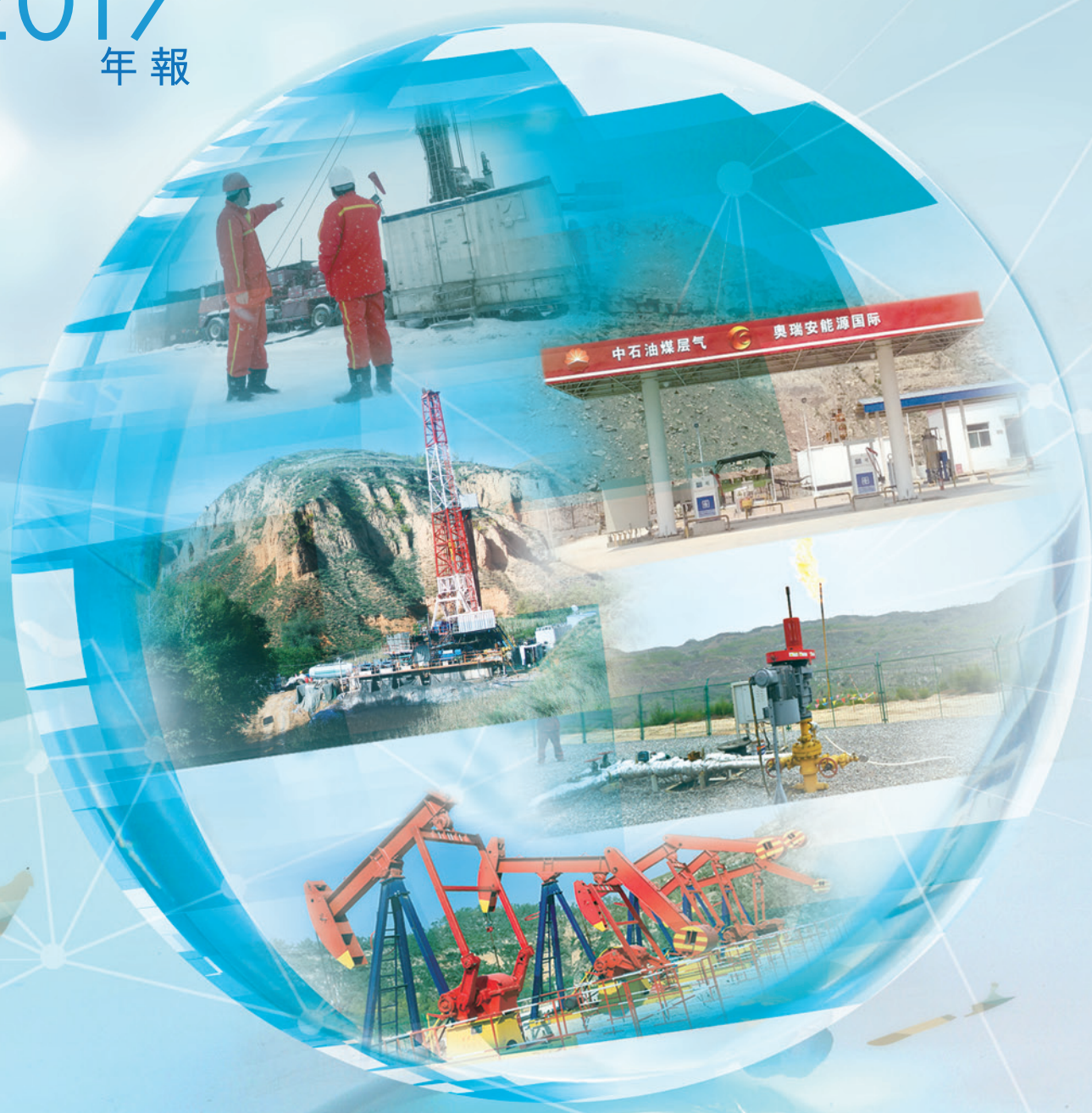




中國油氣控股有限公司
SINO OIL AND GAS HOLDINGS LIMITED

Stock Code 股份代號: 702

ANNUAL
REPORT
2017
年報





Contents

目錄

CORPORATE INFORMATION	2	公司資料
FIVE YEAR FINANCIAL SUMMARY	4	五年財務概要
BUSINESS STRUCTURE	6	業務架構圖
CORPORATE STATEMENT	7	企業文化定位
CHAIRMAN'S STATEMENT	8	主席報告書
CALENDAR OF EVENTS	12	年度摘要
MANAGEMENT DISCUSSION AND ANALYSIS	14	管理層討論及分析
DIRECTORS AND SENIOR MANAGEMENT PROFILES	24	董事及高層管理人員簡介
CORPORATE GOVERNANCE REPORT	32	企業管治報告
REPORT OF THE DIRECTORS	44	董事會報告書
INDEPENDENT AUDITOR'S REPORT	60	獨立核數師報告書
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	64	綜合全面收益表
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	66	綜合財務狀況表
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	68	綜合權益變動表
CONSOLIDATED STATEMENT OF CASH FLOWS	69	綜合現金流量表
NOTES TO THE FINANCIAL STATEMENTS	71	財務報表附註



Corporate Information

DIRECTORS

Executive Directors

Dr. Dai Xiaobing (*Chairman*)
Mr. King Hap Lee (*Chief Executive Officer*)
Mr. Wan Tze Fan Terence

Non-executive Directors

Mr. Chen Hua
Mr. Huang Shaowu
Mr. He Lin Feng

Independent Non-executive Directors

Mr. Wong Kwok Chuen Peter
Professor Wong Lung Tak Patrick
Dr. Wang Yanbin
Dr. Dang Weihua

COMPANY SECRETARY

Ms. Yim Siu Hung

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 1201-1202, 12/F.,
Li Po Chun Chambers
189 Des Voeux Road Central
Hong Kong

REGISTERED OFFICE

Clarendon House, 2 Church Street
Hamilton HM11
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17/F., Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

董事

執行董事

戴小兵博士(主席)
景哈利先生(行政總裁)
溫子勳先生

非執行董事

陳華先生
黃紹武先生
何林峰先生

獨立非執行董事

黃國全先生
黃龍德教授
王延斌博士
黨偉華博士

董事會秘書

嚴筱虹女士

總辦事處及主要營業地點

香港
中環德輔道中189號
李寶椿大廈
12樓1201-1202室

註冊辦事處

Clarendon House, 2 Church Street
Hamilton HM11
Bermuda

香港股份過戶登記分處

香港中央證券登記有限公司
香港
灣仔皇后大道東183號
合和中心17樓1712-1716室



PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

HONG KONG LEGAL ADVISOR

Michael Li & Co.
19/F, Prosperity Tower
39 Queen's Road Central, Central, Hong Kong

BERMUDA LEGAL ADVISOR

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

AUDITOR

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

STOCK CODE

702

WEBSITE

www.sino-oilgas.hk

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
26 Burnaby Street
Hamilton HM 11
Bermuda

香港法律顧問

李智聰律師事務所
香港中環皇后大道中39號
豐盛創建大廈19樓

百慕達法律顧問

Conyers Dill & Pearman
香港
中環康樂廣場8號
交易廣場第1座2901室

核數師

香港立信德豪會計師事務所有限公司
執業會計師
香港
干諾道中111號
永安中心25樓

股份代號

702

網址

www.sino-oilgas.hk





Five Year Financial Summary

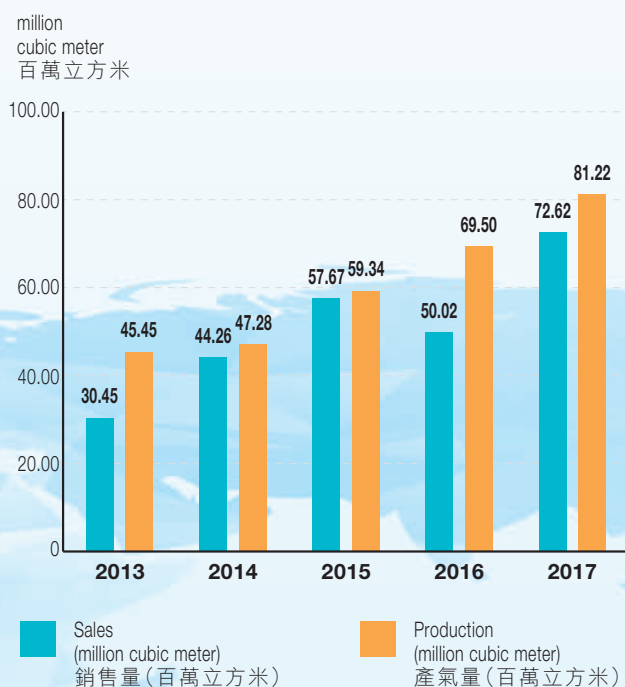
		Year ended 31 December 2017 截至2017年 12月30日 止年度 HK\$'000 千港元	Year ended 31 December 2016 截至2016年 12月31日 止年度 HK\$' 000 千港元	Year ended 31 December 2015 截至2015年 12月31日 止年度 (restated) (經重列) HK\$' 000 千港元	Year ended 31 December 2014 截至2014年 12月31日 止年度 (restated) (經重列) HK\$' 000 千港元	Year ended 31 December 2013 截至2013年 12月31日 止年度 (restated) (經重列) HK\$' 000 千港元
Revenue	營業額					
- Continuing operations	- 持續經營業務	497,935	333,553	56,411	-	-
- Discontinued operations	- 已終止經營業務	-	5,058	10,610	16,540	21,598
		497,935	338,611	67,021	16,540	21,598
Result	業績					
- Continuing operations	- 持續經營業務					
Profit/(loss) before income tax expense	除所得稅支出前溢利/(虧損)	(158,026)	(98,335)	(46,219)	16,876	(48,180)
Income tax expense	所得稅支出	(1,535)	(1,243)	(6,112)	-	-
		(159,561)	(99,578)	(52,331)	16,876	(48,180)
- Discontinued operations	- 已終止經營業務					
Profit/(loss) before income tax expense	除所得稅支出前溢利/(虧損)	-	5,509	(422,428)	(8,157)	(10,332)
Income tax credits/(expense)	所得稅抵減/(支出)	-	-	(2,952)	1,701	(2,820)
		-	5,509	(425,380)	(6,456)	(13,152)
Profit/(loss) for the year	本年度溢利/(虧損)	(159,561)	(94,069)	(477,711)	10,420	(61,332)
Profit/(loss) attributable to:	以下人士應佔溢利/(虧損)：					
Owners of the Company	本公司擁有人					
Profit/(loss) for the year from continuing operations	本年度持續經營業務之溢利/(虧損)	(160,367)	(102,495)	(53,141)	16,876	(48,180)
Profit/(loss) for the year from discontinued operations	本年度已終止經營業務之溢利/(虧損)	-	5,509	(425,380)	(6,456)	(13,152)
		(160,367)	(96,986)	(478,521)	10,420	(61,332)
Non-controlling interests	非控股權益					
Profit for the year from continuing operations	本年度持續經營業務之溢利	806	2,917	810	-	-
		(159,561)	(94,069)	(477,711)	10,420	(61,332)
Earning/(loss) per share	每股盈利/(虧損)					
- Basic (HK cents)	- 基本(港仙)	(0.955)	(0.556)	(2.682)	0.064	(0.467)
- Diluted (HK cents)	- 攤薄(港仙)	(0.955)	(0.556)	(2.682)	0.060	(0.467)



		Year ended 31 December 2017 於2017年 12月31日 HK\$'000 千港元	Year ended 31 December 2016 於2016年 12月31日 HK\$'000 千港元	Year ended 31 December 2015 於2015年 12月31日 HK\$'000 千港元	Year ended 31 December 2014 於2014年 12月31日 HK\$'000 千港元	Year ended 31 December 2013 於2013年 12月31日 HK\$'000 千港元
Assets and liabilities	資產與負債					
Non-current assets	非流動資產	4,787,070	4,335,653	4,251,704	4,287,972	4,154,453
Net current assets/(liabilities)	流動資產/(負債)淨值	(204,291)	220,904	(208,848)	121,919	(226,968)
Non-current liabilities	非流動負債	(1,418,284)	(1,464,914)	(539,551)	(355,902)	(480,248)
Net assets	資產淨值	3,164,495	3,091,643	3,503,305	4,053,989	3,447,237
Non-controlling interests	非控股權益	(16,655)	(15,512)	(14,668)	-	-
Equity attributable to owners of the Company	本公司擁有人 應佔權益	3,147,840	3,076,131	3,488,637	4,053,989	3,447,237

2017 total gas production recorded at 81.22 million cubic meter and gas sales at 72.62 million cubic meter
2017年總產氣量達81.22百萬立方米及
銷售量達72.62百萬立方米

2017 pipeline gas sales accounted for 100% of total gas sales
2017年管道銷售佔總銷售量之100%



10%

Residential piped sales
民用管道銷售

90%

Industrial piped sales
工業用管道銷售

2017 CBM Sales Mix
2017全年煤層氣銷售構成



Business Structure

業務架構圖





Strategic Goal

戰略目標

Dedicated to become a professional international
oil & gas explorer and producer
致力於成為專業的國際化油氣勘探開發商

Corporate Value

企業價值觀

People Oriented
Effective Use of Resources
Bring Harmony with Great Virtue
以人為本 善用資源 厚德載物

Business Principle

經營方針

Equal emphasis on business and capital
Equal attention to resources and talent
實業與資本並重 資源與人才並舉

Enterprise Spirit

企業精神

Passion Efficiency Execution
激情 高效 執行力





Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the "Board") of Sino Oil and Gas Holdings Limited (the "Company", and together with its subsidiaries, collectively the "Group"), I hereby present the annual results of the Group for the year ended 31 December 2017.

Overview

Atmospheric pollution prevention is one of the focuses of the national environmental protection policy in China. To deal with smoggy weather and improve air quality, the Chinese government vigorously launched "coal-to-gas" projects in 2017 and put high emphasis on securing the natural gas supply, whilst actively supporting enterprises to scale up domestic gas production. We believe that the "coal-to-gas" initiative will become one of the most significant drivers of natural gas consumption. According to the statistics of National Development and Reform Commission, growth of natural gas demand reached 14.8% in 2017 compared to that of only 6.6% in 2016. Meanwhile, the supply-side reform in Shanxi province yielded remarkable results and made some progress, contributing to the gradual recovery of the local economy. The provincial government expedited the development of coalbed methane, the strategic emerging industry, and the development of national comprehensive energy bases to ensure the implementation of "Gasification for Shanxi" strategy. We are therefore optimistic about the natural gas consumer market in China, and are confident of the prospect of the coalbed methane industry.

各位股東：

本人謹代表中國油氣控股有限公司（「本公司」，連同其附屬公司統稱「本集團」）董事會（「董事會」）提呈本集團截至二零一七年十二月三十一日止的年度業績。

概覽

大氣污染防治是中國國家環保政策的重點之一。為應對霧霾天氣，改善空氣質量，中國政府於2017年大力推進「煤改氣」工程，高度重視天然氣供應的保障，並積極支持企業在增加國內天然氣生產。我們認為「煤改氣」將成為天然氣消費增長的最大動力之一，根據中國國家發展及改革委的資料顯示，2017年天然氣需求增長達到14.8%，而2016年僅為6.6%。同時，山西省供給側改革成效顯現，取得階段性成果，省內經濟逐步向好。省政府加快發展煤層氣此戰略性新興產業和建設國家綜合能源基地，保障「氣化山西」戰略的實施。因此，我們對中國天然氣消費市場持樂觀態度，對煤層氣行業前景充滿信心。





Backed by the above favorable factors, our Sanjiao CBM Project ("Sanjiao Project") continued to develop steadily in the preceding year. The Group actively expanded sales during the year, thus the sale-to-production rate of Sanjiao Project reached approximately 90%. Meanwhile, our project team pushed forward various infrastructure projects in full swing. Last year, the annual production capacity of the project exceeded 100 million cubic meters with 16 new wells having access to the pipeline network. Besides, the expansion of the CBM processing station has been completed with daily processing capacity of 500,000 cubic meters. In order to cope with the development of Sanjiao Project, the project team has commenced the expansion of the CBM processing station to a daily processing capacity of 750,000 cubic meters.

在上述利好因素支持下，集團三交煤層氣項目（「三交項目」）於去年繼續穩步發展。集團於年內積極拓展銷售，三交項目產銷比率達約90%；同時，項目團隊亦如火如荼地推進各項基礎建設工程，項目年產能於去年已突破一億立方米，新增16口井接入管網。而煤層氣增壓脫水站已完成日處理能力達50萬立方米的擴建工程。為配合三交項目之發展步伐，項目團隊現已開展擴建煤層氣增壓脫水站日處理能力達75萬立方米的工作。





Chairman's Statement

Prospect

Given the macro policy support and long-term growth potential of the project, the Group believes that the growth of the earnings of Sanjiao Project would be huge. The Group will continue to focus its resources on developing Sanjiao Project and increasing the production capacity in order to achieve steady and sustainable growth and lay a solid foundation for the expansion of business presence.

In 2017, the international crude oil market has mounted a turnaround. With the positive impact of the output reduction agreement with the Organization of the Petroleum Exporting Countries, fundamentals of the industry continue to improve and the international crude oil market is regaining its balance, with oil price rising steadily. We will capture investment opportunities as appropriate to steer the Group for a long-term and sustainable development. We will actively identify potential merger and acquisition projects relating to the oil and gas industry chain in China and other countries, and perform in-depth research and assessment in a prudent and pragmatic manner to ensure that relevant decision-making could fully protect the interests of shareholders.

願景

在宏觀政策支持以及項目擁有長期增長潛力之條件下，本集團相信三交項目之盈利增長實力豐厚。集團將繼續集中資源發展三交項目，提升產能，以持續平穩增長，為開拓業務版圖奠定紮實穩固的基礎。

2017年，國際原油市場逆轉頹勢。隨著石油輸出國組織減產協議效果逐漸顯現，行業基本面不斷改善，市場向再平衡狀態進一步邁進，油價穩中有升。我們將緊抓合適的投資機遇，帶領本集團長遠持續發展。我們正積極於國內外尋求油氣產業鏈相關的潛在併購項目，以審慎務實的態度去進行深入調研和評估，確保相關的決策能充份保障股東利益。





In the meantime, the Board, after careful consideration, is of the opinion that optimizing the shareholder structure is beneficial to the steady development of the Group and achieving a higher standard of corporate governance. Accordingly, with the long-term support from loyal shareholders who share the common vision with the Group, the Board is actively introducing quality strategic shareholders such that the Group could maximise its corporate value.

Appreciation

In March 2018, the Board introduced Mr. Zhang Yongdong, a financial investor, as a shareholder of the Company. I would like to thank Mr. Zhang for his recognition of the Group's business operations as well as his strong support for its future development.

Lastly, I, on behalf of the Group, would like to express my heartfelt gratitude to our shareholders, business partners and investors for their trust and support over the years. I would also like to extend my deepest appreciation to all our staff members. All our colleagues will continue to work hard to bring fruitful returns to our shareholders.

與此同時，經審慎考慮後，董事局認為優化股東結構有利於集團穩定向前發展，亦有助達至更高的企業管治水平。因此，在懷著共同理念的忠誠股東長期支持的基石上，董事局正積極引入優質策略股東，以促使集團能實現企業價值最大化。

致謝

2018年3月，董事局引入財務投資人張永東先生成為公司股東。本人在此感謝張先生對集團業務營運的認可，以及對集團未來發展的大力支持。

最後，本人謹代表集團向多年來信任和支持本集團的各位股東、業務夥伴及投資者致以衷心的謝意，亦向全體員工表達誠摯的感激。本集團全人將繼續努力不懈，爭取為股東帶來豐厚的回報。

Dai Xiaobing

Chairman

Hong Kong, 29 March 2018

主席

戴小兵

香港，2018年3月29日



Sanjiao CBM Project was granted a mining permit by the Ministry of Land and Resources of the PRC with an approved CBM production capacity of 500 million cubic meters per annum. The mining permit shall be valid for 25 years from July 2017 to July 2042

三交煤層氣項目 獲國家國土資源部授予《採礦許可證》，獲准開採的生產規模為每年5億立方米煤層氣，開採有效期為25年（自2017年7月至2042年7月）

07/2017

12/2017



Issued a total of 3,380,000,000 Subscription Shares to an independent investor, fund raised approximately HK\$178 million

完成向一獨立投資者發行合共3,380,000,000股新股，集資額約港幣1.78億元

03/2018



The gas sale-to-production rate has rebounded to approximately 90%
年內平均產銷比率大幅回升至約

90%



Sales

The Group actively expanded its sales channels of CBM, the gas sale-to-production rate has rebounded to approximately 90%

Infrastructure

- 9 newly added wells
- 16 wells newly accessed to a gas collection pipeline network
- Over 100 million cubic meters of production capacity was built
- Completed the expansion of CBM processing station, its total CBM daily processing capacity has reached 500,000 cubic meters
- To cope with the increasing production volume of Sanjiao CBM Project, the Group has undertaken the expansion of the station. Its daily processing capacity will reach 750,000 cubic meters upon completion

銷售

集團力拓銷售，年內平均產銷比率大幅回升至約90%

建設工程

- 新增9口井
- 新增16口井接入管網
- 已建成超過1 億方產能
- 已完成擴建煤層氣增壓脫水站的工作，其總煤層氣日處理能力已達50萬立方米
- 為配合三交煤層氣項目不斷提升的煤層氣產量，集團已開展擴建煤層氣增壓脫水站日處理能力達至75萬立方米的工作



BUSINESS REVIEW

During the year ended 31 December 2017, Sino Oil and Gas Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) recorded a total revenue of approximately HK\$497,935,000 (2016: HK\$333,553,000), which has increased by nearly 49% as compared with that of last year. The revenue included the sales of Coalbed Methane (“CBM”) in our Sanjiao CBM Project of approximately HK\$76,663,000 (2016: HK\$57,467,000), the sales derived from raw coal washing project located in Qinshui Basin, Shanxi Province of approximately HK\$417,637,000 (2016: HK\$276,086,000), and the income from the financial services business in Shaanxi Province of approximately HK\$3,635,000 (2016: HK\$866,000 included in “other income”). During the year, the Group recorded earnings before interest, taxes, depreciation and amortization (“EBITDA”) of approximately HK\$237,819,000 (2016: EBITDA HK\$121,613,000) which included other gains from fair value changes of approximately HK\$230,317,000 (2016: HK\$55,514,000).

During the year, the operation of Sanjiao CBM Project has improved and CBM sales has increased by approximately 33% as compared with that of last year. In 2017, the Group actively expanded its sales channels of CBM, coupled with the substantial increase in demand for natural gas in China, the gas sale-to-production rate has rebounded to approximately 90% (2016: 72%). In the meantime, government subsidy and VAT tax refund of approximately HK\$29,447,000 (2016: HK\$22,942,000) for sales of CBM for the year 2016 has been received and recorded as “other income” during the year. The Group believes that with the concerted efforts of the team, Sanjiao CBM Project will generate long-term and substantial returns.

During the year, the Group recorded a net loss of approximately HK\$159,561,000 (2016: net loss HK\$94,069,000). It was mainly attributable to the increase in the finance costs incurred arising from the convertible notes and borrowings during the year. The finance costs during the year were approximately HK\$322,173,000 (2016: HK\$152,962,000). According to the Hong Kong Financial Reporting Standards, part of the finance costs were non-cash items, such as imputed interest on convertible notes and amortization of transaction costs, and the finance costs actually affecting the cash flow of the year was approximately HK\$128,755,000 (2016: HK\$104,237,000). Meanwhile, at the end of last year, due to the temporary suspension of raw coal supply from the supplier of raw coal washing project, the financial performance of the project declined, and resulting in a recognition of an impairment loss of goodwill of approximately HK\$46,705,000 (Please refer to note 17 to the financial statements for details). The impairment has no impact on the cash flow of the project.

業務回顧

截至2017年12月31日止年度內，中國油氣控股有限公司（「本公司」）及其附屬公司（「本集團」）之錄得營業額為約497,935,000港元（2016年：333,553,000港元），較去年上升約49%。營業額分別來自於三交煤層氣銷售約76,663,000港元（2016年：57,467,000港元）、山西沁水盆地之原煤洗選業務收入約417,637,000港元（2016年：276,086,000港元）以及陝西金融服務業務收入約3,635,000港元（2016年：866,000港元於「其他收入」內確認）。年內，本集團稅息折舊及攤銷前利潤（「EBITDA」）則約為237,819,000港元（2016年：EBITDA 121,613,000港元），當中包括公平值變動之其他收益約230,317,000港元（2016年：55,514,000港元）。

三交煤層氣項目之營運狀況較去年有所改善，項目年內之銷售額較去年上升約33%。2017年集團積極拓展煤層氣銷售，加上受惠於內地天然氣需求大幅增加，年內平均產銷比大幅回升至約90%（2016年：72%）。同時，2016年銷售煤層氣之政府補貼及增值稅退稅額約29,447,000港元（2016年：22,942,000港元）已於年內入賬並披露於其他收入。本集團相信在團隊持續共同努力下，三交煤層氣項目能帶來長遠而豐厚的盈利。

年內，本集團錄得淨虧損約159,561,000港元（2016年：淨虧損94,069,000港元），主要由於本集團所持有之可換股票據及借貸所產生的融資成本增加所引致。年內融資成本約為322,173,000港元（2016年：152,962,000港元），根據香港財務報告準則，部分融資成本為非現金項目，例如可換股票據應歸利息、交易成本之攤銷等。而實際影響年內現金流的融資成本支出約為128,755,000港元（2016年：104,237,000港元）。同時，由於去年底，因原煤洗選業務供應商暫緩原煤供應，以致項目財務表現下降，並確認商譽減值虧損約46,705,000港元（詳情見財務報表附註17），上述減值亦不會影響項目之現金流。



The interest income amounted to approximately HK\$30,143,000 (2016: HK\$49,822,000) disclosed in “other income”, mainly derived from the refundable deposits of CAD40 million of the Group’s possible acquisitions located in Alberta, Canada.

During the year, the Group was exposed to certain key risks and uncertainties which have been disclosed in note 47 to the financial statements.

Natural Gas and Oil

Coalbed Methane – Sanjiao Block in the Ordos Basin

Project Overview

Through its wholly-owned subsidiary, Orion Energy International Inc. (“Orion”), the Group entered into a production sharing contract (“PSC”) with China National Petroleum Corporation (“PetroChina”), its partner in the PRC, for exploration, utilization and production of the CBM field in the Sanjiao block, located in the Ordos Basin in Shanxi and Shaanxi provinces. The Group has a 70% interest in the PSC. The PSC covers a block in the Ordos Basin in Shanxi and Shaanxi provinces, with a total site area of 383 square kilometers. According to a competent person’s updated report provided to the Company by the end of 2015, the proved and probable CBM reserves of Sanjiao CBM Project amounted to approximately 8.301 billion cubic meters and the net present value at 10% discount of the future revenue of the reserve was approximately HK\$11.498 billion.

Following the approval of its overall development plan by the National Development and Reform Commission (“NDRC”) in 2015, Sanjiao CBM Project was granted a mining permit by the Ministry of Land and Resources of the PRC with an approved CBM production capacity of 500 million cubic meters per annum. The mining permit shall be valid for 25 years from July 2017 to July 2042. At this point, all necessary administrative approvals under the current PRC laws and regulations have been obtained for exploration, development, exploitation and production phases of Sanjiao CBM Project.

另披露於其他收入的利息收入金額約30,143,000港元（2016年：49,822,000港元），該利息收入主要來自本集團位於加拿大阿爾伯特省的擬收購項目的可退還按金40,000,000加元。

年內，本集團所面對的某些主要風險和不明朗因素經已載於財務報表附註47。

天然氣及石油

煤層氣－鄂爾多斯盆地三交區塊

項目總覽

本集團透過旗下全資附屬公司奧瑞安能源國際有限公司（「奧瑞安」），與中國夥伴中國石油天然氣集團公司（「中石油」）訂立產品分成合同（「PSC」），在中國山西及陝西省鄂爾多斯盆地三交區塊進行煤層氣田勘探、開採及生產，並享有當中70%權益。PSC覆蓋中國山西省及陝西省鄂爾多斯盆地合共383平方公里之區塊。根據一份由合資格人士於2015年底向本公司提供之儲量報告更新，三交煤層氣項目之淨儲量（已證實+概略）約為83.01億立方米，而該儲量未來收入淨現值（10%折現）約為114.98億港元。

三交煤層氣項目繼2015年總體開發方案獲國家發展和改革委員會（「國家發改委」）批覆後，於本年7月份獲國家國土資源部授予《採礦許可證》，獲准開採的生產規模為每年5億立方米煤層氣，開採有效期為25年（自2017年7月至2042年7月）。至此，三交煤層氣項目由勘探階段進入開發、開採、生產階段，依據中國現行法律法規所需要的行政許可均已齊備。



Infrastructure

As at 31 December 2017, the Sanjiao CBM Project has completed a total of 117 wells, comprising 65 multilateral horizontal wells and 52 vertical wells. Out of the total 117 wells, 85 wells were in the normal dewatering and gas producing stage, of which 85 wells had accessed to a gas collection pipeline network. A ground pipeline network of approximately 18 kilometers, inter-well pipelines of approximately 58.5 kilometers, and outbound pipelines of approximately 17 kilometers were completed. Approximately total 68.9 kilometers of 10KV power grid and branch power line were also completed.

During the year, the Group has completed the expansion of the CBM processing station, its total CBM daily processing capacity has reached 500,000 cubic meters. To cope with the increasing production volume of Sanjiao CBM Project, the Group has undertaken the expansion of the station. Its daily processing capacity will reach 750,000 cubic meters upon completion.

Sales

During the year, Sanjiao CBM Project recorded EBITDA of approximately HK\$66,460,000 (2016: HK\$47,806,000), which has increased by 39% as compared with that of last year. CBM sales amounted to HK\$76,663,000 (2016: HK\$57,467,000), which has increased by 33% as compared with that of last year. During the year, the production and sales of CBM were approximately 81.22 million cubic meters (2016: 69.5 million cubic meters) and 72.62 million cubic meters (2016: 50.02 million cubic meters) respectively, resulting in a gas sale-to-production rate of approximately 90% for the year (2016: 72%). In terms of the composition of gas sales throughout the period, industrial piped CBM sales accounted for approximately 90% of total sales (2016: 83.7%), while residential piped CBM sales contributed approximately 10% (2016: 15%). During the year, there was no compressed natural gas sales (2016: 1.3%).

基礎建設

截至2017年12月31日止，三交煤層氣項目累計完成鑽井共117口，其中65口為多分支水平井，餘下的52口為直井。在上述117口井中，正常排採井為85口，當中接入集氣管網的井位85口。另三交地面系統工程方面，已建成區內集氣幹線約18公里，集氣支線約58.5公里，外輸管線約17公里；並架設總長度約68.9公里的10KV輸電幹線及電力支線。

年內，集團已完成擴建煤層氣增壓脫水站的工作，其總煤層氣日處理能力已達50萬立方米。為配合三交煤層氣項目不斷提升的煤層氣產量，集團已開展擴建煤層氣增壓脫水站日處理能力達至75萬立方米的工作。

銷售

年內，三交煤層氣項目錄得EBITDA約66,460,000港元（2016年：47,806,000港元），較去年同期上升約39%。煤層氣銷售額約76,663,000港元（2016年：57,467,000港元），較去年同期上升約33%。三交煤層氣項目錄得煤層氣產量約8,122萬立方米（2016年：6,950萬立方米），煤層氣銷售量約7,262萬立方米（2016年：5,002萬立方米），年內平均產銷比率達約90%（2016年：72%）。年內銷售結構中，工業用管道煤層氣銷售佔約90%（2016年：83.7%），民用管道煤層氣銷售佔約10%（2016年：15%），年內並沒有壓縮天然氣銷售（2016年：1.3%）。



Raw Coal Washing Project Located in Shanxi Province

The Group acquired a 75% equity interest of a raw coal washing project company located in Qinshui Basin, Shanxi Province in mid-2015. With the deepening of China's supply-side reforms, the de-capacity of coal industry has achieved remarkable results and the coal market sustains a good momentum in 2017. The price of refined coal increased as compared with that of last year, thus, the turnover of the project has grown substantially. During the year, the coal washing operation recorded a turnover of approximately HK\$417,637,000 (2016: HK\$276,086,000) which has increased by approximately 51% as compared with that of last year. The total sale of refined coal of the project was approximately 340,000 tonnes (2016: 325,000 tonnes). However, at the end of last year, due to its internal factors, the project supplier has temporarily suspended the supply of raw coal, resulting a decline in the financial performance and recognized an impairment loss of goodwill amounted to approximately HK\$46,705,000.

China's coal industry is gradually recovering, and the Group expects that the project operation will fully return to normal within the second quarter of 2018. Pursuant to the sale and purchase agreement entered into by both parties, the vendor will provide the Group with profit guarantee for six consecutive years. During the year ended 31 December 2017, the Group has received in full the shortfall of the Guaranteed Profit of approximately RMB14,811,000 for the year ended 31 December 2016. The project has already contributed stable income and cash flow to the Group.

Others

At the end of 2016, the Group set up a wholly-owned subsidiary, Shaanxi Zhao Yin Finance Leasing Company Limited ("Zhao Yin Finance Leasing") in Shaanxi Province. The major purpose of the establishment of this finance leasing company is to strengthen the Group's bank-enterprise relations so as to create cooperation channels; as well as to seek for the suitable financing channels and sources for the Group's upcoming possible mergers and acquisitions ("M&A") and development. Further it also provides short-term investment opportunities for the Group's capital. During the year, Zhao Yin Finance Leasing granted a total of RMB60 million short-term loans with the annual interest rate of 10% to two independent third parties. During the year, the business has recorded an income of approximately HK\$3,635,000 (2016: HK\$866,000).

位於山西省的原煤洗選項目

本集團於2015年中收購一間位於山西省沁水盆地之原煤洗選項目公司之75%權益。隨著中國供給側改革的深入推進，煤炭行業去產能成效顯著，2017年煤炭市場形勢持續向好，精煤產品售價較去年同期上漲，令項目營業額有明顯增長。年內，原煤洗選業務收入約417,637,000港元（2016年：276,086,000港元），較去年上升約51%。項目共銷售精煤約340,000噸（2016年：325,000噸）。不過，由於去年底，項目供應商因內部因素，暫緩原煤供應，以致項目財務表現下降，並確認商譽減值虧損約46,705,000港元。

中國煤炭行業正逐步回暖，而集團預期項目營運於2018年第二季內將全面回復正常，加上雙方所訂立的交易協議，賣方會對集團提供連續6年的利潤保證，截至2017年12月31日止年度，本集團已全數收取截至2016年12月31日止年度之利潤保證差額人民幣約14,811,000元。該項目已開始為集團貢獻穩定的收入以及現金流。

其他

2016年底本集團於陝西成立了一家全資附屬公司陝西兆銀融資租賃有限公司（「兆銀融資」）。成立此融資租賃公司之主要目的為加強集團與銀企關係，創建合作渠道，尋求合適的融資途徑及來源以及配合集團未來可能項目併購及發展，同時亦為集團部份資金作短期的投資。年內，兆銀融資向兩個獨立第三方批出人民幣共6,000萬元的短期融資租賃貸款，年利率為10%。年內，該業務錄得收入約3,635,000港元（2016年：866,000港元）。



Possible Acquisition — Oilfield in Alberta, Canada

With the purpose of further enriching the Group's resources reserves, apart from actively seeking suitable oil and gas blocks in China, the Group is also exploring investment opportunities in overseas upstream businesses. The Group hence entered into two non-legally-binding memorandums of understanding ("MOUs") in June and September 2014. The acquisition targets are oil and gas fields located in Alberta Province, Canada.

Related due diligence review on the resources and financial aspect is being conducted. The Company expects that overseas acquisition activities can expand the Group's business portfolio of natural gas and oil which will contribute profit and cash flow. Further, this can augment the Group's overall risk resistance capacity when facing unstable external factors.

In December 2017, the Group and the vendor have agreed to further extend the time limit for entering into formal agreements in respect of the terms in the MOUs to 30 September 2018, and both parties are confident that the transaction can be finalized within the year. Otherwise, the Group will advise the vendor to return the relevant deposits.

Summary of Resources

The Group's oil and gas reserves, as at 31 December 2017, are summarized as follows:

Category

類別

Proved (1P)	證實 (1P)
Proved and Probable (2P)	證實及概略 (2P)

潛在的收購項目－位於加拿大阿爾伯特省的油田區塊

為進一步充實集團的資源儲備，除在國內尋求合適油氣區塊外，集團亦積極拓展海外上游業務，物色優質投資機會。集團於2014年6月及9月訂立兩份不具法律約束力之諒解備忘錄（「該等備忘錄」）。收購目標為位於加拿大阿爾伯特省之油氣田。

就相關的資源及財務方面的盡職審查正在積極進行中，公司預期進行海外收購活動將可一方面擴大本集團的天然氣和石油的業務組合，帶來盈利及現金流貢獻，另一方面，當面對不穩定的外圍因素，可以加強集團整體的抗風險能力。

於2017年12月，本集團及賣方同意將該等諒解備忘錄中條款分別延至2018年9月30日，雙方亦有信心交易可望於年內完成，否則本集團會建議賣方退回相關按金。

資源概覽

本集團於2017年12月31日的油氣儲備概述如下：

Coalbed Methane Reserve

煤層氣儲量

Billion cubic feet (Gross)
十億立方英尺(總額)

Proved (1P)	證實 (1P)	134.9	(Note a)
Proved and Probable (2P)	證實及概略 (2P)	431.4	(附註a)

(a) The Company has made an estimation on the reserve as at 31 December 2017 on the basis of a competent person's report prepared in accordance with the standards for "Petroleum Resources Management System" recognized under Chapter 18 of the Listing Rules on the Sanjiao CBM Field reserves as of 30 September 2015, adjusted and updated based on CBM production volume.

(a) 本公司以一份由合資格人士，按上市規則第18章認可的「石油資源管理體系」標準編製以三交煤層氣田於2015年9月30日之儲量作為基礎，再按煤層氣產量作出調整更新，估算截止至2017年12月31日的煤層氣儲量。



(b) Reserve translation reference: one cubic meter of natural gas is equivalent to approximately 35.2 cubic feet.

(b) 儲量換算參考：天然氣每立方米約等於35.2立方英尺。

Capital Expenditure

For the year ended 31 December 2017, the total expenditure capitalised for the Sanjiao CBM Project was approximately HK\$129 million (2016: HK\$377 million), which mainly comprises of (i) construction works in progress of oil and gas fields, (ii) direct expenses and (iii) finance expenses, The breakdown of which is as follows:

- (i) Construction works in progress of oil and gas field mainly representing drilling expenses approximately HK\$61 million (2016: HK\$234 million), dewatering expenses amounted to approximately HK\$9 million (2016: HK\$26 million) and ground facility expenditure amounted to approximately HK\$20 million (2016: HK\$26 million).
- (ii) Direct expenses mainly represent direct labour cost (included, but not limit to, petroleum engineers and geologists etc.) amounted to approximately HK\$24 million (2016: HK\$20 million) and other direct cost incidental to the exploration and development of the Sanjiao CBM Project amounted to approximately HK\$9 million (2016: HK\$40 million); and
- (iii) The total finance expenses capitalised during the year was approximately HK\$6 million (2016: HK\$31 million).

For the year ended 31 December 2017, the Group incurred approximately HK\$11 million (2016: HK\$41 million) drilling costs for the farm-in project in Canada as disclosed in note 18 to the financial statements.

資本支出

截至2017年12月31日止年內，投入三交煤層氣項目的總資本化的支出約為129,000,000港元（2016年：377,000,000港元），其中主要為(i)油氣田之在建工程，(ii)直接支出及(iii)財務支出，明細如下：

- (i) 油氣田之在建工程主要為鑽井工程支出約61,000,000港元（2016年：234,000,000港元），排採工程支出共約9,000,000港元（2016年：26,000,000港元）及地面工程支出共約20,000,000港元（2016年：26,000,000港元）。
- (ii) 直接支出主要為直接工資（包括但不限於石油工程師和地質師等）共約24,000,000港元（2016年：20,000,000港元）及其他有關於三交煤層氣項目勘探和發展的直接支出，共約9,000,000港元（2016年：40,000,000港元）；及
- (iii) 年內資本化的總財務支出約為6,000,000港元（2016年：31,000,000港元）。

截至2017年12月31日，本集團已就位於加拿大的farm-in項目產生鑽探開支約11,000,000港元（2016年：41,000,000港元）（載於財務報表附註18）。



FINANCIAL REVIEW

Liquidity and Financial Resources

As at 31 December 2017, the net assets of the Group were approximately HK\$3,164,000,000 (31 December 2016: HK\$3,091,000,000) while its total assets were approximately HK\$5,410,000,000 (31 December 2016: HK\$5,245,000,000). As at 31 December 2017, the Group had external borrowings including the liability component of convertible notes of approximately HK\$1,772,000,000 (31 December 2016: HK\$1,553,000,000), and the gearing ratio based on total assets was approximately 32.75% (31 December 2016: 29.61%). Information on the Group's collateral assets and repayment of the Group's borrowings is set out in notes 33 and 34 to the financial statements as disclosed in this annual report. By the end of December 2017, the current ratio was approximately 0.75 (31 December 2016: 1.32).

As at 31 December 2017, the gearing ratio was still at an acceptable level. However, during the year, in addition to the large capital needs for the development of Sanjiao CBM Project, redemption of certain convertible notes matured during the year has led to a relatively low current ratio in short-term.

The current liabilities of the Group were principally attributable to the trade, other payables and accruals, convertible notes and borrowings, which may have impact on the Group's liquidity position and the ability to meet short-term financial obligations.

Subsequent to year end, the Company issued a total of 3,380,000,000 Subscription Shares at a price of HK\$0.053 per Subscription Share to an independent investor in March 2018 ("Subscriptions"). The net proceeds from the Subscriptions of approximately HK\$178,000,000 are mainly used for the repayment of certain financial obligations.

Notwithstanding the net proceeds of approximately HK\$178 million from the placing, the Group would still remain in net current liabilities comparing to the net current liabilities of the Company of approximately HK\$204 million as at 31 December 2017.

財務回顧

流動資金及財政資源

於2017年12月31日，本集團的資產淨值約為3,164,000,000港元（2016年12月31日：3,091,000,000港元），總資產值則約為5,410,000,000港元（2016年12月31日：5,245,000,000港元）。於2017年12月31日，本集團的總借貸包括可換股票據之負債部分約為1,772,000,000港元（2016年12月31日：1,553,000,000港元），負債比例按資產總值計算約為32.75%（2016年12月31日：29.61%）。有關本集團已抵押資產及借貸償還期限的詳情分別載於本年報內之財務報表附註33及附註34。於2017年12月31日的流動比率約為0.75（2016年12月31日：約1.32）。

於2017年12月31日，本集團之整體負債比率仍然維持可接受水平，而由於年內開發三交煤層氣項目的資金需求量大，加上贖回部份於年內到期的可換股票據等，導致流動比率偏低。

本集團之流動負債主要是由於應付賬款、其他應付款項及預提費用、可換股票據及借貸所致，可能對本集團之流動資金狀況及履行短期財務承擔之能力造成影響。

於年結日後，本公司於2018年3月按每股認購股份0.053港元向一名獨立投資人發行合共3,380,000,000股認購股份「認購事項」。認購事項之所得款項淨額約為178,000,000港元，主要用作償還若干財務承擔。

儘管配售所得款項淨額約178,000,000港元，但本公司於2017年12月31日之流動負債淨值約為204,000,000港元，本集團將仍處於流動負債淨值狀況。



In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding debts and be able to finance its future working capital and other financial requirements. The directors have considered all possible financial alternatives to mitigate the liquidity pressure and to improve the financial position of the Group, which include, but are not limited to, issuance of new shares, debt financing, right issue, open offer or internal cash resources to meet the financial requirements of the Group. Further, three major shareholders of the Company have confirmed that they will provide continuing and sufficient support to the Group when the Group face difficulties in settlement of financial obligations in relation to the above-mentioned borrowings and convertible notes and finance its operation for at least twelve months from the end of the reporting period. Despite auditor is unable to ascertain their financial position as individuals to have sufficient resources to meet the Group's operating and financing needs within this year (please refer to the Independent Auditor's Report), the Company is confident that the above three shareholders have sufficient financial capacity to provide necessary support to the Group.

The directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its upcoming financial obligations. With the growth of the CBM operation, the Group's overall financial position will improve gradually, and accordingly the going concern issue should be resolved in next financial year.

During the year, the Company did not conduct any fund raising activities.

Foreign Exchange Fluctuations

The Group is exposed to currency risk primarily through sales and purchase transactions and recognized liabilities of assets that are denominated in a currency other than the functional currency of the operations to which they relate. As at 31 December 2017, no related hedges were made by the Group. In respect to trade and other receivables and payables held in currencies other than the functional currency of the operations to which they relate, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

鑑於上述情況，本公司董事評估本集團能否償還未償債務及能否為未來營運資金及其他融資需求撥付資金時，審慎考慮本集團未來之流動資金及表現和能否獲得融資。董事已考慮所有可能融資方案，以減輕流動資金壓力及改善本集團之財務狀況，包括但不限於發行新股份、債務融資、配售新股、公開發售或內部現金資源，以滿足本集團之財務需求。此外，本公司三名主要股東已確認，彼等將於本集團難以償還上述借貸及可換股票據之財務承擔以及撥付其自報告期末起計至少十二個月之營運時，為本集團提供持續足夠財務支持。儘管核數師表示難以核實彼等之個人財務狀況，能否足以提供充足資源滿足本集團於本年度之營運及融資需求（請參閱獨立核數師報告書），但公司對此具有相當信心，認為上述三名股東具備足夠之能力向本集團提供所需的支持。

董事認為，經考慮上述計劃及措施，本集團將擁有足夠營運資金以撥付其營運及滿足其未來財務承擔。隨著煤層氣營運逐步拓展，本集團整體財政狀況將會日漸改善，從而持續經營問題可望於下一個財政年度予以解決。

年內，本公司並無進行任何集資活動。

外匯波動

本集團承受之貨幣風險主要源自以有關業務之功能貨幣以外之貨幣計值之買賣交易及已確認資產和負債。於2017年12月31日，本集團並無作出相關對沖。就以有關業務之功能貨幣以外之貨幣持有之應收賬款及應付款項，本集團在必要時按即期匯率買賣外匯以解決短期不均衡，以此確保風險處於可接受水準。



Employees and Remuneration Policies

As at 31 December 2017, the Group employed approximately 315 employees. The remuneration policy of the Group is based on the prevailing remuneration level in the market and the performance of respective companies and individual employees.

Environmental Protection

The Group is responsible for its impact to the environmental arising from its business operations. During the year, the Group strictly complied with the local environmental regulation of the PRC. Details are disclosed in the Environmental, Social, Governance Report 2017 to be issued by the Company pursuant to the Listing Rules.

PROSPECTS

To reduce air pollution and get rid of the dependence to coal, China has accelerated the pace of “coal to gas”. Although this move has brought new challenges to the balance between natural gas supply and demand, it has also brought tremendous opportunities for the natural gas market in China. At the end of 2017, 10 government departments including the NDRC, the Ministry of Finance, and the National Energy Administration jointly issued the “2017-2021 Plan for Clean Heating in Winter in Northern Regions” (“Heating Plan”). The Heating Plan proposed to focus on “2+26” cities, with efforts to promote natural gas as a substitute for coal-fired heating. It is estimated that in 2017-2021, an accumulated new area of 1.8 billion square meters will be covered by natural gas heating in the “2+26” cities with additional 23 billion cubic meters of gas to be used.

As a vital strategic complement to natural gas, CBM has become the important carrier to promote energy production and consumption revolution. With the realization of large-scale development of CBM, the economic benefits of CBM exploitation will become increasingly apparent. During the “13th Five-Year Plan”, CBM is expected to usher the peak of investment and development. In December 2016, National Energy Administration published 《CBM development and utilization of the “13th Five Year Planning”》 which has reflected the acceleration of the pace of CBM exploration and development; the optimization of the industry structure and key technology breakthrough, production of CBM will increase significantly. In recent years, Shanxi Province has been eager to speed up the promotion of the strategic target of the “Gasification for Shanxi”, and the introduction of a series of industrial policies to promote the development of CBM, such as, the access relaxation of CBM exploration, the promotion of the

僱員薪酬政策

於2017年12月31日，本集團的僱員約有315人。本集團之薪酬政策主要按現行市場薪酬水準及各有關公司及個別僱員之表現釐訂。

環境保護

本集團須為業務經營對環境的影響承擔責任。年內，本集團緊守中國當地的環保法規。詳情載於本公司根據上市規則而發佈之2017年環境、社會及管治報告書內。

前景

為治理空氣污染、擺脫對煤炭的依賴，中國加快了「煤改氣」的步伐。雖然此舉為天然氣供需平衡帶來新的考驗，但同時亦為中國天然氣市場帶來龐大機遇。2017年底，國家發改委、財政部和能源局等10部門近日聯合印發了《北方地區冬季清潔取暖規劃（2017-2021）》（「取暖規劃」）。取暖規劃提出，以「2+26」城市為重點，著力推動天然氣替代燃煤供暖，預計2017-2021年「2+26」城市累計新增天然氣供暖面積18億立方米，新增用氣230億立方米。

作為天然氣的重要戰略補充，煤層氣已成為推動能源生產和消費革命的重要載體。隨著煤層氣開發規模化的實現，煤層氣開採的經濟性將日益顯現。在「十三五」時期內，煤層氣有望迎來投資開發高峰。國家能源局於2016年12月發佈《煤層氣煤礦瓦斯開發利用「十三五」規劃》體現出，煤層氣勘探開發步伐將進一步加快，產業佈局更趨優化，關鍵技術將取得突破，產量大幅提升。近年來，山西省迫切地謀求轉型，提出了加快推進「氣化山西」這一戰略資源轉型目標，並出台了一系列促進煤層氣發展的產業政策，包括開放煤層氣勘探開採准入、推進管網設施公平開放、理順定價機制、探索礦權市場化出讓等，以促進煤層氣產業健康有序發展。國家以至地區政府對煤層氣行業的大力支持，為產業發



fair access of pipeline network facilities, rationalizing the pricing mechanism and exploring the marketization of the transfer of mining rights, and therefore to encourage a healthy and orderly development of the CBM industry. The strong support from the national and regional governments to the CBM industry have created a favorable environment for the growth of the sector. The Group believes that the CBM industry is having a flourishing development prospect and a huge market potential.

