are volatile due to global and regional factors including supply and demand fundamentals, inventory levels, weather, economic and geopolitical factors. During the year ended December 31, 2017, in order to mitigate commodity price risk, Canlin has entered into a number of financial derivative contracts, including WTI Oil Contracts and AECO Gas Contracts, which are accounted for at fair value through profit or loss and not held for trading or speculative purposes.

The fair value of commodity swaps contracts are within level 2 of the fair value hierarchy (Note 3.3).

### 13. 衍生金融工具(續)

#### (a) 與美林指數相關投資

二零一七年七月二十四日，本集團與蘭目有限公司(「蘭目」)簽訂投資協議，據此，本集團購入投資，該投資股息與4%的美林多元資產策略指數波動目標性能掛鉤(「美林指數」)，金額為港幣351.0百萬元(折合人民幣293.8百萬元)(美林指數相關聯投資)。到期日為二零一八年四月二十三日。在二零一七年十二月三十一日，美林指數相關聯投資的公允價值並無變化，且無由於公允價值變化產生的收益或損失被確認。

於二零一八年二月一日，港幣351.0百萬元投資本金已收回。

#### (b) 商品互換合同

Canlin的經營成果和財務狀況很大程度上取決於其銷售天然氣、原油及液化天然氣產品的商品價格。商品價格易受到包括供需基本面、庫存水平、氣候、經濟及地緣政治等眾多國際及地區因素的影響。截至二零一七年十二月三十一日止年度，Canlin購買了一系列金融衍生工具合同，包括西德克薩斯輕質原油合同以及AECO天然氣合同。該衍生金融工具以公允價值計量且其變動計入當期損益，不作為交易性或投機目的持有。

該商品互換合同的公允價值歸屬於公允價值第二層級(附註3.3)。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 14. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

### 14. 以公允價值計量且其變動計入當期損益的金融負債

		2017 二零一七年 RMB'000 人民幣千元
<b>Non-current liabilities</b>	<b>非流動負債</b>	
Convertible preferred shares	可轉換優先股	1,067,626
		<b>1,067,626</b>

In connection with the Acquisition as described in Note 37, to finance part of the purchase consideration, the Company, Canlin and two independent subscribers (the "Subscribers") entered into a subscription agreement (the "Subscription Agreement") on May 31, 2017. Pursuant to the terms of the Subscription Agreement, Canlin issued an aggregate 204.0 million convertible preferred shares (the "CPS") at an issuance price of C\$1.00 per share for aggregate proceeds of C\$204.0 million (equivalent to approximately RMB1,089.7 million) to the two Subscribers.

Pursuant to the terms of the Subscription Agreement, the holders of the CPS (the "CPS holder") is entitled to receive a fixed preferential dividends of C\$0.08 per share per annum when declared by the board of Canlin.

Each issued CPS may at any time convert into 0.83 common shares within the four years from the issuance date at the option of the CPS holder and the Group may redeem at any time the whole or from time to time any part of the then outstanding CPS on payment at a redemption price as stipulated in the Subscription Agreement. Upon full conversion of the CPS, a total of 169.3 million common shares will be issued, representing approximately 36.4% of the enlarged issued share capital. Upon full conversion, Canlin will remain to be a subsidiary of the Company, but the Group's interest in the issued share capital of Canlin will be reduced to approximately 63.6%.

就附註37所述收購事項而言，為支付部分購買對價，本公司、Canlin及兩名獨立認購人（「認購人」）於二零一七年五月三十一日訂立認購協議（「認購協議」）。根據認購協議的條款，Canlin按發行價每股加幣1.00元發行合計204.0百萬股可換股優先股（「可換股優先股」）給兩名認購人，所得款項金額為加幣204.0百萬元（折合成人民幣1,089.7百萬元）。

根據認購協議的條款，可換股優先股持有人（「可換股優先股持有人」）有權收取Canlin董事會宣派的每年每股加幣0.08元的固定優先股利。

於發行日期四年內，根據可換股優先股持有人的選擇，每股已發行的可換股優先股可於任何時間轉換為0.83普通股，且本集團可以按照規定的贖回價格在任何時間贖回全部或隨時贖回當時尚未償還的可轉換優先股。根據認購協議，按換股比率悉數轉換可換股優先股後，合共169,320,000股普通股將予發行，約佔經擴大的買方已發行普通股股本的36.4%。於悉數轉換後，買方仍為本公司的附屬公司，而本公司於買方已發行普通股股本之權益將減少至約63.6%。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 14. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

The CPS is recognised and measured as financial liabilities measured at fair value through profit or loss and the changes in fair value should be reflected in the income statement.

As of the issuance date, the fair value of the CPS is C\$224.0 million (equivalent to approximately RMB1,196.3 million), after making reference to the valuation report prepared by an independent professional valuer. The difference between the issuance price and the fair value calculated by valuation techniques as at the issuance date of C\$20.0 million (equivalent to approximately RMB106.6 million) would be amortised on a straight-line basis over the 4-year life of the CPS as estimated by the management. The amortisation expense since the issuance date of C\$1.2 million (equivalent to approximately RMB6.5 million) is charged to other gains/(losses), net.

As of 31 December 2017, the fair value of the CPS is C\$224.0 million (equivalent to approximately RMB1,164.9 million). The change in fair value of RMB0.2 million since the issuance date is charged to other gains/(losses), net.

The fair value of the CPS as of the issuance date and December 31, 2017 are estimated based on the valuation reports as of respective dates issued by an independent professional valuer using an equity allocation model which allocates the total equity value to each class of shares under different scenarios.

In determining the fair value of the CPS, significant estimates and judgements are involved in the process, including probability of each scenario, risk-free rate, dividend yield and volatility.

### 14. 以公允價值計量且其變動計入當期損益的金融負債(續)

可換股優先股被確認和計量為以公允價值計量且其變動計入當期損益的金融負債，公允價值變動應反映在損益表中。

截至發行日，參考獨立專業估值師編製的估值報告後，公允價值為加幣224.0百萬元(折算成人民幣1,196.3百萬元)。發行價格與估值技術在發行日計算的公允價值加幣20.0百萬元(折算成人民幣106.6百萬元)之間的差額，根據管理層的估計將按直線法在4年期內攤銷。自發行日起加幣1.2百萬元(折算成人民幣6.5百萬元)起的攤銷費用計入其他(損失)/利得，淨值。

於二零一七年十二月三十一日，可換股優先股的公允價值為加幣224.0百萬元(折算成人民幣1,164.9百萬元)。自發行日起公允價值變動人民幣0.2百萬元，計入其他(損失)/利得，淨值。

於發行日和二零一七年十二月三十一日，可換股優先股的公允價值基於獨立專業評估師在每個評估報告日期使用權益分配模型將權益總值分配至不同情況下每一類股票上。

在釐定可換股優先股的公允價值時，該過程涉及重大的會計估計和判斷，包括各種情況下的概率，無風險利率，股息收益率和波動率。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 14. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

#### Valuation process

The Group has involved independent professional valuer to perform the valuations as of the issuance date and December 31, 2017 for financial reporting purposes, including level 3 fair values. The external experts report directly to the chief financial officer (“CFO”). Discussions of valuation processes and results are held between the CFO and external experts once every six months in line with the Group’s half-yearly reporting requirements.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Probability of each scenario: conversion, liquidation and redemption, estimated by management as of the issuance date and December 31, 2017
- Risk-free rate with reference to the yield of Canada government bonds & notes with similar maturity as of the issuance date and December 31, 2017
- Dividend yield for common share is assumed zero as Canlin is not expected to pay dividends for common share in the foreseeable future as of the issuance date and December 31, 2017
- Volatility is with reference with the historical data of comparable companies as of the issuance date and December 31, 2017

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the CFO and external experts. As part of this discussion the external experts presents a report that explains the reason for the fair value movements.

### 14. 以公允價值計量且其變動計入當期損益的金融負債(續)

#### 估值過程

本集團由獨立專業評估師對發行日及二零一七年十二月三十一日的價值進行評估，其用作財務報告用途，包括第三級公允價值。外部專家直接向首席財務官(「首席財務官」)匯報。首席財務官和外部專家每六個月進行一次評估流程和結果的討論，以符合集團的半年報的需求。

本集團使用的主要三級輸入數據如下所示：

- 每種情況的可能性：轉換，清算和贖回，其由管理層在發行日以及二零一七年進行估計
- 無風險利率參考發行日和二零一七年十二月三十一日的具有相同到期日的加拿大國債和票據
- 普通股的股息收益率假設為零，截至發行日及二零一七年十二月三十一日止，Canlin預計在未來的可預計時間不會支付普通股股利
- 波動率參考發行日和二零一七年十二月三十一日止可比公司的歷史數據

於每個報告日，首席財務官和外部專家在估值討論中對第三層的公允價值變動討論和分析。作為討論的一部分，外部專家出具了報告解釋了公允價值變動的原因。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 14. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Information about fair value measurements using significant inputs (Level 3):

Description	Fair value at 於下列日期公允價值		Un-observable inputs *	Range of inputs 參數區間		Relationship of unobservable inputs to fair value
	31 December 2017 RMB'000 二零一七年 十二月 三十一日 人民幣千元	Issuance date RMB'000 發行日 人民幣千元		31 December 2017	Issuance date	
描述			非可觀察參數*	二零一七年 十二月三十一日	發行日	非可觀察參數與公允價值的關係
Convertible preferred shares 可換股優先股	1,164,924	1,196,345	Probability of each scenario: conversion, liquidation and redemption 下列每種情況的發生 概率: 轉換、清算 和贖回  Risk-free rate 無風險利率 Dividend yield (common share) 普通股股息收益率 Volatility 波動率	Conversion: 90% 轉換: 90% Liquidation: 5% 清算: 5% Redemption: 5% 贖回: 5%  1.81%  -  50.01%	Conversion: 90% 轉換: 90% Liquidation: 5% 清算: 5% Redemption: 5% 贖回: 5%  1.69%  -  48.78%	Issuance date: Increased conversion probability (5%), decreased liquidation and redemption (2.5%) would decrease the FV by C\$1.9 million (equivalent to RMB9.7 million). Increased risk-free rate (1%) would decrease the FV by C\$1.7 million (equivalent to RMB8.8 million). Increased volatility (10%) would decrease the FV by C\$1.0 million (equivalent to RMB5.3 million). 發行日: 轉換的概率升高5%、清算和贖回概率降低2.5%導致公允價值減少加幣1.9百萬元(等價於人民幣9.7百萬元) 無風險利率升高1%導致公允價值減少加幣1.7百萬元(等價於人民幣8.8百萬元) 波動率升高10%導致公允價值減少加幣1.0百萬元(等價於人民幣5.3百萬元)  31 December 2017: Increased conversion probability (5%), decreased liquidation and redemption (2.5%) would decrease the FV by C\$1.9 million (equivalent to RMB9.7 million). Increased risk-free rate (1%) would decrease the FV by C\$1.6 million (equivalent to RMB8.3 million). Increased volatility (10%) would decrease the FV by C\$1.5 million (equivalent to RMB8.0 million). 二零一七年十二月三十一日: 轉換的概率升高5%、清算和贖回概率降低2.5%導致公允價值減少加幣1.9百萬元(等價於人民幣9.7百萬元) 無風險利率升高1%導致公允價值減少加幣1.6百萬元(等價於人民幣8.3百萬元) 波動率升高10%導致公允價值減少加幣1.5百萬元(等價於人民幣8.0百萬元)

\* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

### 14. 以公允價值計量且其變動計入當期損益的金融負債(續)

公允價值計量使用的重大輸入信息(第三層):

\* 非可觀察參數之間並無重大的關聯關係而足以對公允價值產生重大影響。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

### 15. 預付款項、保證金及其他應收款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Amounts due from related parties	應收關聯方款項		
— Palaeontol B.V. (Note (d))	— Palaeontol B.V. (附註(d))	926,495	935,998
— Others	— 其他	210,269	223,530
Loans granted to third parties (Note (e))	授予第三方的貸款(附註(e))	243,527	293,224
Other receivables	其他應收款項	341,872	227,252
Consideration receivables from disposals of subsidiaries	應收處置子公司股權轉讓款	506,177	320,675
Deposits	保證金	55,541	128,335
Interest receivable	應收利息	14,996	10,267
Advances to employees	員工備用金	7,167	1,736
		<b>2,306,044</b>	2,141,017
Less: impairment provision (Note (b))	減：壞賬準備(附註(b))	<b>(891,973)</b>	(197,596)
		<b>1,414,071</b>	1,943,421
Prepaid expenses	待攤費用	63,471	6,568
Advances to suppliers	預付賬款	154,180	153,107
Less: impairment provision (Note (b))	減：壞賬準備(附註(b))	<b>(152,330)</b>	(151,871)
		<b>1,479,392</b>	1,951,225
Current	流動	<b>751,426</b>	1,131,001
Non-current	非流動	<b>727,966</b>	820,224
		<b>1,479,392</b>	1,951,225

(a) The fair value of loans and receivables approximates to their carrying amounts.

(a) 貸款和應收賬款的公允價值與其賬面金額相近。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

(b) Movements on impairment provision

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>At January 1,</b>	於一月一日	<b>349,467</b>	89,426
Impairment provision (Note 27)	計提壞賬準備(附註27)	<b>728,613</b>	252,756
Disposals of subsidiaries	出售子公司	<b>(6,000)</b>	(2,364)
Exchange differences	匯兌差額	<b>(27,777)</b>	9,649
<b>At December 31,</b>	於十二月三十一日	<b>1,044,303</b>	349,467

Provision and reversal of impairment provision have been included in 'other gains/losses, net' in the consolidated statement of comprehensive income.

The other classes within prepayments and other receivables do not contain assets made impairment provisions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of prepayments and other receivables mentioned above.

