

PetroAsian
中亞能源



PetroAsian Energy Holdings Limited
中亞能源控股有限公司

(Incorporated in the Cayman Islands with limited liability) (HKEx stock code: 850)
(於開曼群島註冊成立之有限公司) (香港交易所股份號碼: 850)

2009-2010
ANNUAL REPORT 年報

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Corporate Information 公司資料

BOARD OF DIRECTORS

Executive Directors:

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

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 Centre
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

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

HSBC Trustee (Cayman) Limited
P.O. Box 484
HSBC House
68 West Bay Road
Grand Cayman
Cayman Islands
KY1-1106

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

Deloitte Touche Tohmatsu
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

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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
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法律顧問

李智聰律師事務所

聯席核數師

德勤•關黃陳方會計師行
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

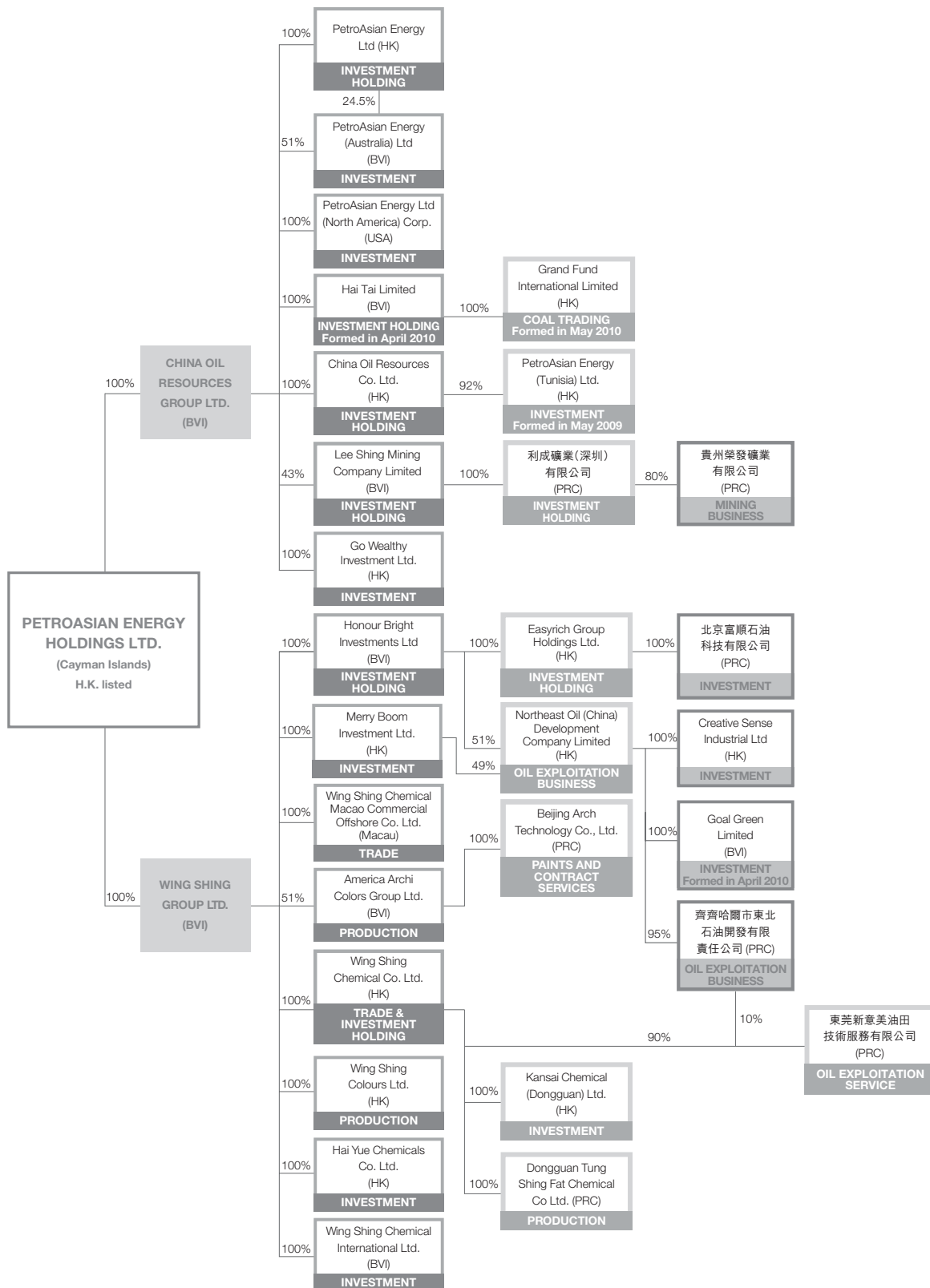
股份代號

850

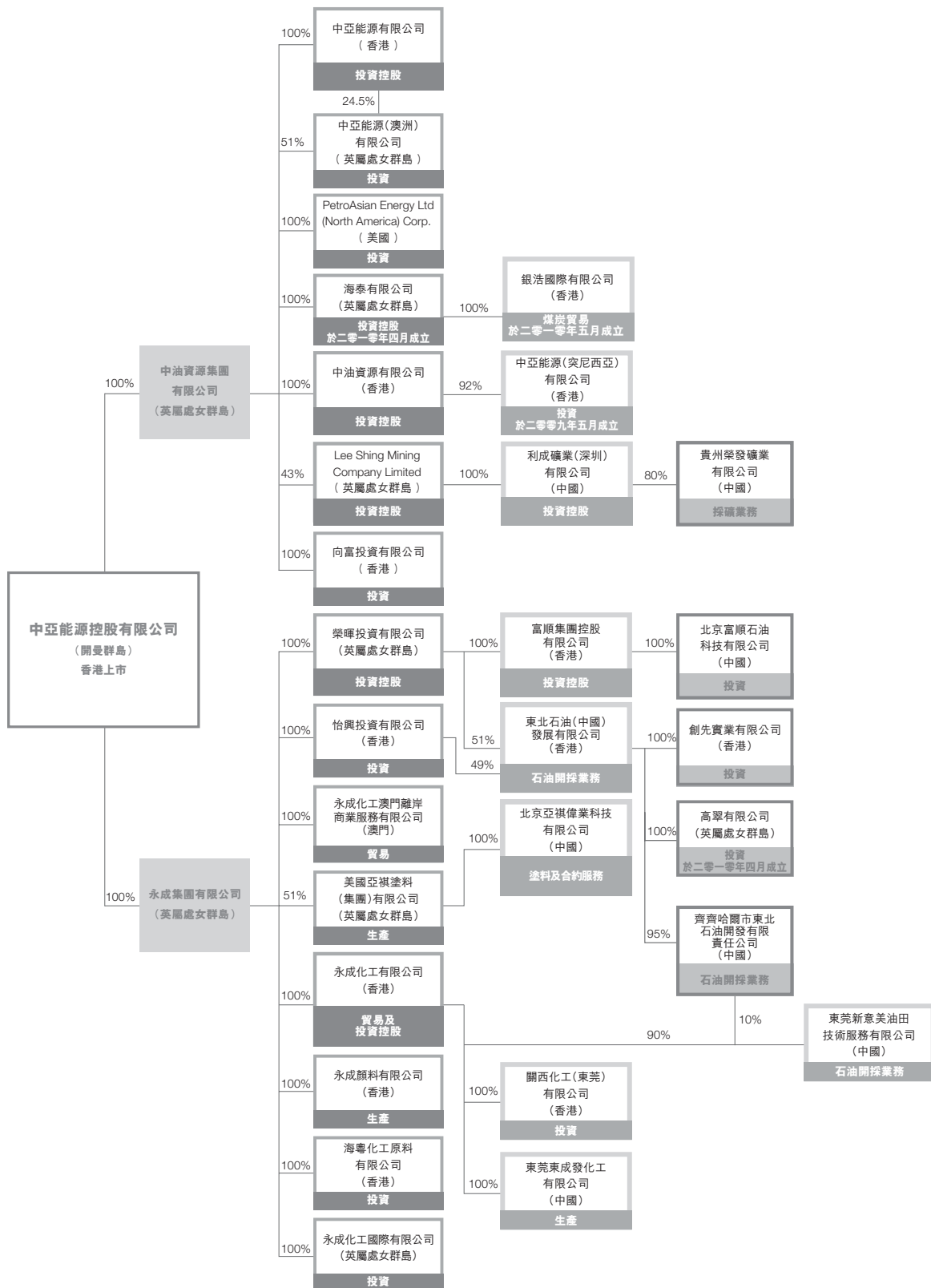
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Company Structure 公司架構



Company Structure 公司架構



Chairman's Statement

主席報告

Dear Shareholders,

FINANCIAL RESULTS

On behalf of PetroAsian Energy Holdings Limited ("PetroAsian Energy" or the "Company"), I hereby present to the shareholders the audited results of the Company and its subsidiaries ("the Group") for the year ended 31 March 2010 ("the Year"). For the Year under review, the Group recorded a consolidated turnover of approximately HK\$307,982,000 (2009: HK\$399,409,000), representing a decrease of 22.89% as compared with the previous year, while loss attributable to shareholders of the Company amounted to HK\$262,348,000 (2009: Profit of HK\$55,143,000).

BUSINESS REVIEW

During the Year, the global economy has been steadily recovering from the financial tsunami whilst investors' confidence has also been picking up too. Most financial markets around the globe have started to regain its foothold and international crude oil prices have generally maintained above US\$70/barrel during the Year and as high as over US\$91/barrel, whereas in the previous financial year, crude oil price was as low as US\$52/barrel. With the improving atmosphere in global economies, we are confident that PetroAsian Energy, being an international oil exploration and exploitation participant, is well positioned to benefit from the market recuperation as well as the general increase in oil prices.

In view of the recovery of crude oil prices, the Group is poised to devote more resources in the oil exploitation of its oilfields in Qiqihar, Heilongjiang Province, the PRC. The objective is to enhance production capacity from these oilfields by deployment of various oil exploitation techniques. In July 2010, we have started the drilling of an exploration well (the "TC5-1") in the newly developed Fu 718 area of the Fulaerjiqu Oilfield in Qiqihar. The TC5-1 deviated exploration well has reached its total depth of 594 meters on 31 July 2010. Well logging data confirmed an oil layer with a net thickness of 11.4 meters (effective thickness of 8.4 meters). This is the best pay thickness in the whole oilfield so far amongst a total of 137 wells drilled by different companies in its previous 21 years of development history in this general area. PetroChina Great Wall Drilling Downhole Operating Company, our contractor of this multi-wells drilling program, will continue to drill further deviated wells and horizontal wells in Fu 718 subject to favourable drilling outcome.

各位股東：

財務業績

本人謹代表中亞能源控股有限公司(「中亞能源」或「本公司」)向各股東提呈本公司及其附屬公司(「本集團」)截至二零一零年三月三十一日止年度(「本年度」)之已審核業績。於本回顧年度，本集團之綜合營業額約為港幣307,982,000元(二零零九年：港幣399,409,000元)，較去年減少22.89%，本公司股東應佔虧損為港幣262,348,000元(二零零九年：溢利港幣55,143,000元)。

業務回顧

於本年度，全球經濟自金融海嘯中穩步復蘇，投資者信心亦已回升。世界各地的金融市場大部份已回復穩定。國際原油價格由上一個財政年度低至每桶52美元回升，於本年度大致維持於每桶70美元的水平，高見每桶91美元。隨著全球多個經濟體系情況好轉，我們有信心，中亞能源作為國際石油勘探及開採商，應能受惠於市場復蘇及整體石油價格回升。

鑒於原油價格回升，本集團將投放更多資源於中國黑龍江省齊齊哈爾油田的石油開採業務，目的是透過採用各種石油開採技術，提升該區油田的產能。集團於二零一零年七月開始鑽探位於齊齊哈爾市富拉爾基油田新開發的富718礦區的一口探井(TC5-1)。二零一零年七月三十一日，TC5-1斜探井口已達到其594米之總深度。測井數據確認油層的淨厚度為11.4米(實際油層厚度為8.4米)。這是直至目前為止，區內所有油田過往21年開發歷史中，由不同公司所鑽探的合共137個探井中的最佳產油層厚度。中國石油集團長城鑽探工程有限公司井下作業公司為本集團於該多井鑽探計劃之承包商，該公司將視乎鑽探結果繼續在富718礦區鑽探其他斜井及水平井。

Chairman's Statement 主席報告

On 20 July 2010, our onshore well drilling in the Ksar Hadada Permit, Tunisia was also commenced. The spudding of the exploration well (the "Oryx-1 exploration well"), is one of the two wells drilling programme that forms part of the work programme for the development of our Ksar Hadada Permit.

On 1 August 2010, the Oryx-1 exploration well has reached a total depth of 1,140 meters. Although oil shows were encountered in both the upper and lower Ordovician reservoir units, log analysis indicates that no significant oil saturation is present in these reservoirs at this location. Hence saved from setting production casing and further well testings, the Oryx-1 exploration well is now being plugged and abandoned. The Oryx-1 exploration well has been drilled below budget and without a time losing incident. It is noteworthy that, in the oil industry, encounter of dry wells without commercial value is very common.

The Compagnie Tunisienne de Forage Rig 06, our drilling team and equipments, will all be moved 22.5 km away to commence drilling of Sidi Toui-4, the second well in the current work programme. Sidi Toui-4 has been designed as a deeper deviated wellbore which will specifically target resources in the upper Ordovician reservoir unit, the Bir Ben Tartar Formation, of the much larger Sidi Toui structure in the Ksar Hadada Permit area where an earlier well Sidi Toui-3 had been drilled in 2004 with 144 meters of good hydrocarbon fluorescence show. We remain confident on the drilling prospect of the Sidi Toui structure.

During the period under review, the Group has undergone a restructuring exercise so as to dispose of its loss-making paint manufacturing business. This not only allows better deployment of our capital application and management resources to our healthy businesses, but also to enhance our focus in our core businesses which include energy business, oil exploration and exploitation. On the other hand, in order to further strengthen and complement our core businesses, we are in the process of completing the acquisitions of a 51% equity interest in an oil technology company, and a 52% participating interest in Modamuji Sag, Hailaer Oilfield, Inner Mongolia, the PRC.

於二零一零年七月二十日，本集團開始在突尼西亞Ksar Hadada Permit的陸上探井進行鑽探。於Oryx-1探井(「Oryx-1探井」)的鑽探工作，是屬於開發Ksar Hadada Permit的工作計劃中兩項探井鑽探計劃的其中之一項。

於二零一零年八月一日，Oryx-1探井的總深度達到1,140米。儘管於奧陶系儲層之上層及下層均顯示存在油氣，惟測井分析顯示於此位置的儲層並無重大飽和含油展示。因此，Oryx-1探井現時已被封閉及棄置，亦無安裝生產套管及其他試井安排。雖然如此，鑽探Oryx-1探井的成本仍低於預算，且並無出現時間損失事件。值得注意的是，在石油行業，於挖掘油井時遇到沒有商業價值的乾井的情況十分普遍。

Compagnie Tunisienne de Forage 6號鑽機、鑽探團隊及設備將全部移至22.5公里以外去展開鑽探Sidi Toui-4探井(現時計劃下的第二口探井)。Sidi Toui-4是較深的斜井設計，其特定目標是在Ksar Hadada Permit區塊內更大型的Sidi Toui構造內之Bir Ben Tartar層位的上奧陶系油藏。於二零零四年，在鑽探該構造較早期的Sidi Toui-3探井時曾獲取144米的良好油氣螢光顯示。本集團對Sidi Toui構造的鑽探前景繼續充滿信心。

本集團於回顧期內進行重組，以出售錄得虧損的油漆生產業務。此舉不但讓我們能更有效運用資金及管理資源，使業務得以穩健發展，並集中資源開拓核心業務，包括能源業務及石油勘探與開發業務。另一方面，集團正收購一家石油技術公司的51%股權及於中國內蒙古海拉爾油田莫達木吉區塊52%的參與權益，藉此進一步加強及補足本集團的核心業務。

Chairman's Statement

主席報告

FUTURE PROSPECTS

With the increase in the crude oil prices over the year which have now become more stabilised, the ever-increasing global consumption of oil and other energy, and the recent oil spill in the Gulf of Mexico, it is expected that global oil reserves will continue to decline, if not at an even quicker rate, which eventually would result in inadequate supplies and inflating prices. Hence, the Group firmly believes that the long-term prospect of the oil industry is very optimistic.

Our proposed acquisition of a 51% of the equity interests in an oil technology company, and a 52% of the participating interests in Modamuji Sag, Hailaer Oilfield, will not only extend our potential oil reserve, but also extend our revenue stream outside of the sale of crude oil from the existing exploration and exploitation activities of our existing oilfields in Northeast China and Tunisia.

With regards to the possible acquisition of the oil technology company, we are confident that its oil exploitation technology and its existing servicing of oilfields in Liaohe, Shenyang Province would be beneficial to the Group and its shareholders as a whole in order to strengthen the technology development base of the Group with the expertise of its expert team and technical team.

Having signed a legally binding agreement on 30 July 2010, we are now edging closer to the completion of the acquisition of the oil technology company. If successful, it will be an important step for the Group's further business development in the energy sector in the PRC. The Group also believes that this will provide additional income to strengthen its revenue base.

On 22 April 2010, the Company entered into a sale and purchase agreement for the acquisition of 177,785,861 shares, representing approximately 37.55% of the issued share capital of Mobile Telecom Network (Holdings) Limited ("Mobile Telecom"), a company incorporated in Bermuda with its shares listed on the Growth Enterprises Market Board of The Stock Exchange of Hong Kong Limited for a consideration of HK\$35,557,000 (equivalent to HK\$0.2 per sale share). Mobile Telecom is engaged in telecommunications into which the Group's business will be diversified.

Although the global economy has seemed to have bottomed out and that economic situation has been improving gradually, the Board remains prudent and optimistic towards the Group's business development in the future.

未來前景

隨著本年度原油價格回升並轉趨穩定、全球對石油及其他能源的消耗量不斷增加，以及近期墨西哥灣的漏油事故，預期全球石油儲量即使不會以更快的速度遞減，亦將繼續減少，最終導致供應不足，價格上漲。因此，本集團深信長遠而言石油業前景十分樂觀。

本集團擬收購一家石油技術公司51%股權及海拉爾油田莫達木吉區塊52%的參與權益，此舉不僅可增加我們的潛在石油儲量，亦可將我們的收入來源由銷售自中國東北地區及突尼西亞現有油田的勘探及開採活動中獲得的原油擴展至其他領域。

至於對石油技術公司的可能收購事項，我們有信心該公司的石油開採技術及其現時為瀋陽市遼河油田提供的服務，符合本集團及其股東整體利益，而本集團亦可依賴該公司的專家團隊及技術團隊，增強我們本身的技術發展基礎。

自二零一零年七月三十日簽訂具法律約束力的協議後，我們對該石油技術公司的收購已將近完成。倘收購順利完成，將會是本集團於中國能源業進一步發展的重要里程碑。本集團亦相信此舉可帶來額外收入，從而加強我們的收入基礎。

於二零一零年四月二十二日，本公司訂立一份買賣協議，以港幣35,557,000元的代價(相等於每股銷售股份港幣0.2元)，收購流動電訊網絡(控股)有限公司(「流動電訊」(一間於百慕達註冊成立的公司，其股份於香港聯合交易所有限公司創業板上市)的177,785,861股股份(佔該公司已發行股本約37.55%)。流動電訊從事電訊服務，因此本集團的業務將變得多元化。

儘管全球經濟似乎已走出谷底，經濟情況逐步改善，惟董事會對集團未來的業務發展仍抱審慎樂觀態度。

Chairman's Statement

主席報告

APPRECIATION

Last but not least, I would like to take this opportunity to express my sincere gratitude to members of the Board and all our dedicated staff for their invaluable services during the previous year. I would also like to thank our shareholders and business partners who have been supportive over the years. In the new fiscal year with opportunities and challenges, the Board will be committed to maximise the profit and the return for our shareholders.

By order of the Board

Poon Sum

Chairman

Hong Kong, 17 August 2010

致謝

最後，本人藉此機會向董事會成員及所有員工於過去一年的努力致以由衷的謝意，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。在充滿機遇和挑戰的新一年裡，董事會將繼續致力為各股東爭取最大的利潤回報。

承董事會命

主席

潘森

香港，二零一零年八月十七日

Management Discussion and Analysis

管理層討論及分析

MARKET REVIEW

During the fiscal year under review, the global economy had experienced a remarkable recovery from the financial tsunami. Notwithstanding turmoil which happened from time to time during the period, interbank lending rates have returned to close-to-normal levels; stock markets in high-income and emerging economies have recovered much of the value they lost, and most currencies in developing countries have regained their pre-crisis levels against the dollar. The real-side of the global economy, as indicated by various indicators, is also recovering. While the downturn of the global economy during fiscal year 2008/09 and recovery during fiscal year 2009/10 was remarkable in terms of both depth and coverage across countries, the recovery which is now more than a year old is moving into a more mature phase characterized by significant headwinds. Rebound factors including in particular the growth impetus from crisis-related fiscal and monetary stimulus measures that contributed to rapid growth rates during the current period under examination are now fading. The recovery is expected to lose momentum in the coming months but annual growth rates should continue to strengthen especially amongst developing countries.

Market nervousness concerning the fiscal positions of several European countries (especially the "EU-5") poses a new challenge for the world economy. A crisis of confidence, a default or major restructuring of the EU-5 debt could have serious consequences for the global economy, both because of the large-scale recession that the directly affected countries are likely to enter into, but also because of the potential knock-on effects of the default on the financial health of creditor banks elsewhere in the globe. There is the challenge to tighten fiscal policies as well as to unwind the stimulus measures that were put into place. This is a problem for many high-income countries, where fiscal deficits and debt-to-GDP ratios have reached unsustainable levels. Commodity prices started to rebound in early 2009 and into 2010 as the global recovery intensified. Increased demand from China, significant production cuts, and some weather-related factors contributed to higher prices. In accordance with a research report issued by the World Bank in June 2010, energy prices by the end of April 2010 were up 80 percent from the lows in February 2009, while metal prices more than doubled. After 5 consecutive quarters of decline, world oil demand rose in the final quarter of 2009, led by strong demand in China (up 1.3 million barrel per day or 17% year-on-year). It is estimated that while prices are expected to average USD70 per barrel, they are likely to remain volatile, reflecting the inherent difficulties associated with OPEC's efforts to guide global prices through supply management. In the United States, the tragic oil

市場回顧

於本回顧財政年度內，環球經濟已從金融海嘯中顯著復甦。儘管於期內仍不時出現動盪，但銀行同業拆息已回復到接近正常的水平；在高收入及新興經濟體系的股市亦已收復大部份已蒸發的市值，而大部份發展中國家貨幣兌美元的匯率，亦已回復到金融危機前的水平。多個指標顯示，環球實體經濟亦已正在復甦。雖然環球經濟於二零零八／零九財政年度內的逆轉及於二零零九／一零財政年度內的復甦，以影響深遠程度及所涵蓋國家數目而言均令人觸目，但如今歷時已超過一年的復甦，正在進入更成熟但阻力明顯更強大的階段。多項反彈因素的影響現正逐漸消退，尤其包括與金融危機有關且導致於本審閱期間錄得高增長率的財政及貨幣刺激措施。預期復甦動力將於未來數月消失，但相信全年增長率(尤其是發展中國家之增長率)將會繼續增強。

市場對多個歐洲國家(特別是「歐盟五國」)的財政狀況感到憂慮，令全球經濟面對新的挑戰。信心危機、歐盟五國債務出現違約或重大債務重組，均可能對環球經濟構成嚴重後果，不單只因為有關的直接受影響國家極可能步入大規模衰退，更會因世界各地債權銀行的財政狀況出現違約而可能產生連鎖效應。對於需要收緊財政政策及退出已落實的刺激措施而言，這個情況會是一項挑戰。許多高收入國家的財政赤字及債務佔國內生產總值比例已達到無法支持的水平，對於它們而言更是一個難題。商品價格於二零零九年初開始反彈，並隨著全球復甦加快而延續至二零一零年。來自中國的需求增加、產量大減及若干天氣相關因素，均導致價格上升。根據世界銀行於二零一零年六月發表的研究報告顯示，截至二零一零年四月底的能源價格較二零零九年二月的低位上升80%，而金屬價格更上升超過一倍。經過連續五個季度下跌後，受到中國的強勁需求帶動(每日增加130萬桶，或按年計上升17%)，全球石油需求於二零零九年最後一季上升。估計當油價處於平均每桶70美元水平時，油價極可

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spill in the Gulf of Mexico has not affected oil production, but will likely have a long-term impact on the oil and gas industry in terms of regulatory compliance and the related costs.

In view of the above, economic outlook around the world remains fragile and significant challenges stand in the way of a smooth recovery. The Company will continue to exercise care in structuring its investment portfolio as well as in managing its existing business and operations.

BUSINESS REVIEW

Business Overview

In the financial year of 2009/10, the Group recorded a consolidated turnover of approximately HK\$307,982,000 (2009: HK\$399,409,000), representing a decrease of 22.89% when compared with last year (2009: an increase of 13.62%). Loss attributable to shareholders was approximately HK\$262,348,000 (2009: profit of HK\$55,143,000). The loss was attributable to a number of factors as follows: (1) property, plant and equipment written off, (2) loss on disposal of subsidiaries, (3) fair value adjustment on warrants classified as financial instruments at issue date, (4) charging of fair value of the share-based payments to the employees of the Group arising from newly granted share options under the share option scheme of the Company, and (5) loss from changes in fair value of derivative financial instruments.

Tunisia Operations

On 8 June 2009, the Group entered into a farm-in agreement with both Petroceltic Ksar Hadada Limited (a wholly owned subsidiary of Petroceltic International plc) and Independent Resources (Ksar Hadada) Limited (a wholly owned subsidiary of Independent Resources plc), regarding the sale and purchase of 51% Participating Interests and 52.96% Paying Interests in Ksar Hadada Permit (the "Permit"), onshore Tunisia, North Africa. As part of the farm-in agreement, the Group is required to acquire and process 100 kilometers of 2D seismic data, and to drill and test two new exploration wells. Drilling of the first of the two new exploration wells (the "Oryx-1 exploration well") on the Permit has started in mid-July

能仍然會出現波動，反映石油輸出國家組織透過供應管理而操控全球油價的做法存在固有困難。在美國，墨西哥灣的漏油事故尚未影響石油產量，但極可能會對油氣業界的監管合規及相關成本帶來長遠影響。

鑒於上文所述情況，環球經濟前景仍然脆弱，而在平坦的復甦道路上亦面對著重大挑戰。本公司將繼續審慎構建其投資組合以及管理旗下的現有業務及經營活動。

業務回顧

業務概覽

於二零零九／一零年的財政年度，本集團錄得綜合營業額約港幣307,982,000元(二零零九年：港幣399,409,000元)，與去年度比較營業額下跌22.89%(二零零九年：上升13.62%)，股東應佔虧損則約為港幣262,348,000元(二零零九年：溢利港幣55,143,000元)。出現虧損的主要原因如下：(1)撤銷物業、廠房及設備；(2)出售附屬公司的虧損；(3)於發行日期分類作金融工具之認股權證之公平值調整；(4)扣除向本集團僱員支付的以股份支付款項(此乃由根據本公司購股權計劃新授予的購股權所產生)之公平值；及(5)衍生金融工具公平值變動的虧損。

突尼西亞營運狀況

於二零零九年六月八日，本集團與 Petroceltic Ksar Hadada Limited (為 Petroceltic International plc 的全資附屬公司) 及 Independent Resources (Ksar Hadada) Limited (為 Independent Resources plc 的全資附屬公司)，已就買賣位於北非突尼西亞陸上 Ksar Hadada 許可證(「許可證」)的51%參與權益及52.96%支付權益而訂立購入協議。作為該購入協議的一部分，本集團須獲取並處理100公里的二維地震數據，及鑽探並測試兩口新油井。該兩口新油井中第一口油井(Oryx-1探井)按照許可證於二零一零年七月中旬開始鑽探。該油井乃兩個油

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2010. The well is one of a two-well drilling programme that forms part of the US\$14.5 million work programme that was agreed when the Group farmed into the Permit.

The Permit, also known as Area 20, lies almost entirely onshore in southeast Tunisia, bounded by the Libyan border to the east and lies within the Ghadames basin which covers an area of 5,609 square kilometers. Primary reservoir targets on block are Cambro-Ordovician quartzites and the Silurian Acacus Sandstone. Several large oil-prone prospects have been mapped; these are sourced by the Silurian Tanezzuft Shale, which is the main source rock for North Africa and the Middle East. These rocks are overlain unconformably by a Permo-Triassic section, which also contains potential reservoir quality rock. There are altogether five prospects and a lead being evaluated in the Ksar Hadada area. Recent light oil discoveries in the Cambro-Ordovician just 20 km to the south of the Permit have now validated the potential of the Ksar Hadada targets. Across the border in Libya very high flow rates have been achieved from multiple Acacus wells, providing added attractiveness to the Acacus play. In addition, infrastructure of the exploration area such as transportation network, pipeline transportation and other ancillary facilities are well developed and close to the Permit so that the cost of oil production will be greatly reduced.

As an additional evaluation on the Permit, on 22 October 2009, the Group entered into a service agreement with BGP Inc. ("BGP"), a wholly owned subsidiary of China National Petroleum Corporation, so as to engage BGP as a technical consultant to provide both evaluation services as well as technical consultancy services; whereas the operator of the Permit had engaged Blackwatch Petroleum Services Limited, an internationally renowned technical consultant, to perform the same for the Permit. BGP is one of the world's leading geophysical service companies based in Beijing, China, providing oil exploration, seismic processing explanation, oil geological research, geophysical prospecting research and other services for global oil companies. BGP has a total of 40 overseas branches and offices in Asia, America, Africa and the Middle East. Evaluation services include but are not limited to the analysis of petroleum geology factors, evaluation of data quality, results of processing and interpretation of previous seismic sections, analysis of the reliability of prospects (traps) in the block, re-interpretation of seismic data of main targets (prospects of traps), reservoir analysis and re-calculation of petroleum volumetric of prospects in the block, suggestion of geophysical survey for new exploration phase, distribution of new seismic lines and well locations to be drilled.

井鑽探計劃之一，而該計劃則構成當本集團購入許可證時所同意之14,500,000美元工程計劃一部份。

該許可證(亦被稱為Area 20)幾乎全部位於突尼西亞東南部陸上，東面止於利比亞邊境並位於古達米斯盆地之內，包含面積5,609平方公里。主要油層目標為寒武-奧陶紀石英岩及志留紀Acacus沙岩。若干大型易生油的遠景構造已發現，並源於志留紀Tanezzuft頁岩，而此頁岩是北非及中東的主要油原岩。該等岩石被一層石炭三疊紀不規則地覆蓋，此岩層亦可能包含生油岩。Ksar Hadada地區共勘探得五個遠景構造及一個可能含油構造。最近於許可證南面20公里的寒武-奧陶紀發現輕油，已確認了Ksar Hadada的潛力。跨越利比亞邊境的多個Acacus油井均錄得非常高的流量，增加Acacus遠景區的吸引力。此外，由於開採地區的基建元素，例如運輸網絡、輸氣管及其他輔助設施均已完善發展並毗鄰許可證，因此產油成本將會大幅減少。

作為對許可證的額外評估，於二零零九年十月二十二日，本集團與中國石油東方地球物理公司(「中國石油東方地球物理」)(為中國石油天然氣集團公司的全資附屬公司)達成服務協議，據此聘用中國石油東方地球物理為技術顧問，提供評價服務及技術顧問服務。許可證營運者亦同時聘用世界聞名的技術顧問Blackwatch Petroleum Services Limited，就許可證提供相同服務。中國石油東方地球物理為以中國北京為基地的全球領導性地球物理服務公司之一，為全球石油公司提供石油勘探、地震過程辨析、石油地質研究、地球物理遠景研究及其他服務。中國石油東方地球物理於亞洲、美洲、非洲及中東設有合共四十間海外分公司及辦事處。評價服務包括但不限於石油地質因素分析、數據質量評價、處理結果及以前地震剖面的解釋、板塊內遠景構造(油氣藏)可靠性之分析、主要預期目標(油氣藏之遠景)之地震數據重新解釋、儲層分析和板塊內遠景構造之石油體積儲量重新計算，並為新勘探階段、新地震分佈線路和將會鑽探的地點作出地球物理調查建議。

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Since March 2010, full scale drilling preparation has been undertaken by the operator of the Permit who has sent out numerous tender invitations to a number of providers of technical services and suppliers of goods and supplies required in the drilling operations covering drilling rig services, downhole equipment, wireline services, well testing, tubular goods and medivacs. All bids were carefully examined and evaluated and qualified vendors were selected after a rigorous tender process based on a scoring of both technical and financial requirements.

On 20 April 2010, the Group received an independent report titled "Seismic Data Interpretation and Exploration Target Evaluation for Ksar Hadada Block in Tunisia" from BGP. Based on this report, the five prospects namely Oryx, Sidi Toui, South Salah, Antelope and Gazelle as covered by the Permit have a maximum of approximately 2.227 billion barrels of stock tank oil initially in place (STOIIP).

The Group along with its partners has selected Compagnie Tunisienne de Forage ("CTF") as its contracted drilling company. CTF was selected amongst a pool of drilling companies because of its local expertise in Tunisia, technical qualifications and favorable drilling rates. CTF plays the role of the national drilling company of Tunisia, and has 30 years of experience of operating in Tunisia, drilling over 260 wells since its incorporation. CTF will employ its CTF06 rig which is a 1,500 HP top drive drilling unit with a depth rating of 15,000 feet, to drill two wells into the Oryx and Sidi Toui prospects in the third quarter of 2010 for the consortium. On 1 August 2010, the Oryx-1 exploration well has reached a total depth of 1,140 meters. Although oil shows were encountered in both the upper and lower Ordovician reservoir units, log analysis indicates that no significant oil saturation is present in these reservoirs at this location. Hence saved from setting production casing and further well testings, the Oryx-1 exploration well is now being plugged and abandoned. The Oryx-1 exploration well has been drilled below budget and without a time losing incident. It is noteworthy that, in the oil industry, encounter of dry wells without commercial value is very common.

The CTF06 rig, our drilling team and equipments, will all be moved 22.5 km away to commence drilling of Sidi Toui-4 ("ST-4"), the second well in the current work programme. The ST-4 well will be drilled at a high deviation angle (70° from vertical) within the reservoir section so as to maximize the potential for fracture interception, with primary

自二零一零年三月開始，許可證營運者已進行全面的鑽探準備工作，包括向多家技術服務供應商及物料供應商，以及就鑽探工程所需物資用品(包括鑽井機服務、下洞設備、鋼絲繩服務、油井測試、管狀物料及醫療直昇機)的供應商，發出大量招標邀請書。所有標書均經過仔細審閱及評價，並經由以技術及財務規定為基礎的嚴格甄選過程後，挑選合資格的供應商。

於二零一零年四月二十日，本集團收到由中國石油東方地球物理發出名為「突尼西亞 Ksar Hadada 區塊地震數據解釋及勘探目標評價」的獨立報告。根據此報告，許可證所涵蓋五個遠景構造(包括 Oryx、Sidi Toui、South Salah、Antelope 及 Gazelle) 最多擁有約 22.27 億桶石油的儲罐石油原蘊藏量(「儲罐石油原蘊藏量」)。

本集團及其伙伴選擇了 Compagnie Tunisienne de Forage (「CTF」) 為其合約鑽探公司。鑑於 CTF 擁有在突尼西亞當地運作的專業知識，加上其技術水平及鑽探效率，故能在芸芸鑽探公司中得以獲選。CTF 為突尼西亞的國營鑽探公司，於突尼西亞累積了三十年營運經驗，自註冊成立以來曾鑽探超過 260 口油井。CTF 將動用旗下擁有 1,500 匹馬力且鑽井深度達 15,000 呎的頂部驅動鑽探機 CTF06，在二零一零年第三季為財團於 Oryx 及 Sidi Toui 的遠景構造鑽探兩口油井。於二零一零年八月一日，Oryx-1 探井已達致其 1,140 米之總深度。儘管於奧陶系儲層之上層及下層探獲油氣顯示，惟測井分析顯示於此位置之該等儲層並無重大飽和含油展示。因此，為節省安裝生產套管及進一步試井安排，Oryx-1 探井現已封閉及棄置。而鑽探 Oryx-1 探井之成本低於預算及並無出現時間損失事件。值得注意的是，在石油行業內，遇到沒有商業價值的乾井是十分普遍的。

CTF06 號鑽機以及我們的鑽探隊伍及器材，將移至 22.5 公里以外，以開展鑽探現時工作計劃下之第二口探井 Sidi Toui-4 (「ST-4」)。ST-4 油井將於儲層部分內以大井斜角(從垂直起計 70°) 鑽探，以令從裂縫切斷的可能

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recovery expected to be from fracture porosity. It is planned to reach a target vertical depth of 1,047 meters, with the planned total depth reached after drilling a horizontally measured depth of 400 meters within the Bir Ben Tartar sandstone. We remain confident on the drilling prospect of the Sidi Toui structure.

In order to supervise the Tunisia site operations on a daily basis, the Group has hired László Raphaël, a multilingual Mexican national, as operations specialist. Mr Raphaël has been posted on site in Tunisia and reports directly to the Hong Kong headquarters. The operator of the Permit also hired two senior drilling engineers to be in charge of the forthcoming drilling campaign. Upon commercial discovery and approval from the Tunisia government, a 30-year development and production licence will be granted to allow for the exploitation and production of hydrocarbon within the permit area.

Completion of the Group's farm-in agreement has taken place on 28 June 2010 whilst the Group has fulfilled all the conditions of the sale & purchase agreement in relation to the farm-in. The Group is working closely with the operator of the Permit to make the drilling operations a success.

Qiqihar Operations

During the period under review, the Group continued to move forward with the oil wells in the Fu 710 and Meilisi 723 districts at the Fulaerji district of Qiqihar city, Heilongjiang Province.

Most of the 22 wells are currently at different stages of production. Since August 2009, two rounds of "huff and puff" steam injection have been carried out in the Qiqihar oilfield. Production has been steady but not yet reached target potential. To achieve satisfactory results, a few more rounds of steam injection would be needed, after which steam flooding can be employed. In a steam flood, some wells are used as steam injection wells and other wells are used for oil production. These two mechanisms work together to improve oil recovery.

During the year, the production team visited various PetroChina oilfields and consulted with their research institutes and heavy oil experts for knowledge exchange, investigating and evaluating methods and materials to enhance production.

性增加至最大，並預期可於裂縫孔隙內作主要採集。計劃中此油井之垂直深度為1,047米，而當Bir Ben Tartar沙岩的水平鑽探深度達四百米後，將會達至計劃的總深度。我們對Sidi Toui構造的鑽探遠景充滿信心。

為監察突尼西亞工地的日常運作，本集團已聘請能操多種語言的墨西哥籍人士László Raphaël擔任專業營運顧問。Raphaël先生已獲派駐於突尼西亞工地，並直接向香港總部匯報。而許可證營運者亦已聘請兩名高級鑽探工程師，負責即將展開的鑽探項目。當完成商業探索及獲突尼西亞政府批准後，突尼西亞政府會發出為期三十年的開發及生產牌照，並可於許可的範圍內開採及生產碳氫化合物。

本集團已達成有關購入的買賣協議內的所有條件，而本集團的購入協議亦已於二零一零年六月二十八日完成。本集團正與許可證營運者緊密合作，確保鑽探工程得以順利完成。

齊齊哈爾營運狀況

於回顧期內，本集團繼續致力發展黑龍江省齊齊哈爾市富拉爾基區富710及梅里斯723區域所涵蓋的油井。

現時該二十二口油井大多處於不同的生產階段。自二零零九年八月開始，齊齊哈爾油田已進行兩次蒸氣吞吐程序，產量一直維持穩定，但仍未達到預期目標。為達至理想產量，油田需再進行數次蒸氣吞吐程序，其後便可採用蒸氣驅方法採油。當採用蒸氣驅方法時，部分油井將用作蒸氣吞吐油井，而其他油井則用作生產石油。同時採用兩種方法可以改善採油效率。

年內，生產隊伍參觀多塊中石油的油田，並諮詢當地研究所及重油專家的意見，進行技術交流，以及研究及評估可以提升產量的方法及物料。

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On 28 October 2009, Merry Boom Investment Limited (“Merry Boom”), a wholly owned subsidiary within the Group, entered into an agreement with Well Lead Group Limited (“Well Lead”) pursuant to which Merry Boom had agreed to purchase Well Lead’s 49% equity interest in Northeast Oil (China) Development Company Limited which effectively owns interests in the Fu 710 and Meilisi 723 districts. As a result of the transaction, which was satisfactorily completed on 13 January 2010, the Group now effectively owns 95% interests in the Fu 710 and Meilisi 723 districts with the remaining 5% being owned by the local government.

On 21 December 2009, the Group announced the possible acquisition of a 51% interest in a PRC oil technology company which specialises in oil exploitation technology including the development of enzyme-enhanced oil viscosity reducers. Employing the technology allows higher quantities of liquids to be extracted more easily from producing wells. This possible acquisition is in line with the Group’s overall strategy regarding energy related businesses. Moreover, it reflects optimism in the market outlook of oilfield-exploitation related products which also helps to diversify revenue and profit base. Furthermore, the technology might also be put into good use at the Qiqihar oilfield. Trial runs are being planned at some of the selected wells and are being carried out in the third quarter of 2010.

The Fu 718 district was also progressing as scheduled. An updated and detailed development plan was finished and presented to city officials and relevant departments for consultation. All parties have shown support in obtaining regulatory approval in acquiring the best sites for drilling. In July, 2010, we have started the drilling of an exploration well (“TC5-1”) in the newly developed Fu 718 area of the Fulaerjiqu Oilfield in Qiqihar. The TC5-1 deviated exploration well has reached its total depth of 594 meters on 31 July 2010. Well logging data confirmed an oil layer with a net thickness of 11.4 meters (effective thickness of 8.4 meters). This is the best pay thickness in the whole oilfield so far amongst a total of 137 wells drilled by different companies in its previous 21 years of development history in this general area. PetroChina Great Wall Drilling Downhole Operating Company, our contractor of this multi-wells drilling program, will continue to drill further deviated wells and horizontal wells in Fu 718 subject to favourable drilling outcome.

As the Fu 718 district contains deeper oil reservoir, the Group expects that it will complement the Fu 710 and Meilisi 723 districts and contribute to the Group’s total integrated oil production revenue.

於二零零九年十月二十八日，本集團內的全資附屬公司怡興投資有限公司(「怡興」)與佳領集團有限公司(「佳領」)訂立一份協議，據此怡興同意收購佳領於東北石油(中國)發展有限公司(擁有富710及梅里斯723區域的實際權益)的49%股本權益。交易已於二零一零年一月十三日順利完成，本集團現時擁有富710及梅里斯723區域的95%實際權益，而剩餘的5%權益則由當地政府擁有。

於二零零九年十二月二十一日，本集團宣佈可能收購一間中國石油技術公司的51%權益，該公司專門從事石油開採技術業務，包括開發酵素增強稠油降粘劑。應用有關技術後，可更輕易從生產油井提取更多石油。此可能收購事項與本集團有關能源業務的整體策略一致。此外，收購事項亦反映市場對油田開採產品的前景表示樂觀，同時亦有助增加收入及溢利來源。與此同時，有關技術或可於齊齊哈爾油田加以利用。本集團已計劃於部分指定油井進行測試，並將於二零一零年第三季進行。

富718區域的工程亦已如期進行。本集團已完成編製最新的詳細發展計劃，並向市政府官員及有關部門匯報以作諮詢。各方對於尋求監管部門批准收購最佳鑽探位置表示支持。集團於二零一零年七月開始鑽探位於齊齊哈爾市富拉爾基油田新開發的富718礦區的一口探井(TC5-1)。二零一零年七月三十一日，TC5-1斜探井口已達到其594米之總深度。測井數據確認油層的淨厚度為11.4米(實際油層厚度為8.4米)。這是直至目前為止，區內所有油田過往21年開發歷史中，由不同公司所鑽探的合共137個探井中的最佳產油層厚度。中國石油集團長城鑽探工程有限公司井下作業公司為本集團於該多井鑽探計劃之承包商，該公司將視乎鑽探結果繼續在富718礦區鑽探其他斜井及水平井。

由於富718區擁有較深儲油層，本集團預期富718區將可補足富710區及梅里斯723區，並為本集團的綜合石油生產總收入帶來貢獻。

Management Discussion and Analysis

管理層討論及分析

Paints, Blended Solvents and Plastic Colorants Business

On 8 February 2010, the Group announced the disposal of its paint production business at a consideration of HK\$30 million. The unaudited consolidated loss after taxation for this business for the two years ended 31 March 2008 and 2009 were approximately HK\$7.8 million and HK\$26.2 million, respectively. Taking into account of (i) the operating environment of the paint production business which is still under difficult condition due to the price volatility of raw materials, the rising labour costs and the shrinking demands in the market; (ii) the unsatisfactory operating results of the paint business for the past two years; and (iii) the disposal would enable the Group to sell out non-performing business, reduce potential loss to the Group in coming years, avoid further fund injection as required to support future operation of the paint production business and deploy more resources to other investment opportunities with better prospect, the Directors decided that such disposal would be beneficial to the Group and its shareholders as a whole.

The disposal was completed on 18 March 2010. For the period under review up to 18 March 2010, turnover from the production, sales and distribution of downstream oil paint products such as paints, blended solvents and plastic colorants based in Zhongshan, PRC amounted to approximately HK\$271,811,000 (2009 (full financial year): HK\$354,722,000), representing a decrease of 23.37% over that of last year (2009 (full financial year): an increase of 10.02%).

The decline of the turnover further evidenced that the fierce competition we faced in the paints business, and also the high material costs of paints and solvents which resulted in the decline in the gross profit margins. After the disposal, the Group can concentrate on its healthy businesses, which includes energy business, oil exploration and exploitation. Furthermore, this also allows the Group to free up its capital commitment and management resources which would otherwise be required in the operation of the loss making paints business.

The hardener business will be kept as it is profit making and involves less capital commitment. The management has confidence that this business will have positive impact on the Group continuously.

油漆、混合溶劑及塑料著色劑業務

於二零一零年二月八日，本集團宣佈以港幣30,000,000元代價出售其油漆生產業務。該業務於截至二零零八年及二零零九年三月三十一日止兩個年度的除稅後未經審核綜合虧損分別約港幣7,800,000元及港幣26,200,000元。考慮到(i)由於原材料價格波動、勞工成本上漲及市場需求放緩，油漆生產業務之經營環境仍然舉步維艱；(ii)油漆業務於過去兩個年度之經營業績並不理想；及(iii)出售事項可讓本集團出售表現欠佳之業務，減低對本集團在未來數年之潛在虧損，避免為支持油漆業務日後經營所需而作進一步注資，並可將更多資源投放於其他前景較佳之投資機會，故董事認為該出售事項有利於本集團及股東之整體利益。

該出售事項於二零一零年三月十八日完成。於截至二零一零年三月十八日止之回顧期間，以中國中山為基地的油漆、混合溶劑及塑料著色劑等石油油漆下游產品的製造、銷售及分銷所產生之營業額，此業務之營業額約為港幣271,811,000元(二零零九年(完整財政年度)：港幣354,722,000元)，較去年同期下降23.37%(二零零九年(完整財政年度)：增長10.02%)。

營業額下降進一步證明吾等於油漆業務面臨激烈競爭，而油漆及溶劑的原材料成本高漲亦導致毛利率下降。於該出售事項之後，本集團將可專注於其表現穩健之業務，包括能源業務和石油勘探及開採。此外，該出售事項亦可令本集團毋須再為經營持續虧損之油漆業務作出資本承擔及投放管理資源。

由於錄得盈利以及涉及較少資本承擔，故此繼續保留固化劑業務。管理層有信心此業務將繼續為本集團帶來正面影響。

Management Discussion and Analysis

管理層討論及分析

Other Businesses

The Group has an effective 34.4% interest in a vanadium mine in the Xiaowujiang vanadium mining region, Yuqing County, Guizhou Province, PRC. In relation to this mining project, a detailed report, regarding the geo-structure of the mine is being circulated amongst various governmental authorities in the Guizhou Province since July 2010 for vetting, comment and endorsement. In the report, the amount of resources of V_2O_5 as well as its quality has been specified therein subject to expert review. The report also pointed out that the vanadium mining region of Yuqing County is of a simple structure and that it would be easy to extract. Upon completion of the verification process by the team of technical experts, the above report will be issued in its final form and we can then proceed to apply for the relevant exploitation permits from various governmental authorities including, in particular, the Land Bureau of Guizhou Province. Extraction process can then be commenced once the relevant permits are available. The day-to-day management of this business is being undertaken by dedicated personnel of the major shareholder with extensive experience in project management as well as financial management. The usage of V_2O_5 is extensive. It is one of the most important additives for steel and alloy, and is an essential material for metallurgy, high-speed railways and vanadium battery. With the ever-increasing needs of infrastructure and high-speed railways in the PRC, it is believed that the demand for vanadium will be significant in the coming years.

The construction paints business based in Beijing recorded a turnover of approximately HK\$20,500,000 (2009: HK\$32,685,000) or a decrease of 37.28% (2009: Increase of 63.06%) for the year under review. Continuous development in the construction market in the PRC, coupled with a careful selection of customers with sound credibility, have contributed to the ongoing development of the line of business.

According to pre-determined business strategy, the Group invested a small portion of its resources on property to tackle the low interest rate. During the year under review, turnover generated from this business was approximately HK\$9,210,000 (2009: HK\$4,280,000) and an operating profit of approximately HK\$2,058,000 (2009: operating loss of HK\$2,065,000) was recorded. As property investment business is not the Group's core business, we have no intention to focus on it and it is maintained to provide a stable income to the Group in the foreseeable future.

其他業務

本集團於一個位於中國貴州省餘慶縣小烏江鈦礦區內的鈦礦擁有34.4%實際權益。有關該鈦礦項目的鈦礦地理結構的詳細報告，自二零一零年七月開始於貴州省多個政府機關傳閱，以供審閱、提出意見及批核。報告已詳細說明五氧化二鈦資源的數量及質量(須待專家核實)。報告亦指出餘慶縣鈦礦區的地理結構簡單，故此容易開採。當技術專家隊伍完成有關核實程序後，上述報告將以其最終版本發表，而本集團屆時將可向多個政府機關，特別是貴州省土地局申請相關開採牌照。待取得有關許可證後，開採工程可隨即展開。此項業務的日常管理由主要股東的專責人員負責，彼等於項目管理及財務管理方面擁有豐富經驗。五氧化二鈦的用途廣泛，是鋼鐵及合金最重要的添加物之一，亦為冶金、建造高速鐵路及生產鈦電池的主要原料。由於中國對基建及高速鐵路的需求日益增加，相信於未來數年鈦的需求將會非常殷切。

以北京為基地的建築塗料業務於回顧年度內共錄得約港幣20,500,000元(二零零九年：港幣32,685,000元)的營業額，下降37.28%(二零零九年：增長63.06%)。由於中國建築市場持續發展，加上集團嚴選信譽良好的優質客戶，此項業務繼續取得進展。

本集團按既定的業務策略將小部分的資源投放於物業，以應付存款利息低迷的環境。於回顧年度內，此業務所產生的營業額約為港幣9,210,000元(二零零九年：港幣4,280,000元)，錄得的經營溢利約為港幣2,058,000元(二零零九年：經營虧損為港幣2,065,000元)。由於此業務並不屬於集團核心業務，因此吾等無意投放大量資源於此業務，但此業務能在可預見的將來為本集團帶來穩定的收入。

Management Discussion and Analysis

管理層討論及分析

BUSINESS OUTLOOK

With the increase in the crude oil prices over the year which have now become more stabilised, the ever-increasing global consumption of oil and other energy, and the recent oil spill in the Gulf of Mexico, it is expected that global oil reserves will continue to decline, if not at an even quicker rate, which eventually would result in inadequate supplies and inflating prices. Hence, the Group firmly believes that the long-term prospect of the oil industry is very optimistic.

