



ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED
能源國際投資控股有限公司*

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)
(Stock code 股份代號 : 353)

Annual Report 年報

2012



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Luo Nianru
Mr. Chan Kwok Wing
Mr. Wang Donghai
Ms. Wang Meiyang
Mr. Yang Guangming

Independent Non-Executive Directors

Mr. Choi Chi Fai
Mr. Chan Wai Cheung Admiral (*Appointed on 30 March 2012*)
Mr. Wang Jinghua

AUDIT COMMITTEE

Mr. Choi Chi Fai (*Chairman*)
Mr. Chan Wai Cheung Admiral (*Appointed on 30 March 2012*)
Mr. Wang Jinghua

REMUNERATION COMMITTEE

Mr. Choi Chi Fai (*Chairman*)
Mr. Chan Wai Cheung Admiral (*Appointed on 30 March 2012*)
Mr. Wang Jinghua

NOMINATION COMMITTEE

Mr. Choi Chi Fai (*Chairman*)
Mr. Chan Wai Cheung Admiral (*Appointed on 30 March 2012*)
Mr. Wang Jinghua

COMPANY SECRETARY

Mr. Wong Siu Keung, Joe

AUTHORISED REPRESENTATIVES

Ms. Wang Meiyang
Mr. Wong Siu Keung, Joe

REGISTERED OFFICE

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

董事會

執行董事

羅念如先生
陳國榮先生
王東海先生
王美艷女士
楊光明先生

獨立非執行董事

蔡志輝先生
陳偉璋先生 (*於二零一二年三月三十日獲委任*)
王靖華先生

審核委員會

蔡志輝先生 (*主席*)
陳偉璋先生 (*於二零一二年三月三十日獲委任*)
王靖華先生

薪酬委員會

蔡志輝先生 (*主席*)
陳偉璋先生 (*於二零一二年三月三十日獲委任*)
王靖華先生

提名委員會

蔡志輝先生 (*主席*)
陳偉璋先生 (*於二零一二年三月三十日獲委任*)
王靖華先生

公司秘書

黃兆強先生

授權代表

王美艷女士
黃兆強先生

註冊辦事處

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

CORPORATE INFORMATION

公司資料

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 1508, 15th Floor
The Center
99 Queen's Road Central
Hong Kong

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited
26th Floor, Tesbury Centre
28 Queen's Road East
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

HSBC Trustee (Cayman) Limited
PO Box 484, HSBC House
68 West Bay Road
Grand Cayman, KY1-1106
Cayman Islands

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong Law:

Hui & Lam Solicitors
Rooms 1505-6
The Center
99 Queen's Road
Central, Hong Kong

As to Cayman Islands Law:

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

AUDITOR

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

香港總辦事處及主要營業地點

香港
皇后大道中99號
中環中心
15樓1508室

香港股份過戶登記分處

卓佳登捷時有限公司
香港
皇后大道東28號
金鐘匯中心26樓

主要股份過戶登記處

HSBC Trustee (Cayman) Limited
PO Box 484, HSBC House
68 West Bay Road
Grand Cayman, KY1-1106
Cayman Islands

本公司法律顧問

香港法例:

許林律師行
香港中環
皇后大道中99號
中環中心
1505-6室

開曼群島法律:

Conyers Dills & Pearman
香港中環
康樂廣場8號
交易廣場一座2901室

核數師

香港立信德豪會計師事務所有限公司
香港
干諾道中111號
永安中心25樓

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

For the year ended 31 December 2012, the Group record revenue was approximately HK\$307 million (2011: HK\$231 million). The Group's revenue is mainly contributed from the supply of electricity and heat segment and oil production segment.

The loss attributable to the owners of the Company for the year ended 31 December 2012 was approximately HK\$333 million (2011: HK\$62 million). The loss of the Group was significantly increase by approximately HK\$271 million as compared to the last corresponding year due to provision for impairment losses of intangible assets and property, plant and equipment.

ELECTRICITY AND HEAT BUSINESS

For the year ended 31 December 2012, Shanxi Zhong Kai Group Lingshi Heat and Power Company Limited ("Shanxi Zhong Kai Group Lingshi"), in which the Company owns a 60% equity interest, generated revenue of approximately HK\$123 million (2011: HK\$104 million), an increase of approximately 18% as compared to the last corresponding year. The increase in revenue was mainly due to the carry over effect of the upward tariff adjustments as announced by the National Development and Reform Commission in the months of June and December 2011. The new tariff increase was effective from 1 December 2011.

Shanxi Zhong Kai Group Lingshi recorded a loss of approximately HK\$69 million (2011: HK\$73 million). The decrease in loss was mainly due to the increase in revenue as a result of the carry over effect of the electricity tariff adjustments effective from 1 December 2011.

業務回顧

截至二零一二年十二月三十一日止年度，本集團錄得收益約為307,000,000港元（二零一一年：231,000,000港元）。本集團之收益主要來自熱電供應分類及產油分類。

截至二零一二年十二月三十一日止年度，本公司擁有人應佔虧損約為333,000,000港元（二零一一年：62,000,000港元）。相較去年同期，本集團之虧損大幅增加約為271,000,000港元，乃由於就無形資產及物業、廠房及設備之減值虧損作出撥備所致。

發電及供熱業務

截至二零一二年十二月三十一日止年度，本公司擁有山西中凱集團靈石熱電有限公司（「山西中凱集團靈石」）60%股權，而該公司錄得收益約為123,000,000港元（二零一一年：104,000,000港元），較去年同期增加約18%。收益增加主要由於國家發展和改革委員會於二零一一年六月及十二月宣佈電費上調之滾存效應所致。新電費增幅由二零一一年十二月一日起生效。

山西中凱集團靈石錄得虧損約為69,000,000港元（二零一一年：73,000,000港元）。虧損減少主要由於二零一一年十二月一日生效的電費調整之滾存效應以致收益增加所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

During the year, impairment loss of goodwill of approximately HK\$68 million (2011: HK\$65 million) is recognised. The reasons attributable to the impairment loss of goodwill are mainly due to the significant increase in the cost of raw materials, government restriction on the pricing policy on the provision of heat to the local residents and the limited demand of electricity by local customers.

In 2012, Shanxi Zhong Kai Group Lingshi focused on improving operational efficiency and strengthening its environmental protection facilities. During the year, it commenced the construction work of sewage treatment with an aim of achieving zero-emissions.

Finance costs on bank and other borrowings decreased from approximately HK\$6 million in 2011 to approximately HK\$1 million in 2012. It was mainly due to the repayment and assignment of interest-bearing borrowings during 2011 and 2012. In the first quarter of 2012, a bank loan in the amount of RMB10 million was unconditionally assigned to a non-controlling shareholder. The loan was waived by the non-controlling shareholder and then credited to capital reserve in equity accordingly.

The management will continue to review our collaboration with the local government for the heat supply in Lingshi county to ensure that our heat business remains commercially sound.

OIL BUSINESS

In 2012, global economic recovery was slow and the growth rate of China's economy has slowed down. The growth rate in demand in the oil market has decreased. In the face of the complicated and harsh economic environment, the Group focused on the quality and efficiency of its growth. In 2012, the Group achieved a turnover of approximately HK\$184 million (2011: HK\$128 million), representing an increase of 44% as compared with last year. The reportable segment results of oil production before impairment losses of intangible assets and property, plant and equipment in 2012 record a profit of approximately HK\$46 million (2011: HK\$31 million), representing an increase of 48% as compared with last year. This was primarily due to the combined impact of the increase in sales volume of crude oil and lower special petroleum revenue tax rate, the inverse relationship between the selling price of the crude oil. The management expects that the oil business will continue to generate revenue and contribute operating cash flows to the Group in the year of 2013.

年內，已確認商譽之減值虧損約為68,000,000港元（二零一一年：65,000,000港元）。導致商譽減值虧損之主要原因，是原材料成本大增、政府對提供熱能予地方居民之定價政策設限，以及地方客戶對用電之需求有限。

於二零一二年，山西中凱集團靈石專注於改善營運效率及加強環境保護設施。年內，山西中凱集團靈石已展開污水處理之建築工程，以達至零排放之目標。

銀行及其他借款之財務成本由二零一一年的約為6,000,000港元減少至二零一二年的約為1,000,000港元，主要由於二零一一年及二零一二年的計息借款還款及轉讓所致。於二零一二年第一季，人民幣10,000,000元之銀行貸款無條件轉讓予一名非控股股東。貸款獲該名非控股股東豁免，及後相應計入權益項下之資本儲備內。

管理層將繼續檢討本集團與地方政府有關靈石縣熱力供應之合作，以確保本集團之供熱業務仍然有利可圖。

石油業務

於二零一二年，全球經濟復甦緩慢，而中國之經濟增長率亦放緩。石油市場之增長率亦減少。面對著複雜而艱困之經濟環境，本集團聚焦於本身增長之質量及效能。於二零一二年，本集團達成營業額約為184,000,000港元（二零一一年：128,000,000港元），相比去年增加44%。於二零一二年，產油可報告分類之業績（未扣除無形資產及物業、廠房及設備之減值虧損），錄得利潤約為46,000,000港元（二零一一年：31,000,000港元），較去年增加48%，主要源於原油之銷售增加及較低之石油特別收益稅稅率與原油售價之逆向關係之綜合影響。管理層預期於二零一三年，石油業務將為本集團繼續產生收益及經營現金流。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The results of operations in oil business are detailed below.

石油業務之經營業績詳列如下。

Results of operations

經營業績

Year ended 31 December
截至十二月三十一日
止年度

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Net sales to customers	客戶銷售淨額	184,431	127,544
Other income	其他收入	17,849	13,465
Operating expenses	經營開支	(104,890)	(65,264)
Depreciation	折舊	(25,112)	(19,114)
Special petroleum revenue tax	石油特別收益稅	(25,921)	(26,037)
Impairment loss of intangible assets	無形資產之減值虧損	(323,367)	–
Impairment loss of property, plant and equipment	物業、廠房及設備之減值虧損	(48,939)	–
Results of operations before income tax expenses	除所得稅開支前經營業績	(325,949)	30,594

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

COOPERATION CONTRACT IMPAIRMENT

As at 31 December 2012, the Company reviewed the carrying amounts of its assets related to the cooperation contract entered between China National Petroleum Corporation and China Era Energy Power Investment Limited (a indirect wholly-owned subsidiary) on 13 August 2007 (the "Cooperation Contract"), and determined that impairment would be necessary. The impairment losses were mainly due to the decrease in oil prices, updated information on production costs and delays in the drilling and extraction schedules. The planned drilling and extraction schedules were delayed due to the unanticipated interruptions or unforeseeable circumstances such as poor weather in the People's Republic of China ("PRC") oil field. Accordingly, the Company determined that the carrying amounts of the assets related to the Cooperation Contract would likely not be recoverable based on the revised timing of future cash flows projected from Cooperation Contract.

In assessing the recoverable amount at 31 December 2012, the Company calculated the value-in-use of the intangible assets and related assets by the discounted cash flow analysis prepared on acquisition of the property to reflect deferral of development of the property by the revised price and cost considerations. The projected cash flows are based on the following key assumptions:

- Total estimated operating and construction costs of wells of the PRC oil field for the remaining terms of the Cooperation Contract;
- The adopted crude oil prices was reference to the crude oil future contract; and
- The pre-tax discount rate of 20.68% by reference to market comparable.

The recoverable amount of the intangible and other assets related to the Cooperation Contract was determined by value-in-use calculation based on the discounted future cash flows associated with Cooperation Contract. The review on the carrying amounts of these assets resulting in total impairment loss of approximately HK\$372,306,000. The impairment loss has been recorded within operating expenses on the face of the statement of consolidated income statement and relates to the Company's segment information in oil production.

合作協議減值

於二零一二年十二月三十一日，本公司檢視了由中國石油天然氣集團公司與中國年代能源投資有限公司（一家間接全資附屬公司）於二零零七年八月十三日訂立的合作協議（「合作協議」）的有關資產賬面值，並斷定資產須要減值。減值虧損主要源於油價下跌、最新生產成本數據，以及鑽探及開採時間表推遲。原定的鑽探及開採時間表已經延後，原因為中華人民共和國（「中國」）油田遇到突如其來的干擾或無法預計的狀況（例如惡劣天氣）。據此，本公司斷定，鑑於合作協議預測的未來現金流產生時間已修訂，合作協議有關資產的賬面值很可能無法收回。

評估二零一二年十二月三十一日的可收回金額時，本公司採用現金流折現分析，以經修訂價格及代價成本，計算收購財產時編製的無形資產及有關資產的在用價值，以反映出財產延遲開發的影響。預測現金流是基於以下關鍵假設計算：

- 合作協議餘下限期內的中國油田油井估計營運及建設成本總額；
- 所採納之原油價格是參考原油期貨價格定出；及
- 稅前折現率20.68%是參考市場可比較數據定出。

合作協議的有關無形及其他資產的可收回金額乃根據合作協議的相關折現未來現金流以在用價值計算釐定。檢討該等資產賬面值導致減值虧損總額約為372,306,000港元。該減值虧損已記入綜合收益表的經營開支內，並與本公司產油分部資料有關。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

EXPLORATION AND MINING BUSINESS

As disclosed in the Company's announcements dated 26 and 27 August 2010 and the Company's 2010 interim report, the Board, to its astonishment, found out that as from 31 January 2010 the exploration licence held by Qinghai Forest Services Mining Industry Developing Company Limited ("QHFSMI"), an indirect wholly-owned subsidiary of the Company incorporated in the PRC, had been transferred to a company known as 內蒙古小紅山源森礦業有限公司 (in English, for identification purpose only, Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited), which is wholly-owned by Ms. Margaret Lai Ching Leung ("Ms. Leung") beneficially through a company known as Yuenxian Mining Industry Holding Company Limited, without the Company's knowledge, consent or approval. Due to the loss of the exploration licence, it is the Board's current intention to suspend the Group's exploration and mining business until the Group regains control of QHFSMI and the exploration licence.

As disclosed in the Company's announcement dated 10 January 2013, in April 2012, a legal proceeding was commenced by Hong Kong Forest Source Mining Industry Holding Company Limited ("Hong Kong Subsidiary"), against Ms. Leung, 內蒙古小紅山源森礦業開發有限公司 (In English, for identification purpose only, Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Developing Company Limited) ("Yuen Xian Company") and Qinghai Forest Source Mining Industry Developing Company Limited ("Qinghai Subsidiary") (the "Legal Proceeding"). Hong Kong Subsidiary has sought to invalidate the Change of Exploration Right Agreement signed between Qinghai Subsidiary and Yuen Xian Company. Under the Change of Exploration Right Agreement, the exploration licence held by Qinghai Subsidiary was transferred to Yuen Xian Company. The judgment of Xining City Intermediate People's Court of Qinghai Province of the PRC are summarised as follows:

- (1) The Change of Exploration Right Agreement signed between Qinghai Subsidiary and Yuen Xian Company dated 11 November 2009 is invalid; and
- (2) The request for proceedings of the Hong Kong Subsidiary against Ms. Leung be dismissed. Qinghai Subsidiary and Yuen Xian Company each bear half of the fees for entertaining the case.

The Company will take further legal action in the PRC and continue to seek advice from its PRC legal advisers. Further announcement(s) will be issued by the Company as and when necessary to comply with the requirements of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited ("the Stock Exchange").

勘探及開採業務

如日期為二零一零年八月二十六日及二十七日之本公司公佈及本公司二零一零年中期報告所披露，董事會驚訝發現，由本公司之間接全資附屬公司青海森源礦業開發有限公司（「青海森源」）（於中國註冊成立）持有之勘探牌照已自二零一零年一月三十一日起轉讓予名為內蒙古小紅山源森礦業有限公司（英文名稱為Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited，僅供識別）之公司，且本公司並不知悉，未有同意或批准，而內蒙古小紅山源森礦業有限公司由梁儷瀨女士（「梁女士」）透過一間名為「源森礦業控股有限公司」之公司全資實益擁有。由於失去勘探牌照，董事會現時有意暫時停止經營本集團之勘探及開採業務，直至本集團重獲青海森源之控制權及勘探牌照為止。

如本公司於二零一三年一月十日之公告披露，於二零一二年四月，香港森源礦業控股有限公司（「香港附屬公司」）展開向梁女士、內蒙古小紅山源森礦業開發有限公司（英文名稱為Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Developing Company Limited，僅供識別）之公司（「源森公司」）及青海森源礦業開發有限公司（「青海附屬公司」）提出法律訴訟（「該法律訴訟」）。香港附屬公司尋求判令青海附屬公司與源森公司簽訂的探礦權變更協議無效。根據探礦權變更協議，由青海附屬公司持有之勘探牌照被轉讓予源森公司。中國青海省西寧市中級人民法院之判決概括如下：

- (1) 青海附屬公司與源森公司於二零零九年十一月十一日簽署之探礦權變更協議無效；及
- (2) 駁回香港附屬公司對梁女士之訴訟請求。青海附屬公司及源森公司各負擔一半案件受理費。

本公司將於中國進一步採取法律行動，並繼續尋求其中國法律顧問之意見。本公司將於有需要時刊發進一步公佈，以遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）之規定。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE PLAN AND PROSPECTS

(i) Electricity and heat business

In 2012, we renewed the heat supply contract with the Central Heat Transmit Station of Lingshi County, the local government authority, for the new winter season this year. The management will review our collaboration with the Central Heat Transmit Station of Lingshi County for the heat supply services to ensure that our heat supply business remains cost effective and commercially sound.

Due to the global economic crisis, the Chinese economy showed signs of slowdown during 2012. This unfavorable economic climate will create a challenging operating environment for our electricity and heat business. Going forward, we remain cautious about the prevailing uncertain economic condition. The management will continue to take measures to improve productivity in order to mitigate the impact of the unfavorable economic conditions.

(ii) Oil business

In 2013, the world economy is expected to recover and demand for energy with continue to grow. The Group will continue oil production activities, aiming to increase its production capacity. On the other hand, the Group will also continue to improve extraction techniques in order to increase the overall efficiency. The Group will continue to place great emphasis on its scientific and geological researches, increase efforts to make breakthroughs on key techniques, strengthen the meticulous exploration of mature oil field, actively push forward venture exploration in oil field.

未來規劃及展望

(i) 發電及供熱業務

在二零一二年，我們已與當地政府機關靈石縣城市集中供熱總站重續供熱合約，滿足今年冬季的需求。管理層將檢討我們與靈石縣城市集中供熱總站就供熱服務之合作，以確保我們的供熱業務保持成本效益及有利可圖。

由於全球經濟危機，中國於二零一二年出現經濟下滑的跡象。經濟氣候不景，以致本集團發電及供熱業務之營運環境越見艱難。展望將來，對於現時不明確的經濟情況，我們保持審慎的態度。管理層將繼續採取措施提升產能，以紓緩不利經濟情況所帶來之影響。

(ii) 石油業務

於二零一三年，世界經濟預期將復甦，而對能源的需求將繼續增長，本集團將繼續進行產油活動，力求提高產量。另一方面，本集團將繼續改良提取技術，務求提高整體產量。本集團將繼續專注於科學及地質研究，加倍努力取得關鍵技術突破，強化老區精細挖潛，大力推進油田之風險勘探。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital expenditures for the oil production segment for 2012 amounted to approximately HK\$99 million, which were primarily related to the drillings and facilities construction for the oil field. The Group anticipates that 60 more production wells would be drilled in 2013 and the related capital expenditures would amount to approximately HK\$157 million. These 60 new wells are expected to contribute to the oil production during the year of 2013. Taking into accounts the production capacity of other existing wells and facilities, it is estimated that the annual oil production of the oil field of the Lower Cretaceous System Quantou Formation Third Member Yangdachengzi Layer which is situated at Liangjing Block of Songliao Basin at Jilin Province of the PRC in 2013 would be approximately 71,000 metric tonnes (equivalent to 517,000 barrels of oil).

於二零一二年，產油分類之資本開支約為99,000,000港元，主要關於油田之鑽探及設施建造。本集團預期於二零一三年將會多鑽探六十口生產井，而相關資本開支約為157,000,000港元。該等六十口新油井預期將於二零一三年貢獻石油產量。倘計及其他現有油井及設施之產能，估計位於中國吉林省松遼盆地兩井區塊之下白堊統泉頭組三段楊大城子油層之油田於二零一三年之年產油量將約為71,000公噸（相等於517,000桶石油）。

FINANCIAL SUMMARY

The Group's revenue for the year ended 31 December 2012 was approximately HK\$307 million. The administrative expenses for the year ended 31 December 2012 were approximately HK\$31 million, which represented an increase of 5% compared to the administrative expenses incurred last year.

The loss attributable to the owners of the Company for the year ended 31 December 2012 was approximately HK\$333 million record a significant increase in loss, as compared to last corresponding year. The loss was mainly resulted from the provision for impairment losses of goodwill, intangible assets and property, plant and equipment amounted to approximately HK\$68 million, HK\$323 million and HK\$49 million respectively.

As a significant portion of the Group's sales and purchases were denominated in Hong Kong dollars and Renminbi, the directors considered the Group has no significant exposure to foreign exchange fluctuations in view of the stability of the exchange rates of Hong Kong dollars and Renminbi. During the year under review, the Group did not use any hedging instrument.

財務摘要

截至二零一二年十二月三十一日止年度，本集團之營業額約為307,000,000港元。截至二零一二年十二月三十一日止年度之行政開支約為31,000,000港元，較上年度行政開支增加5%。

截至二零一二年十二月三十一日止年度，本公司擁有人應佔虧損約為333,000,000港元，所錄得之虧損較去年同期大增。虧損主要源於商譽、無形資產及物業、廠房及設備之減值虧損撥備分別約為68,000,000港元、323,000,000港元及49,000,000港元。

由於本集團買賣大部分以港元及人民幣進行，加上港元與人民幣之間匯率穩定，董事認為本集團之外匯波動風險不大。於回顧年度內，本集團沒有採納任何對沖工具。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

CURRENT AND GEARING RATIOS

As at 31 December 2012, the Group had total assets of approximately HK\$2,717 million (2011: HK\$3,146 million), total liabilities of approximately HK\$751 million (2011: HK\$880 million), indicating a gearing ratio of 0.28 (2011: 0.28) on the basis of total liabilities over total assets. The current ratio of the Group for the year was 0.90 (2011: 0.96) on basis of current assets over current liabilities.

CHARGES ON ASSETS

As at 31 December 2012, the Group did not have any interest-bearing bank borrowings (2011: HK\$12 million) and pledged bank deposits amounted to approximately HK\$995,000 (2011: HK\$976,000).

EMPLOYEE INFORMATION

As at 31 December 2012, the Group employed 445 full-time employees (2011: 450). The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually in line with industry practice. The Group also provides provident fund schemes (as the case may be) to its employees depending on the location of such employees.

流動比率及資本負債比率

於二零一二年十二月三十一日，本集團之資產總值約為2,717,000,000港元（二零一一年：3,146,000,000港元），負債總額約為751,000,000港元（二零一一年：880,000,000港元），按負債總額除資產總值計算，資本負債比率為0.28（二零一一年：0.28）。本年度本集團之流動比率（按流動資產除流動負債計算）為0.90（二零一一年：0.96）。

資產抵押

於二零一二年十二月三十一日，本集團並無任何計息銀行借款（二零一一年：12,000,000港元）及已抵押銀行存款約為995,000港元（二零一一年：976,000港元）。

僱員資料

於二零一二年十二月三十一日，本集團僱用445名全職僱員（二零一一年：450名）。本集團之薪酬政策按個別僱員表現而釐定，並每年檢討以便與業界慣例相符。本集團亦按該等僱員之工作地點向僱員提供公積金計劃（按情況而定）。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

DIVIDEND

The Directors do not recommend the payment of any dividend for the year ended 31 December 2012 (2011: Nil).

股息

董事不建議派付截至二零一二年十二月三十一日止年度之任何股息(二零一一年:無)。

INFORMATION OF OIL RESERVES

Changes in estimated quantities of proved crude oil reserves for the year ended 31 December 2012 and 2011 are indicated as follows:

石油儲量資料

截至二零一二年及二零一一年十二月三十一日止年度,探明原油儲量之估計數量之變動列載如下:

		Crude oil PRC (millions of Tonnes) 中國之原油 (百萬噸)
Reserves as at 1 January 2011	二零一一年一月一日之儲量	3.796
Changes results from:	因以下事項而產生變動:	
Production	生產	(0.029)
Reserves as at 31 December 2011	二零一一年十二月三十一日之儲量	3.767
Changes results from:	因以下事項而產生變動:	
Production	生產	(0.037)
Reserves as at 31 December 2012	於二零一二年十二月三十一日之儲量	3.730

Note: Based on the Group's share of participated interests in the oil field through jointly controlled operations.

附註: 根據本集團透過共同控制實體分佔於油田之參與權益計算。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

EXECUTIVE DIRECTORS

Mr. Luo Nianru, aged 61, was appointed as executive Director of the Company in November 2011. He graduated from Sichuan Provincial Institute of Economic Management with a degree in Economic and Management. He has over 40 years of working experience in exploration and exploitation of the petroleum industry. He has acted as the deputy director of the Manager of Ministry of Foreign of the China National Petroleum Corporation (the "CNPC") from August 2002 to June 2011 and the deputy director of the Sichuan Petroleum Board Authority of the CNPC from May 1998 to July 2002.

Mr. Chan Kwok Wing, aged 55, was appointed as executive Director of the Company in July 2009. He has been working in securities brokerage and funds management professions. Wholly devoted to petroleum and natural gas upstream development arena since 2006, he participated in discussions on various petroleum and natural gas projects in China and internationally, including Africa, central Asia and America, accumulating rich and extensive experience in exploration, exploitation and production. He was an executive director and chief executive officer of China Energy Development Holdings Limited (stock code: 228), a company listed on the Main board of the Stock Exchange, for a period from October 2009 to December 2009.

Mr. Wang Donghai, aged 60, was appointed as executive Director of the Company in September 2009. He has extensive experience in all oil-related areas, including oil production, exploration, development and investment economics, investment and financial management, infrastructure and overall operations of oilfields. He has been acted as the Head of the Gudong Oil Production Centre (one of the largest oil production centres of the Shengli Oilfield) since 2000; He also has been a visiting professor at the Nanjing University since 2001, teaching post-graduate and graduate students on subjects including oil field exploration and development, oil economics and state security.

Ms. Wang Meiyang, aged 50, was appointed as executive Director of the Company in January 2011. She graduated from a vocational education institute. She was a senior officer of the Office of Dongying Municipal Committee, Shandong Province, Geology Research Institute of Shengli Oilfield (勝利油田地質研究院), Huaren Group of Shenyang Military Area Command (瀋陽軍區華仁集團), Chinese Enterprises Dagan Magazine (中國企業大觀雜誌社), the Association of Chinese Enterprises Television Stations (中國企業電視台協會), American Pan Asia Investment Group Corporation (美國泛亞投資集團公司) and Kashgar project of Tarim Oilfield in Xinjiang. Ms. Wang has extensive experience in corporate management and leadership.

執行董事

羅念如先生，61歲，於二零一一年十一月獲委任為本公司執行董事，畢業於四川省委經濟管理幹部學院，獲得經濟管理學位。羅先生擁有超過40年勘探和開採石油工業的工作經驗。他曾於二零零二年八月至二零一一年六月在中國石油天然氣集團公司（「中國石油」）對外合作經理部擔任副處長及於一九九八年五月至二零零二年七月在中國石油四川石油管理局機關擔任副處長。

陳國榮先生，55歲，於二零零九年七月獲委任為本公司執行董事。彼曾從事證券經紀與基金管理業務。陳先生自二零零六年起全身投入石油及天然氣之上游開發領域，參與了多項中國以及國際間，包括非洲、中亞和美洲之石油及天然氣項目談判，並積累了豐富的勘探、開發與生產經驗。於二零零九年十月至二零零九年十二月期間，陳先生曾擔任於聯交所主板上市之公司中國能源開發控股有限公司（股份代號：228）之執行董事兼行政總裁。

王東海先生，60歲，於二零零九年九月獲委任為本公司執行董事。彼在所有石油相關領域均有豐富經驗，包括石油生產、油田勘探、開發投資經濟、投資和財務管理、油田基本建設工作及採油廠全面工作。自二零零零年開始，彼擔任孤東採油廠（勝利油田最大採油廠之一）第一把手。並於二零零一年起被南京大學聘為客座教授，曾多次在南京大學給研究生和本科生授課，主講油田勘探與開發以及石油經濟與國家安全。

王美艷女士，50歲，於二零一一年一月獲委任為本公司執行董事。彼，中專學歷，先後在山東省東營市委辦公室、勝利油田地質研究院、瀋陽軍區華仁集團、中國企業大觀雜誌社、中國企業電視台協會、美國泛亞投資集團公司及新疆塔里木油田喀什項目部任高級職員。彼有著豐富的企業管理經驗和領導經驗。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

Mr. Yang Guangming, aged 65, was appointed as executive Director of the Company in January 2011. He obtained his diploma in petroleum geology from Jilin Petroleum School (吉林省石油學校石油地質) in September 1983 and his degree or diploma of Petroleum Exploitation Geology in China University of Geosciences (中國地質大學石油開發地質) in 1991. He worked in Oil Extraction Plant No. 2 of Jilin Oil Field Group (吉林油田採油二廠) from 1970 to 2002, and he worked in the same group as the head of the geological research institute in 1983 and as chief geologist in 1994. From December 2002 to July 2007, He worked as deputy general manager in charge of the production and chief geologist in Jilin Petroleum Natural Gas Development Limited (吉林石油天然氣開發有限責任公司). As disclosed in the Company's circular dated 11 October 2010, He currently is a member of the management team of certain subsidiaries of the Company engaged in the petroleum resources development and production business. He is responsible for supervising the operation of production, in particulars to ensure that the operation complies with the applicable laws, regulations, safety and environment requirements. He is also responsible for making necessary arrangement in the production line and planning for production schedule.

楊光明先生，65歲，於二零一一年一月獲委任為本公司執行董事。彼於一九八三年九月取得吉林省石油學校石油地質系文憑學位，並於一九九一年取得中國地質大學石油開發地質系學士學位或文憑。彼於一九七零年至二零零二年間曾於吉林油田採油二廠工作，於一九八三年曾於該集團擔任地質學研究機構主管，以及於一九九四年擔任總地質學家。於二零零二年十二月至二零零七年七月期間，彼曾於吉林石油天然氣開發有限責任公司擔任主管生產之副經理及總地質學家。如本公司日期為二零一零年十月十一日之通函所披露，彼現為本公司從事石油資源開發及生產業務的若干附屬公司之管理團隊一員。彼負責監督生產業務，尤其是確保業務已遵守適用法例、規則、安全及環保規定。楊先生亦負責就生產線及規劃生產流程作出必須的安排。

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Choi Chi Fai, aged 35, was appointed as independent non-executive Director of the Company in July 2011. He holds a Bachelor Degree of Business Administration in Accounting from The Hong Kong University of Science and Technology. Mr. Choi is a member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has over 10 years of experience in internal and external auditing, merger and acquisition, and direct investment. Currently, Mr. Choi is Chief Investment Officer of Carnival Group International Holdings Limited, which is listed on the Stock Exchange (stock code: 996). Prior to that, he was Associate Director of CCB International Asset Management Limited (the "CCBIAM"). CCBIAM is ultimately controlled by China Construction Bank Corporation, which is listed on the Stock Exchange (stock code: 939) and the Shanghai Stock Exchange (stock code: CH.601939).

獨立非執行董事

蔡志輝先生，35歲，於二零一一年七月獲委任為本公司獨立非執行董事。彼持有香港科技大學工商管理（會計）學士學位。蔡先生為香港會計師公會會員及英國特許公認會計師公會資深會員。蔡先生在內部及外部審計、併購、以及直接投資等方面擁有超過10年經驗。目前，蔡先生為嘉年華國際控股有限公司之投資總監，該公司於聯交所上市（股份代號：996）。在此之前，彼於建銀國際資產管理有限公司（「建銀國際」）擔任聯席董事。建銀國際由中國建設銀行股份有限公司最終擁有，而中國建設銀行股份有限公司於聯交所及上海證券交易所上市（股份代號分別為：939及CH.601939）。

BIOGRAPHICAL DETAILS OF DIRECTORS

董事履歷詳情

Mr. Wang Jinghua, aged 31, was appointed as independent non-executive Director of the Company in July 2011. He graduated from University of Exeter, United Kingdom. He holds two Bachelor of Arts degrees with major in Internet Computing and Economics & Finance and a Master of Science degree with International Management. From 2009, Mr. Wang acted as a General Manager Assistant in China Western Holdings Co., Ltd. He has most experience in the investment program and contract in the urban construction project.

Mr. Chan Wai Cheung Admiral, aged 39, was appointed as independent non-executive director of the Company in March 2012. He holds a Bachelor of Arts (Honours) in Accountancy from City University of Hong Kong. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has over 10 years of experience in accounting and auditing field.

王靖華先生，31歲，於二零一一年七月獲委任為本公司獨立非執行董事。彼畢業於英國埃克賽特大學。持有國際商業管理碩士學位、經濟與金融學士學位及計算機專業學士學位。從二零零九年起，王先生曾擔任西部發展控股有限公司總經理助理的職務。他擁有投資項目及城市建設項目合同的豐富經驗。

陳偉璋先生，39歲，於二零一二年三月獲委任為本公司之獨立非執行董事。彼持有香港城市大學會計學學士學位。陳先生為香港會計師公會會員及英國特許公認會計師公會資深會員。彼於會計及審計方面累積逾十年經驗。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Company is committed to maintain a high standard of corporate governance, holding the beliefs of transparency, honesty and accountability. The Board of directors of the Company considers that sound corporate management and governance practices are essential to the Company's healthy growth under all business environments. Therefore, we continuously review and improve our corporate governance standards to ensure maximum compliance with the relevant laws and codes.

The Code on Corporate Governance Practices set out in Appendix 14 (the "Code") were amended and revised as the Corporate Governance Code and Corporate Governance Report (the "CG Code") which became effective from 1 April 2012. During the year ended 31 December 2012, the Company has complied with the applicable code provisions of the CG Code as and when they were/are in force, except for the deviation as disclosed in this annual report.

DEVIATION FROM CG CODE

- (i) A.2.1 of the CG Code, the roles of chairman and chief executive officer (the "CEO") should be separate and should not be performed by the same individual and the division of responsibilities between the chairman and CEO should be clearly established and set out in writing. Since the positions of the chairman and CEO are vacated, the Company is still looking for a suitable candidate to fill the vacancy of chairman and CEO. The Board will review the management structure of the Group from time to time and will adopt appropriate measures as may be desirable for future development of the operating activities or business of the Group;
- (ii) A.4.1 and A.4.2 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election while all directors should be subject to retirement by rotation at least once every three years. For the year under review, all independent non-executive directors of the Company have not been appointed for a specific term but they are subject to retirement by rotation in accordance with the Company's Articles of Association;
- (iii) E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting (the "AGM"). However, the chairman is vacated. Ms. Wang Meiyang as the executive director will attend the AGM and will be available to answer questions at the AGM; and

本公司致力維持高水平之企業管治，以維持其透明度、誠信及問責性。本公司董事會認為，穩健之企業管理及管治常規對本公司在所有業務環境下有穩健增長是不可或缺。因此，本公司持續檢討及改善本集團之企業管治標準，以確保在最大程度下遵循相關法例及守則。

附錄十四所載之企業管治常規守則（「守則」）經修訂及更新為企業管治守則及企業管治報告（「企業管治守則」），由二零一二年四月一日起生效。於截至二零一二年十二月三十一日止年度，本公司已遵守企業管治守則之適用條文於先前／目前生效時，遵守該等條文，惟本年報中披露之偏離情況除外。

企業管治守則之偏離事項

- (i) 根據企業管治守則第A.2.1條，主席及行政總裁（「行政總裁」）之角色應獨立區分，且不應由同一人履行。主席與行政總裁間之職責區分應書面清晰訂明。本公司主席及行政總裁目前懸空，本公司仍在物色合適人選填補主席及行政總裁之空缺。董事會將不時檢視本集團之管理架構，並將按需要情況，採納適宜之措施，支持本集團之營運活動或業務發展；
- (ii) 根據企業管治守則第A.4.1條及第A.4.2條，非執行董事須按指定任期委任，並須膺選連任，而全體董事須至少每三年輪值告退一次。於回顧年度，本公司所有獨立非執行董事均非按指定任期委任，惟須按照本公司組織章程細則輪值告退；
- (iii) 根據企業管治守則第E.1.2條，董事會主席應出席股東週年大會（「股東週年大會」）。然而，主席職位目前懸空。王美艷女士作為執行董事，將會出席股東週年大會並於股東週年大會上回答提問；及

CORPORATE GOVERNANCE REPORT

企業管治報告

(iv) A.6.7 of the CG Code, Mr. Wang Jinghua, the independent non-executive director, was unable to attend the AGM of the Company held on 7 June 2012 as he was out of town for other businesses.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries with each directors and each of them confirmed that he had complied with the required standards set out in the Model Code throughout the year ended 31 December 2012.

BOARD OF DIRECTORS

The Board determines and keeps under review the objectives of the Group. It makes decisions on overall strategies and actions necessary for achieving these objectives, monitors and controls financial and operating performance, formulates appropriate policies, and identifies and ensures best practices of corporate governance. The Board members are fully committed to their roles and have acted in good faith to maximise the Shareholders' value in the long run, and have aligned the Group's goals and directions with the prevailing economic and market conditions. Daily operations and administration are delegated to the management. It has given clear directions as to the powers of management, in particular, with respect to the circumstances where management should report back and obtain prior approval from the Board before making decisions or entering into any commitments on behalf of the Company.

The Board comprises a balanced number of executive Directors and non-executive Directors (including independent non-executive Directors) that can ensure there is adequate independent judgment for the running of the Company's business. The members of the Board comprise experts from various professions with extensive experience. Two of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise. In all corporate communications, the Company had disclosed the composition of the Board according to the categories and responsibilities of the directors.

