



MIE HOLDINGS CORPORATION

MI 能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

(Stock code 股份代號: 1555)

2018

Interim Report

中期報告



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Company Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Ruilin (Chairman)
Mr. Zhao Jiangwei

Non-executive Directors

Ms. Xie Na
Mr. Jiao Qisen
(appointed with effect from January 29, 2018)

Independent Non-executive Directors

Mr. Mei Jianping
Mr. Jeffrey Willard Miller
Mr. Guo Yanjun

REGISTERED ADDRESS

Maples Corporate Services Limited
P. O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

BEIJING OFFICE

Suite 1501, Block C
Grand Place
5 Hui Zhong Road
Chaoyang District
Beijing 100101
China

董事會

執行董事

張瑞霖先生(主席)
趙江巍先生

非執行董事

謝娜女士
焦祺森先生
(於二零一八年一月二十九日獲委任)

獨立非執行董事

梅建平先生
Jeffrey Willard Miller 先生
郭燕軍先生

註冊地址

Maples Corporate Services Limited
P. O. Box 309
Ugland House
Grand Cayman KY1-1104
Cayman Islands

香港主要營業地點

香港
皇后大道東183號
合和中心54樓

北京辦公室

中國
北京朝陽區
慧忠路5號
遠大中心C座1501室
郵編100101

Company Information

公司資料

LISTING INFORMATION

Stock Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 01555

Senior Notes Listing

The Company's 6.875%, 5 years senior notes due 2018
The Singapore Exchange Securities Trading Limited
(repaid in full on February 6, 2018)

The Company's 7.5%, 5 years senior notes due 2019
The Singapore Exchange Securities Trading Limited

WEBSITE ADDRESS

www.mienergy.com.cn

COMPANY SECRETARY

Ms. Wong Sau Mei (ACS, ACIS)

AUTHORIZED REPRESENTATIVES

Mr. Zhang Ruilin

Ms. Wong Sau Mei (ACS, ACIS)

MEMBERS OF AUDIT COMMITTEE

Mr. Jeffrey Willard Miller (Chairman)

Mr. Mei Jianping

Mr. Guo Yanjun

MEMBERS OF REMUNERATION COMMITTEE

Mr. Mei Jianping (Chairman)

Mr. Jeffrey Willard Miller

Mr. Guo Yanjun

MEMBERS OF NOMINATION COMMITTEE

Mr. Mei Jianping (Chairman)

Mr. Jeffrey Willard Miller

Mr. Guo Yanjun

上市資料

股份上市

香港聯合交易所有限公司
股份代號：01555

優先票據上市

本公司年息6.875%，於二零一八年到期為期5年的優先票據於新加坡證券交易所有限公司上市
(已於二零一八年二月六日全部償還)

本公司年息7.5%，於二零一九年到期為期5年的優先票據於新加坡證券交易所有限公司上市

公司網址

www.mienergy.com.cn

公司秘書

黃秀美女士 (ACS, ACIS)

授權代表

張瑞霖先生

黃秀美女士 (ACS, ACIS)

審核委員會成員

Jeffrey Willard Miller 先生 (主席)

梅建平先生

郭燕軍先生

薪酬委員會成員

梅建平先生 (主席)

Jeffrey Willard Miller 先生

郭燕軍先生

提名委員會成員

梅建平先生 (主席)

Jeffrey Willard Miller 先生

郭燕軍先生

Company Information

公司資料

INDEPENDENT TECHNICAL CONSULTANT

Ryder Scott Company, L.P.
Sproule Associates Limited
Gaffney, Cline & Associates Limited
GLJ Petroleum Consultants Limited

INDEPENDENT AUDITOR

PricewaterhouseCoopers

LEGAL ADVISERS TO THE COMPANY

Dechert (As to Hong Kong law)
Jingtian & Gongcheng Law Firm (As to PRC law)
Maples and Calder (As to Cayman Islands law)

PRINCIPAL BANKERS

Citibank, N.A.
China Construction Bank Corporation Limited
Canadian Imperial Bank of Commerce

VALUER

Jones Lang LaSalle Sallmanns Limited
Asia-Pacific Consulting and Appraisal Limited
KPMG LLP

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples FS Limited
P. O. Box 1093, Queensgate House
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22 Hopewell Centre
183 Queen's Road East
Hong Kong

獨立技術顧問

Ryder Scott Company, L.P.
Sproule Associates Limited
Gaffney, Cline & Associates Limited
GLJ Petroleum Consultants Limited

獨立核數師

羅兵咸永道會計師事務所

本公司法律顧問

德杰律師事務所(香港法律)
競天公誠律師事務所(中國法律)
Maples and Calder (開曼群島法律)

主要往來銀行

花旗銀行
中國建設銀行股份有限公司
加拿大帝國商業銀行

估值師

仲量聯行西門有限公司
亞太評估諮詢有限公司
畢馬威會計師事務所

開曼群島主要股份過戶登記處

Maples FS Limited
P. O. Box 1093, Queensgate House
Grand Cayman
KY1-1102
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心22樓

Financial Summary

財務摘要

		Unaudited 未經審核	
		Six months ended June 30, 截至六月三十日止六個月	
		2018 二零一八年	2017 二零一七年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Revenue	總收益	1,205,868	336,395
EBITDA	EBITDA	193,059	(236,766)
Adjusted EBITDA	經調整 EBITDA	313,782	205,067
Loss for the period	本期虧損	(521,253)	(673,546)
Basic losses per share (RMB per share)	基本每股虧損 (每股人民幣)	(0.180)	(0.240)
Diluted losses per share (RMB per share)	稀釋每股虧損 (每股人民幣)	(0.180)	(0.240)

		As at 於	
		June 30, 2018 二零一八年 六月三十日	December 31, 2017 二零一七年 十二月三十一日
		RMB'000 人民幣千元	RMB'000 人民幣千元
Property, plant and equipment	不動產、工廠及設備	6,247,112	7,719,859
Cash and cash equivalents	現金及現金等價物	83,596	132,172
Total assets	資產總額	8,945,944	11,308,343
Total equity	權益總額	(879,428)	(268,461)

Operating Summary

營運摘要

		Six months ended June 30,	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
Properties Held by Subsidiaries 附屬公司所持資產			
Sales volume 銷量			
Crude oil (barrels)	原油 (桶)	1,516,672	1,033,617
China oilfields	中國油田	837,643	1,028,156
USA (Condor)	美國 (Condor)	4,036	5,461
Canada (Canlin)	加拿大 (Canlin)	674,993	–
NGL (barrels) (Note 1)	天然氣凝析液 (桶) (附註 1)	279,851	–
Canada (Canlin)	加拿大 (Canlin)	279,851	–
Gas (Mscf)	天然氣 (千標準立方英尺)	44,872,989	9,637
USA (Condor)	美國 (Condor)	–	886
China oilfields	中國油田	519	8,751
Canada (Canlin)	加拿大 (Canlin)	44,872,470	–
Total (BOE) (Note 2)	合計 (桶當量) (附註 2)	9,275,355	1,035,223
Net production volume 淨產量			
Crude oil (barrels)	原油 (桶)	1,538,686	1,017,291
China oilfields	中國油田	859,576	1,011,875
USA (Condor)	美國 (Condor)	4,117	5,416
Canada (Canlin)	加拿大 (Canlin)	674,993	–
NGL (barrels)	天然氣凝析液 (桶)	279,851	–
Canada (Canlin)	加拿大 (Canlin)	279,851	–
Gas (Mscf)	天然氣 (千標準立方英尺)	44,875,045	11,740
USA (Condor)	美國 (Condor)	2,056	2,989
China oilfields	中國油田	519	8,751
Canada (Canlin)	加拿大 (Canlin)	44,872,470	–
Total (BOE) (Note 2)	合計 (桶當量) (附註 2)	9,297,711	1,019,248
Average daily net production volume 日平均淨產量			
Crude oil (barrels)	原油 (桶)	8,804	5,620
China oilfields	中國油田	5,052	5,590
USA (Condor)	美國 (Condor)	23	30
Canada (Canlin)	加拿大 (Canlin)	3,729	–
NGL (barrels)	天然氣凝析液 (桶)	1,546	–
Canada (Canlin)	加拿大 (Canlin)	1,546	–
Gas (Mscf)	天然氣 (千標準立方英尺)	247,931	65
USA (Condor)	美國 (Condor)	11	17
China oilfields	中國油田	6	48
Canada (Canlin)	加拿大 (Canlin)	247,914	–
Total (BOE) (Note 2)	合計 (桶當量) (附註 2)	51,672	5,632

Note (1): Natural Gas Liquid

Note (2): Based on the conversion ratio of 1 barrel of oil to 6 Mscf.

附註(1): 天然氣凝析液

附註(2): 基於6千標準立方英尺天然氣=1桶原油的換算比例計算。

Operating Summary

營運摘要

Six months ended June 30,

截至六月三十日止六個月

2018

2017

二零一八年

二零一七年

Properties Held by Subsidiaries 附屬公司所持資產			
Average realized price	平均實現價格		
Crude oil (US\$ per barrel of crude oil)	原油 (美元/每桶原油)		
		59.68	47.10
China oilfields	中國油田	62.34	47.10
USA (Condor)	美國 (Condor)	62.43	46.85
Canada (Canlin)	加拿大 (Canlin)	56.36	–
NGL (barrels)	天然氣凝析液 (桶)	24.70	–
Canada (Canlin)	加拿大 (Canlin)	24.70	–
Gas (US\$ per Mscf)	天然氣 (美元/千標準立方英尺)	1.24	6.33
USA (Condor)	美國 (Condor)	–	4.68
China oilfields	中國油田	6.52	6.50
Canada (Canlin)	加拿大 (Canlin)	1.24	–
Lifting costs (US\$ per BOE)	採油成本 (美元/每桶當量)	9.37	7.57
China oilfields (Note 3)	中國油田 (附註 3)	10.69	7.57
Canada (Canlin)	加拿大 (Canlin)	9.29	–
Wells drilled during the period (Gross)	期內鑽井數 (總數)	8	9
China oilfields	中國油田	8	9
Successful	成功井	8	9
Dry	乾井	–	–
USA (Condor)	美國 (Condor)	–	–
Successful	成功井	–	–
Dry	乾井	–	–
Canada (Canlin)	加拿大 (Canlin)	–	–
Successful	成功井	–	–
Dry	乾井	–	–

Note (3): Lifting cost includes directly controllable costs to produce a barrel of oil. Other production costs such as safety fee, environment expenses, technical & research expenses and overhead have not been included above since they are not directly attributable to the production of a barrel of oil.

附註(3)：採油成本包括生產一桶石油直接可控制成本。其他生產成本如安全費、環境費用、技術及研究開支以及經常性費用並不包括在內，原因是該等成本並非生產一桶石油的直接成本。

Operating Summary

營運摘要

		Six months ended June 30,	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
Properties Held by Equity-accounted entities (Group share)	按權益入賬的實體所持資產(本集團應佔部分)		
Sales volume	銷量		
Crude oil (barrels)	原油(桶)	193,236	187,719
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	193,236	187,719
Export sales	出口銷售	147,689	144,736
Domestic sales	國內銷售	45,547	42,983
Gas (Mscf)	天然氣(千標準立方英尺)	285,173	359,823
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	285,173	359,823
Net production volume	淨產量		
Crude oil (barrels)	原油(桶)	205,525	173,604
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	205,525	173,604
Gas (Mscf)	天然氣(千標準立方英尺)	301,901	378,762
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	301,901	378,762
Average daily net production volume	日平均淨產量		
Crude oil (barrels)	原油(桶)	1,135	959
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	1,135	959
Gas (Mscf)	天然氣(千標準立方英尺)	1,668	2,093
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	1,668	2,093

Operating Summary

營運摘要

		Six months ended June 30,	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
Properties Held by Equity-accounted entities (Group share)	按權益入賬的實體所持資產(本集團應佔部分)		
Average realized price	平均實現價格		
Crude oil (US\$ per barrel of crude oil)	原油(美元/每桶原油)		
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	57.01	43.18
Export sales	出口銷售	69.02	52.51
Domestic sales	國內銷售	18.06	11.78
Gas (US\$ per Mscf)	天然氣(美元/千標準立方英尺)	0.62	0.62
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	0.62	0.62
Lifting costs (US\$ per barrel of crude oil) (Note 2)	採油成本(美元/每桶原油)(附註2)	3.81	3.12
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	3.81	3.12
Wells drilled during the period (Gross)	期內鑽井數(總數)	1	—
Kazakhstan (Emir-Oil)	哈薩克斯坦(Emir-Oil)	1	—
Successful	成功井	1	—
Dry	乾井	—	—

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW AND PROSPECTS

In the first half of 2018 (“1H2018”, the “Current Period”, or the “Period”), in response to a complicated economic environment of bullish global crude oil prices paralleled with suppressed Canadian natural gas pricing, MIE Holdings Corporation (the “Company”), together with its subsidiaries (collectively, the “Group”), strategically increased investment in crude production by drilling new oil wells and enhancing production on vintage well bores, while reduced capital expenditures on natural gas assets in Canada. In 1H2018, both the gross and net hydrocarbon production of the Group increased remarkably compared to the first half of 2017 (“1H2017” or the “Prior Period”) due to the Group’s acquisition of 100% interest in CQ Energy Canada Partnership, a Canadian oil and gas exploration and development company, through a wholly-owned subsidiary in Canada, Canlin Energy Corporation (“Canlin Energy” or “Canlin”), in the second half of 2017 (“Canlin Acquisition”). The Group’s gross oil and gas production increased by 3.38 times to about 10.47 million barrels of oil equivalent (“BOE”), while net production increased by 8.11 times to about 9.29 million BOE compared to the Prior Period. During the Current Period, the Group’s net crude sales increased by 48.0% to approximately 1.51 million barrels, and Group’s net natural gas sales was 44.87 billion standard cubic feet (“MMscf”). During the Current Period, the average realized crude price of the Group increased by 26.7% to US\$59.68 per barrel, while average realized natural gas price decreased to US\$1.24 per thousand standard cubic feet (“Mscf”). As a result of Canlin Acquisition and crude oil price rebound in the Current Period, the Group’s realized sales revenue increased by 2.58 times to RMB1,206 million compared to 1H2017. Reported EBITDA in Current Period is RMB193 million, an increase of RMB430 million compared to the Prior Period. The adjusted EBITDA increased by 53.0% to approximately RMB314 million in the Current Period. In 1H2018, the Group reported a net loss of RMB521 million, a RMB152 million improvement versus the Prior Period.

業務回顧及前景

二零一八年上半年(「本期間」)，基於國際原油價格持續上升而加拿大天然氣價格持續走低的複雜經濟環境，MI能源控股有限公司(「本公司」)與其子公司(並稱「本集團」)策略性地增加油田項目的資本開支，支持老井增產以及新井開發，同時降低加拿大天然氣項目的資本開支。二零一八年上半年本集團的油氣作業量、淨產量較之二零一七年同期(「前期」)均有較大幅度上升，這是由於二零一七年下半年本集團通過加拿大的全資子公司麒麟能源公司(「麒麟能源」或「麒麟」)成功收購了一家位於加拿大阿爾伯塔省的油氣公司CQ Energy Canada Partnership的100%合夥權益(「麒麟收購」)。本期間本集團的油氣作業產量較之前期增加3.38倍至約10.47百萬桶當量，油氣淨產量較之前期增加8.11倍至約9.29百萬桶當量。本集團的原油淨銷量較之前期上升48.0%至約1.51百萬桶，天然氣淨銷量44.87億標準立方英尺。本期間，本集團平均實現原油價格上升26.7%至59.68美元/桶，平均實現天然氣價格下降至1.24美元/千標準立方英尺。由於麒麟收購以及原油價格的大幅回升，二零一八年上半年實現的銷售收入較之前期增加2.58倍至12.06億元人民幣。EBITDA錄得人民幣1.93億元，較2017年上半年增加人民幣4.30億元。經調整的EBITDA同比上升53.0%至約人民幣3.14億元。本期間，本集團錄得淨虧損為人民幣5.21億元，較去年同期減虧人民幣1.52億元。

Management Discussion and Analysis

管理層討論及分析

The following table sets out a summary of the expenditures incurred in our exploration, development, and production activities for the six months ended June 30, 2018:

以下是本集團截至二零一八年六月三十日止六個月發生的勘探、開發及生產支出的匯總數據：

(RMB millions) (人民幣百萬元)		Exploration expenditures 勘探支出	Development expenditures 開發支出	Production/ operating expenditures 生產成本
China Onshore Projects (Daan, Moliqing)	中國陸地項目 (大安、莫里青)	-	24	59
USA (Condor)	美國(Condor)	-	-	1
Canada (Canlin Energy)	加拿大 (麒麟能源)	-	86	500
Total	合計	-	110	560

The Group incurred development expenses of RMB110 million during the six months ended June 30, 2018, of which RMB24 million was incurred in China and RMB86 million was incurred in Canadian operations; the production expenses amounted to RMB560 million, of which RMB59 million was incurred in China, RMB500 million was incurred in Canadian operations, and RMB1 million was incurred in operations in the US.

截至二零一八年六月三十日止的六個月內，本集團發生開發支出人民幣110百萬元，其中中國境內項目支出人民幣24百萬元，加拿大項目支出人民幣86百萬元；發生生產支出人民幣560百萬元，其中中國境內項目支出人民幣59百萬元，加拿大項目支出人民幣500百萬元，美國項目支出人民幣1百萬元。

Management Discussion and Analysis

管理層討論及分析

China Operations (Daan, Moliqing, South China Sea)

In 1H2018 the Group strategically acquired 10% foreign contractor's participating interest in the Daan production sharing contract ("PSC") and Moliqing PSC. In Northeastern China, the Group held 100% interest in the Daan PSC and 10% interest in the Moliqing PSC starting from April 2018. In 1H2018, the average realized oil price of the Daan and Moliqing projects increased by 32.4% from US\$47.10 per barrel during the Prior Period US\$62.34 per barrel. As the price of crude oil rebounds, the Group increased capital expenditure on drilling new oil wells and enhancing production on old wells in order to maintain Daan project's high production level. The Daan project planned to drill 29 wells throughout the year, eight wells were actually drilled in 1H2018. 859,600 barrels of oil were attributed to the Group from Daan and Moliqing projects in 1H2018. The net daily production volume from the Daan project and Moliqing Project decreased 9.6%, from 5,590 barrels per day ("BPD") in 1H2017 to 5,052 BPD in 1H2018 primarily due to the divestment of 90% foreign contractor's interest in the Moliqing PSC on December 15, 2017.

As of June 30, 2018, the Group held a 34% interest in the South China Sea Project. China National Offshore Oil Corp. ("CNOOC") has been engaged to complete a feasibility study report and overall development plan ("ODP") for the oilfield development. The oilfield development feasibility study report was reviewed by CNOOC in July 2018, and the ODP is scheduled to be completed in December 2018. A successful development of the block would help the Group to gain experiences in offshore petroleum operations.

中國業務(大安、莫里青、南海項目)

二零一八年上半年，本集團策略性的收購大安產品分成合同及莫里青產品分成合同10%外國合同者參與權益。自四月起本集團在中國東北共持有大安產品分成合同100%外國合同者參與權益以及莫里青產品分成合同10%外國合同者參與權益。二零一八年上半年大安與莫里青平均實現油價較二零一七年上半年的47.10美元／桶上升32.4%，至62.34美元／桶。隨著原油價格的回升，集團策略性的增加資本開支，支持老井增產以及新井開發，使大安項目保持較高的產量水平。大安項目全年計劃鑽井29口，上半年實際鑽井8口。二零一八年上半年，大安項目和莫里青項目歸屬於本集團的份額原油產量合計為85.96萬桶。由於本集團於二零一七年十二月十五日已出售莫里青產品分成合同的90%權益，大安及莫里青項目每日淨產量從二零一七年上半年5,590桶／日，下降9.6%至5,052桶／日。

截至二零一八年六月三十日本集團在南海項目擁有34%的權益。南海項目已委託中國海洋石油有限公司(「中海油」)著手編製油田開發可研報告和總體開發方案，為區塊的開發做準備。油田開發可研報告已於今年七月通過中海油總公司審查，總體開發方案計劃於二零一八年十二月完成。該區塊的成功開發，將為本集團在海上油田的操作積累很好的經驗。

Management Discussion and Analysis

管理層討論及分析

North America Operations

- *Canada (Canlin Energy, Journey)*
Canadian natural gas prices have been bearish in 1H2018, and AECO prices in Canada have reached their lowest levels in recent years in June. Canlin Energy, like other gas-weighted Canadian producers, implemented measures to manage natural gas production, including tighter control of capital expenditures to endure the prolonged low price environment. In the meantime, Canlin Energy continued to optimize management, fine tune portfolio management, improve operating efficiency, and use financial instruments to hedge risks from commodity price fluctuations.

In 1H2018, Canlin Energy achieved production of 8.43 million BOE with 44.872 billion standard cubic feet (“Bscf”) of natural gas, 0.28 million barrels of natural gas liquid (“NGL”) and 0.67 million barrels of oil. The average daily production of nature gas was 247.91 MMscf per day, the average daily NGL production was 1,546 BPD and the average daily production of crude oil was 3,729 BPD. During 1H2018, Canlin Energy average realized prices at US\$1.24/Mscf for natural gas and US\$56.36/bbl for oil. The gross revenue of Canlin Energy was RMB871 million, which accounted for 72.2% of the Group’s total revenue. The adjusted EBITDA was RMB119.4 million, which accounted for 38.1% of the Group’s adjusted EBITDA.

北美業務

- *加拿大(麒麟能源·Journey)*
二零一八年上半年加拿大天然氣價格持續低迷，加拿大AECO天然氣價格在六月達到近年來最低值。像其他以天然氣為主要產品的加拿大油氣公司一樣，麒麟能源策略性地主動減少不經濟的天然氣產量，縮減資本開支，關閉部分不經濟的天然氣生產設施，以應對低迷的氣價。同時麒麟能源不斷優化管理，改善人員及資產配置，努力降低操作成本，並使用金融工具對沖油氣價格波動給公司帶來的風險。

麒麟能源於二零一八年上半年累計實現油氣總產量為8.43百萬桶油當量，其中產天然氣448.72億立方英尺，天然氣凝析液0.28百萬桶，原油0.67百萬桶，實現天然氣平均日產量247.91百萬立方英尺／天，天然氣凝析液平均日產量1,546桶／天，原油平均日產量3,729桶／天。上半年麒麟能源實現平均天然氣價為1.24美元／千立方英尺，平均油價56.36美元／桶，其錄得總收入為人民幣8.71億元，佔集團總收入的72.2%。調整後的EBITDA為人民幣119.4百萬元，佔集團調整後EBITDA的38.1%。

Management Discussion and Analysis

管理層討論及分析

In 1H2018, Canlin Energy disposed of certain oil and gas reserves and infrastructures, including gathering pipelines and an operated gas plant, in the Carrot Creek and Cyn Pem fields located in central Alberta, Canada for a consideration of approximately C\$59.1 million, after interim adjustments pursuant to the agreement which was used for the repayment of bank borrowings.

Journey Energy Inc. (“Journey”) drilled six wells in 1H2018. The average daily production was 10,076 barrels of oil equivalent per day (“BOED”), 1.2% lower than the average daily production of 10,194 BOED in 1H2017. In consideration of our going forward strategy to focus on the development of core asset, the Group disposed of all of the issued share capital of Journey held by it by August 2018.

- *USA (Condor)*
The average daily production of crude oil during the Current Period was 23 BPD, having decreased by 23.3% from the Prior Period’s 30 BPD; and the average daily production of natural gas in the Current Period was 11 Mscf per day, having decreased by 35.3% from 17Mscf per day during the Prior Period. In consideration of our going forward strategy to focus on the development of core asset, the Group disposed of all of the issued share capital of Condor Energy Technology LLP (“Condor”) held by it in August 2018.

二零一八年上半年，麒麟能源處置了位於加拿大阿爾伯塔省中部 Carrot Creek 及 Cyn Pem 油田之油氣儲量及相關基礎設施，包括集輸管道及一個天然氣處理廠，根據協議經初步調整後的代價約為 59.1 百萬加元，用以償還銀行借款。

加拿大 Journey 能源公司（「Journey」）二零一八年上半年鑽完井六口，產量為每天 10,076 桶油當量，相較於二零一七年上半年每天 10,194 桶油當量，產量下降 1.2%。集團出於未來專注於核心資產發展的戰略考慮，二零一八年八月本集團已處置本集團所持有的 Journey 公司全部已發行股本。

- *美國 (Condor)*
本期原油日平均產量 23 桶，比去年同期產量每日 30 桶，下降 23.3%，天然氣日平均產量 11 千立方英尺，比去年同期 17 千立方英尺，下降 35.3%。集團出於未來專注於核心資產發展的戰略考量，二零一八年八月本集團已處置本集團所持有的 Condor Energy Technology LLP（「Condor」）全部已發行股本。

Management Discussion and Analysis

管理層討論及分析

Kazakhstan Operations (Emir-Oil)

With the recovery of crude prices, Emir-Oil increased its production in 1H2018, with 24 wells producing at its peak. The net production during the Period was 205,500 barrels, an increase of 31,900 barrels or 18.4% compared to 1H2017. The daily crude net production was 1,135 BPD an increase of 176 BPD compared to 1H2017.

Overall, in response to the rapid rebound of crude oil prices in 1H2018, the Group made timely adjustments to its original annual production plan and directed capital into crude developments, including new well drillings and re-completion of old wells which resulted in significant boost to crude production. The disposal of non-core assets in 1H2018 lowered debt levels and interest burden thereby strengthened the balance sheet. As natural gas prices remained low in Canada in 1H2018, Canlin Energy's production volume has yet to contribute to the Group's profitability; the free cash flow generated from the Northeastern China oilfields played an irreplaceable role in the Group's operation in the Period.

OUTLOOK FOR 2018

In 1H2018, despite concerns around potential trade disputes, the world economy continued to grow and fostered strong growth in oil demand. The OECD crude inventories returned to their normal levels. Supported by the strong demand, oil prices rebounded rapidly in 1H2018. Uncertainties still exist on the supply side, however these uncertainties could drive crude price's continuous upswing and support a high price range in the second half of 2018 ("2H2018"). Canadian natural gas price suffered in 1H2018 and had reached its lowest levels in recent years. Considering seasonality of demand, the market speculates that natural gas price could come back in 2H2018.

哈薩克斯坦業務 (Emir-Oil)

隨著油價的回升，Emir-Oil項目二零一八年上半年積極增產，最多時有24口油井同時生產。二零一八年上半年淨產量20.55萬桶，較二零一七年上半年增加3.19萬桶，或18.4%，平均原油淨日產量為每天1,135桶，較二零一七年上半年增加176桶/天。

總體而言，為應對二零一八年上半年油價持續快速上升的情況，本集團對年初制定的生產計劃做出迅速調整，大幅增加油田資本開支，支持老井增產以及新井開發，快速增加原油產能。上半年本集團處置了部分非核心資產，降低了債務水平，減輕了利息負擔以此鞏固資產負債表。由於上半年加拿大天然氣價格持續低迷，麒麟能源較高的產能規模對本集團的利潤貢獻尚不明顯，因此二零一八上半年由中國東北油田項目所貢獻的自由現金流對於本集團的發展至關重要。

二零一八年展望

二零一八年上半年，儘管存在潛在貿易爭端，世界經濟仍然保持增長，並強勁拉動石油需求。經合組織國家的石油庫存已恢復到正常水平。在需求強勁增長的支撐下，油價在上半年快速走高。雖然供應端存在一些不確定因素，但這些不確定因素可能有助於維持油價的快速上行，並在下半年繼續保持高位。然而，加拿大天然氣價格在上半年持續低迷，並維持在近年來的低值。考慮到天然氣需求的季節性變化，市場普遍預期天然氣價格有望在下半年觸底回升。

Management Discussion and Analysis

管理層討論及分析

Operating in such a challenging macro environment, the Group will focus on financial flexibility and agility. The Group will continue to boost crude production by investing in oil assets, re-completing suitable old wells, and drilling new wells. The Group expects substantial economic gains to emerge with elevated crude oil production. In 2H2018, natural gas production will reflect local price volatilities, the Group will adjust production level to generate optimal returns. As an international oil and gas producer, the Group is well on its course to maximize shareholder values by executing long term strategy with discipline and prudence.

