



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)



* 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 & Mackson 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>

CONDENSED CONSOLIDATED INCOME STATEMENT

簡明綜合損益表

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
		Notes 附註	
Continuing operations	持續經營業務		
Revenue	收益	4	8,897
Cost of sales	銷售成本		(18,266)
Gross profit/(loss)	毛利／(毛損)		(9,369)
Other income	其他收入	4	399
Selling and distribution expenses	銷售及分銷開支		(250)
Administrative expenses	行政開支		(15,632)
Other operating expenses	其他經營開支		(10,974)
Finance costs	財務成本	6	(12,150)
Loss before income tax from continuing operations	持續經營業務 除所得稅前虧損	7	(47,976)
Income tax credit	所得稅抵免	8	715
Loss for the period from continuing operations	持續經營業務 本期間虧損		(47,261)
Discontinued operation	已終止經營業務		
Loss for the period from a discontinued operation	一項已終止經營業務 本期間虧損	9	(22,932)
Loss for the period	本期間虧損		(70,193)
Loss for the period attributable to:	應佔本期間虧損：		
Owners of the Company	本公司擁有人		(59,042)
Non-controlling interests	非控股股東權益		(11,151)
			(70,193)
Loss per share for loss attributable to the owners of the Company	本公司擁有人應佔虧損之 每股虧損	11	
Basic and diluted	基本及攤薄		
– For loss from continuing operations	– 持續經營業務虧損		(HK cents 0.36港仙)
– For loss from a discontinued operation	– 一項已終止經營業務虧損		(HK cents 0.37港仙)
			(HK cents 1.54港仙)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

簡明綜合全面收入表

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Loss for the period	本期間虧損	(25,490)	(70,193)
Other comprehensive income	其他全面收入		
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目：		
Exchange gains/(losses) on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌收益／(虧損)	23,613	(8,069)
Release of exchange reserve upon disposal of subsidiaries	出售附屬公司時解除匯兌儲備	(10,888)	-
Other comprehensive income for the period	本期間其他全面收入	12,725	(8,069)
Total comprehensive income for the period	本期間全面收入總額	(12,765)	(78,262)
Total comprehensive income attributable to:	應佔全面收入總額：		
Owners of the Company	本公司擁有人	(15,776)	(63,982)
Non-controlling interests	非控股股東權益	3,011	(14,280)
		(12,765)	(78,262)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2017 於二零一七年六月三十日

		Notes	(Unaudited) (未經審核) 30 June 2017 HK\$'000 二零一七年 六月三十日 千港元	(Audited) (經審核) 31 December 2016 HK\$'000 二零一六年 十二月三十一日 千港元
		附註		
ASSETS AND LIABILITIES	資產及負債			
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	12	1,191,573	919,260
Prepaid land lease payments	預付土地租賃款項		–	4,453
Sea area use rights	海域使用權		107,750	103,987
Intangible assets	無形資產		388,939	389,084
Deposits and other receivables	按金及其他應收款項		8,745	17,041
Deferred tax assets	遞延稅項資產		48,547	49,724
			1,745,554	1,483,549
Current assets	流動資產			
Inventories – raw materials	存貨 – 原材料		–	1,993
Trade and bills receivables	應收貿易賬項及票據	13	3,342	28,704
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項		40,783	78,763
Financial assets at fair value through profit or loss	按公平值計入損益之財務資產		12,235	14,607
Pledged bank deposits	已抵押銀行存款		–	42,921
Cash and bank balances	現金及銀行結存		23,923	195,893
			80,283	362,881
Current liabilities	流動負債			
Trade payables	應付貿易賬項	14	–	10,467
Bills and other payables and accruals	應付票據、其他應付款項及應計款項		631,609	448,709
Amounts due to non-controlling shareholders	應付非控股股東款項		89,758	22,032
Bank borrowings	銀行借款		–	49,370
Other borrowings	其他借款	15	133,079	127,774
Finance lease liabilities	融資租賃負債		66,614	37,960
Convertible bonds	可換股債券		14,943	10,232
Tax payables	應付稅項		10,782	9,464
			946,785	716,008
Net current liabilities	流動負債淨值		(866,502)	(353,127)
Total assets less current liabilities	資產總值減流動負債		879,052	1,130,422

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

簡明綜合財務狀況表

As at 30 June 2017 於二零一七年六月三十日

		Notes	(Unaudited) (未經審核) 30 June 2017 HK\$'000 二零一七年 六月三十日 千港元	(Audited) (經審核) 31 December 2016 HK\$'000 二零一六年 十二月三十一日 千港元
		附註		
Non-current liabilities	非流動負債			
Other payables	其他應付款項		10,242	39,533
Amounts due to non-controlling shareholders	應付非控股股東款項		–	78,039
Bank borrowings	銀行借款		–	165,257
Other borrowings	其他借款	15	11,636	12,516
Finance lease liabilities	融資租賃負債		95,495	94,040
Convertible bonds	可換股債券		165,380	155,244
Deferred tax liabilities	遞延稅項負債		121,250	120,511
			404,003	665,140
Net assets	資產淨值		475,049	465,282
EQUITY	權益			
Equity attributable to the owners of the Company	本公司擁有人應佔權益			
Share capital	股本	16	304,970	304,970
Reserves	儲備		29,042	44,818
			334,012	349,788
Non-controlling interests	非控股股東權益		141,037	115,494
Total equity	總權益		475,049	465,282

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

簡明綜合權益變動表

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

		(Unaudited) (未經審核)								
		Equity attributable to the owners of the Company 本公司擁有人應佔權益								
		Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange reserve HK\$'000	Convertible bonds equity reserve HK\$'000 可換股債券 權益儲備 千港元	Accumulated losses HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000 非控股股東 權益 千港元	Total equity HK\$'000
		股本 千港元	股份溢價 千港元	資本儲備 千港元	匯兌儲備 千港元	權益儲備 千港元	累計虧損 千港元	總計 千港元	權益 千港元	總權益 千港元
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 period	本期間虧損	-	-	-	-	-	(59,042)	(59,042)	(11,151)	(70,193)
Other comprehensive income:	其他全面收入:									
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	-	-	-	(4,940)	-	-	(4,940)	(3,129)	(8,069)
Total comprehensive income for the period	本期間全面收入總額	-	-	-	(4,940)	-	(59,042)	(63,982)	(14,280)	(78,262)
At 30 June 2016	於二零一六年六月三十日	304,970	2,363,920	177,027	13,171	462,708	(2,832,978)	488,818	120,131	608,949
At 1 January 2017	於二零一七年一月一日	304,970	2,363,920	177,027	5,070	462,708	(2,963,907)	349,788	115,494	465,282
Derecognition of non-controlling interests upon disposal of subsidiaries (Note 17)	出售附屬公司時取消確認非控股股東權益(附註17)	-	-	-	-	-	-	-	22,532	22,532
Transactions with owners	與擁有人之交易	-	-	-	-	-	-	-	22,532	22,532
Loss for the period	本期間虧損	-	-	-	-	-	(23,033)	(23,033)	(2,457)	(25,490)
Other comprehensive income:	其他全面收入:									
Exchange gains on translation of financial statements of foreign operations	換算海外業務財務報表之匯兌收益	-	-	-	18,145	-	-	18,145	5,468	23,613
Release of exchange reserve upon disposal of subsidiaries (Note 17)	出售附屬公司時解除匯兌儲備(附註17)	-	-	-	(10,888)	-	-	(10,888)	-	(10,888)
Total comprehensive income for the period	本期間全面收入總額	-	-	-	7,257	-	(23,033)	(15,776)	3,011	(12,765)
At 30 June 2017	於二零一七年六月三十日	304,970	2,363,920	177,027	12,327	462,708	(2,986,940)	334,012	141,037	475,049