Under the optimistic atmosphere of the extension of the production cut agreement by the Organization of Petroleum Exporting Countries (“OPEC”) and the oil supply affected by the Middle East geopolitics, oil prices rebounded from low levels in 2017, and the international oil prices rose by 12.5% for the full year. According to the Global Economic Prospects released by the World Bank Group in January 2018, attributable to the a pickup in manufacturing and trade, rising market confidence, and stabilizing commodity prices, it is expected that the global economic growth to edge up to 3.1% in 2018. Thanks to the steady growth of the global economy and the determination of OPEC and non-OPEC to maintain a balanced supply, the Group is optimistic about the international oil prices performance in medium to long-term. The Group is taking the initiative to seize the opportunity to accelerate the pace of overseas merger and acquisition (M&A) and extend the industrial chain so as to establish the most competitive business portfolio.

Looking ahead, the Group will continue to promote the development of Sanjiao, formulate a clear plan, aim for a more challenging production capacity and production target, and make every effort to build the Group’s first benchmark project. At the same time, the Group will continue to actively look for M&A opportunities that have reasonable and potential returns in order to hasten the Group’s business development and strive to achieve a better performance while maintaining long-term growth momentum and creating substantial returns for the shareholders.

展營造了利好的環境。集團相信煤層氣行業具有良好的發展前景和巨大的市場潛力。

在石油輸出國組織（「油組」）延長減產協議的樂觀氣氛籠罩下，加上中東地緣政治影響供應，油價2017年從低位反彈，國際油價全年漲12.5%。根據世界銀行集團2018年1月發布的全球經濟展望，隨著製造業和貿易回暖、市場信心增強、大宗商品價格趨穩，預計2018年的全球經濟增長率將小幅加快至3.1%。由於全球經濟平穩增長以及油組和非油組對維持平衡供應的決心，本集團對中長期國際原油價格表現持樂觀態度。集團正主動緊抓機遇，加速海外併購佈局，延伸產業鏈，以建立最具競爭力的業務組合。

展望未來，集團將繼續推動三交的建設發展，制定明確的計劃，瞄準更具挑戰性的產能及產量目標，全力打造集團的第一個標杆項目。與此同時，集團將繼續積極物色具備合理及潛在回報的併購機會，以加速集團業務發展的步伐，致力爭取更佳業績，同時維持長遠的增長動力，期望為股東締造豐厚的回報。



Directors and Senior Management Profiles

BOARD OF DIRECTORS

Executive Directors

Dr. Dai Xiaobing, aged 50, was appointed as Executive Director of the Company in May 2010 and Chairman of the Board of the Company in September 2011. Dr. Dai is in charge of the overall affairs of the Group. He is also responsible for the Group's human resources management (including human resources planning, personnel deployment, remuneration scheme and staff training), capital operation (including financing, investment and merger and acquisition of projects) and technology management (including introduction and application of technology), etc. Dr. Dai was awarded a PhD in Econometrics by the School of Economics, Jilin University, the PRC. Dr. Dai is experienced in the corporate finance sector as well as merger and acquisitions and corporate restructuring of companies in the PRC. He is also familiar with the capital market in the PRC. Dr. Dai had been one of the co-founder of China Securities Journal organized by Xinhua News Agency and was a journalist, department head and deputy general manager of the agency, through which he has extensive experience in government public relations and investor relations. He was also an independent director of Jiangxi Ganneng Co., Ltd. (江西贛能股份有限公司), a company listed on the Shenzhen Stock Exchange.

Mr. King Hap Lee, aged 55, was appointed as Chief Executive Officer of the Company in November 2010 and Executive Director of the Company in September 2011. Currently, Mr. King serves as Executive Director and Chief Executive Officer (and Deputy Chairman of the Board). Mr. King is responsible for the Group's strategic planning, operation planning, external relationship and organizational management (including rules and systems, organizational structure and corporate culture). Mr. King graduated from Xian Jiaotong University in 1983. He worked for various central government departments and state-owned enterprises for a considerable period of time and has more than 20 years' experience in government organizations and enterprises management. He was the deputy director and chairman of Workers Union of Mechanic and Electronic Products Importation and Exportation Office of the State Council, the deputy general manager of 中國機械工業供銷深圳集團公司 (China Machinery Industry Marketing & Supply Shenzhen Group Corporation*) and managing director of 中機香港公司 (China National Machinery Hong Kong Company*).

董事會

執行董事

戴小兵博士，50歲，於2010年5月獲委任為本公司之執行董事，並於2011年9月獲委任為本公司董事會主席。戴博士主持本集團全面工作，並負責本集團的人力管理，包括人力規劃、人事調配、薪酬設計及職員培訓；資本運營，包括融資、投資、項目併購；技術管理，包括技術引進和技術應用等。戴博士持有中國吉林大學商學院計量經濟學博士學位，在企業融資和中國企業併購與企業重組方面擁有豐富的經驗，彼亦熟悉中國之資本市場。戴博士曾參與創辦新華通訊社主辦的《中國證券報》，歷任記者、部門主任和報社副總經理，期間積累了豐富的政府公共關係和投資者關係等資源。他曾擔任江西贛能股份有限公司之獨立董事（於深圳交易所上市的公司）。

景哈利先生，55歲，於2010年11月獲委任為本公司行政總裁，並於2011年9月獲委任為本公司之執行董事，現為本公司執行董事及行政總裁（兼董事會副主席）。景先生負責本集團的戰略規劃；營運計劃；對外關係；組織管理，包括規章制度、組織架構和企業文化。景先生於1983年畢業於西安交通大學，曾長期任職於中央國家機關和國有企業，擁有二十多年政府機關及企業管理工作經驗。曾任國務院機電產品進出口辦公室副處長及工會主席、中國機械工業供銷深圳集團公司副總經理、以及中機香港公司董事總經理。



Mr. Wan Tze Fan Terence, aged 53, was appointed as Executive Director of the Company in March 2009. He is also the chief financial officer of the Company. Mr. Wan is responsible for the Group's financial management (including investment budget, allocation of funding, control on sales as well as inspection and audit of financial matters), legal matters (including tracking on legal matters, risk control and compliance monitoring) and internal affairs of the headquarter of the Group. Mr. Wan holds a bachelor degree of commerce and a master degree of business administration. He has years of experience in accounting and financial management and has worked for international accounting firms and listed companies in Hong Kong. He is a fellow member of Hong Kong Institute of Certified Public Accountants and a Certified Practising Accountant of CPA Australia. He is also an independent non-executive director of China Primary Energy Holdings Limited and Eagle Legend Asia Limited, both of which are listed on The Stock Exchange of Hong Kong Limited.

Non-executive Director

Mr. Chen Hua, aged 52, was appointed as Non-executive Director of the Company in June 2014. Mr. Chen holds a bachelor degree and founded the Kingkey Group Limited ("Kingkey Group") in 1994. He is the founder, chairman and chief executive officer of Kingkey Group. Kingkey Group is a Chinese well-known brand with an integrated business comprising property development, hotel, property management, financial investment, golf club and beverage operations. Kingkey Group has invested and developed total construction area of over 5 million square metres and its constructions have been awarded various prizes by different cities, provinces and the state. It is one of the Top 50 Property Enterprises in China and renowned in the property sector across the nation. Kingkey Group took four years to complete the 'KK100' Complex which has become the landmark of Shenzhen and one of the tallest complex building in the world. Mr. Chen also actively involves in various community charities and has accumulated hundreds of millions RMB charitable donations over the years.

溫子勳先生，53歲，於2009年3月獲委任為本公司之執行董事，現為本公司之財務總監，負責本集團的財務管理，包括投資預算、資金調撥、銷售監管以及財務巡查和審計；法務，包括法規跟蹤、風險控制和合規監管；本集團本部內務。溫先生持有商科學士學位及工商管理碩士學位，擁有多年會計及財務管理經驗，並曾在國際會計師事務所及香港上市公司等工作。溫先生為香港會計師公會資深會員及澳洲會計師公會註冊會計師，他亦為中國基礎能源控股有限公司及鵬程亞洲有限公司之獨立非執行董事，這兩間公司均於香港聯合交易所上市。

非執行董事

陳華先生，52歲，於2014年6月獲委任為本公司之非執行董事。陳先生本科學歷，於1994年創立京基集團有限公司（「京基集團」），為京基集團的創始人、董事長兼行政總裁。京基集團為中國的知名品牌企業，集合房地產、酒店、物業管理、金融投資、高爾夫俱樂部、餐飲等多元化產業的大型集團公司，投資開發的總建築面積超過500萬平方米，多次獲得市、省及國家頒發的各類獎項，是中國房地產 50 強企業之一，在全國地產界享有極高的聲譽。京基集團用四年時間傾力打造的京基100城市綜合體項目，目前已成為深圳最高建築地標，亦是世界上最高的綜合體之一。陳先生積極參與各項社會公益慈善事業，歷年累計慈善捐贈超過數億元人民幣。



Directors and Senior Management Profiles

Mr. Huang Shaowu, aged 47, was appointed as Non-executive Director of the Company in June 2014. Mr. Huang was the main founder for Shenzhen Aisidi Co., Ltd. ("Aisidi") (shares of which are listed on the Shenzhen Stock Exchange) in 1998 and it is the "Fortune" 500 enterprises in China. Mr. Huang is currently a director of Aisidi, the chairman of Shenzhen Sinomaster Investment Group Co., Ltd. (深圳市神州通投資集團有限公司, "SMT") which is the controlling shareholder of Aisidi, the chairman and general manager of 深圳市全球星投資管理有限公司 which is major shareholder of Aisidi and a director of Yuanjing International Limited which is substantial shareholder of the Company. SMT is a large investment conglomerate with investments in mobile internet and related businesses, energy, optical communication, ecological agriculture, supply chain and real estate businesses.

Mr. He Lin Feng, aged 48, was appointed as Non-executive Director of the Company in August 2014. Mr. He holds a bachelor degree in Economics from Renmin University of China. Mr. He has been an executive director of 珠海景順科技有限公司 since 2006. He was a director of 珠海市榮業投資有限公司 from 1996 to 2005 and the business manager of 珠海市海平實業公司 from 1991 to 1995. Mr. He has extensive experience in financial management and project investment businesses.

Independent Non-executive Director

Mr. Wong Kwok Chuen Peter, aged 58, was appointed as Independent Non-Executive Director of the Company in April 2006. Mr. Wong is currently a practising barrister-at-law of the High Court of the Hong Kong SAR. Mr. Wong holds a master degree of commerce in marketing from University of Strathclyde, UK and a post-graduate certificate in laws from University of Hong Kong. Mr. Wong has more than 20 years of extensive experience in legal practice.

黃紹武先生，47歲，於2014年6月獲委任為本公司之非執行董事。黃先生於1998年作為主要創始人創立的深圳市愛施德股份有限公司（「愛施德」）（股份於深圳證券交易所上市），為《財富》中國500強企業。黃先生現為愛施德董事，現任愛施德控股股東深圳市神州通投資集團有限公司（「神州通投資集團」）董事長、愛施德主要股東深圳市全球星投資管理有限公司董事長兼總經理、及本公司主要股東圓景國際有限公司董事。神州通投資集團是一家大型的綜合性民營投資企業集團，投資領域包括移動互聯網及相關產業、能源、光通信、生態農業、供應鏈及地產等領域。

何林峰先生，48歲，於2014年8月獲委任為本公司之非執行董事。何先生持有中國人民大學的經濟學學士學位。何先生自2006年起擔任珠海景順科技有限公司的執行董事。於1996年至2005年，他曾任珠海市榮業投資有限公司的董事，並於1991年至1995年擔任珠海市海平實業公司的業務經理，何先生於財務管理、項目投資業務累積了豐富經驗。

獨立非執行董事

黃國全先生，58歲，於2006年4月獲委任為本公司之獨立非執行董事。黃先生現為香港執業大律師，黃先生持有英國University of Strathclyde的商業管理（市場學）碩士學位及香港大學之法律深造證書，黃先生擁有二十多年豐富法律實務經驗。



Professor Wong Lung Tak Patrick, *BBS, JP*, aged 69, was appointed as an Independent Non-Executive Director of the Company in August 2010. Professor Wong is a Certified Public Accountant (Practising) in Hong Kong and Managing Practicing Director of Patrick Wong CPA Limited. He is also a Chartered Secretary and a Certified Tax Advisor. He has over 40 years' experience in the accountancy profession. Professor Wong was accorded Doctor of Philosophy in Business, was awarded a Badge of Honour by the Queen of England, was appointed a Justice of the Peace and was awarded a Bronze Bauhinia Star (BBS) by the Hong Kong Government of SAR. He was appointed Adjunct Professor, School of Accounting and Finance, The Hong Kong Polytechnic University from 2002 to 2013. Professor Wong is currently an independent non-executive director of Galaxy Entertainment Group Limited, CC Land Holdings Limited, Water Oasis Group Limited, National Arts Entertainment and Culture Group Limited, Winox Holdings Limited, Li Bao Ge Group Limited and BAIC Motor Corporation Limited and he resigned as independent non-executive director of Bisu Technology Group International Limited (formerly known as Excel Development (Holdings) Limited), Munsun Capital Group Limited (formerly known as China Precious Metal Resources Holdings Co., Ltd.), Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited and Real Nutraceutical Group Limited on 10 August 2015, 3 October 2016, 23 June 2017 and 12 October 2017 respectively, all of which are listed on the Hong Kong Stock Exchange.

黃龍德教授，*BBS*，*太平紳士*，69歲，於2010年8月獲委任為本公司之獨立非執行董事。黃教授為香港執業會計師，並為黃龍德會計師事務所有限公司的執行董事。黃教授亦是特許秘書及註冊稅務師。彼於會計專業擁有逾四十年經驗。黃教授取得商業哲學博士學位，獲英女皇頒發榮譽獎章，獲委任為太平紳士，並獲香港特別行政區政府頒授銅紫荊星章。彼於2002年至2013年獲香港理工大學會計及金融學院委任為兼任教授。黃教授現為銀河娛樂集團有限公司、中渝置地控股有限公司、奧思集團有限公司、國藝娛樂文化集團有限公司、盈利時控股有限公司、利寶閣集團有限公司及北京汽車股份有限公司的獨立非執行董事，並分別於2015年8月10日、2016年10月3日、2017年6月23日及2017年10月12日辭任比速科技集團國際有限公司（前稱怡益控股有限公司）及麥盛資本集團有限公司（前稱中國貴金屬資源控股有限公司）、廣州白雲山醫藥集團股份有限公司及瑞年國際有限公司的獨立非執行董事，該些公司均於香港聯合交易所上市。





Directors and Senior Management Profiles

Dr. Wang Yanbin, aged 61, was appointed as an Independent Non-Executive Director of the Company in September 2011. Dr. Wang is a professor and tutor for doctoral candidates of China University of Mining & Technology (Beijing), and head of the Scientific Research Office of China University of Mining & Technology (Beijing). Dr. Wang holds a bachelor degree in coalfield geology from the faculty of geology of Huainan Mining Institute in China. He also holds a master degree in coal petrology and coalfield geology and a doctor degree in coalfield, oil and gas geology and organic geochemistry from China University of Mining & Technology (Beijing). Prior to 1993, Dr. Wang mainly engaged in teaching and scientific research on coalfield geology and coalbed methane geology. Since 1993, he has focused on geological research on coalfield geology, oil, natural gas and coalbed methane. He has led the development of a project for the National Natural Science Foundation of China, and few scientific projects for China National Petroleum Corporation and China Petrochemical Corporation. Dr. Wang has also participated in more than 30 scientific projects in cooperation with various oil fields and Mining Bureaus nationwide. He was granted the State Scientific and Technological Progress Award for several times and has published 3 books and more than 70 academic papers.

Dr. Dang Weihua, aged 52, was appointed as an Independent Non-Executive Director of the Company in July 2013. Dr. Dang currently works for 北京德恒(武漢)律師事務所 as a lawyer. Prior to this, he served as the General Manager of Shenzhen Branch of Changjiang Securities Company Limited ("Changjiang Securities") and the Chief Representative of Shenzhen Representative Office of Changjiang Securities, Deputy General Manager of Asset Preservation Department and Legal & Compliance Department of Changjiang Securities. Dr. Dang had worked in Changjiang Securities (formerly known as Hubei Securities Company Limited) for 23 years and served in different departments and positions. He has extensive experience in securities industry. Dr. Dang holds a master degree of business administration at Zhongnan University of Economics and Law. He was awarded a PhD in Econometrics by the School of Economics, Jilin University. Dr. Dang holds Chinese lawyer qualification as well as securities practice qualification.

王延斌博士，61歲，於2011年9月獲委任為本公司之獨立非執行董事。王博士現為中國礦業大學(北京)教授、博士生導師，以及中國礦業大學(北京)科研處處長。王博士持有中國淮南礦業學院地質系煤田地質學士學位，以及中國礦業大學北京煤岩學和煤田地質學碩士學位及煤田、油氣地質學及有機地球化學博士學位。於1993年前，主要從事與煤田地質和煤層氣地質有關的教學科研工作。1993年以後，主要從事與煤田地質、石油天然氣和煤層氣有關的地質研究，先後主理國家自然科學基金項目，以及中國石油天然氣集團總公司、中國石化集團總公司等多項科技項目，與全國各油田和礦務局合作科技項目30餘項，先後多次獲得國家科技進步獎，出版專著3部，發表學術論文70餘篇。

黨偉華博士，52歲，於2013年7月獲委任為本公司之獨立非執行董事。黨博士現於北京德恒(武漢)律師事務所從事律師工作，在此之前，他曾先後擔任長江證券股份有限公司(「長江證券」)深圳分公司總經理兼深圳代表處首席代表職務、長江證券的資產保全部、法律合規部副總經理，黨博士任職於長江證券(前身為湖北證券有限責任公司)二十三年，歷任不同部門及職位，於業內累積豐富經驗。黨博士持有中南財經政法大學的工商管理碩士學位，以及於吉林大學商學院獲數量經濟學博士學位。黨博士持有國家法律執業資格，以及證券從業資格。



Senior Management

Ms. Yim Siu Hung was appointed as the Company Secretary of the Company in December 2011 mainly responsible for the Group's legal compliance work. Ms. Yim has joined the Company since August 2005 and holds a bachelor degree in law from Nottingham Trent University, UK and a bachelor degree in accountancy from City University of Hong Kong. She is a fellow member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She has years of extensive experience in the company secretarial sector and has worked for international accounting and law firms and listed companies in Hong Kong.

Dr. Rao Mengyu has been working for Orion Energy International Inc. (a wholly-owned subsidiary of the Company since November 2010) since December 2007 and now serves as the Chief Geologist of the Group, mainly responsible for geology research and exploration work of the Company's Sanjiao coalbed methane project. Dr. Rao graduated from the Department of Geology of Anhui University of Science & Technology. In 2005, Dr. Rao was awarded a PhD in Geology by the China University of Petroleum (East China). He was engaged in research work for the oil and gas geology fundamental theories and coalbed methane ("CBM") development technology in the post-doctoral station of the College of Petroleum and Natural Gas Engineering, China University of Petroleum (Beijing). He has over 20 years of experience in the industry and has years of experience in onsite work and indoor scientific research in respect of CBM projects. Dr. Rao has published 24 research papers in the journals such as Acta Petrolei Sinica, and also is one of the principal participants in the scientific research achievement of "Research, development and application of CBM multi-lateral horizontal well". Such achievement was awarded the second prize of science and technology advancement in 2009 by the China National Coal Association.

高層管理人員

嚴筱虹女士，於2011年12月獲委任為本公司之董事會秘書，主要負責處理本集團法律及法規相關事宜。嚴女士於2005年8月加入本公司，持有英國Nottingham Trent University的法律學士學位及香港城市大學的會計學士學位，亦為香港特許秘書公會及英國特許秘書及行政人員公會的資深會員。嚴女士於董事會秘書範疇擁有多年豐富經驗，並曾在國際會計師事務所和律師事務所以及香港上市公司等工作。

饒孟餘博士，自2007年12月起於奧瑞安能源國際有限公司（於2010年11月成為本公司之全資附屬公司）工作，現為本集團總地質師，主要負責本公司三交煤層氣項目的地質研究及勘探等工作。饒博士畢業於安徽理工大學地質系，於2005年獲得中石油大學（華東）地質學理學博士學位，並曾在中國石油大學（北京）石油與天然氣工程學院博士後站從事油氣基礎理論及煤層氣開發工藝的研究工作。他於行內有逾二十年工作經驗，擁有多年從事煤層氣項目的現場工作經驗和室內科研經歷。饒博士曾在《石油學報》等期刊上發表科研論文二十四篇，亦是「煤層氣多分支水平井研發與應用」科技成果的主要參與人之一，該成果並榮獲2009年度中國煤炭工業協會科技進步二等獎。



Directors and Senior Management Profiles

Mr. Mei Ximin joined the Company in September 2015. Mr. Mei currently serves as Executive Vice President of the Group and Chief Supervisor of Orion Energy International Inc., responsible for the Company's coordination in relation to the government's public affairs and assisting in the production and operation of Orion Energy International Inc. Mr. Mei obtained a bachelor degree in economics from Jilin University in 1983. He was granted the professional title of senior economist in 1995. Before joining the Company, Mr. Mei had served as the Director of the Bureau of Commodity Prices of Jilin Province and senior executive of 吉林國聯集團公司. He had served as vice president of a Hong Kong listed company since 2008.

Mr. Dai Zhonggang joined the Company in April 2015. Currently, Mr. Dai serves as Vice President of the Group and General Manager of Orion Energy International Inc. Mr. Dai is responsible for the production and operation management of the Sanjiao coalbed methane project and the overall deployment of the project's large scale development. Mr. Dai holds a bachelor degree in business administration from Jiangxi University of Finance and Economics. Mr. Dai had served as chairman and general manager of a mining company owned by a listed company and has accumulated extensive related management experience.

Mr. Tan Xin joined the Company in February 2015 as Vice President of the Group, mainly responsible for financing and business mergers and acquisitions of the Company. Mr. Tan graduated from the Department of World Economy of Shanghai University of Finance and Economics majoring in international finance, and obtained his master degree from Nankai University in Tianjin. He has extensive experience in international finance and investment banking. Mr. Tan once worked in China Construction Bank, Shenzhen Branch, and acted as cadre at sub-section level and economist in the Foreign Exchange Department of China Construction Bank and General Department of China Investment Bank. Thereafter, he served as the deputy general manager of 中國遠東國際貿易公司, the general manager of China Affairs Department of 香港首億國際金融有限公司 and the general manager of 深圳市佳泰隆投資擔保有限公司.

梅喜民先生，於2015年9月加入本公司，現為本集團常務副總裁兼奧瑞安能源國際有限公司監事長，負責本公司有關政府公共事務協調工作，協助管理奧瑞安能源國際有限公司的生產和運營。梅先生於1983年獲吉林大學經濟學學士學位，並於1995年獲高級經濟師職稱。梅先生加入本公司前，曾在吉林省物價局擔任處長和吉林國聯集團公司擔任高級管理人員，自2008年起曾出任香港上市公司副總裁。

戴中剛先生，於2015年4月加入本公司，現為本集團副總裁兼奧瑞安能源國際有限公司總經理，負責三交煤層氣項目的生產及運營管理以及項目大開發之整體部署。戴先生持有江西財經大學的工商管理學士學位，曾出任上市公司旗下礦業公司董事長兼總經理，累積多年相關管理經驗。

談心先生，於2015年2月加入本公司，擔任本集團副總裁，主要負責本公司融資及業務併購。談先生畢業於上海財經大學財經大學世界經濟系國際金融專業，並於天津南開大學完成了研究生課程，在國際金融及投資銀行領域擁有豐富經驗。談先生曾於中國建設銀行深圳市分行工作，曾先後在建設銀行外匯處、中國投資銀行綜合部工作，任副科級幹部、經濟師。其後先後出任中國遠東國際貿易公司副總經理、香港首億國際金融有限公司中國事務部總經理及深圳市佳泰隆投資擔保有限公司總經理。



Mr. Zhuang Kemin joined the Company in 2012 and was appointed as Vice President of the Group in January 2016, mainly responsible for financing and mergers and acquisitions of the Company in China. Mr. Zhuang graduated from Hubei University of Economics and holds a college degree in foreign trade and a master degree in finance from Zhongnan University of Economics and Law. Previously, Mr. Zhuang worked for 深圳市君軒投資有限公司 as chief financial officer and 凱源租賃(深圳)有限公司 as chairman and general manager. He is well experienced in corporate financing and business mergers.

Ms. Zhou Xingyu, joined the Company in November 2017 as Vice President of the Group, mainly responsible for financing and business mergers and acquisitions of the Company in Hong Kong and China. Ms. Zhou is a university graduate and holds a master degree in economics from Central China Normal University. Ms. Zhou has extensive experience in financing and mergers and acquisitions. Ms. Zhou had been the president of the second sub-branch of Kunming Branch of Guangdong Development Bank. She was later employed by Kunming Branch of China Minsheng Bank and worked as the general manager of the institutional customer department, responsible for inter-bank business with various respective departments of Yunnan Provincial Government. Thereafter, Ms. Zhou served as the chairman of 雲南恒大融資擔保有限責任公司 where she coordinated and set up business cooperation with various banks and established good cooperative relationships.

Mr. Zhou Suolin joined the Company in 2007 and now serves as Deputy Chief Accountant of the Group, responsible for the financial management of the Group. Mr. Zhou graduated from Changchun College of Geology majoring in Geology and holds a college degree in statistics, and obtained his master degree in accounting from Business School of Jilin University. Mr. Zhou was once Head of the Accounting and Finance Division of Jilin Petroleum Survey and Exploration Command Office of the Ministry of Geology and Mineral Resources, Director of the Finance Department of Northeast Petroleum Bureau of the Ministry of Geology and Mineral Resources (Shihai Bureau) and Director of the Finance Department of Northeast Petroleum Bureau of Sinopec Star Petroleum Co., Ltd. Mr. Zhou has extensive financial management experience in the oil and natural gas sectors.

莊軻敏先生，於2012年加入本公司，並於2016年1月獲委任為本集團副總裁，主要負責本集團國內融資及業務併購。莊先生於湖北經濟管理學院外貿專業大專畢業，並於中南財經大學金融系完成研究生課程。莊先生曾擔任深圳市君軒投資有限公司財務總監、凱源租賃(深圳)有限公司董事長兼總經理，擁有豐富的企業融資及業務併購經驗。

周星妤女士，於2017年11月加入本公司，擔任本集團副總裁，主要負責本公司香港及國內融資及業務併購。周女士大學畢業，並持有華中師範大學的經濟學碩士學位。周女士在融資及併購領域擁有豐富經驗，曾於廣東發展銀行昆明分行第二支行出任行長。其後受聘於中國民生銀行昆明分行，擔任機構事務部總經理之職，負責與雲南省政府所屬各部門間的銀行業務。之後周女士出任雲南恒大融資擔保有限責任公司董事長之職，主持並達成與銀行間的業務合作及建立了良好的合作關係。

周鎖林先生，於2007年加入本公司，現為本集團副總會計師，主要負責本公司財務管理。周先生持有長春地質學校地質專業學歷、亦擁有統計專業大專學歷，並於吉林大學商學院完成了會計專業研究生課程。周先生曾出任地礦部吉林石油普查勘探指揮所計財科科長，其後先後出任地礦部(石海局)東北石油局財務處及中國新星石油公司東北石油局財務處的處長，周先生於石油及天然氣行業擁有豐富的財務管理經驗。

* For identification purpose only



CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the “Board”) is committed to maintain and develop high standards of corporate governance practices for the purpose of providing a framework and solid foundation for its business operation and development. Effective corporate governance provides probity, transparency and accountability which contributes to the corporate success and enhancement of shareholder value.

The Company complied with all the code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2017.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code (the “Model Code”) for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules as the Company’s code of conduct and rules governing dealing by all directors in the securities of the Company.

All the Directors have confirmed that they have complied with the required standard regarding directors’ securities dealings set out in the Model Code during the year.

THE BOARD OF DIRECTORS

As at 31 December 2017, the Board comprises three executive Directors, namely Dr. Dai Xiaobing (Chairman), Mr. King Hap Lee (Chief Executive Officer) and Mr. Wan Tze Fan Terence; three Non-executive Directors, namely Mr. Chen Hua, Mr. Huang Shaowu and Mr. He Lin Feng; and four Independent Non-executive Directors (“INEDs”), namely Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua.

企業管治常規

本公司董事會（「董事會」）竭力維持及發展高水平的企業管治，目的為其業務營運及發展提供一個架構及穩固基礎。有效的企業管治通過高度誠信，具透明度及負責任的處事態度，為企業成功作出重要貢獻，並提升股東價值。

本公司於截至2017年12月31日止年度已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「管治守則」）的全部守則條文。

遵守董事進行證券交易之標準守則

本公司已採納上市規則附錄十所載的上市公司董事進行證券交易的標準守則（「標準守則」），作為本公司監管全體董事買賣本公司證券的操守準則和規則。

全體董事已確認，彼等於整個年度內一直遵守標準守則所載有關董事買賣證券所需的準則。

董事會

於2017年12月31日，董事會包括三名執行董事，即戴小兵博士（主席）、景哈利先生（行政總裁）及溫子勳先生，三位非執行董事，即陳華先生、黃紹武先生及何林峰先生以及四位獨立非執行董事（「獨立非執行董事」），即黃國全先生、黃龍德教授、王延斌博士及黨偉華博士。



The individual attendance records of each Director at the meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee and general meeting during the year are set out below:

各董事於董事會、審核委員會、薪酬委員會、提名委員會會議及股東大會之個別出席記錄載列如下：

Number of meetings attended/held during term of office in 2017

於2017年任職期間出席／舉行的會議次數

		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
Number of meetings held during the year	本年度內舉行會議次數	6	3	1	1	1
Executive Directors	執行董事					
Dai Xiaobing (Chairman)	戴小兵(主席)	6/6	–	1/1	1/1	1/1
King Hap Lee (Chief Executive Officer)	景哈利(行政總裁)	4/6	–	–	–	0/1
Wan Tze Fan Terence	溫子勳	6/6	–	–	–	1/1
Non-executive Directors	非執行董事					
Chen Hua	陳華	0/6	–	–	–	0/1
Huang Shaowu	黃紹武	6/6	–	–	–	0/1
He Lin Feng	何林峰	6/6	–	–	–	0/1
Chen Chun Tung Jason (resigned on 15 November 2017)	程振東(於2017年 11月15日辭任)	2/5	–	–	–	0/1
Independent Non-executive Directors	獨立非執行董事					
Wong Kwok Chuen Peter	黃國全	5/6	3/3	1/1	1/1	1/1
Wong Lung Tak Patrick	黃龍德	5/6	3/3	1/1	1/1	1/1
Wang Yanbin	王延斌	6/6	3/3	–	–	0/1
Dang Weihua	黨偉華	3/6	–	–	–	0/1

Notes:

附註：

- The Audit Committee comprises Professor Wong Lung Tak Patrick, Mr. Wong Kwok Chuen Peter and Dr. Wang Yanbin.
- Dr. Dai Xiaobing, Mr. Wong Kwok Chuen Peter and Professor Wong Lung Tak Patrick are members of the Remuneration Committee and the Nomination Committee.

- 審核委員會成員為黃龍德教授、黃國全先生及王延斌博士。
- 戴小兵博士、黃國全先生、及黃龍德教授為薪酬委員會及提名委員會的成員。



Apart from the fiduciary duty and statutory responsibility towards the Company and the Group, the Board is responsible for the management of the business and affairs of the Group with the objective of enhancing the Company and shareholder value. Key responsibilities include formulation of the Group's overall strategies, setting of corporate and management targets, monitoring of operational and financial matters, approval of major capital expenditures, material acquisitions and disposal of assets, corporate or financial restructuring, material borrowings and any issuing, or buying back, of equity securities. Responsibility for delivering Company's objectives and running the business on a day-to-day basis is delegated to divisional management who have been given clear guidelines and directions as to their authority. The Board also delegates certain specific responsibilities to three committees (Audit Committee, Remuneration Committee and Nomination Committee). The composition and functions of each committee are described below.

The Board includes four INEDs representing not less than one-third of the Board which is in compliance with under Rule 3.10(1) and 3.10A of the Listing Rules. Professor Wong Lung Tak Patrick has appropriate qualifications and accounting related financial expertise required under Rule 3.10(2) of the Listing Rules.

The Company has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules. All the four INEDs are independent under these independence criteria, and with their wide range of skills and experience to the Group, they are capable to effectively exercise independent judgment on issues of strategy, performance, risk and people through their contribution at Board and committee meetings.

The Board has extensive corporate and strategic planning and industry experience for discharging their duties as Directors in the best interest of the Company and that the current board size is adequate for its present operations. Each of the Directors keeps abreast of his responsibilities as a Director of the Company and of the conduct, business activities and development of the Company.

There is no financial, business, family or other material or relevant relationship between the Directors.

董事會除對本公司及本集團負有誠信責任及法定責任外，董事會亦負責管理本集團的業務及事務，目的乃提升本公司及股東的價值。主要責任包括制訂本集團的整體策略、設定公司及管理目標、監控營運及財務事宜、批准主要資本開支、重大收購及出售資產、公司或財務重組、重大借貸及任何發行或購回股本證券。各部門管理人員負責實現本公司的目標和本公司業務的日常營運工作，並已就該等人員的職權給予彼等清晰的指引及指示。董事會同時分派特定職責予三個委員會（審核委員會、薪酬委員會及提名委員會），每個委員會的組成及功能在下文說明。

董事會包括四名獨立非執行董事佔董事會成員人數不少於三分之一，符合上市規則第3.10(1)條及第3.10A條的規定。黃龍德教授擁有上市規則第3.10(2)條所規定的適當資格及相關會計財務專長。

本公司已接獲各獨立非執行董事之年度確認書，確認彼等符合上市規則第3.13條所載有關彼等的獨立性之規定。根據該等獨立性標準，全部四位獨立非執行董事均具獨立性，並在管理本集團方面擁有豐富技能及經驗，彼等可透過於董事會及委員會會議所付出的貢獻，就策略、表現、風險及人員事宜有效作出獨立判斷。

董事會各董事均具備履行彼等責任所需的豐富企業策略規劃及行業經驗，並以本公司最佳利益為依歸。董事會的現有規模足以應付其目前營運所需。各董事須瞭解擔任本公司董事所須負的責任，並瞭解操守、本公司業務活動及發展的最新情況。

董事間並不存在任何財務、業務、家族或其他重大或相關關係。



On appointment to the Board, each Director receives a comprehensive induction package covering the general, statutory and regulatory obligations of being a Director to ensure that he is sufficiently aware of his responsibilities under the Listing Rules and other relevant regulatory requirements. All Directors and senior management are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Directors are regularly briefed on the business operations and policies of the Company and from time to time provided with written training materials to develop and refresh their professional skills.

All the Directors, namely Dr. Dai Xiaobing, Mr. King Hap Lee, and Mr. Wan Tze Fan Terence, Mr. Chen Hua, Mr. Huang Shaowu, Mr. He Lin Feng, Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua, participated in continuous professional development by reading materials and attending seminars on corporate governance, regulatory development and other relevant topics with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the CG Code during the year.

The Company updates the Directors from time to time with development in the laws and regulations relevant to their role as director of the Company. Directors are also encouraged to update their skills, knowledge and familiarity with the Group through initial induction, ongoing participation at Board and committee meetings.

The Company's senior management regularly supplies the Board and its committees with adequate information in a timely manner to enable them to make informed decisions. Monthly updates as required in C.1.2 of the CG Code are provided by the senior management to all Directors to enable them to be apprised of the circumstances of the Company and to discharge their duties. All Directors have access to Board papers and related materials that will assist them for decision making. Any Director, wishing to do so in the furtherance of his duties, may take professional advice at the Company's expense as arranged by the Company.

在獲委任加入董事會時，各董事將收到一份詳盡之入職資料，涵蓋作為董事在一般、法律及監管規定上所須履行責任之資料，以確保其充分瞭解其於上市規則及其他相關監管規定下之責任。本公司鼓勵全體董事和高級管理層參與持續專業發展，以發展及更新彼等的知識及技能。董事定期獲簡介本公司業務營運和政策，以及不時獲提供書面培訓材料以發展及重溫專業技能。

所有董事，即戴小兵博士、景哈利先生、溫子勳先生、陳華先生、黃紹武先生、何林峰先生、黃國全先生、黃龍德教授、王延斌博士及黨偉華博士，為符合管治守則，於年內透過閱讀有關企業管治、監管規定的發展和其他相關主題的讀物及參加相關研討會，參與重點在於上市公司董事的角色、職能及責任之持續專業發展。

本公司不時向董事提供與擔任本公司董事相關的法律及法規之發展的更新資料。本公司亦會鼓勵董事透過就任須知、持續參與董事會會議及委員會會議來更新彼等的技能、知識及對本集團的瞭解。

本公司高級管理人員定期向董事會及其委員會適時提供充足的資料，以令彼等作出知情決定。高級管理人員會根據管治守則第C.1.2條的規定每月提供更新資料予所有董事，使彼等了解本公司的現況，以履行其職責。全體董事均有權使用將有助於彼等作出決定的董事會文件及相關資料。任何董事因履行職責可由本公司安排尋求獨立專業意見，由此所產生的費用將由本公司承擔。



The biographical details of the Directors are listed in the section of “Directors and Senior Management Profiles” in this annual report and the INEDs are expressly identified in all of the Company’s publication such as circular, announcement or relevant corporate communications in which the names of Directors of the Company are disclosed. The Company maintains on its website and on the Stock Exchange’s website a list of its directors with their role and function.

DIRECTORS’ AND OFFICERS’ INSURANCE

The Company continues to subscribe for an insurance policy to indemnify the Directors and senior executives of the Group from any losses, claims, damages, liabilities and expenses, including without limitation, any proceedings brought against them, arising from the performance of their duties pursuant to their appointment under their respective service agreements entered into with the Company. The current policy shall be under constant review to ensure that the insurance cover is appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

The roles of Chairman and Chief Executive Officer are segregated and performed by two separate individuals, Dr. Dai Xiaobing and Mr. King Hap Lee respectively, to ensure a balance of power and authority. Dr. Dai Xiaobing as the Chairman of the Company provides leadership to the Board and ensures that the Board discharges its responsibilities effectively and the Directors receive complete, accurate and timely information and are properly briefed on issues arising at Board meetings. He also holds annually meeting with the non-executive directors (including independent non-executive directors) without the presence of other executive directors. Dr. Dai Xiaobing is in charge of the overall affairs of the Group. He is also responsible for the Group’s human resources management (including human resources planning, personnel deployment, remuneration scheme and staff training), capital operation (including financing, investment and merger and acquisition of projects) and technology management (including introduction and application of technology). The Chief Executive Officer, Mr. King Hap Lee, is responsible for the Group’s strategic planning, operation planning, external relationship and organizational management (including rules and systems, organizational structure and corporate culture).

董事的履歷詳情載於本年報「董事及高層管理人員簡介」一節，而獨立非執行董事均可在本公司披露本公司董事姓名的所有刊物（如通函、公佈或相關企業通訊）中明確識別。於本公司網站及聯交所網站上已列載本公司的董事及其角色和職能。

董事及要員的投保安排

本公司續保一份保單，乃關於彌償本集團董事及高級行政人員因根據與本公司訂立之相關服務協議項下之委聘履行彼等之職責而產生之任何損失、索償、損害賠償、債務及開支（包括但不限於針對彼等提出之任何訴訟）。現有保單將獲定期檢討以確保投保安排適當。

主席及行政總裁

主席與行政總裁的角色清楚劃分，分別由戴小兵博士及景哈利先生擔任，以確保權力和權利得以平衡。戴小兵博士作為本公司主席領導董事會並確保董事會能有效地履行其職責及確保董事獲得完整、準確且及時的資料及適當地獲悉董事會會議上提出的事宜，本公司主席每年與非執行董事（包括獨立非執行董事）舉行一次沒有執行董事出席的會議。戴小兵博士主持本集團全面工作，並負責本集團的人力管理，包括人力規劃、人事調配、薪酬設計及職員培訓；資本運營，包括融資、投資及項目併購；技術管理，包括技術引進和技術應用等。行政總裁景哈利先生負責本集團的戰略規劃；營運計劃；對外關係；組織管理，包括規章制度、組織架構和企業文化。



NON-EXECUTIVE DIRECTORS

Each of Mr. Chen Hua, Mr. Huang Shaowu, Mr. He Lin Feng, Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua, being non-executive Directors and INEDs of the Company, has entered into a service contract with the Company for a term of two years. In accordance with the Company's Bye-laws, at each AGM of the Company, one third (or the number nearest to but not less than one-third) of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years and, being eligible, offer themselves for re-election. As such, all the non-executive Directors and INEDs are also regarded as appointed for a specific term. Furthermore, the Company's Bye-laws provide that any Director appointed by the Board to fill a casual vacancy in the Board or as an additional member of the Board shall hold office only until the first general meeting of the Company and shall then be eligible for re-election at such meeting.

BOARD COMMITTEES

The Board has established three committees delegated with various responsibilities, including Audit Committee, Remuneration Committee and Nomination Committee. All the Board committees perform their distinct roles in accordance with their respective terms of reference which are available on the websites of the Company and the Stock Exchange. The meetings and proceedings of the committees are governed by the provisions contained in the Bye-laws of the Company for regulating the meetings and proceedings of Directors unless otherwise stipulated in their respective terms of reference.

AUDIT COMMITTEE

The Audit Committee assists the Board in discharging its responsibilities for financial reporting and corporate control. The Committee comprises three INEDs, namely Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick and Dr. Wang Yanbin, and is chaired by Professor Wong Lung Tak Patrick.

非執行董事

本公司之非執行董事及獨立非執行董事陳華先生、黃紹武先生、何林峰先生、黃國全先生、黃龍德教授、王延斌博士及黨偉華博士，分別與本公司訂立為期兩年之服務合約。另按照本公司章程細則規定，於本公司每屆股東週年大會上，三分之一董事（或最接近三分之一但不少於三分之一之數目）須輪席告退，惟各董事須最少每三年輪席告退一次，屆時均符合資格並可膺選連任。故此，所有非執行董事及獨立非執行董事據此亦被視為以指定任期委任。根據本公司章程細則規定，任何獲董事會委任以填補臨時空缺或新加入董事會的董事的任期將直至其獲委任後首屆股東大會為止，並符合資格於該大會上膺選連任。

董事委員會

董事會轄下已成立三個委員會，並將分派各種職責，分別為審核委員會、薪酬委員會及提名委員會。全部董事委員會均按其各自的職權範圍履行其特定的職務，而該職權範圍於本公司網站及聯交所網站可供查閱。除非各自的職權範圍另有規定外，各委員會之會議及程序均受本公司的章程細則規定，以規管各會議及其程序。

審核委員會

審核委員會負責協助董事會履行財務報告及企業監控的責任。審核委員會包括三名獨立非執行董事，即黃國全先生、黃龍德教授及王延斌博士，黃龍德博士是審核委員會的主席。



The Company has complied with Rule 3.21 of the Listing Rules which requires that the audit committee has a minimum of three non-executive directors, must be chaired by an INED, at least one of the audit committee member is an INED who possesses appropriate professional qualifications or accounting or related financial management expertise, and a majority of the audit committee are INEDs.

None of the Audit Committee members are members of the former or existing auditors of the Company. Three meetings of the Audit Committee were held during the year. The Audit Committee discharges its duties which include to review the completeness, accuracy and fairness of the Company's financial statements, evaluating the Company's auditing scope and procedures as well as its risk management and internal control systems, to review the interim and final financial statements before their submission to the Board and the annual general meeting for approval, and to make recommendation on the appointment of external auditor and approve the remuneration and terms of engagement of external auditor. The Audit Committee is provided with sufficient resources, including independent access to and advice from external auditors.

The terms of reference of the Audit Committee which set out the Audit Committee's authority and duties are available on the websites of the Company and the Stock Exchange.

REMUNERATION COMMITTEE

The Company's objective for its remuneration policy is to maintain fair and competitive packages based on business requirements and industry practice. The Remuneration Committee comprises three members including one Executive Director and two INEDs, namely Dr. Dai Xiaobing, Mr. Wong Kwok Chuen Peter and Professor Wong Lung Tak Patrick. The committee is chaired by an INED, Professor Wong Lung Tak Patrick. The Company has complied with Rule 3.25 of the Listing Rules which requires that the remuneration committee has a majority of the member being INEDs and must be chaired by an INED.

本公司已遵守上市規則第3.21條之規定，即審核委員會最少須由三名非執行董事組成，且必須由獨立非執行董事擔任主席，最少一名成員為具有適當專業資格或會計或相關財務管理經驗之獨立非執行董事，並且大部份的審核委員會成員為獨立非執行董事。

審核委員會的成員並非本公司前任或現任核數師，該委員會於年內舉行了三次會議。審核委員會已履行其職責，包括檢討公司財務報表的完整性、準確性及公平性、評估本公司的審核範圍和程序以及本公司的風險管理和內部監控系統、在中期和末期財務報表遞交給董事會並在股東週年大會上批准前對該等報表進行審閱、就外聘核數師的委任提供建議、以及批准外聘核數師的薪酬及聘用條款。審核委員會獲提供充足資源，包括獨立會唔外聘核數師及獲得外聘核數師的意見。

載有本公司審核委員會權力及職責之審核委員會職權範圍可於本公司網站及聯交所網站查閱。

薪酬委員會

本公司的薪酬政策旨在根據業務需要及行業慣例維持公平且具競爭力的薪酬計劃。董事會已設立薪酬委員會，包括一名執行董事及兩名獨立非執行董事共三名成員，分別為戴小兵博士、黃國全先生及黃龍德教授。該委員會的主席是獨立非執行董事黃龍德教授。本公司已遵守上市規則第3.25條之規定，即薪酬委員會之會員過半為獨立非執行董事，且必須由獨立非執行董事擔任主席。



With reference to business needs and company development, individual performance and contribution, changes in relevant markets and general economic situation, the Remuneration Committee has adopted the model set out in B.1.2(c)(ii) of the CG Code where the Committee reviews and recommends to the Board on the Company's policy and structure for remuneration of the Directors and senior management. During the review process, no individual director is involved in decisions relating to his own remuneration.

The terms of reference of the Remuneration Committee setting out the Remuneration Committee's authority and duties are available on the websites of the Company and the Stock Exchange.

NOMINATION COMMITTEE

The Board has adopted a board diversity policy which aims to set out the approach to achieve diversity on the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills. In identifying suitable candidates, the Nomination Committee will consider candidates with the objective criteria with due regard of the benefits of diversity on the Board.

The Nomination Committee currently has three members including one Executive Director and two INEDs, namely Dr. Dai Xiaobing, Mr. Wong Kwok Chuen Peter and Professor Wong Lung Tak Patrick. Dr. Dai Xiaobing acts as Chairman of the Nomination Committee. The Nomination Committee bases on the aforesaid criteria when making recommendations to the Board on the nomination and appointment of directors, assesses the independence of INEDs, review the structure, size and composition of the Board at least annually and makes recommendations on any proposed changes to the Board to complement the Company's corporate strategy. The terms of reference of the Nomination Committee are made available on the websites of the Company and the Stock Exchange.

參照業務需求及公司發展情況、個人表現及貢獻、有關市場及整體經濟狀況的變動，薪酬委員會已採納管治守則B.1.2(c)(ii)條所載之模式，就本公司董事及高級管理人員的薪酬政策及架構進行檢討，並向董事會提供意見。於檢討過程中，任何董事不會參予有關其本人薪酬的決定。

載有薪酬委員會權力及職責之薪酬委員會職權範圍可於本公司網站及聯交所網站查閱。

提名委員會

董事會已採納一項董事會多元化政策。該政策旨在為達到董事會多元化而訂出之方法，以確保董事會具備所需技巧、經驗及多樣的觀點與角度，包括（但不限於）性別、年齡、文化及教育背景、專業經驗、知識及技能。提名委員會物色合適人選時，會考慮有關人選的長處，並以客觀條件充分顧及董事會成員多元化的裨益。

本公司提名委員會現有三名成員，包括一名執行董事及兩名獨立非執行董事，分別為戴小兵博士、黃國全先生及黃龍德教授，戴小兵博士為提名委員會主席。提名委員會按照上述準則，就提名及委任董事向董事會提出建議，以及評核獨立非執行董事的獨立性。提名委員會至少每年檢討董事會之架構、人數及組成，並就任何為配合公司策略而擬對董事會作出的變動提出建議。提名委員會之職權範圍可於本公司網站及聯交所網站查閱。



CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for performing the corporate governance functions within its terms of reference. Its duties include to develop and review the Company's policies and practices on corporate governance; review and monitor the training and continuous professional development of directors and senior management and the Company's policies and practices on compliance with legal and regulatory requirements; develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and review the Company's compliance with the CG Code and disclosure in the Corporate Governance Report as required under Appendix 14 of the Listing Rules.

ACCOUNTABILITY AND AUDIT

External Auditor

BDO Limited was re-appointed as external auditor of the Company by shareholders at the 2017 Annual General Meeting until the conclusion of the next annual general meeting.

During the year, the fees paid or payable to the external auditor of the Company, BDO Limited were approximately HK\$1,700,000 and HK\$98,800 for audit service and non-audit service rendered (excluding disbursement fees) to the Group respectively. The reporting responsibilities of BDO Limited are stated in the Independent Auditor's Report contained in this Annual Report.

Financial Reporting

The Board is accountable for proper stewardship of the Company's affairs, and is responsible for ensuring that the Group keeps fair and accurate accounting records which disclose its financial position. The Directors also acknowledge their responsibility to prepare the financial statements of the Group in accordance with statutory requirements and applicable accounting standards. This responsibility extends to both interim and annual reports.

企業管治職能

董事會依照企業管治職權範圍負責執行企業管治職務，職務包括制定及檢討本公司的企業管治政策及常規；檢討及監察董事及高級管理人員的培訓及持續專業發展；以及本公司在遵守法律及監管規定方面的政策及常規；制定、檢討及監察僱員及董事的操守準則及合規手冊（如有）；以及檢討本公司遵守上市規則附錄十四管治守則的情況及在《企業管治報告》內的披露。

問責及審核

外聘核數師

香港立信德豪會計師事務所有限公司已於2017年股東週年大會上經股東批准獲續聘為本公司外聘核數師，任期直至下屆股東週年大會結束時為止。

於本年度內，就本集團獲提供的審核服務及非審核服務（不包括支出費用），已支付或應付予本公司外聘核數師香港立信德豪會計師事務所有限公司的酬金分別約為1,700,000港元及98,800港元。香港立信德豪會計師事務所有限公司的申報責任載於本年報內的獨立核數師報告書。

財務報告

董事會有責任適當地管理本公司業務，並負責確保本集團保存披露其財政狀況所需的公平及準確的會計記錄。董事亦知悉，彼等的責任是根據法定要求及適用會計準則編製本集團的財務報表。董事亦須承擔編製中期報告及年報的責任。



Risk Management and Internal Control

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's risk management and internal control systems to ensure that shareholders' investments and the Group's assets are safeguarded. The Group's systems of risk management and internal control include the setting up of a management structure with limits of authority and are designed to help the Group to identify and manage the significant risks amid achieving its business objectives, protect its assets against unauthorized use or disposition, ensure the maintenance of proper accounting records for the provision of financial information for internal use or for publication and ensure compliance with relevant laws and regulations. The systems are designed to provide reasonable, but not absolute, assurance against material misstatement or loss and to manage rather than eliminate the risks of failure to achieve the Group's business objectives.