(iv) 根據企業管治守則第A.6.7條，獨立非執行董事王靖華先生因要到外地處理其他事務，故未能出席本公司於二零一二年六月七日舉行之股東週年大會。

董事之證券交易活動

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）。本公司已向各董事作出具體查詢，彼等已各自確認於截至二零一二年十二月三十一日止年度一直遵守標準守則所載之規定準則。

董事會

董事會釐定本集團之目標，並持續作出檢討。其就達到有關目標之所需整體策略及措施作出決策，監察、控制財務及營運表現，制定合適政策，並指出及確保執行最佳企業管治常規。董事會成員均盡忠職守，並善意地盡量為股東提高長遠價值行事，並把本集團之目標和發展方向與目前經濟及市場環境配合。而日常運作及管理則交託管理層負責。董事會已就管理層之權利發出清晰指引，尤其是關於在甚麼情況，管理層須先匯報及向董事會取得事先批准，方可代表本公司作出決定或訂立任何承諾。

董事會由人數均等的執行董事及非執行董事（包括獨立非執行董事）所組成，能確保執行本公司業務時作出足夠之獨立判斷。董事會成員為擁有不同專業知識之專家，且擁有豐富經驗。其中兩名獨立非執行董事擁有合適專業資格或會計或相關財務管理之專業知識。於所有企業溝通中，本公司已根據董事類別及責任披露董事會之組成。

CORPORATE GOVERNANCE REPORT

企業管治報告

As at the date of this annual report, the Board comprises eight members, including five executive Directors and three independent non-executive Directors. The Board members during the year and up to the date of this annual report were:

Executive Directors

Mr. Luo Nianru
Mr. Chan Kwok Wing
Mr. Wang Donghai
Ms. Wang Meiyun
Mr. Yang Guangming
Mr. Law Fei Shing (*Resigned on 1 January 2012*)

Independent Non-Executive Directors

Mr. Choi Chi Fai
Mr. Wang Jinghua
Mr. Chan Wai Cheung Admiral (*Appointed on 30 March 2012*)
Mr. Sun Tak Keung (*Resigned on 1 January 2012*)

Appointment, Re-election and Rotation of Directors

All Directors were not appointed for any specific terms and they are subject to re-election by shareholders at AGM and at least once every three years on a rotation basis in accordance with Article 108 of the Articles of Association of the Company. A retiring Director shall be eligible for re-election at AGM and shall continue to act as a director throughout the meeting which he retires. Where vacancies arise at the Board, candidates are proposed and put forward to the Board by the Nomination Committee as more fully explained below under the section on Nomination Committee.

於本年報日期，董事會由八名成員組成，包括五名執行董事及三名獨立非執行董事。年內及直至本年報日期，董事會成員為：

執行董事

羅念如先生
陳國榮先生
王東海先生
王美艷女士
楊光明先生
羅輝城先生（於二零一二年一月一日辭任）

獨立非執行董事

蔡志輝先生
王靖華先生
陳偉璋先生（於二零一二年三月三十日獲委任）
辛德強先生（於二零一二年一月一日辭任）

董事委任、重選及輪替

全體董事並無獲委以特定任期，根據本公司之組織章程細則第108條，彼等均須最少每三年一次，輪流於股東週年大會上由股東重選連任。退任董事符合資格於股東週年大會上膺選連任，以及應繼續於其退任之大會上擔任董事。倘董事會出缺，提名委員會可向董事會建議人選，更詳情於下文提名委員會一節闡述。

CORPORATE GOVERNANCE REPORT

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Directors' Training

Upon appointment to the Board, the Directors receive a package of orientation materials about the Group and are provided with a comprehensive induction to the Group's businesses by senior executives. The package includes a copy of "A Guide on Directors' Duties" issued by the Companies Registry of Hong Kong. All Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Group provides briefings and other training to develop and refresh the Directors' knowledge and skills.

In addition, with effect from 1 April 2012, Directors are provided with monthly updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Biographical details of the Directors of the Company as at the date of this annual report are set out in the "Biographical Details of Directors" section on pages 13 to 15 of this annual report. None of the Directors has any financial, business, family or other material or relevant relationships among members of the Board.

The Company has received an annual confirmation of independence from each of its independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Based on the contents of such confirmation, the Company considers that the three independent non-executive Directors are independent and that they have met the specific independence guidelines as set out in Rule 3.13 of the Listing Rules.

董事培訓

董事獲委任加入董事會後，將獲得一套關於本集團之介紹資料，並獲高級管理人員提供對本集團業務之全面介紹。該套資料包括一份香港公司註冊處發行之「董事責任指引」。本公司鼓勵全體董事參與持續專業發展，對知識及技能溫故知新。本集團提供簡介及其他培訓，助董事對知識及技能溫故知新。

此外，由二零一二年四月一日起，董事獲關於本公司業務表現、狀況及前景之每月最新資訊，以便整體董事會及各董事可履行職務。

於本年報日期，本公司董事履歷詳情載於本年報第13頁至第15頁「董事履歷詳情」一節。董事會成員之間並無財務、業務、家庭或其他重大或相關關係。

根據上市規則第3.13條，本公司已收到各獨立非執行董事一份年度獨立確認書。根據有關確認書內容，本公司認為三名獨立非執行董事均獨立於本公司，且符合上市規則第3.13條所載之特定獨立指引。

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During the year ended 31 December 2012, 7 full Board meetings/one AGM were held and details of attendance is set out as follows:

截至二零一二年十二月三十一日止年度，本公司召開七次全體董事會會議／一次股東週年大會，各董事之出席率詳述如下：

		Number of Board meetings attended/eligible to attend Board meetings 出席／合資格出席 董事會會議次數	AGM 股東週年大會
Executive Directors		執行董事	
Mr. Luo Nianru	羅念如先生	7/7	0/1
Mr. Chan Kwok Wing	陳國榮先生	7/7	0/1
Mr. Wang Donghai	王東海先生	6/7	0/1
Ms. Wang Meiyang	王美艷女士	7/7	1/1
Mr. Yang Guangming	楊光明先生	6/7	0/1
Independent Non-Executive Directors		獨立非執行董事	
Mr. Choi Chi Fai	蔡志輝先生	7/7	1/1
Mr. Wang Jinghua	王靖華先生	6/7	0/1
Mr. Chan Wai Cheung Admiral (Appointed on 30 March 2012)	陳偉璋先生 (於二零一二年 三月三十日獲委任)	5/5	1/1

Every Board member have full and timely access to Board papers and related materials and has unrestricted access to the advice and services of the company secretary, and has the liberty to seek external professional advice if so required. The company secretary continuously updates all Directors on the latest development of the Listing Rules and other applicable regulatory requirements to ensure compliance and upkeep of good corporate governance practice.

每位董事會成員均可全面並適時查閱董事會文件及相關資料，並可隨時取得公司秘書之意見和享用其所提供之服務，及有自由在需要時尋求外部專業意見。公司秘書會不斷向所有董事提供上市規則及其他適用監管規定之最新發展，以確保本公司遵守及維持良好企業管治常規。

The Company has attached much importance to the risk management about directors' liabilities and has arranged appropriate liability insurance for Directors and senior management of the Company. The insurance coverage is reviewed on an annual basis.

本公司非常重視對董事責任之危機管理，並已就董事及本公司高級管理層安排適當責任保險。保險保障範圍均需每年檢討。

CORPORATE GOVERNANCE REPORT

企業管治報告

REMUNERATION COMMITTEE

The remuneration committee, established in compliance with the CG Code, comprises the three independent non-executive Directors of the Company and the chairman of the remuneration committee, is responsible for reviewing and evaluating the remuneration packages of the executive Directors and senior management of the Company and making recommendations to the Board of directors from time to time.

The remuneration committee currently comprises the three independent non-executive Directors of the Company.

The remuneration committee has adopted written terms of reference prepared by reference to the suggested terms of reference stated under the Code Provision B.1.2 of the CG Code.

The terms of reference of the Remuneration Committee have been uploaded to the Company's website and its official website for corporate communications.

During the year ended 31 December 2012, the remuneration committee held two meetings to review the remuneration package of the Board members and the senior management. Composition of the remuneration committee and details of members' attendance to the committee are as follows:

		Number of meetings attended/eligible to attend meetings 出席/合資格 出席會議次數
Mr. Choi Chi Fai	蔡志輝先生	2/2
Mr. Wang Jinghua	王靖華先生	2/2
Mr. Chan Wai Cheung Admiral (Appointed on 30 March 2012)	陳偉璋先生 (於二零一二年 三月三十日獲委任)	N/A 不適用

NOMINATION COMMITTEE

The nomination committee, established in compliance with the CG Code, comprises the three independent non-executive Directors of the Company and the chairman of the Company, is responsible for making recommendations to the Board on the appointment of Directors and management of the Board succession.

The nomination committee currently comprises the three independent non-executive Directors of the Company.

薪酬委員會

本公司遵照企業管治守則成立薪酬委員會，成員包括本公司三名獨立非執行董事及薪酬委員會主席，負責審閱及評估本公司執行董事及高級管理層之薪酬待遇，並不時向董事會提供推薦建議。

薪酬委員會現時由本公司三名獨立非執行董事組成。

薪酬委員會已採用根據企業管治守則之守則條文B.1.2條所述之建議職權範圍而編製之明文職權範圍。

薪酬委員會之職權範圍已上載至本公司網站及其供公司通訊用途之正式網站。

截至二零一二年十二月三十一日止年度，薪酬委員會舉行了兩次會議，以檢討董事會成員及高級管理層之薪酬待遇。薪酬委員會之組成及委員會成員之出席率詳述如下：

提名委員會

本公司遵照企業管治守則成立提名委員會，成員包括本公司三名獨立非執行董事及本公司主席，負責就委任董事及董事會管理層之繼任事宜向董事會提供推薦建議。

提名委員會現時由本公司三名獨立非執行董事組成。

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The nomination committee has adopted written terms of reference prepared by reference to the suggested terms of reference stated under the Code Provision A.5.2 of the CG Code.

The terms of reference of the Nomination Committee have been uploaded to the Company's website and its official website for corporate communications.

During the year 2012, two meetings of the Nomination Committee was held. Details of members' attendance to the committee are as follows:

提名委員會已採用根據企業管治守則之守則條文A.5.2條所述之建議職權範圍而編製之明文職權範圍。

提名委員會之職權範圍已上載至本公司網站及其供公司通訊用途之正式網站。

於二零一二年，提名委員會舉行過兩次會議。成員出席委員會之詳情如下：

		Number of meetings attended/eligible to attend meetings 出席／合資格出席會議次數
Mr. Choi Chi Fai	蔡志輝先生	2/2
Mr. Wang Jinghua	王靖華先生	2/2
Mr. Chan Wai Cheung Admiral (Appointed on 30 March 2012)	陳偉璋先生 (於二零一二年三月三十日獲委任)	N/A 不適用

AUDIT COMMITTEE

The audit committee of the Company was established with written terms of reference in compliance with Rule 3.21 of the Listing Rules and the suggested terms of reference stated under the Code Provision C.3 of the CG Code. The audit committee currently comprises three independent non-executive Directors and is chaired by Mr. Choi Chi Fai. The audit committee is responsible for review of the Group's accounting principles, practices internal control procedures and financial reporting matters including the review of the interim and final results of the Group prior to recommending to the Board for approval.

審核委員會

本公司之審核委員會已根據上市規則第3.21條及企業管治守則之守則條文C.3條所述之建議職權範圍而編製之明文職權範圍所成立。審核委員會目前由三名獨立非執行董事組成，主席為蔡志輝先生。審核委員會負責審核本集團之會計原則、常規內部控制程序及財務匯報事項，包括於建議董事會批准前，審核本集團之中期及年度業績。

CORPORATE GOVERNANCE REPORT

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The terms of reference of the Audit Committee have been uploaded to the Company's website and its official website for corporate communications.

Three meetings of the Audit Committee were held during the year to approve the financial statements of the Company for the year ended 31 December 2011 and for the six months period ended 30 June 2012. During the year, the Board conducted a review of the effectiveness of the system of internal control of the Company and its subsidiaries covering all material financial, operational and compliance controls and risk management functions. One of the Audit Committee meetings was held to review this internal control of the Company and the internal weakness report submitted by the independent auditor, and the Audit Committee was satisfied that such systems are effective and adequate. The attendances at these meetings are as follows:

審核委員會之職權範圍已上載至本公司網站及其供公司通訊用途之正式網站。

年內審核委員會已舉行三次會議，以審批本公司截至二零一一年十二月三十一日止年度及二零一二年六月三十日止六個月期間之財務報表。年內，董事會檢討本公司及其附屬公司之內部監控系統之效能，該內部監控系統涵蓋所有重大財務、營運及合規控制及風險管理職能。審核委員會已舉行一次會議，檢討本公司內此項內部監控以及獨立核數師提交之內部不足報告，而審核委員會信納該系統屬有效及充足。該等會議之出席率列載如下：

		Number of meetings attended/ eligible to attend meetings 出席／合資格出席會議次數
Mr. Choi Chi Fai	蔡志輝先生	3/3
Mr. Wang Jinghua	王靖華先生	2/3
Mr. Chan Wai Cheung Admiral (Appointed on 30 March 2012)	陳偉璋先生 (於二零一二年三月三十日獲委任)	2/2

AUDITOR'S REMUNERATION

The Audit Committee reviews and monitors the independent auditor's independence and objectivity and effectiveness of the audit process. It receives each year the letter from the independent auditor confirming their independence and objectivity and holds meetings with representatives of the independent auditor to consider the scope of its audit, approve its fees, and the scope and appropriateness of non-audit services, if any, to be provided by it. The Audit Committee also makes recommendations to the Board on the appointment and retention of the independent auditor.

核數師酬金

審核委員會檢討及監督獨立核數師之獨立性及審核過程之客觀性及效能。審核委員會每年接獲獨立核數師發出之函件，確認其獨立性及客觀性，並與獨立核數師之代表舉行會議，考慮審核範圍，批准其費用，以及其將提供之非審核服務（如有）之範圍及是否適當。審核委員會亦就委任及續聘向董事會提出推薦建議。

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During the year, BDO Limited was appointed as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company.

The following table sets forth the type of, and fees for, the principal audit services and non-audit services provided by BDO Limited to the Group for the year ended 31 December 2012:

年內，香港立信德豪會計師事務所有限公司獲委任為本公司之核數師，並留任至本公司下一屆股東週年大會完結為止。

下表載列截至二零一二年十二月三十一日止年度由香港立信德豪會計師事務所有限公司提供予本集團之主要核數服務及非核數服務之種類及收費：

		Services rendered Fees paid/payable HK\$'000 所提供服務 已付／應付費用 千港元
Audit services	核數服務	860
Non-audit services (i.e. consultancy services)	非核數服務（即顧問諮詢服務）	—
Total	共計	<u>860</u>

INTERNAL CONTROL

The Company endeavors to implement a sound risk management and internal control system. The Board is responsible for maintaining an adequate internal control system to safeguard Shareholder investments and Company's assets, and reviewing the effectiveness of such system on an annual basis, as well as through the audit committee. For the year ended 31 December 2012, the audit committee reported to the Board on any material issues and inadequate measures and made recommendations to the Board.

內部監控

本公司致力執行穩健風險管理及內部監控制度。董事會負責維持足以保障股東投資及本公司資產之內部監控制度，及每年檢討其有效性，並透過審核委員會推行上述工作。截至二零一二年十二月三十一日止年度，審核委員會已就任何重大事宜及不足措施向董事會匯報及對其作出建議。

COMPANY SECRETARY

Mr. Wong Siu Keung, Joe has been the Company Secretary of the Company since May 2011. Mr. Wong is a member of Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He reports to the Board and assists the Board in functioning effectively and efficiently.

公司秘書

黃兆強先生由二零一一年五月起擔任本公司之公司秘書。黃先生為香港會計師公會成員及英國特許會計師公會之資深成員。彼向董事會報告及協助董事會以有效率及具效能之方式操作。

During the year 2012, Mr. Wong has confirmed that he has taken no less than 15 hours of relevant professional training to update his skill and knowledge.

於二零一二年，黃先生確認，彼已接受不少於十五個小時之相關專業培訓，更新其技能及知識。

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SHAREHOLDERS' RIGHT

The rights of Shareholders and the procedures for them to demand a poll on resolutions at Shareholders' meetings are contained in the Company's Articles of Association. Details of such rights to demand a poll and the poll procedures are included in all circulars to Shareholders prior to 31 December 2012 and will be explained during the proceedings of meetings. Poll results, if any, will be posted on both the websites of the Stock Exchange and the Company no later than 30 minutes before the earlier of the morning session or any pre-opening session on the next business day of the Shareholders' meeting.

Convening of Extraordinary General Meeting

Pursuant to Article 64 of the Articles of Association of the Company, an extraordinary general meeting shall be convened on the written requisition of one or more shareholders of the Company for the attention of the Board or the Company Secretary.

The written requisition shall specify the purpose of requiring the extraordinary general meeting and signed by the requisitionist(s), provided that such requisitionist(s) held as at the date of deposit of the written requisition not less than one tenth of the paid up capital of the Company having the right of voting at general meetings.

If within 21 days of such deposit the Directors fail to proceed to convene the extraordinary general meeting, the requisitionist(s) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Directors shall be reimbursed to the requisitionist(s) by the Company.

股東權利

股東要求在股東大會就決議案以投票方式表決之權利及程序載於本公司章程細則。以投票方式表決之有關權利及投票程序詳情載於於二零一二年十二月三十一日前寄發予股東之所有通函，並將於會議上予以說明。投票結果（如有）將不遲於股東大會後第二個營業日之早市或開市前時段（以較早者為準）前30分鐘刊登於聯交所及本公司網站。

召開股東特別大會

根據本公司之組織章程細則第64條，一名或以上之本公司股東可向董事會或本公司之公司秘書提交書面要求，召開股東特別大會。

書面要求須列明要求召開股東特別大會之目的，並由要求者簽署，惟該人士於提交書面要求之日期，須持有不少於本公司有權於股東大會上投票之實繳股本十分之一。

倘董事會於提出該項要求後21日內未能召開該大會，提出的一名或多名人士可以相同方式召開大會，而本公司須向提出要求人士償付所有由提出要求人士因董事會未能召開大會而產生之合理開支。

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for Shareholders to propose a person for election as a Director

Pursuant to Article 113 of the Articles of Association of the Company, no person, other than a retiring Director, shall, unless recommended by the Directors for election, be eligible for election to the office of Director at any general meeting, unless notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Head Office or at the Registration Office at least seven clear days before the date of the general meeting.

Accordingly, if a shareholder wishes to nominate a person to stand for election as a Director at the AGM, the following documents must be validly served at the Company's head office or the registration office within the period specified in Article 113 of the Articles of Association of the Company, namely, (1) his/her notice of intention to propose a resolution to elect a nominated candidate as a Director at the AGM; (2) a notice signed by the nominated candidate of the candidate's willingness to be elected; (3) the nominated candidate's information as required to be disclosed under rule 13.51(2) of the Listing Rules; and (4) the nominated candidate's written consent to the publication of his/her personal data.

INVESTOR RELATIONS

The general meetings of the Company provide a platform for communication between the Shareholders and the Board. Our Directors are available at the Shareholders' meetings of the Company to answer questions and provide information which Shareholders may enquire. The Company continues to enhance communications and relationships with its investors. Enquiries from investors are dealt with in an informative and timely manner.

Taking advantages of various resources, the Company keeps communicating with its Shareholders regularly and properly to ensure that Shareholders are adequately aware of any important issues during the course of the Company's operation, and then exercise their rights as Shareholders with sufficient knowledge. Investors are welcome to write directly to the Company at its Hong Kong registered office for any inquiries.

股東提名董事候選人之程序

根據本公司組織章程細則第113條，除退任之董事外，概無人合乎資格於股東大會內膺選董事職位（獲董事會推薦競選者則除外），除非有簽署確認表明有意提名該人士參選董事的書面通知，連同該受提名人士確認有意競選的書面通知書於股東大會日期前至少七個整日前遞交至本公司總辦事處或註冊辦事處。

因此，倘一名股東有意提名他人於股東週年大會上參選董事，則須於本公司的公司組織章程細則第113條指定的期間內送達下列文件至本公司的總辦事處或註冊辦事處，即(1)該名股東於股東週年大會上提呈推選該獲提名候選人出任董事的決議案的意向通知書；(2)由獲提名候選人簽署表明其願意參選的通知書；(3)根據上市規則第13.51(2)條規定須予披露的獲提名候選人資料；及(4)獲提名候選人有關刊登其個人資料的同意書。

投資者關係

本公司之股東大會為股東及董事會提供了一個溝通平台。本公司董事將於本公司股東大會上回答問題，並提供股東可能問詢之資料。本公司繼續加強與投資者之溝通及關係。投資者查詢乃以充分數據及時作出處理。

本公司利用各種資源，與股東保持定期及適時之溝通，以確保股東充分獲悉本公司業務過程中之任何重要事項，並在知情情況下行使其當時作為股東之權利。如有任何查詢，投資者可直接致函本公司之香港註冊辦事處。

CORPORATE GOVERNANCE REPORT

企業管治報告

DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

The Board acknowledges that it is responsible for the preparation of financial statements of the Group and for ensuring that financial statements are prepared in accordance with statutory requirements and applicable accounting standards. The Board also ensures the timely publication of financial statements of the Group. The Directors confirm that, to the best of their knowledge, information and belief, having made all reasonable enquiries, they are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the external auditor of the Company, BDO Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 42 to 44 of this annual report.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, all the resolutions set out in the notice of the AGM will be voted by poll.

董事就編製財務報表所承擔之責任

董事會明白其負責編製本集團之財務報表，以確保本集團之財務報表之編製符合所有有關法規及適用會計準則之規定。董事會亦須確保本集團財務報表適時刊發。董事經作出一切合理查詢後確認，就彼等所知、所悉及所信，彼等並不知悉存在任何重大不確定因素而可能引致對本公司之持續經營能力造成重大疑慮之事件或情況。

本公司之外部核數師香港立信德豪會計師事務所有限公司就彼等對本集團財務報表之申報責任作出之聲明載於本年報第42頁至第44頁之獨立核數師報告書。

投票表決

根據上市規則第13.39(4)條，股東於股東大會上之任何表決均須以投票方式進行。因此，股東週年大會通告所載全部決議案均將以投票方式進行表決。

REPORT OF THE DIRECTORS

董事會報告書

The Directors present their report and the audited financial statements of Energy International Investments Holdings Limited and its subsidiaries (the "Group") for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. Its principal subsidiaries are engaged in the supply of heat and electricity and the oil production.

Details of the Company's principal subsidiaries at 31 December 2012 are set out in note 18 to the financial statements.

RESULTS AND DIVIDEND

The Group's loss for the year ended 31 December 2012 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 45 to 164. The Directors do not recommend the payment of any dividend in respect of the year.

董事會謹提呈能源國際投資控股有限公司及其附屬公司（「本集團」）截至二零一二年十二月三十一日止年度之董事會報告書及經審核財務報表。

主要業務

本公司之主要業務為投資控股。其主要附屬公司從事熱電供應及石油資源之開發及生產。

本公司於二零一二年十二月三十一日之主要附屬公司之詳情載於財務報表附註18。

業績及股息

本集團截至二零一二年十二月三十一日止年度之虧損，以及本公司與本集團於該日之財務狀況載於第45至第164頁之財務報表。董事會不建議派付本年度之任何股息。

REPORT OF THE DIRECTORS

董事會報告書

SUMMARY FINANCIAL INFORMATION

The following is a summary of the published consolidated results of the Group for the years ended 31 December 2008, 2009, 2010, 2011 and 2012, and the assets, liabilities and non-controlling interests of the Group as at each of the reporting date, prepared on the basis set out in the notes below.

RESULTS

財務資料概要

下文載有本集團截至二零零八年、二零零九年、二零一零年、二零一一年及二零一二年十二月三十一日止各年度之已刊登綜合業績以及本集團於各報告日期之資產、負債及非控股股東權益之概要，編製基準載於下文之附註。

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Revenue	收益	307,131	231,388	45,620	10,332	19,264
(Loss)/profit attributable to:	應佔(虧損)/溢利:					
Owners of the Company	本公司擁有人	(332,719)	(61,750)	184,887	(432,187)	(341,321)
Non-controlling interests	非控股股東權益	(910)	(3,640)	(1,847)	-	(7,161)
		(333,629)	(65,390)	183,040	(432,187)	(348,482)

REPORT OF THE DIRECTORS

董事會報告書

ASSETS, LIABILITIES AND NON-CONTROLLING INTERESTS

資產、負債及非控股股東權益

		At 31 December 於十二月三十一日				
		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元	2010 HK\$'000 二零一零年 千港元	2009 HK\$'000 二零零九年 千港元	2008 HK\$'000 二零零八年 千港元
Non-current assets	非流動資產	2,543,343	2,948,495	2,955,357	554,799	747,086
Current assets	流動資產	174,084	197,219	220,225	114,775	93,511
Total assets	資產總值	2,717,427	3,145,714	3,175,582	669,574	840,597
Current liabilities	流動負債	193,688	205,888	189,635	22,559	64,123
Non-current liabilities	非流動負債	557,655	674,006	693,680	19,279	192,695
Total liabilities	負債總額	751,343	879,894	883,315	41,838	256,818
Net assets	資產淨值	1,966,084	2,265,820	2,292,267	627,736	583,779
Non-controlling interests	非控股股東權益	155,780	150,547	142,332	–	1,288

PROPERTY, PLANT AND EQUIPMENT

物業、廠房及設備

Details of the movements in the property, plant and equipment of the Company and the Group during the year are set out in note 16 to the financial statements.

本公司及本集團物業、廠房及設備於年內之變動詳情載於財務報表附註16。

REPORT OF THE DIRECTORS

董事會報告書

SHARE CAPITAL

Details of the movements in the share capital during the year together with the reasons therefore, are set out in note 33 to the financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new Shares on a pro rata basis to existing Shareholders.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 34 to the financial statements and in the consolidated statement of changes in equity, respectively.

DISTRIBUTABLE RESERVES

Under the Companies Law (Revised) of the Cayman Islands, the Share premium account of the Company of approximately HK\$2,241 million as at 31 December 2012, is distributable to the Shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The Share premium account may also be distributed in the form of fully paid bonus Shares.

股本

年內，股本之變動詳情連同變動之理由載於財務報表附註33。

優先購買權

本公司之章程細則或本公司註冊成立之司法管轄權區開曼群島法例並無關於優先購買權之條文，使本公司須按比例向現有股東提呈發售新股。

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司於本年度並無購買、贖回或出售本公司任何上市證券。

儲備

年內，本公司及本集團之儲備變動詳情分別載於財務報表附註34及綜合權益變動表。

可供分派儲備

根據開曼群島公司法（經修訂），本公司於二零一二年十二月三十一日之股份溢價賬約為22.41億港元，乃可供分派予本公司股東，條件為於緊隨建議分派股息日期後，本公司將有能力償付日常業務過程中到期應付之債務。股份溢價賬亦可以繳足紅股方式分派。

REPORT OF THE DIRECTORS

董事會報告書

MAJOR CUSTOMERS AND SUPPLIERS

During the year, the sales to the Group's five largest customers accounted for approximately 92% of the Group's total sales for the year and sales to the largest customer included therein amounted to approximately 60%.

Purchases from the Group's five largest suppliers accounted for approximately 49% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 16%.

None of the Directors of the Company, any of their associates or Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued Share capital), had any beneficial interests in the Group's five largest customers and/or suppliers.

DIRECTORS

The Board members during the year and up to the date of this annual report were:

Executive Directors

Mr. Luo Nianru
Mr. Chan Kwok Wing
Mr. Wang Donghai
Ms. Wang Meiyun
Mr. Yang Guangming
Mr. Law Fei Shing (*Resigned on 1 January 2012*)

Independent Non-executive Directors

Mr. Choi Chi Fai
Mr. Wang Jinghua
Mr. Chan Wai Cheung Admiral (*appointed on 30 March 2012*)
Mr. Sun Tak Keung (*Resigned on 1 January 2012*)

主要客戶及供應商

年內，銷售予本集團五大客戶之數額佔本集團本年度總銷售額約92%，當中銷售予最大客戶之數額約佔60%。

本集團向五大供應商採購之數額佔本集團本年度總採購額約49%，當中向最大供應商採購之數額約佔16%。

本公司之董事、其各自之任何聯繫人或股東（據董事所知擁有本公司已發行股本逾5%者），概無於本集團五大客戶及／或供應商中擁有任何實質權益。

董事

年內及截至本年報日期，董事會成員如下：

執行董事

羅念如先生
陳國榮先生
王東海先生
王美艷女士
楊光明先生
羅輝城先生（於二零一二年一月一日辭任）

獨立非執行董事

蔡志輝先生
王靖華先生
陳偉璋先生（於二零一二年三月三十日獲委任）
辛德強先生（於二零一二年一月一日辭任）

REPORT OF THE DIRECTORS

董事會報告書

In accordance with Article 108(A) of the Company's Articles of Association, Mr. Wang Donghai, Ms. Wang Meiyuan and Mr. Yang Guangming will retire by rotation at the forthcoming AGM. Mr. Wang Donghai, Ms. Wang Meiyuan and Mr. Yang Guangming will offer themselves for re-election as Director.

BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical details of the Directors of the Company are set out on pages 13 to 15 of the annual report.

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

根據本公司章程細則第108(A)條，王東海先生、王美艷女士及楊光明先生將於即將舉行之股東週年大會上輪值告退。王東海先生、王美艷女士及楊光明先生願膺選連任董事。

董事履歷詳情

本公司董事履歷詳情載於本年報第13頁至第15頁。

董事之服務合約

被提名於即將舉行之股東週年大會上重選之董事，概無與本公司訂立任何本公司不能於一年內免付賠償（法定賠償除外）而予以終止之服務合約。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed elsewhere in this annual report, no Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year.

MANAGEMENT CONTRACTS

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

PENSION SCHEME ARRANGEMENT

Particulars of the pension scheme arrangements are set out in note 3(v) to the financial statements.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURE

As at 31 December 2012, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required to be entered in the register referred to therein pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

董事之合約權益

除本年報其他部分所披露者外，董事概無於本公司或其任何附屬公司於年內訂立而與本集團業務有重大關係之任何合約中直接或間接擁有重大實質權益。

管理合約

年內並無訂立或存在有關本公司整體或任何重大部分業務之管理及行政合約。

退休金計劃安排

退休金計劃安排之詳情載於財務報表附註3(v)。

董事於股份、相關股份及債券之權益及淡倉

於二零一二年十二月三十一日，本公司董事及主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有任何已根據證券及期貨條例第XV部第7及8分部通知本公司及聯交所，或須根據證券及期貨條例第352條規定於該規定所指之登記冊記錄，或須根據上市規則附錄十所載之標準守則通知本公司及聯交所之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告書

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the year were rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company granted to any Director or their respective spouse or children under 18 years of age, or were any such rights exercised by them; or was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2012, so far as is known to the Directors or chief executives of the Company, the following person other than a Director or chief executive of the Company had an interest or a short position in the Shares and underlying Shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

董事購入股份或債券之權利

於年內任何時間，任何董事或其配偶或未滿18歲之子女概無獲授可藉購入本公司之股份或債券而獲益之權利，亦無行使有關權利；或本公司或其任何附屬公司亦無訂立任何安排，致使董事可收購任何其他法人團體之上述權利。

主要股東於本公司股份及相關股份之權益及淡倉

於二零一二年十二月三十一日，就本公司董事或主要行政人員所知，除本公司董事或主要行政人員外，以下人士於本公司股份及相關股份中擁有本公司根據證券及期貨條例第336條須予備存之登記冊中記錄之權益或淡倉：

Name of Shareholders 股東姓名		Interest in Shares 股份權益		Interests in underlying Shares 於相關股份之權益			Approximate percentage [#] 概約百分比 [#]	Notes 附註
		Personal Interests* 個人權益*	Corporate Interest* 公司權益*	Personal Interests* 個人權益*	Corporate Interest* 公司權益*	Aggregate interest 總權益		
Mr. Liu Ran	劉然先生	-	4,478,000,000	-	9,222,000,000	13,700,000,000	78.43%	1
Giant Crystal Limited	鉅晶有限公司	4,478,000,000	-	9,222,000,000	-	13,700,000,000	78.43%	1
Mr. Chim Pui Chung	詹培忠先生	-	2,375,498,386	-	-	2,375,498,386	13.60%	2
Golden Mount Ltd.	Golden Mount Ltd.	2,375,498,386	-	-	-	2,375,498,386	13.60%	2

* Beneficial owner

* 實質擁有人

+ Interests of controlled corporation(s)

+ 受控制法團權益

Percentage which the aggregate long position in the Shares or underlying Shares represents to the issued share capital of the Company of 17,468,492,126 shares as at 31 December 2012

於股份或相關股份之好倉總額佔本公司於二零一二年十二月三十一日之已發行股本17,468,492,126股股份之百分比

REPORT OF THE DIRECTORS

董事會報告書

Notes:

1. Giant Crystal Limited is a company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which is legally and beneficially owned by Mr. Liu Ran. Mr. Liu Ran therefore deemed to be interested in 4,478,000,000 shares and 9,222,000,000 underlying shares held by Giant Crystal Limited.

9,222,000,000 underlying Shares consist of shares to be issued upon the conversion of (i) the outstanding Tranche 1 Bonds (as defined in the circular of the Company dated 11 October 2010) (which, based on the conversion price of HK\$0.08 per Share, can be converted into 2,636,000,000 Shares); and (ii) the Tranche 2 Bonds (as defined in the circular of the Company dated 11 October 2010) (which, based on the conversion price of HK\$0.08 per Share, can be converted into 6,586,000,000 Shares). However, the Tranche 2 Bonds has not been issued. Please refer to the Company's circular dated 11 October 2010 for details of the principal terms of the Tranche 1 Bonds and the Tranche 2 Bonds.

2. Golden Mount Ltd. is a company incorporated under the laws of the British Virgin Islands, the entire issued share capital of which is legally and beneficially owned by Mr. Chim Pui Chung. Mr. Chim Pui Chung therefore deemed to be interested in 2,375,498,386 shares held by Golden Mount Ltd..
3. The Tranche 2 Bonds and Tranche 4 Bonds have not been issued. Please refer to the Company's circulars dated 15 October 2007 and 6 June 2008 for details of the principal terms of the Tranche 2 Bonds and Tranche 4 Bonds respectively.

附註:

1. 鉅晶有限公司為一間根據英屬處女群島法律註冊成立之公司，其全部已發行股本由劉燃先生合法實質擁有。因此，劉燃先生被視為擁有鉅晶有限公司所持有之4,478,000,000股股份及9,222,000,000股相關股份之權益。

該9,222,000,000股相關股份包括於轉換下列債券時發行之股份：(i)尚未行使之第一批債券（定義見本公司日期為二零一零年十月十一日之通函）（按轉換價每股0.08港元計算，可兌換為2,636,000,000股股份）；及(ii)第二批債券（定義見本公司日期為二零一零年十月十一日之通函）（按轉換價每股0.08港元計算，可兌換為6,586,000,000股股份）。然而，第二批債券尚未發行。有關第一批債券及第二批債券之主要條款之詳情，請參閱本公司日期為二零一零年十月十一日之通函。

2. Golden Mount Ltd. 為一間根據英屬處女群島法律註冊成立之公司，其全部已發行股本由詹培忠先生合法實益擁有。因此，詹培忠先生被視為擁有Golden Mount Ltd.所持有之2,375,498,386股股份之權益。
3. 第二批債券及第四批債券尚未發行。有關第二批債券及第四批債券之主要條款之詳情，請參閱本公司日期分別為二零零七年十月十五日及二零零八年六月六日之通函。

REPORT OF THE DIRECTORS

董事會報告書

As disclosed in the Company's announcements dated 26 August and 27 August 2010 respectively and the Company's 2010 interim report, the Board, to its astonishment, found out that as from 31 January 2010 the exploration licence held by QHFSMI, an indirect wholly-owned subsidiary of the Company incorporated in the PRC, had been transferred to a company known as 內蒙古小紅山源森礦業有限公司 (in English, for identification purpose only, Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited) ("Yuen Xian Company") without the Company's knowledge, consent or approval. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, Yuen Xian Company is wholly-owned by Ms. Leung Lai Ching Margaret through a company known as Yuenxian Mining Industry Holding Company Limited. However, according to the terms and conditions of the Tranche 2 Bonds and Tranche 4 Bonds, the Tranche 2 Bonds and Tranche 4 Bonds will only be issued if the Mining Licence has been received by the Group. The Company is seeking legal advice from its legal advisers on whether the Company still has any obligation to issue the Tranche 2 Bonds and Tranche 4 Bonds to Ms. Leung Lai Ching Margaret in light of the present situation, in particular, in these circumstances where Ms. Leung Lai Ching Margaret has transferred the Group's exploration licence to her own company without the Company's knowledge, consent or approval.

All the interests stated above represent long positions in the ordinary Shares of the Company. As at 31 December 2010, no short positions were recorded in the register maintained by the Company under section 336 of the SFO.

Save as disclosed above, as far as the Directors are aware, no other person had an interest or short position in the Company's shares or underlying shares which would fall to be disclosed to the Company under the provisions of the Divisions 2 and 3 of Part XV of the SFO, or which was recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

如本公司日期分別為二零一零年八月二十六日及八月二十七日之公佈及本公司二零一零年中期報告所披露，董事會驚訝發現，由本公司之間接全資附屬公司青海森源（於中國註冊成立）持有之勘探牌照已自二零一零年一月三十一日起轉讓予名為內蒙古小紅山源森礦業有限公司（英文名稱為Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited，僅供識別）之公司（「源森公司」），而本公司並不知悉、同意或批准。董事經作出一切合理查詢後所知、所悉及所信，源森公司由梁儷瀨女士透過一間名為「源森礦業控股有限公司」之公司全資擁有。然而，根據第二批債券及第四批債券之條款及條件，第二批債券及第四批債券僅在本集團收到開採牌照之情況下才會發行。本公司現正向其法律顧問尋求法律意見，以確定在現時情況下本公司是否仍有責任向梁儷瀨女士發行第二批債券及第四批債券，特別是梁儷瀨女士在本公司並不知悉、同意或批准之情況下已將本集團之勘探牌照轉讓予其本身之公司。

上述所有權益代表於本公司普通股之好倉。於二零一零年十二月三十一日，於本公司根據證券及期貨條例第336條存置之登記冊中並無淡倉之記錄。

除以上所披露者外，就董事所知，概無其他人士於本公司之股份或相關股份中擁有須根據證券及期貨條例第XV部第2及3分部之條文向本公司披露或須記錄於本公司根據證券及期貨條例第336條存置之登記冊中之權益或淡倉。

REPORT OF THE DIRECTORS

董事會報告書

SHARE OPTION SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants of the Scheme include the Company’s Directors, independent non-executive Directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any person or entity that provides research, development or other technological support to the Group and any minority Shareholder in the Company’s subsidiaries. The Scheme was adopted on 6 June 2002 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Scheme was expired on 6 June 2012. There was no options which remain outstanding and unexercised as at the date of this annual report.