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

簡明綜合現金流量表

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

(Unaudited)

(未經審核)

Six months ended 30 June

截至六月三十日止六個月

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Net cash generated from/(used in) operating activities	源自／(用於)經營活動之現金淨額	(3,582)	(65,137)
Net cash used in investing activities	用於投資活動之現金淨額	(22,724)	(224,855)
Net cash (used in)/generated from financing activities	(用於)／源自融資活動之現金淨額	(141,147)	117,356
Net decrease in cash and cash equivalents	現金及現金等值項目之減少淨額	(167,453)	(172,636)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	190,393	238,260
Effect on foreign exchange rate changes	匯率變動之影響	983	1,186
Cash and cash equivalents at 30 June	於六月三十日之現金及現金等值項目	23,923	66,810

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

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 six months ended 30 June 2017 (the “Period”), the principal activities of the Company and its subsidiaries (together referred to as the “Group”) include:

- the oil production representing the business of oil production;
- the oil and liquefied chemical terminal representing the business of operation of liquid chemical terminal, storage and logistics facilities; and
- the supply of electricity representing the business of generation and supplying of electricity and heat, which the Group has discontinued in the Period in connection with the disposal of subsidiaries as described in notes 9 and 17.

2. BASIS OF PREPARATION

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

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設於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。

本公司及其附屬公司(統稱為「本集團」)於截至二零一七年六月三十日止六個月(「本期間」)之主要業務包括：

- 產油，指產油業務；
- 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；及
- 熱電供應，指熱電生產及供應業務，如附註9及17所述，該業務已隨本集團出售附屬公司而於本期間終止經營。

2. 編製基準

此等未經審核簡明綜合中期財務報表已根據香港會計師公會(「香港會計師公會」)頒佈之香港會計準則(「香港會計準則」)第34號中期財務報告及聯交所證券上市規則(「上市規則」)之適用披露規定而編製。

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

2. BASIS OF PREPARATION (Continued)

(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 China National Petroleum Corporation (“CNPC”) on 13 August 2007 (the “Songliao Contract”) from the vendor, Greater China Limited (“Greater China”), details of which are set out in note 33 to the annual financial statements of the Company for the year ended 31 December 2016. China International Energy was wholly owned by an individual (“Mr. A”) at the time of obtaining the Songliao Contract.

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 acquisition) (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.

2. 編製基準 (續)

(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，中國國際能源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)與中國石油天然氣集團公司(「中國石油天然氣集團公司」)於二零零七年八月十三日所訂立之石油合約(「松遼合約」)，詳情載於本公司截至二零一六年十二月三十一日止年度的年度財務報表附註33。於取得松遼合約時，中國國際能源由一位個人(「A先生」)全資擁有。

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指定為收購代價之本票、代價股份及可換股債券之獲配人)的多方人士(「被告人」)提起法律訴訟，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。

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2. 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.

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 Period 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.

2. 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而發行之任何股份；(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。

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，應當按估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。由於本期間並無進展，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。

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簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

2. 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\$25,490,000 (six months ended 30 June 2016: HK\$70,193,000) during the Period; (ii) as at 30 June 2017, the Group had net current liabilities of HK\$866,502,000 (31 December 2016: HK\$353,127,000); and (iii) as at 30 June 2017, included in current liabilities was the total outstanding construction costs of HK\$434,130,000 (31 December 2016: HK\$420,716,000), that are required to repay within one year after the reporting date, in which amounts of HK\$328,551,000 (31 December 2016: HK\$319,177,000) and HK\$105,579,000 (31 December 2016: HK\$101,539,000) are recognised under other payables and other borrowings respectively and the capital commitment for construction cost was HK\$149,446,000 (note 19). 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:

- (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 30 June 2017;
- (b) the Group will settle part of the outstanding construction cost and 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; and

2. 編製基準 (續)

(ii) 持續經營基準

財務報表乃按持續經營基準編製，儘管(i)本集團於本期間產生虧損25,490,000港元(截至二零一六年六月三十日止六個月：70,193,000港元)；(ii)本集團於二零一七年六月三十日錄得流動負債淨額866,502,000港元(二零一六年十二月三十一日：353,127,000港元)；及(iii)於二零一七年六月三十日，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為434,130,000港元(二零一六年十二月三十一日：420,716,000港元)，其中328,551,000港元(二零一六年十二月三十一日：319,177,000港元)及105,579,000港元(二零一六年十二月三十一日：101,539,000港元)分別於其他應付款項及其他借款內確認，而建設成本的資本承擔為149,446,000港元(附註19)。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，因此本集團未必能於日常業務過程中變現資產及履行責任。本公司董事已按持續經營基準編製綜合財務報表，並假設：

- (a) 松遼合約繼續生效及本集團繼續其產油業務，此乃董事編製二零一七年六月三十日後未來十二個月現金流預測之基準；
- (b) 本集團將清償部份未償建設成本及就總建設成本之結餘而言，基於與承包商的友好關係，承包商將延長償還日期至二零一六年十二月三十一日後逾十二個月；及

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簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

2. BASIS OF PREPARATION (Continued)

(ii) Going concern basis (Continued)

- (c) 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.

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 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.

2. 編製基準 (續)

(ii) 持續經營基準 (續)

- (c) 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，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，並相信本集團可持續經營，因此以持續經營基準編製財務報表。

倘本集團無法持續經營業務，則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

梁儷靜女士（「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的唯一股東（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。

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2. BASIS OF PREPARATION (Continued)

(iii) Loss of controls over assets of QHFSMI and 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.

2. 編製基準 (續)

(iii) 失去對青海森源及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的情況下轉讓勘探牌照

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，憑借該牌照，青海森源有權在位於中國內蒙古小紅山之鈦礦進行礦產資源勘探工作。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的情況下，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，青海森源不再有權（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。

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2. BASIS OF PREPARATION (Continued)

(iii) Loss of controls over assets of QHFSMI and 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.

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.

2. 編製基準 (續)

(iii) 失去對青海森源及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採礦牌照，本集團現正尋求法律意見以解決該問題。

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。

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3. PRINCIPAL ACCOUNTING POLICIES

These unaudited condensed consolidated interim financial statements should be read in conjunction with the annual financial statements of the Company for the year ended 31 December 2016. Except as described below, the accounting policies and methods of computation used in the unaudited condensed consolidated interim financial statements are the same as those followed in the preparation of the annual financial statements for the year ended 31 December 2016.

In the Period, the Group has applied, for the first time, the following new and revised, standards, amendments and interpretations (the “HKFRSs”) issued by the HKICPA, which are effective for the accounting period beginning on 1 January 2017.

Amendments to HKAS 7 – Disclosure Initiative

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

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

The Group has not early adopted any new and revised HKFRSs, which have been issued but are not yet effective, in these condensed consolidated interim financial statements.

3. 主要會計政策

該等未經審核簡明綜合中期財務報表應與本公司截至二零一六年十二月三十一日止年度之年度財務報表一併閱覽。除下文所述者外，未經審核簡明綜合中期財務報表採用之會計政策及計算方法與編製截至二零一六年十二月三十一日止年度之年度財務報表所採納者相同。

於本期間，本集團已首次應用以下由香港會計師公會頒佈且於二零一七年一月一日起的會計期間生效之新訂及經修訂準則、修訂本及詮釋（「香港財務報告準則」）。

香港會計準則第7號之修訂－披露計劃

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

採納該等修訂並無對財務報表產生任何重大影響。

本集團並無於該等簡明綜合中期財務報表中提前採納任何已頒佈但尚未生效之新訂及經修訂香港財務報告準則。

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4. REVENUE AND OTHER INCOME

The Group's principal activities are disclosed in note 1 to these unaudited condensed consolidated interim financial statements. Revenue from the Group's principal activities and other income recognised are as follows:

4. 收益及其他收入

本集團主要業務於該等未經審核簡明綜合中期財務報表附註1披露。本集團主要業務產生之收益及其他收入確認如下：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Continuing operations	持續經營業務		
Revenue	收益		
Sale of crude oil	銷售原油	7,895	8,897
Other income	其他收入		
Bank interest income	銀行利息收入	414	50
Dividend income	股息收入	12	14
Sundry income	各項收入	988	335
		1,414	399

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For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

5. 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;
- (b) the Oil and Liquefied Chemical Terminal segment represents the business of operation of oil and 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. This segment was discontinued during the Period.

