光滙石油(控股)有限公司
Brightoil Petroleum (Holdings) Limited
(Incorporated in Bermuda with limited liability)

Annual Report 2011




www.brightoil.com.hk
Stock Code: 933.HK

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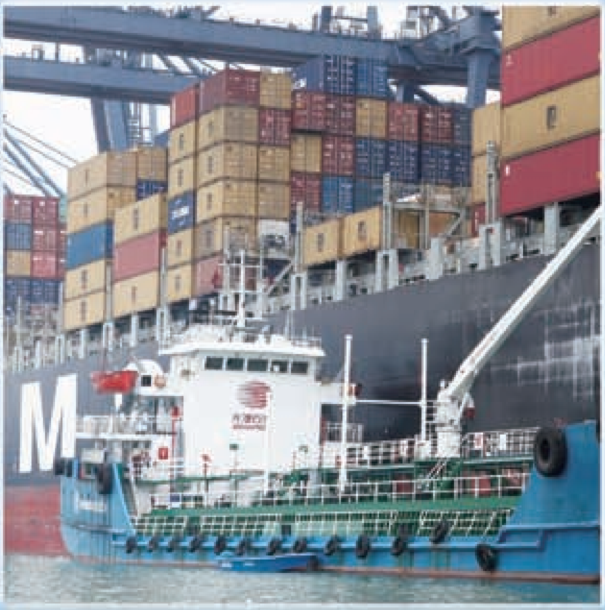
Brightoil Petroleum (Holdings) Limited (the "Company") together with its subsidiaries (the "Group") is principally engaged in International Supply and Bunkering business, oil storage and terminal facilities, marine transportation as well as upstream Exploitation and Production.

The Group is one of the largest marine bunkering service providers in China and has expanded services to international ports in USA, Europe and Asia. Currently, the Group is constructing a 3.2 million m^3 oil storage and terminal facility with fifteen 1,000 to 300,000 DWT class berths on Waidiao Island, Zhoushan City in the Yangtze Delta. The group is also constructing a 7.7 million m^3 oil storage facility and terminal that could accommodate vessels with capacity of 1,000 to 300,000 DWT on Changxing Island, Dalian, Bohai Bay. Meanwhile, the Group currently operates four Aframax oil tankers weighing from 107,000 DWT to 115,000 DWT with total capacity of approximately 450,000 DWT. The Group is building five Very Large Crude Carriers (VLCCs) with capacity of 318,000 DWT each, total capacity of 1.59 million DWT. With a total of nine oil tankers, the Group's marine transportation capacity would exceed 2 million tonnes. The Group has also been very active in upstream business development and has cooperated with CNPC for a natural gas field project, Tuzi Block in Tarim Basin of Xinjiang Province. This project has a gas in place reserve of approximately 22.1 billion m^3 and is expected to start production in the first half 2012. Along with the increasing trend of natural gas price in China, the value of the Tuzi project will continue to escalate. The Group will continue to develop upstream business by stretching its tentacles in the exploitation, production and sale of oil fields with a view to becoming one of the leading global energy conglomerates in the world.

ACHIEVEMENTS
IN LINE WITH OUR COMMITMENTS



INTERNATIONAL SUPPLY AND BUNKERING

- For the year, Brightoil Petroleum expanded it's global bunkering network to 9 ports in China and overseas, including Shenzhen, Hong Kong, Shanghai, Zhoushan, Ningbo, Singapore, Antewerp-Rotterdam-Amsterdam region and New Orleans
- Sales volume surged 128% from 3.9 million tonnes to 8.9 million tones

OIL STORAGE AND TERMINAL FACILITIES

- On Dalian's Changxing Island, the Group is constructing one of the largest storage infrastructure hubs in the world with capacity reaching up to 7.66 million m^3
- The Group is also building a major import and transshipment facility on Waidiao Island in Zhoushan, Zhejiang Province. The total capacity of the storage facility will be up to 3.20 million m^3
- The development of both projects is progressing with the reclamation of land and dredging for Phase 1 of both projects started in June (for Dalian) and July (for Zhoushan) 2010. Construction work on the main facilities, including storage tanks, pipelines, access roads, and other infrastructure commenced in mid-2011. The completion of the facilities is expected by the end of 2012 for Zhoushan and 2013 for Dalian

MARINE TRANSPORTATION

- In 2011, there are 4 Aframax oil tankers in full operation. We have purchased 5 Very Large Crude Carries (VLCCs) each weighted 318,000 DWT on 30 August 2010, they are expected to take delivery between second half of 2012 and 2013

- The existing fleet of Aframax is approved by the oil majors and this further enhances the utilization of the ships where performance has shown a steady improvement since the beginning of 2011

UPSTREAM BUSINESS

- In March 2011, we entered into a framework agreement with Chuanqing Drilling Engineering Co., Ltd. (CCDC), a wholly owned subsidiary of China National Petroleum Corporation (CNPC), in relation to the development and construction of infrastructure for the natural gas field

- The first draft of the Overall Development Plan (ODP) was submitted to China National Petroleum Corporation (CNPC) at the end of December 2010. The approval process by the relevant government authority for review and approval is expected to take up to 1 year from initial submission

- We target to start production in the first half of 2012

CHAIRMAN'S STATEMENT

On behalf of the board of directors, I would like to thank all of the shareholders, customers and business partners for their continuous support and interest!

Sit Kwong Lam
Chairman

Despite the unstable global economic condition, through the devoted efforts of our management and staff over the past year, our four core business segments, including International Supply and Bunkering, Oil Storage and Terminal Facilities, Marine Transportation and Upstream Business, have achieved outstanding results. Our annual revenue went up 190% than that of the previous financial year.

With regard to our ISB business, consistent with our strategic plan, our business network has been expanded globally to many major ports, including Shenzhen, Hong Kong, Shanghai, Zhoushan-Ningbo, Singapore, Malaysia, Rotterdam and New Orleans; our market positions in Southeast Asia, Europe and North America continue to grow strongly and we remain the second largest marine bunkering market provider in Mainland China. In the coming year, we continue to increase our global presence and target new major ports to begin operations both in China and internationally. This year we opened trading offices in Singapore and Houston with the Geneva office to open soon. Operations from these offices allow us to increase our participation in the mid stream value chain thus generating further revenue for the company.

Our Oil Storages and Terminal Facilities started construction in Zhoushan and Dalian in June and July last year. These two projects are expected to launch operations by phases with phase one ready in 16-20 months. These projects will provide support to our bunkering business and assist in our expansion into China's coastal areas. Additionally they will generate considerable third party revenue once they are completed. In the future, we will continue storage opportunities to support our international growth. Together with our quality of service, oil storage is a key to our success in building our bunkering business.

During the year as the international shipping market entered into a difficult trading environment, we have further strengthened our fleet of oil tankers to complete our supply chain from procurement to service delivery. These vessels under construction were purchases at prices significantly lower than before. Upon the delivery of these VLCCs, our total oil carrying capacity will exceed up to 2.0 million DWT. This has enabled us to establish a more complete supply chain and to further enhance our competitiveness, which will reinforce our leading position in the industry.

The primary evaluation of the natural gas project in the Tuzi Gas Field, Tarim Basin, conducted in conjunction with CNPC, has been completed. We have just finished acquiring a 3D seismic survey over a critical region of the field. Our development drilling & construction phase will begin shortly. We are targeting the first production from the Tuzi gas field for the first half of 2012. We believe there will be an upward trend for natural gas prices in China, which will be a great upside for us.

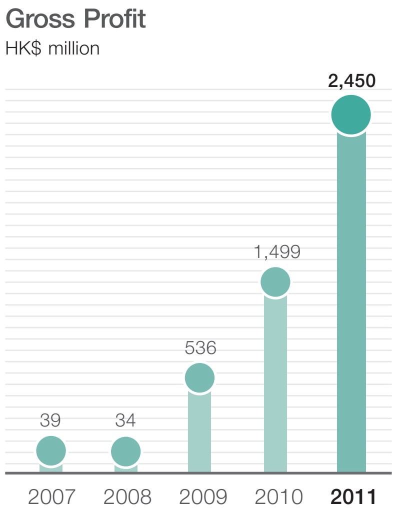
Early this year, the Group entered into a US$4 billion Strategic Co-operation Agreement with the China Development Bank Corporation, Hong Kong Branch, demonstrating the strong support of the Chinese government in the Group's business. Looking forward, we will continue our global expansion of our businesses and will further strengthen our leadership position in the global energy market so as to become one of the leading global energy conglomerates in the world.

At the same time, we will continue to develop our upstream business with a proactive approach to seeking and acquiring upstream development and production opportunities in China and abroad, including the global exploitation and development of oil and gas fields. This will serve as a solid foundation for the Group's future development and growth and will strengthen our leading position in the global energy market.

Finally, on behalf of the Board of directors, I would like to express my gratitude to the company's management and staff for their contributions and diligence work over the last year, which has led to the company's achievements. I would also like to thank our shareholders and business partners, who have also contributed to the Group's rapid development over the past year. We will continue to provide greater value and higher returns to our shareholders.

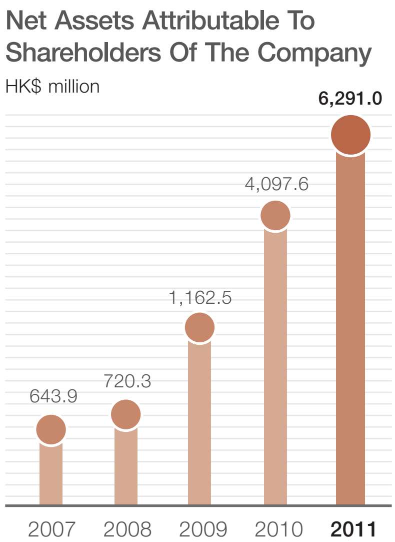
Sit Kwong Lam
Chairman
23 September 2011

FINANCIAL HIGHLIGHTS



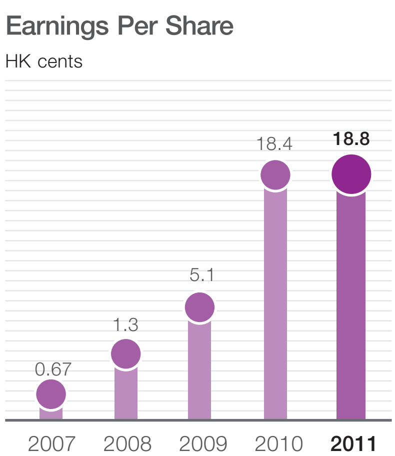
INCOME STATEMENT HIGHLIGHTS

	For the year ended 30 June		
HK$'000	**2011**	2010	Change
Revenue	**39,553,108**	13,634,611	+190%
Cost Of Sales	**37,102,972**	12,135,311	+206%
Gross Profit	**2,450,136**	1,499,300	+63%
Fair Value Change In Embedded Derivative Of CN	**–**	322,527	N/A
Profit Before Taxation	**1,378,245**	1,182,873	+17%
Profit For The Year	**1,270,398**	1,108,735	+15%
Earnings Per Share – Basic	**HK18.8 cents**	HK18.4 cents	+2%



STATEMENT OF FINANCIAL POSITION HIGHLIGHTS

	As at 30 June		
HK$'000	**2011**	2010	Change
Current Assets	**13,961,382**	5,542,657	+152%
Current Liabilities	**10,671,342**	1,923,553	+455%
Net Current Assets	**3,290,040**	3,619,104	-9%
Total Assets	**18,668,713**	7,139,491	+161%
Total Liabilities	**12,377,700**	3,041,847	+307%
Net Asset Value Per Share	**HK$0.93**	HK$0.63	+48%
Bank Balances (Including deposits placed with brokers and pledged deposits)	**5,193,472**	2,797,886	+86%
Shareholders' Equity	**6,291,013**	4,097,644	+54%



KEY FINANCIAL INDICATORS

	As at 30 June	
	2011	2010
Gross Profit Margin	**6.2%**	11.0%
Net Profit Margin	**3.2%**	8.1%
Current Ratio	**1.3 times**	2.9 times
Creditors Turnover Days	**32.1 days**	51.1 days
Debtors Turnover Days	**38.1 days**	48.9 days
ROE	**20.2%**	27.1%
ROA	**6.8%**	15.5%

FINANCIAL REVIEW

Financial Performance

The Group's revenue for the year ended 30 June 2011 (the "Period") amounted to HK$39,553,108,000, representing a significant increase of 190% as compared to HK$13,634,611,000 in the same period in 2010. The Group's gross profit rose by approximately 63.4% to HK$2,450,136,000 (2010: HK$1,499,300,000). Profit attributable to the shareholders was HK$1,270,398,000 (2010: HK$1,108,735,000), representing 14.6% increase as compared to the same period in the previous financial year.

During the Period under review, the Group reported a decrease of approximately HK$172.8 million (2010: an increase in fair value of approximately HK$355.4 million) in fair value of derivative financial instruments, which was attributable to the Group entering derivatives contracts in order to hedge its exposure to oil price volatility. The Group has established a supply and trading team, which together with a risk control committee as well as daily management oversight, manages the overall physical cargo price exposure and controls this through offsetting paper contracts. As part of a rigorous control process that adopts international standards, all physical and paper contracts are approved by senior management and a daily reporting system is adopted. Such risk control system enables effective and timely management of the Group's exposure to market risk.

The 2009 Convertible Notes, with a principal amount of US$120 million, was issued pursuant to the subscription agreement dated 25 June 2009 and the supplemental deed signed on 2 September 2009. The embedded derivatives from the 2009 Convertible Notes will be included in the Group's capital and reserves under "convertible note reserve", which does not affect profit or loss. For the Period under review, imputed interest charged on the 2009 Convertible Notes of approximately HK$119.8 million (which was a non-cash item) (2010: HK$90 million) was debited to profit or loss under "finance cost".

During the Period under review, the Group recorded basic earnings per share of HK18.8 cents, up by approximately 2.2% as compared to the same period in the previous financial year. Diluted earnings per share decreased to HK14.9 cents from HK15.1 cents in the previous year. The Board has proposed a final dividend of HK3.5 cents per share for the financial year ended 30 June 2011, which is subject to the approval of shareholders of the Company at the forthcoming annual general meeting.

LIQUIDITY AND FINANCIAL RESOURCES

As of 30 June 2011, the Group had deposit placed with brokers, pledged bank deposits and bank and cash balances of approximately HK$2,111.8 million, HK$678.9 million and HK$2,402.8 million respectively.

The Group considers its foreign currency exposure is mainly arising from the exposure of exchange between Hong Kong dollar, Singapore dollar, Renminbi and United States dollar. The Group manages its exposures to foreign currency transactions by monitoring the level of foreign currency receipts and payments and ensures that the net exposure to foreign exchange risk is kept to an acceptable level from time to time.

As at 30 June 2011, the Group had bank borrowings and charges on its assets of approximately HK$7,077.1 million and HK$8,931.8 million respectively.

As at 30 June 2011, the Group's gearing ratio was approximately 41.6% (2010: Not applicable), calculated as the Group's net borrowing divided by shareholders' equity. Net borrowing of HK$2,618.0 million (2010: Net cash of HK$1,689.8 million) was calculated as total borrowings (i.e. the aggregate of bank borrowings and convertible notes of HK$7,811.5 million (2010: HK$1,108.1 million)) less bank balances and deposits of HK$5,193.5 million (2010: HK$2,797.9 million).

CONTINGENT LIABILITIES

As at 30 June 2011, the Group did not have any significant contingent liabilities.

CAPITAL STRUCTURE

As of 30 June 2011, the Company had 6,763,581,600 shares (the "Shares") in issue with total share capital of approximately HK$169,089,540.

EMPLOYEES AND REMUNERATION POLICIES

As of 30 June 2011, the Group employed approximately 235 full time employees. The Group remunerates its Directors and employees by reference to their performance, experience and prevailing industry practice. Employee benefits provided by the Group include provident fund scheme, medical scheme, discretionary performance-related bonus and a share option scheme. For the year ended 30 June 2011, total employees' remuneration, including directors' remuneration, was approximately HK$187,338,000 (2010: HK$55,629,000).

BUSINESS REVIEW

International Supply and Bunkering

The Group has established a strategic plan for its future development in order to maximize the synergy between its four core business segments. In the short term, International Supply and Bunkering (ISB) remained the major driver of the company's total revenue of approximately HK$39,553.1 million. During the Period, sales volume of the ISB business surged 128.2% to 8.9 million metric tonnes from 3.9 million metric tonnes in the same period last year.

To provide one-stop bunker sales and provide competitive supply service to our customers – who are mainly international shipping lines – the Group has been expanding its global network of ports where it can supply bunker fuels. In May 2011, this network grew further with the addition of New Orleans, marking its first delivery in the port and also in the Americas. The Group currently operates in nine major ports worldwide: Shenzhen, Shanghai, Ningbo, Zhoushan, Hong Kong, Singapore, Rotterdam, Tanjung Pelepas in Malaysia, as well as New Orleans.

To support the expansion in bunker supply and to leverage the synergies with logistics and oil flows, the Group also increased its supply capabilities with the opening of trading offices in Singapore and Houston. The recruitment of experienced trading professionals, as the associated support staff, has increased the availability of supply and competitiveness to underpin the ambitious bunkering business. Furthermore, it creates additional opportunities in supplying other large customers and other counterparties as well as enabling the Group to take advantage of market dislocations including arbitrage shipments between different markets.

The business platform created by the marine bunker fuel sales has created further opportunities to expand into other products and this includes marine diesel in North East Asia and in the Americas, seeking profitable niche opportunities for trading condensate in and around our advantaged storage positions.

Storage remains a key element in the overall competitiveness and capacity to supply fuel to our marine customers and other counterparties. During the Period under review, the Group has increased its commitment to establish a global footprint with storage leases in the United States West Coast, Gulf Coast, Bahamas, Rotterdam and Singapore, as well as key locations across China. These locations are critical for its marine bunker aspirations, enabling the Group to serve customers both in China and at other ports where their ships conduct operations. The Group remains focused on enhancing the quality of its service and number of locations, across key ports globally. In this way, the Group provides a unique and compelling offer to major international shipping lines.

In aggregate, total volumes of fuel oil, gasoil and condensate have increased significantly to 8.9 million metric tonnes, and this has generated revenue of HK$39,454.5 million. This is a significant increase over the previous year's revenue of HK$13,595.3 million and annual sales of 3.9 million metric tonnes.

As a result of the expansion in product scope, the opening of new markets and increase in bulk sales of cargoes, gross profit margin showed a decline from 11% in the previous year to 6%. The average profit margin remains relatively high against comparative international businesses and it must be noted that the higher volume, lower margin trading business acts as a catalyst for the broader business and overall profitability. This advantage comes from the scope and scale of the Group's activities which has expanded greatly in a controlled and systematic way throughout the last year.

Oil Storage & Terminal Facilities

As part of the Group's vision to become an integrated energy conglomerate, investments in strategic storage assets play a vital role. These investments not only provide the basis for a steady cash flow and attractive returns to the Group, but also enhance the capacity of the Group to optimize the value across the value chain including shipping and ISB activities.

The Group's major investment in oil storage and terminal facilities remains focused on the main markets of East China and North China, specifically Zhoushan and Dalian. Both locations have deep water harbour access, significant size to handle the largest shipments efficiency, and pipeline connections to major regional refineries to enhance overall throughput. Both facilities will provide competitive storage opportunities for third parties and, due to the capacity for receiving Very Large Crude Carriers (VLCCs), will reduce the cost of sourcing and transport of crude and petroleum products direct from producers and the major trading hubs.

On Dalian's Changxing Island, the Group is constructing one of the largest storage infrastructure hubs in the world with capacity reaching up to 7.7 million cubic meters. The hub will have the capacity to handle imports of crude oil and fuel oil in VLCCs of around 300,000 MT. The storage is wholly owned by the Group, and the jetty facilities are being developed in partnership with the Dalian Changxing Island Harbour Industrial Zone Management Committee which will hold a 40% stake.

In East China, the Group is building a major import and transshipment facility on Waidiao Island in Zhoushan, Zhejiang Province. The total capacity of the storage facility will be up to 3.2 million cubic meters. As with the Dalian terminal, the Group owns 100% of the storage facilities and has formed a partnership for the development and operation of the jetty. The partner, Zhoushan Port Group Limited, will hold a 45% stake in the jetty that will also be able to berth VLCCs for the efficient and low cost imports.

The development of both projects is progressing with the reclamation of land and dredging for Phase 1 of both projects started in June (for Dalian) and July (for Zhoushan) 2010. Construction work on the main facilities, including storage tanks, pipelines, access roads, and other infrastructure commenced in mid-2011. The completion of Phase 1 of the facilities is expected by the end of 2012 for Zhoushan and 2013 for Dalian.

Marine Transportation

To compliment the overall strategy to optimize the purchase, transportation and supply of crude and products, the Group is establishing a fleet of oil tankers that will facilitate the transport of cargo from our supply source to the point of delivery.

From November 2009 to October 2010, the Group took delivery of 4 Aframax vessels capable of carrying between 107,500-115,000 DWT of cargo. These vessels have been deployed to transport fuel oil from Singapore to China, as well as servicing other routes for the Group and third parties.

In addition, on 30 August 2010, the Group entered into five shipbuilding contracts with Hyundai Heavy Industries Co. Ltd., to purchase five VLCCs, each weighing 318,000 DWT. The five VLCCs are expected to be delivered between July 2012 and March 2013.

The timing of the purchase of these vessels was timed to coincide with the reduction in costs charged by shipyards as the shipping market went into a difficult trading environment. Costs look to be bottoming out by mid-2011, and this is reflected in the rates that can be generated by the vessels. The existing fleet of Aframax is approved by the oil majors and this further enhances the utilization of the ships where performance has shown a steady improvement since the beginning of the year.

Upstream Business

The focus of the Group's upstream business during the Period under review has been the completion of the Overall Development Plan (ODP) for the Tuzi Natural Gas Field in the Xinjiang Uygur Autonomous Region. The ODP covers the full development of the Tuzi Field, including drilling, completions, facilities, road access and etc. Additionally, the Environmental Impact, Water and Soil Conservation, Occupational Health and Safety and Land Use are all being reviewed. The first draft of the ODP was submitted to China National Petroleum Corporation (CNPC) at the end of December 2010. The approval process by the relevant government authority for review and approval is expected to take up to 1 year from initial submission.

Since the ODP submission, the Group has been exploring avenues to accelerate development activities at the Tuzi Field so as to reach first gas production in the first half of 2012. In March 2011, the Group signed a framework agreement with Chuanqing Drilling Engineering Co., Ltd. (CCDC), a wholly owned subsidiary of China National Petroleum Corporation (CNPC), to develop the Tuzi Field for a fixed price of RMB 1 billion. The framework agreement includes the acquisition of 3D seismic, surface engineering and road building, the drilling and completion of up to 16 wells, and all facilities, pipelines and surface equipment. Formal contracts associated with this work have all been subsequently executed. The 3D seismic acquisition survey is currently undergoing, and preparatory work for the engineering, construction and drilling is going to commence.

The Tuzi Field is situated in the Tarim Basin, approximately 230 k.m., west of the Group's offices in Kuerle, Xinjiang. It was discovered in 1999 by CNPC. Gas is reservoired less than 2000 m below the surface of the earth. A total of 22 billion cubic metres of gas is certified in place by the State Reserve Committee. The Group signed the Production Sharing Contract (PSC) for Tuzi Development Project in Beijing on 11 August, 2009. Under the terms of PSC, the Group and CNPC proportionally recover paid costs and then share profit in a ratio of 49% to the Group. The price of domestic gas in China is set by the National Development and Reform Commission (NDRC). In May 2010, the NDRC announced an increase in the wholesale price of natural gas by 25%, the Tuzi Field will be a beneficiary of the increase. The management holds an optimistic view on the future domestic gas price in China, and believes there is a great upside in the upstream gas business in China.

BUSINESS AND MARKET OUTLOOK

The tremendous growth in the scope and scale of the business throughout the last fiscal year has coincided with a strengthening of the policies and processes throughout the Group. These foundations are essential to enable controlled growth and support the continued expansion as the Group builds on the momentum and enhanced reputation it has created.