在這樣一個具有挑戰性的環境下運作時，本集團側重於保持財務的靈活性和反應力。二零一八年下半年本集團將繼續增加油田資本開支，支持老井增產以及新井開發，快速增加產量。原油產量的增加，預計將給集團帶來更多的經濟效益。下半年本集團天然氣生產仍將依據加拿大天然氣價格波動做出靈活應對，同時關注來自中國及亞洲對液化天然氣（LNG）的需求，尋求天然氣銷售多元化的機會。本集團作為國際化的油氣公司會靈活應對機會和挑戰，將一如既往地朝著既定的戰略目標努力，追求股東價值的最大化。

Management Discussion and Analysis

管理層討論及分析

In consideration of strengthening crude prices and the disposal of non-core oil and gas assets, the Group's revised 2018 guidance is outlined below:

鑒於持續走高的油價以及集團已完成對部分非核心資產的處置，本集團調整二零一八年全年計劃，調整後的二零一八年全年指引如下：

	Interest	Numbers of Wells	Group Net Capex Investment	Net production
	權益	鑽井數量	集團資本開支投資淨額 (millions of US\$)	淨產量
	(%)	Net (淨)	(百萬美元)	
China Onshore Projects (Daan, Moliqing)	Daan 100%; Moliqing 10%	30	20	4,880-5,280 BPD
中國陸地項目 (大安、莫里青)	大安 100%，莫里青 10%			4,880-5,280 桶/天
— crude oil				4,880-5,280 BPD
— 原油				4,880-5,280 桶/天
Canada (Canlin Energy)	100%	–	50	47,500-51,170 BOED
加拿大 (麒麟能源)				47,500-51,170 桶油當量/天
— crude oil		–		3,750-4,275 BPD
— 原油				3,750-4,275 桶/天
— NGL				1,250-1,425 BPD
— 天然氣凝析液				1,250-1,425 桶/天
— natural gas		–		255,000-272,820 MSCF
— 天然氣				255,000-272,820 千立方英尺/天
USA (Condor)	100%	–		27 BPD
美國 (Condor)				27 桶/天
— crude oil		–		27 BPD
— 原油				27 桶/天
Group Total		30	70	52,327-56,397 BOED
集團總計				52,327-56,397 桶當量/天

Management Discussion and Analysis

管理層討論及分析

REVIEW OF FINANCIAL RESULTS

Six Months Ended June 30, 2018 Compared to Six Months Ended June 30, 2017

Revenue

The Group's revenue is generated from sales of oil and gas products and provision of services.

The Group's revenue from sales of oil and gas increased by RMB789.5 million, or 235.9%, from RMB334.7 million for the six months ended June 30, 2017 to RMB1,124.2 million for the six months ended June 30, 2018. This increase was mainly due to Canlin Acquisition, which contributed revenue of RMB789.3 million during the six months ended June 30, 2018. There was increase in crude oil price during the course of 2018 as well. Average realized oil price for the Group was US\$59.68 per barrel for the six months ended June 30, 2018, compared to US\$47.10 per barrel for the six months ended June 30, 2017. The Group's total crude oil sales volume was 1.52 million barrels for the six months ended June 30, 2018, compared to 1.03 million barrels for the six months ended June 30, 2017.

經營業績回顧

截至二零一八年六月三十日止六個月期間與截至二零一七年六月三十日止六個月期間的比較

收益

本集團收益主要來自於銷售石油和天然氣產品及提供服務。

本集團的油氣銷售收益由截至二零一七年六月三十日止六個月期間的人民幣3.347億元增加人民幣7.895億元或235.9%至截至二零一八年六月三十日止六個月期間的人民幣11.242億元。該增加主要是由於麒麟收購，截止二零一八年六月三十日六個月期間內貢獻的收入為7.893億元。該增加的另一原因是二零一八年原油價格的增長，截至二零一八年六月三十日止六個月期間已實現平均油價為每桶59.68美元，而截至二零一七年六月三十日止六個月期間則為每桶47.10美元。原油總銷量在截至二零一八年六月三十日止六個月期間為152萬桶，而截至二零一七年六月三十日止六個月期間則為103萬桶。

Management Discussion and Analysis

管理層討論及分析

The Group's revenue from rendering of services is RMB81.7 million for the six months ended June 30, 2018.

- *PRC*
Revenue from our China oil fields was RMB333.3 million for the six months ended June 30, 2018, compared to RMB334.6 million for the six months ended June 30, 2017. The average realized oil price was US\$62.34 per barrel for the six months ended June 30, 2018, compared to US\$47.10 per barrel for the six months ended June 30, 2017. Our sales volume was 0.84 million barrels for the six months ended June 30, 2018, compared to 1.03 million barrels for the six months ended June 30, 2017, the decrease was mainly due to: (i) the disposal of Riyadh Energy Limited in 2017, which contributed sales volume of 0.14 million barrels during the first half year of 2017; (ii) the sales volume of Daan decreased by 0.10 million barrels, or 11.0%, from 0.89 million barrels for the six months ended June 30, 2017 to 0.79 million barrels for the six months ended June 30, 2018; partially offset by: (i) the realized average price of Daan increased by US\$15.23 per barrel, or 32.3%, from US\$47.1 per barrel for the six months ended June 30, 2017 to US\$62.34 per barrel for the six months ended June 30, 2018; (ii) on March 29, 2018, the Group acquired 10% participating interest in the foreign contractors' entitlement and obligation under the PSCs for each of the Daan oilfield and the Moliquing oilfield, which contributed revenue of RMB20.1 million during the three months ended June 30, 2018.

截至二零一八年六月三十日止六個月期間本集團來自於提供服務的收益為人民幣8,170萬元。

- *中國*
於截至二零一八年六月三十日止六個月期間，我們的中國油田實現收益人民幣3.333億元，而截至二零一七年六月三十日止六個月期間則為人民幣3.346億元。截至二零一八年六月三十日止六個月期間，已實現平均油價為每桶62.34美元，而截至二零一七年六月三十日止六個月期間為每桶47.10美元。截至二零一八年六月三十日止六個月期間，我們的銷量為84萬桶，而截至二零一七年六月三十日止六個月期間為103萬桶，該減少主要是由於：(i)2017年對利雅得能源公司的處置，該公司在2017年上半年貢獻了14萬桶銷售量；(ii)大安銷售量減少10萬桶或11.0%，從截至二零一七年六月三十日止六個月期間的89萬桶下降到截至二零一八年六月三十日止六個月期間的79萬桶；部分抵銷：(i)大安油田已實現平均油價上漲了每桶15.23美元或每桶32.3%，從截至二零一七年六月三十日止六個月期間的每桶47.1美元增至截至二零一八年六月三十日止六個月期間的每桶62.34美元；(ii)二零一八年三月二十九日，本集團在大安油田和莫里青油田分別獲得了產品分成合同項下10%外國合同者參與權益，截至二零一八年六月三十日止三個月期間貢獻了2,010萬元人民幣的收入。

Management Discussion and Analysis

管理層討論及分析

- *North America*

- Canada

- During the six months ended June 30, 2018, our Canada oil fields realized revenue from crude oil sales of RMB243.0 million. The average realized oil price was US\$56.36 per barrel, with sales volume of 0.67 million barrels.

- During the six months ended June 30, 2018, our Canada operations realized revenue from gas sales of RMB354.4 million, with a realized gas price of US\$1.24 per Mscf and total gas sales volume of 44.87 Bscf.

- During the six months ended June 30, 2018, our Canada operations realized revenue from NGL sales of RMB44.1 million, with a realized gas price of US\$24.7 per barrel and total NGL sales volume of 0.28 million barrels.

- During the six months ended June 30, 2018, our Canada oil fields realized revenue from sulphur sales of RMB34.8 million, processing income of RMB81.7 million and other revenue of RMB113.0 million.

- USA

- During the six months ended June 30, 2018, our USA oil fields realized revenue from crude oil sales of RMB1.6 million. The average realized oil price was US\$62.43 per barrel, with sales volume of 4,036 barrels. During the six months ended June 30, 2017, our USA oil fields realized revenue from crude oil sales of RMB1.8 million. The average realized oil price was US\$46.85 per barrel, with sales volume of 5,461 barrels.

- *北美*

- 加拿大

- 於截至二零一八年六月三十日止六個月期間，加拿大油田實現石油銷售收益人民幣2.43億元。已實現平均油價為每桶56.36美元，銷量為67萬桶。

- 於截至二零一八年六月三十日止六個月期間，加拿大業務實現天然氣銷售收益人民幣3.544億元，已實現天然氣價格為每千標準立方英尺1.24美元，天然氣銷售量為448.72億標準立方英尺。

- 於截至二零一八年六月三十日止六個月期間，加拿大業務實現天然氣凝析液銷售收益人民幣4,410萬元，每桶天然氣凝析液實現價格24.7美元，天然氣凝析液總銷量為28萬桶。

- 於截至二零一八年六月三十日止六個月期間，加拿大油田實現硫磺銷售收益人民幣3,480萬元，油氣處理收益人民幣8,170萬元，其他收益人民幣1.13億元。

- 美國

- 於截至二零一八年六月三十日止六個月期間，美國油田實現石油銷售收益人民幣160萬元，平均實現油價為每桶62.43美元，銷量為4,036桶。於截至二零一七年六月三十日止六個月期間，美國油田實現石油銷售收益人民幣180萬元，平均實現油價為每桶46.85美元，銷量為5,461桶。

Management Discussion and Analysis

管理層討論及分析

Operating expenses

- Depreciation, depletion and amortization.* The Group's depreciation, depletion and amortization increased by RMB208.9 million, or 118.1%, from RMB176.9 million for the six months ended June 30, 2017 to RMB385.8 million for the six months ended June 30, 2018. The increase in depreciation, depletion and amortization was mainly due to Canlin Acquisition, which had depreciation, depletion and amortization of RMB234.4 million for the six months ended June 30, 2018.
- Taxes other than income taxes.* The Group's taxes other than income taxes decreased by RMB0.9 million, or 11.4%, from RMB7.9 million for the six months ended June 30, 2017 to RMB7.0 million for the six months ended June 30, 2018. The following table summarizes the Group's taxes other than income taxes for the six months ended June 30, 2018 and 2017:

經營支出

- 折舊、折耗及攤銷。* 本集團的折舊、折耗及攤銷由截至二零一七年六月三十日止六個月期間人民幣1.769億元增加人民幣2.089億元或118.1%至截至二零一八年六月三十日止六個月期間人民幣3.858億元。折舊、折耗及攤銷增加主要由於麒麟收購，截至二零一八年六月三十日止六個月期間內其折舊、折耗及攤銷為人民幣2.344億元。
- 稅項(所得稅除外)。* 本集團的稅項(所得稅除外)由截至二零一七年六月三十日止六個月期間人民幣790萬元減少人民幣90萬元或11.4%至截至二零一八年六月三十日止六個月期間人民幣700萬元。下表列示了截至二零一八年六月三十日及二零一七年六月三十日止六個月期間的稅項(所得稅除外)：

		Six months ended June 30, 截至六月三十日止六個月期間	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
PRC	中國		
	Petroleum special Profit charge 石油特別收益金	602	–
	Urban construction tax and education surcharge 城建稅及教育費附加	1,754	1,755
	Others 其他	43	43
		2,399	1,798
Corporate and other segments	總部及其他分部		
	Withholding tax and others 代扣代繳稅及其他	4,567	6,137
		6,966	7,935

Management Discussion and Analysis

管理層討論及分析

PRC

The Ministry of Finance of the People's Republic of China ("MOF") had decided to increase the threshold of the special oil income levy from US\$55 to US\$65 per barrel, effective from January 1, 2015. The increase of petroleum special profit charge was due to the realized oil price of US\$68.46 per barrel in June 2018, which exceeded the threshold slightly.

Corporate and other segments

Withholding Tax

Withholding tax represents accrual of withholding tax on interest charged on intercompany loans.

- *Employee compensation costs.* The Group's employee compensation costs increased by RMB167.4 million, or 275.8%, from RMB60.7 million for the six months ended June 30, 2017 to RMB228.1 million for the six months ended June 30, 2018. The increase in employee compensation costs was primarily due to: (i) Canlin Acquisition, which incurred employee compensation costs of RMB127.4 million during the six months ended June 30, 2018, and (ii) the new share awards granted to employees amounted to RMB48.4 million.
- *Purchases, services and other expenses.* The Group's purchases, services and other expenses increased by RMB543.3 million, from RMB43.9 million for the six months ended June 30, 2017 to RMB587.2 million for the six months ended June 30, 2018. The increase was due to Canlin Acquisition, which incurred purchases, services and other expenses amounted to RMB540.8 million during the six months ended June 30, 2018.

中國

中華人民共和國財政部決定提高石油特別收益金徵稅的稅基從55美元／桶到65美元／桶，自二零一五年一月一日起生效。石油特別收益金的增加，是由於二零一八年六月份的實現油價為每桶68.46美元，略超過這一臨界值。

總部及其他分部

代扣代繳稅

代扣代繳稅指就公司間貸款利息應計提的代扣代繳稅。

- *員工薪酬成本。* 本集團的員工薪酬成本由截至二零一七年六月三十日止六個月期間人民幣6,070萬元增加至二零一八年六月三十日止六個月期間人民幣2,281億元。員工薪酬成本增加主要由於：(i) 麒麟收購，截至二零一八年六月三十日止六個月期間其員工薪酬成本為人民幣1,274億元；及(ii) 新授予職工股份獎勵為人民幣4,840萬元。
- *採購、服務及其他支出。* 本公司的採購、服務及其他支出由截至二零一七年六月三十日止六個月期間的人民幣4,390萬元增加至二零一八年六月三十日止六個月期間的人民幣5,872億元。該增加主要是由於麒麟收購，截至二零一八年六月三十日止六個月期間其採購、服務及其他支出為人民幣5,408億元。

Management Discussion and Analysis

管理層討論及分析

- *Distribution and administrative expenses.* The Group's distribution and administrative expenses increased by RMB73.5 million, or 131.3%, from RMB56.0 million for the six months ended June 30, 2017 to RMB129.5 million for the six months ended June 30, 2018. The increase in distribution and administrative expenses was primarily due to: (i) Canlin Acquisition, which incurred distribution and administrative expenses amounted to RMB86.5 million during the six months ended June 30, 2018, and (ii) partially offset by the reduction of administrative expenses during the six months ended June 30, 2018, comparing to the six months ended June 30, 2017, which included expenses in relation to Canlin Acquisition amounted to RMB18.3 million.
- *Impairment.* For the six months ended June 30, 2018, the Group has recognized an impairment charge amounting to RMB3.2 million on investment in PetroBroad Copower Limited ("PetroBroad"), compared to total impairment of RMB3.4 million on investment in PetroBroad for the six months ended June 30, 2017.
- *銷售及管理費用。* 本集團的銷售及管理費用由截至二零一七年六月三十日止六個月期間人民幣5,600萬元增加人民幣7,350萬元或131.3%至截至二零一八年六月三十日止六個月人民幣1.295億元。銷售及管理費用的增加主要由於：(i)麒麟收購，截至二零一八年六月三十日止六個月期間發生的銷售及管理費用為人民幣8,650萬元；(ii)相較於截至二零一七年六月三十日止六個月期間，截至二零一八年六月三十日止六個月期間部分管理費用被抵銷，其中包括麒麟收購的費用為人民幣1,830萬元。
- *減值損失。* 二零一八年六月三十日止六個月期間，本集團確認對博道長和石油有限公司(「博道長和」)的投資減值損失總計人民幣320萬元，而二零一七年六月三十日六個月期間的投資減值損失總計人民幣340萬元。

Management Discussion and Analysis

管理層討論及分析

- *Other losses, net.* The Group had net other losses of RMB36.0 million for the six months ended June 30, 2018, compared to other income of RMB412.0 million for the six months ended June 30, 2017. The decrease was mainly due to: (i) the Group reversed provisions for receivables amounted to RMB84.0 million in 1H2018, however, the Group recorded provisions for receivables amounted to RMB422.0 million in 1H2017, which resulted in a large decrease of other loss amounted to RMB506.0 million and partially offset by (ii) Canlin Acquisition, which incurred losses on changes in fair value of financial instruments amounted to RMB92.4 million during the six months ended June 30, 2018.
- *其他損失，淨值。*截至二零一八年六月三十日止六個月期間，本集團之其他損失為人民幣3,600萬元，截至二零一七年六月三十日止六個月期間則為人民幣4.120億元。該減少主要是由於：(i)本集團於2018年上半年轉回應收款項壞賬準備金額為人民幣8,400萬元，然而2017年上半年為計提了應收款項壞賬準備金額為人民幣4.22億元，導致2018年上半年其他損失減少人民幣5.06億元；及(ii)麒麟收購，截至二零一八年六月三十日止六個月期間其金融工具公允價值變動損失達人民幣9,240萬元。

Finance costs, net

The Group's net finance costs increased by RMB188.6 million, or 95.3%, from RMB197.9 million for the six months ended June 30, 2017 to RMB386.5 million for the six months ended June 30, 2018. The increase in finance costs was mainly due to: (i) Canlin Energy related financing costs of RMB98.7 million during the six months ended June 30, 2018, mainly for the accrued interest expense related to the asset retirement obligations; and (ii) the effective interest rate of the borrowing for the Group increased.

Share of loss of associate

As at June 30, 2018, the Group held a 34% interest in PetroBroad and 40% interest in Palaeontol B.V., respectively. On February 1, 2018, the Group sold 24.8% interest in Journey and reclassified the remaining investment to financial assets at fair value through other comprehensive income on June 6, 2018. The share of investment loss from Journey amounted to RMB9 million during the six months ended June 30, 2018.

財務費用，淨額

本集團財務費用淨額由截至二零一七年六月三十日止六個月期間人民幣1.979億元增加人民幣1.886億元或95.3%至截至二零一八年六月三十日止六個月人民幣3.865億元。本期財務費用增加主要來自於：(i)麒麟收購，截至二零一八年六月三十日止六個月期間內其財務費用為人民幣9,870萬元，主要為與資產棄置義務有關的應計利息費用；及(ii)集團借款的實際利率上升。

聯營企業的投資損失

截至二零一八年六月三十日，本集團分別持有博道長和34%的股份和Palaeontol B.V. 40%的股份。集團在二零一八年二月一日出售了Journey 24.8%的股權並在二零一八年六月六日將剩餘投資重新分類為以公允價值計量且其變動計入當期損益的金融資產。截至二零一八年六月三十日止六個月期間，Journey投資損失總額為人民幣900萬元。

Management Discussion and Analysis

管理層討論及分析

Loss before income tax

The Group's loss before income tax was RMB579.2 million for the six months ended June 30, 2018, compared to the loss before income tax RMB611.6 million for the six months ended June 30, 2017, representing a decrease of RMB32.4 million, or 5.3%. The decrease was primarily due to the cumulative effects of the above factors.

Income tax expense

The Group recorded income tax credit of RMB58.0 million for the six months ended June 30, 2018, compared to income tax expense of RMB62.0 million for the six months ended June 30, 2017, representing a decrease of RMB120 million, or -193.5%. The effective tax rate for the six months ended June 30, 2018 was 10%, compared to the effective tax rate for the six months period ended June 30, 2017 of negative 10%.

Loss for the period

The Group's loss for the six months ended June 30, 2018 was RMB521.3 million, compared to the loss of RMB673.5 million for the six months ended June 30, 2017, having decreased by RMB152.2 million, or negative 22.6%. This decrease was primarily due to the cumulative effects of the above factors.

除所得稅前虧損

本集團的除所得稅前虧損，截至二零一八年六月三十日止六個月期間為人民幣5.792億元，相比截至二零一七年六月三十日止六個月期間除所得稅前虧損人民幣6.116億元，減少人民幣3,240萬元或5.3%。該減少乃主要由於上述因素的累計影響。

所得稅費用

截至二零一八年六月三十日止六個月期間，本集團的所得稅收益為人民幣5,800萬元，相比截至二零一七年六月三十日止六個月期間的所得稅費用為人民幣6,200萬元，減少人民幣1.20億元，或負193.5%。截至二零一八年六月三十日止六個月期間的實際稅率為10%，相比截至二零一七年六月三十日止六個月期間的實際稅率為負10%。

本期虧損

基於上述事項，截至二零一八年六月三十日止六個月期間的淨虧損為人民幣5.213億元，相比截至二零一七年六月三十日止六個月期間的淨虧損人民幣6.735億元，減少人民幣1.522億元或負22.6%。

Management Discussion and Analysis

管理層討論及分析

EBITDA AND ADJUSTED EBITDA

We provide a reconciliation of EBITDA and adjusted EBITDA to loss for the Current Period, with our most directly comparable financial performance calculated and presented in accordance with IFRS. EBITDA refers to earnings before income tax, finance income, finance costs and depreciation, depletion and amortization. Adjusted EBITDA refers to EBITDA adjusted to exclude non-cash and non-recurring items such as value of employee services under stock option schemes, assets impairment loss, losses/(gains) on changes in fair value of financial instruments, withholding tax arising from intercompany loan, (reverse of provision)/provisions for receivables, losses on disposal of FVPL assets, gains on disposal of partial assets of Canlin, losses on disposal of Journey and any other non-cash or non-recurring income/expenses.

We have included EBITDA and adjusted EBITDA as we believe EBITDA is a financial measure commonly used in the oil and gas industry. We believe that EBITDA and adjusted EBITDA are used as supplemental financial measures by our management and by investors, research analysts, bankers and others, to assess our operating performance, cash flow and return on capital as compared to those of other companies in our industry, and our ability to take on financing. However, EBITDA and adjusted EBITDA should not be considered in isolation or construed as alternatives to profit from operations or any other measure of performance or as an indicator of our operating performance or profitability. EBITDA and adjusted EBITDA fail to account for tax, finance income, finance costs and other non-operating cash expenses. EBITDA and adjusted EBITDA do not consider any functional or legal requirements of the business that may require us to conserve and allocate funds for any purposes.

EBITDA及經調整EBITDA

我們已提供EBITDA及經調整EBITDA與年內本期虧損的調節，本期虧損為根據國際財務報告準則計算及呈列的最直接的可資比較財務表現。EBITDA指扣除所得稅、財務收入、財務成本及折舊、折耗及攤銷前盈利。經調整EBITDA指經調整以扣除非現金及非經常性項目，如購股權計劃下雇員服務成本、減值損失、金融工具(收益)/損失、公司間貸款應計利息的代扣代繳稅、(轉回)/計提應收壞賬準備、處置以公允價值計量且其變動計入當期損益的金融資產損失、處置麒麟能源部分資產產生的收益、處置Journey產生的損失，及其他非現金或非經常性收入/支出。

我們加載EBITDA及經調整EBITDA乃由於我們相信EBITDA為油氣行業常用的財務計量。我們相信EBITDA及經調整EBITDA乃由我們管理層、投資者、研究分析師、銀行及其他人士用作補充財務計量，以評估我們相較於業內其他公司的經營表現、現金流量及資本回報，以及我們進行融資的能力。然而，EBITDA及經調整EBITDA不可獨立於經營溢利或任何其他表現計量予以考慮，亦不可詮釋為經營溢利或任何其他表現計量的替代項目，或詮釋為我們經營表現或盈利能力的指標。EBITDA及經調整EBITDA並不計及稅項、財務收入、財務費用及其他非經營性現金開支。EBITDA及經調整EBITDA並無考慮可能導致我們須就任何目的而保留及分配資金的任何業務的功能或法定要求。

Management Discussion and Analysis

管理層討論及分析

The following table presents a reconciliation of EBITDA and adjusted EBITDA to loss before income tax for each period indicated:

下表載列為EBITDA及經調整EBITDA於各期間之除所得稅前虧損的調整：

		Six months ended June 30, 截至六月三十日止六個月期間	
		2018	2017
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Loss before income tax	除所得稅前虧損	(579,224)	(611,558)
Finance income	財務收入	(28,028)	(21,756)
Finance costs	財務費用	414,525	219,676
Depreciation, depletion and amortization	折舊、折耗及攤銷	385,786	176,872
EBITDA	EBITDA	193,059	(236,766)
Value of employee services under stock option schemes	購股權計劃下僱員服務成本	50,805	13,122
Impairment	減值損失	3,194	3,430
Losses/(Gains) on changes in fair value of financial instruments	金融工具的公允價值損失/(收益)	101,701	(20,802)
Withholding tax	代扣代繳稅	4,441	6,137
(Reverse of provisions)/provisions for receivables	(轉回)/計提壞賬準備	(83,964)	422,005
Losses on disposal of FVPL assets	處置以公允價值計量且其變動計入當期損益的金融資產損失	3,198	—
Losses on disposal of available-for-sale financial assets	處置可供出售金融資產產生的損失	—	22,190
Gains on disposal of Canlin partial assets	處置麟麟能源部分資產產生的收益	(3,136)	—
Losses on disposal of Journey Exploration and evaluation expense	處置 Journey 產生的損失 勘探及評價資產相關費用	17,512	—
Others	其他	12,903	—
Adjusted EBITDA	經調整 EBITDA	313,782	205,067

Management Discussion and Analysis

管理層討論及分析

The Group's EBITDA increased by approximately RMB429.9 million, from approximately negative RMB236.8 million for the six months ended June 30, 2017 to approximately RMB193.1 million for the six months ended June 30, 2018. The increase was mainly due to: (i) the Group reversed provisions for receivables amounted to RMB84.0 million in 1H2018, however, the Group recorded provisions for receivables amounted to RMB422.0 million in 1H2017, which resulted in a large decrease of other loss amounted to RMB506.0 million; and (ii) the increase in realized oil price.

The Group's adjusted EBITDA increased by approximately RMB108.7 million, or 53%, from approximately RMB205.1 million for the six months ended June 30, 2017 to approximately RMB313.8 million for the six months ended June 30, 2018. The increase was mainly due to Canlin Acquisition, and the increase in realized oil price.

本集團二零一八上半年的EBITDA約人民幣1.931億元，相比二零一七上半年約人民幣負2.368億元增加了約人民幣4.299億元。二零一八上半年的EBITDA的增加主要由於：(i)本集團於2018年上半年轉回應收款項壞賬準備金額為人民幣8,400萬元，然而2017年上半年為計提了應收款項壞賬準備金額為人民幣4.22億元，導致2018年上半年其他損失減少人民幣5.06億元；及(ii)實現原油價格上漲。

本集團的經調整EBITDA由二零一七上半年約人民幣2.051億元增加約人民幣1.087億元或53%至二零一八上半年約人民幣3.138億元。經調整EBITDA增加亦主要由於麒麟收購和油價的上漲。

Management Discussion and Analysis

管理層討論及分析

The Group's EBITDA and Adjusted EBITDA by operating segment for the six months ended June 30, 2018 and 2017 are set out below:

截至二零一八年六月三十日止六個月，本集團按經營分部而細列的EBITDA及經調整EBITDA如下所示：

		Six months ended June 30, 2018 截至二零一八年六月三十日止六個月期間			
		North			Total
		PRC	America	Corporate	Total
		中國	北美	總部	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Profit/(Loss) before income tax	除所得稅前利潤/(虧損)	63,434	(426,219)	(216,439)	(579,224)
Finance income	財務收入	(68)	(661)	(27,299)	(28,028)
Finance costs	財務費用	45,310	160,481	208,734	414,525
Depreciation, depletion and amortization	折舊、折耗及攤銷				
		150,061	235,620	105	385,786
EBITDA	EBITDA	258,737	(30,779)	(34,899)	193,059
Value of employee services under stock option schemes	購股權計劃下僱員服務成本	699	-	50,106	50,805
Impairment	減值損失	-	-	3,194	3,194
Losses from changes in fair value of financial instruments	金融工具的公允價值損失	-	92,417	9,284	101,701
Withholding tax	代扣代繳稅	-	-	4,441	4,441
(Reverse of provisions)/provisions for receivables	(轉回)/計提壞賬準備	(12,755)	769	(71,978)	(83,964)
Gains on disposal of Canlin partial assets	處置麒麟能源部分資產產生的收益	-	-	(3,136)	(3,136)
Losses on disposal of Journey	處置Journey產生的損失	-	-	17,512	17,512
Losses on disposal of FVPL assets	處置以公允價值計量且其變動計入當期損益的金融資產損失	-	-	3,198	3,198
Exploration and evaluation expense	勘探及評價資產相關費用	-	12,903	-	12,903
Others	其他	(1,854)	18,589	(2,666)	14,069
Adjusted EBITDA	經調整EBITDA	244,827	93,899	(24,944)	313,782

Management Discussion and Analysis

管理層討論及分析

		Six months ended June 30, 2017 截至二零一七年六月三十日止六個月期間			
		North			Total
		PRC	America	Corporate	Total
		中國	北美	總部	合計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
(Loss)/Profit before income tax	除所得稅前 (虧損)/利潤	(7,953)	9,473	(613,078)	(611,558)
Finance income	財務收入	(230)	(5)	(21,521)	(21,756)
Finance costs	財務費用	34,070	(13,391)	198,997	219,676
Depreciation, depletion and amortization	折舊、折耗及攤銷	175,905	878	89	176,872
EBITDA	EBITDA	201,792	(3,045)	(435,513)	(236,766)
Value of employee services under stock option schemes	購股權計劃下僱員 服務成本	2,310	–	10,812	13,122
Impairment	減值損失	–	–	3,430	3,430
Gains on changes in fair value of financial instruments	金融工具的 公允價值收益	–	–	(20,802)	(20,802)
Withholding tax	代扣代繳稅	–	190	5,947	6,137
Provisions for receivables	計提壞賬準備	40,363	–	381,642	422,005
Losses on disposal of available-for-sale financial assets	處置可供出售金融 資產產生的損失	–	–	22,190	22,190
Others	其他	(2,719)	–	(1,530)	(4,249)
Adjusted EBITDA	經調整 EBITDA	241,746	(2,855)	(33,824)	205,067

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND CAPITAL RESOURCES Overview

Our primary source of cash during the six months ended June 30, 2018 was cash generated from operating activities.