購股權計劃

本公司設有購股權計劃（「該計劃」）藉此獎勵及回饋對本集團營運業績有寶貴貢獻之合資格參與者。該計劃之合資格參與者包括本公司之董事、獨立非執行董事、本集團之其他僱員、本集團之貨品或服務供應商、本集團之顧客、向本集團提供研究、發展或其他技術支援服務之任何人士或實體及本公司附屬公司之任何少數股東。該計劃於二零零二年六月六日採納，除非另行取消或修訂，否則由該日期起計十年將一直有效。該計劃於二零一二年六月六日屆滿。於本年報日期，概無未授出及未行使之購股權。

REPORT OF THE DIRECTORS

董事會報告書

CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

On 5 December 2012, Shanxi Zhong Kai Group Lingshi, a non wholly-owned subsidiary of the Company, entered into a master agreement with Shanxi Zhongkai Industry Group Company Limited (“**Zhongkai Group**”), whereby Shanxi Zhong Kai Group Lingshi will supply and Zhongkai Group and its subsidiaries will purchase such amount of electricity generated by Shanxi Zhong Kai Group Lingshi for a term of approximately 36 months, expiring on 31 December 2015. Details of the continuing connected transactions are as stated in the Company’s announcement dated 5 December 2012 and the Company’s circular dated 17 December 2012.

CONTINUING CONNECTED TRANSACTIONS

During the year, the Group entered into the following transactions with subsidiaries of Zhongkai Group, which constituted continuing connected transactions under the Listing Rules. Details of such transactions are as follows:

Nature of transactions	交易性質	Amount HK\$'000 金額 千港元
Sale of electricity by the Group	本集團銷售電力	21,555

Zhongkai Group, as a non-controlling shareholder of Shanxi Zhong Kai Group Lingshi, is a connected person under the Listing Rules.

Save as disclosed therein, there were no transactions required to be disclosed as connected transactions in accordance with the requirements of the Listing Rules.

The continuing connected transactions have been subject to annual review by the Independent Non-executive Directors of the Company pursuant to Rule 14A.37 of the Listing Rules and confirmation of the auditor of the Company pursuant to Rule 14A.38 of the Listing Rules.

關連及持續關連交易

於二零一二年十二月五日，本公司之非全資附屬公司山西中凱集團靈石與山西中凱實業集團有限公司（「**中凱實業集團**」）訂立一份總協議，據此，山西中凱集團靈石將供應而中凱實業集團及其附屬公司將購買山西中凱集團靈石所生產之有關數量之電力，該協議期限約為三十六個月，於二零一五年十二月三十一日到期。持續關連交易之詳情載於本公司日期為二零一二年十二月五日之公佈及本公司日期為二零一二年十二月十七日之通函內。

持續關連交易

於本年度，本集團與中凱實業集團之附屬公司有以下交易，其構成上市規則項下之持續關連交易。該等交易詳情如下：

根據上市規則，山西中凱集團靈石之非控股股東中凱實業集團為關連人士。

除上述所披露者外，概無根據上市規則之規定須予披露之關連交易。

根據上市規則第14A.37條，持續關連交易須由本公司之獨立非執行董事每年進行審閱，而根據上市規則第14A.38條，須獲本公司核數師之確認。

REPORT OF THE DIRECTORS

董事會報告書

In respect of the financial year ended 31 December 2012, the Independent Non-executive Directors of the Company have concluded that the continuing connected transaction has been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and
- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Board has engaged the auditor of the Company to perform certain agreed-upon procedures on the aforesaid continuing connected transactions. Based on the work performed, the auditor has issued a confirmation letter to the Board in accordance with Rule 14A.38 of the Listing Rules.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year and up to the date of this report, no Directors are considered to have an interest in a business which competes or is likely to compete, either directly or indirectly, with the business of the Group, as defined by the Listing Rules, other than those businesses of which the Directors have been appointed as Directors to represent the interests of the Company and/or the Group.

CORPORATE GOVERNANCE

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on pages 16 to 27 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the Listing Rules during the year ended 31 December 2012.

就截至二零一二年十二月三十一日止財政年度，本公司之獨立非執行董事認為，持續關連交易已：

- 於本公司之日常一般業務過程中訂立；
- 按一般商業條款訂立，或如無相類交易足以判斷是否為一般商業條款，則按不遜於本公司向獨立第三方提供或由獨立第三方（如適用）提供予本公司之條款訂立；及
- 根據有關交易之相關協議按公平合理且符合本公司及股東整體利益之條款訂立。

董事會已委任本公司核數師就上述持續關連交易執行若干議定程序。基於所執行之工作，核數師已根據上市規則第14A.38條向董事會出具確認書。

董事於競爭業務之權益

年內及直至本報告日期，概無董事被視為於與本集團業務直接或間接構成競爭或可能構成競爭之業務內擁有權益（有關競爭之定義見上市規則），惟董事獲委任出任董事以代表本公司及／或本集團之權益之業務則除外。

企業管治

本公司之企業管治常規詳情載於本年報第16頁至第27頁之企業管治報告中。

足夠公眾持股量

根據本公司可取得之公開資料及就董事所知，董事確認截至二零一二年十二月三十一日止年度，本公司維持上市規則所規定之足夠公眾持股量。

REPORT OF THE DIRECTORS

董事會報告書

LITIGATIONS

Details of the litigations of the Group are set out in note 42 to the financial statements.

AUDIT COMMITTEE

The audit committee of the Company has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the audited financial statements of the Company for the year ended 31 December 2012. The audit committee comprises three independent non-executive directors of the Company. During the year, two regular meetings of the audit committee have been held.

AUDITOR

The financial statements in respect of the year ended 31 December 2009 were audited by Grant Thornton (“GTHK”), now known as JBPB & Co. Due to a merger of the businesses of GTHK and BDO Limited (“BDO”) to practise in the name of BDO as announced on 26 November 2010, GTHK resigned and BDO was appointed as auditor of the Company effective from 29 November 2010. The financial statements for the years ended 31 December 2010, 2011 and 2012 were audited by BDO.

A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO as auditor of the Company.

On behalf of the Board

Wang Meiyun

Executive Director

Hong Kong, 28 March 2013

訴訟

本集團之訴訟之詳情載於財務報表附註42。

審核委員會

本公司之審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並就內部監控及財務報告事宜進行討論，包括審閱本公司截至二零一二年十二月三十一日止年度之經審核財務報表。審核委員會成員包括本公司三名獨立非執行董事。於本年度，審核委員會已舉行兩次定期會議。

核數師

截至二零零九年十二月三十一日止年度之財務報表已經由均富會計師行（「均富香港」，現稱為莊栢會計師行）審核。由於均富香港與香港立信德豪會計師事務所有限公司（「香港立信德豪」）業務合併，並以香港立信德豪之名義從事業務（如二零一零年十一月二十六日所公佈），均富香港辭任，而香港立信德豪獲委任為本公司之核數師，自二零一零年十一月二十九日起生效。截至二零一零年、二零一一年及二零一二年十二月三十一日止年度之財務報表由香港立信德豪審核。

本公司將於即將舉行之股東週年大會上提呈一項決議案，以重新委任香港立信德豪為本公司之核數師。

代表董事會

執行董事

王美艷

香港，二零一三年三月二十八日

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



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**To the shareholders of
Energy International Investments Holdings Limited**
(incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of Energy International Investments Holdings Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 45 to 164, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, 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 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 preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

致Energy International Investments Holdings Limited

能源國際投資控股有限公司
(於開曼群島註冊成立之有限公司)
全體股東

本核數師(以下簡稱「吾等」)已審核列載於第45頁至164頁能源國際投資控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表,該等報表已包括於二零一二年十二月三十一日之綜合及公司財務狀況表與截至該日止年度之綜合損益表、綜合全面收入表、綜合權益變動表及綜合現金流量表,以及重大會計政策概述及其他解釋資料。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製真實及公平之綜合財務報表,並負責執行董事認為必要之內部監控,確保綜合財務報表之編製並無由於欺詐或錯誤而導致之重大錯誤陳述。

BDO Limited
香港立信德豪會計師事務所有限公司

BDO Limited, a Hong Kong limited company, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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 judgement, 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 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.

核數師之責任

吾等之責任為根據吾等之審核對該等財務報表作出意見。本報告根據吾等之委聘條款僅向作為整體之股東報告，除此之外，本報告不可用作其他用途。吾等不會就本報告之內容對任何其他人士負責或承擔任何責任。

吾等已根據香港會計師公會頒佈之香港審計準則進行審核。該等準則要求吾等遵守道德規範，並規劃及執行審核，以合理確定該等綜合財務報表是否不存有任何重大錯誤陳述。

審核涉及執程序以獲取有關綜合財務報表所載金額及披露資料之審核憑證。所選定之程序取決於核數師之判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述之風險。在評估該等風險時，核數師考慮與該公司編製真實及公平之綜合財務報表相關之內部監控，以按情況設計適當之審核程序，但並非對公司之內部監控效能發表意見。審核亦包括評價董事所採用之會計政策之合適性及所作出之會計估計之合理性，以及評價綜合財務報表之整體列報方式。

吾等相信，吾等所獲得之審核憑證乃充足及適當，地為吾等之審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告書



Opinion

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012 and of the Group's loss 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.

Emphasis of matter

Without qualifying our opinion, we draw your attention to note 3(a)(i) to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared. As at 31 December 2012, the Group had net current liabilities of approximately HK\$19,604,000 and the Group also incurred a loss of approximately HK\$333,629,000 for the year then ended. The Company also had net current liabilities of approximately HK\$62,000 as at 31 December 2012. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as a going concern.

BDO Limited

Certified Public Accountants

Au Yiu Kwan

Practising Certificate Number P05018

Hong Kong, 28 March 2013

意見

吾等認為，綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及 貴集團於二零一二年十二月三十一日之財務狀況以及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥為編製。

強調事項

我們並無發出保留意見，惟謹請閣下垂注綜合財務報表附註3(a)(i)，當中提及綜合財務報表採納持續經營基礎編製。於二零一二年十二月三十一日，貴集團之流動負債淨值約為19,604,000港元，而貴集團亦於截至該日止年度錄得虧損約為333,629,000港元。於二零一二年十二月三十一日，貴公司亦有流動負債淨值約為62,000港元。該等情況反映存在重大不明朗因素，或會對貴集團及貴公司持續經營之能力產生重大質疑。

香港立信德豪會計師事務所有限公司

執業會計師

歐耀均先生

執業證書編號P05018

香港，二零一三年三月二十八日

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Continuing operations:			
Revenue	5	307,131	231,388
Cost of sales		(263,235)	(203,160)
Gross profit		43,896	28,228
Other income	5	57,889	53,180
Selling and distribution expenses		(9,393)	(7,352)
Administrative expenses		(31,356)	(29,819)
Other operating expenses		(23,807)	(32,281)
Impairment loss of goodwill	19	(68,385)	(64,674)
Impairment loss of intangible assets	20	(323,367)	–
Impairment loss of property, plant and equipment	16(a)	(48,939)	–
Finance costs	7	(13,427)	(13,096)
Loss before income tax	8	(416,889)	(65,814)
Income tax credit	9	83,260	1,881
Loss for the year from continuing operations		(333,629)	(63,933)
Discontinued operations:			
Loss for the year from discontinued operations	11	–	(1,457)
Loss for the year		(333,629)	(65,390)
Loss for the year attributable to:			
Owners of the Company	12		
– from continuing operations		(332,719)	(60,293)
– from discontinued operations		–	(1,457)
		(332,719)	(61,750)
Non-controlling interests			
– from continuing operations		(910)	(3,640)
– from discontinued operations		–	–
		(910)	(3,640)
Loss for the year		(333,629)	(65,390)

CONSOLIDATED INCOME STATEMENT

綜合損益表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Loss per share for loss attributable to the owners of the Company during the year			
年內本公司擁有人應佔虧損之每股虧損			
– Basic	– 基本		
From continuing and discontinued operations	持續經營業務及已終止經營業務	(HK cent 1.2港仙)	(HK cent 0.3港仙)
From continuing operations	持續經營業務	(HK cent 1.2港仙)	(HK cent 0.3港仙)
From discontinued operations	已終止經營業務	N/A 不適用	–
– Diluted	– 攤薄		
From continuing and discontinued operations	持續經營業務及已終止經營業務	N/A 不適用	N/A 不適用
From continuing operations	持續經營業務	N/A 不適用	N/A 不適用
From discontinued operations	已終止經營業務	N/A 不適用	N/A 不適用

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收入表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Loss for the year	本年度虧損	(333,629)	(65,390)
Other comprehensive income	其他全面收入		
Exchange gains on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌收益	4,006	13,795
Other comprehensive income for the year	本年度其他全面收入	4,006	13,795
Total comprehensive income for the year	本年度全面收入總額	(329,623)	(51,595)
Total comprehensive income attributable to:	應佔全面收入總額：		
Owners of the Company	本公司擁有人	(329,936)	(52,815)
Non-controlling interests	非控股股東權益	313	1,220
		(329,623)	(51,595)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

	Notes	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
	附註		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	16(a)	608,819	604,657
Prepaid land lease payments	17	29,436	29,876
Goodwill	19	141,243	209,628
Intangible assets	20	1,749,712	2,096,843
Deferred tax assets	32	14,133	7,491
		2,543,343	2,948,495
Current assets			
Indemnification assets	42(b)	–	14,040
Inventories	21	5,224	15,570
Trade receivables	22	52,564	31,326
Prepayments, deposits and other receivables	23	45,256	37,982
Pledged bank deposits	24	995	976
Cash at banks and in hand	24	70,045	97,325
		174,084	197,219
Current liabilities			
Trade payables	25	20,479	12,017
Other payables and accruals	26	125,309	147,230
Amounts due to non-controlling shareholder	27	–	4,074
Provision for legal claim	42(b)	–	14,040
Bank borrowings	28	–	12,200
Other borrowings	29	37,514	2,196
Convertible bonds	31	394	14,129
Tax payables		9,992	2
		193,688	205,888
Net current liabilities		(19,604)	(8,669)
Total assets less current liabilities		2,523,739	2,939,826
Non-current liabilities			
Amounts due to non-controlling shareholder	27	4,652	8,401
Other borrowings	29	116,686	113,652
Promissory notes	30	–	28,707
Convertible bonds	31	–	355
Deferred tax liabilities	32	436,317	522,891
		557,655	674,006
Net assets		1,966,084	2,265,820

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

		Notes	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
		附註		
EQUITY	權益			
Equity attributable to the owners of the Company	本公司擁有人應佔權益			
Share capital	股本	33	174,685	134,827
Reserves	儲備	34(a)	1,635,619	1,980,446
			1,810,304	2,115,273
Non-controlling interests	非控股股東權益		155,780	150,547
Total equity	總權益		1,966,084	2,265,820

Luo Nianru
羅念如
Director
董事

Wang Meiyun
王美艷
Director
董事

STATEMENT OF FINANCIAL POSITION

財務狀況表

As at 31 December 2012 於二零一二年十二月三十一日

		Notes	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
		附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	16(b)	15	6
Interests in subsidiaries	於附屬公司之權益	18	1,591,645	1,600,089
			1,591,660	1,600,095
Current assets	流動資產			
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	23	963	956
Cash at banks and in hand	銀行結存及手頭現金	24	1,408	4,788
			2,371	5,744
Current liabilities	流動負債			
Other payables and accruals	其他應付款項及應計款項	26	2,039	922
Convertible bonds	可換股債券	31	394	14,129
			2,433	15,051
Net current liabilities	流動負債淨值		(62)	(9,307)
Total assets less current liabilities	資產總值減流動負債		1,591,598	1,590,788
Non-current liabilities	非流動負債			
Amounts due to a subsidiary	應付一間附屬公司款項	18	26,929	23,696
Convertible bonds	可換股債券	31	–	355
			26,929	24,051
Net assets	資產淨值		1,564,669	1,566,737
EQUITY	權益			
Share capital	股本	33	174,685	134,827
Reserves	儲備	34(b)	1,389,984	1,431,910
Total equity	總權益		1,564,669	1,566,737

Luo Nianru
羅念如
Director
董事

Wang Meiyun
王美艷
Director
董事

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Equity attributable to the owners of the Company 本公司擁有人應佔權益							Non-controlling interests 非控股股東權益 千港元	Total equity 總權益 千港元
		Share capital HKS'000 股本 千港元	*Share premium HKS'000 *股份溢價 千港元	*Capital reserve HKS'000 *資本儲備 千港元	*Exchange reserve HKS'000 *匯兌儲備 千港元	*Convertible bond equity reserve HKS'000 *可換股債券權益儲備 千港元	*Accumulated losses HKS'000 *累計虧損 千港元	Total HKS'000 總計 千港元		
At 1 January 2011	於二零一一年一月一日	134,626	2,037,769	137,610	6,332	700,074	(866,476)	2,149,935	142,332	2,292,267
Bank and other borrowings assigned to non-controlling shareholder unconditionally (note 34(a))	非控股股東無條件承擔的銀行及其他借款(附註34(a))	-	-	9,443	-	-	-	9,443	6,295	15,738
Gain on extinguishment on loan from non-controlling shareholder (note 27)	註銷非控股股東貸款之收益(附註27)	-	-	1,051	-	-	-	1,051	700	1,751
Issue of shares upon conversion of convertible bonds (note 33)	於兌換可換股債券時發行股份(附註33)	201	12,811	-	-	(5,353)	-	7,659	-	7,659
Transactions with owners	與擁有人之交易	201	12,811	10,494	-	(5,353)	-	18,153	6,995	25,148
Loss for the year	本年度虧損	-	-	-	-	-	(61,750)	(61,750)	(3,640)	(65,390)
Other comprehensive income	其他全面收入									
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌收益	-	-	-	8,935	-	-	8,935	4,860	13,795
Total comprehensive income for the year	本年度全面收入總額	-	-	-	8,935	-	(61,750)	(52,815)	1,220	(51,595)
At 31 December 2011	於二零一一年十二月三十一日	134,827	2,050,580	148,104	15,267	694,721	(928,226)	2,115,273	150,547	2,265,820
At 1 January 2012	於二零一二年一月一日	134,827	2,050,580	148,104	15,267	694,721	(928,226)	2,115,273	150,547	2,265,820
Bank borrowings assigned to non-controlling shareholder unconditionally (note 34(a))	非控股股東無條件承擔的銀行及其他借款(附註34(a))	-	-	7,380	-	-	-	7,380	4,920	12,300
Gain on extinguishment on loan from shareholder (note 34(a))	註銷股東貸款之收益(附註34(a))	-	-	2,299	-	-	-	2,299	-	2,299
Issue of shares upon conversion of convertible bonds (note 33)	於兌換可換股債券時發行股份(附註33)	39,858	190,433	-	-	(215,003)	-	15,288	-	15,288
Transactions with owners	與擁有人之交易	39,858	190,433	9,679	-	(215,003)	-	24,967	4,920	29,887
Loss for the year	本年度虧損	-	-	-	-	-	(332,719)	(332,719)	(910)	(333,629)
Other comprehensive income	其他全面收入									
Exchange gain on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌收益	-	-	-	2,783	-	-	2,783	1,223	4,006
Total comprehensive income for the year	本年度全面收入總額	-	-	-	2,783	-	(332,719)	(329,936)	313	(329,623)
At 31 December 2012	於二零一二年十二月三十一日	174,685	2,241,013	157,783	18,050	479,718	(1,260,945)	1,810,304	155,780	1,966,084

* The total of these reserves amounts to HK\$1,635,619,000 (2011: HK\$1,980,446,000).

* 該等儲備合共1,635,619,000港元(二零一一年: 1,980,446,000港元)。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Cash flows from operating activities of continuing and discontinued operations	持續經營業務及已終止經營業務之經營業務現金流量		
Loss before income tax	除所得稅前虧損		
Continuing operations	持續經營業務	(416,889)	(65,814)
Discontinued operations	已終止經營業務	-	(1,457)
		(416,889)	(67,271)
Adjustments for:	就下列項目作出調整：		
Depreciation	折舊	54,256	47,656
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	679	668
Amortisation of intangible assets	無形資產攤銷	23,807	32,281
Impairment loss of goodwill	商譽減值虧損	68,385	64,674
Impairment loss of intangible assets	無形資產減值虧損	323,367	-
Impairment loss of property, plant and equipment	物業、廠房及設備減值虧損	48,939	-
Gain on disposals of property, plant and equipment	出售物業、廠房及設備收益	(57)	(360)
Gain on extinguishment of non-current borrowings	抵銷非流動借款之收益	(3,004)	(12,198)
Interest income	利息收入	(347)	(352)
Interest expenses	利息開支	13,427	13,096
Operating profit before working capital changes	營運資金變動前之經營溢利	112,563	78,194
Decrease/(increase) in inventories	存貨之減少/(增加)	10,474	(10,610)
Increase in trade receivables	應收貿易賬項之增加	(20,875)	(14,153)
(Increase)/decrease in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之(增加)/減少	(16,973)	3,918
Increase/(decrease) in trade payables	應付貿易賬項之增加/(減少)	8,600	(7,463)
(Decrease)/increase in other payables and accruals	其他應付款項及應計款項(減少)/增加	(24,227)	17,209
<i>Cash generated from operations</i>	來自營運之現金	69,562	67,095
Interest paid	已付利息	(1,118)	(6,011)
Income tax paid	已付所得稅	-	(185)
<i>Net cash generated from operating activities</i>	經營業務所得之現金淨額	68,444	60,899

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Cash flow from investing activities of continuing and discontinued operations	持續經營業務及已終止經營業務之投資業務現金流量		
Purchases of property, plant and equipment	購置物業、廠房及設備	(103,136)	(123,882)
Proceeds from disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	-	1,131
Interest received	已收利息	347	352
<i>Net cash used in investing activities</i>	<i>用於投資業務之現金淨額</i>	(102,789)	(122,399)
Cash flow from financing activities of continuing and discontinued operations	持續經營業務及已終止經營業務之融資活動現金流量		
Repayments of promissory notes	償還本票	-	(20,000)
New other borrowings	新其他借款	15,131	36,533
Repayments of other borrowings	償還其他借款	-	(12,199)
Repayments (to)/from non-controlling shareholder	(向)/來自非控股股東還款	(8,137)	7,958
<i>Net cash generated from financing activities</i>	<i>來自融資活動之現金淨額</i>	6,994	12,292
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	(27,351)	(49,208)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	97,325	146,135
Effect on foreign exchange rate changes	匯率變動之影響	71	398
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	70,045	97,325

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

1. GENERAL INFORMATION

Energy International Investments Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in the Cayman Islands. Registered office of the Company is Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, British West Indies and its principal place of business is Unit 1508, 15th Floor, The Center, 99 Queen's Road Central, Hong Kong. The Company's shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

During the year, the principal activities of the Company and its subsidiaries (together referred to as the "Group") include:

- the supply of electricity and heat representing the business of generation and supplying of electricity and heat; and
- the oil production representing the business of oil production.

For the year ended 31 December 2011, trading of carpet business was ceased as this business had suffered persistent losses and management of the Company considered that there was insignificant contribution to the Group. This business segment had been presented as discontinued operations in accordance with Hong Kong Financial Reporting Standard ("HKFRS") 5 for the year ended 31 December 2011.

There were no significant changes in the Group's operations during the year. The Group's principal places of the business are in Hong Kong and the People's Republic of China (the "PRC"). The principal activities and other particulars of its subsidiaries are set out in note 18 to the financial statements.

1. 一般資料

能源國際投資控股有限公司(「本公司」)為一間於開曼群島註冊成立並以開曼群島為居籍之有限責任公司。本公司之註冊辦事處位於Century Yard, Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands, British West Indies。而主要營業地點則為香港皇后大道中99號中環中心15樓1508室。本公司之股份於香港聯合交易所有限公司(「聯交所」)上市。

於本年度，本公司及其附屬公司(統稱「本集團」)之主要業務包括：

- 熱電供應，指熱電生產及供應業務；及
- 產油，指產油業務。

截至二零一一年十二月三十一日止年度，地毯買賣業務已終止，此乃由於此業務一直錄得虧損，本公司管理層認為其無法為本集團作出貢獻。截至二零一一年十二月三十一日止年度，此業務分部根據香港財務報告準則(「香港財務報告準則」)第5號呈列為已終止經營業務。

本集團業務於年內並無重大變動。本集團之主要營業地點位於香港及中華人民共和國(「中國」)。其附屬公司之主要業務及其他詳情載於財務報表附註18。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

1. GENERAL INFORMATION (Continued)

The financial statements on pages 45 to 164 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual HKFRS, Hong Kong Accounting Standards (“HKAS”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The financial statements are presented in Hong Kong dollars (“HK\$”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“HK\$’000”) unless otherwise stated.

The financial statements for the year ended 31 December 2012 were approved for issue by the board of directors on 28 March 2013.

2. ADOPTION OF NEW/REVISED HKFRSs

In the current year, the Group has applied for the first time the following amendments issued by the HKICPA, which are relevant to and effective for the financial statements for the annual period beginning on 1 January 2012:

Amendments to HKFRS 7	Disclosures – Transfer of Financial Assets
Amendments to HKAS 12	Deferred Tax – Recovery of Underlying Assets

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

1. 一般資料 (續)

載於第45至164頁之財務報表乃根據香港會計師公會(「香港會計師公會」)所頒佈之香港財務報告準則(「香港財務報告準則」, 該統稱涵蓋所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋編製。財務報表亦包括香港公司條例及聯交所證券上市規則(「上市規則」)之適用披露規定。

財務報表以本公司之功能貨幣港元(「港元」)呈列, 除另有指明外, 所有金額均概約至最接近之千位數字(「千港元」)。

截至二零一二年十二月三十一日止年度之財務報表已於二零一三年三月二十八日經董事會核准發佈。

2. 採納新訂／經修訂香港財務報告準則

於本年度, 本集團首次應用下列由香港會計師公會頒佈之修訂, 該等修訂與於二零一二年一月一日起開始之年度期間之財務報表有關, 並對該等財務報表有效:

香港財務報告準則第7號(修訂本)	披露—轉讓金融資產
香港會計準則第12號(修訂本)	遞延稅項—收回相關資產

採納此等香港財務報告準則不會對本集團財務報表造成重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HKFRSs (Continued)

At the date of authorisation of these financial statements, certain new and revised HKFRSs have been published but are not yet effective, and have not been adopted early by the Group.

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new and amended HKFRSs that are expected to have impact on the Group's accounting policies is provided below. Certain other new and amended HKFRSs have been issued but are not expected to have a material impact of the Group's financial statements.

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The standard is effective for accounting periods beginning on or after 1 July 2012. The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

2. 採納新訂／經修訂香港財務報告準則 (續)

於本財務報表授權日，若干新訂及經修訂香港財務報告準則已刊載但未生效，且本集團並無提早採納。

本公司董事預測，本集團會計政策將於聲明生效日期後第一個期間開始採納所有聲明。預期將會對本集團會計政策構成影響之新訂及經修訂香港財務報告準則之資料在下文載述。若干其他新訂及經修訂香港財務報告準則已經頒佈，但預期不會對本集團財務報表構成重大影響。

香港會計準則第1號之修訂本 (經修訂) – 其他全面收益項目 之呈列

該準則自二零一二年七月一日或以後開始之會計期間生效。香港會計準則第1號之修訂本(經修訂)規定本集團將呈列於其他全面收益的獨立項目分為該等可能於日後重新分類至損益的項目(如可供出售金融資產之重新估值)及該等未必會重新分類至損益的項目(如物業、廠房及設備之重新估值)。就其他全面收益項目繳納的稅項會按相同基準進行分配及披露。有關修訂將追溯應用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HKFRSs (Continued)

HKFRS 9 – Financial Instruments

The standard is effective for accounting periods beginning on or after 1 January 2015 and addresses the classification and measurement of financial assets. The new standard reduces the number of measurement categories of financial assets and all financial assets will be measured at either amortised cost or fair value based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Fair value gains and losses will be recognised in profit or loss except for those on certain equity investments which will be presented in other comprehensive income. The directors of the Company are currently assessing the possible impact of the new standard on the Group's results and financial position in the first year of application.

In November 2010, the HKICPA issued additions to HKFRS 9 to address financial liabilities. The changes resulting from the amendments only affect the measurement of financial liabilities designated at fair value through profit or loss using the fair value option ("FVO"). For these FVO liabilities, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in other comprehensive income. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change in respect of the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. All other requirements in HKAS 39 in respect of liabilities are carried forward into HKFRS 9. However, the loan commitments and financial guarantee contracts which have been designated under the FVO are scoped out of these additions.

2. 採納新訂／經修訂香港財務報告準則(續)

香港財務報告準則第9號 – 金融工具

此項準則對二零一五年一月一日或之後開始之會計期間生效，內容有關金融資產之分類及計量。此項新訂準則減少金融資產之計量類別數目，並根據實體管理金融資產之業務模式及金融資產之合約現金流量特徵，按攤銷成本或公平值對所有金融資產進行計量。公平值收益及虧損將於損益表確認，惟若干股本投資之公平值收益及虧損則於其他全面收入內呈列。本公司董事現正評估該項新訂準則對本集團於應用首年之業績及財務狀況可能產生之影響。

於二零一零年十一月，香港會計師公會就金融負債頒佈香港財務報告準則第9號之新增規定。該修訂帶來之變動只對指定可透過公平值選擇(「公平值選擇」)按公平值計入損益表之金融負債計量構成影響。就該等公平值選擇負債而言，因信貸風險變動而產生之負債公平值變動金額，必須於其他全面收入中呈列。除非於其他全面收入中就負債之信貸風險呈列公平值變動會於損益表中產生或擴大會計差異，否則其餘公平值變動金額均於損益表呈列。香港會計準則第39號與負債相關之所有其他規定已轉往香港財務報告準則第9號。然而，該等新增規定並不涵蓋納入公平值選擇之貸款承諾及財務擔保合約。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HKFRSs (Continued)

HKFRS 10 – Consolidated Financial Statements

The standard is effective for accounting periods beginning on or after 1 January 2013 and introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee’s voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

2. 採納新訂／經修訂香港財務報告準則(續)

香港財務報告準則第10號－綜合財務報表

該準則於二零一三年一月一日或之後開始之會計期間生效，並就綜合計算所有被投資實體引入單一控股模式。當投資者有權控制被投資方（不論實際上有否行使該權力）、對來自被投資方之浮動回報享有承擔或權利以及能運用對被投資方之權力以影響該等回報時，投資者即擁有控制權。香港財務報告準則第10號載有評估控制權之詳細指引。例如，該準則引入「實際」控制權的概念，倘相對其他個人股東的表決權益的數量及分散情況，投資者的表決權益數量足以佔優，使其獲得對被投資方的權力，持有被投資方表決權少於50%的投資者仍可控制被投資方。潛在表決權僅在實質存在（即持有人有實際能力可行使該等表決權）時，方會於分析控制權時予以考慮。該準則明確規定須評估具有決策權的投資者是以委託人或代理人身份行事，以及具有決策權的其他各方是否以投資者代理人的身份行事。代理人獲委聘以代表另一方及為另一方的利益行事，故在其行使其決策權時並不控制被投資方。實施香港財務報告準則第10號可能導致該等被視為受本集團控制並因此在財務報表中綜合入賬的實體出現變動。現有香港會計準則第27號有關其他綜合計算相關事項的會計規定貫徹不變。香港財務報告準則第10號獲追溯應用，惟須受限於若干過渡性條文。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. ADOPTION OF NEW/REVISED HKFRSs

(Continued)

HKFRS 11 – Joint Arrangements

The standard is effective for accounting periods beginning on or after 1 January 2013. Joint arrangements under HKFRS 11 have the same basic characteristics as joint ventures under HKAS 31. Joint arrangements are classified as either joint operations or joint ventures. Where the Group has rights to the assets and obligations for the liabilities of the joint arrangement, it is regarded as a joint operator and will recognise its interests in the assets, liabilities, income and expenses arising from the joint arrangement. Where the Group has rights to the net assets of the joint arrangement as a whole, it is regarded as having an interest in a joint venture and will apply equity method of accounting. HKFRS 11 does not allow proportionate consolidation. In an arrangement structured through a separate vehicle, all relevant facts and circumstances should be considered to determine whether the parties to the arrangement have rights to the net assets of the arrangement. Previously, the existence of a separate legal entity was the key factor in determining the existence of a jointly controlled entity under HKAS 31. HKFRS 11 will be applied retrospectively with specific restatement requirements for a joint venture which changes from proportionate consolidation to the equity method and a joint operation which changes from equity method to accounting for assets and liabilities.

The Group is in the process of making an assessment of the potential impact of these new or revised HKFRSs and the directors of the Company so far concluded that the application of these new or revised HKFRSs will have no material impact on the Group's financial statements.

2. 採納新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第11號－合營安排

該準則於二零一三年一月一日或之後開始之會計期間生效。香港財務報告準則第11號所指之合營安排與香港會計準則第31號所指之合營企業之基本特點相同。合營安排分類為合營業務及合營企業。倘本集團有權享有合營安排之資產及有義務承擔其負債，則被視為合營者，並將確認其於合營安排產生之資產、負債、收入及開支之權益。倘本集團有權享有合營安排之整體淨資產，則被視為於合營企業擁有權益，並將應用權益會計法。香港財務報告準則第11號不准許採用比例綜合法。在透過獨立實體組織之安排中，所有相關事實及情況均應予考慮，以釐定參與該安排之各方是否有權享有該安排之淨資產。以往，獨立法律實體之存在為釐定香港會計準則第31號所指之共同控制實體是否存在之主要因素。香港財務報告準則第11號將獲追溯應用，並特別規定由比例綜合法改為權益法之合營企業及由權益法改為將資產及負債入賬之合營業務。

本集團現正評估該等新訂或經修訂香港財務報告準則之潛在影響，本公司董事認為，截至目前為止，應用該等新訂或經修訂香港財務報告準則不會對本集團之財務報表產生重大影響。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new or revised HKFRSs and the impacts on the Group's financial statements, if any, are disclosed in note 2.

The financial statements have been prepared under historical cost convention. The measurement bases are fully described in the accounting policies below.

It should be noted that accounting estimates and assumptions are used in the preparation of the financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3. 重大會計政策概述

(a) 編製基準

編製該等財務報表所應用之重大會計政策於下文概述。除另有訂明者外，該等政策一直貫徹應用於各個呈報年度。有關採納新訂或經修訂香港財務報告準則及其對本集團財務報表之影響（如有）於附註2披露。

該等財務報表乃以歷史成本法編製。計算方式於下列會計政策中細述。

應注意於財務報表編製時曾運用會計估計及假設。儘管該等估計乃根據管理層對目前事項及行動之所知及判斷而作出，但最終實際結果或會與該等估計有所差異。涉及更高判斷或複雜程度之範圍，或假設及估計對財務報表而言屬重大之範圍於附註4披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(i) Going concern basis

The financial statements have been prepared on a going concern basis which assumes the realisation of assets and satisfaction of liabilities in the ordinary course of business notwithstanding that as at 31 December 2012, the Group had net current liabilities of approximately HK\$19,604,000 (2011: HK\$8,669,000) and the Group also incurred a loss of approximately HK\$333,629,000 (2011: HK\$65,390,000) for the year then ended. The Company also had net current liabilities of approximately HK\$62,000 (2011: HK\$9,307,000) as at 31 December 2012. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a going concern and therefore, the Group and the Company may not be able to realise its assets and discharges their liabilities in their normal course of business. The going concern basis has been adopted on the bases that:

- (a) The directors have prepared cash flow forecast for the next twelve months. Based on the results of the cash flow forecast, the directors are of the opinion that the Group is able to generate sufficient cash flows from its operations.
- (b) On 20 March 2013, the Company entered into a loan agreement with the substantial shareholder for the principal amount of HK\$20,000,000. This shareholder's loan is repayable not earlier than 1 July 2014. This shareholder's loan will be used to provide working capital to the Group so as to enable the Group and the Company can be operated as a going concern at least for the period up to the next eighteen months from the end of the reporting period.

3. 重大會計政策概述 (續)

(a) 編製基準 (續)

(i) 持續經營基準

財務報表已根據持續經營基準編製，其假設於日常業務過程中變現資產及償還負債，惟本集團於二零一二年十二月三十一日錄得流動負債淨值約為19,604,000港元（二零一一年：8,669,000港元），而本集團亦於截至該日止年度錄得虧損約為333,629,000港元（二零一一年：65,390,000港元）。於二零一二年十二月三十一日，本公司亦有流動負債淨值約為62,000港元（二零一一年：9,307,000港元）。該等情況反映存在重大不明朗因素，或會對本集團及本公司持續經營之能力產生重大質疑，因此本集團及本公司或許未能於日常業務過程中變現資產及履行責任。持續經營基準乃按以下基準採納：

- (a) 董事已編製未來十二個月的現金流預測。根據現金流預測結果，董事認為本集團可自其業務產生足夠現金流。
- (b) 於二零一三年三月二十日，本公司與主要股東訂立貸款協議，本金額為20,000,000港元。該筆股東貸款的還款期限不早於二零一四年七月一日。該筆股東貸款將用作提供本集團的營運資金，確保本集團及本公司最少可於直至報告期末起計十八個月期間內，按持續基準經營。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(i) Going concern basis (Continued)

Therefore, the directors consider that the Group can meet its financial obligations as and when they fall due in the foreseeable future and believe that the Group will continue as a going concern and consequently has prepared the financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to restate the value of assets to their recoverable amounts, to reclassify non-current assets and liabilities as current assets and liabilities respectively, and to provide for any further liabilities which may arise. The effects of these potential adjustments have not been reflected in these financial statements.

(ii) Loss of controls over assets of Qinghai Forest Source Mining Industry Developing Company Limited ("QHFSMI") and Inner Mongolia Forest Source Mining Industry Developing Company Limited ("IMFSMI")

In 2010, the board of directors discovered that as from 31 January 2010, the exploration licence held by QHFSMI, an indirect wholly-owned subsidiary of the Company established in the PRC, had been transferred to a company known as 內蒙古小紅山源森礦業有限公司 (in English, for identification purpose only, Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited) ("Yuen Xian Company") without the Company's knowledge, consent or approval.