The external market environment is expected to continue to be challenging, with macroeconomic weakness in the main markets of the United States and Europe as well as likely softening in the growth rates in China and other emerging markets. Political instability in North Africa and the Middle East could provide additional challenges and volatility in prices that are being monitored carefully.

Nonetheless, opportunities for enhancing the Group's business base in China and internationally has grown on the back of robust financial performance and the continued recruitment of experienced professionals across the main core businesses.

International Supply and Bunkering

The ISB division is expected to continue being the major driver of the Group's revenue and income growth in the coming year. The platform established in the last 12 months will enable the Group to enhance its sales volume and revenue as the annual "run rate" for these positions takes effect. Further upside potential will also be created as the Group expands its positions and activities in China and internationally.

For marine bunker supply, the Group is looking to create new positions in China to further enhance its competitiveness of supply into East China as well as seeking new ports for expanding its service offerings to international shipping lines. The Group also continues to expand internationally and in particular to firmly establish its positions in North-West Europe and the Americas. The bunkering business will also be adapting to the changing regulations regarding fuel specifications and the growing demand for gasoil and low sulphur fuel oils. These are expected to become increasingly important in the coming years.

In support of the expanding requirements from its customers for marine bunkers, as well as the trading opportunities that emerge from these positions, the Group is looking to expand its regional supply and trading office presence. An office in Geneva will be opened to be the focus for the Group's European and African businesses, and further expansion is also expected in Houston and Singapore. The expansion of the Group's capabilities in these regions will also increase its capabilities to supplying middle distillates and crude for local markets and arbitrage shipments to China and elsewhere.

As the business expands, the Group's rigorous risk control framework will be further strengthened with the deployment of a specialised trading system, as well as enhancement of the processes across all aspects of the business. Additional trading professionals for the "front office" (including traders, analysts, and operators), "mid-office" (credit, and trade control), as well as the "back office" (accounting, treasury, and settlements) will be recruited. Supported with a comprehensive training and development program, our teams will remain performance focused, efficient, and apply international practices of control and risk management across the critical functions.

Oil Storage and Terminal Facilities

The main storage projects in Zhoushan and Dalian will continue to be in the construction and development phase until the end of 2012 and 2013 respectively. In addition, the Group is seeking opportunities for acquisition or development of other storage facilities in China and internationally that provide strategic and attractive options for the Group. These investments will be considered where robust investment returns, attractive cash flow prospects, and complementary support for the ISB business are aligned.

Marine Transportation

The Group is engaged in an ongoing process to establish a fleet of ocean-going oil tankers to complete its supply chain from procurement to delivery. Amongst the newly-acquired quality oil tankers, five VLCCs, each weighing 318,000 DWT, are under construction and are scheduled to be delivered by the second half of 2012. When completed, the five VLCCs will help strengthen logistical support in markets stretching from Europe to South America to China. They will operate between the Dalian and Zhoushan storage facilities and other ports along the coast and create further synergy with our four other 100,000 DWT oil tankers. These quality vessels will increase the Group's oil carrying capacity significantly, which is in line with its strategy of building a fleet of ocean-going oil tankers to support the Group's plans for expansion in the global marine bunkering business.

Upstream Business

Besides carrying on with the Group's core development plans to expand the scale of its ISB business, the Group will continue to develop its upstream business so as to turn the Group into a leading global energy production and supply company. With the launch of the Tuzi Natural Gas Development Project, the Group's first upstream project, the management believes the upstream business will become an important source of revenue for the Group by 2012. With the support of its solid downstream operations, the Group continues to actively seek projects that will broaden the appeal of its upstream business, including the exploitation and development of oil and gas fields globally.

In 2011, the shipping market recovered somewhat despite the weak economy, while the market for oil and gas continued to boom across the globe as reflected in surging oil prices. Staying focused on its vision for the industry, the Group will continue to execute its growth strategy to diversify revenue streams for future growth while also reinforcing our solid foundations and the sustainability of our core businesses. Leveraging continued economic growth as well as rapid industrialisation and urbanisation in China, which have boosted domestic demand for energy, the Group will continue to integrate and strengthen its value chain in the energy sector so as to become one of the leading global energy conglomerates in the world, with a view to creating greater value and providing higher returns to its shareholders.

EXECUTIVE DIRECTORS

Dr. Sit Kwong Lam ("Dr. Sit"), Ph.D., aged 44, has been an executive Director, chairman and chief executive officer of the Company, since 20 June 2008. Dr. Sit is also a member of the Remuneration Committee of the Company. He obtained a doctorate degree in philosophy in 2005. He is a member of the Chinese People's Political Consultative Conference, vice chairman of China's Chamber of Commerce for Petroleum Industry (全國工商聯石油業商會副會長) and chairman of the board of directors of Shenzhen Brightoil Group Co., Ltd. (深圳光滙石油集團股份有限公司) and its subsidiaries ("Shenzhen Brightoil Group"). He also serves as director of all subsidiaries of the Group.

Dr. Sit is the founder of Shenzhen Brightoil Group. He has been specialising in the oil energy field and is dedicated to developing energy businesses. Shenzhen Brightoil Group was established in 1993, which is wholly and beneficially controlled by Dr. Sit. The scope of business of Shenzhen Brightoil Group includes oil storage and international trading of petroleum products, marine transportation, gas stations, marine bunkering and also engages in oil and gas exploration and exploitation.

Dr. Sit is also the director of Energy Empire Investments Limited and Canada Foundation Limited, the substantial shareholders of the Company. The interests of Energy Empire Investments Limited and Canada Foundation Limited held in the Company is disclosed in the Directors' Report from page 16 to 26.

Mr. Gregory John Channon ("Mr. Channon"), aged 48, an executive Director, is also a director of Win Business Energy (Aust) Ltd. and is responsible for the development of the upstream business. Mr. Channon holds an Honours Degree in Science from the University of Adelaide, South Australia, and is a Member of the Australian Institute of Company Directors. He joined the Company in February 2009 and was appointed to be an executive Director in May 2009. Mr. Channon has over 26 years of upstream experience and is skilled in global exploration and production to mergers and acquisition. Before joining in the Company, he served as General Manager of Salinas Energy and founding CEO of Alto Energy Limited. He has worked in different oil and gas corporations and was mainly responsible for managing the production and exploration of oil and gas. He is also a non-executive director of Statesman Resources Limited (TSX:SRR).

Mr. Tang Bo ("Mr. Tang"), aged 43, has been an executive Director in June 2008 and is mainly responsible for investment and business development. He graduated from the business school of Nanjing University in 1992 with a master degree in economics.

Mr. Tang had in the past held various positions in Shenzhen Brightoil Group. He was responsible for external investment and business development and has over 13 years of experience in the oil industry, during the time when he was the vice president of Shenzhen Brightoil Group. He also serves as a director of certain subsidiaries of the Group.

Mr. Tan Yih Lin ("Mr. Tan"), aged 39, has been an executive Director and chief financial officer of the Company since June 2008 and is mainly responsible for the financial management. Mr. Tan graduated from Singapore Polytechnic in 1993. In 1998, he passed the ICPAS/ACCA certified accountant examination with first runner-up honour in Singapore. He obtained a master degree in computing from De Monfort University, the United Kingdom in 2000.

Before joining the Group, Mr. Tan had been responsible for managing the financial matters of the Shenzhen Brightoil Group and its subsidiaries. In 2001, Mr. Tan was appointed by Stamford Tyres International Ltd as the Accountant and Department Manager of one of its American companies. Mr. Tan served as the chief financial officer and vice president of BCW Electric Motor (Dalian) Co. Ltd. during 2002 to 2007 and assisted the president for the management of sales, production and financial affairs, as well as human resources matters. Mr. Tan also serves as director of certain subsidiaries of the Group.

NON-EXECUTIVE DIRECTORS

Mr. He Zixin ("Mr. He"), aged 67, a non-executive Director, is a Professor-Senior Engineer and petroleum exploration and development specialist. Due to his significant contribution to China's engineering technology development, he was recognised by the State Council as an expert, entitling with obtaining the government's special subsidies. Mr. He joined the Group in June 2008.

Mr. He graduated from the department of geology of the Beijing Institute of Geology (北京地質學院) in 1970. He has since worked in Changqing oil field and served as deputy head of Changqing Oil Field Research Institute (長慶油田研究院). In 1997, he was promoted as the chief geologist of the Changqing Petroleum Exploration Bureau. Having had outstanding achievements in oil and gas exploration in the Ordos Basin, he was awarded the 8th Li Siguang Award for Geosciences (第八屆李四光地質科學獎) as well as the 2003 National May First Labour Medal (2003年全國「五一勞動獎章」). In 2003, Mr. He was awarded the First Honour Award for State Scientific Technology Advancement（國家科學技術進步一等獎) by the State Council with the achievement of "Sulige large-scale gas field locating and comprehensive exploration techniques" (蘇里格大型氣田發現及綜合勘探技術).

He has led various major scientific research and technical projects and contributed significantly to the oil gas exploration and exploitation theory building and oilfield exploration technology. He has been awarded by national and provincial (ministry) institutions and authorities.

Mr. Ran Longhui ("Mr. Ran"), aged 69, a non-executive Director, is a Professor-Senior Engineer and petroleum exploration and development specialist. Due to his significant contribution to China's engineering technology development, he was recognised by the State Council as an expert, entitling with obtaining the government's special subsidies. Mr. Ran obtained a postgraduate degree in oilfield geology from Petroleum Institute of Beijing (北京石油學院) (currently known as the China University of Petroleum (中國石油大學)) in 1968. Mr. Ran joined the Group in June 2008.

From 2000 to 2002, he served as the deputy general manager in the Southwest Oil and Gas Field Branch Company (西南油氣田分公司) of China Natural Gas Petroleum Corporation (中國石油天然氣集團公司). He served as the chief geologist of Institute of Sichuan Petroleum Administration (四川石油管理局) promoted from the deputy chief geologist during from 1991 to 1997. From 1983 to 1990, he served as deputy head and head of the Geological Exploration and Development Research Institute (地質勘探開發研究院) of Institute of Sichuan Petroleum Administration.

He has received the First Honour Award for Technological Advancement (科技進步一等獎) from the Ministry of Oil Industry (石油工業部) for Sichuan Basin Oil and Gas Resource Evaluation (四川盆地油氣資源評價), First Honour Award of Technology Innovation (技術創新一等獎) from China Natural Petroleum Corporation (中國石油天然氣集團公司) for achieving the evaluation of gas reserves and exploration for Changxing section – Feixianguan section of northwestern part of Sichuan Basin and the research and application of Sichuan gas reserve under balance welldrilling technology (四川盆地東北部長興組－飛仙關組氣藏成藏條件及勘探目標評價、四川氣藏欠平衡鑽井技術研究與應用), the Second Honour Award of Scientific Technology (科學技術二等獎) from the People's Government of Sichuan Province (四川省人民政府) for pattern of natural gas reserve and exploration target of Chuanxi Qianlu Basin (川西前陸盆地天然氣富集規律與勘探目標評選), the First Honour Award of Technology Innovation and Scientific Technology (科技創新和科學技術一等獎) from the southwestern branch of China Oil and Gas Corporation (中國石油西南油氣田分公司) and Institute of Sichuan Petroleum Administration for the feasibility of the construction of facilities and surface system for eastward transportation of natural gas from Chuanyu (川渝天然氣東輸產能建設部署及地面系統可行性論證) and the evaluation of the potential for natural gas of the eastern region of Sichuan Basin (試評四川盆地東部地區石炭系天然氣資源潛力). He has published numerous academic essays regarding the energy exploration technology.

Mr. Sun Zhenchun ("Mr. Sun"), aged 76, a non-executive Director, is a Professor-Senior Engineer and a renowned PRC expert in oil drilling engineering and rescue and fire fighting operations relating to oil disasters. He is the member of the 4th China Petroleum Committee and the member of Society of Petroleum Engineers. He is a part-time professor of the Petroleum University and the Southwest Petroleum University and an executive of the China Classification Society (中國船級社). He is also a specialist of the national 863-820 expert team (1999-2000) and the standing executive of the 2nd Standing Committee of the China Mining Association (中國礦業協會). Mr. Sun joined the Group in June 2008.

Mr. Sun has extensive experience in oil drilling engineering technology and oil well fire fighting engineering. Mr. Sun was appointed by the PRC government as the chief director of the fire fighting team to Kuwait and chief leader of the PRC Fire Fighting Taskforce in 1991. He possesses solid theoretical foundation and extensive experience relating to the field of drilling operations and has made contributions to China's petroleum industry. He pioneered the application of underbalanced drilling technology and made significant contributions to the development of drilling technology. In 2001, Mr. Sun was awarded the First Honour Award for State Scientific Technology Advancement (國家科學技術進步一等獎) by the State Council for the "Dagang oil field land mature exploration area kilometer bridge buried hill large scale geochronology of condensate accumulation system and exploitation techniques" (大港油田陸上高成熟探區千米橋潛山大型凝析氣藏成藏系統與勘探技術).

Mr. Sun studied at the oil drilling department of Beijing Petroleum Institute from 1953 to 1957, majoring in oil drilling and obtained a bachelor degree. He has been engaging in oil drilling engineering technology and oil well fire fighting engineering. He was the chief engineer of Oil Drilling Bureau of China National Petroleum Corporation since 1996. He was awarded as an excellent science and technology worker (全國優秀科技工作者) and a medal for May First Labor (五一勞動獎) by All China Federation of Trade Unions (中華全國總工會) in 1992. In 2001, he was awarded an Advanced Individual Award (先進個人稱號) by the PRC Ministry of Science and Technology. In 2004, he was awarded an honored title for Advanced Individual in the national work of Gas-Transporting from West to East (國家西氣東輸工程建設先進個人). Mr. Sun was awarded the Come Out of Your Shell Award (新思維成就獎) on the Drilling and Completing in Hostile Formations (複雜地層的鑽井與挖井) of the 2000 Forum Series in Asia Pacific held by the Society of Petroleum Engineers (石油工程師學會).

Mr. Dai Zhujiang ("Mr. Dai"), aged 59, a non-executive Director, Mr. Dai studied in Beijing Foreign Language Institute (北京外國語學院) (now known as Beijing Foreign Studies University (北京外國語大學)) from 1971 to 1975 and graduated with a bachelor degree. In 1990, he served as a senior management of China Resources Textile Materials Co. Ltd. (華潤紡織原料有限公司). He has been the financial adviser and senior business manager of two large insurance companies (AIA and Prudential) in Hong Kong since 2000. Mr. Dai is a Registered Financial Planner of the Registered Financial Planners Institute since 2005. Mr. Dai joined the Group since June 2008.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Lau Hon Chuen ("Mr. Lau"), aged 64, an independent non-executive Director and member of the Remuneration and Audit Committee of the Company, is a Standing Committee Member of the National Committee of the Chinese People's Political Consultative Conference. Mr. Lau is the senior partner of Messrs. Chu & Lau Solicitors & Notaries. He was awarded the Gold Bauhinia Star and Justice of the Peace. Mr. Lau is a solicitor of the High Court of Hong Kong, a solicitor of the Supreme Court of England and Wales, a China-appointed attesting officer and a notary public. Mr. Lau is currently the independent non-executive director of various listed companies, including Franshion Properties (China) Limited, Glorious Sun Enterprises Limited, Yuexiu Property Company Limited, Yuexiu Transport Infrastructure Limited, Qin Jia Yuan Media Services Company Limited, The Hong Kong Parkview Group Limited and Wing Hang Bank Ltd. He is also a director of Bank of China Group Insurance Company Limited, BOC Group Life Assurance Company Limited, Nanyang Commercial Bank Limited, Wing Hang Bank (China) Limited, Chu & Lau Nominees Limited, Sun Hon Investment and Finance Limited, Wydoff Limited and Wytex Limited. Mr. Lau was also the president of the Law Society of Hong Kong, a board member of the Urban Renewal Authority, a board member of the Hong Kong Mortgage Corporation Limited and a member of the Commission on Strategic Development of the Hong Kong Government, and served as member of the Hong Kong Legislative Council from 1995 to 2004 (being the member of the Provisional Legislative Council from 1997 to 1998). Mr. Lau joined the Group in June 2008.

Professor Chang Hsin Kang ("Professor Chang"), aged 71, an independent non-executive Director, member of Audit Committee and chairman of Remuneration Committee of the Company, is an internationally renowned scholar. He is Foreign Member of the Royal Academy of Engineering of the United Kingdom and Member of International Eurasian Academy of Science. A member of the National Committee of the Chinese People's Political Consultative Conference, he is also a recipient of the Gold Bauhinia Star as well as a Justice of Peace in Hong Kong SAR.

Professor Chang obtained a bachelor degree in civil engineering from National Taiwan University in 1962, a master's degree in structural engineering from Stanford University in 1964, and a Ph.D. in biomedical engineering from Northwestern University in 1969 in the United States. He taught at State University of New York at Buffalo, McGill University in Canada and University of Southern California from 1969 to 1990. Having served as Founding Dean of the School of Engineering of the Hong Kong University of Science and Technology, 1990-1994, and Dean of the School of Engineering of the University of Pittsburgh, 1994 to 1996, Professor Chang was President and University Professor of City University of Hong Kong from 1996 to 2007. He joined the Group in June 2008.

Professor Chang was Chairman of the Hong Kong Cultural and Heritage Commission from 2000 to 2003, a member of the Council of Advisors on Innovation and Technology from 2000 to 2004 and a member of Judicial Officers Recommendation Commission from 1999 to 2005. Professor Chang was decorated as Chevalier dans l'Ordre National de la Légion d'Honneur of France in 2000 and appointed Commandeur dans l'Ordre des Palmes Académiques of France in 2009. He is also an independent non-executive director of Hon Kwok Land Investment Company, Limited, PCCW Limited and Nanyang Commercial Bank, Ltd.

Mr. Kwong Chan Lam ("Mr. Kwong"), aged 63, an independent non-executive Director, member of Remuneration Committee and chairman of the Audit Committee of the Company. He is a fellow certified public accountant in Hong Kong and a former partner of Deloitte Touche Tohmatsu. He is a fellow member of the Hong Kong Institute of Certified Public Accountants and Association of Chartered Certified Accountants. Mr. Kwong has 35 years of experience in auditing, financial accounting and taxation in relation to various companies (for 22 years of which, he held the position of partner). He obtained a bachelor degree in business and administration from the Chinese University of Hong Kong in 1972. Mr. Kwong joined the Group in June 2008.

The Directors present their annual report and the audited consolidated financial statements of the Company for the year ended 30 June 2011.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. Its subsidiaries are principally engaged in global International Supply and Bunkering business (including the trading of related petroleum products), oil storage and terminal, marine transportation as well as upstream business. The Company is actively expanding globally in the construction of oil storage and terminal facilities, marine transportation, natural gas development and production, proprietary trading in securities and derivatives, property holding and investment holding. The Company entered into a US$4 billion Strategic Cooperation Agreement with China Development Bank in January 2011 to support future M&A and expansion plan of the Company.

The Company is one of the largest chain service providers of marine bunkering in China. Currently, the Company is constructing an oil storage facility and a terminal with fifteen 1,000 to 300,000 DWT class berths on Waidiao Island, Zhoushan City in the Yangtze Delta in phase one. The Company will progressively develop the island by starting phase two of the oil storage facility. The Company is also constructing an oil storage facility in two phases and a terminal that could accommodate vessels with capacity of 1,000 to 300,000 DWT, on Changxing Island, Dalian, Bohai Bay.

The Company is expanding its marine fleet. It has four Aframax oil tankers weighing from 107,000 DWT to 115,000 DWT with total capacity of approximately 450,000 tonnes. Currently, the Company's five new build Very Large Crude Carriers (VLCCs) with 318,000 DWT each, are being constructed.

The Company has also expanded into upstream business. The Company has successfully teamed up with CNPC for the natural gas development and production in the Tuzi Block, Tarim Basin in Xinjiang Province.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 30 June 2011 are set out in the consolidated statement of comprehensive income on page 36.

FINAL DIVIDENDS

The Board recommended the payment of a final dividend of HK 3.5 cents (2010: HK 3 cents) per share for the year ended 30 June 2011. Subject to the shareholders' approval at the annual general meeting of the Company to be held on Wednesday, 23 November 2011, approximately HK$236.7 million will be payable on or before 15 December 2011 to the shareholders of the Company whose names appear on the register of members of the Company on 28 November 2011.

BOOK CLOSURE

The register of members of the Company will be closed from 29 November 2011 to 1 December 2011, both days inclusive, during which no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend for the year ended 30 June 2011, all transfer documents accompanied by the relevant share certificate(s) must be lodged with the Company's Registrar, Tricor Secretaries Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 28 November 2011.

SHARE CAPITAL

Details of the movement in share capital of the Company are set out in note 34 to the consolidated financial statements.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended 30 June 2011, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

RESERVES AND DISTRIBUTABLE RESERVES

Under the Companies Act 1981 of Bermuda (as amended), the contributed surplus account of a company is available for distribution. However, a company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

(a) the company is, or would after the payment be, unable to pay its liabilities as they become due; or

(b) the realisable value of the company's assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium accounts.

In the opinion of the Directors, as at 30 June 2011, the Company's reserves available for distribution to shareholders consisted of contributed surplus of approximately HK$15,012,000 and accumulated profit of approximately HK$1,011,780,000.

The contributed surplus of the Company represents the excess of separable net assets acquired from the acquisition of shares in First Sign Investments Limited by the Company pursuant to the group reorganisation in 1995 over the nominal amount of the Company's shares issued as the consideration for such acquisition, less dividends distributed from pre-reorganisation reserves of these subsidiaries.

PROPERTY, PLANT AND EQUIPMENT AND INVESTMENT PROPERTIES

During the year ended 30 June 2011, total additions to property, plant and equipment were approximately HK$1,229,630,000, which mainly include additions to construction in progress and vessels of approximately HK$292,176,000 and HK$892,177,000 respectively. Details of these and other movements in the property, plant and equipment of the Group during the year are set out in note 18 to the consolidated financial statements.

The Group's investment properties were revalued at 30 June 2011. The net increase in fair value of investment properties which has been credited to the consolidated statement of comprehensive income amounted to HK$10,890,000. Details of these and other movements in the investment properties of the Group during the year are set out in note 21 to the consolidated financial statements.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group together accounted for approximately 35% of the Group's revenue for the year ended 30 June 2011, with the largest customer accounted for approximately 15%. The five largest suppliers of the Group together accounted for approximately 64% of the Group's total purchases for the year ended 30 June 2011, with the largest supplier accounted for approximately 25%.

On 12 July 2008, the Group entered into a fuel oil purchase and delivery agreement (the "Oil Purchase Agreement") with 深圳光滙石油集團股份有限公司 (Shenzhen Brightoil Group Co., Ltd.) ("Shenzhen Brightoil") and its subsidiaries (collectively, called "Shenzhen Brightoil Group"), of which Dr. Sit Kwong Lam, an executive Director of the Company, has controlling interest. Shenzhen Brightoil Group has become the Group's principal supplier. On 25 May 2010, a new oil purchase agreement was entered into between Shenzhen Brightoil and the Company (the "New Oil Purchase Agreement"). Pursuant to the New Oil Purchase Agreement, Shenzhen Brightoil Group will provide fuel oil, gas oil and the related petroleum products (the "Oil") for the Marine Bunkering Business (including trading of related petroleum products) and delivery services to the Group or the Group's customers globally at the direction of the Group. Save as disclosed above, none of the Directors or any of the associate of a Director or any shareholder of the Company (which to the knowledge of the Directors own more than 5% of the Company's issued share capital) has an interest in the share capital of any of the Group's five largest customers or suppliers.