In 1H2018, we had net cash generated from operating activities of RMB485.7 million, net cash generated from investing activities of RMB298.7 million and net cash used in financing activities of RMB897.4 million and a translation gain for foreign currency exchange of RMB64.4 million, resulting in a net decrease in cash and cash equivalent of RMB48.6 million compared to the cash balance of RMB132.2 million as at December 31, 2017.

流動性及資本 概覽

本集團二零一八年上半年的主要現金來源為經營活動產生的現金流量。

二零一八年上半年，本公司經營活動所得現金淨額為人民幣4.857億元，投資活動所得現金淨額為人民幣2.987億元，融資活動所用現金淨額為人民幣8.974億元，以及外幣換算收益為人民幣6,440萬元，令現金及現金等價物較截至二零一七年十二月三十一日之現金結餘人民幣1.322億元錄得人民幣4,860萬元的淨減少。

Management Discussion and Analysis

管理層討論及分析

Cash generated from/(used in) operating activities

Net cash generated from operating activities was RMB485.7 million for the six months ended June 30, 2018. In 1H2018, our net cash used in operating activities included a loss before income tax of RMB579.2 million adjusted for, among other things, depreciation, depletion and amortization of RMB385.8 million, net interest expenses of RMB390.5 million, an unrealized foreign exchange gain of RMB4.0 million, an impairment loss on assets of RMB3.2 million, gains on changes in fair value of financial instruments of RMB101.7 million, value of employee services under stock option scheme of RMB50.8 million, losses on disposal of FVPL assets of RMB3.2 million, share of profits from investments accounted for using the equity method of RMB9.0 million, reverse of provisions for receivables of RMB84.0 million, exploration and evaluation expense of RMB12.9 million, loss on disposal of Journey of RMB17.5 million, gain on disposal of Canlin partial assets of RMB3.1 million and others of RMB15.7 million. The cash movements from changes in working capital in the six months ended June 30, 2018 included a decrease in trade and other receivables of RMB544.4 million; a decrease in trade and other payables of RMB103.8 million; an increase in inventories of RMB0.1 million, interest paid of RMB272.9 million and income tax paid of RMB0.2 million.

經營活動產生／(使用)的現金

截至二零一八年六月三十日止六個月期間，經營活動產生的現金淨額為人民幣4.857億元。於二零一八年上半年，本公司經營活動所用的現金淨額包括除所得稅前損失人民幣5.792億元，並就包括折舊、折耗及攤銷人民幣3.858億元，淨利息開支人民幣3.905億元，未變現外匯收益人民幣400萬元，減值損失人民幣320萬元，金融工具的公允價值利得人民幣1.017億元，購股權計劃下僱員服務成本5,080萬元，處置以公允價值計量且其變動計入當期損益的金融資產損失人民幣320萬元，享有按權益法入賬的投資的虧損份額人民幣900萬元，計提的壞賬準備衝回人民幣8,400萬元，勘探及評價資產相關費用人民幣1,290萬元，處置Journey產生的損失人民幣1,750萬元，處置Canlin部分資產產生的收益人民幣310萬元及其他人民幣1,570萬元等在內的項目作出調整。截至二零一八年六月三十日止六個月營運資金變動帶來的現金變動包括貿易及其他應收款項減少人民幣5.444億元，貿易及其他應付款項減少人民幣1.038億元及存貨增加人民幣10萬元，已付利息人民幣2.729億元及已付所得稅人民幣20萬元。

Management Discussion and Analysis

管理層討論及分析

Net cash generated from operating activities was RMB53.0 million for the six months ended June 30, 2017. In 1H2017, our net cash used in operating activities included a loss before income tax of RMB611.6 million adjusted for, among other things, depreciation, depletion and amortization of RMB176.9 million, net interest expenses of RMB212.7 million, an unrealized foreign exchange gain of RMB14.8 million, an impairment loss on assets of RMB3.4 million, gains on changes in fair value of derivative financial instruments of RMB20.8 million, value of employee services under stock option scheme of RMB13.1 million, losses on disposal of available-for-sale financial assets of RMB22.2 million, share of profits from investments accounted for using the equity method of RMB10.9 million, provisions for receivables of RMB422.0 million and others of RMB4.2 million. The cash movements from changes in working capital in the six months ended June 30, 2017 included a decrease in trade and other receivables of RMB44.6 million; a decrease in trade and other payables of RMB11.2 million; a decrease in inventories of RMB2.9 million; interest paid of RMB171.2 million and income tax paid of RMB0.2 million.

截至二零一七年六月三十日止六個月期間，經營活動產生的現金淨額為人民幣5,300萬元。於二零一七年上半年，本公司經營活動所用的現金淨額包括除所得稅前損失人民幣6.116億元，並就包括折舊、耗損及攤銷人民幣1.769億元、淨利息開支人民幣2.127億元、未變現外匯收益人民幣1,480萬元、減值損失340萬元、衍生金融工具的公允價值利得人民幣2,080萬元、購股權計劃下僱員服務成本人民幣1,310萬元、處置可供出售金融資產產生的損失人民幣2,220萬元、享有按權益法入賬的投資的利潤份額人民幣1,090萬元、計提壞賬準備人民幣4.220億元及其他人民幣420萬元等在內的項目作出調整。截至二零一七年六月三十日止六個月營運資金變動帶來的現金變動包括貿易及其他應收款項減少人民幣4,460萬元、貿易及其他應付款項減少人民幣1,120萬元及存貨減少人民幣290萬元、已付利息人民幣1.712億元及已付所得稅人民幣20萬元。

Management Discussion and Analysis

管理層討論及分析

Cash generated from/(used in) investing activities

Net cash generated from investing activities for the six months ended June 30, 2018 amounted to RMB298.7 million, mainly as a result of: (i) net cash flow from equity investment of RMB70.6 million; (ii) a decrease in restricted bank deposits of RMB71.5 million; (iii) received from disposal of subsidiaries of RMB183.8 million; (iv) received from disposal of assets of RMB395.4 million; (v) received from third parties of RMB71.0 million and (vi) others of RMB0.7 million, offset by: (i) purchase of property, plant and equipment of RMB223.4 million; (ii) contribution and loans to/acquisition of investments accounted for using the equity method of RMB3.2 million; (iii) loans and deposits to third parties of RMB72.5 million; (iv) payment for acquisition of interests under Daan and Moliquing PSCs of RMB187.9 million and (v) deposit for acquisition of RMB7.1 million.

Net cash used in investing activities for the six months ended June 30, 2017 amounted to RMB642.2 million, mainly as a result of purchases of: (i) property, plant and equipment of RMB38.4 million; (ii) contribution and loans to/acquisition of investments accounted for using the equity method of RMB24.0 million; (iii) net cash flow from investment in available-for-sale financial assets of RMB115.2 million; (iv) an increase in restricted bank deposits of RMB44.9 million; (v) loans and deposits to third parties of RMB104.2 million; (vi) deposit for acquiring of RMB365.0 million and (vii) others of RMB41.2 million, offset by proceeds from disposal of derivative financial instruments of RMB90.7 million.

投資活動產生／(所用)的現金

截至二零一八年六月三十日止六個月，投資活動產生的現金淨額為人民幣2.987億元，主要為：(i) 權益投資產生的淨現金流人民幣7,060萬元；(ii) 受限制銀行存款的減少人民幣7,150萬元；(iii) 收到處置子公司款項人民幣1.838億元；(iv) 收到處置資產款項人民幣3.954億元；(v) 收到第三方還款人民幣7,100萬元以及(vi) 其他款項人民幣70萬元，部分被抵銷；(i) 購買不動產，工廠及設備人民幣2.234億元；(ii) 投入／收購以權益法入賬的投資及貸款人民幣320萬元；(iii) 支付第三方借款和保證金人民幣7,250萬元；(iv) 支付收購大安及莫里青油田產品分成合同的參與權的款項人民幣1.879億元，及(v) 的支付收購交易的保證金人民幣710萬元所抵銷。

截至二零一七年六月三十日止六個月，投資活動使用的現金淨額為人民幣6.422億元，主要為(i) 購買不動產、工廠及設備人民幣3,840萬元；(ii) 投入／收購以權益法入賬的投資及貸款人民幣2,400萬元；(iii) 投資可供出售金融資產產生的淨現金流人民幣1.152億元；(iv) 受限制銀行存款的增加人民幣4,490萬元；(v) 支付第三方借款和保證金人民幣1.042億元；(vi) 收購交易的保證金人民幣3.650億元，及(vii) 其他投資支付的現金人民幣4,120萬元，被收到處置衍生金融工具款項人民幣9,070萬元所抵銷。

Management Discussion and Analysis

管理層討論及分析

Cash used in/(generated from) financing activities

Net cash used in financing activities for the six months ended June 30, 2018 amounted to RMB897.4 million due to: (i) repayments of borrowings of RMB617.0 million; (ii) repayments of 2018 senior note of RMB1,150.2 million; (iii) payment of loan arrangement and other fees of RMB135.7 million; (iv) decrease in other payable of RMB106.8 million, offset by: (i) proceeds from borrowings of RMB836.8 million and (ii) proceed from issue of convertible bond of RMB275.4 million.

Net cash generated from financing activities for the six months ended June 30, 2017 amounted to RMB861.6 million due to proceeds from borrowings of RMB1,162.1 million, offset by repayments of borrowings of RMB300.5 million.

Borrowings

As at June 30, 2018, the Group's borrowings from the banks and third parties amounted to approximately RMB5,232.3 million, representing a decrease of approximately RMB817.2 million as compared to December 31, 2017. Among which, borrowings repayable within one year amounted to approximately RMB2,104.1 million, representing an increase of RMB 575.1 million as compared to December 31, 2017. All of the Group's borrowings are denominated in United States Dollars, Hong Kong Dollars or Canadian Dollars. The Group's borrowings are all at fixed interest rates. No hedging instruments are used for bank borrowings.

Our gearing ratio, which is defined as total borrowings less cash and cash equivalents ("Net Borrowings") divided by the sum of Net Borrowings and total equity, increased from 104.8% as at December 31, 2017 to 120.6% as at June 30, 2018, principally due to a decrease in equity.

融資活動所用／(產生)的現金

截至二零一八年六月三十日止六個月，融資活動支付的現金淨額為人民幣8.974億元。由於：(i)償還借款人民幣6.170億元；(ii)償還2018優先票據人民幣11.502億元；(iii)支付借款安排費及相關費用人民幣1.357億元；(iv)其他應付款增減少人民幣1.068億元；部分被抵銷：(i)借款所得款項人民幣8.368億元；及(ii)發行可轉換債券人民幣2.754億元。

截至二零一七年六月三十日止六個月，融資活動產生的現金淨額為人民幣8.616億元。由於：(i)借款所得款項人民幣11.621億元；被：(i)償還借款人民幣3.005億元抵銷所致。

借款

截至二零一八年六月三十日止六個月期間，本集團來源於銀行和第三方的借款約人民幣52.323億元，比二零一七年十二月三十一日減少人民幣8.172億元；其中，須於一年內償還之借款約人民幣21.041億元，比二零一七年十二月三十一日增加約人民幣5.751億元。本集團的所有借款均以美元、港幣或加元計值。本集團的所有借款均為固定利率借款。本集團沒有為借款做套期保值。

本集團的負債比率(即借款總額減現金及現金等價物(「淨借款額」)除以淨借款額及權益總額之和)自二零一七年十二月三十一日之104.8%增至二零一八年六月三十日的120.6%，主要是由於權益減少。

Management Discussion and Analysis

管理層討論及分析

Our total borrowings to Adjusted EBITDA ratio, which is defined as total borrowings divided by Adjusted EBITDA decreased from 17.38 as at December 31, 2017 to 8.34 as at June 30, 2018.

Market Risks

Our market risk exposures primarily consist of fluctuations in oil and gas prices and exchange rates.

Oil and gas price risk

Our realized oil and gas prices are determined by reference to oil and gas prices in the international market, as changes in international oil and gas prices will have a significant impact on us. Unstable and highly volatile international oil and gas prices may have a significant impact on our revenue and profit. During 1H2018, the Group entered into oil and gas hedge options contracts to manage its price risk.

Currency risk

The majority of the Group's China operation sales are in US dollars, while production and other expenses in China are incurred in RMB. The RMB is not a freely convertible currency and is regulated by the PRC government. Limitations on foreign exchange transactions imposed by the PRC government could cause future exchange rates to vary significantly from current or historical exchange rates.

The functional currency of the Canada subsidiary is in Canadian dollars and all sales are in Canadian dollars. Management is not in a position to anticipate changes in the fluctuations between the Canadian dollar and RMB exchange rates, and as such is unable to reasonably anticipate the impacts on the Group's results of operations or financial position arising from future changes or fluctuations in exchange rates.

本集團借款總額的經調整EBITDA比率(即借款總額除以經調整EBITDA)由二零一七年十二月三十一日的17.38減少至二零一八年六月三十日的8.34。

市場風險

我們面臨的市場風險主要包括石油和天然氣價格及匯率的波動。

原油和天然氣價格風險

本公司的實現石油和天然氣價格乃參照國際市場油價釐定，國際原油和天然氣價格的變動將對我們帶來重大影響。國際原油和天然氣價的不穩定及高波動性對本公司的收益及溢利造成顯著影響。在二零一八年上半年，本集團簽訂了原油和天然氣套期保值合同來管理價格風險。

貨幣風險

集團的大部份中國銷售以美元計值，而於中國的生產及其他支出則以人民幣入賬。人民幣並非為自由轉換貨幣，須受中國政府規管。中國政府對外匯交易所設定的限制可能導致未來匯率與當前或歷史匯率相比出現大幅變動。

加拿大子公司的功能貨幣為加元，而所有銷售亦以加元計算。管理層無法預測加元和人民幣匯率波動之影響，故無法合理估計未來匯率變動對本集團經營業績或財務狀況的影響。

Management Discussion and Analysis

管理層討論及分析

The Group currently does not engage in hedging activities designed or intended to manage foreign exchange rate risk. The Group will continue to monitor foreign exchange changes to best preserve the Group's cash value.

CHARGES ON GROUP ASSETS

As at June 30, 2018, certain assets, comprising principally oil & gas assets and properties in Alberta, Canada, were pledged to banks as collateral security for banking facilities with an aggregate outstanding amount of RMB472.5 million. In addition, as at June 30, 2018, Group's interest under the PSCs in China, certain financial assets at fair value through profit or loss, bank accounts and shares of subsidiaries of the Group were pledged to secure borrowings in the aggregate amount of RMB2,679.7 million.

EMPLOYEES

As at June 30, 2018, the Company had 1,460 employees, with 1,093 based in China (Mainland and Hong Kong), 3 based in USA and 364 based in Canada. There have been no material changes to the information disclosed in the Company's annual report for the year ended December 31, 2017 in respect of the remuneration of employees, remuneration policies and staff development.

本集團現時並未從事旨在或意在管理外匯匯率風險的對沖活動。本集團將繼續監察外匯變動，以盡量保障本集團的現金價值。

集團資產質押

於二零一八年六月三十日，本集團以位於加拿大阿爾伯塔省的油氣資產向銀行提供抵押擔保，獲取銀行貸款，餘額為人民幣4.725億元。此外，截至二零一八年六月三十日，本集團以位於中國的產品分成合同權益，以公允價值計量且其變動計入當期損益的金融資產、銀行賬戶和子公司股份作為抵押擔保，獲得借款，餘額為人民幣26.797億元。

僱員

於二零一八年六月三十日，本公司擁有1,460名僱員，當中1,093名位於中國（大陸及香港），3名位於美國及364名位於加拿大。而就僱員薪酬、薪酬政策及員工發展方面的資料與在二零一七年年報內所披露的並無重大變動。

Other Information 其他資料

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at June 30, 2018, the interests or short positions of the directors of the Company (“Directors”) and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”), which will have to be notified to the Company and the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) contained in the Listing Rules, were detailed as follows:

董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債權證中擁有的權益及／或淡倉

於二零一八年六月三十日，本公司董事（「董事」）及主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及香港聯合交易所有限公司（「聯交所」）的權益或淡倉（包括根據證券及期貨條例的條文而當作或被視為擁有的權益及淡倉），或根據證券及期貨條例第352條的規定須登記於該條所指的登記冊內的權益或淡倉，或根據載於上市規則內上市發行人董事進行證券交易的標準守則（「標準守則」）須知會本公司及聯交所的權益或淡倉詳述如下：

Name of Director 董事姓名	Name of Corporation 法團名稱	Capacity/ Nature of interest 身份／權益性質	Number of ordinary shares (including options to be exercised) 股份數目 (包括可行使購股權)	Approximate total percentage of interest in the corporation 佔法團權益的概約總百分比
Mr. Zhang Ruilin 張瑞霖先生	Our Company 本公司	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,522,095,234 (L)	51.80%
		Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	88,521,234(S)	3.01%
		Beneficial owner (Note 4) 實益擁有人(附註4)	7,987,000 (L)	0.27%

Other Information 其他資料

Name of Director 董事姓名	Name of Corporation 法團名稱	Capacity/ Nature of interest 身份／權益性質	Number of ordinary shares (including options to be exercised) 股份數目(包括可行使購股權)	Approximate total percentage of interest in the corporation 佔法團權益的概約總百分比
Mr. Zhao Jiangwei 趙江巍先生	Our Company 本公司	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,522,095,234 (L)	51.80%
		Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	88,521,234(S)	3.01%
		Beneficial owner (Note 4) 實益擁有人(附註4)	10,987,000(L)	0.37%
Mr. Zhang Ruilin 張瑞霖先生	Far East Energy Limited ("FEEL")	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	8,999	9.99%
Mr. Zhao Jiangwei 趙江巍先生	FEEL	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	9,000	10.00%
Mr. Mei Jianping 梅建平先生	Our Company 本公司	Beneficial owner 實益擁有人	2,067,933(L)	0.07%
Mr. Jeffrey Willard Miller Jeffrey Willard Miller 先生	Our Company 本公司	Beneficial owner 實益擁有人	2,611,333(L)	0.09%
Ms. Xie Na 謝娜女士	Our Company 本公司	Beneficial owner 實益擁有人	800,000(L)	0.03%
Mr. Guo Yanjun 郭燕軍先生	Our Company 本公司	Beneficial owner 實益擁有人	800,000(L)	0.03%

Other Information

其他資料

Note:

- (1) The letter “L” denotes the person’s long position in the shares of the Company. The letter “S” denotes the person’s short position in the shares of the Company.
- (2) FEEL is held by Ms. Zhao Jiangbo (“Mrs. Zhang”), Mr. Zhang Ruijin (“Mr. Zhang”) and Mr. Zhao Jiangwei (“Mr. Zhao”) as to 80%, 9.99% and 10%, respectively. On May 24, 2013, 72,000 shares in FEEL were issued to Mrs. Zhang, 399,070,000 shares in the Company were transferred from FEEL to Champion International Energy Limited (“Champion”), 399,070,000 shares in the Company were transferred from FEEL to Orient International Energy Limited (“Orient”), 475,000,000 shares in the Company were transferred from FEEL to New Sun International Energy Limited (“New Sun”) and 141,460,000 shares in the Company were transferred from FEEL to Power International Energy Limited (“Power”). Each of Champion, Orient, New Sun and Power is a wholly-owned subsidiary of Sunrise Glory Holdings Limited, which is itself a wholly-owned subsidiary of FEEL. Mrs. Zhang, Mr. Zhang and Mr. Zhao have entered into an Acting-in-Concert Agreement under which they agreed to act in concert in relation to all matters that require the decisions of the shareholders of FEEL. Pursuant to the Acting-in-Concert Agreement, if a unanimous opinion in relation to the matters that require action in concert is unable to be reached, Mr. Zhang shall be allowed to vote on his, Mrs. Zhang’s and Mr. Zhao’s shares.

The long interests which FEEL, Mr. Zhang and Mr. Zhao have in the 1,522,095,234 shares in the Company include (i) the beneficial interests which FEEL has (and in the case of Mr. Zhang and Mr. Zhao, the indirect beneficial interests which they have (through their shareholdings in FEEL)) in the 1,414,600,000 shares in the Company held by FEEL through its subsidiaries, (ii) the 7,887,000 share options granted to Mr. Zhang, (iii) the 7,887,000 share options granted to Mr. Zhao, (iv) the put option granted by FEEL, Mr. Zhang and Mr. Zhao, pursuant to a put and call option agreement, over the 88,521,234 shares in the Company held by Mr. Ho Chi Sing through Celestial Energy Limited (“Celestial”), as further described in note (3) below, (v) the 100,000 shares owned by Mr. Zhang himself, and (vi) the 3,100,000 shares owned by Mr. Zhao himself.

附註：

- (1) 字母「L」指某位人士於本公司股份中的好倉。字母「S」指某位人士於本公司股份中的淡倉。
- (2) FEEL由趙江波女士(「張夫人」)、張瑞霖先生(「張先生」)及趙江巍先生(「趙先生」)分別擁有80%、9.99%及10%權益。於二零一三年五月二十四日，FEEL的72,000股股份發行予張夫人，FEEL分別將本公司399,070,000股、399,070,000股、475,000,000股及141,460,000股股份轉讓予Champion International Energy Limited(「Champion」)、Orient International Energy Limited(「Orient」)、New Sun International Energy Limited(「New Sun」)及Power International Energy Limited(「Power」)。Champion、Orient、New Sun及Power均為Sunrise Glory Holdings Limited的全資附屬公司。而Sunrise Glory Holdings Limited則為FEEL的全資附屬公司。張夫人、張先生及趙先生已訂立一致行動協議，據此，彼等同意就需由FEEL股東決定的一切事項一致行動。根據一致行動協議，倘未能達成有關需一致行動事項的一致意見，張先生獲准就其、張夫人及趙先生的股份進行投票表決。

FEEL、張先生和趙先生於本公司持有的1,522,095,234股長期權益包括(i)FEEL通過其子公司(而張先生和趙先生通過在FEEL的持股)持有的本公司1,414,600,000股實益權益，(ii)張先生持有的7,887,000股購股權，(iii)趙先生持有的7,887,000股購股權，(iv)根據認沽及認購期權協議，FEEL、張先生和趙先生授予Ho Chi Sing先生通過Celestial Energy Limited(「Celestial」)持有的本公司88,521,234股認沽期權，見下文附註(3)，(v)張先生本人持有的100,000股實益權益，以及(vi)趙先生本人持有的3,100,000股實益權益。

Other Information 其他資料

- (3) The Company was informed on November 8, 2014 that TPG Star Energy Ltd. and Celestial had entered into a sale and purchase agreement pursuant to which Celestial had acquired and TPG Star Energy Ltd. has sold 211,855,234 ordinary shares in the Company.

On November 8, 2014, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang and Celestial entered into a put and call option agreement in relation to certain of shares (the "PCA"), pursuant to which the parties to the put and call option agreement have agreed to grant each other certain rights in relation to their shares, and Section 317(1)(a) of the SFO applies. Mr. Ho Chi Sing is the sole shareholder of Celestial.

In particular, Mr. Ho Chi Sing, through his holdings in Celestial, is beneficially interested in 211,855,234 shares in the Company. Pursuant to the abovementioned put and call option agreement, Mr. Ho Chi Sing and Celestial have been granted a put option to resell/put 211,855,234 shares to FEEL, Mr. Zhang and Mr. Zhao.

On January 6, 2017, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang (collectively, the "Controlling Shareholders") and Celestial entered into a letter agreement in relation to the put and call option. The Board was also informed that Great Harmony International Ltd ("Great Harmony") and Celestial have entered into a sale and purchase agreement pursuant to which Great Harmony has agreed to acquire (or procure its affiliate or other person or company designated by it to acquire) and Celestial has agreed to sell 211,855,234 ordinary shares in the Company.

On January 18, 2017, February 23, 2017 and March 7, 2017, Celestial had ceased to have 53,334,000 shares, 40,000,000 shares and 30,000,000 shares in long and short positions, respectively.

On May 17, 2017, the Controlling Shareholders and Celestial entered into a second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated May 17, 2017.

- (3) 本公司於二零一四年十一月八日獲悉，TPG Star Energy Ltd. 與 Celestial 訂立買賣協議，據此，Celestial 同意收購及 TPG Star 同意出售 211,855,234 股本公司普通股。

於二零一四年十一月八日，FEEL、張先生、趙先生、張夫人及 Celestial 就若干股份訂立認沽及認購期權協議，據此，該協議之訂約方同意互相之間授出彼等股份之若干權利並應用證券及期貨條例第317(1)(a)條規定。Ho Chi Sing 先生為 Celestial 的唯一股東。

尤其值得一提的是，Ho Chi Sing 先生通過其在 Celestial 的持股，持有本公司 211,855,234 股權益。根據上述認沽及認購期權協議，Ho Chi Sing 先生和 Celestial 持有認沽期權，得向 FEEL、張先生和趙先生轉售/出 211,855,234 股權。

於二零一七年一月六日，FEEL、張先生、趙先生、張夫人（統稱「控股股東」）及 Celestial 簽訂一份與認沽及認購期權協議相關的協議且董事會獲悉，Great Harmony International Ltd (「Great Harmony」) 與 Celestial 簽訂了購銷協議，據此，Great Harmony 同意購買（或確保其附屬公司或指定的其他人或公司購買），且 Celestial 同意出售本公司 211,855,234 股普通股。

Celestial 分別於二零一七年一月十八日、二零一七年二月二十三日及二零一七年三月七日，再無擁有 53,334,000 股、40,000,000 股及 30,000,000 股的好倉及淡倉。

於二零一七年五月十七日，控股股東及 Celestial 簽訂認沽及認購期權協議的第二份相關協議。詳細信息請參照本公司於二零一七年五月十七日發佈之公告。

Other Information

其他資料

On November 30, 2017, the Controlling Shareholders and Celestial entered into the supplemental agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated November 30, 2017.

On April 14, 2018, the Controlling Shareholders and Celestial entered into the second supplemental agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated April 15, 2018.

- (4) These interests represent interests in outstanding stock options under the Company's stock incentive compensation plan and the share option scheme. For further details, please refer to the section headed "Share Options". Mr. Zhang's interests includes the 100,000 shares held by himself. Mr. Zhao's interests includes the 3,100,000 shares held by himself.

Save as disclosed above and in the section headed "Share Options", as at June 30, 2018, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she had taken or was deemed to have under such provisions of the SFO) or which were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code; nor had there been any grant or exercise of rights of such interests during the six months ended June 30, 2018.

