



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

Stock Code 股份代號: 702



ANNUAL REPORT 2013 年報





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Corporate Information

公司資料

DIRECTORS

Executive Directors

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

Non-executive Directors

Mr. Kong Siu Tim
Mr. Ma Tengying

Independent Non-executive Directors

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

COMPANY SECRETARY

Ms. Yim Siu Hung

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Suite 3707-3708, West Tower, Shun Tak Centre
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

董事

執行董事

戴小兵博士 (*主席*)
景哈利先生 (*副主席*)
朱耽平先生 (*行政總裁*)
王自明先生
溫子勳先生

非執行董事

江少甜先生
馬騰營先生

獨立非執行董事

黃國全先生
黃龍德教授
王延斌博士
黨偉華博士

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
香港
灣仔皇后大道東183號
合和中心17樓1712-1716室

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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

HONG KONG LEGAL ADVISOR

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

BERMUDA LEGAL ADVISOR

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

AUDITOR

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

STOCK CODE

702

WEBSITE

www.sino-oilgas.hk

主要股份過戶登記處

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

香港法律顧問

李智聰律師事務所
香港中環皇后大道中39號
豐盛創建大廈19樓

百慕達法律顧問

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

核數師

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

股份代號

702

網址

www.sino-oilgas.hk



Corporate Milestone

企業里程碑

2009.12

Zhang Dejiang, former Vice Premier of State Council approved to promote a Coalbed Methane (“CBM”) development model namely the “Sanjiao Model” as proposed by PetroChina, which focusing on mutual planning and joint development between sino-foreign parties
張德江前副總理批示推廣中石油所創立的煤層氣區塊開發模式：以中外雙方共同籌劃，合作開發為基礎的「三交模式」

2009.5

Sino Oil and Gas became an Morgan Stanley Capital International (MSCI) China Small Cap Index stock
中國油氣成為摩根士丹利資本國際(MSCI)環球小型企業指數成份股

2009

2006

2006.3

Production Sharing Contract (“PSC”) of Sanjiao CBM Block signed between Orion and PetroChina. Production sharing proportion between Orion and PetroChina is 70% and 30% respectively.

奧瑞安與中石油正式簽訂三交煤層氣區塊產品分成合同，雙方分成比例分別為奧瑞安70%及中石油30%

Note: Sino Oil and Gas Holdings Ltd. (“Sino Oil and Gas”) acquired 100% equity interest of Orion Energy International Inc. (“Orion”) in November 2010, and Orion had become a wholly subsidiary of the Group
附註：中國油氣控股有限公司(「中國油氣」)於2010年11月收購奧瑞安能源國際有限公司(「奧瑞安」)之100%權益，成為本集團全資附屬公司

2010

2010.11

Sino Oil and Gas acquired 100% equity interest of Orion, entering the China CBM sector

中國油氣收購奧瑞安100%權益，正式進入中國煤層氣開發業務

2010.2

Highest single well daily flowage recorded at 15,000 cubic meter in Sanjiao CBM block.
三交煤層氣區塊內，單井日產氣量首次突破1.5萬立方米

2012.08

National Energy Administration (“NEA”) of NDRC granted a reply for the application of the Overall Development Plan (“ODP”) with the consent on the work for the development of the CBM reserve in the Sanjiao region. The granting of the reply represents NEA’s official acceptance of the ODP application to have the Sanjiao CBM Project proceeding from exploration to development and production phase

三交煤層氣項目之整體開發計劃申請，獲得發改委－國家能源局同意三交地區煤層氣藏開發建設前期工作的覆函。覆函標誌著國家能源局正式受理了三交煤層氣項目由勘探期轉入開發期和生產期的申請

2012.04

Construction completed for the natural gas processing station with daily compression capacity of 150,000 cubic meter

日處理能力15萬立方米壓縮天然氣站工程完工

2012.01

National Development and Reform Commission (“NDRC”) release on its latest policy paper the “12th Five-Year Plan” included Sanjiao CMB Block as one of the key development projects

國家發展和改革委員會（「發改委」）公佈三交煤層氣區塊獲十二五規劃納入重點發展的項目之一

2011

2012

2011.12

Received RMB 1 billion credit facility from CDB Leasing Co. Ltd.
獲國銀金融租賃有限公司10億元人民幣之授信額度

2011.5

CBM Sales Collaboration Agreement signed with PetroChina, the PRC partner
與中方合作伙伴中石油簽署煤層氣合作銷售協議

2011.2

Sanjiao CBM Block obtained Proved Reserve of 43.5 billion cubic meter (in accordance with relevant Chinese standard) followed by endorsement of Expert Review Group of the National Reserve Committee

經國家儲委專家評審組確認按中國標準三交煤層氣區塊證實儲量達435億立方米

Five Year Financial Summary

五年財務概要

		Year ended 31 December 2013 截至2013年 12月31日 止年度 HK\$' 000 千港元	Year ended 31 December 2012 截至2012年 12月31日 止年度 HK\$' 000 千港元	Year ended 31 December 2011 截至2011年 12月31日 止年度 HK\$' 000 千港元	Year ended 31 December 2010 截至2010年 12月31日 止年度 HK\$' 000 千港元	Year ended 31 December 2009 截至2009年 12月31日 止年度 HK\$' 000 千港元
Turnover	營業額					
– Continuing operations	– 持續經營業務	21,598	28,932	35,079	29,224	15,155
– Discontinued operations	– 已終止經營業務	–	–	–	–	19,279
		21,598	28,932	35,079	29,224	34,434
Result	業績					
– Continuing operations (Loss)/profit before income tax expense	– 持續經營業務 除所得稅支出前 (虧損)/溢利	(58,512)	(126,761)	(92,611)	8,194	(32,940)
Income tax (expense)/credit	所得稅(支出)/抵減	(2,820)	13,356	(3,628)	(3,510)	–
		(61,332)	(113,405)	(96,239)	4,684	(32,940)
– Discontinued operations Gain from discontinued operations	– 已終止經營業務 已終止經營業務之 溢利	–	–	–	–	3,073
Gain on disposal of subsidiaries	出售附屬公司收益	–	–	–	–	11,593
Income tax expense	所得稅支出	–	–	–	–	(651)
		–	–	–	–	14,015
(Loss)/profit for the year	本年度(虧損)/溢利	(61,332)	(113,405)	(96,239)	4,684	(18,925)
(Loss)/profit attributable to:	以下人士應佔(虧損)/溢利:					
Owners of the Company	本公司擁有人	(61,332)	(113,405)	(96,239)	6,108	(18,784)
Non-controlling interests	非控股權益	–	–	–	(1,424)	(141)
		(61,332)	(113,405)	(96,239)	4,684	(18,925)
(Loss)/earning per share	每股(虧損)/盈利					
– Basic (HK cents)	– 基本(港仙)	(0.467)	(0.927)	(0.979)	0.101	(0.431)
– Diluted (HK cents)	– 攤薄(港仙)	(0.467)	(0.927)	(0.979)	0.098	(0.431)

Five Year Financial Summary

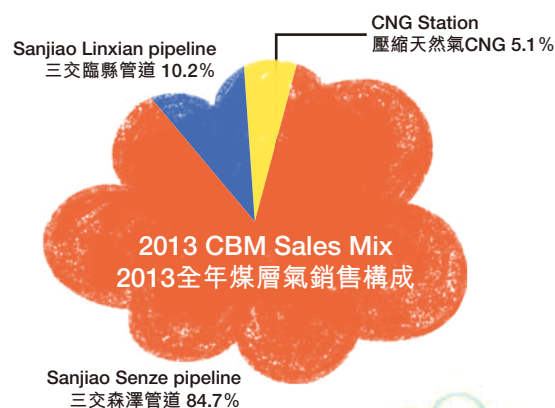
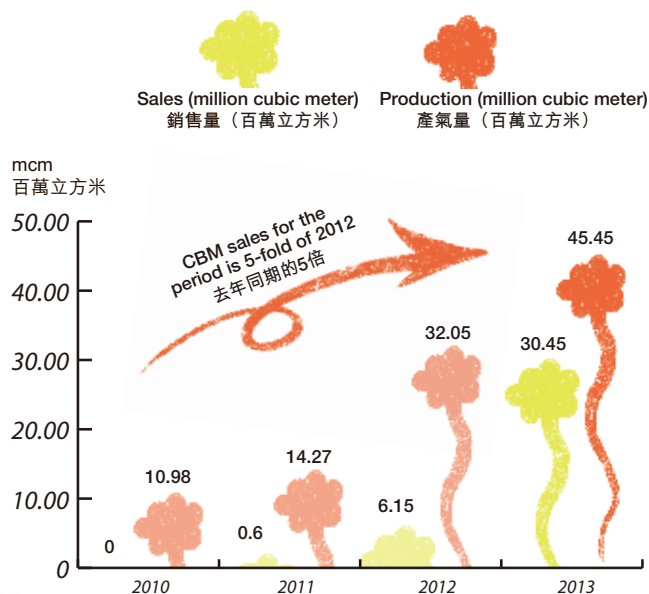
五年財務概要

		31 December 2013 於2013年 12月31日 HK\$' 000 千港元	31 December 2012 於2012年 12月31日 HK\$' 000 千港元	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
Assets and liabilities	資產與負債					
Non-current assets	非流動資產	4,154,453	3,810,593	3,567,892	2,750,595	228,481
Net current liabilities	流動負債淨值	(226,968)	(412,360)	(201,437)	(207,122)	(4,384)
Non-current liabilities	非流動負債	(480,248)	(375,059)	(305,499)	(15,098)	(75,806)
Net assets	資產淨值	3,447,237	3,023,174	3,060,956	2,528,375	148,291
Non-controlling interests	非控股權益	-	-	-	-	(141)
Equity attributable to owners of the Company	本公司擁有人應佔權益	3,447,237	3,023,174	3,060,956	2,528,375	148,150

Sanjiao CBM Block Production and Gas Sales 三交煤層氣產量及銷售量

2013 total gas production recorded at 45.45 million cubic meter and gas sales at 30.45 million cubic meter
2013年累計產氣量達45.45百萬立方米及銷售量達30.45百萬立方米

2013 pipeline gas sales accounted for 95% of total gas sales
2013年管道銷售佔總銷售量之95%



Business Structure

業務架構圖



- Orion holds 70% interest of Sanjiao CBM Block through a PSC
- 奧瑞安通過產品分成合同，持有三交煤層氣區塊70%的產品分成權
- Bi Tuo Yuan holds 95% revenue interest of Liuluoyu and Yanjiawan Oil Fields through a development contract
- 佰拓源通過開發合同，持有柳洛峪及閻家灣油田95%的收入分成權
- Xian Lilong holds 95% revenue interest of Jinzhuang Oil and Gas Field through a PSC
- 西安利隆通過產品分成合同，持有金莊油田95%的收入分成權

Corporate Mission

企業文化定位

Corporate Value

Have passion for our
business and drive to
accomplish our goals

企業價值觀
激情開創事業
理性成就夢想

Management Principle

Count on talent and
effective use of resources

企業精神
唯才是用
善用資源

Business Policy
Steady investments
to achieve progressive
development

經營方針
梯度發展
穩健投資

Strategic Goal:

To become a leading Hong Kong-
listed private unconventional natural gas
producer operating in the PRC

戰略目標：

成為在香港上市民企領先之國內非常規天然氣生產商



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 Sino Oil and Gas Holdings Limited (the "Company"), together with its subsidiaries (the "Group"), for the year ended 31 December 2013.

The Group is principally engaged in natural gas and oil exploration and exploitation, with a business focus on exploration, exploitation and production activities at the Sanjiao coalbed methane ("CBM") block in Shanxi and Shaanxi provinces in the PRC. The Group began to participate in the PRC's CBM business

各位股東：

本人欣然代表董事會，向股東提呈本公司及其附屬公司（「本集團」）截至2013年12月31日止之12個月已審核全年業績。

本集團主要業務為天然氣及石油勘探及開採，其中位於中國山西及陝西省之三交煤層氣田勘探、開採及生產項目，乃集團發展重點。集團於2010年透過收購奧瑞安能源國際有限公司（「奧瑞安」）而開展在內地的煤層氣業務，



through the acquisition of Orion Energy International Inc. ("Orion") in 2010. Jointly with its PRC partner, China National Petroleum Corporation ("PetroChina"), the Group has actively pursued the development of the project which, with the aid of favorable state policies, has achieved breakthrough progress over the past three years.

Over the past year, the Group has made significant advances in corporate development, financing, business operation and technological advancement.

Introduction of Strategic Shareholders to Strengthen Corporate Foundation

The Group introduced Sinomaster Global Limited (神州通國際有限公司, "Sinomaster") and Mr. Chen Hua (陳華), Founder and Chairman of Kingkey Group (京基集團), Shenzhen, as strategic shareholders in December 2013 and February 2014 respectively.

Sinomaster, a substantial shareholder of the Company since December 2013, is a subsidiary of Shenzhen Sinomaster Investment Group Co., Ltd. (深圳市神州通投資集團有限公司, "SMT"). SMT is an investment conglomerate with extensive investments and holds Shenzhen-listed Shenzhen Aisidi Co., Ltd. (002416.SZ), a Fortune China 500 enterprise. Sinomaster was set up as its window to international markets.

Sinomaster's investment in the Company serves as a recognition of our business strategy, and will deliver synergistic benefits in different perspectives.

SMT Chairman Mr. Huang Shaowu (黃紹武):

“ Following our first investment into the oil and gas sector, we anticipate further developments in this area. ”

Mr. Chen Hua, Chairman of Kingkey Group, became a substantial shareholder of the Company in February 2014. Kingkey's earlier projects include large-scale residential communities and five-star hotels, but now, exercising a bold vision, the company has moved into commercial property development. Over years of evolution, Kingkey Group has grown into an integrated business comprising property development, hotel, property management, financial investment, golf club, and restaurant operations.

過去三年，項目在國策支持下，積極與中國夥伴中石油天然氣集團公司（「中石油」）合作推展項目，使項目取得突破性進展。

過去一年，本集團在企業發展、財務融資、業務經營、技術提升等各方面，均取得了長足進展。

引入策略股東強化企業基礎

本集團分別於2013年12月及2014年2月引入神州通國際有限公司（「神州通國際」）及深圳京基集團創始人兼董事長陳華先生為策略股東。

於2013年12月成為本公司主要股東之一的神州通國際，為深圳市神州通投資集團有限公司（「神州通集團」）之附屬公司。神州通集團為大型綜合民營投資企業，旗下在深圳上市的深圳市愛施德股份有限公司(002416.SZ)為《財富》中國500強企業，神州通集團並在香港設立神州通國際面向國際市場。

神州通國際入股本公司，除了肯定和認同公司的業務發展方針外，更將帶來不同層面的協同效應。

神州通集團董事長黃紹武先生：

“ 此為神州通集團進軍油氣領域的首項投資，我期待在此領域中有更進一步的發展。 ”

京基集團董事長陳華先生則於2014年2月成為公司主要股東之一。京基集團多年來開發了一系列大型高尚住宅社區和五星級度假酒店，並以前瞻性的戰略眼光進軍商業地產。至今，京基集團已發展成為集房地產、酒店、物業管理、金融投資、高爾夫俱樂部、餐飲等多元化產業的大型集團公司。

Chairman's Statement

主席報告書

Mr. Chen Hua is a renowned entrepreneur and philanthropist in Guangdong and Hong Kong. His investment in our Company was a recognition of our business prospects, and is his first investment in the oil and gas sector. The Group looks forward to further co-operation and development with him in this area.

Kingkey Group Chairman Mr. Chen Hua (陳華):

“The Company's professionalism and entrepreneurial spirit fit well with my 'Kingkey Blueprint'. I am delighted to participate in the promising future of unconventional natural gas through this investment.”

China Orient Asset Management (International) Holding Limited (“COAMCI”), an indirectly wholly-owned subsidiary of China Orient Asset Management Corporation, also subscribed to the Company's convertible notes in April 2013, thereby investing in the future of CBM in view of its prospects and the Company's potential to contribute to China's energy and environmental objectives. The issue of convertible notes to COAMCI provides an opportunity for the Group to enhance its capital base and financial position so as to capture future investment opportunities.

Natural gas production is an industry that integrates capital, projects and technology. I look forward to collaborating with investors owning these assets and capabilities to jointly realize the goals as planned for the Sanjiao project.

Coalbed Methane Project Stepping into Commercial Operation

With a strengthened shareholder and capital base, the Group is geared for healthy ongoing development. Upon the phased completion of infrastructure facilities for the Sanjiao project, as well as the expansion of the processing plant and pipelines, CBM sales increased by close to five times year on year, with a sales-to-production ratio also raised to bring the project rapidly to profitability.

As part of China's efforts to undertake market reform of the natural gas sector, the National Development and Reform Commission (“NDRC”) has resolved to adjust the city gate price for non-residential users. The subsequent adjustment in the CBM sales price of the Sanjiao project has had a significantly positive impact on the revenue and earnings contribution of the project.

陳華先生為粵、港兩地知名企業家及慈善家，其入股本公司，是對公司業務前景的一大肯定，此舉亦為陳先生進軍油氣領域的首項投資，本集團期待與他在油氣產業有更進一步合作及發展。

京基集團董事長陳華先生：

“公司的專業和勇於開拓的精神，與我的『大京基』藍圖不謀而合，很榮幸能通過是項投資參與此前景可觀的行業。”

此外，中國東方資產管理公司之間接全資附屬公司中國東方資產管理(國際)控股有限公司(「東方國際」)，因看好未來煤層氣領域的發展，及本集團對國家能源發展與環保目標的貢獻，遂於2013年4月透過認購本公司之可換股債券而投資於集團。向東方國際發出可換股債券，能為集團加強營運資金，並鞏固資本基礎及財務狀況，讓集團日後可捕捉投資良機。

天然氣開採是結集資金、項目與技術的產業，本人期待與具備資本實力、項目儲備及技術專長的投資者合作，共同實現三交項目的規劃。

煤層氣項目進入商業營運

擁有更穩固的股東及資本基礎，為本集團繼續健康發展打下堅實根基。三交項目的配套設施陸續建設，加上煤層氣壓縮站及管道的加建，煤層氣銷售按年增加近五倍，產銷比率亦大大提升，項目已迅速進入盈利階段。

國家發展和改革委員會(「發改委」)根據天然氣市場化發展，決定調整非居民用天然氣門站價格，三交項目煤層氣銷售價格因而得以調整，此將對項目的營收，以至對集團的貢獻，有即時而顯著的正面影響。

Latest US Well Drilling Technology to Raise Gas Production

With respect to oil and gas extraction technology, Orion has been co-operating with US oil service professionals since 2012 on new designs for multi-lateral horizontal well drilling based on the analysis of the existing geological data and well-drilling data from the Sanjiao block. New well design not only reduces the costs but also increases single-well production significantly when compared with the existing horizontal wells in the Sanjiao block. Orion has completed the drilling of one pilot well and has commenced dewatering and extraction of gas. It is expected that one more horizontal well with the new design will be drilled within this year.

With the introduction of foreign advanced well-drilling technologies, the Group will increase input on well-drilling and exploration works within the exploration zone in order to maximize the block's potential recoverable CBM reserve. The Sanjiao block covers an area of 383 square kilometers under the Production Sharing Contract ("PSC"), of which an area of 283 square kilometers has been explored by Orion as approved by the Expert Review Group of the National Reserve Committee in 2011. The Group has commenced exploration works in the remaining 100 square kilometer area, and expects to submit a reserve report within 2014. The potential for exploitation in the Sanjiao block remains substantial, which is favorable to the prospects for long-term development.

State Support for Coalbed Methane Sector Growth

In a State Council opinion published in September 2013, China detailed recommendations for encouraging the development of the CBM sector. The opinion highlights increased Government support in line with new developments in the control of coal mine gas and the CBM industry.

引進美國鑽井技術提升產氣量

在油氣技術層面上，奧瑞安在2012年起與美國油服專家合作，在分析三交區塊現有地質資料和鑽井資料的基礎上，提出全新的多分支水平井鑽井設計。相比三交區塊原有的水平井設計，新的井型設計不僅可以降低成本，而且使得單井產量可有大幅提升。奧瑞安目前已完成一口先導性實驗井的鑽井工作，並開始排採，今年預計會再鑽一口新型水平井。

集團引進國外先進鑽井技術後，並加強對探明儲量區域的鑽井及開發生產投入，以便最大限度地開發煤層氣藏。三交生產分成合約（「PSC」）區覆蓋的383平方公里區塊中，按國家儲量委員會專家評審組於2011年所審批，奧瑞安只完成了283平方公里的勘探工作。集團已就剩餘的100平方公里區域的煤層氣儲量展開勘探，預計將於2014年內提交儲量報告。三交區塊尚有龐大開採潛力，長遠發展前景廣闊。

國家加大政策扶持確立煤層氣產業化

國務院於2013年9月發表關於進一步加快煤層氣（煤礦瓦斯）抽採利用的意見，強調為適應煤礦瓦斯防治和煤層氣產業化發展的新形勢，將進一步加大政策扶持力度。



Six concrete measures were listed in the opinion. (1) Increased Government financial support is recommended through raising central Government subsidies for CBM development and utilization as an incentive for enterprises. Increased central Government support for infrastructure is also recommended; (2) Further preferential tax treatment, including more sophisticated value-added tax and corporate income tax incentives; (3) Enhanced CBM and CBM-based power feed-in pricing mechanism, with the implementation of market pricing for CBM and support for CBM-based power generation; (4) Strengthened management of CBM development and utilization as well as mining licenses; (5) Advancement of technological innovation; and (6) Strengthened supervision.

The CBM sector of China has grown at a fast pace with the aid of state policy support. As stipulated in the "12th Five-Year Plan for Development and Utilization of CBM", China targets to achieve an annual CBM output of 30 billion cubic meters (bcm) by 2015, 16 bcm of which is by surface extraction. According to a release by the Ministry of Land and Resources ("MLR") in January 2014, China produced 121 bcm of natural gas in 2013, up 11% year on year, including 117.8 bcm of conventional natural gas, 200 million cubic meters (mcm) of shale gas and 3 bcm of CBM.

MLR has anticipated that China will double oil and gas output by 2030. MLR stated further that to achieve this target, unconventional oil and gas production has to reach 50 million tonnes and 150 bcm respectively. Compared with crude oil, China's natural gas output and reserves have been growing at a much faster rate. This report expects gas production to rise by 10 bcm annually to 300 bcm in 2030, and make up half of China's oil and gas production by around 2025.

Successful Case of Sino-Foreign Collaboration

A policy released by the National Energy Administration ("NEA") in March 2013 outlined the country's resolve to guide the development of the CBM sector. NEA encourages private-sector participation by setting up specialized CBM companies. According to the Government plan, by 2015 the state will complete the establishment of two commercial CBM production bases in the Qinshui Basin and the eastern fringe of the Erdos Basin, thereby developing CBM into an important new energy industry.

具體措施分六大項。(一)首先加大財政資金支持，如提高煤層氣開發利用中央財政補貼標準，進一步調動企業積極性。另一方面加大中央財政建設投資支持力度；(二)強化稅費政策扶持，完善增值稅的優惠政策，加大所得稅優惠力度；(三)完善煤層氣價格和發電上網政策，落實煤層氣市場定價機制，支持煤層氣發電上網；(四)加強煤層氣開發利用管理，加強礦業權管理；(五)推進科技創新；(六)加強組織領導。

中國煤層氣開發採用在國策的大力扶持下取得快速增長。根據《煤層氣(煤礦瓦斯)開發利用「十二五」規劃》文件所提出的目標，到2015年，煤層氣總產量將達300億立方米，其中地面開採量將達160億立方米。2014年1月，國土資源部(「國土部」)通報2013年全國油氣資源動態評價成果。2013年天然氣產量1,210億立方米，同比增長9.8%，其中常規天然氣1,178億立方米，非常規氣中頁岩氣2億立方米，煤層氣30億立方米。

國土部預計至2030年中國有望在目前基礎上增加一倍油氣產量。國土部強調，要達至此目標，非常規石油和天然氣產量分別須達到5,000萬噸和1,500億立方米。數據顯示，相比石油，國內天然氣無論產量還是儲量增長都更加迅速。據此報告，中國天然氣產量年均增長100億立方米，至2025年能與石油形成「兩分天下」的格局，到2030年並進一步提升到3,000億立方米。

中外合作成功專案

國家能源局(「能源局」)於2013年3月發佈的《煤層氣產業政策》，明確了煤層氣產業發展的政策導向。能源局鼓勵具備條件的企業參與，成立專業化煤層氣公司。規劃到2015年，建成沁水盆地和鄂爾多斯盆地東緣煤層氣產業化基地，把煤層氣發展成重要的新興能源產業。

Located at the core area of the eastern fringe of the Erdos Basin, the Sanjiao block has been listed as a "12th Five-Year" key project. It is set to benefit from more comprehensive CBM pipeline and liquefied natural gas facilities, as well as an enhanced sales network. The completion of the complementary infrastructure will help to greatly lower the project's commercialization costs.

The rapid commercialization process is a result of the joint efforts of management and the technical team, coupled with the collaboration of the PRC partner. The Sanjiao project received a reply for the application of the Overall Development Plan ("ODP") by NEA in August 2012 granting consent to development works. This marked a major step in the Sanjiao project's commercial production process. The Group expects to be granted a final approval on the ODP within 2014.

Sanjiao project is now transitioning from the exploration to the development and production phase, resulting in a significant rise in CBM output and sales. The project is the Group's future growth driver and is expected to deliver attractive long-term returns for shareholders. Management will focus on exploiting the potential of the project and will build a successful model for developing a CBM project under Sino-foreign collaboration.

Appreciation

I would like to take this opportunity to extend my sincere gratitude to the board members, senior management, technical team, business partners and all our colleagues. On behalf of the board, I welcome Mr. Ma Tengying, Director and Co-President of COAMCI, and Dr. Dang Weihua, General Manager and Chief Representative of Shenzhen Representative Office, Changjiang Securities Company Limited, to join us as non-executive directors. The board also welcomes Mr. Zhu Danping as Executive Director and Chief Executive Officer of the Company, and thanks Mr. Xu Zucheng for his contribution in his former role as Executive Director and Chief Executive Officer. Our team's professionalism, leadership and team spirit have put the Group on a firm footing to open a new page in our development.

Dai Xiaobing

Chairman

Hong Kong, 21 March 2014

本集團之三交區塊位於鄂爾多斯盆地東緣的核心區域，列為「十二五」重點發展項目，周邊地區將陸續建成完善的煤層氣輸配管網和液化煤層氣處理設施，三交項目將受惠於周邊完善的銷售配套，大大降低項目的商業化成本。

項目的快速商業化發展亦有賴集團管理層及技術團隊，與中方夥伴合作無間。在雙方的共同努力下，三交煤層氣專案在2012年8月獲國家能源局下發了整體開發計劃（「ODP」）的前期批覆，使得三交專案在商業化步伐上邁出了重要的一步。集團預計將於2014年度取得最終ODP批覆。

三交專案正從勘探期過渡到開發及生產期，煤層氣產量和銷量都有大幅的提升，是本集團未來的增長亮點，可為股東帶來理想的長遠回報。三交項目的發展潛力優厚，管理層將全力以赴，打造此項目成為中國以中外合作方式成功產銷煤層氣的模範。

致謝

本人謹向各董事會成員、管理高層、技術團隊、業務夥伴和一起共事的員工致以衷心謝意。同時，董事會歡迎東方國際執行董事及聯席總裁馬騰營先生，以及長江證券股份有限公司深圳分公司總經理及深圳代表處首席代表黨偉華博士，加入成為非執行董事。董事會並歡迎朱耽平先生出任本公司之執行董事兼行政總裁，並對前任執行董事兼行政總裁徐祖成先生過往的貢獻致以衷心謝意。憑藉各位的專業知識、出色領導和團結一致，集團成功邁進新里程。

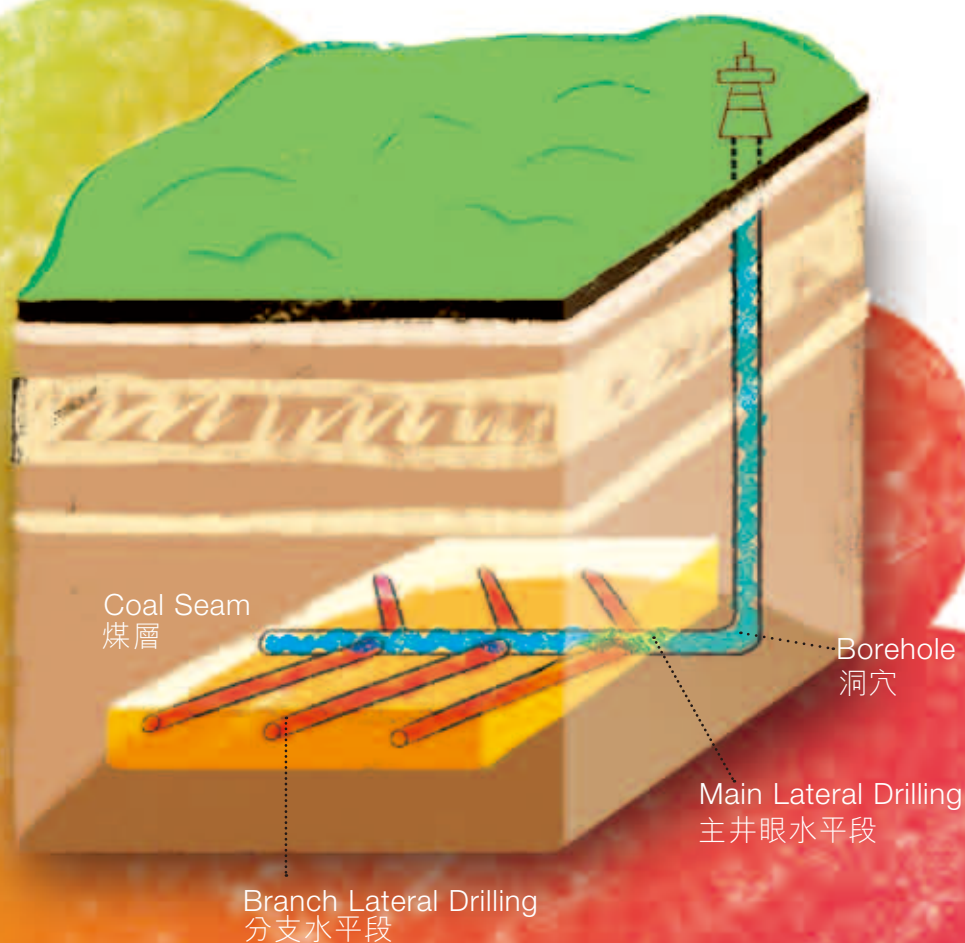
主席

戴小兵

香港，2014年3月21日

Types of Wells in Sanjiao Gas Field, Ground Works & the Pipeline Networks

三交井形介紹及地面工程管網圖



Multilateral horizontal well 多分支水平井

The multilateral horizontal well (“MLD”) type were drilled in Sanjiao CBM concession and has been widely used, the technical features mainly lie on the horizontal section drilling program that aims to maximize contacting surface in between seams and achieve full utilization of existing coal seam permeability. Generally, an MLD type well could have controllable coverage of up to 0.5-0.7 square kilometers, the application depth of 300-800 meters target coal seams, horizontal branch sum up to a total length of about 5000 meter.

