



中油資源控股有限公司

China Oil Resources Holdings Limited

(Incorporated in the Cayman Islands with limited liability) (Stock Code: 850)

(於開曼群島註冊成立之有限公司) (股份代號: 850)

2007-2008

Annual Report 年報



CONTENTS

目錄

		<i>Page</i>
Corporate Information	公司資料	2-3
Company Structure	公司架構	4-5
Chairman's Statement	主席報告	6-8
Management Discussion and Analysis	管理層討論及分析	9-21
Corporate Governance Report	企業管治報告	22-28
Report of the Directors	董事報告	29-51
Joint Independent Auditors' Report	聯席獨立核數師報告	52-54
Consolidated Income Statement	綜合收益表	55
Consolidated Balance Sheet	綜合資產負債表	56-57
Company Balance Sheet	公司資產負債表	58
Statements of Changes in Equity	權益變動報表	59-61
Consolidated Cash Flow Statement	綜合現金流量表	62-63
Notes to the Financial Statements	財務報表附註	64-182
Five Years Financial Summary	五年財務概要	183-184

CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors:

Mr. Poon Sum (*Chairman*)
Mr. Wong Kwok Leung
Mr. Poon Wai Kong

Non-Executive Directors:

Mr. Chen Lizhong
Ms. Chew Lye Yin

Independent Non-Executive Directors:

Mr. Chan Shu Kin
Mr. Chan Kam Ching, Paul
Mr. Cheung Kwan Hung

AUDIT COMMITTEE

Mr. Chan Shu Kin (*Chairman*)
Mr. Chan Kam Ching, Paul
Mr. Cheung Kwan Hung

REMUNERATION COMMITTEE

Mr. Poon Sum (*Chairman*)
Mr. Chan Shu Kin
Mr. Chan Kam Ching, Paul
Mr. Cheung Kwan Hung

COMPANY SECRETARY

Mr. Poon Wai Kong

REGISTERED OFFICE

Cricket Square
Hutchins Drive
P.O. Box 2681 Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 1006 10/F Ocean Center
Harbour City Tsim Sha Tsui
Kowloon Hong Kong

董事會

執行董事：

潘森先生 (主席)
黃國良先生
潘偉剛先生

非執行董事：

陳立忠先生
趙麗瑛女士

獨立非執行董事：

陳樹堅先生
陳錦程先生
張鈞鴻先生

審核委員會

陳樹堅先生 (主席)
陳錦程先生
張鈞鴻先生

薪酬委員會

潘森先生 (主席)
陳樹堅先生
陳錦程先生
張鈞鴻先生

公司秘書

潘偉剛先生

註冊辦事處

Cricket Square
Hutchins Drive
P.O. Box 2681 Grand Cayman KY1-1111
Cayman Islands

總辦事處及主要營業地點

香港九龍
尖沙咀海港城
海洋中心10樓1006室

CORPORATE INFORMATION

公司資料

PRINCIPAL SHARE REGISTRAR

Bank of Bermuda (Cayman) Limited
36C Bermuda House
British American Centre
Dr. Roy's Drive
George Town
Grand Cayman
Cayman Islands
British West Indies

BRANCH SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
46th Floor
Hopewell Centre
183 Queen's Road East
Hong Kong

LEGAL ADVISERS

Michael Li & Co

JOINT AUDITORS

Baker Tilly Hong Kong Limited
Certified Public Accountants
Lau & Au Yeung C.P.A. Limited
Certified Public Accountants

PRINCIPAL BANKERS

Standard Chartered Bank (Hong Kong) Ltd.
Bank of China (Hong Kong) Limited
Nanyang Commercial Bank, Ltd.
Hang Seng Bank Ltd.

STOCK CODE

850

CONTACT

Telephone: (852) 2698 6093
Facsimile: (852) 3580 7793
Website: www.cor.hk

股份過戶登記總處

Bank of Bermuda (Cayman) Limited
36C Bermuda House
British American Centre
Dr. Roy's Drive
George Town
Grand Cayman
Cayman Islands
British West Indies

股份過戶登記分處

香港中央證券登記有限公司
香港
皇后大道東183號
合和中心
46樓

法律顧問

李智聰律師事務所

聯席核數師

香港天華會計師事務所有限公司
執業會計師
劉歐陽會計師事務所有限公司
執業會計師

主要往來銀行

渣打銀行(香港)有限公司
中國銀行(香港)有限公司
南洋商業銀行有限公司
恒生銀行有限公司

股份代號

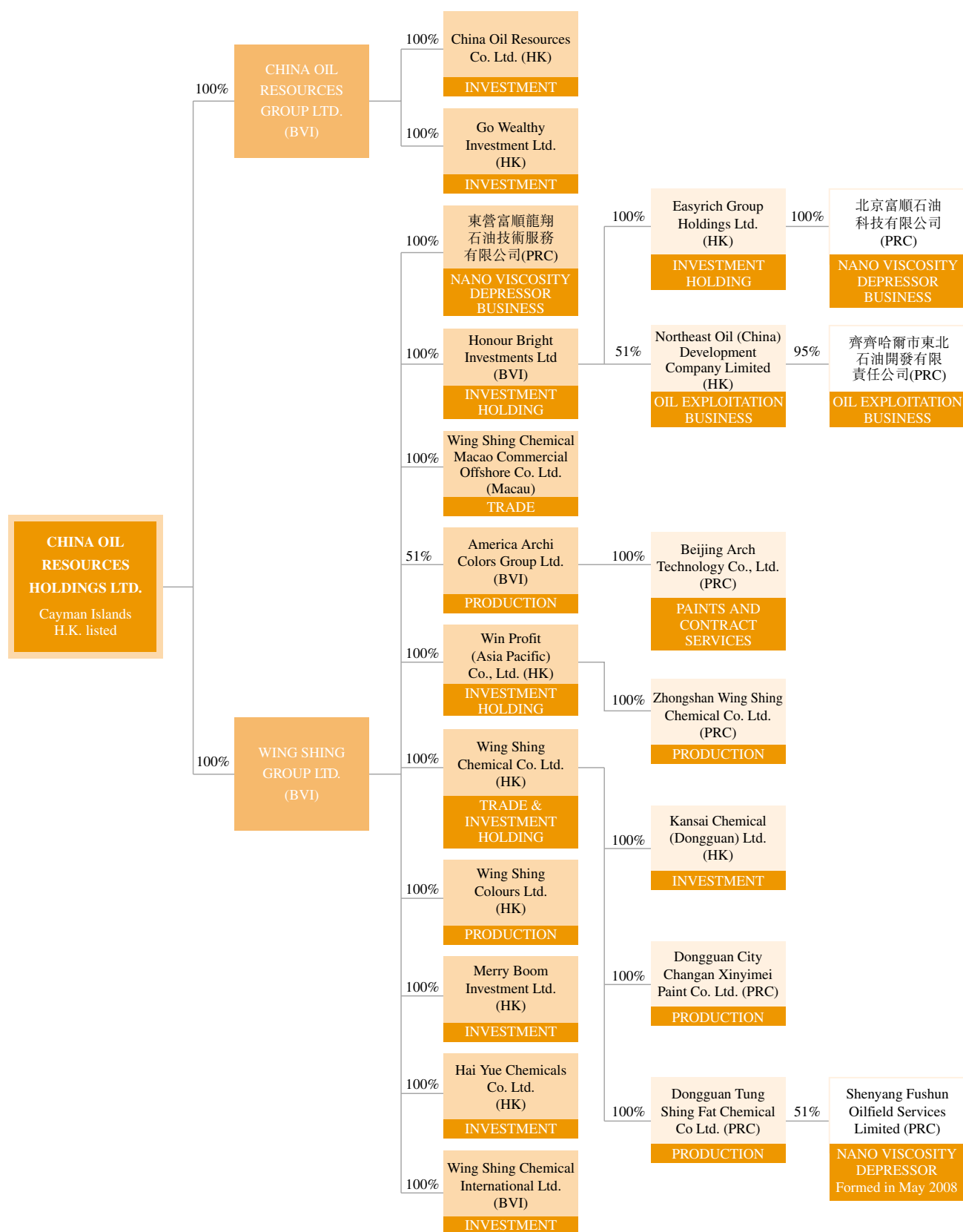
850

聯絡資料

電話: (852) 2698 6093
傳真: (852) 3580 7793
網站: www.cor.hk

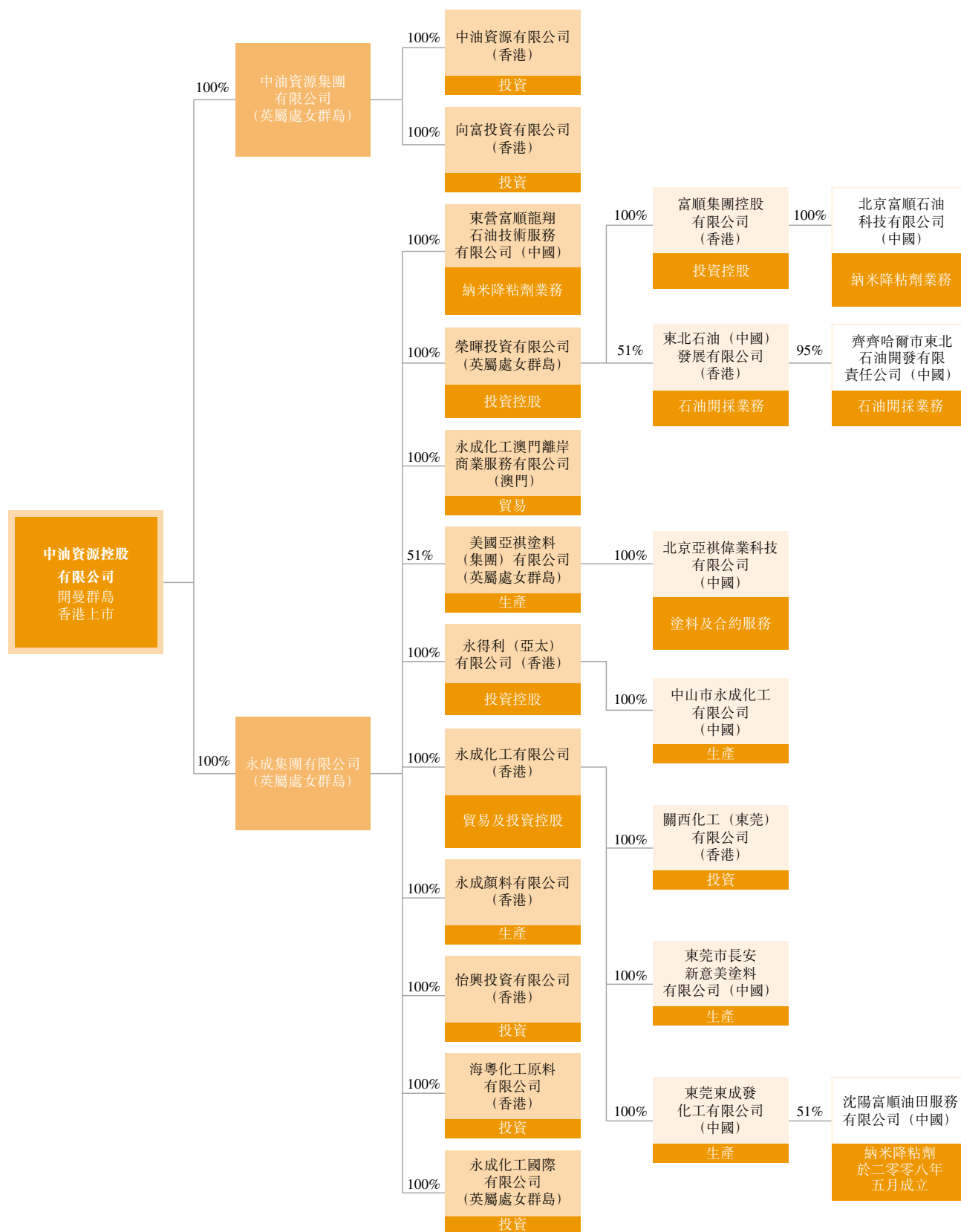
COMPANY STRUCTURE

公司架構



COMPANY STRUCTURE

公司架構



CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

BUSINESS REVIEW

On behalf of China Oil Resources Holdings Limited (“China Oil”), I hereby present to the shareholders the audited results of the Company and its subsidiaries (“the Group”) for the year ended 31 March 2008 (“the Year”). During the Year, the Group recorded a turnover of approximately HK\$351,530,000, representing an increase of 13.50% as compared with last year, while profit after tax jumped from approximately HK\$2,240,000 to approximately HK\$601,305,000 over last year.

During the Year, the surging oil price, the Renminbi appreciation and the rising labor costs all contributed to the great pressure on the cost of downstream oil products. Despite the difficulties, the Group's existing business of the manufacture and sale of paints managed to keep up its growth momentum. By reconsolidating its production plants and facilities and strengthening its costs control, together with the acquisition of America Archi Colors Group Limited, the Group has expanded its client base and achieved a continuous increase in business and profits.

In view of the strong global demand for energy and the limited supply, the management decided to explore the middle and upstream oil business. During the Year, the Group actively pursued new business of oil exploitation in China in the form of joint venture by acquiring 51% equity interest in Northeast Oil (China) Development Company Limited (“Northeast Oil”) and setting up a joint venture with the municipal government of Qiqihar, Heilongjiang for the development of the oilfield projects in Fu 710 and Meilisi 723 districts. Although the new oil business just commenced operation during the Year, the potential value of the projects acquired has substantially increased, proving the considerable insight of the Group's management in investment and development. To better reflect the new business direction, on 31 August 2007, the Group changed its name to China Oil Resources Holdings Limited, signifying a new era for the Group's development.

各位股東：

業務回顧

本人謹代表中油資源控股有限公司（「中油資源」）向各股東提呈本公司及其附屬公司（「本集團」）截至2008年3月31日止之十二個月（「本年度」）已審核之業績。於本年度，本集團營業額約為港幣351,530,000元，較去年增長13.50%，至於除稅後溢利由去年約港幣2,240,000元躍增至約港幣601,305,000元。

集團固有之油漆製造及銷售業務繼續錄得增長，雖然石油價格於本年度大幅飆升，加上人民幣值上升，勞工成本上漲，對石油下游產品成本構成極大壓力。但集團重新整合廠房生產設施，嚴格控制生產成本，加上成功收購美國亞祺塗料（集團）有限公司，擴闊客戶網絡，故此業務及盈利仍然穩步上升。

管理層有鑑於全球能源需求緊張之情況持續，但供應則隨著不斷消耗而日益短缺，因此銳意擴展中、上游石油業務，本年度內積極發展國內合營石油開採業務，成功收購東北石油（中國）發展有限公司（「東北石油」）51%股權，並與黑龍江齊齊哈爾市政府合組公司開發富710及梅里斯723油田項目。雖然有關之石油新業務於本年度內剛正式投產，但收購項目之潛在價值已大幅上升，足見集團管理層具有長遠廣闊的投資視野。為配合未來業務的新發展，本集團已於2007年8月31日易名為中油資源控股有限公司，標誌著集團業務邁向新的一頁。

CHAIRMAN'S STATEMENT

主席報告

FUTURE DEVELOPMENT

In the past year, the upward trend of the international crude oil price persisted while the fuel oil price has increased from US\$58.08 to US\$96.65. However, the demand for oil showed no sign of decrease. This urges the governments of different countries to explore new energies since oil is a necessity for the society. The situation may be worsening due to the rapid economic development in China. According to an authoritative report, China will become the largest oil consumption country in the world. In light of this, the Group may enjoy a promising future by taking this opportunity to develop its oil production business in China.

The coming year will be a turning point for the Group's business as the Group has taken a new approach of business diversification rather than focusing on a single business, and the oil exploitation business has become a significant profit stream of the Group. In order to cater the needs for such change in business strategy, the management has recruited elites of the oil and commercial sectors. On 1 April 2008, Mr. Leung, Kam Lung Danny joined the Group as chief executive officer. On 1 July 2008, the Group was delighted to appoint Professor Albert Ser Yuen Kwong, an eminent figure of the the international oil sector, as vice chairman and chief operating officer of the Group. Their expertise and experience will help to strengthen the Group's governance as well as establish a global presence of the Group to become an international oil enterprise.

Manufacture and sale of paints remained one of the Group's steady income sources. According to the forecast of the PRC Association of Construction and Decoration (中國建築裝飾協會), the annual output value of the construction and decoration sector in the PRC to 2010 will amount to \$2,100 billion. The rapid market growth has encouraged the development of the manufacture and sale business of construction and decoration materials. In the coming year, the Group will seek opportunities to merge with and acquire other companies or projects in the sector, with an aim to expand its product sales network and to achieve a sustainable growth in turnover and profit.

未來發展

國際原油價格持續上升，過去一年燃油價格從58.08美元升至96.65美元，但石油的需求並沒有因為價格上升而減少，各國政府正努力開拓新的能源。石油為人類基本生活所需，尤其是中國經濟高速發展，能源的需求更為殷切，據權威報告調查顯示，未來中國將成為最大的石油消耗國。本集團能把握此一機遇，涉足國內石油生產行業，前景未可限量。

新的一年為本集團業務發展的重要轉捩點，業務將從過去的單一方向發展轉為多元化發展，而石油開採業務更逐漸成為盈利組合的主要部份。為配合這策略性的業務轉變，管理層先後網羅石油業界及商界精英加盟，今年4月1日，梁金龍先生加入本集團任行政總裁，另外，今年7月1日更邀得國際石油業界翹楚鄺社源教授為集團副主席兼營運總裁，憑藉著他們的專業知識及豐富經驗，不但可強化集團的管治，更可帶領本集團邁向國際化，成為國際石油企業。

油漆生產及銷售方面，繼續為本集團穩定之收入來源之一。據中國建築裝飾協會預測，至2010年，中國建築裝飾行業年產值將達至2.1萬億元。市場快速的增長推動了建築裝飾材料生產銷售業務的發展。新年度內，集團冀能透過併購業內其他公司或項目，擴展產品銷售網絡，保持營業額及盈利的增長步伐。

CHAIRMAN'S STATEMENT

主席報告

Besides, it is the Group's intention to develop the oilfield technology services, which comprise the provision of technical support and consultancy services in respect of drilling and exploitation of oilfield for domestic or foreign companies. "Nano viscosity depressor", our latest self-developed product, is the first project of the oilfield technology services. Such product has been used in the Group's oil exploitation projects. The Group has applied for the patent for the product in China and targets to launch the product in the future.

The dampening of the international economic environment has led to the drop in global asset value, the surge in oil price and high inflation rate. In spite of the difficult operating environment, the management believes that the Group's operations will not be adversely affected, whilst the Board views it as a favourable condition for the Group's business development and thus it is confident about the Group's prospect.

Last but not least, I would like to take this opportunity to express my sincere gratitude to the Board and all our dedicated staff for their invaluable services. I would also like to thank our shareholders and business partners who have been supportive over the years. The Board will be committed to maximise the profit and the return for our shareholders.

By the order of the Board
Poon Sum
Chairman

Hong Kong, 26 July 2008

另外，集團擬發展油田技術服務，為業內或海外公司之石油鑽探及開採提供技術支援及顧問服務。集團最新研發的「納米降粘劑」為油田技術服務首個項目，已於旗下油田開採工程中使用，並申請國內專利，未來可望推出市場。

雖然國際經濟氣候逆轉，全球資產價格下跌，油價上升，通脹高企，令到企業經營倍加困難，然而管理層相信本集團此一經濟環境非但不會對本集團的經營構成負面影響，反而有利集團之業務發展，董事會對未來前景充滿信心。

最後，本人藉此機會向董事會及所有員工的努力致上衷心謝意，另外亦感激各股東及業務伙伴一直以來對本集團的信任和支持！董事會將繼續致力為股東爭取最大的利潤回報。

承董事會命
主席
潘森

2008年7月26日，香港

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

MARKET REVIEW

Crude Oil Market

For the year under review, the international crude oil prices continued to stay in the historical high level. The continuous increase in the price of crude oil in international markets has been witnessed, especially in the first quarter of 2008. In general, market believes that the surge of crude oil prices was due to the strong growth in demand, geopolitical instabilities and speculative activities in major oil consumption countries and the continuous weakening of the United States dollars. As there is no substantially change in global economic in the period under review, the Group believes that the average price for domestic crude oil may stay in a high level.

Chemical Products Market

The mainland China economy maintained a high growth in 2007. According to the government information, the increment of Gross Domestic Production is 11.4% in last year. It immediately increases the domestic demand of chemical products in the market. On the other hand, the overall prices of the chemical products in the domestic market continuously fluctuated at a historical high level. The customers were still cautious about accepting and placing orders at the high material costs. This situation developed a fiercely competitive market that our operation could hardly transfer additional costs to the customers.

市場回顧

原油市場

於回顧年度，國際原油價格繼續處於歷史高位。國際市場上原油價格日見攀升，尤以二零零八年首季為然。整體而言，市場相信原油價格急升乃因需求量大增、地緣政治不穩、主要石油消耗國進行投機活動及美元積弱所致。由於回顧期間全球經濟並無重大改變，本集團相信本土原油平均價格或會維持於高水平。

化工產品市場

中國大陸經濟於二零零七年保持高增長。根據政府資料，國內生產總值去年增幅為11.4%。市場對化工產品的本土需求即時增加。另一方面，本地市場上化工產品整體價格於歷史高位持續波動。在原料成本高企的情況下，客戶於接受及下達訂單時仍然審慎。這種情況導致市場競爭激烈，本集團業務難以將額外成本轉嫁予客戶。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

The Group is principally engaged in (i) manufacture and sale of paints and blended solvents; (ii) manufacture and sale of plastic colorants; (iii) provision of painting services; (iv) trading of chemical materials; (v) property investment; and (vi) oil exploitation. For the fiscal year of 2007/2008, the Group achieved a turnover of approximately HK\$351,530,000 (2007: HK\$309,735,000). This represents an increase in turnover of 13.50% and a decrease in gross profit margin from 20.71% to 13.26%. The high production cost is due to the rapid rise of oil price and the increase in labour cost in China. On the other hand, the newly developed oil business was just starting to contribute income, the preliminary production cost required to book into the account.

In last year, the Group began to diversify the core business to oil exploitation. Upon completion of the acquisition of oil business, the Group recorded a gain from the excess of fair value of net assets acquired over cost of approximately HK\$849,627,000. There is an increase in net profit after tax from approximately HK\$2,240,000 to HK\$601,305,000 over last year.

For the business, the Group completed the acquisition of Archi Group in April 2007. Archi Group is engaging in the contract service and sale and distribution of construction paint products and also acts as an authorised dealer for a number of paint manufacturers in China. In the year under review, Archi Group contributed a positive return to the Group.

With the historical high crude oil price, the production was still under a high pressure in cost increment. The prices of variety raw materials for production had been rising continuously. The Group then made continuous efforts to increase efficiency of production plants. By increasing the production volume, strengthening the connection among production, sales and the management of marketing, the goal of selling all products produced was reached and an increase has been witnessed in both production and efficiency.

業務回顧

本集團主要從事(i)油漆及混合溶劑製造及銷售;(ii)塑料着色劑製造及銷售;(iii)提供塗料服務;(iv)化工原料貿易;(v)物業投資;及(vi)石油開採等業務。於二零零七年至二零零八年財政年度,本集團錄得營業額約港幣351,530,000元(二零零七年:港幣309,735,000元)。營業額增幅為13.50%,惟毛利率則由20.71%減少至13.26%。生產成本高企的原因是油價急升及中國勞工成本增加。另一方面,新發展的石油業務剛為本集團帶來收入貢獻,須要把初始生產成本記賬。

去年,本集團開始將核心業務多元化擴展至石油開採。完成收購石油業務後,本集團錄得已收購淨資產的公平值超出成本的收益約港幣849,627,000元。除稅後純利由去年約港幣2,240,000元增至港幣601,305,000元。

業務方面,本集團於二零零七年四月完成收購亞祺集團。亞祺集團從事合約服務與銷售及分銷建築塗料產品業務,並為中國多家塗料生產公司的認可代理商。於回顧年度,亞祺集團為本集團帶來可觀回報。

原油價格創歷史新高,令生產仍然大受成本上漲壓力影響。各類生產用原料價格屢升不止。本集團因而一直努力提升塗料生產效益。透過增加產量及加強生產、銷售及營銷管理之間的聯繫,悉數售出製成品的目標得以達成,而生產及效益俱見增長。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On the other hand, the Group was gaining a positive prospectus on high oil price. In past year, the Group successful entered into the oil exploitation business. The business is now starting to contribute revenue to the Group. Although the progress was delayed by the snow storm in China at the beginning of this year, it started to contribute turnover since March 2008. Up to the date of this report, the joint venture company of oil business has already drilled 21 wells and 8 of them are now under production.

The Group takes a view that the high oil price will keep at high side for a period of time. The demand and supply of global resources are still mismatching and directly support a relatively high oil price in current position. As oil exploitation is one of the key businesses for the Group and the Group has large quantity of oil reserve, the Group tends to use financial instruments to enter into for hedging purpose.

Paints and Blended Solvents

The division recorded a turnover of approximately HK\$312,763,000 (2007: HK\$296,889,000), or an increase of 5% over the previous year. The division contributed an operating loss of HK\$30,323,000 for the year under review, as compare with a profit of HK\$22,475,000 in the previous year. The major reasons are the exchange rate, labour and material cost inflated rapidly over the year. It sharply reduced the gross profit all over the year.

The division entered into currency swap and the employee share based benefit charged by inter group. The purpose of the Group entering into financial derivatives contracts was only for daily hedging purpose.

此外，在油價高企下，本集團前景亦欣欣向榮。本集團於去年成功進軍石油開採業務。該業務現已開始為本集團帶來收益。儘管進度因中國於年初發生雪災而受阻延，然而該業務自二零零八年三月起已錄得營業額。截至本報告日期，石油業務合營企業已開挖21個油井，其中8個現已投產。

本集團認為石油價格將持續高企一段時間。全球資源供求仍然出現錯配，在現時情況下直接將油價推至相對高水平。由於石油開採為本集團主要業務之一，且本集團擁有大量石油儲備，故本集團有意動用金融工具作對沖用途。

油漆及混合溶劑

該業務錄得營業額約港幣312,763,000元（二零零七年：港幣296,889,000元），較去年增加5%。於回顧年度，該業務帶來經營虧損港幣30,323,000元，而去年為溢利港幣22,475,000元。其主因是匯率、勞工及原料成本於年內急升，因而大幅減低全年毛利。

該業務已訂立外幣掉期及於集團間支銷的僱員股份福利。本集團金融衍生合約僅為作日常對沖用途而訂立。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the year under review, the division contributed a steady performance. The increment of turnover was mainly contributed from the expansion of business scope and newly acquisitions of sales network in southern China. Due to the re-structuring process of nano-oil solvent business as announced in 27 March 2008, the contribution of the business was not as good as the previous year. The management still believes that the business has potential to perform well in next years.

In addition with the tight environmental law in southern China, some competitors were quitting the market. The division believed that it was a good chance to enlarge the market share. Then the division paid to acquire sales networks for expansion. In general, the division remains a steady performance in this area.

However, customers became more cautious and delayed in placing orders. Our customers like toys and electronic factories on the whole were in a hard time. With demand tending to weaken continuously, the market is generally suffering from high production cost and high inflation rate.

The Group anticipated that the Paints and Blended Solvents division will continue to be a key contributor of the Group's revenue. The management decided to integrate the production plants in Dongguan and Zhongshan to look for a synergy effect in the management and the cost of production. In next few years, the management expects a further improvement in both businesses and production costs of this section. The Group will further deploy its marketing strategies to gain the market share.

於回顧年度，該業務表現穩定。業務增長主要源於擴大業務範圍及於華南地區收購新銷售網絡。由於納米驅油劑業務如二零零八年三月二十七日所公告進行架構重組，該業務的貢獻未如去年突出。管理層仍然相信該業務有潛力於往後年度取得理想表現。

在華南地區受嚴格環境法例管制下，部分競爭者撤出市場。該業務深信此乃擴大市場份額的良機。其後，該業務斥資收購銷售網絡以進行擴展。整體而言，該業務在此範疇內的表現繼續維持穩定。

然而，客戶更為審慎，延期下達訂單。本集團客戶（如玩具及電子廠商）整體處於艱難時刻，需求持續不振，有關市場普遍受生產成本及通脹率俱高所影響。

本集團預期油漆及混合溶劑業務將繼續為本集團收益的主要來源。管理層決定整合東莞及中山的生產廠房，以期獲得管理及生產成本方面的協同效益。於未來數年，管理層預期此業務可在業務及生產成本方面進一步得到改善。本集團將加強其營銷策略，爭取市場份額。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Plastic Colorants

The division contributed a turnover of approximately HK\$9,663,000 (2007: HK\$12,846,000), down 25% from the previous year. Plastic colorants are supplementary raw material widely used by the toy, electronics, printing and furniture industries. The division contributed an operating loss of approximately HK\$226,000 for the year under review, as compared with a profit of approximately HK\$821,000 in the previous year. The decline is mainly due to the increase in production costs over the year.

To improve the negative impact of increase in raw material costs and labour cost in China, the division is now considering merging with the Paint and Blended Solvent division for cost deduction and also for better management control. It is expected that the business will continue to grow in the foreseeable future.

Oil Exploitation

For spending of almost two years, the Group developed this new division of business in oil exploitation. In last year, the Group had completed the acquisition of Northeast Oil (China) Development Company Limited and began to set up the production facilities in certain parts of Fu 710 and Meilisi 723 districts in Fulaerjiqu Oilfield. Up to 6 March 2008, the Group had injected over 51% of registered capital in the co-operative joint venture company and formally took the controlling power of the company and the exploitation right. Up to the date of this report, the division has already drilled for 21 wells and 8 of them are producing oil. The remaining wells are expected to contribute output very soon.

塑料着色劑

該業務對營業額作出約港幣9,663,000元（二零零七年：港幣12,846,000元）的貢獻，較去年減少25%。塑料着色劑為廣泛應用於玩具、電子、印刷及傢俬行業的補充原料。該業務於回顧年度產生經營虧損約港幣226,000元，而去年則為溢利約港幣821,000元。溢利減少主要受年內生產成本上漲影響。

為減輕原料成本及中國勞工成本增加的負面影響，該業務正考慮與油漆及混合溶劑業務合併，以減省成本及提升管理監控。預期該業務於可見未來將繼續增長。

石油開採

本集團耗時近兩年發展石油開採新業務。去年，本集團完成收購東北石油（中國）發展有限公司，並開始於富拉爾基油田富710礦區及梅里斯723礦區若干部分設立生產設施。截至二零零八年三月六日，本集團向合作合營企業注入註冊資本超過51%，正式取得該公司的控制權及開採權。截至本報告日期，該業務已開挖21個油井，其中8個現已開始產油。預期其餘油井快將投產。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the year under review, the division started to produce crude oil and contributed approximately HK\$1,002,000 (2007: Nil) turnover and approximately HK\$743,071,000 (2007: Nil) operating profit to the Group. As this is the newly startup business, the contribution of turnover was still small at the reporting date but the high operating profit is due to the recognition of a gain from the excess of fair value of net assets acquired over cost of approximately HK\$849,627,000 upon completion of the acquisition of oil business.

Contract Service

On 1 April 2007, the Group acquired 51% of the issued share capital of America Archi Colors Group Limited (“America Archi”). During the year under review, America Archi actively developed the construction paint and household market. The division contributed a turnover of approximately HK\$20,049,000 (2007: Nil) and an operating profit of approximately HK\$3,070,000 (2007: Nil).

Property Investment

The management of the Group would further diversify the business, especially in Hong Kong. In last year, the Group formed a company to invest in Hong Kong property market and other investments for trade. During the year under review, the division contributed a turnover of approximately HK\$8,053,000 (2007: Nil) and an operating loss of approximately HK\$1,258,000 (2007: Nil).

As the division is not the core business of the Group, the management does not have intention to focus on this business but believes that this business will contribute a steady income in the foreseeable future.

於回顧年度，該業務開始產出原油，並為本集團貢獻營業額約港幣1,002,000元（二零零七年：無）及經營溢利約港幣743,071,000元（二零零七年：無）。由於此乃初創業務，故於報告日期對營業額的貢獻有限，惟於完成收購石油業務後確認已收購淨資產的公平值超出成本的收益約港幣849,627,000元，導致獲得豐厚經營溢利。

合約服務

於二零零七年四月一日，本集團收購美國亞祺塗料（集團）有限公司（「美國亞祺」）已發行股本的51%。於回顧年度，美國亞祺積極發展建築塗料及家居市場。該業務貢獻營業額約港幣20,049,000元（二零零七年：無）及經營溢利約港幣3,070,000元（二零零七年：無）。

物業投資

本集團管理層會進一步將業務（特別是在香港）作多元化發展。去年，本集團成立一家公司，以投資於香港物業市場及投資於其他投資作買賣用途。於回顧年度，該業務貢獻營業額約港幣8,053,000元（二零零七年：無）及經營虧損約港幣1,258,000元（二零零七年：無）。

由於該業務並不屬於本集團核心業務，故管理層無意專注發展該業務，但相信該業務於可見未來將帶來穩定收入。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE PROSPECT

To enhance overall performance and shareholders' value, the Group continues to identify and evaluate new investment opportunities and to review and/or restructure existing ones. During the year under review and up to the date of this report, the Group has taken further and positive steps in this connection and the following major efforts are noteworthy:

(1) Acquisition of 100% interest in Fu 718 district

On 15 July 2008, the Group has successfully completed the acquisition of Fu 718 district, another oilfield block which is located in the Fulaerjiqu oilfield, occupies an area of some 2.94 sq. km. and is situated in proximity to the both Fu 710 and Meilisi 723 districts. In accordance with an evaluation report prepared by Daqing Petroleum Institute (大慶石油學院), it is estimated that the crude oil reserve of the Fu 718 district amounts to some 0.51 million tons. In view of the proximity of the Fu 718 district to both Fu 710 and Meilisi 723 districts, the Group considers that it would make economic sense for the Company to also acquire the Fu 718 district as part of the Group's business development programme. Additionally, the Group can in future extend its operational experience acquired from both Fu 710 and Meilisi 723 districts to Fu 718 district.

After completion of the acquisition of Fu 718 district, the Group now has controlling interest over a total of 3 development districts within its oilfield portfolio with a combined area of some 36.94 sq. km.. Based upon estimates made by technical experts, oil reserve contained in the above 3 development districts amounts to some 4.1 million tons in the aggregate. The Company considers that as a young oil enterprise in its initial stage of development, it has successfully built up a reserve in crude oil ready for extraction in the many years ahead.

未來前景

為提升整體表現及股東價值，本集團持續物色及評估新投資機會，並檢討及／或重組現有投資。於回顧年度及截至本報告日期，本集團已就此採取進一步積極行動，以下為顯著的主要成果：

(1) 收購富718礦區的全部權益

於二零零八年七月十五日，本集團成功完成收購另一油田區塊富718礦區。富718礦區位於富拉爾基油田，佔地面積約為2.94平方公里，鄰近富710礦區及梅里斯723礦區。根據大慶石油學院編製的評估報告，富718礦區的原油儲量估計約為510,000噸。鑑於富718礦區鄰近富710礦區及梅里斯723礦區，本集團認為出於經濟考量，本公司同時收購富718礦區作為本集團業務發展計劃一部分屬明智之舉。此外，本集團可於日後將從富710礦區及梅里斯723礦區所得的營運經驗應用於富718礦區。

完成收購富718礦區後，本集團現時擁有其油田組合內共三個開發區（合併面積約為36.94平方公里）的控權權益。根據技術專家所作評估，上述三個開發區內含的石油儲量合共約為4,100,000噸。本公司認為，作為尚處發展初段的新晉石油企業，經已成功建立原油儲備，可供未來數年開採之用。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(2) Nano viscosity depressor business

In striving for the market positioning as an integrated energy and chemical group and facilitating the Group's further development in the oilfield exploitation related business, the Group has partnering with both Ace Level International Limited (Ace Level) and Mr. Li Xiangdong to form a new joint venture company, Shenyang Fushun Oilfield Services Limited (沈陽富順油田服務有限公司), "Shenyang Fushun". Shenyang Fushun has been developing a variety of chemicals with custom-made application techniques for depressing or diluting the viscosity of thickened oil reserve, thereby increasing the overall output of oilfield. In view of promising market demand, the Directors believe that the scale of super viscous crude oil exploitation will continue to expand. Recently, innovative chemicals specifically known as "High Efficiency Viscosity Depressor for Oil Exploitation" have been developed successfully by the Group which is now applying for patents in these products. Having considered the favourable market conditions of energy resources related business worldwide, it is believed that the market potential for oilfield-exploitation related products is tremendous. The Group is desirous of developing a base of its own for the development and manufacture of oilfield-exploitation related products.

(2) 納米降粘劑業務

為確立本集團作為綜合能源及化工集團的市場地位，並便利本集團進一步發展油田開採相關業務，本集團與頂級國際有限公司（頂級）及李向東先生合夥成立一家新合資企業沈陽富順油田服務有限公司（沈陽富順）。沈陽富順一直開發多種配合客戶應用技術需要的化工產品，減低或稀釋稠油儲量的黏稠程度，從而提高油田的整體產量。鑑於市場需求甚殷，董事相信超稠原油的開採規模將不斷擴大。近期，本集團成功開發出創新化工產品，專門名稱為「高效採油降粘劑」，本集團現正申請該等產品的專利。經考慮全球能源資源相關業務的市況一片利好，本集團相信油田開採相關產品市場潛力優厚。本集團有意發展自有的油田開採相關產品開發及生產基礎。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

REVENUE AND OPERATING RESULTS

For the year ended 31 March 2008, the Group recorded a turnover of approximately HK\$351,530,000. The Group achieved a profit for the year of approximately HK\$601,305,000.

The distribution costs of the Group for the financial year amounted to approximately HK\$18,035,000, representing decrease of approximately 0.11%. The decrement of distribution costs was mainly due to the merging of sales force in selling Nano-oil solvent, Zhongshan Wing Shing Chemical Co. Ltd. and Dongguan City Changan Xinyimei Paint Co. Ltd.

The administrative expenses of the Group for the financial year under review amounted to approximately HK\$66,332,000, representing an increase of approximately 107% year-to-year. The increment is mainly due to the professional fee in corporate financing activities, salary increment, newly acquired America Archi Group and newly established oil businesses charged initial expenditures to the Group.

LIQUIDITY AND FINANCIAL RESOURCES

During the financial year under review, the Company issued HK\$200,000,000 convertible bonds and raised net proceeds of approximately HK\$191,500,000. The use of proceed is for the development of oil business and general working capital. As at the date of this report, with amount of HK\$160,000,000 bonds had been converted to shares. In addition, 77,440,000 share options were exercised by staff over the year. The net proceeds amount is approximately HK\$32,193,000.

財務回顧

收益及經營業績

截至二零零八年三月三十一日止年度，本集團錄得營業額約港幣351,530,000元。本集團的本年度溢利約為港幣601,305,000元。

本集團於本財政年度的分銷成本約為港幣18,035,000元，較去年減少約0.11%。分銷成本減少主要源於銷售納米驅油劑的銷售團隊－中山市永成化工有限公司及東莞市長安新意美塗料有限公司進行合併。

本集團於回顧財政年度的行政開支約為港幣66,332,000元，較去年增加約107%。有所增加主要是由於企業融資活動的專業費用、薪金上漲、新收購的美國亞祺集團及新成立的石油業務向本集團收取初始開支所致。

流動資金及財務資源

於回顧財政年度，本公司發行港幣200,000,000元的可換股債券，所得款項淨額約為港幣191,500,000元。所得款項用於發展石油業務及用作一般營運資金。於本報告日期，港幣160,000,000元的債券已兌換為股份。此外，員工於年內行使77,440,000份購股權。所得款項淨額約為港幣32,193,000元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In general, the Group finances its operations with internally generated cash flow and banking facilities from banks. As at 31 March 2008, a good position of cash being maintained. The Group had cash and cash equivalents of approximately HK\$87,334,000 (2007: HK\$40,575,000) and total outstanding borrowings and convertible bonds of approximately HK\$73,788,000 (2007: HK\$72,164,000). Current assets of the Group amounted to approximately HK\$356,838,000 (2007: HK\$195,110,000) whilst current liabilities were approximately HK\$229,021,000 (2007: HK\$113,516,000). The net current assets amounted to HK\$127,817,000 (2007: HK\$81,594,000).

