



CHINA ENERGY DEVELOPMENT HOLDINGS LIMITED
中國能源開發控股有限公司*

(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 : 00228

2015 中期報告 Interim Report



*For identification purposes only 僅供識別

Board of Directors

Executive Directors

Mr. Zhao Guoqiang (*Chief Executive Officer and alternate director to Dr. Gu Quan Rong and Mr. Wang Yongguang*)

Mr. Chui Kwong Kau

Non-executive Director

Dr. Gu Quan Rong

Independent Non-executive Directors

Mr. Fu Wing Kwok, Ewing

Mr. Wang Yongguang

Mr. Zong Ketao (Appointed on 21 July 2015)

Mr. Sun Xiaoli (Resigned on 16 June 2015)

Company Secretary

Mr. Chan Chun Kau

Company's Website

<http://www.cnenergy.com.hk>

Registered Office

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

Head Office and Principal Place of Business

Units 5611–12, 56th Floor
The Center
99 Queen's Road Central
Central
Hong Kong

董事會

執行董事

趙國強先生 (*行政總裁兼顧全榮博士及汪永光先生之替任董事*)

崔光球先生

非執行董事

顧全榮博士

獨立非執行董事

傅榮國先生

汪永光先生

宗科濤先生 (*於二零一五年七月二十一日獲委任*)

孫曉麗先生 (*於二零一五年六月十六日辭任*)

公司秘書

陳振球先生

公司網址

<http://www.cnenergy.com.hk>

註冊辦事處

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

總辦事處及主要營業地點

香港
中環
皇后大道中 99 號
中環中心
56 樓 5611–12 室

Corporate Information

公司資料

Principal Share Registrar and Transfer Office

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Hong Kong Branch Share Registrar and Transfer Office

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

Legal Advisers to the Company

As to Hong Kong law
Pang & Co. in association with Loeb & Loeb LLP
Cheung & Choy

As to Cayman Islands law
Conyers Dill & Pearman, Cayman

Auditor

BDO Limited

Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited
DBS Bank (HK) Limited

股份過戶登記總處

Royal Bank of Canada Trust Company (Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

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 183 號
合和中心
22 樓

本公司之法律顧問

有關香港法律
Pang & Co. (與樂博律師事務所聯營)
張世文蔡敏律師事務所

有關開曼群島法律
Conyers Dill & Pearman, Cayman

核數師

香港立信德豪會計師事務所有限公司

主要往來銀行

香港上海滙豐銀行有限公司
星展銀行(香港)有限公司

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2015
截至二零一五年六月三十日止六個月

Interim Results

The Board of Directors (the "Board") of China Energy Development Holdings Limited (the "Company") hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (the "Group") for the six months ended 30 June 2015 together with comparative figures as follows. These interim financial statements have not been audited, but have been reviewed by the Company's Audit Committee.

中期業績

中國能源開發控股有限公司(「本公司」)之董事會(「董事會」)謹此宣佈本公司及其附屬公司(「本集團」)截至二零一五年六月三十日止六個月之未經審核簡明綜合中期業績連同以下比較數字。本中期財務報表乃未經審核，惟已由本公司審核委員會審閱。

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月		
		2015 二零一五年	2014 二零一四年	
		HK\$'000 千港元	HK\$'000 千港元	Notes 附註
Turnover	營業額	5,399	20,074	3
Other income	其他收入	6	22	4
Cost of inventories consumed	經消耗存貨成本	(5,281)	(17,877)	
Staff costs	員工成本	(4,255)	(4,965)	
Operating lease rentals	經營租賃租金	(1,104)	(2,845)	
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	(300)	(349)	
Fuel costs and utility expenses	燃油費及水電費	(96)	(227)	
Gain on disposal of financial assets held for trading	出售持作買賣之金融資產 之收益	1,901	–	
Fair value gain of financial assets held for trading	持作買賣之金融資產之 公平價值收益	4,187	4,585	
Impairment of intangible assets	無形資產減值	(129,797)	–	11
Gain on reversal of impairment of loan receivable	撥回應收貸款之減值收益	9,113	–	
Gain on cancellation of convertible notes	註銷可換股票據之收益	92,459	–	15
Other operating expenses	其他經營開支	(6,470)	(8,142)	
Finance costs	財務成本	(6,551)	(6,560)	
Loss before income tax	除所得稅前虧損	(40,789)	(16,284)	5
Income tax credits	所得稅抵免	456	1,111	6
Loss for the period	期內虧損	(40,333)	(15,173)	

Condensed Consolidated Statement of Comprehensive Income

簡明綜合全面收益表

For the six months ended 30 June 2015
截至二零一五年六月三十日止六個月

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
		2015 二零一五年	2014 二零一四年
		HK\$'000 千港元	HK\$'000 千港元
	Notes 附註		
Other comprehensive income	其他全面收益		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：		
Exchange differences arising on translation of foreign operations	換算境外業務產生之匯兌差額	-	(106,953)
Total comprehensive income for the period	期內全面收益總額	(40,333)	(122,126)
Loss for the period attributable to:	期內虧損歸屬於：		
Owners of the Company	本公司擁有人	(40,333)	(15,173)
Non-controlling interests	非控股權益	-	-
		(40,333)	(15,173)
Total comprehensive income attributable to:	全面收益總額歸屬於：		
Owners of the Company	本公司擁有人	(40,333)	(122,126)
Non-controlling interests	非控股權益	-	-
		(40,333)	(122,126)
Loss per share	每股虧損		
— Basic (HK cents)	— 基本(港仙)	(0.42)	(0.19)
— Diluted (HK cents)	— 攤薄(港仙)	(0.42)	(0.19)

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2015
於二零一五年六月三十日

			Unaudited 未經審核 30 June 2015 二零一五年 六月三十日	Audited 經審核 31 December 2014 二零一四年 十二月三十一日
		Notes 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	9	4,697	3,033
Exploration and evaluation assets	勘探及評估資產	10	724,908	724,908
Intangible assets	無形資產	11	2,864,892	2,994,689
Deferred tax assets	遞延稅項資產		92,292	91,836
			3,686,789	3,814,466
Current assets	流動資產			
Trade receivables	應收賬款	12	2,324	–
Financial assets held for trading	持作買賣之金融資產		72,471	1,171
Other receivables, deposits and prepayments	其他應收款項、訂金及預付款項		6,300	6,269
Amounts due from related companies	應收關連公司款項	13	9,105	7,196
Cash and bank balances	現金及銀行結餘		299,014	370,735
			389,214	385,371
Total assets	總資產		4,076,003	4,199,837
Current liabilities	流動負債			
Trade payables	應付賬款	14	2,889	2,889
Other payables and accruals	其他應付款項及應計款項		478,297	475,890
Amount due to a shareholder	應付一間關連公司款項	13	40,402	40,402
			521,588	519,181
Net current liabilities	流動負債淨額		(132,374)	(133,810)
Total assets less current liabilities	總資產減流動負債		3,554,415	3,680,656

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 June 2015
於二零一五年六月三十日

			Unaudited 未經審核 30 June 2015 二零一五年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元
		Notes 附註		
Non-current liabilities	非流動負債			
Convertible notes	可換股票據	15	49,576	135,484
Deferred tax liabilities	遞延稅項負債		53	53
			49,629	135,537
Net Assets	資產淨值		3,504,786	3,545,119
Equity	權益			
Share capital	股本	16	475,267	475,267
Reserves	儲備		3,028,766	3,069,099
Attributable to owners of the Company	本公司擁有人應佔		3,504,033	3,544,366
Non-controlling interests	非控股權益		753	753
Total equity	總權益		3,504,786	3,545,119

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For the six months ended 30 June 2015
截至二零一五年六月三十日止六個月

		Unaudited 未經審核								
		Attributable to owners of the Company 本公司擁有人應佔							Non-Controlling interests	Total equity
		Issued share capital 已發行股本	Contributed surplus 實繳股本盈餘	Share premium 股份溢價	Convertible notes reserve 可換股票據儲備	Translation reserve 匯兌儲備	Accumulated losses 累計虧損	Sub-total 小計	Non-Controlling interests 非控股權益	Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2014	於二零一四年一月一日之結餘	396,056	30,004	1,598,392	2,005,233	157,737	(680,231)	3,507,191	753	3,507,944
Total comprehensive income for the period	本期間全面收益總額	-	-	-	-	(106,953)	(15,173)	(122,126)	-	(122,126)
Balance at 30 June 2014	於二零一四年六月三十日之結餘	395,056	30,004	1,598,392	2,005,233	50,784	(695,404)	3,385,065	753	3,385,818

		Unaudited 未經審核								
		Attributable to owners of the Company 本公司擁有人應佔							Non-controlling interests	Total equity
		Issued share capital 已發行股本	Contributed surplus 實繳股本盈餘	Share premium 股份溢價	Convertible notes reserve 可換股票據儲備	Translation reserve 匯兌儲備	Accumulated losses 累計虧損	Sub-total 小計	Non-controlling interests 非控股權益	Total equity 權益總額
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Balance at 1 January 2015	於二零一五年一月一日之結餘	475,267	30,004	1,679,187	2,005,233	71,560	(716,885)	3,544,366	753	3,545,119
Total comprehensive income for the period	本期間全面收益總額	-	-	-	-	-	(40,333)	(40,333)	-	(40,333)
Cancellation of convertible notes	註銷可換股票據	-	-	-	(1,309,405)	-	1,309,405	-	-	-
Balance At 30 June 2015	於二零一五年六月三十日之結餘	475,267	30,004	1,679,187	695,828	71,560	552,187	3,504,033	753	3,504,786

Note: The convertible notes reserve represents the equity component of the convertible notes issued (i.e. option to convert the note into share capital).

附註：可換股票據儲備指發行可換股票據之權益部份（即可兌換票據至股本之選擇權）。

Condensed Consolidated Cash Flow Statement

簡明綜合現金流量表

For the six months ended 30 June 2015
截至二零一五年六月三十日止六個月

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
NET CASH (OUTFLOW)/INFLOW FROM:	現金(流出)／流入淨額：		
OPERATING ACTIVITIES	經營業務	(13,658)	(94,395)
INVESTING ACTIVITIES	投資業務	(58,063)	(31)
FINANCING ACTIVITIES	融資活動	-	-
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	現金及等同現金(減少)／增加 淨額	(71,721)	(94,426)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	期初之現金及 等同現金	370,735	317,452
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES	匯率變動之影響	-	2,692
CASH AND CASH EQUIVALENTS AT END OF PERIOD, COMPRISING CASH AND BANK BALANCES	期終之現金及等同現金， 包括現金及 銀行結餘	299,014	225,718

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

1. Basis of Preparation

a. Statement of Compliance

The unaudited condensed consolidated interim financial statements have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and with Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

b. Basis of measurement and going concern assumption

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

During the period, the Group has incurred a loss of HK\$40,333,000 and at the end of reporting period, its current liabilities exceeded its current assets by HK\$132,374,000. This situation indicates the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business. At present, the negotiation of the Gas Sales Agreement ("GSA") with China National Petroleum Corporation ("CNPC") has yet to come to any conclusion.

