



# 2016

## ANNUAL REPORT 年報

亞美能源控股有限公司  
AAG Energy Holdings Limited

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立的有限公司)

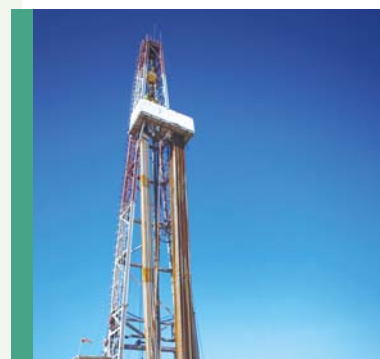
The Leading  
Independent  
Coalbed Methane  
Producer in China

Delivering sustainable  
shareholder returns

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## Company at a Glance

### 公司簡介

# AAG Energy, the Leading Independent CBM Producer in China

## 亞美能源，中國煤層氣行業的領先者

### Our Vision

To be the leading independent E&P platform in Asia

### Mission

We are committed to providing a superior rate of return on our shareholders' investments in a socially responsible and environmentally sustainable way

### 願景

勵志成為亞洲領先的上游能源企業

### 使命

我們承諾以對社會和環境負責任的方式為我們的股東帶來最大的回報

### About AAG Energy Holdings Limited

AAG Energy Holdings Limited is an international energy company and a leader in China's CBM exploration and development sector. It focuses on developing and optimizing the value of unconventional gas resources to supply clean energy to the Chinese economy. AAG Energy's key operating assets, Panzhuang and Mabi concessions, are located in the southwestern part of Shanxi province in the Qinshui Basin, which boasts the largest proved CBM geological reserves of any basin in China. AAG Energy's Panzhuang concession in partnership with China United Coalbed Methane Corporation Ltd., is the most commercially advanced Sino-foreign CBM asset in China and the first Sino-foreign CBM cooperative project to have entered full-scale commercial development and production. The Project has a designed annual production capacity of 500 million m<sup>3</sup>. AAG Energy's Mabi CBM Project Phase 1 in partnership with PetroChina received the preliminary ODP approval from NDRC in November 2013. The designed commercial scale capacity of Mabi Phase I is 1 billion m<sup>3</sup> per year. With proven ability to commercialize CBM and a highly-respected management team, the Group has attracted support from leading international and Chinese investors including Warburg Pincus, Baring Private Equity Asia, Chinastone and Ping An.

## 關於亞美能源控股有限公司

亞美能源控股有限公司是一家在中國煤層氣勘探開發領域處於領先地位的国际能源公司，專注於非常規天然氣資源的開發及價值優化，為中國經濟供應清潔能源。亞美能源的主要運營資產潘莊及馬必區塊位於山西南部的沁水盆地，其煤層氣探明地質儲量居中國各盆地之首。亞美能源與中聯煤層氣公司合作的潘莊區塊為中國商業化程度最高的中外合作煤層氣資產，是中國首個進入全面商業開發和生產的中外合作煤層氣區塊，年設計產能為5億立方米。亞美能源與中石油合作的馬必煤層氣項目總體開發方案一期已於2013年11月獲得國家能源局的前期批復，一期商業開發年設計產能為10億立方米。憑藉其在煤層氣商業化進程中成功的經驗以及其優秀的管理團隊，亞美能源贏得了來自國際及國內一流投資機構的青睞和大力支持，包括美國華平投資集團，霸菱亞洲私募基金，濤石和平安信托等。



# Company at a Glance

## 公司簡介



## AAG Core Values

### One Team

AAG excels through teamwork in which each member shares ideas and inspires each other. With one team, we believe that one plus one can be greater than two.

### Entrepreneurship

AAG has been thriving because of entrepreneurship in motion. Constantly evolving and seeking new technologies, new solutions, and fresh ideas are the founding cultural features of our company.

### Integrity

AAG's foundation and structure are based on mutual openness, trust, and respect. This is vital to the very existence and future of our company.

### Initiative

With its entrepreneurial nature, AAG encourages its employees to think creatively, to embrace change, to continuously innovate, and to relentlessly seek improvement.

### People

AAG's employees are our most important asset. We hope to create synergy between the company's success and each individual's career development.

### Health, Safety and Environment (HSE)

AAG's success depends on the effective protection of health and safety of our employees. We believe that sustainable development is best achieved by protecting the environment first, while managing social impacts with balanced economic growth.

### Accountability

Each AAG employee will be held accountable for all his/her decisions, actions and results. Company's survival and future growth rely on our ability to deliver on our promises to each other and our shareholders.

## 亞美能源核心價值觀

### 團隊精神

亞美能源的卓越來源於其一貫倡導的團隊精神，團隊的每一位成員共享觀點，相互啟發。我們相信，團隊協作可以實現一加一大於二。

### 企業家精神

亞美能源的蓬勃發展來源於堅持不懈的創業精神。不斷變革和尋求新技術、新的解決方案和創新思維是公司文化的根本。

### 誠正

亞美能源的基石和架構建立於相互坦誠、信任和尊重的基礎上，誠正對公司的生存和發展至關重要。

### 主動

基於創業性的公司文化，亞美能源鼓勵員工創造性思考，勇於變革，持續創新，不懈追求進步。

### 人本

亞美能源的員工是公司最重要的資產，我們希望實現公司成功與個人職業發展的有機協同。

### 健康、安全和環境

亞美能源的成功取決於對員工健康和安全的保障。同時我們也相信實現可持續發展要做好環境保護，並處理好社會影響與經濟和諧發展的關係。

### 擔當

亞美能源的每一位員工都應該對他/她的所有決定、行動和結果負責。公司的生存和發展依賴於我們履行彼此之間以及對股東的承諾。

## Chairman's Statement 主席報告



We are committed to providing a superior rate of return on our shareholders' investments in a socially responsible and environmentally sustainable way

我們承諾以對社會和環境負責任的方式為我們的股東帶來最大的回報

Dr. Stephen Xiangdong ZOU

Chairman

鄒向東博士

主席

Dear Shareholders,

On behalf of the board (the "**Board**") of directors (the "**Directors**") of AAG Energy Holdings Limited ("**AAG**" or the "**Company**", together with its subsidiaries, collectively the "**Group**"), I hereby present the annual results of the Company for the year ended 31 December 2016.

2016 was a very challenging year for AAG and its shareholders. Impacted by the low global oil price, the China gas price was cut during the first full calendar year after our IPO in June 2015. This caused our average realized gas price in 2016 to reduce by RMB0.46 per cubic meter, which eroded much of our expected profits. To face these challenges, with clear directions from the Board, the management stayed focused on production increase, cost control and new business development. As a result, AAG's fundamentals remain very strong, as we continue to be the leading independent producer of coalbed methane ("**CBM**") in China.

各位股東：

本人謹代表亞美能源控股有限公司（「亞美」或「本公司」，連同其附屬公司統稱「本集團」）董事會提呈本公司截至2016年12月31日止的年度業績。

2016年確實對亞美及其股東來說都是非常具有挑戰性的一年。受全球石油價格低迷的影響，中國天然氣價格在2015年6月亞美上市後的一整年中持續低位，這導致我們在2016年平均實際天然氣銷售價格減少了人民幣0.46元/立方米，也使得預期利潤大幅下滑。面對這些挑戰，根據董事會的明確指導，管理層重點關注增加產量，成本控制和新業務發展。因此，亞美的基本面仍然非常強勁，也使得我們繼續作為中國領先的煤層氣（「CBM」）生產商。

# Chairman's Statement

## 主席報告

Here are some monumental achievements in 2016. First of all, 2016 was another year of excellence in our Health, Safety and Environment (“HSE”) performance. Secondly, Panzhuang became the first Sino-foreign CBM project to complete development and officially enter Production Phase. Third, Mabi finished another year of great improvements with record pilot production as it approaches Overall Development Plan Phase I (“ODP I”) approval. With all these achievements, in its Thirteenth Five-Year Development and Utilization Plan for Coalbed Methane published in November 2016, the National Energy Administration (“NEA”) highlighted Panzhuang and Mabi as the leading CBM assets in China for developed and developing phases respectively.

In summary, The Group's 2016 total gross production increased by 7% to 541 million cubic meters (“MMCM”) (19.1 billion cubic feet (“bcf”)), comprising 506 MMCM (17.9 bcf) from Panzhuang and 35 MMCM (1.2 bcf) from Mabi. Our gross gas sales volume before value added tax (“VAT”) and local taxes increased by 3.5% to 496 MMCM (17.5 bcf), compared with 2015. The Group's sales revenue in 2016 reduced 23.4% to RMB411.3 million compared with RMB536.7 million in 2015 reflecting the decrease selling price of CBM from RMB1.66 per cubic meter in 2015 to RMB1.20 per cubic meter in 2016. The Group's reported EBITDA decreased from RMB371.9 million in 2015 by 26.9% to RMB271.8 million also primarily due to the decrease in average realized selling price (“ASP”) of CBM. Although these financial indicators decreased due to the reduction in realized sales price, we are confident that 2017 will be a good year for AAG as we continue to focus on production growth, and cost control.

2016年本集團若干重大業績摘要如下：首先，2016年是我們在健康、安全與環境(「HSE」)又有著傑出表現的一年。其次，潘莊成為第一個完成開發階段，正式進入生產階段的中外合作煤層氣項目。第三，馬必項目在即將取得總體開發方案第一階段(「ODP I」)的批准之前，這一年又實現了重大進展，先導性開發井的產量創造了記錄。由於上述所有這些成就，國家能源局(「NEA」)在「第十三個五年發展規劃」和2016年11月發佈的「煤層氣(煤礦瓦斯)開發利用十三五規劃」中，將潘莊區塊和馬必區塊列為中國領先的處於生產階段和處於開發階段的煤層氣區塊。

概括而言，本集團2016年總產量相比2015年增長了7%，達到5.41億立方米(即191億立方英尺)，包括潘莊區塊的天然氣產量5.06億立方米(即179億立方英尺)以及馬必區塊的天然氣產量3,500萬立方米(即12億立方英尺)。我們的天然氣總銷售量(未扣減適用的增值稅(「增值稅」)和地方附加稅)相比2015年，增長了3.5%，達到了4.96億立方米(即175億立方英尺)。相比2015年的收入人民幣5.367億元，2016年我們的收入減少了23.4%至人民幣4.113億元，這也是受煤層氣平均銷售價格(「平均售價」)從2015年的每立方米1.66元降至2016年的每立方米1.20元影響的結果。本集團報告的EBITDA由2015年的人民幣3.719億元減少26.9%至人民幣2.718億元，也主要是由於煤層氣平均實際銷售價格的下降。雖然這些財務指標由於實際銷售價格的下降而下滑，但我們相信隨著我們繼續關注生產增長和成本控制，2017年將是亞美的一個好年景。

# Chairman's Statement

## 主席報告

To preserve sufficient cash to support the Group's development and production in the existing Panzhuang and Mabi projects operated by its two respective subsidiaries Sino American Energy, Inc ("SAEI") and Asian American Gas, Inc. ("AAGI"), as well as expand our business through M&A activities in 2017, the Board did not recommend payment of a dividend.

Hereunder are some highlights of the Group in the year 2016:

- **Outstanding HSE record:** We are most proud this year of our HSE achievements, and we are happy to report that our full year safety metrics were 0.00 incidents per 200,000 man hours worked for both recordable and lost time incidents. This is a remarkable achievement for the Company. We are actively focused on our HSE programs, as we strive not only to keep our employees safe, but to improve the environment and community around us. To show our determination to support the sustainable development of local communities, we have included our Environment, Social and Governance ("ESG") report on page 93 as part of this year's Annual Report to shareholders.
- **Further enhancement of Group reserve base:** The Group is very pleased with the 2016 reserve upgrade program in both Mabi and Panzhuang. Based on reports issued by Netherland, Sewell & Associates, Inc. ("NSAI"), the Group's Net Proved + Probable ("2P") natural gas reserve as at year-end 2016 is approximately 698 bcf, which represents a 4.1% increase over the Net 2P of 670 bcf at year-end 2015. We continue to migrate reserves up the value chain and are very pleased that we will announce Net 1P reserves of 9.7 bcf in Mabi in 2016.

為保留充足現金以支持本集團現有兩家附屬公司美中能源有限公司(「SAEI」)和亞美大陸煤層氣有限公司(「AAGI」)所運營現有潘莊和馬必專案的開發和生產，以及支持2017年本集團通過並購活動擴大業務，董事會不建議派付股息。

2016年本集團若干業績摘要如下：

- **傑出的健康、安全及環境(「HSE」)表現：**我們為今年的HSE業績感到非常自豪，並且很高興的看到：全年每20萬工時零事故的安全績效，即全年無可記錄事故和損失工時事故發生。對於公司來講，這是一項顯著的成就。我們積極地關注HSE業務，致力於確保員工的安全以及周邊環境和社區的改善。為展示我們支援當地社區可持續發展的決心，我們在年度報告中已附上環境、社會及管治(「ESG」)報告，作為年報的一部分以供股東參閱，請見第93頁。
- **進一步鞏固集團儲量基礎：**本集團對於馬必區塊和潘莊區塊在2016年儲量升級計劃取得的進展都非常樂觀。根據獨立儲量認證公司Netherland, Sewell & Associates, Inc.(「NSAI」)發佈的報告，截至2016年底，本集團的淨證實及概算(「2P」)天然氣儲量約為6,980億立方英尺，較2015年底的淨2P儲量6,700億立方英尺增長了4.1%。隨著對儲量在價值認識上的持續升級，我們非常高興的宣佈2016年馬必區塊的淨證實(「1P」)儲量為97億立方英尺。

# Chairman's Statement

## 主席報告

- **SAEI's record production:** Panzhuang 2016 gross production increased 3.7% to 506 MMCM (17.9 bcf) compared to last year's Panzhuang gross production of 488 MMCM (17.2 bcf). Panzhuang's gross sales volume before VAT and local taxes increased by 3.5% to 496 MMCM (17.5 bcf), 98% of the gross production, from full year 2015 actual gross sales volume before VAT and local taxes of 479 MMCM (16.9 bcf). We are very proud that Panzhuang was the first ever Sino-foreign CBM project to enter production phase as it continues to be the best CBM asset in China.
- **SAEI產量創下記錄：**較去年的總產量4.88億立方米(即172億立方英尺)，2016年潘莊區塊的總產量增長了3.7%至5.06億立方米(即179億立方英尺)。2016年潘莊區塊的總銷售量(未扣減適用的增值稅和地方所加稅)由2015年總銷售量(未扣減適用的增值稅和地方所加稅)4.79億立方米(即169億立方英尺)增長3.5%至4.96億立方米(即175億立方英尺)，銷售利用率保持在總產量98%的高水平。我們對於潘莊區塊成為第一個完成開發階段並且進入生產階段的中外合作開發煤層氣專案，並且仍然是中國最好的煤層氣區塊而感到自豪。
- **AAGI's Mabi record pilot production and ramp up:** in 2016, Mabi showed promising success in its pilot development plan ahead of the approval of ODP I. Mabi's 2016 gross pilot production increased to 35 MMCM (1.2 bcf) compared to 16 MMCM (0.57 bcf) in 2015. The 2016 average daily production for Mabi was 95.5 thousand cubic meters per day ("MCMD"), a 119% increase compared to 43.65 MCMD in 2015. AAG is very pleased with the increasing success of the well stimulation and completion techniques in Mabi further demonstrating AAG's leading technological advantage in the CBM production space.
- **AAGI馬必先導產量創紀錄並持續增長：**2016年，馬必區塊在其ODP I批准之前，在其先導開發計劃中取得了令人鼓舞的成果。馬必2016年總先導產量增加到3,500萬立方米(即12億立方英尺)，而其2015年產量為1,600萬立方米(即5.7億立方英尺)。平均日產氣量方面，2016年達到了每天95,500立方米，比2015年的每天43,650立方米增長了119%。亞美非常高興看到在馬必區塊的井增產措施和完井技術日益取得成功，這也進一步證明了本集團在煤層氣生產領域的領先技術優勢。
- **All Mabi ODP I associated sub-approvals have been secured.** The ODP I report and it is now under final review by our project partner China National Petroleum Corporation ("CNPC"), after which it will be submitted to the NDRC for final ODP approval. We expect to receive ODP I in the second half of this year.
- **所有馬必區塊ODP I相關的預先批准都已取得。**馬必ODP I現在正在中方合作伙伴中國石油天然氣集團公司(「CNPC」)的最終審批過程之中，之後將進一步提交國家發改委做ODP的最終審批。馬必ODP I預計將在今年下半年獲得批准。



# Chairman's Statement

## 主席報告

- **Strong balance sheet:** We are one of a very few oil & gas companies in the world to weather through this difficult period and come out even stronger. While many oil & gas companies were selling off assets, re-structuring their loans/debt, re-capitalizing, or even going into insolvency, AAG had a strong cash balance and had been actively looking for opportunities to expand. The majority of the US\$250 million Reserve-Based Lending ("RBL") loan was not utilized during 2016. As at 31 December 2016, AAG had a cash balance equivalent to US\$342 million (approximately 67% held in US and Hong Kong dollars offshore), borrowings of RMB496 million (US\$76 million) and an unutilized RBL of US\$174 million.
- **New Business Development:** The Group has been actively pursuing new oil & gas opportunities for future growth, mainly covering attractive oil & gas assets inside and outside China. In 2016, AAG built a world class M&A team that competitively screened numerous deals and progressed one highly attractive South East Asia deal to a very advanced stage of negotiations. Unfortunately, the seller pulled the asset of the market during this advanced stage due to internal corporate and strategic reasons. We believe AAG is well positioned for further expansion in the near term, and are very excited about prospects in 2017.
- **強勁的資金實力：**我們是世界上極少數經歷了這個困難時期之後變得更加強壯的石油天然氣公司之一。在許多石油和天然氣公司出售資產，重組貸款／債務，資本重組甚或破產之際，亞美有著強勁的現金餘額，並一直在積極尋找機會擴張。在2016年期間，2.5億美元儲量融資（「RBL」）中的大部分尚未被利用。截至2016年12月31日，亞美的現金餘額相當於3.42億美元（約67%存放於美元和港元離岸帳戶），借款人民幣4.96億元（折合美元7,600萬元），以及RBL的未使用部分美元1.74億元。
- **新業務發展：**本集團一直在積極尋求石油和天然氣發展的新機會以支援未來發展，主要涉及中國境內外具有吸引力的油氣資產。2016年亞美組建了一個世界級的併購團隊，積極篩選了若干專案，並將其中一個很有吸引力的位於東南亞地區的專案推進到了深入談判階段。遺憾的是，由於賣方公司內部和戰略考慮的原因，其在談判階段將此項目從市場上撤出。我們相信亞美已經準備好在短期內進一步擴張，並且對2017年的前景充滿激情。

Fellow shareholders, 2016 was a year full of crises and opportunities for energy companies globally. I firmly believe that AAG came out of the year in very good shape: while most energy companies are struggling survive, AAG is fully capitalized and actively looking for new opportunities. 2017 will continue to be a challenging year for the world economically and politically, and AAG has a lot of work to do. However, we are very excited for 2017 as the commodity markets continue to pick up globally, and the Chinese economy bounces back. In this year of the Rooster, we will stay focused on improving our fundamentals, increasing production while controlling cost for our China CBM projects, and actively looking for new opportunities.

各位股東，2016年是全球能源公司面臨危機和機遇的一年。我堅信，亞美在過去的一年脫穎而出：當大多數能源公司都在努力求生時，亞美卻資本雄厚，並且積極尋找新的機會。2017年對世界經濟和政治仍然會是充滿挑戰的一年，亞美也有很多工作要做。然而，隨著商品市場在全球範圍內繼續回升以及中國經濟的反彈升溫，我們對2017年感到非常期待。在這個「雞」年，我們將繼續專注於改善基本面，增加產量同時控制煤層氣項目的成本，以及積極尋找新的機遇。

## Chairman's Statement 主席報告

In closing, I thank you, our Board, staff, shareholders, and business partners for your continued trust and support.

Sincerely,



**Stephen Xiangdong Zou**  
Chairman

最後，本人謹此衷心感謝各位董事會成員、我們的員工、股東及商業夥伴一直以來的信任及支持。

**鄒向東博士**  
主席

# Management Discussion and Analysis

## 管理層討論及分析



# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

#### 2016 total gross production and net reserve growth:

We are pleased to announce the Group continues to deliver both gross production and net reserve growth, compared with 2015. The Group's 2016 total gross production increased by 7% compared with 2015 to 541 MMCM (19.1 bcf), comprising 506 MMCM (17.9 bcf) from Panzhuang and 35 MMCM (1.2 bcf) from Mabi. Our gross gas sales volume before VAT and local taxes increased by 3.5% to 496 MMCM (17.5 bcf), compared with 2015. The Group's Net 2P natural gas reserves as at year-end 2016 is approximately 698 bcf, which represents a 4.1% increase over the Net 2P of 670 bcf at year-end 2015.

#### Panzhuang entered production phase:

The Group would like to announce that the Panzhuang project, partnered with China United Coalbed Methane Corporation Ltd. (中聯煤層氣有限責任公司, "CUCBM") reached its Overall Development Plan ("ODP") design capacity of 495 MMCM (17.5 bcf) and entered production phase on 1 November 2016. This makes Panzhuang the first Sino-foreign Coalbed Methane CBM project to complete development and enter production phase. This is another major milestone for Panzhuang since its receipt of ODP approval from The National Development and Reform Commission of the People's Republic of China ("PRC") (中華人民共和國國家發展和改革委員會, "NDRC") on 28 November 2011.

#### AAG reported a profit of RMB106.6 million in 2016:

2016 was a challenging year for oil and gas producers globally and it was no different for AAG. Due to the slowdown in the Chinese economy and the announcement by the NDRC to reduce the China gas price, our realized ASP was RMB1.20/m<sup>3</sup> (US\$5.13/mcf) in 2016, a decrease of RMB0.46/m<sup>3</sup> or 28%, compared with 2015. As a result, our 2016 revenue declined by RMB125.4 million to RMB411.3 million. While revenue decreased in 2016, the Company realized a profit of RMB106.6 million in 2016.

### 業務回顧

#### 2016年總產量和淨儲量進一步增長：

我們很榮幸的宣佈，相比2015年，本集團繼續在總產量和淨儲量兩方面持續增長。本集團2016年總產量相比2015年增長了7%，達到5.41億立方米(即191億立方英尺)，包括潘莊區塊的天然氣產量5.06億立方米(即179億立方英尺)以及馬必區塊的天然氣產量3,500萬立方米(即12億立方英尺)。我們的天然氣總銷售量(未扣除適用的增值稅和地方附加稅)相比2015年，增長了3.5%，達到了4.96億立方米(即175億立方英尺)。截至2016年底，本集團的2P淨天然氣儲量約為6,980億立方英尺，較2015年末的2P淨儲量6,700億立方英尺實現了4.1%的增長。

#### 潘莊區塊進入了生產期：

本集團謹此宣佈，攜手潘莊區塊中方夥伴中聯煤層氣有限責任公司("CUCBM")，潘莊區塊已經達到了總體開發方案("ODP")的設計產能4.95億立方米(即175億立方英尺)，並且在2016年11月1日進入了生產期。這使得潘莊區塊成為第一個完成了開發階段並且進入生產階段的中外合作開發CBM項目。這是繼2011年11月28日獲得中華人民共和國國家發展和改革委員會("國家發改委")審批通過ODP之後，潘莊區塊取得的又一個重大里程碑式的進展。

#### 本公司在2016年報告利潤為人民幣1.066億元

2016年對全球的上游油氣生產商而言是充滿挑戰的一年，對於亞美來說也是一樣。受中國經濟持續放緩並且受國家發改委調減天然氣價格的影響，在2016年本公司平均售價為每立方米人民幣1.20元(即每千立方英尺5.13美元)，相比2015年價格下降了每立方米人民幣0.46元或28%。由此，2016年我們的收入減少了人民幣1.254億元至人民幣4.113億元。儘管收入有所減少，2016年我們實現利潤人民幣1.066億元。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

Please refer to section headed Review of Financial Results below.

### 財務回顧

請參見本公告後述之「財務業績回顧」一節部分。

Items 項目	As at or for the year ended 31 December 截至或截止各年度12月31日				
	2016	2015	2014	2013	2012
	2016年	2015年	2014年	2013年	2012年
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Current Assets	<b>2,699,512</b>	2,820,279	1,347,769	348,623	83,846
Non-current assets	<b>3,238,962</b>	2,667,486	2,147,103	1,846,924	1,266,485
Total assets	<b>5,938,474</b>	5,487,765	3,494,872	2,195,547	1,350,331
Current liabilities	<b>443,775</b>	392,893	316,439	1,887,800	1,288,068
Non-current liabilities	<b>657,765</b>	503,426	375,432	363,505	158,492
Total liabilities	<b>1,101,540</b>	896,319	691,871	2,251,305	1,446,560
Revenue	<b>411,278</b>	536,655	425,895	138,382	92,397
Profit/(loss) before income tax	<b>178,980</b>	51,717	275,048	68,651	(80,311)
Profit/(loss) for the year	<b>106,635</b>	(56,939)	194,988	39,568	(71,691)
Net cash generated from/ (used in) operating activities	<b>257,418</b>	317,382	297,587	611	(27,518)
Net cash used in investing activities	<b>(337,742)</b>	(743,937)	(420,954)	(607,575)	(441,149)
Net cash generated from financing activities	<b>12,874</b>	1,517,712	1,014,039	787,666	461,514

# Management Discussion and Analysis

## 管理層討論及分析

### OPERATIONS REVIEW

The Group has achieved significant progress towards certain key operational objectives for its two key assets operated by the Group's two subsidiaries: Panzhuang concession operated by SAEI and Mabi concession operated by AAGI.

#### Panzhuang Concession

- **Panzhuang production update**

Panzhuang 2016 gross production increased by 3.7% to 506 MMCM (17.9 bcf) compared to last year's Panzhuang gross production of 488 MMCM (17.2 bcf). Panzhuang's utilization rate remained very good at 98% of gross production in 2016. Panzhuang's gross sales volume before VAT and local taxes in 2016 increased slightly by 3.5% to 495.5 MMCM (17.5 bcf), compared with the full year 2015 gross sales volumes before VAT and local taxes of 478.6 MMCM (16.9 bcf). Further details on production and well count of Panzhuang are set out below in Table 1.

- **Panzhuang drilling and surface facilities update**

In 2016, AAG drilled and completed 30 wells (comprising 28 single lateral horizontals ("SLH") and 2 pad drill wells ("PDW(s)"). The 28 SLH wells were drilled in just 22 days on average with an average drilling cost of RMB3.8 million compared with a 2015 average of RMB5.8 million, with wells drilled in 31 days on average. We fractured 6 PDWs and completed 10 surface compressors uplift projects further expanding the well completion activities and achieving the target wellhead gathering pressure in 2016. By the end of 2016, there was a total of 5 gas gathering stations, and 16 wellhead compressors online. The 2016 average daily production was 1.38 MMCM per day ("MMCMD") and remained the highest productive CBM concession in China. At the end of 2016, there were a total of 97 wells contributing to production. Of these 97 wells, there are 14 PDWs, 49 multi-lateral wells ("MLD"), and 34 SLH wells.

### 經營回顧

本集團兩間附屬公司經營的兩項重大資產 (SAEI經營的潘莊區塊及AAGI經營的馬必區塊)的若干重大經營目標取得顯著進展。

#### 潘莊區塊

- **潘莊區塊生產進展**

較去年的總產量4.88億立方米(即172億立方英尺), 2016年潘莊區塊的總產量增長了3.7%至5.06億立方米(即179億立方英尺)。潘莊區塊的銷售利用率在2016年仍然非常好, 保持在總產量98%的高水平。2016年潘莊區塊的銷售氣量(未扣除增值稅和地方附加稅)由2015年總銷售氣量(未扣除增值稅和地方附加稅)的4.786億立方米(即169億立方英尺)略增長3.5%至4.955億立方米(即175億立方英尺)。潘莊區塊進一步的產量資料以及井數統計請詳見下列表1。

- **潘莊鑽井及地面設施進展**

亞美2016年在潘莊共鑽探及完成30口井(由28口單分支水平井(「SLH」)及2口叢式井(「PDW」)組成)。這28口SLH平均鑽井時間僅用22天, 平均每口井成本為人民幣380萬元, 而2015年SLH平均每口井成本為人民幣580萬元, 平均鑽井時間31天。我們完成了6口叢式井的壓裂以及10個地面壓縮機增壓項目, 進一步增進了完井的效果, 達到了2016年預期的井口集氣壓力。截至2016年底, 共有5座集氣站及16個井口壓縮機上線。2016年潘莊區塊日均產氣量為每天138萬立方米, 仍然是中國最高產的CBM區塊。截至2016年底, 累計有97口生產井投產。這97口生產井, 包括14口PDW, 49口多分支水平井(「MLD」)以及34口SLH。

# Management Discussion and Analysis

## 管理層討論及分析

### OPERATIONS REVIEW (Continued)

#### Mabi Concession

- **Mabi pilot program update**

AAG's Mabi concession showed promising success in 2016 as it continues to ramp up to ODP I approval. Mabi's 2016 gross pilot production increased to 35 MMCM (1.2 bcf) compared with 15.9 MMCM (0.57 bcf) in 2015. The 2016 average daily production for Mabi was 95.5 MCMD, a 119% increase compared to 43.65 MCMD in 2015.

We drilled 8 SLH wells in Mabi in 2016 with an average drilling cost of RMB4.8 million and average drilling time of 28 days. The fracture work plan was expanded in 2016 building off the demonstrated success in 2015, with 31 wells fractured, a total of 127 stages. Of these 127 stimulations, there were 69 fractures on 7 SLH wells with an average of 10 stages per well. These fracture stimulations cost an average of RMB550,000 per stage in 2016. The remaining 58 fractures were conducted on PDW wells, with an average of 4 stages per PDW in multiple coal seams. The fracture work for PDW cost an average of RMB400,000 per stage. Of the fractured PDWs, pad MB02-A3-67S with 12 PDWs averaged 34 MCMD in December 2016, representing an average of 2.8 MCMD per well, very promising production for PDW. AAG is very pleased with the increasing success of the well stimulation and completion techniques further demonstrating the Group's leading technological advantage in CBM development and production.

Mabi continues to dewater the recently drilled SLH wells as many have yet to hit their gas production peak rate and still have a high bottom hole pressure. Therefore, more production track record is needed before we can determine the economic viability of these wells.

### 經營回顧(續)

#### 馬必區塊

- **馬必區塊先導項目進展**

亞美的馬必區塊，在2016年向馬必總體 ODP I 得到批准的方向繼續成功邁進，取得了令人充滿希望的成果。2016年馬必區塊的先導性總產氣量相比2015年的1,590萬立方米(即5.7億立方英尺)增長至3,500萬立方米(即12億立方英尺)。平均日產氣量方面，2016年達到了每天95,500立方米，比2015年的每天43,650立方米增長了119%。

2016年我們在馬必區塊完成了8口SLH，平均鑽井成本為每口井人民幣480萬元，平均鑽井時間28天。繼2015年取得成功之後，壓裂工作的成果在2016年繼續擴大，一共完成了共計127級、31口井的壓裂工作。這127級壓裂工作中，包括對7口SLH的69級壓裂工作，平均每口井壓裂10級。2016年其壓裂費用平均為每級人民幣55萬元。其餘的58級壓裂屬於PDW壓裂，平均每口PDW完成對多個煤層共計4級壓裂。PDW的壓裂費用平均為每級人民幣40萬元。在進行過壓裂的PDW中，由12口PDW組成的MB02-A3-67S井組，在2016年12月的日平均產氣量為每天34,000立方米，即平均每口井日產氣量每天2,800立方米，對於PDW來說這個產量水準是非常有前景的。亞美非常高興看到井的增產措施和完井技術的日益成功，這也進一步證明了本集團在煤層氣開發和生產領域的領先技術優勢。

對於最近完成鑽井的SLH，其中許多井尚未達到其天然氣生產峰值產量並具有較高的井底壓力，馬必區塊繼續對其進行排水生產作業。因此，在本公司可以確定這些井的經濟可行性之前，需要更多的生產記錄資料。

# Management Discussion and Analysis

## 管理層討論及分析

### OPERATIONS REVIEW (Continued)

#### Mabi Concession (Continued)

- **Mabi pilot program update (Continued)**
  - *Mabi ODP progress*  
Mabi made further progress in 2016 based on the approvals for Mabi ODP I. All Mabi ODP I associated pre-approvals have been secured, including land use, social stability assessment and environment impact assessment, etc. The Mabi ODP I report has been revised based on the latest progress made in the Mabi pilot program and changed market conditions, and is currently under final review by our project partner, China National Petroleum Corporation (中國石油天然氣集團公司, “CNPC”), and it will be submitted to the NDRC afterwards. Based on prior experience, once submission is made to the NDRC, Mabi ODP I approval is expected to be obtained within 6 to 12 months.

Table 1— Operation matrix of Panzhuang (“PZ”) and Mabi (“MB”) concessions

		2016 2016年	2015 2015年	% Change 變動百分比
PZ gross production (MMCM)	潘莊總產量(百萬立方米)	506.13	488.29	3%
Total PZ producing wells*	潘莊生產井總數*	97	63	54%
PZ MLD	潘莊多分支水平井	49	49	0
PZ SLH	潘莊單分支水平井	34	7	386%
PZ PDW	潘莊叢式井	14	7	100%
PZ daily production (MMCMD)	潘莊天然氣日均產量(百萬立方米每天)	1.38	1.34	3%
PZ daily production per well (MCMD)	潘莊平均每井日均產量(千立方米每天)	14.26	21.23	-33%
PZ wells fracked	潘莊壓裂井數	6	13	-46%
MB gross production (MMCM)	馬必總產量(百萬立方米)	34.95	15.93	119%
Total MB producing wells*	馬必生產井總數*	121	80	51%
MB MLD	馬必多分支水平井	2	4	-50%
MB SLH	馬必單分支水平井	12	7	71%
MB PDW	馬必叢式井	107	69	55%
MB daily production (MCMD)	馬必天然氣日均產量(千立方米每天)	95.5	43.65	119%
MB daily production per well (MCMD)	馬必平均每井日均產量(千立方米每天)	0.79	0.55	44%
MB wells fracked	馬必壓裂井數	31	35	-9%

\* Well count is calculated from pumping start date

\* 井數統計自排採起始之日起計算

### 經營回顧(續)

#### 馬必區塊(續)

- **馬必區塊先導項目進展(續)**
  - *馬必區塊總體開發方案進展*  
馬必區塊在2016年就馬必ODP I的批准取得進一步進展。所有馬必ODP I相關的預先批准都已取得，包括土地利用，社會穩定性評估和環境影響評估等等。馬必ODP I報告已根據馬必先導計畫的最新進展以及不斷持續變化的市場條件進行了修訂，現在正在我們的項目夥伴中國石油天然氣集團公司(「CNPC」)的最終審核之中，之後將進一步提交國家發改委。根據以往經驗，馬必ODP I預計將在向國家發改委提交申請後6至12個月內獲得批准。

表1— 潘莊區塊(「潘莊」)及馬必區塊(「馬必」)的作業匯總



# Management Discussion and Analysis

## 管理層討論及分析

### EXPLORATION AND RESERVE UPDATE

The Group is very pleased with the 2016 reserve upgrade program in both the Mabi and Panzhuang concessions. In Mabi, 8 reserve wells have been drilled, and 37 wells have been fractured in 2016. A total of 35 wells are contributing to the reserve upgrade program in Mabi (targeting coal seams 2, 3, 9, and 15) in 2016 which will contribute to both the national reserve certification by the PRC Ministry of Land and Resources, (中華人民共和國國土資源部, “MOLAR”) and the NSAI’s 2P reserve upgrade for Mabi. In Panzhuang, we drilled 2 wells in 2016 that contributed to the reserve upgrade, with one well currently under commercial production.

Based on reports issued by NSAI, an independent reserve certification company, the Group’s Net 2P natural gas reserves as at year-end 2016 are approximately 698 bcf, which represents a 4.1% increase over the Net 2P of 670 bcf at year-end 2015. The Panzhuang concession contributed a Net 2P of 197.3 bcf, a 6.1% increase over the Net 2P of 186 bcf at year-end 2015, and the Mabi concession contributed a Net 2P of 500.5 bcf, a 3.4% increase over the Net 2P of 484 bcf at year-end 2015.

We continue to migrate reserves up the value chain and are very pleased that we announced Net 1P reserves of 9.7 bcf in Mabi in 2016. The Group’s Net 3P reserves at year-end 2016 is 1,525 bcf, a decrease of 3.1% from 1,574 bcf at year-end 2015. The main cause of this decrease, is the delay in receiving Mabi ODP I approval that we now expect to receive in the second half of 2017.

Panzhuang’s Net 3P reserves increased by 8.9% from 243 bcf at year-end 2015 to 264.8 bcf at year-end 2016 due to additional wells added to our long-range plan, increasing the amount of gas we expect to produce before the Panzhuang production sharing contract (“PSC”) expires in 2028. This shows our commitment to developing Panzhuang above its original design capacity of 17.5 bcf per year. This expanded reserve base will further contribute production uplift in Panzhuang and the full-scale commercialization of Mabi.

### 勘探及儲量更新

本集團對於馬必區塊和潘莊區塊在2016年儲量升級計劃取得的進展都非常樂觀。2016年在馬必區塊鑽探了8口儲量井，壓裂了37口井。2016年，共有35口井為馬必儲量升級計劃(目標煤層為2號，3號，9號和15號煤層)做出了貢獻，達到中國國土資源部(「MOLAR」)的國家儲量認證和馬必的NSAI的2P儲量升級條件。在潘莊區塊，2口鑽井用於儲量升級，其中一口井現在已經進入商業生產。

根據作為獨立儲量認證公司NSAI發佈的報告，截至2016年底本集團的淨2P天然氣儲量約為6,980億立方英尺，較2015年底的淨2P儲量6,700億立方英尺增長了4.1%。潘莊區塊貢獻的淨2P儲量為1,973億立方英尺，較2015年底的淨2P儲量1,860億立方英尺增長了6.1%；馬必區塊貢獻的淨2P儲量為5,005億立方英尺，較2015年底的淨2P儲量4,840億立方英尺增長了3.4%。

隨著對儲量在價值認識上的持續升級，我們非常高興的宣佈2016年馬必區塊的淨證實(「1P」)儲量為97億立方英尺。截至2016年年底，本集團的淨證實+概算+可能(「3P」)儲量為15,250億立方英尺，較2015年底的15,740億立方英尺減少了3.1%。下降的主要原因是馬必ODP I批准有所延遲，我們預計其將在2017年下半年得到批准。

潘莊區塊的淨3P儲量從2015年底的2,430億立方英尺增長了8.9%至2016年年底的2,648億立方英尺，原因是我們在長期計劃中增加了井數，從而增加了我們預期在2028年即潘莊區塊產品分成合同(「PSC」)到期之前的天然氣產量。這證明了我們開發潘莊區塊超過了其每年175億立方英尺的原始設計產能的承諾。這一擴大的儲量基礎將進一步促進潘莊區塊的產量提升和馬必區塊的全面商業化生產。

# Management Discussion and Analysis

## 管理層討論及分析

### EXPLORATION AND RESERVE UPDATE (Continued)

The following table sets forth our reserve data as of 31 December 2016 compared with 2015:

Table 2 — The reserve data of the Group

Reserve Data***	儲量數據***	Gross 總量 (bcf) (十億立方英尺)	Net(*) (***) 淨量(*) (bcf) (十億立方英尺)	Post-tax NPV10%(**) 除稅後 淨現值10%** (US\$ millions) (百萬美元)	2015 Net (*) (***) 2015年 淨量(*) (***) (bcf) (十億立方英尺)
<b>Total</b>	<b>合計</b>				
Proved (1P)	證實儲量(1P)	136.0	107.2	277.6	93.5
Proved + probable (2P)	證實 + 概算儲量(2P)	1,002.1	697.8	701.6	670.5
Proved + probable + possible (3P)	證實 + 概算 + 可能儲量(3P)	2,357.6	1,525.0	1,137.0	1,573.8
<b>Panzhuang</b>	<b>潘莊區塊</b>				
Proved (1P)	證實儲量(1P)	124.4	97.5	252.6	93.5
Proved + probable (2P)	證實 + 概算儲量(2P)	253.1	197.3	508.8	186.0
Proved + probable + possible (3P)	證實 + 概算 + 可能儲量(3P)	341.6	264.8	682.8	243.4
<b>Mabi</b>	<b>馬必區塊</b>				
Proved (1P)	證實儲量(1P)	11.6	9.7	25.0	N/A
Proved + probable (2P)	證實 + 概算儲量(2P)	749.0	500.5	192.8	484.4
Proved + probable + possible (3P)	證實 + 概算 + 可能儲量(3P)	2,016.0	1,260.2	454.2	1,330.4

Notes:

\* Net gas reserves are our share of the gas reserves according to the terms of each production sharing contract and after adjustment for fuel and shrinkage.

\*\* Represents our share of the future gross revenue from the CBM concession under the production sharing contracts, after additions for cost recovery and deductions for value-added taxes, royalties, future capital costs and operating expenses. The future net revenue is presented after deduction of income taxes and has been discounted at an annual rate of 10% to determine its net present value, which is shown to indicate the effect of time on the value of money. Future net revenue presented in this report should not be construed as being the fair market value of the properties.

\*\*\* Our reserve estimates and the future net revenue have been prepared by NSAI in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers. NSAI used standard engineering and geosciences methods or a combination of methods, including performance analysis, volumetric analysis, and analogy, that is considered to be appropriate and necessary to classify, categorize, and estimate volumes in accordance with the 2007 PRMS (the Petroleum Resources Management System published by the Society of Petroleum Engineers, American Association of Petroleum Geologists, World Petroleum Council, and Society of Petroleum Evaluation Engineers in March 2007) definitions and guidelines. These reserve amounts are estimates only and should not be construed as exact quantities.

### 勘探及儲量更新(續)

下列表2列出了相比2015年與截至2016年12月31日的儲量資料：

表2 — 本集團儲量資料

附註：

\* 淨天然氣儲量為根據各產品分成合同的條款就燃料及冷縮作出調整後我們應佔的天然氣儲量。

\*\* 指我們於產品分成合同下煤層氣區塊的未來總收益分成，該收益乃加上回收成本及扣除增值稅、探礦權使用費、未來資本成本及經營開支。未來淨收益於扣除所得稅後呈列，並已按10%的年率折讓，以釐定其淨現值，列示淨現值用以說明時間對貨幣價值的影響。本報告內呈列的未來淨收益不應被解釋為該等財產的公平市場價值。

\*\*\* 該等儲量估算及未來淨收益乃由NSAI根據石油工程師學會頒佈的石油及天然氣儲量估算及審計標準所載普遍認可的石油工程及估值原則編製。根據2007年石油資源管理制度(石油工程師學會、美國石油地質學家協會、世界石油理事會及石油評估工程師協會於2007年3月發佈的石油資源管理制度)的定義及指引，NSAI採用了標準工程和地球科學方法或綜合多種方法，包括性能分析、儲量分析及類比等被視為分類、歸類及估算儲量所適用及必要的方法。我們的儲量僅屬估算，不應被理解為準確數量。

# Management Discussion and Analysis

## 管理層討論及分析

### EXPLORATION AND RESERVE UPDATE (Continued)

The following table is the summary of the expenditures incurred in our exploration, development and production activities for the year ended 31 December 2016:

(Thousands of RMB) (人民幣千元)	Exploration expenditures 勘探支出	Development expenditures 開發支出	Production/ operating expenditures 生產運營支出
Panzhuang	1,158	203,946	125,941
Mabi	119,836	243,785	41,042
<b>Total</b>	<b>120,994</b>	<b>447,731</b>	<b>166,983</b>

### NEW OPPORTUNITIES

The Group has been actively pursuing new oil and gas opportunities for future growth, mainly covering attractive oil and gas assets inside and outside China. Under the current lower oil price environment, the valuation of oil and gas assets is very attractive. In 2016, the AAG Team screened numerous deals and progressed one highly attractive South East Asia deal to a very advanced stage of negotiations. Unfortunately, the seller pulled the asset off the market during this advanced stage due to internal corporate and strategic reasons. With our strong balance sheet and technical knowhow of the management team, we believe the Group is well positioned for further expansion through partnering with other oil and gas producers and/or acquiring attractive assets in the near term.

### OUTLOOK AND GUIDANCE FOR 2017

China gas demand is expected to grow by 14% in 2017 according to research conducted by SIA Energy, an independent China-focused oil and gas consulting firm. Global oil price recovery, combined with the PRC government plan to encourage the use of more natural gas to replace coal consumption, will further contribute to an increase in China gas demand and natural gas's competitiveness over oil and other hydrocarbon products in 2017.

As published in the 13th Five Year Plan, the PRC government is committed to establishing the right incentives and market drivers for increasing gas demand by 2020, and CBM is a major part of this plan. The National Energy Administration of the PRC (國家能源局, "NEA") and the NDRC took great strides in 2015 and 2016 in gas reform initiatives, including: pushing third party access implementation, rolling out fuel switching programmes, enhancing infrastructure interconnectivity, and streamlining the hierarchy of gas transmission and distribution businesses. The NEA will take further steps in 2017 to incentivize gas production and market reform. These measures will support AAG's growth aspirations as we continue to be the leading independent producer of CBM in China.

### 勘探及儲量更新(續)

下表概述我們二零一六財政年度發生的勘探、開發及生產活動的支出：

### 新的商業機會

本集團一直積極尋求石油天然氣發展的新機會，主要涉及中國境內外有吸引力的油氣資產。在當前的低油價環境下，油氣資產的估值非常有吸引力。在2016年，AAG團隊篩選了若干專案，並將其中一個很有吸引力的位於東南亞地區的專案推進到了深入的談判階段。遺憾的是，由於賣方公司內部和戰略考慮的原因，其在談判階段將此項目從市場上撤出。憑藉我們強勁的資金實力和管理團隊的技術知識，我們相信集團通過與其他石油和天然氣生產商合作和/或在短期內收購有吸引力的資產，將在進一步擴張中處於良好態勢。

### 2017年展望及指引

根據一家獨立的關注於中國石油和天然氣的諮詢公司SIA Energy進行的研究，2017年中國天然氣需求預計增長14%。隨著全球石油價格的恢復，加上中國政府鼓勵使用更多天然氣替代煤炭消費的計劃，在2017年將進一步促進中國天然氣需求的增長和提升天然氣對石油和其他烴類產品的競爭力。

根據公佈的第十三個五年計劃，中國政府承諾致力於建立適當的激勵機制和市場驅動力提高2020年之前的天然氣增長需求，而CBM是這一計劃的重要組成部分。在2015年和2016年，中國國家能源局(「NEA」)和國家發改委在天然氣改革舉措方面取得了長足進展，包括推動第三方准入，推動燃料轉換計劃，加強基礎設施互聯，精簡天然氣輸送和分銷業務的層級結構等。NEA將於2017年採取進一步措施，以鼓勵天然氣生產和市場改革。這些措施將支持亞美繼續保持其中國領先的CBM獨立生產商地位，並且繼續成長的願景。

# Management Discussion and Analysis

## 管理層討論及分析

### OUTLOOK AND GUIDANCE FOR 2017 (Continued)

For 2017, the Group will continue making investments in Panzhuang and Mabi as follows:

- **Panzhuang**

In Panzhuang, the Group will continue to invest in production enhancement of existing production wells, by implementing nitrogen cleanouts, surface compression, and fracture stimulation, as well as drilling new wells.

The full year plan includes drilling 29 SLH production wells, 3 major fracture jobs on PDWs and 4 major work overs on existing wells. Surface facilities investments will include the continuation of the central station upgrade, further power station construction, and related trunk line construction for future development.

The Group's full year gross production expectation for Panzhuang is 557 MMCM (19.6 bcf) subject to anticipated project execution and related government approvals.

- **Mabi**

In Mabi, the Group will focus on fine tuning fracture stimulations of PDWs, and developing the Mabi ODP I implementation plan. This will include both drilling new wells in core areas, infill drilling in existing development areas, and building a core developed zone where the downstream infrastructure already exists. The drilling and completion technology will build off the success in recent years of low cost PDWs while observing longer term performance of SLH wells.

The full year plan includes drilling approximately 60 new PDWs, 36 well completion works and 8 re-fractures. Much work will go into surface facilities such as trunk lines, gas gathering stations, well pad preparation, and forestry and land approval.

The Group's full year gross production expectation for Mabi is 57 MMCM (2 bcf) subject to anticipated project execution and related government approvals.

### 2017年展望及指引(續)

2017年，本集團將在潘莊區塊及馬必區塊繼續投資如下：

- **潘莊區塊**

在潘莊區塊，本集團將繼續投資現有生產井的增產措施，包括實施氮氣解堵，地面增壓和壓裂增產等工程，以及繼續新井的鑽井計劃。

全年計劃包括29個SLH生產井鑽井，PDW的3個大型壓裂工作以及現有井的4個大修工作。地面設施投資包括總集氣站的繼續升級改造，電站的進一步建設，以及與未來開發相關的天然氣主管線的建設。

根據預計的專案執行進度及相關的政府批准，本集團對於潘莊區塊的2017年全年總產量預期為5.57億立方米(即196億立方英尺)。

- **馬必區塊**

在馬必區塊，本集團將重點關注叢式井的優化壓裂增產措施工作，制定馬必ODP I的實施方案。這將包括在核心區域鑽新井，在現有開發區域補充鑽井，以及在下游基礎設施已經存在的區域，形成建立核心開發區。鑽井和完井技術將繼續近幾年來低成本PDW取得的成功，同時進一步觀察SLH的長期表現。

全年計劃包括新鑽井約60個PDW，36個完井工程和8個重複壓裂工程。地面設施建設工作包括天然氣主管線建設，集氣站建設，井場準備，以及林地和土地審批等工作。

根據預計的專案執行進度及相關的政府批准，本集團對於馬必區塊的2017年全年總產量預期為5,700萬立方米(即20億立方英尺)。

# Management Discussion and Analysis

## 管理層討論及分析

### OUTLOOK AND GUIDANCE FOR 2017 (Continued)

- **Exploration**

The Group will continue to prove up reserves in our Mabi concession. We plan to drill 1 new reserve well in 2017, while conducting at least 24 fractures on existing wells. Further investment will go into well completion works, including pumping and dewatering for the production test on the portfolio of pilot production wells.

The Group plans to incur capital expenditures (“**CAPEX**”) of approximately RMB590 million (comprising approximately RMB290 million in Panzhuang, RMB230 million in Mabi and RMB70 million for exploration, respectively) which will be funded by internal cashflows, a portion of proceeds from the IPO or the unutilized portion of the US\$250 million reserve based lending (“**RBL**”) loan.

The Group is confident that as a high productivity, low-cost upstream gas producer with a strong balance sheet, we are well positioned to further expand our production in Panzhuang and commercial development in Mabi to satisfy China’s growing energy demand. At the same time, the Group will continue to pursue new oil & gas business opportunities within China and in other regional markets to expand our business, serving adjacent communities with clean energy, and realizing further return to our shareholders.

### 2017年展望及指引(續)

- **勘探專案**

集團將繼續在我們的馬必區塊中探明儲量。我們計劃在2017年鑽一個新的儲量井，同時對現有井進行至少24次壓裂。進一步的投資將進行完井工程，包括對先導性生產井的排採和排水等生產試驗工作。

本集團計劃資本化支出(「**CAPEX**」)約人民幣5.9億元(包括潘莊區塊投資約人民幣2.9億元，馬必區塊投資約人民幣2.3億元以及勘探項目投資約人民幣7,000萬元)，由內部現金流提供資金支持，一部分來自首次公開募股(「**IPO**」)或者2.5億美元的儲量融資(「**儲量融資**」)的未使用部分。

本集團有信心作為一個高效率、低成本，同時有著強勁資金實力的上游天然氣生產商，我們已經為進一步擴大潘莊區塊的生產和馬必區塊的商業化開發做好了準備，以滿足中國不斷增長的能源需求。同時，集團將繼續在中國及其他地區市場尋求新的石油和天然氣業務機會，以擴大我們的業務，為鄰近社區提供清潔能源，並進一步回報我們的股東。

# Management Discussion and Analysis

## 管理層討論及分析

### REVIEW OF FINANCIAL RESULTS

### 財務業績回顧

		Year Ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Revenue</b>	<b>收入</b>	<b>411,278</b>	536,655
— Panzhuang	— 潘莊	<b>411,278</b>	536,655
— Mabi	— 馬必	—	—
<b>Subsidy income</b>	<b>補貼收入</b>	<b>119,820</b>	68,808
— Panzhuang	— 潘莊	<b>119,820</b>	68,808
— Mabi	— 馬必	—	—
<b>VAT refund</b>	<b>增值稅退稅</b>	<b>29,456</b>	58,864
— Panzhuang	— 潘莊	<b>29,456</b>	58,864
— Mabi	— 馬必	—	—
<b>Other losses, net</b>	<b>其他虧損淨額</b>	<b>(913)</b>	(163)
<b>Operating expenses</b>	<b>經營開支</b>	<b>(362,501)</b>	(434,323)
Depreciation and amortization	折舊及攤銷	<b>(74,613)</b>	(142,086)
Employee benefit expenses	員工福利開支	<b>(164,142)</b>	(155,162)
Materials, services and logistics	材料、服務及物流	<b>(100,203)</b>	(113,815)
Others	其他	<b>(23,543)</b>	(23,260)
<b>Panzhuang</b>	<b>潘莊</b>	<b>(184,449)</b>	(241,557)
Depreciation and amortization	折舊及攤銷	<b>(65,906)</b>	(131,214)
Employee benefit expenses	員工福利開支	<b>(46,316)</b>	(49,258)
Materials, services and logistics	材料、服務及物流	<b>(60,978)</b>	(49,601)
Others	其他	<b>(11,249)</b>	(11,484)
<b>Mabi</b>	<b>馬必</b>	<b>(50,135)</b>	(51,496)
Depreciation and amortization	折舊及攤銷	<b>(5,589)</b>	(8,370)
Employee benefit expenses	員工福利開支	<b>(24,896)</b>	(24,581)
Materials, services and logistics	材料、服務及物流	<b>(13,249)</b>	(12,496)
Others	其他	<b>(6,401)</b>	(6,049)

# Management Discussion and Analysis

## 管理層討論及分析

### REVIEW OF FINANCIAL RESULTS (Continued)

### 財務業績回顧(續)

		Year Ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Headquarters</b>	<b>總部</b>	<b>(127,917)</b>	(141,270)
Depreciation and amortization	折舊及攤銷	(3,118)	(2,502)
Employee benefit expenses	員工福利開支	(92,930)	(81,323)
Materials, services and logistics	材料、服務及物流	(25,976)	(51,718)
Others	其他	(5,893)	(5,727)
<b>EBITDA</b>	<b>EBITDA</b>	<b>271,753</b>	371,927
— Panzhuang	— 潘莊	441,628	554,009
— Mabi	— 馬必	(45,075)	(43,314)
<b>Profit from operations</b>	<b>經營溢利</b>	<b>197,140</b>	229,841
Interest income	利息收入	10,699	5,815
Finance costs	財務成本	(18,578)	(29,126)
Exchange losses	匯兌虧損	(10,281)	(154,813)
<b>Finance costs — net</b>	<b>財務成本淨額</b>	<b>(18,160)</b>	(178,124)
<b>Profit before income tax</b>	<b>除所得稅前溢利</b>	<b>178,980</b>	51,717
Income tax expense	所得稅開支	(72,345)	(108,656)
<b>Profit/(loss) for the year</b>	<b>年內溢利/(虧損)</b>	<b>106,635</b>	(56,939)

*Revenue.* Our revenue decreased by RMB125.4 million, or 23.4%, from RMB536.7 million in 2015 to RMB411.3 million in 2016. This decrease was due to a decrease in ASP of CBM after NDRC reduced non-residential gas price in late 2015, which was partially offset by an increase in production. The ASP of CBM for 2015 and 2016 were RMB1.66/m<sup>3</sup> to RMB1.20/m<sup>3</sup>, respectively.

收入。我們的收入由2015年的人民幣5.367億元減少人民幣1.254億元或23.4%至2016年的人民幣4.113億元。該減少乃由於在國家發改委2015年年底降低非居民用戶售價之後煤層氣的平均售價的減少而造成的，但是部分由產量的增加而抵銷。2015年和2016年煤層氣的平均售價分別為每立方米人民幣1.66元和1.20元。

# Management Discussion and Analysis

## 管理層討論及分析

### REVIEW OF FINANCIAL RESULTS (Continued)

Set out below are the production, sales, number of producing wells, ASP and revenue for Panzhuang:

### 財務業績回顧(續)

潘莊生產井產量、銷量及生產井數目、平均售價及收入排列如下：

		Year ended 31 December 截至12月31日止年度	
		2016 2016年	2015 2015年
Gross production volume (bcf) <sup>1</sup>	總產量(十億立方英尺) <sup>1</sup>	17.866	17.241
Gross sales volume (bcf) <sup>2</sup>	總銷量(十億立方英尺) <sup>2</sup>	15.127	14.648
Net sales volume (bcf) <sup>3</sup>	淨銷量(十億立方英尺) <sup>3</sup>	12.102	11.389
Accumulative number of producing wells	生產井累計數目	97	66
ASP	平均售價		
RMB per cubic meter	人民幣元/立方米	1.20	1.66
US\$ per mcf	美元/千立方英尺	5.13	7.60
Revenue (in RMB in thousands)	收入(人民幣千元)	411,278	536,655

Notes:

- Gross production volume is the total amount of CBM produced.
- Gross sales volume is gross production volume less (i) utilization loss and (ii) amounts sold to pay applicable VAT and local taxes.
- Net sales volume is that portion of gross sales volume allocated to us under the production sharing contract.

附註：

- 總產量為已生產煤層氣總量。
- 總銷量為總產量減(i)使用損失及(ii)為支付適用增值稅及當地稅項之後的所售數量。
- 淨銷量為我們根據產品分成合同獲得的總銷量部分。

**Subsidy income.** We had subsidy income of RMB68.8 million and RMB119.8 million in 2015 and 2016, respectively. Our subsidy income increased by RMB51.0 million or 74.1%, mainly due to the increase in the government subsidy rate for CBM from RMB0.20/m<sup>3</sup> to RMB0.30/m<sup>3</sup> with effect from January 2016 and an increase of net sales volume as a result of increased gross production volume at Panzhuang.

**補貼收入。**2015年及2016年，我們的補貼收入分別為人民幣6,880萬元及人民幣1.198億元。補貼收入增加人民幣5,100萬元或74.1%，主要是由於自2016年1月起政府補貼由每立方米人民幣0.20元增加至每立方米人民幣0.30元，同時由於潘莊總產量增加而造成的淨銷量的增加。

**VAT refund.** Our VAT refund reduced from RMB58.9 million in 2015 to RMB29.5 million in 2016, a decrease of RMB29.4 million, or 49.9%. The decrease was mainly due to a reduction in ASP of CBM in 2016 and an increase in the local government's share of VAT refund with effect from January 2015.

**增值稅退稅。**我們的增值稅退稅從2015年的5,890萬元減少了人民幣2,940萬元，或49.9%，至2016年的人民幣2,950萬元。此減少主要由於2016年的煤層氣平均售價減少及地方政府從2015年1月開始增加了增值稅退稅的政府留成部分所致。

**Other losses, net.** Our other loss was RMB163 thousands in 2015 and RMB913 thousands in 2016. These losses represent disposal loss of scrap materials at Panzhuang and Mabi.

**其他虧損淨額。**我們的其他虧損在2015年和2016年分別為人民幣16.3萬元和91.3萬元，主要是由於處理潘莊和馬必的廢料所致。



# Management Discussion and Analysis

## 管理層討論及分析

### REVIEW OF FINANCIAL RESULTS (Continued)

*Operating expenses.* Our operating expenses decreased by RMB71.8 million or 16.5%, from RMB434.3 million in 2015 to RMB362.5 million in 2016 primarily due to decreases in depreciation and amortization costs, decrease in materials, services and logistics expenses, but partially offset by increases in employee benefit expenses.