DIRECTORS

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

Executive Directors:

Dr. Sit Kwong Lam (Chairman and Chief Executive Officer)	
Mr. Tang Bo	
Mr. Tan Yih Lin	
Mr. Gregory John Channon	
Mr. Cheung Sum, Sam	(resigned on 25 November 2010)
Mr. Chia Teck Lim	(resigned on 6 September 2011)

Non-Executive Directors:

Mr. He Zixin
Mr. Ran Longhui
Mr. Sun Zhenchun
Mr. Dai Zhujiang

Independent Non-Executive Directors:

Mr. Lau Hon Chuen
Professor Chang Hsin Kang
Mr. Kwong Chan Lam

In accordance with the provisions of the Company's bye-laws, Dr. Sit Kwong Lam, Mr. Lau Hon Chuen, Professor Chang Hsin Kang and Mr. Kwong Chan Lam will retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

At the date of this annual report, each of Dr. Sit Kwong Lam, Mr. Tang Bo and Mr. Tan Yih Lin (all being executive Directors) has entered into service contract with the Company with a term of three years commencing from 20 June 2011. Mr. Gregory John Channon (an executive Director) has also entered into a service contract with the Company with a term of three years commencing from 18 May 2009. Each of the above Directors is entitled to a basic salary, which is determined on the basis of his qualification, experience, involvement in and contribution to the Company and by reference to the market rate, and a discretionary management bonus of an amount to be determined by the Board upon completion of a 12 months of service. The Company has not entered into any service contracts with the non-executive Directors and independent non-executive Directors. Each of the non-executive Directors and independent non-executive Directors is appointed for a fixed term of three years subject to retirement by rotation in accordance with the bye-laws of the Company.

Save as disclosed above, none of the Directors being proposed for re-election at the forthcoming annual general meeting has entered into a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 30 June 2011, the interests and short positions of the Directors, chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO") as recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Companies ("Model Code"), were as follows:

Long positions in the shares of the Company

Name of Director	Name of company	Capacity	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Dr. Sit Kwong Lam ("Dr. Sit")	The Company	Interest of a controlled corporation	7,007,419,333 (Note 1)	103.61%
Professor Chang Hsin Kang ("Professor Chang")	The Company	Beneficial owner	2,190,000 (Note 2)	0.032%

Note 1: These 7,007,419,333 Shares refer to (a) 2,918,088,960 Shares held by Energy Empire Investments Limited, which is wholly and beneficially owned by Dr. Sit; (b) 1,409,351,040 Shares held by Canada Foundation limited ("Canada Foundation"), which is wholly and beneficially owned by Dr. Sit; (c) 200,000,000 shares held by Brightoil Welfare Ltd. which is wholly and beneficially owned by Dr. Sit; and (d) 2,479,979,333 Shares to be allotted and issued to Canada Foundation upon exercise in full of the conversion rights attaching to the convertible notes issued by the Company on 27 October 2009 pursuant to the Subscription Agreement and the Supplemental Deed.

Note 2: These 2,190,000 Shares refer to (a) 190,000 Shares jointly held by Professor Chang and his spouse and (b) 2,000,000 Shares to be allotted and issued to Professor Chang upon exercise in full of the share options issued by the Company on 22 April 2010.

Long position in the underlying shares of equity derivatives of the Company

Details are set out in the section headed "Share Options".

Save as disclosed above, as at 30 June 2011, none of the Directors nor chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), as recorded in the register required to be recorded pursuant to Section 352 of the SFO, or as otherwise, notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

Particulars of the Company's share option scheme (the "Option Scheme") are set out in note 39 to the consolidated financial statements.

The following table discloses movements in the Company's share options during the year:

	Date of grant (dd/mm/yy)	Exercise period (dd/mm/yy) (Note)	Exercise price HK$	Number of options At 1.7.2010	Number of options Lapsed during the year	Number of options At 30.6.2011
Executive Directors						
Mr. Tang Bo	22.4.2010	22.4.2011 – 21.4.2015	3.40	4,000,000	–	4,000,000
Mr. Chia Teck Lim	22.4.2010	22.4.2011 – 21.4.2015	3.40	4,000,000	–	4,000,000
Mr. Tan Yih Lin	22.4.2010	22.4.2011 – 21.4.2015	3.40	4,000,000	–	4,000,000
Mr. Gregory John Channon	22.4.2010	22.4.2011 – 21.4.2015	3.40	4,000,000	–	4,000,000
Mr. Cheung Sum, Sam	22.4.2010	22.4.2011 – 21.4.2015	3.40	4,000,000	(4,000,000)	–
Total of Executive Directors				20,000,000	(4,000,000)	16,000,000

	Date of grant (dd/mm/yy)	Exercise period (dd/mm/yy) (Note)	Exercise price HK$	Number of options At 1.7.2010 and 30.6.2011
Non-Executive Directors				
Mr. He Zixin	22.4.2010	22.4.2011 – 21.4.2015	3.40	2,000,000
Mr. Ran Longhui	22.4.2010	22.4.2011 – 21.4.2015	3.40	2,000,000
Mr. Sun Zhenchun	22.4.2010	22.4.2011 – 21.4.2015	3.40	2,000,000
Mr. Dai Zhujiang	22.4.2010	22.4.2011 – 21.4.2015	3.40	2,000,000
Total of Non-Executive Directors				8,000,000

	Date of grant (dd/mm/yy)	Exercise period (dd/mm/yy) (Note)	Exercise price HK$	Number of options At 1.7.2010 and 30.6.2011
Independent Non-Executive Directors				
Mr. Lau Hon Chuen	22.4.2010	22.4.2011 – 21.4.2015	3.40	2,000,000
Professor Chang Hsin Kang	22.4.2010	22.4.2011 – 21.4.2015	3.40	2,000,000
Mr. Kwong Chan Lam	22.4.2010	22.4.2011 – 21.4.2015	3.40	2,000,000
Total of Independent Non-Executive Directors				6,000,000

			Number of options			
	Date of grant (dd/mm/yy)	Exercise period (dd/mm/yy) (Note)	At 1.7.2010	Exercised during the year	Lapsed during the year	At 30.6.2011
Other						
Employees	22.4.2010	22.4.2011 – 21.4.2015	11,120,000	(100,000)	(2,480,000)	8,540,000
Total						38,540,000

As at 30 June 2011, the total number of shares available for grant of option under the above Option Scheme was 447,796,160.

Note:

(1) These shares options represent personal interest held by the relevant participants as the beneficial owners.

(2) The eligible participants shall exercise the share options during the following periods:

(i) 25% of the share options from 22 April 2011;

(ii) another 25% of the share options from 22 April 2012;

(iii) additional 25% of the share options from 22 April 2013;

(iv) the remaining 25% of the share options from 22 April 2014; and in each case, not later than 21 April 2015.

ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

Save for any entitlements under the Option Scheme, the convertible notes issued by the Company to Canada Foundation on 27 October 2009, at no time during the year was the Company, any of its holding companies or their respective subsidiaries a party to any arrangements to enable the Directors or chief executive of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate and none of the Directors nor chief executive of the Company, nor any of their spouses or children under the age of 18, had any right to subscribe for the securities of the Company, or had exercised any such right during the year.

DIRECTORS' INTEREST IN COMPETING BUSINESS

During the year, Dr. Sit Kwong Lam, the ultimate controlling shareholder, through his controlled companies (other than the Group), held 100% interest in Shenzhen Brightoil Group which principally engaged in, among others, the supply of duty-free marine bunkering services in the PRC. Shenzhen Brightoil Group entered into the Oil Purchase Agreement with the Group on 12 July 2008 and the New Oil Purchase Agreement was entered into between the Company and Shenzhen Brightoil on 25 May 2010 for the provision of Oil and delivery services to the Group and the Group's customers globally at the direction of the Group.

Shenzhen Brightoil, for itself and on behalf of its subsidiaries, has undertaken not to engage in any direct competition with the Group in respect of the marine bunkering business of the Group in PRC during the term of the Oil Purchase Agreement and the New Oil Purchase Agreement.

Save as disclosed above, none of the Directors or any of their respective associates (as defined in the Listing Rules) had any interest in any business which competes or is likely to compete, either directly or indirectly, with the Group's business during the year.

CONTROLLING SHAREHOLDERS'/DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Other than the Oil Purchase Agreement and the New Oil Purchase Agreement, the Fuel Oil Storage Service Agreement and the New Oil Storage Agreement, the 2009 Subscription Agreement, the Supplemental Deed, the Shares Subscription Agreement and the Lease (as defined in paragraph headed "Connected Transactions" below), in which a director of the Company or controlling shareholder (or any of its subsidiaries) has a material interest, as disclosed in note 41 to the consolidated financial statements, no other contracts of significance to which the Company, any of its subsidiaries was a party and in which a director of the Company or controlling shareholder (or any of its subsidiaries) had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

COMPLIANCE WITH CHAPTER 13 OF THE LISTING RULES

The following information is disclosed pursuant to Rules 13.18 and 13.21 of Chapter 13 of the Listing Rules.

(1) On 26 April 2010, Brightoil Lion Tanker Ltd., an indirect wholly-owned subsidiary of the Company, as borrower (the "Borrower"), Credit Suisse AG, as lender (the "Lender"), and the Company, as guarantor, entered into an 8-year term loan facility agreement (the "Facility Agreement"). Pursuant to the Facility Agreement, the Lender makes available to the Borrower a loan (the "Facility") in the lowest of (i) US$31,500,000; (ii) 60% of the market value of the ship MT "Brightoil Lion" owned by the Borrower; or (iii) 60% of the price payable by the Borrower under the memorandum of agreement in relation to the sale and purchase of the above vessel. The Facility is interest bearing, and is repayable in instalments on repayment dates specified in the Facility Agreement. Any outstanding amounts shall be repaid in full on the date falling 8 years after the date of making of the loan.

    Pursuant to the Facility Agreement, the Company represented and warranted, among other things, that Dr. Sit Kwong Lam, an executive Director and the controlling shareholder of the Company, shall remain the majority shareholder of the Company (the "Specific Performance Obligation").

A breach of the Specific Performance Obligation would constitute a default under the Facility Agreement. Such default would permit the Lender to: (i) cancel the Facility; and/or (ii) declare that all or part of the loan made under the Facility Agreement, together with accrued interest, and all other amounts accrued or outstanding be immediately due and payable; and/or (iii) declare that all or part of the loan made under the Facility Agreement be payable on demand.

(2) On 26 September 2011, the Company as borrower and China Development Bank Corporation, Hong Kong Branch ("CDB") as lender entered into a loan agreement (the "Loan Agreement") pursuant to which CDB has agreed to grant a term loan facility up to an aggregate principal amount of RMB1 billion (approximately HK$1.22 billion) to the Company for a term of 12 months after the first date of utilisation of the facility (the "Facility"). The Facility is secured by a personal guarantee executed by Dr. Sit Kwong Lam, an executive Director and the controlling shareholder of the Company, in favour of CDB (the "Guarantee"). The Facility shall be used for working capital requirements of the marine bunkering business and the working capital requirement and front-end costs of the upstream oil and gas projects of the Company and its subsidiaries.

Pursuant to the Loan Agreement, Dr. Sit Kwong Lam shall remain as a controlling shareholder (as defined under the Listing Rules) of the Company (the "Specific Performance Obligation"). It will constitute an event of default if the Specific Performance Obligation is breached whereupon CDB may, by not less than 30 days notice to the Company, cancel the Facility and declare all outstanding loans together with accrued interest, and all other amounts accrued under the Loan Agreement and the Guarantee immediately due and payable.

RELATED PARTY TRANSACTIONS

Details of the significant related party transactions undertaken during the year under review are disclosed in note 41 to the consolidated financial statements. Save as disclosed in "Connected Transactions" below, these related party transactions fall under the definition of connected transaction, but are exempt from reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONNECTED TRANSACTIONS

Certain related party transactions as disclosed in note 41 to the consolidated financial statements also constituted connected transactions or as the case may be, continuing connected transactions under the Listing Rules and are subject to the reporting requirements in accordance with Chapter 14A of the Listing Rules. The following transactions between certain connected persons (as defined in the Listing Rules) and the Group have been entered into and/or are ongoing for which relevant announcements, if necessary, had been made by the Company in compliance with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

Details of those transactions which also constituted connected transactions and were required to be disclosed under Chapter 14A of the Listing Rules are as follows:

(1) Continuing connected transaction for the rental income from Brightoil Petroleum Int'l Pte Ltd ("Brightoil Petroleum Int'l")

On 11 September 2009, a lease agreement (the "Lease") was entered into between the Group and Brightoil Petroleum Int'l, a company incorporated in Singapore and controlled by Dr. Sit (being an Executive Director, Chairman and chief executive officer of the Company), whereby the Group agreed to lease the premises situated at 8 Temasek Boulevard #35-02/02A/02B, Suntec Tower Three, Singapore 038988 to Brightoil Petroleum Int'l for a term of 3 years commencing on 1 July 2009. The monthly rent (inclusive of goods and service tax) payable by Brightoil Petroleum Int'l under the Lease is S$67,000. The annual maximum amount of rental to be received by the Group under the Lease for each of the three financial years ending 30 June 2010, 30 June 2011 and 30 June 2012 shall not exceed S$804,000 (equivalent to approximately HK$4.34 million based on exchange rate at 30 June 2010).

The aggregate rental income from the Lease during the year ended 30 June 2011 was approximately HK$1,621,000. The lease was terminated during the year and only 4-month rental income was noted.

(2) Continuing connected transaction for the fuel oil purchase and delivery

On 12 July 2008, the Group entered into Oil Purchase Agreement with the Shenzhen Brightoil Group, which is wholly and beneficially controlled by Dr. Sit (being an executive Director, Chairman and chief executive officer of the Company). On 7 April 2009, the annual cap regarding the Oil Purchase Agreement had been revised and approved by the shareholders of the Company such that the total volume of fuel oil sourced by the Group from the Shenzhen Brightoil Group and related total transaction amount in respect of the Group's marine bunkering business as a percentage of the total purchases of petroleum products made by the Group for its petroleum product related business be not higher than 65% for the year ended 30 June 2011. On 25 May 2010, the New Oil Purchase Agreement was entered into between Shenzhen Brightoil and the Company for the term of 3 years starting from 1 July 2010. The annual cap has been approved by the shareholders of the Company such that the maximum aggregate fee payable by the Group under the New Oil Purchase Agreement for each of the financial years ending 30 June 2011, 30 June 2012 and 30 June 2013 are US$3,150 million, US$4,200 million and US$4,970 million respectively.

Under the Oil Purchase Agreement, the amount of aggregate fuel oil purchase and delivery fee paid and payable during the year ended 30 June 2011 was approximately HK$10,309,620,000.

(3) Continuing connected transaction for the fuel oil storage

On 12 July 2008, the Group entered into fuel oil storage service agreement (the "Fuel Oil Storage Service Agreement") with the Shenzhen Brightoil Group, which is wholly and beneficially controlled by Dr. Sit (being an executive Director, Chairman and Chief executive officer of the Company). On 21 June 2010, a new oil storage agreement (the "New Oil Storage Agreement") was entered into between Shenzhen Brightoil and the Company for a term of 3 years starting from 1 July 2010. The annual maximum aggregate storage service fee payable by the Group under the New Oil Storage Agreement has been revised such that the aggregate service fee shall not exceed RMB59.4 million for each of the three subsequent financial years ending 30 June 2011, 30 June 2012 and 30 June 2013. The New Oil Storage Agreement is exempt from the shareholders' approval under the Listing Rules because the percentage ratios in respect of the revised annual cap are less than 5%.

Under the New Oil Storage Agreement, the amount of aggregate fuel oil storage fee paid and payable during the year ended 30 June 2011 was approximately HK$37,690,000.

(4) Subscription of new shares

On 29 July 2010, Canada Foundation (being a substantial shareholder of the Company), a placing agent and the Company entered into a placing agreement pursuant to which Canada Foundation agreed to subscribe through the placing agent, an aggregate 300,000,000 existing ordinary shares at a placing price of HK$3.45 per share representing a discount of approximately 8.97% to the closing price of the Company's share of HK$3.79 per share on 28 July 2010. The placing was completed on 9 August 2010.

The independent non-executive Directors have reviewed and confirmed that the aforesaid connected transactions were entered into (a) in the ordinary and usual course of business of the Group; (b) on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and (c) in accordance with the relevant agreements governing them on terms that were fair and reasonable and in the interests of the shareholders of the Company as a whole.

In accordance with Rule 14A.38 of the Listing Rules, the Board engaged the auditor of the Company to perform certain procedures on the above continuing connected transactions on a sample basis in accordance with Hong Kong Standard on Assurance Engagement 3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued a letter containing his conclusion in respect of the continuing connected transactions disclosed by the Group above have no non-compliance with Listing Rule 14A.38. A copy of the auditor's letter has been provided by the Company to the Stock Exchange.

The Company confirmed that it has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in respect of the transactions stated in items (1), (2), (3) and (4) above.

SUBSTANTIAL SHAREHOLDERS AND PERSONS HAVING 5% OR MORE INTERESTS

As at 30 June 2011, the interests and short positions of every person, other than a Director or chief executive of the Company, in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long positions

Name of substantial shareholder	Number of ordinary shares	Approximate Percentage of shareholdings
Energy Empire Investments Limited	2,918,088,960 (Note 1)	43.14%
Canada Foundation	3,889,330,373 (Notes 1 and 2)	57.50%

Notes:

1. As Dr. Sit is the sole shareholder of both Energy Empire Investments Limited and Canada Foundation, Dr. Sit was deemed to be interested in the Shares held by or deemed to be interested by these two companies under the SFO.

2. These 3,889,330,373 Shares refer to (a) 1,409,351,040 Shares held by Canada Foundation; and (b) 2,479,979,333 Shares to be allotted and issued to Canada Foundation upon exercise in full of the conversion rights attaching to the convertible notes issued by the Company on 27 October 2009 pursuant to the Subscription Agreement and the Supplemental Deed.

Save as disclosed above, as at 30 June 2011, the Company has not been notified of any person (other than a Director or chief executive of the Company) or entity had any interests or short positions in the Shares or underlying Shares as recorded in the register required to be kept under section 336 of the SFO.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Bye-laws, or the laws of Bermuda, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received from each of Mr. Lau Hon Chuen, Professor Chang Hsin Kang and Mr. Kwong Chan Lam an annual confirmation of his independence pursuant to the Rule 3.13 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("Listing Rules") and the Company considers that the independent non-executive directors are independent.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the shareholders of the Company are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or the exercise of any rights in relation to the shares of the Company, they are advised to consult an expert.

CORPORATE GOVERNANCE

Save as disclosed in the Corporate Governance Report on pages 27 to 34 of this Annual Report, the Company has complied throughout the year with the code provisions same as disclosed in the Corporate Governance Report and most of the recommended best practices in the Code on Corporate Governance Practices as set out in the Listing Rules.

SUFFICIENCY OF PUBLIC FLOAT

To the best knowledge of the directors and based on information publicly available to the Company, the Company has maintained a sufficient public float as required under the Listing Rules throughout the year ended 30 June 2011 and as at the latest practicable date prior to the issue of this annual report.

AUDITOR

A resolution will be submitted to the forthcoming annual general meeting of the Company to re-appoint Messrs. Deloitte Touche Tohmatsu as auditor of the Company.

On behalf of the Board

SIT KWONG LAM
CHAIRMAN

Hong Kong, 23 September 2011

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for ensuring high standards of corporate governance are maintained and for accounting to shareholders. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices (the "Code") as set out in Appendix 14 to the Listing Rules for the year ended 30 June 2011, except for the following deviation:

Code Provision A.2.1

Under the code provision A.2.1 of the Code, the roles of chairman and chief executive officer ("CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing.

The positions of both chairman and CEO have been held by Dr. Sit Kwong Lam since 20 June 2008 upon his appointment as an executive Director. Given the Group's current stage of development, the Board considers that vesting the roles of both chairman and CEO in the same person facilitates the execution of the Group's business strategies and maximises effectiveness of its operation.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS

The Company has adopted the model code for securities transactions by directors of listed issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules for securities transactions by Directors. All the Directors have confirmed, following specific enquiry by the Company, that they have complied with the required standard set out in the Model Code throughout the year ended 30 June 2011. The Model Code also applies to other specified senior management of the Group.

BOARD OF DIRECTORS

The Board is responsible for providing high level guideline and effective oversight of the overall management of the Company's business while day-to-day management of the Group is delegated to the Executive Directors and senior management team. The functions and work tasks delegated to the management are periodically reviewed by the Board. Generally speaking, the Board is responsible for the followings:

- Formulating the Group's long term strategy and monitoring the implementation thereof
- Recommending interim and year-end dividend
- Reviewing and approving the interim and annual reports
- Ensuring good corporate governance and compliance
- Monitoring internal control and risk management systems
- Monitoring the performance of the management
- Reviewing and approving any material acquisition and assets disposal

SUMMARY OF WORK DONE

The Board meets regularly at least four times a year and additional meetings or telephone conferences are convened as and when the Board considers necessary. Draft agendas and board papers for regular Board meetings are provided to the Board for comments and the Directors are invited to include any matters which they thought appropriate in the agenda for regular Board meetings.

ATTENDANCE RECORDS

During the year ended 30 June 2011, the following Board and relevant committee meetings were held. Details of the Directors' attendance in the year are as follows:

	Board of Directors	Audit Committee	Remuneration Committee
Executive Directors			
Dr. Sit Kwong Lam	9/9	N/A	1/1
Mr. Gregory John Channon	9/9	N/A	N/A
Mr. Tang Bo	8/9	N/A	N/A
Mr. Tan Yih Lin	9/9	N/A	1/1
Mr. Chia Teck Lim (Note 1)	9/9	N/A	N/A
Mr. Cheung Sum, Sam (Note 2)	4/9	N/A	N/A
Non-executive Directors			
Mr. He Zixin	7/9	N/A	N/A
Mr. Ran Longhui	4/9	N/A	N/A
Mr. Sun Zhenchun	6/9	N/A	N/A
Mr. Dai Zhujiang	8/9	N/A	N/A
Independent Non-executive Directors			
Mr. Lau Hon Chuen	8/9	2/2	1/1
Professor Chang Hsin Kang	8/9	2/2	1/1
Mr. Kwong Chan Lam	9/9	2/2	1/1

Note 1: Mr. Chia Teck Lim resigned as an Executive Director on 6 September 2011

Note 2: Mr. Cheung Sum, Sam resigned as an Executive Director on 25 November 2010

The Directors have access to the advice and services of the Company Secretary who is responsible for ensuring the compliance of the Board procedures, and all applicable rules and regulations.

All minutes of the Board meetings (including minutes of all Board Committees meetings) and written resolutions passed by the Board are kept in the office of the Company Secretary and are accessible to all Directors.

The Directors are permitted to seek independent professional advice, if necessary, at the Company's expense.

Where the substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, a Board meeting was held instead of by way of circulation in accordance with applicable rules and regulations.

There is in place a Directors' and Officers' Liabilities Insurance coverage in respect of the legal actions against the Directors and senior management arising out of corporate activities. Board committees, including the Audit and Remuneration follow the applicable practices and procedures used in Board meetings for committee meetings.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Code provision A.2.1 stipulates that the roles of chairman and CEO should be separate and should not be performed by the same individual.

The positions of both chairman and CEO have been held by Dr. Sit Kwong Lam since 20 June 2008 upon his appointment as an executive Director. Given the Group's current stage of development, the Board believes that vesting the roles of both chairman and CEO in the same person facilitates the execution of the Group's business strategies and maximizes effectiveness of its operation. In addition, through the supervision of the Board which comprised of three independent non-executive Directors and four non-executive Directors, representing more than half of the Board, the interests of the Shareholders are adequately and fairly represented.

With the support of the senior management, the chairman seeks to ensure that all Directors have been properly briefed on issues arising at Board meetings and have received adequate and reliable information on a timely basis. Board papers including supporting analysis and related background information are normally sent to the Directors before Board meetings.

BOARD COMPOSITION

The Board is currently composed of four executive Directors, four non-executive Directors and three independent non-executive Directors, whose biographical details are set out in "Biographical Details of Directors and Senior Management" of this annual report. The independent non-executive Directors are identified in all corporate communications.

The Board complies with Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive Directors and one of the independent non-executive Directors has appropriate professional qualifications on accounting or related financial management expertise. Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors meet the independence guidelines set out in Rule 3.13 of the Listing Rules and are independent.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

All non-executive Directors and independent non-executive Directors have been appointed for a specific term of three years. In accordance with the provisions of the bye-laws of the Company, any Director is subject to retirement by rotation once every three years and shall be eligible for re-election in the annual general meeting of the Company.