多分支水平井為三交煤層氣氣田內已廣泛應用的主流井型之一，其技術特點為在煤層水平段鑽多個水平分支的鑽井方案以達至與煤層間之最大接觸面，充分利用煤層原有之滲透性。一般一口多分支水平井覆蓋範圍可達0.5-0.7平方公里，應用深度為300-800米之目標煤層，水平分支合計總長度最多可達約5000米。

Types of Wells in Sanjiao Gas Field, Ground Works & the Pipeline Networks

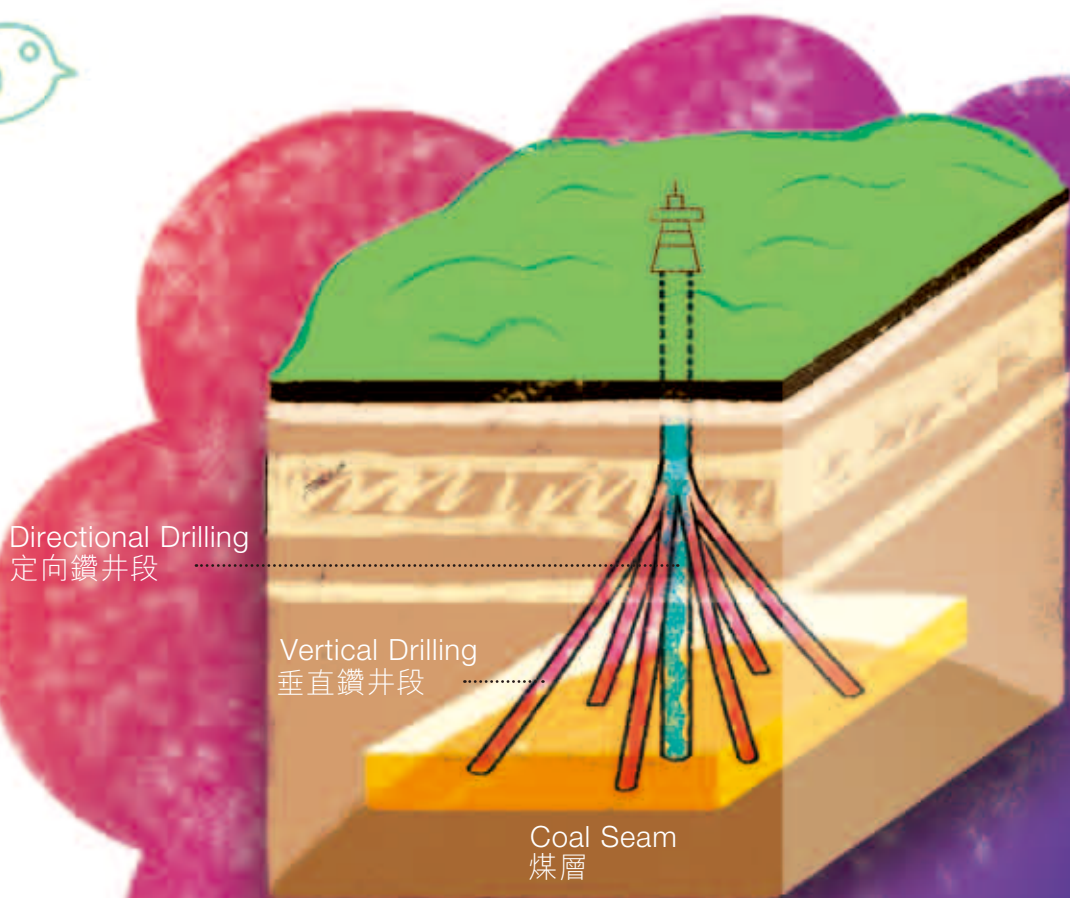
三交井形介紹及地面工程管網圖

Directional vertical well cluster

定向垂直井組

The directional vertical well cluster is a group of vertical wells drilled with specific direction(s), it has been widely used within Sanjiao CBM concession, the technical features of the directional well type lies on the use of special downhole tools and measuring instruments etc. to effectively control well trajectory, so that the drill bits will able to drill along a specific target coal seam directions underground. Coverage of per single well is approximately 0.1 square kilometers, the application is for the target depth of 600-1000 meters deep coal seams.

定向垂直井是三交煤層氣氣田內已應用的另一主流井型，其技術特點為使用特殊井下工具、測量儀器等有效控制井眼軌跡，使鑽頭沿著特定方向鑽達地下預定目標煤層，並在同一井場向多個方向鑽井的鑽井技術。定向井單井覆蓋範圍約0.1平方公里，應用深度為目標600-1000米深之煤層。



Types of Wells in Sanjiao Gas Field, Ground Works & the Pipeline Networks

三交井形介紹及地面工程管網圖

Sanjiao CBM Gas Field - Ground Works & Pipeline Networks

三交煤層氣氣田地面管網簡圖

A total of 74 kilometers of own pipeline networks were built within the Sanjiao CBM concession. A DN50-200 inter-well series of pipelines of approximately 39 kilometers, a D508 ground pipeline network of approximately 18 kilometers and a D355 outbound pipeline of approximately 17 kilometers were completed. A CBM processing station with daily processing capacity 150,000 cubic meters was in operating. There are two planned liquefied natural gas plants in Sanjiao gas field with a total liquefaction capacity up to 600 million cubic meters per year upon completion.

There were three third party owned long-distance pipelines built and connected to Sanjiao CBM gas field in year 2013: (1) Sanjiao to Linxian pipeline of approximately 38 kilometers long (2) Sanjiao to Lvliang city pipeline of approximately 31 kilometers long (3) Sanjiao to Senze aluminium plant dedicated pipeline of approximately 18 kilometers long. The design annual transportation capacity of each pipeline can reach 350 million cubic meters. Currently, Sanjiao to Linxian pipeline and Sanjiao to Senze aluminium plant pipeline have been put into operation.

三交煤層氣氣田自建管網已完成約74公里，其中包括DN50-200集氣支線約39公里，D508集氣幹線約18公里及D355外輸管線約17公里。已建成之日處理15萬方天然氣增壓脫水站一座，已規劃位置於三交氣田內之液化天然氣廠共兩座，建成後總液化量可達每年6億立方米。

於2013年陸續建成之第三方長輸管線共三條：(一)三交往臨縣管線約為38公里(二)三交往呂梁管線約為31公里(三)三交往森澤煤鋁專用管線約為18公里。每條管線年輸氣能力均達3.5億立方米。目前三交往臨縣管線與三交往森澤煤鋁管線已投入運營。



D508 集輸幹線 Ground Pipelines

D355 外輸管線 Outbound Pipelines



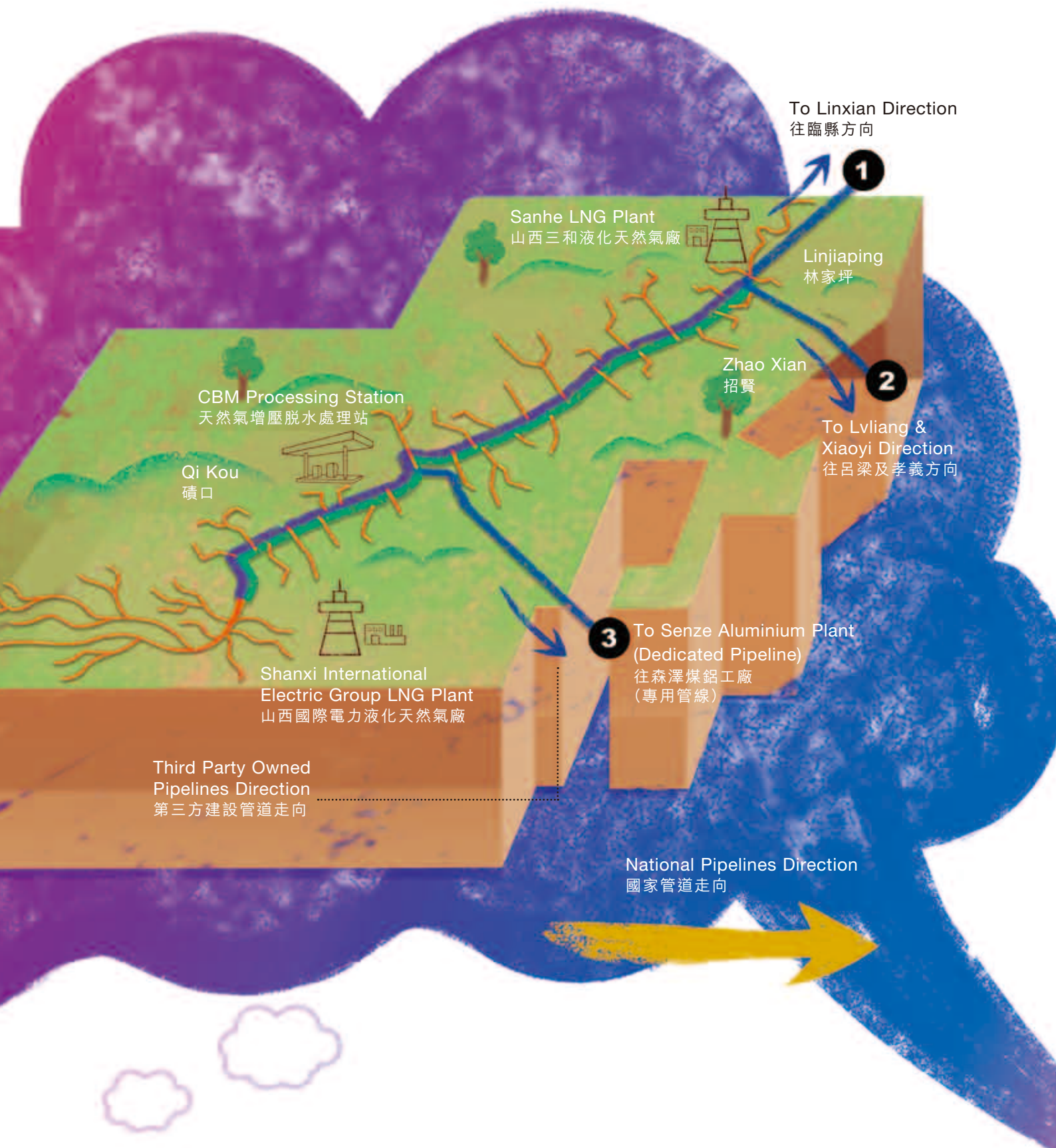
DN50-200 集氣支線 Inter-Well Pipelines

第三方建設銷售長輸管道

Third Party Own Long Distance CBM Pipelines

Types of Wells in Sanjiao Gas Field, Ground Works & the Pipeline Networks

三交井網介紹及地面工程管網圖



2013.07.

The National Development and Reform Commission (“NDRC”) announced price adjustment to city-gate gas non-residential users effective from 10th July 2013 with adjustment no more than RMB0.4 per cubic meter. Accordingly, the Group had adjusted non-residential users wellhead price by RMB0.32-0.33 per cubic meter (increased by 21.6%).

發改委自2013年7月10日起通知調整非居民用天然氣全國門站價每立方米提價幅度最高不超過0.4元人民幣，本集團與中石油共同決定每立方米工業用氣售價提高0.32至0.33元人民幣，漲幅為21.6%。

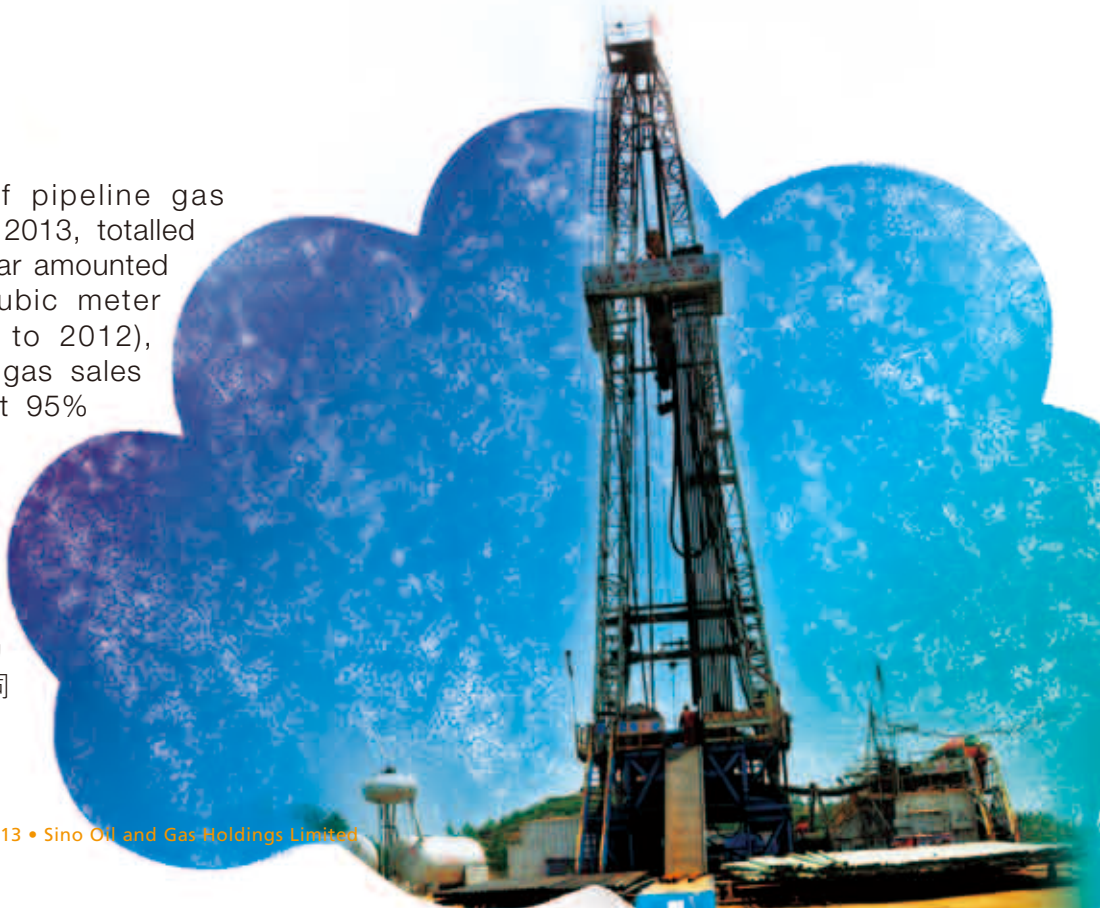


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2013.01.

Commencement of pipeline gas sales since January 2013, totalled CBM sales of the year amounted to 30.45 million cubic meter (5-folded compare to 2012), two pipelines total gas sales accounted for about 95% of gas sales.

自2013年1月份起開始管道銷售煤層氣，全期業績共銷售約3,045萬立方米天然氣，兩條管道銷售約佔95%；增長是去年同期的5倍。



2013.04&12.

2014.02.

Introduce institutional investor in April 2013: China Orient Asset Management Corporation (Convertible Notes holder), and by end of 2013, introduce strategic shareholders: Sinomaster Global Limited and Mr. Chen Hua of Kingkey Group.

於2014年4月引入機構投資者中國東方資產管理公司，向其發行可換股票據；於2013年底分別引入策略投資者神州通國際有限公司及深圳京基集團創始人兼董事長陳華先生為策略股東。



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Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

During the year ended 31 December 2013, Sino Oil and Gas Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) recorded a turnover of HK\$21,598,000 (2012: HK\$28,932,000) and also posted trial sales of coalbed methane (“CBM”) amounting to HK\$38,899,000 (2012: HK\$9,110,000) as disclosed under the item of other revenue.

The Group’s loss for the year narrowed significantly to HK\$61,332,000 (loss in 2012: HK\$113,405,000), as a result of increasing trial sales from the Sanjiao CBM project and no impairment allowance (2012: HK\$69,257,000) was required for the year. Included in the loss was loss on extinguishment of financial liabilities of HK\$25,247,000 (2012: Nil) in respect of the new shares issued in November 2013 to settle a sum payable for well-drilling and related services. This was treated as non-cash items. Operating loss of the Group also significantly reduced to HK\$57,632,000 (loss in 2012: HK\$125,141,000).

Natural Gas and Oil Exploitation

Coalbed Methane Exploitation – Sanjiao Block in the Erdos Basin

Project Overview

Through its wholly-owned subsidiary Orion Energy International Inc. (“Orion”), the Group entered into a production sharing contract (“PSC”) with China National Petroleum Corporation (“PetroChina”), its partner in the PRC, for exploration, exploitation and production at a CBM field in the Sanjiao block located in the Erdos Basin in Shanxi and Shaanxi provinces. The Group has a 70% interest in the PSC. In August 2012, the National Energy Administration Bureau (“NEA”) under the National Development and Reform Commission (“NDRC”) accepted the application of the overall development plan for the Sanjiao CBM project (the “ODP”). This signifies a milestone in the advancement of the project towards commercial production with assessment works ongoing smoothly and getting closer to obtaining relevant approvals.

The PSC entered into between Orion and PetroChina covers the block in the Erdos Basin in Shanxi and Shaanxi provinces, with a total site area of 383 square kilometers. According to a competent person’s report provided to the Company in November 2011, the proved and probable CBM reserves in the Sanjiao block amounted to 405.6 billion cubic feet (approximately 11.5 billion cubic meters) then.

業務回顧

截至2013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21,598,000港元（2012年：28,932,000港元），另披露於其他收入的煤層氣試銷售則達38,899,000港元（2012年：9,110,000港元）。

基於年內三交煤層氣項目試銷售在逐步提升，加上本年度並沒有需要就任何方面作減值準備（2012年：69,257,000港元），本集團錄得年度虧損大幅收窄至61,332,000港元（2012年虧損：113,405,000港元），其中包括因於2013年11月發行新股份以抵銷油井鑽探服務等相關應付金額而產生之以權益工具抵銷金融負債虧損共25,247,000港元（2012年：無），此為非現金項目。與此同時，集團經營虧損亦相應大幅收窄至57,632,000港元（2012年虧損：125,141,000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

項目總覽

本集團透過旗下全資附屬公司奧瑞安能源國際有限公司（「奧瑞安」），與中國夥伴中國石油天然氣集團公司（「中石油」）訂立生產分成合約（「PSC」），在中國山西及陝西省鄂爾多斯盆地三交區塊進行煤層氣田勘探、開採及生產，並享有當中70%權益。於2012年8月，三交煤層氣項目之整體開發計劃（「ODP」）的申請已獲得國家發展和改革委員會（「發改委」）國家能源局正式受理，為項目準備進入商業化生產過程中的一個重要階段，目前正進行有關批覆的專項評估，整體進展順利。

奧瑞安與中石油之PSC，合約區覆蓋中國山西省及陝西省鄂爾多斯盆地合共383平方公里之區塊。根據一份由合資格人士於2011年11月向本公司提供之儲量報告，當時煤層氣證實及概略儲量為4,056億立方英尺（即約115億立方米）。

Management Discussion and Analysis

管理層討論及分析

Infrastructure

By the end of 2013, the Sanjiao project had completed a total of 72 wells, including 39 multi-lateral horizontal wells, while the remaining 33 were vertical wells. A ground pipeline network of approximately 18 kilometers, inter-well pipelines of approximately 39 kilometers, and outbound pipelines of approximately 17 kilometers were completed. Approximately 15 kilometers of 10KV power grid and approximately 24 kilometers of 10KV branch power line were also completed as at the year end.

Adopting the multi-lateral horizontal well-drilling system designed by US oil service professionals, one pilot experimental well has been drilled with dewatering and extraction of gas currently underway.

In 2012, the Company completed the construction of a CBM processing station with daily processing capacity of 150,000 cubic meters. Given that the processing capacity of the station has reached saturation point, the Company has commenced works to expand the station to a total daily capacity of approximately 500,000 cubic meters. Expansion works are expected to be completed by the end of 2014.

In addition, in December 2012 the Group acquired a 30% equity interest in a Sino-foreign joint venture. In order to broaden sales channels in the future, the Sino-foreign joint venture plans to set up a liquefied natural gas ("LNG") plant with daily processing capacity of 1.2 million cubic meters in the Sanjiao area of Shanxi Province. The first phase of the LNG station with daily capacity of 300,000 cubic meters is expected to be completed by the end of 2014.

Owing to the tight gas supply in the western part of Shanxi Province and the lack of pipelines and other infrastructure, the Shanxi provincial government has planned to set up three designated CBM pipelines in the Sanjiao block and its surrounding areas.

基礎建設

截至2013年年底，三交項目合計完成鑽井共72口，其中39口為多分支水平井，餘下的33口為直井。另三交地面系統工程方面，已建成區內集氣幹線約18公里，集氣支線約39公里，外輸管線約17公里；並於年底前架設一組約15公里的10KV輸電幹線及24公里的10KV電力支線。

於年內採用了美國油服專家提出的多分支水平井鑽井設計，已完成一口先導性實驗井的鑽井工作，目前正進行排採。

集團於2012年已建成日處理15萬立方米煤層氣的煤層氣壓縮站一座，鑒於其處理能力已近飽和，期內本公司已開展擴建至日處理約50萬立方米煤層氣壓縮站的工作，預計可於2014年年底完成擴建。

本集團亦於2012年12月收購了一家中外合資企業之30%權益。該合資企業準備於山西三交籌建日處理能力120萬立方米之液化天然氣（「LNG」）處理站，將來可進一步拓闊銷售渠道。第一期日處理能力達30萬立方米的LNG站預期於2014年年底建成。

此外，由於山西省西部地區氣源供應緊張以及缺乏管道等基礎設施，省政府在三交區塊及其周邊地區規劃了三條煤層氣專用管線。



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These pipelines are all constructed and invested by third parties, including (1) the CBM pipeline from Sanjiao to Linxian for gas supply for residential, commercial and industrial use, as well as heating in winter, with an annual designed gas transmission capacity of 350 million cubic meters, which commenced operation in December 2012; (2) the designated CBM pipeline of the Sanjiao CBM block for gas supply to Senze Coal & Aluminum Group, a local coal and aluminum manufacturer, with an annual designed gas-transmission capacity of 350 million cubic meters, which commenced operations in January 2013; and (3) the CBM pipeline from Sanjiao to Lvliang for gas supply to natural gas network of Xiaoyi and central Shanxi, with works completed at the end of 2013. This pipeline is scheduled to commence operations during 2014.

Sales

On 28 June 2013, the NDRC issued a notice announcing that the city-gate price of natural gas for non-residential users would be adjusted effective from 10 July 2013 and that the maximum increase in price should be no more than RMB0.40 per cubic meter.

In line with the adjustment to the national natural gas price policy, the Group and PetroChina jointly decided to adjust the CBM selling price of gas from the Sanjiao project. An agreement was reached and signed on 16 August 2013 to adjust the wellhead price for CBM sales to non-residential users. Pursuant to the agreement, the wellhead price for piped CBM will be increased by RMB0.32 per cubic meter, while the price for compressed natural gas ("CNG") will be raised by RMB0.33 per cubic meter, with increases of more than 21%. The price adjustments will have an immediate and significant positive impact on the revenue and earnings of the Sanjiao project.

During the year, the Sanjiao project recorded CBM production of approximately 45.45 million cubic meters, with CBM sales of approximately 30.45 million cubic meters (2012: 6.15 million cubic meters) and a gas sale-to-production rate of 67.0% for the full year of 2013. Gas sales for the year were composed of industrial piped CBM sales, residential piped CBM sales, and CNG sales, which accounted for 84.7%, 10.2% and 5.1% respectively. As such, piped CBM sales accounted for 94.9% of total gas sales during the year.

During the reporting year, the Sanjiao project already posted an operating profit. With sales growth and the price increase, the Group is confident of the project's long-term profitability.

該等管線均由第三方建設及投資，其中包括：(一)三交至臨縣煤層氣輸氣管道，供應臨縣城市居民、工商業用氣及冬季取暖用氣，管道設計年輸氣能力為3.5億立方米，已於2012年12月開通；(二)三交區塊專用煤層氣管道，向一間當地的煤鋁生產企業—森澤煤鋁集團供氣，管道設計年輸氣能力為3.5億立方米，已於2013年1月開始供氣；及(三)三交至呂梁煤層氣輸氣管道，計劃供應孝義及山西省中部天然氣管網，該管道已於2013年年底竣工。預計2014年年內投入運營。

銷售

於2013年6月28日，發改委發出通知，決定自2013年7月10日起，調整非居民用天然氣門站價格，全國門站價格每立方米提高幅度最高不超過人民幣0.4元。

根據國家天然氣價格政策的調整，本集團與中石油共同決定，調整三交項目煤層氣銷售價格。於2013年8月16日，本集團就非民用煤層氣銷售價簽署協議，對管道銷售非民用煤層氣井口價每立方米提高0.32元人民幣，對壓縮煤層氣（「CNG」）井口價每立方米提高0.33元人民幣，上漲幅度均超過21%。價格調整將對三交項目的營運收入有即時而顯著的正面影響。

年度內，三交項目共生產煤層氣約4,545萬立方米，銷售煤層氣約3,045萬立方米（2012年：615萬立方米），全年平均產銷比率達67.0%。在全年的銷售結構中工業用管道煤層氣銷售佔84.7%，民用管道煤層氣銷售佔10.2%，CNG銷售佔5.1%。故此，管道煤層氣銷售已佔全年總銷售量的94.9%。

三交項目於本年度內已能錄得經營溢利，在銷售和價格提升的正面影響下，本集團對其長遠盈利能力抱有信心。

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Oilfields located in Shaanxi Province—Liuluoyu, Yanjiawan and Jinzhuang

In view of the promising prospects for the development of the CBM business, the Group has allocated resources to refocus on the Sanjiao CBM project. The development of the oilfields is thus proceeding somewhat more slowly than previously.

During the year under review, the two oilfields in Liuluoyu and Yanjiawan in the Erdos Basin, Shaanxi Province, yielded an aggregate crude oil production of approximately 3,500 tonnes (2012: 4,900 tonnes). On the other hand, Jinzhuang on the Erdos Basin plateau in Shaanxi Province, with an area of 62 square kilometers, reported crude oil output of approximately 2,600 tonnes (2012: 3,500 tonnes).

Summary of Resources

The Group's oil and gas reserves, as at 31 December 2013, are summarized as follows:

位於陝西省的油田區塊—柳洛峪、閻家灣及金庄

鑑於煤層氣的發展前景優厚，本集團暫時將資源重新調配，集中發展三交煤層氣項目，油田的發展因而較前緩慢。

在回顧年度內，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之原油產量約為3,500噸（2012年：4,900噸）。另外，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。年度內，金庄油田之原油產量約為2,600噸（2012年：3,500噸）。

資源概覽

本集團於2013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 tonnes 噸	Jinzhuang 金庄 tonnes 噸	Sanjiao 三交 Billion cubic feet (Gross) 十億立方英尺(總額)
Proved and Probable	證實及概略	352,400 (Note a) (附註a)	4,151,000 (Note b) (附註b)	402.4 (Note c) (附註c)

Notes:

(a) In the absence of large-scale exploration works during the year, no material change to the resources reserve has been observed. The Company has thus made an estimation of the oil reserve as at 31 December 2013 on the basis of the internal experts' oil reserve estimates of 2010, adjusted and updated based on oil production volume.

附註：

(a) 由於在年內沒有進行大型資源勘探活動，並未有發現資源儲量等有重大轉變，故本公司按2010年內部專家估算的石油儲量作為基礎，再按產油量作出調整更新，估算截止至2013年12月31日的石油儲量。



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- (b) In the absence of large-scale exploration works during the year, no material change to the resources reserve has been observed. The Company has thus made an estimation of the oil reserve as at 31 December 2013 on the basis of a report formulated by an independent professional reserve valuation firm in September 2011, according to the PRC's reserve standards, adjusted and updated based on oil production volume.
- (c) In the absence of large-scale exploration works during the year, no material change to the resources reserve has been observed. The Company has thus made an estimation on the gas reserve as at 31 December 2013 on the basis of a competent person's report prepared in accordance with the standards for "Petroleum Resources Management System" recognized under Chapter 18 of the Listing Rules and provided to the Company in November 2011, adjusted and updated based on CBM production volume.

Category 類別

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

- (d) Reserve translation reference: One tonne of crude oil is equivalent to approximately 7.3 barrels; one cubic meter of natural gas is equivalent to approximately 35.2 cubic feet.

- (b) 由於在年內沒有進行大型資源勘探活動，並未有發現資源儲量等有重大轉變，故本公司以一份由獨立的專業儲量評估機構於2011年9月份，按中國儲量標準編制的儲量報告作為基礎，再按產油量作出調整更新，估算截止至2013年12月31日的石油儲量。
- (c) 由於在年內沒有進行大型資源勘探活動，並未有發現資源儲量等有重大轉變，故本公司以一份由合資格人士，按香港聯合交易所有限公司證券上市規則第18章認可的「石油資源管理體系」標準編制，於2011年11月份向本公司提供之儲量報告作為基礎，再按煤層氣產量作出調整更新，估算截止至2013年12月31日的煤層氣儲量。

Coalbed Methane Reserve 煤層氣儲量 Billion cubic feet (Gross) 十億立方英尺(總額)

Proved (1P)	證實(1P)	75.9
Proved and Probable (2P)	證實及概略(2P)	402.4

- (d) 儲量換算參考：原油每噸約等於7.3桶；天然氣每立方米約等於35.2立方英尺。

FINANCIAL REVIEW

Capital Structure

In April 2013, a wholly-owned subsidiary of China Orient Asset Management (International) Holding Limited ("COAMCI") and the Group entered into a subscription agreement in respect of the issue of convertible notes in an aggregate principal amount of HK\$275,000,000 due 2016. In June 2013, the Group raised proceeds of approximately HK\$155,000,000 through the allotment and issue of 928 million new shares to not less than six subscribers at an issue price of HK\$0.167. Proceeds from both exercises were used to finance the Group's existing oil and gas projects and as general working capital.

財務回顧

資本結構

於2013年4月，中國東方資產管理(國際)控股有限公司(「中國東方資產」)之全資附屬公司與本公司就發行本金總額為275,000,000港元並於2016年到期之可換股票據訂立認購協議。同時於2013年6月，按每股港元0.167向不少於六名認購人仕配發9.28億新股，籌集款項約155,000,000港元。兩者之所得款項都用作營運本集團現有之油氣項目及一般營運資金。

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管理層討論及分析

In November 2013, the Group, Orion Energy (Hong Kong) Co. Limited (the “Subscriber”) and 北京奧瑞安能源技術開發有限公司 (Beijing Orion Energy Technology Development Limited*) (“Beijing Orion”) entered into a subscription agreement pursuant to which the Subscriber has subscribed for and the Company has allotted and issued 721,350,000 shares at the subscription price of HK\$0.20. The subscription shares represent approximately 5.25% of the existing issued share capital of the Company and approximately 4.99% of the issued share capital of the Company as enlarged by the allotment and issue of the subscription shares. The proceeds from the subscription of approximately RMB113,400,000 (equivalent to approximately HK\$144,270,000) were used for the set-off of the total sum payable to Beijing Orion for the provision of well-drilling and related services for the Sanjiao CBM project in the past years. The issue has also indirectly helped to improve the liquidity position of the Group.

In January 2014, the Company allotted and issued a total of 300 million new shares to not less than six subscribers at an issue price of HK\$0.22. The net proceeds from the subscription of approximately HK\$65,800,000 are intended to be used for the operation of the Group’s existing oil and gas projects and as working capital.

On 17 March 2014, the Company entered into a facility agreement with a wholly-owned subsidiary of COAMCI. Pursuant to which the Company was granted a facility up to an aggregate principal amount of HK\$100,000,000; and the Company agreed to grant to the lender warrants carrying rights to subscribe for warrant shares at an exercise price of HK\$0.2714 per share (subject to adjustment) in aggregate of up to HK\$50 million.

Apart from the above sources of financing, Orion may utilize the remaining loan facility of RMB600,000,000 provided by CDB Leasing Co., Ltd. upon the approval of the ODP. Leveraging the afore-mentioned strong funding support, the operation and development of the Sanjiao CBM project, as well as the Group’s overall financial position, have strengthened steadily. Management remains confident that the Group is able to meet the funding needs for developing various oil and gas projects and for potential investment opportunities.