- *Depreciation and amortization.* Our depreciation and amortization decreased by RMB67.5 million or 47.5%, from RMB142.1 million in 2015 to RMB74.6 million in 2016 largely due to change in estimate for unit of production depreciation rates calculated based on proved and probable gas reserves from the whole concession instead of proved and probable gas reserves of individual well or well groups to make it consistent with industry practice.
- *Employee benefit expenses.* Our employee benefit expenses increased by RMB8.9 million or 5.7%, from RMB155.2 million in 2015 to RMB164.1 million in 2016 primarily due to: (i) increase in non-cash share-based compensation expenses in headquarters due to the issuance of restricted stock units in early 2016 and modifications of certain terms of the existing share option scheme, (ii) one-off severance pay as a result of departure of one of our Co-CEOs, and (iii) additional headquarters' senior management headcount hired in 2016.
- *Materials, services and logistics.* Our materials, services and logistics expenses decreased by RMB13.6 million or 12.0%, from RMB113.8 million in 2015 to RMB100.2 million in 2016, primarily due to one-off expenses related to IPO totaling RMB28.3 million in 2015, but offset by increased electricity and other operation costs at Panzhuang associated with more wells put into production and additional boosters and compressors installed in gas gathering stations in 2016 and increased compliance expenses after IPO.
- *Others.* Our other expenses remained steady at RMB23.3 million and RMB23.5 million in 2015 and 2016, respectively.

### 財務業績回顧(續)

*經營開支。*我們的經營開支由截至2015年的人民幣4.343億元減少了人民幣7,180萬元或16.5%至2016年的人民幣3.625億元，主要是由於折舊及攤銷減少及材料、服務及物流開支減少所致，但是部分被僱員福利費用的增加所抵銷。

- *折舊及攤銷。*我們的折舊及攤銷由2015年的人民幣1.421億元減少了人民幣6,750萬元或47.5%，至2016年的人民幣7,460萬元，主要由於產量法折舊比率按照整個區塊2P儲量而非單井或井組的2P儲量計算的估計變更所致，從而和行業慣例一致。
- *僱員福利開支。*我們的僱員福利開支由2015年的人民幣1.552億元增加了人民幣890萬元或5.7%，至2016年的人民幣1.641億元，主要由於：(i)2016年初發行非限制性股票及修改現有股權計劃的特定條款而導致的總部僱員的以股份為基礎的非現金薪酬開支增加，(ii)由於我們的其中一位聯席首席執行官離職而支付的一次性離職費用，和(iii)在2016年總部僱傭更多的高級管理人員所致。
- *材料、服務及物流。*我們的材料、服務及物流開支由2015年的人民幣1.138億元減少了人民幣1,360萬元或12.0%，至2016年的人民幣1.002億元，主要由於在2015年有與我們的首次公開發售有關的一次性開支共計人民幣2,830萬元，但是部分被潘莊因在2016年更多井投產及在集氣站安裝更多增壓泵和壓縮機致使電力及其他經營成本增加，和我們成為上市公司後合規費用的增加所抵銷。
- *其他。*我們的其他開支保持穩定，在2015年和2016年分別為人民幣2,330萬元和人民幣2,350萬元。

# Management Discussion and Analysis

## 管理層討論及分析

### REVIEW OF FINANCIAL RESULTS (Continued)

**EBITDA.** Our EBITDA decreased by RMB100.1 million or 26.9%, from RMB371.9 million in 2015 to RMB271.8 million in 2016. This decrease was primarily due to decrease in ASP of CBM from RMB1.66/m<sup>3</sup> in 2015 to RMB1.20/m<sup>3</sup> in 2016 after NDRC reduced non-residential gas price in late 2015, reduction in VAT refund since our ASP of CBM dropped in 2016 and the local government increased its share of VAT refund, which was offset by an increase in subsidy income after the government increased subsidy from RMB0.20/m<sup>3</sup> to RMB0.30/m<sup>3</sup> with effect from January 2016. Included in the EBITDA of RMB371.9 million in 2015 are non-cash share-based compensation expenses of RMB44.7 million, one-time expenses of RMB28.3 million related to our IPO and non-operations-related expenses for headquarters' business development feasibility studies of RMB13.0 million. Included in the EBITDA of RMB271.8 million in 2016 are non-cash share-based compensation expenses of RMB48.3 million, non-operations-related expenses for headquarters' business development feasibility studies of RMB8.3 million and one-off severance pay of RMB4.6 million as a result of departure of one of our Co-CEOs. After excluding (i) non-cash share-based compensation expenses, one-time IPO expenses and non-operations-related business development feasibility studies expenses included in 2015; and (ii) non-cash share-based compensation expenses, non-operations-related business development feasibility studies expenses and one-off severance pay as a result of departure of one of our Co-CEOs included in 2016, our adjusted EBITDA from core operations is RMB457.9 million and RMB332.9 million in 2015 and 2016, respectively. Included in EBITDA of 2016 is a one-time adjustment to increased local government's share of VAT refund with effect from January 2015 which not only reduces our VAT refund income in 2016 but also decreases our shares of VAT refund income in the future, and has not been adjusted to calculate adjusted EBITDA for 2016. Panzhuang's EBITDA decreased by RMB112.4 million or 20.3%, from RMB554.0 million in 2015 to RMB441.6 million in 2016. Panzhuang's EBITDA in 2016 decreased mainly due to decrease in ASP, lower VAT refund and higher material, services and logistic expenses associated with more wells, boosters and compressors which was partially offset by increased subsidy income in 2016. Mabi's EBITDA was negative RMB43.3 million in 2015 and negative RMB45.1 million in 2016 since it was still in the exploration stage during both years.

### 財務業績回顧(續)

**EBITDA。**我們的EBITDA由2015年的人民幣3.719億元減少了人民幣1.001億元或26.9%，至2016年的人民幣2.718億元。該減少主要是由於在國家發改委2015年年底降低非居民用戶售價之後煤層氣平均售價由2015年的每立方米人民幣1.66元減少至2016年的每立方米人民幣1.20元、增值稅退稅在2016年因煤層氣平均售價減少和地方政府增加政府留成而減少，但是部分被2016年1月起補貼由每立方米人民幣0.20元增加至每立方米人民幣0.30元而造成的政府補貼收入增加所抵銷。2015年的EBITDA人民幣3.719億元包括以股份為基礎的非現金報酬開支人民幣4,470萬元、有關我們首次公開發售的一次性開支人民幣2,830萬元及用於總部業務發展／可行性研究的非營運相關開支人民幣1,300萬元。2016年的EBITDA人民幣2.718億元包括以股份為基礎的非現金報酬開支人民幣4,830萬元，業務發展／可行性研究開支人民幣830萬元，及我們的其中一位聯席首席執行官離職而支付的一次性離職費用460萬元。在扣除(i)計入2015年的以股份為基礎的非現金報酬開支、首次公開發售的一次性開支及用於業務發展／可行性研究的非營運相關開支後，及(ii)計入2016年的以股份為基礎的非現金報酬開支，業務發展／可行性研究開支，及我們的其中一位聯席首席執行官離職而支付的一次性離職費用，核心業務的經調整EBITDA於2015年及2016年分別為人民幣4.579億元及人民幣3.329億元。包含在2016年的EBITDA中還有一個由於增值稅退稅地方政府留成部分的增加而產生的一次性調整項目，此調整不但減少了我們2016年的增值稅退稅收入而且將減少我們以後年度的增值稅退稅收入，因此沒有用於計算2016年的經調整EBITDA。潘莊的EBITDA由2015年的人民幣5.540億元減少了人民幣1.124億元或20.3%，至2016年的人民幣4.416億元。潘莊2016年的EBITDA減少是由於平均售價下降、增值稅退稅減少及由於更多的井、增壓泵和壓縮機導致的材料、服務及物流開支增加所致，部分被2016年補貼收入增加所抵銷。馬必2015年的EBITDA為負人民幣4,330萬元及2016年為負人民幣4,510萬元，原因是其於該兩個期間仍處於勘探階段。

# Management Discussion and Analysis

## 管理層討論及分析

### REVIEW OF FINANCIAL RESULTS (Continued)

*Profit from operations.* As a result of the foregoing, our profit from operations decreased by RMB32.7 million or 14.2%, from a profit from operations of RMB229.8 million in 2015 to a profit from operations of RMB197.1 million in 2016.

*Interest income.* Our interest income increased by RMB4.9 million or 84.5%, from RMB5.8 million in 2015 to RMB10.7 million in 2016 primarily due to interest earned from increased cash and fixed deposit balances.

*Finance costs.* Our finance costs decreased by RMB10.5 million or 36.1%, from RMB29.1 million in 2015 to RMB18.6 million in 2016, largely due to writing off non-cash unamortized costs of RMB14.9 million in 2015 related to the original US\$100 million RBL loan after re-financing this US\$100 million RBL loan ("**Original US\$100 million RBL**") with a new US\$250 million RBL loan ("**New US\$250 million RBL**") in 2015, partially offset by increased commitment fees in 2016.

*Exchange losses.* Our foreign exchange translation losses decreased by RMB144.5 million from RMB154.8 million in 2015 to RMB10.3 million in 2016. Non-cash foreign currency translation losses of RMB161.3 million was booked in 2015 due to the depreciation of Renminbi during the year and a US dollar denominated intercompany loan was provided by us to our subsidiaries while local books and records are denominated in Renminbi. In order to manage the foreign exchange risk, we executed a debt restructuring on 30 April 2016 by converting the intercompany loan into a perpetual loan through entering into perpetual loan agreements between respective group companies. Upon completion of the debt restructuring, any foreign exchange differences arising from retranslation of the US dollar denominated perpetual loan are recognized in equity in the consolidated financial statements. The exchange loss of RMB10.3 million in 2016 is largely due to the impact of the depreciation of the Renminbi on the drawn portion of the New US\$250 million RBL.

*Profit before income tax.* Our profit before income tax increased by RMB127.3 million or 246.2% from a profit of RMB51.7 million in 2015 to a profit of RMB179.0 million in 2016 mainly due to reduction in non-cash foreign exchange translation losses and reduction in depreciation and amortization expenses in 2016, one-time write off of non-cash unamortized costs in 2015 related to the Original US\$100 million RBL, and the factors affecting EBITDA stated above.

### 財務業績回顧(續)

*經營溢利。*基於上文所述，我們的經營溢利由2015年人民幣2.298億元減少了人民幣3,270萬元或14.2%，至2016年人民幣1.971億元。

*利息收入。*我們的利息收入由2015年的人民幣580萬元增加了人民幣490萬元或84.5%，至2016年的人民幣1,070萬元，主要是由於現金及定期存款結餘增加所賺取的利息所致。

*財務成本。*我們的財務成本由2015年的人民幣2,910萬元減少了人民幣1,050萬元或36.1%，至2016年的人民幣1,860萬元，主要是由於在2015年再融資原有1億美元儲量融資（「**原有1億美元儲量融資**」），取得新2.5億美元儲量融資（「**新2.5億美元儲量融資**」）後，沖銷有關原有1億美元儲量融資的非現金未攤銷成本人民幣1,490萬元所致，部分在2016年由於承諾費用增加而抵銷。

*匯兌損失。*我們的外匯匯兌損失由2015年的人民幣1.548億元減少了人民幣1.445億元至2016年人民幣1,030萬元。在2015年我們錄得人民幣1.613億元的人民幣貶值而造成的非現金外幣折算損失，這是由於我們提供美元公司間借款給我們的子公司，但是子公司當地的記賬貨幣為人民幣。為了管理外匯風險，管理層決定於2016年4月30日執行債務重組，由相關的集團公司簽訂永久貸款協定，將公司間借款轉為永久性貸款。在債務重組完成之後，由於轉換美元計價的永久性貸款而造成的任何外匯差異確認在合併財務報表中的權益中。2016年的外匯損失為人民幣1,030萬元，主要是由於新2.5億美元儲量融資的美元提款部分的人民幣貶值的影響。

*除所得稅前溢利。*我們的除所得稅前溢利由2015年的溢利人民幣5,170萬元增加了人民幣1.273億元或246.2%，至2016年的溢利人民幣1.790億元，主要是因為上述影響EBITDA的因素和2016年非現金外匯折算損失、折舊及攤銷開支減少及2015年一次性沖銷有關原有1億美元儲量融資的非現金未攤銷成本所致。

# Management Discussion and Analysis

## 管理層討論及分析

### REVIEW OF FINANCIAL RESULTS (Continued)

*Income tax expense.* Our income tax expense decreased by RMB36.4 million or 33.5%, from RMB108.7 million in 2015 to RMB72.3 million in 2016. Income tax expense arises from Panzhuang's operations. In 2016, Panzhuang did not have taxable income subject to taxation, whereas in 2015 Panzhuang had taxable income subject to taxation. Mabi had no income tax expense given it is still in the exploration stage and had no profit.

*Profit/(loss) for the year.* Our profit/loss for the year changed from a loss of RMB56.9 million in 2015 to a profit of RMB106.6 million in 2016, primarily due to the factors affecting profit before income tax and EBITDA stated above and the decrease in income tax expense.

### EBITDA AND ADJUSTED EBITDA

We provide a reconciliation of EBITDA and adjusted EBITDA to profit/loss for the year, our most directly comparable financial performance calculated and presented in accordance with HKFRS. EBITDA refers to earnings before interest income, finance costs, exchange loss, income tax and depreciation and amortization. Adjusted EBITDA refers to EBITDA adjusted to exclude non-cash expenses, non-recurring items or non-operations-related expenses to show EBITDA from the Group's core operations.

We have included EBITDA and adjusted EBITDA as we believe they are a financial measure commonly used in the oil and gas industry. We believe that EBITDA and adjusted EBITDA are used as supplemental financial measures by our management and by investors, research analysts, bankers and others to assess our operating performance, cash flow and return on capital as compared to those of other companies in our industry, and our ability to take on financing. However, EBITDA and adjusted EBITDA should not be considered in isolation or construed as alternatives to profit from operations or any other measure of performance or as an indicator of our operating performance or profitability. EBITDA and adjusted EBITDA fail to account for income tax, exchange losses, interest income, finance costs and depreciation and amortization.

### 財務業績回顧(續)

*所得稅開支。*我們的所得稅開支由2015年的人人民幣1.087億元減少了人民幣3,640萬元或33.5%，至2016年的人人民幣7,230萬元。所得稅開支乃根據潘莊的應課稅溢利計算。在2016年，潘莊沒有依據稅法的應課稅溢利，但是在2015年潘莊有依據稅法應課稅溢利。馬必並無所得稅開支，原因是其仍處於勘探階段，並無應課稅溢利。

*年內溢利／(損失)。*我們的期內溢利／損失由2015年損失人民幣5,690萬元變為2016年溢利人民幣1.066億元，主要是由於上述影響除所得稅前溢利和EBITDA的因素及所得稅開支減少所致。

### EBITDA 及經調整 EBITDA

我們提供年內EBITDA及經調整EBITDA與溢利／損失的對賬，該溢利／損失為根據香港財務報告準則計算及呈列的最直接的可比較財務表現。EBITDA指除利息收入、財務成本、匯兌收益、所得稅及折舊及攤銷前的盈利。經調整EBITDA指EBITDA調整至不包括非現金開支、非經常性項目或非營運相關開支，以說明本集團核心業務的EBITDA。

我們提供EBITDA及經調整EBITDA，是由於我們認為EBITDA乃油氣行業常用的財務計量。我們認為EBITDA及經調整EBITDA乃由管理層、投資者、研究分析師、銀行家及其他人士用作補充財務計量，以評估我們相較於業內其他公司的經營表現、現金流量及資本回報率以及我們承擔融資的能力。然而，EBITDA及經調整EBITDA不可被認定獨立於經營溢利或任何其他表現計量，亦不可詮釋為經營溢利或任何其他表現計量的替代項目，或視為我們經營表現或盈利能力的指標。EBITDA及經調整EBITDA未能對所得稅、匯兌收益、利息收入、財務成本及折舊及攤銷做出記帳。

# Management Discussion and Analysis

## 管理層討論及分析

### EBITDA AND ADJUSTED EBITDA (Continued)

The following table presents a reconciliation of EBITDA and adjusted EBITDA to profit/loss for the year:

### EBITDA及經調整EBITDA(續)

下表載列期間EBITDA及經調整EBITDA與溢利／損失的對賬。

		Year ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Reconciliation of profit/(loss) for the year to EBITDA:</b>	<b>年內溢利／(損失)與EBITDA的對賬：</b>		
<b>Profit/(loss) for the year</b>	<b>年內溢利／(損失)</b>	<b>106,635</b>	(56,939)
Income tax expense	所得稅開支	72,345	108,656
Interest income	利息收入	(10,699)	(5,815)
Finance costs	財務成本	18,578	29,126
Exchange losses	匯兌收益	10,281	154,813
Depreciation and amortization	折舊及攤銷	74,613	142,086
<b>EBITDA</b>	<b>EBITDA</b>	<b>271,753</b>	371,927
Non-cash share-based compensation expenses	非現金以股份為基礎的報酬開支	48,270	44,702
Listing expenses related to the IPO	有關首次公開發售的上市開支	–	28,273
Non-operations-related feasibility studies expenses	業務發展／可行性研究的非營運相關開支	8,272	12,968
Severance pay for departure of one of our Co-CEOs	由於我們其中一位聯席首席執行官離職而支付的離職開支	4,613	–
<b>Adjusted EBITDA</b>	<b>經調整EBITDA</b>	<b>332,908</b>	457,870

Our EBITDA decreased by RMB100.1 million or 26.9%, from RMB371.9 million in 2015 to RMB271.8 million in 2016. This decrease was primarily due to decrease in ASP of CBM from RMB1.66/m<sup>3</sup> in 2015 to RMB1.20/m<sup>3</sup> in 2016 after NDRC reduced non-residential gas price in late 2015, reduction in VAT refund since our ASP of CBM dropped in 2016 and the local government increased its share of VAT refund, which was offset by an increase in subsidy income after the government increased the subsidy from RMB0.20/m<sup>3</sup> to RMB0.30/m<sup>3</sup> with effect from January 2016.

我們的EBITDA由2015年的人民幣3.719億元減少了人民幣1.001億元或26.9%，至2016年的人民幣2.718億元。該減少主要是由於在國家發改委2015年年底降低非居民用戶售價之後煤層氣平均售價由2015年的每立方米人民幣1.66元減少至2016年的每立方米人民幣1.20元、增值稅退稅在2016年因煤層氣平均售價減少和地方政府增加政府留成而減少，但是被2016年1月起補貼由每立方米人民幣0.20元增加至每立方米人民幣0.30元而造成的政府補貼收入增加所抵銷。

# Management Discussion and Analysis

## 管理層討論及分析

### EBITDA AND ADJUSTED EBITDA (Continued)

Our adjusted EBITDA decreased by RMB125.0 million, or 27.3%, from RMB457.9 million in 2015 to RMB332.9 million in 2016. This decrease was due to the reasons explained above for the decrease in EBITDA, adjusted for non-cash share-based compensation expenses, one-time IPO related expenses, non-operations-related feasibility studies expenses and one-off severance pay as a result of departure of one of our Co-CEOs included in 2016 and 2015. Included in EBITDA of 2016 is a one-time adjustment to increased local government's share of VAT refund with effect from January 2015 which not only reduces our VAT refund income in 2016 but also decreases our shares of VAT refund income in the future, and has not been adjusted to calculate adjusted EBITDA for 2016.

### LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of funding include cash generated from operating activities and bank borrowings.

We had cash and bank balances of RMB2,375.3 million as at 31 December 2016 (RMB2,563.8 million as at 31 December 2015).

As of 31 December 2015 and 2016, we had long-term borrowings of RMB418.9 million and RMB496.4 million, respectively, all of which were non-current secured U.S. dollar bank borrowings representing the drawn portion of the New US\$250 million RBL.

As at 31 December 2016, the gearing ratio (ratio of total borrowings to total equity) of the Group was 10.3% (31 December 2015: 9.1%).

Save as the information disclosed above or otherwise in this annual report, we had no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, borrowings, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantees or other material contingent liabilities as at 31 December 2016.

### EBITDA 及經調整 EBITDA (續)

我們的經調整 EBITDA 由 2015 年的人民幣 4.579 億元減少了人民幣 1.250 億元或 27.3%，至 2016 年的人民幣 3.329 億元。該減少是由於上文說明的 EBITDA 減少的原因，加上 2016 年和 2015 年的以股份為基礎的非現金報酬開支、與首次公開發售有關的一次性開支、非營運相關業務發展／可行性研究開支及用於我們的其中一位聯席首席執行官離職而支付的一次性離職開支的調整後的結果。2016 年的 EBITDA 包含由於增值稅退稅地方政府留成部分的增加而產生的一次性調整項目，此調整不但減少了我們 2016 年的增值稅退稅收入而且將減少我們以後年度的增值稅退稅收入，但是沒有用於計算 2016 年的經調整 EBITDA。

### 流動資金及資本資源

我們的投資資金主要來源於經營活動所產生的現金及銀行貸款。

2016 年 12 月 31 日，我們的現金及銀行結餘為人民幣 23.753 億元（截至 2015 年 12 月 31 日：人民幣 25.638 億元）。

截至 2015 年及 2016 年 12 月 31 日，我們的長期借款分別為人民幣 4.189 億元及人民幣 4.964 億元，所有負債均為非即期有抵押美元銀行借款，即新 2.5 億美元儲量融資的可提取部分。

於 2016 年 12 月 31 日，本集團借款與權益比率（借款總額與總權益的比率）為 10.3%（2015 年 12 月 31 日：9.1%）。

除上文或本年報其他部分所披露之資料外，於 2016 年 12 月 31 日，我們並無任何未償還按揭、抵押、債券或其他已發行或同意發行貸款資本、銀行透支、借款、承兌負債或其他同類負債、租購及財務租賃承擔或任何擔保或其他重大或然負債。

# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### Cash Flows

The table below sets forth our cash flows for each of the years indicated.

### 流動資金及資本資源(續)

#### 現金流量

下表列示了已列明的各年的現金流量

		Year ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Net cash generated from operating activities	經營活動所得現金淨額	257,418	317,382
Net cash used in investing activities	投資活動所用現金淨額	(337,742)	(743,937)
Net cash generated from financing activities	融資活動所得現金淨額	12,874	1,517,712
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物(減少)/增加淨額	(67,450)	1,091,157
Cash and cash equivalents at beginning of the year	期初的現金及現金等價物	2,309,810	1,099,673
Exchange gains on cash and cash equivalents	現金及現金等價物匯兌收益	101,404	118,980
Cash and cash equivalents at end of the year	期末的現金及現金等價物	2,343,764	2,309,810

#### Operating Activities

Net cash generated from operating activities was RMB257.4 million in 2016 largely due to profit before income tax of RMB179.0 million, depreciation and amortization of RMB74.6 million, non-cash share-based compensation of RMB48.3 million, finance costs of RMB18.6 million and unrealized exchange losses of RMB12.6 million, and increase in trade and other payables of RMB7.8 million. These were offset by an increase in trade and other receivables of RMB40.9 million, RMB26.3 million of interest paid, interest income of RMB10.7 million and RMB5.3 million income tax paid.

Net cash generated from operating activities was RMB317.4 million in 2015 largely due to profit before income tax of RMB51.7 million, exchange translation losses of RMB159.1 million which includes non-cash foreign exchange translation losses of RMB161.3 million arising from the US dollar denominated intercompany loan, depreciation and amortization of RMB142.1 million, non-cash share-based compensation of RMB44.7 million, RMB28.3 million of expenses related to IPO, finance costs of RMB29.1 million which included RMB14.9 million non-cash unamortized costs written off for the Original US\$100 million RBL, and increase in trade and other payables of RMB9.5 million. These were offset by an increase in trade and other receivables of RMB7.3 million, RMB109.9 million income tax paid, and RMB24.2 million of interest paid under the Original US\$100 million RBL and New US\$250 million RBL.

#### 經營活動

於2016年，經營活動所得現金淨額為人民幣2.574億元，主要由於除所得稅前溢利人民幣1.790億元、折舊及攤銷人民幣7,460萬元、以股份為基礎的非現金報酬人民幣4,830萬元、財務成本人民幣1,860萬元及未實現匯兌損失1,260萬元，和應付賬款及其他應付賬款增加780萬元。該等項目被應收賬款及其他應收款增加人民幣4,090萬元、利息支出人民幣2,630萬元、利息收入人民幣1,070萬元及已付所得稅人民幣530萬元所抵銷。

於2015年，經營活動所得現金淨額為人民幣3.174億元，主要是由於除所得稅前溢利人民幣5,170萬元、匯兌虧損人民幣1.591億元(包括以美元計值的公司間貸款產生的非現金匯兌虧損人民幣1.613億元)、折舊及攤銷人民幣1.421億元、以股份為基礎的非現金報酬開支人民幣4,470萬元、首次公開發售有關的開支人民幣2,830萬元、財務成本人民幣2,910萬元(包括撇銷有關原有1億美元儲量融資的非現金未攤銷成本人民幣1,490萬元)及應付賬款及其他應付款增加人民幣950萬元所致，惟被應收賬款及其他應收款增加人民幣730萬元、已付所得稅人民幣1.099億元及原有1億美元儲量融資及新2.50億美元儲量融資項下的已付利息人民幣2,420萬元所抵銷。

# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### Investing Activities

Net cash used in investing activities was RMB337.7 million in 2016 is mainly for the purchase of property, plant and equipment of RMB570.1 million, increase in restricted bank deposits of RMB23.6 million, offset by decrease in term deposits with an initial term of over three months of RMB246.0 million and interest received of RMB9.5 million. The purchase of property, plant and equipment primarily comprised of payment for more wells drilled, additional boosters and compressors, and construction of gas gathering stations and power facilities.

Net cash used in investing activities was RMB743.9 million in 2015 is mainly for the purchase of property, plant and equipment of RMB494.8 million, increase in term deposits with an initial term of over three months of RMB246.0 million, increase in restricted bank deposits of RMB8.0 million, offset by interest received of RMB4.8 million. The purchase of property, plant and equipment primarily comprised of payment for construction of Panzhuang's new office building, more wells drilled, additional boosters and compressors, and construction of gas gathering stations and power facilities.

#### Financing Activities

Net cash generated from financing activities was RMB12.9 million in 2016 largely due to RMB40.4 million of cash received from drawing down a portion of the New US\$250 million RBL, offset by finance costs of RMB19.9 million largely due to payment for commitment fees paid for unutilized portion of the New US\$250 million RBL and payment of RMB7.7 million of IPO-related expenses.

Net cash generated from financing activities was RMB1,517.7 million in 2015 largely due to RMB1,544.4 million of proceeds from the IPO and RMB428.0 million of cash received from the New US\$250 million RBL, offset by RMB29.3 million of IPO-related expenses, RMB379.0 million repayment of the utilized portion of the Original US\$100 million RBL, and finance costs of RMB48.7 million comprising RMB12.3 million payment for commitment fees paid for unutilized portion of the Original US\$100 million RBL and the New US\$250 million RBL, and RMB36.4 million of arrangement fee and expenses related to the New US\$250 million RBL.

### 流動資金及資本資源 (續)

#### 投資活動

於2016年，投資活動所用現金淨額為人民幣3.377億元，主要包括購買人民幣5.701億元的物業、廠房及設備及受限制銀行存款增加人民幣2,360萬元，惟被初始期限超過三個月的定期存款減少人民幣2.460億元及已收利息人民幣950萬元所抵銷。購買物業、廠房及設備主要包括支付已鑽探的更多井、添置增壓泵和壓縮機和興建集氣站及電力設施。

於2015年，投資活動所用現金淨額為人民幣7.439億元，主要用於購買人民幣4.948億元的物業、廠房及設備、超過三個月的定期存款增加人民幣2.460億元、受限制銀行存款增加人民幣800萬元，惟被已收利息人民幣480萬元所抵銷。購買物業、廠房及設備主要包括支付潘莊新寫字樓建設款項、鑽探更多氣井、添置增壓泵、壓縮機、興建集氣站及發電設施。

#### 融資活動

於2016年，融資活動所產生現金淨額為人民幣1,290萬元，主要由於從新2.5億美元儲量融資提款等值人民幣4,040萬元，但是由用於支付新2.5億美元儲量融資未動用部分的承諾費用之財務成本人民幣1,990萬元及首次公開發售相關開支人民幣770萬元所抵銷。

於2015年，融資活動所得現金淨額為人民幣15.177億元，主要是由於首次公開發售所得款項人民幣15.444億元及自新2.5億美元儲量融資收取現金人民幣4.280億元所致，惟被首次公開發售有關的開支人民幣2,930萬元、償還原有1億美元儲量融資已動用部分人民幣3.790億元及財務成本人民幣4,870萬元(包括支付原有1億美元儲量融資及新2.5億美元儲量融資未動用部分的承擔費用人民幣1,230萬元及新2.5億美元儲量融資相關的交易成本及開支人民幣3,640萬元)所抵銷。



# Management Discussion and Analysis

## 管理層討論及分析

### LIQUIDITY AND CAPITAL RESOURCES (Continued)

#### Cash and Bank Balances

We had cash and bank balances of RMB2,563.8 million and RMB2,375.3 million as of 31 December 2015 and 2016, respectively. Our cash and bank balances consist of cash on hand, cash at banks, term deposits with an initial term of over three months, and restricted bank deposits. The decrease in our cash position is largely due to cash used in investing activities. As at 31 December 2015 and 2016, we had approximately 73.9% and 67.2% of our cash and bank balances held in Hong Kong or US dollars.

### FINANCIAL RISK FACTORS

Our activities expose us to a variety of financial risks, including credit risk, market risk (including foreign exchange risk, cash flow interest rate risk), liquidity risk and concentration risk. Our overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

#### Credit Risk

As the majority of the cash at bank balances are placed with state-owned and international banks and financial institutions in the PRC and Hong Kong, and there has been no recent history of default in relation to these banks and financial institutions, the corresponding credit risk is relatively low. Therefore, our credit risk arises primarily from trade and other receivables. We have controls in place to assess the credit quality of our customers. We have concentration risk on trade receivables. Only limited allowance for uncollectible receivables were made in the past as our sales were only made to the customers with good credit history. The utilisation of credit limits is regularly monitored.

#### Foreign Exchange Risk

We are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the U.S. dollar. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency other than our functional currency.

Prior to 30 April 2016, we were exposed to non-cash foreign exchange risk arising from retranslation of US dollar denominated inter-company loans. To manage the foreign exchange risk, we executed a debt restructuring on 30 April 2016 by converting the intercompany loans into perpetual loans through entering into perpetual loan agreements between respective group companies such that the perpetual loans do not bear interest and the lenders can not request repayment. Upon completion of the debt restructuring, any foreign exchange differences arising from retranslation of the US dollar denominated perpetual loans are recognised in equity in the consolidated financial statements.

### 流動資金及資本資源(續)

#### 現金及銀行結餘

於2015年及2016年12月31日，我們的現金及銀行結餘分別為人民幣25.638億元及人民幣23.753億元。現金及銀行結餘包括結存現金、銀行存款，超過三個月的定期存款及受限制銀行存款。現金減少主要是由投資活動使用現金所致。於2015年和2016年12月31日，我們有約73.9%及67.2%的現金及銀行結餘分別以港元或美元持有。

#### 財務風險因素

我們的活動使我們面臨多種財務風險：信貸風險、市場風險(包括外匯風險及現金流量利率風險)、流動資金風險及集中風險。我們的整體風險管理計劃專注於金融市場不可預測性及爭取盡量減少對我們財務表現的潛在不利影響。

#### 信用風險

由於大部分銀行存款存放於中國及香港的國有及國際銀行及金融機構，且並無有關該等銀行及金融機構違約的近期記錄，故相應信用風險相對較低。因此，我們的信用風險主要來自應收賬款及其他應收款。我們已設定控制措施以評估我們客戶的信貸質量。我們有應收賬款的集中風險。由於我們僅向具有良好信貸記錄的客戶進行銷售，故我們過往僅就不可收回應收款項作出有限撥備。我們定期監控信用限額的動用。

#### 外匯風險

我們面臨多種貨幣(主要與美元有關)產生外匯風險。當未來商業交易或確認資產或負債以我們功能貨幣以外的貨幣計值時，則產生外匯風險。

2016年4月30日前，我們面臨重新換算以美元計值的公司間貸款產生的非現金外匯風險。為了管理外匯風險，管理層於2016年4月30日進行了債務重組，相關各集團公司訂立了永久貸款協議將公司間借款轉換為永久性貸款，而永久貸款免息且放貸人不可要求償還。該債務重組完成後，重新換算該等以美元計值的永久貸款產生的任何匯兌差額確認在合併財務報表的權益中。

# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL RISK FACTORS (Continued)

#### Foreign Exchange Risk (Continued)

We manage our foreign exchange risk by closely monitoring the movement of the foreign currency rates, and by monitoring the amount of the US dollar loan utilised from the US\$250 million revolving credit facility, which is our only US dollar borrowings from third parties.

As at 31 December 2016, if RMB had weakened/strengthened by 1% against the US\$ with all other variables held constant, profit before income tax for the year would have been RMB3,909,000 (31 December 2015: RMB28,905,000) lower/higher, respectively, mainly as a result of foreign exchange gains/losses on translation of US dollar denominated payables held by our entities with entity's functional currency as RMB.

#### Interest Rate Risk

Our income and operating cash flows are substantially independent of the changes in market rates. Our floating-rate bank borrowings expose us to cash flow interest rate risk.

### SIGNIFICANT INVESTMENT HELD

The Group did not hold any significant investments for the year ended 31 December 2016.

### ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group has no material acquisition or disposal of subsidiaries or associated companies for the year ended 31 December 2016.

### EMPLOYEES

As at 31 December 2016, the Company had 690 employees, with 66 based in Beijing, 618 based in Shanxi and 6 based in Hong Kong, respectively. There have been no material changes to the information disclosed in the Company's prospectus dated 11 June 2015 (the "Prospectus") in respect the remuneration of employees, remuneration policies and staff development.

### 財務風險因素 (續)

#### 外匯風險 (續)

我們密切注視外幣匯率變化，亦會監察我們自2.5億美元循環信貸融資（為我們唯一向第三方借入的美元貸款）動用的美元貸款金額，以控制外匯風險。

於2016年12月31日，假設人民幣兌美元的匯率下跌／上升1%，而其他因素保持不變，則本年度除稅前溢利會分別下跌／上升人民幣3,909,000元（於2015年12月31日：人民幣28,905,000元），主要是由於本集團旗下功能貨幣為人民幣的公司持有以美元計值的應付款項產生的匯兌收益／虧損所致。

#### 利率風險

我們絕大部份收入及經營現金流量不受市場利率波動的影響。我們的浮息銀行借款導致我們有現金流量利率風險。

### 所持重大投資

截至2016年12月31日止年度，本集團並未有任何重大投資。

### 收購及出售附屬公司

截至2016年12月31日止年度，本集團並未收購或出售附屬公司或聯營公司之重大事項。

### 員工

於2016年12月31日，本公司有690名員工，其中66名位於北京，618名位於山西及6名位於香港。2015年6月11日的本公司招股章程（「招股章程」）所披露有關員工薪酬、薪酬政策及員工發展的資料並無重大變動。

# Directors and Senior Management

## 董事及高級管理層

### DIRECTORS

#### Executive Director

**Dr. Stephen Xiangdong Zou ("Dr. ZOU")** (鄒向東博士), aged 59, is the primary founder of the Group, an executive director of the Company ("**Director**") and the chairman of the Board. Dr. ZOU is primarily responsible for the Group's overall development and growth strategies, investor and public relations, board governance and supervision of key management issues. Dr. ZOU has been the chairman and chief executive officer of AAG Energy Limited (our then parent Company the "**Parent Company**") since February 2008 and October 2013, respectively. He has been a director, the chief executive officer and chairman of the board of directors of AAGI since July 2004, August 2006 and October 2013, respectively. He was the president of AAGI from July 2005 to October 2013. He has been a director and the president of SAEI since June 2007.

Dr. ZOU has over 31 years of experience in energy resources fields in the U.S. and the PRC, mainly in coal, CBM and petroleum exploration and development. He is considered one of the pioneers of China's CBM industry. From 1999 to 2006, he was a director, executive vice president, president and chief China representative of Asian American Coal, Inc. ("**AACI**") and was responsible for development and implementation of AACI's short-term and long-term work plans, management of its daily operations and business development, including project acquisition, assessment and approvals, contract negotiation and approvals, and partner relations. During this period, he identified and developed two coal mining projects, the Daning coal mine and the Gaohe coal mine, and two CBM projects.

### 董事

#### 執行董事

**鄒向東博士** (「鄒博士」), 59歲, 本集團主要創始人、本公司執行董事(「董事」)及董事會主席。鄒博士主要負責本集團整體發展及增長策略、投資者及公共關係、董事會監管及主要管理層監督事宜。鄒博士自2008年2月及2013年10月起分別擔任AAG Energy Limited (我們當時的母公司(「母公司」))董事會主席及首席執行官。自2004年7月、2006年8月及2013年10月起分別任亞美大陸煤層氣董事、首席執行官及董事會主席, 2005年7月至2013年10月期間擔任亞美大陸煤層氣總裁, 自2007年6月起任美中能源公司董事兼總裁。

鄒博士在美國及中國能源領域(主要為煤炭、煤層氣及石油勘探及開發)方面擁有超過31年經驗, 被視為中國煤層氣行業的先驅之一。1999年至2006年, 曾任亞美大陸煤炭有限公司(「亞美煤炭」)董事、執行副總裁、總裁及中國首席代表, 負責亞美煤炭短期及長期工作計劃的制定及實施、其日常營運及業務發展管理, 包括項目收購、評估及審批、合同磋商及審批以及合作關係。在此期間, 曾識別及開發兩個煤炭開採項目大寧煤礦及高河煤礦, 以及兩個煤層氣項目。

## Directors and Senior Management 董事及高級管理層

Dr. ZOU was the general manager of CBM projects of Phillips China Inc. (菲力浦斯中國有限公司) from 1996 to 1997. He was responsible for the project coordination between Phillips China Inc. and its partners, overall management of the projects, negotiation of the production sharing contract and coordination of the support processes from Phillips China Inc. From 1994 to 1996, Dr. ZOU was the vice president of CBM Energy Associates, L.C. and was responsible for its in-country management, partner relations and business development, including identification, contract negotiation and development of two CBM concessions, which led to the establishment of Shanxi Hedong CBM Company, Ltd., a joint venture established by CBM Energy Associates, L.C., Shanxi Energy Enterprise (Group) Corporation and four other local companies in Shanxi Province, and Fuxin Sino-American CBM Co. Ltd., a joint venture established by CBM Energy Associates, Inc. and Fuxin Energy Development Corporation, as the operators of the CBM concessions. From 1994 to 1997, Dr. ZOU was the vice chairman and general manager for both Shanxi Hedong CBM Company, Ltd. and Fuxin Sino-American CBM Co., Ltd. and managed their daily operations, CBM explorations (drillings and reservoir evaluation), CBM sales contracts' negotiations and partner relations. From 1989 to 1993, while pursuing his doctorate degree at the department of geology and geography of West Virginia University, Dr. ZOU was a teaching assistant as well as a research assistant on a project sponsored by the U.S. Department of Energy entitled "Measuring and Predicting Reservoir Heterogeneity in Complex Deposystems." Prior to that, he worked as an engineer at the branch of geology & exploration, China Central Coal Research Institute (中國煤炭科學研究院地質勘探分院) from 1985 to 1989 and worked at Shanxi No. 2 Coal Geological Exploration Co. (山西煤田地質勘探二隊) from 1975 to 1978. Dr. ZOU obtained a bachelor of engineering degree in coal geology and exploration from Shanxi Mining College (山西礦業學院) in May 1982 and obtained a master degree from China Central Coal Research Institute (中國煤炭科學研究院) in December 1985. Dr. ZOU earned his doctor of philosophy degree in geology from West Virginia University in December 1993.

鄒博士曾於1996年至1997年期間任菲力浦斯中國有限公司煤層氣項目總經理，負責菲力浦斯中國有限公司與其合作夥伴之間的項目協調、項目整體管理、磋商產品分成合同及協調菲力浦斯中國有限公司的支援過程。1994年至1996年，鄒博士曾任CBM Energy Associates, L.C.副總裁，負責其國內管理、夥伴關係及業務發展，包括兩個煤層氣區塊的識別、合同磋商及開發，促使成立了山西河東煤層氣有限公司(一家由CBM Energy Associates, L.C.、Shanxi Energy Enterprise (Group) Corporation及山西省其他四家本地公司成立的合營企業)及阜新中美煤層氣能源有限公司(一家由CBM Energy Associates, Inc.及阜新能源開發公司成立的合營企業)，作為煤層氣區塊的作業者。1994年至1997年，鄒博士曾任山西河東煤層氣有限公司及阜新中美煤層氣能源有限公司董事會副主席及總經理，負責管理該兩家公司的日常營運、煤層氣勘探(鑽探及儲量評估)、磋商煤層氣銷售合同及合作夥伴關係。1989年至1993年，在西維吉尼亞大學地質和地理系攻讀博士學位時，鄒博士也曾擔任助教，以及在美國能源署發起名為「Measuring and Predicting Reservoir Heterogeneity in Complex Deposystems」的項目中擔任研究助理。在此之前，1985年至1989年曾於中國煤炭科學研究院地質勘探分院擔任工程師，1975年至1978年曾於山西煤田地質勘探二隊任職。鄒博士於1982年5月畢業於山西礦業學院，取得煤炭地質與勘探工程學士學位，並於1985年12月畢業於中國煤炭科學研究院，取得碩士學位。鄒博士於1993年12月獲西維吉尼亞大學頒發地質學博士學位。

## Directors and Senior Management 董事及高級管理層

### Non-executive Directors

**Mr. Peter Randall Kagan**, aged 48, is a non-executive Director. Mr. Kagan is primarily responsible for advising on industrial, geological and financial matters. Mr. Kagan was appointed to the Parent Company's board of directors in April 2011. He has also been one of the directors of AAGI and SAEI since April 2011.

Mr. Kagan has over 19 years of experience with energy companies and investments and broad knowledge of the oil and gas industry. He is a partner of Warburg Pincus & Co., and a member and managing director of Warburg Pincus LLC, where he has been employed since 1997 and became a managing director in 2002. Mr. Kagan is also a member of Warburg Pincus LLC's executive management group. Prior to joining Warburg Pincus LLC, he worked in investment banking at Salomon Brothers in both New York and Hong Kong from 1990 to 1993. Currently, Mr. Kagan acts as a director for a number of listed companies. He is an independent non-executive director of MEG Energy Corp. (TSX: MEG), Antero Resources Corporation (NYSE: AR), Antero Resources Midstream Management LLC, Targa Resources Corp. (NYSE: TRGP) and Laredo Petroleum Holdings, Inc. (NYSE: LPI), respectively.

Mr. Kagan served as a director of Targa Resources GP LLC, the general partner of Targa Resources Partners LP (NYSE: NGLS), from February 2007 to February 2013 and of Targa Resources, Inc. (Nasdaq: TRGP) from February 2004 to December 2010, respectively. In addition, he was a director of Broad Oak Energy, Inc. from May 2006 to July 2011.

Mr. Kagan received his bachelor of arts degree cum laude from Harvard College in June 1990. He also obtained both juris doctor and master of business administration degrees with honors from the University of Chicago in June 1997.

**Mr. Gordon Sun Kan Shaw (蕭宇成)**, aged 52, is a non-executive Director. Mr. Shaw is primarily responsible for advising on accounting, internal control and financial matters. Mr. Shaw was appointed to the Parent Company's board of directors in February 2008. He is also one of the authorized representatives of the Company and has been one of the directors of AAGI and SAEI since February 2008 and March 2010, respectively.

### 非執行董事

**Peter Randall Kagan** 先生，48歲，非執行董事。Kagan先生主要負責就行業、地質及財務事宜提供建議。Kagan先生於2011年4月獲委任加入母公司董事會，自2011年4月起也是亞美大陸煤層氣及美中能源公司董事。

Kagan先生積累了超過19年的能源公司及投資從業經驗，且油氣行業知識淵博。他是Warburg Pincus & Co.的合夥人及Warburg Pincus LLC的成員兼董事總經理，自1997年起受僱於Warburg Pincus LLC並於2002年成為其董事總經理。Kagan先生也是Warburg Pincus LLC執行管理小組成員。在加入Warburg Pincus LLC之前，於1990年至1993年期間曾就職於紐約及香港的所羅門兄弟的投資銀行。目前，Kagan先生擔任多家上市公司的董事，分別為MEG Energy Corp. (多倫多證券交易所：MEG)、Antero Resources Corporation (紐約證券交易所：AR)、Antero Resources Midstream Management LLC、Targa Resources Corp. (紐約證券交易所：TRGP)及Laredo Petroleum Holdings, Inc. (紐約證券交易所：LPI)的獨立非執行董事。

Kagan先生分別於2007年2月至2013年2月期間擔任Targa Resources Partners LP (紐約證券交易所：NGLS)的普通合夥人以及Targa Resources GP LLC董事，並於2004年2月至2010年12月期間擔任Targa Resources, Inc. (納斯達克：TRGP)董事。此外，2006年5月至2011年7月曾為Broad Oak Energy, Inc.董事。

Kagan先生於1990年6月以優等成績畢業於哈佛學院，取得文學學士學位；並且以優等成績於1997年6月獲芝加哥大學法學博士及工商管理碩士學位。

**蕭宇成**先生，52歲，非執行董事。蕭先生主要負責就會計、內部監控及財務事宜提供建議。蕭先生於2008年2月獲委任加入母公司董事會。自2008年2月及2010年3月起也分別擔任本公司授權代表之一，和亞美大陸煤層氣及美中能源公司董事。

## Directors and Senior Management 董事及高級管理層

Mr. Shaw has over 21 years of private equity experience with a broad variety of experience in the finance industry across Asia. Mr. Shaw is a managing director of Baring Private Equity Asia Limited. Prior to joining Baring Private Equity Asia Limited in January 1999, Mr. Shaw was a director at Hong Kong-based AIG Investment Corporation (Asia) Ltd., which he joined in September 1993. Mr. Shaw served as a director of Airtac International Group (TT: 1590) from December 2009 to May 2013.

Mr. Shaw received his bachelor of science degree in electrical engineering from Massachusetts Institute of Technology in June 1986 and his master of business administration degree from Columbia University in October 1992. Mr. Shaw is a fellow of Life Office Management Association, Inc (LOMA).

**Mr. Zhen Wei (魏臻)**, aged 45, is a non-executive Director. Mr. Wei is primarily responsible for advising on financial related matters. Mr. Wei was appointed to the Parent Company's board of directors in March 2010. He has been one of the directors of AAGI and SAEI since March 2010.

Mr. Wei joined Warburg Pincus Asia LLC, a wholly owned subsidiary of Warburg Pincus LLC, in 2002 and is currently a managing director leading investments in the consumer and retail, energy and natural resources and industrial sectors. Before that, he worked as a financial analyst at the investment banking division of Morgan Stanley Asia from 1997 to 1999 and a business analyst at McKinsey & Company from 1995 to 1997.

Mr. Wei obtained his bachelor of science degree from University of Texas at Austin in May 1995. He received his Master of Business Administration degree from Harvard Business School in June 2002.

蕭先生從事私募基金工作超過21年，在亞洲各地金融業積累了廣泛經驗。蕭先生現為Baring Private Equity Asia Limited董事總經理。在1999年1月加入Baring Private Equity Asia Limited前，蕭先生曾自1993年9月起加入並擔任香港AIG Investment Corporation (Asia) Ltd.的董事。蕭先生自2009年12月至2013年5月擔任Airtac International Group(TT: 1590)董事。

蕭先生於1986年6月取得麻省理工學院電氣工程理學學士學位；於1992年10月獲哥倫比亞大學工商管理碩士學位。蕭先生是美國壽險管理學會(LOMA)資深會員。

**魏臻先生**，45歲，非執行董事。魏先生主要負責就財務相關的事宜提供建議。魏先生於2010年3月獲委任加入母公司董事會，自2010年3月起擔任亞美大陸煤層氣及美中能源公司董事。

魏先生於2002年加入Warburg Pincus Asia LLC(Warburg Pincus LLC的全資附屬公司)，目前任董事總經理，主管消費者與零售、能源與自然資源及產業部門的投資。在此之前，於1997年至1999年期間任摩根士丹利亞洲投資銀行分部的財務分析師，並在1995年至1997年間任McKinsey & Company的商業分析師。

魏先生於1995年5月取得德克薩斯大學奧斯丁分校理學學士學位；於2002年6月取得哈佛商學院工商管理碩士學位。

## Directors and Senior Management 董事及高級管理層

**Mr. Lei Jin (金磊)**, aged 39, is a non-executive Director. Mr. Jin is primarily responsible for advising on business development matters. Mr. Jin was appointed to the Parent Company's board of directors in June 2013. He has also been a director of AAGI and a director of SAEI both since June 2013.

Mr. Jin has more than 12 years of experience in private equity funds, principle investment, investment banking and corporate finance. Mr. Jin has been a managing director and a member of investment review committee of Chinastone Capital Management Limited since January 2011. Mr. Jin was an assistant to the chairman of a Hong Kong based investment company from June 2008 to December 2010 and served as board secretary to Shantou Dongfeng Printing Co., Ltd. (SHA:601515) from June 2008 to December 2010. He was a vice president of ABN AMRO from February 2007 to May 2008, an executive director of Cathay Fortune Corp. from September 2006 to January 2007, an international business director of a PRC conglomerate from February 2002 to August 2006 and a vice president of a securities company from February 2002 to August 2006.

Mr. Jin obtained his bachelor degree in economics from Shanghai Jiao Tong University in July 1999 and his master of philosophy degree in economics with merits from University of Cambridge in May 2002.

**金磊先生**，39歲，非執行董事。金先生主要負責就業務發展事宜提供建議。金先生於2013年6月獲委任為母公司董事會成員，自2013年6月起一直擔任亞美大陸煤層氣及美中能源公司董事。

金先生在私募股權基金、直接投資、投資銀行及企業融資領域擁有超過12年的從業經驗。金先生自2011年1月起一直擔任濤石股權投資管理公司的董事總經理及投資審查委員會成員。金先生於2008年6月至2010年12月期間任香港投資公司主席助理，並於2008年6月至2010年12月期間擔任汕頭東風印刷股份有限公司(上交所：601515)董事會秘書。他於2007年2月至2008年5月期間擔任ABN AMRO副總裁，於2006年9月至2007年1月期間擔任鴻商集團執行董事，於2002年2月至2006年8月期間擔任一家中國大型企業的國際業務總監，並於2002年2月至2006年8月期間擔任證券公司副總裁。

金先生於1999年7月獲得上海交通大學經濟學學士學位，於2002年5月以優異成績取得劍橋大學經濟學哲學碩士學位。

## Directors and Senior Management 董事及高級管理層

**Dr. Guiyong Cui (崔桂勇博士)**, aged 54, is a non-executive Director. Dr. Cui is primarily responsible for advising on investor relations. Dr. Cui was appointed to the Parent Company's board of directors in May 2014. He was one of the directors of AAGI from July 2004 to June 2006 and has resumed such role since July 2014. He has also been one of the directors of SAEI since July 2014.

Dr. Cui has over 21 years of experience in investment in the energy and resources sectors. He is a managing director of Baring Private Equity Asia Limited and is primarily responsible for the firm's investments in greater China. Prior to joining Baring, he worked as a managing director at HOPU Investment Management Co. Ltd. from May 2008 to September 2009 and became a partner since October 2009. He worked at Morgan Stanley Asia Limited from April 2007 to April 2008 and acted as a managing director of investment banking. From March 2004 to April 2007, he was employed by HSBC Group and held the position of managing director of Global Investment Banking Asia Pacific — Resources and Energy at HSBC Markets (Asia) Limited. From June 2002 to August 2003, he served as head of the investment banking division at ICEA Capital Limited. Dr. Cui was employed by N M Rothschild & Sons and assumed various positions from September 1994 to June 2002 including the position of managing director, investment banking and the chief representative China in N M Rothschild & Sons' Beijing Office. Dr. Cui is currently a non-executive director of China Shengmu Organic Milk Limited (HKSE:1432) since March 2014. He also served as a non-executive director of Winsway Enterprises Holdings Limited (HKSE: 1733) from June 2010 to January 2012.

Dr. Cui obtained his bachelor of engineering degree and master of engineering degree from the University of Science and Technology of Beijing (北京科技大學, previously known as Beijing Steel College (北京鋼鐵學院)) in April 1982 and June 1987, respectively, and his doctor of philosophy degree from the University of Oxford in the United Kingdom in May 1995.

**崔桂勇博士**，54歲，非執行董事。崔博士主要負責就投資者關係提供建議。崔博士於2014年5月獲委任成為母公司董事會成員。於2004年7月至2006年6月期間擔任亞美大陸煤層氣董事，並自2014年7月起重新擔任該職位。自2014年7月起也擔任美中能源公司董事。

崔博士在能源及資源投資領域擁有超過21年的從業經驗，任Baring Private Equity Asia Limited董事總經理，主要負責該公司在大中華地區的投資。在加入Baring之前，他於2008年5月至2009年9月期間擔任HOPU Investment Management Co. Ltd.董事總經理，並自2009年10月起成為合夥人。於2007年4月至2008年4月期間就職於Morgan Stanley Asia Limited，擔任投資銀行部董事總經理。2004年3月至2007年4月期間，其受聘於匯豐集團，擔任HSBC Markets (Asia) Limited全球投資銀行亞太區資源及能源部的董事總經理。2002年6月至2003年8月，擔任工商東亞融資有限公司投資銀行部負責人。崔博士受僱於N M Rothschild & Sons，於1994年9月至2002年6月期間擔任多個職位，包括董事總經理、投資銀行及N M Rothschild & Sons北京辦事處中國區首席代表。崔博士自2014年3月起擔任中國聖牧有機奶業有限公司(香港聯交所：1432)非執行董事，並於2010年6月至2012年1月期間擔任永暉實業控股股份有限公司(香港聯交所：1733)非執行董事。

崔博士分別於1982年4月和1987年6月獲得北京科技大學(原北京鋼鐵學院)工程學學士及碩士學位，並於1995年5月獲得英國牛津大學哲學博士學位。



## Directors and Senior Management

### 董事及高級管理層

**Mr. Saurabh Narayan Agarwal** (appointed on 24 March 2017), aged 36, is a non-executive Director. Mr Agarwal is responsible for advising on human resources and business development matters. Mr. Agarwal is a Managing Director at Warburg Pincus. He joined Warburg Pincus in 2009 and has over eight years of investment experience in the energy sector. He is currently based in Singapore, where he relocated from New York in 2017. Mr. Agarwal focuses on investments in Southeast Asia and also leads the firm's energy investments across the Asia-Pacific region.

Prior to joining Warburg Pincus, Mr. Agarwal worked at Temasek Holdings in Mumbai as Private Equity Investment Associate from March to August 2007, and worked at McKinsey & Company, in New Jersey and New Delhi as Business Analyst from 2004 to 2007.

Mr. Agarwal is currently a director of Solar Mosaic, Inc., a solar project finance company based in Oakland, California. He previously served on the boards of several energy companies, including Competitive Power Ventures, Delonex Energy, RimRock Oil & Gas, RS Energy Group, Trident Energy, Velvet Energy and Venari Resources.

Mr. Agarwal received a degree of bachelor of technology in electrical engineering and a degree of master of technology in electrical engineering with specialization in microelectronics under the dual degree program from the Indian Institute of Technology Bombay in August 2004. He also received a master of business administration degree from the Harvard Business School in June 2009.

**Saurabh Narayan Agarwal** 先生 (於2017年3月24日獲委任)，36歲，非執行董事。Agarwal先生主要負責為人力資源及業務發展提供建議。Agarwal先生就任華平的董事總經理。他於2009年加入華平，在能源領域有超過八年的投資經驗。他目前在新加坡工作，2017年之前他的工作地點在紐約。Agarwal先生專注於在東南亞的投資，並負責公司在亞太地區的能源投資。

加入華平之前，Agarwal先生曾於2007年3月至8月在孟買擔任淡馬錫控股公司的私募股權投資助理，並於2004年至2007年在新澤西和新德里擔任麥肯錫公司的業務分析師。

Agarwal先生目前為Solar Mosaic公司(一家總部位於美國加利福尼亞州奧克蘭市的太陽能工程融資公司)的董事。他曾先後服務於幾家能源公司，包括Competitive Power Ventures、Delonex Energy、RimRock Oil & Gas、RS Energy Group、Trident Energy、Velvet Energy以及Venari Resources。

Agarwal先生於2004年8月獲得了印度理工學院電氣工程技術學士學位和微電子科學碩士學位的雙學位。他還於2009年6月獲得了哈佛商學院的工商管理碩士學位。

# Directors and Senior Management

## 董事及高級管理層

### Independent Non-executive Directors

**Mr. Yaowen Wu (吳耀文)**, aged 73, is an independent non-executive Director. Mr. Wu is primarily responsible for independently overseeing the management. Mr. Wu joined the Group in June 2015.

Mr. Wu has served as chairman of the board of China Coal Energy Group Ltd (中國中煤能源集團有限公司) since October 2008. Mr. Wu served as an outside director of Baosteel Group Co. Ltd (寶鋼集團有限公司) from October 2005 to March 2013. Mr. Wu served as deputy general manager in charge of the overseas business of China National Petroleum Corporation (中國石油天然氣集團公司) from December 1996 to December 2003. Mr. Wu served as one of the board members and vice chairman in Petro China Company Limited (中國石油天然氣股份有限公司) from May 1999 to July 2004. Mr. Wu also served as chief petroleum engineer of the National Energy Ministry of the PRC (國家能源局) from July 1988 to May 1993. Prior to that, Mr. Wu was a general manager of Qinghai Petroleum Administration Bureau (青海石油管理局) from September 1986 to July 1988. He was a deputy general manager of China Offshore Oil Donghai Corporation from July 1983 to October 1986.

Mr. Wu obtained a bachelor of science degree in drilling engineering from the China University of Petroleum (中國石油大學, formerly known as 北京石油學院) in August 1968. Mr. Wu is a senior engineer in professor grade.

**Mr. Robert Ralph Parks**, aged 73, is an independent non-executive Director. Mr. Parks is primarily responsible for independently overseeing the management. Mr. Parks joined the Group in June 2015.

Mr. Parks was appointed as the chairman of Oaktree Capital (Hong Kong) Limited (“Oaktree”), covering the Asia Pacific region from February 2007 until March 2012. He is a member of the board of trustees of Rice University in Houston, Texas in the United States and serves as chairman of the board of Rice Management Company, which oversees the university’s endowment. He was appointed as an adviser to the investment committee of the Carnegie Corporate, a charitable foundation, in New York City. He is also an independent non-executive director of Ambow Education in Beijing, PRC. He recently completed his last term as an independent non-executive director of The Siam Commercial Bank Public Company Limited (SET: SCB) in Bangkok, Thailand.

### 獨立非執行董事

**吳耀文先生**，73歲，獨立非執行董事。吳先生主要負責獨立監督管理。吳先生於2015年6月加入本集團。

吳先生自2008年10月起擔任中國中煤能源集團有限公司董事會主席；自2005年10月至2013年3月擔任寶鋼集團有限公司外部董事；自1996年12月至2003年12月擔任中國石油天然氣集團公司副總經理，主管海外業務；自1999年5月至2004年7月擔任中國石油天然氣股份有限公司董事會成員及副主席；自1988年7月至1993年5月亦擔任國家能源局首席石油工程師。在此之前，吳先生自1986年9月至1988年7月擔任青海石油管理局總經理，並於1983年7月至1986年10月期間擔任中國海洋石油東海公司副總經理。

吳先生於1968年8月獲得中國石油大學(原北京石油學院)鑽探工程理學學士學位。吳先生現為教授級高級工程師。

**Robert Ralph Parks先生**，73歲，獨立非執行董事。Parks先生主要負責獨立監督管理。Parks先生於2015年6月加入本集團。

Parks先生於2007年2月至2012年3月擔任橡樹資本(香港)有限公司(「橡樹資本」)(業務覆蓋亞太地區)主席。作為美國德克薩斯州休斯頓萊斯大學受託人理事會成員，並擔任Rice Management Company董事會主席，負責監督大學捐款。曾獲委任為紐約市一家慈善基金Carnegie Corporate的投資委員會顧問，並曾擔任中國北京安博教育獨立非執行董事。他最近完成了在泰國曼谷的泰國匯商銀行大眾有限公司(泰國證券交易所：SCB)獨立非執行董事的任期。

## Directors and Senior Management 董事及高級管理層

Mr. Parks has over 40 years of experience in investment banking and has held senior management positions in Asia Pacific, Europe and the United States. Prior to joining Oaktree, he was chairman and chief executive officer in JP Morgan Asia Pacific from early 2001 to November 2006. Prior to that, Mr. Parks joined the Beacon Group in 1997 and was a partner from 1998 to 2000. Mr. Parks joined Goldman Sachs & Co. in the beginning of 1981 and became a partner in 1986 and was a limited partner for two years until 1996. Mr. Parks started his investment banking career with Merrill Lynch in 1970. In 1995, Mr. Parks founded Pear Tree Point School in Darien, Connecticut, USA, an independent elementary day school, of which he remains the sole proprietor to the present time.