Despite global economies having been bottomed out and been recovering gradually, the Group is adamant to spend its best efforts so as to identify good, prosperous and reasonably priced acquisition targets in order to grow and integrate ourselves as one of the elites in the oil industry.

Our proposed acquisition of a 51% of the equity interests in an oil technology company, and a 52% of the participating interests in Modamuji Sag, Hailaer Oilfield, will not only extend our potential oil reserve, but also extend our revenue stream outside of the sale of crude oil from the existing exploration and exploitation activities of our existing oilfields in Northeast China and Tunisia.

For the acquisition of the Modamuji Sag, we are now in the midst of carrying out due diligence work; whereas for the acquisition of the 51% of the equity interests in an oil technology company, a legally binding agreement was entered into on 30 July 2010. We are now edging closer to the completion of the acquisition of the oil technology company. If successful, it will be an important step for the Group's further business development in the energy sector in the PRC. The Group also believes that this will provide additional income to strengthen its revenue base. With any further developments, the Group will be making timely announcements to update all our shareholders.

The Group will continue to identify, evaluate and invest in important projects to further strengthen our future prospects, and we believe that the Group is heading in the right direction. With the current expertise and experienced management team the Group is employing and utilising, we are confident that we are in a good position to count on the foundations that we have been building in previous years.

業務展望

隨著於過去一年內原油價格上升並至今越趨穩定、石油及其他能源的全球消耗量不斷增加，以及近期墨西哥灣的漏油事故，預期全球石油儲量將會繼續下降，而即使下降速度不會進一步增加，最終亦將會導致供應不足及價格上漲。因此，本集團深信石油業的長遠前景十分樂觀。

儘管全球經濟已走出谷底及逐步改善，本集團仍堅持盡其一切能力，發掘優質、前景秀麗及價錢合理的收購目標，從而令本公司繼續發展及整合成為石油業界的其中一家優質企業。

本集團建議收購一家石油技術公司的51%股權，以及位於海拉爾油田莫達木吉區塊的52%參與權益，不僅可增加我們的潛在石油儲量，更可以擴大我們的收入來源，除銷售位於中國東北地區及突尼西亞現有油田的現有勘探及開採活動所得原油外，更可擴展至其他領域。

就收購莫達木吉區塊的交易而言，我們現正進行盡職審查工作；而就收購一間石油技術公司的51%股權的交易而言，一份具法律約束力的協議已於二零一零年七月三十日訂立。我們收購該石油技術公司的交易更接近完成。倘收購順利完成，將會是本集團業務於中國能源領域進一步發展的重要里程碑。本集團亦相信此舉將可帶來額外收入，從而加強其收益基礎。如有任何進一步發展，本集團將即時作出公佈，以向所有股東匯報最新情況。

本集團將繼續物色、評估及投資重要項目，以進一步增強我們的未來前景，同時我們深信本集團現正朝著正確方向邁進。配合本集團現正運用及善用的現有專業知識及資深管理團隊，我們深信可憑藉於過往數年建立的基礎而盡享發展優勢。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

Revenue and operating results

For the year ended 31 March 2010, the Group recorded a turnover of approximately HK\$307,982,000 (2009: HK\$399,409,000). The Group recorded a loss after tax of approximately HK\$262,537,000 (2009: profit of HK\$10,736,000) for the year and loss attributable to equity shareholders of the Company of approximately HK\$262,348,000 (2009: profit of HK\$55,143,000).

The selling and distribution costs of the Group for the financial year amounted to approximately HK\$12,770,000 (2009: HK\$18,498,000), representing a decrease of approximately 30.97%. The administrative expenses of the Group for the financial year under review amounted to approximately HK\$80,793,000 (2009: HK\$67,355,000), representing an increase of approximately 19.95% year-to-year. The increment was mainly due to the increment of professional charges and other one-off administrative charges on projects acquisition.

Liquidity and financial resources

During the financial year under review, the Group finances its operations with internal generated cash flow and banking facilities from banks. The Group had cash and bank balances of approximately HK\$393,225,000 (2009: HK\$30,585,000) and bank borrowings of approximately HK\$93,369,000 (2009: HK\$72,090,000). Current assets of the Group amounted to approximately HK\$574,747,000 (2009: HK\$231,645,000) whilst current liabilities were approximately HK\$188,177,000 (2009: HK\$200,483,000). The net current assets amounted to approximately HK\$386,570,000 (2009: HK\$31,162,000).

The gearing ratio, calculated by dividing the total borrowing by the total assets, was equal to 3.23% as at 31 March 2010 (2009: 2.83%).

In addition, 446,556,000 share options were exercised by staffs over the year. The net proceeds amount was approximately HK\$108,753,298. The management is of the view that the Group's incoming cash flow from the financing activities and business operations together with the available banking facilities will provide sufficient funds for the Group to meet with the requirements of present operation and further business development in the foreseeable future.

財務業績

收益及經營業績

截至二零一零年三月三十一日止年度，本集團錄得營業額約為港幣307,982,000元(二零零九年：港幣399,409,000元)。本集團錄得本年度稅後虧損約為港幣262,537,000元(二零零九年：溢利港幣10,736,000元)，本公司權益股東應佔虧損則約為港幣262,348,000元(二零零九年：溢利港幣55,143,000元)。

本集團於本財政年度的銷售及分銷成本約為港幣12,770,000元(二零零九年：港幣18,498,000元)，下降約30.97%。本集團於回顧財政年度的行政開支約為港幣80,793,000元(二零零九年：港幣67,355,000元)，較去年增加約19.95%。有關的增加主要是由於項目收購之專業費用及其他單次性行政費用增加。

流動資金及財務資源

於回顧財政年度，本集團以內部產生的現金流及銀行提供的銀行融資撥作營運資金。本集團的現金及銀行結餘約為港幣393,225,000元(二零零九年：港幣30,585,000元)，以及銀行借貸約港幣93,369,000元(二零零九年：港幣72,090,000元)。本集團的流動資產約為港幣574,747,000元(二零零九年：港幣231,645,000元)，而流動負債則約為港幣188,177,000元(二零零九年：港幣200,483,000元)。流動資產淨值約為港幣386,570,000元(二零零九年：港幣31,162,000元)。

於二零一零年三月三十一日，資產負債比率(以總借貸除以總資產計算)為3.23%(二零零九年：2.83%)。

此外，於年內員工行使446,556,000股購股權，所得資金淨額約港幣108,753,298元。管理層認為，本集團來自融資活動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。

Management Discussion and Analysis

管理層討論及分析

Placing of existing shares and subscription of new shares

On 20 May 2009, Ever Source Enterprises Limited (“Ever Source”) and the Company entered into the share placing agreement (as amended by the supplemental agreement) with Sun Hung Kai International Limited (the “Placing Agent”) pursuant to which the Placing Agent agreed to place, on a best efforts basis, the placing shares comprising in aggregate up to 225,000,000 existing shares at the placing price of HK\$0.325 per placing share on behalf of Ever Source to not less than six share placees who, and whose ultimate beneficial owners, was independent third parties.

On the same date, Ever Source entered into a subscription agreement with the Company for the subscription of up to 225,000,000 new shares (“subscription shares”) at the above placing price. The placing was unconditional. The subscription was conditional upon (i) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the subscription shares; and (ii) the completion of the placing.

The net proceeds of the subscription was approximately HK\$71,630,000. The directors used the net proceeds to finance the first payment of acquisition interest of Tunisia project.

The Company placed 220,000,000 new shares at HK\$0.51 and raised net proceeds of approximately HK\$109,200,000 on 30 December 2009. The directors intend to apply the net proceeds as general working capital and also for future development should suitable opportunities arise.

On 11 February 2010, the Company further placed another 220,000,000 new shares at HK\$1.02 and raised net proceeds of approximately HK\$218,400,000. The uses of the net proceeds were for the second committed payment of the oil and gas project in Tunisia, North Africa and the balance will be used as funds for any potential acquisition in the future should suitable opportunities arise.

PLEDGE OF ASSETS

As of 31 March 2010, the Group’s tangible assets and receivables have a net book value of approximately HK\$2,445,000 and HK\$34,482,000 (2009: HK\$51,421,000 and HK\$34,322,000) respectively were pledged to secure banking facilities granted to the Group. In addition, a registered all monies first share charge over 51% of all the issued shares in a subsidiary is pledged to secure the facilities.

現有股份的配售及新股認購

於二零零九年五月二十日，Ever Source Enterprises Limited (「Ever Source」)與本公司及新鴻基國際有限公司(「配售代理」)訂立股份配售協議(經補充協議修訂)，據此，配售代理同意代表Ever Source，按竭盡所能的基準向不少於六名股份承配人(其本身及其最終實益擁有人均為獨立第三方)按配售價每股配售股份港幣0.325元配售配售股份(涉及合共最多225,000,000股現有股份)。

同日，Ever Source與本公司就按上述配售價認購最多225,000,000股新股份(「認購股份」)訂立認購協議。配售事項為無條件。認購事項須待(i)聯交所上市委員會批准認購股份上市及買賣；及(ii)完成配售事項後，方可作實。

認購事項的所得款項淨額將約為港幣71,630,000元。董事將所得款項淨額用作收購突尼西亞項目權益首期付款的資金。

於二零零九年十二月三十日，本公司按港幣0.51元配售220,000,000股新股份，並籌集所得款項淨額約港幣109,200,000元。董事擬將所得款項淨額用作一般營運資金，並於日後出現合適機會時用作發展資金。

於二零一零年二月十一日，本公司進一步按港幣1.02元配售另一批220,000,000股新股份，並籌集所得款項淨額約港幣218,400,000元。所得款項淨額用作支付北非突尼西亞油氣項目的第二期承諾付款，而餘額將用作日後出現合適機會時的任何潛在收購資金。

資產抵押

於二零一零年三月三十一日，本集團已抵押賬面淨值分別約港幣2,445,000元及港幣34,482,000元(二零零九年：港幣51,421,000元及港幣34,322,000元)的有形資產及應收款項，以取得授予本集團的銀行融資。此外，本集團已將一家附屬公司超過51%所有已發行股份的一項已登記全額第一股票押記予以抵押以取得融資。

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VALUATION OF INTANGIBLE ASSETS

During the reporting period, the Group conducted a valuation exercise for the oil related intangible assets. The management appointed Exploration and Development Research Institute of Daqing Oilfield Company Ltd (“大慶油田有限責任公司勘探開發研究院”) as professional technical advisor (the “Technical Advisor”) to evaluate the estimated oil reserve of Qiqihar oilfield and LCH (Asia-Pacific) Surveyors Limited (“LCH”) as professional valuer to provide an opinion on the valuation.

The Technical Advisor was a research institute established directly under Daqing Oilfield of PetroChina Group in 1964 and has over 1,800 employees currently. Most of them focus on oil research and technical development, and are actively involved in the China oil & gas industry. The management of the Group has made a background checking and believes that the Technical Advisor has adequate qualification and experience to review the technical data of the Qiqihar project and prepare an Oil Reserve and Technical Feasibility Report (“The Technical Report”). Since undertaking the assignment, the Technical Advisor reassessed the data prepared in 2006 and updated them based on available latest information as well as after making physical site visits. When preparing the report, the Technical Advisor adopted guidelines issued by the People’s Republic of China in 2004 under “Classifications for Petroleum Resources/Reserves (GB/T19492-2004)” (“石油天然氣資源/儲量分類(GB/T19492-2004)”) and this is commonly adopted by oil & gas industry in China. The authorized person signing this report is also one of the writers of the Classifications for Petroleum Resources/Reserves. According to the report, the management understands that there is no substantial difference between China standards and international standards. The Technical Advisor then submitted an updated technical report together with feasibility economic data to LCH for further evaluation. According to the updated technical report, the Fu 710, Meilisi 723 and Fu 718 areas totally have the proved estimated recovery approximately 6,230,000 tons (approximately 45,670,000 barrels), proved initial reserves of approximately 5,810,000 tons (approximately 42,590,000 barrels) and proved sub-economic initial reserve of approximately 340,000 tons (approximately 2,490,000 barrels) under US\$70 oil price. In addition, the Technical Advisor made reference with Daqing oil field economic benchmark as the assumption of feasibility study in the report.

無形資產估值

於報告期間，本集團就石油相關無形資產進行估值。管理層委任大慶油田有限責任公司勘探開發研究院為專業技術顧問(「技術顧問」)，對位於齊齊哈爾的油田的估計石油儲量進行估值，以及委任利駿行測量師有限公司(「利駿行」)為專業估值師，就估值提供意見。

技術顧問為中石油集團的大慶油田於一九六四年成立的直屬研究院，現時僱員人數超過1,800名，大部分專注於石油研究及技術開發工作，積極參與中國油氣行業。本集團管理層已完成背景調整，並相信技術估值師具備足夠資歷及經驗，以審閱齊齊哈爾項目的技術數據，及編製石油儲量及技術可行性報告(「技術報告」)。自承接該項工作起，技術顧問已評估於二零零六年編製的數據，並根據可得的最新資料及於進行實地視察後更新數據。於編製報告時，技術顧問是採用中國油氣業普遍採用及中華人民共和國於二零零四年頒佈的天然氣資源/儲量分類(GB/T19492-2004)指引。獲授權簽署本報告的人士亦為石油天然氣資源/儲量分類的著者之一。根據報告，管理層理解中國的準則與國際準則並無重大分別。之後，技術顧問將更新後的技術報告連同可行性經濟數據交予利駿行作進一步評估。根據更新後的技術報告，按油價於每桶70美元計算，富710、梅里斯723及富718區合共有估計探明可採儲量約6,230,000噸(約45,670,000桶)、探明初步儲量約5,810,000噸(約42,590,000桶)及探明次經濟初步儲量約340,000噸(約2,490,000桶)。此外，技術顧問於報告內已參考大慶油田經濟基準為可行性研究的假設。

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LCH is a professional surveyors firm and has past records signing off mineral resources/ reserve estimation and mining technical reports for public circular purpose according to Chapter 18 of the Hong Kong Listing Rules. The management of the Group has made a background checking and believed that LCH has adequate qualification to prepare the valuation report of Qiqihar project. The valuation of the intangible asset was determined using the discounted cash flow analysis. The analysis uses the operating profits attributable to the 2007 & 2008 Production Sharing Contract (“PSC”) as a base updated with latest information.

The valuation of oil exploitation right with a combined value to approximately RMB2,264,000,000 (equivalent to HK\$2,575,010,000) determined by LCH was using discounted cash flow analysis and was based on an agreed-upon procedure and adopted information provided by the management and the Technical Advisor.

Although the management of the Group considers the technical report and the valuation report are reasonably authoritative and can be used to form a comfortable basis for the valuation exercise, the newly appointed joint auditors hold a more reserved view. Amongst others, the absence of an international professional expert and the inadequate proven information to support the feasibility of the new extraction methodology are the prime concerns of the newly appointed joint auditors.

In a bid to resolve this situation, the Group agrees to appoint an international independent valuer to prepare another valuation report to meet the requirements of the joint auditors.

In order to avoid further delay of the results announcement, the directors decide that the release of the financial statements with a disclaimer from the joint auditors prior to the completion of the valuation reports is a better option for shareholders. The directors will however appoint the joint auditors to conduct a special review and to have the outstanding accounting issues resolved.

利駿行為香港專業測量師行，過往曾根據香港上市規則第十八章簽署作為公開通函用途的礦產資源儲量估計及採礦技術報告。本集團管理層已完成背景調整，並相信利駿行具備足夠資歷編製齊齊哈爾項目的估值報告。無形資產的估值乃使用現金流量折現分析釐定。現金流量折現分析使用二零零七年及二零零八年產品分成合同（「產品分成合同」）應佔的經營溢利為基礎，並按最新資料予以更新。

利駿行乃使用折現現金流量分析，以及根據經協定的程序及採用管理層及技術顧問提供的資料，釐定石油開採權合計估值約為人民幣2,264,000,000元（相等於港幣2,575,010,000元）。

儘管本集團管理層認為技術報告及估值報告具合理權威性，並可賴以作為估值的基礎，惟新委任的聯席核數師的意見較有保留。其中，缺乏國際專業專家參與及未有足夠的實際資料支持新開採方法的可行性乃新委任聯席核數師的主要關注範疇。

為了解決這個情況，本集團同意委任一名國際獨立估值師，編製另一份估值報告，以達到聯席核數師的要求。

為了避免進一步延誤業績公佈，董事決定於完成估值報告前刊發財務報表，並於當中刊載聯席核數師的免責聲明，這對股東而言較為可取。然而，董事將委任聯席核數師進行特別審閱，以解決現時尚待處理的會計事宜。

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COMMITMENTS

As at 31 March 2010, the Group had capital expenditure commitments as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未撥備		
– development expenditure of the Work Programme in Tunisia	– 於突尼西亞的工程計劃的開發開支	46,500	–
– property, plant and equipment	– 物業、廠房及設備	–	1,984
– construction in progress	– 在建工程	–	2,670
– acquisition in a target mining group	– 收購一間目標採礦集團	–	60,000
		46,500	64,654
Authorised but not contracted for	已授權但未訂約		
– acquisition of a company engaged in oil technology consultancy service	– 收購一間從事石油技術諮詢服務的公司	41,380	–

承擔

於二零一零年三月三十一日，本集團的資本開支承擔如下：

CONTINGENT LIABILITIES

(a) Contingencies on Hong Kong Profits Tax

In the prior years, the Hong Kong Inland Revenue Department (the “IRD”) had made some enquiries on the taxability of profits of certain subsidiaries of the Company in respect of Hong Kong Profits Tax since the year of assessment 1996/97. In addition, the IRD had commenced a tax audit on these subsidiaries since 2007 which covers the years of assessment from 1996/97 to 2007/08. The Company had made the response and provided the relevant information to address the IRD’s enquires and no conclusion was made by the IRD up to the approval date of the consolidated financial statements. The IRD issued protective assessments to certain subsidiaries with tax payable amounting to approximately HK\$28,735,000 (in which approximately HK\$7,917,000 are duplications). The Group filed objections against such assessments on the grounds that these assessments were excessive, and that the income under assessment neither arose in, nor was derived from, Hong Kong. The Group had purchased tax reserve certificate of approximately HK\$4,700,000 (2009: HK\$1,800,000) at the IRD’s request during the financial year.

或然負債

(a) 香港利得稅或然事項

於過往年度，香港稅務局（「稅務局」）就本公司若干附屬公司自一九九六／九七年課稅年度起錄得的溢利應否繳付香港利得稅提出查詢。此外，稅務局自二零零七年起對該等附屬公司展開稅務審核（涵蓋自一九九六／九七年至二零零七／零八年的課稅年度）。本公司已就稅務局的查詢作出回應及提供相關資料，而截至批准此等綜合財務報表的日期為止，稅務局仍未作出最終決定。稅務局向若干附屬公司發出保障性評估，並計算出應付稅項約為港幣28,735,000元（當中約港幣7,917,000元乃屬重複）。由於有關評稅實屬過量，加上評稅收入並非產生於或源自香港，因此本集團就此等評估提出反對。於本財政年度，本集團已應稅務局要求，購入約港幣4,700,000元（二零零九年：港幣1,800,000元）的儲稅券。

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In the opinion of the management, the IRD's enquiries are still at the stage of collation of evidence and the Company has reasonable ground to justify its position as the management considers that the subsidiaries were not carrying on business in Hong Kong or the profits were derived by the subsidiaries outside Hong Kong.

In the event that all the relevant profits at this stage would be treated by the IRD as chargeable to Hong Kong Profits Tax, the estimated tax liabilities without considering penalty arising from the tax audit in respect of such circumstances would be approximately HK\$21 million (2009: HK\$21 million), HK\$11 million (2009: HK\$11 million) out of which had been indemnified by Mr. Poon Sum, the director, for those potential liabilities incurred prior to the listing of the Company in 2002. If there is additional tax payable upon the settlement of the tax audit, the IRD may also impose a penalty of maximum three times of the tax undercharged. After taking into account of the professional advice from its tax representative, the management considers that there is no reasonable basis to determine the accurate amount of additional tax and penalty at this stage under the tax audit. Accordingly, no provision for such potential liabilities has been made in the consolidated financial statements. Management is considering various approaches in the best interest of the Group to resolve the dispute with the IRD.

管理層認為，由於稅務局的查詢仍處於搜集憑證階段，加上管理層認為有關的附屬公司於香港並無經營業務，或溢利來自香港以外的附屬公司，因此本公司有合理根據支持其立場。

倘若於現階段的所有相關溢利均被稅務局視作須繳納香港利得稅，則於有關情況下因稅務審核而產生的估計稅務負債(未計入就該等具體情況所進行稅務審核而產生的罰款)將約為港幣21,000,000元(二零零九年：港幣21,000,000元)。董事潘森先生已就本公司於二零零二年上市前所產生的該等潛在負債，就當中的港幣11,000,000元(二零零九年：港幣11,000,000元)作出彌償保證。倘於完成稅務審核後須繳納額外稅項，稅務局亦可能追加最高達繳納不足稅額三倍的罰款。經考慮稅務代表的專業意見後，管理層認為由於稅務審核仍在進行中，故此現階段並無合理基準以釐定額外稅項及罰款的準確金額。因此，於綜合財務報表內並無就該等潛在負債作出撥備。管理層正研究多個符合本集團最佳利益的方法，以解決與稅務局之間的爭議。

(b) The Company had contingent liabilities as follows:

(b) 本公司的或然負債如下：

	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Guarantee for banking facilities of subsidiaries 附屬公司銀行融資的擔保	127,113	322,221

In the opinion of the Directors of the Company, the fair value of the financial guarantee contracts of the Company is 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.

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。

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(c) Environmental contingencies

Due to the under ground oil exploitation method adopted by the Group, the Group has not incurred any significant expenditure on environmental rehabilitation since its 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.

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 foreign currency forward contracts. The Group also uses derivative financial instruments to manage interest rate exposures for hedging purpose only.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 March 2010, the Group had an aggregate of 136 (2009: 376) employees of which about 114 (2009: 361) were located in main land 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.

(c) 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环境政策及／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。

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，並以外幣遠期合約作對沖。本集團出於對沖需要，亦使用衍生金融工具對沖利率。

僱員及酬金政策

於二零一零年三月三十一日，本集團合共聘用136名僱員(二零零九年：376名)，其中約114名僱員(二零零九年：361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。

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DISCLOSURES PURSUANT TO RULES 13.21 OF THE LISTING RULES

In accordance with the disclosure requirements of rule 13.21 in 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 14 October 2009, the Group had accepted the renewal of the Banking Facilities Letter (the “Facility Letter”) offered by a Bank in Hong Kong (the “Bank”) in relation to various working capital facilities up to a revised amount of HK\$134,846,852. The terms included corporate guarantees on subsidiaries, an all money first share charge(s) over 51% of all issued shares of a subsidiary and financial covenants on the financial statements of the Group. In addition, it is required that (1) Mr. Poon Sum, Mr. Poon Sau Tin and their family shall collectively maintain at least 23% of the issued share capital of the Group; (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; (3) Mr. Poon Sum, Mr. Poon Sau Tin and their family members shall remain the single largest shareholder of the Group. Other terms and conditions have no material different with the information disclosed previously. As at the date of the financial statement, one of the financial covenants was not satisfied with the requirement but it was waived unconditionally by the bank accordingly.

On 25 November 2009, a subsidiary of the Group accepted a special loan guarantee scheme with amount of HK\$6,000,000 offered by the Bank. The facility is non-revolving nature with 60 months period and for the sole purpose of meeting the needs of general business uses. The major terms and conditions are similar with above disclosure. There are no special terms and conditions required to further disclose.

The above banking facilities are subject to periodic review by the relevant banks at its sole discretion.

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：

於二零零九年十月十四日，本集團已接納由香港一間銀行(「該銀行」)提供，有關將各種營運資金信貸的融資額度上調至港幣134,846,852元之銀行融資更新函件(「融資函件」)。條款包括對附屬公司的公司擔保、以全額第一股票押記形式押記一間附屬公司超過51%所有已發行股份及本集團財務報表內的財務契約。此外，融資函件亦規定：(1)潘森先生、潘壽田先生及其家族成員須合共維持佔有本集團已發行股本最少23%；(2)潘森先生須維持擔任本集團的主席或首席執行官，且須積極參與本集團的管理及業務；(3)潘森先生、潘壽田先生及其家族成員須維持作為本集團單一最大股東。其他條款及條件與先前已披露的資料並無重大差別。於本財務報表日期，其中一項財務契約並不符合要求，但其後已由銀行無條件撤回。

於二零零九年十一月二十五日，本集團的一間附屬公司接受由該銀行提供，一個金額為港幣6,000,000元的特別信貸保證計劃。融資乃屬非循環性質並擁有60個月期，且僅用以滿足一般業務用途需求。主要條款及條件與上述披露事項相近。概無特別條款及條件須作進一步披露。

以上銀行融資條件由相關銀行自行決定定期檢討。

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 2010 (“CG Period”) required to be disclosed under the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) (“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:

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」)須予披露涵蓋截至二零一零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：

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 2010, the Board comprised a total of six Directors, with three Executive Directors (“EDs”) 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 (retired on 21 August 2009) 陳立忠先生(於二零零九年八月二十一日退任)	NED 非執行董事	1/4
Mr. Cheung Kwan Hung 張鈞鴻先生	INED 獨立非執行董事	4/4
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

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, joint auditors' matter 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 maintained any financial, business, family or other material/relevant relationship with any of the other Directors.

董事會

於二零一零年三月三十一日，董事會合共包括六位董事，即三位執行董事（「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、聯席審計師事務及經營事項，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 three physical meetings for the purpose of considering the remuneration of the Directors and senior management.

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	3/3
Mr. Cheung Kwan Hung 張鈞鴻先生	INED 獨立非執行董事	3/3
Mr. Chan Kam Ching, Paul 陳錦程先生	INED 獨立非執行董事	3/3
Mr. Chan Shu Kin 陳樹堅先生	INED 獨立非執行董事	3/3

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

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主僱員關係時，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三次會議，旨在考慮董事及高級管理人員的薪酬。

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。

Corporate Governance Report

企業管治報告

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

- review the current remuneration policies and appraisal system;
- consider and approve the grant of share options to directors and senior management;
- recommend to the Board the director's fee for the year ending 31 March 2010;
- consider and approve the remuneration of the director and senior management.

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 13 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.

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 equity of all Directors, they confirmed that all of them have complied with the required standard set out in the Model Code during the reporting period.

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.

於回顧財政年度，薪酬委員會執行的工作概要包括：

- 檢討現時薪酬政策及考核機制；
- 考慮及批准授出認股權証予董事及高級管理層；
- 向董事會推薦截至二零一零年三月三十一日止年度之董事袍金；
- 考慮及批准董事及高級管理層之薪酬。

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13。

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。

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，確認彼等於本報告期內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。

Corporate Governance Report

企業管治報告

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 adequacy of the external audits;
- reviewing compliance issues with the Listing Rules and other compliance requirements;
- providing independent views on connected transactions and transactions involving materially conflicted interest;
- considering and reviewing the appointment of the Auditors and the audit remuneration; and
- considering the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget.

For the financial year under review, the Audit Committee had held four regular meetings for discussing and/or approving the periodic financial results of the Group, discuss the joint auditors' performance reviewing the effectiveness of the internal control system of the Group and adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function and their training programmes and budget.

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
Mr. Chan Kam Ching, Paul 陳錦程先生	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

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

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監控的效率；
- 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；
- 考慮及檢討核數師的任命及核數酬金；及
- 考慮本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工接受的培訓課程及有關預算是否充足。

於回顧財政年度，審核委員會上舉行了四次定期會議，以討論及／或批准本集團有關期間的財務業績，檢討本集團內部監控系統的效率，討論聯席審計師表現，本公司在會計及財務匯報職能方面的資源、員工資歷及經驗是否足夠，以及員工所接受的培訓課程及有關預算又是否充足。

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。

Corporate Governance Report

企業管治報告

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	2,380
Non-audit services	非核數服務	940

INTERNAL CONTROL

Both the Management and the Board of Directors increasingly recognise the significance of maintaining an effective and reliable internal control system within the Group, and would like to contribute and co-operate additional efforts and resources to help improving the current monitoring systems as well as for ensuring the implementation of any constructive recommendations.

Before June 2009, review of the Group's operating functions and procedures were only performed by an accountancy firm on an assignment basis and after that period, an independent Audit Department had been established internally with the designated primary roles for reviewing and evaluating the current operating procedures within the Group and the effectiveness of its control and monitoring systems. The Head of Internal Audit therefore reports administratively to the Chief Executive Officer and functionally to the Audit Committee.

During the year, Audit Department conducted several on site review of the Company's subsidiaries and its associate according to the audit plan, the scope of services mainly focusing on review of the current operating procedures and the adequacy and appropriateness of the control systems. Audit reports were issued timely for the Management's attention and actions.

Regarding the current market trend, Internal Audit function will help to contribute more than performing a monitoring role within the Company, like they will also act as internal advisors and facilitators to Management for serving as constructive means in order for enhancing the internal communications among the Group, minimizing any potential business and operating risks and also acting as a change advocate.

核數酬金

於回顧財政年度，聯席核數師的酬金分析如下：

內部監控

管理層及董事會逐漸了解於本集團內維持有效及可靠內部監控系統的重要性，因此希望透過加強合作及增撥資源，藉以改善現有監察系統，並確保任何具建設性的建議得以落實。

於二零零九年六月前，本集團營運功能及程序的檢討僅由一間會計師事務所按工作項目形式執行，其後於內部設立一個獨立審計部門，其指定主要職務為檢討及評估本集團內的現有營運程序，以及其監控及監察系統的效率。內部審計主管會在行政上向首席執行官匯報，以及在職務上向審核委員會匯報。

年內，審計部門按照審計計劃，對本公司的附屬公司及其聯營公司進行若干實地考察，其目的主要為檢討現有營運程序及監控系統是否屬適當及恰當。審計報告將會及時編製，以供管理層審閱及採取行動。

就現行市場趨勢而言，內部審計功能不單能於本公司內肩負起監察的角色，同時亦能擔任管理層的內部顧問及輔助角色，提出具建設性的建議，藉以增強本集團的內部溝通、減低任何潛在業務及營運風險，以及提倡變革。

Corporate Governance Report 企業管治報告

ACKNOWLEDGEMENT OF RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge 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;
- Made judgments 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 page 55 to 58.

On behalf of the Board

Poon Sum
Chairman

Hong Kong, 17 August 2010

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；
- 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55頁至第58頁的聯席獨立核數師報告內詳述。

代表董事會

主席
潘森

香港，二零一零年八月十七日

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 2010.

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 45 to the financial statements.

An analysis of the Group's performance for the year by business and geographical segments is set out in Note 7 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 59.

No interim dividend was paid or declared in respect of the year ended 31 March 2010 (2009: Nil).

The Board does not recommend the payment of final dividend for the year ended 31 March 2010 (2009: Nil).

RESERVES

Movements in the reserves of the Group and of the Company during the year are set out in the consolidated statements of changes in equity on page 63 to 65.

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.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in Note 34 to the financial statements.

董事謹此提呈其年度報告連同截至二零一零年三月三十一日止年度的經審核財務報表。

主要業務及業務地區分析

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45。

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7。

業績及分派

本集團本年度的業績，載於第59頁的綜合收益表。

本公司並無就截至二零一零年三月三十一日止年度派付或宣派中期股息(二零零九年：無)。

董事會不建議派發截至二零一零年三月三十一日止年度之末期股息(二零零九年：無)。

儲備

本年度內本集團及本公司的儲備變動載於第63頁至第65頁的綜合權益變動報表內。

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。

股本

本公司的股本變動詳情載於財務報表附註34。

Report of the Directors

董事報告

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at 31 March 2010 amounted to HK\$Nil. 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 page 215 to 216.

PURCHASES, SALE OR REDEMPTION OF SECURITIES

Neither the Company, nor any of its subsidiaries, purchased, sold or redeemed any of the securities of the Company during the year.

SHARE OPTIONS AND WARRANTS

Warrants

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 subscription 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. As of 31 March 2010, there were outstanding non-listed warrants carrying subscription rights up to HK\$189,851,999 in aggregate, equivalent to the aggregate subscription price for a total of 220,758,139 shares on the basis of the adjusted subscription price of HK\$0.86 per share.

On 26 September 2008, the Company had issued 161,894,434 listed warrants, each entitles the holder thereof to subscribe for one new share at the subscription price of HK\$0.48 (subject to adjustment) at any time during a period of thirty-six months commencing from the

可供分派儲備

本公司於二零一零年三月三十一日的可供分派儲備為港幣零元。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215至216頁。

購買、出售或贖回證券

本公司或其任何附屬公司於年度並無購買、出售或贖回其任何本公司證券。

購股權及認股權證

認股權證

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任何時間按認購價港幣1.00元(可予調整)認購一股新股。於二零一零年三月三十一日,尚未行使之非上市認股權證附帶認購權價值合共最多為港幣189,851,999元。以經調整後的每股認購價港幣0.86元為計算基礎,相等於合共220,758,139股之總認購價。

於二零零八年九月二十六日,本公司已發行161,894,434份上市認股權證,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認購價港幣

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date of issue of the warrants. As of 31 March 2010, there were outstanding listed warrants carrying subscription rights up to HK\$76,239,248.64 in aggregate, equivalent to the aggregate subscription price for a total of 158,831,768 shares.

On 31 May 2009, the Company had issued 77,000,000 non-listed warrants, each entitles the holder thereof to subscribe for one new share at the subscription price of HK\$0.45 (subject to adjustment) at any time during a period of twenty-one months commencing from the date immediately after three months from the date of issue of the warrants. As of 31 March 2010, there were outstanding listed warrants carrying subscription rights up to HK\$65,500,000 in aggregate, equivalent to the aggregate subscription price for a total of 29,475,000 shares.

At the extraordinary general meeting held on 21 June 2010, it was approved to issue 250,000,000 non-listed warrants to Mr. Poon Sum, the Chairman of the Company. Each warrant entitles the holder thereof to subscribe for one new share at the subscription price of HK\$1.35 (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 16 June 2009 which enabled the grant of further options to

0.48元(可予調整)認購一股新股。於二零一零年三月三十一日，尚未行使之上市認股權證附帶認購權價值合共最多為港幣76,239,248.64元，相等於合共158,831,768股之總認購價。

於二零零九年五月三十一日，本公司已發行77,000,000份非上市認股權證，每份認股權證賦予持有人權利，於緊隨發行認股權證日期三個月後當日起計二十一個月期間內隨時按認購價港幣0.45元(可予調整)認購一股新股。於二零一零年三月三十一日，尚未行使之上市認股權證附帶認購權價值合共最多為港幣65,500,000元，相等於合共29,475,000股之總認購價。

於二零一零年六月二十一日舉行的股東特別大會上，本公司獲批准向本公司主席潘森先生發行250,000,000份非上市認股權證，每份認股權證賦予持有人權利於緊隨發行認股權證日期起計三十六個月期間內隨時按認購價港幣1.35元(可予調整)認購一股新股。

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%上限已由股東於二零零九年六月十六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255,112,210股股份的購股權，而有關股數佔上述日期已發

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subscribe up to 255,112,210 shares, representing 10% of the shares in issue as at the said date. The 10% limit was further refreshed by ordinary resolution passed by the shareholders at the extraordinary general meeting held on 18 March 2010 which enabled the grant of further options to subscribe up to 361,373,428 shares, representing 10% of the shares in issue as at the said date.

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 219,589,428 (including options for 70,016,000 shares that have been granted but not yet lapsed or exercised), representing about 5.57% 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 (the "Stock Exchange") 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 Stock Exchange'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.

行股份的10%。10%上限已由股東於二零一零年三月十八日舉行的股東特別大會上通過普通決議案再予以更新，從而促使本公司可再授出可認購最多達361,373,428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219,589,428股(包括已授出但尚未失效或行使之可認購70,016,000股股份之購股權)，相當於本公司已發行股本約5.57%。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)當日在聯交所的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。採納購股權計劃日之後，不授出超過十年之購股權。

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Details of the share option outstanding at 31 March 2010 which have been granted under the scheme are as follows:

於二零一零年三月三十一日，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		Exercisable Period	Number of Options				Price of Company's shares	
					Outstanding as at 1 April 2009	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2010	For Option granted
參與者	授出日期	每股行使價	可行使期	於二零零九年 四月一日 尚未行使	於年內授出	於年內行使	於年內失效	於二零一零年 三月三十一日 尚未行使	已授出 購股權	已行使 購股權
		HK\$							HK\$	HK\$
		港幣							(Note 1)	(Note 2)
									港幣	港幣
									(附註1)	(附註2)
Executive Directors										
執行董事										
Mr. Poon Sum 潘森先生	14/09/2007	0.933 (adjusted) (經調整)	14/09/2007 to 13/09/2009	48,000,000	—	—	(48,000,000)	—	1.020	—
	29/04/2009	0.2064	29/04/2009 to 28/04/2012	—	110,000,000	(110,000,000)	—	—	0.203	1.355
Mr. Poon Wai Kong 潘偉剛先生	28/07/2008	0.310	28/07/2008 to 27/07/2009	6,450,000	—	(6,450,000)	—	—	0.295	0.409
	28/07/2008	0.310	28/01/2009 to 27/07/2009	6,450,000	—	(6,450,000)	—	—	0.295	0.457
	31/08/2009	0.412	31/08/2009 to 30/08/2010	—	10,000,000	—	—	10,000,000	0.405	—
Mr. Wong Kwok Leung 黃國良先生	13/08/2004	0.251 (adjusted) (經調整)	13/08/2004 to 12/08/2014	100,000	—	—	—	100,000	—	—
	29/04/2009	0.2064	29/04/2009 to 28/04/2012	—	3,000,000	(2,784,000)	—	216,000	0.203	0.533
Non-executive Director										
非執行董事										
Mr. Chen Lizhong (retired on 21 August 2009) 陳立忠先生(於二零零九年 八月二十一日退任)	28/07/2008	0.310	28/07/2008 to 27/07/2009	5,000,000	—	(5,000,000)	—	—	0.295	0.408
Independent Non-executive Directors										
獨立非執行董事										
Mr. Chan Kam Ching, Paul 陳錦程先生	14/09/2007	0.933 (adjusted) (經調整)	14/09/2007 to 13/09/2009	680,000	—	—	(680,000)	—	1.020	—
	29/04/2009	0.2064	29/04/2009 to 28/04/2012	—	260,000	(260,000)	—	—	0.203	0.530
	16/07/2009	0.414	16/07/2009 to 15/07/2010	—	1,664,000	(1,664,000)	—	—	0.41	0.530
Mr. Chan Shu Kin 陳樹堅先生	14/09/2007	0.933 (adjusted) (經調整)	14/09/2007 to 13/09/2009	680,000	—	—	(680,000)	—	1.020	—
	29/04/2009	0.2064	29/04/2009 to 28/04/2012	—	260,000	(260,000)	—	—	0.203	0.670
	16/07/2009	0.414	16/07/2009 to 15/07/2010	—	1,664,000	(1,664,000)	—	—	0.41	0.670
Mr. Cheung Kwan Hung 張鈞鴻先生	14/09/2007	0.933 (adjusted) (經調整)	14/09/2007 to 13/09/2009	680,000	—	—	(680,000)	—	1.020	—
	29/04/2009	0.2064	29/04/2009 to 28/04/2012	—	260,000	(260,000)	—	—	0.203	1.120
	16/07/2009	0.414	16/07/2009 to 15/07/2010	—	1,664,000	(1,664,000)	—	—	0.41	1.120
Chief Executive										
行政總裁										
Mr. Leung Kam Lung, Danny 梁金龍先生	28/07/2008	0.310	28/07/2008 to 27/07/2009	6,475,000	—	(6,475,000)	—	—	0.295	0.414
	28/07/2008	0.310	28/01/2009 to 27/07/2009	6,475,000	—	(6,475,000)	—	—	0.295	0.449

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Participants	Date of grant	Exercise price per share		Number of Options 購股權數目				Price of Company's shares 本公司股份價格		
				Outstanding as at 1 April 2009 於二零零九年 四月一日 尚未行使	Granted during the year	Exercised during the year	Lapsed during the year	Outstanding as at 31 March 2010 於二零一零年 三月三十一日 尚未行使	For Option granted	For Option exercised
參與者	授出日期	每股行使價	可行使期	尚未行使	於年內授出	於年內行使	於年內失效	尚未行使	已授出 購股權	已行使 購股權
		HK\$							HK\$	HK\$
		港幣							(Note 1) 港幣	(Note 2) 港幣
									(附註1)	(附註2)
Employees in aggregate 僱員總計										
	28/07/2008	0.310	28/07/2008 to 27/07/2009	47,950,000	—	(47,950,000)	—	—	0.295	0.474
	06/11/2008	0.077	06/11/2008 to 05/11/2009	20,000,000	—	(20,000,000)	—	—	0.083	0.427
	24/12/2008	0.110	24/12/2008 to 23/12/2009	63,500,000	—	(63,500,000)	—	—	0.070	0.343
	24/12/2008	0.118	24/12/2008 to 23/12/2009	38,000,000	—	(38,000,000)	—	—	0.070	0.345
	24/12/2008	0.200	24/12/2008 to 23/12/2009	10,000,000	—	(10,000,000)	—	—	0.070	0.382
	31/12/2008	0.200	31/12/2008 to 30/12/2009	20,000,000	—	(20,000,000)	—	—	0.110	0.533
	13/05/2009	0.300	13/05/2009 to 12/05/2010	—	42,200,000	(27,200,000)	—	15,000,000	0.275	0.467
	24/07/2009	0.475	24/07/2009 to 23/07/2010	—	17,000,000	(12,000,000)	—	5,000,000	0.485	0.897
	14/08/2009	0.472	14/08/2009 to 13/08/2010	—	51,800,000	(30,800,000)	—	21,000,000	0.475	1.133
	31/08/2009	0.412	31/08/2009 to 30/08/2010	—	60,000,000	(27,700,000)	—	32,300,000	0.405	1.175
				280,440,000	299,772,000	(446,556,000)	(50,040,000)	83,616,000		

Notes:

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。

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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.

SHARE AWARD SCHEME OF THE COMPANY

On 16 October 2008, the Company adopted the Share Award Scheme in which selected employees of the Group, including without limitation any executive and non-executive director, officer, agent or consultant (with payroll) of the Group, are entitled to participate in the Share Award Scheme pursuant to the rules of the Share Award Scheme.

The purposes and objectives of the Share Award Scheme are to recognise the contributions by certain employees and to provide them with incentives in order to retain them for the continual operation and development of the Group and to attract suitable personnel for further development of the Group. Subject to any early termination as may be determined by the Board, the Share Award Scheme shall be valid and effective for a term of 10 years commencing on the adoption date. The maximum number of shares which may be awarded to a selected employee under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the adoption date. The nominal value of the shares awarded by the Board under the Share Award Scheme shall not exceed 5% of the issued share capital of the Company as at the adoption date.

During the reporting period, the Company did not purchase any share for the Share Award Scheme.

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。

本公司股份獎勵計劃

二零零八年十月十六日，本公司採納股份獎勵計劃，根據股份獎勵計劃之規定，本集團選定之僱員，包括但不限於任何執行及非執行董事，高級人員，代理人或顧問（與工資），都有權參加股份獎勵計劃。

股份獎勵計劃的宗旨和目的是彰表某些僱員的貢獻，和給予他們獎勵，以挽留他們為集團的運作和發展繼續努力，並吸引合適的人才予本集團進一步發展。若董事局決定提早終止，股份獎勵計劃將由採納當日起十年有效。根據股份獎勵計劃，可向某一選定員工授出之股份數目最多不得超過股份獎勵計劃獲採納當日本公司已發行股本的1%。根據股份獎勵計劃，由董事局授予之股份面值不得超過於採納日期公司已發行股本的5%。

於報告期間內，本公司並無就股份獎勵計劃購買任何股份。

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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
(retired on 21 August 2009)
Mr. Chan Shu Kin²
Mr. Chan Kam Ching, Paul²
Mr. Cheung Kwan Hung²

¹ Non-Executive Director

² Independent Non-Executive Director

In accordance with Article 87(1) of the Company's Articles of Association, Mr. Poon Sum and Mr. Chan Shu Kin 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).

None of the Directors has entered into any service agreements with any member of the Group.

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.

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
(於二零零九年八月二十一日退任)
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

根據本公司的組織章程細則第87(1)條，潘森先生及陳樹堅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。

概無董事與本集團的任何成員公司訂立任何服務協議。

董事於合約權益

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。

Report of the Directors

董事報告

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Poon Sum, aged 46, 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 20 years of experience in the oil, paints and coatings industry and the trading of chemicals in Hong Kong and the PRC.

Mr. Wong Kwok Leung, aged 52, 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 15 years and has obtained extensive knowledge therein. He joined the Group in September 1997.

Mr. Poon Wai Kong, aged 39, 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 and a Master degree in Professional Accounting and Corporate Governance 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 19 years' experience in accounting and financial field. He joined the Group as Financial Controller in September 2005. He was appointed as Company Secretary for the Company in September 2006.

董事及高級管理層的履歷

執行董事

潘森先生，46歲，本公司主席及本集團共同創辦人之一。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。彼於香港及中國的石油、油漆與塗料業，以及化學品買賣方面累積逾二十年經驗。

黃國良先生，52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。彼於加入本集團前，從事財務及會計業逾十五年以上，並在有關方面累積了豐富經驗。彼於一九九七年九月加入本集團。

潘偉剛先生，39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及專業會計及公司管治碩士學位、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逾十九年經驗，彼於二零零五年九月加入本集團任財務總監，於二零零六年九月獲委任為本公司的公司秘書。

Report of the Directors

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Independent Non-Executive Directors

Mr. Chan Shu Kin, aged 55, 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 32 years of experience in the 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 Stock Exchange.

Mr. Chan Kam Ching, Paul, aged 55, is an Independent Non-Executive Director. He was appointed on 21 October 2002. He is the proprietor of Paul K.C. Chan & Partners Solicitors & Notaries, and has been practising laws in Hong Kong for over 26 years. He obtained a Juris Doctorate degree from the 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 the 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 58, is an Independent Non-Executive Director. He was appointed on 30th 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 25 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 an independent non-executive director of NewOcean Energy Holdings Limited, V.S. International Group Limited and Mobile Telecom Network (Holdings) Limited, whose shares is listed on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). He was an independent non-

獨立非執行董事

陳樹堅先生，55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三十二年經驗。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。

陳錦程先生，55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東主，在香港執業逾二十六年。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資格，以及新加坡的出庭代言人和律師資格。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，58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二十五年經驗，專門從事股本／債務集資、合併及收購，以及公司重組。張先生為新海能源集團有限公司、威誠國際集團有限公司及流動電訊網絡（控股）有限公司的獨立非執行董事，該等公司的股份於香港聯合交易所有限公司（「**聯交所**」）上市。彼於二零零四年九月二

Report of the Directors

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executive director of Diagonite International Limited (formerly known as “Ruyan Group (Holdings) Limited”), whose shares are listed on the Stock Exchange, from 20 September 2004 to 28 June 2010.

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 independence of the Company.

Senior Management

Mr. Leung Kam Lung, Danny, aged 49, is the Chief Executive Officer of the Group. He joined the Group on 1 April 2008 and is primarily responsible for the Group’s daily operations. 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 27 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 60, is the Vice Chairman and Chief Operating 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.

十日至二零一零年六月二十八日期間曾為叁龍國際有限公司(前稱「如烟集團(控股)有限公司」)之獨立非執行董事。

本公司已接獲各獨立非執行董事之確認，確認其為獨立於本公司以及本公司認為各獨立非執行董事均為獨立人士。

高級管理層

梁金龍先生，49歲，為本集團行政總裁。彼於二零零八年四月一日加盟本集團，主要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。梁先生擁有逾二十七年工作經驗，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，60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。

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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. He then worked for Sun Oil (USA) in its south China Sea offshore drilling ventures with CNOOC.

Mr. Ho Chi Hung, Alan, aged 57, is Senior Manager of the Investment Management Department. He joined the Group in February 2009 and is responsible for all aspects of investment management matters in relation to the Group's subsidiaries, associated companies and joint ventures. He has over 10 years of experience in advising independent petroleum firms operating in PRC. Mr. Ho graduated with a Master degree from the University of Michigan in 1977. He is also a co-founder of PetroChina Services Company and later PetroAsia Energy Limited.

Ms. Liu Yu Qin, aged 42, 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 postgraduate degree from the Chinese Academy of Social Sciences. She has 12 years of experience in the coating industry in both China and internationally and over 12 years of experience in sales and marketing.

Mr. Cao Quan, aged 38, is General Manager of the Qiqihar Northeast Oil currently. He held a Business Administration degree in 1993 and had worked in numerous senior management positions in various industries including the construction of the Guangzhou Subway System. He joined the Group in 2008 as committee member of joint management committee in the oilfield area.