Aging analysis of impaired receivable balance:

### 15. 預付款項、保證金及其他應收款(續)

(b) 壞賬準備變動

壞賬準備的計提和轉回已包括在合併綜合收益表中「其他收益／損失，淨值」內。

預付及其他應收款中的其他類別不包含已計提壞賬準備資產。於報告日，最大的信用風險敞口為以上提及的各類預付及其他應收款的賬面價值。

已計提壞賬應收款項的賬齡如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Within 1 year	1年以內	<b>339,304</b>	22,717
Between 1 and 2 years	1-2年	<b>263,648</b>	56,293
Between 2 and 3 years	2-3年	<b>52,757</b>	13,874
Above 3 years	3年以上	<b>388,594</b>	256,583
		<b>1,044,303</b>	349,467

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

- (c) The carrying amounts are denominated in the following currencies:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
US\$	美元	2,169,626	2,042,825
C\$	加幣	21,662	-
RMB	人民幣	114,756	98,192
		<b>2,306,044</b>	2,141,017

- (d) The amounts due from Palaeontol B.V. consists of shareholder loans and other receivables. The shareholder loans are unsecured, bear interest ranging from 4.9% to 11.9% per annum (Note 38) and maturing in 2019 and 2036 respectively.
- (e) Loans granted to third parties bear interests ranging from 9.0% to 13.5% per annum and repayable within one year. Included in the balance was an amount of RMB208 million, which is secured against 50% shareholding of an indirectly wholly-owned subsidiary of the borrower. The remaining balances are unsecured. As of December 31, 2017, the remaining balances are fully impaired.

### 15. 預付款項、保證金及其他應收款(續)

- (c) 賬面金額以下列貨幣為單位：

- (d) 應收Palaeontol B.V.的款項包含股東貸款和其他應收款兩部分。其中股東貸款是無擔保的，年利率為4.9%到11.9%（附註38），分別於2019年和2036年到期。
- (e) 授予第三方的貸款年利率為9.0%至13.5%，且在一年內償還。其中金額為人民幣208百萬元的貸款通過借入間接全資子公司50%的股權質押擔保。剩餘的貸款是無擔保的。截至二零一七年十二月三十一日，剩餘貸款已全額計提壞賬準備。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 16. TRADE RECEIVABLES

### 16. 應收賬款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade receivables from:	應收貿易款		
— PSC partners (Note 38)	— 產品分成合同合作夥伴(附註38)	79,874	94,651
— Third parties	— 第三方	349,691	8,917
		429,565	103,568
Less: impairment provision (Note (c))	減: 壞賬準備(附註(c))	(22,530)	—
		407,035	103,568

(a) The fair value of trade receivables approximates their carrying amount.

(a) 應收賬款的公允價值與其賬面金額相近。

#### (b) Aging analysis

#### (b) 賬齡分析

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Up to 30 days	未超過30日	195,149	101,771
31–180 days	31至180日	190,529	644
Over 180 days	超過180日	43,887	1,153
		429,565	103,568
Past due and impaired	已逾期已減值	20,865	—
Past due but not impaired	已逾期而未減值	23,022	1,153
		43,887	1,153

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 16. TRADE RECEIVABLES (Continued)

#### (c) Movements on impairment provision.

For the year ended December 31, 2017, all impairment provisions are provided by Canlin, consisting of provision based on aging analysis and certain receivables specifically identified by management's assessment of collectability of account receivables.

### 16. 應收賬款(續)

#### (c) 壞賬準備變動

截至二零一七年十二月三十一日止年度，全部壞賬準備均產生於Canlin。該壞賬準備一部分基於賬齡分析計提，另一部分是根據管理層基於對應收賬款可收回性的評估結果個別認定而計提。

		2017 二零一七年 RMB'000 人民幣千元
<b>At January 1</b>	於一月一日	-
Acquisition through business combination	企業合併導致的增加	22,207
Impairment provision (Note 27)	計提壞賬準備(附註27)	1,503
Amounts written off	核銷壞賬	(592)
Exchange differences	匯兌差額	(588)
<b>At December 31</b>	於十二月三十一日	<b>22,530</b>

(d) As of 31 December 2017, trade receivables of RMB23.0 million (2016: RMB1.2 million) were past due but not impaired. These relate to a customer for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered. The ageing analysis of these trade receivables is as follows:

(d) 於二零一七年十二月三十一日，逾期但未提減值的應收賬款金額為人民幣23.0百萬元(二零一六年：人民幣1.2百萬元)。與此部分應收賬款相關的客戶並無重大財務困境，根據以往經驗，逾期金額可以收回。此部分應收賬款的賬齡分析如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Pass due up to 180 days	逾期未超過180日	14,477	568
Pass due over 180 days	逾期超過180日	8,545	585
		<b>23,022</b>	1,153

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 16. TRADE RECEIVABLES (Continued)

#### (d) (Continued)

The Group grants credit terms of between 30 days to 180 days.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables.

The Group does not hold any collateral as security.

- (e) The carrying amounts are denominated in the following currencies:

### 16. 應收賬款(續)

#### (d) (續)

本集團應收賬款的信用期為三十至一百八十日。

於報告日，最大的信用風險敞口為各類應收賬款的賬面價值。

本集團並未持有任何擔保品作為抵押。

- (e) 賬面金額以下列貨幣為單位：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
US\$	美元	258	487
RMB	人民幣	86,273	103,081
C\$	加幣	320,504	-
		<b>407,035</b>	103,568

### 17. INVENTORIES

### 17. 存貨

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Oil in tank	庫存油	6,344	9,666
Materials and supplies	物料及供應品	10,401	20,489
		<b>16,745</b>	30,155

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 18. RESTRICTED CASH

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current (Note (a))	流動(附註(a))	72,012	-
Non-current (Note (b))	非流動(附註(b))	43,285	-
		<b>115,297</b>	-

Note (a):

Under the term loan facility agreement entered between the Group and a third party on September 1, 2017, amounts deposited in certain restricted bank account are US\$11.0 million (equivalent to RMB72.0 million) as at December 31, 2017.

Note (b):

Under the term loan facility agreement entered between the Group and a third party on June 8, 2017, amounts deposited in certain bank account are US\$6.6 million (equivalent to RMB43.3 million) as at December 31, 2017.

### 18. 受限制現金

附註(a):

於二零一七年十二月三十一日，按照本集團與第三方於二零一七年九月一日訂立的定期貸款融資協議條款，存於特定受限賬戶的金額為美元11.0百萬元(等價於人民幣72.0百萬元)。

附註(b):

根據本集團與第三方於二零一七年六月八日訂立的定期貸款融資協議，該貸款由托管賬戶的保證金作為擔保。於二零一七年十二月三十一日，保證金餘額為美元6.6百萬元(等價於人民幣43.3百萬元)。

### 19. CASH AND CASH EQUIVALENTS

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Cash on hand	現金	-	38
Cash at bank	銀行存款	132,172	904,923
		<b>132,172</b>	904,961

### 19. 現金及現金等價物

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 19. CASH AND CASH EQUIVALENTS (Continued)

(a) Carrying amounts are denominated in the following currencies:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
RMB	人民幣	8,617	176,093
US\$	美元	119,015	698,691
C\$	加幣	4,504	1,464
HK\$	港幣	26	28,712
Other currencies	其他貨幣	10	1
		<b>132,172</b>	904,961

### 19. 現金及現金等價物(續)

(a) 賬面金額以下列貨幣為單位：

### 20. SHARE CAPITAL

Ordinary shares, issued and fully paid:

		Number of shares 股數 (Thousand) 千股	Ordinary shares 股本 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2016 and December 31, 2016	於二零一六年一月一日 及十二月三十一日	2,938,597	19,489	1,049,307	1,068,796
At January 1, 2017 and December 31, 2017	於二零一七年一月一日 及十二月三十一日	2,938,597	19,489	1,049,307	1,068,796

已發行並已繳足普通股：

### 20. 股本



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 21. SHARE-BASED PAYMENTS

Details of the equity-settled share option schemes, share award scheme and cash-settled stock appreciation rights plan adopted by the Company are as follows:

The share options, stock appreciation rights and share awards granted generally vest over a two or three-year period following a specified vesting commencement date. Typically, the share options, stock appreciation rights and share awards granted vest at each anniversary of the grant date within the vesting period, subject to the participant continuing to be an employee on each vesting date. The terms of share options, stock appreciation rights and share awards granted will not exceed ten years from the grant date.

#### (a) Stock incentive compensation plan (the “Plan”)

The Plan was adopted on November 20, 2009 with the purpose of providing additional incentive to employees, directors and consultants to attract and retain the best available personnel for positions of substantial responsibility. The Company originally reserved 6,072,870 ordinary shares for issuance under the Plan.

### 21. 股份支付

本公司採用的以股權結算的購股權、獎勵股份和現金結算的股份增值權計劃詳情載列如下：

授出的購股權、股份增值權和獎勵股份一般於指定歸屬開始日期隨後的兩年或三年期間內歸屬。一般來講，所授出的購股權在歸屬期內的授出日期各周年屆滿日歸屬，惟參與者須於各歸屬日期仍為僱員。授出的購股權、股份增值權和獎勵股份的期限自授出日期起計不會超過十年。

#### (a) 股份獎勵酬金計劃(以下簡稱「計劃」)

本公司董事會於二零零九年十一月二十日所採納的股份獎勵酬金計劃，旨在為擔負重要職責的職位招攬及挽留最優秀的可用人員，並為僱員、董事及顧問提供額外獎勵。本公司原先預留6,072,870股普通股以預備股份獎勵酬金計劃。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 21. SHARE – BASED PAYMENTS (Continued)

#### (a) Stock incentive compensation plan (the “Plan”) (Continued)

##### (i) Stock options under the Plan

Movements in the number of share options and their expiring date and exercise prices under the Plan are as follows:

		2017 二零一七年		2016 二零一六年	
		Average exercise price per share 平均 行使價每股	Options 期權	Average exercise price per share 平均 行使價每股	Options 期權
<b>At January 1, and December 31,</b>	於一月一日及 十二月三十一日	<b>US\$0.15</b>	<b>20,127,386</b>	US\$0.15	20,127,386
<b>Expiry date</b>	到期日				
November 20, 2019	二零一九年 十一月二十日	<b>US\$0.13</b>	<b>10,986,312</b>	US\$0.13	17,048,120
November 23, 2020	二零二零年 十一月二十三日	<b>US\$0.25</b>	<b>3,079,266</b>	US\$0.25	3,079,266
			<b>14,065,578</b>		20,127,386
<b>Exercisable</b>	可行使		<b>14,065,578</b>		20,127,386

At December 31, 2017 and 2016, all the Share options were exercisable.

### 21. 股份支付(續)

#### (a) 股份獎勵酬金計劃(以下簡稱「計劃」)(續)

##### (i) 該計劃中包含的購股權

該計劃中包含未行使購股權數目、其到期日及行權價的變動如下：

於二零一七年及二零一六年十二月三十一日，所有尚未行使的購股權均為可行使購股權。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 21. SHARE-BASED PAYMENTS (Continued)

#### (a) Stock incentive compensation plan (the "Plan") (Continued)

#### (ii) Stock appreciation rights granted under the Plan

Movements in the number of stock appreciation rights and their expiring date and exercise prices under the Plan are as follows:

		2017 二零一七年		2016 二零一六年	
		Average exercise price per share 平均 行使價每股	Stock appreciation rights 股份增值權	Average exercise price per share 平均 行使價每股	Stock appreciation rights 股份增值權
<b>At January 1</b>	於一月一日	<b>US\$0.13</b>	<b>35,217,896</b>	US\$0.13	44,194,443
Lapsed	已失效	<b>US\$0.13</b>	<b>(3,394,680)</b>	US\$0.15	(7,446,547)
Exercised	已行使	-	-	HK\$0.01	(1,530,000)
<b>At December 31</b>	於十二月三十一日	<b>US\$0.13</b>	<b>31,823,216</b>	US\$0.13	35,217,896
<b>Expiry date</b>	到期日				
November 20, 2019	二零一九年 十一月二十日	<b>US\$0.13</b>	<b>30,968,572</b>	US\$0.13	34,363,252
February 26, 2020	二零二零年 二月二十六日	<b>US\$0.26</b>	<b>454,644</b>	US\$0.26	454,644
November 20, 2025	二零二五年 十一月二十日	<b>HK\$0.01</b>	<b>400,000</b>	HK\$0.01	400,000
			<b>31,823,216</b>		35,217,896

At December 31, 2017, all outstanding stock appreciation rights were exercisable. (2016: all outstanding stock appreciation rights were exercisable).

### 21. 股份支付(續)

#### (a) 股份獎勵酬金計劃(以下簡稱「計劃」)(續)

#### (ii) 該計劃中包含的股份增值權

該計劃中包含的未行使股份增值權數目、其到期日及行權價的變動如下：

於二零一七年十二月三十一日，全部尚未行使的股份增值權均為可行使股份增值權(二零一六年：全部尚未行使的股份增值權均為可行使股份增值權)。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 21. SHARE-BASED PAYMENTS (Continued)

#### (b) Share option scheme under Chapter 17 of the Listing Rules (the "Scheme")

The Scheme adopted by the Company was approved by shareholders on November 27, 2010 in accordance with Chapter 17 of the Listing Rules. The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group.

The following table discloses details of the Company's options under the Scheme held by employees (including directors) and movement in such holdings during each of the two years ended December 31, 2017 and 2016:

		2017 二零一七年		2016 二零一六年	
		Average exercise price per share 平均行使價 每股	Options 期權	Average exercise price per share 平均行使價 每股	Options 期權
<b>At January 1</b>	於一月一日	<b>HK\$1.23</b>	<b>194,392,839</b>	HK\$1.61	108,947,705
Granted	授予	-	-	HK\$0.816	95,920,000
Lapsed	已失效	<b>HK\$1.33</b>	<b>(44,852,487)</b>	HK\$1.40	(10,474,866)
<b>At December 31</b>	於十二月三十一日	<b>HK\$1.20</b>	<b>149,540,352</b>	HK\$1.23	194,392,839
<b>Expiry date</b>	到期日				
September 20, 2021	二零二一年 九月二十日	<b>HK\$2.254</b>	<b>19,124,000</b>	HK\$2.254	26,962,334
March 20, 2024	二零二四年 三月二十日	<b>HK\$1.40</b>	<b>51,546,352</b>	HK\$1.40	71,510,505
December 8, 2026	二零二六年 十二月八日	<b>HK\$0.816</b>	<b>78,870,000</b>	HK\$0.816	95,920,000
			<b>149,540,352</b>		194,392,839

At December 31, 2017, out of the 149,540,352 options (2016: 194,392,839 options), 97,919,036 shares (2016: 73,168,943 options) were exercisable.