於二零一七年十一月三十日，控股股東及 Celestial 簽訂認沽及認購期權協議的第二份相關協議的補充協議。詳細信息請參照本公司於二零一七年十一月三十日發布之公告。

於二零一八年四月十四日，控股股東及 Celestial 簽訂認沽及認購期權協議的第二份相關協議的第二次補充協議。詳細信息請參照本公司於二零一八年四月十五日發布之公告。

- (4) 該等權益指本公司股份獎勵酬金計劃及購股權計劃所涉未行使購股權的權益。其他詳情請參閱「購股權」一節。張先生的權益包括張先生本人持有的100,000股實益權益。趙先生的權益包括趙先生本人持有的3,100,000股實益權益。

除上文及「購股權」一節所披露者外，於二零一八年六月三十日，本公司董事或主要行政人員於本公司或其任何相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證中概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉（包括根據證券及期貨條例的條文而當作或視為擁有的權益及淡倉），或根據證券及期貨條例第352條的規定須登記於本公司存置的登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉；於截至二零一八年六月三十日六個月期間，亦無授予或行使該等權益之權利。

Other Information 其他資料

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

So far as the Directors are aware of, as at June 30, 2018, the following persons (other than the Directors, chief executive(s) or members of the Group) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, which would be required, pursuant to Section 336 of the SFO, to be entered into the register referred to therein, were as follows:

主要股東於本公司的股份、相關股份中擁有的權益及／或淡倉

就董事所知，於二零一八年六月三十日，下列人士（除董事、主要行政人員或本集團成員公司外）於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益及／或淡倉，或根據證券及期貨條例第336條須登記於該條所指之登記冊內的權益及／或淡倉如下：

Name of interested Party	Capacity/ Nature of interest	Total number of shares (including options to be exercised) 股份總數 (包括可行使購股權)	Approximate percentage of interest in our company 佔本公司權益的 概約百分比
權益方名稱	身份／權益性質		
Ms. Zhao Jiangbo 趙江波女士	Interest of controlled corporations (Note 2) 受控制法團權益（附註2）	1,522,095,234 (L) 88,521,234(S)	51.80% 3.01%
FEEL	Interest of controlled corporations (Note 2) 受控制法團權益（附註2）	1,522,095,234 (L) 88,521,234(S)	51.80% 3.01%
Ho Chi Sing	Interest of controlled corporation (Note 3) 受控制法團權益（附註3）	1,522,095,234 (L) 88,521,234(S)	51.80% 3.01%
Celestial Energy Limited ("Celestial")	Interest of controlled corporation (Note 3) 受控制法團權益（附註3）	1,522,095,234 (L) 88,521,234(S)	51.80% 3.01%
Billion Capital Shine Inc.	Person having a security interest in shares (Note 4) 持有股份的保證權益的人（附註4）	1,330,840,000 (L)	45.29%
China Orient Asset Management (International) Holding Limited	Interest of controlled corporation (Note 4) 受控制法團權益（附註4）	1,330,840,000 (L)	45.29%
Wise Leader Assets Ltd.	Interest of controlled corporation (Note 4) 受控制法團權益（附註4）	1,330,840,000 (L)	45.29%
Dong Yin Development (Holdings) Limited	Interest of controlled corporation (Note 4) 受控制法團權益（附註4）	1,330,840,000 (L)	45.29%
China Orient Asset Management Co., Ltd.	Interest of controlled corporation (Note 4) 受控制法團權益（附註4）	1,330,840,000 (L)	45.29%
Prudence Investment Management (Hong Kong) Limited	Investment manager 投資經理	586,216,896 (L)	19.95%

Other Information

其他資料

Notes:

- (1) The letter “L” denotes the person’s long position in the shares of the Company. The letter “S” denotes the person’s short position in the shares of the Company.
- (2) FEEL is held by Mrs. Zhang, Mr. Zhang and Mr. Zhao as to 80%, 9.99% and 10%, respectively. On May 24, 2013, 72,000 shares in FEEL were issued to Mrs. Zhang, 399,070,000 shares in the Company were transferred from FEEL to Champion, 399,070,000 shares in the Company were transferred from FEEL to Orient, 475,000,000 shares in the Company were transferred from FEEL to New Sun and 141,460,000 shares in the Company were transferred from FEEL to Power. Each of Champion, Orient, New Sun and Power is a wholly-owned subsidiary of Sunrise Glory Holdings Limited, which is itself a wholly-owned subsidiary of FEEL. Mrs. Zhang, Mr. Zhang and Mr. Zhao have entered into an Acting-in-Concert Agreement under which they agreed to act in concert in relation to all matters that require the decisions of the shareholders of FEEL. Pursuant to the Acting-in-Concert Agreement, if a unanimous opinion in relation to the matters that require action in concert is unable to be reached, Mr. Zhang shall be allowed to vote on his, Mrs. Zhang’s and Mr. Zhao’s shares.

The long interests which FEEL, Mr. Zhang and Mr. Zhao have in the 1,522,095,234 shares in the Company include (i) the beneficial interests which FEEL has (and in the case of Mr. Zhang and Mr. Zhao, the indirect beneficial interests which they have (through their shareholdings in FEEL)) in the 1,414,600,000 shares in the Company held by FEEL through its subsidiaries, (ii) the 7,887,000 share options granted to Mr. Zhang, (iii) the 7,887,000 share options granted to Mr. Zhao, (iv) the put option granted by Controlling Shareholders pursuant to a put and call option agreement, over the 88,521,234 shares in the Company held by Mr. Ho Chi Sing through Celestial, as further described in note (3) below, (v) the 100,000 shares owned by Mr. Zhang himself, and (vi) the 3,100,000 shares owned by Mr. Zhao himself.

附註：

- (1) 字母「L」指某位人士於本公司股份中的好倉。字母「S」指某位人士於本公司股份中的淡倉。
- (2) FEEL由張夫人、張先生及趙先生分別擁有80%、9.99%及10%權益。於二零一三年五月二十四日，FEEL的72,000股股份發行予張夫人，FEEL分別將本公司399,070,000股、399,070,000股、475,000,000股及141,460,000股股份轉讓予Champion、Orient、New Sun及Power。Champion、Orient、New Sun及Power均為Sunrise Glory Holdings Limited的全資附屬公司，而Sunrise Glory Holdings Limited則為FEEL的全資附屬公司。張夫人、張先生及趙先生已訂立一致行動協議，據此，彼等同意就需由FEEL股東決定的一切事項一致行動。根據一致行動協議，倘未能達成有關一致行動事項的一致意見，張先生獲准就其、張夫人及趙先生的股份進行投票表決。

FEEL、張先生和趙先生於本公司持有的1,522,095,234股長期權益包括(i)FEEL通過其子公司(而張先生和趙先生通過在FEEL的持股)持有的本公司1,414,600,000股實益權益，(ii)張先生持有的7,887,000股購股權，(iii)趙先生持有的7,887,000股購股權，(iv)根據認沽及認購期權協議，控股股東授予Ho Chi Sing先生通過Celestial持有的本公司88,521,234股認沽期權，見下文附註(3)，(v)張先生本人持有的100,000股實益權益，以及(vi)趙先生本人持有的3,100,000股實益權益。

Other Information 其他資料

- (3) The Company was informed on November 8, 2014 that TPG Star Energy Ltd. and Celestial had entered into the PCA pursuant to which Celestial had acquired and TPG Star Energy Ltd. has sold 211,855,234 ordinary shares in the Company.

On November 8, 2014, the Controlling Shareholders and Celestial entered into the PCA, pursuant to which the parties to the put and call option agreement have agreed to grant each other certain rights in relation to their shares, and section 317 (1) (a) of the SFO applies. Mr. Ho Chi Sing is the sole shareholder of the Celestial.

Pursuant to the abovementioned put and call option agreement, Mr. Ho Chi Sing and Celestial have been granted a put option to resell/put 211,855,234 shares to FEEL, Mr. Zhang and Mr. Zhao.

On January 6, 2017, the Controlling Shareholders and Celestial entered into the letter agreement in relation to the put and call option. The Board was also informed that Great Harmony and Celestial have entered into a sale and purchase agreement pursuant to which Great Harmony has agreed to acquire (or procure its affiliate or other person or company designated by it to acquire) and Celestial has agreed to sell 211,855,234 ordinary shares in the Company.

On January 18, 2017, February 23, 2017 and March 7, 2017, Celestial had ceased to have 53,334,000 shares, 40,000,000 shares and 30,000,000 shares in long and short positions, respectively.

On May 17, 2017, the Controlling Shareholders and Celestial entered into a second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated May 17, 2017.

On November 30, 2017, the Controlling Shareholders and Celestial entered into the supplemental agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated November 30, 2017.

- (3) 本公司於二零一四年十一月八日獲悉，TPG Star Energy Ltd. 與 Celestial 訂立買賣協議，據此，Celestial 同意收購及 TPG Star 同意出售 211,855,234 股本公司普通股。

於二零一四年十一月八日，控股股東及 Celestial 就若干股份訂立認沽及認購期權協議，據此，該協議之訂約方同意互相之間授出彼等股份之若干權利並應用證券及期貨條例第317(1)(a)條規定。Ho Chi Sing 先生為 Celestial 的唯一股東。

根據上述認沽及認購期權協議，Ho Chi Sing 先生和 Celestial 持有認沽期權，得向 FEEL、張先生和趙先生轉售／出 211,855,234 股權。

於二零一七年一月六日，控股股東及 Celestial 簽訂一份與認沽及認購期權協議相關的協議且董事會獲悉，Great Harmony 與 Celestial 簽訂了購銷協議，據此，Great Harmony 同意購買（或確保其附屬公司或指定的其他人或公司購買），且 Celestial 同意出售本公司 211,855,234 股普通股。

Celestial 分別於二零一七年一月十八日，二零一七年二月二十三日及二零一七年三月七日，再無擁有 53,334,000 股、40,000,000 股及 30,000,000 股的好倉及淡倉。

於二零一七年五月十七日，控股股東及 Celestial 簽訂認沽及認購期權協議的第二份相關協議。詳細信息請參照本公司於二零一七年五月十七日發佈之公告。

於二零一七年十一月三十日，控股股東及 Celestial 簽訂認沽及認購期權協議的第二份相關協議的補充協議。詳細信息請參照本公司於二零一七年十一月三十日發佈之公告。

Other Information 其他資料

On April 14, 2018, the Controlling Shareholders and Celestial entered into the second supplemental agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated April 15, 2018.

(4) Billion Capital Shine Inc. has a security interest in the 1,330,840,000 shares of the Company in which China Orient Asset Management (International) Holding Limited, Wise Leader Assets Ltd., Dong Yin Development (Holdings) Limited and China Orient Asset Management Co., Ltd., were deemed to be interested in by virtue of SFO because:

- Billion Capital Shine Inc. is 100% owned by China Orient Asset Management (International) Holding Limited;
- China Orient Asset Management (International) Holding Limited is 50% owned by Dong Yin Development (Holdings) Limited and 50% owned by Wise Leader Assets Ltd.;
- Wise Leader Assets Ltd. is 100% owned by Dong Yin Development (Holdings) Limited; and
- Dong Yin Development (Holdings) Limited is 100% owned by China Orient Asset Management Co., Ltd.

Save as disclosed above, as at June 30, 2018, no person (other than the Directors or the chief executive of our Company, whose interests have been disclosed in the above section headed "Directors' and Chief Executives' Interests and/or Short Positions in shares, Underlying Shares and Debentures of the Company or Any Associated Corporation") had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO.

於二零一八年四月十四日，控股股東及 Celestial 簽訂認沽及認購期權協議的第二份相關協議的第二次補充協議。詳細信息請參照本公司於二零一八年四月十五日發佈之公告。

(4) Billion Capital Shine Inc. 取得本公司 1,330,840,000 股份的保證權益，根據證券及期貨條例，China Orient Asset Management (International) Holding Limited、Wise Leader Assets Ltd.、Dong Yin Development (Holdings) Limited 及 China Orient Asset Management Co., Ltd. 也同樣擁有該等權益，原因為：

- China Orient Asset Management (International) Holding Limited 擁有 Billion Capital Shine Inc. 100% 股份；
- Dong Yin Development (Holdings) Limited 及 Wise Leader Assets Ltd 分別擁有 China Orient Asset Management (International) Holding Limited 50% 股份；
- Dong Yin Development (Holdings) Limited 擁有 Wise Leader Assets Ltd. 100% 股份；及
- China Orient Asset Management Co., Ltd. 擁有 Dong Yin Development (Holdings) Limited 100% 股份。

除上文所述者外，於二零一八年六月三十日，概無任何人士（除於上文「董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債權證中擁有的權益及／或淡倉」一節已披露權益的本公司董事或主要行政人員外）於本公司之股份或相關股份中擁有根據證券及期貨條例第336條登記於本公司存置之登記冊內的權益或淡倉。

SHARE OPTIONS

(i) Stock Incentive Compensation Plan (“Plan”)

The Board adopted the Plan prior to the listing of the Company on the Stock Exchange designed to attract and retain the best available personnel for positions of substantial responsibility, provide additional incentive to employees and directors and promote the success of our business. Under the Plan, a total of 29,902,758 share options were granted to Directors, executives and employees, of which 7,880,387 share options lapsed. The share options were granted at nil consideration.

The exercise price of the granted share options is equal to or higher than the market price of the shares on the date of the grant. Each share option gives the holder the right to subscribe for one share of the Company. The share options granted under the Plan typically vest over a two or three year period at each anniversary of the grant date, subject to the participant continuing to be an employee on each vesting date.

The Company has undertaken that no further share options will be granted under the Plan upon the listing of the Company, but the provisions of the Plan shall in all other respects remain in full force and effect and share options granted under the Plan prior to the listing of the Company continue to be exercisable in accordance with the Plan and agreements entered into pursuant to the Plan.

購股權

(i) 股份獎勵酬金計劃(「該計劃」)

董事會已於本公司於聯交所上市之前採納該計劃，旨在為具重大責任的職位招攬及聘留優秀適用人才，為僱員及董事提供額外獎勵並促進本公司的業務發展。根據該計劃，合共29,902,758份購股權已向董事、行政人員及僱員授出，其中7,880,387份購股權已失效。購股權乃以零代價授出。

所授出的購股權的行權價等於或高於授出日期的股份市場價格。各份購股權賦予持有人權利可認購本公司一股股份。根據該計劃授出的購股權一般於授出日期各個周年的兩或三年期間歸屬，惟參與者須在各個歸屬日期須仍為僱員。

本公司已承諾於本公司上市後將不會根據該計劃授出其他購股權，惟該計劃的條文在所有其他方面須保持全面生效及有效，而本公司上市前根據該計劃授出的購股權可繼續根據該計劃及根據該計劃所訂立的協議行使。

Other Information 其他資料

Details of the share options outstanding as at June 30, 2018 which have been granted under the Plan are as follows:

於二零一八年六月三十日，根據該計劃已授出但尚未行使之購股權詳情如下：

Name	Held at January 1, 2018 於二零一八年一月一日持有	Number of options granted during the period 於期內授出之購股權數目	Number of options exercised during the period 於期內行使之購股權數目	Held at June 30, 2018 於二零一八年六月三十日持有	Exercise price (per Share) 行權價 (每股)	Date of grant 授出日期	Exercisable period 可予行使期間
Independent non-executive directors 獨立非執行董事							
Mr. Mei Jianping 梅建平先生	1,267,933			1,267,933	US\$0.25 0.25美元	November 23, 2010 二零一零年十一月二十三日	from November 23, 2011 to November 22, 2020 自二零一一年十一月二十三日至二零二零年十一月二十二日
Mr. Jeffrey Willard Miller Jeffrey Willard Miller 先生	1,811,333			1,811,333	US\$0.25 0.25美元	November 23, 2010 二零一零年十一月二十三日	from November 23, 2011 to November 22, 2020 自二零一一年十一月二十三日至二零二零年十一月二十二日
Other employees 其他員工	17,048,120			10,986,312	US\$0.13 0.13美元	November 20, 2009 二零零九年十一月二十日	from November 20, 2011 to November 19, 2019 自二零一一年十一月二十日至二零一九年十一月十九日
Total 總計	20,127,386			14,065,578			

(ii) Share Option Scheme (“Scheme”)

On November 27, 2010, the Board adopted the Scheme to enable the Company to grant options to selected participants as incentives or rewards for their contributions to our Group. Participants of the Scheme include any executive Director, non-executive Director or full time employee of the Group as invited by the Board. The Scheme shall be valid and effective for a period of 10 years commencing from the approval of the Scheme.

The exercise period of any option granted under the Scheme must not be more than ten years commencing on the date of grant. The acceptance of an offer of the grant of the option must be made within 28 days from the date of grant with a non-refundable payment of HK\$1.00 from the grantee. The exercise price determined by the Board will be at the higher of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the date of grant and (iii) the nominal value of the shares.

The share options granted under the Scheme typically vest over three years on the last day of each year starting from the subsequent year of the grant, subject to the participant continuing to be an employee on each vesting date and other performance evaluation results.

(ii) 購股權計劃(「購股權計劃」)

於二零一零年十一月二十七日，董事會採用購股權計劃，本公司可向選定參與者授出購股權，作為彼等對本集團所作貢獻的獎勵或回報。購股權計劃參與者包括董事會邀請的本集團任何執行董事、非執行董事或全職僱員。購股權計劃將於獲批准起計10年期間有效及生效。

根據購股權計劃授出的任何購股權之行使期間不得超過授出日期起計十年。倘接納授出之購股權，承授人必須於授出日期後28天內支付1.00港元之不可退還付款。由董事會釐定之行權價將為下列三者中之較高者：(i)於授出日期在聯交所每日報價表所示的股份收市價；(ii)緊接授出日期前五個交易日在聯交所每日報價表所示的股份平均收市價及(iii)股份面值。

根據購股權計劃授出的購股權一般於授出翌年起每年最後一天的三年內歸屬，惟參與者須於各歸屬日期仍為僱員及須受限於其他表現評估結果。

Other Information

其他資料

Cancellation of Vested Options

On September 20, 2011, the Company granted, pursuant to the Scheme adopted by the Company on November 27, 2010, share options to certain employees of the Company, entitling the option holders to subscribe for an aggregate of 112,048,000 ordinary shares of the Company of USD0.001 each at the exercise price of HK\$2.254 per Share ("2011 Grant").

Since February 2013, the exercise price of the vested options has been higher than the prevailing market price of shares. As a result, the options could no longer serve as an effective incentive. In view of this, the Company offered these option holders a cash consideration of HK\$0.20 per Share to cancel vested options under the 2011 Grant, subject to the option holders consenting to such cancellation. As a result, options in respect of 65,358,066 shares were cancelled on March 21, 2014.

Grant of Options

On March 21, 2014, the Company granted share options pursuant to the Scheme to 151 eligible participants comprising certain directors, substantial shareholders and employees of the Company to subscribe for an aggregate of 97,280,000 shares. These options have an exercise price of HKD1.40 per share and a term of 10 years from the grant date, and will vest over the next three or four years.

The closing price per share as at March 20, 2014, being the date immediately before the date the share options were granted was HK\$1.34.

取消已得權購股權

根據公司二零一零年十一月二十七日採納的購股權計劃，公司於二零一一年九月二十日向公司部分員工授予購股權，允許持有人按照每股2.254港元的價格認購本公司共計112,048,000股每股面值0.001美元普通股股票。

自二零一三年二月以來，已得權購股權的行權價格始終高於公司股票的普遍市場價格，導致已得權購股權不再為有效激勵。因此，公司決定在現購股權持有人同意取消已得權購股權的前提下，向現購股權持有人提出以每股0.20港元的現金對價取消已得權購股權。自二零一四年三月二十一日起，已得權購股權中共計65,358,066股已經被取消。

授予購股權

二零一四年三月二十一日，公司根據購股權計劃向151名合資格人士，包括公司的部分董事，主要股東和員工授予新的購股權，認購共計97,280,000的股份。購股權行權價為每股1.40港元，購股權有效期為自授予日起十年，且將於授權日後三或四年間得權。

於二零一四年三月二十日，即購股權授出前當日，每股股份收市價格為1.34港元。

Other Information 其他資料

On December 9, 2016, the Company granted share options pursuant to the Scheme to 93 eligible participants comprising certain directors, substantial shareholders and employees of the Company to subscribe for an aggregate of 95,920,000 shares. These options have an exercise price of HK\$0.816 per share and a term of 10 years from the grant date, and will vest over the next three years.

The closing price per share as at December 8, 2016, being the date immediately before the date the share options were granted was HK\$0.78.

Under the Scheme, a total of 305,248,000 share options were granted to Directors, executives and employees, of which 88,510,174 share options were lapsed during the six months ended June 30, 2018. Details of the share options outstanding as at June 30, 2018 which have been granted under the Scheme are as follows:

於二零一六年十二月九日，公司根據購股權計劃向93名合資格人士，包括公司的部分董事，主要股東和員工授予新的認股期權，認購共計95,920,000的股份。認股權行權價為每股0.816港元，購股權有效期為自授予日起十年，且將於授權日後三年間得權。

於二零一六年十二月八日，即購股權售出前當日，每股股份收市價格為0.78港元。

根據購股權計劃，合共305,248,000份購股權已授予董事、行政人員及僱員。截至二零一八年六月三十日止六個月，其中88,510,174份購股權失效。根據購股權計劃已授出但於二零一八年六月三十日尚未行使的購股權詳情如下：

Other Information

其他資料

Name	Held at January 1, 2018	Number of options granted during the period	Number of options exercised during the period	Number of options lapsed during the period	Number of options cancelled during the period	Held at June 30, 2018	Exercise price (per Share)	Date of grant	Exercisable period
姓名	於二零一八年一月一日持有	於期內授出之購股權數目	於期內行使之購股權數目	於期內已失效之購股權數目	於期內已取消之購股權數目	於二零一八年六月三十日持有	行使價(每股)	授權日	可予行使期間
Executive Directors									
執行董事									
Mr. Zhang Rulin 張瑞霖先生	2,347,000					2,347,000	HK\$2.254 2.254 港元	September 20, 2011 二零一一年九月二十日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起至二零二一年九月十九日止
	2,640,000					2,640,000	HK\$1.40 1.40 港元	March 21, 2014 二零一四年三月二十一日	from March 21, 2016 to March 20, 2024 自二零一六年三月二十一日起至二零二四年三月二十日止
	2,900,000					2,900,000	HK\$0.816 0.816 港元	December 9, 2016 二零一六年十二月九日	from December 9, 2016 to March 20, 2026 自二零一六年十二月九日起至二零二六年三月二十日止
Mr. Zhao Jiangwei 趙江巍先生	2,347,000					2,347,000	HK\$2.254 2.254 港元	September 20, 2011 二零一一年九月二十日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起至二零二一年九月十九日止
	2,640,000					2,640,000	HK\$1.40 1.40 港元	March 21, 2014 二零一四年三月二十一日	from March 21, 2016 to March 20, 2024 自二零一六年三月二十一日起至二零二四年三月二十日止
	2,900,000					2,900,000	HK\$0.816 0.816 港元	December 9, 2016 二零一六年十二月九日	from December 9, 2016 to March 20, 2026 自二零一六年十二月九日起至二零二六年三月二十日止
Other employees 其他員工	14,430,000					14,430,000	HK\$2.254 2.254 港元	September 20, 2011 二零一一年九月二十日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起至二零二一年九月十九日止
	46,266,352			1,160,555		45,105,797	HK\$1.40 1.40 港元	March 21, 2014 二零一四年三月二十一日	from March 21, 2015 to March 20, 2024/ 自二零一五年三月二十一日起至二零二四年三月二十日止/ 自二零一六年三月二十一日起至二零二四年三月二十日止
	73,070,000			1,650,000		71,420,000	HK\$0.816 0.816 港元	December 9, 2016 二零一六年十二月九日	from December 9, 2016 to March 20, 2026 自二零一六年十二月九日起至二零二六年三月二十日止
Total 總計	149,540,352			2,810,555		146,729,797			

(iii) 2012 Share Award Scheme (“2012 Share Award Scheme”)

To supplement the Plan in respect the operation of the share appreciation rights (“SARs”), the Board resolved to adopt a 2012 Share Award Scheme on May 30, 2012, pursuant to which the Company granted to selected grantees who are persons holding SARs under the Plan, such number of awarded shares as is equal to the number of outstanding notional shares to which the SAR of the selected grantees relates.

The Board resolved to adopt on November 20, 2015 the amended Plan, pursuant to which, restrictions on grant price of SARs granted after the adoption of amended Plan are removed. Lapsed SARs will be re-used and re-granted upon terms and conditions determined by the remuneration committee of the Company in its sole discretion, in accordance with the amended Plan.

According to the 2012 Share Award Scheme, shares of up to 44,415,800 of the Company will be purchased by a trustee from the market out of cash contributed by the Company and be held in trust for the benefit of the selected grantees pending the exercise of the SARs. Upon exercise of the SAR by the selected grantees, the trustee will sell the awarded shares to which the SAR so exercised relates and pay the selected grantees in satisfaction of the Company’s payment obligations in relation to the SAR under the Plan. Unless early terminated by the board of the Company, the 2012 Share Award Scheme shall continue in full force and effect until the date when all the SARs are exercised, terminated or expired.

(iii) 2012 股份獎勵計劃 (「2012 股份獎勵計劃」)

為對該計劃作出股份增值權 (「股份增值權」) 方面的補充，董事會於二零一二年五月三十日議決採納一項 2012 股份獎勵計劃，本公司將向經挑選的承授人授出獎勵股份，該等承授人須為根據該計劃持有股份增值權之人士，而所授出之獎勵股份數目相等於與經挑選承授人相關之股份增值權之尚未發行名義股份數目。

董事會已於二零一五年十一月二十日議決採納修訂的該計劃，根據修訂的該計劃，對於該計劃實施後新授予的股份增值權，原該計劃中對股份增值權授予價格的限制條款被取消，並且原該計劃下已失效的股份增值權將在經由本公司薪酬委員會酌情決定的條件下恢復有效並被重新授予。

根據 2012 股份獎勵計劃，股票經紀或受託人將以本公司提供之現金於市場購買最多 44,415,800 股本公司股份，並以經挑選承授人為受益人以信託形式持有，以待行使股份增值權。於經挑選承授人行使股份增值權時，受託人將就所行使之股份增值權出售獎勵股份，並且向經挑選承授人付款已履行本公司在該計劃項下股份增值權之付款責任。除非由董事會提早終止，2012 股份獎勵計劃將一直全面生效及有效，直至所有股份增值權獲行使、終止或到期當日為止。

Other Information

其他資料

Cancellation of Vested SARs

Since the exercise price of the SAR has been higher than the prevailing market price of shares the 2012 Share Award Scheme could no longer serve as an effective incentive. In view of this, the Company offered certain SAR grantees each one common share of the Company in consideration of cancellation of two previously granted SARs subject to the SAR grantees consenting to such cancellation. On January 25, 2018, 17,847,663 SARs were cancelled.

As at June 30, 2018, the trustee held 8,923,837 shares acquired through purchases from the market at an aggregate consideration of approximately HK\$16,753,189 (including transaction costs). As at June 30, 2018, the trustee has sold 3,219,000 shares upon exercise of SARs so exercised by certain grantees.

取消已得股份增值權

因股票增值權的價格始終高於公司股票之普遍市場價格，導致股份增值權不再為有效激勵。因此，公司決定在股份增值權持有人同意取消股份增值權的前提下，向特定股份增值權持有人提出以本公司一股普通股股份置換兩股股份增值權的方式來取代之前授予的股份增值權。二零一八年一月二十五日當日，共計17,847,663股股份增值權已經被取消。

截至二零一八年六月三十日，受託人持有8,923,837股股份，在市場以總代價約港幣16,753,189元（包括交易成本）購買。截至二零一八年六月三十日，受託人已於若干承授人行使股份增值權時累計出售3,219,000股獎勵股份。

(iv) 2015 Share Award Scheme (“2015 Share Award Scheme”)

To recognize the contributions by certain grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group, the Board resolved to adopt on January 6, 2015 and amend on November 20, 2015 the 2015 Share Award Scheme, pursuant to which the Board may at their absolute discretion select any grantee, who is an employee or consultant of the Group or of any affiliate, for participation in the 2015 Share Award Scheme and determine the number of awarded shares to be granted to such grantee. The 2015 Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company, and will be in effect in parallel with the Plan, the Scheme and the Share Award Scheme.

Pursuant to the 2015 Share Award Scheme rules, existing shares will be purchased by a trustee from open market out of cash which will be paid by the Company as trust shares and be held on trust for the grantees until the relevant award(s) is vested in accordance with the relevant award agreement and the 2015 Share Award Scheme rules. Upon vesting, the trustee shall transfer the relevant trust shares as awarded shares to the relevant grantee, or upon receipt of the instructions from the grantees, dispose of the relevant awarded shares in open market and transfer the proceeds of the sale of the relevant awarded shares (after deduction of the relevant charges, expenses, stamp duty and levy) to the relevant grantee.