Mr. Parks obtained his bachelor of arts degree from Rice University in June 1966 and his master of business administration degree from Columbia University in June 1970.

**Mr. Stephen Cheuk Kin Law (羅卓堅)**, aged 54, is an independent non-executive Director. Mr. Law is primarily responsible for independently overseeing the management. Mr. Law joined the Group in July 2016. Through his past and current experience, Mr. Law's professional qualifications and related financial management experience (as mentioned below) have met the requirements under Rule 3.10(2) of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the "Listing Rules").

Prior to joining the Group, Mr. Law was serving as the finance director and a member of the executive directorate of MTR Corporation Limited (HKSE:66) ("MTR"). Prior to MTR, Mr. Law was the chief financial officer at Guoco Group Limited (HKSE:53) ("Guoco"). Prior to Guoco, Mr. Law was a managing director at TPG, one of the largest global private equity funds. Prior to TPG, Mr. Law also worked in direct investment at Morningside. Mr. Law is a member of the Institute of Chartered Accountants in England and Wales and a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA"). Mr. Law is also a council member of HKICPA, and a vice-president of the Hong Kong Business Accountants Association, and an adjunct professor of the Hong Kong Polytechnic University. In addition, Mr. Law was appointed by Ministry of Finance of the PRC (the "MOF") as an expert consultant to advise the MOF on finance and management accounting.

Mr. Law holds a bachelor degree in science (civil engineering) from the University of Birmingham, the United Kingdom and also received a master degree in business administration from the University of Hull, the United Kingdom.

Parks先生在投資銀行方面積累了超過40年的從業經驗，曾在亞太、歐洲及美國出任高級管理職務。加入橡樹資本前，他於2001年初至2006年11月期間擔任摩根大通亞太區主席兼首席執行官。在此之前，Parks先生於1997年加入Beacon Group，於1998年至2000年期間擔任合夥人。Parks先生於1981年初加入Goldman Sachs & Co.，並於1986年成為合夥人，截至1996年其中有兩個年度作為有限合夥人。Parks先生於1970年在Merrill Lynch開始其投資銀行事業。1995年，Parks先生在美國康涅狄格州達裡恩創立了一所獨立走讀小學Pear Tree Point School，截至目前他仍是該小學的唯一擁有人。

Parks先生於1966年6月獲萊斯大學文學學士學位，於1970年6月獲哥倫比亞大學工商管理碩士學位。

**羅卓堅先生**，54歲，獨立非執行董事。羅先生主要負責獨立監督管理。羅先生於2016年7月加入本集團。憑藉其以往和當前的經驗，羅先生具備了香港聯合交易所有限公司證券上市規則（「上市規則」）第3.10(2)條規定的專業資格及相關財務管理經驗（如下文所述）。

加入本集團之前，羅先生就職於香港鐵路有限公司（香港聯交所：66）（「港鐵公司」）並擔任財務總監及執行總監會成員。加入港鐵公司之前，羅先生擔任國浩集團有限公司（香港聯交所：53）（「國浩」）的財務總監。加入國浩之前，羅先生擔任TPG（全球最大的私募股權基金之一）的董事總經理。加入TPG之前，羅先生亦曾任職於晨興的直接投資部門。羅先生為英格蘭及威爾斯特許會計師公會理事會成員，及香港商界會計師協會副會長，以及香港理工大學的副教授。此外，羅先生被中國財政部（「財政部」）委任為專家顧問，以就財務及管理會計事宜向財政部提供意見。

羅先生自英國伯明罕大學取得工科（土木工程）學士學位並自英國赫爾大學取得工商管理碩士學位。

## Directors and Senior Management 董事及高級管理層

**Mr. Fredrick J. Barrett**, aged 56, is an independent non-executive Director. Mr. Barrett is primarily responsible for independently overseeing the management. Mr. Barrett joined the Group in June 2015.

Mr. Barrett has over 31 years of experience in the energy and resources industry. Mr. Barrett currently serves as a non-executive director for Tamboran Resources, a private independent exploration and production oil and gas company headquartered in Sydney, Australia since September 2014. Mr. Barrett also currently serves as chairman of the Compensation Committee for Tamboran. From 2014 to 2015, Mr. Barrett served on an advisory panel and steering committee for Santos Ltd. (ASX: STO), a leading oil and gas producer headquartered in Adelaide, Australia, providing technical and strategic advice on their unconventional programs in Australia. Mr. Barrett served various positions in the Bill Barrett Corporation from 2002 to 2013, which was co-founded by him in January 2002, and he retired in January 2013. He served as president and executive director from January 2002 to July 2006, chief executive officer and chairman of the board from March 2006 to January 2013 and also served as chief operating officer from June 2005 to February 2006 and also served as president from July 2010 to January 2013, respectively. Prior to that, Mr. Barrett was a senior geologist for Barrett Resources in the U.S. Rocky Mountain Region from 1997 to 2001, and a geologist from 1989 to 1996. Mr. Barrett was a partner in the Terred Oil Company from 1987 to 1989, a private oil and gas partnership providing geologic services for the U.S. Rocky Mountain Region. Mr. Barrett worked as a project and wellsite geologist intern-in-training for various periods for Barrett Resources from 1983 to 1986, and held similar training internship roles for various periods for Barrett Energy and Aeon Energy from 1981 to 1983.

Mr. Barrett obtained his Bachelor of Science and master of science degrees in geology from Ft. Lewis College, Durango, Colorado, USA and Kansas State University, Manhattan Kansas, USA in April 1984 and March 1989, respectively. Mr. Barrett graduated from the Harvard Business School Advanced Management Program in May 2005.

**Fredrick J. Barrett** 先生，56歲，獨立非執行董事。Barrett 先生主要負責獨立監督管理。Barrett 先生於2015年6月加入本集團。

Barrett 先生在能源及資源行業擁有超過31年的從業經驗。Barrett 先生自2014年9月起至今擔任Tamboran Resources非執行董事，該公司是一家總部設於澳大利亞悉尼的私人獨立石油及天然氣勘探及生產公司。Barrett 先生目前也在擔任Tamboran的薪酬委員會主席。自2014年至2015年，Barrett 先生就職於Santos Ltd. (澳大利亞證券交易所：STO)的顧問團及指導委員會，該公司是總部設於澳大利亞阿德萊德的主要石油及天然氣生產商，在澳大利亞就非常規方案提供技術及策略意見。Barrett 先生自2002年至2013年擔任Bill Barrett Corporation多個職位，該公司由其本人於2002年1月聯合創辦並於2013年1月退任。他分別自2002年1月至2006年7月擔任總裁兼執行董事，自2006年3月至2013年1月擔任行政總裁兼董事會主席，自2005年6月至2006年2月擔任首席運營官以及自2010年7月至2013年1月擔任總裁。在此之前，Barrett 先生分別自1997年至2001年擔任美國石質山區Barrett Resources的高級地質工程師，並自1989年至1996年擔任地質工程師。Barrett 先生自1987年至1989年任Terred Oil Company合夥人，該公司為私人石油及天然氣普通合夥企業，為美國石質山區提供地質服務。Barrett 先生在1983年至1986年期間多次就任Barrett Resources一個鈣交沸石項目的實習地質工程師，並在1981年至1983年期間在Barrett Energy及Aeon Energy多次擔任類似實習培訓角色。

Barrett 先生分別於1984年4月和1989年3月取得美國科羅拉多州杜蘭戈Ft. Lewis College地質學理學學士學位，以及美國堪薩斯州曼哈頓的堪薩斯州立大學碩士學位。Barrett 先生於2005年5月完成哈佛商學院進階管理課程。

# Directors and Senior Management

## 董事及高級管理層

### SENIOR MANAGEMENT

**Mr. Jing Li (李京)**, aged 47, is the chief executive officer and the president of the Company. Mr. Li was the co-chief executive officer and the president of the Company from October 2013 to October 2016. He has been the president of the Parent Company since October 2013. He was the senior vice president and the vice president of business development of the Parent Company from March 2011 to October 2013 and from February 2008 to March 2011, respectively. He was the vice president of business development of AAGI from February 2008 to October 2013 and has been the president of AAGI since October 2013. He is primarily responsible for the Group's overall development and growth strategies, operations, the technical group, health and safety matters, as well as government and partner relations, sales and marketing, human resource managements and public relationships.

Mr. Li has over 17 years of experience in business development, project management and marketing and sales management in CBM and coal exploration and development business. Before joining the Group, from December 1999 to June 2008, he held various positions with AACI including deputy president of business development, business development director, project manager and marketing manager.

Mr. Li worked as a sales manager in Beijing Micromatic Machinery Co., Ltd. (北京邁克羅邁帝克機械有限公司) from June 1995 to May 1997 and a mechanical engineer in Capital Steel Corporation (首都鋼鐵集團) from July 1992 to May 1995.

Mr. Li obtained his bachelor degree in engineering from Shanghai Jiao Tong University (上海交通大學) in July 1992 and his bachelor degree in economics from Peking University (北京大學) in August 1998. He received his master of business administration degree from China Europe International Business School (中歐國際工商學院) in April 2000.

### 高級管理層

**李京先生**，47歲，本公司首席執行官及總裁。李先生自2013年10月至2016年10月擔任本公司聯合首席執行官及總裁。李先生自2013年10月起擔任母公司總裁。他分別於2011年3月至2013年10月期間及2008年2月至2011年3月期間擔任母公司高級副總裁及業務開發副總裁，於2008年2月至2013年10月期間任亞美大陸煤層氣業務開發副總裁，並自2013年10月起擔任亞美大陸煤層氣總裁。其主要負責本集團的整體業務開發及增長策略、經營、技術團隊、環境健康及安全事宜，還有政府及合作對方關係、銷售及市場推廣、人力資源管理及公共關係。

李先生積累了超過17年的煤層氣業務開發、項目管理和市場推廣與銷售管理經驗，以及煤炭勘探開發業務經驗。在加入本集團之前，從1999年12月至2008年6月，他在亞美煤炭歷任多個職務，包括業務開發副總裁、業務開發總監、項目經理及市場推廣經理。

1995年6月至1997年5月，李先生在北京邁克羅邁帝克機械有限公司擔任銷售經理；1992年7月至1995年5月，李先生於首都鋼鐵集團擔任機械工程師。

李先生於1992年7月取得上海交通大學工程學學士學位，於1998年8月取得北京大學經濟學學士學位，於2000年4月取得中歐國際工商學院工商管理碩士學位。

## Directors and Senior Management 董事及高級管理層

**Mr. Allen Mak (麥雅倫)**, aged 55, is the Company's chief financial officer. Mr. Mak has been the chief financial officer since August 2014. He is primarily responsible for financing, financial reporting, budget planning, internal control, project evaluation and financial management operations of the Group.

Mr. Mak has over 32 years of experience in finance and accounting. He was previously an executive director, joint company secretary and chief financial officer of MIE Holdings Corporation (HKSE: 1555), a company listed on the Stock Exchange. Mr. Mak worked at MIE Holdings Corporation from 2008 until he joined the Group. He was also previously the chief financial officer of CITIC 21CN Company Limited (HKSE: 0241), a company listed on the Stock Exchange, for over three years.

Prior to his career as a chief financial officer, Mr. Mak was an investment banker and had over eleven years of experience in investment banking. He was an assistant director at Peregrine, executive director at Citicorp and the managing director and head of the investment banking group of a securities firm based in Hong Kong. Mr. Mak also worked in the private equity business for over three years as an investment director at CVC Asia Capital and Citicorp. Prior to Mr. Mak's career in investment banking and private equity, he worked for seven years in the accounting profession at Price Waterhouse (subsequently renamed as PricewaterhouseCoopers) in Hong Kong, and KPMG and Deloitte in Canada.

Mr. Mak obtained his bachelor degree in commerce and business administration from the University of British Columbia in Canada in May 1984. He is a chartered accountant certified by the Canadian Institute of Chartered Accountants.

麥雅倫先生，55歲，本公司首席財務官。麥先生自2014年8月起擔任母公司財務總監。他主要負責本集團的融資、財務申報、預算計劃、內部監控、項目估值及營運的財務管理。

麥先生擁有超過32年的財務及會計經驗。他曾擔任聯交所上市公司MI能源控股有限公司（香港聯交所：1555）執行董事及首席財務官。麥先生自2008年起任職於MI能源控股有限公司，直至加入本集團。他也曾在聯交所上市公司中信21世紀有限公司（香港聯交所：0241）擔任首席財務官超過三年。

在擔任首席財務官之前，麥先生是一名投資銀行家，擁有超過11年的投資銀行經驗。他曾擔任百富勤董事助理、花旗公司執行董事以及一家香港證券公司的投資銀行部董事總經理及負責人。麥先生也曾於CVC Asia Capital及花旗銀行私募股權投資業務部擔任投資總監超過三年。在麥先生從事投資銀行及私募股權投資之前，他曾在香港普華永道會計師事務所（後更名為羅兵咸永道會計師事務所）以及加拿大畢馬威會計師事務所及德勤擔任會計師七年。

麥先生於1984年5月獲得英屬哥倫比亞大學工商管理學士學位。他是加拿大特許會計師協會認證的特許會計師。

## Directors and Senior Management 董事及高級管理層

**Ms. Yang Lin (林揚)**, aged 43, is the Company's chief legal officer. She has been the chief legal officer since October 2013 and the chief legal officer of AAGI since October 2013, respectively. She is also the corporate secretary of AAGI. Ms. Lin was appointed as the Company's joint company secretary in March 2015. She is primarily responsible for the Group's general legal matters and corporate compliance.

Ms. Lin has over 20 years of experience in providing legal advice, in particular nine years of experience in providing legal advice on CBM-specific matters. Ms. Lin served numerous positions in the Group since she joined the Group in February 2006. She was the vice president and general counsel of the Parent Company from February 2008 to October 2013. She was the vice president and general counsel and corporate secretary of AAGI from February 2008 to October 2013 and was the general counsel of AAGI from August 2006 to February 2008. She was the vice president of legal and general counsel of AACI from February 2006 to June 2008.

Before joining the Group, Ms. Lin worked as an associate with Baker & Daniels LLP from February 2004 to February 2006 and as the legal counsel of China Minmetals Corporation (中國五礦集團公司) from August 1995 to August 2002.

Ms. Lin obtained her bachelor of law degree from University of International Business and Economics (對外經濟貿易大學) in June 1995 and her master of laws degree from New York University School of Law in May 2003. She was admitted to the New York State and the PRC bars in November 2004 and October 1996, respectively.

**林揚女士**，43歲，本公司首席法務官。她自2013年10月起分別擔任母公司首席法務官和亞美大陸煤層氣首席法務官，並且是亞美大陸煤層氣公司秘書。林女士於2015年3月獲委任成為本公司的聯席公司秘書。她主要負責本集團的一般法律事務和公司合規事務。

林女士在提供法律意見方面擁有超過20年的經驗，特別是為煤層氣特定事項提供法律意見方面擁有9年從業經驗。林女士自2006年2月加入本集團以來擔任過多個職位：2008年2月至2013年10月期間擔任母公司副總裁及法務總監；2008年2月至2013年10月期間任亞美大陸煤層氣副總裁、法務總監及公司秘書；2006年8月至2008年2月期間任亞美大陸煤層氣法務總監；2006年2月至2008年6月期間擔任亞美煤炭法律副總裁及法務總監。

加入本集團之前，林女士於2004年2月至2006年2月期間擔任Baker & Daniels LLP律師職務，並於1995年8月至2002年8月期間擔任中國五礦集團公司法律顧問。

林女士於1995年6月取得對外經濟貿易大學法學學士學位，2003年5月取得紐約大學法學院法學碩士學位。她分別於2004年11月和1996年10月獲紐約州和中國律師執照。

## Directors and Senior Management 董事及高級管理層

**Mr. ShuXing Dong (董樹星)**, aged 47, has been the vice president of technology since June 2016. He is primarily responsible for leading the technology team of the Company for project implementation and development. He is mainly responsible for the field development and management and provision of technical guidance and support for operations.

Mr. Dong has over 24 years of diversified experiences in the oil and gas industry, including conventional oil/gas reservoir, heavy oil and unconventional gas (CBM). From 2002 to May 2016, he held various positions with ConocoPhillips, an independent E&P company, including reservoir engineer, senior reservoir engineer, reservoir engineering supervisor and chief reservoir engineer. From 1997 to 2002, he was a reserve/completion engineer in Phillips China Inc.. From 1992 to 1997, he held positions of assistant engineer and engineer in China Coal Research Institute Xi'an Branch.

Mr. Dong received his bachelor degree in Production Engineering from Xi'an Petroleum University in China in 1992 and his MBA degree from Vlerick Leuven Gent Management School in 2012.

**Mr. Jeffrey Lobao**, aged 58, has been the Company's vice president of business development — Southeast Asia since March 2016. He is primarily responsible for seeking, coordinating and executing potential merger, acquisition or other new business opportunity of the Company.

Before joining the Group, he was the chief executive officer and the managing partner of Matrix Capacity Petroleum from 2013 to 2015, responsible for E&P area. In 2012, he served as an independent energy advisor for several oil and gas companies in Southeast Asia, providing E&P consulting services. He served as new ventures manager from 2006 to 2008 and managing director from 2008 to 2012 in Lundin Petroleum, a Swedish independent oil and gas exploration and production company. From 1985 to 2006, he held various positions in Royal Dutch Shell Petroleum, an energy and petrochemical company, including senior seismic interpreter/geologist, principal seismic interpreter/geologist, and business opportunity coordinator in Asia Pacific, exploration manager and manager of exploration and new business in Asia Pacific region.

Mr. Lobao received his bachelor degree in Geology from Northeastern University in Boston and his Master degree in Geology from Louisiana State University in the United States.

**董樹星**，47歲，本公司技術副總裁。董先生自2016年6月擔任本公司技術副總裁。他主要負責領導公司的技術團隊進行項目實施和開發。他主要負責氣田開發和管理，對運營提供技術指導和支援。

董先生在油氣行業有24年豐富的技術和管理經驗，包括常規油氣藏，重油和非常規天然氣（煤層氣）等。2002年至2016年五月，董先生在康菲石油公司（一家獨立的勘探開採公司）任職多個崗位，包括油藏工程師，高級油藏工程師、油藏工程主管和首席油藏工程師。1997至2002年，他在康菲中國公司擔任油藏／完井工程師。1992至1997年，他在中國煤炭研究總院西安分院任助理工程師和工程師職位。

董先生於1992年在西安石油大學取得採油工程學士學位，並於2012年獲得Vlerick Leuven Gent Management School工商管理碩士學位。

**Jeffrey Lobao**先生，58歲，本公司業務發展東南亞地區副總裁。Lobao先生於2016年3月擔任本公司業務發展東南亞地區副總裁。他主要負責尋找、協調和執行公司潛在的兼併、收購或其他新的商業機會。

在加入本集團之前，他在2013至2015年期間擔任Matrix Capacity Petroleum公司首席執行官和執行合夥人，負責勘探和開採領域。2012年，他擔任東南亞多家石油和天然氣公司的獨立能源顧問，提供勘探和開採諮詢服務。他自2006到2008年擔任Lundin Petroleum公司（一家瑞典的獨立石油和天然氣勘探和生產公司）的新項目經理，並於2008至2012年擔任常務理事。從1985到2006年，他在Royal Dutch Shell Petroleum（一家能源和石油化工公司）擔任多個職務，包括高級地震解釋／地質學家，首席高級地震解釋／地質學家，和亞太地區商業機會協調員，勘探經理和亞太地區勘探和新業務經理。

Lobao先生獲得波士頓東北大學地質學學士學位和美國路易斯安那州立大學地質學碩士學位。



## Directors and Senior Management 董事及高級管理層

**Mr. Lijun Pan (潘利軍)**, aged 44, has been the vice president of commercial since November 2016. He is in charge of exploration, business development (China), marketing & sales, procurement, project support, mineral rights management, and contract management. Mr. Pan has over 8 years of experience in new project development, project management, exploration operation and reserve certification and pilot development before commercial production in the CBM business. Mr. Pan served several positions since he joined our Group in August 2008. Mr. Pan was exploration director and general manager for Inner Mongolia projects from February 2012 to September 2016. He was project manager of Mabi project during November 2011 to February 2012 and then promoted for general manager of Mabi project during January 2010 to February 2012. He was a new business development manager from August 2008 to January 2010.

Before joining our Group, Mr. Pan was a senior manager in Beijing Mainstream Technology Co., Ltd. from March 2008 to August 2008 and the senior project development manager in LK Group of HK Company from March 2005 to March 2008. Mr. Pan worked as an engineer and department head in Yanshan Petro-chemical Company of Sinopec from June 1996 to September 2003.

Mr. Pan obtained his bachelor's degree in Polymer Manufacturing and Machinery from Sichuan University (formerly known as "Chengdu Science & Technology University") in June 1996 and his international MBA degree from a joint MBA program supported by Tsinghua University, School of Economics & Management and MIT Sloan School of Management in June 2005.

**潘利軍先生**，44歲，本公司商務副總裁。潘先生於2016年11月擔任本公司商務副總裁。他負責管理勘探、中國區新項目開發、市場和銷售、採購、項目支援和礦權管理以及合同管理。潘先生於煤層氣業務有超過8年的新項目發展、項目管理、勘探運營和商業性開發前的儲藏認證和先導性開發等工作經驗。潘先生自2008年8月加入本集團以來，於本集團擔任多個職位。潘先生於2012年2月至2016年9月期間擔任勘探總監兼內蒙項目總經理，並於2011年11月至2012年2月期間擔任馬必項目副總經理，2010年1月至2011年11月期間作為馬必項目經理。自2008年8月至2010年1月為公司新項目發展經理。

加入本集團之前，潘先生於2008年3月至2008年8月任北京主流世紀科技公司高級經理；2005年3月至2008年3月任香港力勁集團高級項目發展經理；1996年7月至2003年9月任中國石化燕化集團下屬分公司技術員及部門負責人。

潘先生於1996年6月取得四川大學(原成都科技大學)高分子加工及機械專業工學學士學位，及於2005年6月取得清華大學經管學院與麻省理工斯隆學院聯合舉辦的國際工商管理碩士學位。

## Directors and Senior Management 董事及高級管理層

**Mr. Bing Wang (王冰)**, aged 47, is the Company's vice president of government liaison. Mr. Wang has been the vice president of government liaison of the Parent Company since November 2013. Mr. Wang served numerous positions in the Group since he joined the Group in June 2005. He is primarily responsible for government relations and project approvals and support.

Mr. Wang has over 12 years of experience in project management, sales and marketing in the CBM business. Mr. Wang served as a director of operation from February 2012 to November 2013 and as a general manager of Panzhuang Project from October 2008 to February 2012. He was one of the Company's core team members to conduct exploration and pilot operation tests for the Panzhuang Project. He was a business development manager of AAGI from January 2007 to September 2008 and a sales manager of AAGI from June 2005 to December 2006.

Before joining the Group, he was a vice general manager in Shanxi Kotel Micro Technique Co., Ltd. (山西科泰微技術有限公司) from September 2001 to May 2005 and the marketing manager in the Beijing branch of American ATMEL Company from July 1997 to September 2001. Mr. Wang worked as a regional manager in Shanghai Jiahua United Company Limited (上海家化公司) from December 1995 to July 1997 and a branch manager in the Beijing branch of American NCH Company from December 1993 to December 1995.

Mr. Wang obtained his bachelor's degree in metallic material engineering from Northeast Heavy Machinery Institute (東北重型機械學院) in September 1992 and his master's degree in business administration from the Open University of Hong Kong in December 2000.

王冰先生，47歲，本公司政府聯絡副總裁。王先生自2013年11月起擔任母公司政府聯絡部副總裁。他自2005年6月加入本集團以來擔任過多個職位。他主要負責政府公開及項目審批支持。

王先生在煤層氣業務領域積累了超過12年的項目管理、銷售及市場推廣經驗。他在2012年2月至2013年11月期間擔任營運總監，並在2008年11月至2012年2月期間任潘莊項目總經理，成為該項目勘探及試營運測試核心團隊成員之一。他在2007年1月至2008年9月任亞美大陸煤層氣業務發展經理，並於2005年6月至2006年12月任亞美大陸煤層氣銷售經理。

加入本集團之前，他在2001年9月至2005年5月期間任山西科泰微技術有限公司副總經理；1997年7月至2001年9月，任American ATMEL Company北京分公司市場推廣經理；1995年12月至1997年7月，任上海家化公司區域經理；1993年12月至1995年12月，任American NCH Company北京分公司經理。

王先生於1992年9月取得東北重型機械學院金屬材料工程學學士學位，並於2000年12月取得香港公開大學工商管理碩士學位。

# Report of the Directors

## 董事會報告

The Board is pleased to present its report and the audited consolidated financial statements of the Group for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The Company is the leading independent CBM producer in China. The Company focuses on the development and value optimization of unconventional gas resources to supply clean energy to the Chinese economy. Details of the principal activities of the principal subsidiaries of the Group are set out in note 29 to the section headed "Consolidated Financial Statements" of this annual report. There were no significant changes in the nature of the Group's principal activities during the year ended 31 December 2016.

### BUSINESS REVIEW

A review of the business of the Group during the year ended 31 December 2016 and a discussion on the Group's future business development are provided in the section headed "Chairman's Statement" of this annual report. Description of possible risks and uncertainties that the Group may be facing can be found in the section headed "Chairman's Statement" of this annual report. In addition, the financial risk management objectives and policies of the Group can be found in note 3 to the section headed "Consolidated Financial Statements" of this annual report. An analysis of the Group's performance during the year ended 31 December 2016 using financial key performance indicators is provided in the section headed "Management Discussion and Analysis" of this annual report. Further, discussions on the Group's environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the sections headed "Chairman's Statement", "Report of the Directors", "Environmental, Social and Governance Report" and "Corporate Governance Report" of this annual report, respectively. Discussions and information therein form part of this report of the Directors.

### RESULTS

The results of the Group for the year ended 31 December 2016 are set out in the section headed "Consolidated Financial Statements" of this annual report.

### FINAL DIVIDEND

The Board did not recommend the payment of a final dividend for the year ended 31 December 2016.

董事會欣然提呈本報告以及本集團截至2016年12月31日本年度經審核合併財務報表。

### 主要業務及附屬公司

本公司是中國領先的獨立煤層氣生產商，專注於非常規天然氣資源的開發及價值優化，為中國經濟供應清潔能源。本集團主要附屬公司的主要業務詳情載於本年報「合併財務報表」一節附註29。本年度截至2016年12月31日，本集團主要業務性質並無重大變化。

### 業務回顧

本集團本年度截至2016年12月31日的業務回顧及有關本集團未來業務發展的探討，載於本年報「主席報告」一節。本集團可能面臨的風險和不確定因素詳述於本年報「主席報告」一節。此外，本集團財務風險管理目標及政策載於本年報「合併財務報表」一節附註3。本集團本年度截至2016年12月31日運用關鍵財務業績指標的業績分析，載於本年報「管理層討論及分析」一節。此外，有關本集團環境政策、與主要權益持有人之關係以及對本集團有重大影響的相關法律及法規合規情況探討，請分別參見本年報「主席報告」、「董事會報告」、「環境、社會及管治報告」及「企業管治報告」各節。該類章節的討論和資料屬於董事會報告一部分。

### 業績

本集團本年度截至2016年12月31日的業績載於本年報「合併財務報表」一節。

### 末期股息

董事會並無建議派付截至2016年12月31日止年度的末期股息。

# Report of the Directors

## 董事會報告

### USE OF PROCEEDS FROM THE COMPANY'S INITIAL PUBLIC OFFERING

The total net proceeds from the Listing which involved the issue of 761,400,000 shares of the Company (the "Shares") amounted to approximately RMB1,506.9 million received by the Company after deduction of the underwriting commissions and other estimated expenses. As of 31 December 2016, RMB235.0 million of the proceeds had been utilized. The net proceeds were and will continue be used in accordance with the proposed applications set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus which includes the funding of capital expenditure set out in the section headed "Management Discussion and Analysis — Outlook and Guidance for 2017" of this annual report.

### PROPERTY, PLANT AND EQUIPMENT AND REVENUE GENERATING ASSETS

Details of movements in the property, plant and equipment, and revenue generating assets of the Group during the year ended 31 December 2016 are set out in note 7 to the section headed "Consolidated Financial Statements" of this annual report, respectively.

### BANK LOANS AND OTHER BORROWINGS

Details of bank loans and other borrowings during the year ended 31 December 2016 are set out in note 16 to the section headed "Consolidated Financial Statements" of this annual report.

### SHARE CAPITAL AND SHARE INCENTIVE SCHEMES

Details of movements in the Company's share capital and share incentive schemes are set out in notes 13 and 21 to the section headed "Consolidated Financial Statements" and of this annual report and the paragraph headed "Share Incentive Schemes" below, respectively.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles") the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to existing shareholders.

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities for the year ended 31 December 2016.

### 本公司上市所得款項用途

經扣除承銷佣金及其他估計開支後，本公司獲得涉及發行761,400,000股本公司股份(「股份」)之上市所得款項淨額合共約為人民幣1,506.9百萬元。於2016年12月31日，人民幣235.0百萬元的上市所得款項已被使用。所得款項淨額將用作招股章程「未來計劃及所得款項用途—所得款項用途」一節所載的相同用途，包括撥付本年報「管理層討論及分析—2017年展望及指引」一節所述資本開支。

### 物業、廠房及設備與創收資產

本集團本年度截至2016年12月31日物業、廠房及設備與創收資產的變動詳情分別載於本年報「合併財務報表」一節附註7。

### 銀行貸款及其他借款

本集團本年度截至2016年12月31日銀行貸款及其他借款的詳情載於本年報「合併財務報表」一節附註16。

### 股本及股權激勵計劃

本公司股本及股權激勵計劃的變動詳情分別載於本年報「合併財務報表」一節附註13和21，以及下文「股權激勵計劃」一段。

### 優先購買權

本公司組織章程細則(「細則」)或開曼群島法例並無優先購買權的相關條款規定本公司須向現有股東按比例發售新股。

### 購買、出售或贖回上市證券

截至2016年12月31日止年度，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

# Report of the Directors

## 董事會報告

### CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the annual general meeting (“AGM”), the register of members of the Company (the “Register of Members”) will be closed from 4 May 2017 to 9 May 2017, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, all transfer form of shares of the Company, accompanied by the relevant share certificates, must be lodged with the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on 2 May 2017, being the first business day before the first day of closure of the Register of Members.

### RESERVES

Details of reserve movement of the Company during the year ended 31 December 2016 are set out in note 30(b) to the section headed “Consolidated Financial Statements” of this annual report, respectively.

### DISTRIBUTABLE RESERVES

As at 31 December 2016, the accumulated deficits to be made up of the Company was approximately RMB125.4 million.

### CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2016, the Group made no charitable contributions.

### MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2016, the sales to the Group’s five largest customers accounted for 87% of the total sales for the year ended 31 December 2016 and sales to the largest customer included therein amounted to 31.5%.

For the year ended 31 December 2016, the purchases from the Group’s five largest suppliers accounted for 25.37% of the total purchases for the year ended 31 December 2016 and purchases from the largest supplier included therein amounted to 6.57%.

None of the directors of the Company or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company’s share capital) had any beneficial interest in the Group’s five largest customers and suppliers.

For the year ended 31 December 2016, there was no material and significant dispute between the Group and its suppliers and/or customers.

### 暫停辦理股東登記

為決定出席股東週年大會(「股東週年大會」)並在會上投票的權利，本公司將於2017年5月4日至2017年5月9日(包括首尾兩日)暫停辦理股東登記(「股東登記」)手續，在此期間，本公司將不會受理任何股份過戶登記。為符合資格參加股東週年大會並在會上投票，股東須不晚於2017年5月2日(即暫停辦理股東登記首日前的營業日)下午四時三十分，將本公司所有股份過戶表格連同有關股票送達本公司香港證券登記處香港中央證券登記有限公司(地址：香港灣仔皇后大道東183號合和中心17樓1712–1716室)，以辦理登記。

### 儲量

有關本公司本年度截至2016年12月31日儲量的變動詳情載於本年報「合併財務報表」附註30(b)。

### 可分派儲量

截至2016年12月31日，本公司累計虧損約為人民幣1.254億元。

### 慈善捐款

本年度截至2016年12月31日，本集團未作出慈善捐款。

### 主要客戶及供應商

本年度截至2016年12月31日，面向本集團五大客戶的銷售額佔該年度銷售總額的87%，其中對最大客戶銷售額佔31.5%。

本年度截至2016年12月31日，來自本集團五大供應商的採購額佔該年度採購總額的25.37%，其中來自最大供應商的採購額佔6.57%。

本公司董事或其他任何緊密連絡人或任何股東(含其他根據董事所知範圍持有本公司股本5%以上人員)均未在本集團五大客戶及供應商處擁有任何實益權益。

本年度截至2016年12月31日，本集團與供應商和/或客戶之間均無嚴重或重大糾紛。

# Report of the Directors

## 董事會報告

### DIRECTORS

The directors of the Company during the year ended 31 December 2016 and up to the date of this annual report were:

Executive Director	Date of Appointment
Dr. Stephen Xiangdong ZOU (Chairman)	(appointed on 28 January 2015)

#### Non-executive Directors

Mr. Peter Randall KAGAN	(appointed on 28 January 2015)
Mr. Gordon Sun Kan SHAW	(appointed on 28 January 2015)
Mr. Zhen WEI	(appointed on 28 January 2015)
Mr. Zhijie ZENG	(retired on 28 April 2016)
Mr. Lei JIN	(appointed on 28 January 2015)
Dr. Guiyong CUI	(appointed on 28 January 2015)
Dr. Bo BAI	(resigned on 28 February 2017)
Mr. Saurabh Narayan AGARWAL	(appointed on 24 March 2017)

#### Independent non-executive Directors

Mr. Yaowen WU	(appointed on 5 June 2015)
Mr. Robert Ralph PARKS	(appointed on 5 June 2015)
Dr. Tin Yau Kelvin WONG	(retired on 28 April 2016)
Mr. Stephen Cheuk Kin LAW	(appointed on 2 July 2016)
Mr. Fredrick J. BARRETT	(appointed on 5 June 2015)

### DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the current Directors and the senior management of the Group are set out in the section headed "Directors and Senior Management" of this annual report. Save as disclosed therein, there was no other matter with respect to the appointment of the Directors that need to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the date of this annual report.

### DIRECTORS' SERVICE CONTRACTS

The executive Director has entered into a services agreement with the Company for a term of three years commencing from the Listing Date subject to the relevant provisions of retirement by rotation and re-election at the annual general meeting(s) of the Company (the "AGM(s)") of the Company in accordance with the Articles. Each of the non-executive Directors has signed a letter of appointment with the Company for a term of three years subject to the relevant provisions of retirement by rotation and re-election at the AGMs of the Company in accordance with the Articles.

### 董事

本年度截至2016年12月31日，至本年報日期，本公司董事名單如下：

執行董事	委任日期
鄒向東博士 (主席)	(於2015年1月28日獲委任)

#### 非執行董事

Peter Randall KAGAN 先生	(於2015年1月28日獲委任)
蕭宇成先生	(於2015年1月28日獲委任)
魏臻先生	(於2015年1月28日獲委任)
曾之傑先生	(於2016年4月28日退任)
金磊先生	(於2015年1月28日獲委任)
崔桂勇博士	(於2015年1月28日獲委任)
白波博士	(於2017年2月28日辭職)
Saurabh Narayan AGARWAL 先生	(於2017年3月24日獲委任)

#### 獨立非執行董事

吳耀文先生	(於2015年6月5日獲委任)
Robert Ralph PARKS 先生	(於2015年6月5日獲委任)
黃天祐博士	(於2016年4月28日退任)
羅卓堅先生	(於2016年7月2日獲委任)
Fredrick J. BARRETT 先生	(於2015年6月5日獲委任)

### 董事及高級管理層履歷

本集團現有董事及高級管理層履歷詳情載於本年報「董事及高級管理層」一節。截至本年報日期，除本年報所披露者外，均無涉及委任董事之其他事項須提請股東注意，也無涉及董事的任何資訊須根據上市規則第13.51(2)(h)至(v)條進行披露。

### 董事服務合約

執行董事已與本公司訂立服務協定，自上市日期起為期三年，須遵守根據細則於本公司股東週年大會輪值退任及膺選連任的相關條款。各非執行董事已與本公司簽署委任函件，自上市日期起為期三年，須遵守根據細則於本公司股東週年大會輪值退任及膺選連任的相關條款。

# Report of the Directors

## 董事會報告

In accordance with the Articles, Dr. Stephen Xiangdong Zou, Mr. Gordon Sun Kan Shaw, Mr. Robert Ralph Parks, Mr. Fredrick J. Barrett, Mr. Stephen Cheuk Kin Law and Mr. Saurabh Narayan Agarwal, will retire at the forthcoming AGM and, Dr. Stephen Xiangdong Zou, Mr. Gordon Sun Kan Shaw, Mr. Robert Ralph Parks, Mr. Fredrick J. Barrett, Mr. Stephen Cheuk Kin Law and Mr. Saurabh Narayan Agarwal being eligible, have offered themselves for re-election.

### DIRECTORS' INTERESTS IN CONTRACTS, TRANSACTIONS AND ARRANGEMENTS OF SIGNIFICANCE

Save as disclosed in this annual report, no contracts, transactions and arrangements of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year ended 31 December 2016 or at any time during the year ended 31 December 2016.

### DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors and those of the five highest paid individuals are set out in notes 32 and 21 to the section headed "Consolidated Financial Statements" of this annual report. The remunerations of the Directors are determined based on the market price and contribution made by such Directors to the Company. There has been no arrangement under which any Director has waived or agreed to waive any emoluments.

### CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmations of independence from each of the independent non-executive Directors and as at the date of this annual report still considers them to be independent.

### MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Group were entered into or existed during the year ended 31 December 2016.

### PERMITTED INDEMNITY

The Articles provides that each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her officer or otherwise in relation thereto. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

根據細則，鄒向東博士、蕭宇成先生、Robert Ralph Parks先生、Fredrick J. Barrett先生、羅卓堅先生及Saurabh Narayan Agarwal先生將在即將到來的股東週年大會退任，鄒向東博士、蕭宇成先生、Robert Ralph Parks先生、Fredrick J. Barrett先生、羅卓堅先生及Saurabh Narayan Agarwal先生符合資格申請膺選連任。

### 董事在重大合約、交易及安排方面的權益

除本年報所披露人員外，董事均未在本公司或其任何附屬公司訂立與本集團業務有重大關係、並且在本年度截至2016年12月31日或在此期間任何時間仍然有效的合約、交易及安排中，直接或間接擁有重大權益。

### 董事酬金

董事及五位享受最高薪酬人士的酬金詳情載於本年報「合併財務報表」一節附註32及21。董事薪酬根據市價及相關董事對本公司的貢獻而決定。無任何董事放棄或同意放棄任何酬金的安排。

### 確認獨立非執行董事的獨立性

本公司已收到各獨立非執行董事就獨立性發出的年度確認函，截至本年報日期，本公司仍認為他們均為獨立人士。

### 管理合約

本年度截至2016年12月31日均未訂立或存在任何有關本集團全部或任何重大部分業務的管理和行政合約。

### 准許補償

細則規定，本公司各董事或其他高級職員可從本公司的資產中獲取補償，以補償他們履行職責時或就此在其他方面蒙受或產生的所有損失或責任。此外，本公司就董事可能面對的法律訴訟適當購買董事及高級職員責任險。

# Report of the Directors

## 董事會報告

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2016, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they have taken, or are deemed to have taken, under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), to be notified to the Company and the Stock Exchange were as follows:

### 董事及主要行政人員在本公司股份、相關股份及債券中擁有的權益和淡倉

2016年12月31日，本公司董事及主要行政人員在本公司或其關聯公司(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及8分部，須知會本公司及聯交所的權益和淡倉(包括根據證券及期貨條例有關條款被當作或視作擁有的權益和淡倉)；或(b)根據證券及期貨條例第352條須記錄於本公司備置登記冊內的權益和淡倉；或(c)根據上市規則附錄10所載上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益和淡倉如下：

Name 姓名	Position 職位	Capacity/ Nature of interest 身份／權益性質	Number of underlying Shares 所持相關股份數目	Approximate percentage of shareholding 持股概約百分比
Stephen Xiangdong ZOU <sup>(1)</sup> 鄒向東 <sup>(1)</sup>	Chairman and executive Director 主席兼執行董事	Beneficial owner 實益擁有人	126,524,107 (L) <sup>(6)</sup>	3.80% (L)
		Founder of a discretionary trust 全權信託的創立人	84,677,113 (L)	2.55% (L)
Guiyong CUI 崔桂勇	Non-executive Director 非執行董事	Beneficial owner 實益擁有人	275,326 (L)	0.01% (L)
Fredrick J. BARRETT <sup>(2)</sup>	Independent non-executive Director 獨立非執行董事	Beneficial owner 實益擁有人	477,708 (L)	0.01% (L)
Robert Ralph PARKS <sup>(3)</sup>	Independent non-executive Director 獨立非執行董事	Beneficial owner 實益擁有人	715,708 (L)	0.02% (L)
Yaowen WU <sup>(2)</sup> 吳耀文 <sup>(2)</sup>	Independent non-executive Director 獨立非執行董事	Beneficial owner 實益擁有人	477,708 (L)	0.01% (L)
Jing LI <sup>(4)</sup> 李京 <sup>(4)</sup>	Chief executive officer and president 聯合首席執行官兼總裁	Interest in a controlled corporation 受控公司權益	63,586,595 (L)	1.91% (L)



# Report of the Directors

## 董事會報告

### Notes:

- (1) Dr. ZOU beneficially owns interests in 126,524,107 Shares. Dr. ZOU is deemed to be interested in 63,075,458 Shares and 9,612,371 Shares for the purposes of the SFO, which is beneficially owned by Dr. ZOU's descendants as beneficiaries of The Zou 2011 Family Trust and The Zou 2012 Family Trust, respectively. Dr. ZOU is also deemed to be interested in 11,989,284 Shares for the purposes of the SFO, which are beneficially owned by Dr. ZOU and his descendants as beneficiaries of the Zou GRAT. Each of The Zou 2011 Family Trust, The Zou 2012 Family Trust and the Zou GRAT is a discretionary trust established by Dr. ZOU as a settlor and its beneficiaries are Dr. ZOU and his family members. 11,942,710 Shares among these interests represent interests in the outstanding options he held under the Pre-IPO Share Option Scheme (as defined below). Dr. ZOU is also interested in 6,621,733 Shares which represent interests in the outstanding restricted share units ("RSUs") he held under the Post-IPO RSU Scheme (as defined below).
- (2) All these interests represent interests in outstanding options they held under the Pre-IPO Share Option Scheme as of 31 December 2016.
- (3) Mr. Parks beneficially owns interests in 715,708 Shares of the Company. 477,708 Shares among these interests represent the interests in the outstanding options he held under the Pre-IPO Share Option Scheme as of 31 December 2015.
- (4) Mr. Li beneficially owns interests in 63,586,595 Shares through China Energy Holdings Limited, a company wholly-owned by Mr. Li. Among these interests 42,915,168 Shares represent the interests in outstanding options he held under the Pre-IPO Share Option Scheme and 6,621,733 Shares represent the interests in the outstanding RSUs he held under the Post-IPO RSU Scheme.
- (5) The Letter "L" denotes the person's long position in such Shares.

Save as disclosed above, as at 31 December 2016, none of the Directors and chief executive of the Company and their respective associates had or is deemed to have any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which the Directors and chief executives of the Company are taken or deemed to have under such provisions of the SFO), or were required to be recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or which will be required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

### 附註：

- (1) 鄒博士實益擁有 126,524,107 股股份。就證券及期貨條例而言，鄒博士被視為在 63,075,458 股和 9,612,371 股股份中擁有權益，這些權益由鄒博士的子女分別作為 2011 年鄒氏家族信託和 2012 年鄒氏家族信託的受益人實益擁有。就證券及期貨條例而言，鄒博士也被視為在 11,989,284 股股份中擁有權益，這些股份由鄒博士及其子女（作為 Zou GRAT 的受益人）實益擁有。2011 年鄒氏家族信託、2012 年鄒氏家族信託及 Zou GRAT 各自為鄒博士（作為財產授予人）成立的全權信託，其受益人為鄒博士及其家族成員。這些權益中的 11,942,710 股股份是首次公開發售前購股權計劃（定義見下文）項下未行使購股權的權益。鄒博士還擁有 6,621,733 股股份，這些股份是根據首次公開發售後受限制股份單位計劃（定義見下文）未行使受限制股份單位（「受限制股份單位」）的權益。
- (2) 所有這些權益為截至 2016 年 12 月 31 日首次公開發售前購股權計劃項下未行使購股權的權益。
- (3) Parks 先生實益擁有本公司 715,708 股股份。截至 2016 年 12 月 31 日，這些權益中的 477,708 股股份為首次公開發售前購股權計劃項下未行使購股權的權益。
- (4) 李先生通過其全資擁有公司 China Energy Holdings Limited 實益擁有 63,586,595 股股份。這些權益中的 42,915,168 股股份為首次公開發售前購股權計劃未行使購股權的權益。李先生還擁有 6,621,733 股股份，這些股份為首次公開發售後受限制股份單位計劃項下未行使受限制股份單位的權益。
- (5) 字母「L」指該人士在這些股份中的好倉。

除上文所披露者外，於 2016 年 12 月 31 日，本公司董事及主要行政人員和他們各自的連絡人均未在本公司或其關聯公司（定義見證券及期貨條例第 XV 部）的股份、相關股份及債券中擁有或視為擁有根據證券及期貨條例第 XV 部第 7 及 8 分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例有關條款被當作或視作本公司董事及主要行政人員擁有的權益和淡倉），或根據證券及期貨條例第 352 條須記錄於本公司備置登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉。

# Report of the Directors

## 董事會報告

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

As at 31 December 2016, the following persons (other than the Directors or the chief executive of the Company) have interests or short positions in the Shares or underlying shares or debentures as recorded in the register required to be kept by the Company under section 336 of the SFO:

### 主要股東在本公司股份、相關股份及債券中擁有的權益和淡倉

於2016年12月31日，下列人士（本公司董事或主要行政人員除外）在本公司根據證券及期貨條例第336條存置登記冊所載的股份、相關股份及債券中擁有權益或淡倉如下：

Name of shareholder 股東名稱	Capacity 身份	Number of Shares held <sup>(1)</sup> 所持股份數目 <sup>(1)</sup>	Approximate percentage of shareholding 持股概約百分比
Warburg Pincus & Co. <sup>(2)</sup>	Interest in a controlled corporation 受控公司權益	844,713,882 (L)	25.39% (L)
Warburg Pincus Partners GP LLC <sup>(2)</sup>	Interest in a controlled corporation 受控公司權益	844,713,882 (L)	25.39% (L)
Warburg Pincus Partners, L.P. <sup>(2)</sup>	Interest in a controlled corporation 受控公司權益	844,713,882 (L)	25.39% (L)
WPP GP LLC <sup>(2)</sup>	Interest in a controlled corporation 受控公司權益	844,713,882 (L)	25.39% (L)
Warburg Pincus X GP L.P. <sup>(2)</sup>	Interest in a controlled corporation 受控公司權益	844,713,882 (L)	25.39% (L)
Warburg Pincus X, L.P. <sup>(2)</sup>	Interest in a controlled corporation 受控公司權益	844,713,882 (L)	25.39% (L)
Warburg Pincus Private Equity X, L.P. <sup>(2)</sup>	Interest in a controlled corporation 受控公司權益	844,713,882 (L)	25.39% (L)
Asia X Investment I LLC <sup>(2)</sup>	Interest in a controlled corporation 受控公司權益	844,713,882 (L)	25.39% (L)
WP China CBM Investment Holdings Limited <sup>(2)</sup>	Beneficial owner 實益擁有人	844,713,882 (L)	25.39% (L)
Salata Jean Eric <sup>(3)</sup>	Interest in a controlled corporation 受控公司權益	688,933,679 (L)	20.71% (L)
Baring Private Equity Asia GP IV L.P. <sup>(3)</sup>	Interest in a controlled corporation 受控公司權益	688,933,679 (L)	20.71% (L)
Barings Private Equity Asia GP IV Limited <sup>(3)</sup>	Interest in a controlled corporation 受控公司權益	688,933,679 (L)	20.71% (L)
The Baring Asia Private Equity Fund IV LP <sup>(3)</sup>	Interest in a controlled corporation 受控公司權益	688,933,679 (L)	20.71% (L)
Baring Private Equity Asia IV Holding (4) Limited <sup>(3)</sup>	Beneficial owner 實益擁有人	688,933,679 (L)	20.71% (L)
Ping An Group <sup>(4)</sup> 平安集團 <sup>(4)</sup>	Interest in a controlled corporation 受控公司權益	345,906,690 (L)	10.40% (L)

# Report of the Directors

## 董事會報告

Name of shareholder 股東名稱	Capacity 身份	Number of Shares held <sup>(1)</sup> 所持股份數目 <sup>(1)</sup>	Approximate percentage of shareholding 持股概約百分比
Dr. Stephen Xiangdong Zou 鄒向東博士	Beneficial owner 實益擁有人	126,524,107 (L)	3.80% (L)
	Founder of a discretionary trust 全權信託創立人	84,677,113 (L)	2.55% (L)
重慶三峽燃氣(集團)有限公司 <sup>(5)</sup>	Interest in a controlled corporation 受控公司權益	180,833,000 (L)	5.44% (L)
重慶三峽能源有限公司 <sup>(5)</sup>	Interest in a controlled corporation 受控公司權益	180,833,000 (L)	5.44% (L)
深圳通豫能源投資有限公司 <sup>(5)</sup>	Beneficial owner 實益擁有人	180,833,000 (L)	5.44% (L)

Notes:

附註：

(1) The letter "L" denotes long position in such securities.

(1) 字母「L」指在這些證券中的好倉。

(2) WP China CBM Investment Holdings Limited beneficially owns 844,713,882 Shares (long position) of the Company. Asia X Investment I LLC holds 100% equity interest in WP China CBM Investment Holdings Limited. Warburg Pincus Private Equity X, L.P. controls 96.90% equity interest in Asia X Investment I LLC. Warburg Pincus Private Equity X, L.P. is 100% controlled by Warburg Pincus X, L.P., which in turn is 100% controlled by Warburg Pincus X GP L.P., which in turn is 100% controlled by WPP GP LLC, which in turn is 100% controlled by Warburg Pincus Partners, L.P., which in turn is 100% controlled by Warburg Pincus Partners GP LLC, which in turn is 100% controlled by Warburg Pincus & Co..

(2) WP China CBM Investment Holdings Limited 實益擁有本公司 844,713,882 股股份(好倉)。Asia X Investment I LLC 持有 WP China CBM Investment Holdings Limited 全部股權。Warburg Pincus Private Equity X, L.P. 控制 Asia X Investment I LLC 96.90% 股權。Warburg Pincus Private Equity X, L.P. 由 Warburg Pincus X, L.P. 全權控制；Warburg Pincus X, L.P. 由 Warburg Pincus X GP L.P. 全權控制；Warburg Pincus X GP L.P. 由 WPP GP LLC 全權控制；WPP GP LLC 由 Warburg Pincus Partners, L.P. 全權控制；Warburg Pincus Partners, L.P. 由 Warburg Pincus Partners GP LLC 全權控制；Warburg Pincus Partners GP LLC 由 Warburg Pincus & Co. 全權控制。

(3) Baring Private Equity Asia IV Holding (4) Limited beneficially owns 688,933,679 Shares (long position) of the Company. The Baring Asia Private Equity Fund IV L.P. holds 99.26% equity interest in Baring Private Equity Asia IV Holding (4) Limited. The Baring Asia Private Equity Fund IV L.P. is 100% controlled by Baring Private Equity Asia GP IV L.P., which in turn is 100% controlled by Baring Private Equity Asia GP IV Limited, which in turn is wholly-owned by Jean Eric Salata.

(3) Baring Private Equity Asia IV Holding (4) Limited 實益擁有本公司 688,933,679 股股份(好倉)。Baring Asia Private Equity Fund IV L.P. 持有 Baring Private Equity Asia IV Holding (4) Limited 99.26% 的股權。Baring Asia Private Equity Fund IV L.P. 由 Baring Private Equity Asia GP IV L.P. 全權控制；Baring Private Equity Asia GP IV L.P. 由 Baring Private Equity Asia GP IV Limited 全權控制；Baring Private Equity Asia GP IV Limited 由 Jean Eric Salata 全資擁有。

(4) Ping An Insurance (Group) Company of China ("Ping An Group") ultimately owns 100% of Chinastone Hong Kong Holdings Limited, which is directly interested in 248,046,164 Shares of the Company. Ping An Group also ultimately owns 100% of the shares in PA Investment Funds SPC, which is directly interested in 97,860,526 Shares of the Company. Therefore, Ping An Group is deemed to be interested in 345,906,690 Shares of the Company.

(4) 中國平安保險(集團)股份有限公司(「平安集團」)最終擁有滙石香港控股有限公司的全部權益，而後者直接擁有本公司 248,046,164 股股份權益；平安集團也最終擁有 PA Investment Funds SPC 的全部股份，而後者直接擁有本公司 97,860,526 股股份權益。因此，平安集團被視為在本公司 345,906,690 股股份中擁有權益。

(5) 深圳通豫能源投資有限公司 beneficially owns 180,833,000 Shares (long position) of the Company and is 100% controlled by 重慶三峽能源有限公司, which in turn is 51% controlled by 重慶三峽燃氣(集團)有限公司.

(5) 深圳通豫能源投資有限公司 實益擁有本公司 180,833,000 股股份(好倉)，並由重慶三峽能源有限公司全資擁有，而重慶三峽能源有限公司由重慶三峽燃氣(集團)有限公司擁有 51% 權益。

# Report of the Directors

## 董事會報告

Save as disclosed above, as at 31 December 2016, the Directors and the chief executive of the Company are not aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

### SHARE INCENTIVE SCHEMES

In order to incentivize the Directors, senior management and other employees of the Group for their contribution to the Group and to attract and retain suitable personnel of our Group, the Company adopted the Pre-IPO Share Option Scheme and the Post-IPO RSU Scheme (as defined below).

#### Pre-IPO Share Option Scheme

The Company adopted the pre-IPO share option scheme of the Company (the “**Pre-IPO Share Option Scheme**”) on 31 March 2015, which became valid and effective perpetually from the same day and subject to certain termination events. The exercise price of US\$0.151 per Share in respect of options granted under the Pre-IPO Share Option Scheme was determined at the sole discretion of the Board. The maximum number of Shares issued and to be issued upon exercise of the options granted under the Pre-IPO Share Option Scheme to any one person (including exercised and outstanding options) pursuant to the Pre-IPO Share Option Scheme and any other share compensation arrangements adopted by the Company shall not exceed 3.0% of the Shares in issue from time to time.

Other principal terms (including the purpose, the participants, the consideration for accepting any options among others) of the Pre-IPO Share Option Scheme are set out in the section headed “Statutory and General Information — Pre-IPO Share Option Scheme” in Appendix V to the Prospectus.

#### Outstanding Options

For the year ended 31 December 2016, 5,175,174 options have been cancelled, 4,060,520 options have lapsed. As at 31 December 2016, there were a total of 230,615,273 options outstanding. If all the outstanding options are exercised, there would be a dilution effect on the share capital of the Company as at 31 December 2016 of approximately 6.93%. Save as disclosed above, no further options have been or would be granted by the Company after the date on which the Shares were listed on the Stock Exchange and from which dealing therein commenced (the “**Listing Date**”) pursuant to the Pre-IPO Share Option Scheme.

除上文所披露者外，至2016年12月31日，本公司董事及主要行政人員均不知悉任何其他人士（本公司董事及主要行政人員除外）在根據證券及期貨條例第336條本公司備存登記冊所載的股份或相關股份中擁有權益或淡倉。

### 股權激勵計劃

本公司採用首次公開發售前購股權計劃和首次公開發售後受限制股份單位計劃（定義見下文），旨在鼓勵本集團董事、高級管理人員及其他僱員對本集團做出貢獻，並吸引和挽留本集團的適用人才。

#### 首次公開發售前購股權計劃

本公司於2015年3月31日採用首次公開發售前購股權計劃（「**首次公開發售前購股權計劃**」），自同日起始終有效，若發生若干終止事件則計劃終止。與根據首次公開發售前購股權計劃授出的購股權相關的每股0.151美元行使價，由董事會全權酌情決定。根據首次公開發售前購股權計劃及本公司採納的任何其他股份薪酬安排授予任何人士的首次公開發售前購股權計劃的購股權（包括已行使和未行使的購股權）加以行使時，已發行或將發行的最高股份數目不得超過不時已發行股份的3.0%。

有關首次公開發售前購股權計劃的其他主要條款（包括目的、參與者、接受任何購股權的代價）載於招股章程附錄五「法定及一般資訊 — 首次公開發售前購股權計劃」一節。

#### 未行使購股權

截至2016年12月31日止年度，有5,175,174份購股權被註銷，4,060,520份購股權失效。截至2016年12月31日，共有230,615,273份購股權尚未行使。若所有未行使購股權獲行使，本公司於2016年12月31日的股本將存在攤薄效應，股權攤薄約6.93%。除上述外，本公司於上市日期後並無根據首次公開發售前購股權計劃授出或將授出其他購股權。

# Report of the Directors

## 董事會報告

### Movements of the Options under the Pre-IPO Share Option Scheme for the year ended 31 December 2016

截至2016年12月31日止年度，首次公開發售前購股權計劃項下的購股權變動

Name of grantees <sup>(1)</sup>	Date of grant	Exercise price (US\$)	Number of Shares represented by Options at 1 January 2016 購股權於2016年1月1日所代表的股份數目	Exercised during the period	Lapsed during the period	Cancelled during the period	Number of unvested Options	Number of vested Options	Total number of Shares represented by Options at 31 December 2016 購股權於2016年12月31日所代表的股份數目	Approximate percentage of issued Shares of the Company <sup>(4)</sup>	Vesting Period <sup>(2)</sup>	Exercise period <sup>(3)</sup>
承授人名稱 <sup>(1)</sup>	授出日期	行使價(美元)	所代表的股份數目	期內已行使	期內已失效	期內已註銷	未歸屬購股權的數目	已歸屬購股權的數目	購股權於2016年12月31日所代表的股份數目	佔本公司已發行股份的概約百分比 <sup>(4)</sup>	歸屬期 <sup>(2)</sup>	行使期 <sup>(3)</sup>
<b>Directors</b>												
<b>董事</b>												
Dr. ZOU	31 March 2015	\$0.15	11,942,710	-	-	-	-	11,942,710	11,942,710	0.36%	Please see note 2 below 請參閱下文 附註2	Please see note 3 below 請參閱下文 附註3
鄧博士	2015年3月31日	0.151元										
Yaowen WU	5 June 2015	\$0.15	477,708	-	-	-	355,892	121,816	477,708	0.01%	-	-
吳耀文	2015年6月5日	0.151元										
Robert Ralph PARKS	5 June 2015	\$0.15	477,708	-	-	-	355,892	121,816	477,708	0.01%	-	-
Robert Ralph PARKS	2015年6月5日	0.15元										
Tin Yau Kelvin WONG <sup>(5)</sup>	5 June 2015	\$0.15	477,708	-	477,708	-	-	-	-	-	-	-
黃天祐 <sup>(5)</sup>	2015年6月5日	0.151元										
Fredrick J. BARRETT	5 June 2015	\$0.15	477,708	-	-	-	355,892	121,816	477,708	0.01%	-	-
Fredrick J. BARRETT	2015年6月5日	0.151元										
<b>Other employees of the Company</b>												
<b>本公司其他僱員</b>												
	31 March 2015 and 5 June 2015	\$0.15	225,997,425	-	3,582,812	5,175,174	88,141,904	129,097,732	217,239,439	6.54%	Please see note 2 below 請參閱下文 附註2	Please see note 3 below 請參閱下文 附註3
	2015年3月31日及2015年6月5日	0.151元										
<b>Total</b>			<b>239,850,967</b>	<b>-</b>	<b>4,060,520</b>	<b>5,175,174</b>	<b>89,209,580</b>	<b>141,405,690</b>	<b>230,615,273</b>	<b>6.93%</b>		
<b>總計</b>												

# Report of the Directors

## 董事會報告

### Notes:

- (1) Prior to the Listing, certain of the grantees have transferred their options to companies wholly-owned by them, in accordance with the Pre-IPO Share Option Scheme.
- (2) Unvested options granted to the grantees pursuant to the Pre-IPO Share Option Scheme shall vest as follows:
  - (a) 50% of the Options shall be time-based and shall vest at the rate of (i) one half (1/2) for each 12-month period commencing from 1 January 2015 if the relevant date on which the employment relationship between the Company (the "Employment Date") is on or prior to 1 January 2014; or (ii) one third (1/3) for each 12-month period commencing from the relevant Employment Date if such date is after 1 January 2014; and
  - (b) 50% of the Options shall be KPI-linked (the "KPI-linked Options") and shall be divided into three equal instalments, with each instalment being linked with one of the three KPIs (as defined below) and vested at the rate of one (i) half (1/2) for each 12-month period commencing from 1 January 2015 if the relevant Employment Date is on or prior to 1 January 2014; or (ii) one third (1/3) for each 12-month period commencing from the relevant Employment Date if such date is after 1 January 2014 pursuant to the following payout schedule:
    - (1) 100% of the KPI-linked Options shall vest if 100% of the relevant KPI Target is met; or
    - (2) if the relevant KPI Target is not met at 100%, 50% of the KPI-linked Options shall vest if 80% of the Relevant KPI Target is met and an additional 2.5% of the KPI-linked Options shall vest for each 1% further improvement in such KPI Target; provided that if the performance rate of any KPI Target exceeds 100%, then up to 10% of the improvement of that KPI Target can be added to the performance rate of other KPI Target(s) that is not 100% accomplished.