### 21. 股份支付(續)

#### (b) 購股權計劃(基於上市規則第十七章)(「計劃」)

根據上市規則第十七章，購股權計劃於二零一零年十一月二十七日被公司股東所採納，購股權計劃的目的是為了給為集團作出貢獻的特定員工授予股權作為激勵。

在上述計劃下本公司員工(包括董事)持有的未行使的期權於截至二零一七年及二零一六年十二月三十一日止年度的數目及變動明細列示如下：

於二零一七年十二月三十一日，在149,540,352份未行使的購股權中(二零一六年：194,392,839份)，97,919,036份(二零一六年：73,168,943份)為可行使購股權。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 21. SHARE-BASED PAYMENTS (Continued)

#### (c) 2015 Share Award Scheme

Apart from above Plan and Scheme, to recognise the contributions by certain grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group, the Board of Directors resolved to adopt the 2015 Share Award Scheme on January 6, 2015.

### 21. 股份支付(續)

#### (c) 二零一五年股份獎勵計劃

除上述股份獎勵酬金計劃及購股權計劃以外，本公司董事會已分別於二零一五年一月六日決議採納，並於二零一五年十一月二十日決議修訂2015股份獎勵計劃，目的是認可特定承授人所做的貢獻並給予激勵，為本集團的持續運營和發展聘留特定承授人，並為本集團進一步發展吸引適用人才。

		2017 二零一七年 Awarded Shares 獎勵股份	2016 二零一六年 Awarded Shares 獎勵股份
<b>At January 1</b>	於一月一日	<b>16,700,000</b>	14,200,000
Granted	本年授予	–	12,000,000
Exercise	本年已行使	<b>(14,400,000)</b>	(9,500,000)
<b>At December 31</b>	於十二月三十一日	<b>2,300,000</b>	16,700,000
<b>Expiry date</b>	到期日		
November 20, 2025	二零二五年十一月二十日	<b>2,300,000</b>	4,700,000
December 8, 2026	二零二六年十二月八日	–	12,000,000
		<b>2,300,000</b>	16,700,000

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 21. SHARE-BASED PAYMENTS (Continued)

#### (d) Fair values

##### Share options and stock appreciation rights

At December 31, 2017, the fair value of stock appreciation rights outstanding is determined using the Binomial Model. Their fair values and significant inputs into the model are as follows:

### 21. 股份支付(續)

#### (d) 公允價值

##### 購股權及股份增值權

於二零一七年十二月三十一日，股份增值權的公允價值採用二項期權定價模型釐定；其公允價值及重要輸入參數列示如下：

		2009 Grants 二零零九年 授予	2010 Grants 二零一零年 授予	2015 Grants 二零一五年 授予
		Stock appreciation rights 股份增值權		
		2017 二零一七年 US\$ 美元	2017 二零一七年 US\$ 美元	2017 二零一七年 HK\$ 港幣
Fair value per unit	每單元公允價值	0.00387	0.00066	0.55000
Share price at grant date	授予日股價	-	-	0.95
Fair value per share at period end	期末每股公允價值	0.07	0.07	0.56
Exercise price	行權價	0.13	0.26	0.01
Volatility (%)	波幅(百分比)	40.82%	43.01%	62.63%
Dividend yield (%)	股息率(百分比)	-	-	-
Annual risk-free rate (%)	年度無風險利率(百分比)	1.27%	1.31%	1.71%
Remaining term (year)	剩餘期限(年)	1.88	2.15	7.89

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 22. OTHER RESERVES

### 22. 其他儲備

		Repurchased shares held by trust (Note (a)) 信托持有 回購股份 (附註(a))	Currency translation reserve 外幣 折算儲備	Share based payment reserve 股份 支付儲備	Safety fund reserve 安全 基金儲備	Available- for-sale financial assets 可供出售 金融資產	Others 其他	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>At January 1, 2016</b>	<b>於二零一六年一月一日</b>	(70,887)	(114,786)	132,344	187,356	(24,857)	(43,713)	65,457
Currency translation differences	外幣折算差額	-	(129,976)	-	-	-	-	(129,976)
Change in fair value of available- for-sale financial assets (Note 12)	可供出售金融資產的公允價值 變動(附註12)	-	-	-	-	18,405	-	18,405
Share of other comprehensive income of investments accounted for using the equity method	享有按權益法入賬的投資的 其他綜合收益的份額	-	-	-	-	-	2,799	2,799
Employees stock option scheme — value of employee services	僱員購股權計劃 — 僱員服務價值	-	-	27,990	-	-	-	27,990
— shares to settle SARs under the Plan	— 授出給股份增值權計劃下 股份	599	-	-	-	-	-	599
— shares transferred to the Awarded Shares Grantees	— 轉移給獎勵股份被授予者	6,707	-	(6,707)	-	-	-	-
Shares purchased under Share Award Scheme	股份獎勵計劃所購股份	(63,706)	-	-	-	-	-	(63,706)
Acquisition of additional interest in a subsidiary	額外取得子公司權益	-	-	-	-	-	(65,531)	(65,531)
<b>At December 31, 2016</b>	<b>於二零一六年十二月三十一日</b>	(127,287)	(244,762)	153,627	187,356	(6,452)	(106,445)	(143,963)

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 22. OTHER RESERVES (Continued)

### 22. 其他儲備(續)

		Repurchased shares held by trust (Note (a)) 信托持有 回購股份 (附註(a)) RMB'000 人民幣千元	Currency translation reserve 外幣 折算儲備 RMB'000 人民幣千元	Share based payment reserve 股份 支付儲備 RMB'000 人民幣千元	Safety fund reserve 安全 基金儲備 RMB'000 人民幣千元	Available- for-sale financial assets 可供出售 金融資產 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At January 1, 2017</b>	於二零一七年一月一日	(127,287)	(244,762)	153,627	187,356	(6,452)	(106,445)	(143,963)
Currency translation differences	外幣折算差額	-	166,660	-	-	-	-	166,660
Share of other comprehensive income of investment accounted for using the equity method	享有按權益法入賬的投資的 其他綜合收益的份額		(3,758)					(3,758)
Change in fair value of available- for-sale financial assets (Note 12)	可供出售金融資產的公允價值 變動(附註12)	-	-	-	-	8,168	-	8,168
Employees stock option scheme — value of employee services	僱員購股權計劃 — 僱員服務價值	-	-	20,158	-	-	-	20,158
— shares transferred to the Awarded Shares Grantees (Note (a))	— 轉移給獎勵股份被授予者 (附註(a))	9,470	-	(9,470)	-	-	-	-
<b>At December 31, 2017</b>	於二零一七年十二月三十一日	(117,817)	(81,860)	164,315	187,356	1,716	(106,445)	47,265

Note:

(a) Shares repurchased under Share Award Scheme

During the year ended December 31, 2017, 23,900,000 shares held in trust under the 2015 Share Award Scheme has been transferred to the Share Award Grantees, including 2,300,000 shares held by trust on behalf of holder (2016: 4,700,000). As at December 31, 2017, the shares held in trust under 2015 Share Award Scheme is 2,300,000 shares (December 31, 2016: 16,700,000).

附註：

(a) 為股份獎勵計劃回購股份

截至二零一七年十二月三十一日止年度期間內，2015 股份獎勵計劃項下由受託人持有的總股數為 23,900,000 股已經轉移給股份獎勵被授予者，其中 2,300,000 股由受託人代為持有(二零一六年：4,700,000)。截至二零一七年十二月三十一日，2015 股份獎勵計劃項下由受託人持有的總股數為 2,300,000 股(二零一六年十二月三十一日：16,700,000 股)。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 23. DEFERRED INCOME TAX

### 23. 遞延所得稅

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Deferred tax assets:</b>	<b>遞延稅項資產：</b>		
Deferred tax assets to be recovered after more than 12 months	將於12個月後收回的遞延稅項資產	334	40,590
<b>Deferred tax liabilities:</b>	<b>遞延稅項負債：</b>		
Deferred tax liabilities to be settled after more than 12 months	將於12個月後清還的遞延稅項負債	(589,281)	(66,401)
Deferred tax liabilities — net	遞延稅項負債 — 淨額	(588,947)	(25,811)

#### (a) Movements of deferred tax account

#### (a) 遞延所得稅總體變動

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>At January 1,</b>	<b>於一月一日</b>	<b>(25,811)</b>	(114,087)
Exchange differences	匯兌差額	15,338	(4,728)
Acquisition through business combination (Note 37)	企業合併導致的增加(附註37)	(581,796)	—
Tax charged to continuing profit or loss (Note 32)	費用於持續經營損益確認(附註32)	(90,047)	(31,854)
Tax charged to discontinued profit or loss	費用於終止經營損益確認	—	64,876
Disposals of subsidiaries	處置子公司	93,369	59,982
<b>At December 31,</b>	<b>於十二月三十一日</b>	<b>(588,947)</b>	(25,811)

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 23. DEFERRED INCOME TAX (Continued)

(b) The movement in deferred income tax assets and liabilities, (without taking into consideration the offsetting of balances within the same tax jurisdiction)

#### Deferred income tax assets

		Base difference in property, plant and equipment 不動產、 工廠及設備 基礎確認差異 RMB'000 人民幣千元	Accelerated tax depreciation 稅項 加速折舊 RMB'000 人民幣千元	Asset retirement obligations 資產 棄置義務 RMB'000 人民幣千元	Tax losses 稅損 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At January 1, 2016</b>	於二零一六年一月一日	-	4,350	10,015	431,480	23,128	468,973
(Charged)/credited to continuing profit or loss	(費用)/收益於持續經營 損益確認	-	(4,073)	170	81,988	(58)	78,027
Credited/(charged) to discontinued profit or loss	收益/(費用)於終止經營 損益確認	-	-	174	(39,150)	(18,134)	(57,110)
Disposals of subsidiaries	處置子公司	-	-	(6,897)	(279,521)	(4,187)	(290,605)
Exchange differences	匯兌差額	-	-	390	16,736	604	17,730
<b>At December 31, 2016</b>	於二零一六年十二月三十一日	-	277	3,852	211,533	1,353	217,015
Credited/(charged) to continuing profit or loss	收益/(費用)於持續經營 損益確認	1,463	56	8,202	(29,240)	(170)	(19,689)
Acquisition through business combination	企業合併導致的增加	27,374	-	730,116	-	3,421	760,911
Disposals of subsidiaries	處置子公司	-	-	(1,516)	-	(220)	(1,736)
Exchange differences	匯兌差額	(724)	-	(19,283)	-	(90)	(20,097)
<b>At December 31, 2017</b>	於二零一七年十二月三十一日	28,113	333	721,371	182,293	4,294	936,404

### 23. 遞延所得稅(續)

(b) 遞延稅項資產與負債的變動(沒有考慮結餘可在同一徵稅區內抵銷)

#### 遞延所得稅資產

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 23. DEFERRED INCOME TAX (Continued)

(b) The movement in deferred income tax assets and liabilities, (without taking into consideration the offsetting of balances within the same tax jurisdiction) (Continued)

#### Deferred income tax liabilities

		Accelerated tax depreciations 稅項 加速折舊 RMB'000 人民幣千元	Fair value gains of mining rights 採礦權 公允價值利得 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At January 1, 2016</b>	於二零一六年一月一日	(481,782)	(101,278)	-	(583,060)
Charged to continuing profit or loss	費用於持續經營損益確認	(109,881)	-	-	(109,881)
Credited to discontinued profit or loss	收益於終止經營損益確認	54,241	67,745	-	121,986
Disposals of subsidiaries	處置子公司	313,580	37,007	-	350,587
Exchange differences	匯兌差額	(18,984)	(3,474)	-	(22,458)
<b>At December 31, 2016</b>	於二零一六年十二月三十一日	(242,826)	-	-	(242,826)
Charged to continuing profit or loss	費用於持續經營損益確認	(54,176)	-	(16,182)	(70,358)
Acquisition through business combination	企業合併導致的增加	(1,342,707)	-	-	(1,342,707)
Disposals of subsidiaries	處置子公司	95,105	-	-	95,105
Exchange differences	匯兌差額	35,411	-	24	35,435
<b>At December 31, 2017</b>	於二零一七年十二月三十一日	(1,509,193)	-	(16,158)	(1,525,351)

### 23. 遞延所得稅(續)

(b) 遞延稅項資產與負債的變動(沒有考慮結餘可在同一徵稅區內抵銷)(續)

#### 遞延所得稅負債

		Accelerated tax depreciations 稅項 加速折舊 RMB'000 人民幣千元	Fair value gains of mining rights 採礦權 公允價值利得 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>At January 1, 2016</b>	於二零一六年一月一日	(481,782)	(101,278)	-	(583,060)
Charged to continuing profit or loss	費用於持續經營損益確認	(109,881)	-	-	(109,881)
Credited to discontinued profit or loss	收益於終止經營損益確認	54,241	67,745	-	121,986
Disposals of subsidiaries	處置子公司	313,580	37,007	-	350,587
Exchange differences	匯兌差額	(18,984)	(3,474)	-	(22,458)
<b>At December 31, 2016</b>	於二零一六年十二月三十一日	(242,826)	-	-	(242,826)
Charged to continuing profit or loss	費用於持續經營損益確認	(54,176)	-	(16,182)	(70,358)
Acquisition through business combination	企業合併導致的增加	(1,342,707)	-	-	(1,342,707)
Disposals of subsidiaries	處置子公司	95,105	-	-	95,105
Exchange differences	匯兌差額	35,411	-	24	35,435
<b>At December 31, 2017</b>	於二零一七年十二月三十一日	(1,509,193)	-	(16,158)	(1,525,351)

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 23. DEFERRED INCOME TAX (Continued)

### 23. 遞延所得稅(續)

#### (c) Deferred income tax assets not recognised

#### (c) 未確認遞延所得稅資產

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Tax losses and temporary difference	未來應納稅所得結轉的 虧損和暫時性差異	975,097	851,912
Deferred income tax assets not recognised	未確認的遞延所得稅資產	243,774	212,978

Deferred income tax assets are recognised for tax loss carry-forwards and deductible temporary differences to the extent that the realization of the related tax benefit through future taxable profits is probable.

