



# ENERGY INTERNATIONAL INVESTMENTS HOLDINGS LIMITED

## 能源國際投資控股有限公司\*

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

(Stock code 股份代號 : 353)



2016

Annual Report 年報

\* For identification purpose only 僅供識別

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# CORPORATE INFORMATION

## 公司資料

### BOARD OF DIRECTORS

#### Executive Directors

Ms. Wang Meiyang  
Mr. Chan Wai Cheung Admiral  
Ms. Jin Yuping  
Mr. Lan Yongqiang

#### Independent Non-Executive Directors

Mr. Lee Hoi Yan  
Mr. Wang Jinghua  
Mr. Fung Nam Shan

### AUDIT COMMITTEE

Mr. Lee Hoi Yan (*Chairman*)  
Mr. Wang Jinghua  
Mr. Fung Nam Shan

### REMUNERATION COMMITTEE

Mr. Lee Hoi Yan (*Chairman*)  
Mr. Wang Jinghua  
Mr. Fung Nam Shan  
Mr. Chan Wai Cheung Admiral

### NOMINATION COMMITTEE

Mr. Lee Hoi Yan (*Chairman*)  
Mr. Wang Jinghua  
Mr. Fung Nam Shan  
Mr. Chan Wai Cheung Admiral

### COMPANY SECRETARY

Mr. Chan Wai Cheung Admiral

### AUTHORISED REPRESENTATIVES

Ms. Wang Meiyang  
Mr. Chan Wai Cheung Admiral

### REGISTERED OFFICE

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

### 董事會

#### 執行董事

王美艷女士  
陳偉璋先生  
金玉萍女士  
藍永強先生

#### 獨立非執行董事

李凱恩先生  
王靖華先生  
馮南山先生

#### 審核委員會

李凱恩先生 (*主席*)  
王靖華先生  
馮南山先生

#### 薪酬委員會

李凱恩先生 (*主席*)  
王靖華先生  
馮南山先生  
陳偉璋先生

#### 提名委員會

李凱恩先生 (*主席*)  
王靖華先生  
馮南山先生  
陳偉璋先生

#### 公司秘書

陳偉璋先生

#### 授權代表

王美艷女士  
陳偉璋先生

#### 註冊辦事處

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

# CORPORATE INFORMATION

## 公司資料

### HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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

### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

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

### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111  
Cayman Islands

### LEGAL ADVISERS TO THE COMPANY

*As to Hong Kong Law:*  
C.L. Chow & Macksion Chan, Solicitors

*As to Cayman Islands Law:*  
Conyers Dills & Pearman

### AUDITOR

BDO Limited

### PRINCIPAL BANKERS

DBS Bank (HK) Limited  
Bank of China  
Agricultural Bank of China

### COMPANY'S WEBSITE

<http://energyintl.todayir.com>

### 香港總辦事處及主要營業地點

香港  
皇后大道中99號  
中環中心  
15樓1508室

### 香港股份過戶登記分處

卓佳登捷時有限公司  
香港  
皇后大道東183號  
合和中心22樓

### 開曼群島主要股份過戶登記處

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive  
P.O. Box 2681, Grand Cayman  
KY1-1111  
Cayman Islands

### 本公司法律顧問

*香港法例:*  
周卓立陳啟球陳一理律師事務所

*開曼群島法律:*  
Conyers Dills & Pearman

### 核數師

香港立信德豪會計師事務所有限公司

### 主要往來銀行

星展銀行(香港)有限公司  
中國銀行  
中國農業銀行

### 公司網址

<http://energyintl.todayir.com>

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### OPERATING RESULTS

Energy International Investments Holdings Limited (the “Company”) and its subsidiaries (together referred to as the “Group”) is principally engaged in the oil production, the supply of electricity and heat and the oil and liquefied chemical terminal.

#### (i) Revenue

For the year ended 31 December 2016, the Group’s record revenue was approximately HK\$41 million (2015: HK\$87 million), representing a decrease of approximately HK\$46 million or approximately 53% as compared to the last year. The Group’s revenue is contributed from oil production business and supply of electricity and heat business. No revenue has been generated from the Group’s oil and liquefied chemical terminal since the construction works on the terminal and related facilities are still in progress.

#### (ii) Gross loss

Gross loss of the Group for the year ended 31 December 2016 was approximately HK\$21 million (2015: HK\$44 million). The gross loss arose from both the supply electricity and heat business and the oil production business.

Gross loss arising from the supply electricity and heat business is mainly caused by the decrease in supply of electricity. Without drawing conclusion on negotiation with the People’s Government of Lingshi County (the “Lingshi Government”), Shanxi Zhong Kai Group Lingshi Heat and Power Limited (“Shanxi Zhong Kai Group Lingshi”), a 60% owned subsidiary of the Company, has maintained the workforce even the revenue decreased due to the notice issued by the Lingshi Government dated 23 April 2015 (the “Notice”). Gross loss from the oil production business is mainly attributable to the low selling price and sales volume of crude oil.

The Board believes that (1) after the disposal of the electricity and heat business, which was completed on 17 March 2017; (2) the crude oil price recovered from the bottom level, together with certain cost saving policies such as temporary close down of the less efficient oil wells and minimising of staff costs; and (3) the commencement of generating rental income from the Group’s oil and liquefied chemical terminal, the Group’s gross loss situation will no longer exist in coming years.

### 經營業績

能源國際投資控股有限公司（「本公司」）及其附屬公司（統稱為「本集團」）主要從事產油、熱電以及油品及液體化工品碼頭供應。

#### (i) 收益

截至二零一六年十二月三十一日止年度，本集團錄得收益約為41,000,000港元（二零一五年：87,000,000港元），較去年下降約46,000,000港元，或約53%。本集團之收益來自產油業務及熱電供應業務。本集團的油品及液體化工品碼頭業務並未產生收益，原因是碼頭及相關設施的建設工作仍在進行中。

#### (ii) 毛損

截至二零一六年十二月三十一日止年度，本集團錄得毛損約21,000,000港元（二零一五年：44,000,000港元）。毛損來自熱電供應業務及產油業務。

熱電業務之毛損主要由於供電減少所致。在與靈石縣人民政府（「靈石政府」）磋商尚未達成結果之情況下，儘管因靈石政府發佈之日期為二零一五年四月二十三日的通知（「通知」）導致收益減少，山西中凱集團靈石熱電有限公司（「山西中凱集團靈石」，本公司擁有60%之附屬公司）並無減員。產油業務之毛損主要由於原油售價及銷量雙雙走低。

董事會相信(1)於熱電業務出售事項（於二零一七年三月十七日完成）後；(2)原油價格由低位回升，加上暫時關閉低效油井及盡量削減員工成本等若干節約成本政策；及(3)本集團的油品及液體化工品碼頭開始產生租金收入，本集團的毛損情況於今後將不復存在。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### (iii) Loss attributable to the owners of the Company

The loss attributable to the owners of the Company for the year ended 31 December 2016 was approximately HK\$190 million (2015: HK\$493 million). The loss of the Group has decreased by approximately HK\$303 million or approximately 61% as compared to last year. The loss was mainly resulted from (1) the gross loss of approximately HK\$21 million; and (2) the impairment losses on property, plant and equipment (“PPE”) and intangible assets relating to the cash generating unit to which the PPE and intangible assets of the Group’s oil production business belong (the “Oil Production CGU”) amounted to approximately HK\$11 million and HK\$167 million respectively. The loss was partially offset by the reversal of impairment losses on PPE and prepaid land lease payments relating to PPE and prepaid land lease payments of the supply of electricity and heat business (the “Electricity and Heat CGU”) of approximately HK\$15 million and HK\$2 million respectively.

### (iii) 本公司擁有人應佔虧損

截至二零一六年十二月三十一日止年度，本公司擁有人應佔虧損約為190,000,000港元（二零一五年：493,000,000港元）。相較去年同期，本集團之虧損減少約為303,000,000港元，或約61%。虧損主要是由於(1)毛損約21,000,000港元；及(2)與本集團產油業務的物業、廠房及設備（「物業、廠房及設備」）以及無形資產所屬現金產生單位（「產油現金產生單位」）相關的物業、廠房及設備以及無形資產減值虧損分別約11,000,000港元及167,000,000港元。上述虧損部分被與發電及供熱業務（「熱電現金產生單位」）的物業、廠房及設備以及預付土地租賃款項相關的物業、廠房及設備以及預付土地租賃款項減值虧損撥回分別約15,000,000港元及2,000,000港元所抵銷。

## BUSINESS REVIEW

### Electricity and heat business

For the year ended 31 December 2016, Shanxi Zhong Kai Group Lingshi, in which the Group owns a 60% equity interest, generated revenue of approximately HK\$22 million (2015: HK\$47 million), a decrease of approximately 53% as compared to last year. The decrease in revenue was mainly due to the decrease in electricity consumption and there was no supply of heat energy during the year. In 2016, due to the Notice as further explained below, the supply of electricity to both government authority and local customers continued but with a limited scale.

The loss from the electricity and heat segment before any adjustments relating to the recoverable amount of the Electricity and Heat CGU amounted to approximately HK\$16 million (2015: HK\$35 million).

In the Notice, the Lingshi Government ordered Shanxi Zhong Kai Group Lingshi to shut down the operations of its 2 sets of power generating units before 30 June 2015, for the purposes of anti-pollution and emission reduction.

### 業務回顧

#### 發電及供熱業務

截至二零一六年十二月三十一日止年度，山西中凱集團靈石（本集團擁有其60%股權）錄得收益約為22,000,000港元（二零一五年：47,000,000港元），較去年減少約53%。收益下跌主要乃由於本年度用電量減少及並無供熱。於二零一六年，由於下文詳述之該通知，本公司繼續向政府機關及當地客戶供電，但規模有限。

於進行任何有關熱電現金產生單位之可收回金額之調整之前，熱電分類虧損達約16,000,000港元（二零一五年：35,000,000港元）。

於該通知內，靈石政府以環保和減排為由指令山西中凱集團靈石於二零一五年六月三十日前關閉其兩台發電機組的營運。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Oil business

In 2016, global economic recovery was slow and the growth rate of the Chinese economy has further slowed down. The demand in the petroleum market was weak and although the international crude oil price has improved, it is still at a low level. In the face of the complicated and harsh economic environment, the Group focused on lowering the costs and enhancing efficiency. The operating results before the impairment losses on PPE and intangible assets for the year maintained at the same level as compared with last year.

According to our original planning, we expected that in 2016 we would be able to extract approximately 15,000 metric tonnes of oil. However, the drilling and extraction schedule was delayed during the year due to several interruptions and unexpected circumstances. For the year ended 31 December 2016, we have extracted approximately 10,000 metric tonnes (2015: 17,000 metric tonnes) of oil.

It is not cost effective to drill production well at the current low oil price environment. Our technician has been analysing the data received from existing extraction activities in order to determine if new extraction method should be deployed to save cost. We are still negotiating with technical department of our partner, China National Petroleum Corporation ("CNPC"), and other local expertise in this study.

The results from operations and costs incurred in oil business are detailed as below. In 2016, the Group achieved a turnover of approximately HK\$19 million (2015: HK\$41 million), representing a decrease of 54% as compared with last year. The reportable segment loss of oil production before impairment losses on intangible assets and PPE for 2016 amounted to approximately HK\$30 million (2015: HK\$29 million). The loss was primarily due to the combined impact of the low level in both the selling price and the sales volume of crude oil.

### 石油業務

於二零一六年，全球經濟復甦緩慢，而中國之經濟增長率亦進一步放緩。石油市場需求疲弱，國際原油價格有所回升，但仍在低位徘徊。面對著複雜而艱困之經濟環境，本集團專注於節本增效。年內未計物業、廠房及設備以及無形資產減值虧損之經營業績與去年相比保持在同等水平。

根據原有計劃，我們預期可於二零一六年開採約為15,000公噸石油。然而，由於出現多次干擾及無法預計的狀況，年內的鑽探及開採時間表有所延後。截至二零一六年十二月三十一日止年度，我們已開採約10,000公噸石油（二零一五年：17,000公噸）。

鑒於當前油價低企，鑽探生產井並不具經濟效益。本集團技術人員一直分析從現有開採活動收集得來的數據，以釐定是否應採用嶄新方法開採以節省成本。我們仍與合作夥伴中國石油天然氣集團公司（「中國石油天然氣集團公司」）的技術部人員，以及國內其他油井開採專家進行磋商。

石油業務之經營業績及所涉之成本詳列如下。於二零一六年，本集團錄得之營業額約為19,000,000港元（二零一五年：41,000,000港元），較去年下跌54%。於二零一六年生產石油報告分類錄得之虧損（未計無形資產以及物業、廠房及設備減值虧損）為約30,000,000港元（二零一五年：29,000,000港元），上述虧損主要由於原油售價及銷量雙雙走低的綜合影響所致。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Results from operations

### 經營業績

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Net sales to customers	客戶銷售淨額	18,762	40,675
Other income	其他收入	12	23
Operating expenses	經營開支	(43,052)	(55,798)
Depreciation	折舊	(5,544)	(14,076)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	(11,024)	(33,843)
Impairment loss on intangible assets	無形資產之減值虧損	(166,938)	(408,954)
Results from operations before income tax	除所得稅前經營業績	(207,784)	(471,973)

### Songliao Contract impairment

### 松遼合約減值

As at 31 December 2016, the Company reviewed the carrying amounts of its assets related to the petroleum contract entered into between China Era Energy Power Investment Limited, a wholly-owned subsidiary of the Company, and CNPC on 13 August 2007 (the "Songliao Contract"), and determined that impairment would be necessary. The impairment losses were mainly due to the slower growth rate in oil prices than expected and delays in the drilling and extraction schedules. The planned drilling and extraction schedules were delayed mainly due to the following factors:

- More time spent on the research on the detail structure of underground oil reserve;
- Further determination of the type of wells to be drilled;
- Insufficient funding to expand the production; and
- Environmental concern near the site area by the local authority.

Accordingly, the Company determined that the carrying amounts of the assets related to the Songliao Contract would likely not be recoverable based on the revised timing of future cash flows projected from the Songliao Contract.

於二零一六年十二月三十一日，本公司已檢討中國年代能源投資有限公司（本公司的全資附屬公司）與中國石油天然氣集團公司於二零零七年八月十三日訂立的石油合約（「松遼合約」）的有關資產賬面值，並斷定資產須作出減值。減值虧損主要源於油價較預期增速放緩以及鑽探及開採時間表推遲。原定的鑽探及開採時間表乃主要由於以下因素而延後：

- 對地下石油儲量結構進行詳盡研究花費更多時間；
- 進一步釐定將予鑽挖的油井種類；
- 缺乏足夠資金擴充生產；及
- 地方機關對開採附近地區的環境表示關注。

據此，本公司斷定，鑑於松遼合約預測的未來現金流產生時間已修訂，松遼合約有關資產的賬面值很可能無法收回。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

In assessing the recoverable amount of the Oil Production CGU at 31 December 2016, the Company calculated the value-in-use derived by the discounted cash flow analysis to reflect deferral of development of the property by the revised price and cost considerations. The projected cash flows are based on the following key assumptions:

- Total estimated operating and construction costs of wells of the People's Republic of China (the "PRC") oil field for the remaining terms of the Songliao Contract;
- The crude oil price projection basis by reference to market price of New York Mercantile Exchange WTI ("NYMEX WTI") at the end of 2016; and
- The discount rate by reference to market comparable.

The review on the carrying amounts of the Oil Production CGU resulted in total impairment losses of approximately HK\$177,962,000 (2015: HK\$442,797,000). The impairment losses have been recorded within operating expenses on the face of the consolidated income statement and relates to the Company's segment information in oil production segment.

For the purpose of calculating the recoverable amount of the Oil Production CGU, the following major variables and assumptions were adopted:

- (i) The estimated operating costs of the PRC oil field for the remaining terms of the Songliao Contract would increase and a growth rate of 3% (2015: 3%) was being adopted;
- (ii) According to the terms of the Songliao Contract, when determining the oil price, reference should be made to the transaction prices in the world's major oil markets. Same as last year, the Company has adopted crude oil prices with reference to the rate of change of the NYMEX WTI forecast on crude oil prices.
- (iii) The exchange rates used for conversion between (a) Hong Kong dollars ("HK\$") and Renminbi ("RMB") is RMB1.00 = HK\$1.10 (2015: RMB1.00 = HK\$1.18); and (b) United States dollars ("US\$") and RMB is US\$1.00 = RMB6.95 (2015: US\$1.00 = RMB6.49).

評估二零一六年十二月三十一日產油現金產生單位的可收回金額時，本公司採用現金流折現分析，以經修訂價格及成本代價，計算使用價值，以反映出財產延遲開發的影響。預測現金流是基於以下關鍵假設計算：

- 松遼合約餘下限期內的中華人民共和國（「中國」）油田油井估計營運及建設成本總額；
- 二零一六年年底，原油價格預測基準參考紐約商品期貨交易所輕質低硫原油（「NYMEX WTI」）之市價；及
- 折現率是參考市場可比較數據定出。

檢討產油現金產生單位之賬面值導致減值虧損總額約為177,962,000港元（二零一五年：442,797,000港元）。該減值虧損已記入綜合損益表的經營開支內，並與本公司產油分類資料有關。

就計算產油現金產生單位之可收回金額，已採用下列主要變量及假設：

- (i) 松遼合約餘下年期內的中國油田估計營運成本將會增加，採用之增長率為3%（二零一五年：3%）；
- (ii) 根據松遼合約之條款，於釐定油價時應參考世界主要石油市場之交易價格。與去年相同，本公司所採納之原油價格是參考NYMEX WTI對原油價格預測之變化幅度。
- (iii) (a)港元（「港元」）兌人民幣（「人民幣」）所用匯率為人民幣1.00元=1.10港元（二零一五年：人民幣1.00元=1.18港元）；及(b)美元（「美元」）兌人民幣所用匯率為1.00美元=人民幣6.95元（二零一五年：1.00美元=人民幣6.49元）。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

(iv) As compared with last year's calculation, the management has adopted a delayed drilling and extraction schedules as detailed below:

(iv) 相對於去年之計算，管理層採用推遲的鑽探及開採時間表，詳情如下：

<b>Drilling and extraction schedules</b>					
<b>鑽探及開採時間表</b>					
Years 年度		<b>Variables used in current year projection</b>		<b>Variables used in previous year projection</b>	
		<b>本年度預測所用之變量</b>		<b>過往年度預測所用之變量</b>	
		<b>New wells</b>	<b>Million metric tonnes</b>	<b>New wells</b>	<b>Million metric tonnes</b>
		新油井	百萬公噸	新油井	百萬公噸
2016	二零一六年	–	0.010	–	0.015
		(actual) (實際)	(actual) (實際)		
2017	二零一七年	–	0.010	–	0.148
2018 to 2031	二零一八年至 二零三一年	791	3.434	791	3.495
<b>Total</b>	<b>合計</b>	<b>791</b>	<b>3.454 *</b>	<b>791</b>	<b>3.658</b>

\* For the current year projection, as compared with previous year projection and having considered the production capacity, approximately 204,000 metric tonnes of oil production are assumed to be deferred after the Songliao Contract period, i.e., year 2031.

\* 就本年度預測而言，相較過往年度預測及計及產能後，約204,000公噸石油生產假設延至松遼合約期（即二零三一年）後。

The delay is mainly due to the following factors:

- Cost effective consideration during low oil price environment as expected for years 2016 and 2017;
- Additional time spent on the research on the detail structure of the underground oil reserves;
- Additional time required to determine the type of wells to be drilled;
- Insufficient funding to expand the production in the short run; and
- Tighten environmental concern near the site area by the local authority.

推遲之主要因素如下：

- 於預期二零一六年及二零一七年油價低企之環境下對成本效益的考慮；
- 對地下石油儲量結構進行詳盡研究花費更多時間；
- 釐定將予鑽挖之油井種類需要更多時間；
- 短期內缺乏足夠資金擴充生產；及
- 地方機關對開採附近地區收緊環境政策。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

(iv) The funding requirements for capital expenditure, including well development and well maintenance, on the planned drilling were detailed below:

(iv) 計劃鑽探之資本開支（包括油井開發及油井維護）的資金需求詳情如下：

Years 年度		Capital expenditure 資本開支	
		Variables used in current year projection 本年度預測 所用之變量 HK\$' million 百萬港元	Variables used in previous year projection 過往年度預測 所用之變量 HK\$' million 百萬港元
2016	二零一六年	- (actual) (實際)	9
2017	二零一七年	-	278
2018 to 2031	二零一八年至二零三一年	2,193	1,922
Total	合計	2,193	2,209

The management planned to obtain necessary funding for the capital expenditure from both internal and external sources. Although in current year the net cash generated from operating activities of the Group amounted to approximately HK\$77 million, the management is of the view that it was not beneficial to the Group to spend significant amount on capital expenditure during the low oil price period. Therefore the management has the capital expenditure for subsequent years.

管理層計劃從內部及外部資源撥付資本開支所需資金。然而，於本年度，本集團之營運活動所產生之現金淨額約為77,000,000港元，管理層認為，於低油價期間花費大量資金用於資本開支對本集團並無益處。因此，管理層擁有往後年度之資本開支。

(v) The management assumed that the discount rate will be close to market comparable and a pre-tax discount rate used to determine value-in-use is 17.8% (2015: 18.5%).

(v) 管理層假設折現率將接近市場可資比較折現率，而用以釐定使用價值之除稅前折現率為17.8%（二零一五年：18.5%）。

The review on the carrying amounts of the Oil Production CGU resulted in total impairment losses of approximately HK\$177,962,000 (2015: HK\$442,797,000), which is mainly due to the delays in the drilling and extraction schedules and decrease in projected oil prices.

檢討產油現金產生單位賬面值導致減值虧損總額約為177,962,000港元（二零一五年：442,797,000港元），主要源於鑽探及開採時間表推遲以及預期油價下跌。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Information of oil reserves

Changes in estimated quantities of proved crude oil reserves for the year ended 31 December 2015 and 2016 are indicated as follows:

### 石油儲量資料

截至二零一五年及二零一六年十二月三十一日止年度，探明原油儲量之估計數量之變動列載如下：

		Crude oil 原油 (million metric tonnes) (百萬公噸)
Reserves as at 1 January 2015	於二零一五年一月一日之儲量	3.675
Changes resulted from: Production	因以下事項而產生變動：生產	(0.017)
Reserves as at 31 December 2015	於二零一五年十二月三十一日之儲量	3.658
Changes resulted from: Production	因以下事項而產生變動：生產	(0.010)
Reserves as at 31 December 2016	於二零一六年十二月三十一日之儲量	3.648

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

附註：根據本集團透過共同控制營運分佔於油田之參與權益計算。

### Operation of liquid chemical terminal, storage and logistics facilities business

By end of 2015, the Group has injected RMB115 million (equivalent to approximately HK\$136 million) to Shandong Shundong Port Services Company Limited (山東順東港務有限公司) ("Shundong Port") to obtain 51% equity interest in Shundong Port. Shundong Port owns two sea area use rights covering an aggregate area available for land-forming and reclamation construction of approximately 31.59 hectares in Dongying Port, Shandong Province, the PRC and permitting the construction of reclamation and land-forming for use in sea transportation and port facilities for a 50-years' period running from 13 November 2014 to 12 November 2064 and 23 February 2016 to 22 February 2066 respectively. During 2016, Shundong Port has not yet commenced business and is still in the stage of constructing the liquid chemical terminal, storage and logistics facilities (the "Port and Storage Facilities"). As at the 31 December 2016, Shundong Port has substantially completed the land-forming and reclamation construction of 27.71 hectares of land in Dongying Port.

Since Shundong Port has not yet commenced business, no revenue has been generated in 2016 and a segment loss of approximately HK\$6 million was incurred from the oil and liquefied chemical terminal segment.

### 經營液體化工品碼頭、儲存及物流設施業務

截至二零一五年年底，本集團已向山東順東港務有限公司（「順東港務」）注資人民幣115,000,000元（相當於約136,000,000港元），以取得山東順東51%股權。順東港務擁有兩項使用海域之權利，涵蓋中國山東省東營港可用作土地平整及填海建設總面積為約31.59公頃，並獲許建設填海及土地平整，以供海洋運輸及港口設施使用，營運期為50年，分別自二零一四年十一月十三日起至二零六四年十一月十二日止及二零一六年二月二十三日起至二零六六年二月二十二日止。於二零一六年，由於順東港務尚未開始業務，仍處於建設液體化工品碼頭、儲存及物流設施（「港務及儲存設施」）階段。於二零一六年十二月三十一日，順東港務已實質上完成東營港27.71公頃土地之土地平整及填海建設。

鑒於順東港務尚未開始業務，於二零一六年並無產生收益，而油品及液體化工品碼頭分類錄得分類虧損約6,000,000港元。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### AUDITOR'S MODIFIED OPINION

The Company's auditor does not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2016. The auditor is of the view that because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of the Independent Auditor's Report as set out in pages 53 to 56 of this annual report, the auditor has not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance in the areas below:

**1. *Scope limitation – property, plant and equipment, intangible assets and deferred tax assets and liabilities***

As set out in notes 14, 17 and 29 to the consolidated financial statements, included in the consolidated statement of financial position as at 31 December 2016 are PPE, intangible assets (the "Intangible Assets") and net deferred tax liabilities with carrying amounts of HK\$25,696,000, HK\$389,084,000 and HK\$47,497,000 respectively (2015: HK\$46,167,000, HK\$557,821,000 and HK\$83,358,000 respectively). The PPE and the Intangible Assets are collectively referred to as the "Oil Production Assets" in the Independent Auditor's Report. The Oil Production Assets relate to the operation of oil production business, pursuant to the Songliao Contract entered into with a state-owned enterprise engaged in oil exploration industry (the "State-owned Enterprise") to develop and produce crude oil in Liangjing Block on Songliao Basin in Jilin, the PRC, details of which are set out in note 33 to the consolidated financial statements. The Songliao Contract was firstly entered into between the State-owned Enterprise and a company wholly owned by an individual ("Mr. A") and the Group subsequently acquired the Songliao Contract through the acquisition of the company firstly entering into the Songliao Contract in 2010.

### 核數師之經修訂意見

本公司核數師不會就本集團截至二零一六年十二月三十一日止年度的綜合財務報表發表意見。核數師認為，鑒於本年報第53至第56頁所載獨立核數師報告「不發表意見之基準」一節所述事宜之重要性，核數師尚未能取得充分適當的審計憑證以就綜合財務報表以及綜合財務報表是否已於以下方面遵守香港公司條例之披露規定妥為編製提供審計意見基準：

**1. *範圍限制－物業、廠房及設備、無形資產及遞延稅項資產及負債***

誠如綜合財務報表附註14、17及29所述，計入於二零一六年十二月三十一日之綜合財務狀況表的物業、廠房及設備、無形資產（「無形資產」）及遞延稅項負債淨額的賬面值分別為25,696,000港元、389,084,000港元及47,497,000港元（二零一五年：分別為46,167,000港元、557,821,000港元及83,358,000港元）。物業、廠房及設備以及無形資產於獨立核數師報告中統稱為「產油資產」。根據與一家從事石油勘探行業的國有企業（「國有企業」）訂立以於中國吉林松遼盆地兩井區塊開發及生產原油的松遼合約，詳情載於綜合財務報表附註33，產油資產與產油業務營運相關。松遼合約最初由國有企業與一家由個人（「A先生」）全資擁有的公司訂立，其後本集團透過於二零一零年收購最初訂立松遼合約的公司而收購松遼合約。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

As explained in note 3(a)(i) to the consolidated financial statements, in 2015, the directors of the Company found that Mr. A, the sole shareholder of the company firstly entering into the Songliao Contract at the relevant time, was formally charged by prosecution authorities in the PRC for illegal crime (the "Charge"), possibly involving allegations about improper conduct in obtaining the Songliao Contract. In the preparation of the consolidated financial statements for the years ended 31 December 2015 and 31 December 2016, the directors of the Company have obtained the legal opinions in respect of the Charge which states that there is no adjudication in respect of the Charge and it is not possible to estimate the outcome. The legal opinion also states that if Mr. A is found guilty for his suspected improper conduct in obtaining the Songliao Contract, this might render the Songliao Contract to become voidable and the State-owned Enterprise would be entitled to claim all economic benefits passed to the Group previously under the Songliao Contract from the Group. As a result, the Group may not be able to exercise its right under the Songliao Contract and its Intangible Assets and PPE may be derecognised. In addition, corresponding adjustment may also be required to adjust the related net deferred tax liabilities accordingly.

However, as at the date of this report, there is no adjudication in respect of the Charge and the legal opinion obtained by the Company does not indicate the estimated outcome of the Charge. As a result, the auditor was unable to obtain sufficient appropriate audit evidence concerning (i) the validity of the Songliao Contract and therefore the ownership of the Oil Production Assets; (ii) whether the amount of impairment loss on the Oil Production CGU was appropriately recognised; and (iii) whether any liabilities shall be recognised in the consolidated financial statements in respect of any claims to be initiated by the State-owned Enterprise. Any adjustments that might have been found to be necessary in respect of the above would have a consequential effect on the consolidated statement of financial position as at 31 December 2016, the consolidated income statement for the year then ended and the related elements making up the consolidated statement of changes in equity and the consolidated statement of cash flows.

誠如綜合財務報表附註3(a)(i)進一步闡釋，於二零一五年，本公司董事知悉最初於相關時間訂立松遼合約的該公司唯一股東A先生遭中國檢察當局正式起訴非法經營罪（「該指控」），其中可能涉及其於獲得松遼合約時有不當行為。於編製截至二零一五年十二月三十一日及二零一六年十二月三十一日止年度的綜合財務報表時，本公司董事已就該指控取得法律意見，表明就該指控並未判決，結果難以預計。法律意見亦表示，倘A先生被判在取得松遼合約時涉嫌不當行為，可能導致松遼合約成為無效，且國有企業將有權向本集團索償根據松遼合約先前轉移予本集團的所有經濟利益。因此，本集團可能無法行使其於松遼合約下之權利，且其無形資產以及物業、廠房及設備或會終止確認。此外，可能亦須作出相應調整，以相應調整相關遞延稅項負債淨額。

然而，於本報告日期，該指控尚未有任何裁決，且本公司取得的法律意見並無指示該指控的估計結果。因此，核數師未能就(i)松遼合約之有效性，因而對產油資產之擁有權；(ii)產油現金產生單位的減值虧損金額是否已適當地確認；及(iii)是否須就國有企業提請的任何申索在綜合財務報表中確認任何負債取得充足適當的審計憑證。如需就上述各項作出任何調整，將對於二零一六年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益表及綜合權益變動表及綜合現金流量表之相關組成部分造成相應影響。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

This scope limitation on the Oil Production Assets has first arisen in the consolidated financial statements of the Group for the year ended 31 December 2015, which was the year in which the Charge was discovered and legal proceedings were commenced by the Company in the Cayman Islands (the "Cayman Litigation"). As the trial process of the Charge is beyond the Company's control and the Cayman Litigation has yet to reach the trial and judgment stage, the Company is not in the position to formulate a plan and timeline to remove this scope limitation in the forthcoming year. The Company will inform shareholders of the Company and the public by way of announcement as and when we are aware of any significant development on the Charge and the Cayman Litigation.

Save as disclosed herein, there is no progress in the said Cayman Litigation in 2016. Despite of the Charge, in both the current year and in 2015, the directors of the Company consider that the Songliao Contract will continue to be valid and will be executed on the basis that the Group has a close working relationship with the State-owned Enterprise and, up to the date when the directors approved the consolidated financial statements, there is no indication from the State-owned Enterprise regarding any potential claim or questioning the validity of the Songliao Contract. Based on the presentation of factual findings by the Company's directors and management, the audit committee of the Company is satisfied with the management's judgment on this matter.

產油資產的範圍限制於本集團截至二零一五年十二月三十一日止年度之綜合財務報表中首次出現，於該年度本公司亦發現該指控及展開於開曼群島的法律訴訟（「開曼訴訟」）。由於該指控之審訊過程不由本公司控制及開曼訴訟尚未進展至審訊及判決階段，本公司未能制定計劃及時間表以於來年剔除此範圍限制。倘我們知悉該指控及開曼訴訟有任何重大進展，本公司將刊發公告通知本公司股東及公眾。

除本報告所披露者外，前述開曼訴訟於二零一六年並無進展。儘管出現該指控，本公司董事認為於本年度及於二零一五年松遼合約將繼續有效，並會持續執行，因本集團與國有企業一直保持緊密的合作關係。截至董事批准綜合財務報表當日，國有企業仍無表明提出申索，或質疑松遼合約是否有效。根據本公司董事及管理層呈報的事實發現，本公司審核委員會信納管理層就此事之判斷。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### 2. *Uncertainties relating to going concern*

(i) The Group incurred a loss of HK\$200,964,000 (2015: HK\$531,976,000) for the year ended 31 December 2016; (ii) as at 31 December 2016, the Group had net current liabilities of HK\$353,127,000 (2015: HK\$104,913,000); (iii) as at 31 December 2016, included in current liabilities was the total outstanding construction costs of HK\$420,716,000 (2015: HK\$345,172,000), that are required to repay within one year after the reporting date, in which amounts of HK\$319,177,000 (2015: HK\$315,200,000) and HK\$101,539,000 (2015: HK\$29,972,000) are recognised under other payables and other borrowings respectively and the capital commitment for construction cost was HK\$154,466,000 (2015: HK\$587,704,000); and (iv) as at 31 December 2016, included in current liabilities was bank loan of HK\$49,370,000 (2015: HK\$41,300,000) that was overdue for repayments. These conditions, in the current year and in 2015, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Notwithstanding the foregoing, the directors of the Company have prepared the consolidated financial statements on a going concern basis, the appropriateness of which depends upon the outcome of the underlying assumptions as detailed in note 3(a)(ii) to the consolidated financial statements which include: (i) the Songliao Contract continues to be valid and the Group continues its oil production business, which is the basis on which the directors prepared the cash flow forecast for the next twelve months after 31 December 2016; and (ii) the Group will settle the outstanding construction cost of HK\$180,155,000. For the remaining balances of total construction costs, based on the good relationship with the contractors, the contractors will extend the repayment dates over twelve months after 31 December 2016.

### 2. 有關持續經營的不確定因素

(i)本集團於截至二零一六年十二月三十一日止年度產生虧損200,964,000港元(二零一五年:531,976,000港元);(ii)於二零一六年十二月三十一日,本集團擁有流動負債淨值353,127,000港元(二零一五年:104,913,000港元);(iii)於二零一六年十二月三十一日,納入流動負債之須於報告日期後一年內償付的未償建設成本總額為420,716,000港元(二零一五年:345,172,000港元),其中319,177,000港元(二零一五年:315,200,000港元)及101,539,000港元(二零一五年:29,972,000港元)分別於其他應付款項及其他借款項下確認,及建設成本資本承擔154,466,000港元(二零一五年:587,704,000港元);及(iv)於二零一六年十二月三十一日,納入流動負債之銀行貸款49,370,000港元(二零一五年:41,300,000港元)逾期未還。本年度及二零一五年的該等情況顯示存在重大不明朗因素可能導致對本集團持續經營之能力產生重大疑慮。

儘管上文所述,本公司董事已按持續經營基準編製綜合財務報表,其合適性主要取決於綜合財務報表附註3(a)(ii)所述的相關假設結果,包括:(i)松遼合約繼續生效及本集團繼續其產油業務,此乃董事編製二零一六年十二月三十一日後未來十二個月現金流預測之基準;及(ii)本集團將清償未償建設成本180,155,000港元。而就總建設成本之餘下結餘而言,基於與承包商的友好關係,承包商將還款日期延長至二零一六年十二月三十一日後超過十二個月。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

However, if Mr. A is found guilty for his improper conduct in obtaining the Songliao Contract as mentioned in point 1 above, (i) the Songliao Contract may become invalid; (ii) the Group may not be able to carry out the business relating to oil production as stipulated under the Songliao Contract; and/or (iii) the State-owned Enterprise may be eligible to claim compensation for the economic benefits passed to the Group during the period of the Songliao Contract from the Group. As stated in point 1 above, the auditor was unable to obtain sufficient appropriate audit evidence concerning the validity of the Songliao Contract.

In respect of the Group's settlement of the outstanding construction cost, up to the date of approval of these consolidated financial statements, the Group has not obtained any written confirmations on the delayed payment date from the contractors. There were no alternative audit procedures that the auditor can perform to obtain relevant audit evidence to assess the likelihood that these contractors would extend the repayment dates over twelve months after 31 December 2016.

Accordingly, the auditor was unable to satisfy themselves that whether it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2016 on a going concern basis. Should the going concern basis be considered inappropriate, adjustments would have to be made to write down the carrying amounts of the Group's assets to their estimated realisable values, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

The directors of the Company also have prepared the consolidated financial statements for the year ended 31 December 2015 (the "2015 Consolidated Financial Statements") on a going concern basis with underlying assumptions similar to those adopted in 2016 as stated above. In the audit of the 2015 Consolidated Financial Statements, the auditor was also unable to obtain sufficient appropriate audit evidence concerning the validity of the Songliao Contract and the viability of other assumptions. Together with the matter detailed in point 1 above, the auditor did not express an opinion on the consolidated financial statements for the year ended 31 December 2015.

然而，誠如上文第1項所述，倘A先生(i)在取得松遼合約時行為不當的罪名成立，松遼合約可能成為無效；(ii)本集團可能無法進行松遼合約項下所規定與產油相關的業務；及／或(iii)國有企業可能有權向本集團索賠於松遼合約期間轉移予本集團的經濟利益。誠如上文第1項所述，核數師未能就松遼合約的有效性取得充分適當的審計憑證。

就本集團清償未償建設成本而言，直至該等綜合財務報表批准日期，本集團尚未獲得承包商就延遲付款日期之任何書面確認。核數師無法執行其他審計程序，以獲得相關審計憑證評估該等承包商是否可能將還款日期延長至二零一六年十二月三十一日後超過十二個月。

因此，核數師無法信納按持續經營基準編製截至二零一六年十二月三十一日止年度之綜合財務報表是否恰當。倘認為持續經營基準並不恰當，則須進行調整，將本集團資產的賬面值撇減至其估計可變現價值，並就可能產生之任何額外負債作出撥備，以及將非流動資產及非流動負債分別重新歸類為流動資產及流動負債。該等調整之影響並無於綜合財務報表內反映。

本公司董事亦已根據持續經營基準編製截至二零一五年十二月三十一日止年度之綜合財務報表（「二零一五年綜合財務報表」），所採納之相關假設與上述二零一六年所採納的相近。於審計二零一五年綜合財務報表時，核數師亦未能就松遼合約的有效性及其他假設的有效性取得充分適當的審計憑證。核數師並未對上述第1項詳述之事項，連同截至二零一五年十二月三十一日止年度的綜合財務報表發表意見。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

The uncertainty of going concern has first arisen as the basis of disclaimer in the consolidated financial statements of the Group for the year ended 31 December 2015, which was the year in which the Charge was discovered and the Cayman Litigation was commenced by the Company. Since 2015, the Company has taken the following measures to alleviate its net current liabilities position: (a) entering into a sale and purchase agreement to dispose of the electricity and heat business which has poor performance in recent years, especially after the issuing of the Notice by the Lingshi Government; (b) focusing on lowering the costs and enhancing efficiency during the operation of the oil business; (c) delaying the drill schedule of oil production wells and capital expenditure at the current low oil price environment; (d) conducting share and convertible bond placements to raise aggregate net cash proceeds of approximately HK\$347 million during 2015; (e) acquiring 51% effective interest in Shundong Port and entering into a lease agreement to lease the Port and Storage Facilities, which is expected to provide an opportunity for the Company to generate a stable rental income, to expedite the Group's recovery of investment costs and to deliver reasonable return on capital to the Group from the operation of liquid chemical terminal, storage and logistics facilities business; (f) negotiating with certain contractors to extend the repayment dates over twelve months after 31 December 2016; and (g) obtaining banking facilities and certain medium term loans to finance the construction of the Port and Storage Facilities.

As the trial process of the Charge is beyond the Company's control and the Cayman Litigation has yet to reach the trial and judgment stage, the Company is not in the position to formulate a plan and timeline to eliminate or alleviate the cash flow limitation and the uncertainty of going concern in the forthcoming year. The Company will inform shareholders of the Company and the public by way of announcement as and when we are aware of any significant development on the Charge and the Cayman Litigation.

The directors and management of the Company will continue to explore alternative funding sources by continuing to approach banks and financial institutions to raise additional capital by way of debt or equity fund-raising. The Company will inform shareholders of the Company and the public by way of announcement as and when we make any progress on any of these fund-raising efforts. Based on the presentation of factual findings by the Company's directors and management, the audit committee of the Company is satisfied with the management's judgment on this matter.

持續經營不確定因素於本集團截至二零一五年十二月三十一日止年度之綜合財務報表中不發表意見之基準中首次提出，而本公司亦於該年度發現該指控及展開開曼訴訟。由二零一五年起，本公司已採取以下措施紓緩其流動負債淨值狀況：(a)訂立買賣協議，以出售近年來（尤其於靈石政府發出通知後）表現不佳之發電及供熱業務；(b)專注於經營石油業務時之節本增效；(c)於當前油價低企環境延後鑽探石油生產井及資本開支時間表；(d)於二零一五年進行股份及可換股債券配售，籌集現金款項淨額總額約347,000,000港元；(e)收購順東港務51%實際權益及簽訂一份出租港口及儲存設施之租賃協議，預期可透過經營液體化工品碼頭、儲存及物流設施業務以提供機會賺取穩定租金收入，加快本集團收回投資成本之速度，並讓本集團實現合理資金回報；(f)與若干承包商磋商延長還款日期超過十二個月至二零一六年十二月三十一日後；及(g)獲得銀行融資及若干中期貸款，以為興建港口及儲存設施提供資金。

由於該指控之審訊過程不由本公司控制及開曼訴訟尚未進展至審訊及判決階段，本公司未能制定計劃及時間表以於來年消除或減輕現金流量限制及持續經營之不確定性。倘我們知悉該指控及開曼訴訟有任何重大進展，本公司將刊發公告通知本公司股東及公眾。

本公司董事及管理層將不斷接觸銀行及財務機構，繼續探討其他資金來源，務求以債務或股本集資方法募集額外資金。倘我們就任何該等集資計劃達成任何進展，本公司將刊發公告通知本公司股東及公眾。根據本公司董事呈報的事實發現，本公司審核委員會信納管理層就此事項的判斷。



# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### FINANCIAL REVIEW

#### Liquidity, financial resources and capital structure

As at 31 December 2016, the Group had total assets of approximately HK\$1,846 million (2015: HK\$1,511 million), total liabilities of approximately HK\$1,381 million (2015: HK\$824 million), indicating a gearing ratio of 0.75 (2015: 0.55) on the basis of total liabilities over total assets. The current ratio of the Group for the year was 0.51 (2015: 0.79) on basis of current assets over current liabilities.