For the purposes of above, "KPIs" refer to (i) EBITDA; (ii) Reserves; and (iii) All-in-unit Cost. "KPI Target" shall mean 95% (in the case of EBITDA and Reserves) or 105% (in the case of All-in-unit Cost) of the estimated number of that relevant KPI presented in (i) the annual work plan and budget of the relevant year approved by the Board; or (ii) the revised annual work plan and budget for the relevant year, which is subsequently presented to and approved by the Board. The treatment for any unvested KPI-linked Options shall be determined by the Board or the Committee as delegated by the Board.

- (3) Subject to any accelerated termination as set forth in the Pre-IPO Share Option Scheme, each option shall expire on the date specified under the Pre-IPO Share Option, provided that in no event, shall the Exercise Period of an Option exceed five years from the date upon which the relevant option has vested.
- (4) Approximate percentage of issued Shares of the Company is calculated by dividing the options held by the relevant grantees by the issued and outstanding Shares of the Company as at 31 December 2016.
- (5) Dr. Tin Yau Kelvin WONG retired as a director of the company on 28 April 2016.

### 附註：

- (1) 於上市前，一些購股權承授人已根據首次公開發售前購股權計劃向他們全資擁有的公司轉讓其購股權。
- (2) 根據首次公開發售前購股權計劃授予購股權承授人的未歸屬購股權將按以下方式歸屬：
  - (a) 50%的購股權(i)自2015年1月1日(如果與本公司確定僱傭關係的相關日期(「僱傭日期」)為2014年1月1日或之前)起計每12個月期間根據時間按二分之一(1/2)的比例歸屬；或(ii)自相關僱傭日期(如果該日期在2014年1月1日之後)起計每12個月期間根據時間按三分之一(1/3)的比例歸屬；以及
  - (b) 50%的購股權須與關鍵業績指標掛鈎(「關鍵業績指標掛鈎購股權」)並且須分為三等份，每份與三個關鍵業績指標(定義見下文)之一掛鈎，並根據以下支付進度自(i)2015年1月1日(如相關僱傭日期在2014年1月1日或之前)起每12個月期間按二分之一(1/2)的比例歸屬；或(ii)相關僱傭日期(如相關僱傭日期在2014年1月1日之後)起計每12個月期間按三分之一(1/3)比例歸屬：
    - (1) 如完全達成相關關鍵業績指標目標，則關鍵業績指標掛鈎購股權全部獲歸屬；或者，
    - (2) 如未完全達成相關關鍵業績指標目標但達成80%，則關鍵業績指標掛鈎購股權的一半獲歸屬，而該關鍵業績指標目標每改善1%，則每次增加歸屬2.5%的關鍵業績指標掛鈎購股權；但如果任何關鍵業績指標目標的任何表現速度超過100%，則最多有10%的該項關鍵業績指標目標改善可計入未完全達成的其他關鍵業績指標目標的表現速度。

就上文而言，「關鍵業績指標」指(i)EBITDA；(ii)儲量；以及(iii)整個單位成本。「關鍵業績指標目標」指(i)經董事會批准相關年度的年度工作計劃及預算；或(ii)相關年度經修訂年度工作計劃及預算中所示相關關鍵業績指標估計數目的95%(如為EBITDA及儲量)或105%(如為整個單位成本)，並隨後呈遞董事會批准。任何未獲歸屬關鍵業績指標掛鈎購股權的處理，須由董事會或董事會指定的委員會決定。

- (3) 根據首次公開發售前購股權計劃所述的任何提前終止，各份購股權將於首次公開發售前購股權計劃項下指定的日期屆滿，但無論如何購股權的行使期均不得超過相關購股權歸屬當日起五年以內。
- (4) 佔本公司已發行股份的大約百分比，按相關購股權承授人持有的購股權除以本公司2016年12月31日已發行和未發行的股份計算。
- (5) 黃天祐博士於2016年4月28日退任董事。

# Report of the Directors

## 董事會報告

Further details of the Pre-IPO Share Option Scheme are set out in note 21(b)(i) to the section headed "Consolidated Financial Statements" of this annual report and the Prospectus.

### Post-IPO RSU Scheme

The Company adopted the post-IPO restricted share unit scheme of the Company (the "Post-IPO RSU Scheme") on 5 June 2015, which took effect on the Listing Date, a summary of principal terms (such as the purpose, the participants, among others) of which is set out in the section headed "Statutory and General Information — Post-IPO RSU Scheme" in Appendix V to the Prospectus.

On 18 December 2015, the Company offered to grant of an aggregate of 41,234,696 RSUs to certain connected grantees and non-connected grantees of the Group in accordance with the Post-IPO RSU Scheme. On 31 January 2016, an aggregate of 19,865,199 RSUs were accepted by the connected grantees and an aggregate of 21,199,297 RSUs were accepted by the non-connected grantees, respectively.

### OUTSTANDING RSUs

For the year ended 31 December 2016, 345,700 RSUs have been cancelled and 734,800 RSUs have lapsed. As at 31 December 2016, there were a total of 40,154,196 RSUs outstanding. If all outstanding RSUs are vested, there would be a dilution effect on the share capital of the Company as at 31 December 2016 of approximately 1.21%.

首次公開發售前購股權計劃的其他詳情載於本年報及招股章程「合併財務報表」一節附註21(b)(i)。

### 首次公開發售後受限制股份單位計劃

本公司於2015年6月5日採納首次公開發售後受限制股份單位計劃(「首次公開發售後受限制股份單位計劃」)，已於上市日期生效，其主要條款(其中包括目的、參與人)概要載於招股章程附錄五「法定及一般資料 — 首次公開發售後受限制股份單位計劃」一節。

於2015年12月18日，本公司根據首次公開發售後受限制股份單位計劃授予本集團部份關連承授人及非關連承授人合共41,234,696份受限制股份單位。於2016年1月31日，共計19,865,199份受限制股份單位由關連承授人接納，共計21,199,297份受限制股份單位由非關連承授人接納。

### 未行使受限制股份單位

截至2016年12月31日止年度，有345,700份受限制股份單位被註銷，734,800份受限制股份單位失效。截至2016年12月31日，共有40,154,196份受限制股份單位尚未行使。若所有未行使受限制股份單位被行使，本公司於2016年12月31日的股本將存在攤薄效應，股權攤薄約1.21%。

Name of RSU Grantees	Date of Grant	Consideration	Number of Shares represented by RSUs at 1 January 2016 受限制股份單位於2016年1月1日所代表的股份數目	Granted during the year 期內已授出	Vested during the year 期內已歸屬	Lapsed during the year 期內已失效	Cancelled during the year 期內已註銷	Total number of shares represented by RSUs at 31 December 2016 受限制股份單位於2016年12月31日所代表的股份總數	Approximate percentage of issued shares of the Company 佔本公司已發行股份的概約百分比	Vesting Period <sup>(1)</sup>
<b>Directors of the Company</b> 本公司董事										
Dr. Zou 鄒博士	22 January 2016 2016年1月22日	-	6,621,733	-	-	-	-	6,621,733	0.20%	31 March 2016 – 1 April 2020 2016年3月31日至2020年4月1日
<b>Other employees of the Company</b> 本公司其他僱員										
	18 December 2015 2015年12月18日	-	34,612,963	-	-	734,800	345,700	33,532,463	1.01%	31 March 2016 – 1 April 2020 2016年3月31日至2020年4月1日
<b>Total</b> 總計			<b>41,234,696</b>	<b>-</b>	<b>-</b>	<b>734,800</b>	<b>345,700</b>	<b>40,154,196</b>	<b>1.21%</b>	

# Report of the Directors

## 董事會報告

Note:

(1) The RSUs granted to the subjected RSU grantee under the Post-IPO RSU Scheme shall be vested in accordance with the vesting schedule as follow:

- (1) 50% of the RSUs will be time-based and shall vest at the rate of one-fourth (1/4) for each 12-month period commencing from 31 March 2016; and
- (2) 50% of the RSUs shall be KPI-linked RSUs and shall be divided into three equal instalments, with each instalment being linked with one of the three KPIs (as defined below) and vested at the rate of one-fourth (1/4) for each 12-month period commencing from one-fourth (1/4) pursuant to the following payout schedule:
  - (a) 100% of the KPI-linked RSUs shall vest if 100% of the relevant KPI Target (as defined below) is met; or
  - (b) if the relevant KPI Target is not met at 100%, 50% of the KPI-linked RSUs shall vest if 80% of the relevant KPI Target is met and an additional 2.5% of the KPI-linked RSUs shall vest for each 1% further improvement in such KPI Target; provided that if the performance rate of any KPI Target exceeds 100%, then up to 10% of the improvement of that KPI Target can be added to the performance rate of other KPI Target(s) that is not 100% accomplished.

For the purposes of the above, KPIs refer to (i) EBITDA; (ii) reserves; and (iii) all-in-unit cost. "KPI Target" shall mean 95% (in the case of EBITDA and reserves) or 105% (in the case of all-in-unit cost) of the estimated number of that relevant KPI presented in (i) the annual work plan and budget of the relevant year approved by the Board; or (ii) the revised annual work plan and budget for the relevant year, which is subsequently presented to and approved by the Board. The treatment for any unvested KPI-linked RSUs shall be determined by the Board or the Remuneration Committee as delegated by the Board.

Further details of the Pre-IPO RSU Scheme and the Post-IPO RSU Scheme are set out in note 21(b)(ii) to the section headed "Notes to the Consolidated Financial Statements" of this annual report and the Prospectus.

### Equity-linked Agreements

Other than the Pre-IPO Share Option Scheme and the Post-IPO RSU Scheme disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

附註：

(1) 根據首次公開發售後受限制股份單位計劃授予受限制股份單位承授人的受限制股份單位將按以下方式歸屬：

- (a) 50%的受限制股份單位將自二零一六年三月三十一日起計每十二個月期間根據時間按四分之一(1/4)的比率歸屬；以及
- (b) 50%的受限制股份單位須與關鍵業績指標掛鉤(「**關鍵業績指標掛鉤受限制股份單位**」)並且須分為三等份，每份與三個關鍵業績指標(定義見下文)之一掛鉤，並根據以下支付進度自二零一六年三月三十一日起計每十二個月期間按四分之一(1/4)的比率歸屬：
  - (1) 如完全達成相關關鍵業績指標目標，則關鍵業績指標掛鉤受限制股份單位全部獲歸屬；或者，
  - (2) 如未完全達成相關關鍵業績指標目標但達成80%，則關鍵業績指標掛鉤受限制股份單位之50%獲歸屬，而該關鍵業績指標目標每改善1%，則每次增加歸屬2.5%的關鍵業績指標掛鉤受限制股份單位；但如果任何關鍵業績指標目標的任何表現速度超過100%，則最多有10%的該項關鍵業績指標目標改善可計入未完全達成的其他關鍵業績指標目標的表現速度。

就上文而言，**關鍵業績指標**指(i)EBITDA；(ii)儲量；以及(iii)整個單位成本。「**關鍵業績指標目標**」指(i)經董事會批准相關年度的年度工作計劃及預算；或(ii)相關年度經修訂年度工作計劃及預算中所示相關關鍵業績指標估計數目的95%(如為EBITDA及儲量)或105%(如為整個單位成本)，並隨後呈遞董事會批准。任何未獲歸屬關鍵業績指標掛鉤受限制股份單位的處理，須由董事會或董事會指定的委員會決定。

首次公開發售後受限制股份單位計劃的其他詳情載於招股章程及本年報「合併財務報表附註」附註21(b)(ii)。

### 與股權掛鉤的協議

除上文披露的首次公開發售前購股權計劃和首次公開發售後受限制股份單位計劃外，本公司在年內並未訂立且截至年底也不存在與股權掛鉤的協議將會或可能導致本公司發行股份，或規定本公司須訂立任何協議以導致本公司將會或可能發行股份。



# Report of the Directors

## 董事會報告

### DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above under the paragraph "Share Incentive Schemes", no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any Directors or their respective associates (as defined in the Listing Rules), or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective associates (as defined in the Listing Rules), to acquire such rights in any other body corporate for the year ended 31 December 2016.

### CONNECTED TRANSACTIONS

Save as disclosed below, the Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this annual report in compliance with the requirements of Chapter 14A of the Listing Rules during the year ended 31 December 2016. The Directors confirm that they have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

#### Grant of RSUs to Connected Persons

To recognize the contribution to the success and development of the Group by each of the connected grantees and to attract and motivate the connected grantees to participate in the continuing operation and long-term development of the Company, on 18 December 2015, the Board conditionally approved the grant of an aggregate of 19,865,199 RSUs to Dr. Stephen Xiangdong Zou (an executive Director and the chairman of the Board), Mr. Jing Li (the chief executive officer and the president of the Company) and Mr. Carl Lakey (the then co-chief executive officer and the chief operating officer of the Company) in accordance with the terms of Post-IPO RSU Scheme. On 22 January 2016, the grant of RSUs to the connected grantees was approved by the then independent shareholders of the Company at the extraordinary general meeting. On 31 January 2016, an aggregate of 19,865,199 RSUs were accepted by the connected grantees.

The above grant of RSUs and the related transactions constitute non-exempt connected transactions of the Company in accordance with the Listing Rules. For details, please see the announcement of the Company dated 18 December 2015, the circular of the Company dated 7 January 2016 and note 21(b)(ii) to the section headed "Consolidated Financial Statements" of this annual report.

### 董事收購股份或債券的權利

除上文「股權激勵計劃」一段所披露者外，截至2016年12月31日止年度，任何董事及其各自連絡人(定義見上市規則)均未被授予任何權利從認購本公司股份、債券或行使任何有關權利中獲取利益；本公司或其任何附屬公司均未作為訂約方訂立任何安排，從而使得董事及其各自連絡人(定義見上市規則)從收購任何其他公司的有關權利中獲取利益。

### 關連交易

除下文所披露的情形外，本年度截至2016年12月31日，本集團並未訂立任何根據上市規則第14A章規定須予以披露的關連交易或持續關連交易。董事確認已遵守上市規則第14A章中的披露要求。

#### 向關連人士授予受限制股份單位

為表彰關連承授人各自為本集團成功及發展做出貢獻，以及吸引及激勵關連承授人參與本公司之持續營運及長期發展，根據首次公開發售後受限制股份單位計劃，本公司董事會於2015年12月18日批准向鄒向東博士(執行董事及董事會主席)、李京先生(本公司首席執行官兼總裁)及Carl Lakey先生(本公司當時聯合首席執行官兼首席營運官)有條件授出19,865,199份受限制股份單位。於2016年1月22日，本公司當時的股東以特別股東大會批准向關連承授人授出受限制股份單位。於2016年1月31日，共計有19,865,199受限制股份單位被關連承授人接受。

根據上市規則的規定，上述受限制股份授出及相關交易構成不豁免關連交易。相關詳情請查看本公司2015年12月18日公告、2016年1月7日的通函及本年報「合併財務報表」一節附註21(b)(ii)。

# Report of the Directors

## 董事會報告

### Relinquishment of Right to Exercise The Inner Mongolia Option

On 26 August 2016, the Company announced to relinquish the right to exercise the option (the “Inner Mongolia Option”) to the Company granted by China CBM Investment Holding II (2) Limited (“CCBMII”), a connected person of the Company, to participate as the only foreign investor in the exploration and development of the relevant CBM concessions in Inner Mongolia by entering into production sharing contract or any other similar forms of arrangement as allowed under relevant PRC laws and regulations at the time (the “Inner Mongolia Project”). The relinquishment of the Inner Mongolia Option is to enable new investment for the Inner Mongolia Project in order to support exploration activities planned under the Inner Mongolia Project and maintain sufficient capital level as required under the relevant exploration licenses granted by the Ministry of Land and Resources of the PRC. No consideration is required to be paid by the Company for the relinquishment of the right to exercise the Inner Mongolia Option. For details of the Inner Mongolia Option, the Inner Mongolia Project and the relinquishment of right to exercise the Inner Mongolia Options, please refer to the Prospectus and the announcement published on 26 August 2016.

### RELATED PARTY TRANSACTIONS

Details of related party transactions during the year ended 31 December 2016 are set out in note 28 to the section headed “Consolidated Financial Statements” of this annual report.

Save as disclosed above under the paragraph “Connected Transactions”, the related party transactions as set out in note 28 to the section head “Consolidated Financial Statements” of this annual report do not fall under the definition of “connected transactions” or “continuing connected transactions” under Chapter 14A of the Listing Rules during the year ended 31 December 2016.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors, the Board confirms that the Company has maintained the sufficiency of public float as required under the Listing Rules at all times for the year ended 31 December 2016 and as at the date of this annual report.

### DIRECTORS’ INTERESTS IN A COMPETING BUSINESS

During the year ended 31 December 2016, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or may compete with the business of the Group.

### 內蒙古期權

本公司於2016年8月26日公告放棄行使本公司關連人士China CBM Investment Holding II (2) Limited (「CCBM II」)所授予的以唯一外國投資者身份參與在內蒙古勘探和開發煤層氣區塊(「內蒙古項目」)的期權(「內蒙古期權」)。放棄內蒙古期權，以使內蒙古項目能引進新投資以確保勘探活動及維持中國國土資源部授予的勘探許可證規定的充足資本水準。本公司放棄內蒙古期權無須為此支付任何代價。內蒙古項目及放棄內蒙古期權的詳情請參閱招股章程及本公司2016年8月26日的公告。

### 關聯方交易

本年度截至2016年12月31日的關聯方交易詳情載於本年報「合併財務報表」一節附註28。

除上文「關連交易」一段所披露的情形外，本年度截至2016年12月31日，本年報「合併財務報表」一節附註28所載關聯方交易並非上市規則第14A章中所指的「關連交易」或「持續性關連交易」。

### 充足的公眾持股量

基於本公司公開可獲取資料以及根據董事所知，董事會確認，截至2016年12月31日止年度，以及截至本年報日期，本公司的公眾持股量一直維持在上市規則規定的水平。

### 董事對於競爭業務的權益

本年度截至2016年12月31日，董事及其各自連絡人沒有從事與本集團業務競爭或可能競爭的任何業務或在當中擁有權益。

# Report of the Directors

## 董事會報告

### SIGNIFICANT LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

For the year ended 31 December 2016, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

For the year ended 31 December 2016, the Company obtained all the material licenses, permits and approvals necessary for the respective development stages of projects in Panzhuang and Mabi.

For the year ended 31 December 2016 and up to the date of this report, to the best knowledge of the Directors, the Group complied with applicable laws, rules and regulations in all material respects.

### SPECIFIC PERFORMANCE OBLIGATIONS ON CONTROLLING SHAREHOLDERS

On 8 July 2015, SAEI (as borrower) and AAGI (as guarantor) entered into a senior secured revolving credit facility agreement (the "New Facility Agreement") with certain banks in relation to a US\$250,000,000 69 months term loan facility.

Under the New Facility Agreement, it will constitute an event of default, among others, if (i) Dr. ZOU holds (whether directly or indirectly or by way of a trust) less than 25% of the Shares that Dr. ZOU holds (whether directly or indirectly or by way of a trust) as at 8 July 2015, representing approximately 1.45% of the issued share capital of the Company; (ii) at any time, Dr. ZOU ceases to be the chairman of the Board; or (iii) during the period from 23 June 2015 to 23 June 2016, any of the Controlling Shareholders disposes of, or enters into any agreement to dispose of, any shares he/it holds (directly or indirectly) in the Company in breach of his/its undertakings to the Stock Exchange in relation to Rule 10.07(1) of the Listing Rules as set out in the Prospectus. Upon and at any time after the occurrence of an event of default, the majority of the lenders may, among other actions, immediately cancel all commitments and declare any or all outstanding amounts under the New Facility Agreement and the relevant financing documents together with interest accrued thereon to be immediately due and payable.

For details of the New Facility Agreement, please refer to the announcement of the Company dated 9 July 2015.

### 重大法律訴訟及合規事宜

本年度截至2016年12月31日，本公司並未涉及任何重大重要性訴訟或仲裁，且根據董事所知，本公司也無任何尚未了結或面臨的重大重要性訴訟或索賠。

本年度截至2016年12月31日，本公司獲得了潘莊和馬必兩個項目各發展階段所需的主要牌照、許可證和批文。

本年度截至2016年12月31日，以及截至本報告出具之日，根據董事所知，本集團在所有重大方面均遵守相關法律法規。

### 控股股東的特定履約責任

2015年7月8日，美中能源公司(作為借款人)和亞美大陸煤層氣(作為擔保人)與若干銀行就250,000,000美元為期69個月的定期貸款融資訂立了優先有抵押迴圈信貸融資協議(「新融資協定」)。

根據新融資協定，如果(其中包括)(i)鄒博士持有(不論直接、間接或通過信託形式)低於其在2015年7月8日所持(不論直接或間接或通過信託形式)股份的25%(相當於本公司已發行股本的約1.45%);(ii)鄒博士在任何時間不再擔任董事會主席;或(iii)2015年6月23日至2016年6月23日期間，任何控股股東違反招股章程所載根據上市規則第10.07(1)條對聯交所做出的承諾，出售或訂立任何協議出售其直接或間接所持有的本公司任何股份，將屬於違約事件。發生違約事件當時及其前後任何時間，大部分貸款人可立即撤銷所有承諾，並宣佈新融資協議項下及相關融資權的任何或全部未償還款項連同其應計利息即時到期並須立即即時還款。

有關新融資協定的詳情，請參閱本公司發佈日期為2015年7月9日的公告。

# Report of the Directors

## 董事會報告

### EVENTS AFTER THE YEAR ENDED 31 DECEMBER 2016

On 24 March, 2017, the Board approved the proposed conditional grant of an aggregate of 26,333,182 RSUs to certain connected grantees and non-connected grantees of the Group in accordance with the terms of the Post-IPO RSU Scheme, subject to the approval by the shareholders, or independent shareholders, of the Company and the acceptance by the grantees where applicable. Save as disclosed above, there was no subsequent events between the end of reporting period and the date of this annual report that would cause material impact on the Group.

### CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" of this annual report.

### REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed the Group's risk management, internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2016.

### PROFESSIONAL TAX ADVICE RECOMMENDED

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

### APPRECIATION

The Group would like to express its appreciation to all the staff for their outstanding contribution towards the Group's development. The Board wishes to sincerely thank the management for their dedication and diligence, and they are the key factors for the Group to continue its success in future. Also, the Group wishes to extend its gratitude for the continued support from its Shareholders, customers, and business partners. The Group will continue to deliver sustainable business development, so as to meet its business objectives for 2017 and realize higher values for its Shareholders and other stakeholders.

### 本年度截至2016年12月31日後之事項

2017年3月24日，根據首次公開發售後受限制股份單位計劃，董事會批准擬進行的有條件向本集團向若干關連承授人及非關連承授人授出共計26,333,182受限制股份單位，但須經股東或獨立股東批准及相關承授人接納（倘適用）方可生效落實。除上文所述外，報告期末至本年報日期內，無任何後續事件會對本集團造成重大影響。

### 企業管治

有關本公司採用企業管治常規的資料載於本年報「企業管治報告」一節。

### 審核委員會的審閱

審核委員會已審閱本集團所採用的會計原則及政策，並與管理層討論了本集團的風險管理、內部監控及財務報告事宜。審核委員會也已審閱本集團本年度截至2016年12月31日的經審核合併財務報表。

### 專業稅務意見建議

如果股東對購買、持有、處置及買賣股份或行使其任何有關權利的稅務影響有任何疑問，建議諮詢專家。

### 致謝

本集團衷心感謝所有員工對本集團發展所做出的傑出貢獻。董事會對管理層的盡職勤勉表示誠摯的謝意，管理層是本集團日後繼續走向成功的關鍵因素。本集團也非常感謝股東、客戶及業務夥伴一如既往的支持。本集團將繼續進行可持續業務發展，旨在實現2017年的業務目標，為股東及其他權益持有人創造更高價值。

# Report of the Directors

## 董事會報告

### AUDITORS

There have been no changes of auditors in the past three years.

### 核數師

在過去三年中，核數師無變動。

ON BEHALF OF THE BOARD

**Stephen Xiangdong ZOU**

*Chairman and Executive Director*

Hong Kong

31 March 2017

代表董事會

董事長兼執行董事

**鄒向東**

香港

2017年3月31日

# Corporate Governance Report

## 企業管治報告

The Board is pleased to present this corporate governance report the period commencing from 1 January 2016 and to 31 December 2016 (the “**Review Period**”).

### CORPORATE GOVERNANCE PRACTICES

The Group is committed to maintaining high standards of corporate governance to safeguard the interests of shareholders and to enhance corporate value and accountability. The Company has adopted the Corporate Governance Code (the “**CG Code**”) contained in Appendix 14 to the Listing Rules as its own code of corporate governance.

Save as disclosed below, the Company has complied with all applicable code provisions under the CG Code during the year ended 31 December 2016. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

Following the retirement of Dr. Tin Yau Kelvin Wong as an independent non-executive Director, during the interim period between 28 April 2016 and the effective date of Mr. Stephen Cheuk Kin Law’s position as independent non-executive Director (the “**Interim Period**”), the composition of independent non-executive Directors has fallen short of the minimum number requirement under Rule 3.10A of the Listing Rules and the qualification requirement under Rule 3.10(2). In addition, during the Interim Period, the composition of the Audit Committee and the composition of the Nomination Committee have fallen short of the requirements set out in Rule 3.21 of the Listing Rules and code provision A.5.1 of CG Code as set out in Appendix 14 to the Listing Rules, respectively. Following the appointment of Mr. Law as the independent non-executive Director with effect from 2 July 2016, the chairman of the Audit Committee and a member of the nomination committee of the Board, the Company fully complies with the requirements under Listing Rules 3.10(2), 3.10A and 3.21 and A.5.1 of the CG Code to the Listing Rules.

### THE BOARD Responsibilities

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established three Board committees including the Audit Committee, the remuneration committee (the “**Remuneration Committee**”), the nomination committee (the “**Nomination Committee**”) and the new business committee (the “**New Business Committee**”) (together, the “**Board Committees**”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

董事會謹此呈列自2016年1月1日至2016年12月31日期間(「回顧期」)的企業管治報告。

### 企業管治常規

本集團致力於維持高標準的企業管治以保障股東利益並提升企業價值及問責文化。本公司已採納上市規則附錄14所載的企業管治守則(「企業管治守則」)作為自身的企業管治守則。

除下文披露的以外，於2016年12月31日止年度，本公司已遵守企業管治守則的所有適用守則條文。本公司將繼續檢討並監察企業管治常規以確保遵守企業管治守則。

在黃天祐博士於2016年4月28日退任獨立非執行董事至羅卓堅先生擔任獨立非執行董事期間(「中期期間」)，獨立非執行董事的組成未達成上市規則第3.10A條的最低人數規定及第3.10(2)條的資格要求。此外，於中期期間，審核委員會的組成和提名委員會的組成均分別未達成上市規則第3.21條和上市規則附錄14所載的企業管治守則第A5.1條的規定。羅先生被委任為獨立非執行董事、審核委員會的主席和提名委員會的成員並於2016年7月2日生效後，本公司已符合上市規則的第3.10(2)條、第3.10A條和第3.21條的規定及企業管治守則的第A.5.1條的規定。

### 董事會 職責

董事會負責本集團的整體領導工作，監督本集團的策略決定、業務與表現。董事會授權本集團高級管理層負責集團日常管理及營運。為監督本公司特定範疇的情況，董事會成立了三個董事委員會，包括審核委員會、薪酬委員會(「薪酬委員會」)、提名委員會(「提名委員會」)和新業務委員會(「新業務委員會」)(合稱「董事委員會」)。董事會已向董事委員會授予了各自職權範圍內所列的職責。

# Corporate Governance Report

## 企業管治報告

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

### Board Composition

As at the date of this report, the Board comprised one executive Director, seven non-executive Directors and four independent non-executive Directors as follows:

#### Executive Director

Dr. Stephen Xiangdong Zou (*Chairman*)

#### Non-executive Directors

Mr. Peter Randall Kagan

Mr. Gordon Sun Kan Shaw

Mr. Zhen Wei

Mr. Zhijie Zeng (retired on 28 April 2016)

Mr. Lei Jin

Dr. Guiyong Cui

Dr. Bo Bai (resigned on 28 February 2017)

Mr. Saurabh Narayan Agarwal (appointed on 24 March 2017)

#### Independent non-executive Directors

Mr. Yaowen Wu

Mr. Robert Ralph Parks

Dr. Tin Yau Kelvin Wong (retired on 28 April 2016)

Mr. Stephen Cheuk Kin Law (appointed on 2 July 2016)

Mr. Fredrick J. Barrett

The biographies of the current Directors are set out under the section headed "Directors and Senior Management" of this annual report. Saved as disclosed in the Prospectus and this annual report (if any), to the knowledge of the Directors, the Board members have no financial, business, family or other material relationship with each other.

During the Review Period, Dr. Tin Yau Kelvin Wong has retired as an independent non-executive Director, the Chairman of the Audit Committee and a member of Nomination Committee due to his business engagement/arrangements, effective from 28 April 2016. Mr. Stephen Cheuk Kin Law has been appointed as an independent non-executive Director, the Chairman of the Audit Committee and a member of the Nomination Committee with effect from 2 July 2016.

所有董事須確保其在任何時候均真誠履行職責，遵守相關法律及法規，並符合本公司及股東的利益。

### 董事會組成

於本報告日期，董事會共有一名執行董事、七名非執行董事和四名獨立非執行董事如下：

#### 執行董事

鄒向東博士 (*董事會主席*)

#### 非執行董事

Peter Randall Kagan 先生

蕭宇成先生

魏臻先生

曾之傑先生 (於2016年4月28日退任)

金磊先生

崔桂勇博士

白波博士 (於2017年2月28日辭職)

Saurabh Narayan Agarwal 先生

(於2017年3月24日獲委任)

#### 獨立非執行董事

吳耀文先生

Robert Ralph Parks 先生

黃天祐博士 (於2016年4月28日退任)

羅卓堅先生 (於2016年7月2日委任)

Fredrick J. Barrett 先生

本公司現有董事的履歷簡介載於本年報「董事及高級管理層」一節。除招股章程及本年報所披露的情形(如有)外，根據董事所知，董事會成員相互之間無任何財務、業務、家庭或其他重要關係。

回顧期內，黃天祐博士因其從事業務／業務安排而退任獨立非執行董事、審計委員會主席及提名委員會成員，於2016年4月28日生效。羅卓堅先生被委任為獨立非執行董事、審計委員會主席及提名委員會成員，於2016年7月2日生效。

# Corporate Governance Report

## 企業管治報告

Between Dr. Tin Kau Kelvin Wong's retirement from the Board on 28 April 2016 and the appointment of Mr. Stephen Cheuk Kin Law on 2 July 2016, since the Company only had three independent non-executive Directors and none of them had the qualification required under Rule 3.10(2) of the Listing Rules, (i) the composition of independent non-executive Directors has fallen short of minimum number requirement under Rule 3.10A and the qualification requirement under Rule 3.10(2) of the Listing Rules; and (ii) the composition of the Audit Committee has fallen short of the requirements set out in Rule 3.21 of the Listing Rules.

Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee and the New Business Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, Directors have agreed to disclose their commitments to the Company in a timely manner.

### Induction and Continuous Professional Development for Directors

Each newly appointed Director is provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under relevant status, laws, rules and regulations. The Company also provides Directors with regular updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to discharge their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company has from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

於黃天祐博士在2016年4月28日退任董事會至聘任羅卓堅先生(於2016年7月2日生效)期間,由於本公司僅有三名獨立非執行董事,他們均不具備上市規則第3.10(2)條的資格要求:(i)獨立非執行董事的組成未達到上市規則第3.10A條的最低人數規定及第3.10(2)條的資格要求;及(ii)審核委員會的組成未達到上市規則第3.21條的規定。

各獨立非執行董事已根據上市規則第3.13條確認自身的獨立身份,而本公司認為他們均為獨立人士。

所有董事(包括獨立非執行董事)為董事會帶來了寶貴而廣泛的商業經驗、知識及專業技能,協助董事會有效地運作。獨立非執行董事更獲邀加入審核委員會、薪酬委員會、提名委員會及新業務委員會。

對於企業管治守則規定董事須向發行人披露自身在上市公司或組織中擔任的職務數量與性質、其他重大承擔、自身身份以及投入時間,董事同意及時向本公司披露各自的承擔情況。

### 董事的就職和持續專業發展

每名新委任的董事均會被提供相關就職講解及資訊,以確保其充分瞭解本公司的運作及業務,以及自身在相關法律地位、法律法規下的責任。本公司也會不時向董事提供關於上市規則及其他相關法律法規規定最新發展及變更的定期更新資料。董事還會被提供關於本公司營運表現、狀況及前景的定期更新資料,以便董事會全體及每名董事履行職責。

本公司鼓勵董事繼續致力發展自身專業以拓展並鞏固知識及技能。本公司的公司秘書會不時更新並提供有關董事職務、職能及職責的書面培訓材料。



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During the Review Period, all Directors have participated in continuous professional development by attending training courses and/or referring materials on the topics related to the Group's business, corporate governance and regulations on the roles, functions and duties of a director of a listed company:

在回顧期內，全體董事均通過參加和／或學習有關本集團業務、上市公司董事角色、功能及職責相關的企業管治和監管的培訓課程和／或材料，以參與持續專業發展：

Name of Director		Reading regulatory update	Attending expert briefings/ seminars/ conferences/ on-line courses relevant to the business of the Group or directors' duties 參加有關本集團業務或董事職責之專家簡報會／研討會／會議／ 在線課程
董事姓名		閱讀最新監管資料	在線課程
<b>Executive Director</b>	<b>執行董事</b>		
Dr. Stephen Xiangdong Zou	鄒向東博士	✓	✓
<b>Non-executive Directors</b>	<b>非執行董事</b>		
Mr. Peter Randall Kagan	Peter Randall Kagan 先生	✓	✓
Mr. Gordon Sun Kan Shaw	Gordon Sun Kan Shaw 先生	✓	✓
Mr. Zhen Wei	魏臻先生	✓	✓
Mr. Zhijie Zeng (retired on 28 April 2016)	曾之傑先生(於2016年 4月28日退任)	✓	–
Mr. Lei Jin	金磊先生	✓	✓
Dr. Guiyong Cui	崔桂勇博士	✓	–
Dr. Bo Bai (resigned on 28 February 2017)	白波博士(於2017年 2月28日辭任)	✓	✓
<b>Independent non-executive Directors</b>	<b>獨立非執行董事</b>		
Mr. Yaowen Wu	吳耀文先生	✓	–
Mr. Robert Ralph Parks	Robert Ralph Parks 先生	✓	✓
Dr. Tin Yau Kelvin Wong (retired on 28 April 2016)	黃天祐博士(於2016年 4月28日退任)	✓	✓
Mr. Stephen Cheuk Kin Law (appointed on 2 July 2016)	羅卓堅先生(於2016年 7月2日獲委任)	✓	–
Mr. Fredrick J. Barrett	Fredrick J. Barrett 先生	✓	✓

# Corporate Governance Report

## 企業管治報告

### Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of directors are set out in the Articles. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

Each of the executive Director, non-executive Directors and independent non-executive Directors has entered into a service agreements or a letter of appointment with the Company for a term of three years. Such term is subject to his re-election by the Company at an annual general meeting upon retirement. The Articles provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Besides, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. In accordance with the Articles, at every annual general meeting of the Company, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and being eligible offer themselves for re-election.

In accordance with the Articles, Mr. Stephen Cheuk Kin Law, Mr. Saurabh Narayan Agarwal and one-third of the Directors, being Dr. Stephen Xiangdong Zou, Mr. Gordon Sun Kan Shaw, Mr. Robert Ralph Parks and Mr. Fredrick J. Barrett shall retire and Mr. Stephen Cheuk Kin Law, Mr. Saurabh Narayan Agarwal, Dr. Stephen Xiangdong Zou, Mr. Gordon Sun Kan Shaw, Mr. Robert Ralph Parks and Mr. Fredrick J. Barrett being eligible, have offered themselves for re-election at the Company's forthcoming annual general meeting.

### 委任、重選及罷免董事

關於委任、重選及罷免董事的程序及過程載於細則。提名委員會負責審核董事會的組成，並監察董事的委任、重選及更替計劃。

執行董事、非執行董事及獨立非執行董事各自與本公司訂立服務協定或委任書，年限自上市日期起計算，為期三年，但該年限可在其任滿告退時由本公司在股東週年大會重選而延長。細則規定，董事會為填補董事會臨時空缺而委任的董事，其任期須在其獲委任後的本公司首屆股東大會屆滿，屆時將符合資格並在該屆大會上膺選連任。此外，董事會為增加現有董事會人數而委任的董事，其任期須在本公司下一屆股東週年大會屆滿，屆時將符合資格並在該大會上膺選連任。根據細則，在本公司每屆股東週年大會上，當時三分之一的董事（若其人數並非三的倍數，則最接近但不少於三分之一的人數）將輪值退任，但每位董事（包括獲指定特定任期的董事）應至少每三年在股東週年大會上退任一次並膺選連任。

根據細則，羅卓堅先生、Saurabh Narayan Agarwal先生及三分之一的董事（即鄒向東博士、蕭宇成先生、Robert Ralph Parks先生及Fredrick J. Barrett先生）將在本公司應屆股東週年大會退任，羅卓堅先生、Saurabh Narayan Agarwal先生、鄒向東博士、蕭宇成先生、Robert Ralph Parks先生及Fredrick J. Barrett先生符合資格申請膺選連任。

# Corporate Governance Report

## 企業管治報告

### General Meetings

During the Review Period, two general meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

### 股東大會會議

在回顧期內，股東大會舉行了兩次會議，各位董事出席這些會議的情況見下表：

Name of Director 董事姓名		Attended/ Eligible to attend 實際出席／可出席次數
Dr. Stephen Xiangdong Zou (Chairman)	鄒向東博士(主席)	2/2
Mr. Peter Randall Kagan	Peter Randall Kagan 先生	0/2
Mr. Gordon Sun Kan Shaw	蕭宇成先生	2/2
Mr. Zhen Wei	魏臻先生	0/2
Mr. Zhijie Zeng	曾之傑先生	0/2
Mr. Lei Jin	金磊先生	1/2
Dr. Guiyong Cui	崔桂勇博士	1/2
Dr. Bo Bai	白波博士	0/2
Mr. Yaowen Wu	吳耀文先生	0/2
Mr. Robert Ralph Parks	Robert Ralph Parks 先生	1/2
Dr. Tin Yau Kelvin Wong	黃天祐博士	1/2
Mr. Fredrick J. Barrett	Fredrick J. Barrett 先生	1/2
Mr. Stephen Cheuk Kin Law (appointed on 28 April 2016)	羅卓堅先生 (於2016年4月28日獲委任)	0/0

### Board Meetings

The Company adopts the practice of holding board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than 14 days will be given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

### 董事會會議

本公司採取定期舉行董事會會議(每年最少四次，約每季舉行一次)的規定。所有定期董事會會議須至少提前14日發出通知，以便所有董事均可參與並在議程中提出討論事項。

For other Board and committee meetings, reasonable notice will generally be given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board prior to the meeting.

其他董事會及委員會會議一般也會提供合理的通知期。議程及相關董事會文件會在會議舉行前至少三天派發董事或委員會成員，以確保他們有足夠時間審閱有關文件並為會議做出妥善準備。如果董事或委員會成員未能出席會議，則會在會議前獲得事先通知討論事項並可就這些事項向董事會主席發表意見。

Minutes of the Board meetings and Board Committee meetings will be recorded in sufficient detail the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

董事會會議及董事委員會會議的會議紀錄將詳細記載董事會及董事委員會審議的事宜及決定，包括所有董事關注事項。各董事會會議及董事委員會會議的會議紀錄草案將在會議日期後的合理時間內發送給各位董事以供發表意見。

# Corporate Governance Report

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During the Review Period, nine board meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

在回顧期內，董事會舉行了九次會議，各位董事出席這些會議的情況見下表：

Name of Director 董事姓名		Attended/ Eligible to attend 實際出席／可出席次數
Dr. Stephen Xiangdong Zou (Chairman)	鄒向東博士(主席)	9/9
Mr. Peter Randall Kagan	Peter Randall Kagan 先生	7/9
Mr. Gordon Sun Kan Shaw	蕭宇成先生	9/9
Mr. Zhen Wei	魏臻先生	6/9
Mr. Zhijie Zeng (retired on 28 April 2016)	曾之傑先生(於2016年4月28日退任)	0/2
Mr. Lei Jin	金磊先生	8/9
Dr. Guiyong Cui	崔桂勇博士	4/9
Dr. Bo Bai (resigned on 28 February 2017)	白波博士(於2017年2月28日辭任)	8/9
Mr. Yaowen Wu	吳耀文先生	8/9
Mr. Robert Ralph Parks	Robert Ralph Parks 先生	9/9
Dr. Tin Yau Kelvin Wong (retired on 28 April 2016)	黃天祐博士(於2016年4月28日退任)	0/2
Mr. Fredrick J. Barrett	Fredrick J. Barrett 先生	8/9
Mr. Stephen Cheuk Kin Law (appointed on 28 April 2016)	羅卓堅先生 (於2016年4月28日獲委任)	5/5

### Chairman and Chief Executive Officer

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive officer should be separate and performed by different individuals.

The chairman of the Board and the chief executive officer of the Company (the "Chief Executive Officer") are currently two separate positions held by Dr. ZOU as the chairman of the Board and Mr. Jing Li as Chief Executive Officer, with clear distinction in responsibilities. The chairman of the Board is responsible for providing strategic advice and guidance on the business development of the Group, while the Chief Executive Officer is responsible for the day-to-day operations of the Group.

### 主席及首席執行官

根據企業管治守則條款第A.2.1條規定，主席與首席執行官的職務必須分開，並由不同人士擔任。

本公司董事會主席及首席執行官(「首席執行官」)現為兩個獨立職位，分別由鄒博士擔任董事會主席，由李京先生擔任首席執行官，分工清晰明確。董事會主席負責就本集團業務發展提供策略意見和指導，而首席執行官則負責集團日常營運。

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### Model Code for Securities Transactions

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of the Model Code for Securities Transactions by Directors of Listed Issuers as set out in the Model Code. Having made specific enquiry with all Directors, the Company confirmed that all Directors have complied with the code of conduct and the Model Code during the Review Period.

The Company also established written guidelines on terms no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by relevant employees who are likely to possess inside information of the Company in respect of their dealings in the Company’s securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the Review Period.

### Delegation by the Board

The Board reserves for its decision all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company’s expense and are encouraged to access and to consult with the Company’s senior management independently.

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

### 證券交易的標準守則

本公司已採取了一套不低於標準守則所載、上市發行人董事進行證券交易標準守則的董事進行證券交易操守守則。經向全體董事做出特定查詢後，本公司確認全體董事在回顧期內始終遵守操守守則和標準守則。

本公司還就2015年8月6日買賣本公司證券且可能持有本公司內幕消息的相關員工進行的證券交易，制定了一套不低於標準守則的書面指引（「**員工書面指引**」）。在回顧期內，本公司知曉無相關僱員違反員工書面指引的事件發生。

### 董事會授權

董事會保留對本公司所有重要事項的決定權，包括批准和監督所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（尤其是涉及利益衝突）、財務資料、委任董事及其他重大財務和營運事宜。董事可在履行職責時徵求獨立專業意見，相關費用由本公司承擔。本公司也鼓勵董事單獨約見本公司高級管理人員並向其進行徵詢。

高級管理人員獲授權處理本集團的日常管理、行政及營運，而所獲職能及職責均由董事會定期審核。管理層的任何重大交易必須事先獲得董事會批准。

# Corporate Governance Report

## 企業管治報告

### Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of Directors and the corporate governance duties include:

- (a) to develop and review the Company's policies and practices on corporate governance;
- (b) to review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and
- (e) to review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

### Remuneration of Directors and Senior Management

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2016 are set out in note 32 to the section headed "Consolidated Financial Statements" of this annual report.

The senior management's remuneration for the year ended 31 December 2016 is within the following bands:

### 企業管治功能

董事會認同企業管治為董事共同承擔的責任，而企業管治職責包括：

- (a) 制訂並審核本公司的企業管治政策及常規情況；
- (b) 審核並監察本公司董事和高級管理人員的培訓及持續專業發展；
- (c) 審核並監察本公司遵守法律法規規定的政策及常規情況；
- (d) 制訂、審核並監察適用於僱員及董事的操守守則及合規手冊(如有)；以及
- (e) 審核本公司遵守企業管治守則及企業管治報告披露事宜的情況。

### 董事及高級管理人員薪酬

本公司為制定本集團董事及高級管理人員薪酬的政策建立了一套正規而具有透明度的程式。各董事本年度截至2016年12月31日的薪酬詳情載於本年報「合併財務報表」一節附註32。

本年度截至2016年12月31日高級管理人員的薪酬範圍如下：

		Year ended 31 December 2016 截至2016年 12月31日止年度
Emolument bands	薪酬範圍	
HKD1,500,001–HKD2,000,000	1,500,001 港元至 2,000,000 港元	2
HKD2,500,001–HKD3,000,000	2,500,001 港元至 3,000,000 港元	1
HKD3,000,001–HKD3,500,000	3,000,001 港元至 3,500,000 港元	1
HKD7,500,001–HKD8,000,000	7,500,001 港元至 8,000,000 港元	1
HKD10,000,001–HKD10,500,000	10,000,001 港元至 10,500,000 港元	1
HKD15,000,001–HKD15,500,000	15,000,001 港元至 15,500,000 港元	1
		7

Note: The above emoluments included share-based compensation expense.

附註：上述薪酬包括以股份為基礎的薪酬開支。

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### Directors' Liability Insurance

The Company has arranged appropriate insurance cover in respect of legal action against its Directors.

## BOARD COMMITTEES

### Audit Committee

The Audit Committee comprises three members, namely Mr. Stephen Cheuk Kin Law, Mr. Robert Ralph Parks, and Mr. Gordon Sun Kan Shaw, the majority of who are independent non-executive Directors. The chairman is Mr. Stephen Cheuk Kin Law, who confirmed that he possesses appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The main duties of the Audit Committee include the following:

- (a) to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the auditor before submission to the Board;
- (b) to review and monitor the external auditor's independence and objectivity and effectiveness of the audit process in accordance with applicable standard and discuss with external auditor the nature and scope of the audit and reporting obligations before the audit commences; and
- (c) to review the adequacy and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function.

The Audit Committee oversees the risk management and internal control systems of the Group, reports to the Board on any material issue, and makes recommendations to the Board.

The written terms of reference of Audit Committee are available on the websites of the Stock Exchange and the Company.

### 董事責任險

本公司已就董事可能面對的法律訴訟購買了合適的保險。

### 董事委員會

#### 審核委員會

審核委員會共有三名成員，即羅卓堅先生、Robert Ralph Parks先生及蕭宇成先生，其中大多為獨立非執行董事。羅卓堅先生擔任主席，並確認自身具備上市規則第3.10(2)及3.21條規定的合適專業資格。審核委員會的主要職責如下：

- (a) 審閱財務報表和報告，並在遞交董事會前考量任何由本公司會計及財務申報員工、合規主任或核數師提出的重大或不尋常事項；
- (b) 按相關準則審核並監督外聘核數師的獨立性、客觀性以及審核流程的有效性，並在審核工作開始前與外聘核數師討論審核性質、範圍相關申報責任；及
- (c) 評估本公司的財務申報機制、內部監控系統、風險管理系統及相關程式的適當性和有效性，包括資源的充足率、員工資格及經驗、培訓計劃，以及本公司會計及財務申報功能的預算。

審核委員會監督本集團的風險管理和內部監控系統，向董事會彙報所有重大事件並提出建議。

審核委員會的書面職權範圍在聯交所及本公司網站可供查閱。

# Corporate Governance Report

## 企業管治報告

During the Review Period, three meetings of the Audit Committee was held to discuss and consider the following matters:

- reviewed annual results of the Company and its subsidiaries for the period ended 31 December 2015;
- reviewed interim results of the Company and its subsidiaries for the period end 30 June 2016;
- reviewed internal control system, risk management systems and processes;
- reviewed 2016 audit plan, internal audit report; and
- discussed new disclosure re enterprises risk.

在回顧期內，審核委員會舉行了三次會議，討論並審議了以下事項：

- 審閱本公司及其附屬公司截至2015年12月31日期間的年度業績；
- 審閱本公司及其附屬公司截至2016年6月30日期間的中期業績；
- 審核內部監控系統、風險管理系統及流程；
- 審核2016年度審核計劃、內部審核報告；及
- 討論了關於公司風險的新披露內容。

During the Review Period, three meetings of the Audit Committee were held and the attendance record of the Audit Committee members is set out in the table below:

在回顧期內，審核委員會舉行了三次會議，各審核委員會成員的出席紀錄見下表：

Name of Director 董事姓名		Attended/ Eligible to attend 實際出席／可出席次數
Mr. Stephen Cheuk Kin Law ( <i>Chairman of the Audit Committee</i> ) (appoint on 2 July 2016)	羅卓堅先生 (審核委員會主席) (於2016年7月2日獲委任)	2/2
Dr. Tin Yau Kelvin Wong (retired on 28 April 2016)	黃天祐博士 (於2016年4月28日退任)	1/1
Mr. Gordon Sun Kan Shaw	蕭宇成先生	2/3
Mr. Robert Ralph Rarks	Robert Ralph Rarks 先生	3/3

Pursuant to the code provision C.3.3 of the CG Code, the Audit Committee should meet with the Company's auditors at least twice a year. During the Review Period, the Company had met the auditor twice.

根據企業管治守則條款第C.3.3條規定，審核委員會應每年至少與本公司核數師會面兩次。在回顧期內，本公司已與核數師會面兩次。



# Corporate Governance Report

## 企業管治報告

### Remuneration Committee

The Remuneration Committee currently comprises three members, namely Mr. Robert Ralph Parks, Mr. Fredrick J. Barrett and Mr. Saurabh Narayan Agarwal, the majority of whom are independent non-executive Directors.

The principal duties of the Remuneration Committee include the following:

1. to make recommendations to the Board on the Company's policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies;
2. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board;
3. either to determine, with delegated responsibility or to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
4. to make recommendations to the Board on the remuneration of non-executive Directors;
5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions of the Group;
6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
8. to ensure that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration.

The written terms of reference of Remuneration Committee are available on the websites of the Stock Exchange and the Company.

### 薪酬委員會

薪酬委員會目前共有三名成員，即Robert Ralph Parks先生、Fredrick J. Barrett先生和Saurabh Narayan Agarwal先生，其中大多為獨立非執行董事。

薪酬委員會的主要職責如下：

1. 就本公司全體董事及高級管理人員的薪酬政策、架構，以及制訂此等薪酬政策而設立正規而具透明度的程序，向董事會提出建議；
2. 參考董事會的企業目標及目的，審核並批准管理層的薪酬建議；
3. 就個別執行董事及高級管理人員的薪酬待遇，根據董事會轉授權做出決定或向董事會提出推薦建議，包括實物福利、退休金、賠償金(包括任何喪失或終止職務或委任而應支付的賠償)；
4. 就非執行董事的薪酬向董事會提出推薦建議；
5. 考量同類公司支付的薪酬、須付出的時間及職責，以及本集團職位的僱傭條件；
6. 審核並批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保這些賠償與合約條款一致；若未能與合約條款一致，賠償也應公平合理，不應過多；
7. 審核並批准因行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保這些安排與合約條款一致；若未能與合約條款一致，有關賠償也應合理適當；以及
8. 確保任何董事或其任何連絡人(定義見上市規則)均不得參與決定其自身薪酬。

薪酬委員會的書面職權範圍在聯交所及本公司網站可供查閱。

# Corporate Governance Report

## 企業管治報告

During the Review Period, three meetings of the Remuneration Committee were held to discuss and consider the following matters:

- discussed the vesting of KPI-linked Pre-IPO options;
- discussed directors' and senior management's remuneration in 2016;
- reviewed and discussed year-end bonus and salary adjustment;
- reviewed performance evaluation system; and
- reviewed long-term incentive plans.

在回顧期內，薪酬委員會舉行了三次會議，以討論並審議以下事項：

- 討論關鍵業績指標掛鈎受限制股份單位的歸屬；
- 討論董事和高級管理層的2016年薪酬安排；
- 審閱及討論年底花紅及加薪事宜；
- 審核表現評估系統；及
- 審閱長期激勵計劃。

During the Review Period, three meetings of the Remuneration Committee were held and the attendance record of the Remuneration Committee members is set out in the table below:

在回顧期內，薪酬委員會舉行了三次會議，各薪酬委員會成員的出席紀錄見下表：

Name of Director 董事姓名		Attended/ Eligible to attend 實際出席／可出席次數
Mr. Robert Ralph Parks (Chairman of the Remuneration Committee)	Robert Ralph Parks 先生 (薪酬委員會主席)	3/3
Mr. Fredrick J. Barrett	Fredrick J. Barrett 先生	3/3
Dr. Bo Bai (resigned on 28 February 2017)	白波先生(於2017年2月28日辭任)	3/3
Mr. Saurabh Narayan Agarwal (appointed on 24 March 2017)	Saurabh Narayan Agarwal 先生 (於2017年3月24日獲委任)	0/0

# Corporate Governance Report

## 企業管治報告

### Nomination Committee

The Nomination Committee currently consists of two independent non-executive Directors, being Mr. Stephen Cheuk Kin Law and Mr. Yaowen Wu, and an executive Director, Dr. ZOU, who is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of independent non-executive Directors;
4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive officer; and
5. to review the Board diversity policy.

### 提名委員會

提名委員會成員目前包括兩名獨立非執行董事羅卓堅先生和吳耀文先生，以及一名執行董事鄒博士，而鄒博士也是提名委員會主席。

提名委員會的主要職責如下：

1. 至少每年審核董事會的結構、規模及組成(包括技能、知識及經驗)，並就董事會的任何變動提供建議，以補充本公司企業策略；
2. 物色符合適當資格成為董事會成員的人士，甄選或向董事會建議甄選獲提名的董事候選人；
3. 評估獨立非執行董事的獨立性；
4. 就董事的委任或重新委任以及董事(尤其是主席及行政總裁)的繼任計劃向董事會提出建議；以及
5. 審核董事會成員多元化政策。

# Corporate Governance Report

## 企業管治報告

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to carry out the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the Review Period, one meeting of the Nomination Committee was held to discuss and consider the following matters:

- reviewed the independence of independent non-executive directors; and
- reviewed and considered retirement and re-election of directors.

The written terms of reference of Nomination Committee are available on the websites of the Stock Exchange and the Company.

During the Review Period, one meeting of the Nomination Committee was held and the attendance record of the Nomination Committee members is set out in the table below:

提名委員會根據誠信、經驗、技能及是否能夠付出時間及精力履行職務及職責等範疇，評估候選人或現任成員。提名委員會的建議會交由董事會決定。提名委員會的書面職權範圍在聯交所及本公司網站可供查閱。

在回顧期內，提名委員會舉行了一次會議，以討論及審議以下事項：

- 審核獨立非執行董事的獨立性；及
- 審核並考慮董事的退任和重選。

提名委員會的書面職權範圍在聯交所及本公司網站可供查閱。

在回顧期內，提名委員會舉行了一次會議，各提名委員會成員的出席紀錄見下表：

Name of Director 董事姓名		Attended/ Eligible to attend 實際出席／可出席次數
Dr. Stephen Xiangdong Zou (Chairman of the Nomination Committee)	鄒向東先生(提名委員會主席)	1/1
Mr. Yaowen Wu	吳耀文先生	1/1
Mr. Stephen Cheuk Kin Law (appointed on 2 July 2016)	羅卓堅先生 (於2016年7月2日獲委任)	0/0
Dr. Tin Yau Kelvin Wong (retired on 28 April 2016)	黃天祐博士(於2016年4月28日退任)	1/1

# Corporate Governance Report

## 企業管治報告

### New Business Committee

The New Business Committee currently consists of three independent non-executive Directors, being Mr. Fredrick J. Barrett, Mr. Robert Ralph Parks and Mr. Yaowen Wu, and a non-executive Director, Mr. Saurabh Narayan Agarwal. Mr. Fredrick J. Barrett is the Chairman of the New Business Committee.

The principal duties of the New Business Committee include the following:

1. to review, evaluate and provide feedback on the investment strategies, annual investment plan(s) and the relevant risk management policy of the Company and make recommendations to the Board;
2. to review, evaluate and provide feedback on the investment opportunities of the Company and issue opinion for long-term development plan (including mergers & acquisition, joint venture and equity investments) and make recommendations to the Board;
3. to review, evaluate and provide feedback on significant investment projects pursued under the Company's investment strategy and annual investment plan, review and approve the issue of non-binding indicative offers or letter of intent, and make recommendations to the Board;
4. to review and assess, in addition to new opportunities, the ongoing investment strategy, technical merits and risks associated with existing development and exploration programs, including the annual reserve and resource assessments and make recommendations to the Board;
5. to advise management from time to time on the engagement of appropriate external financial and technical advisors in connection with material acquisitions or divestitures, including a review of the terms of their proposed compensation; and
6. other matters as delegated by the Board.

The written terms of reference of New Business Committee are available on the websites of the Stock Exchange and the Company.

### 新業務委員會

新業務委員會目前共有三名獨立非執行董事，即Fredrick J. Barrett先生、Robert Ralph Parks先生及吳耀文先生，和一位非執行董事，Saurabh Narayan Agarwal先生。Fredrick J. Barrett先生為新業務委員會主席。

新業務委員會的主要職責包括以下方面：

1. 審閱、評估、回饋公司的投資策略、年度投資計劃(由高級管理層及董事會主席提議)及公司的相關風險管理政策並給予意見，向董事會提出建議；
2. 審閱、評估、回饋公司的投資機會並給予意見，對高級管理層及董事會主席提議的長期發展計劃(包括並購、合資及股權投資)給予意見，向董事會提出建議；
3. 審閱、評價、回饋根據公司的投資策略及年度投資計劃推行的重大投資項目並給予意見，審批發出非約束性的指示性要約或意向書，向董事會提出建議；
4. 審閱、評價除新機會以外的持續投資策略、現有開發勘探項目的技術優勢和風險，包括公司編寫的年度儲量和資源量評價，向董事會提出建議；
5. 在重大收購或剝離事務的外部財務顧問和技術顧問聘請方面，不時給予管理層建議，包括審核相關報酬條款；及
6. 董事會指定的其他事務。

新業務委員會的書面職權範圍在聯交所及本公司網站可供查閱。

# Corporate Governance Report

## 企業管治報告

During the Review Period, three meetings of the New Business Committee were held to discuss and consider the following matters:

- reviewed and discussed the terms of reference for new business committee;
- reviewed report on oil opportunities in China & overseas;
- reviewed technical merits and risks of Panzhuang and Mabi projects; and
- discussed long term development plan and investment strategies.