Tax losses without recognition of deferred income tax assets can be carried forward against future taxable income. These losses amounting to RMB253.7 million (2016: RMB228.1 million) will expire in 2021.

對可抵扣虧損及可抵扣暫時性差異確認為遞延所得稅資產的數額，是根據很可能產生的未來應課稅利潤而實現的相關稅務利益確認。

未確認遞延所得稅資產的稅務損失可以抵扣未來應納稅所得額，其中虧損金額人民幣253.7百萬元(二零一六年：人民幣228.1百萬元)將於二零二一年到期。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 24. TRADE AND NOTES PAYABLE

### 24. 應付賬款及應付票據

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Trade payables	應付賬款	419,513	88,360
Less: non-current portion of trade payables	減：非流動應付賬款	(26,529)	(14,161)
Current	流動	392,984	74,199

#### (a) Aging analysis

#### (a) 賬齡分析

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Up to 6 months	不超過6個月	382,575	52,262
6 months–1 year	6個月至1年	13,589	4,727
1–2 years	1至2年	6,202	8,184
2–3 years	2至3年	3,300	16,596
Over 3 years	多於3年	13,847	6,591
		419,513	88,360

(b) The carrying amounts are denominated in the following currencies:

(b) 賬面金額以下列貨幣為單位：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
RMB	人民幣	129,303	87,940
US\$	美元	1,305	420
C\$	加幣	288,905	–
		419,513	88,360

(c) The fair values of trade and notes payables approximate their carrying amounts.

(c) 應付賬款及應付票據的公允價值與其賬面金額相近。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 25. PROVISIONS, ACCRUALS AND OTHER LIABILITIES

### 25. 準備、預提及其他負債

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Asset retirement obligations (Note (a))	資產棄置義務(附註(a))	2,672,886	15,757
Interest payable	應付利息	101,526	82,477
Salary and welfare payable	應付薪金及福利	53,149	22,810
Withholding and other tax payable	代扣代繳稅及其他應付稅	57,532	46,601
Advance from customers	預收賬款	548	-
Other payables (Note (e))	其他應付款項(附註(e))	453,268	120,163
		<b>3,338,909</b>	287,808
Less: non-current portion of	減：非流動部分之		
— Asset retirement obligations	— 資產棄置義務	(2,567,526)	(15,757)
— Withholding tax payable	— 代扣代繳稅	(52,741)	(45,052)
— Interest payable	— 應付利息	(44)	-
		<b>(2,620,311)</b>	(60,809)
Current	流動	<b>718,598</b>	226,999

#### (a) Movements of asset retirement obligations

#### (a) 資產棄置義務變動列示如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>At January 1,</b>	於一月一日	<b>15,757</b>	46,716
Additional provision	額外準備	206	1,354
Acquisitions through business combination	企業合併導致的增加	<b>2,704,135</b>	-
Disposals of subsidiaries	處置子公司	(6,065)	(34,486)
Accretion expenses	增值費用	42,375	2,644
Settlement of obligations	資產棄置義務清償	(12,080)	-
Exchange differences	匯兌差額	(71,442)	(471)
<b>At December 31,</b>	於十二月三十一日	<b>2,672,886</b>	15,757

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 25. PROVISIONS, ACCRUALS AND OTHER LIABILITIES (Continued)

(b) At December 31, 2017, included in salary and welfare payable was stock appreciation rights liabilities of RMB0.1 million (2016: RMB4.2 million) both for the Group and the Company.

(c) The carrying amounts are denominated in the following currencies:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
RMB	人民幣	32,488	116,306
US\$	美元	520,687	170,616
C\$	加幣	2,781,253	-
HK\$	港幣	4,481	886
		<b>3,338,909</b>	287,808

(d) The fair values of provisions, accruals and other liabilities approximate their carrying amounts.

(e) Included in other payables was an amount of RMB65.3 million which was secured over certain available-for-sale financial assets held by the Group.

### 25. 準備、預提及其他負債(續)

(b) 於二零一七年十二月三十一日，應付薪金及福利中包含本集團和本公司的應付股份增值權金額為人民幣0.1百萬元(二零一六年：人民幣4.2百萬元)。

(c) 賬面金額以下列貨幣為單位：

(d) 準備、預提及其他負債的公允價值與其賬面金額相近。

(e) 其他應付款項中，人民幣65.3百萬元的一部分由本集團持有的部分可供出售金融資產作為抵押。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 26. BORROWINGS

### 26. 借款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Current</b>	<b>流動</b>		
— Senior notes (Note (a))	— 優先票據(附註(a))	1,185,328	—
— Secured bank loans (Note (b))	— 抵押銀行貸款(附註(b))	260,045	104,000
— Other loans (Note (c))	— 其他借款(附註(c))	83,638	—
		<b>1,529,011</b>	104,000
<b>Non-current</b>	<b>非流動</b>		
— Senior notes (Note (a))	— 優先票據(附註(a))	2,034,974	4,586,555
— Secured bank loans (Note (b))	— 抵押銀行貸款(附註(b))	610,289	—
— Other loans (Note (c))	— 其他借款(附註(c))	1,875,194	—
		<b>4,520,457</b>	4,586,555
		<b>6,049,468</b>	4,690,555

Note:

(a) Senior Notes

附註：

(a) 優先票據

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	<b>Coupon rate</b> 票面利率		
	<b>Due date</b> 到期日		
2018 Notes	2018 票據	1,185,328	1,363,390
2019 Notes	2019 票據	2,034,974	3,223,165
		<b>3,220,302</b>	4,586,555



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 26. BORROWINGS (Continued)

Note: (Continued)

(a) Senior Notes (Continued)

All Senior Notes are listed on the Singapore Exchange Securities Trading Limited.

During the year ended December 31, 2017, the Company repurchased a portion of the 2018 Notes and 2019 Notes pursuant to a tender offer made to its note holders. The repurchase price paid to 2018 and 2019 Notes validly tendered and accepted by the Company was US\$117.6 million (equivalent to RMB791.2 million). A gain of RMB388.2 million arose by comparing the consideration paid to the carrying amount of this portion of 2018 and 2019 Notes (Note 29).

On July 13, 2017, 2018 Notes and 2019 Notes repurchased by the Company were cancelled. As at the date of cancellation, US\$181.7 million (equivalent to RMB1,187.4 million) and US\$315.9 (equivalent to RMB2,064.3 million) in aggregate principal amount of the 2018 Notes and 2019 Notes remain outstanding.

On February 6, 2018, the Company repaid in full the 2018 Notes remain outstanding upon its maturity as described in Note 41.

(b) Secured bank loans

On September 29, 2017, Canlin, the Purchaser, entered into a senior secured revolving facility (the "Secured Revolving Facility") agreement with a syndicate of banks in an aggregate amount of C\$210.0 million (equivalent to RMB1,121.8 million) to finance the Acquisition as described in Note 37. The credit facility consists of a C\$185.0 million revolving syndicated facility and a C\$25.0 million revolving operating facility.

Subsequently, on December 29, 2017, Canlin entered into an amending agreement of the credit facility to repay the principal amount outstanding under the syndicated facility by an amount no less than C\$50.0 million, and to reduce the revolving syndicate facility by C\$25.0 million, on or before May 31, 2018. After such reduction, the credit facility will consist of a C\$160.0 million revolving syndicated facility and C\$25.0 million revolving operating facility.

### 26. 借款(續)

附註：(續)

(a) 優先票據(續)

優先票據均已在新加坡證券交易所有限公司上市。

截至二零一七年十二月三十一日止年度，本公司根據其向票據持有人作出的收購要約回購了部分2018票據和2019票據。本公司有效提交並接受的2018票據和2019票據的回購金額為美元117.6百萬元(等價於人民幣791.2百萬元)，回購對價與2018票據和2019票據的賬面價值的差額確認了收益人民幣388.2百萬元(附註29)。

二零一七年七月十三日，本公司已全部註銷回購的2018票據和2019票據。在註銷票據當天，剩餘的票面價值總額為美元181.7百萬元(等價於人民幣1,187.4百萬元)的2018票據和剩餘的票面價值總額為美元315.9百萬元(等價於人民幣2,064.3百萬元)的2019票據仍在外流通。

於二零一八年二月六日，本公司在到期日已全部償還與2018票據相關的未償還金額，具體詳見附註41。

(b) 抵押銀行借款

於二零一七年九月二十九日，Canlin(「買方」)與一家銀行財團簽訂了總金額為加幣210.0百萬元的高級有擔保循環貸款(「有擔保循環貸款」)(等價於人民幣1,121.8百萬元)，用以為此次收購提供資金，具體詳見附註37闡述。此信用貸款包含加幣185.0百萬元的循環銀團貸款和加幣25.0百萬元的循環經營貸款。

於二零一七年十二月二十九日，Canlin後續簽訂了信用貸款的補充協議，最遲將於二零一八年五月三十一日償還銀團貸款項下未償還本金至少加幣50.0百萬元，同時減少可循環銀團貸款額度加幣25.0百萬元。信貸額度減少後，信用貸款將包含加幣160.0百萬元的循環銀團貸款和加幣25.0百萬元的循環經營貸款。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 26. BORROWINGS (Continued)

Note: (Continued)

#### (b) Secured bank loans (Continued)

The revolving period of the Secured Revolving Facility will end on September 28, 2018 and can be extended by an additional 364 days at the request of Canlin subject to the approval by the syndicate of banks. If the Secured Revolving Facility is not extended, the aggregate principal amount will convert into a one year non-revolving term loan and any remaining undrawn portion will be cancelled.

The Secured Revolving Facility provides advances by way of Canadian prime rate loans, US base rate loans, LIBOR based loans and bankers' acceptances. For the year ended December 31, 2017, Canlin drew loans bearing interest at 4.45%, being the Canadian prime rate plus applicable margins determined by Canlin's certain financial ratios when drawn down.

The Secured Revolving Facility is secured by a demand debenture of C\$375 million providing for a first ranking security interest and floating charge over all the assets and properties of Canlin.

The Secured Revolving Facility contains standard commercial covenants for credit facilities of this nature and does not have any financial covenants. Breach of any covenant will result in default which, if not remedied within specified time, all principal and interest obligations on the Secured Revolving Facility will become due and payable immediately.

The total interest and fees on the Secured Revolving Facility was C\$3.4 million (equivalent to RMB17.7 million) and charged to the consolidated income statement for the year ended December 31, 2017.

#### (c) Other loans

Other loans were borrowed from third parties to fund the general working capital requirement of the Group. The loans bear effective interest rate ranging from 7.70% to 30.00% per annum.

As of December 31, 2017, the other loans were secured as set below:

- Share charge over the entire issued share capital of Gobi held by the Group
- Pledge over the Group's interest under the Daan PSC
- Pledge over the Group's account receivable amounting to RMB79.9 million under the Daan PSC

### 26. 借款(續)

附註：(續)

#### (b) 抵押銀行借款(續)

有擔保循環貸款的循環期限於二零一八年九月二十八日到期，在Canlin的要求下，經銀團批准，貸款可延長364天。如果循環信貸額度未被延期，有擔保循環貸款的本金總額將變為一年內到期的非循環的定期貸款，且該貸款的未提款部分將全部被取消。

有擔保循環貸款通過加拿大優惠利率，美國基準利率貸款，倫敦銀行間拆放款利率貸款和銀行承兌匯票等方式提供預付款。截至二零一七年十二月三十一日止年度，Canlin提取了貸款，其利率為4.45%，即加拿大最優惠利率加上Canlin特定的財務比率確定的適用的利率。

該有擔保循環貸款擁有總額為加幣375.0百萬元第一等級擔保承諾並通過Canlin的所有資產和財產和提供浮動抵押擔保。

有擔保循環信貸額度包含這種性質信貸額度的標準商業條款並且沒有任何財務條款。如果違約事項未在特定時間內補救，有擔保循環信貸貸款的所有的本金和利息將到期並需立即償還，無任何寬限期間。

截至二零一七年十二月三十一日止年度，有擔保循環貸款的利息和費用金額為加幣3.4百萬元(等價於人民幣17.7百萬元)，並在綜合收益表中扣除。

#### (c) 其他借款

其他借款為本集團的一般營運需求提供資金。其他借款的每年實際利率為7.70%至30.00%。

截至二零一七年十二月三十一日，其他借款存在下列抵押：

- 本集團持有的戈壁全部股本
- 本集團大安產品分成合同下的權益作為擔保
- 本集團大安產品分成合同下的人民幣金額為79.9百萬元應收賬款作為擔保

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 26. BORROWINGS (Continued)

Note: (Continued)

(c) Other loans (Continued)

- Share charge over certain issued share capital of certain subsidiaries of the Group used for investment holding purpose
- Share charge over certain common shares of Canlin held by the Group
- Personal guarantees provided by Mr. Zhang Ruilin, Ms. Zhao Jiangbo and Mr. Zhao Jiangwei for certain loan facilities borrowed by the Group
- Share charge over certain issued share capital in Journey held by the Group
- Share charge over certain issued share capital in PetroBroad held by the Group
- Account charge over certain accounts of the Group to ensure the payment of interest and principal when due

(d) Effective interest rate and estimated fair value

### 26. 借款(續)

附註：(續)

(c) 其他借款(續)

- 用於投資持有目的而持有的子公司的全部股本
- 本集團持有的Canlin發行的部分普通股股本
- 張瑞霖先生、趙江波女士及趙江巍先生為本集團部分借款提供個人擔保
- 本集團持有的Journey全部股本
- 本集團持有的PetroBroad的全部股本
- 本集團的部分擔保賬戶，用以確保償還到期的本金及利息

(d) 實際利率以及估計的公允價值

		<b>Secured</b>			
		<b>bank loans</b>	<b>Senior Notes</b>	<b>Other loans</b>	<b>Total</b>
		抵押銀行貸款	優先票據	其他借款	總計
Effective interest rate:	實際利率：				
As at December 31, 2017	於二零一七年十二月三十一日	4.45%	8.86% to 8.99%	7.70% to 30.00%	4.45% to 30.00%
As at December 31, 2016	於二零一六年十二月三十一日	4.79%	8.86% to 8.99%	-	4.79% to 8.99%
Estimated fair value:	估計公允價值：				
As at December 31, 2017	於二零一七年十二月三十一日	870,334	2,616,849	1,958,832	5,446,015
As at December 31, 2016	於二零一六年十二月三十一日	104,000	3,486,007	-	3,590,007

The fair values of Senior Notes are based on its closing prices quoted on Singapore Exchange Securities Trading Limited and are within level 1 of the fair value hierarchy; The secured bank loans are based on the borrowing rate at 4.45% and within level 2 of the fair value hierarchy; The secured loans from other parties are based on the borrowing rate from 7.70% to 30.00% and within level 3 of the fair value hierarchy.

