



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

2011 年報

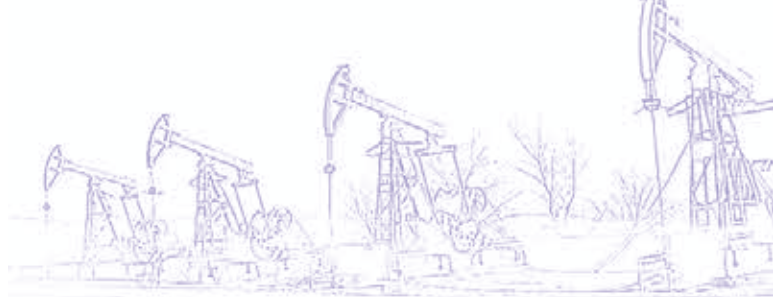
ANNUAL REPORT

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Corporate Information

公司資料



DIRECTORS

Executive Directors

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

Non-executive Director

Mr. Kong Siu Tim

Independent Non-executive Directors

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

COMPANY SECRETARY

Ms. Yim Siu Hung

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

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168-200 Connaught 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

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre, 11 Bermudiana Road
Pembroke HM08
Bermuda

董事

執行董事

戴小兵博士 (*主席*)
景哈利先生 (*行政總裁*)
徐祖成先生
王自明先生
溫子勳先生

非執行董事

江少甜先生

獨立非執行董事

黃國全先生
黃龍德博士
王延斌博士

公司秘書

嚴筱虹女士

總辦事處及主要營業地點

香港
干諾道中168-200號
信德中心西座3707-3708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
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主要股份過戶登記處

Butterfield Fulcrum Group (Bermuda) Limited
Rosebank Centre, 11 Bermudiana Road
Pembroke HM08
Bermuda

Corporate Information

公司資料



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19/F, Prosperity Tower,
39 Queen's Road Central, Central, HK

BERMUDA LEGAL ADVISORS

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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

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Conyers Dill & Pearman
香港
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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
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股份代號

702

網址

www.sino-oilgas.hk

Five Year Financial Summary

五年財務概要



		Year ended 31 December 2011 截至2011年 12月31日止年度	Year ended 31 December 2010 截至2010年 12月31日止年度	Year ended 31 December 2009 截至2009年 12月31日止年度	Year ended 31 December 2008 截至2008年 12月31日止年度 (restated) (經重列)	Year ended 31 December 2007 截至2007年 12月31日止年度 (restated) (經重列)
		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
Turnover	營業額					
- Continuing operations	- 持續經營業務	35,079	29,224	15,155	4,206	294
- Discontinued operations	- 已終止經營業務	-	-	19,279	38,532	75,772
		<u>35,079</u>	<u>29,224</u>	<u>34,434</u>	<u>42,738</u>	<u>76,066</u>
Result	業績					
- Continuing operations	- 持續經營業務					
Profit/(loss) before income tax expenses	除所得稅支出前溢利/(虧損)	(92,611)	8,194	(32,940)	(40,244)	(36,673)
Income tax expenses	所得稅支出	(3,628)	(3,510)	-	-	-
		<u>(96,239)</u>	<u>4,684</u>	<u>(32,940)</u>	<u>(40,244)</u>	<u>(36,673)</u>
- Discontinued operations	- 已終止經營業務					
Gain/(loss) from discontinued operations	已終止經營業務之溢利/(虧損)	-	-	3,073	(9,543)	(37,213)
Gain/(loss) on disposal of subsidiaries	出售附屬公司收益(虧損)	-	-	11,593	(87,531)	66,909
Income tax expenses	所得稅支出	-	-	(651)	(2,830)	(959)
		<u>-</u>	<u>-</u>	<u>14,015</u>	<u>(99,904)</u>	<u>28,737</u>
Profit/(loss) for the year	本年度溢利/(虧損)	<u>(96,239)</u>	<u>4,684</u>	<u>(18,925)</u>	<u>(140,148)</u>	<u>(7,936)</u>
Profit/(loss) attributable to:	以下人士應佔溢利/(虧損):					
Owners of the Company	本公司擁有人	(96,239)	6,108	(18,784)	(140,148)	(7,936)
Non-controlling interest	非控股權益	-	(1,424)	(141)	-	-
		<u>(96,239)</u>	<u>4,684</u>	<u>(18,925)</u>	<u>(140,148)</u>	<u>(7,936)</u>
Earnings/(loss) per share	每股盈利/(虧損)					
- Basic (HK cents)	- 基本(港仙)	(0.979)	0.101	(0.431)	(3.311)	(0.191)
- Diluted (HK cents)	- 攤薄(港仙)	(0.979)	0.098	(0.431)	(3.311)	(0.191)

Five Year Financial Summary

五年財務概要



		31 December 2011 於2011年 12月31日 HK\$'000 千港元	31 December 2010 於2010年 12月31日 HK\$'000 千港元	31 December 2009 於2009年 12月31日 HK\$'000 千港元	31 December 2008 於2008年 12月31日 HK\$'000 千港元	31 December 2007 於2007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	3,567,892	2,750,595	228,481	113,165	194,386
Net current assets/(liabilities)	流動資產/(負債)淨值	(201,437)	(207,122)	(4,384)	19,264	66,463
Non-current liabilities	非流動負債	(305,499)	(15,098)	(75,806)	-	-
Net assets	資產淨值	3,060,956	2,528,375	148,291	132,429	260,849
Non-controlling interests	非控股權益	-	-	(141)	(122)	-
Equity attributable to owners of the Company	本公司擁有人 應佔權益	3,060,956	2,528,375	148,150	132,307	260,849

Chairman's Statement

主席報告書



Dear Shareholders,

On behalf of the board of directors, I am pleased to report the audited annual results of the Company, together with its subsidiaries (the “Group”), for the year ended 31 December 2011.

Our business progressed steadily during the year. The coalbed methane (“CBM”) project in Sanjiao Block in Shanxi and Shaanxi Provinces has moved ahead on schedule with commercial sales within the year, and is gradually enhancing its operational efficiency. The Group’s oil exploitation business in the Erdos Basin has also continued to deliver satisfactory and steady income.

China’s National Energy Administration (“NEA”) announced the “12th Five-Year Plan for Development and Utilization of Coalbed Methane (Coal Mine Methane)” in a conference last year. Zeng Yachuan, Director General of the Department of Policy and Legislation, remarked at the conference that while 2011 was the year of energy planning for NEA, 2012 will witness the intensive launch of details of the plan.

CBM Business Gains Leverage from “12th Five-Year Plan”

CBM is still in its nascent stage of development in China. Starting from zero during the “11th Five-Year Plan”, national capacity reached 3.1 billion cubic meters with an output of 1.5 billion cubic meters in 2010. Despite a significant expansion of exploitation works, proved geological reserves only accounted for 0.74% of the country’s total resources, indicating tremendous room for development. Currently only the fields in Qinshui Basin and the eastern fringe of Erdos Basin have preliminarily realized large-scale production. NEA noted that the commercialization of fields in other areas would encounter greater difficulty. It will therefore focus on the development of CBM operations in Qinshui and Erdos Basins. The Group’s Sanjiao Block CBM project is advantageously situated on the eastern fringe of Erdos Basin.

各位股東：

本人謹代表董事會，向股東提呈本公司及其附屬公司（「本集團」）截至2011年12月31日止之十二個月已審核全年業績。

本集團業務在年度內穩步邁進，位於山西及陝西省三交區塊的煤層氣項目如期推展，在年度內已開始商業銷售，並正逐步提升營運效益。本集團在鄂爾多斯盆地的石油開採業務則繼續為本集團帶來理想和穩定的收益。

國家能源局在去年底就《煤層氣（煤礦瓦斯）開發利用「十二五」規劃》文件舉行發佈會。政策司司長曾亞川主持發佈會時表示，2011年是國家能源局的規劃年，2012年則是規劃的細則密集出台的一年。

「十二五」規劃有利煤層氣業務發展

煤層氣開發產業在中國仍屬起步階段，在「十一五」期間由零開始，至2010年全國的產能達31億立方米，產量達15億立方米。雖然期間開採規劃的增幅可觀，但探明地質儲量僅為資源總量的0.74%，發展空間龐大，暫時只有沁水盆地和鄂爾多斯盆地東緣初步實現規模化。能源局亦承認，其他地區的產業化難度較大，今後將集中力量，大力推展沁水盆地和鄂爾多斯盆地的煤層氣產業。本集團的三交區塊煤層氣項目，正正位處鄂爾多斯盆地東緣。

Chairman's Statement 主席報告書



NEA has laid down several goals under the “12th Five-Year Plan”, including the addition of 1 trillion cubic meters of proved geological reserves and output of 30 billion cubic meters of CBM by 2015. The Plan also includes the building of 13 gas pipelines in Qinshui Basin, eastern Erdos Basin and Yubei District, with a total length of exceeding 2,000 kilometers, as well as the appropriate development of CBM compression and liquefaction. To encourage the development of the CBM industry, the Plan proposes the stringent implementation of tax incentive schemes, policy support for gas-fired electricity, and study into raising drainage and utilization subsidies. Such policies will pave the way for the expedited development of our business in the coming years.

To ensure the commercialization of the CBM sector, the country vows to further its supportive efforts. NEA is in negotiation with the Ministry of Finance in respect of the raising of CBM production subsidies from the current RMB0.2 to RMB0.4 per square meter.

Strategic Investors and Policy Support

International crude oil prices have climbed continuously after hitting a new low in October 2011. Events including fuel and power shortages in China and Japan's nuclear leak have provided support for the oil price, and have stimulated demands for new energy sources to replace nuclear and traditional thermal power. CBM's composition is 98% methane which is low in pollution. It is a clean energy source that can be used for electricity generation in cities and for industrial purposes. The exploitation of CBM also helps to reduce coal mine incidents caused by gas leaks and carbon emissions and pollution due to gas combustion. The development of CBM has therefore gained the full support of the state based on economic, environmental and safety considerations.

With a focus on oil and gas businesses, the Group has received strong investors' attention and support in view of the promising prospects of its CBM operations. The Group is pleased to welcome the Mandolin Fund of the Richard Chandler Corporation as a strategic shareholder during the year. The Sanjiao CBM project also received funding from China Development Bank on preferential terms. With this financial support from seasoned investors and state finance institutions, the Group will be able to maintain a strong financial position to pursue future development opportunities.

能源局並就「十二五」規劃訂下發展目標。至2015年，新增煤層氣探明地質儲量達一萬億立方米，煤層氣產量達到300億立方米。規劃並提出將在沁水盆地、鄂爾多斯盆地東緣及豫北地區建設13條總長度超過2,000公里的輸氣管道，並適度發展煤層氣壓縮和液化。為鼓勵煤層氣產業的發展，規劃提出嚴格落實稅費優惠、瓦斯發電等扶持政策，研究提高抽採利用補貼標準。此等國策方向，均對本集團今後幾年的加速發展，奠定了康莊坦途。

國家為確保煤層氣產業朝向產業化發展，未來將會加大扶持力度，能源局正與國家財政部協議，研究將抽取每一立方米煤層氣的補貼，由現時的0.2元人民幣，提高到0.4元人民幣。

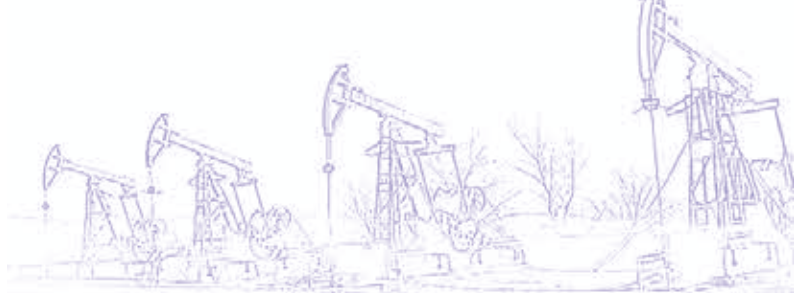
策略股東與國策支持

國際油價於2011年10月創出了新低後，一直反覆向上攀升。內地不時出現油荒和電荒，加上日本去年發生核洩漏事故，不但為石油價格帶來支持，亦進一步刺激市場對可替代核能及傳統火電燃料的新能源需求。煤層氣98%成分為甲烷，屬污染度低，適合用作城市發電及其他工業用途的清潔能源，煤層氣的開發不但可以減少煤礦事故，亦可減低氣體洩漏或當地燃燒時所造成的碳排放及污染，因此在經濟、環保以至安全上的考慮，均得到國策的全力支持。

本集團一直專注發展油氣業務，旗下的煤層氣業務潛力龐大，一直得到投資者的關注和支持。本集團於年度內亦獲著名投資集團Richard Chandler Corporation旗下的Mandolin Fund入股成為策略股東。三交煤層氣項目，更獲得國家開發銀行提供特惠融資。憑藉此等資深投資者及國家級金融機構在財務上的支持，本集團的財政狀況更為鞏固，擁有足夠資金捕捉未來的拓展機遇。

Chairman's Statement

主席報告書



Looking around the globe, the worst of the European debt crisis has passed, and the United States is witnessing a recovery of its employment and economic conditions. Despite paring its 8% economic growth target, China has vowed to continue to expand domestic consumption and to control inflation in order to mitigate the impact of the decline in exports. Looking to 2012, China and the world need to boost their strength while staying alert to economic adversities. The Group's CBM business enjoys a stronger resilience towards the forthcoming turbulent economies and the management is confident about the ongoing prospects of our business. We believe that with the gradual advancement of the commercial operational efficiency of the CBM business, our profitability can be further improved.

On behalf of the board of directors, I send my condolences for the late Mr. Ni Zhenwei, a former non-executive director of the Company. We are immensely indebted for the invaluable contributions he made to the Company during his tenure of office. At the same time, the board welcomes Dr. Wang Yanbin and Mr. Xu Zucheng to join as independent non-executive director and executive director respectively. Lastly, I extend my sincere gratitude to all our shareholders, customers, business partners and staff team for their support to the Group.

Dai Xiaobing
Chairman

Hong Kong, 30 March 2012

環顧全球，歐洲的債務危機雖然已渡過最危險的關頭，美國的就業市場和經濟持續復甦，而中國雖然放棄「保八」，但繼續透過擴大內需和控制通脹，以抵禦出口下跌對經濟造成的影響。展望2012年，中國以至全球均需整固實力，對經濟逆境保持警覺。本集團從事的煤層氣業務，面對波動的經濟前景具有較強的抵禦能力，管理層對本集團未來的前景抱有信心，並相信隨著煤層氣業務的商業營運效率逐步提升，盈利能力可進一步改善。

本人謹代表董事會對已故非執行董事倪振偉先生於任內對本公司所作出的寶貴貢獻，深表銘感。董事會同時歡迎王延斌博士及徐祖成先生分別加入為獨立非執行董事及執行董事。最後，本人對支持本集團的所有股東、客戶、業務夥伴，以及全體員工致以衷心感謝。

主席
戴小兵

香港，2012年3月30日

Management Discussion and Analysis

管理層討論及分析



BUSINESS REVIEW

During the year ended 31 December 2011, Sino Oil and Gas Holdings Limited (the “Company” or “Sino Oil and Gas”) and its subsidiaries (collectively the “Group”) reported a turnover of HK\$35,100,000 (2010: HK\$29,200,000), an increase of approximately 20% year on year. During the year under review, the Company incurred a loss of HK\$96,200,000 (2010: profit of HK\$4,600,000), including an expense of HK\$60,000,000 (2010: HK\$19,000,000) as share-based payment for equity-settled share options issued in December 2011.

Natural Gas and Oil Exploitation

Coalbed Methane Exploitation – Sanjiao Block in Erdos Basin

The Group, through its wholly-owned subsidiary Orion Energy International Inc. (“Orion”), entered into a production sharing contract (“PSC”) with PetroChina Coalbed Methane Gas Company Limited (“PetroChina CBM”). Pursuant to the PSC, the Group participates in coalbed methane (CBM) exploration, exploitation and production in the Sanjiao Block located in Shanxi and Shaanxi Provinces and is entitled to a 70% interest in the project.

During the period under review, Orion continued with the preparation and reporting work in respect of the Overall Development Program (“ODP”) of the Sanjiao Program. The ODP will be submitted to the National Development and Reform Commission (“NDRC”) via PetroChina CBM before middle of May 2012 for approval. It is expected that NDRC’s preliminary approval will be obtained shortly, upon submission of the ODP.

In May 2011, the Group entered into a sales collaboration agreement with PetroChina CBM on the basis of the PSC. Pursuant to this agreement, the Group and PetroChina CBM signed a sales and purchase agreement with a company engaged in CBM businesses in Shanxi Province in June 2011. CBM produced from the Sanjiao Block in Shanxi Province was to be sold to this buyer in the form of compressed natural gas (CNG). A CNG head station with daily compression capacity of 30,000 cubic meters was commissioned in August 2011, enabling the commencement of trial sales of CBM. The pricing of CBM is determined with reference to local prices as approved by the Development and Reform Commission of Shanxi Province, subject to adjustments in accordance with market conditions and national policy. Daily CNG sales currently amounts to approximately 18,000 cubic meters per day at an average price of RMB1.51 per cubic meter. Up to the end of December 2011, Orion had completed 35 multilateral horizontal wells, 6 U-shaped remote connected horizontal wells and 9 vertical and directional wells in the Sanjiao Block. A ground pipeline network of 7 kilometers and interwell pipelines measuring 12 kilometers have also been built.

業務回顧

截至2011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（統稱「本集團」）之營業額為35,100,000港元（2010年：29,200,000港元），較上年度約增加20%。在回顧年度，本公司之虧損為96,200,000港元（2010年：溢利4,600,000港元），其中包括於去年12月因發行購股權而產生的股本結算以股份支付之支出共60,000,000港元（2010年：19,000,000港元）。

天然氣及石油開採

煤層氣開採－鄂爾多斯盆地三交區塊

本集團透過旗下的全資附屬公司奧瑞安能源國際有限公司（「奧瑞安」），與中國夥伴中石油煤層氣有限責任公司（「中石油煤層氣」）訂立生產分成合約（「生產分成合同」），在中國山西及陝西省三交區塊進行煤層氣田勘探、開採及生產，享有當中70%權益。

在回顧期內，奧瑞安繼續就三交區塊的總體開發方案進行編製及申報工作，在2012年5月中旬前，總體開發方案會通過中石油煤層氣遞交國家發展和改革委員會（「發改委」）審批，而發改委之初步批覆，預計會於提交總體開發方案後短期內獲得。

2011年5月，本集團與中石油煤層氣在生產分成合同的基礎上簽訂一份銷售合作協議，以開展煤層氣的銷售，並據此於2011年6月，聯同中石油煤層氣與一家位於山西省從事煤層氣業務的企業簽訂購銷協議，將在山西三交區塊開採所得之煤層氣以壓縮天然氣方式售予對方。集團於2011年8月投產一個日壓縮能力3萬立方米的壓縮天然氣母站，並開始進行煤層氣試銷售。售出之煤層氣價格參照山西省發改委核准的當地價格，再按市場情況及國家政策予以調整。現時集團每日壓縮天然氣銷量為約每日1.8萬立方米，平均售價為每立方米人民幣1.51元。截至2011年12月底，奧瑞安已在三交地區完成多分支水平井35口、6口U型遠端連通水平井、直井及定向井9口、地面集氣管線7公里及井間管線12公里。

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The Group is working with PetroChina CBM on the expansion of the head station for CNG with a view to furthering the scale of commercial operations of the project. Infrastructure works were completed in the fourth quarter of 2011 with facilities installation, testing and turning currently in progress. It is expected that upon commissioning of the expanded CNG head station by the second quarter of 2012, daily compression capacity will reach 150,000 cubic meters. Daily sales could reach 100,000 cubic meters.

According to a competent person's report, the aggregate of the proved reserves, probable reserves plus possible reserves of the Sanjiao CBM field as at 31 October 2011 attributable to the Group was 669.5 billion cubic feet (bcf), 15% higher than the original reserves as stated in the circular issued in September 2010 in respect of the acquisition.

National Energy Administration officially released a policy paper on the "12th Five-Year Plan for Development and Utilization of Coalbed Methane (Coal Mine Methane)" (the "Plan") on 31 December 2011. The Plan indicated the state's focus on the development of two CBM commercial bases in Qinshui Basin and the eastern fringe of Erdos Basin. By 2015 the productive capacity of CBM on the eastern fringe of Erdos Basin will reach 5 billion cubic meters. The Group's Sanjiao CBM project in Shanxi Province has been listed as a core project on the eastern fringe under the Plan.

In December 2011, the Sanjiao natural gas development project received support from the China Development Bank ("CDB"). Through its subsidiary CDB Leasing Co., Ltd., CDB extended a facility of RMB1 billion to Orion, to be drawn down over two years and with a term of five years. The financing will provide adequate funding for the development of the CBM project.

Liuluoyu and Yanjiawan

The Group's two oil fields in Erdos Basin, Shaanxi Province, Liuluoyu and Yanjiawan, are both producing oil fields. During the year under review, the two fields had an aggregate crude oil production of approximately 6,500 tonnes, which was at a similar level to the previous year.

Jin Zhuang

The Group obtained a fifteen month operation right of Jin Zhuang oil field under a sub-contracting agreement commencing in May 2010 and expiring by the end of October 2011. Jin Zhuang is a producing oil field located at the plateau of Erdos Basin, Shaanxi Province, with an area of 62 square kilometers.

集團與中石油煤層氣並為壓縮天然氣母站進行擴展工程，以進一步擴大商業營運規模，基建工程已於2011年第四季完成，現正進行設備安裝調試工作，預計擴建後的壓縮天然氣站於2012年第二季度投產，屆時整個壓縮母站每日可處理的天然氣量達15萬立方米。銷售規模則達每日10萬立方米。

根據一份由合資格人士發出的儲量報告，顯示本集團於2011年10月31日應佔三交煤層氣田項目的證實儲量、概略儲量加可能儲量的總數為6,695億立方英尺，較原來於2010年9月發出有關收購事項通函所述之儲量增加超過15%。

國家能源局於2011年12月31日正式公佈《煤層氣(煤礦瓦斯)開發利用「十二五」規劃》文件(「規劃」)。根據規劃，國家將重點建設沁水盆地和鄂爾多斯盆地東緣兩個煤層氣產業化基地。到2015年，鄂爾多斯盆地東緣煤層氣年產量將達到50億立方米。本集團經營的山西省三交煤層氣區塊，獲規劃列為鄂爾多斯盆地東緣重點發展的項目之一。

於2011年12月，三交天然氣開發項目獲國家開發銀行支持，透過旗下國銀金融租賃有限公司，向奧瑞安提供總額為10億元人民幣之融資額度，提取融資金額之年期為兩年，融資使用期為五年，為發展此煤層氣項目帶來充足的資金。

柳洛峪及閻家灣

本集團位於陝西省鄂爾多斯盆地的柳洛峪及閻家灣兩個油田區塊均為生產中的油田。在回顧年度內，原油產量約為6,500噸，產量跟去年度相若。

金庄

本集團於2010年5月份起，通過承包經營的方式取得金庄油田十五個月的運營權至2011年10月底。金庄油田位處陝西省鄂爾多斯高原腹地，面積達62平方公里，為正在生產運營中的油田。

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The Group owns a 95% production sharing right to the turnover from Jinzhuang oil field during the sub-contracting period. Pursuant to the agreement, the Group has the right of first refusal to acquire the oil field at the agreed price upon the ending of the sub-contracting period. On 4 November 2011, the Group acquired the target group which holds the afore-mentioned contractual right until 2025, and is entitled to share and receive 95% of the income generated from the sales of oil exploited at the oil field. The consideration for the acquisition was RMB188 million.

According to an independent reserve report, the economic recoverable reserve of oil in Jinzhuang Block amounts to 4.16 million tonnes. The Group is optimistic about the prospects of this block and is currently drawing up an overall development plan for the various blocks it operates in Shaanxi.

During the year under review, crude oil output at Jinzhuang oil field amounted to approximately 5,000 tonnes.

Summary of Resources

Oil and gas reserves of the Group as at 31 December 2011 are summarized as follows:

在承包經營期內，集團擁有金庄油田油氣產品營業額95%分成權。根據協議，本集團在承包經營期結束後，可以約定價格優先購買該油田。於2011年11月4日，本集團以1.88億元人民幣代價，收購該擁有金庄油田的油氣開採運營權利的公司。根據有關協議，該公司擁有上述運營權至2025年，且享有95%金庄油田開採石油銷售所產生的收入。

按獨立儲量報告，金庄區塊石油的經濟可採儲量達416萬噸，集團對此區塊前景樂觀，現正就位於陝西的幾個區塊編制整體之開發計劃。

在回顧年度內，金庄油田的原油產量約為5,000噸。

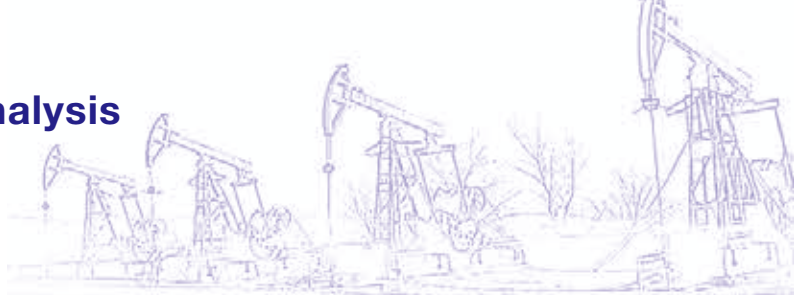
資源概覽

本集團於2011年12月31日的油氣儲備概述如下：

		Crude Oil 原油		Coalbed Methane 煤層氣
		Liuluoyu and Yanjiawan 柳洛峪及閻家灣 Million barrels 百萬桶	Jinzhuang 金庄 Million barrels 百萬桶	Sanjiao 三交 Billion cubic feet (Gross) 十億立方英尺(總額)
Proved and Probable	證實及概略	2.8 (Note a) (附註a)	30.4 (Note b) (附註b)	405.6 (Note c) (附註c)
Notes		附註：		
(a)	The oil reserve is estimated by internal experts.	(a) 石油儲量由內部專家估計得出。		
(b)	The oil reserve is extracted from a report formulated by an independent reserve valuation firm in September 2011 according to the PRC's reserve standards.	(b) 石油儲量乃摘錄自一份由獨立的儲量評估機構於2011年9月份，按中國儲量標準編制的儲量報告。		
(c)	The gas reserve is extracted from a competent person's report provided to the Company in November 2011.	(c) 天然氣儲量乃摘錄自一份由合資格人士於2011年11月份向本公司提供之儲量報告。		

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FINANCIAL REVIEW

Capital Structure

On 30 June 2011, Mandolin Fund Pte Limited ("Mandolin Fund") acquired a total of 1,300,000,000 shares in the Company for investment purposes. Subsequent to the acquisition of shares, Mandolin Fund has become the biggest substantial shareholder of the Company. As at 31 December 2011, Mandolin Fund held 1,518,215,000 shares in the Company, representing approximately 12.6% of the total issued share capital of the Company. Mandolin Fund is a subsidiary of Richard Chandler Corporation, which has been providing capital to companies and governments in Asia, Africa, Latin America and Eastern Europe since 1986. It has invested in a wide range of industries, such as telecommunications, power, steel, banking and energy.

Liquidity and Financial Resources

As at 31 December 2011, net assets of the Group were HK\$3,061,000,000 (31 December 2010: HK\$2,528,000,000) while its total assets were HK\$3,937,000,000 (31 December 2010: HK\$3,423,000,000). As at 31 December 2011, the Group had external borrowings of HK\$307,980,000 (31 December 2010: Nil) and the gearing ratio based on total assets was 7.82% (31 December 2010: 0%). As at 31 December 2011, the current ratio was 0.65 (31 December 2010: 0.76). In early July 2011, the Group successfully issued convertible notes in an aggregate amount of HK\$468 million. Subsequently, the current ratio has been improved indicating improved cash flow for the Group. The net proceeds from the issuance, other than those used as general working capital, will lay a solid foundation for the imminent active development of the Sanjiao CBM project.

Foreign Exchange Fluctuations

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 2011, no related hedges were made by the Group. In respect of 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.

財務回顧

資本結構

於2011年6月30日，Mandolin Fund Pte Limited (「Mandolin基金」) 購入合共1,300,000,000股公司股份作為投資。買入股份後，Mandolin基金成為公司最大的主要股東，而截止至2011年12月31日，Mandolin基金持有1,518,215,000股公司股份，約佔公司已發行股份總數約12.6%。Mandolin基金為Richard Chandler Corporation之附屬公司。Richard Chandler Corporation自一九八六年以來為亞洲、非洲及拉丁美洲，以至東歐的企業及政府提供資本，並投資廣泛行業，例如電訊、電力、鋼鐵、銀行及能源。

流動資金及財政資源

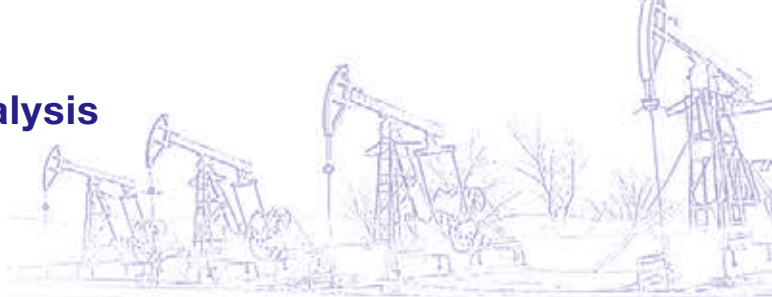
於2011年12月31日，本集團的資產淨值為3,061,000,000港元（2010年12月31日：2,528,000,000港元），總資產值則為3,937,000,000港元（2010年12月31日：3,423,000,000港元）。於2011年12月31日，本集團的總借貸為307,980,000港元（2010年12月31日：零），負債比例按資產總值計算為7.82%（2010年12月31日：0%）。於2011年12月31日的流動比率為0.65（2010年12月31日：0.76）。本公司於2011年7月初成功配發總額4.68億港元的可換股票據，改善集團現金流狀況。集資款項除了用作一般營運資金外，更重要乃為正準備大力發展的三交煤層氣項目打下穩健基礎。

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資產及負債。於2011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款項及應付款項，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平。

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EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2011, the Group employed approximately 275 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.

PROSPECTS

The Group will continue to focus on expanding its exploitation businesses based in the Erdos Basin, which is endowed with rich oil and natural gas resources.

NDRC deputy director and head of the National Energy Administration Liu Tienan made remarks on China's energy sector at a national energy work conference held on 10 January 2012. He reaffirmed the state's furtherance of the coordinated development of natural gas with a goal to realize rapid growth of domestic production. The country will forge ahead with the development of unconventional natural gas.

According to meeting reports, during the 12th Five-Year Plan period from 2011 to 2015, natural gas users will increase by 100 million to a total of 250 million. The country plans to produce 30 billion cubic meters of CBM by 2015.

Pursuant to the 12th Five-Year Plan, China will expedite the transformation of the CBM sector by encouraging market-driven operations and policy support. Related ministries are in negotiation in respect of raising the exploitation subsidy from the current RMB0.2 to RMB0.4 per cubic meter. In addition, the state will budget RMB3 billion per year for the governance of the CBM sector and on tax incentives to subsidize enterprises to import CBM equipment.

In addition to gaining policy support under the 12th Five-Year Plan, the infrastructure construction of the Sanjiao CBM project has also been much encouraged by local authorities. The Group has already commenced trial sales of CNG generated at test runs to local enterprises in Shanxi Province. External sales began in August 2011 with current daily sales amounting to approximately 18,000 cubic meters. Upon completion of the expansion of the CNB head station, production capacities will increase further.

The Group has commenced the tendering for drilling works in 2012. It is expected that 50-60 new horizontal, vertical and directional wells will be drilled within this year.

僱員薪酬政策

於2011年12月31日，本集團的僱員約有275人。本集團之薪酬政策主要按現行市場薪酬水平及各有關公司及個別僱員之表現釐訂。

前景

本集團將繼續專注在原油及天然氣資源豐富的陝西鄂爾多斯盆地拓展開採業務。

全國能源工作會議於2012年1月10日在北京召開，發改委副主任、國家能源局局長劉鐵男在會上強調，國家將繼續促進天然氣產業協調發展，實現國內產量快速增長，大力發展非常規天然氣。

根據會議報告，由2011年至2015年的「十二五」時期，使用天然氣的人口將增加一億，總數達到2.5億人。至2015年，煤層氣的抽採量將達每年300億立方米。

根據「十二五」規劃，中國將加快轉變煤層氣產業發展方式，鼓勵市場引導，並以政策扶持。相關部門正在協商，將煤層氣開採補貼從目前的每立方米0.2元人民幣，增加至到每立方米約0.4元人民幣。此外，國家每年將劃撥30億元用於煤層氣治理，企業進口煤層氣設備亦可享有稅務免減優惠。

本集團在三交區塊的煤層氣項目，除了得到「十二五」規劃的國策支持，在基礎建設上獲得地方政府的鼓勵和配合。本集團已開始向山西的當地企業供應壓縮天然氣，自2011年8月已開始實現對外試銷售，現時每日銷量為約1.8萬立方米，隨著壓縮天然氣母站擴展工程完成，產能正逐步提升。

本集團現已開始招標2012年的鑽井工程，預計全年將新鑽50-60口左右的水平井、直井及定向井。

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Apart from selling natural gas in the form of CNG, the Group is also actively paving the way for selling piped and liquefied natural gas (“LNG”). Plans are under way to realize piped gas and LNG supply in the second half of this year. Construction works of a new pipeline mainly invested in by a local state-owned enterprise in Shanxi Province were completed in the fourth quarter of 2011. The new pipeline is designated for CBM transportation and passes through the main CBM blocks on the eastern fringe of Erdos Basin. It is situated between Linxian and Lishi in Lvliang Municipality, Shanxi Province, and will form part of the first phase of the “Linxian-Liulin-Linfen” gas pipeline project. The length of the gas pipeline is 130 kilometers with an annual transportation capacity of 1.1 billion cubic meters. The pipeline will be located about 20 kilometers east of the Sanjiao Block. Shanxi Provincial Government has also approved the construction of two small-scale LNG plants within the Sanjiao Block. The Group expects the construction of local pipelines in Shanxi and the LNG plants to drive the production scale expansion of the CBM project, and to bring further improvements in the project’s revenues and profitability. Management believes that the Sanjiao CBM project will become the Group’s future growth drivers. The Group looks forward to capturing the opportunities arising from the 12th Five-Year Plan to bring satisfactory long-term returns for shareholders.