As at 31 December 2016, the Group had bank and other borrowings of approximately HK\$214,627,000 and HK\$140,290,000 respectively (2015: HK\$41,300,000 and HK\$42,505,000 respectively). The aggregate bank deposits and cash in hand of the Group were approximately HK\$238,814,000 (2015: HK\$238,282,000).

As at 31 December 2016, the convertible bonds outstanding principal amount of (i) HK\$628,160,000, had been due on 31 December 2015 not carrying any interest with right to convert the convertible bonds into ordinary shares of the Company. The adjusted conversion price is HK\$0.8 per share (subject to adjustments) and a maximum number of 785,200,000 shares may be allotted and issued upon exercise of the conversion rights attached to the convertible bonds in full; and (ii) HK\$190,000,000 due on 15 September 2018 carrying interest of 5% per annum with right to convert the convertible bonds into ordinary shares of the Company. The conversion price is HK\$0.158 per share (subject to adjustments) and a maximum number of 1,202,531,645 shares may be allotted and issued upon exercise of the conversion rights attached to the convertible bonds in full. During the year, no convertible bond was converted to ordinary shares of the Company.

In July 2015, the Group commenced legal actions against the holder(s) of the convertible bonds which were due on 31 December 2015. Details of the litigation can be referred to the Company's announcements dated 4 July 2015, 14 August 2015 and 24 November 2015, respectively.

### 財務回顧

#### 流動資金、財務資源及股本架構

於二零一六年十二月三十一日，本集團之資產總值約為1,846,000,000港元（二零一五年：1,511,000,000港元），負債總額約為1,381,000,000港元（二零一五年：824,000,000港元），按負債總額除以資產總值計算，資本負債比率為0.75（二零一五年：0.55）。本年度本集團之流動比率（按流動資產除以流動負債計算）為0.51（二零一五年：0.79）。

於二零一六年十二月三十一日，本集團銀行及其他借款分別約為214,627,000港元及140,290,000港元（二零一五年：分別為41,300,000港元及42,505,000港元）。本集團之銀行存款及手頭現金合計約為238,814,000港元（二零一五年：238,282,000港元）。

於二零一六年十二月三十一日，未償還可換股債券之本金額為(i) 628,160,000港元，已於二零一五年十二月三十一日到期及不計利息，並且附有權利可將可換股債券兌換為本公司普通股。經調整兌換價為每股0.8港元（可予調整），而倘可換股債券附帶之兌換權獲悉數行使，可配發及發行最多785,200,000股股份；及(ii) 190,000,000港元，於二零一八年九月十五日到期及按年利率5%計息，並且附有權利可將可換股債券兌換為本公司普通股。兌換價為每股0.158港元（可予調整），而倘可換股債券附帶之兌換權獲悉數行使，可配發及發行最多1,202,531,645股股份。年內並無可換股債券兌換為本公司普通股。

於二零一五年七月，本集團向於二零一五年十二月三十一日到期之可換股債券之持有人開展法律訴訟，詳情可參閱本公司日期分別為二零一五年七月四日、二零一五年八月十四日及二零一五年十一月二十四日之公佈。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Contingent liabilities

As at 31 December 2016, the Group did not have any significant contingent liabilities.

### Capital and other commitments

The Group had capital and other commitments contracted but not provided for of approximately HK\$155,167,000 (2015: HK\$588,456,000) and HK\$48,164,000 (2015: HK\$50,622,000) respectively as at 31 December 2016.

### Charges on assets

As at 31 December 2016, the Group's certain PPE of approximately HK\$169,921,000 (2015: Nil), entire sea area use rights of approximately HK\$106,367,000 (2015: Nil) and certain bank deposits of approximately HK\$42,921,000 (2015: HK\$22,000) were pledged for the Group's bills payables and finance lease liabilities.

### Exchange exposure

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

### Employee information

As at 31 December 2016, the Group employed 421 full-time employees (2015: 432). The Group's employment policies are formulated on the performance of individual employees and are reviewed annually in line with industry practice. The Group also provides provident fund schemes (as the case may be) to its employees depending on the location of such employees.

### 或然負債

於二零一六年十二月三十一日，本集團並無任何重大或然負債。

### 資本及其他承擔

本集團於二零一六年十二月三十一日有已訂約但未撥備之資本及其他承擔分別約155,167,000港元（二零一五年：588,456,000港元）及48,164,000港元（二零一五年：50,622,000港元）。

### 資產抵押

於二零一六年十二月三十一日，本集團之若干物業、廠房及設備約169,921,000港元（二零一五年：無）、全部海域使用權約106,367,000港元（二零一五年：無）及若干銀行存款約42,921,000港元（二零一五年：22,000港元）已就本集團之應付票據及融資租賃負債作出抵押。

### 外匯風險

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

### 僱員資料

於二零一六年十二月三十一日，本集團僱用421名全職僱員（二零一五年：432名）。本集團之薪酬政策按個別僱員表現而釐定，並每年檢討以便與業界慣例相符。本集團亦按該等僱員之工作地點向僱員提供公積金計劃（按情況而定）。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Dividend

The directors of the Company do not recommend the payment of any dividend for the year ended 31 December 2016 (2015: Nil).

### FUTURE PLAN AND PROSPECTS

#### Electricity and heat business

On 30 December 2015, Precious New Limited, a wholly-owned subsidiary of the Company, has entered into the sale and purchase agreement with an independent third party who has conditionally agreed to acquire and Precious New Limited has conditionally agreed to sell its shares in Sunlight Rise Limited, intermediate holding company of Shanxi Zhong Kai Group Lingshi, and the sale loan (the "Disposal"). The consideration for the Disposal is HK\$1,500,000 (subject to adjustment). The resolutions in relation to the Disposal was passed as ordinary resolutions in the extraordinary general meeting held on 7 March 2017, and has been completed subsequently on 17 March 2017. By this, the Group has ceased its supply of electricity and heat business.

#### Oil business

In 2017, the recovery of the global economy will remain highly uncertain, The crude oil price is likely to continue to keep at low levels but will be higher than that in 2016. Experienced the drop of approximately 10% recently, the crude oil price is expected to restart its growing trend soon. The Group will continue to improve extraction techniques in order to increase the overall efficiency. The Group will continue to place great emphasis on its scientific and geological researches, increase efforts to make breakthroughs on key techniques, strengthen the meticulous exploration of mature oil field, actively push forward venture exploration in oil field.

Taking into accounts the production capacity of existing wells and facilities and the demand in oil market, it is estimated that the annual oil production of the oil field of the Lower Cretaceous System Quantou Formation Third Member Yangdachengzi Layer which is situated at Liangjing Block of the Songliao Basin at Jilin Province of the PRC in 2017 would be approximately 10,000 metric tonnes (equivalent to 73,000 barrels of oil).

### 股息

本公司董事不建議派付截至二零一六年十二月三十一日止年度之任何股息（二零一五年：無）。

### 未來規劃及展望

#### 發電及供熱業務

於二零一五年十二月三十日，本公司之全資附屬公司寶穎有限公司與獨立第三方訂立買賣協議，買方已有條件地同意收購，而寶穎有限公司亦已有條件地同意出售山西中凱集團靈石之直接控股公司昇暉有限公司之股份及待售貸款（「出售事項」）。出售事項之代價為1,500,000港元（可予調整）。有關出售事項的決議案於二零一七年三月七日舉行的股東特別大會上獲通過為普通決議案，並隨後於二零一七年三月十七日完成。鑒於此，本集團已停止其發電及供熱業務。

#### 石油業務

於二零一七年，全球經濟復甦進度仍不明朗。原油價格有望繼續於低位徘徊，但較二零一六年將有所回升。繼最近下跌約10%後，原油價格預期將很快回升。本集團將繼續改良提取技術，務求提高整體效益。本集團將繼續專注於科學及地質研究，加倍努力取得關鍵技術突破，強化老區精細挖潛，大力推進油田之風險勘探。

倘計及現有油井及設施之產能以及石油市場之需求，估計位於中國吉林省松遼盆地兩井區塊之下白垩統泉頭組三段楊大城子油層之油田於二零一七年之年產油量將約為10,000公噸（相等於73,000桶石油）。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

As disclosed in the Company's announcement dated 4 July 2015 in relation to the legal proceedings brought by, inter alia, the Company against, inter alia, the vendors of and other parties relating to the acquisition of our oil production business (the "Liangjing Project"). Since such litigation is only in a preliminary stage, based on the prevailing situation, the oil production business of the Liangjing Project of the Group is still in normal operation and production and the Group is inclined to continue the ongoing construction work and the related further investment in the Liangjing Project. The Board will closely monitor the operations and performance of the Group's oil production business under the Liangjing Project.

### Operation of liquid chemical terminal, storage and logistics facilities business

Since the completion of the acquisition of 51% effective interest in Shundong Port by the Group in December 2015, the Group had been proactively promoting the continual construction of the Port and Storage Facilities. The original design of the Port and Storage Facilities anticipated four berths for chemical tankers of 10,000 tonnage and two berths for chemical tankers of 5,000 tonnage. With the effort, contribution and investment of the Group, the Group is now working towards the objective of upgrading two 10,000-tonnage berths to 20,000-tonnage and 30,000-tonnage, respectively. Based on the current progress and timetable, the first phase of construction of the Port and Storage Facilities is expected to complete and be ready for commercial operation during 2017.

On 24 October 2016, Shundong Port and an independent third party (the "Lessee") entered into a lease agreement (the "Lease Agreement"), pursuant to which Shundong Port agreed to lease the Port and Storage Facilities to the Lessee. The rent payable by the Lessee to Shundong Port for the Port and Storage Facilities under the Lease Agreement is RMB125 million (approximately HK\$145 million) per annum, which shall be payable in twelve equal instalments on monthly basis in advance. Details of the Lease Agreement can be referred to the circular of the Company dated 17 February 2017.

The Lease Agreement provides an opportunity for the Company to generate a stable rental income from the Port and Storage Facilities, which is expected to expedite the Group's recovery of investment costs and to deliver reasonable return on capital to the Group on this project. In addition, the Lease Agreement is expected to improve the Group's asset and liabilities position in the long run, and to enhance the fund-raising capabilities of Shundong Port in the short run. It is currently expected that any cash derived from the rental income of the Lease Agreement will be retained by Shundong Port for its settlement of indebtedness, ongoing expansion and development plans.

誠如本公司日期為二零一五年七月四日內容有關由(其中包括)本公司等針對(其中包括)收購本集團之產油業務(「兩井項目」)之賣方及其他有關各方而提出之法律程序之公佈所披露,由於該訴訟僅處於初步階段,按照目前狀況,本集團兩井項目之產油業務仍處於正常運作及生產,且本集團傾向繼續兩井項目正在進行的建設工程和相關進一步投資。董事會將密切注視本集團在兩井項目下之產油業務之營運及表現。

### 經營液體化工品碼頭、儲存及物流設施業務

自二零一五年十二月本集團完成收購順東港務51%實際權益以來,本集團一直積極推動續建港口及儲存設施。港口及儲存設施之原設計預期為四個10,000噸之化工船泊位及兩個5,000噸之化工船泊位。隨著本集團之投入、貢獻及投資,本集團現正朝著將兩個10,000噸泊位分別升級為20,000噸及30,000噸之目標努力。按照目前進度及時間表,港口及儲存設施之一期建設可望於二零一七年內完工及投入商業運營。

於二零一六年十月二十四日,順東港務與一獨立第三方(「承租人」)簽訂一份租賃協議(「租賃協議」),據此順東港務同意向承租人出租港口及儲存設施。根據租賃協議,承租人須就港口及儲存設施向順東港務每年支付租金人民幣125,000,000元(約145,000,000港元),有關租金須分十二期等額按月預付。租賃協議之詳情可參閱本公司日期為二零一七年二月十七日之通函。

租賃協議為本公司提供機會以從港口及儲存設施賺取穩定租金收入,預期可加快本集團收回投資成本之速度,並讓本集團透過此項目實現合理資金回報。此外,租賃協議長遠可望改善本集團資產及負債狀況,並可於短期內加強順東港務之集資能力。目前預期租賃協議所得任何現金租金收入將由順東港務用於償付債務、持續擴充及發展計劃。

# MANAGEMENT DISCUSSION AND ANALYSIS

## 管理層討論及分析

### Exploration and mining business

As disclosed in the Company's 2015 annual report, the Board found out that in 2010, the exploration licence held by Qinghai Forest Source Mining Industry Developing Company Limited ("QHFSMI") had been transferred to Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited (內蒙古小紅山源森礦業有限公司) ("Yuen Xian Company") without the Company's knowledge, consent or approval (the "Change of Exploration Right Agreement").

Since then, the Group had commenced legal proceedings (the "Mining Litigations") against Yuen Xian Company with the view to invalidating the Change of Exploration Right Agreement dated 11 November 2009 (which caused the loss of the exploration license by QHFSMI) and seeking to regain the control of QHFSMI and the exploration license. In the past few years, the Group suspended its exploration and mining business pending the outcome of the Mining Litigations.

As announced by the Company on 11 June 2015, 12 June 2015 and 9 March 2016, the Higher People's Court of Qinghai Province had made a final judgment that the change of exploration right agreement was between QHFSMI and Yuen Xian Company was invalid and the Qinghai Province People's Procuratorate had expressed its "no-support" as to the review of the abovementioned final judgement, respectively. Following the conclusion of the Mining Litigations, the Company has appointed the legal advisers in the PRC to enforce the judgement to uphold the Group's right. In the event that the Group could regain the control of QHFSMI, the Group will be in the position to have access to the relevant exploration and mining license and thereafter the Group will perform due diligence review on the mining site. The Group is conducting regular re-assessment on the progress made by its legal advisers and the prospect of the Group's mining segment from time to time.

### 勘探及開採業務

誠如本公司二零一五年年報所披露，董事會發現，由青海森源礦業開發有限公司（「青海森源」）持有之勘探牌照已於二零一零年轉讓予內蒙古小紅山源森礦業有限公司（「源森公司」），而本公司並不知悉、同意或批准（「探礦權變更協議」）。

自此之後，本集團已針對源森公司展開法律訴訟（「礦業訴訟」），旨在尋求判令日期為二零零九年十一月十一日之探礦權變更協議（此協議導致青海森源失去勘探牌照）無效，並尋求重新取得青海森源及勘探牌照之控制權。於過去多年，本集團一直暫停其勘探及開採業務，以待礦業訴訟的結果。

誠如本公司於二零一五年六月十一日、二零一五年六月十二日及二零一六年三月九日所公佈，青海省高級人民法院作出最終判決，即青海森源與源森公司簽署之探礦權變更協議無效，及青海省人民檢察院表明其不支持對上述最終判決的監督申請。礦業訴訟結束後，本公司已委任中國法律顧問執行判決，以維護本集團之權利。倘本集團能重新取得青海森源之控制權，本集團將能取得相關勘探及開採牌照，且本集團其後將對礦場進行盡職審查。本集團將不時對其法律顧問取得之進展及本集團開採分類之前景定期進行重新評估。



# BIOGRAPHICAL DETAILS OF DIRECTORS

## 董事履歷詳情

### EXECUTIVE DIRECTORS

**Ms. Wang Meiyang**, aged 54, was appointed as executive Director of the Company in January 2011. She graduated from a vocational education institute. She was a senior officer of the Office of Dongying Municipal Committee, Shandong Province, Geology Research Institute of Shengli Oilfield, Huaren Group of Shenyang Military Area Command, Chinese Enterprises Dagan Magazine, the Association of Chinese Enterprises Television Stations, American Pan Asia Investment Group Corporation and Kashgar project of Tarim Oilfield in Xinjiang. Ms. Wang has extensive experience in corporate management and leadership.

**Mr. Chan Wai Cheung Admiral**, aged 43, was appointed as independent non-executive Director of the Company in March 2012 and was redesignated as executive Director in November 2013. He was also appointed as the company secretary of the Company in November 2016. He holds a Bachelor of Arts (Honours) in Accountancy from City University of Hong Kong. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He has extensive experience in accounting and auditing field. Mr. Chan is a non-executive director of China Nonferrous Metals Company Limited (stock code: 8306), which is listed on the Growth Enterprise Market ("GEM") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). Mr. Chan is also an independent non-executive director of Carnival Group International Holdings Limited (stock code: 996) and Hanbo Enterprises Holdings Limited (stock code: 1367), both of which are listed on the Main Board of the Stock Exchange. He was an independent non-executive director of Jia Meng Holdings Limited (stock code: 8101), which is listed on the GEM of the Stock Exchange, from September 2013 to May 2016.

**Ms. Jin Yuping**, aged 45, graduated from the undergraduate program in Petroleum Engineering from China University of Petroleum (Huadong) and holds a Master's Degree in Oil and Gas Engineering from China University of Petroleum (Huadong). Ms. Jin has served as head of oil production team and deputy director of oil production in Gudong Oil Production Centre of Sinopec Shengli Oilfield during the period from 2006 to 2012. Currently, Ms. Jin is a Vice President of Beijing Huaxia Taiyue Energy Investment Company Limited. Ms. Jin has accumulated over 20 years of working experience in oil production.

### 執行董事

**王美艷女士**，54歲，於二零一一年一月獲委任為本公司執行董事。彼擁有中專學歷，並先後在山東省東營市委辦公室、勝利油田地質研究院、瀋陽軍區華仁集團、中國企業大觀雜誌社、中國企業電視台協會、美國泛亞投資集團公司及新疆塔里木油田喀什項目部任高級職員。王女士有著豐富的企業管理經驗和領導經驗。

**陳偉璋先生**，43歲，於二零一二年三月獲委任為本公司獨立非執行董事，並於二零一三年十一月調任為執行董事。彼亦於二零一六年十一月獲委任為本公司之公司秘書。彼持有香港城市大學會計學文學士（榮譽）學位。陳先生為香港會計師公會會員及英國特許公認會計師公會資深會員。彼於會計及審核方面累積豐富經驗。陳先生現時為中國有色金屬有限公司（股份代號：8306）之非執行董事，該公司於香港聯合交易所有限公司（「聯交所」）創業板（「創業板」）上市。陳先生亦為嘉年華國際控股有限公司（股份代號：996）及恒寶企業控股有限公司（股份代號：1367）之獨立非執行董事，該兩間公司均於聯交所主板上市。彼自二零一三年九月至二零一六年五月曾擔任聯交所創業板上市公司家夢控股有限公司（股份代號：8101）之獨立非執行董事。

**金玉萍女士**，45歲，在中國石油大學（華東）採油工程本科畢業及持有中國石油大學（華東）石油與天然氣工程碩士學位。於二零零六年至二零一二年期間，金女士曾任中國石油化工勝利油田孤東採油廠採油隊長及採油副礦長。金女士現為北京華夏泰岳能源投資有限公司副總經理。金女士於採油方面累積逾二十年的工作經驗。

## BIOGRAPHICAL DETAILS OF DIRECTORS

### 董事履歷詳情

**Mr. Lan Yongqiang**, aged 49, was appointed as independent non-executive Director of the Company in July 2014 and was re-designated as executive Director in December 2014. He holds a Bachelor of Laws Degree from Lanzhou University. Mr. Lan has extensive experience in investment, mergers and acquisitions as well as in the business of public listing laws. Mr. Lan is currently the chairman of Guangdong Golden Dragon Development Inc. (stock code: 000712), which is listed on the Shenzhen Stock Exchange. Mr. Lan is also a director of Shenzhen Kangmei Biotechnology Co., Ltd. (stock code: 835541) which is quoted on the National Equities Exchange and Quotations System (the New Third Board); a director of Jinhui Liquor Co., Ltd. (stock code: 603919) which is listed on the Shanghai Stock Exchange; and an independent director of Topscore Fashion Shoes Co., Ltd. (stock code: 603608) which is listed on the Shanghai Stock Exchange. Mr. Lan was an independent non-executive director of Guangdong Macro Co., Ltd. (stock code: 00533) which is listed on the Shenzhen Stock Exchange from August 2010 to October 2015.

**藍永強先生**，49歲，於二零一四年七月獲委任為本公司獨立非執行董事，並於二零一四年十二月調任為執行董事。藍先生持有蘭州大學法學學士學位。藍先生於投資、合併與收購及上市法律業務擁有豐富經驗。藍先生現為廣東錦龍發展股份有限公司（股份代號：000712）董事長，該公司於深圳證券交易所上市。藍先生另擔任深圳康美生物科技股份有限公司（股份代號：835541）董事，該公司於新三板掛牌；金徽酒股份有限公司（股份代號：603919）董事，該公司於上海證券交易所上市；廣州天創時尚鞋業股份有限公司（股份代號：603608）獨立董事，該公司於上海證券交易所上市。藍先生自二零一零年八月至二零一五年十月曾為廣東萬家樂股份有限公司（股份代號：00533）之獨立非執行董事，該公司於深圳證券交易所上市。

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Lee Hoi Yan**, aged 33, was appointed as independent non-executive Director of the Company in November 2013. He holds a Bachelor of Commerce from The University of Auckland, New Zealand. Mr. Lee is a member of the Hong Kong Institute of Certified Public Accountants. In the past, Mr. Lee has worked in one of the top-tier international accounting firms. He is currently working in an investment bank. He has extensive experience in the field of accounting, auditing and corporate finance and specialised expertise in mergers and acquisitions and the capital market.

### 獨立非執行董事

**李凱恩先生**，33歲，於二零一三年十一月獲委任為本公司獨立非執行董事。彼持有新西蘭奧克蘭大學商科學士學位。李先生為香港會計師公會會員。李先生之前曾於一間頂級國際會計師行工作。彼目前任職於投資銀行。彼於會計、審核及企業融資方面擁有豐富經驗，並於併購及資本市場領域擁有專業知識。

**Mr. Wang Jinghua**, aged 35, was appointed as independent non-executive Director of the Company in July 2011. He graduated from University of Exeter, United Kingdom. He holds two Bachelor of Arts degrees with major in Internet Computing and Economics & Finance and a Master of Science degree with International Management. From 2009, Mr. Wang acted as a General Manager Assistant in China Western Holdings Co., Ltd. He has most experience in the investment program and contract in the urban construction project.

**王靖華先生**，35歲，於二零一一年七月獲委任為本公司獨立非執行董事。彼畢業於英國埃克賽特大學。彼持有國際商業管理碩士學位、經濟與金融學士學位及計算機專業學士學位。從二零零九年，王先生曾擔任西部發展控股有限公司總經理助理的職務。他擁有投資項目及城市建設項目合同的豐富經驗。

## BIOGRAPHICAL DETAILS OF DIRECTORS

### 董事履歷詳情

**Mr. Fung Nam Shan**, aged 40, holds a bachelor's degree in accounting awarded by the University of Newcastle, Australia. Mr. Fung is a member of the Hong Kong Institute of Certified Public Accountants and a CPA member of the Australian Institute of Certified Public Accountants. Mr. Fung is currently the company secretary and authorized representative of Seamless Green China (Holdings) Limited (listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange (stock code: 8150)), and company secretary and authorized representative of Sky Forever Supply Chain Management Group Limited (listed on the GEM of the Stock Exchange (stock code: 8047)). Mr. Fung served Zhejiang Chang'an Renheng Technology Co., Ltd. (listed on the GEM of the Stock Exchange (stock code: 8139)) as financial controller and company secretary from April 2013 to March 2014. Mr. Fung was employed as financial controller and company secretary of South China Land Limited (listed on the GEM of the Stock Exchange (stock code: 8155)) from February 2010 to April 2013. Mr. Fung served for a reputable property development group as financial controller from 2009 to 2010. He has worked for PricewaterhouseCoopers as an audit manager for several years which brought him strong experience in auditing, accounting and taxation in Hong Kong and the PRC. He has been one of the marketing committee members of The Hong Kong Youth Hostels and also a member of its charity walk organising committee since 2012.

馮南山先生，40歲，持有澳大利亞紐卡素大學會計學士學位。馮先生為香港會計師公會會員及澳大利亞註冊會計師協會註冊會計師會員。彼現時為無縫綠色（集團）有限公司（於聯交所創業板（「創業板」）上市之公司（股份代號：8150））之公司秘書和授權代表以及為宇恒供應鏈集團有限公司（於聯交所創業板上市之公司（股份代號：8047））之公司秘書和授權代表。馮先生於二零一三年四月至二零一四年三月擔任浙江長安仁恒科技股份有限公司（於聯交所創業板上市之公司（股份代號：8139））之財務總監及公司秘書。馮先生曾於二零一零年二月至二零一三年四月擔任南華置地有限公司（於聯交所創業板上市之公司（股份代號：8155））之財務總監及公司秘書。馮先生曾於二零零九年至二零一零年擔任一家知名物業發展集團之財務總監。彼曾於羅兵咸永道會計師事務所任職審核經理多年，因此彼於中國及香港之審核、會計及稅務領域具有豐富經驗。彼自二零一二年起一直擔任香港青年旅舍協會市場推廣委員會成員及慈善步行組織委員會之成員。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

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

### CORPORATE GOVERNANCE PRACTICES

The Company has adopted the Code on Corporate Governance Code and Corporate Governance Report (the "CG Code") set out in Appendix 14 of the Listing Rules. During the year ended 31 December 2016, in the opinion of the directors, the Company has complied with all the code provisions set out in the CG Code except for:

- (i) A.2.1 of the CG Code, the roles of chairman and chief executive officer (the "CEO") should be separate and should not be performed by the same individual. The division of responsibilities between the chairman and CEO should be clearly established and set out in writing. Since the positions of the chairman and CEO are vacated, the Company is still looking for a suitable candidate to fill the vacancy of chairman and CEO;
- (ii) A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. For the year under review, all independent non-executive directors of the Company (the "Directors") have not been appointed for a specific term but they are subject to retirement by rotation at least once every three years in accordance with the Company's Articles of Association;
- (iii) E.1.2 of the CG Code, the chairman of the Board should attend the annual general meeting (the "AGM"). However, the chairman is vacated. One of the executive Directors will attend the AGM and will be available to answer questions at the AGM; and
- (iv) A.6.7 of the CG Code, independent non-executive directors should attend general meetings and develop a balanced understanding of the views of shareholders, Mr. Wang Jinghua and Mr. Lee Hoi Yan, the independent non-executive Directors, were unable to attend the AGM of the Company held on 30 June 2016 due to their other prior engagements.

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

### 企業管治常規

本公司已採納上市規則附錄十四所載之企業管治守則及企業管治報告（「企業管治守則」）。於截至二零一六年十二月三十一日止年度，董事認為，本公司已遵守企業管治守則所載所有守則條文，惟以下情況除外：

- (i) 根據企業管治守則第A.2.1條，主席及行政總裁（「行政總裁」）之角色應獨立區分，且不應由同一人履行。主席與行政總裁間之職責區分應書面清晰訂明。本公司主席及行政總裁目前懸空，本公司仍在物色合適人選填補主席及行政總裁之空缺；
- (ii) 根據企業管治守則第A.4.1條，非執行董事須按指定任期委任，並須膺選連任。於回顧年度，本公司所有獨立非執行董事（「董事」）均非按指定任期委任，惟須按照本公司章程細則至少每三年輪值告退一次；
- (iii) 根據企業管治守則第E.1.2條，董事會主席應出席股東週年大會（「股東週年大會」）。然而，主席職位目前懸空。其中一位執行董事將會出席股東週年大會並於股東週年大會上回答提問；及
- (iv) 根據企業管治守則第A.6.7條，獨立非執行董事應出席股東大會，對股東的意見有公正的了解。獨立非執行董事王靖華先生及李凱恩先生因其他事先安排未能出席本公司於二零一六年六月三十日舉行之股東週年大會。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. The Company has made specific enquiries with all Director and all of them confirmed that they had complied with the required standards set out in the Model Code throughout the year ended 31 December 2016.

### BOARD OF DIRECTORS

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

#### Board Composition

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

#### Executive Directors

Ms. Wang Meiyang  
Mr. Chan Wai Cheung Admiral  
Ms. Jin Yuping  
Mr. Lan Yongqiang

#### Independent Non-Executive Directors

Mr. Lee Hoi Yan  
Mr. Wang Jinghua  
Mr. Fung Nam Shan

### 董事之證券交易活動

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則（「標準守則」）。本公司已向全體董事作出具體查詢，彼等均已確認於截至二零一六年十二月三十一日止年度一直遵守標準守則所載之規定準則。

### 董事會

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

#### 董事會組成

於本年報日期，董事會由七名成員組成，包括四名執行董事及三名獨立非執行董事。年內及直至本年報日期，董事會成員為：

#### 執行董事

王美艷女士  
陳偉璋先生  
金玉萍女士  
藍永強先生

#### 獨立非執行董事

李凱恩先生  
王靖華先生  
馮南山先生



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Biographical details of the Directors of the Company as at the date of this annual report are set out in the “Biographical Details of Directors” section on pages 23 to 25 of this annual report. None of the Directors has any financial, business, family or other material or relevant relationships among members of the Board.

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

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

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

### Directors' Training

In compliance with the Code Provision A.6.5 of the CG Code, the Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge, skills and understanding of the Group and its business or to update their skills and knowledge on the latest development or changes in the relevant regulations, the Listing Rules and corporate governance practices. The Company will also update the Directors of any material changes in the rules and regulations from time to time. According to the confirmations provided by the Directors, all Directors have participated in the continuous professional developments during the year.

於本年報日期，本公司董事履歷詳情載於本年報第23頁至第25頁「董事履歷詳情」一節。董事會成員之間並無任何財務、業務、家庭或其他重大或相關關係。

根據上市規則第3.13條，本公司已自各獨立非執行董事收到一份年度獨立確認書。根據有關確認書內容，本公司認為三名獨立非執行董事均獨立於本公司，且符合上市規則第3.13條所載之特定獨立指引。

### 董事委任、重選及輪替

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

### 董事培訓

為遵守企業管治守則之守則條文第A.6.5條，本公司鼓勵董事參加持續專業進修以發展及更新知識、技能及對本集團及其業務之理解，或應相關法規、上市規則及企業管治常規之最新發展或變動向彼等提供相關方面之最新技能及知識。本公司亦會不時向董事提供有關規則及法規之任何重大變動之最新資料。根據董事提供之確認，本年度內所有董事均已參加持續專業發展。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Board Diversity Policy

On 29 August 2013, the Company adopted the Board diversity policy (the "Board Diversity Policy") in accordance with the requirement set out in the CG Code. The Company recognises that the Board diversity is an essential element contributing to the sustainable development of the Company. In designing the Board's composition, the Board diversity has been considered from a number of aspects, including but not limited to the skills, knowledge, gender, age, cultural and educational background or professional experience. All Board appointments are based on merits and considered against a variety of objective criteria, having due regard for the benefits of diversity on the Board.

The nomination committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time.

### Board Meetings

During the year ended 31 December 2016, 13 Board meetings and one AGM were held and details of attendance are set out as follows:

### 董事會成員多元化政策

於二零一三年八月二十九日，本公司根據企業管治守則所載之規定，採納董事會成員多元化政策（「董事會成員多元化政策」）。本公司視董事會成員多元化為支持其維持可持續發展的關鍵元素。於設計董事會組成時，本公司從多方面考慮董事會成員多元化，包括但不限於技能、知識、性別、年齡、文化及教育背景或專業經驗。董事會所有委任以用人唯才為原則，並在考慮人選時以多個客觀條件充分顧及董事會成員多元化的裨益。

提名委員會將不時適當審議董事會成員多元化政策以確保其行之有效。

### 董事會會議

截至二零一六年十二月三十一日止年度，本公司舉行13次董事會會議及一次股東週年大會，各董事之出席率詳述如下：

		Number of meetings attended/eligible to attend 出席／合資格出席會議次數	
		Board meetings 董事會會議	AGM 股東週年大會
<b>Executive Directors</b>	<b>執行董事</b>		
Ms. Wang Meiyun	王美艷女士	9/13	0/1
Mr. Chan Wai Cheung Admiral	陳偉璋先生	13/13	1/1
Ms. Jin Yuping	金玉萍女士	12/13	0/1
Mr. Lan Yongqiang	藍永強先生	13/13	0/1
<b>Independent Non-Executive Directors</b>	<b>獨立非執行董事</b>		
Mr. Lee Hoi Yan	李凱恩先生	13/13	0/1
Mr. Wang Jinghua	王靖華先生	13/13	0/1
Mr. Fung Nam Shan	馮南山先生	13/13	1/1

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

Every Board member has full and timely access to Board papers and related materials and has unrestricted access to the advice and services of the company secretary, and has the liberty to seek external professional advice if so required.

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

### REMUNERATION COMMITTEE

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

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

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

During the year ended 31 December 2016, the remuneration committee held one meeting to review the remuneration package of the Board members and the senior management. Composition of the remuneration committee and details of members' attendance to the committee are as follows:

每位董事會成員均可全面並適時查閱董事會文件及相關資料，並可隨時取得公司秘書之意見和享用其所提供之服務，及有自由在需要時尋求外部專業意見。

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

### 薪酬委員會

本公司遵照企業管治守則成立薪酬委員會，現時成員包括三名獨立非執行董事及一名執行董事，負責審閱及評估本公司董事及高級管理層之薪酬待遇，並不時向董事會提供推薦建議。

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

薪酬委員會之職權範圍已上載至本公司網站及其供公司通訊用途之正式網站。

截至二零一六年十二月三十一日止年度，薪酬委員會舉行了一次會議，以檢討董事會成員及高級管理層之薪酬待遇。薪酬委員會之組成及委員會成員之出席率詳述如下：

**Number of meetings  
attended/eligible  
to attend**  
出席／合資格  
出席會議次數

Mr. Lee Hoi Yan	李凱恩先生	1/1
Mr. Wang Jinghua	王靖華先生	1/1
Mr. Fung Nam Shan	馮南山先生	1/1
Mr. Chan Wai Cheung Admiral	陳偉璋先生	1/1

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### NOMINATION COMMITTEE

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

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

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

During the year 2016, one meeting of the nomination committee was held. Details of members' attendance to the committee are as follows:

### 提名委員會

本公司遵照企業管治守則成立提名委員會，現時成員包括三名獨立非執行董事及一名執行董事，負責就委任董事及董事會管理層之繼任事宜向董事會提供推薦建議。

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

提名委員會之職權範圍已上載至本公司網站及其供公司通訊用途之正式網站。

於二零一六年，提名委員會舉行過一次會議。成員出席委員會之詳情如下：

Number of meetings attended/eligible to attend 出席／合資格 出席會議次數		
--	--	--

Mr. Lee Hoi Yan	李凱恩先生	1/1
Mr. Wang Jinghua	王靖華先生	1/1
Mr. Fung Nam Shan	馮南山先生	1/1
Mr. Chan Wai Cheung Admiral	陳偉璋先生	1/1

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDIT COMMITTEE

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

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

Four meetings of the audit committee were held during the year to review and approve the financial statements of the Company for the year ended 31 December 2015 and for the six months period ended 30 June 2016, to review the effectiveness of the Group's internal control systems and to discuss matters in relation to continuing connected transactions. The attendances at these meetings are as follows:

### 審核委員會

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

審核委員會之職權範圍已上載至本公司網站及其供公司通訊用途之正式網站。

年內審核委員會已舉行四次會議，以審批本公司截至二零一五年十二月三十一日止年度及截至二零一六年六月三十日止六個月期間之財務報表，檢討本集團內部監控體系的效力及討論持續關連交易相關事項。該等會議之出席率列載如下：

#### Number of meetings attended/eligible to attend 出席／合資格 出席會議次數

Mr. Lee Hoi Yan	李凱恩先生	4/4
Mr. Wang Jinghua	王靖華先生	4/4
Mr. Fung Nam Shan	馮南山先生	4/4



# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### AUDITOR'S REMUNERATION

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

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

The following table sets forth the type of, and estimated fees for, the principal audit services and non-audit services provided by BDO Limited to the Group for the year ended 31 December 2016:

Services rendered	所提供服務	Fees paid/payable
		已付／應付費用
		HK\$'000
		千港元
Audit services	核數服務	1,050
Non-audit services	非核數服務	50
Total	共計	1,100

### RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has delegated its responsibilities of (i) reviewing risk management and internal control to the audit committee; and (ii) designing, implementing and monitoring of the risk management and internal control systems to the management. The Group's internal audit staff is responsible for analysing and appraising the adequacy and effectiveness of risk management and internal control systems.

### 核數師酬金

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

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

下表載列截至二零一六年十二月三十一日止年度由香港立信德豪會計師事務所有限公司提供予本集團之主要核數服務及非核數服務之種類及估計收費：

	Fees paid/payable
	已付／應付費用
	HK\$'000
	千港元
Audit services	1,050
Non-audit services	50
Total	1,100

### 風險管理及內部監控

董事會深知其負責風險管理及內部監控系統以及檢討其成效。該等制度旨在管理而非消除無法實現業務目標之風險，且僅能提供有關重大失實陳述或損失之合理但非絕對的保證。

董事會已將其(i)審閱風險管理及內部監控的職責授予審核委員會；及(ii)設計、實施及監察風險管理及內部監控系統的職責授予管理層。本集團的內部審核人員負責分析及評估風險管理及內部監控系統之充分性及有效性。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

The Board, through the audit committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group for the year ended 31 December 2016, including financial, operational and compliance controls and risk management function.

The management shall report to the Board as soon as practicable for any event which may constitute inside information, and the Board shall decide to make relevant disclosure in a timely manner, if required.

### COMPANY SECRETARY

Mr. Chan Wai Cheung Admiral, the executive Director, was appointed as the company secretary of the Company in November 2016. Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants. He is responsible to the Board for ensuring the Board procedures and all applicable laws, rules and regulations are followed. According to the requirements of Rule 3.29 of the Listing Rules, Mr. Chan had taken no less than 15 hours of relevant professional training during the year.

### SHAREHOLDERS' RIGHT

The rights of shareholders of the Company and the procedures for them to demand a poll on resolutions at shareholders' meetings are contained in the Company's Articles of Association. Details of such rights to demand a poll and the poll procedures are included in all circulars to shareholders and will be explained during the proceedings of meetings. Poll results, if any, will be posted on both the websites of the Stock Exchange and of the Company on or before the next business day of the shareholders' meeting.

董事會透過審核委員會已就本集團截至二零一六年十二月三十一日止年度之風險管理及內部監控系統(包括財務、營運及合規監控以及風險管理效能)之成效進行檢討。

管理層應於切實可行的情況下盡快就任何可能構成內幕消息的事宜向董事會報告，且董事會應及時決定作出相關披露(倘要求)。

### 公司秘書

執行董事陳偉璋先生於二零一六年十一月獲委任為本公司之公司秘書。陳先生為香港會計師公會會員及英國特許公認會計師公會資深會員。彼對董事會負責，確保董事會議事規則以及所有適用法律、規則及規例得到遵守。根據上市規則第3.29條，陳先生於年內已接受不少於15小時之相關專業培訓。

### 股東權利

本公司股東要求在股東大會就決議案以投票方式表決之權利及程序載於本公司章程細則。要求以投票方式表決之有關權利及投票程序詳情載於寄發予股東之所有通函，並將於會議上予以說明。投票結果(如有)將於股東大會下一個營業日或之前刊登於聯交所及本公司網站。

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### Convening of Extraordinary General Meeting

Pursuant to Article 64 of the Articles of Association of the Company, an extraordinary general meeting (“EGM”) shall be convened on the written requisition of one or more shareholders of the Company for the attention of the Board or the company secretary of the Company.

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

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

### Procedures for shareholders to propose a person for election as a Director

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

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

### 召開股東特別大會

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

書面要求須列明要求召開股東特別大會之目的，並由要求者簽署，惟該一名或多名人士於提交書面要求之日期，須持有不少於本公司有權於股東大會上投票之實繳股本十分之一。

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

### 股東提名董事候選人之程序

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

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

# CORPORATE GOVERNANCE REPORT

## 企業管治報告

### INVESTOR RELATIONS

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

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

### DIRECTORS' RESPONSIBILITY FOR PREPARING THE FINANCIAL STATEMENTS

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

The statement of the external auditor of the Company, BDO Limited, about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 52 to 58 of this annual report.

### VOTING BY POLL

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

### 投資者關係

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

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

### 董事就編製財務報表所承擔之責任

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

本公司之外部核數師香港立信德豪會計師事務所有限公司就彼等對本集團財務報表之申報責任作出之聲明載於本年報第52頁至第58頁之獨立核數師報告。

### 投票表決

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

# REPORT OF THE DIRECTORS

## 董事會報告

The Directors present their report and the audited financial statements of the Group for the year ended 31 December 2016.

### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Its principal subsidiaries are engaged in the supply of heat and electricity, the oil production and the operation of liquid chemical terminal, storage and logistics facilities. Details of the Company's principal subsidiaries as at 31 December 2016 are set out in note 35 to the financial statements.

Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business, can be found in the section headed "Management Discussion and Analysis" set out on pages 4 to 22 of this annual report. This discussion forms part of this Report of the Directors.

### RESULTS AND DIVIDEND

The Group's loss for the year ended 31 December 2016 and the state of affairs of the Company and the Group at that date are set out in the financial statements on pages 59 to 180. The Directors do not recommend the payment of any dividend in respect of the year.

### SUMMARY FINANCIAL INFORMATION

The following is a summary of the published consolidated results of the Group for the last five financial years, and the assets, liabilities and non-controlling interests of the Group as at each of the reporting date.