(iv) 2015 股份獎勵計劃(「2015 股份獎勵計劃」)

本公司董事會已分別於二零一五年一月六日議決採納，並於二零一五年十一月二十日議決修訂2015股份獎勵計劃，目的是認可特定承授人所做的貢獻並給予激勵，為本集團的持續運營和發展聘留特定承授人，並為本集團進一步發展吸引適用人才。董事會將根據該計劃，不時自行酌情決定挑選任何承授人作為被挑選承授人參與該計劃，並決定授予該等被挑選承授人的獎勵股份數量，該等承授人為集團任何成員或其任何關聯公司的員工或顧問。2015股份獎勵計劃將與該計劃，購股權計劃及股份獎勵計劃並行生效。

根據2015股份獎勵計劃規則，受託人將以公司安排的現金從市場上購買現有股份作為信託股份，並由受託人為經挑選承授人持有信託，直到相關獎勵根據相關獎勵協議及2015股份獎勵計劃規則歸屬。歸屬後，受託人應將相關信託股份作為獎勵股份轉讓給相關承授人，或在收到承授人的指示後，在市場上處置相關獎勵股份，並將出售相關獎勵股份的收益(扣除相關費用、開支、印花稅及稅款後)轉讓給相關承授人。

Other Information

其他資料

Subject to any early termination as may be determined by the Board pursuant to the 2015 Share Award Scheme rules, the 2015 Share Award Scheme shall be valid and effective from 6 January 2015 to the date of the last of the awarded shares has been vested and transferred to the relevant grantee or has lapsed, whichever is later in accordance with the 2015 Share Award Scheme rules, provided that no award shall be made on or after the 10th anniversary date of the adoption date.

On November 20, 2015, the Board resolved to offer to certain directors and employees 14,200,000 shares under the 2015 Share Award Scheme.

On December 9, 2016, the Board resolved to offer to certain director 12,000,000 shares under the 2015 Share Award Scheme.

On January 25, 2018, the Board resolved to offer to employees and directors 104,000,000 shares under the 2015 Share Award Scheme.

As at June 30, 2018, the trustee held 11,975,165 shares acquired through purchases from the market at an aggregate consideration of approximately HK\$13,095,325 (including transaction costs).

倘董事會並未根據2015股份獎勵計劃條款決定提前終止，2015股份獎勵計劃將於二零一五年一月六日起，直至最終獎勵股份歸屬並轉移到相關經挑選承授人或其根據該計劃條款失效之日止，以較遲者為準，且採納日後的十周年日之後不得授出任何獎勵。

於二零一五年十一月二十日，本公司董事會決議根據2015股份獎勵計劃授予本公司特定董事及僱員合計14,200,000股股份。

於二零一六年十二月九日，本公司董事會決議根據2015股份獎勵計劃授予本公司特定董事合計12,000,000股股份。

於二零一八年一月二十五日，本公司董事會決議根據2015股份獎勵計劃授予本公司董事及員工合計104,000,000股股份。

截至二零一八年六月三十日，受託人持有11,975,165股股份，在市場以總代價約港幣13,095,325元（包括交易成本）購買。

Other Information 其他資料

DIVIDEND

The Board has resolved that no interim dividend will be paid for the six months ended June 30, 2018.

AUDIT COMMITTEE

The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed the internal control and financial reporting matters, including reviewing the unaudited interim results.

The Audit Committee has adopted the terms of reference which are in line with the Corporate Governance Code. The terms of reference were revised on August 24, 2016 and have been made available on the websites of the Stock Exchange and the Company.

BUY-BACK, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On February 6, 2018, the Company repaid the 2018 Notes that remain outstanding in full upon its maturity.

Save as disclosed otherwise in the Reprot, neither the Company nor any of its subsidiaries purchased, disposed of or redeemed any of the Company's listed securities for the six months ended June 30, 2018.

FUND RAISING FROM ISSUE OF CONVERTIBLE BONDS

On January 26, 2018, the Company completed the placing of convertible bonds, in an aggregate principal amount of HK\$340,000,000 with a 5% coupon rate per annum, maturing on January 26, 2021. The funds raised by this bond issue were utilized for repayment of the 2018 Notes. For further details, please refer to the Company's announcements dated January, 23, 2018, January 26, 2018 and July 26, 2018.

股息

董事會議決不就截至二零一八年六月三十日止六個月期間派發中期股息。

審計委員會

審計委員會已經與管理層共同審閱本集團採用之會計準則及常規，並討論內部監控及財務報告事宜，包括審閱未經審核中期業績。

審計委員會已採納符合企業管治守則的職權範圍。職權範圍已於二零一六年八月二十四日修訂，並已載於聯交所及本公司網站。

回購、出售或贖回本公司上市證券

二零一八年二月六日，本公司在到期日已全部償還與2018票據相關的未償還金額。

除本報告其他披露外，截止二零一八年六月三十日，本公司及子公司再無回購，出售或贖回本公司上市證券。

可換股債券發行的股本集資

二零一八年一月二十六日，本公司配售總計340,000,000港元，5%的票面年利率的可換股債券，此債券於二零二一年一月二十六日到期。配售所得款項總額全部用作償還本公司部分二零一八年優先票據。詳情請見本公司日期於二零一八年一月二十三日，二零一八年一月二十六日及二零一八年七月二十六日的公告。

Other Information

其他資料

CORPORATE GOVERNANCE CODE

The Company has complied with the principles and code provisions as set out in the Corporate Governance Code (the “CG Code”) as contained in Appendix 14 of the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”) throughout the period from January 1, 2018 to June 30, 2018, except for Code Provisions A.2.1 as explained below.

Code Provision A.2.1

Code Provision A.2.1 of the CG Code stipulates that the roles of Chairman and Chief Executive Officer are required to be separated and not to be performed by the same individual. Mr. Zhang Ruilin (“Mr. Zhang”) is the Chairman of the Board. In addition to the role of Chairman of the Board, the role of Chief Executive Officer is also designated to Mr. Zhang. This constitutes a deviation from Code Provision A.2.1. The reason for such deviation is set out below.

The Company is engaged in the oil and gas exploration and production business which is different from integrated oil companies engaged in both upstream and downstream operations. In light of this, the Board considers that the interest of the Company’s oil and gas exploration and production business is best served when strategic planning decisions are made and implemented by the same person. The Nomination Committee of the Company also agreed that it is in the best interest of the Company that the roles of the Chairman of the Board and Chief Executive Officer be performed by the same individual. In this respect, the Company does not currently propose to designate another person as the Chief Executive Officer of the Company. However, the Company will continue to review the effectiveness of the Group’s corporate governance structure and consider whether any changes, including the separation of the roles of Chairman and Chief Executive Officer, are necessary.

企業管治守則

本公司已採納上市規則附錄十四所載的企業管治守則（「企業管治守則」）的原則及守則條文。本公司已於二零一八年一月一日至二零一八年六月三十日期間遵守企業管治守則的守則條文，惟下文所述守則條文第A.2.1條除外。

守則條文第A.2.1條

企業管治守則的守則條文第A.2.1條規定主席和首席執行官的角色應有區分，不應由同一人兼任。張瑞霖先生（「張先生」）為董事會主席。除擔任董事會主席一職外，張先生亦獲委任為首席執行官。該委任與守則條文第A.2.1條相偏離。該偏離的原因載於下文。

有別於從事上下游業務的綜合石油公司，本公司從事油氣勘探及生產業務。有鑒於此，董事會認為，由同一人指定戰略性計劃決策並付諸實施將最大程度地符合本公司油氣勘探及生產業務的利益。本公司提名委員會亦同意，主席及首席執行官由同一人兼任符合本公司的最佳利益。就此而言，本公司目前並無計劃委任其他人士擔任本公司的首席執行官。然而，本公司將繼續檢討本集團企業管治架構的有效性，並考慮是否有必要做出任何變動（包括將主席及首席執行官的角色分開）。

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix 10 to the Listing Rules and applied the same to the Directors and the employees who are likely to be in possession of unpublished inside information of the Company.

Specific enquiry has been made of all the Directors and all the Directors have confirmed that they have complied with the required standard set out in the Model Code throughout the six months ended June 30, 2018. In addition, no incident of non-compliance of the Model Code by the employees was noted by the Company.

MISCELLANEOUS

The Directors are of the opinion that there have been no material changes to the information published in its annual report for the year ended December 31, 2017, other than those disclosed in this interim report.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Board of Directors has been, at all times, in compliance with (i) Rule 3.10(1) of the Listing Rules, which requires a company to maintain at least three independent non-executive Directors on the Board; (ii) Rule 3.10(2) of the Listing Rules, which requires one of those independent non-executive Directors to have appropriate professional qualifications or accounting or relevant financial management expertise; and (iii) Rule 3.10A of the Listing Rules, which requires the company to appoint independent non-executive Directors representing at least one-third of the Board.

證券交易的標準守則

本公司已採納上市規則附錄十所載的上市發行人董事進行證券交易的標準守則(「標準守則」)，並將其應用於可能擁有未刊發之本公司內幕消息之董事及僱員。

經向全體董事作出具體查詢後，董事已確認彼等於截至二零一八年六月三十日止六個月期間一直遵守標準守則。此外，本公司概無知悉任何僱員不遵守標準守則。

其他事項

董事認為，除本中期報告所披露外，於截至二零一七年十二月三十一日止年度年報刊載之資料並無重大變動。

獨立非執行董事

董事會在任何時間均已遵守：(i) 上市規則第3.10(1)條，其規定公司的董事會須至少有三名獨立非執行董事；(ii) 上市規則3.10(2)條，其規定其中一名獨立非執行董事須具備會計或相關財務管理的專門知識；(iii) 上市規則第3.10A條，其規定獨立非執行董事須最少佔董事會三分之一人數。

Condensed Interim Consolidated Statement of Financial Position

簡明中期合併財務狀況表

			Unaudited (未經審核) June 30, 2018 於六月三十日 二零一八年 RMB'000 人民幣千元	Audited (經審核) December 31, 2017 於十二月三十一日 二零一七年 RMB'000 人民幣千元
		Notes 附註		
Assets	資產			
Non-current assets	非流動資產			
Property, plant and equipment	不動產、工廠及設備	7	6,247,112	7,719,859
Intangible assets	無形資產	7	782,034	708,193
Investments in associates	聯營企業投資	8	-	182,541
Deferred income tax assets	遞延所得稅資產		766	334
Available-for-sale financial assets	可供出售金融資產	29	-	67,132
Derivative financial instruments	衍生金融工具	11	3,214	25,652
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產		65,026	-
Prepayments, deposits and other receivables	預付款、保證金及其他應收款	9	754,129	727,966
Restricted cash	受限制現金		43,831	43,285
			7,896,112	9,474,962
Current assets	流動資產			
Inventories	存貨		18,241	16,745
Prepayments, deposits and other receivables	預付款、保證金及其他應收款	9	558,799	751,426
Available-for-sale financial assets	可供出售金融資產	29	-	111,228
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產		68,801	-
Trade receivables	應收賬款	10	292,608	407,035
Derivative financial instruments	衍生金融工具	11	27,787	342,763
Restricted cash	受限資金		-	72,012
Cash and cash equivalents	現金及現金等價物		83,596	132,172
			1,049,832	1,833,381
Total assets	資產總額		8,945,944	11,308,343
Equity	權益			
Equity attributable to owners of the Company	歸屬於本公司所有者的權益			
Share capital	股本	14	1,068,796	1,068,796
Other reserves	其他儲備	15	(37,601)	47,265
Accumulated losses	累計虧損		(1,910,576)	(1,384,495)
			(879,381)	(268,434)
Non-controlling interests	非控制性權益		(47)	(27)
Total equity	權益總額		(879,428)	(268,461)

Condensed Interim Consolidated Statement of Financial Position (Continued)

簡明中期合併財務狀況表 (續)

		Unaudited (未經審核) June 30, 2018 於六月三十日 二零一八年 RMB'000 人民幣千元	Audited (經審核) December 31, 2017 於十二月三十一日 二零一七年 RMB'000 人民幣千元
		Notes 附註	
Liabilities	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	18	3,128,147
Deferred income tax liabilities	遞延所得稅負債		4,520,457
Trade and notes payable	應付賬款及應付票據	16	524,003
Provisions, accruals and other liabilities	準備、預提及其他負債	17	26,902
Derivative financial instruments	衍生金融工具	11	1,664,061
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債	12	2,620,311
			24,806
			1,314,246
			6,682,165
			8,829,778
Current liabilities	流動負債		
Trade and notes payable	應付賬款及應付票據	16	402,741
Provisions, accruals and other liabilities	準備、預提及其他負債	17	392,984
Current income tax liabilities	當期所得稅負債		480,514
Derivative financial instruments	衍生金融工具	11	96,139
Borrowings	借款	18	59,709
			2,104,104
			1,529,011
			3,143,207
			2,747,026
Total liabilities	負債總額		9,825,372
Total equity and liabilities	權益及負債總額		11,576,804
			8,945,944
			11,308,343

The accompanying notes on page 68 to 132 are an integral part of this condensed interim consolidated financial information.

後附第68頁至132頁之附註為本簡明中期合並財務資料的整體部分。

Condensed Interim Consolidated Statement of Comprehensive Income

簡明中期合併綜合收益表

		Unaudited (未經審核)	
		Six months ended June 30, 截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Notes 附註		
Revenue	6	1,205,868	336,395
Depreciation, depletion and amortization		(385,786)	(176,872)
Exploration and evaluation expense		(12,903)	-
Taxes other than income taxes	19	(6,966)	(7,935)
Employee compensation costs		(228,092)	(60,691)
Purchases, services and others		(587,236)	(43,945)
Distribution expenses		(77,598)	(8,810)
General and administrative expenses		(51,865)	(47,227)
Impairment		(3,194)	(3,430)
Other losses, net	20	(35,983)	(411,984)
Finance income	21	28,028	21,756
Finance costs	21	(414,525)	(219,676)
Share of (losses)/profits of investments in associates		(8,972)	10,861
		(虧損)/利潤份額	
Loss before income tax		(579,224)	(611,558)
Income tax credits/(expense)	22	57,971	(61,988)
Loss for the period		(521,253)	(673,546)
Other comprehensive income/(loss):			
Items that will not be reclassified to profit or loss			
Currency translation differences	15	(134,727)	49,932
Change in the fair value of equity instruments at fair value through other comprehensive income		(3,190)	-
Items that may be reclassified to profit or loss			
Change in value of available-for-sale financial assets	15	-	(5,980)
Share of other comprehensive income of investments in associates		(2,602)	2,053

Condensed Interim Consolidated Statement of Comprehensive Income (Continued)

簡明中期合併綜合收益表 (續)

		Unaudited (未經審核)	
		Six months ended June 30, 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
		Notes 附註	
Other comprehensive (loss)/income for the period, net of tax	稅後本期其他綜合(損失)/收益		(140,519) 46,005
Total comprehensive loss for the period	本期綜合損失總額		(661,772) (627,541)
Loss for the period attributable to:	本期損失歸屬於：		
Owners of the Company	本公司所有者		(521,233) (673,546)
Non-controlling interests	非控制性權益		(20) -
			(521,253) (673,546)
Total comprehensive loss for the period attributable to:	本期綜合損失總額歸屬於：		
Owners of the Company	本公司所有者		(661,752) (627,541)
Non-controlling interests	非控制性權益		(20) -
			(661,772) (627,541)
Loss per share for loss attributable to owners of the Company for the period (expressed in RMB per share)	本期本公司所有者應佔損失的每股損失 (每股人民幣)		
Basic losses per share	基本每股虧損	24	(0.180) (0.240)
Diluted losses per share	稀釋每股虧損	24	(0.180) (0.240)
			(0.180) (0.240)

The accompanying notes on page 68 to 132 are an integral part of this condensed interim consolidated financial information.

後附第68頁至132頁之附註為本簡明中期合併財務資料的整體部分。

Condensed Interim Consolidated Statement of Changes in Equity

簡明中期合併權益變動表

		Unaudited (未經審核)						
		Attributable to owners of the Company 歸屬於本公司所有者						
		Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Other Reserves 其他儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non- controlling interests 非控制性權益 RMB'000 人民幣千元	Total equity 權益總額 RMB'000 人民幣千元
Balance at December 31, 2017 as original presented	二零一七年十二月三十一日原始列式金額	19,489	1,049,307	47,265	(1,384,495)	(268,434)	(27)	(268,461)
Change in accounting policy (Note 29)	會計政策變更 (附註29)	-	-	4,848	(4,848)	-	-	-
Restated total equity as at January 1, 2018	二零一八年一月一日重述後的權益總額	19,489	1,049,307	52,113	(1,389,343)	(268,434)	(27)	(268,461)
Comprehensive income for the period	本期綜合收益							
Loss for the period	本期虧損	-	-	-	(521,233)	(521,233)	(20)	(521,253)
Change in the fair value of equity instruments at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的權益工具的公允價值變動	-	-	(3,190)	-	(3,190)	-	(3,190)
Share of other comprehensive income of investments in associates	享有聯營企業投資的其他綜合收益的份額	-	-	(2,602)	-	(2,602)	-	(2,602)
Currency translation differences	外幣折算差額	-	-	(134,727)	-	(134,727)	-	(134,727)
		-	-	(140,519)	(521,233)	(661,752)	(20)	(661,772)
Transaction with owners	與所有者交易							
Employees stock option scheme — value of employee services (Note 13)	僱員購股權計劃 — 僱員服務價值 (附註13)	-	-	50,805	-	50,805	-	50,805
		-	-	50,805	-	50,805	-	50,805
As at June 30, 2018	於二零一八年六月三十日	19,489	1,049,307	(37,601)	(1,910,576)	(879,381)	(47)	(879,428)

Condensed Interim Consolidated Statement of Changes in Equity (Continued)

簡明中期合併權益變動表 (續)

		Unaudited (未經審核)						
		Attributable to owners of the Company 歸屬於本公司所有者						
		Ordinary shares	Share premium	Other Reserves	Retained earnings/ (Accumulated losses)	Total	Non- controlling interests	Total equity
		普通股 RMB'000 人民幣千元	股本溢價 RMB'000 人民幣千元	其他儲備 RMB'000 人民幣千元	留存收益/ (累計虧損) RMB'000 人民幣千元	總計 RMB'000 人民幣千元	非控制性 權益 RMB'000 人民幣千元	權益總額 RMB'000 人民幣千元
As at January 1, 2017	於二零一七年一月一日	19,489	1,049,307	(143,963)	(285,019)	639,814	(27)	639,787
Comprehensive income for the period	本期綜合收益							
Loss for the period	本期虧損	-	-	-	(673,546)	(673,546)	-	(673,546)
Change in value of available-for-sale financial assets	可供出售金融資產的價值變動	-	-	(5,980)	-	(5,980)	-	(5,980)
Share of other comprehensive income of investments in associates	享有聯營企業投資的其他綜合收益的份額	-	-	2,053	-	2,053	-	2,053
Currency translation differences	外幣折算差額	-	-	49,932	-	49,932	-	49,932
		-	-	46,005	(673,546)	(627,541)	-	(627,541)
Transaction with owners	與所有者交易							
Employees stock option scheme — value of employee services	僱員購股權計劃 — 僱員服務價值	-	-	13,122	-	13,122	-	13,122
		-	-	13,122	-	13,122	-	13,122
As at June 30, 2017	於二零一七年六月三十日	19,489	1,049,307	(84,836)	(958,565)	25,395	(27)	25,368

The accompanying notes on page 68 to 132 are an integral part of this condensed interim consolidated financial information.

後附第 68 頁至 132 頁之附註為本簡明中期合併財務資料的整體部分。

Condensed Interim Consolidated Statement of Cash Flows

簡明中期合併現金流量表

		Unaudited (未經審核)	
		Six months ended June 30, 截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
	Notes 附註		
Cash flows from operating activities	經營活動的現金流量		
Cash generated from operations	經營活動產生的現金	25	758,780
Interest paid	已付利息		(272,944)
Income tax paid	已付所得稅		(157)
			224,377
			(171,178)
			(220)
Net cash generated from operating activities	經營活動產生的現金淨額		485,679
			52,979
Cash flows from investing activities	投資活動的現金流量		
Purchases of property, plant and equipment	購買不動產、工廠及設備		(223,444)
Contribution and loans to/acquisition of investments accounted for using the equity method	投入/收購以權益法入賬的投資及貸款		(3,199)
Net cash flow from equity investment	權益投資產生的淨現金流		70,581
Net decrease/(increase) in restricted bank deposits	受限制銀行存款的減少/(增加)		71,466
Received from disposal of subsidiaries	收到處置子公司款項		183,768
Received from disposal of assets	收到處置資產款項		395,355
Received from third parties	收到第三方還款		70,968
Net cash flow from investment in derivative financial instruments	投資衍生金融工具產生的淨現金流		-
Loans and deposits to third parties	支付第三方借款和保證金		(72,515)
Payment for acquisition of interests under Daan and Moliquing PSCs	支付收購大安及莫里青油田產品分成合同的參與權的款項		(187,881)
Deposit for acquisition	收購交易的保證金		(7,129)
Others	其他		729
			(38,449)
			(24,016)
			(115,165)
			(44,877)
			-
			-
			90,660
			(104,175)
			-
			(365,008)
			(41,153)
Net cash generated from/(used in) investing activities	投資活動產生/(所用)的現金淨額		298,699
			(642,183)

Condensed Interim Consolidated Statement of Cash Flows (Continued)

簡明中期合併現金流量表(續)

		Unaudited (未經審核)	
		Six months ended June 30, 截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
Notes		人民幣千元	人民幣千元
附註			
Cash flows from financing activities	融資活動的現金流量		
Proceeds from borrowings, net of borrowing costs	借款所得款項(扣除融資成本後淨值)	836,823	1,162,066
Proceeds from issue of convertible bond	發行可轉債所得款項	275,436	-
Repayments of borrowings	償還借款	(617,049)	(300,458)
Repayments of 2018 senior note	償還2018優先票據	(1,150,179)	-
Payment of loan arrangement and other fees	支付借款安排費及相關費用	(135,659)	-
Decrease in other payable	其他應付款減少	(106,776)	-
Net cash (used in)/generated from financing activities	融資活動(所用)/產生的現金淨額	(897,404)	861,608
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物的(減少)/增加淨額	(113,026)	272,404
Cash and cash equivalents at beginning of the period	期初現金及現金等價物	132,172	904,961
Exchange gains/(losses) on cash and cash equivalents	現金及現金等價物匯兌收益/(損失)	64,450	(20,127)
Cash and cash equivalents at end of the period	期末現金及現金等價物	83,596	1,157,238

The accompanying notes on page 68 to 132 are an integral part of this condensed interim consolidated financial information.

後附第68頁至132頁之附註為本簡明中期合併財務資料的整體部分。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

1. GENERAL INFORMATION

MIE Holdings Corporation (the “Company”) and its subsidiaries (together, the “Group”) are principally engaged in the exploration, development, production and sale of oil, gas and other petroleum products in the People’s Republic of China (the “PRC”) under production sharing contract (the “PSC”) and in the exploration, development and holding interests in petroleum and natural gas properties directly and through investments in other partnership holdings in oil and natural gas properties or related production infrastructure in Canada. The Group also participates as associates in the exploration, development and production of petroleum assets located in the Republic of Kazakhstan (the “Kazakhstan”) and the northern part of the South China Sea in the PRC.

The Company is a limited liability company incorporated in Cayman Islands. The address of its registered office is Maples Corporate Services Limited, P.O. Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands.

The Company’s shares are listed on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

The condensed interim consolidated financial information is presented in Chinese Renminbi (“RMB”) unless otherwise stated. The condensed interim consolidated financial information was authorized for issuance by the board of directors (“Board of Directors”) on August 24, 2018.

This condensed interim consolidated financial information has not been reviewed nor audited.

1. 一般資料

MI能源控股有限公司(以下簡稱「本公司」)及其子公司(統稱「本集團」)主要在中華人民共和國(以下簡稱「中國」)按照產品分成合同·從事勘探·開發·生產及銷售石油·天然氣和其他石油產品和在加拿大從事勘探·開發·直接持有石油和天然氣資產的權益以及通過投資其他合夥企業持有的石油·天然氣資產或相關的生產基礎設施。本集團通過聯營企業形式參與位於哈薩克斯坦共和國(「哈薩克斯坦」)和中國南海北部地區的勘探·開發·生產及銷售石油和其他石油產品活動。

本公司是一家於開曼群島註冊成立的有限公司。註冊地址為Maples Corporate Services Limited, P.O. Box 309 Ugland House, Grand Cayman KY1-1104·開曼群島。

本公司的股份在香港聯合交易所有限公司(以下簡稱「聯交所」)上市。

除另有註明外·本簡明中期合併財務資料以人民幣列報。本簡明中期合併財務資料已由董事會於二零一八年八月二十四日批准刊發。

本簡明中期合併財務資料未經審閱及審核。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

2. BASIS OF PREPARATION

This condensed interim consolidated financial information for the six months ended June 30, 2018 has been prepared in accordance with International Accounting Standards (“IAS”) 34, ‘Interim financial reporting’. The condensed interim consolidated financial information should be read in conjunction with the annual financial statements for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standard Board (“IASB”).

2.1 Going concern

As at June 30, 2018, the Group had net current liabilities of RMB2,093.4 million which was mainly due to the approaching maturity of the outstanding principal of the senior notes of US\$315.9 million (equivalent to RMB2,090.3 million) due for full repayment on April 25, 2019 (the “2019 Notes”), of which the carrying amount is US\$313.1 million (equivalent to RMB2,071.5 million) at June 30, 2018. The Group also incurred accumulated losses of RMB1,910.6 million and net loss of RMB521.3 million as of and for the six months period ended June 30, 2018 respectively.

2. 編製基準

截至二零一八年六月三十日止六個月期間的簡明中期合併財務資料已根據國際會計準則34「中期財務報告」編製。本簡明中期合併財務資料應與截至二零一七年十二月三十一日止年度的年度財務報表一並閱讀，該財務報表是根據國際會計準則委員會頒佈的國際財務報告準則編製的。

2.1 持續經營

於二零一八年六月三十日，本集團的流動負債淨額為人民幣2,093.4百萬元，主要由於即將到期並需在二零一九年四月二十五日完全還款的優先票據（「2019年票據」），其本金為美金315.9百萬元（折合人民幣2,090.3百萬元），其於二零一八年六月三十日的賬面金額為美金313.1百萬元（折合人民幣2,071.5百萬元）。截至二零一八年六月三十日止的六個月期間，本集團亦分別產生累計虧損人民幣1,910.6百萬元及淨虧損人民幣521.3百萬元。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

2. BASIS OF PREPARATION (Continued)

2.1 Going concern (Continued)

To meet all the liabilities as and when they fall due in the next twelve months, the Directors of the Company have taken various measures to source additional financing, which include but not limited to:

- considering possible re-financing plans
- actively sourcing additional finance;
- taking actions of collecting receivables.

Up to the date of approving this interim financial information, the above measures are still in preparatory stage and none of them has been fully committed. Should the Group not be able to continue to operate as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and non-current liabilities as current assets and current liabilities respectively. The effect of these adjustments has not been reflected in this interim financial report. Based on the assessment, after taking into account of the assumptions of successful execution of re-financing plans and/or receipt of additional finance, the directors are of the opinion that it is appropriate to prepare the Group's interim financial report for the six months ended June 30, 2018 on a going concern basis.

2. 編制基準(續)

2.1 持續經營(續)

為滿足未來十二個月到期的所有負債，本公司董事已採取多項措施尋求額外融資，包括但不限於：

- 考慮可能的再融資計劃
- 積極尋求額外融資；
- 採取收取應收款的行動。

截至核准本中期財務資料之日，上述措施仍處於籌備階段，且均未得到充分承諾。倘本集團無法繼續按持續經營基準經營，則須作出調整，將資產價值減值為其可收回金額，以作出可能產生的負債，以及將非流動資產及非流動負債分別重新分類為流動資產及流動負債。這些調整的影響沒有反映在這份中期財務報告中。根據評估，在考慮成功執行再融資計劃及／或收到額外融資的假設後，董事們認為在持續經營的基礎上編製本集團截至二零一八年六月三十日六個月期間的財務報告是適當的。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the accounting policies applied in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2017.