5. 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。向本集團管理層作出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；
- (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。該分類於本期間終止經營。

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5. SEGMENT INFORMATION (Continued)

There was no inter-segment sale and transfer during the Period (six months ended 30 June 2016: Nil).

5. 分類資料 (續)

本期間並無分類間之出售及轉讓(截至二零一六年六月三十日止六個月:無)。

	Continuing operations 持續經營業務				Discontinued operation 已終止經營業務		Total 總計	
	Oil Production 產油 (Unaudited) (未經審核) Six months ended 30 June 截至六月三十日止六個月		Oil and Liquefied Chemical Terminal 油品及液體化工品碼頭 (Unaudited) (未經審核) Six months ended 30 June 截至六月三十日止六個月		Supply of Electricity and Heat 熱電供應 (Unaudited) (未經審核) Six months ended 30 June 截至六月三十日止六個月		Total (Unaudited) (未經審核) Six months ended 30 June 截至六月三十日止六個月	
	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Reportable segment revenue: From external customers	報告分類收益: 來自外間客戶	7,895	8,897	-	-	-	11,856	20,753
Reportable segment loss	報告分類虧損	(5,099)	(13,935)	(2,902)	(6,937)	(9,570)	(19,378)	(17,571)
Bank interest income	銀行利息收入	3	9	411	41	-	-	414
Depreciation	折舊	1,871	4,634	231	233	-	14,809	2,102
Amortisation of prepaid land lease payments	預付土地租賃款項攤銷	-	-	-	-	-	328	-
Amortisation of sea area use rights	海域使用權攤銷	-	-	1,151	2,292	-	-	1,151
Amortisation of intangible assets	無形資產攤銷	350	780	-	-	-	-	350
Loss on disposal of subsidiaries	出售附屬公司虧損	-	-	-	-	9,121	-	9,121
Reportable segment assets	報告分類資產	481,658	659,999	1,326,733	731,846	-	88,433	1,808,391
Additions to non-current segment assets during the Period	本期間非流動分類資產增加	217	449	236,818	201,118	-	-	237,035
Reportable segment liabilities	報告分類負債	273,226	305,053	867,427	369,231	-	105,028	1,140,653

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5. SEGMENT INFORMATION (Continued)

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

5. 分類資料 (續)

就本集團營運分類所呈列之總金額與簡明綜合財務報表中呈列之本集團主要財務數據之對賬如下：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Reportable segment loss	報告分類虧損	(17,571)	(40,250)
Segment loss from a discontinued operation	已終止經營業務分類虧損	9,570	19,378
Finance costs	財務成本	-	(12,150)
Other unallocated income	其他未分配收入	12	14
Other unallocated expenses	其他未分配開支	(8,267)	(14,968)
Consolidated loss before income tax from continuing operations	持續經營業務除所得稅前綜合虧損	(16,256)	(47,976)

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For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

5. SEGMENT INFORMATION (Continued)

5. 分類資料 (續)

		(Unaudited) (未經審核) 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	(Audited) (經審核) 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Assets	資產		
Reportable segment assets	報告分類資產		
– From continuing operations	– 持續經營業務	1,808,391	1,714,645
– From a discontinued operation	– 已終止經營業務	–	108,566
		1,808,391	1,823,211
Property, plant and equipment	物業、廠房及設備	40	49
Cash and bank balances	現金及銀行結存	4,260	7,520
Other corporate assets	其他企業資產	13,146	15,650
Group assets	本集團資產	1,825,837	1,846,430
Liabilities	負債		
Reportable segment liabilities	報告分類負債		
– From continuing operations	– 持續經營業務	1,140,653	1,078,257
– From a discontinued operation	– 已終止經營業務	–	107,915
		1,140,653	1,186,172
Convertible bonds	可換股債券	180,322	165,476
Other corporate liabilities	其他企業負債	29,813	29,500
Group liabilities	本集團負債	1,350,788	1,381,148

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5. SEGMENT INFORMATION (Continued)

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.

Revenue from the major customers is as follows:

5. 分類資料 (續)

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。

來自主要客戶之收益如下：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Customer A (derived from the Oil Production segment)	客戶A (來源於生產石油分類)	7,895	8,897
Customer B (derived from the Supply of Electricity and Heat segment)	客戶B (來源於熱電供應分類)	-	6,024
Customer C (derived from the Supply of Electricity and Heat segment)	客戶C (來源於熱電供應分類)	-	4,901
		7,895	19,822

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6. FINANCE COSTS

6. 財務成本

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Continuing operations	持續經營業務		
Imputed interest on convertible bonds	可換股債券之推算利息	14,846	11,612
Imputed interest on bank and other borrowings and amounts due to non-controlling shareholders due within one year	一年內到期之銀行及其他借款以及應付非控股股東款項之推算利息	8,913	3,971
Imputed interest on non-current borrowings	非流動借貸之推算利息	537	538
Finance lease charges	融資租賃支出	7,549	-
		31,845	16,121
		(31,845)	(3,971)
Less: Amount capitalised*	減：資本化金額*	-	12,150

* Borrowing costs capitalised during the Period arose on the general borrowing pool and are calculated by applying a capitalisation rate of 6.54% (six months ended 30 June 2016: Nil) to expenditure on qualifying assets.

* 於本期間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 6.54%（截至二零一六年六月三十日止六個月：零）計算，計入合資格資產的支出。

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7. LOSS BEFORE INCOME TAX FROM CONTINUING OPERATIONS

Loss before income tax from continuing operations is arrived at after charging the following:

7. 持續經營業務除所得稅前虧損

持續經營業務除所得稅前虧損已扣除以下各項：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Continuing operations	持續經營業務		
Cost of inventories recognised as expenses	確認為開支之存貨成本	-	-
Depreciation	折舊	2,112	4,876
Amortisation of sea area use rights*	海域使用權攤銷*	1,151	2,292
Amortisation of intangible assets*	無形資產攤銷*	350	780
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*	2,372	7,894
Operating lease charges on land and buildings	土地及樓宇之經營租約費用	3,165	2,749
Employee costs, including directors' emoluments	僱員成本·包括董事酬金	6,037	8,265

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

Depreciation expenses of approximately HK\$933,000 (six months ended 30 June 2016: HK\$4,183,000) and approximately HK\$1,179,000 (six months ended 30 June 2016: HK\$693,000) were included in cost of sales and administrative expenses respectively.

* 計入簡明綜合損益表之「其他經營開支」。

折舊開支約933,000港元(截至二零一六年六月三十日止六個月: 4,183,000港元)及約1,179,000港元(截至二零一六年六月三十日止六個月: 693,000港元)已分別計入銷售成本及行政開支。

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8. 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 periods.

8. 所得稅抵免

由於本集團於兩個期間均無在香港產生或源自香港之估計應課稅溢利，故並無就香港利得稅作出撥備。

(Unaudited)
(未經審核)

Six months ended 30 June
截至六月三十日止六個月

		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Continuing operations	持續經營業務		
Current tax – the PRC	當期稅項－中國	(336)	1
Deferred tax – the PRC	遞延稅項－中國	–	(716)
Income tax credit	所得稅抵免	(336)	(715)

Operations of the Company in the PRC are subject to PRC enterprise income tax at the tax rate of 25% (six months ended 30 June 2016: 25%) for the Period.