3. 重大會計政策概述 (續)

(a) 編製基準 (續)

(i) 持續經營基準 (續)

因此，董事認為本集團可於可見未來在財務負債到期時作出支付，並相信本集團將繼續持續經營，因此以持續經營基準編製財務報表。

倘本集團無法持續經營業務，將作出調整以重列資產價值至其可收回金額，並分別重新分類非流動資產與負債為流動資產及負債，並於任何進一步負債可能產生時作出撥備。此等潛在調整的影響並無於此等財務報表反映。

(ii) 失去青海森源礦業開發有限公司 (「青海森源」) 及內蒙古森源礦業開發有限公司 (「內蒙古森源」) 資產之控制權

於二零一零年，董事會發現，自二零一零年一月三十一日起，由本公司於中國成立之間接全資附屬公司青海森源持有之勘探牌照已轉讓予一間名為內蒙古小紅山源森礦業有限公司 (英文名稱為Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited，僅供識別) 之公司 (「源森公司」)，而本公司並不知悉、未有同意或批准。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(ii) Loss of controls over assets of QHFSMI and IMFSMI (Continued)

Based on the searches conducted by the Company's legal advisers, the Company was advised that:

- (a) Yuen Xian Company is a wholly foreign owned enterprise established in the PRC on 21 October 2009 and is wholly owned by a company, namely Yuenxian Mining Industry Holding Company Limited ("HK Yuenxian"). Ms Leung Lai Ching Margaret ("Ms Leung") is one of the directors and the legal representative of Yuen Xian Company.
- (b) HK Yuenxian (formerly known as Forest Source Mining Industry Holding Company Limited) is a company incorporated in Hong Kong on 29 August 2008 and is wholly owned by Ms Leung. Ms Leung is also the sole director of HK Yuenxian.

3. 重大會計政策概述 (續)

(a) 編製基準 (續)

(ii) 失去青海森源及內蒙古森源資產之控制權 (續)

根據本公司法律顧問進行之調查，本公司獲告知：

- (a) 源森公司為一間於二零零九年十月二十一日於中國成立之外商獨資企業，由源森礦業控股有限公司（「香港源森」）全資擁有。梁儷灝女士（「梁女士」）為源森公司之其中一名董事及法定代表。
- (b) 香港源森（前稱為森源礦業控股有限公司）為一間於二零零八年八月二十九日於香港註冊成立之公司，由梁女士全資擁有。梁女士亦為香港源森之唯一董事。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(ii) Loss of controls over assets of QHFSMI and IMFSMI (Continued)

Disputes with Ms Leung

In November 2009, a legal proceeding was commenced by Hong Kong Forest Source Mining Industry Holding Company Limited ("HKFSMIH"), QHFSMI and IMFSMI, all of which are indirect wholly-owned subsidiaries of the Company, against HK Yuenxian, Ms Leung and such other persons named as co-defendants to such legal proceedings. The Company sought and obtained, among other things, an interim injunction order from the Hong Kong Court in the following terms:

- (a) An injunction restraining, amongst others, HK Yuenxian and Ms Leung from carrying on business in Hong Kong and/or the PRC under the name of Forest Source Mining Industry Holding Company Limited (subsequently known as HK Yuenxian since 7 January 2010); and
- (b) An injunction restraining, amongst others, Ms Leung from acting or holding out as a director of QHFSMI or interfering with the business of QHFSMI, including but not limited to making any representations, requests, demands or promises to the Inner Mongolia Autonomous Region Commerce and Industry Bureau or any other governmental agencies in the PRC on behalf of QHFSMI in regard to any affairs of or relating to QHFSMI.

The interim injunction order was subsequently discharged on 30 March 2010.

3. 重大會計政策概述 (續)

(a) 編製基準 (續)

(ii) 失去青海森源及內蒙古森源資產之控制權 (續)

與梁女士之糾紛

於二零零九年十一月，香港森源礦業控股有限公司（「香港森源礦業控股」）、青海森源及內蒙古森源（全部均為本公司間接全資附屬公司）向香港源森、梁女士及有關法律訴訟中被稱為共同被告人之其他人士展開法律程序。本公司已尋求並取得（其中包括）香港法院頒佈之暫時禁制令，內容如下：

- (a) 限制（其中包括）香港源森及梁女士以「森源礦業控股有限公司」（自二零一零年一月七日起名為「香港源森」）之名於香港及／或中國進行業務之禁制令；及
- (b) 限制（其中包括）梁女士擔任青海森源之董事或顯示出其為董事之身份行事或干涉青海森源之業務，包括但不限於就青海森源之任何事務或與之有關之任何事務代表青海森源向內蒙古自治區工商局或中國任何其他政府機構作出任何聲明、要求、索求或承諾之禁制令。

該暫時禁制令其後於二零一零年三月三十日撤銷。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(ii) *Loss of controls over assets of QHFSMI and IMFSMI (Continued)*

Ms Leung's legal status as director and legal representative in the PRC subsidiaries remained unchanged during the year in the absence of her cooperation

Ms Leung was a director and legal representative of both QHFSMI and IMFSMI. On 10 September 2009, the sole shareholder of QHFSMI and IMFSMI (i.e. HKFSMIH) had resolved to remove Ms Leung's capacity as director and legal representative of both QHFSMI and IMFSMI with immediate effect. As disclosed in the Company's circular dated 28 June 2010, the respective members of the board of directors and legal representative of QHFSMI and IMFSMI had not yet been officially changed as the procedures of changing and updating the official records at the relevant PRC government authority took longer than expected as Ms Leung, being the then legal representative, was not cooperative and failed to provide the requested documents and corporate seals.

3. 重大會計政策概述 (續)

(a) 編製基準 (續)

(ii) *失去青海森源及內蒙古森源資產之控制權 (續)*

梁女士於年內作為中國附屬公司之董事及法定代表之法律地位因其不合作而維持不變

梁女士曾為青海森源及內蒙古森源之董事及法定代表。於二零零九年九月十日，青海森源及內蒙古森源唯一股東（即香港森源礦業控股）議決罷免梁女士出任青海森源及內蒙古森源之董事及法定代表職務，即時生效。如本公司日期為二零一零年六月二十八日之通函所披露，由於當時之法定代表梁女士不配合及未能提供所需文件及公司印章，致使於相關中國政府部門更改及更新正式記錄之手續所花費之時間超過預期，因此青海森源及內蒙古森源各自之董事會成員及法定代表仍未正式更改。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(ii) Loss of controls over assets of QHFSMI and IMFSMI (Continued)

Transfer of exploration licence without the Company's knowledge, consent or approval

The Group acquired QHFSMI from Ms Leung in 2007. QHFSMI was the holder of an exploration licence which conferred QHFSMI the rights to conduct exploration work for the mineral resources containing iron, vanadium and titanium in the titanium mine located at Xiao Hong Shan in Inner Mongolia, the PRC. Based on the search conducted by the Company's legal advisers, the exploration licence was transferred, without the Company's knowledge, consent or approval, to Yuen Xian Company on 31 January 2010. Such actions by Ms Leung were not expected in view of the interim injunction order obtained by the Company from the Hong Kong Court, details of which are set out in the subparagraph headed "Disputes with Ms Leung" above. Without the exploration licence, QHFSMI no longer has the rights to, among other things, carry out exploration of the mineral resources of the titanium mine, access to the titanium mine and neighbouring areas and has no priority in obtaining the mining rights of the titanium mine.

3. 重大會計政策概述 (續)

(a) 編製基準 (續)

(ii) 失去青海森源及內蒙古森源資產之控制權 (續)

在本公司不知情及未經本公司同意或批准下轉讓勘探牌照

本集團於二零零七年向梁女士收購青海森源。青海森源持有一個勘探牌照，該牌照賦予青海森源在位於中國內蒙古小紅山之含有鐵、釩及鈦之鈦礦進行礦產資源勘探工作之權利。根據本公司法律顧問進行之調查，該勘探牌照已於二零一零年一月三十一日在本公司不知情及未經本公司同意或批准下轉讓予源森公司。鑒於本公司已取得香港法院頒佈之暫時禁制令（如上文「與梁女士之糾紛」分段中所述），故本公司完全沒有預料到梁女士會採取有關行動。倘無勘探牌照，青海森源不再擁有（其中包括）於鈦礦進行礦產資源勘探、進入鈦礦及鄰近區域以及優先獲得鈦礦之開採權。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(ii) Loss of controls over assets of QHFSMI and IMFSMI (Continued)

Transfer of exploration licence without the Company's knowledge, consent or approval (Continued)

As soon as the Company had discovered the loss of QHFSMI's exploration licence, the Company sought advice from its legal advisers. Given the discovery of the loss of significant assets of QHFSMI, the board of directors is no longer in the position of maintaining controls over QHFSMI and IMFSMI by the Group. As a consequence, the directors of the Company consider that the Group no longer has the power to exercise its right as the shareholder and thus has lost its control over the assets and operations and is unable to exercise control over the financial and operating policy decisions of QHFSMI and IMFSMI. Accordingly, the directors of the Company consider that it is inappropriate to consolidate the financial statements of QHFSMI and IMFSMI into the Group and these two wholly-owned subsidiaries are de-consolidated and classified as discontinued operations from 2010.

3. 重大會計政策概述 (續)

(a) 編製基準 (續)

(ii) 失去青海森源及內蒙古森源資產之控制權 (續)

在本公司不知情及未經本公司同意或批准下轉讓勘探牌照 (續)

本公司發現失去青海森源之勘探牌照後，已立即尋求其法律顧問之意見。鑒於發現青海森源出現重大資產損失，董事會已無法再維持本集團對青海森源及內蒙古森源之控制權。基於上述原因，本公司董事認為，本集團不再有權行使其作為股東之權利，並因此失去其對青海森源及內蒙古森源之資產及經營之控制權，並無法對青海森源及內蒙古森源之財務及經營決策行使控制權。因此，本公司董事認為，不宜將青海森源及內蒙古森源之財務報表綜合計入本集團之賬目內，故該兩間全資附屬公司自二零一零年起不再綜合入賬，並分類為已終止經營業務。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(iii) De-consolidating QHFSMI and IMFSMI

The Group has been unable to obtain the financial information of QHFSMI and IMFSMI since 2010. The directors of the Company consider that the Group had lost its control to govern the financial and operating policies of QHFSMI and IMFSMI with effect from 1 January 2010. Accordingly, the financial information of QHFSMI and IMFSMI was de-consolidated with effect from 1 January 2010. Details of the de-consolidating QHFSMI and IMFSMI are set out in the 2010 Annual Report of the Company.

In February 2012, the Group filed a writ to the Intermediate People's Court in Xining City, Qinghai Province (the "Qinghai Court") against Yuen Xian Company and QHFSMI for the request to invalidate the transfer of the exploration licence from QHFSMI to Yuen Xian Company at a consideration of RMB8,000,000 ("Transfer Agreement") and return the exploration licence to QHFSMI. On 31 December 2012, the Qinghai Court issued an order (the "Qinghai Court Order") that the Transfer Agreement was invalid. In January 2013, Ms Leung lodged an appeal to the Qinghai Court, the Qinghai Court has accepted the appeal and legal proceedings will be proceeded in due course.

3. 重大會計政策概述 (續)

(a) 編製基準 (續)

(iii) 不再將青海森源及內蒙古森源綜合入賬

本集團無法取得青海森源及內蒙古森源自二零一零年起之財務資料。本公司董事認為，由二零一零年一月一日起，本集團失去其規管青海森源及內蒙古森源之財務及經營政策之控制權。因此，於二零一零年一月一日起，青海森源及內蒙古森源之財務資料不再綜合入賬。不再綜合入賬青海森源及內蒙古森源之詳情載於本公司二零一零年年報。

二零一二年二月，針對源森公司及青海森源，本集團入稟青海省西寧市中級人民法院（「青海法院」），要求判令青海森源以代價人民幣8,000,000元向源森公司轉讓勘探牌照（「轉讓協議」）一事無效，並將勘探牌照歸還青海森源。於二零一二年十二月三十一日，青海法院判決（「青海法院判令」）轉讓協議無效。於二零一三年一月，梁女士向青海法院上訴，而青海法院受理其上訴，稍後會展開法律程序。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Basis of preparation (Continued)

(iii) De-consolidating QHFSMI and IMFSMI (Continued)

The Group has sought legal opinion in respect of the writ and the Qinghai Court Order. The legal advisor opined that the Transfer Agreement was invalid and the Group should reserve its civil compensation rights. In the opinion of the directors, the aforesaid legal proceedings will have no material impact on the financial position and operations of the Group as the Group still does not have any control to govern the financial and operating policies of QHFSMI and IMFSMI which had already been de-consolidated since 2010.

(b) Basis of consolidation

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

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

3. 重大會計政策概述 (續)

(a) 編製基準 (續)

(iii) 不再將青海森源及內蒙古森源綜合入賬 (續)

本集團已就令狀及青海法院判令尋求法律意見。法律顧問認為，轉讓協議已無效，而本集團應保留尋求民事賠償的權利。董事認為，上述法律訴訟不會對本集團的財務狀況及營運有任何嚴重影響，原因為本集團對青海森源及內蒙古森源的財務及經營決策並無控制權，而該等公司自二零一零年起已不再綜合入賬。

(b) 綜合基準

綜合財務報表包括截至每年度十二月三十一日止本公司及其附屬公司之財務報表。

由控制權轉移至本集團當日起，附屬公司納入綜合計算。該等公司由控制權失效當日起，不計入綜合計算。

集團內部交易、結餘及集團內公司間之未實現交易收益及虧損於編製綜合財務報表時對銷。倘集團內公司間資產銷售之未實現虧損於綜合賬目時撥回，相關資產亦會自本集團之角度考量作減值測試。附屬公司財務報表所呈報之款項已作調整（如需要），以確保與本集團採納之會計政策一致。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of consolidation (Continued)

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

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for in the same manner as would be required if the relevant assets or liabilities were disposed of.

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

3. 重大會計政策概述 (續)

(b) 綜合基準 (續)

本集團於附屬公司之權益變動(並無導致失去控制權)列作權益交易入賬。本集團之權益與非控股股東權益之賬面值均予以調整,以反映其於附屬公司相對權益之變動。非控股股東權益之調整額與已支付或收取之代價公平值之間的任何差額,均直接於權益確認,並歸屬於本公司擁有人。

倘本集團失去附屬公司之控制權,出售損益乃按下列兩者之差額計算:(i)所收取代價之公平值與任何保留權益之公平值總額,與(ii)該附屬公司之資產(包括商譽)及負債與任何非控股股東權益過往之賬面值。先前就該附屬公司於其他全面收入確認之款額按出售相關資產或負債時所規定之相同方式列賬。

收購後,代表於附屬公司現有擁有權權益之非控股股東權益之賬面值為該等權益於初步確認時之款額加非控股股東權益應佔權益其後變動之部分。即使會導致非控股股東權益出現虧絀結餘,全面收入總額仍歸屬於非控股股東權益。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Subsidiaries

Subsidiaries are entities (including special purpose entities) over which the Group has the power to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment loss unless the subsidiary is held for sale or included in a disposal group. The results of the subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the reporting date. All dividends whether received out of the investee's pre or post-acquisition profits are recognised in the Company's profit or loss.

(d) Accounting for production sharing contract

Production sharing contract constitutes jointly controlled operations. The Group's interests in production sharing contract are accounted for in the financial statements on the following bases:

- (i) the assets that the Group controls and the liabilities that the Group incurs; and
- (ii) the share of expenses that the Group incurs and its share of income from the production according to the terms stipulated in this contract.

3. 重大會計政策概述 (續)

(c) 附屬公司

附屬公司乃本集團有權控制其財務及營運政策以從其業務活動取得利益之所有實體（包括特別目的實體）。評估本集團是否控制另一實體時，會考慮現可行使或轉換之潛在投票權之存在及影響。

於本公司財務狀況表內，附屬公司以成本減任何減值虧損列賬，惟該附屬公司乃持作出售或列入出售集團則除外。附屬公司業績會由本公司按報告日期已收及應收股息計算。不論所收取股息是以獲投資公司收購前或收購後溢利作出，全部股息乃於本公司損益表中確認。

(d) 生產共享合約之會計處理

生產共享合約構成共同控制經營業務。本集團於生產共享合約之權益按以下基準於財務報表入賬：

- (i) 本集團控制之資產及本集團產生之負債；及
- (ii) 根據該等合約規定之條款分佔本集團產生之開支及分佔生產收益。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

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 and are reported as part of the fair value gain or loss. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into HK\$. Assets and liabilities have been translated into HK\$ at the closing rates at the reporting date. Income and expenses have been converted into HK\$ at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the exchange reserve in equity. Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated into HK\$ at the closing rates. Exchange differences arising are recognised in the exchange reserve in equity.

3. 重大會計政策概述 (續)

(e) 外幣兌換

在綜合實體之個別財務報表內，外幣交易以交易日期當時之匯率兌換至個別實體之功能貨幣。於報告日期，以外幣計值之貨幣資產及負債乃按報告日期通用之匯率兌換。該等交易結算及於報告日期重新兌換貨幣資產及負債而產生之外匯收益及虧損均在損益表內確認。

以外幣計值及以公平值列賬之非貨幣項目，會在決定公平值當日以當時匯率重新兌換，並列賬為公平值收益或虧損之一部分。以外幣之歷史成本計算之非貨幣項目不會重新兌換。

於綜合財務報表內，原來按與本集團呈列貨幣不同之貨幣呈報之海外業務所有個別財務報表，已轉換至港元。資產及負債亦在報告日期以收市匯率兌換至港元。收入及開支則以交易日期通用之匯率或報告期間之平均匯率兌換至港元，惟有關匯率須並無大幅波動。任何由此程序產生之差異已在其他全面收入中確認，並單獨在權益匯兌儲備內累計。因收購海外業務而產生之已收購可識別資產之商譽及公平值調整作為有關海外業務之資產及負債處理，並以收市匯率兌換至港元。所產生之匯兌差額於權益內確認為匯兌儲備。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Foreign currency translation (Continued)

When a foreign operation is sold, such exchange differences are reclassified from equity to profit or loss as part of the gain or loss on sale.

(f) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and the use by others of the Group's assets yielding interest, and dividends, net of rebates and discounts. Provided it is probable that the economic benefits will flow to the Group and revenue and costs, if applicable, can be measured reliably, revenue is recognised as follows:

- (i) sale of goods are recognised upon transfer of significant risks and rewards of ownership to the buyers. This is usually taken at the time when the goods are delivered and the customer has accepted the goods.
- (ii) sale of crude oil is recognised from the Group's share of income (including cost recovery oil, investment recovery oil and share oil) according to the terms stipulated in the contract, details of which are set out in note 36;
- (iii) sale of electricity and heat is recognised upon the transmission of electricity and heat to the customer; and
- (iv) interest income is recognised on time proportion basis using effective interest method.

3. 重大會計政策概述 (續)

(e) 外幣兌換 (續)

當出售海外業務時，有關匯兌差額由權益重新分類，在損益表確認為出售收益或虧損之一部分。

(f) 收益確認

收益包括銷售貨品以及他人使用本集團資產之已收或應收代價之公平值而產生之利益及股息，扣除回扣及折扣。倘可能為本集團帶來經濟利益及能可靠計量收益與成本（如適用）時，則按以下方式確認收益：

- (i) 銷售貨品於擁有權之重大風險及回報轉移至買家時確認。這通常為貨品運送至客戶及客戶收取貨物之時：
- (ii) 銷售原油自本集團根據合約所列條款分佔之收入（包括收回成本石油、收回投資石油及共享石油）確認，有關詳情載於附註36；
- (iii) 銷售熱電於向客戶輸送電力及熱力時予以確認；及
- (iv) 利息收入使用實際利率法按時間比例確認。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Borrowing costs

Borrowing costs incurred for the acquisition, construction or production of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use. A qualifying asset is an asset which necessarily takes a substantial period of time to get ready for its intended use or sale. Other borrowing costs are expensed when incurred.

Borrowing costs are capitalised as part of the cost of a qualifying asset when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are being undertaken. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

3. 重大會計政策概述 (續)

(g) 借款成本

收購、建設或製造任何合資格資產所產生之借款成本，於完成建設及將資產達致擬定用途所需時間期限內資本化。合資格資產為需要長時間達到擬定用途或銷售狀況之資產。其他借款成本於產生時計為開支。

借款成本於資產產生開支、借款成本及使資產達到擬定用途或銷售狀況所需之準備工作進行期間資本化，作為合資格資產成本之一部分。在使合資格資產達到擬定用途或銷售狀況所需之絕大部分準備工作完成時，不再將借款成本資本化。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. Accounting policies for the impairment of goodwill are set out in note 3(l).

For goodwill arising on an acquisition in a financial year, the cash generating unit ("CGU") to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the CGU is less than the carrying amount of the unit, impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

3. 重大會計政策概述 (續)

(h) 商譽

商譽初步按成本確認，成本即所轉讓代價與就非控股股東權益確認之金額之總額超出所收購可辨認資產、負債及或然負債之公平值之部分。

倘可辨認資產、負債及或然負債之公平值高於所付代價之公平值，則超出部分於重估後於收購日期在損益表確認。

商譽乃按成本減減值虧損計量。有關商譽減值之會計政策載於附註3(l)。

就某財政年度內進行收購所產生之商譽而言，本集團會於該財政年度末之前就獲分配商譽之現金產生單位進行減值測試。倘現金產生單位之可收回金額少於其賬面值，則首先將減值虧損分配至該單位所獲分配之任何商譽，以減少其賬面值，其後以該單位內各資產賬面值為基準按比例分配至該單位之其他資產。商譽之任何減值虧損於損益表確認，不會於其後期間撥回。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation expense is included in other operating expenses in profit or loss and is provided as follows.

- Exploration and evaluation assets under oil production business is amortised on unit of production method.
- Customers' contracts is amortised when the revenue of the related customer contracts is recognised.
- Interests in oil production sharing contract under oil production business is amortised on unit of production method.

(j) Property, plant and equipment

Property, plant and equipment (other than construction in progress ("CIP")) are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable cost of bringing the asset to the working condition and location for its intended use.

3. 重大會計政策概述 (續)

(i) 無形資產

分開購入之無形資產初步按成本確認。於業務合併購入之無形資產之成本，為收購日期之公平值。隨後，有限使用年期之無形資產按成本減累計攤銷及累計減值虧損列賬。攤銷開支計入損益之其他經營開支，並按以下方式作出撥備。

- 產油業務之勘探及評估資產按生產單位法攤銷。
- 客戶合約於相關客戶合約之收益確認時攤銷。
- 產油業務共享合約之權益按生產單位法攤銷。

(j) 物業、廠房及設備

物業、廠房及設備（在建工程（「在建工程」）除外）按成本減累計折舊及任何減值虧損列賬。資產之成本包括購買價以及將資產達致擬定用途之工作狀況及地點之任何直接應佔成本。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Property, plant and equipment (Continued)

Other than oil properties, depreciation is provided to write off the cost less their estimated residual values, if any, over their estimated useful lives, using straight-line method, at the following rates per annum:

Buildings	The shorter of lease terms and 29 years
Plant and machinery	12 to 15 years
Leasehold improvements, furniture, office equipment and motor vehicles	3 to 10 years

Depreciation on oil properties is provided to write off the cost of the oil properties using unit of production method utilising only proved developed oil reserves as the depletion base.

The assets' estimated useful lives, depreciation methods and estimated residual values are reviewed, and adjusted if appropriate, at each reporting date.

Gain or loss arising on retirement or disposal is determined as the difference between the net sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3. 重大會計政策概述 (續)

(j) 物業、廠房及設備 (續)

除石油財產外，折舊按估計可使用年期以直線法撇銷成本減其估計殘值（如有）計算，年率如下：

樓宇	按租期及29年（以較短者為準）
廠房及機器	12至15年
租賃物業裝修、傢俬、辦公設備及汽車	3至10年

石油財產之折舊僅按探明已開發石油儲量作為損耗基礎以生產單位法撇銷石油財產之成本計算。

資產之估計可使用年期、折舊方法及估計殘值會在各報告日期檢討及在有需要時調整。

報廢或出售所產生之收益或虧損乃按資產出售所得款項淨額與其賬面值之差額釐定，並於損益表內確認。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Property, plant and equipment (Continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

CIP represents property, plant and equipment under construction, which is stated at cost less any impairment losses and is not depreciated. Cost comprises direct costs incurred during the periods of construction, installation and testing. CIP is reclassified to the appropriate category of property, plant and equipment and depreciation commences when the construction work is completed and the asset is ready for use.

(k) Prepaid land lease payments

Upfront payments made to acquire land held under an operating lease are stated at cost less accumulated amortisation and any impairment losses. Amortisation is calculated on straight-line method over the term of lease/right of use except where an alternative basis is more representative of the time pattern of benefits to be derived by the Group from use of the land.

3. 重大會計政策概述 (續)

(j) 物業、廠房及設備 (續)

其後成本僅於與該項目相關之日後經濟利益有可能流入本集團，且該項目之成本能可靠計算時，方會計入資產之賬面值或確認為獨立資產（如適用）。所有其他成本（如維修及保養）均於產生之財政期間自損益表扣除。

在建工程指在建物業、廠房及設備，乃按成本減任何減值虧損列賬，且不予折舊。成本包括建設、安裝及測試期間產生之直接成本。在建工程於完工及資產可供使用時重新分類為物業、廠房及設備之適當類別並開始作出折舊。

(k) 預付土地租賃款項

就收購根據經營租約持有之土地所作出之預付款項乃以成本減累計攤銷及任何減值虧損列賬。攤銷乃於租期／使用權期限內以直線法計算，惟倘若有另一基準更能代表本集團透過使用有關土地產生利益之時間模式則除外。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Impairment of other assets

Goodwill, property, plant and equipment, prepaid land lease payments, intangible assets and interests in subsidiaries are subject to impairment testing.

Goodwill is tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs to sell, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflow independently (i.e. CGUs). As a result, some assets are tested individually for impairment and some are tested as CGU level. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which goodwill is monitored for internal management purpose.

3. 重大會計政策概述 (續)

(I) 其他資產減值

商譽、物業、廠房及設備、預付土地租賃款項、無形資產及於附屬公司之權益會進行減值測試。

商譽不論有否出現任何減值跡象，均至少每年進行減值測試。所有其他資產在出現跡象顯示資產賬面值或不可收回時進行減值測試。

減值虧損按資產之賬面值高於其可收回金額之數額即時確認為開支。該可收回金額為反映市況之公平值減銷售成本與使用價值兩者之較高者。評估使用價值時，估計未來現金流量採用稅前折現率折現至其現值，而有關折現率反映現時市場對金錢時間值及有關資產特有風險之評估。

為評估減值，倘資產並無大致上獨立於其他資產產生現金流入，可收回金額則按該資產可獨立產生現金流入之最小資產組合（即現金產生單位）釐定。因此，部分資產個別進行減值測試，另有部分按現金產生單位測試。商譽乃特別分配至該等現金產生單位，而該等現金產生單位預料會因有關業務合併之協同作用而受惠，並代表本集團為內部管理而監控商譽之最低水平。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Impairment of other assets (Continued)

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost to sell, or value-in-use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods including impairment losses recognised in an interim period. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

(m) Discontinued operations

A discontinued operation is a clearly distinguishable component of the Group's business that has been disposed of, abandoned or is classified as held for sale, which represents a separate major line of business or geographical area of operations of the Group.

3. 重大會計政策概述 (續)

(l) 其他資產減值 (續)

就已分配商譽之現金產生單位確認之減值虧損，首次計入商譽之賬面值。除資產賬面值將不會調減至低於其個別公平值減銷售成本或使用價值（如可釐定）外，任何剩餘減值虧損按比例自該現金產生單位之其他資產扣除。

商譽減值虧損（包括於中期期間確認之減值虧損）不會於其後之期間撥回。至於其他資產，若用以決定資產可收回金額之估計出現有利變動時，撥回減值虧損，惟資產之賬面值不得高於倘無確認減值虧損而原應釐定之賬面值（已扣除折舊或攤銷）。

(m) 已終止經營業務

已終止經營業務為清楚劃分為已出售、廢棄或分類為持作出售之本集團業務部分，指本集團之獨立主要業務線或經營地區分類。

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Leases

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

Operating lease charges as the lessee

Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating lease. Where the Group has the right to use of assets held under operating leases, payments made under the leases are charged to profit or loss using straight-line method over the lease terms except where an alternative basis is more representative of the time pattern of benefits to be derived from the leased assets. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period which they are incurred.

(o) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of coal is determined using weighted average method. All other cost is determined using first-in, first-out method, and in the case of work in progress and finished goods, comprises direct materials, direct labour and an appropriate proportion of overheads. Net realisable value is the estimated selling prices in the ordinary course of business less the estimated costs necessary to make the sale.

3. 重大會計政策概述 (續)

(n) 租賃

倘本集團確定一項安排賦予於經議定期間內使用指定資產之權利，而使用者須付款或作出一系列付款作為回報，則該安排（包括一項交易或一系列交易）為一項或包含一項租賃。本集團評估該項安排之實際內容後，作出上述確定，並不會考慮該項安排是否擁有租約之法定形式。

經營租約費用（作為承租人）

如租賃不會使所有權之絕大部分風險及回報轉移至本集團，則劃歸為經營租約。倘本集團有權使用根據經營租約持有之資產，則除非有另一基準更能代表租賃資產產生利益之時間模式，否則根據租約作出之付款，會在租期內採用直線法於損益表中扣除。所收之租賃獎勵，作為已繳付租賃付款淨值總額之整體部分於損益表中確認。或然租金於其發生之會計期間從損益表中扣除。

(o) 存貨

存貨按成本及可變現淨值兩者中之較低者列賬。煤礦成本按加權平均法計算。所有其他成本則按先進先出法計算，在製品及製成品之成本包括直接材料、直接工資及按適當比例計算之間接費用。可變現淨值為日常業務過程中之估計售價減估計銷售所需成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial assets

Recognition and measurement

The Group's financial assets are classified as loans and receivables.

Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

All financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade date. When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

De-recognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These are subsequently measured at amortised cost using the effective interest method, less any impairment losses. Amortised cost is calculated taking into account any discount or premium on acquisition and includes fees that are an integral part of the effective interest rate and transaction cost.

3. 重大會計政策概述 (續)

(p) 財務資產

確認及計量

本集團之財務資產分為貸款及應收款項。

管理層於首次確認時依據收購財務資產之目的將其歸類，並在許可及適當之情況下，於各報告日期重新評估財務資產之分類。

惟當本集團成為訂立有關工具合約條文之一方時，所有財務資產方予以確認。以正常方式購買及出售之財務資產於交易日確認。財務資產首次予以確認時乃按公平值加應佔直接交易成本計量。

當收取投資現金流量之權利屆滿或轉移及擁有權之絕大部分風險與回報已轉移時解除確認財務資產。於各報告日期會對財務資產進行審閱，以評估是否有任何客觀減值證據。如有出現任何上述證據，則根據財務資產分類釐定及確認減值虧損。

貸款及應收款項為附帶固定或可釐定付款之非衍生財務資產，且並無在活躍市場計算報價。其後採用實際利率法以攤銷成本減任何減值虧損列賬。攤銷成本經計及任何收購折讓或溢價後計算，並包括屬於實際利率及交易成本之組成部分之各項費用。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial assets (Continued)

Impairment of financial assets

At each reporting date, financial assets are reviewed to determine whether there is any objective evidence of impairment. Financial assets are impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the assets and that event has an impact on the estimated future cash flows of the financial assets that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- Significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor.

Loss events in respect of a group of financial assets include observable data indicating that there is a measurable decrease in the estimated future cash flows from the group of financial assets. Such observable data includes but not limited to adverse changes in the payment status of debtors in the group and, national or local economic conditions that correlate with defaults on the assets in the group.

3. 重大會計政策概述 (續)

(p) 財務資產 (續)

財務資產減值

於各報告日期會對財務資產進行審閱，以釐定是否有任何客觀減值證據。倘於初步確認資產後發生一項或多項事項，而該等事項對該財務資產之估計未來現金流產生重大影響且能可靠地估計，導致出現客觀減值證據，則作出財務資產減值。減值證據包括：

- 債務人遭遇重大財務困難；
- 違約，譬如拖欠或無法如期償還本息；
- 債務人可能會破產或進行其他財務重組；或
- 科技、市場、經濟或法律環境之重大變化對債務人造成不利影響。

有關一組財務資產之虧損事項包括可觀察資料顯示該組財務資產之估計未來現金流量出現可計量之減少。有關可觀察資料包括但不限於本集團債務人之付款狀況出現不利變動，及與拖欠本集團資產有關之國內或本地經濟狀況。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Financial assets (Continued)

Impairment of financial assets (Continued)

If there is objective evidence that an impairment loss on loans and receivables has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of loss is recognised in profit or loss of the period in which the impairment occurs.

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

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

3. 重大會計政策概述 (續)

(p) 財務資產 (續)

財務資產減值 (續)

倘有客觀證據顯示貸款及應收款項出現減值虧損，則虧損金額按資產賬面值與估計未來現金流量（不包括未產生之未來信貸虧損）按財務資產之原實際利率（即首次確認時計算之實際利率）折現之現值兩者之差額計量。虧損金額於減值出現期間在損益表中確認。

倘其後減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件相關，則撥回過往確認之減值虧損，惟於撥回減值當日不得導致財務資產賬面值超過如無確認減值之原有攤銷成本。撥回金額於撥回發生期間在損益表中確認。

倘其後減值虧損金額減少，而有關減幅可客觀地與確認減值後發生之事件相關，則撥回過往確認之減值虧損，惟於撥回減值當日不得導致財務資產賬面值超過如無確認減值之原有攤銷成本。撥回金額於撥回發生期間在損益表中確認。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Income taxes

Income taxes for the year comprise current tax and deferred tax.

Current tax is based on the profit or loss from ordinary activities adjusted for items that are non-assessable or disallowable for income tax purposes and is calculated using tax rates that have been enacted or substantively enacted at the end of reporting period.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Deferred tax is measured at the tax rates appropriate to the expected manner in which the carrying amount of the asset or liability is realised or settled and that have been enacted or substantively enacted at the end of reporting period.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Income taxes are recognised in profit or loss except when they relate to items recognised in other comprehensive income in which case the taxes are also recognised in other comprehensive income.

3. 重大會計政策概述 (續)

(q) 所得稅

本年度所得稅包括當期稅項及遞延稅項。

當期稅項乃日常業務所得損益(已就毋須繳納所得稅或不獲寬減所得稅之項目作出調整),按於報告期間完結時已頒佈或實質上已頒佈之稅率計算。

遞延稅項會就用作財務報告用途之資產及負債賬面值與用作稅項用途之相應金額之暫時差異確認。除商譽及不影響會計或應課稅溢利之已確認資產及負債外,遞延稅項負債就所有暫時差異進行確認。倘有可用以抵銷可扣減暫時差異之應課稅溢利,則會確認遞延稅項資產。遞延稅項以於報告期間完結時已頒佈或實質上已頒佈之稅率為基準,按預期將於清償負債或變現資產之期間所採用之稅率計量。

遞延稅項負債就投資於附屬公司所產生的課稅暫時差額確認,惟本集團能夠控制暫時差額之撥回及暫時差額可能於可預見將來不會撥回除外。

所得稅於損益賬內確認,惟倘所得稅與於其他全面收益內確認之項目相關除外,在此情況下,稅項亦在其他全面收益中確認。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand, demand deposits with banks and short-term highly liquid investments with original maturities of three months or less that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value. For the purpose of the statement of cash flows presentation, cash and cash equivalents include bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

(s) Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued. Any transaction costs associated with the issue of shares are deducted from share premium (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction.

3. 重大會計政策概述 (續)

(r) 現金及現金等值項目

現金及現金等值項目包括銀行及手頭現金、銀行活期存款及原定到期日為三個月或以下且可隨時兌換為已知現金數額及價值變動風險不大之高流動性短期投資。就呈列現金流量表而言，現金及現金等值項目包括應要求償還且構成本集團現金管理組成部分之銀行透支。

(s) 股本

普通股股份被歸類為權益。股本按已發行股份之面值釐定。與股份發行有關之任何交易成本均從股份溢價（扣除任何有關所得稅利益）扣除，惟其須為直接因權益交易而產生之增量成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Financial liabilities

The Group's financial liabilities include trade and other payables and accruals, amounts due to non-controlling shareholder, bank and other borrowings, promissory notes and convertible bonds.

Financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. All interest related charges are recognised in accordance with the Group's accounting policy for borrowing costs (see note 3(g)).

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

Trade and other payables and accruals, amounts due to non-controlling shareholder and promissory notes

These are recognised initially at their fair value and subsequently measured at amortised cost, using effective interest method. The related interest expense is recognised in profit or loss.

3. 重大會計政策概述 (續)

(t) 財務負債

本集團之財務負債包括應付貿易賬項及其他應付款項及應計款項、應付非控股股東款項、銀行及其他借款、本票及可換股債券。

財務負債在本集團成為有關工具合約條文訂約方時確認。所有相關利息開支根據本集團借款成本之會計政策確認 (請參閱附註3(g))。

當負債之責任解除、取消或到期，則會取消確認財務負債。

倘現有財務負債由同一貸款人按非常不同之條款以另一項財務負債取代，或現有負債條款經大幅修改，則有關交換或修改視作解除確認原有負債及確認新負債，而有關賬面值間之差額則於損益表中確認。

應付貿易賬項及其他應付款項及應計款項、應付非控股股東款項及本票

該等款項首次按公平值確認，其後按實際利率法以攤銷成本計量。有關利息開支於損益確認。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Financial liabilities (Continued)

Convertible bonds that contain an equity component

Convertible bonds that can be converted to share capital at the option of the holder, where the number of shares that would be issued on conversion and the value of the consideration that would be received at that time do not vary, are accounted for as compound financial instruments which contain both a liability and an equity component.

Convertible bonds issued by the Company that contain both financial liability and equity components are classified separately into respective liability and equity components on initial recognition. On initial recognition, the fair value of the liability component is determined using the prevailing market interest rate for similar non-convertible debts. The difference between the proceeds of the issue of the convertible bonds and the fair value assigned to the liability component, representing the call option for conversion of the bonds into equity, is included in equity as convertible bond equity reserve.

The liability component is subsequently carried at amortised cost using effective interest method. The equity component will remain in equity until conversion or redemption of the bonds.

When the bonds are converted, the convertible bond equity reserve and the carrying value of the liability component at the time of conversion are transferred to share capital and share premium as the consideration for the shares issued. If the bonds are redeemed, the convertible bond equity reserve is released directly to accumulated losses.