於2013年11月，本集團與奧瑞安能源（香港）有限公司（「認購人」）及北京奧瑞安能源技術開發有限公司（「北奧」）訂立認購協議，據此，認購人認購本公司配發及發行之721,350,000股股份，認購價為每股認購股份0.20港元。認購股份相當於本公司現有已發行股本約5.25%，及本公司經配發及發行認購股份擴大之已發行股本約4.99%。認購事項之所得款項額約為人民幣113,400,000元（約相當於144,270,000港元），用於抵銷應付北奧歷來向三交煤層氣項目提供油井鑽探及相關服務之所有費用，同時亦間接改善了流動資金狀況。

於2014年1月，本公司按每股港元0.22向不少於六名認購人仕配發3億新股，籌集款項約65,800,000港元，用作營運本集團現有之油氣項目及一般營運資金。

同時於2014年3月17日，本公司與中國東方資產的一所全資附屬公司訂立貸款協議，獲授出本金總額最多100,000,000港元之貸款額度；本公司同意向貸款人授出認股權證，可於一年內按行使價每股0.2714港元（可予以調整）認購最高達50,000,000港元之認股權證股份。

除上述之融資外，本集團旗下的奧瑞安將可於獲得ODP的批覆後，可適時動用國銀金融租賃有限公司提供餘下人民幣600,000,000之貸款額度。以上充分的資金支持，令三交煤層氣項目的營運與發展，本集團整體財務狀況，都日趨穩健，管理層有信心足以應付未來各油氣項目發展及潛在投資機會的資金需要。

For identification purposes only

Management Discussion and Analysis

管理層討論及分析

Liquidity and Financial Resources

As at 31 December 2013, net assets of the Group were HK\$3,447,000,000 (31 December 2012: HK\$3,023,000,000) while its total assets were HK\$4,275,000,000 (31 December 2012: HK\$3,936,000,000). As at 31 December 2013, the Group had external borrowings of HK\$617,062,000 which included the financial component of convertible notes (31 December 2012: HK\$461,573,000) and the gearing ratio based on total assets was 14.43% (31 December 2012: 11.73%). Details of the Group's pledge of assets and the maturity profile of the Group's borrowings are shown in note 30 to the financial statements. As at 31 December 2013, the current ratio was 0.35 (31 December 2012: 0.23), reflecting a gradual improvement on the liquidity position.

Foreign Exchange Fluctuations

The Group is exposed to currency risk primarily through sales and purchase transactions and recognized liabilities of assets that are denominated in a currency other than the functional currency of the operations to which they relate. At 31 December 2013, 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.

Employees and Remuneration Policies

As at 31 December 2013, the Group employed approximately 360 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.

流動資金及財政資源

於2013年12月31日，本集團的資產淨值為3,447,000,000港元（2012年12月31日：3,023,000,000港元），總資產值則為4,275,000,000港元（2012年12月31日：3,936,000,000港元）。於2013年12月31日，本集團的總借貸包括可換股票據之負債部份為617,062,000港元（2012年12月31日：461,573,000港元），負債比例按資產總值計算為14.43%（2012年12月31日：11.73%）。有關本集團已抵押資產及借貸償還期限的詳情載於財務報表附註30。於2013年12月31日的流動比率為0.35（2012年12月31日：0.23），流動資金狀況正逐步改善當中。

外匯波動

本集團承受之貨幣風險主要源自以有關業務之功能貨幣以外之貨幣計值之買賣交易及已確認資產和負債。於2013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。

僱員薪酬政策

於2013年12月31日，本集團的僱員約有360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。

PROSPECTS

Natural gas and oil exploitation is the focus of the Group's ongoing development. The Group will continue to expand the exploration and production of the Sanjiao CBM project in the Erdos Basin in Shaanxi Province, an area listed by NEA as a core CBM production base in China. The Sanjiao block has been listed as a core project under the "12th Five-Year Plan". It is expected that the project will be able to enjoy stronger policy support in terms of the use of land, government approvals and financing.

In addition to the active development of ground facilities, expansion works for the CBM processing station are expected to complete by the end of 2014. Upon completion the daily processing capacity of the station will be increased to 500,000 cubic meters, hence significantly boosting gas sales. Furthermore, the increase in CBM price will have a positive impact on the Sanjiao project's revenue and earnings and its contribution to the Group.

The Group has not only employed foreign advanced well-drilling technologies to seek to further explore the recoverable gas reserves of the Sanjiao block, it is also pursuing investment opportunities in mid- and lower-stream businesses. At the same time, the Group is trying to expedite the ODP application of the Sanjiao CBM project. The Sanjiao CBM project is a major growth driver for the Group and has already moved forward into trial commercial operations with operating profit recorded. Management is confident that the project will bring satisfactory long-term returns for shareholders.

前景

本集團以天然氣及石油開採業務為發展重點，積極於被國家能源局列為煤層氣產業化基地之一的陝西鄂爾多斯盆地，拓展三交煤層氣項目的開發與生產。三交區塊已被列為「十二五」重點發展項目，在項目發展所需的土地利用、政府審批、財政配套支持方面，都可得到較大的政策扶持。

除繼續積極發展地面配套設施外，擴建中的煤層氣增壓脫水站預計將於今年底竣工，可使增壓脫水日處理能力增至50萬立方米，大幅提升天然氣銷售。此外，煤層氣的銷售價格提升，對三交項目的營收，以至對集團的貢獻，亦有顯著的正面影響。

本集團一方面引進國外先進鑽井技術，全力開發三交煤層氣藏，另一方面亦會關注非常規天然氣領域內的中、下游投資機會，不斷為業務注入動力。集團並會加緊做好三交煤層氣項目ODP申請手續的協調、報批工作。三交煤層氣項目是本集團未來的增長亮點，現階段已進入試商業營運模式並錄得經營溢利，管理層有信心項目可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 46, 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 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. 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 51, was appointed as Chief Executive Officer of the Company in November 2010 and Executive Director of the Company in September 2011. In September 2012, Mr. King resigned as Chief Executive Officer of the Company and assumed the position as Deputy Chairman of the Board of the Company. Mr. King is principally responsible for assisting the Chairman of the Company to lead the Board and formulating the corporate strategies and development plans for the oil and gas business with the Board, while pursuing and exploring the potential opportunities for the midstream and upstream oil and gas business in the PRC. Mr. King graduated from Xian Jiaotong University in 1983. He worked for various central government departments and state-owned enterprises for a considerable period of time and has more than 20 years experience in government organizations and enterprises management. He was the deputy director and Chairman of Workers Union of Mechanic and Electronic Products Importation and Exportation Office of the State Council, the deputy general manager of 中國機械工業供銷深圳集團公司 (China Machinery Industry Marketing & Supply Shenzhen Group Corporation*) and managing director of 中機香港公司 (China National Machinery Hong Kong Company*).

董事會

執行董事

戴小兵博士，46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。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，51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。於2012年9月，景先生獲委任為本公司董事會副主席，同時辭任本公司行政總裁。景先生的職責包括協助本公司主席領導董事會及與董事會共同制訂油氣業務上的企業策略及發展規劃，同時尋找及開拓國內潛在的中上游油氣業務機遇。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。

Directors and Senior Management Profiles

董事及高層管理人員簡介

Mr. Zhu Danping, aged 51, was appointed as Executive Director and Chief Executive Officer of the Company in June 2013. Mr. Zhu joined the Group in September 2012. He is responsible for the Group's operational management and the coordination in relation to the government's public affairs, in particular the production and operation of Orion Energy International Inc. In early 2013, Mr. Zhu was appointed as chairman of Orion Energy International Inc.; director and legal representative of Pipeline International Limited (a wholly-owned subsidiary of the Company) and vice chairman of 山西國梁煤層氣開發有限公司, 30% equity interest of which is being held by the subsidiary of the Company. Prior to joining the Group, Mr. Zhu worked in Shenzhen Industrial Exhibition Centre as a curator for the construction of the new building and the tender for exhibition during the period between 2007 and 2012 and has extensive experience in the operating management and working for government authorities. Mr. Zhu was a postgraduate in philosophy from Zhongshan University and worked for the institute for Shenzhen Intermediate People's Court as well as 深圳市海潤工貿公司 (Shenzhen Hairun Industrial and Trading Company*) as a deputy general manager and a supervisor, 華展國際展覽公司 (Sinoexpo International Exhibition Company*) of 深圳國際展覽中心 (Shenzhen International Exhibition Centre*) as a managing director, Shenzhen Industrial Exhibition Centre as a deputy curator and Shenzhen Productivity Centre as an officer. He was responsible for the organization of various significant projects for the government and the planning and management of exhibitions during his term of office. With a strong social connection and network, he delivered a remarkable performance.

Mr. Wang Ziming, aged 47, 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.

朱耽平先生，51歲，於2013年6月獲委任為本公司之執行董事兼行政總裁。朱先生於2012年9月加入本集團，負責本集團的營運管理和有關政府公共事務協調事宜，主要管理奧瑞安能源國際有限公司的生產及運營。其後於2013年初，朱先生獲委任為奧瑞安能源國際有限公司的董事長及本公司全資附屬公司國際管網有限公司董事、法定代表人及其下屬持有30%權益的山西國梁煤層氣開發有限公司副董事長。朱先生於加入本集團前，曾自2007年至2012年期間出任深圳市工業展覽館館長，負責新館建設及展覽工程招標等工作，擁有豐富的營運管理及政府機關工作經驗。朱先生於中山大學哲學系研究生畢業，曾於深圳市中級人民法院研究室工作，並先後出任深圳市海潤工貿公司常務副總經理及主管、深圳國際展覽中心華展國際展覽公司總經理、深圳市工業展覽館副館長、深圳市生產力促進中心主任等職位，任內曾負責政府舉辦的各類大型專案及展覽會的策劃及管理工作，累積了豐富之人脈關係及網路，成績斐然。

王自明先生，47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。



Directors and Senior Management Profiles

董事及高層管理人員簡介

Mr. Wan Tze Fan Terence, aged 49, 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 Stock Exchange of Hong Kong Limited.

Non-executive Director

Mr. Kong Siu Tim, aged 48, 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.

Mr. Ma Tengying, aged 42, was appointed as Non-executive Director of the Company in April 2013. Mr. Ma is currently the director and co-president of China Orient Asset Management (International) Holding Limited ("COAMCI"). He has been serving the China Orient Asset Management Corporation (parent company of COAMCI) and its subsidiaries for over 10 years. Previously, from 1999 to 2006, he worked in various departments in China Orient Asset Management Corporation. During 2008 to 2010, he was the general manager of China Orient Asset Management Corporation (Zhengzhou Office). He was the director and deputy chairman of the board of Dong Yin Development (Holdings) Limited between 2010 and 2012. During early 2010, Mr. Ma was the director and general manager of Bangxin Asset Management Co., Ltd., in China. Mr. Ma held Master's degree in economics and banking in Mainland China. He is superbly experienced in managing securities firms, financial institutions, asset management and wealth management across Mainland China and Hong Kong.

溫子勳先生，49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，一間於香港聯合交易所創業板上市的公司。

非執行董事

江少甜先生，48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。

馬騰營先生，42歲，於2013年4月獲委任為本公司之非執行董事。馬先生目前是中國東方資產管理(國際)控股有限公司(「東方國際」)的執行董事及聯席總裁。馬先生在國內的中國東方資產管理公司(東方國際的總公司)及其轄下的公司工作超過十年。於1999年到2006年期間，馬先生工作於中國東方資產管理公司不同的部門。於2008年到2010年期間，他出任了中國東方資產管理公司鄭州辦事處的總經理。他在2010年到2012年期間擔任東銀發展(控股)有限公司的董事及副主席。在2010年初，他亦曾在國內的邦信資產有限公司擔任董事及總經理。馬先生持有國內經濟學及銀行學碩士學位，他在國內及本港的證券、金融、資產管理及個人財富管理都有著豐富的經驗。

Directors and Senior Management Profiles

董事及高層管理人員簡介

Independent Non-executive Director

Mr. Wong Kwok Chuen Peter, aged 54, 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 20 years of extensive experience in legal practice.

Professor Wong Lung Tak Patrick, BBS, JP, aged 65, was appointed as an Independent Non-Executive Director of the Company in August 2010. Professor Wong is a Certified Public Accountant (Practising) in Hong Kong and Managing Practising Director of Patrick Wong CPA Limited. He is also a Chartered Secretary and a Certified Tax Advisor. He has over 30 years' experience in the accountancy profession. Professor Wong was accorded Doctor of Philosophy in Business, was awarded a Badge of Honour by the Queen of England, was appointed a Justice of the Peace and was awarded a Bronze Bauhinia Star (BBS) by the Hong Kong Government of SAR. He was appointed Adjunct Professor, School of Accounting and Finance, The Hong Kong Polytechnic University from 2002 to 2013. Professor Wong is currently an independent non-executive director of Galaxy Entertainment Group Limited, CC Land Holdings Limited, China Precious Metal Resources Holdings Co., Ltd., Guangzhou Baiyunshan Pharmaceutical Holdings Company Limited, Water Oasis Group Limited, Real Nutraceutical Group Limited, National Arts Entertainment and Culture Group Limited, Winox Holdings Limited and Excel Development (Holdings) Limited, all of which are listed on the Hong Kong Stock Exchange.

Dr. Wang Yanbin, aged 57, was appointed as an Independent Non-Executive Director of the Company in September 2011. Dr. Wang is a professor and tutor for doctoral candidates of China University of Mining & Technology (Beijing), and head of the Scientific Research Office of China University of Mining & Technology (Beijing). Dr. Wang holds a bachelor degree in coalfield geology from the faculty of geology of Huainan Mining Institute in China. He also holds a master degree in coal petrology and coalfield geology and a doctor degree in coalfield, oil and gas geology and organic geochemistry from China University of Mining & Technology (Beijing). Prior to 1993, Dr. Wang mainly engaged in teaching and scientific research on coalfield geology and coalbed methane geology. Since 1993, he has focused on geological research on coalfield geology, oil, natural gas and

獨立非執行董事

黃國全先生，54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，黃先生擁有二十年豐富法律實務經驗。

黃龍德教授，BBS，太平紳士，65歲，於2010年8月獲委任為本公司之獨立非執行董事。黃教授為香港執業會計師，並為黃龍德會計師事務所有限公司的執行董事。黃教授亦是特許秘書及註冊稅務師。彼於會計專業擁有逾三十年經驗。黃教授取得商業哲學博士學位，獲英女皇頒發榮譽獎章，獲委任為太平紳士，並獲香港特別行政區政府頒授銅紫荊星章。彼於2002年至2013年獲香港理工大學會計及金融學院委任為兼任教授。黃教授現為銀河娛樂集團有限公司、中渝置地控股有限公司、中國貴金屬資源控股有限公司、廣州白雲山醫藥集團股份有限公司、奧思集團有限公司、瑞年國際有限公司、國藝娛樂文化集團有限公司、盈利時控股有限公司及怡益控股有限公司的獨立非執行董事，該些公司均於香港聯合交易所上市。

王延斌博士，57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

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董事及高層管理人員簡介

coalbed methane. He has led the development of a project for the National Natural Science Foundation of China, and few scientific projects for China National Petroleum Corporation and China Petrochemical Corporation. Dr. Wang has also participated in more than 30 scientific projects in cooperation with various oil fields and Mining Bureaus nationwide. He was granted the State Scientific and Technological Progress Award for several times and has published 3 books and more than 70 academic papers.

Dr. Dang Weihua, aged 48, was appointed as an Independent Non-Executive Director of the Company in July 2013. Dr. Dang is currently the General Manager of Shenzhen Branch of Changjiang Securities Company Limited (“Changjiang Securities”) and the Chief Representative of Shenzhen Representative Office of Changjiang Securities. Prior to this, he served as Deputy General Manager of Asset Preservation Department and Legal & Compliance Department of Changjiang Securities. Dr. Dang has worked in Changjiang Securities (formerly known as Hubei Securities Company Limited) for 21 years and served in different departments and positions. He has extensive experience in securities industry. Dr. Dang holds a master degree of business administration at Zhongnan University of Economics and Law. He was awarded a PhD in Econometrics by the School of Economics, Jilin University. Dr. Dang holds a Chinese lawyer qualification as well as securities practice qualification.

Senior Management

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 Chief Geologist and Vice President of the Group. 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

目30餘項，先後多次獲得國家科技進步獎，出版專著3部，發表學術論文70餘篇。

黨偉華博士，48歲，於2013年7月獲委任為本公司之獨立非執行董事。黨博士現為長江證券股份有限公司（「長江證券」）深圳分公司總經理及深圳代表處首席代表。在此之前，他曾出任長江證券的資產保全部、法律合規部副總經理，黨博士任職於長江證券（前身為湖北證券有限責任公司）二十一年，歷任不同部門及職位，於業內累積豐富經驗。黨博士持有中南財經政法大學的工商管理碩士學位，以及於吉林大學商學院獲數量經濟學博士學位。黨博士持有國家法律執業資格，以及證券從業資格。

高層管理人員

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，現為本集團總地質師及副總裁。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

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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.

Ms. Cao Zhen has been working for Orion Energy International Inc., a wholly-owned subsidiary of the Group since November 2010. Currently, she is Deputy Manager of Sanjiao Joint Project Division, responsible for management of Sanjiao project of the Group. Ms. Cao graduated from Jiangnan Petroleum University and China University of Petroleum (Huadong), majoring in petroleum engineering. Ms. Cao had worked for Henan Oil Field as Assistant Engineer, Deputy Head and Chief Engineer and Sinopec North China Petroleum Bureau as Head of Institute of Oil and Gas Exploitation of Engineering Department and Senior Engineer. She is very experienced in projects of exploration and exploitation of oil and gas fields.

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 over 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 a fellow member of both The Hong Kong Institute of Chartered Secretaries and The Institute of Chartered Secretaries and Administrators. She has years of extensive experience in the company secretarial sector and has worked for international accounting and law firms and listed companies in Hong Kong.

* For identification purpose only

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。

曹珍女士，自2010年11月起於本集團之全資附屬公司，奧瑞安能源國際有限公司工作，現為三交聯合項目部副經理，負責本集團三交項目之管理。曹女士畢業於江漢石油學院專科及石油大學（華東）石油工程專業（本科）。曹女士於河南油田曾先後出任助理工程師、副主任及主任工程師等職位，亦曾任中石化華北分公司工程院採油採氣所所長及高級工程師，於油氣田勘探開發項目方面擁有豐富經驗。

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，擁有逾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資深會員。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。

CORPORATE GOVERNANCE PRACTICES

The Board of Directors (the “Board”) and management of the Company continue to achieve 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 complied with all the code provisions set out in the Corporate Governance Code (“CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year ended 31 December 2013.

COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

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

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

THE BOARD OF DIRECTORS

As at 31 December 2013, the Board comprises five executive Directors, namely Dr. Dai Xiaobing (Chairman), Mr. King Hap Lee (Deputy Chairman), Mr. Zhu Danping (Chief Executive Officer), Mr. Wang Ziming and Mr. Wan Tze Fan Terence; two Non-executive Directors, namely Mr. Kong Siu Tim and Mr. Ma Tengying; and four Independent Non-executive Directors (“INEDs”), namely Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua. There is no financial, business, family or other material/relevant relationship between the Directors.

企業管治常規

本公司董事會（「董事會」）及管理層繼續達致高水平的企業管治，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。

本公司於截至2013年12月31日止年度已遵守香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄十四所載的企業管治守則（「管治守則」）的全部守則條文。

遵守董事進行證券交易之標準守則

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

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

董事會

於2013年12月31日，董事會包括五名執行董事，即戴小兵博士（主席）、景哈利先生（副主席）、朱耽平先生（行政總裁）、王自明先生及溫子勳先生，兩位非執行董事，即江少甜先生、馬騰營先生，以及四位獨立非執行董事（「獨立非執行董事」），即黃國全先生、黃龍德博士、王延斌博士及黨偉華博士。董事間並不存在任何財務、業務、家族或其他重大／相關關係。

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

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

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

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

董事會包括四名獨立非執行董事佔董事會成員人數不少於三份之一，符合上市規則第3.10(1)條及第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。

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

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

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



According to the records maintained by the Company, all the Directors, namely Dr. Dai Xiaobing, Mr. King Hap Lee, Mr. Zhu Danping, Mr. Wang Ziming and Mr. Wan Tze Fan Terence, Mr. Kong Siu Tim, Mr. Ma Tengying, Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin and Dr. Dang Weihua, participated in continuous professional development by reading materials and attending seminars on corporate governance, regulatory development and other relevant topics with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the CG Code during the year.

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. The Board also delegates certain specific responsibilities to three committees (Audit Committee, Remuneration Committee and Nomination Committee) established in compliance with the Listing Rules. The composition and functions of each committee are described below.

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

根據本公司存置之記錄，所有董事，即戴小兵博士、景哈利先生、朱耽平先生、王自明先生、溫子勳先生、江少甜先生、馬騰營先生、黃國全先生、黃龍德教授、王延斌博士及黨偉華博士，為符合管治守則，於年內透過閱讀有關企業管治、監管規定的發展和其他相關主題的讀物及參加相關研討會，參與重點在於上市公司董事的角色、職能及責任之持續專業發展。

董事會除對本公司及本集團負有誠信責任及法定責任外，董事會亦負責管理本集團的業務及事務，目的乃提升本公司及股東的價值。主要責任包括制訂本集團的整體策略、設定公司及管理目標、監控營運及財務事宜、批准主要資本開支、重大收購及出售資產、公司或財務重組、重大借貸及任何發行或購回股本證券。各部門管理人員負責實現本公司的目標和本公司業務的日常營運工作，並已就該等人員的職權給予彼等清晰的指引及指示。董事會同時分派特定職責予按上市規則成立的三個委員會（審核委員會、薪酬委員會及提名委員會），每個委員會的組成及功能在下文說明。

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

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. Zhu Danping 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; and that good corporate governance practices and procedures are established, implemented and maintained. He also holds annually meeting with the non-executive directors (including independent non-executive directors) without the presence of other executive directors. The Chief Executive Officer, Mr. Zhu Danping, 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 and report to the Board on the adoption the Company's strategy and policies for achieving its objectives.

APPOINTMENTS AND RE-ELECTION

Each of the Directors (except Mr. Ma Tengying) has entered into a service contract with the Company for a specific term. Such term is subject to his re-election by the Company at an annual general meeting upon retirement. The Company's Bye-laws provide that any Director appointed by the Board to fill a casual vacancy in the Board or as an additional member of the Board shall hold office only until the first general meeting of the Company and shall then be eligible for re-election at such meeting. In accordance with the Company's Bye-laws, at each AGM of the Company, one third (or the number nearest to but not less than one-third) of the Directors shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years and, being eligible, offer themselves for re-election. As such, the directors (including the non-executive directors and the INEDs) are regarded as appointed for a specific term. Furthermore, each of Mr. Kong Siu Tim, Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick, Dr. Wang Yanbin has entered into a service contract with the Company for a term of two years. Dr. Dang Weihua 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朱耽平先生擔任，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及良好的企業管治常規及程序可予建立、執行及維持。本公司主席每年與非執行董事（包括獨立非執行董事）舉行一次沒有執行董事出席的會議。行政總裁朱耽平先生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，並執行及向董事會匯報本公司為達致其目標而制定的策略及政策。

委任及重選

每名董事（馬騰營先生除外）均與本公司以指定任期訂立服務合約，並於本公司日後股東週年大會告退及膺選連任。根據本公司之公司細則規定，任何獲董事會委任以填補臨時空缺或新加入董事會的董事的任期將直至其獲委任後首屆股東大會為止，並於該大會上膺選連任。按照本公司公司細則規定，於本公司每屆股東週年大會上，三分之一董事（或最接近三分之一但不少於三分之一之數目）須輪席告退，惟各董事須最少每三年輪席告退一次，屆時均符合資格並可膺選連任。故此，董事（包括非執行董事及獨立非執行董事）被視為以指定任期委任。再者，江少甜先生、黃國全先生、黃龍德教授及王延斌博士與本公司訂立為期兩年的服務合約，而黨偉華博士與本公司訂立為期一年的服務合約。

CORPORATE GOVERNANCE FUNCTIONS

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

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. Monthly updates as required in C.1.2 of the CG Code are provided by the senior management to all Directors to enable them to be apprised of the circumstances of the Company and to discharge their duties. The Company Secretary provides the Directors with updates on developments regarding the Listing Rules and other applicable regulatory requirements. All Directors have access to Board papers and related materials that will assist them for decision making. Any Director, wishing to do so in the furtherance of his duties, may take independent professional advice through the Company's expense. No such independent professional advice was requested by any Director in 2013.

DIRECTORS' AND OFFICERS' INSURANCE

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

企業管治職能

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

資料的提供和使用

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

本公司高級管理人員定期向董事會及其委員會適時提供充足的資料，以令彼等作出知情決定。高級管理人員會根據管治守則第C.1.2條的規定每月提供更新資料予所有董事，使彼等了解本公司的現況，以履行其職責。公司秘書提供予董事有關上市規則及其他適用法規的發展的更新資料。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2013年內並無董事尋求此等獨立專業意見。

董事及要員的投保安排

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

BOARD COMMITTEES

The Board has established three committees delegated with various responsibilities, including Audit Committee, Remuneration Committee and Nomination Committee. All the Board committees perform their distinct roles in accordance with their respective terms of reference which are available on the websites of the Company and the Stock Exchange. The meetings and proceedings of the committees are governed by the provisions contained in the bye-laws of the Company for regulating the meetings and proceedings of Directors unless otherwise stipulated in their respective terms of reference. The individual attendance records of each Director at the meetings of the Board, Audit Committee, Remuneration Committee, Nomination Committee and general meeting during the year are set out below:

Number of meetings attended/held during term of office in 2013

		Board 董事會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會	Annual General Meeting 股東週年大會
Number of meetings held during the year	本年度內舉行會議次數	8	2	2	3	1
Executive Directors	執行董事					
Dai Xiaobing (Chairman)	戴小兵 (主席)	8/8	-	2/2	3/3	1/1
King Hap Lee (Deputy Chairman)	景哈利 (副主席)	8/8	-	-	-	0/1
Zhu Danping (Chief Executive Officer) (appointed on 1 June 2013)	朱耽平 (行政總裁) (於2013年6月1日獲委任)	5/5	-	-	-	-
Wang Ziming	王自明	6/8	-	-	-	0/1
Wan Tze Fan Terence	溫子勳	8/8	-	-	-	1/1
Xu Zucheng (resigned on 1 June 2013)	徐祖成 (於2013年6月1日辭任)	2/2	-	-	-	0/1
Non-executive Director	非執行董事					
Kong Siu Tim	江少甜	7/8	-	-	-	0/1
Ma Tengying (appointed on 26 April 2013)	馬騰營 (於2013年4月26日獲委任)	5/7	-	-	-	1/1
Independent Non-executive Directors	獨立非執行董事					
Wong Kwok Chuen Peter	黃國全	6/8	2/2	2/2	3/3	0/1
Wong Lung Tak Patrick	黃龍德	8/8	2/2	2/2	3/3	1/1
Wang Yanbin	王延斌	8/8	2/2	-	-	0/1
Dang Weihua (appointed on 25 July 2013)	黨偉華 (於2013年7月25日獲委任)	3/3	-	-	-	-

董事委員會

董事會轄下已成立三個委員會，並將分派各種職責，分別為審核委員會、薪酬委員會及提名委員會。全部董事委員會均按其各自的職權範圍履行其特定的職務，而該職權範圍於本公司網站及聯交所網站可供查閱。除非各自的職權範圍另有規定外，各委員會之會議及程序均受本公司的細則規定，以規管各會議及其程序。於年內，各董事於董事會、審核委員會、薪酬委員會、提名委員會會議及股東大會之個別出席記錄載列如下：

於2013年任職期間出席／舉行的會議次數

Notes:

1. The Audit Committee comprises Mr. Wong Kwok Chuen Peter, Professor Wong Lung Tak Patrick and Dr. Wang Yanbin.
2. The Remuneration Committee comprises Professor Wong Lung Tak Patrick, Dr. Dai Xiaobing and Mr. Wong Kwok Chuen Peter.
3. The Nomination Committee comprises Dr. Dai Xiaobing, Mr. Wong Kwok Chuen Peter and Professor Wong Lung Tak Patrick.

AUDIT COMMITTEE

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

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

None of the Audit Committee members are members of the former or existing auditors of the Company. The Audit Committee met twice during the year in accordance with its terms of reference. 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 setting out the Audit Committee's authority and duties are available on the websites of the Company and the Stock Exchange.

附註：

1. 審核委員會成員為黃國全先生、黃龍德教授及王延斌博士。
2. 薪酬委員會成員為黃龍德教授、戴小兵博士及黃國全先生。
3. 提名委員會成員為戴小兵博士、黃國全先生及黃龍德教授。

審核委員會

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

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

審核委員會的成員並非本公司前任或現任核數師。該委員會按照其職權範圍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源，包括獨立會晤外聘核數師及獲得外聘核數師的意見。

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

REMUNERATION COMMITTEE

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

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

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

NOMINATION COMMITTEE

The Board has adopted a board diversity policy to comply with a new code provision on board diversity. The policy aims to set out the approach to achieve diversity on the Board to ensure that the Board has the balance of skills, experience and diversity of perspectives, including but not limited to gender, age, cultural and educational background, professional experience, knowledge and skills. In identifying suitable candidates, the Nomination Committee will consider candidates with the objective criteria with due regard of the benefits of diversity on the Board. There was no addition to the Board after the new code provision relating to board diversity took effect on 1 September 2013.

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，包括一名執行董事及兩名獨立非執行董事共三名成員，分別為戴小兵博士、黃國全先生及黃龍德教授。該委員會的主席是獨立非執行董事黃龍德教授。本公司已遵守上市規則第3.25條之規定，即薪酬委員會之會員過半為獨立非執行董事，且必須由獨立非執行董事擔任主席。

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

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

提名委員會

董事會已採納一項董事會多元化政策以遵守就董事會多元化之一項新守則條文。該政策旨在為達到董事會多元化而訂出之方法，以確保董事會具備所需技巧、經驗及多樣的觀點與角度，包括（但不限於）性別、年齡、文化及教育背景、專業經驗、知識及技能。提名委員會物色合適人選時，會考慮有關人選的長處，並以客觀條件充分顧及董事會成員多元化的裨益。在這有關董事會多元化的新守則條文於2013年9月1日生效後，董事會並沒有新增成員。

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

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 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.

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

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

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。

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

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.

EXTERNAL AUDITOR

BDO Limited was appointed as external auditor of the Company by shareholders at the 2013 Annual General Meeting until the conclusion of the next annual general meeting.

During the year, the fees paid or payable to the external auditor of the Company, BDO Limited were approximately HK\$1,450,000 and HK\$900,000 for audit service and non-audit service rendered (excluding disbursement fees) to the Group respectively. The reporting responsibilities of BDO Limited are stated in the Auditor's Report contained in this Annual Report.

COMPANY SECRETARY

The Company Secretary of the Company, Ms. Yim Siu Hung, is a full-time employee of the Company and has day-to-day knowledge of the Company's affairs. The Directors have access to the advice and services of the Company Secretary regarding board procedures, and relevant laws, rules and regulations. For the year ended 31 December 2013, Ms. Yim has complied with paragraph 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

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。

外聘核數師

香港立信德豪會計師事務所有限公司已於2013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，就本集團獲提供的審核服務及非審核服務（不包括支出費用），已支付或應付予本公司外聘核數師香港立信德豪會計師事務所有限公司的酬金分別約為1,450,000港元及900,000港元。香港立信德豪會計師事務所有限公司的申報責任載於本年報內的核數師報告。

公司秘書

本公司的公司秘書為嚴筱虹女士，她為本公司的僱員，並瞭解本公司的每日運作情況。董事可就董事會程序及相關法律、法規和規章向公司秘書尋求意見及服務。嚴女士確認，彼於截至2013年12月31日止年度已遵守上市規則第3.29條接受了不少於15小時的相關專業培訓。



SHAREHOLDERS' RIGHTS

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

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

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

股東權利

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

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

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

COMMUNICATION WITH INVESTORS

The Board recognizes the importance of good communication with shareholders as well as investors. During the year, press conference and analysts briefing were held twice a year in relation to the interim and final results announcements, at which the Executive Directors were available to answer questions regarding the Group's operational and financial performances. Quarterly operation update announcements were released to enhance transparency of the Company's affairs. In order to promote and enhance investor relations and communications, the Company hosted an Investors Reception Day (online interactive forum) in September 2013, at which the Company's management shared their views on industry developments, business operations and other key issues of concern to investors and took questions directly from online panel. Information in relation to the Group is disseminated to shareholders and investors in a timely manner through a number of channels include quarterly operation update announcements, interim and annual reports, announcements, circulars and press releases. Electronic copies of these documents and general information of the Group's operation can be obtained through the Company's website. Throughout 2013, the Company also avails itself of opportunities to communicate and explain its strategies to shareholders and the investor community, through active participation in investors' conferences and regular meetings with financial analysts, fund managers and potential investors. The Company will continue to promote and enhance investor relations and communication with its investors. During the year, no change was made to the Company's Memorandum of Association and Bye-laws.