During the year, the nature of the Group's operation remained unchanged comparing with that of last year. In order to maintain effective and efficient risk management and internal control systems, the Group performs review for the risk management and internal control systems systematically on a regular basis which covers financial, operational, and compliance controls.

On behalf of the Board, the Audit Committee reviews at least annually results of the internal audit work performed by the Group's internal audit function covering the effectiveness of the Group's risk management and internal control systems regarding financial management and reporting, the effectiveness and efficiency of operations and compliance with laws and regulations. Where areas for improvement in respect of the design and implementation of risk management and internal control systems are identified, actions will be taken as recommended to refine the systems. Significant internal control issues are reported to the Audit Committee and the Board on a timely basis to ensure prompt and appropriate actions are taken. During the year, no significant control failures or weaknesses have been noted. The Board considers that these systems of risk management and internal control are effective and sufficient to guarantee the Group in achieving its business objectives and there are adequate resources, staff qualifications and experience, training programmes in respect of the Group's accounting, internal audit and financial reporting functions.

風險管理和內部監控

董事會明瞭其有責任設立、維持及檢討本集團風險管理及內部監控系統的有效性，以確保股東投資及本集團資產受到保障。本集團風險管理及內部監控系統包括界定管理架構及其權限，旨在協助本集團識別及管理實現業務目標所面對之重大風險，保障資產免於未經授權挪用或處置，維護妥當之會計記錄以提供財務資料供內部使用或作發表之用以及確保遵守相關法例及規例。上述系統旨在合理地（但並非絕對地）保證並無重大失實陳述或損失，並管理而非杜絕本集團未能實現業務目標之風險。

於年內，本集團的運營性質與上年度比較沒有變動，為了可維持有效而高效率的風險管理及內部監控系統，本集團定期對風險管理及內部監控系統作出有系統的檢討，包括財務、營運及合規監控。

審核委員會代表董事會最少每年檢討本集團內部審核功能涵蓋處理風險與財務管理及財務報告的風險管理及內部監控是否有效、營運是否有效及富效率和有否遵守有關法例及規例的內部審計結果。如發現風險管理及內部監控系統的設計及實施有需改善之處，會按建議採取優化上述系統的措施。重大內部監控問題會及時向審核委員會及董事會彙報，以確保及時採取適當措施。於年內，並無發現任何重大監控失當或缺失。董事會認為該等風險管理及內部監控系統行之有效，足以確保本集團能夠達致其業務目標。本集團關於會計、內部審核及財務申報職能部門之資源、具合適資歷及經驗的員工及培訓課程均屬充裕。



The Company strictly complies with the requirements of the Securities and Futures Ordinance (“SFO”) and the Listing Rules, particularly, in the disclosure of inside information and financial reporting. The Company discloses inside information to the public as soon as reasonably practicable unless the information falls within any of the safe harbours as set out in the SFO. Before the information is fully disclosed to the public, the Company ensures the information is kept strictly confidential. If the Company believes that the necessary degree of confidentiality cannot be maintained or confidentiality may not be preserved, the Company would immediately disclose the information to the public. The Company is committed to ensure that information contained in announcements or circulars are not false or misleading as to a material fact, or false or misleading through the omission of a material fact. The Company discloses its information in an open, fair and just manner by disseminating information to the public through publication of corporate information on the websites of the Stock Exchange and the Company respectively.

COMPANY SECRETARY

The Company Secretary of the Company, Ms. Yim Siu Hung, is a full-time employee of the Company and has day-to-day knowledge of the Company’s affairs. The Directors have access to the advice and services of the Company Secretary regarding board procedures, and relevant laws, rules and regulations. For the year ended 31 December 2017, Ms. Yim has complied with paragraph 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

SHAREHOLDERS’ RIGHTS

Pursuant to Section 74 of the Companies Act 1981 of Bermuda (the “Act”) and Bye-law 58 of the Bye-laws of the Company, shareholders holding in aggregate not less than 10% of the paid-up capital of the Company carrying the right of voting at general meetings of the Company have the right, by written requisition to the Board or the Company Secretary of the Company, to request a special general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition. If the directors do not within twenty-one days from the date of the deposit of the requisition proceed to convene such meeting, any of the requisitionists representing more than one half of the total voting rights of all of them, may themselves convene a meeting to be held within three months from the said date.

本公司嚴格遵循證券及期貨條例（「證券及期貨條例」）和上市規則的規定，尤其是有關內幕消息和財務資料的披露。本公司在合理切實可行的情況下，會儘快披露內幕消息，除非有關消息屬證券及期貨條例所規定屬於任何安全港範圍內。本公司在向公眾全面披露有關消息前，會確保該消息絕對保密。若本公司認為無法保持所需的機密性，或該消息可能未保密，會即時向公眾披露該消息。本公司致力確保公告或通函中所載的資料就重大事實而言並不屬虛假或具誤導性或並不因遺漏重大事實而屬虛假或具誤導性。本公司通過聯交所網站及本公司網站發放企業資訊，以使其資料可以公開、公平、公正的方式披露予公眾。

董事會秘書

本公司的董事會秘書為嚴筱虹女士，她為本公司的全職僱員，並瞭解本公司的每日運作情況。董事可就董事會程序及相關法律，法規和規章向董事會秘書尋求意見及服務。嚴女士於截至2017年12月31日止年度已遵守上市規則第3.29條接受了不少於15小時的相關專業培訓。

股東權利

根據百慕達1981年公司法（「公司法」）第74條及本公司之章程細則第58條，持有不少於10%本公司已繳足股本而有權於股東大會投票之股東有權透過向本公司董事會或董事會秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求中指明的任何事項，而有關會議須於遞交有關要求後之兩個月內舉行。倘於提交要求當日起計21日內，董事會並無著手召開有關大會，則提出要求人士（佔彼等全體之總投票權一半以上者）可自行召開大會，惟按此方式召開之任何大會須於有關日期起計三個月內舉行。



Any number of shareholders representing not less than 5% of the total voting rights of the Company at the date of the requisition or not less than 100 shareholders of the Company are entitled to put forward a proposal for consideration at a general meeting of the Company. Shareholders should follow the requirements and procedures as set out in Section 79 of the Act for putting forward such proposal at a general meeting. The procedures for shareholders to propose a person for election as a director are made available on our website as required by the Listing Rules. The requisition of the proposals made by shareholders may be addressed to the Company Secretary at the Company's head office and principal place of business in Hong Kong.

Annual general meetings and special general meetings provide a useful forum for shareholders to share views with the Board. Members of the Board (also including members of the Audit, Remuneration and Nomination Committees) attend shareholders' meetings and make themselves available to answer shareholders' questions. Enquiries of shareholders may also be put to the Board by contacting the Company Secretary by phone or email, as stated in our website, www.sino-oilgas.hk.

COMMUNICATION WITH INVESTORS

The Board recognizes the importance of good communication with shareholders as well as investors. During the year, analysts' conferences were held regarding the Group's operational and financial performances. Information in relation to the Group is disseminated to shareholders and investors in a timely manner through a number of channels include interim and annual reports, announcements, circulars and press releases. Electronic copies of these documents and general information of the Group's operation can be obtained through the Company's website. Throughout 2017, the Company also avails itself of opportunities to communicate and explain its strategies to shareholders and the investor community, through active participation in investors' conferences and regular meetings with financial analysts, fund managers and potential investors. The Company will continue to promote and enhance investor relations and communication with its investors. During the year, no change was made to the Company's Memorandum of Association and Bye-laws.

於提出要求當日佔不少於本公司總投票權5%之股東（不論任何人數）或不少於100名之本公司股東，有權於本公司股東大會上提出建議以供考慮。股東於股東大會上提出之有關建議須根據公司法第79條所載列之規定及程序作出。股東提名一名人士參選董事的程序已根據上市規則於本公司網站刊載。股東可致函本公司香港總辦事處及主要營業地點向董事會秘書提出建議。

股東週年大會及股東特別大會亦為股東與董事會交流意見提供了一個有效平台。董事會成員（也包括審核委員會、薪酬委員會及提名委員會成員）出席股東大會，並於會議上回答股東提問。股東亦可透過刊載於本公司網站 www.sino-oilgas.hk 的電話號碼和電郵地址聯絡本公司的董事會秘書以便向董事會作出查詢。

與投資者的溝通

董事會認識到與股東及投資者保持良好聯繫的重要性。年內，本公司就有關本集團運營及財務表現舉行了分析員會議。有關本集團的資料乃透過多種管道適時向股東及投資者傳達，該等資料包括中期報告及年報、公佈、通函、以及新聞稿。此等檔的電子版及有關本集團營運的一般資料可於本公司網站取得。於2017年，本公司也透過積極參予投資者簡報會及定期與分析員、基金經理及潛在投資者會面把握機會與股東及投資者溝通及解釋本公司的策略，本公司會繼續促進及提升與投資者的關係及溝通。年內，本公司的組織章程大綱及細則並無變動。



Report of the Directors

The directors submit their annual report together with the audited financial statements for the year ended 31 December 2017, which are set out on pages 64 to 200.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in (i) exploration, development and production of coalbed methane, (ii) raw coal washing and sale of raw and cleaned coal, (iii) exploitation and sale of crude oil and natural gas and (iv) provision for financial services.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2017 is set out in the section headed "Management Discussion and Analysis" on pages 14 to 23 of this annual report.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 40 to the financial statements.

DIVIDENDS

The Board has resolved not to recommend the payment of a dividend for the year ended 31 December 2017 (2016: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 17 to the financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the year are set out in note 38 to the financial statements.

RESERVES

Details of movements in reserves of the Company and the Group during the year are set out in note 38 to the financial statements and the Consolidated Statement of Changes in Equity respectively.

董事會謹此提呈此年度報告以及載於第64頁至第200頁之截至2017年12月31日止年度之經審核財務報表。

主要業務

本公司之主要業務為投資控股，而本集團主要從事(i)勘探、開發及生產煤層氣、(ii)原煤洗選及銷售原煤及精煤、(iii)開採及銷售原油及天然氣及(iv)提供金融服務。

業務回顧

本集團截至2017年12月31日止年度的業務回顧載於本年報第14至23頁「管理層討論與分析」一節。

附屬公司

本公司附屬公司之詳情載於財務報表附註40。

股息

董事會已決議不會建議支付截至2017年12月31日止年度之股息(2016年：無)。

物業、廠房及設備

本集團年內物業、廠房及設備之變動詳情載於財務報表附註17。

股本

本公司於年內股本變動之詳情載於財務報表附註38。

儲備

本公司及本集團於年內儲備之變動詳情分別載於財務報表附註38及綜合權益變動表。



FINANCIAL SUMMARY

A summary of results, assets and liabilities of the Group for the last five financial years is set out on pages 4 and 5.

MAJOR CUSTOMERS AND SUPPLIERS

The aggregate sales to the Group's five largest customers took up 88% and the largest customer accounted for 25% of the Group's revenue for the year. The aggregate purchases attributable to the Group's five largest suppliers accounted for 78% and the largest supplier accounted for 75% of the Group's total purchases for the year.

At no time during the year have the directors, their associates or any shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

DIRECTORS

The directors of the Company during the year and up to the date of this report were:

Executive Directors

Dr. Dai Xiaobing (*Chairman*)
Mr. King Hap Lee (*Chief Executive Officer*)
Mr. Wan Tze Fan Terence

Non-executive Director

Mr. Chen Hua
Mr. Huang Shaowu
Mr. He Lin Feng
Mr. Chen Chun Tung Jason (*resigned on 15 November 2017*)

Independent Non-executive Directors

Mr. Wong Kwok Chuen Peter
Professor Wong Lung Tak Patrick
Dr. Wang Yanbin
Dr. Dang Weihua

Pursuant to the Company's bye-law 87(1), Dr. Dai Xiaobing, Mr. Chen Hua, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin will retire by rotation and, being eligible, will offer themselves for re-election. All other remaining directors continue in office.

財務概要

本集團最近五個財政年度之業績、資產及負債之概要載於第4及5頁。

主要客戶及供應商

本年度本集團五大客戶之總銷售額佔本年度收入之88%，而最大客戶之總銷售額則佔本年度收入的25%。本集團五大供應商及最大供應商分別佔本集團於本年度總採購額78%及75%。

於年內任何時間，概無任何董事、彼等之聯繫人士或據董事所知擁有本公司股本5%以上之本公司任何股東，於此等主要客戶及供應商中擁有任何權益。

董事

本公司年內及截至本報告刊發日期止之在任董事如下：

執行董事

戴小兵博士(主席)
景哈利先生(行政總裁)
溫子勳先生

非執行董事

陳華先生
黃紹武先生
何林峰先生
程振東先生(於2017年11月15日辭任)

獨立非執行董事

黃國全先生
黃龍德教授
王延斌博士
黨偉華博士

戴小兵博士、陳華先生、黃龍德教授及王延斌博士將依據本公司章程細則第87(1)條輪席告退，並合資格及願意重選連任，所有其他董事均仍然留任。



DIRECTORS' SERVICE CONTRACTS

No director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment other than statutory compensation.

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2017, the interests and short positions of the directors (the "Directors") or chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register maintained by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules were as follows:

董事之服務合約

擬在應屆股東週年大會上候選連任之董事概無與本公司訂立不可於一年內由本公司不作出賠償(法定賠償除外)而終止之服務合約。

董事於股份及相關股份中之權益

於2017年12月31日，本公司董事(「董事」)或行政總裁於本公司或其任何相聯法團(具有證券及期貨條例(「證券及期貨條例」)第XV部所賦予之涵義)之股份、相關股份或債券中擁有誠如本公司根據證券及期貨條例第352條存置之登記冊所載或根據上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)而須知會本公司及聯交所之權益及淡倉如下：

Name of Director	Long/short position	Interests in shares/ underlying shares	Nature of interest	Number of shares/ underlying shares of the Company held	Percentage of issued shares
董事姓名	好倉/淡倉	於股份及相關 股份中權益	權益性質	所持本公司股份/ 相關股份數目	佔已發行 股份百分比
Dai Xiaobing 戴小兵	Long position 好倉	Shares 股份	Beneficial owner/Interest of controlled corporation 實益擁有人/受控制公司權益	1,766,705,000	10.68%
	Short position 淡倉	Shares 股份	Beneficial owner/Interest of controlled corporation 實益擁有人/受控制公司權益	1,375,245,000	8.31%
	Long position 好倉	Underlying shares 相關股份	Interest of controlled corporation 受控制公司權益	4,879,710,144	29.50%
	Long position 好倉	Share options 購股權	Beneficial owner/Family interest (Note 2) 實益擁有人/家族權益(附註2)	96,000,000	0.58%
	Long position 好倉	Shares 股份	Interest of controlled corporation (Note 3) 受控制公司權益(附註3)	100,000,000	0.60%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	66,000,000	0.40%
King Hap Lee 景哈利	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	33,660,000	0.20%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	66,000,000	0.40%
	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	33,660,000	0.20%
Wan Tze Fan Terence 溫子勳	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	33,660,000	0.20%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	66,000,000	0.40%
	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	33,660,000	0.20%



Name of Director	Long/short position	Interests in shares/ underlying shares	Nature of interest	Number of shares/ underlying shares of the Company held	Percentage of issued shares
董事姓名	好倉/淡倉	於股份及相關 股份中權益	權益性質	所持本公司股份/ 相關股份數目	佔已發行 股份百分比
Chen Hua 陳華	Long position 好倉	Underlying shares 相關股份	Interest of controlled corporation (Note 4) 受控制公司權益(附註4)	768,971,796	4.65%
	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	88,000,000	0.53%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	30,000,000	0.18%
Huang Shaowu 黃紹武	Long position 好倉	Shares 股份	Interest of controlled corporation/Beneficial owner (Note 5) 受控制公司權益/實益擁有人(附註5)	1,983,730,000	11.99%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	17,000,000	0.10%
He Lin Feng 何林峰	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	1,500,000,000	9.07%
	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	30,000,000	0.18%
Wong Kwok Chuen Peter 黃國全	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	6,000,000	0.04%
Wong Lung Tak Patrick 黃龍德	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	6,000,000	0.04%
Wang Yanbin 王延斌	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	6,000,000	0.04%
Dang Weihua 黨偉華	Long position 好倉	Share options 購股權	Beneficial owner 實益擁有人	3,000,000	0.02%

Notes:

附註：

- (1) Particulars of directors' interests in the share options of the Company are set out in the section "Share Option Scheme".
- (2) Sino Oil and Gas Resources Investments Limited ("SOGRI") owns 1,065,760,000 shares and has short position of 708,000,000 shares. SOGRI is wholly owned by Dr. Dai Xiaobing. Pursuant to the SFO, Dr. Dai is taken to have interests and short position in such shares. In addition, Dr. Dai beneficially owns 700,945,000 shares and short position of 667,245,000 shares of the Company.

- (1) 董事於本公司購股權的權益詳情載於「購股權計劃」一節。
- (2) 中國油氣資源投資有限公司(「SOGRI」)持有1,065,760,000股股份的權益及708,000,000股股份的淡倉。SOGRI由戴小兵博士全資擁有。根據證券及期貨條例，戴博士被視為於該等股份中擁有權益及淡倉。此外，戴博士實益擁有700,945,000股股份及持有667,245,000股股份的淡倉。



Unless the context requires otherwise, capitalized terms used in this paragraph shall have the same meanings as defined in the announcement issued by the Company on 31 May 2016. On 31 May 2016, the Company entered into the Subscription Agreement with Crescent Spring Investment Holdings Limited (the "Bondholder") pursuant to which the Company issued to the Bondholder the Convertible Bonds in the aggregate principal amount of US\$130,000,000 due 2019 on 29 September 2016, and Sino Oil and Gas Resources Limited ("SOG"), a company wholly owned by Dr. Dai Xiaobing, entered into a Put and Call Option Deed with the Bondholder pursuant to which the Bondholder grants to SOGR an irrevocable and unconditional right (but without obligation) to purchase some or all of the Convertible Bonds at the Call Option Purchase Price during the Call Option Period, and SOGR grants to the Bondholder an irrevocable and unconditional right (but without obligation) to require SOGR to purchase some or all of the Convertible Bonds at the Put Option Purchase Price during the Put Option Period. Based on the conversion price of HK\$0.207 per share, a maximum of 4,879,710,144 shares may be allotted and issued upon exercise of the conversion rights attaching to the Convertible Bonds in full. Further details are set out in the announcements and circular issued by the Company on 31 May 2016, 30 September 2016 and 12 July 2016 respectively. Pursuant to the SFO, the Convertible Bonds give rise to an interest in 4,879,710,144 underlying shares of the Bondholder and the Put and Call Option Deed gives rise to an interest in 4,879,710,144 underlying shares of the Company of SOGR and Dr. Dai Xiaobing and short position of 4,879,710,144 underlying shares of the Bondholder.

Dr. Dai Xiaobing and his spouse, Ms. Xu Ning, hold 66,000,000 options and 30,000,000 options respectively.

- (3) Wai Tech Limited owns 100,000,000 shares of the Company. Wai Tech Limited is wholly owned by Petromic Corporation which in turn is wholly and beneficially owned by Mr. King Hap Lee. Pursuant to the SFO, Mr. King is taken to have interests in such shares.
- (4) 768,971,796 underlying shares are owned by 天津京基酒店有限公司, a wholly owned subsidiary of 京基集團有限公司 which is owned as to 90% by Mr. Chen Hua. Pursuant to the SFO, Mr. Chen is taken to be interested in such underlying shares.

除文義另有所指外，本段中所採用之詞彙與本公司於2016年5月31日刊發之公佈所界定者具有相同涵義。於2016年5月31日，本公司與Crescent Spring Investment Holdings Limited (「債券持有人」) 訂立認購協議，據此，本公司於2016年9月29日發行本金總額130,000,000美元於2019年到期之可換股債券予債券持有人；以及由戴小兵博士全資擁有的中國油氣資源有限公司 (「SOG」)，與債券持有人訂立認沽及認購期權契據，據此，債券持有人授予SOG一項不可撤回及無條件權利 (但並無責任)，可於認購期權期間內按認購期權購買價購入部份或全部可換股債券，而SOG授予債券持有人一項不可撤回及無條件權利 (但並無責任)，可要求SOG於認沽期權期間內按認沽期權購買價購入部份或全部可換股債券。根據換股價每股0.207港元，於悉數行使可換股債券所附之換股權後將予配發及發行最多4,879,710,144股股份，有關詳情載於本公司於2016年5月31日及2016年9月30日發出之公告及2016年7月12日發出之通函。根據證券及期貨條例，債券持有人按照可換股債券持有本公司4,879,710,144股相關股份權益，而SOG及戴小兵博士按照認沽及認購期權契據持有4,879,710,144股相關股份權益及債券持有人按照認沽及認購期權契據持有4,879,710,144股相關股份之淡倉。

戴小兵博士及他夫人徐寧女士分別持有66,000,000購股權及30,000,000購股權。

- (3) 威達有限公司持有100,000,000股股份的權益，而威達有限公司由美科石油有限公司擁有，而後者則由景哈利先生全資及實益擁有。根據證券及期貨條例，景先生被視為於該等股份中擁有權益。
- (4) 768,971,796相關股份由天津京基酒店有限公司持有，其為京基集團有限公司的全資附屬公司，後者由陳華先生擁有90%權益，根據證券及期貨條例，陳先生被視為於該等相關股份中擁有權益。



(5) 1,883,730,000 shares are owned by Yuanjing International Limited, a company wholly and beneficially owned by Mr. Huang Shaowu. Pursuant to the SFO, Mr. Huang is taken to be interested in such shares. In addition, Mr. Huang beneficially owns 100,000,000 shares of the Company.

Save as disclosed above, as at 31 December 2017, none of the Directors nor the chief executive had any interests or short positions in the securities of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTION SCHEME

The Company currently has a share option scheme (the "Scheme") which was adopted by way of an ordinary resolution passed by the shareholders at the Annual General Meeting of the Company held on 28 May 2010.

The Scheme are in full compliance with the relevant requirements of Chapter 17 of the Listing Rules. The purpose of the Scheme is to enable the Company to recognise the contributions of the participants to the Group and to motivate the participants to continuously work to the benefit of the Group by offering to the participants an opportunity to have personal interest in the share capital of the Company.

The eligible participants includes any full-time and part-time employee (including Directors) of the Company or its subsidiaries, any suppliers, consultants, agents and advisers. The Scheme became effective on 28 May 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of coming into effect.

Pursuant to the Scheme, the maximum number of shares in respect of which options may be granted under the Scheme shall not in aggregate exceed 10% of the shares of the Company in issue as at the date of approval of the limit and such limit may be refreshed by shareholders in general meeting. However, the total maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes must not exceed 30% of the shares in issue from time to time. As at 31 December 2017, there are outstanding options for subscription of 1,438,000,000 shares under the Scheme, representing 8.69% of the issued shares of the Company.

(5) 1,883,730,000股股份由圓景國際有限公司持有，其為一間由黃紹武先生全資及實益擁有的公司，根據證券及期貨條例，黃先生被視為於該等股份中擁有權益。此外，黃先生個人實益擁有本公司100,000,000股股份。

除上文所披露者外，於2017年12月31日，根據證券及期貨條例第352條存置之登記冊所載，概無董事或行政總裁於本公司或其相聯法團（具有證券及期貨條例第XV部所賦予之涵義）之證券中擁有任何權益或淡倉，或擁有須根據標準守則知會本公司及聯交所之任何權益或淡倉。

購股權計劃

本公司現有一購股權計劃（「計劃」），計劃於2010年5月28日舉行的股東週年大會上經股東通過普通決議案而採納。

計劃完全符合上市規則第17章之有關規定。計劃之目的為透過向參與者提供擁有本公司股本權益之機會，肯定其對本集團之貢獻，並激勵其繼續為本集團之利益而工作。

計劃之合資格參與者包括本公司或其附屬公司之任何全職或兼職僱員（包括董事）及任何供應商、諮詢人、代理及顧問。計劃於2010年5月28日生效，而除非另行註銷或修訂，否則計劃將由生效日期起計10年內有效。

根據計劃可能授出之購股權涉及之股份數目最多不得超過於批准限制日期之已發行本公司股份之10%，股東可於股東大會上更新該限制。然而，因行使根據計劃及任何其他購股權計劃授出的所有尚未行使及有待行使之購股權而可能發行之最高股份數目總額須不得超過不時已發行股份之30%。於2017年12月31日，於計劃下尚有可認購1,438,000,000股股份的購股權尚未行使，佔本公司已發行股份約8.69%。



Under the Scheme, the maximum entitlement for any eligible person (other than a substantial shareholder or an independent non-executive director of the Company, or any of their respective associates) is that the total number of shares issued and to be issued upon exercise of all options granted and to be granted in any 12-month period up to and including the date of the latest grant does not exceed 1% of the shares of the Company in issue at the relevant time. Any further grant of share options in excess of this limit is subject to shareholders' approval in general meeting. Share options to be granted to a director, chief executive or substantial shareholder of the Company or any of their respective associates are subject to approval by the independent non-executive directors of the Company. In addition, any grant of share options to a substantial shareholder or an independent non-executive director of the Company or any of their respective associates, when aggregated with all share options (whether exercised, cancelled or outstanding) already granted to any of them during the 12-month period up to the date of grant, in excess of 0.1 percent of the shares of the Company in issue and with an aggregate value in excess of HK\$5,000,000 (based on the closing price of the shares at the date of each grant of the options), is subject to shareholders' approval in general meeting of the Company.

The period within which an option may be exercised under the Scheme will be determined by the Board in its absolute discretion. Under the Scheme, an option may not be exercised after the expiration of 10 years from the date of grant of the option.

Pursuant to the Scheme, the exercise price in relation to each option shall be determined by the Board in its absolute discretion, but in any event shall not be less than the higher of: (i) the closing price of the shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of such option; and (ii) the average closing price of the shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of such option.

Some further disclosures relating to the Scheme are set out in note 37 to the financial statements.

根據計劃，任何合資格人士（不包括本公司之主要股東或獨立非執行董事或彼等各自之任何聯繫人士）之配額最多為截至最後授出日期（包括該日）止任何12個月期間內授出及將授出之所有購股權獲行使時發行及將發行之股份總數不得超過於有關時間之本公司已發行股份之1%，任何進一步授出之購股權倘超過此限制，則須得到股東於股東大會上批准。向本公司董事或行政總裁或主要股東或其任何聯繫人士授出購股權，均須待本公司獨立非執行董事批准，方可作實。此外，如果向本公司主要股東或獨立非執行董事或其任何聯繫人士授出的任何購股權，連同其於直至授出日期的十二個月期間獲授的所有購股權（不論是否已經行使、註銷或尚未行使）合共超過本公司已發行股份0.1%，且總值超過5,000,000港元（按每次購股權授出當日股份收市價計算），則須待股東於本公司股東大會批准，方可作實。

計劃之購股權可行使之期限將由董事會絕對酌情釐定，計劃之購股權不得於授出購股權日期起計十年屆滿後行使。

根據計劃，每份購股權之行使價將由董事會絕對酌情釐定，惟於任何情況下均不可低於下列兩者中之較高者：(i)股份於授出購股權日期在聯交所每日報價表載列之收市價；及(ii)股份於緊接授出購股權日期前5個營業日在聯交所每日報價表載列之平均收市價。

有關計劃之若干進一步披露載於財務報表附註37。



As at 31 December 2017, the directors and employees of the Group had the following personal interests in options to subscribe for shares of the Company granted at nominal consideration under the Scheme. Each option gives the holder the right to subscribe for one share. Details of share options held by the Directors and employees of the Group and movements in such holdings during the year ended 31 December 2017 are as follows:

於2017年12月31日，本集團董事及僱員於根據計劃以名義上的代價授出可認購本公司股份之購股權中擁有以下之個人權益，每份購股權賦予持有人認購1股股份之權利。本集團董事及僱員於截至2017年12月31日止年度所持購股權及該等持股量之變動詳情載於下表：

	Number of options 購股權數目			Date of grant (D.M.Y) 授出日期 (日.月.年)	Exercise period (D.M.Y) 行使期限 (日.月.年)	Exercise price per share HK\$ 每股股份之行使價 港元
	Outstanding at 1 January 2017 於2017年1月1日尚未行使	Lapsed during the year 於年內失效	Outstanding at 31 December 2017 於2017年12月31日尚未行使			
Directors 董事						
Dai Xiaobing 戴小兵	36,000,000 30,000,000	— —	36,000,000 30,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
King Hap Lee 景哈利	36,000,000 30,000,000	— —	36,000,000 30,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Wan Tze Fan Terence 溫子勳	36,000,000 30,000,000	— —	36,000,000 30,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Chen Hua 陳華	30,000,000	—	30,000,000	23.11.2015	23.11.2015–22.11.2018	0.222
Huang Shaowu 黃紹武	17,000,000	—	17,000,000	23.11.2015	23.11.2015–22.11.2018	0.222
He Lin Feng 何林峰	30,000,000	—	30,000,000	23.11.2015	23.11.2015–22.11.2018	0.222
Wong Kwok Chuen Peter 黃國全	3,000,000 3,000,000	— —	3,000,000 3,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Wong Lung Tak Patrick 黃龍德	3,000,000 3,000,000	— —	3,000,000 3,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Wang Yanbin 王延斌	3,000,000 3,000,000	— —	3,000,000 3,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Dang Weihua 黨偉華	3,000,000	—	3,000,000	23.11.2015	23.11.2015–22.11.2018	0.222
Employees 僱員	305,000,000 878,000,000	7,000,000 34,000,000	298,000,000 844,000,000	06.12.2011 23.11.2015	06.12.2011–05.12.2021 23.11.2015–22.11.2018	0.276 0.222
Total 合計	1,479,000,000	41,000,000	1,438,000,000			



Notes:

(1) On 23 November 2015, the Company granted 1,058,000,000 options to eligible persons at an exercise price of HK\$0.222 per share exercisable for three years from 23 November 2015, being the date of grant. Out of these options, 30,000,000 options and 10,000,000 options were granted (and remained outstanding as at 31 December 2017) to Ms. Xu Ning (being Dr. Dai Xiaobing's spouse and she had previously provided personal guarantee to a loan facility to Orion Energy International Inc. ("Orion"), a wholly owned subsidiary of the Company) and Ms. Dai Qing Fang (Dr. Dai Xiaobing's sister and she is the deputy general manager of Orion) respectively.

(2) No option was granted or exercised during the year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the sections "Directors' Interests in Shares and Underlying Shares" and "Share Option Scheme", at no time during the year was the Company or any of its associated corporations a party to any arrangement to enable the directors of the Company or any of their spouses or children under eighteen years of age to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

附註：

(1) 於2015年11月23日，本公司向合資格人士授出1,058,000,000購股權，其行使價為每股0.222港元並可自2015年11月23日（即授出日期）起計三年內行使。在這等購股權中，30,000,000購股權及10,000,000購股權分別授予（並於2017年12月31日仍尚未行使）徐寧女士（戴小兵博士夫人，她之前曾向本公司全資附屬公司奧瑞安能源國際有限公司（「奧瑞安」）的貸款提供個人擔保）及戴清芳女士（戴小兵博士的姊姊，為奧瑞安的副總經理）。

(2) 年內並無購股權獲授出或行使。

董事購買股份或債券之權利

除於「董事於股份及相關股份中之權益」及「購股權計劃」兩節中所披露者外，本公司或其任何相聯法團概無於年內任何時間訂立任何安排，致使本公司董事或彼等任何配偶或18歲以下子女藉購入本公司或任何其他公司機構之股份或債券而獲益。



SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 31 December 2017, the following persons, not being a Director or chief executive of the Company, had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

主要股東及其他人士之權益

於2017年12月31日，以下人士（並非本公司董事或行政總裁）於根據證券及期貨條例第336條存置之登記冊所載於本公司之股份或相關股份中擁有權益或淡倉：

Name	Long/short position	Interests in shares/underlying shares	Nature of interest	Number of shares/underlying shares held	Percentage of issued shares
名稱	好倉／淡倉	於股份及相關股份權益	權益性質	所持股份／相關股份數目	佔已發行股份百分比
Substantial shareholders					
主要股東					
Yuanjing International Limited (Note 1) 圓景國際有限公司(附註1)	Long position 好倉	Shares 股份	Beneficial owner 實益擁有人	1,883,730,000	11.39%
Other persons					
其他人士					
Crescent Spring Investment Holdings Limited (Note 2)	Long position	Underlying shares	Beneficial owner	4,879,710,144	29.50%
Crescent Spring Investment Holdings Limited (附註2)	好倉	相關股份	實益擁有人		
	Short position 淡倉	Underlying shares 相關股份	Beneficial owner 實益擁有人	4,879,710,144	29.50%
	Long position 好倉	Shares 股份	Security interest 保證權益	1,375,245,000	8.31%
Sino Oil and Gas Resources Limited (Note 2)	Long position	Underlying shares	Beneficial owner	4,879,710,144	29.50%
中國油氣資源有限公司(附註2)	好倉	相關股份	實益擁有人		
Sino Oil and Gas Resources Investments Limited (Note 3)	Long position	Shares	Beneficial owner	1,065,760,000	6.44%
中國油氣資源投資有限公司(附註3)	好倉	股份	實益擁有人		
	Short position 淡倉	Shares 股份	Beneficial owner 實益擁有人	708,000,000	4.28%



Name	Long/short position	Interests in shares/underlying shares	Nature of interest	Number of shares/underlying shares held	Percentage of issued shares
名稱	好倉／淡倉	於股份及相關股份權益	權益性質	所持股份／相關股份數目	佔已發行股份百分比
CITIC Securities Company Limited (Note 4)	Long position	Shares	Interest of controlled corporation	768,971,796	4.65%
CITIC Securities Company Limited (附註4)	好倉	股份	受控制公司權益		
	Long position	Underlying shares	Interest of controlled corporation	461,383,078	2.79%
	好倉	相關股份	受控制公司權益		
	Short position	Underlying shares	Interest of controlled corporation	1,999,326,669	12.09%
	淡倉	相關股份	受控制公司權益		

Notes:

附註：

1. 1,883,730,000 shares are owned by Yuanjing International Limited, a company wholly and beneficially owned by Mr. Huang Shaowu (a non-executive director of the Company).

1. 1,883,730,000股股份由圓景國際有限公司持有，其為一間由黃紹武先生（本公司非執行董事）全資及實益擁有的公司。

2. Crescent Spring Investment Holdings Limited ("Crescent") owns convertible bonds in the principal amount of US\$130,000,000 due 2019 carrying the right to convert into shares of the Company at a conversion price of HK\$0.207 per share. Based on the conversion price of HK\$0.207 per share, a maximum of 4,879,710,144 shares may be allotted and issued upon exercise of the conversion rights attaching to the convertible bonds in full. The convertible bonds give rise to an interest in 4,879,710,144 underlying shares of Crescent.

2. Crescent Spring Investment Holdings Limited (「Crescent」) 持有本公司本金總額為130,000,000美元於2019年到期之可換股債券，有權以換股價每股0.207港元兌換為本公司的股份。根據換股價每股0.207港元，於悉數行使可換股債券所附之換股權後將予配發及發行最多4,879,710,144股股份。根據可換股債券，Crescent持有本公司4,879,710,144股相關股份權益。



Unless the context requires otherwise, capitalized terms used in this paragraph shall have the same meanings as defined in the Company's announcement dated 31 May 2016. Pursuant to the Put and Call Option Deed entered into between Crescent and Sino Oil and Gas Resources Limited ("SOGRI"), a company wholly owned by Dr. Dai Xiaobing, Crescent grants to SOGR an irrevocable and unconditional right (but without obligation) to purchase some or all of the Convertible Bonds at the Call Option Purchase Price during the Call Option Period, and SOGR grants to Crescent an irrevocable and unconditional right (without obligation) to require SOGR to purchase some or all of the Convertible Bonds at the Put Option Purchase Price during the Put Option Period. The Put and Call Option Deed gives rise to an interest in 4,879,710,144 underlying shares of each of SOGR and Dr. Dai Xiaobing, and short position of 4,879,710,144 underlying shares of Crescent.

Crescent also holds security interest in 1,375,245,000 shares of the Company.

Crescent is a wholly-owned subsidiary of China Huarong International Holdings Limited (中國華融國際控股有限公司) which in turn is owned as to 88.1% by Huarong Real Estate Co., Ltd. (華融置業有限責任公司) ("Huarong Real Estate") and 11.9% by Huarong Zhiyuan Investment & Management Co., Ltd. (華融致遠投資管理有限責任公司) ("Huarong Zhiyuan"). Both Huarong Real Estate and Huarong Zhiyuan are wholly owned by China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司) which is in turn owned as to 77.49 % by Ministry of Finance of the People's Republic of China (中華人民共和國財政部). Pursuant to the SFO, China Huarong International Holdings Limited, Huarong Real Estate, China Huarong Asset Management Co., Ltd. and Ministry of Finance of the People's Republic of China are deemed to have the aforesaid interests and short position held by Crescent.

3. Sino Oil and Gas Resources Investments Limited ("SOGRI") owns 1,065,760,000 shares and has short position of 708,000,000 shares. SOGRI is wholly and beneficially owned by Dr. Dai Xiaobing (Chairman of the Board and an executive director of the Company).

除文義另有所指外，本段落所採用之詞彙與本公司於2016年5月31日刊發之公佈所界定者具有相同涵義。根據Crescent與由戴小兵博士全資擁有的中國油氣資源有限公司（「SOGRI」）訂立的認沽及認購期權契據，Crescent授予SOGRI一項不可撤回及無條件權利（但並無責任），可於認購期權期間內按認購期權購買價購入部份或全部可換股債券，而SOGRI授予Crescent一項不可撤回及無條件權利（但並無責任），可要求SOGRI於認沽期權期間內按認沽期權購買價購入部份或全部可換股債券。按照認沽及認購期權契據，SOGRI及戴小兵博士持有本公司4,879,710,144股相關股份權益及Crescent持有4,879,710,144股相關股份之淡倉。

Crescent亦持有本公司1,375,245,000股股份保證權益。

Crescent是中國華融國際控股有限公司的全資附屬公司，華融置業有限責任公司（「華融置業」）及華融致遠投資管理有限責任公司（「華融致遠」）分別持有中國華融國際控股有限公司的88.1%權益及11.9%權益。華融置業及華融致遠均由中國華融資產管理股份有限公司全資擁有，後者則由中華人民共和國財政部持有77.49%權益。根據證券及期貨條例，中國華融國際控股有限公司、華融置業、中國華融資產管理股份有限公司及中華人民共和國財政部也被視為持有上述Crescent的權益及淡倉。

3. 中國油氣資源投資有限公司持有1,065,760,000股股份的權益及708,000,000股股份的淡倉，其為一間由戴小兵博士（本公司董事會主席及執行董事）全資及實益擁有的公司。



4. These interests and short position are owned by CSI Capital Management Limited which is wholly owned by CITIC CLSA Global Markets Holdings Limited which in turn is wholly owned by CLSA B.V. CITIC Securities Company Limited wholly owns CLSA B.V. through its wholly owned subsidiary, CITIC Securities International Company Limited. Pursuant to SFO, CITIC Securities Company Limited, CITIC Securities International Company Limited, CLSA B.V. and CITIC CLSA Global Markets Holdings Limited are deemed to be interested in the interests and short position held by CSI Capital Management Limited.

4. 這等好倉及淡倉權益由CSI Capital Management Limited持有，其由CITIC CLSA Global Markets Holdings Limited全資擁有，後者由CLSA B.V.全資擁有，CITIC Securities Company Limited透過其全資擁有的CITIC Securities International Company Limited全資擁有CLSA B.V.。根據證券及期貨條例，CITIC Securities Company Limited、CITIC Securities International Company Limited、CLSA B.V.、CITIC CLSA Global Markets Holdings Limited被視為於CSI Capital Management Limited所持有的好倉及淡倉權益中擁有權益。

Saved as disclosed above in this section, as at 31 December 2017, the Company has not been notified of any other persons (other than the Directors or chief executive of the Company) who had any interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO.

除上文所披露者外，於2017年12月31日，本公司並無接獲任何其他人士（不包括本公司之董事或行政總裁）告知於根據證券及期貨條例第336條存置之登記冊所記錄於本公司股份或相關股份中擁有權益或淡倉。

RETIREMENT SCHEMES

The employees of the Group's subsidiaries in the PRC are members of retirement schemes operated by local authorities in the PRC. The Group also operates a defined contribution scheme covering full time employees in Hong Kong. Details of employee retirement benefits are set out in note 36 to the financial statements.

退休計劃

本集團於中國之附屬公司僱員乃中國地方機關營辦之退休計劃之成員。本集團亦營辦一個定額供款計劃，成員包括香港之全職僱員。僱員退休福利詳情載列於財務報表附註36。

DIRECTORS' REMUNERATION AND HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Particulars of the directors' remuneration and highest paid individuals' emoluments are set out in note 12 and note 13 to the financial statements respectively.

董事及最高薪人士之酬金

有關董事及最高薪人士之酬金之詳情已分別載於財務報表附註12及附註13。



PERMITTED INDEMNITY

Pursuant to the Company's Bye-laws, subject to the applicable laws and regulations, the directors shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the year and is still in force. In addition, the Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and senior executives of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 50 to the financial statements, no contracts of significance subsisted at any time during the year to which the Company or any of its subsidiaries was a party and in which a director of the Company had material interest, whether directly or indirectly.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its directors, as of the date of this report, there is sufficient public float of the shares with not less than 25% of the total issued shares of the Company as required under the Listing Rules.

獲准許的彌償

根據本公司的章程細則，並受適用法律及法規所規限，董事就彼等基於其職位履行其職務而產生或蒙受的所有訴訟、費用、收費、損失、賠償及開支，均可自本公司的資產及溢利獲得彌償，確保免就此受損。該等獲准許的彌償條文於年內及直至現在仍然有效。再者，本公司已就本集團董事及高級行政人員購買合適的董事及行政人員責任保險。

董事於合約中之權益

除財務報表附註50所披露者外，本公司董事概無在本公司或其任何附屬公司於年內任何時間訂立之重大且仍然生效之合約中直接或間接擁有任何重大權益。

公眾持股量

根據本公司可取得的資料及據董事所知，於本報告日期，公眾人士持有本公司所有已發行股份不少於25%，符合上市規則的規定。





PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

During the year ended 31 December 2017, the Company repurchased a total of 554,865,000 shares on the Stock Exchange for enhancing its per share's net asset value and earnings, of which 552,565,000 shares were cancelled during the year and 2,300,000 shares were cancelled in January 2018. Details of the repurchase of shares are as follows:

購買、贖回或出售上市證券

截至2017年12月31日止年度，為提高本公司的每股資產淨值及盈利，本公司在聯交所購回股份共554,865,000股，其中552,565,000股及2,300,000股分別於年內及2018年1月註銷。購回股份的詳情如下：

Month of repurchase during the year ended 31 December 2017		Number of shares repurchased	Price per share 每股股份價格		Total consideration (excluding expenses) HK\$'000
			Highest HK\$	Lowest HK\$	
截至2017年 12月31日止年度 之購回月份		購回股份數目	最高 港元	最低 港元	總代價 (不包括費用) 千港元
January	1月	64,745,000	0.190	0.189	12,280
March	3月	16,965,000	0.190	0.183	3,164
April	4月	41,355,000	0.190	0.185	7,815
May	5月	70,245,000	0.190	0.185	13,247
June	6月	67,335,000	0.190	0.179	12,484
July	7月	198,380,000	0.186	0.160	34,881
October	10月	93,540,000	0.155	0.145	13,966
November	11月	1,000,000	0.138	0.138	138
December	12月	1,300,000	0.145	0.144	188
Total:	合計：	554,865,000			98,163



Except as disclosed above, neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the listed securities of the Company during the year ended 31 December 2017.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's bye-laws or the laws in Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

AUDITOR

The financial statements for the year have been audited by BDO Limited who retires and, being eligible, offers for re-appointment.

By order of the Board

Dai Xiaobing

Chairman

Hong Kong, 29 March 2018

除上文所披露者外，截至2017年12月31日止年度，本公司或其任何附屬公司概無購買、贖回或出售本公司任何上市證券。

優先購股權

根據本公司之章程細則或百慕達法例，並無有關優先購股權之規定以致本公司須就此按比例向現有股東提呈發售新股。

核數師

本年度財務報表經香港立信德豪會計師事務所有限公司審核，該核數師現依章卸任，惟願意受聘連任。

承董事會命

主席

戴小兵

香港，2018年3月29日





Independent Auditor's Report



Tel : +852 2541 5041
Fax: +852 2815 2239
www.bdo.com.hk

電話 : +852 2541 5041
傳真 : +852 2815 2239
www.bdo.com.hk

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

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF SINO OIL AND GAS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

致中國油氣控股有限公司股東

(於百慕達註冊成立之有限公司)

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of Sino Oil and Gas Holdings Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 64 to 200, which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Company. Because of the significance of the matter described in the “Basis for Disclaimer of Opinion” section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

有關綜合財務報表之審核報告

不發表意見

本核數師(以下簡稱「本行」)獲委聘審核中國油氣控股有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)列載於第64至200頁之綜合財務報表,此綜合財務報表包括於2017年12月31日之綜合財務狀況表與截至該日止年度之綜合全面收益表、綜合權益變動表及綜合現金流量表,以及綜合財務報表附註(包括主要會計政策概要)。

本行對 貴公司之綜合財務報表不發表意見。由於本報告「不發表意見基礎」一節所述之事項關係重大,故本行未能取得足夠適當之審核憑證,以為該等綜合財務報表提供審核意見基礎。就所有其他方面而言,本行認為綜合財務報表已根據香港公司條例之披露規定妥為編製。



REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Basis for Disclaimer of Opinion

*Scope Limitation Relating to the Going Concern Basis of
Preparing the Consolidated Financial Statements*

As set out in Note 3(b) to the consolidated financial statements, the Group had net current liabilities of HK\$204,291,000 as at 31 December 2017. As at that date, the Group had total borrowings amounting of HK\$533,888,000, trade, other payables and accruals of HK\$407,832,000 and total convertible notes with principal amount of HK\$1,310,000,000. Out of which borrowings of HK\$77,437,000, trade, other payables and accruals of HK\$407,832,000 and convertible notes with principal amount of HK\$296,000,000 would be due for repayment within 12 months from the date of the consolidated financial statements in accordance with the repayment dates of the respective agreements, while the Group only maintained its cash and cash equivalents of HK\$21,766,000.

The above conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

As detailed in Note 3(b) to the consolidated financial statements, in view of the above circumstances, the directors have prepared a cash flow forecast of the Group covering a period up to 31 December 2018 which takes into account of the major assumption that three major shareholders would be able to provide continuing and sufficient support to the Group to meet its financial obligations. The directors consider the Group will have sufficient working capital to meet its operating and financing needs as and when they fall due within the twelve months from 31 December 2017. Accordingly, the directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

The appropriateness of the preparation of the consolidated financial statements on the going concern basis largely depends on whether the above-mentioned major assumption taken into account by the directors in the going concern assessment are achievable and the other plans and measures can be implemented successfully.

有關綜合財務報表之審核報告(續)

不發表意見基礎

關於按持續經營基準編製綜合財務報表之範圍限制

誠如綜合財務報表附註3(b)所載，於2017年12月31日，貴集團有流動負債淨值204,291,000港元。於該日，貴集團有總借貸533,888,000港元、應付賬款、其他應付款項及預提費用407,832,000港元及本金總額為1,310,000,000港元之可換股票據。其中，借貸77,437,000港元、應付賬款、其他應付款項及預提費用407,832,000港元及本金總額為296,000,000港元之可換股票據根據相關協議之還款日期將於自綜合財務報表日期起計12個月內到期償還，而貴集團僅有現金及現金等價物為21,766,000港元。

上述情況顯示存在著重大不確定因素，可能對貴集團繼續按持續經營基準營運之能力構成重大疑慮。

誠如綜合財務報表附註3(b)所詳述，鑑於上述情況，董事已編製涵蓋至截至2018年12月31日止期間的貴集團現金流量預測，當中考慮到三名主要股東能向貴集團提供持續足夠支持以滿足其財務責任的主要假設。董事認為貴集團將具備足夠的營運資金以撥付其自2017年12月31日起計十二個月內營運及逾期融資需要。因此，董事信納按持續經營基準編製綜合財務報表乃恰當之舉。

按持續經營基準編製綜合財務報表是否恰當，很大程度上取決於上述經董事於持續經營評估中所考慮的主要假設能否實現，以及其他計劃及措施能否順利執行。



REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Basis for Disclaimer of Opinion (Continued)

However, we were unable to verify the financial position of the three major shareholders who are individuals and providing financial support to the Group to enable us assess whether they have sufficient financial capability to provide their aforementioned financial support to the Group. There were no other satisfactory audit procedures that we could adopt to assess whether the Group had sufficient resources to meet its operating and financing needs for the foreseeable future. Accordingly, we were unable to satisfy ourselves regarding the Group's ability to continue as a going concern.

The consolidated financial statements do not include any adjustments that may be necessary should the going concern basis of preparation be determined to be inappropriate. These would include any adjustments to write down the Group's assets to their net realisable amounts, to provide for any liabilities which may arise and to reclassify non-current assets and liabilities as current.

DIRECTORS' RESPONSIBILITIES FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the Group's financial reporting process. The Audit Committee assists the directors in discharging their responsibility in this regard.