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。彼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。其後他跟隨美國太陽石油公司在中國南海與中海油公司合作鑽井。

何志雄先生，57歲，本集團的投資管理部高級經理。彼於二零零九年二月加入本集團，負責本集團附屬公司、聯營及合資公司的投資管理。何先生從事石油公司顧問逾十年的經驗。彼於一九七七年取得美國密西根大學科學碩士學位，更是中油服務公司及其後中亞能源有限公司創辦人之一。

劉玉琴女士，42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逾十二年經驗，並在銷售及市場推廣積逾十二年經驗。

曹泉先生，38歲，現時是本集團在齊齊哈爾東北石油的總經理，彼於一九九三年畢業，持有工商管理學位，彼工作經驗包括於不同行業擔當企業高層管理，其中包括廣州地鐵興建的工程管理。彼於二零零八年加入本集團為油田聯合管理委員會成員。

Report of the Directors

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DIRECTORS' INTERESTS IN EQUITY OR DEBT SECURITIES

董事於股本或債務證券的權益

At 31 March 2010, 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 Stock Exchange pursuant to the Model code were as follows:

於二零一零年三月三十一日，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
Directors:						
董事：						
Mr. Poon Sum 潘森先生	Beneficial Owner	Personal Interest (Notes 1 & 2)	232,770,453	9,629,537	651,677,427	17.97%
	實益擁有人	個人權益(附註1及2)				
	Founder of a Discretionary Trust	Other Interest (Notes 1 & 3)	377,794,558	31,482,879		
	全權信託創辦人	其他權益(附註1及3)				
Mr. Wong Kwok Leung 黃國良先生	Beneficial Owner	Personal Interest (Notes 1 & 4)	16,285	317,357	333,642	0.01%
	實益擁有人	個人權益(附註1及4)				
Mr. Poon Wai Kong 潘偉剛先生	Beneficial Owner	Personal Interest (Notes 1 & 5)	2,300,000	10,100,000	12,400,000	0.34%
	實益擁有人	個人權益(附註1及5)				
Mr. Chan Shu Kin 陳樹堅先生	Beneficial Owner	Personal Interest (Note 1)	61,500	—	61,500	0.002%
	實益擁有人	個人權益(附註1)				
Mr. Chan Kam Ching, Paul 陳錦程先生	Beneficial Owner	Personal Interest (Notes 1 & 6)	4,000	100,000	104,000	0.003%
	實益擁有人	個人權益(附註1及6)				
Mr. Cheung Kwan Hung 張鈞鴻先生	Beneficial Owner	Personal Interest (Notes 1 & 7)	654,000	147,500	801,500	0.02%
	實益擁有人	個人權益(附註1及7)				

Notes:

- All interests in shares and underlying shares of equity derivatives of the Company are long positions.
- All interests in underlying shares of equity derivatives of the Company are interests in warrants of the Company (the "Warrants") which conferred rights to subscribe for 9,629,537 shares at an initial subscription price of HK\$0.48 per share (subject to adjustment) exercisable during the period from 17 October 2008 to 16 October 2011.

附註：

- 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。
- 於本公司股本衍生工具相關股份的所有權益為本公司認股權證（「認股權證」）的權益，該等認股權證被授予權利以初步認購價每股港幣0.48元（可予以調整）認購9,629,537股股份，行使期為於二零零八年十月十七日至二零一一年十月十六日之間。

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3. All interests in underlying shares of equity derivatives of the Company are interests in the Warrants. These shares and Warrants 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 377,794,558 shares, representing approximately 10.42% of the Company's shares in issue as at 31 March 2010 through his shareholding in Ever Source.
 4. All interests in underlying shares of equity derivatives of the Company are interests in the Warrants which conferred rights to subscribe for 1,357 shares and interests in share options of the Company granted under the share option scheme of the Company, 100,000 of which may be exercised during the period from 13 August 2004 to 12 August 2014 at an adjusted exercise price of HK\$0.251 per share and 216,000 of which may be exercised during the period from 29 April 2009 to 28 April 2012 at the exercise price of HK\$0.2064 per share.
 5. All interests in underlying shares of equity derivatives of the Company are interests in the Warrants which conferred rights to subscribe for 100,000 shares and share options of the Company granted under the share option scheme of the Company which may be exercised during the period from 31 August 2009 to 30 August 2010 to subscribe for 10,000,000 shares at an exercise price of HK\$0.412 per share.
 6. All interest in underlying shares of equity derivatives of the Company are interests in the Warrants which conferred rights to subscribe for 100,000 shares.
 7. All interest in underlying shares of equity derivatives of the Company are interests in the Warrants which conferred rights to subscribe for 147,500 shares.
3. 於本公司股本衍生工具相關股份的所有權益均為本公司認股權證的權益，該等股份及認股權證由 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 377,794,558 股股份中擁有權益，相當於本公司於二零一零年三月三十一日的已發行股份約 10.42%。
 4. 於本公司股本衍生工具相關股份的所有權益包括於本公司認股權證及根據本公司購股權計劃授出的本公司購股權的權益。該等認股權證被授予以權利認購 1,357 股股份；該等購股權中，100,000 份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按經調整行使價每股港幣 0.251 元行使，而 216,000 份可於二零零九年四月二十九日至二零一二年四月二十八日期間按行使價每股港幣 0.2064 元行使。
 5. 於本公司股本衍生工具相關股份的所有權益包括於本公司認股權證及根據本公司購股權計劃授出的本公司購股權的權益。該等認股權證被授予以權利認購 100,000 股股份；該等購股權則可於二零零九年八月三十一日至二零一零年八月三十日期間按行使價每股港幣 0.412 元認購 10,000,000 股股份。
 6. 於本公司股本衍生工具相關股份的所有權益為本公司認股權證的權益，該等認股權證被授予以權利認購 100,000 股股份。
 7. 於本公司股本衍生工具相關股份的所有權益為本公司認股權證的權益，該等認股權證被授予以權利認購 147,500 股股份。

Save as disclosed above, as at 31 March 2010, none of the Directors and chief executive 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.

除上文所披露者外，於二零一零年三月三十一日，本公司董事及主要行政人員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。

Report of the Directors

董事報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS

主要股東的權益

As at 31 March 2010, 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:

於二零一零年三月三十一日，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)	377,794,558	31,482,879	409,277,437	11.29%
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)	377,794,558	31,482,879	409,277,437	11.29%
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)	377,794,558	31,482,879	409,277,437	11.29%
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)	377,794,558	31,482,879	409,277,437	11.29%
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)	377,794,558	31,482,879	409,277,437	11.29%
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)	377,794,558	31,482,879	409,277,437	11.29%
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)	36,292,453	3,852,037	449,421,927	12.39%
	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)	377,794,558	31,482,879		

Report of the Directors

董事報告

Notes:

- All interests in shares and underlying shares of equity derivatives of the Company are long position. All interest in underlying shares of equity derivatives of the Company are interests in Warrants.
- 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 and Warrants in the capacity of a trust through interests of corporations controlled by it as follows:

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。於本公司股本衍生工具的相關股份的所有權益均為認股權證的權益。
- 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及認股權證的權益：

Name of Controlled Corporation 受控制法團名稱	Name of Controlling Shareholder 控股股東的名稱	Percentage Control 控股百分比
Ground 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 and Warrants 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 377,794,558 shares, representing approximately 10.42% of the Company's shares in issue as at 31 March 2010, because each of them is the respective founder of the aforesaid two discretionary trusts which indirectly own 50% beneficial interest in Ever Source respectively.

- 該等股份及認股權證由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377,794,558股股份權益，相當於本公司於二零一零年三月三十一日的已發行股份約10.42%。

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 2010 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.

除上文所披露者外，就本公司董事所知，於二零一零年三月三十一日，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 aggregate sales attributable to the Group's five largest customers were approximately 42% and the sales attributable to the Group's largest customer were approximately 22% of the Group's total sales.

The aggregate purchases during the year attributable to the Group's five largest suppliers were approximately 49% and the purchases attributable to the Group's largest supplier were approximately 27% of the Group's total purchases.

None of the directors, their associates or any shareholder (which to the knowledge of the directors owns more than 5% of the Company's share capital) had an interest in the major suppliers or customers noted above.

CONNECTED TRANSACTIONS AND CONTINUING 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 44 to the financial statements. The rental expenses of approximately HK\$237,000 payable to Luen Yat Enterprises Company Limited, and consultancy fee approximately HK\$576,000 payable to Mr. Poon Sau Tin, also constitute a continuing connected transactions under the Rules Governing the Listing of Securities on The Stock Exchange (the "Main Board Listing Rules"). Mr. Poon Sum and Mr. Poon San Tin have beneficial interests in Luen Yat Enterprises Company Limited. Such continuing connected transaction falls under R.14A.33 of the Main Board Listing Rules and thus is not subject to reporting, announcement and independent shareholders' approval requirement.

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

年內，本集團五大客戶所佔的合計銷售額佔本集團總銷售額約42%，而本集團最大客戶所佔的銷售額佔本集團總銷售額約22%。

年內，本集團五大供應商所佔的合計採購額佔本集團總採購額約49%，而本集團最大供應商所佔的採購額佔本集團總採購額約27%。

董事、彼等之聯繫人士或就董事所知任何擁有本公司股本5%以上之股東，概無於上述主要供應商或客戶中擁有任何權益。

關連交易及持續關連交易

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44。應付予聯鎰企業有限公司約港幣237,000元的租金開支，以及應付予潘壽田先生約港幣576,000元的顧問費用均構成香港聯合交易所有限公司證券上市規則（「主板上市規則」）下的一宗持續關連交易。潘森先生及潘壽田先生於聯鎰企業有限公司持有實益權益。有關持續關連交易符合主板上市規則第14A.33條的規定，故不受限於報告、公佈及獨立股東批准的規定。

Report of the Directors

董事報告

On 28 October 2009, Merry Boom Investment Limited (“Merry Boom”), a wholly-owned subsidiary of the Company, entered into the agreement with Well Lead Group Limited (“Well Lead”) to purchase 49% of the entire issued share capital of Northeast Oil (China) Development Company Limited (“Northeast”) and all obligations, liabilities and debts owing or incurred by Northeast to Well Lead on or at any time prior to the completion of the acquisition at an aggregate consideration of HK\$168 million which shall be satisfied in the following manner:

- (1) HK\$44,652,376.58 shall be settled by way of entering into the deed of novation among Well Lead, Merry Boom and Northeast;
- (2) HK\$39,347,623.42 shall, at Merry Boom’s sole discretion, be settled either in cash or by procuring the Company to allot and issue 87,829,516 new Shares to Well Lead, credited as fully paid, at the issue price of approximately HK\$0.448 per consideration share at completion or a combination of both; and
- (3) the remaining HK\$84 million shall, at Merry Boom’s sole discretion, be settled either in cash or by procuring the Company to allot and issue up to 187,500,000 new Shares to Well Lead, credited as fully paid, at the issue price of approximately HK\$0.448 per consideration share on or before the date falling the 45th day of the date of completion (as such later date as the parties may agree) or a combination of both.

Well Lead, being a substantial shareholder of Northeast, a subsidiary of the Company, was a connected person of the Company. The acquisition constituted a major and connected transaction of the Company.

Before the acquisition, the Company, through its wholly-owned subsidiary Honour Bright Investments Limited, was interested in 51% of the entire issued share capital of Northeast. The directors believed that the acquisition allows the Group to fully integrate the operation and management of the Northeast group within the Group and also provides the Group with promising business potential while further enjoys the costs benefits, operating efficiency and other synergistic effect and strengthens the energy business of the Group. The directors further considered that the acquisition enables the Group to tap further into the benefits of Northeast by capturing the entire profits of Northeast.

於二零零九年十月二十八日，本公司的一間全資附屬公司Merry Boom Investment Limited (「Merry Boom」) 與 Well Lead Group Limited (「Well Lead」) 訂立協議，買入東北石油(中國)發展有限公司(「東北石油」)全部已發行股本之49%，以及所有於完成收購前東北石油引致或欠下Well Lead之承擔、責任和債務，總代價為港幣168,000,000元，以下列方式支付：

- (1) 港幣44,652,376.58元將由Well Lead，Merry Boom及東北石油之間的責任轉讓契約解決；
- (2) 港幣39,347,632.42元將由Merry Boom之獨自酌情權，以現金或以獲得本公司配發及發行87,829,516股之新股股份予Well Lead，以每代價股份約港幣0.448元的發行價在完成時入賬列為繳足支付，或兩者之組合；及
- (3) Merry Boom之獨自酌情權下，餘下之港幣84,000,000元將以現金或以獲得本公司配發187,500,000股之新股股份予Well Lead，以每代價股份約港幣0.448元的發行價於完成買賣後四十五日內，入賬列為繳足支付(或約定之較後日期)，或兩者之組合。

Well Lead作為本公司附屬公司東北石油的主要股東，為本公司之關連人士，根據上市規則，收購事項構成本公司一項主要及關連交易。

進行是次收購前，本公司透過其全資附屬公司Honour Bright Investments Limited已擁有東北石油全部已發行股本之51%，董事相信通過是次收購，本集團充分整合對東北石油集團的運作和管理，並為本集團提供有前景的商業潛力，同時，亦可進一步享有成本效益，經營效率及其他協同效應，並強化本集團的能源業務。董事亦認為此次收購使本集團獲得東北石油之全部利潤，因而進一步得到其利益。

Report of the Directors

董事報告

On 8 February 2010, Wing Shing Group Limited (the “Vendor”), a direct wholly-owned subsidiary of the Company, entered into the conditional sale and purchase agreement (the “Agreement”) with Mr. Poon Sau Tin and Mr. Mai Mao Quan (the “Purchasers”) to sell the entire issued share capital of Win Profit (Asia Pacific) Co., Ltd. (“Win Profit”) (“Sale Shares”) for a total consideration of HK\$30,000,000 which shall be satisfied in the following manner:

- (i) as to HK\$5,000,000 payable in cash to the Vendor by the Purchasers in proportion to their respective equity interest in the Sale Shares to be acquired within ten business days after the signing of the Agreement;
- (ii) as to HK\$15,000,000 by the issue of the first promissory note by Mr. Poon Sau Tin to the Vendor upon completion; and
- (iii) as to HK\$10,000,000 by the issue of the second promissory note by Mr. Mai Mao Quan to the Vendor upon completion.

Mr. Poon Sau Tin is the elder brother of Mr. Poon Sum (an executive director and the Chairman of the Company) and is a substantial shareholder of the Company. The disposal constituted a discloseable and connected transaction of the Company under the Listing Rules.

Win Profit, through its wholly-owned subsidiary, Zhongshan Wing Shing Chemical Co. Ltd., is principally engaged in manufacturing and sale of emulsion paint in the PRC. The directors believed that the disposal enables the Group to sell out non-performing business, reduce potential loss of Win Profit group to the Group in coming years, avoid further fund injection as required to support future operation of Win Profit group and deploy more resources to other investment opportunities with better prospect.

Save as disclosed above, there were no other transactions, which need to be disclosed as connected transactions and continuing 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.

於二零一零年二月八日，本公司之直接全資附屬公司永成集團有限公司(「賣方」)與潘壽田先生及麥茂全先生(「買方」)訂立有條件買賣協議(「買賣協議」)，出售永得利(亞太)有限公司(「永得利」)全部已發行股本(「待售股份」)，總代價為港幣30,000,000元，並須由買方以下列方式支付：

- (i) 其中港幣5,000,000元應由買方於簽署買賣協議後十個營業日內按彼等各自於將予收購之待售股份中之股權比例以現金向賣方支付；
- (ii) 其中港幣15,000,000元須於完成後由潘壽田先生以發行第一批承兌票據方式向賣方支付；及
- (iii) 其中港幣10,000,000元須於完成後由麥茂全先生以發行第二批承兌票據方式向賣方支付。

潘壽田先生為本公司執行董事兼主席潘森先生之胞兄，並且是本公司之主要股東，根據上市規則，出售事項項構成本公司一項須予披露及關連交易。

永得利(透過其全資附屬公司中山市永成化工有限公司)主要在中國從事製造及銷售乳膠漆業務。董事相信，出售事項將會有於本集團售出表現欠佳之業務，減低來年永得利集團對本集團之潛在虧損，避免就支持永得利集團之日後經營所需而進一步注資及將更多資源投放於其他具有更好前景之投資機會。

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及持續關連交易披露。

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 subsidiary are required to participate in a defined contribution retirement scheme operated by the local municipal government. The PRC subsidiary 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

At the extraordinary general meeting of the Company held on 16 July 2010, Baker Tilly Hong Kong Limited was removed as one of the joint auditors of the Company. Besides, Deloitte Touche Tohmatsu was appointed to act jointly with Lau & Au Yeung C.P.A. Limited as the new joint auditors of the Company. Save as aforesaid, there have been no other changes of auditors in the past three years.

The financial statements for the year have been audited by Deloitte Touche Tohmatsu and Lau & Au Yeung C.P.A. Limited. A resolution for re-appointment of Deloitte Touche Tohmatsu 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, 17 August 2010

核數師

於二零一零年七月十六日舉行的本公司股東特別大會，香港天華會計師事務所有限公司被免除為本公司其中一名聯席核數師，此外，德勤•關黃陳方會計師行獲委任與劉歐陽會計師事務所有限公司共同擔任本公司之新聯席核數師。除以上所述外，於過去三年，並無核數師的其他任何變動。

本年度財務報表已經德勤•關黃陳方會計師行及劉歐陽會計師事務所有限公司審核。本公司於即將舉行的股東週年大會上將提呈重新委任德勤•關黃陳方會計師行及劉歐陽會計師事務所有限公司為本公司聯席核數師的決議案。

代表董事會

主席
潘森

香港，二零一零年八月十七日

Independent Auditors' Report 獨立核數師報告

Deloitte. 德勤



劉歐陽會計師事務所有限公司
LAU & AU YEUNG C.P.A. LIMITED

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
太有大廈21樓

TO THE MEMBERS OF PETROASIAN ENERGY HOLDINGS LIMITED

PetroAsian Energy Holdings Limited

(incorporated in the Cayman Islands with limited liability)

We were engaged to audit the consolidated financial statements of PetroAsian Energy Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), set out on pages 59 to 214, which comprise the consolidated statement of financial position as at 31 March 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these consolidated 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 the consolidated 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.

致中亞能源控股有限公司列位股東

中亞能源控股有限公司

(於開曼群島註冊成立的有限公司)

吾等獲聘審核中亞能源控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表。綜合財務報表載於第59頁至第214頁，當中包括於二零一零年三月三十一日的綜合財務狀況表，及截至該日止年度的綜合收益表、綜合全面收益表、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說明附註。

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(「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綜合財務報表。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綜合財務報表相關的內部監控，以令綜合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。

Independent Auditors' Report

獨立核數師報告

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Except for the limitation in the scope of our work as explained below, 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 consolidated financial statements are free from material misstatement. However, because of the matters described in the basis for disclaimer of opinion paragraphs, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

Included in the consolidated statement of financial position as at 31 March 2010 are other intangible assets with a combined carrying value of HK\$2,043,397,000 (2009: HK\$2,044,541,000) in relation to two exploitation rights for oil exploitation in the People's Republic of China. As detailed in note 21 to the consolidated financial statements, the directors of the Company appointed an independent valuer to perform a valuation for each of the oil exploitation rights to estimate their recoverable amounts for impairment assessment purposes as at 31 March 2010 and 2009. The valuer estimated the combined value of the exploitation rights as at 31 March 2010 and 2009 to be RMB2,264,000,000 (equivalent to HK\$2,575,010,000) and RMB1,874,000,000 (equivalent to HK\$2,124,643,000) respectively, using discounted cash flow analysis. The valuer's reports were based on information about the proven reserves extracted from technical reports and assumptions as to the Group's ability to exploit the crude oil. These oil exploitation rights were originally recognised on acquisition at fair values of RMB1,591,000,000 (equivalent to HK\$1,763,975,000) and RMB341,000,000 (equivalent to HK\$389,924,000), using equivalent valuation methodology, resulting in the recognition of excess of fair value of net assets acquired over the cost of acquisition of a subsidiary/gains from a bargain purchase of HK\$849,627,000 and HK\$259,924,000 during the years ended 31 March 2008 and 2009 respectively.

核數師的責任

吾等的責任乃根據吾等的審核工作結果，對該等綜合財務報表表達意見，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。吾等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。除下文所述有關吾等工作範疇的限制外，吾等按照香港會計師公會頒佈的香港核數準則進行審核工作。該等準則要求吾等遵循操守規範以及規劃及執行審核工作，以合理確定綜合財務報表並不存在重大錯誤陳述。然而，由於免責意見之基準有關段落中所述的情況，吾等無法取得足夠審核憑證，為審核意見提供基礎。

免責意見之基準

二零一零年三月三十一日綜合財務狀況表包括與於中華人民共和國石油開採業務的兩項開採權相關，且合計賬面值為港幣2,043,397,000元(二零零九年：港幣2,044,541,000元)的其他無形資產。如綜合財務報表附註21所述，貴公司董事已委聘獨立估值師，為各項石油開採權進行估值，以估計於二零一零年及二零零九年三月三十一日的可收回金額，供評估減值之用。估值師採用折現現金流量分析，估計於二零一零年及二零零九年三月三十一日開採權的合計價值分別為人民幣2,264,000,000元(相等於港幣2,575,010,000元)及人民幣1,874,000,000元(相等於港幣2,124,643,000元)。估值師的報告乃按有關探明儲量的資料摘錄自技術報告，以及對貴集團開採原油能力作出的假設而編製。該等石油開採權採用相等估值方法，按公平值人民幣1,591,000,000元(相等於港幣1,763,975,000元)及人民幣341,000,000元(相等於港幣389,924,000元)於收購時作初步確認，導致分別於截至二零零八年及二零零九年三月三十一日止年度內，確認所收購淨資產的公平值，較收購一間附屬公司成本及議價購入收益多出港幣849,627,000元及港幣259,924,000元。

Independent Auditors' Report

獨立核數師報告

BASIS FOR DISCLAIMER OF OPINION (CONTINUED)

We were unable to assess the reliability of the valuations for financial reporting purposes as we were not provided with sufficient information to verify certain assumptions with respect to the underlying technical information or the feasibility of the business plan and oil extraction method which underpin the valuation calculations. Accordingly we were unable to assess whether (i) the fair values of the oil exploitation rights at the dates of acquisition were reliably measured in accordance with the relevant requirements of Hong Kong Financial Reporting Standard 3 “Business Combinations” issued by the HKICPA and therefore whether the carrying values of the oil exploitation rights and the retained profits as at 31 March 2010 and 2009, and non-controlling interests as at 31 March 2009 were free from material misstatement; (ii) any impairment loss should be recognised in respect of these intangible assets during the years ended 31 March 2010 or 2009 in accordance with Hong Kong Accounting Standard 36 “Impairment of Assets” issued by the HKICPA; (iii) the related amortisation recognised in respect of these intangible assets for the years ended 31 March 2010 and 2009 was free from material misstatement; and (iv) recognition of other reserve (the “Other Reserve”) amounting to HK\$552,132,000 for the year ended 31 March 2010, as further described in note 38(a) to the consolidated financial statements, resulting from acquisition of additional interest in a subsidiary which in turn held one of the exploitation rights was free from material misstatement.

In addition, the Group has not recognised any deferred tax liabilities as at the dates of acquisition of the oil exploitation rights arising from the business combinations in accordance with Hong Kong Accounting Standard 12 “Income Taxes” issued by the HKICPA. It is not practicable for us to quantify the effects of the departure from this requirement in respect of (i) the carrying values of the deferred tax liabilities as at 31 March 2010 and 2009; (ii) the corresponding deferred tax credit recognised during the years then ended; and (iii) the Other Reserve as at 31 March 2010.

Any adjustments found to be necessary in respect of the above matters would affect the Group's net assets as at 31 March 2010 and 2009 and 1 April 2008, and the Group's loss/profit for the years ended 31 March 2010 and 2009.

免責意見之基準(續)

由於吾等未獲提供足夠資料以核實石油開採方法的相關技術性資料或對業務計劃及開採方法之可行性的若干假設，此乃計算估值的基礎，故吾等無法就財務報告之目的評定估值的可靠性。因此，吾等無法評定(i)於收購日期石油開採權的公平值是否按照香港會計師公會頒佈的香港財務報告準則第3號「業務合併」的相關規定以可靠的方式計量，以及於二零一零年及二零零九年三月三十一日石油開採權及保留溢利的賬面值，以及於二零零九年三月三十一日的非控制性權益是否不存在重大錯誤陳述；(ii)按照香港會計師公會頒佈的香港會計準則第36號「資產減值」，該等無形資產於截至二零一零年或二零零九年三月三十一日止年度是否需要確認任何減值虧損；(iii)於截至二零一零年及二零零九年三月三十一日止年度就該等無形資產確認的相關攤銷是否不存在重大錯誤陳述；及(iv)如綜合財務報表附註38(a)詳述，因收購一間持有其中一項開採權的附屬公司的額外權益，而於截至二零一零年三月三十一日止年度確認其他儲備（「其他儲備」）港幣552,132,000元是否不存在重大錯誤陳述。

此外，貴集團並無按照香港會計師公會頒佈的香港會計準則12號「所得稅」的規定於石油開採權收購日期確認任何因業務合併而產生的遞延稅項負債。吾等並無實際可行方法就偏離此項規定對(i)於二零一零年及二零零九年三月三十一日的遞延稅項負債的賬面值；(ii)截至上述日期止年度確認的相應遞延稅項抵免；及(iii)於二零一零年三月三十一日的其他儲備的影響計算所涉及的金額。

任何被認定對上述事項屬必要的調整將影響貴集團於二零一零年及二零零九年三月三十一日及二零零八年四月一日的資產淨值，以及貴集團截至二零一零年及二零零九年三月三十一日止度的虧損／溢利。

Independent Auditors' Report

獨立核數師報告

DISCLAIMER OF OPINION

Because of the significance of the matters described in the basis for disclaimer of opinion paragraphs, we do not express an opinion on the consolidated financial statements as to whether they give a true and fair view of the state of affairs of the Group as at 31 March 2010 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards. In all other respects, in our opinion the consolidation financial statements have been properly prepared in accordance with the disclosure requirements of Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

17 August 2010

Lau & Au Yeung C.P.A. Limited

Certified Public Accountants

Hong Kong

17 August 2010

保留意見

由於免責意見之基準各段所述事項的重要性，吾等對綜合財務報表是否按照香港財務報告準則真實而公平地反映貴集團於二零一零年三月三十一日的財政狀況以及貴集團於截至該日止年度的虧損及現金流量不發表意見。至於其他所有方面，吾等認為綜合財務報表已按照香港公司條例的披露規定妥為編製。

德勤•關黃陳方會計師行

執業會計師

香港

二零一零年八月十七日

劉歐陽會計師事務所有限公司

執業會計師

香港

二零一零年八月十七日

Consolidated Income Statement

綜合收益表

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

		NOTES 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Revenue	收益	7	307,982	399,409
Cost of sales	銷售成本		(290,733)	(378,570)
Gross profit	毛利		17,249	20,839
Other income	其他收入	8	5,129	7,233
Other gains and losses	其他收益及虧損	9	(153,110)	190,034
Selling and distribution costs	銷售及分銷成本		(12,770)	(18,498)
Administrative expenses	行政開支		(80,793)	(67,355)
Share-based payments	以股份支付款項	35	(31,459)	(13,362)
Amortisation of other intangible assets	攤銷其他無形資產	21	(1,344)	(102,009)
Share of result of an associate	應佔一間聯營公司業績		(1,075)	—
Finance costs	融資成本	10	(2,625)	(5,429)
(Loss) profit before income tax	除所得稅前(虧損)溢利		(260,798)	11,453
Income tax expense	所得稅開支	11	(1,739)	(717)
(Loss) profit for the year	本年度(虧損)溢利	12	(262,537)	10,736
(Loss) profit for the year attributable to:	以下人士應佔本年度(虧損)溢利:			
Owners of the Company	本公司擁有人		(262,348)	55,143
Non-controlling interests	非控制性權益		(189)	(44,407)
			(262,537)	10,736
(Loss) earnings per share	每股(虧損)盈利	16		
Basic	基本		HK(9.65) cents 港仙	HK3.01 cents 港仙
Diluted	攤薄		HK(9.65) cents 港仙	HK2.98 cents 港仙

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
(Loss) profit for the year	本年度(虧損)溢利	(262,537)	10,736
Other comprehensive (expense) income	其他全面(開支)收入	(4,335)	3,197
Total comprehensive (expense) income for the year	本年度全面(開支)收入總額	(266,872)	13,933
Total comprehensive (expense) income attributable to:	以下人士應佔全面(開支)收入總額:		
Owners of the Company	本公司擁有人	(267,176)	56,641
Non-controlling interests	非控制性權益	304	(42,708)
		(266,872)	13,933

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2010

於二零一零年三月三十一日

			2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
	NOTES 附註			
Non-current assets		非流動資產		
Property, plant and equipment	17	物業、廠房及設備	99,901	216,351
Prepaid lease payments	18	預付租賃款項	2,748	34,551
Investment properties	19	投資物業	38,415	14
Goodwill	20	商譽	—	—
Other intangible assets	21	其他無形資產	2,043,397	2,044,741
Interest in an associate	22	聯營公司權益	71,846	—
Deposits paid for a jointly controlled operation	23	已付一項共同控制業務的訂金	53,515	—
Deposits paid for long-term assets	24	已付長期資產的訂金	4,966	10,000
Other receivables	26	其他應收款項	—	9,409
			2,314,788	2,315,066
Current assets		流動資產		
Inventories	25	存貨	21,033	32,625
Prepaid lease payments	18	預付租賃款項	652	1,123
Trade and other receivables	26	貿易及其他應收款項	117,147	112,950
Held-for-trading investments	27	持作買賣投資	33,334	17,720
Derivative financial assets	28	衍生金融資產	1,318	30,385
Tax recoverable		可退回稅項	8,038	6,257
Bank balances and cash	29	銀行結餘及現金	393,225	30,585
			574,747	231,645
Current liabilities		流動負債		
Trade and other payables	30	貿易及其他應付款項	90,767	88,758
Derivative financial liabilities	28	衍生金融負債	70,416	94,295
Tax liabilities		稅項負債	2,379	863
Bank borrowings	31	銀行借貸	24,615	16,567
			188,177	200,483
Net current assets		流動資產淨值	386,570	31,162
Total assets less current liabilities		總資產減流動負債	2,701,358	2,346,228

Consolidated Statement of Financial Position

綜合財務狀況表

As at 31 March 2010

於二零一零年三月三十一日

		NOTES 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Capital and reserves	股本及儲備			
Share capital	股本	34	36,261	19,857
Reserves	儲備		2,591,736	1,449,924
Equity attributable to owners of the Company	本公司擁有人應佔的權益		2,627,997	1,469,781
Non-controlling interests	非控制性權益		4,137	820,454
Total equity	權益總額		2,632,134	2,290,235
Non-current liabilities	非流動負債			
Bank borrowings	銀行借貸	31	68,754	55,523
Convertible bonds	可換股債券	32	—	—
Deferred tax liabilities	遞延稅項負債	33	470	470
			69,224	55,993
			2,701,358	2,346,228

The consolidated financial statements on pages 59 to 214 were approved and authorised for issue by the Board of Directors on 17 August 2010 and are signed on its behalf by:

第59頁至第214頁所載之綜合財務報表已獲董事會於二零一零年八月十七日批准及授權刊發，並由下列董事代表簽署：

Poon Sum
潘森
DIRECTOR
董事

Poon Wai Kong
潘偉剛
DIRECTOR
董事

Consolidated Statement of Changes in Equity

綜合權益變動報表

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

		Attributable to owners of the Company											Non-controlling interests	
		本公司擁有人應佔											非控制性權益	
		Share capital	Share premium	Merger reserve	Statutory reserve	Other reserve	Share option reserve	Warrant reserve	Exchange reserve	Retained profits	Total	Total	Total	
		股本	股份溢價	合併儲備	法定儲備	其他儲備	購股權儲備	認股權證儲備	匯兌儲備	保留溢利	總額	權益	總額	
		HK\$'000	HK\$'000	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	港幣千元	港幣千元	
			(note a)	(note b)	(note c)	(note d)	(note e)	(note f)	(note g)					
			(附註a)	(附註b)	(附註c)	(附註d)	(附註e)	(附註f)	(附註g)					
At 1 April 2008	於二零零八年四月一日	12,952	449,870	3,248	—	—	42,478	1,869	16,100	690,043	1,216,560	863,185	2,079,745	
Profit for the year	年內溢利	—	—	—	—	—	—	—	—	55,143	55,143	(44,407)	10,736	
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	—	—	—	2,769	—	2,769	1,453	4,222	
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	—	—	(1,271)	—	(1,271)	246	(1,025)	
Other comprehensive income	其他全面收入	—	—	—	—	—	—	—	1,498	—	1,498	1,699	3,197	
Total comprehensive expense for the year	年內全面開支總額	—	—	—	—	—	—	—	1,498	55,143	56,641	(42,708)	13,933	
Incorporation of a non-wholly owned subsidiary	合併一間非全資附屬公司	—	—	—	—	—	—	—	—	—	—	842	842	
Increase in non-controlling interests through acquisitions of a non-wholly owned subsidiary (note h and note 38)	透過收購一間非全資附屬公司增加非控制性權益(附註h及附註38)	—	—	—	—	(120)	—	—	—	—	(120)	115	(5)	
Recognition of equity-settled share-based payments	確認以股權結算之股份支付款項	—	—	—	—	—	13,362	—	—	—	13,362	—	13,362	
Exercise of share options	行使購股權	430	4,787	—	—	—	(1,357)	—	—	—	3,860	—	3,860	
Lapse of share options	購股權失效	—	—	—	—	—	(13,312)	—	—	13,312	—	—	—	
Issue of shares from open offer	因公開發售而發行股份	6,475	180,027	—	—	—	—	—	—	—	186,502	—	186,502	
Transaction costs attributable to issue of shares	發行股份應佔之交易成本	—	(7,024)	—	—	—	—	—	—	—	(7,024)	—	(7,024)	
Surrender of warrants	退回認股權證	—	—	—	—	—	—	(101)	—	101	—	—	—	
Transfer of statutory reserve	轉撥法定儲備	—	—	—	236	—	—	—	—	(236)	—	—	—	
Dividend paid to non-controlling interests	股息支付予非控制性權益	—	—	—	—	—	—	—	—	—	—	(980)	(980)	
		6,905	177,790	—	236	(120)	(1,307)	(101)	—	13,177	196,580	(23)	196,557	

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		Attributable to owners of the Company											Non-controlling interests	
		本公司擁有人應佔											非控制性權益	
		Share capital	Share premium	Merger reserve	Statutory reserve	Other reserve	Share option reserve	Warrant reserve	Exchange reserve	Retained profits	Total		Total	
		股本	股份溢價	合併儲備	法定儲備	其他儲備	購股權儲備	認股權證儲備	匯兌儲備	保留溢利	總額	權益	總額	
		HK\$'000	HK\$'000	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	港幣千元	港幣千元	
			(note a)	(note b)	(note c)	(note d)	(note e)	(note f)	(note g)					
			(附註a)	(附註b)	(附註c)	(附註d)	(附註e)	(附註f)	(附註g)					
At 31 March 2009	於二零零九年三月三十一日	19,857	627,660	3,248	236	(120)	41,171	1,768	17,598	758,363	1,469,781	820,454	2,290,235	
Loss for the year	年內虧損	—	—	—	—	—	—	—	—	(262,348)	(262,348)	(189)	(262,537)	
Exchange differences arising on translation of foreign operations	換算海外業務產生之匯兌差額	—	—	—	—	—	—	—	2,092	—	2,092	493	2,585	
Disposal of subsidiaries	出售附屬公司	—	—	—	—	—	—	—	(6,920)	—	(6,920)	—	(6,920)	
Other comprehensive expense	其他全面開支	—	—	—	—	—	—	—	(4,828)	—	(4,828)	493	(4,335)	
Total comprehensive expense for the year	年內全面開支總額	—	—	—	—	—	—	—	(4,828)	(262,348)	(267,176)	304	(266,872)	
Recognition of equity-settled share-based payments	確認以股權結算之股份支付款項	—	—	—	—	—	31,459	—	—	—	31,459	—	31,459	
Exercise of share options	行使購股權	4,466	137,706	—	—	—	(33,418)	—	—	—	108,754	—	108,754	
Exercise of warrants	行使認股權證	146	7,387	—	—	—	—	(112)	—	—	7,421	—	7,421	
Lapse of share options	購股權失效	—	—	—	—	—	(29,803)	—	—	29,803	—	—	—	
Placement of new shares	配售新股份	6,650	403,075	—	—	—	—	—	—	—	409,725	—	409,725	
Transaction costs attributable to issue of shares	發行股份應佔之交易成本	—	(9,805)	—	—	—	—	—	—	—	(9,805)	—	(9,805)	
Placement of new warrants	配售新認股權證	—	—	—	—	—	—	770	—	—	770	—	770	
Transactions costs attributable to issue of warrants	發行認股權證應佔之交易成本	—	—	—	—	—	—	(19)	—	—	(19)	—	(19)	
Issue of new shares for acquisition of an associate	就收購一間聯營公司發行新股	2,389	52,556	—	—	—	—	—	—	—	54,945	—	54,945	
Issue of new shares for acquisition of additional interest in a subsidiary	就收購一間附屬公司之額外權益發行新股	2,753	267,257	—	—	552,132	—	—	—	—	822,142	(813,681)	8,461	
Dividend paid to non-controlling interest	股息支付予非控制性權益	—	—	—	—	—	—	—	—	—	—	(2,940)	(2,940)	
		16,404	858,176	—	—	552,132	(31,762)	639	—	29,803	1,425,392	(816,621)	608,771	
At 31 March 2010	於二零一零年三月三十一日	36,261	1,485,836	3,248	236	552,012	9,409	2,407	12,770	525,818	2,627,997	4,137	2,632,134	

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Notes:

- a. 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.
- b. 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 re-organisation completed on 26 October 2002 over the nominal value of the share capital of the Company issued in exchange there for.
- c. Pursuant to the relevant rules and regulations governing foreign investment enterprise established in the People's Republic of China (the "PRC") and the articles of association of certain PRC subsidiaries of the Group, the subsidiaries are required to transfer an amount of their profit after taxation to the statutory reserve fund, until the accumulated total of the fund reaches 50% of their registered capital. The statutory reserve fund may be distributed to equity owners in the form of bonus issue.
- d. Other reserve represents the difference between the amounts paid or received for any transaction related to the change of shareholding in a subsidiary without the overall gain or loss of control in that subsidiary and the non-controlling interest being acquired or disposed of.
- e. 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.
- f. The warrant reserve represents the net proceeds received and receivable on issue of warrants to subscribe for the Company's shares. The warrant reserve will be transferred to share premium when the warrant is exercised or released to the retained profits when the warrant remains unexercised at the expiry date.
- g. The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies set out in note 3.
- h. The Group in year 2009 had early adopted HKFRS 3 (revised) and HKAS 27 (revised) for non-controlling interests (see note 37) for business combination.

附註:

- a. 股份溢價賬之運用受本公司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。
- b. 本集團之合併儲備乃指根據於二零零二年十月二十六日完成之集團重組被收購附屬公司之股本總面值與本公司因此發行以作交換之股本面值間之差額。
- c. 根據於中華人民共和國(「中國」)成立外資企業所遵從之規則及規定，以及本集團若干中國附屬公司之組織章程細則，該等附屬公司須轉撥除稅後溢利之若干款項至法定儲備基金，直至累計金額總值達該等公司註冊資本之50%為止。法定儲備基金可能會以發行紅利之形式分派予權益擁有人。
- d. 其他儲備乃指任何關於附屬公司股權變動之交易(該交易並不會導致全面獲得或失去於該附屬公司之控制權)，以及收購或出售非控制性權益之已付或已收取金額之差額。
- e. 購股權儲備乃指向本公司僱員授出之實際或估計數目之尚未行使購股權之公平值，乃根據附註3所述以股份支付款項之會計政策確認。
- f. 認股權證儲備乃指發行認股權證以認購本公司股份之已收及應收所得款項淨額。當行使認股權證時，認股權證儲備將會轉撥至股份溢價，或當認股權證於到期日仍尚未被行使時，將會撥回至保留溢利。
- g. 匯兌儲備包括因換算海外業務之財務報表而產生之所有匯兌差額。該儲備乃根據附註3所載列之會計政策處理。
- h. 就業務合併之非控制性權益(見附註37)而言，本集團已於二零零九年提前採納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)。

Consolidated Statement of Cash Flows

綜合現金流量表

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	NOTES 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
OPERATING ACTIVITIES	經營活動		
(Loss) profit before income tax	除所得稅前(虧損)溢利	(260,798)	11,453
Adjustments for:	調整:		
Finance costs	融資成本	2,625	5,429
Interest income	利息收入	(456)	(2,472)
Share of result of an associate	應佔一間聯營公司業績	1,075	—
Depreciation	折舊	14,993	16,457
Amortisation of other intangible assets	攤銷其他無形資產	1,344	102,009
Release of prepaid lease payments	撥回預付租賃款項	652	1,123
Property, plant and equipment written off	物業、廠房及設備 撇銷	45,786	—
Impairment loss recognised on trade and other receivables, net	就貿易及其他應收款項 確認減值虧損淨額	22,094	11,046
Impairment loss recognised on investment properties	就投資物業確認減值 虧損	14,393	—
Impairment loss recognised on intangible assets	就無形資產確認 減值虧損	—	9,340
Impairment loss recognised on goodwill	就商譽確認減值虧損	—	929
Allowance for write-down of properties held for trading	持有作買賣物業的 撇減撥備	—	411
Allowance for write-down of inventories	存貨的撇減撥備	185	188
Gain on bargain purchase arising from a business combination	就業務合併之議價購入 的收益	—	(259,924)
Loss on disposal of property, plant and equipment	出售物業、廠房及 設備之虧損	143	447
Loss on disposal of subsidiaries	出售附屬公司之虧損	24,695	2,101
Loss on redemption on convertible bonds	贖回可換股債券之 虧損	—	1,663
Loss on disposal of available-for-sale investments	出售可供銷售投資 之虧損	—	444
Loss on disposal of an associate	出售聯營公司之虧損	4,467	—
Recognition of equity-settled share-based payments	確認以股權結算之股份 支付款項	31,459	13,362

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	NOTES 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Operating cash flows before movements in working capital	營運資金變動前之經營現金流量	(97,343)	(85,994)
(Increase) decrease in inventories (except for properties held for trading)	存貨(除持有作買賣之物業外)(增加)減少	(4,512)	11,570
Decrease in properties held for trading	持有作買賣物業減少	8,800	—
(Increase) decrease in trade and other receivables	貿易及其他應收款項(增加)減少	(11,125)	41,451
(Increase) decrease in held-for-trading investments	持作買賣之投資(增加)減少	(15,614)	19,932
Increase (decrease) in derivative financial liabilities, net	衍生金融工具負債增加(減少)淨額	5,188	(37,507)
Increase in trade and other payables	貿易及其他應付款項增加	38,459	37,837
Cash used in operations	用於經營業務之現金	(76,147)	(12,711)
Hong Kong Profits tax paid	已付香港利得稅	(1,817)	(3,551)
PRC Enterprise Income tax paid	已付中國企業所得稅	(262)	(388)
NET CASH USED IN OPERATING ACTIVITIES	用於經營活動之現金淨額	(78,226)	(16,650)

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			2010	2009
		NOTES	二零一零年	二零零九年
		附註	HK\$'000	HK\$'000
			港幣千元	港幣千元
INVESTING ACTIVITIES	投資活動			
Acquisition of subsidiaries (net of cash and cash equivalent acquired)	收購附屬公司(扣除已 收購之現金及現金 等值項目)	37c	—	(124,959)
Net cash inflow (outflow) on disposal of subsidiaries	出售附屬公司之現金 流入(流出)淨額	39	1,606	(1,726)
Acquisition of additional interest in subsidiaries	收購附屬公司之 額外權益	38(b), (c)	—	(5)
Acquisition of an associate	收購一間聯營公司		(12,226)	—
Purchase of intangible assets, property, plant and equipment and prepaid land lease payments	購入無形資產、物業、 廠房及設備及預付 土地租賃款項		(25,132)	(64,769)
Proceeds from sale of property, plant and equipment	出售物業、廠房及 設備之所得款項		—	571
Deposits paid for acquisition of long- term assets	收購長期資產之已付 訂金	24	(4,966)	(10,000)
Increase in deposits paid for a jointly controlled operation	已付共同控制業務之 訂金增加		(53,515)	—
Interest received	已收利息		456	2,472
NET CASH USED IN INVESTING ACTIVITIES	用於投資活動之 現金淨額		(93,777)	(198,416)

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	NOTES 附註	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
FINANCING ACTIVITIES	融資活動		
Proceeds from issue of new shares from open offer	公開發售發行新股所得款項	—	186,502
Proceeds from placement of new shares	配售新股所得款項	409,725	—
Payment for shares issue costs	支付股份發行成本	(9,805)	(7,024)
Proceeds from issue of warrants	發行認股權證所得款項	7,421	—
Proceeds from placing of warrants	配售認股權證所得款項	770	—
Payment for warrants issue costs	支付認股權證發行成本	(19)	—
Proceeds from exercise of share options	行使購股權所得款項	108,754	3,860
New bank loans raised	新造銀行貸款	63,955	59,224
Repayments of bank loans	償還銀行貸款	(42,676)	(40,821)
Interest paid	已付利息	(2,625)	(1,827)
Dividend paid to non-controlling interests of a subsidiary	已付一間附屬公司非控制性權益之股息	(2,940)	(980)
Redemption of convertible bonds	贖回可換股債券	—	(43,083)
Proceeds from non-controlling interests for incorporation of a non-wholly owned subsidiary	就合併一間非全資附屬公司從非控制性權益所得款項	—	842
NET CASH FROM FINANCING ACTIVITIES	來自融資活動之現金淨額	532,560	156,693
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	現金及現金等值項目增加(減少)淨額	360,557	(58,373)
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外幣匯率變動之影響	2,083	1,624
CASH AND CASH EQUIVALENTS AT 1 APRIL	於四月一日之現金及現金等值項目	30,585	87,334
CASH AND CASH EQUIVALENTS AT 31 MARCH	於三月三十一日之現金及現金等值項目	393,225	30,585

Notes to the Consolidated Financial Statements

綜合財務報表附註

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1. GENERAL INFORMATION

The Company is a public limited company incorporated in the Cayman Islands and its shares are listed on The Stock Exchange of Hong Kong Limited. The addresses of the registered office and principal place of business of the Company are disclosed in the introduction to the annual report.

In prior years, the Company's functional currency was Hong Kong dollars ("HK\$"). Due to the continuing expansion of the Group's business operations in the PRC and the foreseeable reduction in business operations in Hong Kong, the management reassessed the functional currency of the Company and changed the functional currency from HK\$ to Renminbi ("RMB") during the year.

The consolidated financial statements are presented in HK\$ as the directors consider that HK\$ is the appropriate presentation currency as the management of the Company control and monitor the performance and financial position of the Group by using HK\$.

The Company is an investment holding company. Details of the principal activities engaged by the principal subsidiaries and associate are set out in note 45 and note 22 respectively.

1. 公司資料

本公司為於開曼群島註冊成立之公眾有限公司，其股份在香港聯合交易所有限公司上市。本公司之註冊辦事處及主要營業地點之地址已於年報引言內披露。

於過往年度，本公司的功能貨幣為港幣（「港幣」）。鑑於本集團位於中國的業務經營不斷擴展，同時可預見位於香港的業務經營將會減少，管理層已於年內重新評估本公司的功能貨幣並將功能貨幣由港幣轉為人民幣（「人民幣」）。

由於本公司的管理層採用港幣監控及監察本集團的表現及財務狀況，故此董事認為港幣乃適當的呈列貨幣，而綜合財務報表亦因而以港幣呈列。

本公司為投資控股公司。主要附屬公司及關聯公司所從事之主要業務詳情分別載列於附註45及附註22。

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綜合財務報表附註

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has applied the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 23 (Revised 2007) Borrowing Costs

HKAS 32 & 1 (Amendments) Puttable Financial Instruments and Obligations Arising on Liquidation

HKFRS 1 & HKAS 27 (Amendments) Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate

HKFRS 2 (Amendment) Vesting Conditions and Cancellations

HKFRS 7 (Amendment) Improving Disclosures about Financial Instruments

HKFRS 8 Operating Segments

HK(IFRIC) — Int 9 & HKAS 39 (Amendments) Embedded Derivatives

HK(IFRIC) — Int 13 Customer Loyalty Programmes

2. 應用新訂及經修訂香港財務報告準則

於本年度內，本集團應用香港會計師公會（「香港會計師公會」）頒佈之下列新訂及經修訂之準則、修訂本及詮釋（「新訂及經修訂香港財務報告準則」）。

香港會計準則第1號 財務報表之呈列（二零零七年經修訂）

香港會計準則第23 借貸成本號（二零零七年經修訂）

香港會計準則第32 可沽售金融工具及1號（修訂本） 及清盤時產生之責任

香港財務報告準則 於附屬公司、共同控制實體或第1號及香港會計準則第27號 聯營公司之投資成本（修訂本）

香港財務報告準則 歸屬條件及註銷第2號（修訂本）

香港財務報告準則 金融工具披露之第7號（修訂本） 改進

香港財務報告準則 經營分部第8號

香港（國際財務報告詮釋委員會）— 詮釋第9號及香港會計準則第39號（修訂本） 嵌入式衍生工具

香港（國際財務報告詮釋委員會）— 詮釋第13號 客戶忠誠計劃

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綜合財務報表附註

For the year ended 31 March 2010

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

HK(IFRIC) — Int 15 Agreements for the Construction of Real Estate

HK(IFRIC) — Int 16 Hedges of a Net Investment in a Foreign Operation

HK(IFRIC) — Int 18 Transfers of Assets from Customers

HKFRSs (Amendments) Improvements to HKFRSs issued in 2008, except for the amendment to HKFRS 5 that was early adopted for annual periods beginning 1 April 2008

HKFRSs (Amendments) Improvements to HKFRSs issued in 2009 in relation to the amendment to paragraph 80 of HKAS 39

Except as described below, the adoption of the new and revised HKFRSs had no material effect on the consolidated financial statements of the Group for the current or prior accounting periods.

2. 應用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15號 房地產興建協議

香港(國際財務報告詮釋委員會) — 詮釋第16號 海外業務投資淨額對沖

香港(國際財務報告詮釋委員會) — 詮釋第18號 自客戶轉讓資產

香港財務報告準則(修訂本) 二零零八年頒佈對香港財務報告準則之改進，惟於二零零八年四月一日或之後開始年度期間已提前採納之香港財務報告準則第5號之修訂本除外

香港財務報告準則(修訂本) 於二零零九年頒佈對香港財務報告準則之改進，有關修訂香港會計準則第39號第80段

除下文所述者外，採納新訂及經修訂香港財務報告準則對本集團於本會計期間或過往會計期間之綜合財務報表並無構成重大影響。

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綜合財務報表附註

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

New and revised HKFRSs affecting presentation and disclosure only

HKAS 1 (Revised 2007) Presentation of Financial Statements

HKAS 1 (Revised 2007) has introduced terminology changes (including revised titles for the consolidated financial statements) and changes in the format and content of the consolidated financial statements.

HKFRS 8 Operating Segments

HKFRS 8 requires the presentation of operating segments in a manner consistent with the internal reports that are regularly reviewed by the Group's chief operating decision maker (see note 7 for details). HKFRS 8 replaces HKAS 14 Segment Reporting which required an entity to identify two sets of segments (business and geographical). The adoption of HKFRS 8 has not resulted in a redesignation of the Group's operating segments.

Improving Disclosures about Financial Instruments (Amendments to HKFRS 7 Financial Instruments: Disclosures)

The amendments to HKFRS 7 expand the disclosures required in relation to fair value measurements in respect of financial instruments which are measured at fair value. The Group has not provided comparative information for the expanded disclosures in accordance with the transitional provision set out in the amendments.