與投資者的溝通

董事會認識到與股東及投資者保持良好聯繫的重要性。年內，本公司就中期業績公佈及全年業績公佈分別舉行了共兩次記者發佈會及分析員會議，在會議上執行董事即時回覆有關本集團運營及財務表現的題問。本公司刊發了季度營運簡報以提高本公司事務的透明度。為了促進及提升與投資者的關係及溝通，本公司於2013年9月以網上互動直播方式舉行了投資者接待日活動，活動中本公司管理層透過互聯網對行業發展、經營狀況及其他投資者所關心的議題與投資者進行互動與交流。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，該等資料包括季度營運簡報公佈、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2013年，本公司也透過積極參予投資者簡報會及定期與分析員、基金經理及潛在投資者會面把握機會與股東及投資者溝通及解釋本公司的策略，本公司會繼續促進及提升與投資者的關係及溝通。年內，本公司的組織章程大綱及細則並無變動。



Report of the Directors

董事會報告書

The directors submit their annual report together with the audited financial statements for the year ended 31 December 2013, which are set out on pages 64 to 172.

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 22 to the financial statements.

DIVIDENDS

The Board has resolved not to recommend the payment of a dividend for the year ended 31 December 2013 (2012: 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 35 to the financial statements.

ISSUE OF SHARES UNDER GENERAL MANDATE

On 3 April 2013, the Company and Sunny Merit Holdings Corp. (the "Subscriber"), being an indirect wholly owned subsidiary of China Orient Asset Management Corporation ("COAMC") which is a wholly state-owned financial enterprise with independent corporate capacity upon approval of the State Council and the People's Bank of China, entered into the Subscription Agreement pursuant to which the Company issued Convertible Notes in the principal amount of HK\$275,000,000 due 2016. Terms defined in the Company's announcement dated 3 April 2013 have the same meanings when used in this paragraph. The Convertible Notes carrying rights to subscribe for 1,646,706,586 Conversion Shares (with the aggregate nominal value of HK\$16,467,065.86) at the conversion price of HK\$0.167 per share. The closing market price of the Company's shares was HK\$0.14 on 3 April 2013, being the date on which the terms relating to the issue of

董事會謹此提呈此年度報告以及載於第64頁至第172頁之截至2013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載於財務報表附註22。

股息

董事會已決議不會建議支付截至2013年12月31日止年度之股息(2012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35。

根據一般授權發行的股份

於2013年4月3日，本公司與Sunny Merit Holdings Corp. (「認購人」) (為中國東方資產管理公司(「東方資產」)的間接全資附屬公司，東方資產是經國務院及中國人民銀行批准設立，具有獨立法人資格的國有獨資金融企業)訂立認購協議。據此，本公司發行本金額為275,000,000港元於2016年到期之可換股票據。在本段中所界定之詞彙與本公司於2013年4月3日刊發之公佈所界定者具有相同涵義。可換股票據附帶權利可按每股0.167港元換股價認購1,646,706,586股換股股份(面值總額共16,467,065.86港元)。本公司股份於2013年4月3日，即確定有關可換股票據發行的條款日期之收市價為0.14港元。根據上市規則定義，認購人及其最終實益擁有人均為與本

the Convertible Notes were fixed. The Subscriber and its ultimate beneficial owners were third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules). During the year, the entire proceeds had been used for funds for existing oil and gas projects and general working capital as intended. Among which, approximately 90% of the proceeds from the issue of the Convertible Notes had been used for the operations of the Group's Sanjiao CBM Project. This includes mainly construction of the ground facilities, power lines, settlement and completion of the construction work of horizontal and vertical wells commenced within the last three years, and partial settlement of financial obligation in relation to the project financing for Sanjiao CBM Project. Approximately 10% of the said proceeds were used for general working capital for offices in different locations. The net conversion price per Conversion Share is about HK\$0.16. Further details of the aforesaid issue of Convertible Notes are set out in the announcement of the Company dated 3 April 2013 and note 31 to the financial statements.

On 2 June 2013, the Company entered into the Subscription Agreements with not less than six subscribers who were third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules), under which the Company allotted and issued to the subscribers a total of 928,000,000 shares of the Company with the aggregate nominal value of HK\$9,280,000 at a price of HK\$0.167 per share. The closing market price of the Company's shares was HK\$0.185 per share on 31 May 2013, being the last trading date immediately before the date on which the terms of the issue were fixed. During the year, approximately 90% of the proceeds had been used for funds for existing oil and gas projects and general working capital as intended. Among which, approximately 80% of the proceeds had been used for the operations of the Group's Sanjiao CBM Project. This includes construction of the ground facilities, settlement and completion of the construction work of horizontal and vertical wells commenced within the last three years, drilling of a pilot horizontal well designed by our US team and partial settlement of financial obligation in relation to the project financing for Sanjiao CBM Project. Approximately 5% of the said proceeds were used for operation of existing oil fields in Shaanxi Province and approximately 5% of the said proceeds were used for general working capital for offices in different locations. The net subscription price was about HK\$0.1664 per share. Further details of the aforesaid issue of shares are set out in the announcements of the Company dated 2 June 2013, 6 June 2013 and 28 June 2013 and note 35 to the financial statements.

公司及本公司之關連人士並無關連之獨立第三方。於年內，全部所得款項已用作現有之油氣項目資金及所擬定之一般營運資金。其中，發行可換股票據所得款項約90%已用作本集團三交項目之營運，主要包括興建地面設施、鋪設輸電線路、結算及完成過去三年內開工的水平井及直井之興建工程及部分結算與三交項目之項目融資有關之財務責任。上述所得款項約10%用作位於不同地點之辦事處之一般營運資金。每股換股股份之淨轉換價約為0.16港元。有關發行上述可換股票據的進一步詳情載於本公司2013年4月3日發表之公佈，及財務報表附註31。

於2013年6月2日，本公司與不少於六位認購人訂立認購協議，認購人為與本公司及本公司關連人士（定義見上市規則）並無關連之獨立第三方人士，據此，本公司配發及發行928,000,000股股份（其面值總額為9,280,000港元）予認購人，作價每股股份0.167港元，本公司股份於2013年5月31日（即訂定發行條款當日前的最後交易日）的收市價為每股0.185港元。於年內，所得款項約90%已用作現有之油氣項目資金及所擬定之一般營運資金。其中，所得款項約80%已用作本集團三交項目之營運，包括興建地面設施、結算及完成過去三年內開工的水平井及直井之興建工程、鑽探公司美國團隊所設計之先導性水平井及部分結算與三交項目之項目融資有關之財務責任。上述所得款項約5%用作位於陝西省之油田之營運而餘下約5%用作位於不同地點之辦事處之一般營運資金。每股股份之淨認購價約為0.1664港元。有關上述股份發行的進一步詳情載於本公司日期為2013年6月2日、2013年6月6日及2013年6月28日的公佈，以及財務報表附註35。

Report of the Directors

董事會報告書

On 28 November 2013, the Company and its wholly owned subsidiary, Orion Energy International Inc. ("OEI") entered into Subscription Agreement with Beijing Orion Energy Technology Development Limited ("Beijing Orion") and its wholly owned subsidiary, Orion Energy (Hong Kong) Co. Limited (as the Subscriber). The Subscriber and its ultimate beneficial owners were third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules). Pursuant to the Subscription Agreement, the Company allotted and issued 721,350,000 Shares with the aggregate nominal value of HK\$7,213,500 to the Subscriber at a price of HK\$0.20 per share. The closing market price of the Company's shares was HK\$0.218 per share on 28 November 2013, being the date on which the terms of the issue were fixed. The net proceeds from the subscription of approximately HK\$144,270,000 were fully utilized for the set-off of the fees payable by OEI to Beijing Orion pursuant to the series of agreements entered into between OEI and Beijing Orion in relation to the supply of well drilling and related services by Beijing Orion to OEI up to 2013, which was the intended use of the proceeds. Further details of the aforesaid issue of shares are set out in the announcement of the Company dated 28 November 2013 and note 35 to the financial statements.

Subsequent to the end of year of 2013, on 13 January 2014, the Company entered into the Subscription Agreements with not less than six subscribers who were third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules), under which the Company allotted and issued to the subscribers a total of 300,000,000 shares of the Company with the aggregate nominal value of HK\$3,000,000 at a price of HK\$0.22 per share. The closing market price of the Company's shares was HK\$0.237 per share on 13 January 2014, being the date on which the terms of the issue were fixed. The proceeds from the subscriptions will be used for general working capital and funds for existing projects. The net subscription price was about HK\$0.2193 per share. Further details of the aforesaid issue of shares are set out in the announcement of the Company dated 13 January 2014 and note 46 to the financial statements.

於2013年11月28日，本公司及其全資附屬公司奧瑞安能源國際有限公司（「奧瑞安」）與北京奧瑞安能源技術開發有限公司（「北奧」）及其全資附屬公司奧瑞安能源（香港）有限公司（作為認購人）訂立認購協議，認購人及其最終實益擁有人均為與本公司及本公司關連人士（定義見上市規則）並無關連之獨立第三方人士，據此，本公司配發及發行721,350,000股股份（其面值總額為7,213,500港元）予認購人，作價每股股份0.2元，本公司股份於2013年11月28日（即訂定發行條款當日）的收市價為每股0.218港元。認購事項之所得款項淨額約為144,270,000港元已按擬定用途悉數用作抵銷奧瑞安根據與北奧截至2013年期間就北奧向奧瑞安提供鑽井及相關服務而訂立之一系列協議應付之費用。有關上述股份發行的進一步詳情載於本公司日期為2013年11月28日的公佈，以及財務報表附註35。

於2013年度後於2014年1月13日，本公司與不少於六位認購人訂立認購協議，認購人為與本公司及本公司關連人士（定義見上市規則）並無關連之獨立第三方人士，據此，本公司配發及發行300,000,000股股份（其面值總額為3,000,000港元）予認購人，作價每股股份0.22元，本公司股份於2014年1月13日（即訂定發行條款當日）的收市價為每股0.237港元。認購事項之所得款項用作一般營運資金及現有項目資金，每股股份之淨認購價約為0.2193港元。有關上述股份發行的進一步詳情載於本公司日期為2014年1月13日的公佈，以及財務報表附註46。

On 17 March 2014, the Company and Smart Bond Development Ltd. (the “Lender”), being an indirect wholly owned subsidiary of COAMC, entered into the Facility Agreement pursuant to which in consideration of the Lender making available to the Company the Facility, the Company issued the HK\$50 million Warrants to the Lender. Terms defined in the Company’s announcement dated 17 March 2014 have the same meanings when used in this paragraph. The Warrants carry rights to subscribe for 184,229,918 Warrant Shares (with the aggregate nominal value of HK\$1,842,299.18) at the Exercise Price of HK\$0.2714 per Warrant Share for a period of 1 year from the date of the issue of the Warrants. The closing market price of the Company’s shares was HK\$0.227 per share on 17 March 2014, being the date on which the terms relating to the issue of the Warrants were fixed. The Lender and its ultimate beneficial owners were third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules). Assuming the exercise in full of the subscription rights attaching to the Warrants, the proceeds from the issue of the Warrant Shares will be applied as general working capital of the Group. The net price of each Warrant Share is approximately HK\$0.2714. Further details of the aforesaid issue of Warrants are set out in the announcement of the Company dated 17 March 2014.

RESERVES

Details of movements in reserves of the Company and the Group during the year are set out in note 35(b) 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 6 and 7.

MAJOR CUSTOMERS AND SUPPLIERS

Sales which also represent turnover of the Group were made entirely to the Group’s sole customer during the year. The aggregate purchases attributable to the Group’s five largest suppliers accounted for 18% and the largest supplier accounted for approximately 5% of the Group’s total purchases for the year.

於2014年3月17日，本公司與Smart Bond Development Ltd. (「貸款人」) (為東方資產的間接全資附屬公司) 訂立貸款協議，據此，本公司發行50,000,000港元認股權證予貸款人，代價為貸款人向本公司提供貸款額度。在本段中所界定之詞彙與本公司於2014年3月17日刊發之公佈所界定者具有相同涵義。認股權證附帶權利於發行認股權證日期起計1年內，按行使價每股認股權證股份0.2714港元認購184,229,918股認股權證股份 (面值總額共1,842,299.18港元)。本公司股份於2014年3月17日，即確定有關認股權證的發行條款日期之收市價為每股0.227港元。根據上市規則定義，貸款人及其最終實益擁有人均為與本公司及本公司之關連人士並無關連之獨立第三方。假設悉數行使認股權證所附帶之認購權，認股權證股份之發行所得款項用作本集團之一般營運資金。每份認股權證股份淨價約0.2714港元。有關發行上述認股權證的進一步詳情載於本公司2014年3月17日發表之公佈。

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35(b)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6及7頁。

主要客戶及供應商

年度本集團之銷售收入即營業額來自集團之唯一客戶。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18%及約5%。



Report of the Directors

董事會報告書

During the year, none of the directors, their associates or shareholder of the Company (which to the knowledge of the directors owns more than 5% of the Company's share capital) had any interest in these major customers and suppliers.

DIRECTORS

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

Executive Directors

Dr. Dai Xiaobing (*Chairman*)
Mr. King Hap Lee (*Deputy Chairman*)
Mr. Zhu Danping (*Chief Executive Officer*)
(appointed on 1 June 2013)
Mr. Wang Ziming
Mr. Wan Tze Fan Terence
Mr. Xu Zucheng (resigned on 1 June 2013)

Non-executive Director

Mr. Kong Siu Tim
Mr. Ma Tengying (appointed on 26 April 2013)

Independent Non-executive Directors

Mr. Wong Kwok Chuen Peter
Professor Wong Lung Tak Patrick
Dr. Wang Yanbin
Dr. Dang Weihua (appointed on 25 July 2013)

Pursuant to the Company's bye-law 87(1), Mr. King Hap Lee, Professor Wong Lung Tak Patrick and Dr. Wang Yanbin will retire by rotation and, being eligible, will offer themselves for re-election. Pursuant to the Company's bye-law 86(2), Mr. Zhu Danping, Mr. Ma Tengying and Mr. Dang Weihua will hold office until the forthcoming annual general meeting and will retire and, being eligible, offer themselves 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.

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

董事

本公司年內及截至本報告刊發日期止之在任董事如下：

執行董事

戴小兵博士 (*主席*)
景哈利先生 (*副主席*)
朱耽平先生 (*行政總裁*)
(於2013年6月1日獲委任)
王自明先生
溫子勳先生
徐祖成先生 (於2013年6月1日辭任)

非執行董事

江少甜先生
馬騰營先生 (於2013年4月26日獲委任)

獨立非執行董事

黃國全先生
黃龍德教授
王延斌博士
黨偉華博士 (於2013年7月25日獲委任)

景哈利先生、黃龍德教授、王延斌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，朱耽平先生、馬騰營先生及黨偉華博士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。

DIRECTORS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 31 December 2013, the interests and short positions of the directors (the "Directors") 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") as set out in Appendix 10 to the Listing Rules were as follows:

董事於股份及相關股份中之權益

於2013年12月31日，本公司董事（「董事」）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規則附錄10所載的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 of the Company 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	1,185,435,000
	Short position 淡倉	shares 股份	Beneficial owner 實益擁有人	708,000,000
	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 2) 受控制公司的權益(附註2)	300,000,000
	Short position 淡倉	shares 股份	Interest of controlled corporation (Note 2) 受控制公司的權益(附註2)	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 3) 受控制公司的權益(附註3)	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	33,660,000
	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	36,000,000
Kong Siu Tim 江少甜	Long position 好倉	shares 股份	Beneficial owner 實益擁有人	39,000,000
	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	3,000,000
Wong Kwok Chuen Peter 黃國全	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	3,000,000
	Long position 好倉	share options 購股權	Beneficial owner 實益擁有人	3,000,000
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
	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

Notes:

- (1) Particulars of directors' interests in the share options of the Company are set out in the section "Share Option Scheme".
- (2) Wai Tech Limited owns 300,000,000 shares and has short position of 200,000,000 shares of the Company. Wai Tech Limited is wholly owned by Petromic Corporation which in turn is wholly and beneficially owned by Mr. King Hap Lee.
- (3) 5,000,000 shares of the Company are owned by Harmonie Developments Limited which is wholly and beneficially owned by Mr. Wang Ziming.

Save as disclosed above, as at 31 December 2013, 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 SCHEME

At the Annual General Meeting of the Company held on 28 May 2010, the shareholders of the Company approved the adoption of a share option scheme (the "Scheme").

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

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

附註：

- (1) 董事於本公司購股權的權益詳情載於「購股權計劃」一節。
- (2) 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。
- (3) 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。

除上文所披露者外，於2013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購股權計劃（「計劃」）。

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。

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

Pursuant to the Scheme, the maximum number of shares in respect of which options may be granted under the Scheme shall not in aggregate exceed 10% of the shares of the Company in issue as at the date of approval of the limit and such limit may be refreshed by shareholders in general meeting. However, the total maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes must not exceed 30% of the shares in issue from time to time. As at the date of this report, there are outstanding options for subscription of 563,200,000 shares under the Scheme, representing 3.74% of the issued share capital of the Company.

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

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

根據計劃可能授出之購股權涉及之股份數目最多不得超過於批准限制日期之已發行本公司股份之10%，股東可於股東大會上更新該限制。然而，因行使根據計劃及任何其他購股權計劃授出的所有尚未行使及有待行使之購股權而可能發行之最高股份數目總額須不得超過不時已發行股份之30%。於本年報之日期，於計劃下尚有可認購563,200,000股股份的購股權尚未行使，佔本公司已發行股本的3.74%。

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。

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

Report of the Directors

董事會報告書

Pursuant to the Scheme, the exercise price in relation to each option shall be determined by the Board in its absolute discretion, but in any event shall not be less than the 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 Scheme are set out in note 34 to the financial statements.

As at 31 December 2013, the directors and employees of the Group had the following personal interests in options to subscribe for shares of the Company granted at nominal consideration under the Scheme. Each option gives the holder the right to subscribe for one share. Details of share options held by the Directors and employees of the Group and movements in such holdings during the year ended 31 December 2013 are as follows:

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34。

於2013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2013年12月31日止年度所持購股權及該等持有數量之變動詳情載於下表：

	Number of options 購股權數目			Date of grant (D.M.Y) 授出日期 (日.月.年)	Exercise period (D.M.Y) 行使期限 (日.月.年)	Exercise price per share HK\$ 每股股份 之行使價 港元
	Outstanding at 1 January 2013 於2013年 1月1日 尚未行使	Exercised during the year 於年內行使	Outstanding at 31 December 2013 於2013年 12月31日 尚未行使			
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	36,000,000	-	36,000,000	06.12.2011	06.12.2011-05.12.2021	0.276
Kong Siu Tim 江少甜	3,000,000	-	3,000,000	06.12.2011	06.12.2011-05.12.2021	0.276
Wong Kwok Chuen Peter 黃國全	3,000,000	-	3,000,000	06.12.2011	06.12.2011-05.12.2021	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 僱員	407,200,000	-	407,200,000	06.12.2011	06.12.2011-05.12.2021	0.276

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS

As at 31 December 2013, 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 and underlying shares of the Company

Name	Nature of interest	Number of shares held	Number of underlying shares held	Total number of shares and underlying shares held
名稱	權益性質	所持股份數目	所持相關股份數目	所持股份及相關股份總數
Sinomaster Global Limited (Note 1) 神州通國際有限公司 (附註1)	Beneficial owner 實益擁有人	1,761,350,000	–	1,761,350,000
Sunny Merit Holdings Corp. (Note 2) (附註 2)	Beneficial owner 實益擁有人	169,401,197	898,203,592	1,067,604,789
CDB Leasing Co., Ltd. (Note 3) 國銀金融租賃有限公司 (附註 3)	Security interest 保證權益	2,296,000,000	–	2,296,000,000

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2013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：

於本公司股份及相關股份中擁有之好倉

Notes:

1. Sinomaster Global Limited is a wholly owned subsidiary of 深圳市神州通投資集團有限公司 which is owned as to 66.5% by 深圳市華夏風投資有限公司 which is in turn owned as to 90% by Mr. Huang Shao Wu. Pursuant to the SFO, 深圳市神州通投資集團有限公司, 深圳市華夏風投資有限公司 and Mr. Huang Shao Wu are taken to be interested in the shares held by Sinomaster Global Limited.

2. Sunny Merit Holdings Corp. owns 169,401,197 shares of the Company and convertible notes in the principal amount of HK\$150,000,000 due in 2016 with right to convert the convertible notes into shares of the Company at a conversion price of HK\$0.167 per share. Based on the conversion price of HK\$0.167 per share, a maximum of 898,203,592 shares may be allotted and issued upon exercise of the conversion rights attached to the convertible notes in full. The convertible notes give rise to an interest in 898,203,592 underlying shares of the Company of Sunny Merit Holdings Corp.

Sunny Merit Holdings Corp. is a wholly owned subsidiary of China Orient Asset Management (International) Holding Limited which in turn is owned as to 50% by Dong Yin Development (Holdings) Limited ("Dong Yin") and as to 50% by Wise Leaders Assets Ltd. (also a wholly owned subsidiary of Dong Yin). Dong Yin is wholly owned by China Orient Asset Management Corporation which is a wholly state-owned financial enterprise with independent corporate capacity upon approval of the State Council and the People's Bank of China. Pursuant to the SFO, China Orient Asset Management (International) Holding Limited, Dong Yin, Wise Leaders Assets Ltd. and China Orient Asset Management Corporation are taken to be interested in the shares and underlying shares of the Company held by Sunny Merit Holdings Corp.

3. Regarding the security interest in 2,296,000,000 shares being held by CDB Leasing Co., Ltd., China Development Bank Corporation which holds 88.95% interest in CDB Leasing Co., Ltd. is deemed to have security interest in such shares.

附註：

1. 神州通國際有限公司為深圳市神州通投資集團有限公司的全資附屬公司，後者由深圳市華夏風投資有限公司擁有66.5%權益，而黃紹武先生擁有深圳市華夏風投資有限公司的90%權益。根據證券及期貨條例，深圳市神州通投資集團有限公司、深圳市華夏風投資有限公司及黃紹武先生均被視為於神州通國際有限公司所持有的本公司股份中擁有權益。

2. Sunny Merit Holdings Corp. 擁有本公司169,401,197股股份及本金額150,000,000港元並於2016年到期、以及有權以換股價每股0.167港元將可換股票據兌換為本公司股份之可換股票據。根據換股價每股0.167港元，於悉數行使可換股票據所附之換股權後將予配發及發行最多898,203,592股股份。Sunny Merit Holdings Corp. 根據可換股票據擁有本公司898,203,592股相關股份權益。

Sunny Merit Holdings Corp. 為中國東方資產管理(國際)控股有限公司的全資附屬公司，而後者之50%股本權益由東銀發展(控股)有限公司(「東銀發展」)持有，另外50%股本權益由Wise Leaders Assets Ltd. 持有(亦是東銀發展的全資附屬公司)。東銀發展由中國東方資產管理公司全資擁有，後者是經國務院及中國人民銀行批准設立，具有獨立法人資格的國有獨資金融企業。根據證券及期貨條例，中國東方資產管理(國際)控股有限公司、東銀發展、Wise Leaders Assets Ltd. 及中國東方資產管理公司均被視為於Sunny Merit Holdings Corp. 所持有的本公司股份及相關股份中擁有權益。

3. 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。

Saved as disclosed above in this section, as at 31 December 2013, 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 33 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2013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33。

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 itself for re-appointment.

By order of the Board

Dai Xiaobing
Chairman

Hong Kong, 21 March 2014

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，2014年3月21日

Independent Auditor's Report

獨立核數師報告書



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

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

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

香港干諾道中111號
永安中心25樓

TO THE SHAREHOLDERS OF SINO OIL AND GAS HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

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 64 to 172, which comprise the consolidated and company statements of financial position as at 31 December 2013, and the consolidated statement of profit or loss and 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 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64至172頁之綜合財務報表,此綜合財務報表包括於2013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損益及全面收益表、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1981年公司法第90條,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 2013 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2013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 the Group incurred a loss of HK\$61,332,000 during the year ended 31 December 2013 and its current liabilities exceeded current assets by HK\$226,968,000 as at that date. 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)所示之貴集團截至2013年12月31日止年度錄得虧損61,332,000港元且其於當日之流動負債超出其流動資產226,968,000港元。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, 21 March 2014

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，2014年3月21日



Consolidated Statement of Profit or Loss and Other Comprehensive Income

綜合損益及其他全面收益表

For the year ended 31 December 2013 截至2013年12月31日止年度

		Notes 附註	2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Turnover	營業額	5 & 15	21,598	28,932
Direct costs	直接成本		(25,397)	(25,415)
Gross (loss)/profit	(毛損)／毛利		(3,799)	3,517
Other revenue	其他收入	6	42,472	9,573
Other losses, net	其他虧損淨額	7	(25,836)	(69,769)
Administrative expenses	行政費用		(70,469)	(68,462)
Loss from operations	經營虧損		(57,632)	(125,141)
Finance costs	融資成本	8(a)	(25)	(116)
Share of loss of a joint venture	應佔一家合營企業虧損	20	(232)	(1,505)
Share of (loss)/profit of an associate	應佔一家聯營公司 (虧損)／溢利	21	(623)	1
Loss before income tax expense	除所得稅支出前虧損	8	(58,512)	(126,761)
Income tax (expense)/credit	所得稅(支出)／抵減	9	(2,820)	13,356
Loss for the year	本年度虧損		(61,332)	(113,405)
Other comprehensive income, after tax	其他全面收益，除稅後			
Item that may be reclassified to profit or loss:	可能重新分類至損益之項目：			
Exchange differences on translating foreign operation	換算海外業務之匯兌差異		26,489	8,675
Total comprehensive income for the year	本年度全面收益總額		(34,843)	(104,730)
Loss attributable to:	以下人士應佔虧損：			
Owners of the Company	本公司擁有人	12	(61,332)	(113,405)
Non-controlling interests	非控股權益		-	-
			(61,332)	(113,405)
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		(34,843)	(104,730)
Non-controlling interests [#]	非控股權益 [#]		-	-
			(34,843)	(104,730)
Loss per share	每股虧損			
- Basic and diluted	- 基本及攤薄	14	(0.467) HK cents港仙	(0.927) HK cents港仙

[#] Non-controlling interests represented the 30% equity interest of a subsidiary listed in note 22(a).

[#] 非控股權益指附註22(a)所列一家附屬公司30%股本權益。

Consolidated Statement of Financial Position

綜合財務狀況表

At 31 December 2013 於2013年12月31日

	Notes 附註	2013		2012	
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Non-current assets					
Property, plant and equipment	16		234,670		229,847
Gas exploration and evaluation assets	17		3,602,475		3,272,934
Intangible assets	18		232,960		227,088
Goodwill	19		-		-
Interest in a joint venture	20		1,215		4,947
Interest in an associate	21		62,731		63,354
Deposits and prepayments	25		20,402		12,423
Total non-current assets			4,154,453		3,810,593
Current assets					
Inventories	24		21,349		3,924
Trade, notes and other receivables, deposits and prepayments	25		74,229		42,388
Pledged bank deposits	26		7,832		7,954
Cash and cash equivalents	27		17,536		71,114
Total current assets			120,946		125,380
Total assets			4,275,399		3,935,973
Current liabilities					
Other payables and accruals	28		(199,568)		(442,561)
Borrowings – secured	30		(145,932)		(92,834)
Taxation			(2,414)		(2,345)
Total current liabilities			(347,914)		(537,740)
Net current liabilities			(226,968)		(412,360)
Total assets less current liabilities			3,927,485		3,398,233
Non-current liabilities					
Provisions	29		(747)		(971)
Borrowings – secured	30		(336,210)		(368,739)
Convertible notes	31		(134,920)		-
Deferred tax liabilities	32		(8,371)		(5,349)
Total non-current liabilities			(480,248)		(375,059)
NET ASSETS			3,447,237		3,023,174
Capital and reserves attributable to owners of the Company					
Share capital	35(a)		147,539		123,560
Reserves			3,299,698		2,899,614
TOTAL EQUITY			3,447,237		3,023,174

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 2013 於2013年12月31日

	Notes 附註	2013		2012	
		HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元	HK\$' 000 千港元
ASSETS AND LIABILITIES					
Non-current assets					
Interests in subsidiaries	22		3,531,760		3,056,188
Total non-current assets			3,531,760		3,056,188
Current assets					
Other receivables, deposits and prepayments	25	574		1,143	
Cash and cash equivalents	27	311		61	
Total current assets		885		1,204	
Total assets			3,532,645		3,057,392
Current liabilities					
Other payables and accruals	28	(2,218)		(47,293)	
Net current liabilities			(1,333)		(46,089)
Total assets less current liabilities			3,530,427		3,010,099
Non-current liabilities					
Convertible notes	31		(134,920)		-
NET ASSETS			3,395,507		3,010,099
Capital and reserves attributable to owners of the Company					
Share capital	35(a)		147,539		123,560
Reserves	35(b)		3,247,968		2,886,539
TOTAL EQUITY			3,395,507		3,010,099

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 2013 截至2013年12月31日止年度

Attributable to owners of the Company

本公司擁有人應佔

(note 35(c))

(附註35(c))

		Share capital	Share premium	Contributed surplus	Share option reserve	Warrant reserve	Convertible note equity reserve	Exchange reserve	Accumulated losses	Equity attributable to owners of the Company	Non-controlling interests [#]	Total
		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	累計虧損	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
		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 2012	於2012年1月1日	120,190	3,243,866	81,043	91,069	4,890	-	29,820	(509,922)	3,060,956	-	3,060,956
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(113,405)	(113,405)	-	(113,405)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	8,675	-	8,675	-	8,675
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	8,675	(113,405)	(104,730)	-	(104,730)
Shares issued under share option scheme (note 35(a)(v))	按購股權計劃發行之股份(附註35(a)(v))	1,370	46,783	-	(11,205)	-	-	-	-	36,948	-	36,948
Shares issued on placing (note 35(a)(ii))	按配售發行股份(附註35(a)(ii))	2,000	28,000	-	-	-	-	-	-	30,000	-	30,000
Release upon lapse of vested share option	於已歸屬購股權失效時撥回	-	-	-	(31,844)	-	-	-	31,844	-	-	-
Release upon lapse of vested warrants	於已歸屬認股權證失效時撥回	-	-	-	-	(3,640)	-	-	3,640	-	-	-
At 31 December 2012	於2012年12月31日	123,560	3,318,649	81,043	48,020	1,250	-	38,495	(587,843)	3,023,174	-	3,023,174
Loss for the year	本年度虧損	-	-	-	-	-	-	-	(61,332)	(61,332)	-	(61,332)
Other comprehensive income	其他全面收益	-	-	-	-	-	-	26,489	-	26,489	-	26,489
Total comprehensive income for the year	本年度全面收益總額	-	-	-	-	-	-	26,489	(61,332)	(34,843)	-	(34,843)
Shares issued on placing (note 35(a)(ii))	按配售發行股份(附註35(a)(ii))	9,280	139,196	-	-	-	-	-	-	148,476	-	148,476
Shares issued to extinguish financial liabilities (note 35(a)(v))	按抵銷財務負債發行之股份(附註35(a)(v))	7,214	162,303	-	-	-	-	-	-	169,517	-	169,517
Issue of convertible notes (note 31)	發行可換股票據(附註31)	-	-	-	-	-	31,296	-	-	31,296	-	31,296
Shares issued on conversion of convertible notes (note 35(a)(iii))	按轉換可換股票據發行之股份(附註35(a)(iii))	7,485	117,515	-	-	-	(15,383)	-	-	109,617	-	109,617
At 31 December 2013	於2013年12月31日	147,539	3,737,663	81,043	48,020	1,250	15,913	64,984	(649,175)	3,447,237	-	3,447,237

[#] Non-controlling interests represented the 30% equity interest of a subsidiary listed in note 22(a).