The gearing ratio, calculated by dividing the total borrowing by the total assets, was equal to 3.15% as at 31 March 2008 (2007: 19.77%).

At 5 May 2008, the Group successful completed an Open Offer by two existing shares to offer for one offer share. The total new issued shares on completion were 647,577,739 shares and the net proceed was approximately HK\$180,000,000. The use of proceed for the Open Offer is to complete the Fu 718 acquisition. As at the immediate date after the Open Offer, the available fund of the Group was approximately HK\$280,000,000. The management is of the view that the Group's incoming cash flow from the convertible bonds and business operations together with the available banking facilities will provide sufficient funds for the Group to meet the requirements of present operation and further business development in the foreseeable future.

PLEDGE OF ASSETS

As at 31 March 2008, certain of the Group's assets with a net book value of approximately HK\$45,385,000 (2007: HK\$41,893,000) were pledged to secure banking facilities granted to the Group.

本集團一般以內部產生的現金流及銀行提供的銀行融資撥付營運資金。於二零零八年三月三十一日，本集團的現金狀況維持良好。本集團的現金及現金等值項目約為港幣87,334,000元（二零零七年：港幣40,575,000元），未償還借貸及可換股債券總額則約為港幣73,788,000元（二零零七年：港幣72,164,000元）。本集團的流動資產約為港幣356,838,000元（二零零七年：港幣195,110,000元），而流動負債則約為港幣229,021,000元（二零零七年：港幣113,516,000元）。流動資產淨值為港幣127,817,000元（二零零七年：港幣81,594,000元）。

於二零零八年三月三十一日，資產負債比率（以借貸總額除以總資產計算）為3.15%（二零零七年：19.77%）。

於二零零八年五月五日，本集團成功完成以兩股現有股份提呈發售一股發售股份的公開發售。完成時，新發行股份合共647,577,739股，所得款項淨額約為港幣180,000,000元。公開發售的所得款項會用以完成富718礦區收購事項。緊隨公開發售後當日，本集團的可動用資金約為港幣280,000,000元。管理層認為，本集團來自可換股債券及經營業務的現金流，連同可供動用的銀行融資，將為本集團提供充裕資金，應付現時業務及可見將來的其他業務發展需要。

資產抵押

於二零零八年三月三十一日，本集團已質押賬面淨值約港幣45,385,000元（二零零七年：港幣41,893,000元）的若干資產，以取得授予本集團的銀行融資。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EXPOSURE TO FOREIGN EXCHANGE RISK AND INTEREST RATE RISK

The Group's business transactions are mainly denominated in Hong Kong dollars and Renminbi. Most interest bearing bank borrowings of the Group are on floating rate basis. Foreign currency exposure is monitored closely by the management and hedged by forward foreign currency contracts. The Group also uses derivative financial instruments to manage interest rate and oil price rate exposures for hedging purpose only.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2008, the Group had an aggregate of 500 (2007: 565) employees of which about 489 (2007: 553) located in mainland China while the rest were based in Hong Kong and Macau. The employee's remuneration package includes salary, bonus and share options. Pursuant to the Group's remuneration policy, employees are rewarded on the basis of merit and market conditions and in accordance with the statutory requirements of the respective jurisdiction where the employees located.

DISCLOSURES PURSUANT TO RULES 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of rule 13.21 of the Listing Rules, the Company makes the following disclosures in relation to the details of the Facility Letter (as defined below), which includes conditions relating to specific performance of the controlling shareholder of the Company:—

On 7 May 2004, the Group has accepted a facility letter dated 6 May 2004 (the "Facility Letter") issued by a bank in Hong Kong (the "Bank") in relation to various working capital facilities up to the aggregate amount of HK\$68,000,000 including a term loan facility up to HK\$40,000,000 (collectively, the "Facilities"). The Facilities are subject to periodic review by the Bank at its sole discretion.

外匯風險及利率風險

本集團的業務交易主要以港幣及人民幣為單位。本集團大部分付息銀行借貸乃按浮動息率計息。外幣風險受到管理層密切監察，並以遠期外幣合約對沖。本集團出於對沖需要，亦使用衍生金融工具對沖利率及油價風險。

僱員及酬金政策

於二零零八年三月三十一日，本集團合共聘用500名僱員（二零零七年：565名），其中約489名僱員（二零零七年：553名）駐職中國大陸，其餘則在香港及澳門。僱員的薪酬待遇包括薪金、花紅及購股權。根據本集團的酬金政策，僱員的報酬是按功績及市場狀況，並根據各僱員受聘所在的司法管轄區的法例規定而定。

根據上市規則第13.21條作出披露

根據上市規則第13.21條的披露規定，本公司就融資函件（定義見下文）的詳情（包括與本公司控股股東的特定表現有關的條件）作下列披露：

於二零零四年五月七日，本集團已接納香港一家銀行（「該銀行」）於二零零四年五月六日就多筆營運資金融資（總額最多達港幣68,000,000元，包括最多達港幣40,000,000元的定期貸款融資（統稱為「該等融資」）發出的融資函件（「融資函件」）。該等融資須接受該銀行全權進行的定期檢討。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Under the provisions of the Facility Letter, there are conditions, among other things, that (1) Mr. Poon Sum, Mr. Poon Sau Tin and their family members shall collectively maintain at least 50% of the issued share capital of the Company and (2) Mr. Poon Sum shall remain as Chairman or Chief Executive Officer of the Group and shall be actively involved in the management and business of the Group. Should there be any breach of such conditions, the Bank shall have the right to demand for repayment of all outstanding amounts due by the Group under the Facilities.

On 30 November 2004, the Group has accepted the renewal of the Facilities by the Bank together with the same conditions imposing specific performance obligations on the controlling shareholder as described above. The aggregate facilities amount has been revised to HK\$66,708,333.35 following the reducing balance of the term loan facility made by the Group's installment repayment as scheduled.

On 19 October 2005, the Group has accepted the further renewal of the Facilities by the Bank up to the aggregate amount of HK\$48,388,894.30 together with the same conditions imposing specific performance obligations on the controlling shareholder as described above, save as the amendment to the condition, "that Mr. Poon Sum, Mr. Poon Sau Tin and their family members shall collectively maintain at least 40% of the issued share capital of the Company is allowed subject to the maintenance of the consolidated tangible net worth by the Group at no less than HK\$100,000,000 throughout the life of all the Facilities" as duly renewed by the Bank. Consolidated net worth is defined as shareholders' equity less any intangible assets, deferred expenditure, loan due from directors and loan due from third party companies.

根據融資函件的條文，內載條件（其中包括）為(1)潘森先生、潘壽田先生及其家族成員須合共維持擁有本公司已發行股本至少50%權益；及(2)潘森先生須留任本集團主席或行政總裁，且須積極參與本集團的管理及業務。倘違反上述任何條件，則該銀行有權要求本集團償還該等融資當中所有尚未償還的款項。

於二零零四年十一月三十日，本集團已接納該銀行更新該等融資，以及同上文對控股股東施加的特定表現責任條件。於本集團按計劃分期還款而使定期貸款融資的結餘減少後，總融資額已修訂至約港幣66,708,333.35元。

於二零零五年十月十九日，本集團已接納該銀行進一步更新該等融資，總額最多達港幣48,388,894.30元，以及同上文對控股股東施加的特定表現責任條件，惟條件的修訂內容除外，即「潘森先生、潘壽田先生及其家族成員須合共維持擁有本公司已發行股本至少40%權益，但於所有該等融資的可使用年期內，本集團須一直維持綜合有形資產淨值不少於港幣100,000,000元」，有關修訂已由該銀行正式更新。綜合資產淨值界定為股東權益減任何無形資產、遞延開支、應收董事貸款及應收第三方公司貸款。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

On 27 November 2006, the Group has accepted the renewal of the Facilities by the Bank up to the aggregate amount of HK\$47,900,018.90 together with the same conditions imposing specific performance obligations on the controlling shareholder as described above, save as the amendment to the condition, “that a simultaneous amendment of the shareholding undertaking and the net worth covenant to the following level is allowed:

於二零零六年十一月二十七日，本集團已接納該銀行更新該等融資，總額最多達港幣47,900,018.90元，以及同上文對控股股東施加的特定表現責任條件，惟條件的修訂內容除外，即「准許如下述同時修訂股權承諾及淨值契諾」：

Shareholding by the Poon's Family 潘氏家族的股權

Consolidated Tangible Net Worth 綜合有形資產淨值

35%

HK\$港幣 120,000,000元

30%

HK\$港幣 140,000,000元

On 7 April 2008, the Group has accepted the renewal of the Facilities by the Bank up to a revised aggregate amount of HK\$53,800,000. The term included a 10 years term loan with an amount of HK\$10,800,000 that to be used for re-financing four properties owned by a subsidiary of the Group. Other than the conditions imposing specific performance obligations on the controlling shareholder is amended as “Poon's family should maintain at least 23% of the issued share capital of China Oil Resources Holdings Limited”, there is the same conditions as described above.

於二零零八年四月七日，本集團已接納該銀行更新該等融資，經修訂總額最多達港幣53,800,000元。條款包括一筆為數港幣10,800,000元的十年期貸款，作為本集團一家附屬公司擁有的四項物業的再融資。除對控股股東施加的特定表現責任條件修訂為「潘氏家族須維持擁有中油資源控股有限公司已發行股本至少23%權益」外，並載有同上文的條件。

CORPORATE GOVERNANCE REPORT

企業管治報告

This corporate governance report (“CG Report”) presents the corporate governance matters during the year covering the financial year ended 31 March 2008 (“CG Period”) required to be disclosed under the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the “HKEx”) (the “Listing Rules”).

ADOPTION OF CORPORATE GOVERNANCE PRACTICES

The Group has adopted the Code on Corporate Governance Practices (“Code”) as set out in Appendix 14 of the Listing Rules which came into effect on 1 January 2005. During the CG Period, the Code had been duly complied with except for the deviations as follows:

Code Provision A2.1 requires the role of Chairman and Chief Executive Officer (“CEO”) should not be performed by the same individual. The Company did not have a separate Chairman and CEO and Mr. Poon Sum held both positions during the year. The Board believed that vesting the roles of Chairman and CEO in the same person provided the Group with strong and consistent leadership in the development and execution of long-term business strategies. However, pursuant to the expansion of the business operation of the Company and in order to comply with Code Provision A2.1, Mr. Leung Kam Lung, Danny has been appointed as the CEO of the Company and Mr. Poon Sum remains as the Chairman of the Company with effect from 1 April 2008.

The Non-Executive Director (“NED”) and the Independent Non-Executive Directors (“INEDs”) of the Company are not appointed for specific terms but are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Company’s Articles of Association.

本企業管治報告(「企業管治報告」)指根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)須予披露涵蓋截至二零零八年三月三十一日止財政年度(「企業管治期間」)的年度企業管治事項。

採納企業管治常規

本集團已採納上市規則附錄十四所載的企業管治常規守則(「該守則」),自二零零五年一月一日起生效。於企業管治期間,該守則已獲適當遵守,惟下列偏離事項除外:

守則條文A2.1規定,主席及行政總裁(「行政總裁」)的角色應分開,不得由同一人擔任。本公司並無將主席及行政總裁分開,而潘森先生於年內擔任前述兩個職務。董事會相信,由同一個人擔任主席及行政總裁,為本集團在發展及執行長期業務策略方面帶來強勁及一致的領導力量。然而,有鑑於本公司業務擴充之進度,以及為符合守則條文A2.1規定,梁金龍先生已獲委任為本公司之行政總裁,而潘森先生則留任本公司主席,自二零零八年四月一日起生效。

本公司的非執行董事(「非執行董事」)及獨立非執行董事(「獨立非執行董事」)的委任並無指定任期,惟根據本公司的組織章程細則須於本公司股東週年大會上輪值告退及接受重選。

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD OF DIRECTORS

As at 31 March 2008, the Board comprised a total of eight Directors, with three Executive Directors (“EDs”), two NEDs and three INEDs. Two of the INEDs have appropriate professional qualifications, accounting, or related professional management expertise, which is required by the Listing Rules. During the CG Period, four regular Board meetings were held.

The composition of the Board, and the respective attendances of the Directors are presented as follows:

Director 董事	Board Capacity 董事會身份	Attendance 出席率
Mr. Poon Sum 潘森先生	ED & Chairman 執行董事兼主席	4/4
Mr. Wong Kwok Leung 黃國良先生	ED 執行董事	4/4
Mr. Poon Wai Kong 潘偉剛先生	ED & Financial Controller 執行董事兼財務總監	4/4
Mr. Chen Lizhong 陳立忠先生	NED 非執行董事	4/4
Ms. Chew Lye Yin 趙麗瑛女士	NED 非執行董事	2/4
Mr. Chan Kam Ching, Paul 陳錦程先生	INED 獨立非執行董事	4/4
Mr. Chan Shu Kin 陳樹堅先生	INED 獨立非執行董事	4/4
Mr. Cheung Kwan Hung 張鈞鴻先生	INED 獨立非執行董事	4/4

All the four regular Board meetings were held to discuss and/or approve the financial performance/results of the Group, report, discuss and/or resolve for the ordinary business and operation matters, and the corporate development and decisions. The Board formulates overall strategy of the Group, monitors its financial performance and maintains effective supervision over the management. Daily operations and administration are delegated to the management. During the CG Period, none of the Directors above has or maintains any financial, business, family or other material/relevant relationship with any of the other Directors.

董事會

於二零零八年三月三十一日，董事會合共包括八位董事，即三位執行董事（「執行董事」）、兩位非執行董事及三位獨立非執行董事。其中兩位獨立非執行董事擁有上市規則所規定的適當專業資格、會計或相關專業管理專門知識。於企業管治期間，本公司舉行了四次定期董事會會議。

董事會的組成及各位董事各自出席情況如下：

本公司舉行了四次定期董事會會議，均討論及／或批准本集團的財務表現／業績；報告、討論及／或議決日常業務及經營事項，及公司發展及決策。董事會制定本集團的整體策略，監察其財務表現及維持對管理層的有效監督。日常營運及管理乃委派管理層負責。於企業管治期間，上述董事概無與任何其他董事擁有或維持任何財務、業務、家族或其他重大／有關關係。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The Remuneration Committee was formed on 21 March 2005 and adopted specific written terms of reference in accordance with the provisions set out in the Code. The role and function of the Remuneration Committee includes:

- recommendation to the Board on the remuneration policy for the Directors;
- review of, approval of and recommendation for (if any) the remuneration package of each Director including benefits in kind, pension right, bonus payment and compensation payable;
- review and approval of the compensation payment to any Director upon his/her cessation of directorship in or employment with the Company; and
- engagement of external professional advisors to assist and/or advise the Remuneration Committee on its duties when necessary and reasonable.

For the financial year under review, the Remuneration Committee had held two physical meetings for the purpose of considering the remuneration of the Directors.

薪酬委員會

薪酬委員會於二零零五年三月二十一日成立，並根據該守則所載條文採納指定書面職權範圍。薪酬委員會的角色及職責包括：

- 就董事的薪酬政策向董事會提供推薦意見；
- 檢討、批准及推薦各位董事的酬金組合（如有），包括實物利益、退休金權利、花紅及應付賠償；
- 於任何董事終止董事職務或終止與本公司的僱傭關係時，檢討及批准向該董事支付的賠償；及
- 於必要及合理時，委聘外部專業顧問，以協助及／或向薪酬委員會提供有關其職務的意見。

於回顧財政年度，薪酬委員會實際上舉行了兩次會議，旨在考慮董事的薪酬。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE (continued)

The composition of the Remuneration Committee, and the respective attendances of the committee members are presented as follows:

Member 成員	Committee capacity 委員會身份	Attendance 出席率
Mr. Poon Sum 潘森先生	Chairman of the committee 委員會主席	2/2 2/2
Mr. Chan Kam Ching, Paul 陳錦程先生	INED 獨立非執行董事	2/2 2/2
Mr. Chan Shu Kin 陳樹堅先生	INED 獨立非執行董事	2/2 2/2
Mr. Cheung Kwan Hung 張鈞鴻先生	INED 獨立非執行董事	2/2 2/2

The chairman of the Remuneration Committee since its establishment has been Mr. Poon Sum.

The summary of the work performed by the Remuneration Committee for the financial year under review included:

- endorsement to the remuneration policy for the Directors; and
- review and approval of the remuneration package of each Director including benefits in kind, pension right, bonus payment and compensation payable.

DIRECTORS' REMUNERATION

The remuneration paid to and/or entitled by each of the Directors for the financial year under review is set out in Note 16 to the financial statements.

The share options granted to/or entitled by the Directors during the financial year under review are inscribed in the section headed "Directors' Interests in Equity or Debt Securities" of the Directors' Report.

薪酬委員會 (續)

薪酬委員會的組成及委員會成員各自出席情況如下：

自薪酬委員會成立以來，薪酬委員會主席一直為潘森先生。

於回顧財政年度，薪酬委員會執行的工作概要包括：

- 認可董事的薪酬政策；及
- 檢討及批准各位董事的薪酬組合，包括實物利益、退休金權利、花紅及應付賠償。

董事的薪酬

於回顧財政年度，已付及／或應付各位董事的薪酬載於財務報表附註16。

於回顧財政年度內，董事獲授／享有的購股權於董事報告「董事於股本或債務證券的權益」一節內闡述。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' SECURITIES TRANSACTION

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

NOMINATION OF DIRECTORS

The Company does not have a Nomination Committee. The Chairman of the Board is responsible to identify and recommend for the Board's approval of any eligible candidate to join the Board for filling the casual vacancy and/or appointing additional directors. The Board composes members with mixed skills and experience with appropriate weights necessary to accomplish the Group's business development, strategies, operation, challenges and opportunities. Each member of the Board shall possess, be recognised for and be able to exhibit high and professional standard of a set of core criteria of competence.

AUDIT COMMITTEE

The Audit Committee has adopted specific written term of reference in accordance with the provision set out in the Code. The principal duties of the Audit Committee include:

- monitoring the integrity of the financial statements of the Group;
- providing independent review and supervision of the effectiveness of the internal control of the Group;
- reviewing of the adequacy of the external audits;
- reviewing on the compliance issues with the Listing Rules and other compliance requirements;
- providing independent views on connected transactions and transactions involving materially conflicted interest; and
- considering and reviewing the appointment of the Auditors and the audit remuneration.

董事進行證券交易

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則（「標準守則」），作為董事進行證券交易的行為守則。經對所有董事作出特定查詢後，彼等確認彼等於本年度已遵守標準守則所載的規定準則。

董事提名

本公司並無提名委員會。董事會主席負責物色合資格候選人，並推薦予董事會批准，以加入董事會，填補臨時空缺及／或委任為額外董事。董事會由具備綜合技能及經驗的人士組成，該等人士且具備實現本集團業務發展、策略、營運、挑戰及機會所需的適當價值。董事會各成員須掌握勝任的一套核心準則，並獲得認可，且能夠展示高水平及專業水準。

審核委員會

審核委員會已根據該守則所載的條文採納指定的書面職權範圍。審核委員會的主要職責包括：

- 監察本集團財務報表的完整性；
- 獨立審閱及監督本集團內部控制的效率；
- 檢討外部審核是否充份；
- 檢討遵守上市規則及其他規定的情況；
- 就關連交易及涉及重大利益衝突的交易提供獨立意見；及
- 考慮及檢討核數師的任命及核數酬金。

CORPORATE GOVERNANCE REPORT

企業管治報告

AUDIT COMMITTEE (continued)

For the financial year under review, the Audit Committee had held four physical meetings for discussing and/or approving the periodic financial results of the Group, reviewing the effectiveness of the financial reporting process and internal control system of the Group.

The composition of the Audit Committee, and the respective attendances of the committee members are presented as follows:

Member 成員	Committee capacity 委員會身份	Attendance 出席率
Mr. Chan Shu Kin 陳樹堅先生	Chairman of the committee 委員會主席	4/4 4/4
Mr. Chan Kam Ching, Paul 陳錦程先生	INED 獨立非執行董事	4/4 4/4
Mr. Cheung Kwan Hung 張鈞鴻先生	INED 獨立非執行董事	4/4 4/4

The chairman of the Audit Committee since its establishment has been Mr. Chan Shu Kin.

AUDIT REMUNERATION

The analysis of the Joint Auditors' remuneration for the financial year under review is presented as follows:

		Fee amount (HK\$'000) 費用 (港幣千元)
Audit Service	核數服務	
– Audit of the annual financial statements	– 審核年度財務報表	1,390
Non-audit services	非核數服務	
– Taxation services	– 稅務服務	110
– Services relating to issue of convertible bonds	– 有關發行可換股債券的服務	570
– Financial review services	– 財務審閱服務	165

審核委員會 (續)

於回顧財政年度，審核委員會實際上舉行了四次會議，以討論及／或批准本集團有關期間的財務業績，檢討本集團財務申報程序及內部控制系統的效率。

審核委員會的組成及委員會成員各自出席情況如下：

自審核委員會成立以來，審核委員會主席一直為陳樹堅先生。

核數酬金

於回顧財政年度，聯席核數師的酬金分析如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

INTERNAL CONTROL

The Directors recognise their responsibility for maintaining an adequate system of internal control for the Company. The Directors have regularly reviewed the internal control policy so as to safeguard the Company's assets. In addition, the Directors have appointed an independent accountancy firm to review the internal control systems of the Company on an on-going basis. The review covered Purchases Cycle, Capital Expenditures Cycle and Operating Expenses Cycle of the production plants. The report concluded that the management has planned to put in place a more effective internal control system to safeguard the interests of the Company. The Directors have discussed and considered the review report.

ACKNOWLEDGEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledged their responsibilities for preparing the financial statements of the Group. In preparing the financial statements for the financial year under review, the Directors have:

- Based on a going concern basis;
- Selected suitable accounting policies and applied them consistently; and
- Made judgements and estimates that were prudent, fair and reasonable.

The statement of the Joint Auditors regarding their reporting responsibilities on the financial statements is set out in detail in the Joint Independent Auditors' Report on pages 52 to 54.

On behalf of the Board

Poon Sum

Chairman

Hong Kong, 26 July 2008

內部控制

董事確認其維持本公司具備充份內部控制系統的責任。董事為保障本公司資產已定期檢討內部控制政策。此外，董事已委任獨立會計師行以持續基準檢討本公司的內部控制系統。該項檢討涵蓋生產廠房的採購週期、資本開支週期及經營開支週期。報告認為管理層已計劃實施更有效的內部控制系統，以保障本公司利益。董事已討論及考慮該檢討報告。

確認對財務報表所負的責任

董事確認彼等編製本集團財務報表的責任。於編製回顧財政年度的財務報表時，董事已：

- 按持續經營基準編製；
- 挑選適當會計政策，並貫徹應用；及
- 作出審慎、公平及合理的判斷及估計。

聯席核數師就財務報表而發出的報告責任聲明於第52頁至第54頁的聯席獨立核數師報告內詳述。

代表董事會

主席

潘森先生

香港，二零零八年七月二十六日

REPORT OF THE DIRECTORS

董事報告

The directors submit their annual report together with the audited financial statements for the year ended 31 March 2008.

CHANGE OF NAME

Pursuant to a special resolution passed by the shareholders of the Company on 31 August 2007, the Company's name was changed from Wing Shing International Holdings Limited to China Oil Resources Holdings Limited.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in Note 24 to the financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 6 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year are set out in the consolidated income statement on page 55.

No interim dividend was paid or declared in respect of the year ended 31 March 2008 (2007: Nil).

FINAL DIVIDEND AND PROPOSED ISSUE OF WARRANTS

The Board proposed to distribute to the Company's shareholders a final dividend for the year ended 31 March 2008 in the form of warrants to be issued on the basis of one warrant for every twelve existing Company shares held by the Company's shareholders whose names appear on the register of members of the Company as at the close of business on 26 September 2008. Each warrant will entitle the Company's shareholders to subscribe for one new Company share at an initial subscription price of HK\$0.5 per Company share in cash, subject to anti-dilutive adjustments at any time during a period of twenty four months commencing from the date of issue of the warrant.

董事謹此提呈其年度報告連同截至二零零八年三月三十一日止年度的經審核財務報表。

更改名稱

根據本公司股東於二零零七年八月三十一日通過的特別決議案，本公司名稱已由永成國際控股有限公司，更改為中油資源控股有限公司。

主要業務及業務的地區分析

本公司的主要業務是投資控股。附屬公司的業務均載於財務報表附註24。

本集團於本年度的表現分析，是按業務及地區分類來進行，並載於財務報表附註6。

業績及分派

本集團本年度的業績，載於第55頁的綜合收益表。

本公司並無就截至二零零八年三月三十一日止年度派付或宣派中期股息（二零零七年：無）。

末期股息及建議發行認股權證

董事會建議透過向於二零零八年九月二十六日營業時間結束時名列本公司股東名冊的本公司股東按彼等每持有十二股本公司現有股份獲發行一份認股權證的基準，以發行認股權證的形式向本公司股東分派截至二零零八年三月三十一日止年度的末期股息。每份認股權證將賦予本公司股東權利，可於發行認股權證當日起計二十四個月期間內的任何時間，按初步認購價每股本公司股份港幣0.5元（可予反攤薄調整）以現金認購一股本公司新股份。

REPORT OF THE DIRECTORS

董事報告

FINAL DIVIDEND AND PROPOSED ISSUE OF WARRANTS (continued)

Reference is also made to the results announcement of the Company dated 26 July 2008. The Directors noted that there were typographical mistakes in the results announcement. In particular, it was mistakenly stated that the final dividend in the form of warrants will be issued on the basis of one warrant for every ten existing Company shares. The Directors wish to clarify that the final dividend in the form of warrants will be issued on the basis of one warrant for every twelve existing Company shares. The Directors would like to apologise for any inconvenience that may have caused by such typographical mistakes.

CLOSURE OF REGISTERS OF MEMBERS AND WARRANTHOLDERS

The registers of members and warrant holders of the Company will be closed from Monday, 22 September 2008 to Friday, 26 September 2008, both days inclusive, during which period no transfer of shares will be effected, no transfer or exercise of warrants will be effected and no conversion of bonds will be effected. In order to determine the identity of members who are entitled to receive the proposed warrants and to attend and vote at the annual general meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share register in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 19 September 2008. All completed subscription forms in relation to the exercise of the non-listed warrants accompanied by the appropriate subscription monies and the relevant warrant certificates must be lodged with the Company in accordance with the terms and conditions of the non-listed warrants not later than 4:30 p.m. on Friday, 19 September 2008, Hong Kong time and all conversion of bonds must be lodged with the conversion agent in accordance with the terms and conditions of the bonds not later than 4:30 p.m. on Friday, 19 September 2008, Hong Kong time.

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in the statements of changes in equity on pages 59 to 61.

末期股息及建議發行認股權證 (續)

謹此提述本公司於二零零八年七月二十六日發表的業績公告。董事注意到業績公告中出現手民之誤，尤其是將以發行認股權證形式派發末期股息的基準，誤列為按每持有十股本公司現有股份獲發行一份認股權證。董事謹此澄清，以發行認股權證形式派發末期股息的基準，為按每持有十二股本公司現有股份獲發行一份認股權證。董事謹對有關手民之誤可能引致的任何不便致歉。

暫停辦理股份及認股權證過戶登記手續

本公司將於二零零八年九月二十二日（星期一）至二零零八年九月二十六日（星期五）（包括首尾兩天）期間，暫停辦理股份過戶登記手續、認股權證過戶登記或行使手續及債券兌換手續。為釐定有權收取建議之認股權證及出席股東週年大會並於會上投票的股東的身份，所有股份過戶文件連同有關股票，最遲須於二零零八年九月十九日（星期五）下午四時三十分前送交本公司的香港股份過戶登記分處香港中央證券登記有限公司，地址為香港皇后大道東183號合和中心17樓1712-16室辦理登記手續。所有已填妥有關行使非上市認股權證的認購表格連同適當的認購款項及有關認股權證證書，最遲須於二零零八年九月十九日（星期五）下午四時三十分（香港時間）前按照非上市認股權證的條款及條件送交本公司；所有債券兌換書最遲須於二零零八年九月十九日（星期五）下午四時三十分（香港時間）前按照債券的條款及條件送交兌換代理。

儲備

本年度內本集團及本公司的儲備變動載於第59頁至第61頁的權益變動報表內。

REPORT OF THE DIRECTORS

董事報告

PROPERTY, PLANT AND EQUIPMENT

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

CONVERTIBLE BONDS

Details of the convertible bonds are set out in Note 33 to the financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 35 to the financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2008 amounted to approximately HK\$358,692,000, comprising share premium, share option reserve, warrant reserve and retained earnings. Under section 34 of the Companies Law (Revised) of the Cayman Islands, the share premium is available for distribution to shareholders subject to the provisions of the Articles of Association of the Company, and no distribution may be paid to shareholders out of the Company's share premium unless the Company shall be able to pay its debt as they fall due in the ordinary course of business.

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.

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on pages 183 to page 184.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

The Company has not redeemed any of its securities during the year. Neither the Company nor any of its subsidiaries has purchased or sold any of the Company's securities during the year.

物業、廠房及設備

本集團的物業、廠房及設備變動詳情載於財務報表附註17。

可換股債券

可換股債券的詳情載於財務報表附註33。

股本

本公司的股本變動詳情載於財務報表附註35。

可供分派儲備

本公司於二零零八年三月三十一日的可供分派儲備約為港幣358,692,000元，包括股份溢價、購股權儲備、認股權證儲備及保留盈利。根據開曼群島公司法（經修訂）第34條，在本公司的組織章程細則條文規限下，股份溢價可供分派予股東，另除非本公司能夠支付在日常業務範圍內到期的債務，否則不可將本公司的股份溢價分派予股東。

優先購買權

本公司的組織章程細則並無關於優先購買權的條文，而開曼群島法例亦無有關該等權利的限制。

五年財務概要

本集團於最近五個財政年度的業績及資產與負債概要載於第183至第184頁。

購買、出售或贖回證券

本年度內，本公司並無贖回其任何證券。本年度內，本公司及其任何附屬公司並無購買或出售本公司任何證券。

REPORT OF THE DIRECTORS

董事報告

SHARE OPTIONS AND WARRANTS

Warrants

Warrants issued in November 2002 were expired on 31 October 2007. A total number of 51,338,716 warrants which conferred rights to subscribe for shares at an initial subscription price of HK\$0.7 per share had been converted into shares.

On 30 January 2008, the Company had issued 200,000,000 non-listed warrants, each entitles the holder thereof to subscribe for one new share at the exercise price of HK\$1.00 (subject to adjustment) at any time during a period of thirty-six months commencing from the date of issue of the warrants.

Share Options

Share options are granted to directors, executives and employees under a share option scheme (the "Share Option Scheme") approved by shareholders at an Extraordinary General Meeting on 21 October 2002.

The Share Option Scheme is a share incentive scheme and is established to acknowledge the contributions made or to be made by participants to the Group. The Board of Directors may, at its discretion, offer employees, executive and non-executive directors, officers, advisers and consultants of the Company and its subsidiaries, the grant of options to subscribe for shares of the Company. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant. The total number of shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the shares in issue as at the date of approval of the Share Option Scheme. The 10% limit was refreshed by ordinary resolution passed by the shareholders at the extraordinary general meeting held on 4 March 2008 which enabled the grant of further options to subscribe up to 129,335,948 shares, representing 10% of the shares in issue as at the said date. At the extraordinary general meeting of the Company held on 16 October 2007, an ordinary resolution relating to the grant of 48,000,000 share options to Mr. Poon Sum, the Chairman of the Group, was passed by the shareholders.

購股權及認股權證

認股權證

於二零零二年十一月發行的認股權證已於二零零七年十月三十一日到期。合共51,338,716份附帶按初步認購價每股港幣0.7元認購股份的權利之認股權證，已獲轉換為股份。

於二零零八年一月三十日，本公司已發行200,000,000份非上市認股權證，每份認股權證賦予持有人權利，由發行認股權證日期起計三十六個月期間內隨時按行使價港幣1.00元（可予調整）認購一股新股份。

購股權

根據股東於二零零二年十月二十一日舉行的股東特別大會上批准的購股權計劃（「購股權計劃」），本公司向董事、行政人員及僱員授予購股權。

購股權計劃為一項股份獎勵計劃，設立目的旨在嘉許參與者對本集團作出或將作出的貢獻。董事會可酌情向本公司及其附屬公司僱員、執行及非執行董事、高級職員、顧問及諮詢人提呈授出購股權以認購本公司股份。購股權一經接納，承授人須向本公司支付港幣1.00元作為授出代價。根據購股權計劃及本公司任何其他購股權計劃授出的所有購股權獲行使而可能發行的股份總數，不得超過購股權計劃獲批准當日已發行股份總數10%。10%上限已由股東於二零零八年三月四日舉行的股東特別大會上通過普通決議案予以更新，從而促使本公司可授出可認購最多達129,335,948股股份的購股權，而有關股數佔上述日期已發行股份的10%。於二零零七年十月十六日舉行的本公司股東特別大會上，股東已通過一項有關向本集團主席潘森先生授出48,000,000份購股權的普通決議案。

REPORT OF THE DIRECTORS

董事報告

SHARE OPTIONS AND WARRANTS (continued)

Share Options (continued)

As at the date of the annual report, the total number of shares available for issue pursuant to the exercise of all options granted or to be granted under the Share Option Scheme was 88,485,948, representing about 4.6% of the issued share capital of the Company. Unless approved by shareholders of the Company, the total number of shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the shares in issue. The Directors will have the absolute discretion to fix the minimum period for which an option must be held before it can be exercised, and the performance targets that must be achieved before the options can be exercised upon the grant of an option to a participant.

The subscription price of a share in respect of any particular option granted under the Share Option Scheme shall be such price as the Board in its absolute discretion shall determine, save that such price will not be less than the highest of (i) the nominal value of the shares, (ii) the average of the closing prices of the shares as stated in daily quotations sheet of the Stock Exchange of Hong Kong Limited (“HKEx”) for the five consecutive trading days immediately preceding the date of offer of the option and (iii) the closing price of the shares as stated in the HKEx’s daily quotations sheet on the date of offer of the option (which must be a trading day).

An option may be exercised in accordance with the terms of the Share Option Scheme at any time after the date upon which the option is deemed to be granted and accepted and prior to the expiry of such period to be determined by the Board in its absolute discretion and notified to the grantee. No option may be granted more than 10 years after the date of adoption of the Share Option Scheme.

購股權及認股權證 (續)

購股權 (續)

於年報刊發日期，因根據購股權計劃授出或將授出的所有購股權獲行使而可供發行的股份總數為88,485,948股，相當於本公司已發行股本約4.6%。除非本公司股東批准，否則於任何十二個月期間內行使授予每位參與者的購股權（包括已行使及尚未行使的購股權）而已發行及可予發行的股份總數，不得超過已發行股份的1%。董事有絕對酌情權於向參與者授出購股權時釐定購股權在可予行使前的最短持有期間，以及購股權可予行使前必須達成的表現目標。

根據購股權計劃授出的任何特定購股權的股份認購價，由董事會絕對酌情釐定，惟該價格將不可低於下列三者中的最高者：(i)股份的面值、(ii)股份於緊接購股權要約日期前連續五個交易日在香港聯合交易所有限公司（「聯交所」）每日報價表上所報的平均收市價及(iii)股份於購股權要約日期（必須為交易日）當日在聯交所每日報價表上所報的收市價。

購股權可於購股權被視為已授出及獲接納日期後任何時間，及在董事會全權酌情決定並通知承授人的該段期間屆滿前，根據購股權計劃的條款予以行使。採納購股權計劃日期十年後，不得再授出購股權。

REPORT OF THE DIRECTORS

董事報告

SHARE OPTIONS AND WARRANTS (continued)

Share Options (continued)

Details of the share options outstanding at 31 March 2008 which have been granted under the scheme are as follows:

購股權及認股權證 (續)

購股權 (續)

於二零零八年三月三十一日，根據計劃已授出但尚未行使的購股權詳情如下：

Participants	Date of grant	Exercise price per share HKS	Exercisable Period	Outstanding as at 1 April 2007	Number of Options 購股權數目			Outstanding as at 31 March 2008	Price of Company's shares 本公司股份價格	
					Granted during the year	Exercised during the year	Lapsed during the year		For Option granted HKS (Note 1)	For Option exercised HKS (Note 2)
參與者	授出日期	每股行使價 港幣	可行使期	於二零零七年 四月一日 尚未行使	於年內授出	於年內行使	於年內失效	於二零零八年 三月 三十一日 尚未行使	已授出 購股權 港幣 (附註1)	已行使 購股權 港幣 (附註2)
Executive Directors										
執行董事										
Mr. Poon Sum 潘森先生	05/06/2006	0.197	05/06/2006 to至 04/06/2009	18,000,000	-	18,000,000	-	-	-	0.677
	14/09/2007	1.08	14/09/2007 to至 13/09/2009	-	48,000,000	-	-	48,000,000	1.030	-
Mr. Wong Kwok Leung 黃國良先生	13/08/2004	0.29	13/08/2004 to至 12/08/2014	100,000	-	-	-	100,000	-	-
Mr. Poon Wai Kong 潘偉剛先生	20/04/2007	0.632	20/04/2007 to至 31/03/2008	-	3,500,000	-	3,500,000	-	0.610	-
Non-Executive Director										
非執行董事										
Mr. Chen Lizhong 陳立忠先生	03/04/2006	0.197	03/04/2006 to至 02/04/2008	6,000,000	-	6,000,000	-	-	-	0.693
Independent Non-Executive Directors										
獨立非執行董事										
Mr. Chan Shu Kin 陳樹堅先生	21/09/2006	0.58	21/09/2006 to至 20/09/2007	700,000	-	700,000	-	-	-	0.624
	14/09/2007	1.08	14/09/2007 to至 13/09/2009	-	680,000	-	-	680,000	1.020	-
Mr. Chan Kam Ching, Paul 陳錦程先生	21/09/2006	0.58	21/09/2006 to至 20/09/2007	700,000	-	700,000	-	-	-	0.624
	14/09/2007	1.08	14/09/2007 to至 13/09/2009	-	680,000	-	-	680,000	1.020	-
Mr. Cheung Kwan Hung 張鈞鴻先生	21/09/2006	0.58	21/09/2006 to至 20/09/2007	700,000	-	700,000	-	-	-	0.624
	14/09/2007	1.08	14/09/2007 to至 13/09/2009	-	680,000	-	-	680,000	1.020	-

REPORT OF THE DIRECTORS

董事報告

SHARE OPTIONS AND WARRANTS (continued)

購股權及認股權證 (續)

Share Options (continued)

購股權 (續)

Participants	Date of grant	Exercise price per share HK\$	Exercisable Period	Outstanding as at 1 April 2007	Number of Options 購股權數目			Outstanding as at 31 March 2008	Price of Company's shares 本公司股份價格	
					Granted during the year	Exercised during the year	Lapsed during the year		For Option granted HK\$ (Note 1)	For Option exercised HK\$ (Note 2)
參與者	授出日期	每股行使價 港幣	可行使期	於二零零七年 四月一日 尚未行使	於年內授出	於年內行使	於年內失效	於二零零八年 三月 三十一日 尚未行使	已授出 購股權 港幣 (附註1)	已行使 購股權 港幣 (附註2)
Employees in aggregate 僱員總計										
	24/11/2003	0.301	24/11/2003 to 至 23/11/2008	4,500,000	-	3,500,000	-	1,000,000	-	0.697
	13/08/2004	0.29	13/08/2004 to 至 12/08/2014	3,000,000	-	3,000,000	-	-	-	0.639
	03/04/2006	0.197	03/04/2006 to 至 02/04/2008	5,000,000	-	5,000,000	-	-	-	0.609
	18/04/2006	0.232	18/04/2006 to 至 17/04/2008	1,080,000	-	1,080,000	-	-	-	0.607
	26/04/2006	0.275	26/04/2006 to 至 25/04/2007	2,000,000	-	2,000,000	-	-	-	0.638
	09/03/2007	0.51	09/03/2007 to 至 08/03/2008	10,000,000	-	10,000,000	-	-	-	0.680
	03/04/2007	0.63	03/04/2007 to 至 31/03/2008	-	51,000,000	20,600,000	30,400,000	-	0.620	0.836
	19/04/2007	0.642	19/04/2007 to 至 31/03/2008	-	2,000,000	1,000,000	1,000,000	-	0.630	0.908
	21/05/2007	0.66	21/05/2007 to 至 31/03/2008	-	5,000,000	1,000,000	4,000,000	-	0.570	0.781
	21/05/2007	0.7	21/05/2007 to 至 31/03/2008	-	12,000,000	2,860,000	9,140,000	-	0.570	0.855
	15/08/2007	0.862	15/08/2007 to 至 31/03/2008	-	4,000,000	-	4,000,000	-	0.850	-
	30/08/2007	0.89	30/08/2007 to 至 31/03/2008	-	1,700,000	1,300,000	400,000	-	0.870	0.801
	19/11/2007	1.18	19/11/2007 to 至 18/11/2008	-	49,800,000	-	12,800,000	37,000,000	1.180	-
				51,780,000	179,040,000	77,440,000	65,240,000	88,140,000		

Note:

附註:

- The price of the Company's shares disclosed for options granted is the closing price of the shares immediately before the date on which the options were granted.
- The price of the Company's shares disclosed for options exercised is the weighted average closing price of the shares immediately before the dates on which the options were exercised.