In accordance with the provisions of the bye-laws of the Company, any Director appointed by the Board during the year shall retire and submit themselves for re-election at the next following annual general meeting immediately following his/her appointment. Furthermore, at each annual general meeting, one-third of the Directors for the time being, or if their number is not a multiple of three, the number nearest to but not less than one-third, shall retire from office. The Directors to be retired by rotation shall be those who have been longest in office since their last re-election or appointment.

Code provision A.4.2 stipulates that all Directors appointed to fill a casual vacancy should be subject to election by Shareholders at the first general meeting after their appointment, and every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The Company complied with this Code provision during the year.

NOMINATION COMMITTEE

The Company has not established any nomination committee. The Board will identify individuals who are suitably qualified to become Board members when necessary. The Board will give due consideration to the suitability of a candidate for directorship after taking into account his experience, qualification and other relevant factors. All candidates must also meet the standards as set forth in Rules 3.08 and 3.09 of the Listing Rules. A candidate who is to be appointed as an independent non-executive Director should also meet the independence criteria set out in Rule 3.13 of the Listing Rules.

RESPONSIBILITIES OF DIRECTORS

Newly appointed Director would receive an induction package covering the Group's business and the statutory and regulatory obligations of a director. The Company Secretary is responsible for keeping all Directors updated on the Listing Rules and other statutory requirements.

The independent non-executive Directors exercise their independent judgement and advise on the strategy, financial performance and resources of the Group. The independent non-executive Directors are also members of the Audit and Remuneration Committees of the Company.

SUPPLY OF AND ACCESS TO INFORMATION

Agenda and accompanying board papers were sent to all Directors at least 3 days before the regular Board meeting unless it was on urgent basis. The management works closely with the Board to clarify their queries raised in the meetings and supplement any information required.

DELEGATION BY THE BOARD

There is a clear division of duties and responsibilities between the Board and the management as internal guidelines of the Company. The Board, led by the Chairman, is responsible for the Group's future development directions; overall strategies and policies and approval of matters that are of material or substantial nature. The management, including the Executive Directors, is responsible for reviewing and monitoring the business and operation performance of the Group.

The Board has established the Remuneration Committee and Audit Committee with specific terms of reference. The committees report to the Board of their decisions and recommendations at the Board meetings.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

The Company has established the remuneration committee of the Company (the "Remuneration Committee") in January 2006 with terms of reference substantially the same as those contained in Code provision B.1.3.

A majority of the members of the Remuneration Committee are independent non-executive Directors. The current members are Professor Chang Hsin Kang (Chairman), Mr. Kwong Chan Lam, Mr. Lau Hon Chuen, Dr. Sit Kwong Lam and Mr. Tan Yih Lin.

On behalf of the Board, the Remuneration Committee pays close attention to remuneration policies applied within the Company, including the remuneration of non-executive and executive Directors and of senior management. The objective is to ensure that the Company applies properly structured and fair remuneration which aligns the interests of Directors and senior management with those of the Company and its Shareholders. Also, remuneration should reflect performance and responsibility with a view to attracting, motivating and retaining high performing individuals and promoting the enhancement of the values to the Shareholders.

RESPONSIBILITIES

The Remuneration Committee is primarily responsible for the following duties:

1. to make recommendations to the Board on the Company's policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing the policy on such remuneration;

2. to have the delegated responsibilities to determine the specific remuneration packages of all Executive Directors and senior management;

3. to review and approve performance-based remuneration by reference to corporate goals and objectives resolved by the Board from time to time;

4. to review and approve the compensation payable to executive Directors and senior management in connection with any loss or termination of their office or appointment to ensure that such compensation is determined in accordance with relevant contractual terms and that such compensation is otherwise fair and not excessive for the Company;

5. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that such arrangements are determined in accordance with relevant contractual terms and that any compensation payment is otherwise reasonable and appropriate; and

6. to ensure that no Director or any of his/her associates is involved in deciding his/her own remuneration.

The overriding objective of the remuneration policy is to ensure that the Company is able to attract, retain, and motivate a high-calibre team which is essential to the success of the Company. The terms of reference of the Remuneration Committee was available on request and information of the Remuneration Committee was available on the website of the Company (www.brightoil.com.hk).

SUMMARY OF WORK DONE

The Remuneration Committee would consult the Chairman the proposals relating to the remuneration of other executive Directors, if any. The Remuneration Committee may have access to external professional advice if considered necessary at the Company's expenses.

The Remuneration Committee will meet at least once each year. During the relevant year under review, the Remuneration Committee held one meeting to consider the issuance of performance bonus to the Directors. The renewal of service agreement and remuneration package of the Directors was passed by way of written resolutions of the Remuneration Committee. Attendance record of each Director at the Remuneration Committee meetings are set out in the section headed "Attendance Records" of this report.

FINANCIAL REPORTING

Management are required to provide detailed report and explanation to enable the Board to make an informed assessment of the financial and other information put before approval.

The Directors acknowledge their responsibility for (i) overseeing the preparation of the financial statements of the Group with a view to ensuring such financial statements are in accordance with statutory requirements and applicable accounting standards and (ii) selecting suitable accounting policies and applying them consistently with the support of reasonable and prudent judgments and estimates. The report of the auditor of the Company about their reporting responsibilities on the consolidated financial statements of the Group is set out on pages 36 to 104 of this annual report.

The Board aims to present a balanced, clear and understandable assessment of the Company's position to its shareholders and the public in all its reports and public announcements.

AUDIT COMMITTEE

The audit committee of the Company (the "Audit Committee") comprises all independent non-executive Directors who are not involved in the day-to-day management of the Company. The Audit Committee has adopted the same terms of reference, which describes the authority and duties of the Audit Committee, as set out in Code provision C.3.3. The chairman of the Audit Committee, Mr. Kwong Chan Lam, has appropriate professional qualifications and experience in financial matters and wide experience in business. Except for Kwong Chan Lam who was a partner of Deloitte Touche Tohmatsu from 1 April 1997 to 31 May 2007, none of the members of the Audit Committee are former partners of the Company's existing auditing firm. Minutes of the Audit Committee meeting are circulated to members of the Audit Committee within reasonable time after each meeting. The primary responsibilities of the Audit Committee are

- to consider the financial reporting matters;
- to assess changes in accounting policies and practices;
- to discuss major judgmental area and compliance with applicable legal and accounting requirements and standards; and
- to discuss with the auditor of the Company on internal control and annual results.

The terms of reference of the Audit Committee are available on request and information of the Audit Committee is available on the website of the Company (www.brightoil.com.hk).

SUMMARY OF WORK DONE

The Audit Committee has discharged its responsibilities in its review of the half-yearly and annual results and system of internal control at its two meetings held during the year. Attendance record of each Director at the Audit Committee meetings are set out in the section headed "Attendance Records" of this report.

INTERNAL CONTROL

A sound and effective internal control system is important to safeguard the Shareholders' investment and the Group assets. During the year, the Board reviewed and is satisfied with the effectiveness of the internal control system of the Group including, financial, operational, compliance control and risk management functions. The Audit Committee had made suggestions to the Board for internal control measures which the Board had considered to uplift internal control effectiveness.

COMMUNICATION WITH SHAREHOLDERS

Effective Communication

At 2010 AGM, a separate resolution of each substantially separate issue was proposed, including election of individual Directors. Separate resolutions are also proposed on other general meetings on each separate issue.

The Chairman of the Board attended the annual general meeting of the Company to answer questions raised by the shareholders.

The Company gave at least 20 clear business days notice to shareholders in case of an annual general meeting and at least 10 clear business days in the case of all other general meetings.

All resolutions put to vote at the Company's general meetings were taken by poll. Poll results were published on the websites of the Company and the Stock Exchange.

AUDITOR'S REMUNERATION

For the year ended 30 June 2011, the auditor of the Group, Deloitte Touche Tohmatsu, received HK$2,200,000 for audit services and HK$1,539,000 for non-audit services as follows:

Non-audit services

	HK$
Review services	1,539,000

On behalf of the Board
SIT KWONG LAM
Chairman

Hong Kong, 23 September 2011

TO THE MEMBERS OF BRIGHTOIL PETROLEUM (HOLDINGS) LIMITED
(incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Brightoil Petroleum (Holdings) Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 36 to 104, which comprise the consolidated statement of financial position as at 30 June 2011, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Group as at 30 June 2011 and of the Group's profit and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

Deloitte Touche Tohmatsu
Certified Public Accountants
Hong Kong
23 September 2011

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2011

	Notes	2011 HK$'000	2010 HK$'000 (restated)
Revenue	8	**39,553,108**	13,634,611
Cost of sales and services		**(37,102,972)**	(12,135,311)
Gross profit		**2,450,136**	1,499,300
Other income, gains and losses	10	**34,263**	(21,236)
Fair value change of derivative financial instruments	33	**(172,768)**	355,445
Fair value change in conversion option of convertible notes	36	**–**	(322,527)
Other expenses		**(77,929)**	(52,296)
Distribution and selling expenses		**(338,577)**	(61,886)
Administrative expenses		**(262,969)**	(118,283)
Finance costs	11	**(242,767)**	(94,205)
Share of losses of jointly controlled entities		**(11,144)**	(1,439)
Profit before taxation	12	**1,378,245**	1,182,873
Taxation charge	15	**(107,847)**	(74,138)
Profit for the year attributable to the owners of the Company		**1,270,398**	1,108,735
Other comprehensive income for the year			
Exchange differences arising on translation of foreign operations and to presentation currency		**70,353**	4,824
Total comprehensive income for the year attributable to the owners of the Company		**1,340,751**	1,113,559
			(restated)
Earnings per share			
– Basic	17	**HK18.8 cents**	HK18.4 cents
– Diluted	17	**HK14.9 cents**	HK15.1 cents

At 30 June 2011

	Notes	**30.6.2011 HK$'000**	30.6.2010 HK$'000 (restated)	1.7.2009 HK$'000 (restated)
NON-CURRENT ASSETS				
Property, plant and equipment	18	**2,159,976**	998,736	171,167
Prepaid lease payments for land	19	**653,746**	82,805	–
Prepaid lease payments for coast	20	**11,988**	11,603	–
Investment properties	21	**120,399**	100,265	86,200
Exploration and evaluation assets	22	**11,639**	4,755	–
Interest in an associate	23	**10,804**	–	–
Deposits paid for acquisition of property, plant and equipment	42	**1,257,660**	1,000	1,369
Deposits paid for prepaid lease payments for land	43	**18,772**	43,047	–
Interests in jointly controlled entities	24	**446,659**	350,918	35,802
Rental and other deposits		**15,688**	3,705	–
		4,707,331	1,596,834	294,538
CURRENT ASSETS				
Inventories	25	**3,504,458**	648,144	312,159
Trade debtors	26	**4,129,842**	1,827,744	400,151
Prepaid lease payments for land	19	**13,397**	1,693	–
Prepaid lease payments for coast	20	**251**	237	–
Derivative financial instruments	33	**764,114**	–	–
Other debtors, prepayments and deposits		**42,918**	11,314	2,360
Rental receivable from a related company		**–**	–	2,090
Amount due from a jointly controlled entity	41	**3,914**	3,715	–
Securities held for trading	27	**309,016**	251,924	2,515
Deposits placed with brokers	28	**2,111,766**	705,766	–
Pledged bank deposits	29	**678,897**	54,697	309,322
Bank balances and cash	29	**2,402,809**	2,037,423	710,299
		13,961,382	5,542,657	1,738,896
CURRENT LIABILITIES				
Trade creditors	30	**2,132,882**	972,712	224,013
Trade payable to a related company	41	**1,135,165**	725,432	435,091
Amount due to a jointly controlled entity	41	**–**	231	–
Other creditors and accrued charges	31	**298,590**	23,122	10,670
Bank borrowings	32	**6,137,390**	41,850	–
Derivative financial instruments	33	**841,423**	62,258	–
Profits tax liabilities		**125,892**	97,948	35,271
		10,671,342	1,923,553	705,045
NET CURRENT ASSETS		**3,290,040**	3,619,104	1,033,851
TOTAL ASSETS LESS CURRENT LIABILITIES		**7,997,371**	5,215,938	1,328,389

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2011

	Notes	**30.6.2011 HK$'000**	30.6.2010 HK$'000 (restated)	1.7.2009 HK$'000 (restated)
NON-CURRENT LIABILITIES				
Convertible notes	36	**734,418**	614,627	28,302
Convertible notes derivatives		**–**	–	137,553
Bank borrowings	32	**939,669**	451,631	–
Deferred tax liability	35	**32,271**	52,036	–
		1,706,358	1,118,294	165,855
		6,291,013	4,097,644	1,162,534
CAPITAL AND RESERVES				
Share capital	34	**169,090**	161,587	143,587
Reserves		**6,121,923**	3,936,057	1,018,947
Equity attributable to owners of the Company		**6,291,013**	4,097,644	1,162,534

The consolidated financial statements on pages 36 to 104 were approved and authorised for issue by the Board of Directors on 23 September 2011 and are signed on its behalf by:

Sit Kwong Lam
DIRECTOR

Tan Yih Lin
DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Special reserve HK$'000 (Note a)	Shareholder's contribution HK$'000 (Note b)	Translation reserve HK$'000	Convertible notes reserve HK$'000	Share options reserve HK$'000	Accumulated profits HK$'000	Total HK$'000
At 1 July 2009 as originally stated	143,587	447,947	3,489	1,000	33,679	(6,931)	–	–	542,246	1,165,017
Effect on change in accounting policies	–	–	–	–	–	–	–	–	(2,483)	(2,483)
At 1 July 2009 as restated	143,587	447,947	3,489	1,000	33,679	(6,931)	–	–	539,763	1,162,534
Profit for the year	–	–	–	–	–	–	–	–	1,108,735	1,108,735
Other comprehensive income:										
Exchange differences arising in translation of foreign operations and to presentation currency	–	–	–	–	–	4,824	–	–	–	4,824
Total comprehensive income for the year	–	–	–	–	–	4,824	–	–	1,108,735	1,113,559
Issue of new shares	10,000	990,000	–	–	–	–	–	–	–	1,000,000
Transaction costs attributable to issue of shares	–	(16,090)	–	–	–	–	–	–	–	(16,090)
Issue of new shares upon conversion of convertible notes	8,000	500,880	–	–	–	–	–	–	–	508,880
Recognition of equity component of convertible notes	–	–	–	–	–	–	384,879	–	–	384,879
Deferred liability on recognition of equity components of convertible notes	–	–	–	–	–	–	(63,506)	–	–	(63,506)
Recognition of equity-settled share based payments (note 39)	–	–	–	–	–	–	–	7,388	–	7,388
At 30 June 2010	161,587	1,922,737	3,489	1,000	33,679	(2,107)	321,373	7,388	1,648,498	4,097,644

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2011

	Share capital HK$'000	Share premium HK$'000	Capital redemption reserve HK$'000	Special reserve HK$'000 (Note a)	Shareholder's contribution HK$'000 (Note b)	Translation reserve HK$'000	Convertible notes reserve HK$'000	Share options reserve HK$'000	Accumulated profits HK$'000	Total HK$'000
At 1 July 2010 as originally stated	161,587	1,922,737	3,489	1,000	33,679	(2,107)	321,373	7,388	1,686,172	4,135,318
Effect on change in accounting policies	–	–	–	–	–	–	–	–	(37,674)	(37,674)
At 1 July 2010 as restated	161,587	1,922,737	3,489	1,000	33,679	(2,107)	321,373	7,388	1,648,498	4,097,644
Profit for the year	–	–	–	–	–	–	–	–	1,270,398	1,270,398
Other comprehensive income:										
Exchange differences arising in translation of foreign operations and to presentation currency	–	–	–	–	–	70,353	–	–	–	70,353
Total comprehensive income for the year	–	–	–	–	–	70,353	–	–	1,270,398	1,340,751
Dividends paid (note 16)	–	–	–	–	–	–	–	–	(202,904)	(202,904)
Issue of new shares	7,500	1,027,500	–	–	–	–	–	–	–	1,035,000
Transaction costs attributable to issue of shares	–	(14,582)	–	–	–	–	–	–	–	(14,582)
Recognition of equity-settled share based payments (note 39)	–	–	–	–	–	–	–	34,764	–	34,764
Exercise of share options	3	365	–	–	–	–	–	(28)	–	340
Lapse of share options	–	–	–	–	–	–	–	(5,746)	5,746	–
At 30 June 2011	169,090	2,936,020	3,489	1,000	33,679	68,246	321,373	36,378	2,721,738	6,291,013

Notes:

a. The special reserve of the Group represents the difference between the nominal amount of the share capital issued by First Sign Investments Limited in exchange for the nominal amount of the share capital of its subsidiaries pursuant to the group reorganisation in 1995.

b. During the year ended 30 June 2008, the Group disposed of two subsidiaries to the former major controlling shareholder of the Company, with total consideration of approximately HK$263,374,000. The gain on disposal of the subsidiaries of approximately HK$33,679,000 was deemed as a shareholder's contribution to the Group and was credited to the equity as a reserve.

For the year ended 30 June 2011

	2011 HK$'000	2010 HK$'000 (restated)
OPERATING ACTIVITIES		
Profit before taxation	**1,378,245**	1,182,873
Adjustments for:		
Interest expense	**122,976**	4,201
Interest income on bank deposits	**(9,981)**	(2,696)
Dividends from equity investments	**(7,503)**	(3,630)
Share of loss of a jointly controlled entity	**11,144**	1,439
Amortisation of prepaid lease payments for land and coast	**2,750**	219
Depreciation of property, plant and equipment	**69,582**	23,735
Fair value change of derivative financial instruments (Note)	**14,831**	62,258
Fair value change in conversion option of convertible notes	**–**	322,527
Imputed interest expenses on convertible notes	**119,791**	90,004
Increase in fair value of investment properties, net	**(10,890)**	(20,520)
Fair value change of financial assets held for trading	**(54,893)**	39,124
Share-based payment expenses	**34,764**	7,388
Write-off of other payables	**(636)**	–
(Gain) loss on disposal of property, plant and equipment	**(1,526)**	147
Loss on disposal of investment properties	**–**	183
Write down of garment inventories	**–**	1,497
Change in fair value of fuel oil inventories (Note)	**(45,914)**	50,634
Operating cash flows before movements in working capital	**1,622,740**	1,759,383
Increase in inventories	**(2,810,400)**	(388,116)
Increase in trade debtors	**(2,302,098)**	(1,427,593)
Increase in other debtors, prepayments and deposits	**(31,604)**	(8,956)
Decrease in rental receivable from a related party	**–**	2,090
Increase in securities held for trading	**(2,199)**	(288,533)
Increase in deposits placed with brokers	**(1,405,999)**	(705,766)
Decrease in derivative financial instruments	**220**	–
Increase in rental and other deposits	**(11,729)**	(3,705)
Increase in trade creditors	**1,160,170**	748,699
Increase in trade payable to a related party	**409,733**	290,340
Increase in other creditors and accrued charges	**144,675**	12,449
Cash used in operations	**(3,226,491)**	(9,708)
Income tax paid	**(99,668)**	(22,932)
Dividends received	**7,503**	3,630
NET CASH USED IN OPERATING ACTIVITIES	**(3,318,656)**	(29,010)

CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 30 June 2011

	2011 HK$'000	2010 HK$'000 (restated)
INVESTING ACTIVITIES		
Interest received from bank deposits	**9,981**	2,696
Proceeds on disposal of property, plant and equipment	**1,873**	4,182
Proceeds on disposal of investment properties	**–**	8,417
Prepaid lease payments paid for land	**(467,351)**	(84,044)
Prepaid lease payments paid for coast	**–**	(11,837)
Purchases of property, plant and equipment	**(1,173,589)**	(855,015)
Capital injection into a newly set up associate	**(10,804)**	–
Advance to a jointly controlled entity	**–**	(3,715)
Addition to exploration and evaluation assets	**(6,465)**	(4,755)
Deposits paid for acquisition of property, plant and equipment	**(1,256,505)**	–
Deposits paid for acquisition of lease for land	**–**	(43,047)
Increase in short-term bank deposits with original maturities of more than three months	**(48,016)**	–
Addition to pledged bank deposits	**(3,583,997)**	(1,144,938)
Refund of pledged bank deposits	**2,959,798**	1,399,563
Capital injection in a jointly controlled entity	**(90,800)**	(316,201)
NET CASH USED IN INVESTING ACTIVITIES	**(3,665,875)**	(1,048,694)
FINANCING ACTIVITIES		
Proceeds from issue of shares	**1,035,000**	1,000,000
Proceeds from issue of convertible notes	**–**	930,000
Proceeds from exercise of share options	**340**	–
Bank loans raised	**12,823,977**	499,875
Expenses on issue of shares	**(14,582)**	(16,090)
Repayment of borrowings	**(6,249,058)**	(6,394)
(Repayment to) advance from a jointly controlled entity	**(233)**	231
Dividend paid	**(202,904)**	–
Interest expense	**(122,976)**	(4,201)
NET CASH FROM FINANCING ACTIVITIES	**7,269,564**	2,403,421
NET INCREASE IN CASH AND CASH EQUIVALENTS	**285,033**	1,325,717
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	**2,037,423**	710,299
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	**32,337**	1,407
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR Represented by bank balances and cash	**2,354,793**	2,037,423

Note: The amount represents the unrealised (gain) loss on derivative financial instruments and fuel oil inventories as at the end of reporting period.

1. GENERAL

The Company is a public limited company incorporated in Bermuda under the Companies Act 1981 of Bermuda (as amended) as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and principal place of business of the Company are disclosed in the "Corporate Information" section of the annual report.

The Company's immediate and ultimate holding company is Energy Empire Investments Limited, a limited company incorporated in the British Virgin Islands.

The Company is an investment holding company. Its subsidiaries are principally engaged in the marine bunkering business (including the trading of related petroleum products), with plan to expand globally, marine transportation business, construction of oil storage and terminal facilities, design, manufacture and trading of garments, proprietary trading in securities and derivatives, property holding and investment holding.

The functional currency of the Company is United States dollars ("US$").

2. PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

The presentation currency of the consolidated financial statements is Hong Kong dollars ("HK$"). For the convenience of the financial statements users, the results and financial position of the Group are presented in HK$ as the Company's shares are listed on the Stock Exchange.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN ACCOUNTING POLICIES

In the current year, the Group has applied the following new and revised Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountant (the "HKICPA").

HKFRSs (Amendments)	Amendments to HKAS 7, HKAS 17, HKAS 36, HKAS 39, HKFRS 5 and HKFRS 8 as part of improvements to HKFRSs 2009
HKFRSs (Amendments)	Amendment to HKAS 27 and HKFRS 3 as part of Improvements to HKFRSs 2010
HKAS 32 (Amendment)	Classification of rights issues
HKFRS 2 (Amendments)	Group cash-settled share-based payment transactions
HK(IFRIC) – INT 19	Extinguishing financial liabilities with equity instruments
HK – INT 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause

Except as described below, the application of the new and revised Standards and Interpretations in the current year has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN ACCOUNTING POLICIES *(continued)*

Impact of new and revised Standards and Interpretations applied in the current year and change of accounting policy

Amendment to HKAS 17 Leases

As part of Improvements to HKFRSs issued in 2009, HKAS 17 "Leases" has been amended in relation to the classification of leasehold land. Before the amendment to HKAS 17, the Group was required to classify leasehold land as operating leases and to present leasehold land as prepaid lease payments in the consolidated statement of financial position. The amendments to HKAS 17 have removed such a requirement. The amendments require that the classification of leasehold land should be based on the general principles set out in HKAS 17, that is, whether or not substantially all the risks and rewards incidental to ownership of a leased asset have been transferred to the lessee.

In accordance with the transitional provision set out in the amendment to HKAS 17, the Group reassessed the classification of unexpired leasehold land as at 1 July 2010 based on information that existed at the inception of the leases. Leasehold land that qualifies for finance lease classification has been reclassified from prepaid lease payments for land to property, plant and equipment retrospectively. This resulted in a reclassification of prepaid lease payments for land with a previous carrying amount of approximately HK$42,463,000 and HK$42,415,000 at 1 July 2009 and 30 June 2010 respectively to property, plant and equipment that are measured at cost model and a reclassification of amortisation of prepaid lease payments of approximately HK$48,000 for the year ended 30 June 2010 to depreciation of property, plant and equipment.