1. 編製基準

a. 合格聲明

本未經審核簡明綜合中期財務報表已根據香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄16之適用披露規定及香港會計師公會(「香港會計師公會」)頒佈之香港會計準則第34號「中期財務報告」編製。

b. 計量基準及持續經營假設

此財務報表乃按歷史成本基準編製，惟按公平價值計量的若干金融工具除外，並於下文之會計政策中闡述。

期內，本集團產生虧損40,333,000港元，而於報告期末，本集團流動負債較其流動資產多出132,374,000港元。有關狀況反映存在重大不明朗因素，可能對本集團能否持續營運構成重大疑問，因此，本集團或不能於日常業務過程中變現其資產及解除其負債。目前，與中國石油天然氣集團公司(「中國石油集團」)就售氣協議(「售氣協議」)進行之磋商尚未達成任何結論。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

1. Basis of Preparation (Continued)

b. Basis of measurement and going concern assumption (Continued)

The GSA with CNPC covers a number of provisions, such as terms of the GSA, quantity of volume commitments, gas quality, price terms, delivery obligations and delivery point etc. The major point is that the Group has yet to agree with CNPC on pricing terms. The natural gas pricing reform closed the price gap between imported and local gas prices. The reformed pricing mechanism on natural gas is a major reference point for the Group to negotiate the pricing terms with CNPC. Subject to the finalization of the GSA, the Group will then accelerate the exploration, development and pilot-production of oil/gas in the field so that the overall financial performance of the Group will be significantly improved, as well as its operating cash position. A preliminary natural gas sharing proposal is discussed and agreed by joint management committee which comprises representatives from CNPC and the Group at 18 February 2014 ("the Proposal"). Based on the Proposal, the Group will receive the proposed distribution of natural gas from pilot production which was delivered and sold before 1 January 2014. The 2nd natural gas sharing proposal is discussed and agreed by the joint management committee at 3 March 2015 (the "2nd Proposal") which cover the natural gas from pilot-production which was delivered and sold during the year ended 31 December 2014. At present, the Group has yet to receive proposed distribution from the above proposals. However, the unit price in the proposals is only a preliminary unit price used for this preliminary sharing. The final unit price is still subject to change and would only be confirmed after the formal GSA is signed.

1. 編製基準(續)

b. 計量基準及持續經營假設(續)

與中國石油集團訂立之售氣協議包含多項條文，例如售氣協議條款、數量承諾、天然氣質素、價格條款、交付責任及交付點等。重點是本集團尚未與中國石油集團議定定價條款。天然氣定價改革，縮小了入口與本土天然氣價格差距。經改革的天然氣價格機制是本集團與中國石油集團磋商之定價條款之主要參考點。待敲定售氣協議後，本集團其時將加快油氣田的油氣勘探、發展及試產速度，因此本集團的整體財務表現以至營運現金狀況，將得以大大改善。聯合管理委員會於二零一四年二月十八日討論及協定天然氣預分配方案（「該方案」），聯合管理委員會由中國石油集團與本集團之代表組成。根據該方案，本集團將按初步天然氣價格，收取方案分配於二零一四年一月一日前試產並已付運及銷售的天然氣。聯合管理委員會於二零一五年三月三日商定第二份天然氣共享建議（「第二份建議」），涵蓋截至二零一四年十二月三十一日止年度所交付及出售試產期間的天然氣。目前，本集團尚未獲得上述建議之建議分配。然而，該方案之單位價格僅用作為初步分配的初步單位價格，而最終單位價格仍會作出變動，並僅將於售氣協議獲正式簽訂後，方會確定。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

1. Basis of Preparation (Continued)

b. Basis of measurement and going concern assumption (Continued)

The directors have carried out a detailed review of the cash flow forecast of the Group for the twelve months ending 30 June 2016 taking into account the measures as referred to above, and consider that the Group will have sufficient working capital to meet its financial obligations as and when they fall due for the period of the forecast. Accordingly, the directors are satisfied that it is appropriate to prepare these consolidated financial statements on a going concern basis.

If the going concern basis is not appropriate, adjustments would have to be made to write down the values of the assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities, respectively.

2. Principal Accounting Policies

These unaudited condensed consolidated financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2014. The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2014 with addition for the following amendments and interpretations (the "HKFRSs") issued by the HKICPA, which have become effective.

Annual Improvements to HKFRSs 2010–2012 Cycle	Improvements to HKFRSs
Annual Improvements to HKFRSs 2011–2013 Cycle	Improvements to HKFRSs

1. 編製基準(續)

b. 計量基準及持續經營假設(續)

董事已對本集團截至二零一六年六月三十日止十二個月之現金流量預測進行詳盡檢討，其中已考慮上述措施，並認為本集團將具備充足營運資金，可於預測期間，履行到期財務責任。因此，董事確信本集團適宜按持續經營基準編製該等綜合財務報表。

倘持續經營基準並不恰當，則須進行調整，將資產價值撇減至可收回金額，並就可能產生之額外負債作出撥備，以及將非流動資產及負債分別重新歸類為流動資產及負債。

2. 主要會計政策

本未經審核簡明綜合財務報表應與截至二零一四年十二月三十一日止年度之全年財務報表一併閱讀。編製本未經審核簡明綜合財務報表所採用之會計政策及計算方法，與截至二零一四年十二月三十一日止年度之年度財務報表所採納者一致，惟新增以下由香港會計師公會頒佈之修訂及詮釋（「香港財務報告準則」）並已生效。

香港財務報告準則二零一零年至二零一二年週期之年度改進	香港財務報告準則之改進
香港財務報告準則二零一一年至二零一三年週期之年度改進	香港財務報告準則之改進

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

2. Principal Accounting Policies (Continued)

The Group has adopted of the new and revised standards and interpretations issued by the HKICPA that are effective for the accounting period beginning on 1 January 2015. The adoption of these new and revised HKFRSs has no material impact on the Group's unaudited condensed consolidated financial statements.

The Group has not early adopted the new and revised HKFRSs that have been issued but are not yet effective. The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors are not yet in a position to quantify the effects on the Group's financial statements.

3. Turnover and Segment Information

The Group determines its operating segments based on the internal reports that are regularly reviewed by the chief operating decision-maker in order to allocate reserves to the segment and to assess its performance. In accordance with the Group's internal organization and reporting structure the operating segments are based on nature of business.

The Group has the following two reportable segments:

The Exploration and Production segment is engaged in the exploration, development, production and sales of natural gas.

The Sales of Food and Beverages Business segment is engaged in the sales of food and beverages.

2. 主要會計政策(續)

本集團已採納香港會計師公會頒佈由二零一五年一月一日起生效之新訂及經修訂準則及詮釋。採納該等新訂及經修訂香港財務報告準則對本集團之未經審核簡明綜合財務報表並無重大影響。

本集團並無提早採納已頒佈但尚未生效之新訂及經修訂香港財務報告準則。本集團正在評估該等新訂／經修訂香港財務報告準則之潛在影響，而董事未能量化對本集團財務報表之影響。

3. 營業額及分部資料

本集團乃按照主要營運決策者為對分部作儲備分配及評估其表現所定期審閱的內部報告確定其經營分部。根據本集團之內部組織及匯報架構，經營分部乃根據業務性質釐定。

本集團有以下兩個可報告分部：

勘探及生產分部，從事天然氣勘探、開發、生產及銷售業務。

銷售食品及飲料業務分部，從事銷售食品及飲料。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

3. Turnover and Segment Information (Continued)

The segment information provided to the Board for the reportable segments for the six months ended 30 June 2015 and 2014 are as follows:

- (a) Information about reportable segment revenue, profit or loss and other information

For the six months ended 30 June 2015	截至二零一五年 六月三十日止六個月	Exploration and Production 勘探及生產 HK\$'000 千港元	Sales of Food and Beverages Business 食品及飲料 銷售業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue from external customers	來自外部客戶之收入	-	5,399	5,399
Reportable segment loss before tax expenses	扣除稅項開支前之可報告 分部虧損	(137,128)	(779)	(137,907)
Segment results included:	分部業績包括：			
Interest income	利息收入	2	-	2
Depreciation	折舊	281	19	300
Impairment of intangible assets	無形資產減值	129,797	-	129,797
Additions to non-current assets	增添非流動資產	-	1,964	1,964
Reportable segment assets	可報告分部資產	3,796,582	13,486	3,810,068
Reportable segment liabilities	可報告分部負債	(469,451)	(7,116)	(476,567)

3. 營業額及分部資料(續)

於截至二零一五年及二零一四年六月三十日止六個月，就可報告分部而提供予董事會的分部資料如下：

- (a) 有關可報告分部收入、溢利或虧損的資料及其他資料

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

3. Turnover and Segment Information (Continued)

(a) Information about reportable segment revenue, profit or loss and other information (Continued)

3. 營業額及分部資料(續)

(a) 有關可報告分部收入、溢利或虧損的資料及其他資料(續)

		Exploration and Production 勘探及生產 HK\$'000 千港元	Sales of Food and Beverages Business 食品及飲料 銷售業務 HK\$'000 千港元	Total 總計 HK\$'000 千港元
For the six months ended 30 June 2014	截至二零一四年 六月三十日止六個月			
Revenue from external customers	來自外部客戶之收入	-	20,074	20,074
Reportable segment (loss)/profit before tax expenses	扣除稅項開支前之可報告 分部(虧損)/溢利	(8,598)	432	(8,166)
Segment results included:	分部業績包括：			
Interest income	利息收入	21	-	21
Depreciation	折舊	315	34	349
Additions to non-current assets	增添非流動資產	-	31	31
Reportable segment assets	可報告分部資產	3,888,122	18,779	3,906,901
Reportable segment liabilities	可報告分部負債	(445,181)	(16,801)	(461,982)