- 就已授出購股權而披露的本公司股份價格，指緊接購股權授出日期前股份的收市價。
- 就已行使購股權而披露的本公司股份價格，指緊接購股權獲行使日期前股份的加權平均收市價。

Save as disclosed above, none of the directors, or their spouse or children under the age of 18, had been granted any right to subscribe for the equity or debt securities of the Company or any of its associated corporations, or had exercised any such right during the period.

除上文所披露者外，於本期間，概無董事或其配偶或十八歲以下的子女已獲授可認購本公司或其相聯法團的股本或債務證券的任何權利，或已行使任何該等權利。

REPORT OF THE DIRECTORS

董事報告

DIRECTORS

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

Mr. Poon Sum
Mr. Wong Kwok Leung
Mr. Poon Wai Kong
Mr. Chen Lizhong¹
Ms. Chew Lye Yin¹
Mr. Chan Shu Kin²
Mr. Chan Kam Ching, Paul²
Mr. Cheung Kwan Hung²

¹ Non-Executive Director

² Independent Non-Executive Director

Mr. Chan Shu Kin and Mr. Chan Kam Ching, Paul were appointed for a three-year term expiring on 20 October 2005. Mr. Cheung Kwan Hung, Mr. Chen Lizhong and Ms. Chew Lye Yin were not appointed on fixed term.

In accordance with Article 87(1) of the Company's Articles of Association, Mr. Poon Wai Kong, Mr. Chan Shu Kin and Mr. Chan Kam Ching, Paul shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

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

Save as disclosed above, none of the Directors has entered into any service agreements with any member of the Group.

董事

本年度內及直至本報告刊發日期為止的董事如下：

潘森先生
黃國良先生
潘偉剛先生
陳立忠先生¹
趙麗瑛女士¹
陳樹堅先生²
陳錦程先生²
張鈞鴻先生²

¹ 非執行董事

² 獨立非執行董事

陳樹堅先生及陳錦程先生的任期均為三年，於二零零五年十月二十日屆滿。張鈞鴻先生、陳立忠先生及趙麗瑛女士並非按固定年期獲委任。

根據本公司的組織章程細則第87(1)條，潘偉剛先生、陳樹堅先生及陳錦程先生須於即將舉行的股東週年大會上輪值告退，惟符合資格，並願意膺選連任。

董事的服務合約

於即將舉行的股東週年大會獲提名重選連任的董事，並無與本公司訂立本公司不支付補償（法定補償除外）即不可於一年內終止的服務合約。

除上文所披露者外，概無其他董事與本集團的任何成員公司訂立任何服務協議。

REPORT OF THE DIRECTORS

董事報告

DIRECTORS' INTEREST IN CONTRACTS

Apart from Directors' service contracts as described above, no contracts of significance in relation to the Group's business to which the Company or its subsidiaries was a party and in which a Director of the company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Poon Sum, aged 44, is Chairman of the Company and one of the co-founders of the Group. Throughout the year, he has been, and still is, primarily responsible for the overall strategic planning, business development, marketing and formulation of overall corporate policies of the Group. He has over 19 years of experience in the paints and coatings industry and the trading of chemicals in Hong Kong and the PRC.

Mr. Wong Kwok Leung, aged 50, is an Executive Director. He is currently responsible for the administration and production management of the Group's subsidiary in Dongguan. He obtained the qualification of LCC – Higher Accounting from London Chamber of Commerce and diploma of supervisory studies from Hong Kong Productivity Council. Prior to joining the Group, he worked in the field of finance and accounting for over 12 years and has obtained extensive knowledge therein. He joined the Group in September 1997.

Mr. Poon Wai Kong, aged 37, is an Executive Director. He is a member of both the Hong Kong Institute of Certified Public Accountants and the Certified Practising Accountant of Australia. He also holds a Master degree in Business Administration from the City University of Hong Kong, a Master degree in Practising Accounting from the Monash University, Australia and a Bachelor degree in Economics from the University of London, United Kingdom. He has more than 16 years' experience in accounting and financial field. He joined the Group as the Financial Controller in September 2005. He was appointed as Company Secretary for the Company in September 2006.

董事於合約的權益

除上述的董事服務合約外，於本年度結束時或年內任何時間，本公司或其附屬公司並無訂立任何本公司董事在當中直接或間接擁有重大權益且對本集團業務而言屬重大的合約。

董事及高級管理層的履歷

執行董事

潘森先生，44歲，本公司主席及本集團共同創辦人之一。年內，潘先生一直並且仍然主要負責本集團的整體策略規劃、業務發展、市場推廣及制定整體公司政策。彼於香港及中國的油漆與塗料業，以及化學品買賣方面累積超過十九年經驗。

黃國良先生，50歲，執行董事。彼目前負責監督本集團於東莞的附屬公司的行政及生產管理。黃先生獲倫敦商學會頒發倫敦商學會—高級會計資格，以及獲香港生產力促進局頒發管理課程文憑。於加入本集團前，有十二年以上從事財務及會計業，在有關方面累積了豐富經驗。黃先生於一九九七年九月加入本集團。

潘偉剛先生，37歲，執行董事。彼為香港會計師公會會員及澳洲特許會計師公會會員。彼亦持有香港城市大學工商管理碩士學位、澳洲Monash University實務會計碩士學位及英國倫敦大學經濟系學士學位。彼於會計及財務方面擁有超過十六年經驗，彼於二零零五年九月加入本集團為財務總監。彼於二零零六年九月獲委任為本公司的公司秘書。

REPORT OF THE DIRECTORS

董事報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Non-Executive Director

Mr. Chen Lizhong, aged 54, is a Non-Executive Director. He is an accountant in the People's Republic of China and holds a Master's degree in business management. Mr. Chen joined Guangdong Dongshen Water Supply Bureau (the "Bureau") in 1975. He acted as the general manager of Shenzhen City Dongshen Industrial Development Holding Company between 1994 to 2000 and vice bureau head of the Bureau between 1996 to 2000. He was an executive director and general manager of Guangnan (Holdings) Limited between December 2000 to June 2002.

Ms. CHEW Lye Yin, aged 44, was appointed as Non-Executive Director on 15 September 2006. She graduated from Deakin University, Australia, with a Bachelor of Science Degree (Computer Science). She has over 19 years of experience in the information technology and electronic fields, responsible for research and development administration, marketing, and project development at senior level.

Independent Non-Executive Directors

Mr. Chan Shu Kin, aged 53, is an Independent Non-Executive Director. He was appointed on 21 October 2002. He is a certified public accountant and is a partner of Messrs. Ting Ho Kwan & Chan, Certified Public Accountants. He is a member of the Institute of Chartered Accountants in England and Wales, fellow member of the Association of Chartered Certified Accountants in the United Kingdom, the Hong Kong Institute of Certified Public Accountants and the Taxation Institute of Hong Kong. He has over 30 years of experience in field of auditing, accounting as well as financial management. He is the past president of the Society of Chinese Accountants and Auditors (the "Society") and currently a committee member of the Society. He is also an independent non-executive director of PYI Corporation Limited which is a listed company on the main board of the HKEx.

董事及高級管理層的履歷 (續)

非執行董事

陳立忠先生，54歲，非執行董事。彼為中華人民共和國會計師，並持有商業管理碩士學位。陳先生於一九七五年加入廣東省東深供水局（「供水局」）。彼在一九九四年至二零零零年出任深圳市東深實業發展有限公司總經理，在一九九六年至二零零零年出任供水局副局長。彼由二零零零年十二月至二零零二年六月出任廣南（集團）有限公司的執行董事兼總經理。

趙麗瑛女士，44歲，於二零零六年九月十五日獲委任為非執行董事。彼畢業於澳洲 Deakin University，持有理學士學位（計算機科學）。彼於資訊科技及電子業擁有超過十九年經驗，在高層負責研發管理、市場及項目發展。

獨立非執行董事

陳樹堅先生，53歲，獨立非執行董事。於二零零二年十月二十一日獲委任。陳先生是執業會計師，亦是執業會計師行丁何關陳會計師行的合夥人。陳先生是特許會計師協會－英格蘭及威爾斯會員，英國特許公認會計師公會、香港會計師公會及香港稅務學會的資深會員。在核數、會計及財務管理方面累積了逾三十年經驗。陳先生曾是香港華人會計師公會（「該公會」）會長，現時為該公會理事。陳先生亦為聯交所主板上市公司保華集團有限公司獨立非執行董事。

REPORT OF THE DIRECTORS

董事報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Independent Non-Executive Directors (continued)

Mr. Chan Kam Ching, Paul, aged 53, is an Independent Non-Executive Director. He was appointed on 21 October 2002. He is the senior partner of Paul K.C. Chan & Partners Solicitors & Notaries, and has been practising laws in Hong Kong for over 23 years. He obtained a Juris Doctorate degree from University of Toronto in 1979. He has been admitted as a barrister and a solicitor in Ontario, Canada and as a barrister in the Australian Capital Territory, as a solicitor in Hong Kong and in England and Wales, and as an advocate and solicitor in Singapore. He became a China-Appointed Attesting Officer in 1995, a member of Chartered Institute of Arbitrators in 1996, a Notary Public in Hong Kong in 1997, and HKIAC Accredited Mediator in 1999.

Mr. Cheung Kwan Hung, aged 56, is an Independent Non-Executive Director. He was appointed on 30 September 2004. He is a member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants. He has over 22 years of experience in accounting, finance and investment banking profession specialising in equity/debt fund raising, mergers and acquisitions and corporate restructuring before working with publicly listed companies undertaking corporate management, planning and strategies development functions. He is a director of New Ocean Green Energy Holdings Limited, Golden Dragon Group (Holdings) Limited and VS International Group Limited, whose shares are listed on the HKEx.

The Company has received confirmation from each of the Independent Non-Executive Directors as regards their independence from the Company and considers that each of the Independent Non-Executive Directors is independent of the Company.

董事及高級管理層的履歷 (續)

獨立非執行董事 (續)

陳錦程先生，53歲，獨立非執行董事。於二零零二年十月二十一日獲委任。陳先生是陳錦程律師事務所的資深合夥人，在香港執業超過二十三年。於一九七九年獲多倫多大學頒發法學博士學位。陳先生已獲加拿大安大略省的大律師和律師資格及澳大利亞首都直轄區的大律師資格、香港及英格蘭和威爾斯的律師，以及新加坡的出庭代言人和律師。於一九九五年成為中國委托公證人、一九九六年成為英國仲裁學會會員、一九九七年成為香港法律公證人，以及於一九九九年成為香港國際仲裁中心認可調解員。

張鈞鴻先生，56歲，獨立非執行董事。於二零零四年九月三十日獲委任。彼為特許公認會計師公會及香港會計師公會會員。張先生於加盟多間公眾上市公司，負責公司管理、規劃及策略發展職務前，曾於會計、財務及投資銀行專業方面積逾二十二年經驗，專門從事股本／債務集資、合併及收購，以及公司重組。張先生為新海環保能源集團有限公司、金龍集團（控股）有限公司及威鉞國際集團有限公司的董事，該三間公司的股份於聯交所上市。

本公司已分別接獲各獨立非執行董事就其獨立於本公司的獨立性發出的確認函，並認為各獨立非執行董事均獨立於本公司。

REPORT OF THE DIRECTORS

董事報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Senior management

Mr. Leung Kam Lung, Danny, aged 47, is the Chief Executive Officer of the Group. He joined the Group on 1 April 2007 and responsible for the Group's daily operation. He is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Institute of Chartered Accountants in England and Wales and the Hong Kong Institute of Certified Public Accountants. Mr. Leung has over 24 years of experience in various functional areas with responsibilities for strategic planning, business development, mergers and acquisitions, internal and external auditing and financial management. Mr. Leung held various management positions with a number of reputable groups, with business activities throughout Greater China and the Asia Pacific region, including a multi-national commercial group headquartered in Shanghai, a state-owned enterprise headquartered both in Beijing and Hong Kong, two investment banking and securities brokerage groups based in Hong Kong, a Hong Kong securities regulatory body as well as two 'big-four' auditing firms.

Professor Kwong Ser Yuen Kwong, Albert, aged 58, is the Vice Chairman and Chief Operation Officer of the Group. He joined the Group on 1 July 2008. He is a renowned oil scholar and a seasoned senior petroleum engineer with worldwide hands-on exploration and production experience, both onshore and offshore, plus sharp cross-border business management skills of an international standard. He has direct exposure to the exploration and exploitation of oil and gas in North America (covering both the United States and Canada), South America, Asia (especially China), Australia, West Africa and the Middle East.

Professor Kwong earned his Bachelor of Science in Computer Science from the University of South Carolina in 1974 and Master of Science in Petroleum Engineering from the University of Texas at Austin in 1977, also later Master of Science in Engineering Management in Oklahoma, the United States. He had worked as a research engineer for the Department of Energy, the United States and later as drilling and operations engineer for Atlantic Richfield Co.

董事及高級管理層的履歷 (續)

高級管理層

梁金龍先生，47歲，為本集團行政總裁。彼於二零零七年四月一日加入本集團，負責本集團的日常營運。彼為英國特許公認會計師公會資深會員、英格蘭及威爾斯特許會計師公會會員及香港會計師公會會員。梁先生擁有逾24年工作經驗，職責包括策略規劃、業務開發、公司併購、內外部審計及財務管理等多個範疇。梁先生曾於多家業務遍及大中華與亞太區的著名企業集團內擔當管理職務，該等企業集團包括一家總部設於上海的跨國商業集團、一家總部分別設於北京及香港的國有企業、兩家以香港為基地的投資銀行及證券經紀集團、一家香港證券監管機構及兩家國際性會計師事務所。

鄺社源教授，58歲，為本集團副主席兼營運總裁。彼於二零零八年七月一日加入本集團。彼為知名的石油學者及經驗豐富的高級石油工程師，具備全球石油勘探與開發（包括陸上及海上）的實戰經驗，並擁有達到國際水平的跨國業務管理技術。鄺教授廣泛參與全球各地石油及天然氣項目的勘探及開發，其接觸的地域包括北美洲（含美國及加拿大）、南美洲、亞洲（特別是中國）、澳大利亞、西非洲及中東各地。

鄺教授於一九七四年取得美國南卡羅來納州州立大學電腦科學系學士，於一九七七年在德克薩斯州立大學（奧斯丁）獲石油工程碩士，並於其後在奧克拉荷馬州獲工程管理碩士學位。鄺教授曾在美國政府能源部任職研究工程師，其後在美國著名石油公司Atlantic Richfield Co擔任德州西部鑽井及作業工程師。

REPORT OF THE DIRECTORS

董事報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT (continued)

Senior management (continued)

Ms. Liu Yu Qin, aged 40, is the General Manager and Director of America Archi Colors Group Limited. She joined the Group in April 2007 and is responsible for the sales and marketing of paints products in Northeast China Market. She has a post-graduate degree from the Chinese Academy of Social Sciences. She has 10 years of experience in the coating industry in both China and internationally and over 10 years of experience in sales and marketing.

Mr. Li Xue Tian, aged 65, is the Group's Vice President. He joined the Group in June 2006 and responsible to the oil exploitation business. He graduated from Beijing Institute of Geosciences “北京地質學院”, predecessor of the China University of Geosciences (Beijing) “中國地質大學(北京)”. He has over 30 years of experience in the exploitation and development of oilfields, such as the Daqing Oilfield and Shengli Oilfield. He has also published 16 research papers and 4 books, all in the oil field area. Further, he has received seven academic prizes.

Mr. Bi Yan Peng, aged 65, is the Group's Chief Engineer. He joined the Group in June 2006 and responsible to the development of oil exploitation business. He graduated from the Beijing Institute of Geosciences “北京地質學院”, predecessor of the China University of Geosciences (Beijing) “北京地質大學(北京)”. He has involved in geological research in, and exploration and development of, the Gudao Oilfield, and has been the chief geologist until 2005. He has also published six research papers and one book, all in the oilfield area. Further, he has received 21 academic prizes in the oilfield area.

董事及高級管理層的履歷 (續)

高級管理層 (續)

劉玉琴女士，40歲，美國亞祺塗料（集團）有限公司的總經理及董事。彼於二零零七年四月加入本集團，負責中國東北市場的油漆產品銷售及市場推廣。彼擁有中國社會科學院的研究生學位。劉女士在國內外的塗料業擁有十年經驗，並在銷售及市場推廣積逾十年經驗。

李學田先生，65歲，本集團的副總裁。彼於二零零六年六月加入本集團，負責石油勘探業務。彼畢業於北京地質學院（前身為中國地質大學（北京））。李先生在油田勘探及開發方面積逾三十年經驗，參與計劃有大慶油田及勝利油田。彼曾以油田為題發表十六篇研究報告及撰寫四部著作。此外，彼曾榮獲七項學術獎項。

畢研鵬先生，65歲，本集團的首席工程師。彼於二零零六年六月加入本集團，負責石油勘探業務的開發工作。畢先生畢業於北京地質學院（前身為中國地質大學（北京））。彼曾參與孤島油田的地質研究、勘探及開發工作，自二零零五年一直擔任首席地質學家。畢先生曾以油田為題發表六篇研究報告及撰寫一部著作。此外，彼曾榮獲二十一項有關油田的學術獎項。

REPORT OF THE DIRECTORS

董事報告

DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES

At 31 March 2008, the interests of the directors and chief executive of the Company in the shares, underlying shares or debentures of the Company, and any of its associated corporations (as defined in Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept under Section 352 of the SFO or as notified to the Company and the HKEx pursuant to the Model Code were as follows:

董事於股本或債務證券的權益

於二零零八年三月三十一日，根據證券及期貨條例（「證券及期貨條例」）第352條存置的登記冊所載，或根據標準守則已通知本公司及聯交所的資料，本公司董事及主要行政人員於本公司及其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債券中擁有的權益如下：

Name	Capacity	Nature of Interests	Number of Shares held	Equity Derivative	Total Interest	Total % of Issued Shares
姓名	身份	權益性質	持有的股份數目	股本衍生工具	總權益	佔已發行股份百分比
Mr. Poon Sum 潘森先生	Beneficial Owner 實益擁有人	Personal Interest (Note 1 & 2) 個人權益 (附註1及2)	77,036,302	48,000,000	376,899,341	29.10%
	Founder of a Discretionary Trust 全權信託創辦人	Other Interest (Notes 1 & 3) 其他權益 (附註1及3)	251,863,039	-		
Mr. Wong Kwok Leung 黃國良先生	Beneficial Owner 實益擁有人	Personal Interest (Note 1 & 4) 個人權益 (附註1及4)	10,857	100,000	110,857	0.01%
Mr. Poon Wai Kong 潘偉剛先生	Beneficial Owner 實益擁有人	Personal Interest (Note 1 & 5) 個人權益 (附註1及5)	800,000	-	800,000	0.06%
Mr. Chen Li Zhong 陳立忠先生	Beneficial Owner 實益擁有人	Personal Interest (Note 1) 個人權益 (附註1)	3,596,000	-	3,596,000	0.28%
Ms. Chew Lye Yin 趙麗瑛女士	Beneficial Owner 實益擁有人	Personal Interest (Note 1) 個人權益 (附註1)	18,240,000	-	18,240,000	1.41%
Mr. Chan Shu Kin 陳樹堅先生	Beneficial Owner 實益擁有人	Personal Interest (Note 1 & 6) 個人權益 (附註1及6)	700,000	680,000	1,380,000	0.11%
Mr. Chan Kam Ching, Paul 陳錦程先生	Beneficial Owner 實益擁有人	Personal Interest (Note 1 & 6) 個人權益 (附註1及6)	1,000,000	680,000	1,680,000	0.13%
Mr. Cheung Kwan Hung 張鈞鴻先生	Beneficial Owner 實益擁有人	Personal Interest (Note 1 & 6) 個人權益 (附註1及6)	700,000	680,000	1,380,000	0.11%

REPORT OF THE DIRECTORS

董事報告

DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES (continued)

Notes:

1. All interests in shares and underlying shares of equity derivatives of the Company are long positions.
2. All interests in underlying shares of equity derivatives of the Company are interests in share options of the Company granted under the share option scheme of the Company which may be exercised during the period 14 September 2007 to 13 September 2009 to subscribe for 48,000,000 shares at an exercise price of HK\$1.08 per share.
3. These shares are held by Ever Source Enterprises Limited ("Ever Source"). The issued share capital of Ever Source is beneficially owned as to 50% by Time Concord Limited ("Time Concord"), a company incorporated in the British Virgin Islands ("BVI") and indirectly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sum, and as to 50% by Guidance Investments Limited ("Guidance"), a company incorporated in the BVI and indirectly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sau Tin, the elder brother of Mr. Poon Sum. Accordingly, Mr. Poon Sum will be deemed to be interested in 251,863,039 shares, representing approximately 19.45% of the Company's shares in issue as at 31 March 2008 through his shareholding in Ever Source.
4. All interests in underlying shares of equity derivatives of the Company are interests in share options of the Company granted under the share option scheme of the Company which may be exercised during the period from 13 August 2004 to 12 August 2014 to subscribe for 100,000 Shares at an exercise price of HK\$0.29 per share.
5. All interest in underlying shares of equity derivatives of the Company are interests in share options of the Company granted under the share option scheme of the Company which may be exercised during the period from 20 April 2007 to 31 March 2008 to subscribe for 3,500,000 shares at an exercise price of HK\$0.632 per share.
6. All interest in underlying shares of equity derivatives of the Company are interests in share options of the Company granted under the share option scheme of the Company which may be exercised during the period from 14 September 2007 to 13 September 2009 to subscribe for 680,000 shares at an exercise price of HK\$1.08 per share.

董事於股本或債務證券的權益 (續)

附註:

1. 於本公司股份及股本衍生工具的相關股份的所有權益均為好倉。
2. 於本公司股本衍生工具的相關股份的所有權益均為根據本公司購股權計劃所授出的本公司購股權的權益，該等購股權可於二零零七年九月十四日至二零零九年九月十三日期間行使，行使時可以行使價每股港幣1.08元認購48,000,000股股份。
3. 該等股份由Ever Source Enterprises Limited (「Ever Source」)持有。Ever Source的已發行股本由一間於英屬處女群島註冊成立及由一項全權信託(受益人為潘森先生的家族成員)間接擁有的公司Time Concord Limited (「Time Concord」)實益擁有50%，而一間於英屬處女群島註冊成立及由一項全權信託(受益人為潘森先生的兄長潘壽田先生的家族成員)間接擁有的公司Guidance Investments Limited (「Guidance」)擁有另外的50%。因此，潘森先生透過其於Ever Source的股權，將被視為於251,863,039股股份中擁有權益，相當於本公司於二零零八年三月三十一日的已發行股份約19.45%。
4. 於本公司股本衍生工具的相關股份的所有權益均為根據本公司購股權計劃所授出的本公司購股權的權益，該等購股權可於二零零四年八月十三日至二零一四年八月十二日期間行使，行使時可以行使價每股港幣0.29元認購100,000股股份。
5. 於本公司股本衍生工具的相關股份的所有權益均為根據本公司購股權計劃所授出的本公司購股權的權益，該等購股權可於二零零七年四月二十日至二零零八年三月三十一日期間行使，行使時可以行使價每股港幣0.632元認購3,500,000股股份。
6. 於本公司股本衍生工具的相關股份的所有權益均為根據本公司購股權計劃所授出的本公司購股權的權益，該等購股權可於二零零七年九月十四日至二零零九年九月十三日期間行使，行使時可以行使價每股港幣1.08元認購680,000股股份。

REPORT OF THE DIRECTORS

董事報告

DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES (continued)

Save as disclosed above, as at 31 March 2008, none of the Directors of the Company had held any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (as defined in Part XV of the SFO) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 March 2008, the interest of the shareholders, not being a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO were as follows:—

董事於股本或債務證券的權益 (續)

除上文所披露者外，於二零零八年三月三十一日，本公司董事概無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）的任何股份、相關股份或債券中擁有根據證券及期貨條例第352條規定須存置的登記冊所記錄或根據標準守則已通知本公司及聯交所的任何權益或淡倉。

主要股東的權益

於二零零八年三月三十一日，根據證券及期貨條例第336條須存置的登記冊所記錄股東（並非本公司的董事或主要行政人員）於本公司股份及相關股份中擁有的權益如下：

Name of Substantial shareholders	Capacity	Nature of Interests	Number of Shares held	Equity Derivative	Total Interest	Approximate percentage of the Company's total issued share capital
主要股東姓名／名稱	身份	權益性質	持有的股份數目	股本衍生工具	總權益	佔本公司已發行股本總額概約百分比
BNP Paribas Jersey Trust Corporation Limited (“BNP Paribas Jersey”)	Trustee 受託人	Other Interest (Notes 1, 2, 3 & 4) 其他權益 (附註1、2、3及4)	251,863,039	–	251,863,039	19.45%
Ground Point Limited (“Ground Point”)	Interest of Controlled Corporation 受控制法團權益	Corporate Interest (Notes 1, 2, 3 & 4) 公司權益 (附註1、2、3及4)	251,863,039	–	251,863,039	19.45%

REPORT OF THE DIRECTORS

董事報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

主要股東的權益 (續)

Name of Substantial shareholders	Capacity	Nature of Interests	Number of Shares held	Equity Derivative	Total Interest	Approximate percentage of the Company's total issued share capital 估本公司已發行股本總額概約百分比
主要股東姓名／名稱	身份	權益性質	持有的股份數目	股本衍生工具	總權益	百分比
Red Tiles Limited	Interest of Controlled Corporation 受控制法團權益	Corporate Interest (Notes 1, 2, 3 & 4) 公司權益 (附註1、2、3及4)	251,863,039	–	251,863,039	19.45%
Guidance	Interest of Controlled Corporation 受控制法團權益	Corporate Interest (Notes 1, 2, 3 & 4) 公司權益 (附註1、2、3及4)	251,863,039	–	251,863,039	19.45%
Time Concord	Interest of Controlled Corporation 受控制法團權益	Corporate Interest (Notes 1, 2, 3 & 4) 公司權益 (附註1、2、3及4)	251,863,039	–	251,863,039	19.45%
Ever Source	Beneficial Owner 實益擁有人	Corporate Interest (Notes 1, 2, 3 & 4) 公司權益 (附註1、2、3及4)	251,863,039	–	251,863,039	19.45%
Mr. Poon Sau Tin 潘壽田先生	Beneficial Owner 實益擁有人	Personal Interest (Note 1) 個人權益 (附註1)	30,816,302	–	282,679,341	21.83%
	Founder of a Discretionary Trust 全權信託的成立人	Other Interest (Notes 1, 2, 3 & 4) 其他權益 (附註1、2、3及4)	251,863,039	–		

REPORT OF THE DIRECTORS

董事報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

主要股東的權益 (續)

Name of Substantial shareholders	Capacity	Nature of Interests	Number of Shares held	Equity Derivative	Total Interest	Approximate percentage of the Company's total issued share capital 估本公司已發行股本總額概約百分比
主要股東姓名／名稱	身份	權益性質	持有的股份數目	股本衍生工具	總權益	百分比
Evolution Capital Management, LLC	Investment Manager 投資經理	Other Interest (Notes 1 & 5) 其他權益 (附註1及5)	24,742,554	50,806,554	75,549,108	5.83%
Evolution Master Fund, Ltd. SPC, Segregated Portfolio M	Beneficial Owner 實益擁有人	Beneficial Interest (Notes 1 & 5) 實益權益 (附註1及5)	24,742,554	50,806,554	75,549,108	5.83%
Novatrust Limited	Interest of Controlled Corporation 受控制法團權益	Corporate Interest (Notes 1 & 6) 公司權益 (附註1及6)	91,377,108	–	91,377,108	7.06%
Cheyne Capital Holdings Limited	Interest of Controlled Corporation 受控制法團權益	Corporate Interest (Notes 1 & 6) 公司權益 (附註1及6)	91,377,108	–	91,377,108	7.06%
Cheyne Capital Management (HK) Limited	Interest of Controlled Corporation 受控制法團權益	Corporate Interest (Notes 1 & 6) 公司權益 (附註1及6)	91,377,108	–	91,377,108	7.06%

REPORT OF THE DIRECTORS

董事報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

Notes:

- All interests in shares and underlying shares of equity derivatives of the Company are long position.
- All interests of BNP Paribas Jersey, Ground Point, Red Tiles, Guidance, Time Concord and Ever Source and the other interest of Mr. Poon Sau Tin were duplicated.
- BNP Paribas Jersey is deemed to be interested in the shares in the capacity of a trust through interests of corporations controlled by it as follows:-

Name of Controlled Corporation 受控制法團名稱	Name of Controlling Shareholders 控股股東的名稱	Percentage 百分比
Grand Point	BNP Paribas Jersey	100%
Red Tiles	BNP Paribas Jersey	100%
Guidance	Ground Point	100%
Time Concord	Red Tiles	100%
Ever Source	Guidance	50%
Ever Source	Time Concord	50%

- These Shares are held by Ever Source. The issued share capital of Ever Source is beneficially owned as to 50% by Time Concord, a company incorporated in the BVI and indirectly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sum, and as to 50% by Guidance, a company incorporated in the BVI and indirectly owned by a discretionary trust, the beneficiaries of which are family members of Mr. Poon Sau Tin, the elder brother of Mr. Poon Sum. Accordingly, each of Mr. Poon Sum and Mr. Poon Sau Tin will be deemed to be interested in 251,863,039 shares, representing approximately 19.45% of the Company's shares in issue as at 31 March 2008, because each of them is the respective founder of the aforesaid two discretionary trusts which indirectly own 50% beneficial interest in Ever Source respectively.

主要股東的權益 (續)

附註:

- 於本公司的股份及股本衍生工具相關股份的所有權益均為好倉。
- BNP Paribas Jersey、Ground Point、Red Tiles、Guidance、Time Concord及Ever Source的所有權益與潘壽田先生的其他權益屬同一批權益。
- BNP Paribas Jersey以信託身份透過以下由其控制的法團權益而被視為擁有股份的權益:

- 該等股份由Ever Source持有。Ever Source的已發行股本由一間於英屬處女群島註冊成立及由一項全權信託(受益人為潘森先生的家族成員)間接擁有的公司Time Concord擁有50%，而一間於英屬處女群島註冊成立及由一項全權信託(受益人為潘森先生的兄長潘壽田先生的家族成員)間接擁有的公司Guidance擁有另外的50%。因此，由於潘森先生及潘壽田先生分別為上述間接擁有Ever Source實益權益50%的兩項全權信託的成立人，故彼等各自將被視為擁有251,863,039股股份權益，相當於本公司於二零零八年三月三十一日的已發行股份約19.45%。

REPORT OF THE DIRECTORS

董事報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS (continued)

5. All interests of Evolution Master Fund, Ltd. SPC, Segregated Portfolio M and Evolution Capital Management, LLC were duplicated. Evolution Capital Management, LLC was the investment manager of Evolution Master Fund, Ltd. SPC, Segregated Portfolio M.
6. (i) All interests of Cheyne Capital Management (HK) Limited, Cheyne Capital Holdings Limited and Novatrust Limited were duplicated.

(ii) Cheyne Capital Management (HK) Limited was wholly owned by Cheyne Capital Holdings Limited, which was in turn owned as to 75% by Jalner International Limited, which was in turn wholly owned by Novatrust Limited. Novatrust Limited was the trustee of the Galilee Trust.

(iii) Each of Cheyne Fund L.P. and Cheyne Leverage Fund L.P. beneficially held 39,628,554 shares, both of which were wholly owned by Cheyne General Partner Inc., which was in turn wholly owned by Cheyne Capital Holdings Limited.

(iv) Cheyne Pan Asia Long/Short Fund L.P. beneficially held 12,120,000 shares which was wholly owned by Cheyne General Partner II Inc., which was in turn wholly owned by Cheyne Capital Holdings Limited.

Save as disclosed above, there was no person known to the directors of the Company, other than a director of the Company, who as at 31 March 2008 had an interest or short position in the shares or underlying shares of the Company as recorded in the register kept under section 336 of the SFO.

主要股東的權益 (續)

5. Evolution Master Fund, Ltd. SPC, Segregated Portfolio M及Evolution Capital Management, LLC的所有權益屬同一批權益。Evolution Capital Management, LLC為Evolution Master Fund, Ltd. SPC, Segregated Portfolio M的投資經理。
6. (i) Cheyne Capital Management (HK) Limited、Cheyne Capital Holdings Limited及Novatrust Limited的所有權益屬同一批權益。

(ii) Cheyne Capital Management (HK) Limited由Cheyne Capital Holdings Limited全資擁有，而Cheyne Capital Holdings Limited由Jalner International Limited擁有75%權益，Jalner International Limited由Novatrust Limited全資擁有。Novatrust Limited為Galilee Trust之信託人。

(iii) Cheyne Fund L.P.及Cheyne Leverage Fund L.P.各自實益持有39,628,554股股份，上述兩間公司均由Cheyne General Partner Inc.全資擁有，而Cheyne General Partner Inc.由Cheyne Capital Holdings Limited全資擁有。

(iv) Cheyne Pan Asia Long/Short Fund L.P.實益持有12,120,000股股份，Cheyne Pan Asia Long/Short Fund L.P.由Cheyne General Partner II Inc.全資擁有，而Cheyne General Partner II Inc.由Cheyne Capital Holdings Limited全資擁有。

除上文所披露者外，就本公司董事所知，於二零零八年三月三十一日，根據證券及期貨條例第336條須存置的登記冊內記錄，概無任何人士（並非本公司董事）於本公司的股份或相關股份中擁有權益或淡倉。

REPORT OF THE DIRECTORS

董事報告

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the Group purchased less than 30% of its goods from its 5 largest suppliers and sold less than 30% of its goods to its 5 largest customers.

CONNECTED TRANSACTIONS

During the year, the Group entered into transaction with certain Directors or companies related to them. Details of the significant related party transactions and the Directors' interests therein are set out in Note 41 to the financial statements. The rental expenses of approximately HK\$1,441,000 payable to Luen Yat Enterprises Company Limited, and approximately HK\$384,000 payable to Mr. Poon Sum and Mr. Poon Sau Tin, also constitute connected transactions under the Listing Rules. Mr. Poon Sum and Mr. Poon Sau Tin have beneficial interests in Luen Yat Enterprises Company Limited.

Save as disclosed above, there were no other transactions, which need to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

DIRECTORS' INTEREST IN COMPETING BUSINESS

None of the Directors has an interest in a business which competes or may compete with the business of the Group.

管理合約

本集團概無於年內訂立或存在有關本公司全部或任何重大部份業務的管理或行政合約。

主要客戶及供應商

本年度內，本集團向其五名最大供應商購買的貨品少於30%，而向其五名最大客戶銷售的貨品少於30%。

關連交易

年內，本集團與若干董事或與彼等相關的公司訂立交易。有關重大關連方交易及當中的董事權益詳情，載於財務報表附註41。應付予聯鑑企業有限公司約港幣1,441,000元的租金開支，以及應付予潘森先生及潘壽田先生約港幣384,000元的款項均構成上市規則下的關連交易。潘森先生及潘壽田先生於聯鑑企業有限公司持有實益權益。

除上文所披露者外，概無其他交易須根據上市規則的規定作關連交易披露。

董事於競爭業務的權益

概無董事於與本集團業務構成或可能構成競爭的業務中擁有任何權益。

REPORT OF THE DIRECTORS

董事報告

PENSION SCHEME

With effect from 1 December 2000, the Mandatory Provident Fund scheme (“MPF scheme”) was set up for certain employees in Hong Kong, in accordance with the Mandatory Provident Fund Scheme Ordinance. Under the rules of the MPF scheme, the employer and its employees in Hong Kong are each required to contribute 5% of the employees’ gross earnings with a ceiling of HK\$1,000 per month to the MPF scheme. The only obligation of the Group with respect to the MPF scheme is to make the required contributions under the scheme.

Employees in the Group’s PRC subsidiaries are required to participate in a defined contribution retirement scheme operated by the local municipal government. The PRC subsidiaries contributes 2% to 4% of the employee payroll to the scheme to fund the retirement benefits of the employees.

No forfeited contribution is available to reduce the contribution payable under the above schemes.

PUBLIC FLOAT

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

CONFIRMATION OF INDEPENDENCE

The Company has received from each of the Independent Non-Executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-Executive Directors to be independent.