2. 應用新訂及經修訂香港財務報告準則(續)

僅影響呈報及披露之新訂及經修訂香港財務報告準則

香港會計準則第1號(二零零七年經修訂)財務報表之呈列

香港會計準則第1號(二零零七年經修訂)引入術語變動(包括經修訂之綜合財務報表標題)及綜合財務報表之格式及內容變動。

香港財務報告準則第8號經營分類

香港財務報告準則第8號規定經營分類呈列方式須與本集團主要營運決策人定期審閱之內部報告一致(詳情見附註7)。香港財務報告準則第8號取代規定實體須分辨兩組分部(業務及地域)之香港會計準則第14號「分部呈報」。採納香港財務報告準則第8號並無導致重新界定本集團之經營分類。

金融工具披露之改進 (香港財務報告準則第7號金融工具：披露之修訂本)

香港財務報告準則第7號之修訂本擴大有關以公平值計量之金融工具按公平值計量之披露規定。本集團並無根據該等修訂本所載之過渡條文就擴大披露規定提供比較資料。

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綜合財務報表附註

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

New and revised HKFRSs affecting presentation and disclosure only (continued)

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)
(continued)

The Group has not early applied the following new and revised standards, amendments or interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2009 ²
HKFRSs (Amendments)	Improvements to HKFRSs 2010 ³
HKAS 24 (Revised)	Related Party Disclosures ⁴
HKAS 32 (Amendment)	Classification of Rights Issues ⁵
HKAS 39 (Amendment)	Eligible Hedged Items ¹
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters ⁶
HKFRS 1 (Amendment)	Limited Exemptions from Comparative HKFRS 7 Disclosures for First-time Adopters ⁷
HKFRS 2 (Amendment)	Group Cash-settled Share-based Payment Transactions ⁶

2. 應用新訂及經修訂香港財務報告準則(續)

僅影響呈報及披露之新訂及經修訂香港財務報告準則(續)

金融工具披露之改進
(香港財務報告準則第7號金融工具：披露之修訂本)(續)

本集團並無提早採納下列已頒佈但尚未生效之新訂及經修訂香港財務報告準則、修訂本或詮釋。

香港財務報告準則(修訂本)	對二零零九年香港財務報告準則之改進 ²
香港財務報告準則(修訂本)	對二零一零年香港財務報告準則之改進 ³
香港會計準則第24號(經修訂)	關連人士披露 ⁴
香港會計準則第32號(修訂本)	供股分類 ⁵
香港會計準則第39號(修訂本)	合資格對沖項目 ¹
香港財務報告準則第1號(修訂本)	首次採納者之額外豁免 ⁶
香港財務報告準則第1號(修訂本)	香港財務報告準則第7號對首次採納者披露比較資料之有限豁免 ⁷
香港財務報告準則第2號(修訂本)	集團以現金結算股份支付款項交易 ⁶

Notes to the Consolidated Financial Statements

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

New and revised HKFRSs affecting presentation and disclosure only (continued)

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)
(continued)

HKFRS 9	Financial Instruments ⁸
HK(IFRIC) — Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ⁴
HK(IFRIC) — Int 17	Distributions of Non-cash Assets to Owners ¹
HK(IFRIC) — Int 19	Extinguishing Financial Liabilities with Equity Instruments ⁷

¹ Effective for annual periods beginning on or after 1 July 2009

² Amendments that are effective for annual periods beginning on or after 1 July 2009 and 1 January 2010, as appropriate

³ Effective for annual periods beginning on or after 1 July 2010 and 1 January 2011, as appropriate

⁴ Effective for annual periods beginning on or after 1 January 2011

⁵ Effective for annual periods beginning on or after 1 February 2010

⁶ Effective for annual periods beginning on or after 1 January 2010

⁷ Effective for annual periods beginning on or after 1 July 2010

⁸ Effective for annual periods beginning on or after 1 January 2013

2. 應用新訂及經修訂香港財務報告準則(續)

僅影響呈報及披露之新訂及經修訂香港財務報告準則(續)

金融工具披露之改進
(香港財務報告準則第7號金融工具：
披露之修訂本)(續)

香港財務報告準則 第9號	金融工具 ⁸
香港(國際財務報 告詮釋委員會) — 詮釋第14號 (修訂本)	最低資金規定之 預付款項 ⁴
香港(國際財務報 告詮釋委員會) — 詮釋第17號	向擁有人派發非 現金資產 ¹
香港(國際財務報 告詮釋委員會) — 詮釋第19號	以權益工具抵銷 財務負債 ⁷

¹ 於二零零九年七月一日或其後開始之年度期間生效

² 於二零零九年七月一日及二零一零年一月一日(按適用者而定)或其後開始之年度期間生效之修訂本

³ 於二零一零年七月一日及二零一一年一月一日(按適用者而定)或其後開始之年度期間生效

⁴ 於二零一一年一月一日或其後開始之年度期間生效

⁵ 於二零一零年二月一日或其後開始之年度期間生效

⁶ 於二零一零年一月一日或其後開始之年度期間生效

⁷ 於二零一零年七月一日或其後開始之年度期間生效

⁸ 於二零一三年一月一日或其後開始之年度期間生效

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For the year ended 31 March 2010

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2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (CONTINUED)

New and revised HKFRSs affecting presentation and disclosure only (continued)

Improving Disclosures about Financial Instruments
(Amendments to HKFRS 7 Financial Instruments: Disclosures)
(continued)

HKFRS 9 Financial Instruments introduces new requirements for the classification and measurement of financial assets and will be effective from 1 January 2013, with earlier application permitted. The Standard requires all recognised financial assets that are within the scope of HKAS 39 Financial Instruments: Recognition and Measurement to be measured at either amortised cost or fair value. Specifically, debt investments that (i) are held within a business model whose objective is to collect the contractual cash flows and (ii) have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost. All other debt investments and equity investments are measured at fair value. The application of HKFRS 9 might affect the classification and measurement of the Group's financial assets.

In addition, as part of Improvements to HKFRSs issued in 2009, HKAS 17 Leases has been amended in relation to the classification of leasehold land. The amendments will be effective from 1 January 2010, with early application permitted. Before the amendments to HKAS 17, lessees were required to classify leasehold land as operating leases and presented as prepaid lease payments in the consolidated statement of financial position. The amendments have removed such a requirement. Instead, the amendments require the classification of leasehold land to be based on the general principles set out in HKAS 17, that are based on the extent to which risks and rewards incidental to ownership of a leased asset lie with the lessor or the lessee. The application of the amendments to HKAS 17 might affect the classification and measurement of the Group's leasehold land.

The directors of the Company anticipate that the application of the other new and revised standards, amendments or interpretations will have no material impact on the consolidated financial statements.

2. 應用新訂及經修訂香港財務報告準則(續)

僅影響呈報及披露之新訂及經修訂香港財務報告準則(續)

金融工具披露之改進
(香港財務報告準則第7號金融工具：披露之修訂本)(續)

香港財務報告準則第9號金融工具引入金融資產分類及計量之新規定，並將於二零一三年一月一日起生效，但亦可提前應用。該準則規定在香港會計準則第39號金融工具：確認及計量範圍內之所有已確認金融資產以攤銷成本或公平值計量。具體而言，(i)於業務模式內以收取合約現金流為目的而持有及(ii)持有僅支付本金及尚未償還本金之利息之合約現金流而持有之債務投資，一般按攤銷成本計量。所有其他債務投資及權益投資則以公平值計量。應用香港財務報告準則第9號可能影響本集團金融資產之分類及計量。

此外，作為二零零九年頒佈之「香港財務報告準則之改進」的一部份，香港會計準則第17號「租賃」中有關租賃土地的分類已作修訂。該修訂由二零一零年一月一日起生效，准予提前應用。在香港會計準則第17號作出修訂前，承租人須將租賃土地歸類為經營租賃，並在綜合財務狀況表內列為預付租賃款項。該等修訂已經刪除有關規定。經修訂後，租賃土地將根據香港會計準則第17號的一般原則分類，即根據與租賃資產所有權相關的風險及回報歸於出租人或承租人的程度釐定。應用香港會計準則第17號的修訂本可能影響本集團租賃土地的分類及計量。

本公司董事預計應用其他新訂及經修訂準則、修訂本或詮釋將不會對綜合財務報表構成重大影響。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 March 2010

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3. SIGNIFICANT ACCOUNTING POLICIES

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

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein.

3. 主要會計政策

綜合財務報表乃根據歷史成本基準編製，惟若干金融工具乃按公平值計量除外，詳見下文載列之重大會計政策。

綜合財務報表乃根據香港會計師公會頒佈之香港財務報告準則而編製。此外，綜合財務報表包括香港聯合交易所有限公司之證券上市規則及香港公司條例所規定之適用披露資料。

綜合基準

綜合財務報表包括本公司及由本公司(其附屬公司)控制之實體(包括特殊目的實體)之財務報表。控制乃指本公司有權規管一間實體之財務及經營政策，以從其業務中獲利。

於本年度內收購或出售之附屬公司之業績，由收購之生效日期起至出售之生效日期止計入綜合全面收入表內(按適用者而定)。

如有需要，本集團將會調整附屬公司之財務報表，以使其會計政策與本集團其他成員公司所採用者一致。

所有集團內交易、結餘、收入及開支均已於綜合賬目時對銷。

於附屬公司之非控制性權益與本集團於當中之權益分開識別。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 March 2010

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allocation of total comprehensive income to non-controlling interests

Total comprehensive income and expense of a subsidiary is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Prior to 1 April 2008, losses applicable to the non-controlling interests in excess of the non-controlling interests in the subsidiary's equity were allocated against the interests of the Group except to the extent that the non-controlling interests had a binding obligation and were able to make an additional investment to cover the losses.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership, interests in existing subsidiaries prior to 1 April 2008

Increases in interests in existing subsidiaries were treated in the same manner as the acquisition of subsidiaries, with goodwill or a bargain purchase gain being recognised where appropriate. For decreases in interests in subsidiaries regardless of whether the disposals would result in the Group losing control over the subsidiaries, the difference between the consideration received and the carrying amount of the share of net assets disposed of was recognised in profit or loss.

3. 主要會計政策(續)

非控股權益之全面總收入分配

一間附屬公司之全面收益及開支總額歸於本公司擁有人及非控制性權益，即使此舉會令非控制性權益錄得虧絀結餘。於二零零八年四月一日前，倘非控股權益所適用的虧損超越非控股權益於該附屬公司的權益，除該非控股權益須承擔具約束力的責任及有能力作出額外投資以彌補虧損外，否則該差額將撥歸於本集團的權益中對銷。

本集團於現有附屬公司之擁有權益之變動

於二零零八年四月一日前本集團於現有附屬公司之擁有權益之變動

增加於現有附屬公司的權益與收購附屬公司的處理方式相同，商譽或議價購入收益於適用時確認。就於附屬公司之權益(不論有關出售事項是否將導致本集團失去對附屬公司之控制權)減少而言，已收代價與分佔出售淨資產之賬面值的差額乃於損益表確認。

Notes to the Consolidated Financial Statements

綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Changes in the Group's ownership interests in existing subsidiaries (continued)

Changes in the Group's ownership, interests in existing subsidiaries after 1 April 2008 (continued)

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

When the Group loses control over a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest determined at the date when control is lost and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Where certain assets of the subsidiary are measured at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the related assets (i.e. reclassified to profit or loss or transferred directly to retained earnings at the date when control is lost). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under HKAS 39 or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

3. 主要會計政策(續)

本集團於現有附屬公司之擁有權權益之變動(續)

於二零零八年四月一日後本集團於現有附屬公司之擁有權權益之變動(續)

倘本集團於一間附屬公司之擁有權權益變動並無導致本集團失去對該附屬公司之控制權，則此權益變動將會以股本交易入賬。本集團之權益及非控制性權益之賬面值乃作出調整，以反映彼等於附屬公司之相關權益變動。經調整之非控制性權益金額與已支付或已收取代價之公平值間之任何差額乃直接於權益確認，並歸於本公司擁有人。

倘本集團失去對一間附屬公司之控制權，則於出售時之損益乃以下列兩項之差額計算：(i) 所收取代價之公平值及於失去控制權當日所釐定之任何保留權益公平值之總和，及(ii) 附屬公司先前之資產(包括商譽)及負債及任何非控制性權益之賬面值。倘附屬公司之若干資產按重估金額或公平值計量，而相關累計損益已於其他全面收益確認並於權益累計，則早前於其他全面收益確認及於權益累計之金額將會以猶如本公司已直接出售相關資產之方式入賬(即於失去控制權當日重新分類至損益或直接轉撥至保留溢利)。於失去控制權當日仍保留於前附屬公司之任何投資公平值，則根據香港會計準則第39號，將被視為就其後入賬而言初步確認之公平值，或(如適用)於聯營公司或共同控制實體之投資之初步確認成本。

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綜合財務報表附註

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations

Business combinations prior to 1 April 2008

Acquisition of businesses was accounted for using the purchase method. The cost of the acquisition was measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that met the relevant conditions for recognition were generally recognised at their fair values at the acquisition date.

Goodwill arising on acquisition was recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the Groups interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If, after assessment the Groups interest in the net fair value of the acquirees identifiable assets, liabilities and contingent liabilities exceeded the cost of the business combination, the excess was recognised immediately in profit or loss.

The non-controlling interest in the acquiree was initially measured at the non-controlling interests proportionate share of the fair value of the acquirees identifiable net assets.

Contingent consideration was recognised, if and only if, the contingent consideration was probable and could be measured reliably. Subsequent adjustments to contingent consideration were recognised against goodwill.

Business combinations achieved in stages were accounted for as separate steps. Goodwill was determined at each step. Any additional acquisition did not affect the previously recognised goodwill.

3. 主要會計政策(續)

業務合併

於二零零八年四月一日前的業務合併

收購業務時乃採用購買法入賬。收購成本按於交換日期本集團就換取被收購方控制權所給予資產、所產生或承擔負債以及所發行股本工具之公平值總額，加上業務合併之任何直接應佔成本計量。倘被收購方之可識別資產、負債及或然負債符合相關確認條件，則一般按於收購日期之公平值確認。

收購所產生之商譽乃確認為資產，並按成本初步計量，即業務合併成本超逾本集團於已確認可識別資產、負債及或然負債之公平淨值之權益之數額。倘於重估後，本集團於被收購方之可識別資產、負債及或然負債公平淨值之權益超逾業務合併成本，則超出之數額即時於損益確認。

非控制性權益於被收購方之權益初步按非控制性權益所佔被收購方的可識別資產淨值之公平淨值之比例計量。

倘或然代價有可能發生及可予可靠計量時，方會確認或然代價。或然代價其後之調整乃於商譽中確認。

分階段進行之業務合併將會分段入賬。商譽亦會分段釐定。任何增購事項均不會影響早前已確認的商譽。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

Business combinations after 1 April 2008

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

At the acquisition date, the acquirees identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under HKFRS 3 (2008) are recognised at their fair values, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 Income Taxes and HKAS 19 Employee Benefits respectively;
- liabilities or equity instruments related to the replacement by the Group of an acquiree's share-based payments awards are measured in accordance with HKFRS 2 Share-based Payment; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

3. 主要會計政策(續)

業務合併(續)

於二零零八年四月一日之後的業務合併

業務收購乃採用收購法入賬。於業務合併轉撥之代價按公平值計量，而計算方法為本集團所轉撥之資產、本集團對被收購方原擁有人產生之負債及本集團於交換被收購方之控制權所發行之股權於收購日期之公平值之總和。與收購事項有關之成本於產生時在損益中確認。

於收購日期，被收購方符合根據香港財務報告準則第3號(經修改2008)之確認條件之可識別資產、負債及或然負債按其公平價值予以確認，惟下列項目除外：

- 遞延稅項資產或負債及與僱員福利安排有關之負債或資產分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「員工福利」確認及計量；
- 與本集團重置被收購方以股份支付款項有關之負債或股本工具根據香港財務報告準則第2號「以股份支付款項」計量；及
- 根據香港財務報告準則第5號「持作出售之非流動資產及已終止經營業務」劃分為持作出售之資產(或出售組合)根據該項準則計量。

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綜合財務報表附註

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

Business combinations after 1 April 2008 (continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirers previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests are initially measured at the non-controlling interest's proportionate share of the fair value of the acquirees identifiable net assets.

Where the consideration the Group transfers in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and considered as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments being made against goodwill or gain on bargain purchase. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period about facts and circumstances that existed as of the acquisition date. The measurement period does not exceed one year from the acquisition date.

3. 主要會計政策(續)

業務合併(續)

於二零零八年四月一日之後的業務合併(續)

所轉撥之代價、與被收購方之任何非控股權益及收購方先前所持有被收購方股權(如有)之公平值合計,倘超出所收購之可識別資產及所承擔之負債於收購日期之淨額,所超出之部分乃確認為商譽。倘(經評估後)本集團於被收購方可識別資產淨值之公平值權益超出所轉撥之代價、於被收購方任何非控股權益之金額及收購方先前持有被收購方權益(如有)之公平值之總和,所超出之部分乃即時於損益中確認為議價收購收益。

非控股權益初步按非控股權益所佔被收購方可識別資產淨值之公平值比例計量。

本集團於一項業務合併轉移的代價包括或然代價安排所產生的資產或負債,或然代價乃按收購日之公平值計算,被視為於業務合併中轉移代價之一部分。合資格作為計算期間的調整的或然代價公平值變動乃予追溯調整,並對商譽或議價購入收益作相應的調整。計算期間的調整乃於計算期間內取得與收購日期已存在的事實及情況有關的額外資料而產生的調整。計算期間由收購日期起計不超過一年。

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截至二零一零年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Business combinations (continued)

Business combinations after 1 April 2008 (continued)

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss.

Any changes in the value of the previously held equity interest that were recognised in other comprehensive income and accumulated in equity before the acquisition date are reclassified to profit or loss when the Group obtains control over the acquiree.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost less any accumulated impairment losses and is presented separately in the consolidated statement of financial position.

3. 主要會計政策(續)

業務合併(續)

於二零零八年四月一日之後的業務合併(續)

就不合資格作為調整期間調整的或然代價公平值變動，其後的會計處理方法視乎該或然代價如何分類而定。屬於權益類別的或然代價不會於其後的報告日期重新計量，其後的結算則於權益列賬。屬於資產或負債類別的或然代價乃按照香港會計準則第39號或香港會計準則第37號「撥備、或然負債及或然資產」(如適用)於其後的報告日期重新計量，相應的收益或虧損於損益確認。

倘業務合併分階段完成，本集團以往持有的被收購方股權乃重新計量為收購日期(即本集團取得控制權當日)的公平值，所產生的收益或虧損(如有)乃於損益確認。

任何於收購日期前在其他全面收益確認並於權益累計的以往持有的股權價值變動，於本集團取得被收購方的控制權時重新分類至損益。

商譽

收購一項業務所產生之商譽按成本減任何累計減值虧損入賬，並於綜合財務狀況表內個別呈列。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Goodwill (continued)

For the purposes of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the acquisition. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, and whenever there is an indication that the unit may be impaired. For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss for goodwill is not reversed in subsequent periods.

On subsequent disposal of the relevant cash-generating unit, the attributable amount of goodwill capitalised is included in the determination of the amount of profit or loss on disposal.

Investments in associates

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

3. 主要會計政策(續)

商譽(續)

就減值測試而言，收購所產生之商譽乃分配至預期可從收購產生之協同效益中獲益之各相關現金產生單位或各組現金產生單位。每年均會就獲分配商譽之現金產生單位作減值測試，及於有跡象顯示該單位可能出現減值時進行減值測試。就於一個財政年度內收購所產生之商譽而言，獲分配商譽之現金產生單位會於該財政年度結束前進行減值測試。倘現金產生單位之可收回金額低於該單位之賬面值，則減值虧損會先行分配至減低任何獲分配至該單位之商譽之賬面值，其後則按該單位內各項資產賬面值之比例分配至該單位之其他資產。商譽之任何減值虧損乃直接於損益確認。商譽之減值虧損不會於往後期間撥回。

於其後出售相關現金產生單位時，撥充資本的商譽應佔金額於出售時計入釐定出售之損益金額。

於聯營公司之投資

聯營公司乃指本集團對其有重大影響力之實體，而該實體並非為附屬公司或於合營企業之權益。重大影響指參與被投資公司之財務及經營政策決定之權力，惟該等權力並非對該等政策之控制或共同控制。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates (continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, investments in associates are carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the associates, less any identified impairment loss. When the Group's share of losses of an associate equals or exceeds its interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. An additional share of losses is provided for and a liability is recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that associate.

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, after reassessment, is recognised immediately in profit or loss.

Where a group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

Joint ventures

Jointly controlled operations

When a group entity undertakes its activities under joint venture arrangements directly, constituted as jointly controlled operations, the assets and liabilities arising from those jointly controlled operations are recognised in the consolidated statement of financial position on an accrual basis and classified according to the nature of the item. The Group's share of the income from jointly controlled operations, together with the expenses that it incurs are included in the consolidated income statement when it is probable that the economic benefits associated with the transactions will flow to/from the Group.

3. 主要會計政策(續)

於聯營公司之投資(續)

聯營公司之業績、資產及負債乃以權益會計法計入此等綜合財務報表中。根據權益會計法，於聯營公司之投資在綜合財務狀況表內按就收購後本集團應佔聯營公司資產淨值之變動而作出調整之成本，減任何可識別減值虧損後列賬。倘本集團應佔一間聯營公司之虧損等於或超過其於該聯營公司之權益(包括實際上構成本集團於該聯營公司投資淨額一部份之任何長期權益)，本集團將終止確認其所佔之進一步虧損。如有進一步虧損，則只會在本集團承擔法律或推定責任或代該聯營公司支付款項之情況下，就所佔額外虧損作出撥備及確認負債。

本集團所佔可識別資產、負債及或然負債之公平淨值超出收購成本之任何溢額，在重新評估後即時於損益確認。

倘某一集團實體與本集團之聯營公司進行交易時，在本集團所佔相關聯營公司之權益範圍內撇銷損益。

合營企業

共同控制業務

倘某一集團實體根據合營企業安排直接經營業務，則構成共同控制業務，而自該等共同控制業務所產生之資產及負債乃按應計基準於綜合財務狀況表中確認，並根據該項目之性質分類。本集團應佔共同控制業務之收入，連同其所產生之開支，於交易涉及之經濟效益將可能會流入／流出本集團時計入綜合收益表。

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綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods sold and services provided in the normal course of business, net of discounts and sales related taxes.

Revenue from sale of crude oil and goods is recognised when the goods are delivered and title has passed.

When the outcome of a service contract can be estimated reliably, revenue from a fixed price service contract is recognised on the percentage of completion method, measured by reference to the value of work carried out during the period. When the outcome of a service contract cannot be estimated reliably, revenue is recognised only to the extent of contract costs incurred that is probable will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Interest income from a financial asset is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

3. 主要會計政策(續)

確認收益

收益按已收或應收代價之公平值計量，並相等於日常業務運作過程中提供已售貨品及服務之應收款項(扣除折扣及相關銷售稅項)。

銷售原油及貨品之收益於商品交付時及所有權轉移時確認。

倘服務合約之結果能夠可靠估計，則已定價服務合約之收益乃按竣工百分比方法確認，並參考期內已完成工作之價值進行計量。倘服務合約之結果無法可靠估計，則收益僅會以可能收回之所產生合約成本為限予以確認。合約成本於其產生期間內確認為開支。

倘合約成本總額有可能超過合約收益總額，預期的虧損乃即時確認為開支。

金融資產之利息收入經參考未收回本金及適用實際利率後以時間基準累計，有關利率乃指可將金融資產於預計年期之估計未來現金收入準確貼現至該資產於初步確認時之賬面淨值之利率。

當股東收取款項之權利已確立時，投資之股息收入予以確認。

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綜合財務報表附註

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment

Property, plant and equipment (other than oil properties)

Property, plant and equipment including buildings held for use in the production or supply of goods or services, or for administrative purposes (other than construction in progress) are stated at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation is provided to write off the cost of items of property, plant and equipment other than construction in progress over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method as follows:

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

Construction in progress includes property, plant and equipment in the course of construction for production or for its own use purposes. Construction in progress is carried at cost less any recognised impairment loss. Construction in progress is classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

If an item of property, plant and equipment becomes an investment property because its use has changed as evidenced by end of owner-occupation, the carrying amount of that item at the date of transfer is transferred to investment properties.

3. 主要會計政策(續)

物業、廠房及設備

物業、廠房及設備(採油資產除外)

物業、廠房及設備(包括持作生產或供應商品或服務用途或作行政管理用途之樓宇，惟在建工程除外)按成本減其後之累計折舊及累計減值虧損列賬。

物業、機器及設備(在建工程除外)於計及其估計剩餘價值後按其估計可使用年期採用直線法撥備折舊，以撇銷此等項目之成本如下：

樓宇	2–4.75%
廠房及機器	9–20%
傢具、裝置及設備	18–20%
汽車	9–30%

在建工程包括興建過程中作生產或供自用之物業、廠房及設備。在建工程乃按成本減任何已確認之減值虧損列賬。在建工程於完成及可作擬定用途時分類至適當的物業、廠房及設備類別。此等資產於可作擬定用途時按與其他物業資產相同之基準開始計算折舊。

倘物業、廠房及設備的項目因終止自用後改變用途而成為投資物業，該項目於轉撥日期的賬面值乃轉撥至投資物業。

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截至二零一零年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Oil properties

Oil properties are stated at cost less subsequent accumulated depletion, depreciation and amortisation and any accumulated impairment losses.

Depletion and depreciation are provided to write off the cost of items of productive oil properties over the shorter of the unexpired term of the joint venture and their useful lives, using an unit-of-production method.

Oil properties under construction

The cost of oil wells under construction is initially capitalised as oil properties under construction when the well was found to have a sufficient quantity of reserves to justify its completion as a production well and where the Group is making sufficient progress assessing the reserves and the economic and operating viability of the project. Exploratory well costs not meeting these criteria are charged to expense. All other exploration costs, including geological and geophysical costs, are charged to the profit or loss in the period as incurred.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in profit or loss in the period in which the item is derecognised.

3. 主要會計政策(續)

物業、廠房及設備(續)

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後列賬。

本集團會計提耗損及折舊，以於合營期之未屆滿期限及可使用年期(以較短者為準)內採用單位產量法撇銷採油資產項目之成本。

在建採油資產

倘於在建油井發現充足儲量以證明在完成後可作為生產油井，且本集團在評估儲量及該項目的經濟及營運可行性方面取得充足進展，則該油井的成本初步乃撥充資本為在建採油資產。不符合該等條件的勘探井的成本乃列支為費用。所有其他勘探成本，包括地質及地理成本，均於產生期間計入損益。

物業、廠房及設備項目於出售時或當預期繼續使用該資產不會再產生日後經濟利益時撤銷確認。因撤銷確認該資產而產生的任何收益或虧損(按出售所得款項淨額與該項目的賬面值兩者的差額計算)乃於撤銷確認該項目的期間計入損益。

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截至二零一零年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid lease payments

Prepaid lease payments representing prepaid land costs are stated at cost less subsequent accumulated amortisation and accumulated impairment losses. Prepaid lease payment is released to the consolidated income statement over the term of relevant land leases.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

On initial recognition, investment properties are measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is charged so as to write off the cost of investment properties over their estimated useful lives of 20 to 50 years and after taking into account of their estimated residual value, using the straight-line method.

Intangible assets

Intangible assets acquired separately

Intangible assets acquired separately and with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses. Amortisation for intangible assets with finite useful lives is provided on a straight-line basis over their estimated useful lives. Alternatively, intangible assets with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

Gains or losses arising from derecognition of an intangible asset are measured at the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss in the period when the asset is derecognised.

3. 主要會計政策(續)

預付租賃款項

預付租賃款項即預付土地成本，乃按成本減其後累計攤銷及累計減值虧損列賬。預付租賃款項於相關土地租賃期內在綜合收益表內解除。

投資物業

投資物業乃持作賺取租金及／或期望資本增值之物業。

於初步確認時，投資物業按成本(包括任何直接應佔開支)計量。於初步確認後，投資物業按成本扣除其後累計折舊及任何累計減值虧損列賬。按投資物業之估計可使用年期(二十年至五十年)並計及其剩餘價值後扣除折舊，以便採用直線法撇銷其成本。

無形資產

獨立收購之無形資產

獨立收購及可使用年期有限之無形資產按成本減累計攤銷及任何累計減值虧損列賬。可使用年期有限之無形資產按直線法於其估計可使用年期內撥備攤銷。此外，使用年期不確定之無形資產則按成本減任何其後累計減值虧損列賬(請參閱下文關於有形及無形資產減值虧損之會計政策)。

於取消確認無形資產時產生之收益或虧損，乃按該項資產之出售所得款項淨額與其賬面值間之差額計量，並於取消確認該項資產的期間於損益內確認。

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截至二零一零年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

Research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for an internally-generated intangible asset is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred.

3. 主要會計政策(續)

無形資產(續)

研究及開發支出

研究活動之支出於其產生期間內確認為開支。

源自開發項目(或由內部項目之開發階段)之內部產生無形資產，只會且僅會於以下各項全部獲證明之情況下才會予以確認：

- 具可行性技術以完成該無形資產，並使其將可供使用或出售；
- 有意向完成及使用或出售該無形資產；
- 有能力使用或出售該無形資產；
- 無形資產將如何於日後產生可能之經濟利益；
- 有足夠技術、財政及其他資源可完成開發項目，並使用或出售該無形資產；及
- 有能力可靠計量無形資產於其開發期內應佔之支出。

就內部產生之無形資產初步確認之金額乃指自無形資產首次符合上述確認準則日期起所產生之開支總額。倘並無內部產生之無形資產可予確認，則開發支出於其產生期間內於損益中扣除。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible assets (continued)

Research and development expenditure (continued)

Subsequent to initial recognition, an internally-generated intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses (if any), on the same basis as intangible assets acquired separately. Amortisation for such intangible assets is provided 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.

Intangible assets acquired in a business combination

Intangible assets which represent exploitation rights acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, exploitation rights are stated at cost less accumulated amortisation and impairment losses. Exploitation rights are amortised on an unit-of-production basis over the estimated useful lives of 20 years (prior to the accounting period beginning on 1 April 2009, straight line basis was used). 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 (see the accounting policy in respect of impairment losses on tangible and intangible assets below).

3. 主要會計政策(續)

無形資產(續)

研究及開發支出(續)

於初步確認後，內部產生之無形資產根據與獨立收購無形資產相同之基準按成本減累計攤銷及累計減值虧損(如有)計量。該等無形資產之攤銷乃按直線法於不多於五年的期間內作出撥備，以反映已確認相關經濟利益之模式。

業務合併中已收購之無形資產

在業務合併中已收購並與商譽分開識別之無形資產(即開採權)，初步按其於收購日期的公平值(視為其成本)確認。

於初步確認後，開採權按成本減累計攤銷及累計減值虧損列賬。開採權按單位產量法於其估計可使用年期二十年攤銷(於二零零九年四月一日開始的會計期間之前乃使用直線法)。本集團每年根據生產計劃及原油之探明儲量及極可能儲量檢討開採權的使用年期(請參閱下文關於有形及無形資產減值虧損之會計政策)。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment losses on tangible and intangible assets other than goodwill (see the accounting policy in respect of goodwill above)

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. In addition, intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that they may be impaired. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease.

3. 主要會計政策(續)

有形及無形資產之減值虧損(不包括商譽)(請參閱上文關於商譽之會計政策)

於各報告期結束時，本集團會評估其有形及無形資產之賬面值，以確定是否有任何跡象顯示該等資產出現減值虧損。倘有任何此等跡象存在，則會估計資產之可收回金額，以釐定減值虧損(如有)。此外，使用年期不確定之無形資產及尚未可使用之無形資產，於每年及有跡象顯示可能出現減值時作減值測試。倘資產之可收回金額估計少於其賬面值，則該資產之賬面值將撇減至其可收回金額。減值虧損即時確認為開支。

倘減值虧損於其後撥回，則資產之賬面值將增加至其可收回金額之經修訂估計值，惟增加後之賬面值不得超過資產倘於以往年度並無確認減值虧損而原應釐定之賬面值。減值虧損之撥回會即時確認為收入。

租賃

凡租賃條款將擁有權之絕大部份風險及回報轉移至承租人之租賃均列為融資租賃。所有其他租賃均列為經營租賃。

本集團作為出租人

經營租賃之租金收入於有關租賃期內按直線法於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leasing (continued)

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. Benefits received and receivable as an incentive to enter into an operating lease are recognised as a reduction of rental expense over the lease term on a straight-line basis.

Leasehold land and building

The land and building elements of a lease of land and building are considered separately for the purpose of lease classification, unless the lease payments cannot be allocated reliably between the land and building elements, in which case, the entire lease is generally treated as a finance lease and accounted for as property, plant and equipment. To the extent the allocation of the lease payments can be made reliably, leasehold interests in land are accounted for as operating leases and amortised over the lease term on a straight-line basis.

Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing on the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. 主要會計政策(續)

租賃(續)

本集團作為承租人

經營租賃付款於有關租賃期內按直線法確認為開支。作為訂立經營租賃之優惠而已收及應收之利益，會按直線法於整個租賃期內確認為租金開支減少。

租賃土地及樓宇

就租賃分類而言，土地及樓宇租賃之土地及樓宇部份予以獨立考量，除非租賃付款未能於土地及樓宇部份間可靠地分配，於此情況下，整項租賃一般被視為融資租賃並以物業、廠房及設備方式入賬。倘租賃付款能夠可靠地分配，則土地之租賃權益乃以經營租賃方式入賬，並以直線法於租賃期內攤銷。

外幣

在編製各個別集團實體之財務報表時，以該實體之功能貨幣以外之貨幣(外幣)計價之交易乃按交易日期之通行匯率以其各自之功能貨幣(該實體業務所在之主要經濟環境之貨幣)入賬。於各報告期結束時，以外幣為單位之貨幣項目均按該日期之通行匯率重新換算。按公平值列賬並以外幣為單位之非貨幣項目均按公平值釐定當日之通行匯率重新換算。以歷史成本計量並以外幣計價之非貨幣項目不會再重新換算。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise, except for exchange differences arising on a monetary item that forms part of the Company's net investment in a foreign operation, in which case, such exchange differences are recognised in other comprehensive income and accumulated in equity and will be reclassified from equity to profit or loss on disposal of the foreign operation. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for exchange differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which cases, the exchange differences are also recognised directly in other comprehensive income.

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's operations are translated into the presentation currency of the Group (i.e. HK\$) at the rate of exchange prevailing at the end of the reporting period, and their income and expenses are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (the exchange reserve) and will be reclassified from equity to profit or loss upon disposal of foreign operation.

Change in functional currency

The functional currency of a group entity is changed only if there is a change to the underlying transactions, events and conditions relevant to the entity. The effect of a change in the functional currency is accounted for prospectively. At the date of change, the entity translates all items into the new functional currency using the prevailing exchange rate at that date and the resulting translated amounts for non-monetary items are treated as the historical cost. Exchange differences arising from the translation of foreign operations recognised in translation reserve are not recognised in profit or loss until the disposal of the operation.

3. 主要會計政策(續)

外幣(續)

由結算貨幣項目及重新換算貨幣項目而產生之匯兌差額，在其產生期間於損益中確認，惟於構成本公司海外業務投資淨額一部分之貨幣項目產生之匯兌差額除外，於此情況下，該等匯兌差額於其他全面收益中確認並於權益累計，及於出售海外業務時自權益重新分類至損益。因重新換算按公平值列賬之非貨幣項目產生之匯兌差額於期間內計入損益，惟直接於其他全面收入中確認盈虧之非貨幣項目換算所產生之匯兌差額除外，於此情況下，匯兌差額亦會直接於其他全面收入中確認。

就呈列綜合財務報表而言，本集團業務之資產及負債乃按報告期結束時之通行匯率換算為本集團之呈報貨幣(即港幣)，而其收入及開支則按年內之平均匯率換算。所產生之匯兌差額(倘有)則會於其他全面收入確認並於權益(匯兌儲備)累計，並於出售海外業務後由權益重新分類至損益。

功能貨幣之變動

集團實體的功能貨幣僅於與該實體有關的相關交易、事件及情況有變時方會改變。功能貨幣的變動所產生的影響乃於往後期間入賬。於改變當日，實體使用該日的匯率將所有項目換算為新功能貨幣，而產生的非貨幣項目的換算金額則當作歷史成本處理。因換算海外業務產生而於換算儲備確認的匯兌差額，在出售有關業務前不會於損益確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale are added to the cost of those assets until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

Retirement benefit costs

Payments to the Mandatory Provident Fund Scheme and state-managed retirement benefit schemes are charged as an expense when employees have rendered service entitling them to the contributions.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

3. 主要會計政策(續)

借貸成本

收購、建設或生產合資格資產(須花大量時間準備方可作擬定用途或銷售的資產)直接應佔的借貸成本,乃計入該等資產的成本,直至該資產已大致上準備好作擬定用途或銷售時為止。留待作為合資格資產開支的特定借貸,在暫時性投資中所賺取的投資收入,乃於合資格撥充資本的借貸成本中扣除。

所有其他借貸成本在其產生期間內於損益中確認。

退休福利成本

向強積金計劃及國家管理退休福利計劃之供款乃於僱員已提供服務而享有供款時作為開支扣除。

稅項

所得稅開支乃指現時應付稅項及遞延稅項之總和。

本年度應付稅項乃按年內應課稅溢利計算。應課稅溢利與綜合收益表所呈列之溢利不同,原因為應課稅溢利不包括於其他年度之應課稅收入或可扣減開支項目,亦不包括毋須課稅或不可扣減之項目。本集團就即期稅項之負債乃以於報告期間結束時已制定或實際上已制定之稅率計算。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associate, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

3. 主要會計政策(續)

稅項(續)

遞延稅項乃根據綜合財務報表內資產及負債之賬面值與計算應課稅溢利所採用相應稅基間之差異確認。遞延稅項負債一般就所有應課稅項之暫時差異確認。遞延稅項資產一般就所有可扣減暫時差異確認，惟以有可能動用該等可扣減暫時差異以抵銷之應課稅溢利為限。倘暫時差異自一項既不影響應課稅溢利亦不影響會計溢利之交易中其他資產及負債之商譽或初步確認(業務合併除外)所產生，則該等資產及負債不予確認。

遞延稅項負債乃就與投資於附屬公司及聯營公司相關之應課稅暫時差異予以確認，惟本集團能夠控制暫時差異之撥回及有可能於可預見將來不會撥回該暫時差異除外。於有可能擁有足夠之應課稅溢利以動用暫時差異之得益並預期於可見將來撥回之情況下，方會確認與該等投資及權益相關之可扣減暫時差異所產生之遞延稅項資產。

遞延稅項資產的賬面值於報告期間結束時予以檢討，並於不再可能有足夠應課稅溢利以收回全部或部分資產時作出調減。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity respectively.

Inventories

Properties held for sale are stated at lower of cost and net realisable value.

Other inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when a group entity becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial liabilities (other than financial assets or financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. 主要會計政策(續)

稅項(續)

根據報告期結束時已制定或實際上已制定之稅率(及稅法)，遞延資產及負債乃按預期適用於償還負債或變現資產期間之稅率計量。遞延稅項負債及資產之計量，反映本集團預期於報告期結束時可收回或償還其資產及負債賬面值之方式之稅務影響。遞延稅項於損益中確認，惟與於其他全面收入或直接於權益中確認之項目相關之情況下，遞延稅項亦會於其他全面收入或直接於權益中分別確認。

存貨

持作銷售物業按成本及可變現淨值兩者中之較低者列賬。

其他存貨乃按成本及可變現淨值兩者中之較低者列賬。成本乃使用加權平均法計算。

金融工具

當一個集團實體成為工具合約規定之一方，則金融資產及金融負債乃於財務狀況表確認。金融資產及金融負債初步按公平值計量。收購或發行金融負債(按公平值計入損益之金融資產或金融負債除外)直接應佔的交易成本，初步確認時乃於金融資產或金融負債(如適用)的公平值中計入或扣除。收購按公平值計入損益之金融資產或金融負債直接應佔之交易成本於損益即時確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets

The Group's financial assets are classified into two categories, fair value through profit or loss ("FVTPL") and loans and receivables. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Interest income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL, of which interest income is included in net gains or losses.

3. 主要會計政策(續)

金融工具(續)

金融資產

本集團之金融資產分為兩類：按公平值計入損益(「按公平值計入損益」)以及貸款及其他應收款項。正常採購或銷售乃根據規則或市場慣例於指定之時限內送交資產之金融資產採購或銷售。

實際利率法

實際利率法為計算金融資產之攤銷成本及於有關期內分配利息收入之方法。實際利率為於初步確認時透過金融資產之預計年期或(倘適用)較短期間將估計未來現金收入(包括構成實際利率組成部分之所有已付或已收費用、交易成本及其他溢價或折讓)準確折現至賬面淨值之利率。

利率收入乃就債務工具以實際利率基準確認，惟分類為按公平值計入損益之金融資產除外，其利率收入乃計入淨收益或虧損。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Financial assets at fair value through profit or loss

Financial assets classified as held-for-trading are carried at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are measured at fair value, with changes in fair value arising from remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any dividend or interest earned on the financial assets.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables (including trade and other receivables and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy on impairment loss on financial assets below).

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

按公平值計入損益之金融資產

分類為持作買賣之金融資產乃按公平值計入損益列賬。

倘符合以下條件，金融資產乃分類為持作買賣：

- 收購該資產之主要目的為於短期內出售；或
- 該資產乃作為本集團共同管理之可識別金融工具組合之一部分，並於最近曾有短期獲利回吐之實質模式；或
- 該資產乃一種衍生工具而並非指定為及有效用作對沖工具。

按公平值計入損益之金融資產按公平值計量，因重新計量而產生之公平值變動於產生期間內直接於損益中確認。淨收益或虧損(不包括於金融資產賺取之任何股息或利息)於損益中確認。

貸款及應收款項

貸款及應收款項指有固定或待定付款且並無在活躍市場報價之非衍生金融資產。於初步確認後，貸款及應收款項(包括貿易及其他應收款項以及銀行結餘及現金)採用實際利率法按攤銷成本扣除任何已識別減值虧損列賬(請參閱下文關於金融資產減值虧損之會計政策)。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables (continued)

Financial assets classified as loans and receivables are assessed for indicators of impairment at the end of each reporting period. Loans and receivables are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

For certain loans and receivables, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, and observable changes in national or local economic conditions that correlate with default on receivables.

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項(續)

分類為貸款及應收款項的金融資產乃於各報告期結束時就其減值指標作出評估。倘有客觀憑證顯示於金融資產初步確認後，發生一項或多項事件，並對該金融資產之估期未來現金流量造成影響，則貸款及應收款項乃出現減值。

減值之客觀憑證包括：

- 發行人或對手方出現重大財務困難；或
- 未能繳付或拖欠利息或本金付款；或
- 借款人可能將會面臨破產或進行財務重組。

就若干貸款及應收款項(例如貿易應收款項)而言，經評估為不會個別減值之資產於其後按整體基準進行減值評估。應收款項組合之客觀減值憑證可以包括本集團過往收回款項之經驗、組合內超逾平均信貸期之延遲還款宗數增加，以及與未能繳付應收款項相關之全國或地方經濟狀況出現明顯改變。

當有客觀憑證顯示資產出現減值，則於損益中確認減值虧損，並以資產賬面值與按原有實際利率折現之估計日後現金流量現值間之差額計量。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial assets (continued)

Loans and receivables (continued)

The carrying amount is reduced by the impairment loss directly for all loans and receivables with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment losses was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Financial liabilities and equity

Financial liabilities and equity instruments issued by a group entity are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

3. 主要會計政策(續)

金融工具(續)

金融資產(續)

貸款及應收款項(續)

就所有貸款及應收款項而言，減值虧損直接於賬面值撇減，惟貿易應收款項除外，其賬面值會透過採用撥備賬撇減。撥備賬內之賬面值變動於損益中確認。倘貿易應收款項被視為無法收回，即會於撥備賬內撇銷。倘於其後收回先前已撇銷之款項，則計入損益。

倘減值虧損金額於其後之期間內減少，而該減少可以客觀上與確認減值虧損後所發生之事件有關，則先前已確認之減值虧損乃透過損益予以撥回，惟於減值被撥回當日之資產賬面值不得超過未確認減值時之攤銷成本。

金融負債及權益

由一個集團實體所發行之金融負債及權益工具乃根據所訂立合約安排之性質以及金融負債及權益工具之定義分類。

權益工具乃證明本集團經扣除其所有負債後之資產剩餘權益之任何合約。本集團之金融負債一般分類為按公平值計入損益之金融負債及其他金融負債。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity (continued)

Effective interest method

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

Interest expense is recognised on an effective interest basis other than those financial liabilities classified at FVTPL of which the interest is included in net gains or losses.

Financial liabilities at fair value through profit or loss

Financial liabilities classified as held-for-sale are carried at FVTPL.

A financial liability is classified as held-for-trading if:

- it has been incurred principally for the purpose of selling in the near future; or
- it is a part of an identified portfolio of financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益(續)

實際利率法

實際利率法為計算財務負債之攤銷成本及於有關期間內分配利息開支之方法。實際利率為透過金融負債之預計年期或(倘適用)較短期間內將估計未來現金付款準確貼現之利率。

利率開支按實際利率基準確認，惟分類為按公平值計入損益之金融負債之利息則計入淨收益或虧損。

按公平值計入損益之金融負債

分類為持作銷售之金融負債乃按公平值計入損益。

倘符合以下條件，金融負債乃分類為持作買賣：

- 該負債產生之主要目的為於短期內出售；或
- 該負債乃作為本集團共同管理之可識別金融工具組合之一部分，並於最近曾有短期獲利回吐之實質模式；或
- 該負債乃一種衍生工具而並非指定為及有效用作對沖工具。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity (continued)

Financial liabilities at fair value through profit or loss (continued)

Financial liabilities at FVTPL include held-for-trading derivative financial instruments that are not designated and effective as hedging instruments. At the end of each reporting period subsequent to initial recognition, financial liabilities at FVTPL are measured at fair value, with changes in fair value arising on remeasurement recognised directly in profit or loss in the period in which they arise. The net gain or loss recognised in profit or loss excludes any interest paid on the financial liabilities.

Convertible bonds containing 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. A 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 are 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)

金融工具(續)

金融負債及權益(續)

按公平值計入損益之金融負債(續)

按公平值計入損益之金融負債包括並非指定但實際上屬於對沖工具之持作買賣衍生金融工具。於初步確認後之各報告期間結束時，按公平值計入損益之金融負債乃按公平值計量，因重新計量而產生之公平值變動於產生期間內直接於損益中確認。淨收益或虧損(不包括就金融負債已付之任何利息)於損益中確認。

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固定數量的本公司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採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。有關負債部分的交易成本乃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。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Financial liabilities and equity (continued)

Other financial liabilities

Other financial liabilities including trade and other payables and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

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

Warrants

Warrants issued by the Company that will be settled by a fixed amount of cash for a fixed number of the Company's own equity instruments are equity instruments. Otherwise, they are classified as derivative financial instruments, and initially recognised at their fair values at the date of issue. Changes in fair values in subsequent periods are recognised in profit or loss.

Derivative financial instruments

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

3. 主要會計政策(續)

金融工具(續)

金融負債及權益(續)

其他金融負債

其他金融負債(包括貿易及其他應付款項及銀行借貸)採用實際利率法按攤銷成本於其後計量。

權益工具

本集團發行之權益工具經扣除直接發行成本後按已收所得款項入賬。

認股權證

由本公司發行並將透過以定額現金交換固定數量的本公司股本工具之方式結算的認股權證為權益工具，否則乃分類為衍生金融工具，並初步按發行日期的公平值確認。於往後期間的公平值變動於損益確認。

衍生金融工具

衍生工具於訂立衍生工具合約日期初步按公平值確認，其後於各報告期結束時按其公平值重新計量。所產生之收益或虧損即時於損益中確認。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial instruments (continued)

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Group has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event, and it is probable that the Group will be required to settle that obligation. Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect is material).

Cash and cash equivalents

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

3. 主要會計政策(續)

金融工具(續)

取消確認

倘從資產收取現金流量之權利屆滿，或金融資產被轉讓而本集團已實質上轉移與金融資產所有權相關之全部風險及回報，乃取消確認該金融資產。於取消確認金融資產時，資產賬面值與已收及應收代價及已於其他綜合收益表確認之累計收益或虧損之總和間之差額乃於損益中確認。

倘於相關合約中明確指定之責任獲解除、取消或屆滿，乃取消確認金融負債。已取消確認之金融負債之賬面值與已付及應付代價間之差額乃於損益中確認。

撥備

倘本集團須就過往事件而承擔現有責任，及本集團有可能須履行該項責任，乃確認撥備。按於報告期結束時所須履行現有責任之代價所作出之最佳估計，並考慮圍繞該責任之風險及不確定因素後計量撥備。倘採用估計用於履行現有責任之現金流量計量撥備，則其賬面值為該等現金流量之現值(倘具有重大影響)。

現金及現金等值項目

現金及現金等值項目包括手頭現金、活期存款及其他可隨時轉換為已知數額現金及價值變動風險極微的短期高流動性投資。

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3. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Share-based payment transactions

Equity-settled 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 immediately on the date of grant when the share options granted vest immediately, with a corresponding increase in equity (share option reserve).

At the time when the share options are exercised, the amount previously recognised in the share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in the share option reserve will be transferred to retained profits.

Share options granted to consultants

Share options issued in exchange for services are measured at the fair values of share options granted at the grant date, unless the fair values of the services received can be measured reliably. The fair values of the share options are recognised as expenses, with a corresponding increase in equity (share option reserve), when the counterparties render services, unless the services qualify for recognition as assets.

4. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 3.

The directors of the Company consider the following to be the key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. 主要會計政策(續)

以股份付款之交易

以股權結算並以股份付款之交易

參考所授出購股權於授出日期之公平值而釐定所接受服務之公平值，倘有關購股權即時註銷，乃於授出日期即時支銷，並於權益(購股權儲備)作出相應增加。

當購股權獲行使時，先前於購股權儲備確認之金額將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於屆滿日期仍未行使，則先前於購股權儲備確認之金額將轉撥至保留溢利。

授予顧問之購股權

為換取貨品或服務而發行之購股權按授出日期所授出購股權之公平值計量，除非所提供的服務能可靠計量則作別論。當對手方提供服務時，購股權之公平值乃確認為開支，並於權益(購股權儲備)作出相應增加，惟服務符合資格確認為資產之情況除外。

4. 估計不肯定因素之主要來源

本集團會計政策之應用詳見附註3(b)。

於報告期間完結時，本公司董事認為以下為不肯定因素的主要來源。該等不肯定因素於導致資產及負債的賬面值在下個財政年度須作出重大調整方面存在重大風險。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Useful lives of property, plant and equipment

The directors determine the residual values, estimated useful lives and related depreciation charges for the Group's property, plant and equipment. The estimates are based on historical experience of the actual residual values and useful lives of plant and equipment of a similar nature and function and may vary significantly as a result of technical innovations, resulting in higher or lower depreciation charges and/or impairment when residual values or useful lives are less than previously estimated.