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

3. Turnover and Segment Information (Continued)

3. 營業額及分部資料(續)

(b) Reconciliation of reportable segment profit or loss, assets and liabilities

(b) 可報告分部溢利或虧損、資產及負債之對賬

		Unaudited	
		six months ended 30 June	
		未經審核	
		截至六月三十日止六個月	
		2015	2014
		二零一五年	二零一四年
		HK\$'000	HK\$'000
		千港元	千港元
Loss before income tax	除所得稅前虧損		
Reportable segment loss before income tax	除所得稅前之可報告分部虧損	(137,907)	(8,166)
Other income	其他收入	3	-
Gain on disposal of financial assets held for trading	出售持作買賣之金融資產之收益	1,901	-
Fair value gain of financial assets held for trading	持作買賣之金融資產之公平價值收益	4,187	4,585
Gain on reversal of impairment of loan receivable	撥回應收貸款之減值收益	9,113	-
Gain on cancellation of convertible notes	註銷可換股票據之收益	92,459	-
Finance costs	財務成本	(6,551)	(6,560)
Unallocated head office and corporate expenses	未分配之總辦事處及企業開支	(3,994)	(6,143)
Loss before income tax	除所得稅前虧損	(40,789)	(16,284)

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

3. Turnover and Segment Information (Continued)

(b) Reconciliation of reportable segment profit or loss, assets and liabilities (Continued)

Assets	資產	Unaudited 未經審核 30 June 2015 二零一五年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元
Reportable segment assets	可報告分部資產	3,810,068	3,936,711
Deferred tax assets	遞延稅項資產	92,292	91,836
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	1,000	48
Financial assets held for trading	持作買賣之金融資產	72,471	1,171
Unallocated head office and corporate assets	未分配之總辦事處及企業資產	100,172	170,071
Total assets	總資產	4,076,003	4,199,837
Liabilities	負債	Unaudited 未經審核 30 June 2015 二零一五年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元
Reportable segment liabilities	可報告分部負債	476,567	472,999
Deferred tax liabilities	遞延稅項負債	53	53
Convertible notes	可換股票據	49,576	135,484
Amount due to a shareholder	應付一名股東款項	40,402	40,402
Unallocated head office and corporate liabilities	未分配之總辦事處及企業負債	4,619	5,780
Total liabilities	總負債	571,217	654,718

3. 營業額及分部資料(續)

(b) 可報告分部溢利或虧損、資產及負債之對賬(續)

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

4. Other Income

4. 其他收入

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Bank interest income	銀行利息收入	6	22

5. Loss before Income Tax

5. 除所得稅前虧損

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Loss before income tax is arrived at after charging:	除所得稅前虧損已扣除：		
Cost of inventories consumed	經消耗存貨成本	5,281	17,877
Depreciation of property, plant and equipment	物業、廠房及設備之折舊	300	349
Staff costs (including directors remuneration):	員工成本 (包括董事酬金)：		
— Wages and salaries and other benefits	— 工資及薪金及其他員工福利	4,214	4,900
— Pension fund contributions	— 退休金供款	41	65
		4,255	4,965
Operating lease rentals:	經營租賃租金：		
— Related companies	— 關連公司	-	330
— Third Parties	— 第三方	1,104	2,515
		1,104	2,845

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

6. Income Tax Credits

The amount of taxation in the condensed consolidated statement of comprehensive income represents:

Deferred tax

遞延稅項

Unaudited

six months ended 30 June

未經審核

截至六月三十日止六個月

2015

2014

二零一五年

二零一四年

HK\$'000

HK\$'000

千港元

千港元

456

1,111

7. Dividend

No dividend was paid or proposed for the six months ended 30 June 2015 (2014 Nil), nor has any dividend been proposed since the end of reporting period.

6. 所得稅抵免

簡明綜合全面收益表內的稅額代表：

由於本集團於兩段期間均錄得承前未動用稅項虧損，故並無就香港利得稅作出撥備。中華人民共和國（「中國」）企業所得稅乃根據兩段期內估計應課稅溢利按稅率 25% 計算。

7. 股息

截至二零一五年六月三十日止六個月並無派付或擬派付中期股息（二零一四年：無），自報告期末起亦無擬派任何股息。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

8. Loss per Share

(a) Basic

Basic loss per share is calculated by dividing the loss attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

8. 每股虧損

(a) 基本

每股基本虧損是將本公司擁有人應佔虧損除以期內已發行普通股的加權平均數而計算。

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Loss attributable to owners of the Company	本公司擁有人應佔虧損	40,333	15,173
		Number of Shares 股份數目	
Weighted average number of ordinary shares in issue	已發行普通股之加權平均數	9,505,344,000	7,921,120,000
		HK Cents 港仙	
Basic loss per share	每股基本虧損	0.42	0.19

(b) Diluted

Diluted loss per share is the same as basic loss per share for six months period ended 30 June 2015 and 2014 as the potential ordinary shares on convertible notes are anti-dilutive.

(b) 攤薄

由於可換股票據之潛在普通股具反攤薄效果，故於截至二零一五年及二零一四年六月三十日止六個月期間之每股攤薄虧損與每股基本虧損相同。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

9. Property, Plant and Equipment

During the six months ended 30 June 2015, the Group acquired property, plant and equipment at the cost of approximately HK\$1,964,000 (2014: HK\$31,000).

10. Exploration and Evaluation Assets

During the six months ended 30 June 2015, the Group did not purchase any exploration and evaluation assets.

11. Intangible Assets

During the six months period ended 30 June 2015, the interest in the petroleum production sharing contract relating to the Group's project in Kashi acquired in previous years in relation to the acquisition of subsidiaries was recognized as intangible assets at costs. No amortization was provided for the six months period ended 30 June 2015 and 2014.

Impairment loss of intangible assets HK\$129,797,000 was recognised during the period as the carrying amount of the cash generating unit for the exploration and production segment exceeds its recoverable amount. The recoverable amount of the cash generating unit for the exploration and production segment was HK\$3,590,000,000 based on value in use calculation and by reference to the valuation report produced by an independent valuer.

9. 物業、廠房及設備

截至二零一五年六月三十日止六個月，本集團所收購之物業、廠房及設備成本約為1,964,000港元(二零一四年：31,000港元)。

10. 勘探及評估資產

截至二零一五年六月三十日止六個月內，本集團並無收購任何勘探及評估資產。

11. 無形資產

截至二零一五年六月三十日止六個月期間，關於收購附屬公司在之前年份所獲得之有關本集團於喀什之項目石油分成合約之權益按成本確認為無形資產。截至二零一五年及二零一四年六月三十日止六個月期間並無計提攤銷撥備。

期內因勘探及生產分部之現金產生單位之賬面值超過其可收回金額而確認無形資產減值虧損129,797,000港元。可收回金額為3,590,000,000，金額乃根據使用價值計算及參考獨立估值師的估值報告釐定。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

11. Intangible Assets (Continued)

The review on the carrying amounts of the cash generating unit ("CGU") related to the exploration and production segment resulted in impairment losses of HK\$129,797,000 (2014: Nil). The impairment loss was due to the significant and continual decrease in oil price during the first half of 2015, which was believed to have reduced the price-competitiveness and demand of natural gas in the western part of China. The Company's management expected that the downturn of oil price may continue in the near future and the demand of natural gas would be lower than previous estimation. In addition, the actual gas output of Kashi Project has decreased to 67.89 MMm³ in the first half of 2015, as compared with 127.65 MMm³ in the corresponding period in 2014, representing a year-on-year decrease of 47%. As a result of the decreased oil price and actual gas output, it is necessary and appropriate to revise the production forecast of Kashi Project for the remaining contract period.

The key assumption used for value in use calculations are as follow:

11. 無形資產(續)

有關勘探及生產分部之現金產生單位(「現金產生單位」)賬面值之審閱導致錄得減值虧損 129,797,000 港元(二零一四年：無)。減值虧損乃由於二零一五年上半年油價大幅及持續下跌所致，相信中國西部之價格競爭力及天然氣需求會因而降低。本公司管理層預期，油價下跌可能於不久將來持續下跌，而天然氣需求將低於先期估計。此外，喀什項目之實際天然氣產量由二零一四年同期的 127.65 百萬立方米，下跌至二零一五年上半年的 67.89 百萬立方米，按年下跌 47%。由於油價及實際天然氣產量均告下跌，於餘下合約期修訂喀什項目之產量預測為有必要及合適。

計算使用價值所用之主要假設如下：

		30 June 2015 二零一五年 六月三十日	31 December 2014 二零一四年 十二月三十一日
Post tax discount rate	稅後貼現率	12%	11.5%

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

12. Trade Receivables

Customers are usually offered a credit period ranging from one to three months. An ageing analysis of trade receivables as at the balance sheet date is as follows:

		The Group 本集團	
		Unaudited 未經審核	Audited 經審核
		30 June 2015 二零一五年 六月三十日 HK\$'000 千港元	31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元
Current to 3 months	即期至三個月	2,324	-

All trade receivables are neither individually nor collectively considered to be impaired as there was no recent history of default and relate to a number of independent customers that have a good track record with the Group. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral over these balances.

13. Amounts due from/to Related Companies and a shareholder

Amounts due from/to related companies are unsecured, interest free and repayable on demand; and amount due to a shareholder is unsecured, interest free and is repayable after 1 July 2015.

12. 應收賬款

客戶一般獲得之信貸期為一至三個月不等。應收賬款於結算日之賬齡分析如下：

		The Group 本集團	
		Unaudited 未經審核	Audited 經審核
		30 June 2015 二零一五年 六月三十日 HK\$'000 千港元	31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元
Current to 3 months	即期至三個月	2,324	-

所有應收賬款均沒有獲個別及共同考慮須予減值，理由是與本集團多個獨立客戶擁有良好還款記錄且近期並無拖欠記錄有關。根據過往經驗，管理層相信無須就該等結餘作出減值撥備，原因是信貸素質並無重大變化及有關結餘仍被視為可悉數收回。本集團並無就該等結餘持有任何抵押品。

13. 應收／應付關連公司及股東款項

應收／應付關連公司款項為無抵押、免息及應要求償還，而應付一名股東款項為無抵押、免息及應於二零一五年七月一日後償還。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

14. Trade Payables

An ageing analysis of trade payables of the Group is as follows:

		Unaudited 未經審核 30 June 2015 二零一五年 六月三十日 HK\$'000 千港元	Audited 經審核 31 December 2014 二零一四年 十二月三十一日 HK\$'000 千港元
Over 1 year	一年以上	2,889	2,889
		2,889	2,889

15. Convertible Notes

As a result of the acquisition of Totalbuild Investment Group (Hong Kong) Limited (the "Totalbilid Transaction"), the Company has issued convertible bonds in principal amount of HK\$2,558,000,000 carrying right to convert to shares of the Company ("Shares") at the conversion price of HK\$0.168 each ("Tranche I Convertible Notes") to U.K. Prolific Petroleum Group Company Limited ("UK Prolific"), which was nominated by the vendor in Totalbuild Transaction (the "Vendor") to be the allottee of such bonds. In accordance with the terms of Totalbuild Transaction, a principal amount of HK\$1,279,000,000 (the "Shortfall Notes") out of the Tranche I Convertible Notes was deposited with an escrow agent which should only be released to the Vendor (or UK Prolific as the Vendor may direct) if the Company receives a written certificate issued by the competent evaluator confirming that the "First Designated Area" (as defined in the Company's circular dated 3 December 2010) can be evaluated on the basis of "Unrisked Economic Evaluation" (as defined in the Circular) on or before 31 May 2015.