本集團除了以壓縮天然氣的方式出售天然氣，亦積極準備未來的管道天然氣和液化天然氣的銷售，計劃在本年度下半年實現以管通方式和液化天然氣方式付運天然氣產品。一條由山西地方企業出資興建，貫穿鄂爾多斯盆地東緣主要煤層氣區塊的煤層氣專用管道，已於2011年第四季竣工。管道位於山西呂梁市臨縣與離石之間，為「臨縣—柳林—臨汾」天然氣管道項目之第一期工程，全長130公里，年輸氣能力達11億立方米。該管道由三交區塊東部通過，距離三交區塊約20公里。山西省政府已經批准在三交區塊內建設兩座小型液化天然氣工廠。集團預期，山西地方的管道建設工程和液化天然氣工廠項目可配合煤層氣項目產量提升的步伐，項目的收益和盈利能力將可進一步改善。管理層相信，三交煤層氣項目，將會是本集團未來的增長重點，能捕捉「十二五」規劃下的國策商機，為股東帶來理想的長遠回報。

Directors and Senior Management Profiles

董事及高層管理人員簡介



BOARD OF DIRECTORS

Executive Directors

Dr. Dai Xiaobing, aged 44, was appointed as Executive Director of the Company in May 2010 and Chairman of the Board of the Company in September 2011. Dr. Dai was awarded a PhD in Econometrics by the School of Economics, Jilin University, the PRC. Dr. Dai is very 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 published 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. Currently, Dr. Dai is the executive director and Co-chairman of China Precious Metal Resources Holdings Co., Ltd., (stock code: 1194), a company listed on the Hong Kong Stock Exchange. He is also an independent director of Jiangxi Ganneng Co., Ltd. (江西贛能股份有限公司) (stock code: 000899), a company listed on the Shenzhen Stock Exchange.

Mr. King Hap Lee, aged 49, was appointed as Executive Director of the Company in September 2011. Mr. King has been the Chief Executive Officer of the Company since November 2010. Mr. King is principally responsible for strategy development planning and daily operation of the Company. 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 *).

Mr. Xu Zucheng, aged 60, was appointed as Executive Director of the Company in March 2012. Mr. Xu graduated from the Geological Department of Northwest University, the PRC, in 1976. Prior to joining the Company, Mr. Xu served as Deputy Chief Geologist in PetroChina Coalbed Methane Company Limited since 2008. Prior to the aforesaid position, Mr. Xu worked for the Shaanxi Bureau of Geology and Mineral Resources, the Daqing Oilfield Institute and the Secretariat Office of the Ministry of Petroleum. He was also the Head of Reserve and Mining Right Divisions of PetroChina Exploration & Production Company. Mr. Xu has substantial experience in oil and gas exploration and mining right management. He was also awarded the second prize of Science and Technology of the Ministry of Land and Resources.

董事會

執行董事

戴小兵博士，44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。戴博士持有中國吉林大學商學院計量經濟學博士學位。戴博士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出版的《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。戴博士現任中國貴金屬資源控股有限公司執行董事及聯席主席(股份代號：1194，於香港交易所上市的公司)。他亦是江西贛能股份有限公司之獨立董事(股份代號：000899，於深圳交易所上市的公司)。

景哈利先生，49歲，自2010年11月起出任本公司行政總裁，並於2011年9月獲委任為本公司之執行董事，主要負責本公司的戰略發展規劃及日常營運。景先生於1983年畢業於西安交通大學，長期任職於中央國家機關和國有企業，擁有20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。

徐祖成先生，60歲，於2012年3月獲委任為本公司之執行董事。徐先生於1976年畢業於中國西北大學地質系，在加入本公司前，曾自2008年起出任中石油煤層氣有限責任公司副總地質師，之前曾出任陝西地礦局幹部，以及任職於大慶油田研究院及石油部辦公廳秘書處，歷任中國石油勘探與生產公司礦權儲量處處長及礦權處處長。徐先生長期從事油氣勘探工作及礦權管理，曾獲國土資源部科學技術二等獎。

Directors and Senior Management Profiles

董事及高層管理人員簡介



Mr. Wang Ziming, aged 45, was appointed as Executive Director of the Company in August 2010. Mr. Wang graduated from the College of Economy and Trade Management, Shanghai International Studies University in 1988, and received a Bachelor Degree in Economics. Mr. Wang has worked in Sinochem Corporation, PRC and has extensive experience in the exploration and management in the resources sector. He is also well experienced in mining business investment and possesses abundant governmental public relations resources.

Mr. Wan Tze Fan Terence, aged 47, was appointed as Executive Director of the Company in March 2009. He is also the chief financial officer of the Company. 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 an independent non-executive director of China Primary Resources Holdings Limited, a company listed on the Growth Enterprise Market of the Hong Kong Stock Exchange.

Non-executive Director

Mr. Kong Siu Tim, aged 46, resigned as Chairman and Executive Director and assumed the position as Non-Executive Director of the Company in September 2011. Mr. Kong was appointed as Non-Executive Director of the Company in August 2005 and redesignated as Executive Director of the Company in November 2005, and then appointed as Chairman of the Company in March 2009. Mr. Kong holds a master degree of Economics at University of Warwick, UK and has years of experience in banking and securities industries. He is a member of the Hong Kong Securities Institute.

Independent Non-executive Director

Mr. Wong Kwok Chuen Peter, aged 52, 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 18 years of extensive experience in legal practice.

王自明先生，45歲，於2010年8月獲委任為本公司之執行董事。王先生於1988年畢業於上海外國語大學經濟貿易管理學院，獲頒經濟學學士學位。王先生曾任職於中國中化集團，在資源領域的勘探和管理方面擁有豐富經驗，亦擁有豐富的礦業投資經驗和政府方面的公共關係資源。

溫子勳先生，47歲，於2009年3月獲委任為本公司之執行董事，溫先生目前為本公司之財務總監。溫先生持有商科學士學位及工商管理碩士學位，溫先生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。溫先生為中國基礎資源控股有限公司之獨立非執行董事，一間於香港交易所創業板上市的公司。

非執行董事

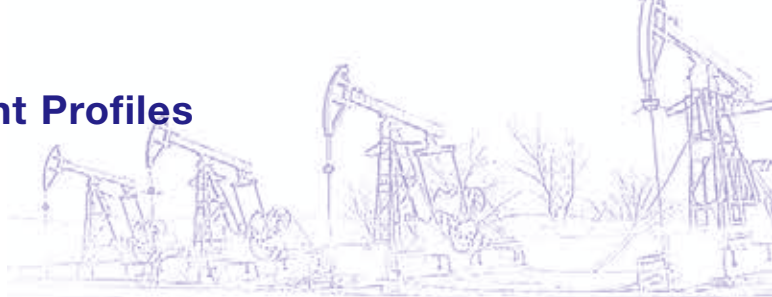
江少甜先生，46歲，於2011年9月辭任本公司主席及執行董事，並同時獲調任為本公司非執行董事。江先生曾於2005年8月獲委任為本公司之非執行董事，於2005年11月由本公司非執行董事轉職為執行董事，並於2009年3月出任本公司之主席。江先生持有英國華威大學經濟學碩士學位，於銀行及證券行業有多年經驗，他亦為香港證券專業學會會員。

獨立非執行董事

黃國全先生，52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之商業管理(市場學)碩士學位及香港大學之法律深造證書，黃先生擁有逾十八年豐富法律實務經驗。

Directors and Senior Management Profiles

董事及高層管理人員簡介



Dr. Wong Lung Tak Patrick, BBS, JP, aged 63, was appointed as Independent Non-Executive Director of the Company in August 2010. Dr. Wong is a practicing certified public accountant in Hong Kong and managing practicing director of Patrick Wong CPA Limited, Wong Lam Leung & Kwok CPA Limited and Hong Kong Pengcheng CPA Limited. He has over 30 years' experience in the accountancy profession. Dr. Wong was accorded Doctor of Philosophy in Business, was awarded a Badge of Honour by the Queen of England in 1993, was appointed a Justice of the Peace in 1998 and was awarded a Bronze Bauhinia Star (BBS) by the Hong Kong Government of SAR in 2010. He has been appointed Adjunct Professor, School of Accounting and Finance, The Hong Kong Polytechnic University since 2002. Dr. Wong participates in many types of community services, holding posts in various organizations and committees, both governmental and voluntary agencies. Dr. Wong is currently an independent non-executive director of Water Oasis Group Limited, CC Land Holdings Limited, Galaxy Entertainment Group Limited, Real Nutraceutical Group Limited, Guangzhou Pharmaceutical Co. Ltd., China Precious Metal Resources Holdings Co. Ltd. and Winox Holdings Limited, all of which are listed on the Main Board of the Hong Kong Stock Exchange. Dr. Wong is also an independent non-executive director of National Arts Holdings Ltd. (listed on the Growth Enterprise Market of the Hong Kong Stock Exchange).

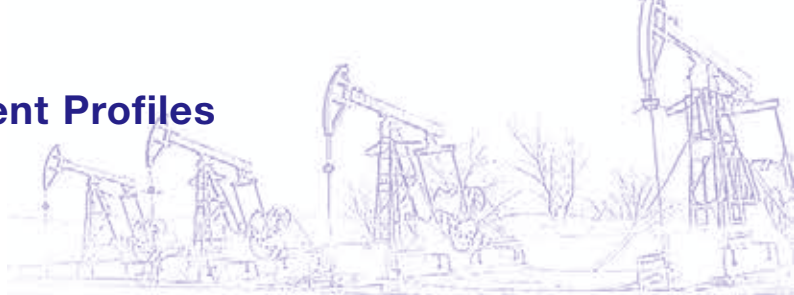
Dr. Wang Yanbin, aged 54, was appointed as Independent Non-Executive Director of the Company in September 2011. Dr. Wang is a professor and tutor for doctoral candidates of China University of Mining & Technology (Beijing), and head of the Scientific Research Office of China University of Mining & Technology (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.

黃龍德博士BBS，太平紳士，63歲，於2010年8月獲委任為本公司之獨立非執行董事。黃博士為香港執業會計師，並為黃龍德會計師事務所有限公司、黃林梁郭會計事務所有限公司及香港鵬城會計師事務所有限公司的執行董事。彼於會計專業擁有逾三十年經驗。黃博士取得商業哲學博士學位，於1993年獲英女皇頒發榮譽獎章，於1998年獲委任為太平紳士，並於2010年獲香港特別行政區政府頒授銅紫荊星章。彼於2002年起獲香港理工大學會計及金融學院委任為兼任教授。黃博士參與多項社區服務，並於多個官方組織、委員會及志願機構擔任職務。黃博士現為奧思集團有限公司、中渝置地控股有限公司、銀河娛樂集團有限公司、瑞年國際有限公司、廣州藥業股份有限公司、中國貴金屬資源控股有限公司及盈利時控股有限公司（該等公司均於香港交易所主板上市）的獨立非執行董事。黃博士亦獲委任為國藝控股有限公司（於香港交易所創業板上市）的獨立非執行董事。

王延斌博士，54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。

Directors and Senior Management Profiles

董事及高層管理人員簡介



Senior Management

Dr. Di Lingjun assumed the positions as vice president of the Company and the Chairman of the board of directors of Orion Energy International Inc. (a wholly owned subsidiary of the Company) responsible for the coalbed methane exploration business of the Group in September 2011. Prior to this, Dr. Di was an Independent Non-Executive Director of the Company for the period from August 2010 to August 2011. Dr. Di graduated from Northwest University, PRC, major in the field of petroleum and natural gas geology in 1980. Dr. Di was awarded a doctorate degree in sedimentology and basin analysis by the Northwest University, PRC. In his career, Dr. Di has worked as a project manager of the regional petroleum and natural gas exploration project of Changqing Oil Field, Geology Controller and Deputy General Manager of the North Shaanxi Petroleum and Natural Gas Exploration Project conducted by the New District Exploration Division of the China National Petroleum Corporation and the Deputy Chief Geologist of Exploration and Development Institute, Changqing Oil Field, CNPC.

Dr. Rao Mengyu has been working for Orion Energy International Inc. (a wholly-owned subsidiary of the Group since November 2010) since December 2007 and now serves as the deputy general manager. 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. Currently, Dr. Rao is mainly responsible for the scientific research, exploration deployment, engineering design, onsite engineering design, CBM exploration of Sanjiao Block CBM project of the Group. 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

邱領軍博士，於2011年9月獲委任為本公司副總裁，兼本公司全資附屬公司北京奧瑞安能源國際有限公司董事長的職務，負責集團下屬的煤層氣開採業務。在此之前，邱博士曾自2010年8月至2011年8月期間出任本公司之獨立非執行董事。邱博士於1980年畢業於中國西北大學（主修石油與天然氣地質），他亦獲頒中國西北大學博士學位，專門研究沉積學與盆地分析。邱博士歷任長慶油田石油天然氣區域勘探項目經理、中石油天然氣總公司新區勘探事業部陝北石油天然氣勘探項目的地質總監和副總經理、以及中石油長慶油田勘探開發研究院副總地質師。

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月成為本集團之全資附屬公司）工作，現為副總經理。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20年工作經驗，擁有多年從事煤層氣專案的現場工作經驗和室內科研經歷，現時饒博士主要負責本集團於三交區塊煤層氣項目的科研、勘探部署、工程設計、現場工程施工、煤層氣試採等事務。饒博士曾在《石油學報》等期刊上發表科研論文24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

董事及高層管理人員簡介



Dr. Yang Luwu joined the Company in November 2010. Dr. Yang is currently the Group's Technical Consultant on coalbed methane projects. Dr. Yang is principally responsible for advising and assisting the management of the Company in formulating development programme of CBM project. Dr. Yang holds a PhD degree in geology of China University of Mining and Technology. He is a certified appraiser of mineral reserve in China and a member of Coalbed Methane Specialized Committee. He has nearly 16 years experience in project management and technical research for coalbed methane and petroleum and coal development. He was the director of technology department and research center of China United Coalbed Methane Co., Ltd. and led the formulation of Specifications for Coalbed Methane Resources/Reserves of China.

Mr. He Hongbing joined the Company in 2008 and was appointed as Vice President of the Company in November 2010. He is principally responsible for the corporate finance and investor relation of the Company. Mr. He holds a bachelor degree of Geology at Peking University and a master degree of Civil Law at Yantai University. He is a CFA Charterholder and a member of The Hong Kong Society of Financial Analysts. He holds a Chinese lawyer qualification, and has nearly 10 years working experience in corporate finance and investor relations. He was the financial manager of Shenzhen B&K Electronic Co., Ltd, the deputy general manager of the Investor Relation Division of China Gas Holdings Limited in Hong Kong and an investment analyst of Singapore UOB Kay Hian Research Pte Ltd.

Ms. Yim Siu Hung was appointed as the company secretary of the Company in December 2011. Ms. Yim has joined the Company since August 2005 and holds a degree in law and a degree in accountancy. She is an associate 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.

楊陸武博士，於2010年11月加入本公司，現為本集團煤層氣項目的技術顧問。楊博士主要負責就本公司管理層制定煤層氣項目的發展方案提供建議和協助。楊博士持有中國礦業大學地質學博士學位，乃中國國家礦產儲量認證評估師和煤層氣專業委員會委員，擁有近16年從事煤層氣和石油與煤炭開發專案管理和技術研究的經驗。曾任中聯煤層氣有限責任公司科技部和研究中心主任，主持制訂了國家《煤層氣資源／儲量規範》。

賀紅兵先生，於2008年加入本公司，於2010年11月獲委任為本公司副總裁，賀先生主要負責本公司的企業融資及投資者關係。賀先生持有北京大學地質學學士學位和煙臺大學民商法學碩士學位，乃CFA特許狀持有人，香港財經分析師協會會員，持有中國律師資格，擁有近10年企業融資及投資者關係工作經驗。曾任深圳邦凱電子有限公司財務經理，香港中國燃氣控股有限公司投資者關係部副總經理，新加坡大華繼顯研究(私人)有限公司投資分析員。

嚴筱虹女士，於2011年12月獲委任為本公司之公司秘書。嚴女士自2005年8月加入本公司，持有法律學士學位及會計學士學位，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會員。嚴女士於公司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。

* For identification purpose only

Corporate Governance Report

企業管治報告



CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the “Board”) and management of the Company are committed to maintaining high standards of corporate governance for the purpose of providing a framework and solid foundation for its business operation and development. The Company considers that effective corporate governance with probity, transparency and accountability makes an important contribution to corporate success and to enhancement of shareholders value.

The Company has complied throughout the year 2011 with all the code provisions of the Code on Corporate Governance Practices (the “Code”) applicable during the year as set out 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”).

THE BOARD

The Board is structured to ensure it is of a high calibre and has a balance of key skills and knowledge. The Board comprises five executive Directors, namely Dr. Dai Xiaobing (Chairman), Mr. King Hap Lee, Mr. Xu Zucheng, Mr. Wang Ziming and Mr. Wan Tze Fan Terence; one Non-executive Director, Mr. Kong Siu Tim; and three Independent Non-executive Directors (“INEDs”) required under Rule 3.10(1) of the Listing Rules, namely Mr. Wong Kwok Chuen Peter, Dr. Wong Lung Tak Patrick and Dr. Wang Yanbin. The INEDs represents one-third of the Board which is in compliance with Rule 3.10A of the Listing Rules. Dr. Wong Lung Tak Patrick has appropriate qualifications and accounting related financial expertise required under Rule 3.10(2) of the Listing Rules. There is no financial, business, family or other material/relevant relationship between the Directors. All the three 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 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. The Company considers all of the independent non-executive directors are independent.

企業管治常規

本公司董事會（「董事會」）及管理層竭力維持高水平的企業管治，以為其業務營運及發展提供一個架構及穩固基礎。本公司認為，有效的企業管治，乃通過高度誠信，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2011年度已遵守於年內適用的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14所載的企業管治常規守則（「管治守則」）的所有守則條文。

董事會

董事會的架構確保其具有出眾的能力及擁有各主要範疇的技術和知識。董事會包括五名執行董事，即戴小兵博士（主席）、景哈利先生、徐祖成先生、王自明先生及溫子勳先生，一位非執行董事，即江少甜先生，以及三位獨立非執行董事（「獨立非執行董事」）以符合上市規則第3.10(1)條的規定，即黃國全先生、黃龍德博士及王延斌博士。獨立非執行董事佔董事會成員人數的三份之一，符合上市規則第3.10A條的規定。黃龍德博士擁有上市規則第3.10(2)條所規定的適當資格及相關會計財務專長。董事間並不存在任何財務、業務、家族或其他重大／相關關係。根據該等獨立性標準，全部三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。

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。本公司認為全體獨立非執行董事均為獨立人士。

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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.

The biographical details of the Directors are listed in the section of “Directors and Senior Management Profiles” in this annual report and that 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 Board conducts meeting on a regular basis and on ad hoc basis to meet its business needs. The attendance of individual Directors at board meetings and at other board committees during the year is set out as below.

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。

董事會會因應其業務需求，按定期基準及特殊基準舉行會議。個別董事於本年度內出席董事會會議及其他董事委員會會議的情況載於下文。

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Meetings Attended/Held during term of office in 2011

出席的會議／於2011年任職期間舉行的會議

		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會
Number of meetings held during the year	本年度內舉行會議數目	11	2	3
Executive Directors	執行董事			
Dai Xiaobing (<i>Chairman</i>)	戴小兵 (<i>主席</i>)	11/11	-	1/1
King Hap Lee (<i>appointed on 1 September 2011</i>)	景哈利 (<i>於2011年9月1日獲委任</i>)	5/5	-	-
Wang Ziming	王自明	11/11	-	-
Wan Tze Fan Terence	溫子勳	11/11	-	-
Non-executive Director	非執行董事			
Kong Siu Tim (<i>redesignated on 1 September 2011</i>)	江少甜 (<i>於2011年9月1日獲調任</i>)	11/11	-	2/2
Ni Zhenwei (<i>deceased on 25 July 2011</i>)	倪振偉 (<i>於2011年7月25日辭世</i>)	3/4	-	-
Independent Non-executive Directors	獨立非執行董事			
Wong Kwok Chuen Peter	黃國全	11/11	2/2	3/3
Wong Lung Tak Patrick	黃龍德	11/11	2/2	3/3
Wang Yanbin (<i>appointed on 1 September 2011</i>)	王延斌 (<i>於2011年9月1日獲委任</i>)	5/5	-	-
Di Lingjun (<i>resigned on 1 September 2011</i>)	邱領軍 (<i>於2011年9月1日辭任</i>)	5/5	2/2	-

Notes:

附註：

- Dr. Dai Xiaobing was appointed Chairman of the Board on 1 September 2011 and a member of the Remuneration Committee on 2 September 2011.
 - Mr. Kong Siu Tim was redesignated from Executive Director and Chairman of the Board to Non-executive Director on 1 September 2011 and ceased to act as member of the Remuneration Committee on 2 September 2011.
 - Dr. Wang Yanbin was appointed Independent Non-executive Director and member of the Audit Committee on 1 September 2011.
 - Dr. Di Lingjun resigned as Independent Non-executive Director and ceased to act as member of the Audit Committee on 1 September 2011.
 - Mr. Xu Zucheng was appointed Executive Director on 14 March 2012.
- 戴小兵博士於2011年9月1日獲委任為董事會主席及於2011年9月2日獲委任為薪酬委員會成員。
 - 江少甜先生於2011年9月1日由執行董事及董事會主席調任非執行董事及於2011年9月2日離任薪酬委員會成員。
 - 王延斌博士於2011年9月1日獲委任為獨立非執行董事及審核委員會成員。
 - 邱領軍博士於2011年9月1日辭任獨立非執行董事及離任審核委員會成員。
 - 徐祖成先生於2012年3月14日獲委任為執行董事。

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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. The Chairman of the Company provides leadership to the Board and ensures that the Board discharges its responsibilities effectively. Dr. Dai Xiaobing's primary roles and duties include to formulate corporate strategies and plans in conjunction with the Board and to ensure that Directors receive complete, accurate and timely information and are properly briefed on issues arising at Board meetings. The Chief Executive Officer is responsible for the effective management and operation of the Company and his primary roles and duties include to monitor and control the operational and financial performance within the Group and to implement the Company's strategy and policies for achieving its objectives.

APPOINTMENTS, RE-ELECTION AND REMOVAL

The Company's Bye-laws provide that each Director is required to retire by rotation at least once every three years and that one-third (or the number nearest to but not less than one-third) of the Directors shall retire by rotation every year at the Company's annual general meeting. Retiring Directors shall be eligible for re-election at the annual general meeting of the Company.

TERMS OF APPOINTMENT OF NON-EXECUTIVE DIRECTORS

Each of Mr. Wong Kwok Chuen Peter and Dr. Wong Lung Tak Patrick has entered into a service contract with the Company for a term of two years whereas each of Mr. Kong Siu Tim and Dr. Wang Yanbin has entered into a service contract with the Company for a term of one year.

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。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。戴小兵博士的主要角色及職責包括與董事會共同制訂企業策略及規劃，以確保董事獲得完整、準確且及時的資料，並確保所有董事適當地獲悉董事會會議上提出的事宜。行政總裁負責本公司的有效管理及營運，其主要角色及職責包括監控本集團內的營運及財務表現，並執行本公司為達致其目標而制定的策略及政策。

委任、重選及罷免

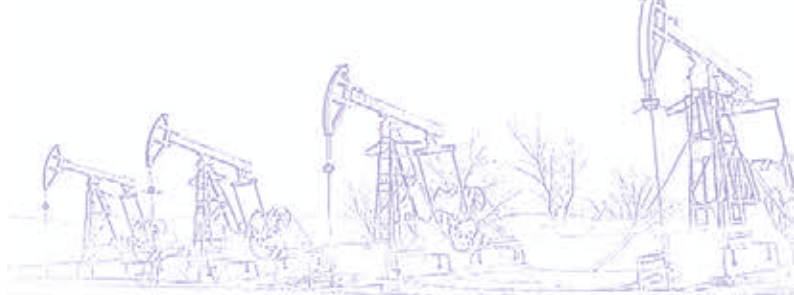
本公司公司細則規定各董事須至少每三年輪席告退及三分之一董事(或最接近三分之一但不少於三分之一之數目)須於本公司股東週年大會上輪席告退。輪席告退董事符合資格於本公司股東週年大會上膺選連任。

非執行董事的任期

黃國全先生及黃龍德博士分別與本公司訂有任期為兩年的服務合約，而江少甜先生及王延斌博士分別與本公司訂有任期為一年的服務合約。

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RESPONSIBILITIES OF DIRECTORS

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 shareholders' 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.

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 Corporate Governance Code and disclosure in the Corporate Governance Report as required under the revised Appendix 14 of the Listing Rules which will come on 1 April 2012.

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.

董事的責任

除本公司及本集團須負的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，並已就該等人員的權利給予彼等清晰的指引及指示。

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將於2012年4月1日生效的新修訂的上市規則附錄14《企業管治守則》的情況及在《企業管治報告》內的披露。

董事進行證券交易的標準守則

本公司已採納上市規則附錄10所載的上市發行人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。

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SUPPLY OF AND ACCESS TO INFORMATION

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. 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 or her duties, may take independent professional advice through the Company's expense. No such independent professional advice was requested by any Director in 2011.

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, Dr. Wong Lung Tak Patrick and Dr. Wang Yanbin, and is chaired by Dr. Wong Lung Tak Patrick. None of the Audit Committee members are members of the former or existing auditors of the Company. The Committee met twice during the year. During the year, the Audit Committee has discharged 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 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 are made available on the Company's website and the Stock Exchange's website.

資料的提供和使用

本公司不時更新與擔任本公司董事相關的法律及法規之發展。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提升彼等的技能、知識及對本集團的瞭解。

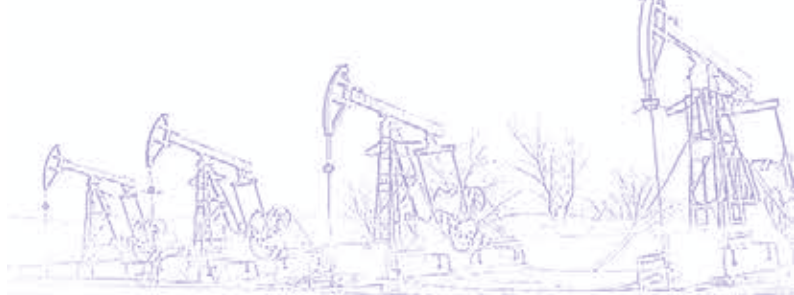
本公司高級管理人員定期向董事會及其委員會適時提供充足的資料，以令彼等作出知情決定。全體董事均有權使用將有助於彼等作出決定的董事會文件及相關資料。任何董事因履行職責而欲尋求獨立專業意見，由此所產生的費用將由本公司承擔，於2011年內並無董事尋求此等獨立專業意見。

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、黃龍德博士及王延斌博士，黃龍德博士是審核委員會的主席。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兩次會議。於年內，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料來源，包括獨立會晤外聘核數師及獲得外聘核數師的意見。審核委員會的職權範圍於本公司網站及聯交所網站登載。

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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 Board has established a Remuneration Committee which comprises three members including one Executive Director and two INEDs, namely Dr. Dai Xiaobing, Mr. Wong Kwok Chuen Peter and Dr. Wong Lung Tak Patrick. The committee is chaired by an INED, Dr. Wong Lung Tak Patrick. The Remuneration Committee meets at least once a year. With reference to business needs and company development, individual performance and contribution, changes in relevant markets and general economic situation, the Remuneration 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 or her own remuneration. The terms of reference of the Remuneration Committee are made available on the Company's website and the Stock Exchange's website.

NOMINATION COMMITTEE

During the year and prior to the establishment of the Nomination Committee, the Board was responsible for selection and approval of candidates for appointment as directors to the Board. The Board considered that the human resource policy in recruitment of new senior staff was also applicable to nomination of a new director. In considering the nomination of a new director, the Board would take into account the qualification, in particular any qualification as required in the Listing Rules, expertise, industry experience, leadership and integrity of the candidates that, in the opinion of the Directors, would enable them to make a positive contribution to the performance of the Board.

The Company's Nomination Committee was established in March 2012 pursuant to the revised code provisions which will come into effect on 1 April 2012. The Nomination Committee currently has three members including one Executive Director and two INEDs, namely Dr. Dai Xiaobing, Mr. Wong Kwok Chuen Peter and Dr. 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 INED, review the structure, size and composition of the Board at least annually and makes recommendations

薪酬委員會

本公司的薪酬政策旨在根據業務需求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博士。該委員會的主席是獨立非執行董事黃龍德博士。薪酬委員會每年至少舉行會議一次。有關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。薪酬委員會的職權範圍於本公司網站及聯交所網站登載。

提名委員會

年內於提名委員會成立前，是由董事會負責遴選及批准董事候選人加入董事會。董事會認為，招聘全新高級員工的現有人力資源政策亦適用於提名新董事。考慮提名新董事時，董事會將計及候選人的資格（尤其是上市規則規定的任何資格）、專業知識、行業經驗、領導才能及誠信，董事認為，這將能促使彼等對董事會的表現作出積極貢獻。

本公司提名委員會於2012年3月成立，以符合將於2012年4月1日生效的經修訂的守則條文。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博士，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。提名委員會獲供給充足資

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on any proposed changes to the Board to complement the Company's corporate strategy. The Nomination Committee is provided with sufficient resources to perform its duties. The terms of reference of the Nomination Committee are made available on the Company's website and the Stock Exchange's website.

ACCOUNTABILITY AND AUDIT

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 the annual reports.

Internal Controls

The Board acknowledges its responsibility to establish, maintain and review the effectiveness of the Group's system of internal controls to ensure that shareholders' investments and the Group's assets are safeguarded.

In order to implement an effective and efficient internal control system, the Group performs comprehensive review for the internal control system systematically on a regular basis which covers financial, operational, and compliance controls as well as risk management function.

On behalf of the Board, the Audit Committee reviews annually the continued effectiveness of the Group's internal controls dealing with risk and financial accounting and reporting, the effectiveness and efficiency of operations, compliance with laws and regulations, risk management functions. During the year, no significant control failures or weaknesses have been noted. The Board considered that these systems of internal controls were effective and sufficient to guarantee the Group in achieving its business objectives.

源以履行其職責。提名委員會之職權範圍於本公司網站及聯交所網站登載。

問責及審核

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。

內部監控

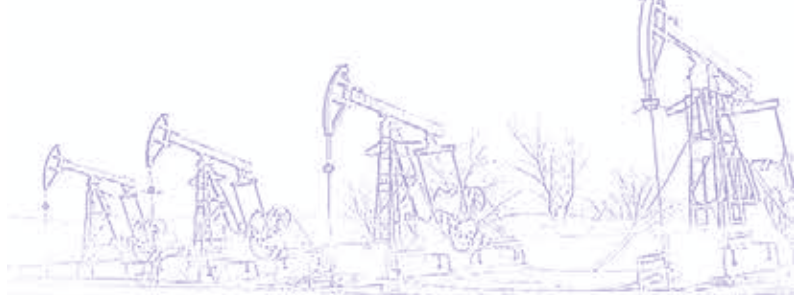
董事會明瞭其有責任設立、維持及檢討本集團內部監控系統的有效性，以確保股東投資及本集團資產受到保障。

為了可執行有效而高效率的內部監控系統，本集團定期對內部監控系統作出有系統的全面檢討，包括財務、營運、合規監控及風險管理職能。

審核委員會代表董事局每年就集團對處理風險與財務會計及報告的內部監控是否持續有效、營運是否有效及富效率、有否遵守有關法規和風險管理職能等方面進行檢討。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。

Corporate Governance Report

企業管治報告



EXTERNAL AUDITOR

BDO Limited was appointed as external auditor of the Company by shareholders at the 2011 Annual General Meeting until the conclusion of the next annual general meeting.

During the year, the fees paid or payable to the external auditors of the Company, BDO Limited were approximately HK\$1,500,000 for statutory audit services rendered (excluding disbursement fees) to the Group.

The reporting responsibilities of BDO Limited, the auditors, are stated in the Auditors' Report on page 40 of the Annual Report.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS

The Board recognizes the importance of good communication with shareholders as well as investors. 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. During 2011, the Group also held numerous meetings with analysts and investors in Hong Kong and overseas, conducted investor group briefings, overseas roadshows and spoke at few investor conferences. Annual general meetings and special general meetings also provide a useful forum for shareholders to share views with the Board. Members of the Board (including member(s) of the Audit and Remuneration Committees) attend shareholders' meetings and make themselves available to answer shareholders' questions. The Company will continue to promote and enhance investor relations and communication with its investors.

外聘核數師

香港立信德豪會計師事務所有限公司已於2011年股東週年大會上經股東批准獲重新委任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，就本集團提供的法定審核服務（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約為1,500,000港元。

核數師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第40頁的核數師報告。

與股東及投資者的溝通

董事會認識到與股東及投資者保持良好聯繫的重要性。有關本集團的資料乃透過多種渠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。此等文件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2011年，本集團於香港及海外舉行多次會議與分析員及投資者會面、舉行了多次投資者簡報會、海外路演、以及於投資者會議上發言。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（包括審核委員會及薪酬委員會成員）出席股東大會，並於會議上回答股東提問。本公司會繼續促進及提升與投資者的關係及溝通。

Report of the Directors

董事會報告書



The directors submit their annual report together with the audited financial statements for the year ended 31 December 2011, which are set out on pages 43 to 164.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in operation of (i) exploitation and sale of crude oil and natural gas and (ii) exploration, development and production of coalbed methane in China.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in note 21 to the financial statements.

DIVIDENDS

The Board has resolved not to recommend the payment of a dividend for the year ended 31 December 2011 (2010: Nil).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the year are set out in note 16 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 34 to the financial statements.

ISSUE OF CONVERTIBLE NOTES UNDER GENERAL MANDATE

On 5 July 2011, the Company entered into the Subscription Agreement with the subscribers, under which the Company agreed to issue, and the subscribers agreed to subscribe for, the convertible notes with an aggregate principal amount of HK\$468 million at 5% coupon rate. The convertible notes are denominated in Hong Kong Dollars and will mature on 13 July 2012. The subscription was completed on 13 July 2011. The net proceeds from the issue of convertible notes are approximately HK\$454 million. Out of which, it will be mainly used to finance the coalbed methane project in the Sanjiao Block, Shanxi Province in the PRC. The remaining balance of the funds will be applied as general working capital for the Group, financing other existing oil and gas projects of the Group and for possible future investments in certain infrastructure facilities in relation to oil and gas projects.