3. 重大會計政策概述 (續)

(t) 財務負債 (續)

包含權益部分之可換股債券

可按持有人選擇兌換為股本之可換股債券，倘於換股時將予發行之股份數目及屆時將可收取之代價價值不變，則作為同時含有負債及權益部分之複合金融工具入賬。

本公司發行之可換股債券包含財務負債及權益部分，乃於首次確認時獨立分類為負債及權益部分。於首次確認時，負債部分之公平值乃按類似非可換股債務之現行市場利率釐定。發行可換股債券之所得款項與轉撥負債部分之公平值之差額，即可將債券兌換為權益之認購選擇權，計入權益作為可換股債券權益儲備。

負債部分其後採用實際利率法按攤銷成本列賬。權益部分在兌換或贖回債券前仍保留於權益內。

倘債券獲兌換，可換股債券權益儲備及負債部分之賬面值於兌換時轉入股本及股份溢價，作為已發行之股份之代價。倘債券獲贖回，可換股債券權益儲備將直接釋放至累計虧損。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Financial liabilities (Continued)

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

(u) Provisions and contingent liabilities

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

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

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

3. 重大會計政策概述 (續)

(t) 財務負債 (續)

借款

借款乃按公平值扣除交易成本初步確認。借款隨後以攤銷成本列賬；所收款項（扣除交易成本）與贖回價值間之任何差異，按實際利率法於借款期間之損益表內確認。

除非本集團擁有無條件權利延遲清償負債至報告日期後至少12個月，否則借款被歸類為流動負債。

(u) 撥備及或然負債

撥備於本集團因過往事件而現在負有債務（法定或推定），及有可能需要經濟利益支出以清償債務，且能得出可靠估計時予以確認。倘貨幣之時間價值重大時，撥備將按預期清償債務之支出之現值列賬。

所有撥備均於每個報告日期經過審查，並經調整以反映當期之最佳估計。

倘有可能不需要經濟利益支出，或者金額無法可靠估計，則除非經濟利益支出之機會極微，否則債務將作為或然負債予以披露。如果本集團之潛在責任須視乎某宗或多宗本集團並不能完全控制之未來事件是否發生才能確定是否存在，亦會披露為或然負債，但經濟利益支出之可能性極低則除外。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Retirement benefits costs and short-term employee benefits

Retirement benefits to employees are provided through defined contribution plans.

Defined contribution plans

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

According to the relevant regulations in the PRC, the subsidiaries of the Group operating in the PRC are required to participate in central pension schemes operated by the respective local municipal governments, whereby the PRC subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the scheme to fund their retirement benefits. The scheme is responsible for the entire pension obligations payable to the retired employees and the Group has no further obligations for the actual pension payments or other post-retirement benefits beyond the employer contributions. Contributions under the scheme are charged to profit or loss as they become payable in accordance with the rules and regulations in the PRC.

3. 重大會計政策概述 (續)

(v) 退休福利成本及短期僱員福利

僱員退休福利乃透過定額供款計劃而提供。

定額供款計劃

根據強制性公積金計劃條例，本集團為所有香港僱員設立定額供款強制性公積金退休福利計劃（「強積金計劃」）。供款乃按僱員基本薪金之百分比計算，並於根據強積金計劃之規定須作出供款時自損益表扣除。強積金計劃之資產以獨立管理基金形式持有，與本集團之資產分開。本集團就強積金計劃支付之僱主供款全部歸僱員所有。

根據中國相關規定，本集團於中國經營之附屬公司須參與由個別地方市政府管理之中央退休金計劃，據此，中國附屬公司須將其僱員基本薪金之若干百分比撥歸有關計劃，作為退休福利所需之款項。有關計劃須承擔向退休僱員支付所有退休金之責任，除僱主供款外，本集團就實際退休金款項或其他退休後福利概不承擔更多責任。根據有關計劃作出之供款乃於其根據中國法律及法規而應付時在損益表內扣除。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Retirement benefits costs and short-term employee benefits (Continued)

Short-term employee benefits

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for unused annual leave as a result of services rendered by employees up to the reporting date. Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

(w) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to the purchase of assets are included in liabilities as deferred government grants in the statement of financial position and are recognised in profit or loss on straight-line method over the expected lives of the related assets.

Government grants relating to income is presented in gross under "Other income" in the consolidated income statement.

3. 重大會計政策概述 (續)

(v) 退休福利成本及短期僱員福利 (續)

短期僱員福利

當僱員成為正式僱員時，即可享有年假。本集團會就僱員至報告日期所提供之服務而未動用之年假所產生之估計負債作出撥備。如病假及產假等非累計計薪休假於提取假期時方予確認。

(w) 政府補助

倘可合理保證將獲得政府補助及本集團符合所有附帶條件，則會按公平值確認政府之補助。政府補助按照將其與擬定補償之費用進行配對所需之期間於損益表遞延確認。與購置資產有關之政府補助於財務狀況表作為遞延政府補助計為負債，並以直線法按有關資產之預期年期於損益表確認。

與收入有關之政府補助於綜合損益表內整體呈列為「其他收入」。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Share-based compensation

The Group operates equity-settled share-based compensation plans for remuneration of its employees and directors.

All employee services received in exchange for the grant of any share-based compensation are measured at their fair values. These are indirectly determined by reference to the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

For other goods or services received by the Group in exchange for the grant of any share-based compensation, they are directly measured at the fair value of the goods or services received.

All share-based compensation is recognised as an expense in profit or loss over the vesting period if vesting conditions apply, or recognised as an expense in full at the grant date when the equity instruments granted vest immediately unless the compensation qualifies for recognition as asset, with a corresponding increase in the share option reserve in equity. If vesting conditions apply, the expense is recognised over the vesting period, based on the best available estimate of the number of equity instruments expected to vest. Non-market vesting conditions are included in assumptions about the number of equity instruments that are expected to vest. Estimates are subsequently revised, if there is any indication that the number of equity instruments expected to vest differs from previous estimates. No adjustment to expense recognised in prior periods is made if fewer share options ultimately are exercised than originally vested.

3. 重大會計政策概述 (續)

(x) 以股份為基礎之補償

本集團就僱員及董事薪酬設立以股本結算之以股份為基礎之補償計劃。

本集團就交換僱員服務而授出之任何以股份為基礎之補償均按公平值計算價值，以所授出購股權之價值間接釐定。計價以授出日期為準，須扣除非市場歸屬條件影響之價值（如盈利能力及銷售增長目標）。

本集團為其他貨品或服務而授出之任何以股份為基礎之補償，乃直接按所接獲之貨品或服務之公平值計量。

所有以股份為基礎之補償除非合資格確認為資產，否則於歸屬期於損益表確認為開支（倘歸屬條件適用），或於授出當日所授出股本工具即時歸屬時全數確認為開支，並相應增加權益內之購股權儲備。倘歸屬條件適用，則根據對預期將會歸屬之股本工具數目作出之最佳估計於歸屬期內確認開支。對預期將歸屬之股本工具數目之假設包括非市場歸屬條件。倘其後有跡象顯示預期歸屬之股本工具數目有別於之前所估計數目，則其後對估計作出修訂。倘最終行使之購股權少於原先估計，則不會對以往期間確認之開支作出調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Share-based compensation (Continued)

At the time when the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to accumulated losses.

(y) Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Group's major product lines.

The Group has identified the following reportable segments:

- Supply of electricity and heat; and
- Oil production.

For the year ended 31 December 2011, trading of carpets business was ceased and had been accounted for as discontinued operations.

Each of these operating segments is managed separately as each of the product line requires different resources as well as marketing approaches. All inter-segment transfers are priced with reference to prices charged to external parties for similar orders.

3. 重大會計政策概述 (續)

(x) 以股份為基礎之補償 (續)

購股權獲行使時，先前於購股權儲備中確認之金額會轉撥至股份溢價。於歸屬日後，倘已歸屬之購股權被沒收或於屆滿日期尚未行使，則先前已於購股權儲備內確認之金額將轉撥至累計虧損。

(y) 分類報告

本集團根據定期向執行董事匯報以供決定分配資源至本集團業務分部及檢討該等分部表現之內部財務資料，確立營運分類及編製分類資料。向執行董事報告之內部財務資料之業務分部乃按照本集團主要產品種類釐定。

本集團已確立以下報告分類：

- 熱電供應；及
- 產油。

截至二零一一年十二月三十一日止年度，地毯買賣業務已告終止，並入賬為已終止經營業務。

由於各產品種類需要不同資源及不同推銷方式，上述各營運分類單獨分開管理。所有分類間轉讓乃參考同類訂單向外間人士收取之價格定價。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Segment reporting (Continued)

The measurement policies the Group used for reporting segment results under HKFRS 8 are the same as those used in its financial statements prepared under HKFRSs, except that finance costs, income tax and corporate income and expenses which are not directly attributable to the business activities of any operating segment are not included in arriving at the operating results of the operating segment.

Segment assets include all assets but corporate assets which are not directly attributable to the business activities of any operating segment are not allocated to a segment, which primarily applies to the Group's headquarter.

Segment liabilities exclude corporate liabilities which are not directly attributable to the business activities of any operating segment and are not allocated to a segment.

No asymmetrical allocations have been applied to reportable segments.

(z) Related parties

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

3. 重大會計政策概述 (續)

(y) 分類報告 (續)

本集團根據香港財務報告準則第8號報告分類業績所用之計量政策與根據香港財務報告準則編製之財務報表所採用者相同，惟並非任何營運分類業務活動直接產生之財務成本、所得稅及公司收入及開支不計入營運分類之營運業績。

分類資產包括所有資產，但並非直接與任何營運分類業務活動有關之公司資產不會分配至任何分類，而主要歸入本集團總部。

分類負債不包括並非任何營運分類業務活動直接產生之公司負債，該公司負債亦不會分配至任何分類。

非對稱分配不應用於報告分類。

(z) 關連人士

- (a) 符合以下條件之一的人士或其直系家庭成員將被視為本集團的關聯方：
- (i) 對本集團有控制或共同控制；
 - (ii) 對本集團有重大影響；或
 - (iii) 本集團或本集團母公司主要管理人員的成員。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a); and
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

3. 重大會計政策概述 (續)

(z) 關連人士 (續)

- (b) 符合以下條件之一的企業將被視為本集團的關聯方：
- (i) 企業和集團為同一集團下的成員（即母公司、附屬公司及同系附屬公司均為相互的關聯方）；
 - (ii) 企業為另外一家企業的聯營公司或合營公司（或企業為該另外一家企業的集團成員的聯營公司或合營公司）；
 - (iii) 兩家企業同為一個第三方的合營公司；
 - (iv) 企業為一家第三方企業的合營公司及另一家企業為該第三方企業的聯營公司；
 - (v) 企業為一僱員退休福利計劃，且該福利計劃的受益人為本集團的僱員或本集團任何關聯方；
 - (vi) 企業被在註釋(a)下認定的人士控制或共同控制；及
 - (vii) 在註釋(a)(i)下認定的人士對企業有重大影響，或該人士為企業（或企業的母公司）的主要管理人員。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(z) Related parties (Continued)

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

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

(za) Financial guarantee contract

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

3. 重大會計政策概述 (續)

(z) 關連人士 (續)

個人的直系家庭成員是指預期他們在與企業的交易中，可能會影響該個人或受其影響的家屬，當中包括：

- (i) 該名人士之子女及配偶或同居伴侶；
- (ii) 該名人士之配偶或同居伴侶；及
- (iii) 該名人士或其配偶或其同居伴侶之受養人。

(za) 財務擔保合約

財務擔保合約指因指定債務人未能按債務工具之原有或經修訂條款如期付款時，發行人須向持有人支付指定金額以補償其所蒙受損失之合約。本集團所發行及並非指定按公平值計入損益之財務擔保合約，初步以其公平值減發行財務擔保合約之直接應佔交易成本確認。初步確認後，本集團以下列各項之較高者計算財務擔保合約：(i)根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之金額；及(ii)首次確認之金額減（如適用）根據香港會計準則第18號「收益」確認之累計攤銷。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation

Other than oil properties and CIP, the Group depreciates its property, plant and equipment using straight-line method over their estimated useful lives of 3 to 29 years. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of these property, plant and equipment.

Impairment of receivables

The Group's management reviews receivables on a regular basis to determine if any provision for impairment is necessary. Impairment loss on receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Allowances for impairment of receivables are determined by management based on the repayment history of its debtors and the current market conditions. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. Management reassesses the impairment of receivables, if any, at the reporting date.

4. 重大會計估計及判斷

估計及判斷會持續進行評估，並根據過往經驗及其他因素進行評價，包括在有關情況下相信為合理之對未來事件之預測。

本集團對未來作出估計及假設。所得之會計估計因其性質使然，很少會與實際結果一致。下述估計及假設存在可能導致須於下個財政年度對資產及負債之賬面值作出重大調整之重大風險：

折舊

除石油資產及在建工程外，本集團之物業、廠房及設備乃採用直線法按其估計可使用年期3至29年折舊。估計可使用年期反映董事對本集團擬透過使用該等物業、廠房及設備取得未來經濟效益之年期之估計。

應收款項減值

本集團管理層會定期審閱應收款項，以釐定是否需要計提減值撥備。當有客觀憑證顯示本集團將無法根據應收款項之原有條款收回所有到期金額時，確定應收款項之減值虧損。應收款項減值撥備乃由管理層根據其債務人之還款記錄及當前市況而釐定。債務人面臨重大財務困難、債務人可能破產或進行財務重組以及拖欠或欠付款額均被視為應收款項減值之跡象。管理層會於報告日期重估應收款項之減值（如有）。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Estimated impairment of goodwill

The Group tests on annual basis whether goodwill is impaired in accordance with the accounting policy stated in note 3(l). The recoverable amounts of CGUs are determined based on value-in-use calculations. These calculations require the use of judgement and estimates of the future cash flows expected to arise from the CGUs, the timeframe for the cash flows forecast and the suitable discount rates in order to calculate the present value. Details in impairment assessment are set out in note 19 to the financial statements.

Estimated impairment of intangible assets

Fair value of customers' contracts is determined based on excess earnings method. These calculations require the use of estimates about future cash flows, discount rate and duration of customers' contracts. In the process of estimation, management makes assumptions about future cash flow, costs and duration of customers' contracts.

Fair value of interests in oil production sharing contract is determined based on the income approach. These calculations require the use of estimates about future cash flows, discount rate and oil reserves. In the process of estimation, management makes assumptions about future cash flow, costs and oil reserves.

4. 重大會計估計及判斷(續)

商譽之估計減值

根據附註3(l)所載之會計政策，本集團會每年測試商譽是否出現減值。現金產生單位之可收回金額乃根據使用價值之計算結果而釐定。有關計算需要使用對預期將自現金產生單位產生之未來現金流量之判斷及估計，亦需選定現金流量預測之時間範圍及合適之貼現率以計算其現值。減值評估之詳情載於財務報表附註19。

無形資產估計減值

客戶合約之公平值按超額盈利法釐定。該等計算方法要求估計日後現金流量、貼現率及客戶合約期限。在進行估計時，管理層對日後現金流量、成本及客戶合約期限作出假設。

產油業務共享合約之權益之公平值按收入法釐定。該等計算方法要求估計日後現金流量、貼現率及石油儲量。在進行估計時，管理層對日後現金流量、成本及石油儲量作出假設。

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4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Valuation of convertible bonds

The directors of the Company use their judgement in selecting an appropriate valuation technique for the Group's convertible bonds which are not quoted in the active market. Valuation techniques commonly used by market practitioners are applied. The fair value of the liability and equity components embedded in the convertible bonds are estimated by an independent professional valuer. The fair value of these components varies with different variables of certain subjective assumptions. Any change in these variables so adopted may materially affect the estimation of the fair value of these components.

Control on QHFSMI and IMFSMI

As described in notes 3(a)(ii) and 3(a)(iii) to the financial statements, as soon as the Company had discovered the loss of QHFSMI's exploration licence, without the Company's knowledge, consent or approval, the Company sought advice from its legal advisers. Given the discovery of the loss of significant assets of QHFSMI, the board of directors is no longer in the position of maintaining the Group's controls over QHFSMI and IMFSMI. As a consequence, the directors of the Company consider that the Group no longer has the power to exercise its rights as the shareholder and thus has lost its controls over the assets and operations and is unable to exercise the control over the financial and operating policy decisions of QHFSMI and IMFSMI. Accordingly, the directors of the Company consider that it is inappropriate to consolidate the financial statements of QHFSMI and IMFSMI into the Group and these two-wholly owned subsidiaries have been de-consolidated since 2010.

4. 重大會計估計及判斷(續)

可換股債券之估值

本公司董事憑藉彼等之判斷為本集團並無於活躍市場報價之可換股債券選取合適之估值方法。所應用之估值方法為市場參與者通常使用之方法。可換股債券之負債及權益部分之公平值由獨立專業估值師進行估計。該等部分之公平值因涉及若干主觀假設之變數而不同。一旦所採用之變數出現改變，可能對該等部分之公平值估計造成重大影響。

青海森源及內蒙古森源之控制權

如財務報表附註3(a)(ii)及3(a)(iii)所述，本公司發現在本公司不知情及未經本公司同意或批准下失去青海森源之勘探牌照後，已立即尋求其法律顧問之意見。鑒於青海森源出現重大資產損失，董事會已無法再維持本集團對青海森源及內蒙古森源之控制權。基於上述原因，本公司董事認為，本集團不再有權行使其作為股東之權利，並因此失去其對青海森源及內蒙古森源之資產及經營之控制權及無法對青海森源及內蒙古森源之財務及經營決策行使控制權。因此，本公司董事認為，不宜將青海森源及內蒙古森源之財務報表綜合計入本集團之賬目內，故該兩間全資附屬公司自二零一零年起不再綜合計入賬目內。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

Estimation of oil reserves

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

Taxation

The Group is subject to income taxes in Hong Kong and the PRC. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions in the period in which such final tax liabilities determination is made.

4. 重大會計估計及判斷(續)

石油儲量之估計

石油儲量對本公司之投資決策過程至關重要，亦為進行減值測試之重要因素。石油儲量之變動將影響財務報表就與石油生產活動相關之石油資產及無形資產所記錄之單位產量折舊、損耗及攤銷。石油儲量之減少將增加折舊、損耗及攤銷金額（假設持續生產），並令純利減少。石油儲量估計乃按照開採鑽探及生產活動之新資訊或產品價格或開發方案等經濟因素變化而上下調整。整體而言，開發及生產活動所帶來之新資訊會導致石油儲量之技術純熟度出現變動，將成為年度調整之最主要因素。

稅項

本集團須繳納香港及中國所得稅。於日常業務過程中，若干交易及計算難以釐定最終稅項。本集團根據估計是否存在到期額外稅項而確認預期稅項之負債。倘該等事宜之最終稅務結果與初始入賬金額不同，該等差額將會影響釐定有關最終稅項負債期間之所得稅撥備。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

5. REVENUE AND OTHER INCOME

The Group's principal activities are disclosed in note 1 to the financial statements. Turnover of the Group is the revenue from these activities on continuing operations.

Revenue from the Group's principal activities and other income recognised are as follows:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Revenue on continuing operations	持續經營業務之收益		
Sale of electricity and heat	銷售電力及熱能	122,700	103,844
Sale of crude oil	銷售原油	184,431	127,544
		307,131	231,388
Other income on continuing operations	持續經營業務之其他收入		
Bank interest income	銀行利息收入	347	352
Exchange gain, net	匯兌收益淨額	871	2,983
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	57	360
Government grants	政府補助	47,733	37,115
Gain on extinguishment of non-current borrowings (note 29)	抵銷非流動借款之收益(附註29)	3,004	12,198
Sundry income	各項收入	5,877	172
		57,889	53,180

Government grants mainly represented unconditional grants from the local government in the PRC to the Group to compensate its selling price of heat energy supplied to the local central heat transmit station.

5. 收益及其他收入

本集團之主要業務於財務報表附註1披露。本集團營業額為來自該等持續經營業務之收益。

本集團主要業務之收益及已確認其他收入載列如下：

政府補助主要為中國地方政府對本集團之無條件補助，以補償向地方城市集中供熱總站供應熱能之售價。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

6. SEGMENT INFORMATION

The Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to management of the Group for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to management of the Group are determined based on the Group's major product and service lines. The Group has identified the following reportable segments.

- (a) the Supply of Electricity and Heat segment represents the business of generation and supplying of electricity and heat; and
- (b) the Oil Production segment represents the business of oil production.

There was no inter-segment sale and transfer during the year (2011: Nil).

6. 分類資料

本集團已根據定期向本集團管理層匯報以供決定分配資源至本集團業務分部及檢討該等分部表現之內部財務資料，確立其營運分類及編製分類資料。向本集團管理層進行內部報告之業務分部乃按照本集團主要產品及服務種類釐定。本集團已確立以下報告分類。

- (a) 熱電供應分類，指熱電生產及供應業務；及
- (b) 產油分類，指產油業務。

於年內並無分類間之出售及轉讓（二零一一年：無）。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

6. 分類資料 (續)

		Supply of Electricity and Heat 熱電供應		Oil Production 產油		Total 總計	
		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Reportable segment revenue: From external customers	報告分類收益： 來自外間客戶之收益	122,700	103,844	184,431	127,544	307,131	231,388
Reportable segment (loss)/profit	報告分類(虧損)/溢利	(69,180)	(72,537)	(325,949)	30,594	(395,129)	(41,943)
Bank interest income	銀行利息收入	238	227	108	122	346	349
Gain on extinguishment of non-current borrowings	抵銷非流動借款之收益	183	1,838	2,821	10,360	3,004	12,198
Depreciation	折舊	29,038	28,430	25,112	19,114	54,150	47,544
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	679	668	-	-	679	668
Amortisation of intangible assets	無形資產攤銷	3,343	16,459	20,464	15,822	23,807	32,281
Impairment loss of goodwill	商譽之減值虧損	68,385	64,674	-	-	68,385	64,674
Impairment loss of intangible assets	無形資產之減值虧損	-	-	323,367	-	323,367	-
Impairment loss of property, plant and equipment	物業、廠房及設備之減值虧損	-	-	48,939	-	48,939	-
Reportable segment assets	報告分類資產	601,178	696,669	2,113,197	2,441,802	2,714,375	3,138,471
Additions to non-current segment assets during the year	本年度非流動分類資產增加	4,033	4,529	99,091	119,350	103,124	123,879
Reportable segment liabilities	報告分類負債	70,483	110,704	621,981	688,599	692,464	799,303

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

6. SEGMENT INFORMATION (Continued)

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

Group	本集團	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Reportable segment revenue and consolidated revenue	報告分類收益及綜合收益	307,131	231,388
Reportable segment loss	報告分類虧損	(395,129)	(41,943)
Finance costs	財務成本	(13,427)	(13,096)
Other unallocated income	其他未分配收入	1	3
Elimination of inter-companies' transaction	對銷公司間交易	2,460	-
Other unallocated expenses	其他未分配開支	(10,794)	(10,778)
Loss before income tax and discontinued operations	除所得稅及已終止經營業務前虧損	(416,889)	(65,814)

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Reportable segment assets	報告分類資產	2,714,375	3,138,471
Property, plant and equipment	物業、廠房及設備	223	316
Cash at banks and in hand	銀行結存及手頭現金	1,415	5,599
Other corporate assets	其他企業資產	1,414	1,328
Group assets	本集團資產	2,717,427	3,145,714
Reportable segment liabilities	報告分類負債	692,464	799,303
Convertible bonds	可換股債券	394	14,484
Promissory notes	本票	-	28,707
Other corporate liabilities	其他企業負債	58,485	37,400
Group liabilities	本集團負債	751,343	879,894

All revenues from external customers are located in the PRC (domicile). Geographical location of customers is based on the location at which the goods are delivered. No geographical location of non-current assets is presented as substantial non-current assets are physically based in the PRC.

6. 分類資料 (續)

就本集團營運分類所呈列之總金額與財務報表中呈列之本集團主要財務數字之對賬如下：

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Reportable segment revenue and consolidated revenue	報告分類收益及綜合收益	307,131	231,388
Reportable segment loss	報告分類虧損	(395,129)	(41,943)
Finance costs	財務成本	(13,427)	(13,096)
Other unallocated income	其他未分配收入	1	3
Elimination of inter-companies' transaction	對銷公司間交易	2,460	-
Other unallocated expenses	其他未分配開支	(10,794)	(10,778)
Loss before income tax and discontinued operations	除所得稅及已終止經營業務前虧損	(416,889)	(65,814)

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Reportable segment assets	報告分類資產	2,714,375	3,138,471
Property, plant and equipment	物業、廠房及設備	223	316
Cash at banks and in hand	銀行結存及手頭現金	1,415	5,599
Other corporate assets	其他企業資產	1,414	1,328
Group assets	本集團資產	2,717,427	3,145,714
Reportable segment liabilities	報告分類負債	692,464	799,303
Convertible bonds	可換股債券	394	14,484
Promissory notes	本票	-	28,707
Other corporate liabilities	其他企業負債	58,485	37,400
Group liabilities	本集團負債	751,343	879,894

所有來自外間客戶之收益均位於中國(居籍)。客戶所在地區乃根據所交付貨品之地區劃分。由於大部份非流動資產實際位於中國，因此並無呈列非流動資產所在地區。

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6. SEGMENT INFORMATION (Continued)

Revenue from the major customers is as follows:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Customer A (derived from the Oil Production segment)	客戶A (來源於產油分類)	184,431	127,544
Customer B (derived from the Supply of Electricity and Heat segment)	客戶B (來源於熱電供應分類)	38,875	24,058
		223,306	151,602

6. 分類資料 (續)

來自主要客戶之收益如下：

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Customer A (derived from the Oil Production segment)	客戶A (來源於產油分類)	184,431	127,544
Customer B (derived from the Supply of Electricity and Heat segment)	客戶B (來源於熱電供應分類)	38,875	24,058
		223,306	151,602

7. FINANCE COSTS

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Continuing operations:	持續經營業務：		
Interest on bank and other borrowings due within one year	一年內到期之銀行及其他借款利息	1,117	6,011
Imputed interest on promissory notes (note 30)	本票之推算利息 (附註30)	2,518	2,459
Imputed interest on convertible bonds (note 31)	可換股債券之推算利息 (附註31)	1,198	1,851
Imputed interest on amounts due to non-controlling shareholder (note 27)	應付非控股股東款項之推算利息 (附註27)	822	392
Imputed interest on non-current borrowings	非流動借款之推算利息	7,772	-
Loss on redemption of promissory notes (note 30)	贖回本票之虧損 (附註30)	-	2,383
		13,427	13,096

7. 財務成本

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Continuing operations:	持續經營業務：		
Interest on bank and other borrowings due within one year	一年內到期之銀行及其他借款利息	1,117	6,011
Imputed interest on promissory notes (note 30)	本票之推算利息 (附註30)	2,518	2,459
Imputed interest on convertible bonds (note 31)	可換股債券之推算利息 (附註31)	1,198	1,851
Imputed interest on amounts due to non-controlling shareholder (note 27)	應付非控股股東款項之推算利息 (附註27)	822	392
Imputed interest on non-current borrowings	非流動借款之推算利息	7,772	-
Loss on redemption of promissory notes (note 30)	贖回本票之虧損 (附註30)	-	2,383
		13,427	13,096

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8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging/(crediting) the following:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Continuing operations:	持續經營業務：		
Cost of inventories recognised as expense	確認為開支之存貨成本	112,044	66,245
Depreciation	折舊	54,256	47,649
Amortisation of prepaid land lease payments (note 17)	預付土地租賃款項攤銷(附註17)	679	668
Amortisation of intangible assets* (note 20)	無形資產攤銷*(附註20)	23,807	32,281
Auditor's remuneration	核數師酬金	966	954
Exchange gain, net	匯兌收益淨額	(871)	(2,983)
Impairment loss of goodwill (note 19)	商譽之減值虧損(附註19)	68,385	64,674
Impairment loss of intangible assets (note 20)	無形資產之減值虧損(附註20)	323,367	-
Impairment loss of property, plant and equipment (note 16(a))	物業、廠房及設備之減值虧損(附註16(a))	48,939	-
Operating lease charges on land and buildings	土地及樓宇之經營租約費用	4,571	2,536
Staff costs, including directors' emoluments (note 14)	員工成本，包括董事酬金(附註14)	25,541	25,036

* Included in "Other operating expenses" on the face of the consolidated income statement.

Depreciation expenses of HK\$49,436,000 (2011: HK\$43,225,000) and HK\$4,820,000 (2011: HK\$4,424,000) were included in cost of sales and administrative expenses respectively.

8. 除所得稅前虧損

除所得稅前虧損已扣除/(計入)以下各項：

	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
	112,044	66,245
	54,256	47,649
	679	668
	23,807	32,281
	966	954
	(871)	(2,983)
	68,385	64,674
	323,367	-
	48,939	-
	4,571	2,536
	25,541	25,036

* 已計入綜合損益表之「其他經營開支」。

折舊開支49,436,000港元(二零一一年：43,225,000港元)及4,820,000港元(二零一一年：4,424,000港元)分別計入銷售成本及行政開支。

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9. INCOME TAX CREDIT

No Hong Kong profits tax has been provided as the Group had no estimated assessable profits arising in or derived from Hong Kong for both years.

9. 所得稅計入

由於本集團於兩個年度均無在香港產生任何估計應課稅溢利，故並無就香港利得稅作出撥備。

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Current tax – the PRC	當期稅項－中國		
– Current year	– 本年度	9,943	221
Deferred tax – the PRC	遞延稅項－中國		
– Current year (note 32)	– 本年度 (附註32)	(93,203)	(2,102)
Income tax credit	所得稅計入	(83,260)	(1,881)

Reconciliation between income tax credit and the accounting loss at applicable tax rates:

按適用稅率計算之所得稅計入與會計虧損之對賬如下：

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Loss before income tax	除所得稅前虧損		
Continuing operations	持續經營業務	(416,889)	(65,814)
Discontinued operations	已終止經營業務	–	(1,457)
		(416,889)	(67,271)
Tax at the applicable rates to loss in the tax jurisdictions concerned	對於所涉稅務司法權區之虧損按適用稅率計算之稅項	(103,480)	(15,466)
Tax effect of non-taxable income	非課稅收入之稅務影響	(7,850)	(12,442)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	28,070	26,087
Tax effect of unrecognised temporary differences	未確認暫時差額之稅務影響	–	(60)
Income tax credit	所得稅計入	(83,260)	(1,881)

Shanxi Zhong Kai Group Lingshi Heat and Power Company Limited (“Shanxi Zhong Kai Group Lingshi”) and branches of China Era Energy Power Investment Limited (“China Era”) in Beijing and Jilin, the PRC are subject to PRC enterprise income tax at the tax rate of 25% (2011: 25%) for the year.

山西中凱集團靈石熱電有限公司(「山西中凱集團靈石」)及中國年代能源投資有限公司(「中國年代」)於中國北京及吉林之分公司本年度須按25%(二零一一年: 25%)之稅率繳納中國企業所得稅。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

10. DIVIDENDS

The Board did not recommend any payment of dividends during the year (2011: Nil).

11. DISCONTINUED OPERATIONS

As mentioned in note 1, trading of carpet business was presented as discontinued operations in accordance with HKFRS 5 for the year ended 31 December 2011.

An analysis of the results and cash flows of discontinued operations included in the consolidated income statement and the consolidated statement of cash flows for the year ended 31 December 2011 was as follows:

10. 股息

年內，董事會建議不派付任何股息（二零一一年：無）。

11. 已終止經營業務

如附註1所述，本集團於截至二零一一年十二月三十一日止年度根據香港財務報告準則第5號將地毯買賣業務呈列為已終止經營業務。

載列於截至二零一一年十二月三十一日止年度綜合損益表及綜合現金流量表之已終止經營業務之業績及現金流分析如下：

		2011 二零一一年 Trading of Carpet Business HK\$'000 地毯買賣業務 千港元
Revenue	收益	-
Expenses	開支	(1,457)
Loss before income tax	所得稅前虧損	(1,457)
Income tax expense	所得稅開支	-
Loss for the year from discontinued operations and attributable to the owners of the Company	本年度已終止經營業務及本公司擁有人應佔虧損	(1,457)
Operating cash outflows	經營現金流出	(311)
Net cash outflows	現金流出淨額	(311)

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

12. LOSS ATTRIBUTABLE TO THE OWNERS OF THE COMPANY

Of the consolidated loss attributable to the owners of the Company of HK\$332,719,000 (2011: HK\$61,750,000), a loss of HK\$17,356,000 (2011: HK\$18,630,000) has been dealt with in the financial statements of the Company.

13. LOSS PER SHARE

The calculations of basic and diluted loss per share attributable to the owners of the Company are based on the following data:

12. 本公司擁有人應佔虧損

於本公司擁有人應佔綜合虧損332,719,000港元(二零一一年:61,750,000港元)中,為數17,356,000港元(二零一一年:18,630,000港元)之虧損已於本公司財務報表處理。

13. 每股虧損

本公司擁有人應佔每股基本及攤薄虧損乃根據以下數據計算:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	用以計算每股基本虧損之本公司擁有人應佔本年度虧損	(332,719)	(61,750)
Loss for the year attributable to the owners of the Company from discontinued operations	本年度本公司擁有人應佔已終止經營業務虧損	-	(1,457)
Loss for the year attributable to the owners of the Company for the purpose of basic and diluted loss per share from continuing operations	用以計算持續經營業務每股基本及攤薄虧損之本年度本公司擁有人應佔虧損	(332,719)	(60,293)

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

13. LOSS PER SHARE (Continued)

Number of shares	股份數目
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	用以計算每股基本及攤薄虧損之普通股加權平均數

2012 二零一二年 '000 千股	2011 二零一一年 '000 千股
26,659,168	20,055,353

From continuing and discontinued operations:

The calculation of basic loss per share from continuing and discontinued operations is based on the loss attributable to the owners of the Company of HK\$332,719,000 (2011: HK\$61,750,000) and the weighted average number of ordinary shares of 26,659,168,000 (2011: 20,055,353,000) in issue during the year.

No diluted loss per share from continuing and discontinued operations attributable to the owners of the Company is presented for the years ended 31 December 2011 and 2012 as there were no dilutive potential shares.

The denominators and numerators used are the same as those details above for both basic and diluted loss per share.

From continuing operations:

The calculation of basic loss per share from continuing operations is based on the loss attributable to the owners of the Company of HK\$332,719,000 (2011: HK\$60,293,000) and the weighted average number of ordinary shares of 26,659,168,000 (2011: 20,055,353,000) in issue during the year.

No diluted loss per share from continuing operations attributable to the owners of the Company is presented for the years ended 31 December 2011 and 2012 as there were no dilutive potential shares.

The denominators and numerators used are the same as those details above for both basic and diluted loss per share.

13. 每股虧損 (續)

來自持續及已終止經營業務：

持續及已終止經營業務每股基本虧損乃根據本公司擁有人應佔虧損332,719,000港元(二零一一年：61,750,000港元)及年內已發行普通股加權平均數26,659,168,000股(二零一一年：20,055,353,000股)計算。

由於並無具潛在攤薄影響之股份，故截至二零一一年及二零一二年十二月三十一日止年度並無呈列本公司擁有人應佔持續及已終止經營業務每股攤薄虧損。

所用的分母及分子均與上述計算每股基本及攤薄虧損所用者相同。

來自持續經營業務：

持續經營業務每股基本虧損乃根據本公司擁有人應佔虧損332,719,000港元(二零一一年：60,293,000港元)及年內已發行普通股加權平均數26,659,168,000股(二零一一年：20,055,353,000股)計算。

由於並無具潛在攤薄影響之股份，故截至二零一一年及二零一二年十二月三十一日止年度並無呈列本公司擁有人應佔持續經營業務每股攤薄虧損。

所用的分母及分子均與上述計算每股基本及攤薄虧損所用者相同。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

13. LOSS PER SHARE (Continued)

From discontinued operations:

For the year ended 31 December 2012, there was no basic loss per share from discontinued operations attributable to the owners of the Company.

For the year ended 31 December 2011, the calculation of basic loss per share from discontinued operations was based on the loss attributable to the owners of the Company of HK\$1,457,000 and the weighted average number of ordinary shares of 20,055,353,000 in issue for that year.

No diluted loss per share from discontinued operations attributable to the owners of the Company is presented for the years ended 31 December 2011 and 2012 as there were no dilutive potential shares.

14. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

13. 每股虧損 (續)

來自已終止經營業務：

截至二零一二年十二月三十一日止年度，並無本公司擁有人應佔已終止經營業務之每股基本虧損。

截至二零一一年十二月三十一日止年度，已終止經營業務每股基本虧損乃根據本公司擁有人應佔虧損1,457,000港元及該年內已發行普通股加權平均數20,055,353,000股計算。

由於並無具潛在攤薄影響之股份，故截至二零一一年及二零一二年十二月三十一日止年度並無呈列本公司擁有人應佔已終止經營業務每股攤薄虧損。

14. 僱員福利開支 (包括董事酬金)

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Continuing operations	持續經營業務：		
Wages, salaries and allowances	工資、薪金及津貼	24,388	23,924
Pension costs – defined contribution retirement plans	退休金成本—定額供款退休計劃	1,153	1,112
		25,541	25,036

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

15. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

	Notes	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Contribution to retirement benefit scheme HK\$'000	Total HK\$'000
	附註	袍金 千港元	薪金·津貼及 實物福利 千港元	退休福利 計劃供款 千港元	總計 千港元
2012					
Executive directors	執行董事				
Mr. Chan Kwok Wing	陳國榮先生	-	-	-	-
Mr. Wang Donghai	王東海先生	-	-	-	-
Mr. Luo Nianru	羅念如先生	-	-	-	-
Ms. Wang Meiyang	王美艷女士	-	824	-	824
Mr. Yang Guangming	楊光明先生	-	-	-	-
Mr. Law Fei Shing	羅輝城先生 (i)	-	-	-	-
Independent non-executive directors	獨立非執行董事				
Mr. Wang Jinghua	王靖華先生	36	-	-	36
Mr. Choi Chi Fai	蔡志輝先生	60	-	-	60
Mr. Sun Tak Keung	辛德強先生 (i)	-	-	-	-
Mr. Chan Wai Cheung Admiral	陳偉璋先生 (ii)	45	-	-	45
		141	824	-	965

Notes:

- (i) Resigned on 1 January 2012.
(ii) Appointed on 30 March 2012.