Property, plant and equipment is set out in note 17.

The directors review the estimated useful lives of property, plant and equipment at the end of each reporting period to ensure that the useful lives as stated in note 3 remain appropriate.

Amortisation method for oil exploitation rights and vanadium exploration right

During the year, the directors reviewed the amortisation method of the oil exploitation rights included in other intangible assets and the vanadium exploration right held by the associate of the Company, and consider that there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in such rights. Accordingly, the amortisation method of such rights has been changed from the straight-line method to the unit-of-production method. Such a change is accounted for as a change in accounting estimate and applied prospectively in accordance with HKAS 8.

As at 31 March, 2010, the impact has increased other intangible assets and interests in associates by HK\$106,551,000 and HK\$8,029,000 respectively and has decreased the loss for the year by HK\$114,580,000 and has decreased the loss per share by HK4.2 cents accordingly.

4. 估計不肯定因素之主要來源 (續)

物業、廠房及設備之可使用年期

董事釐定本集團物業、廠房及設備的剩餘價值、估計可使用年期及有關折舊費用。有關估計乃根據對具備類似性質及功能的廠房及設備的實際剩餘價值及可使用年期的過往經驗得出，並可能因技術革新而有重大分別，導致當剩餘價值或可使用年期少於先前估計時折舊費用及／或減值增加或減少。

物業、廠房及設備於附註17詳述。

董事於每個年度報告期結束時審閱物業、廠房及設備的估計可使用年期，以確定於附註3所述的可使用年期仍然合適。

石油開採權及釩金屬勘探權的攤銷方法

於年內，董事檢討其他無形資產所包括的石油開採權以及由本公司聯營公司持有的釩金屬勘探權的攤銷方法，並認為該等權利潛在的未來經濟利益的預期消耗模式出現重大變動，因此已將該等權利的攤銷方法由直線法改為單位產量法。該項變動乃一項會計估計的變動，並按照香港會計準則第8號於未來期間應用。

於二零一零年三月三十一日，有關影響導致其他無形資產及於關聯公司的權益分別增加港幣106,551,000元及港幣8,029,000元，並相應導致本年度虧損及每股虧損分別減少港幣114,580,000元及港幣4.2仙。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimated impairment of trade receivable

Where there is objective evidence on impairment loss has been incurred, the directors take into consideration the estimated future cash flows. The amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). Where the actual future cash flows are less than expected, a material impairment may arise. As at 31 March 2010, the carrying amount of trade receivables was HK\$58,137,000 (net of allowance for doubtful debts of HK\$6,132,000) (2009: HK\$68,568,000 (net of allowance for doubtful debts of HK\$7,176,000)).

Impairment loss of non-financial assets

Included in the consolidated statement of financial position at 31 March 2010 are non-financial assets of HK\$2,347,725,000 (2009: HK\$2,349,471,000) which are carried at cost less accumulated amortisation or depreciation and accumulated impairment losses (if any).

The Group appoints an independent professional valuer to test at least annually whether the oil exploitation rights included in other intangible assets have suffered any impairment.

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the asset exceeds its recoverable amount. Determining the recoverable amount of an asset of a cash-generating unit requires value-in-use calculations. These calculations require the use of estimates.

4. 估計不肯定因素之主要來源 (續)

貿易應收款項之估計減值

當有客觀證據顯示出現減值虧損，董事會考慮估計未來現金流量。減值虧損的金額乃根據資產賬面值與按金融資產原本實際利率(即初步確認時計算的實際利率)折現的估計未來現金流量現值兩者之間的差額計算(不包括尚未產生的未來信貸虧損)。倘實際未來現金流量較預期為少，或會產生重大減值。於二零一零年三月三十一日，貿易應收款項的賬面值為港幣58,137,000元(扣除呆賬撥備港幣6,132,000元)(二零零九年：港幣68,568,000元(扣除呆賬撥備港幣7,176,000元))。

非金融資產的減值虧損

於二零一零年三月三十一日之綜合財務狀況表計入的非金融資產港幣2,347,725,000元(二零零九年：港幣2,349,471,000元)乃按成本減累計攤銷或折舊及累計減值虧損(如有)列賬。

本集團委聘獨立專業估值師至少每年測試其他非金融資產(主要包括計入其他無形資產的石油開採權)有否出現任何減值。

本集團亦會於某些事件或情況有變而顯示其他非金融資產的賬面值超逾其可收回金額時，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須以使用值計算法釐定。有關計算需要動用估計。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Impairment loss of non-financial assets (continued)

The valuation model adopted in the valuation of the oil exploitation rights is primarily cash flow projections which are based on the most recent financial budget and ten to twenty years business development plan approved by management. There are a number of assumptions and estimates involved for the presentation of cash flow projections for the period covered by the approved budget. Key assumptions and estimates include the reserve quantity, oil extraction rate, feasibility of business plan and the oil extraction method, expected growth in revenue and operating margin, effective tax rate and the selection of discount rates.

Judgement is required by the directors 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.

Fair value of derivative financial instruments

As described in note 6(c), the directors use their judgement in selecting an appropriate valuation technique for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. For derivative financial instruments, assumptions are made based on quoted market rates adjusted for specific features of the instrument. The fair values of the derivative financial instruments as at 31 March 2010 was estimated as financial assets of HK\$1,318,000 (2009: HK\$30,385,000) and financial liabilities of HK\$70,416,000 (2009: HK\$94,295,000).

4. 估計不肯定因素之主要來源 (續)

非金融資產的減值虧損(續)

計算石油開採權的估值時所使用的估值模式主要為現金流量預測，有關預測乃根據經管理層審批的最近期財務預算及十至二十年的發展計劃作出。呈列於經審批預算所涵蓋期間的現金流量預測時涉及多項假設及估計。主要假設及估計包括儲量數量、石油開採率、業務計劃及石油開採方法的可行性、預期收益增長及經營利潤、實際稅率及折現率的選擇。

釐定現金流量預測所採納的主要假設時董事須作出判斷，更改主要假設可顯著影響該等現金流量預測，繼而影響減值檢討的結果。

衍生金融工具的公平值

如附註6(c)所述，董事就於活動市場上並無報價的金融工具選擇適合的估值方法時會作出判斷，並運用市場從業員普遍使用的估值方法。就衍生金融工具而言，假設乃根據市場報價作出，並就有關工具的特點作出調整。於二零一零年三月三十一日，衍生金融工具的公平值估計為金融資產港幣1,318,000元(二零零九年：港幣30,385,000元)及金融負債港幣70,416,000元(二零零九年：港幣94,295,000元)。

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4. KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Estimation of oil reserves

Oil reserves are key elements in depletion, depreciation and amortisation calculation and in testing for impairment. Changes in proven oil reserves will affect the unit-of-production depreciation recorded in the Group's consolidated financial statements for property, plant and equipment related to oil production activities. A reduction in proven reserves will increase depreciation, depletion and amortisation charges. 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.

Oil production sharing contract

As described in note 21b, the Group entered two production sharing contracts with 齊齊哈爾油田開發建設總公司 ("Qiqihar Oil") in 2007 and 2008 for a period of 20 years. Qiqihar Oil is an agent of the local government and the holder of oil exploitation licence. However, the oil exploitation licence will expire in August 2010. Under the terms of the production sharing contracts, Qiqihar Oil is responsible for renewing the licence. The directors are confident that the licence for the production sharing contracts will be extended at least another 16 and 17 years. Qiqihar Oil is currently applying for an extension of exploitation period for another 10 years from the Ministry of Land and Resources. The success of the application to extend the rights is not yet confirmed. If the application for the extension is unsuccessful, the Group's exploitation rights, related oil properties and oil properties under construction may be impaired. As at 31 March 2010, the carrying value of oil exploitation right was HK\$2,043,397,000.

4. 估計不肯定因素之主要來源 (續)

石油儲量估計

石油儲量乃計算耗算、折舊及攤銷以及減值測試的主要元素。探明石油估量將影響在本集團綜合財務報表中，就石油生產活動有關的物業、廠房及設備所記錄的單位產量折舊。探明儲量減少將導致折舊、耗損及攤銷開支增加。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。

石油產品分成合同

如附註21b所述，本集團於二零零七年及二零零八年與齊齊哈爾油田開發建設總公司(「齊齊哈爾油田」)訂立兩份產品分成合同，為期二十年。齊齊哈爾油田乃地方政府的代理，及為石油開採牌照的持有人。然而，石油開採牌照將於二零一零年八月屆滿。根據產品分成合同的條款，齊齊哈爾油田有責任為牌照續期。董事深信產品分成合同的牌照可獲延長最少十六至十七年。齊齊哈爾油田正向國土資源部申請將開採期延長十年。現時尚未確定能否成功申請延長有關權利。如未能成功申請延長有關權利，本集團的開採權、相關石油資產及在建石油資產或會減值。於二零一零年三月三十一日，開採權的賬面值為港幣2,043,397,000元。

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5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of net debt, which includes the bank borrowings as disclosed in note 31, net of bank balances and cash, and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure on a regular basis. As part of this review, the directors consider the cost of capital and the risks associates with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends and new share issues as well as the issue of new debt or the redemption of existing debt.

6. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
<i>Financial assets</i>	<i>金融資產</i>		
Loans and receivables (including bank balances and cash)	貸款及應收款項(包括 銀行結餘及現金)	507,158	149,135
Held-for-trading investments	持有作買賣的投資	33,334	17,720
Derivative financial instruments held-for-trading	持作買賣之衍生 金融工具	1,318	30,385
		541,810	197,240
<i>Financial liabilities</i>	<i>金融負債</i>		
Derivative financial instruments held-for-trading	持作買賣之衍生 金融工具		
Other derivative instruments	其他衍生金融工具	(10,503)	(94,295)
Warrants	認股權證	(59,913)	—
Amortised cost	攤銷成本	(160,219)	(151,830)
		(230,635)	(246,125)

5. 資本風險管理

本集團管理其資本以確保本集團內之實體將能夠以持續方式經營，並同時透過優化負債與權益結餘而為股東帶來最大回報。本集團的整體策略自上一年度起維持不變。

本集團的資本結構包括債務淨額，即包括附註31所披露的銀行借貸(扣除銀行結餘及現金)及本公司擁有人應佔的權益(包含已發行股本及儲備)。

本公司董事以定期方式檢討資本架構。作為是項檢討的一環，董事考量資金成本及與每類股本有關之風險。根據董事的建議，本集團將透過派付股息及新股份發行，以及發行新債務或贖回現有債務，平衡其整體資本架構。

6. 金融工具

(a) 金融工具的分類

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies

The Group's major financial instruments include, trade and other receivables, held-for-trading investments, derivative financial assets, bank balances and cash, trade and other payables, derivative financial liabilities and bank borrowings. Details of the financial instruments are disclosed in respective notes. The risks associated with these financial instruments include market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign currency risk management

The Group conducts its treasury functions and maintains certain bank balances and cash and bank borrowings in foreign currencies, hence is exposed to foreign currency risk. The Group manages its foreign currency risk by closely monitoring the movements of the foreign currency exchange rates. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

6. 金融工具(續)

(b) 財務風險管理目標及政策

本集團的主要財務工具包括貿易及其他應收款項、持有作買賣的投資、衍生金融資產、銀行結餘及現金、貿易及其他應付款項、衍生金融負債及銀行借貸。有關金融工具的詳情於各自的附註內披露。與該等金融工具有關的風險包括市場風險(貨幣風險、利率風險及其他價格風險)、信貸風險及流動資金風險。如何減輕該等風險的政策載列如下。管理層管理及監察該等風險，確保以適時及有效方式落實適當措施。

市場風險

外幣風險管理

本集團進行其財資業務及以外幣維持若干銀行結餘及現金及銀行借貸，因此面對外幣風險。本集團透過密切監察外幣匯率的變動以管理其外幣風險。本集團目前並無外幣對沖政策。然而，管理層監察外幣風險，及將於有需要時考慮對沖重大外幣風險。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk management (continued)

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities, other than the functional currency of respective Group entities (RMB/Hong Kong dollars ("HK\$")), at the reporting date are as follows:

		Assets 資產		Liabilities 負債	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
United States Dollars ("US\$")	美元	1,794	30,842	10,503	94,295
Hong Kong Dollars ("HK\$")	港幣	527,785	—	214,248	—
Renminbi ("RMB")	人民幣	—	44,128	—	17,166
Great British Pound ("GBP")	英鎊	3,471	1,784	—	—

Foreign currency sensitivity

Before the change in functional currency, the directors considered that as HK\$ was currently pegged to US\$, the exposure to exchange fluctuation in respect of US\$ was limited. Accordingly, no foreign currency sensitivity analysis on US\$ denominated monetary assets and monetary liabilities was disclosed in the consolidated financial statements for the year ended 31 March 2009.

The following table indicates the approximate change in the Group's profit or loss in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

外幣風險管理(續)

本集團以外幣(本集團實體各自的功能貨幣(人民幣(二零零九年:港幣(「港幣」))除外)列值的貨幣資產及貨幣負債於報告日期的賬面值如下:

外幣敏感度

於更改功能貨幣前，董事認為由於港幣目前與美元掛鈎，管理層認為與美元有關的外匯波動風險有限。因此，概無於截至二零零九年三月三十一日止年度之綜合財務報表就以美元列值的貨幣資產及貨幣負債披露外幣敏感度分析。

下表顯示因應本集團面對重大風險的匯率於報告期間結束時的合理潛在變動而於本集團損益列出的概約變動。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Foreign currency risk management (continued)

Foreign currency sensitivity (continued)

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 5% (2009: 5%) change in foreign currency rates. A positive (negative) number below indicates a decrease (increase) in post-tax loss (2009: an increase (decrease) in post-tax profit) where US\$, HK\$ and GBP strengthens against RMB (2009: RMB and GBP strengthens against HK\$). For a 5% weakening of US\$, HK\$ and GBP against the RMB (2009: 5% weakening of RMB and GBP against HK\$), there would be an equal and opposite impact on the post-tax loss (2009: post-tax profit) and the balances below would be negative.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

外幣風險管理(續)

外幣敏感度(續)

敏感度分析僅包括未結算的外幣計值貨幣項目，並於年末按匯率的5% (二零零九年：5%) 變動而調整有關換算。下列正(負)數表示，倘美元、港幣及英鎊兌人民幣匯率上升(二零零九年：人民幣及英鎊兌港幣匯率上升)，則除稅後虧損將會減少(增加)(二零零九年：除稅後溢利增加(減少))。倘美元、港幣及英鎊兌人民幣匯率下降5% (二零零九年：人民幣及英鎊兌港幣匯率下降5%)，則除稅後虧損(二零零九年：除稅後溢利)將出現等值但相反的影響，且以下結餘將為負數。

		Post-tax effect on profit or loss 對溢利或虧損的除稅後影響	
		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
US\$	美元	(435)	—
HK\$	港幣	15,677	—
RMB	人民幣	—	1,348
GBP	英鎊	174	1

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk management

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings (see note 31 for details). The Group also exposed to cash flow interest rate risk in relation to bank balances, variable-rate bank borrowings and derivative financial liabilities.

The Group's exposures to interest rates risk on financial liabilities are detailed in the liquidity risk management section of this note. The Group's cash flow interest risk is mainly concentrated on the fluctuation of Hong Kong Interbank Offered Rate ("HIBOR") arising from the Group's HK\$ denominated borrowings.

Interest rate sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for bank balances, variable-rate bank borrowings and derivative financial liabilities. The analysis is prepared assuming the financial instruments outstanding at the end of the reporting period were outstanding for the whole year. A 50 basis point (2009: 50 basis points) increase or decrease for variable-rate bank borrowings and 10 basis point (2009: 10 basis point) increase or decrease for bank balances are used for interest rate sensitivity analysis and represents management's assessment of the reasonably possible change in interest rates.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險管理

本集團面對有關定息銀行借貸之公平值利率風險(見附註31)。本集團亦面對有關銀行結餘、浮息銀行借貸及衍生金融負債之現金流量利率風險。

本集團於金融負債的利率風險於本附註流動資金管理一節詳述。本集團的現金流量利率風險主要集中於來自本集團以港幣列值借貸所產生的香港銀行同業拆息波動。

利率敏感度分析

以下的敏感度分析已根據就銀行結餘、浮息銀行借貸及衍生金融負債的利率風險計算。分析乃假設於報告期結束時仍然持有的金融工具於整個年度內仍然持有。利率敏感度分析乃使用浮息銀行借貸上升或下跌50個基點(二零零九年:50個基點)及銀行結餘上升或下跌10個基點(二零零九年:10個基點)計算,並代表管理層對利率之合理可能變化之評估。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Interest rate risk management (continued)

Interest rate sensitivity analysis (continued)

In order to keep borrowings at fixed rate and to minimise the cash flow interest rate risk, the Group uses floating to fixed interest rate swaps to manage the cash flow interest rate risk exposure associated with certain amount of borrowings issued at floating rate totalling HK\$92,494,000 (2009: HK\$54,406,000). In addition, fixed rate bank borrowings expose the Group to fair value interest rate risk. At 31 March 2010, bank borrowings of HK\$875,000 (2009: HK\$17,684,000) were at fixed rate.

If interest rates had been 50 basis points (2009: 50 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss derived from variable-rate borrowings and interest rate swap for the year ended 31 March 2010 would increase/decrease by HK\$428,000 (2009: post-tax profit would decrease/increase by HK\$832,000).

If interest rates had been 10 basis points (2009: 10 basis points) higher/lower and all other variables were held constant, the Group's post-tax loss derived from bank balances for the year ended 31 March 2010 would decrease/increase HK\$393,000 (2009: post-tax profit would increase/decrease by HK\$31,000).

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

利率風險管理(續)

利率敏感度分析(續)

為了將借貸維持於固定息率及盡量減低現金流量利率風險，本集團使用浮動轉換定息掉期，以管理與若干按浮息批出為數合共港幣92,494,000元(二零零九年：港幣54,406,000元)的借貸相關的現金流量利率風險。此外，本集團因定息銀行借貸而面對公平值利率風險。於二零一零年三月三十一日，港幣875,000元(二零零九年：港幣17,684,000元)的銀行借貸為定息借貸。

倘利率曾經上升／下跌50個基點(二零零九年：50個基點)及所有其他可變因素保持不變，則本集團於截至二零一零年三月三十一日止年度源自浮息借貸及利率掉期的除稅後虧損將增加／減少港幣428,000元(二零零九年：除稅後溢利減少／增加港幣832,000元)。

倘利率曾經上升／下跌10個基點(二零零九年：10個基點)及所有其他可變因素保持不變，則本集團於截至二零一零年三月三十一日止年度源自銀行結餘的除稅後虧損將減少／增加港幣393,000元(二零零九年：除稅後溢利增加／減少港幣31,000元)。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Other price risk

The Group is exposed to equity price risk through its investments in listed equity securities. Decisions to buy or sell listed equity securities are based on daily monitoring of the performance of individual securities compared to index of relevant stock markets and other industry indicators.

The Group is also exposed to commodity price risk (i.e. crude oil) through its investment in fuel option contracts. Decisions to enter these derivative contracts are based on daily monitoring of the price trend of crude oil compared to the its own production costs of crude oil. The management will monitor the price movements and take appropriate actions when it is required.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the reporting date. If the prices of the respective equity instruments had been 10% (2009: 10%) higher/lower, the Group's post-tax loss for the year ended 31 March 2010 would decrease/increase by HK\$3,334,000 (2009: post-tax profit would increase/decrease by HK\$1,772,000) as a result of the changes in fair value of held-for-trading investments.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

其他價格風險

本集團透過其投資於上市股本證券而面對證券價格風險。買賣上市股本證券的決定乃根據每日監察個別證券的表現與相關股票市場及其他行業指標比較後作出。

本集團亦因投資於燃油合約而面對商品價格風險(例如原油)。訂立該等衍生工具合約的決定乃根據每日監察原油價格趨勢與其自行原油的生產成本進行比較,以及人民幣兌美元現貨價格變動而作出。管理層將監察價格變動及於有需要時採取適當行動。

敏感度分析

以下的敏感度分析已根據於報告日期的證券價格風險計算。倘各自的股本工具的價格曾經上升/下跌10%(二零零九年:10%),則本集團於截至二零一零年三月三十一日止年度的除稅後虧損將會因持作買賣的投資的公平值變動而減少/增加港幣3,334,000元(二零零九年:除稅後溢利增加/減少港幣1,772,000元)。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Market risk (continued)

Other price risk (continued)

Sensitivity analysis (continued)

The sensitivity analyses below have been determined based on the exposure to crude oil commodity price risks at the reporting date. If the price of crude oil had been 10% (2009: 10%) higher/lower and all other variables were held constant, the Group's post-tax loss for the year ended 31 March 2010 would increase/decrease by HK\$786,000/HK\$643,000 (2009: post-tax profit would decrease/increase by HK\$260,000/HK\$115,000) as a result of the changes in fair value of derivative financial instruments.

Credit risk

As at 31 March 2010, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

市場風險(續)

其他價格風險(續)

敏感度分析(續)

以下的敏感度分析已根據於報告日期的原油商品價格風險計算。倘原油價格上升/下跌10%(二零零九年:10%)，而所有其他變數保持不變，則本集團於截至二零一零年三月三十一日止年度的除稅後虧損將會因衍生金融工具的公平值變動而增加/減少港幣786,000元/港幣643,000元(二零零九年:除稅後溢利減少/增加港幣260,000元/港幣115,000元)。

信貸風險

於二零一零年三月三十一日，將會因對手方未能履行責任而導致本集團蒙受財務損失的本集團最大信貸風險乃自綜合財務狀況表所述各項已確認的金融資產賬面值所產生。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Credit risk (continued)

In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The credit risk on liquid funds is limited because the counterparties are banks or financial institution with high credit ratings assigned by international credit-rating agencies or state-owned banks in the PRC.

The Group has concentration of credit risk as 43% (2009: 19%) and 62% (2009: 46%) of the total trade 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 Group has assessed the credit worthiness of these customers and all of these customers have good historical repayment records and low default rates. In this regard, the directors considered that the credit risk is low. The Group also has concentration of geographical risk as approximately 63% (2009: 50%) of the Group's turnover was generated from the customers from the PRC.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

信貸風險(續)

為了盡量降低信貸風險，本集團管理層已授權一個團隊負責釐定信貸限額、信貸批核及其他監察程序，確保採取跟進行動以收回已過期債務。此外，本集團於報告期結束時審閱每項個別貿易債務的可收回金額，確保就無法收回的金額作出足夠的減值虧損。就此而言，本公司董事認為本集團的信貸風險已顯著降低。

流動資金方面只有有限的信貸風險，原因是對手方為擁有由國際信貸評級機構給予高信貸級別的銀行或金融機構或中國的國有銀行。

本集團面對集中信貸風險，乃由於貿易應收款項總額的43% (二零零九年：19%)及62% (二零零九年：46%)分別來自油漆、混合溶劑及化工原料業務分部的本集團最大客戶及五大客戶。本集團已評估該等客戶的信用水平，而該等客戶過往均有良好的還款記錄，拖欠率偏低。因此，董事認為信貸風險並不高。由於本集團約63% (二零零九年：50%)的營業額均源自中國客戶，故本集團的地區風險較為集中。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants and timely negotiations with the lenders if any non-compliance is expected.

The Group relies on bank borrowings as a significant source of liquidity. As at 31 March 2010, the Group has available unutilised overdraft and short-term bank loan facilities of HK\$113,547,000 (2009: HK\$117,797,000).

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities based on the agreed repayment terms. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. To the extent that interest flows are at floating rates, the undiscounted amount is derived from the weighted average interest rates by reference to the HIBOR of the Group's variable-rate borrowings at the end of the reporting period.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險

於管理流動資金風險時，本集團監察及維持由管理層視為足以為本集團的營運提供資金及減輕現金流量波動影響的現金及現金等值項目水平。管理層監察銀行借貸的動用及確保遵守貸款契諾，並將於預期有任何違反契諾的情況出現時，及時與貸款人進行磋商。

本集團倚賴銀行借貸為重要的流動資金來源。於二零一零年三月三十一日，本集團擁有可供動用的尚未動用透支及短期銀行貸款額度港幣113,547,000元(二零零九年：港幣117,797,000元)。

下表詳列根據協定的償還條款，本集團的非衍生金融負債的餘下合約到期情況。該表乃根據本集團可被要求付款的最早日期，按金融負債的未折現現金流量計算。該表包括利息及本金的現金流量。倘利息流量為浮動利率，則未折現金額乃參考於報告期結束時的本集團浮息借貸的香港銀行同業拆息，以加權平均利率計算。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

In addition, the following table details the Group's liquidity analysis for its derivative financial instruments, except for the issued warrants classified as derivative financial instruments, since the settlement of which would be satisfied by the issue of new ordinary shares and does not involve any cash outflows. The tables have been drawn up based on the undiscounted contractual net cash outflows on derivative instruments (other than the issued warrants classified as derivative financial instruments) that settle on a net basis. When the amount payable is not fixed, the amount disclosed has been determined by reference to the projected interest rates as illustrated by the weighted average interest rate by reference to HIBOR of the Group's variable-rate borrowings and the terms stipulated in the contract of derivative financial instruments existing at the end of the reporting period. The liquidity analysis for the Group's derivative financial instruments (other than the issued warrants classified as derivative financial instruments) are prepared based on the contractual maturities as the management consider that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

此外，下表詳列本集團就其衍生金融工具(分類為衍生金融工具的已發行認股權證除外，原因是將透過發行新普通股結算該等認股權證，且不涉及任何現金流量)的流動資金分析。該表乃根據以淨額基準結算的衍生工具未折現合同現金流出淨額(分類為衍生金融工具的已發行認股權證除外)計算。倘應付的金額並非固定，則所披露的金額乃參考於報告期結束時本集團浮息借貸的香港銀行同業拆息的加權平均利率所顯示的預測利率，以及衍生金融工具合約所訂明的條款計算。由於管理層認為合同到期日對了解衍生工具的現金流量時間性有關鍵作用，故本集團的衍生金融工具(分類為衍生金融工具的已發行認股權證除外)流動性分析乃根據合約到期日而編製。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

6. 金融工具(續)

(b) Financial risk management objectives and policies (continued)

(b) 財務風險管理目標及政策(續)

Liquidity risk (continued)

流動資金風險(續)

		Weighted average interest rate	12 months or less	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31.3.2010 於 二零一零年 三月 三十一日 的賬面值
		加權平均 利率	12個月或 以下	1-2年	2-5年	5年以上	未折現 現金流量 總額	三月 三十一日 的賬面值
		%	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
2010	二零一零年							
Non-derivative financial liabilities	非衍生金融負債							
Non-interest bearing	不計利息							
Trade and other payables	貿易及其他應付款項		66,850	—	—	—	66,850	66,850
Fixed interest rate instruments	定息工具							
Bank borrowings	銀行借貸	2.5	895	—	—	—	895	875
Variable interest rate instruments	浮息工具							
Bank borrowings (note i)	銀行借貸(附註i)	2.11	24,240	25,043	46,869	—	96,152	92,494
			91,985	25,043	46,869	—	163,897	160,219
Derivative – net settlement (note ii)	衍生工具 – 淨額結算(附註ii)							
Interest rate swaps	利率掉期		633	646	1,019	—	2,298	2,197
Foreign currency forward contracts	外幣遠期合約		1,298	1,139	—	—	2,427	2,349
Fuel options	燃油期權		6,060	—	—	—	6,060	5,957
			7,991	1,785	1,019	—	10,785	10,503

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6. FINANCIAL INSTRUMENTS (CONTINUED)

6. 金融工具(續)

(b) Financial risk management objectives and policies (continued)

(b) 財務風險管理目標及政策(續)

Liquidity risk (continued)

流動資金風險(續)

	Weighted average interest rate	12 months or less	1-2 years	2-5 years	Over 5 years	Total undiscounted cash flows	Carrying amount at 31.3.2009
	加權平均利率	12個月或以下	1-2年	2-5年	5年以上	未折現現金流量總額	於二零零九年三月三十一日的賬面值
	%	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
2009							
Non-derivative financial liabilities							
Non-interest bearing							
Trade and other payables							
		79,740	—	—	—	79,740	79,740
Fixed interest rate instruments							
Bank borrowings	5.65	2,955	4,119	10,079	1,671	18,824	17,684
Variable interest rate instruments							
Bank borrowings (note i)	2.84	14,071	15,071	29,875	—	59,017	54,406
		96,766	19,190	39,954	1,671	157,581	151,830
Derivative – net settlement (note ii)							
Foreign currency forward contracts		584	—	—	—	584	568
Fuel options		60,228	37,623	—	—	97,851	93,727
		60,812	37,623	—	—	98,435	94,295

Notes:

- (i) For the Group's variable-rate interest borrowings, the weighted average effective interest rate of the Group's variable-rate borrowings at the end of each reporting period is used for undiscounted cash flow analysis.
- (ii) The undiscounted cash flow of derivative financial instrument was determined assuming all variables used in the fair value calculation at the end of each reporting period remained the same until maturity.

附註:

- (i) 就本集團的浮息借貸而言，未折現現金流量分析乃採用於各報告期結束時本集團的浮息借貸的加權平均實際利率計算。
- (ii) 釐定衍生金融工具的未折現現金流量時，乃假設於各報告期結束時直至到期日，用作計算公平值的所有變數維持不變。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(b) Financial risk management objectives and policies (continued)

Liquidity risk (continued)

The amounts included above for variable interest rate instruments for non-derivative financial liabilities is subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

(c) Fair value of financial instruments

The fair value of financial assets and financial liabilities are determined as follows:

- the fair value of financial assets and financial liabilities (excluding derivative instruments) is determined in accordance with generally accepted pricing models based on discounted cash flow analysis; and
- the fair value of derivative instruments is calculated using quoted prices. Where such prices are not available, use is made of discounted cash flow analysis using the applicable yield curve for the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

6. 金融工具(續)

(b) 財務風險管理目標及政策(續)

流動資金風險(續)

上述計入非衍生金融負債浮息工具之金額，將於浮動利率之變動與於報告期結束時釐定之估計利率變動有差異時而有所變動。

(c) 金融工具的公平值

金融資產及金融負債的公平值按以下方式釐定：

- 金融資產及金融負債(不包括衍生工具)之公平值乃根據公認定價模式，按折現現金流量分析法釐定；及
- 衍生工具的公平值乃採用報價計算。倘並無該等價格可供採用，則就非選擇性衍生工具而言，可採用於工具有效期內的適當收益曲線以運用折現現金流量分析，而就選擇性衍生工具而言，則可採用期權定價模式。

董事認為於綜合財務報表內按攤銷成本入賬的金融資產及金融負債的賬面值與其公平值相若。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

(c) Fair value of financial instruments (continued)

Fair value measurements recognised in the consolidated statement of financial position

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 and Level 3 based on the degree to which the fair value is observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active market for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

6. 金融工具(續)

(c) 金融工具的公平值(續)

於綜合財務狀況表確認的公平值計量

下表提供初步以公平值確認後計量之金融工具分析，並按可觀察公平值程度分為一及三級。

- 第一級公平值計量乃從相同資產或負債於活躍市場的報價(未經調整)得出。
- 第二級公平值計量乃從第一級所載報價以外的可觀察資產或負債輸入數據直接(即價格)或間接(即源自價格)得出。
- 第三級公平值計量乃從並非根據可觀察市場數據(不可觀察輸入數據)計算的資產或負債輸入數據而組成的估值技巧得出。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

6. 金融工具(續)

(c) Fair value of financial instruments (continued)

(c) 金融工具的公平值(續)

Fair value measurements recognised in the consolidated statement of financial position (continued)

於綜合財務狀況表確認的公平值計量(續)

		2010 二零一零年			
		Level 1 第一級	Level 2 第二級	Level 3 第三級	Total 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
Financial assets at FVTPL	按公平值計入損益的金融資產				
Held-for-trading investments	持作買賣的投資	33,334	—	—	33,334
Derivative financial instruments held-for-trading	持作買賣的衍生金融工具	—	866	452	1,318
		33,334	866	452	34,652
Financial liabilities at FVTPL	按公平值計入損益的金融負債				
Derivative financial instruments held-for-trading	持作買賣的衍生金融工具	—	2,197	8,306	10,503
Other derivative instruments	其他衍生工具	—	—	59,913	59,913
Warrants	認股權證	—	—	—	—
		—	2,197	68,219	70,416

There were no transfers between Level 1 and 2 in the current year.

於本年度內，第一級及第二級之間並無轉撥。

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6. FINANCIAL INSTRUMENTS (CONTINUED)

6. 金融工具(續)

(c) Fair value of financial instruments (continued)

(c) 金融工具的公平值(續)

Reconciliation of Level 3 fair value measurement of derivative financial instruments

衍生金融工具第三級公平值計量的對賬

		2010 二零一零年	
		Derivative financial instruments 衍生金融工具 HK\$'000 港幣千元	Warrants 認股權證 HK\$'000 港幣千元
At 1 April	於四月一日	(63,342)	—
Additions	添置	3,250	(22,499)
Settlements/de-recognition	結算/取消確認	52,730	1,545
Change in fair value recognised in profit or loss	於損益確認的公平值變動	(492)	(38,959)
At 31 March	於三月三十一日	(7,854)	(59,913)

The above change in fair value is included in “other gain or loss” and reported as “gain (loss) from changes in fair value changes of derivative financial instruments” in the consolidated income statement.

以上公平值變動乃計入「其他收益或虧損」及於綜合收益表呈報為「衍生金融工具公平值變動的收益(虧損)」。

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7. REVENUE AND SEGMENT INFORMATION

The Group has adopted HKFRS 8 Operating Segments with effect from 1 April 2009. HKFRS 8 is a disclosure standard that requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker (i.e. the board of directors) for the purpose of allocating resources to segments and assessing their performance. In contrast, the predecessor Standard (HKAS 14 Segment Reporting) required an entity to identify two sets of segments (business and geographical) using a risks and returns approach. In the past, the Group's primary reporting format was business segments. The application of HKFRS 8 has not resulted in a redesignation of the Group's segments as compared with the primary segments determined in accordance with HKAS 14.

The factors that used to identify the Group's operating segments, including the basis of organisation are mainly based on the types of products sold and services provided by the Group's operating divisions as follows:

- manufacture and sale of paints, blended solvents and plastic colorants and trading of chemical materials ("paints, blended solvents, chemical materials and plastic colorants");
- provision of painting services ("service contract");
- exploitation and sale of crude oil ("crude oil"); and
- lease of investment properties and the sale of properties held for trading ("property investment")

Information regarding the above segments is reported below. Amounts reported for the prior year have been restated to conform to the requirements of HKFRS 8.

7. 收益及分類資料

本集團已採納由二零零九年四月一日起生效的香港財務報告準則第8號「經營分類」。香港財務報告準則第8號乃一項披露準則，規定經營分類將以主要營運決策者(即董事會)定期審閱的本集團組成部分的內部報告作為基礎識別，以供分配資源予各分類及評估其表現。相對而言，先前準則(香港會計準則第14號「分類呈報」)規定實體採用風險及回報方法識別兩組分類(業務及地區)。以往，本集團的主要呈報方式為業務分類。與根據香港會計準則第14號釐定的主要可呈報分類相比，採納香港財務報告準則第8號並無導致本集團的分類須重新劃分。

用於識別本集團經營分類的因素(包括組織架構基準)主要以本集團的下列經營部門所出售產品及所提供服務的類型為依據：

- 製造及銷售油漆、混合溶劑及塑料著色劑及買賣化工原料(「油漆、混合溶劑、化工原料及塑料著色劑」)；
- 提供塗料服務(「服務合約」)；
- 開採及銷售原油(「原油」)；及
- 投資物業租賃及銷售持作買賣物業(「物業投資」)。

有關上述分類的資料於下文呈列。往年所呈報的金額已作重列，以符合香港財務報告準則第8號的規定。

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7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

7. 收益及分類資料(續)

(a) Segment revenue and results

The following is an analysis of the Group's revenue and results by operating segments.

For year ended 31 March 2010

(a) 分類收益及業績

本集團按經營分類劃分的收益及業績分析如下：

截至二零一零年三月三十一日止年度

		Paints, blended solvents, chemical materials and plastic colorants 油漆、 混合溶劑、 化工原料及 塑料著色劑	Service contract 服務合約	Crude oil 原油	Property investment 物業投資	Segment total 分類總計	Eliminations 對銷	Consolidated 綜合
		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
Segment revenue	分類收益							
External sales	對外銷售	271,811	20,500	6,461	9,210	307,982	—	307,982
Inter-segment sales	業務之間銷售	25,764	4,418	—	—	30,182	(30,182)	—
Total	合計	297,575	24,918	6,461	9,210	338,164	—	307,982
Segment result	分類業績							
Segment (loss) profit	分類(虧損)溢利	(122,631)	1,436	(16,938)	2,058	—	—	(136,075)
Unallocated other income	未分配其他收入							440
Unallocated expenses	未分配開支							(121,463)
Share of result of an associate	應佔聯營公司業績							(1,075)
Finance costs	融資成本							(2,625)
Loss before income tax	除所得稅前虧損							(260,798)

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For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

7. 收益及分類資料(續)

(a) Segment revenue and results (continued)

(a) 分類收益及業績(續)

For year ended 31 March 2009

截至二零零九年三月三十一日止年度

		Paints, blended solvents, chemical materials and plastic colorants 油漆、 混合溶劑、 化工原料及 塑料著色劑	Service contract 服務合約	Crude oil 原油	Property investment 物業投資	Segment total 分類總計	Eliminations 對銷	Consolidated 綜合
		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
Segment revenue	分類收益							
External sales	對外銷售	354,722	32,685	7,722	4,280	399,409	—	399,409
Inter-segment sales	業務之間銷售	30,476	—	—	—	30,476	(30,476)	—
Total	合計	385,198	32,685	7,722	4,280	429,885	—	399,409
Segment result	分類業績							
Segment (loss) profit	分類(虧損)溢利	(63,268)	4,423	(156,861)	(2,065)	—	—	(217,771)
Unallocated other income	未分配其他收入							262,396
Unallocated expenses	未分配開支							(27,743)
Finance costs	融資成本							(5,429)
Profit before income tax	除所得稅前溢利							11,453

The accounting policies of the operating segments are the same as the Group's accounting policies as described in note 3. Segment (loss) profit represents the loss made or profit earned by each segment without allocation of incomes or expenses which are not recurring in nature and unrelated to the Group's operating performance, bank interest income, central administration costs, directors' emoluments, share of result of an associate, changes in fair value of held-for-trading investments and derivative financial instruments and finance costs. This is the measure reported to the chief operating decision maker that is the directors of the Company for the purposes of resource allocation and performance assessment.

Inter-segment sales are charged at prevailing market rates.

經營分類的會計政策與附註3所述的本集團會計政策相同。分類(虧損)溢利指各分類在並無分配屬非經常性質且與本集團的經營表現、銀行利息收入、中央行政費用、董事酬金、分佔一間聯營公司業績、持作買賣投資及衍生金融工具的公平值變動及融資成本無關的收入或開支的情況下，所錄得的虧損或賺取的溢利。此乃供資源分配及表現評估而向主要營運決策者(即本公司的董事)呈報的方式。

業務之間銷售乃按現行市價計算。

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7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

7. 收益及分類資料(續)

(b) Segment assets

The following is an analysis of the Group's assets by operating segment:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Segment assets	分類資產		
Paints, blended solvents, chemical materials and plastic colorants	油漆、混合溶劑、化工原料及塑料著色劑	138,337	324,087
Service contract	服務合約	14,403	22,075
Crude oil	原油	2,119,872	2,088,062
Property investment	物業投資	46,197	16,596
Total segment assets	分類資產總額	2,318,809	2,450,820
Unallocated	未分配	570,726	95,891
Consolidated assets	綜合資產	2,889,535	2,546,711

(b) 分類資產

本集團按經營分類劃分的資產分析如下：

For the purposes of monitoring segment performances and allocating resources between segments, all assets are allocated to operating segments other than, interest in an associate, deposits paid for a jointly controlled operation, deposits paid for long-term assets, held-for-trading investments, derivative financial assets, tax recoverable, bank balances and cash and other corporate assets.

The chief operating decision maker mainly reviews the segment assets for the purposes of resource allocation and performance assessment. An analysis of the Group's liabilities is not regularly reviewed by the chief operating decision maker and hence, the relevant information is not presented accordingly.

就監察分類表現及於分類間分配資源而言，所有資產均分配至為經營分類(於一間聯營公司的權益、就一間共同控制實體支付的訂金、就長期資產支付的訂金、持有作買賣的投資、衍生金融資產、可收回稅項、銀行結餘及現金及其他公司資產除外)。

主要營運決策者主要審閱分類資產以進行資源分配及表現評估。本集團的負債分析並無定期提供予主要營運決策者作審閱，因此並無呈列有關資料。

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7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

7. 收益及分類資料(續)

(c) Other segment information

(c) 其他分類資料

		For the year ended 31 March 2010 截至二零一零年三月三十一日止年度			
		Paints, blended solvents, chemical materials and plastic colorants 油漆、 混合溶劑、 化工原料及 塑料著色劑 HK\$'000 港幣千元	Service contract 服務合約 HK\$'000 港幣千元	Crude oil 原油 HK\$'000 港幣千元	Property investment 物業投資 HK\$'000 港幣千元
Amount included in the measure of segment profit or loss or segment assets:	計入分類溢利或虧損或分類資產的金額：				
Additions to non-current assets*	添置非流動資產*	6,178	82	18,866	126
Depreciation and amortisation	折舊及攤銷	(13,875)	(105)	(1,165)	(1,159)
Property, plant and equipment written off	物業、廠房及設備撇銷	(45,786)	—	—	—
Impairment loss recognised on investment properties	就投資物業確認的減值虧損	—	—	—	(14,393)
Impairment loss on trade and other receivables	貿易及其他應收款項的減值虧損	(13,725)	(1,433)	(6,936)	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	(122)	—	(21)	—

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7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

7. 收益及分類資料(續)

(c) Other segment information

(c) 其他分類資料

		For the year ended 31 March 2009 截至二零零九年三月三十一日止年度			
		Paints, blended solvents, chemical materials and plastic colorants 油漆、 混合溶劑、 化工原料及 塑料著色劑	Service contract 服務合約	Crude oil 原油	Property investment 物業投資
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
Amount included in the measure of segment profit or loss or segment assets:	計入分類溢利或虧損或分類資產的金額：				
Additions to non-current assets*	添置非流動資產*	23,037	556	404,024	781
Depreciation and amortisation	折舊及攤銷	(15,017)	(120)	(104,390)	—
Impairment loss recognised on other intangible assets	就其他無形資產確認的減值虧損	(9,340)	—	—	—
Impairment loss recognised on goodwill	就商譽確認的減值虧損	(929)	—	—	—
Impairment loss recognised on trade and other receivables	就貿易應收款項及其他應收款項確認的減值虧損	(11,046)	—	—	—
Impairment loss recognised on properties held-for-trading	就持作買賣物業確認的減值虧損	—	—	—	(411)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	(447)	—	—	—

* Capital additions include additions to property, plant and equipment during 2010, while it also included other intangible assets in 2009.

* 資本增加包括於二零一零年添置的物業、廠房及設備，亦包括二零零九年的其他無形資產。

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For the year ended 31 March 2010

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7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(d) Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Paints	油漆	61,181	107,038
Blended solvents	混合溶劑	207,806	245,529
Plastic colorants	塑料著色劑	1,009	1,523
Other chemical materials	其他化工原料	1,815	632
Service contract	服務合約	20,500	32,685
Crude oil	原油	6,461	7,722
Property investment	物業投資	9,210	4,280
		307,982	399,409

7. 收益及分類資料(續)

(d) 來自主要產品及服務的收益

本集團來自其主要產品及服務的收益分析如下：

(e) Geographical information

The Group's operations are mainly located on PRC and Hong Kong. The Group's revenue from continuing operations from external customers and information about its non-current assets by geographical location of the assets are detailed below:

(e) 地區資料

本集團的業務主要位於中國及香港。本集團按資產所在地區劃分來自持續經營業務的外來客戶的收益及有關其非流動資產的資料如下：

		Revenue from external customers 外來客戶收益 Year ended 截至以下日期之年度		Non-current assets 非流動資產 Year ended 截至以下日期之年度	
		31.3.2010 二零一零年 三月三十一日 HK\$'000 港幣千元	31.3.2009 二零零九年 三月三十一日 HK\$'000 港幣千元	31.3.2010 二零一零年 三月三十一日 HK\$'000 港幣千元	31.3.2009 二零零九年 三月三十一日 HK\$'000 港幣千元
PRC	中國	195,188	198,716	2,165,676	2,273,836
Hong Kong	香港	112,794	200,693	79,124	41,230
Others	其他	—	—	69,988	—
		307,982	399,409	2,314,788	2,315,066

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7. REVENUE AND SEGMENT INFORMATION (CONTINUED)

(e) Geographical information (continued)

The Group's non-current assets above excluding financial instruments and deferred tax asset, if any.

- (f) In the operating segment of paints, blended solvents, chemical materials and plastic colorants, revenue contribution from one customer of HK\$68,000,000 during the year ended 31 March 2010 and revenue contributions from two individual customers of HK\$93,000,000 and HK\$40,000,000 each during the year ended 31 March 2009 were more than 10% of the Group's total revenue.

7. 收益及分類資料(續)

(e) 地區資料(續)

本集團非流動資產不包括金融工具及遞延稅項資產(如有)。

- (f) 就塗料、混合溶劑、化學原料及塑料著色劑經營分部而言，於截至二零一零年三月三十一日止年度來自一名客戶的營業額港幣68,000,000元，以及於截至二零零九年三月三十一日止年度分別來自兩名個別客戶的營業額港幣93,000,000元及港幣40,000,000元多於本集團營業額總額的10%。

8. OTHER INCOME

8. 其他收入

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Other income comprises:	其他收入包括：		
Rental income	租金收入	4,579	3,152
Bank interest income	銀行利息收入	325	934
Other interest income	其他利息收入	131	1,538
Other income	其他收入	94	1,609
		5,129	7,233

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9. OTHER GAINS AND LOSSES

9. 其他收益及虧損

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Exchange loss, net	匯兌虧損淨額	(139)	(5,327)
Gain on bargain purchase arising from a business combination (note 37a)	因業務合併而產生的議價購入收益(附註37a)	—	259,924
Fair value adjustment on warrants classified as derivative financial instruments at issue date	於發行日期分類為衍生金融工具的認股權證的公平值調整	(21,729)	—
Impairment loss recognised on trade and other receivables, net	就貿易及其他應收款項確認的減值虧損	(22,094)	(11,046)
Impairment loss recognised on investment properties	就投資物業確認的減值虧損	(14,393)	—
Impairment loss recognised on other intangible assets (note 21)	就無形資產確認的減值虧損(附註21)	—	(9,340)
Impairment loss recognised on goodwill (note 20)	就商譽確認的減值虧損(附註20)	—	(929)
Allowance for write-down of properties held for trading	持作買賣物業撇減撥備	—	(411)
Property, plant and equipment written off	物業、廠房及設備撇銷	(45,786)	—
Loss on disposal of subsidiaries (note 39)	出售附屬公司的虧損(附註39)	(24,695)	(2,101)
Loss on disposal of an associate	出售聯營公司的虧損	(4,467)	—
Loss on disposal of property, plant and equipment	出售物業、廠房及設備的虧損	(143)	(447)
Loss on early redemption of convertible bonds	提早贖回可換股債券的虧損	—	(1,663)
Loss from changes in fair value of derivative financial instruments (note)	衍生金融工具的公平值變動虧損(附註)	(40,214)	(23,265)
Gain (loss) from change in fair value of held-for-trading investments	持有作買賣的投資的公平值變動收益(虧損)	19,322	(14,806)
Others	其他	1,228	(555)
		(153,110)	190,034

Note: The amount in the current year includes the loss from changes in fair value of warrants classified as derivative financial instruments of HK\$38,959,000 (2009: nil).

附註：本年度的金額包括分類為衍生金融工具的認股權證公平值變動虧損港幣38,959,000元(二零零九年：無)。

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10. FINANCE COSTS

10. 融資成本

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Interest on:	以下各項的利息：		
Bank loans and overdrafts wholly repayable within 5 years	須於五年內悉數償還的銀行貸款及透支	2,625	1,627
Convertible bonds wholly repayable within 5 years	須於五年內悉數償還的可換股債券	—	3,802
		2,625	5,429

11. INCOME TAX EXPENSE

11. 所得稅開支

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Hong Kong Profits Tax	香港利得稅		
— Underprovision in prior years	— 過往年度撥備不足	—	4
PRC Enterprise Income Tax	中國企業所得稅		
— Current year	— 本年度	196	1,217
— Underprovision in prior years	— 過往年度撥備不足	1,543	2
		1,739	1,219
Deferred tax	遞延稅項		
Current year credit (note 33)	— 本年度抵免 (附註33)	—	(506)
Income tax expense for the year	本年度所得稅開支	1,739	717

Hong Kong Profits Tax is calculated at 16.5% on the estimated assessable profit for both years.

兩個年度的香港利得稅乃按估計應課稅溢利的16.5%計算。

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11. INCOME TAX EXPENSE (CONTINUED)

Under the Law of the People's Republic of China on Enterprise Income Tax (the "EIT Law") and its detailed implementation rules promulgated on 16 March 2007 and 6 December 2007 respectively, for those subsidiaries without preferential tax rate, the new tax rate for domestic and foreign enterprises was unified at 25% and had become effective from 1 January 2008. For those subsidiaries enjoying a preferential tax rate, the new tax rate would increase from 15% over 5 years to 25% as a result of the grandfathering provisions.

Taxation on PRC profits has been calculated on the estimated assessable profit for both years at the rates of taxation prevailing in the PRC in which the Group operates.

Details of deferred taxation are set out in note 33.

In considering the majority of income tax expenses is sourced from the profits earned in the PRC, where the operation of the Group is substantially based, the directors during the year considered the PRC Enterprise Income Tax rate of 25% as the domestic tax rate which is the most appropriate applicable tax rate used for tax reconciliation purposes.