The following amended standards are mandatory for the first time for the Group's financial year beginning on January 1, 2018 and are applicable for the Group:

- IFRS 9 Financial Instruments; and
- IFRS 15 Revenue from Contracts with Customers.

Amendments to IFRS effective for the financial year beginning on January 1, 2018 do not have a material impact on the Group's unaudited condensed consolidated interim financial information other than IFRS 9 and IFRS 15.

The adoption of IFRS 9 and IFRS 15 resulted in changes in accounting policies and adjustments to the amounts recognized in the financial statements. In accordance with the transition provisions in IFRS 9 and IFRS 15, the Group has adopted the new rule under the modified retrospective approach and the comparative figures have not been restated, details of which are set out in Note 29.

3. 主要會計政策

編製本簡明中期合併財務資料(未經審核)所採用之會計政策與截至二零一七年十二月三十一日止年度之年度財務報表所採用的會計政策一致，惟以下所述者除外。

本集團於二零一八年一月一日首次適用如下新修訂的準則：

- 國際財務報告準則第9號「金融工具」；和
- 國際財務報告準則第15號「與客戶之間的合同產生的收入」。

自二零一八年一月一日的財年開始生效的國際財務報告準則修訂中，除了國際財務報告準則第9號和第15號外，其他國際財務報告準則修訂對本集團簡明中期合併財務資料(未經審核)無重大影響。

本集團採納國際財務報告準則第9號和第15號，導致會計政策變更和對財務報表的調整。根據國際財務報告準則第9號和第15號的過渡要求，本集團在修正的追溯方法下應用了新規則，並且比較期數字沒有重述。詳情參見附註29。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

In addition, the IASB also published a number of new standards, amendments to standards and interpretations which are effective for the financial year beginning on or after January 1 2019 and have not been early adopted by the Group. Management is assessing the impact of such new standards and amendments to standards and will adopt the relevant standards and amendments to standards in the subsequent periods as required.

4. ESTIMATE

The preparation of interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing this condensed interim consolidated financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended December 31, 2017, except as described below.

3. 主要會計政策(續)

此外，國際會計準則委員會公佈的多項將於2019年1月1日或之後的財政年度生效的新準則及經修訂的準則，集團尚未採納。管理層正在評估此類新準則及經修訂的準則的影響，並將按照規定在後續期間採納相關的新準則。

4. 估計

編製中期財務資料要求管理層對影響會計政策的應用和所報告資產和負債以及收支的數額作出判斷、估計和假設。實際結果或會與此等估計不同。

在編製此等簡明中期合併財務資料時，管理層應用本集團會計政策時作出的重大判斷和估計不確定性的關鍵來源，與截至二零一七年十二月三十一日止年度合併財務報表所應用的相同，惟以下所述者除外。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

4. ESTIMATE (Continued)

4.1 Change in accounting estimate

Provision for remediation and restoration included environmental remediation costs, assets retirements obligation and similar obligation in relation to the Group's operations. Provision is made when the related environmental disturbance and present obligations occur, based on the net present value of estimated future costs. The ultimate cost of environmental disturbances, asset retirement and similar obligation are uncertain and management uses its judgment and experience to provide for these costs over the life of operations. Cost estimates are updated throughout the life of the operation.

During the six months ended June 30, 2018, the Group updated the cost estimates in its asset retirement obligations provided for the operations in Canada. The updates in cost estimates were mainly resulted by emergence of new restoration techniques that lead to cost saving during closures. The net effect of these changes in the current period was a decrease in asset retirement obligations by RMB849.8 million (Note 17).

4. 估計(續)

4.1 會計估計的變更

補償和恢復的準備金包括環境修復成本，資產棄置義務以及與集團業務有關的類似義務。準備金在相關的環境干擾和現有義務發生時確認，是基於估計的未來成本的淨現值計算的。環境干擾產生的資產減值和類似義務的最終成本是不確定的，管理層利用其判斷和經驗在運營期間給出這些成本。成本的估算會在整個運營期間進行更新。

截至二零一八年六月三十日止的六個月期間，本集團更新了加拿大作業區的資產棄置義務的成本估算。成本估算的更新主要是由於出現了新修復技術，從而在修復期間節省了成本。本期間變動的淨影響是資產棄置義務減少了人民幣849.8百萬元(附註17)。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

5. FINANCIAL RISK MANAGEMENT

(a) Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk and price risk), credit risk and liquidity risk.

The condensed interim consolidated financial information does not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements as at December 31, 2017.

There have been no changes in the risk management department or in any risk management policies since the year end.

(b) Liquidity risk

Compared to December 31, 2017, there was no material change in the contractual undiscounted cash outflows for financial liabilities except for additional long-term borrowings in total amounting to RMB805.1 million (Note 18), additional short-term borrowings in total amounting to RMB31.7 million (Note 18) and repayment of long-term borrowings in total amounting to RMB1,478.6 million (Note 18), short-term borrowings in total amounting to RMB288.6 million (Note 18).

5. 財務風險管理

(a) 財務風險因素

本集團的活動承受著多種的財務風險：市場風險（包括匯率風險、公允價值利率風險及價格風險）、信用風險及流動性風險。

簡明中期合併財務資料並未包括年度財務報表規定的所有財務風險管理信息和披露，此中期財務資料應與本集團截至二零一七年十二月三十一日止年度的年度財務報表一並閱讀。

自年底以來，風險管理部門及風險管理政策並無任何變動。

(b) 流動風險因素

與二零一七年十二月三十一日相比，除了本期新增的合計為人民幣805.1百萬元的長期借款（附註18）、人民幣31.7百萬元的短期借款（附註18）。以及本期償還的合計為人民幣1,478.6百萬元的長期借款（附註18）、人民幣288.6百萬的短期借款（附註18），本集團無重大的因金融負債產生的合約性未貼現現金流出。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

5. FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2); and
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

5. 財務風險管理(續)

(c) 公允價值估計

下表利用估值法分析按公允價值入賬的金融工具。不同層級的定義如下：

- 相同資產或負債在活躍市場未經調整的報價(第一層次)；
- 除了第一層次的報價以外，相關資產或負債直接或間接可觀察的輸入值，可為直接的(即相近的價格)或間接(與價格相關的)輸入值(第二層次)；及
- 資產和負債的輸入值並非依據可觀察市場數據，即不可觀察輸入值(第三層次)。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

5. FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value at June 30, 2018.

5. 財務風險管理(續)

(c) 公允價值估計(續)

下表呈列本集團於二零一八年六月三十日以公允價值計量的金融資產。

		Level 1 第一層 RMB'000 人民幣千元	Level 2 第二層 RMB'000 人民幣千元	Level 3 第三層 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Assets	資產				
As at June 30, 2018	於二零一八年六月三十日				
Financial assets at fair value through profit or loss (FVPL):	以公允價值計量且其變動計入當期損益的金融資產：				
— Equity investments	— 權益投資	68,801	-	-	68,801
Financial assets at fair value through other comprehensive income (FVOCI):	以公允價值計量且其變動計入其他綜合收入收益的金融資產：				
— Equity investments	— 權益投資	-	-	59,877	59,877
— Debt investments	— 債務投資	-	-	5,149	5,149
Derivative financial instruments	衍生金融工具				
— Commodity swaps contracts	— 商品互換合同	-	31,001	-	31,001
		68,801	31,001	65,026	164,828
Liabilities	負債				
As at June 30, 2018	於二零一八年六月三十日				
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債				
Derivative financial instruments	衍生金融工具				
— Commodity swaps contracts	— 商品互換合同	-	286,214	1,028,032	1,314,246
		-	84,515	-	84,515
		-	370,729	1,028,032	1,398,761

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

5. FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation (Continued)

The following table presents the Group's financial assets that are measured at fair value at December 31, 2017.

5. 財務風險管理(續)

(c) 公允價值估計(續)

下表呈列本集團於二零一七年十二月三十一日以公允價值計量的金融資產。

		Level 1 第一層 RMB'000 人民幣千元	Level 2 第二層 RMB'000 人民幣千元	Level 3 第三層 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Assets	資產				
As at December 31, 2017	於二零一七年十二月三十一日				
Available-for-sale financial assets:	可供出售金融資產：				
— Equity investments	— 權益投資	111,507	-	61,768	173,275
— Debt investments	— 債務投資	-	-	5,085	5,085
Derivative financial instruments:	衍生金融工具：				
— MAST index Linked investment	— 與美林指數相關的投資	-	293,798	-	293,798
— Commodity swaps contracts	— 商品互換合同	-	74,617	-	74,617
		111,507	368,415	66,853	546,775
Liabilities	負債				
As at December 31, 2017	於二零一七年十二月三十一日				
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債	-	-	1,067,626	1,067,626
Derivative financial instruments	衍生金融工具				
— Commodity swaps contracts	— 商品互換合同	-	14,774	-	14,774
		-	14,774	1,067,626	1,082,400

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

5. FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation (Continued)

There were no transfers between level 1, 2 and 3 during the period.

(i) Financial instruments in Level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the closing price as at June 30, 2018. These instruments are included in level 1, and represent equity investments listed on NYSE, which are classified as financial assets at fair value.

5. 財務風險管理(續)

(c) 公允價值估計(續)

本期無第一、二、三層級間轉換。

(i) 在第一層內的金融工具

在活躍市場中交易的金融工具的報告期末的公允價值皆源於市場報價。倘市場報價易於定期從交易所、經銷商、經紀人、行業協會、定價服務機構或監管機構獲得，則該價格代表按市場規律實際發生的市場交易，則該市場視為活躍市場。本集團持有的金融資產所使用的市場報價乃二零一八年六月三十日的收盤價。這些金融工具為於紐交所上市的權益投資，分類為以公允價值計量的金融資產，歸屬於第一層級。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

5. FINANCIAL RISK MANAGEMENT (Continued)

(c) Fair value estimation (Continued)

(ii) Financial instruments in Level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(iii) Financial instruments in level 3

With respect to the level 3 fair value measurement for the Group's financial assets at fair value that are unlisted equity investments and debt investments with no active market exists, the Group's finance department benchmark to the market price of certain comparable listed companies within the same or similar operation/industry and apply certain adjustments/discount for non-marketability. At June 30, 2018, the directors of the Company are of their opinion that there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

5. 財務風險管理(續)

(c) 公允價值估計(續)

(ii) 在第二層內的金融工具

沒有在活躍市場買賣的金融工具(例如場外衍生工具)的公允價值利用估值技術釐定。估值技術盡量利用可觀察市場數據(如有),盡量少依賴主體的特定估計。如計算一金融工具的公允價值所需的所有重大輸入為可觀察數據,則該金融工具歸屬於第二層。如一項或多項重大輸入並非根據可觀察市場數據,則該金融工具歸屬於第三層。

(iii) 在第三層內的金融工具

對於本集團以公允價值計量的金融資產中以第三層公允價值確認其公允價值的部分,因其為非上市的權益投資和債務投資,無活躍市場存在,本集團財務部門會對標若干相同或相似的行業/運營模式的可比上市公司的市價,並因其無市場可交易性作出特定調整/折讓。於二零一八年六月三十日,本公司董事認為,可確認的公允價值存在一個較大區間,在此區間內成本可代表其公允價值的最佳估計。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

5. FINANCIAL RISK MANAGEMENT (Continued)

(d) The Group's valuation processes

The Group's finance department includes a team that performs the valuations of financial assets required for financial reporting purposes, including Level 3 fair values. This team reports directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO and the valuation team at least once every six months, in line with the Group's external reporting dates.

The Group's financial assets measured at Level 3 fair value measurement represented a contingent consideration receivable to be settled in cash. The Group estimated its fair value using a discounted cash flow model, the main Level 3 inputs used including discount rate, estimated future cash flows according to the relevant production plan. The Group prepares detailed forecasts of the business and updates these on semi-annual basis as part of its normal operating processes. These forecasts take into consideration of external market forecast, reserve data from independent value, management's evaluation of production plan, based on past experience.

Changes in Level 2 and 3 fair values are analysed and evaluated at each reporting date during the valuation discussions/assessment done by the CFO and the valuation team.

5. 財務風險管理(續)

(d) 集團估值程序

本集團財務部門成立專門小組，出於編製財務報表的目的對要求的金融資產進行估值(包括第三層公允價值)。此小組直屬首席財務官的領導。首席財務官與小組成員配合本集團對外財務報表的披露日期，至少每半年就評估程序和評估結果進行討論。

本集團以第三層公允價值確認的金融資產為以現金結算的應收或有對價。本集團以現金流折現模型評估其公允價值。第三層主要參數包括折現率，根據相關生產計劃預測的未來現金流。本集團編製詳細的經營預測並且作為經營活動的一部分每半年予以更新。這些預測考慮了外部市場預測、獨立評估師提供的儲量數據以及管理層基於歷史經驗評估的生產計劃。

第2層和第3層公允價值的變動由財務總監及評估小組於每個報告日進行估值的討論。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

6. SEGMENT INFORMATION

The Board of Directors assesses the performance of the operating segments based on each segment's results.

The segment information provided to the Board of Directors for the reportable segments for the six months ended June 30, 2018 is as follows:

6. 分部報告

董事會基於每個經營分部的結果對他們進行業績評價。

截至二零一八年六月三十日止六個月期間向董事會提供的經營分部信息如下：

	PRC 中國 RMB'000 人民幣千元	North America 北美 RMB'000 人民幣千元	Corporate and other segments 總部及 其他分部 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue	分部收益			
Timing of revenue recognition	收入確認的時點			
— At a point in time	333,273	872,595	-	1,205,868
	333,273	872,595	-	1,205,868
Depreciation, depletion and amortization	(150,061)	(235,620)	(105)	(385,786)
Taxes other than income taxes (Note 19)	(2,399)	-	(4,567)	(6,966)
Employee compensation costs	(26,609)	(128,420)	(73,063)	(228,092)
Purchases, services and others	(45,437)	(541,799)	-	(587,236)
Geological and geophysical expense	-	(12,903)	-	(12,903)
Distribution expenses	(7,215)	(70,383)	-	(77,598)
General and administrative expenses	(8,233)	(18,210)	(25,422)	(51,865)
Impairment	-	-	(3,194)	(3,194)
Other gains/(losses), net	15,357	(122,687)	71,347	(35,983)
Finance income	68	661	27,299	28,028
Finance costs	(45,310)	(160,481)	(208,734)	(414,525)
Share of losses of investments in associate	-	(8,972)	-	(8,972)
Profit/(loss) before income tax	63,434	(426,219)	(216,439)	(579,224)
Income tax (expense)/credit	(19,201)	74,707	2,465	57,971
Profit/(loss) for the period	44,233	(351,512)	(213,974)	(521,253)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

6. SEGMENT INFORMATION (Continued)

As at June 30, 2018:

6. 分部報告 (續)

於二零一八年六月三十日：

		PRC 中國 RMB'000 人民幣千元	North America 北美 RMB'000 人民幣千元	Corporate and other segments 總部及 其他分部 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Total assets	總資產	2,216,948	5,357,515	1,371,481	8,945,944
Total liabilities	總負債	1,223,816	4,790,355	3,811,201	9,825,372

For the six months ended June 30, 2017:

截至二零一七年六月三十日止六個月期間：

		PRC 中國 RMB'000 人民幣千元	North America 北美 RMB'000 人民幣千元	Corporate and other segments 總部及 其他分部 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Segment revenue	分部收益	334,612	1,783	-	336,395
Depreciation, depletion and amortization	折舊、折耗及攤銷	(175,905)	(878)	(89)	(176,872)
Taxes other than income taxes (Note 19)	稅項(所得稅除外) (附註19)	(1,798)	-	(6,137)	(7,935)
Employee compensation costs	員工薪酬成本	(31,920)	(1,718)	(27,053)	(60,691)
Purchases, services and others	採購、服務及其他	(42,761)	(1,184)	-	(43,945)
Distribution expenses	銷售支出	(8,810)	-	-	(8,810)
General and administrative expenses	管理費用	(10,181)	(1,926)	(35,120)	(47,227)
Impairment	資產減值	-	-	(3,430)	(3,430)
Other losses, net	其他損失·淨值	(37,350)	-	(374,634)	(411,984)
Finance income	財務收入	230	5	21,521	21,756
Finance costs	財務費用	(34,070)	13,391	(198,997)	(219,676)
Share of profits of investments in associate	享有聯營企業投資的利潤的份額	-	-	10,861	10,861

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

6. SEGMENT INFORMATION (Continued)

6. 分部報告(續)

		PRC	North America	Corporate and other segments	Total
		中國	北美	總部及其他分部	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
(Loss)/profit before income tax	除所得稅前(虧損)/利潤	(7,953)	9,473	(613,078)	(611,558)
Income tax expense	所得稅費用	(61,768)	(1)	(219)	(61,988)
(Loss)/profit for the period	本期(虧損)/利潤	(69,721)	9,472	(613,297)	(673,546)

As at June 30, 2017:

於二零一七年六月三十日：

		PRC	North America	Corporate and others	Total
		中國	北美	總部及其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
Total assets	總資產	2,660,708	378,314	2,958,081	5,997,103
Total liabilities	總負債	1,168,217	3,418	4,800,100	5,971,735

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

6. SEGMENT INFORMATION (Continued)

All segment information above represents segment results after elimination of inter-segment transactions, which primarily include interest income or expense from intra-group accounts and loans.

The revenue reported to the Board of Directors is measured consistently with that in the condensed interim consolidated statement of comprehensive income.

6. 分部報告(續)

上述分部報告信息按照各分部之間交易抵銷之後的金額進行列示。分部之間交易主要包括本集團內公司賬目往來和借款產生的利息收入或支出。

向董事會報告的收益的計量方法與簡明中期合併綜合收益表的計量方法一致。

		For the six months ended June 30	
		截至六月三十日止六個月期間	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Sales of oil and gas	銷售原油及天然氣	1,124,205	334,744
Provision of services	提供服務	81,663	1,651
		1,205,868	336,395

For the six months ended June 30, 2018, total revenue from crude oil and gas sales in the PRC amounting to RMB333.3 million (six months ended June 30, 2017: RMB333.0 million) are derived solely from PetroChina Company Limited ("PetroChina").

截至二零一八年六月三十日止六個月期間，本集團在中國的原油和天然氣銷售收入金額為人民幣333.3百萬元(截至二零一七年六月三十日止六個月期間：人民幣333.0百萬元)均為銷售給中國石油天然氣股份有限公司(以下簡稱「中石油」)取得的收入。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

7. 不動產、工廠及設備以及無形資產

		Property, plant and equipment 不動產、工廠及設備 RMB'000 人民幣千元	Intangible assets 無形資產 RMB'000 人民幣千元
Six months ended June 30, 2018			
截至二零一八年六月三十日止六個月期間			
Opening net book amount as at January 1, 2018	二零一八年一月一日 期初賬面淨值	7,719,859	708,193
Exchange differences	匯兌差額	(239,825)	(28,082)
Acquisition (Note 28)	收購(附註28)	221,870	140,013
Additions	增加	110,505	-
Lease expiries	租約到期	(12,903)	-
Disposals (Note a)	處置(附註a)	(1,168,742)	(34,581)
Depreciation and amortization charge	折舊及攤銷費用	(383,652)	(3,509)
Closing net book amount as at June 30, 2018		6,247,112	782,034
截至二零一八年六月三十日 期末賬面淨值			

Note a:

On March 23, 2018, the Group entered an agreement with an independent purchaser to sell certain assets in Canada (the "Disposal"). The subject matter assets under the Disposal include the legal and beneficial interest of the Group in certain petroleum and natural gas rights and certain tangibles and the miscellaneous interests located in central Alberta, Canada (the "Disposal Assets"). The Disposal was completed in May, 2018. The consideration upon completion was C\$59.1 million (equivalent to RMB279.3 million). Upon completion, the carrying amount of the Disposal Assets was removed from the unaudited condensed interim financial information and the impact on income statement was nil.

附註 a:

於二零一八年三月二十三日，本集團與獨立買家訂立協議，以出售加拿大若干資產（「處置交易」）。處置交易下的標的資產包括本集團在加拿大阿爾伯塔省中部地區擁有的部分石油天然氣權利，有形資產以及其他權益中持有的合法權益（「處置資產」）。處置交易已於二零一八年五月完成。完成時的對價為加幣59.1百萬元（折算成人民幣279.3百萬元）。該交易完成後，處置資產的賬面值已從未經審核的簡明中期合併財務資料中移除，且對損益表的影響為零。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

Note b:

As at 30 June 2018, the carrying amounts of oil and gas properties of the Group amounted to RMB5,979.9 million. Management has reviewed whether any indicators exist for possible impairment on the carrying amount of oil and gas properties at each of the cash generating units ("CGU") in the PRC and Canada.

When indicators of impairment are identified, management therefore performed impairment assessment at the relevant CGU. The carrying value of the CGU is compared against respective recoverable amount for each CGU, which is estimated using a fair value less cost of disposal methodology based on discounted cash flow model ("DCF").

Due to declines in gas price in Canada since December 31, 2017 as impairment indicator, management performed an impairment test for each of its CGUs located in Canada. In performing the impairment assessment, key assumptions adopted by the management include forecast gas prices, forecast reserve quantities, forecast operating costs and capital expenditures. Management determined the forecast gas prices bench-marked against the price forecasts published by reputable industry organisation. The forecast reserve quantities were based on management internal forecast based on prior year reserve report updated to reflect declines due to production and uneconomic reserves resulting from the lower prices. Management's forecast operating costs and capital expenditures based remained consistent with prior year reserve report. The discount rates used reflect specific risks relating to the relevant business.

7. 不動產、工廠及設備以及無形資產 (續)

附註 b：

於二零一八年六月三十日，本集團油氣資產賬面值為人民幣5,979.9百萬元。管理層已覆核了中國及加拿大各現金產生現金產出單元油氣資產賬面值是否存在減值跡象。

當確定減值跡象時，管理層因此在相關現金產生單元進行減值評估。現金產生單位的賬面值與相應的可收回金額進行比較，可收回金額為公允價值減去處置成本後的淨值，貼現現金流量模型（「DCF」）用於確定每個現金產生單位的可收回金額。

由於二零一七年十二月三十一日以來加拿大天然氣價格下跌作為減值指標，管理層對位於加拿大的每個現金產出單元進行了減值測試。在進行減值評估時，管理層採用的主要假設包括預測天然氣價格，預測儲備數量，預測運營成本和資本支出。管理層確定預測天然氣價格與信譽良好的行業組織公布的價格預測相對應。預測儲備數量是根據管理層內部預測得出的，該預測基於上一年度儲備報告的更新，以反映由於生產導致的下降和由於價格下降而產生的不經濟性儲備。管理層的預測運營成本和資本支出與上一年的儲備報告保持一致。所用折現率反映了與相關業務相關的特定風險。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

7. PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (Continued)

7. 不動產、工廠及設備以及無形資產 (續)

	Property, plant and equipment 不動產、工廠及設備 RMB'000 人民幣千元	Intangible assets 無形資產 RMB'000 人民幣千元
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Six months ended June 30, 2017

截至二零一七年六月三十日止六個月期間

Opening net book amount as at January 1, 2017	二零一七年一月一日 期初賬面淨值	2,407,958	8,849
Exchange differences	匯兌差額	(159)	-
Additions	增加	21,510	-
Depreciation and amortization charge	折舊及攤銷費用	(171,377)	(2,806)
Closing net book amount as at June 30, 2017	二零一七年六月三十日 期末賬面淨值	2,257,932	6,043

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

8. INVESTMENTS IN ASSOCIATES

8. 聯營企業投資

		As at	
		於	
		June 30,	Dec 31,
		2018	2017
		六月三十日	十二月三十一日
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Beginning of the period	期初餘額	182,541	246,667
Additions	增加	3,199	33,490
Share of loss for the period/year	期內／年內享有的虧損份額	(8,972)	(63,023)
Impairment	減值	(3,194)	(33,524)
Exchange differences	匯兌差額	(1,695)	(3,722)
Disposal (Note)	處置(附註)	(141,652)	-
Reclassification	重分類	(34,259)	-
Others	其他	4,032	2,653
End of the period	期末餘額	-	182,541

Note:

On January 22, 2018, a wholly-owned subsidiary of the Company (the "Vendor") and a purchaser entered into a purchase and sale agreement, pursuant to which, the Vendor agreed to sell and the Purchaser agreed to buy 12.7 million common shares in Journey (the "Sale Shares") at a consideration of C\$21.3 million (equivalent to approximately RMB110.8 million). The Sale Shares represented approximately 24.8% of the equity interests in Journey Energy. The disposal was completed on February 1, 2018 and the disposal loss is RMB17.5 million. As at June 30, 2018, the Group holds about 9.4% shareholding in Journey and has no significant influence on Journey. The investment in Journey was not accounted for using the equity method of accounting.

附註：

於2018年1月22日，本集團的直接全資附屬公司(賣方)與買方訂立買賣協議。據此，賣方同意出售而買方同意以對價加幣21.3百萬元(折合人民幣110.8百萬元)購買Journey 12.7百萬股普通股。出售股份約占買方Journey Energy 24.8%的股權，該處置於2018年2月1日完成，處置損失約為人民幣17.5百萬元。於2018年6月30日，本集團持有Journey約9.4%的權益，對Journey不具有重大影響，MI集團不再以權益法核算對Journey的投資。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

8. INVESTMENTS IN ASSOCIATES (Continued)

The Group's share of the results in associates and their aggregated assets and liabilities are shown below:

8. 聯營企業投資(續)

本集團所獲取的聯營公司的份額及其資產和負債總額列示如下：

		As at June 30, 2018 於二零一八年六月三十日		
		Palaeontol		
		B.V.	Others	Total
		PBV	其他	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Assets	資產	2,262,410	213,065	2,475,475
Liabilities	負債	2,409,009	218,086	2,627,095
Loss for the period	本期損失	(4,141)	(96,283)	(100,424)
Share of loss	損失份額	-	(8,972)	(8,972)

		As at December 31, 2017 於二零一七年十二月三十一日		
		Palaeontol		
		B.V.	Others	Total
		PBV	其他	總計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Assets	資產	2,194,875	2,378,219	4,573,094
Liabilities	負債	2,335,412	1,809,280	4,144,692
Loss for the year	本年損失	(174,281)	(197,673)	(371,954)
Share of loss	損失份額	-	(63,023)	(63,023)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

At June 30, 2018, prepayments, deposits and other receivables are summarized as follows:

9. 預付款項、保證金及其他應收款

於二零一八年六月三十日，預付款項、保證金及其他應收款如下所示：

		As at 於	
		June 30, 2018 六月三十日 二零一八年 RMB'000 人民幣千元	December 31, 2017 十二月三十一日 二零一七年 RMB'000 人民幣千元
Amounts due from related parties	應收關聯方款項		
— Palaeontol B.V.	— Palaeontol B.V.	954,716	926,495
— Others	— 其他	197,561	210,269
Loans and deposits to third parties	授予第三方的貸款和保證金	253,970	243,527
Other receivables	其他應收款	202,825	341,872
Interest receivable	應收利息	20,548	14,996
Consideration receivables from disposal of subsidiaries	應收處置子公司股權轉讓款	320,650	506,177
Deposit	保證金	73,711	55,541
Advances to employees	員工備用金	8,119	7,167
		2,032,100	2,306,044
Less: loss allowance (Note(a))	減：損失準備(附註(a))	(787,385)	(891,973)
		1,244,715	1,414,071
Prepaid expenses	待攤費用	64,905	63,471
Advances to suppliers	預付賬款	155,638	154,180
Less: loss allowance (Note (a))	減：損失準備(附註(a))	(152,330)	(152,330)
		1,312,928	1,479,392
Current	流動	558,799	751,426
Non-current	非流動	754,129	727,966
		1,312,928	1,479,392

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

Note (a):

As of June 30, 2018, prepayments and other receivables of RMB939.7 million (December 31, 2017: RMB1,044.3 million) were made bad debt provisions. The specific prepayments, and other receivables made bad debt provisions mainly relate to debtors that have indications of experiencing significant financial difficulty and default.

The creation and release of impairment provision on receivables have been included in other losses, net in the condensed interim consolidated statement of comprehensive income.

The prepayments and other receivables do not contain assets made bad debt provisions. The maximum exposure to credit risk at the reporting date is the carrying value of each class of prepayments and other receivables mentioned above. The Group does not hold any collateral as security.