[#] 非控股權益指附註22(a)所列一家附屬公司30%股本權益。

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2013 截至2013年12月31日止年度

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Operating activities	經營業務		
Loss before income tax expense	除所得稅支出前虧損	(58,512)	(126,761)
Adjustments for:	調整項目：		
Depreciation of property, plant and equipment	物業、廠房及設備折舊	3,516	4,960
Amortisation of intangible assets	無形資產之攤銷	823	1,397
Interest expenses	利息支出	25	116
Interest income	利息收入	(579)	(217)
Loss on extinguishment of financial liabilities	抵銷金融負債之虧損	25,247	-
Loss on disposal/write off of property, plant and equipment	出售／註銷物業、廠房及設備 之虧損	7	330
Impairment loss on property, plant and equipment	物業、廠房及設備之減值虧損	-	41,103
Impairment loss on intangible assets	無形資產之減值虧損	-	23,924
Impairment loss on goodwill	商譽減值虧損	-	4,230
Share of loss of a joint venture	應佔一家合營企業之虧損	232	1,505
Share of loss/(profit) of an associate	應佔一家聯營公司虧損／(溢利)	623	(1)
Deposits and other receivables written off	按金及其他應收賬款註銷	534	172
Operating loss before changes in working capital	營運資金變動前經營虧損	(28,084)	(49,242)
Increase in inventories	存貨增加	(17,425)	(3,289)
(Increase)/decrease in trade, notes and other receivables, deposits and prepayments	應收賬款、應收票據、其他應收 賬款、按金及預付款項(增加)／減少	(40,354)	1,617
Decrease in pledge bank deposits	已抵押銀行存款減少	124	-
Decrease in other payables and accruals	其他應付款項及預提費用減少	(118,708)	(119,740)
Effect of foreign exchange rate changes	匯率變動之影響	-	10
Net cash used in operating activities	經營業務所用之現金淨額	(204,447)	(170,644)

Consolidated Statement of Cash Flows

綜合現金流量表

For the year ended 31 December 2013 截至2013年12月31日止年度

	Notes 附註	2013 HK\$'000 千港元	2012 HK\$'000 千港元
Investing activities			
投資活動			
Payment for purchase of property, plant and equipment		(1,701)	(6,167)
Proceeds from disposal of property, plant and equipment		119	–
Payment for purchase of gas exploration and evaluation assets		(168,861)	(223,835)
Acquisition of an associate		(13,402)	(23,974)
Capital injection to an associate		–	(26,100)
Increase in pledged bank deposits		–	(7,954)
Interest received		579	217
Interest paid		(50,394)	(28,958)
Dividend received from a joint venture		3,500	–
Net cash used in investing activities		(230,160)	(316,771)
Financing activities			
融資活動			
Proceeds from shares issued under share option scheme		–	36,948
Proceeds from issuance of shares	35(a)(v)	148,476	30,000
Proceeds from bank borrowings	35(a)(ii)	102,464	150,598
Repayment of bank borrowings		(95,587)	–
Proceeds from convertible notes issued	31	264,000	–
Issuance cost on convertible notes	31	(9,626)	–
Repayment to loans from directors		(28,967)	–
Proceeds from loan from a shareholder		7,500	–
Net cash generated from financing activities		388,260	217,546
Net decrease in cash and cash equivalents		(46,347)	(269,869)
Cash and cash equivalents at 1 January		71,114	344,451
Effect of foreign exchange rate changes		(7,231)	(3,468)
Cash and cash equivalents at 31 December, representing cash and bank balances	27	17,536	71,114

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 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 22(a).

1. 一般資料

中國油氣控股有限公司根據百慕達1981年公司法於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22(a)。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2013

HKFRSs (Amendments)
香港財務報告準則(修訂本)

HKFRSs (Amendments)
香港財務報告準則(修訂本)

HKFRSs (Amendments)
香港財務報告準則(修訂本)

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

Amendments to HKFRS 7
香港財務報告準則第7號之修訂

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 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)

HKAS 19 (2011)
香港會計準則第19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 HKFRS 1
香港財務報告準則第1號之修訂

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 – 2013年1月1日起生效

Annual Improvements 2009-2011 Cycle
2009年至2011年週期之年度改進

Annual Improvements 2010-2012 Cycle
2010年至2012年週期之年度改進

Annual Improvements 2011-2013 Cycle
2011年至2013年週期之年度改進

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

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

Consolidated Financial Statements
綜合財務報表

Joint Arrangements
聯合安排

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

Fair Value Measurement
公平值計量

Separate Financial Statements
獨立財務報表

Investments in Associates and Joint Ventures
於聯營公司及合營企業之投資

Employee Benefits
僱員福利

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

Government loans
政府貸款

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

除下文所述者外，採納該等修訂對本集團財務報表並無重大影響。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2013 (Continued)

HKFRSs (Amendments) – Annual Improvements 2009-2011 Cycle

HKAS 1 has been amended to clarify that an opening statement of financial position is required only when a retrospective application of an accounting policy, a retrospective restatement or reclassification has a material effect on the information presented in the opening position. Further, this opening statement of financial position does not have to be accompanied by comparative information in the related notes. This is consistent with the Group's existing accounting policy.

The Group considers that the restatements resulting from the adoption of HKFRS 10 and HKFRS 11 have no impact on the opening financial position.

HKFRSs (Amendments) – Annual Improvements 2010-2012 Cycle

The Basis of Conclusions for HKFRS 13 Fair Value Measurement was amended to clarify that short-term receivables and payables with no stated interest rate can be measured at their invoice amounts without discounting, if the effect of discounting is immaterial. This is consistent with the Group's existing accounting policy.

HKFRSs Amendment – Annual Improvements 2011-2013 Cycle

The Basis of Conclusions to HKFRS 1 First-time Adoption of Hong Kong Financial Reporting Standards was amended to clarify that a first-time adopter is allowed, but not required, to apply a new HKFRS that is not mandatory if that HKFRS permits early application and provided that HKFRS 1 is applied in all periods presented unless HKFRS 1 provides an exemption or exception. The adoption of the amendments has no impact on these financial statements as the Group is not a first-time adopter of HKFRS.

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－2013年1月1日起生效(續)

香港財務報告準則(修訂本)－2009年至2011年週期之年度改進

香港會計準則第1號已作修訂，以澄清只有當追溯應用會計政策、追溯重列或重新分類對期初狀況中呈列之資料產生重大影響時，才需要呈列期初財務狀況表。此外，毋須在相關附註中載列此期初財務狀況表所附帶之比較資料。這與本集團現行會計政策一致。

本集團認為採納香港財務報告準則第10號及香港財務報告準則第11號導致之重列對期初狀況並無影響。

香港財務報告準則(修訂本)－2010至2012週期之年度改進

香港財務報告準則第13號公平值計量之結論依據已作修訂以澄清倘折算之影響不重大，沒有指定息率之短期應收款項及應付款項可以其未折現之發票金額計量。這與本集團現行會計政策一致。

香港財務報告準則(修訂本)－2011年至2013年週期之年度改進

香港財務報告準則第1號首次採納香港財務報告準則之結論依據已作修訂以清除香港財務報告準則第1號指定之豁免或例外情況外，倘香港財務報告準則容許提前應用，且該香港財務報告準則將應用於所呈列之所有期間，則首次採納者可以(而非必須)應用該條毋須強制應用之新訂香港財務報告準則。由於本集團並非首次採納香港財務報告準則，故採納該等修訂對該等財務報表並無影響。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2013 (Continued)

Amendments to HKAS1 (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 and those that may not. Tax on items of other comprehensive income is allocated and disclosed on the same basis.

The Group has adopted the amendments retrospectively for the financial year ended 31 December 2013. Items of other comprehensive income that may and may not be reclassified to profit and loss in the future have been presented separately in the consolidated statement of profit or loss and other comprehensive income. The comparative information has been restated to comply with the amendments. As the amendments affect presentation only, there are no effects on the Group’s financial position or performance.

Amendments to HKFRS 7 – Offsetting Financial Assets and Financial Liabilities

HKFRS 7 is amended to introduce disclosures for all recognised financial instruments that are set off under HKAS 32 and those that are subject to an enforceable master netting agreement or similar arrangement, irrespective of whether they are set off under HKAS 32.

The adoption of the amendments has no impact on these financial statements as the Group has not offset financial instruments, nor has it entered into a master netting agreement or a similar arrangement.

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－2013年1月1日起生效(續)

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及該等未必會重新分類至損益之項目。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。

本集團已於截至2013年12月31日止年度追溯採納該等修訂本。可能及未必會於日後重新分類至損益之其他全面收益項目已分開呈列於綜合損益及其他收益表。比較資料已經重列以遵守該等修訂。由於該等修訂僅影響呈列方式，因此對本集團之財務狀況或表現並無影響。

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

修訂香港財務報告準則第7號旨在引入有關根據香港會計準則第32號抵銷之所有已確認財務工具以及該等須受可強制執行總對銷協議或類似安排所規限者(而不論是否根據香港會計準則第32號抵銷)之披露規定。

採納該等修訂對該等財務報表並無影響，原因是本集團並無抵銷財務工具，亦無訂立總對銷協議或類似安排。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2013 (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 accounting requirements in HKAS 27 (2008) on other consolidation related matters are carried forward unchanged. The Group has changed its accounting policy in determining whether it has control of an investee and therefore is required to consolidate that interest (see note 4(b)). The adoption of the amendments has no impact on these financial statements.

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－2013年1月1日起生效(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制權模式。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否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。香港會計準則第27號(2008年)有關其他綜合計算相關事項之會計規定貫徹不變。本集團已修改其釐定對被投資方是否有控制權之會計政策,因而需要綜合計入該項權益(見附註4(b))。採納該等修訂對該等財務報表並無影響。



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

(a) Adoption of new/revised HKFRSs – effective 1 January 2013 (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, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). HKFRS 11 does not allow proportionate consolidation of a joint venture arrangement. 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. The Group has changed its accounting policy for joint arrangements (see note 4(e)).

The Group has assessed its investments in the production sharing contracts previously classified as a jointly controlled operations under HKAS 31 Interest in Joint Ventures and accounted its interests in the assets, liabilities, income and expenses arising from the production sharing contracts. With the effective of HKFRS 11, it is determine the production sharing contracts to be classified as a joint operation, which is accounted for same as before. The adoption of the amendments has no impact on these financial statements.

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－2013年1月1日起生效(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號所指之合營企業之基本特點相同。聯合安排分類為合營業務或合營企業。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，則被視為於合營企業擁有權益，並將應用權益會計法，除非被分類為持作出售(或計入被分類為持作出售之出售組別)。香港財務報告準則第11號不准許就聯合安排採用比例綜合法。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號所指之共同控制權實體是否存在之主要因素。本集團已修改有關聯合安排之會計政策(見附註4(e))。

本集團已評估其於先前根據香港會計準則第31號合營企業權益分類為共同控制業務之生產分成合約之投資，並將其因生產分成合約產生分佔之資產、負債、收益及開支入賬。香港財務報告準則第11號生效後，本集團釐定生產分成合約分類為合營業務，按與先前相同之方式入賬。採納該等修訂對該等財務報表並無影響。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2013 (Continued)

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.

HKFRS 12 disclosures are provided in notes 20, 21, 22 and 23. As the new standard affects only disclosure, there is no effect on the Group's financial position and performance.

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 is applied prospectively.

HKFRS 13 did not materially affect any fair value measurements of the Group's assets and liabilities and therefore has no effect on the Group's financial position and performance.

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－2013年1月1日起生效 (續)

香港財務報告準則第12號－於其他實體權益之披露

香港財務報告準則第12號整合有關於附屬公司、聯營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。

香港財務報告準則第12號之披露載於附註20、21、22及23。由於新準則僅對披露資料造成影響，故對本集團財務狀況及表現並無影響。

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財務項目及非財務項目，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「財務工具：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號已提早採用。

香港財務報告準則第13號對本集團資產及負債之公平值計量並無重大影響，因而對本集團之財務狀況及表現並無影響。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2013 (Continued)

HKAS 19 (2011) – Employee Benefits

HKAS 19 (2011) abandons the corridor approach with the result that changes in defined benefit obligations and the fair value of plan assets are recognised in the period in which they occur. The revised standard requires the changes in the Group’s net defined benefit liability (or asset) to be separated into three components: service cost (including current and past service cost and settlements) recognised in profit or loss; net interest on the net defined benefit liability recognised in profit or loss; and re-measurements of the defined benefit liability (or asset) recognised in other comprehensive income. The revised standard distinguishes between short-term and long-term employee benefits based on the expected date of settlement. The previous standard used the term “due to be settled”. HKAS 19 (2011) provides additional guidance on the definition of termination benefits. Benefits that are conditional on future service being provided including those that increase if additional service is provided are not termination benefits. The revised standard requires that a liability for termination benefits is recognised on the earlier of the date when the entity can no longer withdraw the offer of those benefits and the date the entity recognises any related restructuring costs.

The Group has amended its accounting policies for short-term employee benefits and termination benefits, however the adoption of the revised standard has no effect on the Group’s financial position or performance.

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 – 2013年1月1日起生效 (續)

香港會計準則第19號(2011年) – 僱員福利

香港會計準則第19號(2011年)廢除緩衝區法，使界定福利責任出現變化，而計劃資產之公平值則於彼等出現期間確認。經修訂準則規定將本集團之界定福利負債(或資產)淨額之變動分為三部分：於損益中確認之服務成本(包括目前及過往服務成本及結算)；於損益中確認之界定福利負債淨額之利息淨額；及於其他全面收益中確認之重新計量之界定福利負債(或資產)。經修訂準則基於預計結算日期將短期及長期僱員福利區分。過往準則使用「尚待結算」一詞。香港會計準則第19號(2011年)就界定終止福利提供額外指引。須視乎日後所提供服務而提供之福利(包括就提供額外服務而增加之福利)並非終止福利。經修訂準則規定終止福利之負債於實體不能取消提供該等福利時及實體確認任何有關重組成本當日(以較早者為準)確認。

本集團已修訂其有關短期僱員福利及終止福利之會計政策，然而，採納經修訂準則對本集團之財務狀況或表現並無影響。

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

(a) Adoption of new/revised HKFRSs – effective 1 January 2013 (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 adoption of the Interpretation has no impact on these financial statements because the Group does not engage in surface mining activities.

Amendments to HKFRS 1 – Government Loans

The amendments add an exception to the retrospective application of HKFRSs to require that first-time adopters apply the requirements in HKFRS 9 Financial Instruments and HKAS 20 Accounting for Government Grants and Disclosure of Governance Assistance prospectively to government loans existing at the date of transition to HKFRSs.

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－2013年1月1日起生效(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體組成部分之預計可使用年期折舊或攤銷。由於本集團並無從事露天採礦活動，故採納該詮釋對該等財務報表並無影響。

香港財務報告準則第1號之修訂－政府貸款

該等修訂就追溯應用香港財務報告準則增加一項例外情況，要求首次採納者日後將香港財務報告準則第9號財務工具及香港會計準則第20號政府補貼之會計處理及政府資助之披露之相關規定應用於過渡至香港財務報告準則日期存在之政府貸款中。



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

(a) Adoption of new/revised HKFRSs – effective 1 January 2013 (Continued)

Amendments to HKFRS 1 – Government Loans (Continued)

This means that first-time adopters will not recognise the corresponding benefit of the government loan at a below market rate of interest as a government grant. However, entities may choose to apply the requirements of HKFRS 9 and HKAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan.

The adoption of the amendments has no impact on these financial statements because the Group is not a first-time adopter of HKFRS.

(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 HKAS 32

香港會計準則第32號之修訂

HKFRS 9

香港財務報告準則第9號

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011)

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(2011年)之修訂

Amendments to HKAS 19 (2011)

香港會計準則第19號(2011年)之修訂

HK (IFRIC) 21

香港(國際財務報告詮釋委員會)第21號

HKFRSs (Amendments)

香港財務報告準則(修訂本)

HKFRSs (Amendments)

香港財務報告準則(修訂本)

HKAS 36

香港會計準則第36號

Offsetting Financial Assets and Financial Liabilities¹

抵銷財務資產及財務負債¹

Financial Instruments⁴

財務工具⁴

Investment entities¹

投資實體¹

Defined Benefit Plans: Employee Contributions²

界定福利計劃：僱員供款²

Levies¹

徵費¹

Annual Improvements 2010-2012 Cycle³

2010年至2012年週期之年度改進³

Annual Improvements 2011-2013 Cycle²

2011年至2013年週期之年度改進²

Recoverable Amount Disclosure¹

可收回金額披露¹

¹ Effective for annual periods beginning on or after 1 January 2014

² Effective for annual periods beginning on or after 1 July 2014

³ Effective for annual periods beginning, or transactions occurring, on or after 1 July 2014

⁴ No mandatory effective date yet determined but is available for adoption

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－2013年1月1日起生效(續)

香港財務報告準則第1號之修訂－政府貸款(續)

這表示首次採納者不會如政府補貼般以低於市場利率確認政府貸款之相應收益。然而，倘於該政府貸款首次入賬時已取得所需之資料，則實體可選擇就政府貸款追溯應用香港財務報告準則第9號及香港會計準則第20號。

由於本集團並非首次採納香港財務報告準則，故採納該等修訂對該等財務報表並無影響。

(b) 已頒佈但尚未生效之新訂／經修訂香港財務報告準則

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。

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 – Offsetting Financial Assets and Financial Liabilities

The amendments clarify the offsetting requirements by adding appliance guidance to HKAS 32 which clarifies when an entity “currently has a legally enforceable right to set off” and when a gross settlement mechanism is considered equivalent to net settlement.

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.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities

The amendments apply to a particular class of businesses that qualify as investment entities. An investment entity’s business purpose is to invest funds solely for returns from capital appreciation, investment income or both. It evaluates the performance of its investments on a fair value basis. Investment entities could include private equity organisations, venture capital organisations, pension funds and investment funds.

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號之修訂—抵銷財務資產及財務負債

該等修訂透過對香港會計準則第32號加入應用指引而澄清抵銷規定，並澄清實體何時「現時擁有法律上可強制執行權利以抵銷」以及何時總額結算機制被認為等同於淨額結算。

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、分類及計量規定，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。

香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號(2011年)之修訂—投資實體

該等修訂適用於符合投資實體資格之某一類業務。投資實體之業務目的為僅為資本增值、投資收入或兩者兼備之回報而投資資金。其根據公平值評估其投資之表現。投資實體可包括私人權益組織、風險資本組織、退休金基金及投資基金。

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

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

Amendments to HKFRS 10, HKFRS 12 and HKAS 27 (2011) – Investment Entities (Continued)

The amendments provide an exception to the consolidation requirements in HKFRS 10 Consolidated Financial Statements and require investment entities to measure particular subsidiaries at fair value through profit or loss rather than to consolidate them. The amendments also set out the disclosure requirements for investment entities. The amendments are applied retrospectively subject to certain transitional provisions.

Amendments to HKAS 19 (2011) – Defined Benefit Plans: Employee Contributions

The amendments permit contributions that are independent of the number of years of service to be recognised as a reduction in the service cost in the period in which the service is rendered instead of allocating the contributions to periods of service.

Amendments to HKAS 39 – Novation of Derivatives and Continuation of Hedge Accounting

The amendments provide relief from discontinuing hedge accounting when novation of a hedging instrument to a central counterparty meets specified criteria.

HK (IFRIC) 21 – Levies

HK (IFRIC) 21 clarifies that an entity recognises a liability to pay a levy imposed by government when the activity that triggers payment, as identified by the relevant legislation, occurs.

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、香港財務報告準則第12號及香港會計準則第27號(2011年)之修訂—投資實體(續)

該等修訂提供香港財務報告準則第10號綜合財務報表綜合要求之例外情況，並要求投資實體以按公平值於損益賬列賬之方式計量個別附屬公司，而並非將其綜合處理。該等修訂亦載列有關投資實體之披露要求。該等修訂獲追溯應用，惟須受限於若干過渡性條文。

香港會計準則第19號(2011年)之修訂—界定福利計劃：僱員供款

該等修訂准許不受服務年期影響之供款於提供服務期間內確認為服務成本之扣減，而非於服務期間內分配供款。

香港會計準則第39號之修訂—衍生工具之更替及對沖會計之延續

該等修訂闡明在對沖工具更替至中央交易對手時倘符合特定標準，可延續對沖會計法。

香港(國際財務報告詮釋委員會)第21號—徵費

香港(國際財務報告詮釋委員會)第21號澄清根據相關法例所識別，實體於引發付款之活動發生時確認支付政府施加之徵稅負債。

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 36 – Recoverable Amount Disclosures

The amendments limit the requirements to disclose the recoverable amount of an asset or cash generating unit (CGU) to those periods in which an impairment loss has been recognised or reversed, and expand the disclosures where the recoverable amount of impaired assets or CGUs has been determined based on fair value less costs of disposal.

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

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.

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36號之修訂－可收回金額披露

此等修訂將披露資產或現金產生單位(「現金產生單位」)之可收回金額之規定限於已確認或已撥回減值虧損之期間，而倘已減值資產或現金產生單位之可收回金額乃根據公平值減出售成本釐定，則須增加披露。

本集團正在評估該等公告之潛在影響。董事迄今認為，應用該等新公告不會對本集團之財務報表造成重大影響。

3. 編製基準

(a) 遵例聲明

綜合財務報表乃按照所有適用之香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋(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。



3. BASIS OF PREPARATION (CONTINUED)

(b) Basis of measurement and going concern assumption

The consolidated financial statements have been prepared under the historical cost basis.

During the year, the Group incurred a loss of HK\$61,332,000 and its net current liabilities exceeded current assets by HK\$226,968,000 at end of reporting period. In addition, as described in the paragraphs below, the Group can only utilise the remaining loan facilities of RMB1,100,000,000 if certain prerequisites as described in (i) and (ii) below are met. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. The directors are taking the following measures to improve the financial position and liquidity of the Group:

- (i) As set out in note 30, in December 2011, the Group obtained a loan facility of RMB1,000,000,000 repayable by instalment over five years from a financial institution in the People's Republic of China ("PRC"). As at 31 December 2013, the Group had utilised RMB400,000,000 of the facility and the other RMB600,000,000 can only be drawn after the Group has obtained final approval of its plan for the development of the coalbed methane field or part of the coalbed methane field (the "Overall Development Plan" or "ODP") of the production sharing contract set out in note 36 ("Sanjiao PSC") by the National Development and Reform Commission – National Energy Administration ("NEA"). Through the PRC partner of the project, China National Petroleum Corporation ("PetroChina"), the Group submitted the ODP to the NEA in May 2012. The Group received a reply from NEA in August 2012 which gave consent on the preliminary work on the development of the Sanjiao PSC. The directors anticipate that the final approval of the ODP will be obtained in 2014;

3. 編製基準(續)

(b) 計量基準及持續經營假設

本綜合財務報表乃採用歷史成本為基礎編製。

本集團於年內錄得虧損61,332,000港元，且於報告期間結束時之流動負債超出其流動資產226,968,000港元。此外，誠如下段所述，本集團僅可於達成以下(i)和(ii)所述之若干先決條件後，方可動用餘下貸款額度人民幣1,100,000,000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。董事正採取以下措施，以改善本集團的財務狀況和流動性。

- (i) 誠如附註30所載，於2011年12月，本集團從一家位於中華人民共和國（「中國」）的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2013年12月31日，本集團僅動用該筆貸款之人民幣400,000,000元。其餘貸款金額人民幣600,000,000元僅可於本集團就開發載於附註36之生產分成合同（「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」）提交計劃以及獲得國家發展和改革委員會－國家能源局（「國家能源局」）批准後，方可提取。2012年5月，本集團通過項目之中方夥伴中國石油天然氣集團公司（「中石油」）向國家能源局提交了整體開發計劃。2012年8月，本集團收到國家能源局同意三交產品分成合同開發前期工作之覆函。董事預計將於2014年取得整體開發計劃之最終批文；

3. BASIS OF PREPARATION (Continued)

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

- (ii) The Group obtained confirmation from another financial institution in the PRC for a loan facility of up to RMB500,000,000 for the Sanjiao PSC, of which RMB200,000,000 can be drawn any time by the Group. The remaining balance can only be drawn after the Group has obtained the final approval of the ODP from NEA in respect of the Sanjiao PSC;
- (iii) On 17 March 2014, the Group obtained a facility of HK\$100,000,000 from a company wholly owned by a stated-owned financial enterprise (which is the holding company of a corporate shareholder of the Company). The facility is to be utilised as general working capital of the Group. Details are disclosed on note 46(b); and
- (iv) Other than the above mentioned, the Group is considering other possible sources of financing, including but not limited to advances from major shareholders, equity financing and borrowing from financial institutions.

As a result of the above measures 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 at least for a period of twelve months from the end of reporting period. If the Group was unable to continue as a going concern, the Group might not be able to realise its assets and discharge its liabilities in the normal course of business.

(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 dollar ("HKD"), which is also the functional currency of the Company.

3. 編製基準(續)

(b) 計量基準及持續經營假設(續)

- (ii) 本集團從中國另一間金融機構取得有關三交產品分成合同之貸款額度人民幣500,000,000元之確認，其中人民幣200,000,000元可由本集團隨時提取。餘下結餘須於本集團就三交產品分成合同自國家能源局取得整體開發計劃之最終批文後方可提取；
- (iii) 於2014年3月17日，本集團向一間國有金融企業(本公司一名企業股東之控股公司)之全資附屬公司取得貸款額度100,000,000港元作為本集團一般營運資金。詳情披露於附錄46(b)；及
- (iv) 除上文所述者外，本集團正考慮其他可能的融資來源，包括但不限於來自主要股東的墊款、股本融資及向金融機構借貸。

鑒於上文所述措施及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報告期間結束時起至少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。

(c) 功能及呈報貨幣

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

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 profit or loss and other 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.

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.

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）列入綜合損益及其他全面收益表。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。

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

4. 主要會計政策 (續)

(a) 業務合併及綜合基準 (續)

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有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。

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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

(b) Subsidiaries

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

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

(c) 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)

(a) 業務合併及綜合基準 (續)

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

(b) 附屬公司

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

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

(c) 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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) 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.

(d) Associates

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

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

4. 主要會計政策 (續)

(c) 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。

(d) 聯營公司

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

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



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Associates (Continued)

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

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

In the Company's statement of financial position, investments in associates are carried at cost less impairment losses, if any. The results of associates are accounted for by the Company on the basis of dividends received and receivable during the year.

(e) Joint arrangements

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

The group classifies its interests in joint arrangements as either:

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

4. 主要會計政策 (續)

(d) 聯營公司 (續)

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

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

於本公司之財務狀況表內，於聯營公司之投資按成本減去減值虧損（如有）列賬。聯營公司之業績由本公司以年內已收及應收股息為基準入賬。

(e) 聯合安排

當有聯合安排討論有關對本集團及至少一名其他訂約方之相關安排活動之共同控制權時，本集團為聯合安排之訂約方。共同控制乃根據控制附屬公司之相同原則予以評估。

本集團將其於聯合安排之權益分類為：

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Joint arrangements (Continued)

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

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

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

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

The Group accounts for its production sharing contracts as joint operations by recognising its share of assets, liabilities, revenues and expenses in accordance with its contractually conferred rights and obligations. The Company's interests in joint ventures are stated at cost less impairment losses, if any. Results of joint ventures are accounted for by the Company on the basis of dividends received and receivable.

4. 主要會計政策 (續)

(e) 聯合安排 (續)

於評估有關於聯合安排之權益之分類時，本集團會考慮：

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

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

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

本集團根據按合約獲賦予之權利及義務，透過確認其應佔資產、負債、收入及費用將其產品分成合同入賬列為合營業務。本公司於合營企業之權益按成本減去減值虧損(如有)列賬。合營企業之業績由本公司以已收及應收股息為基準入賬。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment

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

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

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

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

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	the shorter of their estimated useful lives or the lease term
- Oil and gas properties	Units of production
- Furniture, fixtures and office equipment	3 – 10 years
- Motor vehicles	4 – 5 years

4. 主要會計政策 (續)

(f) 物業、廠房及設備

物業、廠房及設備乃按照成本扣除累計折舊及累計減值虧損於綜合財務狀況表列賬。

物業、廠房及設備之成本包括其購入價及收購項目之直接應佔成本。

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

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折舊，以註銷其扣除預計剩餘價值後之成本。於各報告期間結束時，均會檢討可用年限、剩餘價值及折舊方法，並視需要作出調整。可用年限如下：

- 租賃物業裝修	估計可用年限或租賃期間（以較短者為準）
- 油氣資產	生產單位
- 傢俬、固定裝置及辦公室設備	3至10年
- 汽車	4至5年

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Property, plant and equipment (Continued)

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.

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 operation rights

Oil operation rights are stated at cost less accumulated amortisation and any impairment losses and are amortised on the units of production method.

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)

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

資產之賬面值如高於估計可收回金額，則會立即撇減至可收回金額。

出售物業、廠房及設備項目之盈虧，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

石油營運權

石油營運權按成本減累計攤銷及任何減值虧損列賬，並以生產單位法攤銷。

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，不論其有否出現任何可能減值跡象，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。

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 coalbed methane with commercial potential are discovered, the exploration asset is written off as a dry hole. If extractable coalbed methane is found and, subject to further appraisal activity (e.g., the drilling of additional wells), is likely to be capable of being commercially developed, the costs continue to be carried as gas exploration and evaluation 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 was not found, are initially capitalised as gas exploration and evaluation assets.

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，成本將繼續作為天然氣勘探及評估資產入賬。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)將作為天然氣勘探及評估資產初步撥作資本。

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註銷。

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 or intangible assets. No amortisation is charged during the exploration and evaluation phase.

(i) Leasing

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

The Group as lessor

Rental income from operating leases is recognised in profit or loss on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on the straight-line basis over the lease term.

The Group as lessee

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

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任何減值虧損將獲確認（如必要），之後，剩餘結餘將轉移至油氣資產或無形資產。在勘探及評估階段期間，不作任何攤銷。

(i) 租賃

租賃條款轉移與資產擁有權有關之絕大部分風險及回報之租賃分類為融資租賃。所有其他租賃分類為經營租賃。

本集團作為出租人

經營租賃之租金收入在相關租賃期內按直線法確認計入損益。磋商及安排經營租賃所產生之初始直接成本計入租賃資產之賬面值，並在租賃期內按直線法確認為開支。

本集團作為承租人

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



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.

(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.

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。

(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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

(ii) Impairment loss on financial assets (Continued)

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 a financial asset is reduced through the use of an allowance account. When any part of the 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.

(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.

4. 主要會計政策 (續)

(j) 財務工具 (續)

(ii) 財務資產之減值虧損 (續)

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。

(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。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

(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 as convertible notes equity reserve.

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

(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.

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

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

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

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

(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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Financial instruments (Continued)

(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.

(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 the financial liability or part thereof is extinguished. If the fair value of the equity instruments issued cannot be reliably measured, the equity instruments are measured to reflect the fair value of the financial liability extinguished. The difference between the carrying amount of the financial liability or part thereof extinguished and the consideration paid is recognised in profit or loss for the year.

4. 主要會計政策 (續)

(j) 財務工具 (續)

(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。

(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。



4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(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.

(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.

4. 主要會計政策 (續)

(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。

(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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Provisions and contingent liabilities (Continued)

(i) Provisions (Continued)

Decommissioning liability

Decommissioning liability is recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is recognised as part of the cost of the related gas exploration and evaluation assets. 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 gas exploration and evaluation assets. The unwinding of the discount on the decommissioning provision is included as a finance cost.

(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.

4. 主要會計政策 (續)

(m) 撥備及或有負債 (續)

(i) 撥備 (續)

停止運作負債

本集團因過往事件產生法律或推定責任，並可能流出資源以清償該責任而有關責任之金額能可靠估計時，則確認停止運作負債。相等於有關撥備之相應金額確認為相關天然氣勘探及評估資產成本之一部分。所確認之金額為停止運作之估計成本並經折現至其現值。停止運作之估計時間或停止運作成本估計數字之變動乃透過將撥備之調整金額及天然氣勘探及評估資產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。

(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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(n) Income tax (Continued)

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for tax purposes. Except for goodwill and recognised assets and liabilities that affect neither accounting nor taxable profits, deferred tax liabilities are recognised for all 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.

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)

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。

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。

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.

(p) Employees' benefits

(i) Short term employee benefits

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

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業務之資產及負債處理，並按報告期間結束時之現行匯率進行換算。產生之匯兌差異乃於外匯儲備內確認。

(p) 僱員福利

(i) 短期僱員福利

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Employees' benefits (Continued)

(ii) Defined contribution retirement plan

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

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

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) 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.

4. 主要會計政策 (續)

(p) 僱員福利 (續)

(ii) 界定供款退休計劃

向界定供款退休計劃作出之供款於僱員提供服務時在損益內確認為開支。

本集團根據強制性公積金計劃條例，為其香港所有僱員設立界定供款強制性公積金退休福利計劃（「該計劃」）。供款乃以僱員之基本薪金百分比作出，並根據該計劃之規則於應付時在損益賬內扣除。該計劃之資產乃存放於一支獨立管理之基金內，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) 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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Share-based payments (Continued)

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.