本期間，本公司在中國經營業務須按25%（截至二零一六年六月三十日止六個月：25%）之稅率繳納中國企業所得稅。

9. DISCONTINUED OPERATION

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 (together with its subsidiaries referred to as the “Sunlight Group”) which holding 60% equity interest in Shanxi Zhong Kai Group Lingshi Heat and Power Limited 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. During the Period, on 17 March 2017, the disposal of the Sunlight Group has been completed. The sales, results, cash flows and net assets of the Sunlight Group were as follows:

9. 已終止經營業務

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昇暉有限公司（連同其附屬公司統稱「昇暉集團」，該公司持有山西中凱集團靈石熱電有限公司之60%股權）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。本期間內，昇暉集團出售事項於二零一七年三月十七日已告完成。昇暉集團的銷售、業績、現金流量與資產淨值情況如下：

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9. DISCONTINUED OPERATION (Continued)

9. 已終止經營業務 (續)

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Revenue	收益	-	11,856
Cost of sales	銷售成本	-	(27,604)
Gross loss	毛損	-	(15,748)
Other income	其他收入	5	-
Administrative expenses	行政開支	(454)	(4,305)
Other operating expenses	其他經營開支	-	(328)
Finance costs	財務成本	-	(2,551)
Loss before income tax	除所得稅前虧損	(449)	(22,932)
Income tax expense	所得稅開支	-	-
Loss for the period	本期間虧損	(449)	(22,932)
Loss on disposal of subsidiaries	出售附屬公司虧損	(9,121)	-
Loss for the period from a discontinued operation	已終止經營業務本期間虧損	(9,570)	(22,932)
Operating cash flows	經營活動現金流量	128	(626)
Investing cash flows	投資活動現金流量	-	-
Financing cash flows	融資活動現金流量	-	-
Total cash flows	現金流量總額	128	(626)

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9. DISCONTINUED OPERATION (Continued)

The carrying amounts of the assets and liabilities of the Sunlight Group at the date of disposal are approximately HK\$109.8 million and HK\$192.2 million respectively.

A loss of approximately HK\$9.1 million arose on the disposal of the Sunlight Group, being the proceeds of disposal of HK\$1.5 million less net asset value disposed of in the amount of approximately HK\$10.6 million, being the net amount of (i) the sale loan of approximately HK\$81.4 million, representing the amounts due by the Sunlight Group to the Group (the "Sale Loan"); (ii) the unaudited equity attributable to the owners of the Sunlight Group of approximately HK\$59.9 million (in negative); and (iii) the recycle of the exchange reserve upon disposal of approximately HK\$10.9 million. No tax charge or credit arose from the disposal.

For the purpose of presenting discontinued operation, the comparative condensed consolidated income statement and the related notes have been re-presented as if the operation discontinued during the Period had been discontinued at the beginning of the comparative period.

10. DIVIDENDS

The board of directors did not recommend any payment of interim dividends for the Period (six months ended 30 June 2016: Nil).

9. 已終止經營業務 (續)

昇暉集團於出售之日的資產及負債的賬面值分別約為109,800,000港元及192,200,000港元。

出售昇暉集團產生虧損約9,100,000港元，即出售所得款項1,500,000港元減去所售資產淨值約10,600,000港元，乃以下各項的淨額(i)出售貸款(「出售貸款」)約81,400,000港元(為昇暉集團欠付本集團的款項)；(ii)昇暉集團擁有人應佔未經審核權益約59,900,000港元(為負)；及(iii)於出售時收回匯兌儲備約10,900,000港元。出售並無產生任何稅項開支或抵免。

就呈列已終止經營業務而言，可比較簡明綜合損益表及相關附註已重列，猶如期內已終止經營業務於比較期初時已終止經營。

10. 股息

董事會不建議就本期間派付任何中期股息(截至二零一六年六月三十日止六個月：無)。

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11. LOSS PER SHARE

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

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：

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元
Loss for the period 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期間虧損		
- From continuing operations	- 來自持續經營業務	(13,643)	(44,881)
- From a discontinued operation	- 來自已終止經營業務	(9,390)	(14,161)
		(23,033)	(59,042)

		(Unaudited) (未經審核)	
		Six months ended 30 June 截至六月三十日止六個月	
		2017 二零一七年 '000 千股	2016 二零一六年 '000 千股
Number of shares	股份數目		
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	3,834,905	3,834,905

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11. LOSS PER SHARE (Continued)

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 six months ended 30 June 2017 and 2016, 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.

12. PROPERTY, PLANT AND EQUIPMENT

During the Period, the Group acquired property, plant and equipment at cost of approximately HK\$237,035,000 (six months ended 30 June 2016: HK\$201,576,000).

13. TRADE AND BILLS RECEIVABLES

The Group normally allows trading credit terms ranging from 30 to 120 days (31 December 2016: 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.

11. 每股虧損 (續)

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。

截至二零一七年及二零一六年六月三十日止六個月，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。

12. 物業、廠房及設備

本期間，本集團收購物業、廠房及設備的成本約為237,035,000港元（截至二零一六年六月三十日止六個月：201,576,000港元）。

13. 應收貿易賬項及票據

本集團一般給予已建立關係之客戶30日至120日（二零一六年十二月三十一日：30日至120日）之貿易信貸期。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。

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For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

13. TRADE AND BILLS RECEIVABLES (Continued)

Ageing analysis of trade and bills receivables, based on the invoice date, is as follows:

		(Unaudited) (未經審核) 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	(Audited) (經審核) 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
1 – 90 days	1至90日	3,342	10,418
91 – 120 days	91至120日	–	47
121 – 365 days	121至365日	–	80
Over 365 days	365日以上	–	18,159
		3,342	28,704

At 30 June 2017 and 31 December 2016, there were no trade and bills receivables that were individually determined to be impaired. The Group did not hold any collateral over these balances.

13. 應收貿易賬項及票據 (續)

應收貿易賬項及票據根據發票日期之賬齡分析如下：

於二零一七年六月三十日及二零一六年十二月三十一日，並無應收貿易賬項及票據個別被釐定為已減值。本集團並無就該等結餘持有任何抵押品。

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13. TRADE AND BILLS RECEIVABLES (Continued)

Ageing analysis of trade and bills receivables that are past due but not impaired is as follows:

Over 60 days past due but not impaired 逾期60日以上但並未減值

As at 30 June 2017, trade and bills receivables of HK\$3,342,000 (31 December 2016: HK\$10,465,000) were neither past due nor impaired. These related to a customer (31 December 2016: different customers) for whom there was no recent history of default.

Trade and bills receivables as at 31 December 2016 that were past due but not impaired related to the local government and all were under the Sunlight Group, which were subsequently sold in March 2017. The Group did not hold any collateral in respect of these balances.

13. 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:

(Unaudited) (未經審核) 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	(Audited) (經審核) 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
-	18,239

於二零一七年六月三十日，3,342,000港元應收貿易賬項及票據(二零一六年十二月三十一日：10,465,000港元)並無逾期亦無減值。該等賬項乃與近期無違約記錄之一名(二零一六年十二月三十一日：多名)客戶有關。

於二零一六年十二月三十一日，已逾期惟尚未減值之應收貿易賬項及票據與地方政府有關，且均於昇暉集團項下，其後於二零一七年三月被出售。本集團並無就該等結餘持有任何抵押品。

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For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

14. TRADE PAYABLES

Trade payables were non-interest bearing and are normally settled on 60 days (31 December 2016: 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

As at 31 December 2016, all trade payables were under the Sunlight Group and were subsequently sold in March 2017.