董事會謹此提呈此年度報告以及載於第43頁至第164頁之截至2011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，而本集團主要於中國從事(i)開採及銷售原油及天然氣及(ii)勘探、開發及生產煤層氣。

附屬公司

本公司附屬公司之詳情分別載於財務報表附註21。

股息

董事會已決議不會建議支付截至2011年12月31日止年度之股息(2010年：無)。

物業、廠房及設備

集團年內物業、廠房及設備之變動詳情載於財務報表附註16。

股本

本公司於年內股本變動之詳情載於財務報表附註34。

根據一般授權發行可換股票據

於2011年7月5日，本公司與認購人訂立認購協議，據此，本公司同意發行及認購人同意認購本公司發行的本金總額為468,000,000港元及5%票面利率的可換股票據。可換股票據的面值為港元，並於2012年7月13日到期，有關認購於2011年7月13日完成。發行可換股票據所得款項淨額約為454,000,000港元，其中款項主要用於中國山西省之三交煤層氣項目。其餘集資款項將用作本集團一般營運資金、本集團現有油氣項目資金及將可能出現投資於油氣項目基礎設施之資金。

Report of the Directors

董事會報告書



Further details of the aforesaid issue of convertible notes are set out in the announcements of the Company dated 5 July 2011 and 14 July 2011 and note 30 to the financial statements.

RESERVES

Details of movements in reserves of the Company and the Group during the year are set out in note 34 to the financial statements and the Consolidated Statement of Changes in Equity respectively.

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 100% of the turnover for the year from continuing and discontinued operations and the largest customer accounted for approximately 100% of the Group's turnover for the year from continuing and discontinued operations. The aggregate purchases attributable to the Group's five largest suppliers accounted for 13% and the largest supplier accounted for approximately 7% 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.

有關上述可換股票據發行的進一步詳情載於本公司日期為2011年7月5日及2011年7月14日的公佈，以及財務報表附註30。

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34及綜合權益變動表。

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

本集團五大客戶之總銷售額佔本年度持續及非持續總營業額之100%，而最大客戶之總銷售額則佔本年度持續及非持續總營業額約100%。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13%及約7%。

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。

Report of the Directors

董事會報告書



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 (*appointed on 1 September 2011*)
Mr. Xu Zucheng (*appointed on 14 March 2012*)
Mr. Wang Ziming
Mr. Wan Tze Fan Terence

Non-executive Director

Mr. Kong Siu Tim (*redesignated on 1 September 2011*)
Mr. Ni Zhenwei (*deceased on 25 July 2011*)

Independent Non-executive Directors

Mr. Wong Kwok Chuen Peter
Dr. Wong Lung Tak Patrick
Dr. Wang Yanbin (*appointed on 1 September 2011*)
Dr. Di Lingjun (*resigned on 1 September 2011*)

Pursuant to the Company's bye-law 87(1), Dr. Dai Xiaobing, Mr. Wang Ziming and Dr. Wong Lung Tak Patrick will retire by rotation and, being eligible, will offer themselves for re-election. Pursuant to the Company's bye-law 86(2), Mr. Xu Zucheng will hold office until the forthcoming annual general meeting and will retire and, being eligible, will offer himself for re-election. All other remaining directors continue in office.

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.

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(於2011年9月1日獲委任)
徐祖成先生(於2012年3月14日獲委任)
王自明先生
溫子勳先生

非執行董事

江少甜先生(於2011年9月1日獲調任)
倪振偉先生(於2011年7月25日辭世)

獨立非執行董事

黃國全先生
黃龍德博士
王延斌博士(於2011年9月1日獲委任)
邱領軍博士(於2011年9月1日辭任)

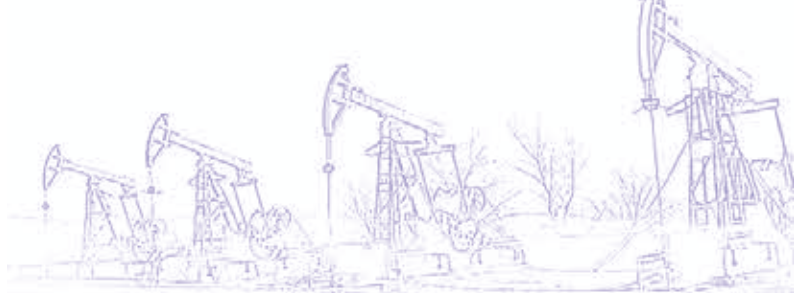
戴小兵博士、王自明先生及黃龍德博士將依據本公司細則第87(1)條輪席告退，並合資格及願意重選連任。而依據本公司細則第86(2)條，徐祖成先生任期會直至應屆股東週年大會為止並將於屆時退任，且合資格及願意重選連任，所有其他董事均仍然留任。

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。

Report of the Directors

董事會報告書



DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

董事於股份及相關股份中之權益

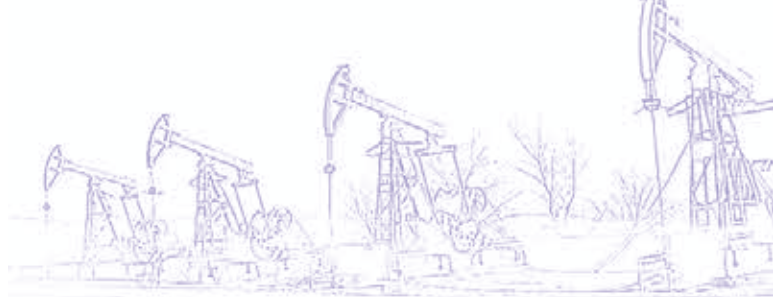
As at 31 December 2011, the interests and short positions of the directors (the "Directors") and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Part XV of the Securities and Futures Ordinance (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 Companies (the "Model Code") were as follows:

於2011年12月31日，本公司董事（「董事」）及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、相關股份及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公司董事進行證券交易之標準守則（「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 held
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
Dai Xiaobing 戴小兵	Long position 好倉	shares 股份	Beneficial owner 實益擁有人	548,400,000
	Short position 淡倉	shares 股份	Beneficial owner 實益擁有人	480,000,000
	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	36,000,000
King Hap Lee 景哈利	Long position 好倉	shares 股份	Interest of controlled corporation (Note 1) 受控制公司的權益(附註1)	300,000,000
	Short position 淡倉	shares 股份	Interest of controlled corporation (Note 1) 受控制公司的權益(附註1)	200,000,000
	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	36,000,000
Wang Ziming 王自明	Long position 好倉	shares 股份	Beneficial owner 實益擁有人	100,000,000
	Short position 淡倉	shares 股份	Beneficial owner 實益擁有人	100,000,000
	Long position 好倉	shares 股份	Interest of controlled corporation (Note 2) 受控制公司的權益(附註2)	5,000,000
	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	36,000,000
Wan Tze Fan Terence 溫子勳	Long position 好倉	shares 股份	Beneficial owner 實益擁有人	30,660,000
	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	49,000,000
Kong Siu Tim 江少甜	Long position 好倉	shares 股份	Beneficial owner 實益擁有人	40,500,000
	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	25,000,000
Wong Kwok Chuen Peter 黃國全	Long position 好倉	shares 股份	Beneficial owner 實益擁有人	2,000,000
	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	9,000,000
Wong Lung Tak Patrick 黃龍德	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	3,000,000
Wang Yanbin 王延斌	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	3,000,000

Report of the Directors

董事會報告書



Notes:

1. As at 31 December 2011, Wai Tech Limited owned 300,000,000 shares and had short position of 200,000,000 shares of the Company. Wai Tech Limited was wholly owned by Petromic Corporation which in turn was wholly and beneficially owned by Mr. King Hap Lee.
2. As at 31 December 2011, 5,000,000 shares of the Company were owned by Harmonie Developments Limited which was wholly and beneficially owned by Mr. Wang Ziming.
3. Particulars of directors' interests in the share options of the Company are set out in the section "Share Option Schemes".

Save as disclosed above, as at 31 December 2011, none of the Directors nor any of their associates 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 SCHEMES

At the Annual General Meeting of the Company held on 28 May 2010, the shareholders of the Company approved the adoption of a new share option scheme (the "New Option Scheme") and the termination of the old share option scheme adopted on 6 March 2002 (the "Old Option Scheme", together with the New Option Scheme, collectively the "Schemes"). No further options may be granted under the Old Option Scheme upon its termination and options granted and unexercised prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Old Option Scheme.

The Schemes are in full compliance with the relevant requirements of Chapter 17 of the Listing Rules. The purpose of the Schemes 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.

附註：

1. 於2011年12月31日，威達有限公司持有300,000,000股股份的權益及200,000,000股股份的淡倉，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。
2. 於2011年12月31日，5,000,000股股份由王自明先生全資及實益擁有之公司Harmonie Developments Limited持有。
3. 董事於本公司購股權的權益詳情載於「購股權計劃」一節。

除上文所披露者外，於2011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，概無董事或彼等之聯繫人士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

本公司於2010年5月28日舉行的股東週年大會上經股東批准採納新購股權計劃（「新購股權計劃」）及終止於2002年3月6日通過的購股權計劃（「舊購股權計劃」，連同新購股權計劃，統稱「計劃」），舊購股權計劃於終止後不可再授出購股權，惟已授出而尚未行使的購股權仍為有效，並可根據其發行條款行使。

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，並激勵其繼續為集團之利益而工作。

Report of the Directors 董事會報告書



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 Old Option Scheme and the New Option Scheme became effective on 6 March 2002 and 28 May 2010 respectively and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of coming into effect.

Pursuant to the Schemes, the maximum number of shares in respect of which options may be granted under the Schemes 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 Schemes and any other share option schemes must not exceed 30% of the shares in issue from time to time.

Under the Schemes, 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.

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。舊購股權計劃及新購股權計劃分別於2002年3月6日及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%。

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%，且總值超過港幣5,000,000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。

Report of the Directors 董事會報告書



The period within which an option may be exercised under the Schemes will be determined by the Board in its absolute discretion. Under the Old Option Scheme, no option may be exercised later than 10 years from 6 March 2002. Under the New Option Scheme, an option may not be exercised after the expiration of 10 years from the date of grant of the option.

Pursuant to the Schemes, 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 highest 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; (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; and (iii) the nominal value of a share on the date of grant of such option.

Some further disclosures relating to the Schemes are set out in note 33 to the financial statements.

計劃之購股權可行使之期間將由董事會絕對酌情釐定，惟舊購股權計劃之購股權不可於2002年3月6日起計10年後行使，而新購股權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3者中之最高者：(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；(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；及(iii)股份於授出該購股權日期之面值。

有關計劃之若干進一步披露載於財務報表附註33。

Report of the Directors

董事會報告書



As at 31 December 2011, 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 Schemes. 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 2011 are as follows:

於2011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2011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			Outstanding at 31 December 2011 於2011年 12月31日 尚未行使	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 2011 於2011年 1月1日 尚未行使	Granted during the year 於年內授出	Exercised during the year 於年內行使				
Directors:							
董事：							
Dai Xiaobing 戴小兵	-	36,000,000	-	36,000,000	06.12.2011	06.12.2011-05.12.2021	0.276
King Hap Lee 景哈利	-	36,000,000	-	36,000,000	06.12.2011	06.12.2011-05.12.2021	0.276
Wang Ziming 王自明	-	36,000,000	-	36,000,000	06.12.2011	06.12.2011-05.12.2021	0.276
Wan Tze Fan Terence 溫子勳	10,000,000 3,000,000 -	- - 36,000,000	- - -	10,000,000 3,000,000 36,000,000	22.08.2007 21.08.2008 06.12.2011	22.08.2007-05.03.2012 21.08.2008-05.03.2012 06.12.2011-05.12.2021	0.375 0.180 0.276
Kong Siu Tim 江少甜	17,000,000 5,000,000 -	- - 3,000,000	- - -	17,000,000 5,000,000 3,000,000	22.08.2007 22.04.2010 06.12.2011	22.08.2007-05.03.2012 22.04.2010-05.03.2012 06.12.2011-05.12.2021	0.375 0.390 0.276
Wong Kwok Chuen 黃國全	4,000,000 2,000,000 2,000,000 -	- - - 3,000,000	- 2,000,000 - -	4,000,000 - 2,000,000 3,000,000	22.08.2007 21.08.2008 22.04.2010 06.12.2011	22.08.2007-05.03.2012 21.08.2008-05.03.2012 22.04.2010-05.03.2012 06.12.2011-05.12.2021	0.375 0.180 0.390 0.276
Wong Lung Tak Patrick 黃龍德	-	3,000,000	-	3,000,000	06.12.2011	06.12.2011-05.12.2021	0.276
Wang Yanbin 王延斌	-	3,000,000	-	3,000,000	06.12.2011	06.12.2011-05.12.2021	0.276
Employees	97,250,000	-	41,000,000	56,250,000	26.01.2007	26.02.2007-25.02.2012	0.189
僱員	352,190,000	-	14,000,000	338,190,000	22.08.2007	22.08.2007-05.03.2012	0.375
	8,000,000	-	2,000,000	6,000,000	21.08.2008	21.08.2008-05.03.2012	0.180
	211,400,000	-	600,000	210,800,000	22.04.2010	22.04.2010-05.03.2012	0.390
	-	547,700,000	-	547,700,000	06.12.2011	06.12.2011-05.12.2021	0.276

Notes:

- During the year, the weighted average closing price of the Company's shares immediately before the dates on which the options were exercised was HK\$0.456 per share.
- The closing price of the Company's shares immediately before 6 December 2011, being the date on which options were granted, was HK\$0.275.

附註：

- 年內，本公司股份於緊接行使日期前行使購股權之加權平均收市價為每股0.456港元。
- 本公司股份緊接2011年12月6日（即購股權授出當日）前之收市價為每股0.275港元。

Report of the Directors

董事會報告書



DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Apart from as disclosed under the sections "Directors' Interests in Shares and Underlying Shares" and "Share Option Schemes", 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.

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2011, 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:

Long position in the shares of the Company

Name of shareholder 股東名稱	Nature of interest 權益性質	Number of shares held 所持股份數目
Mandolin Fund Pte Limited (Note 1) (附註1)	Beneficial owner 實益擁有人	1,596,625,000
CDB Leasing Co., Ltd. (Note 2) 國銀金融租賃有限公司(附註2)	Security interest 保證權益	2,296,000,000

Notes:

- Mandolin Fund Pte Limited is a wholly owned subsidiary of Richard Chandler Capital Corporation Pte Limited which is in turn a wholly owned subsidiary of Richard Chandler Capital Corporation. Richard Chandler Capital Corporation is wholly owned by Cosimo Management Limited as trustee of a trust of which Mr. Richard Chandler is the settlor. Pursuant to the SFO, Richard Chandler Capital Corporation Pte Limited, Richard Chandler Capital Corporation, Cosimo Management Limited and Mr. Richard Chandler as settlor are taken to be interested in the shares held by Mandolin Fund Pte Limited.
- Regarding the security interest in 2,296,000,000 shares being held by CDB Leasing Co., Ltd., China Development Bank Corporation Limited which holds 88.95% interest in CDB Leasing Co., Ltd. is deemed to have security interest in such shares.

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。

主要股東之權益

於2011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：

於本公司股份中擁有之好倉

附註：

- Mandolin Fund Pte Limited為Richard Chandler Capital Corporation Pte Limited的全資附屬公司，而後者為Richard Chandler Capital Corporation的全資附屬公司。Richard Chandler Capital Corporation乃由一項信託（Richard Chandler先生為其財產授予人）的信託人Cosimo Management Limited全資擁有。根據證券及期貨條例，Richard Chandler Capital Corporation Pte Limited、Richard Chandler Capital Corporation、Cosimo Management Limited及Richard Chandler先生（作為財產授予人）均被視為於Mandolin Fund Pte Limited所持有的股份中擁有權益。
- 有關國銀金融租賃有限公司（「國銀租賃」）擁有的2,296,000,000股股份的保證權益，由於國家開發銀行股份有限公司持有國銀租賃88.95%權益，據此亦視為於該等股份中擁有保證權益。

Report of the Directors

董事會報告書



Saved as disclosed above in this section, as at 31 December 2011, 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.

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 32 to the financial statements.

DIRECTORS' REMUNERATION AND HIGHEST PAID INDIVIDUALS' EMOLUMENTS

Particulars of the directors' remuneration and highest paid individuals' emoluments are set out in note 10 and note 11 to the financial statements respectively.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in note 44 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.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES

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

除上節所披露者外，於2011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。

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32。

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10及附註11。

董事於合約中之權益

除財務報表附註44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。

購買、贖回或出售上市證券

年內，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。

Report of the Directors

董事會報告書



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, 30 March 2012

優先購股權

根據本公司之公司細則或百慕達法例，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，2012年3月30日

Independent Auditor's Report

獨立核數師報告書



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TO THE SHAREHOLDERS OF SINO OIL AND GAS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

We have audited the consolidated financial statements of Sino Oil and Gas Holdings Limited ("the Company") and its subsidiaries (together "the Group") set out on pages 43 to 164, which comprise the consolidated and company statements of financial position as at 31 December 2011, 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 a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of 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.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. This report is made solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda (as amended) and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

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)

本核數師(以下簡稱「本行」)已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43至164頁之綜合財務報表，此綜合財務報表包括於2011年12月31日之綜合及公司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，以及主要會計政策概要及其他說明附註。

董事就綜合財務報表須承擔之責任

貴公司董事須負責根據香港會計師公會頒佈之香港財務報告準則及香港公司條例之披露規定編製綜合財務報表，以令綜合財務報表作出真實公平之反映，及落實董事認為編製綜合財務報表所必要之內部控制，以使綜合財務報表不存在由於欺詐或錯誤而導致之重大錯誤陳述。

核數師之責任

本行之責任為根據本行之審核對該等綜合財務報表提出意見。根據百慕達一九八一年公司法第90條(經修訂)，本報告僅向全體股東報告而不作其他用途。本行不會就本報告之內容，對任何其他人士負責或承擔責任。

Independent Auditor's Report

獨立核數師報告書



AUDITOR'S RESPONSIBILITY (Continued)

We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2011 and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

核數師之責任(續)

本行乃根據香港會計師公會頒佈之香港核數準則進行審核工作。該等準則規定本行遵守道德規範，並規劃與履行審核工作，以合理確保綜合財務報表是否不存有重大錯誤陳述。

審核包括進行獲取有關綜合財務報表內金額及披露事項之審核憑證之程序。所選擇之程序視乎核數師之判斷而定，包括評估綜合財務報表是否存在由於欺詐或錯誤而導致之重大錯誤陳述風險。評估該等風險時，核數師考慮與該實體編製綜合財務報表相關之內部控制，以令綜合財務報表作出真實公平之反映，並按情況設計適當之審核程序，但並非旨在對該實體之內部控制成效表示意見。審核亦包括評估所使用之會計政策是否適當、董事作出之會計估計是否合理，以及評估綜合財務報表之整體列報。

本行認為本行已取得充分及適當之審核憑證，作為本行之審核意見之基準。

意見

本行認為，綜合財務報表已根據香港財務報告準則真實公平地反映 貴公司及 貴集團於2011年12月31日之財務狀況及 貴集團截至該日止年度之虧損及現金流量，並已按照香港公司條例之披露規定妥為編製。

Independent Auditor's Report

獨立核數師報告書



EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to note 3(b) to the consolidated financial statements which states that: (i) the Group incurred a net loss of HK\$96,239,000 during the year ended 31 December 2011 and its current liabilities exceeded current assets by HK\$201,437,000 as at that date; and (ii) the Group can only utilise the remaining loan facility of RMB800,000,000 on meeting certain prerequisites. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern.

強調事項

本行在不作保留意見之情況下，謹請閣下垂注綜合財務報表附註3(b)所顯示：(i) 貴集團截至2011年12月31日止年度錄得虧損淨額96,239,000港元且其於當日之流動負債超出其流動資產201,437,000港元；及(ii) 貴集團僅可於達成若干先決條件後，方可動用餘下貸款金額人民幣800,000,000元。該等情況顯示貴集團存在重大不明朗因素，或會對貴集團持續經營之能力構成重大疑問。

BDO Limited

Certified Public Accountants

Shiu Hong NG

Practising Certificate Number P03752

Hong Kong, 30 March 2012

香港立信德豪會計師事務所有限公司

執業會計師

伍兆康

執業證書號碼P03752

香港，2012年3月30日

Consolidated Statement of Comprehensive Income

綜合全面收益表

For the year ended 31 December 2011 截至2011年12月31日止年度



		Notes 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Turnover	營業額	5 & 15	35,079	29,224
Direct costs	直接成本		(31,380)	(26,021)
Gross profit	毛利		3,699	3,203
Other revenue	其他收入	6	8,803	5,558
Other gains and (losses), net	其他收益及(虧損)淨額	7	2,475	73,066
Administrative expenses	行政費用		(107,086)	(69,522)
(Loss)/profit from operations	經營(虧損)/溢利		(92,109)	12,305
Finance costs	融資成本	8(a)	(6)	(1,453)
Share of loss of a jointly controlled entity	應佔共同控權合資公司虧損	20	(496)	(2,658)
(Loss)/profit before income tax expenses	除所得稅支出前(虧損)/溢利	8	(92,611)	8,194
Income tax expenses	所得稅支出	9	(3,628)	(3,510)
(Loss)/profit for the year	本年度(虧損)/溢利		(96,239)	4,684
Other comprehensive income, after tax	其他全面收益，除稅後			
Exchange differences on translating foreign operation	換算海外業務之匯兌差異		13,023	7,407
Less: Reclassification of exchange reserve to profit or loss upon disposal of foreign subsidiaries	減：出售海外附屬公司之匯兌儲備轉入損益賬之重新分類	35	-	(335)
Other comprehensive income for the year	本年度其他全面收益		13,023	7,072
Total comprehensive income for the year	本年度全面收益總額		(83,216)	11,756
(Loss)/profit attributable to:	以下人士應佔(虧損)/溢利：			
Owners of the Company	本公司擁有人	12	(96,239)	6,108
Non-controlling interests	非控股權益		-	(1,424)
			(96,239)	4,684
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		(83,216)	13,180
Non-controlling interests	非控股權益		-	(1,424)
			(83,216)	11,756
(Loss)/earnings per share	每股(虧損)/盈利			
- Basic	- 基本	14	(0.979) HK cents港仙	0.101 HK cents港仙
- Diluted	- 攤薄	14	(0.979) HK cents港仙	0.098 HK cents港仙

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2011 於2011年12月31日



		2011		2010		
		Notes	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		附註	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產					
Property, plant and equipment	物業、廠房及設備	16		267,471		89,199
Gas exploration and evaluation assets	天然氣勘探及評估資產	17		3,007,374		2,598,644
Intangible assets	無形資產	18		249,997		49,219
Goodwill	商譽	19		4,230		4,230
Interest in a jointly controlled entity	於一家共同控股合資公司之權益	20		6,452		6,948
Deposits and prepayments	按金及預付款項	23		32,368		2,355
Total non-current assets	非流動資產總額			3,567,892		2,750,595
Current assets	流動資產					
Inventories	存貨	22		635		-
Trade and other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項	23		24,235		72,738
Notes receivable	應收票據	24		-		135,000
Other assets	其他資產	25		-		222,458
Cash and cash equivalents	現金及現金等價物	26		344,451		242,529
Total current assets	流動資產總額			369,321		672,725
Total assets	總資產			3,937,213		3,423,320
Current liabilities	流動負債					
Other payables and accruals	其他應付款項及預提費用	27		(546,149)		(878,952)
Borrowings – secured	借貸 – 有抵押	29		(22,287)		-
Taxation	稅項			(2,322)		(895)
Total current liabilities	流動負債總額			(570,758)		(879,847)
Net current liabilities	流動負債淨值			(201,437)		(207,122)
Total assets less current liabilities	總資產減流動負債			3,366,455		2,543,473
Non-current liabilities	非流動負債					
Provisions	撥備	28		(1,132)		-
Borrowings – secured	借貸 – 有抵押	29		(285,693)		-
Deferred tax liabilities	遞延稅項負債	31		(18,674)		(15,098)
Total non-current liabilities	非流動負債總額			(305,499)		(15,098)
NET ASSETS	資產淨值			3,060,956		2,528,375
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	34(a)		120,190		91,414
Reserves	儲備			2,940,766		2,436,961
TOTAL EQUITY	總權益			3,060,956		2,528,375

On behalf of the Board
代表董事會

Dai Xiaobing
戴小兵
Director
董事

Wan Tze Fan Terence
溫子勳
Director
董事

Statement of Financial Position

財務狀況表

At 31 December 2011 於2011年12月31日



		2011		2010		
		Notes	HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		附註	千港元	千港元	千港元	千港元
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產					
Interests in subsidiaries	於附屬公司之權益	21		2,850,382		2,871,252
Notes receivable	應收票據	24		-		9,000
Total non-current assets	非流動資產總額			2,850,382		2,880,252
Current assets	流動資產					
Other receivables, deposits and prepayments	其他應收款項、按金及預付款項	23		240		1,738
Other assets	其他資產	25		-		60,000
Cash and cash equivalents	現金及現金等價物	26		147,428		28,087
Total current assets	流動資產總額			147,668		89,825
Total assets	總資產			2,998,050		2,970,077
Current liabilities	流動負債					
Other payables and accruals	其他應付款項及預提費用	27		(1,932)		(502,832)
Net current assets/(liabilities)	流動資產/(負債)淨值			145,736		(413,007)
NET ASSETS	資產淨值			2,996,118		2,467,245
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	34(a)		120,190		91,414
Reserves	儲備	34(b)		2,875,928		2,375,831
TOTAL EQUITY	總權益			2,996,118		2,467,245

On behalf of the Board
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 2011 截至2011年12月31日止年度



	Attributable to owners of the Company		Equity attributable to owners of the Company							Total		
	Share capital	Share premium	Share contributed surplus	Share option reserve	Warrant reserve	Convertible note equity reserve	Exchange reserve	Capital reserve	Accumulated losses		Company losses	Non-controlling interests
	股本	股份溢價	繳納盈餘	購股權儲備	認股權證儲備	可換股票據權益儲備	匯兌儲備	資本儲備	累計虧損	本公司應佔權益	非控股權益	總計
	HK\$'000	HK\$'000	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	千港元	千港元
At 1 January 2010	43,861	397,978	81,043	21,132	-	9,489	9,725	7,741	(422,819)	148,150	141	148,291
Profit/(loss) for the year	-	-	-	-	-	-	-	-	6,108	6,108	(1,424)	4,684
Other comprehensive income	-	-	-	-	-	-	7,072	-	-	7,072	-	7,072
Total comprehensive income for the year	-	-	-	-	-	-	7,072	-	6,108	13,180	(1,424)	11,756
Issue of share options (note 33)	-	-	-	19,200	-	-	-	-	-	19,200	-	19,200
Shares issued under share option scheme (note 34(a)(v))	4,761	65,489	-	(7,966)	-	-	-	-	-	62,284	-	62,284
Redemption of convertible note (note 30)	-	-	-	-	-	(6,313)	-	-	-	(6,313)	-	(6,313)
Release of convertible note equity reserve (note 30)	-	-	-	-	-	(3,176)	-	-	3,176	-	-	-
Shares issued on acquisitions (note 34(a)(vi))	15,600	733,200	-	-	-	-	-	-	-	748,800	-	748,800
Issue of convertible note for acquisition (note 30)	-	-	-	-	-	-	-	-	-	-	-	-
Shares issued on placing (note 34(a)(vii))	24,932	689,061	-	-	-	780,000	-	-	-	780,000	-	780,000
Issue of warrants (note 34(a)(iii))	-	-	-	-	7,250	-	-	-	-	7,250	-	7,250
Shares issued on exercise of warrants (note 34(a)(iii))	2,260	49,720	-	-	(2,260)	-	-	-	-	49,720	-	49,720
Reversal for contribution from controlling owner in the form of interest-free loans (note 34(c)(vii))	-	-	-	-	-	-	-	(7,741)	-	(7,741)	-	(7,741)
Acquisition of additional equity interest in a subsidiary	-	-	-	-	-	-	-	-	(148)	(148)	(141)	(289)
Disposal of subsidiaries (note 35)	-	-	-	-	-	-	-	-	-	-	1,424	1,424

於2010年1月1日

本年度溢利/(虧損)

其他全面收益

本年度全面收益總額

發行購股權(附註33)

按購股權計劃發行之股份

(附註34(a)(v))

贖回可換股票據(附註30)

可換股票據權益儲備撥回

(附註30)

就收購發行股份

(附註34(a)(vi))

就收購發行可換股票據

(附註30)

就配售發行股份(附註34(a)(vii))

發行認股權證(附註34(a)(iii))

行使認股權證而發行之股份

(附註34(a)(iii))

控股股東以無息貸款形式

作出之注資回撥

(附註34(c)(vii))

收購一家附屬公司

之額外股權

出售附屬公司(附註35)

Consolidated Statement of Changes in Equity

綜合權益變動表

For the year ended 31 December 2011 截至2011年12月31日止年度



		Attributable to owners of the Company 本公司擁有人應佔										Equity attributable to owners of the Company 本公司擁有人應佔權益	
		Share capital 股本	Share premium 股份溢價	Share contributed surplus 繳納盈餘	Share option reserve 購股權儲備	Warrant reserve 認股權證儲備	Convertible note equity reserve 可換股票據權益儲備	Exchange reserve 匯兌儲備	Capital reserve 資本儲備	Accumulated losses 累計虧損	Company 本公司	Non-controlling interests 非控股權益	Total 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	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	
At 31 December 2010	於2010年12月31日	91,414	1,935,448	81,043	32,366	4,890	780,000	16,797	-	(413,683)	2,528,375	2,528,375	
Loss for the year	本年度虧損	-	-	-	-	-	-	-	-	(96,239)	(96,239)	(96,239)	
Other comprehensive income	其他全面收益	-	-	-	-	-	-	13,023	-	-	13,023	13,023	
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	13,023	-	(96,239)	(83,216)	(83,216)	
Shares issued on exercise of warrants (note 34(a)(iii))	行使認股權證而發行之股份 (附註34(a)(iii))	100	2,200	-	-	(100)	-	-	-	-	2,200	2,200	
Issue of convertible note (note 30)	發行可換股票據(附註30)	-	-	-	-	-	32,480	-	-	-	32,480	32,480	
Shares issued under share option scheme (note 34(a)(iv))	按購股權計劃發行之股份 (附註34(a)(iv))	586	14,654	-	(1,297)	-	-	-	-	-	13,953	13,953	
Conversion of convertible note (note 34(a)(vii))	可換股票據之轉換 (附註34(a)(vii))	24,960	1,207,324	-	-	-	(812,480)	-	-	-	419,804	419,804	
Shares issued on acquisitions (note 34(a)(v))	就收購發行股份 (附註34(a)(v))	3,120	84,240	-	-	-	-	-	-	-	87,360	87,360	
Issue of share options (note 33)	發行購股權(附註33)	-	-	-	60,000	-	-	-	-	-	60,000	60,000	
At 31 December 2011	於2011年12月31日	120,190	3,243,866	81,043	91,069	4,890	-	29,820	-	(509,922)	3,060,956	3,060,956	

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011 截至2011年12月31日止年度



		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Operating activities	經營業務		
(Loss)/profit before income tax expenses	除所得稅支出前(虧損)/溢利	(92,611)	8,194
Adjustments for:	調整項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	8,802	10,351
Amortisation of intangible assets	無形資產攤銷	46	323
Imputed interest on convertible note	可換股票據之應計利息	-	1,452
Imputed interest income on notes receivable	應收票據之應計利息收入	-	(1,444)
Interest expenses	利息支出	6	-
Interest income	利息收入	(7,897)	(103)
Gain on disposal of subsidiaries	出售附屬公司收益	-	(72,798)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備虧損	-	3
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	1,414	-
Equity-settled share-based payment expenses	股本結算以股份支付之支出	60,000	19,200
Share of loss of a jointly controlled entity	應佔共同控權合資公司虧損	496	2,658
Deposits and other receivables written off	按金及其他應收款項撇銷	2,355	465
Loss on redemption of convertible note	贖回可換股票據虧損	-	703
Operating loss before changes in working capital	營運資金變動前經營虧損	(27,389)	(30,996)
(Increase)/decrease in inventories	存貨(增加)/減少	(635)	446
Decrease/(increase) in other assets	其他資產減少/(增加)	56,656	(116,656)
Decrease/(increase) in trade and other receivables, deposits and prepayments	應收賬款、其他應收款項、按金及預付款項減少/(增加)	19,783	(50,324)
(Decrease)/increase in other payables and accruals	其他應付款項及預提費用(減少)/增加	(36,916)	89,636
Effect of foreign exchange rate changes	匯率變動之影響	(6,241)	(1,439)
Cash from/(used in) operations	經營業務產生/(所用)之現金	5,258	(109,333)
Tax paid	已繳稅項		
Income tax paid – the Peoples' Republic of China (the "PRC")	已繳所得稅項 – 中華人民共和國(「中國」)	-	-
Net cash generated from/(used in) operating activities	經營業務產生/(所用)之現金淨額	5,258	(109,333)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2011 截至2011年12月31日止年度



	Notes 附註	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Investing activities	投資活動		
Payment for purchase of property, plant and equipment	購入物業、廠房及設備付款	(36,511)	(4,339)
Payment for purchases of other assets	購入其他資產付款	–	(105,802)
Payment for purchases of intangible assets	購入無形資產付款	–	(910)
Payment for purchase of gas exploration and evaluation assets	購入天然氣勘探及評估資產付款	(104,830)	(22,906)
Disposal of subsidiaries, net of cash disposed of	出售附屬公司，扣除所出售現金	35	–
Acquisitions of subsidiaries, net of cash acquired	收購附屬公司，扣除所收購現金	36	(39,439)
Payment for acquisition of a subsidiary acquired in prior year	收購一家去年收購之附屬公司之付款	27(i)	(500,000)
Cash advance to a third party	向第三方支付之現金墊款	6(a)	(140,000)
Cash receipts from a third party	自第三方收取之現金收款	6(a)	140,000
Interest received	已收利息		7,897
Interest paid	已付利息		(4,561)
Proceeds from notes receivable	應收票據所得款項		13,000
Net cash used in investing activities	投資活動所用之現金淨額	(664,444)	(409,942)
Financing activities	融資活動		
Proceeds from convertible note issued	發行可換股票據所得款項	30	468,000
Issuance cost on convertible note	可換股票據發行成本	34(a)(vii)	(15,716)
Repayment for convertible note	可換股票據還款	30	–
Proceeds from issuance of warrants	發行認股權證所得款項	34(a)(ii)	–
Proceeds from exercising warrants	行使認股權證所得款項	34(a)(iii)	2,200
Proceeds from shares issued under share option scheme	按購股權計劃發行股份所得款項	34(a)(iv)	13,953
Proceeds from borrowings-secured	有抵押借貸所得款項	29	307,980
Issuance of shares	發行股份	34(a)(vi)	–
Payment for acquisition of additional equity interest in a subsidiary	收購一家附屬公司額外股權付款		–
Repayment to a controlling owner	控股股東之還款		–
Net cash generated from financing activities	融資活動產生之現金淨額	776,417	755,140
Net increase in cash and cash equivalents	現金及現金等價物增加淨額	117,231	235,865
Cash and cash equivalents at 1 January	於1月1日之現金及現金等價物	242,529	10,535
Effect of foreign exchange rate changes	匯率變動之影響	(15,309)	(3,871)
Cash and cash equivalents at 31 December, representing cash and bank balances	於12月31日，即現金及銀行結餘之現金及現金等價物	26	344,451

Notes to the Financial Statements

財務報表附註



1. GENERAL

Sino Oil and Gas Holdings Limited 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 on 9 February 2000. The registered office and principal place of business of the Company are located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Suite 3707-3708, West Tower, Shun Tak Centre, 168-200 Connaught Road Central, Hong Kong, respectively.