15. 董事及五位最高薪酬人士酬金

(a) 董事酬金

	Notes	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Contribution to retirement benefit scheme HK\$'000	Total HK\$'000
	附註	袍金 千港元	薪金·津貼及 實物福利 千港元	退休福利 計劃供款 千港元	總計 千港元
2012					
Executive directors	執行董事				
Mr. Chan Kwok Wing	陳國榮先生	-	-	-	-
Mr. Wang Donghai	王東海先生	-	-	-	-
Mr. Luo Nianru	羅念如先生	-	-	-	-
Ms. Wang Meiyang	王美艷女士	-	824	-	824
Mr. Yang Guangming	楊光明先生	-	-	-	-
Mr. Law Fei Shing	羅輝城先生 (i)	-	-	-	-
Independent non-executive directors	獨立非執行董事				
Mr. Wang Jinghua	王靖華先生	36	-	-	36
Mr. Choi Chi Fai	蔡志輝先生	60	-	-	60
Mr. Sun Tak Keung	辛德強先生 (i)	-	-	-	-
Mr. Chan Wai Cheung Admiral	陳偉璋先生 (ii)	45	-	-	45
		141	824	-	965

附註：

- (i) 於二零一二年一月一日辭任。
(ii) 於二零一二年三月三十日獲委任。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

15. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

	Note	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Contribution to retirement benefit scheme HK\$'000	Total HK\$'000
	附註	袍金 千港元	薪金、津貼及 實物福利 千港元	退休福利 計劃供款 千港元	總計 千港元
2011					
Executive directors	二零一一年 執行董事				
Mr. Chan Kwok Wing	陳國榮先生	-	-	-	-
Mr. Wang Donghai	王東海先生	-	-	-	-
Mr. Luo Nianru	羅念如先生 (i)	-	-	-	-
Ms. Wang Meiyang	王美艷女士 (ii)	-	672	-	672
Mr. Yang Guangming	楊光明先生 (ii)	-	-	-	-
Mr. Law Fei Shing	羅輝城先生 (iii)	-	2,337	12	2,349
Mr. Chan Sung Wai	陳崇煒先生 (iv)	-	-	-	-
Independent non-executive directors	獨立非執行董事				
Mr. Wang Jinghua	王靖華先生 (v)	18	-	-	18
Mr. Choi Chi Fai	蔡志輝先生 (v)	30	-	-	30
Mr. Lum Pak Sum	林柏森先生 (vi)	30	-	-	30
Mr. Sun Tak Keung	辛德強先生 (iii)	30	-	-	30
Mr. Chow Pui Fung	周培豐先生 (vi)	-	-	-	-
		108	3,009	12	3,129

Notes:

- (i) Appointed on 7 November 2011.
- (ii) Appointed on 25 January 2011.
- (iii) Resigned on 1 January 2012.
- (iv) Resigned on 12 April 2011.
- (v) Appointed on 1 July 2011.
- (vi) Resigned on 1 July 2011.

附註：

- (i) 於二零一一年十一月七日獲委任。
- (ii) 於二零一一年一月二十五日獲委任。
- (iii) 於二零一二年一月一日辭任。
- (iv) 於二零一一年四月十二日辭任。
- (v) 於二零一一年七月一日獲委任。
- (vi) 於二零一一年七月一日辭任。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

15. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS (Continued)

(a) Directors' emoluments (Continued)

During the year, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office (2011: Nil).

There were no arrangements under which a director of the Company waived or agreed to waive any remuneration during the year (2011: Nil).

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the year included 1 (2011: 2) director(s) and their emoluments are included in the above analysis. Details of the emoluments of the remaining 4 (2011: 3) individuals during the year are as follows:

	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Basic salaries, housing benefits, other allowances and benefits in kind	1,880	1,661
Pension costs – defined contribution retirement benefit plans	47	30
	1,927	1,691

Number of the remaining highest paid individuals whose emoluments fell within the following band is as follows:

	2012 二零一二年	2011 二零一一年
Nil to HK\$1,000,000	4	3

During the year, no emoluments were paid by the Group to the above highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2011: Nil).

15. 董事及五位最高薪酬人士酬金 (續)

(a) 董事酬金 (續)

年內，本集團並無向本公司董事支付任何酬金，作為加入本集團或於加盟時之獎金或作為離職補償（二零一一年：無）。

年內，並無任何本公司董事放棄或同意放棄任何酬金之安排（二零一一年：無）。

(b) 五位最高薪酬人士

年內，本集團五位最高薪酬人士包括一位（二零一一年：兩位）董事，彼之酬金詳情參考上文分析。年內，餘下四位（二零一一年：三位）人士之酬金詳情如下：

酬金介乎以下範圍之餘下最高薪酬人士數目如下：

年內，本集團並無向上述最高薪酬人士支付任何酬金，作為加入本集團或於加盟時之獎金或作為離職補償（二零一一年：無）。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY

16. 物業、廠房及設備 – 本集團及本公司

(a) Group

(a) 本集團

		Buildings HK\$'000	Oil properties HK\$'000	Plant and machinery HK\$'000	Leasehold improvements, furniture, office equipment and motor vehicles HK\$'000 租賃物業 裝修、傢俬、 辦公設備及汽車 千港元	CIP HK\$'000	Total HK\$'000
		樓宇 千港元	石油財產 千港元	廠房及機器 千港元	租賃物業 裝修、傢俬、 辦公設備及汽車 千港元	在建工程 千港元	總計 千港元
At 1 January 2011	於二零一一年一月一日						
Cost	成本	121,944	99,981	261,409	21,492	16,251	521,077
Accumulated depreciation	累計折舊	(1,748)	–	(7,792)	(1,077)	–	(10,617)
Net book amount	賬面淨值	120,196	99,981	253,617	20,415	16,251	510,460
Year ended 31 December 2011	截至二零一一年十二月 三十一日止年度						
Opening net book amount	年初賬面淨值	120,196	99,981	253,617	20,415	16,251	510,460
Additions	添置	966	–	1,021	5,450	116,445	123,882
Transfer from CIP	轉撥自在建工程	–	114,545	–	–	(114,545)	–
Disposals	出售	–	–	–	(771)	–	(771)
Exchange differences	匯兌差額	3,952	5,339	8,084	745	622	18,742
Depreciation	折舊	(4,270)	(16,190)	(23,311)	(3,885)	–	(47,656)
Closing net book amount	年終賬面淨值	120,844	203,675	239,411	21,954	18,773	604,657
At 31 December 2011	於二零一一年 十二月三十一日						
Cost	成本	126,990	220,135	271,162	26,514	18,773	663,574
Accumulated depreciation	累計折舊	(6,146)	(16,460)	(31,751)	(4,560)	–	(58,917)
Net book amount	賬面淨值	120,844	203,675	239,411	21,954	18,773	604,657
Year ended 31 December 2012	截至二零一二年十二月 三十一日止年度						
Opening net book amount	年初賬面淨值	120,844	203,675	239,411	21,954	18,773	604,657
Additions	添置	389	–	1,259	1,975	99,513	103,136
Transfer from CIP	轉撥自在建工程	–	101,496	–	–	(101,496)	–
Disposals	出售	(578)	–	(76)	(471)	–	(1,125)
Exchange differences	匯兌差額	953	2,323	1,776	155	139	5,346
Depreciation	折舊	(4,356)	(21,722)	(23,870)	(4,308)	–	(54,256)
Impairment loss (note 8)	減值虧損(附註8)	–	(44,464)	–	(2,838)	(1,637)	(48,939)
Closing net book amount	年終賬面淨值	117,252	241,308	218,500	16,467	15,292	608,819
At 31 December 2012	於二零一二年 十二月三十一日						
Cost	成本	134,188	332,331	304,646	31,703	16,929	819,797
Accumulated depreciation and impairment	累計折舊及減值	(16,936)	(91,023)	(86,146)	(15,236)	(1,637)	(210,978)
Net book amount	賬面淨值	117,252	241,308	218,500	16,467	15,292	608,819

Buildings are located on the prepaid land lease payments in the PRC (note 17).

樓宇位於中國之預付土地租賃款項(附註17)。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT – GROUP AND COMPANY (Continued)

(a) Group (Continued)

For the year ended 31 December 2012, provision for impairment loss of oil properties, furniture and office equipment and CIP relating to the oil production CGU of HK\$44,464,000 (2011: HK\$Nil), HK\$2,838,000 (2011: HK\$Nil) and HK\$1,637,000 (2011: HK\$Nil), respectively, were recognised in profit or loss to write down to their recoverable amounts due to the decrease in the projected oil price, adjustments to the production costs and amendment to the drilling and extraction schedules, totalling HK\$48,939,000 (2011: HK\$Nil) (note 20(iii)).

(b) Company

16. 物業、廠房及設備—本集團及本公司(續)

(a) 本集團(續)

截至二零一二年十二月三十一日止年度，有關產油現金產生單位的石油財產、傢俬及辦公設備，以及物業、廠房及設備的減值虧損撥備分別為44,464,000港元(二零一一年：零港元)、2,838,000港元(二零一一年：零港元)及1,637,000港元(二零一一年：零港元)，乃於損益確認以撇銷因預期油價下跌、對生產成本之調整及修訂鑽探及開採時間表產生的可收回金額合共48,939,000港元(二零一一年：零港元)(附註20(iii))。

(b) 本公司

		Office equipment HK\$'000 辦公設備 千港元
At 1 January 2011	於二零一一年一月一日	
Cost	成本	451
Accumulated depreciation	累計折舊	(444)
Net book amount	賬面淨值	7
Year ended 31 December 2011	截至二零一一年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	7
Additions	添置	3
Depreciation	折舊	(4)
Closing net book amount	年終賬面淨值	6
At 31 December 2011	於二零一一年十二月三十一日	
Cost	成本	454
Accumulated depreciation	累計折舊	(448)
Net book amount	賬面淨值	6
Year ended 31 December 2012	截至二零一二年十二月三十一日止年度	
Opening net book amount	年初賬面淨值	6
Additions	添置	13
Depreciation	折舊	(4)
Closing net book amount	年終賬面淨值	15
At 31 December 2012	於二零一二年十二月三十一日	
Cost	成本	467
Accumulated depreciation	累計折舊	(452)
Net book amount	賬面淨值	15

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

17. PREPAID LAND LEASE PAYMENTS – GROUP

These represented the Group's interests in leasehold land and land use rights in the PRC, held without a specific term. Changes to the carrying amounts presented in the consolidated statement of financial position are summarised as follows:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Opening net carrying amount	年初賬面淨值	29,876	29,569
Exchange differences	匯兌差額	239	975
Amortisation charges during the year (note 8)	本年度攤銷費用(附註8)	(679)	(668)
Closing net carrying amount	年終賬面淨值	29,436	29,876

17. 預付土地租賃款項－本集團

該等款項代表本集團於中國持有之無指定租期之租賃土地及土地使用權之權益。於綜合財務狀況表呈列之賬面值變動概述如下：

18. INTERESTS IN SUBSIDIARIES – COMPANY

		Notes	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
		附註		
Investments	投資			
– Unlisted shares, at cost	– 非上市股份，按成本值	(a)	–	–
Amounts due from subsidiaries	應收附屬公司款項	(b)	2,656,259	2,654,493
Provision for impairment loss	減值虧損撥備		2,656,259 (1,064,614)	2,654,493 (1,054,404)
			1,591,645	1,600,089
Amounts due to a subsidiary	應付一間附屬公司款項	(c)	(26,929)	(23,696)

18. 於附屬公司之權益－本公司

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

18. INTERESTS IN SUBSIDIARIES – COMPANY (Continued)

Movement in the provision for impairment of interests in subsidiaries is as follows:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
At 1 January	於一月一日	1,054,404	1,047,365
Impairment during the year	年內額外減值	10,210	7,039
At 31 December	於十二月三十一日	1,064,614	1,054,404

Notes:

(a) Particulars of the principal subsidiaries are as follows:

(i) Particulars of the principal subsidiaries as at 31 December 2012 are as follows:

Name	Place of incorporation/ establishment 註冊成立/ 成立地點	Paid-up share/ registered capital 實繳股本/註冊資本	Percentage of equity attributable to the Company 本公司應佔股本百分比	Principal activities and place of operation 主要業務及經營地點
Directly held 直接持有				
Smooth Way International Limited 順威國際有限公司	British Virgin Islands ("BVI") 英屬處女群島	Ordinary United States dollars ("US\$")1 普通股1美元	100%	Investment holding, Hong Kong 投資控股·香港
Cheerful Dragon Limited 怡龍有限公司	BVI 英屬處女群島	Ordinary US\$1 普通股1美元	100%	Investment holding, Hong Kong 投資控股·香港
Precious New Limited 寶穎有限公司	BVI 英屬處女群島	Ordinary US\$1 普通股1美元	100%	Investment holding, Hong Kong 投資控股·香港

18. 於附屬公司之權益—本公司 (續)

於附屬公司之權益之減值撥備變動如下:

附註:

(a) 主要附屬公司詳情如下:

(i) 於二零一二年十二月三十一日之主要附屬公司之詳情如下:

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

18. INTERESTS IN SUBSIDIARIES – COMPANY (Continued)

Notes: (Continued)

(a) Particulars of the principal subsidiaries are as follows:
(Continued)

(i) Particulars of the principal subsidiaries as at 31 December 2012 are as follows: (Continued)

Name 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Paid-up share/ registered capital 實繳股本/註冊資本	Percentage of equity attributable to the Company 本公司應佔 股本百分比	Principal activities and place of operation 主要業務及經營地點
Indirectly held 間接持有				
Energy Investments (Hong Kong) Limited 能源投資(香港)有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100%	Investment holding, Hong Kong 投資控股·香港
Treasure Tone Limited 富裕通有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100%	Investment holding, Hong Kong 投資控股·香港
Kanson Development Limited ("Kanson") Kanson Development Limited ("Kanson")	BVI 英屬處女群島	Ordinary US\$200 普通股200美元	100%	Investment holding, Hong Kong 投資控股·香港
Hong Kong Forest Source Mining Industry Holding Company Limited 香港森源礦業控股有限公司	Hong Kong 香港	Ordinary HK\$70,000,000 普通股 70,000,000港元	100%	Investment holding, Hong Kong 投資控股·香港
Sunlight Rise Limited ("Sunlight Rise") 昇暉有限公司("昇暉")	BVI 英屬處女群島	Ordinary US\$2 普通股2美元	100%	Investment holding, Hong Kong 投資控股·香港
Pride Treasure Limited 傲財有限公司	Hong Kong 香港	Ordinary HK\$10,000 普通股10,000港元	100%	Investment holding, Hong Kong 投資控股·香港
Ontop Finance Limited 宏達融資有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100%	Investment holding, Hong Kong 投資控股·香港

18. 於附屬公司之權益—本公司 (續)

附註：(續)

(a) 主要附屬公司詳情如下：(續)

(i) 於二零一二年十二月三十一日
之主要附屬公司之詳情如下：
(續)

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

18. INTERESTS IN SUBSIDIARIES – COMPANY (Continued)

Notes: (Continued)

(a) Particulars of the principal subsidiaries are as follows:
(Continued)

(i) Particulars of the principal subsidiaries as at 31 December 2012 are as follows: (Continued)

Name 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Paid-up share/ registered capital 實繳股本/註冊資本	Percentage of equity attributable to the Company 本公司應佔 股本百分比	Principal activities and place of operation 主要業務及經營地點
Indirectly held (Continued) 間接持有 (續)				
Shanxi Zhong Kai Group Lingshi Heat and Power Company Limited 山西中凱集團靈石熱電 有限公司*	PRC 中國	Renminbi ("RMB") 185,000,000 人民幣 185,000,000元	60%	Supply of electricity and heat, the PRC 熱電供應·中國
China International Energy Investments (Hong Kong) Limited ("China International Energy") 中國國際能源投資(香港) 有限公司 (「中國國際能源」)	BVI 英屬處女群島	Ordinary US\$2 普通股2美元	100%	Investment holding, Hong Kong 投資控股·香港
China International Energy Investments (Hong Kong) Limited 中國國際能源投資(香港) 有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100%	Investment holding, Hong Kong 投資控股·香港
China Era Energy Power Investment Limited ("China Era") 中國年代能源投資有限 公司(「中國年代」)	Hong Kong 香港	Ordinary HK\$10 普通股10港元	100%	Oil production, the PRC 石油生產·中國

The financial statements of the subsidiaries for the year ended 31 December 2012 have been examined by BDO Limited for the purpose of the Group's consolidated financial statements.

* Established in the PRC as a sino-foreign equity enterprise.

18. 於附屬公司之權益—本公司 (續)

附註：(續)

(a) 主要附屬公司詳情如下：(續)

(i) 於二零一二年十二月三十一日之主要附屬公司之詳情如下：
(續)

就編製本集團綜合財務報表，截至二零一二年十二月三十一日止年度的附屬公司財務報表經香港立信德豪會計師事務所有限公司審核。

* 於中國成立中外合資企業。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

18. INTERESTS IN SUBSIDIARIES – COMPANY (Continued)

Notes: (Continued)

(a) Particulars of the principal subsidiaries are as follows:
(Continued)

(i) Particulars of the principal subsidiaries as at 31 December 2012 are as follows: (Continued)

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

None of the subsidiaries had any debt securities subsisting at the end of the year or at any time during the year.

(ii) Particulars of the principal subsidiaries de-consolidated since 2010 are as follows:

Name 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Paid-up share/ registered capital 實繳股本/註冊資本	Percentage of equity attributable to the Company 本公司應佔股本百分比	Principal activities and place of operation 主要業務及經營地點
Indirectly held 間接持有				
QHFSMI (notes 3(a)(ii) and (iii)) 青海森源 (附註3(a)(ii)及(iii))	PRC 中國	HK\$40,000,000 40,000,000港元	100% 100%	Exploration of mine, the PRC 礦區勘探·中國
IMFSMI (notes 3(a)(ii) and (iii)) 內蒙古森源 (附註3(a)(ii)及(iii))	PRC 中國	Not yet paid up 尚未繳足	100% 100%	Not yet commenced business 尚未開始經營業務

(b) These amounts are unsecured, interest-free and are not expected to be repaid within the next twelve months. These balances are classified as non-current assets accordingly.

(c) Amounts due to a subsidiary are unsecured, interest-free and are repayable after one year.

18. 於附屬公司之權益—本公司 (續)

附註：(續)

(a) 主要附屬公司詳情如下：(續)

(i) 於二零一二年十二月三十一日之主要附屬公司之詳情如下：
(續)

上表載列本公司董事認為於本年度對本集團之業績有重大影響或佔本集團絕大部分資產淨值之本公司之附屬公司。本公司董事認為，提供其他附屬公司之詳情將過於冗長。

所有附屬公司於年結日或年中任何時間並無任何債務證券。

(ii) 自二零一零年起不再綜合入賬之主要附屬公司詳情如下：

(b) 該等款項為無抵押、免息及預期毋須於未來十二個月內償還。因此，該等結餘分類為非流動資產。

(c) 應付一間附屬公司款項為無抵押、免息及於一年後償還。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

19. GOODWILL – GROUP

19. 商譽 – 本集團

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
At 1 January	於一月一日		
Gross carrying amount	賬面總值	323,366	323,366
Accumulated impairment	累計減值	(113,738)	(49,064)
Net carrying amount	賬面淨值	209,628	274,302
Opening net carrying amount	年初賬面淨值	209,628	274,302
Impairment losses (note 8)	減值虧損 (附註8)	(68,385)	(64,674)
Closing net carrying amount	年終賬面淨值	141,243	209,628
At 31 December	於十二月三十一日		
Gross carrying amount	賬面總值	323,366	323,366
Accumulated impairment	累計減值	(182,123)	(113,738)
Net carrying amount	賬面淨值	141,243	209,628

For the purpose of impairment testing, goodwill is allocated to the CGUs identified as follows:

就減值測試而言，商譽分配至以下現金產生單位：

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Supply of electricity and heat business	熱電供應業務	209,628	274,302

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

19. GOODWILL – GROUP (Continued)

Goodwill as at 31 December 2011 and 2012 arose from the acquisition of Sunlight Rise which holds 100% equity interest in both Pride Treasure Limited and Ontop Finance Limited and 60% equity interest in Shanxi Zhong Kai Group Lingshi (the “Sunlight Group”) in 2010. The recoverable amount for this CGU of which the goodwill being allocated was determined based on value-in-use calculations, performed by an independent firm of professional valuers, LCH (Asia-Pacific) Surveyors Limited (“LCH”), covering a detailed 5-year budget plan followed by an extrapolation of expected cash flows at the growth rate stated below. The growth rate reflects the long-term average growth rate for the product line of the CGU.

The key assumptions used for value-in-use calculations are as follows:

		2012 二零一二年	2011 二零一一年
Discount rate	折現率	15.88%	17.66%
Growth rate	增長率	3.24%	3.12%

The key assumptions also include stable profit margins, which have been determined based on past performance, and management’s expectations for market share, after taking into consideration published market forecast and research. The weighted average growth rate used is consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflect specific risks relating to this CGU.

For the year ended 31 December 2012, provision for impairment loss of HK\$68,385,000 (2011: HK\$64,674,000) was recognised in profit or loss to write down to its recoverable amounts in light of persistent low profitability for this CGU.

Management of the Company is not aware of any other probable changes that would necessitate changes in its key estimates which will result in the carrying amount of goodwill exceeding its recoverable amount.

19. 商譽－本集團 (續)

於二零一一年及二零一二年十二月三十一日之商譽產生自二零一零年收購昇暉，其中昇暉持有傲財有限公司及宏達融資有限公司之全部股本權益，以及持有山西中凱集團靈石之60%股本權益（「昇暉集團」）。該現金產生單位（其中可分配商譽）之可收回金額由獨立專業估值師利駿行測量師有限公司（「利駿行」）按照使用價值計算，包括詳細之五年預算計劃，隨後按下文所述增長率推算預期現金流量。增長率反映現金產生單位之生產線長期平均增長率。

用於計算使用價值之主要假設如下：

		2012 二零一二年	2011 二零一一年
Discount rate	折現率	15.88%	17.66%
Growth rate	增長率	3.24%	3.12%

主要假設亦包括穩定的利潤率，而利潤率乃根據過往表現及管理層經計及已公佈市場預測及研究後對市場份額作出之預期釐定。所使用加權平均增長率與行業報告內所載預測一致。所使用折現率乃除稅前，及反映與此現金產生單位有關之特定風險。

截至二零一二年十二月三十一日止年度，就減值虧損作出之撥備68,385,000港元（二零一一年：64,674,000港元）已於損益表確認，以撇減至其可收回金額，因為此現金產生單位的盈利能力持續低沉。

本公司管理層並不知悉任何會導致其主要估計出現變動之任何其他可能變動，致使商譽之賬面值高於其可收回金額。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

20. INTANGIBLE ASSETS – GROUP

20. 無形資產 – 本集團

		Exploration and evaluation assets HK\$'000 (note (i)) 勘探及評估資產 千港元 (附註(i))	Customers' contracts HK\$'000 (note (ii)) 客戶合約 千港元 (附註(ii))	Interests in oil production sharing contract HK\$'000 (note (iii)) 產油業務共享合約之權益 千港元 (附註(iii))	Total HK\$'000 總計 千港元
At 1 January 2011	二零一一年一月一日	5,133	18,829	2,104,000	2,127,962
Amortisation for the year (note 8)	本年度攤銷 (附註8)	(42)	(16,459)	(15,780)	(32,281)
Exchange difference	匯兌差額	189	973	-	1,162
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	5,280	3,343	2,088,220	2,096,843
Amortisation for the year (note 8)	本年度攤銷 (附註8)	(56)	(3,343)	(20,408)	(23,807)
Impairment loss (note 8)	減值虧損 (附註8)	(822)	-	(322,545)	(323,367)
Exchange difference	匯兌差額	43	-	-	43
At 31 December 2012	於二零一二年十二月三十一日	4,445	-	1,745,267	1,749,712

Notes:

- (i) These are mainly classified from exploration and evaluation assets arising from the Oil Production segment when the technical feasibility and commercial viability of extracting the oil resource had been determined and that the commercial production commences are recognised initially at cost.
- (ii) Customers' contracts acquired from the business combination are recognised at fair value on business combination and are charged to profit or loss when customers' contracts complete.
- (iii) Interests in oil production sharing contract acquired from the business combination are recognised at fair value on business combination and are charged to profit or loss on unit of production method. Details of the oil production sharing contract are set out in note 36.

附註:

- (i) 該等資產於釐定開採石油資源之技術及商業可行性及開始商業生產時，主要從來自產油分類之勘探及評估資產進行分類，初步按成本確認。
- (ii) 自業務合併取得之客戶合約按業務合併之公平值確認，並於客戶合約完成時自損益表扣除。
- (iii) 自業務合併取得之產油業務共享合約之權益按業務合併之公平值確認，並以生產單位法自損益表扣除。產油業務共享合約之詳情載於附註36。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

20. INTANGIBLE ASSETS – GROUP (Continued)

Notes: (Continued)

(iii) (Continued)

For the purpose of impairment testing, the recoverable amount of the property, plant and equipment, exploration and evaluation assets and interests in oil production sharing contract relating to the oil production operations in the Songliao Basin, Jinlin, the PRC (the CGU) was determined based on value-in-use calculations, covering a detailed 5-year budget plan followed by an extrapolation of expected cash flows at the growth rate stated below. The growth rate reflects the long-term average growth rate for the oil production segment. In order to determine the recoverable amount of the oil production CGU, the management made reference to the valuation report, issued by LCH, on the Group's oil production sharing contract together with other variables and assumptions related to the operations.

The key assumptions used for discounted cash flow calculations are as follows:

Discount rate	折現率
Growth rate	增長率

The key assumptions also include budgeted gross margin based on past performance, estimated crude oil reserve of technical report and management expectations of market development. The weighted average growth rate used is consistent with the forecasts included in industry reports. The discount rate used is pre-tax and reflect specific risks relating to this intangible assets.

A total impairment loss of HK\$372,306,000 (2011: HK\$Nil) was being identified for the oil production CGU. The impairment loss is charged pro rata to the assets in the CGU related to the oil production. For the year ended 31 December 2012, impairment loss in respect of the property, plant and equipment, exploration and evaluation assets and interest in oil production sharing contract of HK\$48,939,000 (2011: HK\$Nil) (note 16(a)), HK\$822,000 (2011: HK\$Nil) and HK\$322,545,000 (2011: HK\$Nil), respectively, were recognised as expense in profit or loss immediately for the amounts by which the assets' carrying amounts exceed their recoverable amounts.

The reason for the impairment loss in oil production is mainly due to the decrease in the projected oil price, adjustments to the production costs and amendments to the drilling and extraction schedules.

20. 無形資產－本集團 (續)

附註：(續)

(iii) (續)

就減值測試而言，有關中國吉林松遼盆地的產油業務（現金產生單位）之物業、廠房及設備、勘探及評估資產及產油業務共享合約之權益之可收回金額按照使用價值計算，包括詳細之五年預算計劃，隨後按下文所述增長率推算預期現金流量。增長率反映產油分部之長期平均增長率。為釐定產油現金產生單位之可收回金額，管理層參考利駿行就本集團產油業務共享合約連同其他有關業務的變數及假設，發行之估值報告。

折現現金流量計算的主要假設如下：

	2012 二零一二年	2011 二零一一年
Discount rate	20.68%	25.30%
Growth rate	3.24%	3.12%

主要假設亦包括根據過往表現而釐定預算毛利率、技術報告之估計石油儲蓄及管理層預期之市場發展。所使用加權平均增長率與行業報告內所載預測一致。所使用折現率乃除稅前，及反映與此無形資產有關之特定風險。

已就產油現金產生單位識別減值虧損總額約為372,306,000港元（二零一一年：零港元）。減值虧損按比例計入關於產油之現金產生單位之資產。截至二零一二年十二月三十一日止年度，物業、廠房及設備、勘探及評估資產及產油業務共享合約之權益的減值虧損撥備分別為48,939,000港元（二零一一年：零港元）（附註16(a)）、822,000港元（二零一一年：零港元）及322,545,000港元（二零一一年：零港元），乃於就資產賬目值超越其可收回金額的款項，隨即於損益確認為開支。

油產之減值虧損主要源於預期油價預期油價下跌、對生產成本之調整及修訂鑽探及開採時間表。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

21. INVENTORIES – GROUP

As at 31 December 2012 and 2011, all inventories are raw materials.

22. TRADE RECEIVABLES – GROUP

The Group normally allows trading credit terms ranging from 30 to 120 days, (2011: 30 to 120 days) to its established customers. Each customer has a maximum credit limit. Trade debtors with balances aged over 120 days are required to settle all outstanding balances before any further credit is granted. Trade receivables are non-interest bearing.

Ageing analysis of trade receivables, based on the invoice date, is as follows:

1 – 90 days	1至90日
91 – 120 days	91至120日
121 – 365 days	121至365日

At 31 December 2012 and 2011, there were no trade receivables that were individually determined to be impaired. The Group did not hold any collateral over these balances.

21. 存貨－本集團

於二零一二年及二零一一年十二月三十一日，所有存貨均為原材料。

22. 應收貿易賬項－本集團

本集團一般給予已建立關係之客戶30至120日之貿易信貸期（二零一一年：30日至120日）。每個客戶設有信貸上限。賬齡為120日以上之應收貿易賬項結餘，須於獲授任何進一步信貸前清還所有未償還結餘。應收貿易賬項並不計息。

應收貿易賬項根據發票日期之賬齡分析如下：

	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
1 – 90 days	51,912	31,326
91 – 120 days	632	–
121 – 365 days	20	–
	52,564	31,326

於二零一二年及二零一一年十二月三十一日，並無應收貿易賬項個別釐定減值。本集團並無就該等結餘持有任何抵押品。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

22. TRADE RECEIVABLES – GROUP (Continued)

Ageing analysis of trade receivables that are past due but not impaired is as follows:

1 – 60 days past due but not impaired	逾期1至60日但並未減值
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As at 31 December 2012, trade receivables of HK\$52,544,000 (2011: HK\$31,326,000) were neither past due nor impaired. These related to different customers for whom there was no recent history of default.

Trade receivables that were past due but not impaired related to a customer that had a good track record of credit with the Group. Based on past credit history, management believes that no impairment allowance is necessary in respect of this balance as there has not been a significant change in credit quality and the balance is still considered to be fully recoverable. The Group did not hold any collateral in respect of this balance.

23. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES – GROUP AND COMPANY

Prepayments	預付款項
Deposits	按金
Other receivables (note)	其他應收款項 (附註)

Note:

Included in other receivables of the Group as at 31 December 2012 were loan receivables of HK\$40,959,000 (2011: HK\$35,935,000) due from the independent third parties. The loan receivables of HK\$13,161,000 (2011: HK\$35,935,000) were unsecured, interest-free and repayable on demand whilst another loan receivable of HK\$27,798,000 (2011: HK\$Nil) was unsecured, interest-free and repayable no later than 30 September 2013.

Other receivables that were neither past due nor impaired related to creditworthy counterparties with good track records of credit history.

22. 應收貿易賬項 – 本集團 (續)

已逾期但未減值之應收貿易賬項之賬齡分析如下:

2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
20	–

於二零一二年十二月三十一日，52,544,000 港元應收貿易賬項 (二零一一年：31,326,000 港元) 並無逾期及減值。該等賬項乃與近期無違約記錄之多名客戶有關。

已逾期惟尚未減值之應收貿易賬項，與一名客戶有關。該客戶於本集團之過往信貸紀錄良好。根據過往信貸紀錄，由於信貸質素並無重大變動且該項結餘仍被視作可悉數收回，因此管理層相信，毋須為該項結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品。

23. 預付款項、按金及其他應收款項 – 本集團及本公司

	Group 本集團		Company 本公司	
	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Prepayments	1,492	1,517	963	956
Deposits	832	348	–	–
Other receivables (note)	42,932	36,117	–	–
	45,256	37,982	963	956

附註:

於二零一二年十二月三十一日，本集團其他應收款項包括應收獨立第三方之應收貸款 40,959,000 港元 (二零一一年：35,935,000 港元)。應收貸款 13,161,000 港元 (二零一一年：35,935,000 港元) 為無抵押、免息及須按的要求償還，而另一應收貸款 27,798,000 港元 (二零一一年：零港元) 為無抵押、免息及須於不遲於二零一三年九月三十日償還。

未逾期或未減值的其他應收款項與信譽良好對手方有關，其擁有良好的信貸往績紀錄。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

24. PLEDGED BANK DEPOSITS AND CASH AT BANKS AND IN HAND – GROUP AND COMPANY

Pledged bank deposits earn interest of 0.35% to 0.50% (2011: 0.35% to 0.50%) per annum. Cash at bank earns interest at the floating rates based on the daily bank deposits rates.

As at 31 December 2012, included in the pledged bank deposits and cash and bank balances of the Group were approximately HK\$64,270,000 (2011: HK\$68,987,000) of bank balances denominated in RMB placed with the banks in the PRC.

RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

25. TRADE PAYABLES – GROUP

Trade payables are non-interest-bearing and are normally settled on 60-day (2011: 60-day) terms.

Ageing analysis of trade payables, based on the invoice date, is as follows:

1 – 90 days	1至90日
91 – 120 days	91至120日
121 – 365 days	121至365日
Over 1 year	1年以上

24. 已抵押銀行存款以及銀行結存及手頭現金 – 本集團及本公司

已抵押銀行存款按年利率0.35%至0.50% (二零一一年: 0.35%至0.50%) 計息。銀行結存根據每日銀行存款利率按浮動利率計息。

於二零一二年十二月三十一日, 本集團已抵押銀行存款及現金及銀行結餘包括銀行結餘約為64,270,000港元 (二零一一年: 68,987,000港元), 其中銀行結餘以人民幣計值, 存放在位於中國之銀行。

人民幣不能自由兌換為外幣。根據中國的《外匯管理條例》及《結匯、售匯及付匯管理規定》, 本集團可透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。

25. 應付貿易賬項 – 本集團

應付貿易賬項為免息及通常於60日 (二零一一年: 60日) 內結算。

應付貿易賬項根據發票日期之賬齡分析如下:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
1 – 90 days	1至90日	15,084	6,436
91 – 120 days	91至120日	318	474
121 – 365 days	121至365日	2,374	2,907
Over 1 year	1年以上	2,703	2,200
		20,479	12,017

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

26. OTHER PAYABLES AND ACCRUALS – GROUP AND COMPANY

26. 其他應付款項及應計款項 – 本集團及本公司

		Group 本集團		Company 本公司	
		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Other payables	其他應付款項	94,392	132,940	–	70
Accruals	應計款項	30,917	14,290	2,039	852
		125,309	147,230	2,039	922

Other payables as at 31 December 2012 are mainly construction cost payables of HK\$67,188,000 (2011: HK\$70,689,000) and deferred government grant of HK\$1,845,000 (2011: HK\$16,634,000).

於二零一二年十二月三十一日之其他應付款項主要為應付建築成本67,188,000港元(二零一一年: 70,689,000港元)及遞延政府撥款1,845,000港元(二零一一年: 16,634,000港元)。

27. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDER – GROUP

27. 應付非控股股東款項 – 本集團

Amounts due to non-controlling shareholder of HK\$4,074,000 as at 31 December 2011 was unsecured, interest-free and repayable on demand.

於二零一一年十二月三十一日，應付非控股股東款項4,074,000港元為無抵押、免息及按要求償還。

Amounts due to non-controlling shareholder with a principal of HK\$5,188,000 (2011: HK\$9,760,000) is unsecured, interest-free and is due on 31 July 2014 (2011: 31 July 2013).

應付非控股股東款項本金額5,188,000港元(二零一一年: 9,760,000港元)為無抵押、免息及於二零一四年七月三十一日到期(二零一一年: 二零一三年七月三十一日)。

During the year ended 31 December 2012, imputed interest amounting to HK\$822,000 (note 7) was recognised in profit or loss.

截至二零一二年十二月三十一日止年度，推算利息822,000港元(附註7)乃於損益確認。

During the year ended 31 December 2011, gain on extinguishment amounting to HK\$1,751,000 was resulted upon the change of terms of the loan. The amounts of HK\$1,051,000 and HK\$700,000 were credited to capital reserve and non-controlling interests in equity, respectively, and imputed interest amounting to HK\$392,000 (note 7) was recognised in profit or loss.

於截至二零一一年十二月三十一日止年度，抵銷收益1,751,000港元乃由於貸款條款變動導致。金額1,051,000港元及700,000港元分別計入資本儲備及權益中的非控股權益，而推算利息為392,000港元(附註7)，於損益確認。

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27. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDER – GROUP (Continued)

During the year ended 31 December 2012, the effective interest rate of amounts due to non-controlling shareholder was 9.79% (2011: 9.79%) per annum.

As at 31 December 2012, the Group has renegotiated the terms of amount due with non-controlling shareholder. The directors consider that such revision represents a modification of the original amount due and accordingly, the effective interest rate has been adjusted at the date of modification.

28. BANK BORROWINGS – GROUP

The carrying amounts of the bank borrowings were denominated in RMB. Bank borrowings were charged at floating interest rates ranging from 8.32% to 8.65% (2011: 8.64% to 8.97%) per annum and were secured by a related company of one of the non-controlling shareholders of a subsidiary. The balance has been fully settled in February 2012.