14. 應付賬款

本集團之應付賬款賬齡分析如下：

15. 可換股票據

由於收購共創投資集團(香港)有限公司(「共創交易事項」)，本公司已發行本金額2,558,000,000港元之可換股債券(「第一批可換股票據」)予U.K. Prolific Petroleum Group Company Limited(「UK Prolific」)，該等債券附有權利可轉換為本公司股份(「股份」)，轉換價為每股0.168港元，而於共創交易事項中，UK Prolific獲賣方(「賣方」)提名為該等債券之承配人。根據共創交易事項之條款，第一批可換股票據中本金額1,279,000,000港元(「差額票據」)已寄存予一名託管代理，而差額票據僅應在本公司於二零一五年五月三十一日或之前接獲由合資格估價師發出的書面證書確定第一指定地區(定義見本公司日期為二零一零年十二月三日之通函)可以「不具風險經濟估算」為基準(定義見該通函)評估後，方可交回予賣方(或按賣方之指示交予UK Prolific)。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

15. Convertible Notes (Continued)

No such written certificate was received by the Company on or before 31 May 2015. Under the terms of Totalbuild Transaction, the Shortfall Notes have been returned to the Company for cancellation. The gain of HK\$92,459,000 was recorded as the result of the cancellation of Shortfall Notes.

The movement of the principal amount, liability component and equity component of the convertible notes are as follows:

15. 可換股票據(續)

本公司於二零一五年五月三十一日或之前並無接獲有關書面證書。根據共創交易事項之條款，差額票據已退回公司作註銷。本公司因註銷差額票據而錄得收益92,459,000港元。

可換股票據本金額、負債部分及權益部分之變動如下：

		Carrying amount 賬面值	
		Liability component 負債部分 HK\$'000 千港元	Equity component 權益部分 HK\$'000 千港元
At 31 December 2014 and 1 January 2015	於二零一四年十二月三十一日及 二零一五年一月一日	135,484	2,005,233
Interest expenses	利息開支	6,551	–
Cancellation of convertible notes	註銷可換股票據	(92,459)	(1,309,405)
As 30 June 2015	於二零一五年六月三十日	49,576	695,828

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

16. Share Capital

16. 股本

		Number of shares 股份數目	Amount 金額 HK\$'000 千港元
<i>Authorized:</i>	<i>法定：</i>		
Ordinary shares of HK\$0.05 each	每股面值0.05港元之普通股		
At 31 December 2014 and	於二零一四年十二月三十一日及		
30 June 2015	二零一五年六月三十日	25,000,000,000	1,250,000
<i>Issued and fully paid:</i>	<i>已發行及繳足：</i>		
Ordinary shares of HK\$0.05 each	每股面值0.05港元之普通股		
At 31 December 2014 and	於二零一四年十二月三十一日及		
30 June 2015	二零一五年六月三十日	9,505,344,000	475,267

17. Related Party and Connected Transactions

17. 關聯人士及關連交易

During the period, the Group had the following significant transactions with related parties and a connected person:

期內，本集團與關聯人士及關連人士有以下重大交易：

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Key management personnel remuneration: director — short-term employee benefits	主要管理人員酬金： 董事 — 短期僱員福利	700	1,124
Rental expenses paid to related companies (note i)	已付關連公司租金開支(附註i)	-	330
Sales of food to related companies (note ii)	向關連公司銷售食品(附註ii)	-	19,904

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

17. Related Party and Connected Transactions

(Continued)

Notes:

- (i) The rental expenses were paid to Hon Po Investment Limited and Speedy Fortune Limited of which directors of certain subsidiaries of the Company have a beneficial interest. The rental expenses were based on the tenancy agreements signed with the Group.
- (ii) The directors of certain subsidiaries of the Company who have held beneficial interests of Bestcase Hong Kong Limited, Dragongem Development Limited, Jing Hua (Allied) Limited, Metropolis Harbour View Chinese Cuisine Limited, Ocean Grace Investments Limited and Twin Star Investments Limited are namely Mr. Chan Nun Chiu, Ms. Lim Mai Tak, Grace, Mr. Cheung To Seng, Mr. Ng and Mr. She Hing Chiu.

18. Litigation

Reference is made to the announcements (the "Announcements") of Company dated 7 June 2015, 17 June 2015, 25 June 2015, 29 June 2015 and 18 August 2015 in relation to, inter alia, the commencement of the Litigation in relation to Totalbuild Transaction against the Vendor, Mr. Wang Guoju, UK Prolific, Mr. Wang Hanning and other parties (the "Defendants").

17. 關聯人士及關連交易 (續)

附註：

- (i) 租金開支乃付予漢寶投資有限公司及成捷有限公司，由本公司若干附屬公司之董事擁有實益權益。租金開支乃根據與本集團所簽訂之租賃協議計算。
- (ii) 本公司若干附屬公司之董事中，於百基香港有限公司、龍之寶發展有限公司、京華(聯合)有限公司、景逸軒有限公司、滄洋投資有限公司及雙星投資有限公司持有實益權益之董事為陳能照先生、林美德女士、張道生先生、吳先生及余慶潮先生。

18. 訴訟

謹此提述本公司日期為二零一五年六月七日、二零一五年六月十七日、二零一五年六月二十五日、二零一五年六月二十九日及二零一五年八月十八日之公佈(「該等公佈」)，內容有關(其中包括)就共創交易事項針對賣方、王國巨先生、UK Prolific、王漢寧先生及其他人士(「被告人」)展開訴訟。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

18. Litigation (Continued)

As disclosed in the Announcements, the Board was recently informed that Mr. Wang Guoju was formally charged by prosecution authorities in China for (inter alia) illegal operation crime (the "Charge"), possibly involving allegations about improper conduct during the obtaining of the Petroleum Contract. After taking legal advice as to the remedies which should be sought by the Company to uphold its right, on 17 June 2015 (Cayman Islands time), the Company commenced legal proceedings in the Grand Court of the Cayman Islands (the "Litigation") against various parties including Totalbuild Investments Holdings Group Limited (the Vendor of Totalbuild Transaction), Mr. Wang Guoju (the guarantor of the Vendor), UK Prolific (the allottee of Tranche I Convertible Bonds as nominated by the Vendor) and Mr. Wang Hanning (owner and controller of UK Prolific), whereby the Company seeks, inter alia, a declaration that the acquisition agreement in relation to Totalbuild Transaction (the "Totalbuild Agreement") is void or, alternatively, the Company is allowed to rescind the Totalbuild Agreement, and other remedies including damages, on the basis that, inter alia, the Charge casts serious doubt over: (a) the warranties given by the Vendor and Mr. Wang Guoju in relation to the Petroleum Contract upon which the Company relied in entering into the Totalbuild Transaction; and (b) the validity of the Totalbuild Agreement by which the Company issued Tranche I Convertible Bonds to UK Prolific, and as a consequence UK Prolific's entitlement to any shareholding in the Company.

18. 訴訟(續)

誠如該等公佈披露，董事會最近知悉王國巨先生被中國檢察當局正式起訴(其中包括)非法經營罪(「該控罪」)，其中可能涉及其於獲得石油合約時有不當行為。經考慮關於本公司為維護其權利而應採取之補救行動之法律意見後，於二零一五年六月十七日(開曼群島時間)，本公司於開曼群島大法院開展法律程序(「訴訟」)，被告包括共創投資控股有限公司(共創交易事項之賣方)、王國巨先生(賣方之擔保人)、UK Prolific(賣方提名之第一批可換股債券之承配人)及王漢寧先生(UK Prolific之擁有人及控制人)，據此，本公司向法院尋求(其中包括)關於共創交易事項之收購協議(「共創協議」)無效的聲明，或本公司獲允許撤銷共創協議的聲明的替換救濟，以及其他救濟措施(包括賠償)，理由為(其中包括)該控罪對以下事項構成重大疑問：(a)賣方及王國巨先生就石油合約給予之保證(本公司依賴該等保證方會進行共創交易)；及(b)共創協議(包括本公司據此向UK Prolific發出的第一批可換股債券，連帶其導致UK Prolific是否有權擁有本公司任何股權一事)的有效性。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

18. Litigation (Continued)

On 23 June 2015 (Cayman Islands time), upon the Company's application, the Grand Court of the Cayman Islands made an injunction order that until the determination of the Company's Writ of Summons relating to the Litigation or further order of the Court (inter alia):

1. The Defendants must not (a) dispose of, transfer, deal in, or diminish the value of, or (b) exercise any rights or powers (including but not limited to voting rights in general and/or extraordinary meetings) in respect of, and/or (c) enter into any agreement to effect the above, in relation to 1.86 billion issued shares in the Company, being part of the consideration for the Totalbuild Agreement; and
2. The Defendants must not complete and/or procure the conversion of the convertible bonds representing 13,366,190,476 underlying shares in the Company, being part of the consideration for the Totalbuild Agreement.

On 13 August 2015 (Cayman Islands time), upon the Company's undertaking not to allot, issue or deal with additional Shares or to make or grant offers, agreements or options in relation to the issuance of any additional Shares or securities (including any derivative interests in the Shares) without leave of the Court until the conclusion of the present trial relating to the Litigation or further Order, the Grand Court of the Cayman Islands made an order that the Injunction Order be continued until conclusion of the present trial relating to the Litigation or further Order, and the Company's costs of and occasioned by UK Prolific's Summons be paid by UK Prolific on the standard basis.