於回顧期內，新業務委員會舉行三次會議，以討論並審議以下事項：

- 審閱和討論新業務委員會的職權範圍；
- 審閱關於中國及海外的石油機會報告；
- 審閱技術水準和潘莊、馬必項目的風險；以及
- 探討長期發展計劃和投資策略。

During the Review Period, three meetings of the New Business Committee were held and the attendance record of the New Business Committee members is set out in the table below:

於回顧期內，新業務委員會舉行三次會議，而各新業務委員會成員的出席紀錄載於下表：

Name of Director 董事姓名		Attended/ Eligible to attend 實際出席／可出席次數
Mr. Fredrick J. Barrett ( <i>Chairman of the New Business Committee</i> )	Fredrick J. Barrett 先生 (新業務委員會主席)	3/3
Mr. Robert Ralph Parks	Robert Ralph Parks 先生	3/3
Mr. Yaowen Wu	吳耀文先生	3/3
Dr. Bo Bai (resigned on 28 February 2017)	白波先生(於2017年2月28日辭任)	3/3
Mr. Saurabh Narayan Agarwal (appointed on 24 March 2017)	Saurabh Narayan Agarwal 先生 (於2017年3月24日獲委任)	0/0

# Corporate Governance Report

## 企業管治報告

### Board Diversity Policy

The Board has adopted a board diversity policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Selection of candidates will be based on a range of diversity perspectives as stated in the above. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this report, the Board comprises 11 Directors. Four of the directors are independent non-executive directors and independent management, thereby promoting critical review and control of the management process. The Board is also characterized by significant diversity, whether considered in terms of culture and education background, professional background and skills.

### Directors' Responsibilities for Financial Reporting in respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2016 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

Pursuant to the code provision C.1.1 of the CG Code, the management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the section headed "Independent Auditor's Report" of this annual report.

### 董事會成員多元化政策

董事會已採取了成員多元化政策，該政策列出了本公司取得持續平衡發展以及提升表現素質的方針。

本公司考慮多項因素以保證董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識和服務期限。

董事會所有委任均堅持用人唯才原則，並兼顧董事會成員多元化的益處根據客觀條件考慮人選。

董事會根據上述各種多元化因素選定候選人。最終決定取決於所選候選人的長處以及可能為董事會帶來的貢獻。

截至本報告日期，董事會共有11名董事，其中四名為獨立非執行董事和獨立管理人員，嚴格審核並監控管理過程。從文化及教育背景、專業背景以及技能方面考慮，董事會屬於多元化狀態。

### 董事有關財務報表的財務申報責任

董事知曉自身須準備本年度截至2016年12月31日財務報表的責任，而該財務報表真實而公平地反映本公司及本集團的狀況，以及本集團的業績和現金流量。

根據企業管治守則條款第C.1.1條，管理層已向董事會提供了所需的解釋和資料，以使董事會能夠有根據地評估並審批本公司的財務報表。本公司每月向董事會全體成員提供本公司營運表現、狀況及前景的最新資料。

根據董事所知，並無可能導致本集團持續經營能力受到嚴重質疑的重大不確定事件或情況。

核數師關於本公司合併財務報表申報責任的聲明載於本年報「獨立核數師報告」章節。

# Corporate Governance Report

## 企業管治報告

### RISK MANAGEMENT AND INTERNAL CONTROL

#### Responsibility of the Board

The Board acknowledges that it is the responsibility of the Board for ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems and reviewing the effectiveness of such systems on an annual basis. The Board is also aware of the fact that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable assurance and not absolute assurance against material misstatement or loss.

#### The Risk Management and Internal Control Systems

The Company adopted the three lines of defence model in the management of risk. Operational management forms the core of the first line of defence as they contact with the risk sources in the first place. They are responsible for identifying, reporting and preliminarily managing risks in their daily operations. Our second line of defence is aimed to facilitate and monitor the implementation of effective risk management practices by operational management throughout the Company. Our internal audit function is the core of the third line of defence and mainly responsible for checking, auditing and monitoring the work performed by the first and second lines of defence.

The Company's risks are identified from business processes in our established enterprise-wide risk assessment methodologies. Key responsible personnel for the management of risk in each of the business process are selected as interviewees to identify the risks to form our risk universe. Each risk within the risk universe is assessed in terms of likelihood of occurrence and the significance of impact, taken into account the current internal controls in place to mitigate these risks. The risk assessment results are reported to senior management and the Board for them to evaluate whether risks have been appropriately managed and decide on our priorities in risk management, based on their preferences towards risk, and in particular how much risks the Company is willing to take for the achievement of its strategy and business objectives, the availability of resources for risk mitigation, and the effectiveness of current internal control system.

### 風險管理及內部監控

#### 董事會責任

董事會明白本身有責任確保本公司建立及維持恰當且有效的風險管理及內部監控系統，並每年檢討該系統的有效性。董事會亦明白該等系統旨在管理而非消除未能達成業務目標的風險，且僅可作出合理而非絕對保證不會有重大失實陳述或損失。

#### 風險管理及內部監控系統

風險管理及內部監控系統本公司採取三道防線模式管理風險。營運管理人員是第一道防線的核心，因為一旦出現風險，彼等首當其衝。營運管理人員負責識別、報告及初步管理日常營運中存在的風險。第二道防線旨在推動及監察營運管理人員在整個公司高效實施風險管理措施。內部審核功能是第三道防線，主要負責檢查、審核及監察第一及第二道防線的工作。

根據我們建立的全面風險評估方法，本公司從業務流程出發，進行風險識別。各個業務流程中的主要負責人被選作受訪者，識別流程中的風險，並匯總形成最終風險清單。風險清單中的各風險按發生的可能性及影響的程度評價，並列入目前降低該等風險所採用的內部監控。風險評估結果向高級管理層及董事會彙報，以根據其風險偏好，尤其公司願意為其戰略和經營目標的實現承擔多少風險，降低風險的資源利用和現行內部控制系統的有效性等因素來評估風險是否被適當管理和決定風險管理的優先次序。



# Corporate Governance Report

## 企業管治報告

In this reporting period, five risk areas had been selected by senior management and confirmed by the Board to form the top of the Company's 2016 risk management agenda, aiming to reduce the risk exposures to an acceptably low level. In order to better facilitate the reduction of these risks as well as risks in future periods with good organisation, coordination and collaborations across all departments involved, the Company established a risk management working group (the "RMWG") with three members, chaired by the CEO. Action plans for the mitigation of the five risk areas had then been formulated, approved, and carried out after rounds of discussions and evaluations. The five risk areas were addressed through the design and implementation of new policies and procedures, and in particular the establishment and refinement of internal controls.

The Company's internal control system is based on Internal Control — Integrated Framework of the Committee of Sponsoring Organisations of the Treadway Commission ("COSO"), and has five components, namely Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The system intends to facilitate the design and functioning of good control practices and reduce the likelihood and impact of risks to an acceptably low level, in order for us to achieve our objectives in operations, reporting, and compliance.

Any material internal control defects identified are timely communicated and carefully evaluated for their potential impacts. The departments or functions who are owners of these controls, are required to propose corrective measures and obtain approval from management before implementation. The implementation statuses are monitored by both management and the internal audit function to ensure these control defects are properly resolved in a timely manner. The Company has also established policies and procedures for the handling and dissemination of inside information. The information to be disclosed should be properly reviewed and approved by our compliance functions and management to ensure its appropriateness and accuracy, and is closely monitored after disclosure.

In 2017, the Company plans to use its best endeavour to continuously refine our risk management and internal control systems whenever necessary, which would include the establishment of a more formalised risk response process, improvements to be made in control design and execution in high risk areas identified through our annual risk assessment, and a mechanism to monitor the resolution of control deficiencies, to mention but a few.

在本報告期內，五個風險區域已由高級管理層選定並由董事會確認形成公司的2016風險管理的首要議題，旨在降低風險到可接受的較低水準。為了更好地促進這些風險的降低及未來一個時期應對風險時各部門具有良好的組織、協調和合作，公司建立了三名成員的風險管理工作組（「RMWG」），由首席執行官主持。降低該五個風險區域的行動方案經過多番討論和評估，最終制定、批准並予以實施。五個風險區域通過新政策和程序的設計和實施予以解決，特別是內部控制的建立和完善。

本公司的內部監控系統是基於特雷德韋委員會贊助組織委員會（「COSO」）的內部監控整合框架，包括監控環境、風險評估、監控活動、資訊及溝通和監督活動五個部分。該系統旨在推動良好監控實踐的設計及實施，降低風險發生的可能性，並將風險影響降低到可接受水準，以便實現我們的營運、申報及合規目標。

我們及時就所識別的重大內部監控瑕疵進行溝通，並審慎評價潛在影響。身為監控責任人的部門須提出糾正措施，並於實施前獲得管理層批准。管理層及內部審核部門監察實施情況，確保及時妥善解決監控瑕疵。本公司亦制定處理及傳播內幕消息的政策及程序。將予披露的資料由合規部及管理層妥為審閱及批准，確保合適準確，並於披露後密切監察。

2017年，本公司打算於有需要時盡全力不斷優化內部監控系統，包括通過我們的年度風險評估，建立一套更正式的風險應變程序，改善控制系統設計和高風險領域中的執行，以及建立監控控制缺陷解決方案的機制。

# Corporate Governance Report

## 企業管治報告

### Internal Audit Function

The Company's internal audit department plays a major role in the monitoring of the Company's internal governance processes. The major tasks of the department include providing assurance on the effectiveness of the Company's governance, risk management and internal controls in areas of operations, safeguarding of assets, reporting, and compliance, and conducting risk-based audits of all branches and subsidiaries of the Company on a regular basis with recommended action plans to audit findings. The department also provides consulting services in risk management and internal control related issues within the Company.

### Review of the Effectiveness and Adequacy of Our Systems

We prepare and submit reports to the Board in risk and control related issues at least annually, detailing how risks have been managed and internal controls been designed and implemented in accordance with the established risk and control frameworks, to keep our overall risk exposures within risk appetite and achieve our business objectives. The Board reviews the reasonableness of these reports and representations from management and makes sufficient enquiries whenever they feel necessary, before reaching their conclusions.

During the reporting period, the Board has conducted a review of the effectiveness of the Company's risk management and internal control systems with the application of the above review process, and considered our risk management and internal control systems effective and adequate in both design and operations.

### 內部審計職能

內部審核部本公司內部審核部在監察本公司內部管治流程方面舉足輕重。該部門的主要任務包括對本公司在營運、資產保護、申報及合規領域的管治、風險管理及內部監控有效提供保證，並定期對本公司分公司及附屬公司開展風險導向的審核，並就審核結果建議應採取的措施。該部門亦就本公司風險管理及內部監控事宜提供諮詢服務。

### 審核系統是否有效及充足

我們至少每年就風險控制事宜編制報告並遞交予董事會，詳述如何按照已建立的風險和控制框架管理風險和設計實施內部控制，以保持我們的全部風險敞口在風險偏好中，並實現我們的業務目標。董事會審閱這些管理層報告及聲明是否合理，並於得出結論前在必要時進行充分詢問。

報告期內，董事會應用上述審核流程審核本公司風險管理及內部監控系統是否有效後認為我們風險管理及內部監控系統的設計及實施方面有效且充分。

# Corporate Governance Report

## 企業管治報告

### EXTERNAL AUDITORS AND AUDITOR'S REMUNERATION

The statement by the external auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the section headed "Independent Auditor's Report" of this annual report.

For the year ended 31 December 2016, the total remuneration paid or payable to the Company's external auditors, PricewaterhouseCoopers ("PwC"), for audit and audit related services totaled RMB3.8 million.

An analysis of the remuneration paid or payable to PwC is set out below:

### 外聘核數師及其酬金

本公司外部核數師關於本公司合併財務報表申報責任的聲明載於本年報「獨立核數師報告」一節。

本年度截至2016年12月31日，本公司就審核及相關服務已付或應付給外聘核數師羅兵咸永道會計師事務所（「羅兵咸永道」）的酬金總額為人民幣380萬元。

已付或應付給羅兵咸永道的酬金分析如下：

		Year ended 31 December 截至12月31日 止年度 2016 2016年 RMB'000 人民幣千元
2016 annual audit service	2016 年度審計服務	
— The Company	— 本公司	3,800
— Subsidiaries	— 附屬公司	400
Services relating to IPO	首次公開發售相關服務	-
Non-audit services *	非審計服務 *	596
		<b>4,796</b>

\* Non-audit services primarily represent tax and advisory services

\* 非審計服務主要指稅務及顧問服務

# Corporate Governance Report

## 企業管治報告

### JOINT COMPANY SECRETARIES

Ms. Yang Lin (“**Ms. Lin**”), one of the joint company secretaries of the Company, is responsible for advising the Board on corporate governance matters and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed.

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong laws, the Company also engages Ms. Lai Siu Kuen (“**Ms. Lai**”), senior manager of TMF Hong Kong Limited (a company secretarial service provider), as another joint company secretary to assist Ms. Lin to discharge her duties as company secretary of the Company. The primary corporate contact person at the Company is Ms. Lin, one of the joint company secretaries of the Company.

During the Review Period, Ms. Lin and Ms. Lai have undertaken not less than 15 hours of relevant professional training respectively in compliance with Rule 3.29 of the Listing Rules.

### COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for enhancing investor relations and understanding of the Group’s business, performance and strategies. The Company also recognizes the importance of timely and non-selective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

The AGM provides opportunity for shareholders to communicate directly with the Directors. The chairman of the Board and the chairmen of the Board Committees of the Company will attend the AGMs to answer shareholders’ questions. The external auditor of the Company will also attend the AGMs to answer questions about the conduct of the audit, the preparation and contents of the auditor’s report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders’ communication policy which aims at establishing a two-way relationship and communication between the Company and its shareholders and maintains a website at <http://www.aagenergy.com/>, where up-to-date information on the Company’s business operations and developments, financial information, corporate governance practices and other information are available for public access.

### 聯席公司秘書

林揚女士(「**林女士**」)為本公司的聯席公司秘書之一，負責就企業管治事宜向董事會提出建議，並確保遵從董事會政策與程序以及相關法律、規則及法規。

為維持良好的企業管治並確保遵守上市規則及相關香港法例，本公司還聘用了TMF Hong Kong Limited(公司秘書服務提供者)高級經理黎少娟女士(「**黎女士**」)為另一名聯席公司秘書，協助林女士履行作為本公司秘書的職責。本公司主要聯絡人為本公司其中一名聯席公司秘書林女士。

在回顧期內，根據上市規則第3.29條，林女士及黎女士分別接受了不少於15小時的相關專業培訓。

### 與股東的溝通及投資者關係

本公司認為，與股東的有效溝通對加強投資者關係和讓投資者瞭解本集團業務、表現及策略至關重要。本公司也深知，及時且非選擇性的資訊披露對於股東和投資者能夠作出知情投資決定的重要性。

本公司股東週年大會為股東提供了與董事直接溝通的機會。本公司董事會主席及董事委員會主席會出席股東週年大會，並回答股東的提問。本公司的外聘核數師也會出席股東週年大會以解答有關審計工作、核數師報告及其內容、會計政策及核數師獨立性等方面的提問。

為加強有效溝通，本公司採用了旨在建立本公司與股東之間雙向關係及溝通的股東通訊政策，並開設了網站<http://www.aagenergy.com/>用於刊載本公司業務營運和發展、財務資料、企業管治常規情況及其他資料等最新資訊以供公眾人士查閱。

# Corporate Governance Report

## 企業管治報告

### SHAREHOLDERS' RIGHTS

#### Convening of Extraordinary General Meetings ("EGM") by Shareholders

Pursuant to the Articles, the Board may, whenever it thinks fit, convene an EGM. An EGM shall also be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the joint company secretaries of the Company for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. The Directors shall within two (2) months after the deposit of such requisition proceed duly to convene such meeting. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

#### Enquiries to the Board and contact details

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Unit 2109-10, 21st Floor  
China Merchants Tower  
Shun Tak Centre  
No. 168-200 Connaught Road Central  
Hong Kong  
(For the attention of the Board of Directors)

Email: [george.massey@aagenergy.com](mailto:george.massey@aagenergy.com)

### CHANGE IN CONSTITUTIONAL DOCUMENTS

An amended and restated memorandum and articles of association of the Company was adopted by the Company on 5 June 2015 and was effective on the Listing Date. The Company has not made any significant changes to its constitutional documents during the year ended 31 December 2016.

### 股東權利

#### 股東召開股東特別大會(「股東特別大會」)

根據細則，董事會可在其認為適當時召開股東特別大會。在遞呈申請當日持有不少於可在股東大會投票的本公司已繳股本十分之一的一名或以上本公司股東，也有權向董事會或本公司的聯席公司秘書提出書面申請，要求董事會召開股東特別大會，以處理上述要求中列明的任何事項。董事須在提交有關要求後兩(2)個月內召開有關大會。如果董事會未能在提交有關要求後的21日內召開有關大會，則申請人可自行以相同形式召開會議，而因董事會未能召開會議導致申請人產生的一切合理開支，須由本公司償付給申請人。

#### 向董事會提出查詢及聯絡資訊

股東可將其向董事會提出的任何查詢以書面形式發送至本公司。口頭或匿名查詢本公司一般不予處理。股東可發送上述查詢或要求至以下地址：

地址：香港  
干諾道中168-200號  
信德中心  
招商局大廈  
21樓2109-10室  
(送交董事會)

郵箱：[george.massey@aagenergy.com](mailto:george.massey@aagenergy.com)

### 章程文件的變更

本公司於2015年6月5日採用經修訂和重列的本公司組織章程大綱及細則，自上市日期起生效。截至2016年12月31日止年度，本公司章程檔並無任何重大變更。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### VALUE AND RECOGNITION

#### Liability Attribute

Coalbed methane (CBM), is an unconventional form of natural gas trapped in coal deposits or coal seams, whose main composition is methane. Its heat value is equivalent to that of natural gas. CBM is a type of high-quality clean energy. It can convert what was once wasted into something profitable, process waste into useful material to quicken the development and utilization of CBM. Therefore, it is significant for guaranteeing safety production of coal mines, increasing the clean energy supply, and reducing greenhouse gases emissions. The "13th Five-year Plan" explicitly proposes to "promote the low-carbon cyclic development, as well as actively develop natural gas, CBM and shale gas".

**Enrich Energy Supply:** The vigorous development of CBM, shale gas and other unconventional gases will guarantee reliable energy for China's sustainable economic development. During the period of the "13th Five-year Plan", China will implement the supply-side structural reform for energy to increase production and consumption of non-fossil energy and natural gas, to extent the proportion of natural gas in primary energy consumption to 10%. It also encourage to vigorously develop CBM.

**Guarantee Coal Mining Safety:** China has always maintained the principle of "CBM extraction before coal mining", and it is the most important measure to strengthen CBM extraction for preventing coal-mine gas accidents. During the "12th Five-Year Plan", coal-mine accidents and deaths rate achieved "three fell and two cuts". In 2015 the total coal-mine gas accidents declined by 69% while the number of fatalities was reduced by 72.6%; major coal-mine total accidents declined by 66.7% while the number of deaths was reduced by 68.9%; and the death rate per million tons dropped by 78.4%, compared with those in 2010.

**Promote Environmental Protection:** With the main component being similar to that of natural gas, CBM is a type of clean energy as well as an important complementary energy to natural gas. During the "12th Five-Year Plan", CBM was extensively applied in power generation, household gas, automotive fuel, as well as other fields. The total utilization of CBM in five years reached 34 billion m<sup>3</sup>, which is equivalent of saving 40.8 million tons of standard coal or reducing 510 million tons of carbon dioxide emissions.

### 價值與認可

#### 責任屬性

煤層氣是賦存於煤層和煤系地層的烴類氣體，主要成分是甲烷，其熱值與天然氣相當，是一種優質清潔能源。加快煤層氣開發利用，可化害為利、變廢為寶，對保障煤礦安全生產、增加清潔能源供應、減少溫室氣體排放具有重要意義。「十三五」規劃中明確提出「推動低碳迴圈發展，積極開發天然氣、煤層氣、頁岩氣」。

**豐富能源供應：**煤層氣和頁岩氣等非常規天然氣的大力開發將為中國經濟可持續發展提供可靠的能源保障。「十三五」期間，國家實施能源供給側結構性改革，提高非化石能源和天然氣的生產消費比重，將天然氣佔一次能源消費的比重提高至10%，鼓勵大力發展煤層氣。

**保障煤礦安全：**國家一直堅持煤礦瓦斯先抽後採，加強煤層氣抽採是預防煤礦瓦斯事故的最重要舉措。「十二五」期間煤礦事故實現了「三個大幅下降、二個大幅減少」，即與2010年相比，2015年煤礦瓦斯事故總量下降69%、死亡人數減少72.6%，重大瓦斯事故下降66.7%、死亡人數減少68.9%，煤炭百萬噸死亡率下降78.4%。

**促進環境保護：**煤層氣主要成分與天然氣相近，是一種清潔能源同時也是天然氣的重要補充能源。「十二五」期間煤層氣廣泛應用在發電、居民用氣、汽車燃料等領域，五年累計利用煤層氣(煤礦瓦斯)340億立方米，相當於節約標準煤4,080萬噸，減排二氧化碳5.1億噸。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Awards

- Finance Asia Achievement Award — Best Project Finance 2015 presented by Finance Asia
- Best Oil and Gas Deal in Asia Pacific 2015 presented by IJGlobal Awards
- Green Leadership category, Asia Responsible Entrepreneurship Awards for 2016 presented by Asian Business Association
- Nobel Laureate Series — Social Caring Awards for Green Excellence presented by Institute of Social Enterprise
- 2015 best green trade enterprise in the Asia-pacific region presented by Asia Pacific oil and Gas Commission

### SUSTAINABLE OPERATION

As a leading independent CBM producer in China, the Company focus on the development and value optimization of unconventional gas resources to provide clean energy for China's economy. We adhere to the concept and culture of promoting the coordinated development of the economy, society, and environment. Therefore, organize, operate and manage activities in a manner that is responsible for society and environment, all while pursuing the sustainability development with society and environment.

### Mission and Strategy

#### Our mission

- We are committed to providing a superior rate of return for our shareholders' investments in a socially responsible and environmentally sustainable way.
- To contribute to China's economic growth by supplying commercial quantities of coalbed methane, a new source of clean and economically efficient energy, to local communities and industries.
- To maintain the highest safety standards across all our business functions.
- We are committed to developing an outstanding management team that strives to realize our stated vision and to improve employees' well-being.
- We respect every employee and regard our employees as a key company asset and we seek to proactively provide active trainings for their career development.

### 榮譽獎項

- 由《亞洲金融雜誌》授予2015年度亞洲金融成就獎
- 由IJGlobal Awards 授予2015年亞太區最佳油氣項目融資獎
- 由亞洲企業商會授予2016年度亞洲企業社會責任「綠色領導獎」
- 由社會企業研究所授予諾貝爾獎學人系列：社會關愛企業計劃之《綠色社會關愛企業獎》
- 由亞太石油天然氣委員會授予2015年亞太地區最佳綠色交易企業獎

### 可持續運營

作為一家在中國煤層氣勘探開發領域處於領先地位的國際能源公司，本公司專注於非常規天然氣資源的開發及價值優化，為中國經濟供應清潔能源。我們秉持促進經濟、社會、環境協同發展的理念與文化，以對社會和環境負責任的方式組織經營管理各項活動，追求與社會、環境的共同可持續發展。

### 使命與戰略

#### 我們的使命

- 我們承諾以對社會和環境負責任的方式為我們的股東帶來最大的回報。
- 通過煤層氣的商業開發，向居民和工業用戶提供清潔經濟的新型能源，為中國的經濟發展做出貢獻。
- 將高標準的安全管理貫穿所有業務始終。
- 我們致力於為實現公司的遠景規劃建立和培養優秀的管理團隊，為員工提供良好的工作和生活環境。
- 我們尊重每一名僱員，視員工為公司的主要財富並為他們的職業發展提供積極的培訓計劃。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Growth strategy

The Company has ample cash-on-hand and a focused growth strategy. We will maintain our competitiveness by implementing the following strategies:

- Continue to realize gains by making full use of group technology and management, advantages of scale development and operating of existing assets;
- Acquire in-production and in-development assets of oil and gas, to expand group resources reserve, business scope and scale of production, and enhance the level of earnings;
- Expand reserves and achieve synergies through operating acquired assets;
- Build an international management team that boasts connections, extensive oil and gas exploration, production experience, a proven track record.

### Credibility and integrity

The Company has formulated the *Anti-Fraud and Whistleblower Policy* as its highest standard for publicity, integrity, and responsibility in all affairs. It also endeavors to build a corporate culture of integrity, anti-malpractices and anti-fraud. The policy expounds the Company's principles in prevention, reporting, and management of malpractices and fraud. It aims at promoting the core values of the Company and guiding the communication of behaviors involving malpractice or corruption among employees and the public, so as to regulate business activities.

The Company's senior management and internal audit department have the primary responsibility of preventing, supervising and rectifying existing and potential malpractices. The Company has set up the Anti-malpractice Commission, composing of the Chief Executive Officer, Chief Legal Officer, head of internal audit department, as well as other senior management members designated by the Chief Executive Officer.

In 2016, the Company had no litigation cases caused by malpractices or fraud.

### 發展戰略

本公司擁有充足的資金儲備和專注的增長戰略，通過實施以下策略能保持集團的競爭力：

- 通過充分利用集團技術及管理優勢規模化開發及運營現有資產並持續實現收益；
- 收購體量適合的生產與開發階段油氣資產以擴充集團資源儲備、業務範圍及生產規模，提升集團盈利水準；
- 通過運營收購的資產，進一步擴充儲量儲備並實現協同效應；
- 逐步建立一個人脈貫通，油氣勘探生產經驗豐富，有成功過往業績的國際化管理團隊。

### 反腐倡廉

本公司制定《反舞弊與舉報制度》，作為所有事務中公開、誠信和責任的最高標準，並致力於營造誠信和反舞弊反欺詐的公司文化。制度闡述了本公司在舞弊和欺詐的預防、報告及管理方面的原則，旨在通過宣傳公司核心價值觀，引導員工及公眾在對涉嫌舞弊或腐敗行為方面的溝通方式，從而規範商業活動。

本公司高級管理層和內部審計部門在預防、監管與糾正舞弊行為及潛在舞弊行為方面有首要責任。本公司建立反舞弊委員會，由首席執行官、首席法務官、內部審計部門負責人，以及由首席執行官指定的其他高級管理層成員組成。

2016年，本公司未發生因舞弊或欺詐引起的訴訟事件。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Management of Sustainable Development

#### Commitments to sustainable development

The Company understands that it is our main objective to provide superior rates of return to shareholders' investment and simultaneously shoulder our share of social and environmental responsibilities. We work with Chinese organizations at all levels to jointly address social, energy, and environmental challenges in order to make contributions to China's economic growth by supplying clean and economically efficient energy to residential and industrial end-users through commercial development of CBM.

- We are committed to adopting fair labor practices at our workplaces and will abide by all relevant laws and industry standards.
- We are committed to preventing any work-related injuries, fatalities, or health impairments of employees and contractors.
- We will form open and trustworthy relationships with all stakeholders to increase mutual understanding on matters of common concern.
- We will strive to run our operations in a social, responsible, sustainable, and environmental manner; thereby preventing or minimizing adverse impacts caused by our operations.
- We are committed to providing effective training programs for different levels of employees to enable them to reach their full potential, achieve job satisfaction and maximize their contribution to the Company.

We will continue to modify the Corporate Social Responsibility (CSR) contents of the Company to make our CSR adapt to the constantly updating CSR idea of China.

### 可持續發展管理

#### 可持續發展承諾

我們認識到公司的主要目標是為股東帶來最大的回報，同時還應擔負起相應的社會和環保責任。我們將和中國所有相關組織一起共同面對整個社會、能源和環境所面對的挑戰，通過煤層氣的商業開發，向居民和工業用戶提供新型的清潔能源，為中國經濟的發展做出應有的貢獻。

- 我們承諾，我們在工作場所將採用公平的行為準則並遵守所有相關的法律和工業標準。
- 我們承諾避免員工和勞務人員出現任何工傷，致死事故以及健康損害。
- 我們將與所有股東保持透明和互相信任的關係並就雙方互相關心的問題進行溝通以增進相互瞭解。
- 我們將堅持對社會負責、可持續發展和環保的經營理念，開展生產活動，以減少生產所帶來的不利影響。
- 我們致力於促使所有員工發揮其最大潛能，從工作中獲得滿足感，最大程度的為本公司做出貢獻。

我們將不斷修改本公司企業社會責任的內容，以使其與中國不斷更新的企業社會責任理念相適應。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Management of stakeholders

The Company attaches great importance to communications with stakeholders. We propagate the concept and practices of fulfilling our social responsibilities through various channels. We also take measures to satisfy the advisable expectations and demands of stakeholders based on understandings of their requirements.

### 利益相關方管理

本公司高度重視與利益相關方的溝通交流，通過各種管道傳播本公司的社會責任理念與實踐，瞭解利益相關方的要求，並採取應對措施，滿足利益相關方合理期望與訴求。

Stakeholders 利益相關方	Expectations and requirements 期望與要求	Communication channels 溝通方式
<b>Government and regulators</b>  政府與監管機構	Implementing national policies as well as laws and regulations Promoting local economic development Driving local employment Accelerating industry development 貫徹落實國家政策及法律法規 促進地方經濟發展 帶動地方就業 推動行業發展	Reporting documents Advice and suggestions Special reports Business cooperation 上報文件 建言獻策 專題彙報 洽談合作
<b>Shareholders</b>  股東	Return of profits Compliance operations Safety production 收益回報 合規運營 安全生產	Company announcement Special reports Field investigation 公司公告 專題彙報 實地考察
<b>Customers and partners</b>  客戶及合作夥伴	Performance in accordance with law Management with credibility High quality products and services 依法履約 誠信經營 優質產品與服務	Business communication Customer feedback Exchange and discussion 商務溝通 顧客回饋 交流研討
<b>Environment</b>  環境	Compliance with discharge permits Energy conservation and emission reduction Ecological protection 合規排放 節能減排 保護生態	Work report Report submission Investigation and inspection 工作彙報 報表報送 調研檢查
<b>Employees</b>  員工	Right and interest protection Occupational health Salary and welfare Career development 權益維護 職業健康 薪酬福利 職業發展	General meeting of employees Collective negotiation Democratic communication platform 職工代表大會 集體協商 民主溝通平台

# Environmental, Social and Governance Report

## 環境、社會及管治報告

Stakeholders 利益相關方	Expectations and requirements 期望與要求	Communication channels 溝通方式
Community and the public 社區及公眾	Improving community environment Participating in public welfare activities Open and transparent information 改善社區環境 參與公益事業 信息公開透明	Company website Company announcement Interview and exchange 公司網站 公司公告 採訪交流

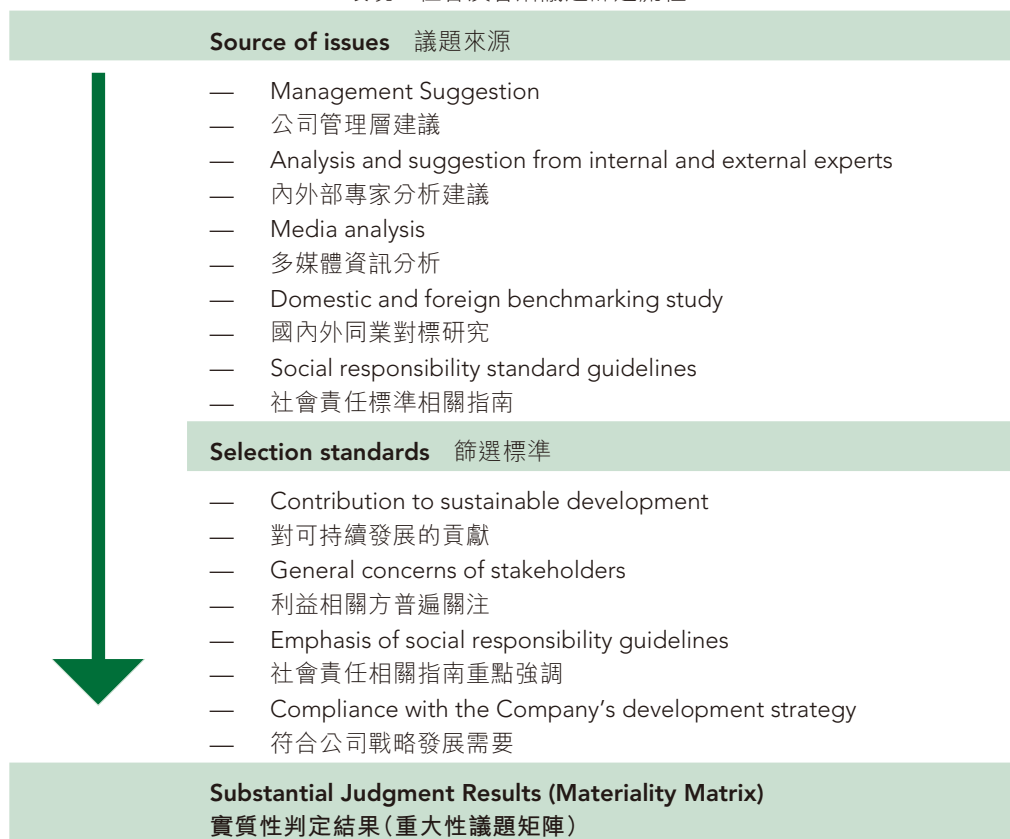
### Identification of material issues

In order to understand the expectations and demands of stakeholders, and promote the relevance and responsiveness of the report, the Company identified major environmental, social and governance issues, according to requirements of the *Environmental, Social and Governance Reporting Guide* and the *Sustainability Reporting Guidelines (G4.0)*, and graded them based on their importance. This commitment ensures that the information disclosed in the report covers material issues of the company's development and concerns of stakeholders.

### 重大性議題識別

為瞭解利益相關方的期望與訴求，提升報告的針對性與回應性，本公司依據《環境、社會及管治報告指引》及《可持續發展報告指南》(G4.0)的要求，識別環境、社會和管治議題並進行重大性判定，確保報告披露的資訊全面覆蓋公司發展和利益相關方關注的重點議題。

### Selection Process of Environmental, Social and Governance Issues 環境、社會及管治議題篩選流程



# Environmental, Social and Governance Report

## 環境、社會及管治報告



### SAFE PRODUCTION, CLEAN OPERATION

As a leading CBM production enterprise in China, we take it as our responsibility to supply green energy and strive to become a pioneer in 'green and safety production.' We adopt advanced technology and industrial standards to improve resource efficiency and Health, Safety and Environment performance in our projects.

#### Sound HSE Management System

To ensure HSE is not only an important corporate culture of the Company but also its solemn commitment to the society and each employee. In 2016, the Company continued to devote itself to demonstrating its outstanding leadership in HSE and security. We pursued the goal of zero harm to people and zero pollution to environment. We place matters pertaining to HSE in a position equally important to other critical matters, and willing to play its exemplary role in the CBM industry.

The Company established its HSE policy and management system according to ISO 14001 and OHSAS 18001 standards, and reviews the implementation of the HSE management system regularly, and requires contractors to abide by the HSE management system in processing HSE affairs.

### 安全生產清潔運營

作為國內領先的煤層氣生產企業，我們以提供綠色能源為己任，更勇當綠色安全生產方式的先行者。始終堅持採用先進的科技和行業標準，提升項目的資源利用效率和HSE表現。

#### 健全的HSE管理體系

確保職業健康、安全與環境(HSE)不僅是本公司重要的企業文化，亦是本公司對社會及每一位員工的莊嚴承諾。2016年，本公司一如既往地致力於展示卓越的健康、安全、環保與安防領導力，追求人員零傷害、環境零污染的目標，將HSE事宜放在與其他關鍵性事宜同等重要的地位，並願意在此方面充分發揮煤層氣行業模範帶頭作用。

本公司根據ISO 14001及OHSAS 18001標準制定了HSE政策、管理體系，並定期審核體系的執行，同時要求承包商處理HSE事務也需遵守該體系。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

We have made constant progress regarding HSE reliability, integrity and compliance through the effective HSE management system. We encourage employees to identify and report dangerous behaviors and unsafe conditions, and to be well prepared in dealing with emergencies and safety threats at all times. Furthermore, employees are encouraged to identify risks and reduce them to a reasonable and controllable scope during the design, construction, production and operation of projects.

The Company has complete operation qualifications, and strictly abide by national and industrial HSE laws, regulations, and standards such as the *Production Safety Law of the People's Republic of China*, the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, *Environmental Protection Law of the People's Republic of China*, and the *Safety Regulation for Coalbed Methane Surface Exploitation (on trial)*, the *Emission Standard of Coalbed Methane (on trial)* (GB21522-2008) and the *Safety Regulation for Fire & Explosion Prevention of Coalbed Methane Surface Exploitation* (AQ1081-2010).

### HSE management framework

The outstanding HSE performance of the Company depends on our strengthening and perfecting HSE management framework. All projects of the Company establish HSE Management Committees led by project general managers, which are responsible for regularly reviewing HSE policies and plans as well as managing rectification of potential safety hazards, HSE training, emergency drill, and other important works.

Each project has an independent HSE department for guiding, monitoring and coordinating HSE management work during various activities of projects in accordance with national and local laws and regulations as well as corporate policies or regulations; including work plans and budgets while supervising the implementation. HSE department is an important part of the supervision system in the HSE management framework. Besides coordinating with the HSE department to complete relevant plans, production and administrative departments are responsible for implementing the HSE work in its own business, which is also an important part of the execution system within the HSE management framework.

我們通過有效的HSE管理體系，在HSE的可靠性、完整性、以及合規性方面不斷取得進步。鼓勵員工發現上報危險的行為和不安全的狀況，並時刻做好應對緊急事件和安全威脅的準備。在項目的設計、施工、建設和運營期間，充分識別和降低風險至合理可控的範圍內。

本公司具備齊全的運營資質，遵循國家及行業的HSE法規及標準，嚴格遵守《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《中華人民共和國環境保護法》、《煤層氣地面開採安全規程(試行)》等國家法律法規，並貫徹《煤層氣排放標準(暫行)》(GB21522-2008)、《煤層氣地面開採防火防爆安全規程》(AQ1081-2010)等行業標準。

### HSE 管理架構

本公司出色的HSE表現有賴於我們健全完善的HSE管理架構。本公司下屬項目均設有由項目總經理牽頭的HSE管理委員會，負責定期審議HSE方針、規劃，並總體把控安全隱患整改、HSE培訓、應急演習等重要工作。

各項目設有獨立的HSE部門，負責根據國家、地方法律法規以及公司政策及規定，指導、監督和配合項目各項活動過程中的HSE管理工作；組織制定項目各類HSE工作計劃和預算，並督促落實。HSE部是項目HSE管理架構中監督體系的重要組成部分。各生產、行政部門除配合HSE部門完成相關計劃外，亦對自身業務所涉及的HSE工作負有執行落實責任，也是HSE管理架構中執行體系的重要組成部分。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Safety experience sharing activities

Our employees are the foundation of the HSE management framework of the Company. In order to actually implement the concept of “safety is everyone’s responsibility”, The Company has been conducting the safety experience sharing activities for many years. Every capable employee and long-term contractor, who have opinions about safety in work and life, can apply to share his or her safety experience. Moreover, they can host the department’s safety meetings, participate in safety inspection and audit, organize HSE training and other activities, and receive in-kind incentives.

### Safe Production

The Company adheres to the safety management concept of “safety comes first, prevention-oriented, and comprehensive control” and adopts safety and health management in every detail of operations according to relevant safety laws and regulations as well as industrial standards. By making clear safe operation regulations and instructions, providing appropriate tools and personnel protective equipment, establishing a safety audit inspection system, and conducting comprehensive health and safety inspections regularly, we have rooted health and safety management in every detail of operation.

In 2016, the Company had no work-related injury, fatality, or any occupational disease cases confirmed by medical examination. Because of our good safe production performance, we won the Safe Production Advanced Unit Award and the honorary title of “Star Unit Reaching Standard in Fire-fighting issued by Qinshui County Government”.

### Site management

The Company is committed to achieving the objective of zero harm to people, follows the principle of proactive hazard identification, process management and subsequent review and audit, to strictly control safety risks. We take identification, control, and review measures for all main risk sources on-site such as hydrogen sulfide, dangerous energy source and squeezing points. Moreover, we have established special safety regulation for drilling engineering, CBM desulfurization and other operations. The Company has formulated the *Stop Work Policy* and *Fitness to Work Procedure* to ensure that employees or third parties have the right and responsibility to stop work when their health, safety or environment is under unsafe condition.

### 安全經驗分享活動

全體員工，是本公司HSE管理架構的基礎。為了真正落實「安全是每個人的責任」的理念，本公司長期施行安全經驗分享活動。任何有能力且在工作 and 生活中有安全見解的亞美員工及長期承包商人員均可申請成為安全經驗分享人，從而主持部門安全會、參與安全檢查審核、組織HSE宣傳培訓等活動，並獲得實物獎勵。

### 安全生產

本公司堅持「安全第一、預防為主、綜合治理」的安全管理理念，謹遵相關安全法律法規和行業標準，通過制定清晰的安全作業規程與指令，提供適當的工具和個人防護用品，設立安全審核檢查制度，定期舉行全面的健康安全檢查等措施，將安全與健康管理植根在運營中的每個細節。

2016年本公司未發生任何因工傷殘或死亡事件，亦無經檢查確認的職業病例。本公司因良好的安全生產績效獲得了由沁水縣政府頒發的安全生產先進集體獎項以及消防達標星級單位榮譽稱號。

### 現場管理

本公司致力於實現無人身傷害的工作目標，遵循風險事前識別、事中管理、事後審核評估的原則對安全風險嚴格管控。本公司針對硫化氫、危險能量源、夾擠點等現場主要風險源均採取識別、控制及評審措施，並對鑽井工程、煤層氣脫硫等作業制定專項安全操作規程。設立《停止工作政策》及《工作適合性管理》制度，以保證員工或協力廠商在健康、安全或者環境受到威脅時，都有權利和責任停止工作。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

For procedure management, our projects strictly implement work permit and management change procedure to achieve dynamic management of operation process and site condition, in order to control risks from the beginning and the work process. We carry out periodical audits at all levels by combining the internal audit and external audit, comprehensive inspection and special inspection, and on-site work and written documents to correctly identify potential hazards.

The Company extends HSE management into the whole value chain through contractor qualification verification and safety training. The *Contractor Management Process* of the Company divides the HSE management of contractors into two stages and five key processes, that is, pre-qualification and selection & verification during pre-contract stage, communication and auditing and evaluation at post-contract stage, to integrate HSE management requirements into the whole process control of contractor.

Each project of the Company has a sound emergency response plan, emergency management mechanism and team, to monitor and manage the implementation and drill practice for various emergency response plans. These plans cover different potential hazard and corresponding areas, such as the *Emergency Response Plan for Coalbed Methane Leakage and Burning*, as well as *Emergency Response Plan for Hydrogen Sulfide Leakage*.

### Safety training

In 2016, the Company made multi-level training work plans according to the *Production Safety Law of the People's Republic of China*, the *Safety Training Management Method*, as well as local and industrial requirements on production safety training. The Company regularly holds health and safety training, covering important issues of the industry, such as hydrogen sulfide poisoning prevention, management of change & permit to work, temporary power utilization, dangerous chemicals, and special operations.

The Company specifies that the participation rate of safety management knowledge training among main responsible persons and HSE personnel of the unit should reach 100%. And 100% of special operation person should go on duty with certificates after safety training. In 2016, the total safety training hours of the Company reached 13,077 hours.

對於過程管理，我們的項目嚴格執行作業許可及變更管理制度，對作業過程及現場情況實現動態管理，從源頭及流程上控制風險。定期開展各級審核活動，採用內部與外部審核相結合、綜合檢查與專項檢查相結合、現場工作與書面手續相結合的方式，以準確排查隱患。

本公司通過承包商資質審查、安全培訓等方式，將HSE管理要求延伸至整條價值鏈。本公司的《承包商管理流程制度》將承包商HSE管理分為兩個階段五大關鍵流程，分別是合同簽訂前期階段的資格預審、選擇確認流程，以及合同簽訂後期階段的溝通、審核及合同後評估流程，將HSE管理要求融入承包商全流程管控中。

本公司各項目均設有完善的應急預案，以及應急管理機制和團隊以監督和管理各項應急預案的執行與演練，涵蓋不同種類的潛在風險和對應的區域範圍，如《煤層氣洩漏、燃燒應急預案》、《硫化氫洩漏應急預案》等。

### 安全培訓

2016年，本公司依據《中華人民共和國安全生產法》、《安全培訓管理辦法》以及地方和行業對安全生產培訓的要求，制定了多層級的培訓工作計劃。本公司定期舉行的健康安全培訓，涵蓋硫化氫中毒防治、變更管理及作業許可、臨時用電、危險化學品、特種作業等行業重要議題。

本公司規定單位主要負責人、HSE人員參加安全管理知識培訓率需達100%，特種作業人員安全培訓後100%持證上崗。2016年，本公司累計安全培訓小時數13,077小時。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Case: Apprenticeship cultivation mechanism

We set up the "Apprenticeship" Job Training regulation for New Employee for newly-recruited employees at well-site, which stipulates that all formal employees who have worked for half a year and above can participate in the selection to become a tutor. Tutors have the obligations to ensure trainees' completion HSE tertiary entrance education within the specified time, and arrange time to guide trainees in learning operation safety skills. Tutors should also submit evaluation opinions to the examination department after the probation period of trainees.

### 案例：師帶徒培養機制

我們為生產一線新入職的員工設立了《新員工「師帶徒」崗位培訓制度》，入職半年以上的正式員工，均可以參與選拔成為導師。導師有義務在規定時間內對學員完成HSE三級教育，並合理安排時間指導學員學習安全操作技能。導師亦負責在學員見習期結束後向考核部門提出評估意見。

### Environmental Protection

As a pioneer in CBM clean energy development and utilization, we have attached great importance to the impact on the environment during the exploration, development, production and operation process. The Company strictly abide by national and local environmental laws and regulations on CBM, to ensure the protection of surrounding communities and ecology. In 2016, we had no environmental pollution or ecological damage accidents.

### 環境保護

作為煤層氣清潔能源開發利用的先行者，我們極其重視在勘探、開發、生產和運營過程中對環境產生的影響，本公司嚴格遵守國家及地方煤層氣相關環保法律法規，確保對周邊社區及生態的保護。2016年，我們未發生任何環境污染或生態破壞事故。

### Clean attribute

With the main component similar with that of natural gas, CBM is a type of clean energy and an important complementary energy to natural gas. The recycling utilization of CBM is of great significance to environmental protection:

### 清潔屬性

煤層氣主要成分與天然氣相近，是一種清潔能源也是天然氣的重要補充能源。煤層氣的資源化利用在環保方面意義重大：

**Reduction of greenhouse gases:** The main component of CBM is methane with a greenhouse effect of 21 times more than that of carbon dioxide. In order to ensure the safe production of coal mines, the volume of CBM extraction has been raised significantly in recent years, and it helps to reduce the emissions of greenhouse gases during the coal mining process to accelerate CBM reclamation and utilization.

**減少溫室氣體** — 煤層氣的主要成分是甲烷，溫室效應為二氧化碳的二十一倍。我國為保證煤礦安全生產而進行的煤層氣抽放量近年來上升趨勢明顯，加快煤層氣資源化，有助於降低煤礦開採過程中的溫室氣體排放。

**Reduction of pollutant discharge:** Pollutants caused by burning CBM as a clean energy are far less than those discharged by coal-burning.

**降低污染物排放** — 煤層氣作為清潔能源，其燃燒後產生的各種污染物都遠低於燃煤排放的污染物。

### Comparison of Pollutants Discharged from CBM and Coal Burning

### 煤層氣與燃煤排放污染物對比表

Fuel 燃料	Discharge/m <sup>3</sup> 排氣量/m <sup>3</sup>	Carbonic Oxide/kg 一氧化碳/kg	Nitric Oxide/g 氮氧化物/g	Sulfur Dioxide/g 二氧化硫/g	Dust/g 煙塵/g
3,000m <sup>3</sup> CBM 3,000m <sup>3</sup> 煤層氣	8.05×10 <sup>4</sup>	0.0189	10.20	1.89	0.86
3.99t standard coal 3.99t標準煤	10.87×10 <sup>4</sup>	7.60	50.74	53.64	83.82

Reference: Hu Kun, Chen Mingqiang, Guo Yongcun; **A brief Discussion on CBM Recycling and Environmental Protection**; Coal Engineering, Issue 11 (2009).

參考文獻：胡坤、陳明強、郭永存：淺談煤層氣資源化與環境保護；煤炭工程2009年11期



# Environmental, Social and Governance Report

## 環境、社會及管治報告

Compared with coal mining, the exploitation process of CBM is cleaner, and has less negative effect on the surrounding environment such as the landform. The Company continues on research & development to improve the commercial development technology of CBM, also utilizes various CBM exploitation technologies according to geological conditions of specific coal seam to further reduce the impact of exploitation activities on underground water and vegetation.

### Emission reduction

Continuously improving emission performance by complying with strict emission standards has become the basic policy for the Company to cope with environmental protection and climate change. We eliminate pollution by specifying waste water and waste management as well as continuously strengthening supervision on implementation.

By pumping water from the well flows into the water storage pit at the well site, and regularly testing the water quality in the pit, to ensure that the water quality achieves standards. The water in the storage pit is transported by certified professional sewage transport companies to industrial sewage treatment plant for processing. The domestic wastewater treatment equipment removes the large suspended matter by grids. Then the wastewater goes through a biological denitrogenation and ultra violet sterilization. Consequently it reaches the emission standards and is utilized for forestation and watering on the roads.

### Production Amount of Domestic Wastewater and Discharge Amount of Pumping water in 2016

Discharge amount of domestic waste water  
(tons of waste water)

生活廢水排放量(噸)

1,905

Chemical oxygen demand discharge amount of  
pumping water (tons of chemical oxygen demand)

生產廢水化學需氧量排放量(噸)

5.22

The household refuse generated at the project well-site is recycled and put in assigned location for waste processing after being stored by different categories; hazardous waste is recycled and disposed by contractors with relevant qualifications.

相對於煤礦開採，煤層氣的開採過程更為清潔，對地貌等周邊環境影響較小。本公司不斷研發並改進煤層氣商業開發技術，針對特定煤層地質情況，採用多種煤層氣開採技術以進一步減少開採活動對地下水、植被的影響。

### 減少排放

遵循嚴格的污染物排放標準，不斷提升排放表現是本公司保護環境和應對氣候變化的基本政策。通過規範污水及廢棄物管理並不斷提高監管力度，消除污染。

井場排採水由井口產出後，流入井場蓄水池，並定期對蓄水池內的水質進行檢測，確保達標。蓄水池內的水由污水拉運公司車輛運送至工業污水處理廠處理。生活污水處理設備通過格柵去除大塊懸浮物質，再經過生化脫氮處理，最後經過紫外線消毒，從而達到排放標準，用於綠化和道路灑水。

### 2016年生活廢水產生量及生產廢水排放量

項目現場產生的生活垃圾，分類存放後運輸到指定的垃圾處理地點；危險廢棄物由具有相關資質的承包商回收處置。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Disposal of Hazardous Waste in 2016

Drilling mud (tons)	鑽井泥漿(噸)	9,900
Drilling cuttings (tons)	鑽井岩屑(噸)	9,110
Waste engine oil (tons)	廢機油(噸)	16

### 2016年危險廢棄物處置情況

#### Resource saving

We keep a detailed record of the energy utilization and timely conduct energy conservation transformation to save energy. We also provide decision support for long-term resource utilization strategy while achieving the delicate management of operation costs.

In 2016, the Company utilized 63,712 megawatt hours of purchased electricity; fuel gas (including natural gas and LPG) 3,684 kilosteres; fuel oil (including gasoline and diesel) 799,260 liters.

In 2016, the Company took various energy conservation measures to reduce the utilization of 1,321 megawatt hours' electricity.

#### 節約資源

詳細記錄公司能源使用情況，適時進行節能改造，以節省能源消耗，在實現對運營成本精細化管理的同時，為長遠的資源利用策略提供決策支援。

2016年，本公司共使用外購電力63,712兆瓦時；燃氣(包括天然氣及液化石油氣)3,684千立方米；燃油(包括汽油及柴油)799,260升。

2016年，本公司採取各種節能措施，累計減少電能使用1,321兆瓦時。

### Measures Taken by the Company in Energy-saving

### 本公司採取的節能措施

Production technical measures 生產技術措施	Administrative measures 行政管理措施
Frequency conversion retrofit of the compressor in Panzhuang project 潘莊項目壓縮機的變頻改造	Initiative of saving electricity 節約用電倡議
"Pigging" technology in Panzhuang project 潘莊項目「通球」技術	Reduction of business travel and vehicle utilization 減少差旅及車輛使用
Utilization of non-distributed CBM 未管道外輸煤層氣利用	
Fuel generator changed to gas generator in Mabi project 馬必項目燃油發電機改燃氣發電機	
Energy conservation transformation of compressors at the gas gathering station of Mabi project 馬必項目集氣站壓縮機節能改造	

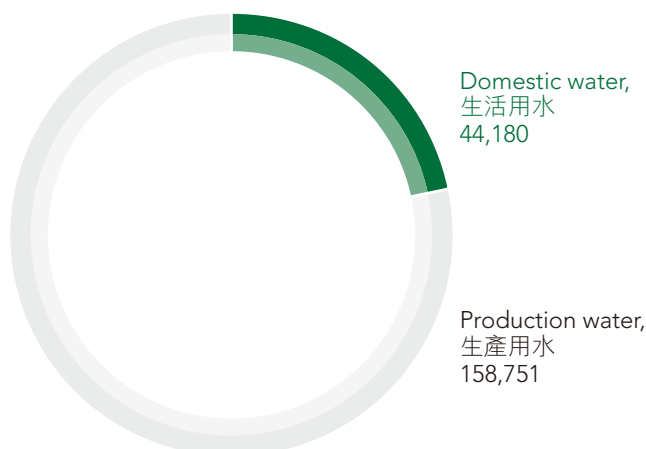
# Environmental, Social and Governance Report

## 環境、社會及管治報告

The Company continues to conserve and recycle water resource and has achieved the maximum utilization of water resources through technical transformation. In 2016, the Company carried out the pilot work for the recycling of pumping water and fracturing fluid in the Mabi project and pumped the above waste water into the treatment plant equipment. Through chemical deposition, the particles and suspended solids in the waste water were removed first, and then the waste water went through multiple physical filtrations to complete water quality purification, the purified water was transported to the fracturing site for reuse. The waste water recycled by this method reached 1,339m<sup>3</sup> for the whole year.

本公司持續竭力保存和迴圈利用水資源，通過技術改造實現水資源的最大化利用。2016年，本公司在馬必項目進行排採水和壓裂水的回用試點，通過水泵將上述污水吸入處理設備，先經過化學沉降，去除水中的顆粒和懸浮物，再通過多重物理過濾，完成水質淨化，淨化後的水被拉至壓裂現場再次利用。全年通過此種方式再利用的污水達1,339立方米。

Total Water Consumption in 2016 (Unit: m<sup>3</sup>)  
2016年總耗水量(單位：立方米)



### Ecological protection

The Company manages the project's surrounding environment according to *Investigation Report on Environmental Protection Verification, Ecological Environmental Protection and Recovery & Management Plan for Mines*, and other related documents, actively prevents and mitigates the negative impact caused by production operation and its own activities on surrounding ecological environment. The reclamation rate of mining land covered by the Company achieved 100% in 2016.

#### Land conservation:

- The road access to the well site is set as a 3.8m single lane road, increasing some meeting points.
- Pipelines, roads and electricity are constructed synchronously.

### 保護生態

本公司根據《環保驗收調查報告》、《礦山生態環境保護與恢復治理方案》等相關檔對項目周邊環境進行治理，積極預防並努力修復因生產運營和自身活動對周邊生態環境造成的影響。2016年本公司所佔礦區土地複墾率達100%。

#### 節約用地：

- 井場道路設置為3.8米單車道，增加部分匯車點
- 管道、道路、電力採用同步建設

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Engineering restoration and land remediation:

- The surface at the laying place of buried pipelines is restored to the original condition, and the grouting cutoff wall is utilized at the abrupt slope to prevent water loss and soil erosion.
- The side slope of road utilizes the grouting for slope protection.

### Vegetation restoration:

- Greensward and shrubs are planted on the area which is temporarily covered by pipeline.
- Biota orientalis are planted on both sides of the road.
- Biota orientalis are planted in the well site.

## CUSTOMER FIRST, WIN-WIN COOPERATION

In order to guarantee product quality to realize our responsibility for our customers, the Company put strict control and supervision over the quality of product, according to natural gas international and national standards as well as industry standards, on the basis of abiding by the national laws and regulations of product quality.

We execute a high-level safety management throughout all business links of CBM commercial development to provide safe, reliable, clean and economic new energy for residents and industrial consumers, together with upstream and downstream partners such as the pipeline operator, supplier and project partner. In this way, we achieve the common, comprehensive and sustainable development among the industry chain.

### Forging a Development Community

The quality assurance and safety controls during production, sales, transportation, utilization of natural gas, as well as other processes are inseparable from the close cooperation between upstream and downstream industries. The Company has always endeavored to form a development community. We have carried out adequate collaboration and exchange with upstream and downstream partners in the industry chain in such aspects as product quality, technological innovation and market development.

### Ensuring stable energy supply

Together with the downstream customers including LNG (liquefied natural gas) manufacturer, downstream pipeline customers, pipeline operators, urban gas operators and industrial consumers, we jointly carry out the real-time monitoring of product parameters as well as emergency handling program to ensure a stable, safe and high-quality CBM supply. The Company has sold CBM to a variety of downstream customers and has conducted direct pipeline connections. For example, ENN Energy and Shuntianda have built plants connected with a gas gathering station at the Panzhuang to process CBM and transport to Henan Province as well as downstream users in cities along the coast.

### 工程修復與土地修復：

- 埋地管道敷設處地表恢復原狀，陡坡處採用漿砌截水牆防止水土流失
- 道路邊坡採用漿砌護坡保護

### 植被恢復：

- 管道臨時佔地種植草皮和灌木
- 道路兩側種植側柏
- 井場種植側柏

## 客戶至上合作共贏

本公司為了保證產品品質，在遵循國家法律法規的產品質量標準的基礎上，根據天然氣產品品質的國際標準，國家標準和行業標準，嚴格對產品進行質量把控和監督管理，實現對客戶負責。

我們將高標準的安全管理貫穿在煤層氣商業開發所有業務環節，與管道運營商、供應商和項目合作方等上下游合作夥伴共同努力，向居民和工業用戶提供安全可靠、清潔經濟的新型能源，並實現產業鏈夥伴共同全面可持續發展。

### 打造發展共同體

天然氣的生產、銷售，以及輸送、使用等過程中的品質保障和安全控制離不開整個產業上下游緊密配合，本公司一直以打造合作發展共同體為目標，在產品品質、技術創新、市場發展等方面與產業鏈上下游合作夥伴進行充分協作和交流。

### 確保穩定的能源供應

我們與下游客戶包括 LNG (液化天然氣) 工廠、管道下游客戶、管道運營商、城市燃氣運營商和工業使用者一起，協同進行產品參數的即時監測、問題和突發事件的應急處理，保證穩定、安全、高品質的煤層氣供應。本公司已經向多種下游客戶出售煤層氣並進行直接管道連通，例如新奧能源及舜天達已建設與潘莊區塊的集氣站相連的工廠，以加工我們的煤層氣並輸送至河南省以及沿海城市的下游用戶。

# Environmental, Social and Governance Report

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For a long time, together with partners CUCBM and CNPC, we have been committed to the stable output of CBM during the production process. We have also provided stable products and sufficient CBM to satisfying the transportation parameter requirements to ensure a stable natural gas supply to customers and their customers. By the end of 2016, Mabi has connected with the CBM processing center of CNPC through pipeline and it will join the country's first West-East Natural Gas Pipeline Project (WEPP).