董事會謹提呈本集團截至二零一六年十二月三十一日止年度之董事會報告及經審核財務報表。

### 主要業務及業務回務

本公司之主要業務為投資控股。其主要附屬公司從事熱電供應、產油及經營液體化工品碼頭、儲存及物流設施。本公司於二零一六年十二月三十一日之主要附屬公司之詳情載於財務報表附註35。

香港公司條例附表5所規定該等活動的進一步討論及分析，包括本集團所面臨的主要風險及不明朗因素的描述以及本集團業務未來可能發展的跡象，可參閱本年報第4至第22頁所載「管理層討論及分析」一節。該討論構成本董事會報告的一部分。

### 業績及股息

本集團截至二零一六年十二月三十一日止年度之虧損，以及本公司與本集團於該日之財務狀況載於第59至第180頁之財務報表。董事會不建議派付本年度之任何股息。

### 財務資料概要

下文載有本集團過往五個財政年度之已刊登綜合業績以及本集團於各報告日期之資產、負債及非控股股東權益之概要。



# REPORT OF THE DIRECTORS

## 董事會報告

### Results

### 業績

Year ended 31 December  
截至十二月三十一日止年度

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元	2014 HK\$'000 二零一四年 千港元	2013 HK\$'000 二零一三年 千港元	2012 HK\$'000 二零一二年 千港元
Revenue	收益	40,926	87,480	227,923	292,057	307,131
Loss attributable to:	應佔虧損：					
Owners of the Company	本公司擁有人	(189,971)	(492,568)	(673,621)	(346,802)	(332,719)
Non-controlling interests	非控股股東權益	(10,993)	(39,408)	(86,153)	(7,534)	(910)
		(200,964)	(531,976)	(759,774)	(354,336)	(333,629)

### Assets, liabilities and non-controlling interests

### 資產、負債及非控股股東權益

As at 31 December  
於十二月三十一日

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元	2014 HK\$'000 二零一四年 千港元	2013 HK\$'000 二零一三年 千港元	2012 HK\$'000 二零一二年 千港元
Non-current assets	非流動資產	1,483,549	1,115,057	1,257,568	2,112,535	2,543,343
Current assets	流動資產	362,881	395,769	122,577	152,984	174,084
Total assets	資產總值	1,846,430	1,510,826	1,380,145	2,265,519	2,717,427
Current liabilities	流動負債	716,008	500,682	216,374	235,271	193,688
Non-current liabilities	非流動負債	665,140	322,933	305,846	443,065	557,655
Total liabilities	負債總額	1,381,148	823,615	522,220	678,336	751,343
Net assets	資產淨值	465,282	687,211	857,925	1,587,183	1,966,084
Non-controlling interests	非控股股東權益	115,494	134,411	24,361	111,776	155,780

# REPORT OF THE DIRECTORS

## 董事會報告

### PROPERTY, PLANT AND EQUIPMENT

Details of the movements in the property, plant and equipment of the Company and the Group during the year are set out in note 14 to the financial statements.

### SHARE CAPITAL

There were no movements in the Company's share capital during the year. Details of the share capital during the year are set out in note 30 to the financial statements.

### PRE-EMPTIVE RIGHTS

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

### PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

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

### RESERVES

Details of movements in the reserves of the Company and the Group during the year are set out in note 31(b) to the financial statements and in the consolidated statement of changes in equity respectively.

### DISTRIBUTABLE RESERVES

Under the Companies Law (Revised) of the Cayman Islands, the share premium account of the Company of approximately HK\$2,364 million as at 31 December 2016, is distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business. The share premium account may also be distributed in the form of fully paid bonus shares.

### 物業、廠房及設備

本公司及本集團物業、廠房及設備於年內之變動詳情載於財務報表附註14。

### 股本

年內，本公司之股本並無變動。年內股本之詳情載於財務報表附註30。

### 優先購買權

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

### 購買、出售或贖回本公司之上市證券

本公司或其任何附屬公司於本年度並無購買、出售或贖回本公司任何上市證券。

### 儲備

年內，本公司及本集團之儲備變動詳情分別載於財務報表附註31(b)及綜合權益變動表。

### 可供分派儲備

根據開曼群島公司法（經修訂），本公司於二零一六年十二月三十一日之股份溢價賬約為2,364,000,000港元，乃可供分派予本公司股東，條件為於緊隨建議分派股息日期後，本公司將有能力償付日常業務過程中到期應付之債務。股份溢價賬亦可以繳足紅股方式分派。

# REPORT OF THE DIRECTORS

## 董事會報告

### MAJOR CUSTOMERS AND SUPPLIERS

During the year, the sales to the Group's five largest customers accounted for approximately 97% of the Group's total sales for the year and sales to the largest customer included therein amounted to approximately 46%.

Purchases from the Group's five largest suppliers accounted for approximately 68% of the total purchases for the year and purchases from the largest supplier included therein amounted to approximately 32%.

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

### DIRECTORS

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

#### Executive Directors

Ms. Wang Meiyang  
Mr. Chan Wai Cheung Admiral  
Ms. Jin Yuping  
Mr. Lan Yongqiang

#### Independent Non-executive Directors

Mr. Lee Hoi Yan  
Mr. Wang Jinghua  
Mr. Fung Nam Shan

In accordance with Article 108(A) of the Company's Articles of Association, Mr. Lan Yongqiang, Mr. Wang Jinghua and Mr. Fung Nam Shan will retire by rotation at the forthcoming AGM and are eligible to offer themselves for re-election as Directors. Details of the resolutions to be proposed at the forthcoming AGM for the re-election of retiring Directors will be proposed in the Company's circular in relation to re-election of Directors and notice of AGM.

### 主要客戶及供應商

年內，銷售予本集團五大客戶之數額佔本集團本年度總銷售額約97%，當中銷售予最大客戶之數額約佔46%。

本集團向五大供應商採購之數額佔本集團本年度總採購額約68%，當中向最大供應商採購之數額約佔32%。

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

### 董事

年內及截至本報告日期，本公司之董事如下：

#### 執行董事

王美艷女士  
陳偉璋先生  
金玉萍女士  
藍永強先生

#### 獨立非執行董事

李凱恩先生  
王靖華先生  
馮南山先生

根據本公司章程細則第108(A)條，藍永強先生、王靖華先生及馮南山先生將於即將舉行之股東週年大會上輪值告退，並符合資格及願膺選連任董事。就重選退任董事將於應屆股東週年大會上提呈的決議案詳情將於有關重選董事及股東週年大會通告的本公司通函內提呈。

# REPORT OF THE DIRECTORS

## 董事會報告

### BIOGRAPHICAL DETAILS OF DIRECTORS

Biographical details of the Directors are set out on pages 23 to 25 of the annual report.

### DIRECTORS' SERVICE CONTRACTS

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

### DIRECTORS' REMUNERATION

Details of the remuneration of the Directors during the year ended 31 December 2016 are set out in note 13(a) to the financial statements.

### PERMITTED INDEMNITY PROVISION

A permitted indemnity provision that provides for indemnity against liability incurred by Directors and officers of the Group is currently in force and was in force throughout the year.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

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

### MANAGEMENT CONTRACTS

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

### 董事履歷詳情

董事履歷詳情載於本年報第23頁至第25頁。

### 董事之服務合約

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

### 董事酬金

截至二零一六年十二月三十一日止年度之董事酬金詳情載於財務報表附註13(a)。

### 獲准許彌償條文

規定就本集團董事及高級職員產生之負債作出彌償的獲准許彌償條文現時有效且於整個年度一直有效。

### 董事於交易、安排或合約之權益

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

### 管理合約

年內並無訂立或存在有關本公司整體或任何重大部分業務之管理及行政合約。

# REPORT OF THE DIRECTORS

## 董事會報告

### USE OF PROCEEDS

On 18 September 2015, the Company had completed the placing of convertible bonds under specific mandate (the "CB Placing"). As disclosed in the circular of the Company dated 28 July 2015 (the "Circular"), the net proceeds from the CB Placing in the amount of approximately HK\$294.5 million were intended for acquiring or investing in the potential clean energy project (the "Clean Energy Project") as described in the Company's announcements dated 18 May 2015, 17 September 2015, 2 November 2015 and 24 March 2016 (the "Clean Energy Project Announcements"), if the Company eventually proceeds to acquire or invest in the Clean Energy Project. The Circular further stated that if the CB Placing was completed but the proposed investment in and/or acquisition of the Clean Energy Project does not materialise, it was then the Company's intention to apply the proceeds from the CB Placing (i) as to approximately HK\$140 million for the reduction of the debt level and gearing of the Group (including HK\$100 million for meeting any repayment demands of the Group's current liabilities and HK\$40 million for meeting any repayment demands of the Group's non-current liabilities); (ii) as to HK\$70 million for funding and/or accelerating payment for the ongoing construction works of the Group's oil business; and (iii) as to approximately HK\$84.5 million for the development of the Group's exploration and mining business.

As disclosed in the Company's announcement dated 22 August 2016, as at 31 December 2015, approximately HK\$182.9 million out of the proceeds from the CB Placing were utilised for the acquisition of 100% interest in Mission Achiever Limited (which in turn owns 51% interest in Shundong Port) and approximately HK\$111.6 million of the proceeds from the CB Placing remained unused. As at 30 June 2016, the remaining CB Placing proceeds of approximately HK\$111.6 million were: (i) utilised as to HK\$61.4 million for the injection to Shundong Port by way of further investment; and (ii) unused as to approximately HK\$50.2 million which was reserved for the general working capital of the Group. During the second half of 2016, the remaining CB Placing proceeds of approximately HK\$50.2 million were utilised as to: (i) approximately HK\$22.6 million for the injection into Shundong Port by way of further investment; (ii) approximately HK\$4.7 million for settlement of certain payables and finance costs; and (iii) approximately HK\$16.1 million for general corporate expenses (including staff costs and rental payments).

As at 31 December 2016, approximately HK\$6.8 million of the CB Placing proceeds remained unused, which will be utilised in accordance with the proposed applications set out in the Company's announcement dated 22 August 2016.

### 所得款項用途

於二零一五年九月十八日，本公司完成根據特別授權配售可換股債券（「可換股債券配售」）。誠如本公司日期為二零一五年七月二十八日之通函（「通函」）所披露，倘本公司最終落實收購或投資潔淨能源項目，為數約294,500,000港元之可換股債券配售所得款項淨額擬用作收購或投資潛在潔淨能源項目（「潔淨能源項目」）（載述於本公司日期為二零一五年五月十八日、二零一五年九月十七日、二零一五年十一月二日及二零一六年三月二十四日之公佈（「潔淨能源項目公佈」））。通函進一步呈述，倘可換股債券配售完成但建議投資及／或收購潔淨能源項目並未落實，則本公司屆時擬將可換股債券配售所得款項作以下用途(i)為數約140,000,000港元用作減低本集團之負債水平及資本負債（包括為數約100,000,000港元用於滿足本集團流動負債之償還需求，以及為數約40,000,000港元用於滿足本集團非流動負債之償還需求）；(ii)為數約70,000,000港元用作為本集團進行之石油業務建設工作提供資金及／或加快繳付相關款項；及(iii)為數約84,500,000港元用作發展本集團之探礦及採礦業務。

誠如本公司日期為二零一六年八月二十二日之公佈所披露，於二零一五年十二月三十一日，為數約182,900,000港元之可換股債券配售所得款項已用於收購Mission Achiever Limited（其擁有順東港務51%之權益）全部權益及為數約111,600,000港元之可換股債券配售所得款項仍未動用。於二零一六年六月三十日，剩餘為數約111,600,000港元之可換股債券配售所得款項中：(i) 61,400,000港元已以追加投資之方式注資順東港務；及(ii)約50,200,000港元未獲動用，已保留用作本集團一般營運資金。於二零一六年下半年，剩餘為數約50,200,000港元之可換股債券配售所得款項中：(i)約22,600,000港元已以追加投資之方式注資順東港務；(ii)約4,700,000港元用於支付若干應付款項及財務成本；及(iii)約16,100,000港元用作一般公司開支（包括員工成本及租賃付款）。

於二零一六年十二月三十一日，為數約6,800,000港元之可換股債券配售所得款項仍未動用，將根據本公司日期為二零一六年八月二十二日之公佈所載擬訂用途悉數利用。



# REPORT OF THE DIRECTORS

## 董事會報告

### DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2016, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required to be entered in the register referred to therein pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

### 董事於股份、相關股份及債券之權益及淡倉

於二零一六年十二月三十一日，本公司董事及主要行政人員概無於本公司或其任何相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份、相關股份或債券中擁有任何已根據證券及期貨條例第XV部第7及8分部通知本公司及聯交所，或須根據證券及期貨條例第352條規定於該規定所指之登記冊記錄，或須根據上市規則附錄十所載之標準守則通知本公司及聯交所之權益或淡倉。

### 董事購入股份或債券之權利

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

# REPORT OF THE DIRECTORS

## 董事會報告

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

### 主要股東於本公司股份及相關股份之權益及淡倉

As at 31 December 2016, so far as any Directors are aware based on the disclosure of interest notices filings revealed by the Company from public records, persons (other than the Directors or chief executives of the Company) who have interests or short positions in the shares or underlying shares of the Company which were required to be disclosed to the Company under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

於二零一六年十二月三十一日，據任何董事所知，根據本公司從公開記錄披露之權益披露申報，以下人士（董事或本公司主要行政人員除外）於本公司股份或相關股份中擁有根據證券及期貨條例第XV部第2及第3分部須向本公司披露之權益或淡倉或須記錄於本公司根據證券及期貨條例第336條須予存置之登記冊之權益或淡倉：

Name of Shareholders	Interest in shares 股份權益		Interests in underlying shares 於相關股份之權益			Approximate percentage of issued share capital of the Company 佔本公司已發行股本概約百分比	Notes	
	Personal Interests*	Corporate Interest*	Personal Interests*	Corporate Interest*	Aggregate interest			
股東姓名	個人權益*	公司權益*	個人權益*	公司權益*	總權益	概約百分比	附註	
Giant Crystal Limited ("Giant Crystal")	鉅晶有限公司 (「鉅晶」)	584,800,000	-	785,200,000	-	1,370,000,000	44.92%	1, 3
Mr. Liu Ran ("Mr. Liu")	劉燃先生 (「劉先生」)	-	584,800,000	-	785,200,000	1,370,000,000	44.92%	1, 3
Extra Gain Development Limited ("Extra Gain")	Extra Gain Development Limited (「Extra Gain」)	-	584,800,000	-	785,200,000	1,370,000,000	44.92%	1, 3
Grace Kind Holdings Limited ("Grace Kind")	Grace Kind Holdings Limited (「Grace Kind」)	-	584,800,000	-	785,200,000	1,370,000,000	44.92%	1, 3
鑫都集團有限公司 ("Xindu")	鑫都集團有限公司 (「鑫都」)	-	584,800,000	-	785,200,000	1,370,000,000	44.92%	1, 3
Media Forecast Limited	Media Forecast Limited	253,164,557	-	-	-	253,164,557	8.30%	2
Qin Zhiwen	秦志文	-	253,164,557	-	-	253,164,557	8.30%	2
Deng Zemin	鄧澤民	-	-	240,506,329	-	240,506,329	7.89%	-
Wang Jianxin	王建新	-	-	202,531,646	-	202,531,646	6.64%	-
Wang Dongqian	王東騫	40,000,000	-	113,924,051	-	153,924,051	5.05%	-

\* Beneficial owner

\* 實益擁有人

+ Interests of controlled corporation(s)

+ 受控制法團權益

# REPORT OF THE DIRECTORS

## 董事會報告

### Notes:

1. Based on the filings under Disclosure of Interest (“DI”) under Part XV of the SFO retrieved by the Company from public records, (a) Giant Crystal regarded itself to be interested in 584.8 million shares (the “Restrained Shares”) and Convertible Bonds in the principal amount of HK\$628.16 million (the “Restrained Bonds”) with right to convert the Convertible Bonds into a maximum of 785.2 million shares at a conversion price of HK\$0.80 (as adjusted for the Share Consolidation) per share; (b) Giant Crystal regarded itself to be 62.43% owned by Extra Gain and 37.57% owned by Xindu; and (c) Extra Gain was reportedly wholly owned by Grace Kind, which in turn was reportedly the trustee for Liu’s Trust, a discretionary trust for which Mr. Liu was reported as the founder.

The Restrained Bonds were issued by the Company to Giant Crystal upon completion of the Group’s acquisition (“China Era Transaction”) of the entire equity interest in China International Energy Investments (Hong Kong) Limited (the “Target Company”) (which in turn holds the entire issued share capital of China Era Energy Power Investment Limited) pursuant to the acquisition agreement (the “China Era Agreement”) between, inter alia, the Company’s wholly-owned subsidiary, Cheerful Dragon Limited (“CDL”, as purchaser) and Greater Finance Limited (“Greater Finance”, as Vendor) dated 25 September 2009. As a result of the China Era Transaction, the Company has paid an aggregate consideration of HK\$1,500 million (the “Acquisition Consideration”) comprising, amongst other things, HK\$150 million in cash, shares in the value of HK\$246.24 million (the “Consideration Shares”), promissory notes in the principal amount of HK\$50 million (the “Promissory Notes”) and convertible bonds in principal amount of HK\$1,053.76 million (the “Convertible Bonds”) carrying conversion right to convert to shares of the Company, to Giant Crystal (which was nominated by Greater Finance to be the allottee of the Promissory Notes, the Consideration Shares and the Convertible Bonds).

### 附註：

1. 根據證券及期貨條例第XV部之權益披露（「權益披露」）申報（本公司從公共記錄取得），(a) 鉅晶認為其於584,800,000股股份（「受限制股份」）及本金額為628,160,000港元之可換股債券（「受限制債券」）中擁有權益，可換股債券附有權利可轉換為最多785,200,000股股份，轉換價為每股股份0.80港元（經就股份合併作出調整）；(b) 鉅晶認為其由Extra Gain及鑫都擁有62.43%及37.57%；及(c) 據悉Extra Gain由Grace Kind全資擁有，而Grace Kind據悉則為劉氏信託的受託人，劉先生據悉乃該酌情信託之創辦人。

受限制債券乃由本公司於本集團完成根據由（其中包括）本公司之全資附屬公司怡龍有限公司（「怡龍」，作為買方）與Greater Finance Limited（「Greater Finance」，作為賣方）於二零零九年九月二十五日訂立之收購協議（「中國年代協議」）收購中國國際能源投資（香港）有限公司（「目標公司」）（該公司持有中國年代能源投資有限公司全部已發行股本）全部股權（「中國年代交易」）後，向鉅晶發行。由於進行中國年代交易，本公司已支付總代價1,500,000,000港元（「收購事項代價」），當中包括現金150,000,000港元、價值為246,240,000港元之股份（「代價股份」）、本金額為50,000,000港元之本票（「本票」）及本金額為1,053,760,000港元附帶權利可轉換為本公司股份之可換股債券（「可換股債券」）予鉅晶（獲Greater Finance指定為本票、代價股份及可換股債券之獲配發人）。

# REPORT OF THE DIRECTORS

## 董事會報告

On 2 July 2015 (Cayman Islands time), the Company and CDL commenced legal proceedings (the "Cayman Litigation") in the Grand Court of the Cayman Islands (the "Cayman Court") against various parties including Greater Finance, Mr. Li Weijun (Greater Finance's guarantor under the China Era Agreement) and Giant Crystal (the allottee of the Promissory Notes, the Consideration Shares and the Convertible Bonds as nominated by Greater Finance), whereby the Company sought, inter alia, to rescind the China Era Agreement, to declare the Promissory Notes and the Convertible Bonds are at all times null and void and of no legal effect, to declare the Consideration Shares and any other shares issued upon exercise of the Convertible Bonds be held on trust for the Company and to reward other remedies including damages, on the basis that, inter alia, Greater Finance's warranties and/or representations given in the China Era Transaction were false and misleading and the defendants of the Cayman Litigation wrongly conspired and combined together to defraud the Company and CDL to pay the consideration under the China Era Transaction. On 13 August 2015, the Cayman Court granted an injunction order to restrain the defendants from the conversion of the Restrained Bonds and the disposal and exercise of rights and powers of the Restrained Shares, which was subsequently extended on 7 September 2015.

Up to the date of this report, the Company has not received any DI filings from any of the related parties to reflect any changes of their deemed interest in the relevant shares and underlying shares of the Company in the light of the above developments.

2. The entire issued share capital of Media Forecast Limited is wholly-owned by Mr. Qin Zhiwen. Mr. Qin Zhiwen is deemed to be interested in the shares of the Company held by Media Forecast Limited.
3. On 8 October 2014, the Company underwent a share consolidation (the "Share Consolidation") from ten shares of HK\$0.01 each into one consolidated share of HK\$0.10 each. The number of shares as recorded in the DI filings which were filed before the effective date of Share Consolidation were adjusted by virtue of the Share Consolidation.

於二零一五年七月二日(開曼群島時間),本公司及怡龍入稟開曼群島大法院(「開曼法院」),針對包括Greater Finance、李衛軍先生(中國年代協議項下Greater Finance之保證人)及鉅晶(獲Greater Finance指定為本票、代價股份及可換股債券之獲配發人)等各方展開法律訴訟(「開曼訴訟」),於訴訟中,本公司尋求(其中包括)撤銷中國年代協議、宣告本票及可換股債券在所有時刻均為無效且不具法律效力、宣告代價股份及因可換股債券獲行使所發行之任何其他股份將以信託形式為本公司持有及獲得其他彌償(包括損害賠償),理據為(其中包括)Greater Finance於中國年代交易中作出之保證及/或聲明為虛假及具誤導性,及開曼訴訟之被告人不當串謀及聯手詐騙本公司及怡龍支付中國年代交易項下之代價。於二零一五年八月十三日,開曼法院授出禁制令,限制被告人轉換受限制債券及出售及行使受限制股份之權利及權力,有關限制其後於二零一五年九月七日予以延長。

截至本報告日期,本公司尚未收到任何關連方之任何權益披露申報,以反映彼等於本公司有關股份及相關股份之視作權益因上述發展而出現任何變動。

2. Media Forecast Limited之全部已發行股本由秦志文先生全資擁有。秦志文先生被視為擁有Media Forecast Limited所持有之本公司股份權益。
3. 於二零一四年十月八日,本公司進行股份合併(「股份合併」),將十股每股面值0.01港元之股份合併為一股每股面值0.10港元之合併股份。於股份合併實際日期之前備案之權益披露申報中所記錄之股份數目乃因股份合併作出調整。

# REPORT OF THE DIRECTORS

## 董事會報告

All the interests stated above represent long positions in the ordinary shares of the Company. As at 31 December 2016, no short positions were recorded in the register maintained by the Company under section 336 of the SFO.

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

### SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at the EGM of the Company held on 24 June 2013, the Stock Exchange granted approval of the listing of and permission to deal in the shares to be issued under the share option scheme (the "Share Option Scheme") on 26 June 2013. The purpose of the Share Option Scheme is to provide incentives and rewards to eligible participants who contribute to the success of the Group's operations. Eligible participants of the Scheme include the Company's Directors, employee, consultant, customer, supplier, agent, partner or adviser of or contractor to the Group or a company in which the Group holds an interest or a subsidiary of such company. The Share Option Scheme was adopted on 24 June 2013 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date. The Scheme will expire on 23 June 2023. There was no share option granted and exercised during the year under review and no outstanding share option as at 31 December 2016.

### EQUITY-LINKED AGREEMENTS

For the year, save for the Share Option Scheme previously mentioned, the Company has not entered into any equity-linked agreements, and there did not subsist any equity-linked agreement entered into by the Company as at 31 December 2016.

上述所有權益代表於本公司普通股之好倉。於二零一六年十二月三十一日，於本公司根據證券及期貨條例第336條存置之登記冊中並無淡倉之記錄。

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

### 購股權計劃

根據本公司於二零一三年六月二十四日舉行之股東特別大會上通過之普通決議案，聯交所於二零一三年六月二十六日批准根據購股權計劃（「購股權計劃」）將予發行之股份上市及買賣。購股權計劃乃旨在獎勵及回饋對本集團營運業績的成功曾付出貢獻之合資格參與者。該計劃之合資格參與者包括本公司之董事以及本集團或本集團持有其權益之公司或該公司之附屬公司之僱員、顧問、客戶、供應商、代理商、夥伴、諮詢人或承包商。購股權計劃乃於二零一三年六月二十四日採納，除非另行註銷或修訂，否則由該日期起計十年維持有效。該計劃將於二零二三年六月二十三日屆滿。於回顧年度內概無授出或行使購股權，而於二零一六年十二月三十一日並無未行使之購股權。

### 股權關連協議

年內，除前述購股權計劃外，本公司並無訂立任何股權關連協議，且於二零一六年十二月三十一日並不存在任何由本公司訂立之股權關連協議。



# REPORT OF THE DIRECTORS

## 董事會報告

### CONNECTED AND CONTINUING CONNECTED TRANSACTIONS

On 27 June 2016, Shanxi Zhong Kai Group Lingshi, a non wholly-owned subsidiary of the Company, entered into a master agreement with Shanxi Zhongkai Industry Group Company Limited (“Zhongkai Group”), whereby Shanxi Zhong Kai Group Lingshi will supply and Zhongkai Group and its subsidiaries will purchase such amount of electricity generated by Shanxi Zhong Kai Group Lingshi for a term of approximately 12 months, expiring on 31 December 2016. Details of the continuing connected transactions are as stated in the Company’s announcement dated 27 June 2016.

During the year, details of transaction with subsidiaries of Zhongkai Group, which constituted continuing connected transactions under the Listing Rules, are as follows:

Nature of transaction	交易性質	Amount HK\$’000 金額 千港元
Sale of electricity by the Group	本集團銷售電力	7,581

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

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

The continuing connected transactions have been subject to annual review by the independent non-executive Directors of the Company pursuant to Rule 14A.55 of the Listing Rules and confirmation of the auditor of the Company pursuant to Rule 14A.56 of the Listing Rules.

In respect of the financial year ended 31 December 2016, the independent non-executive Directors of the Company have concluded that the continuing connected transactions have been entered into:

- in the ordinary and usual course of business of the Company;
- either on normal commercial terms or, if there are not sufficient comparable transactions to judge whether they are on normal commercial terms, on terms no less favourable to the Company than terms available to or from (as appropriate) independent third parties; and

### 關連及持續關連交易

於二零一六年六月二十七日，本公司之非全資附屬公司山西中凱集團靈石與山西中凱實業集團有限公司（「中凱實業集團」）訂立一份總協議，據此，山西中凱集團靈石將供應而中凱實業集團及其附屬公司將購買山西中凱集團靈石所生產之有關數量之電力，該協議期限約為十二個月，於二零一六年十二月三十一日到期。持續關連交易之詳情載於本公司日期為二零一六年六月二十七日之公佈內。

於本年度，與中凱實業集團之附屬公司交易（其構成上市規則項下之持續關連交易）詳情如下：

根據上市規則，山西中凱集團靈石之非控股股東中凱實業集團為關連人士。

除上文所披露者外，概無根據上市規則之規定須予披露之關連交易。

根據上市規則第14A.55條，持續關連交易須由本公司之獨立非執行董事每年進行審閱，而根據上市規則第14A.56條，須獲本公司核數師之確認。

就截至二零一六年十二月三十一日止財政年度，本公司之獨立非執行董事認為，持續關連交易已：

- 於本公司之日常一般業務過程中訂立；
- 按一般商業條款訂立，或如無相類交易足以判斷是否為一般商業條款，則按就本公司而言不遜於本公司向獨立第三方提供或由獨立第三方提供予本公司（如適用）之條款訂立；及

# REPORT OF THE DIRECTORS

## 董事會報告

- in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the shareholders as a whole.

The Board has engaged the auditor of the Company to perform certain agreed-upon procedures on the aforesaid continuing connected transaction. Based on the work performed, the auditor has issued a confirmation letter to the Board in accordance with Rule 14A.56 of the Listing Rules. A copy of this confirmation letter has been provided by the Company to the Stock Exchange.

### DIRECTORS' INTERESTS IN A COMPETING BUSINESS

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

### ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE

The Group is committed to contributing to the sustainability of the environment and maintaining a high standard of corporate social governance essential for creating a framework for motivating staff, and contributes to the community in which we conduct our businesses and creating a sustainable return to the Group.

Particulars of the Company's corporate governance practices are set out in the Corporate Governance Report on page 26 of this annual report.

### SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company maintained the amount of public float as required under the Listing Rules during the year ended 31 December 2016.

- 根據有關交易之相關協議按公平合理且符合本公司及股東整體利益之條款訂立。

董事會已委任本公司核數師就上述持續關連交易執行若干議定程序。基於所執行之工作，核數師已根據上市規則第14A.56條向董事會出具確認書。該確認書副本已由本公司提供予聯交所。

### 董事於競爭業務之權益

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

### 環境、社會及企業管治

本集團致力為環境的可持續性出一分力，並維持高水準的企業社會管治，其對營造激勵員工的環境極為重要，而我們於經營業務同時回饋社會，為本集團創造持續回報。

本公司之企業管治常規詳情載於本年報第26頁之企業管治報告中。

### 足夠公眾持股量

根據本公司可取得之公開資料及就董事所知，董事確認截至二零一六年十二月三十一日止年度，本公司維持上市規則所規定之足夠公眾持股量。

# REPORT OF THE DIRECTORS

## 董事會報告

### LITIGATIONS

Details of the litigations of the Group are set out in note 44 to the financial statements.

### EVENTS AFTER THE REPORTING DATE

Details of the events after the reporting date are set out in note 45 to the financial statements.

### RELATIONSHIP WITH STAKEHOLDERS

The Group is committed to operate in a sustainable manner while balancing the interests of its various stakeholders including customers, suppliers and employees. Through regular stakeholder engagement via different channels, the stakeholders are encouraged to give their opinions regarding the environmental, social and governance policies of the Group.

This includes providing quality services to customers, developing effective and mutual beneficial working relationships with its suppliers, and offering competitive remuneration package with safety working environments to employees.

The details of environmental, social and governance policies and performance of the Group will be disclosed in a standalone Environmental, Social and Governance Report, which will be issued in or before July 2017.

### AUDIT COMMITTEE

The audit committee of the Company has reviewed with management the accounting principles and practices adopted by the Group, and discussed internal controls and financial reporting matters including a review of the audited financial statements of the Company for the year ended 31 December 2016. The audit committee comprises three independent non-executive Directors of the Company.

### 訴訟

本集團之訴訟之詳情載於財務報表附註44。

### 報告日期後事項

報告日期後事項詳情載於財務報表附註45。

### 與權益持有人的關係

本集團致力長遠經營，平衡各權益持有人（包括客戶、供應商及僱員）的利益。權益持有人獲鼓勵透過不同渠道定期參與表達對本集團環境、社會及管治的政策意見。

這包括向客戶提供高質服務、與其供應商建立有效互惠的關係，並向僱員提供可觀的薪酬組合及安全工作環境。

本集團環境、社會及管治政策及表現之詳情將於單獨刊發之環境、社會及管治報告中披露，該報告將於二零一七年七月或之前刊發。

### 審核委員會

本公司之審核委員會已與管理層審閱本集團所採納之會計原則及慣例，並就內部監控及財務報告事宜進行討論，包括審閱本公司截至二零一六年十二月三十一日止年度之經審核財務報表。審核委員會成員包括本公司三名獨立非執行董事。

# REPORT OF THE DIRECTORS

## 董事會報告

### AUDITOR

The financial statements for the year ended 31 December 2016 were audited by BDO Limited (“BDO”). BDO retired and, being eligible, offer themselves for reappointment. A resolution will be proposed at the forthcoming annual general meeting of the Company to re-appoint BDO as auditor of the Company.

On behalf of the Board

**Mr. Chan Wai Cheung Admiral**

*Executive Director*

Hong Kong, 27 March 2017

### 核數師

截至二零一六年十二月三十一日止年度之財務報表由香港立信德豪會計師事務所有限公司（「香港立信德豪」）審核。香港立信德豪將退任，並符合資格且願意應聘連任。本公司將於即將舉行之股東週年大會上提呈一項決議案，以重新委任香港立信德豪為本公司之核數師。

代表董事會

**陳偉璋先生**

*執行董事*

香港，二零一七年三月二十七日

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



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

致能源國際投資控股有限公司股東

*(於開曼群島註冊成立的有限公司)*

### DISCLAIMER OF OPINION

### 不發表意見

We were engaged to audit the consolidated financial statements of Energy International Investments Holdings Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 59 to 180, which comprise the consolidated statement of financial position as at 31 December 2016, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

本核數師(以下簡稱「我們」)獲委聘審計列載於第59至180頁能源國際投資控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)的綜合財務報表，此綜合財務報表包括於二零一六年十二月三十一日的綜合財務狀況表與截至該日止年度的綜合損益表、綜合全面收入表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

We do not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2016. Because of the significance of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements and whether the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

我們不會就貴集團截至二零一六年十二月三十一日止年度的綜合財務報表發表意見。鑒於報告下文「不發表意見之基準」一節所述事宜之重要性，我們尚未能取得充分適當的審計憑證以就綜合財務報表以及綜合財務報表是否已遵守香港公司條例之披露規定妥為編製提供審計意見基準。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### BASIS FOR DISCLAIMER OF OPINION

#### 1. *Scope limitation – property, plant and equipment, intangible assets and deferred tax assets and liabilities*

As set out in notes 14, 17 and 29 to the consolidated financial statements, included in the consolidated statement of financial position as at 31 December 2016 are property, plant and equipment (the “PPE”), intangible assets (the “Intangible Assets”) and net deferred tax liabilities with carrying amounts of HK\$25,696,000, HK\$389,084,000 and HK\$47,497,000 respectively (2015: HK\$46,167,000, HK\$557,821,000 and HK\$83,358,000 respectively). The PPE and the Intangible Assets are collectively referred to as the “Oil Production Assets” in this report. The Oil Production Assets relate to the operation of oil production business, pursuant to the oil production sharing contract (the “Songliao Contract”) entered into with a state-owned enterprise engaged in oil exploration industry (the “State-owned Enterprise”) to develop and produce crude oil in Liangjing Block on Songliao Basin in Jilin, the People’s Republic of China (the “PRC”), details of which are set out in note 33 to the consolidated financial statements. The Songliao Contract was firstly entered into between the State-owned Enterprise and a company wholly owned by an individual (“Mr. A”) and the Group subsequently acquired the Songliao Contract through the acquisition of the company firstly entering into the Songliao Contract in 2010.

As further disclosed in note 17, as at 31 December 2015 and 31 December 2016, the directors of the Company estimated the recoverable amount of the cash-generating unit to which the Oil Production Assets belong (the “Oil Production CGU”). As the carrying amounts of the Oil Production CGU exceeded its recoverable amount, impairment losses of HK\$166,938,000 and HK\$11,024,000 were recognised for the year ended 31 December 2016 on the Intangible Assets and the PPE respectively (2015: HK\$408,954,000 and HK\$33,843,000 respectively) (“Impairment”). In estimating the recoverable amounts in both years, the directors of the Company have assumed that the Songliao Contract will remain valid and the Group’s oil production business will continue in operation throughout the Songliao Contract period.

### 不發表意見之基準

#### 1. 範圍限制—物業、廠房及設備、無形資產及遞延稅項資產及負債

誠如綜合財務報表附註14、17及29所述，計入於二零一六年十二月三十一日之綜合財務狀況表的物業、廠房及設備（「物業、廠房及設備」）、無形資產（「無形資產」）及遞延稅項負債淨額的賬面值分別為25,696,000港元、389,084,000港元及47,497,000港元（二零一五年：分別為46,167,000港元、557,821,000港元及83,358,000港元）。物業、廠房及設備以及無形資產於本報告中統稱為「產油資產」。根據與一家從事石油勘探行業的國有企業（「國有企業」）訂立以於中華人民共和國（「中國」）吉林松遼盆地兩井區塊開發及生產原油的產油業務共享合約（「松遼合約」），詳情載於綜合財務報表附註33，產油資產與產油業務營運相關。松遼合約最初由國有企業與一家由個人（「A先生」）全資擁有的公司訂立，其後 貴集團透過於二零一零年收購最初訂立松遼合約的公司而收購松遼合約。

誠如附註17所詳細披露，於二零一五年十二月三十一日及二零一六年十二月三十一日，貴公司董事已估計產油資產所屬現金產生單位（「產油現金產生單位」）的可收回金額。由於產油現金產生單位的賬面值超過其可收回金額，截至二零一六年十二月三十一日止年度就無形資產及物業、廠房及設備分別確認減值虧損166,938,000港元及11,024,000港元（二零一五年：分別為408,954,000港元及33,843,000港元）（「減值」）。在估計兩個年度的可收回金額時，貴公司董事乃假設松遼合約將保持有效，且 貴集團的產油業務於松遼合約期間將持續營運。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

As explained in note 3(a)(i) to the consolidated financial statements, in 2015, the directors of the Company found that Mr. A, the sole shareholder of the company firstly entering into the Songliao Contract at the relevant time, was formally charged by prosecution authorities in the PRC for illegal crime (the "Charge"), possibly involving allegations about improper conduct in obtaining the Songliao Contract. In the preparation of the consolidated financial statements for the years ended 31 December 2015 and 31 December 2016, the directors of the Company have obtained the legal opinions in respect of the Charge which states that there is no adjudication in respect of the Charge and it is not possible to estimate the outcome. The legal opinion also states that if Mr. A is found guilty for his suspected improper conduct in obtaining the Songliao Contract, this might render the Songliao Contract to become voidable and the State-owned Enterprise would be entitled to claim all economic benefits passed to the Group previously under the Songliao Contract from the Group. As a result, the Group may not be able to exercise its right under the Songliao Contract and its Intangible Assets and PPE may be derecognised. In addition, corresponding adjustment may also be required to adjust the related net deferred tax liabilities accordingly.

However, as at the date of this report, there is no adjudication in respect of the Charge and the legal opinion obtained by the Company does not indicate the estimated outcome of the Charge. As a result, we were unable to obtain sufficient appropriate audit evidence concerning (i) the validity of the Songliao Contract and therefore the ownership of the Oil Production Assets; (ii) whether the amount of Impairment was appropriately recognised; and (iii) whether any liabilities shall be recognised in the consolidated financial statements in respect of any claims to be initiated by the State-owned Enterprise. Any adjustments that might have been found to be necessary in respect of the above would have a consequential effect on the consolidated statement of financial position as at 31 December 2016, the consolidated income statement for the year then ended and the related elements making up the consolidated statement of changes in equity and the consolidated statement of cash flows. Because of the matters described above, together with the matter described in point 2 below, in relation to our audit of the consolidated financial statements for the year ended 31 December 2015, we did not express an opinion thereon.

誠如綜合財務報表附註3(a)(i)進一步闡釋，於二零一五年，貴公司董事知悉最初於相關時間訂立松遼合約的該公司唯一股東A先生遭中國檢察當局正式起訴非法經營罪（「該指控」），其中可能涉及其於獲得松遼合約時有不當行為。於編製截至二零一五年十二月三十一日及二零一六年十二月三十一日止年度的綜合財務報表時，貴公司董事已就該指控取得法律意見，表明就該指控並未判決，結果難以預計。法律意見亦表示，倘A先生被判在取得松遼合約時涉嫌不當行為，可能導致松遼合約成為無效，且國有企業將有權向貴集團索償根據松遼合約先前轉移予貴集團的所有經濟利益。因此，貴集團可能無法行使其於松遼合約下之權利，且其無形資產以及物業、廠房及設備或會終止確認。此外，可能亦須作出相應調整，以相應調整相關遞延稅項負債淨額。

然而，於本報告日期，該指控尚未有任何裁決，且貴公司取得的法律意見並無指示該指控的估計結果。因此，我們未能就(i)松遼合約之有效性，因而對產油資產之擁有權；(ii)減值金額是否已適當地確認；及(iii)是否須就國有企業提請的任何申索在綜合財務報表中確認任何負債取得充足適當的審計憑證。如需就上述各項作出任何調整，將對於二零一六年十二月三十一日之綜合財務狀況表、截至該日止年度之綜合損益表及綜合權益變動表及綜合現金流量表之相關組成部分造成相應影響。由於上述事項，連同下述第2項所述事項，就我們對截至二零一五年十二月三十一日止年度綜合財務報表的審計而言，我們對此不發表意見。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### 2. *Uncertainties relating to going concern*

(i) The Group incurred a loss of HK\$200,964,000 (2015: HK\$531,976,000) for the year ended 31 December 2016; (ii) as at 31 December 2016, the Group had net current liabilities of HK\$353,127,000 (2015: HK\$104,913,000); (iii) as at 31 December 2016, included in current liabilities was the total outstanding construction costs of HK\$420,716,000 (2015: HK\$345,172,000), that are required to repay within one year after the reporting date, in which amounts of HK\$319,177,000 (2015: HK\$315,200,000) and HK\$101,539,000 (2015: HK\$29,972,000) are recognised under other payables and other borrowings respectively and the capital commitment for construction cost was HK\$154,466,000 (2015: HK\$587,704,000); and (iv) as at 31 December 2016, included in current liabilities was bank loan of HK\$49,370,000 (2015: HK\$41,300,000) that was overdue for repayments. These conditions, in the current year and in 2015, indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

Notwithstanding the foregoing, the directors of the Company have prepared the consolidated financial statements on a going concern basis, the appropriateness of which depends upon the outcome of the underlying assumptions as detailed in note 3(a)(ii) to the consolidated financial statements which include: (i) the Songliao Contract continues to be valid and the Group continues its oil production business, which is the basis on which the directors prepared the cash flow forecast for the next twelve months after 31 December 2016; and (ii) the Group will settle the outstanding construction cost of HK\$180,155,000. For the remaining balances of total construction costs, based on the good relationship with the contractors, the contractors will extend the repayment dates over twelve months after 31 December 2016.

### 2. *有關持續經營的不確定因素*

(i) 貴集團於截至二零一六年十二月三十一日止年度產生虧損200,964,000港元(二零一五年: 531,976,000港元); (ii)於二零一六年十二月三十一日, 貴集團擁有流動負債淨值353,127,000港元(二零一五年: 104,913,000港元); (iii)於二零一六年十二月三十一日, 納入流動負債之須於報告日期後一年內償付的未償建設成本總額為420,716,000港元(二零一五年: 345,172,000港元), 其中319,177,000港元(二零一五年: 315,200,000港元)及101,539,000港元(二零一五年: 29,972,000港元)分別於其他應付款項及其他借款項下確認, 及建設成本資本承擔154,466,000港元(二零一五年: 587,704,000港元); 及(iv)於二零一六年十二月三十一日, 納入流動負債之銀行貸款49,370,000港元(二零一五年: 41,300,000港元)逾期未還。本年度及二零一五年的該等情況顯示存在重大不明朗因素可能導致對 貴集團持續經營之能力產生重大疑慮。

儘管上文所述, 貴公司董事已按持續經營基準編製綜合財務報表, 其合適性主要取決於綜合財務報表附註3(a)(ii)所述的相關假設結果, 包括: (i)松遼合約繼續生效及 貴集團繼續其產油業務, 此乃董事編製二零一六年十二月三十一日後未來十二個月現金流預測之基準; 及(ii) 貴集團將清償未償建設成本180,155,000港元。而就總建設成本之餘下結餘而言, 基於與承包商的友好關係, 承包商將還款日期延長至二零一六年十二月三十一日後超過十二個月。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

However, if Mr. A is found guilty for his improper conduct in obtaining the Songliao Contract as mentioned in point 1 above, (i) the Songliao Contract may become invalid; (ii) the Group may not be able to carry out the business relating to oil production as stipulated under the Songliao Contract; and/or (iii) the State-owned Enterprise may be eligible to claim compensation for the economic benefits passed to the Group during the period of the Songliao Contract from the Group. As stated in the last paragraph of point 1 above, we are unable to obtain sufficient appropriate audit evidence concerning the validity of the Songliao Contract.