18. 訴訟(續)

於二零一五年六月二十三日(開曼群島時間)，經本公司申請，開曼群島大法院已發出禁制令，在本公司關於訴訟之傳訊令狀終結或法院另作判令前(其中包括)：

1. 就本公司1,860,000,000股已發行股份(作為共創協議代價之一部份)，被告必不可：(a)出售、轉讓、買賣或減損其價值；或(b)行使任何相關權利或權利(包括但不限於股東大會及／或特別股東大會之投票權)，及／或(c)訂立任何協議使上述者生效；及
2. 被告必不可完成及／或促使轉換涉及本公司13,366,190,476股相關股份之可換股債券(作為共創協議代價之一部份)。

於二零一五年八月十三日(開曼群島時間)，在本公司承諾，於現有訴訟之審訊結束或未有進一步頒令前，本公司未經法院解除禁令之情況下，不會配發、發行或處置額外股份，或作出或授出有關發行任何額外股份或證券(包括股份之任何衍生權益)之要約、協議或期權後，開曼群島大法院作出頒令，指有關禁制令將會持續，直至現有訴訟之審訊結束或作出進一步頒令為止，而本公司就UK Prolific傳票招致之費用將由UK Prolific按標準支付。

Notes to the Unaudited Interim Financial Statements

未經審核中期財務報表附註

18. Litigation (Continued)

As the Litigation is only at a preliminary stage, the Board is not in the position to assess the possible impact on the Group's oil and gas operation and financial position. The Board will update shareholders and the public on any material development of the Litigation by way of announcement if and when appropriate. Details of the Litigation were disclosed in the Company's announcements 7 June 2015, 17 June 2015, 25 June 2015, 29 June 2015 and 18 August 2015.

18. 訴訟(續)

由於訴訟僅處於初始階段，董事會未能評估對本集團油氣業務及財務狀況之潛在影響。董事會將於適當時間就訴訟之任何重大發展另行發表公佈，通知股東及公眾人士。有關訴訟詳情已披露於本公司日期為二零一五年六月七日、二零一五年六月十七日、二零一五年六月二十五日、二零一五年六月二十九日及二零一五年八月十八日之公佈。

Management Discussion and Analysis

管理層討論及分析

Operating Results

During the six months period under review, the Group recorded the turnover from the food and beverages business of approximately HK\$5,399,000 (2014: HK\$20,074,000), representing an decrease of 73.1% as compared to the corresponding period in 2014. The Group's turnover was derived wholly from the sales of food and beverages business segment. The exploration and production segment did not contribute any revenue to the Group during the period under review (2014: nil).

The Group recorded a loss for the six months period attributable to the owners of the Company of approximately HK\$40,333,000, compared to a loss of approximately HK\$15,173,000 during the corresponding period in 2014. The significant increase in loss was mainly due to the impairment loss of intangible assets in the amount of HK\$129,797,000. Loss per share attributable to the owners of the Company was 0.42 HK cents (2014: 0.19 HK cents).

Business Review

Exploration and Production Segment

The Group's wholly-owned subsidiary, Totalbuild Investments Group (Hong Kong) Limited and its subsidiaries ("Totalbuild Investments Group") entered into petroleum contract with CNPC for the drilling, exploration, exploitation and production of oil and/or natural gas within the specified site located in North Kashi Block, Tarim Basin, Xinjiang, PRC (the "Petroleum Contract"). The term of the Petroleum Contract is for a term of 30 years commencing 1 June 2009.

In June 2015, the Group commenced legal actions against the vendor of Totalbuild Investments Group, as further disclosed in the section headed "Litigation" in this report.

Under the Petroleum Contract, the Group shall apply its appropriate and advanced technology and management expertise and assign its competent experts to perform exploration, development, and production of natural gas and/or oil within the site. Under the Petroleum Contract, in the event that any oil field and/or gas field is discovered within the site, the development costs shall be borne by CNPC and the Group in the proportion of 51% and 49%, respectively.

According to the Petroleum Contract, the exploration period covers 6 years. The managements have devoted much of its resources during the period in exploration and research studies.

經營業績

於六個月回顧期間內，本集團的食品及飲料業務錄得營業額約5,399,000港元(二零一四年：20,074,000港元)，較二零一四年同期下跌73.1%。本集團營業額全部來自食品及食料銷售業務分部。勘探及生產分部於回顧期間並未貢獻任何收益(二零一四年：零)。

於該六個月期間，本集團錄得本公司擁有人應佔虧損約40,333,000港元，而二零一四年同期則錄得虧損約15,173,000港元。虧損大幅增加乃主要由於無形資產減值虧損129,797,000港元。本公司擁有人應佔每股虧損為0.42港仙(二零一四年：0.19港仙)。

業務回顧

勘探及生產分部

本集團之全資附屬公司共創投資集團(香港)有限公司及其附屬公司(「共創投資集團」)已與中國石油集團訂立了石油合約，以於中國新疆塔里木盆地喀什北區塊之指定地盤鑽探、勘探、開發及生產石油及／或天然氣(「石油合約」)。石油合約年期自二零零九年六月一日起，為期30年。

於二零一五年六月，本集團對共創投資集團之賣方開展法律訴訟，更多詳情載於本報告「訴訟」一節。

根據石油合約，本集團將採用適當及先進的技術及管理專才，並指派稱職的專家在該地盤進行勘探、開發及生產天然氣及／或石油。根據石油合約，倘在該地盤內發現任何油田及／或氣田，中國石油集團及本集團將分別按51%及49%的比例承擔開發成本。

根據石油合約，勘探期內涵蓋6年。管理層在期內在勘探和研究方面投入大量資源。

Management Discussion and Analysis

管理層討論及分析

Business Review (Continued)

Exploration and Production Segment (Continued)

The development period of any oil/gas field will start from the date of the completion of the Overall Development Program (“ODP”). ODP is a document that is required to be approved by the relevant government authorities before the development can commence. ODP comprises a formal development engineering plan, backed up by survey results and relevant studies, together with a full economic analysis and time schedule of the development operations. However, there was delay in finalizing the ODP documentation and the preparation of formal reserve report. The production period should start immediately after obtaining relevant government approval on ODP.

Despite numerous reminders and enormous efforts of the management during the period under review, up to the date of this report, no GSA has been signed with CNPC, and the ODP which signifies the transition from exploration period into the development period of Kashi Project and the required reserve report on the cooperation site has not been finalized. In March 2015, the Group has issued formal application to CNPC to apply for a two-year extension of the exploration period of Kashi Project beyond the original headline of 31 May 2015, as the exploration efforts in the cooperation site has not been completed and the project cannot proceed into the development period in the near future. As of the date of this report, the Group has not received any response from CNPC. The Group will continue to use its best efforts to make progress on Kashi Project and will seek legal advice with the view to upholding its right if and when appropriate.

Since the acquisition of Totalbuild Investments Group, pilot productions were carried out at the site. 67,890,000 (30 June 2014: 127,650,000) cubic meters of gas was extracted during the six months ended 30 June 2015. The information obtained from research and pilot production will form part of the information to be contained in the application of the ODP. The gas so produced during the pilot productions has been sold to the local customers near the site area.

As at 30 June 2015, the acquired oil/gas field has approximately estimated contingent resources of 47.4 (31 December 2014: 47.4) thousand barrels (“Mbbbl”) of oil and 11,670 (31 December 2014: 11,703) million cubic metres (“MMm³”) of natural gas (based on Group’s 49% net entitlement interests in Petroleum contract). These contingent resources are quantities of oil and gas estimated, to be potentially recoverable from known accumulations by application of development projects, but which are not currently considered to be commercially recoverable due to one or more contingencies. The risks associated with these contingent resources included the following matters: (i) there is no definitive GSA or accurate information on likely future sales prices; (ii) the future overall development program is still to be developed and approved; and (iii) the field is situated in a remote location.

業務回顧(續)

勘探及生產分部(續)

任何油氣田的開發期將由總體開發方案(「總體開發方案」)完成之日起開始。總體開發方案乃一份在開發工程展開前須經由有關政府機關批准的文件。總體開發方案包括一項以調查結果和相關研究作依據的正式發展工程計劃，以及一項完整的經濟分析和開發工程的運作時間表。然而，總體開發方案文件的最後定稿及正式儲量報告的編製均有所延遲。生產期在總體開發方案取得有關政府的批准後應立即啟動。

儘管於回顧期間及截至本報告日期，管理層已多次提醒及不斷努力，惟與中國石油集團未能訂立售氣協議、標誌喀什項目由勘探階段進入開發階段的總體開發方案及其所需的合作區塊儲量報告尚未落實。於二零一五年三月，本集團向中國石油集團正式提出如下申請：由於合作區塊內的勘探任務沒有全部完成，及近期不能進入開發期，因此喀什項目之勘探期限原訂於二零一五年五月三十一日到期而步入開發期，現在向中國石油集團申請將勘探期限延長兩年。截至本報告日期為止，本集團仍尚未接獲中國石油集團之任何回應。本集團將會持續盡其所能於喀什項目方面取得進展，同時於適當時間會尋求法律意見以維護其權利。

收購共創投資集團後，已在工地進行試點生產。於截至二零一五年六月三十日止六個月，已開採67,890,000(二零一四年六月三十日：127,650,000)立方米天然氣。研究及試產所獲得的信息將構成在總體開發方案所載的應用信息的一部分。試點生產過程中所產生的天然氣已售予地盤鄰近區域的當地客戶。

於二零一五年六月三十日，已收購油氣田蘊藏的概約估計後備資源，包含47.4(二零一四年十二月三十一日：47.4)千桶(「千桶」)石油及11,670(二零一四年十二月三十一日：11,703)百萬立方米(「百萬立方米」)天然氣(根據本集團於石油合約的49%淨所有權權益計算)。該等後備資源為估計石油及天然氣數量，可藉著執行發展計劃，而可能從已知蓄積開採獲得，然而目前由於一項或以上之或然因素，而不認為可進行商業性開採。有關該等後備資源之風險包括以下事項：(i)缺乏確定的售氣協議或有關日後可能售價的準確資料；(ii)日後總體開發方案仍有待制定及批准；及(iii)油氣田位於偏遠地區。

Management Discussion and Analysis

管理層討論及分析

Business Review (Continued)

Exploration and Production Segment (Continued)