The Company acts as an investment holding company. The principal activities of its subsidiaries are set out in note 21(a).

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2011

HKFRSs (Amendments)
香港財務報告準則之修訂
Amendments to HKAS 32
香港會計準則第32號之修訂
Amendments to HK(IFRIC) – Interpretation 14
香港(國際財務報告詮釋委員會) –
詮釋第14號之修訂
HK(IFRIC) – Interpretation 19
香港(國際財務報告詮釋委員會) – 詮釋第19號
HKAS 24 (Revised)
香港會計準則第24號(經修訂)

Except as explained below, the adoption of these new/revised standards and interpretations has no material impact on the Group’s financial statements.

1. 一般資料

中國油氣控股有限公司根據百慕達一九八一年公司法(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主板上市。本公司之註冊辦事處及主要營業地點分別位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda及香港干諾道中168-200號信德中心西座3707-3708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21(a)。

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 – 2011年1月1日起生效

Improvements to HKFRSs 2010
2010年香港財務報告準則之改進
Classification of Rights Issues
供股分類
Prepayments of a Minimum Funding Requirement
最低資金規定之預付款項
Extinguishing Financial Liabilities with Equity Instruments
以股本工具抵銷財務負債
Related Party Disclosures
關連人士披露

除以下變動外，採納上述新訂／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。

Notes to the Financial Statements

財務報表附註



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

(a) Adoption of new/revised HKFRSs – effective 1 January 2011 (Continued)

HKFRS 7(Amendments) – Financial Instruments: Disclosures

As part of the Improvements to HKFRSs issued in 2010, HKFRS 7 has been amended to enhance the interaction between quantitative and qualitative disclosures. If the carrying amount of a financial asset best represents the maximum exposure to credit risk, the standard does not require a positive statement to this effect in the financial statements. This amended disclosure requirement has been applied retrospectively. The carrying amount of the Group’s trade receivables represents the Group’s maximum exposure to credit risk in respect of these financial assets as at 31 December 2011 and 2010. The prior year financial statements included a positive statement to this effect which is removed in the 2011 financial statements following the amendments. The adoption of the amendments has no impact on the Group’s reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) – Related Party Disclosures

HKAS 24 (Revised) amends the definition of related party and clarifies its meaning. This may result in changes to those parties who are identified as being related parties of the reporting entity. The Group has reassessed the identification of its related parties in accordance with the revised definition. The adoption of HKAS 24 (Revised) has no impact on the Group’s reported profit or loss, total comprehensive income or equity for any period presented.

HKAS 24 (Revised) also introduces simplified disclosure requirements applicable to related party transactions where the Group and the counterparty are under the common control, joint control or significant influence of a government, government agency or similar body. These new disclosures are not relevant to the Group because the Group is not a government related entity.

2. 採納香港財務報告準則(續)

(a) 採納新訂／經修訂香港財務報告準則—2011年1月1日起生效(續) 香港財務報告準則第7號(修訂本)— 財務工具：披露

作為於2010年所頒佈對香港財務報告準則之改進之一部分，香港財務報告準則第7號已修訂以增強定量與定性披露間之互相作用。倘財務資產之賬面值最能代表所面臨之最高信貸風險，則該準則不要求於財務報表內對該影響作正面陳述。該項經修訂披露規定已獲追溯應用。本集團應收賬款之賬面值代表本集團於2011年及2010年12月31日就該等財務資產所面臨之最高信貸風險。過往年度財務報表包括對該影響之正面陳述，其已於2011年財務報表內刪除以遵循該等修訂。採納該等修訂並無對本集團於任何呈報期間之報告損益、全面收益或權益總額造成任何影響。

香港會計準則第24號(經修訂)— 關連人士披露

香港會計準則第24號(經修訂)修訂對關連人士之定義並釐清其涵義。有關修訂可能會造成被識別為報告實體關連人士之該等人士出現變更。本集團已根據經修訂定義重新評估其關連人士之身份。採納香港會計準則第24號(經修訂)並無對本集團於任何呈報期間之報告損益、全面收益或權益總額造成任何影響。

香港會計準則第24號(經修訂)亦引入適用於本集團及對手方受政府、政府機關或類似機構一般控制、共同控制或重大影響下進行之關連人士交易之簡化披露規定。由於本集團並非政府關連實體，故該等新披露與本集團並不相關。

Notes to the Financial Statements

財務報表附註



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 financial statements, have been issued, but are not yet effective and have not been early adopted by the Group.

Amendments to HKFRS 7
香港財務報告準則第7號之修訂

Amendments to HKAS 12
香港會計準則第12號之修訂

Amendments to HKAS 1 (Revised)
香港會計準則第1號之修訂(經修訂)

HKFRS 9
香港財務報告準則第9號

HKFRS 10
香港財務報告準則第10號

HKFRS 11
香港財務報告準則第11號

HKFRS 12
香港財務報告準則第12號

HKFRS 13
香港財務報告準則第13號

HKAS 19 (2011)
香港會計準則第19號(2011年)

HKAS 27 (2011)
香港會計準則第27號(2011年)

HKAS 28 (2011)
香港會計準則第28號(2011年)

HK(IFRIC) – Interpretation 20
香港(國際財務報告詮釋委員會)–詮釋第20號

Amendments to HKAS 32 and HKFRS 7
香港會計準則第32號及香港財務報告準則第7號之修訂

Amendments to HKFRS 7 and HKFRS 9
香港財務報告準則第7號及香港財務報告準則第9號之修訂

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財務報表相關。

Disclosures – Transfers of Financial Assets¹
披露－轉讓財務資產¹

Deferred Tax – Recovery of Underlying Assets²
遞延稅項－收回相關資產²

Presentation of Items of Other Comprehensive Income³
其他全面收益項目之呈列³

Financial Instruments⁶
財務工具⁶

Consolidated Financial Statements⁴
綜合財務報表⁴

Joint Arrangements⁴
聯合安排⁴

Disclosure of Interests in Other Entities⁴
於其他實體權益之披露⁴

Fair Value Measurement⁴
公平值計量⁴

Employee Benefits⁴
僱員福利⁴

Separate Financial Statements⁴
獨立財務報表⁴

Investments in Associates and Joint Ventures⁴
於聯營公司及合資公司之投資⁴

Stripping Costs of the Production Phase of a Surface Mine⁴
露天礦場生產階段之剝採成本⁴

Offsetting Financial Assets and Financial Liabilities⁵
抵銷財務資產及財務負債⁵

Mandatory Effective Date of HKFRS 9 and Transition Disclosure⁶
香港財務報告準則第9號之強制性生效日期及過渡性披露⁶

Notes to the Financial Statements

財務報表附註



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

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

- 1 Effective for annual periods beginning on or after 1 July 2011
- 2 Effective for annual periods beginning on or after 1 January 2012
- 3 Effective for annual periods beginning on or after 1 July 2012
- 4 Effective for annual periods beginning on or after 1 January 2013
- 5 Effective for annual periods beginning on or after 1 January, 2013 and 2014, as appropriate
- 6 Effective for annual periods beginning on or after 1 January 2015

Amendments to HKAS 1 (Revised) – Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 (Revised) require the Group to separate items presented in other comprehensive income into those that may be reclassified to profit and loss in the future (e.g. revaluations of available-for-sale financial assets) and those that may not (e.g. revaluations of property, plant and equipment). Tax on items of other comprehensive income is allocated and disclosed on the same basis. The amendments will be applied retrospectively.

HKFRS 9 – Financial Instruments

Under HKFRS 9, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for those non-trade equity investments, which the entity will have a choice to recognise the gains and losses in other comprehensive income. HKFRS 9 carries forward the recognition, classification and measurement requirements for financial liabilities from HKAS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that 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)

- 1 於2011年7月1日開始或之後之年度期間生效
- 2 於2012年1月1日開始或之後之年度期間生效
- 3 於2012年7月1日開始或之後之年度期間生效
- 4 於2013年1月1日開始或之後之年度期間生效
- 5 於2013年及2014年1月1日開始或之後之年度期間生效(如適當)
- 6 於2015年1月1日開始或之後之年度期間生效

香港會計準則第1號之修訂(經修訂) – 其他全面收益項目之呈列

香港會計準則第1號之修訂(經修訂)規定本集團將呈列於其他全面收益之項目分為該等可能於日後重新分類至損益之項目(如可供出售財務資產之重新估值)及該等未必會重新分類至損益之項目(如物業、廠房及設備之重新估值)。就其他全面收益項目繳納之稅項會按相同基準進行分配及披露。該等修訂本將追溯應用。

香港財務報告準則第9號 – 財務工具

根據香港財務報告準則第9號，財務資產乃視乎實體管理財務資產之業務模式及財務資產之合約現金流量特徵分類為按公平值或攤銷成本計量之財務資產。公平值之盈虧將於損益賬中確認，惟就若干非買賣性股本投資而言，實體可選擇於其他全面收益中確認盈虧。香港財務報告準則第9號貫徹香港會計準則第39號之財務負債確認及計量規定，惟按公平值於損益列賬之財務負債除外，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，除非會引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。

Notes to the Financial Statements

財務報表附註



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 10 – Consolidated Financial Statements

HKFRS 10 introduces a single control model for consolidation of all investee entities. An investor has control when it has power over the investee (whether or not that power is used in practice), exposure or rights to variable returns from the investee and the ability to use the power over the investee to affect those returns. HKFRS 10 contains extensive guidance on the assessment of control. For example, the standard introduces the concept of “de facto” control where an investor can control an investee while holding less than 50% of the investee’s voting rights in circumstances where its voting interest is of sufficiently dominant size relative to the size and dispersion of those of other individual shareholders to give it power over the investee. Potential voting rights are considered in the analysis of control only when these are substantive, i.e. the holder has the practical ability to exercise them. The standard explicitly requires an assessment of whether an investor with decision making rights is acting as principal or agent and also whether other parties with decision making rights are acting as agents of the investor. An agent is engaged to act on behalf of and for the benefit of another party and therefore does not control the investee when it exercises its decision making authority. The implementation of HKFRS 10 may result in changes in those entities which are regarded as being controlled by the Group and are therefore consolidated in the financial statements. The accounting requirements in the existing HKAS 27 on other consolidation related matters are carried forward unchanged. HKFRS 10 is applied retrospectively subject to certain transitional provisions.

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10號－綜合財務報表

香港財務報告準則第10號就綜合計算所有被投資實體引入單一控股權模式。當投資者有權控制被投資方(不論實際上有否行使該權力)、對來自被投資方之浮動回報享有之承擔或權利,以及能運用對被投資方之權力以影響該等回報時,投資者即擁有控制權。香港財務報告準則第10號載有評估控制權之詳細指引。例如,該準則引入「實際」控制權之概念,倘相對其他個人股東之表決權益之數量及分散情況,投資者之表決權益數量足以佔優,使其獲得對被投資方之權力,持有被投資方表決權少於50%之投資者仍可控制被投資方。潛在表決權僅在實質存在(即持有人有實際能力可行使該等表決權)時,在分析控制權時考慮。該準則明確要求評估具有決策權之投資者是以委託人或代理人身份行事,以及具有決策權之其他各方是否以投資者之代理人身份行事。代理人獲委聘以代表另一方及為另一方之利益行事,故在其行使其決策權時並不控制被投資方。實施香港財務報告準則第10號可能導致該等被視為受本集團控制並因此在財務報表中綜合入賬之實體出現變動。現行香港會計準則第27號有關其他綜合計算相關事項之會計規定貫徹不變。香港財務報告準則第10號獲追溯應用,惟須受限於若干過渡性條文。

Notes to the Financial Statements

財務報表附註



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 11 – Joint Arrangements

Joint arrangements under HKFRS 11 have the same basic characteristics as joint ventures under HKAS 31. Joint arrangements are classified as either joint operations or joint ventures. Where the Group has rights to the assets and obligations for the liabilities of the joint arrangement, it is regarded as a joint operator and will recognise its interests in the assets, liabilities, income and expenses arising from the joint arrangement. Where the Group has rights to the net assets of the joint arrangement as a whole, it is regarded as having an interest in a joint venture and will apply the equity method of accounting. HKFRS 11 does not allow proportionate consolidation. In an arrangement structured through a separate vehicle, all relevant facts and circumstances should be considered to determine whether the parties to the arrangement have rights to the net assets of the arrangement. Previously, the existence of a separate legal entity was the key factor in determining the existence of a jointly controlled entity under HKAS 31.

HKFRS 12 – Disclosure of Interests in Other Entities

HKFRS 12 integrates and makes consistent the disclosures requirements about interests in subsidiaries, associates and joint arrangements. It also introduces new disclosure requirements, including those related to unconsolidated structured entities. The general objective of the standard is to enable users of financial statements to evaluate the nature and risks of a reporting entity's interests in other entities and the effects of those interests on the reporting entity's financial statements.

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11號－聯合安排

香港財務報告準則第11號所指之聯合安排與香港會計準則第31號所指之合資公司之基本特點相同。聯合安排分類為合營業務及合資公司。倘本集團有權享有聯合安排之資產及有義務承擔其負債，則被視為合營者，並將確認其於聯合安排產生之資產、負債、收益及支出之權益。倘本集團有權享有聯合安排之整體資產淨值，則被視為於合資公司擁有權益，並將應用權益會計法。香港財務報告準則第11號不允許採用比例綜合法。在透過獨立實體組織之安排中，所有相關事實及情況均應予考慮，以釐定參與該安排之各方是否有權享有該安排之資產淨值。以往，獨立法律實體之存在為釐定香港會計準則第31號所指之共同控權合資公司是否存在之主要因素。

香港財務報告準則第12號－披露於其他實體之權益

香港財務報告準則第12號整合有關於附屬公司、合資公司及聯合安排之權益之披露規定，並使有關規定貫徹一致。該準則亦引入新披露規定，包括有關非綜合計算結構實體之披露規定。該準則之一般目標是令財務報表使用者可評估呈報實體於其他實體之權益之性質及風險，以及該等權益對呈報實體之財務報表之影響。

Notes to the Financial Statements

財務報表附註



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 13 – Fair Value Measurement

HKFRS 13 provides a single source of guidance on how to measure fair value when it is required or permitted by other standards. The standard applies to both financial and non-financial items measured at fair value and introduces a fair value measurement hierarchy. The definitions of the three levels in this measurement hierarchy are generally consistent with HKFRS 7 “Financial Instruments: Disclosures”. HKFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (i.e. an exit price). The standard removes the requirement to use bid and ask prices for financial assets and liabilities quoted in an active market. Rather the price within the bid-ask spread that is most representative of fair value in the circumstances should be used. It also contains extensive disclosure requirements to allow users of the financial statements to assess the methods and inputs used in measuring fair values and the effects of fair value measurements on the financial statements. HKFRS 13 can be adopted early and is applied prospectively.

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13號－公平值計量

香港財務報告準則第13號提供有關如何在其他準則要求或准許時計量公平值之單一指引來源。該準則適用於按公平值計量之金融項目及非金融項目，並引入公平值計量等級。此計量等級中三個層級之定義一般與香港財務報告準則第7號「金融工具：披露」一致。香港財務報告準則第13號將公平值界定為在市場參與者於計量日期進行之有序交易中出售資產所收取或轉讓負債所支付之價格(即平倉價)。該準則撤銷以買入價及賣出價釐定於交投活躍市場掛牌之財務資產及負債之規定，而應採用買賣差價中在該等情況下最能代表公平值之價格。該準則亦載有詳細之披露規定，使財務報表使用者可評估計量公平值所採用之方法及輸入數據，以及公平值計量對財務報表之影響。香港財務報告準則第13號可提早採用，現按未來適用基準應用。

Notes to the Financial Statements

財務報表附註



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) Interpretation 20 – Stripping Costs in the Production Phase of a Surface Mine

Stripping activities carried out in the production phase of a surface mine may give rise to two benefits: usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. The Interpretation requires that costs of stripping activity are accounted for in accordance with the principles in HKAS 2 Inventories to the extent that the benefit from stripping activity is realised in the form of inventory produced. The costs of stripping activity that provide a benefit in the form of improved access to ore are recognised as a non-current stripping activity asset when certain criteria are met. This asset will be accounted for as an addition or enhancement to an existing asset and is classified as tangible or intangible according to the nature of the existing asset of which it forms part. The stripping activity asset is measured initially at cost and subsequently in the same way as the existing asset of which it forms part. It is depreciated or amortised on a systematic basis over the expected useful life of the component of the ore body that becomes more accessible as a result of the stripping activity. The interpretation is applied to production stripping costs incurred after the beginning of the earliest period presented. Predecessor stripping activity asset balance is reclassified as a part of an existing asset subject to the conditions in the Interpretation.

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20號－露天礦場生產階段之剝採成本

露天礦場生產階段之剝採活動可產生兩種利益：可用於生產存貨之可用礦及方便取得於未來期間將予開採之更多物料。該詮釋規定剝採活動之成本須根據香港會計準則第2號存貨之原則入賬，致使剝採活動之利益以所生產存貨之方式實現。以取得更多礦之方式提供利益之剝採活動成本，於符合若干條件後確認為非經常性剝採活動資產。該資產將計入為現有資產之添置或改良，並根據構成現有資產之一部分之性質分類為有形或無形資產。剝採活動資產初始按成本計量，其後以相同方式計入為構成現有資產之一部分，其以有系統之基準按因剝採活動而更方便取得之礦的組成部分之預計可使用年期折舊或攤銷。該詮釋已應用於所呈列最早期間開始後產生之生產剝採成本。過往剝採活動資產之結餘已根據詮釋內之條件重新分類為現有資產之一部分。

Notes to the Financial Statements

財務報表附註



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 HKAS 32 and HKFRS 7 – Offsetting Financial Assets and Financial Liabilities

The amendments to HKAS 32 clarify existing application issues relating to the offsetting requirements. Specifically, the amendments clarify the meaning of “currently has a legally enforceable right of set-off” and “simultaneous realisation and settlement”. The amendments to HKFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement. The amended offsetting disclosures are required for annual periods beginning on or after 1 January 2013 and interim periods within those annual periods. The disclosures should also be provided retrospectively for all comparative periods. However, the amendments to HKAS 32 are not effective until annual periods beginning on or after 1 January 2014, with retrospective application required.

The Group is in the process of making an assessment of the potential impact of these new/revised HKFRSs and the directors so far concluded that the application of these new/revised HKFRSs will have no material impact on the Group’s financial statements.

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)

香港會計準則第32號及香港財務報告準則第7號之修訂－抵銷財務資產及財務負債

香港會計準則第32號之修訂澄清與抵銷規定有關之現有應用問題。尤其為修訂澄清「現時擁有於法律上可強制執行之抵銷權」及「同時變現及結算」之涵義。香港財務報告準則第7號之修訂規定實體就具有可強制性執行之統一淨額結算協議或類似安排項下之財務工具而披露與抵銷權及相關安排(如抵押品過賬規定)有關之資料。經修訂抵銷披露需要自2013年1月1日起或之後開始年度期間及該等年度期間之中期期間。披露亦應就所有可比較期間具有可追溯效力。然而，香港會計準則第32號之修訂於2014年1月1日或之後開始年度期間方才生效，且需要可追溯應用。

本集團現正評估該等新訂／經修訂香港財務報告準則之潛在影響，而董事迄今認為，採納該等新訂／經修訂香港財務報告準則不會對本集團之財務報表構成重大影響。

Notes to the Financial Statements

財務報表附註



3. BASIS OF PREPARATION

(a) Statement of compliance

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

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost convention as modified by the inclusion of certain financial instruments at fair value.

The Group incurred a loss of HK\$96,239,000 for the year ended 31 December 2011 and its current liabilities exceeded current assets by HK\$201,437,000 as at that date. In addition, as described in the paragraph below, the Group can only utilise the remaining loan facility of RMB800,000,000 if certain prerequisites are met. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Group’s ability to continue as a going concern. The Group’s ability to continue as a going concern will depend on it being able to utilise the remaining loan facility and the continuing efforts management of the Group to improve profitability and operational cash flows.

3. 編製基準

(a) 合規聲明

本綜合財務報表乃按照香港所有適用之香港財務報告準則、香港會計準則及詮釋（以下統稱「香港財務報告準則」）及香港公司條例之披露規定編製。此外，本綜合財務報表亦符合香港聯合交易所有限公司證券上市規則之適用披露規定。

(b) 計量基準及持續經營假設

本綜合財務報表乃採用經若干按公平值列賬之財務工具調整後之歷史成本慣例編製。

本集團於截至2011年12月31日止年度錄得虧損96,239,000港元，且其於當日之流動負債超出其流動資產201,437,000港元。此外，誠如下段所述，本集團僅可於達成若干先決條件後，方可動用餘下貸款金額人民幣800,000,000元。該等情況顯示本集團存在重大不明朗因素，或會對本集團持續經營之能力構成重大疑問。本集團能否持續經營將取決於其能否動用餘下貸款以及本集團管理層能否繼續努力改善盈利能力及經營現金流量。

Notes to the Financial Statements

財務報表附註



3. BASIS OF PREPARATION (Continued)

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

As set out in note 29, the Group obtained a loan facility of RMB1,000,000,000 repayable by instalment over five years from a financial institution in the PRC. As at 31 December 2011, the Group had only utilised RMB200,000,000 of this facility. The remaining facility of RMB 800,000,000 can only be drawn after the Group has submitted a plan for the development of the coalbed methane field or part of the coalbed methane field (the “Overall Development Program” or “ODP”) of the production sharing contract set out in note 37 (“Sanjiao PSC”) and obtained the approval of the ODP by the National Development and Reform Commission (the “NDRC”). PetroChina Coalbed Methane Gas Company Limited (“PetroChina CBM”), the PRC party under the Sanjiao PSC, has confirmed to the Group in writing that its parent company has approved the ODP. PetroChina CBM further confirmed that they are in the process of completing the formalities for the submission of the ODP to the NDRC. PetroChina CBM anticipates to submit the ODP to the NDRC by middle of May 2012. As advised by the Group’s legal counsel in the PRC, there should be no obstacle in obtaining preliminary approval of the ODP from the NDRC once it is submitted by PetroChina CBM and the approval process will normally be completed in ten working days. Accordingly, the directors are confident that the ODP will be preliminary approved before 30 June 2012 and the Group will be able to make use of the remaining loan facility of RMB800,000,000.

As a result of the above and after taking into account the Group’s cash flow projection for the coming year, the directors are of the opinion that the Group will have sufficient working capital to meet its liabilities as they fall due in the next twelve months from the end of the reporting period. If the Group were unable to continue as a going concern, the Group may not be able to realise its assets and discharge its liabilities in the normal course of business.

3. 編製基準(續)

(b) 計量基準及持續經營假設(續)

誠如附註29所載，本集團從一家中國金融機構取得一項貸款融資，金額為人民幣1,000,000,000元，須於五年內分期償還。於2011年12月31日，本集團僅動用該筆貸款之人民幣200,000,000元。餘下貸款金額人民幣800,000,000元僅可於本集團就開發附註37所載之產品分成合同（「三交產品分成合同」）之煤層氣田或部分煤層氣田（「整體開發計劃」或「ODP」）提交計劃以及獲得國家發展和改革委員會（「發改委」）批准後，方可提取。三交產品分成合同之中方夥伴中石油煤層氣有限責任公司（「中石油煤層氣」）已向本集團作出書面確認，其母公司已批准ODP。中石油煤層氣進一步確認，其正在辦理向發改委提交ODP之手續。中石油煤層氣預計到2012年5月中，將向發改委提交ODP。誠如本集團之中國律師所告知，一旦中石油煤層氣提交ODP，其在獲得發改委初步批准時應不會受到任何障礙及有關批准程序正常會於十日時間內完成。因此，董事有信心在2012年6月30日之前初步獲得發改委之批准，且本集團將能夠利用餘下貸款人民幣800,000,000元。

鑒於上文所述及考慮本集團對來年現金流量之預測，董事認為本集團將具備足夠營運資金應付自本報告期結日起未來十二個月之到期負債。如本集團未能維持持續經營之能力，本集團可能無法於正常業務過程中變現資產及清償負債。

Notes to the Financial Statements

財務報表附註



3. BASIS OF PREPARATION (Continued)

(c) Functional and presentational 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 dollars ("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 effective dates of acquisition or up to the effective 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)

(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。本綜合財務報表乃以香港貨幣(「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，乃由收購生效日期起或截至出售生效日期止(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。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Acquisitions of subsidiaries or businesses are 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.

Contingent consideration balances arising from business combinations whose acquisition dates preceded 1 January 2010 (i.e. the date the Group first applied HKFRS 3 (2008)) have been accounted for in accordance with the transition requirements in the standard. Such balances are not adjusted upon first application of the standard. Subsequent revisions to estimates of such consideration are treated as adjustments to the cost of these business combinations and are recognised as part of goodwill.

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，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。

收購日期為2010年1月1日(即本集團首次應用香港財務報告準則第3號(2008年)之日)前之業務合併所產生之或然代價結餘已根據該準則之過渡規定入賬。有關結餘於首次應用該準則時並未作調整。其後對有關代價估計之修訂作為對該等業務合併成本之調整處理，並被確認為商譽之一部分。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interest are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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.

4. 主要會計政策 (續)

(a) 業務合併及綜合基準 (續)

本集團於附屬公司之權益變動如未導致失去控制權，則入賬列為權益交易。本集團權益及非控股權益之賬面值均予調整，以反映其各自於附屬公司之權益之變動。經調整後非控股權益金額與所付或所收代價公平值之任何差額，直接於權益中確認，並歸屬於本公司擁有人。

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。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Subsidiaries

A subsidiary is an entity over which the Company is able to exercise control. Control is achieved where the Company, directly or indirectly, has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

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.

(c) Acquisition of subsidiaries

When the Group acquires a subsidiary where the underlying assets are not integrated in forming a business to generate revenues, the transaction is accounted for as a purchase of net assets. The cost of the acquisition is allocated to the identifiable assets and liabilities acquired based on their relative fair values at the date of acquisition and no goodwill is recognised.

(d) Goodwill

Goodwill is initially recognised at cost being the excess of the aggregate of consideration transferred and the amount recognised for non-controlling interests over the fair value of identifiable assets, liabilities and contingent liabilities acquired.

Where the fair value of identifiable assets, liabilities and contingent liabilities exceed the fair value of consideration paid, the excess is recognised in profit or loss on the acquisition date, after re-assessment.

4. 主要會計政策 (續)

(b) 附屬公司

附屬公司指本公司能對其行使控制權之實體。倘本公司直接或間接有權監控一家實體之財務及經營政策，並藉此從其活動中取得利益，即本公司具有控制權。在評估控制權時，已考慮現時可行使之潛在投票權。

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。

(c) 收購附屬公司

當本集團收購一家附屬公司（其相關資產並非合併為產生收益之業務），則交易入賬列為購買資產淨值。收購成本根據所收購之可識別資產及負債各自於收購日期之公平值分配至可識別資產及負債，概不會確認商譽。

(d) 商譽

商譽初步按成本確認，即所轉讓代價總額及已確認之非控股權益金額超出所收購可辨別資產、負債及或有負債公平值之金額。

倘可辨別資產、負債及或有負債之公平值超出已付代價之公平值，則超出部分於重估後於收購日期在損益賬內確認。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Goodwill (Continued)

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 to which goodwill has been allocated is tested for impairment annually, 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. Any impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(e) Joint Venture

A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity which is subject to joint control and none of the participating parties has unilateral control over the economic activity.

Jointly controlled entities

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

4. 主要會計政策 (續)

(d) 商譽 (續)

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。獲分配商譽之現金產生單位每年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。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。

(e) 合營公司

合營公司指本集團與其他有關方在共同控制下進行經濟活動之合約安排，合營各方不能單方面控制合營企業之經濟活動。

共同控權合資公司

共同控權合資公司採用權益法列賬，初步按成本確認，此後其賬面值就本集團應佔共同控權合資公司收購後之資產淨值變動作出調整，惟超出本集團所佔共同控權合資公司權益之虧損不予確認，除非有責任補償該等虧損則除外。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Joint Venture (Continued)

Jointly controlled entities (Continued)

Unrealised profits and losses resulting from transactions between the Group and its jointly controlled entities are eliminated to the extent of the Group's interest in the jointly controlled entities, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are immediately recognised in profit or loss.

Accounting for production sharing contracts

Production sharing contracts constitute jointly controlled operations. The Group's interests in production sharing contracts are accounted for in the financial statements on the following bases:

- (i) the assets that the Group controls and the liabilities that the Group incurs on an accrual basis; and
- (ii) the Group's share of income that it earns from jointly controlled operations together with the expenses that it incurs are included in profit or loss when it is probable that economic benefits associated with the transaction will flow to/from the Group according to the terms of the contracts.

(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.

4. 主要會計政策 (續)

(e) 合營公司 (續)

共同控權合資公司 (續)

本集團與其共同控權合資公司進行交易時所產生之未變現溢利及虧損，將按本集團所佔共同控權合資公司之權益對銷，但假如未變現虧損顯示已轉讓資產出現減值，則該等未變現虧損會即時在損益賬內確認。

產品分成合同之會計處理

產品分成合同構成共同控制之業務。本集團於產品分成合同之權益在財務報表內按下列基準列賬：

- (i) 本集團控制之資產及本集團產生之應計負債；及
- (ii) 在與交易有關之經濟利益可能流入／來自本集團時，按此等合約之條款分享本集團自共同控權合資公司賺取之收入，及分擔本集團所產生之已列入損益之開支。

(f) 物業、廠房及設備

物業、廠房及設備項目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。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment (Continued)

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.

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. 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:

- Leasehold improvements are depreciated over the shorter of their estimated useful lives or the lease term.
- Oil and gas properties 14 years
- Furniture, fixtures and office equipment 5 – 7 years
- Motor vehicles 5 – 8 years

Construction in progress is stated at cost less impairment losses. Cost comprises direct costs of construction as well as borrowing costs capitalised 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.

4. 主要會計政策 (續)

(f) 物業、廠房及設備 (續)

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確認為開支。

興建、安裝或完成平台、管道等基建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。

物業、廠房及設備於估計可用年限內按直線基準（扣除預計剩餘價值後）折舊，以沖銷其成本。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：

- 租賃物業裝修按估計可用年限或租賃期間（以較短者為準）折舊。
- 油氣資產 14年
- 傢俬、固定裝置及辦公室設備 5至7年
- 汽車 5至8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可折舊準備。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment (Continued)

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.

(g) Intangible assets

Oil exploitation rights and operation rights

Oil exploitation rights and operation rights are stated at cost less accumulated amortisation and any impairment losses and are amortised on the units of production method utilising only proven and probable oil reserves in the depletion base.

Motor vehicle registration license

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

The Group tests impairment for the indefinite useful lives motor vehicle licenses annually by comparing its carrying amounts with its recoverable amounts, irrespective of whether there is any indication that it may be impaired. 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, but when 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.

4. 主要會計政策 (續)

(f) 物業、廠房及設備 (續)

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、廠房及設備之盈虧，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。

(g) 無形資產

石油開採權及營運權

石油開採權及營運權按成本減累計攤銷及任何減值虧損列賬，並按消耗基礎，僅按證實及概略石油儲量以生產單位法攤銷。

汽車登記牌照

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。

就擁有無限使用年期之汽車登記牌照而言，不論其有否出現可能減值跡象，本集團均會每年透過比較汽車登記牌照之賬面值及其可收回金額為其進行減值測試。倘資產之可收回金額估計低於賬面值，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，惟倘減值虧損其後撥回，則資產之賬面值增加至經修訂之估計可收回金額，惟增加後之賬面值不可超逾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。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Gas exploration and evaluation assets

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.

Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

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.

Geological and geophysical costs are recognised in profit or loss as incurred.

If no potentially commercial coalbed methane are discovered, the exploration asset is written off as a dry hole. If extractable coalbed methane 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. 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 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.

4. 主要會計政策 (續)

(h) 天然氣勘探及評估資產

天然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。

已支付之特許權費用連同於現有開採區之勘探權乃於特許期內撥充資本及攤銷。

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其他款項。

地質及地球物理成本已在發生時於損益中確認。

如未發現潛在商業煤層氣，則勘探資產將視為乾井撇銷。如發現可萃取煤層氣，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之乾井之成本）將作為無形資產初步撥作資本。

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撇銷。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Gas exploration and evaluation assets (Continued)

When proved reserves of coalbed methane 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 transferred to oil and gas properties. No amortisation is charged during the exploration and evaluation phase.