### Dealing with market and industry changes

The Company emphasizes in sharing of the industry trends with customers and partners to further strengthen the relationship with partners as well as with supervision organizations. We can then jointly make production and sales plans to better cope with the changes in international and domestic natural gas markets.

The Company has been focused on achieving a win-win situation with customers. We hope to realize mutual benefits with our customers by establishing a flexible price communication mechanism as well as good communication channels for dealing with market changes and equipment malfunctions, etc.

### Sharing and cooperation of technology management

The Company continuously pursues more advanced technologies and sound management modes. We regularly hold sharing meetings at different project stages and invite partners, customers, expert representatives, suppliers and contractors to jointly discuss existing problems and find solutions. The discussion covers problems in design, construction, and transportation to downstream customers.

The Company regularly has joint management meetings with all of its internal responsible departments and external partners to summarize the work in operations, finance, marketing and sales, HSE, and other aspects, as well as to report and discuss plans. The purpose is to facilitate well communication in technology management.

我們長期以來，一直與合作方中聯煤層氣有限責任公司、中石油集團共同致力於開採過程中煤層氣穩定採出量，提供穩定的產品以及滿足運輸參數要求的煤層氣，以保證向客戶以及客戶的市場端提供穩定的天然氣供應。截至2016年末，馬必區塊已通過管道與中石油煤層氣處理中心連通，將進入國家幹線西氣東輸一線。

### 應對市場和行業變化

本公司十分注重與客戶還有合作方進行行業動態的分享，進一步加強與合作夥伴及監管機構的合作關係，共同制定生產銷售計劃，從而更好地應對國際國內天然氣市場變化。

本公司一直以達到與客戶雙贏為目的，通過與客戶建立靈活的價格溝通機制，和應對市場變化、設備異常等良好的溝通管道，追求與客戶互利共贏。

### 技術管理分享與合作

本公司不斷追求更先進的技術應用和更完善的管理模式，在項目不同環節定期召開交流大會，邀請合作方、客戶、專家代表、供應商和承包商一起，從設計到建設施工、採輸送到下游客戶的整個過程中，討論存在的問題並共同提出解決方案。

本公司定期召開聯合管理會議，公司內部各個職責部門與外部合作方共同在運營、財務、市場銷售、HSE等方面對工作總結、計劃、驗收情況進行彙報和討論，在技術管理方面充分交流。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Supplier Management

The Company actively promotes the sustainable development of the whole supply chain and leads partners to jointly undertake social responsibilities so as to provide high quality products and services for society.

Our goal is to comprehensively improve the management levels of suppliers and contractors, and gradually develop a dynamic and comprehensive integrated management mode. We strive to achieve a win-win management principle through mutually beneficial relations with suppliers to provide supports for the company to carry out long-term, efficient and quality operation and management activities. The Company advocates energy conservation and emission reduction by trying to select the local suppliers while ensuring quality and qualifications of suppliers at the same time.

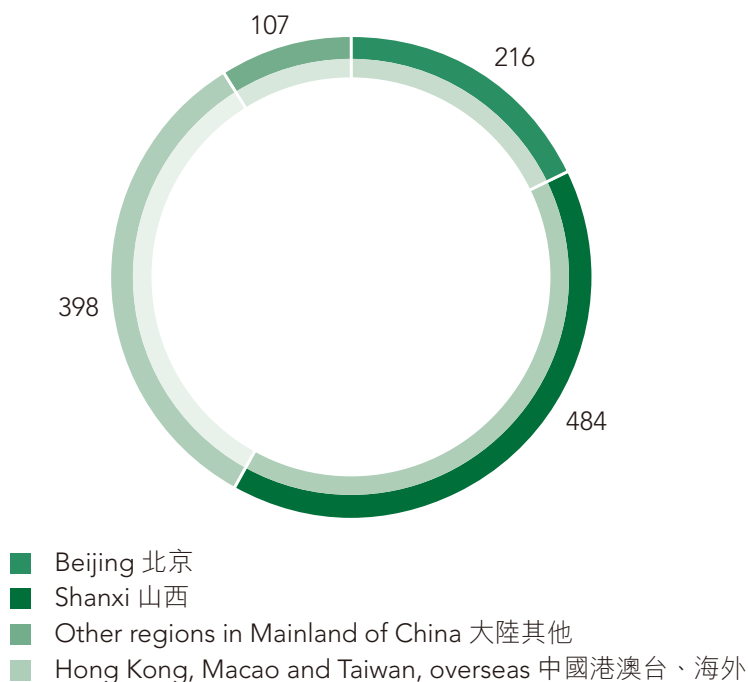
### 供應商管理

本公司積極推動整個供應鏈的可持續發展，帶動合作夥伴共同履行社會責任，為社會提供優質產品和服務。

我們的目標是全面提升供應商和承包商管理水準，逐步形成動態規範的全面融入式管理模式，力爭達到與供應方的互利關係的雙贏管理原則，為企業長期、高效、優質開展生產經營、管理活動提供了可靠保障。提倡節能減排，為了減少運輸成本，本公司在選擇供應商時也會盡量在保證品質和資質完善的前提下就近選擇。

Geographical Distribution of Suppliers and Contractors

供應商和承包商地理分佈情況



# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Improving management system

The Company performs HSE requirements and social responsibility throughout the management of suppliers and contractors, by implementing various management measures and improving the management level. These measures include establishing sound rules and management systems; carrying out comprehensive risk rating and strict HSE qualification access; improving the social responsibility performance of contractors; regulating safety training for contractors; improving working skills of contractors; strictly managing work permit; strengthening process monitoring; and strictly assessing the performance of contractors. In 2016, the Company set up a new contract management department to make the contract management more standardized and unified as well as to achieve the risk control of projects in terms of budget, procurement and implementation.

The Company constantly improves the Procurement Work System, specifying strict procurement methods and approval process to ensure the fairness and compliance of procurement. The Company provides fair, transparent and competitive chances for suppliers through public bidding, and has created a unified supplier database. In 2016, suppliers who were implemented evaluation and supervision accounted for over 20% of all suppliers and contractors.

### Training and technological exchange

With the core values of safety, health and environmental protection, The Company continues to improve the contractor management and their awareness in those aspects. We carry out contractor training activities covering entry, foreman management, safe operation, skill improvement and other aspects.

In 2016, the Company organized various knowledge and skill competitions for employees and contractors. These activities strengthened the relationship between internal employees and external contractors. They also enhanced the communication of front-line technologies to improve safety awareness and professional skills of both parties.

### Case: Excavation and Trenching appraise activity

In 2016, we invited contractors of Panzhuang project and Mabi project to jointly participate in the excavation and trenching appraise to strengthen the understanding of excavation operation procedures and permit to work procedures by internal employees and contractors. Activities like theoretical and on-site operation assessments helped employees and construction parties to improve their risk assessment capabilities in excavation operations, such as surface barrier, damage of underground facility line, rock or soil loosening, falling of objects or personnel, and other hazards. The events improved their safety level in excavation operations during the construction process such as preliminary pre-spud operation, surface construction, gas gathering stations construction and gathering pipeline laying.

### 完善管理體系

本公司將HSE和社會責任的要求貫徹在對於供應商和承包商的整個管理中，從建立健全規章管理制度、全面風險評級、嚴格HSE資質准入、提升承包商社會責任表現、規範承包商安全教育培訓、提升承包商工作技能，嚴格現場工作許可管理、強化過程監督和嚴格承包商業績考核等方面落實各項管理舉措，提升管理水準。2016年本公司新設立了合同管理部，使得合同管理更為規範統一，並實現對項目從預算、採購、實施全流程的風險管控。

本公司不斷完善採購工作制度，規定嚴格的採購方式和審批流程來保證採購公平和合規。通過公開招標的方式，向供應商提供公平、透明的競爭機會，建立統一供應商資料庫。2016年開展評估與監察的供應商佔供應商總量的比例佔了所有供應承包商的20%以上。

### 培訓與技術交流

本公司按照以安全、健康和環保為核心價值持續改進承包商管理，提高承包商意識，從進場、領班管理、安全作業和技能提升等方面開展承包商培訓活動。

2016年，本公司面向內部員工和承包商組織各式各樣的知識競賽和技能比拼，加強內部員工和外部承包商的關係和一線技術交流，提升雙方安全意識和業務水準。

### 案例：挖掘作業評比活動

2016年，我們分別在潘莊和馬必項目邀請承包商共同參加挖掘作業評比，通過一系列理論和現場作業評比，加強了內部員工和承包商人員對挖掘作業程式和作業許可程式的認知，說明員工和施工方提高挖掘作業風險評估能力，比如地表障礙物、損壞地下設施線路、岩石或者土壤鬆動、物體或者人員墜落等各種風險，從而提升其在鑽前工程、排採井場地面建設、站場建設、集輸管線鋪設等施工中挖掘作業的安全水準。

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### Case: Introducing SCADA system

In order to improve the work efficiency and management level, Mabi project introduced SCADA (Supervisory Control And Data Acquisition) system in 2016. The SCADA system has a powerful function in compatibility, automatic operation, data integrity, graphic data processing, monitoring classification, statement, and other aspects. The application of the system increases the uploading frequency of production data, significantly improves the timeliness and accuracy of data, and continuously promotes the on-site management level.

### 案例：引進 SCADA 系統

為了提高作業效率和管理水準，2016年馬必項目採用引進了SCADA (Supervisory Control And Data Acquisition，即資料獲取與監視控制系統)。SCADA系統在相容性、自動化運行、資料完整性、圖形資料處理、監控分類和報表等方面都有強大功能，系統的應用使生產資料上傳頻率增加，資料的及時性和準確性得到顯著提高，現場管理水準不斷提升。

## PEOPLE ORIENTATION, HARMONIOUS DEVELOPMENT

The vigorous development of the Company requires the full support of each employee. We regard employees as our most valuable wealth. Therefore, we are committed to creating good conditions for career development and improving physical and mental health of employees. The Company strengthens the talent cultivation, promotes local employment, and facilitates local development.

## 以人為本和諧發展

本公司的蓬勃發展需要每一位員工的鼎力支持。我們視員工為最寶貴的公司財富，致力於為員工事業發展和身心健康創造良好條件。加強人才培養，推進本地僱傭，促進當地發展。

We take root in societies, and constantly strive to obtain the understanding, support and help from local governments, communities and residents. Meanwhile, we provide funds for the development of local poverty groups, carry out volunteer activities and fulfill our corporate social responsibility.

我們在提供清潔能源的同時，植根於社會，不斷努力獲得當地政府、社區、居民的理解、支持和幫助。資助當地貧困人群發展，開展志願活動，踐行企業社會責任。

### Respecting Rights and Interests of Employees

The Company attaches importance to and guarantees legal rights and interests of employees. We adhere to "People Orientation". By focusing the appeals of employees, paying more attention to and strengthening the cultivation of talents, building a scientific and reasonable employees' promotion channel. We are committed to creating an optimized work environment for employees.

### 尊重員工權益

本公司重視和保障所有員工的合法權益，堅持「以人為本」，關注員工訴求，加強對人才的重視和培養，搭建科學合理的員工晉升管道，致力於為員工創造最佳的工作環境。

### Employee recruitment

According to The Law of the People's Republic of China and The Labour Contract Law of the People's Republic of China, The Company adheres to people orientation and equal employment to maintain and guarantee various legal rights and interests of employee, so that we can provide a healthy and safe employment environment, sound wage insurance system as well as competitive salary and welfare for employees. The Company resolutely opposes the use of child labor and forced labor, and strictly prohibits discrimination on gender, nationality, ethnic group, religious belief and cultural background, etc., throughout recruitment, training, career development and all other aspects. By publicizing the recruitment information through industry media as well as internal and external channels, and through campus recruitment and other methods, we provide a transparent and open information platform for applicants.

### 員工招聘

亞美依照《中華人民共和國勞動法》、《中華人民共和國勞動合同法》，堅持以人為本公平用工、維護和保障每一位員工的各項合法權益，為員工提供健康安全的僱傭環境，完善的工資保險制度與富有競爭力的薪酬福利待遇。堅決反對使用童工和強制勞工，從招聘、培訓和職業發展等全方面嚴格禁止性別、國籍、民族、宗教信仰和文化背景等的歧視。亞美通過行業媒體、內外部管道和校園招聘等方式公開招聘資訊，為應聘者提供透明開放的資訊平台，並確保招聘和選拔過程公平、公開和專業。



# Environmental, Social and Governance Report

## 環境、社會及管治報告

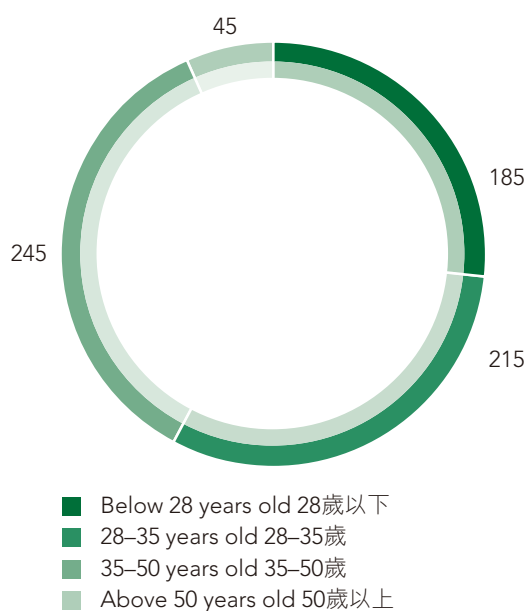
We care for the health and well being of female employees, invite professionals to give theme lectures on health and carries out promotional activities of health knowledge.

我們關愛女性員工健康，聘請專業人士，開展多種形式的健康教育主題講座和健康知識宣傳活動。

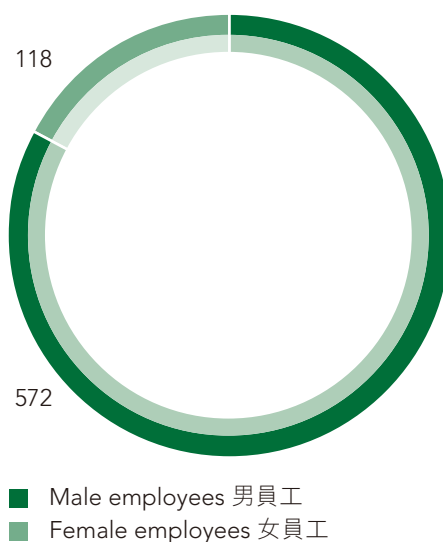
In 2016, the total number of employees at the Company was 690, while the employee turnover rate was only 4.18% for the year.

2016年，本公司員工總人數690人，全年員工流失率僅為4.18%。

**Total Workforce by Age**  
按年齡劃分的員工人數



**Total Workforce by Gender**  
按性別劃分的員工人數



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### Occupational health

The Company places high importance to the occupational health development of employees, and gives priority to occupational health and well-being. Meanwhile, we conscientiously implement the *Law of the People's Republic of China on Prevention and Control of Occupational Diseases*, specifying monitoring work for occupational health, and strengthening management of occupational health, to protect employee health.

The adaptability of work is an important part in risk management of health, so we formulated the *Fitness to Work and Stop Work Policy*. In 2016, the physical examination coverage rate of occupational disease in the workplaces of the Company was 100%.

We regularly organize physical examination for employee and strengthen the occupational health management of on-site operator. We create personal occupation health archives for all employees, in which the copies of physical examination data are kept. In 2016, the occupational disease examination of the Company covered all employees with potential occupational disease risks.

### Salary and welfare

The Company has set up a salary and welfare system connected with the salary level and performance evaluation. It makes reasonable adjustment for employee salaries according to company performance, market condition, local employee cost and work performance, and relevant laws and regulations.

The Company pays social insurance, medical insurance and commercial insurance for employees according to national regulations to guarantee their legitimate rights, and provides dormitories or housing allowance for employees who meet certain conditions. We reasonably arrange holidays and paid vacation, specifying that employees enjoy marriage leave, funeral leave, maternity leave, paternity leave, and other statutory holidays in accordance with law.

### 職業健康

本公司重視員工的職業健康發展，將員工健康和職業衛生放在首位。認真執行《中華人民共和國職業病防治法》，規範職業健康監護工作，加強職業健康管理，保護員工健康。

工作適合性評估健康風險管理的重要組成部分。亞美制定《工作適合性管理》、《停止工作政策》，不斷健全職業健康管理制度。2016年本公司作業場所職業病檢查體檢率為100%。

我們定期組織員工進行年度體檢，加強現場作業人員的職業健康管理。我們為所有員工建立個人職業健康檔案，每個員工的體檢資料副本保留在個人職業健康檔案中。2016年，本公司職業病檢查覆蓋所有存在職業病風險的崗位員工。

### 薪酬福利

本公司建立了工資水準與績效評估掛鈎的薪酬福利制度，根據實際業績、市場狀況、本地僱員成本、每個員工的工作績效並結合相關法律法規等實際情況對員工薪資做出合理的調整。

本公司按照國家規定繳納社會保險、醫療保險和商業保險等，保障員工的合法權利，還為符合條件的員工提供集體宿舍或住房補貼。合理安排假期和帶薪休假，規定員工依法享有婚假、喪假、產假及陪產假等法定假期。

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### Facilitating Employee Development

The Company pays particular attention to talent development. We offer a clear career development path and a sound training mechanism to motivate employees. Relying on talent cultivation and vocational training, to provide a broad development space and platform for employees.

The Company stresses the construction of talent training systems, carries out relevant training programs and develops human resources in a planned way. We encourage employees to continuously learn to improve themselves and work skills and comprehensive abilities. By a comprehensive promotion system integrating exams and evaluations, we try to optimize talent growth and provides a broad development platform for employees. Furthermore, it enables employees to experience satisfaction from work, by simulating their enthusiasm and promote their specialties and professional development. The Company encourages employees to achieve their personal fulfillment to their greatest extent while making contributions to the Company.

The Company has built a sound learning and development system to satisfy the requirements talents and business growth. We provide training plans and talent development channels, according to different posts, through improving professional skills and personal capabilities; as well as building models for high-potential talent team management and leadership. Meanwhile, we have developed appropriate training and development plans for employees, including career quality, working skills, production safety, and management ability, offers training contents related to post responsibilities of employees. The training takes a variety of forms such as intensive classes, lectures, conferences, video, demonstration, case study, discussion, on-the-spot guidance, work shift, business investigation, off-job training or half-time training, self-development and distance education.

We organize and develop sorts of management and skills training, for improving employee's capability, including 3 categories: leadership, competitiveness, professional skills; and 14 courses to meet the requirement of white collar and blue collar staffs. We also support our people to take an active part in the special training of vocational skills. In 2016, the Company organized a total of 24,346 hours training.

#### Case: Health, Safety and Environmental knowledge Training

We requires each employee to promise to follow the principle of "Safety First, Environment Friendly", and to participate in health, safety and environmental knowledge training. Meanwhile, we continuously provides related training for other personnel and subcontractor. In 2016, the per capita safety training hours in Panzhuang project were 20 hours, and those in Mabi project were 27.04 hours.

### 助力員工發展

本公司尤為重視人才發展。本公司以清晰的職業發展路徑以及完善的培訓機制激勵員工，依託人才培養和職業培訓，為員工提供廣闊的發展空間和平台。

本公司注重人才培訓體系的建設，有計劃的開展相關培訓及開發人力資源，鼓勵員工不斷學習進行自我完善，持續提高各項工作技能與全面素質。通過考評結合的晉升機制，優化人才成長，為員工成長提供廣闊的發展空間。使員工從工作中獲得滿足感，激發員工工作熱情，推動員工專業化、職業化發展，為公司做出貢獻的同時最大程度地實現員工的個人成就。

本公司已建立起完善的學習與發展體系，來滿足人才及業務高速發展的要求，並從建設員工個人專業化技能，個人能力素質，以及高潛力人才團隊管理及領導力的模型維度來制定與員工崗位職責及個人發展相關的培訓發展計劃及人才發展通道。視具體情況為員工制定適合的培訓和發展計劃，包括職業素質、工作技能、安全生產、管理能力以及其它與員工崗位職責緊密相關的培訓發展內容。培訓採取集中授課、講座、會議、錄影、示範、案例研究、討論、現場指導、輪崗、業務考察、脫產或半脫產培訓、自我開發、遠端教育等多種培訓形式。

2016年，我們組織和開展各項管理和技能培訓課程，為員工提供包括領導力，競爭力和專業技能三大類14種培訓課程以滿足管理人員和技術人員發展的需求。同時支援員工積極參加各項職業技能的專項培訓。2016年本公司培訓總小時達24,346小時。

#### 案例：健康、安全與環境知識培訓

我們要求每位員工承諾在工作中堅決遵循「安全第一、環境友好」的原則，並參加健康、安全與環境知識培訓。同時，我們持續地對其他勞務用工及外包商的人員提供相關培訓，以防止在煤層氣開採生產過程中發生事故和突發事件。2016年，潘莊、馬必項目人均安全培訓小時數分別為20小時/人和27.04小時/人。

# Environmental, Social and Governance Report

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### Caring for Lives of Employees

The Company cares for the work and life of each employee, and provides a good working environment and life quality. We're committed to improving the working enthusiasm of employees, and striving to create a harmonious and happy atmosphere. In order to improve the working environment quality of the well-site employees, we provide free working meal for on-site employees. In order to give a feeling of safety to employees, all projects utilize facilities that can guarantee the highest safety, and conduct physical examinations for employees for free each year.

The Company actively supports and encourages employees to participate in various recreational activities. These colorful recreational activities can reveal the spiritual outlook and versatility of employees. In 2016, we organized table tennis, billiards, and badminton competitions and conducted group tourism to balance work with leisure. This enhances the centripetal force and cohesion of employees while helping them to alleviate the pressures of work.

### Facilitating Local Development

We actively pay taxes in everyday operations to support local economic development. Under the same conditions, we put priority on selecting local employees and suppliers, to support its development. In order to cooperate with community plans, we put a lot of efforts to participate in public welfare and are committed to the construction of inclusive community, finally help with the harmonious development of society. In 2016, we continued to maintain good communication with the community, keeping the previous model of excellent social enterprise cooperation.

### Community participation

While continuously providing stable energy supply, the Company adheres to "Open Cooperation, Win-win Cooperation" to cultivate local suppliers and contractors so that we can promote the development of related industries and bring benefits to local people.

#### Community Policy

The Company social policy is "Sustainable Development, Inclusive Community".

The Company insists on adhering to its social policy to improve management level, and protect the employees and communities, health and safety, to improve livelihood of the affected communities and to take on and fulfill social responsibilities, with particular attention to vulnerable groups.

### 關愛員工生活

本公司關心每一位員工的工作和生活，為員工營造優美的辦公環境和生活品質。致力於提升員工的工作積極性，努力為員工打造祥和、幸福的氛圍。為了提高一線員工的工作環境品質，免費為現場員工提供工作餐；為了讓員工有安全感，項目均採用了高度保證安全的標準設施，每年免費為員工進行職業體檢等。

本公司積極支持文體活動，鼓勵員工參加各種文體活動，通過豐富多彩的文體活動展現員工的精神風貌和多才多藝。2016年，我們組織了乒乓球、檯球和羽毛球比賽以及團體旅遊，平衡員工業餘生活和工作，幫助員工緩解工作壓力的同時增強員工的向心力和凝聚力。

### 促進當地發展

我們在生產運營中積極主動納稅，支援地方經濟發展；在同等條件下，優先選用當地員工和供應商，培養並扶持其發展；配合社區規劃和發展，不遺餘力參與公益志願者事業，致力於建設包容性社區，助力社會和諧發展。2016年，我們繼續與社區保持良好溝通，延續以往優秀的社企合作模式。

### 社區參與

本公司在持續提供穩定能源供應的同時，堅持開放合作、互利共贏，培養本地供應商和承包商，帶動關聯產業發展，回饋當地民眾。

#### 社區政策

本公司的社區政策是「可持續發展，包容性社區」。

本公司一直貫徹本社會政策以提高管理水準，保護員工和社區的健康和安全，通過承擔和實現社會責任來改善受影響社區的生活水準，尤其是對弱勢群體的關注。

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In order to promote sustainable development, we are committed to:

- Be consistent with applicable PRC laws and regulations, International Finance Corporation (IFC) performance standards (2013), and Equator Principles III (2013);
- Undertake continuous social impact assessments and risk evaluations to effectively avoid and control health and safety hazards to employees and surrounding communities and coexist in a harmonious way with the local communities;
- Maintain good relationship with the affected communities and broader stakeholders;
- Adopt and implement human resources policies and procedures to be consistent with national employment and labor laws and international standards (e.g. IFC Performance Standards 2013);
- Avoid engaging in or supporting the use of child labor and forced labor or compulsory labor as defined in International Labour Organization Convention 29;
- Work with our employees to maintain a healthy, hygienic and safe workplace, and proactively reduce occupational injury and illness risks, and promote employee health and well-beings;
- Avoid or minimize both physical and economic displacement to the local community; where avoidance is not possible, to extent possible collaborate with the responsible government to restore the livelihoods of the displaced persons and ensure informed participation of those;
- Ensure that all employees are aware of their roles and responsibilities to comply with this social policy;
- Require the same level to contractors to manage social performances in line with this social policy.

### Community care

The Company recognizes that local communities intend to utilize coal as the main energy source to meet their heating supply and dining requirements of local residents. So the pollution emissions would increase to a higher level. For this reason, we transport some of clean fuel gas — CBM to local communities for sales at reduced price, which can greatly reduce local coal-burning requirements, making the living environment of local residents cleaner, healthier as well as greatly improving air quality.

為了促進可持續的社會實踐，我們致力於：

- 與中華人民共和國的法律法規，2013版國際金融公司運行標準，以及2013年第三版赤道原則保持一致；
- 進行不間斷的社會影響力和風險評估，有效避免和控制給員工和周圍社區帶來健康與安全風險，保證與當地社區和諧相處；
- 與受影響社區和更廣泛的利益相關方建立友好關係；
- 採取和實施與國家就業和勞動法規以及國際標準(例如：國際金融運行標準，2013版)一致的人力資源政策和程式；
- 避免參與或支持國際勞工法第29條規定的僱傭童工和強迫勞動；
- 與員工一起保持一個健康，衛生，安全的工作環境，積極減少職業傷害和患病風險，促進員工健康和幸福；
- 避免或最小化當地社區的人員搬遷和經濟上水準的下降，如果不可避免，盡可能的與當地負責政府協調來恢復遷居的生活，確保他們的知情參與；
- 確保所有員工明確他們的作用和職責，以遵守我們的社會政策；
- 要求承包商也應遵守這些要求，根據本社會政策來管理社會操作。

### 社區關懷

本公司認識到，當地社區傾向於使用煤炭作為主要的能源來源來滿足當地居民的供熱和餐飲需求，因而增加了污染排放，對當地環境造成破壞。正是由於這個原因，亞美將其清潔燃氣煤層氣的一部分以低價輸送給當地社區。減少當地燃煤需求的同時，改善了空氣品質，使當地居民擁有更潔淨和健康的生活環境。

# Environmental, Social and Governance Report

## 環境、社會及管治報告

### Poverty alleviation

The Company positively participates in the local poverty alleviation plan to respond to the “2020 China’s Poverty Alleviation Goal”.

#### Case: Enterprises have responsibilities in solving the toughest problems in poverty alleviation — discussion report in Shangwoquan Village, Tuwo Town, Qinshui County

In order to solve the toughest problems in poverty alleviation and respond to the call of the Party Committee and Government of Qinshui County, as well as fulfill the social responsibilities of enterprises, we help and support poverty-stricken families. We have formed an enterprise poverty alleviation group, which went to Shangwoquan Village, Tuwo Town, Qinshui County to have discussions in the middle of July 2016. Relevant government departments would design targeted implementation plans, and we would cooperate to effectively promote the development of related issues.

#### Case: “Pairing to Facilitate Poverty Alleviation” theme activity

On 17 October 2016, the national “Poverty Alleviation Day”, the management team and employees went to Fancunhe Town, Qinshui County, Jincheng City, and Shanxi Province to participate in the “Pairing to Facilitate Poverty Alleviation” activity organized by the government of Fancunhe Town. AAG Energy has always attached great attention to social groups needing care based on the awareness of its social responsibilities.

#### Case: Nursing home condolences

Each year, from 2014 to early 2017, we organized employees to join in the AAG Charity Program to visit nursing home in Qinshui County of Jincheng City, Shanxi Province, for condolence during festivals. They give rice, flour, grain, oil and other food, as well as towels and other daily necessities to the elderly people. Volunteers cook and sing songs for the elderly and play games with them. They also help with cleaning, and sending our solicitude. We wish that they can feel the warmth from enterprises and enjoy the family-like love. We respect the old, alleviate poverty, convey warmth, and show love, to bravely shoulder our social responsibilities.

### 扶貧幫困

本公司積極參與當地扶貧計劃，以回應「2020年中國扶貧目標」。

#### 案例：扶貧攻堅企業有責 — 沁水縣土沃鄉上沃泉村座談報導

為脫貧攻堅，響應縣委、縣政府號召，體現企業的社會責任感，對幫扶貧困戶進行精準幫扶。我們成立了企業扶貧小組，在2016年7月中旬，共同到沁水縣土沃鄉上沃泉村進行了座談。根據這個意向，相關部門將針對性地設計實施方案，我們也將及時跟進此事進展，積極聯絡和配合，有效推進和落實相關事務的發展。

#### 案例：「結對認親愛心扶貧」主題活動

2016年10月17日，全國「扶貧日」之際，管理層和員工赴山西省晉城市沁水縣樊村河鄉參與由樊村河鄉政府組織的「結對認親愛心扶貧」主題活動，本公司本著強烈的社會責任感，對需要關愛的群體一直保持著關注。

#### 案例：敬老院慰問

從2014年開始持續到2017年初亞美組織員工每年過節時對山西省晉城市沁水縣敬老院慰問，為老人帶去米麵糧油等食品，毛巾等日用品及廚房為老人加工食品等，陪伴老人唱歌玩遊戲及幫助老人清潔衛生等，送去亞美人的關懷，只願他們能感受到來自社會企業的溫暖，享受如同家人般的愛。我們「敬老、助困、送溫暖、獻愛心，勇擔社會責任」。

# Independent Auditor's Report

## 獨立核數師報告



羅兵咸永道

TO THE SHAREHOLDERS OF  
**AAG ENERGY HOLDINGS LIMITED**  
(incorporated in the Cayman Islands with limited liability)

致亞美能源控股有限公司股東  
(於開曼群島註冊成立的有限公司)

### OPINION

#### What we have audited

The consolidated financial statements of AAG Energy Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 126 to 205, which comprise:

- the consolidated balance sheet as at 31 December 2016;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

#### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### 意見

#### 我們已審計的內容

亞美能源控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第126至205頁的合併財務報表，包括：

- 於2016年12月31日的合併資產負債表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表；及
- 合併財務報表附註，包括主要會計政策概要。

#### 我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2016年12月31日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》妥為擬備。

# Independent Auditor's Report

## 獨立核數師報告

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAAs”) issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

### Independence

We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (“the Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code.

### 意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

### 獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。



# Independent Auditor's Report

## 獨立核數師報告

### KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to:

- Share-based compensation

### 關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項關於：

- 以股份為基礎的報酬

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p><b>Share-based compensation</b> 以股份為基礎的報酬</p> <p>Refer to note 21 to the consolidated financial statements. 請參閱合併財務報表附註21。</p> <p>The Company has adopted and operated Pre-IPO Share Option Scheme and Post-IPO Restricted Share Unit Scheme (collectively the "Schemes") to reward its employees, which are accounted for in accordance with HKFRS 2 "Share-Based Payments". Share based compensation expenses totaling RMB48.3 million (2015: RMB44.7 million) for the year ended 31 December 2016 comprise share based compensation expenses from the Pre-IPO Share Option Scheme of RMB22.3 million (2015: RMB44.7 million), change of terms to the Pre-IPO Share Option Scheme in 2016 of RMB8.7 million (2015: RMB nil) and issue of Post-IPO Restricted Share Unit Scheme in 2016 amounting to RMB 17.3 million (2015: RMB nil) which were recognised in the consolidated statement of comprehensive income.</p> <p>貴公司已採納並執行首次公開發售前購股權計劃和首次公開發售後受限制股份單位計劃(合併統稱為「計劃」)以激勵員工，並遵循香港財務報告準則第2號「以股份為基礎的支付」。截至2016年12月31日止年度，以股份為基礎的報酬費用總額約為人民幣48.3百萬元(2015年：人民幣44.7百萬元)，其中包括首次公開發售前購股權計劃之費用人民幣22.3百萬元(2015年：人民幣44.7百萬元)，2016年因首次公開發售前購股權計劃條款變更而增加之費用人民幣8.7百萬元(2015年：無)，2016年發行首次公開發售後受限制股份單位計劃之費用約人民幣17.5百萬元(2015年：無)，並於合併綜合收益表中確認。</p>	<p>In addressing this matter, we have performed the following procedures: 在處理關鍵審計事項中，我們執行了以下程序：</p> <ul style="list-style-type: none"><li>• We obtained and examined the terms and conditions of the Schemes and documentation and the schedule of share-based compensation (the "Schedule") prepared by management.</li><li>• 我們獲取並檢查了計劃的條款和條件以及管理層準備的以股份為基礎的報酬的文件和變動表(「變動表」)。</li><li>• In relation to the awards granted during the year under the Post-IPO Restricted Share Unit Scheme, we assessed the fair value of those awards granted on the grant date to the market price of the Company's shares.</li><li>• 對於本年授予的在首次公開發售後受限制股份單位計劃下的獎勵，我們以貴公司股票的市场價值對被授予獎勵在授予日的公允價值進行評估。</li><li>• In respect of the change of terms made to the Pre-IPO Share Option Scheme during the year, which resulted in increment in fair value, we performed the following:</li><li>• 對於因為本年對首次公開發售前購股權計劃條款的變更而引致的公允價值增加，我們執行了：<ul style="list-style-type: none"><li>(a) Assessed the appropriateness of the option pricing model adopted by the external valuer engaged by the Company;</li><li>(a) 評估了貴公司外聘評估師採用的期權評估模型的恰當性；</li></ul></li></ul>

# Independent Auditor's Report

## 獨立核數師報告

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p><b>Share-based compensation</b> 以股份為基礎的報酬</p> <p>The estimation of share-based compensation expense is based on certain key bases and assumptions, including determination of the fair value of relevant awards granted, the incremental fair value arising from change of terms in 2016, and the number of awards which are expected to be vested.</p> <p>以股份為基礎的報酬費用的估計基於多項關鍵基礎與假設，包括相關被授予獎勵的公允價值的釐定，2016年由條款變更引起的增加的公允價值，以及預期將被給予的獎勵數量。</p> <p>Because of the significance of share-based compensation during the year ended 31 December 2016, together with the use of judgements and assumptions, we had identified this matter as a key audit matter.</p> <p>由於以股份為基礎的報酬於截至2016年12月31日止年度的重大影響，以及對判斷與假設的使用，我們識別該事項為關鍵審計事項。</p>	<p>(b) Assessed the integrity and competence of the external valuer engaged by the Company; 評估了貴公司外聘評估師的誠信與勝任能力；</p> <p>(b) Checked the assumptions adopted in valuing the incremental fair value including (i) Company's share price to the market price of the Company's shares on the date of changing the terms; (ii) expected dividend yield to information provided by management; (iii) maturity years under the scheme; (iv) risk free rate to market information; and (v) annualised volatility to market statistics on the Company's share price movements.</p> <p>(c) 檢查了評估公允價值增加所採用的假設，包括(i)將公司股價與貴公司股票在條款變更日的市場價格比較；(ii)將預期股息收益率與管理層提供的資料比較；(iii)將到期年限與計劃比較；(iv)將無風險回報率與市場訊息比較；以及(v)將年化波動率與貴公司股價變動的市場統計信息比較。</p> <ul style="list-style-type: none"><li>• In respect of the share-based compensation charged during the year, we checked the number of awards granted and expected to be vested as shown in the Schedule against the criteria of vesting as set out in the Schemes and underlying supporting documents, including minutes of Board of Directors, human resources records, scheme and the fulfilment of performance conditions.</li><li>• 對於本年確認的以股份為基礎的報酬，我們對在變動表中出現的已被授予及預期將被授予的獎勵數量和相關支持文件，包括董事會議紀要、人力資源記錄、計劃與證明業績條件滿足之文件進行核對。</li><li>• We tested the mathematical calculations of share-based compensation expenses during the year.</li><li>• 我們測試了本年度以股份為基礎的報酬費用的計算。</li></ul> <p>Based on our work, no significant exception has been noticed. 基於我們的工作，未發現重大異常。</p>

# Independent Auditor's Report

## 獨立核數師報告

### OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### RESPONSIBILITIES OF DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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 misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The audit committee is responsible for overseeing the Group's financial reporting process.

### 其他資訊

貴公司董事須對其他資訊負責。其他資訊包括年報內的所有資訊，但不包括合併財務報表及我們的核數師報告。

我們對合併財務報表的意見並不涵蓋其他資訊，我們亦不對該等其他資訊發表任何形式的鑒證結論。

結合我們對合併財務報表的審計，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與合併財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

### 董事及審計委員會就合併財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的合併財務報表，並對其認為為使合併財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備合併財務報表時，董事負責評估貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將貴集團清盤或停止經營，或別無其他實際的替代方案。

審計委員會須負責監督貴集團的財務報告過程。

# Independent Auditor's Report

## 獨立核數師報告

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

### 核數師就審計合併財務報表承擔的責任

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水準的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程式以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程式，但目的並非對貴集團內部控制的有效性發表意見。
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

## Independent Auditor's Report

### 獨立核數師報告

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

除其他事項外，我們與審計委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

我們還向審計委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

## Independent Auditor's Report

### 獨立核數師報告

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is:  
LEONG Kin Bong

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 24 March 2017

從與審計委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是  
梁建邦。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，2017年3月24日

## Consolidated Balance Sheet

### 合併資產負債表

		As at 31 December		
		於 12 月 31 日		
		2016	2015	
		2016 年	2015 年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
	Note			
	附註			
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	不動產、工廠及設備	7	3,188,674	2,639,914
Land use rights	土地使用權	8	12,265	12,547
Intangible assets	無形資產	9	33,907	15,025
Other non-current assets	其他非流動資產		4,116	–
			<b>3,238,962</b>	2,667,486
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨		1,760	1,097
Trade and other receivables	應收賬款及其他應收款	10	319,850	255,339
Current income tax prepaid	預付當期所得稅		2,555	–
Restricted bank deposits	受限制銀行存款	12	31,583	8,033
Term deposits with initial terms of over three months	初始期限超過三個月的定期存款	12	–	246,000
Cash and cash equivalents	現金及現金等價物	12	2,343,764	2,309,810
			<b>2,699,512</b>	2,820,279
<b>Total assets</b>	<b>總資產</b>		<b>5,938,474</b>	5,487,765
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to owners of the Company</b>	<b>歸屬於本公司所有者的權益</b>			
Share capital	股本	13	2,034	2,034
Capital surplus	資本盈餘	14	4,839,134	4,700,281
Accumulated deficits	累計虧損		(4,234)	(110,869)
<b>Total equity</b>	<b>總權益</b>		<b>4,836,934</b>	4,591,446

# Consolidated Balance Sheet

## 合併資產負債表

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note 附註		
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Asset retirement obligations	資產棄置義務	15	13,176
Borrowings	借款	16	496,376
Deferred income tax liabilities	遞延所得稅負債	17	148,213
			<b>657,765</b>
<b>Current liabilities</b>	<b>流動負債</b>		
Trade and other payables	應付賬款及其他應付款	18	443,775
Current income tax liabilities	當期所得稅負債		-
			<b>443,775</b>
<b>Total liabilities</b>	<b>總負債</b>		<b>1,101,540</b>
<b>Total equity and liabilities</b>	<b>總權益及負債</b>		<b>5,938,474</b>

The notes on pages 131 to 205 are an integral part of these consolidated financial statements.

第 131 頁至 205 頁的附註是本合併財務報表的整體部分。

The financial statements on pages 126 to 205 were approved by the Board of Directors on 24 March 2017 and were signed on its behalf.

第 126 頁至 205 頁的財務報表由董事會於 2017 年 3 月 24 日批准，並由其代表簽署。

Executive Director  
Stephen Xiangdong Zou

執行董事  
鄒向東



# Consolidated Statements of Comprehensive Income

## 合併綜合收益表

		Year ended 31 December		
		截至12月31日止年度		
		2016	2015	
		2016年	2015年	
		RMB'000	RMB'000	
		人民幣千元	人民幣千元	
	Note			
	附註			
Revenue	收入	19	411,278	536,655
Other income	其他收入	20	149,276	127,672
Other losses, net	其他損失 — 淨額		(913)	(163)
<b>Operating expenses</b>	<b>經營開支</b>			
Depreciation and amortisation	折舊及攤銷		(74,613)	(142,086)
Employee benefit expenses	僱員福利開支	21	(164,142)	(155,162)
Materials, services and logistics	材料、服務及物流		(100,203)	(113,815)
Others	其他		(23,543)	(23,260)
<b>Total operating expenses</b>	<b>經營開支總額</b>		<b>(362,501)</b>	<b>(434,323)</b>
<b>Profit from operations</b>	<b>經營利潤</b>		<b>197,140</b>	<b>229,841</b>
Interest income	利息收入	22	10,699	5,815
Finance costs	財務費用	22	(18,578)	(29,126)
Exchange losses	匯兌損失	22	(10,281)	(154,813)
<b>Finance costs, net</b>	<b>財務費用 — 淨額</b>		<b>(18,160)</b>	<b>(178,124)</b>
<b>Profit before income tax</b>	<b>除所得稅前利潤</b>	23	<b>178,980</b>	<b>51,717</b>
Income tax expense	所得稅費用	24	(72,345)	(108,656)
<b>Profit/(loss) attributable to owners of the Company for the year</b>	<b>歸屬於本公司所有者的年度利潤/(虧損)</b>		<b>106,635</b>	<b>(56,939)</b>
<b>Other comprehensive income:</b>	<b>其他綜合收益：</b>			
Items that may be reclassified subsequently to profit or loss	其後可能重分類至損益的項目			
Currency translation differences	外幣折算差額		90,613	259,233
<b>Total comprehensive income attributable to owners of the Company for the year</b>	<b>歸屬於本公司所有者的年度綜合收益總額</b>		<b>197,248</b>	<b>202,294</b>
<b>Earnings/(losses) per share (RMB)</b>	<b>每股收益/(虧損)人民幣</b>			
— Basic	— 基本	25	0.03	(0.02)
— Diluted	— 稀釋	25	0.03	(0.02)

The notes on pages 131 to 205 are an integral part of these consolidated financial statements.

第131頁至205頁的附註是本合併財務報表的整體部分。

## Consolidated Statement of Change in Equity

### 合併權益變動表

		Attributable to owners of the Company 歸屬於本公司的所有者			
		Share capital 股本	Capital surplus 資本盈餘	Accumulated deficits 累計虧損	Total equity 總權益
	Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>As at 1 January 2015</b>	於2015年1月1日	511	2,856,420	(53,930)	2,803,001
<b>Comprehensive income</b>	綜合收益				
Loss for the year	年度虧損	-	-	(56,939)	(56,939)
Currency translation differences	外幣折算差額	-	259,233	-	259,233
<b>Total comprehensive income</b>	綜合收益總額	-	259,233	(56,939)	202,294
<b>Transactions with owners</b>	與所有者的交易				
Capitalisation issue	資本化發行	891	(891)	-	-
Issue of additional shares	發行額外股份	223	(223)	-	-
Issue of shares of initial public offering	發行首次公開發售股份	407	1,538,841	-	1,539,248
Share-based compensation	以股份為基礎的報酬	21(b)	44,702	-	44,702
Exercise of options	行使購股權	2	2,199	-	2,201
<b>Total transactions with owners</b>	與所有者的交易總額	1,523	1,584,628	-	1,586,151
<b>As at 31 December 2015</b>	於2015年12月31日	2,034	4,700,281	(110,869)	4,591,446
<b>As at 1 January 2016</b>	於2016年1月1日	2,034	4,700,281	(110,869)	4,591,446
<b>Comprehensive income</b>	綜合收益				
Profit for the year	年度利潤	-	-	106,635	106,635
Currency translation differences	外幣折算差額	-	90,613	-	90,613
<b>Total comprehensive income</b>	綜合收益總額	-	90,613	106,635	197,248
<b>Transactions with owners</b>	與所有者的交易				
Share-based compensation	以股份為基礎的報酬	21(b)	48,240	-	48,240
<b>Total transactions with owners</b>	與所有者的交易總額	-	48,240	-	48,240
<b>As at 31 December 2016</b>	於2016年12月31日	2,034	4,839,134	(4,234)	4,836,934

The notes on pages 131 to 205 are an integral part of these consolidated financial statements.

第131頁至205頁的附註是本合併財務報表的整體部分。

# Consolidated Statement of Cash Flows

## 合併現金流量表

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
	Note 附註		
<b>Cash flows from operating activities</b>	<b>經營活動現金流量</b>		
Cash generated from operations	27	289,040	451,428
Interest paid		(26,338)	(24,165)
Income tax paid		(5,284)	(109,881)
Net cash generated from operating activities		257,418	317,382
<b>Cash flows from investing activities</b>	<b>投資活動現金流量</b>		
Purchase of property, plant and equipment and intangible assets		(570,062)	(494,845)
Decrease/(increase) in term deposits with initial terms of over three months	12	246,000	(246,000)
Increase in restricted bank deposits	12	(23,550)	(8,033)
Proceeds from disposal of property, plant and equipment		343	139
Interest received		9,527	4,802
Net cash used in investing activities		(337,742)	(743,937)
<b>Cash flows from financing activities</b>	<b>融資活動現金流量</b>		
Proceeds from issuance of ordinary shares		–	1,544,380
Proceeds from exercise of options		–	2,433
Proceeds from bank borrowings		40,438	427,952
Repayments of bank borrowings		–	(379,043)
Cash paid for listing expenses		(7,700)	(29,288)
Finance costs paid		(19,864)	(48,722)
Net cash generated from financing activities		12,874	1,517,712
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金及現金等價物 (減少)/增加淨額</b>	<b>(67,450)</b>	<b>1,091,157</b>
Cash and cash equivalents at beginning of the year	12	2,309,810	1,099,673
Exchange gains on cash and cash equivalents		101,404	118,980
<b>Cash and cash equivalents at end of the year</b>	<b>年末現金及現金等價物</b>	<b>2,343,764</b>	<b>2,309,810</b>

The notes on pages 131 to 205 are an integral part of these consolidated financial statements.

第131頁至205頁的附註是本合併財務報表的整體部分。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 1. GENERAL INFORMATION

AAG Energy Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are principally engaged in exploration, development and production of coalbed methane (“**CBM**”) in the People’s Republic of China (the “**PRC**”). The Company is an exempted company incorporated in the Cayman Islands with limited liability on 23 December 2014. The address of the Company’s registered office is P.O.Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Group conducts its business through two production sharing contracts (“**PSC**”) entered into with China United Coalbed Methane Corporation Ltd. (“**CUCBM**”) and PetroChina Company Limited for the Panzhuang and Mabi concessions respectively in Shanxi Province of the PRC.

The Overall Development Plan (“**ODP**”) of the Panzhuang concession was approved by the National Development and Reform Commission of the PRC on 28 November 2011, which allowed the Panzhuang concession to enter into the commercial development phase. On 1 November 2016, Panzhuang concession entered into production phase after the Joint Management Committee (“**JMC**”) approved and announced based on the terms of Panzhuang PSC. As at 31 December 2016, Mabi concession was still in exploration phase.

Prior to the incorporation of the Company and the completion of the reorganisation as described below (the “**Reorganisation**”), the Group’s business was carried out by Asian American Gas, Inc. (“**AAGI**”) and its subsidiary Sino-American Energy, Inc. (“**SAEI**”), and AAG Energy (China) Limited now comprising the Group. In the preparation of listing of the Company’s shares on the Main Board of the Stock Exchange of Hong Kong Limited, the Reorganisation was undertaken pursuant to which the Group companies engaged in the relevant business under common control were transferred to the Company.

### 1. 一般資料

亞美能源控股有限公司(「本公司」)及其附屬公司(合稱「本集團」)主要在中華人民共和國(「中國」)從事煤層氣(「煤層氣」)的勘探、開發及生產。本公司於2014年12月23日在開曼群島註冊成立為獲豁免有限公司。本公司的註冊地址為P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands。

本集團通過與中聯煤層氣有限責任公司(「中聯煤層氣」)和中國石油天然氣股份有限公司分別就中國山西省潘莊和馬必區塊訂立的兩份產品分成合同(「產品分成合同」)開展業務。

潘莊區塊的ODP於2011年11月28日獲中國國家發展和改革委員會批准，允許潘莊區塊進入商業開發階段。2016年11月1日，潘莊區塊在獲聯合管理委員會基於潘莊產品分成合同條款的批准和宣告之後，進入生產階段。於2016年12月31日，馬必區塊仍處於勘探階段。

本公司註冊成立前及完成下述重組(「重組」)前，本集團的業務由AAGI及其附屬公司SAEI以及AAG Energy (China) Limited (本集團現時旗下公司)進行。為籌備本公司股份在香港聯合交易所有限公司主板上市，本集團進行重組，受共同控制且從事有關業務的集團公司被轉往本公司。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 1. GENERAL INFORMATION (Continued)

The Reorganisation involved the followings:

- (1) On 23 December 2014, the Company was incorporated in the Cayman Islands as an exempted company with limited liability, with AAG Energy Limited, the then parent company of AAGI and AAG Energy (China) Limited, as its sole shareholder.
- (2) On 30 December 2014, pursuant to a sale and purchase agreement entered into between AAG Energy Limited and the Company, the Company issued 835,069,049 ordinary shares to AAG Energy Limited, as the consideration for AAG Energy Limited to transfer its 100% equity interest in AAGI and AAG Energy (China) Limited, together with all shareholder loans totaling RMB2,629,064,000 due from AAGI as at that date, to the Company. Upon completion of the transfer on 31 December 2014, AAGI and AAG Energy (China) Limited became direct wholly-owned subsidiaries of the Company and the shareholder loans were converted into equity.
- (3) On 23 June 2015, AAG Energy Limited repurchased and cancelled all but three of its issued and outstanding ordinary shares, and in consideration, transferred all the ordinary shares of the Company held by AAG Energy Limited to its shareholders in proportion to their respective shareholding percentage in AAG Energy Limited. The remaining three ordinary shares of AAG Energy Limited was held by Mr. Stephen Xiangdong Zou, Baring Private Equity Asia IV Holding Limited and WP China CBM Investment Holdings Limited, who are considered as the controlling shareholders of the Group's business and each holds one ordinary share in AAG Energy Limited.

The Company's initial public offering ("IPO") of its shares on the Main Board of the Stock Exchange of Hong Kong Limited was completed on 23 June 2015.

### 1. 一般資料(續)

重組涉及以下各項：

- (1) 於2014年12月23日，本公司於開曼群島註冊成為豁免有限責任公司，亞美大陸煤層氣及AAG Energy (China) Limited當時的母公司亞美能源有限公司為其唯一股東。
- (2) 於2014年12月30日，根據亞美能源有限公司與本公司簽訂的買賣協定，本公司向亞美能源有限公司發行835,069,049股普通股作為亞美能源有限公司轉讓亞美大陸煤層氣及AAG Energy (China) Limited的100%股權，連同於該日亞美大陸煤層氣所有股東貸款合計人民幣2,629,064,000元一起轉入本公司的代價。該轉讓於2014年12月31日完成後，亞美大陸煤層氣及AAG Energy (China) Limited成為本公司直接全資附屬公司，而股東貸款轉入權益。
- (3) 於2015年6月23日，亞美能源有限公司回購和註銷其所有(除三股外)已發行及流通的普通股，代價為按其股東於亞美能源有限公司的持股比例向其股東轉讓亞美能源有限公司持有的所有普通股。餘下三股亞美能源有限公司普通股由鄒向東先生，Baring Private Equity Asia IV Holding Limited及WP China CBM Investment Holdings Limited(被視為本集團業務之控股股東)持有，且各自持有一股亞美能源有限公司普通股。

本公司於2015年6月23日在香港聯合交易所有限公司主板完成首次公開發售(「首次公開發售」)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### 2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRS”) and requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

The consolidated financial statements are presented in Renminbi (“RMB”) unless otherwise stated.

The preparation of the financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

### 2. 重要會計政策摘要

編製本合併財務報表採用的主要會計政策載於下文，除另有說明外，此等政策在所列報的所有年度內貫徹使用。

#### 2.1 編製基準

本集團的合併財務報表已根據所有適用香港財務報告準則（「香港財務報告準則」）以及「香港公司條例」第622章的規定編製。合併財務報表根據歷史成本法編製。

本合併財務報表以人民幣列報（除非另有說明）。

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度的判斷或高度複雜性的範疇，或涉及對合併財務報表作出重大假設和估計的範疇，在附註4中披露。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policy and disclosures

###### (a) *New and amended standards adopted by the Group*

The following amendments to standards have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2016:

- Clarification of acceptable methods of depreciation and amortisation — Amendments to HKAS 16 and HKAS 38
- Annual improvements to HKFRSs 2012–2014 cycle, and
- Disclosure initiative — amendments to HKAS 1

The adoption of these amendments did not have any impact on the current period or any prior period and is not likely to affect future periods.

###### (b) *New standards and interpretations not yet adopted*

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016 and have not been applied in preparing these consolidated financial statements. None of these is expected to have a significant effect on the consolidated financial statements of the Group, except the following set out below:

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 會計政策及披露變動

###### (a) 本集團已採納新訂及已修訂準則

本集團於2016年1月1日或之後開始的財政年度首次採用以下準則的修改：

- 澄清折舊和攤銷的可接受方法 — 香港會計準則第16號和香港會計準則第38號的修改
- 香港財務報告準則2012年至2014年週期年度改進，以及
- 披露倡議 — 香港會計準則第1號的修改

採納該等修改對當期和任何前期並無影響，且不大可能對未來期間產生影響。

###### (b) 尚未採納的新準則及解釋

多項新準則和準則的修改及解釋在二零一六年一月一日後開始的年度期間生效，但未有在本合併財務報表中應用。此等準則、修改和解釋預期不會對本集團的合併財務報表造成重大影響，惟以下列載者除外：

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policy and disclosures (Continued)

(b) *New standards and interpretations not yet adopted*  
(Continued)

(i) HKFRS 9 Financial instruments

HKFRS 9, "Financial instruments", addresses the classification, measurement and recognition of financial assets and financial liabilities. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income ("OCI") and fair value through profit or loss. The basis of classification depends on the entity's business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in OCI not recycling. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in OCI, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the 'hedged ratio' to be the same as the one management actually use for risk management purposes.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 會計政策及披露變動(續)

(b) *尚未採納的新準則及解釋(續)*

(i) 香港財務報告準則第9號金融工具

香港財務報告準則第9號「金融工具」，針對金融資產和金融負債的分類、計量和確認。此準則取代了香港會計準則第39號中有關分類和計量金融工具的指引。香港財務報告準則第9號保留但簡化了金融資產的混合計量模型，並確定了三個主要的計量類別：按攤銷成本、按公允價值透過其他綜合收益以及按公允價值透過損益表計量。此分類基準視乎主體的經營模式，以及金融資產的合同現金流量特點。在權益工具中的投資需要按公允價值透過損益表計量，而由初始不可撤銷選項在其他綜合收益計量的公允價值變動不循環入賬。目前有新的預期信貸損失模型，取代在香港會計準則第39號中使用的減值虧損模型。對於金融負債，就指定為按公允價值透過損益表計量的負債而言，除了在其他綜合收益中確認本身信貸風險的變動外，分類和計量並無任何變動。香港財務報告準則第9號放寬了套期有效性的規定，以清晰界線套期有效性測試取代。此準則規定被套期項目與套期工具的經濟關係以及「套期比率」須與管理層實際用以作風險管理之目的相同。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policy and disclosures (Continued)

(b) *New standards and interpretations not yet adopted*  
(Continued)

(i) HKFRS 9 Financial instruments (Continued)

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is yet to assess HKFRS 9's full impact.

(ii) HKFRS 15 Revenue from contracts with customers

HKFRS 15, "Revenue from contracts with customers" deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 "Revenue" and HKAS 11 "Construction contracts" and related interpretations. HKFRS 15 is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted. The Group is yet to assess the full impact of HKFRS 15.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 會計政策及披露變動(續)

(b) *尚未採納的新準則及解釋(續)*

(i) 香港財務報告準則第9號金融工具(續)

根據此準則，仍需有同期文件存檔，但此規定與香港會計準則第39號現時所規定的不同，此準則將於二零一八年一月一日或之後開始的會計期間起生效。容許提早採納，本集團尚未評估香港財務報告準則第9號的全面影響。

(ii) 香港財務報告準則第15號客戶合同收益

香港財務報告準則第15號「客戶合同收益」處理有關主體與其客戶合同所產生的收益和現金流量的性質、金額、時間性和不確定性的收益確認，並就向財務報表使用者報告有用的資訊建立原則。當客戶獲得一項貨品或服務的控制權並因此有能力指示該貨品或服務如何使用和獲得其利益，即確認此項收益。此準則取代香港會計準則第18號「收益」及香港會計準則第11號「建造合同」和相關解釋。此準則將於二零一八年一月一日或之後開始的年度期間起生效，並容許提早採納。本集團尚未評估香港財務報告準則第15號的影響。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.1 Basis of preparation (Continued)

##### Changes in accounting policy and disclosures (Continued)

(b) *New standards and interpretations not yet adopted*  
(Continued)

(iii) HKFRS 16 Leases

HKFRS 16, "Leases" addresses the definition of a lease, recognition and measurement of leases and establishes principles for reporting useful information to users of financial statements about the leasing activities of both lessees and lessors. A key change arising from HKFRS 16 is that most operating leases will be accounted for on balance sheet for lessees. The standard replaces HKAS 17 "Leases", and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2019 and earlier application is permitted subject to the entity adopting HKFRS 15 "Revenue from contracts with customers" at the same time. The Group is yet to assess the full impact of HKFRS 16.

There are no other HKFRS or HK (IFRIC) interpretations that are not yet effective that would be expected to have a material impact on the Group.

### 2. 重要會計政策摘要(續)

#### 2.1 編製基準(續)

##### 會計政策及披露變動(續)

(b) *尚未採納的新準則及解釋(續)*

(iii) 香港財務報告準則第16號租賃

香港財務報告準則第16號「租賃」提供了租賃的定義及其確認和計量要求，並確立了就出租人和承租人的租賃活動向財務報表使用者報告有用資訊的原則。香港財務報告準則第16號「租賃」帶來的一個關鍵變化是大多數經營租賃將在承租人的資產負債表上處理。該準則取代香港財務報告準則第17號「租賃」及相關解釋。該準則自2019年1月1日或以後開始的年度期間生效，並允許已採用香港財務報告準則第15號「客戶合同收入」的主體提早採用。本集團尚未評估香港財務報告準則第16號的影響。

沒有其他尚未生效的香港財務報告準則或香港(國際財務報告解釋委員會)一解釋企告預期會對本集團有重大影響。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.2 Subsidiaries

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

#### 2.3 Production Sharing Contract

The Group's exploration, development and production activities are primarily conducted through PSCs which establish joint control over the exploration, development and production activities. Each participant is entitled to a predetermined share of the related output and bears an agreed share of the costs.

The consolidated financial statements reflects:

- (i) The Group's assets used in joint operations;
- (ii) Any liabilities that the Group has incurred;
- (iii) Any income from the sale or use the Group's share of the output of the production, together with its share of any expenses incurred in the production; and
- (iv) Any expenses that the Group has incurred in respect of its interest in the production.