In respect of the Group's settlement of the outstanding construction cost, up to the date of approval of these consolidated financial statements, the Group has not obtained any written confirmations on the delayed payment date from the contractors. There were no alternative audit procedures that we can perform to obtain relevant audit evidence to assess the likelihood that these contractors would extend the repayment dates over twelve months after 31 December 2016.

Accordingly, we were unable to satisfy ourselves that whether it is appropriate to prepare the consolidated financial statements for the year ended 31 December 2016 on a going concern basis. Should the going concern basis be considered inappropriate, adjustments would have to be made to write down the carrying amounts of the Group's assets to their estimated realisable values, to provide for any further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

The directors of the Company also have prepared the consolidated financial statements for the year ended 31 December 2015 (the "2015 Consolidated Financial Statements") on a going concern basis with underlying assumptions similar to those adopted in 2016 as stated above. In our audit of the 2015 Consolidated Financial Statements, we were also unable to obtain sufficient appropriate audit evidence concerning the validity of the Songliao Contract and the viability of other assumptions. Together with the matter detailed in point 1 above, we did not express an opinion on the consolidated financial statements for the year ended 31 December 2015.

然而，誠如上文第1項所述，倘A先生(i)在取得松遼合約時行為不當的罪名成立，松遼合約可能成為無效；(ii) 貴集團可能無法進行松遼合約項下所規定與產油相關的業務；及／或(iii)國有企業可能有權向 貴集團索賠於松遼合約期間轉移予 貴集團的經濟利益。誠如上文第1項最後一段所述，我們未能就松遼合約的有效性取得充分適當的審計憑證。

就 貴集團清償未償建設成本而言，直至該等綜合財務報表批准日期， 貴集團尚未獲得承包商就延遲付款日期之任何書面確認。我們無法執行其他審計程序，以獲得相關審計憑證評估該等承包商是否可能將還款日期延長至二零一六年十二月三十一日後超過十二個月。

因此，我們無法信納按持續經營基準編製截至二零一六年十二月三十一日止年度之綜合財務報表是否恰當。倘認為持續經營基準並不恰當，則須進行調整，將 貴集團資產的賬面值撇減至其估計可變現價值，並就可能產生之任何額外負債作出撥備，以及將非流動資產及非流動負債分別重新歸類為流動資產及流動負債。該等調整之影響並無於綜合財務報表內反映。

貴公司董事亦已根據持續經營基準編製截至二零一五年十二月三十一日止年度之綜合財務報表（「二零一五年綜合財務報表」），所採納之相關假設與上述二零一六年所採納的相近。我們於審計二零一五年綜合財務報表時，亦未能就松遼合約的有效性及其他假設的有效性取得充分適當的審計憑證。我們並未對上述第1項詳述之事項，連同截至二零一五年十二月三十一日止年度的綜合財務報表發表意見。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants ("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 directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with the terms of our engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

However, because of the matters described in the "Basis for Disclaimer of Opinion" section of our report, we are not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements.

### 董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會（「香港會計師公會」）頒佈的《香港財務報告準則》及香港《公司條例》的披露規定編製綜合財務報表，以令綜合財務報表作出真實而公平的反映，及落實其認為編製綜合財務報表所必要的內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

董事編製綜合財務報表時須負責評估 貴集團持續經營的能力、披露持續經營相關事宜（如適用），以及運用持續經營會計基準，除非董事有意將 貴集團清盤或結業，或在沒有其他實際可行辦法、唯有選擇清盤或結業的情況下，則屬例外。

董事亦負責監察本集團的財務申報程序。審核委員會將協助董事履行有關監察 貴集團財務報告程序的責任。

### 核數師就審計綜合財務報表須承擔的責任

我們的責任是根據香港會計師公會頒佈的《香港審計準則》對 貴集團的綜合財務報表進行審計，並發出核數師報告。本報告按照審計業務約定書的條文僅向整體股東報告，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。

然而，基於本報告「不發表意見之基準」一節所述事宜，我們未能取得充分適當的審計憑證，作為對該等綜合財務報表的審計意見的基準。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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.

### **BDO Limited**

*Certified Public Accountants*

### **Au Yiu Kwan**

Practising Certificate Number P05018

Hong Kong, 27 March 2017

根據香港會計師公會的《職業會計師道德守則》（「守則」），我們獨立於 貴集團，並已履行守則中的其他道德責任。

香港立信德豪會計師事務所有限公司

執業會計師

歐耀均

執業證書編號 P05018

香港，二零一七年三月二十七日



# CONSOLIDATED INCOME STATEMENT

## 綜合損益表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Notes	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
		附註		
Revenue	收益	5	40,926	87,480
Cost of sales	銷售成本		(61,957)	(131,917)
Gross loss	毛損		(21,031)	(44,437)
Other income	其他收入	5	3,015	1,229
Reversal of impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損撥回	14	15,349	–
Reversal of impairment loss on prepaid land lease payments	預付土地租賃款項之減值虧損撥回	15	2,179	–
Gain from bargain purchase	議價購買之收益	37	–	24,193
Selling and distribution expenses	銷售及分銷開支		(2,120)	(3,866)
Administrative expenses	行政開支		(52,456)	(42,495)
Other operating expenses, net	其他經營開支淨額		(15,286)	(52,229)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	14	(11,024)	(82,461)
Impairment loss on prepaid land lease payments	預付土地租賃款項之減值虧損	15	–	(6,106)
Impairment loss on intangible assets	無形資產之減值虧損	17	(166,938)	(408,954)
Finance costs	財務成本	7	–	(20,049)
Loss before income tax	除所得稅前虧損	8	(248,312)	(635,175)
Income tax credit	所得稅抵免	9	47,348	103,199
Loss for the year	本年度虧損		(200,964)	(531,976)
<b>Loss for the year attributable to:</b>	<b>應佔本年度虧損：</b>			
Owners of the Company	本公司擁有人		(189,971)	(492,568)
Non-controlling interests	非控股股東權益		(10,993)	(39,408)
			(200,964)	(531,976)
<b>Loss per share for loss attributable to the owners of the Company</b>	<b>本公司擁有人應佔虧損之每股虧損</b>	11		
– Basic and diluted	– 基本及攤薄		(HK cents 5.0港仙)	(HK cents 15.4港仙)

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收入表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Loss for the year</b>	<b>本年度虧損</b>	<b>(200,964)</b>	(531,976)
<b>Other comprehensive income</b>	<b>其他全面收入</b>		
<b>Items that may be reclassified subsequently to profit or loss:</b>	<b>其後可能重新分類至損益之項目：</b>		
Exchange losses on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌虧損	<b>(20,965)</b>	(7,273)
<b>Other comprehensive income for the year</b>	<b>本年度其他全面收入</b>	<b>(20,965)</b>	(7,273)
<b>Total comprehensive income for the year</b>	<b>本年度全面收入總額</b>	<b>(221,929)</b>	(539,249)
<b>Total comprehensive income attributable to:</b>	<b>應佔全面收入總額：</b>		
– Owners of the Company	– 本公司擁有人	<b>(203,012)</b>	(495,532)
– Non-controlling interests	– 非控股股東權益	<b>(18,917)</b>	(43,717)
		<b>(221,929)</b>	(539,249)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		Notes	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
		附註		
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	14	919,260	383,943
Prepaid land lease payments	預付土地租賃款項	15	4,453	3,132
Sea area use rights	海域使用權	16	103,987	114,222
Intangible assets	無形資產	17	389,084	557,821
Deposits and other receivables	按金及其他應收款項	19	17,041	–
Deferred tax assets	遞延稅項資產	29	49,724	55,939
			<b>1,483,549</b>	<b>1,115,057</b>
<b>Current assets</b>	<b>流動資產</b>			
Inventories – raw materials	存貨 – 原材料		1,993	925
Trade and bills receivables	應收貿易賬項及票據	18	28,704	34,085
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	19	78,763	97,659
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	20	14,607	24,818
Pledged bank deposits	已抵押銀行存款	21	42,921	22
Cash and bank balances	現金及銀行結存	21	195,893	238,260
			<b>362,881</b>	<b>395,769</b>
<b>Current liabilities</b>	<b>流動負債</b>			
Trade payables	應付貿易賬項	22	10,467	11,172
Bills and other payables and accruals	應付票據、其他應付款項及應計款項	23	448,709	383,829
Amounts due to non-controlling shareholders	應付非控股股東款項	24	22,032	20,932
Bank borrowings	銀行借款	25	49,370	41,300
Other borrowings	其他借款	26	127,774	29,972
Finance lease liabilities	融資租賃負債	27	37,960	–
Convertible bonds	可換股債券	28	10,232	3,337
Tax payables	應付稅項		9,464	10,140
			<b>716,008</b>	<b>500,682</b>
<b>Net current liabilities</b>	<b>流動負債淨值</b>		<b>(353,127)</b>	<b>(104,913)</b>
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>		<b>1,130,422</b>	<b>1,010,144</b>

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2016 於二零一六年十二月三十一日

		Notes	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
		附註		
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Other payables	其他應付款項	23	39,533	–
Amounts due to non-controlling shareholders	應付非控股股東款項	24	78,039	–
Bank borrowings	銀行借款	25	165,257	–
Other borrowings	其他借款	26	12,516	12,533
Finance lease liabilities	融資租賃負債	27	94,040	–
Convertible bonds	可換股債券	28	155,244	138,113
Deferred tax liabilities	遞延稅項負債	29	120,511	172,287
			665,140	322,933
<b>Net assets</b>	<b>資產淨值</b>		465,282	687,211
<b>EQUITY</b>	<b>權益</b>			
<b>Equity attributable to the owners of the Company</b>	<b>本公司擁有人應佔權益</b>			
Share capital	股本	30	304,970	304,970
Reserves	儲備	31	44,818	247,830
			349,788	552,800
<b>Non-controlling interests</b>	<b>非控股股東權益</b>		115,494	134,411
<b>Total equity</b>	<b>總權益</b>		465,282	687,211

Lan Yongqiang  
藍永強  
Director  
董事

Chan Wai Cheung Admiral  
陳偉璋  
Director  
董事



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

		Equity attributable to the owners of the Company 本公司擁有人應佔權益								
		Share capital	*Share premium	*Capital reserve	*Exchange reserve	*Convertible bond equity reserve	*Accumulated losses	Total	Non-controlling interests	Total equity
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		股本	*股份溢價	*資本儲備	*匯兌儲備	*可換股債券權益儲備	*累計虧損	總計	非控股股東權益	總權益
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	198,408	2,310,017	177,027	21,075	408,405	(2,281,368)	833,564	24,361	857,925
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	-	-	-	-	-	-	-	153,767	153,767
Issue of shares upon placing (note 30(i))	配售時發行股份(附註30(i))	36,942	16,624	-	-	-	-	53,566	-	53,566
Share issue expenses	股份發行開支	-	(1,066)	-	-	-	-	(1,066)	-	(1,066)
Issue of convertible bonds (note 28)	發行可換股債券(附註28)	-	-	-	-	85,742	-	85,742	-	85,742
Issue of shares upon conversion of convertible bonds (note 28)	兌換可換股債券時發行股份(附註28)	69,620	38,345	-	-	(31,439)	-	76,526	-	76,526
<b>Transactions with owners</b>	<b>與擁有人之交易</b>	106,562	53,903	-	-	54,303	-	214,768	153,767	368,535
Loss for the year	本年度虧損	-	-	-	-	-	(492,568)	(492,568)	(39,408)	(531,976)
<b>Other comprehensive income</b>	<b>其他全面收入</b>									
Exchange losses on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌虧損	-	-	-	(2,964)	-	-	(2,964)	(4,309)	(7,273)
<b>Total comprehensive income for the year</b>	<b>本年度全面收入總額</b>	-	-	-	(2,964)	-	(492,568)	(495,532)	(43,717)	(539,249)
<b>At 31 December 2015</b>	<b>於二零一五年十二月三十一日</b>	<b>304,970</b>	<b>2,363,920</b>	<b>177,027</b>	<b>18,111</b>	<b>462,708</b>	<b>(2,773,936)</b>	<b>552,800</b>	<b>134,411</b>	<b>687,211</b>
At 1 January 2016	於二零一六年一月一日	304,970	2,363,920	177,027	18,111	462,708	(2,773,936)	552,800	134,411	687,211
Loss for the year	本年度虧損	-	-	-	-	-	(189,971)	(189,971)	(10,993)	(200,964)
<b>Other comprehensive income</b>	<b>其他全面收入</b>									
Exchange losses on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌虧損	-	-	-	(13,041)	-	-	(13,041)	(7,924)	(20,965)
<b>Total comprehensive income for the year</b>	<b>本年度全面收入總額</b>	-	-	-	(13,041)	-	(189,971)	(203,012)	(18,917)	(221,929)
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>304,970</b>	<b>2,363,920</b>	<b>177,027</b>	<b>5,070</b>	<b>462,708</b>	<b>(2,963,907)</b>	<b>349,788</b>	<b>115,494</b>	<b>465,282</b>

\* The total of these reserve accounts comprise the consolidated reserves of HK\$44,818,000 (2015: HK\$247,830,000).

\* 該等儲備賬目總額包括綜合儲備44,818,000港元(二零一五年: 247,830,000港元)。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Cash flows from operating activities</b>	<b>經營業務現金流量</b>		
Loss before income tax	除所得稅前虧損	<b>(248,312)</b>	(635,175)
Adjustments for:	就下列項目作出調整：		
Depreciation	折舊	8 <b>14,726</b>	43,220
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	8 <b>646</b>	679
Amortisation of intangible assets	無形資產攤銷	8 <b>1,463</b>	4,392
Amortisation of sea area use rights	海域使用權攤銷	8 <b>2,446</b>	–
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損	14 <b>11,024</b>	82,461
Impairment loss on prepaid land lease payments	預付土地租賃款項 減值虧損	15 –	6,106
Impairment loss on intangible assets	無形資產減值虧損	17 <b>166,938</b>	408,954
Reversal of impairment loss on property, plant and equipment	物業、廠房及設備之 減值虧損撥回	14 <b>(15,349)</b>	–
Reversal of impairment loss on prepaid land lease payments	預付土地租賃款項之 減值虧損撥回	15 <b>(2,179)</b>	–
Loss on disposals of property, plant and equipment	出售物業、廠房及設備虧損	8 <b>28</b>	494
Fair value loss on financial assets at fair value through profit or loss	按公平值計入損益之 財務資產之公平值虧損	8 <b>10,560</b>	126
Gain from bargain purchase	議價購買之收益	37 –	(24,193)
Interest income	利息收入	5 <b>(244)</b>	(24)
Interest expenses	利息開支	7 –	20,049
Operating loss before working capital changes	營運資金變動前之 經營虧損	<b>(58,253)</b>	(92,911)
(Increase)/Decrease in inventories	存貨之(增加)/減少	<b>(1,131)</b>	1,925
Decrease in trade and bills receivables	應收貿易賬項及票據之減少	<b>3,070</b>	710
Decrease/(Increase) in prepayments, deposits and other receivables	預付款項、按金及其他應收款項之減少/(增加)	<b>7,716</b>	(77,447)
Payments to acquire financial assets at fair value through profit or loss	取得按公平值計入損益之 財務資產之付款	<b>(349)</b>	(24,944)
Decrease in trade payables	應付貿易賬項之減少	<b>(42)</b>	(5,869)
Increase in bills and other payables and accruals	應付票據、其他應付款項 以及應計款項之增加	<b>130,007</b>	11,178
Cash generated from/(used in) operations	營運產生/(所用)之現金	<b>81,018</b>	(187,358)
Interest paid	已付利息	<b>(2,928)</b>	(6)
Income tax (paid)/refunded	(已付)/退回所得稅	<b>(676)</b>	1,704
Net cash generated from/(used in) operating activities	經營業務產生/(所用)之 現金淨額	<b>77,414</b>	(185,660)

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

	Notes 附註	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Cash flows from investing activities</b>	<b>投資活動現金流量</b>		
Purchases of property, plant and equipment	購買物業、廠房及設備	(557,472)	(59)
Proceeds on disposals of property, plant and equipment	出售物業、廠房及設備之所得款項	362	–
Net cash inflow arising on acquisition of subsidiaries	收購附屬公司之現金流入淨額	–	327
(Increase)/Decrease in pledged bank deposits	已抵押銀行存款(增加)/減少	(42,899)	932
Increase in short-term deposits with an original maturity of more than 3 months	原始到期期限超過三個月的短期存款增加	(5,500)	–
Interest received	已收利息	244	24
<i>Net cash (used in)/generated from investing activities</i>	<i>投資活動(所用)/產生之現金淨額</i>	<b>(605,265)</b>	1,224
<b>Cash flows from financing activities</b>	<b>融資活動現金流量</b>		
New bank borrowings	新銀行借款	168,796	–
New non-controlling shareholders' loans	新非控股股東貸款	77,648	–
New other borrowings	新增其他借款	103,191	231
New finance leases	新增融資租賃	132,000	–
Issue of new shares	發行新股份	–	52,500
Proceed from issue of convertible bonds	發行可換股債券之所得款項	–	294,450
<i>Net cash generated from financing activities</i>	<i>融資活動產生之現金淨額</i>	<b>481,635</b>	347,181
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>現金及現金等值項目之(減少)/增加淨額</b>	<b>(46,216)</b>	162,745
<b>Cash and cash equivalents at 1 January</b>	<b>於一月一日之現金及現金等值項目</b>	<b>238,260</b>	76,043
Effect on foreign exchange rate changes	匯率變動之影響	(1,651)	(528)
<b>Cash and cash equivalents at 31 December</b>	<b>於十二月三十一日之現金及現金等值項目</b>	<b>190,393</b>	238,260

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 1. GENERAL INFORMATION

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

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

- the supply of electricity and heat representing the business of generation and supplying of electricity and heat;
- the oil production representing the business of oil production; and
- the oil and liquefied chemical terminal representing the business of operation of liquid chemical terminal, storage and logistics facilities. The construction of these facilities is expected to complete in 2017.

The principal activities and other particulars of its subsidiaries are set out in note 35. There were no significant changes in the Group’s operations during the year.

The financial statements on pages 59 to 180 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants. The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on the Stock Exchange.

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

### 1. 一般資料

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

於本年度,本公司及其附屬公司(統稱「本集團」)之主要業務包括:

- 熱電供應,指熱電生產及供應業務;
- 產油,指產油業務;及
- 油品及液體化工品碼頭,指經營液體化工品碼頭、儲存及物流設施業務。該等設施的建設預期將於二零一七年完成。

其附屬公司之主要業務及其他詳情載於附註35。年內本集團業務經營並無發生重大變動。

於第59至180頁之財務報表乃根據香港會計師公會所頒佈之香港財務報告準則(「香港財務報告準則」,該統稱涵蓋所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)編製。財務報表亦包括香港公司條例及聯交所證券上市規則之適用披露規定。

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 2. ADOPTION OF NEW/REVISED HKFRSs

#### (a) Adoption of new/revised HKFRSs – effective on 1 January 2016

Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception

The adoption of these amendments has no material impact on the financial statements.

#### (b) New/revised HKFRSs that have been issued but are not yet effective

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

The directors of the Company anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning after the effective date of the pronouncement. Information on new/revised HKFRSs that are expected to have a material impact on the Group's accounting policies is provided below. The Group is not yet in a position to state whether these new/revised HKFRSs will result in substantial changes to the Group's accounting policies and financial statements.

### 2. 採納新訂／經修訂香港財務報告準則

#### (a) 採納新訂／經修訂香港財務報告準則 – 於二零一六年一月一日生效

香港會計準則第16號及香港會計準則第38號之修訂	澄清折舊及攤銷之可接受方式
香港會計準則第27號之修訂	獨立財務報表之權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號之修訂	投資實體：應用綜合之例外情況

採納此等修訂不會對財務報表造成重大影響。

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

於本財務報表授權日，若干新訂／經修訂香港財務報告準則已經頒佈但尚未生效，且並無獲本集團提早採納。

本公司董事預測，本集團會計政策將於聲明生效日期後第一個期間開始採納所有聲明。預期將會對本集團會計政策構成重大影響之新訂／經修訂香港財務報告準則之資料在下文載述。本集團現時尚未能確定該等新訂／經修訂香港財務報告準則會否導致本集團之會計政策及財務報表出現重大變動。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 2. ADOPTION OF NEW/REVISED HKFRSs (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

##### *Amendments to HKAS 7 – Disclosure Initiative*

This standard is effective for accounting periods beginning on or after 1 January 2017. The amendments introduce an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.

##### *Amendments to HKAS 12 – Recognition of Deferred Tax Assets for Unrealised Losses*

This standard is effective for accounting periods beginning on or after 1 January 2017. The amendments relate to the recognition of deferred tax assets and clarify some of the necessary considerations, including how to account for deferred tax assets related to debt instruments measured of fair value.

##### *Amendments to HKFRS 2 – Classification and Measurement of Share-based Payment Transactions*

This standard is effective for accounting periods beginning on or after 1 January 2018. The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

### 2. 採納新訂／經修訂香港財務報告準則 (續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

##### *香港會計準則第7號之修訂－披露計劃*

此準則對二零一七年一月一日或之後開始之會計期間生效。該等修訂引入其他披露，讓財務報表之用戶可評估融資活動所產生負債變動。

##### *香港會計準則第12號之修訂－就未變現虧損確認遞延稅項資產*

此準則對二零一七年一月一日或之後開始之會計期間生效。該等修訂與確認遞延稅項資產有關及澄清若干必需的考量，包括與按公允價值計量的債務工具相關的遞延稅項資產該如何入賬。

##### *香港財務報告準則第2號之修訂－以股份為基礎之支付交易之分類及計量*

此準則對二零一八年一月一日或之後開始之會計期間生效。有關修訂規定歸屬及非歸屬條件對以現金結算以股份為基礎之支付計量的會計處理；預扣稅責任具有淨額結算特徵的以股份為基礎之支付交易；以及交易類別由現金結算變更為權益結算之以股份為基礎之支付條款及條件的修訂。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 2. ADOPTION OF NEW/REVISED HKFRSs

(Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective

(Continued)

##### *HKFRS 9 – Financial Instruments*

This standard is effective for accounting periods beginning on or after 1 January 2018. HKFRS 9 introduces new requirements for the classification and measurement of financial assets. Debt instruments that are held within a business model whose objective is to hold assets in order to collect contractual cash flows (the business model test) and that have contractual terms that give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding (the contractual cash flow characteristics test) are generally measured at amortised cost. Debt instruments that meet the contractual cash flow characteristics test are measured at fair value through other comprehensive income if the objective of the entity's business model is both to hold and collect the contractual cash flows and to sell the financial assets. Entities may make an irrevocable election at initial recognition to measure equity instruments that are not held for trading at fair value through other comprehensive income. All other debt and equity instruments are measured at fair value through profit or loss.

HKFRS 9 includes a new expected loss impairment model for all financial assets not measured at fair value through profit or loss replacing the incurred loss model in HKAS 39 and new general hedge accounting requirements to allow entities to better reflect their risk management activities in financial statements.

### 2. 採納新訂／經修訂香港財務報告準則 (續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

##### *香港財務報告準則第9號 – 財務工具*

此準則對二零一八年一月一日或之後開始之會計期間生效。香港財務報告準則第9號引入財務資產分類及計量之新規定。按業務模式持有資產而目的為收取合約現金流之債務工具(業務模式測試)以及具產生之現金流僅為支付本金及未償還本金利息之合約條款之債務工具(合約現金流特徵測試)，一般按攤銷成本計量。倘該實體業務模式之目的為持有及收取合約現金流以及出售財務資產，則符合合約現金流特徵測試之債務工具乃以按公平值計入其他全面收入計量。實體可於初步確認時作出不可撤回之選擇，以按公平值計入其他全面收入計量並非持作買賣之股本工具。所有其他債務及股本工具一概按公平值計入損益計量。

香港財務報告準則第9號就並非按公平值計入損益之所有財務資產引入新的預期虧損減值模式(取代香港會計準則第39號之已產生虧損模式)以及新的一般對沖會計法規定，以讓實體於財務報表內更好地反映其風險管理活動。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 2. ADOPTION OF NEW/REVISED HKFRSs (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

##### *HKFRS 9 – Financial Instruments (Continued)*

HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of the liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, HKFRS 9 retains the requirements in HKAS 39 for derecognition of financial assets and financial liabilities.

##### *HKFRS 15 – Revenue from Contracts with Customers*

This standard is effective for accounting periods beginning on or after 1 January 2018. The new standard establishes a single revenue recognition framework. The core principle of the framework is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. HKFRS 15 supersedes existing revenue recognition guidance including HKAS 18 Revenue, HKAS 11 Construction Contracts and related interpretations.

### 2. 採納新訂／經修訂香港財務報告準則 (續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

##### *香港財務報告準則第9號 – 財務工具 (續)*

香港財務報告準則第9號秉承香港會計準則第39號之財務負債確認、分類及計量規定，惟指定為按公平值計入損益之財務負債除外，其因負債信貸風險變動而產生之公平值變動金額乃於其他全面收入中確認，除非此舉會引致或擴大會計錯配則作別論。此外，香港財務報告準則第9號保留香港會計準則第39號有關取消確認財務資產及財務負債之規定。

##### *香港財務報告準則第15號 – 來自客戶合約的收益*

此準則對二零一八年一月一日或之後開始之會計期間生效。此項新訂準則設立單一收益確認框架。框架之核心原則為實體應確認收益，以說明實體按反映交換商品及服務預期所得代價之金額向客戶轉讓所承諾商品或服務。香港財務報告準則第15號取代現有收益確認指引，包括香港會計準則第18號收益、香港會計準則第11號建築合約及相關詮釋。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 2. ADOPTION OF NEW/REVISED HKFRSs (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

##### *HKFRS 15 – Revenue from Contracts with Customers (Continued)*

HKFRS 15 requires the application of a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to each performance obligation
- Step 5: Recognise revenue when each performance obligation is satisfied

HKFRS 15 includes specific guidance on particular revenue related topics that may change the current approach taken under HKFRS. The standard also significantly enhances the qualitative and quantitative disclosures related to revenue.

##### *Amendments to HKFRS 15 – Revenue from Contracts with Customers (Clarifications to HKFRS 15)*

This standard is effective for accounting periods beginning on or after 1 January 2018. The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

### 2. 採納新訂／經修訂香港財務報告準則 (續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

##### *香港財務報告準則第15號 – 來自客戶合約的收益 (續)*

香港財務報告準則第15號規定確認收益所應用之五個步驟：

- 第1步：識別與客戶所訂立之合約
- 第2步：識別合約之履約責任
- 第3步：釐定交易價格
- 第4步：分配交易價格至各履約責任
- 第5步：於履行各履約責任時確認收益

香港財務報告準則第15號包含與特定收益相關之特定指引，該等指引或會更改香港財務報告準則現時應用之方法。此項準則亦顯著加強有關收益之定性及定量披露。

##### *香港財務報告準則第15號之修訂 – 來自客戶合約收益 (香港財務報告準則第15號之澄清)*

此準則對二零一八年一月一日或之後開始之會計期間生效。香港財務報告準則第15號之修訂包括澄清對履行責任之識別方式；應用委託人或代理人；知識產權許可；及過渡規定。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 2. ADOPTION OF NEW/REVISED HKFRSs (Continued)

#### (b) New/revised HKFRSs that have been issued but are not yet effective (Continued)

##### HKFRS 16 – Leases

This standard is effective for accounting periods beginning on or after 1 January 2019. HKFRS 16, which upon the effective date will supersede HKAS 17 “Leases” and related interpretations, introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Specifically, under HKFRS 16, a lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Accordingly, a lessee should recognise depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows. Also, the right-of-use asset and the lease liability are initially measured on a present value basis. The measurement includes non-cancellable lease payments and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or to exercise an option to terminate the lease. This accounting treatment is significantly different from the lessee accounting for leases that are classified as operating leases under the predecessor standard, HKAS 17.

In respect of the lessor accounting, HKFRS 16 substantially carries forward the lessor accounting requirements in HKAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

### 2. 採納新訂／經修訂香港財務報告準則 (續)

#### (b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

##### 香港財務報告準則第16號 – 租賃

此準則對二零一九年一月一日或之後開始之會計期間生效。香港財務報告準則第16號由生效當日起將取代香港會計準則第17號「租賃」及相關詮釋，其引入單一承租人會計處理模式，並規定承租人就年期超過12個月之所有租賃確認資產及負債，除非相關資產為低價值資產則作別論。具體而言，根據香港財務報告準則16號，承租人須確認使用權資產（表示其有權使用相關租賃資產）及租賃負債（表示其有責任支付租賃款項）。因此，承租人應確認使用權資產折舊及租賃負債利息，並將租賃負債之現金還款分類為本金部分及利息部分，以於現金流量表內呈列。此外，使用權資產及租賃負債初步按現值基準計量。計量包括不可撤銷租賃付款，亦包括承租人合理地肯定將行使選擇權延續租賃或行使選擇權終止租賃之情況下，將於選擇權期間內作出之付款。此會計處理方法與承租人會計法顯著不同，後者適用於根據舊有準則香港會計準則第17號分類為經營租賃之租賃。

就出租人會計法而言，香港財務報告準則第16號大致繼承香港會計準則第17號之出租人會計法規定。因此，出租人繼續將其租賃分類為經營租賃或融資租賃，並且對兩類租賃進行不同之會計處理。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of preparation

The significant accounting policies that have been used in the preparation of these financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated.

The financial statements have been prepared under historical cost convention, except for financial assets at fair value through profit or loss, which are measured at fair value. The measurement bases are fully described in the accounting policies below.

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

#### (i) Songliao contract

In 2010, the Group completed the acquisition of 100% equity interest in China International Energy Investments (Hong Kong) Limited ("China International Energy") which holds the petroleum contract entered into between China Era Energy Power Investment Limited ("China Era"), a wholly owned subsidiary of China International Energy, and a state-owned enterprise engaged in oil exploration industry (the "State-owned Enterprise") on 13 August 2007 (the "Songliao Contract") from the vendor, Greater China Limited ("Greater China"), details of which are set out in note 33. China International Energy was wholly owned by an individual ("Mr. A") at the time of obtaining the Songliao Contract.

### 3. 重大會計政策概述

#### (a) 編製基準

編製該等財務報表所應用之重大會計政策於下文概述。除另有訂明者外，該等政策一直貫徹應用於各個呈報年度。

該等財務報表乃以歷史成本法編製（惟按公平值計入損益之財務資產乃按公平值計量）。計算方式於下列會計政策中細述。

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

#### (i) 松遼合約

於二零一零年，本集團完成自賣方 Greater China Limited（「Greater China」）收購中國國際能源投資（香港）有限公司（「中國國際能源」）之100%股權，其持有由中國年代能源投資有限公司（「中國年代」，為中國國際能源之全資附屬公司）與一家從事石油勘探行業的國有企業（「國有企業」）於二零零七年八月十三日所訂立之石油合約（「松遼合約」），詳情載於附註33。於取得松遼合約時，中國國際能源由一位人士（「A先生」）全資擁有。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (i) Songliao contract (Continued)

In 2015, the directors of the Company found that Mr. A was formally charged by prosecution authorities in the People's Republic of China (the "PRC") for illegal crime (the "Charge"), possibly involved allegations about improper conduct in obtaining the Songliao Contract.

As soon as the directors of the Company found the Charge, the Group commenced legal proceedings in the Cayman Islands against various parties including Mr. A, Greater China, Mr. Li Weijun (Greater China's warrantor) and Giant Crystal Limited ("Giant Crystal") (which was nominated by Greater China as the allottee of the promissory notes, consideration shares and convertible bonds for the consideration of the Songliao Contract) (the "Defendants") on the basis that (a) the Greater China's warranties and/or representations given in the acquisition were false and misleading and knowing that the Group entered into the acquisition agreement in reliance thereon; and (b) the Defendants of the litigation wrongly conspired and combined together to defraud the Group to pay the consideration.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

##### (i) 松遼合約 (續)

於二零一五年，本公司董事發現A先生遭中華人民共和國（「中國」）檢控機關正式控告違法犯罪（「該指控」），其中可能涉及其於獲得松遼合約時有不當行為。

本公司董事發現該指控後，本集團入稟開曼群島，針對包括A先生、Greater China、李衛軍先生（Greater China之保證人）及鉅晶有限公司（「鉅晶」，獲Greater China指定為松遼合約代價之本票、代價股份及可換股債券之獲配發人）的多方人士（「被告人」）展開法律程序，理據為(a)Greater China於收購事項中作出之保證及／或聲明為虛假及具誤導性，而明知本集團乃依據該等保證及／或聲明訂立收購協議；及(b)訴訟之被告人不當串謀及聯手詐騙本集團支付代價。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (i) Songliao contract (Continued)

In the litigation, the Group sought (1) a declaration that they are entitled to validly rescind the acquisition agreement; (2) an order that the consideration be repaid, a declaration that the promissory notes and convertible bonds are at all material times null and void and of no legal effect; (3) a declaration that Giant Crystal held and continue to hold the consideration shares and any shares issued upon exercise of the convertible bonds on trust for the Company; (4) an injunction against all Defendants that they be restrained from disposing of, encumbering or otherwise dealing with or diminishing the value of, and/or exercising any rights or powers (including but not limited to voting rights in general and/or extraordinary meeting(s) in respect of, and/or entering into any agreement to effect any transaction in relation to, the consideration shares and the converted shares; (5) an injunction against all Defendants from completing and/or procuring the conversion and/or transferring of the convertible bonds; (6) damages for fraud and/or deceit; and (7) an order that the Defendants compensate the Group in equity.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

##### (i) 松遼合約 (續)

於訴訟中，本集團尋求(1)獲宣告有權有效撤銷收購協議；(2)獲頒發命令以收回代價，並宣告本票及可換股債券在所有關鍵時刻均為無效且不具法律效力；(3)獲宣告鉅晶以往及繼續以信託形式為本公司持有代價股份及因可換股債券被轉換所發行之任何股份；(4)向所有被告人頒發禁制令，禁止彼等出售或以其他方式買賣代價股份及換股股份、對代價股份及換股股份設立產權負擔或縮減其價值，及／或行使任何權利或權力（包括但不限於就代價股份及換股股份於股東大會及／或股東特別大會上投票之權利），及／或訂立任何協議使涉及代價股份及換股股份之任何交易生效；(5)向所有被告人頒發禁制令，禁止彼等完成及／或促使可換股債券之轉換及／或轉讓；(6)獲得遭詐騙及／或欺騙之損害賠償；及(7)獲頒發命令，使被告人依衡平法向本集團作出賠償。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (i) Songliao contract (Continued)

In 2017, the Group obtained the legal opinion from the lawyers in the PRC stating that under the laws prevailing in the PRC, all entities are innocent unless found guilty by the Municipal Court. However, if the contract is found to be used to conduct illegal trade by top management, the contract can be invalidated through the Supreme People's Court. According to the Contract Laws of the PRC, when a contract becomes invalid or is rescinded, any property obtained under the contract shall be returned. In the circumstances when the return of properties is impossible, compensation shall be made at an estimated price for the loss caused by the defaulted parties. As a party of the contract, the Group is entitled to either enter into arbitration or to file civil legal action to rescind or invalidate the contract and seek compensation from the defaulted parties. As there has been no progress during the year and there was no adjudication in respect of the Charge, it is not possible to estimate the outcome on the Group's oil production business and financial position, arising from the Charge against Mr. A.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

##### (i) 松遼合約 (續)

於二零一七年，本集團取得中國律師法律意見，當中指出根據中國現行法律，除非被市政法院判決有罪，否則所有實體均無罪。然而，倘若發現合同被高級管理層用來進行非法交易，可通過最高人民法院宣告合同無效。根據中國合同法，合同無效或者被撤銷時，因該合同取得的財產應當予以返還。於財產無法返還的情況下，應當折價補償過錯方引致的損失。作為合同一方，本集團有權進行仲裁或提起民事法律訴訟要求撤銷合同或宣告合同無效並尋求過錯方賠償。由於本年度並無進展，且並無有關該指控的判決，因此無法估計針對A先生之該指控對本集團產油業務及財務狀況的影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (i) Songliao contract (Continued)

Included in the consolidated statement of financial position as at 31 December 2016 are property, plant and equipment, intangible assets and net deferred tax liabilities with carrying amounts of HK\$25,696,000 (2015: HK\$46,167,000), HK\$389,084,000 (2015: HK\$557,821,000) and HK\$47,497,000 (2015: HK\$83,358,000) respectively. The property, plant and equipment and intangible assets are collectively referred to as the "Oil Production Assets". The Oil Production Assets relate to the operation of oil production business, pursuant to the Songliao Contract, entered into with the State-owned Enterprise to develop and produce crude oil in Liangjing Block on Songliao Basin in Jilin, the PRC, details of which are set out in note 33.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

##### (i) 松遼合約 (續)

於二零一六年十二月三十一日之綜合財務狀況表內載有賬面值分別為25,696,000港元(二零一五年:46,167,000港元)、389,084,000港元(二零一五年:557,821,000港元)及47,497,000港元(二零一五年:83,358,000港元)之物業、廠房及設備、無形資產及遞延稅項負債淨額。物業、廠房及設備及無形資產統稱為「產油資產」。根據與國有企業訂立以於中國吉林松遼盆地兩井區塊開發及生產原油之松遼合約，產油資產乃關於產油業務之營運，詳情載於附註33。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (i) Songliao contract (Continued)

As at 31 December 2016, the directors of the Company estimated the recoverable amount of the cash-generating unit to which the Oil Production Assets belong (the "Oil Production CGU"). As the carrying amounts of the Oil Production CGU exceeded its recoverable amount, impairment losses of HK\$166,938,000 (2015: HK\$408,954,000) and HK\$11,024,000 (2015: HK\$33,843,000) were recognised for the year ended 31 December 2016 on intangible assets and property, plant and equipment respectively. In estimating the recoverable amount, the directors of the Company have assumed that the Songliao Contract will remain valid and the Group's oil production business will continue in operation throughout the Songliao Contract period.

Having taken into account of the legal opinion, the directors of the Company consider that the Songliao Contract will continue to be valid and will be executed as planned as the Group has close working relationship with the State-owned Enterprise and up to the date of authorisation for issue of the consolidated financial statements, there is no indication from the State-owned Enterprise regarding any potential claim or questioning on the validity of the Songliao Contract.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

##### (i) 松遼合約 (續)

於二零一六年十二月三十一日，本公司董事已估計產油資產所屬現金產生單位（「產油現金產生單位」）的可收回金額。由於產油現金產生單位的賬面值超過其可收回金額，截至二零一六年十二月三十一日止年度就無形資產及物業、廠房及設備分別確認減值虧損166,938,000港元（二零一五年：408,954,000港元）及11,024,000港元（二零一五年：33,843,000港元）。在估計可收回金額時，本公司董事乃假設松遼合約將保持有效，且本集團的產油業務於松遼合約期間將持續營運。

經考慮法律意見後，本公司董事認為松遼合約將繼續有效並將按計劃執行，原因為本集團與國有企業建立緊密合作關係，且截至綜合財務報表獲授權刊發當日，國有企業並無表示會提出任何潛在索償或對松遼合約的有效性提出質疑。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (ii) Going concern basis

The financial statements have been prepared on a going concern basis which notwithstanding that (i) the Group incurred a loss of HK\$200,964,000 (2015: HK\$531,976,000) during the year; (ii) as at 31 December 2016, the Group had net current liabilities of HK\$353,127,000 (2015: HK\$104,913,000); (iii) as at 31 December 2016, included in current liabilities was the total outstanding construction costs of HK\$420,716,000 (2015: HK\$345,172,000), that are required to repay within one year after the reporting date, in which amounts of HK\$319,177,000 (2015: HK\$315,200,000) and HK\$101,539,000 (2015: HK\$29,972,000) are recognised under other payables (note 23) and other borrowings (note 26) respectively and the capital commitment for construction cost was HK\$154,466,000 (note 39); and (iv) as at 31 December 2016, included in current liabilities was bank loans of HK\$49,370,000 (2015: HK\$41,300,000) that was overdue for repayments (note 25). These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors of the Company have prepared the consolidated financial statements based on a going concern on the assumptions that:

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

##### (ii) 持續經營基準

財務報表已根據持續經營基準編製，惟(i)本集團於本年度產生虧損200,964,000港元(二零一五年：531,976,000港元)；(ii)於二零一六年十二月三十一日，本集團錄得流動負債淨值為353,127,000港元(二零一五年：104,913,000港元)；(iii)於二零一六年十二月三十一日，納入流動負債之須於報告日期後一年內償還的未償建設成本總額達420,716,000港元(二零一五年：345,172,000港元)，其中319,177,000港元(二零一五年：315,200,000港元)及101,539,000港元(二零一五年：29,972,000港元)分別於其他應付款項(附註23)及其他借款(附註26)內確認，建設成本的資本承擔為154,466,000港元(附註39)；及(iv)於二零一六年十二月三十一日，納入流動負債之49,370,000港元(二零一五年：41,300,000港元)的銀行貸款逾期未還(附註25)。該等情況反映存在重大不明朗因素，或會對本集團持續經營之能力產生重大質疑及因此，本集團可能無法於其一般業務過程中變現其資產及償還其負債。本公司董事乃基於以下假設按持續經營基準編製綜合財務報表：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (ii) Going concern basis (Continued)

- (a) the Songliao Contract continues to be valid and the Group continues its oil production business, which is the basis on which the directors prepared the cash flow forecast for the next twelve months after 31 December 2016;
- (b) the Group will settle the outstanding construction cost of HK\$180,155,000. For the remaining balances of total construction costs, based on the good relationship with the contractors, the contractors will extend the repayment dates over twelve months after 31 December 2016;
- (c) the Group will utilise the banking facilities of RMB150 million (approximately HK\$165 million) in 2017 which was granted by a bank in the PRC for the Group's oil and liquefied chemicals terminal project;
- (d) the disposal of the electricity and heat business was completed in March 2017 (note 45); and
- (e) the lease of oil and liquefied chemical terminal will be executed in 2017 in accordance with the terms and conditions of the lease agreement.