As at 30 June 2011, leasehold land that qualifies for finance lease classification with the carrying amount of approximately HK$42,367,000 has been included in property, plant and equipment, resulting in an additional depreciation of property, plant and equipment and decrease in amortisation of prepaid lease payments of approximately HK$48,000 for the year ended 30 June 2011. The application of the amendments to HKAS 17 has had no impact on the reported profit or loss for the current and prior years.

Change in accounting policy on fuel oil inventories kept by the Group

During the year ended 30 June 2011, the Group has changed one of its principal accounting policies, under which the fuel oil inventories are now stated at fair value less costs to sell, with changes in fair value less costs to sell recognised in profit or loss in the period of change.

Previously, the Group adopted the accounting policy that the fuel oil inventories were stated at the lower of cost and net realisable value. The Group's fuel oil inventories are principally acquired with the purpose of selling in the near future and generating a profit from the fluctuations in price. The directors of the Company consider that measuring fuel oil at fair value less costs to sell would provide more relevant financial information about the effects of such trading on the Group's financial position and financial performance.

As a result of such change, the inventories and retained earnings have been decreased by HK$2,483,000 as at 1 July 2009.

This has also resulted in decrease and increase in inventories of HK$37,674,000 and HK$45,914,000 on the consolidated statements of financial position as at 30 June 2010 and 2011 respectively.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN ACCOUNTING POLICIES

(continued)

Summary of the effects of the above changes in accounting policies and restatements

The changes in accounting policies described above have resulted in decrease in cost of sales and services and increase in profit for the year of HK$83,588,000 for the year ended 30 June 2011 (2010: increase in cost of sales and services and decrease in profit for the year of HK$35,191,000).

The effects of the above changes in accounting policies and restatements on the financial positions of the Group as at 1 July 2009 and 30 June 2010 are as follows:

	As at 1.7.2009 (originally stated) HK$'000	Adjustments HK$'000	As at 1.7.2009 (restated) HK$'000	As at 30.6.2010 (originally stated) HK$'000	Adjustments HK$'000	As at 30.6.2010 (restated) HK$'000
Property and equipment	128,704	42,463	171,167	956,321	42,415	998,736
Prepaid lease payments	42,463	(42,463)	–	126,913	(42,415)	84,498
Inventories	314,642	(2,483)	312,159	685,818	(37,674)	648,144
Accumulated profits	542,246	(2,483)	539,763	1,686,172	(37,674)	1,648,498

The above changes in accounting policies have resulted in rise in the Group's basic and diluted earnings per share of HK 1.2 cent and HK 0.9 cent respectively as at 30 June 2011 (2010: decrease of HK 0.6 cent and HK 0.5 cent respectively).

New and revised Standards and Interpretations issued but not yet effective

The Group has not early applied the following new and revised Standards and Interpretations that have been issued but are not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 except for amendments to HKAS 27 and HKFRS 3[1]
HKFRS 7 (Amendments)	Disclosures – Transfers of financial assets[2]
HKFRS 9	Financial instruments[3]
HKFRS 10	Consolidated financial statements[3]
HKFRS 11	Joint arrangements[3]
HKFRS 12	Disclosure of interests in other entities[3]
HKFRS 13	Fair value measurement[3]
HKAS 1 (Amendments)	Presentation of items of other comprehensive income[6]
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets[4]
HKAS 19 (Revised in 2011)	Employee benefits[3]
HKAS 24 (as revised in 2009)	Related party disclosures[5]
HKAS 27 (Revised 2011)	Separate financial statements[3]
HKAS 28 (Revised 2011)	Investments in associates and joint ventures[3]
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement[5]

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN ACCOUNTING POLICIES *(continued)*

New and revised Standards and Interpretations issued but not yet effective *(continued)*

[1] Amendments that are effective for accounting periods beginning on or after 1 January 2011.
[2] Effective for accounting periods beginning on or after 1 July 2011.
[3] Effective for accounting periods beginning on or after 1 January 2013.
[4] Effective for accounting periods beginning on or after 1 January 2012.
[5] Effective for accounting periods beginning on or after 1 January 2011.
[6] Effective for accounting periods beginning on or after 1 July 2012.

HKFRS 9 "Financial instruments" (as issued in November 2009) introduces new requirements for the classification and measurement of financial assets. HKFRS 9 "Financial instruments" (as revised in November 2010) adds requirements for financial liabilities and for derecognition.

Under HKFRS 9, all recognised financial assets that are within the scope of HKAS 39 "Financial instruments: Recognition and measurement" are subsequently measured at either amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair values at the end of subsequent accounting periods.

In relation to financial liabilities, the significant change relates to financial liabilities that are designated as at fair value through profit or loss. Specifically, under HKFRS 9, for financial liabilities that are designated as at fair value through profit or loss, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the presentation of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as at fair value through profit or loss was presented in profit or loss.

HKFRS 9 is effective for accounting periods beginning on or after 1 January 2013, with earlier application permitted.

The directors anticipate that HKFRS 9 that will be adopted in the Group's consolidated financial statements for financial year ending 30 June 2014. Based on the Group's financial assets and financial liabilities as at 30 June 2011, the application of this new Standard is not expected to affect the classification and measurement of the Group's financial assets and liabilities.

HKFRS 10 replaces the parts of HKAS 27 "Consolidated and separate financial statements" that deal with consolidated financial statements. HKFRS 10 includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) ability to use its power over the investee to affect the amount of the investor's returns. Extensive guidance has been added in HKFRS 10 to deal with complex scenarios. Overall, the application of HKFRS 10 requires extensive use of judgment. The application of HKFRS 10 is not expected to affect the subsidiaries currently held by the Group.

HKFRS 11 replaces HKAS 31 "Interests in joint ventures". HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified. Under HKFRS 11, there are two types of joint arrangements: joint ventures and joint operations. The classification in HKFRS 11 is based on parties' rights and obligations under the arrangements. In contrast, under HKAS 31, there are three different types of joint arrangements: jointly controlled entities, jointly controlled assets and jointly controlled operations.

3. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") AND CHANGES IN ACCOUNTING POLICIES *(continued)*

New and revised Standards and Interpretations issued but not yet effective *(continued)*

In addition, joint ventures under HKFRS 11 are required to be accounted for using the equity method of accounting, whereas jointly controlled entities under HKAS 31 can be accounted for using the equity method of accounting or proportionate accounting. The application will result in the classification of the jointly controlled entities and jointly controlled operation currently held by the Group as joint ventures and joint operation under HKFRS11 respectively but is not expected to affect their measurement.

The directors of the Company anticipate that the application of the other new and revised Standards, Amendments and Interpretations will have no material impact on the consolidated financial statements.

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared on the historical cost basis except for investment properties, inventories and certain financial instruments, which are measured at fair values or fair values less costs to sell, as explained in the accounting policies set out below. Historical cost is generally based on the fair value of the consideration given in exchange for goods.

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 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.

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 on consolidation.

Investments in associates

An associate is an entity over which the investor 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 decisions of the investee but is not control or joint control over those policies.

The result 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 and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments in associates *(continued)*

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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 entities

Joint venture arrangements that involve the establishment of a separate entity in which venturers have joint control over the economic activity of the entity are referred to as jointly controlled entities.

The results and assets and liabilities of jointly controlled entities are incorporated in the consolidated financial statements using the equity method of accounting. Under the equity method, investments in jointly controlled entities are initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the jointly controlled entities. When the Group's share of losses of a jointly controlled entity equals or exceeds its interest in that jointly controlled entity (which includes any long-term interests that, in substance, form part of the Group's net investment in the jointly controlled entity), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of that jointly controlled entity.

When a group entity transacts with a jointly controlled entity of the Group, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in a jointly controlled entity. When necessary, the entire carrying amount of the investment (including goodwill, if any) is tested for impairment in accordance with HKAS 36 "Impairment of assets" as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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 of the relevant company 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 statement of comprehensive income when it is probable that the economic benefits associated with the transactions will flow to/from the Group.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenue is measured at the fair value of the amount 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 sales of goods is recognised when goods are delivered and title has passed. Service income is recognised when services are provided.

Revenue from marine transportation operation is recognised on the percentage of completion method involved by reference to the period of time over the chartered period incurred during the year.

Interest income from financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. 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 Group's rights to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably).

Property, plant and equipment

Property, plant and equipment including land and 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 or deemed cost less subsequent accumulated depreciation and accumulated impairment losses, if any.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment, other than construction in progress, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of the reporting period, with effect of any changes in estimate accounted for on a prospective basis.

Construction in progress for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Such 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.

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 the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Buildings under development for future owner-occupied purpose

When buildings are in the course of development for production or for administrative purposes, the amortisation of prepaid lease payment provided during the construction period is included as part of cost of buildings under construction. Buildings under construction are carried at cost, less any identified impairment losses. Depreciation of buildings commences when they are available for use (i.e. when they are in the location and condition necessary for them to be capable of operating in the manner intended by management).

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are stated at cost less any accumulated impairment losses.

Exploration and evaluation assets include the cost of exploration rights and the expenditures incurred in the search for natural resources as well as the determination of the technical feasibility and commercial viability of extracting those resources.

When the technical feasibility and commercial viability of extracting natural resources become demonstrable, previously recognised exploration and evaluation assets are reclassified as either intangible or tangible assets. These assets are assessed for impairment before reclassification.

Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually. When one of the following events or changes in circumstances, which is not exhaustive, indicate that the carrying amount may not be recoverable has occurred, impairment test is performed in accordance with HKAS 36 “Impairment of assets”.

- the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed.
- substantive expenditure on further exploration for and evaluation of natural resources in the specific area is neither budgeted nor planned.
- exploration for and evaluation of natural resources in the specific area have not led to the discovery of commercially viable quantities of natural resources and the Group has decided to discontinue such activities in the specific area.
- sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount.

Investment properties

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

Investment properties are initially measured at cost, including any direct attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values using the fair value model. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the year in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use or no future economic benefits are expected from its disposals. 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 asset) is included in the consolidated statement of comprehensive income in the year in which the item is derecognised.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Inventories

Fuel oil inventories are stated at fair value less costs to sell.

Inventories held for consumption are stated at weighted average cost less any applicable allowance for obsolescence.

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

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.

The Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Leasehold land and building

When a lease includes both land and building elements, the Group assesses the classification of each element as a finance or an operating lease separately based on the assessment as to whether substantially all the risks and rewards incidental to ownership of each element have been transferred to the Group unless it is clear that both elements are operating leases, in which case the entire lease is classified as an operating lease. Specifically, the minimum lease payments (including any lump-sum upfront payments) are allocated between the land and the building elements in proportion to the relative fair values of the leasehold interests in the land element and building element of the lease at the inception of the lease.

To the extent the allocation of the lease payments can be made reliably, interest in leasehold land that is accounted for as an operating lease is presented as "prepaid lease payments" in the consolidated statement of financial position and is 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 (i.e. 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.

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's entities are translated into the presentation currency of the Group (i.e. HK$) at the rate of exchange prevailing at the end of reporting period, and their income and expenses are translated at the average exchange rates for the year, unless exchange rates fluctuate significantly during the year, in which case, the exchange rates prevailing at the dates of transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (translation reserve).

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 statement of comprehensive income 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 reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases 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 differences 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 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 jointly controlled entities, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. 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 asset is reviewed at the end of the reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered.

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 tax rate (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.

4. 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 (for which the commencement date for capitalisation is on or after 1 July 2009), 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 benefits costs

Payments to defined contribution retirement benefit plans and state-managed retirement benefit scheme are charged as an expense when employees have rendered service entitling them to the contributions.

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 provision 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 assets and financial liabilities (other than financial assets and 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.

Financial assets

The Group's financial assets are classified into one of the two categories, including financial assets at 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial assets *(continued)*

Financial assets at FVTPL

Financial assets at FVTPL of the Group are financial assets held for trading.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling in the near future;
- 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 in 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 debtors, other debtors and deposits, amount due from a jointly controlled entity, deposits placed with brokers, pledged bank deposits and bank balances and cash) are carried at amortised cost using the effective interest method, less any identified impairment losses (see accounting policy in respect of impairment loss on financial assets below).

Impairment of financial assets

Loans and receivables are assessed for indicators of impairment at the end of 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 loans and receivables, the estimated future cash flows of the financial assets have been affected.

For loans and receivables, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as default or delinquency in interest and principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial assets because of financial difficulties.

For financial assets carried at amortised cost, 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Impairment of financial assets *(continued)*

The carrying amount of the loans and receivables is reduced by the impairment loss directly with the exception of trade and other debtors, 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 trade and other debtors are considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited to profit or loss.

For financial assets measured at amortised cost, 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 instruments

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 if its liabilities. The Group's financial liabilities are generally classified into financial liabilities at FVTPL and other financial liabilities.

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 as at FVTPL, of which the interest expense is included in net gains or losses.

Financial liabilities at FVTPL

Financial liabilities at FVTPL represents financial liabilities held for trading.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing 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.

Convertible notes contain liability and equity components

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

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Financial liabilities and equity instruments *(continued)*

Convertible notes contain liability and equity components *(continued)*

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

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

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

Convertible loan notes contain liability component and conversion option derivative

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

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

Other financial liabilities

Other financial liabilities including trade creditors, other creditors and accrued charges, trade payable to a related company, amount due to a jointly controlled entity 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.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments *(continued)*

Derivative financial instruments

The Group uses derivative financial instruments such as commodity futures, swaps and forwards contracts for hedging or trading purposes.

Contracts to buy or sell a non-financial item at a future date that can be settled net in cash or the Group has a practice of taking delivery of the underlying and selling it within a short period after delivery for the purpose of generating a profit from short-term fluctuations in price are accounted for as derivatives.

Such derivative financial instruments 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 the reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

Derivatives of the Group do not qualify for hedge accounting thus they are deemed as financial assets held for trading or financial liabilities held for trading. Changes in fair values of such derivatives are recognised directly in profit or loss.

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 expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Share-based payment transactions

Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period, with a corresponding increase in equity (share options reserve).

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the estimates during the vesting period, if any, is recognised in profit or loss, with a corresponding adjustment to share options reserve.

At the time when the share options are exercised, the amount previously recognised in share options 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 share options reserve will be transferred to accumulated profits.

4. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment losses on tangible assets

At the end of the reporting period, the Group reviews the carrying amounts of its 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. 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, such 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 year. A reversal of an impairment loss is recognised as income immediately.

5. CAPITAL RISK MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of debt, which includes the bank borrowings and convertible notes disclosed in notes 32 and 36 respectively and equity attributable to owners of the Company, comprising issued share capital and reserves.

The directors of the Company review the capital structure by considering the cost of capital and the risks associated with each class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through the payment of dividends, new share issues and share repurchase as well as the issue of new debt or the redemption of existing debt.

6. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgement in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimation (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in consolidated financial statements.

Accounting policy on fuel oil inventories

As stated in note 3, the Group has changed its accounting policy on fuel oil inventories kept by the Group during the year, under which the fuel oil inventories are now stated at fair value less costs to sell. Before the change, the fuel oil inventories were stated at the lower of cost and net realisable value. The Company's directors consider that the Group is a trader in fuel oil and the Group's fuel oil inventories are principally acquired with the purpose of selling in the near future and generating a profit from the fluctuations in price, and therefore measuring fuel oil at fair value less costs to sell would reflect timely and more relevant financial information of the Group.

6. CRITICAL ACCOUNTING JUDGEMENT AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(continued)*

Key sources of estimation uncertainty

The key assumptions concerning the future, and other 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 within the next financial year, are discussed below.

Depreciation

The Group depreciates its property, plant and equipment over the estimated useful life, commencing from the date the property, plant and equipment are ready for their intended use after taking into account of their estimated residual value. The estimated useful life reflects the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment while the estimated residual value reflects the directors' estimate of the value that the Group expects to receive upon disposal at the time the property, plant and equipment is no longer in use. The depreciation will be changed when the useful life or residual value is expected to be different from estimates and would affect the profit or loss for the period in which such change of estimate takes place. During the year ended 30 June 2011, the depreciation charged to the profit or loss was approximately HK$69,582,000 (2010: HK$23,735,000).

7. FINANCIAL INSTRUMENTS

Categories of financial instruments

	30.6.2011 HK$'000	30.6.2010 HK$'000
Financial assets		
Financial assets held for trading		
– securities	**309,016**	251,924
– derivative financial instruments	**764,114**	–
Loans and receivables (including cash and cash equivalents)	**9,349,656**	4,635,289
Financial liabilities		
Financial liabilities held for trading		
– derivative financial instruments	**841,423**	62,258
Amortised cost	**11,309,182**	2,828,858

Financial risk management objectives and policies

The Group's major financial instruments include financial assets held for trading, trade debtors, other debtors and deposits, deposits placed with brokers, pledged bank deposits, bank balances and cash, trade creditors, other creditors and accrued charges, derivative financial instruments, trade payable to a related company, bank borrowings and convertible notes. Details of these financial instruments are disclosed in the respective notes. The risk associated with these financial instruments and the polices 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.

7. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk

(i) ***Currency risk***

Certain bank balances, deposits placed with brokers, trade debtors, other debtors and other creditors of the Group are denominated in foreign currencies other than the functional currency of the relevant group companies, which expose the Group to foreign currency risk. 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 arise.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	30.6.2011 HK$'000	30.6.2010 HK$'000	**30.6.2011 HK$'000**	30.6.2010 HK$'000
US$	**341,699**	585,323	**–**	–
HK$	**4,272**	591,313	**2,003**	1,381
Renminbi ("RMB")	**3,107**	347	**608**	1,304
Singaporean Dollars ("SGD")	**76,934**	23,002	**51,843**	325

Sensitivity analysis

For certain group entities whose functional currency is either denominated in HK$ or US$, the change in exchange rate of its functional currency against US$ or HK$ respectively has not been considered in the following sensitivity analysis as HK$ is pegged to US$. In the opinion of the directors, the Group does not expect any significant movements between the exchange rate of HK$ against US$.

The following table details the Group's sensitivity to a 5% increase and decrease in the functional currency of each group entities against the relevant foreign currencies and all other variables were held constant, translating to the presentation currency, HK$, at the closing rate at the end of the reporting period. 5% is the sensitivity rate used by management in the assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding monetary items which are denominated in relevant foreign currencies and adjusts its translation at the end of the reporting period for a 5% change in the relevant foreign currencies exchange rates. A positive number below indicates an increase in profit for the year where the relevant foreign currencies strengthens 5% against the functional currency of each group entities. For a 5% weakening of the relevant foreign currencies against the relevant foreign currencies there would be an equal and opposite impact on the profit for the year.

	2011 HK$'000	2010 HK$'000
Increase (decrease) in post-tax profit for the year		
US$ impact	**13,190**	22,323
SGD impact	**1,188**	1,063

7. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

(i) ***Currency risk*** *(continued)*

Sensitivity analysis (continued)

In directors' opinion, the sensitivity analysis is unrepresentative of the inherent foreign currency risk in relation to US$ impact as the end of the reporting period exposure does not reflect the exposure during the year.

For the monetary assets and liabilities which are denominated in RMB as the foreign currency of the relevant group entities, the directors consider the Group's exposure to foreign currency exposure as insignificant as the related monetary assets and liabilities are not significant. Accordingly, no sensitivity analysis on foreign currency risk to RMB is presented as at 30 June 2011 and 2010.

(ii) ***Interest rate risk***

The Group's fair value interest rate risk relates primarily to fixed-rate bank deposits and pledged bank deposits. The Group has not used any derivatives to hedge against the risk as the directors consider that the Group's exposure to fair value interest rate risk is not significant.

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank deposits and bank borrowings (see note 32 for details) carried at prevailing market interest rate. It is the Group's policy to keep its borrowings at floating rate of interests so as to minimise the fair value interest rate risk. The Group cash flow interest rate risk is mainly concentrated on the fluctuation of London InterBank Offered Rates ("LIBOR") arising from the Group's bank borrowings.

The sensitivity analysis below has been determined based on the exposure to bank borrowings at 30 June 2011 and the reasonably possible change taking place at the beginning of each year and held constant throughout the year. A 10 basis point increase or decrease is used which is considered by management as the reasonably possible change in interest rates.

If interest rates had been 10 basis points higher/lower and all other variables were held constant, the Group's post-tax profit for the year ended 30 June 2011 would decrease/increase by approximately HK$7,077,000. This is mainly attributable to the Group's exposure to interest rates on its bank borrowings.

For the variable-rate bank balances at 30 June 2011 (2010: variable-rate bank balances and bank borrowings), the directors consider the Group's exposure to future cash flow interest rate risk on variable-rate bank balances (2010: variable-rate bank balances and bank borrowings) taking into account the minimal fluctuation on market interest rate and the carrying amounts at the end of the reporting period. Accordingly, no sensitivity analysis on interest rate risk is presented.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate exposure and will consider hedging significant interest rate exposure should need arises.

7. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

(iii) Price risk

Price risk on equity securities

The Group is exposed to listed equity securities price risk through its financial assets held for trading. The management would manage this exposure by closely monitoring the performance of the investments and market conditions. The management would consider diversifying the portfolio of investments as they consider appropriate.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to price risks at the reporting date.

If the quoted prices of the respective equity instruments had been 5% higher/lower and all other variables were held constant, the potential effect on profit for the year is as follows:

	2011 **HK$'000**	2010 HK$'000
Increase/decrease in post-tax profit for the year as a result of the changes in fair value of financial assets held-for-trading	**12,901**	10,518

Oil price risk

The Group is exposed to oil price risk through its international supply and marine bunkering business of which their prices fluctuates directly with the oil price. The oil price is affected by a wide range of global and domestic factors which are beyond the control of the Group. The fluctuation in oil prices may have favourable or unfavourable impacts to the Group.

The Group has carried out hedging or trading activities to reduce the price risk exposure during the course of business. In order to evaluate and monitor the hedging or trading activities, the Group has formulated a risk management policy documenting, amongst other things, the scope of risk management, roles and responsibility and risk tolerance. The scope of risk management policy focuses on price risks arising from fuel oil inventories and derivative financial instruments, including futures, swaps and forwards contracts, traded in several exchanges or directly traded with some counterparties for hedging or trading purposes. The hedging or trading strategies are applied upon the conclusion of either the buy-side or sell-side agreements. Derivative transactions entered into for hedging or trading purposes will be monitored for suitability in terms of size, direction, and strategy with reference to the corresponding shipment involved. The Group has established the direct investment team which together with the senior management monitor the price risk. All the transactions on the derivatives contracts have to be approved by the senior management. In November 2010, the Group established a Risk Control Committee ("RCC") to monitor derivatives contracts in a more systematic way. Trading limits have been set to all traders by RCC (including limit on transaction volume, loss alert and trade of approved products only), approval is required from the chairman of RCC if the limits are to be exceeded.

7. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Market risk *(continued)*

(iii) ***Price risk*** *(continued)*

Oil price risk (continued)

RCC has risk management review, monthly business review and fortnightly global trading call, to enable a vigorous process of control, risk management and surveillance of the hedging and trading activities. The global trading meeting will be conducted via audio conference on a bi-weekly basis. The objective of the meeting is to review key hedging and trading positions and exposures with respect to their risks and rewards, discuss and agree on market outlook, and review, challenge and agree on trading strategies. A Business Risk Review will be convened quarterly. The objectives of the meeting are to review all significant incidents and exposures, agree changes to the risk and control framework for the business segment and advise on external developments impacting risk and control exposure for the Group. The directors of the Company consider the establishment of RCC is the effective way to monitor the risks.

The Group's derivative financial instruments including oil futures and swaps contracts are measured at fair value provided by financial institutions with reference to the quoted crude oil futures prices and forwards contracts are determined based on the quoted oil prices. Therefore, the Group is exposed to oil price risk and the management monitors the price movements and takes appropriate actions when it is required.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to the Group's oil price risk of the fuel oil inventories, outstanding oil futures, swaps and forwards contracts at the reporting date. The sensitivity rate of 5% represents management's assessment of the reasonably possible change in the quoted oil futures prices.