The Senior Notes which bear fixed interest rates are not subject to interest rate changes.

優先票據的公允價值是基於其在新加坡證券交易所的收盤報價而定，並歸屬於公允價值第一層級；而抵押銀行貸款是基於借款利率4.45%，並歸屬於公允價值第二層級；其他抵押借款是基於利率7.70%至30.00%，並歸屬於公允價值第三層級。

優先票據的票面利率固定，且不隨利率波動而變動。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 26. BORROWINGS (Continued)

Note: (Continued)

(e) The Group's borrowings were repayable as follows:

		Secured bank loans 抵押銀行借款		Senior Notes 優先債券		Other loans 其他借款
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Within 1 year	1年以內	260,045	104,000	1,185,328	–	83,638
Between 1 and 2 years	1至2年	–	–	2,034,974	1,363,390	932,185
Between 2 and 5 years	2至5年	610,289	–	–	3,223,165	943,009
		<b>870,334</b>	104,000	<b>3,220,302</b>	4,586,555	<b>1,958,832</b>

(f) Carrying amounts are denominated in the following currencies:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
RMB	人民幣	–	104,000
US\$	美元	4,780,283	4,586,555
C\$	加幣	870,334	–
HK\$	港幣	398,851	–
		<b>6,049,468</b>	4,690,555

### 26. 借款(續)

附註：(續)

(e) 本集團的借款需要償還的金額如下所示

(f) 賬面金額以如下貨幣為單位：

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 27. OTHER (LOSSES)/GAINS, NET

### 27. 其他(損失)/利得 — 淨額

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Gains on disposal of a subsidiary	處置子公司利得	46,318	526,132
Provisions for receivable	計提應收款項壞賬準備	(730,116)	(252,756)
Gains arising from acquisition of an associate	收購聯營企業產生的收益	-	29,798
Gains/(losses) on financial instruments	金融工具利得/(損失)	45,737	(19,595)
Others	其他	(14,456)	14,270
		<b>(652,517)</b>	297,849

### 28. TAXES OTHER THAN INCOME TAXES

### 28. 稅項(所得稅除外)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<i>PRC:</i>	<i>中國:</i>		
Urban construction tax and education surcharge	城建稅及教育附加費	3,488	2,839
Others	其他	91	96
		<b>3,579</b>	2,935
<i>Corporate and other segments:</i>	<i>總部及其他分部:</i>		
Withholding tax and others (Note)	代扣代繳稅及其他(附註)	10,635	10,479
		<b>14,214</b>	13,414

Note:

During the year, all (2017: all) withholding tax is related to interest expenses arising from the intra-group loans.

附註:

於本年度, 所有(二零一七年: 所有)代扣代繳稅皆與集團內部貸款所產生的利息相關。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 29. FINANCE COSTS — NET

### 29. 財務費用 — 淨值

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Finance income</b>	<b>財務收入</b>		
Interest income on deposits	利息收入	49,248	17,490
<b>Finance costs</b>	<b>財務費用</b>		
Interest expenses at coupon rates/bank rates	利息費用(按照票面利率和銀行利率核算)	(427,886)	(369,061)
Amortisation of discounts	貼現攤銷	(127,505)	(52,066)
Gains on repurchase of Senior Notes (Note 26)	回購優先票據的收益(附註26)	388,229	41,592
Other fees	其他費用	(25,387)	(558)
		(192,549)	(380,093)
Exchange gains/(losses), net (Note 35)	匯兌收益/(損失), 淨額(附註35)	4,552	(23,858)
		(187,997)	(403,951)
<b>Finance costs — net</b>	<b>財務費用 — 淨值</b>	<b>(138,749)</b>	<b>(386,461)</b>

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 30. EXPENSES BY NATURE

### 30. 按性質分類的費用

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Employee benefit expense (Note 31)	員工薪酬成本(附註31)	206,510	133,291
Depreciation and depletion of property, plant and equipment (Note 6)	不動產、工廠及設備的折舊及折耗(附註6)	484,396	356,873
Exploration and evaluation expense (Note 6)	勘探及評價資產相關費用(附註6)	10,737	-
Amortisation of intangible assets (Note 7)	無形資產攤銷(附註7)	5,467	6,987
Impairment charges on property, plant and equipment (Note 6)	不動產、工廠及設備的減值損失(附註6)	-	153,288
Impairment charges on investments in associates (Note 8)	聯營企業投資減值(附註8)	33,524	81,339
Impairment charges on available-for-sale financial assets (Note 12)	可供出售金融資產減值減值(附註12)	2,000	-
Impairment charges on intangible assets (Note 7)	無形資產減值損失(附註7)	-	40
Auditor's remuneration	核數師報酬		
— audit and audit related services	— 審計及審計相關服務	7,183	4,655
— service in connection with the Acquisition	— 與收購相關服務	8,318	-
— non-audit services	— 非審計服務	665	604
Operating lease expenses	經營租賃費用	15,802	11,264

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 31. EMPLOYEE BENEFIT EXPENSE

### 31. 員工薪酬成本

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Wages, salaries and allowances	工資、薪金及津貼	158,028	92,959
Housing subsidiaries	住房補貼	2,137	2,166
Share options — value of employee services (Note 22)	購股權 — 僱員服務價值 (附註22)	16,491	18,242
Awarded shares — value of employee services (Note 22)	獎勵股份 — 僱員服務價值 (附註22)	3,667	9,748
Stock appreciation rights expenses	股份增值權費用	(4,238)	(7,414)
Pension costs — defined contribution plans (Note)	退休金成本 — 設定提存計劃 (附註)	15,639	11,106
Welfare and other expenses	福利及其他費用	14,786	6,484
		<b>206,510</b>	133,291

Note:

The Group is required to make specific contributions to the state-sponsored retirement plan at a rate of 20% (2016: 20%) of the specified salaries of the qualified employees in the PRC. The PRC government is responsible for the pension liability to the retired employees.

Post-employment benefit plans provided by Canlin are formal or informal arrangements under which an entity provides post-employment benefits for one or more employees.

附註：

本集團需按合資格中國員工特定工資的20% (二零一六年：20%) 的款項支付予國家規定的職工退休金計劃。中國政府負責該等退休員工的養老金責任。

Canlin 實施的離職後福利計劃是根據正式或非正式的安排，由公司為一名或多名員工提供的離職後福利。



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 31. EMPLOYEE BENEFIT EXPENSE (Continued)

#### (a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the years ended December 31, 2017 and 2016 are as follows:

		2017 二零一七年	2016 二零一六年
Directors	董事	2	4
Non-director individual	非董事人士	3	1

The details of emoluments paid to the five highest individuals who were Directors of the Company during the years ended December 31, 2017 and 2016 have been included in Note 39. Details of emoluments paid to the remaining non-director individual are as follows:

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	4,397	3,267
Discretionary bonuses	酌情獎金	1,244	-
Pension costs — defined contribution plans	退休金成本 — 設定提存計劃	145	-
House allowance and other welfare	住房補貼及其他福利	183	-
Awarded shares expenses	獎勵股份費用	3,667	-
Share options expenses	購股權費用	9,839	-
		<b>19,475</b>	3,267

### 31. 員工薪酬成本(續)

#### (a) 五名最高薪人士

本集團截至二零一七年及二零一六年十二月三十一日止年度五名最高薪人士如下：

		2017 二零一七年	2016 二零一六年
Directors	董事	2	4
Non-director individual	非董事人士	3	1

本公司截至二零一七年及二零一六年十二月三十一日止年度已付五名最高薪人士中的本公司董事的酬金詳情已在附註39列示。已付餘下非董事人士的酬金詳情如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	4,397	3,267
Discretionary bonuses	酌情獎金	1,244	-
Pension costs — defined contribution plans	退休金成本 — 設定提存計劃	145	-
House allowance and other welfare	住房補貼及其他福利	183	-
Awarded shares expenses	獎勵股份費用	3,667	-
Share options expenses	購股權費用	9,839	-
		<b>19,475</b>	3,267

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 31. EMPLOYEE BENEFIT EXPENSE (Continued)

#### (a) Five highest paid individuals (Continued)

The emoluments fell within the following bands:

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
Emolument bands (in HK\$)	薪酬範圍(港元)		
HK\$3,000,001 — HK\$4,500,000	3,000,001 港元 — 4,500,000 港元	—	1
HK\$4,500,001 — HK\$5,000,000	4,500,001 港元 — 5,000,000 港元	2	1
HK\$5,500,001 — HK\$6,000,000	5,500,001 港元 — 6,000,000 港元	1	—
HK\$6,500,001 — HK\$7,000,000	6,500,001 港元 — 7,000,000 港元	—	1
HK\$9,500,001 — HK\$10,000,000	9,500,001 港元 — 10,000,000 港元	1	1
HK\$10,000,001 — HK\$15,000,000	10,000,001 港元 — 15,000,000 港元	1	1
		<b>5</b>	<b>5</b>

(b) During the financial year ended December 31, 2017, none of the directors of the Company and the five highest paid individuals:

- (i) received any emolument from the Group as an inducement upon joining the Group;
- (ii) waived or has agreed to waive any emoluments.

### 31. 員工薪酬成本(續)

#### (a) 五名最高薪人士(續)

此等薪酬在下列組合範圍內：

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
Emolument bands (in HK\$)	薪酬範圍(港元)		
HK\$3,000,001 — HK\$4,500,000	3,000,001 港元 — 4,500,000 港元	—	1
HK\$4,500,001 — HK\$5,000,000	4,500,001 港元 — 5,000,000 港元	2	1
HK\$5,500,001 — HK\$6,000,000	5,500,001 港元 — 6,000,000 港元	1	—
HK\$6,500,001 — HK\$7,000,000	6,500,001 港元 — 7,000,000 港元	—	1
HK\$9,500,001 — HK\$10,000,000	9,500,001 港元 — 10,000,000 港元	1	1
HK\$10,000,001 — HK\$15,000,000	10,000,001 港元 — 15,000,000 港元	1	1
		<b>5</b>	<b>5</b>

(b) 於截至二零一七年十二月三十一日止的財政年度期間，無任何本公司董事或五名最高薪人士涉及下列之事項：

- (i) 收取任何酬金作為加入本集團時的獎勵；
- (ii) 放棄或同意放棄任何報酬。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 31. EMPLOYEE BENEFIT EXPENSE (Continued)

#### (c) Senior management remuneration band

Details of the remuneration of each of the Directors for the year ended December 31, 2017 are set out in Note 39. The senior management's remuneration for the year ended December 31, 2017 is within the following bands:

### 31. 員工薪酬成本(續)

#### (c) 高級管理層薪酬按組合範圍呈列

各董事截至二零一七年十二月三十一日止年度的薪酬詳情載於附註39。截至二零一七年十二月三十一日止年度高級管理人員的薪酬範圍如下：

		Number of individuals 人數	
		2017 二零一七年	2016 二零一六年
Emolument bands (HK\$)	薪酬範圍(港元)		
HK\$1,000,001 — HK\$1,500,000	1,000,001 港元 — 1,500,000 港元	1	—
HK\$1,500,001 — HK\$2,000,000	1,500,001 港元 — 2,000,000 港元	1	—
HK\$2,500,001 — HK\$3,000,000	2,500,001 港元 — 3,000,000 港元	1	—
HK\$3,000,001 — HK\$3,500,000	3,000,001 港元 — 3,500,000 港元	—	1
HK\$4,500,001 — HK\$5,000,000	4,500,001 港元 — 5,000,000 港元	2	—
		5	1

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 32. INCOME TAX EXPENSE

### 32. 所得稅費用

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Current income tax	當期所得稅	(2,867)	115,312
Deferred income tax (Note 23)	遞延所得稅(附註23)	90,047	31,854
		<b>87,180</b>	147,166

(a) Taxation has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

(a) 課稅按照本年度估計應課稅利潤計算，計算基礎乃本集團經營業務所在國家的現行稅率。

(b) The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

(b) 本集團就除稅前利潤的稅項，與採用合併主體利潤適用的加權平均稅率而應產生的理論稅額的差額如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Loss before income tax</b>	<b>除所得稅前虧損</b>	<b>(1,012,296)</b>	(457,981)
Tax calculated at domestic tax rates applicable to profits in the respective countries	在各有關國家的利潤按適用的當地稅率計算的稅項	50,356	(90,440)
Tax effects of:	稅項影響：		
— Income not subject to tax	— 無需繳稅收入	(205)	(622)
— Expenses not deductible for tax purposes	— 不可扣稅支出	4,026	10,641
— Tax losses and temporary differences for which no deferred income tax asset was recognised	— 未確認遞延所得稅資產的稅務虧損及暫時性差異	30,796	163,027
— Adjustments in respect of prior years	— 以前年度調整	2,207	757
— Others	— 其他	-	63,803
<b>Tax charge</b>	<b>稅項支出</b>	<b>87,180</b>	147,166

The weighted average effective tax rate was negative 9% (2016: negative 32%) for the year ended December 31, 2017.