10. TRADE RECEIVABLES

The aging analysis of trade receivables is as follows:

		As at	
		於	
		June 30, 2018	December 31, 2017
		六月三十日	十二月三十一日
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Up to 30 days	少於 30 日	222,687	195,149
31-180 days	31 至 180 日	14,575	190,529
Over 180 days	多於 180 日	55,346	21,357
		292,608	407,035

9. 預付款項、保證金及其他應收款(續)

附註(a):

於二零一八年六月三十日，預付賬款及其他應收款計提了壞賬準備的金額為人民幣939.7百萬元(二零一七年十二月三十一日，人民幣1,044.3百萬元)。個別計提預付款項、保證金及其他應收款的壞賬準備主要由於有跡象表明債務人遇到重大的財務困難和違約。

應收賬款壞賬準備的變動已計入簡明中期合併綜合收益表中的「其他損失，淨值」。

預付及其他應收款中不包含已計提壞賬準備資產。於報告日，最大的信用風險敞口為以上提及的各類預付及其他應收款的賬面價值。本集團不持有任何抵押品作為擔保。

10. 應收賬款

應收賬款賬齡分析列示如下：

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

10. TRADE RECEIVABLES (Continued)

The Group's trade receivables have credit terms of between 30 days to 180 days.

The fair value of trade receivables approximates their carrying amount.

10. 應收賬款(續)

本集團的應收賬款的信用期為30天至180天。

應收賬款的公允價值與其賬面金額相近。

11. DERIVATIVE FINANCIAL INSTRUMENTS

11. 衍生金融工具

		As at 於	
		June 30, 2018 六月三十日 二零一八年 RMB'000 人民幣千元	December 31, 2017 十二月三十一日 二零一七年 RMB'000 人民幣千元
Assets	資產		
Current	流動部分		
MAST Index Linked Investment	與美林指數相關投資	-	293,798
Commodity swaps contracts	商品互換合同	27,787	48,965
Non-current	非流動部分		
Commodity swaps contracts	商品互換合同	3,214	25,652
		31,001	368,415
Liabilities	負債		
Current	流動部分		
Commodity swaps contracts	商品互換合同	59,709	9,200
Non-current	非流動部分		
Commodity swaps contracts	商品互換合同	24,806	5,574
		84,515	14,774

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

12. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

12. 以公允價值計量且其變動計入當期損益的金融負債

		As at 於	
		June 30, 2018 六月三十日 二零一八年 RMB'000 人民幣千元	December 31, 2017 十二月三十一日 二零一七年 RMB'000 人民幣千元
Non-current liabilities	非流動負債		
Convertible preferred shares (Note (a))	可轉換優先股(附註(a))	1,028,032	1,067,626
Convertible bond (Note (b))	可轉換債券(附註(b))	286,214	-
		1,314,246	1,067,626

Note (a):

The convertible preferred shares (the "CPS") is recognized and measured as financial liabilities measured at fair value through profit or loss and the changes in fair value should be reflected in the income statement.

As of June 30, 2018, the fair value of the CPS is C\$222.0 million (equivalent to approximately RMB1,109.0 million). The change in fair value and amortization of the difference between the issuance price and the calculated fair value on issuance date in total of RMB2.7 million since December 31 2017 is charged to other gains/(losses), net.

The fair value of the CPS as of June 30, 2018 are estimated based on the valuation reports as of respective dates issued by an independent professional valuer using an equity allocation model which allocates the total equity value to each class of shares under different scenarios.

In determining the fair value of the CPS, significant estimates and judgements are involved in the process, including probability of each scenario, risk-free rate, dividend yield and volatility.

附註(a)：

可換股優先股被確認和計量為以公允價值計量且其變動計入當期損益的金融負債，公允價值變動應反映在損益表中。

於二零一八年六月三十日，可換股優先股的公允價值為加幣222.0百萬元(折算成人民幣1,109.0百萬元)。自二零一七年十二月三十一日起公允價值變動以及發行價格與發行日計算的公允價值之差額的攤銷金額合計為人民幣2.7百萬元，計入其他利得/(損失)，淨值。

於二零一八年六月三十日，可換股優先股的公允價值基於獨立專業評估師在每個評估報告日期使用權益分配模型將權益總值分配至不同情況下每一類股票上。

在釐定可換股優先股的公允價值時，該過程涉及重大的會計估計和判斷，包括每種情況下的概率，無風險利率，股息收益率和波動率。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

12. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note (a): (Continued)

Valuation process

The Group has involved independent professional valuer to perform the valuations as of June 30, 2018 for financial reporting purposes, including level 3 fair values. The external experts report directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO and external experts once every six months in line with the Group's half-yearly reporting requirements.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the CFO and external experts. As part of this discussion the external experts presents a report that explains the reason for the fair value movements.

Information about fair value measurements using significant inputs (Level 3):

12. 以公允價值計量且其變動計入當期損益的金融負債(續)

附註(a)：(續)

估值過程

本集團由獨立專業評估師對二零一八年六月三十日的價值進行評估，其用作財務報告用途，包括第三級公允價值。外部專家直接向首席財務官匯報。首席財務官和外部專家每六個月進行一次評估流程和結果的討論，以符合集團的半年報的需求。

於每個報告日，首席財務官和外部專家在估值討論中對第三層的公允價值變動討論和分析。作為討論的一部分，外部專家出具了報告解釋了公允價值變動的原因。

公允價值計量使用的重大輸入信息(第三層)：

Description	Fair value at	Significant unobservable inputs *	Range of inputs	Relationship of Significant unobservable inputs to fair value
	於下列日期公允價值		參數區間	
描述	June 30, 2018 二零一八年六月三十日 RMB'000 人民幣千元	非可觀察參數*	June 30, 2018 二零一八年六月三十日	非可觀察參數與公允價值的關係

Convertible preferred shares
可換股優先股

1,109,013 Dividend yield
(common share)
普通股股息收益率
Volatility
波動率

– June 30, 2018:
Increased credit spread (1%) would decrease the FV by CS 2.4 million (equivalent to RMB12.0 million).
58.0% Increased volatility (10%) would increase the FV by CS1.0 million (equivalent to RMB5.0 million).
二零一八年六月三十日：
債券息差升高1%導致公允價值減少加幣2.4百萬元(等價於人民幣12.0百萬元)。
波動率升高10%導致公允價值增加加幣1.0百萬元(等價於人民幣5.0百萬元)。

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

* 非可觀察參數之間並無重大的關聯關係而足以對公允價值產生重大影響。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

12. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note (b):

The Convertible Bond ("CB") is recognised and measured as financial liabilities measured at fair value through profit or loss and the changes in fair value should be reflected in the income statement.

On January 26, 2018 ("Issue Date"), MIE Holdings Corporation (the "Issuer", or "MIE", or "Management") authorized the creation and issuance of HK\$340,000,000 Convertible Bond ("CB") with a 5% coupon rate per annum and maturing on January 26, 2021. The initial conversion price was HK\$0.58 per conversion share. On July 26, 2018, the conversion price was adjusted to HK\$0.47 per conversion share pursuant to the terms and conditions of the CB.

As of June 30, 2018, the fair value of the CB is HKD352.9 million (equivalent to approximately RMB297.5 million). The difference between the issuance price and the fair value calculated by valuation techniques as at the Issuance Date of HKD355.6 million (equivalent to approximately RMB299.8 million) would be amortised on a straight-line basis over the 3-year life of the CB according to the contract. The amortization expense since the Issuance Date of HKD15.6 million (equivalent to approximately RMB13.2 million) is charged to other gains/(losses), net. The change in fair value and related expense of RMB4.7 million since the Issuance Date is charged to other gains/(losses), net.

The fair value of the CB as of the Issuance Date and June 30, 2018 are estimated based on the valuation reports as of respective dates issued by an independent professional valuer using an binomial model, which is a common and generally acceptable approach in estimating the fair value of a bond with early redemption option as it can model the redemption option held by the issuer and bondholders.

In determining the fair value of the CB, significant estimates and judgements are involved in the process, including bond yield, risk-free rate, dividend yield and volatility.

12. 以公允價值計量且其變動計入當期損益的金融負債(續)

附註(b)：

可換股債券被確認和計量為以公允價值計量且其變動計入當期損益的金融負債，公允價值變動應反映在損益表中。

於二零一八年一月二十六日(「發行日期」)，MIE Holdings Corporation(「發行人」或「MIE」或「管理層」)授權以5%的票面年利率創建及發行340,000,000港元可換股債券(「CB」)，可轉換債券於2021年1月26日到期。初步兌換價為每股兌換股份0.58港元。二零一八年七月二十六日，根據CB條款，兌換價調整為每股兌換股份0.47港元。

於二零一八年六月三十日，可換股債券的公允價值為港幣352.9百萬元(折算成人民幣297.5百萬元)。發行價格與技術估值在發行日計算的公允價值港幣355.6百萬元(折算成人民幣299.8百萬元)之間的差額，根據管理層的估計將按直線法在3年期內攤銷。自發行日起港幣15.6百萬元(折算成人民幣13.2百萬元)起的攤銷費用計入其他利得/(損失)，淨值。自發行日起公允價值變動及其相關費用計入其他利得/(損失)，淨值人民幣4.7百萬元。

於發行日和二零一八年六月三十日，可換股債券的公允價值基於獨立專業評估師在每個評估報告日期使用二項式模型(一種常見且通常可接受的方法)估計具有提前贖回期權的債券的公允價值，因為它可以模擬發行人和債券持有人持有的贖回權。

在釐定可換股優先股的公允價值時，該過程涉及重大的會計估計和判斷，包括債券收益，無風險利率，股息收益率和波動率。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

12. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note (b): (Continued)

Valuation process

The Group has involved independent professional valuer to perform the valuations as of the Issuance Date and June 30, 2018 for financial reporting purposes, including level 3 fair values. The external experts report directly to the chief financial officer ("CFO"). Discussions of valuation processes and results are held between the CFO and external experts once every six months in line with the Group's half-yearly reporting requirements.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Adopted bond yield is estimated by making reference to the credit spread of comparable bonds.
- Risk-free rate with reference to the yield of Canada government bonds & notes with similar maturity as of the Issuance Date and June 30, 2018.
- Dividend yield for common share is assumed zero as MIE is not expected to pay dividends for common share in the foreseeable future as of the Issuance Date and June 30, 2018.
- Volatility is with reference with the historical data of comparable companies as of the Issuance Date and June 30, 2018.

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the CFO and external experts. As part of this discussion the external experts presents a report that explains the reason for the fair value movements.

12. 以公允價值計量且其變動計入當期損益的金融負債(續)

附註(b)：(續)

估值過程

本集團由獨立專業評估師對發行日及二零一八年六月三十日的價值進行評估，其用作財務報告用途，包括第三級公允價值。外部專家直接向首席財務官匯報。首席財務官和外部專家每六個月進行一次評估流程和結果的討論，以符合集團的半年報的需求。

本集團使用的主要三級輸入數據如下所示：

- 採用的債券收益率是通過參考可比債券的信用利差來估算的。
- 無風險利率參考發行日和二零一八年六月三十日的具有相同到期日的加拿大國債和票據。
- 普通股的股息收益率假設為零，截至發行日及二零一八年六月三十日止，MIEH預計在未來的可預計時間不會支付普通股股利。
- 波動率參考發行日和二零一八年六月三十日止可比公司的歷史數據。

於每個報告日，首席財務官和外部專家在估值討論中對第三層的公允價值變動討論和分析。作為討論的一部分，外部專家出具了報告解釋了公允價值變動的原因。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

12. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Note (b): (Continued)

Valuation process (Continued)

Description	Fair value at 於下列日期公允價值		Significant unobservable inputs *	Range of inputs 參數區間		Relationship of significant unobservable inputs to fair value
	June 30, 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Issuance date 發行日 RMB'000 人民幣千元		June 30, 2018 二零一八年 六月三十日 RMB'000 人民幣千元	Issuance date 發行日 RMB'000 人民幣千元	

Convertible bonds 可換股債券	297,479	299,755	Bond yield 債券收益率 Volatility 波動率	25% 50.00%	32% 43.10%	Issuance Date: Increased bond yield (5%), increased volatility (5%) would decrease the FV by HKD1.7 million (equivalent to RMB1.4 million). June 30, 2018: Increased bond yield (5%), increased volatility (5%) would increase the FV by HKD4.8 million (equivalent to RMB4.0 million). 發行日: 債券收益率升高5%、波動率升高5%導致公允價值減少港幣1.7百萬元(等價於人民幣1.4百萬元)。 二零一八年六月三十日: 債券收益率升高5%、波動率升高5%導致公允價值增加港幣4.8百萬元(等價於人民幣4.0百萬元)。
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* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

12. 以公允價值計量且其變動計入當期損益的金融負債(續)

附註(b): (續)

估值過程(續)

* 非可觀察參數之間並無重大的關聯關係而足以對公允價值產生重大影響。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

13. SHARE-BASED PAYMENTS

During the six months ended June 30, 2018, total expense recognized in the statement of comprehensive income for share options and SARs granted to directors and employees amounted to RMB53.8 million (2017: RMB11.2 million).

The Company has adopted a stock incentive compensation plan ("the Plan") in 2009, a share option scheme ("Scheme") in accordance with Chapter 17 of the Listing Rules in 2010, to supplement the Plan in respect the operation of the share appreciation rights ("SARs"), the Company adopted a share award scheme on May 30, 2012 ("2012 Awarded Shares"), and adopted and amended the 2015 Share Award Scheme in 2015 ("2015 Share Award Scheme").

As at June 30, 2018, option to acquire a total of 160,795,375 (December 31, 2017: 163,605,930 shares) ordinary shares of the Company under above stock incentive compensation plan and share option scheme are outstanding, of which 137,325,375 (December 31, 2017: 111,984,614 shares) shares are exercisable.

At June 30, 2018, out of the 13,899,779 outstanding stock appreciation rights (December 31, 2017: 32,732,505 shares stock appreciation rights), 13,899,779 (December 31, 2017: 32,732,505 shares) stock appreciation rights were exercisable.

13. 股份支付

截至二零一八年六月三十日止六個月期間內，確認到綜合收益表的授予董事及員工的購股權及股份增值權的費用為人民幣53.8百萬元(二零一七年：人民幣11.2百萬元)。

本公司於二零零九年採納一項股份獎勵酬金計劃(以下簡稱「計劃」)，於二零一零年根據上市規則第十七章的規定採納一項購股權計劃(以下簡稱「該計劃」)，作為股份獎勵酬金計劃股份增值權(「股份增值權」)的補充，本公司於二零一二年五月三十日採納一項股份獎勵計劃(「二零一二年獎勵股份」)並且於二零一五年採納及修訂二零一五年股份獎勵計劃(「二零一五年股份獎勵計劃」)。

於二零一八年六月三十日，本公司根據上述股份獎勵酬金計劃和購股權計劃中待行使購股權總計可認購160,795,375股(二零一七年十二月三十一日：163,605,930股)普通股，其中137,325,375股(二零一七年十二月三十一日：111,984,614股)已完全得權。

於二零一八年六月三十日，13,899,779份尚未行使的股份增值權(二零一七年十二月三十一日：32,732,505)中13,899,779份(二零一七年十二月三十一日：32,732,505)為可行使股份增值權。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

13. SHARE-BASED PAYMENTS (Continued)

As at June 30, 2018, 130,200,000 shares (December 31, 2017: 26,200,000 shares) under the 2015 Share Award Scheme are granted to certain directors and employees (the "Awarded Shares Grantees") of the Company, of which 123,900,000 shares (December 31, 2017: 17,900,000) have been offered and 6,300,000 shares held by trust on behalf of holder (December 31, 2017: 2,300,000).

13. 股份支付(續)

於二零一八年六月三十日，本公司根據上述二零一五年股份獎勵計劃已授予本公司特定董事及僱員(「獎勵股份被授予者」)合計130,200,000股股份(二零一七年十二月三十一日：26,200,000股)，其中123,900,000股(二零一七年十二月三十一日：17,900,000股)已過戶給員工，6,300,000股(二零一七年十二月三十一日：2,300,000股)由受託人代為持有。

14. SHARE CAPITAL

Ordinary shares, issued and fully paid:

14. 股本

已發行並已繳足普通股：

	Number of shares 股數 (Thousand) 千股	Ordinary shares 股本 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At January 1, 2017 and June 30, 2017	2,938,597	19,489	1,049,307	1,068,796
At January 1, 2018 and June 30, 2018	2,938,597	19,489	1,049,307	1,068,796

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

15. OTHER RESERVES

15. 其他儲備

	Repurchased shares held by trust (Note)	Currency translation reserve	Share-based payment reserve	Safety fund reserve	Available-for-sale financial assets	Financial assets at fair value through other comprehensive income	Others	Total
	信託持有回購股份(附註)	外幣折算儲備	股份支付儲備	安全基金儲備	可供出售金融資產	以公允價值計量且其變動計入其他綜合收益	其他	總計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at December 31, 2017 as originally presented	二零一七年十二月三十一日 原始列式金額	(117,817)	(81,860)	164,315	187,356	1,716	(106,445)	47,265
Change in accounting policy (Note 29)	會計政策變更(附註29)	-	-	-	-	(1,716)	6,564	4,848
Restated total equity as at January 1, 2018	二零一八年一月一日重述後的 權益總額	(117,817)	(81,860)	164,315	187,356	-	6,564	52,113
Currency translation differences	外幣折算差額	-	(134,727)	-	-	-	-	(134,727)
Change in the fair value of equity instruments at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的權益工具的公允價值變動	-	-	-	-	(3,190)	-	(3,190)
Change in the fair value of debt instruments at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的債務工具的公允價值變動	-	-	-	-	-	-	-
Share of other comprehensive incomes of investments in associates	享有聯營企業投資的其他綜合收益份額	-	-	-	-	-	(2,602)	(2,602)
Employees stock option scheme — value of employee services	僱員購股權計劃 — 僱員服務價值	-	-	50,805	-	-	-	50,805
— shares transferred to the Awarded Shares Grantees	— 轉移給獎勵股份被授予者	27,841	-	(27,841)	-	-	-	-
At June 30, 2018	於二零一八年六月三十日	(89,976)	(216,587)	187,279	187,356	-	3,374	(37,601)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

15. OTHER RESERVES (Continued)

15. 其他儲備(續)

		Repurchased shares held by trust (Note)	Currency translation reserve	Share-based payment reserve	Safety fund reserve	Available-for- sale financial assets	Others	Total
	股份(附註)	外幣折算儲備	股份支付儲備	安全基金儲備	金融資產	其他	總計	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
At January 1, 2017	於二零一七年一月一日	(127,287)	(244,762)	153,627	187,356	(6,452)	(106,445)	(143,963)
Currency translation differences	外幣折算差額	-	49,932	-	-	-	-	49,932
Change in fair value of available-for-sale financial assets	可供出售金融資產的公允 價值變動	-	-	-	-	(5,980)	-	(5,980)
Share of other comprehensive incomes of investments in associates	享有聯營企業投資的其他 綜合收益份額	-	-	-	-	-	2,053	2,053
Employees stock option scheme — value of employee services	僱員購股權計劃 — 僱員服務價值	-	-	13,122	-	-	-	13,122
— shares transferred to the Awarded Shares Grantees	— 轉移給獎勵股份 被授予者	5,541	-	(5,541)	-	-	-	-
At June 30, 2017	於二零一七年六月三十日	(121,746)	(194,830)	161,208	187,356	(12,432)	(104,392)	(84,836)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

16. TRADE AND NOTES PAYABLE

The aging analysis of the trade and notes payable is as follows:

16. 應付賬款及應付票據

應付賬款及應付票據賬齡分析列示如下：

		As at 於	
		June 30, 2018 六月三十日 二零一八年 RMB'000 人民幣千元	December 31, 2017 十二月三十一日 二零一七年 RMB'000 人民幣千元
Up to 6 months	少於六個月	353,536	382,575
6 months–1 year	六個月至一年	50,302	13,589
1–2 years	一至兩年	14,164	6,202
2–3 years	兩至三年	1,341	3,300
Over 3 years	多於三年	10,300	13,847
		429,643	419,513

The fair values of trade and notes payables approximate their carrying amounts.

應付賬款及應付票據的公允價值與其賬面金額相近。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

17. PROVISIONS, ACCRUALS AND OTHER LIABILITIES

17. 準備、預提及其他負債

		As at 於	
		June 30, 2018	December 31, 2017
		六月三十日 二零一八年	十二月三十一日 二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Asset retirement obligations (Note)	資產棄置義務(附註)	1,707,397	2,672,886
Interest payable	應付利息	68,825	101,526
Salary and welfare payable	應付薪金及福利	48,659	53,149
Withholding and other tax payable	代扣代繳稅及其他應付稅	60,525	57,532
Other payables	其他應付款項	259,169	453,268
Advance from customers	預收賬款	-	548
		2,144,575	3,338,909
Less: non-current portion of	減：非流動部分之		
— Asset retirement obligations	— 資產棄置義務	(1,606,216)	(2,567,526)
— Withholding tax payable	— 代扣代繳稅	(57,845)	(52,741)
— Interest payable	— 應付利息	-	(44)
		(1,664,061)	(2,620,311)
Current	流動	480,514	718,598

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

17. PROVISIONS, ACCRUALS AND OTHER LIABILITIES (Continued)

Note:

Movements of asset retirement obligations are as follows:

17. 準備、預提及其他負債(續)

附註：

資產棄置義務變動列示如下：

		RMB' 000 人民幣千元
At January 1, 2018	於二零一八年一月一日	2,672,886
Additional provision	額外準備	150
Change in accounting estimate (Note 4.1)	會計估計的變更(附註4.1)	(849,800)
Acquisition	收購	1,871
Disposals of asset	處置資產	(74,692)
Amortization of discounts	融資費用攤銷	81,692
Abandonment expenditure drawdowns	資產棄置義務清償	(19,389)
Exchange differences	匯兌差額	(105,321)
At June 30, 2018	於二零一八年六月三十日	1,707,397

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

18. BORROWINGS

18. 借款

		As at 於	
		June 30, 2018 六月三十日 二零一八年 RMB'000 人民幣千元	December 31, 2017 十二月三十一日 二零一七年 RMB'000 人民幣千元
Non-current	非流動		
— Senior notes (Note (a))	— 優先票據(附註(a))	—	2,034,974
— Secured bank loans	— 抵押銀行貸款	472,528	610,289
— Other loans (Note (b))	— 其他借款(附註(b))	2,655,619	1,875,194
		3,128,147	4,520,457
Current	流動		
— Senior notes (Note (a))	— 優先票據(附註(a))	2,071,478	1,185,328
— Secured bank loans	— 抵押銀行貸款	—	260,045
— Other loans (Note (b))	— 其他借款(附註(b))	32,626	83,638
		2,104,104	1,529,011
		5,232,251	6,049,468

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

18. BORROWINGS (Continued)

Note (a):

Senior Notes

	Coupon rate	Due date		As at		
				June 30, 2018	December 31, 2017	
	票面利率	到期日		六月三十日 二零一八年	十二月三十一日 二零一七年	
				RMB'000 人民幣千元	RMB'000 人民幣千元	
2018 Notes	2018 票據	6.875%	February 6, 2018	二零一八年二月六日	-	1,185,328
2019 Notes	2019 票據	7.5%	April 25, 2019	二零一九年四月二十五日	2,071,478	2,034,974
				2,071,478	3,220,302	

All Senior Notes are listed on the Singapore Exchange Securities Trading Limited.

Movements in borrowings during the six months ended June 30, 2018 are analysed as follows:

18. 借款(續)

附註(a):

優先票據

優先票據均已在新加坡證券交易所有限公司上市。

截至二零一八年六月三十日止六個月期間借款變動分析列示如下：

	Bank borrowings	Senior Notes	Third party institution	Total	
	銀行借款	優先票據	第三方機構借款	合計	
	RMB'000	RMB'000	RMB'000	RMB'000	
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	
Carrying amounts as at January 1, 2018	於二零一八年一月一日賬面價值	870,334	3,220,302	1,958,832	6,049,468
Drawdown of new borrowing	借入借款	51,980	-	784,843	836,823
Repayments of borrowing	償還借款	(411,982)	(1,150,179)	(205,067)	(1,767,228)
Amortization of discounts	融資費用攤銷	-	12,486	111,105	123,591
Exchange differences	匯兌差額	(37,804)	(11,131)	38,532	(10,403)
Carrying amounts as at June 30, 2018	於二零一八年六月三十日賬面價值	472,528	2,071,478	2,688,245	5,232,251

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

18. BORROWINGS (Continued)

Note (b):

Other loans

On February 1, 2018, the Company entered into a term loan facility agreement with a third party institution (the "Lender"), whereby the Lender has granted a facility in aggregate of approximately HK\$390.0 million to the Company. The loan is secured by a second fixed charge over certain charged properties. As at June 30, 2018, all facilities have been drawn down by the Company.

On January 23, 2018, the Company entered into a term loan facility agreement with a third party institution (the "Lender"), whereby the Lender has granted a facility in aggregate of approximately US\$100.0 million to the Company. The loan is secured by the Company's certain account in China Minsheng Banking Corporation, all the issued and outstanding shares in MIE International Resources Limited, all the PSC interest held by MIE International Resources Limited, relevant security documents, and various guarantors. As at June 30, 2018, an amount of US\$60.0 million has been drawn down by the Company.

On January 30, 2018, the Company entered into a term loan agreement with a third party individual (the "Lender"), whereby the Lender has granted a loan in aggregate of US\$5.0 million to the Company.

18. 借款(續)

附註(b):

其他借款

於二零一八年二月一日，本集團與第三方機構(「貸方」)訂立定期貸款融資協議，貸款人已向本集團提供合計3.9億港幣的信貸額度。貸款通過特定已抵押資產的第二抵押順位進行擔保。截至二零一八年六月三十日，本集團已提取所有額度下的金額。

於二零一八年一月二十三日，本集團與第三方機構(「貸方」)訂立定期貸款融資協議，貸款人已向本集團提供合計1.0億美元的信貸額度，該貸款由本集團持有的民生銀行賬戶，MIE International Resources Limited所擁有的產品分成合同下分配的收入份額的權利以及產品分成權益，相關借款擔保文件，以及若干擔保人作為擔保。截至二零一八年六月三十日，本集團已提取美元60.0百萬的金額。

於二零一八年一月三十日，本集團與第三方個人(「貸方」)訂立貸款協議，貸款人已向本集團提供合計美元5.0百萬的貸款。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

19. TAXES OTHER THAN INCOME TAXES

19. 稅項(所得稅除外)

		Six months ended June 30, 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
PRC	中國		
Petroleum special Profit charge	石油特別收益金	602	–
Urban construction tax and education surcharge	城建稅及教育附加費	1,754	1,755
Others	其他	43	43
		2,399	1,798
Corporate and other segments	總部及其他分部		
Withholding tax and others (Note)	代扣代繳稅及其他 (附註)	4,567	6,137
		6,966	7,935

Note:

For the six months ended June 30, 2018, all (2017: all) withholding tax is related to interest expense arising from the intra-group loans.

附註：

截至二零一八年六月三十日止六個月期間，所有(二零一七年：所有)代扣代繳稅皆與本集團內部貸款所產生的利息相關。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

20. OTHER LOSSES, NET

20. 其他損失，淨值

		Six months ended June 30, 截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Reverse of provisions/ (provisions) for receivables	轉回／(計提)應收款項 壞賬準備	83,964	(422,005)
(Losses)/gains on changes in fair value of financial instruments	金融工具的公允價值 (損失)／收益	(101,701)	20,802
Losses on disposal of assets, net	資產處置損失，淨值	(14,377)	-
Losses on disposal of FVPL assets assets	處置以公允價值計量且其 變動計入當期損益的 金融資產損失	(3,198)	-
Losses on disposal of available- for-sale financial assets	處置可供出售金融資產 產生的損失	-	(22,190)
Tax refund	稅收返還款項	-	7,160
Others	其他	(671)	4,249
		(35,983)	(411,984)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

21. FINANCIAL COSTS — NET

21. 財務費用 — 淨值

		Six months ended June 30, 截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Finance income	財務收入		
Interest income	利息收入	28,028	21,756
Finance costs	財務費用		
Interest expense at coupon rates/bank rates	利息費用(按照票面利率和銀行利率核算)	(210,268)	(175,872)
Amortization of discounts	融資費用攤銷	(205,283)	(52,104)
Financing costs	融資費用	(2,231)	(6,346)
Other fees	其他費用	(732)	(161)
		(418,514)	(234,483)
Exchange gains, net	匯兌利得·淨額	3,989	14,807
		(414,525)	(219,676)
Finance costs — net	財務費用 — 淨值	(386,497)	(197,920)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

22. INCOME TAX EXPENSE/(CREDITS)

22. 所得稅費用／(收益)

		Six months ended June 30, 截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Current income tax (Note)	即期所得稅(附註)	153	220
Deferred income tax	遞延所得稅	(58,124)	61,768
		(57,971)	61,988

Note:

Taxation has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates.