(i) Leases

(i) Classification of assets leased to the Group

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

(ii) Operating lease charges

Where the Group has the use of assets held under operating leases, payments made under the leases are charged to profit or loss in equal installments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

4. 主要會計政策 (續)

(h) 天然氣勘探及評估資產 (續)

當釐定煤層氣之已探明儲量，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（如必要），任何減值虧損將獲認可，之後，剩餘結餘將轉移至油氣資產。在勘探及評估階段期間，不作任何攤銷。

(i) 租賃

(i) 租賃予本集團資產之分類

就本集團根據租賃而持有之資產，如有關租賃將擁有資產之絕大部分風險及回報轉移至本集團，則有關資產會分類為根據融資租賃持有。不會轉移擁有資產之絕大部分風險及回報至本集團之租賃乃分類為經營租賃。

(ii) 經營租賃開支

假如本集團使用經營租賃持有資產，則根據租賃作出之付款會在租賃期所涵蓋之會計期間內，以等額分期在損益賬扣除；惟倘有其他基準能更清楚地反映租賃資產所產生之收益模式則除外。租賃所涉及之激勵措施均在損益賬內確認為租賃淨付款總額之組成部分。或有租金於其產生之會計期間內在損益賬扣除。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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 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.

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.

4. 主要會計政策 (續)

(j) 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。財務資產初步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。

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。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) 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;

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)

(j) 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。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

iii) Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities at amortised cost including trade and other payables, borrowings, the debt element of convertible debts 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.

iv) Convertible notes containing liability and equity components

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 loan notes and the fair value assigned to the liability component, representing the conversion option for the holder to convert the loan notes into equity, is included in equity (convertible note equity reserve).

4. 主要會計政策 (續)

(j) 財務工具 (續)

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債項之債務部分，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。

iv) 包括負債及權益部分之可換股票據

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。發行之可換股票據之所得款項與撥入負債部分之公平值差額（即持有人將票據兌換為權益之兌換權）計入權益中之可換股票據權益儲備。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

iv) *Convertible notes containing liability and equity components (Continued)*

In subsequent periods, the liability component of the convertible note 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 note equity reserve until the embedded option is exercised (in which case the balance stated in convertible note equity reserve will be transferred to share premium). Where the option remains unexercised at the expiry dates, the balance stated in convertible note equity reserve will be released to accumulated losses. No gain or loss is recognised upon conversion or expiration of the option.

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.

Warrants issued by the Company that will be settled by a fixed amount of cash for fixed number of the Company's own equity instruments are equity (warrant reserve). The warrant reserve will be transferred to the share capital and share premium accounts upon the exercise of the warrants. When the warrants are still not yet exercised at the expiry date, the amount previously recognised in warrant reserve will be transferred to accumulated losses.

4. 主要會計政策 (續)

(j) 財務工具 (續)

iv) 包括負債及權益部分之可換股票據 (續)

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。

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。

本公司發行之認股權證乃一種股本（認股權證儲備），其將以指定金額現金交換本公司指定數目股本工具之方式結算。認股權證儲備將於行使認股權證時轉撥至股本及股份溢價賬。倘認股權證於到期日仍未行使，則先前於認股權證儲備確認之金額將轉撥至累計虧損。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

vii) 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 of 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.

(k) 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.

(l) 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 using the weighted average method. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

4. 主要會計政策 (續)

(j) 財務工具 (續)

vii) 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。

(k) 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。

(l) 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。成本以加權平均成本法計算。可變現淨值指以日常業務過程中之估計售價減去銷售所需之估計成本後所得之數。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions 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.

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 also recognised as part of the cost of the related property, plant and equipment. 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 property, plant and equipment. The unwinding of the discount on the decommissioning provision is included as a finance cost.

4. 主要會計政策 (續)

(m) 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。

停止運作負債

本集團因過往事件產生法律或推定責任，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亦確認為相關物業、廠房及設備成本之一部分。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物業、廠房及設備之相應調整金額記錄入賬之方式處理。停止運作撥備折現值回撥入賬列為融資成本。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions and contingent liabilities (Continued)

(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.

(n) Income tax

Income tax expense represents 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 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 expected to apply in the period when the liability is settled or the asset is realised based on tax rates that have been enacted or substantively enacted at the end of reporting period.

4. 主要會計政策 (續)

(m) 撥備及或有負債 (續)

(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。

(n) 所得稅

所得稅支出指現時應付稅項及遞延稅項之總和。

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可扣減暫時差額抵銷時確認。遞延稅項乃按預期適用於清償負債或變現資產期間之稅率，按報告期間結束時已頒佈或實際頒佈之稅率計量。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax (Continued)

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 directly recognised in other comprehensive income in which case the taxes are also directly recognised in other comprehensive income.

(o) 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.

4. 主要會計政策 (續)

(n) 所得稅 (續)

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、聯營公司及共同控權合資公司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，所得稅亦直接於其他全面收益確認。

(o) 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。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(o) Foreign currencies (Continued)

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.

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.

4. 主要會計政策 (續)

(o) 外幣 (續)

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。

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轉至損益賬，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經營業務之資產及負債處理，並按報告期間結束時之適用匯率進行換算。產生之匯兌差異乃於外匯儲備內確認。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employees' benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) 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)

(p) 僱員福利

(i) 短期僱員福利及界定供款退休計劃之供款

薪金、年度花紅、有薪年假、界定供款退休計劃供款及非貨幣福利成本在僱員提供相關服務之年度內累計。如屬遞延付款或結算，而其影響可能很大，則該等數額會以現值列示。

(ii) 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。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employees' benefits (Continued)

(iii) Retirement benefits scheme

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.

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.

(q) Impairment of other 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;
- gas exploration and evaluation assets
- intangible assets; and
- investments in subsidiaries, and jointly controlled entities

4. 主要會計政策 (續)

(p) 僱員福利 (續)

(iii) 退休福利計劃

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定額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。

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。

(q) 其他資產之減值

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；
- 天然氣勘探及評估資產
- 無形資產；及
- 於附屬公司及共同控權合資公司之投資

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Impairment of other assets (Continued)

If the recoverable amount (i.e. the greater of the fair value less costs to sell 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.

(r) Capitalisation of borrowing costs

Borrowing costs directly attributable 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, until such time as the assets, are substantially ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) Related parties

(a) *A person or a close member of that person's family is related to the Group if that person:*

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of key management personnel of the Group or the Company's parent.

4. 主要會計政策 (續)

(q) 其他資產之減值(續)

倘資產之可收回金額(即公平值減銷售成本之差額或使用價值之較高者)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逾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。

(r) 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,直至該等資產大致上可作其原定用途或銷售。

所有其他借貸成本均於產生期間於損益賬內確認。

(s) 關連人士

(a) 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:

- (i) 對本集團有控制權或共同控制權;
- (ii) 對本集團有重大影響力;或
- (iii) 為本集團或本公司母公司主要管理人員。

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Related parties (Continued)

(b) An entity is related to the Group if any of the following conditions apply:

- (i) the entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of the employees of the Group or an entity related to the Group;
- (vi) the entity is controlled or jointly controlled by a person identified in (a); and
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of key management personnel of the entity (or of a parent of the entity).

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

- (i) that person's children and spouse or domestic partner;
- (ii) children of that person's spouse or domestic partner; and
- (iii) dependents of that person or that person's spouse or domestic partner.

4. 主要會計政策 (續)

(s) 關連人士 (續)

(b) 倘適用下列情況，該實體便被視為與本集團有關聯：

- (i) 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）；
- (ii) 一個實體為另一實體之聯營企業或合營企業（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）；
- (iii) 兩個實體皆為相同第三方之合營企業；
- (iv) 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；
- (v) 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；
- (vi) 該實體受(a)部分所識別之人士控制或共同控制；及
- (vii) 於(a)(i)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。

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：

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

Notes to the Financial Statements

財務報表附註



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) 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 natural gas

Revenue from sale of natural gas is recognised when the natural gas is siphoned to the customers' tankers 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) Interest income

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

5. TURNOVER

The principal activities of the Group are operation of (i) exploitation and sale of crude oil and natural gas and (ii) exploration, development and production of coalbed methane. Since the operation of exploration, development and production of coalbed methane is in the exploration stage, no turnover was generated during the year 2010 and 2011.

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

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Sale of crude oil	銷售原油	35,079	23,899
Sale of natural gas	銷售天然氣	-	5,325
		35,079	29,224

4. 主要會計政策 (續)

(t) 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) 銷售天然氣

天然氣銷售收入在天然氣吸入至客戶之油箱時(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) 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。

5. 營業額

本集團之主要業務為經營(i)開採及銷售原油及天然氣及(ii)勘探、開發及生產煤層氣。由於勘探、開發及生產煤層氣之業務尚在勘探階段，故此於2010年及2011年內並無任何營業額產生。

年內在營業額確認之每項主要收入類別之款額如下：

Notes to the Financial Statements

財務報表附註



6. OTHER REVENUE

6. 其他收入

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Interest income on bank deposits	銀行存款利息收入	75	103
Interest income on other loan (note a)	其他貸款利息收入 (附註a)	7,822	-
Imputed interest income on notes receivable	應收票據之應歸利息收入	-	1,444
Income from sale of coalbed methane (note b)	煤層氣銷售收入 (附註b)	550	-
Rental income	租金收入	-	115
Compensation (note c)	賠償(附註c)	-	2,962
Others	其他	356	934
		8,803	5,558

Note:

- a) In August 2011, the Group advanced HK\$140,000,000 to a third party at an interest rate of 15% per annum. The principal together with the interest thereon of HK\$7,822,000 were fully settled in December 2011. A director of the Company is also a director of the third party.
- b) It represents trial sale of coalbed methane generated from the Sanjiao PSC.
- c) The amount represented compensation from an operating consultant for causing a technical fault which led to less crude oil being produced from the Liuluoyu Oil Field.

附註：

- a) 於2011年8月，本集團向第三方放貸140,000,000港元，該款項按年利率15%計息。悉數本金與利息7,822,000港元已於2011年12月償還。一位本公司董事同時為第三方董事。
- b) 此乃於三交產品分成合同測試生產中產生之煤層氣銷售。
- c) 該金額為營運顧問於柳洛峪油田原油生產中，因技術失誤而導致產油量下降之賠償金。

Notes to the Financial Statements

財務報表附註



7. OTHER GAINS AND (LOSSES), NET

7. 其他收益及(虧損)淨額

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Deposits and other receivables written off	按金及其他應收賬款註銷	(2,355)	(465)
Loss on disposal of property, plant and equipment	出售物業、廠房及設備之虧損	-	(3)
Impairment loss on property, plant and equipment (note 16)	物業、廠房及設備之減值虧損(附註16)	(1,414)	-
Exchange gains, net	匯兌收益淨額	6,244	1,439
Gain on disposal of subsidiaries (note 35)	出售附屬公司之收益(附註35)	-	72,798
Loss on redemption of convertible note (note 30)	贖回可換股票據之虧損(附註30)	-	(703)
		2,475	73,066

8. (LOSS)/PROFIT BEFORE INCOME TAX EXPENSES

(Loss)/profit before income tax expenses is arrived at after charging/(crediting):

8. 除所得稅支出前(虧損)/溢利

除所得稅支出前(虧損)/溢利已扣除/(計入):

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
a) Finance costs	a) 融資成本		
Interest on borrowings wholly repayable within five years	須於五年內全部償還之借款利息	4,555	196
Imputed interest on convertible notes (note 30)	可換股票據之應歸利息(附註30)	-	1,452
Others	其他	6	1
		4,561	1,649
Less: interest capitalised on gas exploration and evaluation assets (note 17)	減: 已資本化天然氣勘探及評估資產之利息(附註17)	(4,555)	(196)
		6	1,453

Notes to the Financial Statements

財務報表附註



8. (LOSS)/PROFIT BEFORE INCOME TAX EXPENSES (Continued)

8. 除所得稅支出前(虧損)/溢利(續)

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
b) Staff costs (including directors' remuneration in note 10)	b) 員工成本(包括附註10之董事酬金)		
Salaries, wages and other benefits	薪金、工資及其他福利	24,288	13,995
Equity-settled share-based payment expenses (note 33)	股本結算以股份支付之支出(附註33)	60,000	19,200
Contributions to defined contribution retirement plan	定額供款退休計劃之供款	880	613
		85,168	33,808
c) Other items	c) 其他項目		
Cost of inventories	存貨成本	-	446
Auditor's remuneration	核數師酬金	1,656	1,243
Depreciation of property, plant and equipment (note 16)	物業、廠房及設備折舊(附註16)	8,802	10,351
Amortisation of intangible assets # (note 18)	無形資產之攤銷#(附註18)	46	323
Minimum lease payments under operating lease – property rentals	經營租賃之最低租賃款項 – 物業租金	4,450	2,788

Included in "direct costs" as disclosed in the consolidated statement of comprehensive income.

計入綜合全面收益表所披露之「直接成本」。

Notes to the Financial Statements

財務報表附註



9. INCOME TAX EXPENSES

No provision for Hong Kong profits tax has been made as the group companies did not have any estimated assessable profits subject to Hong Kong profits tax during the years ended 31 December 2011 and 2010. During the years 2011 and 2010, the subsidiaries in the PRC are subject to statutory tax rate of 25%. The former subsidiaries in the United States ("US"), which were subject to a tax rate of 34%, incurred losses for tax purpose during the year ended 31 December 2010.

- (i) The amount of income tax expenses charged to the consolidated statement of comprehensive income represents:

9. 所得稅支出

截至2011年及2010年12月31日止年度內，由於集團公司並毋須繳納香港利得稅之估計應課稅溢利，故並無計提香港利得稅準備。於2011及2010年度內，位於中國之附屬公司按法定稅率25%繳納稅項。而位於美國（「美國」）之前附屬公司按稅率34%繳納稅項，而有關之附屬公司於截至2010年12月31日止年度內產生稅項虧損。

- (i) 計入綜合全面收益表之所得稅支出包括：

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Current income tax	即期所得稅		
– PRC enterprises income tax	– 中國企業所得稅	1,358	873
Deferred tax expenses for the year (note 31)	年內遞延稅項支出(附註31)	2,270	2,637
Income tax expenses	所得稅支出	3,628	3,510

Notes to the Financial Statements

財務報表附註



9. INCOME TAX EXPENSES (Continued)

(ii) The income tax expenses for the year can be reconciled to the Group's (loss)/profit before income tax expenses per the consolidated statement of comprehensive income as follows:

9. 所得稅支出(續)

(ii) 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)/溢利對賬如下:

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
(Loss)/profit before income tax expenses	除所得稅支出前(虧損)/溢利	(92,611)	8,194
Tax (credit)/charge on (loss)/profit before income tax expenses, calculated at 25% (2010: 25%)	除所得稅支出前(虧損)/溢利稅項(抵免)/支出按25%稅項計算之稅項(2010年: 25%)	(23,153)	2,049
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	6,845	(1,557)
Tax effect of non-deductible expenses	不可扣除支出之稅務影響	19,260	11,639
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(1,594)	(16,057)
Utilisation of tax losses previously not recognised	動用先前未確認稅項虧損	-	(45)
Tax effect of tax losses not recognised	未確認之稅項虧損之稅務影響	-	4,844
Tax effect of deductible temporary differences	可扣除暫時差額之稅務影響	2,270	2,637
Income tax expenses	所得稅支出	3,628	3,510

Notes to the Financial Statements

財務報表附註



10. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to section 161 of the Hong Kong Companies Ordinance is as follows:

For the year ended 31 December 2011 are as follows:

10. 董事酬金

根據香港公司條例第161條披露之董事酬金如下：

截至2011年12月31日止年度如下：

		Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments (note 33)	Total
		董事袍金	薪金、津貼及實物利益	退休計劃供款	小計	以股份支付之款項 (附註33)	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
Executive directors	執行董事						
Dai Xiaobing ¹	戴小兵 ¹	-	1,467	12	1,479	3,069	4,548
Wang Ziming ²	王自明 ²	-	1,355	9	1,364	3,069	4,433
Kong Siu Tim ⁶	江少甜 ⁶	-	688	8	696	-	696
Wan Tze Fan Terence	溫子勳	-	1,355	12	1,367	3,069	4,436
King Hap Lee ⁷	景哈利 ⁷	-	667	4	671	3,069	3,740
		-	5,532	45	5,577	12,276	17,853
Independent non-executive directors	獨立非執行董事						
Di Lingjun ⁸	邱領軍 ⁸	133	-	-	133	-	133
Wong Lung Tak Patrick ²	黃龍德 ²	200	-	-	200	256	456
Wong Kwok Chuen Peter	黃國全	200	-	-	200	256	456
Wang Yanbin ⁷	王延斌 ⁷	67	-	-	67	256	323
		600	-	-	600	768	1,368
Non-executive directors	非執行董事						
Ni Zhenwei ³	倪振偉 ³	117	-	-	117	-	117
Kong Siu Tim ⁶	江少甜 ⁶	67	-	-	67	256	323
		184	-	-	184	256	440
		784	5,532	45	6,361	13,300	19,661

Notes to the Financial Statements

財務報表附註



10. DIRECTORS' REMUNERATION (Continued)

10. 董事酬金(續)

For the year ended 31 December 2010 are as follows:

截至2010年12月31日止年度如下：

		Salaries, allowances and benefits in kind	Retirement scheme contributions	Share-based payments (note 33) 以股份支付 之款項 (附註33)	Total
Directors' fees		Sub-total			
董事袍金	薪金、津貼 及實物利益	退休 計劃供款	小計	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
Executive directors	執行董事				
Dai Xiaobing ¹	戴小兵 ¹	–	900	1	901
Wang Ziming ²	王自明 ²	–	474	–	474
Jiang Rizhong ⁴	姜日忠 ⁴	–	210	–	210
Kong Siu Tim ⁶	江少甜 ⁶	–	1,290	12	1,302
Wan Tze Fan Terence	溫子勳	–	1,169	12	1,181
		–	4,043	25	4,068
Independent non-executive directors	獨立非執行董事				
Di Lingjun ⁸	邱領軍 ⁸	75	–	–	75
Wong Lung Tak Patrick ²	黃龍德 ²	75	–	–	75
Yip Ching Shan ⁵	葉青山 ⁵	90	–	–	90
Ni Zhenwei ³	倪振偉 ³	90	–	–	90
Wong Kwok Chuen Peter	黃國全	165	–	–	165
		495	–	–	495
Non-executive directors	非執行董事				
Ni Zhenwei ³	倪振偉 ³	75	–	–	75
		570	4,043	25	4,638
				961	5,599

Notes to the Financial Statements

財務報表附註



10. DIRECTORS' REMUNERATION (Continued)

Notes:

1. Appointed in May 2010
2. Appointed in August 2010
3. Redesignated from independent non-executive director to non-executive director in August 2010 and deceased in July 2011
4. Resigned in May 2010
5. Resigned in August 2010
6. Redesignated from executive director to non-executive director in September 2011
7. Appointed in September 2011
8. Appointed in August 2010 and resigned in September 2011

During the year, no emoluments (2010: 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 2011 and 2010.

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, four (2010: three) were directors of the Company whose emoluments are disclosed in note 10. The emolument of the remaining one (2010: two) individual is as follows:

		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Salaries and other emoluments	薪金及其他酬金	1,032	1,985
Share-based payments	以股份支付之款項	1,535	52
Retirement scheme contributions	退休計劃供款	12	24
		2,579	2,061

10. 董事酬金 (續)

附註：

1. 於2010年5月獲委任
2. 於2010年8月獲委任
3. 於2010年8月由獨立非執行董事調任為非執行董事 (於2011年7月去世)
4. 於2010年5月辭任
5. 於2010年8月辭任
6. 於2011年9月由執行董事調任為非執行董事
7. 於2011年9月獲委任
8. 於2010年8月獲委任並於2011年9月辭任

年內，本集團並無向任何董事支付酬金 (2010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2011年及2010年12月31日止年度，概無董事放棄或同意放棄任何酬金。

11. 最高薪人士

本集團五位最高薪人士中，四位 (2010年：三位) 為本公司之董事，其酬金已在附註10披露。其餘一位 (2010年：兩位) 最高薪人士之酬金如下：

Notes to the Financial Statements

財務報表附註



11. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

The emolument of the one (2010: two) non-director individual with the highest emoluments is within the following bands:

		2011 Number of individuals 人數	2010 Number of individuals 人數
Below HK\$1,000,000	1,000,000港元以下	–	1
HK\$1,000,000 – HK\$1,500,000	1,000,000港元至1,500,000港元	–	1
HK\$2,500,001 – HK\$3,000,000	2,500,001港元至3,000,000港元	1	–
		1	2

During the year, no emoluments (2010: Nil) were paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as a compensation for loss of office.

12. (LOSS)/PROFIT ATTRIBUTABLE TO OWNERS OF THE COMPANY

The (loss)/profit attributable to owners of the Company includes a loss of HK\$69,427,000 (2010: HK\$29,949,000) which has been dealt with in the financial statements of the Company.

13. DIVIDEND

The directors do not recommend the payment of any dividend for the year ended 31 December 2011 (2010: Nil).

11. 最高薪人士 (續)

最高薪之一位 (2010年：兩位) 非董事人士之酬金介乎下列範圍：

本集團於年內概無支付任何酬金 (2010年：無) 予任何五位最高薪人士，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。

12. 本公司擁有人應佔 (虧損) / 溢利

本公司擁有人應佔 (虧損) / 溢利包括已載於本公司財務報表之虧損69,427,000港元 (2010年：29,949,000港元)。

13. 股息

董事不建議派發截至2011年12月31日止年度任何股息 (2010年：無)。

Notes to the Financial Statements

財務報表附註



14. (LOSS)/EARNINGS PER SHARE

a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to owners of the Company of HK\$96,239,000 (2010: profit of HK\$6,108,000) and the weighted average number of 9,832,554,000 ordinary shares (2010: 6,064,116,000 ordinary shares) in issue during the year.

(i) (Loss)/earnings

(Loss)/profit attributable to owners of the Company 本公司擁有人應佔(虧損)/溢利

(ii) Number of ordinary shares

Weighted average number of ordinary shares in issue during the year 年內已發行普通股加權平均數

14. 每股(虧損)/盈利

a) 每股基本(虧損)/盈利

每股基本(虧損)/盈利乃根據本公司擁有人應佔虧損96,239,000港元(2010年: 溢利6,108,000港元), 以及年內已發行普通股之加權平均數9,832,554,000股普通股(2010年: 6,064,116,000股普通股)計算。

(i) (虧損)/盈利

	2011	2010
	HK\$'000	HK\$'000
	千港元	千港元

(96,239)	6,108
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(ii) 普通股數目

	2011	2010
	'000	'000
	千股	千股

9,832,554	6,064,116
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Notes to the Financial Statements

財務報表附註



14. (LOSS)/EARNINGS PER SHARE (Continued)

b) Diluted (loss)/earnings per share

Diluted (loss)/earnings per share is calculated based on the (loss)/profit attributable to owners of the Company and the weighted average number of shares in issue during the year after adjusting for the number of dilutive potential ordinary shares on share options granted and warrants subscribed.

(i) Number of ordinary shares

Weighted average number of ordinary shares in issue during the year	年內已發行普通股加權平均數		
Effect of dilutive potential ordinary shares:	潛在攤薄普通股之影響：		
– Share options	– 購股權		
– Warrants	– 認股權證		
Weighted average number of ordinary shares for purposes of diluted earnings per share	每股攤薄盈利之普通股加權平均數		

Diluted loss per share for the year ended 31 December 2011 is the same as the basic loss per share as the Company's outstanding share options and warrants, where applicable, had an anti-dilutive effect on the basic loss per share in that year.

14. 每股(虧損)/盈利(續)

b) 每股攤薄(虧損)/盈利

每股攤薄(虧損)/盈利乃根據本公司擁有人應佔(虧損)/溢利及年內已發行股份之加權平均數(就已授出購股權及已認購認股權證涉及之潛在攤薄普通股數目作出調整後)計算。

(i) 普通股數目

	2011 '000 千股	2010 '000 千股
Weighted average number of ordinary shares in issue during the year	9,832,554	6,064,116
Effect of dilutive potential ordinary shares:		
– Share options	–	109,077
– Warrants	–	77,044
Weighted average number of ordinary shares for purposes of diluted earnings per share	9,832,554	6,250,237

由於本公司於截至2011年12月31日止年度尚未行使之購股權及認股權證(如適用)對該年度之每股基本虧損構成反攤薄影響，故該年度之每股攤薄虧損與每股基本虧損相同。

Notes to the Financial Statements

財務報表附註



15. 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 two (2010: two) 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:

Oil and gas exploitation: Exploitation and sale of crude oil and natural gas

Coalbed methane: Exploration, development and production of coalbed methane

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.

15. 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。

本集團擁有兩個(2010年：兩個)可報告分部。由於各自業務提供不同產品及服務並需要不同業務策略，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：

石油及天然氣開採： 開採及銷售原油及天然氣

煤層氣： 勘探、開發及生產煤層氣

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，原因在於主要經營決策者評估分部表現之分部業績計算並無包括有關收益及開支在內。

Notes to the Financial Statements

財務報表附註



15. SEGMENT REPORTING (Continued)

a) Business segments

Segment information about these businesses is set out as follows:

For the year ended 31 December 2011

15. 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2011年12月31日止年度

		Oil and gas exploitation 石油及 天然氣開採 HK\$'000 千港元	Coalbed methane 煤層氣 HK\$'000 千港元	Unallocated 未分配 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Results	業績				
Revenue from external customers	來自外界客戶之收入	35,079	-	-	35,079
Segment results ^{1&2}	分部業績 ^{1&2}	(2,877)	(5,999)	(81,819)	(90,695)
Finance costs	融資成本	(2)	(3)	(1)	(6)
Impairment loss on property, plant and equipment	物業、廠房及設備 減值虧損	(1,414)	-	-	(1,414)
Share of loss of a jointly controlled entity	應佔共同控權合資 公司虧損	(496)	-	-	(496)
Loss before income tax expenses	除所得稅支出前虧損	(4,789)	(6,002)	(81,820)	(92,611)
Income tax expenses	所得稅支出	(3,628)	-	-	(3,628)
Loss for the year	本年度虧損	(8,417)	(6,002)	(81,820)	(96,239)
Assets and liabilities	資產及負債				
Reportable segment assets ³	可報告分部資產 ³	555,743	3,229,218	152,252	3,937,213
Reportable segment liabilities	可報告分部負債	69,616	794,356	12,285	876,257
Other segment information	其他分部資料				
Depreciation and amortisation	折舊及攤銷	7,213	842	793	8,848
Capital expenditure incurred during the year	年內產生之資本 支出	267,088	383,443	74	650,605

Notes to the Financial Statements

財務報表附註



15. SEGMENT REPORTING (Continued)

a) Business segments (Continued)

Segment information about these businesses is set out as follows:

For the year ended 31 December 2010

15. 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2010年12月31日止年度

		Oil and gas exploitation 石油及 天然氣開採 HK\$' 000 千港元	Coalbed methane 煤層氣 HK\$' 000 千港元	Unallocated 未分配 HK\$' 000 千港元	Total 總計 HK\$' 000 千港元
Results	業績				
Revenue from external customers	來自外界客戶之收入	29,224	–	–	29,224
Segment results ^{1&2}	分部業績 ^{1&2}	(2,794)	(626)	(57,073)	(60,493)
Finance costs	融資成本	–	–	(1,453)	(1,453)
Gain on disposal of subsidiaries	出售附屬公司收益	72,798	–	–	72,798
Share of loss of a jointly controlled entity	應佔共同控權合資 公司虧損	(2,658)	–	–	(2,658)
Profit/(loss) before income tax expenses	除所得稅支出前 溢利/(虧損)	67,346	(626)	(58,526)	8,194
Income tax expenses	所得稅支出	(3,510)	–	–	(3,510)
Profit/(loss) for the year	本年度溢利/(虧損)	63,836	(626)	(58,526)	4,684
Assets and liabilities	資產及負債				
Reportable segment assets ³	可報告分部資產 ³	377,772	2,646,885	398,663	3,423,320
Reportable segment liabilities	可報告分部負債	53,156	837,034	4,755	894,945
Other segment information	其他分部資料				
Depreciation and amortisation	折舊及攤銷	10,116	27	531	10,674
Capital expenditure incurred during the year	年內產生之資本 支出	108,474	2,595,157	2,577	2,706,208

Notes to the Financial Statements

財務報表附註



15. SEGMENT REPORTING (Continued)

a) Business segments (Continued)

Notes:

1. Unallocated segment results mainly include salaries, rental expense and professional fees for Hong Kong head office and equity-settled share-based payment expenses.
2. Included in the segment result of coalbed methane segment is the other revenue of HK\$550,000 from the trial sale of coalbed methane generated from the Sanjiao PSC for the year 2011(2010: Nil) (note 6).
3. Unallocated segment assets mainly include cash and cash equivalents.

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 deposits paid and interest in a jointly controlled entity ("specified non-current assets").

15. 分部報告(續)

a) 業務分部(續)

附註：

1. 未分配分部業績主要包括工資、租金、專業費用等香港總辦事處開支及權益結算之股份支付費用。
2. 2011年煤層氣之分部業績包括550,000港元(2010年：無)之其他收入，來自於三交產品分成合同產生煤層氣之試售(附註6)。
3. 未分配分部資產主要包括現金和現金等價物。

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按金、於一家共同控權合資公司之權益以外之非流動資產(「指定非流動資產」)進行分析。

		Revenue from external customers 來自外界客戶之收入		Specified non-current assets 指定非流動資產	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元	2011 HK\$'000 千港元	2010 HK\$'000 千港元
Hong Kong (place of domicile)	香港(所在地)	-	-	2,443	3,126
The PRC	中國	35,079	28,490	3,553,131	2,738,166
The US	美國	-	734	-	-
		35,079	29,224	3,553,131	2,738,166
		35,079	29,224	3,555,574	2,741,292

During the year, revenues from the Group's largest and second largest customers were HK\$35,079,000 (2010: HK\$23,253,000) and HK\$Nil (2010: HK\$5,237,000), being 100% (2010: 80%) and 0% (2010: 18%) of the Group's total revenue from the oil and gas exploitation segment, respectively.

年內，來自本集團最大及第二大客戶之收益分別為35,079,000港元(2010年：23,253,000港元)及零港元(2010年：5,237,000港元)，佔本集團石油及天然氣開採分部收益總額之100%(2010年：80%)及0%(2010年：18%)。

Notes to the Financial Statements

財務報表附註



16. PROPERTY, PLANT AND EQUIPMENT

The Group

16. 物業、廠房及設備

本集團

		Leasehold improvements	Construction in progress	Oil and gas properties	Furniture, fixtures and office equipment	Motor vehicles	Total
		租賃物業裝修	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	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元	千港元
			(note a) (附註a)	(note b) (附註b)			
Costs:	成本：						
At 1 January 2010	於2010年1月1日	39	-	125,546	692	2,397	128,674
Additions through acquisition (note 36(b))	通過收購之添置(附註36(b))	-	-	-	-	1,665	1,665
Additions	添置	-	-	1,994	84	2,261	4,339
Disposals	出售	-	-	-	(13)	-	(13)
Disposal of subsidiaries (note 35)	出售附屬公司(附註35)	-	-	(39,908)	-	-	(39,908)
Exchange adjustments	匯兌調整	1	-	6,098	10	51	6,160
At 31 December 2010	於2010年12月31日	40	-	93,730	773	6,374	100,917
Additions through acquisition (note 36(a))	通過收購之添置(附註36(a))	-	120	34,942	16	-	35,078
Additions	添置	3,629	18,015	119,907	2,712	1,932	146,195
Disposals	出售	(14)	-	-	(5)	-	(19)
Exchange adjustments	匯兌調整	82	407	7,134	71	160	7,854
At 31 December 2011	於2011年12月31日	3,737	18,542	255,713	3,567	8,466	290,025

Notes to the Financial Statements

財務報表附註



16. PROPERTY, PLANT AND EQUIPMENT (Continued)

16. 物業、廠房及設備 (續)

		Leasehold improvements	Construction in progress	Oil and gas properties	Furniture, fixtures and office equipment	Motor vehicles	Total
		租賃物業裝修	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	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元	千港元	千港元
			(note a) (附註a)	(note b) (附註b)			
Accumulated depreciation and impairment:	累計折舊及減值：						
At 1 January 2010	於2010年1月1日	21	-	11,256	430	1,162	12,869
Charge for the year (note 8(c))	年內支出(附註8(c))	5	-	9,658	115	573	10,351
Written back on disposal	出售時撥回	-	-	-	(10)	-	(10)
Disposal of subsidiaries (note 35)	出售附屬公司(附註35)	-	-	(11,805)	-	-	(11,805)
Exchange adjustments	匯兌調整	1	-	301	6	5	313
At 31 December 2010	於2010年12月31日	27	-	9,410	541	1,740	11,718
Charge for the year (note 8(c))	年內支出(附註8(c))	333	-	6,688	299	1,482	8,802
Written back on disposal	出售時撥回	(14)	-	-	(5)	-	(19)
Impairment loss (note 7)	減值虧損(附註7)	-	-	1,414	-	-	1,414
Exchange adjustments	匯兌調整	8	-	592	13	26	639
At 31 December 2011	於2011年12月31日	354	-	18,104	848	3,248	22,554
Carrying amount:	賬面值：						
At 31 December 2011	於2011年12月31日	3,383	18,542	237,609	2,719	5,218	267,471
At 31 December 2010	於2010年12月31日	13	-	84,320	232	4,634	89,199

Note:

附註：

- (a) It represents oil and gas properties under construction as at the end of the reporting period.
- (b) The additions in 2011 included oil and gas properties of HK\$105,802,000 transferred from other assets as set out in note 25.
- (c) During the year ended 31 December 2011, oil and gas properties were impaired by HK\$1,414,000 due to the temporary suspension on development of a minor project.

- (a) 其表示於報告期間結束時之在建油氣資產。
- (b) 2011年之添置包括由其他資產轉移而來的105,802,000港元之油氣資產(如附註25所載)。
- (c) 於截至2011年12月31日止年度內，由於暫停發展一個小型項目，油氣資產減值1,414,000港元。

Notes to the Financial Statements

財務報表附註



17. GAS EXPLORATION AND EVALUATION ASSETS

17. 天然氣勘探及評估資產

The Group

本集團

HK\$' 000
千港元

Cost	成本	
At 1 January 2010	於2010年1月1日	-
Additions through acquisition (note 36(b))	通過收購之添置(附註36(b))	2,570,586
Additions	添置	22,906
Interest capitalised (note 8(a))	資本化利息(附註8(a))	196
Exchange adjustments	匯兌調整	4,956
		2,598,644
At 31 December 2010	於2010年12月31日	2,598,644
Additions through acquisition (note 36(b))	通過收購之添置(附註36(b))	87,360
Additions*	添置*	291,749
Interest capitalised (note 8(a))	資本化利息(附註8(a))	4,555
Exchange adjustments	匯兌調整	25,066
		3,007,374
At 31 December 2011	於2011年12月31日	3,007,374

* The amount included provision for environmental restoration and decommission costs of HK\$1,132,000 (Note 28).