退休金計劃

由二零零零年十二月一日起，本集團根據強制性公積金計劃條例，為若干香港僱員設立強積性公積金計劃（「強積金計劃」）。根據強積金計劃的規則，香港僱主及僱員各須每月向強積金計劃作出相當於僱員總收入5%的供款，而每月上限為港幣1,000元。本集團對於強積金計劃的唯一責任是按該計劃作出規定供款。

本集團的中國附屬公司僱員亦須參與由當地市政府所運作的界定供款退休計劃。中國附屬公司會向該計劃作出相當於僱員薪金的2%至4%供款，以支付僱員的退休福利。

現並無已沒收的供款可用以削減須根據上述計劃支付的供款。

公眾持股量

根據本公司可從公開途徑取得的資料及據董事所知，於本年報刊發日期，本公司的公眾持股量維持於上市規則規定不少於本公司已發行股份25%。

獨立性確定

本公司已接獲各獨立非執行董事根據上市規則第3.13條就獨立性發出的年度確認書，並認為所有獨立非執行董事均為獨立人士。

REPORT OF THE DIRECTORS

董事報告

AUDITORS

Baker Tilly Hong Kong Limited and Lau & Au Yeung C.P.A. Limited retire and, be eligible, offer themselves for re-appointment. A resolution for reappointment of Baker Tilly Hong Kong Limited and Lau & Au Yeung C.P.A. Limited as the joint auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the Board

Poon Sum
Chairman

Hong Kong, 26 July 2008

核數師

香港天華會計師事務所有限公司及劉歐陽會計師事務所有限公司將告退任，並合資格且願意連任。本公司將於應屆股東週年大會上提呈續聘香港天華會計師事務所有限公司及劉歐陽會計師事務所有限公司為本公司的聯席核數師的決議案。

代表董事會

主席
潘森

香港，二零零八年七月二十六日

JOINT INDEPENDENT AUDITORS' REPORT

聯席獨立核數師報告



BAKER TILLY HONG KONG LIMITED

CERTIFIED PUBLIC ACCOUNTANTS

香港天華會計師事務所有限公司

12/F., China Merchants Tower, Shun Tak Centre,
168-200 Connaught Road Central, Hong Kong
香港干諾道中168-200號
信德中心招商局大廈12樓



Lau & Au Yeung C.P.A. Limited

21/F., Tai Yau Building

181 Johnston Road

Wanchai, Hong Kong

劉歐陽會計師事務所有限公司

香港灣仔

莊士敦道181號

大友大廈21樓

To the shareholders of
CHINA OIL RESOURCES HOLDINGS LIMITED
(Formerly known as Wing Shing International Holdings Limited)
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Oil Resources Holdings Limited (the "Company") set out on pages 55 to 182, which comprise the consolidated and Company balance sheets as at 31 March 2008, and the consolidated income statement, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

致中油資源控股有限公司
(前稱永成國際控股有限公司)
(於開曼群島註冊成立的有限公司)
列位股東

本核數師已完成審核第55頁至第182頁所載中油資源控股有限公司(「貴公司」)的綜合財務報表,當中包括於二零零八年三月三十一日的綜合及公司資產負債表,以及截至該日止年度的綜合收益表、綜合權益變動報表及綜合現金流量表,以及主要會計政策概要及其他闡釋附註。

董事對財務報表的責任

貴公司董事負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定,編製及真實兼公平地呈報該等財務報表。此項責任包括構思、實施及維持與編製及真實兼公平地呈報財務報表相關的內部監控,以令財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述、選擇及運用恰當的會計政策,並作出合理的會計估計。

JOINT INDEPENDENT AUDITORS' REPORT

聯席獨立核數師報告

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit and to 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.

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

核數師的責任

本核數師的責任乃根據本核數師審核工作的結果，對該等財務報表表達意見，並僅向全體股東（作為法團）作出本報告，而本報告不會作其他用途。本核數師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。

本核數師乃按照香港會計師公會頒佈的香港核數準則進行審核工作。該等準則規定本核數師遵守職業道德規範，並規劃及執行審核工作，從而合理確定財務報表是否不存在任何重大錯誤陳述。

審核範圍涉及進行取得與財務報表所載數額及披露事項有關的審核憑證等程序。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致財務報表存在重大錯誤陳述的風險。在評估該等風險時，核數師考慮與該實體編製及真實兼公平地呈報財務報表相關的內部監控，以構思適當的審核程序，但並非發表有關實體的內部監控是否有效的意見。審核範圍亦包括評估董事所用的會計政策是否恰當及所作的會計估計是否合理，並評價財務報表的整體呈報方式。

本行相信，本核數師所取得的審核憑證足以及適合作為本核數師審核意見的基礎。

JOINT INDEPENDENT AUDITORS' REPORT

聯席獨立核數師報告

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2008 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Baker Tilly Hong Kong Limited

Certified Public Accountants

Hong Kong, 26 July 2008

Andrew David Ross

Director

Practising certificate number P01183

Lau & Au Yeung C.P.A. Limited

Certified Public Accountants

Hong Kong, 26 July 2008

Au Yeung Tin Wah

Director

Practising certificate number P02343

意見

本核數師認為，綜合財務報表已按照香港財務報告準則真實兼公平地反映 貴公司與 貴集團於二零零八年三月三十一日的財務狀況，以及 貴集團截至該日止年度的溢利及現金流量，並已按照香港公司條例的披露規定妥為編製。

香港天華會計師事務所有限公司

執業會計師

香港，二零零八年七月二十六日

羅安狄

合夥人

執業證書編號P01183

劉歐陽會計師事務所有限公司

執業會計師

香港，二零零八年七月二十六日

歐陽天華

董事

執業證書編號P02343

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 March 2008
截至二零零八年三月三十一日止年度

		Note	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
		附註		
Turnover	營業額	7	351,530	309,735
Cost of sales	銷售成本		(304,900)	(245,587)
Gross profit	毛利		46,630	64,148
Other revenue	其他收益	7	7,597	2,551
Other net (expenses)/income	其他(開支)/收入淨額	8	(148,409)	4,627
Distribution costs	分銷成本		(18,035)	(18,055)
Administrative expenses	行政開支		(66,332)	(32,075)
Share-based payments	以股份支付的款項		(60,140)	(13,584)
Excess of fair value of net assets acquired over the cost of acquisition of a subsidiary	已收購淨資產的公平值 超出收購一間附屬 公司成本的款項	38(a)	849,627	–
Profit from operations	經營溢利	9	610,938	7,612
Finance costs	融資成本	10	(10,161)	(4,639)
Profit before income tax	除所得稅前溢利		600,777	2,973
Income tax	所得稅	11	528	(733)
Profit for the year	本年度溢利		601,305	2,240
Attributable to:	以下人士應佔:			
Equity shareholders of the Company	本公司權益股東	12	610,535	2,070
Minority interests	少數股東權益		(9,230)	170
Profit for the year	本年度溢利		601,305	2,240
Dividend	股息	13	–	–
Earnings per share	每股盈利	14		
Basic	基本		HK54.80 cents港仙	HK0.28 cents港仙
Diluted	攤薄		HK51.40 cents港仙	HK0.26 cents港仙

The accompanying notes form an integral part of these financial statements.

隨附的附註為財務報表的一部分。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 March 2008
於二零零八年三月三十一日

			2008	2007
		Note	二零零八年	二零零七年
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	163,123	126,363
Exploration and evaluation assets	勘探及評估資產	18	14,152	–
Prepaid land lease payments	預付土地租賃款項	19	36,033	28,290
Investment properties	投資物業	20	14	15
Goodwill	商譽	21	–	10,424
Other intangible assets	其他無形資產	22	1,756,626	–
Available-for-sale financial assets	可供銷售金融資產	23	439	400
Deposits paid for acquisition of long-term assets	已付收購長期資產的訂金	25	13,000	4,500
			1,983,387	169,992
Current assets	流動資產			
Inventories	存貨	26	43,945	23,215
Trade and other receivables	貿易及其他應收款項	27	165,962	123,545
Trading securities	買賣證券	28	37,652	4,642
Derivative financial assets	衍生金融資產	29	19,210	676
Income tax recoverable	可收回所得稅		2,735	2,457
Cash and cash equivalents	現金及現金等值項目	30	87,334	40,575
			356,838	195,110
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	31	47,326	54,733
Derivative financial liabilities	衍生金融負債	29	138,344	687
Income tax payable	應繳所得稅		58	54
Bank and other borrowings	銀行及其他借貸	32	43,293	58,042
			229,021	113,516
Net current assets	流動資產淨值		127,817	81,594
Total assets less current liabilities	總資產減流動負債		2,111,204	251,586

The accompanying notes form an integral part of these financial statements.

隨附的附註為財務報表的一部分。

CONSOLIDATED BALANCE SHEET

綜合資產負債表

As at 31 March 2008
於二零零八年三月三十一日

		Note	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
		附註		
Non-current liabilities	非流動負債			
Bank and other borrowings	銀行及其他借貸	32	10,394	14,122
Convertible bonds	可換股債券	33	20,101	–
Deferred tax liabilities	遞延稅項負債	34	964	1,793
			31,459	15,915
Net assets	資產淨值		2,079,745	235,671
Capital and reserves	股本及儲備	35		
Share capital	股本		12,952	8,727
Reserves	儲備		1,203,608	226,944
Total equity attributable to shareholders of the Company	本公司股東應佔的權益總額		1,216,560	235,671
Minority interests	少數股東權益		863,185	–
Total equity	權益總額		2,079,745	235,671

Approved and authorised for issue by the board of directors on 26 July 2008.

於二零零八年七月二十六日經由董事會批准及授權刊發。

Poon Sum
潘森
Director
董事

Poon Wai Kong
潘偉剛
Director
董事

The accompanying notes form an integral part of these financial statements.

隨附的附註為財務報表的一部分。

COMPANY BALANCE SHEET

公司資產負債表

As at 31 March 2008
於二零零八年三月三十一日

		Note 附註	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備		2	–
Investments in subsidiaries	於附屬公司的投資	24	63,772	47,942
			63,774	47,942
Current assets	流動資產			
Amounts due from subsidiaries	應收附屬公司款項	24	274,766	142,818
Trade and other receivables	貿易及其他應收款項	27	161	162
Cash and cash equivalents	現金及現金等值項目	30	72,601	10,193
			347,528	153,173
Current liabilities	流動負債			
Trade and other payables	貿易及其他應付款項	31	1,840	981
Derivative financial liabilities	衍生金融負債	29	17,717	–
			19,557	981
Net current assets	流動資產淨值		327,971	152,192
Total assets less current liabilities	總資產減流動負債		391,745	200,134
Non-current liabilities	非流動負債			
Convertible bonds	可換股債券	33	20,101	–
Net assets	資產淨值		371,644	200,134
Capital and reserves	股本及儲備			
Share capital	股本	35	12,952	8,727
Reserves	儲備		358,692	191,407
Total equity	權益總額		371,644	200,134

Approved and authorised for issue by the board of directors on 26 July 2008.

於二零零八年七月二十六日經由董事會批准及授權刊發。

Poon Sum
潘森
Director
董事

Poon Wai Kong
潘偉剛
Director
董事

The accompanying notes form an integral part of these financial statements.

隨附的附註為財務報表的一部分。

STATEMENTS OF CHANGES IN EQUITY

權益變動報表

For the year ended 31 March 2008
截至二零零八年三月三十一日止年度

GROUP

本集團

		Attributable to shareholders of the Company 本公司股東應佔									
		Share capital	Share premium	Merger reserve	Share option reserve	Warrant reserve	Exchange reserve	Retained earnings	Total	Minority interests	Total equity
		股本	股份溢價	合併儲備	購股權儲備	認股權證儲備	匯兌儲備	保留盈利	總額	權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
At 1 April 2006	於二零零六年四月一日	6,111	53,033	3,248	3,641	-	-	64,198	130,231	554	130,785
Issuing costs	發行成本	-	(664)	-	-	-	-	-	(664)	-	(664)
Net expense recognised directly in equity	直接於權益中確認之開支淨額	-	(664)	-	-	-	-	-	(664)	-	(664)
Profit for the year	本年度溢利	-	-	-	-	-	-	2,070	2,070	170	2,240
Total recognised income and expense for the year	本年度確認之收入及開支總額	-	(664)	-	-	-	-	2,070	1,406	170	1,576
Share-based payments	以股份支付的款項	-	-	-	13,584	-	-	-	13,584	-	13,584
Issue of new shares upon exercise of share options	行使購股權時發行新股	1,086	41,026	-	(9,672)	-	-	-	32,440	-	32,440
Issue of new shares by public placing	透過公開配售發行新股	1,530	56,480	-	-	-	-	-	58,010	-	58,010
Issuing costs	發行成本	-	(664)	-	-	-	-	-	(664)	-	(664)
Acquisition through business combination	透過業務合併收購	-	-	-	-	-	-	-	-	(724)	(724)
		2,616	97,506	-	3,912	-	-	-	104,034	(724)	103,310
At 31 March 2007	於二零零七年三月三十一日	8,727	149,875	3,248	7,553	-	-	66,268	235,671	-	235,671
At 1 April 2007	於二零零七年四月一日	8,727	149,875	3,248	7,553	-	-	66,268	235,671	-	235,671
Issuing costs - warrants	發行成本 - 認股權證	-	-	-	-	(131)	-	-	(131)	-	(131)
Translation of foreign reserve	換算海外儲備	-	-	-	-	-	16,100	-	16,100	-	16,100
Net income recognised directly in equity	直接於權益中確認之收入淨額	-	-	-	-	(131)	16,100	-	15,969	-	15,969
Profit for the year	本年度溢利	-	-	-	-	-	-	610,535	610,535	(9,230)	601,305
Total recognised income and expense for the year	本年度確認之收入及開支總額	-	-	-	-	(131)	16,100	610,535	626,504	(9,230)	617,274

STATEMENTS OF CHANGES IN EQUITY

權益變動報表

For the year ended 31 March 2008
截至二零零八年三月三十一日止年度

GROUP (continued)

本集團 (續)

		Attributable to shareholders of the Company 本公司股東應佔									
		Share capital	Share premium	Merger reserve	Share option reserve	Warrant reserve	Exchange reserve	Retained earnings	Total	Minority interests	Total equity
		股本	股份溢價	合併儲備	購股權儲備	認股權證儲備	匯兌儲備	保留盈利	總額	少數股東權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Share-based payments	以股份支付的款項	-	-	-	46,900	-	-	13,240	60,140	-	60,140
Issue of new shares upon exercise of share options	行使購股權時發行新股	775	43,393	-	(11,975)	-	-	-	32,193	-	32,193
Issue of new shares for business combination	就業務合併發行新股	649	41,750	-	-	-	-	-	42,399	-	42,399
Issue of warrants	發行認股權證	-	-	-	-	2,000	-	-	2,000	-	2,000
Issue of new shares upon exercise of warrants	行使認股權證時發行新股	769	53,079	-	-	-	-	-	53,848	-	53,848
Issue of new shares upon exercise of convertible bonds	行使可換股債券時發行新股	2,032	161,773	-	-	-	-	-	163,805	-	163,805
Acquisition through business combination	透過業務合併收購	-	-	-	-	-	-	-	-	872,415	872,415
		4,225	299,995	-	34,925	2,000	-	13,240	354,385	872,415	1,226,800
At 31 March 2008	於二零零八年三月三十一日	12,952	449,870	3,248	42,478	1,869	16,100	690,043	1,216,560	863,185	2,079,745

The accompanying notes form an integral part of these financial statements. 隨附的附註為財務報表的一部分。

STATEMENTS OF CHANGES IN EQUITY

權益變動報表

For the year ended 31 March 2008
截至二零零八年三月三十一日止年度

COMPANY

本公司

		Share capital	Share premium	Share option reserve	Warrant reserve	Accumulated losses	Total
		股本 HK\$'000 港幣千元	股份溢價 HK\$'000 港幣千元	購股權儲備 HK\$'000 港幣千元	認股權證 儲備 HK\$'000 港幣千元	累計虧損 HK\$'000 港幣千元	總額 HK\$'000 港幣千元
At 1 April 2006	於二零零六年 四月一日	6,111	110,969	3,641	-	(5,359)	115,362
Issuing costs	發行成本	-	(664)	-	-	-	(664)
Net expense recognised directly in equity	直接於權益中確認 之開支淨額	-	(664)	-	-	-	(664)
Loss for the year	本年度虧損	-	-	-	-	(18,598)	(18,598)
Total recognised income and expense for the year	本年度確認之收入 及開支總額	-	(664)	-	-	(18,598)	(19,262)
Share-based payments	以股份支付的款項	-	-	13,584	-	-	13,584
Issue of new shares upon exercise of share options	行使購股權時 發行新股	1,086	41,026	(9,672)	-	-	32,440
Issue of new shares by public placing	透過公開配售 發行新股	1,530	56,480	-	-	-	58,010
		2,616	97,506	3,912	-	-	104,034
At 31 March 2007	於二零零七年 三月三十一日	8,727	207,811	7,553	-	(23,957)	200,134
At 1 April 2007	於二零零七年 四月一日	8,727	207,811	7,553	-	(23,957)	200,134
Issuing costs – warrants	發行成本 – 認股權證	-	-	-	(131)	-	(131)
Net expense recognised directly in equity	直接於權益中確認 之開支淨額	-	-	-	(131)	-	(131)
Loss for the year	本年度虧損	-	-	-	-	(177,509)	(177,509)
Total recognised income and expense for the year	本年度確認之收入 及開支總額	-	-	-	(131)	(177,509)	(177,640)
Share-based payments	以股份支付的款項	-	-	46,900	-	8,005	54,905
Issue of new shares upon exercise of share options	行使購股權時 發行新股	775	43,393	(11,975)	-	-	32,193
Issue of new shares for business combination	就業務合併 發行新股	649	41,750	-	-	-	42,399
Conversion of convertible bonds	轉換可換股債券	2,032	161,773	-	-	-	163,805
Issue of warrants	發行認股權證	-	-	-	2,000	-	2,000
Issue of new shares upon exercise of warrants	行使認股權證時 發行新股	769	53,079	-	-	-	53,848
		4,225	299,995	34,925	2,000	8,005	349,150
At 31 March 2008	於二零零八年 三月三十一日	12,952	507,806	42,478	1,869	(193,461)	371,644

The accompanying notes form an integral part of these financial statements.

隨附的附註為財務報表的一部分。

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 March 2008
截至二零零八年三月三十一日止年度

			2008 二零零八年	2007 二零零七年
		Note 附註	HK\$'000 港幣千元	HK\$'000 港幣千元
Cash flows from operating activities 經營業務的現金流量				
Cash used in operations	用於業務的現金	37(a)	(132,759)	(20,169)
Interest paid	已付利息		(3,274)	(4,639)
Hong Kong profits tax paid	已付香港利得稅		(476)	(160)
PRC income tax paid	已付中國所得稅		(201)	(56)
Net cash used in operating activities	用於經營業務的現金淨額		(136,710)	(25,024)
Cash flows from investing activities 投資活動的現金流量				
Net cash paid in business combination	於業務合併中已付的現金淨額	38(d)	(23,794)	(493)
Purchase of property, plant and equipment, prepaid land lease payments and exploration and evaluation assets	購買物業、廠房及設備、預付土地租賃款項以及勘探及評估資產		(73,714)	(28,643)
Proceeds from sale of property, plant and equipment	出售物業、廠房及設備所得款項		10,385	4,499
Purchases of available-for-sale financial assets	購買可供銷售金融資產		(222)	-
Deposits paid for acquisition of long-term assets	已付收購長期資產的訂金		(8,500)	(4,500)
Interest received	已收利息		3,998	410
Net cash used in investing activities	用於投資活動的現金淨額		(91,847)	(28,727)

CONSOLIDATED CASH FLOW STATEMENT

綜合現金流量表

For the year ended 31 March 2008
截至二零零八年三月三十一日止年度

	Note	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
	附註		
Cash flows from financing activities	融資活動的現金流量		
Proceeds from issue of new shares	發行新股所得款項	–	90,450
Issuing costs paid	已付發行成本	(131)	(664)
Capital elements of finance lease payments	融資租賃款項的資本部分	(876)	(460)
Proceeds from issue of warrants	發行認股權證所得款項	2,000	–
Proceeds from issue of convertible bonds	發行可換股債券所得款項	200,000	–
Proceeds from exercise of warrants	行使認股權證所得款項	53,848	–
Proceeds from exercise of share options	行使購股權所得款項	32,193	–
Drawdown of bank loans	支取銀行貸款	–	20,500
Repayments of bank loans	償還銀行貸款	(40,800)	(36,763)
Drawdown of trust receipt loans	支取信託收據貸款	27,895	2,866
Net cash generated from financing activities	產生自融資 活動的現金淨額	274,129	75,929
Net increase in cash and cash equivalents	現金及現金等值 項目增加淨額	45,572	22,178
Cash and cash equivalents at 1 April	於四月一日的現金及 現金等值項目	34,212	12,132
Effect of foreign exchange rate changes	外幣匯率變動的影響	7,550	(98)
Cash and cash equivalents at 31 March	於三月三十一日的現金 及現金等值項目	87,334	34,212
	30		

The accompanying notes form an integral part of these financial statements.

隨附的附註為財務報表的一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

1 GENERAL INFORMATION

The Company was incorporated as an exempted company with limited liability in the Cayman Islands under the Companies Law of Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Suite 1006, 10th Floor, Ocean Centre, Harbour City, Tsim Sha Tsui, Kowloon, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Pursuant to an extraordinary general meeting of shareholders of the Company held on 31 August 2007, a special resolution was passed to change the name of the Company from Wing Shing International Holdings Limited to China Oil Resources Holdings Limited.

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 24.

2 BASIS OF PRESENTATION

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs"), and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange. The financial statements have been prepared under the historical cost convention, except for the financial instruments classified as trading securities and derivative financial instruments, which have been measured at fair value.

The financial statements are presented in Hong Kong dollars ("HK\$") and all values are rounded to the nearest thousand except when otherwise indicated.

1 公司資料

本公司為於開曼群島根據開曼群島公司法註冊成立的獲豁免有限公司。本公司的註冊辦事處位於 Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands，而主要營業地點則位於香港九龍尖沙咀海港城海洋中心10樓1006室。本公司股份於香港聯合交易所有限公司（「聯交所」）主板上市。

在本公司於二零零七年八月三十一日舉行的股東特別大會上通過一項特別決議案，將本公司的名稱由永成國際控股有限公司更改為中油資源控股有限公司。

本公司為投資控股公司，其附屬公司的主要業務載於附註24。

2 呈報基準

此等財務報表乃根據香港會計師公會（「香港會計師公會」）頒佈的所有適用香港財務報告準則（「香港財務報告準則」），此統稱亦包括所有適用的個別香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋、香港公認會計原則及香港公司條例的披露規定編製。此等財務報表亦符合聯交所證券上市規則的適用披露條文。除分類為買賣證券的金融工具及衍生金融工具按公平值計量外，財務報表乃根據歷史成本慣例編製。

財務報表以港幣（「港幣」）呈報，而除非另有所指，否則所有價值取最接近千位之數。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PRESENTATION (continued)

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 5.

2 呈報基準 (續)

編製符合香港財務報告準則的財務報表時要求管理層作出判斷、估計及假設，而有關判斷、估計及假設會影響政策的應用及所呈報的資產、負債、收入及開支金額。有關估計及相關假設乃根據過往經驗及多項相信有關情況下屬合理的其他因素作出，其結果構成對不能隨時從其他資料來源獲得的資產負債賬面值作出判斷的基礎。實際結果可能有別於此等估計。

本集團會持續檢討估計及相關假設。倘修訂會計估計僅對當期造成影響，則於修訂的期間確認，而倘修訂影響本期間及未來期間，則於修訂當期及未來期間均作確認。

附註5討論管理層於應用香港財務報告準則時所作出對財務報表造成重大影響的判斷及可能導致於下年度作出重大調整的估計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PRESENTATION (continued)

2.1 Adoption of new and revised Hong Kong financial reporting standards (“HKFRSs”)

- (a) The HKICPA has issued a number of new and revised HKFRSs and Interpretations that are first effective or available for early adoption for the current accounting period of the Group and the Company.

There have been no significant changes to the accounting policies applied in these financial statements for the years presented as a result of these developments. However, as a result of the adoption of HKFRS 7, “Financial instruments: Disclosures”, and the amendment to HKAS 1, “Presentation of financial statements: Capital disclosures”, there have been certain additional disclosures provided.

As a result of the adoption of HKFRS 7, the financial statements include expanded disclosure about the significance of the Group’s financial instruments and the nature and extent of risks arising from those instruments, compared with the information previously required to be disclosed by HKAS 32, “Financial instruments: Disclosure and presentation”. These disclosures are provided throughout these financial statements, in particular in note 4(a).

2 呈報基準 (續)

2.1 採納新訂及經修訂香港財務報告準則 (「香港財務報告準則」)

- (a) 香港會計師公會已頒佈多項新訂及經修訂香港財務報告準則及詮釋，乃於本集團及本公司的本會計期間首次生效或可供提早採納。

該等演變並無導致此等財務報表中就所呈列年度應用的會計政策出現重大變動。然而，於採納香港財務報告準則第7號「金融工具：披露」及香港會計準則第1號的修訂「財務報表的呈報方式：資本披露」後須作出若干額外披露事項。

於採納香港財務報告準則第7號後，與過往根據香港會計準則第32號「金融工具：披露及呈報」規定的資料比較，財務報表包括更多有關本集團金融工具重要性以及該等工具所產生風險的性質及程度的披露事項。此等披露事項於整份財務報表中均有載列，尤以附註4(a)最為詳盡。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PRESENTATION (continued)

2.1 Adoption of new and revised Hong Kong financial reporting standards (“HKFRSs”) (continued)

The amendment to HKAS 1 introduces additional disclosure requirements to provide information about the level of capital and the Group’s and the Company’s objectives, policies and processes for managing capital. These new disclosures are set out in note 35(d).

Both HKFRS 7 and the amendment to HKAS 1 do not have any material impact on the classification, recognition and measurements of the amounts recognised in the financial statements.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period (see note 2.1(b)).

(b) *New and revised HKFRSs that have been issued but are not yet effective*

- HKFRS 2 (Amendment), “Share-based payment – vesting conditions and cancellations”, effective for annual periods beginning on or after 1 January 2009.
- HKFRS 3 (Revised), “Business combinations”, effective for annual periods beginning on or after 1 July 2009.

2 呈報基準 (續)

2.1 採納新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

香港會計準則第1號的修訂引入更多披露規定，以提供有關資本水平以及本集團與本公司的資本管理目標、政策及程序的資料。此等新披露事項載於附註35(d)。

香港財務報告準則第7號及香港會計準則第1號的修訂不會對財務報表所確認金額的分類、確認及計量方式造成任何重大影響。

本集團並無採用任何於本會計期間尚未生效的新準則或詮釋（見附註2.1(b)）。

(b) *已頒佈但尚未生效的新訂及經修訂香港財務報告準則*

- 香港財務報告準則第2號(修訂本)，「以股份支付的款項－歸屬條件及註銷」，於二零零九年一月一日或之後開始的年度期間生效。
- 香港財務報告準則第3號(經修訂)，「業務合併」，於二零零九年七月一日或之後開始的年度期間生效。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PRESENTATION (continued)

2.1 Adoption of new and revised Hong Kong financial reporting standards (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued)

- HKFRS 8, “Operating segments”, effective for annual periods beginning on or after 1 January 2009.
- HKAS 1 (Revised), “Presentation of financial statements”, effective for annual periods beginning on or after 1 January 2009.
- HKAS 23 (Revised), “Borrowing costs”, effective for annual periods beginning on or after 1 January 2009.
- HKAS 27 (Revised), “Consolidated and separate financial statements”, effective for annual periods beginning on or after 1 July 2009.
- HK(IFRIC)-Int 12, “Service concession arrangements”, effective for annual periods beginning on or after 1 January 2008.

2 呈報基準 (續)

2.1 採納新訂及經修訂香港財務報告準則 (「香港財務報告準則」) (續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則 (續)

- 香港財務報告準則第8號, 「營運分類」, 於二零零九年一月一日或之後開始的年度期間生效。
- 香港會計準則第1號 (經修訂), 「財務報表的呈報方式」, 於二零零九年一月一日或之後開始的年度期間生效。
- 香港會計準則第23號 (經修訂), 「借貸成本」, 於二零零九年一月一日或之後開始的年度期間生效。
- 香港會計準則第27號 (經修訂), 「綜合及獨立財務報表」, 於二零零九年七月一日或之後開始的年度期間生效。
- 香港 (國際財務報告詮釋委員會) – 詮釋第12號, 「服務特許權安排」, 於二零零八年一月一日或之後開始的年度期間生效。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

2 BASIS OF PRESENTATION (continued)

2.1 Adoption of new and revised Hong Kong financial reporting standards (“HKFRSs”) (continued)

(b) New and revised HKFRSs that have been issued but are not yet effective (continued)

- HK(IFRIC)-Int 13, “Customer loyalty programmes”, effective for annual periods beginning on or after 1 July 2008.
- HK(IFRIC)-Int 14, “HKAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interactions”, effective for annual periods beginning on or after 1 January 2008.

The effect on the adoption of HKFRS 3 (Revised) and HKAS 27 (Revised) to the results and financial position of the Group when they become effective will depend on the incidence and timing of business combinations occurring on or after 1 April 2010.

The Group is currently assessing the impact of the adoption of the other new standards, amendments to standards and interpretations above that are applicable to the Group in future periods, but are not yet in a position to state whether they would have material financial impact on the financial status.

2 呈報基準 (續)

2.1 採納新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

(b) 已頒佈但尚未生效的新訂及經修訂香港財務報告準則(續)

- 香港(國際財務報告詮釋委員會)－詮釋第13號,「客戶忠誠計劃」,於二零零八年七月一日或之後開始的年度期間生效。
- 香港(國際財務報告詮釋委員會)－詮釋第14號,「香港會計準則第19號－界定福利資產的限制、最低資金要求及兩者的相互關係」,於二零零八年一月一日或之後開始的年度期間生效。

一旦香港財務報告準則第3號(經修訂)及香港會計準則第27號(經修訂)生效,採納該等準則對本集團業績及財務狀況的影響將視乎二零一零年四月一日或之後進行的業務合併的情況及時間而定。

本集團現正評估採納上述於未來期間適用於本集團的其他新準則、準則修訂及詮釋的影響,惟現時未能表明該等新準則、準則修訂及詮釋會否對財務狀況造成重大財務影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of these financial statements are set out below:

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March each year.

Subsidiaries are those entities in which the Company, directly or indirectly, controls more than one half of the voting power; has the power to govern the financial and operating policies; to appoint or remove the majority of the members of the board of directors; or to cast majority of votes at the meetings of the board of directors.

The results of subsidiaries acquired or disposed of during the year are consolidated from the effective date of acquisition, being the date on which the Group obtains control, or up to the effective date of disposal, as appropriate and continue to be consolidated until the date that such control ceases.

The acquisition of subsidiaries during the year has been accounted for using the purchase method of accounting. This method involves allocating the cost of the business combinations to the fair value of the assets acquired, and liabilities and contingent liabilities assumed at the date of acquisition. The cost of the acquisition is measured at the aggregate of the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

3 主要會計政策

編製該等財務報表時採納的主要會計政策載列如下：

(a) 綜合

綜合財務報表包括本公司及其附屬公司截至每年三月三十一日止的財務報表。

附屬公司指符合以下條件的實體，即本公司直接或間接控制其過半數表決權；有權控制其財務和經營政策；可委任或撤換董事會過半數成員；或可在董事會會議上行使過半數表決權。

年內所收購或出售的附屬公司的業績，由收購生效日期（即本集團取得控制權日期）起或直至出售生效日期止（視合適情況而定）綜合入賬，並一直予以綜合，直至該控制權終止當日為止。

於年內收購附屬公司乃使用購買會計方法入賬。此方法包括將業務合併的成本分配至於收購日期所收購資產以及所承擔負債及或然負債的公平值。收購成本乃按於交換日期所給予資產、所發行股本工具以及所產生或承擔負債的公平值的總和，再加上收購直接應佔的成本計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Consolidation (continued)

The gain or loss on the disposal of a subsidiary is calculated by reference to the net assets at the date of disposal including the attributable amount of goodwill but does not include any attributable goodwill previously eliminated against reserves.

All significant intra-group transactions and balances are eliminated on consolidation.

Minority interests represent the interests of outside equity holders in the results and net assets of the Company's subsidiaries.

In the Company's balance sheet, the investments in subsidiaries are stated at cost less any impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

(b) Business combination and goodwill

The purchase method of accounting is used to account for the acquisition of subsidiaries or businesses by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets, liabilities and contingent liabilities of the subsidiaries or businesses in an acquisition are measured at their fair values at the acquisition date.

3 主要會計政策 (續)

(a) 綜合 (續)

出售附屬公司的收益或虧損乃參照於出售日期的資產淨值(包括商譽的應佔數額)計算,但不包括之前對銷儲備的任何應佔商譽。

所有集團內公司間的重大交易及結餘於綜合賬目時抵銷。

少數股東權益是指外界權益持有人於本公司附屬公司的業績和資產淨值中的權益。

在本公司的資產負債表內,於附屬公司的投資乃按成本值減任何減值虧損列賬。本公司按已收及應收股息將附屬公司的業績入賬。

(b) 業務合併及商譽

本集團收購附屬公司或業務會利用計收購法入賬。收購成本乃按於交換日期所給予資產、所發行股本工具以及所產生或承擔負債的公平值,再加上收購直接應佔的成本計量。於業務合併中收購的附屬公司或業務的可識別資產、負債及或然負債會按於收購日期的公平值計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Business combination and goodwill (continued)

The excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiaries or businesses is recorded as goodwill. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in profit or loss.

Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses of goodwill are recognised in profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units for the purpose of impairment testing.

(c) Property, plant and equipment

(i) Oil properties

Oil properties are stated at cost less subsequent accumulated depletion, depreciation and amortisation and any accumulated impairment losses. The successful efforts method of accounting is used for oil properties. Under this method, all costs for development wells, support equipment and facilities, and acquired proven interests in oil properties are capitalised. Proven oil reserves are the estimated quantities of crude oil and condensate oil 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.

3 主要會計政策 (續)

(b) 業務合併及商譽 (續)

收購成本超過本集團應佔附屬公司或業務可識別資產、負債及或然負債公平淨值的差額記錄為商譽。本集團應佔可識別資產、負債及或然負債公平淨值超過收購成本的差額則在損益確認。

本集團每年進行商譽的減值測試，而商譽乃按成本減累計減值虧損列賬。商譽的減值虧損會於損益中確認，且不會於其後撥回。本集團會就減值測試將商譽分配至產生現金單位。

(c) 物業、廠房及設備

(i) 採油資產

採油資產按成本減其後累計耗損、折舊及攤銷以及任何累計減值虧損列賬。採油資產按成果會計法入賬。根據此方法，為開發油井、輔助設備和設施以及採油資產中的已收購探明權益的所有成本均撥充資本。探明石油儲量為在現存經濟與作業條件下，即在估算日的價格與成本條件下，地質和工程數據顯示可合理確定在未來年度從已知油藏開採出的原油和凝析油的估算量。價格已考慮僅由合約安排訂明所導致現有價格的變化，而不考慮因未來條件而引致的升幅。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

(i) Oil properties (continued)

Depletion and depreciation are provided to write off the cost of items of oil properties over the shorter of the unexpired term of the joint venture and their estimated useful lives.

(ii) Other property, plant and equipment

Other property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses.

The cost of an item of other property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after items of other property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of other property, plant and equipment, and where the cost of the item can be measured reliably, the expenditure is capitalised as an additional cost of that asset or as a replacement.

3 主要會計政策 (續)

(c) 物業、廠房及設備 (續)

(i) 採油資產 (續)

本集團會計提耗損及折舊，以於合營期的未屆滿期限及採油資產項目的估計可使用年期（以較短者為準）內撇銷採油資產項目的成本。

(ii) 其他物業、廠房及設備

其他物業、廠房及設備是按成本值減累計折舊與任何減值虧損列賬。

其他物業、廠房及設備項目的成本包括其購買價及使該資產達致其工作狀況及運至其工作地點作擬定用途而直接應佔的成本。於其他物業、廠房及設備已投入營運後所產生的開支（例如維修及保養）一般於其產生期間的損益內扣除。倘可清楚顯示該開支已導致預期使用其他物業、廠房及設備項目所獲得的日後經濟利益增加，而該項目的成本能夠可靠地計量，則該開支作為該資產的額外成本或作為一項代替而撥充資本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

(ii) Other property, plant and equipment (continued)

Buildings and other property, plant and equipment are depreciated at rates sufficient to write off their cost less accumulated impairment losses and residual value, if any, over their estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Buildings	2 – 4.75%
Plant and machinery	9 – 20%
Furniture, fixtures and equipment	18 – 20%
Motor vehicles	9 – 30%

The useful lives and residual values of other property, plant and equipment are reviewed and adjusted, if necessary, at each balance sheet date.

Major costs incurred in restoring other property, plant and equipment to their normal working conditions to allow continued use of the overall asset are charged to profit or loss.

An item of other property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the property, plant and equipment is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant property, plant and equipment.

3 主要會計政策 (續)

(c) 物業、廠房及設備 (續)

(ii) 其他物業、廠房及設備 (續)

樓宇及其他物業、廠房及設備以直線法按其估計可使用年期以足以撇銷其成本減累計減值虧損及剩餘價值(如有)的折舊率計算折舊。主要年率如下:

樓宇	2 – 4.75%
廠房與機器	9 – 20%
傢具、裝置 與設備	18 – 20%
汽車	9 – 30%

於各個結算日,本集團會審閱及在有必要時調整其他物業、廠房及設備的可使用年期及剩餘價值。

將其他物業、廠房及設備重修至正常運作狀況,以致可繼續使用全部資產所產生的主要成本,均於損益中扣除。

其他物業、廠房及設備項目於出售時或當預期其使用或出售不再產生日後經濟利益時撤銷確認。於撤銷確認物業、廠房及設備年度在損益確認因出售或報廢而產生的任何收益或虧損,指出售所得款項淨額與有關物業、廠房及設備賬面值的差額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Property, plant and equipment (continued)

(iii) Construction in progress

Construction in progress represents oil properties and buildings under construction and is stated at cost. No depreciation is made on construction in progress until such time as the relevant property, plant and equipment are available for use.

(d) Exploration and evaluation assets

Geological and geophysical costs are expensed as incurred. Costs of exploratory wells are capitalised pending a determination of whether sufficient quantities of potentially economic oil reserves have been discovered. The related well costs are expensed if it is determined that such economic viability is not attained within one year of completion of drilling. Otherwise, the related well costs are reclassified to oil properties and subject to depletion and impairment review. For wells found economically viable reserves in areas where a major capital expenditure would be required before production can begin, the related well costs remain capitalised only if additional drilling is under way or firmly planned. Otherwise the well costs are expensed as dry holes. The Group has no costs of unproven properties capitalised in oil properties.

Exploration and evaluation asset is depreciated over its useful life of 10 years.

3 主要會計政策 (續)

(c) 物業、廠房及設備 (續)

(ii) 在建工程

在建工程指興建中的採油資產及樓宇，乃按成本列賬。於相關物業、廠房及設備可供使用前，在建工程不會計提折舊。

(d) 勘探及評估資產

地質及地球物理成本於產生時支銷。探井的成本是否繼續撥充資本取決於是否發現足夠的潛在經濟可採石油儲量。若不能在完成鑽探後一年內獲得經濟效益，則會支銷相關的鑽井成本，否則，相關的鑽井成本應重新歸類為採油資產，並會計算損耗及審閱減值情況。對於在開始生產前需要投入大量資本開支的區域發現具經濟可採儲量的探井，則僅於進一步的鑽探工作正在進行或計劃確定時方會繼續撥充資本，否則鑽井成本按乾井支銷。本集團並無於採油資產中將任何未探明儲量撥充資本。

勘探及評估資產按其可使用年期10年計算折舊。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Prepaid land lease payments and assets under leases

(i) Prepaid land lease payments

Prepaid land lease payments under operating leases are initially stated at cost and subsequently recognised on the straight-line basis over the lease terms. When the lease payments cannot be allocated reliably between the land and buildings elements, the entire lease payments are included in the cost of the land and buildings as a finance lease in property, plant and equipment.

(ii) Finance leases

Leases that substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is allocated between the capital and finance charges so as to achieve a constant rate on the capital balances outstanding. The corresponding rental obligations, net of finance charges, are included in long-term and short-term liabilities, as appropriate. The finance charges are charged to profit or loss over the lease periods.

Assets held under finance leases are depreciated over the shorter of their estimated useful lives or the lease periods.