11. 所得稅開支(續)

根據分別於二零零七年三月十六日及二零零七年十二月六日頒佈的中華人民共和國企業所得稅法(「企業所得稅法」)及其詳細實施細則，對並無享有優惠稅率的附屬公司而言，內資及外資企業的新稅率將劃一為25%，並由二零零八年一月一日開始生效。對享有優惠稅率的附屬公司而言，新稅率將由於不追溯條文的規定，於五年內由15%增加至25%。

中國的稅項乃根據於兩個年度的估計應課稅溢利按本集團經營所在地的中國現行稅率計算。

遞延稅項的詳情載於附註33。

考慮到大部分所得稅開支乃來自於中國(本集團的主要業務基地)賺取的溢利，董事於年內將中國企業所得稅率25%視作中國稅率，該稅率就稅項對賬而言屬最恰當的適用稅率。

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11. INCOME TAX EXPENSE (CONTINUED)

11. 所得稅開支(續)

The income tax expense for the year can be reconciled to the (loss) profit before income tax per the consolidated income statement as follows:

本年度所得稅開支與綜合收益表內除所得稅前(虧損)溢利的對賬如下:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
(Loss) profit before income tax	除所得稅前(虧損)溢利	(260,798)	11,453
Tax at domestic income tax rate of 25% (2009: 16.5%)	按本地所得稅稅率25% (二零零九年: 16.5%) 計算的稅項	(65,200)	1,890
Tax effect of share of result of an associate	應佔聯營公司業績的 稅務影響	268	—
Effect of different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區經營的 附屬公司的不同稅率 影響	3,906	(4,282)
Tax effect of deductible temporary differences not recognised	未確認可扣減暫時差異 的稅務影響	21,854	6,307
Tax effect of tax losses not recognised	未確認稅項虧損的 稅務影響	12,003	1,485
Tax effect of income not taxable for tax purpose	毋須課稅收入的 稅務影響	(23,358)	(46,256)
Tax effect of expenses not deductible for tax purpose	不可扣稅開支的 稅務影響	49,417	40,475
Underprovision in prior years	過往年度撥備不足	1,543	6
Others	其他	1,306	1,092
Income tax expense for the year	本年度所得稅開支	1,739	717

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12. (LOSS) PROFIT FOR THE YEAR

12. 本年度(虧損)溢利

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
(Loss) profit for the year has been arrived at after charging:	本年度(虧損)溢利已扣除下各項:		
Directors' emoluments	董事酬金		
— Fees	— 袍金	770	940
— Salaries and other emoluments (including share-based payment)	— 薪金及其他酬金 (包括以股份支付的款項)	18,804	7,144
Other staff costs	其他員工成本		
— Salaries, wages and other benefits	— 薪金、工資及其他福利	24,094	34,655
— Share-based payments (excluding the amount included in directors' emoluments)	— 以股份支付的款項 (計入董事酬金的款項除外)	19,832	12,057
— Contribution to defined contribution retirement plan (excluding amount included in directors' emoluments)	— 定額供款退休計劃的供款 (計入董事酬金的款項除外)	2,008	1,640
Total staff costs	員工成本總額	65,508	56,436
Auditors' remuneration	核數師酬金	2,587	2,766
Cost of inventories	存貨成本	272,126	363,405
Release of prepaid lease payment	預付租賃付款撥回	652	1,123
Depreciation	折舊		
— Owned property, plant and equipment	— 自置物業、廠房及設備	13,813	14,188
— Oil properties	— 採油資產	21	2,269
— Investment properties	— 投資物業	1,159	—
Allowance for write-down of inventories (included in cost of inventories)	存貨撇減撥備 (計入存貨成本)	185	188
Research and development costs	研發成本	—	92

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13. DIRECTORS' EMOLUMENTS

The emoluments paid or payable to each of seven (2009: eight) directors were as follows:

13. 董事酬金

已付或應付予七名(二零零九年: 八名)董事各自的酬金如下:

		2010 二零一零年				
		Salaries Allowances and Retirement scheme contributions	Employee share option benefits		Total	
Director's fees	benefits in kind	benefits in kind	Retirement scheme contributions	Employee share option benefits	Total	
董事袍金	薪金、 津貼及 實物利益	薪金、 津貼及 實物利益	退休計劃 供款	僱員購股權 福利	合計	
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	
Executive Directors	執行董事					
Mr. Poon Sum	潘森先生	—	5,394	12	9,669	15,075
Mr. Wong Kwok Leung	黃國良先生	—	470	12	264	746
Mr. Poon Wai Kong	潘偉剛先生	—	1,277	12	941	2,230
		—	7,141	36	10,874	18,051
Independent Non-Executive Directors	獨立非執行董事					
Mr. Chan Shu Kin	陳樹堅先生	240	—	—	251	491
Mr. Chan Kam Ching, Paul	陳錦程先生	240	—	—	251	491
Mr. Cheung Kwan Hung	張鈞鴻先生	240	—	—	251	491
		720	—	—	753	1,473
Non-Executive Directors	非執行董事					
Mr. Chen Lizhong	陳立忠先生	50	—	—	—	50
Total	合計	770	7,141	36	11,627	19,574

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13. DIRECTORS' EMOLUMENTS (CONTINUED) 13. 董事酬金(續)

		2009 二零零九年				
		Salaries Allowances and Director's fees	Retirement scheme contributions	Employee share option benefits		Total
		薪金、 津貼及 董事袍金	退休計劃 供款	僱員購股權 福利		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	—	4,591	12	—	4,603
Mr. Wong Kwok Leung	黃國良先生	—	420	12	—	432
Mr. Poon Wai Kong	潘偉剛先生	—	792	12	894	1,698
		—	5,803	36	894	6,733
Independent Non-Executive Directors	獨立非執行董事					
Mr. Chan Shu Kin	陳樹堅先生	240	—	—	—	240
Mr. Chan Kam Ching, Paul	陳錦程先生	240	—	—	—	240
Mr. Cheung Kwan Hung	張鈞鴻先生	240	—	—	—	240
		720	—	—	—	720
Non-Executive Directors	非執行董事					
Mr. Chen Lizhong	陳立忠先生	220	—	—	411	631
Mr. Chew Lye Yin	趙麗瑛女士	—	—	—	—	—
		220	—	—	411	631
Total	合計	940	5,803	36	1,305	8,084

None of the directors of the Company waived any emoluments payable by the Group during the year (2009: Nil).

年內，本公司董事概無放棄收取本集團所支付的任何酬金(二零零九年：無)。

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14. EMPLOYEES' EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2009: two) were directors of the Company whose emoluments are included in note 13. The emoluments of the remaining three (2009: three) individuals were as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Salaries and other emoluments	薪金及其他酬金	1,320	2,535
Share-based payments	以股份支付的款項	4,538	2,209
Contribution to defined contribution retirement plan	定額供款退休計劃的供款	24	31
		5,882	4,775

Their emoluments were within the following bands:

彼等的酬金界乎以下範圍：

		Number of individuals 人數	
		2010 二零一零年	2009 二零零九年
HK\$500,000 to HK\$1,000,000	港幣500,000元至 港幣1,000,000元	—	1
HK\$1,000,001 to HK\$1,500,000	港幣1,000,001元至 港幣1,500,000元	—	—
HK\$1,500,001 to HK\$2,000,000	港幣1,500,001元至 港幣2,000,000元	1	1
HK\$2,000,001 to HK\$2,500,000	港幣2,000,001元至 港幣2,500,000元	2	1
		3	3

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.

於本年度及往年度，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。

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15. DIVIDEND

No dividend was paid or proposed during 2010 and 2009, nor has any dividend been proposed since the end of the reporting period.

16. (LOSS) EARNINGS PER SHARE

The calculation of basic and diluted (loss) earnings per share attributable to the owners of the Company is based on the following data:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
(Loss) earnings	(虧損) 盈利		
(Loss) earnings for the purpose of calculating basic and diluted (loss) earnings per share	用於計算每股基本及攤薄虧損／盈利的(虧損) 盈利	(262,348)	55,143
		2010 二零一零年 '000 千股	2009 二零零九年 '000 千股
Number of shares	股份數目		
Weighted average number of ordinary shares for the purposes of calculating basic (loss) earnings per share	用於計算每股基本(虧損) 盈利的普通股加權平均股數	2,719,395	1,833,877
Effect of dilutive potential ordinary shares on share options	購股權的潛在普通股的攤薄影響	—	15,635
Weighted average number of ordinary shares for the purposes of diluted (loss) earnings per share	用於計算每股攤薄(虧損) 盈利的普通股加權平均數	2,719,395	1,849,512

15. 股息

於二零一零年及二零零九年並無派付或建議派付股息，而自報告期結束以來亦無建議派付任何股息。

16. 每股(虧損) 盈利

本公司擁有人應佔每股基本及攤薄(虧損) 盈利乃根據以下數據計算。

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16. (LOSS) EARNINGS PER SHARE (CONTINUED)

Notes:

- (i) No diluted losses per share have been presented for the year because the share options and warrants outstanding had an anti-dilutive effect in the calculation of diluted loss per share.
- (ii) The computation of diluted earnings per share for 2009 did not assume the exercise of the Company's outstanding warrants as the exercise price of those warrants was higher than the average market prices of shares in 2009.

16. 每股(虧損)盈利(續)

附註：

- (i) 由於尚未行使的購股權及認股權證對計算每股攤薄虧損具有反攤薄影響，故此並無呈列本年度每股攤薄虧損。
- (ii) 計算二零零九年每股攤薄盈利時並無假設本公司尚未行使的認股權證獲行使，原因為該等認股權證的行使價高於股份於二零零九年的平均市價。

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Construction in progress 在建工程							Total 合計
		Buildings 樓宇	Plant and machinery 廠房與機器	Furniture, fixture and equipment 傢具、裝置與設備	Motor vehicles 汽車	Oil properties 採油資產	Oil properties under construction 在建工程興建中的採油資產	Others 其他	
		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	HK\$'000 港幣千元
COST	成本值								
At 1 April 2008	於二零零八年四月一日	83,793	69,696	39,115	9,924	12,486	14,504	500	230,018
Acquired on acquisition of subsidiaries	透過收購附屬公司獲取	—	412	36	130	—	—	—	578
Additions	添置	—	14,317	8,967	3,221	5,561	8,181	15,022	55,269
Disposals	出售	—	(468)	(28)	(3,011)	—	—	—	(3,507)
Disposals of subsidiaries	出售附屬公司	—	(192)	(52)	(976)	—	—	—	(1,220)
Write-off	撇銷	—	—	—	(165)	—	—	—	(165)
Transfer	轉撥	—	—	—	—	8,715	(8,445)	(270)	—
Exchange realignment	匯兌調整	542	959	264	118	295	170	27	2,375
At 1 April 2009	於二零零九年四月一日	84,335	84,724	48,302	9,241	27,057	14,410	15,279	283,348
Additions	添置	—	1,464	2,529	2,287	841	16,706	1,305	25,132
Disposals	出售	—	(15)	—	(540)	(35)	—	—	(590)
Disposals of subsidiaries	出售附屬公司	(19,012)	(13,031)	(5,313)	(2,037)	—	—	—	(39,393)
Write-off (note i)	撇銷(附註i)	(5,591)	(22,884)	(39,624)	—	—	—	(9,481)	(77,580)
Transfer	轉撥	—	—	3,665	—	5,199	(4,860)	(4,004)	—
Transferred to investment properties	轉撥至投資物業	(59,351)	—	—	—	—	—	—	(59,351)
Exchange realignment	匯兌調整	69	176	41	15	91	21	42	455
At 31 March 2010	於二零一零年三月三十一日	450	50,434	9,600	8,966	33,153	26,277	3,141	132,021

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17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

17. 物業、廠房及設備(續)

		Buildings	Plant and machinery	Furniture, fixture and equipment	Motor vehicles	Oil properties	Construction in progress		Total
							Oil properties under construction	Others	
		樓宇	廠房與機器	傢具、裝置與設備	汽車	採油資產	在建工程 採油資產	其他	合計
		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
ACCUMULATED DEPRECIATION	累計折舊								
At 1 April 2008	於二零零八年四月一日	6,861	18,832	20,106	5,999	945	—	—	52,743
Provided for the year	本年度撥備	2,295	7,584	2,983	1,326	2,269	—	—	16,457
Eliminated on disposals	出售時對銷	—	(354)	(25)	(2,110)	—	—	—	(2,489)
Eliminated on disposals of subsidiaries	出售附屬公司時對銷	—	(20)	(18)	(46)	—	—	—	(84)
Write-off	撇銷	—	—	—	(165)	—	—	—	(165)
Exchange realignment	匯兌調整	60	220	174	58	23	—	—	535
At 1 April 2009	於二零零九年四月一日	9,216	26,262	23,220	5,062	3,237	—	—	66,997
Provided for the year	本年度撥備	1,125	8,312	3,101	1,275	21	—	—	13,834
Eliminated on disposals	出售時對銷	—	(3)	—	(436)	(8)	—	—	(447)
Eliminated on disposals of subsidiaries	出售附屬公司時對銷	(4,027)	(5,617)	(1,041)	(476)	—	—	—	(11,161)
Write-off (note i)	撇銷(附註i)	(876)	(14,137)	(16,781)	—	—	—	—	(31,794)
Transfer to investment properties	轉撥至投資物業	(5,398)	—	—	—	—	—	—	(5,398)
Exchange realignment	匯兌調整	12	43	19	5	10	—	—	89
At 31 March 2010	於二零一零年 三月三十一日	52	14,860	8,518	5,430	3,260	—	—	32,120
CARRYING VALUES	賬面值								
At 31 March 2010	於二零一零年 三月三十一日	398	35,574	1,082	3,536	29,893	26,277	3,141	99,901
At 31 March 2009	於二零零九年 三月三十一日	75,119	58,462	25,082	4,179	23,820	14,410	15,279	216,351

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17. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

17. 物業、廠房及設備(續)

The carrying value of buildings shown above comprises:

上表呈列的樓宇賬面值包括：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
In Hong Kong	位於香港		
Medium-term lease	— 中期租賃	398	407
Outside Hong Kong	位於香港以外地區		
Short-term lease	— 短期租賃	—	46,131
Medium-term lease	— 中期租賃	—	28,581
		398	75,119

Notes:

附註：

- (i) During the year, the directors decided to early terminate the tenancy contract over an area of leased land on which certain property, plant and equipment was attached, which then became idle and resulted in a write off of property, plant and equipment of HK\$45,786,000 which was charged to profit or loss accordingly.
- (ii) The Group has pledged buildings with a carrying value of HK\$398,000 (2009: HK\$29,794,000) to secure general banking facilities granted to the Group as detailed in note 42.

- (i) 於年內，董事決定提早終止一幅附有若干物業、廠房及設備的租賃土地面積的租賃合約，隨後該等物業、廠房及設備閒置及導致其撇銷虧損港幣45,786,000元，並相應於損益中扣除。
- (ii) 本集團已抵押賬面值約為港幣398,000元(二零零九年：港幣29,794,000元)的樓宇，以取得授予本集團的一般銀行信貸。(詳情載列於附註42)

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18. PREPAID LEASE PAYMENTS

18. 預付租賃款項

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
COST	成本值		
At 1 April	於四月一日	38,609	37,813
Addition	添置	—	—
Disposal of subsidiaries	出售附屬公司	(33,832)	—
Exchange realignment	匯兌調整	116	796
At 31 March	於三月三十一日	4,893	38,609
ACCUMULATED AMORTISATION	累計攤銷		
At 1 April	於四月一日	2,935	1,780
Release for the year	年內撥出	652	1,123
Eliminated on disposal of subsidiaries	出售附屬公司時對銷	(2,100)	—
Exchange realignment	匯兌調整	6	32
At 31 March	於三月三十一日	1,493	2,935
CARRYING VALUES	賬面值		
At 31 March	於三月三十一日	3,400	35,674

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18. PREPAID LEASE PAYMENTS (CONTINUED) 18. 預付租賃款項(續)

The Group's prepaid lease payments comprise:

本集團的預付租賃款項包括：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Leasehold land in Hong Kong — Medium-term lease	位於香港的租賃土地 — 中期租賃	1,233	1,255
Leasehold land outside Hong Kong — Medium-term lease	位於香港以外地區的 租賃土地 — 中期租賃	2,167	34,419
		3,400	35,674
Analysed for reporting purpose as:	為呈報而作出的分析 如下：		
Amount shown under non-current assets	非流動資產項下 款項	2,748	34,551
Amount shown under current assets	流動資產項下款項	652	1,123
		3,400	35,674

At 31 March 2010, the Group's prepaid land lease payments in the PRC, an aggregate carrying amounts of HK\$2,047,000 (2009: HK\$21,627,000), were pledged to secure banking facilities granted to the Group as detailed in note 42.

於二零一零年三月三十一日，本集團位於中國的預付土地租賃款項，賬面總值為港幣2,047,000元(二零零九年：港幣21,627,000元)已作抵押，以取得授本集團的銀行信貸，詳見附註42。

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19. INVESTMENT PROPERTIES

19. 投資物業

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
COST	成本值		
At 1 April	於四月一日	27	27
Transfer from property, plant and equipment	轉撥自物業、 廠房及設備	53,953	—
At 31 March	於三月三十一日	53,980	27
ACCUMULATED AMORTISATION AND IMPAIRMENT	累計攤銷及減值		
At 1 April	於四月一日	13	13
Provided for the year	本年度撥備	1,159	—
Impairment loss recognised (note)	已確認的減值虧損 (附註)	14,393	—
At 31 March	於三月三十一日	15,565	13
CARRYING VALUES	賬面值		
At 31 March	於三月三十一日	38,415	14

The carrying value of investment properties shown above comprises:

上表呈列的投資物業賬面值包括：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Land in Hong Kong under medium-term lease	位於香港的中期租賃 土地	14	14
Land outside Hong Kong under medium-term lease	位於香港以外地區的 中期租賃土地	38,401	—
		38,415	14

Note: At the end of the reporting period, an investment property of the Group situated in the PRC has been impaired with reference to the valuation estimated by the independent professional valuer not connected with the Group.

附註：於報告期結束後，經參照與本集團並無關連的獨立專業估值師對本集團一項位於中國的投資物業的估計價值後，本集團對該投資物業予以減值。

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綜合財務報表附註

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

20. GOODWILL

20. 商譽

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
COST	成本值		
At 1 April	於四月一日	20,947	20,018
Arising on acquisition of a subsidiary	收購一間附屬公司時產生	—	929
At 31 March	於三月三十一日	24,947	20,947
IMPAIRMENT	減值		
At 1 April	於四月一日	20,947	20,018
Impairment loss recognised in the year (note)	於年內確認的減值虧損(附註)	—	929
At 31 March	於三月三十一日	20,947	20,947
CARRYING VALUES	賬面值		
At 31 March	於三月三十一日	—	—

Note: During the year ended 31 March 2009, the Group recognised an impairment loss of HK\$929,000 in relation to goodwill arising on the acquisition of 順德市聯固化學工業有限公司 because the estimated recoverable amount was uncertain due to the impact of the economic downturn to the manufacturing and sales of upstream chemical materials for industrial use.

附註：截至二零零九年三月三十一日止年度內，本集團確認與收購順德市聯固化學工業有限公司所產生商譽有關的減值虧損港幣929,000元，此乃由於經濟下滑對製造及銷售工業用上游化工原料構成影響，令估計可收回金額出現不明朗因素所致。

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For the year ended 31 March 2010

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21. OTHER INTANGIBLE ASSETS

21. 其他無形資產

		Customer list 客戶名單	Exploitation rights 開採權	Total 合計
		HK\$'000 港幣千元	HK\$'000 港幣千元 (note b) (附註b)	HK\$'000 港幣千元
COST	成本值			
At 1 April 2008	於二零零八年四月一日	5,650	1,763,975	1,769,625
Additions	添置	9,500	—	9,500
Acquired on acquisition of subsidiaries	透過收購附屬公司獲取	40	389,924	389,964
At 1 April 2009 and 31 March 2010	於二零零九年四月一日及二零一零年三月三十一日	15,190	2,153,899	2,169,089
AMORTISATION AND IMPAIRMENT	攤銷及減值			
At 1 April 2008	於二零零八年四月一日	5,650	7,349	12,999
Charge for the year	本年度支出	—	102,009	102,009
Impairment loss recognised in the year (note a)	於年內確認的減值虧損(附註a)	9,340	—	9,340
At 1 April 2009	於二零零九年四月一日	14,990	109,358	124,348
Charge for the year	本年度支出	200	1,144	1,344
At 31 March 2010	於二零一零年三月三十一日	15,190	110,502	125,692
CARRYING VALUES	賬面值			
At 31 March 2010	於二零一零年三月三十一日	—	2,043,397	2,043,397
At 31 March 2009	於二零零九年三月三十一日	200	2,044,541	2,044,741

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綜合財務報表附註

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21. OTHER INTANGIBLE ASSETS (CONTINUED)

Notes:

a. During the year ended 31 March 2009, 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 HK\$9,340,000 was recognised in profit or loss for 2009.

b. Exploitation rights represent two rights for oil exploitation in the location of Heilongjiang Province of the PRC expiring in 2027 and 2028 respectively, subject to renewal of licence by Qiqihar Oil which expires on 31 August 2010.

(i) Pursuant to an oil production sharing contract ("2007 PSC") entered into on 16 April 2007 between the Group and a PRC incorporated oil exploitation and sales company, Qiqihar Oil, to develop and produce crude oil in certain parts of the Fu 710 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 licence for the Joint Development Zone, established an equity joint venture, 齊齊哈爾市東北石油開發有限責任公司 ("Qiqihar Northeast Oil") on 25 May 2007, of which the registered capital is US\$6,450,000. Under the 2007 PSC, Qiqihar Oil would provide 5% of the share capital and the exclusive rights to exploit oil in Fu 710 and Meilisi 723 Joint Development Zone to Qiqihar Northeast Oil for 20 years from 2007 to 2027. In return, Qiqihar Oil receives 5% of the total oil revenue to be generated from the Joint Development Zone. The Group is responsible for contributing all the relevant capital expenditure 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 the 5% of the total oil revenue payable to Qiqihar Oil mentioned above.

21. 其他無形資產(續)

附註:

a. 截至二零零九年三月三十一日止年度內，本集團已檢討其客戶名單中的可收回金額，並考慮到市況有變，就二零零九年於損益確認的減值虧損為港幣9,340,000元。

b. 開採權指於中國黑龍江省兩個開採石油的權利，將分別於二零二七年及二零二八年屆滿(須待齊齊哈爾油田更新於二零一零年八月三十一日屆滿之合約後，方可作實)。

(i) 於二零零七年四月十六日，本集團與齊齊哈爾油田(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。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一間股本合營企業齊齊哈爾市東北石油開發有限責任公司(「齊齊哈爾東北石油」)，其註冊資本為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，為期二十年，向齊齊哈爾東北石油提供5%股本及於富711及梅里斯723共同開發區開採石油的獨家權利，而齊齊哈爾油田則可收取共同開發區所得石油總收入的5%。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油田所佔石油總收入的5%後的所有溢利。

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21. OTHER INTANGIBLE ASSETS (CONTINUED)

Notes: (continued)

b. (continued)

(i) (continued)

The fair value of the exploitation right at 31 March 2010 and 2009 was estimated as RMB1,906,000,000 (equivalent to HK\$2,167,831,000) and RMB1,526,000,000 (equivalent to HK\$1,730,099,000) respectively. The valuation was carried out by LCH (Asia-Pacific) Surveyors Limited ("LCH"), an independent firm of professional valuer not connected with the Group. The agreed-upon procedures valuation report was prepared using discount cash flow analysis and assuming that all key information provided by the management which included reserve quantity, feasibility of business plan, oil exploitation method is appropriate and feasible without conduct further analysis in details. The discount rate applied is 17.21% (2009: 14.5%) and the reserve quantity is approximately 5,470,000 tonnes (2009: 3,300,000 tonnes) which is extracted directly from a technical report issued by 大慶油田有限責任公司勘探開發研究院 ("Daqing Oilfield") in July 2010 (the "2010 Technical Report"). The reserve quantity used in the valuation of the oil exploitation right as at 31 March 2009 is extracted with reference to a technical report issued by Daqing Oilfield in 2006.

21. 其他無形資產(續)

附註：(續)

b. (續)

(i) (續)

開採權的公平值於二零一零年及二零零九年三月三十一日分別估計為人民幣1,906,000,000元(相等於港幣2,167,831,000元)及人民幣1,526,000,000元(相等於港幣1,730,099,000元)。估值由與本集團並無關連的獨立專業估值師行利駿行測量師有限公司(「利駿行」)進行。經協定程序之估值報告乃使用現金流量折現分析並假設由管理層提供而並無進行進一步詳盡分析的所有重要資料(包括儲備量、項目計劃可行性及開採方法)乃屬適當及可行而編製。適用折現率為17.21%(二零零九年：14.5%)，而約為5,470,000噸的儲備量(二零零九年：3,300,000噸)乃直接取自大慶油田有限責任公司勘探開發研究院(「大慶油田」)於二零一零年七月頒佈之技術報告(「二零一零年技術報告」)。用作評估石油開採權於二零零九年三月三十一日之價值的儲備量，乃參照大慶油田於二零零六年頒佈之技術報告。

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綜合財務報表附註

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21. OTHER INTANGIBLE ASSETS (CONTINUED)

Notes: (continued)

b. (continued)

- (ii) Pursuant to another oil production sharing contract ("2008 PSC") entered into on 24 January 2008 between the Group and Qiqihar Oil to form a joint development operation (the "New Joint Development Operation") to develop and produce crude oil in certain parts of the Fu 718 districts in the "New Joint Development Zone", Qiqihar Oil, the holder of the exploitation licence for the New Joint Development Zone granted the rights to exploit oil in the New Joint Development Zone to the New Joint Development Operation for 20 years from 2008 to 2028. Details of this business combination are set out in note 37a.

21. 其他無形資產(續)

附註：(續)

b. (續)

- (ii) 根據本集團與齊齊哈爾油田於二零零八年一月二十四日訂立的另一份石油產量分成合同([2008PSC])，雙方組成一項共同開發業務([新共同開發業務])，以開發及生產位於[新共同開發區]富718礦區若干部分的原油。持有新共同開發區開採執照的齊齊哈爾油田，已向新共同開發業務授出於新共同開發區的採油權，有效期為二零零八年至二零二八年，為期二十年。有關此業務合併的詳情載於附註37a。

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綜合財務報表附註

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21. OTHER INTANGIBLE ASSETS (CONTINUED)

Notes: (continued)

b. (continued)

(ii) (continued)

The fair value of the exploitation right at 31 March 2010 and 2009 was estimated as RMB358,000,000 (equivalent to HK\$407,179,000) and RMB348,000,000 (equivalent to HK\$394,544,000) respectively. The valuation was carried out by LCH. The agreed-upon procedures valuation report was prepared using discount cash flow analysis and assuming that all key information provided by the management which included reserve quantity, feasibility of business plan, oil exploitation method is appropriate and feasible without conduct further analysis in details. The discount rate applied is 19.21% (2009: 14.5%) and the reserve quantity is approximately 760,000 tonnes (2009: 500,000 tonnes) which is extracted directly from the 2010 Technical Report issued by Daqing Oilfield. The reserve quantity used in the valuation of the oil exploitation right as at 31 March 2009 is extracted with reference to a technical report issued by Daqing Oilfield in 2007.

During the year, the directors reviewed the amortisation method of oil exploitation right and considered that there has been a significant change in the expected pattern of consumption of the future economic benefits embodied in such rights. Accordingly, the amortisation method has been changed from the straight-line method to the unit-of-production method.

The amortisation charge of the above exploitation rights for the year is disclosed separately in the consolidated income statement.

21. 其他無形資產(續)

附註：(續)

b. (續)

(ii) (續)

開採權的公平值於二零一零年及二零零九年三月三十一日分別估計為人民幣358,000,000元(相等於港幣407,179,000元)及人民幣348,000,000元(相等於港幣394,544,000元)。估值由利駿進行。經協定程序之估值報告乃使用現金流量折現分析並假設由管理層提供而並無進行進一步詳盡分析的所有重要資料(包括儲備量、項目計劃可行性及開採方法)乃屬適當及可行而編製。適用折現率為19.21%(二零零九年：14.5%)，而約為760,000噸的儲備量(二零零九年：500,000噸)乃直接取自大慶油田頒佈之二零一零年技術報告。用作評估石油開採權於二零零九年三月三十一日之價值的儲備量，乃參照大慶油田於二零零七年頒佈之技術報告。

於本年度內，董事已審閱採油權的攤銷方法，並認為於此等權利所體現的預期使用模式的未來經濟得益中已發生重大變化。因此，攤銷方法由直線法改為單位產量法。

本年度以上開採權的攤銷費用已於綜合收益表中個別披露。

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綜合財務報表附註

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22. INTEREST IN AN ASSOCIATE

22. 於一間聯營公司的權益

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Cost of unlisted investment in an associate (note)	於一間聯營公司的非上市投資的成本值(附註)	72,704	—
Share of post-acquisition loss and other comprehensive expense	分佔收購後虧損及其他全面開支	(858)	—
		71,846	—

Note:

On 23 April 2009, the Group entered into a sale and purchase agreement in relation to the acquisition of a 43% equity interest in Profit Success Industries Limited ("Profit Success"), which directly holds a 100% interest in Dongguang Licheng Trading Company Limited (東莞利成貿易有限公司) ("Dongguang Licheng Trading") and an 80% equity interest in Guizhou Rongfa Mining Company Limited (貴州榮發礦業有限公司) ("Guizhou Rongfa Mining"), for an aggregate consideration of HK\$77,167,000 comprising payment in cash of HK\$22,222,000 and the issue of 238,889,000 shares which have a fair value of HK\$54,945,000 based on the share price of HK\$0.23 at the date of acquisition. Guizhou Rongfa Mining possesses an exploration right of vanadium mining in the Xiaowujiang Yuqing County Guizhou Province, the PRC.

On 4 August 2009, Lee Shing Mining Co., Ltd ("Lee Shing Mining") was incorporated in Hong Kong of which the Group injected HK\$4,300 as capital and holds 43% equity interest in it accordingly. Lee Shing Mining is an investment holding company with 100% direct interest in Licheng Mining (Shenzhen) Company Limited (利成礦業(深圳)有限公司) ("Licheng Mining (Shenzhen)").

As part of the restructuring, on 15 December 2009, Dongguang Licheng Trading transferred 80% equity interest in Guizhou Rongfa Mining to Licheng Mining (Shenzhen), this transaction does not have any financial impact to the Group's consolidated financial statements.

After the transfer, the Group disposed of its 43% equity interest in Profit Success on 22 March 2010 for a consideration of HK\$335. The carrying value of the net assets of Profit Success attributable to the Group on the date of disposal amounted to HK\$4,467,000, resulting in a loss on disposal of an associate amounting to HK\$4,467,000 charged to profit or loss.

At the end of the reporting period, the fair value in respect of the exploration right of vanadium mining held by Guizhou Rongfa Mining estimated by LCH is RMB219,000,000 (equivalent to HK\$249,090,000), which is in excess of the carrying amount of HK\$233,407,000. Accordingly, no impairment is considered necessary.

附註：

於二零零九年四月二十三日，本集團訂立一份買賣協議，內容有關收購直接持有東莞利成貿易有限公司(「東莞利成貿易」)100%所有權益及貴州榮發礦業有限公司(「貴州榮發礦業」)80%股本權益的利成實業有限公司(「利成實業」)的43%權益，總代價為港幣77,167,000元，包括以現金款項港幣22,222,000元及發行238,889,000股股份，而有關股份的公平價值港幣54,945,000元乃根據於收購日期的股份價格港幣0.23元計算。貴州榮發礦業擁有中國貴州省餘慶縣小烏江鈦金屬的勘探權。

於二零零九年八月四日，本集團向於香港註冊成立的 Lee Shing Mining Co., Ltd. (「Lee Shing Mining」) 注資港幣4,300元，並因而持有其43%股本權益。Lee Shing Mining 乃一間投資控股公司，其持有利成礦業(深圳)有限公司(「利成礦業(深圳)」)的100%直接權益。

作為重組的一部分，於二零零九年十二月十五日，東莞利成貿易將貴州榮發礦業的80%權益轉讓至利成礦業(深圳)。此項交易並無對本集團的綜合財務報表造成任何財務影響。

自轉讓後，本集團於二零一零年三月二十二日以港幣335元的代價出售其於利成實業的43%股本權益。於出售當日本集團應佔利成實業淨資產的賬面值約為港幣4,467,000元，導致出售一間聯營公司的虧損港幣4,467,000元於損益內扣除。

於報告期間結束時，由利駿行就貴州榮發礦業持有的鈦金屬勘探權估計的公平價值為人民幣219,000,000元(相等於港幣249,090,000元)，較賬面值超出港幣233,407,000元。因此，本集團認為毋須作出減值。

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22. INTEREST IN AN ASSOCIATE (CONTINUED) 22. 於一間聯營公司的權益(續)

Note: (continued)

附註：(續)

Particulars of the Group's associate as at 31 March 2010 and 2009 are set out as follows:

於二零一零年及二零零九年三月三十一日，本集團一間聯營公司的詳情載列如下：

Name of associate 聯營公司名稱	Place of incorporation 註冊成立地點	Group equity interest 本集團持有的股本權益		Proportion of voting power held 所持投票權比例		Principal activity 主要業務
		2010 二零一零年	2009 二零零九年	2010 二零一零年	2009 二零零九年	
Lee Shing Mining Co., Ltd.	Hong Kong	43%	—	43%	—	Mining and exploitation of vanadium
Lee Shing Mining Co., Ltd.	香港				—	開採及勘探釩金屬

The summarised financial information in respect of the Group's associate is set out below:

本集團聯營公司的財務資料摘要載列如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Total assets	總資產	244,812	—
Total liabilities	總負債	(31,929)	—
Net assets	資產淨值	212,883	—
Group's share of net assets of associate	本集團應佔聯營公司 資產淨值	71,846	—
Revenue	收益	—	—
Loss for the year	本年度虧損	2,500	—
Other comprehensive expense	其他全面開支	531	—
Group's share of loss and other comprehensive expense of associate for the year	本集團應佔聯營公司 本年度虧損及其他 全面開支	1,303	—

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23. DEPOSITS PAID FOR A JOINTLY CONTROLLED OPERATION

On 8 June 2009, the Group entered into a sale and purchase agreement with the joint venturers and obtained a 51% participating interest and 52.96% paying interest in Ksar Hadada Permit for the oil and gas exploitation in Tunisia, under which the Group shall pay to the joint venturers one pound sterling and the direct and indirect costs of the work programme under a production sharing contract (the "Work Programme") up to an amount of US\$14,500,000. In the event of any additional expenditure is required, the Group and the joint venturers are responsible for such additional expenditure in accordance with their paying interests. An escrow funding agreement was then entered into for the setup of an escrow funding account for the collection of the said deposit and the payment for the Work Programme.

The oil exploitation activity in Tunisia is carried out under a production sharing contract, and the output of the oil and gas eligible for allocation will be based on an agreed methodology and the corresponding participating interest of the Group and the joint venturers which constitutes as a jointly controlled operation.

During the year ended 31 March 2010, a total amount of US\$8,500,000 (equivalent to HK\$65,905,000) has been placed in the escrow funding account, and the balance at 31 March 2010 is US\$6,901,000 (equivalent to HK\$53,515,000). The remaining balance of HK\$46,500,000 (equivalent to US\$6,000,000) has been disclosed as the Group's capital commitment at the end of the reporting period.

23. 已付共同控制業務的訂金

於二零零九年六月八日，本集團與合營方訂立一份買賣協議，並取得 KsarHadada 許可權的 51% 參與權益及 52.96% 支付權益，以供在突尼西亞進行油氣勘探，據此本集團須向合營方支付一英鎊及產量分成合同項下的工程計劃（「工程計劃」）最多 14,500,000 美元的直接及非直接成本。倘若需要任何額外開支，則本集團及各合營方須根據彼等的支付權益負責有關額外開支，並繼而訂立一份資金託管協議，以供設立資金託管賬戶以收取上述訂金及工程計劃款項。

位於突尼西亞的石油開採業務乃根據產量分成合同進行，而可供分配的油氣產量將以協定的計量方式及組成共同控制業務的本集團及合營方的相應參與權益為分配依據。

截至二零一零年三月三十一日止年度內，為數 8,500,000 美元（相等於港幣 65,905,000 元）的總金額已存入上述資金託管賬戶，而於二零一零年三月三十一日的結餘為 6,901,000 美元（相等於港幣 53,515,000 元）。結餘餘額港幣 46,500,000 元（相等於 6,000,000 美元）已於報告期間結束時披露為本集團的資本承擔。

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23. DEPOSITS PAID FOR A JOINTLY CONTROLLED OPERATION (CONTINUED)

At 31 March 2010, the aggregate amount of assets, liabilities, income and expenses recognised in the consolidated financial statements in relation to the Group's interest in the jointly controlled operation are as follows:

		HK\$'000 港幣千元
Property, plant and equipment (note)	物業、廠房及設備(附註)	16,473
Accruals	應計項目	(6,388)
		HK\$'000 港幣千元
Interest income	利息收入	297
Administrative expenses	行政開支	(2,602)

Note: The amount represents solely the oil properties under construction at the end of the reporting period.

23. 已付共同控制業務的訂金 (續)

於二零一零年三月三十一日，與本集團於共同控制業務的權益有關並於綜合財務報表確認的資產、負債、收入及開支總額如下：

		HK\$'000 港幣千元
Property, plant and equipment (note)	物業、廠房及設備(附註)	16,473
Accruals	應計項目	(6,388)
		HK\$'000 港幣千元
Interest income	利息收入	297
Administrative expenses	行政開支	(2,602)

附註：款額只代表於報告期間結束時的在建採油資產。

24. DEPOSITS PAID FOR ACQUISITION OF LONG-TERM ASSETS

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 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)	4,966	—
Deposit paid for acquisition of a target mining group (note b)	已付收購目標採礦集團的訂金(附註b)	—	10,000
		4,966	10,000

24. 已付收購長期資產的訂金

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24. DEPOSITS PAID FOR ACQUISITION OF LONG-TERM ASSETS (CONTINUED)

Notes:

- a. The Group paid an amount of HK\$4,966,000 in December 2009 as an initial deposit after signing a memorandum of understanding (“MOU”) in respect of the acquisition of 51% equity interest of Shenzhen Baohui Oil Exploration Technology Consultancy Company Limited (深圳寶滙石油開採技術諮詢有限公司) (“Shenzhen Baohui”), a company established in the PRC engaged in the provision of oil exploration technology consultancy service. Under the MOU, it is agreed that Easyrich Group Holdings Limited, an indirect wholly-owned subsidiary of the Company and Mr. Poon Sum, an executive director of the Company, will acquire 51% and 19% of the issued share capital of Shenzhen Baohui, respectively. Subsequent to the end of the reporting period, a conditional sales and purchase agreement dated 29 July 2010 has been entered into in respect of this acquisition.
- b. On 25 September 2008, the Group entered into a formal sale and purchase agreement (“S&P agreement”) with an independent third party for the acquisition of a 43% equity interest in a target group of companies involved in the vanadium mining exploitation business in the PRC (“Mining Acquisition”). The consideration for the mining acquisition was HK\$63,000,000. The Group paid an initial deposit of HK\$10,000,000 in cash upon signing the S&P agreement. The remaining amount payable was divided into two parts of which HK\$5,222,000 was settled in cash on completion and HK\$47,778,000 was satisfied by the issue of shares by the Company.

During the year ended 31 March 2010, a supplementary agreement was signed between the Group and the independent third party with a revision of the consideration from HK\$63,000,000 to HK\$70,000,000, comprising cash consideration of HK\$22,222,000 and the issue of 238,889,000 new ordinary shares at the contract price of HK\$0.2, where the fair value on the date of issue was HK\$0.23. The consideration was then adjusted to HK\$77,167,000 for accounting purpose. The acquisition was completed on 23 April 2009. The details of the acquisition are set out in note 22.

24. 已付收購長期資產的訂金 (續)

附註：

- a. 本集團在簽訂有關可能收購深圳寶滙石油開採技術諮詢有限公司(「深圳寶滙」，一間於中國成立並從事提供石油開採技術諮詢服務的公司)51%股本權益的諒解備忘錄(「諒解備忘錄」)後，於二零零九年十二月繳付港幣4,966,000元的款額作為初步訂金。根據諒解備忘錄，雙方同意，本公司的間接全資附屬公司富順集團控股有限公司及本公司執行董事潘森先生將分別收購深圳寶滙的已發行股本51%及19%。於報告期間結束後，雙方於二零一零年七月二十九日就此項收購事項訂立有條件買賣協議。
- b. 於二零零八年九月二十五日，本集團於一名獨立第三方就收購從事中國釩金屬採礦業務的目標集團公司43%股本權益(「採礦收購」)訂立正式買賣協議(「買賣協議」)。採礦收購的代價為港幣63,000,000元。本集團已於簽訂買賣協議初步支付一筆現金港幣10,000,000元的訂金，餘下的應付金額分為兩部分，第一部分港幣5,222,000元於完成時由本集團以現金支付及港幣47,778,000元將以本公司發行股份的方式支付。

於截至二零一零年三月三十一日止年度內，本集團與獨立第三方簽訂一份補充協議，當中將代價由港幣63,000,000元調整至港幣70,000,000元，包括現金代價港幣22,222,000元及按合約價格港幣0.2元發行238,889,000股新普通股，而有關普通股於發行日期的公平價值為港幣0.23元。代價繼而就會計處理目的而調整至港幣77,167,000元。收購事項於二零零九年四月二十三日完成。收購事項詳情載列於附註22。

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25. INVENTORIES

25. 存貨

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Paints, blended solvents, chemical materials and plastic colorants:	油漆、混合溶劑、化工原料及塑料著色劑：		
Raw materials	原料	9,093	9,888
Work in progress	在製品	473	1,587
Finished goods	製成品	2,708	3,461
		12,274	14,936
Crude oil:	原油：		
Consumable store	消耗品	465	169
Crude oil in tank	儲罐原油	512	938
		977	1,107
Properties held for trading	持作買賣物業	7,782	16,582
		21,033	32,625

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26. TRADE AND OTHER RECEIVABLES

The following is an analysis of trade and other receivables at the end of the reporting period:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Trade receivables	貿易應收款項	64,269	75,744
Less: allowance for doubtful debts	減：呆賬撥備	(6,132)	(7,176)
		58,137	68,568
Bills receivable	應收票據	2,326	6,172
Other receivables, deposits and prepayments (note a)	其他應收款項、訂金及預付款項(附註a)	72,984	52,885
Less: allowance for doubtful debts	減：呆賬撥備	(16,300)	(5,266)
		56,684	47,619
		117,147	122,359
Less: non-current other receivables (note b)	減：非流動其他應收款項(附註b)	—	(9,409)
		117,147	112,950

Before accepting any new customer, the Group uses an internal credit assessment system to assess the potential customer's credit quality and defines credit limits by customer and considers adequate allowance has been made at the end of the reporting period. Balances which are neither past due nor impaired are all with good historical repayment records and good credit quality.

26. 貿易及其他應收款項

於報告期結束時，貿易及其他應收款項的分析如下：

當接納任何新客戶前，本集團採用內部信貸評估系統以評估潛在客戶的信貸質素，並釐定個別客戶的信貸限額，以及於報告期結束時考慮有否充份撥備。並無逾期亦無減值的結餘均擁有良好的過往還款紀錄及具備良好信貸質素。

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26. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade receivables and bills receivable are due within 30 to 90 days (2009: 30 to 90 days) from the date of invoicing or billing. The following is an aged analysis of trade receivables and bills receivable net of impairment presented based on the invoice date and date of the bills at the end of the reporting period:

Aged analysis of trade receivables net of impairment

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Less than 1 month	不足一個月	23,355	25,866
1 month to 3 months	一個月至三個月	15,782	16,471
More than 3 months but less than 1 year	超過三個月但不足一年	15,821	20,550
Over 1 year	超過一年	3,179	5,681
		58,137	68,568

Aged analysis of bills receivable net of impairment

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Less than 1 month	不足一個月	2,326	1,453
1 month to 3 months	一個月至三個月	—	3,687
More than 3 months but less than 1 year	超過三個月但不足一年	—	1,032
		2,326	6,172

26. 貿易及其他應收款項(續)

貿易應收款項及應收票據由發票或發單日期起計三十日至九十日(二零零九年:三十日至九十日)內到期。於報告期間結束時,根據發票日期及發單日期呈列的貿易應收款項及應收票據(扣除減值)的賬齡分析如下:

貿易應收款項(扣除減值)的賬齡分析

應收票據(扣除減值)的賬齡分析

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26. TRADE AND OTHER RECEIVABLES (CONTINUED)

26. 貿易及其他應收款項(續)

Movement in the allowance for doubtful debts on trade receivables

貿易應收款項呆賬撥備的變動

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
At 1 April	於四月一日	7,176	7,290
Impairment losses recognised	已確認減值虧損	8,391	6,058
Amount written off as uncollectible	撇銷為無法收回的 金額	—	(6,058)
Elimination on disposal of subsidiaries	出售附屬公司時撇銷	(9,445)	—
Impairment loss reversed	已撥回減值虧損	—	(273)
Exchange realignment	匯兌調整	10	159
At 31 March	於三月三十一日	6,132	7,176

Movement in the allowance for doubtful debts on other receivables

其他應收款項呆賬撥備的變動

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
At 1 April	於四月一日	5,266	—
Impairment losses recognised	已確認減值虧損	13,703	5,261
Amount written off as uncollectible	撇銷為無法收回的 金額	(2,652)	—
Exchange realignment	匯兌調整	(17)	5
At 31 March	於三月三十一日	16,300	5,266

At 31 March 2010, the Group's trade receivables and other receivables of HK\$6,132,000 and HK\$16,300,000 (2009: HK\$7,176,000 and HK\$5,266,000) respectively 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.

於二零一零年三月三十一日，本集團的貿易應收款項及其他應收款項分別為港幣6,132,000元及港幣16,300,000元(二零零九年：港幣7,176,000元及港幣5,266,000元)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以收回。

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26. TRADE AND OTHER RECEIVABLES (CONTINUED)

Aged analysis of trade receivables which are past due but not impaired

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Less than 1 month	不足一個月	12,401	10,997
1 month to 3 months	一個月至三個月	3,140	16,552
More than 3 months but less than 1 year	超過三個月但不足一年	1,626	8,748
Over 1 year	超過一年	167	5,411
		17,334	41,708

26. 貿易及其他應收款項(續)

已逾期但並未減值的貿易應收款項的賬齡分析

Aged analysis of bills receivable which are past due but not impaired

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Less than 1 month	不足一個月	—	3,445
1 month to 3 months	一個月至三個月	—	33
More than 3 months but less than 1 year	超過三個月但不足一年	—	1,030
		—	4,508

已逾期但並未減值的應收票據的賬齡分析

Included in the Group's trade receivables and bills receivable balance are debtors and bills with a carrying amount of HK\$17,334,000 and nil (2009: HK\$41,708,000 and HK\$4,508,000) respectively, which are past due at the end of the reporting period for which the Company has not provided for any impairment as there has not been a significant change in credit quality and the amounts are still considered recoverable. The Group does not hold any collateral over these balances.

計入本集團貿易應收款項及應收票據的款項乃賬面值分別為港幣17,334,000元及零的應收賬款及票據(二零零九年:港幣41,708,000元及港幣4,508,000元)。該等款項於報告期結束時已逾期,但由於信貸質素並無重大轉變,而該等款項仍被視為可悉數收回,因此本公司並未就任何減值計提撥備。本集團並無就該等結餘持有任何抵押品。

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26. TRADE AND OTHER RECEIVABLES (CONTINUED)

At 31 March 2010, the Group's trade and other receivable with an aggregate carrying value of HK\$34,482,000 (2009: HK\$34,322,000) were pledged to secure banking facilities granted to the Group.

In determining the recoverability of trade receivables, other receivables and bills receivable, the Company considers any change in their credit qualities from the date credit was initially granted up to the reporting date. The Group assessed the credit quality of trade receivables, other receivables and bills receivable based on historical default rates and the repayment records and considered adequate allowance has been made at the end of the reporting period. The Group does not hold any collateral over these balances.

Other receivables are repayable on demand and the management considers that they will be recovered in one year from the date of advance.

Notes:

- (a) Included in other receivable, deposits and prepayment as at 31 March 2010 are two promissory notes totalling HK\$25,000,000, representing the consideration receivables from the buyers in relation to the disposal of its wholly owned subsidiaries, Win Profit (Asia Pacific) Company Limited ("Win Profit") which directly held entire equity interest of Zhongshan Wing Shing Chemical Company Limited ("Zhongshan Wing Shing"). One of the buyers is Mr. Poon Sau Tin, a related party of the Company, and HK\$15,000,000 out of the total promissory notes of HK\$25,000,000 is issued by him. Upon completion, Win Profit was beneficially owned as to 60% by Mr. Poon Sau Tin.

26. 貿易及其他應收款項(續)

於二零一零年三月三十一日，本集團賬面總值約港幣34,482,000元(二零零九年：港幣34,322,000元)的貿易及其他應收款項已作抵押，以取得授予本集團的銀行信貸。

為釐定貿易應收款、其他應收款項及應收票據的可收回程度，本公司將考慮彼等於首次授予信貸當日起至報告日期止的信貸質素的任何變化。本集團根據過往拖欠率及償還紀錄評估貿易應收款、其他應收款項及應收票據的信貸質素，並認為於報告期結束時已作出充份撥備。本集團並無就該等結餘持有任何抵押品。

本集團認為該等款項須於要求時償還，並且將於墊款日期起計一年內收回。

附註：

- (a) 於二零一零年三月三十一日的其他應收款項、訂金及預付款項包括兩筆總值港幣25,000,000元的承兌票據，即有關出售其全資附屬公司永得利(亞太)有限公司(「永得利」)(其直接持有中山市永成化工有限公司(「中山永成」)的全部股本權益)而從買方應收的代價。其中一名買方為本公司的關連人士潘壽田先生，而港幣25,000,000元的所有承兌票據的其中港幣15,000,000元乃發行予潘壽田先生。於完成時，永得利的60%權益由潘壽田先生實益擁有。

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26. TRADE AND OTHER RECEIVABLES (CONTINUED)

Notes: (continued)

(a) (continued)

The promissory note receivable from the related party disclosed pursuant to section 161B of the Companies Ordinance are as follows:

Related party	Balance at	Balance at	Maximum
	31.3.2010	1.4.2009	amount
關連人士	於二零一零年 三月三十一日 的結餘	於二零零九年 四月一日 的結餘	during the year 年內尚未收回的 最高金額
	HK\$'000	HK\$'000	HK\$'000
	港幣千元	港幣千元	港幣千元
Mr. Poon Sau Tin 潘壽田先生	15,000	—	15,000

The amounts are interest-free, repayable within twelve months after the end of the reporting period and secured by the grant of the option to sell the equity interests in the subsidiaries which have been disposed of from the buyers. Details of the disposal of the subsidiaries are set out in note 39.

(b) The amount in last year included part of the receivables from the disposal of 瀋陽富順油田服務有限公司 (“瀋陽富順”) and 東營富順翔龍石油技術服務有限公司 (“東營富順”). The amount of HK\$5,742,000 would be paid by two installments of HK\$2,871,000 till 2011. However, the outstanding amount of HK\$5,742,000 had been fully written off in the current year as the directors considered that the recoverability was in doubt because the debtor was under severe financial difficulties and failed to make the repayment in accordance with the agreed repayment schedule.