* 該金額包括提供環境修復及停止使用費之撥備1,132,000港元(附註28)。

Gas exploration and evaluation assets arose from the acquisition of Power Great Limited and its subsidiary ("Power Great Group") set out in note 36(b). The operations of Power Great Group are governed by and based on Sanjiao PSC. Details of this Sanjiao PSC are set out in note 37(i).

天然氣勘探及評估資產乃收購威遠有限公司及其附屬公司(「威遠集團」)所得，載於附註36(b)。威遠集團之營運乃受三交產品分成合同監督及以此為基礎。此三交產品分成合同詳情載於附註37(i)。

As at 31 December 2010 and 2011, the major components of gas exploration and evaluation assets were exploratory drilling and trenching costs. The directors have assessed the gas exploration and evaluation assets for impairment in accordance with the criteria under HKFRS 6 and by reference to the progress in the implementation of the Sanjiao PSC during the year, and the valuation report prepared by the American Appraisal China Limited, an independent firm of professional valuers, which possess the relevant professional qualifications and experience. The directors concluded that there are no facts or circumstances which may indicate that the carrying amount of gas exploration and evaluation assets has exceeded the recoverable amount as at the end of reporting period.

於2010及2011年12月31日，天然氣勘探及評估資產主要由勘探鑽井及槽探成本組成。董事已根據香港財務報告準則第6號之標準並參考年內三交產品分成合同之執行進度及一份由獨立專業評估公司—美國評估有限公司編製之估值報告對天然氣勘探及評估資產進行減值評估，該公司具有相關專業資格及經驗。董事推定，於報告期間終結日，不存在事實或情況表明天然氣勘探及評估資產之賬面值已超過其可收回金額。

Notes to the Financial Statements

財務報表附註



18. INTANGIBLE ASSETS

The Group

18. 無形資產

本集團

		Motor vehicle registration license 汽車 登記牌照 HK\$'000 千港元	Oil exploitation rights 石油 開採權 HK\$'000 千港元	Operation rights 營運權 HK\$'000 千港元	Total 總計 HK\$,000 千港元
Cost:	成本：				
At 1 January 2010	於2010年1月1日	–	48,914	46,880	95,794
Additions	添置	910	–	–	910
Disposal of subsidiaries (note 35)	出售附屬公司 (附註35)	–	(49,174)	–	(49,174)
Exchange adjustments	匯兌調整	–	260	1,606	1,866
At 31 December 2010	於2010年12月31日	910	–	48,486	49,396
Additions through acquisition (note 36(a))	通過收購之添置 (附註36(a))	–	–	197,157	197,157
Exchange adjustments	匯兌調整	–	–	3,679	3,679
At 31 December 2011	於2011年12月31日	910	–	249,322	250,232
Accumulated amortisation:	累計攤銷：				
At 1 January 2010	於2010年1月1日	–	360	–	360
Amortisation for the year (note 8(c))	本年度攤銷(附註8(c))	–	146	177	323
Disposal of subsidiaries (note 35)	出售附屬公司(附註35)	–	(507)	–	(507)
Exchange adjustments	匯兌調整	–	1	–	1
At 31 December 2010	於2010年12月31日	–	–	177	177
Amortisation for the year (note 8(c))	本年度攤銷(附註8(c))	–	–	46	46
Exchange adjustments	匯兌調整	–	–	12	12
At 31 December 2011	於2011年12月31日	–	–	235	235
Carrying amount:	賬面值：				
At 31 December 2011	於2011年12月31日	910	–	249,087	249,997
At 31 December 2010	於2010年12月31日	910	–	48,309	49,219

Notes to the Financial Statements

財務報表附註



18. INTANGIBLE ASSETS (Continued)

Oil exploitation rights

The Group's oil exploitation rights in Grassy Trails Oil Field and Squaw Canyon Oil Field located in US were disposed of on 30 December 2010. Details are set out in note 35.

Operation rights

The Group's operation rights represent the rights under three (2010: two) development contracts which give the Group the rights to participate in the production of crude oil with details as follows:

	Oil fields 油田	Location 地點	Expiry date 到期日
1.	Liuluoyu Oil Field 柳洛峪油田	Shaanxi Province, the PRC 中國陝西省	2023
2.	Yanjawan Oil Field 閻家灣油田	Shaanxi Province, the PRC 中國陝西省	2023
3.	Jinzhuang Oil Field 金庄油田	Shaanxi Province, the PRC 中國陝西省	2025

The exploitation rights and operation rights are initially recognised at their fair value on the date of acquisition by reference to a professional valuation prepared by Assets Appraisal Limited, an independent firm of professional valuers, which possesses the relevant professional qualification and experience. Subsequent to the reporting period, the exploitation rights and operation rights are measured using the cost model.

Amortisation is provided to write off the cost of the exploitation rights and operation rights using the units of production method based on the amount of proven and probable oil and gas reserves. Amortisation is charged to "direct costs" in the consolidated statement of comprehensive income.

18. 無形資產(續)

石油開採權

本集團位於美國草徑油田及史科峽谷油田之石油開採權均已於2010年12月30日被出售。詳情載於附註35。

營運權

本集團之營運權乃三份(2010年:兩份)開發合同內之權利,讓本集團有權參與原油生產,詳情如下:

開採權及營運權初步按收購當日之公平值經參考資產評估顧問有限公司(一間獨立專業估值公司,具有相關專業資格及經驗)進行之專業估值後確認。於報告期間後,開採權及營運權採用成本模式計量。

撇銷開採權及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。

Notes to the Financial Statements

財務報表附註



19. GOODWILL

The Group

Carrying amount as at 1 January and
31 December 2010 and 2011

於2010年及2011年1月1日及12月31日
之賬面值

HK\$'000
千港元

4,230

IMPAIRMENT TESTING ON GOODWILL

For the purpose of impairment test, goodwill acquired through business combination of Liuluoyu Oil Field is allocated to the cash generating units (“CGU”) of oil and gas exploitation of Liuluoyu Oil Field.

The recoverable amounts of the CGU have been determined from the value in use calculations based on formally approved cash flow projections and budgets.

The following key assumptions have been made for the purpose of the analysis:

1	Discount rate	19%
2	Operating margin	29%
3	Growth rate	19%
4	Wage inflation	3%
5	Crude oil price increase	5%

The discount rate used is pre-tax and reflects the specific risks of the oil and gas exploitation segment. The operating margin and growth rate are referenced to the industry. Wage inflation is based on the expected long term inflation rate set by the PRC Government. Crude oil price is based on the expected market price.

19. 商譽

本集團

商譽之減值測試

就減值測試而言，通過柳洛峪油田業務合併獲取之商譽分配至柳洛峪油田石油及天然氣開採之現金產生單位（「現金產生單位」）。

現金產生單位之可收回金額乃根據使用價值釐定，而使用價值則根據正式獲批准之現金流量預測及預算計算。

為進行分析，已作出下列重要假設：

1	折現率	19%
2	經營利潤率	29%
3	增長率	19%
4	工資通脹	3%
5	原油價格上升	5%

所使用之折現率為反映油氣開採分部之特定風險之稅前折現率。經營利潤率及增長率乃參考業內情況釐定。工資通脹乃根據中國政府之預期長期通脹率而定。原油價格乃以預期市場價格為準。

Notes to the Financial Statements

財務報表附註



20. INTEREST IN A JOINTLY CONTROLLED ENTITY

The Group has a 50% interest in a jointly controlled entity which is accounted for by the equity method.

20. 於一家共同控權合資公司之權益

按權益法計算，本集團於一家共同控權合資公司擁有50%權益。

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Share of net assets	分佔資產淨值		
As at 1 January	於1月1日	6,948	9,606
Share of loss for the year	本年度分佔虧損	(496)	(2,658)
As at 31 December	於12月31日	6,452	6,948

Particulars of the Group's jointly controlled entity are as follows:

本集團之共同控權合資公司詳情如下：

Name of company 公司名稱	Form of business structure 業務架構形式	Place of incorporation 註冊成立地點	Percentage of ordinary shares indirectly held 間接持有普通股百分比	Principal activity 主要業務
Smart Win International Limited 凱智國際有限公司	Limited company 有限公司	The British Virgin Islands ("BVI") 英屬處女群島	50%	Investment holding 投資控股

The financial information in respect of the Group's jointly controlled entity is set out below:

有關本集團共同控權合資公司之財務資料如下：

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Total assets	總資產	12,904	13,897
Total liabilities	總負債	-	-
Net assets	資產淨值	12,904	13,897
Group's share of net assets	本集團分佔資產淨值	6,452	6,948
Turnover	營業額	-	-
Expenses	支出	(993)	(5,316)
Loss for the year	本年度虧損	(993)	(5,316)
Group's share of loss for the year	本年度本集團分佔虧損	(496)	(2,658)

Notes to the Financial Statements

財務報表附註



21. INTERESTS IN SUBSIDIARIES

The Company

		2011	2010
		HK\$' 000	HK\$' 000
		千港元	千港元
Unlisted equity investments, at cost	非上市股本投資，按成本	2,492,721	2,405,361
Less: impairment loss (note 21(b))	減：減值虧損(附註21(b))	(81,143)	(81,143)
		2,411,578	2,324,218
Amounts due from subsidiaries (note 21(c))	應收附屬公司款項(附註21(c))	438,804	547,034
		2,850,382	2,871,252

a) Details of principal subsidiaries as at 31 December 2011 are listed below. The class of shares held is ordinary unless stated otherwise.

a) 於2011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 the Company	Notes	Place of incorporation/ operation 註冊成立/ 經營地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 擁有權百分比			Principal activities 主要業務
				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	
Elite Ascend Holdings Limited 怡陞控股有限公司		the BVI 英屬處女群島	690 ordinary shares of US\$1.00 each 690股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Genesis Energy (Hong Kong) Limited 創新能源(香港)有限公司		Hong Kong 香港	2 ordinary shares of HK\$1.00 each 2股每股面值1.00港元之普通股	100%	-	100%	Provision of administrative services to group companies 向集團公司提供行政服務

Notes to the Financial Statements

財務報表附註



21. INTERESTS IN SUBSIDIARIES (Continued)

21. 於附屬公司之權益(續)

Name of the Company 公司名稱	Notes 附註	Place of incorporation/ operation 註冊成立/ 經營地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 擁有權百分比			Principal activities 主要業務
				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	
Kenwin Global Limited	2	the BVI	1 ordinary share of US\$1.00 each	100%	-	100%	Investment holding
Kenwin Global Limited	2	英屬處女群島	1股面值1.00美元之普通股				投資控股
Orion Energy International Inc. ("OEI")		the Cayman Islands	100,000,000 ordinary shares of US\$0.001 each	100%	-	100%	Exploration, development and production of coalbed methane
奧瑞安能源國際有限公司(「奧瑞安」)		開曼群島	100,000,000股每股面值0.001美元之普通股				煤層氣勘探、開採及生產
Power Great Limited		the Cayman Islands	1 ordinary share of US\$1.00	100%	100%	-	Investment holding
威遠有限公司		開曼群島	1股面值1.00美元之普通股				投資控股
Trillion International Petroleum Extraction Technology	2	Hong Kong	1 ordinary share of HK\$1.00 each	100%	-	100%	Investment holding
利隆國際石油開採技術有限公司	2	香港	1股面值1.00港元之普通股				投資控股
Xian Hong Chang Co., Limited	1	the PRC	Registered capital RMB51,706,600	100%	-	100%	Participation in oil and gas projects
西安鴻昌石油開發服務有限公司	1	中國	註冊股本人民幣51,706,600元				參與油氣項目
Bi Tuo Yuan Technology (Shenzhen) Co., Ltd	1	the PRC	Registered capital RMB500,000	100%	-	100%	Participation in oil and gas projects
鉅拓源科技(深圳)有限公司	1	中國	註冊股本人民幣500,000元				參與油氣項目
Xian Lilong Petroleum Extraction Technology Limited	1, 2	the PRC	Registered capital HK\$50,000,000	100%	-	100%	Participation in oil and gas projects
西安利隆石油開採技術有限公司	1, 2	中國	註冊股本50,000,000港元				參與油氣項目

Notes:

- 1: registered under the laws of the PRC as a wholly-owned foreign enterprise
- 2: newly acquired in 2011

附註:

- 1: 根據中國法律登記為外資獨資企業
- 2: 於2011年新收購

Notes to the Financial Statements

財務報表附註



21. INTERESTS IN SUBSIDIARIES (Continued)

b) Impairment on investments in subsidiaries

There were no movements in the provision for impairment loss during the year. The impairment loss on interests in subsidiaries are made by the directors by reference to the net assets of the subsidiaries, ability to generate sufficient future economic benefits and evidence from internal reporting that indicate the economic performance of the subsidiaries.

c) Amounts due from subsidiaries

An analysis of the amounts due from subsidiaries is listed below:

21. 於附屬公司之權益(續)

b) 於附屬公司之投資減值

於本年度內，減值虧損撥備無變動。附屬公司之利息減值虧損乃由董事參考附屬公司之資產淨值、產生充分未來經濟利益之能力及顯示附屬公司之經濟表現之內部報告證據而作出。

c) 應收附屬公司款項

應收附屬公司款項之分析如下：

		The Company 本公司	
		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Due from subsidiaries	應收附屬公司款項	725,171	815,904
Less: impairment loss	減：減值虧損	(286,367)	(268,870)
		438,804	547,034

The amounts due from subsidiaries are unsecured, interest-free and in substance represent the Company's investments in the subsidiaries in the form of quasi-equity loans.

應收附屬公司款項為無抵押、免息，實質上指本公司以準股權性質貸款形式作出之投資。

Notes to the Financial Statements

財務報表附註



21. INTERESTS IN SUBSIDIARIES (Continued)

c) Amounts due from subsidiaries (Continued)

The movements in the provision for impairment loss during the year were as follows:

		The Company 本公司	
		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
At 1 January	於1月1日	268,870	312,463
Additional provision	額外撥備	24,467	40,849
Reversal of provision	撥備回撥	(6,970)	(84,442)
At 31 December	於12月31日	286,367	268,870

The impairment loss and reversal of impairment on amounts due from subsidiaries are made by the directors by reference to the net assets of the subsidiaries, ability to generate sufficient future economic benefits and evidence from internal reporting that indicate the economic performance of the subsidiaries.

21. 於附屬公司之權益(續)

c) 應收附屬公司款項(續)

年內減值虧損撥備之變動如下：

應收附屬公司款項之減值虧損及減值撥回乃由董事參考附屬公司之資產淨值、產生充分未來經濟利益之能力及顯示附屬公司之經濟表現之內部報告證據而作出。

22. INVENTORIES

The Group

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Spare parts, consumables and others	備件、耗材及其他	635	—

22. 存貨

本集團

Notes to the Financial Statements

財務報表附註



23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

23. 應收賬款、其他應收款項、按金及預付款項

		The Group 本集團		The Company 本公司	
		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元	2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Trade receivables	應收賬款	11,943	6,945	-	-
Bills receivable	應收票據	-	5,317	-	-
Other receivables (note i)	其他應收款項(附註i)	7,112	16,718	71	1,074
Amount due from a non-controlling interest of a subsidiary	應收一家附屬公司非控股權益款項	-	166	-	-
		19,055	29,146	71	1,074
Utility deposits	水電按金	1,407	1,034	-	504
Current portion of other deposits and prepayments (note iii)	流動部分其他按金及預付款項(附註iii)	3,773	42,558	169	160
		5,180	43,592	169	664
		24,235	72,738	240	1,738
Non-current portion of other deposits and prepayments (note (ii) & (iii))	非流動部分其他按金及預付款項(附註(ii)及(iii))	32,368	2,355	-	-

Notes:

- (i) As at 31 December 2010, the balance included considerations receivable of HK\$15,000,000 on the disposal of Ally Bond Limited and its subsidiary ("Ally Bond Group") and King Giant Limited and its subsidiaries ("King Giant Group") as set out in note 35, which was subsequently received in January 2011.
- (ii) The balance includes a guarantee deposit of HK\$5,866,000 paid to secure the Group's borrowing as set out in note 29.
- (iii) Prepayments include prepaid exploration costs of HK\$10,828,000 (2010: HK\$42,231,000) on the Group's gas evaluation and exploration assets and prepaid construction costs of HK\$15,674,000 (2010: Nil) on the Group's construction in progress under property, plant and equipment.

附註：

- (i) 於2010年12月31日，餘款包括計入出售協邦有限公司及其附屬公司（「協邦集團」）及君鴻有限公司及其附屬公司（「君鴻集團」）之應收代價15,000,000港元（載於附註35），餘款其後於2011年1月份收取。
- (ii) 餘款包括載於附註29用於擔保本集團借款之保證金，總數為5,866,000港元。
- (iii) 預付款項包括對本集團天然氣勘探及評估資產之預付勘探成本10,828,000港元（2010年：42,231,000港元）及本集團於在建工程之物業、廠房及設備之預付建設成本15,674,000港元（2010年：無）。

Notes to the Financial Statements 財務報表附註



23. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS (Continued)

The ageing analysis of trade receivables based on invoice date at the end of reporting period is as follows:

		The Group 本集團		The Company 本公司	
		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元	2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
< 30 days	少於30天	3,389	3,210	-	-
31 – 60 days	31至60天	2,680	3,569	-	-
61 – 90 days	61至90天	5,874	166	-	-
		11,943	6,945	-	-

The average credit period granted to customers is 0-30 days from the invoice date.

All trade receivables are less than 90 days past due, not impaired and related to one customer which has a good track record with the Company. 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(j)(ii).

23. 應收賬款、其他應收款項、按 金及預付款項 (續)

按開單日期之應收賬款於報告期間結束時之賬齡分析如下：

集團給予客戶之平均信貸期為開單日起計0至30天。

所有應收賬款均為到期後90天內(無減值)及屬於單一客戶,本公司與該客戶有良好之商業記錄,故並無作出減值。根據以往經驗,管理層估計其賬面值將全數收回。

本集團根據附註4(j)(ii)所載之會計政策,通過個別評估確認減值虧損。

Notes to the Financial Statements

財務報表附註



24. NOTES RECEIVABLE

24. 應收票據

		The Group 本集團		The Company 本公司	
		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元	2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Notes receivable	應收票據	-	135,000	-	9,000

Notes receivable represented considerations receivable on disposal of Ally Bond Group and King Giant Group as set out in note 35. These notes receivable were interest-free, repayable within one year and secured by the shares of these two disposal group companies.

應收票據指出售協邦集團及君鴻集團(載於附註35)之應收代價。應收票據為免息、須於一年內償還及以上述兩家出售集團公司之股份作抵押。

During the year ended 31 December 2011, an amount of HK\$13,000,000 was settled by cash and the rights and reward of the remaining balance of HK\$122,000,000 was assigned to the vendor of Kenwin Global Limited and its subsidiaries ("Kenwin Group") as partial settlement of the consideration as set out in note 36(a).

於截至2011年12月31日止年度內，金額為13,000,000港元之款項已透過現金結算，剩餘結餘122,000,000港元之權利及回報已轉讓予Kenwin Global Limited及其附屬公司(「Kenwin集團」)之賣方，作為部分代價結算(載於附註36(a))。

25. OTHER ASSETS

25. 其他資產

		The Group 本集團		The Company 本公司	
		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元	2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Refundable deposits	可退回按金	-	60,000	-	60,000
Advance payments	預付款項	-	56,656	-	-
Oil and gas properties	油氣資產	-	105,802	-	-
		-	222,458	-	60,000

The other assets as 31 December 2010 arose from the Group's interest in the Jinzhuang Oil Field as described below and included (i) a refundable deposit of HK\$60,000,000; (ii) advance payments of HK\$56,656,000 for funding the development and operation of Jinzhuang Oil Field; and (iii) amounts of HK\$105,802,000 on oil and gas properties the Group developed in the Jinzhuang Oil Field.

於2010年12月31日之其他資產是因本集團於金庄油田之權益(見下列資料)而產生，包括(i)可退回按金60,000,000港元；(ii)就開發及經營金庄油田之資金之墊款56,656,000港元；以及(iii)本集團為發展金庄油田已付於油氣資產之金額105,802,000港元。

Notes to the Financial Statements

財務報表附註



25. OTHER ASSETS (Continued)

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”). 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.

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 as detailed in Note 36(a). The refundable deposit was applied as part consideration paid to the owner of Kenwin Group. The advance payments of HK\$56,656,000 were either utilised for development or refunded to the Group and the amount of HK\$105,802,000 was transferred to property, plant and equipment as oil and gas properties.

25. 其他資產(續)

於2010年5月，本集團與中國一名獨立第三方(「中方夥伴」)訂立營運合同以使本集團從2010年5月1日至2011年7月31日在位於中國陝西省之金庄油田進行石油天然氣勘探、開發及生產。中方夥伴已與一間國營企業訂立在金庄油田(「金庄油田」)開發及生產石油天然氣之產品分成合同(「金庄產品分成合同」)。根據營運協議，本集團獲聘為營運商，以勘探、開發及生產金庄油田之石油及天然氣。於這時期內，本集團承擔所有發展及營運成本及分享95%來自金庄油田石油銷售之收入及全部該油田天然氣銷售收入。金庄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集團向中方夥伴收購金庄分成合同之權利及責任。本集團與Kenwin集團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集團之全數權益。

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集團100%股權而收購金庄油田(詳情載於附註36(a))。可退回按金被用作向Kenwin集團之擁有人支付之部分代價。預付款項56,656,000港元被用作本集團發展基金或已退回本集團，金額為105,802,000港元之款項已轉移至物業、廠房及設備中，作為油氣資產。

Notes to the Financial Statements

財務報表附註



26. CASH AND CASH EQUIVALENTS

26. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2011	2010	2011	2010
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	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 United States dollars (“USD”)	– 港元及美元 (「美元」)	147,797	234,953	147,428	28,087
– Renminbi (“RMB”)	– 人民幣	196,654	7,576	–	–
		344,451	242,529	147,428	28,087

Cash and cash equivalents of HK\$196,654,000 (equivalent to RMB159,632,000) (2010: HK\$7,576,000; equivalent to RMB6,412,000) 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.

196,654,000 港元 (相當於人民幣 159,632,000 元) 之現金及現金等價物 (2010 年: 7,576,000 港元, 相當於人民幣 6,412,000 元) 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限制所規限。

27. OTHER PAYABLES AND ACCRUALS

27. 其他應付款項及預提費用

		The Group 本集團		The Company 本公司	
		2011	2010	2011	2010
		HK\$' 000	HK\$' 000	HK\$' 000	HK\$' 000
		千港元	千港元	千港元	千港元
Current liabilities	流動負債				
Consideration payable (note (i))	應付代價 (附註(i))	9,002	500,000	–	500,000
Other payables and accruals (note (ii))	其他應付款項及預提費用 (附註(ii))	537,147	378,952	1,932	2,832
		546,149	878,952	1,932	502,832

Notes to the Financial Statements

財務報表附註



27. OTHER PAYABLES AND ACCRUALS (Continued)

Notes:

- (i) As at 31 December 2011, the balance represented the remaining consideration for the acquisition of Kenwin Group (note 36(a)) to be settled in cash no later than 30 September 2012. The balances of HK\$500,000,000 as at 31 December 2010 represented the remaining consideration for the acquisition of the Power Great Group (note 36(b)). The amount was settled in cash during the year ended 31 December 2011.
- (ii) Other payables and accruals include loans denominated in USD of HK\$78,877,000 (2010: HK\$78,877,000) from certain non-controlling shareholders of the Group. The loans are unsecured, bear interest at 3% per annum and repayable on demand. The balance also includes exploration costs payable of approximately HK\$443,635,000 (2010: HK\$290,205,000) in respect of gas exploration and evaluation assets and oil and gas properties.

27. 其他應付款項及預提費用 (續)

附註：

- (i) 於2011年12月31日，餘款乃收購Kenwin集團並需不遲於2012年9月30日以現金支付之代價餘額(附註36(a))。於2010年12月31日，500,000,000港元之餘款為收購威遠集團之代價餘額(附註36(b))，餘款已於截至2011年12月31日止年度期間以現金支付。
- (ii) 其他應付款項及預提費用包括以美元計值之本集團若干非控股股東貸款78,877,000港元(2010年：78,877,000港元)。該等貸款為無抵押、年息3%及須按要即時償還。餘款亦包括有關油氣勘探及評估資產以及油氣資產之應付勘探成本約443,635,000港元(2010年：290,205,000港元)。

28. PROVISIONS

28. 撥備

		The Group 本集團	
		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Balance at 1 January	於1月1日之結餘	-	338
Disposal of subsidiaries (note 35)	出售附屬公司(附註35)	-	(338)
Provision for environmental restoration and decommissioning costs	環境修復及停止使用費之撥備	1,132	-
Balance at 31 December	於12月31日之結餘	1,132	-

The provision for environmental restoration and decommissioning costs for 2011 represents directors' estimated assets retirement obligations relating to the Sanjiao PSC as set out in Note 37(i). The amount in 2010 represented obligations relating to the oil and gas properties located in the US, which was disposed of in December 2010.

2011年環境修復及停止使用費之撥備指與三交產品分成合同(載於附註37(i))有關之董事估計資產棄置報廢。於2010年，該款項指與位於美國之油氣資產有關之棄置報廢，該資產已於2010年12月出售。

Notes to the Financial Statements

財務報表附註



29. BORROWINGS - SECURED

29. 借貸－有抵押

		The Group 本集團	
		2011	2010
		HK\$' 000	HK\$' 000
		千港元	千港元
Secured interest-bearing borrowings	有抵押付息借貸		
On demand or within one year	按要求或一年內償還	22,287	—
More than one year, but not exceeding two years	超過一年，但不超過兩年	91,393	—
More than two years, but not exceeding five years	超過兩年，但不超過五年	194,300	—
		307,980	—
Amount due within one year included in current liabilities	列入流動負債一年內到期之金額	(22,287)	—
Non-current portion	非流動部分	285,693	—

During the year ended 31 December 2011, the Group obtained borrowings of HK\$61,596,000 (equivalents to RMB50,000,000) and HK\$246,384,000 (equivalents to RMB200,000,000) from two parties respectively as follows:

- (i) On 19 September 2011, OEI, a wholly owned subsidiary of the Group, entered into a financing agreement (“Agreement 1”) with Minsheng Financial Leasing Co., Ltd (民生金融租賃股份有限公司) (“Minsheng”), an independent third party, pursuant to which Minsheng advanced HK\$61,596,000 under certain conditions to OEI to be repaid by instalment over three years. In the opinion of the directors, the financing arrangement is in substance a secured borrowing. This borrowing is secured by certain gas exploration and evaluation assets of OEI with a carrying amount of HK\$57,807,000 (note 17) and a personal guarantee from the Company’s shareholders, Mr. Dai Xiaobing and Mr. King Hap Lee who are also directors of the Company.

截至2011年12月31日止年度內，本集團分別自雙方獲得61,596,000港元（相當於人民幣50,000,000元）及246,384,000港元（相當於人民幣200,000,000元）之借貸，詳情如下：

- (i) 2011年9月19日，本集團之全資附屬公司奧瑞安與獨立第三方民生金融租賃股份有限公司（「民生」）訂立融資協議（「協議一」），據此民生向奧瑞安預付61,596,000港元，該款項將按三年分期償還且須遵守若干條件。董事認為，該融資安排在本質上屬於有抵押借貸之一。此項借貸之抵押品包括奧瑞安賬面值為57,807,000港元之若干天然氣勘探及評估資產（附註17），以及本公司股東戴小兵先生及景哈利先生（二位亦為本公司董事）提供之個人擔保。

Notes to the Financial Statements

財務報表附註



29. BORROWINGS - SECURED (Continued)

- (ii) On 23 December 2011, OEI entered into another financing agreement ("Agreement 2") with CDB Leasing Co., Ltd (國銀金融租賃有限公司) ("CDB Leasing"), an independent third party, pursuant to which CDB Leasing granted a facility of RMB1,000,000,000 to OEI to be repaid by instalment over five years, of which RMB200,000,000 was to finance the exploration phase which amount OEI drew before 31 December 2011. Pursuant to Agreement 2, OEI can only draw on the remaining facility of RMB800,000,000 upon submission of its ODP on the Sanjiao PSC to the NDRC and the preliminary approval of the ODP to be obtained from the NDRC on or before 30 June 2012. If approval of the ODP is not obtained before 30 June 2012, any drawn down made would immediately become payable on demand.

The facility is secured by certain gas exploration and evaluation assets with a carrying amount of HK\$359,882,000 (note 17), a guarantee deposit of HK\$5,866,000, all trade receivables from sales generated from the Sanjiao PSC, all the shares of OEI held by Power Great Limited, a wholly-owned subsidiary of the Company, 2,296,000,000 shares of the Company, personal guarantee of Mr. Dai Xiaobing who is a shareholder and director of the Company and corporate guarantee by the Company.

In the opinion of the directors, the above financing arrangement is in substance a secured borrowing. As explained in note 37(i), the directors are confident that the ODP will be approved by the relevant PRC authority before 30 June 2012.

The borrowings under Agreement 1 and Agreement 2 carry interest at effective floating rates ranging from 9.4% to 12.6% for the year ended 31 December 2011.

29. 借貸－有抵押（續）

- (ii) 2011年12月23日，奧瑞安與獨立第三方國銀金融租賃有限公司（「國銀金融租賃」）訂立另一項融資協議（「協議二」），據此國銀金融租賃向奧瑞安提供人民幣1,000,000,000元之融資，該融資將按五年分期償還，奧瑞安於2011年12月31日前已提取其中人民幣200,000,000元用於勘探階段。根據協議二，奧瑞安僅在向發改委提交有關三交產品分成合同之ODP且發改委於2012年6月30日或之前批覆ODP後，方可提取剩餘剩餘人民幣800,000,000元融資。如果未於2012年6月30日之前獲得ODP批覆，則已提取之任何款項應按要求立即償還。

該融資之抵押品包括賬面值為359,882,000港元之若干天然氣勘探及評估資產（附註17）、5,866,000港元之擔保按金、三交提交有關三交產品分成合同產生之所有銷售應收賬款、威遠有限公司（本公司之全資附屬公司）持有之所有奧瑞安股份、本公司2,296,000,000股股份、戴小兵先生（本公司之股東及董事）提供之個人擔保，以及本公司提供之公司擔保。

董事認為，以上融資安排在本質上屬於有抵押借貸之一。誠如附註37(i)中所解釋，董事有信心ODP將於2012年6月30日之前獲有關中國政府機關批覆。

截至2011年12月31日止年度，協議一及協議二項下之借貸附帶利息，其實際浮動利率介於9.4%至12.6%之間。

Notes to the Financial Statements

財務報表附註



30. CONVERTIBLE NOTE

The Group and Company

(i) *Convertible note issued on 30 April 2009*

The Company issued a convertible note denominated in HKD with a 2% coupon rate on 30 April 2009 and maturing four years from the date of issue. The note was convertible to 54,347,826 ordinary shares of the Company at the holder's option at the rate of HK\$0.46 per share.

The fair values of the liability component and equity conversion component were determined at the date of issue. The fair value of the liability component was included as non-current financial liabilities and calculated using the market interest rate for an equivalent non-convertible note. The residual amount, representing the value of the equity conversion component, was included in equity, net of deferred income taxes, where applicable. Imputed interest was charged at the rate of 14.12% using the effective interest method. The convertible note was early redeemed in full at a consideration of HK\$25,000,000 in July 2010, resulting in a loss on early redemption of HK\$703,000. Though the early redemption right constituted as an embedded derivative in accordance with HKAS 32, the fair value of this embedded derivative was value at nil by a professional firm of valuers.

(ii) *Convertible note issued on 18 November 2010*

The Company issued a convertible note denominated in HKD with zero coupon interest and maturing in the third anniversary of the date of issue of 18 November 2010 as part consideration for the acquisition of Power Great Group as detailed in note 36(b). The nominal value of the note was HK\$780,000,000 and it could be converted into ordinary shares of the Company at the price of HK\$0.5 per conversion share. The Company had the right to settle the redemption in cash or by the issue of conversion shares at the conversion price or a combination of both and had no obligations to redeem the convertible note in cash, even if the bondholder requested to settle in cash. The convertible note was accounted for as an equity instrument, as in the opinion of the directors, the Company had the option to issue shares at the conversion price on maturity date. Accordingly, the nominal value of the note of HK\$780,000,000 was credited to the convertible note equity reserve on the date of issue of the note. The convertible note was fully converted to 1,560,000,000 ordinary shares of the Company before year ended 31 December 2011.

30. 可換股票據

本集團及本公司

(i) *於2009年4月30日發行之可換股票據*

本公司於2009年4月30日發行以港元計值且票息率為2%之可換股票據，自發行日期起計四年內到期。票據可依據持有人的選擇以每股0.46港元之價格轉換為本公司54,347,826股普通股。

負債部分及權益轉換部分之公平值乃於發行日期釐定。負債部分之公平值作為非流動財務負債入賬，並使用同等不可換股票據之市場利率計算。餘額指權益轉換部分之價值，扣除遞延所得稅（如適用）後計入權益內。應歸利息支出乃按實際利率14.12%使用實際利息法計算。該可換股票據已提早於2010年7月按代價25,000,000港元全數贖回，導致產生提早贖回虧損703,000港元。儘管根據香港會計準則第32號，該提早贖回權構成嵌入式衍生工具，根據專業估值師公司估值，該嵌入式衍生工具之公平值接近零。

(ii) *於2010年11月18日發行之可換股票據*

本公司於2010年11月18日就附註36(b)詳述收購威遠集團之部分代價，發行以港元計值之零票息可換股票據，該可換股票據自發行日期起計第三週年到期。票據面值為780,000,000港元，可以每股換股股份0.5港元之價格轉換為本公司普通股。本公司有權以現金方式，或按換股價發行換股股份之方式，或綜合上述兩種方式以支付贖回款額，且無責任以現金贖回可換股票據，即使債券持有人要求以現金支付贖回款額亦如此。董事認為，可換股票據視作一種股本工具，本公司有權於到期日按換股價發行股份。因此，在發行票據當日，面值780,000,000港元之票據已撥入可換股票據權益儲備。可換股票據已於截至2011年12月31日止年度前全數轉換為本公司1,560,000,000股普通股。

Notes to the Financial Statements

財務報表附註



30. CONVERTIBLE NOTE (Continued)

The Group and Company (Continued)

(iii) *Convertible note issued on 13 July 2011*

The Company issued convertible notes bearing interest at 5% per annum with a principal sum of HK\$468,000,000 on 13 July 2011. The convertible notes were denominated in HKD and would mature in one year from the issue date. The notes were convertible to 936,000,000 ordinary shares of the Company at the holder's option at the rate of HK\$0.5 per share.