14. 應付貿易賬項

應付貿易賬項為免息及通常於60日(二零一六年十二月三十一日: 60日)內結算。

應付貿易賬項根據發票日期之賬齡分析如下:

(Unaudited) (未經審核) 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	(Audited) (經審核) 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
–	2,068
–	1,174
–	7,225
–	10,467

於二零一六年十二月三十一日, 所有應付貿易賬項乃於昇暉集團項下及其後於二零一七年三月被出售。

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For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

15. OTHER BORROWINGS

15. 其他借款

		(Unaudited) (未經審核) 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	(Audited) (經審核) 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Current:	即期：		
Obtained from the independent third parties:	取自獨立第三方：		
Loan B, unsecured (note (i))	貸款B·無抵押(附註(i))	5,635	5,500
Loan C, unsecured (note (i))	貸款C·無抵押(附註(i))	978	990
Loan D, unsecured (note (i))	貸款D·無抵押(附註(i))	15,629	15,059
Loan E, unsecured (note (i))	貸款E·無抵押(附註(i))	1,552	1,540
Loan F, unsecured (note (i))	貸款F·無抵押(附註(i))	1,136	1,197
Loan G, unsecured (note (i))	貸款G·無抵押(附註(i))	3,944	3,883
Loan J, unsecured (note (ii))	貸款J·無抵押(附註(ii))	42,205	40,370
Loan K, unsecured (note (iii))	貸款K·無抵押(附註(iii))	34,500	33,000
Loan L, unsecured (note (iv))	貸款L·無抵押(附註(iv))	-	26,235
Loan M, unsecured (note (v))	貸款M·無抵押(附註(v))	27,500	-
		133,079	127,774
Non-current:	非即期：		
Obtained from the independent third parties:	取自獨立第三方：		
Loan H, unsecured (note (vi))	貸款H·無抵押(附註(vi))	9,034	9,729
Loan I, unsecured (note (vi))	貸款I·無抵押(附註(vi))	2,602	2,787
		11,636	12,516

(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 was charged at 3% interest per annum and was repaid in full during the Period.

(v) The loan is charged at 3.5% interest per annum and repayable on 30 June 2018.

(vi) These loans are interest-free and repayable in July 2018.

(i) 該等貸款為免息且初步協定於二零一六年七月償還。

(ii) 該貸款按年利率5.072%計息且須於二零一七年十月三十一日償還。

(iii) 該貸款按年利率15%計息且須於二零一七年十一月十七日償還。

(iv) 該貸款按年利率3%計息且於本期間已悉數償清。

(v) 該貸款按年利率3.5%計息且須於二零一八年六月三十日償還。

(vi) 該等貸款為免息，並須於二零一八年七月償還。

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簡明綜合財務報表附註

For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

16. SHARE CAPITAL

16. 股本

		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
Ordinary shares of HK\$0.1 each:	每股面值0.1港元之普通股：		
At 31 December 2016 and 30 June 2017	於二零一六年十二月三十一日及 二零一七年六月三十日	5,000,000	500,000
Issued and fully paid:	已發行及繳足：		
Ordinary shares of HK\$0.1 each:	每股面值0.1港元之普通股：		
At 31 December 2016 and 30 June 2017	於二零一六年十二月三十一日及 二零一七年六月三十日	3,049,705	304,970

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For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

17. DISPOSAL OF SUBSIDIARIES

As referred to in note 9, on 17 March 2017, the Group disposed of the Sunlight Group which is engaged in the supply of electricities and heat. The net assets of the Sunlight Group at the date of disposal were as follows:

17. 出售附屬公司

誠如附註9所述，本集團於二零一七年三月十七日出售昇暉集團（該集團從事熱電供應）。昇暉集團於出售當日的資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	31,796
Prepaid land lease payments	預付土地租賃款項	4,516
Inventories	存貨	2,047
Trade and other receivables	應收貿易及其他賬項	71,122
Cash and cash equivalents	現金及現金等值項目	322
Trade and other payables	應付貿易及其他賬項	(42,776)
Bank borrowings	銀行借款	(51,531)
Amount due to the Group	應付本集團的款項	(81,388)
Amounts due to a non-controlling shareholder	應付非控股股東的款項	(16,519)
Non-controlling interests	非控股股東權益	22,532
		<hr/>
Net liabilities disposed of	出售的負債淨額	(59,879)
Disposal of the Sale Loan	售出出售貸款	81,388
Recycle of exchange reserve upon disposal	出售後收回匯兌儲備	(10,888)
Loss on disposal of subsidiaries included in loss for the period from a discontinued operation in the condensed consolidated income statement	計入簡明綜合損益表 已終止經營業務本期間虧損之 出售附屬公司的虧損	(9,121)
		<hr/>
Total consideration	總代價	1,500
		<hr/>
Satisfied by:	出資：	
Cash	現金	1,500
		<hr/>
Net cash inflow arising on disposal:	出售產生的現金流入淨額：	
Cash consideration	現金代價	1,500
Cash and bank balances disposed of	出售的現金及銀行結存	(322)
		<hr/>
		1,178

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For the six months ended 30 June 2017 截至二零一七年六月三十日止六個月

18. OPERATING LEASE COMMITMENTS

At 30 June 2017, the Group had total future minimum lease payments under non-cancellable operating lease falling due as follows:

		(Unaudited) (未經審核) 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	(Audited) (經審核) 31 December 2016 二零一六年 十二月三十一日 HK\$'000 千港元
Within one year	一年內	3,762	3,505
In the second to fifth years, inclusive	第二年至第五年(包括首尾兩年)	1,533	2,903
After five years	五年後	-	369
		5,295	6,777

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 (31 December 2016: one 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.

18. 經營租約承擔

於二零一七年六月三十日，本集團於下列年期內屆滿之不可撤銷經營租約之未來最低租賃付款總額如下：

本集團根據經營租約租用若干租賃土地、樓宇及設備。該等租約初步為期一至二十年(二零一六年十二月三十一日：一至二十年)，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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19. CAPITAL AND OTHER COMMITMENTS

		(Unaudited) (未經審核) 30 June 2017 二零一七年 六月三十日 HK\$'000 千港元	(Audited) (經審核) 31 December 2016 二零一六年 十二月三十一日 HK\$'000 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
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	149,446	154,466
Other commitments in respect of administrative fees and training fees	就管理費及培訓費之其他承擔	48,010	48,164
		229,066	203,331

19. 資本及其他承擔

20. RELATED PARTY TRANSACTIONS

Apart from the balances and transactions with related parties disclosed elsewhere in these unaudited condensed consolidated interim financial statements, the Group had the following transactions with its related parties during the Period:

Compensation of key management personnel

20. 關連人士交易

除未經審核簡明綜合中期財務報表他處所披露與關連人之結餘及交易外，本集團期內與關連人士進行之交易如下：

主要管理人員之薪酬

		(Unaudited) (未經審核) Six months ended 30 June 截至六月三十日止六個月	2016 二零一六年 HK\$'000 千港元
		2017 二零一七年 HK\$'000 千港元	
Short-term employee benefits	短期僱員福利	1,008	1,083
Contribution to retirement benefit scheme	退休福利計劃之供款	9	9
		1,017	1,092

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

OPERATING RESULTS

The Group is principally engaged in the oil production, the oil and liquefied chemical terminal and the supply of electricity and heat (which was discontinued on 17 March 2017).

(i) Revenue

For the Period, the Group's record revenue from continuing operations was approximately HK\$8 million, representing a slight decrease of approximately HK\$1 million or approximately 11% as compared to the correspondence period in 2016 of approximately HK\$9 million. The revenue is contributed from the oil production 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 were still in progress during the Period.

(ii) Gross profit/loss

As compared to gross loss made in the correspondence period in 2016 of approximately HK\$9 million, the Group turned to gross profit position during the Period, representing a significant improvement of approximately HK\$10 million. The turnaround from gross loss to gross profit is mainly attributable to the increase in average oil price and the result from certain cost saving measures.