During the period, the exploration and production segment did not contribute any revenue and the Group is still negotiating with CNPC regarding the price term. The segment loss before income tax was approximately HK\$137,128,000 (2014: HK\$8,598,000). Impairment loss on intangible assets in the amount of HK\$129,797,000 was recognised during the period as the carrying amount of the intangible assets exceeds the recoverable amount. The recoverable amount was determined with reference to the valuation report produced by an independent valuer. No development and production activity was carried out under the Petroleum Contract. The pilot-production is not regarded as production activities as the Petroleum Contract is still in its exploration stage and ODP is yet to be approved. The results of operations in exploration and production segment and costs incurred for exploration and evaluation assets acquisition and exploration activities are shown as below:

(a) Results of operations in exploration and production segment

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Net sales to customers	客戶淨銷售額	-	-
Other income	其他收入	2	21
Operating expenses	經營開支	(7,052)	(8,304)
Depreciation	折舊	(281)	(315)
Impairment loss of intangible assets	無形資產減值虧損	(129,797)	-
Results of operations before income tax expenses	除所得稅開支前 經營業績	(137,128)	(8,598)

業務回顧(續)

勘探及生產分部(續)

期內，勘探及生產分部並無貢獻任何收入，而本集團仍在就價格條款與中國石油集團磋商。分部除所得稅前虧損約為137,128,000港元(二零一四年：8,598,000港元)。由於無形資產之賬面值超過其可收回金額，期內已確認無形資產減值虧損129,797,000港元。可收回金額乃參考獨立估值師製作之估值報告釐定。概無根據石油合約進行開發及生產活動。試點生產並不視作生產活動，因為石油合約仍處於勘探階段，且尚未批准總體開發方案。勘探及生產分部之經營業績，以及勘探及評估資產收購及勘探活動產生之成本載列如下：

(a) 勘探及生產分部之經營業績

Management Discussion and Analysis

管理層討論及分析

Business Review (Continued)

Exploration and Production Segment (Continued)

(b) Costs incurred for exploration and evaluation assets acquisitions and exploration activities

業務回顧(續)

勘探及生產分部(續)

(b) 勘探及評估資產收購及勘探活動產生之成本

		Unaudited six months ended 30 June 未經審核 截至六月三十日止六個月	
		2015 二零一五年 HK\$'000 千港元	2014 二零一四年 HK\$'000 千港元
Exploration cost	勘探成本	-	-

Sales of Food and Beverages Business

For the six month ended 30 June 2015, the Group recorded a turnover from the sales of food and beverages business of approximately HK\$5,399,000 (2014: HK\$20,074,000), representing a decrease of 73.1% as compared to the corresponding period in 2014. The segment loss before tax expenses was approximately HK\$779,000 (2014: profit of HK\$432,000). The significant decrease in turnover during the period was mainly due to the Group's intention to reduce reliance on the sales of food and beverage to related companies. The Group has tried to change the customer and product mix with a view to increasing diversity of this business segment and we will continue to keep track of the economic environment and review the future allocation of resources as and when required.

Financial Review

Liquidity, Financial Resources and Capital Structure

As at 30 June 2015, the Group had no outstanding interest-bearing borrowings (31 December 2014: Nil). The cash and cash equivalents of the Group were approximately HK\$299,014,000 (31 December 2014: HK\$370,735,000). The Group's current ratio (current assets to current liabilities) was approximately 0.75 (31 December 2014: 0.74). The ratio of total liabilities to total assets of the Group was approximately 14.0% (31 December 2014: 15.6%).

食品及飲料銷售業務

截至二零一五年六月三十日止六個月，本集團從銷售食品及飲料業務錄得營業額約5,399,000港元(二零一四年：20,074,000港元)，相比二零一四年同期減少73.1%。除稅項開支前分部虧損約為779,000港元(二零一四年：溢利432,000港元)。期內營業額大幅減少，主要由於本集團擬減少對向關連公司銷售食品及飲料的依賴。本集團亦致力變更客戶及產品組合，以期豐富該業務分部，本集團將繼續觀察經濟環境，並於必要時審核未來的資源分配。

財務回顧

流動資金、財務資源及資本架構

於二零一五年六月三十日，本集團並無未償還計息借款(二零一四年十二月三十一日：無)。本集團之現金及等同現金約為299,014,000港元(二零一四年十二月三十一日：370,735,000港元)。本集團之流動比率(流動資產比流動負債)約為0.75(二零一四年十二月三十一日：0.74)。本集團總負債與總資產之比率約為14.0%(二零一四年十二月三十一日：15.6%)。

Management Discussion and Analysis

管理層討論及分析

Financial Review (Continued)

Liquidity, Financial Resources and Capital Structure (Continued)

As at 30 June 2015, the convertible notes outstanding principal amount of HK\$679,670,000 due in 2041 not carrying any interest with right to convert the convertible notes into ordinary shares of the Company. The conversion price is HK\$0.168 per share (subject to adjustments) and a maximum number of 4,045,654,761 shares may be allotted and issued upon exercise of the conversion rights attached to the convertible notes in full. During the period, no convertible note was converted to ordinary shares of the Company.

In June 2015, the Group commenced legal actions against the holder(s) of the convertible notes, as further disclosed in the section headed "Litigation" in this report.

Charge of Assets

None of the assets of the Group were pledged as security for any banking facilities and borrowings as at 30 June 2015 and 2014.

Exchange Exposure

The Group mainly operates in Hong Kong and PRC and the exposure in exchange rate risks mainly arises from fluctuations in the HK dollar and Renminbi exchange rates. Exchange rate fluctuations and market trends have always been the concern of the Group. The policy of the Group for its operating entities operates in their corresponding local currencies to minimize currency risks. The Group, after reviewing its exposure for the time being, did not enter into any derivative contracts aimed at minimizing exchange rate risks during the year. However, management will monitor foreign currency exposure and will consider hedging significant foreign currency exposure if necessary.

Capital Commitments

The Group had capital commitments of approximately HK\$148,436,000 as at 30 June 2015 (31 December 2014: HK\$148,436,000).

Contingent Liabilities

Save as any contingent liabilities which may arise from any of the litigations disclosed in this report, the Group had no other material contingent liabilities as at 30 June 2015 and 2014.

財務回顧(續)

流動資金、財務資源及資本架構(續)

於二零一五年六月三十日，未償還可換股票據之本金額為679,670,000港元，於二零四一年到期及不計息，並且附有權利可將可換股票據兌換為本公司普通股。兌換價為每股0.168港元(可予調整)，而倘可換股票據附帶之兌換權獲悉數行使，可配發及發行最多4,045,654,761股股份。期內並無可換股票據兌換為本公司普通股。

於二零一五年六月，本集團向可換股票據之持有人開展法律訴訟，更多詳情載於本報告「訴訟」一節。

資產抵押

於二零一五年及二零一四年六月三十日，概無本集團之資產已抵押為任何銀行信貸及借款之擔保。

外匯風險

本集團的主要營運地區為香港和中國，其面對的匯兌風險主要來自港元兌人民幣匯率的波動。匯率波幅及市場動向一向深受本集團關注。本集團的一貫政策是讓經營實體以其相關地區貨幣經營業務，盡量降低貨幣風險。在檢討當前承受的風險水平後，本集團年內並無為降低匯兌風險而訂立任何衍生工具合約。然而，管理層將密切留意外幣風險，必要時會考慮對沖重大外幣風險。

資本承擔

本集團於二零一五年六月三十日有資本承擔約148,436,000港元(二零一四年十二月三十一日：148,436,000港元)。

或然負債

除本報告披露之任何訴訟可能產生之任何或然負債外，於二零一五年及二零一四年六月三十日，本集團並無任何其他重大或然負債。

Management Discussion and Analysis

管理層討論及分析

Financial Review (Continued)

Employee Information

As at 30 June 2015, the Group had a total workforce of 30 (2014: 40). The Group remunerates its employees based on their work performance, working experiences, professional qualifications and the prevailing market practice.

Prospects

Natural Resource Industries

As the litigation in relation to the Kashi Project is only in a preliminary stage, the Company will continue to closely monitor the status of the project and do what we can to uphold and protect the Company's best interest, our investment costs and our expectation on the return of the project.

Sales of Food and Beverages Business

The management has taken a cautious approach to manage the operations of the food and beverages segment. The Group will evaluate the value and performance of this segment from time to time, and continue to keep track of the economic environment and review the future allocation of resources as and when required.

Other new businesses

The Group has been seeking investment opportunities from time to time to broaden the Group's sources of income. During the period under review, the Group has established new business divisions with the view to applying for licences to engage in money-lending and securities trading and to engage in investment businesses. The Board considers that such diversification can reduce the Group's reliance on its oil and gas and food and beverages segments.

財務回顧(續)

僱員資料

於二零一五年六月三十日，本集團共有30名(二零一四年：40名)員工。本集團僱員之薪酬與彼等之工作表現、工作經驗、專業資格及現行市場慣例掛鈎。

展望

天然資源行業

由於關於喀什項目之訴訟僅在初步階段，本公司將繼續密切監察項目之情況，盡其所能維護及保障本公司之最佳利益、投資成本及我們對該項目回報之期望。

銷售食品及飲料業務

管理層已採取嚴格措施管理食品及飲料分部的營運。本集團會不時評估該分部的價值及業績，繼續觀察經濟環境並於必要時審核未來的資源分配。

其他新業務

本集團不時尋求投資機會，以擴闊本集團之收入來源。於回顧期間，本集團已成立新業務分部，以申請牌照從事放債人業務，以及從事證券買賣和投資業務。董事會認為多元化發展可減低本集團對油氣及食品及飲料分部的倚賴。

Other Information 其他資料

Directors' Interests and Short Positions in Shares

As at 30 June 2015, none of the directors or chief executives of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

Directors' Rights to Acquire Shares or Debentures

Apart from the share option scheme disclosures in the section "Share Option Scheme" below, at no time during the past six months period was the Company or any of its subsidiaries a party to any arrangement to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Share Option Scheme

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 25 June 2013 and the Stock Exchange granting approval of the listing of and permission to deal in the shares to be issued under the share option scheme (the "Share Option Scheme") on 26 June 2013, the Company has adopted the Share Option Scheme to replace the expired share option scheme adopted 28 January 2002 and as amended on 2 November 2006.

Under the terms of the Share Option Scheme adopted conditionally by the Company on 25 June 2013, the Board of the Company may, at its discretion, grant options to eligible participants to subscribe for shares in the Company.

The Company had 792,112,000 share options available for issue under the Share Option Scheme, which represents approximately 8.33% of the issued shares of the Company, as at 30 June 2015.