有關綜合財務報表之審核報告(續)

不發表意見基礎(續)

然而，本行無法核實三名主要股東（均為個人及向 貴集團提供財務支持）的財務狀況，以便本行評估彼等是否具備足夠的財務能力向 貴集團提供上述財務支持。本行並無其他滿意的核數程序可採納，以評估 貴集團是否具備足夠的資源以撥付其於可預見未來的營運及融資需要。因此，本行無法信納 貴集團持續經營的能力。

綜合財務報表不包含倘釐定持續經營編製基準並不適當所作出之任何必需調整，這可能包括撇減 貴集團資產至可變現淨值、就可能產生之任何負債計提撥備，以及將非流動資產及負債重新分類為流動資產及負債等任何調整。

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的香港財務報告準則及香港公司條例的披露規定編製真實而公平地反映情況的綜合財務報表，及董事釐定對編製綜合財務報表屬必要的有關內部監控，以使該等綜合財務報表不會存在由於欺詐或錯誤而導致的重大錯誤陳述。

在編製綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並披露與持續經營有關的事項（如適用）。除非董事擬將 貴集團清盤或停止營運，或除此之外並無其他實際可行的辦法，否則須採用以持續經營為基礎的會計法。

董事亦須負責履行監督 貴集團財務報告流程的責任。審核委員會協助董事履行彼等在此方面的職責。



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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with Hong Kong Standards on Auditing issued by the HKICPA and to issue an auditor's report. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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

We are independent of the Group in accordance with the HKICPA's "Code of Ethics for Professional Accountants" (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

BDO Limited

Certified Public Accountants

Cheung Or Ping

Practising Certificate Number P05412

Hong Kong, 29 March 2018

核數師就審核綜合財務報表須承擔的責任

本行之責任是根據香港會計師公會頒佈的香港審計準則對 貴集團的綜合財務報表進行審核並發出核數師報告。本行根據百慕達1981年公司法第90條僅向全體股東報告，不作其他用途。本行並不就本報告之內容對任何其他人士承擔任何義務或接受任何責任。

然而，由於本報告「不發表意見基礎」一節所述之事項，故本行未能取得足夠適當之審核憑證，以為該等綜合財務報表提供審核意見基礎。

根據香港會計師公會之專業會計師道德守則（「守則」），本行獨立於 貴集團，並已根據守則履行其他道德責任。

香港立信德豪會計師事務所有限公司

執業會計師

張珂屏

執業證書號碼P05412

香港，2018年3月29日



Consolidated Statement of Comprehensive Income

For the year ended 31 December 2017

		Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing operations	持續經營業務			
Revenue	營業額	6 & 16	497,935	333,553
Direct cost	直接成本		(487,540)	(323,439)
Gross profit	毛利		10,395	10,114
Other income	其他收入	7	60,878	73,161
Other gains, net	其他收益淨額	8	181,371	58,352
Selling and distribution expenses	銷售及分銷費用		(3,833)	–
Administrative expenses	行政費用		(84,246)	(86,338)
Profit from operations	經營溢利		164,565	55,289
Finance costs	融資成本	9(a)	(322,173)	(152,962)
Share of loss of an associate	應佔一家聯營公司虧損	23	(418)	(662)
Loss before income tax expense	除所得稅支出前虧損	9	(158,026)	(98,335)
Income tax expense	所得稅支出	11	(1,535)	(1,243)
Loss for the year from continuing operations	本年度持續經營業務之虧損		(159,561)	(99,578)
Discontinued operations	已終止經營業務			
Profit for the year from discontinued operations	本年度已終止經營業務之溢利	10	–	5,509
Loss for the year	本年度虧損		(159,561)	(94,069)
Other comprehensive income, after tax	其他全面收益，除稅後			
Item that may be reclassified to profit or loss:	可能重新分類至損益之項目：			
Exchange differences on translating foreign operations	換算海外業務之匯兌差異		332,498	(222,943)
Changes in fair value of available-for-sale investments	可供出售金融資產之公平值變動		(1,928)	(260)
Other comprehensive income for the year, after tax	本年度其他全面收益，除稅後		330,570	(223,203)
Total comprehensive income for the year	本年度全面收益總額		171,009	(317,272)



	Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Loss attributable to:	以下人士應佔虧損：		
Owners of the Company	本公司擁有人		
Loss for the year from continuing operations	本年度持續經營業務之虧損	(160,367)	(102,495)
Profit for the year from discontinued operations	本年度已終止經營業務之溢利	—	5,509
		(160,367)	(96,986)
Non-controlling interests	非控股權益		
Profit for the year from continuing operations	本年度持續經營業務之溢利	806	2,917
		(159,561)	(94,069)
Total comprehensive income attributable to:	以下人士應佔總全面收益：		
Owners of the Company	本公司擁有人		
Profit/(loss) for the year from continuing operations	本年度持續經營業務之溢利／(虧損)	169,866	(323,625)
Profit for the year from discontinued operations	本年度已終止經營業務之溢利	—	5,509
		169,866	(318,116)
Non-controlling interests	非控股權益		
Profit for the year from continuing operations	本年度持續經營業務之溢利	1,143	844
		171,009	(317,272)
Loss per share from continuing and discontinued operations	來自持續經營業務及已終止經營業務的每股虧損		
– Basic and diluted	– 基本及攤薄	15 (0.955) HK cents港仙	(0.556) HK cents港仙
Loss per share from continuing operations	來自持續經營業務的每股虧損		
– Basic and diluted	– 基本及攤薄	15 (0.955) HK cents港仙	(0.588) HK cents港仙
Earning per share from discontinued operations	來自已終止經營業務的每股盈利		
– Basic and diluted	– 基本及攤薄	15 不適用	0.032 HK cents港仙



Consolidated Statement of Financial Position

As at 31 December 2017

		Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Non-current assets	非流動資產			
Property, plant and equipment	物業、廠房及設備	17	2,110,392	1,878,250
Oil and gas exploration and evaluation assets	油氣勘探及評估資產	18	57,255	41,307
Payment for leasehold land held for own use	自用租賃土地付款	19	4,356	4,277
Intangible assets	無形資產	20	2,353,579	2,207,202
Goodwill	商譽	21	51,877	93,483
Interest in a joint venture	於一家合營企業之權益	22	–	–
Interest in an associate	於一家聯營公司之權益	23	59,137	58,010
Financial assets at fair value through profit or loss	按公平值透過損益列賬的財務資產	24	30,077	4,487
Available-for-sale investments	可供出售金融資產	25	5,409	4,592
Deposits and prepayments	按金及預付款項	28	95,777	44,045
Loan receivables	應收貸款	26	19,211	–
Total non-current assets	非流動資產總額		4,787,070	4,335,653
Current assets	流動資產			
Inventories	存貨	27	15,070	10,591
Financial assets at fair value through profit or loss	按公平值透過損益列賬的財務資產	24	21,529	18,134
Trade, notes and other receivables, deposits and prepayments	應收賬款、應收票據、其他應收賬款、按金及預付款項	28	438,570	534,315
Short-term investment	短期投資	29	77,205	71,804
Loan receivables	應收貸款	26	48,029	22,334
Amount due from a joint venture	應收一家合營企業款項	22	320	320
Cash and cash equivalents	現金及現金等價物	30	21,766	251,530
Total current assets	流動資產總額		622,489	909,028
Total assets	總資產		5,409,559	5,244,681
Current liabilities	流動負債			
Trade, other payables and accruals	應付賬款、其他應付款項及預提費用	31	(407,832)	(349,603)
Borrowings	借貸	33	(77,437)	–
Convertible notes	可換股票據	34	(297,142)	(105,112)
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債	34	(37,895)	(224,937)
Taxation	稅項		(6,474)	(8,472)
Total current liabilities	流動負債總額		(826,780)	(688,124)
Net current (liabilities)/assets	流動(負債)/資產淨值		(204,291)	220,904
Total assets less current liabilities	總資產減流動負債		4,582,779	4,556,557



		Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Non-current liabilities	非流動負債			
Provisions	撥備	32	(6,709)	(4,810)
Borrowings	借貸	33	(456,451)	(322,109)
Convertible notes	可換股票據	34	(940,889)	(1,125,300)
Deferred tax liabilities	遞延稅項負債	35	(14,235)	(12,695)
Total non-current liabilities	非流動負債總額		(1,418,284)	(1,464,914)
NET ASSETS	資產淨值		3,164,495	3,091,643
Capital and reserves attributable to owners of the Company	本公司擁有人應佔資本及儲備			
Share capital	股本	38(a)	165,388	170,937
Reserves	儲備		2,982,452	2,905,194
Equity attributable to owners of the Company	本公司擁有人應佔權益		3,147,840	3,076,131
Non-controlling interests	非控股權益	41	16,655	15,512
TOTAL EQUITY	總權益		3,164,495	3,091,643

On behalf of the directors
代表董事會

Dai Xiaobing
戴小兵
Director
董事

Wan Tze Fan Terence
溫子勳
Director
董事



Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2017

截至2017年12月31日止年度

		Equity attributable to owners of the Company									
		本公司擁有人應佔權益									
		Share capital	Share premium	Contributed surplus	Share option reserve	Available-for-sale investments reserve	Convertible note equity reserve	Exchange reserve	Accumulated losses	Total	Non-controlling interests
		(note 38(a))	(note 38(c)(i))	(note 38(c)(ii))	(note 38(c)(iii))	(note 38(c)(iv))	(note 38(c)(v))	(note 38(c)(vi))	(note 38(c)(vii))		Total
						可供出售金融資產	可換股票據				
		股本	股份溢價	繳納盈餘	購股權儲備	儲備	權益儲備	匯兌儲備	累計虧損	總計	非控股權益
		(附註38(a))	(附註38(c)(i))	(附註38(c)(ii))	(附註38(c)(iii))	(附註38(c)(iv))	(附註38(c)(v))	(附註38(c)(vi))	(附註38(c)(vii))	總計	非控股權益
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於2016年1月1日	176,036	4,302,009	81,043	111,794	-	26,322	(106,285)	(1,102,282)	3,488,637	14,668
(Loss)/profit for the year	本年度(虧損)/溢利	-	-	-	-	-	-	-	(96,986)	(96,986)	2,917
Other comprehensive income	其他全面收益	-	-	-	-	(260)	-	(220,870)	-	(221,130)	(2,073)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(260)	-	(220,870)	(96,986)	(318,116)	844
Released upon expiry of convertible notes (note 34)	於可換股票據到期時撥回(附註34)	-	-	-	-	-	(15,913)	-	15,913	-	-
Released upon lapse of share options (note 38(a)(iii))	於購股權失效時撥回(附註38(a)(iii))	-	-	-	(1,450)	-	-	-	1,450	-	-
Repurchase of shares (note 38(a)(ii))	股份購回(附註38(a)(ii))	(5,099)	(89,291)	-	-	-	-	-	-	(94,390)	-
At 31 December 2016	於2016年12月31日	170,937	4,212,718	81,043	110,344	(260)	10,409	(327,155)	(1,181,905)	3,076,131	15,512
(Loss)/profit for the year	本年度(虧損)/溢利	-	-	-	-	-	-	-	(160,367)	(160,367)	806
Other comprehensive income	其他全面收益	-	-	-	-	(1,928)	-	332,161	-	330,233	337
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(1,928)	-	332,161	(160,367)	169,866	1,143
Released upon expiry of convertible notes (note 34)	於可換股票據到期時撥回(附註34)	-	-	-	-	-	(10,409)	-	10,409	-	-
Released upon lapse of share option (note 38(a)(iii))	於購股權失效時撥回(附註38(a)(iii))	-	-	-	(2,491)	-	-	-	2,491	-	-
Repurchase of shares (note 38(a)(ii))	股份購回(附註38(a)(ii))	(5,549)	(92,614)	-	-	-	-	-	6	(98,157)	-
At 31 December 2017	於2017年12月31日	165,388	4,120,104	81,043	107,853	(2,188)	-	5,006	(1,329,366)	3,147,840	16,655

Consolidated Statement of Cash Flows



綜合現金流量表

For the year ended 31 December 2017

截至2017年12月31日止年度

	Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Operating activities	經營業務		
Loss before income tax expense	除所得稅支出前虧損		
From continuing operations	來自持續經營業務	(158,026)	(98,335)
From discontinued operations	來自已終止經營業務	—	5,509
		(158,026)	(92,826)
Adjustments for:	調整項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	17 53,188	41,552
Amortisation of intangible assets	無形資產之攤銷	20 20,251	19,688
Amortisation of payment for leasehold land held for own use	自用租賃土地付款之攤銷	19 233	237
Interest expense	利息支出	9(a) 322,173	152,962
Interest income	利息收入	7 (30,143)	(49,865)
Change in fair value of financial assets through profit or loss	按公平值透過損益列賬的財務資產公平值變動	8 (43,275)	(2,705)
Change in fair value of financial liabilities through profit or loss	按公平值透過損益列賬的財務負債公平值變動	8 (187,042)	(52,089)
Gain on disposal of property, plant and equipment	出售物業、廠房及設備之收益	8 (28)	—
Written off of property, plant and equipment	註銷物業、廠房及設備	8 35	—
Loss on disposal of available-for-sale investments	出售可供出售金融資產之虧損	8 1,606	—
Reclassification from equity to profit or loss on disposal of available-for-sale investments	出售可供出售金融資產時將股權重新分類至損益	8 260	—
Share of loss of an associate	應佔一家聯營公司虧損	23 418	662
Gain on disposal of subsidiaries	出售附屬公司之收益	42 —	(11,647)
Impairment loss on goodwill	商譽減值虧損	21 46,705	—
Impairment loss on trade and other receivables	應收賬款及其他應收賬款減值虧損	8 4,989	—
Operating profit before changes in working capital	營運資金變動前經營溢利	31,344	5,969
(Increase)/decrease in inventories	存貨(增加)/減少	(3,535)	390
Decrease/(increase) in trade, notes and other receivables, deposits and prepayments	應收賬款、應收票據、其他應收賬款、按金及預付款項減少/(增加)	70,580	(211,496)
Increase in trade, other payables and accruals	應付賬款、其他應付款項及預提費用增加	26,371	119,068
Cash generated from/(used in) operations	經營業務產生/(所用)之現金	124,760	(86,069)
PRC enterprise income tax paid	已付中國企業所得稅	(4,428)	—
Net cash generated from/(used in) operating activities	經營業務產生/(所用)之現金淨額	120,332	(86,069)



Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2017

截至2017年12月31日止年度

	Notes 附註	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Investing activities	投資活動		
Payment of purchase of property, plant and equipment	購入物業、廠房及設備付款	17	(132,999)
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		215
Payment of purchase of oil and gas exploration and evaluation assets	購入油氣勘探及評估資產付款	18	(10,554)
Payment of acquisition of available-for-sale investments	收購可供出售金融資產付款		(12,616)
Settlement of financial assets at fair value through profit or loss	結算按公平值透過損益列賬的財務資產		17,000
Increase in loan receivables	應收貸款增加	26	(69,180)
Proceeds from repayment of loan receivables	收回償還應收貸款所得款項	26	23,060
Acquisition of assets through acquisition of a subsidiary, net of cash	透過收購一間附屬公司收購資產（扣除現金）	43	(2,031)
Interest received	已收利息		5,096
Proceeds from disposal of available-for-sale investments	出售可供出售金融資產所得款項		8,005
Disposal of subsidiaries, net of cash disposed of	出售附屬公司（扣除所出售現金）	42	—
Net cash used in investing activities	投資活動所用之現金淨額		(174,004)
Financing activities	融資活動		
Payment for repurchase of shares	購回股份付款	38(a)(ii)	(98,157)
Proceeds from borrowings	借貸所得款項	33	75,156
Repayment of borrowings	償還借貸	33	—
Proceeds from convertible notes issued, net	發行可換股票據所得款項淨額	34	—
Proceeds from corporate bonds, net	發行企業債券所得款項淨額	33	134,342
Repayment of convertible notes upon expiry	於到期時償還可換股票據	34	(167,064)
Repayment of a loan from a shareholder	償還一名股東貸款	31	(79,659)
Proceeds from a loan from a shareholder	一名股東貸款所得款項	31	84,821
Interest paid	已付利息		(128,755)
Net cash (used in)/generated from financing activities	融資活動（所用）／產生之現金淨額		(179,316)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物（減少）／增加淨額		(232,988)
Cash and cash equivalents at 1 January	於1月1日之現金及現金等價物		251,530
Effect of foreign exchange rate changes	匯率變動之影響		3,224
Cash and cash equivalents at 31 December, representing cash and bank balances	於12月31日之現金及現金等價物，即現金及銀行結餘	30	21,766



1. GENERAL

Sino Oil and Gas Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in Bermuda on 2 November 1999 under the Companies Act 1981 of Bermuda (as amended) and its shares were listed on the Main Board of The Stock Exchange of Hong Kong Limited (“The Stock Exchange”) on 9 February 2000. The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The principal place of business of the Company was Suite 3707-3708, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, and subsequently in December, changed to Suite 1201-1202, 12/F, Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 40.

1. 一般資料

中國油氣控股有限公司(「本公司」)根據百慕達1981年公司法(經修訂)於1999年11月2日在百慕達註冊成立為受豁免有限公司，其股份於2000年2月9日於香港聯合交易所有限公司(「聯交所」)主板上市。本公司之註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。本公司之主要營業地點曾為香港干諾道中168-200號信德中心西座3707-3708室，其後於12月已改為香港德輔道中189號李寶椿大廈12樓1201-1202室。

本公司為一家投資控股公司，其附屬公司之主要業務載於附註40。

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

(a) Adoption of new/revised HKFRSs – effective 1 January 2017

Amendments to HKAS 7

香港會計準則第7號之修訂

Amendments to HKAS 12

香港會計準則第12號之修訂

Annual Improvements to HKFRSs

2014-2016 Cycle

香港財務報告準則2014-2016週期之年度改進

Disclosure Initiative

披露計劃

Recognition of Deferred Tax Assets for Unrealised Losses

就未變現虧損確認遞延稅項資產

Amendments to HKFRS 12, Disclosure of Interests

in Other Entities

香港財務報告準則第12號之修訂，於其他實體權益之披露

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

2. 採納香港財務報告準則

(a) 採納新訂／經修訂香港財務報告準則 – 2017年1月1日起生效

採納該等修訂對本集團綜合財務報表並無重大影響。



2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

The following new/revised HKFRSs, potentially relevant to the Group’s consolidated financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Annual Improvements to HKFRSs
2014-2016 Cycle

香港財務報告準則2014–2016週期之
年度改進

Annual Improvements to HKFRSs
2014-2016 Cycle

香港財務報告準則2014–2016週期之
年度改進

Annual Improvements to HKFRSs
2015-2017 Cycle

香港財務報告準則2015–2017週期之
年度改進

Annual Improvements to HKFRSs
2015-2017 Cycle

香港財務報告準則2015–2017週期之
年度改進

Annual Improvements to HKFRSs
2015-2017 Cycle

香港財務報告準則2015–2017週期之
年度改進

Annual Improvements to HKFRSs
2015-2017 Cycle

香港財務報告準則2015–2017週期之
年度改進

Amendments to HKFRS 2

香港財務報告準則第2號之修訂

HKFRS 9

香港財務報告準則第9號

HKFRS 15

香港財務報告準則第15號

2. 採納香港財務報告準則（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

本集團並無提前採納下列已頒佈但尚未生效之新訂／經修訂香港財務報告準則，但有關準則可能與本集團之綜合財務報表相關。

Amendments to HKFRS 1, First-time adoption of Hong Kong Financial Reporting Standards¹

香港財務報告準則第1號之修訂，首次採納香港財務報告準則¹

Amendments to HKAS 28, Investments in Associates and Joint Ventures¹

香港會計準則第28號之修訂，於聯營公司及合營企業之投資¹

Amendments to HKFRS 3, Business Combinations²

香港財務報告準則第3號之修訂，業務合併²

Amendments to HKFRS 11, Joint Arrangements²

香港財務報告準則第11號之修訂，合營安排²

Amendments to HKAS 12, Income Taxes²

香港會計準則第12號之修訂，所得稅²

Amendments to HKAS 23, Borrowing Costs²

香港會計準則第23號之修訂，借貸成本²

Classification and Measurement of Share-Based Payment Transactions¹

以股份為基礎付款交易之分類及計量¹

Financial Instruments¹

財務工具¹

Revenue from Contracts with Customers¹

客戶合約收益¹



2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

Amendments to HKFRS 15
香港財務報告準則第15號之修訂
Amendments to HKFRS 40
香港財務報告準則第40號之修訂
HK(IFRIC)-Int 22
香港（國際財務報告詮釋委員會）
– 詮釋第22號
Amendments to HKFRS 9
香港財務報告準則第9號之修訂
HKFRS 16
香港財務報告準則第16號
HK(IFRIC)-Int 23
香港（國際財務報告詮釋委員會）
– 詮釋第23號
Amendments to HKFRS 10
and HKAS 28
香港財務報告準則第10號及香港會計
準則第28號之修訂
Amendments to HKAS 19
香港會計準則第19號之修訂

- ¹ Effective for annual periods beginning on or after 1 January 2018
- ² Effective for annual periods beginning on or after 1 January 2019
- ³ The amendments were originally intended to be effective for periods beginning on or after 1 January 2016. The effective date has now been deferred/removed. Early application of the amendments continue to be permitted.

2. 採納香港財務報告準則（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

Revenue from Contracts with Customers (Clarifications to HKFRS 15)¹
客戶合約收益（澄清香港財務報告準則第15號）¹
Transfers of Investment Properties¹
轉撥投資物業¹
Foreign Currency Transactions and Advance Consideration¹
外幣交易及預付代價¹
Prepayment Features with Negative Compensation²
附帶負補償的預付款項²
Leases²
租賃²
Uncertainty over Income Tax Treatments²
所得稅處理之不確定性²
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture³
投資者與其聯營公司或合營企業之間之資產出售或注資³
Employee Benefits³
僱員福利³

- ¹ 於2018年1月1日或之後開始的年度期間生效
- ² 於2019年1月1日或之後開始的年度期間生效
- ³ 該等修訂本最初擬於2016年1月1日或之後開始之期間生效。生效日期現已推遲／取消。提早應用該等修訂本仍獲准許。



2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

Except as explained below, the adoption of these new/revised HKFRSs has no material impact on the Group's financial statements.

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKFRS 1, First-time Adoption of Hong Kong Financial Reporting Standards, removing transition provision exemptions relating to accounting periods that had already passed and were therefore no longer applicable.

Annual Improvements to HKFRSs 2014-2016 Cycle – Amendments to HKAS 28, Investments in Associates and Joint Ventures

The amendments issued under the annual improvements process make small, non-urgent changes to standards where they are currently unclear. They include amendments to HKAS 28, Investments in Associates and Joint Ventures, clarifying that a Venture Capital organisation's permissible election to measure its associates or joint ventures at fair value is made separately for each associate or joint venture.

Amendments to HKFRS 2 – Classification and Measurement of Share-Based Payment Transactions

The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments; share-based payment transactions with a net settlement feature for withholding tax obligations; and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

2. 採納香港財務報告準則（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

除下文所闡述者外，採納該等新訂／經修訂香港財務報告準則對本集團財務報表並無重大影響。

香港財務報告準則2014–2016週期之年度改進 – 香港財務報告準則第1號之修訂，首次採納香港財務報告準則

根據年度改進過程頒佈之修訂對現時並不明確之多項準則作出微細及不急切之修改，包括對香港財務報告準則第1號，首次採納香港財務報告準則之修訂，當中刪去了與已結束因而不適用於會計期間有關之過渡條文豁免。

香港財務報告準則2014–2016週期之年度改進 – 香港會計準則第28號之修訂，於聯營公司及合營企業之投資

根據年度改進過程頒佈之修訂對現時並不明確之多項準則作出微細及不急切之修改，包括對香港會計準則第28號，於聯營公司及合營企業之投資之修訂，當中澄清風險資本機構可選擇按公平值計量聯營公司或合營企業時，可對每間聯營公司或合營企業分別作出有關選擇。

香港財務報告準則第2號之修訂 – 以股份為基礎付款交易之分類及計量

該等修訂規定歸屬及非歸屬條件對以現金結算以股份支付之計量之會計處理；預扣稅責任具有淨額結算特徵之以股份支付之交易；以及交易類別由現金結算變更為權益結算之以股份支付條款及條件之修訂。



2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

HKFRS 9 – Financial Instruments

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

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

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

2. 採納香港財務報告準則（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港財務報告準則第9號 – 財務工具

香港財務報告準則第9號引進有關財務資產分類及計量之新要求。按業務模式持有而目的為收取合約現金流之債務工具（業務模式測試）以及具產生現金流之合約條款且僅為支付本金及未償還本金利息之債務工具（合約現金流特徵測試），一般按攤銷成本計量。倘該實體業務模式之目的為持有及收取合約現金流以及出售財務資產，則符合合約現金流特徵測試之債務工具以按公平值於其他全面收益列賬（「FVTOCI」）計量。實體可於初步確認時作出不可撤銷之選擇，以FVTOCI計量並非持作買賣之股本工具。所有其他債務及股本工具按公平值於損益列賬（「FVTPL」）。

香港財務報告準則第9號就並非以FVTPL計量的所有財務資產納入新的預期虧損減值模式（取代了香港會計準則第39號的已產生虧損模式）以及新的一般對沖會計規定，以讓實體於財務報表內更好地反映其風險管理活動。

香港財務報告準則第9號貫徹香港會計準則第39號之財務負債確認、分類及計量規定，惟指定以FVTPL計量之財務負債除外，該負債信貸風險變動產生之公平值變動金額於其他全面收益確認，除非在其他全面收益呈列該負債之信貸風險變動影響會導致或加劇會計錯配則作別論。此外，香港財務報告準則第9號保留香港會計準則第39號有關終止確認財務資產及財務負債之規定。



2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

HKFRS 9 – Financial Instruments (Continued)

The directors of the Company have reviewed the Group's financial assets and liabilities as at 31 December 2017. The Group has assessed that its financial assets currently measured at amortised cost and FVTPL will continue with their respective classification and measurements upon the adoption of HKFRS 9. The Group also expects to continue measuring available-for-sale investments at fair value and there would be no change to the accounting for these assets.

Under HKFRS 9, there is no change on financial liabilities measured at amortised cost. As at 31 December 2017, the Group has financial liabilities designated at FVTPL and expects that the change in financial liability's credit risk to be recognised in other comprehensive income would not have material impact on financial performance and financial position of the Group.

The Group expects that the application of the expected credit loss model will result in earlier recognition of credit losses. Based on a preliminary assessment, this new requirement will not have any material impact on the Group upon the adoption of HKFRS 9.

HKFRS 15 – Revenue from Contracts with customers

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

2. 採納香港財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第9號 – 財務工具 (續)

本公司董事已審閱本集團於2017年12月31日之財務資產及負債。本集團已評估現時按攤銷成本及FVTPL計量之財務資產於採納香港財務報告準則第9號後繼續沿用彼等各自之分類及計量。本集團亦預期繼續按公平值計量可供出售投資，且該等資產之會計處理將不會有任何變動。

根據香港財務報告準則第9號，按攤銷成本計量之財務負債概無任何變動。於2017年12月31日，本集團擁有指定以FVTPL計量之財務負債，並預期將於其他全面收益確認之財務負債信貸風險之變動將不會對本集團財務表現及財務狀況造成重大影響。

本集團預期應用預期信貸虧損模式將導致提早確認信貸虧損。根據初步評估，此項新要求於採納香港財務報告準則第9號後將不會對本集團造成任何重大影響。

香港財務報告準則第15號 – 客戶合約收益

該項新訂準則設立單一收入確認框架。框架的核心原則為實體應確認收入，以說明實體按反映交換商品及服務預期所得代價的金額向客戶轉讓所承諾商品或服務。香港財務報告準則第15號取代現有收入確認指引，包括香港會計準則第18號收入、香港會計準則第11號建築合約及相關詮釋。



2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

HKFRS 15 – Revenue from Contracts with customers (Continued)

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

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

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

The directors of the Company anticipated that the application of HKFRS 15 in the future will not have a material impact on the amount reported to the consolidated financial statements of the Group in the future, based on a preliminary assessment of the new requirements on the existing business model of the Group as at 31 December 2017.

2. 採納香港財務報告準則（續）

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則（續）

香港財務報告準則第15號 – 客戶合約收益（續）

香港財務報告準則第15號規定確認收入之五個步驟：

- 第1步：識別與客戶所訂立合約
- 第2步：識別合約的履約責任
- 第3步：釐定交易價格
- 第4步：分配交易價格至各履約責任
- 第5步：於履行各履約責任後確認收入

香港財務報告準則第15號包括對與可能改變目前根據香港財務報告準則的做法的特定收入相關事宜的特定指引。該項準則亦顯著加強有關收入的定性及定量披露。

本公司董事預計，基於本集團於2017年12月31日對現行業務模式新規定之初步評估，日後應用香港財務報告準則第15號將不會對日後本集團綜合財務報表中呈報之金額造成重大影響。



2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

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

The amendments to HKFRS 15 included clarifications on identification of performance obligations; application of principal versus agent; licenses of intellectual property; and transition requirements.

HK(IFRIC)–Int 22 – Foreign Currency Transactions and Advance Consideration

The Interpretation provides guidance on determining the date of the transaction for determining an exchange rate to use for transactions that involve advance consideration paid or received in a foreign currency and the recognition of a non-monetary asset or non-monetary liability. The Interpretation specifies that the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part thereof) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

Amendments to HKFRS 9 – Prepayment Features with Negative Compensation

The amendments clarify that prepayable financial assets with negative compensation can be measured at amortised cost or at fair value through other comprehensive income if specified conditions are met – instead of at fair value through profit or loss.

2. 採納香港財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第15號之修訂 – 客戶合約收益 (澄清香港財務報告準則第15號)
香港財務報告準則第15號之修訂包括澄清對履行義務的辨別；應用委託人及代理人；知識產權許可；及過渡規定。

香港 (國際財務報告詮釋委員會) – 詮釋第22號 – 外幣交易及預付代價

該詮釋就為釐定用於涉及以外幣支付或收取預付代價之交易的匯率而釐定交易日期，以及確認非貨幣資產或非貨幣負債提供指引。該詮釋指明，釐定首次確認相關資產、開支或收益 (或當中部分) 所使用之匯率之交易日期為實體首次確認支付或收取預付代價產生的非貨幣資產或非貨幣負債之日。

香港財務報告準則第9號之修訂 – 附帶負補償的預付款項

該等修訂澄清在符合指定條件下，附帶負補償的可預付財務資產可按攤銷成本或按公平值透過其他全面收益列賬，而非按公平值透過損益列賬。



2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

HKFRS 16 – Leases

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

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

At 31 December 2017, the Group, as lessee, has non-controllable operating lease commitment of HK\$10,388,000. A preliminary assessment indicated that these arrangements will meet the definition of a lease under HKFRS 16, and hence the Group will recognize a right-of-use asset and a corresponding liability in respect of all these leases unless they qualify for low value assets or short-term leases upon the adoption of HKFRS 16. In addition, the application of new requirements may result in changes in measurement, presentation and disclosure as indicated above.

2. 採納香港財務報告準則 (續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則 (續)

香港財務報告準則第16號 – 租賃

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

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

於2017年12月31日，本集團（作為承租人）擁有不可撤銷經營租賃承擔10,388,000港元。初步評估顯示該等安排將符合香港財務報告準則第16號下的租賃定義，因此，本集團將就所有該等租賃確認使用權資產及相應負債，除非在應用香港財務報告準則第16號後其符合低價值或短期租賃則作別論。此外，應用新規定或會導致上文所示之計量、呈列及披露有所變動。



2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”) (Continued)

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

HK(IFRIC)-Int 23 – Uncertainty over Income Tax Treatments

The Interpretation supports the requirements of HKAS 12, Income Taxes, by providing guidance over how to reflect the effects of uncertainty in accounting for income taxes. Under the Interpretation, the entity shall determine whether to consider each uncertain tax treatment separately or together based on which approach better predicts the resolution of the uncertainty. The entity shall also assume the tax authority will examine amounts that it has a right to examine and have full knowledge of all related information when making those examinations. If the entity determines it is probable that the tax authority will accept an uncertain tax treatment, then the entity should measure current and deferred tax in line with its tax filings. If the entity determines it is not probable, then the uncertainty in the determination of tax is reflected using either the “most likely amount” or the “expected value” approach, whichever better predicts the resolution of the uncertainty.

Amendments to HKFRS 10 and HKAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments clarify the extent of gains or losses to be recognised when an entity sells or contributes assets to its associate or joint venture. When the transaction involves a business the gain or loss is recognised in full, conversely when the transaction involves assets that do not constitute a business the gain or loss is recognised only to the extent of the unrelated investors’ interests in the joint venture or associate.

2. 採納香港財務報告準則(續)

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則(續)

香港(國際財務報告詮釋委員會) – 詮釋第23號 – 所得稅處理之不確定性

該詮釋透過就如何反映所得稅會計處理涉及的不確定性影響提供指引，為香港會計準則第12號所得稅之規定提供支持。根據該詮釋，實體須釐定分別或集中考慮各項不確定稅項處理，以更佳預測不確定性之解決方法。實體亦須假設稅務機關將會查驗其有權檢討的金額，並在作出上述查驗時全面知悉所有相關資料。如實體釐定稅務機關可能會接受一項不確定稅項處理，則實體應按與其稅務申報相同的方式計量即期及遞延稅項。倘實體釐定稅務機關不可能會接受一項不確定稅項處理，則採用「最可能金額」或「預期值」兩個方法中能更佳預測不確定性解決方法的方法來反映釐定稅項涉及的不確定性。

香港財務報告準則第10號及香港會計準則第28號之修訂 – 投資者與其聯營公司或合營企業之間之資產出售或注資

該等修訂澄清實體向其聯營公司或合營企業出售或注入資產時，將予確認之收益或虧損程度。當交易涉及一項業務，則須確認全數收益或虧損。反之，當交易涉及不構成一項業務之資產，則僅須就不相關投資者於合營企業或聯營公司之權益確認收益或虧損。



3. BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with all applicable HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations (hereinafter collectively referred to as the "HKFRS") and the disclosure requirements of the Hong Kong Companies Ordinance. In addition, the financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange.

(b) Basis of measurement and going concern assumption

(i) Basis of measurement

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

(ii) Going concern basis

As at 31 December 2017, the Group had net current liabilities of HK\$204,291,000. As at that date, the Group had total borrowings amounting to HK\$533,888,000, trade, other payables and accruals of HK\$407,832,000 and total convertible notes with principal amount of HK\$1,310,000,000. Out of which, borrowings of HK\$77,437,000, trade, other payables and accruals of HK\$407,832,000 and convertible notes with principal amount of HK\$296,000,000 would be due for repayment within 12 months from the date of the consolidated financial statements in accordance with the repayment dates of the respective agreements, while the Group only maintained its cash and cash equivalents of HK\$21,766,000.

The above conditions indicate the existence of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have given careful consideration to the future liquidity of the Group and its available sources of financing in assessing whether the Group will be able to repay the outstanding debts and be able to finance its future working capital and other financial requirements.

3. 編製基準

(a) 遵例聲明

財務報表乃按照所有適用之香港財務報告準則、香港會計準則（「香港會計準則」）及詮釋（下文統稱為「香港財務報告準則」）及香港公司條例之披露規定編製。此外，本財務報表亦載有符合聯交所證券上市規則規定之適用披露資料。

(b) 計量基準及持續經營假設

(i) 計量基準

綜合財務報表乃採用歷史成本為基礎編製，惟如下文所載會計政策所述，若干財務工具乃以公平值計量。

(ii) 持續經營基準

於2017年12月31日，本集團之流動負債淨值為204,291,000港元。於該日，本集團有總借貸533,888,000港元、應付賬款、其他應付款項及預提費用407,832,000港元及本金總額為1,310,000,000港元之可換股票據。其中，借貸77,437,000港元、應付賬款、其他應付款項及預提費用407,832,000港元及本金額為296,000,000港元之可換股票據根據相關協議之還款日期將於12個月內到期償還，而本集團僅有現金及現金等價物為21,766,000港元。

上述情況顯示存在著重大不確定因素，可能對本集團繼續按持續經營基準營運之能力構成重大疑慮。

鑑於上述情況，本公司董事評估本集團能否償還未償債務及能否為未來營運資金及其他融資需求撥付資金時，審慎考慮本集團未來之流動資金和能否獲得融資。



3. BASIS OF PREPARATION (Continued)

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

(ii) *Going concern basis (Continued)*

Certain measures have been and are being taken to mitigate the liquidity pressure and to improve the financial position of the Group, which include, but are not limited to, the following:

- (a) Three major shareholders of the Company have confirmed that they will provide continuing and sufficient support to the Group when the Group face difficulties in repaying the overdue principal and interests in relation to the above-mentioned borrowings and convertible notes and finance its operation for at least twelve months from the end of the reporting period.
- (b) The Group is actively identifying any other possible financing options to strengthen the liquidity of the Group.

The directors have prepared a cash flow forecast of the Group covering a period up to 31 December 2018. The directors are of the opinion that, taking into account the above-mentioned plans and measures, the Group would have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of the consolidated financial statements. Accordingly, the directors are of the opinion that it is appropriate to prepare the financial statements for the year ended 31 December 2017 on a going concern basis.

Notwithstanding the above, significant uncertainty exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the continuing and sufficient support from the three major shareholders of the Company to the Group to meet its operating and financing needs in foreseeable future.

3. 編製基準 (續)

(b) 計量基準及持續經營假設 (續)

(ii) 持續經營基準 (續)

本集團已經且正在採取某些措施以減輕其流動資金壓力並提高其財務狀況，其中包括但不限於以下各項：

- (a) 本公司三名主要股東已確認，彼等將於本集團難以償還上述借貸及可換股票據之逾期本金及利息以及撥付其自報告期末起計至少十二個月之營運時，為本集團提供持續足夠支持。
- (b) 本集團正積極尋求任何其他可行融資選擇，以加強本集團之流動資金狀況。

董事已編製涵蓋至截至2018年12月31日止期間的本集團現金流量預測。考慮到上述計劃及措施，董事認為本集團將具備足夠的營運資金以撥付其營運所需，並於自綜合財務報表日期起計未來十二個月內能履行其到期財務責任。因此，董事認為按持續經營基準編製截至2017年12月31日止年度的財務報表乃恰當之舉。

儘管如上文所述，本公司管理層能否完成上述計劃及措施存在重大不確定性。本集團是否能持續經營業務將取決於來自本公司三名主要股東向本集團提供之持續足夠支持，以滿足其於可預見將來之營運及融資需求。



3. BASIS OF PREPARATION (Continued)

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

(ii) Going concern basis (Continued)

The consolidated financial statements do not include any adjustments that may be necessary should the going concern basis of preparation be determined to be inappropriate. These would include any adjustments to write down the Group's assets to their net realisable amounts, to provide for any liabilities which may arise and to reclassify non-current assets and liabilities as current.

(c) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates. The consolidated financial statements are presented in Hong Kong dollar ("HKD"), which is also the functional currency of the Company.

4. SIGNIFICANT ACCOUNTING POLICIES

(a) Business combination and basis of consolidation

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

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

3. 編製基準(續)

(b) 計量基準及持續經營假設(續)

(ii) 持續經營基準(續)

綜合財務報表不包含倘釐定持續經營編製基準並不適當所作出之任何必需調整，這可能包括撇減本集團資產至可變動淨值、就因終止經營業務可能產生之任何負債計提撥備，以及將非流動資產重新分類為流動負債等任何調整。

(c) 功能及呈報貨幣

本集團各實體之財務報表內之項目，均採用該實體經營業務所在之主要經濟環境之貨幣計量。綜合財務報表乃以港元(「港元」)(亦即本公司之功能貨幣)呈報。

4. 主要會計政策

(a) 業務合併及綜合基準

綜合財務報表包括本公司及其附屬公司(「本集團」)之財務報表。集團內公司間之交易及結餘連同未變現溢利均於編製綜合財務報表時全數對銷。未變現虧損亦予以對銷，除非有關交易顯示已轉讓資產出現減值，在此情況下，虧損於損益賬內確認。

於年內收購或出售之附屬公司之業績，乃由收購日期起或截至出售日期止(如適當)列入綜合全面收益表。必要時，附屬公司之財務報表將予調整以使其會計政策與本集團其他成員公司所使用者一致。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Business combination and basis of consolidation (Continued)

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

Any contingent consideration to be transferred by the acquirer is recognised at acquisition-date fair value. Subsequent adjustments to consideration are recognised against goodwill only to the extent that they arise from new information obtained within the measurement period (a maximum of 12 months from the acquisition date) about the fair value at the acquisition date. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss.

4. 主要會計政策 (續)

(a) 業務合併及綜合基準 (續)

收購附屬公司或業務採用收購法入賬。收購成本乃按所轉讓資產、所產生負債及本集團(作為收購方)發行之股權於收購當日之公平值總額計量。所收購可辨別資產及所承擔負債則主要按收購當日之公平值計量。本集團先前所持被收購方之股權以收購當日公平值重新計量，而所產生之收益或虧損則於損益賬內確認。本集團可按每宗交易選擇以公平值或被收購方之可識別資產淨值應佔比例計算現時於附屬公司之擁有權權益之非控股權益。除非香港財務報告準則有規定其他計量基準，否則所有其他非控股權益均按公平值計量。所產生之收購相關成本列作支出，除非該等成本乃於發行股本工具時產生，在該情況下，有關成本乃從權益中扣除。

收購方將予轉讓之任何或有代價按收購日期之公平值確認。其後對代價之調整僅於調整源出於計量期(最長為收購日期起計十二個月)內所取得有關於收購日期之公平值之新資料時，方以商譽確認。所有其他分類為資產或負債之或有代價之其後調整均於損益賬內確認。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(a) Business combination and basis of consolidation (Continued)

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

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

(b) Subsidiaries

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

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

4. 主要會計政策 (續)

(a) 業務合併及綜合基準 (續)

當本集團失去附屬公司控制權，出售損益乃按以下兩者之差額計算：(i)已收代價之公平值與任何保留權益之公平值之總額；與(ii)該附屬公司之資產（包括商譽）及負債與任何非控股權益過往之賬面值。先前於其他全面收益確認與附屬公司有關之金額以相同方式入賬，猶如有關資產或負債已經出售。

收購後，現時於附屬公司之擁有權權益之非控股權益之賬面值為該等權益於初步確認時之款額加以非控股權益應佔權益其後變動之部分。即使會導致非控股權益出現虧絀結餘，全面收益總額乃歸屬於非控股權益。

(b) 附屬公司

附屬公司為本公司可行使控制權的被投資方。以下三個因素全部滿足時，本公司控制該被投資方：對被投資方的權力、來自被投資方可變回報的風險或權利及利用其權力影響該等可變回報的能力。當有事實或情況顯示任何該等控制因素可能出現變動時，控制權會被重新評估。

在本公司之財務狀況表中，於附屬公司之投資按成本扣除減值虧損（如有）列賬。附屬公司之業績按已收及應收股息由本公司入賬。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree over the fair value of identifiable assets and liabilities acquired.

Where the fair value of identifiable assets and liabilities exceed the aggregate of the fair value of consideration paid, the amount of any non-controlling interest in the acquiree and the acquisition date fair value of the acquirer's previously held equity interest in the acquiree, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

Goodwill is measured at cost less impairment losses. For the purpose of impairment testing, goodwill arising from an acquisition is allocated to each of the relevant cash-generating units that are expected to benefit from the synergies of the acquisition. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. A cash-generating unit to which goodwill has been allocated is tested for impairment annually, by comparing its carrying amount with its recoverable amount (see note 4(s)), and whenever there is an indication that the unit may be impaired.

For goodwill arising on an acquisition in a financial year, the cash-generating unit to which goodwill has been allocated is tested for impairment before the end of that financial year. When the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated to reduce the carrying amount of any goodwill allocated to the unit first, and then to the other assets of the unit pro-rata on the basis of the carrying amount to each asset in the unit. However, the loss allocated to each asset will not reduce the individual asset's carrying amount to below its fair value less cost of disposal (if measurable) or its value in use (if determinable), whichever is the higher. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

4. 主要會計政策 (續)

(c) 商譽

商譽初步按成本確認，即所轉讓代價、已確認之被收購方之非控股權益金額及收購方先前所持被收購方股權之收購當日公平值之總額超出所收購可辨別資產及負債公平值之金額。

倘可辨別資產及負債之公平值超出已付代價之公平值、被收購方之任何非控股權益金額及收購方先前所持被收購方股權之收購當日公平值之總額，則超出部分於重估後於收購日期在損益賬內確認。

商譽按成本減任何減值虧損計量。就減值測試而言，因收購而產生之商譽分配至相關預期受惠於收購所帶來協同效益之各現金產生單位。現金產生單位為可識別之最小資產組合，該等資產組合產生之現金流入很大程度上獨立於其他資產或資產組之現金流入。獲分配商譽之現金產生單位每年透過比較其賬面值及其可收回金額（見附註4(s)）及每當有跡象顯示單位可能出現減值時進行減值測試。

就於某一財政年度進行收購產生之商譽而言，獲分配商譽之現金產生單位會於該財政年度完結之前進行減值測試。倘現金產生單位之可收回金額低於該單位之賬面值，則本集團首先會分配減值虧損以減少分配予該單位之任何商譽之賬面值，再根據該單位之各項資產之賬面值按比例分配至該單位之其他資產。然而，獲分配至各資產之虧損將不會減少個別資產之賬面值至低於其公平值減出售成本（如可計量）或其使用價值（如可釐定）之兩者較高者。商譽之任何減值虧損於損益賬內確認，且不會在其後期間撥回。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor a joint arrangement. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control over those policies.

Associates are accounted for using the equity method whereby they are initially recognised at cost and thereafter, their carrying amount are adjusted for the Group's share of the post-acquisition change in the associates' net assets except that losses in excess of the Group's interest in the associate are not recognised unless there is an obligation to make good those losses.

Profits and losses arising on transactions between the Group and its associates are recognised only to the extent of unrelated investors' interests in the associate. The investor's share in the associate's profits and losses resulting from these transactions is eliminated against the carrying value of the associate. Where unrealised losses provide evidence of impairment of the asset transferred they are recognised immediately in profit or loss.

Any premium paid for an associate above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the associate. Where there is objective evidence that the investment in an associate has been impaired, the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

4. 主要會計政策(續)

(d) 聯營公司

聯營公司為本集團對其擁有重大影響力之實體，既非附屬公司，亦非合營安排。重大影響力指有權力參與被投資方之財務及經營決策，但並非對該等政策擁有控制或聯合控制權。

聯營公司乃採用權益法入賬，據此聯營公司按成本初步確認，此後其賬面值於聯營公司之資產淨值內調整以反映本集團應佔收購後變動，惟超過本集團於聯營公司之權益之虧損不會確認，除非有責任彌補該等虧損。

本集團與其聯營公司之間的交易產生之損益僅於不相關投資者於聯營公司擁有權益時方才確認。該等交易產生之投資者分佔聯營公司溢利及虧損與聯營公司之賬面值對銷。倘未變現虧損證明所轉移資產出現減值，則即時於損益賬確認。

就聯營公司已付之任何溢價高於已收購本集團應佔可識別資產、負債及或有負債之公平值乃撥充資本，計入聯營公司之賬面值內。倘客觀證據證明聯營公司投資已出現減值，則投資的賬面值按與其他非財務資產相同的方式進行減值測試。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Joint arrangements

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

The group classifies its interests in joint arrangements as either:

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

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

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

The Group accounts for its interests in joint ventures in the same manner as investments in associates (i.e. using the equity method – see note 4(d)).

4. 主要會計政策 (續)

(e) 聯合安排

當有合約安排賦予本集團及至少一名其他訂約方之相關安排活動之共同控制權時，本集團為聯合安排之訂約方。共同控制乃根據控制附屬公司之相同原則予以評估。

本集團將其於聯合安排之權益分類為：

- 合營企業：倘本集團僅對聯合安排之資產淨值擁有控制權；或
- 合營業務：倘本集團對聯合安排之資產及負債責任均擁有控制權。

於評估有關於聯合安排之權益之分類時，本集團會考慮：

- 聯合安排之架構；
- 透過獨立實體組織之合營安排之法律形式；
- 聯合安排協議之合約條款；及
- 任何其他事實及情況（包括任何其他合約安排）。

本集團採用與於聯營公司之投資相同之方式（即使用權益法 – 見附註4(d)）將其於合營企業之權益列賬。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Joint arrangements (Continued)

Any premium paid for an investment in a joint venture above the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired is capitalised and included in the carrying amount of the investment in joint venture. Where there is objective evidence that the investment in a joint venture has been impaired the carrying amount of the investment is tested for impairment in the same way as other non-financial assets.

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

(f) Property, plant and equipment

The property, plant and equipment are stated in the consolidated statement of financial position at cost less accumulated depreciation and accumulated impairment losses.

The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

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

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of development wells is capitalised as oil and gas properties under property, plant and equipment.

4. 主要會計政策 (續)

(e) 聯合安排 (續)

任何支付作投資合營企業而較本集團應佔已購入可識別資產、負債及或然負債的公平值更高的溢價將獲資本化，並計入於合營企業的投資的賬面值。倘有客觀證據顯示於合營企業的投資已出現減值，則該投資的賬面值將會以與其他非財務資產相同的方式進行減值測試。

本集團根據按合約獲賦予之權利及義務，透過確認其應佔資產、負債、收入及費用將其合營業務之權益入賬。

(f) 物業、廠房及設備

物業、廠房及設備乃按照成本扣除累計折舊及累計減值虧損於綜合財務狀況表列賬。

物業、廠房及設備之成本包括其購入價及收購項目之直接應佔成本。

其後成本包括在資產賬面值內，或僅於與項目有關之未來經濟利益可能流向本集團且項目成本能可靠計量時確認為獨立資產（視何者適用而定）。替補部分之賬面值予以終止確認。所有其他維修及保養開支於其產生之財政期間在損益賬確認為開支。

興建、安裝或完成平台、管道等基礎設施及鑽探開發井之開支乃撥充作物業、廠房及設備項下之油氣資產。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment (Continued)

Property, plant and equipment are depreciated so as to write off their cost net of expected residual value over their estimated useful lives on a straight-line basis except for oil and gas properties which are depreciated by the units of production method. The useful lives, residual value and depreciation method are reviewed, and adjusted if appropriate, at the end of each reporting period. The useful lives are as follows:

- Building	20 years
- Leasehold improvements	The shorter of their estimated useful lives or the lease term
- Compressed natural gas ("CNG") station, building and ancillary facilities	20 years
- Oil and gas properties	Unit-of-production method utilising only proved and probable oil and gas reserve as the depletion base
- Furniture, fixtures and office equipment	3 - 10 years
- Motor vehicles	4 - 5 years

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalized during the periods of construction and installation. Capitalisation of these costs ceases and the construction in progress is transferred to the appropriate class of property, plant and equipment when substantially all the activities necessary to prepare the assets for their intended use are completed. No depreciation is provided for in respect of construction in progress until it is completed and ready for its intended use.

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

The gain or loss on disposal of an item of property, plant and equipment is the difference between the net sale proceeds and its carrying amount, and is recognised in profit or loss on disposal.