The board of directors believes that (1) under the stability with slight increment in the crude oil price, together with the continuation of the cost saving measures; and (2) the commencement of generating rental income from the Group's oil and liquefied chemical terminal, which is expected to be between mid-September and October of 2017, the Group is able to enhance the gross profit position.

經營業績

本集團主要從事產油、油品及液體化工品碼頭以及熱電供應（已於二零一七年三月十七日終止）業務。

(i) 收益

於本期間，本集團持續經營業務錄得收益約8,000,000港元，較二零一六年同期約9,000,000港元輕微減少約1,000,000港元或約11%。收益來自產油業務。本集團的油品及液體化工品碼頭業務並未產生收益，原因是本期間碼頭及相關設施的建設工作仍在進行中。

(ii) 毛利／損

相較於二零一六年同期錄得毛損約9,000,000港元，本集團於本期間錄得毛利，大幅增長約10,000,000港元。扭虧為盈乃主要由於平均油價上升及實施若干成本節約措施所致。

董事會相信(1)原油價格穩步上漲，加上持續實施成本節約措施；及(2)預期本集團的油品及液體化工品碼頭將於二零一七年九月中旬至十月開始產生租金收入，本集團可提升毛利。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(iii) Loss for the period and loss attributable to owners of the Company

Included in the loss for the period, there was loss from a discontinued operation of approximately HK\$10 million (six months ended 30 June 2016: HK\$23 million). On 17 March 2017, upon completion of the disposal of the Sunlight Group, the Group discontinued its supply of electricity and heat business. The total cash consideration received from the disposal is HK\$1.5 million, and a loss on disposal of approximately HK\$9 million was recorded.

The loss attributable to owners of the Company for the Period amounted to approximately HK\$23 million (six months ended 30 June 2016: HK\$59 million), representing a significant decrease of approximately HK\$36 million or approximately 61%. The improved performance were mainly attributable to the turnaround from gross loss to gross profit of approximately HK\$10 million; the capitalisation of all borrowing costs to qualifying assets during the Period as compared to the charge of finance costs of approximately HK\$12 million from continuing operations; and the decrease in fair value loss on financial assets at fair value through profit or loss from approximately HK\$8 million in the correspondence period in 2016 to approximately HK\$2 million for the Period.

(iii) 本期間虧損及本公司擁有人應佔虧損

本期間虧損包括已終止經營業務虧損約10,000,000港元（截至二零一六年六月三十日止六個月：23,000,000港元）。於二零一七年三月十七日，昇暉集團出售事項完成後，本集團終止熱電供應業務。出售事項所得總現金代價為1,500,000港元及錄得出售虧損約9,000,000港元。

於本期間，本公司擁有人應佔虧損約為23,000,000港元（截至二零一六年六月三十日止六個月：59,000,000港元），大幅減少約36,000,000港元或約61%。表現改善乃主要由於扭虧為盈約10,000,000港元；與自持續經營業務之財務成本扣除約12,000,000港元相比，本期間所有借貸成本資本化為合資格資產；及按公平值計入損益之金融資產之公平值虧損由二零一六年同期約8,000,000港元減少至本期間約2,000,000港元所致。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

BUSINESS REVIEW

Oil business

In early 2017, the international crude oil price maintained at a similar level as that in late 2016, which is almost a double as compared to early 2016. However, after February 2017, the oil price fluctuated on a downstream trend for almost half years. In spite of that, the increase in average oil price during the Period is still obvious as compared to the first half of 2016. On the other hand, the demand in the petroleum market was still weak. During the Period, the Group have extracted approximately 3,263 metric tonnes (six months ended 30 June 2016: 5,383 metric tonnes) of oil.

With the increase in average oil price and efficiency in cost saving measures, which were partially offset by the decrease in sales volume of crude oil in the Period, the results from operations and costs incurred in oil business improved significantly, which are detailed as below:

業務回顧

石油業務

於二零一七年初，國際原油價格維持二零一六年末同等水平，較二零一六年初翻一番。然而，於二零一七年二月後，油價下行波動趨勢維持近半年。儘管如此，本期間平均油價仍較二零一六年上半年有顯著增長。另一方面，石油市場需求仍疲軟。於本期間，本集團已開採約3,263公噸（截至二零一六年六月三十日止六個月：5,383公噸）石油。

鑒於本期間平均油價上漲及實施有效的成本節約措施（部分被原油銷量減少所抵銷），石油業務之經營業績及所涉成本大幅改善，詳情如下：

(Unaudited)

(未經審核)

Six months ended 30 June

截至六月三十日止六個月

		2017 HK\$'000 二零一七年 千港元	2016 HK\$'000 二零一六年 千港元
Net sales to customers	客戶銷售淨額	7,895	8,897
Other income	其他收入	3	9
Operating expenses	經營開支	(11,126)	(18,207)
Depreciation	折舊	(1,871)	(4,634)
Special petroleum revenue tax	石油特別收益稅	-	-
Results from operations before income tax	除所得稅前經營業績	(5,099)	(13,935)

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Information of oil field and oil reserves

Pursuant to the Songliao Contract, China Era agreed to provide funds and apply its appropriate and advanced technology (including, but not limited to, the advanced well-drilling technique which is practiced and adopted in foreign oil fields and which may substantially increase the production capacity of the wells, the advanced geological analysis practice and advanced managerial practices as adopted by foreign oil fields) and managerial experience to cooperate with CNPC for the development and production of petroleum resources within the relevant contract area.

The objective of the Songliao Contract is to develop the petroleum discovery with proved commercial value within the relevant contract area and to produce the petroleum to arrive at the cooperative targets expected by CNPC and China Era. China Era shall apply its appropriate and advanced technology and managerial experience and assign its competent experts to perform the petroleum operations. During the performance of the petroleum operations, China Era shall transfer its technology to the CNPC personnel and provide training to such CNPC personnel. China Era shall bear all costs required for the evaluation operations and development operations.

Pursuant to the Songliao Contract after the date of commencement of production of oil in the target oil field, the pre-contract costs incurred by CNPC and the evaluation costs shall be recovered in kind out of cost recovery oil.

CNPC and China Era have appointed an equal number of representatives to form the Joint Management Committee for proper performance of the operations of the Songliao Contract.

The production period was commenced in 2011 and will continue for 20 years, which may be extended with the approval of a department or unit authorised by the State Council of the PRC. During the production period, operations and all activities related thereto carried out for petroleum production of any relevant oil field in the relevant contract area, such as extraction, injection, stimulation, treatment, storage, transportation, lifting and abandonment, etc will be carried out.

The annual production of crude oil, after payment for value added tax, royalty, operating costs, investment recovery and costs for additional development projects, shall be allocated to CNPC and China Era in proportion of 51% for CNPC and 49% for China Era.