27. 應付非控股股東款項 – 本集團 (續)

截至二零一二年十二月三十一日止年度，應付非控股股東款項之實際年利率為9.79%（二零一一年：9.79%）。

於二零一二年十二月三十一日，本集團已重新商討應付非控股股東款項條款。董事認為，該等修訂代表修改原有結欠款項，因此實際利率已於修改當日作出調整。

28. 銀行借款 – 本集團

	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Due within one year 一年內到期	–	12,200

銀行借款之賬面值均以人民幣計值。銀行借款按浮動年利率8.32%至8.65%（二零一一年：8.64%至8.97%）計息，並以一間附屬公司之其中一名非控股股東之關連公司作抵押。結餘已於二零一二年二月悉數償還。

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29. OTHER BORROWINGS – GROUP

As at 31 December 2012 and 2011, all borrowings were obtained from the independent third parties and are analysed as follows:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Repayable on demand or within one year	按要求償還或一年內償還		
Loan A, unsecured (note (i))	貸款A, 無抵押(附註(i))	-	2,196
Loan B, unsecured (note (ii))	貸款B, 無抵押(附註(ii))	37,514	-
		37,514	2,196
Repayable after 1 year but within 5 years	一年後但五年內償還		
Loan B, unsecured (note (ii))	貸款B, 無抵押(附註(ii))	-	36,464
Loans C and D, unsecured (note (iii))	貸款C及D, 無抵押(附註(iii))	44,213	42,692
Loan E, unsecured (note (iv))	貸款E, 無抵押(附註(iv))	3,444	3,107
Loan F, unsecured (note (iii))	貸款F, 無抵押(附註(iii))	1,047	1,220
Loan G, unsecured (note (v))	貸款G, 無抵押(附註(v))	-	5,252
Loans H, I and J, unsecured (note (iii))	貸款H、I及J, 無抵押(附註(iii))	30,351	24,917
Loan K, unsecured (note (vi))	貸款K, 無抵押(附註(vi))	17,701	-
Loans L, M and N, unsecured (note (vii))	貸款L、M及N, 無抵押(附註(vii))	19,930	-
		116,686	113,652

Notes:

- (i) As at 31 December 2011, the loan bore the interest at the rate of 24% per annum and was repayable on demand.
- (ii) As at 31 December 2011 and 2012, the loan bears the interest at the rate of 3% per annum and is repayable in January 2013.
- (iii) As at 31 December 2012, these loans are interest-free and are repayable in July 2014 (2011: July 2013).
- (iv) As at 31 December 2012, the loan is interest-free and is repayable in July 2014 (2011: by monthly instalment of RMB200,000 from July 2013).
- (v) As at 31 December 2011, the loan was interest-free and is repayable in July 2013.
- (vi) As at 31 December 2012, the loan is interest-free and is repayable in July 2014. The lender is the substantial shareholder of the Company.
- (vii) As at 31 December 2012, these loans are interest-free and are repayable in July 2014.

29. 其他借款－本集團

於二零一二年及二零一一年十二月三十一日，所有借款均來自獨立第三方，分析如下：

	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Repayable on demand or within one year		
貸款A, 無抵押(附註(i))	-	2,196
貸款B, 無抵押(附註(ii))	37,514	-
	37,514	2,196
Repayable after 1 year but within 5 years		
貸款B, 無抵押(附註(ii))	-	36,464
貸款C及D, 無抵押(附註(iii))	44,213	42,692
貸款E, 無抵押(附註(iv))	3,444	3,107
貸款F, 無抵押(附註(iii))	1,047	1,220
貸款G, 無抵押(附註(v))	-	5,252
貸款H、I及J, 無抵押(附註(iii))	30,351	24,917
貸款K, 無抵押(附註(vi))	17,701	-
貸款L、M及N, 無抵押(附註(vii))	19,930	-
	116,686	113,652

附註：

- (i) 於二零一一年十二月三十一日，該貸款按年利率24%計息及須按要求償還。
- (ii) 於二零一一年及二零一二年十二月三十一日，該貸款按年利率3%計息及須於二零一三年一月償還。
- (iii) 於二零一二年十二月三十一日，該等貸款為免息，並須於二零一四年七月（二零一一年：二零一三年七月）償還。
- (iv) 於二零一二年十二月三十一日，該貸款為免息，並須於二零一四年七月償還（二零一一年：由二零一三年七月起每月分期償付人民幣200,000元）。
- (v) 於二零一一年十二月三十一日，該貸款為免息，並須於二零一三年七月償還。
- (vi) 於二零一二年十二月三十一日，該貸款為免息，並須於二零一四年七月償還。貸款人為本公司主要股東。
- (vii) 於二零一二年十二月三十一日，該等貸款為免息，並須於二零一四年七月償還。

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29. OTHER BORROWINGS – GROUP (Continued)

For the year ended 31 December 2012, the Group has negotiated with the lenders of loans K and L (2011: lenders of loans C, D, E, G, H, I and J) to modify the existing terms of the borrowings. As there were a substantial modification in the terms of the borrowings, these have been accounted for as extinguishment of non-current borrowings. Accordingly, there is a gain on extinguishment of HK\$3,004,000 (2011: HK\$12,198,000) (note 5) which represented the change in the present value of the borrowings using existing terms into the present value of the borrowings using modification terms and recognised in profit or loss for the year ended 31 December 2012.

During the year ended 31 December 2012, the effective interest rates of the loans were in the range of 7.91% to 10.57% (2011: 9.79%) per annum.

As at 31 December 2012, the Group has renegotiated the terms of certain loans with the lenders of loans C, D, E, F, H, I and J. The directors consider that such revision represents a modification of the original loans and accordingly, the effective interest rates have been adjusted at the date of modification.

29. 其他借款－本集團(續)

截至二零一二年十二月三十一日止年度，本集團已與貸款K及L的貸款人（二零一一年：貸款C、D、E、G、H、I及J的貸款人）磋商，以修訂借款之現有條款。由於借款之條款出現重大修訂，故其已作為抵銷非流動借款入賬。因此，抵銷收益為3,004,000港元（二零一一年：12,198,000港元）（附註5），相當於使用現有條款之借款現值變更至使用修訂條款之借款現值，並於截至二零一二年十二月三十一日止年度的損益內確認。

截至二零一二年十二月三十一日止年度，該等貸款的實際年利率介乎7.91%至10.57%（二零一一年：9.79%）。

於二零一二年十二月三十一日，本集團與貸款C、D、E、F、H、I及J的貸款人重新磋商若干貸款條款。董事認為，該等修訂代表修改原有貸款額，因此實際利率已於修改當日作出調整。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

30. PROMISSORY NOTES – GROUP

As a part of the consideration of the acquisition of China International Energy, the Group issued promissory notes with a principal amount of HK\$50,000,000 on 31 December 2010. The promissory notes are unsecured and interest bearing at 2% per annum. The fair value at the date of issue amounting to HK\$43,854,000 was calculated at the discounted borrowing rate of 8.99% per annum.

On 21 January 2011, the Group early redeemed part of promissory notes with a principal amount of HK\$20,000,000 upon request of the promissory note holder. Accordingly, loss on early redemption of HK\$2,383,000 was recognised in profit or loss for the year ended 31 December 2011 (note 7).

In December 2011, both the Group and the promissory note holder agreed to extend the note maturity date to 1 July 2013. On 31 December 2012, the Group fully repaid the remaining balance of promissory notes with a principal amount of HK\$30,000,000.

Movement of promissory notes is as follows:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
At 1 January	於一月一日	28,707	43,865
Imputed interest expenses (note 7)	推算利息費用(附註7)	2,518	2,459
Early redemption of promissory notes	提早贖回本票	-	(17,617)
Repayment of promissory notes	償還本票	(31,225)	-
At 31 December	於十二月三十一日	-	28,707

30. 本票－本集團

本集團於二零一零年十二月三十一日發行本金額50,000,000港元之本票作為收購中國國際能源之部分代價。本票為無抵押、以年利率2%計息。於發行日期之公平值43,854,000港元乃按貼現借款年利率8.99%計算。

於二零一一年一月二十一日，本集團按本票持有人的要求提早贖回本金額為20,000,000港元之部份本票。因此，提早贖回虧損2,383,000港元已於截至二零一一年十二月三十一日止年度之損益確認(附註7)。

於二零一一年十二月，本集團及本票持有人雙方均同意將票據到期日延展至二零一三年七月一日。於二零一二年十二月三十一日，本集團已悉數償還本金額30,000,000港元之本票之餘下結餘。

本票之變動如下：

	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
At 1 January	28,707	43,865
Imputed interest expenses (note 7)	2,518	2,459
Early redemption of promissory notes	-	(17,617)
Repayment of promissory notes	(31,225)	-
At 31 December	-	28,707

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31. CONVERTIBLE BONDS – GROUP AND COMPANY

In November 2007, the Company issued zero coupon convertible bonds (“CB1”) in the principal amount of HK\$365,000,000 as a part of the consideration for the acquisition of 51% equity interests in Kanson. CB1 bear no interest with a maturity date on 4 November 2012 and are convertible into shares of the Company at the conversion price of HK\$0.60 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues) at any time after the issue date. Details of CB1 are set out in the Company’s circular dated 15 October 2007. All outstanding CB1 have been converted into shares of the Company during the year.

In July 2008, the Company issued zero coupon convertible bonds (“CB3”) in the principal amount of HK\$580,000,000 as the consideration for the acquisition of the remaining 49% equity interests in Kanson. CB3 bear no interest with maturity date on 2 July 2013 and are convertible into shares of the Company at the conversion price of HK\$0.25 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues) at any time after the issue date. Details of CB3 are set out in the Company’s circular dated 6 June 2008.

According to the sale and purchase agreements dated 5 November 2007 and 8 April 2008, another zero-coupon convertible bonds with face value of HK\$400,000,000 (“CB2”) and HK\$380,780,000 (“CB4”) will be issued on the fifth business day following the date of receipt of mining licence in respect of the underlying mine. CB2 and CB4 are convertible into shares of the Company at the conversion price of HK\$0.60 and HK\$0.25 per share respectively. As the mining licence has not yet been obtained, CB2 and CB4 are not issued and are not been recognised in the financial statements. As mentioned in notes 3(a)(ii) and (iii), as the exploration licence was transferred without the Company’s knowledge, consent or approval, the Company is now seeking for legal opinion on this matter.

31. 可換股債券—本集團及本公司

於二零零七年十一月，本公司發行本金額365,000,000港元之零票息可換股債券（「可換股債券第一批債券」），作為收購Kanson 51%股本權益之部分代價。可換股債券第一批債券為免息，於二零一二年十一月四日到期及可於發行日期後任何時間按兌換價每股0.60港元兌換為本公司股份（須遵從股份拆細、股份合併、資本化發行及配股相關之標準調整條款）。可換股債券第一批債券之詳情載於日期為二零零七年十月十五日之本公司通函。所有未兌換可換股債券第一批債券已於本年度轉換為本公司股份。

於二零零八年七月，本公司發行本金額580,000,000港元之零票息可換股債券（「可換股債券第三批債券」），作為收購Kanson餘下49%股本權益之代價。可換股債券第三批債券為免息，於二零一三年七月二日到期及可於發行日期後任何時間按兌換價每股0.25港元兌換為本公司股份（須遵從股份拆細、股份合併、資本化發行及配股相關之標準調整條款）。可換股債券第三批債券之詳情載於日期為二零零八年六月六日之本公司通函。

根據日期為二零零七年十一月五日及二零零八年四月八日之買賣協議，另一批面值分別為400,000,000港元（「可換股債券第二批債券」）及380,780,000港元（「可換股債券第四批債券」）之零票息可換股債券將於取得有關礦區之開採牌照當日後之第五個營業日發行。可換股債券第二批債券及可換股債券第四批債券分別可按兌換價每股0.60港元及0.25港元兌換為本公司股份。由於尚未取得開採牌照，可換股債券第二批債券及可換股債券第四批債券尚未發行，且並無於財務報表內確認。如附註3(a)(ii)及(iii)所述，勘探牌照在本公司不知情及未經本公司同意或批准之情況下被轉讓。本公司現正就此尋求法律意見。

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31. CONVERTIBLE BONDS – GROUP AND COMPANY (Continued)

The fair value of the liability components, included in CB1 and CB3, was calculated using market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, is included in the convertible bond equity reserve in the owners' equity.

In August 2010, the Company issued zero coupon convertible bonds ("CB5") in the principal amount of HK\$140,430,000 as a part of the consideration for the acquisition of Sunlight Rise. CB5 bear no interest with maturity date on 9 August 2020 and are convertible into shares of the Company at the conversion price of HK\$0.093 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues) at any time after the issue date. Any CB5 which remains outstanding on the maturity date shall be converted automatically into the shares of the Company. Details of CB5 are set out in the Company's circular dated 28 June 2010.

In December 2010, the Company issued zero coupon convertible bonds ("CB6") in the principal amount of HK\$526,880,000 as a part of the consideration for the acquisition of China International Energy. CB6 bear no interest with maturity date on 31 December 2015 and are convertible into shares of the Company at the conversion price of HK\$0.08 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues) at any time after the issue date. Any CB6 which remains outstanding on the maturity date shall be converted automatically into the shares of the Company. Details of CB6 are set out in the Company's circular dated 11 October 2010.

31. 可換股債券—本集團及本公司 (續)

可換股債券第一批債券及可換股債券第三批債券負債部分之公平值乃按同等不可換股債券之市場利率計算。餘下金額即為權益轉換部分之價值，並計入擁有人權益之可換股債券權益儲備。

於二零一零年八月，本公司發行本金額140,430,000港元之零票息可換股債券（「可換股債券第五批債券」），作為收購昇暉之部分代價。可換股債券第五批債券為免息，於二零二零年八月九日到期及可於發行日期後任何時間按兌換價每股0.093港元兌換為本公司股份（須遵從股份拆細、股份合併、資本化發行及配股相關之標準調整條款）。任何於到期日仍未獲兌換之可換股債券第五批債券將自動兌換為本公司股份。可換股債券第五批債券之詳情載於日期為二零一零年六月二十八日之本公司通函。

於二零一零年十二月，本公司發行本金額526,880,000港元之零票息可換股債券（「可換股債券第六批債券」），作為收購中國國際能源之部分代價。可換股債券第六批債券為免息，於二零一五年十二月三十一日到期及可於發行日期後任何時間按兌換價每股0.08港元兌換為本公司股份（須遵從股份拆細、股份合併、資本化發行及配股相關之標準調整條款）。任何於到期日仍未獲兌換之可換股債券第六批債券將自動兌換為本公司股份。可換股債券第六批債券之詳情載於日期為二零一零年十月十一日之本公司通函。

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31. CONVERTIBLE BONDS – GROUP AND COMPANY (Continued)

As a part of the consideration for the acquisition of China International Energy, a zero coupon convertible bonds (“CB7”) in the principal amount of HK\$526,880,000 shall be issued upon the final and absolute dismissal, striking-out, withdrawal, discharge, release, settlement or discontinuance of the litigation mentioned in note 42(b). Since the litigation was discontinued, CB7 will be issued when written request for the issuance was obtained by the Company. CB7 bear no interest with maturity date on 31 December 2015 and are convertible into shares of the Company at the conversion price of HK\$0.08 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues) at any time after the issue date. Any CB7 which remains outstanding on the maturity date shall be converted automatically into the shares of the Company.

The fair values of CB5, CB6 and CB7 were calculated using income approach and are included in the convertible bond equity reserve in the owners’ equity.

31. 可換股債券－本集團及本公司 (續)

本公司將於附註42(b)所述之訴訟最終及完全撤除、消除、撤銷、履行、解除、解決或終止後發行本金額526,880,000港元之零票息可換股債券(「可換股債券第七批債券」)，作為收購中國國際能源之部分代價。由於訴訟已終止，可換股債券第七批債券將會於本公司取得發行要求書後發行。可換股債券第七批債券將為免息，於二零一五年十二月三十一日到期及可於發行日期後任何時間按兌換價每股0.08港元兌換為本公司股份(須遵從股份拆細、股份合併、資本化發行及配股相關之標準調整條款)。任何於到期日仍未獲兌換之可換股債券第七批債券將自動兌換為本公司股份。

可換股債券第五批債券、可換股債券第六批債券及可換股債券第七批債券乃按收入法計算，並計入擁有人權益之可換股債券權益儲備。

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31. CONVERTIBLE BONDS – GROUP AND COMPANY (Continued)

CB1, CB3, CB5, CB6 and CB7 recognised in the statement of financial position are calculated as follows:

	CB1 HK\$'000 可換股債券 第一批債券 千港元	CB3 HK\$'000 可換股債券 第二批債券 千港元	CB5 HK\$'000 可換股債券 第三批債券 千港元	CB6 HK\$'000 可換股債券 第六批債券 千港元	CB7 HK\$'000 可換股債券 第七批債券 千港元	Total HK\$'000 總計 千港元
Face value of convertible bonds issued 已發行可換股債券之面值	365,000	580,000	140,430	526,880	526,880	2,139,190
Proceeds of issue (fair value on initial recognition) 發行收益(首次確認之公平值)	365,467	363,506	174,178	342,557	342,557	1,588,265
Equity component 權益部分	(189,421)	(103,438)	(174,178)	(342,557)	(342,557)	(1,152,151)
Liability component 負債部分	176,046	260,068	-	-	-	436,114

Movement of liability component

Movement of liability component for the years ended 31 December 2012 and 2011 is as follows:

		2012 二零一二年			2011 二零一一年		
		CB1 HK\$'000 可換股債券 第一批債券 千港元	CB3 HK\$'000 可換股債券 第二批債券 千港元	Total HK\$'000 總計 千港元	CB1 HK\$'000 可換股債券 第一批債券 千港元	CB3 HK\$'000 可換股債券 第二批債券 千港元	Total HK\$'000 總計 千港元
At 1 January 於一月一日		14,129	355	14,484	19,975	317	20,292
Exercise of convertible bonds 行使可換股債券		(15,288)	-	(15,288)	(7,659)	-	(7,659)
Imputed interest expenses (note 7) 推算利息費用(附註7)		1,159	39	1,198	1,813	38	1,851
At 31 December 於十二月三十一日		-	394	394	14,129	355	14,484
Less: Current portion 減: 流動部分		-	(394)	(394)	(14,129)	-	(14,129)
Non-current portion 非流動部份		-	-	-	-	355	355

31. 可換股債券—本集團及本公司(續)

於財務狀況表內確認之可換股債券第一批債券、可換股債券第三批債券、可換股債券第五批債券、可換股債券第六批債券及可換股債券第七批債券計算如下:

負債部分變動

截至二零一二年及二零一一年十二月三十一日止年度之負債部分變動如下:

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31. CONVERTIBLE BONDS – GROUP AND COMPANY (Continued)

Movement of equity component

Movement of equity component for the years ended 31 December 2012 and 2011 is as follows:

		CB1 HK\$'000 可換股債券 第一批債券 千港元	CB3 HK\$'000 可換股債券 第三批債券 千港元	CB5 HK\$'000 可換股債券 第五批債券 千港元	CB6 HK\$'000 可換股債券 第六批債券 千港元	CB7 HK\$'000 可換股債券 第七批債券 千港元	Total HK\$'000 總計 千港元
At 1 January 2011	於二零一一年一月一日	14,905	55	-	342,557	342,557	700,074
Exercise of convertible bonds	行使可換股債券	(5,353)	-	-	-	-	(5,353)
At 31 December 2011 and 1 January 2012	於二零一一年 十二月三十一日 及二零一二年 一月一日	9,552	55	-	342,557	342,557	694,721
Exercise of convertible bonds	行使可換股債券	(9,552)	-	-	(205,451)	-	(215,003)
At 31 December 2012	於二零一二年 十二月三十一日	-	55	-	137,106	342,557	479,718

The fair value of the liability components of CB1 and CB3 at the dates of issue amounted to approximately HK\$176 million and HK\$260 million respectively. Interest expense on these bonds is calculated using effective interest method by applying interest rate of 15.7% and 17.4% per annum to the liability components of CB1 and CB3 respectively.

During the year, 3,985,827,000 (2011: 20,079,000) new ordinary shares in aggregate were issued, at the conversion price of HK\$0.508 (2011: HK\$0.508) (as adjusted) per share to the bond holders upon the conversion of CB1 and at the conversion price of HK\$0.08 (2011: HK\$Nil) per share to the bond holders upon the conversion of CB6 (note 33). The conversion price was adjusted to HK\$0.508 for CB1 as a result of the open offer in 2009. As a result, there was an increase in share capital and share premium of HK\$39,858,000 (2011: HK\$201,000) and HK\$190,433,000 (2011: HK\$12,811,000) respectively.

31. 可換股債券—本集團及本公司 (續)

權益部分變動

截至二零一二年及二零一一年十二月三十一日止年度之權益部分變動如下：

於發行日，可換股債券第一批債券及可換股債券第三批債券負債部分之公平值分別約為176,000,000港元及260,000,000港元。該等債券之利息費用乃按實際利率法以年利率15.7%及17.4%分別就可換股債券第一批債券及可換股債券第三批債券負債部分計算。

於本年度內，本公司於可換股債券第一批債券進行兌換時按每股兌換價0.508港元（二零一一年：0.508港元）（經調整），以及於可換股債券第六批債券進行兌換時按每股兌換價0.08港元（二零一一年：零港元）向債券持有人發行合共3,985,827,000股（二零一一年：20,079,000股）新普通股（附註33）。可換股債券第一批債券的兌換價因二零零九年進行公開發售而調整為0.508港元。因此，其股本及股份溢價分別增加39,858,000港元（二零一一年：201,000港元）及190,433,000港元（二零一一年：12,811,000港元）。

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32. DEFERRED TAX – GROUP AND COMPANY

(a) Group

Details of the deferred tax assets and liabilities recognised and movements during the current and prior years are as follows:

		Accelerated capital allowances HK\$'000 累計資本撥備 千港元	Fair value adjustment on business combination HK\$'000 業務合併之 公平值調整 千港元	Total HK\$'000 總計 千港元
At 1 January 2011 (Charged)/Credited to profit or loss (note 9)	於二零一一年一月一日 (自損益表扣除) / 計入損益表 (附註9)	13,064	(530,707)	(517,643)
Exchange differences	匯兌差額	(5,957)	8,059	2,102
		384	(243)	141
At 31 December 2011 and 1 January 2012	於二零一一年 十二月三十一日及 二零一二年一月一日	7,491	(522,891)	(515,400)
Credited to profit or loss (note 9)	計入損益表 (附註9)	6,629	86,574	93,203
Exchange differences	匯兌差額	13	-	13
At 31 December 2012	於二零一二年 十二月三十一日	14,133	(436,317)	(422,184)

For the purpose of presentation in statement of financial position, the following is the analysis of the deferred tax balances for financial reporting purposes:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Deferred tax assets	遞延稅項資產	14,133	7,491
Deferred tax liabilities	遞延稅項負債	(436,317)	(522,891)
		(422,184)	(515,400)

32. 遞延稅項 – 本集團及本公司

(a) 本集團

本年度及過往年度的已確認遞延稅項資產及負債及其變動詳情如下：

就呈列財務狀況表而言，以下為就財務申報而作出的遞延稅項結餘分析：

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32. DEFERRED TAX – GROUP AND COMPANY

(Continued)

(a) Group (Continued)

The Group has unrecognised tax losses of HK\$Nil (2011: HK\$3,017,000) to carry forward against future taxable income. Deferred tax assets have not been recognised in respect of the tax losses as these were incurred by the companies that have been loss-making for some time. These tax losses do not expire under current legislation.

Pursuant to the PRC Corporate Income Tax Law, 10% withholding tax is levied on dividends declared to foreign investment enterprises established in the PRC effective from 1 January 2008. The Group is liable to withholding taxes on dividends distributed by the subsidiaries established in the PRC in respect of earnings generated from 1 January 2008.

As at 31 December 2012, deferred tax liabilities of HK\$6,604,000 (2011: HK\$8,902,000) have not been recognised in respect of the tax that would be payable on the distribution of the retained profits of the Group's subsidiaries established in the PRC as the Company controls the dividend policy of the subsidiaries and the directors of the Company are of the opinion that profits will not probably be distributed in the foreseeable future.

(b) Company

As at 31 December 2011 and 2012, the Company did not have any significant unprovided deferred taxation.

32. 遞延稅項 – 本集團及本公司

(續)

(a) 本集團 (續)

本集團並無未確認稅項虧損零港元 (二零一一年: 3,017,000港元) 可結轉用以抵銷未來應課稅收入。並無就稅項虧損確認遞延稅項資產，因為有關虧損乃由已虧損一段時間之公司所產生。根據目前法律，該等稅項虧損並未到期。

根據中國企業所得稅法，向中國成立之外資企業宣派之股息須按10%之稅率繳納預扣稅，由二零零八年一月一日起生效。本集團須就該等於中國成立之附屬公司就二零零八年一月一日起產生之盈利而分派之股息繳交預扣稅。

於二零一二年十二月三十一日，尚未就本集團中國成立之附屬公司之保留溢利分派應付之稅項確認6,604,000港元 (二零一一年: 8,902,000港元) 之遞延稅項負債，因為本公司控制附屬公司的股息政策，而本公司董事認為溢利不可能於可見將來獲分派。

(b) 本公司

於二零一一年及二零一二年十二月三十一日，本公司並無任何重大未撥備遞延稅項。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

33. SHARE CAPITAL

33. 股本

		2012 二零一二年		2011 二零一一年	
		Number of shares '000 股份數目 千股	HK\$'000 千港元	Number of shares '000 股份數目 千股	HK\$'000 千港元
Authorised:	法定股本：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之 普通股				
At 1 January and 31 December	於一月一日及十二月 三十一日	50,000,000	500,000	50,000,000	500,000
Issued and fully paid:	已發行及繳足股本：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之 普通股				
At 1 January	於一月一日	13,482,665	134,827	13,462,586	134,626
Exercise of convertible bonds and issue of shares (note)	行使可換股債券及 發行股份(附註)	3,985,827	39,858	20,079	201
At 31 December	於十二月三十一日	17,468,492	174,685	13,482,665	134,827

Note: During the year, 3,985,827,000 (2011: 20,079,000) new ordinary shares in aggregate were issued, at the conversion price of HK\$0.508 (2011: HK\$0.508) (as adjusted) per share to the bond holders upon the conversion of CB1 and at the conversion price of HK\$0.08 (2011: HK\$Nil) per share to the bond holders upon the conversion of CB6 (note 31). As a result, there was an increase in share capital and share premium of HK\$39,858,000 (2011: HK\$201,000) and HK\$190,433,000 (2011: HK\$12,811,000) respectively.

All issued new ordinary shares in 2012 and 2011 rank pari passu with other shares in issue in all respects.

附註：於本年度內，本公司於可換股債券第一批債券進行兌換時按每股兌換價0.508港元(二零一一年：0.508港元)(經調整)，以及於可換股債券第六批債券進行兌換時按每股兌換價0.08港元(二零一一年：零港元)向債券持有人發行合共3,985,827,000股(二零一一年：20,079,000股)新普通股(附註31)。因此，其股本及股份溢價分別增加39,858,000港元(二零一一年：201,000港元)及190,433,000港元(二零一一年：12,811,000港元)。

二零一二年及二零一一年之所有已發行新普通股在各方面與其他已發行股份享有同等權益。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

34. RESERVES – GROUP AND COMPANY

(a) Group

The amounts of the Group's reserves and the movements therein during the year are presented in the consolidated statement of changes in equity.

Share premium

- (i) the difference between the combined net asset value of the subsidiaries acquired pursuant to the Group reorganisation in 2001, over the nominal value of the share capital of the Company issued in exchange therefore;
- (ii) the premium arising from the capitalisation issue in the previous years;
- (iii) issue of shares of the Company at a premium net of the transaction costs associated with the issue of shares; and
- (iv) amount transferred from other equity reserves upon exercise of share options and conversion of convertible bonds.

Capital reserve

For the year ended 31 December 2012, the Group entered into the transfer of borrowing agreement with one of the non-controlling shareholders of a subsidiary and the lenders. Both parties agreed that the bank amounting to HK\$12,300,000 was transferred from the Group to this non-controlling shareholder unconditionally. Amounts of HK\$7,380,000 and HK\$4,920,000 were credited to capital reserve and non-controlling interests in equity respectively.

In addition, one of Group's subsidiaries entered into the loan agreement with the lender on 31 December 2012. Both parties agreed to settle the promissory notes by the loan agreement. The principal amounted to HK\$20,000,000 with unsecured, interest-free and repayable on 1 July 2014. The present value of loan amount was HK\$17,701,000 at the year ended. The amount of HK\$2,299,000 was credited to capital reserve in equity.

34. 儲備—本集團及本公司

(a) 本集團

本集團於年內之儲備金額及儲備變動情況載於綜合權益變動表。

股份溢價

- (i) 根據本集團於二零零一年之重組收購之附屬公司之合併資產淨值超出本公司就交換而發行之股本面值之差額；
- (ii) 過往年度資本化發行產生之溢價；
- (iii) 本公司以溢價（已扣除發行股份相關交易成本）發行股份；及
- (iv) 於行使購股權及兌換可換股債券時從其他權益儲備轉撥之款項。

股本儲備

截至二零一二年十二月三十一日止年度，本集團與附屬公司一名非控股股東及放貸人訂立轉讓借款協議。訂約各方協定無條件轉讓本集團銀行款項12,300,000港元予該名非控股股東。該筆款項當中7,380,000港元及4,920,000港元分別計入權益之資本儲備及非控股權益。

此外，本集團一間附屬公司於二零一二年十二月三十一日與放貸人訂立貸款協議。訂約雙方同意以貸款協議支付本票。本金額20,000,000港元為無抵押、免息及須於二零一四年七月一日償還。貸款額於年終時之現值為17,701,000港元。2,299,000港元之款額已計入權益之資本儲備。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

34. RESERVES – GROUP AND COMPANY

(Continued)

(a) Group (Continued)

Capital reserve (Continued)

For the year ended 31 December 2011, the Group entered into the transfer of borrowings agreements with one of the non-controlling shareholders of a subsidiary and the lenders. Both parties agreed that the bank and other borrowings amounting to HK\$15,738,000 were transferred from the Group to this non-controlling shareholder unconditionally. Amounts of HK\$9,443,000 and HK\$6,295,000 were credited to capital reserve and non-controlling interests in equity respectively.

Exchange reserve

Exchange differences arising from the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. HK\$) are recognised directly in other comprehensive income and accumulated in the exchange reserve. The reserve is dealt with in accordance with the accounting policy of foreign currencies set out in note 3(e).

Convertible bond equity reserve

Under HKAS 32, convertible bonds issued are split into liability and equity components at initial recognition by recognising the liability component at its fair value determined using market interest rate for equivalent non-convertible bonds and attributing to the equity component the difference between the proceeds from issue and the fair value of the liability component. The liability component is subsequently carried at amortised cost whilst equity component is recognised in the convertible bond equity reserve until the bonds are either converted (in which case it is transferred to share premium) or the bonds are redeemed (in which case it is released directly to accumulated losses).

34. 儲備－本集團及本公司 (續)

(a) 本集團 (續)

股本儲備 (續)

截至二零一一年十二月三十一日止年度，本集團與其中一名附屬公司之非控股股東及貸款人訂立借款轉讓協議。訂約各方均同意，銀行及其他借款總共15,738,000港元由本集團無條件轉讓至該名非控股股東。金額9,443,000港元及6,295,000港元分別計入權益之股本儲備及非控股權益。

匯兌儲備

將本集團海外業務之資產淨值按其功能貨幣換算為本集團呈列貨幣（即港元）而產生的匯兌差額直接於其他全面收入確認及於匯兌儲備累計。該儲備乃根據附註3(e)所載之外幣會計政策作會計處理。

可換股債券權益儲備

根據香港會計準則第32號，已發行可換股債券於初步確認時分為負債及權益部分，負債部分乃按採用同等不可換股債券之市場利率釐定其公平值予以確認，權益部分則包括發行之所得款項與負債部分公平值之差額。負債部分其後按攤銷成本列賬。權益部分於可換股債券權益儲備確認，直至可債券獲兌換（於此情況下其將轉撥至股份溢價）或債券獲贖回（於此情況下其將直接解除至累計虧損）。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

34. RESERVES – GROUP AND COMPANY (Continued)

(b) Company

		Share premium HK\$'000	Capital reserve HK\$'000	Convertible bond equity reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
		股份溢價 千港元	股本儲備 千港元	可換股債券 權益儲備 千港元	累計虧損 千港元	總計 千港元
At 1 January 2011	於二零一一年一月一日	2,037,769	140,667	700,074	(1,435,428)	1,443,082
Issue of shares upon conversion of convertible bonds (note 33)	於兌換可換股債券時發行股份(附註33)	12,811	-	(5,353)	-	7,458
Loss for the year	本年度虧損	-	-	-	(18,630)	(18,630)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	2,050,580	140,667	694,721	(1,454,058)	1,431,910
Issue of shares upon conversion of convertible bonds (note 33)	於兌換可換股債券時發行股份(附註33)	190,433	-	(215,003)	-	(24,570)
Loss for the year	本年度虧損	-	-	-	(17,356)	(17,356)
At 31 December 2012	於二零一二年十二月三十一日	2,241,013	140,667	479,718	(1,471,414)	1,389,984

Details of the share premium account and convertible bond equity reserve of the Company are set out in note 34(a) above.

The capital reserve arose from the Company's capital reorganisation on 10 March 2005 and represented the reduction of share capital of the Company.

本公司股份溢價賬及可換股債券權益儲備之詳情載於上述附註34(a)。

資本儲備來自本公司於二零零五年三月十日進行的資本重組並指本公司股本削減。

34. 儲備—本集團及本公司(續)

(b) 本公司

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

35. SHARE-BASED COMPENSATION

The Company has a share option scheme, which was adopted on 6 June 2002 and, unless otherwise cancelled or amended, remained in force for 10 years from that date (the "Scheme"), for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme included the Company's directors, independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any person or entity that provides research, development or other technological support to the Group and any non-controlling shareholder in the Company's subsidiaries.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is equivalent to 10% of the shares of the Company in issue at any time.

Pursuant to the extraordinary general meeting passed on 8 December 2009, the general scheme limit of the Company's share option scheme has been reset to 736,104,000 shares, representing 10% of the Company's issued share capital on the date of meeting, with the passing of ordinary resolution, which allows the Company to grant further options carrying the rights to subscribe for a maximum of 736,104,000 shares. As at the date of the approval of these financial statements, no option has been granted pursuant to the Scheme.

The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1%, of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

35. 以股份為基礎之補償

本公司設有購股權計劃（「計劃」），藉此獎勵及回饋對本集團營運成功有貢獻之合資格參與者。於二零零二年六月六日採納之計劃除非另行取消或修訂，否則由該日期起計10年內一直有效。計劃之合資格參與者包括本公司之董事、獨立非執行董事、本集團之其他僱員、本集團之貨品或服務供應商、本集團之顧客、向本集團提供研究、發展或其他技術支援之任何人士或實體及本公司附屬公司之任何非控股股東。

目前根據計劃容許授出之尚未行使購股權之最高數目為相等於本公司於任何時間已發行股份之10%。

根據於二零零九年十二月八日舉行之股東特別大會，本公司購股權計劃之一般計劃限額已重新設定為736,104,000股股份（佔大會舉行日期本公司已發行股本之10%），隨著普通決議案獲通過，本公司可進一步授出附有最多可認購736,104,000股股份權利之購股權。於該等財務報表批准日期，概無根據計劃授出任何購股權。

在任何十二個月期間內，根據購股權可向計劃內之每名合資格參與者發行之最高股份數目不得超逾本公司於任何時間已發行股份之1%。倘進一步授出超逾此限額之購股權，則須在股東大會上取得股東批准。

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35. SHARE-BASED COMPENSATION (Continued)

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors, in addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 28 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors of the Company, but may not be less than the higher of:

- (a) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options;
- (b) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and
- (c) the nominal value of the shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There has been no share option granted or exercised since the Scheme was adopted in June 2002. As at 31 December 2012 and 2011, the Group has no outstanding share option.

The Scheme expired during the year.

35. 以股份為基礎之補償 (續)

授予本公司董事、主要行政人員或主要股東或彼等之任何聯繫人之購股權，須事先取得獨立非執行董事之批准。此外，在任何十二個月期間內授予本公司之主要股東或獨立非執行董事或彼等之任何聯繫人之任何購股權，倘超逾本公司於任何時間已發行股份之0.1%或總值超逾5,000,000港元（根據於授出日期本公司之股價而釐定）者，則須事先在股東大會上取得股東批准。

授出購股權之建議須於授出購股權建議之日起計28日內獲接納，承授人亦須就此繳交合共1港元之名義代價。所授出之購股權之行使期由本公司董事決定，期限在一段歸屬期後開始，而屆滿日期不得遲於建議授出購股權日期起計10年或計劃屆滿之日（以較早發生者為準）。

購股權之行使價由本公司董事決定，惟不得低於以下之較高者：

- (a) 於建議授出購股權之日期本公司股份於聯交所之收市價；
- (b) 本公司股份於緊接建議授出購股權日期前五個交易日在聯交所之平均收市價；及
- (c) 股份之面值。

購股權並無賦予持有人收取股息或於股東大會上投票之權利。

自二零零二年六月採納計劃以來，並無授出或行使購股權。於二零一二年及二零一一年十二月三十一日，本集團並無尚未行使之購股權。

計劃於年內屆滿。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

36. OIL PRODUCTION SHARING CONTRACT – SONGLIAO CONTRACT

In August 2007, China Era, one of the Group's subsidiaries, entered into an oil production sharing contract (the "Songliao Contract") with China National Petroleum Corporation ("CNPC"), a state-owned company established in the PRC, to develop and produce crude oil in Liangjing Block on Songliao Basin in Jilin, the PRC (the "Songliao Oil Basin").

In accordance with the Songliao Contract, China Era agrees to provide funds and apply its advanced technology and managerial experience to cooperate with CNPC for the development and production of crude oil in the Songliao Oil Basin. The maximum term of the Songliao Contract is 30 years from 1 December 2007, unless extended due to the production period.

China Era bears all costs required for the evaluation operations and development operations. Operating costs incurred are paid by CNPC and China Era in accordance with 51% and 49% respectively. However, CNPC's portion of operating costs are advanced by China Era and recovered from the production of crude oil.

Under the terms of the Songliao Contract, the evaluation costs, development costs and operating costs are to be recovered according to a mechanism of cost recovery oil and investment recovery oil. Remaining oil, after cost recovery, all applicable taxes and royalty that might apply in the PRC, is shared in the proportion of 51% and 49% by CNPC and China Era respectively.

In December 2009, the approval of Overall Development Program from National Development and Reform Commission has been obtained. The technical feasibility and commercial viability of extracting oil are demonstrated. CNPC is the holder of oil exploitation licence.