截至二零一七年十二月三十一日止年度之加權平均有效稅率為負9%(二零一六年：負32%)。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 33. DIVIDENDS

The directors do not propose dividend for the year (2016: Nil).

### 34. LOSS PER SHARE

#### (a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

### 33. 權益分派

本公司董事決定本年度不派發股利(二零一六年：無)。

### 34. 每股虧損

#### (a) 基本

基本每股收益是根據本公司所有者的應佔利潤，除以本年度內已發行普通股的加權平均數目計算。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Loss for the year attribute to owners of the company arising from:	本年本公司所有者應佔虧損的每股虧損：		
— Continuing operations	— 持續經營	(1,099,476)	(605,367)
— Discontinued operations	— 終止經營	-	(717,086)
Weighted average number of ordinary shares (thousands)	加權平均普通股數目(千股)	2,813,638	2,860,410
Basic loss per share	基本每股虧損		
— Continuing operations	— 持續經營	(0.39)	(0.21)
— Discontinued operations	— 終止經營	-	(0.25)
		(0.39)	(0.46)

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 34. LOSS PER SHARE (Continued)

#### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options outstanding which are potentially dilutive. A calculation is performed to determine the number of ordinary shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the weighted average number of outstanding share options. The number of ordinary shares calculated above for basic earnings per share is increased by the number of ordinary shares that would have been issued assuming the exercise of the share options at the date later of beginning of the relevant period or the date of issue.

### 34. 每股虧損(續)

#### (b) 稀釋

每股稀釋收益乃假設所有稀釋潛在普通股獲兌換後，經調整已發行普通股的加權平均數計算。本公司尚未行使之購股權具有潛在稀釋效應。至於購股權，根據未行使購股權的加權平均數所附認購權的貨幣價值，釐定可能已按公允價值(即本公司股份的平均年度市價)購入的普通股數目。按以上基本每股收益方式計算的普通股數目，需加上假設購股權於相關期間期初或實際發行日兩者之中較晚日期獲行使或轉換而發行的普通股數量。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Loss attributable to owners of the Company used to determine diluted earnings per share:	用於釐定每股稀釋收益的本公司所有者的損失：		
— Continuing operations	— 持續經營	(1,099,476)	(605,367)
— Discontinued operations	— 終止經營	-	(717,086)
<b>Weighted average number of ordinary shares (thousands)</b>	<b>加權平均普通股數目(千股)</b>	<b>2,813,638</b>	2,860,410
Weighted average number of diluted potential ordinary shares for diluted earnings per share (thousands)	為計算每股稀釋收益的稀釋潛在普通股加權平均數(千股)	<b>2,813,638</b>	2,860,410
Diluted loss per share	稀釋每股虧損		
— Continuing operations	— 持續經營	(0.39)	(0.21)
— Discontinued operations	— 終止經營	-	(0.25)
		<b>(0.39)</b>	(0.46)

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 35. CASH GENERATED FROM OPERATING ACTIVITIES

### 35. 經營活動產生的現金

		Year ended December 31, 截至十二月三十一日止年度	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Loss before income tax	除所得稅前虧損	(1,012,296)	(457,981)
Adjustments for:	調整：		
Gains on disposal of subsidiaries (Note 27)	處置子公司利得(附註27)	(46,318)	(526,132)
Depreciation, depletion and amortisation	折舊、折耗及攤銷	489,863	363,860
Interest expenses — net (Note 29)	淨利息支出(附註29)	143,301	362,603
Provision for receivable	計提應收壞賬準備	730,116	252,756
Impairment loss	減值損失	35,524	234,667
Share of (losses)/gains from investments in associates	享有聯營企業投資的(虧損)/利潤份額	63,023	(35,682)
Share of losses from investments in joint ventures	享有合營企業投資的虧損份額	—	3,382
Gain arising from acquisition of an associate	收購聯營企業產生的收益	—	(29,798)
Share-based payment to employees	購股權計劃下僱員服務成本	20,158	27,990
Exchange (gains)/losses (Note 29)	匯兌損益(附註29)	(4,552)	23,858
Gains/(losses) on derivative financial instruments	衍生金融工具(收益)/損失	(52,390)	19,595
Exploration and evaluation expense	勘探及評價資產相關費用	10,737	—
Others	其他	23,339	(14,270)
Changes in working capital:	營運資金變動：		
Trade and other receivable	應收及其他應收款	(18,032)	(123,015)
Trade and other payable	應付及其他應付款	76,722	65,516
Inventories	存貨	6,185	(4,607)
Cash generated from operations	經營產生的現金	465,380	162,742
<b>Cash flows from operating activities</b>	<b>經營活動產生的現金流量</b>		
Cash generated from continuing operations	持續經營產生的現金	465,380	162,742
Interest paid	已付利息	(422,038)	(382,997)
Income tax paid	已付所得稅	(2,401)	(69,567)
Cash generated from/(used in) discontinued operations	終止經營產生/(使用)的現金	—	(81,057)
<b>Net cash generated from/(used in) operating activities</b>	<b>經營活動產生/(使用)的現金淨額</b>	<b>40,941</b>	<b>(370,879)</b>

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 35. CASH GENERATED FROM OPERATING ACTIVITIES (Continued)

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

### 35. 經營活動產生的現金(續)

此部分進行了淨負債的分析以及在每個期間淨負債的變動。

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Net debt</b>	<b>淨負債</b>		
Cash and cash equivalents	現金及現金等價物	132,172	904,961
Liquid investments	流動投資	111,228	-
Borrowings — repayable within one year (including overdraft)	借款 — 一年以內償還 (包含透支金額)	(1,529,011)	(104,000)
Borrowings — repayable after one year	借款 — 一年以上償還	(4,520,457)	(4,586,555)
Net debt	淨負債	(5,806,068)	(3,785,595)
Cash and liquid investments	現金及流動投資	243,400	904,961
Gross debt — fixed interest rates	總負債 — 固定利率	(6,049,468)	(4,690,555)
Net debt	淨負債	(5,806,068)	(3,785,594)

		Other assets 其他資產		Liabilities from financing activities 融資活動產生的負債		Total 總計
		Cash and cash equivalent 現金及現金等價物 RMB'000 人民幣千元	Liquid investments 流動投資 RMB'000 人民幣千元	Borrow due within 1 year 一年以內借款 RMB'000 人民幣千元	Borrow due after 1 year 一年以上借款 RMB'000 人民幣千元	
<b>Net debt</b>	<b>淨負債</b>					
<b>At January 1, 2017</b>	<b>於二零一七年一月一日</b>	904,961	-	(104,000)	(4,586,555)	(3,785,594)
Cash flows	現金流	(757,589)	134,609	(154,560)	(1,876,228)	(2,653,768)
Foreign exchange adjustments	外幣折算差異調整	(15,200)	(18,452)	78,819	139,091	184,258
Other non-cash movements	其他非現金項變動	-	(4,929)	(1,349,270)	1,803,235	449,036
<b>At December 31, 2017</b>	<b>於二零一七年十二月三十一日</b>	132,172	111,228	(1,529,011)	(4,520,457)	(5,806,068)



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 36. COMMITMENTS AND CONTINGENCIES

#### (a) Commitments

##### (i) Capital commitments for the purchase of property, plant and equipment

		As at December 31, 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Authorised by the Board of Directors but not contracted for	董事會已批准但未簽約	89,856	131,563
Contracted but not provided for	已簽約但未撥備	121,692	–
		<b>211,548</b>	131,563

##### (ii) Operating lease commitments

The Group has operating lease commitments related to its non-cancellable operating leases for offices and vehicle. The future aggregate minimum lease payments under these operating leases are as follows:

		As at December 31, 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Less than 1 year	少於一年	25,791	8,846
Within 1–2 years	一至兩年	9,826	4,235
Within 2–5 years	二至五年	3,177	472
Over 5 years	五年以上	811	–
		<b>39,605</b>	13,553

### 36. 承諾事項及或有負債

#### (a) 承諾

##### (i) 購買不動產、工廠及設備之資本性承諾事項

As at December 31,  
於十二月三十一日

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
89,856	131,563
121,692	–
<b>211,548</b>	131,563

##### (ii) 經營租賃承諾

本集團因經營租賃辦公室和車輛而擁有不可撤銷的經營租約承諾。經營租賃項下的未來最低租賃付款額列示如下：

As at December 31,  
於十二月三十一日

2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
25,791	8,846
9,826	4,235
3,177	472
811	–
<b>39,605</b>	13,553

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 36. COMMITMENTS AND CONTINGENCIES (Continued)

#### (a) Commitments (Continued)

##### (iii) Firm transportation commitments

The Group has firm transportation commitments which are pipeline transportation commitments with third parties. The future aggregate minimum payments under these pipeline transportation are as follows:

		As at December 31, 於 十二月三十一日 2017 二零一七年 RMB'000 人民幣千元
Less than 1 year	少於一年	108,696
Within 1–2 years	一至兩年	87,827
Within 2–5 years	二至五年	139,867
Over 5 years	五年以上	13,615
		<b>350,005</b>

#### (b) Contingencies

The Group has contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business from time to time. As at December 31, 2017, the directors of the Company did not anticipate that any material liabilities will arise from the contingent liabilities other than those provided for in the financial statements.

### 36. 承諾事項及或有負債(續)

#### (a) 承諾(續)

##### (iii) 公司運輸承諾

本集團存在公司運輸承諾，其為與第三方的管道運輸承諾。管道運輸承諾下的未來最低租付款額列式如下：

#### (b) 或有負債

本集團在日常業務中時而會發生與索償或其他法律程序相關的或有負債。於二零一七年十二月三十一日，本公司董事預期除已於財務報表中撥備外，不存在任何或有負債將構成重大負債的事項。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 37. BUSINESS COMBINATION

#### (a) Summary of the Acquisition

On September 29, 2017, the Group acquired 100% of the partnership interests of CQ Energy for a purchase consideration of approximately C\$699.4 million (equivalent to RMB3,735.9 million) from two independent vendors. The CQ Energy owns a diverse base of producing, reserve and infrastructure assets located throughout Alberta, Saskatchewan and British Columbia in Canada. As a result of the acquisition, the group is expected to increase its presence in its North American segment.

The total purchase consideration was paid in cash to the vendors upon completion of the Acquisition. The purchase consideration was financed by the cash proceeds from: (1) the issuance of CPS of RMB1,067.6 million by Canlin as described in Note 14; (2) net cash proceeds of the Secured Revolving Facility provided by a syndicate banks of RMB1,068.4 million to Canlin as described in Note 26 (b); (3) net cash proceeds from internal resources and other general borrowings undertaken by the Company.

Upon completion, a goodwill of C\$135.6 million (equivalent to RMB724.3 million) arose from the acquisition, attributable to acquired customer base and the synergy expected from the integration of the Group's commercial and production resources in North America. None of the goodwill recognised is expected to be deductible for income tax purposes.

The following table summarises the consideration paid for CQ Energy, the fair value of assets acquired, liabilities assumed at the acquisition date.

### 37. 企業合併

#### (a) 收購信息匯總

於二零一七年九月二十九日，本集團從兩個獨立的賣方收購了CQ Energy 100% 合夥權益，收購對價約為加幣699.4百萬元(等價於人民幣3,735.9百萬元)。CQ Energy 擁有位於加拿大艾伯塔省，薩斯喀徹溫省和不列顛哥倫比亞省的生產、儲備和基礎設施資產。收購完成後，本集團預計增加其在北美分部的市場地位。

在收購完成日，總的對價通過現金形式支付給賣方。收購對價通過以下各項融資取得：(1) 如附註14所述，Canlin發行可轉換優先股所得款項金額為人民幣1,067.6百萬元；(2) 如附註26 (b)所述，由銀團提供給Canlin有擔保循環貸款所得款項金額約為人民幣1,068.4百萬元；(3) 由本公司提供的內部資金和其他借款所得款項。

收購完成後，由於收購產生的商譽為加幣135.6百萬元(等價於人民幣724.3百萬元)，歸因於收購的客戶群以及集團在北美的商業和生產資源整合預期所帶來的協同效應。確認的商譽預期不可抵扣所得稅。

以下表格總結了收購目標公司所支付的對價，在收購日所購入的資產、承擔的負債的公允價值。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 37. BUSINESS COMBINATION (Continued)

### 37. 企業合併(續)

#### (a) Summary of the Acquisition (Continued)

#### (a) 收購信息匯總(續)

		RMB'000 人民幣千元
<b>Total consideration</b>	<b>總對價</b>	3,735,911
<b>Recognised amounts of identifiable assets acquired and liabilities assumed</b>	<b>可辨認的購買資產和承擔負債的確認總數</b>	
Cash and cash equivalents	現金及現金等價物	178,905
Property, plant and equipment (Note 6)	不動產、工廠及設備(附註6)	6,202,062
Current income tax liabilities	當期所得稅負債	(50,641)
Deferred income tax liabilities	遞延所得稅負債	(581,796)
Trade and other receivables	應收及其他應收款	320,753
Trade and other payables	應付及其他應付款	(3,057,634)
<b>Total identifiable net assets</b>	<b>可辨認淨資產總額</b>	3,011,649
Goodwill (Note 7)	商譽(附註7)	724,262

There were no acquisition in the year ended December 31, 2016.

於二零一六年十二月三十一日止年度，無收購事項。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 37. BUSINESS COMBINATION (Continued)

### 37. 企業合併(續)

#### (b) Purchase consideration — cash outflow

#### (b) 收購對價 — 現金流出

		As at December 31, 於 十二月三十一日 2017 二零一七年 RMB'000 人民幣千元
Outflow of cash to acquire subsidiary, net of cash acquired	收購子公司的現金流出， 所取得的現金淨額	3,735,911
Cash consideration	現金對價	(178,905)
Less: Balances acquired	減：所並購的餘額	
Cash	現金	3,557,006

Acquisition-related costs of RMB34.0 million have been charged to general and administrative expense in the consolidated statement of comprehensive income for the year ended December 31, 2017.