4. 主要會計政策 (續)

(f) 物業、廠房及設備 (續)

物業、廠房及設備(除油氣資產以生產單位法折舊外)於估計可用年限內按直線基準折舊,以註銷其扣除預計剩餘價值後之成本。於各報告期間結束時,均會檢討可用年限、剩餘價值及折舊方法,並視需要作出調整。可用年限如下:

- 樓宇	20年
- 租賃物業裝修	估計可用年限或租賃期間(以較短者為準)
- 壓縮天然氣 ("CNG") 站、樓宇及配套設施	20年
- 油氣資產	運用生產單位法,僅將已證實+概略油氣儲量為消耗基礎
- 傢俬、固定裝置及辦公室設備	3至10年
- 汽車	4至5年

在建工程按成本減去減值虧損入賬。成本包括直接建築成本,以及建築及安裝期間之資本化借貸成本。當資產投入擬定用途所需之準備工作大致完成時,該等成本便會停止資本化,而在建工程亦會轉入適當類別之物業、廠房及設備內。在建工程在完工並可隨時投入擬定用途前不計提任何折舊準備。

資產之賬面值如高於估計可收回金額,則會立即撇減至可收回金額。

出售物業、廠房及設備項目之收益或虧損,乃出售所得款項淨額與其賬面值之差額,且會於出售時於損益中確認。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Intangible assets (other than goodwill)

(i) Acquired intangible assets

Intangible assets acquired separately are initially recognised at cost. The cost of intangible assets acquired in a business combination is fair value at the date of acquisition. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is provided on a straight-line basis over their useful lives as follows:

- | | |
|---------------------------------|--|
| – Oil and gas operation rights | Unit-of-production method utilising only proved and probable oil and gas reserve as the depletion base |
| – Favourable supplier agreement | 10 years |

Motor vehicle registration licenses with indefinite useful lives are carried at cost less any accumulated impairment losses.

The amortisation expense is recognised in profit or loss and included in direct costs.

4. 主要會計政策(續)

(g) 無形資產(商譽除外)

(i) 所收購之無形資產

單獨收購之無形資產初步按成本確認。於業務合併中收購之無形資產成本為收購日期之公平值。隨後，有限使用年期之無形資產按成本減累計攤銷及累計減值虧損列賬。

攤銷於如下使用年期内按直線法撥備：

- | | |
|------------|---------------------------|
| – 油氣營運權 | 運用生產單位法，僅將已證實+概略油氣儲量為消耗基礎 |
| – 優惠之供應商協議 | 10年 |

具無限使用年期之汽車登記牌照按成本減任何累計減值虧損列賬。

攤銷費用在損益賬內確認並計入直接成本內。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Intangible assets (other than goodwill) (Continued)

(ii) Impairment

Intangible assets with finite lives are tested for impairment when there is an indication that an asset may be impaired. Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, irrespective of whether there is any indication that they may be impaired. Intangible assets are tested for impairment by comparing their carrying amounts with their recoverable amounts (see note 4(s)).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

An impairment loss is recognised as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount; however, the carrying amount should not be increased above the lower of its recoverable amount and the carrying amount that would have resulted had no impairment loss been recognised for the asset in prior years. All reversals are recognised in the income statement immediately.

(h) Oil and gas exploration and evaluation assets

Oil and gas exploration and evaluation activity involves the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource.

The licence costs paid in connection with a right to explore are capitalised as oil and gas exploration and evaluation asset. Once the legal right to explore has been acquired, costs directly associated with an exploration well are capitalised as gas exploration and evaluation assets until the drilling of the well is complete and the results have been evaluated. These costs include directly attributable employee remuneration, materials and fuel used, rig costs and payments made to contractors.

4. 主要會計政策 (續)

(g) 無形資產 (商譽除外) (續)

(ii) 減值

具有有限使用年期之無形資產每當有跡象顯示資產可能出現減值時進行減值測試。具有無限使用年期之無形資產及尚未可供使用之無形資產均會每年進行減值測試，不論其有否出現任何可能減值跡象。無形資產透過比較其賬面值及其可收回金額為其進行減值測試（見附註4(s)）。

倘資產之可收回金額估計低於其賬面值，則資產之賬面值會調低至其可收回金額。

減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產之賬面值增加至其經修訂之估計可收回金額；然而，賬面值不應增加高於其可收回金額與倘資產於過往年度並無確認減值虧損而導致之賬面值兩者較低者。所有撥回即時在收益表內確認。

(h) 油氣勘探及評估資產

油氣勘探及評估活動包括尋找礦產資源、釐定技術可行性及評估已識別資源之商業可行性。

已支付有關勘探權之特許權費用乃資本化為油氣勘探及評估資產。倘合法勘探權被收購，與勘探井直接相關之成本將資本化為天然氣勘探及評估資產，直至鑽井結束及就結果進行評估為止。該等成本包括直接應佔僱員薪酬、所用物料及燃料費、鑽機成本及向承包商支付之款項。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Oil and gas exploration and evaluation assets (Continued)

Geological and geophysical costs are also capitalised as oil and gas exploration and evaluation asset.

If extractable coalbed methane or oil are found and, subject to further appraisal activity (e.g. the drilling of additional wells), are likely to be capable of being commercially developed, the costs continue to be carried as an intangible assets while sufficient/continued progress is made in assessing the commerciality of the coalbed methane or oil. Costs directly associated with appraisal activity undertaken to determine the size, characteristics and commercial potential of a reservoir following the initial discovery of coalbed methane, including the costs of appraisal wells where coalbed methane or oil were not found, are initially capitalised as an intangible asset.

All such capitalised costs are subject to technical, commercial and management review as well as review for indicators of impairment at least once a year. This is to confirm the continued intent to develop or otherwise extract value from the discovery. When this is no longer the case, the costs are written off to profit or loss.

When proved reserves of coalbed methane or oil are identified, development is sanctioned by management and approved by relevant government bodies, the relevant capitalised expenditure is first assessed for impairment and (if required) any impairment loss is recognised, then the remaining balance is reclassified to intangible assets and oil and gas properties under property, plant and equipment. After reclassification, amortisation or depreciation will be provided for the respective assets consistent with the relevant accounting policy. No amortisation or depreciation is charged during the exploration and evaluation phase.

4. 主要會計政策(續)

(h) 油氣勘探及評估資產(續)

地質及地球物理成本亦資本化為油氣勘探及評估資產。

如發現可萃取煤層氣或石油，且根據進一步評估活動(例如，新井鑽探)，該等煤層氣可能能夠進行商業開發，則在評估煤層氣之商業性取得充分／繼續進展時，成本將繼續作為無形資產入賬。與最初發現煤層氣或石油之後進行之釐定儲集層之大小、特性及商業潛力之評估活動直接相關之成本(包括評估未發現煤層氣或石油之乾井之成本)將初步資本化為無形資產。

所有該等資本化成本每年至少須接受一次技術、商業及管理審核，以及減值指標檢討，以確定繼續開發或以其他方式萃取有關儲量價值之意圖。如情況有變，有關成本將於損益中註銷。

當釐定煤層氣或石油之已證實儲量，且管理層及有關政府機構已批准開發時，有關資本化開支將首先接受減值評估及任何減值虧損將獲確認(如必要)，之後，剩餘結餘將重新分類至無形資產及物業、廠房及設備項下之油氣資產。重新分類後，將根據相關會計政策，就各項資產計提攤銷或折舊撥備。在勘探及評估階段期間，不作任何攤銷或折舊。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Payments for leasehold land held for own use

Payments for leasehold land held for own use under operating leases represent up-front payments to acquire long-term interests in lessee-occupied properties. These payments are stated at cost and are amortised over the period of the lease on a straight-line basis as an expense.

(j) Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to lessee. All other leases are classified as operating leases.

The Group as lessee

The total rentals payable under the operating leases are recognised in profit or loss on a straight-line basis over the lease term. Lease incentives received are recognised as an integrated part of the total rental expense, over the term of the lease.

(k) Financial instruments

(i) Financial assets

The Group classifies its financial assets at initial recognition, depending on the purpose for which the asset was acquired. Financial assets at fair value through profit or loss are initially measured at fair value and all other financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets. Regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

4. 主要會計政策 (續)

(i) 自用租賃土地付款

經營租賃之自用租賃土地付款指收購承租人自用物業長期權益之前期付款。該等付款按成本列賬，並於租賃期內按直線基準攤銷為開支。

(j) 租賃

當租賃條款轉移與擁有權有關之絕大部分風險及回報予承租人時，租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為承租人

經營租賃之應付租金總額在租賃期內按直線法確認計入損益。所收取之租賃優惠於租賃期內確認為租金開支總額之一部分。

(k) 財務工具

(i) 財務資產

本集團於初步確認時按收購資產之目的將財務資產分類。按公平值於損益列賬之財務資產初步按公平值計量，而所有其他財務資產則初步按公平值加收購財務資產之應佔直接交易成本計量。所有按常規購買或出售之財務資產乃按交易日基準確認及終止確認。所謂按常規購買或出售，指根據合約購買或出售財務資產，而該合約條款規定須一般按有關市場之規則或慣例所設時限內交付資產。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments (Continued)

(i) Financial assets (Continued)

Financial assets at fair value through profit or loss

These assets include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments or financial guarantee contracts.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade debtors), and also incorporate other types of contractual monetary asset. Subsequent to initial recognition, they are carried at amortised cost using the effective interest method, less any identified impairment losses.

Available-for-sale financial assets

These assets are non-derivative financial assets that are designated as available-for-sale or are not included in other categories of financial assets. Subsequent to initial recognition, these assets are carried at fair value with changes in fair value recognised in other comprehensive income, except for impairment losses and foreign exchange gains and losses on monetary instruments, which are recognised in profit or loss.

4. 主要會計政策(續)

(k) 財務工具(續)

(i) 財務資產(續)

按公平值透過損益列賬的財務資產

該等資產包括持作買賣之財務資產。倘收購財務資產旨在於短期內出售，則有關財務資產將分類為持作買賣。衍生工具(包括獨立內含衍生工具)，除非指定為有效對沖工具或財務擔保合約，否則亦分類為持作買賣。

初步確認後，按公平值於損益列賬之財務資產按公平值計量，而公平值變動於變動產生期間在損益確認。

貸款及應收款項

該等資產為沒有活躍市場報價並具固定或可確定收款金額之非衍生財務資產，主要透過向客戶(貿易債務人)提供貨品及服務而產生，亦涵蓋其他具有合約性之貨幣資產類別。初步確認後，該等資產採用實際利率法按攤銷成本減任何已確定之減值虧損列賬。

可供出售財務資產

該等資產乃被指定為可供出售或不計入財務資產之其他分類之非衍生財務資產。初步確認後，該等資產按公平值列賬，而公平值變動於其他全面收益內確認，惟減值虧損及貨幣工具之外匯收益及虧損外，並於損益賬內確認。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments (Continued)

(ii) Impairment loss on financial assets

The Group assesses, at the end of each reporting period, whether there is any objective evidence that financial asset is impaired. Financial asset is impaired if there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that event has an impact on the estimated future cash flows of the financial asset that can be reliably estimated. Evidence of impairment may include:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- granting concession to a debtor because of debtor's financial difficulty; or
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

For loans and receivables

An impairment loss is recognised in profit or loss when there is objective evidence that the asset is impaired, and is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of financial asset is reduced through the use of an allowance account. When any part of financial asset is determined as uncollectible, it is written off against the allowance account for the relevant financial asset.

Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

4. 主要會計政策 (續)

(k) 財務工具 (續)

(ii) 財務資產之減值虧損

本集團於每個報告期間結束時評估是否存在任何客觀跡象顯示財務資產出現減值。倘於初步確認資產後發生一項或多項事件導致存在任何客觀減值跡象，而該項事件對財務資產之估計未來現金流量造成之影響能夠可靠地估計，則有關財務資產為出現減值。減值跡象或包括：

- 債務人有重大財務困難；
- 違反合約，如違約或拖欠償還利息或本金；
- 由於債務人出現財務困難而給予債務人優惠條件；或
- 債務人可能破產或進行其他財務重組。

貸款及應收款項

減值虧損於有客觀證據顯示資產已減值時在損益賬內確認，並按資產賬面值與以原實際利率折現之估計未來現金流量現值之差額計量。財務資產之賬面值透過使用撥備賬目減少。倘財務資產之任何部分被釐定為無法收回，則與相關財務資產之撥備賬目撇銷。

倘資產可收回金額之增加客觀上可與確認減值後發生之事件有關，則減值虧損於其後期間撥回，惟該資產於撥回減值當日之賬面值不得超出倘並無確認減值原應有之攤銷成本。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

For available-for-sale financial assets

Where a decline in the fair value constitutes objective evidence of impairment, the amount of the loss is removed from equity and recognised in profit or loss.

For available-for-sale equity investment, any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income.

(iii) Financial liabilities

The Group classifies its financial liabilities, depending on the purpose for which the liabilities were incurred. Financial liabilities at fair value through profit or loss are initially measured at fair value and financial liabilities at amortised costs are initially measured at fair value, net of directly attributable costs incurred.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are acquired for the purpose of sale in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in profit or loss.

Where a contract contains one or more embedded derivatives, the entire hybrid contract may be designated as a financial liability at fair value through profit or loss, except where the embedded derivative does not significantly modify the cash flows or it is clear that separation of the embedded derivative is prohibited.

4. 主要會計政策 (續)

(k) 財務工具 (續)

(ii) 財務資產之減值虧損 (續)

可供出售財務資產

倘公平值下跌構成減值客觀證據，則虧損金額自權益中扣除並於損益內確認。

就可供出售權益投資而言，減值虧損後之任何公平值增加乃於其他全面收益中確認。

(iii) 財務負債

本集團按產生負債之目的將其財務負債分類。按公平值於損益列賬之財務負債初步按公平值計量，而按攤銷成本計量之財務負債初步按公平值減直接應佔所產生之成本計量。

按公平值透過損益列賬的財務負債

按公平值於損益列賬之財務負債包括持作買賣之財務負債，以及於初步確認時指定為按公平值於損益列賬之財務負債。

倘收購財務負債旨在於短期內出售，則有關財務負債將分類為持作買賣。衍生工具(包括獨立內含衍生工具)，除非指定為有效對沖工具，否則亦分類為持作買賣。持作買賣負債之收益或虧損於損益賬確認。

倘一份合約包含一份或多份內含衍生工具，則整份混合式合約將被指定為按公平值於損益列賬之財務負債，除非有關內含衍生工具不會對現金流量產生重大影響，或此衍生工具被明令禁止拆分。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments (Continued)

(iii) Financial liabilities (Continued)

Financial liabilities at fair value through profit or loss (Continued)

Financial liabilities may be designated upon initial recognition as at fair value through profit or loss if the following criteria are met: (i) the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the liabilities or recognising gains or losses on them on a different basis; (ii) the liabilities are part of a group of financial liabilities which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management strategy; or (iii) the financial liability contains an embedded derivative that would need to be separately recorded.

Subsequent to initial recognition, financial liabilities at fair value through profit or loss are measured at fair value, with changes in fair value recognised in profit or loss in the period in which they arise.

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings and the debt element of convertible loan note issued by the Group are subsequently measured at amortised cost, using the effective interest method. The related interest expense is recognised in profit or loss.

Gains or losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

4. 主要會計政策 (續)

(k) 財務工具 (續)

(iii) 財務負債 (續)

按公平值透過損益列賬的財務負債 (續)

符合以下條件之財務負債可於初步確認時指定為按公平值於損益列賬：(i)有關指定能消除或大大減低因按照不同基準計量有關負債或確認其收益或虧損而出現之不一致處理情況；(ii)根據列明之風險管理策略，該等負債為一組受管理且其表現乃按公平值估值之財務負債之其中一部分；或(iii)該財務負債包含需單獨入賬之內含衍生工具。

初步確認後，按公平值於損益列賬之財務負債按公平值計量，而公平值變動於變動產生期間在損益賬確認。

按攤銷成本計量之財務負債

按攤銷成本計量之財務負債包括應付賬款及其他應付款項、借貸及本集團所發行可換股貸款票據之債務部分，其後使用實際利率法按攤銷成本計量。相關利息支出於損益賬確認。

當負債終止確認時，以及在攤銷過程中，收益或虧損會在損益賬內確認。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments (Continued)

(iv) Convertible notes

Convertible notes issued by the Group that contain both the liability and conversion option components are classified separately into their respective items on initial recognition. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is classified as an equity instrument.

On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible debts. The difference between the proceeds of the issue of the convertible notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the convertible notes into equity, is included in equity (convertible notes equity reserve).

In subsequent periods, the liability component of the convertible notes is carried at amortised cost using the effective interest method. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, will remain in convertible notes equity reserve until the embedded option is exercised when the balance stated in convertible notes equity reserve will be transferred to share premium. Where the option remains unexercised at the expiry dates, the balance stated in convertible notes equity reserve will be released to accumulated losses. No gain or loss is recognised upon conversion or expiration of the option.

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

4. 主要會計政策(續)

(k) 財務工具(續)

(iv) 可換股票據

本集團發行之可換股票據包括負債及兌換權部分，於初步確認時分別歸類至相關項目。將以指定金額現金或其他財務資產交換本公司指定數目之股本工具結算之兌換權分類為股本工具。

初步確認時，負債部分之公平值按同類非可換股債項之現行市場利率釐定。發行可換股票據之所得款項與撥入負債部分（即持有人將可換股票據兌換為權益之兌換權）之公平值差額計入權益之可換股票據權益儲備。

於其後期間，可換股票據之負債部分使用實際利率法按攤銷成本列賬。權益部分（即將負債部分兌換為本公司普通股之選擇權）保留於可換股票據權益儲備，直至附帶選擇權獲行使為止，屆時可換股票據權益儲備之結餘將轉撥至股份溢價。倘選擇權於到期日仍未行使，則可換股票據權益儲備之結餘將轉撥至累計虧損。選擇權兌換或到期時不會確認任何收益或虧損。

與發行可換股票據相關之交易成本，按分配所得款項之比例分配至負債及權益部分。與權益部分相關之交易成本會直接於權益扣除。與負債部分相關之交易成本計入負債部分之賬面值，並以實際利率法於可換股貸款票據期限內攤銷。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments (Continued)

(iv) Convertible notes (Continued)

Convertible notes with conversion options which are not settled by exchanging a fixed amount of cash for a fixed number of the Company's own shares comprise a derivative component and a liability component.

At initial recognition the derivative component of the convertible notes is measured at fair value. Any excess of the proceeds over the amount initially recognised as the derivative component is recognised as the liability component. Transaction costs relating to the issue of the convertible notes are allocated to the liability and derivative components in proportion to the allocation of proceeds. The portion of the transaction costs relating to the liability component is recognised initially as part of the liability component. The portion relating to the derivative component is recognised immediately in profit or loss.

The derivative component is subsequently remeasured at fair value, with changes in fair value recognised immediately in profit or loss. The liability component is subsequently measured at amortised cost. The interest expense recognised in profit or loss on the liability component is calculated using the effective interest method. The liability component is classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period.

(v) Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial asset or liability, or where appropriate, a shorter period.

(vi) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

4. 主要會計政策 (續)

(k) 財務工具 (續)

(iv) 可換股票據 (續)

並非以指定金額現金交換本公司指定數目之股份結算之附兌換權可換股票據包括衍生工具部分與負債部分。

於初步確認時，可換股票據之衍生工具部分按公平值計量。所得款項超出初步確認為衍生工具部分之金額會確認為負債部分。與發行可換股票據相關之交易成本按分配所得款項之比例分配至負債及衍生工具部分。與負債部分相關之交易成本部分會初步確認為負債部分之一部分，而與衍生工具部分相關之部分則即時於損益確認。

衍生工具部分其後按公平值計量，而公平值變動即時於損益確認。負債部分其後按攤銷成本計量。就負債部分於損益確認之利息支出使用實際利率法計算。除非本集團可無條件延至報告期末起計至少十二個月始清償負債，否則負債部分會分類為流動負債。

(v) 實際利率法

實際利率法乃財務資產或財務負債攤銷成本及於有關期間分配利息收入或利息支出之計算方法。實際利率乃於財務資產或負債之預期年期或(倘適用)較短期間用作準確折現估計未來現金收款或付款之利率。

(vi) 股本工具

由本公司發行之股本工具按收取之款項扣除直接發行成本入賬。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Financial instruments (Continued)

(vii) Financial guarantee contracts

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

(viii) Derecognition

The Group derecognises a financial asset when the contractual rights to the future cash flows in relation to the financial asset expire or when the financial asset has been transferred and the transfer meets the criteria for derecognition in accordance with HKAS 39.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires.

Where the Group issues its own equity instruments to a creditor to settle a financial liability in whole or in part as a result of renegotiating the terms of that liability, the equity instruments issued are the consideration paid and are recognised initially and measured at their fair value on the date the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

4. 主要會計政策 (續)

(k) 財務工具 (續)

(vii) 財務擔保合約

財務擔保合約乃在債務工具根據其原始或修訂條款到期時特定債務人無法還款之情況下要求發行人向持有人支付特定金額以補償其所受損失之合約。由本集團發行之並非指定按公平值入賬損益之財務擔保合約，初步按其公平值減發行財務擔保合約直接應佔之交易成本確認。初步確認後，本集團以下列較高者計量財務擔保合約：(i)根據香港會計準則第37號撥備、或有負債及或有資產釐定之金額；及(ii)初步確認之款額減(如適用)根據香港會計準則第18號收益確認之累計攤銷。

(viii) 終止確認

倘涉及財務資產之未來現金流量之合約權利屆滿，或倘財務資產已經轉讓，而有關轉讓符合香港會計準則第39號之終止確認標準，則本集團可終止確認該項財務資產。

財務負債於有關合約內指定之責任獲履行、被取消或到期時終止確認。

倘由於重新磋商財務負債之條款，本集團向債權人發行其自身股本工具以支付全部或部分之財務負債，則已發行之股本工具為已付代價並於抵銷全部或部分財務負債日期按彼等之公平值初步確認及計量。倘已發行股本工具之公平值不能可靠計量，則股本工具將計量以反映所抵銷財務負債之公平值。所抵銷財務負債或其部分之賬面值與已付代價之差額於本年度損益賬中確認。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits held at call with banks, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(m) Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is calculated by using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(n) Provision and contingent liabilities

(i) Provisions

General

Provision are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4. 主要會計政策(續)

(l) 現金及現金等價物

現金及現金等價物包括手頭現金及銀行通知存款以及其他具高流動性之短期投資，此等投資可隨時變現為可知數量之現金，而所須承受之價值變動風險屬輕微。

(m) 存貨

存貨初步按成本確認，其後按成本及可變現淨值兩者中之較低數額確認。成本包括所有採購成本、加工成本及將存貨運輸至現時地點及變成現狀所產生之其他成本。成本以加權平均法計算。可變現淨值指以日常業務過程中之估計售價減去估計完工成本及銷售所需之估計成本後所得之數。

(n) 撥備及或有負債

(i) 撥備

一般情況

倘若本集團須就已發生事件承擔現有法律或推定責任，而本集團有可能須履行有關責任，且能夠可靠地估計有關責任數額，則會確認撥備。

已確認為撥備之數額乃計及有關責任之風險及不確定因素後，於報告期間結束時履行現有責任所需代價之最佳估計數額。倘撥備以預期履行現有責任之現金流量計算，則其賬面值為該等現金流量之現值。

倘預期結算撥備所需之部分或全部經濟利益可自第三方收回，且幾乎肯定能收回償付金額及應收款項金額能可靠地計量，則該應收款項將確認為資產。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Provision and contingent liabilities (Continued)

(i) Provisions (Continued)

Decommissioning liability

Decommissioning liability is recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is recognised as part of the cost of the related oil and gas properties. The amount recognised is the estimated cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to oil and gas properties.

(ii) Contingent liability

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognised as a provision.

4. 主要會計政策 (續)

(n) 撥備及或有負債 (續)

(i) 撥備 (續)

停止運作負債

本集團因過往事件產生現有法律或推定責任，並可能流出資源以清償該責任而有關責任之金額能可靠估計時，則確認停止運作負債。相等於有關撥備之相應金額確認為相關油氣資產成本之一部分。所確認之金額為停止運作之估計成本並經折現至其現值。停止運作之估計時間或停止運作成本估計數字之變動乃透過將撥備之調整金額及油氣資產之相應調整金額記錄入賬之方式在未來處理。停止運作撥備折現值回撥入賬列為融資成本。

(ii) 或有負債

或有負債指一項因已發生事件而可能引致之責任，而其存在與否僅取決於日後是否發生一件或以上並非完全受本集團控制之不確定事件而定。或有負債亦可能是已發生事件所引致之現有承擔，但由於可能不需要有經濟資源流出，或承擔金額不能可靠地計量而未有確認。

或有負債不予確認，但須於財務報表中披露。當經濟資源流出之可能性改變而可能導致資源流出時，則或有負債將確認為撥備。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Income tax

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

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

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

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

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

4. 主要會計政策(續)

(o) 所得稅

年內所得稅包括即期稅項及遞延稅項。

即期稅項乃按已就毋須就所得稅課稅或不可扣減所得稅之項目作出調整之日常業務損益，按報告期間結束時已頒佈或實際頒佈之稅率計算。

遞延稅項乃就財務報告之資產及負債之賬面值與就稅務所用相應數值間之暫時差額確認。除不影響會計或應課稅溢利之商譽及已確認資產及負債外，所有應課稅暫時差額之遞延稅項負債均會確認。遞延稅項資產僅在應課稅溢利可供扣減暫時差額抵銷時確認。遞延稅項乃按適用於資產或負債之賬面值獲變現或結算之預期方式及於各報告期末已頒佈或實際頒佈之稅率計量。

除本集團可控制暫時差額之撥回而暫時差額有可能在可預見未來不予撥回之情況外，因投資附屬公司、聯營公司及共同控制實體而引致之應課稅暫時差額會確認遞延稅項負債。

所得稅乃於損益賬內確認，惟所得稅與直接於其他全面收益確認之項目有關則除外，在此情況下，稅項亦於其他全面收益確認，或當與直接在權益確認之項目有關時，稅項則直接於權益確認。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Foreign currencies

Transactions entered into by group entities in currencies other than the currency of the primary economic environment in which they operate (the “functional currency”) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the end of reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in other comprehensive income, in which case, the exchange differences are also recognised directly in other comprehensive income.

On consolidation, income and expense items of foreign operations are translated into the presentation currency of the Group (i.e. Hong Kong dollars) at the average exchange rates for the year, unless exchange rates fluctuate significantly during the period, in which case, the rates approximating to those ruling when the transactions took place are used. All assets and liabilities of foreign operations are translated at the rate ruling at the end of reporting period. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity as foreign exchange reserve (attributed to minority interests as appropriate). Exchange differences recognised in profit or loss of group entities’ separate financial statements on the translation of long-term monetary items forming part of the Group’s net investment in the foreign operation concerned are reclassified to other comprehensive income and accumulated in equity as foreign exchange reserve.

4. 主要會計政策(續)

(p) 外幣

本集團旗下各實體以其經營業務所在之主要經濟環境之貨幣(「功能貨幣」)以外其他貨幣進行之交易，乃按交易當日之匯率入賬。以外幣為單位之貨幣資產及負債按報告期間結束時之匯率換算。以外幣表示公平值之非貨幣項目按公平值釐定當日之現行匯率重新換算。以外幣歷史成本計量之非貨幣項目毋須重新換算。

因結算及換算貨幣項目所產生之匯兌差異，於產生期間之損益賬內確認。重新換算按公平值列賬之非貨幣項目所產生之匯兌差異計入期內損益賬，惟重新換算有關收益及虧損而直接於其他全面收益確認之非貨幣項目所產生之匯兌差異，亦直接於其他全面收益確認。

綜合賬目時，海外業務之收入及支出項目以年內平均匯率換算為本集團之呈報貨幣(即港元)，除非期內匯率大幅波動，在此情況下，則按進行該等交易時之相若匯率換算。所有海外業務之資產及負債均以報告期間結束時之匯率換算。所產生之匯兌差異(如有)，於其他全面收益確認，並於權益累計入賬為外匯儲備(在適當情況下歸屬於少數股東權益)。於換算構成本集團於所涉海外業務之部分投資淨額之長期貨幣項目時，在本集團旗下各實體獨立財務報表之損益賬內確認之匯兌差異則重新分類至其他全面收益，並於權益累計入賬為外匯儲備。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Foreign currencies (Continued)

On disposal of a foreign operation, the cumulative exchange differences recognised in the exchange reserve relating to that operation up to the date of disposal are reclassified to profit or loss as part of the profit or loss on disposal.

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation on or after 1 January 2005 are treated as assets and liabilities of that foreign operation and translated at the rate of exchange prevailing at the end of reporting period. Exchange differences arising are recognised in the exchange reserve.

(q) Employee benefits

(i) Short term employee benefits

Short term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

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

4. 主要會計政策 (續)

(p) 外幣 (續)

出售海外業務時，外匯儲備內確認該業務截至出售日期止之累計匯兌差異將重新分類至損益賬，作為出售損益之一部分。

於2005年1月1日或之後，於收購海外業務時產生之所收購可辨別資產之商譽及公平值調整乃作為該海外業務之資產及負債處理，並按報告期間結束時之現行匯率進行換算。產生之匯兌差異乃於外匯儲備內確認。

(q) 僱員福利

(i) 短期僱員福利

短期僱員福利是指預計在僱員提供相關服務之年度報告期結束後十二個月以前將全數結付之僱員福利（終止福利除外）。短期僱員福利於僱員提供相關服務之年度確認。

(ii) 界定供款退休計劃

向界定供款退休計劃作出之供款於僱員提供服務時在損益賬內確認為開支。

本集團根據強制性公積金計劃條例，為其香港所有僱員設立界定供款強制性公積金退休福利計劃（「該計劃」）。供款乃以僱員之基本薪金百分比作出，並根據該計劃之規則於應付時在損益賬內扣除。該計劃之資產乃存放於一個獨立管理之基金內，與本集團之資產分開持有。當本集團向該計劃供款後，僱員有權完全享有僱主供款。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Employee benefits (Continued)

(ii) Defined contribution retirement plan (Continued)

The Group has joined a mandatory central pension scheme organised by the PRC government for certain of its employees, the assets of which are held separately from those of the Group. Contributions made are based on a percentage of the eligible employees' salaries and are charged to profit or loss as they became payable, in accordance with the rules of the scheme. The employer's contributions vest fully once they are made.

(r) Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss over the remaining vesting period, with a corresponding adjustment to the share option reserve.

Equity-settled share-based payment transactions with other parties are measured at the fair value of the goods or services received, except where the fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

For cash-settled share-based payments, a liability equal to the portion of the goods or services received is recognised at the current fair value determined at the end of each reporting period.

4. 主要會計政策 (續)

(q) 僱員福利 (續)

(ii) 界定供款退休計劃 (續)

本集團已為若干僱員參加由中國政府管理之強制性中央退休金計劃，計劃資產與本集團資產分開持有。供款乃以合資格僱員之薪金百分比作出，並根據計劃之規則於應付時在損益賬內扣除。僱主供款於作出供款時即全數歸屬僱員。

(r) 以股份支付之款項

向僱員及提供類似服務之其他人士支付股本結算以股份支付之款項，乃以股本工具於授出日期之公平值計量。

於股本結算以股份支付之款項授出日期釐定之公平值會於歸屬期內根據最終將會歸屬之本集團股本工具之估計，按直線法支銷。於各報告期間結束時，本集團會修訂預期將歸屬之股本工具數目之估計數字。對原估計進行修訂(如有)所產生之影響乃於餘下歸屬期於損益賬內確認，並對購股權儲備作出相應調整。

與其他人士所進行股本結算以股份付款之交易，乃以所獲貨品或服務之公平值計量，惟倘公平值未能可靠地估計，則將於本集團獲得貨品或交易方提供服務當日以授出股本工具之公平值計量。

就現金結算以股份支付之款項而言，相等於所獲貨品或服務部分之負債按於各報告期間結束時釐定之當前公平值確認。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Impairment of assets (other than financial assets)

At the end of each reporting period, the Group reviews the carrying amounts of the following assets to determine whether there is any indication that those assets have suffered an impairment loss or an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment under cost model;
- intangible assets; and
- investments in subsidiaries, joint venture and associate

If the recoverable amount (i.e. the greater of the fair value less costs of disposal and value in use) of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income immediately.

Value in use is based on the estimated future cash flows expected to be derived from the asset or cash generating unit (see note 4(c)), discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or cash generating unit.

4. 主要會計政策 (續)

(s) 資產之減值 (財務資產除外)

於每個報告期間結束時，本集團審閱下列資產之賬面值，以判斷是否有任何跡象顯示該等資產出現減值虧損，或先前確認之減值虧損已不復存在或已有所減少：

- 成本模式下之物業、廠房及設備；
- 無形資產；及
- 於附屬公司、合營企業及聯營公司之投資

倘資產之可收回金額 (即公平值減銷售成本之差額與使用價值之較高者) 估計低於其賬面值，則資產之賬面值會調低至其可收回金額。減值虧損即時確認為開支。

倘減值虧損其後撥回，則資產之賬面值增加至其經修訂之估計可收回金額，惟增加後之賬面值不可超過倘資產於過往年度並無確認減值虧損而原應釐定之賬面值。減值虧損撥回即時確認為收入。

使用價值按資產或現金產生單位產生之估計日後現金流量計算 (見附註4(c))，並使用除稅前折現率折現至現值，而有關折現率反映現時市場所評估之金額之時間值及資產或現金產生單位之特定風險。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Capitalisation of borrowing costs

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

(u) Government grants

Government grants are recognised when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them. Grants that compensate the Group for expenses incurred are recognised as revenue in profit or loss on a systematic basis in the same periods in which the expenses are incurred. Grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense.

(v) Related parties

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

4. 主要會計政策(續)

(t) 借貸成本資本化

需要相當長時間才可以投入原定用途或銷售之合資格資產在購入、建設或生產過程中直接引致之借貸成本，均撥充資本作為該等資產之部分成本。將有待用於該等資產之特定借貸作臨時投資所賺取之收入，已從撥充資本之借貸成本中扣除。所有其他借貸成本均於產生期間於損益賬內確認。

(u) 政府補貼

政府補貼於合理確信將會獲得及本集團符合其所附條件時予以確認。補償本集團所產生開支之補貼於產生開支期間有系統地於損益賬確認為收益。補償本集團資產成本之補貼自該資產之賬面值扣減，其後按該資產之可使用年期以扣減折舊開支之方式於損益賬有效確認。

(v) 關連人士

- (i) 倘適用下列情況，該名人士或該名人士之近親家屬成員便被視為與本集團有關聯：
 - (a) 對本集團有控制權或共同控制權；
 - (b) 對本集團有重大影響力；或
 - (c) 為本集團或本公司母公司主要管理人員。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Related parties (Continued)

- (ii) An entity is related to the Group if any of the following conditions apply:
 - (a) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (b) One entity is joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (c) Both entities are joint ventures of the same third party.
 - (d) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (e) The entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group.
 - (f) The entity is controlled or jointly controlled by a person identified in (i).
 - (g) A person identified in (i)(a) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).
 - (h) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

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

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependents of that person or that person's spouse or domestic partner.

4. 主要會計政策 (續)

(v) 關連人士 (續)

- (ii) 倘適用下列情況，該實體便被視為與本集團有關聯：
 - (a) 該實體及本集團屬同一集團之成員（即各母公司、附屬公司及同系附屬公司互相關聯）。
 - (b) 一個實體為另一實體之合營企業（或為某一集團之成員之聯營企業或合營企業，而該另一實體為此集團之成員）。
 - (c) 兩個實體皆為相同第三方之合營企業。
 - (d) 一個實體為第三實體之合營企業及另一實體為第三實體之聯營企業。
 - (e) 該實體為本集團或與本集團有關聯之實體之僱員福利而設之離職後福利計劃。
 - (f) 該實體受(i)部分所識別之人士控制或共同控制。
 - (g) 於(i)(a)所識別對實體有重大影響之人士，或是實體（或實體之母公司）高級管理人員。
 - (h) 該實體或一組任何成員部分向本集團或本集團母公司提供主要管理人員服務。

某一人士之近親家屬成員指預期可影響該人士與實體進行買賣或於買賣時受該人士影響之有關家屬成員並包括：

- (a) 該名人士之子女及配偶或家庭夥伴；
- (b) 該名人士之配偶或家庭夥伴之子女；及
- (c) 該名人士或該名人士之配偶或家庭夥伴之受養人。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates and other similar allowances and excluded value added tax or other sales related taxes.

(i) Sale of crude oil

Revenue is recognised when crude oil is delivered at the customers' premises which is taken to be the point in time when the customer has accepted the crude oil delivered and the related risks and rewards of ownership.

(ii) Sale of coalbed methane

Revenue from sale of coalbed methane is recognised when the coalbed methane is siphoned to the customers' tankers which is taken to be the point in time when the customer has accepted the coalbed methane delivered and the related risks and rewards of ownership.

Revenue from sales of natural gas through pipeline is recognised when the natural gas passes through the gas reader built in CNG station which is taken to be the point in time when the customer has accepted the natural gas delivered and the related risks and rewards of ownership.

(iii) Sale of raw and cleaned coal

Revenue from sale of raw and cleaned coal is recognised when the raw and/or cleaned coal is loaded to the customers' truck which is taken to be the point in time when the customer has accepted the raw and/or cleaned coal delivered and the related risks and rewards of ownership.

(iv) Interest income

Interest income is accrued on a time-apportioned basis by reference to the principal outstanding using the effective interest method.

4. 主要會計政策(續)

(w) 收入確認

收入乃以已收或應收代價之公平值計量。收入已就估計客戶退貨、回扣及其他類似津貼作出扣減，惟不包括增值稅或其他銷售稅。

(i) 銷售原油

收入在原油送達客戶物業時(即視為客戶接收已送達原油及其擁有權相關之風險及回報時)確認。

(ii) 銷售煤層氣

煤層氣銷售收入在煤層氣吸入至客戶之油箱時(即視為客戶接收已送達煤層氣及其擁有權相關之風險及回報時)確認。

透過管道銷售天然氣之收入在天然氣經過CNG站之天然氣儀表時(即視為客戶接收已送達天然氣及其擁有權相關之風險及回報時)確認。

(iii) 銷售原煤及精煤

原煤及精煤銷售收入在原煤及／或精煤卸載至客戶之卡車時(即視為客戶接收已送達原煤及／或精煤及其擁有權相關之風險及回報時)確認。

(iv) 利息收入

利息收入就未償還本金額使用實際利率法按時間比例基準累計。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographical area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale, if earlier. It also occurs if the operation is abandoned.

Where an operation is classified as discontinued, a single amount is presented on the face of the statement of comprehensive income, which comprises:

- the post-tax profit or loss of the discontinued operation; and
- the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposal, of the assets or disposal groups constituting the discontinued operation.

4. 主要會計政策 (續)

(x) 已終止經營業務

已終止經營業務為本集團業務之組成部分，而其經營及現金流量可與本集團其他業務清楚區分，並代表一項獨立之業務主線或業務地區，或是單一協調計劃之一部分，以出售單獨之業務主線或業務地區，或一間專為轉售而收購之附屬公司。

於出售或當業務達到分類為持有至銷售之條件時，則分類為已終止經營業務（以較早者為準）。倘業務被放棄時，亦會分類為已終止經營業務。

倘業務被分類為已終止經營業務，單一金額於全面收益表中列示，其中包括：

- 已終止經營業務之除稅後溢利或虧損；及
- 就構成已終止經營業務之資產或出售組合，計量公平值減銷售成本或於出售時確認之除稅後收益或虧損。



5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

(a) CRITICAL ACCOUNTING JUDGEMENTS

In the application of the Group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

(i) Units of production for depreciation and amortisation

Oil and gas properties are depreciated and intangible assets are amortised using the units of production method over total proved and probable oil and gas reserves. This results in depreciation and amortisation charge proportional to the depletion of the anticipated remaining production from the field. Each item's life, which is assessed annually, having regard to both its physical life limitations and to present assessments of economically recoverable reserves of the field at which the asset is located. These calculations require the use of estimates and assumptions, including the amount of recoverable reserves. The calculation of the units of production rate of depreciation and amortisation could be affected by actual future production which may differ from current forecast production based on total proved and probable reserves. Changes to proved and probable reserves could arise due to changes in the factors or assumptions used in estimating reserves, including price assumptions. If there is any changes in the assumptions used, the calculation will be changed prospectively.

5. 重大會計判斷及估計不明朗因素之主要理據

(a) 重大會計判斷

於應用本集團之會計政策時，董事須就未能從其他來源取得之資產及負債之賬面值作出判斷、估計及假設。估計及相關假設乃根據過往經驗及其他被視為相關之因素而作出。實際結果可能有別於該等估計。

估計及相關假設會按持續基準檢討。會計估計之修訂於該估計修訂之期間確認（倘該修訂僅影響該期間），或於修訂期間及未來期間確認（倘該修訂影響現時及未來期間）。

(i) 生產單位之折舊及攤銷

油氣資產及無形資產乃使用生產單位法就證實及概略油氣儲量分別進行折舊及攤銷。這導致按油田之預計剩餘生產量消耗比例計之折舊及攤銷費用。各項目之壽命每年經考慮其實際壽命限制及資產所處之油田經濟上可採儲備之現時估計後評估。該等計算需要採用估計及假設，包括可採儲備量。生產單位之折舊率及攤銷率之計算可能受或不同於基於證實及概略總儲量之當前預測生產量之實際未來生產量影響。證實及概略儲量可能因估計儲量時採用之因素或假設（包括價格假設）變動而變動。若採用之假設發生任何變動，計算或將變動。



5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty

In the process of applying the Group's accounting policies which are described in note 4, management has made certain key assumptions concerning the future and other key sources of estimated uncertainty at the end of reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, as discussed below.

(i) *Impairment of property, plant and equipment and intangible assets*

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, which requires significant judgment relating to level of revenue and amount of operating costs. The Group uses all readily available information in determining an amount that is a reasonable approximation of the recoverable amount, including estimates based on reasonable and supportable assumptions and projections of revenue and operating costs. Changes in these estimates could have a significant impact on the carrying value of the assets and could result in additional impairment charge or reversal of impairment in future periods.

(ii) *Impairment of receivables*

The Group performs impairment review for doubtful accounts based upon evaluation of the recoverability of the trade receivables and other receivables, where applicable, at each the end of reporting period. The estimates are based on the ageing of the trade receivable and other receivables balances and the historical write-off experience, net of recoveries. If the financial condition of the debtors were to deteriorate, additional impairment allowance may be required.

5. 重大會計判斷及估計不明朗因素之主要理據 (續)

(b) 估計不明朗因素之主要理據

於應用本集團會計政策(載於附註4)之過程中,管理層曾就報告期間結束時估計不確定因素之未來及其他主要來源作出若干重要假設,有關假設可能帶有導致於下個財政年度對資產及負債之賬面值作出重大調整之重大風險,如下文討論。

(i) 物業、廠房及設備以及無形資產減值

資產之可收回金額為其公平值減出售成本及使用價值之較高者。在評估使用價值時,按除稅前折現率將估計之日後現金流量折現至現值,而有關折現率須反映現時市場所評估之金額之時間值及與資產相關之特定風險,當中須對收入水準及經營成本金額作出重大判斷。本集團利用所有現有資料對可收回金額作合理估算,包括基於合理及可支持之假設以及收入及經營費用之推算作估算。該等估計之變動可能對資產之賬面值造成重大影響,並可能導致在未來期間計提額外減值開支或作出減值撥回。

(ii) 應收賬款減值

於每個報告期間結束時,本集團根據對應收賬款及其他應收賬款(倘適用)可收回性之評估就呆賬進行減值檢討。該等估計乃根據應收賬款及其他應收賬款結餘之賬齡及過往註銷經驗作出,並扣除收回之款項。倘債務人之財務狀況轉差,則可能需要作出額外減值撥備。



5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(iii) Income tax and deferred tax

The Group is subject to income tax in a number of jurisdictions. Significant judgement is required in determining the provision for income taxes. Transactions and calculations may exist for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Deferred tax assets relating to certain temporary differences and tax losses are recognised to the extent that management considers it is probable that future taxable profit will be available against which the temporary differences or tax losses can be utilised. Where the expectation is different from the original estimate, such differences will impact the recognition of deferred tax assets and tax in the periods in which such estimate is changed.

(iv) Contingencies

Periodically, the Group assesses potential liabilities related to any lawsuits or claims brought against the Group or any asserted claims. Although it is typically very difficult to determine the timing and ultimate outcome of such actions, the Group uses its best judgement to determine if it is probable that it will incur an expense related to the settlement or final adjudication of such matters and whether a reasonable estimation of such probable loss, if any, can be made. In accordance with HKAS 37, Provisions, Contingent Liabilities and Contingent Assets, the Group accrues a liability when it believes a loss is probable and the amount of loss can be reasonably estimated. Due to the inherent uncertainties related to the eventual outcome of litigation, although the Group believes that the estimates and judgement are reasonable, it is possible that certain matters may be resolved for amounts materially different from any estimated provisions or previous disclosures.

5. 重大會計判斷及估計不明朗因素之主要理據 (續)

(b) 估計不明朗因素之主要理據 (續)

(iii) 所得稅及遞延稅項

本集團須繳納不同司法權區之所得稅。釐定所得稅撥備時需要作出重大判斷。許多交易及計算方法在日常業務過程中難以確定最終稅項。本集團按照會否出現額外應繳稅項之估計確認預期稅務事宜所產生之負債。倘該等事宜之最終稅務結果與起初記賬之金額不同，則該等差額將會影響作出有關決定期間之所得稅及遞延稅項撥備。

由於管理層認為日後應課稅溢利可能用於抵銷暫時差額或稅項虧損，故確認與若干暫時差額及稅項虧損有關之遞延稅項資產。倘預期有別於原本估計，則有關差異將於有關估計變動之期間影響遞延稅項資產及稅項之確認。

(iv) 或有事項

本集團定期評估任何有關向本集團提出之訴訟或申索或任何聲稱申索之潛在負債。儘管一般而言難以確定該等事宜之時間及最終結果，本集團將作出最佳判斷確定會否因和解或最終判決該等事宜而產生開支，以及能否就該等可能虧損（如有）作出合理估計。根據香港會計準則第37號撥備、或有負債及或有資產，本集團於其相信有可能出現虧損並可合理地估計虧損金額時產生負債。由於訴訟最終結果內在之不穩定因素，儘管本集團相信估計及判斷屬合理，仍可能導致若干事宜獲解決金額與估計撥備或先前披露者出現重大差異。



5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(v) *Estimation of assets retirement obligations*

Provision is recognised for the future decommissioning and restoration of oil and gas properties. The amount of provision recognised is the present value of the estimate future expenditure. The estimation of the future expenditure is based on current local conditions and requirements, including legal requirements, technology, price level, etc. In addition to these factors, the present value of these estimated future expenditure is also impacted by the estimation of the economic lives of oil and gas properties. Changes in any of these estimates will impact the operating results and the financial position of the Group over the remaining economic lives of the oil and gas properties.

(vi) *Impairment of goodwill*

Determining whether goodwill is impaired requires an estimation of the value in use of the cash generating unit to which goodwill has been allocated. The value in use calculation requires the directors to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate the present value.

(vii) *Fair value measurements*

A number of assets and liabilities included in the Group's financial statements require measurement at, and/or disclosure of, fair value.

The fair value measurement of the Group's financial and non-financial assets and liabilities utilises market observable inputs and data as far as possible. Inputs used in determining fair value measurements are categorised into different levels based on how observable the inputs used in the valuation technique utilised are (the 'fair value hierarchy'):

5. 重大會計判斷及估計不明朗因素之主要理據 (續)

(b) 估計不明朗因素之主要理據 (續)

(v) *對資產棄置報廢之估計*

本集團就油氣資產未來之棄置及重置確認撥備，其金額乃確認為估計未來開支之現值。未來開支之估計乃基於當地現有狀況及有關規定作出，包括法律規定、技術及價格水平等。除該等因素外，對油氣資產經濟年期之估計亦會影響估計未來開支之現值。任何該等估計之變動將影響本集團於油氣資產之剩餘經濟年期內之經營業績及財務狀況。

(vi) *商譽減值*

釐定商譽是否出現減值須估計商譽所屬配現金產生單位之使用價值。計算使用價值時需要董事估計現金產生單位預期將產生之現金流量及合適之折現率以計算現值。

(vii) *公平值計量*

列入本集團財務報表之若干資產及負債要求按公平值計量及／或披露公平值。

本集團金融及非金融資產及負債之公平值計量盡可能使用市場可觀察參數及數據。釐定公平值計量所採用之參數根據所採用估值技術所使用之參數的可觀察程序歸類為不同等級（「公平值層級」）：



5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(b) Key sources of estimation uncertainty (Continued)

(vii) Fair value measurements (Continued)

- Level 1: Quoted prices in active markets for identical items (unadjusted) ;
- Level 2: Observable direct or indirect inputs other than Level 1 inputs;
- Level 3: Unobservable inputs (i.e. not derived from market data).

The classification of an item into the above levels is based on the lowest level of the inputs used that has a significant effect on the fair value measurement of the item. Transfers of items between levels are recognised in the period they occur.

The Group measures a number of items at fair value:

- Financial assets at fair value through profit or loss (note 24);
- Available-for-sale investments (note 25); and
- Financial liabilities at fair value through profit or loss (note 34)

For more detailed information in relation to the fair value measurement of the items above, please refer to the applicable notes.

5. 重大會計判斷及估計不明朗因素之主要理據 (續)

(b) 估計不明朗因素之主要理據 (續)

(vii) 公平值計量 (續)

- 第1級：活躍市場對相同項目之報價(未經調整)；
- 第2級：第1級參數以外之可觀察直接或間接參數；
- 第3級：無法觀察參數(即並非源自市場數據)。

將某一項目歸類為上述等級乃基於所採用對項目之公平值計量有重大影響的參數之最低等級。項目於各等級之間轉撥乃於發生期間內確認。

本集團按公平值計量多個項目：

- 按公平值透過損益列賬的財務資產(附註 24)；
- 可供出售金融資產(附註 25)；及
- 按公平值透過損益列賬的財務負債(附註 34)

有關上述項目公平值計量之進一步資料，請參閱適用附註。



Notes to the Financial Statements

31 December 2017

6. REVENUE

The principal activities of the Group are operations of (i) exploration, development and production of coalbed methane, (ii) raw coal washing and sale of raw and cleaned coal, (iii) exploitation and sale of crude oil and natural gas, and (iv) provision for financial services.

The amount of revenue recognised in turnover during the year was as follows:

6. 營業額

本集團之主要業務是經營(i)勘探、開發及生產煤層氣、(ii)原煤洗選和銷售原煤及精煤、(iii)開採及銷售原油及天然氣及(iv)提供金融服務。

年內在營業額確認之收入款額如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing operations	持續經營業務		
Sale of coalbed methane	銷售煤層氣	76,663	57,467
Sale of raw and cleaned coal	銷售原煤及精煤	417,637	276,086
Interest income on loan receivables – note	應收貸款利息收入 – 附註	3,635	–
		497,935	333,553
Discontinued operations	已終止經營業務		
Sale of crude oil	銷售原油	–	5,058
		497,935	338,611

Note:

Interest income on loan receivables of approximately HK\$866,000 for the year ended 31 December 2016 has been recognised in “Other income” in the consolidated statement of comprehensive income.