(r) 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, jointly venture and associate

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.

4. 主要會計政策 (續)

(q) 以股份支付之款項 (續)

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。

(r) 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、合營企業及聯營公司之投資

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

倘減值虧損其後撥回，則資產之賬面值增加至其經修訂之估計可收回金額，惟增加後之賬面值不可超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。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) 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.

(t) Related parties

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

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

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

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

4. 主要會計政策 (續)

(s) 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。

(t) 關連人士

(i) 倘適用下列情況，該名人士或該名人士之近親家屬成員便被視為與本集團有關聯：

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

(ii) 倘適用下列情況，該實體便被視為與本集團有關聯：

- (a) 該實體及本集團屬同一集團之成員（即各母公司、附屬公司及同系附屬公司互相關聯）；
- (b) 一個實體為另一實體之合營企業（或為某一集團之成員之聯營企業或合營企業，而該另一實體為此集團之成員）；
- (c) 兩個實體皆為相同第三方之合營企業；
- (d) 一個實體為第三實體之合營企業及另一實體為第三實體之聯營企業；
- (e) 該實體為本集團或與本集團有關聯之實體之僱員福利而設之離職後福利計劃；
- (f) 該實體受(i)部分所識別之人士控制或共同控制；及
- (g) 於(i)(a)所識別對實體有重大影響之人士，或是實體（或實體之母公司）高級管理人員。

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Related parties (Continued)

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

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

(u) Revenue recognition

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

(i) Sale of crude oil

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

(ii) Sale of coalbed methane

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

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

4. 主要會計政策 (續)

(t) 關連人士 (續)

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

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

(u) 收入確認

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

(i) 銷售原油

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

(ii) 銷售煤層氣

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

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

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Revenue recognition (Continued)

(iii) Interest income

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

(iv) Rental income

Rental income under operating leases is recognised on a straight-line basis over the term of the relevant lease.

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, revenue generated from trial sales was not recorded as turnover during the years 2013 and 2012.

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

	2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Sale of crude oil 銷售原油	21,598	28,932

6. OTHER REVENUE

	2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Interest income on bank deposits 銀行存款利息收入	579	217
Income from sale of coalbed methane (note) 煤層氣的銷售收入 (附註)	38,899	9,110
Sub-lease income 分租收入	852	-
Others 其他	2,142	246
	42,472	9,573

Note: It represents trial sales of coalbed methane generated from the Sanjiao PSC.

4. 主要會計政策 (續)

(u) 收入確認 (續)

(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。

(iv) 租金收入

經營租賃之租金收入在相關租期內按直線法確認。

5. 營業額

本集團之主要業務是經營(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2013年及2012年內因試銷售而產生的收入並非入賬列作營業額。

年內在營業額確認之收入款額如下：

6. 其他收入

	2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
銀行存款利息收入	579	217
煤層氣的銷售收入 (附註)	38,899	9,110
分租收入	852	-
其他	2,142	246
	42,472	9,573

附註：此乃於三交生產分成合同中產生的煤層氣試銷售。

Notes to the Financial Statements

財務報表附註

7. OTHER LOSSES, NET

		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Loss on extinguishment of financial liabilities (note 35(a)(iv))	抵銷財務負債之虧損(附註35(a)(iv))	(25,247)	-
Impairment loss on property, plant and equipment (note 16)	物業、廠房及設備之減值虧損(附註16)	-	(41,103)
Impairment loss on intangible assets (note 18)	無形資產之減值虧損(附註18)	-	(23,924)
Impairment loss on goodwill (note 19)	商譽之減值虧損(附註19)	-	(4,230)
Loss on disposal/write off of property, plant and equipment	出售/註銷物業、廠房及設備之虧損	(7)	(330)
Deposits and other receivables written off	按金及其他應收賬款註銷	(534)	(172)
Exchange losses, net	匯兌虧損淨額	(48)	(10)
		(25,836)	(69,769)

8. LOSS BEFORE INCOME TAX EXPENSE

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

8. 除所得稅支出前虧損

除所得稅支出前虧損已扣除/(計入):

		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
(a) Finance costs	(a) 融資成本		
Amortisation of convertible notes transaction costs (note 31)	可換股票據的交易成本之攤銷(附註31)	1,874	-
Interest on borrowings wholly repayable within five years	須於五年內全部償還的借款利息	49,932	31,447
Imputed interest on convertible notes (note 31)	可換股票據之應歸利息(附註31)	21,775	-
Interest on late payment charged by a subcontractor	承建商收取逾期款項的利息	52,536	-
Others	其他	590	407
		126,707	31,854
Less: interest capitalised as 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)	(126,682)	(31,738)
		25	116

8. LOSS BEFORE INCOME TAX EXPENSE
(Continued)

8. 除所得稅支出前虧損(續)

		2013 HK\$'000 千港元	2012 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	36,097	33,604
Contributions to defined contribution retirement plan	界定供款退休計劃之供款	1,726	1,953
		37,823	35,557
(c) Other items	(c) 其他項目		
Auditor's remuneration	核數師酬金	1,450	1,443
Depreciation of property, plant and equipment (note 16)	物業、廠房及設備折舊(附註16)	3,516	4,960
Amortisation of intangible assets# (note 18)	無形資產之攤銷#(附註18)	823	1,397
Minimum lease payments under operating lease – property rentals	經營租賃之最低租賃款項 – 物業租金	5,878	6,044

Included in "direct costs" in the consolidated statement of profit or loss and other comprehensive income.

計入綜合損益及其他全面收益表之「直接成本」。

9. INCOME TAX (EXPENSE)/CREDIT

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 2013 and 2012. During the years 2013 and 2012, the subsidiaries in the PRC were subject to statutory tax rate of 25%.

- (i) The amount of income tax expense (credited)/charged to the consolidated statement of profit or loss and other comprehensive income represents:

		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Current income tax	即期所得稅		
– PRC enterprises income tax	– 中國企業所得稅	–	–
Deferred tax for the year (note 32)	年內之遞延稅項(附註32)	2,820	(13,356)
Income tax expense/(credit)	所得稅支出/(抵減)	2,820	(13,356)

- (ii) The income tax expense for the year can be reconciled to the Group's loss before income tax expense per the consolidated statement of profit or loss and other comprehensive income as follows:

		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Loss before income tax expense	除所得稅支出前虧損	(58,512)	(126,761)
Tax credit on loss before income tax expense, calculated at 25% (2012: 25%)	除所得稅支出前虧損稅項抵減，按25%計算(2012年：25%)	(14,628)	(31,690)
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	4,572	2,825
Tax effect of non-deductible expenses	不可扣除支出之稅務影響	12,548	12,407
Tax effect of non-taxable income	毋須課稅收入之稅務影響	(282)	–
Tax effect of tax loss not recognised	未確認之稅項虧損之稅務影響	610	3,102
Income tax expense/(credit)	所得稅支出/(抵減)	2,820	(13,356)

9. 所得稅(支出)/抵減

截至2013年及2012年12月31日止年度內，由於集團公司並無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撥備。於2013及2012年度內，位於中國之附屬公司按法定稅率25%繳納稅項。

- (i) (扣除)/計入綜合損益及其他全面收益表的所得稅支出包括：

- (ii) 本年度之所得稅支出與綜合損益及其他全面收益表之本集團除所得稅支出前虧損對賬如下：

Notes to the Financial Statements

財務報表附註

10. DIRECTORS' REMUNERATION

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

For the year ended 31 December 2013:

10. 董事酬金

根據香港公司條例第161條披露之董事及最高行政人員酬金如下：

截至2013年12月31日止年度：

		Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments (note 34)	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34)	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	戴小兵	-	2,000	15	2,015	-	2,015
King Hap Lee	景哈利	-	2,000	15	2,015	-	2,015
Zhu Danping ¹	朱耽平 ¹	-	1,127	-	1,127	-	1,127
Wang Ziming	王自明	-	2,000	15	2,015	-	2,015
Wan Tze Fan Terence	溫子勳	-	2,000	15	2,015	-	2,015
Xu Zucheng ²	徐祖成 ²	-	833	-	833	-	833
		-	9,960	60	10,020	-	10,020
Independent non-executive directors	獨立非執行董事						
Wong Kwok Chuen Peter	黃國全	200	-	-	200	-	200
Wong Lung Tak Patrick	黃龍德	200	-	-	200	-	200
Wang Yanbin	王延斌	200	-	-	200	-	200
Dang Weihua ³	黨偉華 ³	87	-	-	87	-	87
		687	-	-	687	-	687
Non-executive directors	非執行董事						
Kong Siu Tim	江少甜	200	-	-	200	-	200
Ma Tengying ⁴	馬騰營 ⁴	-	-	-	-	-	-
		200	-	-	200	-	200
		887	9,960	60	10,907	-	10,907

Notes to the Financial Statements

財務報表附註

10. DIRECTORS' REMUNERATION (Continued)

For the year ended 31 December 2012:

10. 董事酬金(續)

截至2012年12月31日止年度：

		Directors' fees	Salaries, allowances and benefits in kind	Retirement scheme contributions	Sub-total	Share-based payments (note 34)	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	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	戴小兵	-	2,000	14	2,014	-	2,014
King Hap Lee	景哈利	-	2,000	14	2,014	-	2,014
Wang Ziming	王自明	-	2,000	14	2,014	-	2,014
Wan Tze Fan Terence	溫子勳	-	2,160	14	2,174	-	2,174
Xu Zucheng ²	徐祖成 ²	-	1,597	-	1,597	-	1,597
		-	9,757	56	9,813	-	9,813
Independent non-executive directors	獨立非執行董事						
Wong Lung Tak Patrick	黃龍德	200	-	-	200	-	200
Wong Kwok Chuen Peter	黃國全	200	-	-	200	-	200
Wang Yanbin	王延斌	200	-	-	200	-	200
		600	-	-	600	-	600
Non-executive directors	非執行董事						
Kong Siu Tim	江少甜	200	-	-	200	-	200
		800	9,757	56	10,613	-	10,613

10. DIRECTORS' REMUNERATION (Continued)

Notes:

1. Appointed as chief executive officer in June 2013
2. Appointed as executive director and chief executive officer in March 2012 and September 2012 respectively. Resigned from both positions in June 2013
3. Appointed in July 2013
4. Appointed in April 2013

During the year, no emoluments (2012: 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 2013 and 2012.

11. INDIVIDUALS WITH HIGHEST EMOLUMENTS

All the five individuals with the highest emoluments in the Group (2012: five) were directors of the Company whose emoluments are disclosed in note 10.

The emoluments paid or payable to members of senior management (non-director individual) were within the following bands:

		2013 Number of individuals 人數	2012 Number of individuals 人數
Below HK\$1,000,000	1,000,000港元以下	2	2
HK\$1,000,000 – HK\$1,500,000	1,000,000港元至1,500,000港元	2	3
		4	5

No emoluments were paid by the Group to the above highest paid non-director individual as an inducement to join or upon joining the Group or as a compensation for loss of office.

10. 董事酬金 (續)

附註：

1. 於2013年6月獲委任為行政總裁
2. 於2012年3月及2012年9月分別獲委任為執行董事及行政總裁，並於2013年6月辭任上述職位
3. 於2013年7月獲委任
4. 於2013年4月獲委任

年內，本集團並無向任何董事支付酬金（2012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2013年及2012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

本集團所有五位最高薪人士（2012年：五位）均為本公司之董事，其酬金已在附註10披露。

已支付或應付予高級管理層成員（非董事人士）之酬金介乎下列範圍：

本集團並無向上述最高薪非董事人士支付酬金作為彼等加入或於加入本集團時之獎勵或作為離職之補償。

12. LOSS ATTRIBUTABLE TO OWNERS OF THE COMPANY

The loss attributable to owners of the Company includes a loss of HK\$42,563,000 (2012: HK\$15,623,000) 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 2013 (2012: Nil).

14. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to owners of the Company of HK\$61,332,000 (2012: HK\$113,405,000) and the weighted average number of 13,142,713,000 (2012: 12,230,404,000) ordinary shares in issue during the year.

(b) Diluted loss per share

Diluted loss per share is calculated based on the loss 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, warrants subscribed and convertible notes issued.

The Company's outstanding share options, warrants and convertible notes where applicable, had an anti-dilutive effect on the basic loss per share in both years.

12. 本公司擁有人應佔虧損

本公司擁有人應佔虧損包括已載於本公司財務報表之虧損42,563,000港元(2012年: 15,623,000港元)。

13. 股息

董事不建議派發截至2013年12月31日止年度任何股息(2012年: 無)。

14. 每股虧損

(a) 每股基本虧損

每股基本虧損乃根據本公司擁有人應佔虧損61,332,000港元(2012年: 113,405,000港元), 以及年內已發行普通股之加權平均數13,142,713,000股(2012年: 12,230,404,000股) 普通股計算。

(b) 每股攤薄虧損

每股攤薄虧損乃根據本公司擁有人應佔虧損及年內已發行股份之加權平均數(就已授出購股權、已認購認股權證及已發行可換股票據涉及之潛在攤薄普通股數目作出調整後)計算。

本公司之尚未行使購股權、認股權證及可換股票據(如適用)對該兩個年度之每股基本虧損構成反攤薄影響。



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 (2012: 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(2012年：兩個)可報告分部。由於各自業務提供不同產品及服務需要不同業務策略，故分部須獨立管理。以下為本集團各可報告分部營運之概要：

石油和天然氣開採：	開採及銷售原油和天然氣
煤層氣：	勘探，開發和生產煤層氣

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，原因是主要經營決策者評估分部表現的分部業績計算並無包括有關收入及開支在內。

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 2013

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2013年12月31日止年度

		Oil and gas exploitation 石油和 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	21,598	-	-	21,598
Segment results (note (i)&(ii))	分部業績(附註(i)及(ii))	(10,075)	15,057	(62,614)	(57,632)
Finance costs	融資成本	(25)	-	-	(25)
Share of loss of an associate	應佔一家聯營公司虧損	-	(623)	-	(623)
Share of loss of a joint venture	應佔一家合營企業虧損	(232)	-	-	(232)
(Loss)/profit before income tax expense	除所得稅支出前 (虧損)/溢利	(10,332)	14,434	(62,614)	(58,512)
Income tax expense	所得稅支出	(2,820)	-	-	(2,820)
(Loss)/profit for the year	本年度(虧損)/溢利	(13,152)	14,434	(62,614)	(61,332)
Assets and liabilities	資產及負債				
Reportable segment assets (note (iii))	可報告分部資產 (附註(iii))	475,176	3,787,872	12,351	4,275,399
Reportable segment liabilities	可報告分部負債	28,992	648,609	150,561	828,162
Other segment information	其他分部資料				
Depreciation and amortisation	折舊及攤銷	2,222	1,752	365	4,339
Capital expenditure incurred during the year	年內產生之資本支出	1,375	295,550	66	296,991

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 2012

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2012年12月31日止年度

		Oil and gas exploitation 石油和 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	28,932	–	–	28,932
Segment results (notes (i)&(ii))	分部業績(附註(i)及(ii))	(9,423)	(8,983)	(37,478)	(55,884)
Finance costs	融資成本	(116)	–	–	(116)
Impairment loss on property, plant and equipment	物業、廠房及設備之 減值虧損	(41,103)	–	–	(41,103)
Impairment loss on goodwill	商譽之減值虧損	(4,230)	–	–	(4,230)
Impairment loss on intangible assets	無形資產之減值虧損	(23,924)	–	–	(23,924)
Share of profit of an associate	應佔一家聯營公司溢利	–	1	–	1
Share of loss of a joint venture	應佔一家合營企業虧損	(1,505)	–	–	(1,505)
Loss before income tax credit	除所得稅抵減前虧損	(80,301)	(8,982)	(37,478)	(126,761)
Income tax credit	所得稅抵減	13,356	–	–	13,356
Loss for the year	本年度虧損	(66,945)	(8,982)	(37,478)	(113,405)
Assets and liabilities	資產及負債				
Reportable segment assets (note (iii))	可報告分部資產 (附註(iii))	469,933	3,460,214	5,826	3,935,973
Reportable segment liabilities	可報告分部負債	34,191	827,043	51,565	912,799
Other segment information	其他分部資料				
Depreciation and amortisation	折舊及攤銷	4,092	1,709	556	6,357
Capital expenditure incurred during the year	年內產生之資本支出	4,023	257,546	10	261,579

15. SEGMENT REPORTING (Continued)

(a) Business segments (Continued)

Notes:

- (i) Unallocated results mainly include salaries, rental expense and professional fees for Hong Kong head office and loss on extinguishment of financial liabilities.
- (ii) Included in the segment result of coalbed methane segment is revenue of HK\$38,899,000 (2012: HK\$9,110,000) from the trial sales of coalbed methane generated from the Sanjiao PSC for the year 2013.
- (iii) Unallocated 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 an external customer and non-current assets other than deposits paid, interest in a joint venture and interest in an associate ("specified non-current assets").

15. 分部報告(續)

(a) 業務分部(續)

附註：

- (i) 未分配業績主要包括工資、租金、專業費用等香港總辦事處開支及抵銷金融負債產生之虧損。
- (ii) 2013年煤層氣分部之分部業績包括38,899,000港元(2012年：9,110,000港元)來自於三交產品分成合同之煤層氣試銷售收入。
- (iii) 未分配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入及除已付按金、於一家合營企業之權益及於一家聯營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	
		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元	2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Hong Kong (place of domicile)	香港(所在地)	-	-	1,594	988
The PRC	中國	21,598	28,932	4,079,185	3,731,651
		21,598	28,932	4,080,779	3,732,639

During the year, revenues from the Group's sole customer were HK\$21,598,000 (2012: HK\$28,932,000), being 100% (2012: 100%) of the Group's total revenue from the oil and gas exploitation segment.

年內，來自本集團唯一客戶之收入為21,598,000港元(2012年：28,932,000港元)，佔本集團石油和天然氣開採分部收益總額之100%(2012年：100%)。

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 (i)) (附註(i))				
Costs:	成本：						
At 1 January 2012	於2012年1月1日	3,737	18,542	255,713	3,567	8,466	290,025
Additions	添置	-	3,988	-	173	2,006	6,167
Transfer	轉撥	-	-	34	(34)	-	-
Written off	註銷	-	-	-	(1)	(377)	(378)
Exchange adjustments	匯兌調整	36	225	2,487	31	65	2,844
At 31 December 2012	於2012年12月31日	3,773	22,755	258,234	3,736	10,160	298,658
Additions	添置	-	-	-	396	1,305	1,701
Disposal/Written off	出售/註銷	-	(119)	-	-	(139)	(258)
Exchange adjustments	匯兌調整	111	673	7,660	99	211	8,754
At 31 December 2013	於2013年12月31日	3,884	23,309	265,894	4,231	11,537	308,855

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 (i)) (附註(i))				
Accumulated depreciation and impairment:	累計折舊及減值：						
At 1 January 2012	於2012年1月1日	354	-	18,104	848	3,248	22,554
Charge for the year (note 8(c))	年內支出(附註8(c))	667	-	1,795	631	1,867	4,960
Transfer	轉撥	-	-	3	(3)	-	-
Written back on disposal	出售時撥回	-	-	-	-	(48)	(48)
Impairment loss (note 7) (note (ii))	減值虧損(附註7)(附註(ii))	-	-	41,103	-	-	41,103
Exchange adjustments	匯兌調整	11	-	196	10	25	242
At 31 December 2012	於2012年12月31日	1,032	-	61,201	1,486	5,092	68,811
Charge for the year (note 8(c))	年內支出(附註8(c))	649	-	977	285	1,605	3,516
Disposal/written off	出售/註銷	-	-	-	-	(132)	(132)
Exchange adjustments	匯兌調整	41	-	1,829	33	87	1,990
At 31 December 2013	於2013年12月31日	1,722	-	64,007	1,804	6,652	74,185
Carrying amount:	賬面值：						
At 31 December 2013	於2013年12月31日	2,162	23,309	201,887	2,427	4,885	234,670
At 31 December 2012	於2012年12月31日	2,741	22,755	197,033	2,250	5,068	229,847

Notes:

- (i) It represents oil and gas properties under construction as at the end of the reporting period.
- (ii) During the year ended 31 December 2012, as a result of the delay in the implementation of the development plans of the Liuluoyu Oil Field and Yanjiawan Oil Field, the recoverable amount of each of the cash generating unit of Liuluoyu Oil Field and Yanjiawan Oil Field, as determined by an independent professional firm of valuers using the value in use approach was less than the respective carrying amount. Accordingly, impairment losses of HK\$26,160,000 and HK\$14,943,000 on the oil and gas properties and HK\$21,972,000 and HK\$1,952,000 on the operation rights (Note 18) of Liuluoyu Oil Field and Yanjiawan Oil Field respectively, and HK\$4,230,000 on goodwill (Note 19) of Liuluoyu Oil Field were recognised. The discount rate used in the value in use calculations at 31 December 2012 was 18%.

附註：

- (i) 其表示於報告期間結束時之在建油氣資產。
- (ii) 截至2012年12月31日止年度內，由於柳洛峪油田及閩家灣油田之開發計劃的實施延遲，並經一家獨立專業估值公司使用價值法釐定，柳洛峪油田及閩家灣油田之各現金產生單位之可收回金額低於其各自之賬面值。因此，柳洛峪油田及閩家灣油田有關油氣資產之減值虧損分別為26,160,000港元及14,943,000港元，有關該兩個油田營運權(附註18)之減值虧損分別為21,972,000港元及1,952,000港元及柳洛峪油田商譽(附註19)之減值虧損為4,230,000港元均獲確認。於2012年12月31日計算使用價值所用之折現率為18%。

17. GAS EXPLORATION AND EVALUATION ASSETS

The Group

17. 天然氣勘探及評估資產

本集團

HK\$' 000
千港元

Cost:	成本：	
At 1 January 2012	於2012年1月1日	3,007,374
Additions*	添置*	223,674
Interest capitalised (note 8(a))	資本化利息(附註8(a))	31,738
Exchange adjustments	匯兌調整	10,148
		3,272,934
At 31 December 2012	於2012年12月31日	3,272,934
Additions*	添置*	168,608
Interest capitalised (note 8(a))	資本化利息(附註8(a))	126,682
Exchange adjustments	匯兌調整	34,251
		3,602,475
At 31 December 2013	於2013年12月31日	3,602,475

* The amount included an adjustment for the decrease in provision for environmental restoration and decommissioning costs of HK\$253,000 (2012:HK\$161,000) (Note 29).

* 該金額包括提供環境修復和停止使用費的撥備減少253,000港元(2012年:161,000港元)(附註29)作出之調整。

The operations of Power Great Limited and its subsidiary ("Power Great Group") are governed by and based on the Sanjiao PSC. Details of the Sanjiao PSC are set out in note 36.

威遠有限公司及其附屬公司(「威遠集團」)之營運受三交產品分成合同約束，並據此進行。三交產品分成合同之詳情載於附註36。

As at 31 December 2013 and 2012, the major components of gas exploration and evaluation assets were exploration right, 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 Asset Appraisal Limited, an independent firm of professional valuers, which possesses 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2013年及2012年12月31日，天然氣勘探及評估資產主要由勘探權、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—中誠達資產評估顧問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，於報告期間結束時，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。

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	Operation rights 營運權 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost:	成本：			
At 1 January 2012	於2012年1月1日	910	249,322	250,232
Exchange adjustments	匯兌調整	-	2,429	2,429
At 31 December 2012	於2012年12月31日	910	251,751	252,661
Exchange adjustments	匯兌調整	-	7,468	7,468
At 31 December 2013	於2013年12月31日	910	259,219	260,129
Accumulated amortisation:	累計攤銷：			
At 1 January 2012	於2012年1月1日	-	235	235
Amortisation for the year (note 8(c))	本年度攤銷(附註8(c))	-	1,397	1,397
Impairment loss (note 7)	減值虧損(附註7)	-	23,924	23,924
Exchange adjustments	匯兌調整	-	17	17
At 31 December 2012	於2012年12月31日	-	25,573	25,573
Amortisation for the year (note 8(c))	本年度攤銷(附註8(c))	-	823	823
Exchange adjustments	匯兌調整	-	773	773
At 31 December 2013	於2013年12月31日	-	27,169	27,169
Carrying amount:	賬面值：			
At 31 December 2013	於2013年12月31日	910	232,050	232,960
At 31 December 2012	於2012年12月31日	910	226,178	227,088



18. INTANGIBLE ASSETS (Continued)**Operation rights**

The Group's operation rights represent the rights under three (2012: three) 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. Yanjiawan 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 operation rights are initially recognised at their fair value on the date of acquisition by reference to a professional valuation prepared by Asset Appraisal Limited. Subsequent to the reporting period, the operation rights are measured using the cost model.

Amortisation is provided to write off the cost of the 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 profit or loss and other comprehensive income.

During the year ended 31 December 2012, impairment losses on the operation rights of Liuluoyu Oil Field and Yanjiawan Oil Field were recognised since the recoverable amounts of the rights were estimated to be less than the carrying amounts as set out in note 16(ii). No impairment losses are recognised during the year ended 31 December 2013.

18. 無形資產 (續)**營運權**

本集團之營運權乃三份(2012年:三份)開發合同內之權利,讓本集團有權參與原油生產,詳情如下:

營運權初步按收購當日之公平值經參考中誠達資產評估顧問有限公司進行之專業估值後確認。於報告期間後,營運權採用成本模式計量。

撇銷營運權成本乃按探明及概略油氣儲量以生產單位法進行攤銷。攤銷在綜合損益及其他全面收益表之「直接成本」內扣除。

於截至2012年12月31日止年度,由於營運權之可收回金額估計將低於賬面值,故已就柳洛峪油田及閻家灣油田之營運權確認如附註16(ii)所載之減值虧損。於截至2013年12月31日止年度,並確認無任何減值虧損。

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財務報表附註

19. GOODWILL

The Group

		HK\$'000 千港元
At 1 January 2012	於2012年1月1日	4,230
Impairment loss (note 7)	減值虧損(附註7)	(4,230)
At 31 December 2012, 1 January 2013 and 31 December 2013	於2012年12月31日、2013年1月1日 及2013年12月31日	—

IMPAIRMENT TESTING ON GOODWILL

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

Full impairment was provided on goodwill in 2012 as the cash flow projections and budgets indicate that the value in use of this CGU could not cover the goodwill as set out in note 16(ii).

19. 商譽

本集團

HK\$'000
千港元

At 1 January 2012	於2012年1月1日	4,230
Impairment loss (note 7)	減值虧損(附註7)	(4,230)
At 31 December 2012, 1 January 2013 and 31 December 2013	於2012年12月31日、2013年1月1日 及2013年12月31日	—

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」）。

由於現金流量預測及預算表明該現金產生單位之使用價值並不包括商譽（如附註16(ii)所述），故已就2012年之商譽計提全面減值撥備。

20. INTEREST IN A JOINT VENTURE

The Group

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Share of net assets	分佔資產淨值		
As at 1 January	於1月1日	4,947	6,452
Share of loss for the year	本年度分佔虧損	(232)	(1,505)
Dividend received	已收股息	(3,500)	—
As at 31 December	於12月31日	1,215	4,947

The Group has a 50% (2012: 50%) interest in a joint venture, Smart Win International Limited, a separate structured vehicle incorporated in the British Virgin Islands (“BVI”) and operating in Hong Kong. The primary activity of Smart Win International Limited is investment holding.

20. 於一家合營企業之權益

本集團

2013
HK\$'000
千港元

2012
HK\$'000
千港元

Share of net assets	分佔資產淨值		
As at 1 January	於1月1日	4,947	6,452
Share of loss for the year	本年度分佔虧損	(232)	(1,505)
Dividend received	已收股息	(3,500)	—
As at 31 December	於12月31日	1,215	4,947

本集團於合營企業凱智國際有限公司擁有50%（2012年：50%）權益，後者為於英屬處女群島（「英屬處女群島」）註冊成立並與香港經營業務之獨立結構實體。凱智國際有限公司之主要業務為投資控股。

20. INTEREST IN A JOINT VENTURE (Continued)

The contractual arrangement provides the Group with only the rights to the net assets of the joint arrangement, with the rights to the assets and obligation for the liabilities of the joint arrangement resting primarily with Smart Win International Limited. Under HKFRS 11 this joint arrangement is classified as a joint venture and has been included in the consolidated financial statements using the equity method. In the opinion of the directors of the Company, this joint venture is not material to the Group, and the summarised financial information in relation to the joint venture is presented below:

		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Loss for the year	本年度虧損	(464)	(3,010)
Other comprehensive income	其他全面收益	-	-
Total comprehensive income	總全面收益	(464)	(3,010)

20. 於一家合營企業之權益 (續)

合約安排僅向本集團提供對合營安排資產淨值之權利，而對合營安排資產之權利及負債之義務主要歸於凱智國際有限公司。根據香港財務報告準則第11號，該合營安排分類為合營企業並使用權益法於綜合財務報表入賬。本公司董事認為，該合營企業對本集團而言並不重要，而有關合營企業之財務資料概要呈列如下：

21. INTEREST IN AN ASSOCIATE The Group

		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
As at 1 January	於1月1日	63,354	-
Investment in December 2012	於2012年12月之投資	-	63,353
Share of post-acquisition (loss)/profit	分佔收購後(虧損)/溢利	(623)	1
As at 31 December	於12月31日	62,731	63,354

21. 於一家聯營公司之權益 本集團

21. INTEREST IN AN ASSOCIATE (Continued)

Details of the Group's associate are as follows:

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
山西國梁煤層氣開發有限公司	Sino-foreign equity joint venture 中外合資企業	The PRC 中國	30%	Development and operation of a liquefied natural gas plant ("LNG plant") in the PRC to produce liquefied coalbed methane 於中國發展及經營液化天然氣處理站，以生產液化煤層氣

On 24 December 2012 ("Date of Acquisition"), the Group acquired a 30% equity interest of 山西國梁煤層氣開發有限公司 ("山西國梁") by acquiring a 100% equity interest of Superb China Limited and its wholly-owned subsidiary Pipeline International Limited (collectively "Superb Group") for a consideration of RMB30,000,000 (equivalent to HK\$37,230,000). The directors of the Company consider that the Company has a significant influence over 山西國梁 and accounted for the equity interest in 山西國梁 as an associate. Subsequent to the acquisition and before 31 December 2012, shareholders of 山西國梁 injected capital of RMB70,000,000 into 山西國梁 of which HK\$26,100,000 (equivalent to RMB21,000,000) was contributed by the Group.

於2012年12月24日(「收購日」)，本集團透過收購秀華有限公司及其全資附屬公司國際管網有限公司(統稱「秀華集團」)100%股本權益間接取得山西國梁煤層氣開發有限公司(「山西國梁」)之30%股本權益，代價為人民幣30,000,000元(相等於37,230,000港元)。本公司董事認為本公司對山西國梁具有重大影響力，因此，於山西國梁之股本權益應視作聯營公司入賬。於收購完成後，2012年12月31日前，山西國梁之股東注入山西國梁資本人民幣70,000,000元，其中26,100,000港元(相等於人民幣21,000,000元)乃由本集團出資。

21. INTEREST IN AN ASSOCIATE (Continued)

In the opinion of the directors of the Company, this associate is not material to the Group, and the financial information in respect of the Group's associate is set out below:

21. 於一家聯營公司之權益(續)

本公司董事認為，該聯營公司對本集團而言並不重大，而有關於本集團聯營公司之財務資料概要呈列如下：

		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
(Loss)/profit for the year 2013/ period from date of acquisition to 31 December 2012	截至2013年止年度/ 自收購日期起 至2012年12月31日止 期間之(虧損)/溢利	(2,063)	3
Other comprehensive income for the year 2013/period from date of acquisition to 31 December 2012	截至2013年止年度/ 自收購日期起 至2012年12月31日止 期間之其他全面收益	(13)	-
Total comprehensive income for the year 2013/period from date of acquisition to 31 December 2012	截至2013年止年度/ 自收購日期起 至2012年12月31日止 期間之總全面收益	(2,076)	3

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財務報表附註

22. INTERESTS IN SUBSIDIARIES

The Company

		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Unlisted equity investments, at cost	非上市股本投資，按成本	2,529,920	2,529,920
Less: impairment loss (note 22(b))	減：減值虧損(附註22(b))	(81,143)	(81,143)
		2,448,777	2,448,777
Amounts due from subsidiaries (note 22(c))	應收附屬公司款項(附註22(c))	1,082,983	607,411
		3,531,760	3,056,188

(a) Details of principal subsidiaries as at 31 December 2013 are listed below. The class of shares held is ordinary unless stated otherwise.