If the quoted oil prices had been 5% higher/lower and all other variables were held constant, the potential effect on profit for the year is as follows:

	2011 **HK$'000**	2010 HK$'000
Increase/decrease in post-tax profit for the year as a result of the changes in fair value		
– inventories	**165,247**	32,407
– derivative financial instruments	**5,254**	51,947
	170,501	84,354

In the directors' opinion, the sensitivity analyses are unrepresentative of the inherent price risk as the year end exposure does not reflect the exposure during the year.

7. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Credit risk

The Group's maximum exposure to credit risk in the event of the counterparties' failure to perform their obligations as at the end of each reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the consolidated statement of financial position. In order to minimise the credit risk, the Group has monitoring procedures to ensure that follow-up action is taken to recover overdue debts and deposits placed with brokers. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group closely monitors the subsequent settlement of the customers and does not grant long credit period to customers. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

The Group's bank balances are deposited with banks of high credit rating and the Group has limited exposure to any single financial institution.

As at 30 June 2011, the Group has concentration of credit risk on deposits placed with brokers and trade debtors. As the brokers are with high credit ratings assigned by international credit-rating agencies, the directors of Company consider the Group's credit risk on deposits placed with brokers is minimal. The top five largest customers and the largest customer of the Group accounted for 44% and 15% (2010: 25% and 1%) of the total trade receivables as at 30 June 2011, respectively. In addition, there was 1 customer of the Group accounted for 25% of the total trade receivables at 30 June 2010. In the opinion of the directors, these customers are mainly large oil or marine transportation companies with good financial backgrounds. The Group has maintained good relationships with those customers who have a strong financial background with continuous subsequent settlements and there have been no historical default of payments by the respective customers and therefore the Group considers the exposure to concentration of credit risk is limited. Other than that, the Group has no significant concentration of credit risk, with exposure spread over a number of counterparties and customers.

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 bank balances have maturity less than three months, except for a balance of HK$48,016,000 (2010: nil) as set out in note 29. The Group has sufficient funds to finance its ongoing working capital requirements.

The Group relies on bank borrowings as a significant source of liquidity. As at 30 June 2011, the Group has available unutilised short-term bank loan facilities of approximately HK$2,122,731,000 (2010: HK$3,311,456,000). Details of the Group's bank borrowings outstanding at 30 June 2011 are set out in note 32.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. 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 floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

7. FINANCIAL INSTRUMENTS *(continued)*

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. The tables have been drawn up based on the undiscounted contractual net cash (inflows) and outflows on derivative financial instruments that settle on a net basis, and the undiscounted gross (inflows) and outflows on those derivatives that require gross settlement. When the amount payable is not fixed, the amount disclosed has been determined by reference to the marked to market commodity price at the end of the reporting period. The liquidity analyses for the Group's derivative financial instruments are prepared based on the contractual maturities as the management considers that the contractual maturities are essential for an understanding of the timing of the cash flows of derivatives.

	Weighted average effective interest rate %	Repayable on demand or less than 3 months HK$'000	3 months to 1 year HK$'000	1 year to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
30.6.2011							
Non-derivative financial liabilities							
Trade creditors	–	2,132,882	–	–	–	2,132,882	2,132,882
Trade payable to a related company	–	1,135,165	–	–	–	1,135,165	1,135,165
Other creditors	–	152,716	76,942	–	–	229,658	229,658
Bank borrowings	2.81	6,095,991	78,417	491,512	578,542	7,244,462	7,077,059
Convertible notes (Note a)	19.49	–	–	930,000	–	930,000	734,418
		9,516,754	155,359	1,421,512	578,542	11,672,167	11,309,182
Derivatives – net settlement							
Futures contracts							
– financial assets		(81,111)	(6,602)	–	–	(87,713)	(87,713)
– financial liabilities		12,063	9,235	–	–	21,298	21,298
Swaps contracts							
– financial assets		(600,034)	(56,520)	–	–	(656,554)	(656,554)
– financial liabilities		714,110	106,015	–	–	820,125	820,125
		45,028	52,128	–	–	97,156	97,156
Derivatives – gross settlement							
Forward sales (Note b)							
– inflows		(247,918)	(1,947)	–	–	(249,865)	(249,865)
– outflows		236,096	2,045	–	–	238,141	238,141
Forward purchase (Note c)							
– inflows		(2,538,574)	–	–	–	(2,538,574)	(2,538,574)
– outflows		2,530,451	–	–	–	2,530,451	2,530,451
		(19,945)	98	–	–	(19,847)	(19,847)

7. FINANCIAL INSTRUMENTS *(continued)*

Financial risk management objectives and policies *(continued)*

Liquidity risk *(continued)*

	Weighted average effective interest rate %	Repayable on demand or less than 3 months HK$'000	3 months to 1 year HK$'000	1 year to 5 years HK$'000	Over 5 years HK$'000	Total undiscounted cash flows HK$'000	Total carrying amount HK$'000
30.6.2010							
Non-derivative financial liabilities							
Trade creditors	–	967,969	4,743	–	–	972,712	972,712
Trade payable to a related company	–	725,432	–	–	–	725,432	725,432
Amount due to a jointly controlled entity	–	231	–	–	–	231	231
Other creditors	–	22,375	–	–	–	22,375	22,375
Bank borrowings	3.10	11,738	35,048	182,670	288,587	518,043	493,481
Convertible notes	19.49	–	–	930,000	–	930,000	614,627
		1,727,745	39,791	1,112,670	288,587	3,168,793	2,828,858
Derivatives – net settlement							
Futures contracts – financial liabilities		62,258	–	–	–	62,258	62,258

Notes:

(a) The undiscounted cash flows of convertible notes represent the redemption amount upon maturity of convertible notes on the assumption that there is no conversion prior to maturity. The carrying amount of convertible notes represents the carrying amount of the liability as at the end of the reporting period.

(b) The undiscounted cash inflows represent the contractual amount to be received on sale of fuel or crude oil pursuant to the forward contracts. The undiscounted cash outflows represent the value of fuel or crude oil sold estimated based on forward price.

(c) The undiscounted cash outflows represent the contractual amount to be paid on purchase of fuel or crude oil pursuant to the forward contracts. The undiscounted cash inflows represent the value of fuel or crude oil purchased estimated based on forward price.

7. FINANCIAL INSTRUMENTS *(continued)*

Fair values

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

- the fair values of financial assets with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market bid prices;
- 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; and
- the fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

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

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 Levels 1 to 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).

	30 June 2011			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at FVTPL				
Derivative financial instruments	**744,267**	**19,847**	**–**	**764,114**
Non-derivative financial assets held for trading	**309,016**	**–**	**–**	**309,016**
	1,053,283	**19,847**	**–**	**1,073,130**
Financial liabilities at FVTPL				
Derivative financial instruments	**841,423**	**–**	**–**	**841,423**

7. FINANCIAL INSTRUMENTS *(continued)*

Fair values *(continued)*

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

	30 June 2010			
	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at FVTPL				
Non-derivative financial assets held for trading	251,924	–	–	251,924
Financial liabilities at FVTPL				
Derivative financial instruments	62,258	–	–	62,258

There were no transfer between Level 1 and 2 during current year.

8. REVENUE

	2011 **HK$'000**	2010 HK$'000
Provision of duty-free marine bunkering services	**29,500,274**	13,595,329
Sales of petroleum products	**9,954,234**	–
Marine transportation income	**86,903**	28,598
Sales of garments	**1,431**	1,458
Dividend income	**7,503**	3,630
Rental income from investment properties	**2,763**	5,596
	39,553,108	13,634,611

9. SEGMENT INFORMATION

Information reported to the Chief Executive Officer of the Company, being the chief operating decision maker ("CODM"), makes the decision of resource allocation and assessment of segment performance focuses on the Group's profit for the year based on the following operating segments:

The Group's operating segments under HKFRS 8 are therefore as follows:

International supply and bunkering operation	–	international supply of petroleum products and provision of duty-free marine bunkering services to international vessels
Marine transportation operation	–	provision of marine transportation services of fuel oil or crude oil internationally
Direct investments	–	investments in listed and unlisted equity and debt securities

9. SEGMENT INFORMATION *(continued)*

During the year ended 30 June 2011, the Group commenced the international supply of petroleum products. Based on the internal information that is regularly reviewed by the Group's Chief Executive Officer, the financial information on marine bunkering operation and international supply of petroleum products is presented as one operating segment as certain of expenses are incurred for both businesses while the Group's Chief Executive Officer based on this report to assess the performance of segments. Accordingly, results from marine bunkering business and sales of petroleum products are presented as one operating segment as "International supply and bunkering operation".

Besides, during the year ended 30 June 2011, garment operation and properties investments were not reviewed by the CODM. Accordingly, the segment information for the year ended 30 June 2010 is restated. Revenues from garment operation and properties investments are grouped together as unallocated revenue for both years ended 30 June 2011 and 2010.

No segment assets or liabilities is presented other than entity-wide disclosures as the CODM does not review segment assets and liabilities.

Segment revenues and results

The following is an analysis of the Group's revenue and results by operating and reportable segment:

For the year ended 30 June 2011

	International supply and bunkering operation HK$'000	Marine transportation operation HK$'000	Direct investments HK$'000	Segment total HK$'000	Unallocated revenue HK$'000 (Note)	Consolidated HK$'000
SEGMENT REVENUE						
External	39,454,508	86,903	7,503	39,548,914	4,194	39,553,108
SEGMENT RESULTS	1,732,805	9,502	26,835	1,769,142		1,769,142
Other income, gains and losses						(20,630)
Unallocated corporate expenses						(116,356)
Finance costs						(242,767)
Share of losses of jointly controlled entities						(11,144)
Profit before taxation						1,378,245

9. SEGMENT INFORMATION *(continued)*

Segment revenues and results *(continued)*

For the year ended 30 June 2010 (restated)

	International supply and bunkering operation HK$'000	Marine transportation operation HK$'000	Direct investments HK$'000	Segment total HK$'000	Unallocated revenue HK$'000 (Note)	Consolidated HK$'000
SEGMENT REVENUE						
External	13,595,329	28,598	3,630	13,627,557	7,054	13,634,611
SEGMENT RESULTS	1,678,306	(19,016)	2,757	1,662,047		1,662,047
Other income, gains and losses						18,186
Fair value change in embedded derivative of convertible notes						(322,527)
Unallocated corporate expenses						(79,189)
Finance costs						(94,205)
Share of losses of jointly controlled entities						(1,439)
Profit before taxation						1,182,873

Note: Unallocated revenue represents revenue from garment operation and properties investments which were not reviewed by the CODM during the year ended 30 June 2011.

The accounting policies of the operating segments are the same as the Group's accounting policies as described in note 4. Segment profit represents the profit earned by each segment without allocation of other income, gains and losses, central administration costs, directors' emoluments, fair value change in embedded derivative of convertible notes, share of losses of jointly controlled entities, finance costs and income tax. This is the measure reported to the CODM for the purposes of resource allocation and performance assessment.

9. SEGMENT INFORMATION *(continued)*

Other segment information

For the year ended 30 June 2011

	International supply and bunkering operation HK$'000	Marine transportation operation HK$'000	Direct investments HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss						
Amortisation of prepaid lease payments	**–**	**–**	**–**	**–**	**2,750**	**2,750**
Depreciation of property, plant and equipment	**37,581**	**21,839**	**–**	**59,420**	**10,162**	**69,582**
Fair value change of derivative financial instruments	**172,768**	**–**	**–**	**172,768**	**–**	**172,768**

For the year ended 30 June 2010 (restated)

	International supply and bunkering operation HK$'000	Marine transportation operation HK$'000	Direct investments HK$'000	Segment total HK$'000	Unallocated HK$'000	Consolidated HK$'000
Amounts included in the measure of segment profit or loss						
Amortisation of prepaid lease payments	–	–	–	–	219	219
Depreciation of property, plant and equipment	5,773	11,296	–	17,069	6,666	23,735
Fair value change of derivative financial instruments	(355,445)	–	–	(355,445)	–	(355,445)

9. SEGMENT INFORMATION *(continued)*

Geographical information

The Group's operations are located in China Mainland (country of domicile), Hong Kong, Singapore, the United States and Holland.

The Group's revenue is analysed by location of delivery of duty-free marine bunkering services and international supply of petroleum products since the customers are international fleet without principal place of operation. The Group's other revenue is analysed by location of customers for trading of garment and location at where listed securities are traded for direct investments.

The Group's revenue from external customers and information about its non-current assets by geographical location of the assets are detailed below:

	Revenue from external customers		Non-current assets	
	2011 HK$'000	2010 HK$'000	**2011 HK$'000**	2010 HK$'000
China Mainland (the "PRC")	**8,821,251**	6,381,358	**1,030,157**	979,020
Hong Kong	**230,060**	343,592	**115,317**	111,574
Singapore	**29,783,223**	6,788,195	**3,092,374**	155,322
Holland	**245,650**	121,466	**316**	–
United States	**462,892**	–	**11,704**	–
Japan	**6,526**	–	**–**	–
Others	**3,506**	–	**–**	–
	39,553,108	13,634,611	**4,249,868**	1,245,916

Note: Non-current assets excluded investments in jointly controlled entities and an associate.

Information about major customers

Revenue from customers of the corresponding years contributing over 10% of the total sales of the Group are as follows:

	2011 HK$'000
Customer A[1]	5,996,411

[1] Revenue from international supply and marine bunkering operation.

There was no single customer contributing over 10% of total revenue of the Group for the year ended 30 June 2010.

10. OTHER INCOME, GAINS AND LOSSES

	2011 HK$'000	2010 HK$'000
Interest income on bank deposits	**9,981**	2,696
Net loss on foreign exchange	**(43,663)**	(5,461)
Fair value gain (loss) of financial assets held for trading	**54,893**	(39,124)
Increase in fair value of investment properties, net	**10,890**	20,520
Gain (loss) on disposal of property, plant and equipment	**1,526**	(147)
Loss on disposal of investment properties	**–**	(183)
Write-off of other payables	**636**	–
Sundry income	**–**	463
	34,263	(21,236)

11. FINANCE COSTS

	2011 HK$'000	2010 HK$'000
Imputed interest expense on convertible notes	**119,791**	90,004
Interest expense on bank borrowings	**122,976**	4,201
	242,767	94,205

12. PROFIT BEFORE TAXATION

Profit before taxation has been arrived at after charging (crediting):

	2011 HK$'000	2010 HK$'000 (restated)
Auditor's remuneration	**2,200**	1,320
Amortisation of prepaid lease payments for land and coast	**2,750**	219
Depreciation of property, plant and equipment		
Vessel (Note a)	**59,420**	17,069
Others	**10,162**	6,666
Operating lease rentals paid in respect of rented premises (Note b)	**289,862**	32,926
Amount of inventories recognised as expense	**39,254,115**	13,568,932
Unrealised gain (loss) on fuel oil inventories (included in cost of sales and services)	**45,914**	(50,634)
Write down of garment materials inventories (included in cost of inventories recognised as expense)	**–**	1,497
Charges paid to brokers (included in other expenses)	**39,412**	–
Legal and professional fee in relation to merger and acquisition projects (included in other expenses)	**11,607**	–
Staff costs (including directors' remuneration, note 13)		
Wages, salaries and other benefits	**145,750**	47,021
Share based payments (note 39)	**34,764**	7,388
Retirement benefits scheme contributions	**6,824**	1,220
	187,338	55,629

Notes:

(a) The amount of approximately HK$59,420,000, together with the attributable operating costs of the vessels, was included in cost of sales and services.

(b) Rentals amounting to HK$880,000 (2010: HK$600,000) in respect of accommodation provided to one of the directors is included under staff costs.

13. DIRECTORS' REMUNERATION

The emoluments paid or payable to each of the thirteen (2010: fourteen) directors were as follows:

		Other emoluments			
	Fees	Salaries and other benefits	Retirement benefits scheme contributions	Share based payments	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
Year ended 30 June 2011					
Executive Directors					
SIT Kwong Lam	–	2,400	12	–	2,412
TANG Bo	–	2,250	12	3,116	5,378
CHIA Teck Lim (Note a)	–	2,496	12	3,116	5,624
TAN Yih Lin	–	2,460	12	3,116	5,588
Gregory John CHANNON	–	3,706	–	3,116	6,822
CHEUNG Sum, Sam (Note b)	–	2,304	5	2,717	5,026
Non-Executive Directors					
HE Zixin	302	50	–	1,558	1,910
RAN Longhui	302	50	–	1,558	1,910
SUN Zhenchun	302	50	–	1,558	1,910
DAI Zhujiang	302	50	–	1,558	1,910
Independent Non-Executive Directors					
LAU Hon Chuen	302	50	–	1,558	1,910
CHANG Hsin Kang	302	50	–	1,558	1,910
KWONG Chan Lam	302	50	–	1,558	1,910
Total	2,114	15,966	53	26,087	44,220
Year ended 30 June 2010					
Executive Directors					
SIT Kwong Lam	–	2,080	12	–	2,092
TANG Bo	–	1,040	12	663	1,715
CHIA Teck Lim	–	1,950	12	663	2,625
TAN Yih Lin	–	1,300	12	663	1,975
Gregory John CHANNON	–	2,992	–	663	3,655
CHEUNG Sum, Sam (Note b)	–	1,991	8	663	2,662
FU Dewu (Note c)	–	320	4	–	324
Non-Executive Directors					
HE Zixin	325	–	–	332	657
RAN Longhui	325	–	–	332	657
SUN Zhenchun	325	–	–	332	657
DAI Zhujiang	325	–	–	332	657
Independent Non-Executive Directors					
LAU Hon Chuen	325	–	–	332	657
CHANG Hsin Kang	325	–	–	332	657
KWONG Chan Lam	325	–	–	332	657
Total	2,275	11,673	60	5,639	19,647

13. DIRECTORS' REMUNERATION *(continued)*

Notes:

(a) On 6 September 2011, Mr. Chia Teck Lim resigned as director of the Company.

(b) On 10 November 2009, Mr. Cheung Sum, Sam was appointed as director of the Company. He resigned as director of the Company on 25 November 2010.

(c) On 1 November 2009, Mr. Fu Dewu resigned as director of the Company.

During both years, no emolument was paid by the Group to the directors as discretionary bonus or an inducement to join, or upon joining the Group or as compensation for loss of office. There was no arrangement under which a director has waived or agreed to waive any remuneration.

14. EMPLOYEES' EMOLUMENTS

All the five (2010: five) individuals with the highest emoluments in the Group were directors of the Company whose emoluments are included in the disclosures in note 13 above.

15. TAXATION CHARGE

	2011 HK$'000	2010 HK$'000
Current tax charge for the year:		
Hong Kong Profits Tax	**–**	–
Singapore Income Tax	**125,481**	85,608
	125,481	85,608
Underprovision in prior years:		
Hong Kong Profits Tax	**14**	–
Singapore Income Tax	**2,117**	–
	2,131	–
Deferred taxation (Note 35)		
Current year	**(19,765)**	(11,470)
	107,847	74,138

Taxation arising in other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions. No provision for PRC Enterprise Income Tax and the Hong Kong Profits Tax was provided for the Group's PRC and Hong Kong subsidiaries as those subsidiaries have no assessable profit or suffered from tax losses for both years.

A deferred tax asset has not been recognised in the consolidated financial statements in respect of estimated tax losses due to the uncertainty of future profit streams.

With the Global Trader Program incentive awarded by the Inland Revenue Authority of Singapore to the Group for the five years ending 30 June 2013, certain qualified income (e.g. income from marine bunkering operation) generated during the year of the Group has been charged at a tax concessionary rate of 5%.

15. TAXATION CHARGE *(continued)*

The taxation for the year can be reconciled to the profit before taxation per the consolidated statement of comprehensive income as follows:

	2011 HK$'000	2010 HK$'000 (restated)
Profit before taxation	**1,378,245**	1,182,873
Taxation at income tax rate of 5% (2010: 5%)	**68,912**	59,144
Tax effect of expenses not deductible for tax purpose	**46,355**	23,219
Tax effect of income not taxable for tax purpose	**(2,477)**	(4,104)
Underprovison in respect of prior year	**2,131**	–
Effect of share of losses of jointly controlled entities	**557**	72
Tax effect of tax losses not recognised	**7,296**	3,827
Utilisation of tax losses previously not recognised	**(1,017)**	(59)
Effect of different tax rates of subsidiaries operating in other jurisdictions	**(13,910)**	(7,961)
Taxation charge for the year	**107,847**	74,138

Details of deferred taxation not recognised in the consolidated financial statements are set out in note 35.

16. DIVIDENDS

	2011 HK$'000	2010 HK$'000
Dividends recognised as distribution during the year:		
2010 Final dividend paid – HK3 cents per share (2010: nil)	**202,904**	–

A current year final dividend of HK3.5 cents per share amounting to approximately HK$236,725,000 (2010: HK$202,904,000) to shareholders has been proposed by the directors of the Company and is subject to approval by the shareholder in the forthcoming annual general meeting.

17. EARNINGS PER SHARE

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

Earnings

	2011 **HK$'000**	2010 HK$'000 (restated)
Earnings for the purpose of basic earnings per share (profit for the period attributable to owners of the Company)	**1,270,398**	1,108,735
Effect of dilutive potential ordinary shares: Interest on 2009 Convertible Notes (note 36) (net of tax)	**100,025**	58,036
Earnings for the purpose of diluted earnings per share	**1,370,423**	1,166,771

Number of shares

	2011	2010
Weighted average number of ordinary shares for the purpose of basic earnings per share	**6,740,471,737**	6,035,645,984
Effect of dilutive potential ordinary shares: 2009 Convertible Notes (note 36)	**2,479,979,333**	1,678,246,575
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**9,220,451,070**	7,713,892,559

For the year ended 30 June 2011, the computation of diluted earnings per share does not assume the exercise of the share options granted since the exercise price of the share options outstanding was higher than average market price for shares during the year ended 30 June 2011.

For the year ended 30 June 2010, the computation of diluted earnings per share does not assume the conversion of 2008 Convertible Notes (defined in note 36) and the share options granted since the exercise of 2008 Convertible Notes would result in increase in earnings per share while the exercise price of the share options outstanding was higher than average market price for shares during the year ended 30 June 2010.

The weighted average number of ordinary shares for the purpose of basic earnings per share has been adjusted for the shares issued upon the placing of shares with details as disclosed in note 34.

18. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building HK$'000	Leasehold improvements HK$'000	Plant and machinery HK$'000	Office equipment HK$'000	Furniture and fixtures HK$'000	Computer equipment HK$'000	Motor vehicles HK$'000	Vessels HK$'000	Construction in progress HK$'000	Total HK$'000
COST										
At 1 July 2009, restated	63,924	10,454	17,274	1,046	8,427	3,147	2,584	91,484	–	198,340
Exchange realignment	–	29	122	1	–	4	6	–	245	407
Additions	–	48	–	4,686	649	3,133	–	812,006	34,863	855,385
Disposals	(4,450)	(420)	–	(72)	(43)	(158)	–	–	–	(5,143)
At 30 June 2010, restated	59,474	10,111	17,396	5,661	9,033	6,126	2,590	903,490	35,108	1,048,989
Exchange realignment	–	230	948	10	7	33	50	253	1,325	2,856
Transfer	–	295	–	–	–	–	–	–	(295)	–
Additions	–	26,589	–	4,384	8,378	4,792	1,134	892,177	292,176	1,229,630
Disposals	–	(4,403)	(18,344)	(169)	(8)	(573)	(970)	–	–	(24,467)
At 30 June 2011	59,474	32,822	–	9,886	17,410	10,378	2,804	1,795,920	328,314	2,257,008
ACCUMULATED DEPRECIATION AND IMPAIRMENT										
At 1 July 2009, restated	288	4,286	17,075	230	487	751	2,023	2,033	–	27,173
Exchange realignment	–	28	120	1	–	4	5	–	–	158
Provided for the year	492	1,485	40	1,186	1,953	1,128	382	17,069	–	23,735
Eliminated on disposals	(267)	(326)	–	(52)	(26)	(142)	–	–	–	(813)
At 30 June 2010, restated	513	5,473	17,235	1,365	2,414	1,741	2,410	19,102	–	50,253
Exchange realignment	–	291	940	8	1	28	44	5	–	1,317
Provided for the year	473	2,488	42	2,168	2,965	1,876	150	59,420	–	69,582
Eliminated on disposals	–	(4,299)	(18,217)	(157)	(8)	(543)	(896)	–	–	(24,120)
At 30 June 2011	986	3,953	–	3,384	5,372	3,102	1,708	78,527	–	97,032
CARRYING VALUES										
At 30 June 2011	58,488	28,869	–	6,502	12,038	7,276	1,096	1,717,393	328,314	2,159,976
At 30 June 2010, restated	58,961	4,638	161	4,296	6,619	4,385	180	884,388	35,108	998,736
At 1 July 2009, restated	63,636	6,168	199	816	7,940	2,396	561	89,451	–	171,167

18. PROPERTY, PLANT AND EQUIPMENT *(continued)*

The above items of property, plant and equipment, other than construction in progress, are depreciated on a straight-line basis at the following rates per annum:

Leasehold land	Over the lease term
Leasehold building	Over the shorter of the term of the lease, or 40 years
Leasehold improvements	20% to 33$^{1}/_{3}$%
Plant and machinery	20%
Office equipment	20%
Furniture and fixtures	20%
Computer equipment	30%
Motor vehicles	33$^{1}/_{3}$%
Vessels	4% to 6$^{2}/_{3}$%

The carrying amount of the Group's leasehold building located in Hong Kong is approximately HK$16,121,000 under medium lease (30.6.2010 (restated): HK$16,546,000 under medium lease, 1.7.2009 (restated): HK$21,173,000 under medium lease).