After taking into account the above measures, the directors consider that the Group can meet its financial obligations as and when they fall due in the foreseeable future and believe that the Group will continue as a going concern and consequently have prepared the financial statements on a going concern basis.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

##### (ii) 持續經營基準 (續)

- (a) 松遼合約繼續生效及本集團繼續其產油業務，此乃董事編製二零一六年十二月三十一日後未來十二個月現金流預測之基準；
- (b) 本集團將清償未償建設成本180,155,000港元。而就總建設成本之餘下結餘而言，基於與承包商的友好關係，承包商將延長償還日期至於二零一六年十二月三十一日後逾十二個月；
- (c) 本集團將於二零一七年動用人民幣150,000,000元（約165,000,000港元）的銀行借貸，該等借貸由一家中國銀行授予本集團的油品及液體化工品碼頭項目；
- (d) 出售熱電供應業務於二零一七年三月完成（附註45）；及
- (e) 租賃油品及液體化工品碼頭將根據租賃協議的條款及條件於二零一七年執行。

經考慮上述措施後，本公司董事認為本集團可於可見未來在財務負債到期時作出支付，並相信本集團將可持續經營，因此以持續經營基準編製財務報表。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

##### (ii) Going concern basis (Continued)

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

##### (iii) Loss of controls over assets of Qinghai Forest Source Mining Industry Developing Company Limited ("QHFSMI") and Inner Mongolia Forest Source Mining Industry Developing Company Limited ("IMFSMI") and de-consolidating QHFSMI and IMFSMI

*Ms Leung's legal status as director and legal representative in QHFSMI and IMFSMI remained unchanged in the absence of her cooperation*

Ms Leung Lai Ching ("Ms Leung") was a director and legal representative of both QHFSMI and IMFSMI. In September 2009, the sole shareholder of QHFSMI and IMFSMI (i.e. a wholly-owned subsidiary of the Company) resolved to remove Ms Leung's capacity as director and legal representative of both QHFSMI and IMFSMI with immediate effect. However, the respective members of the board of directors and legal representative of QHFSMI and IMFSMI were not officially changed up to the date of authorisation for issue of the consolidated financial statements as Ms Leung, being the then legal representative, was not cooperative and failed to provide the requested documents and corporate seals.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

##### (ii) 持續經營基準 (續)

倘本集團無法持續經營業務，將須於綜合財務報表作出調整以撇減資產價值至其估計可變現價值，及就可能產生之任何進一步負債作出撥備，並將非流動資產及負債分別重新分類為流動資產及負債。此等調整的影響並無於此等綜合財務報表反映。

##### (iii) 失去對青海森源礦業開發有限公司 (「青海森源」) 及內蒙古森源礦業開發有限公司 (「內蒙古森源」) 資產之控制權及不再將青海森源及內蒙古森源綜合入賬

梁女士作為青海森源及內蒙古森源之董事及法定代表之法律地位因其不合作而維持不變

梁儷瀨女士 (「梁女士」) 曾為青海森源及內蒙古森源之董事及法定代表。於二零零九年九月，青海森源及內蒙古森源唯一股東 (即本公司的全資附屬公司) 議決罷免梁女士出任青海森源及內蒙古森源之董事及法定代表職務，即時生效。然而，由於當時之法定代表梁女士不配合及未能提供所需文件及公司印章，直至授權刊發綜合財務報表日期，青海森源及內蒙古森源各自之董事會成員及法定代表仍未正式更改。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

(iii) *Loss of controls over assets of Qinghai Forest Source Mining Industry Developing Company Limited ("QHFSMI") and Inner Mongolia Forest Source Mining Industry Developing Company Limited ("IMFSMI") and de-consolidating QHFSMI and IMFSMI (Continued)*

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

The Group acquired QHFSMI from Ms Leung in 2007. QHFSMI was the holder of an exploration licence which conferred QHFSMI the rights to conduct exploration work for the mineral resources in the titanium mine at Xiao Hong Shan in Inner Mongolia, the PRC. In 2010, the board of directors discovered that the exploration licence held by QHFSMI was transferred to a company known as 內蒙古小紅山源森礦業有限公司 (in English, for identification purpose only, Inner Mongolia Xiao Hong Shan Yuen Xian Mining Industry Company Limited) ("Yuen Xian Company") at a consideration of RMB8,000,000 (the "Change of Exploration Right Agreement") without the Company's knowledge, consent or approval. Ms Leung is one of the directors and the legal representative of Yuen Xian Company. Without the exploration licence, QHFSMI no longer had the rights to, among other things, carry out exploration of the mineral resources of the titanium mine, access to the titanium mine and neighbouring areas and has no priority in obtaining the mining rights of the titanium mine.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

(iii) *失去對青海森源礦業開發有限公司(「青海森源」)及內蒙古森源礦業開發有限公司(「內蒙古森源」)資產之控制權及不再將青海森源及內蒙古森源綜合入賬 (續)*

*在本公司不知情及未經本公司同意或批准下轉讓勘探牌照*

本集團於二零零七年向梁女士收購青海森源。青海森源持有一個勘探牌照，該牌照賦予青海森源在位於中國內蒙古小紅山之鈦礦進行礦產資源勘探工作之權利。於二零一零年，董事會發現，在本公司不知情及未經本公司同意或批准下，青海森源所持勘探牌照以人民幣8,000,000元的代價轉讓予一家名為內蒙古小紅山源森礦業有限公司(「源森公司」)的公司(「探礦權變更協議」)。梁女士為源森公司的董事之一及法定代表。倘無勘探牌照，青海森源不再擁有(其中包括)於鈦礦進行礦產資源勘探、進入鈦礦及鄰近區域以及優先獲得鈦礦之開採權。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

*(iii) Loss of controls over assets of Qinghai Forest Source Mining Industry Developing Company Limited ("QHFSMI") and Inner Mongolia Forest Source Mining Industry Developing Company Limited ("IMFSMI") and de-consolidating QHFSMI and IMFSMI (Continued)*

*Final decision on the Change of Exploration Right Agreement*

As soon as the Group had discovered the loss of QHFSMI's exploration licence, the Group commenced the legal proceedings against Ms Leung for getting back the exploration licence. In March 2016, the Company received the final decision letter from the Qinghai Procuratorate that the Change of Exploration Right Agreement was invalid. As Yuen Xian Company had already obtained the mining licence on the titanium mine at Xiao Hong Shan in Inner Mongolia, the PRC, the Group is now seeking for the legal advices to resolve this matter.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

*(iii) 失去對青海森源礦業開發有限公司(「青海森源」)及內蒙古森源礦業開發有限公司(「內蒙古森源」)資產之控制權及不再將青海森源及內蒙古森源綜合入賬 (續)*

*對探礦權變更協議的最終判決*

本集團發現失去青海森源之勘探牌照後，即對梁女士提起法律訴訟，以收回勘探牌照。於二零一六年三月，本公司接獲青海檢察院的最終判決書，判決探礦權變更協議無效。由於源森公司已取得中國內蒙古小紅山之鈦礦的探礦牌照，本集團現正尋求法律意見以解決該問題。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (a) Basis of preparation (Continued)

(iii) *Loss of controls over assets of Qinghai Forest Source Mining Industry Developing Company Limited ("QHFSMI") and Inner Mongolia Forest Source Mining Industry Developing Company Limited ("IMFSMI") and de-consolidating QHFSMI and IMFSMI (Continued)*

*De-consolidating QHFSMI and IMFSMI*

Given that (i) the discovery of the loss of significant assets of QHFSMI; (ii) Ms Leung's legal status as director and legal representative in QHFSMI and IMFSMI remained unchanged; and (iii) the Group was unable to obtain the financial information of QHFSMI and IMFSMI, the directors of the Company considered that the Group had no power over QHFSMI and IMFSMI, exposure, or rights, to variable returns from QHFSMI and IMFSMI and the ability to use its power to affect those variable returns. The Group appointed the PRC lawyers to handle the matters in regaining its controlling power over QHFSMI and IMFSMI. In the opinion of the directors, the aforesaid legal proceedings have no material impact on the financial position and operations of the Group as the Group is still in the process of regaining the controlling power over QHFSMI and IMFSMI which had already been de-consolidated since 2010.

### 3. 重大會計政策概述 (續)

#### (a) 編製基準 (續)

(iii) *失去對青海森源礦業開發有限公司(「青海森源」)及內蒙古森源礦業開發有限公司(「內蒙古森源」)資產之控制權及不再將青海森源及內蒙古森源綜合入賬 (續)*

*不再將青海森源及內蒙古森源綜合入賬*

鑒於(i)發現失去青海森源之重大資產；(ii)梁女士作為青海森源及內蒙古森源董事及法定代表的法律地位保持不變；及(iii)本集團無法獲取青海森源及內蒙古森源的財務資料，本公司董事認為本集團對青海森源及內蒙古森源並無權力，不再享有青海森源及內蒙古森源可變回報或對其擁有權利，亦無能力行使其權利以影響該等可變回報。本集團已就重獲其對青海森源及內蒙古森源之控制權一事委聘中國律師處理。董事認為，上述法律訴訟對本集團的財務狀況及營運並無任何嚴重影響，原因為本集團重獲對青海森源及內蒙古森源之控制權一事仍在進行中，而該等公司自二零一零年起已不再綜合入賬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Basis of consolidation

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

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

Inter-company transactions and balances between group companies together with unrealised profits are eliminated in full in preparing the consolidated financial statements. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the asset transferred, in which case the loss is recognised in profit or loss.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the dates of acquisition or up to the dates of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by other members of the Group.

Acquisition of subsidiaries or businesses is accounted for using acquisition method. The cost of an acquisition is measured at the aggregate of the acquisition-date fair value of assets transferred, liabilities incurred and equity interests issued by the Group, as the acquirer. The identifiable assets acquired and liabilities assumed are principally measured at acquisition-date fair value. The Group's previously held equity interest in the acquiree is re-measured at acquisition-date fair value and the resulting gains or losses are recognised in profit or loss. The Group may elect, on a transaction-by-transaction basis, to measure non-controlling interests that represent present ownership interests in the subsidiary either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs incurred are expensed unless they are incurred in issuing equity instruments in which case the costs are deducted from equity.

### 3. 重大會計政策概述 (續)

#### (b) 綜合基準

綜合財務報表包括截至每年度十二月三十一日止本公司及其附屬公司之財務報表。

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

集團內公司間交易及結餘連同未實現交易收益於編製綜合財務報表時全數對銷。未實現交易虧損亦予以對銷，除非交易提供已轉讓資產出現減值之證據，在此情況下，虧損於損益中確認。

年內收購或出售附屬公司之業績自收購之日開始或至出售之日停止計入綜合其他全面收益表（如適用）。附屬公司之財務報表已作調整（如需要），以確保其會計政策與本集團其他成員所用者一致。

收購附屬公司或業務採用收購法入賬。收購成本以已轉讓資產、已產生負債以及本集團作為收購方發行之股本權益於收購日公平值總和計量。購入可識別資產及所承擔負債主要按收購日公平值計量。本集團過往於被收購方持有之股本權益按收購日公平值重新計量，由此產生之收益或虧損於損益內確認。本集團可選擇以逐項交易基準按公平值或應佔被收購方可識別資產淨值比例計量反映現時於附屬公司擁有權益之非控股股東權益。所產生之收購相關成本列作開支，除非是因發行股權工具而產生的成本，在此情況下，成本自權益扣減。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (b) Basis of consolidation (Continued)

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

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

#### (c) Subsidiaries

A subsidiary is an investee over which the Company is able to exercise control. The Company controls an investee if all three of the following elements are present: power over the investee, exposure, or rights, to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment loss, if any. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

### 3. 重大會計政策概述 (續)

#### (b) 綜合基準 (續)

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

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

#### (c) 附屬公司

附屬公司指本公司能對其行使控制權之被投資方。倘達成以下全部三項條件，本公司即控制被投資方：對被投資方具有權力；對來自被投資方之浮動回報承擔風險或享有權利；及能行使其權力以影響該等浮動回報。倘有事實及情況顯示任何該等控制條件可能有變，則重新評估有關控制權。

於本公司之財務狀況表中，於附屬公司投資按成本值減去減值虧損（如有）列賬。附屬公司之業績由本公司按已收及應收股息入賬。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (d) Accounting for production sharing contracts

The Group is a party to a joint arrangement where there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

The Group classifies its interests in joint arrangements as either:

- (i) Joint ventures: where the Group has rights to only the net assets of the joint arrangement; or
- (ii) Joint operations: where the Group has both the rights to assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- (i) The structure of the joint arrangement;
- (ii) The legal form of joint arrangements structured through a separate vehicle;
- (iii) The contractual terms of the joint arrangement agreement; and
- (iv) Any other facts and circumstances (including any other contractual arrangements).

The Group accounts for its interests joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations.

### 3. 重大會計政策概述 (續)

#### (d) 生產共享合約之會計處理

當有合約安排使本集團與至少一名其他方共同控制該安排之相關活動，則本集團為聯合安排之一方。評估共同控制之原則與評估附屬公司控制權相同。

本集團將其於聯合安排之權益分類為：

- (i) 合營企業：本集團僅對聯合安排之淨資產享有權利；或
- (ii) 共同經營：本集團享有聯合安排資產之權利並承擔其負債之義務。

於評估聯合安排權益之分類時，本集團考慮：

- (i) 聯合安排之架構；
- (ii) 聯合安排之法律形式為一個獨立載體結構；
- (iii) 聯合安排協議之合約條款；及
- (iv) 任何其他事實及情況（包括任何其他合約安排）。

本集團將共同經營權益入賬之方式為根據合約賦予之權利及義務確認其分佔之資產、負債、收入及開支。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Foreign currency translation

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

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined and are reported as part of the fair value gain or loss. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

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

Goodwill and fair value adjustments on identifiable assets acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated into HK\$ at the closing rates. Exchange differences arising are recognised in the exchange reserve in equity.

### 3. 重大會計政策概述 (續)

#### (e) 外幣換算

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

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

於綜合財務報表內，原來按與本集團呈列貨幣不同之貨幣呈報之海外業務所有個別財務報表，已轉換至港元。資產及負債亦在報告日期以收市匯率換算為港元。收入及開支則以交易日期通用之匯率或報告期間之平均匯率兌換至港元，惟有關匯率須並無大幅波動。任何由此程序產生之差異已在其他全面收入中確認，並單獨在權益匯兌儲備內累計。

因收購海外業務而產生之已收購可識別資產之商譽及公平值調整作為有關海外業務之資產及負債處理，並以收市匯率換算為港元。所產生之匯兌差額於權益內確認為匯兌儲備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (e) Foreign currency translation (Continued)

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

#### (f) Revenue recognition

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

- (i) sale of crude oil is recognised from the Group's share of income (including cost recovery oil, investment recovery oil and share oil) according to the terms stipulated in the contract, details of which are set out in note 33;
- (ii) sale of electricity and heat is recognised upon the transmission of electricity and heat to the customer; and
- (iii) interest income is recognised on time proportion basis using effective interest method.

#### (g) Borrowing costs

Borrowing costs attributable directly to the acquisition, construction or production of qualifying assets which require a substantial period of time to be ready for their intended use or sale, are capitalised as part of the cost of those assets. Income earned on temporary investments of specific borrowings pending their expenditure on those assets is deducted from borrowing costs capitalised. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### 3. 重大會計政策概述 (續)

#### (e) 外幣換算 (續)

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

#### (f) 收益確認

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

- (i) 銷售原油自本集團根據合約所列條款分佔之收入（包括收回成本石油、收回投資石油及共享石油）確認，有關詳情載於附註33；
- (ii) 銷售熱電於向客戶輸送電力及熱力時予以確認；及
- (iii) 利息收入使用實際利率法按時間比例確認。

#### (g) 借款成本

直接因收購、建設或製造任何合資格資產所產生之借款成本作為該等資產成本之一部分資本化，合資格資產為需要長時間達到擬定用途或銷售狀況之資產。尚未使用特定借款暫時投資所得收益自己資本化之借款成本中扣減。所有其他借款成本於產生期間於損益內確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (h) Intangible assets

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

- Exploration and evaluation assets under oil production business is amortised on unit of production method.
- Interests in oil production sharing contracts under oil production business is amortised on unit of production method.

#### (i) Sea area use rights

Upfront payments made to acquire the maritime space held under an operating lease are stated at cost less accumulated amortisation and any impairment losses. Sea area use rights are amortised on straight-line method over the terms of the right of use.

#### (j) Property, plant and equipment

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

### 3. 重大會計政策概述 (續)

#### (h) 無形資產

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

- 產油業務之勘探及評估資產按生產單位法攤銷。
- 產油業務之產油共享合約之權益按生產單位法攤銷。

#### (i) 海域使用權

就收購根據經營租約持有的海域所作出的預付款項按成本減累計攤銷及任何減值虧損列賬。海域使用權以直線法於使用權的期限進行攤銷。

#### (j) 物業、廠房及設備

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Property, plant and equipment (Continued)

Other than oil properties, depreciation is provided to write off the cost less their estimated residual values, if any, over their estimated useful lives, using straight-line method. The estimated useful lives are as follows:

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

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

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

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

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

### 3. 重大會計政策概述 (續)

#### (j) 物業、廠房及設備 (續)

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

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

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (j) Property, plant and equipment (Continued)

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

An asset is written down to its recoverable amount if its carrying amount is higher than the asset's estimated recoverable amount.

#### (k) Prepaid land lease payments

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

#### (l) Impairment of assets (other than financial assets)

Property, plant and equipment, prepaid land lease payments, sea area use rights, intangible assets and interests in subsidiaries are subject to impairment testing. All these assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

### 3. 重大會計政策概述 (續)

#### (j) 物業、廠房及設備 (續)

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

倘資產之賬面值高於資產之估計可收回金額，即撇減至其可收回金額。

#### (k) 預付土地租賃款項

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

#### (l) 資產 (不包括財務資產) 減值

物業、廠房及設備、預付土地租賃款項、海域使用權、無形資產及於附屬公司之權益會進行減值測試。所有該等資產在出現跡象顯示資產賬面值或會不可收回時進行減值測試。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (I) Impairment of assets (other than financial assets) (Continued)

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value-in-use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the impairment loss is treated as a revaluation decrease under that HKFRS.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount under another HKFRS, in which case the reversal of the impairment loss is treated as a revaluation increase under that HKFRS.

Value-in-use is based on the estimated future cash flows expected to be derived from the asset or cash-generating unit ("CGU") discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

### 3. 重大會計政策概述 (續)

#### (I) 資產 (不包括財務資產) 減值 (續)

倘若一項資產之可收回金額 (即公平值減出售成本及使用價值較高者) 估計低於其賬面值, 該資產之賬面值減至其可收回金額。減值虧損即時確認為開支, 除非相關資產乃根據另一香港財務報告準則按重估金額計量其賬面值, 在此情況下減值虧損視作該港財務報告準則項下重估金額減少。

倘若減值虧損在其後期間撥回, 資產之賬面值增加至其經修訂估計可收回金額, 惟增加後之賬面值不得超過如過往年度未就資產確認減值虧損而應釐定之賬面值。減值虧損撥回即時確認為收入, 除非相關資產乃根據另一香港財務報告準則按重估金額計量其賬面值, 在此情況下減值虧損撥回視作該香港財務報告準則項下重估金額增加。

使用價值乃基於來自資產或現金產生單位 (「現金產生單位」) 之估計未來現金流量, 採用稅前折現率折現至其現值, 而有關折現率反映現時市場對金錢時間值及有關資產或現金產生單位特有風險之評估。現金產生單位為最小可產生現金流入之可分辨資產組合, 有關現金流入大致獨立於其他資產或資產組合之現金流入。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Leases

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

#### *Classification of assets leased to the Group*

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases.

#### *Assets acquired under finance leases*

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset or, if lower, the present value of the minimum lease payments (the "Initial Value"), of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance lease charges, are recorded as finance lease liabilities.

Subsequent accounting for assets held under finance leases corresponds to those applied to comparable acquired assets. The corresponding finance lease liability is reduced by lease payments less finance lease charges.

### 3. 重大會計政策概述 (續)

#### (m) 租賃

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

#### *本集團租賃資產之分類*

本集團以租賃方式持有之資產，倘租賃使擁有權之絕大部分風險和回報轉移至本集團，有關資產便歸入融資租賃持有類別；倘租賃不會使擁有權之絕大部分風險和回報轉移至本集團，則歸類為經營租賃。

#### *以融資租賃方式購入之資產*

倘本集團是以融資租賃購入資產之使用權，便會將相當於租賃資產公平值或最低租賃付款額之現值（以較低者為準）（「初始值」）記入物業、廠房及設備，而扣除融資費用後之相應負債則列為融資租賃負債。

按融資租約持有之資產其後之會計處理方法與可資比較購入資產所用者相同。相關融資租約負債會按租金付款減融資租約支出調減。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (m) Leases (Continued)

##### *Assets under finance leases are depreciated the same as owned assets*

A sale and leaseback transaction involves the sale of an asset and the leasing back of the same asset. The lease payment and the sale price are usually interdependent because they are negotiated as a package. If a sale and leaseback transaction results in a finance lease, the previous carrying value is left unchanged, with the sales proceeds being shown as a liability.

##### *Operating lease charges as the lessee*

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

#### (n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost of coal is determined using weighted average method. All other cost is determined using first-in, first-out method. Net realisable value is the estimated selling prices in the ordinary course of business less the estimated costs necessary to make the sale.

### 3. 重大會計政策概述 (續)

#### (m) 租賃 (續)

##### *融資租賃項下資產按與自有資產相同的方式折舊*

售後租回交易涉及資產之出售及租回同一資產。由於出售及回租乃一併進行，所以租賃款項及出售價通常為相關的。倘售後租回交易產生融資租賃，則先前賬面值維持不變，出售所得款項列示為負債。

##### *經營租約費用 (作為承租人)*

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

#### (n) 存貨

存貨按成本及可變現淨值兩者中之較低者列賬。煤碳成本按加權平均法計算。所有其他成本則按先進先出法計算。可變現淨值為日常業務過程中之估計售價減估計銷售所需成本。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (o) Financial assets

##### *Recognition and measurement*

The Group's financial assets are classified as loans and receivables and financial assets at fair value through profit or loss. Management determines the classification of its financial assets at initial recognition depending on the purpose for which the financial assets were acquired and where allowed and appropriate, re-evaluates this designation at every reporting date.

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

De-recognition of financial assets occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

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

Financial assets at fair value through profit or loss include financial assets held for trading if they are acquired for the purpose of sale in the near term. Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

### 3. 重大會計政策概述 (續)

#### (o) 財務資產

##### *確認及計量*

本集團之財務資產分為貸款及應收款項及按公平值計入損益之財務資產。管理層於首次確認時依據收購財務資產之目的將其歸類，並在許可及適當之情況下，於各報告日期重新評估財務資產之分類。

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

當收取投資現金流量之權利屆滿或轉移及擁有權之絕大部分風險與回報已轉移時解除確認財務資產。

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

按公平值計入損益之財務資產包括持作交易用途，為近期出售而購入之財務資產。初步確認後，按公平值計入損益之財務資產按公平值計量，公平值變動於產生期間於損益確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (o) Financial assets (Continued)

##### *Impairment of financial assets*

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

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

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

### 3. 重大會計政策概述 (續)

#### (o) 財務資產 (續)

##### *財務資產減值*

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

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

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



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (o) Financial assets (Continued)

##### *Impairment of financial assets (Continued)*

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

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

#### (p) Income taxes

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

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

### 3. 重大會計政策概述 (續)

#### (o) 財務資產 (續)

##### *財務資產減值 (續)*

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

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

#### (p) 所得稅

本年度所得稅包括當期稅項及遞延稅項。

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (p) Income taxes (Continued)

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

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

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

#### (q) Cash and cash equivalents

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

### 3. 重大會計政策概述 (續)

#### (p) 所得稅 (續)

遞延稅項會就用作財務報告用途之資產及負債賬面值與用作稅項用途之相應金額之暫時差異確認。除商譽及不影響會計或應課稅溢利之已確認資產及負債外，遞延稅項負債就所有應課稅暫時差異進行確認。倘有可用以抵銷可扣減暫時差異之應課稅溢利，則會確認遞延稅項資產。遞延稅項乃按適用於資產或負債之賬面值獲變現或結算之預期方式及於報告期間完結時已頒佈或實質上已頒佈之稅率計量。

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

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

#### (q) 現金及現金等值項目

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (r) Share capital

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

#### (s) Financial liabilities

The Group's financial liabilities include trade, bills and other payables, accruals, bank and other borrowings, amounts due to non-controlling shareholders, finance lease liabilities and convertible bonds.

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

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

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

#### **Trade, bills and other payables, accruals and amounts due to non-controlling shareholders**

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

### 3. 重大會計政策概述 (續)

#### (r) 股本

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

#### (s) 財務負債

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

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

當負債之責任解除、取消或到期,則會取消確認財務負債。

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

#### **應付貿易賬項、應付票據及其他應付款項、應計款項及應付非控股股東款項**

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (s) Financial liabilities (Continued)

##### *Convertible bonds that contain an equity component*

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

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

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

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

### 3. 重大會計政策概述 (續)

#### (s) 財務負債 (續)

##### *包含權益部分之可換股債券*

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (s) Financial liabilities (Continued)

##### *Convertible bonds that contain an equity component (Continued)*

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

##### *Borrowings*

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

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

##### *Finance lease liabilities*

Finance lease liabilities are measured at Initial Value less the capital element of lease repayments (see note 3(m)).

### 3. 重大會計政策概述 (續)

#### (s) 財務負債 (續)

##### *包含權益部分之可換股債券 (續)*

有關發行可換股債券之交易成本按所得款項之分配比例分配至負債及權益部分。有關權益部分之交易成本直接於權益扣除。有關負債部分之交易成本計入負債部分之賬面值並於可換股債券之期間內使用實際利率法攤銷。

##### *借款*

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

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

##### *融資租賃負債*

融資租賃負債以初始值減租賃還款的資本部分計量（見附註3(m)）。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (t) Provisions and contingent liabilities

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

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

#### (u) Retirement benefits costs and short-term employee benefits

Retirement benefits to employees are provided through defined contribution plans.

##### *Defined contribution plans*

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

### 3. 重大會計政策概述 (續)

#### (t) 撥備及或然負債

撥備於本集團因過往事件而現在負有債務(法定或推定),及有可能需要經濟利益支出以清償債務,且能得出可靠估計時予以確認。倘貨幣之時間價值重大時,撥備將按預期清償債務之支出之現值列賬。所有撥備均於每個報告日期經過審查,並經調整以反映當期之最佳估計。

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

#### (u) 退休福利成本及短期僱員福利

僱員退休福利乃透過定額供款計劃而提供。

##### *定額供款計劃*

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (u) Retirement benefits costs and short-term employee benefits (Continued)

##### *Defined contribution plans (Continued)*

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

##### *Short-term employee benefits*

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

#### (v) Share-based compensation

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

### 3. 重大會計政策概述 (續)

#### (u) 退休福利成本及短期僱員福利 (續)

##### *定額供款計劃 (續)*

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

##### *短期僱員福利*

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

#### (v) 以股份為基礎之補償

本集團就僱員及董事薪酬設立以股本結算之以股份為基礎之補償計劃。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (v) Share-based compensation (Continued)

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

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

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

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

### 3. 重大會計政策概述 (續)

#### (v) 以股份為基礎之補償 (續)

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

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

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (w) Government grants

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

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

#### (x) Segment reporting

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

The Group has identified the following reportable segments:

- Oil production
- Oil and liquefied chemical terminal; and
- Supply of electricity and heat.

### 3. 重大會計政策概述 (續)

#### (w) 政府補助

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

與收入有關之政府補助於綜合損益表內整體呈列為「其他收入」。

#### (x) 分類報告

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

本集團已確立以下報告分類：

- 產油
- 油品及液體化工品碼頭；及
- 熱電供應。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (x) Segment reporting (Continued)

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

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

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

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

No asymmetrical allocations have been applied to reportable segments.

### 3. 重大會計政策概述 (續)

#### (x) 分類報告 (續)

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

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

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

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

非對稱分配不應用於報告分類。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (y) Related parties

- (a) A person or a close member of that person's family is related to the Group if that person:
- (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of key management personnel of the Group or the Company's parent.
- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

### 3. 重大會計政策概述 (續)

#### (y) 關連人士

- (a) 符合以下條件之一的人士或其直系家庭成員將被視為本集團的關聯方：
- (i) 對本集團有控制或共同控制；
  - (ii) 對本集團有重大影響；或
  - (iii) 本集團或本公司母公司主要管理人員的成員。
- (b) 符合以下條件之一的企業將被視為本集團的關聯方：
- (i) 企業和本集團為同一集團下的成員（即母公司、附屬公司及同系附屬公司均為相互的關聯方）；
  - (ii) 企業為另外一家企業的聯營公司或合營公司（或企業為該另外一家企業的集團成員的聯營公司或合營公司）；
  - (iii) 兩家企業同為一個第三方的合營公司；
  - (iv) 企業為一家第三方企業的合營公司及另一家企業為該第三方企業的聯營公司；

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### (y) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies: (Continued)
- (v) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity); and
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Company.

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

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

### 3. 重大會計政策概述 (續)

#### (y) 關連人士 (續)

- (b) 符合以下條件之一的企業將被視為本集團的關聯方：  
(續)
- (v) 企業為一僱員退休福利計劃，且該福利計劃的受益人為本集團的僱員或本集團任何關聯方；
- (vi) 企業被在註釋(a)下認定的人士控制或共同控制；
- (vii) 在註釋(a)(i)下認定的人士對企業有重大影響，或該人士為企業（或企業的母公司）的主要管理人員；及
- (viii) 向本集團或向本公司之母公司提供主要管理人員服務之實體或其所屬集團之任何成員公司。

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

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

#### (i) Depreciation

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

#### (ii) Impairment of receivables

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

### 4. 重大會計估計及判斷

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

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

#### (i) 折舊

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

#### (ii) 應收款項減值

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (iii) Estimated impairment of intangible assets, oil properties and validity of the Songliao Contract

The recoverable amount of interests in the Songliao Contract is determined based on value-in-use. These calculations require the use of estimates about future cash flows, discount rate and oil reserves. In the process of estimation, management makes assumptions about future cash flow, costs and oil reserves. Details of impairment assessment are set out in note 17 to the financial statements.

As described in note 3(a)(i), in 2015, the directors of the Company found that Mr. A was formally charged by prosecution authorities in the PRC for illegal crime, possibly involving allegations about improper conduct in obtaining of the Songliao Contract. The directors of the Company consider that as there has been no progress during the year and there was no adjudication in respect of the Charge, it is not possible to estimate the outcome on the Group's oil production business and financial position, arising from the Charge against Mr. A. Nevertheless, it is possible that the Group may not be able to exercise its right under the Songliao Contract and its Oil Production Assets may be derecognised if the Songliao Contract becomes void when Mr. A is found guilty for his suspected improper conduct in obtaining the Songliao Contract. Having taken into account of the legal opinion, the directors consider that the Songliao Contract will continue to be valid and will be executed as planned as the Group has close working relationship with the State-owned Enterprise and up to the date of authorisation for issue of the consolidated financial statements, there is no indication from the State-owned Enterprise regarding any potential claim or questioning on the validity of the Songliao Contract. Where the actual outcome of the Charge is different with the directors' expectation and with significant adverse change, it will have significant effect on the consolidated financial statements, in particular the Group's intangible assets and oil properties.

### 4. 重大會計估計及判斷 (續)

#### (iii) 無形資產、石油財產估計減值及松遼合約之有效性

松遼合約之權益之可收回金額按使用價值釐定。該等計算方法要求使用估計日後現金流量、貼現率及石油儲量。在進行估計時，管理層對日後現金流量、成本及石油儲量作出假設。減值評估之詳情載於財務報表附註17。

如附註3(a)(i)所述，於二零一五年，本公司董事發現A先生遭中國檢控機關正式控告非法經營罪，其中可能涉及其於獲得松遼合約時有不當行為。本公司董事認為，由於該指控於年內概無進展及並無判決，故無法估計針對A先生提出之控告的結果對本集團之產油業務及財務狀況造成之影響。儘管如此，本集團可能無法行使其於松遼合約項下之權利，且倘松遼合約因A先生就其於取得松遼合約過程中涉嫌不當行為被裁斷罪名成立而成為無效時，其產油資產或會遭取消確認。經考慮相關法律意見，董事認為松遼合約將繼續有效並按計劃執行，蓋因本集團與國有企業建立緊密合作關係以及截至授權刊發綜合財務報表之日，國有企業並無提出任何潛在索償或對松遼合約之有效性提出質疑。倘有關控告之實際結果有別於董事預期，並引致重大不利變動，則其將對綜合財務報表，尤其是本集團之無形資產以及石油財產造成重大影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (iv) Loss of Control on QHFSMI and IMFSMI

As described in note 3(a)(iii) to the financial statements, as soon as the Group had discovered the loss of QHFSMI's exploration licence, without the Company's knowledge, consent or approval, the Group obtained advice from its legal advisers. Given that (i) the discovery of the loss of significant controls over QHFSMI; (ii) Ms Leung's legal status as director and legal representative in QHFSMI and IMFSMI remained unchanged; and (iii) the Group was unable to obtain the financial information of QHFSMI and IMFSMI, the directors of the Company considered that the Group had no power over QHFSMI and IMFSMI, exposure, or rights, to variable returns from QHFSMI and IMFSMI and the ability to use its power to affect those variable returns. As the Group is still in the process of regaining the controlling power over QHFSMI and IMFSMI, the Group was still unable to exercise of its power over QHFSMI and IMFSMI. Accordingly, the directors of the Company consider that it was inappropriate to consolidate the financial statements of QHFSMI and IMFSMI into the Group for the year and these two wholly-owned entities had been de-consolidated since 2010.

### 4. 重大會計估計及判斷 (續)

#### (iv) 失去對青海森源及內蒙古森源之控制權

如財務報表附註3(a)(iii)所述，本集團發現在本公司不知情及未經本公司同意或批准下失去青海森源之勘探牌照後，已獲得本集團法律顧問之意見。鑒於(i)發現喪失對青海森源之重大控制權；(ii)梁女士作為青海森源及內蒙古森源之董事及法定代表之法律地位因其不合作而維持不變；及(iii)本集團無法獲取青海森源及內蒙古森源的財務資料，本公司董事認為本集團對青海森源及內蒙古森源並無權力，不再享有青海森源及內蒙古森源可變回報或對其擁有權利，亦無能力行使其權力以影響該等可變回報。由於本集團仍在努力取回對青海森源及內蒙古森源之控制權，故本集團仍無法行使其對青海森源及內蒙古森源之權力。因此，本公司董事認為，本年度不宜將青海森源及內蒙古森源之財務報表綜合計入本集團之賬目內，故該兩間全資擁有實體自二零一零年起不再綜合計入賬目內。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (v) Estimation of oil reserves

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

#### (vi) Taxation

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

### 4. 重大會計估計及判斷 (續)

#### (v) 石油儲量之估計

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

#### (vi) 稅項

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

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (vi) Taxation (Continued)

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether there will be sufficient taxable income available to offset the tax assets when they do reverse. These judgements are subject to risk and uncertainty and therefore, to the extent assumptions regarding future profitability change, there can be a material increase or decrease in the amounts recognised in the consolidated statement income statement in the period in which the change occurs.

#### (vii) Fair value measurement

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are:

Level 1: Quoted prices in active markets for identical items (unadjusted);

Level 2: Observable direct or indirect inputs other than Level 1 inputs;

Level 3: Unobservable inputs (i.e. not derived from market data).

### 4. 重大會計估計及判斷 (續)

#### (vi) 稅項 (續)

遞延稅項資產僅在其被認為可收回時方予確認。此涉及評估該等遞延稅項資產將於何時有可能回轉，及判斷當稅項資產回轉時，是否有足夠之應課稅收入抵銷稅項資產。該等判斷受風險及不確定因素影響，因此，如有關未來盈利能力之假設發生變化，於發生變化期間之綜合收益表確認之金額可能大幅增加或減少。

#### (vii) 公平值計量

計入本集團財務報表之若干資產及負債須按公平值計量及／或作出公平值披露。

本集團財務及非財務資產及負債之公平值計量盡可能使用市場可觀察輸入值及數據。釐定公平值計量所用之輸入值乃基於估值技術所用輸入值之可觀察程度而分類為不同等級：

第一級：相同項目之活躍市場報價（未經調整）；

第二級：第一級輸入值以外之直接或間接可觀察輸入值；

第三級：不可觀察輸入值（即並非衍生自市場數據）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

#### (vii) Fair value measurement (Continued)

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures the certain assets and financial assets at fair value through profit or loss at fair value as at 31 December 2016. Detailed information in relation to the fair value measurement are set out in notes 14, 15, 20 and 41.

#### (viii) Going concern

The directors of the Company have prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the foreseeable future, which is a critical judgement that has the most significant effect on the amounts recognised in the consolidated financial statements. The assessment of the going concern assumption involves making a judgement by the directors, about the future outcome of events or conditions which are inherently uncertain. The directors consider that, after taking into account of all major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt upon the going concern assumption are set out in note 3(a)(ii) to the consolidated financial statements, the Group has the capability to continue as a going concern.

### 4. 重大會計估計及判斷 (續)

#### (vii) 公平值計量 (續)

項目乃根據對該項目之公平值計量具有重要影響之最低等級輸入值而分類至上述等級。等級之間之項目轉移於發生期間確認。

於二零一六年十二月三十一日，本集團按公平值計量若干資產及按公平值計入損益之財務資產。有關公平值計量之詳細資料載於附註14、15、20及41。

#### (viii) 持續經營

本公司董事乃基於本集團於可預見未來能夠持續經營之假設編製綜合財務報表。該假設屬重大判斷，對綜合財務報表內已確認金額具有重大影響力。對持續經營假設之評估，涉及董事就本質上不確定之事件或狀況之未來結果作出判斷。經考慮綜合財務報表附註3(a)(ii)所載可能導致業務風險（可能個別或共同引發對持續經營假設之重大疑慮）之所有重大事件或狀況後，董事認為本集團有能力持續經營。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 5. REVENUE AND OTHER INCOME

The Group's principal activities are disclosed in note 1 to the financial statements. Revenue from the Group's principal activities and other income recognised are as follows:

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Revenue</b>	<b>收益</b>		
Sale of electricity and heat	銷售熱電	22,164	46,805
Sale of crude oil	銷售原油	18,762	40,675
		<b>40,926</b>	<b>87,480</b>
<b>Other income</b>	<b>其他收入</b>		
Bank interest income	銀行利息收入	244	24
Government grants (note below)	政府補助(附註見下文)	696	1,168
Sundry income	各項收入	2,075	37
		<b>3,015</b>	<b>1,229</b>

Note: These were mainly unconditional grants from the local government in the PRC to the Group.

### 5. 收益及其他收入

本集團之主要業務於財務報表之附註1披露。本集團主要業務之收益及已確認其他收入載列如下：

附註： 主要為中國地方政府對本集團之無條件補助。

### 6. SEGMENT INFORMATION

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

- (a) the Oil Production segment represents the business of oil production;

### 6. 分類資料

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

- (a) 產油分類，指產油業務；

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 6. SEGMENT INFORMATION (Continued)

- (b) the Oil and Liquefied Chemical Terminal segment represents the business of operation of oil liquefied chemical terminal, storage and logistics facilities; and
- (c) the Supply of Electricity and Heat segment represents the business of generation and supplying of electricity and heat.

There was no inter-segment sale and transfer during the year (2015: Nil).

### 6. 分類資料 (續)

- (b) 油品及液體化工品碼頭分類，指經營油品及液體化工品碼頭、儲存及物流設施業務；及
- (c) 熱電供應分類，指熱電生產及供應業務。

於年內並無分類間之出售及轉讓（二零一五年：無）。

		Oil Production		Oil and Liquefied Chemical Terminal		Supply of Electricity and Heat		Total	
		產油		油品及液體化工品碼頭		熱電供應		總計	
		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Reportable segment revenue: From external customers	報告分類收益： 來自外間客戶之收益	18,762	40,675	-	-	22,164	46,805	40,926	87,480
Reportable segment (loss)/profit	報告分類（虧損）／溢利	(207,784)	(471,973)	(6,397)	24,193	1,299	(90,073)	(212,882)	(537,853)
Bank interest income	銀行利息收入	12	23	222	-	2	-	236	23
Reversal of impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損撥回	-	-	-	-	15,349	-	15,349	-
Reversal of impairment loss on prepaid land lease payments	預付土地租賃款項之減值虧損撥回	-	-	-	-	2,179	-	2,179	-
Depreciation	折舊	(5,544)	(14,076)	(426)	-	(8,737)	(29,121)	(14,707)	(43,197)
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	-	-	-	-	(646)	(679)	(646)	(679)
Amortisation of sea area use rights	海域使用權攤銷	-	-	(2,446)	-	-	-	(2,446)	-
Amortisation of intangible assets	無形資產攤銷	(1,463)	(4,392)	-	-	-	-	(1,463)	(4,392)
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	(11,024)	(33,843)	-	-	-	(48,618)	(11,024)	(82,461)
Impairment loss on prepaid land lease payments	預付土地租賃款項之減值虧損	-	-	-	-	-	(6,106)	-	(6,106)
Impairment loss on intangible assets	無形資產之減值虧損	(166,938)	(408,954)	-	-	-	-	(166,938)	(408,954)
<b>Reportable segment assets</b>	<b>報告分類資產</b>	<b>475,448</b>	<b>629,222</b>	<b>1,239,197</b>	<b>577,712</b>	<b>108,566</b>	<b>152,129</b>	<b>1,823,211</b>	<b>1,359,063</b>
Additions to non-current segment assets during the year	本年度非流動分類資產增加	-	45	617,260	-	754	-	618,014	45
<b>Reportable segment liabilities</b>	<b>報告分類負債</b>	<b>267,706</b>	<b>300,362</b>	<b>810,551</b>	<b>263,900</b>	<b>107,915</b>	<b>101,176</b>	<b>1,186,172</b>	<b>665,438</b>



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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 6. SEGMENT INFORMATION (Continued)

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

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Revenue</b>	<b>收益</b>		
Reportable segment revenue and consolidated revenue	報告分類收益及綜合收益	40,926	87,480
<b>Loss before income tax</b>	<b>除所得稅前虧損</b>		
Reportable segment loss	報告分類虧損	(212,882)	(537,853)
Finance costs	財務成本	-	(20,049)
Other unallocated income	其他未分配收入	35	9
Other unallocated expenses	其他未分配開支	(35,465)	(77,282)
Consolidated loss before income tax	除所得稅前綜合虧損	(248,312)	(635,175)

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Assets</b>	<b>資產</b>		
Reportable segment assets	報告分類資產	1,823,211	1,359,063
Property, plant and equipment	物業、廠房及設備	49	59
Cash and bank balances	現金及銀行結存	7,520	96,249
Other corporate assets	其他企業資產	15,650	55,455
Group assets	本集團資產	1,846,430	1,510,826
<b>Liabilities</b>	<b>負債</b>		
Reportable segment liabilities	報告分類負債	1,186,172	665,438
Convertible bonds	可換股債券	165,476	141,450
Other corporate liabilities	其他企業負債	29,500	16,727
Group liabilities	本集團負債	1,381,148	823,615

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

### 6. 分類資料 (續)

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

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Revenue</b>	<b>收益</b>		
Reportable segment revenue and consolidated revenue	報告分類收益及綜合收益	40,926	87,480
<b>Loss before income tax</b>	<b>除所得稅前虧損</b>		
Reportable segment loss	報告分類虧損	(212,882)	(537,853)
Finance costs	財務成本	-	(20,049)
Other unallocated income	其他未分配收入	35	9
Other unallocated expenses	其他未分配開支	(35,465)	(77,282)
Consolidated loss before income tax	除所得稅前綜合虧損	(248,312)	(635,175)
<b>Assets</b>	<b>資產</b>		
Reportable segment assets	報告分類資產	1,823,211	1,359,063
Property, plant and equipment	物業、廠房及設備	49	59
Cash and bank balances	現金及銀行結存	7,520	96,249
Other corporate assets	其他企業資產	15,650	55,455
Group assets	本集團資產	1,846,430	1,510,826
<b>Liabilities</b>	<b>負債</b>		
Reportable segment liabilities	報告分類負債	1,186,172	665,438
Convertible bonds	可換股債券	165,476	141,450
Other corporate liabilities	其他企業負債	29,500	16,727
Group liabilities	本集團負債	1,381,148	823,615

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

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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 6. SEGMENT INFORMATION (Continued)

Revenue from the major customers is as follows:

Customer A (derived from the Oil Production segment)	客戶A (來源於產油分類)
Customer B* (derived from the Supply of Electricity and Heat segment)	客戶B* (來源於熱電供應分類)
Customer C (derived from the Supply of Electricity and Heat segment)	客戶C (來源於熱電供應分類)
Customer D (derived from the Supply of Electricity and Heat segment)	客戶D (來源於熱電供應分類)

\* Amount for Customer B for the year ended 31 December 2016 has not been disclosed as revenue from this customer is less than 10% of the Group's revenue in that year.