The fair values of the liability component and equity conversion component were determined at the date of issue. The fair value of the liability component was included as current financial liabilities and calculated using the market interest rate for an equivalent non-convertible note. The residual amount, representing the value of the equity conversion component, was included in equity, net of deferred income taxes, where applicable.

The convertible note was fully converted to 936,000,000 ordinary shares of the Company before year ended 31 December 2011.

30. 可換股票據(續)

本集團及本公司(續)

(iii) *於2011年7月13日發行之可換股票據*

本公司於2011年7月13日發行年息為5%、本金額為468,000,000港元之可換股票據。可換股票據以港元計值，自發行日期起計一年內到期。票據可依據持有人之選擇以每股0.5港元之價格轉換為本公司936,000,000股普通股。

負債部分及權益轉換部分之公平值乃於發行日期釐定。負債部分之公平值作為流動財務負債入賬，並使用同等不可換股票據之市場利率計算。餘額指權益轉換部分之價值，扣除遞延所得稅(如適用)後計入權益內。

可換股票據已於截至2011年12月31日止年度前全數轉換為本公司936,000,000股普通股。

Notes to the Financial Statements

財務報表附註



30. CONVERTIBLE NOTE (CONTINUED)

The convertible notes recognised in the statement of financial position are as follows:

30. 可換股票據(續)

於財務狀況表確認之可換股票據如下：

		Liability component	Equity component
		負債部分	權益部分
		HK\$' 000	HK\$' 000
		千港元	千港元
At 1 January 2010	於2010年1月1日	16,824	9,489
Imputed interest expense (note 8(a))	應歸利息支出(附註8(a))	1,452	-
Interest paid	已付利息	(292)	-
Release of equity component	撥回權益部分	-	(3,176)
Redemption of convertible note	贖回可換股票據	(18,687)	(6,313)
Loss on redemption of convertible note (note 7)	贖回可換股票據之虧損(附註7)	703	-
Face value of convertible note issued on 18 November 2010 (note 36(b))	於2010年11月18日發行之可換股票據公平值(附註36(b))	-	780,000
At 31 December 2010	於2010年12月31日	-	780,000
Face value of convertible note issued on 13 July 2011	於2011年7月13日發行之可換股票據公平值	435,520	32,480
Conversion of convertible note	可換股票據之轉換	(435,520)	(812,480)
At 31 December 2011	於2011年12月31日	-	-

Notes to the Financial Statements

財務報表附註



31. DEFERRED TAX

Details of the deferred tax assets and (liabilities) recognised and movements during the year were as follows:

31. 遞延稅項

年內確認之遞延稅項資產及(負債)之詳情及變動如下:

		Accelerated tax depreciation	Intangible assets	Tax losses	Total
		加速稅項 折舊	無形資產	稅項虧損	總計
		HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元
At 1 January 2010	於2010年1月1日	(779)	(11,682)	-	(12,461)
(Charged)/credited to profit or loss (note 9)	(扣除)/計入損益賬(附註9)	(7,386)	35	4,714	(2,637)
At 31 December 2010	於2010年12月31日	(8,165)	(11,647)	4,714	(15,098)
(Charged)/credited to profit or loss (note 9)	(扣除)/計入損益賬(附註9)	(11,115)	20	8,825	(2,270)
Exchange adjustments	匯兌調整	(833)	(1,001)	528	(1,306)
At 31 December 2011	於2011年12月31日	(20,113)	(12,628)	14,067	(18,674)

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 amounts in net, determined after appropriate offsetting, are shown on the consolidated statement of financial position.

遞延稅項資產及負債只有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。

		The Group 本集團	
		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Deferred tax liabilities	遞延稅項負債	(32,741)	(19,812)
Deferred tax assets	遞延稅項資產	14,067	4,714
		(18,674)	(15,098)

Notes to the Financial Statements

財務報表附註



32. EMPLOYEE RETIREMENT BENEFITS

- a) 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\$20,000 by each party. Contributions to the plan vest immediately.
- 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 18% to 22% 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.

33. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company operated a share option scheme which was adopted on 6 March 2002 (“old scheme”) for a period of ten years commencing from 6 March 2002 whereby the directors of the Company were 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 were determined by the Board at the time of grant. The exercisable period of an option was not to exceed a period of ten years commencing on 6 March 2002. The options gave the holder the right to subscribe for ordinary shares in the Company. A nominal consideration of HK\$1 was payable by the grantee upon acceptance of an option. Options were forfeited if the employee leaves the Group.

32. 僱員退休福利

- a) 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定強制性公積金計劃（「強積金計劃」）。強積金計劃乃由獨立信託人管理之定額供款退休計劃。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20,000港元為上限。向計劃作出之供款即時歸僱員所有。
- 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定額供款退休福利計劃（「該等計劃」）。據此，本集團須按合資格僱員薪金介乎18%至22%向該等計劃作出供款。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。

33. 股本結算以股份付款之交易

本公司於2002年3月6日採納一項購股權計劃（「舊計劃」），自2002年3月6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2002年3月6日起計十年。購股權賦予持有人權利認購本公司普通股。獲授購股權之人士於接納購股權時，須支付象徵式代價1港元。倘僱員離開本集團，則沒收有關購股權。

Notes to the Financial Statements

財務報表附註



33. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

The Company adopted a new share option scheme on 28 May 2010 ("new scheme"). The new scheme is for a period of ten years commencing from 28 May 2010. Upon the adoption of the new scheme, the old scheme was immediately terminated. The terms and conditions of the new scheme are the same as the old scheme except for the effective period of the option scheme. Any share options granted under the old scheme are still valid and follow terms of old scheme.

- a) The terms and conditions of the share options that existed during the years ended 31 December 2011 were as follows and all options are settled by physical delivery of shares:

33. 股本結算以股份付款之交易 (續)

本公司於2010年5月28日採納一項新購股權計劃(「新計劃」)。新計劃自2010年5月28日起計為期10年。採納新計劃後，舊計劃即告終止。除購股權計劃之有效期外，新計劃之條款及條件均與舊計劃相同。根據舊計劃授出之任何購股權仍屬有效，並繼續遵從舊計劃之條款。

- a) 以下為截至2011年12月31日止年度根據舊計劃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	Vesting condition	Exercise period	Contractual exercise price	Number of options	Contractual life of options
授出日期	歸屬條件	行使期限	合約行使價	購股權數目	購股權合約年期

'000
千份

Options granted to directors: 授予董事之購股權：

- on 22 August 2007 - 於2007年8月22日	Immediately 即時	22 August 2007 to 5 March 2012 2007年8月22日至2012年3月5日	HK\$0.375 0.375港元	31,000	4.5 years 4.5年
- on 21 August 2008 - 於2008年8月21日	Immediately 即時	21 August 2008 to 5 March 2012 2008年8月21日至2012年3月5日	HK\$0.180 0.180港元	3,000	3.5 years 3.5年
- on 22 April 2010 - 於2010年4月22日	Immediately 即時	22 April 2010 to 5 March 2012 2010年4月22日至2012年3月5日	HK\$0.390 0.390港元	7,000	2 years 2年
- 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 0.276港元	12,000	10 years 10年
- on 6 December 2011 - 於2011年12月6日	Immediately 即時	9 January 2011 to 5 December 2021 (i) 2011年1月9日至2021年12月5日(i)	HK\$0.276 0.276港元	144,000	10 years 10年

- (i) The grant of the Options was conditional upon the passing of the necessary resolution approving the proposed refreshment pursuant to Rule 17.03 (3) at a special general meeting which was subsequently held and approved the proposed refreshment in January 2012.

- (i) 根據規則第17.03 (3)條，授予購股權須以於股東特別大會上通過必要決議案批准建議更新為條件，股東特別大會於其後召開，並於2012年1月獲批准建議更新。

Notes to the Financial Statements

財務報表附註



33. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

33. 股本結算以股份付款之交易 (續)

Date of grant	Vesting condition	Exercise period	Contractual exercise price	Number of options	Contractual life of options
授出日期	歸屬條件	行使期限	合約行使價	購股權數目	購股權合約年期
				'000 千份	
Option granted to employees:					
授予僱員之購股權：					
- on 26 January 2007 - 於2007年1月26日	Immediately 即時	26 February 2007 to 25 February 2012 於2007年2月26日至2012年2月25日	HK\$0.189 0.189港元	56,250	5 years 5年
- on 22 August 2007 - 於2007年8月22日	Immediately 即時	22 August 2007 to 5 March 2012 於2007年8月22日至2012年3月5日	HK\$0.375 0.375港元	338,190	4.5 years 4.5年
- on 21 August 2008 - 於2008年8月21日	Immediately 即時	21 August 2008 to 5 March 2012 2008年8月21日至2012年3月5日	HK\$0.180 0.180港元	6,000	2.5 years 2.5年
- on 22 April 2010 - 於2010年4月22日	Immediately 即時	22 April 2010 to 5 March 2012 2010年4月22日至2012年3月5日	HK\$0.390 0.390港元	210,800	2 years 2年
- 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 0.276港元	547,700	10 years 10年
Total share options					
購股權總數					1,355,940

Notes to the Financial Statements

財務報表附註



33. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

b) The number and weighted exercise prices of share options are as follows:

		2011		2010	
		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	0.351	711,840	0.233	967,950
Granted during the year	年內授出	0.276	703,700	0.390	220,000
Exercised during the year	年內行使	0.234	(59,600)	0.131	(476,110)
Outstanding at the end of the year	於年末尚未行使	0.317	1,355,940	0.351	711,840
Exercisable at the end of the year	於年末可予行使	0.322	1,211,940	0.351	711,840

The weighted average share price at the date of exercise of the shares options during the year was HK\$0.456 (2010: HK\$0.47).

The options outstanding at 31 December 2011 had exercise prices of HK\$0.375, HK\$0.189, HK\$0.180, HK\$0.390 and HK\$0.276 (2010: HK\$0.375, HK\$0.189, HK\$0.180 and HK\$0.390) respectively and a weighted average remaining contractual life of 1.36 years (2010: 1.2 years).

c) Fair value of share options and assumptions
The fair value of services received in return for share options granted is measured with reference to the fair value of share options granted. The estimate of the fair values of the services received is measured based on binomial lattice option pricing model. Lives of the options are incorporated into the model.

33. 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：

年內，購股權獲行使當日之加權平均股價為0.456港元(2010年：0.47港元)。

於2011年12月31日，尚未行使購股權之行使價分別為0.375港元、0.189港元、0.180港元、0.390港元及0.276港元(2010年：0.375港元、0.189港元、0.180港元及0.390港元)，而加權平均餘下合約年期為1.36年(2010年：1.2年)。

c) 購股權之公平值及假設
換取授出購股權所獲得服務之公平值乃參考所授出購股權之公平值計量。所獲得服務之公平值乃根據二項式點陣購股權定價模式估計。該模式已將購股權之年期計算在內。

Notes to the Financial Statements

財務報表附註



33. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

c) Fair value of share options and assumptions
(Continued)

Fair value of share options and assumptions

Date of grant	6 December 2011	22 April 2010	7 November 2008	21 August 2008	22 August 2007	26 January 2007
授出日期	2011年 12月6日	2010年 4月22日	2008年 11月7日	2008年 8月21日	2007年 8月22日	2007年 1月26日
Fair value at measurement date 於計量日期之公平值	HK\$0.086 0.086港元	HK\$0.087 0.087港元	HK\$0.014 0.014港元	HK0.032 0.032港元	HK\$0.035 0.035港元	HK\$0.011 0.011港元
Share price 股價	HK\$0.275 0.275港元	HK\$0.39 0.39港元	HK\$0.06 0.06港元	HK\$0.18 0.18港元	HK\$0.375 0.375港元	HK\$0.189 0.189港元
Exercise price 行使價	HK\$0.276 0.276港元	HK\$0.39 0.39港元	HK\$0.18 0.18港元	HK\$0.18 0.18港元	HK\$0.375 0.375港元	HK\$0.189 0.189港元
Expected volatility 預期波幅	51.52%	72.06%	58.06%	50.73%	56%	33.7%
Expected life 預期年期	10 years 10年	2 years 2年	1 year 1年	1 year 1年	0.17 year 0.17年	0.16 year 0.16年
Expected dividends 預期股息	0%	0%	0%	0%	0%	0%
Risk-free interest rate (based on the yields to maturity of Hong Kong Exchange Fund Note) 無風險利率 (按香港外匯基金票據 到期收益率計算)	1.389%	0.58%	0.48%	1.63%	4%	3.725%

The expected volatility is based on the historical volatility (by reference to the weighted average remaining life of the share options), adjusted for any expected changes to future volatility by reference to publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

The Group recognised total expenses of HK\$60,000,000 (2010: HK\$19,200,000) in respect of the equity-settled share-based payment transactions during the year (note 8(b)).

33. 股本結算以股份付款之交易 (續)

c) 購股權之公平值及假設 (續)

購股權之公平值及假設

預期波幅乃以歷史波幅為基準(參照購股權之加權平均剩餘年期計算)，並按就公開可得資料之預期未來波動變動作出調整。預期股息乃按歷史股息為依據。主觀假設之變動可能對公平值估計構成重大影響。

於本年度，本集團確認有關股本結算以股份付款之交易之總支出60,000,000港元(2010年：19,200,000港元)(附註8(b))。

Notes to the Financial Statements

財務報表附註



34. CAPITAL AND RESERVES

a) Share capital

(i) Authorised and issued share capital

		2011		2010	
		Number of shares	Amount	Number of shares	Amount
		股份數目	金額	股份數目	金額
		'000	HK\$'000	'000	HK\$'000
		千股	千港元	千股	千港元
Authorised	法定				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股	25,000,000	250,000	25,000,000	250,000
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	9,141,478	91,414	4,386,148	43,861
At beginning of the year	於年初				
Shares issued on exercise of warrants (iii)	行使認股權證時發行股份(iii)	10,000	100	226,000	2,260
Shares issued under share option scheme (iv)	按購股權計劃發行股份(iv)	59,600	596	476,110	4,761
Shares issued on acquisitions (v)	就收購發行股份(v)	312,000	3,120	1,560,000	15,600
Shares issued on placing (vi)	按配售發行股份(vi)	–	–	2,493,220	24,932
Share issued on conversion of convertible notes (vii)	轉換可換股票據時發行股份(vii)	2,496,000	24,960	–	–
At end of the year	於年末	12,019,078	120,190	9,141,478	91,414

At the special general meeting on 16 August 2010, the shareholders approved the increase in authorised share capital of the Company from HK\$100,000,000 divided into 10,000,000,000 shares of HK\$0.01 each to HK\$250,000,000 divided into 25,000,000,000 shares of HK\$0.01 each.

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.

34. 資本及儲備

a) 股本

(i) 法定及已發行股本

The Company
本公司

2011

2010

		Number of shares	Amount	Number of shares	Amount
		股份數目	金額	股份數目	金額
		'000	HK\$'000	'000	HK\$'000
		千股	千港元	千股	千港元

Authorised	法定				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之普通股	25,000,000	250,000	25,000,000	250,000
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	9,141,478	91,414	4,386,148	43,861
At beginning of the year	於年初				
Shares issued on exercise of warrants (iii)	行使認股權證時發行股份(iii)	10,000	100	226,000	2,260
Shares issued under share option scheme (iv)	按購股權計劃發行股份(iv)	59,600	596	476,110	4,761
Shares issued on acquisitions (v)	就收購發行股份(v)	312,000	3,120	1,560,000	15,600
Shares issued on placing (vi)	按配售發行股份(vi)	–	–	2,493,220	24,932
Share issued on conversion of convertible notes (vii)	轉換可換股票據時發行股份(vii)	2,496,000	24,960	–	–
At end of the year	於年末	12,019,078	120,190	9,141,478	91,414

於2010年8月16日股東特別大會，股東批准將本公司法定股本由100,000,000港元分為10,000,000,000股每股面值0.01港元之股份增加至250,000,000港元分為25,000,000,000股每股面值0.01港元之股份。

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。

Notes to the Financial Statements

財務報表附註



34. CAPITAL AND RESERVES (Continued)

a) Share capital (Continued)

(ii) Issue of warrants

The Company entered into a separate agreement on issuance of warrants on 7 June 2010 and 10 November 2010. Pursuant to the agreements, the Company issued 600,000,000 and 250,000,000 unlisted warrants at the price of HK\$0.01 and HK\$0.005 each on those dates respectively. The contractual exercise prices of the warrants were HK\$0.22 and HK\$0.53 per subscription share, respectively. The proceeds of HK\$7,250,000 were credited to warrant reserve.

(iii) Shares issued on exercise of warrants

During 2011, 10,000,000 warrants were exercised to subscribe for 10,000,000 (2010: 226,000,000) ordinary shares in the Company at a consideration of HK\$2,200,000 (2010: HK\$49,720,000) of which HK\$100,000 (2010: HK\$2,260,000) was credited to share capital and the balance of HK\$2,100,000 (2010: HK\$47,460,000) was credited to the share premium account. HK\$100,000 (2010: HK\$2,260,000) was transferred from the warrant reserve to the share premium account accordingly.

(iv) Shares issued under share option scheme

During 2011, 59,600,000 options were exercised to subscribe for 59,600,000 (2010: 476,110,000) ordinary shares in the Company at a consideration of HK\$13,953,000 (2010: HK\$62,284,000) of which HK\$596,000 (2010: HK\$4,761,000) was credited to share capital and the balance of HK\$13,357,000 (2010: HK\$57,523,000) was credited to the share premium account. HK\$1,296,628 (2010: HK\$7,966,000) was transferred from the share option reserve to the share premium account in accordance with accounting policy set out in note 4(p)(ii).

34. 資本及儲備(續)

a) 股本(續)

(ii) 發行認股權證

本公司於2010年6月7日及2010年11月10日先後訂立獨立協議。根據該等協議，本公司分別於上述日期按每份0.01港元及0.005港元之價格發行600,000,000份及250,000,000份非上市認股權證。認股權證之合約行使價分別為每股認購股份0.22港元及0.53港元。所得款項7,250,000港元已計入認股權證儲備。

(iii) 行使認股權證時發行股份

於2011年，10,000,000份認股權證已獲行使以認購本公司10,000,000股（2010年：226,000,000股）普通股，代價為2,200,000港元（2010年：49,720,000港元），其中100,000港元（2010年：2,260,000港元）計入股本，餘下2,100,000港元（2010年：47,460,000港元）計入股份溢價賬。據此，100,000港元（2010年：2,260,000港元）已自認股權證儲備轉撥至股份溢價賬。

(iv) 按購股權計劃發行股份

於2011年，59,600,000份購股權已獲行使以認購本公司59,600,000股（2010年：476,110,000股）普通股，代價為13,953,000港元（2010年：62,284,000港元），其中596,000港元（2010年：4,761,000港元）計入股本，餘下13,357,000港元（2010年：57,523,000港元）計入股份溢價賬。根據附註4(p)(ii)所載之會計政策，1,296,628港元（2010年：7,966,000港元）已自購股權儲備轉撥至股份溢價賬。

Notes to the Financial Statements

財務報表附註



34. CAPITAL AND RESERVES (Continued)

a) Share capital (Continued)

(v) Shares issued on acquisitions

On 15 November 2010, the Company's issued share capital was increased by HK\$15,600,000 through the issue of 1,560,000,000 shares as part of the additional consideration to acquire Power Great Group as detailed in note 36(b). The fair value of the consideration shares as determined by the closing market price of HK\$0.48 per share on 15 November 2010 amounted to HK\$748,800,000. The premium on the issue of new shares amounted to HK\$733,200,000 was credited to the share premium account.

On 9 December 2011, the Company's issued share capital was increased by HK\$3,120,000 through the issue of 312,000,000 shares as an incentive consideration for the acquisition of Power Great Group as detailed in note 36(b). The fair value of these shares based on the closing market price of HK\$0.28 per share on 9 December 2011 amounted HK\$87,360,000. The premium on the issue of new shares amounted to HK\$84,240,000 was credited to the share premium account.

(vi) Shares issued on placing

During 2010, 874,000,000, 750,000,000 and 869,220,000 ordinary shares were subscribed at HK\$0.198, HK\$0.22 and HK\$0.45 per share and the corresponding proceeds were of HK\$173,052,000, HK\$165,000,000 and HK\$391,149,000 respectively. Accordingly, the Company's issued share capital was increased by HK\$24,932,000 and the balance of the proceeds of HK\$689,061,000, after deducting direct issued costs of HK\$15,208,000, was credited to the share premium account.

(vii) Shares issued on conversion of convertible notes

During 2011, the convertible notes as set out in note 30(ii) and (iii) were converted to subscribe for 1,560,000,000 and 936,000,000 ordinary shares in the Company at a consideration of HK\$780,000,000 and HK\$468,000,000 respectively of which HK\$15,600,000 and HK\$9,360,000 were transferred to share capital and balances of HK\$764,400,000 and HK\$458,640,000 were transferred to the share premium account from the convertible note equity reserves respectively. The direct costs of HK\$15,716,000 were debited to the share premium account.

34. 資本及儲備(續)

a) 股本(續)

(v) 就收購發行股份

於2010年11月15日，透過發行1,560,000,000股股份以作為收購威遠集團(詳情載於附註36(b))之部分額外代價，本公司之已發行股本增加15,600,000港元。代價股份之公平值為748,800,000港元，乃按2010年11月15日之收市價每股0.48港元釐定。發行新股份之溢價為733,200,000港元，已計入股份溢價賬。

於2011年12月9日，透過發行312,000,000股股份以作為收購威遠集團(載於附註36(b))之獎勵代價，本公司之已發行股本增加3,120,000港元。該等股份之公平值為87,360,000港元，乃基於2011年12月9日之收市價每股0.28港元釐定。發行新股份之溢價為84,240,000港元，已計入股份溢價賬。

(vi) 按配售發行股份

於2010年，874,000,000股、750,000,000股及869,220,000股普通股分別按每股0.198港元、0.22港元及0.45港元之價格獲認購，相應之所得款項分別為173,052,000港元、165,000,000港元及391,149,000港元。因此，本公司之已發行股本增加24,932,000港元，而所得款項餘額689,061,000港元(已扣除直接發行成本15,208,000港元)已計入股份溢價賬。

(vii) 就可換股票據轉換發行股份

於2011年，附註30(ii)及(iii)中所載可換股票據已分別轉換為以780,000,000港元及468,000,000港元之代價分別認購1,560,000,000股及936,000,000股本公司普通股份，其中15,600,000港元及9,360,000港元已計入股本，餘下764,400,000港元及458,640,000港元已從可換股票據權益儲備轉撥至股份溢價賬。15,716,000港元直接成本已計入股份溢價賬借方。

Notes to the Financial Statements

財務報表附註



34. CAPITAL AND RESERVES (Continued)

b) The Company

34. 資本及儲備(續)

b) 本公司

		Share capital	Share premium	Contributed surplus	Share option reserve	Warrant reserve	Convertible note equity reserve	Accumulated losses	Total
	Notes	股本	股份溢價	繳納盈餘	購股權儲備	認股權證儲備	可換股票據權益儲備	累計虧損	總計
	附註	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
At 1 January 2010	於2010年1月1日	43,861	397,978	81,043	21,132	-	9,489	(478,912)	74,591
Issue of share options	發行購股權	33	-	-	19,200	-	-	-	19,200
Shares issued under share option scheme	按購股權計劃發行股份	34(a)(iv)	4,761	-	(7,966)	-	-	-	62,284
Redemption of convertible note	贖回可換股票據	30	-	-	-	-	(6,313)	-	(6,313)
Release of convertible note equity reserve	可換股票據權益儲備發回	30	-	-	-	-	(3,176)	3,176	-
Shares issued on acquisition	就收購發行股份	34(a)(v)	15,600	733,200	-	-	-	-	748,800
Issue of convertible note for acquisition	就收購發行可換股票據	30	-	-	-	-	780,000	-	780,000
Shares issued on placing	按配售發行股份	34(a)(vi)	24,932	689,061	-	-	-	-	713,993
Issue of warrants	發行認股權證	34(a)(ii)	-	-	-	7,250	-	-	7,250
Shares issued on exercise of warrants	行使認股權證時發行股份	34(a)(iii)	2,260	49,720	-	(2,260)	-	-	49,720
Profit and total comprehensive income for the year	本年度溢利及全面收益總額	-	-	-	-	-	-	17,720	17,720
At 31 December 2010	於2010年12月31日	91,414	1,935,448	81,043	32,366	4,990	780,000	(458,016)	2,467,245
Shares issued on exercise of warrants	行使認股權證時發行股份	34(a)(iii)	100	2,200	-	(100)	-	-	2,200
Issue of convertible note	發行可換股票據	30	-	-	-	-	32,480	-	32,480
Shares issued under share option scheme	按購股權計劃發行股份	34(a)(iv)	596	14,654	(1,297)	-	-	-	13,953
Conversion of convertible notes	可換股票據之轉換	34(a)(vii)	24,960	1,207,324	-	-	(812,480)	-	419,804
Shares issued on acquisition	就收購發行股份	34(a)(v)	3,120	84,240	-	-	-	-	87,360
Issue of share options	發行購股權	33	-	-	60,000	-	-	-	60,000
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	-	-	-	-	(86,924)	(86,924)
At 31 December 2011	於2011年12月31日	120,190	3,243,866	81,043	91,069	4,890	-	(544,940)	2,996,118

Notes to the Financial Statements

財務報表附註



34. CAPITAL AND RESERVES (Continued)

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.

(ii) Contributed surplus

Contributed surplus arises when the Company issues shares in exchange for the shares of subsidiaries being acquired, and represents 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(p)(ii).

(iv) Warrant reserve

Warrant reserve represents the equity component of warrants issued by the Company.

34. 資本及儲備(續)

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不可分派溢價。股份溢價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。

(ii) 繳納盈餘

本公司之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根據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。根據百慕達一九八一年公司法(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，本公司不可宣派或派付股息或自繳納盈餘作出分派：

- 派付或於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

購股權儲備為已向本公司僱員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(p)(ii)就以股份支付之款項所採納會計政策確認入賬。

(iv) 認股權證儲備

認股權證儲備代表本公司發行之認股權證之權益部分。

Notes to the Financial Statements

財務報表附註



34. CAPITAL AND RESERVES (Continued)

c) Nature and purpose of reserves (Continued)

(v) *Convertible note equity reserve*

The reserve represents the equity component (i.e. option to convert the note into shares) of convertible note issued by the Company.

(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 are dealt with in accordance with the accounting policy as set out in note 4(o).

(vii) *Capital reserve*

Capital reserve represents capital contribution from the controlling owner in the form of interest-free loans. The amounts are estimated by discounting the nominal value of their non-interest bearing loans to the Group at current market interest rate for similar financial instruments. The loan was fully repaid on 2010 and the reserve was reversed accordingly.

34. 資本及儲備(續)

c) 儲備性質及用途(續)

(v) *可換股票據權益儲備*

儲備代表本公司發出之可換股票據之權益部分(即將票據轉換為股份之選擇權)。

(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(o)所載之會計政策處理。

(vii) *資本儲備*

資本儲備指控股股東以無息貸款之方式作出之股本注資。該等金額按類似財務工具現行市場利率折現其向本集團作出之無息貸款之面值進行估計。該貸款已於2010年悉數償還且儲備已據此撥回。

Notes to the Financial Statements

財務報表附註



35. DISPOSAL OF SUBSIDIARIES

Disposal of subsidiaries during the year ended 31 December 2010

On 30 December 2010, the Group disposed of Ally Bond Group, whose activities are in oil exploitation and sale of crude oil. The net assets of Ally Bond Group as at the completion date were as follows:

		HK\$' 000 千港元
Property, plant and equipment (note 16)	物業、廠房及設備(附註16)	28,103
Intangible assets (note 18)	無形資產(附註18)	43,092
Pledged deposits	已抵押存款	1,130
Cash and cash equivalents	現金及現金等價物	65
Other payables and accruals	其他應付款項及預提費用	(1,708)
Provision (note 28)	撥備(附註28)	(338)
		<hr/>
Net assets disposed of	所出售資產淨值	70,344
Reclassification from exchange reserve	自匯兌儲備重新分類	(334)
Non-controlling interests	非控股權益	1,424
		<hr/>
		71,434
		<hr/>
Gain on disposal (note 7)	出售之收益(附註7)	68,566
		<hr/>
Total consideration	總代價	140,000
		<hr/>
Satisfied by:	支付方式:	
Cash consideration receivable (note 23(i))	應收現金代價(附註23(i))	14,000
Note receivable (note 24)	應收票據(附註24)	126,000
		<hr/>
		140,000
		<hr/>
Net cash outflow arising on disposal:	出售所產生之現金流出淨額:	
Cash and cash equivalents balances disposed of	所出售現金及現金等價物結餘	(65)
		<hr/>

Ally Bond Group did not contribute to the Group's turnover and a loss of HK\$14,248,000 for the period from 1 January 2010 to the date of disposal.

35. 出售附屬公司

截至2010年12月31日止年度內出售附屬公司

於2010年12月30日，本集團出售從事原油開採及銷售之協邦集團。協邦集團於完成日期之資產淨值如下：

自2010年1月1日直至出售日期，協邦集團沒有為本集團營業額帶來貢獻，反之造成虧損14,248,000港元。

Notes to the Financial Statements

財務報表附註



35. DISPOSAL OF SUBSIDIARIES (CONTINUED)

Disposal of subsidiaries during the year ended 31 December 2010 (Continued)

On 30 December 2010, the Group disposed of King Giant Group, whose activities are in oil exploitation and sale of crude oil. The net assets of King Giant Group as at the completion date were as follows:

35. 出售附屬公司(續)

截至2010年12月31日止年度內出售附屬公司(續)

於2010年12月30日，本集團出售從事原油開採及銷售之君鴻集團。君鴻集團於完成日期之資產淨值如下：

		HK\$' 000 千港元
Intangible assets (note 18)	無形資產(附註18)	5,575
Trade and other receivables	應收賬款及其他應收款項	294
Cash and cash equivalents	現金及現金等價物	171
Other payables and accruals	其他應付款項及預提費用	(271)
		<hr/>
Net assets disposed of	所出售資產淨值	5,769
Reclassification from exchange reserve	自匯兌儲備重新分類	(1)
		<hr/>
		5,768
Gain on disposal (note 7)	出售之收益(附註7)	4,232
		<hr/>
Total consideration	總代價	10,000
		<hr/> <hr/>
Satisfied by:	支付方式：	
Cash consideration receivable (note 23(i))	應收現金代價(附註23(i))	1,000
Note receivable (note 24)	應收票據(附註24)	9,000
		<hr/>
		10,000
		<hr/> <hr/>
Net cash outflow arising on disposal:	出售所產生之現金流出淨額：	
Cash and cash equivalents balances disposed of	所出售現金及現金等價物結餘	(171)
		<hr/> <hr/>

King Giant Group contributed HK\$734,000 to the Group's turnover and a profit of HK\$266,000 for the period from 1 January 2010 to the date of disposal.

自2010年1月1日直至出售日期，君鴻集團為本集團營業額貢獻734,000港元，並帶來溢利266,000港元。

Notes to the Financial Statements

財務報表附註



36. ACQUISITIONS OF SUBSIDIARIES

a) Acquisitions of subsidiaries during the year ended 31 December 2011

(i) Kenwin Global Limited

On 4 November 2011, the Group indirectly acquired a 100% equity interest of Xian Lilong Petroleum Extraction Technology Limited (“Xian Lilong”) by acquiring a 100% equity interest of Kenwin Global Limited and Trillion International Petroleum Extraction Technology Limited, the ultimate holding and immediate holding company of Xian Lilong. The acquisition has been accounted for as purchase of assets and assumption of liabilities since the operation of Xian Lilong does not constitute a business for accounting purpose in that its mainly activity is to hold the operating rights of the Jinzhuang Oil Field. Details of the cost of net assets acquired are as follows:

		HK\$' 000 千港元	HK\$' 000 千港元
Property, plant and equipment (note 16)	物業、廠房及設備(附註16)	35,078	
Intangible assets (note 18)	無形資產(附註18)	197,157	
Other receivables	其他應收款項	3,648	
Cash and cash equivalents	現金及現金等價物	423	
Other payables and accruals	其他應付款項及預提費用	(5,442)	
			<u>230,864</u>
Satisfied by:	支付方式：		
Cash consideration paid	已付現金代價	39,862	
Cash consideration payable (note 27)	應付現金代價(附註27)	9,002	
Transfer of refundable deposits (note 25)	可退回按金轉移(附註25)	60,000	
Assignment of notes receivable (note 24)	轉讓應收票據(附註24)	122,000	
			<u>230,864</u>
Net cash outflow arising from acquisition:	因收購產生之現金流出淨額：		
Cash consideration paid	已付現金代價		(39,862)
Cash and cash equivalents acquired	所收購現金及現金等價物		423
			<u>(39,439)</u>

36. 收購附屬公司

a) 截至2011年12月31日止年度內收購附屬公司

(i) Kenwin Global Limited

於2011年11月4日，本集團透過收購 Kenwin Global Limited及利隆國際石油開採技術有限公司(西安利隆石油開採技術有限公司(「西安利隆」)之最終控股公司及直接控股公司) 100%股權而間接收購西安利隆100%股權。由於西安利隆之主要業務為持有金庄油田之經營權，其經營就會計而言並不構成一項業務，故此項收購將視作為購買資產及承擔負債入賬。所收購資產淨值之成本詳列如下：

Notes to the Financial Statements

財務報表附註



36. ACQUISITIONS OF SUBSIDIARIES (Continued)

b) Acquisitions of subsidiaries during the year ended 31 December 2010

(ii) Power Great Limited

On 15 November 2010, the Group indirectly acquired a 100% equity interest of OEI by acquiring a 100% equity interest of Power Great Limited, the holding company of OEI. The acquisition was accounted for as purchase of assets and assumption of liabilities since the operation of OEI did not constitute a business for accounting purpose. OEI solely engages in coalbed methane exploration, development and production and the project is currently still in the exploration stage. Details of the cost of net assets acquired are as follows:

		HK\$' 000 千港元	HK\$' 000 千港元
Gas exploration and evaluation assets (note 17)	天然氣勘探及評估資產 (附註17)	2,570,586	
Property, plant and equipment (note 16)	物業、廠房及設備 (附註16)	1,665	
Cash and cash equivalents	現金及現金等價物	4,682	
Other receivables	其他應收款項	1,433	
Other payables and accruals	其他應付款項及預提費用	(269,566)	
			<u>2,308,800</u>
Satisfied by:	支付方式：		
Cash consideration paid	已付現金代價	280,000	
Cash consideration payable (note 27)	應付現金代價 (附註27)	500,000	
Issue of ordinary shares at fair value (note 34(a)(v))	按公平值發行普通股 (附註34(a)(v))	748,800	
Issue of convertible note (note 30)	發行可換股票據 (附註30)	780,000	
			<u>2,308,800</u>
Net cash outflow arising from acquisition:	因收購產生之現金流出淨額：		
Cash consideration paid	已付現金代價		(280,000)
Cash and cash equivalents acquired	所收購現金及現金等價物		4,682
			<u>(275,318)</u>

36. 收購附屬公司 (續)

b) 截至2010年12月31日止年度內收購附屬公司

(ii) 威遠有限公司

於2010年11月15日，本集團透過收購奧瑞安之控股公司威遠有限公司100%股權而間接收購奧瑞安100%股權。由於奧瑞安之經營就會計而言並不構成一項業務，故此項收購將視作為購買資產及承擔負債入賬。奧瑞安僅從事煤層氣勘探、開發及生產，目前有關項目乃處於勘探階段。所收購資產淨值之成本詳列如下：



36. ACQUISITIONS OF SUBSIDIARIES (Continued)

b) Acquisitions of subsidiaries during the year ended 31 December 2010 (Continued)

(ii) Power Great Limited (Continued)

As part of the consideration was settled by the Company's equity instruments, the acquisition was an equity settled share-based payment transaction. According to HKFRS 2, the fair value of the equity instruments should be recognised based on the fair value of the net assets acquired. However, the directors of the Company considered that it would be more prudent and appropriate to measure the fair value of the net assets acquired by reference to the fair value of the equity instruments issued, as the valuation of the Group's participating interest in the Sanjiao PSC was based on the reserve of the coalbed methane resources, which could not be reliability measured at this moment.