3 主要會計政策 (續)

(e) 預付土地租賃款項及租賃資產

(i) 預付土地租賃款項

經營租賃項下的預付土地租賃款項乃初步按成本值列賬，並隨後以直線法按租賃期確認。當租賃款項無法可靠地在土地及樓宇部分間分配時，全部租賃款項作為物業、廠房及設備的融資租賃計入土地及樓宇的成本。

(ii) 融資租賃

融資租賃是指將擁有資產的風險及回報基本上全部轉讓予本集團的租賃。融資租賃在租賃開始時按租賃資產的公平值或最低租賃款項的現值（以較低者為準）撥充資本。每期租賃款項於資本及財務費用之間分配，以就尚餘的資本結餘達致一個固定的比率。相應租賃承擔在扣除財務費用後計入長期負債及短期負債（視乎適用而定）內。財務費用於租賃期內在損益扣除。

以融資租賃持有的資產按資產的估計可使用年期或租賃期（以較短者為準）計算折舊。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Prepaid land lease payments and assets under leases (continued)

(iii) Operating leases

As a lessee

Leases where substantially all the risks and rewards of ownership of assets remain with the leasing company are accounted for as operating leases. Payments made under operating leases net of any incentives received from the leasing company are charged to profit or loss on a straight-line basis over the lease periods.

As a lessor

Rental income, included rentals charged in advance from properties let under operating leases, is recognised in profit or loss on a straight-line basis over the terms of the relevant leases.

(f) Investment properties

Investment properties, which are properties held to earn rentals and/or capital appreciation, are carried at cost less accumulated depreciation and accumulated impairment loss, if any. The costs of investment properties are depreciated over their estimated useful lives of 20 to 50 years using the straight-line method. Gains or losses arising from disposal of properties are determined as the difference between the sales proceeds and the carrying amount of the properties and are recognised in profit or loss.

3 主要會計政策 (續)

(e) 預付土地租賃款項及租賃資產 (續)

(iii) 經營租賃

作為承租人

經營租賃是指擁有資產的風險及回報基本上全部由出租公司保留的租賃。根據經營租賃支付的款項在扣除自出租公司收取的任何優惠後，於租賃期內以直線法在損益扣除。

作為出租人

租金收入（包括於根據經營租賃出租的物業墊款扣除的租金）於有關租賃期內以直線法在損益中確認。

(f) 投資物業

投資物業（持作賺取租金及／或資本增值的物業）乃按成本減累計折舊及累計減值虧損（如有）列賬。投資物業的成本乃使用直線法按其估計可使用年期20年至50年計算折舊。出售物業所產生的收益或虧損乃按銷售所得款項與物業賬面值間的差額釐定，並於損益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Exploitation rights

Exploitation rights are stated at cost less accumulated amortisation and impairment losses. Exploitation rights are amortised on a straight-line basis over the estimated useful lives of 20 years. The useful lives of the exploitation rights are reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the crude oil. Exploitation rights are written off to profit or loss if the oil properties are abandoned.

(h) Available-for-sale financial assets

Available-for-sale financial assets are initially recognised at fair value plus transaction costs. At each balance sheet date the fair value is remeasured, with any resultant gain or loss being recognised directly in equity, except for impairment loss and, in the case of monetary items such as debt securities, foreign exchange gains and losses which are recognised directly in profit or loss. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and shall be measured at cost.

3 主要會計政策 (續)

(g) 開採權

開採權按成本減累計攤銷及減值虧損列賬。開採權乃使用直線法按其估計可使用年期20年攤銷。本集團每年根據生產計劃及原油的探明儲量及極可能儲量審閱開採權的可使用年期。倘石油財產被棄置，則將開採權撤銷至損益。

(h) 可供銷售金融資產

可供銷售金融資產初步按公平值加上交易成本確認。於各個結算日，公平值予以重新計量，而就此產生的收益或虧損直接於權益中確認，惟減值虧損及（於貨幣項目（例如債務證券）的情況下）外匯收益及虧損直接於損益確認。當該等投資撤銷確認時，之前直接於權益中確認的累計收益或虧損於損益確認。於活躍市場上並無市場報價，且公平值無法可靠地計量的股本工具及與其掛鈎的衍生工具的投資須按成本值計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Inventories

Inventories comprise raw materials, work in progress and finished goods and are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average basis and comprises all costs of purchase, costs of conversion and an appropriate proportion of all production overhead expenditure. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

(j) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost less impairment losses for bad and doubtful debts. A provision of impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision, recognised in profit or loss, is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate.

3 主要會計政策 (續)

(i) 存貨

存貨包括原料、在製品及製成品，乃按成本值及可變現淨值兩者中的較低者入賬。成本值按加權平均基準計算，當中包括所有生產間接費用的適當比率。可變現淨值是按預期銷售所得款項減估計銷售支出釐定。

(j) 貿易及其他應收款項

貿易及其他應收款項初步按公平值確認，隨後則使用實際利率法按攤銷成本列賬，惟倘折讓的影響並不重大，則乃按成本值減呆壞賬的減值虧損列賬。當有客觀證據證明本集團將無法根據應收款項的原有期限收回所有到期的款項時，則確立貿易及其他應收款項的減值撥備。於損益確認的撥備數額指該資產的賬面值與按實際利率法貼現的估計未來現金流量的現值間的差額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Trading securities

Trading securities are classified as investments held for trading under the category of financial assets at fair value through profit or loss. At each balance sheet date subsequent to initial recognition, investments held for trading are measured at fair value, with changes in fair value recognised directly in profit or loss in the period in which they arise.

(l) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date on which the contract is entered into and are subsequently remeasured at their fair value. Fair values are obtained from quoted market prices, discounted cash flow models and options pricing models as appropriate. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative. The gain or loss on remeasurement to fair value is charged immediately to profit or loss.

(m) Impairment of assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties and goodwill), the asset's recoverable amount is estimated. An asset's recoverable amount is calculated as the higher of the asset's or cash generating unit's value in use and its fair value less costs to sell, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

3 主要會計政策 (續)

(k) 買賣證券

買賣證券會分類為透過損益表以公平值列賬的金融資產項下的持有作買賣的投資。於初步確認後各個結算日，持有作買賣的投資以公平值計量，而公平值變動則於出現變動的期間直接在損益確認。

(l) 衍生金融工具

衍生金融工具乃初步按訂約當日的公平值確認，其後按其公平值重新計量。公平值乃得自市場報價、貼現現金流量模式及購股權定價模式（視合適情況而定）。所有衍生工具若出現正公平值以資產方式列賬，否則以負債方式列賬。重新計量公平值所產生的收益或虧損乃即時於損益內扣除。

(m) 資產的減值

倘出現減值跡象，或當需要對資產進行年度減值測試（存貨、遞延稅項資產、金融資產、投資物業及商譽除外）時，則估計資產的可收回數額。資產的可收回數額按資產或產生現金單位的使用價值與其公平值減銷售成本的較高者計算，並就個別資產釐定，除非該資產並無產生在頗大程度上獨立於其他資產或資產組別的現金流入，於此情況下，可收回數額乃就該資產所屬的產生現金單位釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Impairment of assets (continued)

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation), had no impairment loss been recognised for the asset in prior years. A reversal of such impairment loss is credited to profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

3 主要會計政策 (續)

(m) 資產的減值 (續)

當資產的賬面值超過其可收回數額時方會確認減值虧損。於評估使用價值時，估計日後現金流量會使用反映貨幣時間價值的現行市場評估及該資產特定風險的稅前折現率貼現至其現值。減值虧損於產生期間的損益扣除，惟倘該資產按重估數額列賬，則減值虧損根據該經重估資產的有關會計政策入賬。

於各個報告日期，本集團會評估是否有跡象顯示之前確認的減值虧損可能不再存在或可能已減少。若出現有關跡象，則會估計可收回數額。資產（商譽除外）之前確認的減值虧損僅當用於釐定該資產可收回數額的估計出現變動時方會撥回，惟撥回數額不得高於過往年度該資產倘並無確認減值虧損原應釐定的賬面值（扣除任何折舊／攤銷）。有關減值虧損的撥回計入產生期間的損益，惟倘該資產按重估數額列賬，則減值虧損的撥回根據該經重估資產的有關會計政策入賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of the cash flow statement, cash and cash equivalents comprise cash on hand and deposits held at call with banks and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the balance sheet, cash and bank balances comprise cash on hand and at banks, including term deposits, which are not restricted as to use.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost unless the effect of discounting would not be material, in which case they are stated at cost.

(p) Bank and other borrowings

Bank and other borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, bank and other borrowings are stated at amortised cost with any difference between cost and redemption value being recognised in profit and loss over the period of the borrowing using the effective interest method.

3 主要會計政策 (續)

(n) 現金及現金等值項目

現金及現金等值項目是按成本值於資產負債表中列賬。就現金流量表而言，現金及現金等值項目包括手頭現金及存放於銀行的活期存款及可隨時轉換為已知數額現金及價值變動風險極微，並一般於購入日期後三個月內到期的短期高流動性投資，減按要求償還及構成本集團現金管理組成部分的銀行透支。

就資產負債表而言，現金及銀行結餘包括並無限制用途的手頭現金及存放於銀行的現金，包括定期存款。

(o) 貿易及其他應付款項

貿易及其他應付款項初步按公平值確認，隨後則按攤銷成本列賬，惟倘折現的影響並不重大，則按成本列賬。

(p) 銀行及其他借貸

銀行及其他借貸初步按公平值減應佔交易成本確認。於初步確認後，銀行及其他借貸乃按攤銷成本列賬，而成本與贖回價值間的任何差額使用實際利率法按借貸期限於損益內確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Convertible bonds contains liability component and conversion option derivative

Convertible bonds issued by the Group that contain both liability and conversion option components are classified separately into respective items on initial recognition. Conversion option that will be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is a conversion option derivative. At the date of issue, both the liability and conversion option components are recognised at fair value.

In subsequent periods, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The conversion option derivative is measured at fair value with changes in fair value recognised in profit or loss.

Transaction costs that relate to the issue of the convertible bonds are allocated to the liability and conversion option components in proportion to their relative fair values. Transaction costs relating to the conversion option derivative is charged to profit or loss immediately. Transaction costs relating to the liability component are included in the carrying amount of the liability portion and amortised over the period of the convertible bonds using the effective interest method.

3 主要會計政策 (續)

(q) 包含負債部分的可換股債券及轉換權衍生工具

由本集團發行並包含負債及轉換權部分的可換股債券於初步確認時獨立分類為個別項目。將透過以定額現金或另一項金融資產交換定額的本公司本身股本工具以外的方式結算的轉換權為轉換權衍生工具。於發行日，負債及轉換權部分均按公平值確認。

於往後期間，可換股債券的負債部分會利用實際利率法按攤銷成本列賬。轉換權衍生工具按公平值計量，而公平值變動則於損益確認。

與發行可換股債券有關的交易成本會按相關公平值的比例分配至負債及轉換權部分。有關轉換權衍生工具的交易成本會即時於損益扣除。有關負債部的交易成本會計入負債部分的賬面值，並於可換股債券期限內利用實際利率法攤銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax

Income tax comprises current and deferred tax. The charge for income tax is based on the results for the year as adjusted for items, which are non-assessable or disallowable. Income tax is recognised in profit or loss, or in equity if it relates to items that are recognised in the same or a different period directly in equity.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

Deferred tax is provided in full, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date.

3 主要會計政策 (續)

(r) 所得稅

所得稅包括本期稅項及遞延稅項。所得稅支出乃根據本年度業績（就毋須課稅或不可扣稅的項目作出調整）計算。所得稅於損益或於權益（倘其與相同或不同期間直接於權益中確認的項目有關）確認。

本期間及週往期間的當期稅項資產及負債乃按預期從稅務機關收回或支付予稅務機關的款項計量。

遞延稅項乃使用負債法按結算日財務報表內的資產及負債稅基與其賬面值間的所有暫時差額全數計提撥備。遞延稅項資產及負債按預期應用於變現資產或償還負債期間的稅率（基於結算日已頒佈或實質上已頒佈的稅率）計量。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised except:

- (i) where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

3 主要會計政策 (續)

(r) 所得稅 (續)

所有可扣稅的暫時差額、結轉尚未動用的稅項進賬額及尚未動用稅項虧損均須確認遞延稅項資產，並以可能獲得以可扣稅暫時差額、尚未動用稅項進賬額及尚未動用稅項虧損用以抵銷的應課稅溢利為限，惟下列情況除外：

- (i) 與可扣稅暫時差額有關的遞延稅項資產產生自於一項交易（並非業務合併）中初步確認資產或負債，且於交易時不影響會計溢利亦不影響應課稅溢利或虧損；及
- (ii) 就與於附屬公司的投資相關的可扣稅暫時差額而言，遞延稅項資產僅以暫時差額可能於可見將來撥回及將可能獲得以暫時差額抵銷的應課稅溢利為限予以確認。

本集團會於各結算日審閱遞延稅項資產的賬面值，並於不再可能獲得足以被全部或部分遞延稅項資產抵銷的應課稅溢利時作出扣減。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Income tax (continued)

Conversely, previously unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it is probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- (i) where the deferred tax liability arises from goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- (ii) in respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3 主要會計政策 (續)

(r) 所得稅 (續)

相反，之前尚未確認的遞延稅項資產於各個結算日重新評估，並於可能獲得足以被全部或部分遞延稅項資產抵銷的應課稅溢利時確認。

本集團會就所有應課稅暫時差額確認遞延稅項負債，惟下列情況除外：

- (i) 遞延稅項負債產生自商譽或於一項交易（並非業務合併）中初步確認資產或負債，且於交易時不影響會計溢利亦不影響應課稅溢利或虧損；及
- (ii) 就與於附屬公司的投資相關的應課稅暫時差額而言，可以控制撥回暫時差額的時間及可能不會於可見將來撥回暫時差額。

倘存在以本期稅項負債及與同一應課稅實體及同一稅務機關有關的遞延稅項抵銷本期稅項資產的合法可強制執行權利，則可抵銷遞延稅項資產及遞延稅項負債。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. All other borrowing costs are charged to profit or loss in the year in which they are incurred.

(t) Translation of foreign currencies

These financial statements are presented in HK\$, which is the Company's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Foreign currency transactions are initially recorded using the functional currency rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rates of exchange ruling at the balance sheet date. All differences are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3 主要會計政策 (續)

(s) 借貸成本

倘借貸成本直接來自收購、建設或生產一項須花大量時間籌備方可作擬定用途或銷售的資產，則撥作該資產的部分成本。所有其他借貸成本均於產生年度在損益中扣除。

(t) 外幣換算

該等財務報表以港幣呈報，港幣亦為本公司的功能貨幣及呈報貨幣。本集團各個實體釐定其本身的功能貨幣，而計入各個實體財務報表的項目乃使用該功能貨幣計量。

外幣交易初步使用交易日期適用的功能貨幣列賬。以外幣列值的貨幣資產及負債按結算日適用的功能貨幣匯率重新換算。所有差額計入損益。

按外幣的歷史成本計量的非貨幣項目使用初次交易日期的匯率換算。按外幣的公平值計量的非貨幣項目使用釐定公平值當日的匯率換算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Translation of foreign currencies (continued)

The functional currencies of certain overseas subsidiaries are currencies other than the HK\$. As at the balance sheet date, the assets and liabilities of these entities are translated into the presentation currency of the Company at the exchange rates ruling at the balance sheet date and, their income statements are translated into HK\$ at the weighted average exchange rates for the year. The resulting exchange differences are included in the exchange reserve. On disposal of a foreign entity, the deferred cumulative amount recognised in equity relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated cash flow statement, the cash flows of overseas subsidiaries are translated into HK\$ at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into HK\$ at the weighted average exchange rates for the year.

(u) Employee benefits

(i) Employee leave entitlements

The Group provides paid annual leave to its employees under their employment contracts on a calendar year basis. Under certain circumstances, such leave which remains untaken as at the balance sheet date is permitted to be carried forward and utilised by the respective employees in the following year. An accrual is made at the balance sheet date for the expected future cost of such paid leave earned during the year by the employees and carried forward.

3 主要會計政策 (續)

(t) 外幣換算 (續)

若干海外附屬公司的功能貨幣為港幣以外的貨幣。於結算日，該等實體的資產及負債按結算日適用的匯率換算為本公司的呈報貨幣，其收益表按本年度加權平均匯率換算為港幣。就此產生的匯兌差額計入匯兌儲備。於出售海外實體時，於權益內就特定海外業務確認的遞延累計數額於損益確認。

就綜合現金流量表而言，海外附屬公司的現金流量按現金流量日期適用的匯率換算為港幣。海外附屬公司於整個年度產生的頻繁循環現金流量按本年度的加權平均匯率換算為港幣。

(u) 僱員福利

(i) 僱員應享假期

本集團根據僱員的僱傭合約按曆年基準向其僱員提供有薪假期。於若干情況下，於結算日仍未支取的假期獲准結轉，並讓有關僱員於來年提取假期。於本年度由僱員享有及結轉的有薪假期的預期日後成本於結算日累計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Employee benefits (continued)

(ii) Pension obligations

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

The employees of the Group’s subsidiaries which operate in the People’s Republic of China (“PRC”) are required to participate in a central pension scheme operated by the local municipal government. The subsidiaries are required to contribute a certain percentage of the payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the central pension scheme.

The Group’s contributions to the defined contribution retirement scheme are expensed as incurred.

3 主要會計政策 (續)

(u) 僱員福利 (續)

(ii) 退休金責任

本集團根據強制性公積金計劃條例為符合資格參與定額供款退休福利計劃（「強積金計劃」）的僱員設立強積金計劃。供款乃根據僱員基本薪金的某一百分比作出，並根據強積金計劃的規則於供款須支付時於損益扣除。強積金計劃的資產由獨立於本集團的獨立管理基金持有。本集團作出的僱主供款於向強積金計劃作出供款時全數歸僱員所有。

本集團於中華人民共和國（「中國」）營運的附屬公司的僱員須參與當地市政府營辦的中央退休金計劃。附屬公司須按工資成本的若干百分比向中央退休金計劃作出供款。供款於根據中央退休金計劃的規則成為應付時在損益內扣除。

本集團向定額供款退休計劃作出的供款於產生時予以支銷。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Employee benefits (continued)

(iii) Share-based payment transactions

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed over the relevant vesting periods to profit or loss, with the corresponding amount credited to share-based employee compensation reserve within equity.

(v) Revenue recognition

Revenue is recognised when it is probable that the economic benefits will flow to the Group and when the revenue can be measured reliably, on the following bases:

- (i) Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.
- (ii) Crude oil sales represent the invoiced value of sales of crude oil attributable to the interests of the Group, net of royalties. Sales are recognised when the significant risks and rewards of ownership of oil have been transferred to customers.

3 主要會計政策 (續)

(u) 僱員福利 (續)

(iii) 以股份付款的交易

參照購股權於授出日期的公平值釐定的已享服務公平值，會於有關歸屬期在損益支銷，相應的數額計入權益內以股份為基礎的僱員賠償儲備。

(v) 確認收益

當經濟利益可能會流入本集團及收益能夠可靠地計量時，則按下列基準確認收益：

- (i) 在擁有權的絕大部分風險及回報已轉移至買方時，則會確認銷售貨品的收益，惟本集團參與管理的程度須低於與擁有權相關者，亦無實際控制已售貨品。
- (ii) 原油銷售指本集團權益應佔的原油銷售發票值，當中扣除專利權費。銷售於石油擁有權的大部分風險及回報已轉移至客戶時確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(v) Revenue recognition (continued)

- (iii) Revenue from a fixed price individual service contract is recognised using the percentage of completion method, measured by reference to the percentage of contract costs incurred to date to estimated total contract costs for the contract. When the outcome of a service contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that it is probable will be recoverable.
- (iv) Interest income is recognised on an accrual basis using the effective interest method by applying the rate that discounts the estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.
- (v) Rental income is recognised on a time proportion basis over the terms of the lease.
- (vi) Subcontracting income is recognised when the underlying services are rendered.

3 主要會計政策 (續)

(v) 確認收益 (續)

- (iii) 固定價格個別服務合約的收益乃參照至今產生的合約成本佔合約的估計總成本計量，並利用完成百分比法確認。倘不能可靠地估計服務合約的結果，則僅於可能收回所產生的合約成本時方會確認收益。
- (iv) 利息收入使用實際利率法，按累計基準，應用透過金融工具的預計年期將估計未來現金收入折現至該金融資產賬面淨值的比率確認。
- (v) 租金收入是按時間比例基準於租期內確認。
- (vi) 分包收入於提供相關服務時確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(w) Research and development costs

Research costs are expensed as incurred. Costs incurred on development projects relating to the design and testing of new or improved products are recognised as an intangible asset where the technical feasibility and intention of completing the product under development has been demonstrated and the resources are available to do so, costs are identifiable and there is an ability to sell or use the asset that will generate probable future economic benefits. Such development costs are recognised as an asset and amortised on a straight-line basis over a period of not more than 5 years to reflect the pattern in which the related economic benefits are recognised. Development costs that do not meet the above criteria are expensed as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

(x) Segmental reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting system, the Group has chosen business segment information as the primary reporting format and geographical segment information as the secondary reporting format for the purposes of these financial statements.

3 主要會計政策 (續)

(w) 研發成本

研究成本在產生時支銷。有關設計及測試新產品或經改良產品的開發項目所產生的成本，當證明開發中產品的技術可行性與製成有關產品的意向，且具備就此所需資源，而又能識別有關的成本，並能出售或使用將可能於日後帶來經濟利益的資產時，均確認為無形資產。此等開發成本會確認為資產，並於不超過五年的期間內按直線法攤銷，以反映確認有關經濟利益的模式。未能符合上述條件的開發成本於產生時支銷。先前確認為開支的開發成本不會於其後期間確認為資產。

(x) 分類呈報

分類本集團從事提供產品或服務(業務分類)或於特定經濟環境提供產品或服務(地區分類)的可分辨部分，各個分類所承受的風險及所獲得的回報有別於其他分類。

根據本集團的內部財務報告制度，本集團已選擇於此等財務報表中以業務分類資料為主要呈報方式，而地區分類資料則為次要呈報方式。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(x) Segmental reporting (continued)

Segment revenue, expenses, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to the segment. For example, segment assets may include property, plant and equipment, inventories and trade receivables.

Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidation process, except to the extent that such intra-group balances and transactions are between group entities within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the year to acquire segment assets, both tangible and intangible, that are expected to be used for more than one year.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, tax balances, corporate and financing expenses.

3 主要會計政策 (續)

(x) 分類呈報 (續)

分類收益、開支、資產及負債包括某分類直接應佔且可按合理基準分配至該分類的項目。舉例而言，分類資產可包括物業、廠房及設備、存貨及貿易應收款項。

分類收益、開支、資產及負債乃於扣除集團內公司間結餘前釐定，而集團內公司間交易則予對銷，作為綜合賬目的一部分，惟倘該等集團內公司間結餘及交易由單一分類內的集團實體之間進行則作別論。內部分類乃根據其他外來客戶可獲的類似條款定價。

分類資本開支為於年內就收購預期可使用超過一年的有形及無形分類資產產生的總成本。

未分配項目主要包括金融及公司資產、計息貸款、借貸、稅項結餘、公司及融資開支。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Financial guarantees issued, provision and contingent liabilities

(i) Financial guarantees issued

Financial guarantees are contracts that require the issuer to make specified payments to reimburse the beneficiary of the guarantee for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. Where the Group issues a financial guarantee, the fair value of the guarantee (being the transaction price, unless the fair value can otherwise be reliably estimated) is initially recognised as deferred income within trade and other payables. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss on initial recognition of any deferred income.

The amount of the guarantee initially recognised as deferred income is amortised over the terms of the guarantee as income from financial guarantees issued. In addition, provisions are recognised if and when (i) it becomes probable that the holder of the guarantee will call upon the Group under the guarantee, and (ii) the amount of that claim on the Group is expected to exceed the amount currently carried in trade and other payables in respect of that guarantee, ie the amount initially recognised, less accumulated amortisation.

3 主要會計政策 (續)

(y) 已提供的財務擔保、撥備及或然負債

(i) 已提供的財務擔保

財務擔保乃指於擔保持有人因指定債務人未能根據債務工具條款支付到期款項而蒙受損失時，可要求發行人向擔保受益人償付指定款項的合約。當本集團提供財務擔保時，其公平值（即交易價格，惟公平值能可靠地估計除外）會初步確認為貿易及其他應付款項內的遞延收入。在提供擔保的代價成為已收或應收時，有關代價會根據本集團適用於該類資產的政策確認。倘無已收或應收代價，即於初步確認任何遞延收入時於損益內確認即時開支。

初步確認為遞延收入的擔保數額會於擔保期內攤銷，作為提供財務擔保的收入。此外，如(i)擔保持有人很可能將會要求本集團履行擔保合約；及(ii)向本集團索償的款項預期超過相關擔保在貿易及其他應付款項內的現有賬面值（即初步確認的金額減累計攤銷），則會確認撥備。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) Financial guarantees issued, provision and contingent liabilities (continued)

(ii) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

3 主要會計政策 (續)

(y) 已提供的財務擔保、撥備及或然負債 (續)

(ii) 撥備及或然負債

當本集團或本公司因過往事件產生法律或推定責任，而清償此責任可能須付出經濟利益並能作出可靠的估計，則就未確定時間或金額的負債確認撥備。倘金錢的時間值屬重大，則撥備以清償責任預期產生的開支的現值列賬。

倘不大可能需要流出經濟利益或金額不能可靠地估計，則有關責任會披露為或然負債，除非流出經濟利益的可能性極低。因一宗或多宗未來事件會否發生方能確定是否存在的可能責任亦會披露為或然負債，惟流出經濟利益的可能性極低則作別論。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

(z) Related parties

For the purposes of these financial statements, a party is considered to be related to the Group if:

- (i) the party has the ability, directly or indirectly through one or more intermediaries, to control the Group or exercise significant influence over the Group in making financial and operating policy decisions, or has joint control over the Group;
- (ii) the Group and the party are subject to common control;
- (iii) the party is an associate of the Group or a joint venture in which the Group is a venturer;
- (iv) the party is a member of key management personnel of the Group or the Group's parent, or a close family member of such an individual, or is an entity under the control, joint control or significant influence of such individuals;
- (v) the party is a close family member of a party referred to in (i) or is an entity under the control, joint control or significant influence of such individuals; or
- (vi) the party is a post-employment benefit plan which is for the benefit of employees of the Group or of any entity that is a related party of the Group.

Close family members of an individual are those family members who may be expected to influence, or be influenced by, that individual in their dealings with the entity.

3 主要會計政策 (續)

(z) 有關連人士

就該等財務報表而言，倘下列情況出現，則一方被視為與本集團有關：

- (i) 該方可直接或透過一名或多名居間人間接控制本集團的財務及營運決策或對本集團的財務及營運決策行使重大影響力；或對本集團有共同控制權；
- (ii) 本集團與該方受共同控制；
- (iii) 該方為本集團的聯營公司或本集團為合營方的合營企業；
- (iv) 該方為本集團或其母公司主要管理層成員旗下的公司；或該名人士的密切家庭成員；或受該名人士控制、共同控制或重大影響的實體；
- (v) 該方為(i)所述一方的密切家庭成員或受該名人士控制、共同控制或重大影響的實體；或
- (vi) 該方為以本集團或屬本集團有關連人士的實體的僱員為受益人的離職後福利計劃。

一名人士的密切家庭成員指預期可在處理實體時影響該名人士或受該名人士影響的家庭成員。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate and currency risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities.

These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, listed debt investments and derivative financial instruments. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 days to 90 days from the date of billing. Debtors with balances that are more than 4 months past due are requested to settle all outstanding balances before any further credit is granted. Normally, the Group does not obtain collateral from customers.

4 金融工具

本集團於一般業務過程中會產生信貸、流動性、利率及外幣等多種風險。本集團亦須承受因於其他公司的股本投資而產生的證券價格風險。

該等風險受下述本集團財務管理政策及慣例所限制。

(a) 信貸風險

本集團的信貸風險主要源自貿易及其他應收款項、上市債務投資及衍生金融工具。管理層已制定一套信貸政策，持續監察所承受的信貸風險。

就貿易及其他應收款項而言，本集團會對所有要求信貸額超過一定金額的客戶進行個別信貸評估。有關評估集中在客戶過往於到期還款時的還款紀錄及目前的還款能力，並考慮客戶的特定資料以至客戶營運所在的經濟環境。貿易應收款項於發單日期起計三十日至九十日內到期。應收賬款結餘如逾期超過四個月，本集團會要求有關客戶結清所有未償還結餘後方會再向其批出信貸額。一般而言，本集團不會向客戶收取抵押品。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

Investments are normally only in liquid securities quoted on a recognised stock exchange, except where entered into for long term strategic purposes. Transactions involving derivative financial instruments are with counterparties of sound credit standing and with whom the Group has a signed netting agreement. Given their high credit standing, management does not expect any investment counterparty to fail to meet its obligations.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the balance sheet date, the Group has a certain concentration of credit risk as 20% (2007: 15%) and 39% (2007: 45%) of the total trade and other receivables was due from the Group's largest customer and the five largest customers respectively within the paints, blended solvents and chemical materials business segment.

The maximum exposure to credit risk without taking account of any collateral held is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet after deducting any impairment allowance. The Group does not provide any other guarantees which would expose the Group or the Company to credit risk. The maximum exposure to credit risk in respect of these financial guarantees at the balance sheet date is disclosed in note 42.

4 金融工具 (續)

(a) 信貸風險 (續)

本集團一般只會投資於在認可證券交易所掛牌買賣的流通證券，惟為長遠策略性目的而進行者除外。涉及衍生金融工具的交易均與具有高信貸評級的對手方或已與本集團簽訂淨額結算協議的人士進行。鑑於投資對手方具有高信貸評級，管理層並不預期任何投資對手方會無法履行責任。

本集團承受的信貸風險主要受各個客戶的個別情況影響。客戶營運所在的行業及國家的違約風險亦對信貸風險產生影響，但程度較小。於結算日，本集團有若干集中信貸風險，此乃由於本集團的貿易及其他應收款項總額中20%（二零零七年：15%）來自本集團油漆、混合溶劑及化工原料業務分部的最大客戶，而39%（二零零七年：45%）則來自該分部的五大客戶。

本集團所承受的最高信貸風險如不計及所持抵押品，為資產負債表內各項金融資產（包括衍生金融工具）的賬面值扣除任何減值撥備。本集團並無提供任何其他可令本集團或本公司承受信貸風險的擔保。本集團於結算日所承受有關財務擔保的最高信貸風險於附註42披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(a) Credit risk (continued)

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables and set out in note 27.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

4 金融工具 (續)

(a) 信貸風險 (續)

有關本集團所承受因貿易及其他應收款項而產生的信貸風險的進一步數據載於附註27。

(b) 流動性風險

本集團旗下各個經營實體自行負責其現金管理，包括將現金盈餘作短期投資及敍造貸款以應付預期現金需要，如借貸超出預設特定權限，則須獲母公司董事會批准。本集團的政策為定期監察其流動資金需要及借貸契諾的遵行情況，以確保維持充足的現金儲備與可隨時變現的有價證券，以及有足夠由主要財務機構承諾給予的融資額度，可應付其短期及長期流動資金需要。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

The following table details the remaining contractual maturities at the balance sheet date of the Group's and the Company's non-derivative financial liabilities and derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the balance sheet date) and the earliest date the Group and the Company can be required to pay:

Group

		2008 二零零八年					2007 二零零七年				
		Total contractual amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total contractual amount	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years	
		Carrying amount	cash flow	year or on demand	less than 2 years	Carrying amount	cash flow	year or on demand	less than 2 years	5 years	
		賬面值	總現金流量	或按要求	但兩年以下	賬面值	總現金流量	或按要求	但兩年以下	但五年以下	
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Trade and other payables	貿易及其他應付款項	47,326	47,326	47,326	-	-	54,733	54,733	54,733	-	-
Derivative financial liabilities	衍生金融負債	138,344	138,344	138,344	-	-	687	687	687	-	-
Bank and other borrowings	銀行及其他借貸	53,687	53,687	43,293	1,663	8,731	72,164	72,164	58,042	3,320	10,802
Convertible bonds	可換股債券	20,101	20,101	-	-	20,101	-	-	-	-	-
		259,458	259,458	228,963	1,663	28,832	127,584	127,584	113,462	3,320	10,802

4 金融工具 (續)

(b) 流動性風險 (續)

下表詳列本集團及本公司的非衍生金融負債及衍生金融負債於結算日的餘下合約到期情況，有關資料乃根據約定未折現現金流量（包括以約定利率或（如屬浮動利率）結算日當時的利率計算的利息付款）與本集團及本公司可被要求付款的最早日期計算：

本集團

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(b) Liquidity risk (continued)

Company

	2008			2007			
	二零零八年			二零零七年			
	Total		Within 1	Total		Within 1	
Carrying amount	contractual	undiscounted cash flow	year or on demand	Carrying amount	contractual	undiscounted cash flow	
賬面值	約定未折現	總現金流量	一年內	賬面值	約定未折現	總現金流量	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Trade and other payables	貿易及其他應付款項	1,840	1,840	1,840	981	981	981
Derivative financial liabilities	衍生金融負債	17,717	17,717	17,717	-	-	-
		19,557	19,557	19,557	981	981	981

(c) Interest rate risk

Except for short term bank deposits, the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets resulted from the changes in interest rates because the interest rates of bank deposits are not expected to change significantly.

The Group's interest rate risk arises from bank and other borrowings, derivative financial liabilities and convertible bonds. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk. Details of the Group's bank and other borrowings are set out in note 32.

4 金融工具 (續)

(b) 流動性風險 (續)

本公司

	2008			2007			
	二零零八年			二零零七年			
	Total		Within 1	Total		Within 1	
Carrying amount	contractual	undiscounted cash flow	year or on demand	Carrying amount	contractual	undiscounted cash flow	
賬面值	約定未折現	總現金流量	一年內	賬面值	約定未折現	總現金流量	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	
Trade and other payables	貿易及其他應付款項	1,840	1,840	1,840	981	981	981
Derivative financial liabilities	衍生金融負債	17,717	17,717	17,717	-	-	-
		19,557	19,557	19,557	981	981	981

(c) 利率風險

除短期銀行存款外，本集團並無重大付息資產，而本集團的收入及經營現金流大致不受市場利率變動影響。由於銀行存款利率預期不會出現重大變動，因此，管理層並不預期利率變動會對計息資產造成重大影響。

本集團的利率風險來自銀行及其他借貸、衍生金融負債及可換股債券。按浮息發放的借貸使本集團承受現金流量利率風險。按定息發放的借貸則使本集團承受公平值利率風險。本集團的銀行及其他借貸詳情載於附註32。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(c) Interest rate risk (continued)

The Group is also exposed to fair value interest rate risk in relation to convertible bonds (see note 33 for details). It is the Group's policy to keep its borrowings at fixed rate so as to minimise the cash flow interest rate risk.

At 31 March 2008, it is estimated that a general increase or decrease of 100 basis points in interest rates on HK\$ denominated borrowings, with all other variables held constant, would decrease/increase the Group's profit by approximately HK\$6,676,000 (2007: HK\$3,322,000). The above sensitivity analysis has been determined assuming that the change in interest rates had occurred at the balance sheet date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual balance sheet date. The analysis was performed on the same basis for 2007.

(d) Currency risk

The Group is exposed to currency risk primarily through its bank and bank deposit balances that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily Canadian dollars and United States dollars.

The Group ensures that the net exposure on recognised assets and liabilities arising from bank and bank deposit balances that are denominated in a currency other than the functional currency of the operating to which they relate is kept to an acceptable level, by buying or selling foreign currencies at spot rate where necessary to address short-term imbalances.

4 金融工具 (續)

(c) 利率風險 (續)

本集團亦須承受有關可換股債券 (詳情見附註33) 的公平值利率風險。本集團的政策為維持借貸於固定息率，藉以盡量減低現金流量利率風險。

於二零零八年三月三十一日，在所有其他變數維持不變的情況下，倘以港幣列值的借貸的利率全面上升或下調100個基點，估計本集團的溢利會減少／增加約港幣6,676,000元 (二零零七年：港幣3,322,000元)。以上敏感度分析乃假設利率變動已於結算日發生，並已應用於計算當日已存在的金融工具的利率風險而釐定。上升或下調100個基點為管理層對直至下一個年度結算日期間利率的合理可能變動所進行的評估。有關分析按與二零零七年所用的相同基準進行。

(d) 外幣風險

本集團主要因其銀行及銀行存款結餘以相關業務功能貨幣以外貨幣列值而承受外幣風險。導致此風險的貨幣主要包括加元及美元。

就以相關業務功能貨幣以外貨幣列值的銀行及銀行存款結餘產生的已確認資產及負債而言，本集團會確保淨風險維持於可接受的水平，於有需要時會透過以現貨價買賣外幣應付短期失衡情況。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(i) Exposure to currency risk

The following table details the Group's and the Company's exposure at the balance sheet date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate.

Group

		Assets		Liabilities	
		2008	2007	2008	2007
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Canadian dollars	加元	32,424	-	-	-
United States dollars	美元	828	-	-	-

Company

		Assets		Liabilities	
		2008	2007	2008	2007
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Canadian dollars	加元	32,424	-	-	-

4 金融工具 (續)

(d) 外幣風險 (續)

(i) 外幣風險承擔

下表詳述本集團及本公司於結算日所承擔因以相關公司功能貨幣以外貨幣列值的已確認資產或負債而產生的外幣風險。

本集團

本公司

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's profit after tax (and retained profits) and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the balance sheet date. The sensitivity analysis includes balances between Group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

Group

		2008 二零零八年			2007 二零零七年		
		Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits	Effect on other components of equity	Increase/ (decrease) in foreign exchange rates	Effect on profit after tax and retained profits	Effect on other components of equity
		匯率上升/ (下調)	對除稅及 保留溢利後 溢利的影響	對權益 其他組成 部分的影響	匯率上升/ (下調)	對除稅及 保留溢利後 溢利的影響	對權益 其他組成 部分的影響
			HK\$'000 港幣千元	HK\$'000 港幣千元		HK\$'000 港幣千元	HK\$'000 港幣千元
Canadian dollars	加元	10% (10%)	2,675 (2,675)	- -	- -	- -	- -

4 金融工具 (續)

(d) 外幣風險 (續)

(ii) 敏感度分析

下表顯示本集團除稅(及保留溢利)後溢利以及綜合權益其他組成部分因應本集團受重大影響的合理可能匯率變動而於結算日產生的概約變動。如本集團各公司間結餘以貸方或借方功能貨幣以外貨幣列值，敏感度分析包括集團公司間結餘。

本集團

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis (continued)

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the balance sheet date and had been applied to each of the Group entities' exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. In this respect, it is assumed that the pegged rate between the HK\$ and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into HK\$ at the exchange rate ruling at the balance sheet date for presentation purposes. The analysis is performed on the same basis for 2007.

4 金融工具 (續)

(d) 外幣風險 (續)

(ii) 敏感度分析 (續)

敏感度分析乃假設匯率變動已於結算日發生，並已應用於本集團各公司所承擔於當日已存在的衍生及非衍生金融工具的外幣風險，且所有其他變數（尤其是利率）維持不變而釐定。

上述變動為管理層對直至下一個年度結算日期間匯率的合理可能變動所進行的評估。就此而言，已假設港幣與美元之間的聯繫匯率大致不受美元兌其他外幣的價值變動所影響。上表呈列的分析結果乃對本集團各公司以各有關功能貨幣計量的除稅後溢利及權益的綜合影響，並為作呈列而以結算日適用的匯率換算為港幣。有關分析按與二零零七年所用的相同基準進行。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(e) Equity price risk

The Group is exposed to equity price changes arising from equity investments classified as trading securities (see note 28). Other than unquoted securities held for strategic purposes, all of these investments are listed.