董事於股份之權益及淡倉

於二零一五年六月三十日，本公司董事或高級行政人員並無於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份及債券中持有證券及期貨條例第XV部第7及8分部規定須知會本公司及聯交所之權益或淡倉(包括根據證券及期貨條例之有關條文彼等所當作或視為之權益或淡倉)，或根據證券及期貨條例第352條規定本公司須載入記錄冊之權益或淡倉，或標準守則規定須知會本公司及聯交所之權益或淡倉。

董事購入股份或債券之權利

除下列「購股權計劃」一節披露之購股權計劃外，本公司或其任何附屬公司於過去六個月期間內並無訂立任何安排致使本公司之董事可透過購入股份或債券獲得本公司或其任何其他公司實體之利益。

購股權計劃

根據二零一三年六月二十五日舉行之本公司股東特別大會上通過之普通決議案，以及經聯交所於二零一三年六月二十六日批准根據購股權計劃(「購股權計劃」)將予發行之股份上市及買賣後，本公司採納一項購股權計劃，取代已屆滿之購股權計劃(該計劃於二零零二年一月二十八日採納，並於二零零六年十一月二日作出修訂)。

根據本公司於二零一三年六月二十五日有條件採納之購股權計劃之條款，本公司董事會可酌情向合資格參與者授出購股權，以認購本公司股份。

本公司根據購股權計劃可發行792,112,000份購股權，佔本公司於二零一五年六月三十日已發行股本約8.33%。

Share Option Scheme (Continued)

No share option was granted and exercised during the period under review and there was no outstanding share option as at 30 June 2015 and 2014.

Substantial Shareholders' interests and Short Position

As at 30 June 2015, the interests or short positions of the persons, other than a director or chief executive of the Company, in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Long Positions in the Shares and Underlying Shares of the Company

Name of Shareholders 股東姓名	Nature of interests 權益性質	Number of ordinary shares held 所持普通股數目	Number of underlying shares held 所持相關股份數目	Total number of ordinary shares and underlying shares 普通股及相關股份總數	Approximate percentage of issued share capital 佔已發行股本概約百分比
Huge Pearl International Limited ¹	Trustee 受託人	1,860,000,000	11,658,750,000	13,518,750,000	142.22%
Pure Light Enterprise Ltd. ¹	Trustee 受託人	1,860,000,000	11,658,750,000	13,518,750,000	142.22%
U.K. Prolific Petroleum Group Company Ltd. ¹	Interest of controlled corporation 受控制法團之權益	1,860,000,000	11,658,750,000	13,518,750,000	142.22%
Wang Hanning ¹ 王漢寧 ¹	Founder of discretionary trust 全權信託創辦人	1,860,000,000	11,658,750,000	13,518,750,000	142.22%
Harvest Fund Management Co., Ltd. ² 嘉實基金管理有限公司 ²	Investment manager 投資經理	1,134,772,000	0	1,134,772,000	11.94%
China Credit Trust Co., Ltd. ² 中誠信託有限責任公司 ²	Interest of controlled corporation 受控制法團之權益	1,134,772,000	0	1,134,772,000	11.94%
Wang Da Yong ³ 王大勇 ³	Beneficial Owner 實益擁有人	2,375,000,000	0	2,375,000,000	29.98%
Simsen International Corporation Limited ³ 天行國際(控股)有限公司 ³	Beneficial Owner 實益擁有人	617,749,690	0	617,749,690	7.80%

購股權計劃(續)

於回顧期間，概無購股權獲授出及行使，於二零一五年及二零一四年六月三十日亦無尚未行使之購股權。

主要股東之權益及淡倉

於二零一五年六月三十日，董事或本公司高級行政人員以外之人士於本公司之股份及相關股份中持有證券及期貨條例第336條規定本公司須載入記錄冊之權益或淡倉如下：

於本公司股份及相關股份之好倉

Other Information 其他資料

Substantial Shareholders' interests and Short Position (Continued)

Long Positions in the Shares and Underlying Shares of the Company (Continued)

Notes:

1. Based on the filings under Disclosure of Interest ("DI") under Part XV of the Securities and Futures Ordinance retrieved by the Company from public records, (a) U.K. Prolific Petroleum Group Limited ("UK Prolific") regarded itself to be interested in 1,860,000,000 shares of the Company ("Shares") and convertible notes (the "Convertible Notes") in the principal amount of HK\$1,958,670,000 due in 2041 not carrying any interest with right to convert the Convertible Notes into a maximum of 11,658,750,000 Shares at a conversion price of HK\$0.168 per Share; and (b) UK Prolific regarded itself to be wholly owned by Pure Light Enterprise Limited ("Pure Light"), which was reportedly wholly owned by Huge Pearl International Limited ("Huge Pearl"), which in turn was reportedly the trustee for Wang's Trust, a discretionary trust for which Mr. Wang Hanning was reported as the founder.

主要股東之權益及淡倉(續)

於本公司股份及相關股份之好倉(續)

附註：

1. 根據證券及期貨條例第XV部之權益披露申報(「權益披露」)(由本公司自公共記錄取得)·(a) U.K. Prolific Petroleum Group Limited(「UK Prolific」)認為其於1,860,000,000股本公司股份(「股份」)及本金額為1,958,670,000港元二零四一年到期可換股票據(「可換股票據」)中擁有權益·該等可換股票據不計息及附有權利可轉換為最多11,658,750,000股股份·轉換價每股0.168港元；及(b) UK Prolific認為其由Pure Light Enterprise Limited(「Pure Light」)全資擁有·而據悉Pure Light由Huge Pearl International Limited(「Huge Pearl」)全資擁有·而Huge Pearl則為王氏信託的受託人·王漢寧先生乃該全權信託之創辦人。

Substantial Shareholders' interests and Short Position (Continued)

Long Positions in the Shares and Underlying Shares of the Company (Continued)

Notes: (Continued)

1. (Continued)

These Convertible Bonds were issued by the Company to UK Prolific upon completion of the Group's acquisition ("Totalbuild Transaction") of the entire equity interest in Totalbuild Investments Group (Hong Kong) Limited (which in turn holds the entire issued share capital of China Era Energy Power Investment (Hong Kong) Limited) pursuant to the acquisition agreement (the "Totalbuild Agreement") between the Company (as purchaser) and Totalbuild Investments Holdings Group Limited (the "Vendor") dated 22 January 2009. As a result of Totalbuild Transaction, the Company has issued convertible bonds in principal amount of HK\$2,558,000,000 carrying right to convert to Shares at the conversion price of HK\$0.168 each ("Tranche I Convertible Bonds") to UK Prolific, which was nominated by the Vendor to be the allottee of such bonds. In accordance with the terms of Totalbuild Transaction, a principal amount of HK\$1,279,000,000 (the "Shortfall Bonds") out of the Tranche I Convertible Bonds was deposited with an escrow agent which should only be released to the Vendor (or UK Prolific as the Vendor may direct) if the Company receives a written certificate issued by the competent evaluator confirming that the "First Designated Area" can be evaluated on the basis of "Unrisked Economic Evaluation" on or before 31 May 2015 (as such terms are defined in the circular in relation to the Totalbuild Transaction dated 3 December 2010). As no such written certificate was received by the Company on or before 31 May 2015, the Shortfall Bonds have now been returned to the Company for cancellation.

主要股東之權益及淡倉(續)

於本公司股份及相關股份之好倉(續)

附註：(續)

1. (續)

該等可換股債券乃由本公司於本集團完成根據本公司(作為買方)與共創投資控股有限公司(「賣方」)於二零零九年一月二十二日訂立之收購協議(「共創協議」)收購共創投資控股有限公司(該公司持有中國年代能源投資(香港)有限公司全部已發行股本)全部股權(「共創交易事項」)後，向UK Prolific發行。由於共創交易事項，本公司已發行本金額2,558,000,000港元之可換股債券(「第一批可換股債券」)予U.K. Prolific，該等債券附有權利可轉換為股份，轉換價為每股0.168港元。而於共創交易事項中，UK Prolific獲賣方提名為該等債券之承配人。根據共創交易事項之條款，第一批可換股債券中本金額1,279,000,000港元(「差額債券」)已寄存予一名託管代理，而差額債券僅應在本公司於二零一五年五月三十一日或之前接獲由合資格估價師發出的書面證書確定第一指定地區可以「不具風險經濟估算」為基準評估後，方可交回予賣方(或按賣方之指示交予UK Prolific)，有關詞彙定義見日期為二零一二年十二月三日之有關共創交易事項之通函。由於本公司於二零一五年五月三十一日或之前並無接獲有關書面證書，故差額債券已退回公司作註銷。

Other Information 其他資料

Substantial Shareholders' interests and Short Position (Continued)

Long Positions in the Shares and Underlying Shares of the Company (Continued)

Notes: (Continued)

1. (Continued)

In addition, on 17 June 2015 (Cayman Islands time), the Company commenced legal proceedings in the Grand Court of the Cayman Islands (the "Litigation") against various parties including the Vendor, Mr. Wang Guoju (the guarantor of the Vendor), UK Prolific (the allottee of Tranche I Convertible Bonds as nominated by the Vendor) and Mr. Wang Hanning (owner and controller of UK Prolific), whereby the Company seeks, inter alia, a declaration that the Totalbuild Agreement is void or, alternatively, the Company is allowed to rescind the Totalbuild Agreement, and other remedies including damages, on the basis that, inter alia, the charge laid by prosecution authorities in China against Mr. Wang Guoju for (inter alia) illegal operation crime (the "Charge"), possibly involving allegations about improper conduct during the obtaining of the Petroleum Contract, casts serious doubt over: (a) the warranties given by the Vendor and Mr. Wang Guoju in relation to the Petroleum Contract upon which the Company relied in entering into the Totalbuild Transaction; and (b) the validity of the Totalbuild Agreement by which the Company issued Tranche I Convertible Bonds to UK Prolific, and as a consequence UK Prolific's entitlement to any shareholding in the Company.

Up to 30 June 2015, the Company has not received any DI filings from any of the related parties to reflect any changes of their deemed interest in the relevant shares in the light of the above developments.

2. These shares were held an asset management product managed by Harvest Fund Management Co., Ltd. ("Harvest Fund"), namely China Guangfa Bank-JS FUND-QDII2.