### 6. 分類資料 (續)

來自主要客戶之收益如下:

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Customer A (derived from the Oil Production segment)	18,762	40,675
Customer B* (derived from the Supply of Electricity and Heat segment)	–	13,710
Customer C (derived from the Supply of Electricity and Heat segment)	7,581	14,514
Customer D (derived from the Supply of Electricity and Heat segment)	9,221	12,716
	<b>35,564</b>	<b>81,615</b>

\* 客戶B於截至二零一六年十二月三十一日止年度的金額並未披露，原因是來自該客戶的收益低於本集團當年收益的10%。

### 7. FINANCE COSTS

Imputed interest on convertible bonds (note 28)	可轉換債券之推算利息 (附註28)
Interest on bank and other borrowings due within one year	於一年內到期之銀行及其他借款之利息
Finance lease charges	融資租約費用
Imputed interest on other borrowings and amount due to non-controlling shareholders	其他借款及應付非控股股東款項之推算利息
Less: Amount capitalised*	減：資本化金額*

\* Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 9.54% (2015: Nil) to expenditure on qualifying assets.

### 7. 財務成本

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Imputed interest on convertible bonds (note 28)	26,634	9,268
Interest on bank and other borrowings due within one year	24,757	5,191
Finance lease charges	1,041	–
Imputed interest on other borrowings and amount due to non-controlling shareholders	2,733	5,590
	<b>55,165</b>	<b>20,049</b>
Less: Amount capitalised*	<b>(55,165)</b>	–
	–	20,049

\* 於年內已撥充資本的借貸成本產生自一般借貸組合，採用資本化比率9.54% (二零一五年：無)計算，計入合資格資產的支出。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 8. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging the following:

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Cost of inventories recognised as expense	確認為開支之存貨成本	14,784	30,863
Depreciation (note 14)	折舊 (附註14)	14,726	43,220
Amortisation of prepaid land lease payments (note 15)*	預付土地租賃款項攤銷 (附註15) *	646	679
Amortisation of sea area use rights (note 16)*	海域使用權攤銷 (附註16) *	2,446	-
Amortisation of intangible assets (note 17)*	無形資產攤銷 (附註17) *	1,463	4,392
Fair value loss on financial assets at fair value through profit or loss*	按公平值計入損益之財務資產之公平值虧損*	10,560	126
Auditor's remuneration	核數師酬金	1,093	998
Loss on disposals of property, plant and equipment	出售物業、廠房及設備之虧損	28	494
Operating lease charges on land and buildings	土地及樓宇之經營租約費用	4,724	2,588
Employee costs, including directors' emoluments (note 12)	員工成本，包括董事酬金 (附註12)	32,976	30,593

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

Depreciation expenses of HK\$11,020,000 (2015: HK\$38,761,000) and HK\$3,706,000 (2015: HK\$4,459,000) were included in cost of sales and administrative expenses respectively.

### 8. 除所得稅前虧損

除所得稅前虧損已扣除以下各項：

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Cost of inventories recognised as expense	14,784	30,863
Depreciation (note 14)	14,726	43,220
Amortisation of prepaid land lease payments (note 15)*	646	679
Amortisation of sea area use rights (note 16)*	2,446	-
Amortisation of intangible assets (note 17)*	1,463	4,392
Fair value loss on financial assets at fair value through profit or loss*	10,560	126
Auditor's remuneration	1,093	998
Loss on disposals of property, plant and equipment	28	494
Operating lease charges on land and buildings	4,724	2,588
Employee costs, including directors' emoluments (note 12)	32,976	30,593

\* 已計入綜合損益表之「其他經營開支」。

折舊開支11,020,000港元(二零一五年：38,761,000港元)及3,706,000港元(二零一五年：4,459,000港元)分別計入銷售成本及行政開支。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 9. INCOME TAX CREDIT

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

### 9. 所得稅抵免

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

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Current tax – the PRC	當期稅項－中國		
– Current year	– 本年度	17	7
– Over-provision in prior years	– 過往年度超額撥備	–	(1,704)
Deferred tax – the PRC	遞延稅項－中國		
– Current year (note 29)	– 本年度(附註29)	(47,365)	(101,502)
Income tax credit	所得稅抵免	(47,348)	(103,199)

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

按適用稅率計算之所得稅計入與會計虧損之對賬如下：

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Loss before income tax	除所得稅前虧損	(248,312)	(635,175)
Tax at the applicable rates to loss in the tax jurisdictions concerned	對於所涉稅務司法權區之虧損按適用稅率計算之稅項	(57,388)	(151,526)
Tax effect of non-taxable income	非課稅收入之稅務影響	(4,400)	(6,418)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	7,630	46,436
Tax effect of unrecognised temporary differences	未確認暫時差額之稅務影響	(774)	(936)
Tax effect of unrecognised tax losses	未確認稅務虧損之稅務影響	7,584	10,949
Over-provision in prior years	過往年度超額撥備	–	(1,704)
Income tax credit	所得稅計入	(47,348)	(103,199)

Branches of China Era in Beijing and Jilin, the PRC are subject to PRC enterprise income tax at the tax rate of 25% (2015: 25%) for the year.

中國年代於中國北京及吉林之分公司本年度須按25% (二零一五年: 25%) 之稅率繳納中國企業所得稅。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 10. DIVIDENDS

The board of directors did not recommend any payment of dividends during the year (2015: Nil).

### 11. LOSS PER SHARE

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

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Loss for the year attributable to the owners of the Company for the purpose of basic loss per share	用以計算每股基本虧損之 本公司擁有人應佔本年度虧損	<b>(189,971)</b>	(492,568)
		<b>'000 千股</b>	<b>'000 千股</b>
Weighted average number of ordinary shares for the purpose of basic loss per share	用以計算每股基本虧損之 普通股加權平均數	<b>3,834,905</b>	3,198,407

The calculation of basic loss per share is based on the loss attributable to the owners of the Company and the weighted average number of ordinary shares.

For the years ended 31 December 2016 and 2015, no adjustment has been made to the basic loss per share amount presented in respect of a dilution as the impact of the convertible bond outstanding had an anti-dilutive effect on the basic loss per share amount presented.

### 10. 股息

年內，董事會建議不派付任何股息（二零一五年：無）。

### 11. 每股虧損

本公司擁有人應佔每股基本虧損乃根據以下數據計算：

每股基本虧損乃根據本公司擁有人應佔虧損及普通股加權平均數計算。

截至二零一六年及二零一五年十二月三十一日止年度，由於未兌換之可換股債券對所呈列之每股基本虧損金額具有反攤薄影響，並無就攤薄呈列之每股基本虧損金額作出調整。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 12. EMPLOYEE BENEFIT EXPENSE (INCLUDING DIRECTORS' EMOLUMENTS)

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Wages, salaries and allowances	工資、薪金及津貼	30,011	27,888
Pension costs – defined contribution retirement plans	退休金成本 – 一定額供款退休計劃	2,965	2,705
		<b>32,976</b>	<b>30,593</b>

### 12. 僱員福利開支（包括董事酬金）

### 13. DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

#### (a) Directors' emoluments

		Fees HK\$'000 袍金 千港元	Salaries, allowances and benefits in kind HK\$'000 薪金、津貼及 實物福利 千港元	Contribution to retirement benefit scheme HK\$'000 退休福利 計劃供款 千港元	Total HK\$'000 總計 千港元
Notes 附註					
<b>2016</b>	<b>二零一六年</b>				
<b>Executive directors</b>	<b>執行董事</b>				
Ms. Wang Meiyang	王美艷女士	-	741	-	741
Mr. Chan Wai Cheung Admiral	陳偉璋先生	-	650	18	668
Ms. Jin Yuping	金玉萍女士	-	120	-	120
Mr. Lan Yongqiang	藍永強先生	-	391	-	391
<b>Independent non-executive directors</b>	<b>獨立非執行董事</b>				
Mr. Wang Jinghua	王靖華先生	36	-	-	36
Mr. Lee Hoi Yan	李凱恩先生	120	-	-	120
Mr. Fung Lam Shan	馮南山先生	120	-	-	120
		<b>276</b>	<b>1,902</b>	<b>18</b>	<b>2,196</b>

### 13. 董事及五位最高薪酬人士酬金

#### (a) 董事酬金

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

#### (a) Directors' emoluments (Continued)

	Notes	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Contribution to retirement benefit scheme HK\$'000	Total HK\$'000
	附註	袍金 千港元	薪金、津貼及 實物福利 千港元	退休福利 計劃供款 千港元	總計 千港元
<b>2015</b>					
<b>Executive directors</b>					
Ms. Wang Meiyang		-	780	-	780
Mr. Chan Wai Cheung Admiral		-	725	18	743
Ms. Jin Yuping		-	120	-	120
Mr. Lan Yongqiang		-	390	-	390
<b>Independent non- executive directors</b>					
Mr. Wang Jinghua		36	-	-	36
Mr. Lee Hoi Yan		120	-	-	120
Mr. Fung Lam Shan	(i)	71	-	-	71
Ms. Zhao Hanqi	(ii)	59	-	-	59
		286	2,015	18	2,319

Notes:

- (i) Appointed on 28 May 2015.
- (ii) Appointed on 6 March 2015 and resigned on 11 September 2015.

During the year, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group, or as compensation for loss of office (2015: Nil).

There were no arrangements under which a director of the Company waived or agreed to waive any remuneration during the year (2015: Nil).

### 13. 董事及五位最高薪酬人士酬金 (續)

#### (a) 董事酬金 (續)

	Notes	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Contribution to retirement benefit scheme HK\$'000	Total HK\$'000
	附註	袍金 千港元	薪金、津貼及 實物福利 千港元	退休福利 計劃供款 千港元	總計 千港元
<b>2015</b>					
<b>Executive directors</b>					
Ms. Wang Meiyang		-	780	-	780
Mr. Chan Wai Cheung Admiral		-	725	18	743
Ms. Jin Yuping		-	120	-	120
Mr. Lan Yongqiang		-	390	-	390
<b>Independent non- executive directors</b>					
Mr. Wang Jinghua		36	-	-	36
Mr. Lee Hoi Yan		120	-	-	120
Mr. Fung Lam Shan	(i)	71	-	-	71
Ms. Zhao Hanqi	(ii)	59	-	-	59
		286	2,015	18	2,319

附註:

- (i) 於二零一五年五月二十八日獲委任。
- (ii) 於二零一五年三月六日獲委任及於二零一五年九月十一日辭任。

年內，本集團並無向本公司董事支付任何酬金，作為加入本集團或於加盟時之獎金或作為離職補償（二零一五年：無）。

年內，並無任何本公司董事放棄或同意放棄任何酬金之安排（二零一五年：無）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

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

#### (b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group during the year included 2 (2015: 3) directors and their emoluments are included in the above analysis. Details of the emoluments of the remaining 3 (2015: 2) individuals during the year are as follows:

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Basic salaries, housing benefits, other allowances and benefits in kind	基本薪金、房屋津貼、其他津貼及實物福利	2,869	1,560
Pension costs – defined contribution retirement benefit plans	退休金成本 – 定額供款退休福利計劃	18	36
		<b>2,887</b>	<b>1,596</b>

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

		2016 二零一六年	2015 二零一五年
Nil to HK\$1,000,000	零至1,000,000港元	1	2
HK\$1,000,001 to HK\$1,500,000	1,000,001港元至1,500,000港元	2	–

During the year, no emoluments were paid by the Group to the above highest paid individuals as an inducement to join or upon joining the Group, or as compensation for loss of office (2015: Nil).

### 13. 董事及五位最高薪酬人士酬金 (續)

#### (b) 五位最高薪酬人士

年內，本集團五位最高薪酬人士包括兩位（二零一五年：三位）董事，彼等之酬金詳情參考上文分析。年內，餘下三位（二零一五年：兩位）人士之酬金詳情如下：

酬金介乎以下範圍之餘下最高薪酬人士數目如下：

年內，本集團並無向上述最高薪酬人士支付任何酬金，作為加入本集團或於加盟時之獎金或作為離職補償（二零一五年：無）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT

### 14. 物業、廠房及設備

		Buildings HK\$'000	Oil properties HK\$'000	Plant and machinery HK\$'000	Leasehold improvements, furniture, office equipment and motor vehicles HK\$'000 租賃物業裝修、 傢俬、辦公設備 及汽車 千港元	CIP HK\$'000 在建工程 千港元	Total HK\$'000 總計 千港元
At 1 January 2015	於二零一五年一月一日						
Cost	成本	135,279	447,150	315,356	32,491	10,676	940,952
Accumulated depreciation and impairment	累計折舊及減值	(91,755)	(355,362)	(244,034)	(27,225)	(7,712)	(726,088)
Net book amount	賬面淨值	43,524	91,788	71,322	5,266	2,964	214,864
Year ended 31 December 2015	截至二零一五年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	43,524	91,788	71,322	5,266	2,964	214,864
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	-	-	1,161	1,039	310,582	312,782
Additions	添置	-	-	-	59	-	59
Transfer from CIP	轉撥自在建工程	-	227	-	-	(227)	-
Disposals	出售	-	(290)	-	(204)	-	(494)
Exchange differences	匯兌差額	(5,147)	(4,094)	(7,865)	(110)	(371)	(17,587)
Depreciation (note 8)	折舊(附註8)	(4,360)	(10,519)	(24,556)	(3,785)	-	(43,220)
Impairment loss	減值虧損	(22,485)	(32,617)	(25,713)	(494)	(1,152)	(82,461)
Closing net book amount	年終賬面淨值	11,532	44,495	14,349	1,771	311,796	383,943
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日						
Cost	成本	128,733	425,733	301,258	27,420	320,386	1,203,530
Accumulated depreciation and impairment	累計折舊及減值	(117,201)	(381,238)	(286,909)	(25,649)	(8,590)	(819,587)
Net book amount	賬面淨值	11,532	44,495	14,349	1,771	311,796	383,943
Year ended 31 December 2016	截至二零一六年 十二月三十一日止年度						
Opening net book amount	年初賬面淨值	11,532	44,495	14,349	1,771	311,796	383,943
Additions	添置	-	-	-	1,296	599,687	600,983
Disposals	出售	-	-	-	(390)	-	(390)
Exchange differences	匯兌差額	(568)	(3,209)	(336)	(107)	(50,655)	(54,875)
Depreciation (note 8)	折舊(附註8)	(4,146)	(5,842)	(4,562)	(176)	-	(14,726)
Impairment loss	減值虧損	-	(10,641)	-	(278)	(105)	(11,024)
Reversal of impairment loss	撥回減值虧損	6,536	-	8,128	584	101	15,349
Closing net book amount	年終賬面淨值	13,354	24,803	17,579	2,700	860,824	919,260
At 31 December 2016	於二零一六年十二月三十一日						
Cost	成本	120,005	396,870	280,908	26,846	869,513	1,694,142
Accumulated depreciation and impairment	累計折舊及減值	(106,651)	(372,067)	(263,329)	(24,146)	(8,689)	(774,882)
Net book amount	賬面淨值	13,354	*24,803	17,579	*2,700	*860,824	919,260

\* Balance of HK\$25,696,000 (2015: HK\$46,167,000) included in these amounts represents property, plant and equipment relate to the Songliao Contract entered into with the State-owned Enterprise.

\* 計入該等金額的結餘25,696,000港元(二零一五年: 46,167,000港元)為與國有企業所訂立松遼合約相關的物業、廠房及設備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT (Continued)

Buildings are located on the prepaid land lease payments in the PRC (note 15).

Oil Production:

During the year, provision for impairment loss of oil properties, furniture, office equipment and motor vehicles and CIP relating to the Oil Production CGU of HK\$10,641,000 (2015: HK\$32,617,000), HK\$278,000 (2015: HK\$494,000) and HK\$105,000 (2015: HK\$732,000), respectively, were recognised in profit or loss to write down to their recoverable amounts due to the decrease in the projected crude oil prices and amendments to the drilling and extraction schedules, totalling HK\$11,024,000 (2015: HK\$33,843,000) (note 17(ii)).

Supply of Electricity and Heat:

For the purpose of impairment testing as at 31 December 2016, the recoverable amount of property, plant and equipment and prepaid land lease payments relating to the supply of electricity and heat business (the "Electricity and Heat CGU") was determined based on fair value less costs of disposal. This is a non-recurring fair value which has been determined by income approach, and is therefore within level 3 of the fair value hierarchy. The key assumption used by management to determine the fair value less costs of disposal is that sales of the Sunlight Group (i.e the Electricity and Heat CGU) at a cash consideration of HK\$1.5 million which was subsequently completed in March 2017, details of which are set out in note 45.

### 14. 物業、廠房及設備 (續)

樓宇位於中國之預付土地租賃款項(附註15)。

產油業務：

年內，有關產油現金產生單位的石油財產、傢俬、辦公設備及汽車，以及在在建工程的減值虧損撥備分別為10,641,000港元(二零一五年：32,617,000港元)、278,000港元(二零一五年：494,000港元)及105,000港元(二零一五年：732,000港元)，乃於損益確認以撇減至因預期原油價格下跌及修訂鑽探及開採時間表產生的可收回金額合共11,024,000港元(二零一五年：33,843,000港元)(附註17(ii))。

熱電供應：

就於二零一六年十二月三十一日之減值測試而言，有關熱電供應業務(「熱電現金產生單位」)之物業、廠房及設備及預付土地租賃款項的可收回金額按公平值減出售成本釐定。此為非經常性公平值，乃透過收入法釐定，並屬於公平值等級之第三級。管理層用來釐定公平值減出售成本的主要假設乃以1,500,000港元現金代價出售昇暉集團(即熱電現金產生單位)，其後於二零一七年三月完成，詳情載於附註45。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 14. PROPERTY, PLANT AND EQUIPMENT (Continued)

### 14. 物業、廠房及設備 (續)

		2016 HK\$'000 二零一六年 千港元
Consideration	代價	1,500
Less: Estimated cost of disposal	減：估計出售成本	(1,080)
Estimated fair value less cost of disposal	估計公平值減出售成本	420
Gross up by 60% (being the Company's equity interest in the Sunlight Group)	除以60% (即本公司佔昇暉集團之股本權益)	700
Less: Net liabilities of the Sunlight Group as at 31 December 2016	減：昇暉集團於二零一六年十二月三十一日之負債淨額	(16,828)
Amount of reversal of impairment loss	減值虧損撥回金額	17,528

As a result, reversal of impairment loss of buildings, plant and machinery, furniture and office equipment, CIP and prepaid land lease payments (note 15) of HK\$6,536,000, HK\$8,128,000, HK\$584,000, HK\$101,000 and HK\$2,179,000 respectively were recognised in profit or loss to reflect their recoverable amounts (2015: impairment loss of buildings, plant and machinery, and CIP of HK\$22,485,000, HK\$25,713,000 and HK\$420,000, respectively).

As at 31 December 2016, the carrying amount of property, plant and equipment of HK\$31,360,000 was under the Electricity and Heat CGU and was subsequently sold in March 2017 (note 45).

Oil and Liquefied Chemical Terminal:

Net book value of CIP consists of an amount of HK\$860,373,000 (2015: HK\$310,582,000) relating to the Group's new oil and liquefied chemical terminal facilities, which are currently under construction which will be depreciated once the property is completed and available for use. The estimated cost to completion of the property, and to which the Group is contractually committed, is HK\$154,466,000 (2015: HK\$587,704,000). Additions include HK\$55,165,000 (2015: Nil) relating to interest capitalised during the year (note 7).

Net book amount of property, plant and equipment as at 31 December 2016 includes the net carrying amount of HK\$169,921,000 (2015: Nil) held under finance leases (note 27).

因此，樓宇、廠房及機械、傢俬及辦公設備、在建工程及預付土地租賃款項(附註15)的減值虧損撥回分別為6,536,000港元、8,128,000港元、584,000港元、101,000港元及2,179,000港元於損益確認以反映其可收回金額(二零一五年：樓宇、廠房及機械及在建工程的減值虧損分別為22,485,000港元、25,713,000港元及420,000港元)。

於二零一六年十二月三十一日，物業、廠房及設備之賬面值31,360,000港元於熱電現金產生單位項下及其後於二零一七年三月被出售(附註45)。

油品及液體化工品碼頭：

在建工程賬面淨值包括860,373,000港元(二零一五年：310,582,000港元)與本集團新油品及液體化工品碼頭設施相關的金額，目前仍然在建，將於物業建成可供使用後折舊。完成物業(本集團對此保有合約承擔)的估計成本為154,466,000港元(二零一五年：587,704,000港元)。增加包括與年內資本化利息相關的55,165,000港元(二零一五年：無)(附註7)。

物業、廠房及設備於二零一六年十二月三十一日之賬面淨值包括根據融資租約持有之賬面淨值169,921,000港元(二零一五年：無)(附註27)。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 15. PREPAID LAND LEASE PAYMENTS

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

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Opening net carrying amount	年初賬面淨值	3,132	11,263
Exchange differences	匯兌差額	(212)	(1,346)
Amortisation (note 8)	攤銷 (附註8)	(646)	(679)
Impairment loss	減值虧損	-	(6,106)
Reversal of impairment loss	撥回減值虧損	2,179	-
Closing net carrying amount	年終賬面淨值	4,453	3,132

For the year ended 31 December 2016, reversal of impairment loss relating to the Electricity and Heat CGU of HK\$2,179,000 was recognised in profit or loss to reverse to their recoverable amounts (note 14).

All prepaid land lease payments were under the Electricity and Heat CGU and was subsequently sold in March 2017 (note 45).

### 16. SEA AREA USE RIGHTS

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Opening net carrying amount	年初賬面淨值	116,602	-
Acquisition of subsidiaries (note 37)	收購附屬公司 (附註37)	-	116,602
Exchange differences	匯兌差額	(7,789)	-
Amortisation (note 8)	攤銷 (附註8)	(2,446)	-
Closing net carrying amount	年終賬面淨值	106,367	116,602
Current portion (included in prepayments, deposits and other receivables (note 19))	即期部分 (計入預付款項、按金及其他應收款項 (附註19))	(2,380)	(2,380)
Non-current portion	非即期部分	103,987	114,222

### 15. 預付土地租賃款項

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

截至二零一六年十二月三十一日止年度，與熱電現金產生單位相關的減值虧損撥回2,179,000港元於損益確認，以撥回至其可收回金額 (附註14)。

所有預付土地租賃款項乃於熱電現金產生單位項下及其後於二零一七年三月被出售 (附註45)。

### 16. 海域使用權

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 16. SEA AREA USE RIGHTS (Continued)

Sea area use rights were acquired through acquisition of Shandong Shundong Port Services Company Limited (“Shandong Shundong”) in 2015 and represent prepaid operating lease payments for maritime space in Shandong, the PRC. The fair value of sea area use rights as at the date of acquisition was valued by an independent valuation firm. The valuation was based on income-based approach and the excess earnings method was adopted.

Key assumptions and parameters of the valuation as at the date of acquisition were as follows:

Expected commencement of production	2017
Annual production capacity	3.6 million tons
Capital expenditures	RMB751,000,000
Discount rate	14%

Sea area use rights are assessed for impairment when facts and circumstances suggest that the carrying amount of sea area use rights is less than its recoverable amount.

In October 2016, the Group entered into the conditional lease agreement relating to port and storage facilities in which the rent payable by the lessee to the Group is RMB125 million (approximately HK\$145 million) per annum and the initial term of the lease is for five years running from 1 April 2017 to 31 March 2022 (subject to further renewals). On 7 March 2017, approvals from the Company’s shareholders have been obtained, details of which are set out in the Company’s circular dated 17 February 2017.

The entire sea area use rights of HK\$106,367,000 (2015: Nil) were pledged for the Group’s finance lease liabilities (note 27).

### 16. 海域使用權 (續)

海域使用權乃透過於二零一五年收購山東順東港務有限公司(「山東順東」)取得，乃就於中國山東之海域之預付之經營租賃付款。海域使用權於收購日期之公平值乃由一間獨立估值行估值。估值乃基於收入法並採用超額盈利法進行。

估值於收購日期之主要假設及參數如下：

預期投產	二零一七年
年產量	3.6百萬噸
資本開支	人民幣751,000,000元
貼現率	14%

當有事實及情況顯示海域使用權之賬面值低於其可收回金額時，即對海域使用權進行減值評估。

於二零一六年十月，本集團簽訂有條件租賃協議，內容有關港口及儲存設施，其中，承租人須向本集團每年支付租金人民幣125,000,000元(約145,000,000港元)，租期自二零一七年四月一日至二零二二年三月三十一日止初步為期五年(可進一步續期)。於二零一七年三月七日，獲得本公司股東之批准，租賃協議之詳情載於本公司日期為二零一七年二月十七日之通函。

全部海域使用權106,367,000港元(二零一五年：無)就本集團之融資租賃負債作出抵押(附註27)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 17. INTANGIBLE ASSETS

### 17. 無形資產

		Exploration and evaluation assets HK\$'000 (note (i)) 勘探及 評估資產 千港元 (附註(i))	Interests in oil production sharing contract HK\$'000 (note (ii)) 產油業務共享 合約之權益 千港元 (附註(ii))	Total HK\$'000 總計 千港元
At 1 January 2015	於二零一五年一月一日	1,223	970,001	971,224
Amortisation for the year (note 8)	本年度攤銷(附註8)	(27)	(4,365)	(4,392)
Impairment loss	減值虧損	(506)	(408,448)	(408,954)
Exchange difference	匯兌差額	(57)	-	(57)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日及 二零一六年一月一日	<b>633</b>	<b>557,188</b>	<b>557,821</b>
Amortisation for the year (note 8)	本年度攤銷(附註8)	<b>(14)</b>	<b>(1,449)</b>	<b>(1,463)</b>
Impairment loss	減值虧損	<b>(85)</b>	<b>(166,853)</b>	<b>(166,938)</b>
Exchange difference	匯兌差額	<b>(336)</b>	-	<b>(336)</b>
At 31 December 2016	於二零一六年十二月三十一日	<b>198</b>	<b>388,886</b>	<b>389,084</b>

\* These intangible assets of HK\$389,084,000 (2015: HK\$557,821,000) relate to the Songliao Contract entered into with the State-owned Enterprise.

\* 該等無形資產389,084,000港元(二零一五年: 557,821,000港元)與國有企業所訂立松遼合約相關。

Notes:

附註:

(i) Exploration and evaluation assets

(i) 勘探及評估資產

These are mainly classified from exploration and evaluation assets arising from the Oil Production segment when the technical feasibility and commercial viability of extracting the oil resource had been determined and that the commercial production commences are recognised initially at cost. The valuation does not take into consideration of the legal case as described in note 3(a)(i). Should Mr. A be found guilty, the Group may not be able to exercise its rights under the Songliao Contract and the Intangible Assets may be derecognised accordingly.

該等資產於釐定開採石油資源之技術及商業可行性及開始商業生產時，主要從來自產油分類之勘探及評估資產進行分類，初步按成本確認。估值並未考慮附註3(a)(i)所述之法律案件。若A先生被判處有罪，本集團可能無法行使其於松遼合約項下之權利，而該等無形資產可能會相應取消確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 17. INTANGIBLE ASSETS (Continued)

Notes: (Continued)

(ii) Interests in oil production sharing contract

These were recognised at fair value on business combination and are charged to profit or loss on unit of production method. Details of the oil production sharing contract are set out in note 33.

For the purpose of impairment testing as at 31 December 2016, the recoverable amount of property, plant and equipment, exploration and evaluation assets and interests in oil production sharing contract relating to the oil production operations in the Songliao Basin, Jilin, the PRC (the Oil Production CGU) was determined based on value-in-use calculations, which are derived by using discount cash flow analysis. The discount cash flow analysis uses cash flow projection for a period of 15 years up to 2031 (2015: 16 years up to 2031) with a growth rate of 3% (2015: 3%) for direct cost and cash expenses. The growth rate reflects the long-term average growth rate for the country in which the entity of the Oil Production CGU operates. The pre-tax discount rate used to determine value-in-use in 2016 is 18% (2015: 19%).

In order to determine the recoverable amount of the Oil Production CGU, management made reference to the valuation report on the Group's oil production sharing contract together with other variables and assumptions related to the operations. Key assumptions used for discounted cash flow calculations are as follows:

Pre-tax discount rate	除稅前折現率
Growth rate	增長率

### 17. 無形資產 (續)

附註：(續)

(ii) 產油業務共享合約之權益

該等權益按業務合併之公平值確認，並以生產單位法自損益表扣除。產油業務共享合約之詳情載於附註33。

就於二零一六年十二月三十一日之減值測試而言，有關中國吉林松遼盆地的產油業務（產油現金產生單位）之物業、廠房及設備、勘探及評估資產及產油業務共享合約之權益之可收回金額按照使用價值計算使用折現現金流量分析推算。折現現金流量分析使用截至二零三一年止十五年期間（二零一五年：截至二零三一年止十六年期間）之現金流量預測，直接成本及現金開支之增長率為3%（二零一五年：3%）。增長率反映產油現金產生單位實體經營所在國家之長期平均增長率。於二零一六年用以釐定使用價值之除稅前折現率為18%（二零一五年：19%）。

為釐定產油現金產生單位之可收回金額，管理層參考有關本集團產油業務共享合約之估值報告連同其他有關業務的變數及假設而釐定。折現現金流量計算的主要假設如下：

	2016 二零一六年	2015 二零一五年
Pre-tax discount rate	18%	19%
Growth rate	3%	3%

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 17. INTANGIBLE ASSETS (Continued)

Notes: (Continued)

(ii) Interests in oil production sharing contract (Continued)

Key assumptions also include budgeted gross margin based on past performance, estimated crude oil reserve of technical report and management expectations of market development. The discount rate used is pre-tax and reflects specific risks relating to these intangible assets.

During the year, total impairment loss of HK\$177,962,000 (2015: HK\$442,797,000) has been identified for the Oil Production CGU and is charged pro rata to the assets related to the Oil Production CGU. Impairment loss in respect of property, plant and equipment, exploration and evaluation assets and interests in oil production sharing contract of HK\$11,024,000 (2015: HK\$33,843,000) (note 14), HK\$85,000 (2015: HK\$506,000) and HK\$166,853,000 (2015: HK\$408,448,000) respectively, were recognised as expenses in profit or loss as the assets' carrying amounts exceed their recoverable amounts.

As results of decrease in the projected crude oil prices and amendments to the drilling and extraction schedules, the carrying amount of the Oil Production CGU has been reduced to its recoverable amount of HK\$414,780,000 (after impairment) as at 31 December 2016, any adverse change in the key assumptions used to calculate the recoverable amount would result in further impairment losses. The valuation does not take into consideration of the legal case as described in note 3(a)(i). Should Mr. A be found guilty, the Group may not be able to exercise its rights under the Songliao Contract and the Intangible Assets may be derecognised accordingly.

### 17. 無形資產 (續)

附註：(續)

(ii) 產油業務共享合約之權益 (續)

主要假設亦包括根據過往表現而釐定之預算毛利率、技術報告之估計原油儲蓄及管理層預期之市場發展。所使用折現率乃除稅前，及反映與該等無形資產有關之特定風險。

年內，已就產油現金產生單位識別減值虧損總額約為177,962,000港元（二零一五年：442,797,000港元），並按比例計入關於產油現金產生單位之資產。有關物業、廠房及設備、勘探及評估資產及產油業務共享合約之權益的減值虧損分別為11,024,000港元（二零一五年：33,843,000港元）（附註14）、85,000港元（二零一五年：506,000港元）及166,853,000港元（二零一五年：408,448,000港元），由於資產賬面值超越其可收回金額而於損益確認為開支。

由於預期原油價格下跌及修訂鑽探及開採時間表，於二零一六年十二月三十一日，產油現金產生單位之賬面值已撇減至其可收回金額414,780,000港元（扣除減值後），故用以計算可收回金額之主要假設倘出現任何不利變動，均會導致進一步出現減值虧損。估值並未考慮附註3(a)(i)所述之法律案件。若A先生被判處有罪，本集團可能無法行使其於松遼合約項下之權利，而該等無形資產可能會相應取消確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 18. TRADE AND BILLS RECEIVABLES

Trade receivables	應收貿易賬項
Bills receivables	應收票據

The Group normally allows trading credit terms ranging from 30 to 120 days (2015: 30 to 120 days) to its established customers. Each customer has a maximum credit limit. For certain customers with long established relationship and good past repayment history, a longer credit period may be granted. Trade and bills receivables are non-interest bearing.

Ageing analysis of trade and bills receivables, based on the invoice date, is as follows:

1 – 90 days	1至90日
91 – 120 days	91至120日
121 – 365 days	121至365日
Over 365 days	365日以上

At 31 December 2016 and 2015, there were no trade and bills receivables that were individually determined to be impaired. The Group did not hold any collateral over these balances.

### 18. 應收貿易賬項及票據

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Trade receivables	28,484	30,545
Bills receivables	220	3,540
	<b>28,704</b>	<b>34,085</b>

本集團一般給予已建立關係之客戶30至120日之貿易信貸期(二零一五年:30日至120日)。每個客戶設有信貸上限。就若干已建立長期關係且具有良好還款記錄的客戶而言,可能授出較長的信貸期。應收貿易賬項及票據並不計息。

應收貿易賬項及票據根據發票日期之賬齡分析如下:

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
1 – 90 days	10,418	13,600
91 – 120 days	47	–
121 – 365 days	80	12,463
Over 365 days	18,159	8,022
	<b>28,704</b>	<b>34,085</b>

於二零一六年及二零一五年十二月三十一日,並無應收貿易賬項及票據個別釐定為減值。本集團並無就該等結餘持有任何抵押品。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 18. TRADE AND BILLS RECEIVABLES (Continued)

Ageing analysis of trade and bills receivables that are past due but not impaired are as follows:

Over 60 days past due but not impaired 逾期60日以上但並未減值

As at 31 December 2016, trade and bills receivables of HK\$10,465,000 (2015: HK\$13,600,000) were neither past due nor impaired. These related to the different customers for whom there was no recent history of default.

Trade and bills receivables that were past due but not impaired related to the local government and all were under the Electricity and Heat CGU. Based on past credit history, management believed that no impairment allowance was necessary in respect of these balances as there had not been a significant change in credit quality and the balances were still considered to be fully recoverable. The Group did not hold any collateral in respect of these balances.

As at 31 December 2016, trade receivables of HK\$25,946,000 was under the Electricity and Heat CGU and was subsequently sold in March 2017 (note 45).

### 18. 應收貿易賬項及票據 (續)

已逾期但未減值之應收貿易賬項及票據之賬齡分析如下：

2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
18,239	20,485

於二零一六年十二月三十一日，10,465,000港元（二零一五年：13,600,000港元）應收貿易賬項及票據並無逾期及減值。該等賬項乃與近期無違約記錄之不同客戶有關。

已逾期惟尚未減值之應收貿易賬項及票據與當地政府有關，且均位於熱電現金產生單位項下。根據過往信貸記錄，由於信貸質素並無重大變動且該等結餘仍被視作可悉數收回，因此管理層相信，毋須為該等結餘計提減值撥備。本集團並無就該等結餘持有任何抵押品。

於二零一六年十二月三十一日，應收貿易賬項25,946,000港元於熱電現金產生單位項下及其後於二零一七年三月被出售（附註45）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 19. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	即期
<b>Current</b>	<b>預付款項</b>
Prepayments	預付款項
Deposits (note i)	按金 (附註i)
Other receivables (note ii)	其他應收款項 (附註ii)
Current portion of amortisation of sea area use rights (note 16)	海域使用權攤銷之即期部分 (附註16)
<b>Non-current</b>	<b>非即期</b>
Deposits for construction in progress	在建工程之按金
Deposits (note iii)	按金 (附註iii)
Other receivables	其他應收款項

Notes:

- (i) As at 31 December 2015, included in the amount was a refundable deposit of HK\$30,000,000 paid for the proposed acquisition and had been refunded in 2016.
- (ii) As at 31 December 2016, included in the amount was a receivable of HK\$6,600,000 from an employee of a subsidiary of the Company which is used for the pledge of bills payables (note 23) and will be refundable once the bills payables are settled in 2017.
- (iii) As at 31 December 2016, included in the amount was a refundable deposit of HK\$1,650,000 paid for the bank loan of HK\$165,257,000 (note 25) and will be refundable upon the expiry of the bank loan in October 2018.

As at 31 December 2016, prepayments, deposits and other receivables of HK\$44,669,000 was under the Electricity and Heat CGU and was subsequently sold in March 2017 (note 45).

### 19. 預付款項、按金及其他應收款項

2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>45,662</b>	60,670
<b>312</b>	30,314
<b>30,409</b>	4,295
<b>2,380</b>	2,380
<b>78,763</b>	97,659
<b>11,654</b>	—
<b>1,650</b>	—
<b>3,737</b>	—
<b>17,041</b>	—

附註：

- (i) 於二零一五年十二月三十一日，該金額包括就建議收購支付之可退還按金30,000,000港元，並已於二零一六年退還。
- (ii) 於二零一六年十二月三十一日，該金額包括應收本公司一間附屬公司一名僱員之應收賬項6,600,000港元，該筆款項用作應付票據之抵押 (附註23)，其將於二零一七年應付票據結算時退還。
- (iii) 於二零一六年十二月三十一日，該金額包括就銀行貸款165,257,000港元 (附註25) 支付之可退還按金1,650,000港元，並將於該銀行貸款於二零一八年十月到期時退還。

於二零一六年十二月三十一日，預付款項、按金及其他應收款項44,669,000港元乃於熱電現金產生單位項下及其後於二零一七年三月被出售 (附註45)。

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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 20. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

These represented investments in the listed equity securities held for trading purposes. The balances at the reporting dates are stated at fair values which have been determined by reference to their market prices at the reporting dates.

### 21. PLEDGED BANK DEPOSITS AND CASH AND BANK BALANCES

Pledged bank deposits as at 31 December 2016 and 2015 earned interest of 0.35% to 0.50% per annum. Cash at banks earns interest at the floating rates based on the daily bank deposits rates.

As at 31 December 2016, included in the pledged bank deposits and cash and bank balances of the Group were approximately HK\$42,921,000 and HK\$187,574,000 respectively (2015: HK\$22,000 and HK\$140,969,000 respectively) of bank balances denominated in RMB placed with the banks in the PRC.

### 20. 以公平值計入損益之財務資產

該等資產即為於已上市股權證券之投資，持作交易用途。其於報告日期之餘額按公平值呈報，公平值參照其於報告日期之市價釐定。

### 21. 已抵押銀行存款以及現金及銀行結存

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Cash and bank balances	現金及銀行結存	190,393	238,260
Short-term deposits	短期存款	5,500	-
Total cash and bank balances as stated in the statement of financial position	財務狀況表內所列現金及銀行結存總額	195,893	238,260
Short-term deposits with an original maturity of more than three months	原到期期限超過三個月之短期存款	(5,500)	-
Cash and cash equivalents for the presentation of the statement of cash flows	就呈列現金流量表之現金及現金等值項目	190,393	238,260

於二零一六年及二零一五年十二月三十一日之已抵押銀行存款按年利率0.35%至0.50%計息。銀行結存根據每日銀行存款利率按浮動利率計息。

於二零一六年十二月三十一日，本集團已抵押銀行存款以及現金及銀行結存包括存放於中國多家銀行以人民幣計值之銀行結存分別約42,921,000港元及187,574,000港元（二零一五年：分別為22,000港元及140,969,000港元）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 21. PLEDGED BANK DEPOSITS AND CASH AND BANK BALANCES (Continued)

RMB is not freely convertible into foreign currencies. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement and Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through the banks that are authorised to conduct the foreign exchange business.

As at 31 December 2015, certain bank accounts with a carrying amount of RMB500,000 (equivalent to approximately HK\$590,000) were frozen by the court in Taiyuan City. The forzon order made by the court has been released during the year.

As at 31 December 2016, cash and bank balances of HK\$194,000 was under the Electricity and Heat CGU and was subsequently sold in March 2017 (note 45).

### 22. TRADE PAYABLES

Trade payables were non-interest bearing and are normally settled on 60 days (2015: 60 days) terms.