油田及石油儲量資料

根據松遼協議，中國年代同意提供資金及應用其適當及先進之技術（包括但不限於外國油田使用及採用之先進鑽井技術（此技術可大幅提高油井之生產量）、先進之地質分析方法及外國油田採用之先進管理方法）及管理經驗，與中國石油天然氣集團公司合作在有關合約區內開發及生產石油資源。

松遼協議之目標為在有關合約區內開發經證實具商業價值之石油發現及生產石油，以達致中國石油天然氣集團公司與中國年代預期之合作目標。中國年代將應用其適當及先進之技術及管理經驗，並指派其具合適能力之專家進行石油營運。於進行石油營運時，中國年代將向中國石油天然氣集團公司之人員轉移其技術，並向有關中國石油天然氣集團公司之人員提供培訓。中國年代將承擔評估營運及開發營運所需之全部成本。

根據松遼協議，於目標油田開始生產石油之日期後，中國石油天然氣集團公司所產生之合約前成本及評估費用應自收回成本油中以實物收回。

中國石油天然氣集團公司及中國年代已委任相同人數之代表組成共同管理委員會，以妥善履行松遼協議之營運責任。

生產期已於二零一一年開始，將為期二十年，可經中國國務院授權之部門或單位批准延長。於生產期內，將就於有關合約區任何有關油田之生產石油進行與生產有關之營運及一切活動，如採出、注入、增產、處理、儲存、運輸、提取及廢棄等。

原油年產量經扣除支付增值稅、礦區使用費、營運成本、投資收回及額外開發項目成本後，將按比例分配予中國石油天然氣集團公司及中國年代，其中中國石油天然氣集團公司佔51%而中國年代則佔49%。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The reserve evaluation was conducted in accordance with Petroleum Resources Management System, an internationally recognised reserve standards and guideline, the details of information were set out in Appendix IX of the Technical Report as referred to the Company's circular dated 11 October 2010. There are no any material change of assumption as compared with previous disclosed in the Technical Report.

Operation of liquid chemical terminal, storage and logistics facilities business

The Group operates its liquid chemical terminal, storage and logistics facilities business through a 51%-owned subsidiary established in the PRC, Shandong Shundong Port Services Company Limited ("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 the Period, Shundong Port has not yet commenced business and was still in the stage of constructing the liquid chemical terminal, storage and logistics facilities (the "Port and Storage Facilities"). As at the date of this report, Shundong Port has nearly completed all the necessary land-forming and reclamation construction and facilities installation in Dongying Port. Shundong Port is expected to commence business between mid-September and October of 2017, subject to the obtaining of all necessary permits and licenses.

Since Shundong Port has not yet commenced business, no revenue has been generated in the Period and a segment loss of approximately HK\$3 million was incurred from the oil and liquefied chemical terminal segment.

Electricity and heat business

On 17 March 2017, the Group discontinued the electricity and heat business upon the completion of disposal of the Sunlight Group. No revenue was generated from this discontinued operation as compared to approximately HK\$12 million in the correspondence period in 2016.

儲量評估乃根據國際認可的儲量準則及指引《Petroleum Resources Management System》進行，有關詳情載於本公司日期為二零一零年十月十一日之通函附錄九所述之技術報告內。有關假設與過往於技術報告內所披露者相比並無任何重大變動。

經營液體化工品碼頭、儲存及物流設施業務

本集團透過其於中國成立之附屬公司山東順東港務有限公司（「順東港務」，本集團擁有其51%的權益）經營液體化工品碼頭、儲存及物流設施業務。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公頃的土地，並獲許進行填海建設及土地平整工程，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。於本期間，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。於本報告日期，順東港務已初步完成東營港之所有必要土地平整及填海建設以及設備安裝。預期順東港務將於二零一七年九月中旬至十月開展業務，惟須獲得所有必要許可證及牌照。

鑒於順東港務尚未開始業務，於本期間並無產生收益，而油品及液體化工品碼頭分類錄得分類虧損約3,000,000港元。

發電及供熱業務

於二零一七年三月十七日，本集團於完成出售昇暉集團後終止熱電業務。該已終止經營業務概無錄得收入，而二零一六年同期錄得約12,000,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

Liquidity, financial resources and capital structure

As at 30 June 2017, the Group had total assets of approximately HK\$1,826 million (31 December 2016: HK\$1,846 million), total liabilities of approximately HK\$1,351 million (31 December 2016: HK\$1,381 million), indicating a gearing ratio of 0.74 (31 December 2016: 0.75) on the basis of total liabilities over total assets. The current ratio of the Group as at 30 June 2017 was 0.08 (31 December 2016: 0.51) on basis of current assets over current liabilities.

As at 30 June 2017, the Group had no bank borrowing (31 December 2016: HK\$214,627,000), and other borrowings of approximately HK\$144,715,000 (31 December 2016: HK\$140,290,000). The aggregate bank deposits and cash in hand of the Group were approximately HK\$23,923,000 (31 December 2016: HK\$238,814,000).

As at 30 June 2017, 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 Period, 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.

Contingent liabilities

As at 30 June 2017, the Group did not have any significant contingent liabilities.

財務回顧

流動資金、財務資源及股本架構

於二零一七年六月三十日，本集團之資產總值約為1,826,000,000港元（二零一六年十二月三十一日：1,846,000,000港元），負債總額約為1,351,000,000港元（二零一六年十二月三十一日：1,381,000,000港元），按負債總額除以資產總值計算，資本負債比率為0.74（二零一六年十二月三十一日：0.75）。於二零一七年六月三十日，本集團之流動比率（按流動資產除以流動負債計算）為0.08（二零一六年十二月三十一日：0.51）。

於二零一七年六月三十日，本集團並無銀行借貸（二零一六年十二月三十一日：214,627,000港元），而其他借款約為144,715,000港元（二零一六年十二月三十一日：140,290,000港元）。本集團之銀行存款及手頭現金合計約為23,923,000港元（二零一六年十二月三十一日：238,814,000港元）。

於二零一七年六月三十日，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。期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提起法律訴訟，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。

或然負債

於二零一七年六月三十日，本集團並無任何重大或然負債。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Capital and other commitments

The Group had capital and other commitments contracted but not provided for of approximately HK\$149,446,000 (31 December 2016: HK\$155,167,000) and HK\$48,010,000 (31 December 2016: HK\$48,164,000) respectively as at 30 June 2017.

Charges on assets

As at 30 June 2017, the Group's certain property, plant and equipment of approximately HK\$177,645,000 (31 December 2016: 169,921,000) and entire sea area use rights of approximately HK\$110,130,000 (31 December 2016: HK\$106,367,000) were pledged for the Group's bills payables and finance lease liabilities. As at 31 December 2016, certain bank deposits of approximately HK\$42,921,000 were also pledged for the Group's bills payables.

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 Period. However, management will monitor foreign currency exposure and will consider hedging significant foreign currency exposure if necessary.

Employee information

As at 30 June 2017, the Group employed 172 full-time employees (30 June 2016: 421). The Group's emolument policies are formulated on the performance of individual employees and are reviewed annually in line with industry practice. The Group also provides provident fund schemes (as the case may be) to its employees depending on the location of such employees.

Interim dividends

The board of directors did not recommend the payment of interim dividends for the Period (six months ended 30 June 2016: Nil).

資本及其他承擔

本集團於二零一七年六月三十日有已訂約但未撥備之資本及其他承擔分別約149,446,000港元(二零一六年十二月三十一日: 155,167,000港元)及48,010,000港元(二零一六年十二月三十一日: 48,164,000港元)。

資產抵押

於二零一七年六月三十日,本集團之若干物業、廠房及設備約177,645,000港元(二零一六年十二月三十一日: 169,921,000港元)及全部海域使用權約110,130,000港元(二零一六年十二月三十一日: 106,367,000港元)已就本集團之應付票據及融資租賃負債作出抵押。於二零一六年十二月三十一日,若干銀行存款約42,921,000港元亦就本集團之應付票據作出抵押。

外匯風險

本集團的主要營運地區為香港與中國,本集團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,本集團期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

於二零一七年六月三十日,本集團僱用172名全職僱員(二零一六年六月三十日: 421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)。

中期股息

董事會不建議派付本期間之中期股息(截至二零一六年六月三十日止六個月:無)。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FUTURE PLAN AND PROSPECTS

Oil business

In the second half of 2017, the recovery of the global economy will remain highly uncertain, The crude oil price is likely to fluctuate up and down without any specific trend. 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.

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. As at the date of this report, nearly all the construction of the Port and Storage Facilities has been completed and is expected to be ready for commercial operation between mid-September and October of 2017, subject to the obtaining of all necessary permits and licenses.