主要股東之權益及淡倉(續)

於本公司股份及相關股份之好倉(續)

附註：(續)

1. (續)

此外，於二零一五年六月十七日(開曼群島時間)，本公司於開曼群島大法院開展法律程序(「訴訟」)，被告賣方、王國巨先生(賣方之擔保人)、UK Prolific(賣方提名之第一批可換股債券之承配人)及王漢寧先生(UK Prolific之擁有人及控制人)，據此，本公司向法院尋求(其中包括)共創協議無效的聲明，或本公司獲允許撤銷共創協議的聲明的替換救濟，以及其他救濟措施(包括賠償)，理由為(其中包括)王國巨先生被中國檢察當局正式起訴(其中包括)非法經營罪(「該控罪」)，其中可能涉及其於獲得石油合約時有不當行為)對以下事項構成重大疑問：(a)賣方及王國巨先生就石油合約給予之保證(本公司依賴該等保證方會進行共創交易)；及(b)共創協議(包括本公司據此向UK Prolific發出的第一批可換股債券，連帶其導致UK Prolific是否有權擁有本公司任何股權一事)的有效性。

截至二零一五年六月三十日，本公司尚未收到任何關聯方之權益披露以反映彼等於相關股份之視作權益因上述發展而出現任何變動。

2. 該等股份乃持作嘉實基金管理有限公司(「嘉實基金」)管理的一項資產管理產品(即廣發銀行境外紅利資產管理計劃(ChinaGuangfaBank-JSFUND-QDII2))。

Substantial Shareholders' interests and Short Position (Continued)

Long Positions in the Shares and Underlying Shares of the Company (Continued)

Notes: (Continued)

2. (Continued)

Based on the DI filings made by the relevant shareholder(s) to the Company, Harvest Fund is 40% owned by China Credit Trust Co., Ltd. As such, China Credit Trust Co., Ltd. is deemed to be interested in all the shares of the Company owned by Harvest Fund.

3. Based on the information obtained by the Company from United Simsen Securities Limited ("United Simsen"), being the placing agent of the placing announced by the Company on 9 May 2014 (the "Placing") and the underwriter of the open offer announced on the same date (the "Open Offer") at the relevant time, United Simsen has sub-underwritten the entire offer shares under the Open Offer to three sub-underwriters, who have respectively agreed to sub-underwrite 2,375,000,000, 617,749,690 and 395,000,000 shares under the Open Offer. On or around 12 May 2014, the Company received two DI filing forms from United Simsen notifying the Company that Wang Da Yong and Simsen International Corporation Limited ("Simsen International") were respectively deemed to be interested in 2,375,000,000 and 617,749,690 shares. At the relevant time, the Company was given to understand that the deemed interest in shares referred to the shares which Wang Da Yong and Simsen International had respectively agreed to sub-underwrite under the Open Offer.

The Open Offer and the underwriting agreement relating to the Open Offer were terminated on 23 June 2014, but up to 30 June 2015, the Company has not received any DI filings reflecting Wang Da Yong's and Simsen International's ceasing to own the deemed interest in the relevant shares.

主要股東之權益及淡倉(續)

於本公司股份及相關股份之好倉(續)

附註：(續)

2. (續)

根據相關股東向本公司作出之權益披露申報，嘉實基金由中誠信託有限責任公司擁有40%權益。因此，中誠信託有限責任公司被視為於嘉實基金持有的所有本公司股份中擁有權益。

3. 根據本公司向天行聯合證券有限公司(「天行聯合」)，於相關時間為本公司於二零一四年五月九日公佈的配售事項(「配售事項」)的配售代理及於同日公佈的公開發售(「公開發售」)的包銷商取得之資料，天行聯合將公開發售下之全部發售股份分包銷予三名分包銷商，彼等分別同意分包銷公開發售下之2,375,000,000、617,749,690及395,000,000股股份。於二零一四年五月十二日或前後，本公司接獲天行聯合兩份權益披露申報表格，告知本公司有關王大勇及天行國際(控股)有限公司(「天行國際」)分別被視為於2,375,000,000及617,749,690股股份中擁有權益。於相關時間，本公司獲告知於股份之視作權益指王大勇及天行國際分別同意根據公開發售分包銷的該等股份。

公開發售及公開發售所涉及之包銷協議於二零一四年六月二十三日終止，惟截至二零一五年六月三十日，本公司尚未接獲反映王大勇及天行國際不再於相關股份擁有視作權益的權益披露申報。

Other Information 其他資料

Purchase, Sale or Redemption of Securities of the Company

Neither the Company, nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities, during the six months ended 30 June 2015.

Corporate Governance Practices

The Company is committed to maintain good corporate governance standard and procedures.

The Stock Exchange has promulgated the code provisions on Corporate Governance Code and Corporate Governance Report contained in Appendix 14 to the Listing Rules (the "CG Code"). Throughout the six months ended 30 June 2015, the Group has complied itself with all CG Code and Report except for the following:

- a. In relation to A.2.1 of the CG Code which states that 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 clearly established and set out in writing. Since the position of chairman is vacated, the Board is currently identifying the suitable candidate to fill the vacancy and will ensure that the chairman will be appointed as soon as possible. Up to the date of this report, the chairman of the Board is vacated and Mr. Zhao Guoqiang is the CEO.
- b. In relation to E.1.2 of the CG Code, the chairman of the Board should attend the AGM. However, the chairman is vacated. Other directors have attended the AGM and were prepared to answer questions from shareholders at the AGM.

As announced by the Company on 29 June 2015, the Company's AGM which was originally scheduled to be held on 30 June 2015, was adjourned until further notice, as a result of the litigation between the Company and UK Prolific, as more particularly detailed in the Company's announcements dated 17 and 25 June 2015 and two consecutive announcements on 29 June 2015.

購買、出售或贖回本公司證券

於截至二零一五年六月三十日止六個月內，本公司及其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

企業管治常規

本公司致力維持良好之企業管治標準及程序。

聯交所已公佈上市規則附錄十四所載《企業管治守則及企業管治報告》(「企業管治守則」)的守則條文。於截至二零一五年六月三十日止六個月，本集團一直遵守全部企業管治守則及報告，惟下列各項除外：

- a. 有關企業管治守則第A.2.1條列明主席及行政總裁(「行政總裁」)之角色應予以區分並不應由同一人擔任，以及主席及行政總裁之職責應以書面清楚界定。由於董事會主席一職懸空，董事會目前正物色適合人選填補空缺，並確保盡快委任主席。截至本報告日期，董事會主席一職仍然懸空而趙國強先生則為行政總裁。
- b. 有關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。然而，主席職位目前懸空。其他董事已出席股東週年大會並準備於股東週年大會上回答股東提問。

誠如本公司於二零一五年六月二十九日宣佈，本公司之股東週年大會原定於二零一五年六月三十日舉行，惟因本公司與UK Prolific之訴訟而押後，直至另行通告，更多詳情載於本公司日期為二零一五年六月十七日及二十五日之公告及二零一五年六月二十九日之兩份連續公佈。

Corporate Governance Practices (Continued)

- c. In relation to 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 period 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.
- d. In relation to I(f) of the CG Code, the board shall comprise at least three independent non-executive directors. Following the resignation of Mr. Sun Xiaoli as an independent non-executive director on 17 June 2015, the number of independent non-executive directors fell below the minimum number required under Rule 3.10(1) of the Listing Rules. On 21 July 2015, Mr. Zong Ketao has been appointed as an independent non-executive Director. Following the appointment of Mr. Zong, the Company has fulfilled the requirement of minimum number of independent non-executive directors under Rule 3.10(1) of the Listing Rules.

Change in information of Directors

Pursuant to Rule 13.51B of the Listing Rules, the recent changes in information of the Directors are set out below:

Mr. Chui Kwong Kau has been appointed as non-executive director of Hsin Chong Construction Group Ltd. (Stock code: 404), which is listed on the Main Board of the Stock Exchange, with effect from 23 May 2015.

Mr. Fu Wing Kwok, Ewing has resigned as an Independent Non-executive Director of China New Energy Power Group Limited (stock code: 1041), which is listed on the Main Board of the Stock Exchange, with effect from 10 June 2015.

企業管治常規(續)

- c. 有關企業管治守則第A.4.1及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。於回顧期間，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之規定輪值告退。
- d. 有關企業管治守則第I(f)條，董事會應由最少三名獨立非執行董事組成。自孫曉麗先生於二零一五年六月十七日辭任獨立非執行董事後，獨立非執行董事之人數低於上市規則第3.10(1)條之最低人數規定。於二零一五年七月二十一日，宗科濤先生獲委任為獨立非執行董事。於委任宗先生後，本公司已符合上市規則第3.10(1)條項下之獨立非執行董事最低人數規定。

董事資料變更

根據上市規則第13.51B條，董事近期之資料變更載列如下：

崔光球先生獲委任為新昌營造集團有限公司(股份代號：404)之非執行董事，自二零一五年五月二十三日起生效，該公司於聯交所主板上市。

傅榮國先生已辭任中國新能源動力集團有限公司(股份代號：1041)獨立非執行董事，自二零一五年六月十日起生效，該公司於聯交所主板上市。

Other Information 其他資料

Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix 10 to the Listing Rules as its own Code of conduct regarding securities transactions by the directors of the Company. All directors have confirmed following specific enquiry by the Company that they have complied with the required standard set out in the Model Code through the period under review.

Audit Committee

The audit committee comprises one non-executive director and three independent non-executive directors of the Company. The audit committee has adopted terms of reference which are in line with the CG Code. The Group's unaudited financial statements for the six months ended 30 June 2015 have been reviewed by the audit committee, who is of the opinion that such statements comply with applicable accounting standards, the Listing Rules and other legal requirements, and that adequate disclosures have been made.

By order of the Board
China Energy Development Holdings Limited
Zhao Guoqiang
Chief Executive Officer and Executive Director

Hong Kong, 31 August 2015

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載之標準守則，作為其本身對於本公司董事進行證券交易之行為守則。全體董事經本公司作出特定查詢後確認，彼等已於整個回顧期間內一直遵守標準守則所載之規定標準。

審核委員會

審核委員會包括本公司一名非執行董事及三名獨立非執行董事。審核委員會已採納與企業管治守則一致之職權範圍。本集團截至二零一五年六月三十日止六個月之未經審核財務報表已由審核委員會審閱，該委員會認為該等報表已遵守適用會計準則、上市規則及其他法定要求，並已作出充份披露。

承董事會命
中國能源開發控股有限公司
行政總裁兼執行董事
趙國強

香港，二零一五年八月三十一日