附註：

截至2016年12月31日止年度之應收貸款利息收入約866,000港元已於綜合全面收益表之「其他收入」內確認。



7. OTHER INCOME

7. 其他收入

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing operations	持續經營業務		
Interest income	利息收入		
– bank deposits	– 銀行存款	81	134
– short-term investment	– 短期投資	9,638	9,772
– others (note (i))	– 其他(附註 (i))	20,424	39,916
Total interest income on financial assets that are not at fair value through profit or loss	並非按公平值於損益列賬之財務資產之利息收入總額	30,143	49,822
Government subsidies and grants (note (ii))	政府補貼及補助(附註 (ii))	29,447	22,942
Others	其他	1,288	397
		60,878	73,161

Notes:

附註：

- (i) It represents the interest income from the refundable deposits paid for possible acquisitions of Canada oil fields. Details please refer to note 28(iii).
- (ii) It represents the regular subsidies received during the year from relevant government authority on the sales of coalbed methane for the year of 2016 (2016: from year of 2015) and VAT refund on the sales of coalbed methane from local tax bureau. Both of them were generated from the Sanjiao CBM Project.

- (i) 此乃就可能收購加拿大油田之已付可退還按金的利息收入。詳情請參閱附註28(iii)。
- (ii) 此乃相關政府部門對於2016年(2016年：來自2015年)產生之煤層氣銷售並於年內收到的恆常補貼及當地稅務部門就煤層氣銷售退回之增值稅。兩者都是源自三交煤層氣項目。



Notes to the Financial Statements

31 December 2017

8. OTHER GAINS, NET

8. 其他收益淨額

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing operations	持續經營業務		
Change in fair value of financial assets at fair value through profit or loss	按公平值透過損益列賬的 財務資產公平值變動	43,275	2,705
Change in fair value of financial liabilities at fair value through profit or loss (note 34)	按公平值透過損益列賬的 財務負債公平值變動 (附註34)	187,042	52,809
Impairment loss on goodwill (note 21)	商譽減值虧損(附註 21)	(46,705)	—
Impairment loss on trade and other receivables	應收賬款及其他應收賬款 減值虧損	(4,989)	—
Written off of property, plant and equipment	註銷物業、廠房及設備	(35)	—
Gain on disposal of property, plant and equipment	出售物業、廠房及設備所得收益	28	—
Loss on disposal of available-for-sale investments	出售可供出售金融資產的虧損	(1,606)	—
Reclassification from equity to profit or loss on disposal of available-for-sale investments	出售可供出售金融資產時 將股權重新分類至損益	(260)	—
Exchange gains, net	匯兌收益淨額	1,556	1,933
Others	其他	3,065	905
		181,371	58,352



9. LOSS BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS

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

9. 來自持續經營業務的除所得稅支出前虧損

來自持續經營業務的除所得稅支出前虧損已扣除：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing operations	持續經營業務		
(a) Finance costs	(a) 融資成本		
Amortisation of convertible notes transaction costs (note 34)	可換股票據的交易成本之攤銷(附註 34)	14,872	8,539
Amortisation of corporate bonds transaction costs	企業債券的交易成本之攤銷	10,822	7,730
Interest on borrowings	借款利息	3,582	28,207
Imputed interest on convertible notes (note 34)	可換股票據之應歸利息(附註 34)	264,658	111,756
Interest on corporate bonds	企業債券之利息	31,123	21,735
Interest on promissory note	匯兌票據之利息	—	728
Others	其他	5,077	4,900
		330,134	183,595
Less: interest capitalised in qualifying assets*	減：轉入合格資產之資本化利息*	(7,961)	(30,633)
		322,173	152,962

* Borrowing costs capitalised during the year arose on the general borrowing pool and are calculated by applying a capitalisation rate of 17.7% (2016: 14.6%) to expenditure on qualifying assets.

* 本年轉入合格資產之借貸成本是指用於按資產的一般性借貸以17.7% (2016年：14.6%) 的利率予以資本化。



Notes to the Financial Statements

31 December 2017

9. LOSS BEFORE INCOME TAX EXPENSE FROM CONTINUING OPERATIONS (Continued)

9. 來自持續經營業務的除所得稅支出前虧損(續)

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
(b) Employee costs (including directors' remuneration in note 12)	(b) 員工成本 (包括附註12之董事酬金)		
Salaries, wages and other benefits	薪金、工資及其他福利	41,122	35,043
Contributions to defined contribution retirement plan	定額供款退休計劃之供款	770	493
		41,892	35,536
(c) Other items	(c) 其他項目		
Auditor's remuneration	核數師酬金	1,700	1,700
Cost of inventories sold recognised as expenses [#]	已售存貨成本確認為費用 [#]	375,368	243,805
Depreciation of property, plant and equipment	物業、廠房及設備折舊	53,188	41,552
Amortisation of payments for leasehold land held for own use	自用租賃土地付款之攤銷	233	237
Amortisation of intangible assets [#] (note 20)	無形資產之攤銷 [#] (附註20)	20,251	19,688
Minimum lease payments under operating lease – property rentals	經營租賃之最低租賃款項 – 物業租金	12,257	9,898

[#] Included in "direct costs" in the consolidated statement of comprehensive income.

[#] 計入綜合全面收益表之「直接成本」。



10. DISCONTINUED OPERATIONS

On 1 September 2016, the Group entered into a sale and purchase agreement to dispose of Key Wisdom Investments Limited and its subsidiaries (collectively known as “Key Wisdom Group”), which was engaged in the exploitation and sale of crude oil and natural gas in the People’s Republic of China (“PRC”). The disposal was completed on 1 September 2016. The results and cash flows of the discontinued operations were as follows:

10. 已終止經營業務

於2016年9月1日，本集團訂立一份買賣協議出售堅俊投資有限公司及其附屬公司（統稱「堅俊集團」）。堅俊集團於中華人民共和國（「中國」）從事開採及銷售原油和天然氣業務。出售於2016年9月1日完成。已終止經營業務之業績及現金流量如下：

		1 January 2016 to 1 September 2016 2016年 1月1日至 2016年9月1日 HK\$'000 千港元
Revenue	營業額	5,058
Direct cost	直接成本	(7,638)
Gross loss	毛損	(2,580)
Other income	其他收入	43
Administrative expenses	行政費用	(3,601)
Loss from operations	經營虧損	(6,138)
Finance costs	融資成本	—
Loss before income tax expense	除所得稅支出前虧損	(6,138)
Gain on disposal of Key Wisdom Group (note 42)	出售堅俊集團的收益(附註 42)	11,647
Income tax expense	所得稅支出	—
Profit for the period from discontinued operations	來自已終止經營業務的期內溢利	5,509
Net cash used in operating activities	經營業務所用之現金淨額	(6,416)
Net cash used in investing activities	投資活動所用之現金淨額	—
Net cash used in financing activities	融資活動所用之現金淨額	(17,535)
Net cash outflows	現金流出淨額	(23,951)



Notes to the Financial Statements

31 December 2017

10. DISCONTINUED OPERATIONS (Continued)

The carrying amounts of the assets and liabilities of Key Wisdom Group at the date of disposal are disclosed in note 42 to the financial statements.

A profit of HK\$11,647,000 arose on the disposal of Key Wisdom Group, being the proceeds of disposal less the carrying amount of Key Wisdom Group's net assets. Neither tax charge nor credit arose from the disposal.

11. INCOME TAX EXPENSE

Pursuant to the rules and regulations of Bermuda, Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any income tax under such jurisdictions for the year ended 31 December 2017 and 2016.

Hong Kong profits tax is calculated at the rate of 16.5% (2016: 16.5%) on the estimated assessable profits for the year. No provision for Hong Kong profits tax has been made as the group companies which have estimated assessable profits subject to Hong Kong profits tax had estimated tax losses available to offset against the estimated assessable profits for both years. During the years ended 31 December 2017 and 2016, the subsidiaries in the PRC were subject to statutory tax rate of 25%.

Profits of the subsidiaries established in the PRC are subject to the Enterprise Income Tax ("EIT"). Under the Law of the People's Republic of China and Implementation Regulation on EIT, the tax rate of the PRC subsidiaries is 25% for both years.

10. 已終止經營業務(續)

堅俊集團之資產及負債於出售日期之賬面值於財務報表附註42內披露。

出售堅俊集團產生溢利11,647,000港元，即出售所得款項減堅俊集團之資產淨值之賬面值。出售並無產生任何稅務支出或抵免。

11. 所得稅支出

根據百慕達、開曼群島及英屬維爾京群島規則及規例，本集團截至2017年及2016年12月31日止年度毋須繳付相關司法權區之任何所得稅。

香港利得稅乃以本年度之估計應課稅溢利按16.5% (2016年：16.5%) 計算。由於集團公司(擁有須繳納香港利得稅之估計應課稅溢利)有估計稅項虧損可抵銷於該兩個年度之估計應課稅溢利，故並無計提香港利得稅撥備。截至2017年及2016年12月31日止年度，位於中國之附屬公司按法定稅率25%繳納稅項。

於中國成立之附屬公司之溢利須繳納企業所得稅(「企業所得稅」)。根據中華人民共和國法律及企業所得稅實施條例，中國附屬公司於該兩個年度之稅率均為25%。



11. INCOME TAX EXPENSE (Continued)

- (a) The amount of income tax expense, charged to the consolidated statement of comprehensive income represents:

11. 所得稅支出(續)

- (a) 除綜合全面收益表的所得稅支出包括：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing operations	持續經營業務		
Current income tax	即期所得稅		
– PRC enterprise income tax	– 中國企業所得稅		
– Tax for the year	– 本年度稅項	(2,330)	(2,975)
– Under-provision in respect of prior years	– 對往年的撥備不足	(914)	–
		(3,244)	(2,975)
Deferred tax for the year (note 35)	年內之遞延稅項(附註35)	1,709	1,732
Income tax expense	所得稅支出	(1,535)	(1,243)



Notes to the Financial Statements

31 December 2017

11. INCOME TAX EXPENSE (Continued)

- (b) The income tax expense for the year can be reconciled to the Group's loss before income tax expense per the consolidated statement of comprehensive income as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing operations	持續經營業務		
Loss before income tax expense	除所得稅支出前虧損	158,026	98,335
Tax credit on loss before income tax expense, calculated at 25% (2016: 25%)	所得稅支出前虧損，按25% (2016年：25%)計算	39,506	24,584
Effect of different tax rates of subsidiaries operating in other jurisdiction	於其他司法權區營運之附屬公司不同稅率之影響	(5,188)	(8,359)
Tax effect of non-deductible expenses and non-taxable income	不可扣除支出及毋須課稅收入之稅務影響	(31,729)	(15,839)
Tax effect of tax loss not recognised	未確認之稅項虧損之稅務影響	(3,210)	(1,629)
Under-provision in respect of prior years	對往年的撥備不足	(914)	–
Income tax expense	所得稅支出	(1,535)	(1,243)

At the end of reporting period, the Group had estimated unused tax losses of approximately HK\$19,455,000 (2016: HK\$9,973,000) available for offset against future profits. The tax losses are subject to the final assessment by the tax authorities in the respective jurisdictions where the tax losses arising from. No deferred tax asset has been recognised in respect of the estimated unused tax losses due to the unpredictability of future profit streams. Included in unrecognised tax losses are losses of approximately HK\$16,410,000 (2016: HK\$6,345,000) that may be carried forward for a period of five years from their respective year of origination. The remaining unrecognised tax losses may be carried forward indefinitely.

In respect of deferred tax liabilities, details set out in note 35.

11. 所得稅支出(續)

- (b) 本年度之所得稅支出與綜合全面收益表之本集團除所得稅支出前虧損對賬如下：

於報告期間結束時，本集團估計可用作抵扣未來溢利之尚未動用稅項虧損約為19,455,000港元（2016年：9,973,000港元）。稅項虧損須待產生稅項虧損之相關司法權區之稅務機關作最後評稅。由於無法預測未來溢利來源，故並無就所估計之尚未動用之稅項虧損確認遞延稅項資產。計入未確認稅項虧損之虧損約為16,410,000港元（2016年：6,345,000港元），可自產生各年度起結轉五年。剩下未確認稅項虧損則可無限期結轉。

有關遞延稅項負債之詳情載列於附註35。



12. DIRECTORS' REMUNERATION

Directors' emoluments are disclosed as follows:

For the year ended 31 December 2017

12. 董事酬金

董事酬金披露如下：

截至2017年12月31日止年度

		Directors' fees	Salaries, allowances and benefits	Retirement scheme contributions	Total
		董事袍金	薪金、津貼及福利	退休計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Executive directors		執行董事			
Dai Xiaobing	戴小兵	-	2,514	18	2,532
King Hap Lee	景哈利	-	2,000	18	2,018
Wan Tze Fan Terence	溫子勳	-	2,000	18	2,018
		-	6,514	54	6,568
Independent non-executive directors		獨立非執行董事			
Wong Kwok Chuen Peter	黃國全	200	-	-	200
Wong Lung Tak Patrick	黃龍德	200	-	-	200
Wang Yanbin	王延斌	200	-	-	200
Dang Weihua	黨偉華	200	-	-	200
		800	-	-	800
Non-executive directors		非執行董事			
Chen Hua	陳華	200	-	-	200
Huang Shaowu	黃紹武	200	-	-	200
He Lin Feng	何林峰	200	-	-	200
Chen Chun Tung Jason ¹	程振東 ¹	150	-	-	150
		750	-	-	750
		1,550	6,514	54	8,118

Salaries, allowances and other benefits paid to or for the executive directors are generally emoluments in respect of those persons' other services in connection with the management of the affairs of the Company and its subsidiaries.

已付或應付執行董事之薪金、津貼及其他福利通常為有關該等人士對本公司及其附屬公司管理層事務所提供之其他服務之薪酬。



Notes to the Financial Statements

31 December 2017

12. DIRECTORS' REMUNERATION (Continued)

Directors' emoluments are disclosed as follows: (Continued)

For the year ended 31 December 2016

12. 董事酬金 (續)

董事酬金披露如下：(續)

截至2016年12月31日止年度

		Directors' fees	Salaries, allowances and benefits 薪金、津貼及福利	Retirement scheme contributions 退休計劃供款	Total
		董事袍金 HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	總計 HK\$' 000 千港元
Executive directors	執行董事				
Dai Xiaobing	戴小兵	–	2,497	18	2,515
King Hap Lee	景哈利	–	2,000	18	2,018
Wan Tze Fan Terence	溫子勳	–	2,000	18	2,018
		–	6,497	54	6,551
Independent non-executive directors	獨立非執行董事				
Wong Kwok Chuen Peter	黃國全	200	–	–	200
Wong Lung Tak Patrick	黃龍德	200	–	–	200
Wang Yanbin	王延斌	200	–	–	200
Dang Weihua	黨偉華	200	–	–	200
		800	–	–	800
Non-executive directors	非執行董事				
Chen Hua	陳華	200	–	–	200
Huang Shaowu	黃紹武	200	–	–	200
He Lin Feng	何林峰	200	–	–	200
Chen Chun Tung Jason ¹	程振東 ¹	51	–	–	51
		651	–	–	651
		1,451	6,497	54	8,002

Notes:

附註：

^{1.} Appointed in September 2016 and resigned in November 2017

^{1.} 於2016年9月獲委任及於2017年11月辭任



12. DIRECTORS' REMUNERATION (Continued)

During the year, no emoluments (2016: HK\$Nil) were paid by the Group to any of the directors as an inducement to join or upon joining the Group or as a compensation for loss of office. None of the directors waived or agreed to waive any remuneration for the years ended 31 December 2017 and 2016.

13. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, three (2016: three) were directors of the Company whose emoluments are disclosed in note 12. The emolument of the remaining two (2016: two) individuals is as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	3,725	3,351

The emoluments paid or payable to members of senior management (non-director individual) were within the following bands:

		2017 Number of individuals 人數	2016 Number of individuals 人數
Below HK\$1,000,000	1,000,000港元以下	5	5
HK\$1,000,000 - HK\$1,500,000	1,000,000港元至1,500,000港元	2	6
		7	11

No emoluments were paid by the Group to the above highest paid non-director individual as an inducement to join or upon joining the Group or as a compensation for loss of office.

12. 董事酬金 (續)

年內，本集團並無向任何董事支付酬金（2016年：零港元）作為彼等加入或於加入本集團時之獎勵或作為離職之補償。截至2017年及2016年12月31日止年度，概無董事放棄或同意放棄任何酬金。

13. 最高薪人士

本集團五位最高薪人士中，三位（2016年：三位）為本公司之董事，其酬金已在附註12披露。其餘兩位（2016年：兩位）最高薪人士之酬金如下：

已支付或應付予高級管理層成員（非董事人士）之酬金介乎下列範圍：

本集團並無向上述最高薪非董事人士支付酬金作為彼等加入或於加入本集團時之獎勵或作為離職之補償。



Notes to the Financial Statements

31 December 2017

14. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 December 2017 (2016: Nil).

15. (LOSS)/EARNING PER SHARE

For continuing operations

a) Basic loss per share from continuing operations

The calculation of basic loss per share from continuing operations is based on the loss attributable to owners of the Company from continuing operations of HK\$160,367,000 (2016: loss of HK\$102,495,000) and the weighted average number of 16,794,881,000 ordinary shares (2016: 17,443,525,000 ordinary shares) in issue during the year.

b) Diluted loss per share from continuing operations

Diluted loss per share from continuing operations for the years ended 31 December 2017 and 2016 is the same as the basic loss per share from continuing operations as the Company's outstanding share options and convertible notes, where applicable, had an anti-dilutive effect on the basic loss per share from continuing operations for the years ended 31 December 2017 and 2016.

For discontinued operations

a) Basic earning per share from discontinued operations

The calculation of basic earning per share from discontinued operations is based on the profit attributable to owners of the Company of HK\$5,509,000 and the weighted average number of 17,443,525,000 ordinary shares in issue during the year ended 31 December 2016.

b) Diluted loss per share from discontinued operations

Diluted loss per share from discontinued operations for the year ended 31 December 2016 is the same as the basic earnings per share from discontinued operations as the Company's outstanding share options and convertible notes, where applicable, had an anti-dilutive effect on the basic loss per share from discontinued operations for the year ended 31 December 2016.

14. 股息

董事不建議派發截至2017年12月31日止年度任何股息(2016年：無)。

15. 每股(虧損)/盈利

持續經營業務

(a) 來自持續經營業務之每股基本虧損
來自持續經營業務之每股基本虧損乃根據本公司擁有人來自持續經營業務之應佔虧損160,367,000港元(2016年：虧損102,495,000港元)，以及年內已發行普通股之加權平均數16,794,881,000股(2016年：17,443,525,000股)普通股計算。

(b) 來自持續經營業務之每股攤薄虧損
截至2017年及2016年12月31日止年度，來自持續經營業務之每股攤薄虧損與來自持續經營業務之每股基本虧損相同，因本公司尚未行使之購股權及可換股票據(如適用)，對截至2017年及2016年12月31日止年度內，來自持續經營業務之每股基本虧損具有反攤薄影響。

已終止經營業務

(a) 來自已終止經營業務之每股基本盈利

來自已終止經營業務之每股基本盈利乃根據本公司擁有人應佔溢利5,509,000港元，以及截至2016年12月31日止年度內已發行普通股之加權平均數17,443,525,000股普通股計算。

(b) 來自已終止經營業務之每股攤薄虧損

截至2016年12月31日止年度，來自已終止經營業務之每股攤薄虧損與來自已終止經營業務之每股基本盈利相同，因本公司尚未行使之購股權及可換股票據(如適用)，對截至2016年12月31日止年度內，來自已終止經營業務之每股基本虧損具有反攤薄影響。



16. SEGMENT REPORTING

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions.

The Group has four (2016: three) operating and reportable segments. The segments are managed separately as each business offers different products and services and requires different business strategies. The following summary describes the operations in each of the Group's reportable segments:

Coalbed methane:	Exploration, development and production of coalbed methane
Raw and cleaned coal:	Raw coal washing and sale of raw and cleaned coal
Oil and gas exploitation:	Exploitation and sale of crude oil and natural gas
Financial services:	Provision for financial services

During the year ended 31 December 2017, the Group had a new business unit, Financial services, which was engaged in the provision of financial services in the PRC. The directors believe that the information about this segment is useful to the users of the consolidated financial statements and separately disclosed.

There are no sales or trading transactions between the business segments. Corporate revenue and expenses are not allocated to the operating segments as they are not included in the measurement of the segments' results used by the chief operating decision-maker in the assessment of segment performance.

As disclosed in note 10, the Group disposed the Key Wisdom Group on 1 September 2016, which led to discontinue part of the operations of oil and gas exploitation segment. In accordance with HKFRS 5, part of the segment of oil and gas exploitation for the year ended 31 December 2016 was classified as discontinued operations in the Group's consolidated financial statements.

Oil and gas exploitation segment in continuing operations for the years ended 2016 and 2017 represented the Canada Farm-in Project (note 18) and possible acquisition for Canada oil fields (note 28(iii)).

16. 分部報告

本集團按主要經營決策者審閱並用以作出策略性決策之報告釐定其經營分部。

本集團擁有四個(2016年：三個)營運及可報告分部。由於各自業務提供不同產品及服務需要不同業務策略，故分部須獨立管理。以下為本集團各可報告分部營運之概要：

煤層氣：	勘探、開發和生產煤層氣
原煤及精煤：	原煤洗選和銷售原煤及精煤
石油和天然氣開採：	開採及銷售原油和天然氣
金融服務：	提供金融服務

截至2017年12月31日止年度，本集團有一個新業務單位 – 金融服務，於中國從事提供金融服務。董事認為，該分部之資料有助用戶了解綜合財務報表，並作獨立披露。

業務分部間並無出售或買賣交易。企業收入及開支不分配至各經營分部，原因是主要經營決策者評估分部表現的分部業績計算並無包括有關收益及開支在內。

誠如附註10所披露，本集團於2016年9月1日出售堅俊集團，導致終止石油和天然氣開採分部部分業務。根據香港財務報告準則第5號，於截至2016年12月31日止年度，部分石油和天然氣開採分部於本集團綜合財務報表內分類為已終止經營業務。

截至2016年及2017年止年度持續經營業務中之石油和天然氣開採分部指加拿大Farm-in項目(附註18)及可能收購加拿大油田(附註28(iii))。



Notes to the Financial Statements

31 December 2017

16. SEGMENT REPORTING (Continued)

(a) Business segments

Segment information about these businesses is set out as follows:

For the year ended 31 December 2017

16. 分部報告 (續)

(a) 業務分部

有關該等業務之分部資料載列如下：

截至2017年12月31日止年度

		Continuing operations					Total
		Coalbed methane	Raw and cleaned coal	Oil and gas exploitation	Financial services	Unallocated	
		煤層氣	原煤及精煤	天然氣開採	金融服務	未分配	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Results	業績						
Revenue from external customers	來自外界客戶之收入	76,663	417,637	-	3,635	-	497,935
Segment results ^{1&2}	分部業績 ^{1&2}	1,324	9,050	17,377	1,588	(41,791)	(12,452)
Change in fair value of financial liabilities at fair value through profit or loss	按公平值透過損益列帳的財務負債之公平值變動	-	-	-	-	187,042	187,042
Change in fair value of financial assets at fair value through profit or loss	按公平值透過損益列帳的財務資產之公平值變動	-	43,275	-	-	-	43,275
Impairment loss on goodwill	商譽減值虧損	-	(46,705)	-	-	-	(46,705)
Impairment loss on trade and other receivables	應收賬款及其他應收款項減值虧損	-	-	-	(4,612)	(377)	(4,989)
Loss on disposal of available-for-sale investments	出售可供出售金融資產的虧損	-	-	-	-	(1,606)	(1,606)
Finance costs	融資成本	-	(4,255)	-	-	(317,918)	(322,173)
Share of loss of an associate	應佔一家聯營公司虧損	(418)	-	-	-	-	(418)
(Loss)/profit before income tax expense	除所得稅支出前(虧損)/溢利	906	1,365	17,377	(3,024)	(174,650)	(158,026)
Income tax expense	所得稅支出	-	(1,535)	-	-	-	(1,535)
(Loss)/profit for the year	本年度(虧損)/溢利	906	(170)	17,377	(3,024)	(174,650)	(159,561)
Assets and liabilities	資產及負債						
Reportable segment assets ³	可報告分部資產 ³	4,605,341	260,378	345,831	74,089	123,920	5,409,559
Reportable segment liabilities ³	可報告分部負債 ³	320,346	88,080	16	531	1,836,091	2,245,064
Other segment information	其他分部資料						
Depreciation and amortisation	折舊及攤銷	65,554	7,125	-	98	895	73,672
Capital expenditure incurred during the year	年內產生之資本支出	129,116	11,270	15,948	-	375	156,709



16. SEGMENT REPORTING (Continued)

(a) Business segments (Continued)

Segment information about these businesses is set out as follows:

For the year ended 31 December 2016

16. 分部報告 (續)

(a) 業務分部 (續)

有關該等業務之分部資料載列如下：

截至2016年12月31日止年度

		Continuing operations				Discontinued operations		Total
		Coalbed methane	Raw and cleaned coal	Oil and gas exploitation	Unallocated	Subtotal	Oil and gas exploitation	
		煤層氣	原煤及精煤	天然氣開採	未分配	小計	天然氣開採	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元
Results	業績							
Revenue from external customers	來自外界客戶之收入	57,467	276,086	-	-	333,553	5,058	338,611
Segment results ^{1&2}	分部業績 ^{1&2}	(5,934)	11,706	35,134	(38,426)	2,480	(6,138)	(3,658)
Change in fair value of financial liabilities at fair value through profit or loss	按公平值透過損益列帳的財務負債之公平值變動	-	-	-	52,809	52,809	-	52,809
Finance costs	融資成本	-	(1,782)	-	(151,180)	(152,962)	-	(152,962)
Share of loss of an associate	應佔一家聯營公司虧損	(662)	-	-	-	(662)	-	(662)
Gain on disposal of subsidiaries	出售附屬公司之收益	-	-	-	-	-	11,647	11,647
(Loss)/profit before income tax expense	除所得稅支出前(虧損)/溢利	(6,596)	9,924	35,134	(136,797)	(98,335)	5,509	(92,826)
Income tax expense	所得稅支出	-	(1,161)	-	(82)	(1,243)	-	(1,243)
(Loss)/profit for the year	本年度(虧損)/溢利	(6,596)	8,763	35,134	(136,879)	(99,578)	5,509	(94,069)
Assets and liabilities	資產及負債							
Reportable segment assets ³	可報告分部資產 ³	4,341,968	374,132	303,233	225,348	5,244,681	-	5,244,681
Reportable segment liabilities ³	可報告分部負債 ³	259,243	89,982	15	1,803,798	2,153,038	-	2,153,038
Other segment information	其他分部資料							
Depreciation and amortisation	折舊及攤銷	53,740	7,018	-	674	61,432	45	61,477
Capital expenditure incurred during the year	年內產生之資本支出	347,998	717	41,307	288	390,310	-	390,310



Notes to the Financial Statements

31 December 2017

16. SEGMENT REPORTING (Continued)

(a) Business segments (Continued)

Notes:

1. Unallocated results mainly include salaries, rental expense and professional fees for Hong Kong head office.
2. The 2017 segment result of coalbed methane included government subsidies and grants of HK\$29,447,000 (2016: HK\$22,942,000).
3. Unallocated assets mainly include cash and cash equivalents, short term investment, and available-for-sale investments and unallocated liabilities mainly include short-term loans, convertible notes, corporate bonds and financial liabilities at fair value through profit or loss.

(b) Geographical information and major customers

The following table provides an analysis of the Group's revenue from external customers and non-current assets other than financial instruments ("specified non-current assets").

(i) Revenue from external customers

The following is an analysis of the Group's revenue by geographical location of the customers:

16. 分部報告 (續)

(a) 業務分部 (續)

附註：

1. 未分配業績主要包員工成本、租金及專業費用等香港總辦事處開支。
2. 2017年煤層氣之分部業績包括政府補貼及補助29,447,000港元（2016年：22,942,000港元）。
3. 未分配資產主要包括現金和現金等價物、短期投資及可供出售金融資產，未分配負債主要包括短期貸款、可換股票據、企業債券和按公平值透過損益列帳的財務負債。

(b) 地區資料及主要客戶

下表就本集團來自外界客戶之收益及除金融工具以外之非流動資產（「指定非流動資產」）進行分析。

(i) 來自外界客戶之收益

本集團按客戶地區劃分之收益分析如下：

		2017	2016		
		Continuing operations	Continuing operations	Discontinued operations	Total
		持續經營業務	持續經營業務	已終止經營業務	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
Hong Kong (place of domicile)	香港(所在地)	—	—	—	—
The PRC	中國	497,935	333,553	5,058	338,611
		497,935	333,553	5,058	338,611



16. SEGMENT REPORTING (Continued)

(b) Geographical information and major customers (Continued)

(ii) Specified non-current assets

The information of the Group's non-current assets by geographical location of the assets is detailed below:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Continuing operations	持續經營業務		
Hong Kong (place of domicile)	香港 (所在地)	3,972	4,274
The PRC	中國	4,577,515	4,281,114
Canada	加拿大	55,109	41,186
		4,636,596	4,326,574

Information about major customers

During the years ended 31 December 2017 and 2016, there were five customers contributed to 10% or more revenue to the Group's total revenue.

16. 分部報告 (續)

(b) 地區資料及主要客戶 (續)

(ii) 指定非流動資產

有關本集團按資產地區劃分之非流動資產之資料詳述如下：

主要客戶資料

截至2017年及2016年12月31日止年度，五個客戶貢獻本集團之總收入達10%或多於10%。

	Segment 分部	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Customer A 客戶A	Raw and cleaned coal 原煤及精煤	124,108	78,296
Customer B 客戶B	Raw and cleaned coal 原煤及精煤	96,232	53,283
Customer C 客戶C	Raw and cleaned coal 原煤及精煤	78,496	51,916
Customer D 客戶D	Coalbed methane 煤層氣	76,663	57,456
Customer E 客戶E	Raw and cleaned coal 原煤及精煤	60,604	33,381



Notes to the Financial Statements

31 December 2017

17. PROPERTY, PLANT AND EQUIPMENT

17. 物業、廠房及設備

		Building	Leasehold improvements	CNG station and ancillary facilities	Construction in progress	Oil and gas properties	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	CNG站及配套設施	在建工程	油氣資產	傢俬、固定裝置及辦公室設備	汽車	總計
		HK\$'000	HK\$'000	HK\$'000	(note (i)) (附註(i))	(note (ii)) (附註(ii))	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
Costs:	成本：								
At 1 January 2016	於2016年1月1日	1,515	982	334,088	143,331	1,476,382	4,410	13,162	1,973,870
Additions	添置	-	455	16,362	243,371	86,808	1,278	729	349,003
Transfer	轉撥	-	-	1,925	(73,379)	71,454	-	-	-
Disposal of subsidiaries (note 42)	出售附屬公司 (附註 42)	-	(932)	-	(21,225)	(244,952)	-	(549)	(267,658)
Exchange adjustments	匯兌調整	(92)	(37)	(19,855)	(15,706)	(86,299)	(308)	(584)	(122,881)
At 31 December 2016	於2016年12月31日	1,423	468	332,520	276,392	1,303,393	5,380	12,758	1,932,334
Additions	添置	197	216	11,487	50,511	77,021	337	858	140,627
Transfer	轉撥	-	-	6,952	(234,888)	227,936	-	-	-
Acquired through acquisition of a subsidiary	透過收購一家附屬公司購入	-	1	-	-	-	133	-	134
Written off	撇銷	-	-	-	-	-	-	(128)	(128)
Disposal for the year	年內出售	-	-	-	-	-	-	(837)	(837)
Exchange adjustments	匯兌調整	110	26	23,168	12,603	108,565	379	639	145,490
At 31 December 2017	於2017年12月31日	1,730	711	374,127	104,618	1,716,915	6,229	13,290	2,217,620



17. PROPERTY, PLANT AND EQUIPMENT (Continued)

17. 物業、廠房及設備 (續)

		Building	Leasehold improvements	CNG station and ancillary facilities	Construction in progress	Oil and gas properties	Furniture, fixtures and office equipment	Motor vehicles	Total
		樓宇	租賃物業裝修	CNG站及配套設施	在建工程 (note (i)) (附註(i))	油氣資產 (note (ii)) (附註(ii))	傢俬、固定裝置及辦公室設備	汽車	總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Accumulated depreciation and impairment	累計折舊及減值								
At 1 January 2016	於2016年1月1日	6	923	1,720	21,718	239,829	2,613	7,331	274,140
Charge for the year (note 9(c))	年內支出(附註9(c))	71	47	19,712	-	19,483	800	1,439	41,552
Written back on disposal of subsidiaries (note 42)	撥回出售附屬公司(附註42)	-	(884)	-	(21,225)	(229,405)	-	(510)	(252,024)
Exchange adjustments	匯兌調整	-	(22)	-	(493)	(8,514)	(200)	(355)	(9,584)
At 31 December 2016	於2016年12月31日	77	64	21,432	-	21,393	3,213	7,905	54,084
Charge for the year (note 9(c))	年內支出(附註9(c))	82	94	22,559	-	28,049	794	1,610	53,188
Written off	撤銷	-	-	-	-	-	-	(93)	(93)
Written back on disposal	撥回出售	-	-	-	-	-	-	(650)	(650)
Exchange adjustments	匯兌調整	-	5	29	-	-	252	413	699
At 31 December 2017	於2017年12月31日	159	163	44,020	-	49,442	4,259	9,185	107,228
Carrying amount:	賬面值:								
At 31 December 2017	於2017年12月31日	1,571	548	330,107	104,618	1,667,473	1,970	4,105	2,110,392
At 31 December 2016	於2016年12月31日	1,346	404	311,088	276,392	1,282,000	2,167	4,853	1,878,250



17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment

For the purpose of impairment testing, CNG station and ancillary facilities, oil and gas properties, construction in progress and certain furniture, fixtures and office equipment, motor vehicles and intangible asset (note 20) are allocated to the Sanjiao CBM Project, representing an individual cash generating unit ("CGU"). As at the end of the year ended 31 December 2017 and 2016, the directors of the Group did not identify any impairment indicators in Sanjiao CBM Project. Nevertheless, the recoverable amount of Sanjiao CBM Project as at the end of these reporting periods were estimated, based on value in use calculations ("VIU") using cash flow projections from formally approved budgets and capital expenditure which reflects the development and production plan of this CGU. The recoverable amounts were estimated to be higher than the carrying amounts of the non-financial assets of Sanjiao CBM Project. As such, no impairment loss was recognised. The pre-tax discount rate used in the VIU calculations at 31 December 2017 was 17.5%.

For the purpose of impairment testing, certain leasehold improvements, furniture, fixtures and office equipment, motor vehicles and intangible asset (note 20) are allocated to the raw and cleaned coal CGU. The recoverable amount of the raw and cleaned coal CGU is determined based on either fair value less costs to disposal or VIU whichever is higher. The recoverable amount of the raw and cleaned coal CGU has been determined from VIU based on cash flow projections from formally approved budgets covering an eight-year period, which is the remaining contractual period of the coal washing leased factory. Management considered that the budgets should cover the remaining contractual period of the coal washing leased factory as it reflects the development and production plan of this CGU.

17. 物業、廠房及設備 (續)

減值評估

就減值測試而言，CNG站及配套設施、油氣資產、在建工程及若干傢俬、固定裝置及辦公室設備、汽車及無形資產（附註20）分配至三交煤層氣項目，代表一個獨立現金產生單位（「現金產生單位」）。於截至2017年及2016年12月31日止年度，本集團董事並無於三交煤層氣項目識別任何減值跡象。儘管如此，三交煤層氣項目於該等報告期之可收回金額按照使用價值（「使用價值」）採用自正式批准預算及資本支出（反映本現金產生單位之開發及生產計劃）之現金流量預測估計。可收回金額估計高於三交煤層氣項目非金融資產之賬面值。因此，並無確認減值虧損。於2017年12月31日，計算使用價值所用之稅前折現率為17.5%。

就減值測試而言，若干租賃物業裝修、傢俬、固定裝置及辦公室設備、汽車及無形資產（附註20）分配至原煤及精煤現金產生單位。原煤及精煤現金產生單位之可收回金額乃以公平值減出售成本或使用價值中之較高者釐定。原煤及精煤現金產生單位之可收回金額自正式批准包含八年期（即洗煤租賃廠之餘下合約期）預算之現金流量預測之使用價值釐定。管理層認為，預算應包含洗煤租賃廠餘下合約期，原因在於其反映本現金產生單位之開發及生產計劃。



17. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment (Continued)

As at the end of the reporting period, the carrying amounts of the assets and liabilities belonging to the raw and cleaned coal CGU were amounting to RMB164,507,000 while the recoverable amount of the raw and cleaned coal CGU, as determined by an independent professional firm of valuers, based on VIU using cash flow projections from formally approved budgets and capital expenditure was approximately RMB124,000,000, which was RMB40,507,000 less than the respective carrying amounts. As such, the directors of the Group determined an impairment loss of RMB40,507,000 (equivalent to HK\$46,705,000), which was fully allocated to goodwill and was recognised in the consolidated statement of comprehensive income. No impairment loss was allocated to other assets mentioned above. Details of the key assumptions used in VIU are set out in note 21.

Notes:

- (i) It represents oil and gas properties under construction as at the end of the reporting period.
- (ii) It represents gas wells located in Sanjiao block as at the end of the reporting period.

17. 物業、廠房及設備 (續)

減值評估 (續)

於報告期間結束時，歸屬於原煤及精煤現金產生單位之資產與負債賬面值為人民幣164,507,000元，而原煤及精煤現金產生單位之可收回金額約為人民幣124,000,000元（乃經一家獨立專業估值師行按照使用價值採用自正式批准預算及資本支出之現金流量預測釐定），低於其賬面值人民幣40,507,000元。因此，本集團董事釐定減值虧損為人民幣40,507,000元（相等於46,705,000港元），並全數分配至商譽，於綜合全面收益表內確認。概無減值虧損分配至上述其他資產。有關使用價值所採用之主要假設載於附註21。

附註：

- (i) 其表示於報告期間結束時之在建油氣資產。
- (ii) 其表示於報告期間結束時位於三交區塊之氣井。

18. OIL AND GAS EXPLORATION AND EVALUATION ASSETS

18. 油氣勘探及評估資產

HK\$'000
千港元

Cost:

At 1 January 2016
Additions
Interest capitalised (note 9(a))

成本：

於2016年1月1日
添置
資本化利息（附註9(a)）

—
41,031
276

At 31 December 2016
Additions
Interest capitalised
Exchange adjustment

於2016年12月31日
添置
資本化利息
匯兌調整

41,307
10,554
1,870
3,524

At 31 December 2017

於2017年12月31日

57,255



18. OIL AND GAS EXPLORATION AND EVALUATION ASSETS (Continued)

Canada Farm-in Project

In October 2015, the Company's subsidiary, SOG Energy Inc., entered into a farm-in agreement ("farm-in arrangement") with a Canadian company ("Farmor"). Pursuant to the farm-in arrangement, the Company became as a Farmee shall drill the test well within an area ("farm-out Land") agreed between the Farmor and Farmee. When the Farmee has drilled the test well to an agreed depth and if the anticipated output from any zone in the farm-out Land are reasonably anticipated to be covered the cost of drilling, equipping and operating of the wells, Farmee shall case the well and conduct production test. Once the Farmee caps the test well with the obligation to conduct production test and has performed all related obligations under farm-in arrangement to Farmor's reasonable satisfaction, Farmee shall earn the interests in the farm-out Land, subject to the reservation to Farmor therefrom the agreed royalty. No consideration is paid by the Group to the Farmor, but the Group needs to be responsible for all the costs of the drilling. Under this farm-in arrangement, the Farmor giving up future economic benefits, in the form of its oil reserves, in exchange for a reduction in future funding obligations. The Group recognises its expenditure under the arrangement in respect of its own interest and that retained by the Farmor, as and when the costs are incurred. The Group accounts for its expenditure under this farm-in arrangement in the same way as directly incurred exploration and evaluation expenditure. Up to 31 December 2017, the Company incurred around HK\$57,255,000 drilling costs for this farm-in project (2016: HK\$41,307,000).

The Group classified this farm-in project as oil exploration and evaluation assets under HKFRS 6. The directors have assessed the impairment of this oil exploration and evaluation assets in accordance with the criteria under HKFRS 6 and by reference to the progress in the implementation of this farm-in project during the year. The directors concluded that there are neither facts nor circumstances which may indicate that the carrying amount of this oil exploration and evaluation assets has exceeded the recoverable amount as at the end of reporting period.

18. 油氣勘探及評估資產(續)

加拿大Farm-in項目

於2015年10月，本公司附屬公司 SOG Energy Inc.與一家加拿大公司 (「Farmor」) 訂立farm-in協議 (「farm-in安排」)。根據farm-in安排，本公司 (作為 Farmee) 將於Farmor與Farmee協定的面積 (「farm-out土地」) 內鑽探測試井。於 Farmee已鑽探測試井至協定深度時，倘合理地預測來自farm-out土地內任何區域的預測產量將覆蓋鑽探、裝備及營運油井的成本，Farmee將加蓋油井並進行生產測試。一旦Farmee在進行生產測試責任下將測試井封頂，並獲Farmor合理信納其已履行farm-in安排項下所有相關責任，Farmee將獲取farm-out土地的權益，惟須向Farmor支付約定的礦權費。本集團並無向Farmor支付任何代價，惟本集團需負責所有鑽探成本。根據此 farm-in安排，Farmor放棄日後經濟利益 (以其石油儲量)，以換取降低日後資金提供之責任。於成本產生時，本集團會就其自身權益及由Farmor保留的權益確認其於有關安排項下的開支。本集團會按相同方式將其於Farm-in安排項下的開支列賬為直接產生的勘探及評估支出。直至2017年12月31日，本公司已就此 farm-in項目產生鑽探成本約57,255,000港元 (2016年：41,307,000港元)。

根據香港財務報告準則第6號，本集團將該farm-in項目分類為石油勘探及評估資產。按照香港財務報告準則第6號項下標準及經參考年內執行該farm-in項目的進度，董事已評估該石油勘探及評估資產的減值。董事推定，於報告期間結束時，概無任何事實或情況可能顯示該石油勘探及評估資產的賬面值已超過其可收回金額。



19. PAYMENT FOR LEASEHOLD LAND HELD FOR OWN USE

19. 自用租賃土地付款

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
At 1 January	於1月1日	4,277	4,812
Amortisation for the year	本年度攤銷	(233)	(237)
Exchange adjustments	匯兌調整	312	(298)
At 31 December	於12月31日	4,356	4,277



Notes to the Financial Statements

31 December 2017

20. INTANGIBLE ASSETS

20. 無形資產

		Motor vehicle registration license 汽車登記牌照 HK\$'000 千港元	Operation rights 營運權 HK\$'000 千港元	Favourable supplier agreement 優惠供應商協議 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Costs:	成本：				
At 1 January 2016	於2016年1月1日	2,272	2,503,328	70,734	2,576,334
Disposals of subsidiaries (note 42)	出售附屬公司 (附註42)	–	(236,325)	–	(236,325)
Exchange adjustments	匯兌調整	–	(102,674)	(4,541)	(107,215)
At 31 December 2016	於2016年12月31日	2,272	2,164,329	66,193	2,232,794
Exchange adjustments	匯兌調整	–	162,803	4,980	167,783
At 31 December 2017	於2017年12月31日	2,272	2,327,132	71,173	2,400,577
Accumulated amortisation:	累計攤銷：				
At 1 January 2016	於2016年1月1日	–	229,625	5,305	234,930
Amortisation for the year (note 9(c))	本年度攤銷 (附註9(c))	–	12,759	6,929	19,688
Written back on disposal of subsidiaries (note 42)	撥回出售附屬公司 (附註42)	–	(223,488)	–	(223,488)
Exchange adjustments	匯兌調整	–	(4,887)	(651)	(5,538)
At 31 December 2016	於2016年12月31日	–	14,009	11,583	25,592
Amortisation for the year (note 9(c))	本年度攤銷 (附註9(c))	–	13,416	6,835	20,251
Exchange adjustments	匯兌調整	–	–	1,155	1,155
At 31 December 2017	於2017年12月31日	–	27,425	19,573	46,998
Carrying amount:	賬面值：				
At 31 December 2017	於2017年12月31日	2,272	2,299,707	51,600	2,353,579
At 31 December 2016	於2016年12月31日	2,272	2,150,320	54,610	2,207,202



20. INTANGIBLE ASSETS (Continued)

Operation right

As at 31 December 2017, the Group's operation right represent the right under one (2016: one) production sharing contract which gives the Group the right to participate in the production of coalbed methane with details as follows:

Gas fields 氣田	Location 地點	Expiry date 到期日
Sanjiao CBM Project 三交煤層氣項目	Shanxi Province, the PRC 中國山西省	2036

The operation right is initially recognised at its fair value on the date of acquisition by reference to a professional valuation prepared by Asset Appraisal Limited. Subsequent to the reporting period, the operation right is measured using the cost mode.

Amortisation is provided to write off the cost of the operation right using the units of production method based on the amount of proved and probable oil and gas reserves. Amortisation is charged to "direct costs" in the consolidated statement of comprehensive income.

During the year ended 31 December 2016, the development contracts of Liuluoyu Oil Field and Yanjiawan Oil Field and a production sharing contract of Jinzhuang Oil Field were disposed (note 42).

For the purpose of impairment testing, the operation right was allocated to the Sanjiao CBM Project. During the year ended 31 December 2017 and 2016, the directors of the Group did not identify any impairment indicators in Sanjiao CBM Project. Details of the estimation of the recoverable amount of this CGU are set out in note 17.

20. 無形資產(續)

營運權

於2017年12月31日，本集團之營運權包括一份(2016年：一份)產品分成合同內之權利，讓本集團有權參與煤層氣生產，詳情如下：

營運權初步按收購當日之公平值經參考中誠達資產評估顧問有限公司編製之專業估值後確認。於報告期間後，營運權採用成本模式計量。

撇銷營運權成本乃按證實及概略油氣儲量以生產單位法進行攤銷。攤銷在綜合全面收益表之「直接成本」內扣除。

截至2016年12月31日止年度內，已出售柳洛峪油田及閻家灣油田之開發合同及金莊油田之產品分成合同(附註42)。

就減值測試而言，營運權分配至三交煤層氣項目。於截至2017年及2016年12月31日止年度，本集團董事並無於三交煤層氣項目識別任何減值跡象。本現金產生單位之可收回金額估計詳情載於附註17。



Notes to the Financial Statements

31 December 2017

20. INTANGIBLE ASSETS (Continued)

Favourable supplier agreement

Favourable supplier agreement represents the coal supplier agreement with one of the Group's subsidiaries. According to the agreement, the supplier will provide raw coal at 3% lower than the market price. The supplier agreement has estimated useful lives of ten years.

For the purpose of impairment testing, the favourable supplier agreement was allocated to the raw and cleaned coal CGU. Details of the impairment testing and key assumptions used in VIU are set out in note 17 and note 21 respectively.

20. 無形資產(續)

優惠之供應商協議

優惠之供應商協議指本集團一家附屬公司之煤炭供應商協議。根據協議，供應商將按低於市價3%之價格供應原煤。供應商協議估計可用年期為十年。

就減值測試而言，優惠之供應商協議分配至原煤及精煤現金產生單位。有關減值測試及使用價值所用之主要假設分別載於附註17及附註21。

21. GOODWILL

21. 商譽

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
At 1 January	於1月1日	93,483	99,896
Exchange adjustment	匯兌調整	7,032	(6,413)
At 31 December	於12月31日	100,515	93,483
Accumulated impairment loss:	累計減值虧損：		
At 1 January	於1月1日	—	—
Impairment loss recognised in the year (note 8)	年內確認之減值虧損 (附註8)	46,705	—
Exchange adjustment	匯兌調整	1,933	—
		48,638	—
Carrying amount At 31 December	賬面值 於12月31日	51,877	93,483



21. GOODWILL (Continued)

During the year ended 31 December 2015, the Group has acquired 75% equity interest of Golden Glow Holdings Limited and its subsidiaries (collectively known as “Golden Glow Group”) for a consideration of RMB135,000,000 (equivalent to HK\$168,656,000). The excess of the cost of purchase over the net fair value of the identifiable net assets of Golden Glow Group of RMB83,713,000 (equivalent to HK\$104,583,000) was recorded as goodwill and allocated to the CGU in the raw and cleaned coal CGU.

During the year ended 31 December 2017, the revenue stream of the raw and cleaned coal CGU was slower than expected and it was expected that the Guaranteed Profit (see note 24) would not be met. Hence, the directors of the Group considered that these circumstances led to recognition of impairment loss of the CGU. Details of the impairment testing are set out in note 17.

The following are key assumptions on which management has based its cash flow projections for the period covered by the most recent budgets:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Discount rate	折現率	22.36%	22.08%
Operating margin	經營利潤率	8.92%	7.58%
Growth rate	增長率	3.00%	5.00%

The discount rate used is pre-tax and reflect specific risks relating to the relevant CGU. The operating margin and growth rate have been based on past experience.

21. 商譽(續)

截至2015年12月31日止年度內，本集團收購Golden Glow Holdings Limited及其附屬公司（統稱「Golden Glow集團」）之75%股權，代價為人民幣135,000,000元（相等於168,656,000港元）。收購成本超出Golden Glow集團可識別資產淨值淨公平值之部分人民幣83,713,000元（相等於104,583,000港元）確認為商譽及分配至原煤及精煤現金產生單位之現金產生單位。

截至2017年12月31日止年度，原煤及精煤現金產生單位之收益流較預期慢，預期將不能符合保證溢利（見附註24）。因此，本集團董事認為，該等情況導致須確認現金產生單位之減值虧損。有關減值測試之詳情載於附註17。

以下為管理層根據最近預算包含期間其現金流量預測作出之主要假設：

所用之折現率乃稅前折現率並反映有關現金產生單位之特定風險。經營利潤率及增長率根據過往經驗釐定。



Notes to the Financial Statements

31 December 2017

22. INTEREST IN A JOINT VENTURE

22. 於一家合營企業之權益

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
As at 1 January	於1月1日	-	-
Share of loss for the year (note (i))	年內分佔虧損(附註(i))	-	-
As at 31 December	於12月31日	-	-
Amount due from a joint venture (note (ii))	應收一家合營企業款項 (附註(ii))	320	320
		320	320

Notes:

- (i) Share of loss has been fully recognised up to the investment in a joint venture during the year ended 31 December 2015. No further share of loss is required to be recognised for the years ended 31 December 2017 and 2016.
- (ii) The amount due from a joint venture is unsecured, interest free and repayable on demand.