The Group's listed investments are listed on the HKEx. Decisions to buy or sell trading securities are based on daily monitoring of the performance of individual securities compared to that of the Index and other industry indicators, as well as the Group's liquidity needs.

All of the Group's unquoted investments are held for long term strategic purposes. Their performance is assessed at least bi-annually against performance of similar listed entities, based on the limited information available to the Group, together with an assessment of their relevance to the Group's long term strategic plans.

4 金融工具 (續)

(e) 證券價格風險

本集團受因分類為買賣證券 (見附註28) 的證券投資而產生的證券價格變動所影響。除為策略性目的持有的無報價證券外, 有關投資全部均有上市。

本集團的上市投資於聯交所上市。購買或出售買賣證券的決定乃根據每日監察個別證券相較指數及其他行業指標的表現以及本集團的流動資金需要而作出。

本集團所有無報價投資均為長期策略目的持有。本集團會最少每半年以可得的有限資料相對類似上市公司的表現評估有關投資的表現, 並會評估有關投資有否偏離本集團的長期策略性計劃。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(e) Equity price risk (continued)

The following table indicates the approximate change in the Group's profit after tax (and retained profits) and other components of consolidated equity in response to reasonably possible changes in the relevant stock market index (for listed investments), the price/earning ratios of comparable listed companies (for unquoted investments) to which the Group and the Company have significant exposure at the balance sheet date.

Group

	2008			2007		
	二零零八年			二零零七年		
	Increase/ (decrease) in the relevant risk variable 相關風險 變數增加/ (減少)	Effect on profit after tax and retained profits 對除稅及 保留溢利後 溢利的影響	Effect on other components of equity 對權益 其他組成 部分的影響	Increase/ (decrease) in the relevant risk variable 相關風險 變數增加/ (減少)	Effect on profit after tax and retained profits 對除稅及 保留溢利後 溢利的影響	Effect on other components of equity 對權益 其他組成 部分的影響
	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Stock market index in respect of listed investments:	有關上市投資的證券市場指數:					
Hang Seng Index	恒生指數	10%	3,765	-	10%	464
		(10%)	(3,765)	-	(10%)	(464)

4 金融工具 (續)

(e) 證券價格風險 (續)

下表顯示本集團除稅(及保留溢利)後溢利以及綜合權益其他組成部分,因應有關證券市場指數(就上市投資而言)、可比較上市公司的市盈率(就無報價投資而言)合理可能變動而產生的概約變動(於結算日對本集團及本公司有重大影響)。

本集團

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

4 FINANCIAL INSTRUMENTS (continued)

(e) Equity price risk (continued)

The sensitivity analysis has been determined assuming that the reasonably possible changes in the stock market index or other relevant risk variables had occurred at the balance sheet date and had been applied to the exposure to equity price risk in existence at that date. It is also assumed that the fair values of the Group's equity investments would change in accordance with the historical correlation with the relevant stock market index or the relevant risk variables, that none of the Group's available-for-sale investments would be considered impaired as a result of a reasonably possible decrease in the relevant stock market index or other relevant risk variables, and that all other variables remain constant. The stated changes represent management's assessment of reasonably possible changes in the relevant stock market index or the relevant risk variables over the period until the next annual balance sheet date. The analysis is performed on the same basis for 2007.

(f) Fair values

All financial instruments are carried at amounts not materially different from their fair values as at 31 March 2008 and 2007.

4 金融工具 (續)

(e) 證券價格風險 (續)

敏感度分析乃假設證券市場指數的合理可能變動或其他有關風險變數已於結算日出現，並已應用於本集團所承擔於當日已存在的證券價格風險而釐定。同時假設本集團證券投資的公平值會根據有關證券市場指數或有關風險變數的歷史相互關係出現相應變動，而本集團的可供出售投資不會因有關證券市場指數的合理可能下跌或其他有關風險變數而被視為已減值，且所有其他變數維持不變。上述變動為管理層對直至下一個年度結算日期間有關證券市場指數或有關風險變數的合理可能變動所進行的評估。有關分析按與二零零七年所用的相同基準進行。

(f) 公平值

所有金融工具的列賬金額與其於二零零八年及二零零七年三月三十一日的公平值並無重大差別。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements used in preparing the financial statements 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. The Group makes estimate and assumptions concerning the future. The resulting accounting estimates may not equal to the related actual results. The estimates and assumptions that have a significant effect on the carrying amounts of assets and liabilities are discussed below:

(a) Impairment of non-financial assets

The Group tests at least annually whether goodwill and other assets that have indefinite useful lives have suffered any impairment.

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset of a cash-generating unit has been determined based on value-in-use calculations. These calculations require the use of estimates.

The value-in-use calculations primarily use cash flow projections based on five-year financial budgets approved by management and estimated terminal values at the end of the five-year period. There are a number of assumptions and estimates involved for the presentation of cash flow projections for the period covered by the approved budget and the estimated terminal value. Key assumptions include the expected growth in revenue and operating margin, effective tax rate, growth rates and selection of discount rates, to reflect the risks involved and the earnings multiple that can be realised for the estimated terminal value.

5 重大會計估計及判斷

本集團會持續評估編製財務報表時所使用的估計及判斷，而有關估計及判斷乃基於過往經驗及其他因素作出，包括對在具體情況下相信屬合理的未來事件的預期。本集團亦會對未來作出估計及假設。由此所得的會計估計可能有別於有關實際結果。對資產及負債的賬面值造成重大影響的估計及假設討論如下：

(a) 非金融資產減值

本集團至少每年測試商譽及其他並無明確可使用年期的資產有否減值。

本集團亦會於發生事件或情況有變顯示其他資產的賬面值超過其可收回金額時，審視有關資產有否出現減值。現金產生單位的資產的可收回金額以使用值計算法釐定。有關計算需要動用估計。

使用值主要根據經管理層審批的五年財務預算作出的現金流量預測及五年期末的評估終值計算。呈列於經審批預算及評估終值所涵蓋的期間現金流量預測時涉及多項假設及評估。主要假設包括預期收益增長及經營利潤、實際稅率、增長率及折現率的選擇，以反映所涉及的風險及評估終值可變現的盈利倍數。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(a) Impairment of non-financial assets (continued)

Management prepared the financial budgets reflecting actual and prior year performance and market development expectations. Judgement is required to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

(b) Useful lives of property, plant and equipment

The directors determine the estimated useful lives and residual values for its property, plant and equipment. The directors revise the depreciation charge when useful lives are different from previously estimates. Obsolete or non-strategic assets, that have been abandoned or sold, shall be written off or written down.

(c) Share-based payments

The fair value of option granted is measured using Trinomial model based on various assumptions on volatility, option life, dividend yield and annual risk-free interest rate, excluding the impact of any non-market vesting conditions, which generally represent the best estimate of the fair values of the share options at date of grant.

5 重大會計估計及判斷 (續)

(a) 非金融資產減值 (續)

管理層編製的財務預算反映當年及往年表現以及對市場發展的預期。釐定現金流量預測所用主要假設時須作出判斷，更改主要假設可重大影響現金流量預測及減值檢討結果。

(b) 物業、廠房及設備的可使用年期

董事釐定物業、廠房及設備的估計可使用年期及剩餘價值。當可使用年期有別於過往所估計者時，董事會修訂折舊費用。已報廢或出售的過時或非策略性資產須予以撇銷或撇減。

(c) 以股份支付的款項

已授出的購股權的公平值乃根據波幅、購股權年期、股息收益率及零風險年利率等多項假設（不包括任何非市場歸屬條件的影響）使用三項式模式計量，一般為對購股權於授出日期的公平值作出的最佳估計。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(d) Estimation of oil reserves

Oil reserves are key elements in the Group's investment decision-making process. They are also an important element in depletion, depreciation and amortisation calculation and in testing for impairment. Changes in proven oil reserves will affect unit-of-production depreciation charges to profit or loss. Proven reserve estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans. In general, changes in the estimation of oil reserves resulting from new information becoming available from development and production activities have tended to be the most significant cause of annual revisions. Changes to the Group's estimates of proven reserves, may affect the amount of depletion, depreciation and amortisation recorded in the Group's financial statements for property, plant and equipment related to oil production activities. A reduction in proven reserves will increase depletion, depreciation and amortisation charges (assuming constant production) of oil properties and reduce profit.

5 重大會計估計及判斷 (續)

(d) 石油儲量估計

石油儲量為本集團投資決策過程中的重要因素，亦為損耗、折舊及攤銷計算以及減值測試中的重要因素。探明石油儲量的變動會影響於損益支銷的產量折舊費用。探明儲量估計可因應有關開發、鑽探及生產活動或經濟因素（包括產品價格、合約條款或開發計劃）變化等新資料而上調或下調。一般而言，因開發及生產活動而得的新資料所造成的石油儲量估計變動為作出年度修訂的最主要原因。本集團對探明儲量的估計有變，可能影響本集團財務報表內與石油生產活動有關的物業、廠房及設備所錄得的損耗、折舊及攤銷金額。探明儲量減少將增加採油資產的損耗、折舊及攤銷費用（假設產量不變）及令溢利減少。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

(e) Oil production sharing contract

As disclosed in note 22(b) and pursuant to the Qiqihar Contract, the exploitation rights granted by the PRC Government for the Qiqihar Contract to Qiqihar Oil will expire on August 2010. However, under the terms of Qiqihar Contract, the jointly operating parties are responsible for the renewal of the rights. The management of the Group expects that the rights will be granted for the extension of at least another 17 years of production period. Up to the date of this report, the success of the application to extend the rights has not yet confirmed. If the Group fails in its application for the extension, the related oil properties, exploitation rights and related assets existed of approximately HK\$588,694,000 as at 31 March 2008 may be impaired and this would reduce profit.

5 重大會計估計及判斷 (續)

(e) 石油產品分成合同

如附註22(b)所披露及根據齊齊哈爾合同，中國政府就齊齊哈爾合同授予齊齊哈爾油田的開採權將於二零一零年八月屆滿。然而，根據齊齊哈爾合同的條款，合營各方有責任更新有關權利。本集團管理層預期有關權利可獲延長最少另一個十七年生產期。截至本報告日期尚未確定能否成功申請延長有關權利。如本集團延長有關權利的申請不獲接納，於二零零八年三月三十一日約值港幣588,694,000元的相關採油資產、開採權及現存相關資產可能出現減值，並可能令溢利減少。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

6 SEGMENT INFORMATION

(a) Business segments

		Paints, blended solvents and chemical materials 油漆-混合溶劑及化工原料		Plastic colorants 塑料着色劑		Service contract 服務合約		Property investment 物業投資		Crude oil 原油		Eliminations 對銷		Total 總計	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Segment revenue	分類收益														
Revenue from external customers	外來客戶收益	312,763	296,889	9,663	12,846	20,049	-	8,053	-	1,002	-	-	-	351,530	309,735
Inter-segment revenue	內部分類收益	-	2,346	-	-	-	-	-	-	-	-	-	(2,346)	-	-
Other revenue from external customers	外來客戶其他收益	3,446	1,974	127	167	-	-	26	-	-	-	-	-	3,599	2,141
		316,209	301,209	9,790	13,013	20,049	-	8,079	-	1,002	-	-	(2,346)	355,129	311,876
Segment results	分類業績	(30,323)	22,475	(226)	821	3,070	-	(1,258)	-	743,071	-	-	-	714,334	23,296
Unallocated expenses	未分配開支													(107,394)	(19,195)
Unallocated income	未分配收入													-	3,101
Interest income	利息收入													3,998	410
Profit from operations	經營溢利													610,938	7,612
Finance cost	融資成本													(10,161)	(4,639)
Profit before income tax	除所得稅前溢利													600,777	2,973
Income tax	所得稅													528	(733)
Profit for the year	本年度溢利													601,305	2,240
Segment assets	分類資產	316,226	299,000	4,448	5,526	11,344	-	18,749	-	1,798,908	-	-	-	2,149,675	304,526
Unallocated corporate assets	未分配公司資產													190,550	60,576
														2,340,225	365,102
Segment liabilities	分類負債	27,384	50,767	445	1,785	1,236	-	411	-	125,037	-	-	-	154,513	52,552
Unallocated corporate liabilities	未分配公司負債													105,967	76,879
														260,480	129,431
Other segment information	其他分類資料														
Capital expenditure	資本開支	36,690	28,909	24	217	65	-	-	-	27,955	-	-	-		
Depreciation and amortisation	折舊及攤銷	11,719	10,134	480	515	97	-	3	-	603	-	-	-		
Impairment	減值	26,898	-	137	-	4,993	-	-	-	1,227	-	-	-		

(b) Geographical segments

No geographical segment analysis is presented as less than 10% of the Group's turnover and contribution to operating profit is attributable to customers located outside the PRC.

6 分類資料

(a) 業務分類

(b) 地區分類

由於中國境外客戶應佔本集團營業額和經營溢利貢獻少於10%，故並無呈報地區分類分析。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

7 TURNOVER AND REVENUE

The Group is principally engaged in the manufacture and sale of paints, blended solvents and plastic colorants, trading of chemical materials, provision of painting service, property investment and exploitation and sale of crude oil. Revenue recognised during the year are as follows:

7 營業額及收益

本集團主要從事製造及銷售油漆、混合溶劑及塑料着色劑、買賣化工原料、提供塗料服務、物業投資以及開採及銷售原油。於本年度已確認的收益如下：

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Turnover	營業額	351,530	309,735
Other revenue	其他收益		
Bank interest income	銀行利息收入	3,723	410
Other income	其他收入	906	952
Other interest income	其他利息收入	275	-
Rental income	租金收入	2,269	1,189
Subcontracting income	分包收入	424	-
		7,597	2,551

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

8 OTHER NET (EXPENSES)/INCOME

8 其他(開支)/收入淨額

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Gain/(loss) on disposal of property, plant and equipment	出售物業、廠房及設備的收益／(虧損)	825	(450)
Bad debts recovery	收回壞賬	-	1,000
Bad debts written off	壞賬撇銷	(1,337)	(18)
Exchange (loss)/gain, net	匯兌(虧損)/收益淨額	(4,439)	1,569
Fair value adjustment on derivative of convertible bonds	可換股債券衍生工具的公平值調整	5,264	-
Impairment on other intangible assets	其他無形資產減值	(5,650)	-
Impairment on goodwill	商譽減值	(20,012)	(6)
Impairment on trade and other receivables	貿易及其他應收款項減值	(6,057)	(446)
Net realised and unrealised (loss)/gain on derivative financial instruments	衍生金融工具的已變現及未變現(虧損)/收益淨額	(101,046)	1,631
Net realised and unrealised (loss)/gain on trading securities	買賣證券的已變現及未變現(虧損)/收益淨額	(6,206)	1,214
Unrealised loss on properties held for trading	持有作買賣的物業的未變現虧損	(870)	-
Issue cost on convertible bonds	可換股債券的發行成本	(8,423)	-
Others	其他	(458)	133
		(148,409)	4,627

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

9 PROFIT FROM OPERATIONS

Profit from operations is stated after charging/(crediting) the following:

9 經營溢利

經營溢利於扣除／(計入)下列各項後列賬：

		Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Amortisation	攤銷		
– exploration and evaluation assets	– 勘探及評估資產	331	–
– prepaid land lease payments	– 預付土地租賃款項	463	723
– investment properties	– 投資物業	1	1
– intangible assets	– 無形資產	7,349	–
Auditors' remuneration	核數師酬金		
– provision for the year	– 本年度撥備	1,814	1,352
– overprovision in prior year	– 上年度超額撥備	–	(29)
Cost of inventories (note (a))	存貨成本(附註(a))	304,900	229,749
Depreciation	折舊		
– owned property, plant and equipment	– 自置物業、廠房及設備	11,975	9,575
– leased property, plant and equipment	– 租賃物業、廠房及設備	–	350
Impairment loss on inventories	存貨的減值虧損	1,536	58
Impairment loss on available-for-sale financial assets	可供銷售金融資產的減值虧損	183	–
Operating lease charges: minimum lease payments	經營租賃支出：最低租金		
– hire of land and buildings	– 土地及樓宇租金	2,001	995
– hire of plant and machinery	– 廠房及機器租金	179	21
Research and development costs (note (b))	研發成本(附註(b))	1,117	368
Staff costs (including directors' emoluments) (note 15)	員工成本(包括董事酬金)(附註15)	99,709	39,164

Note:

- (a) Cost of inventories includes HK\$13,946,000 (2007: HK\$9,328,000) relating to staff costs, depreciation and amortisation expenses, operating lease charges, which amount is also included in the respective total amounts disclosed separately above for each of those types of expenses.
- (b) Research and development costs including HK\$709,000 (2007: HK\$304,000) relating to staff costs and depreciation, which amount is also included in the respective total amounts disclosed respectively above for each of those types of expenses.

附註：

- (a) 存貨成本包括員工成本、折舊及攤銷開支、經營租賃支出共港幣13,946,000元(二零零七年：港幣9,328,000元)，該金額亦已納入上文就各類開支獨立披露的每項總金額內。
- (b) 研發成本包括有關員工成本及折舊的款項港幣709,000元(二零零七年：港幣304,000元)，該金額亦已納入上文就各類開支披露的每項總金額內。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

10 FINANCE COSTS

Interest on bank loans and overdrafts	銀行貸款與透支利息
Interest element on finance leases	融資租賃的利息部分
Interest on convertible bonds	可換股債券的利息
Other interest expenses	其他利息開支

10 融資成本

2008	2007
二零零八年	二零零七年
HK\$'000	HK\$'000
港幣千元	港幣千元
2,531	4,610
55	29
6,987	–
588	–
10,161	4,639

11 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

Current tax:	本期稅項：
– Hong Kong profits tax	– 香港利得稅
– PRC enterprise income tax	– 中國企業所得稅
Deferred taxation relating to the origination and reversal of temporary differences (note 34)	與暫時差異的產生及撥回有關的遞延稅項 (附註34)
Income tax (credit)/charge	所得稅 (抵免) / 支出

11 於綜合收益表入賬的所得稅

(a) 於綜合收益表入賬的稅項指：

Group	
本集團	
2008	2007
二零零八年	二零零七年
HK\$'000	HK\$'000
港幣千元	港幣千元
–	54
395	56
(923)	623
(528)	733

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Taxation in the consolidated income statement represents: (continued)

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits for Hong Kong profits tax purposes during the year. Hong Kong profits tax has been provided at 17.5% on the estimated assessable profit for the year ended 31 March 2007.

Pursuant to relevant tax rules and regulations in the PRC, Beijing Arch Technology Co., Limited (“Beijing Arch”), a subsidiary of the Group, is subject to an enterprise income tax of 18%. For the year ended 31 March 2007, certain of the Group’s PRC subsidiaries are subject to an enterprise income tax of 27% on the estimated assessable profit of the PRC subsidiaries for that year.

Pursuant to the PRC Enterprise Income Tax Law (the “New Law”) passed by the Tenth National People’s Congress on 16 March 2007, the new PRC income tax rates for domestic and foreign enterprises are unified at 25% effective from 1 January 2008. The enactment of the New Law is not expected to have any significant financial effect on the amounts accrued in the consolidated balance sheet in respect of taxation payable and deferred taxation.

11 於綜合收益表入賬的所得稅 (續)

(a) 於綜合收益表入賬的稅項指： (續)

由於本集團於本年度並無任何應課香港利得稅溢利，故並無就香港利得稅計提撥備。截至二零零七年三月三十一日止年度，香港利得稅已根據該年度估計應課稅溢利按稅率17.5%計提撥備。

根據中國有關稅務規則及法規，本集團的附屬公司北京亞祺偉業科技有限公司（「北京亞祺偉業」）須按稅率18%繳納企業所得稅。截至二零零七年三月三十一日止年度，本集團若干中國附屬公司須根據中國附屬公司於該年度的估計應課稅溢利按稅率27%納企業所得稅。

根據於二零零七年三月十六日舉行的第十屆全國人民代表大會上頒佈的中國企業所得稅法（「新稅法」），內資及外資企業的新中國所得稅率統一為25%，由二零零八年一月一日起生效。新稅法的頒行預期不會對綜合資產負債表內有關應付稅項及遞延稅項的應計金額構成任何重大財務影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

11 INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (continued)

(a) Taxation in the consolidated income statement represents: (continued)

Reconciliation between tax (credit)/charge and accounting profit at applicable tax rate:

11 於綜合收益表入賬的所得稅 (續)

(a) 於綜合收益表入賬的稅項指： (續)

稅項(抵免)／支出與按適用稅率計算的會計溢利的對賬如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元 (restated) (重列)
Profit before income tax	除所得稅前溢利	600,777	2,973
Notional tax on profit before income tax, calculated at 17.5% (2007: 17.5%)	按稅率17.5% (二零零七年: 17.5%) 計算的除所得稅前 溢利名義稅項	105,136	520
Effect of different taxation rates in other jurisdictions	其他司法權區不同稅率 的影響	(2,983)	154
Tax effect of temporary differences not recognised	未確認暫時差額的 稅務影響	1,459	(252)
Tax effect of unused tax losses not recognised	未確認未動用稅項虧損的 稅務影響	19,898	1,133
Tax effect of utilisation of tax losses not previously recognised	動用過往未確認稅項虧損 的稅務影響	-	(69)
Tax effect on non-taxable income	毋須課稅收入的稅務影響	(136,809)	(5,034)
Tax effect on non-deductible expenses	不可扣稅開支的稅務影響	12,771	4,281
Income tax (credit)/charge	所得稅(抵免)／支出	(528)	733

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

12 LOSS ATTRIBUTABLE TO SHAREHOLDERS OF THE COMPANY

The consolidated profit attributable to shareholders of the Company for the year ended 31 March 2008 includes a loss of approximately HK\$177,509,000 (2007: HK\$18,598,000) which has been dealt with in the financial statements of the Company.

13 FINAL DIVIDEND AND PROPOSED ISSUE OF WARRANTS

The Board proposed to distribute to the Company's shareholders a final dividend for the year ended 31 March 2008 in the form of warrants to be issued on the basis of one warrant for every twelve existing Company shares held by the Company's shareholders whose names appear on the register of members of the Company as at the close of business on 26 September 2008. Each warrant will entitle the Company's shareholders to subscribe for one new Company share at an initial subscription price of HK\$0.5 per Company share in cash, subject to antidilutive adjustments at any time during a period of twenty four months commencing from the date of issue of the warrant. Further details with respect of the warrants issue will be published in a separate announcement.

Reference is also made to the results announcement of the Company dated 26 July 2008. The Directors noted that there were typographical mistakes in the results announcement. In particular, it was mistakenly stated that the final dividend in the form of warrants will be issued on the basis of one warrant for every ten existing Company Shares. The Directors wish to clarify that the final dividend in the form of warrants will be issued on the basis of one warrant for every twelve existing Company Shares. The Directors would like to apologise for any inconvenience that may have caused by such typographical mistakes.

12 本公司股東應佔的虧損

於本公司財務報表內處理截至二零零八年三月三十一日止年度的本公司股東應佔綜合溢利包括虧損約港幣177,509,000元(二零零七年:港幣18,598,000元)。

13 末期股息及建議發行認股權證

董事會建議透過向於二零零八年九月二十六日營業時間結束時名列本公司股東名冊的本公司股東按彼等每持有十二股本公司現有股份獲發行一份認股權證的基準,以發行認股權證的形式向本公司股東分派截至二零零八年三月三十一日止年度的末期股息。每份認股權證將賦予本公司股東權利,按初步認購價每股本公司股份港幣0.5元以現金認購一股本公司新股份,並可於發行認股權證當日起計二十四個月期間內的任何時間作出反攤薄調整。本公司將就發行認股權證的其他詳情另行刊發公告。

謹此提述本公司於二零零八年七月二十六日發表的業績公告。董事注意到業績公告中出現手民之誤,尤其是將以發行認股權證形式派發末期股息的基準,誤列為按每持有十股本公司現有股份獲發行一份認股權證。董事謹此澄清,以發行認股權證形式派發末期股息的基準,為按每持有十二股本公司現有股份獲發行一份認股權證。董事謹對有關手民之誤可能引致的任何不便致歉。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to ordinary shareholders of the Company of approximately HK\$610,535,000 (2007: HK\$2,070,000) and the weighted average number of approximately 1,114,080,000 (2007: 746,035,000) ordinary shares in issue during the year.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to ordinary shareholders of the Company of approximately HK\$616,299,000 (2007: HK\$2,070,000) and the weighted average number of approximately 1,198,931,000 (2007: 784,190,000) ordinary shares.

- (i) Profit attributable to ordinary shareholders of the Company (diluted)

14 每股盈利

(a) 每股基本盈利

每股基本盈利是根據年內本公司普通股股東應佔溢利約港幣610,535,000元(二零零七年:港幣2,070,000元)及已發行普通股的加權平均數約1,114,080,000股(二零零七年:746,035,000股)計算。

(b) 每股攤薄盈利

每股攤薄盈利是根據本公司普通股股東應佔溢利約港幣616,299,000元(二零零七年:港幣2,070,000元)及普通股的加權平均數約1,198,931,000股(二零零七年:784,190,000股)計算。

- (i) 本公司普通股股東應佔溢利(攤薄)

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Profit attributable to ordinary shareholders	普通股股東應佔溢利	610,535	2,070
After tax effect of effective interest on the liability component of convertible bonds	計及可換股債券負債部分的實際利息的稅務影響	5,764	-
Profit attributable to ordinary shareholders (diluted)	普通股股東應佔溢利(攤薄)	616,299	2,070

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

14 EARNINGS PER SHARE (continued)

(b) Diluted earnings per share (continued)

- (ii) Weighted average number of ordinary shares (diluted)

		2008 二零零八年 No. of shares 股份數目 '000 千股	2007 二零零七年 No. of shares 股份數目 '000 千股
Weighted average number of ordinary shares at 31 March	於三月三十一日的普通股加權平均數	1,114,080	746,035
Effect of conversion of convertible bonds (note 33)	轉換可換股債券的影響 (附註33)	84,148	–
Effect of deemed issue of shares under the Company's share option scheme for nil consideration (note 36)	被視作根據本公司購股權計劃無償發行股份的影響 (附註36)	703	38,155
Weighted average number of ordinary shares (diluted) at 31 March	於三月三十一日的普通股加權平均數 (攤薄)	1,198,931	784,190

14 每股盈利 (續)

(b) 每股攤薄盈利 (續)

- (ii) 普通股的加權平均數 (攤薄)

15 STAFF COSTS (INCLUDING DIRECTORS' REMUNERATION)

15 員工成本 (包括董事酬金)

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Salaries, wages and other benefits	薪金、工資及其他福利	38,465	24,982
Share-based payments	以股份支付的款項	60,140	13,584
Contributions to defined contribution retirement plan	定額供款退休計劃的供款	1,104	598
		99,709	39,164

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16 REMUNERATION FOR DIRECTORS AND HIGHEST PAID INDIVIDUALS

(a) Directors' remuneration

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

16 董事及最高薪人士酬金

(a) 董事酬金

董事酬金根據香港公司條例第161條披露如下：

		Group 本集團				2007 二零零七年
		2008 二零零八年				2007 二零零七年
		Salaries, Directors' fees	allowances and benefits in kind	Retirement scheme contributions	Employee share option benefits	Total
		薪金、津貼 及實物利益	退休計劃 供款	僱員 購股權福利	合計	合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Executive Directors	執行董事					
Mr. Poon Sum	潘森先生	-	5,761	12	28,589	34,362
Mr. Wong Kwok Leung	黃國良先生	-	520	12	-	532
Mr. Poon Wai Kong	潘偉剛先生	-	1,612	12	611	2,235
		-	7,893	36	29,200	37,129
Independent Non-Executive Directors	獨立非執行董事					
Mr. Chan Shu Kin	陳樹堅先生	242	-	-	405	647
Mr. Chan Kam Ching Paul	陳錦程先生	242	-	-	405	647
Mr. Cheung Kwan Hung	張鈞鴻先生	242	-	-	405	647
Non-Executive Directors	非執行董事					
Mr. Chen Lizhong	陳立忠先生	291	-	-	-	291
Ms. Chew Lye Yin	趙麗瑛女士	-	-	-	-	-
		1,017	-	-	1,215	2,232
Total	合計	1,017	7,893	36	30,415	39,361
						10,752

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16 REMUNERATION FOR DIRECTORS AND HIGHEST PAID INDIVIDUALS (continued)

(a) Directors' remuneration (continued)

None of the directors of the Company waived any emoluments paid by the Group during the year (2007: HK\$Nil).

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include two (2007: three) directors whose emoluments have been reflected in the analysis presented above. The emoluments payable to the remaining three (2007: two) individuals during the year are as follows:

16 董事及最高薪人士酬金 (續)

(a) 董事酬金 (續)

年內，本公司董事概無放棄收取本集團所支付的任何酬金 (二零零七年：無)。

(b) 五名最高薪人士

本年度為本集團薪酬最高的五名人士包括兩名 (二零零七年：三名) 董事，其酬金於上文所呈報的分析中反映。年內，應付予其餘三名 (二零零七年：兩名) 人士的酬金如下：

		Group 本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Salaries and other emoluments	薪金及其他酬金	6,542	860
Retirement scheme contributions	退休計劃供款	24	24
Share-based payments	以股份支付的款項	30,137	116
		36,703	1,000

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

16 REMUNERATION FOR DIRECTORS AND HIGHEST PAID INDIVIDUALS (continued)

(b) Five highest paid individuals (continued)

The emoluments of these individuals fell within the following bands:

Emolument bands	酬金範圍
Nil to HK\$1,000,000	零至港幣1,000,000元
HK\$1,000,000 to HK\$2,000,000	港幣1,000,000元至 港幣2,000,000元
HK\$2,000,000 to HK\$3,000,000	港幣2,000,000元至 港幣3,000,000元

During the current and prior year, no emoluments were paid by the Group to any of the above directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

16 董事及最高薪人士酬金 (續)

(b) 五名最高薪人士 (續)

該等人士的酬金屬於以下範圍：

Group Number of individuals 本集團 人數		2008 二零零八年	2007 二零零七年
Nil to HK\$1,000,000	零至港幣1,000,000元	–	2
HK\$1,000,000 to HK\$2,000,000	港幣1,000,000元至 港幣2,000,000元	2	–
HK\$2,000,000 to HK\$3,000,000	港幣2,000,000元至 港幣3,000,000元	1	–
		3	2

於本年度及過往年度，本集團並無向上述任何董事或五名最高薪人士支付任何酬金，作為加入本集團的獎賞或作為離職補償。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 PROPERTY, PLANT AND EQUIPMENT

17 物業、廠房及設備

		Group 本集團						Total 合計
		Buildings 樓宇	Plant and machinery 廠房與機器	Furniture, fixtures and equipment 傢具、裝置與設備	Motor vehicles 汽車	Oil properties 採油資產	Construction in progress 在建工程	
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cost	成本值							
At 1 April 2006	於二零零六年 四月一日	72,323	39,692	31,218	9,840	-	529	153,602
Additions	添置	44	7,766	8,381	837	-	12,098	29,126
Disposals	出售	(2,559)	(4,038)	(9,217)	(80)	-	-	(15,894)
Transfers	轉撥	8,086	3,923	-	-	-	(12,009)	-
Exchange adjustments	匯兌調整	648	1	-	-	-	-	649
At 31 March 2007	於二零零七年 三月三十一日	78,542	47,344	30,382	10,597	-	618	167,483
At 1 April 2007	於二零零七年 四月一日	78,542	47,344	30,382	10,597	-	618	167,483
Acquisition through business combination	透過業務 合併收購	-	34	54	500	-	-	588
Additions	添置	11,265	20,178	7,724	1,664	12,486	500	53,817
Disposals	出售	(8,980)	-	(18)	(3,292)	-	-	(12,290)
Transfers	轉撥	618	-	-	-	-	(618)	-
Exchange adjustments	匯兌調整	2,348	2,140	973	455	-	-	5,916
At 31 March 2008	於二零零八年 三月三十一日	83,793	69,696	39,115	9,924	12,486	500	215,514

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 PROPERTY, PLANT AND EQUIPMENT (continued)

17 物業、廠房及設備 (續)

		Group 本集團						
		Buildings	Plant and machinery	Furniture, fixtures and equipment	Motor vehicles	Oil properties	Construction in progress	Total
		樓宇	廠房與機器	傢具、裝置與設備	汽車	採油資產	在建工程	合計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元	港幣千元
Accumulated depreciation and impairment	累計折舊及減值							
At 1 April 2006	於二零零六年四月一日	3,173	13,018	22,517	6,041	-	-	44,749
Charge for the year	本年度支銷	2,041	3,764	2,770	1,350	-	-	9,925
Written back on disposals	出售時撥回	(687)	(3,581)	(9,217)	(79)	-	-	(13,564)
Exchange adjustments	匯兌調整	10	-	-	-	-	-	10
At 31 March 2007	於二零零七年三月三十一日	4,537	13,201	16,070	7,312	-	-	41,120
At 1 April 2007	於二零零七年四月一日	4,537	13,201	16,070	7,312	-	-	41,120
Charge for the year	本年度支銷	2,112	4,866	3,315	1,123	559	-	11,975
Written back on disposals	出售時撥回	-	-	(1)	(2,729)	-	-	(2,730)
Exchange adjustments	匯兌調整	212	765	722	293	34	-	2,026
At 31 March 2008	於二零零八年三月三十一日	6,861	18,832	20,106	5,999	593	-	52,391
Carrying amount	賬面值							
At 31 March 2008	於二零零八年三月三十一日	76,932	50,864	19,009	3,925	11,893	500	163,123
At 31 March 2007	於二零零七年三月三十一日	74,005	34,143	14,312	3,285	-	618	126,363

At 31 March 2008, the carrying amount of motor vehicles held by the Group under finance lease amounted to HK\$Nil (2007: HK\$1,888,000).

於二零零八年三月三十一日，本集團根據融資租賃持有的汽車的賬面值為港幣零元（二零零七年：港幣1,888,000元）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

17 PROPERTY, PLANT AND EQUIPMENT (continued)

The Group's buildings at their carrying amounts are analysed as follows:

17 物業、廠房及設備 (續)

本集團的樓宇按其賬面值分析如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
In Hong Kong	位於香港		
Medium-term leases	中期租賃	415	424
Outside Hong Kong	位於香港以外地區		
Short-term leases	短期租賃	47,296	34,139
Medium-term leases	中期租賃	29,221	39,442
		76,932	74,005

18 EXPLORATION AND EVALUATION ASSETS

18 勘探及評估資產

		Group 本集團 HK\$'000 港幣千元
Cost	成本值	
Additions and at 31 March 2008	添置及於二零零八年三月三十一日	14,504
Accumulated amortisation	累計攤銷	
Charge for the year	本年度支銷	331
Exchange adjustments	匯兌調整	21
At 31 March 2008	於二零零八年三月三十一日	352
Carrying amount	賬面值	
At 31 March 2008	於二零零八年三月三十一日	14,152

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19 PREPAID LAND LEASE PAYMENTS

19 預付土地租賃款項

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Cost	成本值		
At 1 April	於四月一日	29,491	32,053
Additions	添置	5,393	–
Disposals	出售	–	(3,598)
Exchange adjustments	匯兌調整	2,929	1,036
		<hr/>	<hr/>
At 31 March	於三月三十一日	37,813	29,491
		<hr/>	<hr/>
Accumulated amortisation and impairment	累計攤銷及減值		
At 1 April	於四月一日	1,201	1,449
Charge for the year	本年度支銷	463	723
Written back on disposals	出售時撥回	–	(979)
Exchange adjustments	匯兌調整	116	8
		<hr/>	<hr/>
At 31 March	於三月三十一日	1,780	1,201
		<hr/>	<hr/>
Carrying amount	賬面值		
At 31 March	於三月三十一日	36,033	28,290
		<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

19 PREPAID LAND LEASE PAYMENTS (continued)

The Group's prepaid land lease payments at their carrying amounts are analysed as follows:–

In Hong Kong	位於香港
Medium-term leases	中期租賃
Outside Hong Kong	位於香港以外地區
Medium-term leases	中期租賃

At 31 March 2008, the Group's prepaid land lease payments situated in the PRC, with an aggregate carrying value of approximately HK\$45,385,000 (2007: HK\$41,893,000), were pledged to secure banking facilities granted to the Group (note 40).

19 預付土地租賃款項 (續)

本集團的預付土地租賃款項按其賬面值分析如下：

		Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
In Hong Kong	位於香港		
Medium-term leases	中期租賃	1,285	1,315
Outside Hong Kong	位於香港以外地區		
Medium-term leases	中期租賃	34,748	26,975
		36,033	28,290

於二零零八年三月三十一日，本集團位於中國的預付土地租賃款項，賬面總值約為港幣45,385,000元（二零零七年：港幣41,893,000元）已作抵押，以取得授予本集團的銀行信貸（附註40）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

20 INVESTMENT PROPERTIES

20 投資物業

		Group 本集團	
		2008	2007
		二零零八年	二零零七年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Cost	成本值		
At 1 April and 31 March	於四月一日及三月三十一日	27	27
Accumulated amortisation	累計攤銷		
At 1 April	於四月一日	12	11
Charge for the year	本年度支銷	1	1
At 31 March	於三月三十一日	13	12
Carrying amount	賬面值		
At 31 March	於三月三十一日	14	15

At 31 March 2008, the Group's investment properties are situated in Hong Kong and held under medium-term leases.

於二零零八年三月三十一日，本集團的投資物業位於香港，以中期租賃持有。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

21 GOODWILL

21 商譽

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Cost	成本值		
At 1 April	於四月一日	10,430	10,424
Additions	添置	9,588	6
		<hr/>	<hr/>
At 31 March	於三月三十一日	20,018	10,430
		<hr/>	<hr/>
Accumulated impairment	累計減值		
At 1 April	於四月一日	6	–
Impairment	減值	20,012	6
		<hr/>	<hr/>
At 31 March	於三月三十一日	20,018	6
		<hr/>	<hr/>
Carrying amount	賬面值		
At 31 March	於三月三十一日	–	10,424
		<hr/>	<hr/>

At 31 March 2008, due to changes in market condition, an impairment loss of approximately HK\$20,012,000 was recognised in profit or loss for the year.

於二零零八年三月三十一日，由於市況有變，本年度的損益確認減值虧損約港幣20,012,000元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

22 OTHER INTANGIBLE ASSETS

22 其他無形資產

		Group 本集團		
		Customer list 客戶名單 HK\$'000 港幣千元	Exploitation rights 開採權 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Cost	成本值			
Acquisition through business combination and at 31 March 2008	透過業務合併收購及於二零零八年三月三十一日	5,650	1,763,975	1,769,625
Accumulated amortisation and impairment	累計攤銷及減值			
Amortisation for the year	本年度攤銷	–	7,349	7,349
Impairment (note (a))	減值(附註(a))	5,650	–	5,650
At 31 March 2008	於二零零八年三月三十一日	5,650	7,349	12,999
Carrying amount	賬面值			
At 31 March 2008	於二零零八年三月三十一日	–	1,756,626	1,756,626

(a) At 31 March 2008, the Group carried out reviews of the recoverable amount of its customer list, having regard to the changes in market conditions, an impairment loss of approximately HK\$5,650,000 was recognised in profit or loss for the year.

(b) Exploitation rights represent the rights for mining and exploitation in the location of Heilongjiang Province of PRC expiring in 2027. The average remaining amortisation period of the exploitation rights is 20 years as at 31 March 2008.