### 2. 重要會計政策摘要(續)

#### 2.2 附屬公司

附屬公司是指本集團對其有控制權的實體(包括結構性實體)。當本集團因參與該實體而接受或享有可變回報的權益，並有能力通過在其實體的權力影響該回報時，則本集團對該實體具有控制權。附屬公司自控制權轉移至本集團之日起合併入賬。子公司在控制權終止之日起停止合併入賬。

集團內部交易，集團公司間交易產生的結餘及未變現收益會相互抵銷。未變現虧損也會抵銷，除非此交易提供了轉移資產減值的證據。於必要時會對附屬公司所呈報金額做出調整以符合本集團的會計政策。

#### 2.3 產品分成合同

本集團的勘探，開發及生產活動主要通過產品分成合同進行，而產品分成合同確立了對勘探，開發及生產活動的共同控制權。各參與者均享有產量的預定份額及承擔協定的成本。

合併財務報表反映了：

- (i) 本集團用於共同業務的資產；
- (ii) 本集團產生的任何負債；
- (iii) 銷售或使用本集團應佔產量產生的任何收入，連同其生產過程中的產生的任何費用；及
- (iv) 本集團就其產品權益產生的任何費用。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.3 Production Sharing Contract (Continued)

The Group's PSCs comprise of three phases: the exploration phase, development phase and production phase. Costs incurred with respect to exploration activities within the PSC contract areas are solely borne by the Group. All costs incurred subsequent to the date of the approval of ODP are treated as development costs and provided by the Group and the PSC partners in the proportion of their respective participating interests. Operating costs incurred for the production operation shall be borne by the Group and the PSC partners in proportion to their share of the output of the CBM productions in each concession.

Pursuant to the Panzhuang and Mabi PSCs, the annual gross production of CBM, after payment of value-added tax ("VAT") and royalties, is allocated into Cost Recovery CBM and Remainder CBM.

#### (a) Cost Recovery CBM

Cost Recovery CBM is the CBM allocated to the Group and the PSC partners for recovery of the operating costs, as well as the exploration costs and development costs. 80% and 70% of annual gross production of CBM is deemed as Cost Recovery CBM under the Panzhuang and Mabi PSC, respectively. Cost Recovery CBM is allocated until all costs incurred by each party have been fully recovered. Cost Recovery CBM is allocated as follows:

- (i) Prior to the production phase, Cost Recovery CBM is firstly applied to recover costs incurred during the exploration phase of the PSC and once such costs have been fully recovered, Cost Recovery CBM is allocated to recover costs incurred during the development phase.

### 2. 重要會計政策摘要(續)

#### 2.3 產品分成合同(續)

本集團的產品分成合同包含三個階段：勘探階段、開發階段及生產階段。就產品分成合同區域的勘探活動所產生成本全部由本集團承擔。總體開發方案獲批日之後所產生全部成本視作開發成本並由本集團及產品分成合同合作夥伴按其各自參與權益比例分擔。生產運營所產生的營運成本應由本集團及產品分成合同合作夥伴按其應佔各區塊煤層氣產量的比例承擔。

根據潘莊和馬必的產品分成合同，煤層氣的年度總產量經扣減增值稅（「增值稅」）及礦區土地使用費後分配至費用回收氣及餘額氣。

#### (a) 費用回收氣

費用回收氣為分配於本集團和產品分成合同合作方以回收經營成本、勘探成本以及開發成本的煤層氣。潘莊及馬必產品分成合同下分別有80%和70%的煤層氣年度總產量被視為費用回收氣。費用回收氣獲分配直至各方產生的全部成本已收回為止。費用回收氣分配如下：

- (i) 生產階段前，費用回收氣首先用於收回產品分成合同勘探階段所產生成本，一旦有關成本全部回收，費用回收氣將分配至開發階段產生的成本。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.3 Production Sharing Contract (Continued)

##### (a) Cost Recovery CBM (Continued)

- (ii) After the PSC enters the production phase, Cost Recovery CBM is allocated according to the following mechanism:

Operating cost recovery: payment in kind for the operating costs actually incurred but not yet recovered by each party.

Exploration and development cost recovery: after operating costs have been fully recovered, the Cost Recovery CBM is allocated to the Group and the PSC partners for the recovery of exploration and development costs. Exploration costs, 100% of which are borne by the Group, are fully recovered before development costs can be recovered. Upon the full recovery of exploration costs, any remaining Cost Recovery CBM is allocated between the Group and the PSC partners for the recovery of development costs according to the respective participating interests in the CBM concessions.

For the purpose of recovery, exploration costs do not include any interest, while development costs include a deemed interest calculated at a fixed compound interest rate of 9% per annum.

##### (b) Remainder CBM

Remainder CBM represents the remainder annual gross CBM production after payment of VAT, royalties and allocation to Cost Recovery CBM.

The Remainder CBM is further divided into allocable remainder CBM and share CBM. The allocable remainder CBM equals to the total remainder CBM multiplied by a factor (X) and the share CBM equals the Remainder CBM minus the allocable remainder CBM. The factor (X) is determined in accordance with a set of successive incremental tiers on the basis of the annual gross CBM production as set out in the PSCs. The allocable remainder CBM is allocated between the Group and the PSC partner according to the respective participating interest in the PSC. Share CBM is allocated 100% to the PSC partner.

### 2. 重要會計政策摘要(續)

#### 2.3 產品分成合同(續)

##### (a) 費用回收氣(續)

- (ii) 產品分成合同進入生產階段之後，費用回收氣根據以下機制分配：

經營成本回收：實際發生但各方尚未收回的經營成本的實物支付。

勘探及開發成本回收：經營成本全部回收之後，費用回收氣將分配至本集團和產品分成合同合作方，以回收勘探和開發成本。勘探成本（100%由本集團承擔）於開發成本回收之前全部回收。回收全部勘探成本後，任何剩餘的費用回收氣根據本集團和產品分成合同合作夥伴按其應佔各區塊參與權益在兩者之間分配以收回開發成本。

就回收目的而言，勘探成本不包括任何利息，而開發成本包括按9%的固定複合年利率計算的認定利息。

##### (b) 餘額氣

餘額氣為煤層氣總年產量扣除增值稅，礦區土地使用費及費用回收氣分配後的餘額。

餘額氣進一步分為分成氣和留成氣。分成氣等於總剩餘氣乘以一個係數(X)，而留成氣等於餘額氣減分成氣。係數(X)根據產品分成合同所載以煤層氣總年產量為基礎的一系列滑動階梯決定。分成氣根據本集團與產品分成合同合作夥伴各自於產品分成合同的參與權益之間分配。留成氣100%分配於產品分成合同的合作方。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the directors and chief executives of the Company.

#### 2.5 Foreign currency translation

##### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is US\$, whereas the functional currency of the production sharing projects in the PRC is RMB. The consolidated financial statements are presented in RMB.

##### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statements of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated statements of comprehensive income within "exchange gains/losses".

### 2. 重要會計政策摘要(續)

#### 2.4 分部報告

經營分部的報告方式與向主要營運決策者提供的內部報告方式一致。董事和本公司主要行政人員被認定為主要營運決策者，負責分配資源並評估經營分部的業績。

#### 2.5 外幣折算

##### (a) 功能及列報貨幣

本集團各主體的財務報表所列項目均以該主體營運所在主要經濟環境的貨幣(「功能貨幣」)計量。本公司的功能貨幣是美元，而在中國的產品分成合同項目的功能貨幣是人民幣。合併財務報表以人民幣列報。

##### (b) 交易及結餘

外幣交易採用交易日或項目重新計量的估值日的適用匯率換算為功能貨幣。結算此類交易產生的匯兌利得和損失以及按年終匯率換算以外幣計價的貨幣資產及負債產生的匯兌利得和損失在合併綜合收益表確認。

有關現金及現金等價物的匯兌盈虧於合併綜合收益表以「匯兌收益／損失」列報。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.5 Foreign currency translation (Continued)

##### (c) Group companies

The results and financial positions of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting currency translation differences are recognised in OCI.

#### 2.6 Property, plant and equipment

Property, plant and equipment, other than exploration and evaluation assets and construction in progress, are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

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. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the consolidated statements of comprehensive income during the financial period in which they are incurred.

### 2. 重要會計政策摘要(續)

#### 2.5 外幣折算(續)

##### (c) 集團公司

功能貨幣與列報貨幣不同的所有集團實體(當中無惡性通貨膨脹經濟下的貨幣)的業績及財務狀況按以下方式換算為列報貨幣:

- (i) 每份資產負債表中的資產和負債按資產負債表日的收市匯率換算;
- (ii) 每份綜合收益表的收入及費用按平均匯率換算(除非此平均匯率並非交易日匯率累計影響的合理近似值,在此情況下,收入和費用按交易日期的匯率折算);及
- (iii) 所有由此產生的貨幣折算差額在其他綜合收益中確認。

#### 2.6 不動產,工廠及設備

不動產,工廠及設備(勘探和評估資產及在建工程除外)均以歷史成本減去累計折舊和減值列示。歷史成本包括直接歸屬於收購項目的所有開支。

後續成本僅會在與項目有關的未來經濟利益很可能流入本集團,而該項目的成本可以被可靠計量時,方會計入資產的賬面價值或確認為一項單獨資產(如適用)。已替換部分的賬面價值予以終止確認。所有其他維修和維護費在產生之財務期間計入合併綜合收益表。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.6 Property, plant and equipment (Continued)

Other than gas properties, depreciation of each asset is calculated using the straight-line method to allocate its cost less its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

	Estimated useful lives 估計可使用年期
Gas gathering station 集氣站	Shorter of remaining PSC period or 20 years 產品分成合同剩餘年限或20年(以較短者為準)
Vehicles 車輛	4–5 years 4–5年
Furniture, fittings and others 傢俱、裝置及其他	3–5 years 3–5年

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

資產的剩餘價值及使用年限於各資產負債表日進行覆核及調整(如適用)。

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

如果資產的賬面價值大於其估計可回收金額，其賬面價值須立即調減至資產的可回收金額。

Construction in progress represents development costs occurred after the approval of ODP and the buildings, machinery and equipment for which the construction work has not been completed. It is carried at cost which includes construction expenditures and other direct costs less any impairment losses. Upon completion, the development costs recorded in construction in progress are transferred to gas properties. No depreciation is provided for construction in progress until they are completed and available for use.

在建工程指總體開發方案獲批之後所產生的開發成本以及建造工程尚未完工的樓宇、機器及設備。在建工程以成本列示，成本包括建造開支及其他直接成本扣除任何減值損失。於完工後，計入在建工程的開發成本轉入天然氣資產。在建工程在完工並投入使用之前不計提折舊。

Spare parts are accounted for as property, plant and equipment when (a) they can be used only in connection with an item of property, plant and equipment; or (b) the Group expects to use them during more than one year. Other spare parts are classified as inventory.

當備件(a)僅用於一項不動產、工廠及設備；或(b)本集團預期該設備的使用年限超過一年時，作為不動產、工廠及設備列示。其他備件分類為存貨。

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within "other gains" in the consolidated statements of comprehensive income.

處置的收益和損失按所得款項與賬面價值的差額確定，並於合併綜合收益表中的「其他利得」中確認。

### 2. 重要會計政策摘要(續)

#### 2.6 不動產，工廠及設備(續)

除了天然氣資產，各資產的折舊按其成本減剩餘價值在其估計使用年期中以直線法計算。不動產，工廠及設備的估計使用年期如下：



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.7 Exploration and evaluation assets

Exploration and evaluation expenditures mainly include acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

During initial stage of a project, exploration and evaluation expenditures are expensed as incurred. Expenditure on a project after it has reached a stage at which there is a high degree of confidence in its viability is capitalised as exploration and evaluation assets. If a project does not prove viable, all irrecoverable expenditures associated with the project are expensed in the consolidated statements of comprehensive income.

Costs of exploratory wells are capitalised and evaluated for economic viability within one year after completion of drilling. The related well costs are expensed as dry holes if it is determined that such economic viability is not attained.

Exploration and evaluation assets are measured at cost less impairment provisions. Exploration and evaluation assets are reclassified to gas properties when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, and also tested for impairment immediately prior to reclassification to gas properties.

### 2. 重要會計政策摘要(續)

#### 2.7 勘探及評估資產

勘探及評估開支主要包括勘探權的購買，地形、地質、地球化學和地球物理研究，勘探鑽井、取樣以及有關評估技術可行性和商業開採礦產資源的可行性的活動的支出。

在項目的最初階段，勘探和評估開支於產生時支銷。項目達到確信可行階段後，其開支作為勘探及評估資產撥充資本。若項目經證實不可行，與該項目有關的所有不可回收開支於合併綜合收益表中列示。

勘探井成本於佔採完成後一年內予以資本化並評價其經濟可行性如果被證實此經濟可行性無法達成，相關井成本作為乾井支銷。

勘探及評估資產以成本減減值撥備計量。當證實技術上可行和商業開採礦產資源可行後，勘探及評估資產會重新分類至天然氣資產。

當事實及實際情況顯示勘探及評估資產的賬面價值可能超過其可回收金額時，將對勘探及評估資產進行減值評估，亦會於重新分類至天然氣資產前進行減值測試。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.8 Gas properties

Gas properties include drilling costs, exploration and evaluation costs, development costs and other direct costs attributable to the gas production properties. Gas properties are depreciated based on the unit of production method. Unit of production rates are based on proved and probable gas reserves estimated to be recoverable from whole concessions based on the current terms of the respective PSC.

#### 2.9 Land use rights

Land use rights represent upfront prepayments made for the land use rights and leasehold land and are expensed in the consolidated statements of comprehensive income on a straight-line basis over the periods of the leases or when there is impairment, the impairment is expensed in the consolidated statements of comprehensive income.

#### 2.10 Intangible assets

Intangible assets represent computer software. Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives ranging from 3 to 10 years.

#### 2.11 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

### 2. 重要會計政策摘要(續)

#### 2.8 天然氣資產

天然氣資產包括鑽井成本，勘探及評估成本，開發成本和其他歸屬於天然氣生產物業的直接成本。天然氣資產基於單位生產法計提折舊。單位生產法下的折舊率根據各產品分成合同現行條款，按證實或可能開發生產天然氣儲量在現有設施中的估計可採量計算。

#### 2.9 土地使用權

土地使用權指就土地使用權及租賃土地支付的預付款，按直線法於租賃期內在合併綜合收益表內攤銷。如發生減值，則在合併綜合收益表中記錄減值。

#### 2.10 無形資產

無形資產是指電腦軟件。購入的電腦軟件按購入該指定軟體並將其投入使用所產生的成本予以資本化。該成本按三至十年的估計可使用年限攤銷。

#### 2.11 非金融資產減值

對於須做折舊或攤銷的資產，當有事件出現或情況改變預示賬面價值不能收回時要進行減值測試。減值虧損按照該資產的賬面價值超出其可回收金額的差額確認。可回收金額按照該資產的公允價值扣除出售成本或使用價值中較高者確認。就評估減值而言，資產將按可單獨識別現金流量(現金產生單位)的最低層級進行分組。除商譽外，已出現減值的非金融資產在各資產負債表日就是否可能轉回減值進行檢查。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.12 Inventories

Inventories are mainly spare parts and consumables with low value and stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### 2.13 Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. 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. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the consolidated statements of comprehensive income. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against expenses in the consolidated statements of comprehensive income.

#### 2.14 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and term deposits with original maturities of three months or less.

### 2. 重要會計政策摘要(續)

#### 2.12 存貨

存貨主要為備件及低值易耗品，按成本及可變現淨值的較低者列示。成本按照加權平均法確認。可變現淨值是日常業務中的估計售價減適用的可變銷售開支所得。

#### 2.13 應收賬款及其他應收款

應收賬款及其他應收款初始按公允價值計量，隨後採用實際利率法按照攤餘成本扣除減值準備計量。如有客觀事實證明本集團將無法按應收賬款的原訂條款收回全部到期金額，則對應收賬款及其他應收款計提減值準備。債務人面臨重大財務困難，可能破產或進行財務重組，以及拖欠或無法如期付款均視為應收款項減值跡象。減值準備的金額為資產的賬面價值和與預估未來現金流的現值(按原先實際利率貼現)間的差額。資產的賬面價值通過備抵賬戶予以抵減，而虧損金額在合併綜合收益表中確認。若應收款項無法收回，則與應收賬款的備抵賬戶抵銷。如隨後收回先前抵銷的金額，則與在合併綜合收益表中的開支互相抵銷。

#### 2.14 現金及現金等價物

現金及現金等價物包括手頭現金，可隨時支取的銀行存款及原到期期限為三個月或以下的定期存款。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.15 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### 2.16 Borrowings

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

Borrowings are classified as current liabilities unless the Group has a contractual or an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

#### 2.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the consolidated statements of comprehensive income in the period in which they are incurred.

### 2. 重要會計政策摘要(續)

#### 2.15 股本

普通股分類為權益。

直接歸屬於發行新股或購股權的新增成本從所得款項中扣減(已扣除稅款)。

#### 2.16 借款

借款期初按照公允價值扣除已產生的交易成本確認價值。借款其後按照攤銷成本計量；所得款項(扣除交易成本)與贖回價值的差額在借款期內按照實際利率法在合併綜合收益表內確認。

除非本集團已定約或有無條件權利將負債結算日期延至報告期末至少十二個月，否則借款分類為流動負債。

#### 2.17 借款成本

直接歸屬於符合收購、建造或生產條件的資產(指必須在一段長時間方可作特定用途或可供銷售的資產)的一般或特定借款成本均可加至該資產的成本內，直至該資產達到可以使用或銷售狀態為止。

就特定借款，因有符合資格的資產的支出而臨時投資賺取的投資收入，應符合資本化的借款成本中扣除。

所有其他借款成本均於其產生期間在合併綜合收益表內確認。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.18 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### 2.19 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statements of comprehensive income, except to the extent that it relates to items recognised in OCI or directly in equity. In this case the tax is also recognised in OCI or directly in equity, respectively.

##### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the group companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### 2. 重要會計政策摘要(續)

#### 2.18 應付賬款

應付賬款是在日常經營活動中，因接受供應商提供的商品或服務而承擔的債務。如付款期限在一年以內（如為較長期間，應在正常運營週期中），應付賬款列示為流動負債。否則應付賬款會列示為非流動負債。

應付賬款按照公允價值進行初始確認，其後使用實際利率法按攤銷成本計量。

#### 2.19 當期及遞延所得稅

本期間稅項開支包含當期所得稅和遞延所得稅。稅項在合併綜合收益表內確認，但與其他綜合收益或直接在權益確認的項目有關的稅項除外。在此情況下，稅項分別在其他綜合收益或者直接權益內確認。

##### (a) 當期所得稅

當期所得稅支出根據集團公司營運所在及產生應課稅收入的國家與結算日已頒佈或實質已頒佈的稅務法規計算。管理層就使用稅務法規所規定的情況定期評估稅務狀況，並在適用情況下根據需向稅務機關支付的稅款設定撥備。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.19 Current and deferred income tax (Continued)

##### (b) Deferred income tax

###### *Inside basis differences*

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

###### *Outside basis differences*

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

### 2. 重要會計政策摘要(續)

#### 2.19 當期所得稅和遞延所得稅(續)

##### (b) 遞延所得稅

###### *內在差異*

遞延所得稅利用負債法就資產和負債的稅基與資產和負債在合併財務報表中的賬面價值的差額所產生的暫時性差異而確認。然而倘遞延稅項負債因初始確認商譽而產生，則不會確認有關遞延稅項負債，若遞延所得稅來自交易(不包含業務合併)中對資產和負債的初始確認，而在交易中不影響會計損益或應課稅利潤或虧損，亦不進行確認。遞延所得稅採用在結算日前已頒佈或實質上已頒佈，並根據有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)予以確定。

遞延所得稅資產僅在可能有未來應課稅利潤並可就此使用暫時性差異的情況下予以確認。

###### *外在差異*

遞延所得稅負債按於附屬公司及合營安排的投資所產生應課稅暫時差額作依據，除非轉回的遞延所得稅負債暫時差異的時間由本集團控制，並在可見將來不大可能轉回暫時差異者除外。

遞延所得稅資產就與附屬公司及合營安排的投資所產生的可扣減暫時差異予以確認，僅在暫時差異很可能將於日後轉回，並有充足的應課稅利潤抵銷可用的暫時差異時方可確認。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.19 Current and deferred income tax (Continued)

##### (c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

#### 2.20 Employee benefits

The Group operates various pension schemes. The schemes are generally funded through payments to insurance companies or various government-sponsored pension plans under which the employees are entitled to a monthly pension based on certain formulas. The Group has defined contribution plans. A defined contribution plan is a pension plan which the Group pays contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised and allocated to related cost of assets and expenses based on different beneficiaries.

All Chinese employees of the Group participate in other employee social security plans, including medical, housing and other welfare benefits, organised and administered by the governmental authorities. According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated based on percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labor and social welfare authorities.

### 2. 重要會計政策摘要(續)

#### 2.19 當期所得稅和遞延所得稅(續)

##### (c) 抵銷

當在法律上有可強制執行的權力使當期稅項資產與當期稅項負債相互抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

#### 2.20 僱員福利

本集團運作多項退休金計劃。該計劃一般通過向保險公司或各項政府資助的退休金計劃供款取得資金，僱員有權享有根據若干公式計算的每月退休金。本集團設有定額供款計劃。定額供款計劃為本集團向獨立實體支付供款的退休金計劃。如果該基金沒有足夠資產向所有僱員就其在當期及以往期間的僱員服務支付福利，本集團亦無法定或推定責任支付進一步供款。供款根據不同受益者確認並分配至資產的相關成本及費用。

本集團的所有中國員工均參與政府機關組織及管理的其他員工社會保障計劃，包括醫療、住房及其他福利。根據有關規定，本集團須承擔的保險及福利計劃供款根據僱員薪金總額的比例且在不過規定上限的基礎計算，並向勞動及社會福利機構繳納。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.21 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts and VAT.

The Group recognises revenue when the amount of revenue can be reliably measured, when it is probable that future economic benefits will flow to the Group and when specific criteria have been met for each of the Group's activities as described below. The amount of revenue is not considered to be reliably measurable until all contingencies relating to the sale have been resolved. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

#### Sales of gas

The Group produces and sells gas. Sales of gas are recognised when the gas is delivered to the customers. The amount of revenue to be received by the Group is allocated based on the terms of the PSCs (Note 2.3).

#### 2.22 Government grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants that are receivable as compensation for expenses or losses already incurred with no future related costs, such as refund of VAT paid and subsidies granted according to CBM production, are recognised in profit or loss in the period in which they become receivable.

### 2. 重要會計政策摘要(續)

#### 2.21 收益確認

收益按已收或者應收對價的公允價值計量並相當於供應貨品的應收款項，扣除折扣、退貨和增值稅後列帳。

當收益的金額能夠可靠的計量、未來經濟利益很有可能流入本集團，而本集團的每項活動均符合下文所述特定標準時，本集團即確認收入。除非與銷售有關的所有或然事項均已解決，否則收益金額不視為能夠可靠計量。本集團會根據歷史業績並考慮客戶類別、交易種類和每項安排的特點作出估計。

#### 煤層氣銷售

本集團生產及銷售煤層氣。在向客戶交付煤層氣時，煤層氣銷售予以確認。本集團將收取的收入金額根據產品分成合同之條款予以分配(附註2.3)。

#### 2.22 政府補助

政府補助按公允價值合理確認將可收到補助，並且本集團符合所有附帶條件時方可確認。

政府補助為已產生的開支或虧損並且無日後相關成本的補償，如退回已付增值稅及按煤層氣生產授予的補貼，並於其成為應收款期間確認為損益。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.23 Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor), are charged to the consolidated statements of comprehensive income on a straight-line basis over the period of the lease.

#### 2.24 Share-based compensation

##### (a) Equity-settled share-based payment transactions

The Group operates two equity-settled share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options and restricted share unit) of the Company. The fair value of the employee services received in exchange for the grant of the options and restricted share unit is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options and restricted share unit granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as an employee of the Group over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or to hold shares for a specified period of time).

### 2. 重要會計政策摘要(續)

#### 2.23 租賃

如租賃所有權的大部分風險及回報仍由出租人保留，則分類為經營租賃。根據經營租賃支付的款項(扣除出租人給予的任何優惠)於租期內以直線法在合併綜合收益表中攤銷。

#### 2.24 以股份為基礎的報酬

##### (a) 以權益結算以股份為基礎的交易

本集團經營兩種權益結算下以股份為基礎的報酬計劃，根據該計劃，將實際收取僱員的服務作為本集團權益工具(購股權和受限制股份單位)的代價。職工為換取授予購股權和受限制股份單位而提供服務的公允價值確認為費用。將作為費用的總金額參考授予購股權和受限制股份單位的公允價值釐定：

- 包括任何市場業績條件(例如主體的股價)；
- 不包括任何服務和非市場業績條件(例如盈利能力、銷售增長目標和在特定時期內僱員的留任率)的影響；及
- 包括任何非可行權條件的影響(例如僱員於特定期間存有或持有股份的規定)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.24 Share-based compensation (Continued)

##### (a) Equity-settled share-based payment transactions (Continued)

Non-market performance and service conditions are included in assumptions about the number of options and restricted share unit that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options and restricted share unit that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated statements of comprehensive income, with a corresponding adjustment to equity.

When the options are exercised, the Company issues new shares. The proceeds received from the exercise of options net of any directly attributable transaction costs are credited to share capital (and share premium).

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the options and restricted share unit, or is otherwise beneficial to the employee, as measured at the date of modification.

### 2. 重要會計政策摘要(續)

#### 2.24 以股份為基礎的報酬(續)

##### (a) 以權益結算以股份為基礎的交易(續)

非市場業績和服務條件納入有關預期授予的購股權和受限制股份單位數目的假設。費用總額在授予期內確認，授予期指達成所有指定授予條件的期間。在各報告期末，本集團依據非市場業績和服務條件修訂其對預期授予的購股權和受限制股份單位數目的估計。在合併綜合收益表確認對原估算的修訂(如有)的影響，並對權益作出相應調整。

在行使購股權時，本公司發行新股。行使購股權收取的所得款項扣除任何直接交易成本計入股本(和股本溢價)。

在修訂以權益結算的獎勵條件時，如果有關條款並無作出修訂，將會至少確認開支。亦會就增加購股權及受限制股份單位的總公允價值的任何修訂，或於修訂當日計算時對僱員有利的任何修訂確認額外開支。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### 2.24 Share-based compensation (Continued)

##### (b) Share-based payment transactions among group entities

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity in the parent company entity accounts.

#### 2.25 Interest income

Interest income is recognised using the effective interest method.

#### 2.26 Provision — Asset retirement obligation

Asset retirement obligation for environmental restoration is recognised when: the Group has a present constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Asset retirement obligation is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Asset retirement obligation are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

### 2. 重要會計政策摘要(續)

#### 2.24 以股份為基礎的報酬(續)

##### (b) 集團間以股份為基礎的支付交易

母公司向為本集團工作的附屬公司僱員所授出其股本工具的購股權視為注資。所獲得的僱員服務的公允價值參考授予日的公允價值計量，於授予期內確認為增加附屬公司的投資，並相應計入母公司實際賬目之權益。

#### 2.25 利息收入

利息收入使用實際利率法確認。

#### 2.26 撥備 — 資產棄置義務

當本集團因過往事件而產生現有推定債務，並可能需要有資源流出以結清債務，且金額已經可靠估計，則須確認有關環境恢復的資產棄置義務。

如有多項類似責任，其需在結算中有資源流出的可能性，則可根據債務類別整體考慮。即使在同一債務類別所包含的任何一個項目相關的資源流出的可能性較低，仍需確認資產棄置義務。

資產棄置義務按照與其需用作結清債務稅前利率計算的開支現值計量，該利率反映當時市場對時間價值及該債務的特定風險評估。因時間的流逝而增加的撥備確認為利息開支。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk and cash flow interest rate risk), liquidity risk and concentration risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### (a) Credit risk

As the majority of the cash at bank balances are placed with state-owned and international banks and financial institutions in the PRC and Hong Kong, and there has been no recent history of default in relation to these banks and financial institutions, the corresponding credit risk is relatively low. Therefore, the Group's credit risk arises primarily from trade and other receivables. The Group has controls in place to assess the credit quality of its customers. The Group has concentration risk on trade receivables. Only limited allowance for uncollectible receivables were made in the past as the Group's sales were only made to the customers with good credit history. The utilisation of credit limits is regularly monitored.

##### (b) Market risk

###### (i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US\$. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the entity's functional currency.

### 3. 財務風險管理

#### 3.1 財務風險因素

本集團的經營活動面臨各種財務風險：信用風險、市場風險(包括外匯風險及現金流利率風險)、流動性風險及集中風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並致力減低對本集團財務表現的潛在不利影響。

##### (a) 信用風險

由於大部分銀行存款存放於中國及香港的國有及國際銀行及金融機構，且該類銀行及金融機構近期並無違約記錄，相應信用風險相對較低。因此，本集團信用風險主要來自應收賬款及其他應收款。本集團實施控制措施以評估客戶的信用資質。本集團面臨應收賬款的集中風險。由於本集團只向具有良好信貸記錄的客戶進行銷售，因此在過往本集團僅就不可收回的應收賬款作出有限撥備。信用限額的使用會受定期監控。

##### (b) 市場風險

###### (i) 外匯風險

本集團須承受各種貨幣所產生外匯風險，尤以美元為甚。當未來商業交易或已確認資產或負債以實體功能貨幣以外的貨幣計值，則會產生外匯風險。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Market risk (Continued)

###### (i) Foreign exchange risk (Continued)

Prior to 30 April 2016, the Group was exposed to non-cash foreign exchange risk arising from retranslation of US\$ denominated inter-company loans. To manage the foreign exchange risk, management decided to execute a debt restructuring on 30 April 2016 by converting the inter-company loans into perpetual loans through entering into perpetual loan agreements between respective group companies such that the perpetual loans do not bear interest and the lenders can not request repayment. Upon completion of this debt restructuring, any foreign exchange differences arising from retranslation of these US\$ denominated perpetual loans are recognised in equity in the consolidated financial statements.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates, and by monitoring the amount of the US\$ loan utilised from the US\$250 million revolving credit facility (Note 16), which is the Group's only US\$ borrowings from third parties.

As at 31 December 2016, if RMB had weakened/strengthened by 1% against the US\$ with all other variables held constant, profit before income tax for the year would have been RMB3,909,000 (31 December 2015: RMB28,905,000) lower/higher, respectively, mainly as a result of foreign exchange gains/losses on translation of US\$ denominated payables held by the Group entities with their functional currency as RMB.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 市場風險(續)

###### (i) 外匯風險(續)

2016年4月30日之前，本集團承受的非現金外匯風險來自重新折算的以美元計價的公司間貸款。為了管理外匯風險，管理層決定於2016年4月30日執行債務重組，通過將公司間貸款轉為永久性貸款。所屬的集團公司各自簽訂永久貸款協定，永續貸款不承計利息並且貸款方不得要求償還。在此次債務重組完成時，由這些美元永續貸款轉換產生的任何匯兌差異在合併財務報表確認為權益。

本集團密切監控匯率變動及循環信貸融資(附註16)250百萬美元中動用的美元貸款金額。(即本集團自第三方借入的唯一美元借款)，以管理外匯風險。

於2016年12月31日，如人民幣兌美元貶值/升值1%，而所有其他可變因素保持不變，則除所得稅前年度利潤將分別減少/增加人民幣3,909,000元(2015年12月31日：人民幣28,905,000元)，主要原因是將本集團實體所持以美元計值的應付款換算為其功能貨幣人民幣所產生的匯兌收益/損失。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Market risk (Continued)

###### (ii) Cash flow interest rate risk

The Group's income and operating cash flows are substantially independent of the changes in market rates. The Group's floating-rate bank borrowings expose the Group to cash flow interest rate risk. A detailed analysis of the Group's bank borrowings, together with their respective interest rates and maturity dates are included in Note 16.

##### (c) Liquidity risk

The liquidity risk of the Group is mainly controlled by maintaining sufficient cash and cash equivalents through operations and funds from shareholders. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (b) 市場風險(續)

###### (ii) 現金流利率風險

本集團的收入及經營現金流量實質上不受市場利率變動的影響。本集團的浮動利率銀行借款使本集團面臨現金流利率風險。本集團銀行借款的詳細分析，連同其各自的利率及到期日載於附註16。

##### (c) 流動性風險

本集團的流動性風險主要是通過經營及股東注資維持充裕的現金及現金等價物進行控制。下表顯示本集團的金融負債，按照相關的到期類別，根據由結算日至合同到期日的剩餘時間進行分析。下表所披露金額為未貼現的合同現金流量。

		Less than 1 year 少於一年 RMB'000 人民幣千元	1-2 years 一至兩年 RMB'000 人民幣千元	2-5 years 兩至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元
<b>As at 31 December 2015</b> 截至2015年12月31日					
Borrowings	借款	20,160	20,160	63,796	460,160
Trade and other payables	應付賬款及其他應付款	367,242	-	-	-
		387,402	20,160	63,796	460,160
<b>As at 31 December 2016</b> 截至2016年12月31日					
Borrowings	借款	25,469	25,469	589,020	-
Trade and other payables	應付賬款及其他應付款	416,641	-	-	-
		442,110	25,469	589,020	-

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.1 Financial risk factors (Continued)

##### (d) Concentration risk

Revenue of the Group is all derived from Panzhuang concession. Any disruption to the operation of the concession may have a material adverse impact to the result of operation and the financial position of the Group.

During the year, all the Group's revenue was derived from sales made to nine customers. In the event that these customers terminate their business relationship with the Group and the Group fails to find new customers, it may have a material adverse impact on the Group's financial position and result of operations.

#### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital by using debt-to-cash ratio analysis. This ratio is calculated as amount of borrowings divided by total cash and bank balances as shown in the consolidated balance sheet, and monitoring when the borrowings are due for repayment. The debt-to-cash ratio at 31 December 2016 and 2015 was 20.9% and 16.3%, respectively.

### 3. 財務風險管理(續)

#### 3.1 財務風險因素(續)

##### (d) 集中風險

本集團的收益全部來自潘莊區塊。該區塊營運的任何中斷，均可能對本集團的經營業績及財務狀況造成重大不利影響。

年內，本集團的全部收益均來自向九名客戶作出的銷售。若該等客戶終止與本集團的業務關係，而本集團未能尋得新客戶，則本集團的財務狀況及經營業績會受到重大不利影響。

#### 3.2 資本管理

本集團的資本管理目標旨在保障本集團能夠持續經營，為股東提供回報及為其他利益相關者提供利益，同時維持最佳的資本結構以減少資本成本。

本集團利用負債現金比率分析監控資本。該比率按借款金額除以合併資產負債表列示的現金及銀行結餘總額計算，監控借款到期償還時間。本集團在2016年及2015年12月31日的負債現金比率分別為20.9%及16.3%。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 3. FINANCIAL RISK MANAGEMENT (Continued)

#### 3.3 Fair value estimation

The measurement of fair value uses different level of inputs to valuation technique. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

### 3. 財務風險管理(續)

#### 3.3 公允價值估計

公允價值的計量使用不同等級輸入數據的估值技術。該等輸入數在公允價值等級內分為三個層次，如下所示：

- 相同資產或負債在活躍市場上的報價(未調整)(第1層)。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments 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, seldom 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.

#### 4.1 Estimation of proved and probable gas reserves

Proved gas reserves are those quantities of CBM that by analysis of geoscience and engineering data can be estimated with reasonable certainty to be commercially recoverable, from a given date forward and under defined economic conditions, operating methods, and government regulations. Probable gas reserves are those additional reserves of CBM that analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves.

The Group's reserve estimates were prepared for each concession area and include only CBM that the Group believes can be reasonably produced within current economic and operating conditions. Reserves cannot be measured exactly. Reserve estimates are based on many factors that require evaluation by the engineers interpreting the available data, as well as price and other economic factors. The reliability of these estimates at any point in time depends on both the quality and quantity of the technical and economic data, and the production performance as well as engineering judgement. Consequently, reserve estimates are subject to revision as additional data become available. Well tests and engineering studies will likely improve the reliability of the reserve estimate. The evolution of technology may also result in the application of improved recovery techniques such as supplemental or enhanced recovery projects, or both, which have the potential to increase reserves beyond those envisioned during the early years of a reservoir's producing life.

### 4. 關鍵會計估計及判斷

估計及判斷是根據過往經驗及其他因素（包括在某些情況下對未來事件的合理預測）進行持續評估。本集團對未來作出評估及假設。按其定義所產生的會計估計極少與相關的實際結果相同。對下個財政年度的資產與負債的賬面價值造成重大調整的估計與假設討論如下。

#### 4.1 證實及概算煤層氣儲量的估計

證實煤層氣儲量是通過分析地質科學及工程資料，自某特定日期起在限定經濟條件、經營條件及政府監管下，可合理確定作為商業性開採的估計煤層氣數量。概算煤層氣儲量是地球科學及工程資料分析顯示其與證實儲量相比回收的可能性更低，但與可能儲量相比回收可能性更加確切的額外煤層氣儲量。

本集團的儲量估計按各區塊編製，僅包括本集團認為在現行經濟及經營條件下可合理生產的煤層氣。儲量無法精確計算。儲量估計是由負責解釋可用資料的工程師、價格及其他經濟因素等諸多因素而作出。任何時間點的估計可靠性取決於技術及經濟資料的品質、數量、生產表現以及工程判斷。因此，儲量估計在可獲得額外資料時進行修訂。井的測試及工程研究可能提高儲量估計的可靠性。技術發展也可能導致應用經改良的採氣技術，例如補充或經提升開採項目（或一併採用），該技術具有使儲量增至超過氣藏生產週期初期儲量的潛力。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.1 Estimation of proved and probable gas reserves (Continued)

Proved and probable reserves are key elements in the Group's investment decision-making process. They are also an important element in testing for impairment. A reduction in proved and probable reserves will increase depreciation and amortisation charges (assuming constant production) and reduce net profit. Proved and probable reserve estimates are subject to revision, either upward or downward based on new information, such as from development drilling and production activities or from changes in economic factors, including gas prices, contract terms or development plans.

In general, changes in the technical maturity of gas reserves resulting from new information becoming available from exploration, development and production activities and change in gas price have tended to be the most significant cause of annual revisions.

#### 4.2 Impairment of exploration and evaluation assets

Exploration and evaluation assets are capitalised on a field-by-field basis and are assessed for impairment when circumstances suggest that the carrying amount may exceed its recoverable amount. This assessment involves judgment as to (i) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; and (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; and (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. While conducting an impairment review of its assets, the Group makes certain judgments in making assumptions about the future gas prices, reserves and future development and production costs. Changes in these estimates could require a material change on the carrying amount of exploration and evaluation assets.

### 4. 關鍵會計估計及判斷(續)

#### 4.1 證實及概算煤層氣儲量的估計(續)

證實及概算儲量是本集團投資決策過程中的關鍵元素，也是減值測試的重要元素。證實及概算儲量減少將增加折舊及攤銷費用(假設產量不變)，並減少淨利潤。證實及概算儲量估計可根據新資料(例如來自開發鑽探和生產活動或者天然氣價格、合同條款以及開發方案等經濟因素變動)而向上或向下調整。

一般而言，因勘探、開發及生產活動取得最新資料而令煤層氣儲量的技術成熟度變動及天然氣價格變動是導致每年作出修訂的最重要原因。

#### 4.2 勘探及評估資產減值

勘探及評估資產按氣田基準撥充資本，當發生賬面價值超過可回收價值的情況評估減值。相關評估涉及有關以下各項的判斷：(i)在特定區域的探礦權期內已經或將於近期屆滿，並預期不會續期；(ii)對進一步勘探及評估特定區域礦產資源的大量開支既無預算亦無規劃；(iii)在特定區域勘探及評估礦產資源未發現商業上有利的礦產資源數量，而本集團決定終止在該區域的活動；(iv)有充分資料顯示，儘管可能在特定區域進行開發，但勘探及評估資產的賬面價值不可能在成功開發或銷售中全數收回。在進行資產減值討論時，本集團就有關煤層氣未來價格、儲量及未來開發和生產成本的假設進行若干判斷。該估計變動可能導致勘探及評估資產的賬面價值產生重大變動。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### 4.3 Impairment of gas properties

Gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. In estimating the recoverable amounts of assets, various assumptions, including future cash flow to be associated with the assets and discounted rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will be revised and this may have impacts on the Group's result of operation or financial position.

#### 4.4 Income taxes and deferred tax

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. 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 audit issues 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 be reflected in the income tax expense and deferred tax provisions in the period in which such determination is made.

In addition, the realisation of future income tax assets is dependent on the Group's ability to generate sufficient taxable income in future years to utilise income tax benefits and tax loss carry-forwards. Deviations of future profitability from estimates or in the income tax rate would result in adjustments to the value of future income tax assets and liabilities that could have a significant effect on the income tax expenses.

### 4. 關鍵會計估計及判斷(續)

#### 4.3 天然氣資產減值

天然氣資產會在事項發生或情況出現變化而導致賬面價值可能不能收回時，評估是否減值。減值虧損按有關資產的賬面價值超過其可收回金額的數額確認。可收回金額為資產的公允價值減去銷售成本或使用價值中的較高值。評估資產的可回收金額時，會作出多項假設(包括與資產相關的未來現金流量及貼現率)。若將來情況與該假設不相符，將修訂可收回金額，而此舉可能會對本集團的經營業績或財務狀況造成影響。

#### 4.4 所得稅及遞延稅項

本集團須在多個稅務司法權區繳納所得稅。對於所得稅的全球撥備須作出重大判斷。在正常業務過程中，若干交易及計算的最終稅務結果並不確定。本集團根據是否須繳納額外稅項的估計對預期稅項審核事宜確認負債。若該事宜的最終稅務結果與最初記錄的金額不符，該差額將在相關期間的所得稅開支和遞延稅項撥備中反映。

此外，未來所得稅資產的變現，取決於本集團未來年度是否產生足夠的應課稅收入，以使用所得稅收益及稅項虧損結轉的能力而定。若將來盈利能力偏離估計或所得稅率，則需對未來所得稅資產及負責的價值作出調整，此舉可能對所得稅開支構成重大影響。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 5. CHANGE IN ACCOUNTING ESTIMATES

The cost of gas properties is amortised using the unit of production method. Unit of production rates were previously calculated at individual well or well group level based on the proved and probable gas reserves estimated to be recoverable from each well or well group. With effect from 1 January 2016, the Group has applied the unit of production rates calculated at concession level based on the proved and probable gas reserves estimated to be recoverable from the whole concession. Management considers that the change in estimate to use the concession level reserve will be more reflective of the overall utilisation of gas properties over the life of the PSC and is consistent with industry practice. This change resulted in a decrease in depreciation by approximately RMB72 million for the year ended 31 December 2016. It is impracticable to estimate the impact for future years.

### 6. SEGMENT INFORMATION

The chief operating decision-maker (“CODM”) has been identified as the directors and chief executives of the Company who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group’s operating segments are defined by PSCs, which is the basis by which the CODM makes decisions about resources to be allocated and assesses their performance. Consolidated financial statements of the two PSCs have been separated to present segment information to be reviewed by the CODM.

The measurement of results and assets of the operating segments are the same as those described in the summary of significant accounting policies. The CODM evaluates the performance of the operating segments of the PSCs based on profit before income tax, depreciation and amortisation, interest income, finance costs and exchange losses (“EBITDA”).

### 5. 會計估計變更

油氣資產的成本攤銷採用單位生產法。單位生產率先前以在單井或井組水準的基礎上可開採的探明的和可能的天然氣儲量估計。本集團自2016年1月1日起，根據整個區塊可開採的已探明及可能的天然氣儲量計算出生產單位的生產率。管理層認為，使用區塊標位儲量估計的變動更能反映油氣資產在產品分成合同期內的整體使用情況。截至2016年12月31日止年度這種變化導致約人民幣7200萬元折舊的減少。未來年度的影響無法作出預測。

### 6. 分部資料

主要營運決策者（「主要營運決策者」）為本公司的董事及主要行政人員，負責審閱本集團的內部報告以評估表現和分配資源。主要營運決策者已根據該報告確定經營分部。

本集團的經營分部按產品分成合同界定，這是主要經營決策者做出資源配置決定及評估其表現的基準。兩份產品分成合同的合併財務報表已分為不同的分部資料列示，以供主要經營決策者審閱。

經營分部的業績及資產的計量方法與重要會計政策摘要中所述相同。主要經營決策者根據除所得稅前利潤、折舊及攤銷、利息收入、財務費用及匯兌損失前的溢利（「EBITDA」）評估產品分成合同經營分部的表現。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 6. SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the year ended 31 December 2016 is as follows:

### 6. 分部資料(續)

截至2016年12月31日止年度，就可呈報分部提供給主要營運決策者的分部資料如下：

		Panzhuang concession 潘莊區塊 RMB'000 人民幣千元	Mabi concession 馬必區塊 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>For the year ended 31 December 2016</b>	<b>截至2016年12月31日 止年度</b>			
Revenue from external customers	來自外部客戶的收入	411,278	–	411,278
EBITDA	EBITDA	441,628	(45,075)	396,553
Other income	其他收入	149,276	–	149,276
Operating expenses	營運費用	(184,449)	(50,135)	(234,584)
Depreciation and amortisation	折舊及攤銷	(65,906)	(5,589)	(71,495)
Interest income	利息收入	8,933	113	9,046
Finance costs	財務費用	(2,654)	(61)	(2,715)
Exchange (losses)/gains	匯兌(損失)/收益	(13,262)	3,782	(9,480)
Income tax expense	所得稅費用	(72,345)	–	(72,345)
<b>For the year ended 31 December 2015</b>	<b>截至2015年12月31日 止年度</b>			
Revenue from external customers	來自外部客戶的收入	536,655	–	536,655
EBITDA	EBITDA	554,009	(43,313)	510,696
Other income	其他收入	127,672	–	127,672
Operating expenses	營運費用	(241,557)	(51,496)	(293,053)
Depreciation and amortisation	折舊及攤銷	(131,214)	(8,370)	(139,584)
Interest income	利息收入	5,138	36	5,174
Finance costs	財務費用	(2,053)	(51)	(2,104)
Exchange losses	匯兌損失	(62,832)	(88,703)	(151,535)
Income tax expense	所得稅費用	(108,656)	–	(108,656)

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 6. SEGMENT INFORMATION (Continued)

### 6. 分部資料(續)

		Panzhuang concession 潘莊區塊 RMB'000 人民幣千元	Mabi concession 馬必區塊 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>As at 31 December 2016</b>	<b>於 2016 年 12 月 31 日</b>			
Total assets	總資產	2,344,636	1,991,940	4,336,576
Additions to non-current assets (other than deferred tax assets)	非流動資產增加 (遞延所得稅資產除外)	234,448	336,837	571,285
<b>As at 31 December 2015</b>	<b>於 2015 年 12 月 31 日</b>			
Total assets	總資產	1,948,253	1,653,994	3,602,247
Additions to non-current assets (other than deferred tax assets)	非流動資產增加 (遞延所得稅資產除外)	54,462	462,875	517,337

A reconciliation of EBITDA to total profit before income tax is provided as follows:

EBITDA與除所得稅前利潤總額的調節如下：

		Year ended 31 December 截至 12 月 31 日止年度	
		2016 2016 年 RMB'000 人民幣千元	2015 2015 年 RMB'000 人民幣千元
<b>Total EBITDA for reportable segments</b>	<b>可呈報分部的 EBITDA 總額</b>	<b>396,553</b>	510,696
Headquarter overheads	總部日常開支	(124,800)	(138,769)
Depreciation and amortisation	折舊及攤銷	(74,613)	(142,086)
Interest income	利息收入	10,699	5,815
Finance costs	財務費用	(18,578)	(29,126)
Exchange losses	匯兌損失	(10,281)	(154,813)
Profit before income tax	除所得稅前利潤	<b>178,980</b>	51,717

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 6. SEGMENT INFORMATION (Continued)

Reportable segments' assets are reconciled to total assets as follows:

#### 6. 分部資料(續)

可呈報分部資產與總資產對賬如下：

		As at 31 December	
		於 12 月 31 日	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total segment assets	分部資產總額	<b>4,336,576</b>	3,602,247
<b>Unallocated</b>	<b>未分配</b>		
Unallocated cash and cash equivalent	未分配現金及現金等價物	<b>1,594,604</b>	1,878,878
Others	其他	<b>7,294</b>	6,640
Total assets per balance sheet	資產負債表所示資產總額	<b>5,938,474</b>	5,487,765

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 7. PROPERTY, PLANT AND EQUIPMENT

### 7. 不動產、工廠及設備

		Gas properties	Exploration and evaluation assets 勘探及評估資產	Gas gathering station 集氣站	Construction in progress 在建工程	Vehicles 車輛	Furniture, fittings and others 傢俱、裝置及其他	Total 總計
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>As at 1 January 2015</b>	<b>於2015年1月1日</b>							
Cost	成本	845,861	1,014,401	254,557	283,046	13,932	27,842	2,439,639
Accumulated depreciation	累計折舊	(257,943)	-	(28,144)	-	(6,745)	(17,546)	(310,378)
Net book value	賬面淨值	587,918	1,014,401	226,413	283,046	7,187	10,296	2,129,261
<b>Year ended 31 December 2015</b>	<b>截至2015年12月31日止年度</b>							
Opening net book value	年初賬面淨值	587,918	1,014,401	226,413	283,046	7,187	10,296	2,129,261
Additions	增加	344	429,090	542	201,508	1,131	13,729	646,344
Transferred in/(out)	轉入/出	59,192	-	52,128	(111,320)	-	-	-
Disposal — cost	處置 — 成本	-	(221)	-	-	-	(825)	(1,046)
— depreciation	— 折舊	-	-	-	-	-	790	790
Depreciation charge	折舊費用	(110,016)	-	(18,991)	-	(2,697)	(8,530)	(140,234)
Currency translation differences	貨幣折算差額	3,566	-	-	1,222	-	11	4,799
Closing net book value	年末賬面淨值	541,004	1,443,270	260,092	374,456	5,621	15,471	2,639,914
<b>As at 31 December 2015</b>	<b>於2015年12月31日</b>							
Cost	成本	910,378	1,443,270	307,227	374,456	15,063	40,761	3,091,155
Accumulated depreciation	累計折舊	(369,374)	-	(47,135)	-	(9,442)	(25,290)	(451,241)
Net book value	賬面淨值	541,004	1,443,270	260,092	374,456	5,621	15,471	2,639,914
<b>Year ended 31 December 2016</b>	<b>截至2016年12月31日止年度</b>							
Opening net book value	年初賬面淨值	541,004	1,443,270	260,092	374,456	5,621	15,471	2,639,914
Additions	增加	3,044	261,692	440	336,171	809	11,410	613,566
Transferred in/(out)	轉入/出	155,534	-	48,893	(204,427)	-	-	-
Disposal — cost	處置 — 成本	-	-	-	(830)	(972)	(979)	(2,781)
— depreciation	— 折舊	-	-	-	-	972	966	1,938
Depreciation charge	折舊費用	(40,127)	-	(22,130)	-	(2,302)	(7,188)	(71,747)
Currency translation differences	貨幣折算差額	4,857	-	-	2,748	-	179	7,784
Closing net book value	年末賬面淨值	664,312	1,704,962	287,295	508,118	4,128	19,859	3,188,674
<b>As at 31 December 2016</b>	<b>於2016年12月31日</b>							
Cost	成本	1,075,627	1,704,962	356,560	508,118	14,900	51,373	3,711,540
Accumulated depreciation	累計折舊	(411,315)	-	(69,265)	-	(10,772)	(31,514)	(522,866)
Net book value	賬面淨值	664,312	1,704,962	287,295	508,118	4,128	19,859	3,188,674



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 7. PROPERTY, PLANT AND EQUIPMENT

(Continued)

During the year ended 31 December 2016, borrowing costs capitalised in property, plant and equipment amounted to RMB33,369,000 (2015: RMB28,739,000) (Note 22) at the weighted average rate of 6.79% (2015: 6.51%) per annum.

During the year ended 31 December 2016, the additions of property, plant and equipment include RMB3,484,000 (2015: RMB1,397,000) relating to the asset retirement obligations recognised during the year.

### 8. LAND USE RIGHTS

### 7. 不動產、工廠及設備(續)

截至年度2016年12月31日止，不動產、工廠及設備資本化的借款成本為人民幣33,369,000(2015年：人民幣28,739,000)(附註22)，按加權年均利率6.79%(2015年：6.51%)計息。

截至年度2016年12月31日止，不動產、工廠及設備增加人民幣3,484,000(2015年：人民幣1,397,000)，與年內確認的資產棄置義務有關。

### 8. 土地使用權

		RMB'000 人民幣千元
<b>At 1 January 2015</b>	<b>於2015年1月1日</b>	
Cost	成本	14,099
Accumulated amortisation	累計攤銷	(1,270)
Net book value	賬面淨值	12,829
<b>Year ended 31 December 2015</b>	<b>截至2015年12月31日止年度</b>	
Opening net book value	年初賬面淨值	12,829
Amortisation charge	攤銷費用	(282)
Closing net book value	年末賬面淨值	12,547
<b>As at 31 December 2015</b>	<b>於2015年12月31日</b>	
Cost	成本	14,099
Accumulated amortisation	累計攤銷	(1,552)
Net book value	年末賬面淨值	12,547
<b>Year ended 31 December 2016</b>	<b>截至2016年12月31日止年度</b>	
Opening net book value	年初賬面淨值	<b>12,547</b>
Amortisation charge	攤銷費用	<b>(282)</b>
Closing net book value	年末賬面淨值	<b>12,265</b>
<b>As at 31 December 2016</b>	<b>於2016年12月31日</b>	
Cost	成本	<b>14,099</b>
Accumulated amortisation	累計攤銷	<b>(1,834)</b>
Net book value	年末賬面淨值	<b>12,265</b>

The Group's interests in land use rights represent prepaid operating lease payments. All of the Group's land use rights are located in the PRC.

本集團土地使用權中的權益指預付經營租賃款。本集團的土地使用權全部於中國境內。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 9. INTANGIBLE ASSETS

### 9. 無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元
<b>At 1 January 2015</b>		
Cost	於 2015 年 1 月 1 日 成本	8,061
Accumulated amortisation	累計攤銷	(3,048)
Net book value	賬面淨值	5,013
<b>Year ended 31 December 2015</b>		
Opening net book value	截至 2015 年 12 月 31 日止年度 年初賬面淨值	5,013
Additions	增加	11,582
Amortisation charge	攤銷費用	(1,570)
Closing net book value	年末賬面淨值	15,025
<b>As at 31 December 2015</b>		
Cost	於 2015 年 12 月 31 日 成本	19,651
Accumulated amortisation	累計攤銷	(4,626)
Net book value	賬面淨值	15,025
<b>Year ended 31 December 2016</b>		
Opening net book value	截至 2016 年 12 月 31 日止年度 年初賬面淨值	15,025
Additions	增加	21,466
Amortisation charge	攤銷費用	(2,584)
Closing net book value	年末賬面淨值	33,907
<b>As at 31 December 2016</b>		
Cost	於 2016 年 12 月 31 日 成本	41,117
Accumulated amortisation	累計攤銷	(7,210)
Net book value	賬面淨值	33,907

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 10. TRADE AND OTHER RECEIVABLES

### 10. 應收賬款及其他應收款

		As at 31 December	
		於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	應收賬款		
— external customers	— 外部客戶	20,061	20,368
— CUCBM (Note (a))	— 中聯煤層氣(附註(a))	32,948	65,288
Notes receivable (Note (b))	應收票據(附註(b))	119,567	23,000
Government grants receivables (Note (c))	應收政府補助(附註(c))		
— Government	— 政府	43,102	77,873
— CUCBM	— 中聯煤層氣	42,620	33,256
Due from CUCBM for cash calls and accrued expenses (Note (d))	應收中聯煤層氣現金籌款及預提費用(附註(d))	40,631	17,296
Prepaid expenses, deposits and others	預付賬款、按金及其他	28,118	25,455
		<b>327,047</b>	262,536
Less: provision for impairment	減：減值撥備	(7,197)	(7,197)
		<b>319,850</b>	255,339

#### Notes:

- (a) Trade receivables due from CUCBM represent the cash collected from external customers attributable to SAEI and deposited into CUCBM's bank account on behalf of the Group, which is jointly managed by CUCBM and SAEI.
- (b) Notes receivables are bank acceptances with maturity dates within six months.
- (c) This represents the VAT refund and government subsidies for CBM receivable through CUCBM.
- (d) This represents CUCBM's share of the cash calls and accrued expenses for the development costs of Panzhuang concession yet to be received from CUCBM.

#### 附註：

- (a) 應收中聯煤層氣的應收賬款指收取自外部客戶並存入由中聯煤層氣與美中能源公司共同管理，並由中聯煤層氣代表本集團開立的銀行賬戶之現金。
- (b) 應收票據均為到期日在六個月以內的銀行承兌票據。
- (c) 此為通過中聯煤層氣應收的煤層氣的增值稅退稅及政府補貼。
- (d) 此為中聯煤層氣分攤潘莊區塊開發成本的現金籌款及預提費用，尚未向中聯煤層氣收款。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 10. TRADE AND OTHER RECEIVABLES (Continued)

#### (i) Aging analysis

##### (1) Trade receivables — due from external customers

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	三個月內	12,864	13,171
Over 3 years	三年以上	7,197	7,197
		20,061	20,368
Provision	撥備	(7,197)	(7,197)
		12,864	13,171

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Past due but not impaired</b>	<b>已逾期但未減值</b>		
Within 3 months	三個月內	12,864	13,171

These relate to a number of independent customers for whom there is no significant financial difficulty and based on past experience, the overdue amounts can be recovered.

The trade receivables are due upon billing.

### 10. 應收賬款及其他應收款 (續)

#### (i) 賬齡分析

##### (1) 應收賬款 — 應收外部客戶

與上表有關的多名獨立客戶並無重大財務困難，基於過往記錄，逾期金額可予收回。

應收賬款為見單付款。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 10. TRADE AND OTHER RECEIVABLES (Continued)

#### (i) Aging analysis (Continued)

##### (2) Trade receivables — due from CUCBM:

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	三個月內	32,948	65,288

#### (ii) Movement of bad debt provision:

		Year ended 31 December 截至 12 月 31 日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Beginning and end of the year	年初和年末	7,197	7,197

(iii) As at 31 December 2016, the carrying amounts of trade and other receivables approximated their fair values.

### 10. 應收賬款及其他應收款(續)

#### (i) 賬齡分析(續)

##### (2) 應收賬款 — 應收中聯煤層氣

#### (ii) 減值撥備變動：

(iii) 於 2016 年 12 月 31 日，應收賬款及其他應收款的賬面價值與其公允價值相若。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 10. TRADE AND OTHER RECEIVABLES (Continued)

(iv) The carrying amounts of the Group's trade and other receivables (excluding prepayments) are denominated in the following currencies:

		As at 31 December 於12月31日	
		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
RMB	人民幣	298,378	240,494
HK\$	港幣	723	664
US\$	美元	17	-
		<b>299,118</b>	<b>241,158</b>

### 10. 應收賬款及其他應收款(續)

(iv) 本集團的應收賬款及其他應收款(預付款項除外)的賬面價值以下列貨幣計價：

### 11. FINANCIAL INSTRUMENTS BY CATEGORY

### 11. 金融工具(按類別)

		As at 31 December 於12月31日	
		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
<b>Financial assets as per balance sheet</b>	<b>按資產負債表的金融資產</b>		
<b>Loans and receivables</b>	<b>貸款和應收款</b>		
Trade and other receivables excluding prepayments (Note 10)	應收賬款和其他應收款， 不包括預付款(附註10)	299,118	241,158
Cash and cash equivalents (Note 12)	現金和現金等價物(附註12)	2,343,764	2,309,810
Term deposits with initial terms of over three months (Note 12)	初始期限超過三個月的 定期存款(附註12)	-	246,000
Restricted cash (Note 12)	受限制銀行存款(附註12)	31,583	8,033
		<b>2,674,465</b>	<b>2,805,001</b>

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 11. FINANCIAL INSTRUMENTS BY CATEGORY

(Continued)

### 11. 金融工具(按類別)(續)

		As at 31 December 於12月31日	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
Financial liabilities as per balance sheet		人民幣千元	人民幣千元
按資產負債表的金融負債			
<b>Financial liabilities</b>	<b>金融負債</b>		
Borrowings (excluding finance lease liabilities) (Note 16)	借款(不包含融資租賃負債)(附註16)	<b>496,376</b>	418,859
Trade and other payables excluding non-financial liabilities (Note 18)	不包括非金融負債的應付賬款及其他應付(附註18)	<b>443,775</b>	390,453
		<b>940,151</b>	809,312

### 12. CASH AND BANK BALANCES

### 12. 現金及銀行結餘

		As at 31 December 於12月31日	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash and cash equivalents	現金及現金等價物		
— Cash on hand	— 庫存現金	<b>270</b>	364
— Cash at banks	— 銀行存款	<b>2,343,494</b>	2,309,446
		<b>2,343,764</b>	2,309,810
Term deposits with initial terms of over three months	初始期限超過三個月的定期存款	—	246,000
Restricted bank deposits (Note (a))	受限制銀行存款(附註(a))	<b>31,583</b>	8,033
		<b>2,375,347</b>	2,563,843

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 12. CASH AND BANK BALANCES (Continued)

- (a) As at 31 December 2016, restricted bank deposits represented land restoration deposits for Panzhuang and Mabi concessions.