未來規劃及展望

石油業務

於二零一七年下半年，全球經濟復甦進度仍不明朗。原油價格可能上下波動，而無任何特定走向。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。

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訴訟之公佈所披露，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。於本報告日期，港口及儲存設施建設已基本完工及預期將於二零一七年九月中旬至十月投入商業運營，惟須獲得所有必要許可證及牌照。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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.

Following the commencement of operation, it is expected that rental income of approximately RMB20 million to RMB30 million could be recognised in the second half of 2017.

Exploration and mining business

As disclosed in the Company’s 2016 annual report, the Board found out that in 2010, the exploration licence held by QHFSMI had been transferred to Yuen Xian Company without the Company’s knowledge, consent or approval.

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.

於二零一六年十月二十四日，順東港務與一名獨立第三方（「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支付年度租金人民幣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，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。

於投入運營後，預期租金收入約人民幣20,000,000元至人民幣30,000,000元將於二零一七年下半年確認。

勘探及開採業務

誠如本公司二零一六年年報所披露，董事會發現，由青海森源持有之勘探牌照已於二零一零年轉讓予源森公司，而本公司並不知悉、同意或批准。

自此之後，本集團已針對源森公司提起法律訴訟（「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，本集團一直暫停勘探及開採業務，以待礦業訴訟的結果。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

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.

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檢討對上述最終判決時表明其「不予支持」。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。

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

As at 30 June 2017, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which were required to be entered in the register referred to therein pursuant to section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 to the Listing Rules.

董事於股份、相關股份及債券之權益及淡倉

於二零一七年六月三十日，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。

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

As at 30 June 2017, 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:

主要股東於本公司股份及相關股份之權益及淡倉

於二零一七年六月三十日，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	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

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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（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%的權益；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。

本集團根據（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」），完成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）的全部股權（「中國年代交易」）後，本公司向鉅晶發行受限制債券。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）。

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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 30 June 2017, 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. However, after the period end date of 30 June 2017, the Company subsequently received DI filings regarding the direct and indirect disposal of deemed interests in shares by Grace Kind and Extra Gain, apparently as a result of the vesting and appointment by Liu’s Trust of 62.43% issued share capital in Giant Crystal to and in favour of Ms. Liu Ying, a beneficiary of Liu’s Trust, purportedly taking effect on 16 August 2017.

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）等各方提起法律訴訟（「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而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。

截至二零一七年六月三十日，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。然而，於二零一七年六月三十日期結日後，本公司隨後收到權益披露申報，內容有關Grace Kind及Extra Gain直接及間接出售於股份的視作權益，而該出售顯然由於劉氏信託歸屬及委派鉅晶之62.43%已發行股本予劉英女士（劉氏信託之受益人），並以其為受益人（據悉自二零一七年八月十六日起生效）。

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。

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All the interests stated above represent long positions in the ordinary shares of the Company. As at 30 June 2017, 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 extraordinary general meeting (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 30 June 2017.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

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

上述所有權益指於本公司普通股之好倉。於二零一七年六月三十日，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（「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的僱員、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，而於二零一七年六月三十日並無未行使之購股權。

購買、贖回或出售本公司之上市證券

本公司或其任何附屬公司於本期間並無購買、贖回或出售本公司任何上市證券。

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COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company and the board of directors (the “Board”) have applied the principles in the code provisions of the Corporate Governance Code and Corporate Governance Report (the “CG Code”) contained in Appendix 14 to the Listing Rules on the Stock Exchange by adopting the code provisions of the CG Code.

During the Period, the Board has adopted and complied with the code provisions of the CG Code in so far they are applicable with the exception of the deviation from 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.

A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. For the period under review, all independent non-executive directors of the Company have not been appointed for a specific term but they are subject to retirement by rotation at least once every three years in accordance with the Company’s Articles of Association.

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. Mr. Chan Wai Cheung Admiral as the executive director chaired the AGM held on 15 May 2017.

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, the independent non-executive director, was unable to attend the EGM of the Company held on 7 March 2017 and Mr. Wang Jinghua and Mr. Fung Nam Shan, the independent non-executive director, were unable to attend the AGM of the Company held on 15 May 2017 due to their other prior engagements.

The Board will review the management structure of the Group from time to time and will adopt appropriate measures as may be desirable for future development of the operating activities or business of the Group.

遵守企業管治守則

本公司及董事會（「董事會」）已採納聯交所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」）之守則條文，遵守企業管治守則之守則條文。

於本期間，董事會已採納並一直遵守適用之企業管治守則之守則條文，惟偏離企業管治守則第A.2.1條。根據該條守則條文，主席及行政總裁（「行政總裁」）之角色應獨立區分，且不應由同一人擔任。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之職位目前空缺，本公司仍在物色合適人選填補主席及行政總裁之空缺。

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。於回顧期間，本公司所有獨立非執行董事均非按指定任期委任，惟須按照本公司組織章程細則至少每三年輪值告退一次。

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，主席職位目前空缺。陳偉璋先生作為執行董事，擔任於二零一七年五月十五日舉行之股東週年大會之主席。

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。由於其他先前事務，獨立非執行董事王靖華先生未能出席本公司於二零一七年三月七日舉行的股東特別大會；以及獨立非執行董事王靖華先生及馮南山先生未能出席本公司於二零一七年五月十五日舉行之股東週年大會。

董事會將不時檢討本集團之管理架構，並會為本集團經營活動或業務之未來發展採取所需之適當措施。

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MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code and the Company has made specific enquiry with each directors and each of them confirmed that he had complied with the required standards set out in the Model Code throughout the Period.

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

AUDIT COMMITTEE

The audited committee of the Company (the "AC") 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 AC currently comprises three independent non-executive directors and is chaired by Mr. Lee Hoi Yan. The AC 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.

證券交易之標準守則

本公司已採納標準守則，且本公司已向各董事作出具體查詢，彼等已各自確認於本期間內一直遵守標準守則所載之規定標準。

薪酬委員會

本公司遵照企業管治守則成立薪酬委員會，成員包括本公司三名獨立非執行董事及一名執行董事，負責審閱及評估本公司執行董事及高級管理層之薪酬待遇，並不時向董事會提供推薦建議。

提名委員會

本公司遵照企業管治守則成立提名委員會，成員包括本公司三名獨立非執行董事及一名執行董事，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。

審核委員會

本公司已成立審核委員會（「審核委員會」），並已根據上市規則第3.21條及企業管治守則之守則條文第C.3條所述之建議職權範圍訂明職權範圍。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。

OTHER INFORMATION

其他資料

CHANGES IN INFORMATION OF DIRECTORS

Changes in information of the directors pursuant to Rule 13.51(B)(1) of the Listing Rules are disclosed below:

Mr. Chan Wai Cheung Admiral was appointed as an independent non-executive director of Zhong Ao Home Group Limited (stock code: 1538) which is listed on the Main Board of the Stock Exchange with effect from 31 May 2017.

APPRECIATION

I take this opportunity to express our gratitude to the shareholders of the Company for their continued support and our directors and our staff for their contribution to the Company.

By order of the Board

Energy International Investments Holdings Limited

Chan Wai Cheung Admiral

Executive Director

Hong Kong, 30 August 2017

董事資料之變更

根據上市規則第13.51(B)(1)條，董事資料之變更披露如下：

陳偉璋先生獲委任為中奧到家集團有限公司（股份代號：1538，該公司於聯交所主板上市）之獨立非執行董事，自二零一七年五月三十一日起生效。

致謝

本人謹此由衷感謝本公司股東從不間斷的支持。同時，本人亦向本集團董事及員工致以深切謝意，感謝他們對本公司所作出的努力。

承董事會命

能源國際投資控股有限公司

執行董事

陳偉璋

香港，二零一七年八月三十日