(a) 於2013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 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 實際持量	Held by the Company 由本 公司持有	Held by a subsidiary 由一家附 屬公司持有	
Wiseley Investments Limited 偉利投資有限公司		the BVI 英屬處女群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Easy Sino Investments Limited 慧領投資有限公司		Hong Kong 香港	1 ordinary share of HK\$1.00 each 1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
Chuang Xin Management Services Limited 創新管理服務有限公司		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 management services to group companies 向集團公司提供管理服務
Genesis International Petroleum & Chemicals Co., Ltd. ("GIPC") 創新國際石油化工有限公司 (「創新國際」)		the BVI 英屬處女群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	70%	70%	-	Inactive 暫無營業
Elite Ascend Holdings Limited 怡陸控股有限公司		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

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財務報表附註

22. INTERESTS IN SUBSIDIARIES (Continued)

(a) (Continued)

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	(a) (續)			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	
Grand Rise Development Limited 浩晉發展有限公司		Hong Kong 香港	100 ordinary shares of HK\$1.00 each 100股每股面值1.00港元之普通股	100%	100%	-	Investment holding 投資控股
Key Wisdom Investments Limited 堅俊投資有限公司		the BVI 英屬處女群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Power Great Limited 威遠有限公司		the Cayman Islands 開曼群島	1 ordinary share of US\$1.00 each 1股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Superb China Limited 秀華有限公司	(ii) (ii)	the BVI 英屬處女群島	100 ordinary shares of US\$1.00 each 100股每股面值1.00美元之普通股	100%	100%	-	Investment holding 投資控股
Key Well Development Limited 啟隆發展有限公司		Hong Kong 香港	100 ordinary shares of HK\$1.00 each 100股每股面值1.00港元之普通股	100%	-	100%	Investment holding 投資控股
Bi Tuo Yuan Technology (Shenzhen) Co., Ltd 碩拓源科技(深圳)有限公司	(i) (i)	the PRC 中國	Registered capital RMB500,000 註冊股本人民幣500,000元	100%	-	100%	Participation in oil and gas projects 參與油氣項目
Orion Energy International Inc. 奧瑞安能源國際有限公司		the Cayman Islands 開曼群島	100,000,000 ordinary shares of US\$0.001 each 100,000,000股每股面值0.001美元之普通股	100%	-	100%	Exploration, development and production of coalbed methane 勘探、開發和生產煤層氣
Xian Hong Chang Co., Ltd 西安鴻昌石油開發服務有限公司	(i) (i)	the PRC 中國	Registered capital RMB51,706,600 註冊股本人民幣51,706,600元	100%	-	100%	Participation in oil and gas projects 參與油氣項目
Trillion International Petroleum Extraction Technology Ltd ("Trillion") 利隆國際石油開採技術有限公司 (「利隆國際」)		Hong Kong 香港	1 ordinary share of HK\$1.00 each 1股每股面值1.00港元之普通股	100%	-	100%	Investment holding 投資控股
Xian Lilong Petroleum Extraction Technology Limited ("Xian Lilong") 西安利隆石油開採技術有限公司 (「西安利隆」)	(i) (i)	the PRC 中國	Registered capital HK\$50,000,000 註冊股本50,000,000港元	100%	-	100%	Participation in oil and gas projects 參與油氣項目

22. 於附屬公司之權益(續)

(a) (續)

Proportion of ownership interest
擁有權百分比

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

Principal activities
主要業務

22. INTERESTS IN SUBSIDIARIES (Continued)

(a) (Continued)

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
Pipeline International Limited 國際管網有限公司	(ii) (ii)	Hong Kong 香港	1 ordinary share of HK\$1.00 each 1股每股面值1.00港元之普通股

Notes:

- (i) Registered under the laws of the PRC as a wholly-owned foreign enterprise
- (ii) Acquired in 2012

None of the subsidiaries had issued any debt securities at the end of the year.

(b) Impairment on investments in subsidiaries

There were no movements in the provision for impairment loss during the year. The impairment loss on investments in subsidiaries was made by the directors by reference to the net assets of the subsidiaries and their ability to generate sufficient future economic benefits as evident by the internal reporting of their economic performance.

(c) Amounts due from subsidiaries

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

Due from subsidiaries
Less: impairment loss

應收附屬公司款項
減：減值虧損

22. 於附屬公司之權益(續)

(a) (續)

Group's effective holding 本集團 實際持股量	Proportion of ownership interest 擁有權百分比		Principal activities 主要業務
	Held by the Company 由本 公司持有	Held by a subsidiary 由一家附 屬公司持有	

100%	-	100%	Investment holding 投資控股
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附註：

- (i) 根據中國法律登記為外資獨資企業
- (ii) 於2012年內收購

於年末，概無附屬公司發行任何債務證券。

(b) 於附屬公司之投資減值

於本年度內，減值虧損撥備並無變動。於附屬公司之投資減值虧損乃由董事參考附屬公司之資產淨值及其產生充足未來經濟利益之能力(以附屬公司內部報告之經濟表現表示)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

2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
1,474,366	976,754
(391,383)	(369,343)
1,082,983	607,411

22. INTERESTS IN SUBSIDIARIES (Continued)

(c) Amounts due from subsidiaries (Continued)

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

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

At 1 January	於1月1日
Additional provision	額外撥備
At 31 December	於12月31日

Impairment loss 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.

23. NON-CONTROLLING INTERESTS

The non-controlling interests of GIPC which is 70% owned by the Group is considered to be immaterial.

24. INVENTORIES

The Group

Spare parts, consumables and others 備件、耗材及其他

22. 於附屬公司之權益(續)

(c) 應收附屬公司款項(續)

應收附屬公司款項為無抵押、免息，實質上指本公司於附屬公司作出之投資。

年內減值虧損撥備之變動如下：

		The Company 本公司	
		2013 HK\$'000 千港元	2012 HK\$'000 千港元
At 1 January	於1月1日	369,343	286,367
Additional provision	額外撥備	22,040	82,976
At 31 December	於12月31日	391,383	369,343

應收附屬公司款項之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。

23. 非控股權益

本集團擁有70%權益之創新國際之非控股權益被視為並不重大。

24. 存貨

本集團

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Spare parts, consumables and others	備件、耗材及其他	21,349	3,924

Notes to the Financial Statements

財務報表附註

25. TRADE, NOTES AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

25. 應收賬款、應收票據、其他應收賬款、按金及預付款項

		The Group 本集團		The Company 本公司	
		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元	2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Non-current asset	非流動資產				
Deposits and prepayments (notes (i) & (ii))	按金及預付款項 (附註(i)及(ii))	20,402	12,423	-	-
Current assets	流動資產				
Trade receivables	應收賬款	5,046	10,471	-	-
Notes receivable (note (iii))	應收票據(附註(iii))	-	2,488	-	-
Other receivables	其他應收賬款	61,387	23,469	373	944
		66,433	36,428	373	944
Utility deposits	水電按金	502	1,404	-	-
Other deposits and prepayments	其他按金及 預付款項	7,294	4,556	201	199
		7,796	5,960	201	199
		74,229	42,388	574	1,143

Notes:

- (i) The balance includes a guarantee deposit of HK\$9,728,000 (2012: HK\$9,653,000) paid to secure the Group's borrowings as set out in note 30(ii).
- (ii) Prepayments include prepaid exploration costs of HK\$10,674,000 (2012: HK\$2,770,000) on the Group's gas evaluation and exploration assets and exploration assets.
- (iii) As at 31 December 2012, a notes receivable of HK\$1,244,000 was pledged to secure a bank loan (note 30(iii)).

附註：

- (i) 餘款包括載於附註30(ii)用於擔保本集團借款之保證金，總數為9,728,000港元(2012年：9,653,000港元)。
- (ii) 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10,674,000港元(2012年：2,770,000港元)。
- (iii) 於2012年12月31日，應收票據1,244,000港元被抵押以取得銀行貸款(附註30(iii))。

25. TRADE, NOTES 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:

< 30 days	少於30天
31 – 60 days	31至60天
61 – 90 days	61至90天

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).

25. 應收賬款、應收票據、其他應收賬款、按金及預付款項(續)

應收賬款於報告期間結束時之賬齡分析如下：

		The Group 本集團	
		2013 HK\$'000 千港元	2012 HK\$'000 千港元
< 30 days	少於30天	5,046	2,484
31 – 60 days	31至60天	–	534
61 – 90 days	61至90天	–	7,453
		5,046	10,471

集團給客戶的平均信貸期為開單日起0-30天。

所有應收賬款為期到後90天內及屬於單一客戶，本公司與該客戶有良好的商業記錄，故沒有作減值。根據以往經驗，管理層估計其賬面金額將全數收回。

本集團根據附註4(j)(ii)所述之會計政策，通過個別評估確認減值虧損。

26. PLEDGED BANK DEPOSITS

26. 已抵押銀行存款

		The Group 本集團	
		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Bank deposits pledged against certain bank loans (note 30 (iii)) and performance bonds (note 41)	用作若干銀行貸款(附註30 (iii))及履約保證金(附註41)抵押之銀行存款	7,832	7,954

Pledged bank deposits are denominated in United States dollars ("USD") and Renminbi ("RMB"), earn interest at fixed rate ranged from 0.025% to 1.2% (2012: from 0.48% to 3.3%) per annum and have a maturity period of five months on average. The directors consider that the carrying amounts of these bank deposits approximate their fair values because of their short maturity period on inception.

已抵押銀行存款以美元及人民幣計值，並按介於0.025%至1.2% (2012年：介於0.48%至3.3%)之固定年利率賺取利息，平均為五個月到期。董事認為，由於該等銀行存款為短期存款，因此彼等之賬面值與其公平值相若。

27. CASH AND CASH EQUIVALENTS

27. 現金及現金等價物

		The Group 本集團		The Company 本公司	
		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元	2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Cash and bank balances, denominated in	以下列貨幣計值之現金及銀行結餘				
- HKD and USD	- 港元及美元	8,932	1,976	311	61
- RMB	- 人民幣	8,588	69,122	-	-
- Others	- 其他	16	16	-	-
		17,536	71,114	311	61

Cash and cash equivalents of HK\$8,588,000 (equivalent to RMB6,682,000) (2012: HK\$69,122,000 (equivalent to RMB55,569,000)) were denominated in Renminbi. Renminbi is not a freely convertible currency and the remittance of funds out of the PRC is subject to exchange restriction imposed by the PRC Government.

8,588,000港元(相等於人民幣6,682,000元)(2012年：69,122,000港元(相等於人民幣55,569,000元))之現金及現金等價物以人民幣計值。人民幣並非自由兌換貨幣，從中國匯出資金須受中國政府之外匯管制所規限。

28. OTHER PAYABLES AND ACCRUALS

28. 其他應付款項及預提費用

		The Group 本集團		The Company 本公司	
		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元	2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Current liabilities	流動負債				
Consideration payable (note (i))	應付代價(附註(i))	-	13,402	-	12,400
Other payables and accruals (note (ii))	其他應付款項及 預提費用(附註(ii))	184,213	392,448	2,218	1,914
Amounts due to shareholders (note (iii))	應付股東款項 (附註(iii))	15,355	36,711	-	32,979
		199,568	442,561	2,218	47,293

Notes:

- (i) As at 31 December 2012, HK\$1,002,000 represented the remaining consideration for the acquisition of subsidiaries in 2011 and HK\$12,400,000 represented the outstanding consideration for the acquisition of the associate (note 21) in 2012. Both amounts were fully settled during the year ended 31 December 2013.
- (ii) Other payables include exploration costs payable of approximately HK\$149,955,000 (2012: HK\$341,383,000) in respect of gas exploration and evaluation assets and oil and gas properties.
- (iii) Amounts due to shareholders included a loan denominated in Renminbi of HK\$3,842,000 (2012: HK\$3,732,000) from one of the directors. The loan is unsecured, bearing interest at 8% per annum and was settled in January 2014. Another loan from a shareholder amounted to HK\$7,500,000 is guaranteed by two of the directors of the Company, unsecured, bearing interest at 8% per annum and was settled in February 2014. The remaining balance is a loan from a director which is unsecured, interest free and repayable on demand.

附註：

- (i) 於2012年12月31日，1,002,000港元乃於2011年收購附屬公司之代價餘額，12,400,000港元為於2012年收購聯營公司(附註21)之代價餘額。兩筆款項於截至2013年12月31日止年度內已全數支付。
- (ii) 其他應付款項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149,955,000港元(2012年：341,383,000港元)。
- (iii) 應付股東款項包括來自一名董事之一筆以人民幣計值之為數3,842,000港元(2012年：3,732,000港元)之貸款。該貸款為無抵押、按年息8%計息及已於2014年1月償還。另一筆股東貸款為數7,500,000港元由本公司之兩位董事提供擔保、為無抵押、按年息8%計息及已於2014年2月償還。剩餘結餘來自一名董事貸款，為無抵押、免息及須按要求即時償還。

29. PROVISIONS

29. 撥備

		The Group 本集團	
		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Balance at 1 January	於1月1日之結餘	971	1,132
Provision for environmental restoration and decommissioning costs	環境修復及停止使用費之撥備	(253)	(161)
Exchange adjustments	匯兌調整	29	-
Balance at 31 December	於12月31日之結餘	747	971

The provision for environmental restoration and decommissioning costs for 2013 and 2012 represented directors' estimated assets retirement obligations relating to the Sanjiao PSC as set out in Note 36.

2013年及2012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36)有關之董事估計資產棄置報廢。

30. BORROWINGS – SECURED

30. 借貸－有抵押

		The Group 本集團	
		2013 HK\$'000 千港元	2012 HK\$'000 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	145,932	92,834
More than one year, but not exceeding two years	超過一年，但不超過兩年	128,080	132,398
More than two years, but not exceeding five years	超過兩年，但不超過五年	208,130	236,341
		482,142	461,573
Amount due within one year included in current liabilities	列入流動負債一年內到期之金額	(145,932)	(92,834)
Non-current portion	非流動部分	336,210	368,739

30. BORROWINGS – SECURED (Continued)

As at 31 December 2013, the Group obtained borrowings from two (2012: three) parties as follows:

- (i) On 19 September 2011, Orion Energy International Inc. (“OEI”), an indirect 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 RMB50,000,000 (equivalent to 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\$60,108,000 (2012: HK\$58,376,000) (note 17) and personal guarantees from the Company’s shareholders, Dr. Dai Xiaobing and Mr. King Hap Lee who are also directors of the Company.
- (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 and RMB800,000,000 to be drawn after obtaining the approval of the ODP in respect of the Sanjiao PSC. In 2012, a revised agreement was signed between OEI and CDB Leasing, pursuant to which OEI can draw loans to the extent of RMB400,000,000 and RMB600,000,000 during exploration phase and development phase of the Sanjiao PSC respectively. As at 31 December 2013, loans due to CDB Leasing, net of repayment, amounted to RMB350,000,000 (equivalent to HK\$448,280,000) (2012: RMB320,000,000 (equivalent to HK\$398,048,000)).

30. 借貸—有抵押(續)

截至2013年12月31日止年度內，本集團分別自兩方(2012年：三方)之借貸詳情如下：

- (i) 2011年9月19日，本集團之全資附屬公司—奧瑞安能源國際有限公司(「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人民幣50,000,000元(相等於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60,108,000港元(2012年：58,376,000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博士及景哈利先生(兩位亦為本公司董事)提供之個人擔保。
- (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，其中人民幣200,000,000元已用於勘探階段，剩餘人民幣800,000,000元融資需就有關三交生產分成合同之總體開發方案批覆後方可提取。於2012年，奧瑞安與國銀金融租賃簽訂一份經修訂協議，據此，奧瑞安於三交產品分成合同的勘探階段及開發階段可分別最多提取貸款人民幣400,000,000元及人民幣600,000,000元。於2013年12月31日，奧瑞安欠國銀金融租賃之貸款餘額(扣除本金還款後)為人民幣350,000,000元(相等於448,280,000港元)(2012年：人民幣320,000,000元(相等於398,048,000港元))。

30. BORROWINGS – SECURED (Continued)

(ii) (Continued)

The facility is secured by certain gas exploration and evaluation assets with a carrying amount of HK\$615,917,000 (2012: HK\$598,173,000) (note 17), a guarantee deposit of HK\$9,728,000 (2012: HK\$9,653,000) (note 25 (i)), all accounts receivable 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 held by certain directors and shareholders of the Company, personal guarantees of Dr. Dai Xiaobing and his spouse and a corporate guarantee by the Company.

In the opinion of the directors, the financing arrangement is in substance a secured borrowing. As explained in note 36(i), the Group received a consent on the preliminary work on the development of the Sanjiao PSC from NEA in August 2012. The directors anticipate that the ODP will be approved by NEA in 2014.

(iii) During 2012, the Group entered into a loan agreement (“Agreement 3”) with Bank of Beijing for loan facilities of RMB1,069,000 (equivalent to HK\$1,330,000) which were secured by a note receivable amounting to HK\$1,244,000 (note 25 (iii)) and charges over bank deposits amounting to HK\$124,000 (note 26). As at 31 December 2012, two loans in the total of RMB1,069,000 (equivalent to HK\$1,330,000) were drawn. During the year ended 31 December 2013, the loans were fully repaid.

The borrowings under Agreement 1, Agreement 2 and Agreement 3 carry interest at effective floating rates ranging from 8.9% to 11.7% (2012: 5.6% to 11.7%) during the year.

30. 借貸－有抵押(續)

(ii) (續)

該融資之抵押品包括賬面值為615,917,000港元(2012: 598,173,000港元)之若干天然氣勘探及評估資產(附註17)、9,728,000港元(2012年: 9,653,000港元)之擔保按金(附註25 (i))、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、由數位董事及本公司股東持有之本公司2,296,000,000股股份、戴小兵博士及其配偶提供之個人擔保，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36(i)中所解釋，本集團於2012年8月獲得國家能源局同意就三交產品分成合同的開發建設前期工作。董事預計總體開發方案將於2014年內獲國家能源局最終批覆。

(iii) 於2012年，本集團與北京銀行就人民幣1,069,000元(相等於1,330,000港元)之貸款融資訂立貸款協議(「協議三」)。有關貸款以應收票據1,244,000港元(附註25 (iii))作抵押，並抵押銀行存款124,000港元(附註26)。截至2012年12月31日，已提取兩筆貸款共人民幣1,069,000元(相等於1,330,000港元)。截至2013年12月31日止年度，該等貸款已全部償還。

本年內，協議一、協議二及協議三項下之借貸附帶利息，其實際浮動利率介於8.9%至11.7%(2012年: 5.6%至11.7%)之間。

31. CONVERTIBLE NOTES

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

		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 2013	於2013年1月1日	-	-
Face value of convertible notes issued on 26 April 2013 after 4% discount	於2013年4月26日發行並 折讓4%後之可換股票據面值	231,510	32,490
Transaction costs on issue	發行之交易成本	(8,432)	(1,194)
Conversion of convertible notes	轉換可換股票據	(109,617)	(15,383)
Amortisation of transaction costs (note 8(a))	交易成本之攤銷(附註8(a))	1,874	-
Imputed interest expense (note 8(a))	應歸利息支出(附註8(a))	21,775	-
Interest paid	已付利息	(2,190)	-
At 31 December 2013	於2013年12月31日	<u>134,920</u>	<u>15,913</u>

The Company issued convertible notes in an aggregate principal amount of HK\$275,000,000 with a 4% discount and a 2% coupon rate on 26 April 2013. The convertible notes were denominated in Hong Kong dollars and will mature in three years from the issue date. The notes can be converted to ordinary shares of the Company at the holder's option at the rate of HK\$0.167 per share.

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

Imputed interest expense on the convertible notes was charged at the rate of 18.67% calculated using the effective interest method.

31. 可換股票據

於財務狀況表確認之可換股票據計算如下：

	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 2013	-	-
Face value of convertible notes issued on 26 April 2013 after 4% discount	231,510	32,490
Transaction costs on issue	(8,432)	(1,194)
Conversion of convertible notes	(109,617)	(15,383)
Amortisation of transaction costs (note 8(a))	1,874	-
Imputed interest expense (note 8(a))	21,775	-
Interest paid	(2,190)	-
At 31 December 2013	<u>134,920</u>	<u>15,913</u>

本公司於2013年4月26日以4%折讓發行本金額為275,000,000港元且票息率為2%之可換股票據。可換股票據以港元計值，自發行日期起計三年內到期。票據可依據持有人之選擇以每股0.167港元之價格轉換為本公司之普通股股票。

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。

可換股票據之應歸利息支出乃按實際年利率18.67%使用實際利息法計算。

32. DEFERRED TAX

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

		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 2012	於2012年1月1日	(20,113)	(12,628)	14,067	(18,674)
Credited to profit or loss (note 9)	計入損益賬(附註9)	2,108	6,077	5,171	13,356
Exchange adjustments	匯兌調整	(172)	(54)	195	(31)
At 31 December 2012	於2012年12月31日	(18,177)	(6,605)	19,433	(5,349)
(Charged)/credited to profit or loss (note 9)	(扣除)/計入 損益賬(附註9)	(6,713)	65	3,828	(2,820)
Exchange adjustments	匯兌調整	(644)	(195)	637	(202)
At 31 December 2013	於2013年12月31日	(25,534)	(6,735)	23,898	(8,371)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off when the deferred tax related to same fiscal authority. The following net amounts determined after appropriate offsetting, are shown on the consolidated statement of financial position.

32. 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:

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	
		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Deferred tax liabilities	遞延稅項負債	(32,269)	(24,782)
Deferred tax assets	遞延稅項資產	23,898	19,433
		(8,371)	(5,349)

33. 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\$25,000 (2012: HK\$25,000) 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 21% to 30% (2012: 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.

34. EQUITY SETTLED SHARE-BASED TRANSACTIONS

The Company operates a share option scheme which was adopted on 28 May 2010 ("scheme") for a period of ten years commencing from 28 May 2010 whereby the directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any companies within the Group, to take up options to subscribe for shares of the Company. The terms and conditions of the grant are determined by the Board at the time of grant. The exercisable period of an option is not to exceed a period of ten years commencing the date the share options be granted. The options give the holder the right to subscribe for ordinary shares in the Company. A nominal consideration of HK\$1 is payable by the grantee upon acceptance of an option. Options would be forfeited should the employee leave the Group. All the existing share options were granted under the scheme.

33. 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界定供款退休計劃。根據強積金計劃，僱主及各僱員各自須按僱員之有關收入之5%作出供款，惟各方每月有關收入以25,000港元（2012年：25,000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界定供款退休福利計劃（「該等計劃」）。據此，本集團須按合資格僱員的薪金向該等計劃作出介乎21%至30%（2012年：18%至22%）的供款。當地政府機關須對應付退休僱員之全部退休金負責。該等責任乃根據基本薪金之某個百分比計算。

34. 股本結算以股份付款之交易

本公司於2010年5月28日採納一項購股權計劃（「計劃」），自2010年5月28日起計為期10年，據此，本公司董事獲授權酌情向本集團僱員（包括本集團任何成員公司之董事）授出購股權，以認購本公司股份。授出之條款及條件由董事會於授出時釐定。購股權之可予行使期不得超過自購股權授出日期起計10年。購股權賦予持有人權利認購本公司普通股。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，則將沒收有關購股權。現有之所有購股權乃根據計劃授出。

34. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

(a) The terms and conditions of the share options that existed during the year ended 31 December 2013 were as follows and all options are settled by physical delivery of shares:

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 '000 千份	購股權 合約年期
Options granted to directors:					
授予董事之購股權：					
- on 6 December 2011 - 於2011年12月6日	Immediately 即時	6 December 2011 to 5 December 2021 2011年12月6日至2021年12月5日	HK\$0.276 0.276港元	156,000	10 years 10年
Option granted to employees:					
授予僱員之購股權：					
- on 6 December 2011 - 於2011年12月6日	Immediately 即時	6 December 2011 to 5 December 2021 2011年12月6日至2021年12月5日	HK\$0.276 0.276港元	407,200	10 years 10年
Total share options					
購股權總數					<u>563,200</u>

34. 股本結算以股份付款之交易 (續)

(a) 以下為截至2013年12月31日止年度存在之購股權之條款及條件，所有購股權均透過實際交付股份結算：

34. EQUITY SETTLED SHARE-BASED TRANSACTIONS (Continued)

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

		2013		2012	
		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	0.276	563,200	0.317	1,355,940
Exercised during the year	年內行使	-	-	0.270	(137,000)
Lapsed during the year	年內失效	-	-	0.362	(655,740)
Outstanding at the end of the year	於年末尚未行使	0.276	563,200	0.276	563,200
Exercisable at the end of the year	於年末可予行使	0.276	563,200	0.276	563,200

During the year ended 31 December 2012, the weighted average share price at the date of exercise of the shares options during the year was HK\$0.270.

The options outstanding at 31 December 2013 had an exercise price of HK\$0.276 (2012: HK\$0.276) and a weighted average remaining contractual life of 7.93 years (2012: 8.93 years).

34. 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：

截至2012年12月31日止年度，年內購股權獲行使當日之加權平均股價為0.270港元。

於2013年12月31日，尚未行使購股權之行使價為0.276港元（2012年：0.276港元），而加權平均餘下合約年期為7.93年（2012年：8.93年）。

35. CAPITAL AND RESERVES

(a) Share capital

(i) Authorised and issued share capital

35. 資本及儲備

(a) 股本

(i) 法定及已發行股本

The Company

本公司

		2013		2012	
		Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元	Number of shares 股份數目 '000 千股	Amount 金額 HK\$'000 千港元
Authorised	法定				
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 At beginning of the year	每股面值0.01港元之普通股於年初	12,356,078	123,560	12,019,078	120,190
Shares issued on placing (ii)	按配售發行股份(ii)	928,000	9,280	200,000	2,000
Shares issued on conversion of convertible notes (iii)	轉換可換股票據時發行股份(iii)	748,503	7,485	-	-
Shares issued to extinguish financial liabilities (iv)	為抵銷財務負債而發行股份(iv)	721,350	7,214	-	-
Shares issued under share option scheme (v)	按購股權計劃發行股份(v)	-	-	137,000	1,370
At end of the year	於年末	14,753,931	147,539	12,356,078	123,560

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息，並在本公司大會上每股可獲一票投票權。所有普通股對本公司之餘下資產享有同等權益。

35. CAPITAL AND RESERVES (Continued)

(a) Share capital (Continued)

(ii) Shares issued on placing

During 2013, 928,000,000 (2012: 200,000,000) ordinary shares were subscribed at HK\$0.167 (2012: HK\$0.15) per share with proceeds of HK\$154,976,000 (2012: HK\$30,000,000). Accordingly, the Company's issued share capital was increased by HK\$9,280,000 (2012: HK\$2,000,000) and the balance of the proceeds, net of direct cost incurred of HK\$139,196,000 (2012: HK\$28,000,000) was credited to the share premium account.

(iii) Shares issued on conversion of convertible notes

During 2013, certain convertible notes were converted to subscribe for a total of 748,503,000 ordinary shares in the Company at a total consideration of HK\$125,000,000 of which HK\$7,485,000 was transferred to share capital and balances of HK\$117,515,000 was transferred to the share premium account from the convertible note equity reserves respectively.

(iv) Shares issued to extinguish financial liabilities

In November 2013, the company's issued share capital was increased by HK\$7,214,000 through the issue of 721,350,000 shares to extinguish financial liabilities of HK\$144,270,000 as disclosed in the Company's announcement dated 28 November 2013. The fair value of these shares based on the closing market price of HK\$0.235 per share on 13 December 2013, amounted HK\$169,517,000. The premium on the issue of new shares amounted to HK\$162,303,000 was credited to the share premium account. The difference between the carrying amount of the financial liabilities extinguished and the fair value of these shares are recognised in profit or loss (note 7).

35. 資本及儲備(續)

(a) 股本(續)

(ii) 按配售發行股份

於2013年，928,000,000股(2012年：200,000,000股)普通股按每股0.167港元(2012年：0.15港元)之價格獲認購，所得款項為154,976,000港元(2012年：30,000,000港元)。因此，本公司之已發行股本增加9,280,000港元(2012年：2,000,000港元)，而所得款項餘額扣除直接費用後，139,196,000港元(2012年：28,000,000港元)已計入股份溢價賬。

(iii) 轉換可換股票據時發行股份

於2013年，若干可換股票據已獲轉換以認購合共748,503,000股本公司普通股，總代價為125,000,000港元，其中已從可換股票據權益儲備轉撥7,485,000港元至股本，並將餘下117,515,000港元轉撥至股份溢價賬。

(iv) 為抵銷財務負債而發行股份

如本公司日期為2013年11月28日之公佈所披露，於2013年11月，本公司發行721,350,000股股份以抵銷144,270,000港元之財務負債，其已發行股本因而增加7,214,000港元。該等股份之公平值按2013年12月13日之收市價每股0.235港元計算，總額為169,517,000港元。發行新股份之溢價共162,303,000港元已計入股份溢價賬。所抵銷財務負債之賬面值與該等股份之公平值間之差額於損益確認(附註7)。

35. CAPITAL AND RESERVES (Continued)

(a) Share capital (Continued)

(v) Shares issued under share option scheme

During 2012, 137,000,000 options were exercised to subscribe for 137,000,000 ordinary shares of the Company at a consideration of HK\$36,948,000 of which HK\$1,370,000 was credited to share capital and the balance of HK\$35,578,000 was credited to the share premium account. HK\$11,205,000 was transferred from the share option reserve to the share premium account in accordance with accounting policy set out in note 4(q).

(vi) Lapse of vested warrants

In 2012, there were 344,000,000 and 20,000,000 outstanding unlisted warrants (the "Warrants") issued by the Company on 3 June 2010 and 7 June 2010 respectively, conferring rights to subscribe for ordinary shares of the Company at a subscription price of HK\$0.22 per share during a period of 24 months commencing from the date of issue of the Warrants. The Warrants were unexercised and lapsed upon the expiration of their exercise periods on 2 June 2012 and 6 June 2012 respectively.

(vii) Outstanding warrants

As at 31 December 2013 and 2012, there are 250,000,000 outstanding unlisted warrants issued by the Company on 10 November 2010 conferring rights to subscribe for ordinary shares of the Company at a subscription price of HK\$0.53 per share during the exercise period on and after 22 January 2011 and up to and including 10 November 2014.

(viii) Lapse of vested share option

In 2012, 655,740,000 share options lapsed.