The Group has a 50% (2016: 50%) interest in a joint venture, Smart Win International Limited, a company incorporated in the British Virgin Islands ("BVI") and operating in Hong Kong. The primary activity of Smart Win International Limited is investment holding.

附註：

- (i) 截至2015年12月31日止年度，悉數確認之應佔虧損最高達到於一家合營企業之投資。截至2017年及2016年12月31日止年度，毋須進一步確認應佔虧損。
- (ii) 應收一家合營企業款項為無抵押、免息及須按要求即時償還。

本集團於合營企業凱智國際有限公司擁有50%（2016年：50%）權益，後者為於英屬維爾京群島註冊成立並於香港經營業務之公司。凱智國際有限公司之主要業務為投資控股。



22. INTEREST IN A JOINT VENTURE (Continued)

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with Smart Win International Limited. Under HKFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method. In the opinion of the directors of the Company, this joint venture is not material to the Group, and the summarised financial information in relation to the joint venture is presented below:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Loss for the year	年內虧損	(8)	(6)
Other comprehensive income	其他全面收益	—	—
Total comprehensive income	總全面收益	(8)	(6)

23. INTEREST IN AN ASSOCIATE

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
As at 1 January	於1月1日	58,010	60,118
Share of loss for the year	年內分佔虧損	(418)	(662)
Exchange adjustment	匯兌調整	1,545	(1,446)
As at 31 December	於12月31日	59,137	58,010

22. 於一家合營企業之權益 (續)

合約安排僅向本集團提供對合營安排資產淨值之權利，而對合營安排資產之權利及負債之義務主要歸於凱智國際有限公司。根據香港財務報告準則第11號，該合營安排分類為合營企業並使用權益法於綜合財務報表入賬。本公司董事認為，該合營企業對本集團影響不大，而有關合營企業之財務資料概要呈列如下：

23. 於一家聯營公司之權益



Notes to the Financial Statements

31 December 2017

23. INTEREST IN AN ASSOCIATE (Continued)

Details of the Group's associate are as follows:

Name of company	Form of business structure	Place of incorporation	Percentage of ordinary share indirectly held 間接持有普通股百分比	Principal activity
公司名稱	業務架構形式	註冊成立地點	百分比	主要業務
山西國梁煤層氣開發有限公司	Sino-foreign equity joint venture 中外合資企業	The PRC 中國	30%	Development and operation of a liquefied natural gas plant ("LNG Plant") in the PRC to produce liquefied coalbed methane 於中國發展及經營液化天然氣處理站(「液化天然氣處理站」)以生產液化煤層氣

In the opinion of the directors of the Company, this associate is not material to the Group, and the financial information in respect of the Group's associate is set out below:

23. 於一家聯營公司之權益(續)

有關本集團聯營公司之詳情載列如下：

本公司董事認為，該聯營公司對本集團的影響不大，本集團聯營公司的財務資料呈列如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Loss for the year	年內虧損	(1,393)	(2,208)
Other comprehensive income	其他全面收益	—	—
Total comprehensive income	總全面收益	(1,393)	(2,208)



24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

24. 按公平值透過損益列賬的財務資產

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Contingent consideration in relation to acquisition of subsidiaries	有關收購附屬公司之或有代價		
– Non-current	– 非流動	30,077	4,487
– Current	– 流動	21,529	18,134
		51,606	22,621

During the year ended 31 December 2015, the Group had acquired 75% equity interests of Golden Glow Group, which the vendor irrevocably guaranteed the Group that from 1 October 2015 until 30 September 2021, six years in total, the total net profit after income tax expense attributable to Golden Glow Group per annum should not be less than RMB30,000,000 ("the Guaranteed Profit"). Contingent consideration represented the fair value of the amounts to be received by the Group if the Golden Glow Group fails to meet the Guaranteed Profit.

The Group has engaged an independent firm of valuers to assess the fair value of the Guaranteed Profit as at the end of reporting period. The fair value of the contingent consideration arrangement was estimated by applying the income approach at a discount rate of 22.36% (2016: 22.08%). In assessing the adjustments to reflect credit risk in the fair value measurement process, the directors of the Group did not consider the credit risk to be significant as the vendor of Golden Glow Group still owns the non-controlling interest with carrying value of HK\$16,655,000 (note 41) and had good settlement record of the shortfall of the Guaranteed Profit.

截至2015年12月31日止年度內，本集團收購Golden Glow集團之75%股權，當中賣方不可撤回地向本集團擔保由2015年10月1日起至2021年9月30日止之合共6年內，每年Golden Glow集團應佔之除所得稅支出後總純利應不少於人民幣30,000,000元（「保證溢利」）。或然代價指倘Golden Glow集團未能滿足保證溢利，本集團將收取之金額的公平值。

本集團已委任一家獨立估值師行，以評估保證溢利於報告期間結束時之公平值。或有代價安排之公平值乃採用收入法按折現率22.36%（2016年：22.08%）進行估計。於公平值計量過程中評估反映信貸風險之調整時，本集團董事認為信貸風險並不重大，原因是Golden Glow集團仍擁有賬面值為16,655,000港元之非控股權益（附註41），並擁有良好之保證溢利差額償付記錄。



Notes to the Financial Statements

31 December 2017

24. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

During the year ended 31 December 2017, the Group has received in full the shortfall of the Guaranteed Profit for the year ended 31 December 2016. The Group estimated the shortfall of the Guaranteed Profit for the year ended 31 December 2017 attributable to the Group would be approximately RMB17,000,000. Details of summarised financial information of Golden Glow Group set out in Note 41.

25. AVAILABLE-FOR-SALE INVESTMENTS

Listed securities in Hong Kong, at fair value 香港上市證券，按公平值

As at 31 December 2017, the listed securities represented the equity interests in companies that are listed on the Main Board of The Stock Exchange.

During the year ended 31 December 2017, net fair value loss on the available-for-sale investments of the Group amounted to HK\$1,928,000 (2016: HK\$260,000) was recognised in other comprehensive income.

The fair values of listed equity investments are based on quoted market prices.

26. LOAN RECEIVABLES

Current assets 流動資產
Non-current assets 非流動資產

24. 按公平值透過損益列賬的財務資產(續)

截至2017年12月31日止年度內，本集團已全數收取截至2016年12月31日止年度保證溢利之差額。本集團估計，本集團應佔截至2017年12月31日止年度之保證溢利差額將約為人民幣17,000,000元。Golden Glow集團之財務資料概要載於附註41。

25. 可供出售金融資產

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Listed securities in Hong Kong, at fair value 香港上市證券，按公平值	5,409	4,592

於2017年12月31日，上市證券指於聯交所主板上市之公司之股權。

截至2017年12月31日止年度內，本集團可供出售金融資產之淨公平值虧損1,928,000港元(2016年：260,000港元)已於其他全面收益內確認。

上市股權投資之公平值乃以市場報價為基準。

26. 應收貸款

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Current assets 流動資產	48,029	22,334
Non-current assets 非流動資產	19,211	—
	67,240	22,334



26. LOAN RECEIVABLES (Continued)

As at 31 December 2017 and 2016, the loan receivables in the Group's financial services segment were as follows:

- (i) In November 2016, the Group advanced a loan to a private company in the PRC, an independent third party, of RMB20,000,000. The loan is secured by certain equipment, interest bearing at 10% per annum and fully repaid in April 2017.
- (ii) In March 2017, the Group advanced a loan to a private company in the PRC, an independent third party, of RMB20,000,000. The loan was secured by trade receivables, interest bearing at 10% per annum and repayable in March 2019. As at 31 December 2017, the Group has considered the recoverability and taken into account of the effect of the estimated discounted cash flow, therefore, a provision of RMB4,000,000 was made.
- (iii) In April 2017, the Group advanced two loans to a private company in the PRC, an independent third party, of RMB40,000,000. The loans were secured by certain equipment, interest bearing at 10% per annum and repayable in April 2018.
- (iv) Interest income of approximately HK\$3,635,000 (2016: HK\$866,000) has been recognised in "Revenue" (2016: "Other income") in the consolidated statement of comprehensive income.
- (v) Except for the loan disclosed in note (ii) above, the other loan receivables were neither impaired nor overdue as at 31 December 2017 and 2016.
- (vi) The maximum exposure to credit risk as at the end of the reporting dates was the carrying value of the loan receivables.

26. 應收貸款(續)

於2017年及2016年12月31日，於本集團金融服務分部之應收貸款如下：

- (i) 於2016年11月，本集團向一家中國民營企業（一名獨立第三方）墊付貸款人民幣20,000,000元。該貸款以若干設備作抵押，按年利率10%計息，並已於2017年4月悉數償還。
- (ii) 於2017年3月，本集團向一家中國民營企業（一名獨立第三方）墊付貸款人民幣20,000,000元。該貸款以應收賬款作抵押，按年利率10%計息，並須於2019年3月償還。於2017年12月31日，本集團經考慮可收回性並計及估計折現現金流之影響後，計提了撥備人民幣4,000,000元。
- (iii) 於2017年4月，本集團向一家中國民營企業（一名獨立第三方）墊付貸款人民幣40,000,000元。該貸款以若干設備作抵押，按年利率10%計息，並須於2018年4月償還。
- (iv) 已於綜合全面收益表之「收益」（2016年：「其他收入」）內確認利息收入約3,635,000港元（2016年：866,000港元）。
- (v) 除上文附註(ii)所披露之貸款外，於2017年及2016年12月31日，其他應收貸款均無減值或逾期。
- (vi) 於報告期末，最高信貸風險為應收貸款之賬面值。



Notes to the Financial Statements

31 December 2017

27. INVENTORIES

27. 存貨

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Spare parts, consumables and others	備件、耗材及其他	15,070	10,591

28. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

28. 應收賬款、應收票據、其他應收賬款、按金及預付款項

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Non-current assets	非流動資產		
Deposits and prepayments (note (i))	按金及預付款項(附註(i))	95,777	44,045
Current assets	流動資產		
Trade receivables	應收賬款	8,367	34,669
Notes receivable	應收票據	18,371	48,018
Other receivables (note (ii))	其他應收賬款(附註(ii))	54,418	53,295
		81,156	135,982
Utility deposits	水電按金	2,781	726
Other deposits and prepayments (note (iii))	其他按金及預付款項 (附註(iii))	354,633	397,607
		357,414	398,333
		438,570	534,315



28. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes:

- (i) As at 31 December 2017, the balance included prepaid exploration costs of HK\$79,968,000 (2016: HK\$27,965,000) on the Group's construction in progress and prepaid rental of HK\$15,809,000 (2016: HK\$16,080,000) for coal washing factory.
- (ii) As at 31 December 2017, the balance mainly included consideration receivable of HK\$24,000,000 (2016: HK\$27,550,000) on the disposal of Key Wisdom Group as set out in note 42, interest receivables from short-term investment of HK\$4,623,000 (2016: nil) and government grants receivable (2017: HK\$nil; 2016: HK\$12,901,000).
- (iii) The balance mainly included prepayment to a raw coal supplier of HK\$50,138,000 (2016: HK\$125,239,000) and deposits of HK\$248,523,000 (2016: HK\$230,740,000) paid for possible acquisition of Canada oil fields as disclosed in the Company's announcement dated 30 June 2014 and 1 September 2014 respectively and interest receivables of HK\$41,737,000 (2016: HK\$28,975,000) in relation to these deposits.

28. 應收賬款、應收票據、其他應收賬款、按金及預付款項(續)

附註：

- (i) 於2017年12月31日，餘款包括用於對本集團預付勘探成本之在建工程79,968,000港元（2016年：27,965,000港元）及供原煤洗選廠之預付租金15,809,000港元（2016年：16,080,000港元）。
- (ii) 於2017年12月31日，餘款主要包括附註42所載出售堅俊集團之應收代價24,000,000港元（2016年：27,550,000港元）、應收短期投資利息4,623,000港元（2016年：無）及應收政府補助（2017年：零港元；2016年：12,901,000港元）。
- (iii) 餘款主要包括預付原煤供應商50,138,000港元（2016年：125,239,000港元）及按金248,523,000港元（2016年：230,740,000港元），為本公司分別於2014年6月30日及2014年9月1日公佈披露之可能收購加拿大油田之按金及相關按金之應收利息41,737,000港元（2016年：28,975,000港元）。



28. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(iii) (Continued)

On 30 June 2014, a wholly-owned subsidiary of the Company has entered into the first non-legally binding memorandum of understanding ("MOU 1") with Jade Million Co Ltd, (the "Vendor") in relation to a possible acquisitions of the interests of certain oil and gas blocks in Canada ("Target 1"). According to the MOU 1, the Group paid a refundable deposit of Canadian Dollars ("CAD") 30 million which is interest-free to the Vendor in July 2014. On 1 September 2014, the Group entered into another memorandum of understanding ("MOU 2") with Vendor and paid a refundable deposit of CAD 10 million which is interest bearing at 4.5% per annum in relation to a possible acquisition of the interests of certain oil and gas blocks (other than Target 1) in Canada ("Target 2"). In both MOU 1 and MOU 2, the Vendor has pledged the interests of Target 1 and Target 2 to the Group as return with values higher than the deposits paid. On 30 April 2015, 31 December 2015 and 30 September 2016, 30 June 2017 and 29 December 2017, the Group and the Vendor agreed in writing to further extend the time limit for entering into formal agreements in respect of MOUs and the exclusive periods as set out in the MOUs to 31 December 2015 and 30 September 2016, 30 June 2017, 31 December 2017 and 30 September 2018 respectively.

On 30 June 2016, supplemental agreements for MOU 1 and MOU 2 were signed for interest charge based on the outstanding deposits at the rate of 8.5% per annum commencing from 1 December 2014 and 1 May 2015 respectively.

28. 應收賬款、應收票據、其他應收賬款、按金及預付款項(續)

附註：(續)

(iii) (續)

於2014年6月30日，本公司全資附屬公司已與Jade Million Co Ltd(「賣方」)訂立第一份不具法律約束力之諒解備忘錄(「諒解備忘錄1」)，內容有關可能收購加拿大若干油氣區塊(「目標1」)之權益。根據諒解備忘錄1，本集團已於2014年7月支付免息之可退還按金30,000,000加元(「加元」)。於2014年9月1日，本集團已與賣方訂立另一份諒解備忘錄(「諒解備忘錄2」)，內容有關可能收購加拿大若干油氣區塊(「目標2」，目標1以外區塊)之權益，並支付按每年4.5%計息之可退還按金10,000,000加元。就諒解備忘錄1及諒解備忘錄2而言，賣方已將目標1及目標2之權益抵押予本集團作為回報，價值高於已付按金。於2015年4月30日、2015年12月31日、2016年9月30日、2017年6月30日及2017年12月29日，本集團及賣方書面同意進一步延長就該等諒解備忘錄訂立正式協議的期限及該等諒解備忘錄所載的獨家有效期，兩者分別延至2015年12月31日、2016年9月30日、2017年6月30日、2017年12月31日及2018年9月30日。

於2016年6月30日，已分別就諒解備忘錄1及諒解備忘錄2簽署補充協議，內容有關根據尚未支付按金按每年8.5%計回利息，分別從2014年12月1日及2015年5月1日開始計算利息。



28. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

Notes: (Continued)

(iii) (Continued)

Save and except for the aforesaid extension of the time limit for entering into formal agreements and the exclusive periods, all other terms of the MOUs shall remain unchanged. Up to the date of this report, the Group is still performing the due diligence review.

As these MOUs are non-legally binding and the Group can unconditionally withdraw from this transaction any time and the deposits will be fully refundable by 30 September 2018 if no further renewal of the aforesaid extension. As such, the deposits were classified as current assets as at the end of the reporting periods.

The ageing analysis of trade receivables based on invoice date at the end of reporting period is as follows:

30 days	30天
31 – 60 days	31至60天
61 – 90 days	61至90天
Over 90 days	多於90天

The average credit period granted to customers is 0-30 days from the invoice date.

28. 應收賬款、應收票據、其他應收賬款、按金及預付款項(續)

附註：(續)

(iii) (續)

除上述延長訂立正式協議的期限及該等獨家有效期外，該等諒解備忘錄所有其他條款維持不變。截至本報告日期，本集團仍在進行盡職審查。

由於該等諒解備忘錄不具法律約束力，本集團可無條件隨時退出此項交易。倘無進一步延長上述期限，按金將於2018年9月30日前予以全數退還。因此，按金於各報告期間結束時分類為流動資產。

應收賬款於報告期間結束時按發票日期之賬齡分析如下：

2017 HK\$'000 千港元	2016 HK\$'000 千港元
3,652	4,987
–	4,232
3,401	3,976
1,314	21,474
8,367	34,669

本集團給客戶的平均信貸期為開單日起0-30天。



Notes to the Financial Statements

31 December 2017

28. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

All trade receivables are less than 180 days past due, not impaired and related to few customers which have a good track record with the Group. Based on the past experience, management estimated that the carrying amount will be fully recovered.

The Group recognised impairment loss on individual assessment based on the accounting policy stated in note 4(k)(ii).

29. SHORT-TERM INVESTMENT

Short-term investment

短期投資

On 10 July 2014, the Group entered into a subscription agreement with a PRC company (an independent third party) which engaged in investment and consultancy services ("Investee") to acquire bonds issued by the Investee. The bonds were extended for another 6 months from 26 October 2015 to 25 April 2016 with interest bearing at 13% per annum. On 27 April 2016 and 28 April 2017, the bonds were further extended for another 1 year to 28 April 2017 and 27 April 2018 respectively with other terms remain unchanged. The bonds are guaranteed by the shares of the Investee's related company which is a private company in the PRC.

28. 應收賬款、應收票據、其他應收賬款、按金及預付款項(續)

所有應收賬款為到期後180天內，本集團與客戶有良好的商業記錄，故沒有作減值。根據以往經驗，管理層估計其賬面金額將全數收回。

本集團根據附註4(k)(ii)所載之會計政策，通過個別評估確認減值虧損。

29. 短期投資

2017 HK\$'000 千港元	2016 HK\$'000 千港元
77,205	71,804

於2014年7月10日，本集團與一間中國公司（一名從事投資及顧問服務之獨立第三方，「被投資方」）訂立認購協議，以收購被投資方發行之債券。該等債券到期日由2015年10月26日延長六個月至2016年4月25日，期間年息率為13%。於2016年4月27日及2017年4月28日，債券分別進一步延長一年至2017年4月28日及2018年4月27日，其他條款維持不變。該等債券由被投資方之一間關連公司（為一間中國民營企業）之股份作擔保。



30. CASH AND CASH EQUIVALENTS

30. 現金及現金等價物

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Cash and bank balances, denominated in	以下列貨幣計值之現金及銀行結餘		
– HKD and USD	– 港元及美元	913	207,938
– Renminbi (“RMB”)	– 人民幣	20,670	41,385
– CAD	– 加元	166	2,190
– Others	– 其他	17	17
		21,766	251,530

Cash and cash equivalents of HK\$20,670,000 (equivalent to RMB17,214,000) (2016: HK\$41,385,000 (equivalent to RMB37,060,000)) were denominated in RMB. RMB is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restrictions imposed by the PRC Government.

20,670,000港元(相等於人民幣17,214,000元)(2016年: 41,385,000港元(相等於人民幣37,060,000元))之現金及現金等價物以人民幣計值。人民幣並非自由兌換貨幣, 從中國匯出資金須受中國政府之外匯管制所規限。

31. TRADE, OTHER PAYABLES AND ACCRUALS

31. 應付賬款、其他應付款項及預提費用

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Current Liabilities	流動負債		
Trade payables (note (i))	應付賬款(附註(i))	30,662	–
Other payables and accruals (note (ii))	其他應付款項及預提費用(附註(ii))	325,343	275,128
Receipt in advance (note (iii))	預收款項(附註(iii))	34,972	62,782
Amounts due to shareholders (note (iv))	應付股東款項(附註(iv))	16,855	11,693
		407,832	349,603



Notes to the Financial Statements

31 December 2017

31. TRADE, OTHER PAYABLES AND ACCRUALS (Continued)

Notes:

- (i) The amount mainly represented raw coal costs payable to a major raw coal supplier.
- (ii) The amounts mainly included exploration costs payable of approximately HK\$269,828,000 (2016: HK\$249,776,000) in respect of oil and gas properties.
- (iii) The amounts represented receipt in advance from sales of cleaned coal amounted to HK\$34,972,000 (2016: HK\$62,782,000).
- (iv) The loans were unsecured, interest free and repayable on demand.

The ageing analysis of trade payables based on invoice date at the end of reporting period is as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
30 days	30天	—	—
31 – 60 days	31至60天	—	—
61 – 90 days	61至90天	30,662	—
		30,662	—

The average credit period granted by suppliers is 0-30 days from the invoice date.

31. 應付賬款、其他應付款項及預提費用(續)

附註：

- (i) 該金額主要為支付予主要原煤供應商的原煤成本。
- (ii) 該金額主要包括有關油氣資產之應付勘探成本約269,828,000港元(2016年：249,776,000港元)。
- (iii) 該金額為精煤銷售預收款34,972,000港元(2016年：62,782,000港元)。
- (iv) 該貸款為無抵押，免息及須按要求即時償還。

應付賬款於報告期間結束時按發票日期之賬齡分析如下：

供應商給本集團的平均信貸期為開單日起0-30天。



32. PROVISIONS

32. 撥備

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Balance at 1 January	於1月1日之結餘	4,810	2,409
Provision for environmental restoration and decommissioning costs	環境修復及停止使用費之撥備	1,537	2,556
Exchange adjustment	匯兌調整	362	(155)
Balance at 31 December	於12月31日之結餘	6,709	4,810

The provision for environmental restoration and decommissioning costs for 2017 and 2016 represented directors' estimated assets retirement obligations relating to the Sanjiao CBM Project as set out in note 44(i).

2017年及2016年環境修復及停止使用費之撥備指與三交煤層氣項目(載於附註44(i))有關之董事估計資產棄置報廢。

33. BORROWINGS

33. 借貸

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Other borrowings – unsecured (note (i))	其他無抵押借貸(附註(i))	77,437	–
Corporate bonds – unsecured (note (ii))	無抵押企業債券(附註(ii))	456,451	322,109
		533,888	322,109
On demand or within one year	按要求或一年內償還	77,437	–
More than one year, but not exceeding two years	超過一年, 但不超過兩年	10,400	–
More than two years, but not exceeding five years	超過兩年, 但不超過五年	257,000	7,500
More than five years	超過五年	189,051	314,609
		533,888	322,109
Amount due within one year included in current liabilities	列入流動負債一年內到期之金額	(77,437)	–
Non-current portion	非流動部分	456,451	322,109



Notes to the Financial Statements

31 December 2017

33. BORROWINGS (Continued)

- (i) As at 31 December 2017, the Group had outstanding borrowings with principal amount of HK\$77,437,000 advanced from several individual third parties and a financial institution. These borrowings were unsecured, carried fixed interest rates ranging from 15% to 30% per annum and guaranteed by a director of the Company, Dr Dai Xiaobing, a director of a wholly-owned subsidiary and an individual third party. Out of HK\$77,437,000, HK\$67,437,000 has been settled before 29 March 2018. On 20 March 2018, the Group entered into a supplemental agreement with the lender to extend the repayment of the remaining outstanding borrowing of HK\$10,000,000 to 15 June 2018.
- (ii) During the year ended 31 December 2017, the Company issued the corporate bonds in principal amount of HK\$143,400,000 (2016: HK\$115,000,000) carried fixed interest rate ranging from 5% to 8% per annum (2016: 5% to 7%) with maturity in 2 to 8 years (2016: 4 to 8 years).
- (iii) The range of effective interest rates on the Group's borrowings for the years ended 31 December 2017 and 2016 are as follows:

		2017	2016
Other borrowings – unsecured	其他無抵押借貸	15.0% – 30.0%	12.0% – 24.0%
Corporate bonds – unsecured	無抵押企業債券	5.0% – 8.0%	5.0% – 7.0%

33. 借貸(續)

- (i) 於2017年12月31日，本集團有本金額為77,437,000港元之未償還借貸，乃來自若干個人第三方及一家財務機構之墊款。該等借貸為無抵押、固定年息15%至30%及由本公司董事戴小兵博士、一家全資附屬公司之一名董事及一名個人第三方擔保。於77,437,000港元中，67,437,000港元已於2018年3月29日前償付。於2018年3月20日，本集團與貸方訂立一份補充協議，以延長餘下之未償還借貸10,000,000港元之還款至2018年6月15日。
- (ii) 截至2017年12月31日止年度內，本公司發行固定年息5%至8%（2016年：5%至7%）、年期為2至8年（2016年：4至8年）之企業債券，本金為143,400,000港元（2016年：115,000,000港元）。
- (iii) 截至2017年及2016年12月31日止年度內，本集團相關之借貸的實際利率為下列範圍：



34. CONVERTIBLE NOTES

The convertible notes recognised in the consolidated statement of financial position are calculated as follows:

34. 可換股票據

於綜合財務狀況表確認之可換股票據計算如下：

		Liability component	Derivative component	Equity component	Total
		負債部分	衍生部分	權益部分	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
At 1 January 2016	於2016年1月1日	285,250	–	26,322	311,572
Issue of convertible notes during the year	年內發行之可換股票據	1,058,564	277,746	–	1,336,310
Released upon expiry	於到期時撥回	(192,760)	–	(15,913)	(208,673)
Amortisation of transaction costs (note 9(a))	交易成本之攤銷 (附註9(a))	8,539	–	–	8,539
Imputed interest expense (note 9(a))	應歸利息支出 (附註9(a))	111,756	–	–	111,756
Interest paid	已付利息	(40,937)	–	–	(40,937)
Change in fair value (note 8)	公平值變動 (附註8)	–	(52,089)	–	(52,089)
Exchange adjustments	匯兌調整	–	(720)	–	(720)
At 31 December 2016	於2016年12月31日	1,230,412	224,937	10,409	1,465,758
Released upon expiry	於到期時撥回	(167,064)	–	(10,409)	(177,473)
Amortisation of transaction costs (note 9(a))	交易成本之攤銷 (附註9(a))	14,872	–	–	14,872
Imputed interest expense (note 9(a))	應歸利息支出 (附註9(a))	264,658	–	–	264,658
Interest paid	已付利息	(104,847)	–	–	(104,847)
Change in fair value (note 8)	公平值變動 (附註8)	–	(187,042)	–	(187,042)
At 31 December 2017	於2017年12月31日	1,238,031	37,895	–	1,275,926



34. CONVERTIBLE NOTES (Continued)

Convertible note 1

The Company issued convertible note in an aggregate principal amount of HK\$275,000,000 with a 4% discount and a 2% coupon rate on 26 April 2013. The convertible note was denominated in Hong Kong dollars and will mature in three years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.167 per share. Imputed interest expense on the convertible note was charged at the rate of 18.67% calculated using the effective interest method. The convertible note was fully redeemed in April 2016.

Convertible note 2

The Company issued convertible note in an aggregate principal amount of HK\$100,000,000 with a 8% coupon rate on 19 June 2015. The convertible note was denominated in Hong Kong dollars and will mature in two years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.207 per share. Imputed interest expense on the convertible note was charged at the rate of 18.96% calculated using the effective interest method. The convertible note was fully redeemed during the year.

Convertible note 3

The Company issued convertible note in an aggregate principal amount of HK\$200,000,000 with a 8% coupon rate on 1 February 2016. The convertible note was denominated in Hong Kong dollars and will mature in two years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.207 per share. Imputed interest expense on the convertible note was charged at the rate of 18.96% calculated using the effective interest method.

34. 可換股票據 (續)

可換股票據 (一)

本公司於2013年4月26日以4%折讓發行本金總額為275,000,000港元且票息率為2%之可換股票據。可換股票據以港元計值，自發行日期起計三年內到期。票據可依據持有人之選擇以每股0.167港元之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.67%計算。可換股票據已於2016年4月悉數贖回。

可換股票據 (二)

本公司於2015年6月19日發行本金總額為100,000,000港元且票息率為8%之可換股票據。可換股票據以港元計值，自發行日期起計兩年內到期。票據可依據持有人之選擇以每股0.207港元之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.96%計算。可換股票據已於年內悉數贖回。

可換股票據 (三)

本公司於2016年2月1日發行本金總額為200,000,000港元且票息率為8%之可換股票據。可換股票據以港元計值，自發行日期起計兩年內到期。票據可依據持有人之選擇以每股0.207港元之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.96%計算。



34. CONVERTIBLE NOTES (Continued)

Convertible note 3 (Continued)

During the year, the Company has partially redeemed it with principal amount of HK\$64 million. This convertible note with principal amount of HK\$136,000,000 as at 31 December 2017 was due on 1 February 2018. Subsequent to year end, the Group partially settled Convertible note 3 with principal amount of HK\$29,000,000 and the Group entered into an agreement with the bondholder to extend the maturity date of the bonds with the remaining principal amount of HK\$107,000,000 to 18 May 2018 while the conversion right attached expired.

Convertible note 4

The Company issued convertible note in an aggregate principal amount of HK\$160,000,000 with a 8% coupon rate on 26 May 2016. The convertible note was denominated in Hong Kong dollars and will mature in two years from the issue date. The note can be converted into ordinary shares of the Company at the holders' option at the rate of HK\$0.207 (note (i)) per share. Imputed interest expense on the convertible note was charged at the rate of 18.96% calculated using the effective interest method.

The convertible note is personally guaranteed by two directors of the Company, Dr Dai Xiaobing and Mr King Hap Lee, to the bondholders.

Pursuant to the terms of the Convertible note 3 and Convertible note 4, whenever the issuer has issued any shares, grant of options, warrants or other rights to subscribe for or purchase or acquires shares at a price lower than the conversion price thereof, the conversion price would be adjusted to a reduced price. Hence, this does not meet the fixed for fixed criteria and the share conversion option element of the Convertible note 3 and Convertible note 4 shall be treated as a derivative liability with subsequent changes in fair value recognised in profit or loss.

The fair values at the date of issuance and as at 31 December 2017 and 2016, were assessed by an independent valuer, was calculated using the binomial options pricing model. Key input assumptions were set out in note 52(b)(ii). As at 31 December 2017 and 2016, there was change in the fair value of derivative liability compared to the issuance date and at the end of each reporting period that recognised in profit or loss during the years ended 31 December 2017 and 2016 (note 8).

34. 可換股票據 (續)

可換股票據 (三) (續)

年內，本公司贖回部分本金額64,000,000港元。該可換股票據於2017年12月31日之本金額136,000,000港元已於2018年2月1日到期。於年結日後，本集團償付可換股票據(三)之部分本金額29,000,000港元，並且本集團與債券持有人訂立協議，以將餘下本金額為107,000,000港元之債券之到期日延至2018年5月18日，而附帶的換股權則告失效。

可換股票據 (四)

本公司於2016年5月26日發行本金總額為160,000,000港元且票息率為8%之可換股票據。可換股票據以港元計值，自發行日期起計兩年內到期。票據可依據持有人之選擇以每股0.207港元(附註(i))之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率18.96%計算。

可換股票據由本公司之兩位董事(戴小兵博士及景哈利先生)向債券持有人提供個人擔保。

根據可換股票據(三)及可換股票據(四)之條款，倘發行人發行任何股份、授出購股權、認股權證或其他可以低於相關換股價之價格認購或購買或收購股份之權利，則換股價可調整至較低價格。因此，這不符合固定換固定標準，而可換股票據(三)及可換股票據(四)之換股選擇權元素應被視作衍生負債處理，其後公平值如有變動則在損益確認。

於發行日期及2017年及2016年12月31日之公平值由獨立估值師進行評估，乃使用二項式期權定價模型計算。主要輸入數據假設載於附註52(b)(ii)。於2017年及2016年12月31日，衍生負債之公平值較發行日期及各報告期間結束時(已於截至2017年及2016年12月31日止年度之損益確認)有所變動(附註8)。



34. CONVERTIBLE NOTES (Continued)

Convertible note 5

The Company issued convertible note in an aggregate principal amount of US\$130,000,000 with a 8% coupon rate on 29 September 2016. The convertible note was denominated in US dollars and will mature in three years from the issue date. The note can be converted into ordinary shares of the Company at the holder's option at the rate of HK\$0.207 (note (i)) per share. Imputed interest expense on the convertible note was charged at the rate of 22.85% calculated using the effective interest method.

The convertible note was secured by the issued shares of two subsidiaries of the Company, Power Great Limited and Orion Energy International Inc., by way of first fixed legal charge to the bondholder as continuing security.

The convertible option should be separated from the liability component and accounted for as a derivative liability with subsequent changes in fair value recognised in profit or loss. It was because the host contract (i.e. liability component) was denominated in a currency which was not the functional currency of the Company. Hence, this does not meet the fixed for fixed criteria. The fair values at the date of issuance and as at 31 December 2016 and 2017, were assessed by an independent valuer, was calculated using the binomial options pricing model. Details of key input assumptions of the valuations were set out in note 52(b)(ii). As at 31 December 2017 and 2016, there were changes in the fair value of derivative liability compared to the issuance date and the end of reporting period that recognised in profit or loss during the years ended 31 December 2016 and 2017 (note 8).

Note (i) Pursuant to the terms of the Convertible note 4 and Convertible note 5, whenever the Company has issued any shares at a price lower than the conversion price thereof, the conversion price would be adjusted to the reduced price. Upon the completion of subscription of 3,380,000,000 shares of the Company at a price of HK\$0.053 per share on 9 March 2018 (note 53(i)), the conversion price of the Convertible note 4 and Convertible note 5 shall be adjusted accordingly, which is reduced to HK\$0.053 per share with effect from 9 March 2018.

34. 可換股票據 (續)

可換股票據 (五)

本公司於2016年9月29日發行本金總額為130,000,000美元且票息率為8%之可換股票據。可換股票據以美元計值，自發行日期起計三年內到期。票據可依據持有人之選擇以每股0.207港元（附註(i)）之價格轉換為本公司之普通股。可換股票據之應歸利息支出乃使用實際利息法按利率22.85%計算。

可換股票據以本公司之兩家附屬公司，威遠有限公司和奧瑞安能源國際有限公司，之已發行股份，透過第一固定法定押記之方式向債券持有人作持續抵押。

換股選擇權應獨立於負債部分，並入賬列作衍生負債，其後公平值如有變動則在損益確認。此乃由於主合約（即負債部分）以非本公司功能貨幣之貨幣計值。因此，這不符合固定換固定標準。於發行日期及2016年及2017年12月31日之公平值由獨立估值師進行評估，乃使用二項式期權定價模型計算。估值主要輸入數據假設之詳情載於附註52(b)(ii)。於2017年及2016年12月31日，衍生負債之公平值較發行日期及報告期間結束時（已於截至2016年及2017年12月31日止年度之損益確認）有所變動（附註8）。

附註(i) 根據可換股票據（四）及可換股票據（五）之條款，任何時間當本公司按低於其換股價之價格發行任何股份，換股價將調整至該較低價格。於2018年3月9日完成按每股0.053港元之價格認購本公司3,380,000,000股股份後（附註53(i)），可換股票據（四）及可換股票據（五）之換股價將作出相應調整，降至每股0.053港元，自2018年3月9日起生效。



35. DEFERRED TAX LIABILITIES

Details of the deferred tax assets and (liabilities) recognised and movements during the year were as follows:

		Accelerated tax depreciation 加速稅項折舊 HK\$'000 千港元	Intangible assets 無形資產 HK\$'000 千港元	Tax losses 稅項虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2016	於2016年1月1日	(9,287)	(18,514)	246	(27,555)
Disposal of subsidiaries during the year (note 42)	年內出售附屬公司 (附註42)	9,077	2,403	(240)	11,240
Credited to profit or loss (note 11)	計入損益賬(附註11)	–	1,732	–	1,732
Exchange adjustments	匯兌調整	210	1,684	(6)	1,888
At 31 December 2016	於2016年12月31日	–	(12,695)	–	(12,695)
Credited to profit or loss (note 11)	計入損益賬(附註11)	–	1,709	–	1,709
Exchange adjustments	匯兌調整	–	(3,249)	–	(3,249)
At 31 December 2017	於2017年12月31日	–	(14,235)	–	(14,235)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off when the deferred tax related to same fiscal authority. The following net amounts determined after appropriate offsetting, are shown on the consolidated statement of financial position.

35. 遞延稅項負債

年內確認之遞延稅項資產及(負債)之詳情及變動如下：

遞延稅項資產及負債在有合法強制執行權利抵銷以及遞延稅項為同一稅務機關下，方會作出抵銷。以下是在綜合財務狀況表合理抵銷後釐定之金額淨值。



Notes to the Financial Statements

31 December 2017

35. DEFERRED TAX LIABILITIES (Continued)

Deferred tax liabilities	遞延稅項負債
Deferred tax assets	遞延稅項資產

35. 遞延稅項負債(續)

2017 HK\$'000 千港元	2016 HK\$'000 千港元
(14,235)	(12,695)
—	—
(14,235)	(12,695)

Pursuant to the PRC Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises in the PRC. A lower withholding tax rate may be applied if there is a tax treaty between the PRC and the jurisdiction of the foreign investors. As at 31 December 2017 and 2016, no deferred tax has been recognised for withholding taxes, as there is no distributable profit for the Group's subsidiaries established in the PRC.

根據中國稅法，於中國之外資企業向境外投資者宣派股息會被徵收10%預扣稅。倘中國與境外投資者之司法權區訂有稅務條約，則可能應用較低之預扣稅率。於2017年及2016年12月31日，並無就預扣稅確認遞延稅項，原因是本集團於中國成立之附屬公司並無可供分派之溢利。

36. EMPLOYEE RETIREMENT BENEFITS

- The Group operates a Mandatory Provident Fund Scheme (the "MPF scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, both the employer and each employee are required to make contributions to the plan at 5% of the employee's relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2016: HK\$30,000) by each party. Contributions to the plan vest immediately.

36. 僱員退休福利

- 本集團根據香港強制性公積金計劃條例，為根據香港僱傭條例受僱之僱員設立強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理之界定供款退休計劃。根據強積金計劃，僱主及各僱員各自須按僱員之有關收入之5%作出供款，惟各方每月有關收入以30,000港元（2016年：30,000港元）為上限。向計劃作出之供款即時歸僱員所有。



36. EMPLOYEE RETIREMENT BENEFITS (Continued)

- b) Pursuant to the relevant labour rules and regulations in the PRC, the Group participates in defined contribution retirement benefit schemes (the "Schemes") organised by the relevant local government authorities, whereby the Group is required to make contributions to the Schemes at a rate ranging from 21% - 30% (2016: 21% to 30%) of the eligible employees' salaries. The local government authorities are responsible for the entire pension obligations payable to the retired employees. The obligations are calculated based on a certain percentage of the basic payroll.

37. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

The Company operates a share option scheme which was adopted on 28 May 2010 for a period of ten years commencing from 28 May 2010 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any companies within the Group, to take up options to subscribe for shares of the Company. The terms and conditions of the grant are determined by the Board at the time of grant. The exercisable period of an option is not to exceed a period of ten years commencing the date the share options be granted. The options give the holder the right to subscribe for ordinary shares in the Company. A nominal consideration of HK\$1 is payable by the grantee upon acceptance of an option. Options would be forfeited should the employee leave the Group. All the existing share options were granted under the scheme.

36. 僱員退休福利(續)

- (b) 根據中國相關勞動規則及法規，本集團參與由有關當地政府機關管理之界定供款退休福利計劃（「該等計劃」）。據此，本集團須按合資格僱員的薪金向該等計劃作出介乎21%至30%（2016年：21%至30%）的供款。當地政府機關須對應付退休僱員之全部退休金責任負責。該等責任乃根據基本薪金之某個百分比計算。

37. 股本結算以股份付款之交易

本公司於2010年5月28日採納一項購股權計劃，自2010年5月28日起計為期10年，據此，本公司董事獲授權酌情向本集團僱員（包括本集團任何成員公司之董事）授出購股權，以認購本公司股份。授出之條款及條件由董事會於授出時釐定。購股權之可予行使期不得超過自購股權授出日期起計10年。購股權賦予持有人權利認購本公司普通股。承授人於接納購股權時，須支付象徵式代價1港元。倘僱員離開本集團，則將沒收有關購股權。現有之所有購股權乃根據計劃授出。



Notes to the Financial Statements

31 December 2017

37. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

- a) The terms and conditions of the share options that existed during the year ended 31 December 2017 were as follows and all options are settled by physical delivery of shares:

37. 股本結算以股份付款之交易 (續)

- (a) 以下為截至2017年12月31日止年度存在之購股權之條款及條件，所有購股權均透過實際交付股份結算：

Date of grant 授出日期	Vesting condition 歸屬條件	Exercise period 行使期限	Contractual exercise price 合約行使價	Number of options 購股權數目 '000 千份	Contractual life of options 購股權合約年期
Options granted to directors: 授予董事之購股權：					
- on 6 December 2011 - 於2011年12月6日	Immediately 即時	6 December 2011 to 5 December 2021 2011年12月6日至2021年12月5日	HK\$0.276 港元	117,000	10 years 10年
- on 23 November 2015 - 於2015年11月23日	Immediately 即時	23 November 2015 to 22 November 2018 2015年11月23日至2018年11月22日	HK\$0.222 港元	179,000	3 years 3年
Options granted to employees: 授予僱員之購股權：					
- on 6 December 2011 - 於2011年12月6日	Immediately 即時	6 December 2011 to 5 December 2021 2011年12月6日至2021年12月5日	HK\$0.276 港元	298,000	10 years 10年
- on 23 November 2015 - 於2015年11月23日	Immediately 即時	23 November 2015 to 22 November 2018 2015年11月23日至2018年11月22日	HK\$0.222 港元	844,000	3 years 3年
Total share options 購股權總數				1,438,000	



37. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

b) The number and weighted exercise prices of share options are as follows:

37. 股本結算以股份付款之交易 (續)

(b) 購股權之數目及加權行使價如下：

		2017		2016	
		Weighted average exercise price	Number of share options	Weighted average exercise price	Number of share options
		加權平均行使價	購股權數目	加權平均行使價	購股權數目
		HK\$	'000	HK\$	'000
		港元	千份	港元	千份
Outstanding at beginning of the year	於年初尚未行使	0.238	1,479,000	0.238	1,496,000
Lapsed during the year	年內失效	0.231	(41,000)	0.276	(17,000)
Outstanding at the end of the year	於年末尚未行使	0.236	1,438,000	0.238	1,479,000
Exercisable at the end of the year	於年末可予行使	0.236	1,438,000	0.238	1,479,000

The options outstanding at 31 December 2017 had exercise prices of HK\$0.236 (2016: HK\$0.238) and a weighted average remaining contractual life of 1.77 years (2016: 2.79 years).

於2017年12月31日，尚未行使購股權之行使價為0.236港元（2016年：0.238港元），而加權平均餘下合約年期為1.77年（2016年：2.79年）。



Notes to the Financial Statements

31 December 2017

38. CAPITAL AND RESERVES

(a) Share capital

(i) Authorised and issued share capital

38. 資本及儲備

(a) 股本

(i) 法定及已發行股本

		2017		2016	
		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised	法定				
As at 31 December	於12月31日	40,000,000	400,000	40,000,000	400,000
Issued and fully paid	已發行及繳足				
Ordinary shares of HK\$0.01 each	每股面值0.01港元 之普通股				
At beginning of the year	於年初	17,093,656	170,937	17,603,601	176,036
Shares repurchased (ii)	股份購回(ii)	(554,865)	(5,549)	(509,945)	(5,099)
At end of the year	於年末	16,538,791	165,388	17,093,656	170,937

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息，並在本公司大會上每股可獲一票投票權。所有普通股對本公司之餘下資產享有同等權益。



38. CAPITAL AND RESERVES (Continued)

(a) Share capital (Continued)

(i) Authorised and issued share capital (Continued)

On 26 January 2018, the Group entered into a subscription agreement with an independent third party ("Subscriber") for the subscription ("Subscription") of a total 3,380,000,000 new ordinary shares of the Company ("Subscription Shares"). On 12 March 2018, the Subscription has taken place and Subscription shares have been allotted and issued to Subscriber at a price of HK\$0.053 per share. The Group received a net proceeds from the Subscription of approximately HK\$178,000,000.

(ii) Repurchase of shares

The Company repurchased a total of 554,865,000 shares (2016: 509,945,000 shares) of the Company at an aggregate consideration of approximately HK\$98,163,000 (2016: HK\$94,390,000) of which HK\$5,549,000 (2016: HK\$5,099,000) was debited to share capital and balances of HK\$92,614,000 (2016: HK\$89,291,000) was debited to the share premium account. Out of 554,865,000 shares (2016: 509,945,000 shares) repurchased, 552,565,000 shares (2016: 487,750,000 shares) were cancelled during the year while the remaining 2,300,000 shares (2016: 22,195,000 shares) were cancelled in January 2018.

(iii) Lapse of vested share options

In 2017, 41,000,000 share options lapsed (2016: 17,000,000).

38. 資本及儲備 (續)

(a) 股本 (續)

(i) 法定及已發行股本 (續)

於2018年1月26日，本集團與一名獨立第三方（「認購人」）訂立認購協議，內容有關認購合共3,380,000,000股本公司新普通股（「認購股份」）（「認購事項」）。於2018年3月12日，認購事項已落實完成，且認購股份已按每股0.053港元之價格配發及發行予認購人。本集團自認購事項收取所得款項淨額約178,000,000港元。

(ii) 股份購回

本公司購回本公司總代價約98,163,000港元（2016年：94,390,000港元）之股份共554,865,000股（2016年：509,945,000股），其中5,549,000港元（2016年：5,099,000港元）計入股本，餘額92,614,000港元（2016年：89,291,000港元）計入股份溢價賬。554,865,000股購回股份（2016年：509,945,000股）中，552,565,000股（2016年：487,750,000股）已於年內註銷，而餘下的2,300,000股（2016年：22,195,000股）則於2018年1月註銷。

(iii) 已歸屬購股權之失效

於2017年，41,000,000份（2016年：17,000,000份）購股權已失效。



Notes to the Financial Statements

31 December 2017

38. CAPITAL AND RESERVES (Continued) (b) The Company

38. 資本及儲備 (續) (b) 本公司

		Share capital	Share premium	Contributed surplus	Share option reserve	Available-for-sale financial investments reserve	Convertible notes equity reserve	Accumulated losses	Total
		股本	股份溢價	繳納盈餘	購股權儲備	可供出售金融資產儲備	可換股票據權益儲備	累計虧損	總計
Notes		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
At 1 January 2016	於2016年1月1日	176,036	4,302,009	81,043	111,794	-	26,322	(1,322,703)	3,374,501
Loss for the year	本年度虧損	-	-	-	-	-	-	(313,686)	(313,686)
Other comprehensive income	其他全面收益	-	-	-	-	(260)	-	-	(260)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(260)	-	(313,686)	(313,946)
Released upon expiry of convertible notes	於可換股票據到期時撥回	34	-	-	-	-	(15,913)	15,913	-
Released upon lapse of share options	於購股權失效時撥回	38(a)(iii)	-	-	(1,450)	-	-	1,450	-
Repurchase of shares	股份購回	38(a)(i)	(5,099)	(89,291)	-	-	-	-	(94,390)
At 31 December 2016	於2016年12月31日	170,937	4,212,718	81,043	110,344	(260)	10,409	(1,619,026)	2,966,165
Loss for the year	本年度虧損	-	-	-	-	-	-	(153,656)	(153,656)
Other comprehensive income	其他全面收益	-	-	-	-	(1,928)	-	-	(1,928)
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	(1,928)	-	(153,656)	(155,584)
Released upon expiry of convertible notes	於可換股票據到期時撥回	34	-	-	-	-	(10,409)	10,409	-
Released upon lapse of share options	於購股權失效時撥回	38(a)(iii)	-	-	(2,491)	-	-	2,491	-
Repurchase of shares	股份購回	38(a)(i)	(5,549)	(92,614)	-	-	-	6	(98,157)
At 31 December 2017	於2017年12月31日	165,388	4,120,104	81,043	107,853	(2,188)	-	(1,759,776)	(2,712,424)

(c) Nature and purpose of reserves

(i) Share premium

Share premium represents premium arising from the issue of shares at a price in excess of their par value per share. Share premium is not distributable but may be applied in paying up unissued shares of the Company to be issued to equity holders as fully paid bonus shares or to provide the premiums on repurchase of own shares.

(c) 儲備性質及用途

(i) 股份溢價

股份溢價指以超出股份每股面值價格發行股份而產生之溢價。股份溢價不可分派但可用作繳清本公司將作為繳足紅股向權益持有人發行之未發行股份或為購回本身股份提供溢價。



38. CAPITAL AND RESERVES (Continued)

(c) Nature and purpose of reserves (Continued)

(ii) Contributed surplus

Contributed surplus arose when the Company issues shares in exchange for the shares of subsidiaries being acquired, and represented the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired under the group reorganisation in 1999 in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong. Under the Companies Act 1981 of Bermuda (as amended), contributed surplus is available for distribution to equity holders. However, the Company cannot declare or pay a dividend, or make a distribution out of contributed surplus if:

- it is or would after the payment, be unable to pay its liabilities as they become due; or
- the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital and share premium account.

(iii) Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted by the Company and recognised in accordance with the accounting policy adopted for share-based payments as set in note 4(r).

(iv) Available-for-sale investments reserve

Gains/losses arising on recognising financial assets classified as available-for-sale investments reserve at fair value.

(v) Convertible notes equity reserve

The reserve represents the equity component (i.e. option to convert the notes into shares) of the convertible notes issued by the Company.

38. 資本及儲備(續)

(c) 儲備性質及用途(續)

(ii) 繳納盈餘

繳納盈餘來自本公司發行股份以交換所購入附屬公司之股份，相當於本公司已發行股份面值與1999年為籌備本公司股份在香港聯合交易所上市而進行之集團重組所購入附屬公司資產淨值之間之差額。根據百慕達1981年公司法(經修訂)，繳納盈餘可供分派予權益持有人。然而，倘發生下列情況，本公司不可自繳納盈餘宣派或派付股息或作出分派：

- 派付後導致無法或可能無法償還到期負債；或
- 導致資產之可變現價值低於負債、已發行股本及股份溢價賬之總額。

(iii) 購股權儲備

購股權儲備為本公司已授出之實際或估計數目之尚未行使購股權之公平值，並已按照附註4(r)就以股份支付之款項所採納會計政策確認入賬。

(iv) 可供出售金融資產儲備

確認按公平值分類為可供出售金融資產儲備之財務資產會產生收益／虧損。

(v) 可換股票據權益儲備

儲備代表本公司發行之可換股票據之權益部分(即將票據轉換為股份之選擇權)。



Notes to the Financial Statements

31 December 2017

38. CAPITAL AND RESERVES (Continued)

(c) Nature and purpose of reserves (Continued)

(vi) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong which were dealt with in accordance with the accounting policy as set out in note 4(p).