收購相關成本人民幣34.0百萬元已包含在截至二零一七年十二月三十一日止年度的合併綜合收益表的管理費用中。

The fair value of trade and other receivables is C\$60.0 million (equivalent to RMB320.7 million) and includes trade receivables with a fair value of C\$44.6 million (equivalent to RMB238.2 million). The gross contractual amount for trade receivables due is C\$48.8 million (equivalent to RMB260.7 million), of which C\$4.2 million (equivalent to RMB22.2 million) is expected to be uncollectible.

應收賬款及其他應收款的公允價值為加幣60.0百萬元(等價於人民幣320.7百萬元)，此包括公允價值為加幣44.6百萬元(等價於人民幣238.2百萬元)的貿易應收款。已到期貿易應收款的總合同金額為加幣48.8百萬元(等價於人民幣260.7百萬元)，其中加幣4.2百萬元(等價於人民幣22.2百萬元)預期將無法收回。

The revenue included in the consolidated statement of comprehensive income since September 29, 2017 contributed by Canlin Energy Corporation was C\$89.3 million (equivalent to RMB456.4 million) and also contributed loss of C\$10.7 million (equivalent to RMB55.7 million) over the same period.

合併綜合收益表所包括自二零一七年九月二十九日起由Canlin Energy Corporation貢獻的收入為加幣89.3百萬元(等價於人民幣456.4百萬元)，其亦在同期產生加幣10.7百萬元的虧損(等價於人民幣55.7百萬元)。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 38. RELATED PARTY TRANSACTIONS

The Group is controlled by Far East Energy Limited ("FEEL"), which owns 48.13% of the Company's shares and is also the ultimate parent company of the Group. FEEL is a limited liability company incorporated in Hong Kong and its ultimate benefit owners are Mr. Zhang Ruilin, Mr. Zhao Jiangwei and Ms. Zhao Jiangbo ("Mrs. Zhang", Mr. Zhang's spouse).

- (a) In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties:

### 38. 關聯方交易

本集團受Far East Energy Limited(以下簡稱「FEEL」)直接控制。FEEL擁有本公司股本的48.13%，並且是本集團的最終母公司。FEEL為一家在香港註冊的有限責任公司，其最終受益方為張瑞霖先生、趙江巍先生及趙江波女士(張先生之配偶，以下簡稱「張夫人」)。

- (a) 除了財務報表其他地方所披露外，與關聯方的交易列示如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Transactions with PSC partners</b>	<b>與產品分成合同夥伴的交易</b>		
Global Oil Corporation ("GOC")	環球石油		
— Cash receipts from the PSCs received by the Group on GOC's behalf	— 根據產品分成合同代表環球石油收取的款項	74,903	54,161
— Advances to GOC	— 預付環球石油款項	(41,319)	(82,638)
— Repayment received from GOC	— 收到環球石油還款	—	27,546
— Expenditures for PSCs incurred on GOC's behalf	— 根據產品分成合同代表環球石油所付生產費用	(25,699)	(21,087)
— Deposit paid on GOC's behalf	— 代環球石油支付勞動用工風險保證金	(20)	—
PetroChina	中石油		
— Sales to PetroChina	— 對中石油的銷售額	652,977	520,264
— Expenditures for PSCs incurred on PetroChina's behalf	— 根據產品分成合同代表中石油所支付的生產費用	(179,909)	(181,908)
<b>Transactions with joint ventures</b>	<b>與合營企業的交易</b>		
SGE	中澳項目		
— Shareholder's loan to SGE	— 提供予中澳項目的股東貸款	—	(24,341)
<b>Transactions with Associates</b>	<b>與聯營企業的交易</b>		
— Accrued interest income from shareholder's loan to PBV	— 提供予PBV的股東貸款所產生的利息收入	39,536	—
— Shareholder's loan to PetroBroad	— 提供予PetroBroad的股東貸款	(20,227)	—
— Payment received from PetroBroad	— 收到PetroBroad還款	20,227	—
— Investment in PetroBroad	— 對PetroBroad的投資	(33,524)	—
<b>Other transactions</b>	<b>其他交易</b>		
Issuance of convertible preferred shares to CCGRF Gastown Limited (Note 14)	— 向CCGRF Gastown Limited發行可轉換優先股(附註14)	889,688	—
Standby fee to CCGRF Gastown Limited	— 應付CCGRF Gastown Limited安排費	35,366	—

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 38. RELATED PARTY TRANSACTIONS (Continued)

### 38. 關聯方交易(續)

(a) In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties: (Continued)

(a) 除了財務報表其他地方所披露外，與關聯方的交易列示如下：(續)

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Transactions with controlling shareholder of the Company's ultimate holding company and/or a company/person related to the controlling shareholder of the Company's ultimate holding company (*)</b>	<b>與本公司最終控股公司控股股東或本公司最終控股公司控股股東的關聯公司/人士的交易(*)</b>		
— Purchase for oilfield services	— 購買鑽井服務	(60,809)	(70,015)
— Rental of vehicles and office premises	— 汽車和房屋的租賃	(948)	(946)
— Individual loan from Mrs. Zhang	— 張夫人個人借款	16,714	—

\* All amounts disclosed above re-presented gross amount transacted between the Group's subsidiaries, acting as operator for Daan, and Moliqing with Jilin Guotai Petroleum Development Company and its subsidiaries, and Wide Reliance (Hong Kong) Limited which are controlled by Mrs. Zhang. Besides, individual loan was entered between the Company and Mrs. Zhang.

\* 以上所披露的金額為本集團子公司(作為大安和莫里青的作業者)與關聯公司交易的總額。吉林省國泰石油開發有限公司及其子公司，以及信廣(香港)有限公司為張夫人所控制。此外，上述個人借款為本公司與張夫人之間所簽訂。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 38. RELATED PARTY TRANSACTIONS (Continued)

### 38. 關聯方交易(續)

(b) Year-end balances with related parties are summarised as follows:

(b) 關聯方交易年末餘額總結如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Included in 'trade and other receivables':</b>			
Trade receivables from PSC partner		79,874	94,651
Other receivables from PSC partners		205,757	205,837
Other receivables from Palaeontol B.V		112,764	112,781
Shareholder loans granted to Palaeontol B.V		813,731	823,217
Other receivables from companies controlled by the controlling shareholder of the Company's ultimate holding company		1,393	19,365
		<b>1,213,519</b>	1,255,851
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
<b>Included in 'trade and other payables':</b>			
Trade payables to companies controlled by the controlling shareholder of the Company's ultimate holding company		33,753	7,054
Standby fee to CCGRF Gastown Limited		35,366	-
Others		44	5,550
		<b>69,163</b>	12,604



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 38. RELATED PARTY TRANSACTIONS (Continued)

- (b) Year-end balances with related parties are summarised as follows: (Continued)

Other receivables from PSC partners represent advances to GOC and PetroChina mainly from cash receipts received by the Group on the behalf of GOC and expenditures incurred from and for the respective PSCs by the Group on the behalf of GOC and PetroChina, respectively.

Trade payables to companies controlled by the controlling shareholder of the Company's ultimate holding company represent payables for oilfield related services from Jilin Guotai Petroleum Development Company and its subsidiaries, Songyuan Guotai Petroleum Technology Service Company and Jilin Guotai Drilling Engineering Technology Service Company.

At December 31, 2017, all (2016: all) cash call balances are interest-free and unsecured, and the balances of shareholders' loans are unsecured, carrying nominal interest rate of ranging from 4.9% to 11.9% per annum (2016: 4.9% to 11.9%).

### 38. 關聯方交易(續)

- (b) 關聯方交易年末餘額總結如下：  
(續)

「其他應收產品分成合同合作夥伴款項」為預付給環球石油和中石油的款項，主要來自於本集團按照環球石油應享有的份額代環球石油收取的款項及根據產品分成合同代環球石油和中石油代墊的費用。

「應付受本公司最終控股方控股股東控制的公司的貿易款項」為向吉林省國泰石油開發有限公司及其子公司松原市國泰石油科技服務有限公司及吉林省國泰鑽探工程技術服務有限公司支付油田相關服務的應付款項。

於二零一七年十二月三十一日，所有(二零一六年：所有)現金供款款項無抵押性質且不計利息，所有(二零一六年：所有)股東借款為無抵押性質，名義年利率範圍為4.9%至11.9%(二零一六年：4.9%至11.9%)。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 38. RELATED PARTY TRANSACTIONS (Continued) 38. 關聯方交易(續)

#### (c) Loan to related parties

#### (c) 予關聯方貸款

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Loan to associates:	予聯營企業貸款：		
<b>At January 1/recognition date</b>	於一月一日／在初始確認日期	<b>823,217</b>	809,472
— Addition	— 增加	<b>20,227</b>	3,857
— Repayment	— 還款	<b>(20,227)</b>	—
— Interest charged	— 利息收入	<b>611</b>	1,145
— Interest receivable	— 應收利息	<b>38,925</b>	2,807
— Exchange (losses)/gains	— 匯兌損益	<b>(49,022)</b>	5,936
<b>At December 31,</b>	於十二月三十一日	<b>813,731</b>	823,217

The shareholders loans to associate as at December 31, 2017 is unsecured, carries interest ranging from 4.9% to 11.9% per annum (2016: 4.9% to 11.9%).

於二零一七年十二月三十一日，本集團授予聯營企業的股東貸款是無抵押貸款，名義年利率範圍為4.9%至11.9%（二零一六年：4.9%至11.9%）。

#### (d) Loan from related parties

#### (d) 從關聯方取得借款

		2017 二零一七年 RMB'000 人民幣千元
Loan from related parties	予關聯方借款	
<b>At January 1,</b>	於一月一日	—
— Addition	— 增加	<b>16,714</b>
— Interest charged	— 利息費用	<b>44</b>
<b>At December 31,</b>	於十二月三十一日	<b>16,758</b>

The loan from related parties as at December 31, 2017 is unsecured, carries interest 8% per annum.

於二零一七年十二月三十一日，本集團從關聯方取得借款是無抵押貸款，名義年利率為8%。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 38. RELATED PARTY TRANSACTIONS (Continued)

### 38. 關聯方交易(續)

#### (e) Key management compensation:

#### (e) 主要管理人員酬金列示如下：

		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
Salaries	薪金	14,424	15,319
Bonuses	獎金	7,965	8,446
Value of share based payment — employee services	股份支付金額 — 僱員服務價值	4,510	12,754
Benefits in-kind	其他福利	1,953	1,780
		<b>28,852</b>	38,299

Bonuses fall due wholly within twelve months after the end of the reporting period in which management rendered the related services.

獎金將會在管理層完成相應服務後一年內發放。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 39. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

### 39. 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例)(第622G章)規定的披露)

#### (a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive officer for the years ended December 31, 2017 is set out below:

#### (a) 董事及首席執行官酬金

截至二零一七年十二月三十一日止年度，每位董事及首席執行官的酬金載列如下：

Name of Director	董事姓名	Fees	Salaries and allowances	Discretionary bonuses	Housing allowance	Share options expenses	Employer's contribution to pension scheme	Other benefits	Stock appreciation rights granted	Total
			RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
		袍金	薪金及津貼	酌情獎金	房屋津貼	購股權費用	的僱主供款的退休計劃	其他福利	股權增值權	總計
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>For the year ended December 31, 2017</b>	<b>截至二零一七年十二月三十一日止年度</b>									
Zhang Ruilin*	張瑞霖*	-	3,500	4,045	365	651	24	469	-	9,054
Zhao Jiangwei	趙江巍	-	3,000	1,348	271	651	64	374	-	5,708
Mei Jianping	梅建平	270	-	-	-	-	-	-	(32)	238
Jeffrey Willard Miller	Jeffrey Willard Miller	337	-	-	-	-	-	-	(32)	305
Guo Yanjun	郭燕軍	270	-	-	-	-	-	-	-	270
Xie Na	謝娜	-	-	-	-	-	-	-	-	-
Andrew Sherwood Harper**	Andrew Sherwood Harper**	-	1,705	-	-	128	-	-	-	1,833
Tian Hongtao**	田洪濤**	-	589	-	13	7,054	20	13	-	7,689
		877	8,794	5,393	649	8,484	108	856	(64)	25,097

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 39. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

### 39. 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例》(第622G章)規定的披露)(續)

#### (a) Directors' and chief executive's emoluments (Continued)

#### (a) 董事及首席執行官酬金(續)

The remuneration of every director and the chief executive officer for the years ended December 31, 2016 is set out below:

截止二零一六年十二月三十一日止年度，每位董事及首席執行官的酬金載列如下：

Name of Director	董事姓名	Fees	Salaries and allowances	Discretionary bonuses	Housing allowance	Share options expenses	Awarded Shares expenses	Employer's contribution to pension scheme	Other benefits	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>For the year ended</b>	<b>截至二零一六年</b>									
<b>December 31, 2016</b>	<b>十二月三十一日止年度</b>									
Zhang Ruilin*	張瑞霖*	-	3,500	3,326	365	684	-	23	456	8,354
Zhao Jiangwei	趙江巍	-	3,000	665	271	684	848	64	337	5,869
Mei Jianping	梅建平	266	-	-	-	-	-	-	-	266
Jeffrey Willard Miller	Jeffrey Willard Miller	333	-	-	-	-	-	-	-	333
Guo Yanjun	郭燕軍	266	-	-	-	-	-	-	-	266
Xie Na	謝娜	-	-	-	-	-	-	-	-	-
Tao Tak Yin***	陶德賢***	-	-	-	-	-	-	-	-	-
Dexter		-	1,083	2,608	-	-	-	6	-	3,697
Andrew Sherwood Harper	Andrew Sherwood Harper	-	3,267	-	-	877	-	-	-	4,144
Tian Hongtao	田洪濤	-	1,996	1,597	31	2,728	6,281	48	30	12,711
		865	12,846	8,196	667	4,973	7,129	141	823	35,640

\* Mr. Zhang Ruilin is also the chief executive officer.