26. 貿易及其他應收款項(續)

附註：(續)

(a) (續)

根據公司條例第161B條披露的應收關連人士承兌票據如下：

該等款項為免息及須於報告期間結束後十二個月內償還，並由買方以授出所出售附屬公司股本權益的認沽期權作為抵押。出售附屬公司的詳情載列於附註39。

(b) 前一年度的金額包括來自出售瀋陽富順油田服務有限公司(「瀋陽富順」)及東營富順翔龍石油技術服務有限公司(「東營富順」)的部分應收款項。港幣5,742,000元的款項將會以港幣2,871,000元分兩期直至二零一一年支付。然而，尚未支付的款項港幣5,742,000元已於本年度悉數撇銷，乃由於債務人面對嚴重財務困難及未能根據協定的還款時間表支付還款，故董事認為收回款項的可能性存疑。

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27. HELD-FOR-TRADING INVESTMENTS

27. 持有作買賣投資

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Equity securities held-for-trading:	持有作買賣股本證券：		
— listed in Hong Kong	— 於香港上市	29,863	15,936
— listed outside Hong Kong	— 於香港以外地區上市	3,471	1,784
		33,334	17,720

The held-for-trading investments are stated at fair value at the end of the reporting period. The fair values of listed equity securities are determined by reference to the bid prices on the relevant stock exchanges.

於報告期結束時，持有作買賣的投資乃按公平值列賬。上市股本證券的公平值乃參照相關證券交易所的買入價而釐定。

28. DERIVATIVE FINANCIAL INSTRUMENTS

28. 衍生金融工具

		2010 二零一零年		2009 二零零九年	
		Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元	Assets 資產 HK\$'000 港幣千元	Liabilities 負債 HK\$'000 港幣千元
Derivative financial instruments held for trading:	持有作買賣的衍生金融工具：				
Interest rate swaps (note a)	利率掉期 (附註a)	866	2,197	—	568
Foreign currency forward contracts (note b)	外幣遠期合約 (附註b)	448	2,349	—	—
Fuel options (note c)	燃油期權 (附註c)	4	5,957	30,385	93,727
		1,318	10,503	30,385	94,295
Warrants (note d)	認股權證 (附註d)	—	59,913	—	—
		1,318	70,416	30,385	94,295

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28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of interest rate swaps, foreign currency forward contracts and fuel options at the end of reporting periods are provided by the counterparty banks, while the fair value of warrants is determined by an independent valuer using the Black-Scholes option pricing model.

Notes:

(a) Interest rate swaps

The Group uses interest rate swaps to minimise its exposure to cash flow interest rate risk of its variable-rate Hong Kong dollar bank borrowings (see note 31) by swapping a proportion of the variable-rate bank borrowings from variable interest rates to fixed interest rates of 1.5% and 2.0%. The interest rate swaps and the corresponding bank borrowings have substantially the same terms.

The major terms of the interest rate swap contracts which will mature within five years (2009: nil) from the end of the reporting period are set out below:

Notional amount 名義金額 HK\$'000 港幣千元	Maturity 到期日	Swaps 掉期
20,000	2 December 2011 二零一一年十二月二日	From HIBOR to fixed rate 從香港銀行同業拆息轉至固定息率
10,000	4 September 2012 二零一二年九月四日	From HIBOR to fixed rate 從香港銀行同業拆息轉至固定息率
10,000	17 August 2012 二零一二年八月十七日	From HIBOR to fixed rate 從香港銀行同業拆息轉至固定息率
50,000	14 April 2014 二零一四年四月十四日	From HIBOR to fixed rate 從香港銀行同業拆息轉至固定息率
90,000		

28. 衍生金融工具(續)

於報告期間結束時，利率掉期、外幣遠期合約及燃油期權的公平價值均由對手方銀行提供，惟認股權證的公平價值則由獨立估值師採用畢蘇期權定價模式釐定。

附註：

(a) 利率掉期

本集團採用利率掉期盡量減少其面對的浮息港幣銀行借貸的現金流量利率風險(見附註31)，方式為將某比例的浮息銀行借貸從浮動利率轉為1.5%及2.0%的固定利率。利率掉期及相應銀行借貸大致上擁有相同條款。

由報告期間結束起計將於五年內到期(二零零九年：無)的利率掉期合約主要條款載列如下：

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28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Notes: (continued)

(b) Foreign currency forward contracts

The major terms of the foreign currency forward contracts which will mature within three years (2009: one year) from the end of the reporting period are set out below:

For the year ended 31 March 2010

Notional amount 名義金額	Leveraged notional amount 有抵押之名義金額	Maturity 到期日	Particulars 詳情
3 contracts with US\$2,900,000 in total 合計2,900,000 美元之3份合約	3 contracts with US\$8,700,000 in total 合計8,700,000美元之 3份合約	Contract with notional amount of US\$1,200,000 and leveraged notional amount of US\$3,600,000 on 27 June 2011 名義金額為1,200,000美元及已抵押名義金額為3,600,000 美元之合約於二零一一年六月二十七日 Contract with notional amount of US\$500,000 and leveraged notional amount of US\$1,500,000 on 26 October 2011 名義金額為500,000美元及已抵押名義金額為1,500,000 美元之合約於二零一一年十月二十六日 Contract with notional amount of US\$1,200,000 and leveraged notional amount of US\$3,600,000 on 26 January 2012 名義金額為1,200,000美元及已抵押名義金額為3,600,000 美元之合約於二零一二年一月二十六日	(i)
3 contracts with US\$9,250,000 in total 合計9,250,000美元之 3份合約	N/A 不適用	Contract with notional amount of US\$4,500,000 on 1 December 2011 名義金額為4,500,000美元之合約於二零一一年十二月一日 Contract with notional amount of US\$2,250,000 on 21 August 2012 名義金額為2,250,000美元之合約於二零一二年八月二十一日 Contract with notional amount of US\$2,250,000 on 31 August 2012 名義金額為2,250,000美元之合約於二零一二年八月三十一日	(ii)
1 contract with US\$800,000 800,000美元之1份合約	N/A 不適用	18 March 2011 二零一一年三月十八日	(iii)
1 contract with US\$1,000,000 1,000,000美元之 1份合約	N/A 不適用	4 August 2011 二零一一年八月四日	(iv)
1 contract with US\$1,000,000 1,000,000美元之 1份合約	N/A 不適用	22 October 2010 二零一零年十月二十二日	(v)

28. 衍生金融工具(續)

附註：(續)

(b) 外幣遠期合約

由報告期間結束起計將於三年內到期(二零零九年：一年)的外幣遠期合約主要條款載列如下：

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28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Notes: (continued)

(b) Foreign currency forward contracts (continued)

For the year ended 31 March 2009

Notional amount 名義金額	Maturity 到期日	Particulars 詳情
1 contract with HK\$23,400,000 港幣23,400,000元之1份合約	18 January 2010 二零一零年一月十八日	(vi)
2 contracts with HK\$42,900,000 in total 合計港幣42,900,000元之2份合約	Contract with notional amount of HK\$19,500,000 on 30 September 2009 and notional amount of HK\$23,400,000 on 9 October 2009 名義金額為港幣19,500,000元之合約於二零零九年九月三十日及名義金額為 港幣23,400,000元之合約於二零零九年十月九日	(vii)

(i) At each settlement date, the Group will pay the leveraged notional amount multiplied by pre-determined exchange rates if spot rate is higher than the upper strike of 7.85 or lower than the lower strike of 7.75 HK dollar to each US dollar, while the Group will receive the relevant leveraged notional amount in HK dollar.

Alternatively, the Group will pay the notional amount multiplied by a pre-determined exchange rate if the spot rate is within the upper band between 7.8 to 7.85 HK dollar to each US dollar or another pre-determined exchange rate if the spot rate is within the lower band between 7.75 to 7.8 HK dollar to each US dollar, while the Group will receive the relevant notional amount in HK dollar. The settlement amount between the Group and the counterparty is determined on a net settlement basis.

(ii) At each settlement date, the Group will pay the net amount in US dollar to the counterparty if the spot rate is higher than the strike rate. The Group will not pay and receive if the spot rate is lower than the strike rate, ranged from 6.90 to 7.5 RMB to each US dollar.

(iii) At each settlement date, the Group will pay the net amount in US dollar to the counterparty if the spot rate is higher than the forward rate of 6.9 RMB to each US dollar. The Group will receive the net amount in US dollar from the counterparty if the spot rate is between the knock-out rate of 6.795 and the forward rate of 6.9 RMB to each US dollar. The amount to be received or paid by the Group is determined by the notional amount multiplied by the difference between the spot rate and the forward rate. The Group will not pay or receive in all other cases.

28. 衍生金融工具(續)

附註：(續)

(b) 外幣遠期合約(續)

截至二零零九年三月三十一日止年度

(i) 於每個結算日，倘現貨價高於每美元兌港幣7.85元之上限行使價或低於兌港幣7.75元之下限行使價，則本集團將支付以抵押名義金額乘以預先釐定匯率，而本集團將以港幣收取相關的抵押名義金額。

此外，倘現貨價介乎每美元兌港幣7.8至7.85元之上限區間或倘現貨價介乎每美元兌港幣7.75至7.8元之下限區間，則本集團將支付以抵押名義金額乘以各自情況的預先釐定匯率，而本集團將以港幣收取相關名義金額。本集團與對手方之間的結算金額乃按淨額結算基準釐定。

(ii) 於每個結算日，倘現貨價高於行使價，則本集團將向對手方支付美元淨額。倘現貨價低於行使價，即介乎每美元兌人民幣6.90至7.5元，則本集團將不會支付及收取任何金額。

(iii) 於每個結算日，倘現貨價高於每美元兌人民幣6.9元的遠期價，則本集團將向對手方支付美元淨額。倘現貨價介乎每美元兌人民幣6.795元的取消價及人民幣6.9元的遠期價，則本集團將從對手方收取美元淨額。本集團將收取或支付的金額乃以名義金額乘以現貨價與遠期價之間的差額。本集團將不會於所有其他情況下支付或收取任何金額。

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28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Notes: (continued)

(b) Foreign currency forward contracts (continued)

For the year ended 31 March 2009 (continued)

- (iv) At each settlement date, the Group will pay the net amount, determined by the notional amount multiplied by the difference between the spot rate and the upper boundary rate of 6.85 RMB to each US dollar, in US dollar to the counterparty if the spot rate is higher than the upper boundary rate. The Group will receive US\$4,000 if the spot rate is between the lower boundary rate of 6.65 RMB to each US dollar and the upper boundary rate. The Group will not pay and receive in all other case.
- (v) At each settlement date, the Group will pay the net amount in US dollar to the counterparty if the spot rate is higher than the strike rate of 6.882 RMB to each US dollar. The Group will receive the net amount in US dollar from the counterparty if the spot rate is between the knock-out rate of 6.8 and the strike rate of 6.882 RMB to each US dollar. The amount to be received or paid by the Group is determined by the notional amount multiplied by the difference between the spot rate and the strike rate. The Group will not pay or receive in all other cases.
- (vi) At each settlement date, the Group will pay the notional amount multiplied by a pre-determined exchange rate if the spot rate is within the upper band between 7.11 to 7.6569 RMB dollar to each US dollar or another pre-determined exchange rate if the spot rate is within the lower band between 6.563 to 7.6569 HK dollar to each US dollar, while will receive the relevant notional amount in HK dollar. The settlement amount between the Group and the counterparty is determined on a net settlement basis.
- (vii) At each settlement date, the Group will pay the net amount, determined by the notional amount multiplied by the difference between the spot rate and upper strike rate of 7.157 RMB to each US dollar, in US dollar to the counterparty if the spot rate is higher than the lower strike rate. The Group will receive US\$10,000 if the spot rate is between the higher upper trigger rate of 6.6433 RMB to each US dollar and the upper boundary rate. The Group will not pay and receive in all other case.

28. 衍生金融工具(續)

附註：(續)

(b) 外幣遠期合約(續)

*截至二零零九年三月三十一日止年度
(續)*

- (iv) 於每個結算日，倘現貨價高於上限範圍價，則本集團將向對手方支付美元淨額，金額為名義金額乘以現貨價與上限範圍價每美元兌人民幣6.85元之間的差額釐定。倘現貨價低於每美元兌人民幣6.65元的下限範圍價及上限範圍價，則本集團將收取4,000美元。本集團將不會於所有其他情況下支付及收取任何金額。
- (v) 於每個結算日，倘現貨價高於每美元兌人民幣6.882元的行使價，則本集團將向對手方支付美元淨額。倘現貨價介乎每美元兌人民幣6.8元的取消價及人民幣6.882元的行使價，則本集團將從對手方收取美元淨額。本集團將收取或支付的金額乃以名義金額乘以現貨價與行使價之間的差額。本集團將不會於所有其他情況下支付或收取任何金額。
- (vi) 於每個結算日，倘現貨價介乎每美元兌人民幣7.11元至人民幣7.6569元之上限區間或倘現貨價介乎每美元兌港幣6.563至7.6569元之間的下限區間，則本集團將支付以名義金額乘以各自情況的預先釐定匯率，而本集團將以港幣收取相關名義金額。本集團與對手方之間的結算金額乃按淨額結算基準釐定。
- (vii) 於每個結算日，倘現貨價高於下限行使價，則本集團將向對手方支付美元淨額，金額為名義金額乘以現貨價與上限行使價每美元兌人民幣7.157元之間的差額釐定。倘現貨價介乎每美元兌人民幣6.6433元的觸發價與上限範圍價的較高者，則本集團將收取10,000美元。本集團將不會於所有其他情況下支付及收取任何金額。

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28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

28. 衍生金融工具(續)

Notes: (continued)

附註：(續)

(c) Fuel options

The major terms of the fuel options contracts which will mature within one to two months (2009: one to two years) from the end of the reporting period are set out below:

(c) 燃油期權

將於報告期間結束起計一至兩個月(二零零九年：一至兩年)到期的燃油期權合約主要條款載列如下：

For the year ended 31 March 2010

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Commodity swap

商品掉期

Remaining notional amount in barrel 餘下名義桶數	Notional amount in barrel per month 每月名義桶數	Maturity 到期日	Particulars 詳情
27,500 barrels 27,500桶	12,500 to 20,000 barrels 12,500至20,000桶	30 April 2010 二零一零年四月三十日	(i)

Commodity cap

商品上限

Notional amount in barrel 名義桶數	Maturity 到期日	Particulars 詳情
2 contracts with 12,500 barrels in total 合計12,500桶的2份合約	30 April 2010 二零一零年四月三十日	(ii)

Zero-cost collar

零成本區間

Notional amount in barrel 名義桶數	Maturity 到期日	Particulars 詳情
25,000 barrels for the cap at a ceiling price per barrel and 12,500 barrels for the floor at a floor price per barrel 按每桶上限價於上限買賣25,000桶及按每桶下限價於下限買賣12,500桶	30 April 2010 二零一零年四月三十日	(iii)

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28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Notes: (continued)

(c) Fuel options (continued)

For the year ended 31 March 2009

Commodity swap

Remaining notional amount in barrel 餘下名義桶數	Notional amount in barrel per month 每月名義桶數	Maturity 到期日	Particulars 詳情
735,000 barrels 735,000桶	12,500 to 20,000 barrels 12,500至20,000桶	30 April 2010 二零一零年四月三十日	(i)

(i) At each monthly settlement date, the Group will pay the counterparty an agreed price for each barrel of oil for the contracted notional quantity, while the Group will receive the corresponding barrel of oil at the average official oil settlement price per barrel published by the Intercontinental Exchange (the "ICE") Futures Europe during the calculation period. The settlement amount between the Group and the counterparty is determined in money term and on a net settlement basis.

(ii) On the settlement date, the Group will pay the counterparty an agreed price for each barrel of oil for the contracted notional quantity, while the Group will receive the corresponding barrel of oil at the average official oil settlement price per barrel published by the ICE Futures Europe during the calculation period. The settlement amount between the Group and the counterparty is determined in money term and on a net settlement basis.

(iii) On the settlement date, the Group will sell 25,000 barrels of oil to the counterparty at a ceiling price per barrel if the average official oil settlement price per barrel published by the ICE Futures Europe during the calculation period exceeds that ceiling price. Alternatively, the Group will buy 12,500 barrels of oil from the counterparty at a floor price per barrel if the official oil settlement price published by the ICE Futures Europe is below that ceiling price. The Group will not buy and sell oil from and to the counterparty in all other cases. The settlement amount between the Group and the counterparty is determined in money term and on a net settlement basis.

28. 衍生金融工具(續)

附註：(續)

(c) 燃油期權(續)

截至二零零九年三月三十一日止年度

商品掉期

(i) 於每月的結算日，本集團將會就已訂約的名義數量，就每桶石油向對手方支付議定的價格，惟本集團將會按計算期間內由洲際交易所(ICE)歐洲期貨刊登的每桶石油平均官方結算價收取相應桶數的石油。本集團與對手方之間的結算金額乃按貨幣條款及結算淨額基準釐定。

(ii) 於結算日，本集團將會就已訂約的名義數量，就每桶石油向對手方支付議定的價格，惟本集團將會按計算期間內由ICE歐洲期貨刊登的每桶石油平均官方結算價收取相應桶數的石油。本集團與對手方之間的結算金額乃按貨幣條款及結算淨額基準釐定。

(iii) 於結算日，倘於計算期間內由ICE歐洲期貨刊登的每桶石油平均官方結算價超過每桶的上限價，則本集團將會按該上限價向對手方出售25,000桶石油。此外，倘由ICE歐洲期貨刊登的官方石油結算價低於每桶的上限價，則本集團將會按每桶的下限價從對手方購入12,500桶石油。本集團將不會於所有其他情況下從對手方購入及向對手方出售石油。本集團與對手方之間的結算金額乃按貨幣條款及結算淨額基準釐定。

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28. DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Notes: (continued)

(d) Warrants

On 20 May 2009, the Company had issued 77,000,000 non-listed warrants, each entitled the holder thereof to subscribe for one new share at the subscription price of HK\$0.45 at any time during a period of twenty-one months commencing from the date of issue of the warrants.

The fair value of the warrants classified as derivative financial instruments were calculated using the Black-Scholes option pricing model. The inputs into the model on date of grant (i.e. 20 May 2009) and at the end of the reporting period were as follows:

Date	Share price	Exercise price	Expected volatility	Option life	Expected dividend yield	Risk-free interest rate
日期	股份價格	行使價	預期波幅	期權年期	預期股息 收益率	無風險 利率
	HK\$ 港幣	HK\$ 港幣				
20 May 2009 二零零九年五月二十日	0.53	0.45	104.30%	21 months 21個月	—	0.44%
31 March 2010 二零一零年三月三十一日	1.33	0.45	89.87%	14 months 14個月	—	0.19%

Expected volatility was determined by using the historical volatility of the Company's share price over the expected life of the option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations.

28. 衍生金融工具(續)

附註：(續)

(d) 認股權證

於二零零九年五月二十日，本公司已發行77,000,000份非上市認股權證，每份認股權證的持有人均有權於發行認股權證日期起計二十一個月期間內，隨時按認購價港幣0.45元認購一股新股份。

分類為衍生金融工具的認股權證公平價值乃採用畢蘇期權定價模式計算。於授出日期(即二零零九年五月二十日)及於報告期間結束時的模式考慮因素如下：

預期波幅乃採用本公司於期權預期年期內的股價歷史波幅釐定。於模式內採用的預期年期已根據管理層的最佳估計，就不可轉讓規定、行使限制及行為考慮因素作出調整。

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29. BANK BALANCES AND CASH

Cash and cash equivalents at the end of the reporting period can be analysed as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Cash at banks and on hand	銀行存款及手頭現金	392,373	29,003
Short-term bank deposits with financial institutions	存放於金融機構的短期銀行存款	852	1,582
		393,225	30,585

Bank balances and cash comprise short-term bank deposits carrying interest at prevailing deposit rates which range from 0.01% to 0.8% (2009: 0.01% to 0.6%) per annum.

29. 銀行結餘及現金

於報告期結束時，現金及現金等值項目的分析如下：

銀行結餘及現金包括按現行存款年利率0.01%至0.8%（二零零九年：0.01%至0.6%）計息的短期銀行存款。

30. TRADE AND OTHER PAYABLES

The following is an analysis of trade and other payables at the end of the reporting date:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Trade payables	貿易應付款項	12,710	11,968
Bills payable	應付票據	33,744	39,164
Other payables and accruals	其他應付款項及應計項目	44,313	28,698
Amount due to a non-controlling interest (note)	應付一項非控制性權益款項(附註)	—	8,928
		90,767	88,758

Note: The amount due to a non-controlling interest of a subsidiary was unsecured, interest-free and had no fixed term of repayment. The amount was settled during the year.

30. 貿易及其他應付款項

於報告期結束時，貿易及其他應付款項的分析如下：

附註：去年應付一間附屬公司的一項非控制性權益款項乃屬無抵押、免息及無固定還款期。該筆款項已於本年度內清付。

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30. TRADE AND OTHER PAYABLES (CONTINUED)

The following is an aged analysis of trade payables and bills payable presented based on the invoice date and date of the bills at the end of the reporting period:

Aged analysis of trade payables

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Less than 1 month	不足一個月	8,510	6,214
1 month to 3 months	一個月至三個月	998	2,994
More than 3 months but less than 1 year	超過三個月但不足一年	549	2,760
Over 1 year	超過一年	2,653	—
		12,710	11,968

30. 貿易及其他應付款項(續)

於報告期結束時，根據發票日期及票據日期呈列的貿易應付款項及應付票據的賬齡分析如下：

貿易應付款項的賬齡分析

Aged analysis of bills payable

應付票據的賬齡分析

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Less than 1 month	不足一個月	—	39,164
1 month to 3 months	一個月至三個月	33,744	—
		33,744	39,164

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31. BANK BORROWINGS

31. 銀行借貸

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Secured	有抵押	93,369	72,090
Carrying amount repayable:	償還賬面值		
Within one year	一年內	24,615	16,567
More than one year, but not exceeding two years	一年以上，但不超過兩年	24,494	13,863
More than two years, but not exceeding five years	兩年以上，但不超過五年	44,260	40,020
More than five years	五年以上	—	1,640
		93,369	72,090
Less: Amounts due within one year shown under current liabilities	減：流動負債項下一年內到期的款項	(24,615)	(16,567)
		68,754	55,523

The amounts include fixed-rate bank borrowings of HK\$875,000 (2009: HK\$17,684,000) which carry interest at average fixed rate of 2.5% (2009: 5.65%) per annum and variable-rate borrowings of HK\$92,494,000 (2009: HK\$54,406,000) which carry effective interest rate at 2.11% (2009: 2.84%) per annum and contractual interest at HIBOR plus certain basis points per annum. The borrowings are repayable by instalments or in a lump sum payment upon maturity in accordance with the terms set out in the respective banking facility letters. All of the bank borrowings are secured by the Group's assets in both years as detailed in note 42.

包括固定利率銀行借貸港幣875,000元(二零零九年：港幣17,684,000元)的金額按平均固定年利率2.5%(二零零九年：5.65%)計息，而港幣92,494,000元(二零零九年：港幣54,406,000元)的浮息借貸則按2.11%(二零零九年：2.84%)及香港銀行同業拆息加若干基本點計算實際年利率。根據條款分期償還或於到期時一筆過支付的借貸分別載列於其相關銀行信貸函件中。所有銀行借貸均於兩年內以本集團資產作為抵押，相關詳情載列於附註42。

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31. BANK BORROWINGS (CONTINUED)

In respect of the banking facility with utilised balance of HK\$93,369,000 as at 31 March 2010, the Group was unable to meet the required interest coverage ratio stipulated under the respective facility agreement. On discovery of this issue, the directors had informed the bank and commenced a renegotiation of the terms of the underlying facility agreement. The negotiation had been concluded and the bank had confirmed that it had waived the Group's non-compliance in respect of the required interest coverage ratio as at 31 March 2010. Accordingly, the directors consider that the Group as at 31 March 2010 has an unconditional right to make the repayment with reference to the repayment schedule as stipulated under the original facility agreement. No reclassification of any non-current portion of the bank borrowings to current liabilities is made accordingly.

32. 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 were early redeemed in full in 2009. The bonds bore interest at 0.5% per annum and were unsecured.

The principal terms of the Bonds are as follows:

- (i) Conversion rights are exercisable at any time between 18 July 2007 to 18 June 2012.
- (ii) 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.
- (iii) 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.
- (iv) 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.

31. 銀行借貸(續)

就於二零一零年三月三十一日已使用結餘為港幣93,369,000元的銀行信貸而言，本集團未能達致相關信貸協議內所指定的所須利息盈利比率。當發現此問題後，董事已知會有關銀行並展開有關信貸協議條款的重新磋商。磋商其後達成協議，而有關銀行已確認豁免本集團遵守於二零一零年三月三十一日與所須利息盈利比率相關的合規行為。因此，董事認為本集團於二零一零年三月三十一日擁有無條件權利，可參照原有信貸協議所指定的還款時間表償還款項。故此概無將銀行借貸的任何非流動部分重新分類為流動負債。

32. 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。債券已提早於二零零九年全部贖回。債券按年利率0.5%計息，並為無抵押。

債券的主要條款如下：

- (i) 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。
- (ii) 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。
- (iii) 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。
- (iv) 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%。

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32. CONVERTIBLE BONDS (CONTINUED)

- (v) The Conversion Price cannot be reset below 85% of the prevailing Conversion Price in any one year.
- (vi) 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 antidilution events).

32. 可換股債券(續)

- (v) 換股價不得重訂至低於於任何一年的通行換股價的85%。
- (vi) 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)。

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Conversion option derivative component			
兌換權衍生部分			
At the beginning of the year	於年初	—	17,717
Conversion during the year	於年內兌換	—	—
Gain arising on changes of fair value	公平值變動產生的 收益	—	—
Paid up during the year	於年內繳足	—	(17,717)
At the end of the year		—	—
Liability component			
負債部分			
At the beginning of the year	於年初	—	20,101
Nominal value of the issuance date (4 July 2007)	發行日期的面值(二零 零七年七月四日)	—	—
Interest expense	利息開支	—	3,802
Interest paid	已付利息	—	(200)
Paid up during the year	於年內繳足	—	(25,366)
Loss on early redemption of convertible bonds	提早贖回可換股債券 的虧損	—	1,663
At the end of the period/year		—	—
Total convertible bonds		—	—

In respect of the outstanding convertible bonds in an aggregate principal amount of HK\$40,000,000 which was convertible into 50,806,554 new shares. The conversion price had been adjusted from HK\$0.7873 to HK\$0.67 per share after the offer shares became unconditional on 6 June 2008.

本金總額為港幣40,000,000元的未行使可換股債券兌換為50,806,554股新股。於二零零八年六月六日發售股份成為無條件後，換股價由每股港幣0.7873元調整至港幣0.67元。

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33. DEFERRED TAX LIABILITIES

The followings are the major deferred taxation liability recognised and movements thereon during the current and prior years:

		Accelerated tax depreciation 加速稅項折舊	Others 其他	Total 合計
		HK\$'000 港幣千元	HK\$'000 港幣千元	HK\$'000 港幣千元
At 1 April 2008	於二零零八年四月一日	421	543	964
Credit to profit or loss	計入損益	—	(506)	(506)
Exchange realignment	匯兌調整	—	12	12
At 1 April 2009 and 31 March 2010	於二零零九年四月一日 及二零一零年 三月三十一日	421	49	470

At the end of the reporting period, the Group has deductible temporary differences and unused tax losses of HK\$62,188,000 and HK\$49,497,000 (2009: HK\$2,025,000 and HK\$1,485,000) respectively. No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised. No deferred tax asset has been recognised on the tax losses due to unpredictability of future profit streams.

33. 遞延稅項負債

於本年度及往年度，已確認的主要遞延稅項負債及其變動載列如下：

於報告期結束時，本集團的可扣稅暫時差異及尚未動用稅項虧損分別為港幣62,188,000元及港幣49,497,000元（二零零九年：港幣2,025,000元及港幣1,485,000元）。由於出現能動用可扣稅暫時差異以抵銷應課稅溢利的可能性不大，因此並無就有關該等可扣稅暫時差異確認的遞延稅項資產。由於未來溢利來源屬無法預測，故並無就稅項虧損確認遞延稅項資產。

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34. SHARE CAPITAL

34. 股本

	Notes 附註	Number of shares 股份數目		Share capital 股本	
		2010 二零一零年 '000 千股	2009 二零零九年 '000 千股	2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Ordinary shares of HK\$0.01 each 8 billion		8,000,000	8,000,000	80,000	80,000
Issued and fully paid					
At the beginning of the year		1,985,733	1,295,155	19,857	12,952
Issue of shares from open offer	(a)	—	647,578	—	6,475
Exercise of share options		446,556	43,000	4,466	430
Exercise of warrants	(b)	14,563	—	146	—
Placement of new shares	(c)	665,000	—	6,650	—
Issue of new shares for acquisition of a subsidiary	(d)	275,330	—	2,753	—
Issue of new shares for acquisition of an associate	(e)	238,889	—	2,389	—
At the end of the year		3,626,071	1,985,733	36,261	19,857

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.

Notes:

- (a) On 6 June 2008, 647,577,739 offer shares were issued at a subscription price of HK\$0.288 under the open offer on the basis of one offer share for every two existing shares. The subscription price of HK\$0.288 representing a discount of approximately 40.62% to the closing market price of the Company's share on 17 April 2008. These offer shares ranked pari passu with other shares in issue in all respect. The net proceeds from the open offer were used for the payment of the Fu 718 project and as general working capital for the Group.

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的投票權。所有普通股享有同等權利，可分享本公司的剩餘資產。

附註：

- (a) 於二零零八年六月六日，根據基於兩股現有股份可獲發一股發售股份的公開招股，按認購價每股港幣0.288元發行647,577,739股發售股份。每股港幣0.288元的認購價較本公司股份於二零零八年四月十七日的收市價折讓約40.62%。該等發售股份在所有方面與其他已發行股份享有同等地位。自公開招股的所得款項用於支付富781項目及用作本集團的一般營運資金。

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34. SHARE CAPITAL (CONTINUED)

Notes: (continued)

- (b) On 20 May 2009, 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 77,000,000 shares on the basis of the initial exercise price of HK\$0.45 per warrant share, on behalf of the Company, to places who are independent of the Company and its connected persons, at the issue price of HK\$0.01 per warrant. At the date of this report, 10,000,000 warrants have been exercised since the date of issue.

Moreover, during the year, there were 3,062,660 shares of bonus warrants and 1,500,000 shares of non-listed warrants issued in the prior year had been exercised at the exercise price ranging from HK\$0.45 to HK\$0.48 per warrant.

- (c) On 20 May 2009, the Company entered into a share placing agreement with the placing agent pursuant to which the placing agent agreed to place shares comprising in aggregate up to 225,000,000 existing shares at a placing price of HK\$0.325 per placing share, representing a discount of approximately 19.75% to the closing price on 20 May 2009. Accordingly, the Company has increased its issued share capital by nominal value of HK\$2,250,000 and raised capital of HK\$73,125,000.

On 30 December 2009, the Company entered into another share placing agreement with the placing agent pursuant to which the placing agent agreed to place shares comprising in aggregate up to 220,000,000 new shares at the placing price of HK\$0.51 per placing share, representing a discount of approximately 3.77% to the closing price on 30 December 2009. Accordingly, the Company has increased its issued share capital by nominal value of HK\$2,200,000 and raised capital of HK\$112,200,000.

On 11 February 2010, the Company entered into another share placing agreement with the placing agent pursuant to which the placing agent agreed to place shares comprising in aggregate up to 220,000,000 new shares at the placing price of HK\$1.02 per placing share, representing a discount of approximately 6.42% to the closing price on 11 February 2010. Accordingly, the Company has increased its issued share capital by nominal value of HK\$2,200,000 and raised capital of HK\$224,400,000.

34. 股本(續)

附註：(續)

- (b) 於二零零九年五月二十日，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，按每份認股權證港幣0.01元的發行價，向獨立於本公司及其關連人士的承配人，配售附有認購77,000,000股股份權利(以每股認股權證股份港幣0.45元的初步行使價為基準)的認股權證。於此等財務報表的報告日期，自發行當日起10,000,000份認股權證已獲行使。

此外，於過往年度發行的3,062,660份紅利認股權證及1,500,000份非上市認股權證，已按每份認股權證港幣0.45元至0.48元的行使價行使。

- (c) 於二零零九年五月二十日，本公司與配售代理訂立股份配售協議，據此配售代理同意按每股配售股份港幣0.325元的配售價(較二零零九年五月二十日的收市價折讓約19.75%)，配售合共最多225,000,000股現有股份。因此，本公司已將其已發行股本按賬面值增加港幣2,250,000元及募集資金港幣73,125,000元。

於二零零九年十二月三十日，本公司與配售代理訂立第二份股份配售協議，據此配售代理同意按每股配售股份港幣0.51元的配售價(較二零零九年十二月三十日的收市價折讓約3.77%)，配售合共最多220,000,000股新股。因此，本公司已將其已發行股本按賬面值增加港幣2,200,000元及募集資金港幣112,200,000元。

於二零一零年二月十一日，本公司與配售代理訂立第三份股份配售協議，據此配售代理同意按每股配售股份港幣1.02元的配售價(較二零一零年二月十一日的收市價折讓約6.42%)，配售合共最多220,000,000股新股。因此，本公司已將其已發行股本按賬面值增加港幣2,200,000元及募集資金港幣224,400,000元。

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34. SHARE CAPITAL (CONTINUED)

Notes: (continued)

- (d) On 12 January 2010 and 25 January 2010, 87,829,516 and 187,500,000 ordinary shares of HK\$0.01 each were issued as part of the consideration for the acquisition of additional 49% equity interest in Northeast Oil (China) Development Company Limited ("Northeast Oil") as detailed in note 38(a).
- (e) On 23 April 2009, 238,889,000 ordinary shares of HK\$0.01 each were issued as part of the consideration for the acquisition of 43% equity interest in Profit Success as detailed in note 23.

Warrants

On 30 January 2008, the Company had issued 200,000,000 non-listed warrants, each entitled the holder thereof to subscribe for one new share at the subscription price of HK\$1 at any time during a period of thirty-six months commencing from the date of issue of the warrants. The subscription price had been adjusted to HK\$0.86 per share after the offer shares became unconditional on 6 June 2008.

On 26 September 2008, the Company had issued 161,894,434 listed warrants, each entitled the holder thereof to subscribe for one new share at the subscription price of HK\$0.48 at any time during a period of thirty-six months commencing from the date of issue of the warrants.

As at 31 March 2010, there were outstanding non-listed warrants and listed warrants carrying subscription rights up to HK\$179,962,000 (2009: HK\$189,852,000) and HK\$76,239,000 (2009: HK\$77,709,000) in aggregate respectively, equivalent to the aggregate subscription price for a total of 209,258,000 (2009: 220,758,000) shares of non-listed warrants and 158,832,000 (2009: 161,894,000) shares of listed warrants on the basis of the adjusted subscription price of HK\$0.86 and the subscription price of HK\$0.48 respectively.

34. 股本(續)

附註：(續)

- (d) 於二零一零年一月十二日及二零一零年一月二十五日，已發行87,829,516股及187,500,000股每股面值港幣0.01元的普通股，作為收購於東北石油(中國)發展有限公司(「東北石油」)額外49%股本權益(詳情見附註38(a))的部分代價。
- (e) 於二零零九年四月二十三日，已發行238,889,000股每股面值港幣0.01元的普通股，作為收購於利成實業43%股本權益(詳情見附註23)的部分代價。

認股權證

於二零零八年一月三十日，本公司發行200,000,000份非上市認股權證，每份認股權證的持有人均有權於發行認股權證日期起計三十六個月期間內，隨時按認購價港幣1元認購一股新股份。於二零零八年六月六日發售股份成為無條件後，認購價調整至每股港幣0.86元。

於二零零八年九月二十六日，本公司發行161,894,434份已上市認股權證，每份認股權證的持有人均有權於發行認股權證日期起計三十六個月期間內，隨時按認購價港幣0.48元認購一股新股份。

於二零一零年三月三十一日，尚未行使的非上市認股權證及已上市認股權證所附的認購權分別合共最多港幣179,962,000元(二零零九年：港幣189,852,000元)及港幣76,239,000元(二零零九年：港幣77,709,000元)，相等於分別按經調整認購價港幣0.86元及認購價港幣0.48元的合計209,258,000份非上市認股權證(二零零九年：220,758,000份)及158,832,000份已上市認股權證(二零零九年：161,894,000份)的總認購價。

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35. SHARE-BASED PAYMENTS

Equity-settled share option scheme

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 without vesting period to subscribe for shares in the Company without vesting period representing up to a maximum of 10% of the shares issue from time to time (excluding shares issued on exercise of options under the share option scheme).

The following tables disclose details of the Company's share options held by employees (including directors) and consultants and movements in such holdings during 2010 and 2009:

For the year ended 31 March 2010

Date of grant	Exercise price per share	Exercisable period	Number of share options				
			Outstanding at 1.4.2009	Granted during the year	Exercised during the year	Lapsed/ forfeited during the year	
授出日期	每股行使價 HK\$ 港幣	可行使期	於二零零九年 四月一日 尚未行使	於年內授出	於年內行使	於年內失效 / 被沒收	於二零一零年 三月三十一日 尚未行使
13 August 2004 二零零四年八月十三日	*0.251	13.8.2004 to 12.8.2014 二零零四年八月十三日至 二零一四年八月十二日	100,000	—	—	—	100,000
14 September 2007 二零零七年九月十四日	*0.933	14.9.2007 to 13.9.2009 二零零七年九月十四日至 二零零九年九月十三日	48,000,000	—	—	(48,000,000)	—
14 September 2007 二零零七年九月十四日	*0.933	14.9.2007 to 13.9.2009 二零零七年九月十四日至 二零零九年九月十三日	2,040,000	—	—	(2,040,000)	—
28 July 2008 二零零八年七月二十八日	0.310	28.7.2008 to 27.7.2009 二零零八年七月二十八日至 二零零九年七月二十七日	65,875,000	—	(65,875,000)	—	—
28 July 2008 二零零八年七月二十八日	0.310	28.7.2008 to 27.7.2009 二零零八年七月二十八日至 二零零九年七月二十七日	12,925,000	—	(12,925,000)	—	—
6 November 2008 二零零八年十一月六日	0.077	6.11.2008 to 5.11.2009 二零零八年十一月六日至 二零零九年十一月五日	20,000,000	—	(20,000,000)	—	—

35. 以股份支付的款項

股本結算購股權計劃

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)接納不設歸屬期的購股權，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)且不設歸屬期的本公司股份。

下表披露於二零一零及二零零九年年度內僱員(包括董事)及顧問所持本公司購股權的詳情及該等購股權的變動：

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截至二零一零年三月三十一日止年度

35. SHARE-BASED PAYMENTS (CONTINUED)

35. 以股份支付的款項(續)

Equity-settled share option scheme (continued)

股本結算購股權計劃(續)

For the year ended 31 March 2010 (continued)

截至二零一零年三月三十一日止年度(續)

Date of grant	Exercise price per share	Exercisable period	Number of share options				Outstanding at 31.3.2010
			Outstanding at 1.4.2009	Granted during the year	Exercised during the year	Lapsed/ forfeited during the year	
授出日期	每股行使價 HK\$ 港幣	可行使期	於二零零九年 四月一日 尚未行使	於年內授出	於年內行使	於年內失效 / 被沒收	於二零一零年 三月三十一日 尚未行使
24 December 2008 二零零八年十二月二十四日	0.200	24.12.2008 to 23.12.2009 二零零八年十二月二十四日至 二零零九年十二月二十三日	10,000,000	—	(10,000,000)	—	—
24 December 2008 二零零八年十二月二十四日	0.118	24.12.2008 to 23.12.2009 二零零八年十二月二十四日至 二零零九年十二月二十三日	38,000,000	—	(38,000,000)	—	—
24 December 2008 二零零八年十二月二十四日	0.110	24.12.2008 to 23.12.2009 二零零八年十二月二十四日至 二零零九年十二月二十三日	63,500,000	—	(63,500,000)	—	—
31 December 2008 二零零八年十二月三十一日	0.200	31.12.2008 to 30.12.2009 二零零八年十二月三十一日至 二零零九年十二月三十日	20,000,000	—	(20,000,000)	—	—
29 April 2009 二零零九年四月二十九日	0.206	29.4.2009 to 28.4.2012 二零零九年四月二十九日至 二零一二年四月二十八日	—	113,780,000	(113,564,000)	—	216,000
13 May 2009 二零零九年五月十三日	0.300	13.5.2009 to 12.5.2010 二零零九年五月十三日至 二零一零年五月十二日	—	42,200,000	(27,200,000)	—	15,000,000

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截至二零一零年三月三十一日止年度

35. SHARE-BASED PAYMENTS (CONTINUED)

35. 以股份支付的款項(續)

Equity-settled share option scheme (continued)

股本結算購股權計劃(續)

For the year ended 31 March 2010 (continued)

截至二零一零年三月三十一日止年度(續)

Date of grant	Exercise price per share	Exercisable period	Number of share options				Outstanding at 31.3.2010
			Outstanding at 1.4.2009	Granted during the year	Exercised during the year	Lapsed/forfeited during the year	
授出日期	每股行使價 HK\$ 港幣	可行使期	於二零零九年 四月一日 尚未行使	於年內授出	於年內行使	於年內失效 / 被沒收	於二零一零年 三月三十一日 尚未行使
16 July 2009 二零零九年七月十六日	0.414	16.7.2009 to 15.7.2010 二零零九年七月十六日至 二零一零年七月十五日	—	4,992,000	(4,992,000)	—	—
24 July 2009 二零零九年七月二十四日	0.475	24.7.2009 to 23.7.2010 二零零九年七月二十四日至 二零一零年七月二十三日	—	17,000,000	(12,000,000)	—	5,000,000
14 August 2009 二零零九年八月十四日	0.472	14.8.2009 to 13.8.2010 二零零九年八月十四日至 二零一零年八月十三日	—	51,800,000	(30,800,000)	—	21,000,000
31 August 2009 二零零九年八月三十一日	0.412	31.8.2009 to 30.8.2010 二零零九年八月三十一日至 二零一零年八月三十日	—	70,000,000	(27,700,000)	—	42,300,000
			280,440,000	299,772,000	(446,556,000)	(50,040,000)	83,616,000
Exercisable at the end of the year 於年終可行使							83,616,000
Weighted average exercise price 加權平均行使價			0.321	0.332	0.244	0.933	0.41

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截至二零一零年三月三十一日止年度

35. SHARE-BASED PAYMENTS (CONTINUED)

35. 以股份支付的款項(續)

Equity-settled share option scheme (continued)

股本結算購股權計劃(續)

For the year ended 31 March 2009

截至二零零九年三月三十一日止年度

Date of grant	Exercise price per share	Exercisable period	Outstanding at 1.4.2008	Number of share options			Outstanding at 31.3.2009
				Granted during the year	Exercised during the year	Lapsed/ forfeited during the year	
授出日期	每股行使價	可行使期	於二零零八年四月一日尚未行使	於年內授出	於年內行使	於年內失效/被沒收	於二零零九年三月三十一日尚未行使
	HK\$						
	港幣						
24 November 2003 二零零三年十一月二十四日	*0.260	24.11.2003 to 23.11.2008 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	1,000,000	—	—	(1,000,000)	—
13 August 2004 二零零四年八月十三日	*0.251	13.8.2004 to 12.8.2014 二零零四年八月十三日至 二零一四年八月十二日	100,000	—	—	—	100,000
14 September 2007 二零零七年九月十四日	*0.933	14.9.2007 to 13.9.2009 二零零七年九月十四日至 二零零九年九月十三日	48,000,000	—	—	—	48,000,000
14 September 2007 二零零七年九月十四日	*0.933	14.9.2007 to 13.9.2009 二零零七年九月十四日至 二零零九年九月十三日	2,040,000	—	—	—	2,040,000
19 November 2007 二零零七年十一月十九日	*1.019	19.11.2007 to 18.11.2008 二零零七年十一月十九日至 二零零八年十一月十八日	37,000,000	—	—	(37,000,000)	—
28 July 2008 二零零八年七月二十八日	0.310	28.7.2008 to 27.7.2009 二零零八年七月二十八日至 二零零九年七月二十七日	—	73,875,000	—	(8,000,000)	65,875,000
28 July 2008 二零零八年七月二十八日	0.310	28.7.2008 to 27.7.2009 二零零八年七月二十八日至 二零零九年七月二十七日	—	12,925,000	—	—	12,925,000
6 November 2008 二零零八年十一月六日	0.077	6.11.2008 to 5.11.2009 二零零八年十一月六日至 二零零九年十一月五日	—	20,000,000	—	—	20,000,000
17 November 2008 二零零八年十一月十七日	0.081	17.11.2008 to 16.11.2009 二零零八年十一月十七日至 二零零九年十一月十六日	—	30,000,000	(30,000,000)	—	—
24 December 2008 二零零八年十二月二十四日	0.200	24.12.2008 to 23.12.2009 二零零八年十二月二十四日至 二零零九年十二月二十三日	—	10,000,000	—	—	10,000,000
24 December 2008 二零零八年十二月二十四日	0.118	24.12.2008 to 23.12.2009 二零零八年十二月二十四日至 二零零九年十二月二十三日	—	38,000,000	—	—	38,000,000
24 December 2008 二零零八年十二月二十四日	0.110	24.12.2008 to 23.12.2009 二零零八年十二月二十四日至 二零零九年十二月二十三日	—	76,500,000	(13,000,000)	—	63,500,000

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35. SHARE-BASED PAYMENTS (CONTINUED)

35. 以股份支付的款項(續)

Equity-settled share option scheme (continued)

股本結算購股權計劃(續)

For the year ended 31 March 2009

截至二零零九年三月三十一日止年度

Date of grant	Exercise price per share	Exercisable period	Outstanding at 1.4.2008 於二零零八年四月一日尚未行使	Number of share options 購股權數目			Outstanding at 31.3.2009 於二零零九年三月三十一日尚未行使
				Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed/forfeited during the year 於年內失效/被沒收	
31 December 2008 二零零八年十二月三十一日	0.200	31.12.2008 to 30.12.2009 二零零八年十二月三十一日至二零零九年十二月三十日	—	20,000,000	—	—	20,000,000
			88,140,000	281,300,000	(43,000,000)	(46,000,000)	280,440,000
Exercisable at the end of the year 於年終可行使							280,440,000
Weighted average exercise price 加權平均行使價			0.961	0.177	0.090	0.879	0.321

* As a result of the open offer on 6 June 2008, the exercise price of those share options pursuant to the share option scheme have been adjusted.

* 根據購股權計劃，經二零零八年六月六日的公開發售後，該等購股權的行使價已經調整。

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35. SHARE-BASED PAYMENTS (CONTINUED)

Equity-settled share option scheme (continued)

Details of the movements of the share options during the year held by the directors of the Company included in the above tables for 2010 and 2009 are as follows:

For the year ended 31 March 2010

Date of grant	Exercise price per share	Exercisable period	Number of share options				Outstanding at 31.3.2010
			Outstanding at 1.4.2009	Granted during the year	Exercised during the year	Lapsed during the year	
授出日期	每股行使價 HK\$ 港幣	可行使期	於二零零九年 四月一日 尚未行使	於年內授出	於年內行使	於年內失效	於二零一零年 三月三十一日 尚未行使
13 August 2004 二零零四年八月十三日	0.251	13.8.2004 to 12.8.2014 二零零四年八月十三日至 二零一四年八月十二日	100,000	—	—	—	100,000
14 September 2007 二零零七年九月十四日	0.933	14.09.2007 to 13.09.2009 二零零七年九月十四日至 二零零九年九月十三日	50,040,000	—	—	(50,040,000)	—
28 July 2008 二零零八年七月二十八日	0.310	28.7.2008 to 27.7.2009 二零零八年七月二十八日至 二零零九年七月二十七日	11,450,000	—	(11,450,000)	—	—
28 July 2008 二零零八年七月二十八日	0.310	28.7.2008 to 27.7.2009 二零零八年七月二十八日至 二零零九年七月二十七日	6,450,000	—	(6,450,000)	—	—
29 April 2009 二零零九年四月二十九日	0.206	29.04.2009 to 28.04.2012 二零零九年四月二十九日至 二零一二年四月二十八日	—	113,780,000	(113,564,000)	—	216,000
16 July 2009 二零零九年七月十六日	0.414	16.07.2009 to 15.07.2010 二零零九年七月十六日至 二零一零年七月十五日	—	4,992,000	(4,992,000)	—	—
31 August 2009 二零零九年八月三十一日	0.412	31.08.2009 to 30.08.2010 二零零九年八月三十一日至 二零一零年八月三十日	—	10,000,000	—	—	10,000,000
			68,040,000	128,772,000	(136,456,000)	(50,040,000)	10,316,000
Exercisable at the end of the year 於年終可行使							10,316,000
Weighted average exercise price 加權平均行使價			0.768	0.23	0.227	0.933	0.406

35. 以股份支付的款項(續)

股本結算購股權計劃(續)

本公司董事於年內持有的購股權變動(已計入上述二零一零及二零零九年列表)詳情如下:

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35. SHARE-BASED PAYMENTS (CONTINUED)

35. 以股份支付的款項(續)

Equity-settled share option scheme (continued)

股本結算購股權計劃(續)

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Date of grant	Exercise price per share	Exercisable period	Outstanding at 1.4.2009 於二零零八年四月一日 尚未行使	Number of share options 購股權數目			Outstanding at 31.3.2010 於二零零九年三月三十一日 尚未行使
				Granted during the year 於年內授出	Exercised during the year 於年內行使	Lapsed during the year 於年內失效	
13 August 2004 二零零四年八月十三日	0.251	13.8.2004 to 12.8.2014 二零零四年八月十三日至 二零一四年八月十二日	100,000	—	—	—	100,000
14 September 2007 二零零七年九月十四日	0.933	14.09.2007 to 13.09.2009 二零零七年九月十四日至 二零零九年九月十三日	50,040,000	—	—	—	50,040,000
28 July 2008 二零零八年七月二十八日	0.310	28.7.2008 to 27.7.2009 二零零八年七月二十八日至 二零零九年七月二十七日	—	11,450,000	—	—	11,450,000
28 July 2008 二零零八年七月二十八日	0.310	28.7.2008 to 27.7.2009 二零零八年七月二十八日至 二零零九年七月二十七日	—	6,450,000	—	—	6,450,000
			50,140,000	17,900,000	—	—	68,040,000
Exercisable at the end of the year 於年終可行使							68,040,000
Weighted average exercise price 加權平均行使價			0.932	0.31	—	—	0.768

Immediately after the offer shares related to the open offer became unconditional, adjustments were made to the exercise price and the number of outstanding share options to subscribe for shares granted to the Share Option Scheme.

緊隨與公開發售相關的發售股份成為無條件後，已對獲購股權計劃授予以供認購股份但尚未行使的購股權行使價及數目作出調整。

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35. SHARE-BASED PAYMENTS (CONTINUED)

Equity-settled share option scheme (continued)

The following table sets out the adjustments on the Share Option Scheme:

Date of grant 授出日期	Before adjustments 調整前		After adjustments 調整後	
	Exercise price of each option 每份購股權的行使價 HK\$ 港幣	Number of share options 購股權數目	Exercise price of each option 每份購股權的行使價 HK\$ 港幣	Number of share options 購股權數目
24 November 2003 二零零三年十一月二十四日	0.301	1,000,000	0.26	1,157,518
13 August 2004 二零零四年八月十三日	0.29	100,000	0.251	115,752
14 September 2007 二零零七年九月十四日	1.08	50,040,000	0.933	57,922,195
19 November 2007 二零零七年十一月十九日	1.18	37,000,000	1.019	42,828,162
		88,140,000		102,023,627

The weighted average closing share price at the date of exercise for the share options during the year was HK\$0.7702 (2009: HK\$0.211).