(a) 於二零零八年三月三十一日，本集團已檢討其客戶名單中的可收回金額，考慮到市況有變，本年度的損益確認減值虧損約港幣5,650,000元。

(b) 開採權指於中國黑龍江省採礦及開採的權利，將於二零二七年屆滿。於二零零八年三月三十一日，開採權的平均餘下攤銷期為二十年。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

22 OTHER INTANGIBLE ASSETS (continued)

Pursuant to an oil production sharing contract (the “Qiqihar Contract”) entered on 16 April 2007 between the Group and a PRC incorporated oil exploitation and sales company 齊齊哈爾油田開發建設總公司 (“Qiqihar Oil”) to develop and produce crude oil in certain parts of the Fu710 and Meilisi 723 districts in the Fulaerjiqu Oilfield, Qiqihar City, Heilongjiang Province, the PRC (the “Joint Development Zone”), the Group and Qiqihar Oil, the holder of the exploitation license for the Joint Development Zone, formed a jointly controlled entity, 齊齊哈爾市東北石油開發有限責任公司 (“齊齊哈爾石油”) on 25 May 2007, which the registered capital is USD6,450,000. Under the Qiqihar contract, Qiqihar Oil would provide 5% of the share capital and the exclusive rights to exploit oil in Joint Development Zone to 齊齊哈爾石油 for 20 years from 2007 to 2027. In return Qiqihar Oil collects a 5% of the total oil revenue to be generated from the Joint Development Zone. The Group is responsible for 95% of the registered capital amounting to USD6,130,000. The Group is responsible for contributing all the relevant capital expenditures for the exploitation business and to bear all the operating costs involved. In return, the Group is entitled to share all the profit after the deduction of 5% of the total oil revenue to Qiqihar Oil mentioned above.

22 其他無形資產 (續)

於二零零七年四月十六日，本集團與齊齊哈爾油田開發建設總公司（「齊齊哈爾油田」，於中國註冊成立的石油開採及銷售公司）訂立石油產品分成合同（「齊齊哈爾合同」），內容有關於中國黑龍江省齊齊哈爾市富拉爾基油田的富710礦區及梅里斯723礦區若干部分（「共同開發區」）開發及生產原油。根據齊齊哈爾合同，本集團與持有共同開發區開採執照的齊齊哈爾油田於二零零七年五月二十五日成立共同控制實體齊齊哈爾市東北石油開發有限責任公司（「齊齊哈爾石油」），齊齊哈爾石油的註冊資本為6,450,000美元。根據齊齊哈爾合同，齊齊哈爾油田將由二零零七年起至二零二七年止二十年間，向齊齊哈爾石油提供5%股本及於共同開發區開採石油的獨家權利，而齊齊哈爾石油則可收取共同開發區所得石油總收益的5%。本集團負責註冊資本的95%，為數6,130,000美元。本集團負責為開採業務提供所有相關資本開支，並須承擔涉及的一切經營成本，而本集團可享有經扣除上述齊齊哈爾石油所佔石油總收益的5%後的所有溢利。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

22 OTHER INTANGIBLE ASSETS (continued)

In accordance with the valuation report issued by LCH (Asia-Pacific) Surveyors Limited, an independent firm of professional valuers, the fair value of exploitation rights is determined with reference to the present value of expected net cash flows from the oil exploitation operation. The discount rate applied to cash flow projections is 17% and the total oil reserves, based on the new Chinese system (Rule 66) promulgated by the National Mineral Reserve Committee, amounted to approximately 20.26 million barrels in February 1994.

The amortisation charge for the year is included in “administrative expenses” in the consolidated income statement.

23 AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are investments in unlisted equity securities which were stated at cost as they do not have a quoted market price in an active market and whose fair value cannot be reliably measured.

22 其他無形資產 (續)

根據獨立專業估值師利駿行測量師有限公司發出的估值報告，開採權的公平值乃參照石油開採業務預期所得淨現金流的現值釐定。現金流量預測所用折現率為17%，而根據全國礦產儲量委員會頒佈的新中國制度（第66條）計算，總石油儲量於一九九四年二月約為20,260,000桶。

本年度的攤銷費用已計入綜合收益表中「行政開支」內。

23 可供銷售金融資產

可供銷售金融資產為非上市股本證券投資，由於在活躍市場上並無市場報價，且其公平值不能可靠計量，故按成本值列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 INVESTMENTS IN SUBSIDIARIES

24 於附屬公司的投資

		Company 本公司	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Unlisted investments, at cost	非上市投資，按成本值	73,772	57,942
Less: impairment loss	減：減值虧損	(10,000)	(10,000)
		63,772	47,942
Amounts due from subsidiaries	應收附屬公司款項	274,766	142,818

The amounts due from subsidiaries are unsecured, interest free and repayable on demand.

應收附屬公司款項為無抵押、免息及須按要項償還。

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

下表僅載列對本集團業績、資產或負債有重大影響的附屬公司詳情。除另有註明者外，所持股份類別均為普通股。

Name	Place of incorporation/ establishment	Particulars of issued/ registered and paid up capital	Attributable equity interest held	Principal activities and place of operation
名稱	註冊成立／成立地點	已發行／註冊及繳足股本的詳情	所持應佔股權	主要業務及經營地點

DIRECTLY HELD:

直接持有：

China Oil Resources Group Limited	British Virgin Islands (“BVI”)	100 shares of US\$1 each	100%	Investment holding in Hong Kong
中油資源集團有限公司	英屬處女群島	100股每股面值1美元的股份	100%	於香港從事投資控股
Wing Shing Group Limited (“WSGL”)	BVI	52,000 shares of US\$1 each	100%	Investment holding in Hong Kong
永成集團有限公司 (「永成集團」)	英屬處女群島	52,000股每股面值1美元的股份	100%	於香港從事投資控股

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 INVESTMENTS IN SUBSIDIARIES (continued)

24 於附屬公司的投資 (續)

Name 名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued/ registered and paid up capital 已發行/註冊及 繳足股本的詳情	Attributable equity interest held 所持 應佔股權	Principal activities and place of operation 主要業務及經營地點
INDIRECTLY HELD: 間接持有:				
America Archi Colors Group Limited ("America Archi") 美國亞祺塗料(集團) 有限公司 (「美國亞祺」)	BVI 英屬處女群島	500,000 shares of US\$1 each 500,000股每股面值 1美元的股份	51% 51%	Investment holding in the PRC 於中國從事投資控股
Beijing Arch Technology Co., Limited ("Beijing Arch") 北京亞祺偉業科技 有限公司 (「北京亞祺偉業」)	PRC 中國	RMB3,000,000 人民幣3,000,000元	51% 51%	Provision of painting service, sale and distribution of paint products 提供塗料服務、銷售及 分銷塗料產品
China Oil Resources Company Limited 中油資源有限公司	Hong Kong 香港	1 share of HK\$1 each 1股面值港幣 1元的股份	100% 100%	Inactive 無營業
Dongguan City Changan Xinyimei Paint Company Limited ("Xinyimei") 東莞市長安新意美塗料 有限公司(「新意美」)	PRC 中國	RMB10,500,000 人民幣10,500,000元	100% 100%	Manufacture and sale of lacquer and emulsion paint in the PRC 於中國製造及 銷售漆及乳膠漆

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 INVESTMENTS IN SUBSIDIARIES (continued)

24 於附屬公司的投資 (續)

Name 名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued/ registered and paid up capital 已發行/註冊及 繳足股本的詳情	Attributable equity interest held 所持 應佔股權	Principal activities and place of operation 主要業務及經營地點
<i>INDIRECTLY HELD: (continued)</i> 間接持有: (續)				
Dongguan Tung Shing Fat Chemical Company Limited ("Tung Shing Fat") 東莞東成發化工 有限公司(「東成發」)	PRC 中國	HK\$54,000,000 (note (a)) 港幣54,000,000元 (附註(a))	100% 100%	Manufacture of paints and blended solvents in the PRC 於中國製造油漆及 混合溶劑
Easyrich Group Holdings Limited ("Easyrich") 富順集團控股有限公司 (「富順」)	Hong Kong 香港	100 shares of HK\$1 each 100股每股面值 港幣1元的股份	51% 51%	Investment holding in Hong Kong 於香港從事投資控股
Go Wealthy Investment Limited 向富投資有限公司	Hong Kong 香港	1 share of HK\$1 each 1股面值 港幣1元的股份	100% 100%	Property holding in Hong Kong 於香港持有物業
Hai Yue Chemicals Company Limited ("Hai Yue") 海粵化工原料有限公司 (「海粵」)	Hong Kong 香港	1,000,000 shares of HK\$1 each 1,000,000股每股面值 港幣1元的股份	100% 100%	Investment holding in Hong Kong 於香港從事投資控股

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 INVESTMENTS IN SUBSIDIARIES (continued)

24 於附屬公司的投資 (續)

Name 名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued/ registered and paid up capital 已發行/註冊及 繳足股本的詳情	Attributable equity interest held 所持 應佔股權	Principal activities and place of operation 主要業務及經營地點
INDIRECTLY HELD: (continued) 間接持有: (續)				
Honour Bright Investments Limited ("Honour Bright") 榮暉投資有限公司 ("榮暉")	BVI 英屬處女群島	1 share of US\$1 each 1股面值1美元的 股份	100%	Investment holding in Hong Kong 於香港從事投資控股
Northeast Oil (China) Development Company Limited ("Northeast Oil") 東北石油(中國)發展 有限公司 ("東北石油")	Hong Kong 香港	10,000 shares of HK\$1 each 10,000股每股面值 港幣1元的股份	51%	Investment holding in Hong Kong 於香港從事投資控股
Win Profit (Asia Pacific) Company Limited ("Win Profit") 永得利(亞太)有限公司 ("永得利")	Hong Kong 香港	100 shares of HK\$1 each 100股每股面值 港幣1元的股份	100%	Investment holding in Hong Kong 於香港從事投資控股
Wing Shing Chemical Company Limited ("Wing Shing Chemical") 永成化工有限公司 ("永成化工")	Hong Kong 香港	3,000,000 shares of HK\$1 each 3,000,000股每股面值 港幣1元的股份	100%	Sale of paints, lacquer, enamel and polyurethane in Hong Kong 於香港銷售油漆、漆、 瓷漆及聚胺基甲酸酯

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 INVESTMENTS IN SUBSIDIARIES (continued)

24 於附屬公司的投資 (續)

Name 名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued/ registered and paid up capital 已發行/註冊及 繳足股本的詳情	Attributable equity interest held 所持 應佔股權	Principal activities and place of operation 主要業務及經營地點
INDIRECTLY HELD: (continued) 間接持有: (續)				
Wing Shing Chemical Macao Commercial Offshore Company Limited 永成化工澳門離岸 商業服務有限公司	Macau 澳門	MOP500,000 澳門幣500,000元	100%	Sale of paints and blended solvents in Macao 於澳門銷售油漆及 混合溶劑
Wing Shing Colours Limited 永成顏料有限公司	Hong Kong 香港	100,000 shares of HK\$1 each 100,000股每股面值 港幣1元的股份	100%	Manufacture and sale of plastic colorants in the PRC 於中國製造及 銷售塑料着色劑
Zhongshan Wing Shing Chemical Co Ltd ("Zhongshan Wing Shing") 中山市永成化工有限公司 (「中山永成」)	PRC 中國	RMB51,964,200 (note (b)) 人民幣51,964,200元 (附註(b))	100%	Manufacture and sale of emulsion paint in the PRC 於中國製造及 銷售乳膠漆
北京富順石油科技 有限公司	PRC 中國	RMB3,000,000 人民幣3,000,000元	51%	Inactive 無營業
東營富順龍翔石油技術 服務有限公司	PRC 中國	RMB1,000,000 人民幣1,000,000元	100%	Manufacture of Nano oil solvents in the PRC 於中國製造納米 驅油劑

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

24 INVESTMENTS IN SUBSIDIARIES (continued)

24 於附屬公司的投資 (續)

Name 名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Particulars of issued/ registered and paid up capital 已發行/註冊及 繳足股本的詳情	Attributable equity interest held 所持 應佔股權	Principal activities and place of operation 主要業務及經營地點
------------	--	--	---	--

INDIRECTLY HELD: (continued)

間接持有: (續)

齊齊哈爾市東北石油開發 有限責任公司	PRC	USD6,450,000	48.45% (note (c))	Exploitation and sale of crude oil in the PRC
	中國	6,450,000美元	48.45% (附註(c))	於中國開採及 銷售原油

Notes:

- (a) On 3 November 2007, Tung Shing Fat's registered capital was increased to HK\$54,000,000 by the additional paid-in capital of HK\$12,000,000. The amount was fully paid by Wing Shing Chemical. Upon the capital injection, the Group indirectly holds the entire equity interest in Tung Shing Fat.
- (b) On 14 March 2008, registered capital of 中山永成 was increased to RMB51,964,200 by the addition of RMB30,000,000. Up to 31 March 2008, Win Profit had injected RMB15,324,970 and the remaining capital of RMB14,675,030 will be paid-in before 13 March 2010.
- (c) This entity is accounted for as subsidiary by virtue of the Group's control over the entity.

The above table lists the companies of the Group which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other companies of the Group would, in the opinion of the directors, result in particulars of excessive length.

附註:

- (a) 於二零零七年十一月三日，東成發的註冊資本透過新增繳足資本港幣12,000,000元，增加至港幣54,000,000元。有關款項全數由永成化工支付。於注資後，本集團間接持有東成發全部股權。
- (b) 於二零零八年三月十四日，中山永成的註冊資本透過新增人民幣30,000,000元，增加至人民幣51,964,200元。截至二零零八年三月三十一日，永得利已注入人民幣15,324,970元，而餘下資本人民幣14,675,030元於二零一零年三月十三日前繳付。
- (c) 由於本集團擁有該公司的控制權，故該公司入賬列作附屬公司。

上表所列者為董事認為對本年度業績有重大影響或構成本集團資產淨值重大部分的本集團旗下公司。董事認為，提供本集團其他公司的詳情會令篇幅過於冗長。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

25 DEPOSITS PAID FOR ACQUISITION OF LONG-TERM ASSETS

25 已付收購長期資產的訂金

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Deposit paid for acquisition of a business (note (a))	已付收購業務的訂金 (附註(a))	13,000	–
Deposit paid for project development and acquisition of a subsidiary (note (b))	已付項目發展及收購附屬公司的訂金 (附註(b))	–	4,500
		13,000	4,500

Notes:

- (a) On 4 January 2008, the Group entered into a formal agreement with an independent third party for the developing the oil exploitation business in the Joint Development Zone of Fu 718 in Qiqihar City, Heilongjiang Province. The total consideration for the transaction is HK\$130 million. The Group paid for an initial deposit of HK\$13 million in January 2008 and the remaining balance of HK\$117 million is disclosed as a capital commitment in note 39(a). The relevant agreement has been success fully completed in July 2008, details of which are disclosed in the Company's announcement dated 16 July 2008.
- (b) During the year of 2007, the Group prepaid deposits according to terms of signed agreements for the development project of oil exploitation business and an acquisition of a subsidiary in sales and distribution of paints products business in the PRC.

附註:

- (a) 於二零零八年一月四日，本集團與一名獨立第三方就發展於黑龍江省齊齊哈爾市富718礦區的共同開發區的採油業務訂立正式協議。該項交易的總代價為港幣130,000,000元。本集團已於二零零八年一月支付初步訂金港幣13,000,000元，餘額港幣117,000,000元於附註39(a)披露為資本承擔。相關協議已成功於二零零八年七月完成，有關協議的詳情於本公司日期為二零零八年七月十六日的公告披露。
- (b) 於二零零七年度，本集團就石油開採業務發展項目及收購一家於中國從事銷售及分銷塗料產品業務的附屬公司，而根據已簽訂的協議條款預付多項訂金。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

26 INVENTORIES

26 存貨

		Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Paint business	油漆業務		
Raw materials	原料	13,623	15,842
Work in progress	在製品	4,150	3,753
Finished goods	製成品	3,917	3,620
		21,690	23,215
Oil business	石油業務		
Consumable store	消耗品	747	–
Crude oil in tank	儲罐原油	380	–
		1,127	–
Properties held for trading	持有作買賣的物業	21,128	–
		43,945	23,215

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 TRADE AND OTHER RECEIVABLES

27 貿易及其他應收款項

		Group 本集團		Company 本公司	
		2008	2007	2008	2007
		二零零八年	二零零七年	二零零八年	二零零七年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元	港幣千元
Trade receivables and bills receivable	貿易應收款項及應收票據	118,699	110,732	–	–
Less: allowance for doubtful debts (note (b))	減：呆賬撥備 (附註(b))	(7,290)	(3,720)	–	–
		111,409	107,012	–	–
Other receivables, prepayments and deposits (note (d))	其他應收款項、預付款項及訂金 (附註(d))	54,553	16,533	161	162
		165,962	123,545	161	162

All of the trade and other receivables are expected to be recovered within one year.

所有貿易及其他應收款項預期於一年內收回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 TRADE AND OTHER RECEIVABLES (continued)

(a) Ageing analysis

Included in trade and other receivables are trade receivables and bills receivable (net of allowance for doubtful debts) with the following ageing analysis as of the balance sheet date:

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current	即期	52,293	54,351
Less than 1 month past due	逾期不足一個月	19,488	19,428
1 month to 3 months past due	逾期一個月至三個月	21,486	14,447
More than 3 months but less than 1 year past due	逾期超過三個月 但不足一年	15,966	17,758
Over 1 year past due	逾期超過一年	2,176	1,028
Amounts past due	逾期款項	59,116	52,661
		111,409	107,012

Trade receivables and bills receivable are due within 30 days to 90 days from the date of billing. Further details on the Group's credit policy are set out in note 4(a).

27 貿易及其他應收款項 (續)

(a) 賬齡分析

貿易及其他應收款項包括貿易應收款項及應收票據(扣除呆賬撥備),有關款項於結算日的賬齡分析如下:

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current	即期	52,293	54,351
Less than 1 month past due	逾期不足一個月	19,488	19,428
1 month to 3 months past due	逾期一個月至三個月	21,486	14,447
More than 3 months but less than 1 year past due	逾期超過三個月 但不足一年	15,966	17,758
Over 1 year past due	逾期超過一年	2,176	1,028
Amounts past due	逾期款項	59,116	52,661
		111,409	107,012

貿易應收款項及應收票據由發票日期起計30日至90日內到期。本集團信貸政策的進一步詳情載於附註4(a)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 TRADE AND OTHER RECEIVABLES (continued)

(b) Impairment of trade receivables and bills receivable

Impairment losses in respect of trade receivables and bills receivable are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade receivables and bills receivable directly.

The movement in the allowance for doubtful debts during the year, including both specific and collective loss components, is as follows:

At 1 April	於四月一日
Impairment loss recognised	已確認減值虧損
Exchange adjustments	匯兌調整
At 31 March	於三月三十一日

At 31 March 2008, the Group's trade receivables and bills receivable of approximately HK\$17,845,000 (2007: HK\$22,504,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that only a portion of the receivables is expected to be recovered.

27 貿易及其他應收款項 (續)

(b) 貿易應收款項及應收票據的減值

貿易應收款項及應收票據的減值虧損以撥備賬目入賬，惟倘本集團認為收回款項機會不大，則會將減值虧損直接撇銷貿易應收款項及應收票據。

呆賬撥備於年內的變動（包括個別及共同虧損部分）如下：

		Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 April	於四月一日	3,720	3,274
Impairment loss recognised	已確認減值虧損	3,057	446
Exchange adjustments	匯兌調整	513	—
At 31 March	於三月三十一日	7,290	3,720

於二零零八年三月三十一日，本集團約港幣17,845,000元（二零零七年：港幣22,504,000元）的貿易應收款項及應收票據已個別確定為已減值。個別已減值應收款項與面對財政困難的客戶有關，而管理層已評定只有部分應收款項預期可予收回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

27 TRADE AND OTHER RECEIVABLES (continued)

(c) Trade receivables and bills receivable that are not impaired

The ageing analysis of trade receivables and bills receivable that are neither individually nor collectively considered to be impaired are set out in note 27(a).

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

- (d) Included in other receivables of the Group is an amount due to sundry debtors of approximately HK\$5,047,000, out of which HK\$3,000,000 was impaired in the year (2007: HK\$Nil).

28 TRADING SECURITIES

27 貿易及其他應收款項 (續)

(c) 並無減值的貿易應收款項及應收票據

無論個別或共同均不被視為已減值的貿易應收款項及應收票據的賬齡分析載於附註27(a)。

未逾期或減值的應收款項涉及最近並無拖欠賬款紀錄的不同客戶。

已逾期但未減值的應收款項涉及多名與本集團有良好往績紀錄的獨立客戶。根據以往經驗，管理層相信毋須就該等結餘計提減值撥備，原因是信貸質素並無重大轉變，而該等結餘仍被視為可悉數收回。本集團並無就該等結餘持有任何抵押品。

- (d) 本集團其他應收款項中包括應付雜項賬款約港幣5,047,000元，其中港幣3,000,000元已於年內減值(二零零七年：無)。

28 買賣證券

		Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Trading securities, listed in Hong Kong	於香港上市的買賣證券	37,652	4,642

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29 DERIVATIVE FINANCIAL INSTRUMENTS

29 衍生金融工具

		Group 本集團			
		2008 二零零八年		2007 二零零七年	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
	Note 附註				
Currency options	貨幣期權 (a)	–	12,139	257	–
Forward foreign exchange rate contracts	遠期外幣匯率合約 (b)	–	35	419	318
Interest rate swaps	利率掉期 (c)	–	396	–	369
Fuel contracts	燃油合約 (d)	19,210	108,057	–	–
Conversion option derivative component	兌換權衍生部分 (e)	–	17,717	–	–
Total	合計	19,210	138,344	676	687

		Company 本公司			
		2008 二零零八年		2007 二零零七年	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
	Note 附註				
Conversion option derivative component	兌換權衍生部分 (e)	–	17,717	–	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Notes:

(a) Currency options

The notional principal amounts of the outstanding currency options at 31 March 2008 are approximately HK\$302,137,000 (2007: HK\$966,250,000). The currency options were scheduled to settle or expire, through October 2009.

(b) Forward foreign exchange rate contracts

The notional principal amounts of the outstanding financial assets or liabilities of forward foreign exchange rate contracts at 31 March 2008 are HK\$Nil (2007: HK\$9,750,000) and US\$500,000 (2007: HK\$13,914,000) respectively.

The above forward foreign exchange rate contracts were scheduled to settle or expire, through February and July 2008 respectively.

(c) Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts at 31 March 2008 are approximately HK\$25,000,000 (2007: HK\$56,301,000).

The interest rate swap contracts were scheduled to settle or expire, through November 2008.

(d) Fuel contracts

The notional principal amounts of the outstanding fuel contracts at 31 March 2008 are approximately HK\$31,301,000 (2007: HK\$Nil) and US\$35,000 (2007: US\$Nil). The fuel contracts were scheduled to settle or expire, through May 2009.

(e) Conversion option derivative component

The fair value of the placement rights in respect of convertible bonds was valued by LCH (Asia-Pacific) Surveyors Limited, an independent qualified professional valuer not connected with the Group. The valuation was made by using Binomial Option Pricing Model. Details of the convertible bonds are set out in note 33.

29 衍生金融工具 (續)

附註:

(a) 貨幣期權

於二零零八年三月三十一日,未行使貨幣期權的名義本金額約為港幣302,137,000元(二零零七年:港幣966,250,000元)。貨幣期權預期會於二零零九年十月結算或到期。

(b) 遠期外幣匯率合約

於二零零八年三月三十一日,遠期外幣匯率合約的未處理金融資產或負債的名義本金額分別為港幣零元(二零零七年:港幣9,750,000元)及500,000美元(二零零七年:港幣13,914,000元)。

上述遠期外幣匯率合約預期分別於二零零八年二月及二零零八年七月結算或到期。

(c) 利率掉期

於二零零八年三月三十一日,未完成利率掉期合約的名義本金額約為港幣25,000,000元(二零零七年:港幣56,301,000元)。

利率掉期合約預期於二零零八年十一月結算或到期。

(d) 燃油合約

於二零零八年三月三十一日,未完成燃油合約的名義本金額約為港幣31,301,000元(二零零七年:港幣零元)及35,000美元(二零零七年:零美元)。該等燃油合約預期於二零零九年五月結算或到期。

(e) 兌換權衍生部分

可換股債券配售權的公平值經由與本集團並無關連的獨立合資格專業估值師利駿行測量師有限公司估值。估值以二項期權定價模式進行。可換股債券詳情載於附註33。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

29 DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The Group mostly undertakes its transactions in foreign exchange, interest rate and commodities contracts with its bankers.

29 衍生金融工具 (續)

本集團在絕大多數情況下與其往來銀行進行外匯交易以及訂立利率及商品合約。

30 CASH AND CASH EQUIVALENTS

30 現金及現金等值項目

		Group 本集團		Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Cash at banks and on hand	銀行存款及手頭現金	19,730	31,075	4,997	693
Short-term bank deposits	短期銀行存款	67,604	9,500	67,604	9,500
Cash and cash equivalents in the balance sheet	資產負債表中的現金 及現金等值項目	87,334	40,575	72,601	10,193
Bank overdrafts	銀行透支	–	(6,363)		
Cash and cash equivalents in the consolidated cash flow statement	綜合現金流量表中 的現金及 現金等值項目	87,334	34,212		

Cash and cash equivalents of approximately HK\$6,753,000 (2007: HK\$8,572,000) were denominated in RMB and kept in the PRC. The remittance of these funds out of the PRC is subject to the foreign exchange control restrictions imposed by the PRC government.

現金及現金等值項目約港幣6,753,000元(二零零七年:港幣8,572,000元)以人民幣列值,存放於中國。將此等資金匯出中國境外須受中國政府施加的外匯管制規限。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

31 TRADE AND OTHER PAYABLES

		Group 本集團		Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Trade payables	貿易應付款項	21,675	12,799	-	-
Bills payable	應付票據	-	29,241	-	-
Other payables and accruals	其他應付款項及 應計項目	15,661	12,693	1,840	981
Amount due to a minority shareholder	應付一名少數 股東款項	9,990	-	-	-
		47,326	54,733	1,840	981

All of the trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

Included in trade and other payables are trade payables and bills payable with the following ageing analysis as of the balance sheet date:

		Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Less than 1 month	不足一個月	10,509	19,356
1 month to 3 months	一個月至三個月	7,906	21,098
More than 3 months but less than 1 year	超過三個月但不足一年	3,260	1,586
		21,675	42,040

The amount due to a minority shareholder of a subsidiary is unsecured, interest free and has no fixed term of repayment.

31 貿易及其他應付款項

所有貿易及其他應付款項預期於一年內償付或確認為收入時或按要求償還。

貿易及其他應付款項包括貿易應付款項及應付票據，有關款項於結算日的賬齡分析如下：

應付附屬公司一名少數股東款項為無抵押、免息及無固定還款期。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 BANK AND OTHER BORROWINGS

32 銀行及其他借貸

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Current liabilities	流動負債		
Bank loans, secured (note (a))	有抵押銀行貸款 (附註(a))	2,472	1,500
Bank loans, unsecured (note (a))	無抵押銀行貸款 (附註(a))	–	8,179
Obligations under finance leases (note (b))	融資租賃承擔 (附註(b))	–	393
Short-term bank loans, unsecured	無抵押短期銀行貸款	–	28,681
Trust receipt loans, unsecured	無抵押信託收據貸款	40,821	12,926
Bank overdrafts, unsecured	無抵押銀行透支	–	6,363
		43,293	58,042
Non-current liabilities	非流動負債		
Bank loan, secured (note (a))	有抵押銀行貸款 (附註(a))	10,394	10,500
Bank loan, unsecured (note (a))	無抵押銀行貸款 (附註(a))	–	3,139
Obligations under finance leases (note (b))	融資租賃承擔 (附註(b))	–	483
		10,394	14,122
The analysis of the above is as follows:	上述各項分析如下:		
– Wholly repayable within five years	– 須於五年內悉數償還	53,687	72,164

Notes:

(a) At 31 March 2008, the Group's bank loans are repayable as follows:

附註:

(a) 於二零零八年三月三十一日, 本集團銀行貸款須於下列期間償還:

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Within one year	一年內	2,472	9,679
In the second year	第二年內	1,663	2,949
In the third to fifth year	第三至第五年內	8,731	10,690
		12,866	23,318

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

32 BANK AND OTHER BORROWINGS (continued)

(b) At 31 March 2008, the Group had obligations under finance leases repayable as follows:

32 銀行及其他借貸 (續)

(b) 於二零零八年三月三十一日，本集團的融資租賃承擔須於下列期間償還：

		Group 本集團			
		2008 二零零八年		2007 二零零七年	
		Present		Present	
		value of the minimum lease payments HK\$'000 最低租金現值 港幣千元	Total minimum lease payments HK\$'000 最低租金總額 港幣千元	value of the minimum lease payments HK\$'000 最低租金現值 港幣千元	Total minimum lease payments HK\$'000 最低租金總額 港幣千元
Within 1 year	一年內	-	-	393	428
After 1 year but within 2 years	一年後但兩年內	-	-	371	404
After 2 years but within 5 years	兩年後但五年內	-	-	112	112
		-	-	483	516
		-	-	876	944
Less: total future interest expenses	減：未來利息開支總額		-		(68)
Present value of lease obligations	租賃承擔現值		-		876

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 CONVERTIBLE BONDS

On 4 July 2007, the Group issued convertible bonds denominated in HK\$ of 200,000,000 (the “Bonds”) with maturity date on 3 July 2012. The bonds bear interest at 0.5% per annum and are unsecured.

The principal terms of the Bonds are as follows:

- Conversion rights are exercisable at any time between 18 July 2007 to 18 June 2012.
- The holders of the Bonds are entitled to convert the Bonds into ordinary shares of the Company at a conversion price of HK\$0.7873 per each ordinary share.
- If any of the Bonds have not been converted, they will be redeemed on the maturity date at 128.33% of the outstanding principal amount of the Bonds.
- The Conversion Price of the Bonds will be reset annually for the first four years if the arithmetic average of the closing price of the Shares for each day during the period of 15 consecutive trading days immediately prior to the relevant reset date was at least 130%, being 3 July 2008, 3 July 2009, 3 July 2010 and 3 July 2011.
- The Conversion Price cannot be reset below 85% of the prevailing Conversion Price in any one year.
- The Conversion Price cannot be reset below 70% of the initial Conversion Price of HK\$0.7873 i.e. there is an absolute floor of HK\$0.5511 (as adjusted for anti-dilution events).

33 可換股債券

於二零零七年七月四日，本集團發行以港幣計值達200,000,000元的可換股債券（「債券」），到期日為二零一二年七月三日。債券按年利率0.5%計息，並無抵押。

債券的主要條款如下：

- 兌換權可於二零零七年七月十八日至二零一二年六月十八日期間隨時行使。
- 債券持有人有權以換股價每股普通股港幣0.7873元將債券兌換為本公司普通股。
- 倘任何債券未有兌換，則將於到期日以債券未償還本金額的128.33%贖回。
- 債券的換股價於首四年將每年重訂，條件為股份於緊接有關重訂日期（即二零零八年七月三日、二零零九年七月三日、二零一零年七月三日及二零一一年七月三日）前連續十五個交易日期間各日的算術平均收市價最少為130%。
- 換股價不得重訂至低於於任何一年的通行換股價的85%。
- 換股價不得重訂至低於初步換股價港幣0.7873元的70%，即絕對最低價為港幣0.5511元（已就反攤薄事件作出調整）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 CONVERTIBLE BONDS (continued)

- On 3 January 2009 (the “First Put Option Date”) and 3 July 2010 (the “Second Put Option Date” and together with the First Put Option Date, the “Put Option Dates”), the holder of each Bond will have the right at such holder’s option to require the Company to redeem all or some only of the Bonds of such holder on the relevant Put Option Date at their early redemption amount plus interest accrued on the redemption date in prescribed form and in accordance with the Terms and Conditions (“Put Exercise Notice”) not earlier than 50 days and not later than 45 days prior to the relevant Put Option Date. A Put Exercise Notice, once delivered, shall be irrevocable (any may not be withdrawn unless the Company consents to such withdrawal) and the Company shall redeem the Bonds the subject of Put Exercise Notices delivered as aforesaid on the relevant Put Option Date.

The Bonds contain two components: liability component and conversion option derivative component are presented as financial liabilities at fair value through profit or loss and is measured at fair value with changes in fair value recognised in profit or loss.

33 可換股債券 (續)

- 於二零零九年一月三日(「第一個認沽期權日期」)及二零一零年七月三日(「第二個認沽期權日期」)(連同第一個認沽期權日期統稱為「認沽期權日期」),各債券持有人將有權依據該持有人的選擇,於有關認沽期權日期前不早於50日且不遲於45日內,以規定形式及按照條款及條件要求本公司於有關認沽期權日期以其提早贖回金額加上於贖回日期的應計利息,贖回全部或僅部分該持有人的債券(「認沽期權行使通知」)。認沽期權行使通知一經發出,即不可撤銷(並不可撤回,除非本公司同意撤回),本公司應根據前述已發出的認沽期權行使通知於有關認沽期權日期贖回債券。

債券包含負債部分及兌換權衍生部分兩個部分,以透過損益表以公平值列賬的金融負債呈列,並按公平值計量,而公平值變動則於損益確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

33 CONVERTIBLE BONDS (continued)

The effective interest rate of the liability component is 25.55%. The movements of the liability component and conversion option derivative component of the bonds for the year is set out below:

33 可換股債券 (續)

負債部分的實際利率為25.55%。債券的負債部分及兌換權衍生部分於年內的變動如下：

		Group and Company 本集團及本公司	
		Conversion option derivative component 兌換權 衍生部分 HK\$'000 港幣千元	Liability component 負債部分 HK\$'000 港幣千元
Nominal value at the issuance date	於發行日期的面值	114,905	85,095
Interest expense	利息開支	–	6,987
Interest paid	已付利息	–	(100)
Conversion during the year	於年內兌換	(91,924)	(71,881)
Gain arising on changes of fair value	公平值變動產生的收益	(5,264)	–
At 31 March 2008	於二零零八年 三月三十一日	17,717	20,101

34 DEFERRED TAXATION

(a) Deferred tax liabilities

34 遞延稅項

(a) 遞延稅項負債

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
At 1 April	於四月一日	1,793	1,170
(Credit)/charge to the income statement (note 11)	於收益表(計入)／扣除 (附註11)	(923)	623
Exchange adjustments	匯兌調整	94	–
At 31 March	於三月三十一日	964	1,793

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

34 DEFERRED TAXATION (continued)

(a) Deferred tax liabilities (continued)

Analysis of deferred tax liabilities is as follows:

		Accelerated tax depreciation 加速稅項折舊		Others 其他		Total 合計	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 April	於四月一日	421	421	1,372	749	1,793	1,170
(Credit)/charge to the income statement	於收益表 (計入) / 扣除	-	-	(923)	623	(923)	623
Exchange adjustments	匯兌調整	-	-	94	-	94	-
At 31 March	於三月三十一日	421	421	543	1,372	964	1,793

(b) Deferred tax assets not recognised

Deferred tax assets are not recognised for temporary differences and tax losses carried forward due to the uncertainty of the related tax benefit being realised through future taxable profits. The tax effect on temporary differences and unrecognised tax losses was approximately HK\$20,337,000 (2007: HK\$1,502,000) as at 31 March 2008.

34 遞延稅項 (續)

(a) 遞延稅項負債 (續)

遞延稅項負債分析如下：

		Accelerated tax depreciation 加速稅項折舊		Others 其他		Total 合計	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 April	於四月一日	421	421	1,372	749	1,793	1,170
(Credit)/charge to the income statement	於收益表 (計入) / 扣除	-	-	(923)	623	(923)	623
Exchange adjustments	匯兌調整	-	-	94	-	94	-
At 31 March	於三月三十一日	421	421	543	1,372	964	1,793

(b) 未確認遞延稅項資產

由於無法確定因未來應課稅溢利而產生的相關稅務利益，故遞延稅項資產並未就暫時差額及結轉的稅項虧損確認。於二零零八年三月三十一日，暫時差額及未確認稅項虧損的稅項影響約為港幣20,337,000元（二零零七年：港幣1,502,000元）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 CAPITAL AND RESERVES

(a) Share capital

(i) Authorised and issued share capital

		2008		2007	
		二零零八年		二零零七年	
		No. of	HK\$'000	No. of	HK\$'000
		shares	港幣千元	shares	港幣千元
		股份數目		股份數目	
Authorised	法定				
Ordinary shares of	每股面值港幣				
HK\$0.01 each	0.01元的普通股	2,000,000	20,000	2,000,000	20,000
Ordinary shares, issued and fully paid	已發行及 繳足普通股				
At 1 April	於四月一日	872,656	8,727	611,136	6,111
Subscription of shares	認購股份	-	-	153,000	1,530
Shares issued under	根據購股權				
share option scheme	計劃發行股份	77,440	775	108,520	1,086
Share issued on exercise	因行使認股權證				
of warrants	而發行股份	76,926	769	-	-
Conversion of	兌換可換股債券				
convertible bonds		203,226	2,032	-	-
Shares issued for	因業務合併而				
business combination	發行股份	64,907	649	-	-
At 31 March	於三月三十一日	1,295,155	12,952	872,656	8,727

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派的股息，並有權於本公司的會議上享有每股一票投票權。所有普通股享有同等權利，可分享本公司的剩餘資產。

35 股本及儲備

(a) 股本

(i) 法定及已發行股本

Company
本公司

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 CAPITAL AND RESERVES (continued)

(a) Share capital (continued)

(ii) Increase in authorised share capital

By an ordinary resolution passed at the annual general meeting held on 5 May 2008, the company's authorised ordinary share capital was increased to HK\$80,000,000 by the creation of an additional 6,000,000,000 ordinary shares of HK\$0.01 each, ranking pari passu with the existing ordinary shares of the Company in all respects.

(iii) Terms of unexpired and unexercised share options at balance sheet date

Exercise period		Exercise price	2008 Number	2007 Number
行使期		行使價	二零零八年數目	二零零七年數目
24 November 2003 to 23 November 2008	二零零三年十一月二十四日至 二零零八年十一月二十三日	0.301	1,000,000	4,500,000
13 August 2004 to 12 August 2014	二零零四年八月十三日至 二零一四年八月十二日	0.290	100,000	3,100,000
14 September 2007 to 13 September 2009	二零零七年九月十四日至 二零零九年九月十三日	1.080	48,000,000	–
14 September 2007 to 13 September 2009	二零零七年九月十四日至 二零零九年九月十三日	1.080	2,040,000	–
19 November 2007 to 18 November 2008	二零零七年十一月十九日至 二零零八年十一月十八日	1.180	37,000,000	–
3 April 2006 to 2 April 2008	二零零六年四月三日至 二零零八年四月二日	0.197	–	11,000,000
18 April 2006 to 17 April 2008	二零零六年四月十八日至 二零零八年四月十七日	0.232	–	1,080,000
26 April 2006 to 25 April 2007	二零零六年四月二十六日至 二零零七年四月二十五日	0.275	–	2,000,000
5 June 2006 to 4 June 2009	二零零六年六月五日至 二零零九年六月四日	0.197	–	18,000,000
21 September 2006 to 20 September 2007	二零零六年九月二十一日至 二零零七年九月二十日	0.580	–	2,100,000
9 March 2007 to 8 March 2008	二零零七年三月九日至 二零零八年三月八日	0.510	–	10,000,000
			88,140,000	51,780,000

35 股本及儲備 (續)

(a) 股本 (續)

(ii) 增加法定股本

根據於二零零八年五月五日舉行的股東週年大會上通過的一項普通決議案，本公司的法定普通股本透過新增6,000,000,000股每股面值港幣0.01元的普通股，增加至港幣80,000,000元，有關新普通股與本公司現有普通股於各方面享有同等權利。

(iii) 於結算日，未到期及未行使購股權的條款

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 CAPITAL AND RESERVES (continued)

(a) Share capital (continued)

(iii) Terms of unexpired and unexercised share options at balance sheet date (continued)

Each option entitles the holder to subscribe for one ordinary share in the Company.