Ageing analysis of trade payables, based on the invoice date, is as follows:

1 – 90 days	1至90日
121 – 365 days	121至365日
Over 365 days	365日以上

All trade payables were under the Electricity and Heat CGU and were subsequently sold in March 2017 (note 45).

### 21. 已抵押銀行存款以及現金及銀行結存 (續)

人民幣不能自由兌換為外幣。根據中國的《外匯管理條例》及《結匯、售匯及付匯管理規定》，本集團可透過獲授權進行外匯業務之銀行將人民幣兌換為外幣。

於二零一五年十二月三十一日，賬面金額為人民幣500,000元（相等於約590,000港元）的若干銀行賬戶已被太原市法院凍結。法院作出的凍結令已於年內解除。

於二零一六年十二月三十一日，現金及銀行結存194,000港元乃於熱電現金產生單位項下及其後於二零一七年三月被出售（附註45）。

### 22. 應付貿易賬項

應付貿易賬項為免息及通常於60日（二零一五年：60日）內結算。

應付貿易賬項根據發票日期之賬齡分析如下：

2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
2,068	3,164
1,174	5,218
7,225	2,790
<b>10,467</b>	<b>11,172</b>

所有應付貿易賬項乃於熱電現金產生單位項下及其後於二零一七年三月被出售（附註45）。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 23. BILLS AND OTHER PAYABLES AND ACCRUALS

### 23. 應付票據及其他應付款項以及應計款項

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Current:</b>	<b>即期：</b>		
Construction cost payables	應付建築成本	319,177	315,200
Deferred government grants	遞延政府補助	660	708
Bills payables	應付票據	55,000	-
Other payables	其他應付款項	41,994	30,459
Amount due to a shareholder (note (i))	應付一名股東款項(附註(i))	1,325	1,300
Other tax payables	其他應付稅項	8,407	5,194
Accrued salaries and pension costs	應計薪金及退休金成本	16,606	12,197
Accruals	應計款項	5,540	18,771
		<b>448,709</b>	<b>383,829</b>
<b>Non-current:</b>	<b>非即期：</b>		
Amount due to a related company of a non-controlling shareholder (note (ii))	應付非控股股東之一間關聯公司之款項(附註(ii))	31,128	-
Other payables (note (iii))	其他應付款項(附註(iii))	8,405	-
		<b>39,533</b>	<b>-</b>

Notes:

- (i) These are unsecured, interest-free and repayable on demand.
- (ii) This is unsecured, interest-bearing at 5% per annum and repayable on 31 March 2018.
- (iii) Other payables are unsecured, interest-free and repayable in March 2018.

As at 31 December 2016, other payables and accruals of HK\$31,998,000 were under the Electricity and Heat CGU and were subsequently sold in March 2017 (note 45).

附註：

- (i) 該等款項為無抵押、免息及須應要求償還。
- (ii) 該款項為無抵押、按年利率5%計息及須於二零一八年三月三十一日償還。
- (iii) 其他應付款項為無抵押、免息及須於二零一八年三月償還。

於二零一六年十二月三十一日，其他應付款項及應計款項31,998,000港元乃於熱電現金產生單位項下及其後於二零一七年三月被出售(附註45)。

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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 24. AMOUNTS DUE TO NON-CONTROLLING SHAREHOLDERS

### 24. 應付非控股股東款項

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Current:</b>	<b>即期：</b>		
Due to non-controlling shareholder A (notes (i) and (iv))	應付非控股股東A款項 (附註(i)及(iv))	16,080	17,196
Due to non-controlling shareholder B (note (i))	應付非控股股東B款項 (附註(i))	66	-
Due to non-controlling shareholder B (note (ii))	應付非控股股東B款項 (附註(ii))	5,886	3,736
		<b>22,032</b>	<b>20,932</b>
<b>Non-current:</b>	<b>非即期：</b>		
Due to non-controlling shareholder B (note (iii))	應付非控股股東B款項 (附註(iii))	39,027	-
Due to non-controlling shareholder C (note (iii))	應付非控股股東C款項 (附註(iii))	15,605	-
Due to non-controlling shareholder D (note (iii))	應付非控股股東D款項 (附註(iii))	23,407	-
		<b>78,039</b>	<b>-</b>

Notes:

- (i) These balances are unsecured, interest-free and repayable on demand.
- (ii) These balances are unsecured, interest-free and repayable on 29 December 2017.
- (iii) These balances are unsecured, interest bearing at 5% per annum and repayable on 31 March 2018.
- (iv) This balance was under the Electricity and Heat CGU and was subsequently sold in March 2017 (note 45).

附註：

- (i) 該等結存為無抵押、免息及須應要求償還。
- (ii) 該等結存為無抵押、免息及須於二零一七年十二月二十九日償還。
- (iii) 該等結存為無抵押、按年利率5%計息及須於二零一八年三月三十一日償還。
- (iv) 該結餘乃於熱電現金產生單位項下及其後於二零一七年三月被出售(附註45)。



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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 25. BANK BORROWINGS

### 25. 銀行借款

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Current</b>	<b>即期</b>		
Bank loans, unsecured (note (i))	銀行貸款，無抵押（附註(i)）	<b>49,370</b>	41,300
<b>Non-current</b>	<b>非即期</b>		
Bank loans, unsecured (note (ii))	銀行貸款，無抵押（附註(ii)）	<b>165,257</b>	-
		<b>214,627</b>	41,300

Notes:

- (i) These are denominated in RMB, charged at a fixed interest rate of 12.35% (2015: 12.35%), guaranteed by independent third party and originally due in December 2015. These were under the Electricity and Heat CGU segment and were subsequently sold in March 2017 (note 45).
- (ii) This bank loan was denominated in RMB, charged at a fixed interest rate of 14.00%, guaranteed by independent third party and due in December 2018.

附註：

- (i) 該等借款以人民幣計值，按固定利率12.35%（二零一五年：12.35%）計息，並由獨立第三方作擔保，並原定於二零一五年十二月到期。該等借款乃於熱電現金產生單位分類項下及其後於二零一七年三月被出售（附註45）。
- (ii) 該筆銀行貸款以人民幣計值，按固定利率14.00%計息，並由獨立第三方作擔保，並將於二零一八年十二月到期。

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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 26. OTHER BORROWINGS

### 26. 其他借款

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Current:</b>	<b>即期：</b>		
<b>Obtained from the independent third parties:</b>	<b>取自獨立第三方：</b>		
Loan B, unsecured (note (i))	貸款B·無抵押(附註(i))	5,500	5,682
Loan C, unsecured (note (i))	貸款C·無抵押(附註(i))	990	1,107
Loan D, unsecured (note (i))	貸款D·無抵押(附註(i))	15,059	15,734
Loan E, unsecured (note (i))	貸款E·無抵押(附註(i))	1,540	1,670
Loan F, unsecured (note (i))	貸款F·無抵押(附註(i))	1,197	1,584
Loan G, unsecured (note (i))	貸款G·無抵押(附註(i))	3,883	4,195
Loan J, unsecured (note (ii))	貸款J·無抵押(附註(ii))	40,370	-
Loan K, unsecured (note (iii))	貸款K·無抵押(附註(iii))	33,000	-
Loan L, unsecured (note (iv))	貸款L·無抵押(附註(iv))	26,235	-
		<b>127,774</b>	<b>29,972</b>
<b>Non-current:</b>	<b>非即期：</b>		
<b>Obtained from the independent third parties:</b>	<b>取自獨立第三方：</b>		
Loan H, unsecured (note (v))	貸款H·無抵押(附註(v))	9,729	9,675
Loan I, unsecured (note (v))	貸款I·無抵押(附註(v))	2,787	2,858
		<b>12,516</b>	<b>12,533</b>

(i) These loans were interest-free and were originally agreed to be repaid in July 2016.

(ii) The loan is charged at 5.072% interest per annum and repayable on 31 October 2017.

(iii) The loan is charged at 15% interest per annum and repayable on 17 November 2017.

(iv) The loan is charged at 3% interest per annum and repayable in January 2017.

(v) As at 31 December 2016, these loans are interest-free and repayable in July 2018 (2015: July 2017).

(i) 該等貸款為免息且初步同意於二零一六年七月償還。

(ii) 該貸款按年利率5.072%計息並須於二零一七年十月三十一日償還。

(iii) 該貸款按年利率15%計息並須於二零一七年十一月十七日償還。

(iv) 該貸款按年利率3%計息並須於二零一七年一月償還。

(v) 於二零一六年十二月三十一日，該等貸款為免息，並須於二零一八年七月償還(二零一五年：二零一七年七月)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 26. OTHER BORROWINGS (Continued)

During the year ended 31 December 2016, effective interest rates of the loans were 6.18% (2015: 8.58%) per annum.

As at 31 December 2016, the Group has renegotiated with the lenders on loans H and I (2015: loans H and I). The directors consider that such revisions do not represent a substantial modification of the original loan and accordingly, the effective interest rates have been adjusted at the date of modification.

### 27. FINANCE LEASE LIABILITIES

### 26. 其他借款 (續)

截至二零一六年十二月三十一日止年度，該等貸款的實際年利率為6.18%（二零一五年：8.58%）。

於二零一六年十二月三十一日，本集團與貸款人就貸款H及I（二零一五年：貸款H及I）進行重新磋商。董事認為，該等修訂並不代表大幅修改原有貸款，因此實際利率已於修改當日作出調整。

### 27. 融資租賃負債

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Total minimum lease payments:</b>	<b>最低租賃付款總額：</b>		
Due within one year	於一年內到期	51,480	-
Due in the second to fifth years	於第二至第五年到期	105,600	-
		<b>157,080</b>	-
Future finance charges on finance leases	融資租賃之未來融資費用	<b>(25,080)</b>	-
Present value of finance lease liabilities	融資租賃負債之現值	<b>132,000</b>	-
		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>Present value of minimum lease payments:</b>	<b>最低租賃付款總額之現值：</b>		
Due within one year	於一年內到期	37,960	-
Due in the second to fifth years	於第二至第五年到期	94,040	-
		<b>132,000</b>	-
Less: Portion due within one year included under current liabilities	減：計入流動負債項下於一年內到期之部分	<b>(37,960)</b>	-
Non-current portion included under non-current liabilities	計入非流動負債項下之非即期部分	<b>94,040</b>	-

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## 財務報表附註

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### 27. FINANCE LEASE LIABILITIES (Continued)

The Group entered into finance lease for various items of plant and machinery, CIP under the Oil and Liquefied Chemical Terminal segment. The lease runs for an initial period of three years and does not have any contingent rental provisions. The Group has the right to purchase the assets outright at the end of the minimum lease term by paying a nominal amount.

Finance lease liabilities are effectively secured by the (i) underlying assets as the rights to the leased asset would be reverted to the lessor in the event of default by repayment by the Group; (ii) sea area use rights (note 16); and (iii) paid-up share of Shandong Shundong (note 35).

### 28. CONVERTIBLE BONDS

#### CB2 and CB4

According to the sale and purchase agreements dated 8 July 2007 and 8 April 2008, zero-coupon convertible bonds with face value of HK\$400,000,000 ("CB2") and HK\$380,780,000 ("CB4") will be issued on the fifth business day following the date of receipt of mining licence in respect of the underlying mine. CB2 and CB4 are convertible into shares of the Company at the conversion price of HK\$0.60 and HK\$0.25 per share respectively. As mentioned in note 3(a)(iii), as the exploration licence was transferred without the Company's knowledge, consent or approval, the Company is now seeking for legal opinion on this matter.

#### CB6 and CB7

In December 2010, the Company issued zero coupon convertible bonds ("CB6") in the principal amount of HK\$526,880,000 as a part of the consideration for the acquisition of China International Energy. CB6 bore no interest and was matured on 31 December 2015. Any CB6, which remained outstanding on 31 December 2015, should be converted automatically into the shares of the Company at the conversion price of HK\$0.08 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues). As described in note 3(a)(i), in July 2015, the Company sought an injunction against the holders of CB6 from completing and/or procuring the conversion and/or transferring of CB6.

### 27. 融資租賃負債 (續)

本集團就油品及液體化工品碼頭分類項下多項廠房及機械、在建工程項目訂立融資租賃。該等租賃初步為期三年，並無任何或然租金撥備。本集團有權於最短期結束後支付名義金額徹底收購有關資產。

融資租賃負債實際上是以以下各項作抵押：(i)相關資產，原因為倘若本集團未有如期還款，租賃資產之權利將會復歸予出租人；(ii)海域使用權（附註16）；及(iii)山東順東實繳股本（附註35）。

### 28. 可換股債券

#### 可換股債券第二批債券及可換股債券第四批債券

根據日期為二零零七年七月八日及二零零八年四月八日之買賣協議，面值分別為400,000,000港元（「可換股債券第二批債券」）及380,780,000港元（「可換股債券第四批債券」）之零票息可換股債券將於取得有關礦區之開採牌照當日後之第五個營業日發行。可換股債券第二批債券及可換股債券第四批債券分別可按兌換價每股0.60港元及0.25港元兌換為本公司股份。如附註3(a)(iii)所提述，勘探牌照在本公司不知情及未經本公司同意或批准之情況下被轉讓，本公司現正就此尋求法律意見。

#### 可換股債券第六批債券及可換股債券第七批債券

於二零一零年十二月，本公司發行本金額526,880,000港元之零票息可換股債券（「可換股債券第六批債券」），作為收購中國國際能源之部分代價。於二零一五年十二月三十一日仍未獲兌換之任何可換股債券第六批債券可按兌換價每股0.08港元自動兌換為本公司股份（須遵從股份拆細、股份合併、資本化發行及配股相關之標準調整條款）。如附註3(a)(i)所述，於二零一五年七月，本公司申請一項禁制令，限制可換股債券第六批債券之持有人完成及／或促成兌換及／或轉讓可換股債券第六批債券。

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### 28. CONVERTIBLE BONDS (Continued)

#### CB6 and CB7 (Continued)

As a part of the consideration for the acquisition of China International Energy, any CB7, which remained outstanding on 31 December 2015, should be converted automatically into the shares of the Company at the conversion price of HK\$0.08 per share (subject to the standard adjustment clauses relating to share sub-division, share consolidation, capitalisation issues and rights issues). As described in note 3(a)(i), in July 2015, the Company sought an injunction against the holders of CB7 from completing and/or procuring the conversion and/or transferring of CB7.

#### CB8

In September 2015, the Company issued approximately 1,898,734,000 convertible bonds ("CB8") in the principal amount of HK\$300,000,000 due in 2018. CB8 are denominated in HK\$, unsecured, bear interest at 5% per annum and will be matured on the date falling on the third anniversary of the issue of CB8. Interest will be payable on the maturity date. Neither the Company nor the holders of CB8 may demand early redemption of the CB8 in any event. CB8 are convertible into the shares of the Company at the holder's option before maturity at an initial conversion price of HK\$0.158 per share (subject to adjustments).

The fair value of the liability components of CB8 was calculated using market interest rate for an equivalent non-convertible bond. The residual amount, representing the value of the equity conversion component, was included in convertible bond equity reserve in the owners' equity.

### 28. 可換股債券 (續)

#### 可換股債券第六批債券及可換股債券第七批債券 (續)

作為收購中國國際能源之部分代價，於二零一五年十二月三十一日仍未獲兌換之任何可換股債券第七批債券可按兌換價每股0.08港元自動兌換為本公司股份（須遵從股份拆細、股份合併、資本化發行及配股相關之標準調整條款）。如附註3(a)(i)所述，於二零一五年七月，本公司申請一項禁制令，限制可換股債券第七批債券之持有人完成及／或促成兌換及／或轉讓可換股債券第七批債券。

#### 可換股債券第八批債券

於二零一五年九月，本公司發行約1,898,734,000份本金額300,000,000港元二零一八年到期之可換股債券（「可換股債券第八批債券」）。可換股債券第八批債券以港元列值，無抵押，年息5%及將於可換股債券第八批債券發行後三週年屆滿之日到期。利息將於到期日支付。本公司或可換股債券第八批債券之持有人可於任何情況下要求提前贖回可換股債券第八批債券。持有人可選擇於到期前將可換股債券第八批債券按初始兌換價每股0.158港元兌換為本公司股份（須遵從調整）。

可換股債券第八批債券負債部分之公平值乃按同等不可換股債券之市場利率計算。餘下金額即為權益轉換部分之價值，並計入擁有人權益之可換股債券權益儲備。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 28. CONVERTIBLE BONDS (Continued)

#### CB8 (Continued)

CB6, CB7 and CB8 recognised in the statement of financial position are calculated as follows:

		CB6 HK\$'000 可換股債券 第六批債券 千港元	CB7 HK\$'000 可換股債券 第七批債券 千港元	CB8 HK\$'000 可換股債券 第八批債券 千港元
Face value of convertible bonds issued	已發行可換股債券之面值	526,880	526,880	300,000
Proceeds of issue (fair value on initial recognition)	發行收益 (首次確認之公平值)	342,557	342,557	300,000
Equity component	權益部分	(342,557)	(342,557)	(87,358)
Liability component	負債部分	-	-	212,642

#### Movement of liability component

Movement of liability component for the years ended 31 December 2016 and 2015 is as follows:

		2016 CB8 HK\$'000 二零一六年 可換股債券 第八批債券 千港元	2015 CB8 HK\$'000 二零一五年 可換股債券 第八批債券 千港元
At 1 January	於一月一日	141,450	-
Issue of convertible bonds	發行可換股債券	-	212,642
Transaction costs	交易成本	-	(3,934)
Exercise of convertible bonds	行使可換股債券	-	(76,526)
Imputed interest expenses (note 7)	推算利息費用(附註7)	26,634	9,268
Interest paid	已付利息	(2,608)	-
At 31 December	於十二月三十一日	165,476	141,450
Current portion	即期部分	(10,232)	(3,337)
Non-current portion	非即期部分	155,244	138,113

### 28. 可換股債券 (續)

#### 可換股債券第八批債券 (續)

於財務狀況表內確認之可換股債券第六批債券、可換股債券第七批債券及可換股債券第八批債券計算如下：

#### 負債部分變動

截至二零一六年及二零一五年十二月三十一日止年度之負債部分變動如下：



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 28. CONVERTIBLE BONDS (Continued)

#### Movement of equity component

Movement of equity component for the years ended 31 December 2016 and 2015 is as follows:

		CB6	CB7	CB8	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		可換股債券 第六批債券	可換股債券 第七批債券	可換股債券 第八批債券	總計
		千港元	千港元	千港元	千港元
At 1 January 2015	於二零一五年一月一日	137,106	271,299	-	408,405
Issue of convertible bonds	發行可換股債券	-	-	87,358	87,358
Transaction costs	交易成本	-	-	(1,616)	(1,616)
Exercise of convertible bonds	行使可換股債券	-	-	(31,439)	(31,439)
<b>At 31 December 2015, 1 January 2016 and 31 December 2016</b>	<b>於二零一五年十二月三十一日、 二零一六年一月一日及 二零一六年十二月三十一日</b>	<b>137,106</b>	<b>271,299</b>	<b>54,303</b>	<b>462,708</b>

The fair value of the liability component of CB8 at the date of issue amounted to approximately HK\$209 million. Interest expense was calculated using effective interest method with interest rate of 18.5% per annum to the liability component of CB8.

In 2015, approximately 696,203,000 new ordinary shares in aggregate were issued, at the conversion price of HK\$0.158 per share to the bond holders upon the conversion of CB8 (note 30). As a result, there was an increase in share capital and share premium of HK\$69,620,000 and HK\$38,345,000 respectively in 2015.

### 28. 可換股債券 (續)

#### 權益部分變動

截至二零一六年及二零一五年十二月三十一日止年度之權益部分變動如下：

於發行日，可換股債券第八批債券負債部分之公平值約為209,000,000港元。利息費用乃按實際利率法以年利率18.5%就可換股債券第八批債券負債部分計算。

於二零一五年，本公司於可換股債券第八批債券進行兌換時按兌換價每股0.158港元向債券持有人發行合共約696,203,000股新普通股（附註30）。因此，於二零一五年股本及股份溢價分別增加69,620,000港元及38,345,000港元。

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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 29. DEFERRED TAX

Details of deferred tax assets and liabilities recognised and movements during the current and prior years are as follows:

### 29. 遞延稅項

本年度及過往年度的已確認遞延稅項資產及負債及其變動詳情如下：

		Accelerated capital allowances HK\$'000	Fair value adjustment on business combination HK\$'000	Undistributed profit of foreign subsidiary HK\$'000	Total HK\$'000
		加速資本 撥備 千港元	業務合併之 公平值調整 千港元	海外 附屬公司 未分派溢利 千港元	總計 千港元
At 1 January 2015	於二零一五年一月一日	60,217	(242,500)	(7,488)	(189,771)
(Charged)/Credited to profit or loss (note 9)	(自損益表扣除)/計入損益表 (附註9)	(1,701)	103,203	-	101,502
Acquisition of subsidiaries (note 37)	收購附屬公司(附註37)	-	(25,502)	-	(25,502)
Exchange differences	匯兌差額	(2,577)	-	-	(2,577)
At 31 December 2015 and 1 January 2016	於二零一五年十二月三十一日 及二零一六年一月一日	<b>55,939</b>	<b>(164,799)</b>	<b>(7,488)</b>	<b>(116,348)</b>
(Charged)/Credited to profit or loss (note 9)	(自損益表扣除)/計入損益表 (附註9)	<b>(2,706)</b>	<b>42,583</b>	<b>7,488</b>	<b>47,365</b>
Exchange differences	匯兌差額	<b>(3,509)</b>	<b>1,705</b>	-	<b>(1,804)</b>
<b>At 31 December 2016</b>	<b>於二零一六年十二月三十一日</b>	<b>49,724</b>	<b>(120,511)</b>	-	<b>(70,787)</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 29. DEFERRED TAX (Continued)

For the purpose of presentation in statement of financial position, the following is the analysis of the deferred tax balances for financial reporting purposes:

Deferred tax assets  
Deferred tax liabilities

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
	49,724	55,939
	(120,511)	(172,287)
	(70,787)	(116,348)

Pursuant to the PRC Corporate Income Tax Law, 10% withholding tax is levied on dividends declared to foreign investment enterprises established in the PRC effective from 1 January 2008. The Group is liable to withholding taxes on dividends distributed by the subsidiaries established in the PRC in respect of earnings generated from 1 January 2008. As at 31 December 2016, the Group's PRC subsidiaries are in accumulated losses position and no withholding tax is recognised.

As at 31 December 2016, the Group has not recognised deferred tax assets in respect of the loss of HK\$49,776,000 (2015: HK\$49,774,000) as it is not probable that future taxable profits against which the loss can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses will be expired within five years under current tax legislation.

As at 31 December 2016, included in the above net deferred tax liabilities are deferred tax assets of HK\$49,724,000 (2015: HK\$55,939,000) arising from accelerated capital allowance and deferred tax liabilities of HK\$97,221,000 (2015: HK\$139,297,000) arising from fair value adjustment on business combination relate to the Songliao Contract entered into with State-owned Enterprise (net deferred tax liabilities of HK\$47,497,000 (2015: HK\$83,358,000)).

### 29. 遞延稅項 (續)

就呈列財務狀況表而言，以下為就財務申報而作出的遞延稅項結餘分析：

根據中國企業所得稅法，向中國成立之外資企業宣派之股息須按10%之稅率繳納預扣稅，由二零零八年一月一日起生效。本集團須就該等於中國成立之附屬公司就二零零八年一月一日起產生之盈利而分派之股息繳交預扣稅。於二零一六年十二月三十一日，本集團之中國附屬公司處於累計虧損狀態及並無確認預扣稅。

於二零一六年十二月三十一日，本集團並無就49,776,000港元之虧損（二零一五年：49,774,000港元）確認遞延稅項資產，因於相關稅項司法權區及有關實體未來出現應課稅溢利須動用該等虧損以作抵銷之機會不大。根據現行稅務法例，稅項虧損將於五年內到期。

於二零一六年十二月三十一日，上述遞延稅項負債淨額包括加速資本撥備引致的遞延稅項資產49,724,000港元（二零一五年：55,939,000港元）及與國有企業所訂立松遼合約相關的業務合併之公平值調整引致的遞延稅項負債97,221,000港元（二零一五年：139,297,000港元）（遞延稅項負債淨額47,497,000港元（二零一五年：83,358,000港元））。

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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 30. SHARE CAPITAL

### 30. 股本

		2016 二零一六年		2015 二零一五年	
		Number of shares '000 股份數目 千股	HK\$'000 千港元	Number of shares '000 股份數目 千股	HK\$'000 千港元
Authorised: Ordinary shares of HK\$0.1 each At 1 January and 31 December	法定股本： 每股面值0.1港元之普通股 於一月一日及 十二月三十一日	5,000,000	500,000	5,000,000	500,000
Issued and fully paid: Ordinary shares of HK\$0.1 each At 1 January	已發行及繳足股本： 每股面值0.1港元之普通股 於一月一日	3,049,705	304,970	1,984,085	198,408
Issue of shares upon placing (note (i))	於配售時發行股份 (附註(i))	-	-	369,417	36,942
Exercise of convertible bonds and issue of shares (note 28)	行使可換股債券及發行股份 (附註28)	-	-	696,203	69,620
At 31 December	於十二月三十一日	3,049,705	304,970	3,049,705	304,970

Note:

- (i) On 15 May 2015, the Company entered into a placing agreement with the placing agent, pursuant to which an aggregate of 369,417,012 new ordinary shares were issued at the placing price of HK\$0.145 per share to independent investors. This placement was completed on 12 June 2015 and as a result, there was an increase in share capital and share premium of HK\$36,942,000 and HK\$16,624,000 respectively during the year ended 31 December 2015.

All issued new ordinary shares in 2016 and 2015 rank pari passu with other shares in issue in all respects.

附註：

- (i) 於二零一五年五月十五日，本公司與配售代理訂立配售協議，據此，合共369,417,012股新普通股已按每股0.145港元之配售價向獨立投資者發行。配售於二零一五年六月十二日完成，因此於截至二零一五年十二月三十一日止年度股本及股份溢價分別增加36,942,000港元及16,624,000港元。

二零一六年及二零一五年之所有已發行新普通股在各方面與其他已發行股份享有同等權益。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 31. RESERVES

#### (a) Group

The amounts of the Group's reserves and the movements therein during the year are presented in the consolidated statement of changes in equity.

#### *Share premium*

- (i) the difference between the combined net asset value of the subsidiaries acquired pursuant to the Group reorganisation in 2001, over the nominal value of the share capital of the Company issued in exchange therefor;
- (ii) the premium arising from the capitalisation issue in the previous years;
- (iii) issue of shares of the Company at a premium net of the transaction costs associated with the issue of shares; and
- (iv) amount transferred from other equity reserves upon exercise of share options and conversion of convertible bonds.

#### *Capital reserve*

Capital reserve mainly arose from the Company's capital reorganisation in 2005 and represented the reduction of share capital of the Company.

### 31. 儲備

#### (a) 本集團

本集團於年內之儲備金額及儲備變動情況載於綜合權益變動表。

#### *股份溢價*

- (i) 根據本集團於二零零一年之重組收購之附屬公司之合併資產淨值超出本公司就交換而發行之股本面值之差額；
- (ii) 過往年度資本化發行產生之溢價；
- (iii) 本公司以溢價（已扣除發行股份相關交易成本）發行股份；及
- (iv) 於行使購股權及兌換可換股債券時從其他權益儲備轉撥之款項。

#### *資本儲備*

資本儲備主要來自本公司於二零零五年進行的資本重組並指本公司股本削減。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 31. RESERVES (Continued)

#### (a) Group (Continued)

##### *Exchange reserve*

Exchange differences arising from the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. HK\$) are recognised directly in other comprehensive income and accumulated in exchange reserve. The reserve is dealt with in accordance with the accounting policy of foreign currencies set out in note 3(e).

##### *Convertible bonds equity reserve*

Under HKAS 32, convertible bonds issued are split into liability and equity components at initial recognition by recognising the liability component at its fair value determined using market interest rate for equivalent non-convertible bonds and attributing to the equity component the difference between the proceeds from issue and the fair value of the liability component. The liability component is subsequently carried at amortised cost whilst equity component is recognised in convertible bonds equity reserve until the bonds are either converted (in which case it is transferred to share premium) or the bonds are redeemed (in which case it is released directly to accumulated losses).

### 31. 儲備 (續)

#### (a) 本集團 (續)

##### *匯兌儲備*

將本集團海外業務之資產淨值按其功能貨幣換算為本集團呈列貨幣 (即港元) 而產生的匯兌差額直接於其他全面收入確認及於匯兌儲備累計。該儲備乃根據附註3(e)所載之外幣會計政策作會計處理。

##### *可換股債券權益儲備*

根據香港會計準則第32號，已發行可換股債券於初步確認時分為負債及權益部分，負債部分乃按採用同等不可換股債券之市場利率釐定其公平值予以確認，權益部分則包括發行之所得款項與負債部分公平值之差額。負債部分其後按攤銷成本列賬。權益部分於可換股債券權益儲備確認，直至可債券獲兌換 (於此情況下其將轉撥至股份溢價) 或債券獲贖回 (於此情況下其將直接解除至累計虧損)。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 31. RESERVES (Continued)

#### (b) Company

		Share premium HK\$'000	Capital reserve HK\$'000	Convertible bond equity reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
		股份溢價 千港元	資本儲備 千港元	可換股債券 權益儲備 千港元	累計虧損 千港元	總計 千港元
At 1 January 2015	於二零一五年一月一日	2,310,017	157,960	408,405	(2,267,401)	608,981
Issue of shares upon placing (note 30(i))	於配售時發行股份 (附註30(i))	16,624	-	-	-	16,624
Shares issue expenses	發行股份費用	(1,066)	-	-	-	(1,066)
Issue of convertible bonds (note 28)	發行可換股債券(附註28)	-	-	85,742	-	85,742
Issue of shares upon conversion of convertible bonds (note 28)	於兌換可換股債券時 發行股份(附註28)	38,345	-	(31,439)	-	6,906
Loss for the year	本年度虧損	-	-	-	(398,500)	(398,500)
<b>At 31 December 2015 and 1 January 2016</b>	<b>於二零一五年十二月三十一日 及二零一六年一月一日</b>	<b>2,363,920</b>	<b>157,960</b>	<b>462,708</b>	<b>(2,665,901)</b>	<b>318,687</b>
Loss for the year	本年度虧損	-	-	-	(252,173)	(252,173)
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>	<b>2,363,920</b>	<b>157,960</b>	<b>462,708</b>	<b>(2,918,074)</b>	<b>66,514</b>

Details of share premium and convertible bonds equity reserve of the Company are set out in note 31(a) above. Capital reserve arose from the Company's capital reorganisation on 10 March 2005 and represented the reduction of share capital of the Company.

本公司股份溢價及可換股債券權益儲備之詳情載於上述附註31(a)。資本儲備來自本公司於二零零五年三月十日進行的資本重組並指本公司股本削減。

### 31. 儲備 (續)

#### (b) 本公司

		Share premium HK\$'000	Capital reserve HK\$'000	Convertible bond equity reserve HK\$'000	Accumulated losses HK\$'000	Total HK\$'000
		股份溢價 千港元	資本儲備 千港元	可換股債券 權益儲備 千港元	累計虧損 千港元	總計 千港元
At 1 January 2015	於二零一五年一月一日	2,310,017	157,960	408,405	(2,267,401)	608,981
Issue of shares upon placing (note 30(i))	於配售時發行股份 (附註30(i))	16,624	-	-	-	16,624
Shares issue expenses	發行股份費用	(1,066)	-	-	-	(1,066)
Issue of convertible bonds (note 28)	發行可換股債券(附註28)	-	-	85,742	-	85,742
Issue of shares upon conversion of convertible bonds (note 28)	於兌換可換股債券時 發行股份(附註28)	38,345	-	(31,439)	-	6,906
Loss for the year	本年度虧損	-	-	-	(398,500)	(398,500)
<b>At 31 December 2015 and 1 January 2016</b>	<b>於二零一五年十二月三十一日 及二零一六年一月一日</b>	<b>2,363,920</b>	<b>157,960</b>	<b>462,708</b>	<b>(2,665,901)</b>	<b>318,687</b>
Loss for the year	本年度虧損	-	-	-	(252,173)	(252,173)
<b>At 31 December 2016</b>	<b>於二零一六年 十二月三十一日</b>	<b>2,363,920</b>	<b>157,960</b>	<b>462,708</b>	<b>(2,918,074)</b>	<b>66,514</b>

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 32. SHARE-BASED COMPENSATION

The Company has a share option scheme, which was adopted by the shareholders on 24 June 2013 (the "Scheme") and unless otherwise cancelled or amended, will remain in force for 10 years from the date of adoption. Eligible participants of the Scheme include the Company's directors, independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, any person or entity that provides research, development or other technological support to the Group and any non-controlling shareholder in the Company's subsidiaries.

Pursuant to the extraordinary general meeting passed on 24 June 2013, the general scheme limit of the Scheme is set to 1,746,849,000 shares, which have been adjusted to 174,685,000 shares pursuant to the share consolidation in 2014, representing 10% of the Company's issued share capital on the date of meeting, with the passing of ordinary resolution, which allows the Company to grant further options carrying the rights to subscribe for a maximum of 174,685,000 shares. This is also the maximum unexercised share options currently permits to be granted under the Scheme at any time.

Maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period, is limited to 1%, of the shares of the Company in issue at any time. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with aggregate value (based on the price of the Company's shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

### 32. 以股份為基礎之補償

本公司由股東於二零一三年六月二十四日採納一項購股權計劃（「計劃」），除非另行取消或修訂，否則計劃由採納日期起計10年內一直有效。計劃之合資格參與者包括本公司之董事、獨立非執行董事、本集團之其他僱員、本集團之貨品或服務供應商、本集團之顧客、向本集團提供研究、發展或其他技術支援之任何人士或實體及本公司附屬公司之任何非控股股東。

根據於二零一三年六月二十四日舉行之股東特別大會，計劃之一般計劃限額已設定為1,746,849,000股股份（已根據二零一四年股份合併調整為174,685,000股股份）（佔大會舉行日期本公司已發行股本之10%），隨著普通決議案獲通過，本公司可進一步授出附有最多可認購174,685,000股股份權利之購股權。此亦為於任何時間根據計劃容許授出之尚未行使購股權之最高數目。

在任何十二個月期間內，根據購股權可向計劃內之每名合資格參與者發行之最高股份數目不得超逾本公司於任何時間已發行股份之1%。倘進一步授出超逾此限額之購股權，則須在股東大會上取得股東批准。

授予本公司董事、主要行政人員或主要股東或彼等之任何聯繫人之購股權，須事先取得獨立非執行董事之批准。此外，在任何十二個月期間內授予本公司之主要股東或獨立非執行董事或彼等之任何聯繫人之購股權，倘超逾本公司於任何時間已發行股份之0.1%或總值超逾5,000,000港元（根據於授出日期本公司之股價而釐定）者，則須事先在股東大會上取得股東批准。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 32. SHARE-BASED COMPENSATION (Continued)

The offer of a grant of share options may be accepted within 14 days from the date of the offer, upon payment of a nominal consideration of HK\$1 in total by the grantee. The exercise period of the share options granted is determinable by the directors of the Company, and commences after a certain vesting period and ends on a date which is not later than 10 years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors of the Company, but may not be less than the higher of:

- (a) the Stock Exchange closing price of the Company's shares on the date of the offer of the share options;
- (b) the average Stock Exchange closing price of the Company's shares for the five trading days immediately preceding the date of the offer; and
- (c) the nominal value of the shares.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

There has been no share option granted or exercised since the Scheme was adopted in June 2013. As at 31 December 2016 and 2015, the Group has no outstanding share option.

### 32. 以股份為基礎之補償 (續)

授出購股權之建議須於授出購股權建議之日起計14日內獲接納，承授人亦須就此繳交合共1港元之名義代價。所授出之購股權之行使期由本公司董事決定，期限在一段歸屬期後開始，而屆滿日期不得遲於建議授出購股權日期起計10年或計劃屆滿之日（以較早發生者為準）。

購股權之行使價由本公司董事決定，惟不得低於以下之較高者：

- (a) 於建議授出購股權之日期本公司股份於聯交所之收市價；
- (b) 本公司股份於緊接建議授出購股權日期前五個交易日在聯交所之平均收市價；及
- (c) 股份之面值。

購股權並無賦予持有人收取股息或於股東大會上投票之權利。

自二零一三年六月採納計劃以來，並無授出或行使購股權。於二零一六年及二零一五年十二月三十一日，本集團並無尚未行使之購股權。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 33. OIL PRODUCTION SHARING CONTRACT – SONGLIAO CONTRACT

In August 2007, China Era, previously owned by Mr. A and subsequently sold to the Group as a subsidiary in 2010, entered into the Songliao Contract with the State-owned Enterprise to develop and produce crude oil in Liangjing Block on Songliao Basin in Jilin, the PRC (the “Songliao Oil Basin”).

In accordance with the Songliao Contract, China Era provides funds and applies its technology and managerial experience to cooperate with the State-owned Enterprise for the development and production of crude oil in the Songliao Oil Basin. The production period will be ended in 2031, unless extended.

China Era bears all costs required for the evaluation operations and development operations. Operating costs incurred are paid by the State-owned Enterprise and China Era in accordance with 51% and 49% respectively. However, the State-owned Enterprise’s portion of operating costs are advanced by China Era and recovered from the production of crude oil.

Under the terms of the Songliao Contract, evaluation costs, development costs and operating costs are to be recovered according to a mechanism of cost recovery oil and investment recovery oil. Remaining oil, after cost recovery, all applicable taxes and royalty that might apply in the PRC, is shared in the proportion of 51% and 49% by the State-owned Enterprise and China Era respectively.

In December 2009, the approval of Overall Development Program from the State Development and Reform Commission was obtained. The technical feasibility and commercial viability of extracting oil are demonstrated. The State-owned Enterprise is the holder of oil exploitation licence.

### 33. 產油業務共享合約－松遼合約

於二零零七年八月，中國年代（之前由A先生所有並隨後於二零一零年出售予本集團成為附屬公司），與國有企業訂立松遼合約，以於中國吉林松遼盆地（「松遼石油盆地」）兩井區塊開發及生產原油。

根據松遼合約，中國年代同意與國有企業合作，提供資金及應用其技術及管理經驗，以在松遼石油盆地開發及生產原油。除非延期，生產期將於二零三一年結束。

中國年代承擔評估營運及開發營運所需之全部成本。產生之營運成本由國有企業及中國年代分別按51%及49%之比例支付。然而，國有企業承擔之營運成本部分由中國年代墊付，並從原油生產中收回。

根據松遼合約之條款，評估成本、開發成本及營運成本將根據收回成本石油及收回投資石油機制收回。在扣除收回成本、所有可能在中國應用之適用稅項及礦區使用費後，餘下的石油將分別按51%及49%之比例由國有企業及中國年代攤分。

於二零零九年十二月，國家發展改革委員會批准整體開發計劃。開採石油之技術及商業可行性可以確定。國有企業持有石油開採牌照。



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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 33. OIL PRODUCTION SHARING CONTRACT – SONGLIAO CONTRACT (Continued)

Set out below is the summary of assets, liabilities and results for the year in relation to the Group's interest in the Songliao Contract under joint operation:

#### (a) Results for the year

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Revenue	收益	18,762	40,675
Other income	其他收入	10	18
Expenses	開支	(60,043)	(99,780)
Loss before income tax	除所得稅前虧損	(41,271)	(59,087)
Income tax (expense)/credit	所得稅(開支)/抵免	(2,706)	3
Loss for the year	本年度虧損	(43,977)	(59,084)

#### (b) Assets and liabilities

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Property, plant and equipment	物業、廠房及設備	24,780	44,838
Intangible assets	無形資產	198	633
Other non-current assets	其他非流動資產	49,724	78,142
Current assets	流動資產	9,745	10,496
Current liabilities	流動負債	(146,226)	(148,339)
Non-current liabilities	非流動負債	(12,516)	(34,734)
Net liabilities	負債淨額	(74,295)	(48,964)

### 33. 產油業務共享合約－松遼合約 (續)

以下載列本年度有關本集團於共同經營之松遼合約之權益之資產、負債及業績之概要：

#### (a) 年度業績

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Revenue	18,762	40,675
Other income	10	18
Expenses	(60,043)	(99,780)
Loss before income tax	(41,271)	(59,087)
Income tax (expense)/credit	(2,706)	3
Loss for the year	(43,977)	(59,084)

#### (b) 資產及負債

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Property, plant and equipment	24,780	44,838
Intangible assets	198	633
Other non-current assets	49,724	78,142
Current assets	9,745	10,496
Current liabilities	(146,226)	(148,339)
Non-current liabilities	(12,516)	(34,734)
Net liabilities	(74,295)	(48,964)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 33. OIL PRODUCTION SHARING CONTRACT – SONGLIAO CONTRACT (Continued)

#### (c) Other commitments

Contracted but not provided for in respect of administrative fee and training fee	已訂約但未就管理費及培訓費計提撥備
Operating lease commitments in respect of leasehold land and buildings and equipment rental	有關租賃土地及樓宇以及租賃設備之經營租約承擔

As detailed in note 3(a)(i), the directors of the Company found that Mr. A was formally charged by prosecution authorities in the PRC for illegal crime, possibly involved allegations about improper conduct in obtaining of the Songliao Contract. The directors of the Company consider that as there has been no progress during the year and there was no adjudication in respect of the Charge, it is not possible to estimate the outcome on the Group's oil production business and financial position, arising from the Charge against Mr. A. Nevertheless, it is possible that the Group may not be able to exercise its right under the Songliao Contract and its Oil Production Assets may be derecognised if the Songliao Contract becomes void when Mr. A is found guilty for his suspected improper conduct in obtaining the Songliao Contract. The directors consider that the Songliao Contract will continue to be valid and will be executed as planned as the Group has close working relationship with the State-owned Enterprise and up to the date of authorisation for issue of the consolidated financial statements, there is no indication from the State-owned Enterprise regarding any potential claim or questioning on the validity of the Songliao Contract.