During the year ended 31 March 2010, options were granted on 29 April, 13 May, 16 July, 24 July, 14 August and 31 August. The estimated fair values of the options granted on those dates are HK\$0.0879, HK\$0.0962, HK\$0.1373, HK\$0.1596, HK\$0.1431 and HK\$0.0941 respectively. During the year ended 31 March 2009, options were granted on 28 July, 6, 17 November and 24, 31 December. The estimated fair values of the options granted on those dates are HK\$0.0564, HK\$0.0822, HK\$0.0279, HK\$0.0288, HK\$0.0379, HK\$0.0362, HK\$0.0208 and HK\$0.0256 respectively.

35. 以股份支付的款項(續)

股本結算購股權計劃(續)

下表載列購股權計劃的調整：

年內，於行使購股權當日的加權平均股份收市價為港幣0.7702元(二零零九年：港幣0.211元)。

截至二零一零年三月三十一日止年度內，已於四月二十九日、五月十三日、七月十六日、七月二十四日、八月十四日及八月三十一日授出購股權。於該等日期所授出購股權的估計公平值分別為港幣0.0879元、港幣0.0962元、港幣0.1373元、港幣0.1596元、港幣0.1431元及港幣0.0941元。截至二零零九年三月三十一日止年度內，已於七月二十八日、十一月六日、十七日及十二月二十四日、三十一日授出購股權。於該等日期所授出購股權的估計公平值分別為港幣0.0564元、港幣0.0822元、港幣0.0279元、港幣0.0288元、港幣0.0379元、港幣0.0362元、港幣0.0208元及港幣0.0256元。

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35. SHARE-BASED PAYMENTS (CONTINUED)

35. 以股份支付的款項(續)

Equity-settled share option scheme (continued)

股本結算購股權計劃(續)

These fair values were calculated using the Black-Scholes option pricing model. The inputs into the model were as follows:

該等公平值乃採用柏力克-舒爾斯期權定價模式計算。模式所用的輸入因素如下：

Grant date	Share price	Exercise price	Expected volatility	Option life	Expected dividend yield	Risk-free interest rate
授出日期	股價 HK\$ 港幣	行使價 HK\$ 港幣	預期波幅	購股權年期	預期股息 收益率	無風險利率
29 April 2009 二零零九年四月二十九日	0.195	0.2064	101.15%	3 years 三年	—	0.43%
13 May 2009 二零零九年五月十三日	0.3	0.3	116.80%	12 months 十二個月	—	0.09%
16 July 2009 二零零九年七月十六日	0.41	0.414	123.64%	12 months 十二個月	—	0.06%
24 July 2009 二零零九年七月二十四日	0.475	0.475	122.82%	12 months 十二個月	—	0.08%
14 August 2009 二零零九年八月十四日	0.455	0.472	119.20%	12 months 十二個月	—	0.19%
31 August 2009 二零零九年八月三十一日	0.39	0.412	94.22%	12 months 十二個月	—	0.15%

Expected volatility was determined by using the historical volatility of the Company's share price over the expected life of the option. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non transferability, exercise restrictions and behavioural considerations.

預期波幅乃採用本公司股價除以購股權預期年期的過往波幅釐定。此模式所採用的預期年期已根據管理層的最佳估計，且就不可轉讓、行使限制及行為考慮的影響而予以調整。

The Group recognised the total expense of HK\$31,459,000 for the year ended 31 March 2010 (2009: HK\$13,362,000) in relation to share options granted by the Company.

截至二零一零年三月三十一日止年度，本集團已就本公司授出的購股權確認總開支為港幣31,459,000元(二零零九年：港幣13,362,000元)。

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For the year ended 31 March 2010

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36. MAJOR NON-CASH TRANSACTIONS

During the year, the Group acquired 49% additional equity interest of Northeast Oil, a 51% owned subsidiary prior to this acquisition, and acquired 43% equity interest of Profit Success, which then becomes an associate of the Group, by the issue of 275,330,000 and 238,889,000 ordinary shares respectively.

During the year, the Group recognised non-cash expenses arising from the grant of share options to the directors and the employees of HK\$31,459,000 (2009: HK\$13,362,000).

37. BUSINESS COMBINATION

- a. As described in note 21b(ii), on 4 January 2008, the Group entered into a formal agreement (the “Agreement”) with an independent third party (the “Vendor”) for acquisition of the Vendor’s interest in relation to the exclusive rights to develop the exploitation business in the New Joint Development Zone in conjunction with Qiqihar Oil. Qiqihar Oil is a holder of the oil exploitation licence for the New Joint Development Zone and is also the Group’s working partner of Fu 710 and Meilisi 723 project acquired during the year ended 31 March 2008.

Pursuant to the Agreement, the Vendor agreed to transfer all its interest in the Fu 718 project to the Group and procured the Group to enter the 2008 PSC with Qiqihar Oil.

Pursuant to the 2008 PSC dated 24 January 2008, Dongguan Xinyimei Paint Company Limited (“Xinyimei”), an indirect wholly-owned subsidiary of the Company, is responsible for contributing all the capital expenditures for the purchase, installation and construction of the equipment required for the exploitation business.

36. 主要非現金交易

年內，透過分別發行275,330,000股及238,889,000股普通股，本集團收購東北石油額外49%股本權益（於此收購前，東北石油為本集團擁有51%股本權益的附屬公司），及收購利成實業43%股本權益，其後，利成實業成為本集團的一間聯營公司。

年內，本集團已確認因向董事及僱員授出購股權而產生的非現金開支為港幣31,459,000元（二零零九年：港幣13,362,000元）。

37. 收購附屬公司

- a. 如附註21(b)(ii)所述，於二零零八年一月四日，本集團與一名獨立第三方（「賣方」）訂立一份正式協議（「協議」），以收購賣方與於新共同開發區聯同齊齊哈爾油田發展開採業務的專屬權利的相關權益。齊齊哈爾油田為新共同開發區石油開採執照的一名持有人，亦為本集團於截至二零零八年三月三十一日止年度期間收購的富710礦區和梅里斯723項目的工作夥伴。

根據協議，賣方同意轉讓於富718項目的所有權利予本集團，並促成本集團與齊齊哈爾油田訂立2008PSC。

根據日期為二零零八年一月二十四日的2008PSC，由本公司間接持有的非全資附屬公司東莞新意美塗料有限公司（「新意美」）負責就開採業務所需的設備購買、安裝及建造注入所有資本開支。

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37. BUSINESS COMBINATION (CONTINUED)

a. (continued)

Qiqihar Northeast Oil, an indirect non wholly-owned subsidiary of the Company, is responsible for technical and management services for the daily operation of the exploitation business and bears the production, administration and operating expenses involved.

Qiqihar Oil is responsible for the legitimacy and effectiveness of the exploitation licence over the term of the 2008 PSC.

Xinyimei, Qiqihar Northeast Oil and Qiqihar Oil share 85% and 10% and 5% of revenue generated from the sales of crude oil made by Qiqihar Northeast Oil respectively.

The acquisition of the Fu 718 project was completed on 15 July 2008.

The total consideration for the acquisition was HK\$130,000,000 in cash. An independent valuer LCH subsequently valued the business at a fair value at the date of acquisition of approximately HK\$390,000,000, giving rise to a bargain purchase situation with a gain of approximately HK\$260,000,000 recognised in last year's consolidated income statements.

Further details of the acquisition have been set out in the Group's announcement and circular dated 7 January 2008 and 22 January 2008 respectively.

37. 收購附屬公司(續)

a. (續)

由本公司間接持有的非全資附屬公司齊齊哈爾東北石油負責開採業務日常運作的技術及管理服務，並承擔所涉及的生產、管理及營運開支。

根據2008PSC的條款，齊齊哈爾油田負責開採執照的合法性及有效性。

新意美、齊齊哈爾東北石油及齊齊哈爾油田分別於銷售由齊齊哈爾東北石油生產的原油所產生收益中分佔85%、10%及5%。

富718項目的收購於二零零八年七月十五日完成。

收購的總代價為現金港幣130,000,000元。其後，一名獨立估值師利駿行評估該業務在收購日期的公平值約為港幣390,000,000元，令該收購產生議價購入的情況，並出現已於去年綜合收益表內確認的約港幣260,000,000元收益。

關於上述收購事項的進一步詳情已分別刊載於本集團於二零零八年一月七日及二零零八年一月二十二日的公告與通函內。

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37. BUSINESS COMBINATION (CONTINUED)

37. 收購附屬公司(續)

a. (continued)

The net assets acquired in the transaction, and the gain on bargain purchase arising, are as follows:

a. (續)

於交易時購入的淨資產及產生的議價購入收益如下：

		Notes 附註	Acquiree's carrying amount before combination 於合併前 被收購方 的賬面值 HK\$'000 港幣千元	Fair value adjustments 公平值調整 HK\$'000 港幣千元	Fair value 公平值 HK\$'000 港幣千元
Other intangible assets (note 21)	其他無形資產 (附註21)	a	—	389,924	389,924
Less: gain on bargain purchase	減：議價購入的 收益	b			(259,924)
Total consideration	總代價				130,000
Satisfied by:	支付形式：				
Cash	現金				130,000
Net cash outflow arising on acquisition:	收購產生的 現金流出 淨額：				
Cash paid	已付現金				117,000
Deposit paid	已付訂金				13,000
Cash consideration paid	已付現金代價				130,000

Note a: Based on the professional valuation report on the oil exploitation rights at the date of acquisition.

附註a：根據於收購日期就採油權編製的專業評估報告。

Note b: Excess of fair value of net assets acquired over the cost of acquisition.

附註b：已收購淨資產的公平值超出收購成本的款項。

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37. BUSINESS COMBINATION (CONTINUED)

- b. On 2 April 2008, the Group acquired all the assets and liabilities related to the hardener business of 順德市聯固化學工業有限公司 (“聯固化工”), an independent third party which is a domestic PRC limited liability company, for a cash consideration of approximately RMB9,500,000 (equivalent to approximately HK\$10,838,000). This business unit is a manufacturing unit producing upstream chemical materials for industrial use. The difference between the consideration and the fair value of the identifiable net assets value, amounting to HK\$929,000, was accounted for as goodwill in accordance with the HKFRS 3 (Revised).

The net assets acquired in the transaction, and the goodwill arising, are as follows:

37. 收購附屬公司(續)

- b. 於二零零八年四月二日，本集團從一名獨立第三方(一間中國內資有限公司)以現金代價約人民幣9,500,000元(相等於港幣10,838,000元)收購與順德市聯固化學工業有限公司(「聯固化工」)的固化劑業務有關的所有資產及負債。此業務單位為一個生產工業用上游化學物料的製造單位。代價與可識別資產淨額公平值的差異約港幣929,000元，已根據香港財務報告準則第3號(經修訂)計入為商譽。

於交易時購入的淨資產及產生的商譽如下：

		Acquiree's carrying amount before combination and its fair value
		於合併前被收購方的賬面值及其公平值
		HK\$'000
		港幣千元
Property, plant and equipment	物業、廠房及設備	578
Other intangible assets	其他無形資產	40
Inventories	存貨	3,707
Trade and other receivables	貿易及其他應收款項	9,159
Bank balances and cash	銀行結餘及現金	2,879
Trade and other payables	貿易及其他應付款項	(6,044)
Tax liabilities	稅項負債	(410)
		9,909
Goodwill arising on acquisition	收購所產生的商譽	929
		10,838
Total consideration satisfied by:	總代價支付方式：	
Cash consideration paid	已付現金代價	10,838
Net cash outflow arising from acquisition:	收購產生的現金流出淨額：	
Cash consideration paid	已付現金代價	10,838
Less: Bank balances and cash acquired	減：銀行結餘及已收購現金	(2,879)
		7,959

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37. BUSINESS COMBINATION (CONTINUED)

37. 收購附屬公司(續)

c. Net cash outflow arising on business acquisitions

c. 自收購業務產生的現金流出淨額

	Note	2009 二零零九年 HK\$000 港幣千元	
	附註		
Net cash outflows from acquisition of oil exploitation business	收購採油業務產生的現金流出淨額	37a	117,000
Net cash outflows from acquisition of 聯固化工	收購聯固化工產生的現金流出淨額	37b	7,959
			124,959

38. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES

38. 附屬公司擁有權益變動

- (a) On 28 October 2009, Merry Boom Investment Limited (“Merry Boom”), a wholly-owned subsidiary of the Company entered into a conditional sale and purchase agreement with Well Lead Group Limited (“Well Lead”) for the acquisition of additional 49% equity interest in Northeast Oil, a 51% owned subsidiary of the Company prior to this acquisition, for a consideration of HK\$168,000,000. The consideration was adjusted to HK\$123,348,000 by way of entering into the Deed of Novation of HK\$44,652,000, representing the waiver of Well Lead’s commitment as contribution in Northeast Oil, among Well Lead, Merry Boom and Northeast Oil.

The consideration which was further adjusted to \$270,010,000 and was settled by issue of 275,330,000 consideration shares based on the market value at the dates of issue. As a result of this transaction, non-controlling interests was decreased by HK\$813,681,000 and other reserve was increased by HK\$552,132,000.

- (a) 於二零零九年十月二十八日，本公司全資附屬公司怡興投資有限公司(「怡興」)就以代價港幣168,000,000元收購東北石油(於此收購事項前為本公司持有51%權益的附屬公司)額外49%股本權益，與領佳集團有限公司(「領佳」)訂立有條件買賣協議。代價透過於領佳、怡興及東北石油之間訂立港幣44,652,000元的責任轉讓契約(相當於免除領佳作為於東北石油之注資承擔)調整至港幣123,348,000元。

代價進一步調整至港幣270,010,000元，並透過按發行日期市價發行275,330,000股代價股份支付。由於進行此項交易，導致非控制性權益減少港幣813,681,000元，而其他儲備則增加港幣552,132,000元。

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38. CHANGES IN OWNERSHIP INTERESTS IN SUBSIDIARIES (CONTINUED)

- (b) On 22 May 2008, Honour Bright Investments Limited acquired the remaining 49% of the equity interest in Easyrich Group Holdings Limited (“Easyrich”) for a consideration of HK\$2. Upon completion of this transaction, the Group’s effective interest in Easyrich increased from 51% to 100%. Easyrich had a net liability position at the date of acquisition and the Group recognised an increase in non-controlling interests of HK\$117,000, as detailed in the consolidated statement of changes in equity.
- (c) On 22 December 2008, Northeast Oil acquired the remaining 49% of the equity interest in Creative Sense Industrial Limited (“Creative Sense”) for a consideration of HK\$5,000. Upon completion of this transaction, Northeast Oil holds 100% equity interest in Creative Sense and the Group’s effective interest in Creative Sense increased from 26.01% to 51%. The Group recognised a decrease in non-controlling interests of HK\$2,000. As a result of these transactions, the non-controlling interests in aggregate increased by HK\$115,000, as detailed in the consolidated statement of changes in equity.

39. DISPOSAL OF SUBSIDIARIES

On 18 March 2010, the Group disposed of its wholly owned subsidiaries, Win Profit (Asia Pacific) Company Limited (“Win Profit”) and Zhongshan Wing Shing Chemical Company Limited (“Zhongshan Wing Shing”), to Mr. Poon Sau Tin, a related party and an independent third party, at a consideration of HK\$30,000,000. Upon completion, Win Profit was beneficially owned as to 60% by Mr. Poon Sau Tin.

38. 附屬公司擁有權益變動(續)

- (b) 於二零零八年五月二十二日，榮暉投資有限公司收購的富順集團控股有限公司(「富順」)的餘下49%股本權益，代價為港幣2元。於此交易完成後，本集團在富順的實際權益由51%增加至100%。富順於收購當日處於淨負債狀況，而誠如綜合權益變動報表所詳述，本集團確認非控制性權益增加港幣117,000元。
- (c) 於二零零八年十二月二十二日，東北石油收購創先實業有限公司(「創先實業」)的餘下49%股本權益，代價為港幣5,000元。於此交易完成後，東北石油擁有創先實業的100%股本權益，而本集團在創先實業的實際權益由26.01%增加至51%，本集團確認非控制性權益減少港幣2,000元。由於進行該等交易，導致非控制性權益總計增加港幣115,000元，並於綜合權益變動報表內詳述。

39. 出售附屬公司

於二零一零年三月十八日，本集團以港幣30,000,000元的代價，出售其全資附屬公司永得利(亞太)有限公司(「永得利」)及中山市永成化工有限公司(「中山永成」)予關連人士潘壽田先生及一名獨立第三方。於交易完成後，潘壽田先生實益擁有永得利60%權益。

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39. DISPOSAL OF SUBSIDIARIES (CONTINUED) 39. 出售附屬公司(續)

The net assets of Win Profit and Zhongshan Wing Shing at the date of disposal were as follows:

永得利及中山永成於出售當日的資產淨值如下：

		Win Profit	Zhongshan Wing Shing	Total
		永得利	中山永成	合計
		HK\$'000	HK\$'000	HK\$'000
		港幣千元	港幣千元	港幣千元
Property, plant and equipment	物業、廠房及設備	10,950	17,282	28,232
Prepaid lease payments	預付租賃款項	—	31,732	31,732
Inventories	存貨	—	7,070	7,070
Bank balances and cash	銀行結餘及現金	56	3,338	3,394
Trade and other receivables	貿易及其他應收款項	3,058	15,934	18,992
Tax recoverable	可收回稅項	—	76	76
Trade and other payables	貿易及其他應付款項	(1,396)	(26,485)	(27,881)
		12,668	48,947	61,615
Exchange reserve	匯兌儲備	—	(6,920)	(6,920)
		12,668	42,027	54,695
Loss on disposal of subsidiaries	出售附屬公司虧損			(24,695)
Total consideration	總代價			30,000
Satisfied by:	支付方式：			
Cash	現金			5,000
Promissory notes (included in other receivables)	承兌票據(計入其他應收款項)			25,000
				30,000
Net cash inflow arising on disposal of subsidiaries:	出售附屬公司產生的現金流入淨額：			
Cash consideration	現金代價			5,000
Bank balances and cash disposed of	已出售的銀行結餘及現金			(3,394)
				1,606

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39. DISPOSAL OF SUBSIDIARIES (CONTINUED) 39. 出售附屬公司(續)

On 5 March 2009, the Group disposed of its wholly owned subsidiaries of 瀋陽富順 and 東營富順 to an independent third party, at a consideration of HK\$5,800,000.

於二零零九年三月五日，本集團以港幣5,800,000元的代價，出售其全資附屬公司瀋陽富順及東營富順予一名獨立第三方。

The net assets of 瀋陽富順 and 東營富順 at the date of disposal were as follows:

瀋陽富順及東營富順於出售當日的資產淨值如下：

		瀋陽富順 瀋陽富順 HK\$'000 港幣千元	東營富順 東營富順 HK\$'000 港幣千元	Total 合計 HK\$'000 港幣千元
Property, plant and equipment	物業、廠房及設備	1,068	68	1,136
Bank balances and cash	銀行結餘及現金	5	1,779	1,784
Inventories	存貨	1,288	1,570	2,858
Trade and other receivables	貿易及其他應收款項	640	5,367	6,007
Trade and other payables	貿易及其他應付款項	(2,847)	(12)	(2,859)
		154	8,772	8,926
Non-controlling interests	非控制性權益	246	—	246
Exchange reserve	匯兌儲備	(160)	(1,111)	(1,271)
		240	7,661	7,901
Loss on disposal of subsidiaries	出售附屬公司虧損			(2,101)
Total consideration	總代價			5,800
Satisfied by:	支付方式：			
Cash	現金			58
Other receivables (included in trade and other receivables)	其他應收款項(計入 貿易及其他應收 款項)			5,742
				5,800
Net cash outflow arising on the disposal of subsidiaries:	出售附屬公司產生的 現金流出淨額：			
Cash consideration	現金代價			58
Bank balances and cash disposed of	已出售的銀行結餘及 現金			(1,784)
				(1,726)

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40. CAPITAL COMMITMENTS

40. 資本承擔

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Contracted but not provided for	已簽約但未撥備：		
— development expenditure of the Work Programme in Tunisia (note 23)	— 突尼西亞工程計劃的開發支出(附註23)	46,500	—
— property, plant and equipment	— 物業、廠房及設備	—	1,984
— construction in progress	— 在建工程	—	2,670
— acquisition of a target mining group (note 24b)	— 收購一間目標採礦集團(附註24b)	—	60,000
		46,500	64,654
Authorised but not contracted for	已授權但未訂約：		
— acquisition of a company engaged in oil technology consultancy service (note 24a)	— 收購一間從事石油技術諮詢服務的公司(附註24a)	41,380	—

41. OPERATING LEASES

41. 經營租賃

The Group as lessee

本集團作為承租人

Minimum lease payments paid under operating leases during the year:

年內，根據經營租賃而繳付的最低租金如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Land and buildings	土地及樓宇	2,667	3,084

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41. OPERATING LEASES (CONTINUED)

The Group as lessee (continued)

At the end of the reporting period, the Group had future minimum lease payments under non-cancellable operating leases which fall due as follows:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Within one year	一年內	3,016	2,123
In the second to fifth years inclusive	兩年至五年 (包括首尾兩年)	5,526	4,343
Over five years	超過五年	20,675	21,853
		29,217	28,319

Operating lease payments represent rentals payable by the Group for certain of its office properties. Leases are negotiated in a range from 1 year to 50 years. No arrangements have been entered into for contingent rental payments.

The Group as lessor

Properties and machinery rental income earned during the year was HK\$4,579,000 (2009: HK\$3,152,000).

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Within one year	一年內	1,577	2,430
In the second to fifth years inclusive	兩年至五年 (包括首尾兩年)	2,946	14,950
Over five years	超過五年	1,028	12,323
		5,551	29,703

41. 經營租賃(續)

本集團作為承租人(續)

於報告期結束時，本集團根據不可撤銷經營租賃而須於未來繳付的最低租金的到期日如下：

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Within one year	一年內	3,016	2,123
In the second to fifth years inclusive	兩年至五年 (包括首尾兩年)	5,526	4,343
Over five years	超過五年	20,675	21,853
		29,217	28,319

經營租賃付款指本集團就其辦公室物業應付的租金。租賃按介乎一年至五十年期磋商。概無就臨時租金費用簽訂任何安排。

本集團作為出租人

年內所賺取的物業及機器租金收入為港幣4,579,000元(二零零九年：港幣3,152,000元)。

於報告期結束時，本集團已就下列須於未來繳付的最低租金與租戶訂約：

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42. PLEDGE OF ASSETS

At the end of the reporting period, the Group pledged the following assets to secure the Group's bank borrowings granted by certain banks:

- a. first legal charges over leasehold land and buildings held by the Group with a total carrying values of HK\$2,445,000 (2009: HK\$51,421,000); and
- b. first legal charges over trade and other receivables held by a wholly-owned subsidiary of the Group with a total carrying amount of HK\$34,482,000 (2009: HK\$34,322,000);
- c. a registered of all monies first share charge over the Group's 51% equity interest in a subsidiary as the pledge used to secure the Group's bank borrowings.

43. CONTINGENT LIABILITIES

Contingencies on Hong Kong Profits Tax

In the prior years, the Hong Kong Inland Revenue Department (the "IRD") had made some enquiries on the taxability of profits of certain subsidiaries of the Company in respect of Hong Kong Profits Tax since the year of assessment 1996/97. In addition, the IRD had commenced a tax audit on these subsidiaries since 2007 which covers the years of assessment from 1996/97 to 2007/08. The Company had made the response and provided the relevant information to address the IRD's enquires and no conclusion was made by the IRD up to the approval date of the consolidated financial statements. The IRD issued protective assessments to certain subsidiaries with tax payable amounting to approximately HK\$28,735,000 (in which approximately HK\$7,917,000 are duplications). The Group filed objections against such assessments on the grounds that these assessments were excessive, and that the income under assessment neither arose in, nor was derived from, Hong Kong. The Group had purchased tax reserve certificate of approximately HK\$4,700,000 (2009: HK\$1,800,000) at the IRD's request as of the date of this report.

42. 資產抵押

於報告期結束時，本集團已抵押下列資產，作為若干銀行授予本集團銀行借貸的擔保：

- a. 本集團所持賬面總值為港幣2,445,000元(二零零九年：港幣51,421,000元)的租賃土地及樓宇的第一法定押記；及
- b. 本集團的一間全資附屬公司所持賬面總值港幣34,482,000元(二零零九年：港幣34,322,000元)的貿易及其他應收款項的第一法定押記。
- c. 一項已登記以全額第一股票押記本集團擁有超過51%權益的附屬公司，已用作擔保本集團銀行借貸的抵押。

43. 或然負債

香港所得稅或然事項

於過往年度，香港稅務局(「稅務局」)就本公司若干附屬公司自一九九六／九七年課稅年度起錄得的溢利應否繳付香港利得稅提出查詢。此外，稅務局自二零零七年起對該等附屬公司展開稅務審核(涵蓋自一九九六／九七年至二零零七／零八年課稅年度)。本公司已就稅務局的查詢作出回應及提供相關資料，而截至批准此等綜合財務報表的日期為止，稅務局仍未作出最終決定。稅務局向若干附屬公司發出保障性評估，並計算出應付稅項約為港幣28,735,000元(當中約港幣7,917,000元乃屬重複)。由於有關評稅實屬過量，加上評稅收入並非產生於或源自香港，因此本集團就此等評估提出反對。於本報告日期，本集團已應稅務局要求，購入約港幣4,700,000元(二零零九年：港幣1,800,000元)的儲稅券。

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43. CONTINGENT LIABILITIES (CONTINUED)

Contingencies on Hong Kong Profits Tax (continued)

In the opinion of the management, the IRD's enquiries are still at the stage of collation of evidence and the Company has reasonable ground to justify its position as the management considers that the subsidiaries were not carrying on business in Hong Kong or the profits were derived by the subsidiaries outside Hong Kong.

In the event that all the relevant profits at this stage would be treated by the IRD as chargeable to Hong Kong Profits Tax, the estimated tax liabilities without considering penalty arising from the tax audit in respect of such circumstances would be approximately HK\$21,000,000 (2009: HK\$21,000,000), HK\$11,000,000 (2009: HK\$11,000,000) out of which had been indemnified by Mr. Poon Sum, the director, for those potential liabilities incurred prior to the listing of the Company in 2002. If there is additional tax payable upon the settlement of the tax audit, the IRD may also impose a penalty of maximum three times of the tax undercharged. After taking into account of the professional advice from its tax representative, the management considers that there is no reasonable basis to determine the accurate amount of additional tax and penalty at this stage under the tax audit. Accordingly, no provision for such potential liabilities has been made in the consolidated financial statements. Management is considering various approaches in the best interest of the Group to resolve the dispute with the IRD.

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 its establishment. There is, however, no assurance that stringent environmental policies and/or standard on environmental rehabilitation will not be implemented by the relevant authorities in the PRC in the future which require the Group to undertake environment measures. The financial position of the Group may be adversely affected by any environment liabilities, which may be imposed under such new environment policies and/or standards.

43. 或然負債(續)

香港所得稅或然事項(續)

管理層認為，由於稅務局的查詢仍處於搜集憑證階段，加上管理層認為有關的附屬公司於香港並無經營業務，或溢利來自香港以外的附屬公司，因此本公司有合理根據支持其立場。

倘若於現階段的所有相關溢利均被稅務局視作須繳納香港利得稅，則於有關情況下因稅務審核而產生的估計稅務負債(未計入就該等具體情況所進行稅務審核而產生的罰款)將約為港幣21,000,000元(二零零九年：港幣21,000,000元)。董事潘森先生已就本公司於二零零二年上市前所產生的該等潛在負債，就當中的港幣11,000,000元(二零零九年：港幣11,000,000元)作出彌償保證。倘於完成稅務審核後須繳納額外稅項，稅務局亦可能追加最高達繳納不足稅額三倍的罰款。經考慮稅務代表的專業意見後，管理層認為由於稅務審核仍在進行中，故此現階段並無合理基準以釐定額外稅項及罰款的準確金額。因此，於綜合財務報表內並無就該等潛在負債作出撥備。管理層正研究多個符合本集團最佳利益的方法，以解決與稅務局之間的爭議。

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。

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44. RELATED PARTY TRANSACTIONS

- a. During the year, the Group entered into the following transactions with related parties:

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 HK\$'000 港幣千元
Rental expenses paid to Luen Yat Enterprises Company Limited ("Luen Yat")	支付予聯鎰企業有限公司(「聯鎰」)的租金開支	237	996
Consultancy fee paid to Mr. Poon Sau Tin	支付予潘壽田先生的顧問費用	576	—
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	—	32

During the year, the Group has disposed of its entire interest in Win Profit and its subsidiary, Zhongshan Wing Shing to Mr. Poon Sau Tin, a related party, and an independent third party at a consideration of HK\$30,000,000, and the Group recorded a loss on disposal of subsidiaries of HK\$24,695,000 in this transaction. Upon completion, Win Profit would be beneficially owned as to 60% by Mr. Poon Sau Tin.

Luen Yat is related to the Group by virtue of the interests of Mr. Poon Sau Tin and Mr. Poon Sum.

Mr. Poon Sau Tin is a related party as he is the elder brother of Mr. Poon Sum. Mr. Poon Sum is a director and controlling shareholder of the Company.

44. 有關連人士交易

- a. 年內，本集團與有關連人士訂立以下交易：

年內，本集團以代價港幣30,000,000元，向有關連人士潘壽田先生及一名獨立第三方，出售其於永得利及其附屬公司中山永成的所有權益，而本集團於此宗交易錄得港幣24,695,000元的出售附屬公司虧損。於交易完成後，潘壽田先生實益擁有永得利60%的權益。

潘壽田先生及潘森先生於聯鎰擁有權益，故聯鎰與本集團屬有關連。

由於潘壽田先生乃潘森先生的胞兄，因此潘先生為一名有關連人士。潘森先生為本公司的董事及控股股東。

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44. RELATED PARTY TRANSACTIONS (CONTINUED)

b. Compensation of key management personnel

All members of key management personnel are the directors and other members of key management of the Company. Details of their remuneration are disclosed in note 13 and included in note 14 respectively.

		2010	2009
		二零一零年	二零零九年
		HK\$'000	HK\$'000
		港幣千元	港幣千元
Short-term employee benefits	短期僱員福利	9,231	7,741
Post-employment benefits	離職後福利	60	45
Share-based payment	以股份支付的款項	16,165	3,727
		25,456	11,513

The remuneration of the directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

44. 有關連人士交易(續)

b. 主要管理人員報酬

所有主要管理人員為本公司的董事及主要管理層的其他成員。彼等薪酬的詳情分別於附註13及附註14披露。

董事及主要行政人員的薪酬，乃由薪酬委員會考慮個人表現及市場趨勢後釐定。

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45. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY

Particulars of the Company's principal subsidiaries as at 31 March 2010 and 2009 are set out as follows:

45. 本公司主要附屬公司詳情

於二零一零年及二零零九年三月三十一日，本公司的主要附屬公司詳情載列如下：

Name of subsidiary 附屬公司名稱	Place/country of incorporation or registration/ operations 註冊成立或註冊/ 經營地點/國家	Nominal value of issued share capital/registered share capital 已發行股本/ 註冊股本面值	Proportion of nominal value of issued share capital/registered capital held by the Company 本公司所持已發行股本/ 註冊股本面值的百分比				Principal activities 主要業務
			2010 二零一零年		2009 二零零九年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
China Oil Resources Group Limited 中油資源集團有限公司	British Virgin Islands ("BVI") 英屬處女群島	100 shares of US\$1 each 100股每股面值1美元的股份	100	—	100	—	Investment holding in HK 於香港從事投資控股
Wing Shing Group Limited 永成集團有限公司	BVI 英屬處女群島	52,000 shares of US\$1 each 52,000股每股面值1美元的股份	100	—	100	—	Investment holding in HK 於香港從事投資控股
America Archi Colors Group Limited 美國亞祺塗料(集團)有限公司	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 and contract service in the PRC 於中國從事投資控股及合約服務
Beijing Arch Technology Co., Limited# 北京亞祺偉業科技有限公司#	PRC 中國	RMB3,000,000 人民幣3,000,000元	—	51	—	51	Provision of painting service, sale and distribution of painting products and contract service in the PRC 於中國提供塗料服務、銷售及分銷塗料產品及合約服務
Creative Sense Industrial Limited 創先實業有限公司	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	—	100	—	51	Investment holding in HK 於香港從事投資控股
東莞新意美油田技術服務有限公司 (previously known as Dongguan Xinyimei Paint Company Limited) ("Xinyimei")* 東莞新意美油田技術服務有限公司 (前名稱為東莞新意美塗料有限公司)	PRC 中國	RMB12,500,000 (note a) 人民幣12,500,000元 (附註a)	—	100	—	100	Oil exploitation and exploration technological service in the PRC 於中國提供開採及勘探技術服務

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For the year ended 31 March 2010

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45. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

45. 本公司主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place/country of incorporation or registration/ operations 註冊成立或註冊/ 經營地點/國家	Nominal value of issued share capital/registered share capital 已發行股本/ 註冊股本面值	Proportion of nominal value of issued share capital/registered capital held by the Company 本公司所持已發行股本/ 註冊股本面值的百分比				Principal activities 主要業務
			2010 二零一零年		2009 二零零九年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Dongguan Tung Shing Fat Chemical Company Limited*	PRC	HK\$54,000,000 paid up capital/ HK\$68,000,000 registered capital	—	100	—	100	Manufacture of paints and blended solvents in the PRC
東莞東成發化工有限公司*	中國	繳足股本港幣 54,000,000元/ 註冊股本港幣 68,000,000元					於中國製造油漆及混合溶劑
Easyrich Group Holdings Limited	Hong Kong	100 shares of HK\$1 each	—	100	—	100	Investment holding in HK
富順集團控股有限公司	香港	100股每股面值港幣1元的股份					於香港從事投資控股
Go Wealthy Investment Limited	Hong Kong	1 share of HK\$1 each	—	100	—	100	Investment holding in HK
向富投資有限公司	香港	1股面值港幣1元的股份					於香港從事投資控股
Hai Yue Chemicals Company Limited	Hong Kong	1,000,000 shares of HK\$1 each	—	100	—	100	Investment holding in HK
海粵化工原料有限公司	香港	1,000,000股每股面值港幣1元的股份					於香港從事投資控股
Honour Bright Investments Limited	BVI	1 share of US\$1 each	—	100	—	100	Investment holding
榮暉投資有限公司	英屬處女群島	1股面值1美元的股份					投資控股
Kansai Chemical (Dongguan) Limited	Hong Kong	500,000 shares of HK\$1 each	—	100	—	100	Inactive
Kansai Chemical (Dongguan) Limited	香港	500,000股每股面值港幣1元的股份					無營業
Merry Boom Investment Limited	Hong Kong	10,000 shares of HK\$1 each	—	100	—	100	Investment holding
怡興投資有限公司	香港	10,000股每股面值港幣1元的股份					投資控股

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45. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

45. 本公司主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place/country of incorporation or registration/ operations 註冊成立或註冊/ 經營地點/國家	Nominal value of issued share capital/registered share capital 已發行股本/ 註冊股本面值	Proportion of nominal value of issued share capital/registered capital held by the Company 本公司所持已發行股本/ 註冊股本面值的百分比				Principal activities 主要業務
			2010 二零一零年		2009 二零零九年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Northeast Oil (China) Development Company Limited 東北石油(中國)發展有限公司	Hong Kong 香港	10,000 shares of HK\$1 each (note b) 10,000股每股面值港幣1元的股份(附註b)	—	100	—	51	Investment holding 投資控股
PetroAsian Energy Limited PetroAsian Energy Limited	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	—	51	Investment holding 投資控股
PetroAsia Energy (Australia) Limited PetroAsia Energy (Australia) Limited	BVI 英屬處女群島	1,000 shares of US\$1 each 1,000股每股面值1美元的股份	—	75.5	—	75.5	Investment holding 投資控股
PetroAsia Energy (North America) Corporation PetroAsia energy (North America) Corporation	USA 美國	75,000 shares of US\$1 each 75,000股每股面值1美元的股份	—	100	—	100	Investment holding 投資控股
PetroAsian Energy (Tunisia) Limited PetroAsian Energy (Tunisia) Limited	BVI 英屬處女群島	1,000 shares of US\$1 each 1,000股每股面值1美元的股份	—	92	—	—	Exploitation and sale of crude oil in Tunisia, Africa 於非洲突尼西亞開採及銷售原油
PetroAsian Energy Group Limited PetroAsian Energy Group Limited	BVI 英屬處女群島	1,000 shares of US\$1 each 1,000股每股面值1美元的股份	—	59	—	59	Investment holding 投資控股
Win Profit (Asia Pacific) Company Limited 永得利(亞太)有限公司	Hong Kong 香港	200 shares of HK\$1 each (note c) 200股每股面值港幣1元的股份(附註c)	—	—	—	100	Investment holding 投資控股

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For the year ended 31 March 2010

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45. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

45. 本公司主要附屬公司詳情 (續)

Name of subsidiary 附屬公司名稱	Place/country of incorporation or registration/ operations 註冊成立或註冊/ 經營地點/國家	Nominal value of issued share capital/registered share capital 已發行股本/ 註冊股本面值	Proportion of nominal value of issued share capital/registered capital held by the Company 本公司所持已發行股本/ 註冊股本面值的百分比				Principal activities 主要業務
			2010 二零一零年		2009 二零零九年		
			Directly 直接 %	Indirectly 間接 %	Directly 直接 %	Indirectly 間接 %	
Wing Shing Chemical Company Limited 永成化工有限公司	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	—	100	Sale of paints, lacquer, enamel and polyurethane and investment holding in HK 於香港銷售油漆、漆、瓷漆及 聚胺基甲酸酯及從事投資 控股
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	—	100	Sale of paints and blended solvents in Macau 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	—	100	Manufacture and sale of plastic colorants in the PRC 於中國製造及銷售塑料著色劑
Zhongshan Wing Shing Chemical Company Limited* 中山市永成化工有限公司*	PRC 中國	RMB71,964,200 (note c) 人民幣71,964,200元 (附註c)	—	—	—	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* 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	—	100	—	100	Inactive 無營業
齊齊哈爾市東北石油開發 有限責任公司# 齊齊哈爾市東北石油開發 有限責任公司#	PRC 中國	US\$8,000,000 (note d) 8,000,000美元 (附註d)	—	95	—	48.45	Exploitation and sale of crude oil (note e) in the PRC (附註e) 於中國開採及銷售原油

Equity joint venture established in the PRC in accordance with relevant laws and regulations

* Wholly owned foreign enterprise established in the PRC in accordance with relevant laws and regulations

根據相關法律及法規於中國成立的股本合營企業。

* 根據相關法律及法規於中國成立的全外資擁有企業。

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截至二零一零年三月三十一日止年度

45. PARTICULARS OF PRINCIPAL SUBSIDIARIES OF THE COMPANY (CONTINUED)

Notes:

- a. On 5 August 2009, registered capital of Xinyimei was increased by RMB2,000,000 to RMB12,500,000.
- b. On 13 January 2010, Merry Boom acquired the remaining 49% of the equity interests in Northeast Oil (China) Development Company Limited ("Northeast Oil"). Upon completion of this transaction, the Group's effective interest in Northeast Oil increased from 51% to 100%. Details of the acquisition are set out in note 38.
- c. On 18 March 2010, the Group disposed its wholly owned subsidiaries of Win Profit and Zhongshan Wing Shing as detailed in note 39.
- d. On 13 August 2009, registered capital of 齊齊哈爾市東北石油開發有限責任公司 was increased by US\$1,550,000 to US\$8,000,000.
- e. 齊齊哈爾市東北石油開發有限責任公司 is 95% held by Northeast Oil. During the year, the effective interest of which had been increased from 48.45% to 95% upon the Group's acquisition of additional 49% equity interest in Northeast Oil.

45. 本公司主要附屬公司詳情 (續)

附註：

- a. 於二零零九年八月五日，新意美的註冊資本透過增資人民幣2,000,000元，增加至人民幣12,500,000元。
- b. 於二零一零年一月十三日，怡興收購東北石油(中國)發展有限公司(「東北石油」)餘下49%股本權益。於此交易完成後，本集團在東北石油的實際權益由51%增加至100%。收購事項的詳情載列於附註38。
- c. 於二零一零年三月十八日，本集團出售其全資附屬公司永得利及中山永成化工(於附註39詳述)。
- d. 於二零零九年八月十三日，齊齊哈爾市東北石油開發有限責任公司的註冊資本透過增資1,550,000美元，增加至8,000,000美元。
- e. 東北石油持有齊齊哈爾市東北石油開發有限責任公司95%權益。年內，當本集團完成收購東北石油額外49%的股本權益後，本公司於齊齊哈爾市東北石油開發有限責任公司的實益權益由48.45%增加至95%。

Notes to the Consolidated Financial Statements

綜合財務報表附註

For the year ended 31 March 2010

截至二零一零年三月三十一日止年度

46. EVENT AFTER THE REPORTING PERIOD

(a) On 22 April 2010, the Company entered into a sale and purchase agreement for the acquisition of 177,785,861 shares, representing approximately 37.55% of the issued share capital of Mobile Telecom Network (Holdings) Limited (“Mobile Telecom”), a company incorporated in the Bermuda with its shares listed on Growth Enterprises Market Board of The Stock Exchange of Hong Kong Limited for a consideration of HK\$35,557,000 (equivalent to HK\$0.2 per sale share). Mobile Telecom was engaged in the telecommunication business and would then be accounted for as an associate of the Group upon completion.

(b) On 12 May 2010, the Group entered into a non-legally binding letter of intent with Sino Oil Investment Corp. in relation to the proposed acquisition regarding the sale and purchase of 52% of the participating interests in Modamuji Sag, Hailaer oilfield oil and gas project (the “Project”).

After the completion of the possible acquisition, the participating interests in the Project shall be owned as to 52% and 48% by the Company and Sino Oil Investment Corp. respectively.

The consideration for the proposed acquisition shall be RMB180,000,000 (equivalent to approximately HK\$205,700,000), and will be payable in the following manner:

- (i) the deposit in the sum of RMB35,000,000 (equivalent to approximately HK\$40,000,000) to the Vendor upon signing of the letter of intent; and
- (ii) the sum of RMB15,000,000 (equivalent to approximately HK\$17,100,000) to the Vendor upon completion; and
- (iii) the balance of the consideration of RMB130,000,000 (equivalent to approximately HK\$148,600,000) will be paid by the Company by allotting and issuing new shares at the issue price of HK\$1.09, which represents the average of the closing prices of one share for each of the last 5 consecutive trading days up to and including the date of the letter of intent.

46. 報告期結束後事項

(a) 於二零一零年四月二十二日，本公司訂立一份買賣協議，內容有關以港幣35,557,000元的代價（相等於每股銷售股份港幣0.2元），收購流動電訊網絡（控股）有限公司（「流動電訊」），一間於百慕達註冊成立的公司，其股份於香港聯合交易所有限公司創業板上市的177,785,861股股份（佔該公司全部已發行股本約37.55%）。當收購事項完成後，從事電訊業務的流動電訊將列為本集團的聯營公司。

(b) 於二零一零年五月十二日，本集團與北京寶通昊業投資有限公司就買賣海拉爾油田莫達木吉區塊油氣項目（「該項目」）52%參與權益的建議收購事項，訂立一份無法律約束力的意向書。

當可能收購事項完成後，本公司及北京寶通昊業投資有限公司將分別擁有該項目52%及48%的參與權益。

建議收購事項的代價為人民幣180,000,000元（相等於約港幣205,700,000元），並將以下列方式支付：

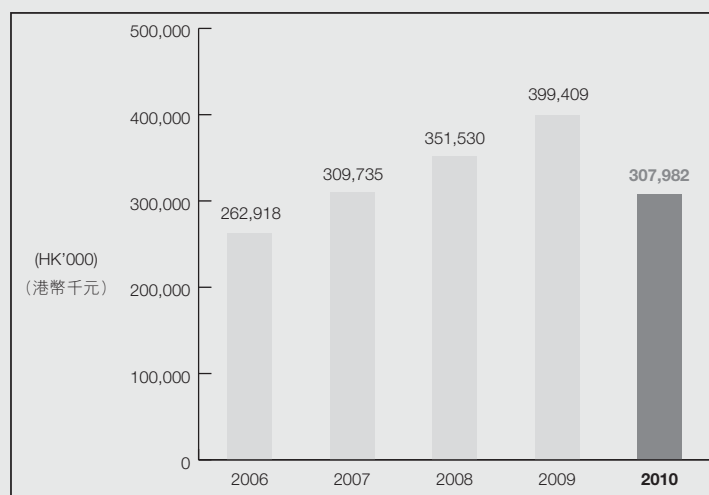
- (i) 人民幣35,000,000元（相等於約港幣40,000,000元）的訂金在簽訂意向書時支付予賣方；及
- (ii) 人民幣15,000,000元（相等於約港幣17,100,000元）於完成時支付予賣方；及
- (iii) 餘額人民幣130,000,000元（相等於約港幣148,600,000元）將由本公司以配發及發行新股份的方式支付，發行價為港幣1.09元，即直至及包括意向書日期前連續五個交易日每日一股股份的平均收市價。

Five Years Financial Summary

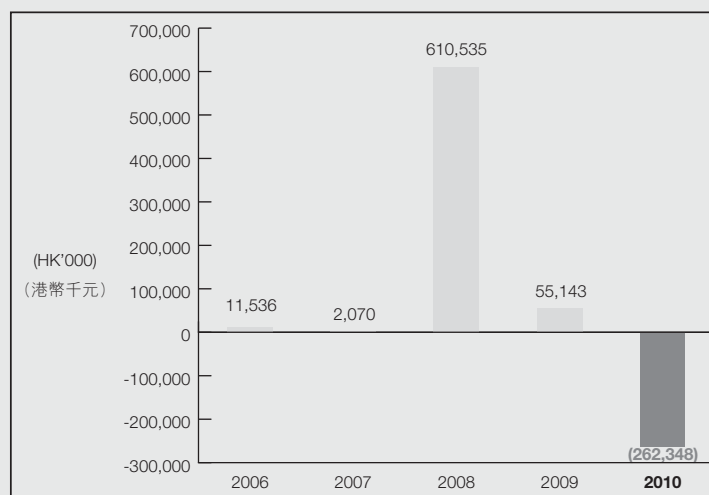
五年財務概要

		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 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	2006 二零零六年 HK\$'000 港幣千元
Turnover	營業額	307,982	399,409	351,530	309,735	262,918
Profit/(loss) attributable to shareholders	股東應佔溢利／ (虧損)	(262,348)	55,143	610,535	2,070	11,536

TURNOVER 營業額



PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS 股東應佔溢利／(虧損)

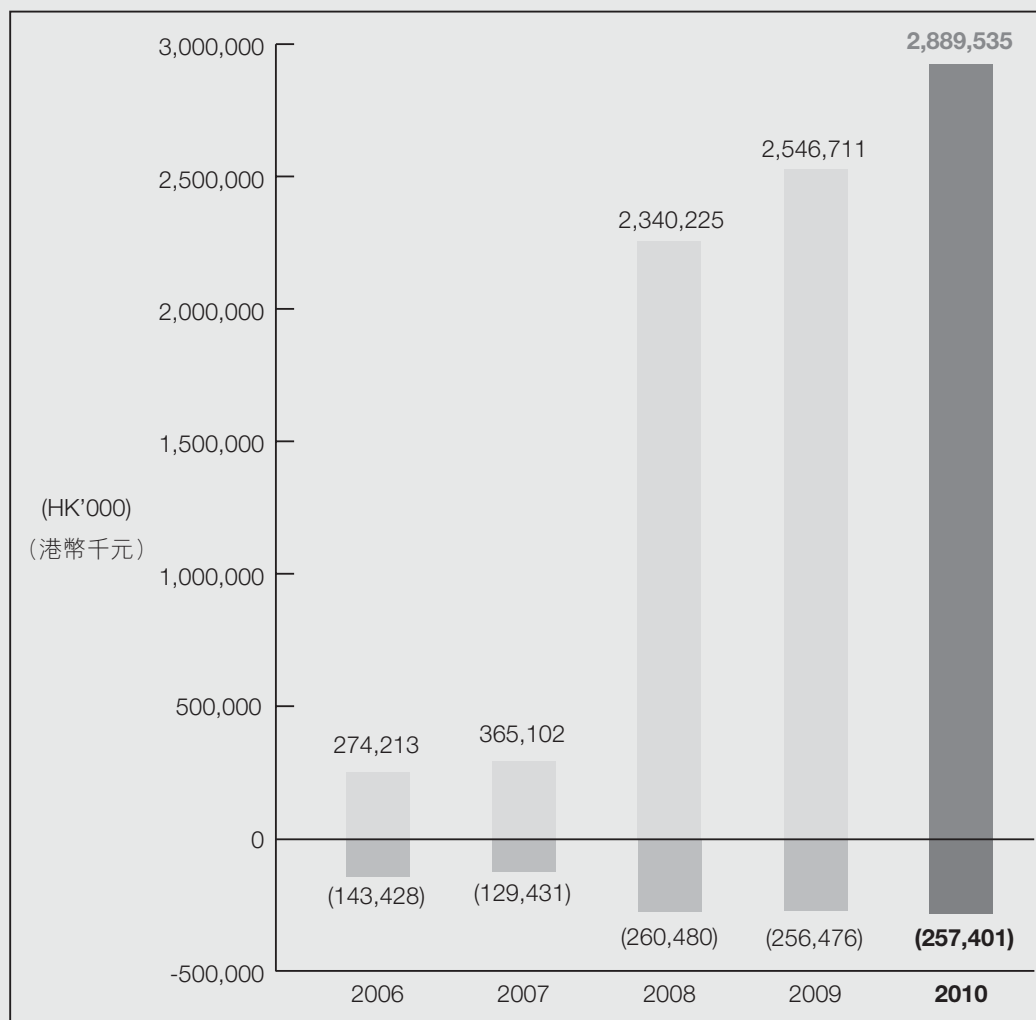


Five Years Financial Summary

五年財務概要

SHAREHOLDERS' FUNDS

股東資金



		2010 二零一零年 HK\$'000 港幣千元	2009 二零零九年 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	2006 二零零六年 HK\$'000 港幣千元
Total assets	總資產	2,889,535	2,546,711	2,340,225	365,102	274,213
Total liabilities	總負債	(257,401)	(256,476)	(260,480)	(129,431)	(143,428)
Shareholders' funds	股東資金	2,632,134	2,290,235	2,079,745	235,671	130,785

中亞能源控股有限公司
PetroAsian Energy Holdings Limited

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