35. 資本及儲備(續)

(a) 股本(續)

(v) 按購股權計劃發行股份

於2012年，137,000,000份購股權已獲行使以認購本公司137,000,000股普通股，代價為36,948,000港元，其中1,370,000港元計入股本，餘下35,578,000港元計入股份溢價賬。根據附註4(q)所載之會計政策，11,205,000港元已自購股權儲備轉撥至股份溢價賬。

(vi) 已歸屬認股權證之失效

於2012年，本公司分別於2010年6月3日和2010年6月7日發行344,000,000份和20,000,000份尚未行使之非上市認股權證（「權證」）（其賦予權利自權證發行日期起計24個月期間內按認購價每股股份0.22港元認購本公司之普通股）。於2012年6月2日及2012年6月6日行使期分別期滿後，權證未獲行使，並告失效。

(vii) 未獲行使之認股權證

於2013年及2012年12月31日，本公司於2010年11月10日發行並賦予權利自2011年1月22日起直至2014年11月10日（包括當日）止行使期間內按認購價每股股份0.53港元認購本公司普通股而未獲行使之非上市認股權證為250,000,000份。

(viii) 已歸屬購股權之失效

於2012年，655,740,000份購股權已失效。



Notes to the Financial Statements

財務報表附註

35. CAPITAL AND RESERVES (Continued)

(b) The Company

		Share capital	Share premium	Contributed surplus	Share option reserve	Warrant reserve	Convertible notes 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 2012	於2012年1月1日	120,190	3,243,866	81,043	91,069	4,890	-	(544,940)	2,996,118
Shares issued under share option scheme	按購股權計劃發行股份	35(a)(v) 1,370	46,783	-	(11,205)	-	-	-	36,948
Shares issued on placing	按配售發行股份	35(a)(ii) 2,000	28,000	-	-	-	-	-	30,000
Release upon lapse of vested share option	於歸屬之購股權失效時解除	35(a)(viii) -	-	-	(31,844)	-	-	31,844	-
Release upon lapse of vested warrants	於歸屬之認股權證失效時解除	35(a)(vi) -	-	-	-	(3,640)	-	3,640	-
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	-	-	-	-	(52,967)	(52,967)
At 31 December 2012	於2012年12月31日	123,560	3,318,649	81,043	48,020	1,250	-	(562,423)	3,010,099
Shares issued on placing	按配售發行股份	35(a)(ii) 9,280	139,196	-	-	-	-	-	148,476
Shares issued to extinguish financial liabilities	為抵銷財務負債而發行股份	35(a)(iv) 7,214	162,303	-	-	-	-	-	169,517
Issuance of convertible notes	發行可換股票據	-	-	-	-	-	31,296	-	31,296
Shares issued on conversion of convertible notes	轉換可換股票據時發行股份	35(a)(iii) 7,485	117,515	-	-	-	(15,383)	-	109,617
Loss and total comprehensive income for the year	本年度虧損及全面收益總額	-	-	-	-	-	-	(73,498)	(73,498)
At 31 December 2013	於2013年12月31日	147,539	3,737,663	81,043	48,020	1,250	15,913	(635,921)	3,395,507

(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 premium on repurchase of own shares.

(c) 儲備性質及用途

(i) 股份溢價

股份溢價指以超出股份每股面值價格發行股份而產生之溢價。股份溢價不可分派但可用作繳清本公司將作為繳足紅股向權益持有人發行之未發行股份或為購回本身股份提供溢價。

35. CAPITAL AND RESERVES (Continued)

(c) Nature and purpose of reserves (Continued)

(ii) Contributed surplus

Contributed surplus arose when the Company issues shares in exchange for the shares of subsidiaries being acquired, and represented the difference between the nominal value of the Company's shares issued and the value of net assets of the subsidiaries acquired under the group reorganisation in 1999 in preparation for the listing of the Company's shares on The Stock Exchange of Hong Kong. Under the Companies Act 1981 of Bermuda, 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(q).

(iv) Warrant reserve

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

(v) Convertible notes equity reserve

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

(vi) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of operations outside Hong Kong which were dealt with in accordance with the accounting policy as set out in note 4(o).

35. 資本及儲備(續)

(c) 儲備性質及用途(續)

(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與1999年為籌備本公司股份在香港聯合交易所上市而進行之集團重組所購入附屬公司資產淨值之間之差額。根據百慕達1981年公司法，繳納盈餘可供分派予權益持有人。然而，倘發生下列情況，本公司不可自繳納盈餘宣派或派付股息或作出分派：

- 派付後導致無法或可能無法償還到期負債；或
- 導致資產之可變現價值低於負債、已發行股本及股份溢價賬之總額。

(iii) 購股權儲備

購股權儲備為本公司已授出之實際或估計數目之尚未行使購股權之公平值，並已按照附註4(q)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。

(v) 可換股票據權益儲備

儲備代表本公司發行之可換股票據之權益部分(即將票據轉換為股份之選擇權)。

(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。

35. CAPITAL AND RESERVES (Continued)

(d) Distributability reserves

At 31 December 2013, the Company had no reserves available for cash distribution and/or distribution in specie. Under the Bermuda Companies Act 1981, the Company's contributed surplus in the amount of HK\$81,043,000 (2012: HK\$81,043,000) is currently not available for distribution. The Company's share premium account in the amount of HK\$3,737,663,000 as at 31 December 2013 (2012: HK\$3,318,649,000) may be distributed in the form of fully paid bonus shares.

35. 資本及儲備(續)

(d) 可供分派儲備

於2013年12月31日，本公司概無儲備可供現金分派及／或實物分派。根據百慕達1981年公司法，本公司之繳納盈餘81,043,000港元（2012年：81,043,000港元）現不可分派。於2013年12月31日，本公司之股份溢價賬為3,737,663,000港元（2012年：3,318,649,000港元），可以繳足紅股方式分派。

36. 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 and development of coalbed methane, crude oil and natural gas in the PRC.

- (i) On 28 March 2006, OEI (which the Group acquired on 15 November 2010) entered into the Sanjiao 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 383 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. The transfer was approved by the State-owned Assets Supervision and Administration Commission of the State Council. PetroChina joined the Joint Management Committee of the Sanjiao PSC after replacing CUCMCL as the PRC partner.

Under the Sanjiao PSC, the development of the Contract Area is divided into the exploration phase, development and production phase. OEI is required to conduct core testing and run pilot production to ascertain the potential commercial value of the coalbed methane field in the planned exploration area.

36. 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產品分成安排及兩項開發合同。

- (i) 於2006年3月28日，奧瑞安（本集團於2010年11月15日收購該公司）與中聯煤層氣有限責任公司（「中聯煤層氣」）（「中方夥伴」）訂立一份三交產品分成合同，有關按照位於中國山西省及陝西省之鄂爾多斯盆地（「合同地區」）之三交產品分成合同勘探、開發、生產及銷售可能在約383平方公里總勘探面積（有待削減）內存在之煤層氣及其他有關或衍生產品。

根據三交產品分成合同，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（「聯管會」）及委任代表出任該委員會之成員。聯管會負責監督合同地區之營運。

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

根據三交產品分成合同，合同地區之開發分為勘探期、開發及生產期。奧瑞安須進行主要測試及試產以確定在規劃勘探區內之煤層氣田之潛在商業價值。

36. PRODUCTION SHARING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(i) (Continued)

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. The exploration period has been further extended to 30 June 2014 by way of a further supplementary agreement of the Sanjiao PSC dated on 6 July 2012.

All costs incurred in the exploration phase shall be borne by OEI. The project will enter the development and production phase once OEI has obtained the approval of the ODP from NEA.

On commencement of the development and production phase, all the development and operating costs shall be borne as to 70% by OEI and 30% by the PRC partner, except if the PRC partner chooses not to participate in a particular site. If the PRC partner chooses not to participate in a particular site, all the development and operating cost will be fully borne by OEI. Also, the PRC partner's participation can be less than 30% for certain wells in respect of which the PRC partner will not need to bear the development costs or will bear at a specifically agreed percentage. As a result, the profit sharing ratio will be adjusted according to their actual participating interest in the coalbed methane field.

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.

36. 產品分成合同及開發合同(續)

(i) (續)

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，勘探期已延期為六年至2012年6月30日。根據日期為2012年7月6日之三交產品分成合同之進一步補充協議，勘探期已進一步延期至2014年6月30日。

勘探期產生之所有成本應由奧瑞安承擔。奧瑞安獲得國家能源局批准整體開發計劃後，項目將進入開發及生產階段。

當開發及生產期展開後，所有開發及經營成本將會由奧瑞安及中方夥伴各自按70%及30%之比例承擔，惟倘中方夥伴選擇不參與開採某一特定地點，則作別論。倘中方夥伴選擇不參與開採某一特定地點，則奧瑞安將會承擔所有與此有關之開發及經營成本。此外，中方夥伴在若干油氣井之參與亦可以少於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。

三交產品分成合同為期三十年，生產期由商業生產開始日期起至生產期到期日(根據整體開發計劃所指定)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。

36. PRODUCTION SHAREING CONTRACTS AND DEVELOPMENT CONTRACTS (Continued)

(i) (Continued)

The Sanjiao PSC is currently in the exploration stage. As explained in note 3(b), in May 2012, the ODP was submitted to the NEA by the PRC partner of the project, PetroChina. The Group received a reply from NEA, which gave consent on the preliminary work on the development of the Sanjiao PSC in August 2012. The Group anticipates to obtain full approval of ODP from NEA in 2014.

- (ii) In May 2010, the Group entered into an operation agreement with an independent PRC third party (the “PRC Party”) for the exploration, development and production of crude oil and natural gas that existed in an exploration area located in Shaanxi Province in the PRC (the “Jinzhuang Oil Field”) for the period from 1 May 2010 to 31 July 2011. The PRC Party is a party to a production sharing contract with a State-owned enterprise for the exploration, development and production of crude oil and natural gas in the Jinzhuang Oil Field (the “Jinzhuang PSC”) for a period up to 2025. Pursuant to the operation agreement, the Group was engaged as the operator to explore, develop and produce crude oil and natural gas from the oil field. The Group bore all development and operation costs and shared 95% of the income from sale of crude oil and the entire income from the sale of natural gas extracted from the Jinzhuang Oil Field. The operation of the Jinzhuang Oil Field was jointly controlled by the Group and the PRC Party. At the same time, an oil and gas group based in Hong Kong (“Xian Lilong Group”), 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 Xian Lilong 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 Xian Lilong Group.

36. 產品分成合同及開發合同 (續)

(i) (續)

現時三交產品分成合同正處於勘探期。如附註3(b)所述，於2012年5月，本集團通過該項目之中方夥伴中石油向國家能源局提交了整體開發計劃。於2012年8月，本集團收到國家能源局覆函，當中表示同意三交產品分成合同之初步開發工作。本集團預計將於2014年取得國家能源局對整體開發計劃之全面批准。

- (ii) 於2010年5月，本集團與中國一名獨立第三方（「中方夥伴」）訂立營運協議以從2010年5月1日至2011年7月31日在位於中國陝西省之勘探區（「金庄油田」）進行原油及天然氣勘探、開發及生產。中方夥伴已與一家國營企業訂立金庄油田勘探、開發及生產原油及天然氣為期直至2025年之產品分成合同（「金庄產品分成合同」）。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原油及天然氣。本集團承擔所有開發及營運成本及享有金庄油田之95%原油銷售收入及該油田全部天然氣銷售收入。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，總部位於香港之油氣集團（「西安利隆集團」）向中方夥伴收購金庄產品分成合同之權利及責任。本集團與西安利隆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西安利隆集團之全數權益。

**36. PRODUCTION SHAREING CONTRACTS
AND DEVELOPMENT CONTRACTS
(Continued)**

(ii) (Continued)

In June 2011, the Group and the PRC party agreed to extend the operation period to 31 October 2011. In November 2011, the Group acquired the Jinzhuang Oil Field by acquiring 100% equity interest in Xian Lilong Group.

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).

- (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 projected are separately located in Liuluoyu, Shannxi Province, the PRC (the "Liuluoyu Oil Field") and in Yanjiawan, Shannxi Province, the PRC (the "Yanjiawan Oil Field"). The Group also acquired, under the transfer agreement and assignment agreement, the business assets including oil and gas properties, the rights to use the on site plant, machinery and facilities for the exploration, evaluation and development, and assumed the liabilities associated these oil fields.

As advised by the Company's PRC legal advisers, the Group is entitled to the rights and obligations of the development contract and participate in the exploitation and production of crude oil in the Liuluoyu Oil Field and Yanjiawan Oil Field. Since the Group has, in practice and substance, the power to govern the financial and operational policies over the operation of the oil fields, the Group incorporated the results of the oil production and the related assets and liabilities of these oil fields into its financial statements.

36. 產品分成合同及開發合同(續)

(ii) (續)

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，本集團透過收購西安利隆集團100%股權而收購金庄油田。

本集團於三交產品分成合同及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。

- (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。

根據本公司之中國法律顧問之意見，本集團擁有開發合同下之權利及責任，並可參與柳洛峪油田及閻家灣油田之原油開採及生產。由於本集團擁有實際權力監管該等油田營運之財務及營運政策，因此本集團已將該等油田之石油生產業績以及相關資產及負債合併列入其財務報表。

37. SIGNIFICANT NON-CASH TRANSACTIONS

- (a) During 2013, interest of HK\$126,682,000 (2012: HK\$31,738,000) was capitalised as gas exploration and evaluation assets (note 8(a)).
- (b) During 2013, provision for environmental restoration and decommissioning costs was decreased by HK\$253,000 (2012: HK\$161,000) and included in the gas exploration and evaluation assets (note 17).
- (c) During 2013, the Company issued 721,350,000 shares to extinguish financial liabilities of HK\$144,270,000 as disclosed in the Company's announcement dated 28 November 2013 (note 35(a)(iv)).
- (d) During 2013, certain convertible notes were converted to subscribe for a total of 748,503,000 ordinary shares in the Company at a total consideration of HK\$125,000,000 (note 35(a)(iii)).

38. 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.

37. 重大非現金交易

- (a) 2013年內，利息126,682,000港元（2012年：31,738,000港元）已資本化為天然氣勘探及評估資產（附註8(a)）。
- (b) 2013年內，環境修復和停止使用費撥備減少253,000港元（2012年：161,000港元），並已計入天然氣勘探及評估資產內（附註17）。
- (c) 2013年內，如本公司日期為2013年11月28日之公佈所披露，本公司發行721,350,000股股份抵銷金融負債144,270,000港元（附註35(a)(iv)）。
- (d) 2013年內，若干可換股票據獲轉換，以認購合共748,503,000股本公司普通股，總代價為125,000,000港元（附註35(a)(iii)）。

38. 資本管理

本集團管理資本之首要目標乃保障本集團能夠繼續以持續經營基準經營，從而透過與風險水平相對應之產品及服務定價以及獲得合理成本之融資，繼續為擁有人創造回報及向其他利益相關者帶來利益。

本集團積極及定期對資本架構開展檢討及管理，從而使較高借貸水平情況下可能產生之較高擁有人回報與良好資本狀況帶來之好處及保障之間取得平衡，並因應經濟環境之變化對資本架構作出調整。

在遵從行業慣例之情況下，本集團之資本架構包括淨債務（其中包括扣除現金及現金等價物之其他應付款項及預提費用、撥備及借貸）及本公司擁有人應佔權益（包括已發行股本及儲備）。

38. CAPITAL MANAGEMENT (Continued)

The directors review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with class of capital. Based on recommendations of the directors, the Group will balance its overall capital structure through payment of dividends, new share issue as well as the issue of new debts or repayment of existing debts.

The net debts-to-equity ratios at 31 December 2013 and 2012 were as follows:

		The Group 本集團	
		2013	2012
		HK\$' 000	HK\$' 000
		千港元	千港元
Total debts:	債務總額：		
Other payables and accruals	其他應付款項及預提費用	199,568	442,561
Borrowings	借貸	482,142	461,573
Provisions	撥備	747	971
Convertible notes	可換股票據	134,920	-
		817,377	905,105
Less: Cash and cash equivalents	減：現金及現金等價物	(17,536)	(71,114)
Pledged bank deposits	已抵押銀行存款	(7,832)	(7,954)
Net debts	債務淨值	792,009	826,037
Equity	權益	3,447,237	3,023,174
Net debts-to-equity ratio	債務淨值對權益比率	23%	27%

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

38. 資本管理(續)

董事定期對資本架構進行檢討。檢討之工作之一，為董事對資本成本及各類資本之相關風險進行審議。根據董事之建議，本集團將透過支付股息、新股發行、發行新增債務或償還現有債務，使整體資本架構保持平衡。

於2013年及2012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。

39. 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.

(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 acquired the rights and obligations of several 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 or gas 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.

39. 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。實際結果可能有別於該等估計。

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

(a) 本集團會計政策所應用之重大判斷

(i) 於中國參與石油和天然氣開採及生產

透過讓渡協議及轉讓協議，本集團收購若干開發合同之權利及責任。每份開發合同使本集團可參與石油和天然氣開採項目，於中國之油氣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，以使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。



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

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

(ii) Units of production for depreciation and amortisation

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

(iii) 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.

39. 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判斷(續)

(ii) 生產單位之折舊及攤銷

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

(iii) 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量存在性階段時，就勘探及評估支出應用本集團之會計政策需要作出判斷。釐定儲量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註銷。

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

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

(iv) *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 approval of the ODP by the NEA 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.

(i) *Impairment test of goodwill*

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating unit to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

39. 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判斷(續)

(iv) *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。本集團倚賴於國家能源局批覆整體開發計劃以及附註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。

(i) *商譽減值測試*

本集團最少每年一次釐定商譽會否減值，因此需估計獲分配商譽之現金產生單位之使用價值。本集團估計使用價值，需要預測現金產生單位之預期未來現金流量，亦需要選出合適之折現率，以計算該等現金流量之現值。



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

(b) Key sources of estimation uncertainty (Continued)

(ii) 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.

(iii) Impairment of receivables

The Group performs impairment review for doubtful debts 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.

39. 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)

(ii) 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收入及經營費用之推算作估算。該等估計之變動可能對資產之賬面值造成重大影響，並可能導致在未來期間計提額外減值開支或作出減值撥回。

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

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

(b) Key sources of estimation uncertainty (Continued)

(iv) Income taxes and deferred taxation

The Group is subject to income taxes in different 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.

(v) 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.

39. 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)

(iv) 所得稅及遞延稅項

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

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

(v) 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。

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

(b) Key sources of estimation uncertainty (Continued)

(vi) 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 depreciation rate and amortisation rate of oil and gas properties and intangible assets respectively.

Despite the inherent imprecision, engineering estimates are used in determining depreciation and amortisation charges and impairment losses. The oil and gas properties and operation rights are amortised using the units of production method based on the proven and probable oil and gas reserves.

(vii) 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(r). 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 consolidated statement of profit or loss and other comprehensive income.

39. 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) 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「探明儲量」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。探明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，探明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，並按預期基準分別反映於有關油氣資產之折舊率及無形資產之攤銷率中。

儘管工程估計存有內在不精確性，但該等估計可用作釐定折舊及攤銷費用及減值虧損。油氣資產及營運權按探明及概略油氣儲量以生產單位法攤銷。

(vii) 估計勘探及評估資產之減值

本集團根據附註4(h)及4(r)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。一項資產或一個現金產生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，或會導致綜合損益及其他全面收益表出現重大變動。

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

(b) Key sources of estimation uncertainty (Continued)

(viii) Estimation of assets retirement obligations

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

40. 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. The Group had a significant concentration of credit risk. The entire trade receivable was from one customer and the other receivables are mainly from trial sales of gas from the Sanjiao PSC as at 31 December 2013 and 2012.

39. 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)

(viii) 對資產棄置報廢之估計

本集團就油氣資產未來之棄置及重置確認撥備，其金額乃確認為估計未來開支之現值。未來開支之估計乃基於當地現有狀況及有關規定作出，包括法律規定、技術及價格水平等。除該等因素外，對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。

40. 財務風險管理

信貸、流動資金、利率、貨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賬款及銀行現金。

(i) 應收賬款及其他應收賬款

本集團之信貸風險主要來自應收賬款及其他應收賬款。管理層有既定之信貸政策，並會持續監控所承受之該等信貸風險。本集團面對重大信貸集中風險。於2013年及2012年12月31日，全部應收賬款來自一名客戶，其他應收賬款主要來自三交產品分成合同中產生的煤層氣試銷售。

40. FINANCIAL RISK MANAGEMENT (Continued)

(a) Credit risk (Continued)

(ii) Cash with banks

The Group limits its exposure to credit risk by placing cash and deposits with financial institutions that meet the established credit rating or other criteria. Given these high credit ratings, management does not expect any counterparty to fail to meet its obligations.

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Group's reputation.

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.

40. 財務風險管理(續)

(a) 信貸風險(續)

(ii) 銀行現金

本集團存放現金及存款於財務機構以減低信貸風險，該等財務機構均達到受認可信貸評級或其他標準。鑒於該等財務機構獲得信貸評級較高，管理層預期並無任何交易方不能履行其責任。

(b) 流動資金風險

流動資金風險乃本集團未能於財務責任到期時履行有關責任之風險。本集團管理流動資金之方法是盡量確保具備足夠流動資金應付到期負債，令本集團無須承擔不能接受之虧損或聲譽受損風險。

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。

40. FINANCIAL RISK MANAGEMENT (Continued)

(b) Liquidity risk (Continued)

The contractual maturities of financial liabilities are shown as below:

40. 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：

The Group 本集團		Total contractual Carrying amount	More than 1 year but less than 2 years	More than 2 years but Less than 5 years	
		cash flow	1 year or on demand	1 year but less than 2 years	Less than 5 years
		合約未折現 現金流量總額	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
		賬面值	賬面值	賬面值	賬面值
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
2013					
Non-derivatives:	非衍生：				
Other payables and accruals	其他應付款項及 預提費用	199,568	200,887	200,887	-
Borrowings	借貸	482,142	567,396	185,518	154,509
Convertible notes	可換股票據	134,920	156,962	3,000	3,000
Total	總計	816,630	925,245	389,405	157,509
2012					
Non-derivatives:	非衍生：				
Other payables and accruals	其他應付款項及 預提費用	442,561	443,501	443,501	-
Borrowings	借貸	461,573	558,885	132,269	161,161
Total	總計	904,134	1,002,386	575,770	161,161

40. 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 2013, 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\$4,821,000 (2012: HK\$4,616,000) before the consideration of capitalisation of interest. The sensitivity analysis has been determined assuming that the change in interest rates had occurred at the end of reporting period and had been applied to the exposure to interest rate risk for the borrowings in existence at that date. The 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

(d) Currency risk

The Group is exposed to currency risk primarily through recognised assets and liabilities that are denominated in a currency other than the functional currency of the operations to which they relate. At 31 December 2013 and 2012, no related hedges were made by the Group.

40. 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2013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4,821,000港元(2012年：4,616,000港元)(不計及資本化利息)。敏感度分析乃假設利率變動於報告期間結束時已發生，且已計入於該日存在之借貸利率風險後釐定。增加或減少100個基點為管理層對下一年度報告日期之前期間利率之可能合理變動之估計。

(d) 貨幣風險

本集團承受之貨幣風險主要源自以有關業務之功能貨幣以外之貨幣計值之已確認資產及負債。於2013年及2012年12月31日，本集團並無作出相關對沖。

40. 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

		2013			2012		
		Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元	Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元
Trade and other receivables	應收賬款及其他應收賬款	-	320	8	-	114	8
Notes receivable *	應收票據*	1,949	-	-	1,949	-	-
Deposits paid	已付按金	-	-	17	-	-	14
Cash and cash equivalents	現金及現金等價物	1	1,022	469	1	28	12
Amounts due from group companies	應收集團公司款項	-	-	104,779	-	5,645	287,810
Trade and other payables	應付賬款及其他應付款項	-	(560)	(40)	-	(1,021)	(10,042)
Amounts due to group companies	應付集團公司款項	-	(185,361)	(1000)	-	(5,645)	-
Amounts due to directors	應付董事款項	-	-	-	-	-	(15,000)
Overall net exposure	整體風險淨值	1,950	(184,579)	104,233	1,950	(879)	262,802

* Included in interest in a joint venture

40. 財務風險管理(續)

(d) 貨幣風險(續)

(i) 所承受之貨幣風險

下表載列本集團於報告期間結束時因確認以有關實體之功能貨幣以外之貨幣計值之資產或負債而承受之貨幣風險詳情。敏感度分析包括集團內公司間之結餘，而該等結餘乃以貸方或借方之功能貨幣以外之貨幣計值。

本集團

		2013			2012		
		Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元	Australian dollars 澳元 '000 千元	USD 美元 '000 千元	RMB 人民幣 '000 千元
Trade and other receivables	應收賬款及其他應收賬款	-	320	8	-	114	8
Notes receivable *	應收票據*	1,949	-	-	1,949	-	-
Deposits paid	已付按金	-	-	17	-	-	14
Cash and cash equivalents	現金及現金等價物	1	1,022	469	1	28	12
Amounts due from group companies	應收集團公司款項	-	-	104,779	-	5,645	287,810
Trade and other payables	應付賬款及其他應付款項	-	(560)	(40)	-	(1,021)	(10,042)
Amounts due to group companies	應付集團公司款項	-	(185,361)	(1000)	-	(5,645)	-
Amounts due to directors	應付董事款項	-	-	-	-	-	(15,000)
Overall net exposure	整體風險淨值	1,950	(184,579)	104,233	1,950	(879)	262,802

* 納入於一家合營企業之權益

40. FINANCIAL RISK MANAGEMENT (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's loss 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 and accumulated losses where the HKD weakens against the relevant currency. For a strengthening of the HKD against the relevant currency, there would be an equal and opposite impact on loss and accumulated losses, and the balances below would be negative.

The Group

40. 財務風險管理 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析

下表顯示於報告期間結束時對本集團構成重大風險之外匯匯率之可能合理變動造成本集團除所得稅支出後虧損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。倘港元兌相關貨幣疲弱，以下正數表示虧損及累計虧損之減少。當港元兌有關貨幣強勁，則可能對虧損及累計虧損造成金額等同但相反之影響，故以下結餘可能會為負數。

本集團

		2013		2012	
		Decrease in loss after taxation and Weakening accumulated in HKD losses 除稅後 虧損 及累計虧 損減少 港元貶值 %		Decrease in loss after taxation and Weakening accumulated in HKD losses 除稅後 虧損 及累計虧 損減少 港元貶值 %	
		HK\$'000 千港元		HK\$'000 千港元	
RMB	人民幣	2%	2,670	1%	3,269
Australian dollars	澳元	3%	405	3%	468

40. 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 or loss after income tax expense and equity measured in the respective functional currencies, translated into HKD at the exchange rate ruling at the end of reporting period for presentation purposes. The analysis is performed on the same basis for 2012.

(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 price 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.

40. 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之可能合理變動之評估。就此而言，假定港元及美元之聯繫匯率不會受到美元兌其他貨幣之任何價值變動之重大影響。上表列示之分析結果指對本集團旗下各實體按各功能貨幣計算並按報告期間結束時之現行匯率換算為港元以供呈列之用之除所得稅支出後損益及權益之影響總額。該分析乃按與2012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值之間並無重大差異。



41. PERFORMANCE BONDS – THE GROUP

Pursuant to the terms of the supplementary agreement in respect of the Sanjiao PSC, the Group has procured a bank to provide performance bonds in favour of PetroChina for guarantee of OEI's performance of its obligations in the extended phase of the exploration period of the Sanjiao PSC. As at 31 December 2013, the aggregate amount of outstanding performance bonds totalled approximately HK\$7,754,000 (2012: HK\$7,754,000). The aforesaid performance bond facilities are secured by the pledge of the Group's bank deposits (note 26).

In the opinion of the Directors, the financial impact arising from providing the above performance bonds is immaterial and accordingly, they are not accounted for in these financial statements.

42. COMMITMENTS**Group****(a) Operating lease commitments – Lessee**

As at 31 December 2013 and 2012, the total future minimum lease payments under non-cancellable operating leases were payable as follows:

Within 1 year	1年內
After 1 year but within 5 years	1年後但5年內

The Group is the lessee of a number of properties held under operating leases. The leases typically run for an initial period of one to five years without an extension option. None of the leases includes contingent rentals.

41. 履約保證金 – 本集團

根據有關三交產品分成合同補充協議之條款，本集團已促使一家銀行就擔保奧瑞安在三交產品分成合同勘探期延長階段履行其責任以中石油為受益人提供履約保證金。於2013年12月31日，未支付的履約保證金總額約為7,754,000港元（2012年：7,754,000港元）。上述履約保證金融資乃以本集團已抵押銀行存款作擔保（附註26）。

董事認為，提供上述履約保證金產生之財務影響並不重大，因此，並無將其計入此等財務報表。

42. 承擔**本集團****(a) 經營租賃承擔 – 承租人**

於2013年及2012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	
		2013 HK\$' 000 千港元	2012 HK\$' 000 千港元
Within 1 year	1年內	2,354	5,731
After 1 year but within 5 years	1年後但5年內	537	1,861
		2,891	7,592

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5年，並無續期選擇權。所有租賃概無包括或有租金。

42. COMMITMENTS (Continued)**(b) Operating lease commitments – Lessor**

The minimum rent receivables under non-cancellable operating leases are as follows:

		The Group 本集團	
		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Within 1 year	1年內	2,092	–
After 1 year but within 5 years	1年後但5年內	1,333	–
		3,425	–

The Group sub-leases certain of its properties in the PRC under operating leases. The sub-leasing of properties in PRC usually run for one to five years (2012: nil). Lease payment is negotiated and concluded in a contract. None of the leases includes contingent rentals.

(c) Capital commitments*(i) Authorised for but no contracted*

As at 31 December 2013 and 2012, the Group was committed to develop in total 9 (2012: 9) 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\$10.6 million (2012: HK\$10.3 million).

(ii) Contracted but not provided for

Commitments in respect of the Sanjiao PSC

就三交產品分成合同之承擔

Company

The Company did not have any significant operating lease, sub-leasing and capital commitments as at 31 December 2013 and 2012.

42. 承擔(續)**(b) 經營租賃承擔 – 出租人**

不可撤銷的經營租賃之最低應收租金如下：

		The Group 本集團	
		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Within 1 year	1年內	2,092	–
After 1 year but within 5 years	1年後但5年內	1,333	–
		3,425	–

本集團於中國根據經營租賃分租若干物業。於中國分租物業一般為期1至5年(2012年：無)。租金乃協商而定，並於合同內訂明。所有租賃概無包括或有租金。

(c) 資本承擔*(i) 已授權但未訂約*

於2013年及2012年12月31日，本集團致力根據柳洛峪油田及閩家灣油田開發合同開發合共9個(2012年：9個)新油井。估計開發該等新油井之資本支出總額為10,600,000港元(2012年：10,300,000港元)。

(ii) 已訂約但未撥備

就三交產品分成合同之承擔

本公司

於2013年及2012年12月31日，本公司概無任何重大經營租賃、分租及資本承擔。

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 2013, a provision of HK\$747,000 (2012: HK\$971,000) was made in the consolidated statement of financial position (note 29).

44. MATERIAL RELATED PARTY TRANSACTIONS

Other than disclosed elsewhere in the financial statements, no related party transactions have been entered into during the year which might reasonably affect any decisions made by the users of these consolidated financial statements

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後果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2013年12月31日，綜合財務狀況表內作出了747,000港元(2012年：971,000港元)之撥備(附註29)。

44. 重大關連人士交易

除財務報表內另行披露者外，年內概無訂立可能對該等綜合財務報表使用者任何已作出之決定產生合理影響之關連人士交易。

44. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

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 other four (2012: five) senior management personnel are as follows:

		2013 HK\$'000 千港元	2012 HK\$'000 千港元
Short-term employee benefits	短期僱員福利	13,687	13,947
Post-employment benefits	離職後福利	-	-
		13,687	13,947

The above remuneration is included in "staff costs" (note 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 2013 and 2012 may be categorised as follows:

		2013 HK\$'000 千港元	2012 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)	102,031	126,553
Financial liabilities	財務負債		
Financial liabilities measured at amortised cost	按攤銷成本計量之 財務負債	816,630	904,134

44. 重大關連人士交易(續)

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四名(2012年:五名)其他高級管理人員支付之款項)如下:

以上酬金乃計入「員工成本」中(附註8(b))。

45. 財務資產及財務負債之分類概要

於2013年及2012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:



46. EVENTS AFTER THE REPORTING PERIOD

- (a) On 13 January 2014, the Company entered into subscription agreements with six subscribers for allotting and issuing a total of 300,000,000 shares at a price of HK\$0.22 per share. The net proceeds of approximately HK\$65,800,000 are to be used for operations of the Group's existing oil and gas projects and working capital.
- (b) On 17 March 2014, the Group has obtained a facility of HK\$100,000,000 from a company that is wholly owned by a state-owned financial enterprise (which is the holding company of a corporate shareholder of the Company). The facility is to be utilised as general working capital of the Group. Details are disclosed in the Company's announcement dated 17 March 2014.

47. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board of Directors on 21 March 2014.

46. 報告期後事項

- (a) 於2014年1月13日，本公司與六名認購人訂立認購協議，以按每股0.22港元之價格配發及發行合共300,000,000股股份。所得款項淨額約65,800,000港元，將用作營運本集團現有之油氣項目及一般營運資金。
- (b) 於2014年3月17日，本集團向一間國有金融企業（其為本公司其中一名企業股東之控股公司）之全資附屬公司取得貸款額度100,000,000港元。貸款作為本集團一般營運資金。有關詳情已於2014年3月17日之本公司公佈中披露。

47. 財務報表之審批

財務報表已由董事會於2014年3月21日審批及授權刊發。



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