(b) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Company's articles of association and the Companies Law of the Cayman Islands, which provides that the share premium account may be applied in making distributions or paying dividends to members, provided that immediately following the date on which distribution or dividend is proposed to be paid, the Company will be able to pay its debts as they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

(ii) Merger reserve

The Group's merger reserve represents the difference between the aggregate of the nominal value of the share capital of the subsidiaries acquired pursuant to the Group reorganisation completed on 26 October 2002 over the nominal value of the share capital of the Company issued in exchange there for.

35 股本及儲備 (續)

(a) 股本 (續)

(iii) 於結算日，未到期及未行使購股權的條款 (續)

每份購股權賦予持有人權利認購本公司一股普通股。

(b) 儲備的性質及用途

(i) 股份溢價

股份溢價賬的運用受本公司的組織章程細則及開曼群島公司法規管，當中規定股份溢價賬可用於向股東作出分派或支付股息，惟於緊隨擬支付分派或股息當日後，本公司須能夠於日常業務過程中在債務到期時償債。股份溢價亦可以發行繳足紅股方式分派。

(ii) 合併儲備

本集團的合併儲備指根據於集團重組在二零零二年十月二十六日完成時所收購附屬公司的股本總面值與本公司為換取有關股本而發行的股本面值之間的差額。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 CAPITAL AND RESERVES (continued)

(b) Nature and purpose of reserves (continued)

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations as well as the effective portion of any foreign exchange differences arising from hedges of the net investment in these foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3(t).

(iv) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Company recognised in accordance with the accounting policy adopted for share-based payments in note 3(u)(iii).

(c) Distributability of reserves

At 31 March 2008, the aggregate amount of reserves available for distribution to shareholders of the Company, was HK\$690,043,000 (2007: HK\$66,268,000).

35 股本及儲備 (續)

(b) 儲備的性質及用途 (續)

(iii) 匯兌儲備

匯兌儲備包括換算海外業務財務報表時產生的所有匯兌差額及對沖該等海外業務投資淨額時產生的任何匯兌差額的實際部分。該儲備按照附註3(t)所載會計政策處理。

(iv) 購股權儲備

購股權儲備指根據附註3(u)(iii)所述就以股份支付的款項採納的會計政策，確認向本公司僱員授出而尚未行使的購股權實際或估計數目的公平值。

(c) 可分派儲備

於二零零八年三月三十一日，可分派予本公司股東的儲備總額為港幣690,043,000元（二零零七年：港幣66,268,000元）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 CAPITAL AND RESERVES (continued)

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the Group monitors its capital structure on the basis of a net debt-to-adjusted capital ratio. For this purpose the Group defines net debt as total debt (which includes bank and other borrowings, trade and other payables) plus unaccrued proposed dividends, less cash and cash equivalents. Adjusted capital comprises all components of equity, other than amounts recognised in equity relating to cash flow hedges, less unaccrued proposed dividends.

During 2008, the Group's strategy, which was unchanged from 2007, was to maintain the net debt-to-adjusted capital ratio at the lower end of the range 1.1 to 9.9. In order to maintain or adjust the ratio, the Group may adjust the amount of dividends paid to shareholders, issue new shares, return capital to shareholders, raise new debt financing or sell assets to reduce debt.

35 股本及儲備 (續)

(d) 資本管理

本集團資本管理的主要目標，在於透過因應風險水平為產品及服務定價以及以合理成本獲取融資，確保本集團有能力持續經營，從而為股東締造回報，並使其他有關連利益人士得益。

本集團積極定期檢討及管理其資本架構，以於可能伴隨較高借貸水平的情況下爭取較高股東回報與穩健資本狀況帶來的好處及保障之間取得平衡，並因應經濟情況的變化調整資本架構。

與行業慣例一致，本集團藉債務淨額對經調整資本比率監察其資本架構。就此而言，本集團將債務淨額界定為債務總額（包括銀行及其他借貸、貿易及其他應付款項）加未計擬派股息，再扣減現金及現金等值項目。經調整資本包括股權所有部分，但不包括涉及現金流量對沖而於權益內確認的金額，再扣減未計擬派股息。

於二零零八年，本集團的策略與二零零七年一致，旨在將債務淨額對經調整資本比率維持於介乎1.1至9.9的偏低水平。為保持或調整該比率，本集團或會調整派付予股東的股息金額、發行新股、退還資本予股東、敘造新債務融資或出售資產，藉以減輕債務。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 CAPITAL AND RESERVES (continued)

(d) Capital management (continued)

The net debt-to-adjusted capital ratio at 31 March 2008 and 2007 was as follows:

	Note 附註	Group 本集團		Company 本公司	
		2008 二零零八年	2007 二零零七年	2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Current liabilities:					
Trade and other payables		47,326	54,733	1,840	981
Bank and other borrowings		43,293	58,042	-	-
		90,619	112,775	1,840	981
Non-current liabilities:					
Bank and other borrowings		10,394	14,122	-	-
Total debt		101,013	126,897	-	-
Less: Cash and cash equivalents		(87,334)	(40,575)	(72,601)	(10,193)
Net debt		13,679	86,322	N/A不適用	N/A不適用
Total equity					
Capital		12,952	8,727	12,952	8,727
Net debt-to-adjusted capital ratio		1.1	9.9	N/A不適用	N/A不適用

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

35 股本及儲備 (續)

(d) 資本管理 (續)

於二零零八年及二零零七年三月三十一日，債務淨額對經調整資本比率如下：

本公司及其附屬公司一概無須受外加資本規定所規限。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

35 CAPITAL AND RESERVES (continued)

- (e) On 11 November 2002, warrants to subscribe for a total of 77,714,281 shares of the Company at subscription price of HK\$0.70 per share (subject to adjustment) before 31st October 2007 were issued to the Company's shareholders at nil consideration. 76,926,085 warrants have been exercised during the year. The warrants were expired on 31 October 2007.
- (f) On 1 January 2008, the Company entered into the warrant placing agreement with the placing agent pursuant to which the placing agent agreed to place warrants attaching the rights to subscribe for 200,000,000 shares on the basis of the initial exercise price of HK\$1 per warrant share, on behalf of the Company, to placees who are independent of the Company and its connected persons, at the issue price of HK\$0.01 per warrant. No warrants have been exercised since the date of issue.

During the year ended 31 March 2008, no new shares were issued on exercise of the warrants.

35 股本及儲備 (續)

- (e) 於二零零二年十一月十一日，可於二零零七年十月三十一日前按認購價每股港幣0.70元（可予調整）認購合共77,714,281股本公司股份的認股權證已以零代價發行予本公司的股東。年內已有76,926,085份認股權證獲行使。認股權證已於二零零七年十月三十一日到期。
- (f) 於二零零八年一月一日，本公司與配售代理訂立認股權證配售協議，據此，配售代理同意代表本公司按發行價每份認股權證港幣0.01元向承配人配售認股權證。該等認股權證附有權利按初步行使價每份認股權證股份港幣1元認購200,000,000股股份。承配人乃獨立於本公司及其關連人士。自發行日期以來概無認股權證獲行使。

截至二零零八年三月三十一日止年度，並無因認股權證獲行使而發行新股。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

36 SHARE-BASED PAYMENTS

(a) Share-based payments

Under a share option scheme approved and adopted by the shareholders on 21 October 2002 (the “Share Option Scheme”), the directors of the Company may, at their discretion, invite full-time employees including executive directors to take up options to subscribe for shares in the Company representing up to a maximum of 10% of the shares in issue from time to time (excluding shares issued on exercise of options under the share option scheme).

- (b) The terms and conditions of the grant that existed during the year are as follows, whereby all options are settled by physical delivery of shares:

36 以股份支付的款項

(a) 以股份支付的款項

根據於二零零二年十月二十一日由股東批准及採納的購股權計劃（「購股權計劃」），本公司董事可酌情邀請全職僱員（包括執行董事）接納購股權，以認購相當於最多達不時已發行股份10%（不包括行使購股權計劃項下的購股權時發行的股份）的本公司股份。

- (b) 年內設有的授出條款及條件（所有購股權均已由實質交付股份的方式結算）如下：

	Number of Share options 購股權數目	Vesting condition 歸屬條件	Contractual life of option 購股權合約年期
Option granted to Directors 授予董事的購股權			
14 September 2007 二零零七年九月十四日	50,040,000	N/A 不適用	24 months 24個月
20 April 2007 二零零七年四月二十日	3,500,000	N/A 不適用	12 months 12個月
Option granted to employees 授予僱員的購股權			
3 April 2007 二零零七年四月三日	51,000,000	N/A 不適用	12 months 12個月
19 April 2007 二零零七年四月十九日	2,000,000	N/A 不適用	12 months 12個月
21 May 2007 二零零七年五月二十一日	17,000,000	N/A 不適用	11 months 11個月
15 August 2007 二零零七年八月十五日	4,000,000	N/A 不適用	8 months 8個月
30 August 2007 二零零七年八月三十日	1,700,000	N/A 不適用	7 months 7個月
19 November 2007 二零零七年十一月十九日	49,800,000	N/A 不適用	12 months 12個月

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

36 SHARE-BASED PAYMENTS (continued)

- (c) The number and weighted average exercise price of share options are as follows:

		Company 本公司			
		2008 二零零八年		2007 二零零七年	
		Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港幣	Number of share options 購股權數目	Weighted average exercise price 加權平均 行使價 HK\$ 港幣
At the beginning of the year	於年初	51,780,000	0.291	18,500,000	0.296
Granted during the year	於年內授出	179,040,000	0.922	147,800,000	0.308
Exercised during the year	於年內行使	(77,440,000)	0.416	(108,520,000)	0.299
Lapsed during the year	於年內失效	(65,240,000)	0.766	(6,000,000)	0.580
At the end of the year	於年終	88,140,000	1.112	51,780,000	0.291
Exercisable at the end of the year	於年終可行使	88,140,000	1.112	51,780,000	0.291

The weighted average closing share price at the date of exercise for shares options exercised during the year was HK\$0.728 (2007: HK\$0.597).

The options outstanding at 31 March 2008 had exercise price ranging from HK\$0.29 to HK\$1.118 (2007: HK\$0.29 to HK\$0.58) and a weighted average remaining contractual life of 20 months (2007: 33 months).

36 以股份支付的款項 (續)

- (c) 購股權數目及加權平均行使價如下：

年內，已行使購股權於行使當日的加權平均股份收市價為港幣0.728元（二零零七年：港幣0.597元）。

於二零零八年三月三十一日尚未行使的購股權的行使價介乎港幣0.29元至港幣1.118元（二零零七年：港幣0.29元至港幣0.58元），而加權平均餘下合約年期則為20個月（二零零七年：33個月）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

36 SHARE-BASED PAYMENTS (continued)

(d) Fair value of share options and assumptions

The fair value of services received in return for share options granted are measured by reference to the fair value of share options granted. The estimate of the fair value of the services received is measured based on a Trinomial Model. The contractual life of the option is used as an input into this model. Expectations of early exercise are incorporated into the Trinomial model.

Fair value of share options and assumptions

Grant date	Fair value at grant date	Share price	Exercise price	Expected volatility	Option life	Expected dividend yield	Risk-free interest rate (based on 2 Years Exchange Fund Bills) 無風險利率 (按兩年期外匯基金票據計算)
授出日期	於授出日期的公平值 HK\$ 港幣	股價 HK\$ 港幣	行使價 HK\$ 港幣	預期波幅	購股權年期	預期股息率	
3 April 07 二零零七年四月三日	0.1756	0.62	0.63	71.90%	12 months個月	-	3.730%
19 April 07 二零零七年四月十九日	0.1611	0.61	0.64	70.70%	12 months個月	-	3.860%
20 April 07 二零零七年四月二十日	0.1745	0.64	0.63	70.70%	12 months個月	-	3.860%
21 May 07 二零零七年五月二十一日	0.1594	0.66	0.66	66.30%	11 months個月	-	3.950%
21 May 07 二零零七年五月二十一日	0.1481	0.66	0.70	66.30%	11 months個月	-	3.950%
15 August 07 二零零七年八月十五日	0.1861	0.83	0.86	73.80%	8 months個月	-	4.030%
30 August 07 二零零七年八月三十日	0.2070	0.89	0.89	75.90%	7 months個月	-	4.010%
14 September 07 二零零七年九月十四日	0.5956	1.28	1.08	74.00%	24 months個月	-	3.830%
19 November 07 二零零七年十一月十九日	0.3369	1.18	1.18	72.90%	12 months個月	-	1.880%

36 以股份支付的款項 (續)

(d) 購股權的公平值及假設

以授出購股權換取所獲取服務公平值乃參照所授出購股權的公平值計量。所獲取服務的公平值的估計乃根據三項式模型計量。此模型以購股權的合約年期作為輸入數據。三項式模型亦會考慮提早行使的預期。

購股權的公平值及假設

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

36 SHARE-BASED PAYMENTS (continued)

(d) Fair value of share options and assumptions (continued)

Fair value of share options and assumptions (continued)

The expected volatility is based on the historic volatility, adjusted for any expected changes to future volatility due to publicly available information. Expected dividend yield are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option granted.

36 以股份支付的款項 (續)

(d) 購股權的公平值及假設 (續)

購股權的公平值及假設 (續)

預期波幅乃基於過往波幅，並就基於公開可取閱資料對未來波幅的任何預期變動作出調整。預期股息率乃基於過往股息計算。主觀輸入值假設的變動可能對公平值估計產生重大影響。

購股權乃根據服務條件授出。此條件並無計入所獲取服務於授出日期的公平值計量方法。並無與授出購股權有關的市場條件。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

37 CONSOLIDATED CASH FLOW STATEMENT

37 綜合現金流量表

(a) Reconciliation of profit from operations to net cash (outflow) from operating activities

(a) 經營溢利與經營業務的現金(流出)淨額的對賬表

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
	Note 附註		
Profit from operations	經營溢利	610,938	7,612
Interest income	利息收入	(3,998)	(410)
Depreciation	折舊	11,975	9,925
Amortisation	攤銷	8,144	724
Impairment loss	減值虧損	33,438	510
Bad debt written off	壞賬撇銷	1,337	18
Excess of fair value of net assets acquired over the cost of acquisition of a subsidiary	已收購淨資產的公平值超出收購一間附屬公司成本的款項	(849,627)	-
(Gain)/loss on disposal of property, plant and equipment	出售物業、廠房及設備(收益)／虧損	(825)	450
Unrealised loss on properties held for trading	持有作出售物業的未變現虧損	870	-
Net realised and unrealised loss/(gain) on trading securities	買賣證券的已變現及未變現虧損／(收益)淨額	6,206	(1,214)
Net realised and unrealised gain/(loss) on derivative financial instruments	衍生金融工具的已變現及未變現收益／(虧損)淨額	101,046	(1,631)
Fair value adjustment on derivative of convertible bonds	可換股債券衍生工具的公平值調整	(5,264)	-
Share-based payments	以股份支付的款項	60,140	13,584
Exchange differences, net	匯兌差額淨額	-	1,033
Operating (loss)/profit before working capital changes	營運資金變動前的經營(虧損)／溢利	(25,620)	30,601
(Increase)/decrease in inventories	存貨(增加)／減少	(20,416)	135
Increase in trade and other receivables	貿易及其他應收款項增加	(35,712)	(43,857)
Increase in trading securities	買賣證券增加	(39,216)	(4,642)
Increase/(decrease) in derivative financial instruments	衍生金融工具增加／(減少)	360	(719)
Decrease in trade and other payables	貿易及其他應付款項減少	(12,155)	(1,687)
Net cash outflow from operations	業務的現金流出淨額	(132,759)	(20,169)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

37 CONSOLIDATED CASH FLOW STATEMENT (continued)

(b) Major non-cash transactions

During the year, the Group has recognised non-cash expense arisen from the grant of share options to employees approximately HK\$60,140,000 (2007: HK\$13,584,000).

During the year, 203,226,214 new ordinary shares of HK\$0.01 each were issued to the holders of the convertible bonds upon conversion of convertible bonds with nominal value of HK\$160,000,000 (note 33).

Part of the consideration for the business combination that occurred during the year comprised shares. Further details of the acquisitions are set out in note 38.

38 BUSINESS COMBINATION

- (a) In pursuant to the Company's circular and the announcement dated 16 February 2007 and 17 April 2007 respectively, the Group had thereafter completed a business combination by stages of the project of oil exploitation business according to the stipulated terms of the acquisition agreements (the "acquisition") throughout the year. The total consideration of HK\$50,000,000 was satisfied by the Group in cash of HK\$10,000,000 and new shares in the Company of 60,606,000 at HK\$0.66 each.

37 綜合現金流量表 (續)

(b) 主要非現金交易

本集團於年內因向僱員授出購股權而產生的非現金開支約為港幣60,140,000元(二零零七年:港幣13,584,000元)。

年內,面值港幣160,000,000元的可換股債券獲轉換,因而向可換股債券持有人發行203,226,214股每股面值港幣0.01元的新普通股(附註33)。

年內進行業務合併的代價中包括股份。收購的其他詳情載於附註38。

38 業務合併

- (a) 根據本公司於二零零七年二月十六日刊發的通函及於二零零七年四月十七日發表的公告,本集團已於整個年度內根據收購協議訂明的條款分階段完成有關石油開採業務的業務合併(「收購事項」)。本集團以現金港幣10,000,000元及按每股港幣0.66元發行60,606,000股本公司新股清償總代價港幣50,000,000元。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38 BUSINESS COMBINATION (continued)

Following the pre-requisite terms of the acquisition and the announcement of the Company dated 12 June 2007, the Group had completed the acquisition of 51% equity interests in Northeast Oil, an investment holding shell company, on 5 February 2007 as its first stage by securing the ownership of Northeast Oil whereas Northeast Oil was then required to set up a co-operative joint venture, namely Qiqihar Northeast, with its PRC joint venture partner, Qiqihar Oil, as mentioned in note 22(b), in Heilongjiang Province of PRC in order to hold the project development right of oil exploitation business (“oil exploitation right”) in compliance with the PRC Laws as the final stage during the year. According to the PRC laws, the acquisition of the control over Qiqihar Northeast, of which held the oil exploitation rights, was effectively completed on 8 March 2008 when the Group satisfied its parts of capital injection into Qiqihar Northeast and then got a voting power of over 50% in this co-operative joint venture.

38 業務合併 (續)

根據收購事項的先決條件及本公司於二零零七年六月十二日發表的公告，年內，本集團於二零零七年二月五日完成收購東北石油（為投資控股空殼公司）51%股權，此乃取得東北石油擁有權的第一步；而東北石油當時須如附註22(b)所述與其中國合資夥伴齊齊哈爾油田於中國黑龍江省成立一間名為齊齊哈爾東北的合作合營企業，該合作合營企業乃為持有石油開採業務的項目開發權（「石油開採權」）而成立，以符合中國法律的規定，是為最後一個階段。根據中國法律，收購持有石油開採權的齊齊哈爾東北的控制權一事於二零零八年三月八日實際完成。於完成當時，本集團已清付其向齊齊哈爾東北的注資額，並取得該合作合營企業的50%投票權。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38 BUSINESS COMBINATION (continued)

The acquisition of this business combination had the following effect on the Group's assets and liabilities:

Acquiree's net assets at the acquisition date

		Acquiree's 被收購方的	
		Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Intangible assets [#]	無形資產 [#]	-	1,763,975
Less: Minority interests	減：少數股東權益		(864,348)
Excess of fair value of net assets acquired over the cost of acquisition	已收購淨資產的 公平值超出收購 成本的款項		(849,627)
Total consideration	總代價		50,000
Satisfied by:	支付方式：		
Cash	現金		10,000
Issue of shares of the Company	本公司發行股份		40,000
			50,000
Net cash outflow arising on acquisition:	收購產生的現金流出淨額：		
Cash consideration paid	已付現金代價		10,000

[#] Recognised based on the professional valuation report on the oil exploitation rights at the date of acquisition.

38 業務合併 (續)

是次業務合併中的收購對本集團的資產及負債影響如下：

於收購日被收購方的淨資產

		Acquiree's 被收購方的	
		Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Intangible assets [#]	無形資產 [#]	-	1,763,975
Less: Minority interests	減：少數股東權益		(864,348)
Excess of fair value of net assets acquired over the cost of acquisition	已收購淨資產的 公平值超出收購 成本的款項		(849,627)
Total consideration	總代價		50,000
Satisfied by:	支付方式：		
Cash	現金		10,000
Issue of shares of the Company	本公司發行股份		40,000
			50,000
Net cash outflow arising on acquisition:	收購產生的現金流出淨額：		
Cash consideration paid	已付現金代價		10,000

[#] 根據有關於收購日的石油開採權的專業估值報告確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38 BUSINESS COMBINATION (continued)

- (b) On 2 April 2007, the Group acquired 51% equity interests in America Archi, an investment holding company, which directly owned the entire equity interests in Beijing Arch, which are engaged in provision of painting service, sale and distribution of paints products. The total consideration was HK\$8,000,000 satisfied in cash of HK\$5,600,000 and 4,301,332 new shares of the Company at HK\$0.558 each.

The acquisition had the following effect on the Group's assets and liabilities:

Acquiree's net assets at the acquisition date

		Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	588	588
Intangible assets [#]	無形資產 [#]	-	1,000
Inventories	存貨	437	437
Trade and other receivable	貿易及其他應收款項	7,326	7,326
Cash and cash equivalents	現金及現金等值項目	2,051	2,051
Trade and other payables	貿易及其他應付款項	(3,538)	(3,538)
Income tax payables	應繳所得稅	(8)	(8)
Net identifiable assets	可識別淨資產	<u>6,856</u>	7,856
Less: Minority interests	減：少數股東權益		(3,849)
Goodwill	商譽		<u>3,993</u>
Total consideration	總代價		<u>8,000</u>
Satisfied by:	支付方式：		
Cash	現金		5,600
Issue of shares of the Company	本公司發行股份		<u>2,400</u>
			<u>8,000</u>
Net cash outflow arising on acquisition:	收購產生的現金流出淨額：		
Cash consideration paid	已付現金代價		5,600
Less: Cash and cash equivalents acquired	減：已收購現金及 現金等值項目		<u>(2,051)</u>
			<u>3,549</u>

38 業務合併 (續)

- (b) 於二零零七年四月二日，本集團收購美國亞祺（為投資控股公司）51%股權。美國亞祺直接擁有北京亞祺偉業全部股權，而北京亞祺偉業的業務為提供塗漆服務以及銷售及分銷塗料產品。總代價港幣8,000,000元以現金港幣5,600,000元及按每股港幣0.558元發行4,301,332股本公司新股的方式償付。

收購事項對本集團的資產及負債影響如下：

於收購日被收購方的淨資產

	Acquiree's 被收購方的 Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Property, plant and equipment	588	588
Intangible assets [#]	-	1,000
Inventories	437	437
Trade and other receivable	7,326	7,326
Cash and cash equivalents	2,051	2,051
Trade and other payables	(3,538)	(3,538)
Income tax payables	(8)	(8)
Net identifiable assets	<u>6,856</u>	7,856
Less: Minority interests		(3,849)
Goodwill		<u>3,993</u>
Total consideration		<u>8,000</u>
Satisfied by:		
Cash		5,600
Issue of shares of the Company		<u>2,400</u>
		<u>8,000</u>
Net cash outflow arising on acquisition:		
Cash consideration paid		5,600
Less: Cash and cash equivalents acquired		<u>(2,051)</u>
		<u>3,549</u>

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38 BUSINESS COMBINATION (continued)

- # Recognised based on the professional valuation report on the customer list at the date of acquisition.

The goodwill arising on the acquisition of America Archi is attributable to the anticipated profitability of the distribution of the Group's products in the new markets and the anticipated future operating synergies from the combination.

America Archi contributed approximately HK\$20,049,000 to the Group's turnover and approximately HK\$2,082,000 to the Group's profit before tax, for the period between the date of acquisition and the balance sheet date.

If the acquisition had been completed on 1 April 2007, total Group turnover for the year would have been approximately HK\$351,530,000, and profit for the year would have been approximately HK\$601,350,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the turnover and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2007, nor is intended to be a projection of future results.

38 業務合併 (續)

- # 根據有關於收購日的客戶清單的專業估值報告確認。

收購美國亞祺所產生的商譽乃源自於新市場分銷本集團產品的預期盈利能力及日後預期從合併中產生的經營協同效益。

於收購日至結算日期間，美國亞祺為本集團的營業額及除稅前溢利分別貢獻約港幣20,049,000元及約港幣2,082,000元。

倘收購事項於二零零七年四月一日已完成，本集團的本年度總營業額應約為港幣351,530,000元，而本年度溢利則約為港幣601,350,000元。備考資料僅供闡述用途，並不表示倘收購事項於二零零七年四月一日完成本集團可實際達到的營業額及經營業績，亦不擬預測未來業績。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38 BUSINESS COMBINATION (continued)

- (c) On 1 January 2008, the Group acquired the hardener business of 順德市聯固化學工業有限公司 for a cash consideration of approximately HK\$10,245,000.

The acquisition had the following effect on the Group's assets and liabilities:

Acquiree's net assets at the acquisition date

		Acquiree's 被收購方的	
		Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Intangible assets#	無形資產#	—	4,650
Goodwill	商譽		5,595
Total consideration	總代價		10,245
Satisfied by:	支付方式:		
Cash	現金		10,245
Net cash outflow arising on acquisition:	收購產生的現金流出淨額:		
Cash consideration paid	已付現金代價		10,245

Recognised based on the professional valuation report on the customer list at the date of acquisition.

38 業務合併 (續)

- (c) 於二零零八年一月一日，本集團以現金代價約港幣10,245,000元收購順德市聯固化學工業有限公司的硬化劑業務。

收購事項對本集團的資產及負債影響如下：

於收購日被收購方的淨資產

		Acquiree's 被收購方的	
		Carrying amount 賬面值 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Intangible assets#	無形資產#	—	4,650
Goodwill	商譽		5,595
Total consideration	總代價		10,245
Satisfied by:	支付方式:		
Cash	現金		10,245
Net cash outflow arising on acquisition:	收購產生的現金流出淨額:		
Cash consideration paid	已付現金代價		10,245

根據有關於收購日的客戶清單的專業估值報告確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

38 BUSINESS COMBINATION (continued)

(d) Net cash paid in business combination

		Note 附註	HK\$'000 港幣千元
Net cash outflows from acquisition of Northeast Oil	收購東北石油的現金流出淨額	38(a)	10,000
Net cash outflows from acquisition of America Archi	收購美國亞祺的現金流出淨額	38(b)	3,549
Net cash outflows from acquisition of business	收購業務的現金流出淨額	38(c)	10,245
			23,794

38 業務合併 (續)

(d) 於業務合併中支付的現金淨額

39 COMMITMENTS

(a) Capital commitments

As at 31 March 2008, the Group had capital expenditure commitments as follows:

39 承擔

(a) 資本承擔

於二零零八年三月三十一日，本集團的資本開支承擔如下：

		Group 本集團	
		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未撥備		
– acquisition in subsidiaries	– 收購附屬公司	–	6,500
– construction in progress	– 在建工程	8,314	5,870
– property, plant and equipment	– 物業、廠房及設備	2,723	1,790
– acquisition of oil exploitation development project (note 25(a))	– 收購石油開採發展項目 (附註25(a))	117,000	–
		128,037	14,160

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

39 COMMITMENTS (continued)

(b) Commitments under operating leases

At 31 March 2008, the Group had future aggregate minimum lease payments under non-cancellable operating leases in respect of buildings as follows:

Not later than one year	不遲於一年
Later than one year but not later than five years	遲於一年但不遲於五年
Later than five years	遲於五年

Operating lease payments represents rentals payable by the Group for its office properties. Leases are negotiated in a range from 1 year to 50 years.

39 承擔 (續)

(b) 經營租賃承擔

於二零零八年三月三十一日，本集團根據樓宇的不可撤銷經營租賃而須於未來支付的最低租金總額如下：

		Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元 (Restated) (經重列)
		3,853	1,829
		6,340	6,076
		25,753	22,771
		35,946	30,676

經營租賃付款指本集團就其辦公室物業應付的租金。租賃按介乎1年至50年期磋商。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

39 COMMITMENTS (continued)

(c) Commitments under license arrangements

At 31 March 2008, the Group had outstanding commitments from lessees of rented properties and machinery under non-cancellable operating leases in respect of buildings as follows:

Not later than one year	不遲於一年
Later than one year but not later than five years	遲於一年但不遲於五年
Later than five years	遲於五年

Operating lease income represents rental receivable by the Group for its properties and machinery. Leases are negotiated for an average term of 6 years.

40 BANKING FACILITIES

As at 31 March 2008, the Group's banking facilities totaling approximately HK\$183,883,000 (2007: HK\$196,400,000) were secured by the following:

- (i) first legal charges over leasehold land and buildings held by the Group with a total carrying amount of approximately HK\$45,385,000 (2007: HK\$41,893,000); and
- (ii) corporate guarantees given by the Company of approximately HK\$329,500,000 (2007: HK\$186,793,000).

39 承擔 (續)

(c) 許可證安排的承擔

於二零零八年三月三十一日，本集團根據樓宇的不可撤銷經營租賃應收租賃物業及機器承租人的未償還承擔如下：

		Group 本集團	
		2008 二零零八年	2007 二零零七年
		HK\$'000 港幣千元	HK\$'000 港幣千元
Not later than one year	不遲於一年	4,183	2,143
Later than one year but not later than five years	遲於一年但不遲於五年	5,078	4,049
Later than five years	遲於五年	3,670	2,713
		12,931	8,905

經營租賃收入指本集團就其物業及機器應收的租金。租賃按平均6年期磋商。

40 銀行融資

於二零零八年三月三十一日，本集團的銀行融資合共約為港幣183,883,000元（二零零七年：港幣196,400,000元），以下列項目作抵押：

- (i) 本集團所持賬面總值約港幣45,385,000元（二零零七年：港幣41,893,000元）的租賃土地及樓宇的第一法定押記；及
- (ii) 本公司所提供約港幣329,500,000元（二零零七年：港幣186,793,000元）的公司擔保。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

41 SIGNIFICANT RELATED PARTY TRANSACTIONS

- (a) Save as disclosed elsewhere in the financial statements, the Group had the following significant related party transactions:

Rental expenses paid to Luen Yat Enterprises Company Limited (“Luen Yat”)	支付予聯鑑企業有限公司(「聯鑑」)的租金開支	1,441	996
Rental expenses paid to Mr. Poon Sau Tin and Mr. Poon Sum	支付予潘壽田先生及潘森先生的租金開支	384	384

Mr. Poon Sau Tin has beneficial interests in the Company. Mr. Poon Sum is the director and has beneficial interests in the Company.

Luen Yat is related to the Group by virtue of the interests of Mr. Poon Sau Tin and Mr. Poon Sum.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company’s directors as disclosed in note 16(a), is as follows:

Short-term employee benefits	短期僱員福利	39,325	10,716
Post-employment benefits	離職後福利	36	36

Total remuneration is included in “staff costs” (see note 15).

41 重大有關連人士交易

- (a) 除於財務報表其他部分所披露者外，本集團進行的重大有關連人士交易如下：

Group 本集團		2008 二零零八年	2007 二零零七年
		HK\$’000 港幣千元	HK\$’000 港幣千元

潘壽田先生於本公司擁有實益權益。潘森先生為本公司董事，並於本公司擁有實益權益。

潘壽田先生及潘森先生於聯鑑擁有權益，故聯鑑與本集團屬有關連。

(b) 主要管理人員薪酬

本集團主要管理人員的薪酬（包括附註16(a)所披露支付予本公司董事的金額）如下：

2008 二零零八年		2007 二零零七年
HK\$’000 港幣千元		HK\$’000 港幣千元

酬金總額已計入「員工成本」（見附註15）。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

42 CONTINGENT LIABILITIES

(a) The Company had contingent liabilities as follows:

Guarantee for banking facilities of subsidiaries	附屬公司銀行融資 的擔保
---	-----------------

In the opinion of the Directors of the Company, the fair value of the financial guarantee contracts of the Company are insignificant at initial recognition and the Directors consider the possibility of default of the parties involved is remote, accordingly, no value has been recognised in the balance sheet.

(b) Environmental contingencies

Due to the underground oil exploitation method adopted by the Group, the Group has not incurred any significant expenditure on environmental rehabilitation since their establishment. There is, however, no assurance that stringent environmental policies and/or standards on environmental rehabilitation will not be implemented by the relevant authorities in the PRC in the future which require the Group to undertake environmental measures. The financial position of the Group may be adversely affected by any environmental liabilities, which may be imposed under such new environmental policies and/or standards.

42 或然負債

(a) 本公司的或然負債如下：

Company	
本公司	
2008	2007
二零零八年	二零零七年
HK\$'000	HK\$'000
港幣千元	港幣千元

	241,339
--	----------------

	186,793
--	----------------

本公司董事認為，本公司的財務擔保合約的公平值於初步確認時並不重大，而董事認為所涉及人士違約的可能性不大，故並無於資產負債表確認任何價值。

(b) 環境或然事項

基於本集團採用地下石油開採技術，本集團自採納有關技術以來並未就環境修復產生任何重大開支。然而，不能確保中國有關當局日後不會實施嚴格的環境政策及／或環境修復標準，以致本集團須採取環境措施。根據有關新環境政策及／或標準可能產生的任何環境負債均可能對本集團的財務狀況造成不利影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

43 NON-ADJUSTING POST BALANCE SHEET EVENTS

Same as disclosed elsewhere in the financial statements, the following significant events took place subsequent to 31 March 2008:

(a) Nano viscosity depressor business

On 17 March 2008, the Group formed a PRC joint venture Company, Shenyang Fushan Oilfield Limited, which is engaged in nano viscosity depressor business. Details of which are disclosed in the Company's announcement dated 27 March 2008.

(b) Open offer

On 6 June 2008, the Company completed an Open Offer of 647,577,739 offer shares on the basis of one offer share for every two shares held on the record date at HK\$0.288 per offer share. The purpose of the Open Offer is to strengthen the Group's financial position for future potential investments. The net proceeds from Open Offer were approximately HK\$180 million. The raised fund with approximately HK\$117 million for the balance payment of the Project Fu 718 was paid on 15 July 2008 and disclosed in note 25(a) above. The rest of approximately HK\$63 million was used as general working capital of the Group.

43 不作調整的結算日後事項

與財務報表其他部分披露者相同，於二零零八年三月三十一日後發生下列重大事件：

(a) 納米降粘劑業務

於二零零八年三月十七日，本集團成立一間中國合營企業沈陽富順油田服務有限公司，該公司從事納米降粘劑業務。有關詳情於本公司日期為二零零八年三月二十七日的公告中披露。

(b) 公開發售

於二零零八年六月六日，本公司完成按每股發售股份港幣0.288元公開發售647,577,739股發售股份（基準為於記錄日期每持有兩股股份獲發一股發售股份）。公開發售旨在加強本集團的財務狀況，為把握日後的商機打好基礎。公開發售的估計所得款項淨額約為港幣180,000,000元。集資額中約港幣117,000,000元用於支付富718項目的結餘，已於二零零八年七月十五日支付，並於上文附註25(a)披露。餘下約港幣63,000,000元用作本集團的一般營運資金。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

44 COMPARATIVE FIGURES

As a result of adopting HKFRS 7, Financial instruments: Disclosures, and the amendment to HKAS 1, Presentation of financial statements: Capital disclosures, certain comparative figures have been adjusted to conform with changes in disclosures in the current year and to show separately comparative amounts in respect of items disclosed for the first time in 2007. Further details of these developments are disclosed in note 2.

44 比較數字

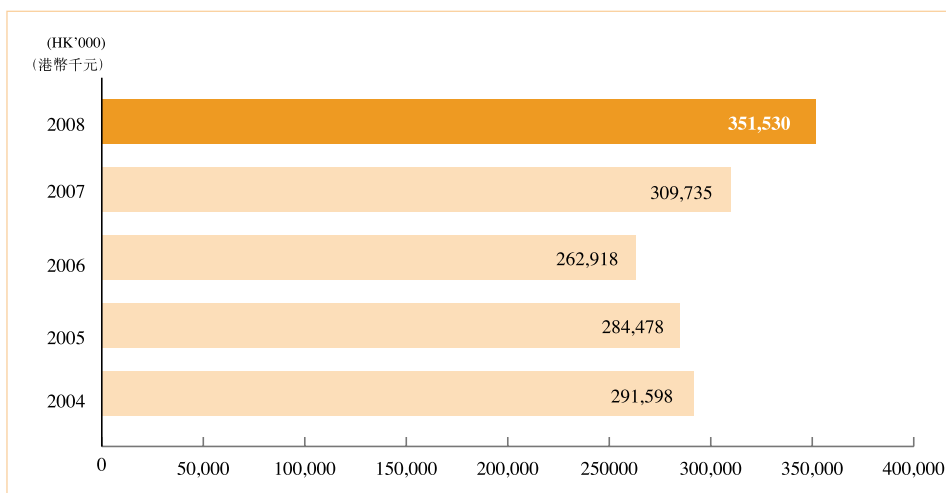
採納香港財務報告準則第7號「金融工具：披露」及香港會計準則第1號的修訂本「財務報表的呈報方式：資本披露」後，若干比較數字已作調整，以符合本年度披露事項的變動，並分開顯示於二零零七年首次披露的項目的比較金額。此等發展的其他詳情於附註2披露。

FIVE YEARS FINANCIAL SUMMARY

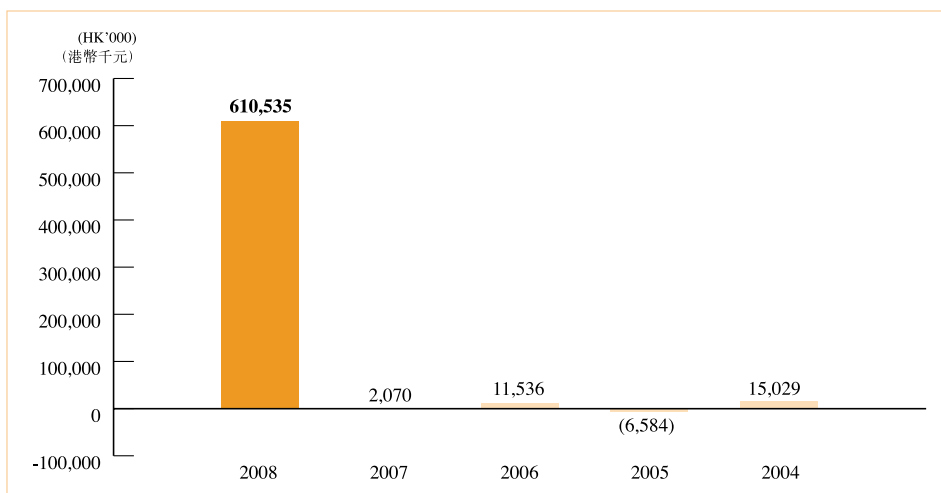
五年財務概要

		2008 二零零八年 HK\$'000 港幣千元	2007 二零零七年 HK\$'000 港幣千元	2006 二零零六年 HK\$'000 港幣千元	2005 二零零五年 HK\$'000 港幣千元	2004 二零零四年 HK\$'000 港幣千元
Turnover	營業額	351,530	309,735	262,918	284,478	291,598
Profit/(loss) attributable to shareholders	股東應佔溢利 ／(虧損)	610,535	2,070	11,536	(6,584)	15,029

TURNOVER 營業額



PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS 股東應佔溢利／(虧損)



FIVE YEARS FINANCIAL SUMMARY

五年財務概要

SHAREHOLDERS' FUNDS

股東資金