(vii) Accumulated losses

Cumulative net gains and losses recognised in profit or loss.

(d) Distribution of reserves

At 31 December 2017, the Company had no reserves available for cash distribution and/or distribution in specie. Under the Bermuda Companies Act 1981 (as amended), the Company's contributed surplus in the amount of HK\$81,043,000 (2016: HK\$81,043,000) is currently not available for distribution. The Company's share premium account in the amount of HK\$4,120,104,000 as at 31 December 2017 (2016: HK\$4,212,718,000) may be distributed in the form of fully paid bonus shares.

38. 資本及儲備(續)

(c) 儲備性質及用途(續)

(vi) 匯兌儲備

匯兌儲備包括因換算香港以外業務之財務報表所產生之所有外匯差額，乃按照附註4(p)所載之會計政策處理。

(vii) 累計虧損

累計淨收益及虧損於損益確認。

(d) 分派儲備

於2017年12月31日，本公司概無儲備可供現金分派及／或實物分派。根據百慕達1981年公司法（經修訂），本公司之繳納盈餘81,043,000港元（2016年：81,043,000港元）現不可分派。於2017年12月31日，本公司之股份溢價賬為4,120,104,000港元（2016年：4,212,718,000港元），可以繳足紅股方式分派。



39. COMPANY LEVEL STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

39. 本公司於2017年12月31日之財務狀況表

		Notes 附註	2017		2016	
			HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產					
Interests in subsidiaries	於附屬公司之權益	40		4,511,743		4,678,417
Available-for-sale investments	可供出售金融資產			5,409		4,592
Total non-current assets	非流動資產總額			4,517,152		4,683,009
Current assets	流動資產					
Other receivables, deposits and prepayments	其他應收賬款、按金及預付款項		27,880		31,549	
Cash and cash equivalents	現金及現金等價物		443		48,383	
Total current assets	流動資產總額		28,323		79,932	
Total assets	總資產			4,545,475		4,762,941
Current liabilities	流動負債					
Other payables and accruals	其他應付款項及預提費用		(49,653)		(19,318)	
Convertible notes	可換股票據		(297,142)		(105,112)	
Borrowings	借貸		(51,021)			
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債		(37,895)		(224,937)	
			(435,711)		(349,367)	
Net current liabilities	流動負債淨值			(407,388)		(269,435)
Total assets less current liabilities	總資產減流動負債			4,109,764		4,413,574
Non-current liabilities	非流動負債					
Borrowings	借貸		(456,451)		(322,109)	
Convertible notes	可換股票據		(940,889)		(1,125,300)	
Total non-current liabilities	非流動負債總額			(1,397,340)		(1,447,409)
NET ASSETS	資產淨值			2,712,424		2,966,165
Capital and reserves attributable to owners of the Company	本公司擁有人應佔資本及儲備					
Share capital	股本	38(a)		165,388		170,937
Reserves	儲備	38(b)		2,547,036		2,795,228
TOTAL EQUITY	總權益			2,712,424		2,966,165



Notes to the Financial Statements

31 December 2017

40. INTERESTS IN SUBSIDIARIES

Details of principal subsidiaries as at 31 December 2017 are listed below. The class of shares held is ordinary unless stated otherwise.

40. 於附屬公司之權益

於2017年12月31日主要附屬公司之詳情如下。除另有說明者外，所持股份類別為普通股。

Name of company	Note	Place of incorporation/ operation	Particular of issued and paid up capital	Proportion of ownership interest 擁有權百分比			Principal activity
				Group's effective holding 本集團實際 持股量	Held by the Company 由本公司 持有	Held by a subsidiary 由一家附屬 公司持有	
公司名稱	附註	註冊成立/經營地點	已發行及繳足股本詳情				主要業務
Wiseley Investments Limited 偉利投資有限公司		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Easy Sino Investments Limited 慧領投資有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	100%	-	Provision of administrative services to group companies 向集團公司提供行政服務
Chuang Xin Management Services Limited 創新管理服務有限公司		Hong Kong 香港	2 ordinary shares of HK\$2.00 2股普通股股本為2.00港元	100%	100%	-	Provision of management services to group companies 向集團公司提供管理服務
Grand Rise Development Limited 浩晉發展有限公司		Hong Kong 香港	100 ordinary shares of HK\$100 100股普通股股本為100港元	100%	100%	-	Investment holding 投資控股
Power Great Limited 威遠有限公司		The Cayman Islands 開曼群島	1 ordinary share of US\$1.00 each 1股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Superb China Limited 秀華有限公司		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股



40. INTERESTS IN SUBSIDIARIES (Continued)

40. 於附屬公司之權益(續)

Name of company	Note	Place of incorporation/ operation	Particular of issued and paid up capital	Proportion of ownership interest 擁有權百分比			Principal activity
				Group's effective holding 本集團實際 持股量	Held by the Company 由本公司 持有	Held by a subsidiary 由一家附屬 公司持有	
公司名稱	附註	註冊成立/經營地點	已發行及繳足股本詳情				主要業務
Bi Tuo Yuan Technology (Shenzhen) Co., Ltd 碩拓源科技(深圳)有限公司	i	The PRC 中國	Registered capital RMB500,000 註冊資本人民幣500,000元	100%	–	100%	Inactive 無業務
Orion Energy International Inc. ("OEI") 奧瑞安能源國際有限公司 (「奧瑞安」)		The Cayman Islands 開曼群島	100,000,000 ordinary shares of US\$0.001 each 100,000,000股每股面值 0.001美元之普通股	100%	–	100%	Exploration, development and production of coalbed methane 勘探、開發和生產煤層氣
Xian Hong Chang Co., Inc. 西安鴻昌石油開發服務有限公司	i	The PRC 中國	Registered capital RMB51,700,000 註冊資本人民幣51,700,000元	100%	–	100%	Inactive 無業務
Pipeline International Limited 國際管網有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	–	100%	Investment holding 投資控股
Metro Standard Limited 衡城有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	–	100%	Inactive 無業務
Ultraway International Limited 超揚國際有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	100%	–	Investment holding 投資控股
SOG Energy Inc.		Canada 加拿大	1 ordinary share of CAD1.00 each 1股每股面值1.00加元之普通股	100%	–	100%	Participation in oil and gas projects 參與油氣項目
Sino Executive Limited		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	–	Investment holding 投資控股
Total Orient Global Limited		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	–	Investment holding 投資控股
Abundant Discovery Limited 溢發有限公司		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	–	Investment holding 投資控股



Notes to the Financial Statements

31 December 2017

40. INTERESTS IN SUBSIDIARIES (Continued)

40. 於附屬公司之權益(續)

Name of company	Note	Place of incorporation/ operation	Particular of issued and paid up capital	Proportion of ownership interest 擁有權百分比			Principal activity
				Group's effective holding 本集團實際 持股量	Held by the Company 由本公司 持有	Held by a subsidiary 由一家附屬 公司持有	
公司名稱	附註	註冊成立/經營地點	已發行及繳足股本詳情				主要業務
Golden Glow Holdings Limited		The BVI 英屬維爾京群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	75%	–	75%	Investment holding 投資控股
安澤縣佳潤鑫成煤業有限公司 (“安澤縣佳潤鑫成”)		The PRC 中國	Registered capital RMB50,000,000 註冊資本人民幣50,000,000元	75%	–	75%	Raw coal washing and sales of raw and cleaned coal 原煤洗選及銷售原煤及精煤
Soperton Limited		The BVI 英屬維爾京群島	1 ordinary share of US\$1.00 each 1股每股面值1.00美元之普通股	100%	100%	–	Investment holding 投資控股
SOG Capital Limited		Hong Kong 香港	1 ordinary share of HK\$1.00 1股普通股股本為1.00港元	100%	–	100%	Investment holding 投資控股
陝西兆銀融資租賃有限公司	i	The PRC 中國	Registered capital RMB300,000,000 註冊資本人民幣300,000,000元	100%	–	100%	Financial services 金融服務
Taijin Finance Group Limited 泰金金融集團有限公司	43	Hong Kong 香港	10,000 ordinary shares of HK\$10,000 10,000股普通股股本為10,000港元	100%	–	100%	Inactive 無業務

Notes:

附註：

i Registered under the laws of the PRC as a wholly-owned foreign enterprise

i 根據中國法律登記為外資獨資企業

None of the subsidiaries had issued any debt securities at the end of the year.

年末，概無附屬公司發行任何債務證券。



41. NON-CONTROLLING INTERESTS

The Golden Glow Group, 75% owned subsidiaries of the Company, has material non-controlling interests ("NCI"). The NCI of all other subsidiaries that are not 100% owned by the group are considered to be immaterial.

Summarised financial information in relation to the Golden Glow Group, before intra-group eliminations, is presented below:

41. 非控股權益

本公司擁有75%權益之附屬公司Golden Glow集團擁有重大非控股權益。本集團並非100%擁有所有其他附屬公司之非控股權益被視為並不重大。

有關Golden Glow集團（於集團內部抵銷前）之財務資料概要呈列如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
For the year ended 31 December	截至12月31日止年度		
Revenue	收入	417,637	273,223
Profit for the year	年內溢利	3,225	11,667
Total comprehensive income	全面收入總額	3,808	9,270
Profit allocated to NCI	分配至非控股權益之溢利	806	2,917
For the year ended 31 December	截至12月31日止年度		
Cash flows generated from/(used in) operating activities	經營業務所得／（所用）之現金流量	124,281	(118,972)
Cash flows used in investing activities	投資活動所用之現金流量	(1,213)	(382)
Cash flows (used in)/from financing activities	融資活動（所用）／所得之現金流量	(122,183)	119,274
Net cash inflows/(outflows)	現金流入／（流出）淨額	885	(80)



Notes to the Financial Statements

31 December 2017

41. NON-CONTROLLING INTERESTS (Continued)

41. 非控股權益 (續)

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
As at 31 December	於12月31日		
Current assets	流動資產	197,072	182,435
Non-current assets	非流動資產	54,928	82,347
Current liabilities	流動負債	(171,147)	(189,082)
Non-current liabilities	非流動負債	(14,235)	(13,652)
Net assets	資產淨值	66,618	62,048
Accumulated non-controlling interests	累計非控股權益	16,655	15,512



42. DISPOSAL OF SUBSIDIARIES

On 1 September 2016, the Group disposed Key Wisdom Group that engaged in the exploration and sale of crude oil and natural gas. The net assets of Key Wisdom Group as at the completion date were as follows:

42. 出售附屬公司

於2016年9月1日，本集團出售從事開採及銷售原油和天然氣業務之堅俊集團。堅俊集團於完成日期之資產淨值如下：

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	15,634
Intangible assets	無形資產	12,837
Trade and other receivables	應收賬款及其他應收賬款	6,865
Cash and cash equivalents	現金及現金等價物	1,846
Trade and other payables	應付賬款及其他應付款項	(8,589)
Deferred tax liabilities	遞延稅項負債	(11,240)
Net assets disposed of	出售之資產淨值	17,353
Gain on disposal of subsidiaries included in profit for the year from discontinued operations in the consolidated statement of comprehensive income (note 10)	計入綜合全面收益表內 本年度已終止經營業務 之溢利之出售附屬公司 收益(附註10)	11,647
Total consideration	總代價	29,000
Satisfied by:	支付：	
Cash paid	已付現金	1,450
Consideration receivables (note 28(ii))	應收代價(附註28(ii))	27,550
		29,000
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash consideration received	已收現金代價	1,450
Cash and cash equivalents disposed of	出售之現金及現金等價物	(1,846)
		(396)



43. ACQUISITION OF ASSETS THROUGH ACQUISITION OF A SUBSIDIARY

On 20 November 2017, the Company's wholly-owned subsidiary, Sino Executive Limited ("Sino Executive") acquired entire issued share capital of TaiJin Finance Group Limited ("TaiJin") from the transferor, TaiJin Finance Group Holdings Limited, at a consideration of HK\$2,097,000. TaiJin held a lease agreement of the office premises and office furniture and equipment which were occupied by the transferor and did not carry out any significant business transactions on acquisition date.

In the opinion of the directors, the acquisition did not constitute an acquisition of business in substance. The acquisition of the rental deposits paid and office furniture and equipment were then considered as acquisition of assets through acquisition of a subsidiary.

Therefore, the acquisition was not accounted for as a business combination in accordance with HKFRS 3 - Business Combination. The acquisition of TaiJin was completed on 20 November 2017.

43. 透過收購一家附屬公司收購資產

於2017年11月20日，本公司之全資附屬公司Sino Executive Limited (「Sino Executive」) 向轉讓方TaiJin Finance Group Holdings Limited收購泰金金融集團有限公司 (「泰金」) 之全部已發行股本，代價為2,097,000港元。泰金持有轉讓方所佔用辦公物業以及辦公傢俬及設備之租賃協議，且於收購日期並無從事任何重大業務交易。

董事認為，收購實質上不構成收購業務。收購已付租賃按金以及辦公傢俬及設備被視為透過收購一家附屬公司收購資產。

因此，根據香港財務報告準則第3號業務合併，收購不會入賬列作業務合併。收購泰金已於2017年11月20日完成。

		HK\$'000 千港元
Property, plant and equipment	物業、廠房及設備	297
Deposits paid	已付按金	1,897
Cash and cash equivalents	現金及現金等價物	66
Net assets disposed of	出售之資產淨值	2,260
To be allocated to the carrying amount of property, plant and equipment	將分配至物業、廠房及設備之賬面值	(163)
Total consideration	總代價	2,097
Satisfied by:	支付：	
Cash paid	已付現金	2,097
Net cash outflow arising on disposal:	出售產生之現金流出淨額：	
Cash and cash equivalents acquired	收購之現金及現金等價物	66
Cash consideration paid	已付現金代價	(2,097)
		2,031



44. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS

As at 31 December 2017, the Group has one (2016: one) production sharing contract in respect of the development and production of coalbed methane and there is no (2016: no) development contract in respect of development and production of coalbed methane, crude oil and natural gas in the PRC.

- (i) On 28 March 2006, OEI (which the Group acquired on 15 November 2010) entered into the Sanjiao CBM Project with China United Coalbed Methane Corporation Ltd ("CUCMCL") (the "PRC partner") for the exploration, development, production and sale of the coalbed methane and other related or derivative products that may exist in a total exploration area of approximately 383 square kilometers subject to reduction in accordance with the Sanjiao CBM Project located in the Erdos Basin of Shanxi and Shaanxi Provinces in the PRC (the "Contract Area").

Pursuant to the Sanjiao CBM Project, OEI is engaged as the foreign partner and operator to provide the necessary technology know how and assign its competent experts to explore, develop, produce and sell coalbed methane or coalbed methane products extracted from the Contract Area. OEI and PRC partner have formed a joint management committee as required under the Sanjiao CBM Project and appointed representatives as members of the committee (the "Joint Management Committee"). The Joint Management Committee is responsible to oversee the operation in the Contract Area.

In April 2009, CUCMCL transferred all of its interest and associated obligations with respect to certain gas fields, including the areas covered by the Sanjiao CBM Project, to PetroChina. The transfer was approved by the State-owned Assets Supervision and Administration Commission of the State Council. PetroChina joined the Joint Management Committee of the Sanjiao CBM Project.

44. 產品分成合同及開發合同

於2017年12月31日，本集團在中國有一項（2016年：一項）與煤層氣開發及生產有關之產品分成合同，而並無（2016年：無）與煤層氣、原油及天然氣開發及生產有關之開發合同。

- (i) 於2006年3月28日，奧瑞安（本集團於2010年11月15日收購該公司）與中聯煤層氣有限責任公司（「中聯煤層氣」）（「中方夥伴」）訂立一份三交煤層氣項目，有關按照位於中國山西省及陝西省之鄂爾多斯盆地（「合約地區」）之三交煤層氣項目勘探、開發、生產及銷售可能在約383平方公里總勘探面積（有待削減）內存在之煤層氣及其他有關或衍生產品。

根據三交煤層氣項目，奧瑞安作為外方夥伴及營運商，提供必要之技術知識及委派稱職之專家以從合約地區勘探、開發、生產及銷售所提取之煤層氣或煤層氣產品。奧瑞安與中方夥伴已根據三交煤層氣項目要求成立聯合管理委員會（「聯管會」）及委任代表出任該委員會之成員。聯管會負責監督合約地區之營運。

於2009年4月，中聯煤層氣把其於若干油氣田（包括有關三交煤層氣項目所覆蓋之區域）之權益及相關責任轉移予中石油。該項轉移已獲國務院國有資產監督管理委員會批准。中石油已加入三交煤層氣項目之聯管會。



44. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(i) (Continued)

Under the Sanjiao CBM Project, the development of the Contract Area is divided into the exploration phase development and production phase. OEI is required to conduct core testing and run pilot production to ascertain the potential commercial value of the coalbed methane field in the planned exploration area.

The exploration phase has an initial term of four years and expired on 1 July 2010. The PRC partner has extended the exploration period to 30 June 2012 in order to develop a larger production scale. Based on the supplementary agreement of the Sanjiao CBM Project dated 28 October 2010, the exploration period was extended to 6 years to 30 June 2012. The exploration period has been further extended to 30 June 2014 by way of a further supplementary agreement of the Sanjiao CBM Project dated on 6 July 2012. In December 2014, a further supplementary agreement of the Sanjiao CBM Project was signed, the exploration period has been further extended to 30 June 2016. All costs incurred in the exploration phase shall be borne by OEI.

On 20 November 2015, the Group received the official written notification from NEA for the approval of ODP and the project then enter into the development and production phase. On commencement of the development and production phase, all the development and operating costs shall be borne as to 70% by OEI and 30% by the PRC partner, except if the PRC partner chooses not to participate in a particular site. If the PRC partner chooses not to participate in a particular site, all the development and operating cost will be fully borne by OEI. Also, the PRC partner's participation can be less than 30% for certain wells in respect of which the PRC partner will not need to bear the development costs or will bear at a specifically agreed percentage. As a result, the profit sharing ratio will be adjusted according to their actual participating interest in the coalbed methane field.

44. 產品分成合同及開發合同 (續)

(i) (續)

根據三交煤層氣項目，合約地區之開發分為勘探期、開發及生產期。奧瑞安須進行主要測試及試產以確定在規劃勘探區內之煤層氣田之潛在商業價值。

勘探期初步為期四年，於2010年7月1日屆滿。中方夥伴已將勘探期延期至2012年6月30日，以擴大生產規模。根據日期為2010年10月28日之三交煤層氣項目補充協議，勘探期已延期為六年至2012年6月30日。根據日期為2012年7月6日之三交煤層氣項目之進一步補充協議，勘探期已進一步延期至2014年6月30日。於2014年12月，簽訂三交煤層氣項目之進一步補充協議，勘探期已進一步延期至2016年6月30日。勘探期產生之所有成本應由奧瑞安承擔。

於2015年11月20日，本集團接獲國家能源局官方書面通知(內容有關批准總體開發方案)，項目隨後進入開發及生產階段。當開發及生產期展開後，所有開發及經營成本將會由奧瑞安及中方夥伴各自按70%及30%之比例承擔，惟倘中方夥伴選擇不參與開採某一特定地點，則作別論。倘中方夥伴選擇不參與開採某一特定地點，則奧瑞安將會承擔所有與此有關之開發及經營成本。此外，中方夥伴在若干油氣井之參與亦可少於30%，而中方夥伴就此毋須承擔開採成本，又或將承擔一個特別協定之百分比。因此，溢利分成比率將會根據彼等各自於煤層氣田之實際參與權益而作出調整。



44. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(i) (Continued)

The Sanjiao CBM Project has a term of thirty years, with production period not more than twenty consecutive years beginning from the date of commencement of commercial production to the expiry date of the production period as specified in the ODP, unless production is suspended or abandoned in accordance with the Sanjiao CBM Project or under special circumstances, the production period can be extended with the approval of the relevant PRC authority.

- (ii) In May 2010, the Group entered into an operation agreement with an independent PRC third party (the "PRC Party") for the exploration, development and production of crude oil and natural gas that existed in an exploration area located in Shaanxi Province in the PRC (the "Jinzhuang Oil Field") for the period from 1 May 2010 to 31 July 2011. The PRC Party is a party to a production sharing contract with a State-owned enterprise for the exploration, development and production of crude oil and natural gas in the Jinzhuang Oil Field (the "Jinzhuang PSC") for a period up to 2025. Pursuant to the operation agreement, the Group was engaged as the operator to explore, develop and produce crude oil and natural gas from the oil field. The Group bore all development and operation costs and shared 95% of the income from sale of crude oil and the entire income from the sale of natural gas extracted from the Jinzhuang Oil Field. The operation of the Jinzhuang Oil Field was jointly controlled by the Group and the PRC Party. At the same time, Kenwin Group based in Hong Kong, acquired the rights and obligations of the Jinzhuang PSC from the PRC Party. The Group signed a memorandum of understanding ("MOU") with the owner of Kenwin Group and paid an interest free and refundable deposit of HK\$60,000,000 to the owner such that the Group had the option to acquire the entire equity interest of Kenwin Group.

44. 產品分成合同及開發合同 (續)

(i) (續)

三交煤層氣項目為期三十年，生產期由商業生產開始日期起至生產期到期日（根據總體開發方案所指定）止不可多於連續二十年，除非根據三交煤層氣項目暫停生產或放棄生產或因特別情況生產期在有關中國政府機關批准下續期。

- (ii) 於2010年5月，本集團與中國一名獨立第三方（「中方夥伴」）訂立營運協議以從2010年5月1日至2011年7月31日在位於中國陝西省之勘探區（「金莊油田」）進行原油及天然氣勘探、開發及生產。中方夥伴已與一家國營企業訂立在金莊油田勘探、開發及生產原油及天然氣為期直至2025年之產品分成合同（「金莊產品分成合同」）。根據營運協議，本集團獲聘為營運商，以勘探、開發及生產油田之原油及天然氣。本集團承擔所有開發及營運成本及享有金莊油田之95%原油銷售收入及該油田全部天然氣銷售收入。金莊油田之營運乃由本集團及中方夥伴共同控制。與此同時，總部位於香港之Kenwin Group向中方夥伴收購金莊產品分成合同之權利及責任。本集團與Kenwin Group擁有人簽訂一項諒解備忘錄（「諒解備忘錄」），支付一筆免息及可退回之按金60,000,000港元予該擁有人，因此，本集團可選擇是否收購Kenwin Group之全數權益。



44. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(ii) (Continued)

In June 2011, the Group and the PRC party agreed to extend the operation period to 31 October 2011. In November 2011, the Group acquired the Jinzhuang Oil Field by acquiring 100% equity interest in Kenwin Group.

In September 2016, the Group disposed the Jinzhuang Oil Field with detail in note 42.

- (iii) During 2009, the Group acquired through a transfer agreement and an assignment agreement the rights and obligations to participate in two oil exploitation projects for the exploitation, development and production of a number of oil wells, each for a period up to 2023. The oil wells of these projects are separately located in Liuluoyu, Shannxi Province, the PRC (the “Liuluoyu Oil Field”) and in Yanjiawan, Shannxi Province, the PRC (the “Yanjiawan Oil Field”). The Group also acquired, under the transfer agreement and assignment agreement, the business assets including oil and gas properties, the rights to use the on-site plant, machinery and facilities for the exploration, evaluation and development, and assumed the liabilities associated these oil fields.

As advised by the Company’s PRC legal advisers, the Group is entitled to the rights and obligations of the development contract and participate in the exploitation and production of crude oil in the Liuluoyu Oil Field and Yanjiawan Oil Field. Since the Group has, in practice and substance, the power to govern the financial and operational policies over the operation of the oil fields, the Group incorporated the results of the oil production and the related assets and liabilities of these oil fields into its financial statements.

In September 2016, the Group disposed the Liuluoyu Oil Field and Yanjiawan Oil Field with detail in note 42.

44. 產品分成合同及開發合同 (續)

(ii) (續)

於2011年6月，本集團及中方夥伴同意將經營期限延期至2011年10月31日。2011年11月，本集團透過收購Kenwin Group 100%股權而收購金莊油田。

於2016年9月，本集團已出售金莊油田，詳情載於附註42。

- (iii) 於2009年內，本集團透過讓渡協議及轉讓協議，收購參與兩項石油開採項目之權利及責任，以開採、開發及生產多個油井，均為期至2023年。該等項目之油井分別位於中國陝西省柳洛峪（「柳洛峪油田」）及中國陝西省閻家灣（「閻家灣油田」）。本集團亦根據讓渡協議及轉讓協議收購業務資產（包括油氣資產）及就勘探、評估及開發使用廠房、器械及設施之權利，並承擔與該等油田有關之負債。

根據本公司之中國法律顧問之意見，本集團擁有開發合同下之權利及責任，並可參與柳洛峪油田及閻家灣油田之原油開採及生產。由於本集團擁有實際權力監管該等油田營運之財務及營運政策，因此本集團已將該等油田之石油生產業績以及相關資產及負債合併列入其財務報表。

於2016年9月，本集團已出售柳洛峪油田及閻家灣油田，詳情載於附註42。



45. SIGNIFICANT NON-CASH TRANSACTIONS

- a) During 2017, interest on borrowings of HK\$7,961,000 (2016: HK\$30,633,000) was capitalised as property, plant and equipment and oil and gas exploration and evaluation assets (note 9(a)).
- b) During 2017, provision for environmental restoration and decommissioning costs which increased by HK\$1,537,000 (2016: increased by HK\$2,556,000) was included in the property, plant and equipment (note 17).

46. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between higher owners' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

Consistent with industry practice, the capital structure of the Group consists of net debts, which include other payables and accruals, provisions and borrowings, net of cash and cash equivalents and equity attributable to owners of the Company, comprising issued share capital and reserves.

45. 重大非現金交易

- (a) 於2017年內，借貸利息7,961,000港元（2016年：30,633,000港元）已資本化為物業、廠房及設備以及油氣勘探及評估資產（附註9(a)）。
- (b) 於2017年內，環境修復和停止使用費撥備增加1,537,000港元（2016年：增加2,556,000港元）已計入物業、廠房及設備（附註17）內。

46. 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續以持續經營基準經營，從而透過與風險水平相對應之產品及服務定價以及獲得合理成本之融資，繼續為擁有人創造回報及向其他利益相關者帶來利益。

本集團積極及定期對資本架構開展檢討及管理，從而使較高借貸水平情況下可能產生之較高擁有人回報與良好資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變化對資本架構作出調整。

在遵從行業慣例之情況下，本集團之資本架構包括淨債務（其中包括扣除現金及現金等價物之其他應付款項及預提費用、撥備及借貸）及本公司擁有人應佔權益（包括已發行股本及儲備）。



Notes to the Financial Statements

31 December 2017

46. CAPITAL MANAGEMENT (Continued)

The directors review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, new share issue as well as the issue of new debts or repayment of existing debts. The net debts-to-equity ratios at 31 December 2017 and 2016 were as follows:

46. 資本管理(續)

董事定期對資本架構進行檢討。檢討之工作之一，為董事對資本成本及各類資本之相關風險進行審議。根據董事之建議，本集團將透過支付股息、新股發行、發行新增債務或償還現有債務，使整體資本架構保持平衡。於2017年及2016年12月31日之債務淨值對權益比率如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Total debts:	債務總額：		
Trade, other payables and accruals	應付賬款、其他應付款項 及預提費用	407,832	349,603
Borrowings	借貸	533,888	322,109
Provisions	撥備	6,709	4,810
Convertible notes	可換股票據	1,238,031	1,230,412
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的 財務負債	37,895	224,937
		2,224,355	2,131,871
Less: Cash and cash equivalents	減：現金及現金等價物	(21,766)	(251,530)
Net debts	債務淨值	2,202,589	1,880,341
Equity	權益	3,164,495	3,091,643
Net debts-to-equity ratio	債務淨值對權益比率	70%	61%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

本公司及其任何附屬公司並不受外部實施之資本規定所規限。



47. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate, currency risks, commodity price risk and equity price risk arises in the normal course of the Group's business. These risks are limited by the Group's financial management policies and practices described below.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the Group's trade and other receivables and cash at banks.

(i) Trade and other receivables

The Group's credit risk is primarily attributable to trade and other receivables. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. As at 31 December 2017 and 2016, the Group has no significant concentration of credit risk.

(ii) Cash with banks

The Group limits its exposure to credit risk by placing cash and deposits with financial institutions that meet the established credit rating or other criteria. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

47. 財務風險管理

信貸、流動資金、利率、貨幣風險、商品價格風險及股本價格風險會於本集團之日常業務過程中產生。該等風險乃透過本集團之財務管理政策及常規（見下文）得以限制。

(a) 信貸風險

信貸風險指倘客戶或財務工具交易方不能履行合約責任而導致本集團財務虧損之風險，有關風險主要來自本集團之應收賬款及其他應收賬款及銀行現金。

(i) 應收賬款及其他應收賬款

本集團之信貸風險主要來自應收賬款及其他應收賬款。管理層有既定之信貸政策，並會持續監控所承受之該等信貸風險。於2017年及2016年12月31日，本集團概無重大信貸集中風險。

(ii) 銀行現金

本集團存放現金及存款於財務機構以減低信貸風險，該等財務機構均達到受認可信貸評級或其他標準。鑒於該等財務機構獲得信貸評級較高，管理層預期並無任何交易方不能履行其責任。

(b) 流動資金風險

流動資金風險乃本集團未能於財務責任到期時履行有關責任之風險。本集團管理流動資金之方法是盡量確保具備足夠流動資金應付到期負債，令本集團無須承擔不能接受之虧損或聲譽受損風險。



Notes to the Financial Statements

31 December 2017

47. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The contractual maturities of financial liabilities are shown as below:

47. 財務風險管理 (續)

(b) 流動資金風險 (續)

本集團旗下個別經營實體自行負責現金管理，包括現金盈餘之短期投資及借貸以彌補預期現金需求，惟倘借貸金額超過預先釐定之授權限額時須經本公司董事會批准。本集團之政策為定期監察其流動資金需求及其有否遵守借貸契約，以確保其維持足夠之現金儲備及隨時可變現之有價證券，以及在主要財務機構之信貸額度足夠應付其短期及長期流動資金需要。

財務負債之合約到期情況如下：

		Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	More than 5 years
		賬面值	現金流量總額	1年內或按要	1年以上但2年以下	2年以上但5年以下	5年以上
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元	千港元
2017	2017年						
Non-derivatives:	非衍生：						
Trade, other payables and accruals	應付賬款、其他應付款項及預提費用	407,832	407,832	407,832	-	-	-
Convertible notes	可換股票據	1,238,031	1,522,140	407,504	1,114,636	-	-
Borrowings	借貸	533,888	781,081	116,299	43,875	323,531	294,048
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債	37,895	37,895	37,895	-	-	-
Total	總計	2,217,646	2,748,948	969,530	1,158,511	323,531	294,048
2016	2016年						
Non-derivatives:	非衍生：						
Trade, other payables and accruals	應付賬款、其他應付款項及預提費用	349,603	349,603	349,603	-	-	-
Convertible notes	可換股票據	1,230,412	1,455,594	104,663	371,575	979,356	-
Borrowings	借貸	322,109	523,756	25,249	25,249	57,278	415,980
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債	224,937	224,937	224,937	-	-	-
Total	總計	2,127,061	2,553,890	704,452	396,824	1,036,634	415,980



47. FINANCIAL RISK MANAGEMENT (Continued)

(c) Interest rate risk

At 31 December 2017 and 2016, the Group's fair value interest rate risk arises primarily from borrowings and convertible notes. Borrowings and convertible notes were issued at fixed rates which expose the Group to fair value interest rate risk. The Group has no cash flow interest rate risk as there are no borrowings which bear floating interest rates. The Group has not used any financial instruments to hedge potential fluctuations in interest rates.

At 31 December 2017, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss for the year by approximately HK\$50,200,000 (2016: Nil) before the consideration of capitalisation of interest. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

(d) Currency risk

The Group is exposed to currency risk primarily through recognised assets and liabilities that are denominated in a currency other than the functional currency of the operations to which they relate. At 31 December 2017 and 2016, no related hedges were made by the Group.

47. 財務風險管理(續)

(c) 利率風險

於2017年及2016年12月31日，本集團之公平值利率風險主要來自借貸及可換股票據。本集團因按固定利率發放借貸及可換股票據而承受公平值利率風險。由於沒有借貸按浮動利率計息，故此本集團並無現金流量利率風險。本集團並未採用任何財務工具對沖利率潛在波動。

於2017年12月31日，估計在所有其他變數維持不變之情況下，利率總體增加／降低100個基點將令本集團本年度虧損增加／減少約50,200,000港元（2016年：無）（不計及資本化利息）。敏感度分析乃假設利率變動於報告期間結束時已發生，且已計入於該日存在之借貸利率風險後釐定。增加或減少100個基點為管理層對下一年度報告日期之前期間利率之可能合理變動之估計。

(d) 貨幣風險

本集團承受之貨幣風險主要源自以有關業務之功能貨幣以外之貨幣計值之已確認資產及負債。於2017年及2016年12月31日，本集團並無作出相關對沖。



Notes to the Financial Statements

31 December 2017

47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of reporting period date to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. The sensitivity analysis includes balances between group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower.

		2017				2016			
		Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元	CAD 加元 '000 千元	Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元	CAD 加元 '000 千元
Short-term investment	短期投資	-	-	64,300	-	-	-	64,300	-
Trade and other receivables	應收賬款及其他應收賬款	-	3	4,551	-	-	3	302	45,022
Notes receivable*	應收票據*	2,000	-	-	-	2,000	-	-	-
Cash and cash equivalents	現金及現金等價物	2	33	2	4	1	20,386	2	5
Amounts due from group companies	應收集團公司款項	-	130,000	18,000	10,604	-	130,000	20,175	-
Trade, other payables and accruals	應付賬款、其他應付款項及預提費用	-	-	-	(1,758)	-	-	-	-
Amounts due to group companies	應付集團公司款項	-	(200,941)	(156,752)	(9,252)	-	(244,911)	(96,716)	(7,410)
Convertible notes	可換股票據	-	(130,000)	-	-	-	(130,000)	-	-
Overall net exposure	整體風險淨值	2,002	(200,905)	(69,899)	(402)	2,001	(224,522)	(11,937)	37,617

* Included in interest in a jointly controlled entity

47. 財務風險管理 (續)

(d) 貨幣風險 (續)

(i) 所承受之貨幣風險

下表載列本集團於報告期間結束時因確認以有關實體之功能貨幣以外之貨幣計值之資產或負債而承受之貨幣風險詳情。敏感度分析包括集團內公司間之結餘，而該等結餘乃以貸方或借方之功能貨幣以外之貨幣計值。

* 納入於一家合營企業之權益



47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's (loss)/profit after income tax expense and accumulated losses and other components of consolidated equity in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of reporting period. The sensitivity analysis includes balances between Group companies where the denomination of the balances is in a currency other than the functional currencies of the lender or the borrower. A positive number below indicates a decrease in loss/increase in profit and decrease in accumulated losses where the HKD weakens against the relevant currency. For a strengthening of the HKD against the relevant currency, there would be an equal and opposite impact on loss/profit and accumulated losses, and the balances below would be negative.

		2017		2016	
		(Increase)/ decrease in loss after taxation and accumulated losses		(Increase)/ decrease in loss after taxation and accumulated losses	
Weakening in HKD		Weakening in HKD		Weakening in HKD	
除稅後虧損及 累計虧損		除稅後虧損及 累計虧損		除稅後虧損及 累計虧損	
港元貶值		港元貶值		港元貶值	
%		%		%	
		(增加)/減少 HK\$'000 千港元		(增加)/減少 HK\$'000 千港元	
RMB	人民幣	2%	(1,679)	2%	(267)
CAD	加元	2%	(50)	2%	4,928
Australian dollars	澳元	3%	366	3%	335

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of reporting period and had been applied to each of the Group entities' exposure to currency risk for the financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

47. 財務風險管理(續)

(d) 貨幣風險(續)

(ii) 敏感度分析

下表顯示於報告期間結束時對本集團構成重大風險之外匯匯率之可能合理變動造成本集團除所得稅支出後(虧損)/溢利及累計虧損以及綜合權益其他組成部分之概約變動。敏感度分析包括本集團內公司間之結餘，而該等結餘乃以貸方或借方之功能貨幣以外之貨幣計值。倘港元兌相關貨幣疲弱，以下正數表示溢利虧損/增加減少及累計虧損減少。當港元兌有關貨幣強勁，則可能對虧損/溢利及累計虧損造成金額等同但相反之影響，故以下結餘可能會為負數。

敏感度分析乃假設外匯匯率之變動於報告期間結束時已發生及已對本集團旗下各實體應用該日存續之財務工具所涉及之貨幣風險，而所有其他變數(尤其是利率)保持不變釐定。



47. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period. In this respect, it is assumed that the pegged rate between the HKD and the USD would be materially unaffected by any changes in movement in value of the USD against other currencies. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' profit or loss after income tax expense and equity measured in the respective functional currencies, translated into HKD at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2016.

(e) Commodity price risk

The Group engages in petroleum-related activities. The oil market is affected by global and regional demands and supplies. Prices of onshore crude oil are determined with reference to the prices of crude oil on the international markets. A decline in the prices of crude oil and refined products could adversely affect the Group's financial position. The Group historically has not used derivative financial instruments to hedge against potential price fluctuations of crude oil.

(f) Equity price risk

The Group is exposed to equity price changes arising from equity instruments classified as available-for-sale equity securities which are listed on the Stock Exchange of Hong Kong. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

47. 財務風險管理 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

所述之變動指管理層對直至下一個報告期間結束止期間之外匯匯率之可能合理變動之評估。就此而言，假定港元及美元之聯繫匯率不會受到美元兌其他貨幣之任何價值變動之重大影響。上表列示之分析結果指對本集團旗下各實體按各功能貨幣計算並按報告期間結束時之現行匯率換算為港元以供呈列之用之除所得稅支出後損益及權益之影響總額。該分析乃按與2016年相同之基準進行。

(e) 商品價格風險

本集團從事與石油相關之業務。石油市場受全球及地區供求關係之影響。陸上原油價格乃參照國際市場之原油價格確定。原油及精煉產品價格下降可能對本集團財務狀況造成不利影響。本集團過往並未採用衍生財務工具對沖原油潛在價格波動。

(f) 股本價格風險

本集團承受因分類為可供出售股本證券（於香港聯交所上市）而產生之股本工具之股本價格變動風險。於可供出售投資組合內持有之上市投資乃根據其較長期增長潛力而選擇，並根據預期對表現進行定期監察。投資組合根據本集團設定之限制分散於不同行業。



47. FINANCIAL RISK MANAGEMENT (Continued)

(f) Equity price risk (Continued)

The Group is also exposed to equity price risk arising from changes in the Company's own share price to the extent that the Company's own equity instruments underlie the fair values of derivatives liabilities of the Group. At the end of reporting period, the Group is exposed to this risk through the conversion rights attached to the convertible notes issued by the Company as disclosed in note 34.

Sensitivity analysis

The sensitivity analysis on equity price risk includes the Group's financial instruments, which fair value or future cash flows will fluctuate because of changes in their corresponding or underlying asset's equity price. If the prices of the respective equity instruments had been 20% higher/lower, loss for the year would increase/decrease by nil and other component of equity would increase/decrease by HK\$1,081,000 (2016: HK\$918,000).

48. COMMITMENTS

(a) Operating lease commitments – Lessee

As at 31 December 2017 and 2016, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

Within 1 year	1年內
After 1 year but within 5 years	1年後但5年內

The Group is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of one to six years without an extension option. None of the leases includes contingent rentals.

47. 財務風險管理 (續)

(f) 股本價格風險 (續)

倘本集團之衍生工具負債公平值建基於本公司本身之股本工具，則本集團亦因本公司本身之股價變動而承受股價風險。誠如附註34所披露，於報告期間結束時，本集團因本公司所發行可換股債券附帶之換股權而承受此風險。

敏感度分析

股本價格風險之敏感度分析包括本集團之財務工具，其公平值或未來現金流量將會因其相應或相關資產之股本價格變動而波動。倘各股本工具之價格上升／下跌20%，本年度虧損將增加／減少零港元，而其他股本部分則將增加／減少1,081,000港元(2016年：918,000港元)。

48. 承擔

(a) 經營租賃承擔 – 承租人

於2017年及2016年12月31日，應付不可撤銷經營租賃之未來最低租賃款項總額如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Within 1 year	1年內	6,144	7,170
After 1 year but within 5 years	1年後但5年內	4,244	7,253
		10,388	14,423

本集團為根據經營租賃持有多項物業之承租人。一般而言，該等租賃之初步期間介乎1至6年，並無續期選擇權。所有租賃概無包括或有租金。



Notes to the Financial Statements

31 December 2017

48. COMMITMENTS (Continued)

(b) Capital commitments

Commitments in respect of the Sanjiao CMB Project	就三交煤層氣項目之承擔
Commitments in respect of the LNG project	就液化天然氣項目之承擔

48. 承擔(續)

(b) 資本承擔

2017 HK\$'000 千港元	2016 HK\$'000 千港元
18,333	39,803
69,090	64,089
87,423	103,892

49. CONTINGENT LIABILITIES

Environmental liabilities

The Group engages in the exploration, development and production of coalbed methane resources. The consequence of coalbed mining includes dismantlement and demolition of infrastructure in the mining sites. The Group may have obligations to make payments for restoration and rehabilitation of the land after the sites have been extracted. As at 31 December 2017, a provision of HK\$6,709,000 (2016: HK\$4,810,000) was made in the consolidated statement of financial position (note 32).

49. 或有負債

有關環保之負債

本集團經營煤層氣資源之勘探、開發和生產，而進行煤層開採之後果包括拆遷及拆除礦場之基本設施。本集團或須負責在礦場完成開採後，支付礦區土地復原及復墾之費用。於2017年12月31日，綜合財務狀況表內作出了6,709,000港元（2016年：4,810,000港元）之撥備（附註32）。

50. RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, no related party transactions have been entered into during the year which might reasonably affect any decisions made by the users of these consolidated financial statements.

50. 關連人士交易

除財務報表內另行披露者外，年內概無訂立可能對該等綜合財務報表使用者任何已作出之決定產生合理影響之關連人士交易。

Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 12, all the highest paid employees as disclosed in note 13, and other five (2016: nine) senior management personnel are as follows:

主要管理人員酬金

本集團主要管理人員酬金（包括附註12所披露之已向本公司董事支付之款項、附註13所披露之已向全體最高薪僱員支付之款項及向五名（2016年：九名）其他高級管理人員支付之款項）如下：

	2017 HK\$'000 千港元	2016 HK\$'000 千港元
Short-term employee benefits	15,033	19,547
Post-employment benefits	—	—
	15,033	19,547

Total remuneration is included in "employee costs" (see note 9(b)).

酬金總額乃計入「員工成本」中（見附註9(b)）。



51. SUMMARY OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CATEGORY

The carrying amounts of the Group's financial assets and financial liabilities recognised as at 31 December 2017 and 2016 may be categorised as follows:

51. 財務資產及財務負債之分類概要

於2017年及2016年12月31日確認之本集團財務資產及財務負債之賬面值分類如下：

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Financial assets	財務資產		
Financial assets at fair value through profit or loss	按公平值透過損益列賬的財務資產	51,606	22,621
Available-for-sale investments	可供出售金融資產	5,409	4,592
Loans and receivables (including cash and bank balances)	貸款及應收款項 (包括現金及銀行結餘)	563,007	780,747
		620,022	807,960
Financial liabilities	財務負債		
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債	37,895	224,937
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債	2,144,779	1,902,124
		2,182,674	2,127,061

52. FAIR VALUE MEASUREMENT

(a) Financial instruments not measured at fair value

Financial instruments not measured at fair value include trade, notes and other receivables, deposits, loan receivables, short-term investment, cash and cash equivalents, trade and other payables, borrowings and convertible notes. The fair value of all these financial assets and financial liabilities are not materially different from their carrying amounts.

The fair value of financial assets and liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

52. 公平值計量

(a) 並非按公平值計量之財務工具

並非按公平值計量之財務工具包括應收賬款、應收票據及其他應收賬款、按金、應收貸款、短期投資、現金及現金等價物、應付賬款及其他應付款項、借貸及可換股票據。所有該等財務資產及財務負債之公平值均與其賬面值相若。

具有標準條款及條件並於流動性活躍市場買賣的財務資產及財務負債的公平值乃參考市場報價釐定。



Notes to the Financial Statements

31 December 2017

52. FAIR VALUE MEASUREMENT (Continued)

(a) Financial instruments not measured at fair value (Continued)

The valuation techniques and significant unobservable inputs used in determining the fair value measurement of level 2 and level 3 financial instruments, as well as the relationship between key observable inputs and fair value are set out below.

(b) Financial instruments measured at fair value

Information about level 3 fair value measurements

- (i) The fair value of contingent consideration is estimated using a discounted cash flow method.

Significant unobservable inputs

		2017	2016
Discount rate	折現率	22.36%	22.08%
Growth rate	增長率	3%	5%

Increase in discount rate and growth rate by 1% and 1% would increase the fair value of the contingent consideration by HK\$16,058,000 and HK\$3,313,000.

- (ii) The fair value of derivative component in convertible notes is estimated using a binomial options pricing model.

Significant unobservable inputs

		2017	2016
Dividend yield	股息收益率	0%	0%
Volatility	波動性	24.94% -28.62%	17.35% -36.99%

Increase in the volatility by 1% would decrease the fair value of the derivative component in convertible notes by HK\$32,348,000.

52. 公平值計量 (續)

(a) 並非按公平值計量之財務工具 (續)

下文載列於釐定第2層及第3層財務工具之公平值計量時所運用的估值技術及重大不可觀察輸入數據，以及主要可觀察數據與公平值之間的關係。

(b) 按公平值計量之財務工具

有關第3層公平值計量的資料

- (i) 或有代價之公平值使用現金流量折現法估算。

重大不可觀察輸入數據

		2017	2016
Discount rate	折現率	22.36%	22.08%
Growth rate	增長率	3%	5%

折現率及增長率分別增加1%及此1%將導致或有代價公平值分別增加16,058,000港元及3,313,000港元。

- (ii) 可換股票據之公平值使用二項式期權定價模型估算。

重大不可觀察輸入數據

		2017	2016
Dividend yield	股息收益率	0%	0%
Volatility	波動性	24.94% -28.62%	17.35% -36.99%

波動性增加1%將導致可換股票據衍生部分的公平值減少32,348,000港元。



52. FAIR VALUE MEASUREMENT (Continued)

(b) Financial instruments measured at fair value (Continued)

The following table provides an analysis of financial instruments carried at fair value by level of fair value hierarchy:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

52. 公平值計量(續)

(b) 按公平值計量之財務工具(續)

下表提供按公平值列賬的財務工具按公平值層級劃分之分析：

- 第1層：相同資產或負債於活躍市場之報價(未經調整)；
- 第2層：使用可直接(即價格)或間接(即由價格衍生)觀察但不包括第1層內報價之資產或負債之數據；及
- 第3層：並非根據可觀察市場數據之資產或負債之數據(不可觀察數據)。

		2017			
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial asset at fair value through profit or loss	按公平值透過損益列賬的財務資產				
- Contingent consideration	- 或有代價	-	-	51,606	51,606
Available-for-sale investments	可供出售金融資產				
- Listed securities in Hong Kong at fair value	- 香港上市證券(按公平值)	5,409	-	-	5,409
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債				
- Derivative component in convertible notes	- 可換股票據之衍生部分	-	-	(37,895)	(37,895)

		2016			
		Level 1 第1層 HK\$'000 千港元	Level 2 第2層 HK\$'000 千港元	Level 3 第3層 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Financial asset at fair value through profit or loss	按公平值透過損益列賬的財務資產				
- Contingent consideration	- 或有代價	-	-	22,621	22,621
Available-for-sale investments	可供出售金融資產				
- Listed securities in Hong Kong at fair value	- 香港上市證券(按公平值)	4,592	-	-	4,592
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債				
- Derivative component in convertible notes	- 可換股票據之衍生部分	-	-	(224,937)	(224,937)

There were no transfers between levels during the year.

年內各層級之間並無發生任何轉讓。



Notes to the Financial Statements

31 December 2017

52. FAIR VALUE MEASUREMENT (Continued)

(b) Financial instruments measured at fair value (Continued)

Reconciliation for financial instruments carried at fair value based on significant unobservable inputs (Level 3) are as follows:

		2017 HK\$'000 千港元	2016 HK\$'000 千港元
Financial assets at fair value through profit or loss	按公平值透過損益列賬的財務資產		
At 1 January	於1月1日	22,621	22,417
Change in fair value	公平值變動	26,275	2,705
Settled during the year	年內結算	(17,000)	(4,235)
Exchange adjustment	匯兌調整	19,710	1,734
At 31 December	於12月31日	51,606	22,621
Financial liabilities at fair value through profit or loss	按公平值透過損益列賬的財務負債		
At 1 January	於1月1日	224,937	–
At issue date	於發行日期	–	277,746
Change in fair value	公平值變動	(187,042)	(52,089)
Exchange adjustment	匯兌調整	–	(720)
At 31 December	於12月31日	37,895	224,937

52. 公平值計量 (續)

(b) 按公平值計量之財務工具 (續)

根據重大不可觀察輸入數據 (第3層) 按公平值入賬的財務工具之對賬如下:

53. EVENTS AFTER THE REPORTING PERIOD

- In March 2018, the Company issued a total of 3,380,000,000 ordinary shares at a price of HK\$0.053 per ordinary share to an independent investor. The net proceeds from this subscriptions of approximately HK\$178,000,000 are mainly used for the settlement of certain financial obligations of the Group.
- Subsequent to year end, the Group entered into an agreement with one of convertible notes holders that based on the Subscription Agreement and Bond Instrument dated 1 February 2016, the maturity date of the bonds is extended to 18 May 2018 while the conversion right attached expired as stated in the said original agreements (note 34: Convertible note 3).

53. 報告期後事項

- 於2018年3月，本集團按每股普通股0.053港元之價格向一名獨立投資者發行合共3,380,000,000股普通股。該認購事項之所得款項淨額約為178,000,000港元，主要用作償還若干本集團財務承擔。
- 於年結日後，本集團與其中一位可換股票據之持有人達成協議，按2016年2月1日所簽訂的認購協議及債券文據為基準，將債券到期日延至2018年5月18日，而附帶的換股權則按上述原合同所述到期失效 (附註34：可換股票據 (三))。

54. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 29 March 2018.

54. 財務報表之審批

財務報表已由董事會於2018年3月29日審批及授權刊發。



中國油氣控股有限公司
SINO OIL AND GAS HOLDINGS LIMITED