Cash and bank balances were denominated in the following currencies:

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	779,458	669,696
HK\$	港幣	1,518,355	1,642,595
US\$	美元	77,534	251,552
		<b>2,375,347</b>	<b>2,563,843</b>

### 12. 現金及銀行結餘(續)

- (a) 於 2016 年 12 月 31 日，受限制銀行存款為潘莊區塊和馬必區塊的土地修復存款。

現金及銀行結餘按以下貨幣計量：

### 13. SHARE CAPITAL

### 13. 股本

		Number of ordinary shares 普通股數目 Thousands 千股	Nominal value of ordinary shares 普通股面值 US\$'000 千美元	Equivalent nominal value of ordinary shares 普通股等額面值 RMB'000 人民幣千元
<i>Issued and fully paid:</i>	<i>已發行及繳足的普通股：</i>			
Ordinary shares of US\$0.0001 each	每股面值 0.0001 美元的 普通股			
<b>At 1 January 2015</b>	<b>於 2015 年 1 月 1 日</b>	835,079	84	511
— Capitalisation issue (Note (a)(i))	— 資本化發行 (附註(a)(i))	1,458,375	146	891
— Issue of additional shares (Note (a)(ii))	— 發行額外股份 (附註(a)(ii))	364,754	36	223
— Issue of shares for the IPO (Note (b))	— 發行首次公開發售 股份(附註(b))	666,161	67	407
— Exercise of share options (Note (c))	— 行使購股權 (附註(c))	2,411	—	2
<b>At 31 December 2015 and 2016</b>	<b>於 2015 及 2016 年 12 月 31 日</b>	<b>3,326,780</b>	<b>333</b>	<b>2,034</b>



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 13. SHARE CAPITAL (Continued)

- (a) On 23 June 2015, immediately prior to the IPO,
- (i) the Company issued 1,458,375,107 shares for the capitalisation issue with nominal value of US\$0.0001 each, equivalent to RMB891,000, to increase the share capital of the Company with a corresponding deduction in capital surplus.
  - (ii) 364,753,845 additional shares were issued by the Company to its then parent company, AAG Energy Limited. The shares were issued with nominal value of US\$0.0001 each, equivalent to RMB223,000, to increase the share capital of the Company with a corresponding deduction in capital surplus.
- (b) On 23 June 2015, the Company completed the IPO by issuing 666,160,920 new shares with nominal value of US\$0.0001 each at a price of HK\$3.00 per share, through which the Company's share capital increased by approximately US\$67,000 (equivalent to approximately RMB407,000).
- (c) During the year ended 31 December 2016, no share options were exercised (2015: 2,411,325) (Note 21(b)(i)).

### 13. 股本(續)

- (a) 於2015年6月23日，緊接首次公開發售前，
- (i) 本公司在資本化發行中發行1,458,375,107股每股面值0.0001美元的股份，相當於本公司股本增加進賬人民幣891,000元，而資本盈餘相應減少。
  - (ii) 本公司向其當時母公司亞美能源有限公司增發364,753,845股股份。按每股面值0.0001美元發行的股份等同於本公司股本增加進賬人民幣223,000元，而資本盈餘相應減少。
- (b) 於2015年6月23日，本公司按每股3.00港元的價格發行666,160,920股每股面值0.0001美元的新股份完成其首次公開發售，本公司的股本增加約67,000美元(相當於約人民幣407,000元)。
- (c) 2016年內，無購股權行使(2015年：2,411,325)(附註21(b)(i))。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 14. CAPITAL SURPLUS

The capital surplus consist of share premium, share-based compensation and currency translation differences.

### 14. 資本盈餘

資本盈餘包括股份溢價、以股份為基礎的報酬及外幣折算差額。

### 15. ASSET RETIREMENT OBLIGATIONS

### 15. 資產棄置義務

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Beginning of the year	於年初	8,409	6,363
Provision	撥備	4,355	1,655
Accretion expenses	增加開支	412	391
End of the year	於年末	13,176	8,409

The asset retirement obligations primarily represent the present value of the estimated future expenditures on decommissioning and restoration of gas properties.

資產棄置義務主要指棄用及復原天然氣資產的估計未來開支的現值。

### 16. BORROWINGS

### 16. 借款

		As at 31 December 於12月31日	
		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Bank loans, secured	銀行貸款，擔保		
Between 2 and 5 years	二至五年	496,376	–
Over 5 years	五年以上	–	418,859
		496,376	418,859
Annual interest rate	年利率	LIBOR+4.15%	LIBOR+4.15%
Annual effective interest rate	實際年利率	6.79%	6.51%

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 16. BORROWINGS (Continued)

As at 31 December 2016 and 2015, the Group's borrowings were all denominated in US\$, which were drawn down by SAEI. On 8 July 2015, SAEI as borrower entered into an up to US\$250 million senior secured revolving credit facility with AAGI as guarantor, and with AAGI's shares in SAEI mortgaged as security, for a term of 69 months with a final maturity date of 31 March 2021 bearing interest at LIBOR plus a margin of 4.15% for the first 4 years and 4.65% for the remainder of the facility.

The Group has the following undrawn borrowing facilities:

		As at 31 December	
		於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		USD'000	USD'000
		千美元	千美元
Expiring beyond 1 year	一年以上到期	174,000	180,000

As at 31 December 2016, the fair value of borrowings approximated to RMB496 million (31 December 2015: RMB419 million). The fair value is within level 2 hierarchy (Note 3.3).

### 16. 借款(續)

於2016年及2015年12月31日，本集團的借款均以美元計價，由美中能源公司提取。於2015年7月8日，美中能源公司作為借款人訂立最高250百萬美元的優先有抵押循環信貸融資，由亞美大陸煤層氣作為擔保人以其所持美中能源公司股份作抵押，融資為期69個月，最終到期日為2021年3月31日，首四年的利息按倫敦銀行同業拆借利率加4.15%計算，剩餘年度的利息按倫敦銀行同業拆借利率加4.65%利率計算。

本集團有以下未提取借款融資：

於2016年12月31日，借款的公允價值約為人民幣496百萬元(2015年12月31日：人民幣419百萬元)。該公允價值屬第二層級(附註3.3)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 17. DEFERRED INCOME TAX LIABILITIES

The analysis of deferred tax assets and deferred tax liabilities is as follows:

### 17. 遞延所得稅負債

遞延稅資產與遞延稅負債分析如下：

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Deferred tax assets:</b>	<b>遞延所得稅資產</b>		
— Deferred income tax assets to be recovered within 12 months	— 將於 12 個月內收回的遞延所得稅資產	845	4,009
— Deferred income tax assets to be recovered after more than 12 months	— 將於超過 12 個月後收回的遞延所得稅資產	7,188	1,982
		<b>8,033</b>	5,991
<b>Deferred tax liabilities:</b>	<b>遞延所得稅負債：</b>		
— Deferred income tax liabilities to be recovered after more than 12 months	— 將於超過 12 個月後收回的遞延所得稅負債	(156,246)	(82,149)
<b>Net balance</b>	<b>結餘淨額</b>	<b>(148,213)</b>	(76,158)

All deferred income tax assets and liabilities are related to Panzhuang concession, where the Group has legally enforceable right to offset each other. Accordingly, it is presented on net basis.

所有遞延所得稅資產與負債均與潘莊區塊有關，本集團可依法強制行使權利使兩者相互抵銷，因此以淨額基準呈列。

The gross movement on the deferred income tax account is as follows:

遞延所得稅帳目的總變動如下：

		Year ended 31 December 截至 12 月 31 日止年度	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>Beginning of the year</b>	<b>於年初</b>	<b>(76,158)</b>	(6,789)
Charged to the consolidated statement of comprehensive income (Note 24)	於合併綜合收益表扣除(附註 24)	(72,055)	(69,369)
<b>End of the year</b>	<b>於年末</b>	<b>(148,213)</b>	(76,158)

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 17. DEFERRED INCOME TAX LIABILITIES (Continued)

The movement in deferred income tax account is as follows:

### 17. 遞延所得稅負債(續)

遞延所得稅賬面的變動如下：

		Depreciation and amortisation	Income not yet subject to tax and others	Total
		折舊及攤銷 RMB'000 人民幣千元	不須納稅的 收益及其他 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
<b>At 1 January 2015</b>	<b>於 2015 年 1 月 1 日</b>	26,785	(33,574)	(6,789)
Charged to the consolidated statement of comprehensive income (Note 24)	於合併綜合收益表扣除 (附註24)	(23,487)	(45,882)	(69,369)
<b>At 31 December 2015</b>	<b>於 2015 年 12 月 31 日</b>	3,298	(79,456)	(76,158)
Charged to the consolidated statement of comprehensive income (Note 24)	於合併綜合收益表扣除 (附註24)	<b>(36,442)</b>	<b>(35,613)</b>	<b>(72,055)</b>
<b>At 31 December 2016</b>	<b>於 2016 年 12 月 31 日</b>	<b>(33,144)</b>	<b>(115,069)</b>	<b>(148,213)</b>

For the purpose of filing of PRC corporate income tax, development expenditures incurred prior to commercial production from tax perspective are tax deductible over a 8-year period starting from the commencement date of commercial production; exploration expenditures incurred prior to commercial production from tax perspective except for those qualified as production wells are tax deductible over a 3-year period starting from the commencement date of commercial production.

Deferred income tax expense mainly relates to government grants which comprise of government subsidies and VAT refunds received by the Group, which will be taxable in specified future periods according to relevant tax regulations and local authority.

As at 31 December 2016, the Group did not recognise deferred income tax assets of RMB136,376,000 (2015: RMB89,147,000) in respect of the accumulated losses which are related to Mabi concession amounting to RMB545,502,000 (2015: RMB356,585,000). Such losses are tax deductible over a 3-year period starting from the commencement date of commercial production. Due to the Mabi concession is still under exploration stage, no deferred tax assets were recognised on these losses.

就中國企業所得稅申報而言，於商業生產(從稅務角度判定)前產生的開發支出可自商業生產開始之日起在八年期間內進行稅項抵扣；於商業生產(從稅務角度判定)前所發生的勘探支出(符合資格作為生產井的勘探支出除外)可自商業生產開始之日起在三年期間內進行稅項抵扣。

遞延所得稅費用主要與政府補助相關，包括政府補貼和本集團收到的增值稅退稅，根據相關稅務法規和地方當局將在指定的未來期間納稅。

於2016年12月31日，本集團並未就與馬必區塊有關的累計虧損人民幣545,502,000元(2015年：人民幣356,585,000)，確認遞延所得稅資產人民幣136,376,000元(2015年：人民幣89,147,000)。該項虧損可自商業生產開始之日起在三年期間內進行稅項抵扣。由於馬必區塊仍處於勘探階段，故不能就該項虧損確認遞延所得稅資產。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 18. TRADE AND OTHER PAYABLES

### 18. 應付賬款及其他應付款

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	應付賬款	<b>393,198</b>	341,414
Amounts due to related parties	應付關聯方款項		
— CUCBM	— 中聯煤層氣	<b>1,000</b>	1,000
— PetroChina Company Limited	— 中國石油天然氣股份有限公司	<b>8,852</b>	8,183
Social securities and other payables	社保及其他應付款	<b>40,725</b>	39,856
		<b>443,775</b>	390,453

(a) The aging analysis of trade payables were as follows:

At 31 December 2016, the aging analysis of the trade payables based on invoice date were as follows:

(a) 應付賬款的賬齡分析如下：

於 2016 年 12 月 31 日，基於發票日期的應付賬款的賬齡分析如下：

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 6 months	六個月內	<b>322,202</b>	303,650
6 months to 1 year	六個月至一年	<b>18,700</b>	10,553
1 to 2 years	一至兩年	<b>29,895</b>	20,418
2 to 3 years	兩至三年	<b>16,480</b>	5,929
Over 3 years	三年以上	<b>5,921</b>	864
		<b>393,198</b>	341,414

(b) As at 31 December 2016, the carrying amounts of trade and other payables approximated their fair values.

(b) 於 2016 年 12 月 31 日，應付賬款及其他應付款的賬面價值與其公允價值相若。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 18. TRADE AND OTHER PAYABLES (Continued)

- (c) The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

		As at 31 December	
		於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	430,811	371,518
HK\$	港幣	286	71
US\$	美元	12,678	18,864
		<b>443,775</b>	<b>390,453</b>

### 19. REVENUE

For the years ended 31 December 2016 and 2015, all the Group's revenue is derived from the sale of the Group's share of CBM sold to customers in the PRC.

### 20. OTHER INCOME

		Year ended 31 December	
		截至 12 月 31 日止年度	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
VAT refund (Note (a))	增值稅退稅(附註(a))	29,456	58,864
Government subsidy (Note (b))	政府補貼(附註(b))	119,820	68,808
		<b>149,276</b>	<b>127,672</b>

- (a) The VAT refund is granted by the PRC government according to "The Notice on Tax Policy Issued by The Ministry of Finance and The State Administration of Taxation on Speeding Up The Drainage of Coal Bed Methane" (《財政部國家稅務總局關於加快煤層氣抽採有關稅收政策問題的通知》) for the years ended 31 December 2015 and 2016. CUCBM applies for the VAT refund for Panzhuang concession. The Group recognises its entitlement based on the Group's share of CBM sold and when there is reasonable assurance that the amount will be received.

### 18. 應付賬款及其他應付款(續)

- (c) 本集團的應付賬款及其他應付款的賬面值以下列貨幣計值：

### 19. 收入

截至2016年及2015年12月31日止年度，本集團所有收入均來自本集團所佔煤層氣對中國客戶的銷售所得。

### 20. 其他收入

- (a) 截至2015年及2016年12月31日止年度，增值稅退稅是中國政府根據《財政部國家稅務總局關於加快煤層氣抽採有關稅收政策問題的通知》授出。中聯煤層氣為潘莊區塊申請增值稅退稅。本集團已根據本集團攤佔所售煤層氣於有合理保證該金額可收回時確認其所享有的金額。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 20. OTHER INCOME (Continued)

(b) The subsidy is granted by the PRC government according to "The Implementation Opinions of Subsidies Granted by The Ministry of Finance on The Development and Utilisation of Coal Bed Methane" (《財政部關於煤層氣(瓦斯)開發利用補貼的實施意見》) at RMB0.2 per cubic meter of the CBM sold for the year ended 31 December 2015 and was adjusted according to "The announcement of Subsidies on The Development and Utilisation of Coal Bed Methane during the Country's 13th Five-Year Plan"(《關於"十三五"期間煤層氣(瓦斯)開發利用補貼標準的通知》) to RMB0.3 per cubic meter of the CBM sold for the year ended 31 December 2016. CUCBM applies for the subsidy for Panzhuang concession. The Group recognises its entitlement based on the Group's share of CBM sold and when there is reasonable assurance that the amount will be received.

### 20. 其他收入(續)

(b) 截至2015年12月31日止年度，補貼是中國政府根據《財政部關於煤層氣(瓦斯)開發利用補貼的實施意見》授出，金額按所出售煤層氣每立方米人民幣0.2元計算，截至2016年12月31日止年度根據《關於「十三五」期間煤層氣(瓦斯)開發利用補貼標準的通知》調整金額按所出售煤層氣每立方米人民幣0.3元計算。中聯煤層氣為潘莊區塊申請補貼。本集團已根據本集團攤佔所售煤層氣於有合理保證該金額可收回時確認其所享有的金額。

### 21. EMPLOYEE BENEFIT EXPENSES

### 21. 僱員福利開支

		Year ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Wages and salaries	工資及薪金	91,757	92,603
Welfare and other benefits (Note (a))	福利及其他利益(附註(a))	24,115	17,857
Share-based compensation (Note (b))	以股份為基礎的報酬(附註(b))	48,270	44,702
		<b>164,142</b>	155,162

#### (a) Welfare and other benefits

Welfare and other benefits primarily comprises of:

- (i) Housing benefits, representing the Group's contributions to government-sponsored housing funds at a rate of 12% of the Chinese employees' salaries, subject to certain ceilings.
- (ii) Contributions to pension plans, which are defined contribution pension plans organised by the municipal and provincial governments at rates ranging from 19% to 20% of the Chinese employees' salaries, subject to certain ceilings.

#### (a) 福利及其他利益主要包括以下各項：

福利及其他福利主要包括：

- (i) 住房補貼，本集團按中國僱員薪金12%的比率(須受若干上限規限)向政府資助的住房基金作出的供款。
- (ii) 退休金計劃供款指按中國僱員薪金的19%到20%比率(須受若干上限規限)向市及省政府管理的固定供款退休金計劃作出的供款。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 21. EMPLOYEE BENEFIT EXPENSES (Continued)

#### (b) Share-based compensation

### 21. 僱員福利開支(續)

#### (b) 以股份為基礎的報酬

		Year ended 31 December 截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Share-based compensation	以股份為基礎的報酬		
— Pre-IPO Share Option Scheme (Note (i))	— 首次公開發售前購股權計劃(附註(i))	22,319	44,702
— Incremental fair value related to change of terms (Note (i)(3))	— 與變化條件有關的增加的公允價值(附註(i)(3))	8,648	—
— Post-IPO Restricted Share Unit Scheme (Note (ii))	— 首次公開發售後受限制股份單位計劃(附註(ii))	17,303	—
Amount charged to employee benefits expenses	員工福利費	48,270	44,702
— Cash settlement in lieu of issuing shares	— 以現金結算的發行股份	(30)	—
Net amount credited to capital surplus	計入資本盈餘淨額	48,240	44,702

#### (i) Pre-IPO Share Option Scheme

The "2012 Pre-IPO Share Option Scheme" refers to the pre-IPO share option scheme adopted by the board of directors of AAG Energy Limited on 15 June 2012 which was modified in October 2014 and replaced on 31 March 2015, namely the "2015 Pre-IPO Share Option Scheme". The vesting conditions of the unvested options under the 2015 Pre-IPO Share Option Scheme are (a) 50% of the options shall be time-based and shall vest at the rate of one half for each 12-month period commencing from 1 January 2015 if the relevant employment date is on or prior to 1 January 2014; or one third for each 12-month period commencing from the relevant employment date if such date is after 1 January 2014; (b) 50% of the options shall be KPI-linked and shall be divided into three equal instalments, with each instalment being linked with one of three KPIs and vested at the rate of one half for each 12-month period commencing from 1 January 2015 if the relevant employment date is on or prior to 1 January 2014; or one third for each 12-month period commencing from the relevant employment date if such date is after 1 January 2014.

#### (i) 首次公開發售前購股權計劃

「2012年首次公開發售前購股權計劃」指於2012年6月15日AAG Energy Limited董事會採納首次公開發售前購股權計劃，於2014年10月修訂，於2015年3月31日更換，即「2015年首次公開發售前購股權計劃」。2015年首次公開發售前購股權計劃項下未行使購股權可行權條件為：(a) 50%購股權將以時間為基準，並自2015年1月1日起計為每12個月期間的一半如果有關僱用日期是在2014年1月1日或之前；或自有關僱用日期起計的12個月期間(如該日期為2014年1月1日以後)的三分之一；(b) 50%的購股權應與KPI掛鈎，並應分為三個等份，每份與三個關鍵績效指標中的一個掛鈎，並從2015年1月1日起每12個月期間確認一半的歸屬，如果有關的就業日期是在2014年1月1日或之前；或從相關的就職日期起每12個月期間確認三分之一的歸屬，如果有關的就業日期是在2014年1月1日之後。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 21. EMPLOYEE BENEFIT EXPENSES (Continued)

#### (b) Share-based compensation (Continued)

##### (i) Pre-IPO Share Option Scheme (Continued)

- (1) Movements in the number of share options outstanding and their related weight average exercise prices are as follows:

		Exercise price in US\$ per share 每股行使價 (美元)	Number of share options thousands 購股權數目 (千份)
<b>As at 1 January 2015</b>	<b>2015年1月1日</b>		
Granted by way of replacing 2012 Pre-IPO Share Option Scheme (31 March 2015)	以替換2012年首次公開發 售前購股權計劃方式 授出(2015年3月31日)	0.6	56,070
Transferred (31 March 2015)	已轉讓(2015年3月31日)	0.6	1,500
Granted (5 June 2015)	已授出(2015年6月5日)	0.6	4,280
Adjustment upon the IPO (23 June 2015)	首次公開發售時調整 (2015年6月23日)		184,370
Cancelled	已註銷	0.151	(398)
Forfeited	已作廢	0.151	(1,194)
Exercised	已行使	0.151	(2,411)
Expired	已屆滿	0.151	(3,560)
<b>As at 31 December 2015</b>	<b>於2015年12月31日</b>	0.151	238,657
Cancelled	已註銷	0.151	(398)
Forfeited	已作廢	0.151	(5,255)
Expired	已屆滿	0.151	(2,389)
<b>As at 31 December 2016</b>	<b>於2016年12月31日</b>	0.151	230,615

### 21. 僱員福利開支(續)

#### (b) 以股份為基礎的薪酬(續)

##### (i) 首次公開發售前購股權計劃(續)

- (1) 尚未行使的購股權數目及其加權平均行使價的變動如下：

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 21. EMPLOYEE BENEFIT EXPENSES (Continued)

#### (b) Share-based compensation (Continued)

##### (i) Pre-IPO Share Option Scheme (Continued)

(2) As at 31 December 2016, the share options outstanding have expiry dates between 2020 and 2023, of which 141,405,688 (31 December 2015: 94,109,071) options were exercisable.

(3) During the year, the terms of the vesting conditions of certain 15,874,205 KPI-linked options and the exercise period of options vested for certain management under the Pre-IPO Share Option Scheme were changed. The incremental fair value arising from changes of terms during the year were determined using the Binomial Option Pricing Model. The key assumptions and parameters used in the pricing model are shown below:

		Options changed terms in 2016 於2016年 變更的購股權
Share price as at the valuation date (US\$)	估值日的股價(美元)	0.164~0.181
Expected dividend yield	預期股息收益率	-
Maturity years	到期年數	0.50-5.78
Risk free rate	無風險利率	0.48%-2.08%
Annualised volatility	年化波動率	41%-45%

### 21. 僱員福利開支(續)

#### (b) 以股份為基礎的薪酬(續)

##### (i) 上市前購股權計劃(續)

(2) 2016年12月31日，購股權的到期日從2020年至2023年，其中141,405,688(2015年12月31日：94,109,071)可行使購股權。

(3) 在這一年中，上市前購股權計劃中15,874,205與KPI掛鈎的購股權的可行權條件與歸屬於特定管理層的購股權的可行權期間條款被改變。於年內授出的購股權的公允價值仍使用二項式期權定價模型。於年內授出的購股權的定價模式使用的主要假設及參考數如下：

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 21. EMPLOYEE BENEFIT EXPENSES (Continued)

#### (b) Share-based compensation (Continued)

##### (ii) Post-IPO Restricted Share Unit Scheme

On 18 December 2015, the Company announced the granting of restricted share units ("RSUs") to certain grantees of the Group in accordance with the Post-IPO Restricted Share Unit Scheme conditionally approved and adopted by the Company on 5 June 2015. The acceptance letters of RSUs to the grantees were signed on 31 January 2016. The vesting conditions of the RSUs under the scheme is (a) 50% of the RSUs shall be time-based and shall vest at the rate of one fourth for each 12-month period commencing from 31 March 2016; and (b) 50% of the RSUs shall be KPI-linked and shall be divided into three equal instalments, with each instalment being linked with one of the three KPIs and vested at the rate of one fourth for each 12-month period commencing from 31 March 2016.

Movements in the number of RSUs outstanding are as follows:

		Number of RSUs thousands 限制性股票數量 千股
Granted (31 January 2016)	已授予 (2016年1月31日)	41,064
Forfeited	已作廢	(910)
<b>As at 31 December 2016</b>	<b>2016年12月31日</b>	<b>40,154</b>

The fair value of RSUs is determined by the closing price of HK\$1.16 per share as quoted on the Stock Exchange of Hong Kong Limited on 31 January 2016. During the year ended 31 December 2016, none of the RSUs was vested.

### 21. 僱員福利開支(續)

#### (b) 以股份為基礎的薪酬(續)

##### (ii) 首次公開發售後受限制股份單位計劃

於2015年12月18日，本公司根據本公司於2015年6月5日有條件批准及採納之後上市限制股本單位計劃，宣佈向本集團若干承授人授出受限制股份單位(「限制性股票」)在該計劃下，限制性股票的歸屬條件是(a)50%的限制性股票是以時間為基礎的，自2016年3月31日起以每12個月確認四分之一的歸屬；和(b)50%的限制性股票應與KPI掛鈎，並分為三等份，每份與三個關鍵績效指標之一相關聯，自2016年3月31日起以每12個月確認四分之一的歸屬。

未完成的限制性股票數量的變動如下：

限制性股票的公允價值根據香港聯合交易所有限公司於2016年1月31日所報的收市價每股1.16港元決定。截至2016年12月31日止，並無任何限制性股票已歸屬。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 21. EMPLOYEE BENEFIT EXPENSES (Continued)

#### (c) Five highest paid individuals

Details of five highest paid individuals are set out below:

		Number of Individuals 人數	
		2016 2016年	2015 2015年
Director (Note 32)	董事(附註32)	1	1
Non-director individuals (Note (i))	非董事成員(附註(i))	4	4
		<b>5</b>	<b>5</b>

(i) For the year ended 31 December 2016, the five individuals whose emoluments were the highest in the Group include one (2015: one) director whose emoluments are reflected in the analysis shown in Note 32. The emoluments payable to the remaining four (2015: four) individuals, one of whom resigned on 30 October 2016, during the year are as follows:

### 21. 僱員福利開支(續)

#### (c) 五位最高薪酬人士

五位最高薪酬人士的詳情如下：

(i) 截止2016年12月31日，本集團五位最高薪酬人士包括一名(2015年：一名)董事，其薪金於附註32的分析中列示。於本年度應付餘下四位(2015年：四名，其中一名是在2016年10月30日註冊登記的)人士的薪金如下：

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Basic salaries and allowances	基礎薪金及津貼	12,936	12,048
Discretionary bonuses	酌情獎金	3,394	5,373
Share-based compensation	以股份為基礎的報酬	26,340	24,949
Other benefits including pension	其他福利(包括退休金)	7,654	3,040
		<b>50,324</b>	<b>45,410</b>

The emoluments fell within the following bands:

薪酬範圍如下：

		Number of Individuals 人數	
		2016 2016年	2015 2015年
Emolument bands	薪酬範圍		
HK\$7,500,001 ~ HK\$8,000,000	7,500,001 港元至 8,000,000 港元	1	–
HK\$8,000,001 ~ HK\$8,500,000	8,000,001 港元至 8,500,000 港元	–	1
HK\$10,000,001 ~ HK\$10,500,000	10,000,001 港元至 10,500,000 港元	1	–
HK\$14,000,001 ~ HK\$14,500,000	14,000,001 港元至 14,500,000 港元	–	1
HK\$15,000,001 ~ HK\$15,500,000	15,000,001 港元至 15,500,000 港元	1	–
HK\$16,500,001 ~ HK\$17,000,000	16,500,001 港元至 17,000,000 港元	–	2
HK\$25,000,001 ~ HK\$25,500,000	25,000,001 港元至 25,500,000 港元	1	–
		<b>4</b>	<b>4</b>

## Notes to the Consolidated Financial Statements

### 合併財務報表附註

#### 22. FINANCE COSTS, NET

#### 22. 財務費用 — 淨額

		Year ended 31 December 截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Interest expense of bank borrowings	銀行借款的利息費用	(33,369)	(28,739)
Bank loan commitment fee	銀行貸款承諾費	(18,236)	(13,925)
Write-off of unamortised costs relating to prepayment of bank borrowings	提前償還銀行借款未攤銷成本之攤銷	—	(14,878)
Accretion expenses of asset retirement obligations	資產棄置義務的遞增費用	(342)	(323)
Subtotal	小計	(51,947)	(57,865)
Less: amounts capitalised on qualifying assets (Note 7)	減：合資格資產資本化金額（附註7）	33,369	28,739
Finance costs	財務費用	(18,578)	(29,126)
Interest income	利息收入	10,699	5,815
Exchange losses	匯兌損失	(10,281)	(154,813)
Finance costs, net	財務費用 — 淨額	(18,160)	(178,124)

#### 23. PROFIT BEFORE INCOME TAX

Profit before income tax was determined after charging the following:

#### 23. 除所得稅前利潤

決定除所得稅前利潤的費用如下：

		Year ended 31 December 截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Operating lease expense	經營租賃費	12,794	10,205
Auditors' remunerations	審計師薪酬		
— Audit services — The Company	— 審計服務 — 公司	3,800	3,300
— Non-audit services	— 非審計服務	596	179
Listing expense	上市費用	—	28,273

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 24. INCOME TAX EXPENSE

### 24. 所得稅費用

		Year ended 31 December 截至 12 月 31 日止年度	
		2016 2016 年 RMB'000 人民幣千元	2015 2015 年 RMB'000 人民幣千元
Current income tax	當期所得稅	(290)	(39,287)
Deferred income tax (Note 17)	遞延所得稅 (附註 17)	(72,055)	(69,369)
		<b>(72,345)</b>	<b>(108,656)</b>

The Company was incorporated in the Cayman Islands as an exempt company with limited liability and, accordingly, is exempted from payment of local income tax.

No provision for Hong Kong profits tax has been provided as the Group did not derive any assessable profits in Hong Kong during the year.

AAGI and AAG Energy (China) Limited, which were incorporated in the British Virgin Islands under the International Business Companies Acts of the British Virgin Islands, are exempted from payment of local income tax.

SAEI, which was incorporated in Samoa under the International Business Companies Acts of the Samoa, is exempted from payment of local income tax.

Corporate income tax in the PRC is calculated based on the statutory profit or loss of branches established in the PRC, after adjusting certain income and expense items, which are not assessable or deductible for income tax purposes. According to the PRC Corporate Income Tax Law promulgated by the PRC government, the tax rate applicable for the PRC branches of the Group's subsidiaries is 25%.

本公司在開曼群島註冊成立為獲豁免有限公司，因此獲豁免繳納當地所得稅。

由於本集團於本年度並沒有在香港取得任何應課稅利潤，故並無計提香港利得稅。

根據英屬維爾京群島國際商業公司法於英屬維爾京群島註冊成立的亞美大陸煤層氣及AAG Energy (China) Limited獲免繳當地所得稅。

根據薩摩亞國際商業公司法於薩摩亞註冊成立的美中能源公司獲免繳當地所得稅。

中國企業所得稅乃根據於中國成立的分公司的法定損益就若干毋須課稅或不可扣減的收入及費用項目作出調整後計算。根據中國政府頒佈的中國企業所得稅法，貴公司的中國分公司的稅率為25%。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 24. INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

		Year ended 31 December 截至12月31日止年度	
		2016 2016年 RMB'000 人民幣千元	2015 2015年 RMB'000 人民幣千元
Profit before income tax	除所得稅前利潤	178,980	51,717
Tax expense calculated at applicable statutory tax rates	按適用法定稅率計算的稅項	(22,859)	(47,043)
Tax losses with no deferred income tax assets recognised	未確認遞延所得稅資產的稅損	(47,229)	(34,978)
Expenses not deductible for taxation purposes	不可扣除的費用	(1,967)	(2,856)
Others	其他	(290)	(23,779)
Income tax expense	所得稅費用	(72,345)	(108,656)

### 25. EARNINGS/(LOSSES) PER SHARE

#### (a) Basic

The basic earnings per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year ended 31 December 2016.

For the purpose of presenting earnings per share, the weighted average number of ordinary shares for each of the years was determined by taking into consideration the issuance of shares by capitalisation issue and additional issue by way of debit to the capital surplus account upon the IPO as if these issuance of shares had occurred at the beginning of the earliest year reported.

### 24. 所得稅費用(續)

本集團除所得稅前利潤的稅項與使用法定稅率計算的理論數額不同，詳情如下：

### 25. 每股收益／(虧損)

#### (a) 基本

基本每股收益乃按歸屬於本公司所有者的利潤／(虧損)除以截至2016年12月31日止年度內已發行的普通股的加權平均數計算得出。

為呈列每股收益，各年度之普通股加權平均數乃計及資本化發行及根據首次公開發售通過計入資本盈餘賬目額外發行之發行股份。猶如該等股份於報告年度初期已予發行。



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 25. EARNINGS/(LOSSES) PER SHARE (Continued)

#### (a) Basic (Continued)

		Year ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
Profit/(loss) attributable to owners of the Company (RMB'000)	歸屬於本公司所有者的利潤／(虧損)(人民幣千元)	106,635	(56,939)
Weighted average number of ordinary basic shares in issue (Thousands)	已發行普通基本股的加權平均數(千股)	3,326,780	3,007,555
Basic earnings/(losses) per share (RMB)	基本每股收益／(虧損)(人民幣元)	0.03	(0.02)

#### (b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options and RSUs outstanding which are potentially dilutive. The assumed proceeds from conversion of these options and RSUs shall be regarded as having been received from the issue of ordinary shares at average market price of ordinary shares during the period. The difference between the number of shares that would have been issued assuming the exercise of the share options and RSUs and the number of shares that could have been issued at the average market price of the ordinary shares during the period with the same total assumed proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

### 25. 每股收益／(虧損)(續)

#### (a) 基本(續)

#### (b) 稀釋

稀釋每股收益假設所有可稀釋的潛在普通股被兌換後，根據已發行普通股的加權平均股數計算。本公司有兩類可稀釋的潛在普通股：購股權及受限制股份單位。假設這些購股權和受限制股份單位兌換所獲得的價款應被視為按照全年普通股平均市場價格發行而獲得。零代價發行的股份數目是基於假設行使了購股權和受限制股份單位應該發行的股份數目，與假設按照全年普通股平均市場價格發行並獲得相同合計價款的情況下可能需要發行的股份數目的差額。這一零代價發行的股份數目將構成加權平均普通股數目的一部分，將作為計算稀釋每股收益時所用的分母。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 25. EARNINGS/(LOSSES) PER SHARE (Continued)

#### (b) Diluted (Continued)

For the year ended 31 December 2015, the Group made a loss therefore the effect of share options was anti-dilutive and is ignored from the calculation of diluted earnings per share.

### 25. 每股收益／(虧損)(續)

#### (b) 稀釋(續)

截至2015年12月31日止年度，本集團錄得虧損，因此購股權的影響為反稀釋，本集團無須計算稀釋每股收益。

		Year ended 31 December	
		2016	2015
		2016年	2015年
Profit/(loss) attributable to owners of the Company (RMB'000)	歸屬於本公司所有者的利潤／(虧損)(人民幣千元)	106,635	(56,939)
Weighted average number of ordinary shares in issue (Thousands)	已發行普通股加權平均數(千股)	3,326,780	3,007,555
Adjustments for assumed conversion of share options and RSUs (Thousands)	假設兌換購股權及受限制股份單位的調整(千股)	13,538	–
Weighted average number of ordinary shares for diluted earnings per share (Thousands)	計算稀釋每股收益的普通股加權平均數(千)	3,340,318	3,007,555
Diluted earnings/(losses) per share (RMB)	稀釋每股收益／(虧損)(人民幣)	0.03	(0.02)

### 26. DIVIDENDS

No dividend has been paid or proposed by the Company for the years ended 31 December 2016 and 2015.

### 26. 股息

截至2016年及2015年12月31日止年度，本公司並無支付及擬派股息。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 27. CASH GENERATED FROM OPERATIONS

Reconciliation of profit before income tax to net cash flow generated from operations:

### 27. 經營活動所得現金

除所得稅前利益與經營活動所得現金流量淨額的調節：

		Year ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit before income tax	所得稅前利潤	178,980	51,717
Adjustments for:	就下列各項作出調整：		
Depreciation (Note 7)	折舊(附註7)	71,747	140,234
Amortisation (Notes 8 and 9)	攤銷(附註8及9)	2,866	1,852
Losses on disposals of property, plant and equipment	出售不動產、工廠及設備的虧損	462	129
Interest income (Note 22)	利息收入(附註22)	(10,699)	(5,815)
Finance costs (Note 22)	財務費用(附註22)	18,578	29,126
Unrealised exchange losses	未實現的匯兌損失	12,586	159,072
Share-based compensation (Note 21(b))	以股份為基礎的報酬(附註21(b))	48,240	44,702
Listing expense (Note 23)	上市費用(附註23)	–	28,273
Changes in working capital:	經營資金的變動：		
Increase in inventories	存貨增加	(663)	(19)
Increase in trade and other receivables	應收賬款及其他應收款的增加	(40,905)	(7,309)
Increase in trade and other payables	應付賬款及其他應付款的增加	7,848	9,466
Cash generated from operations	經營活動產生的現金	289,040	451,428

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 28. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

(a) **The following companies are related parties of the Group during the year ended 31 December 2016**

Names of the related parties 關聯方名稱	Nature of relationship 關係性質
CUCBM 中聯煤層氣	PSC partner of Panzhuang concession 潘莊區塊產品分成合同合夥人
PetroChina Company Limited 中國石油天然氣股份有限公司	PSC partner of Mabi concession 馬必區塊產品分成合同合夥人
Xilingol Haitian Dibiao Minerals Co., Ltd. ("Haitian Dibiao") 錫林郭勒海天地標礦業有限公司(海天地標)	Under common control until 22 June 2015 受共同控制直至2015年6月22日
Inner Mongolia Qing Yu Minerals Co., Ltd. ("Qing Yu") 內蒙古慶宇礦業有限公司(慶宇)	Under common control until 22 June 2015 受共同控制直至2015年6月22日
Shanxi Meiya CBM Technology Consultancy Co. Ltd. ("Meiya") 山西美亞煤層氣技術諮詢有限公司(美亞)	Under common control until 22 June 2015 受共同控制直至2015年6月22日

### 28. 關聯方交易

若一方有能力直接或間接控制另一方或對另一方的財務及運營決策實施有重大影響力，則視為關聯方。受共同控制的各方亦視為關聯方。本集團主要管理人員及其家族成員亦視為關聯方。

(a) **截止2016年12月31日，下列公司為本集團的關聯方：**

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 28. RELATED PARTY TRANSACTIONS (Continued)

#### (b) Significant transactions with related parties

### 28. 關聯方交易(續)

#### (b) 與關聯方的重大交易

		Year ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Services received	已獲得的服務		
— CUCBM	— 中聯煤層氣	4,213	3,800
— PetroChina Company Limited	— 中國石油天然氣股份有限公司	6,396	6,070
— Haitian Dibiao (Note)	— 海天地標(附註)	—	7,500
— Qing Yu (Note)	— 慶宇(附註)	—	3,250
— Meiya (Note)	— 美亞(附註)	—	1,020
		<b>10,609</b>	<b>21,640</b>

Note: These transactions with Haitian Dibiao, Qing Yu and Meiya were completed before 23 June 2015, being the date of the Company's IPO.

附註：與海天地標、慶宇及美亞的交易已於2015年6月23日(本公司首次公開發售日期)前完成。

#### (c) Key management compensation

#### (c) 主要管理人員薪酬：

		Year ended 31 December	
		截至12月31日止年度	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Basic salaries and allowances	基本薪金及津貼	26,263	22,705
Discretionary bonuses	酌情獎金	6,852	9,751
Share-based compensation	以股份為基礎的報酬	31,365	30,304
Other benefits including pension	其他福利(包括退休金)	8,904	4,592
		<b>73,384</b>	<b>67,352</b>

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 29. COMMITMENTS

#### (a) Capital commitments

Capital expenditure contracted at the end of the year but not yet incurred is as follows:

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Property, plant and equipment	不動產、工廠及設備	302,898	338,253

#### (b) Operating lease commitments

The Group leases office premises from non-related parties under non-cancellable operating lease agreements. The future minimum lease payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are as follows:

		As at 31 December 於 12 月 31 日	
		2016	2015
		2016 年	2015 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
No later than 1 year	一年以內	9,621	14,358
Later than 1 year but no later than 5 years	一年至五年	6,428	15,580
		16,049	29,938

### 29. 承諾事項

#### (a) 資本承諾

於本年度末已約定但並沒有產生的資本開支如下：

#### (b) 經營租賃承諾

本集團從非相關聯方不可撤銷的經營租賃協議下租賃辦公用房。在不可撤銷經營租賃下，於資產負債表日已簽約但尚未確認為負債的未來最低應付租賃款項如下：

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 30. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY 30. 本公司資產負債表及儲備變動

#### (a) Balance sheet of the Company

#### (a) 本公司資產負債表

		As at 31 December 於12月31日	
		2016	2015
		2016年	2015年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Note 附註		
<b>ASSETS</b>	<b>資產</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Long-term investment	長期投資	3,230,389	2,614,143
Property, plant and equipment	不動產、工廠及設備	2,672	2,926
Intangible assets	無形資產	14	20
		<b>3,233,075</b>	<b>2,617,089</b>
<b>Current assets</b>	<b>流動資產</b>		
Other receivables	其他應收款	1,524	980
Cash and cash equivalents	現金及現金等價物	1,517,753	1,854,896
		<b>1,519,277</b>	<b>1,855,876</b>
<b>Total assets</b>	<b>總資產</b>	<b>4,752,352</b>	<b>4,472,965</b>
<b>EQUITY</b>	<b>權益</b>		
<b>Equity attributable to owners of the Company</b>	<b>本公司所有者權益</b>		
Share capital	股本	2,034	2,034
Capital surplus	資本盈餘	4,863,712	4,511,808
Accumulated deficits	累計虧損	(125,423)	(58,162)
		<b>4,740,323</b>	<b>4,455,680</b>
<b>LIABILITIES</b>	<b>負債</b>		
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款	12,029	17,285
<b>Total liabilities</b>	<b>總負債</b>	<b>12,029</b>	<b>17,285</b>
<b>Total equity and liabilities</b>	<b>權益及負債合計</b>	<b>4,752,352</b>	<b>4,472,965</b>

The balance sheet of the Company was approved by the Board of Directors on 24 March 2017 and was signed on its behalf

本公司資產負債表由董事會於2017年3月24日批准，並由以下人士代表簽字：

Executive Director  
**Stephen Xiangdong Zou**

執行董事  
**鄒向東**

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 30. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

#### (b) Reserve movement of the Company

### 30. 本公司資產負債表及儲備變動 (續)

#### (b) 本公司儲備變動

		Capital surplus 資本盈餘 RMB'000 人民幣千元	Accumulated deficit 累計虧損 RMB'000 人民幣千元
<b>Balance as at 1 January 2015</b>	<b>2015年1月1日結餘</b>	2,628,979	–
Loss for the year	本年虧損	–	(58,162)
Currency translation differences	外幣折算差額	298,201	–
Capitalisation issue	資本化發行	(891)	–
Issue of additional shares	發行額外股份	(223)	–
Issue of shares as part of the IPO	首次公開發售發行的股份	1,538,841	–
Share-based compensation	以股份為基礎的報酬	44,702	–
Exercise of share options	行使購股權	2,199	–
<b>Balance as at 31 December 2015</b>	<b>2015年12月31日結餘</b>	4,511,808	(58,162)
<b>Balance as at 1 January 2016</b>	<b>2016年1月1日結餘</b>	<b>4,511,808</b>	<b>(58,162)</b>
Loss for the year	本年虧損	–	(67,261)
Currency translation differences	外幣折算差額	303,664	–
Share-based compensation	以股份為基礎的報酬	48,240	–
<b>Balance as at 31 December 2016</b>	<b>2016年12月31日結餘</b>	<b>4,863,712</b>	<b>(125,423)</b>



# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 31. SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2016:

### 31. 附屬公司

以下列示截止2016年12月31日的主要附屬公司：

Name	Place of incorporation and type of legal entity	Issued/ paid-up capital	Principal activities and place of operation	Proportion of ordinary shares held by the Group (%)
名稱	註冊成立地及法人實體類型	已發行/ 實繳股本	主要業務及運營地點	本集團持有 普通股比例(%)
AAGI	British Virgin Islands ("BVI"), Limited liability company	US\$50,000 美元/ US\$50,000 美元	CBM project development, BVI	100%
亞美大陸煤層氣公司	英屬維京群島(「英屬維京群島」), 有限公司		煤層氣項目開發, 英屬維京群島	100%
AAG Energy (China) Limited	BVI, Limited liability company	US\$5,000 美元/ US\$5,000 美元	CBM project development, BVI	100%
	英屬維京群島, 有限公司		煤層氣項目開發, 英屬維京群島	100%
SAEI	Samoa, Limited liability company	US\$7,000,000 美元/ US\$7,000,000 美元	CBM project development, Samoa	100%
美中能源公司	薩摩亞, 有限公司		煤層氣項目開發, 薩摩亞	100%
Alpha Eagle Limited	Cayman Islands, Limited liability company	US\$1 美元 / US\$1 美元	CBM project development, Cayman Islands	100%
佳鷹有限公司	開曼群島, 有限責任公司		煤層氣項目開發, 開曼群島	100%

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 32. BENEFITS AND INTERESTS OF DIRECTORS

#### (a) Directors' and chief executive's emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2016:

### 32. 董事福利及利益

#### (a) 董事及首席執行官的酬金

各董事及首席執行官的薪酬如下：

截止2016年12月31日：

Name	Fees	Salary	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
姓名	費用	薪金	酌情獎金	福利津貼	員工退休福利計劃	其他有關公司事務管理或其附屬公司承諾的董事的其他服務的支付或接收的報酬	合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Executive Director</b>							
Dr. Stephen Xiangdong Zou	-	7,124	1,781	3,337	76	-	12,318
<b>Non-executive Directors</b>							
Mr. Gordon Sun Kan Shaw	-	-	-	-	-	-	-
Mr. Zhen Wei	-	-	-	-	-	-	-
Mr. Peter Randall Kagan	-	-	-	-	-	-	-
Mr. Zhijie Zeng	-	-	-	-	-	-	-
Mr. Lei Jin	-	-	-	-	-	-	-
Dr. Guiyong Cui	-	-	-	-	-	-	-
Mr. Bo Bai (Note (vi))	-	-	-	-	-	-	-
<b>Independent Non-executive Directors</b>							
Mr. Yaowen Wu	330	-	-	259	-	-	589
Mr. Robert Ralph Parks	405	-	-	313	-	-	718
Dr. Tin Yau Kelvin Wong	88	-	-	33	-	-	121
Mr. Fredrick J. Barrett	381	-	-	313	-	-	694
Mr. Stephen Cheuk Kin Law	237	-	-	54	-	-	291
<b>Chief Executive</b>							
Mr. Carl Lakey (Note (vi))	-	3,104	936	17,589	-	-	21,629
Mr. Jing Li	-	3,745	936	8,243	80	-	13,004

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 32. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

#### (a) Directors' and chief executive's emoluments

(Continued)

For the year ended 31 December 2015:

### 32. 董事福利及利益 (續)

#### (a) 董事及首席執行官的酬金 (續)

截止2015年12月31日：

Name	Fees	Salary	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
姓名	費用	薪金	酌情獎金	福利津貼	員工退休福利計劃	其他有關公司事務管理或其附屬公司承諾的董事的其他服務的支付或接收的報酬	合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
<b>Executive Director</b>							
Dr. Stephen Xiangdong Zou	-	6,526	3,144	1,250	44	-	10,964
<b>Non-executive Directors</b>							
Mr. Gordon Sun Kan Shaw	-	-	-	-	-	-	-
Mr. Zhen Wei	-	-	-	-	-	-	-
Mr. Peter Randall Kagan	-	-	-	-	-	-	-
Mr. Zhijie Zeng	-	-	-	-	-	-	-
Mr. Lei Jin	-	-	-	-	-	-	-
Dr. Guiyong Cui	-	-	-	-	-	-	-
Mr. Bo Bai	-	-	-	-	-	-	-
<b>Independent Non-executive Directors</b>							
Mr. Yaowen Wu	107	-	-	173	-	-	280
Mr. Robert Ralph Parks	107	-	-	187	-	-	294
Dr. Tin Yau Kelvin Wong	107	-	-	178	-	-	285
Mr. Fredrick J. Barrett	107	-	-	195	-	-	302
<b>Chief Executive</b>							
Mr. Carl Lakey	-	3,323	2,054	8,349	-	-	13,726
Mr. Jing Li	-	3,239	831	9,212	44	-	13,326

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 32. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

#### (a) Directors' and chief executives' emoluments

(Continued)

Notes:

- (i) Dr. Stephen Xiangdong Zou is also the chairman of the Company during the years ended 31 December 2015 and 2016.
- (ii) On 28 April 2016, Dr. Tin Yau Kelvin Wong retired as an independent non-executive Director from the Board and ceased to act as the chairman of the Audit Committee and a member of the Nomination Committee.
- (iii) On 28 April 2016, Mr. Zhijie Zeng retired as a non-executive Director from the Board.
- (iv) On 2 July 2016, Mr. Stephen Cheuk Kin Law was appointed as an independent nonexecutive Director, the chairman of the Audit Committee and a member of the Nomination Committee.
- (v) On 30 October 2016, Mr. Carl Lakey resigned as the Co-Chief Executive Officer and Chief Operating Officer of the Company.
- (vi) On 28 February 2017, Mr. Bo Bai resigned as a non-executive Director from the Board.

### 32. 董事福利及利益(續)

#### (a) 董事及首席執行官的酬金(續)

附註：

- (i) 截止2016年及2015年12月31日，鄧向東博士亦為本公司主席。
- (ii) 在2016年4月28日，黃天祐博士辭任董事會獨立非執行董事職務，並且不再擔任審核委員會主席及提名委員會成員。
- (iii) 在2016年4月28日，曾之傑先生辭任董事會非執行董事職務。
- (iv) 在2016年7月2日，Stephen Cheuk Kin Law先生委任為獨立非執行董事、審核委員會主席及提名委員會成員。
- (v) 在2016年10月30日，Carl Lakey先生辭任本公司聯席首席執行官職務及首席營運官職務。
- (vi) 於2017年2月28日，白波先生辭任董事會中非執行董事職務。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 32. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

#### (a) Directors' and chief executives' emoluments

(Continued)

##### Directors' emoluments

Aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the Company or its subsidiary undertaking		Aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking		Total	Total
董事就其作為董事 (不論是本公司或其附屬公司) 的服務支付或應收的總薪酬		董事就其與本公司或其附屬企業的事務管理有關的其他服務而支付或應收的薪酬總額		合計	合計
2016	2015	2016	2015	2016	2015
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
14,731	12,125	–	–	14,731	12,125

Notes: Emoluments above include estimated money value of non-cash benefits: share options, RSUs and insurance premium.

註：上述薪酬包括非現金福利的估計金額：購股權，受限制股份單位和保險費。

#### (b) Directors' retirement benefits

During the year ended 31 December 2016, no retirement benefits operated by the Group was paid or made, directly or indirectly, to or receivable by a director in respect of his services as a director or other services in connection with the management of the affairs of the Company or its subsidiaries (2015: nil).

#### (c) Directors' termination benefits

During the year ended 31 December 2016, no payments or benefits in respect of termination of director's services was paid or made, directly or indirectly, to or receivable by a director; nor is any payable (2015: nil).

### 32. 董事福利及利益 (續)

#### (a) 董事及首席執行官的酬金 (續)

##### 董事薪酬

#### (b) 董事退休福利

截止至2016年12月31日，集團中沒有退休福利被直接或間接的支付或履行，就董事職務或有關本公司或附屬公司的事務管理的其他服務向董事應付的退休福利。(2015年：零)。

#### (c) 董事終止福利

截止2016年12月31日，沒有就董事服務終止向董事支付或履行的直接或間接的任何款項或福利，董事亦沒有應收款項或福利，也沒有任何應付款(2015年：零)。

# Notes to the Consolidated Financial Statements

## 合併財務報表附註

### 32. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

**(d) Consideration provided to third parties for making available directors' services**

During the year ended 31 December 2016, no consideration was provided to or receivable by third parties for making available director's services (2015: nil).

**(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors**

There is no loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities (2015: nil).

**(f) Directors' material interests in transactions, arrangements or contracts**

No significant transactions, arrangements and contracts in relation to the group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2015: nil).

### 32. 董事福利及利益(續)

**(d) 因董事服務向協力廠商提供的報酬**

截止2016年12月31日，沒有因董事服務向協力廠商提供的報酬，協力廠商也沒有應收報酬(2015年：零)。

**(e) 關於以董事、受控制法人及與該董事相關聯的實體的貸款、准貸款及其他交易資料**

沒有以董事、受控制法人及與該董事相關聯的實體的貸款、准貸款及其他交易資料(2015年：零)。

**(f) 董事在交易、安排及合約方面的重大權益**

截止本年度末及全年時間來看，本公司沒有訂立任何與本集團業務有關且本公司董事擁有重大權益(無論是直接或間接)的重大交易、安排及合約(2015年：零)。

# Corporate Information

## 公司資料

### BOARD OF DIRECTORS

#### Executive Director

Dr. Stephen Xiangdong Zou (*Chairman*)

#### Non-executive Directors

Mr. Peter Randall Kagan

Mr. Gordon Sun Kan Shaw

Mr. Zhen Wei

Mr. Zhijie Zeng (retired on 28 April 2016)

Mr. Lei Jin

Dr. Guiyong Cui

Dr. Bo Bai (resigned on 28 February 2017)

Mr. Saurabh Narayan Agarwal  
(appointed on 24 March 2017)

#### Independent Non-executive Directors

Mr. Yaowen Wu

Mr. Robert Ralph Parks

Dr. Tin Yau Kelvin Wong (retired on 28 April 2016)

Mr. Stephen Cheuk Kin Law

Mr. Fredrick J. Barrett

### JOINT COMPANY SECRETARIES

Ms. Yang Lin

Ms. Siu Kuen Lai

### AUTHORIZED REPRESENTATIVES

Mr. Gordon Sun Kan Shaw

Ms. Siu Kuen Lai

### AUDIT COMMITTEE

Mr. Stephen Cheuk Kin Law (*Chairman*)

Mr. Robert Ralph Parks

Mr. Gordon Sun Kan Shaw

### REMUNERATION COMMITTEE

Mr. Robert Ralph Parks (*Chairman*)

Mr. Fredrick J. Barrett

Dr. Bo Bai (resigned on 28 February 2017)

Mr. Saurabh Narayan Agarwal

(appointed on 24 March 2017)

### NOMINATION COMMITTEE

Dr. Stephen Xiangdong Zou (*Chairman*)

Mr. Stephen Cheuk Kin Law

Mr. Yaowen Wu

### NEW BUSINESS COMMITTEE

Mr. Fredrick J. Barrett (*Chairman*)

Mr. Robert Ralph Parks

Mr. Yaowen Wu

Mr. Saurabh Narayan Agarwal  
(appointed on 24 March 2017)

### 董事會

#### 執行董事

鄒向東博士 (*主席*)

#### 非執行董事

Peter Randall Kagan 先生

蕭宇成先生

魏臻先生

曾之杰先生 (於2016年4月28日退任)

金磊先生

崔桂勇博士

白波博士 (於2017年2月28日辭職)

Saurabh Narayan Agarwal 先生  
(於2017年3月24日獲委任)

#### 獨立非執行董事

吳耀文先生

Robert Ralph Parks 先生

黃天祐博士 (於2016年4月28日退任)

羅卓堅先生

Fredrick J. Barrett 先生

#### 聯席公司秘書

林揚女士

黎少娟女士

#### 授權代表

蕭宇成先生

黎少娟女士

#### 審計委員會

羅卓堅先生 (*主席*)

Robert Ralph Parks 先生

蕭宇成先生

#### 薪酬委員會

Robert Ralph Parks 先生 (*主席*)

Fredrick J. Barrett 先生

白波博士 (於2017年2月28日辭職)

Saurabh Narayan Agarwal 先生

(於2017年3月24日獲委任)

#### 提名委員會

鄒向東博士 (*主席*)

羅卓堅先生

吳耀文先生

#### 新業務委員會

Fredrick J. Barrett 先生 (*主席*)

Robert Ralph Parks 先生

吳耀文先生

Saurabh Narayan Agarwal 先生  
(於2017年3月24日獲委任)

# Corporate Information

## 公司資料

### REGISTERED OFFICE

P. O. Box 31119  
Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman KY1-1205  
Cayman Islands

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit 2109-10, 21st Floor  
China Merchants Tower  
Shun Tak Centre  
No. 168-200 Connaught Road Central  
Hong Kong

### PRINCIPAL PLACE OF BUSINESS IN CHINA

1701, 17/F  
Tower A, Landmark Office Towers  
8 North Dongsanhuan Road  
Chaoyang District  
Beijing 100004  
People's Republic of China

### CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Campbells Corporate Services Limited  
Willow House, Cricket Square  
P. O. Box 268  
Grand Cayman, KY1-1104  
Cayman Islands

### HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17th Floor  
Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

### 註冊辦事處

P.O. Box 31119  
Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman KY1-1205  
Cayman Islands

### 香港總部及主要營業地點

香港  
干諾道中 168-200 號  
信德中心  
招商局大廈  
21樓 2109-10 室

### 中國主要營業地點

中華人民共和國  
北京朝陽區  
東三環北路 8 號  
亮馬河大廈 A 座  
17樓 1701 室  
郵編：100004

### 開曼群島股份過戶登記總處

Campbells Corporate Services Limited  
Willow House, Cricket Square  
P.O. Box 268  
Grand Cayman, KY1-1104  
Cayman Islands

### 香港證券登記處

香港中央證券登記有限公司  
香港灣仔  
皇后大道東 183 號  
合和中心  
17樓 1712-1716 室



# Corporate Information

## 公司資料

### PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited  
Bank of Communication Limited, Offshore Banking Unit

### AUDITOR

PricewaterhouseCoopers  
Certified Public Accountants  
22/F, Prince's Building  
Central  
Hong Kong

### LEGAL ADVISERS

As to Hong Kong law and United States law:  
Kirkland & Ellis  
26th Floor, Gloucester Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

As to PRC law:  
King & Wood Mallesons  
40th Floor, Tower A Beijing Fortune Plaza  
7 Dongsuanhuan Zhonglu  
Beijing 10020  
People's Republic of China

As to Cayman Islands law:  
Conyers Dill & Pearman  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### COMPLIANCE ADVISER

Haitong International Capital Limited  
22nd Floor, Li Po Chun Chambers  
189 Des Voeux Road Central  
Hong Kong

### STOCK CODE

2686

### COMPANY'S WEBSITE

[www.aagenergy.com](http://www.aagenergy.com)

### 主要往來銀行

香港上海滙豐銀行有限公司  
交通銀行股份有限公司離岸金融業務中心

### 核數師

羅兵咸永道會計師事務所  
執業會計師  
香港  
中環  
太子大廈22樓

### 法律顧問

香港法律及美國法律：  
凱易律師事務所  
香港  
皇后大道中15號  
置地廣場  
告羅士打大廈26樓

中國法律：  
金杜律師事務所  
中華人民共和國  
北京  
東三環中路7號  
北京財富中心A座40層  
郵編：10020

開曼群島法律：  
Conyers Dill & Pearman  
Cricket Square  
Hutchins Drive  
PO Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

### 合規顧問

海通國際資本有限公司  
香港  
德輔道中189號  
李寶椿大廈22樓

### 股份代號

2686

### 公司網址

[www.aagenergy.com](http://www.aagenergy.com)



AAG Energy Holdings Limited  
亞美能源控股有限公司