36. 產油業務共享合約－松遼合約

於二零零七年八月，本集團一間附屬公司中國年代，與於中國成立之國有公司中國石油天然氣集團公司（「中國石油天然氣集團公司」）訂立一份產油業務共享合約（「松遼合約」），以於中國吉林松遼盆地（「松遼石油盆地」）兩井區塊開發及生產原油。

根據松遼合約，中國年代同意與中國石油天然氣集團公司合作，提供資金及應用其先進之技術及管理經驗，以在松遼石油盆地開發及生產原油。除非因生產期而延長，否則松遼合約之最長年期為自二零零七年十二月一日起計為期三十年。

中國年代承擔評估營運及開發營運所需之全部成本。產生之營運成本由中國石油天然氣集團公司與中國年代分別按51%及49%之比例支付。然而，中國石油天然氣集團公司承擔之營運成本部分由中國年代墊付，並從原油生產中收回。

根據松遼合約之條款，評估成本、開發成本及營運成本將根據收回成本石油及收回投資石油機制收回。在扣除收回成本、所有可能在中國應用之適用稅項及礦區使用費後，餘下的石油將分別按51%及49%之比例由中國石油天然氣集團公司及中國年代攤分。

於二零零九年十二月，國家發展改革委員會批准整體開發計劃。開採石油之技術及商業可行性可以確定。中國石油天然氣集團公司持有石油開採牌照。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

36. OIL PRODUCTION SHARING CONTRACT – SONGLIAO CONTRACT (Continued)

Set out below is the summary of assets, liabilities and results for the year recognised in the consolidated financial statements in relation to the Group's interest in the Songliao Contract:

(a) Results for the year

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Revenue	收益	184,431	127,544
Other income	其他收入	11,917	10,450
Expenses	開支	(161,178)	(90,514)
Profit before income tax	除所得稅前溢利	35,170	47,480
Income tax expense	所得稅開支	(15,439)	(5,958)
Profit for the year	本年度溢利	19,731	41,522

(b) Assets and liabilities

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Property, plant and equipment	物業、廠房及設備	258,976	231,434
Intangible assets	無形資產	4,445	5,280
Other non-current assets	其他非流動資產	14,133	7,491
Current assets	流動資產	74,541	60,330
Current liabilities	流動負債	(90,508)	(84,207)
Non-current liabilities	非流動負債	(94,493)	(67,608)
Net assets	資產淨值	167,094	152,720

(c) Commitments

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Capital commitments:	資本承擔：		
Contracted but not provided for in respect of equipment	已訂約但未就設備計提撥備	-	629
Other commitments:	其他承擔：		
Contracted but not provided for in respect of administrative fee and training fee	已訂約但未就管理費及培訓費計提撥備	56,103	58,321
		56,103	58,950

36. 產油業務共享合約－松遼合約 (續)

以下載列於綜合財務報表中就本集團於松遼合約之權益確認之本年度之資產、負債及業績之概要：

(a) 年度業績

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Revenue	收益	184,431	127,544
Other income	其他收入	11,917	10,450
Expenses	開支	(161,178)	(90,514)
Profit before income tax	除所得稅前溢利	35,170	47,480
Income tax expense	所得稅開支	(15,439)	(5,958)
Profit for the year	本年度溢利	19,731	41,522

(b) 資產及負債

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Property, plant and equipment	物業、廠房及設備	258,976	231,434
Intangible assets	無形資產	4,445	5,280
Other non-current assets	其他非流動資產	14,133	7,491
Current assets	流動資產	74,541	60,330
Current liabilities	流動負債	(90,508)	(84,207)
Non-current liabilities	非流動負債	(94,493)	(67,608)
Net assets	資產淨值	167,094	152,720

(c) 承擔

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Capital commitments:	資本承擔：		
Contracted but not provided for in respect of equipment	已訂約但未就設備計提撥備	-	629
Other commitments:	其他承擔：		
Contracted but not provided for in respect of administrative fee and training fee	已訂約但未就管理費及培訓費計提撥備	56,103	58,321
		56,103	58,950

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37. OPERATING LEASE COMMITMENTS

Group

At 31 December 2012, the Group had total future minimum lease payments under non-cancellable operating lease falling due as follows:

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Within one year	一年內	1,877	1,876
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	1,541	970
After five years	五年後	1,023	1,166
		4,441	4,012

The Group leases certain leasehold land and buildings under operating leases. The leases run for an initial period of two to twelve years (2011: two to thirteen years), with an option to renew the lease and renegotiate the terms at expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. None of the leases includes contingent rentals.

Company

The Company did not have any significant lease commitments as at 31 December 2012 and 2011.

37. 經營租約承擔

本集團

於二零一二年十二月三十一日，本集團於下列年期內屆滿之不可撤銷經營租約之未來最少租賃付款總額如下：

		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Within one year	一年內	1,877	1,876
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	1,541	970
After five years	五年後	1,023	1,166
		4,441	4,012

本集團根據經營租約租用若干租賃土地及樓宇。該等租約初步為期兩年至十二年(二零一一年：兩年至十三年)，可於到期日或本集團與有關業主／出租人共同商定之日期選擇續租及重訂租約條款。該等租約不包括或然租金。

本公司

本公司於二零一二年及二零一一年十二月三十一日並無任何重大租約承擔。

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38. CAPITAL AND OTHER COMMITMENTS

Group

Capital commitments:	資本承擔：
Contracted but not provided for in respect of equipment	已訂約但未就設備計提撥備
Other commitments:	其他承擔：
Contracted but not provided for in respect of administrative fees and training fees	已訂約但未就管理費及培訓費計提撥備

38. 資本及其他承擔

本集團

	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Capital commitments:		
Contracted but not provided for in respect of equipment	2,169	3,038
Other commitments:		
Contracted but not provided for in respect of administrative fees and training fees	56,103	58,321
	58,272	61,359

Company

The Company does not have any significant capital and other commitments as at 31 December 2012 and 2011.

本公司

本公司於二零一二年及二零一一年十二月三十一日並無任何重大資本及其他承擔。

39. RELATED PARTY TRANSACTIONS

Apart from the balances and transactions with related parties disclosed elsewhere in the financial statements, the Group had the following transactions with its related parties during the year:

Compensation of key management personnel

Included in staff costs are key management personnel compensation (including directors' emoluments) and comprises the following categories:

39. 關連人士交易

除財務報表所披露之結餘及與關連人士之交易外，年內，本集團與其關連人士尚有如下交易：

主要管理人員之補償

主要管理人員之補償（包括董事酬金）乃計入員工成本，包括以下類別：

Short-term employee benefits	短期僱員福利
Contribution to retirement benefit scheme	退休福利計劃之供款

	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Short-term employee benefits	2,845	4,778
Contribution to retirement benefit scheme	47	42
	2,892	4,820

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT

The Group does not have written financial risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate strategies to manage the Group's exposure to credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk. Generally, the Group employs conservative strategies on its risk management. The Group's exposure to market risk is kept at a minimum level. The Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

(a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities.

The carrying amounts of these financial assets presented in the statement of financial position are net of impairment losses, if any. The Group minimises its exposure to the credit risk by rigorously selecting the counterparties, performing ongoing credit evaluation on the financial conditions of its debtors and tightly monitoring the ageing of the receivables. Follow-up actions are taken in case of overdue balances on an ongoing basis. In addition, management monitors and reviews the recoverable amount of the receivables individually or collectively at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts.

40. 財務風險管理

本集團並無制訂書面財務風險管理政策及指引。然而，董事會會定期舉行會議，分析及制訂政策管理本集團所承擔之信貸風險、市場風險（包括外匯風險及利率風險）及流動資金風險。一般而言，本集團會就其風險管理採納一套穩妥之策略，從而將本集團承擔之市場風險維持在最低水平。本集團並無運用任何衍生工具或其他工具進行對沖。本集團並無持有或發行衍生金融工具以作買賣用途。

(a) 信貸風險

信貸風險指金融工具之對手方未能履行其根據金融工具條款之責任而引致本集團蒙受財務損失之風險。本集團之信貸風險主要來自於其日常業務營運過程中授予客戶之信貸及其投資業務。

該等財務資產於財務狀況表呈列之賬面值已扣除減值虧損（如有）。本集團透過審慎挑選對手方、對其債務人之財務狀況進行持續信貸評估，以及緊密監控應收款項之賬齡，最大程度降低其所承擔之信貸風險。本集團採取持續跟進措施收回逾期結餘。此外，管理層會於各報告日期個別或共同監控及檢討應收款項之可收回金額，確保就不可收回金額作出足夠之減值虧損。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

In respect of trade and other receivables, individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. Normally, the Group does not obtain collateral from customers. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry in which customers operate also has an influence on credit risk but to a lesser extent. As at 31 December 2012, the Group has a certain concentration of credit risk as 43% (2011: 40%) and 93% (2011: 77%) of total receivables was due from the Group's largest trade debtor and the three largest trade debtors respectively.

The credit risk of the Group's other financial assets, which comprise pledged bank deposits and cash and cash equivalents, is also limited because almost all the Group's cash and cash equivalents are deposited with major banks located in Hong Kong and the PRC.

As the Group trades only with recognised and creditworthy counterparties, there is no requirement for collateral.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

As at 31 December 2012, the maximum exposure to credit risk in respect of financial guarantees issued by the Group was HK\$16,605,000 (2011: HK\$16,470,000) which represented the maximum amount the Group could be required to pay if the guarantees were called on (note 44).

40. 財務風險管理 (續)

(a) 信貸風險 (續)

就應收貿易賬項及其他應收款項而言，對於所有要求若干信貸金額之客戶均會進行個別信貸評估。此等評估主要針對客戶以往到期時之還款紀錄及現時的還付能力，並考慮客戶的個別資料及客戶所處的經濟環境的資料。一般而言，本集團並無自客戶取得抵押品。本集團面對之信貸風險主要受各客戶之個別情況影響。客戶經營行業之固有風險亦對信貸風險有影響，惟較輕微。於二零一二年十二月三十一日，本集團有集中信貸風險應收款項總額43%（二零一一年：40%）及93%（二零一一年：77%），其分別來自本集團最大貿易借款人及三名最大貿易借款人。

本集團之所有現金及現金等值項目幾乎全部存放於香港及中國之主要銀行，故本集團其他財務資產（包括已抵押銀行存款及現金及現金等值項目）之信貸風險亦有限。

由於本集團只與獲認可及信譽良好之對手方進行交易，故毋須抵押。

本集團於過往年度已推行信貸政策，本集團認為信貸政策已有效地將本集團之信貸風險減至理想水平。

於二零一二年十二月三十一日，本集團所發出財務擔保的最大信貸風險為16,605,000港元（二零一一年：16,470,000港元），即本集團為履行擔保時所須支付之最高款項（附註44）。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT (Continued)

(b) Foreign currency risk

The sales and purchases of the Group are predominantly in US\$, RMB and HK\$. Exposures to currency exchange rates arise from certain of the Group's cash and bank balances, other receivables and other payables which are denominated in US\$ and RMB respectively. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and does not consider its foreign exchange risk to be significant.

The following table details the Group's exposure at the reporting date to foreign currency risk from the above stated items denominated in a currency other than the functional currency of relevant group companies.

	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Cash and cash equivalents denominated in US\$	435	432

By assessing foreign currency risk on other receivables and payables, the effect arising from a reasonably possible change in the exchange rates of HK\$ against US\$ and RMB in the next twelve months was not material to the loss for the year and accumulated losses at each of the reporting date, on the basis that all other variables remain constant.

40. 財務風險管理 (續)

(b) 外匯風險

本集團之買賣交易主要以美元、人民幣及港元列值。外匯風險來自本集團分別以美元及人民幣列值之若干現金及銀行結存、其他應收款項及其他應付款項。本集團並未使用衍生金融工具對沖其外匯風險。本集團定期檢討其外匯風險，並認為其外匯風險並不重大。

下表詳列於報告日期本集團上述項目按有關集團公司之功能貨幣以外之貨幣列值之外匯風險。

經評估其他應收款項及應付款項之外匯風險，並假設所有其他變量保持不變，未來十二個月港元兌美元及人民幣之匯率可能合理變動產生之影響對年內之虧損及各報告日期之累計虧損並不重大。

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40. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's floating interest rate borrowings. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

Sensitivity analysis

The Group is exposed to changes in market interest rates through its cash at banks, and bank borrowings, which are subject to variable interest rates.

The following table indicates the approximate change in the Group's loss after income tax and accumulated losses in response to reasonably possible changes in the interest rate, to which the Group has significant exposure at the reporting date.

		2012 二零一二年		2011 二零一一年	
		Increase/ (decrease) in interest rate	Effect on loss after income tax and accumulated losses HK\$'000 對除所得稅後 虧損及 累計虧損 之影響 千港元	Increase/ (decrease) in interest rate	Effect on loss after income tax and accumulated losses HK\$'000 對除所得稅後 溢利及 累計虧損 之影響 千港元
Cash at banks	銀行現金	0.1%	51	0.1%	70
Cash at banks	銀行現金	(0.1%)	(51)	(0.1%)	(70)
Bank borrowings	銀行借款	—	—	0.1%	(9)
Bank borrowings	銀行借款	—	—	(0.1%)	9

40. 財務風險管理 (續)

(c) 利率風險

本集團因利率變動所承擔之利率風險主要與本集團之浮息借款有關。本集團並未使用任何衍生合約對沖其利率風險。然而，管理層對利率風險進行監控，並於需要時考慮對沖重大利率風險。

敏感度分析

本集團之銀行現金及銀行借款以不同利率計息，因而面臨市場利率變動的風險。

下表列載本集團之除所得稅後虧損及累計虧損因利率合理可能變動（本集團於報告日期承受重大風險）而產生之概約變動。

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40. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk (Continued)

Sensitivity analysis (Continued)

The sensitivity analysis above is determined assuming that the change in interest rate had occurred at the reporting date and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 0.1% increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2011.

(d) Fair values

The fair values of the Group's current financial assets and liabilities are not materially different from their carrying amount because of the immediate or short-term maturity. The fair values of non-current liabilities were not disclosed because their carrying value is not materially different from their fair value.

(e) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of its financial obligations, and also in respect of its cash flow management.

The Group maintains a level of cash and cash equivalents assessed as adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on internally generated funding and borrowings as significant sources of liquidity.

40. 財務風險管理 (續)

(c) 利率風險 (續)

敏感度分析 (續)

上述敏感度分析乃假設利率於報告日期已發生變動而釐定，並已應用於該日已存在之非衍生金融工具所面臨之利率風險中。上升／下降0.1%乃管理層就直至下一年度報告日期止期間內利率之合理可能變動所作之估計。有關分析乃基於二零一一年相同基準作出。

(d) 公平值

本集團之流動財務資產及負債之公平值與其賬面值並無重大差異，概因該等財務資產及負債屬即時到期或於短期內到期。由於非流動負債之賬面值與其公平值並無重大差異，故並無披露該等負債之公平值。

(e) 流動資金風險

流動資金風險指本集團不能履行其與透過交付現金或其他財務資產清償之財務負債有關之責任之風險。本集團面對之流動資金風險與清償其財務負債以及其現金流量管理有關。

本集團維持管理層認為充足之現金及現金等值項目，以向本集團業務經營提供資金及減輕現金流量波動之影響。本集團以內部產生資金及借款作為流動資金之重要來源。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT (Continued)

(e) Liquidity risk (Continued)

The maturity profile of the Group's and the Company's financial liabilities as at the reporting dates, based on the contractual undiscounted payments, were as follows:

Group	本集團	2012 二零一二年				
		Carrying amount HK\$'000 賬面值 千港元	Total contractual undiscounted cash flow HK\$'000 合約性無貼現 現金流量總額 千港元	Within 6 months or on demand HK\$'000 六個月以內或 按要求 千港元	6 to 12 months HK\$'000 六至十二個月 千港元	1 to 5 years HK\$'000 一至五年 千港元
Trade payables	應付貿易賬項	20,479	20,479	20,479	-	-
Other payables and accruals	其他應付款項及 應計款項	125,309	123,464	123,464	-	-
Amounts due to non-controlling shareholder	應付非控股股東款項	4,652	5,188	-	-	5,188
Other borrowings	其他借款	154,200	163,930	37,514	-	126,416
Convertible bonds	可換股債券	394	414	-	414	-
		305,034	313,475	181,457	414	131,604
Issued financial guarantee contract:	已發行財務擔保合約:					
Maximum amount guaranteed (note 44)	已擔保最高款額 (附註44)	-	16,605	16,605	-	-

40. 財務風險管理 (續)

(e) 流動資金風險 (續)

本集團及本公司根據合約性無貼現款項於報告日期之財務負債到期日情況如下:

Group	本集團	2011 二零一一年				
		Carrying amount HK\$'000 賬面值 千港元	Total contractual undiscounted cash flow HK\$'000 合約性無貼現 現金流量總額 千港元	Within 6 months or on demand HK\$'000 六個月以內或 按要求 千港元	6 to 12 months HK\$'000 六至十二個月 千港元	1 to 5 years HK\$'000 一至五年 千港元
Trade payables	應付貿易賬項	12,017	12,017	12,017	-	-
Other payables and accruals	其他應付款項及 應計款項	147,230	130,596	130,596	-	-
Amounts due to non-controlling shareholder	應付非控股股東款項	12,475	13,834	-	4,074	9,760
Bank borrowings	銀行借款	12,200	12,313	12,313	-	-
Other borrowings	其他借款	115,848	129,184	2,196	-	126,988
Promissory notes	本票	28,707	30,900	-	-	30,900
Convertible bonds	可換股債券	14,484	15,701	-	15,287	414
		342,961	344,545	157,122	19,361	168,062
Issued financial guarantee contract:	已發行財務擔保合約:					
Maximum amount guaranteed (note 44)	已擔保最高款額 (附註44)	-	16,470	16,470	-	-

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40. FINANCIAL RISK MANAGEMENT (Continued)

(e) Liquidity risk (Continued)

Company	本公司	2012 二零一二年				
		Carrying amount HK\$'000 賬面值 千港元	Total contractual undiscounted cash flow HK\$'000 合約性無貼現 現金流量總額 千港元	Within 6 months or on demand HK\$'000 六個月以內或 按 要求 千港元	6 to 12 months HK\$'000 六至十二個月 千港元	1 to 5 years HK\$'000 一至五年 千港元
Other payables and accruals	其他應付款項及 應計款項	2,039	2,039	2,039	-	-
Convertible bonds	可換股債券	394	414	-	414	-
Amounts due to a subsidiary	應付一間附屬公司款項	26,929	26,929	-	-	26,929
		29,362	29,382	2,039	414	26,929

Company	本公司	2011 二零一一年				
		Carrying amount HK\$'000 賬面值 千港元	Total contractual undiscounted cash flow HK\$'000 合約性無貼現 現金流量總額 千港元	Within 6 months or on demand HK\$'000 六個月以內或 按 要求 千港元	6 to 12 months HK\$'000 六至十二個月 千港元	1 to 5 years HK\$'000 一至五年 千港元
Other payables and accruals	其他應付款項及 應計款項	922	922	922	-	-
Convertible bonds	可換股債券	14,484	15,701	-	15,287	414
Amounts due to a subsidiary	應付一間附屬公司款項	23,696	23,696	23,696	-	-
		39,102	40,319	24,618	15,287	414

40. 財務風險管理 (續)

(e) 流動資金風險 (續)

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

40. FINANCIAL RISK MANAGEMENT (Continued)

(f) Summary of financial assets and liabilities by category

The carrying amounts of the Group's financial assets and liabilities as recognised as at 31 December 2012 and 2011 are categorised as follows. See notes 3(p) and 3(t) for explanations about how the categorisation of financial instruments affects their subsequent measurement.

40. 財務風險管理 (續)

(f) 按分類劃分之財務資產及負債概要

本集團於二零一二年及二零一一年十二月三十一日確認之財務資產及負債賬面值劃分如下。有關財務工具分類如何影響其後計量見附註3(p)及3(t)之解釋。

		Group 本集團		Company 本公司	
		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Financial assets	財務資產				
Loans and receivables	貸款及應收款項				
– Cash at banks and in hand	– 銀行結存及手頭現金	70,045	97,325	1,408	4,788
– Pledged bank deposits	– 已抵押銀行存款	995	976	–	–
– Trade receivables	– 應收貿易賬項	52,564	31,326	–	–
– Other receivables	– 其他應收款項	42,932	36,117	–	–
– Indemnification assets	– 彌償資產	–	14,040	–	–
– Due from subsidiaries	– 應收附屬公司款項	–	–	1,591,645	1,600,089
		166,536	179,784	1,593,053	1,604,877

		Group 本集團		Company 本公司	
		2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元	2012 HK\$'000 二零一二年 千港元	2011 HK\$'000 二零一一年 千港元
Financial liabilities	財務負債				
Current	流動				
Trade payables	應付貿易賬項	20,479	12,017	–	–
Other payables and accruals	其他應付款項及應計款項	125,309	130,596	2,039	922
Amount due to non-controlling shareholder	應付非控股股東款項	–	4,074	–	–
Bank borrowings	銀行借款	–	12,200	–	–
Other borrowings	其他借款	37,514	2,196	–	–
Convertible bonds	可換股債券	394	14,129	394	14,129
Non-current	非流動				
Amounts due to non-controlling shareholder	應付非控股股東款項	4,652	8,401	–	–
Amounts due to a subsidiary	應付一間附屬公司款項	–	–	26,929	23,696
Other borrowings	其他借款	116,686	113,652	–	–
Promissory notes	本票	–	28,707	–	–
Convertible bonds	可換股債券	–	355	–	355
		305,034	326,327	29,362	39,102

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

41. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

- (a) To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for stakeholders;
- (b) To support the Group's stability and growth; and
- (c) To provide capital for the purpose of strengthening the Group's risk management capability.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. The Group currently does not adopt any formal dividend policy. Management regards total equity less equity component of convertible bonds as capital, for capital management purpose. The amount of capital as at 31 December 2012 amounted to approximately HK\$1,486,366,000 (2011: HK\$1,571,099,000), which management considers as optimal having considered the projected capital expenditures and the forecast strategic investment opportunities.

41. 資本管理

本集團之資本管理目標為：

- (a) 保障本集團有能力繼續作為持續經營公司，持續為股東帶來回報及利益；
- (b) 支持本集團穩定營運及增長；及
- (c) 為本集團提供資本以鞏固其風險管理能力。

本集團定期積極檢討及管理其資本結構，確保資本結構及股東回報達致最佳狀態，考慮事項包括本集團未來資本需求。目前，本集團並無採納任何正式股息政策。就資本管理目的而言，管理層將總權益減可換股債券權益部分認作資本。於二零一二年十二月三十一日之資本金額約為1,486,366,000港元（二零一一年：1,571,099,000港元），經考慮預計資本開支及預測策略投資機會，管理層認為有關金額已達最佳水平。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

42. LITIGATIONS

(a) Capital contribution to IMFSMI

The Group's subsidiary, namely IMFSMI was established since 2007 and its capital had not yet been fully paid up since then. IMFSMI (acted under the legal representative and the director of IMFSMI, Ms Leung) required its immediate holding company, namely HKFSMIH to make capital contribution of HK\$30 million to IMFSMI (the "Capital Contribution"), in accordance with IMFSMI's articles of association. In September 2009, IMFSMI acted as plaintiff and undertook legal action against HKFSMIH for the Capital Contribution. In March 2010, the Company's PRC counsel replied to the court in Inner Mongolia that

- (i) The plaintiff (i.e. IMFSMI) does not possess the litigation capacity as the business license of IMFSMI had already expired on 30 April 2009.
- (ii) The plaintiff does not have any rights to undertake the litigation as there are no laws in the PRC to enable a company to sue its equity holders who have not made their capital contribution.
- (iii) The certificate of approval for IMFSMI was invalid and the 2009 annual statutory examination in the PRC had not been fulfilled.
- (iv) After taking into account the above considerations, the PRC counsel advised that the business license of IMFSMI should be firstly cancelled. As such, the Capital Contribution may not be necessary.

The court in Inner Mongolia had dismissed the litigation in April 2010 and subsequently the plaintiff appealed against the decision. In February 2011, the Group received a letter from the court in Inner Mongolia that IMFSMI has withdrawn the litigation.

42. 訴訟

(a) 對內蒙古森源之注資

本集團之附屬公司內蒙古森源自二零零七年成立之後一直未繳足資本。內蒙古森源（由內蒙古森源之法人代表兼董事梁女士代表）要求其直接控股公司香港森源礦業控股根據內蒙古森源之章程細則對內蒙古森源作出30,000,000港元之注資（「注資」）。於二零零九年九月，內蒙古森源作為原告就注資一事對香港森源礦業控股採取法律行動。於二零一零年三月，本公司之中國法律顧問向內蒙古法院作出以下回覆：

- (i) 由於內蒙古森源之營業執照已於二零零九年四月三十日屆滿，原告（即內蒙古森源）並無訴訟主體資格。
- (ii) 由於中國並無任何授權公司控告其股權持有人未作出注資之法律依據，原告並無任何權利提起訴訟。
- (iii) 內蒙古森源之批准證書已失效，亦未能通過二零零九年之中國法定年檢。
- (iv) 經考慮以上因素，中國法律顧問認為內蒙古森源之營業執照不可避免地將被註銷。因此不必作出注資。

儘管內蒙古法院已於二零一零年四月撤銷訴訟，惟原告對該裁決提出上訴。於二零一一年二月，本集團接獲內蒙古法院發出之函件，告知內蒙古森源已撤訴。

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財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

42. LITIGATIONS (Continued)

(a) Capital contribution to IMFSMI (Continued)

In February 2012, the Group filed a writ to the Intermediate People's Court in Xining City, Qinghai Province (the "Qinghai Court") against Yuen Xian Company and QHFSMI for the request to invalidate the transfer of the exploration licence from QHFSMI to Yuen Xian Company at a consideration of RMB8,000,000 ("Transfer Agreement") and return the exploration licence to QHFSMI. On 31 December 2012, the Qinghai Court issued an order (the "Qinghai Court Order") that the Transfer Agreement was invalid. In January 2013, Ms Leung lodged an appeal to the Qinghai Court, the Qinghai Court has accepted the appeal and legal proceedings will be proceeded in due course.

The Group has sought legal opinion in respect of the writ and the Qinghai Court Order. The legal advisor opined that the Transfer Agreement was invalid and the Group should reserve its civil compensation rights. In the opinion of the directors, the aforesaid legal proceedings will have no material impact on the financial position and operations of the Group as QHFSMI had been de-consolidated since 2010.

(b) Tarim Basin

In September 2009, an independent party (the "Plaintiff") undertook a legal action against and filed a claim to a group of three parties. These three parties are referred to as the "First Defendant", the "Second Defendant" (i.e. China Era) and the "Third Defendant" (Collectively referred to as the "Defendants"). The First Defendant was an ex-director of China Era and the Third Defendant was a related company of First Defendant as the First Defendant was a director of both China Era and the Third Defendant at that time.

42. 訴訟 (續)

(a) 對內蒙古森源之注資 (續)

二零一二年二月，針對源森公司及青海森源，本集團入稟青海省西寧市中級人民法院（「青海法院」），要求判令青海森源以代價人民幣8,000,000元向源森公司轉讓勘探牌照（「轉讓協議」）一事無效，並將勘探牌照歸還青海森源。於二零一二年十二月三十一日，青海法院判決（「青海法院判令」）轉讓協議無效。於二零一三年一月，梁女士向青海法院上訴，而青海法院受理其上訴，稍後會展開法律程序。

本集團已就判令狀及青海法院判令尋求法律意見。法律顧問認為轉讓協議屬無效及本集團應保留民事賠償權利。董事認為，上述法律程序將不會對本集團之財務狀況及營運造成重大影響，因為青海森源自二零一零年起已終止入賬。

(b) 塔里木盆地

於二零零九年九月，一名獨立方（「原告」）對三方採取法律行動，並提出申索。有關三方稱為「第一被告」、「第二被告」（即中國年代）及「第三被告」（統稱為「被告」）。第一被告為中國年代之一名前董事，而因第一被告當時為中國年代及第三被告之董事，因此第三被告為第一被告之一間關連公司。

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42. LITIGATIONS (Continued)

(b) Tarim Basin (Continued)

Based on the statement of claims, the Plaintiff alleged that China Era entered into an agreement in May 2007 with the Plaintiff relating to a production sharing agreement for an exploration and exploitation project that related to an oilfield located at the North and South Kashi Blocks on Tarim Basin in Xinjiang, the PRC. The Plaintiff further alleged that a tender was submitted in June 2007 for the North and South Kashi Blocks on Tarim Basin (the "Tender") but was rejected by PetroChina Company Limited for political reason only. The contract for the North Kashi Block on Tarim Basin was subsequently awarded to the Third Defendant in December 2008 (the "Kashi Contract"). The Plaintiff alleged that the Tender contained confidential information beneficially belonging to the Plaintiff which was disclosed by China Era to the Third Defendant to secure the Kashi Contract to the exclusion of the Plaintiff, in breach of its duty of confidence and/or fiduciary duties owed to the Plaintiff.

The Defendants filed defence on 14 December 2009 where the Defendants denied the claim made by the Plaintiff.

Had the Defendants lost the legal claim, based on the advices of the legal representatives of the Defendants in November 2009, January 2010 and December 2010, the amount to be claimed by the Plaintiff would be determined with reference to the amount that would have been charged by a consultant who could secure the same information in relation to the Kashi Contract. Accordingly, the legal representatives of the Defendants advised China Era that the amount to be claimed was no more than HK\$5,000,000. There was undertaking of the indemnification of the litigation by the vendor of China International Energy. Accordingly, the indemnification assets of HK\$5,000,000 and the provision for legal claims of HK\$5,000,000 was provided in the financial statements for the year ended 31 December 2010.

42. 訴訟 (續)

(b) 塔里木盆地 (續)

根據申索陳述書，原告指稱中國年代於二零零七年五月與原告訂立一項協議，內容有關就位於中國新疆塔里木盆地之喀什北區塊及南區塊之油田而訂立之一項關於勘探及開採項目之生產共享協議。原告進一步指稱於二零零七年六月就塔里木盆地之喀什北區塊及南區塊呈交標書（「標書」），惟僅因政治理由而被中國石油天然氣股份有限公司拒絕受理。隨後塔里木盆地之喀什北區塊合約於二零零八年十二月贈予第三被告（「喀什合約」）。原告指稱標書載有原告實益擁有之機密資料，而中國年代向第三被告披露該等機密資料，以在排除原告之情況下取得喀什合約，違反對原告之保密責任及／或受信責任。

被告已於二零零九年十二月十四日提交抗辯書，被告在其中否認原告所作出之申索。

倘被告敗訴，根據被告之法律代表於二零零九年十一月、二零一零年一月及二零一零年十二月之意見，原告之申索金額將參考能取得有關喀什合約之相同資料之顧問原應收取之數額釐定。因此，被告之法律代表向中國年代提供之意見為，申索金額不超過5,000,000港元。中國國際能源之賣方就訴訟作出彌償保證承諾。因此，彌償資產5,000,000港元及法律索償撥備5,000,000港元已於截至二零一零年十二月三十一日止年度財務報表中作出。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

42. LITIGATIONS (Continued)

(b) Tarim Basin (Continued)

On 20 December 2011, the Plaintiff and the Defendants entered into a settlement agreement in which the Defendants agreed to pay a settlement sum of US\$1,800,000 (approximately HK\$14,040,000) to the Plaintiff and the Plaintiff agreed to discontinue the claim by filing a consent order to the Court after receiving the settlement sum. Accordingly, the indemnification assets of HK\$14,040,000 and the provision for legal claims of HK\$14,040,000 had been provided for in the financial statements for the year ended 31 December 2011.

On 4 January 2012, the Plaintiff has filed the consent order with the Defendants' consent to the Court and the legal claims of HK\$14,040,000 have been fully settled and the indemnification assets of HK\$14,040,000 have been released accordingly.

43. MATERIAL NON-CASH TRANSACTIONS

For the year ended 31 December 2012, 3,985,827,000 (2011: 20,079,000) new ordinary shares in aggregate were issued at the conversion price of HK\$0.508 (2011: HK\$0.508) (as adjusted) per share to the bond holders upon the conversion of CB1 and at the conversion price of HK\$0.08 (2011: HK\$Nil) per share to the bond holders upon the conversion of CB6. As a result, there was an increase in share capital and share premium of HK\$39,858,000 (2011: HK\$201,000) and HK\$190,433,000 (2011: HK\$12,811,000) respectively.

For the year ended 31 December 2012, the Group disposed of certain property, plant and equipment with sale proceeds of HK\$1,182,000 (2011: HK\$Nil) which were credit to trade receivable of HK\$106,000, trade payable of HK\$237,000 (2011: HK\$Nil), other payable of HK\$229,000 (2011: HK\$Nil) and amounts due to non-controlling shareholder of HK\$610,000 (2011: HK\$Nil) respectively.

For the year ended 31 December 2012, the Group settled promissory notes with a principal amount of HK\$30,000,000 (2011: HK\$Nil) by entering into a new borrowing with the promissory notes holder for a principal amount of HK\$20,000,000 (2011: HK\$Nil) and crediting the remaining balance of HK\$10,000,000 (2011: HK\$Nil) to other receivable whilst the accrued interest on promissory notes of HK\$1,225,000 (2011: HK\$Nil) was credited to other payable accordingly.

42. 訴訟 (續)

(b) 塔里木盆地 (續)

於二零一一年十二月二十日，原告及被告人訂立和解協議，其中被告人同意向原告支付和解費為1,800,000美元（約14,040,000港元），而原告同意於收取和解費後終止入稟法院索償。因此，彌償資產14,040,000港元及法律索償撥備14,040,000港元已於截至二零一一年十二月三十一日止年度財務報表中計提。

於二零一二年一月四日，原告已將被告人之同意書交回法院，而法律索償14,040,000港元已悉數支付及彌償資產14,040,000港元已因應獲解除。

43. 重大非現金交易

截至二零一二年十二月三十一日止年度，本公司合共發行3,985,827,000股（二零一一年：20,079,000股）新普通股，於可換股債券第一批債券轉換後，按每股轉換價0.508港元（二零一一年：0.508港元）（經調整）發行予債券持有人及於可換股債券第六批債券轉換後，按每股轉換價0.08港元（二零一一年：零港元）發行予債券持有人。因此，股本及股份溢價分別增加39,858,000港元（二零一一年：201,000港元）及190,433,000港元（二零一一年：12,811,000港元）。

截至二零一二年十二月三十一日止年度，本集團出售若干物業、廠房及設備，銷售所得款項為1,182,000港元（二零一一年：零港元），當中106,000港元計入應收貿易賬款、237,000港元（二零一一年：零港元）計入應付貿易賬款、229,000港元（二零一一年：零港元）計入其他應付款項及610,000港元（二零一一年：零港元）計入應付非控股股東款項。

截至二零一二年十二月三十一日止年度，本集團透過與本票持有人訂立本金額為20,000,000港元（二零一一年：零港元）的新借款安排，結付本金額為30,000,000港元（二零一一年：零港元）之本票，並將餘額10,000,000港元（二零一一年：零港元）計入其他應收款項，而本票之應計利息1,225,000港元（二零一一年：零港元）則計入其他應付款項。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

43. MATERIAL NON-CASH TRANSACTIONS (Continued)

For the year ended 31 December 2011, the Group entered into the assignments of borrowings agreements with one of the non-controlling shareholders and the lenders. Both parties agreed that the bank and other borrowings amounting to HK\$15,738,000 in aggregate were unconditionally assigned from the Group to this non-controlling shareholder. Amounts of HK\$9,443,000 and HK\$6,295,000 were credited to capital reserve and non-controlling interests in equity respectively.

44. FINANCIAL GUARANTEE CONTRACT

In relation to the share purchase agreement dated 5 November 2009 for the acquisition of Sunlight Rise, the directors of the Company was informed in January 2013 that Shanxi Zhong Kai Group Lingshi has given guarantee to a bank in relation to a loan borrowed by a company named (晉中市瑞汪工貿有限公司) (in English, for identification purpose only, Jinzhong City Ruiwang Industrial and Trading Company Limited), with the principal amount of RMB13,500,000 for the period from 23 March 2009 to 22 March 2014 and the guarantee period from 23 March 2009 to 15 March 2017. The guarantee continues to be effective up to the date of this report. In the opinion of the directors, it is in breach to the clause of the share purchase agreement whereby the vendor, Maycrown Capital Limited ("Maycrown"), has warranted that except as disclosed to the Group, no other obligations or liabilities (actual or contingent) of the acquired companies owing to any other party at the time of completion of the acquisition.

The Group has sought legal opinion in respect of the breach. The legal advisor opined that the guarantee given to a bank constituted to a potential breach of the share purchase agreement and the directors consider to seek counsel opinion for further advice. As at 31 December 2011 and 2012, no provision for the Group's obligation under the guarantee contract has been made as the directors of the Company consider that the probability for the repayment of any loan or interest would be in default is remote and the fair value of financial guarantee is estimated as minimal.

45. NON-ADJUSTING EVENT AFTER THE REPORTING PERIOD

Up to the date of this report, the Group has not yet settled other borrowings of HK\$37,514,000 as at 31 December 2012, which is repayable on or before 31 January 2013, to Maycrown (note 29). Due to the negotiation undergoing with Maycrown in respect of the financial guarantee contract as mentioned in note 44 to the financial statements, the directors of the Company consider it as a non-adjusting event after the reporting period.

43. 重大非現金交易 (續)

截至二零一一年十二月三十一日止年度，本集團與其中一名非控股股東及貸方訂立貸款轉讓協議。訂約各方均同意，銀行及其他借款總共15,738,000港元由本集團無條件轉讓至此非控股股東。9,443,000港元及6,295,000港元已分別計入權益之股本儲備及非控股權益。

44. 財務擔保合約

就收購昇暉訂立之購股協議(日期為二零零九年十一月五日)，於二零一三年一月，本公司董事得悉，山西中凱集團靈石曾就晉中市瑞汪工貿有限公司(英文名稱為Jinzhong City Ruiwang Industrial and Trading Company Limited，惟僅供識別)借入一筆貸款，向一間銀行提供擔保，該筆貸款的本金額為人民幣13,500,000元，為期由二零零九年三月二十三日至二零一四年三月二十二日，而擔保則為期由二零零九年三月二十三日至二零一七年三月十五日。直至本報告日期，擔保持續生效。董事認為，此舉違反購股協議的條款，據此，除已向本集團披露者外，賣方美冠資本有限公司(「美冠」)不會就所收購公司於完成收購當時結欠任何其他方之其他責任或債務(實際或或然)提供保證。

本集團已就是項違反徵求法律意見。法律顧問認為向銀行提供之擔保，構成一項對購股協議之潛在違反，董事考慮徵求律師意見，以獲得其他建議。於二零一一年及二零一二年十二月三十一日，並未就本集團於擔保合約下的責任作出撥備，因本公司董事認為會拖欠償還任何貸款或利息的風險極微，而財務擔保之公平值估計微不足道。

45. 非調整報告期後事項

直至本報告日期，本集團尚未結付其他借款，其截至二零一二年十二月三十一日止的金額為37,514,000港元，並須於二零一三年一月三十一日或之前償還予美冠(附註29)。由於現正就財務報表附註44所述之財務擔保合約與美冠進行磋商，本公司董事視之為一件非調整報告期後事項。