Pursuant to the acquisition agreement, if OEI could demonstrate within one year from the date of completion of the acquisition by the Company that the aggregate of the proven reserves, probable reserves plus possible reserves of the coalbed methane field attributable to OEI under the Sanjiao PSC showed a 15% increase over the aggregate of such reserves in a competent person's report and reached an amount not less than 663.8 bcf., the consideration for the acquisition would be increased by HK\$156 million, to be satisfied by the issue and allotment of 312,000,000 new shares of the Company at the issue price of HK\$0.5 per share ("Incentive Shares") within one month after the production of such a competent person's report.

On 14 November 2011, OEI produced to the Company a competent person's report showing proven reserves, probable reserves plus possible reserves of the coalbed methane field attributable to OEI under the Sanjiao PSC as of 31 October 2011 to be 669.5 bcf.. As a result, the Company allotted and issued the Incentive Shares to the vendor on 9 December 2011. The fair value of the shares of HK\$87,360,000 (note 34(a)(v)) at HK\$0.28 per share was debited to the gas exploration and evaluation assets (note 17).

36. 收購附屬公司 (續)

b) 截至2010年12月31日止年度內 收購附屬公司 (續)

(ii) 威遠有限公司 (續)

由於此項收購被視為購入資產淨值且部分代價由本公司之股本工具支付，故收購屬一項股本結算以股份付款之交易。根據香港財務報告準則第2號，股本工具之公平值應根據所購入資產淨值之公平值予以確認。然而，本公司董事認為，由於本集團於三交產品分成合同所參與權益之估值乃根據煤層氣資產儲量而作出，而當時未能可靠地確認儲量，計算所收購資產淨值之公平值時以將予發行之股本工具之公平值作參考會較為審慎及適當。

根據收購協議，如奧瑞安能夠在從本公司收購完成之日起計一年內證明根據三交產品分成合同，奧瑞安應佔煤層氣田之已探明儲量、概略儲量加可能儲量之總數顯示較合資格人士報告中之有關儲量總數增長15%，且數量達到不少於6,638億立方英尺，則收購代價將增加156,000,000港元，於該合資格人士報告產生後一個月內，透過發行及分配本公司312,000,000股每股發行價為0.5港元之新股份（「獎勵股份」）支付。

於2011年11月14日，奧瑞安向本公司提交一份合資格人士報告，報告顯示根據三交產品分成合同，奧瑞安應佔煤層氣田之已探明儲量、概略儲量加可能儲量截至2011年10月31日為6,695億立方英尺。因此，本公司已於2011年12月9日向賣方分配及發行獎勵股份。以每股0.28港元計量之該等股份公平值87,360,000港元（附註34(a)(v)）已計入天然氣勘探及評估資產（附註17）之借方。



37. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS

The Group currently has two production sharing arrangements and two development contracts in respect of the 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 as set out in note 36(b)) entered into the Sanjiao PSC 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 461.74 square kilometers subject to reduction in accordance with the Sanjiao PSC located in the Erdos Basin of Shanxi and Shaanxi Provinces in the PRC (the “Contract Area”).

Pursuant to the Sanjiao PSC, 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 the PRC partner have formed a joint management committee as required under the Sanjiao PSC 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 PSC, to PetroChina CBM. The transfer was approved by the State-owned Assets Supervision and Administration Commission of the State Council. PetroChina CBM joined the Joint Management Committee of the Sanjiao PSC, after replacing CUCMCL as the PRC partner.

37. 產品分成合同及開發合同

本集團目前在中國有兩項與煤層氣、原油及天然氣開發及生產有關之生產分成安排及兩項發展合同。

- (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（載於附註36(b)）與中聯煤層氣有限責任公司（「中聯煤層氣」（「中方夥伴」）訂立一份三交產品分成合同，有關按照位於中國山西省及陝西省之鄂爾多斯盆地之三交產品分成合同（「合同地區」）勘探、開發、生產及銷售可能在約461.74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。

根據三交產品分成合同，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同地區勘探、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產品分成合同要求成立聯合管理委員會及委任代表出任該委員會（「聯管會」）之成員。聯管會負責監督合同地區之營運。

於2009年4月，中聯煤層氣將其於若干油氣田（包括有關三交產品分成合同所覆蓋之面積）之權益及相關責任轉移予中石油煤層氣。該項轉移已獲國務院國有資產監督管理委員會批准。取代中聯煤層氣成為中方夥伴後，中石油煤層氣已加入三交產品分成合同之聯管會。

Notes to the Financial Statements

財務報表附註



37. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(i) (Continued)

Under the Sanjiao PSC, the development of the Contract Area is divided into the exploration phase 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 PSC dated 28 October 2010, the exploration period was extended to 6 years to 30 June 2012. All costs incurred in the exploration phase shall be borne by OEI. The project will enter the production phase once OEI has developed and submitted the ODP and obtained the preliminary approval by the NDRC.

On commencement of the 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.

37. 產品分成合同及開發合同 (續)

(i) (續)

根據三交產品分成合同，合同地區之開發分為勘探期及生產期。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日之三交產品分成合同補充協議，勘探期限已延期六年至2012年6月30日。勘探期間產生之所有成本應由奧瑞安承擔。奧瑞安制定及提交ODP，並獲得發改委初步批准後，項目將進入生產階段。

當生產期展開後，所有開採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採及經營成本。此外，中方夥伴在若干油氣井之參與亦可以少於30%，而中方夥伴就此毋須承擔上述既定之開採成本，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。

Notes to the Financial Statements

財務報表附註



37. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(i) (Continued)

The Sanjiao PSC 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 PSC or under special circumstances, the production period can be extended with the approval of the relevant PRC authority.

Sanjiao PSC is currently in the exploration stage. As explained in note 3(b), the Group anticipate to submit the ODP to the NDRC by middle of May 2011. As advised by the Group's legal counsel, there should be no obstacle in obtaining preliminary approval of the ODP from the NDRC once the ODP is submitted by PetroChina CBM and the approval process will normally be completed in ten working days time. Accordingly, the directors are confident that the ODP will be preliminary approved before 30 June 2012 when the Group will be allowed to commence the production and distribution of coalbed methane.

(ii) Details of the Jinzhuang crude oil and natural gas production sharing arrangement are set out in note 25.

The Group's interests in the Sanjiao PSC and the Jinzhuang PSC constitute jointly control operations and are accounted for in accordance with the accounting policy as set out in note 4(e).

37. 產品分成合同及開發合同(續)

(i) (續)

三交產品分成合同為期三十年，生產期間由商業生產開始日期起至生產期到期日（根據整體發展計劃所指定）為止不可多於連續二十年，除非根據三交產品分成合同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。

現時三交產品分成合同正處於勘探期。如附註3(b)所述，本集團預計於2011年5月中旬前向發改委提交ODP。誠如本集團法律顧問所述，一旦中石油煤層氣公司提交ODP，從發改委獲取ODP初步批覆應無障礙，及批覆流程通常將於十個工作日時間內完成。因此，董事相信ODP將於2012年6月30日之前獲初步批覆，屆時本集團將能開始煤層氣之生產及分銷。

(ii) 金庄原油及天然氣生產分成安排之詳情載於附註25。

本集團於三交產品分成合同及於金庄產品分成合同之權益構成共同控制之業務，並根據附註4(e)所載之會計政策入賬。



**37. PRODUCTION SHARING CONTRACTS
AND DEVELOPMENT CONTRACTS
(Continued)**

(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, Shaanxi Province, the PRC (the “Liuluoyu Oil Field”) and in Yanjiawan, Shaanxi 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 with 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 consolidated the results of the oil production and the related assets and liabilities of these oil fields into its financial statements.

37. 產品分成合同及開發合同 (續)

(iii) 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。

根據本公司的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。

Notes to the Financial Statements

財務報表附註



38. SIGNIFICANT NON-CASH TRANSACTIONS

- (a) During the year and as set out in note 36(a)(i), the Group settled the consideration for the acquisition of Kenwin Group by (i) transfer of refundable deposit paid to the vendor of HK\$60,000,000 from other assets (note 25); (ii) assignment of a note receivable of HK\$122,000,000 (note 24) to the vendor; and (iii) cash of HK\$48,864,000 of which HK\$39,862,000 was paid and the balance of HK\$9,002,000 remained outstanding and included in "Other payables and accruals" (note 27) as at 31 December 2011.
- (b) During the year, the Group allotted and issued 312,000,000 ordinary shares as incentive shares for the acquisition of Power Great Group (note 34(a)(v)).
- (c) During 2010 and as set out in note 36(b)(ii), the Group settled the consideration for the acquisition of Power Great Group by (i) issue of 1,560,000,000 shares of the Company (note 34(a)(v)); (ii) issue of a convertible note with a carrying value of HK\$780,000,000 (note 30); and cash of HK\$780,000,000 of which HK\$280,000,000 was paid and the balance of HK\$500,000,000 remained outstanding and included in "other payables and accruals" (note 27(i)) as at 31 December 2010.
- (d) During 2010, the Group disposed of Ally Bond Group and King Giant Group for a total consideration of HK\$150,000,000, comprising cash consideration of HK\$15,000,000 and promissory notes of HK\$135,000,000 (note 24). As at 31 December 2010, the cash consideration receivable was unpaid and included in "trade and other receivables, deposits and prepayments (note 23(i)).
- (e) During the year, interest on borrowings of HK\$4,555,000 (2010: HK\$196,000) was capitalised as gas exploration and evaluation assets (note 8(a)).
- (f) During the year, provision for the environmental restoration and decommission costs of HK\$1,132,000 was included in the gas exploration and evaluation assets (note 17).

38. 重大非現金交易

- (a) 年內，如附註36(a)(i)所述，本集團已透過(i)讓渡從其他資產向賣方支付之可退回按金60,000,000港元(附註25)；(ii)向賣方轉讓應收票據122,000,000港元(附註24)；及(iii)現金48,864,000港元(其中39,862,000港元已支付，餘額9,002,000港元仍未支付並計入於2011年12月31日之「其他應付款項及預提費用」內(附註27))，支付收購Kenwin集團之代價。
- (b) 年內，本集團配發及發行312,000,000股普通股，作為收購威遠集團之獎勵股份(附註34(a)(v))。
- (c) 2010年內，如附註36(b)(ii)所述，本集團透過(i)發行本公司1,560,000,000股股份(附註34(a)(v))；(ii)發行賬面值為780,000,000港元之可換購票據(附註30)；及現金780,000,000港元(其中280,000,000港元已支付，餘額500,000,000港元仍未支付並計入於2010年12月31日之「其他應付款項及預提費用」內(附註27(i)))，支付收購威遠集團之代價。
- (d) 2010年內，本集團以總代價150,000,000港元出售協邦集團及君鴻集團，包括現金代價15,000,000港元及135,000,000港元之承兌票據(附註24)。於2010年12月31日，現金代價應收款未支付，計入「應收賬款、其他應收款項、按金及預付款項」內(附註23(i))。
- (e) 年內，借貸利息4,555,000港元(2010年：196,000港元)已資本化為天然氣勘探及評估資產(附註8(a))。
- (f) 年內，環境修復和停止使用費撥備1,132,000港元已計入天然氣勘探及評估資產內(附註17)。

Notes to the Financial Statements

財務報表附註



38. SIGNIFICANT NON-CASH TRANSACTIONS (Continued)

(g) During the year, other assets amount of HK\$105,802,000 was transferred to property, plant and equipment as oil and gas properties (note 25).

39. 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.

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 the payment of dividends, new share issue as well as the issue of new debts or the repayment of existing debts.

38. 重大非現金交易(續)

(g) 年內，105,802,000港元之其他資產被轉至物業、廠房及設備，作為油氣資產(附註25)。

39. 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及本公司擁有人應佔權益(包括已發行股本及儲備)之其他應付款項及預提費用、撥備及借貸。

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。

Notes to the Financial Statements

財務報表附註



39. CAPITAL MANAGEMENT (Continued)

The net debts-to-equity ratios at 31 December 2011 and 2010 were as follows:

		The Group 本集團	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Total debts:	負債總額：		
Other payables and accruals	其他應付款項及預提費用	546,149	878,952
Borrowings	借貸	307,980	-
Provisions	撥備	1,132	-
		855,261	878,952
Less: Cash and cash equivalents	減：現金及現金等價物	(344,451)	(242,529)
Net debts	債務淨值	510,810	636,423
Equity	權益	3,060,956	2,528,375
Net debts-to-equity ratio	債務淨值對權益比率	17%	25%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

39. 資本管理(續)

於2011年及2010年12月31日之債務淨值對權益比率如下：

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。

40. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, the directors are required to make judgement, 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.

40. 重大會計判斷及估計不明朗因素之主要理據

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。實際業績可能有別於該等估計。

估計及相關假設會按持續基準檢討。會計估計所作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)。



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

a) Critical judgements in applying the Group's accounting policies

(i) Participation in oil and gas exploitation and production in the PRC

By way of a transfer agreement and an assignment agreement, the Group has acquired the rights and obligations of two development contracts. Each development contract enables the Group to participate in an oil and gas exploitation project to produce crude oil and natural gas in an oil field in the PRC. Significant judgement is required from the directors that the Group has the rights to participate in, and the power to govern the financial and operational policies of the exploitation and production of crude oil and natural gas in oil fields in the PRC so that the Group is entitled to consolidate the results from the operation of these oil exploitation projects into the results of the Group.

(ii) Acquisition of subsidiary

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. When an entity acquires an asset or a group of assets, careful analysis is required to identify whether what is acquired constitutes a business or represents only an asset or a group of assets that does not constitute a business and determining whether a particular set of integrated activities and assets is a business may require significant judgement.

40. 重大會計判斷及估計不明朗因素之主要理據 (續)

a) 本集團會計政策所應用之重大會計判斷

(i) 於中國參與油氣開採及生產

透過讓渡協議及轉讓協議，本集團已收購兩份開發合同之權利及責任。每份開發合同使本集團可參與油氣開採項目，於中國之油田生產原油及天然氣。董事須作出重大判斷，認為本集團有權參與，並有權利監管中國油田原油及天然氣開採及生產之財務及營運政策，因此，本集團有權將經營該等石油開採項目之業績列入本集團之業績內。

(ii) 收購附屬公司

業務合併使用收購法入賬。收購成本乃按所轉讓代價總額、收購當日公平值及於被收購方之任何非控股權益金額計量。實體收購一項資產或一組資產時，需審慎分析，以識別所收購資產是否構成一個企業或僅代表一項資產或一組資產而不構成一個企業，而釐定某組整合活動及資產是否為一個企業可能需要作出重大判斷。

Notes to the Financial Statements

財務報表附註



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

a) Critical judgements in applying the Group's accounting policies (Continued)

(iii) Units of production amortisation of intangible assets

Intangible assets are amortised using the units of production method over total proved developed and undeveloped oil reserves. This results in an 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 amortisation could be affected by actual future production which may differ from current forecast production based on total proved reserves. Changes to proved 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.

(iv) Capitalisation of exploration and evaluation assets

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of reserves and resources is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of the expenditure is unlikely, the relevant capitalised amount is written off in profit or loss in the period when the new information becomes available.

40. 重大會計判斷及估計不明朗因素之主要理據 (續)

a) 本集團會計政策所應用之重大會計判斷 (續)

(iii) 無形資產之生產單位攤銷

無形資產乃使用生產單位法就經證實已開發及未開發石油儲備進行攤銷。這導致按油田之預計剩餘生產量消耗比例計之攤銷費用。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。生產單位攤銷率之計算可能受或不同於基於總證實儲備之當前估計生產量之實際未來生產量影響。證實儲備可能因估計儲備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。

(iv) 勘探及評估資產資本化

在釐定未來經濟利益是否可能來自日後開採或銷售，或倘活動未達可合理評估儲備存在性階段時，就勘探及評估支出應用本集團之會計政策需要作出判斷。釐定儲備及資源本身是一個估計過程，需要不同程度之不明朗因素（取決於子分類），及該等估計直接影響勘探及評估支出遞延點。遞延政策需要管理層就未來事件及情況作出若干估計及假設，尤其是能否建立經濟上可行之萃取操作。任何該等估計及假設可能因獲得新資料而變動。若在資本化支出後，獲得表明支出不可能收回之資料，則有關資本化金額在獲得新資料時於期內損益賬撇銷。

Notes to the Financial Statements

財務報表附註



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

a) Critical judgements in applying the Group's accounting policies (Continued)

(v) *Going concern assumption*

Management makes an assessment of the Group's ability to continue as a going concern when preparing the financial statements. The Group is dependent upon the preliminary approval of the ODP by the NDRC and the successful implementation and outcome of the measures as set forth in note 3(b) in order to meet the Group's future working capital and financing requirements. In assessing whether or not the going concern assumption is appropriate, management takes into account all available information about the future, which is at least but is not limited to, twelve months from the approval date of the financial statements. If the Group were unable to continue as a going concern, adjustments relating to the recoverability and classification of recorded assets and liabilities may need to be incorporated in the financial statements.

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.

40. 重大會計判斷及估計不明朗因素之主要理據 (續)

a) 本集團會計政策所應用之重大會計判斷 (續)

(v) 持續經營假設

管理層在編製財務報表時，就本集團持續經營之能力作出評估。本集團倚賴於發改委初步批覆ODP以及附註3(b)所載措施之成功實施及結果，以便滿足本集團之日後營運資金及融資要求。評估持續經營假設是否恰當時，管理層考慮所有有關日後（至少但不限於財務報表審批日期起計十二個月）之可用資料。倘本集團無法持續經營，可能需在財務報表內納入有關所記錄資產及負債之可收回性及分類之調整。

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。



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

b) Key sources of estimation uncertainty (Continued)

(i) Impairment of property, plant and equipment

The recoverable amount of an asset is the greater of its net selling price and 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 judgement 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 maintains impairment allowance 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.

40. 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)

(i) 物業、廠房及設備減值

資產之可收回金額為其淨售價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對收入及經營費用之推算。估計金額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) 應收款項減值

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款項(倘適用)可收回性之評估就呆賬計提減值撥備。該等估計乃根據應收賬款及其他應收款項結餘之賬齡及過往撇銷經驗作出，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。

Notes to the Financial Statements

財務報表附註



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

b) Key sources of estimation uncertainty (Continued)

(iii) Income taxes and deferred taxation

The Group is subject to income taxes 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.

40. 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

本集團須繳納若干司法權區之所得稅。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審核事宜所產生之負債。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。



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

b) Key sources of estimation uncertainty (Continued)

(v) Oil and gas reserves

Engineering estimates of the Group's oil and gas reserves are inherently imprecise and represent only approximate amounts because of the subjective judgement involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated oil reserves can be designated as 'proven' and 'probable'. Proven and probable oil and gas reserve estimates are updated on regular intervals taking into account recent production and technical information about each oil and gas field. In addition, as prices and cost levels change from year to year, the estimate of proven and probable oil and gas reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in the related amortisation rate for of intangible assets.

Despite the inherent imprecision, engineering estimates are used in determining amortisation charges and impairment losses. The capitalised costs of oil exploitation rights and operation rights are amortised using the units of production method based on the proven and probable oil and gas reserves. The useful lives are reviewed annually in accordance with the production plans of the Group and the proven and probable reserves of the oil fields.

40. 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) 油氣儲量

鑒於編製有關資料涉及主觀判斷，本集團油氣儲量之工程估計存有內在不精確性，並僅屬相若數額。在估計石油儲量可確定為「證實儲量」及「概略儲量」之前，需要遵從若干有關工程標準之權威性指引。證實及概略油氣儲量之估計須定期更新，並計入各個油氣田最近之生產及技術資料。此外，由於價格及成本水平按年變更，因此，證實及概略油氣儲量之估計也會出現變動。就會計目的而言，該變動視為估計變更處理，並按預期基準反映於有關無形資產攤銷率中。

儘管工程估計存有內在之不精確性，但該等估計可用作釐定攤銷費用及減值虧損。資本化石油開採權及營運權成本按證實及概略石油儲量以生產單位法攤銷。可使用年限根據本集團之生產計劃及油田之證實及概略儲量，每年審閱一次。

Notes to the Financial Statements

財務報表附註



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

b) Key sources of estimation uncertainty (Continued)

(vi) Estimation of impairment on exploration and evaluation assets

The Group tests the exploration and evaluation assets for impairment according to accounting policies stated in notes 4(h) and 4(q). The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets exceeds its recoverable amount. The recoverable amount of an asset or a cash generating unit is determined based on value-in-use calculations which require the use of assumptions and estimates. While conducting an impairment review of the assets, the Group makes certain judgement in making assumptions about the future gas prices and production costs, changes in these estimates may result in significant variance to the statement of comprehensive income.

(vii) 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 are also impacted by the estimation of the economic lives of oil 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 properties.

(viii) Recognition of share-based expenses

The Company has granted share options to directors and employees. Management has used valuation model to determine the total fair value of the options granted, which is to be expensed over the vesting period. Significant judgement, such as risk free rate, dividend yield and expected volatility and expectations of early exercise, is required to be made by management as the parameters for applying the valuation model. Accordingly, any changes to the variables adopted may materially affect the estimation of the fair value of share options.

40. 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)

(vi) 估計勘探及評估資產之減值

本集團根據附註4(h)及4(q)所載之會計政策為勘探及評估資產進行減值測試。有關資產在事件或情況改變，顯示有關資產之賬面值超逾其可收回款額時進行減值檢討。一項資產或一個產生現金之單位之可收回金額乃根據其使用價值之基準(就此而言，需要採用假設及估計)而釐定。在進行資產之減值檢討時，本集團須就未來之燃氣價格及生產成本假設作出若干判斷，倘此等估計改變，或會導致全面收益表出現重大變動。

(vii) 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，對石油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。

(viii) 確認以股份支付之開支

本公司已向其董事及僱員授出購股權。管理層乃採用估值模式，釐定已授出購股權之總公平值，並將於歸屬期間支銷。管理層須作出重大判斷，作為採用該估值模式之參數，如無風險利率、股息率、預期波動及預期提早行使。因此，所採納之可變因素發生任何變動將對購股權公平值之估計造成重大影響。

Notes to the Financial Statements

財務報表附註



41. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate, currency risks and commodity 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 2011 and 2010, the Group had a significant concentration of credit risk as 100% (2010: 100%) of total trade receivables was from one customer.

(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.

41. 財務風險管理

信貸、流動資金、利率、外幣及商品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款項及銀行現金。

(i) 應收賬款及其他應收款項

本集團之信貸風險主要來自應收賬款及其他應收款項。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2011年及2010年12月31日，由於100%(2010年：100%)之應收賬款總額來自一名客戶，因此本集團面對重大信貸集中風險。

(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。

Notes to the Financial Statements

財務報表附註



41. FINANCIAL RISK MANAGEMENT (Continued)

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.

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.

41. 財務風險管理 (續)

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及聲譽受損。

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。

Notes to the Financial Statements

財務報表附註



41. FINANCIAL RISK MANAGEMENT (Continued)

b) Liquidity risk (Continued)

The contractual maturities of financial liabilities are shown as below:

41. 財務風險管理(續)

b) 流動資金風險(續)

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
		賬面值	合約未折現現金流量	1年內或按要求	1年以上但2年以下	2年以上但5年以下
		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
2011						
Non-derivatives:	非衍生：					
Other payables and accruals	其他應付款項及預提費用	546,149	546,149	546,149	-	-
Borrowings	借貸	307,980	396,470	52,898	118,772	224,800
Total	總計	854,129	942,619	599,047	118,772	224,800
2010						
Non-derivatives:	非衍生：					
Other payables and accruals	其他應付款項及預提費用	878,952	880,317	880,317	-	-

Notes to the Financial Statements

財務報表附註



41. FINANCIAL RISK MANAGEMENT (Continued)

c) Interest rate risk

The Group's interest rate risk arises primarily from borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The interest rates and terms of repayment of the Group's borrowings are disclosed in note 29 to the financial statements.

At 31 December 2011, 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\$3,079,000 (2010: HK\$Nil). 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 2011 and 2010, no related hedges were made by the Group.

41. 財務風險管理 (續)

c) 利率風險

本集團之利率風險主要來自借貸。本集團因按可變動利率發放借貸而承受現金流量利率風險。本集團借貸之利率及償還期於財務報表附註29內披露。

於2011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3,079,000港元（2010年：零港元）。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合理可能變動之估計。

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2011年及2010年12月31日，本集團並無作出相關對沖。

Notes to the Financial Statements

財務報表附註



41. 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.

The Group

		2011			2010		
		Australian dollars	USD	RMB	Australian dollars	USD	RMB
		澳元	美元	人民幣	澳元	美元	人民幣
		'000	'000	'000	'000	'000	'000
		千元	千元	千元	千元	千元	千元
Trade and other receivables	應收賬款及其他應收款項	-	-	-	-	-	406
Note receivable *	應收票據*	1,949	-	-	1,949	-	-
Deposits paid	已付按金	-	8	2,015	-	59	2,095
Cash and cash equivalents	現金及現金等價物	1	413	32	1	1	106
Amounts due from group companies	應收集團公司款項	-	9,071	175,601	-	922	3,883
Trade and other payables	應付賬款及其他應付款項	-	(10,652)	(42)	-	(78,667)	-
Amounts due to group companies	應付集團公司款項	-	(10,091)	(3,300)	-	(100)	-
Overall net exposure	整體風險淨值	1,950	(11,251)	174,306	1,950	(77,785)	6,490

* Included in interest in a jointly controlled entity

* 納入於共同控權合資公司之權益

41. 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日期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。

本集團

Notes to the Financial Statements

財務報表附註



41. 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 expenses (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 other equity 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 the profit or loss and other equity, and the balances below would be negative.

The Group

		2011			2010		
		Decrease in loss after taxation and decrease in accumulated losses			Increase in profit after taxation and decrease in accumulated losses		
		Effect on other components of equity			Effect on other components of equity		
		Weakening in HKD			Weakening in HKD		
		除稅後 虧損減少 及累計虧 損減少			除稅後 溢利增加 及累計虧 損減少		
		港幣貶值			港幣貶值		
		%			%		
		HK\$'000			HK\$'000		
		千港元			千港元		
RMB	人民幣	4%	8,589	-	3.5%	268	-
Australian dollars	澳元	12%	1,853	-	12%	1,853	-

41. 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可能之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。倘港元較相關貨幣之匯率疲弱，以下正數表示溢利虧損/增加及其他權益減少。當港元較有關貨幣之匯率強勁，則可能對損益及其他權益造成金額等同但相反之影響，故以下結餘可能會為負數。

本集團

Notes to the Financial Statements

財務報表附註



41. FINANCIAL RISK MANAGEMENT (Continued)

d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

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.

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 after income tax expenses 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 2010.

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) Fair values

The fair values of all financial assets and liabilities are not materially different from their carrying amounts.

41. 財務風險管理 (續)

d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

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。

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可能合理之變動之評估。就此而言，假定港元及美元之聯繫匯率不會受到美元兌換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溢利及權益之影響總額。該分析乃按與2010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) 公平值

所有財務資產及負債之公平值與其賬面之間並無重大差異。

Notes to the Financial Statements

財務報表附註



42. COMMITMENTS

(a) Operating lease commitments

The Group

At 31 December 2011 and 2010, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

		The Group 本集團	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Within 1 year	1年內	2,091	3,302
After 1 year but within 5 years	1年後但5年內	2,245	20
		4,336	3,322

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 two years without an extension option. None of the leases includes contingent rentals.

42. 承擔

(a) 經營租賃承擔

本集團

於2011年及2010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：

		The Group 本集團	
		2011 HK\$'000 千港元	2010 HK\$'000 千港元
Within 1 year	1年內	2,091	3,302
After 1 year but within 5 years	1年後但5年內	2,245	20
		4,336	3,322

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2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

財務報表附註



42. COMMITMENTS (Continued)

(b) Capital commitments

The Group

(i) Authorised but not contracted for

As at 31 December 2011 and 2010, the Group was committed to develop in total 9 (2010: 16) new oil wells under the development contracts of the Liuluoyu Oil Field and Yanjiawan Oil Field. The estimated total capital expenditure for developing these new oil wells is HK\$10.2 million (2010: HK\$16.4 million).

(ii) Contracted but not provided for

42. 承擔(續)

(b) 資本承擔

本集團

(i) 已授權但未訂約

於2011年及2010年12月31日，本集團致力根據柳洛峪油田及閻家灣油田開發合同開發合共9個(2010年：16個)新油井。估計開發該等新油井之資本支出總額為10,200,000港元(2010年：16,400,000港元)。

(ii) 已訂約但未撥備

		The Group 本集團	
		2011	2010
		HK\$'000	HK\$'000
		千港元	千港元
Commitments in respect of the Sanjiao PSC	就三交產品分成合同之承擔	82,231	118,750
Commitments in respect of the Jinzhuang PSC	就金庄產品分成合同之承擔	-	4,590
		82,231	123,340

Notes to the Financial Statements

財務報表附註



43. CONTINGENT LIABILITIES

Environmental liabilities

The Group carries out oil exploitation operations in the PRC. The PRC has adopted environmental laws and regulations that affect the operations of the oil industry. The outcome of environmental liabilities under proposed or future environmental legislation cannot reasonably be estimated at present, and could be material. Under the existing legislations, however, management believes that there are no probable liabilities that will have a material adverse effect on the financial position of the Group.

The Group also 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 2011, a provision of HK\$1,132,000 was made in the consolidated statement of financial position (note 28).

44. MATERIAL RELATED PARTY TRANSACTIONS

Except as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material transactions with related parties:

The directors consider that the following were related parties of the Group during the years ended 31 December 2010 and 2011.

Name of party 關聯人士名稱	Relationship with the Group 與本集團之關係
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Mar/Reg Oil Company	Operator of a subsidiary 一家附屬公司之營運商
---------------------	--

Note:

Mar/Reg Oil Company ceased to be a related party of the Group after the disposal of King Giant Group set out in note 35.

43. 或有負債

有關環保之負債

本集團於中國經營石油開採業務。中國已實行環保法律及法規，該等法律及法規影響到石油工業之經營。建議中或未來之環保立法所引致之有關環保之負債目前尚無法合理地估計，負債可能重大。然而，根據現有立法，管理層認為，並不存在任何可能對本集團財務狀況產生重大負面影響之負債。

本集團亦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2011年12月31日，綜合財務狀況表內作出了1,132,000港元之撥備(附註28)。

44. 重大關連人士交易

除綜合財務報表內另行披露者外，本集團已與關連人士訂立以下重大交易：

截至2010年及2011年12月31日止年度內，董事認為，本集團之關連人士如下：

附註：

Mar/Reg Oil Company於附註35所載出售君鴻集團後不再為本集團之關連人士。

Notes to the Financial Statements

財務報表附註



44. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(a) Related party transactions

During the year ended 31 December 2010, the Group sold crude oil of HK\$734,000 to Mar/Reg Oil Company in the US.

(b) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 10, all the highest paid employees as disclosed in note 11, and three other senior management personnel are as follows:

44. 重大關連人士交易 (續)

(a) 關連人士交易

截至2010年12月31日止年度內，本集團向位於美國之Mar/Reg Oil Company出售原油734,000港元。

(b) 主要管理人員酬金

本集團主要管理人員酬金(包括附註10所披露之已向本公司董事支付之款項、附註11所披露之已向全體最高薪僱員支付之款項及向三名其他高級管理人員支付之款項)如下：

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Short-term employee benefits	短期僱員福利	10,417	6,649
Post-employment benefits	離職後福利	68	90
Equity settled share-based payments	股本結算以股份支付之款項	18,928	488
		29,413	7,227

Total remuneration is included in "staff costs" (see note 8(b)).

酬金總額乃計入「員工成本」中(見附註8(b))。

45. 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 2011 and 2010 may be categorised as follows:

45. 財務資產及財務負債之分類概要

於2011年及2010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：

		2011 HK\$' 000 千港元	2010 HK\$' 000 千港元
Financial assets	財務資產		
Loans and receivables (including cash and bank balances)	貸款及應收款項(包括現金及銀行結餘)	370,779	526,720
Financial liabilities	財務負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之財務負債	853,871	878,952

Notes to the Financial Statements 財務報表附註



46. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 30 March 2012.

46. 財務報表之審批

財務報表已由董事會於2012年3月30日審批及授權刊發。



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