\*\* Resigned with effect from June 30, 2017.

\*\*\* Resigned with effect from May 31, 2016.

\* 張瑞霖先生亦為首席執行官。

\*\* 於二零一七年六月三十日辭任。

\*\*\* 於二零一六年五月三十一日辭職。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 39. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

#### (b) Directors' retirement benefits

The retirement benefits paid to Mr. Zhang Ruilin, during the year ended December 31, 2017 by a defined benefit pension plan operated by the group in respect of Mr. Zhang Ruilin's services as a director of the company and its subsidiaries is RMB23,550 (2016: RMB23,410).

The retirement benefits paid to Mr. Zhao Jiangwei, during the year ended December 31, 2017 by a defined benefit pension plan operated by the group in respect of Mr. Zhao Jiangwei's services as a director of the company and its subsidiaries is RMB64,038 (2016: RMB63,898).

The retirement benefits paid to Mr. Tian Hongtao, during the year ended December 31, 2017 by a defined benefit pension plan operated by the group in respect of Mr. Tian Hongtao's services as a director of the company and its subsidiaries is RMB20,195 (2016: RMB48,468).

### 39. 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例》(第622G章)規定的披露)(續)

#### (b) 董事的退休福利

截至二零一七年十二月三十一日止年度，由本集團營運的設定收益退休計劃向張瑞霖先生就其作為本公司及其子公司董事提供服務而向其支付的退休福利為人民幣23,550元(二零一六年：人民幣23,410元)。

截至二零一七年十二月三十一日止年度，由本集團營運的設定收益退休計劃向趙江巍先生就其作為本公司及其子公司董事提供服務而向其支付的退休福利為人民幣64,038元(二零一六年：人民幣63,898元)。

截至二零一七年十二月三十一日止年度，由本集團營運的設定收益退休計劃向田洪濤先生就其作為本公司及其子公司董事提供服務而向其支付的退休福利為人民幣20,195元(二零一六年：人民幣48,468元)。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

### 40. 本公司的財務狀況表及儲備變動

#### Statement of financial position of the Company

#### 本公司的財務狀況表

		As at December 31, 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
		Note 附註	
<b>Assets</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	不動產、工廠及設備	1,110	1,209
Interests in subsidiaries	子公司權益	3,032,188	3,846,254
Loans to subsidiaries	予子公司貸款	719,172	758,732
Available-for-sale financial assets	可供出售金融資產	5,364	21,084
		<b>3,757,834</b>	4,627,279
<b>Current assets</b>	<b>流動資產</b>		
Amounts due from associate	應收聯營公司款項	86,184	174,903
Prepayments, deposits and other receivables	預付款、保證金及其他應收款	553,664	778,444
Available-for-sale financial assets	可供出售金融資產	107,956	-
Cash and cash equivalents	現金及現金等價物	115,380	724,919
		<b>863,184</b>	1,678,266
<b>Total assets</b>	<b>資產總額</b>	<b>4,621,018</b>	6,305,545
<b>Equity</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>歸屬於本公司所有者的權益</b>		
Share capital	股本	1,068,796	1,068,796
Other reserves	其他儲備	1,378,911	1,428,398
Accumulated losses	累計虧損	(1,738,410)	(1,091,227)
<b>Total equity</b>	<b>權益總額</b>	<b>709,297</b>	1,405,967

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

### 40. 本公司的財務狀況表及儲備變動(續)

#### Statement of financial position of the Company (Continued)

#### 本公司的財務狀況表(續)

		As at December 31, 於十二月三十一日	
		2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元
	Note 附註		
<b>Liabilities</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借款	2,433,826	4,586,555
Provisions, accruals and other liabilities	準備、預提及 其他負債	52,785	45,053
		<b>2,486,611</b>	4,631,608
<b>Current liabilities</b>	<b>流動負債</b>		
Provisions, accruals and other liabilities	準備、預提及 其他負債	186,592	193,253
Current income tax liabilities	當期所得稅負債	53,190	54,141
Borrowings	借款	1,185,328	–
Derivative financial instruments	衍生金融工具	–	20,576
		<b>1,425,110</b>	267,970
<b>Total liabilities</b>	<b>負債總額</b>	<b>3,911,721</b>	4,899,578
<b>Total equity and liabilities</b>	<b>權益及負債總額</b>	<b>4,621,018</b>	6,305,545

The statement of financial position of the Company was approved by the Board of Directors on March 29, 2018 and was signed on its behalf.

本公司財務狀況表已於二零一八年三月二十九日獲董事會批准，並代表董事會簽署。

**Zhang Ruilin**  
張瑞霖  
Director  
董事

**Zhao Jiangwei**  
趙江巍  
Director  
董事



# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

### 40. 本公司的財務狀況表及儲備變動(續)

#### Statement of financial position of the Company (Continued)

#### 本公司的財務狀況表(續)

#### (a) Other reserve movement of the Company

#### (a) 本公司的其他儲備變動

		Repurchased shares held by trust (Note 23(a)) 信託持有 回購股份 (附註23(a)) RMB'000 人民幣千元	Capital reserve 資本儲備 RMB'000 人民幣千元	Currency translation reserve 外幣折算儲備 RMB'000 人民幣千元	Share based payment reserves 股份支付儲備 RMB'000 人民幣千元	Available- for-sale financial assets 可供出售 金融資產 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>As at January 1, 2016</b>	於二零一六年一月一日	(70,887)	1,366,956	(61,402)	119,161	(1,367)	1,352,461
Currency translation differences	外幣折算差額	-	-	109,397	-	-	109,397
Available-for-sale financial assets	可供出售金融資產	-	-	-	-	1,657	1,657
Employees stock option scheme	僱員購股權計劃	-	-	-	27,990	-	27,990
— value of employee services	— 僱員服務價值						
— shares to settle SASs under the Plan	— 授出給股份增值權 計劃下股份	-	-	-	599	-	599
— shares transferred to the Awarded Shares Grantees	— 轉移給獎勵股份被 授予者	6,707	-	-	(6,707)	-	-
Shares purchased under Share Award Scheme	股份獎勵計劃所購股份	(63,706)	-	-	-	-	(63,706)
<b>At December 31, 2016</b>	於二零一六年十二月三十一日	(127,886)	1,366,956	47,995	141,043	290	1,428,398

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

### 40. 本公司的財務狀況表及儲備變動(續)

#### Statement of financial position of the Company (Continued)

#### 本公司的財務狀況表(續)

#### (a) Other reserve movement of the Company (Continued)

#### (a) 本公司的其他儲備變動(續)

		Repurchased shares held by trust (Note 23(a))	Capital reserve	Currency translation reserve	Share based payment Reserves	Available- for-sale financial assets	Total
		信託持有 回購股份 (附註23(a))	資本儲備	外幣 折算儲備	股份支付儲備	可供出售 金融資產	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>As at January 1, 2017</b>	於二零一七年一月一日	(127,886)	1,366,956	47,995	141,043	290	1,428,398
Currency translation differences	外幣折算差額	-	-	(64,313)	-	-	(64,313)
Available-for-sale financial assets	可供出售金融資產	-	-	-	-	(5,332)	(5,332)
Employees stock option scheme	僱員購股權計劃						
— value of employee services	— 僱員服務價值	-	-	-	20,158	-	20,158
— shares transferred to the Awarded Shares Grantees	— 轉移給獎勵股份被 授予者	9,470	-	-	(9,470)	-	-
<b>At December 31, 2017</b>	於二零一七年十二月三十一日	(118,416)	1,366,956	(16,318)	151,731	(5,042)	1,378,911

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 41. SUBSEQUENT EVENT

#### (a) Repayment of the 2018 Notes

On February 6, 2018, the Company repaid the outstanding balance in relation to the 2018 Notes in full upon its maturity. The outstanding principal plus accrued interest of the 2018 Notes as of the maturity date was in the amount of US\$188.0 million (equivalent to RMB1,222.0 million). After the repayment, no principal or interests in relation to the 2018 Notes is outstanding.

#### (b) Placing of convertible bonds

On January 26, 2018, the Company completed the placing of a convertible bonds to independent placee(s) (the "Convertible Bonds"). The Convertible Bonds is in the principal amount of HK\$340.0 million (equivalent to approximately RMB280.3 million) and with an interest rate of 5.0% per annum payable semi-annually. The maturity date to the Convertible Bonds is January 26, 2021. The holders of Convertible Bonds have the right to convert into ordinary shares of the Company at any time, on or after 41 days after the completion date, until 10 days prior to maturity. Upon full conversion of the Convertible Bonds, a total of 586.2 million shares will be issued, representing approximately 16.63% of the issued share capital of the Company as enlarged by the impact of the full conversion of the Convertible Bonds. The proceeds of the Convertible Bonds was utilised for the repayment of the 2018 Notes.

#### (c) Disposal of 24.8% interest in Journey

On January 22, 2018, a wholly-owned subsidiary of the Company (the "Vendor") and an independent purchaser (the "Purchaser") entered into a purchase and sale agreement, pursuant to which, the Vendor agreed to sell and the Purchaser agreed to buy 12.7 million common shares in Journey (the "Sale Shares") at a consideration of C\$21.3 million (equivalent to approximately RMB110.8 million). The Sale Shares represented approximately 24.8% of the equity interests in Journey Energy.

### 41. 期後事項

#### (a) 償還2018優先票據

於二零一八年二月六日，本公司於到期日償還了2018優先票據所有未償還部分金額。2018優先票據未償還部分的本金和計提利息在到期日總計金額為美元188.0百萬元（折合人民幣1,222.0百萬元）。至此，有關2018優先票據全部償還完畢。

#### (b) 配售可轉換債券

於二零一八年一月二十六日，本公司完成向承配人配售可換股債券。（「可換股債券」）可換股債券本金為港幣340.0百萬元（折合人民幣280.3百萬元）。該可換股債券的年利率為5.0%且利息每半年支付。可換股債券到期日為二零二一年一月二十六日。債券持有人有權於完成日期後滿41日或之後直至到期日前10日期間隨時將其可換股債券兌換為兌換股份。可換股債券全部轉換時，將會發行總計586.2百萬股普通股，約佔本公司由於轉換所有可換股債券對已發行股本產生增加後總額的16.63%。發行可換股債券所得款項將用作償還部分2018優先票據。

#### (c) 處置Journey 24.8%權益

於二零一八年一月二十二日，本公司的直接全資附屬公司（賣方）與獨立買方（買方）訂立買賣協議。據此，賣方同意出售而買方同意以對價加幣21.3百萬元（折合人民幣110.8百萬元）購回Journey 12.7百萬股普通股（待售股份）。擬出售股份約佔買方Journey Energy 24.8%的股權。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 41. SUBSEQUENT EVENT (Continued)

#### (d) Proposed acquisition of 10% foreign participating interest in Daan and Moliqing PSCs held by GOC

On December 21, 2017, a wholly-owned subsidiary of the Company (the “Purchaser”) and GOC (the “Vendor”) entered into a purchase and sale agreement, pursuant to which, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the 10% foreign participating interests under Daan and Moliqing PSCs held by GOC (subject to the relevant provisions of the PSC) at a consideration of US\$55.0 million (equivalent to approximately RMB357.5 million). Upon Completion, the Group shall own, among others, 100% participating interest in the foreign contractor’s entitlement and obligations under the Daan PSC for the Daan oilfield. The consideration shall be paid in cash by the Purchaser on the completion date. As of the date that the financial statements are approved, the conditions precedent to completion in accordance with the terms and conditions of the purchase and sale agreement have not been satisfied.

### 41. 期後事項(續)

#### (d) 預計收購環球石油公司持有的大安及莫里青油田產品分成合同10%的外國參與權益

於二零一七年十二月二十一日，本公司之全資附屬公司(「買方」)與環球石油公司(「賣方」)訂立買賣協議，據此，賣方有條件同意出售，而買方有條件同意按對價55.0百萬美元(折合人民幣357.5百萬元)收購環球石油持有的大安及莫里青產品分成合同10%外國參與權益(受限於產品分成合同條文)。於交割時，本集團將擁有(其中包括)大安油田產品分成合同下外國合同方全部的參與權益及責任。買方將於完成日以現金支付對價。截至財務報表獲得批准之日，根據買賣協議的條款和條件，先決條件尚未得到滿足。

# Notes to the Consolidated Financial Statements (Continued)

## 合併財務報表附註(續)

### 41. SUBSEQUENT EVENT (Continued)

**(e) Proposed disposal of certain assets within the Carrot Creek area located in central Alberta, Canada**

On March 23, 2018, the Group and an independent purchaser entered into a purchase and sale agreement, pursuant to which, the Group agreed to sell and the purchaser agreed to purchase certain assets at a base price of C\$60.0 million (equivalent to RMB312.1 million). The subject matter assets under this transaction are the legal and beneficial interest held by Canlin in certain petroleum and natural gas rights, certain tangible assets and certain miscellaneous interests within the Carrot Creek area located in central Alberta, Canada. The consideration of this disposal is subject to any adjustments pursuant to the terms of the purchase and sale agreement.

This transaction is subject to fulfilment of certain conditions. As conditions of this transaction did not exist at year end, the corresponding financial impact will be reflected upon completion of the transaction.

### 41. 期後事項(續)

**(e) 處置位於加拿大阿爾伯塔省中部 Carrot Creek 地區的某些資產**

於二零一八年三月二十三日，本集團與一家獨立的買方簽訂買賣協議，據此，本集團同意出售且買方同意以基準價格加幣60.0百萬元（等價於人民幣312.1百萬元）購買資產。該項交易下的標的資產為Canlin在加拿大阿爾伯塔省中部Carrot Creek地區擁有的某些石油天然氣權利，固定資產以及其他權益中持有的合法權益。此出售對價須根據買賣協議的條款作出調整。

本次交易需滿足一定的條件，由於本次交易的條件在年末不存在，相應的財務報表影響將在交易完成時反映。



**MIE HOLDINGS CORPORATION**  
**MI 能源控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

*(於開曼群島註冊成立之有限公司)*

(Stock code 股份代號: 1555)

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