Income tax expense is recognized based on management's estimate of the annual income tax rate applicable to the respective group entities expected for the full financial year. The estimated income tax rates applicable to the group entities (excluding group companies that are currently tax exempted) for the year ending December 31, 2018 varies from 15% to 30%.

23. DIVIDENDS

The Board of Directors does not recommend the payment of an interim dividend for the six months ended June 30, 2018 (2017: nil).

附註：

課稅按照本期估計應課稅利潤計算，計算基礎乃本集團經營業務所在國家的現行稅率。

所得稅費用的確認是基於管理層對整個財政年度本集團各主體適用所得稅率的估計。預計截至二零一八年十二月三十一日止年度，除本集團內免予繳納所得稅的實體外，本集團適用的稅率區間為15%至30%。

23. 權益分派

董事會不擬就截至二零一八年六月三十日止六個月期間內派發股息(二零一七年：無)。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

24. EARNINGS PER SHARE

(a) Basic

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the six-month period.

24. 每股收益

(a) 基本

基本每股收益根據歸屬於本公司所有者的利潤，除以本六個月期間內發行在外普通股的加權平均數。

		Six months ended June 30, 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss attributable to owners of the Company	本公司所有者應佔虧損	(521,233)	(673,546)
Weighted average number of ordinary shares (thousands)	加權平均普通股數目 (千股)	2,900,018	2,810,538
Basic losses per share	基本每股損失	(0.180)	(0.240)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

24. EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options outstanding which are potentially dilutive. A calculation is performed to determine the number of ordinary shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to the weighted average number of outstanding share options. The number of ordinary shares calculated above for basic earnings per share is increased by the number of ordinary shares that would have been issued assuming the exercise of the share options at the date later of beginning of the relevant period or the date of issue.

24. 每股收益(續)

(b) 稀釋

每股稀釋收益乃假設所有稀釋潛在普通股獲兌換後，經調整已發行普通股的加權平均數計算。本公司尚未行使之購股權具有潛在稀釋效應。至於購股權，根據未行使購股權的加權平均數所附認購權的貨幣價值，釐定可能已按公允價值(即本公司股份的平均年度市價)購入的普通股數目。按以上基本每股收益方式計算的普通股數目，需加上假設購股權於相關期間期初或實際發行日兩者之中較晚日期獲行使或轉換而發行的普通股數量。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

24. EARNINGS PER SHARE (Continued) 24. 每股收益(續)

(b) Diluted (Continued) (b) 稀釋(續)

		Six months ended June 30, 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Losses	損失		
Loss attributable to owners of the Company used to determine diluted earnings per share	用於釐定每股稀釋收益的本公司股權持有人應佔虧損	(521,233)	(673,546)
Weighted average number of ordinary shares outstanding (thousands)	加權平均普通股數目(千股)	2,900,018	2,810,538
Weighted average number of diluted potential ordinary shares for diluted earnings per share (thousands)	為計算每股稀釋收益的稀釋潛在普通股加權平均數(千股)	2,900,018	2,810,538
Diluted losses per share	每股稀釋損失	(0.180)	(0.240)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

25. CASH GENERATED FROM OPERATING ACTIVITIES

25. 經營活動產生的現金

		Six months ended June 30, 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Loss before income tax	除所得稅前虧損	(579,224)	(611,558)
Adjustments for:	調整：		
Depreciation, depletion and amortization	折舊、折耗及攤銷	385,786	176,872
Interest expenses — net	淨利息支出	390,486	212,727
Exchange gains, net	匯兌利得，淨額	(3,989)	(14,807)
Impairment	減值損失	3,194	3,430
Losses/(gains) on changes in fair value of financial instruments (Note 20)	金融工具的公允價值變動損失/(收益) (附註20)	101,701	(20,802)
Value of employee services under stock option schemes	購股權計劃下僱員服務成本	50,805	13,122
Losses on disposal of FVPL assets	處置以公允價值計量且其變動計入當期損益的金融資產損失	3,198	-
Losses on disposal of available-for-sale financial assets	處置可供出售金融資產產生的損失	-	22,190
Share of losses/(profits) of investments accounted for using the equity method	享有按權益法入賬的投資的損失/(利得)份額	8,972	(10,861)
(Reverse of provisions)/provisions for receivables (Note20)	(轉回)/計提應收款項壞賬準備(附註20)	(83,964)	422,005
Exploration and evaluation expense	勘探及評價資產相關費用	12,903	-
Loss on disposal of Journey	處置 Journey 產生的損失	17,512	-
Gain on disposal of Canlin partial assets	處置 Canlin 部分資產產生的收益	(3,136)	-
Others	其他	14,069	(4,249)
Changes in working capital:	營運資金變動：		
Inventories	存貨	(122)	2,887
Trade and other receivable	應收及其他應收款	544,369	44,587
Trade and other payable	應付及其他應付款	(103,780)	(11,166)
Cash generated from operations	經營產生的現金	758,780	224,377

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

26. COMMITMENTS AND CONTINGENCIES

(a) Commitments

- (i) Capital commitments for the purchase of property, plant and equipment

26. 承諾事項及或有負債

(a) 承諾

- (i) 購買不動產、工廠及設備之資本性承諾事項

		As at	
		於	
		June 30,	December 31,
		2018	2017
		六月三十日	十二月三十一日
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Authorized by the Board of Directors but not contracted for	董事會已批准但未簽約	102,868	89,856
Contracted but not provided for	已簽約但未撥備	124,995	121,692
		227,863	211,548

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

26. COMMITMENTS AND CONTINGENCIES (Continued)

(a) Commitments (Continued)

(ii) Operating lease commitments

The Group has operating lease commitments related to its non-cancellable operating leases for offices and vehicle. The future aggregate minimum lease payments under these operating leases are as follows:

26. 承諾事項及或有負債 (續)

(a) 承諾 (續)

(ii) 經營租賃承諾

本集團因經營租賃辦公室和車輛而擁有不可撤銷的經營租約承諾。經營租賃項下的未來最低租賃付款額列示如下：

		As at 於	
		June 30, 2018 六月三十日 二零一八年 RMB'000 人民幣千元	December 31, 2017 十二月三十一日 二零一七年 RMB'000 人民幣千元
Less than 1 year	少於一年	31,888	25,791
Within 1-2 years	一至兩年	9,009	9,826
Within 2-5 years	二至五年	5,294	3,177
Over 5 years	五年以上	227	811
		46,418	39,605

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

26. COMMITMENTS AND CONTINGENCIES (Continued)

(a) Commitments (Continued)

(iii) Firm transportation commitments

The Group has firm transportation commitments which are pipeline transportation commitments with third parties. The future aggregate minimum payments under these pipeline transportation commitments are as follows:

		As at	
		於	
		June 30,	December 31,
		2018	2017
		六月三十日	十二月三十一日
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Less than 1 year	少於一年	91,468	108,696
Within 1-2 years	一至兩年	71,395	87,827
Within 2-5 years	二至五年	85,906	139,867
Over 5 years	五年以上	20,913	13,615
		269,682	350,005

26. 承諾事項及或有負債 (續)

(a) 承諾 (續)

(iii) 管道運輸承諾

本集團存在管道運輸承諾，其為與第三方的管道運輸承諾。管道運輸承諾下的未來最低租付款額列式如下：

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

27. RELATED PARTY TRANSACTIONS

(a) The following transactions were carried out with related parties:

27. 關聯方交易

(a) 與關聯方的交易列示如下：

		Six months ended June 30,	
		截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Transactions with PSC partners	與產品分成合同夥伴的交易		
— Cash receipts from the PSCs received by the Group on GOC's behalf	— 根據產品分成合同代表環球石油收取的款項	18,188	37,904
— Advances to GOC	— 預付環球石油款項	-	(41,319)
— Expenditures for PSCs incurred on GOC's behalf	— 根據產品分成合同代表環球石油所支付的生產費用	(3,764)	(11,596)
PetroChina	中石油		
— Sales to PetroChina	— 對中石油的銷售額	333,273	332,961
— Expenditures for PSCs incurred on PetroChina's behalf	— 根據產品分成合同代表中石油所支付的生產費用	(73,105)	(81,828)
Riyadh	利雅得		
— Net receivables under PSC received by Riyadh on the Group's behalf	— 應收利雅得根據產品分成合同代本集團收取的款項淨額	831	-
Transactions with associates	與聯營企業的交易		
— Shareholder's loan to PBV	— 提供予PBV的股東貸款	(16,803)	(23,362)
— Shareholder's loan to PetroBroad	— 提供予博道長和的股東貸款	(3,308)	(23,710)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

27. RELATED PARTY TRANSACTIONS (Continued)

(a) The following transactions were carried out with related parties: (Continued)

27. 關聯方交易(續)

(a) 與關聯方的交易列示如下：(續)

		Six months ended June 30, 截至六月三十日止六個月	
		2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元
Transactions with controlling shareholder of the Company's ultimate holding company and/or a company/person related to the controlling shareholder of the Company's ultimate holding company	與本公司最終控股公司 控股股東或本公司最 終控股公司控股股東 的關聯公司/人士的 交易		
— Purchase for oilfield services	— 採購石油服務	(39,292)	(27,263)
— Rental of vehicles and office premises	— 汽車和房屋的租賃	(469)	(476)
— Advance to suppliers for services and goods	— 預付工程款	—	(6,000)
— Receive from borrowing of Zhaojiangbo	— 收到趙江波借款	6,288	—
— Payment to borrowing of Zhaojiangbo	— 償還趙江波借款	(15,298)	—
— Receive from borrowing of Zhangruilin	— 收到張瑞霖借款	1,290	—

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

27. RELATED PARTY TRANSACTIONS (Continued)

(b) Key management compensation

		Six months ended June 30, 截至六月三十日止六個月	
		2018	2017
		二零一八年	二零一七年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Salaries	薪金	8,669	6,935
Bonuses	紅利	3,707	2,367
Value of share base payment	股份支付金額		
— employee services	— 僱員服務價值	40,913	11,144
Benefits in-kind	其他福利	1,719	1,614
		55,008	22,060

Bonuses fall due wholly within twelve months after the end of the period in which management rendered the related services.

短期紅利將會在管理層完成相應服務後一年內發放。

28. JOINT ARRANGEMENTS Summary of the Acquisition

In March 2018, the Group acquired 10% foreign contractor's participating interest in each of Daan and Moliqing blocks within the Daan and Moliqing oilfields located in Northeast region in the PRC from Global Oil Corporation ("GOC"), a limited liability company incorporated in Bahamas, with an aggregate consideration of US\$55.0 million in cash (equivalent to RMB346.8 million) (the "Acquisition").

28. 合營安排 收購信息匯總

於二零一八年三月，本集團從賣方澳大利亞環球石油公司（「環球石油」）收購了其持有的大安和莫里青產品分成合同項下的10%外方合同者參與權益，收購對價為美元55.0百萬元（等價於人民幣346.8百萬元）（「收購交易」）。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

28. JOINT ARRANGEMENTS (Continued)

Summary of the Acquisition (Continued)

Before completion of this Acquisition, the Group and GOC respectively held a 90% and a 10% of the foreign contractor's participating interest in Daan PSC (collectively the "Foreign Contractors"). Upon completion of this Acquisition, the Group hold the entire 100% share of Foreign Contractor's interest in Daan PSC.

For Moliqing PSC, the Group disposed its entire interest in December 2017 by way of disposal of all its equity interest of the relevant holding company of the Moliqing block. Upon completion of this Acquisition, the Group hold a 10% share of the foreign contractor's participating interest in Moliqing PSC.

The Daan and Moliqing oilfields had been in the commercial production phase since 2005 and 2008, respectively, the Daan PSC would expire after about six years in 2024, whereas the Moliqing PSC would expire after about ten years in 2028. The Group conducts the development and production activities under the Daan PSC and Moliqing PSC jointly with PetroChina as a 100% Foreign Contractor and a 10% Foreign Contractor respectively. The remainder 90% Foreign Contractor of Moliqing PSC is Riyadh Energy Limited ("Riyadh Energy"). These PSCs establish joint control over the development and production activities. The assets are not owned by a separate legal entity but are controlled by individual participants in the PSCs. Each participant is entitled to a predetermined share of the related output and bears an agreed share of the costs.

28. 合營安排 (續)

收購信息匯總 (續)

於本次收購事項完成前，本集團及環球石油分別持有大安產品分成合同（統稱為「外方合同者」）的外方合同者參與權益的90%和10%。本次收購完成後，本集團持有外方合同者在大安產品分成合同的全部100%份額。

對於莫里青產品分成合同，本集團於二零一七年十二月通過出售持有的莫里青區塊相關控股公司的全部股權出售其全部權益。本次收購完成後，本集團持有莫里青產品分成合同的外方合同者參與權益10%的份額。

大安和莫里青油田兩個區塊分別在二零零五年和二零零八年進入商業生產期。大安產品分成合同將於二零二四年到期，合同剩餘有效時間約為六年；莫里青產品分成合同將於二零二八年到期，合同剩餘有效時間約為十年。本集團分別作為100%和10%的外方合同者，與中石油共同進行大安產品分成合同和莫里青產品分成合同的生產和開發。莫里青產品分成合同的另外90%份額的外方合同者為利雅得能源公司（「利雅得能源」）。對於上述產品分成合同的開發和生產活動實行共同控制。即資產不屬於單獨的法律實體，而分屬於產品分成合同的個人參與者控制。每個合同參與者按約定份額獲取相關產出收入，並承擔約定的成本份額。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

28. JOINT ARRANGEMENTS (Continued)

Summary of the Acquisition (Continued)

In accordance with IFRS 11 Joint Arrangements, where a joint operator acquires an interest in a joint operation, the accounting treatment depends on whether the activity of the acquired joint operation constitutes a business. The joint operator should apply business combination accounting to the extent of its share, where the activity of the joint operation constitutes a business.

As at June 30, 2018, the Group is in the process of the fair value assessment for the purchase price allocation under IFRS 3 Business Combination for the joint operations acquired under the Acquisition. The Group reported in the six months ended June 30, 2018 the provisional amounts for the below assets and liabilities recognised as a result of the Acquisition for which the evaluation is in the process. During the measurement period (not exceeding one year from the acquisition date), the Group will retrospectively adjust the provisional amounts recognised at the acquisition date to reflect new information obtained regarding facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognised in the six months ended June 30, 2018.

Acquisition-related costs of RMB0.7 million have been charged to general and administrative expense in the consolidated statement of comprehensive income for the year ended June 30, 2018.

28. 合營安排 (續)

收購信息匯總 (續)

根據國際財務報告準則第11號合營安排，如果聯合經營者獲得聯合經營的利益，則會計處理取決於被收購的聯合經營活動是否構成業務。若合營企業的經營活動構成業務，則聯合經營者應在其份額範圍內應用企業合併會計。

截至二零一八年六月三十日，集團正處於收購合營業務的收購價格公允價值評估過程中，評估根據國際財務報告準則第3號企業合併進行。集團在截至二零一八年六月三十日止六個月期間報告了以下評估中的因收購而確認的資產和負債的暫定金額。於計量期間(自收購日期起不超過一年)，如果獲知有新信息將影響截至二零一八年六月三十日止六個月期間的暫估金額，集團將追溯調整於收購日期確認的暫估金額，以反映新獲知的截至收購日期已存在事實和情況。

收購相關成本人民幣0.7百萬元已包含在截至二零一八年六月三十日止年度的合併綜合收益表的管理費用中。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

28. JOINT ARRANGEMENTS (Continued)

Summary of the Acquisition (Continued)

The revenue included in the consolidated statement of comprehensive income since March 29, 2018 contributed by MIE International Resources Limited was RMB20.1 million and also contributed profit of RMB1.4 million over the same period.

28. 合營安排(續)

收購信息匯總(續)

合併綜合收益表所包括自二零一八年三月二十九日起由MIE International Resources Limited貢獻的收入為人民幣20.1百萬元，其亦在同期產生人民幣1.4百萬元的收益。

		RMB'000 人民幣千元
Total consideration	總對價	346,753
Recognised amounts of identifiable assets acquired and liabilities assumed	可辨認的購買資產和承擔負債的 確認總數	
Property, plant and equipment (Note 7)	不動產、工廠及設備(附註7)	221,870
Intangible assets (Note 7)	無形資產(附註7)	58,912
Other assets	其他資產	1,382
Deferred tax liability	遞延所得稅負債	(14,641)
Asset retirement obligation	資產棄置義務負債	(1,871)
Total identifiable net assets	可辨認淨資產總額	<u>265,652</u>
Goodwill (Note 7)	商譽(附註7)	<u>81,101</u>

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

29. CHANGES IN ACCOUNTING POLICIES

This note explains the impact of the adoption of IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers on the Group's financial statements and also discloses the new accounting policies that have been applied from January 1, 2018, where they are different to those applied in prior periods.

(a) Impact on the financial statements

As explained in Note 3, the Group has adopted IFRS 9 and IFRS 15 since January 1, 2018, which led to changes in accounting policies and impact on the financial statements.

The following tables show the adjustments recognized for each individual line item. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided. The adjustments are explained in more detail by standard below.

29. 會計政策變更

本附註介紹了採納國際財務報告準則第9號「金融工具」及國際財務報告準則第15號「與客戶之間的合同產生的收入」對本集團財務報表的影響，並披露了自二零一八年一月一日起實施的新會計政策與往期會計政策的差異。

(a) 財務報表的影響

如附註3所述，本集團於二零一八年一月一日起採納國際財務報告準則第9號和15號，這將導致會計政策的變動並對財務報表產生影響。

下表呈列了就每個報表項目的調整。不受影響的報表項目不包括在內。因此，所披露的小計和總計無法根據以下所呈列的數字重新計算得出。相關調整在後文中按準則進行了更詳盡的說明。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

29. CHANGES IN ACCOUNTING POLICIES (Continued)

(a) Impact on the financial statements (Continued)

29. 會計政策變更(續)

(a) 財務報表的影響(續)

		December 31, 2017 as originally presented 二零一七年 十二月 三十一日	IFRS 9	January 1, 2018 Restated 二零一八年 一月一日重述
Consolidated Statement of Financial Position (extract)		原始金額列式 RMB'000 人民幣千元	國際財務報告 準則第9號 RMB'000 人民幣千元	二零一八年 一月一日重述 RMB'000 人民幣千元
Non-current assets	非流動資產			
Financial assets at fair value through other comprehensive income (FVOCI)	以公允價值計量且其變動計入其他綜合收益的金融資產	-	66,853	66,853
Financial assets at fair value through profit and loss (FVPL)	以公允價值計量且其變動計入當期損益的金融資產		279	279
Available-for-sale financial assets	可供出售金融資產	67,132	(67,132)	-
Current assets	流動資產			
Available-for-sale financial assets	可供出售金融資產	111,228	(111,228)	-
Financial assets at fair value through profit and loss (FVPL)	以公允價值計量且其變動計入當期損益的金融資產	-	111,228	111,228
Total assets	總資產	11,308,343	-	11,308,343
Equity	權益			
Equity attributable to owners of the Company	歸屬於本公司所有者的權益			
Other reserves	其他儲備	47,265	4,848	52,113
Accumulated losses	累計虧損	(1,384,495)	(4,848)	(1,389,343)
Total equity	權益總額	(268,461)	-	(268,461)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

29. CHANGES IN ACCOUNTING POLICIES (Continued)

(b) IFRS 9 Financial instrument — Impact of adoption

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

Management has assessed the business model and the terms relating to the collection of contractual cash flows applicable to the financial assets held by the Group at the date of initial application of IFRS 9 (January 1, 2018) and has classified its financial instruments into the appropriate IFRS 9 categories, which are those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and those to be measured at amortised cost. The main effects resulting from this reclassification are as follows:

29. 會計政策變更(續)

(b) 國際財務報告準則第9號 — 採用影響

國際財務報告準則第9號取代了國際會計準則第39號關於金融資產和金融負債的確認、分類與計量、金融工具終止確認、金融資產減值與套期會計處理的相關規定。

管理層已於首次應用國際財務報告準則第9號的日期(二零一八年一月一日)評估了與當日所持有的金融資產的合約現金流量有關的業務模式及有關條款，並已將其金融工具分類至國際財務報告準則第9號下的恰當類別，即其後以公允價值計量(且其變動計入其他綜合收益或損益)的金融資產，及以攤餘成本計量的金融資產。這種重新分類產生的主要影響如下：

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

29. CHANGES IN ACCOUNTING POLICIES (Continued)

(b) IFRS 9 Financial instrument — Impact of adoption (Continued)

Classification and measurement

29. 會計政策變更(續)

(b) 國際財務報告準則第9號 — 採用影響(續)

分類和計量

		Available-for-sale	FVPL	FVOCI
		可供出售 金融資產	以公允價值 計量且其變動 計入損益	以公允價值 計量且其變動 計入其他 綜合收益
Financial assets — January 1, 2018	金融資產 — 二零一八年一月一日	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Closing balance	二零一七年十二月			
December 31, 2017	三十一日期末餘額			
— IAS 39	— 根據IAS 39計算	178,360	—	—
Reclassify investments from available-for-sale to FVPL	從可供出售金融資產重分類至以公允價值計量且其變動計入損益	(111,506)	111,506	—
Reclassify non-trading equities from available-for-sale to FVOCI	將非交易性權益投資從可供出售重分類至以公允價值計量且其變動計入其他綜合收益	(61,768)	—	61,768
Reclassify unlisted debt securities from available-for-sale to FVOCI	將上市及非上市債券從可供出售金融資產重分類至以公允價值計量且其變動計入其他綜合收益	(5,086)	—	5,086
Opening balance	二零一八年一月一日期初			
January 1, 2018 — IFRS 9	餘額 — 根據IFRS 9計算	—	111,506	66,854

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

29. CHANGES IN ACCOUNTING POLICIES (Continued)

(b) IFRS 9 Financial instrument — Impact of adoption (Continued)

The impact of these changes on the Group equity is as follow:

29. 會計政策變更(續)

(b) 國際財務報告準則第9號 — 採用影響(續)

該等變動對本集團的權益影響如下：

		Effect on AFS reserves	Effect on FVOCI reserve	Effect on retained earnings
		對可供出售金融資產的影響	對以公允價值計量且其變動計入其他綜合收益的影響	對累計虧損的影響
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Opening balance — IAS 39	期初餘額 — 根據 IAS 39 計算	1,716	-	(1,384,495)
Reclassify investments from available-for-sale to FVPL	從可供出售金融資產重分類至以公允價值計量且其變動計入損益	4,848	-	(4848)
Reclassify non-trading equities from available-for-sale to FVOCI	將非交易性權益投資從可供出售金融資產重分類至以公允價值計量且其變動計入其他綜合收益	(6,564)	6,564	-
Reclassify unlisted debt securities from available-for-sale to FVOCI	將上市及非上市債券從可供出售金融資產重分類至以公允價值計量且其變動計入其他綜合收益	-	-	-
Total impact	總影響	(1,716)	6,564	(4,848)
Opening balance — IFRS 9	期初餘額 — 根據 IFRS 9 計算	-	6,564	(1,389,343)

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

29. CHANGES IN ACCOUNTING POLICIES (Continued)

(b) IFRS 9 Financial instrument — Impact of adoption (Continued)

The Group has following major types of financial assets that are subject to IFRS 9's new expected credit loss model:

- trade receivables
- other receivables (excluding prepayments)

The Group has revised its impairment methodology according to IFRS 9 for these classes of assets:

For trade receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which requires the use of lifetime expected loss provision for all trade receivables. For other receivables, the Group applies the general model for expected credit losses prescribed by IFRS 9.

29. 會計政策變更(續)

(b) 國際財務報告準則第9號 — 採用影響(續)

本集團持有的如下幾類主要金融資產在國際財務報告準則第9號新預期信用損失模型的適用範圍內：

- 應收賬款
- 其他應收款(不包括預付款)

本集團已根據國際財務報告準則第9號修訂了以下幾類資產的減值方法：

對於應收賬款，本集團採用國際財務報告準則第9號規定的簡化方法計量預期信用損失，即對所有應收賬款確認整個存續期的預期信用損失。對於其他應收款，本集團採用的國際財務報告準則第9號規定的通用方法計量預期信用損失。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

29. CHANGES IN ACCOUNTING POLICIES (Continued)

(c) IFRS 15 Revenue from Contracts with Customers — Impact of adoption

Considering the changes in accounting policies as a result of the initial application of IFRS 15, the Directors considered that the initial application of IFRS 15 has no material impact on the consolidated financial statements of the Group, besides the recognition of gross natural gas liquid consideration as revenue and separately recognise cost of sales and any associated transportation expense. The net impact on profit derived from the transaction is nil.

Accounting policy on the recognition of sales income:

Revenue is recognized upon the satisfaction of performance obligations, which occurs when control of the good or service transfers to the customer.

Control can transfer at a point in time or over time. A performance obligation is satisfied over time if one of the following criteria is met:

The customer simultaneously receives and consumes the benefits of the entity's performance as the entity performs (e.g., certain services).

The entity's performance creates or enhances an asset that the customer controls.

29. 會計政策變更(續)

(c) 國際財務報告準則第15號 — 採用影響

考慮到首次採用國際財務報告準則第15號導致會計政策變動，董事認為國際財務報告準則第15號的首次採用對本集團的綜合財務報表並無重大影響，除了要確認天然氣凝析液總量為收入並單獨確認銷售成本和相關運輸費用。由此對交易產生的利潤淨影響為零。

關於確認銷售收入的會計政策：

收入在履行履約義務時確認，履約義務在貨物或服務的控制權轉移給客戶時發生。

控制可以在某個時間點或隨時間傳遞。如果符合以下標準之一，則履行義務隨著時間的推移而得到滿足：

客戶在企業履約的同時獲取和享有了履約收益，例如獲得某一服務。

企業的履約行為創建或增強了客戶控制的資產。

Notes to the Condensed Interim Consolidated Financial Information

簡明中期合併財務資料附註

29. CHANGES IN ACCOUNTING POLICIES (Continued)

(c) IFRS 15 Revenue from Contracts with Customers — Impact of adoption (Continued)

The entity's performance does not create an asset with alternative use to the entity and the entity has an enforceable right to payment (cost plus a reasonable profit margin) for performance completed to date.

A performance obligation is satisfied at a point in time if it does not meet one of the criteria above.

All revenues of the Group are recognised at a point in time.

30. SUBSEQUENT EVENT

(a) Sale of all Journey's stocks

From July to August, 2018, the Group sold its shares of Journey Energy Inc., being 3,620,098 shares, which accounted for 9.39% of Journey's total outstanding shares. The aggregate proceeds from the sale were C\$5.8 million (equivalent to RMB30.3 million).

(b) Sale of USA Condor Energy Technology LLC ("Condor")

The group holds the Niobrara project through the subsidiary Condor. On August 1, 2018, the group sold all the equity interest in Condor and the consideration was US\$0.5 million (equivalent to RMB3.7 million).

29. 會計政策變更(續)

(c) 國際財務報告準則第15號 — 採用影響(續)

該企業的履約行為並未創建對該企業具有替代用途的資產，且該企業對於至今已完成履約享有可執行的支付權(成本加上合理的利潤率)。

如果履約義務不符合任一上述標準，則在某個時間點被履行。

本集團的所有收入均於某個時間點確認。

30. 期後事項

(a) 出售持有的全部Journey股票

本集團於二零一八年七月至八月期間出售了Journey Energy Inc.股票，共計3,620,098股份，佔Journey總發行份額的9.4%，取得加幣5.8百萬元(折合人民幣30.3百萬元)。

(b) 出售持有的美國Condor Energy Technology LLC (「Condor」)公司

本公司通過附屬公司Condor持有美國Niobrara項目。於二零一八年八月一日本集團出售了Condor公司100%權益，交易對價為0.5百萬美元(折合人民幣3.7百萬元)。



MIE HOLDINGS CORPORATION
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