The carrying amount of the Group's leasehold land located in Hong Kong is approximately HK$42,367,000 under long lease (30.6.2010 (restated): HK$42,415,000 under long lease, 1.7.2009 (restated): HK$42,463,000 under long lease).

At 30 June 2011, vessels of the Group with carrying values of approximately HK$1,639,892,000 (30.6.2010: HK$801,036,000) are pledged to secure bank borrowings of the Group.

19. PREPAID LEASE PAYMENTS FOR LAND

	30.6.2011 HK$'000	30.6.2010 HK$'000 (restated)	1.7.2009 HK$'000 (restated)
The Group's prepaid lease payments for land comprise:			
Leasehold land in the PRC with medium lease	**667,143**	84,498	–
Analysed for reporting purpose as:			
Current asset	**13,397**	1,693	–
Non-current asset	**653,746**	82,805	–
	667,143	84,498	–

Included in medium-term prepaid lease payments are land use rights with carrying amount of HK$503,615,000 (2010: nil) which are located in the PRC. The Group is in the process of obtaining the land use right certificates.

As at 30 June 2011, the Group is in the process of applying for a government grant of RMB275,697,000 (approximately HK$330,947,000) in respect of acquisition of prepaid lease payments for land in March 2011 pursuant to the cooperation agreement signed between the local government and the Group. The application of government grant has not yet been approved up to the date these consolidated financial statements were authorised for issue.

20. PREPAID LEASE PAYMENTS FOR COAST

	30.6.2011 HK$'000	30.6.2010 HK$'000
The Group's prepaid lease payments for coast comprise:		
Coast in the PRC with medium lease	**12,239**	11,840
Analysed for reporting purpose as:		
Current asset	**251**	237
Non-current asset	**11,988**	11,603
	12,239	11,840

The prepaid lease payments for coast represent the rights to use coast in Zhoushan for 50 years, starting from 26 February 2010.

21. INVESTMENT PROPERTIES

	HK$'000
FAIR VALUE	
At 1 July 2009	86,200
Exchange realignment	2,145
Disposals	(8,600)
Increase in fair value recognised in profit or loss	20,520
At 30 June 2010	100,265
Exchange realignment	9,244
Increase in fair value recognised in profit or loss	10,890
At 30 June 2011	120,399

The fair value of the Group's investment properties at 30 June 2011 and 2010 have been arrived at on the basis of a valuation carried out on that date by Greater China Appraisal Limited, independent qualified professional valuers not connected with the Group. Greater China Appraisal Limited is member of the Institute of Valuers. The valuations were arrived at by reference to market evidence of transaction prices for similar properties and capitalisation of net rental income generated from the investment properties.

All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are measured using the fair value model and are classified and accounted for as investment properties.

21. INVESTMENT PROPERTIES *(continued)*

The carrying value of investment properties shown above comprises properties situated on:

	30.6.2011 HK$'000	30.6.2010 HK$'000
Land in Hong Kong with long lease	**41,000**	32,000
Land outside Hong Kong with long lease	**79,399**	68,265
	120,399	100,265

22. EXPLORATION AND EVALUATION ASSETS

	HK$'000
COST AND CARRYING VALUES	
Additions and at 30 June 2010	4,755
Exchange realignment	419
Additions	6,465
As at 30 June 2011	11,639

Note: Amount represents the costs incurred in relation to the Natural Gas Project in Xingjiang Uygur Autonomous Region ("Tuzi field") in the PRC jointly operated with a PRC joint venture partner with a 30-year period for exploration and extraction. Details are set out in note 24.

23. INTEREST IN AN ASSOCIATE

	30.6.2011 HK$'000	30.6.2010 HK$'000
Cost of investment in an associate, unlisted	**10,804**	–

Note: The associate was established in May 2011 together with 11 independent third parties and obtained formal incorporation and registration documents in July 2011. Accordingly, there is no operation and profit or loss for the period ended 30 June 2011.

As at 30 June 2011, the Group had interests in the following associate:

Name of entity	Form of entity	Place of incorporation and operation	Proportion of nominal value of issued capital held by the Group 2011	2010	Proportion of voting power held	Principal activity
浙江舟山大宗商品交易所有限公司「舟山大宗」	Incorporated	PRC	**9%**	–	14% (Note)	Provision of agency services on trading of commodities

Note: 舟山大宗 has no controlling party. The Group is able to exercise significant influence over 舟山大宗 because it has the power to appoint one out of the seven directors of that company under the provisions stated in the Articles of Association of that company.

The summarised financial information in respect of the Group's associate is set out below:

	30.6.2011 HK$'000	30.6.2010 HK$'000
Total net assets	**120,040**	–
Group's share of net asset of the associate	**10,804**	–

24. INTERESTS IN JOINT VENTURES

(a) Jointly controlled entities

As at 30 June 2011 and 2010, the Group had interests in the following jointly controlled entities:

Name of entity	Form of business structure	Place of establishment	Principal place of operation	Class of share held	Proportion of nominal value of registered capital held by the Group 2011	2010	Principal activity
Zhoushan Brightoil Terminal Co., Ltd. ("Zhoushan Brightoil") (Note 1)	Foreign owned enterprise	PRC	PRC	Registered capital	**55%**	55%	Operation of wharf and related ancillary facilities
Dalian Changxing Island Brightoil Terminal Co., Ltd. ("Dailin Changxing Island Brightoil") (Note 2)	Foreign owned enterprise	PRC	PRC	Registered capital	**60%**	60%	Operation of wharf and related ancillary facilities

Notes:

1. The Group has the power to appoint four out of seven directors in the board of Zhoushan Brightoil. However, according to the joint venture agreement signed with another shareholder of Zhoushan Brightoil, all board resolutions require approval from 75% of the board members, as a result Zhoushan Brightoil is classified as a jointly controlled entity of the Group.

2. During the year ended 30 June 2010, the Group invested in a new jointly controlled entity, Dalian Changxing Island Brightoil, with capital injection of approximately HK$63,240,000. The Group has the power to appoint three out of five directors in the board of Dalian Changxing Island Brightoil. However, according to the joint venture agreement signed with another shareholder of Dalian Changxing Island Brightoil, all board resolutions require approval from 80 to 100% of the board members, as a result Dalian Changxing Island Brightoil is classified as a jointly controlled entity of the Group.

   During the year ended 30 June 2011, the Group made an additional capital injection of approximately HK$90,800,000.

	30.6.2011 HK$'000	30.6.2010 HK$'000
Cost of unlisted investments in jointly controlled entities	**442,805**	352,005
Share of post-acquisition loss	**(12,585)**	(1,441)
Exchange realignment	**16,439**	354
	446,659	350,918

24. INTERESTS IN JOINT VENTURES *(continued)*

(a) Jointly controlled entities *(continued)*

The summarised financial information in respect of the Group's share of interests in the jointly controlled entities which are accounted for using the equity method is set out below:

	2011 HK$'000	2010 HK$'000
Non-current assets	**18,964**	7,337
Current assets	**436,287**	345,978
Current liabilities	**(8,592)**	(2,397)
Income	**3,436**	597
Expenses	**14,580**	2,036

As at 30 June 2011, the Group's share of capital expenditure contracted for but not provided for in the financial statements of the jointly controlled entities in respect of acquisition of property, plant and equipment is approximately HK$113,511,000 (2010: HK$17,780,000).

(b) Jointly controlled operation

Win Business Petroleum (Grand Desert) Limited ("Win Business"), a subsidiary of the Group, entered into a contract for natural gas development and production (the "Contract") with a state-owned enterprise in the PRC, China National Petroleum Corporation ("CNPC"), in August 2009 to jointly operate a natural gas development and production project ("Natural Gas Project") in the Tuzi field owned by CNPC. Win Business and CNPC have the participating interest in the jointly controlled operation of 49% and 51% respectively.

Pursuant to the Contract, the Natural Gas Project is segregated into three stages, namely the evaluation period, the development period and the production period, with a term of 30 years. Prior to the Contract, CNPC has performed a preliminary phase to study the Natural Gas Project and the cost incurred during the preliminary phase was borne by CNPC. Win Business will bear the costs incurred for the evaluation and development stages. Accordingly, the Natural Gas Project is jointly operated by the Group and CNPC.

The natural gas produced will be shared by CNPC and Win Business based on the costs incurred by them proportionally to recover the costs incurred. After recovery of costs, the revenue and cost for gas production will be shared 49% by Win Business.

24. INTERESTS IN JOINT VENTURES *(continued)*

(b) Jointly controlled operation *(continued)*

A summary of assets included in the consolidated financial statements in relation to the Group's interest in the jointly controlled operation is as follows:

	30.6.2011 HK$'000	30.6.2010 HK$'000
Assets	**39,701**	4,755
Liabilities	**47,744**	–
Income	**35**	–
Expenses	**9,438**	–

There were no results recognised in the consolidated financial statements for the year ended 30 June 2010 since the Natural Gas Project was at a preliminary stage. The Natural Gas Project was under exploration and evaluation processes as at 30 June 2011, which were expected to be completed within 21 months from 1 December 2009 pursuant to the contract. The Group has obtained consent for extension of the period for exploration and evaluation and expects it to be completed by end of 2011.

25. INVENTORIES

	30.6.2011 HK$'000	30.6.2010 HK$'000 (restated)	1.7.2009 HK$'000 (restated)
Fuel oil, at fair value less costs to sell	**3,467,579**	645,173	309,560
Raw materials – garment materials	**–**	2,971	2,599
Consumables	**36,879**	–	–
	3,504,458	648,144	312,159

As 30 June 2011, the carrying amount of fuel oil, which has been pledged as security for short-term credit facilities granted to the Group is approximately HK$2,516,557,000 (30.6.2010: nil).

26. TRADE DEBTORS

	30.6.2011 HK$'000	30.6.2010 HK$'000
Trade debtors	**4,129,842**	1,827,744

The Group allows an average credit period of 30 to 45 days to its marine bunkering customers and 90 days to its garment trade customers.

The following is an aged analysis of trade debtors presented based on the invoice date at the reporting date:

	30.6.2011 HK$'000	30.6.2010 HK$'000
0 – 30 days	**3,751,753**	1,747,999
31 – 60 days	**369,821**	79,548
61 – 90 days	**4,046**	–
> 90 days	**4,222**	197
	4,129,842	1,827,744

Before accepting any new customer, the Group performs a credit review to assess the potential customer's credit quality and defines credit limits by customer. Limits and credit rating to customers are reviewed on a regular basis. Over 90% (2010: 99%) of the trade debtors that are neither past due nor impaired. These customers have no default of payment in the past and have good credit rating attributable under the credit review procedures adopted by the Group.

Included in the Group's trade debtors balance are debtors with aggregate carrying amount of approximately HK$378,089,000 (2010: HK$25,200,000) which are past due as at the reporting date for which the Group has not provided for impairment loss. The Group does not hold any collateral over these balances. The average age of these receivables is 60 days (2010: 60 days). The balances have been substantially subsequently settled.

Ageing of trade debtors which are past due but not impaired

	30.6.2011 HK$'000	30.6.2010 HK$'000
31 – 60 days	**369,821**	23,399
61 – 90 days	**4,046**	1,604
91 – 120 days	**1,847**	197
Over 120 days	**2,375**	–
	378,089	25,200

26. TRADE DEBTORS *(continued)*

At 30 June 2011, the carrying amount of trade debtors, which has been pledged as security for short-term credit facilities granted to the Group, is approximately HK$4,096,404,000 (2010: HK$1,292,064,000).

27. SECURITIES HELD FOR TRADING

	30.6.2011 HK$'000	30.6.2010 HK$'000
Equity securities listed in Hong Kong	**309,016**	251,924

28. DEPOSITS PLACED WITH BROKERS

Amount represents margin deposits placed with brokers for securities and derivatives trading which carried interest rates at prevailing market interest rates ranging from 0.001% to 0.01% per annum (2010: 0.001% to 0.01% per annum).

29. PLEDGED BANK DEPOSITS AND BANK BALANCES AND CASH

As at 30 June 2011, pledged bank deposits represent the Group's deposits pledged to a bank to secure short-term credit facilities granted to the Group and bears fixed interest with rates ranging from 0.19% to 0.25% (2010: 0.13% to 0.23%) per annum.

As at 30 June 2011, the Group's short-term bank deposits carried at market interest rates from 0.01% to 2.80% (2010: 0.01% to 1.71%) per annum with an original maturity of three months or less. Included in the bank balances and cash of HK$48,016,000 (2010: nil) represented the short-term deposits with original maturities of more than three months as at 30 June 2011. The interest rate of such deposits is 3.05% per annum.

The bank balances and cash that are denominated in currencies other than functional currency of the relevant group entities as set out below:

	30.6.2011 HK$'000	30.6.2010 HK$'000
US$	**263,926**	585,323
HK$	**4,056**	591,313
RMB	**899**	347
SGD	**68,000**	19,023

30. TRADE CREDITORS

The following is an aged analysis of trade creditors presented based on the invoice date at the end of the reporting period:

	30.6.2011 HK$'000	30.6.2010 HK$'000
0 – 30 days	**2,131,106**	967,969
31 – 60 days	**1,674**	4,016
61 – 90 days	**4**	727
Over 90 days	**98**	–
	2,132,882	972,712

The average credit period for purchase of fuel oil and garment materials are 30 days and 90 days respectively. The Group has financial risk management policies in place to ensure all payables within the credit timeframe.

Apart from the balance disclosed above, the balance of approximately HK$1,135,165,000 (2010: HK$725,432,000) classified as trade payable to a related party is trade in nature. The amount is aged within 45 days at 30 June 2011 with credit terms of 45 days granted to the Group.

31. OTHER CREDITORS AND ACCRUED CHARGES

As at 30 June 2011, the balance includes other tax payable of HK$58,749,000 (2010: nil) which is goods and services tax in relation to sales made in Singapore. The amount is unsecured, non-interest bearing and repayable within three months from the end of the reporting period.

As at 30 June 2011, the balance includes an amount of HK$76,942,000 (2010: nil) payable to a local government in the PRC in relation to purchase of land use right in the PRC. The amount is unsecured, non-interest bearing and repayable within three months to one year from the end of the reporting period.

As at 30 June 2011, the balance includes an amount of HK$56,041,000 (2010: HK$3,500,000) payable to independent third parties for purchase of property, plant and equipment. The amount is unsecured, non-interest bearing and repayable on demand.

32. BANK BORROWINGS

	30.6.2011 HK$'000	30.6.2010 HK$'000
Bank borrowings comprise:		
– secured, at rate of LIBOR +2.25% per annum (Notes 1 and 4)	**228,652**	244,125
– secured, at rate of LIBOR +3.25% per annum (Notes 2 and 4)	**224,569**	249,356
– secured, at rate of LIBOR +2.5% per annum (Notes 3 and 4)	**563,716**	–
– secured, at rate of Cost of Funds/LIBOR +1.2 to 1.5% per annum (Note 5)	**6,060,122**	–
	7,077,059	493,481
Represented by,		
Within one year	**6,137,390**	41,850
More than one year, but not exceeding two years	**77,267**	41,850
More than two years, but not more than five years	**328,045**	125,550
More than five years	**534,357**	284,231
	7,077,059	493,481
Less: Amounts due within one year shown under current liabilities	**(6,137,390)**	(41,850)
	939,669	451,631

Notes:

(1) Repayable in 31 equal quarterly installments of approximately HK$4,069,000 each commencing on 28 July 2010 to 28 January 2018 and last installment of approximately HK$117,994,000 on 28 April 2018. The effective interest rate is from 2.54% to 2.74% (2010: 2.57% to 2.74%) per annum.

(2) Repayable in 23 equal quarterly installments of approximately HK$6,394,000 each commencing on 14 June 2010 to 14 December 2015 and last installment of approximately HK$108,694,000 on 14 March 2016. The effective interest rate ranges from 3.86% to 4.30% (2010: 3.86% to 4.30%) per annum.

(3) Repayable in 40 equal quarterly installments of approximately HK$8,817,000 each commencing on 10 January 2011 and last installment of approximately HK$237,487,000 on 10 October 2020. The effective interest rate is from 2.79% to 2.80% per annum.

(4) These borrowings were used to finance the acquisition of vessels in the property, plant and equipment.

(5) Repayable within one year and represents trust receipt loans. The effective interest rate is from 1.28% to 4.6465% per annum.

33. DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments of the Group comprised of long and short positions in mainly oil and gasoline futures, swaps and forwards contracts, including ICE futures (mainly Brent, Gasoil and WTI), Nymex Futures (mainly Gasoline, Heating Oil, WTI), ICE swaps (mainly Fuel Oil, Gasoil and Crude Oil), Nymex swaps (mainly Fuel Oil and Crude Oil) and all the future and swaps contracts are listed contracts. Forwards contracts in relation to physical delivery of fuel oil and crude oil are directly dealt with some counterparties.

During the year ended 30 June 2011, the loss on fair value change of derivative financial instruments of future contracts of approximately HK$172,768,000 was charged to profit or loss (2010: gain on fair value change of derivative financial instruments of approximately HK$355,445,000 was credited to profit or loss).

Derivative financial instruments of the Group at 30 June 2011 comprise of long and short positions in the following derivative contracts:

Type of contracts	Fair value HK$'000	Notional amount US$'000	Expiry date
As at 30 June 2011			
Derivative financial assets			
Futures	87,713	274,574	1.07.2011 to 31.12.2011
Swaps	656,554	2,495,420	01.07.2011 to 30.06.2012
Forwards	19,847	65,016	01.07.2011 to 30.06.2012
	764,114		
Derivative financial liabilities			
Futures	21,298	80,741	01.08.2011 to 31.12.2011
Swaps	820,125	1,836,737	01.07.2011 to 31.03.2012
	841,423		
As at 30 June 2010			
Derivative financial liabilities			
Futures	62,258	149,147	02.07.2010 to 15.07.2010

34. SHARE CAPITAL

	Number of shares	Share capital HK$'000
Ordinary shares of HK$0.025 each (2010: HK$0.025 each)		
Authorised		
At 1 July 2009, at HK$0.1 each	2,000,000,000	200,000
Increase on 7 August 2009 (Note a)	8,000,000,000	800,000
Increase by way of share subdivision (Note d)	30,000,000,000	–
At 30 June 2010 and 2011, at HK$0.025 each	40,000,000,000	1,000,000
Issued and fully paid		
At 1 July 2009, at HK$0.1 each	1,435,870,400	143,587
Shares issued upon conversion of convertible notes (Note b)	80,000,000	8,000
Placing of shares (Note c)	100,000,000	10,000
Shares subdivision (Note d)	4,847,611,200	–
At 30 June 2010, at HK$0.025 each	6,463,481,600	161,587
Placing of shares (Note e)	300,000,000	7,500
Exercise of share options (Note f)	100,000	3
At 30 June 2011, at HK$0.025 each	6,763,581,600	169,090

Notes:

(a) On 7 August 2009, the authorised share capital of the Company was increased from HK$200,000,000 divided into 2,000,000,000 shares of HK$0.10 each to HK$1,000,000,000 divided into 10,000,000,000 shares by creation of an additional 8,000,000,000 shares.

(b) On 27 October 2009, 80,000,000 new ordinary shares of the Company of HK$0.10 each were issued upon the partial conversion of the convertible notes issued on 22 January 2009 issued pursuant to the subscription agreement. Convertible notes with aggregate principal amount of HK$48,800,000 were converted into 80,000,000 ordinary shares of the Company at a conversion price of HK$0.61 per share. The fair value change in conversion option of this convertible notes arising from this conversion of approximately HK$322,527,000 was charged to profit or loss.

34. SHARE CAPITAL *(continued)*

Notes: *(continued)*

(c) On 12 April 2010, Canada Foundation Limited ("Canada Foundation"), a controlling shareholder of the Company wholly and beneficially owned by Dr. Sit Kwong Lam ("Dr. Sit"), an executive director of the Company, a placing agent and the Company entered into a placing agreement pursuant to which Canada Foundation agreed to place, through the placing agent, an aggregate 100,000,000 existing ordinary shares to independent private investors at a placing price of HK$10 per share representing a discount of approximately 10.39% to the closing price of the Company's share of HK$11.16 per share on the same date. The placing was completed on 15 April 2010.

Pursuant to a subscription agreement on the same date, Canada Foundation subscribed for 100,000,000 new ordinary shares of HK$0.1 each in the Company at a subscription price of HK$10 per share. The subscription was completed on 23 April 2010.

(d) Pursuant to the ordinary resolution passed on 27 May 2010, each of the Company's issued and unissued shares of par value HK$0.1 each were subdivided into four subdivided shares of par value HK$0.025 each ("Share Subdivision"). Immediately upon the Share Subdivision becoming effective on 28 May 2010, the authorised share capital of the Company was divided into 40,000,000,000 shares of HK$0.025 each, of which 6,463,481,600 shares of HK$0.025 each were in issue and fully paid.

(e) On 29 July 2010, Canada Foundation, a placing agent and the Company entered into a placing agreement pursuant to which Canada Foundation agreed to subscribe through the placing agent, an aggregate 300,000,000 existing ordinary shares at a placing price of HK$3.45 per share representing a discount of approximately 8.97% to the closing price of the Company's share of HK$3.79 per share on 28 July 2010. The placing was completed on 9 August 2010.

(f) During the year ended 30 June 2011, a total of 100,000 new ordinary shares of HK$0.025 each were issued upon the exercise of share options.

All the shares issued during the year ended 30 June 2011 rank pari passu with the then existing shares of the Company in all respect.

35. DEFERRED TAXATION

The following are the major deferred tax assets (liabilities) recognised and movements thereon during the year:

	Convertible notes HK$'000	Revaluation of properties and accelerated tax depreciation HK$'000	Tax losses HK$'000	Total HK$'000
At 1 July 2009	–	(1,215)	1,215	–
Charge to equity for the year	(63,506)	–	–	(63,506)
Credit (charge) to profit or loss	11,470	1,215	(1,215)	11,470
At 30 June 2010	(52,036)	–	–	(52,036)
Credit to profit or loss	19,765	–	–	19,765
At 30 June 2011	(32,271)	–	–	(32,271)

35. DEFERRED TAXATION *(continued)*

At 30 June 2011, the Group has estimated unused tax losses of HK$358,261,000 (2010: HK$232,675,000) available for offset against future profits. No deferred tax asset has been recognised of such losses as at 30 June 2011 and 2010 due to the unpredictability of future profit streams. At 30 June 2011, included in unrecognised tax losses are losses of HK$2,666,000 (2010: HK$6,581,000) that will expire within 5 years from 31 December 2010 (2010: 31 December 2009). Other estimated tax losses may be carried forward indefinitely.