### 33. 產油業務共享合約－松遼合約 (續)

#### (c) 其他承擔

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
	48,164	50,622
	2,354	3,061
	<b>50,518</b>	<b>53,683</b>

如附註3(a)(i)所詳述，本公司董事發現A先生遭中國檢控機關正式控告非法經營罪，其中可能涉及其於獲得松遼合約時有不當行為。本公司董事認為，由於該指控於年內概無進展及並無判決，故無法估計針對A先生提出之控告的結果對本集團之產油業務及財務狀況造成之影響。儘管如此，本集團可能無法行使其於松遼合約項下之權利，且倘松遼合約因A先生就其於取得松遼合約過程中涉嫌不當行為被裁斷罪名成立而成為無效時，其產油資產或會遭取消確認。董事認為松遼合約將繼續有效並按計劃予以執行，蓋因本集團與國有企業建立緊密合作關係以及截至綜合財務報表獲授權刊發當日，國有企業並無提出任何潛在索償或對松遼合約之有效性提出質疑。



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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 34. HOLDING COMPANY STATEMENT OF FINANCIAL POSITION

### 34. 控股公司財務狀況表

	Notes 附註	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>ASSETS AND LIABILITIES</b>	<b>資產及負債</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Property, plant and equipment	物業、廠房及設備	22	22
Interests in subsidiaries	於附屬公司之權益	554,822	663,039
		<b>554,844</b>	663,061
<b>Current assets</b>	<b>流動資產</b>		
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	14,607	24,818
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	631	30,280
Cash and bank balances	現金及銀行結存	6,277	94,086
		<b>21,515</b>	149,184
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables and accruals	其他應付款項及應計款項	2,032	8,002
Amounts due to a subsidiary	應付一家附屬公司款項	37,367	39,136
Convertible bonds	可換股債券	10,232	3,337
		<b>49,631</b>	50,475
<b>Net current (liabilities)/assets</b>	<b>流動(負債淨額)/資產淨值</b>	<b>(28,116)</b>	98,709
<b>Total assets less current liabilities</b>	<b>資產總值減流動負債</b>	<b>526,728</b>	761,770
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Convertible bonds	可換股債券	155,244	138,113
<b>Net assets</b>	<b>資產淨值</b>	<b>371,484</b>	623,657
<b>EQUITY</b>	<b>權益</b>		
Share capital	股本	304,970	304,970
Reserves	儲備	66,514	318,687
Total equity	總權益	<b>371,484</b>	623,657

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 35. SUBSIDIARIES

(a) Particulars of the principal subsidiaries as at 31 December 2016 are as follows:

Name 公司名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Paid-up share/ registered capital 實繳股本/註冊資本	Percentage of ownership interests/ voting rights/ profit share 擁有權益/表決權 /利潤分成百分比	Principal activities and place of operation 主要業務及經營地點
<b>Indirectly held</b> 間接持有				
Treasure Tone Limited 富裕通有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100%	Investment holding, Hong Kong 投資控股·香港
Hong Kong Forest Source Mining Industry Holding Company Limited 香港森源礦業控股有限公司	Hong Kong 香港	Ordinary HK\$70,000,000 普通股70,000,000港元	100%	Investment holding, Hong Kong 投資控股·香港
Precious New Energy Investment Limited 寶新能源投資有限公司	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100%	Investment holding, Hong Kong 投資控股·香港
Mission Achiever Limited ("Mission Achiever") Mission Achiever Limited ("Mission Achiever")	Samoa 薩摩亞	Ordinary US\$1 普通股1美元	100%	Investment holding, Hong Kong 投資控股·香港
Mid-Ocean Hong Kong Investment Limited ("Mid-Ocean") 中海香港投資有限公司("中海")	Hong Kong 香港	Ordinary HK\$1 普通股1港元	100%	Investment holding, Hong Kong 投資控股·香港

### 35. 附屬公司

(a) 於二零一六年十二月三十一日之主要附屬公司詳情如下：

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 35. SUBSIDIARIES (Continued)

(a) Particulars of the principal subsidiaries as at 31 December 2016 are as follows: (Continued)

Name	Place of incorporation/ establishment 註冊成立/ 成立地點	Paid-up share/ registered capital 實繳股本/註冊資本	Percentage of ownership interests/ voting rights/ profit share 擁有權權益/表決權 /利潤分成百分比	Principal activities and place of operation 主要業務及經營地點
<b>Indirectly held (Continued)</b> 間接持有 (續)				
Shanxi Zhong Kai Group Lingshi *	PRC	RMB185,000,000	60%	Supply of electricity and heat, the PRC
山西中凱集團靈石*	中國	人民幣185,000,000元	60%	熱電供應·中國
China Era Energy Power Investment Limited	Hong Kong	Ordinary HK\$10	100%	Oil production, the PRC
中國年代能源投資有限公司	香港	普通股10港元	100%	石油生產·中國
Shandong Shundong Port Services Company Limited <sup>^</sup>	PRC	RMB204,081,633	51%	Oil and liquefied chemical terminal, the PRC
山東順東港務有限公司 <sup>^</sup>	中國	人民幣204,081,633元	51%	石油及液體化工品碼頭·中國
* Established in the PRC as a sino-foreign equity enterprise			*	於中國成立為中外合資企業
# Newly incorporated during the year			#	於年內新成立
<sup>^</sup> Pledged for the Group's finance lease liabilities (note 27)			<sup>^</sup>	為本集團之融資租賃負債作抵押 (附註27)

### 35. 附屬公司 (續)

(a) 於二零一六年十二月三十一日之主要附屬公司詳情如下: (續)

Name	Place of incorporation/ establishment 註冊成立/ 成立地點	Paid-up share/ registered capital 實繳股本/註冊資本	Percentage of ownership interests/ voting rights/ profit share 擁有權權益/表決權 /利潤分成百分比	Principal activities and place of operation 主要業務及經營地點
<b>Indirectly held (Continued)</b> 間接持有 (續)				
Shanxi Zhong Kai Group Lingshi *	PRC	RMB185,000,000	60%	Supply of electricity and heat, the PRC
山西中凱集團靈石*	中國	人民幣185,000,000元	60%	熱電供應·中國
China Era Energy Power Investment Limited	Hong Kong	Ordinary HK\$10	100%	Oil production, the PRC
中國年代能源投資有限公司	香港	普通股10港元	100%	石油生產·中國
Shandong Shundong Port Services Company Limited <sup>^</sup>	PRC	RMB204,081,633	51%	Oil and liquefied chemical terminal, the PRC
山東順東港務有限公司 <sup>^</sup>	中國	人民幣204,081,633元	51%	石油及液體化工品碼頭·中國
* Established in the PRC as a sino-foreign equity enterprise			*	於中國成立為中外合資企業
# Newly incorporated during the year			#	於年內新成立
<sup>^</sup> Pledged for the Group's finance lease liabilities (note 27)			<sup>^</sup>	為本集團之融資租賃負債作抵押 (附註27)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 35. SUBSIDIARIES (Continued)

- (a) Particulars of the principal subsidiaries as at 31 December 2016 are as follows: (Continued)

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

None of the subsidiaries had issued any debt securities at the end of the year.

- (b) Particulars of the wholly-owned entities de-consolidated since 2010 are as follows:

Name	Place of incorporation/ establishment 註冊成立/ 成立地點	Paid-up share/ registered capital 實繳股本/註冊資本	Percentage of ownership interests/ voting rights/ profit share 擁有權權益/表決權 /利潤分成百分比	Principal activities and place of operation 主要業務及經營地點
<b>Indirectly held</b> 間接持有				
QHFSMI (note 3(a)(iii))	PRC, wholly owned foreign enterprise ("WFOE")	HK\$40,000,000	100%	Exploration of mine, the PRC
青海森源 (附註3(a)(iii))	中國·外商獨資企業 ("外商獨資企業")	40,000,000港元	100%	礦區勘探·中國
IMFSMI (note 3(a)(iii))	PRC, WFOE	Not yet paid up	100%	Not yet commenced business
內蒙古森源 (附註3(a)(iii))	中國·外商獨資企業	尚未繳足	100%	尚未開始經營業務

### 35. 附屬公司 (續)

- (a) 於二零一六年十二月三十一日之主要附屬公司詳情如下: (續)

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

所有附屬公司於年結日均無發行任何債務證券。

- (b) 自二零一零年起不再綜合入賬之實體詳情如下:

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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 36. NON-CONTROLLING INTERESTS

- (a) Summarised financial information in relation to the non-controlling interests of Shanxi Zhong Kai Group Lingshi, a 60% owned subsidiary of the Company, before intra-group eliminations, is presented below:

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>For the year ended 31 December</b>	<b>截至十二月三十一日止年度</b>		
Revenue	收益	22,164	46,805
Loss for the year	本年度虧損	(10,264)	(98,520)
Total comprehensive income	全面收入總額	(4,749)	(109,293)
Loss allocated to non-controlling interests	分配至非控股股東權益之虧損	(4,106)	(39,408)
Dividends paid to non-controlling interests	向非控股股東權益派付股息	-	-
<b>For the year ended 31 December</b>	<b>截至十二月三十一日止年度</b>		
Cash used in operating activities	用於營運之現金	(521)	(60,070)
Cash used in investing activities	用於投資活動之現金	(754)	-
Cash generated from/(used in) financing activities	來自/(用於)融資活動之現金	50	(1,759)
Net cash outflows	現金流出淨額	(1,225)	(61,829)
<b>At 31 December</b>	<b>於十二月三十一日</b>		
Current assets	流動資產	72,752	82,429
Non-current assets	非流動資產	35,814	28,068
Current liabilities	流動負債	(161,705)	(158,887)
Net liabilities	負債淨額	(53,139)	(48,390)
Accumulated non-controlling interests	累計非控股股東權益	(21,256)	(19,356)

### 36. 非控股股東權益

- (a) 有關山西中凱集團靈石(本公司擁有60%之附屬公司)非控股股東權益之財務資料概要(作出集團內公司間對銷前)呈列如下:

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>For the year ended 31 December</b>	<b>截至十二月三十一日止年度</b>		
Revenue	收益	22,164	46,805
Loss for the year	本年度虧損	(10,264)	(98,520)
Total comprehensive income	全面收入總額	(4,749)	(109,293)
Loss allocated to non-controlling interests	分配至非控股股東權益之虧損	(4,106)	(39,408)
Dividends paid to non-controlling interests	向非控股股東權益派付股息	-	-
<b>For the year ended 31 December</b>	<b>截至十二月三十一日止年度</b>		
Cash used in operating activities	用於營運之現金	(521)	(60,070)
Cash used in investing activities	用於投資活動之現金	(754)	-
Cash generated from/(used in) financing activities	來自/(用於)融資活動之現金	50	(1,759)
Net cash outflows	現金流出淨額	(1,225)	(61,829)
<b>At 31 December</b>	<b>於十二月三十一日</b>		
Current assets	流動資產	72,752	82,429
Non-current assets	非流動資產	35,814	28,068
Current liabilities	流動負債	(161,705)	(158,887)
Net liabilities	負債淨額	(53,139)	(48,390)
Accumulated non-controlling interests	累計非控股股東權益	(21,256)	(19,356)

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 36. NON-CONTROLLING INTERESTS (Continued)

- (b) Summarised financial information in relation to the non-controlling interests of Shandong Shundong, a 51% owned subsidiary of the Company, before intra-group eliminations, is presented below:

### 36. 非控股股東權益 (續)

- (b) 有關山東順東(本公司擁有51%之附屬公司)非控股股東權益之財務資料概要(作出集團內公司間對銷前)呈列如下:

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
<b>For the year ended 31 December</b>	<b>截至十二月三十一日止年度</b>		
Revenue	收益	-	-
Loss for the year	本年度虧損	<b>(14,055)</b>	-
Total comprehensive income	全面收入總額	<b>(34,728)</b>	-
Loss allocated to non-controlling interests	分配至非控股股東權益之虧損	<b>(6,887)</b>	-
Dividends paid to non-controlling interests	向非控股股東權益派付股息	-	-
<b>For the year ended 31 December</b>	<b>截至十二月三十一日止年度</b>		
Cash generated from operating activities	來自營運之現金	<b>65,933</b>	-
Cash used in investing activities	用於投資活動之現金	<b>(580,675)</b>	-
Cash generated from financing activities	來自融資活動之現金	<b>566,712</b>	-
Net cash inflows	現金流入淨額	<b>51,970</b>	-
<b>At 31 December</b>	<b>於十二月三十一日</b>		
Current assets	流動資產	<b>256,015</b>	150,707
Non-current assets	非流動資產	<b>949,452</b>	427,004
Current liabilities	流動負債	<b>(526,225)</b>	(238,398)
Non-current liabilities	非流動負債	<b>(400,159)</b>	(25,502)
Net assets	資產淨值	<b>279,083</b>	313,811
Accumulated non-controlling interests	累計非控股股東權益	<b>136,750</b>	153,767



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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 37. BUSINESS ACQUISITION IN 2015

On 18 December 2015, the Company, an independent third party (the "Vendor") and the Vendor's guarantor entered into a sale and purchase contract that the Company acquired 100% equity interest in Mission Achiever, which holds 100% equity interest in Mid-Ocean, a company holding a capital injection agreement with Shandong Shundong. This acquisition was completed on the same date and total consideration for this acquisition is cash payment of HK\$185 million (based on the exchange rate on the date when the acquisition was completed), of which an amount of HK\$47 million was paid directly to the Vendor. The remaining amount of RMB115 million (approximately to HK\$135.9 million) was paid by the Company to Mid-Ocean as a loan and this amount was intended to be used as capital contribution to Shandong Shundong. Both Mission Achiever and Mid-Ocean are investment holding companies as at 18 December 2015 and no businesses were carried out by these two companies.

By the end of December 2015, the Group made capital contribution of RMB115,000,000 (equivalent to HK\$135,851,000) to Shandong Shundong in cash and Shandong Shundong becomes a 51% subsidiary of the Group since then as the Group obtained controls over Shandong Shundong. Principal activity of Shandong Shundong is oil and liquefied chemical terminal which is under construction. Details of this acquisition, which stated that the total consideration was HK\$185 million translated at the estimated RMB exchange rate of 1:1.2, have been set out in the Company's announcement dated 18 December 2015.

The amount of HK\$47 million was directly paid to the Vendor and is recognised as other operating expenses in profit or loss.

### 37. 二零一五年之業務收購

於二零一五年十二月十八日，本公司、一名獨立第三方（「賣方」）及賣方之擔保人訂立買賣合約，本公司收購Mission Achiever之100%股權，Mission Achiever持有中海之100%股權，而中海持有山東順東之注資協議。是項收購於同日完成，收購之總代價為185,000,000港元之現金付款（按收購完成當日的匯率計算），當中47,000,000港元直接向賣方支付。其餘人民幣115,000,000元（約為135,900,000港元）將由本公司向中海作為貸款支付，該款項擬用作向山東順東之注資。於二零一五年十二月十八日，Mission Achiever及中海均為投資控股公司，該兩間公司並無開展業務。

於二零一五年十二月底，本集團向山東順東以現金注資人民幣115,000,000元（相當於135,851,000港元）完成，由於本集團自此取得山東順東之控制權，山東順東成為本公司擁有51%權益之附屬公司。山東順東之主要業務為經營油品及液體化工品碼頭（在建）。是項收購之詳情（當中載明總代價185,000,000港元按估計人民幣匯率1:1.2換算）已載於本公司日期為二零一五年十二月十八日之公佈。

47,000,000港元已直接向賣方支付，並作為其他經營開支於損益確認。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

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### 37. BUSINESS ACQUISITION IN 2015 (Continued)

The fair values of identifiable assets and liabilities of Shandong Shundong as at the date of acquisition were:

### 37. 二零一五年之業務收購 (續)

山東順東之可識別資產及負債於收購日期之公平值載列如下：

		2015 HK\$'000 二零一五年 千港元
Property, plant and equipment (note 14)	物業、廠房及設備 (附註14)	312,782
Sea area use rights (note 16)	海域使用權 (附註16)	116,602
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	12,149
Cash and bank balances	現金及銀行結餘	136,178
Other payables and accruals	其他應付款項及應計款項	(234,663)
Amount due to non-controlling shareholder	應付非控股股東款項	(3,735)
Deferred tax liabilities (note 29)	遞延稅項負債 (附註29)	(25,502)
		313,811
Non-controlling interests (49%)	非控股股東權益(49%)	(153,767)
Net identified assets acquired	所收購之可識別資產淨值	160,044
The fair value of consideration transfer:	轉讓代價之公平值：	
Cash	現金	135,851
Gain from bargain purchase	議價購買之收益	(24,193)

Fair value of other receivables amounted to HK\$334,000. The gross amount of these receivables is HK\$334,000. None of these receivables have been impaired and it is expected that the full contractual amounts can be collected.

其他應收款項之公平值為334,000港元，而總額為334,000港元。該等應收款項並無出現減值，且預期可收回全數合約金額。

Gain from bargain purchase arose in the acquisition because the Group obtained some intangible assets arising from the business combination.

收購產生之議價購買收益乃由於本集團取得業務合併產生之若干無形資產。

The Group has elected to measure non-controlling interests in this acquisition at proportionate share of the acquiree's identifiable net assets.

本集團已選擇以按比例應佔被收購方之可識別資產淨值的方式計量該收購事項之非控股股東權益。

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### 37. BUSINESS ACQUISITION IN 2015 (Continued)

Since the acquisition date, no revenue and no profit or loss was contributed by Shandong Shundong to Group's revenue and profit or loss as the oil and liquefied chemical terminal is under construction. Had the acquisition occurred on 1 January 2015, the Group revenue and loss would have been HK\$87,480,000 and HK\$539,716,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2015, nor is it intended to be a projection of future performance.

### 38. OPERATING LEASE COMMITMENTS

At 31 December 2016, the Group had total future minimum lease payments under non-cancellable operating lease falling due as follows:

Within one year	一年內
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)
After five years	五年後

The Group leases certain leasehold land and buildings and equipment under operating leases. The leases run for an initial period of one to twenty years (2015: three months to twenty years), with an option to renew the lease and renegotiate the terms at expiry date or at dates as mutually agreed between the Group and respective landlords/lessors. None of the leases includes contingent rentals.

### 37. 二零一五年之業務收購(續)

自收購日期以來，由於油品及液體化工品碼頭在建，山東順東並無向本集團之收益及損益貢獻任何收益或損益。倘收購事項已於二零一五年一月一日發生，本集團之收益及虧損將分別為87,480,000港元及539,716,000港元。該備考資料僅供說明用途，未必反映本集團於假設收購事項已於二零一五年一月一日完成之情況下所實際錄得的收益及經營業績，亦不擬作為對未來表現之預測。

### 38. 經營租約承擔

於二零一六年十二月三十一日，本集團於下列年期內屆滿之不可撤銷經營租約之未來最少租賃付款總額如下：

2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
3,505	3,469
2,903	6,440
369	542
<b>6,777</b>	<b>10,451</b>

本集團根據經營租約租用若干租賃土地及樓宇以及設備。該等租約初步為期一年至二十年(二零一五年：三個月至二十年)，可於到期日或本集團與有關業主/出租人共同商定之日期選擇續租及重訂租約條款。該等租約不包括或然租金。

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### 39. CAPITAL AND OTHER COMMITMENTS

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Capital commitments for acquisition of property, plant and equipment	收購物業、廠房及設備之資本承擔	701	752
Capital commitments for construction cost of oil and liquefied chemical terminal	油品及液體化工品碼頭建築成本之資本承擔	154,466	587,704
Other commitments in respect of administrative fees and training fees	就管理費及培訓費之其他承擔	48,164	50,622
		<b>203,331</b>	<b>639,078</b>

### 39. 資本及其他承擔

### 40. RELATED PARTY TRANSACTIONS

Apart from the balances and transactions with related parties disclosed elsewhere in the financial statements, the Group had the following transactions with its related parties during the year:

#### Compensation of key management personnel

Included in employee costs are key management personnel compensation (including directors' emoluments) and comprises the following categories:

### 40. 關連人士交易

除財務報表其他部分所披露之結餘及與關連人士之交易外，年內，本集團與其關連人士尚有如下交易：

#### 主要管理人員之補償

主要管理人員之補償（包括董事酬金）乃計入員工成本，包括以下類別：

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Short-term employee benefits	短期僱員福利	2,178	2,301
Contribution to retirement benefit scheme	退休福利計劃之供款	18	18
		<b>2,196</b>	<b>2,319</b>

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### 41. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

### 41. 按分類劃分之財務資產及財務負債概要

		2016 二零一六年		2015 二零一五年	
		Carrying amount HK\$'000 賬面值 千港元	Fair value HK\$'000 公平值 千港元	Carrying amount HK\$'000 賬面值 千港元	Fair value HK\$'000 公平值 千港元
<b>Financial assets</b>	<b>財務資產</b>				
Loan and receivables	貸款及應收款項				
- Cash and bank balances	- 現金及銀行結存	195,893	195,893	238,260	238,260
- Pledged bank deposits	- 已抵押銀行存款	42,921	42,921	22	22
- Trade and bills receivables	- 應收貿易賬項及票據	28,704	28,704	34,085	34,085
- Deposits and other receivables	- 按金及其他應收款項	36,108	36,108	4,295	4,295
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產	14,607	14,607	24,818	24,818
		<b>318,233</b>	<b>318,233</b>	<b>301,480</b>	<b>301,480</b>
<b>Financial liabilities</b>	<b>財務負債</b>				
<b>Current liabilities</b>	<b>流動負債</b>				
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債				
- Trade payables	- 應付貿易賬項	10,467	10,467	11,172	11,172
- Bills and other payables and accruals	- 應付票據及其他應付款項以及應計款項	448,709	448,709	383,121	383,121
- Amounts due to non-controlling shareholders	- 應付非控股股東款項	22,032	22,032	20,932	20,932
- Bank borrowings	- 銀行借款	49,370	49,370	41,300	41,300
- Other borrowings	- 其他借款	127,774	127,774	29,972	29,972
- Finance lease liabilities	- 融資租賃負債	37,960	37,960	-	-
- Convertible bonds	- 可換股債券	10,232	10,232	3,337	3,337
<b>Non-current liabilities</b>	<b>非流動負債</b>				
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債				
- Other payables	- 其他應付款項	39,533	39,533	-	-
- Amounts due to non-controlling shareholders	- 應付非控股股東款項	78,039	78,039	-	-
- Bank borrowings	- 銀行借款	165,257	165,257	-	-
- Other borrowings	- 其他借款	12,516	12,516	12,533	12,533
- Finance lease liabilities	- 融資租賃負債	94,040	94,040	-	-
- Convertible bonds	- 可換股債券	155,244	155,244	138,113	138,113
		<b>1,251,173</b>	<b>1,251,173</b>	<b>640,480</b>	<b>640,480</b>

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### 41. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

The Group's financial instruments not measured at fair value include cash and bank balances, pledged bank deposits, trade, bills and other receivables, trade payables, other payables, bills payables and accruals, bank borrowings, other borrowings, finance lease liabilities and amounts due to non-controlling shareholders. Due to their short term nature, the carrying value of cash at cash and bank balances, pledged bank deposits, trade, bills and other receivables, trade payables, other payables and accruals, bank borrowings and finance lease liabilities approximates fair value.

The fair value of non-current portion of other borrowings, other payables, bank borrowings, finance lease liabilities and amounts due to non-controlling shareholders for disclosure purposes has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities and is classified as level 3 in the fair value hierarchy. Significant inputs include the discount rate used to reflect the credit risks of the borrowers or the Group. The fair value of the liability portion of the convertible bonds is estimated by discounting the expected future cash flows using an equivalent market interest rate for a similar convertible bond with consideration of the Group's own non-performance risk and is classified as level 3 in the fair value hierarchy. The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

### 41. 按分類劃分之財務資產及財務負債概要 (續)

本集團並非按公平值計量之財務工具包括現金及銀行結存、已抵押銀行存款、應收貿易賬項、應收票據及其他應收款項、應付貿易賬項、其他應付款項、應付票據及應計款項、銀行借款、其他借款、融資租賃負債及應付非控股股東款項。由於其短期性質使然，現金及銀行結存、已抵押銀行存款、應收貿易賬項、應收票據及其他應收款項、應付貿易賬項、其他應付款項及應計款項、銀行借款及融資租賃負債之賬面值與其公平值相若。

就披露而言，其他借款、其他應付款項、銀行借款、融資租賃負債及應付非控股股東款項之非即期部分之公平值乃按適用於具有類似條款、信貸風險及剩餘年期之工具之現行利率折現預期未來現金流量計算，並於公平值等級中分類為第三級。重大輸入數據包括用以反映借款人或本集團信貸風險之貼現率。可換股債券負債部份之公平值乃透過將預期未來現金流量以類似可換股債券之相同市場利率貼現，並考慮本集團之非表現風險後作出估計，並於公平值等級中分類為第三級。下表載列按公平值等級劃分之按公平值計量之金融工具分析：

第一級：相同資產或負債之活躍市場報價（未經調整）；

第二級：第一級報價以外，可就資產或負債直接（即價格）或間接（自價格衍生）觀察得出之輸入值；及

第三級：並非根據可觀察市場數據得出之資產或負債輸入值（不可觀察輸入值）。



# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 41. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY (Continued)

### 41. 按分類劃分之財務資產及財務負債概要 (續)

		2016 二零一六年			
		Level 1 HK\$'000 第一級 千港元	Level 2 HK\$'000 第二級 千港元	Level 3 HK\$'000 第三級 千港元	Total HK\$'000 總計 千港元
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值計入損益之財務資產</b>				
- Listed equity investments	- 上市股本投資	14,607	-	-	14,607

  

		2015 二零一五年			
		Level 1 HK\$000 第一級 千港元	Level 2 HK\$000 第二級 千港元	Level 3 HK\$000 第三級 千港元	Total HK\$000 總計 千港元
<b>Financial assets at fair value through profit or loss</b>	<b>按公平值計入損益之財務資產</b>				
- Listed equity investments	- 上市股本投資	24,818	-	-	24,818

There were no transfers between levels during the year.

年內不同等級之間並無進行任何轉撥。

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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 42. FINANCIAL RISK MANAGEMENT

The Group does not have written financial risk management policies and guidelines. However, the board of directors meets periodically to analyse and formulate strategies to manage the Group's exposure to credit risk, market risk (including foreign currency risk and interest rate risk) and liquidity risk. Generally, the Group employs conservative strategies on its risk management. The Group's exposure to market risk is kept at a minimum level. The Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes.

#### (a) Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group. The Group's exposure to credit risk mainly arises from granting credit to customers in the ordinary course of its operations and its investing activities.

The carrying amounts of these financial assets presented in the statement of financial position are net of impairment losses, if any. The Group minimises its exposure to the credit risk by rigorously selecting the counterparties, performing ongoing credit evaluation on the financial conditions of its debtors and tightly monitoring the ageing of the receivables. Follow-up actions are taken in case of overdue balances on an ongoing basis. In addition, management monitors and reviews the recoverable amount of the receivables individually or collectively at each reporting date to ensure that adequate impairment losses are made for irrecoverable amounts. In respect of trade and other receivables, individual credit evaluations are performed on all debtors requiring credit over a certain amount. These evaluations focus on the debtors' past history of making payments when due and current ability to pay, and take into account information specific to the debtors as well as pertaining to the economic environment in which the debtors operate. Normally, the Group does not obtain collateral from its customer. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each debtor.

### 42. 財務風險管理

本集團並無制訂書面財務風險管理政策及指引。然而，董事會會定期舉行會議，分析及制訂策略管理本集團所承擔之信貸風險、市場風險（包括外匯風險及利率風險）及流動資金風險。一般而言，本集團會就其風險管理採納一套穩妥之策略，從而將本集團承擔之市場風險維持在最低水平。本集團並無運用任何衍生工具或其他工具進行對沖。本集團並無持有或發行衍生金融工具以作買賣用途。

#### (a) 信貸風險

信貸風險指金融工具之對手方未能履行其於金融工具條款項下之責任而引致本集團蒙受財務損失之風險。本集團之信貸風險主要來自於其日常業務營運過程中授予客戶之信貸及其投資業務。

該等財務資產於財務狀況表呈列之賬面值已扣除減值虧損（如有）。本集團透過審慎挑選對手方、對其債務人之財務狀況進行持續信貸評估，以及緊密監控應收款項之賬齡，最大程度降低其所承擔之信貸風險。本集團採取持續跟進措施收回逾期結餘。此外，管理層會於各報告日期個別或共同監控及檢討應收款項之可收回金額，確保就不可收回金額作出足夠之減值虧損。就應收貿易賬項及其他應收款項而言，對於所有要求若干信貸金額之債務人均會進行個別信貸評估。此等評估主要針對債務人以往到期時之還款記錄及現時之還付能力，並考慮債務人之個別資料及債務人所處之經濟環境之資料。一般而言，本集團並無自客戶取得抵押品。本集團面對之信貸風險主要受各債務人之個別情況影響。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 42. FINANCIAL RISK MANAGEMENT (Continued)

#### (a) Credit risk (Continued)

Default risk of the industry in which customers operate also has an influence on credit risk but to a lesser extent. As at 31 December 2016, the Group has a certain concentration of credit risk as 63% (2015: 63%) and 90% (2015: 84%) of total receivables was due from the Group's largest trade debtor and the three largest trade debtors respectively.

The credit risk of the Group's other financial assets, which comprise pledged bank deposits and cash at banks and in hand, is also limited because almost all the Group's cash at banks and in hand are deposited with major banks located in Hong Kong and the PRC.

As the Group trades only with recognised and creditworthy counterparties, there is no requirement for collateral.

The credit policies have been followed by the Group since prior years and are considered to have been effective in limiting the Group's exposure to credit risk to a desirable level.

As at 31 December 2016 and 2015, there is no financial guarantees issued by the Group.

### 42. 財務風險管理 (續)

#### (a) 信貸風險 (續)

客戶經營行業之固有風險亦對信貸風險有影響，惟較輕微。於二零一六年十二月三十一日，本集團有若干集中信貸風險，原因是應收款項總額中分別有63%（二零一五年：63%）及90%（二零一五年：84%）來自本集團最大貿易借款人及三名最大貿易借款人。

本集團之銀行結存及手頭現金幾乎全部存放於香港及中國之主要銀行，故本集團其他財務資產（包括已抵押銀行存款以及銀行結存及手頭現金）之信貸風險亦有限。

由於本集團只與獲認可及信譽良好之對手方進行交易，故毋須抵押品。

本集團於過往年度已推行信貸政策，本集團認為信貸政策已有效地將本集團之信貸風險減至理想水平。

於二零一六年及二零一五年十二月三十一日，本集團並無發出任何財務擔保。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 42. FINANCIAL RISK MANAGEMENT (Continued)

#### (b) Foreign currency risk

Sales and expenses of the Group are mostly in US\$ and RMB. Exposures to currency exchange rates arise from certain of the Group's cash and bank balances which are denominated in US\$. The Group does not use derivative financial instruments to hedge its foreign currency risk. The Group reviews its foreign currency exposures regularly and does not consider its foreign exchange risk to be significant.

The following table details the Group's exposure at the reporting date to foreign currency risk from the above stated items denominated in a currency other than the functional currency of relevant group companies.

		2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Cash and cash equivalents denominated in US\$	按美元列值之現金及現金等值項目	<b>435</b>	315

By assessing foreign currency risk on cash and bank balances, the effect arising from a reasonably possible change in the exchange rates of HK\$ against US\$ in the next twelve months was not material to the loss for the year and accumulated losses at each of the reporting date, on the basis that all other variables remain constant.

### 42. 財務風險管理 (續)

#### (b) 外匯風險

本集團之銷售及開支主要以美元及人民幣列值。外匯風險來自本集團以美元列值之若干現金及銀行結存。本集團並未使用衍生金融工具對沖其外匯風險。本集團定期檢討其外匯風險，並認為其外匯風險並不重大。

下表詳列於報告日期本集團上述項目按有關集團公司之功能貨幣以外之貨幣列值之外匯風險。

	2016 HK\$'000 二零一六年 千港元	2015 HK\$'000 二零一五年 千港元
Cash and cash equivalents denominated in US\$	<b>435</b>	315

經評估現金及銀行結存之外匯風險，並假設所有其他變量保持不變，未來十二個月港元兌美元之匯率合理可能變動產生之影響對年內之虧損及各報告日期之累計虧損並不重大。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 42. FINANCIAL RISK MANAGEMENT (Continued)

#### (c) Interest rate risk

The Group's exposure to interest rate risk for changes in interest rates relates primarily to the Group's floating interest rate borrowings. The Group has not used any derivative contracts to hedge its exposure to interest rate risk. However, management monitors interest rate exposure and will consider hedging significant interest rate exposure should the need arise.

The following table indicates the approximate change in the Group's loss after income tax and accumulated losses in response to reasonably possible changes in the interest rate, to which the Group has significant exposure at the reporting date.

		2016 二零一六年	Effect on loss after income tax and accumulated losses HK\$'000 對除所得稅後 虧損及累計 虧損之影響 千港元	2015 二零一五年	Effect on loss after income tax and accumulated losses HK\$'000 對除所得稅後 虧損及累計 虧損之影響 千港元
		Increase/ (decrease) in interest rate 利率上升/ (下降)		Increase/ (decrease) in interest rate 利率上升/ (下降)	
Cash at banks	銀行現金	0.1%	181	0.1%	117
Cash at banks	銀行現金	(0.1%)	(181)	(0.1%)	(117)

The sensitivity analysis above is determined assuming that the change in interest rate had occurred at the reporting date and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 0.1% increase/decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date. The analysis is performed on the same basis for 2015.

### 42. 財務風險管理 (續)

#### (c) 利率風險

本集團因利率變動所承擔之利率風險主要與本集團之浮息借款有關。本集團並未使用任何衍生合約對沖其利率風險。然而，管理層對利率風險進行監控，並於需要時考慮對沖重大利率風險。

下表列載本集團之除所得稅後虧損及累計虧損因利率合理可能變動（本集團於報告日期承受重大風險）而產生之概約變動。

上述敏感度分析乃假設利率於報告日期已發生變動而釐定，並已應用於該日已存在之非衍生金融工具所面臨之利率風險中。上升/下降0.1%乃管理層就直至下一年度報告日期止期間內利率之合理可能變動所作之估計。有關分析乃基於二零一五年相同基準作出。

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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 42. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group is exposed to liquidity risk in respect of settlement of its financial obligations, its cash flow management as well as potential adverse outcome on the Songliao Contract. As mentioned in note 3(a)(ii), the Group's ability to meet its financial obligations when they fall due is dependent upon the sustainability of the cash flow forecast with underlying assumptions. Management of the Group is satisfied that the Group will be able to meet in full their financial obligations as and when they fall due in the foreseeable future.

The Group maintains a level of cash and cash equivalents assessed as adequate by management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group relies on internally generated funding and borrowings as significant sources of liquidity.

### 42. 財務風險管理 (續)

#### (d) 流動資金風險

流動資金風險指本集團不能履行其與透過交付現金或其他財務資產清償之財務負債有關之責任之風險。本集團面對之流動資金風險與清償其財務負債、其現金流量管理以及松遼合約之潛在不利結果有關。如附註3(a)(ii)所提述，本集團於財務責任到期時履行財務責任之能力取決於相關假設前提下之可持續現金流量預測。本集團管理層信納本集團將有能力於財務責任於可預見將來到期時悉數履行財務責任。

本集團維持管理層認為充足之現金及現金等值項目，以向本集團業務經營提供資金及減輕現金流量波動之影響。本集團以內部產生資金及借款作為流動資金之重要來源。



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## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 42. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Liquidity risk (Continued)

The maturity profile of the Group's and the Company's financial liabilities as at the reporting dates, based on the contractual undiscounted payments, were as follows:

		2016 二零一六年				
		Total contractual undiscounted cash flow HK\$'000 合約性無貼現 賬面值 千港元	Within 6 months or on demand HK\$'000 六個月以內或 按要求 千港元	6 to 12 months HK\$'000 六至十二個月 千港元	1 to 5 years HK\$'000 一至五年 千港元	
Trade payables	應付貿易賬項	10,467	10,467	10,467	-	-
Bills and other payables and accruals	應付票據及其他應付款項 以及應計款項	488,242	488,242	448,709	-	39,533
Amounts due to non-controlling interests	應付非控股股東款項	100,071	104,840	22,032	-	82,808
Bank borrowings	銀行借款	214,627	260,763	49,370	-	211,393
Other borrowings	其他借款	140,290	148,597	54,639	80,368	13,590
Finance lease liabilities	融資租賃負債	132,000	157,080	17,160	34,320	105,600
Convertible bonds	可換股債券	165,476	235,000	15,000	110,000	110,000
		1,251,173	1,404,989	617,377	224,688	562,924

### 42. 財務風險管理 (續)

#### (d) 流動資金風險 (續)

本集團及本公司根據合約性無貼現款項於報告日期之財務負債到期日情況如下：

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For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 42. FINANCIAL RISK MANAGEMENT (Continued)

#### (d) Liquidity risk (Continued)

		2015 二零一五年				
		Carrying amount	Total contractual undiscounted cash flow	Within		
		HK\$'000	HK\$'000	6 months or on demand	6 to 12 months	1 to 5 years
		賬面值 千港元	合約性無貼現 現金流量總額 千港元	六個月以內或 按要求的 千港元	六至十二個月 千港元	一至五年 千港元
Trade payables	應付貿易賬項	11,172	11,172	11,172	-	-
Bills and other payables and accruals	應付票據及其他應付款項 以及應計款項	383,121	383,121	383,121	-	-
Amounts due to non-controlling interests	應付非控股股東款項	20,932	20,932	20,932	-	-
Bank borrowings	銀行借款	41,300	41,300	41,300	-	-
Other borrowings	其他借款	42,505	43,544	29,972	-	13,572
Convertible bonds	可換股債券	141,450	235,000	-	15,000	220,000
		640,480	735,069	486,497	15,000	233,572

### 43. CAPITAL MANAGEMENT

The Group's objectives when managing capital are:

- To safeguard the Group's ability to continue as a going concern, so that it continues to provide returns and benefits for stakeholders;
- To support the Group's stability and growth; and
- To provide capital for the purpose of strengthening the Group's risk management capability.

### 42. 財務風險管理 (續)

#### (d) 流動資金風險 (續)

		2015 二零一五年				
		Carrying amount	Total contractual undiscounted cash flow	Within		
		HK\$'000	HK\$'000	6 months or on demand	6 to 12 months	1 to 5 years
		賬面值 千港元	合約性無貼現 現金流量總額 千港元	六個月以內或 按要求的 千港元	六至十二個月 千港元	一至五年 千港元
Trade payables	應付貿易賬項	11,172	11,172	11,172	-	-
Bills and other payables and accruals	應付票據及其他應付款項 以及應計款項	383,121	383,121	383,121	-	-
Amounts due to non-controlling interests	應付非控股股東款項	20,932	20,932	20,932	-	-
Bank borrowings	銀行借款	41,300	41,300	41,300	-	-
Other borrowings	其他借款	42,505	43,544	29,972	-	13,572
Convertible bonds	可換股債券	141,450	235,000	-	15,000	220,000
		640,480	735,069	486,497	15,000	233,572

### 43. 資本管理

本集團之資本管理目標為：

- 保障本集團有能力繼續作為持續經營公司，持續為股東帶來回報及利益；
- 支持本集團穩定營運及增長；及
- 為本集團提供資本以鞏固其風險管理能力。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 43. CAPITAL MANAGEMENT (Continued)

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group. The Group currently does not adopt any formal dividend policy. Management regards total equity as capital, for capital management purpose. The amount of capital as at 31 December 2016 amounted to approximately HK\$465,282,000 (2015: HK\$687,211,000), which management considers as satisfactory having considered the projected capital expenditures and the forecast strategic investment opportunities.

### 44. LITIGATIONS

#### (a) Transfer of the exploration licence

Details of litigations are set out in note 3(a)(iii).

#### (b) Injunction order to the holder of CB6 and CB7

Details of litigations are set out in note 3(a)(i).

### 43. 資本管理 (續)

本集團定期積極檢討及管理其資本結構，確保資本結構及股東回報達致最佳狀態，考慮事項包括本集團未來資本需求。目前，本集團並無採納任何正式股息政策。就資本管理目的而言，管理層將總權益減可換股債券權益部分認作資本。於二零一六年十二月三十一日之資本金額約為465,282,000港元（二零一五年：687,211,000港元），經考慮預計資本開支及預測策略投資機會，管理層認為有關金額已達最佳水平。

### 44. 訴訟

#### (a) 轉讓勘探牌照

有關此訴訟詳情載於附註3(a)(iii)。

#### (b) 對可換股債券第六批債券及可換股債券第七批債券持有人之禁制令

有關此訴訟詳情載於附註3(a)(i)。

# NOTES TO THE FINANCIAL STATEMENTS

## 財務報表附註

For the year ended 31 December 2016 截至二零一六年十二月三十一日止年度

### 45. EVENTS AFTER THE REPORTING DATE

On 30 December 2015, the Group entered into the sale and purchase agreement (the "Sale and Purchase Agreement") with the independent third party (the "Purchaser"), pursuant to which the Purchaser has conditionally agreed to acquire and the Group has conditionally agreed to sell the issued shares and the sale loan of Sunlight Rise Limited which holding 60% equity interest in Shanxi Zhong Kai Group Lingshi at a consideration of HK\$1,500,000, details of which are set out in the Company's announcements dated 30 December 2015, 29 March 2016 and 12 October 2016 and the Company's circular dated 17 February 2017. As the Sunlight Group was at net liabilities of HK\$16,828,000 and the estimate fair value less cost of disposal was HK\$420,000 as at 31 December 2016, reversal of impairment of PPE and prepaid land lease payments rights was HK\$15,349,000 and HK\$2,179,000 was recognised respectively.

On 7 March 2017, approvals from the Company's shareholders have been obtained and the disposal of the Sunlight Group has been completed on 17 March 2017.

### 46. APPROVAL OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2016 were approved and authorised for issue by the board of directors on 27 March 2017.

### 45. 報告日期後事項

於二零一五年十二月三十日，本集團與獨立第三方（「買方」）訂立買賣協議（「買賣協議」），據此買方有條件同意收購而本集團有條件同意出售持有山西中凱集團靈石之60%股權之昇暉有限公司的已發行股份及待售貸款，代價為1,500,000港元，詳情載於本公司日期為二零一五年十二月三十日、二零一六年三月二十九日及二零一六年十月十二日之公佈以及本公司日期為二零一七年二月十七日之通函。由於昇暉集團於二零一六年十二月三十一日為淨負債16,828,000港元及估計公平值減出售成本為420,000港元，撥回物業、廠房及設備減值虧損及預付土地租賃款項15,349,000港元及2,179,000港元已分別確認。

於二零一七年三月七日，本公司股東的批准已經取得及昇暉集團出售已於二零一七年三月十七日完成。

### 46. 核准財務報表

截至二零一六年十二月三十一日止年度之財務報表已於二零一七年三月二十七日經董事會核准及授權發佈。