Under the Law of the PRC on Enterprise Income Tax, withholding tax is imposed on dividends declared in respect of profits earned by PRC subsidiaries and jointly controlled entities from 1 January 2008 onwards. As the PRC subsidiaries and jointly controlled entities incurred losses since 1 January 2008, no deferred taxation has been provided accordingly.

36. CONVERTIBLE NOTES

Pursuant to the subscription agreement dated 28 November 2008 entered into between the Company and Canada Foundation, convertible notes (namely "2008 Convertible Notes") with aggregate principal amount of HK$115,900,000 were issued at par with conversion price of HK$0.61 per share to Canada Foundation on 22 January 2009.

The 2008 Convertible Notes are denominated in Hong Kong dollars and non-interest bearing. The holder of the 2008 Convertible Notes was entitled to convert the notes into 190,000,000 ordinary shares of the Company ("Conversion Shares") at initial conversion price of HK$0.61 (before Share Subdivision) at any time from the date of issue to the maturity date falling on the third anniversary from 22 January 2009, subject to the adjustment due to change in capital structure of the Company (including share consolidation, share subdivision and capitalisation issue and other events which have dilutive effects on the issued share capital of the Company as set out in the subscription agreement). The Conversion Shares shall rank pari passu in all respects with all other existing shares outstanding at the date of the conversion.

Before 30 June 2009, aggregate principal amount of HK$67,100,000 of the 2008 Convertible Notes was converted.

On 27 October 2009 (the "Conversion Date"), aggregate principal amount of HK$48,800,000 of the convertible notes issued on 22 January 2009 ("2008 Convertible Notes") was converted into 80,000,000 shares of the Company at the conversion price of HK$0.61 per share (before Share Subdivision). There was no outstanding principal amount of the 2008 Convertible Notes at 30 June 2010.

The net proceeds received from the issue of 2008 Convertible Notes contained the following components that are required to be separately accounted for in accordance with HKAS 39 "Financial instruments: Recognition and Measurement".

(a) Liability component of the 2008 Convertible Notes represented the present value of the contractually determined stream of future cash flows discounted at the rate of interest at that time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion and redemption option. The effective interest rate of the liability component was 23.67% per annum.

(b) Embedded derivatives comprising embedded conversion option of the 2008 Convertible Notes represented the option to convert the notes into equity of the Company but the conversion was to be settled other than by the exchange of a fixed number of the Company's own equity.

36. CONVERTIBLE NOTES *(continued)*

The movement of different components of the 2008 Convertible Notes for the year ended 30 June 2010 is set out below:

	Liability HK$'000	Embedded conversion option HK$'000	Total HK$'000
At 1 July 2009	28,302	137,553	165,855
Interest charged	20,498	–	20,498
Loss arising on charge in fair value	–	322,527	322,527
Converted during the year	(48,800)	(460,080)	(508,880)
At 30 June 2010	–	–	–

The fair value of the embedded conversion option was calculated using the binominal model. The inputs into the model were as follows:

	Conversion Date
Conversion price	HK$0.61
Expected volatility (note a)	61.35%
Risk free rate (note b)	0.59% per annum

Notes:

(a) Expected volatility for embedded conversion option was determined by calculating the historical weekly share price volatility of the Company and comparable companies engaged in similar businesses as the Group's various business segments.

(b) The risk free rate is determined by reference to the Hong Kong Exchange Fund Bill and Note.

Pursuant to the subscription agreement dated on 25 June 2009 and the supplemental deed signed on 2 September 2009 entered into between the Company and Canada Foundation, convertible notes (namely "2009 Convertible Notes") with aggregate principal amount of US$120,000,000 were issued at par with conversion price of US$0.19355 per share to Canada Foundation on 27 October 2009 (the "Issue Date"). Subsequent to the Share Subdivision, conversion price of the 2009 Convertible Notes is adjusted to US$0.04839.

36. CONVERTIBLE NOTES *(continued)*

The 2009 Convertible Notes are denominated in United States dollars and non-interest bearing. The holder of the 2009 Convertible Notes is entitled to convert the notes into 619,994,833 (2,479,979,333 after Share Subdivision) ordinary shares of the Company ("Conversion Shares") at initial conversion price of US$0.19355 at any time from the date of issue (US$0.04839 after Share Subdivision) to the maturity date falling on the third anniversary from the Issue Date, subject to the anti-dilutive adjustment due to change in capital structure of the Company (including share consolidation, share subdivision and capitalisation issue and other events which have dilutive effects on the issued share capital of the Company as set out in the Subscription Agreement). The Conversion Shares shall rank pari passu in all respects with all other existing shares outstanding at the date of the conversion.

From the Issue Date of 27 October 2009 up to 30 June 2011, no 2009 Convertible Notes was converted into shares of the Company. The amount is repayable on 27 October 2012 (the "Maturity Date"). If the 2009 Convertible Notes have not been converted up to the Maturity Date, the holder can request the Company to redeem the outstanding convertible notes at principal amount.

The 2009 Convertible Notes contain two components, liability and equity elements. The equity element is presented in equity heading "Convertible Notes Reserve". The effective interest rate of the liability component is 19.49% per annum. On 27 October 2009, fair value of the liability component of 2009 Convertible Notes amounted to approximately HK$545,121,000.

The fair value of the liability element of the 2009 Convertible Notes at the Issue Date is calculated using the binominal model. The inputs into the model were as follows:

	Issue Date
Conversion price	US$0.04839
Expected volatility	52.1%
Expected life	3 years
Risk free rate	0.9% per annum

The movement of the liability component of the 2009 Convertible Notes for the year is set out below:

	HK$'000
On 27 October 2009	545,121
Interest charge	69,506
Carrying amount at 30 June 2010	614,627
Interest charge	119,791
Carrying amount at 30 June 2011	734,418

37. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had future minimum lease payments under non-cancellable operating leases which fall due as follows:

	30.6.2011 HK$'000	30.6.2010 HK$'000
Within one year	380,273	10,774
In the second to fifth year inclusive	328,482	50,295
More than five years	103,277	71,771
	812,032	132,840

Leases for US office and Singapore office are negotiated for lease term of ten years (2010: ten years). Lease for Hong Kong Office is negotiated for lease term of five years (2010: no lease for Hong Kong Office) For other leases, they are negotiated for lease term of two to five years (2010: three years). Rentals are fixed over the leased period.

The Group as lessor

Leases are negotiated and rentals are fixed for average of two years (2010: two to three years).

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease payments, which fall due as follows:

	30.6.2011 HK$'000	30.6.2010 HK$'000
Within one year	1,614	5,555
In the second year to fifth year inclusive	1,479	4,462
	3,093	10,017

38. CAPITAL COMMITMENTS

	30.6.2011 HK$'000	30.6.2010 HK$'000
Capital expenditure contracted for but not provided for in the consolidated financial statements in respect of:		
– prepaid lease payments on leasehold land in the PRC	46,077	89,202
– capital injection into a jointly controlled entity	–	83,545
– acquisition of property, plant and equipment	4,609,902	611,456
– addition to evaluation and exploration assets	56,870	2,447
	4,712,849	786,650

39. SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the annual general meeting of the Company on 20 October 2004, the Company operates share option scheme (the "Scheme") for the purpose of retaining high calibre executives and employers and providing incentives and rewards to eligible participants who contribute to the success of the Group's operations.

Under the Scheme, all directors and employees of the Group and consultants, advisors, agents, customers, service providers, contractors, business partners of any members of the Group or any company or other entity in which the Group or any member thereof has a shareholding interest, in the sole discretion of the board of directors (the "Board"), has contributed to the Group or any member thereof are eligible to participate in the Scheme.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the total number of shares of the Company in issue as at the date of adoption of the Scheme, without prior approval from the Company's shareholders. The number of shares in respect of which options may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. Options granted to substantial shareholders or Independent Non-Executive Directors in excess of 0.1% of the Company's share capital or with a value in excess of HK$5 million must be approved in advance by the Company's shareholders.

Options granted must be taken up within 30 days of the date of grant, upon payment of HK$1.00 per option granted. Options may be exercised at any time from the date of grant of the share option to a period to be notified by the Board of the Company to each grantee at the time of making such offer, which shall not expire later than 10 years from the date of grant. The exercise price is determined by the Board of the Company at its absolute discretion and will not be less than the higher of (a) the closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant; (b) the average closing price of the shares of the Company as stated in the daily quotations sheets issued by the Stock Exchange for the 5 business days immediately preceding the date of grant; and (c) the nominal value of a share of the Company on the date of grant.

Subject to the rules of the Share Option Scheme, options may be exercised, in whole or in part, at any time during the exercise period. Options granted must be accepted by the prescribed acceptance date. Upon acceptance of the option, the grantee shall pay HK$1 to the Company by way of consideration for the grant.

39. SHARE OPTION SCHEME *(continued)*

The exercise price is determined by the directors of the Company, and will not be less than the higher of the nominal value of the share, the closing price of the Company's shares on the date of offer; and the average closing price of the shares for the five business days immediately preceding the date of offer.

On 22 April 2010, a total of 11,380,000 share options (45,520,000 share options after Share Subdivision) were granted to certain directors and employees of the Group entitling the holders thereof to subscribe for shares of the Company at an exercise price of HK$13.60 (HK$3.40 after Share Subdivision).

Options granted are exercisable during the year starting from 22 April 2011 to 21 April 2015. The options granted under the Scheme are subject to vesting period in four tranches of 25% each of its options granted from the grant date to 21 April 2011, 21 April 2012, 21 April 2013 and 21 April 2014 respectively.

The following table discloses movements of the Company's share options held by the directors and employees of the Group during the year:

Eligible participants	At 1.7.2009	Granted during the year	Adjustment upon the Shares Subdivision	Lapsed during the year	At 30.6.2010	Exercised during the year	Lapsed during the year	Outstanding at 30.6.2011
Directors	–	8,500,000	25,500,000	–	34,000,000	–	(4,000,000)	30,000,000
Employees	–	2,880,000	8,640,000	(400,000)	11,120,000	(100,000)	(2,480,000)	8,540,000
	–	11,380,000	34,140,000	(400,000)	45,120,000	(100,000)	(6,480,000)	38,540,000

Note: The number and the exercise price of options have been adjusted due to the Share Subdivision of the Company with effect from 28 May 2010. Each share option was subdivided into 4 new shares options with exercise price of one fourth of the original exercise price.

In respect of the share options exercised during the year, the weighted average share price at the dates of exercise is HK$3.40.

9,560,000 share options are exercisable at 30 June 2011 (2010: nil).

The estimated fair value of the options granted on 22 April 2010 was approximately HK$75,553,000. This fair value was calculated using the binominal model. The inputs into the model were as follows:

	Date of grant 22.4.2010
Spot price (closing price at grant date, after adjusting for the Share Subdivision)	HK$3.40
Exercise price	HK$3.40
Expected volatility	58.645%
Exercise multiple	1.8 to 2.8
Option life	5 years
Risk-free rate	1.994%
Expected dividend yield	0%

39. SHARE OPTION SCHEME *(continued)*

Expected volatility was determined by using the historical volatility of the Company and comparable listed companies' share prices of which those listed companies engaged in similar businesses as the Group's various business segments over the previous five years.

The binominal model has been used to estimate the fair value of the options. The variables and assumptions used in estimating the fair value of the share options are based on the director's best estimate. The value of an option varies with different variables of certain subjective assumptions.

The Group recognised the total expense of approximately HK$34,764,000 (2010: HK$7,388,000) for the year ended 30 June 2011 in relation to share options granted by the Company.

40. RETIREMENT BENEFITS SCHEME

The Group operates a Mandatory Provident Fund Scheme ("MPF Scheme") for all qualified employees, including the directors, in Hong Kong. The MPF Scheme is registered with the Mandatory Provident Fund Scheme Authority under the Mandatory Provident Fund Scheme Ordinance. The assets of the MPF Scheme are held separately from those of the Group in funds under the control of an independent trustee. Under the MPF Scheme, the employer and its employees are each required to make contributions to the MPF Scheme at rates specified in the rules. The only obligation of the Group with respect to the MPF Scheme is to make the required contributions under the scheme. Except for voluntary contribution, no forfeited contribution under this scheme is available to reduce the contribution payable in future years.

The retirement benefits scheme contributions arising from the MPF Scheme charged to the consolidated statement of comprehensive income represent contributions payable to the funds by the Group at rates specified in the rules of the scheme.

The Group's subsidiaries in the PRC, in compliance with the applicable regulations of the PRC, participate in social insurance schemes operated by the relevant local government authorities. The insurance premium is borne by the Group on a specified proportion of the employees' salaries laid down under the relevant PRC laws.

The employees of the Group's subsidiaries in Singapore, the United States and Holland are participated in the national pension scheme. The relevant subsidiaries in Singapore, the United States and Holland are required to contribute certain percentages of the monthly salaries of their current employees to the Central Provident Fund, Roth IRA and 401(k) and the Algemene Ouderdoms Wet respectively.

During the year ended 30 June 2011, the total costs charged to profit or loss in the sum of approximately HK$6,824,000 (2010: HK$1,220,000) represents contributions payable to these schemes by the Group.

41. RELATED PARTY TRANSACTIONS

During the year, the Group entered into the following transactions with related parties which are also defined as continuing connected transactions under Chapther 14A of the Listing Rules:

	Year ended 30 June	
	2011	2010
	HK$'000	HK$'000
Purchase of fuel oil from a related company	**10,309,620**	7,333,657
Rental income received or receivable from a related company	**1,621**	4,322
Fuel oil storage fee paid to a related company	**37,690**	13,366

Note: Dr. Sit, an executive director and the ultimate controlling shareholder of the Company controlled the above related companies.

Trade payable to a related company as set out in note 30 is unsecured and non-interest bearing. The credit term granted to the Group is 45 days and the whole balance aged within 45 days at 30 June 2011 and 2010.

Amount due from a jointly controlled entity is unsecured, non-interest bearing and is expected to realise within the next 12 months from the end of the reporting period. Amount due to a jointly controlled entity was unsecured, non-interest bearing and repayable on demand.

The following related party transactions fall under the definition of connected transactions under Chapter 14A of the Listing Rules:

On 23 April 2010, Canada Foundation subscribed for 100,000,000 new ordinary shares of HK$0.1 each in the Company at a subscription price of HK$10 per share.

On 27 October 2009, the Group issued 2009 Convertible Notes to Canada Foundation with aggregate principal amount of US$120,000,000 (approximately HK$930,000,000). Dr. Sit is the ultimate and beneficial owner of Canada Foundation (see note 36 for details).

On 9 August 2010, Canada Foundation subscribed for 300,000,000 new ordinary shares of HK$0.025 each in the Company at a subscription price of HK$3.45 per share (see note 34 for details).

41. RELATED PARTY TRANSACTIONS *(continued)*

The following related party transactions do not fall under the definition of connected transactions or continuing connected transactions under Chapter 14A of the Listing Rules:

Compensation of key management personnel

The remuneration of members of key management of the Group during the year is as follows:

	2011 **HK$'000**	2010 HK$'000
Salaries and other short-term employee benefits	**15,616**	10,313
Retirement benefits costs	**53**	44
Share-based payments	**15,181**	2,652
	30,850	13,009

The remuneration of the directors and key executives is determined by the remuneration committee having regard to the performance of the individuals and market trend.

42. DEPOSITS PAID FOR ACQUISITION OF PROPERTY, PLANT AND EQUIPMENT

At 30 June 2011, amount mainly represents deposits paid for acquisition of vessels of approximately HK$1,253,276,000 (2010: nil). The remaining balance represents deposits paid for acquisition of certain software.

43. DEPOSITS PAID FOR PREPAID LEASE PAYMENTS FOR LAND

At 30 June 2011 and 2010, the amount represents deposit paid for leasehold land in the PRC with medium-term lease.

44. MAJOR NON-CASH TRANSACTIONS

During the year ended 30 June 2011, the Group has completed the acquisition of part of the land in the PRC with medium-term lease and has transferred deposits paid for prepaid lease payments for land of approximately HK$26,121,000 to prepaid lease payments for land.

As at 30 June 2011, amounts of approximately HK$76,942,000 in relation to acquisition of land in the PRC and HK$56,041,000 in relation to purchase of property, plant and equipment were not yet settled and were included in other payables. Details are set out in note 31.

During the year ended 30 June 2010, part of the issued convertible notes with principal amount of HK$48,800,000 has been converted into 80,000,000 ordinary shares of the Company. In addition, the Group utilised approximately HK$370,000 of deposits paid for acquisition of property, plant and equipment.

45. EVENT AFTER THE REPORTING PERIOD

Entering into construction contracts in relation to the Natural Gas Project

Pursuant to the announcement dated 8 September 2011, Win Business (defined in note 24), a wholly-owned subsidiary of the Company, entered into two contracts dated 8 September 2011 with independent third parties for construction of gas collection stations and pipes, roads and pre-drilling preparatory work and design and constructions of wells respectively. The total contract sum for the contracts is RMB360,000,000 (equivalent to approximately HK$439,200,000) and RMB600,000,000 (equivalent to approximately HK$732,000,000) respectively. A master agreement in relation to these contracts has been entered into and signed by Win Business during the year ended 30 June 2011 and the related capital expenditure has been included in note 38.

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES

All the following subsidiaries are operating principally in Hong Kong except otherwise indicated. Details of the Company's principal subsidiaries at 30 June 2011 and 2010 are as follows:

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid ordinary/ registered share capital	Proportion of nominal value of issued share capital/registered capital held by the Company 2011	2010	Principal activities
First Sign Investments Limited#	British Virgin Islands	US$48	**100%**	100%	Investment holding
Brightoil Property (HK) Ltd.*	British Virgin Islands	US$1	**100%**	100%	Property holding
Brightoil Property (S'pore) Ltd.*	British Virgin Islands	US$1	**100%**	100%	Property holding
Guangzhou Supreme Sign Knitting & Dyeing Company Limited*	PRC (Note 1)	US$8,000,000	**100%**	100%	Garments manufacturing and trading
Sunvest Overseas Limited*	British Virgin Islands	US$1	**100%**	100%	Investment holding
Brightoil Marine Bunkering Group Ltd.#	British Virgin Islands	US$1	**100%**	100%	Investment holding
Brightoil Petroleum (Greater China) Ltd.*	British Virgin Islands	US$1	**100%**	100%	Service company
Brightoil Petroleum (S'pore) Pte. Ltd.*	Singapore (Note 2)	US$5,000,000	**100%**	100%	Trading of fuel and oil and provision of marine bunkering services
Brightoil Petroleum Group Limited#	Hong Kong	HK$2	**100%**	100%	Investment holding
Brightoil Shipping Group Ltd.#	British Virgin Islands	US$1	**100%**	100%	Investment holding
Brightoil 688 Oil Tanker Pte Limited*	Singapore (Note 2)	US$50,000	**100%**	100%	Provision of marine bunkering and transportation services
Brightoil Property Group Ltd.#	British Virgin Islands	US$1	**100%**	100%	Investment holding
Brightoil Property Ltd.*	British Virgin Islands	US$1	**100%**	100%	Property holding
Win Capital Investments Group Limited*	British Virgin Islands	US$1	**100%**	100%	Investment holding
Win Capital Investments Limited*	British Virgin Islands	US$1	**100%**	100%	Proprietary trading in securities and service company

46. PARTICULARS OF PRINCIPAL SUBSIDIARIES *(continued)*

Name of subsidiary	Place of incorporation/ registration	Issued and fully paid ordinary/ registered share capital	Proportion of nominal value of issued share capital/registered capital held by the Company 2011	2010	Principal activities
Win Business Petroleum Group (Grand Desert) Limited#	British Virgin Islands	US$1	**100%**	100%	Investment holding
Win Business Petroleum (Grand Desert) Limited*	Hong Kong	HK$1	**100%**	100%	Natural gas development and production
Brightoil Petroleum Storage (Zhoushan) Co. Ltd.*	PRC (Note 1)	US$49,800,000	**100%**	100%	Provision of fuel oil storage services
Brightoil Petroleum (Holland) BV.* (note 4)	Holland (Note 3)	Euro18,000	**100%**	100%	Provision of marine bunkering services
Win Business Energy Foundation Ltd.* (note 4)	Cayman Islands	US$1	**100%**	100%	Investment holding
Brightoil Petroleum Storage (Dalian) Co. Ltd.* (note 4)	PRC (note 1)	US$98,000,000	**100%**	100%	Provision of fuel oil storage services
Brightoil Legend Tanker Ltd.* (note 4)	British Virgin Islands	US$1	**100%**	100%	Marine transportation
Brightoil Lion Tanker Ltd.* (note 4)	British Virgin Islands	US$1	**100%**	100%	Marine transportation
Brightoil Shipping Ltd.* (note 4)	Hong Kong	HK$1	**100%**	100%	Marine transportation
Brightoil Lucky Tanker Ltd.* (note 4)	British Virgin Islands	US$1	**100%**	100%	Marine transportation
Brightoil League Tanker Ltd.* (note 4)	British Virgin Islands	US$1	**100%**	100%	Marine transportation

Subsidiaries directly held by the Company
* Subsidiaries indirectly held by the Company

Notes:

(1) These subsidiaries were established in the PRC as wholly foreign owned enterprises. The English names of these subsidiaries were for identification purpose only.

(2) The subsidiary is operating in Singapore.

(3) The subsidiary is operating in Holland.

(4) These subsidiaries were set up during the year ended 30 June 2010.

To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

None of the subsidiaries had issued any debt securities outstanding during the year or at 30 June 2011 and 2010.

RESULTS

	Year ended 30 June				
	2007 HK$'000	2008 HK$'000	2009 HK$'000 (restated)	2010 HK$'000 (restated)	**2011** **HK$'000**
Revenue	48,088	41,161	5,454,979	13,634,611	**39,533,108**
Profit before taxation and allowance for advance to an associate	35,228	45,662	296,140	1,182,873	**1,378,245**
Allowance for advance to an associate	(2,501)	–	–	–	**–**
Profit before taxation	32,727	45,662	296,140	1,182,873	**1,378,245**
Taxation credit/(charge)	–	17,614	(35,271)	(74,138)	**(107,847)**
Profit for the year	32,727	63,276	260,869	1,108,735	**1,270,398**

ASSETS AND LIABILITIES

	At 30 June				
	2007 HK$'000	2008 HK$'000	2009 HK$'000 (restated)	2010 HK$'000 (restated)	**2011** **HK$'000**
Total assets	671,036	725,903	2,033,434	7,139,491	**18,668,713**
Total liabilities	(27,132)	(5,588)	(870,900)	(3,041,847)	**(12,377,700)**
Equity attributable to equity holders	643,904	720,315	1,162,534	4,097,644	**6,291,013**

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Dr. Sit Kwong Lam (Chairman and CEO)
Mr. Gregory John Channon
Mr. Tang Bo
Mr. Tan Yih Lin

Non-executive Directors

Mr. He Zixin
Mr. Ran Longhui
Mr. Sun Zhenchun
Mr. Dai Zhujiang

Independent Non-executive Directors

Mr. Lau Hon Chuen
Professor Chang Hsin Kang
Mr. Kwong Chan Lam

AUDIT COMMITTEE

Mr. Kwong Chan Lam
Mr. Lau Hon Chuen
Professor Chang Hsin Kang

REMUNERATION COMMITTEE

Professor Chang Hsin Kang
Mr. Lau Hon Chuen
Mr. Kwong Chan Lam
Dr. Sit Kwong Lam
Mr. Tan Yih Lin

COMPANY SECRETARY

Ms. Cheung Wa Ying

AUDITOR

Deloitte Touche Tohmatsu

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K&L Gates

LEGAL ADVISERS ON BERMUDA LAW

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HONG KONG BRANCH SHARE REGISTRAR

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Wanchai
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PRINCIPAL BANKERS

China Development Bank Corporation, Hong Kong Branch
Credit Suisse AG
DBS Bank (Hong Kong) Limited

STOCK CODE

The Stock Exchange of Hong Kong Limited
Ordinary Share (Stock Code: 0933)

WEBSITE

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