中油燃氣集團有限公司

CHINA OIL AND GAS GROUP LIMITED

(Incorporated in Bermuda with Limited Liability)

(於百慕達註冊成立之有限公司)

Stock Code: 603

股份代號：603

ANNUAL REPORT
2017 年報

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Enterprise Culture
企業文化

Corporate Profiles
公司簡介

China Oil And Gas Group Limited (the "Company") (stock code: 603) and its subsidiaries (together, the "Group") are principally engaged in investment in natural gas and energy related business. Operations of the Group include piped city gas business, pipeline design and construction; transportation, distribution and sale of compressed natural gas ("CNG") and liquefied natural gas ("LNG"); and development, production and sale of crude oil and gas and other upstream energy resources.

中油燃氣集團有限公司(「公司」)(股份代號：603)及其附屬公司(「集團」)主要從事天然氣及能源相關業務之投資。集團之業務包括城市管道燃氣營運、管道設計及建造；壓縮天然氣(「CNG」)及液化天然氣(「LNG」)之運輸、分銷及銷售；及原油及天然氣等其他上游能源資源開發、生產及銷售。

As a piped city natural gas service provider, the Group supplies city natural gas through long-distance transmission pipelines. With 75 concession rights, the Group has built up city pipeline networks which offer stable and sufficient natural gas resources to local household, industrial, commercial and other users. As a non-pipeline natural gas provider, the Group has established 2 LNG plants in Qinghai Province, the PRC. Meanwhile, the Group has also built certain CNG primary stations to ensure a smooth supply of natural gas all year round. These facilities support supplies of natural gas to cities not yet covered by pipeline networks and are treated as emergency backup gas sources for the Group.

作為城市管道燃氣服務供應商，集團透過長距離輸送管道供應城市天然氣。集團已獲得75個燃氣特許經營權，建立了城市管道網絡，為當地家庭、工商等用戶提供穩定及充裕之天然氣資源。作為非管道天然氣供應商，集團於中國青海省建立了兩座LNG工廠。同時，集團已建造多個CNG加氣母站，確保集團之天然氣供應全年保持穩定。該等設施有助於向尚未有管道網絡覆蓋的城市供應天然氣，並被視為集團之應急備用燃氣來源。

As a major national operator of natural gas stations for automobile natural gas filling, the Group has built 39 CNG stations, 10 LNG stations and 6 L/CNG stations across the country. All kinds of automobiles, city buses and long-distance buses can be converted into natural gas operation system by paying an affordable fee. Some of the provinces will provide subsidy to automobile owners who are willing to convert their automobile into natural gas operating system. With support from the PRC government, the Group offers inexpensive, clean and environmental friendly natural gas to the transportation sector.

作為全國車用天然氣加氣站之主要營運商，集團已在全國範圍內建立CNG加氣站39座、LNG加氣站10座及L/CNG加氣站6座。各類汽車、公共交通汽車及長途客運車均可以通過改裝，即以可承擔之費用轉換成天然氣運行系統。並且，部分省份將為願意將汽車轉換成天然氣運行系統的車主提供補貼。在國家政府之支持下，集團向運輸界提供價格低廉、清潔及環保之天然氣能源。

As an operator of natural gas branch line business, the Group has already completed 1,073 km branch lines in Qinghai, Hunan, Jiangsu, Jiangxi, Shanxi, Shandong, Guizhou, Guangdong, Anhui and Hubei Province. Apart from bringing in stable natural gas transmission revenue, the branch line constructions will also facilitate the development of projects along the down-stream.

作為天然氣支綫管道經營之營運商，集團已於青海、湖南、江蘇、江西、山西、山東、貴州、廣東、安徽和湖北省等省份建成總長度達1,073公里的支線管道，除了增加天然氣管道運輸收入外，更可帶動下游沿線天然氣市場的開發。

The Group has well established a large-scale developed natural gas transport and logistics operation in the PRC, including the set up of LNG and CNG fleets which have reinforced the mobility and coverage of our natural gas supplies.

集團已於中國發展龐大的天然氣運輸及物流業務，已建立LNG及CNG運輸車隊，增強了集團天然氣供應之流動性以及擴大了其覆蓋範圍。

As an upstream energy resources producer, the Group engages in the development, production and sale of crude oil and gas and other resources in Alberta of Canada. The exploration and production business of the Group has the proved reserves of approximately 22.8 million barrels of oil equivalent and the proved plus probable reserves of approximately 35 million barrels of oil equivalent. Its average daily production was 4,849 barrels of oil equivalent in 2017. Our exploration and production business possesses energy business in production, a very experienced management team with proven tracking records, a stable production assets portfolio and strong profitability with considerable potential for growth.

作為上游能源資源之生產商，集團於加拿大阿爾伯塔省從事原油及天然氣等資源的開發、生產及銷售，集團油氣生產業務之探明儲量約為2,280萬桶油當量及探明加控制儲量約為3,500萬桶油當量，二零一七年平均每日產量為4,849桶油當量。集團之油氣生產業務擁有在產的能源業務及一個經驗豐富、業績卓越的管理團隊，具穩定的生產資產組合，較強的盈利能力及廣闊的增長空間。

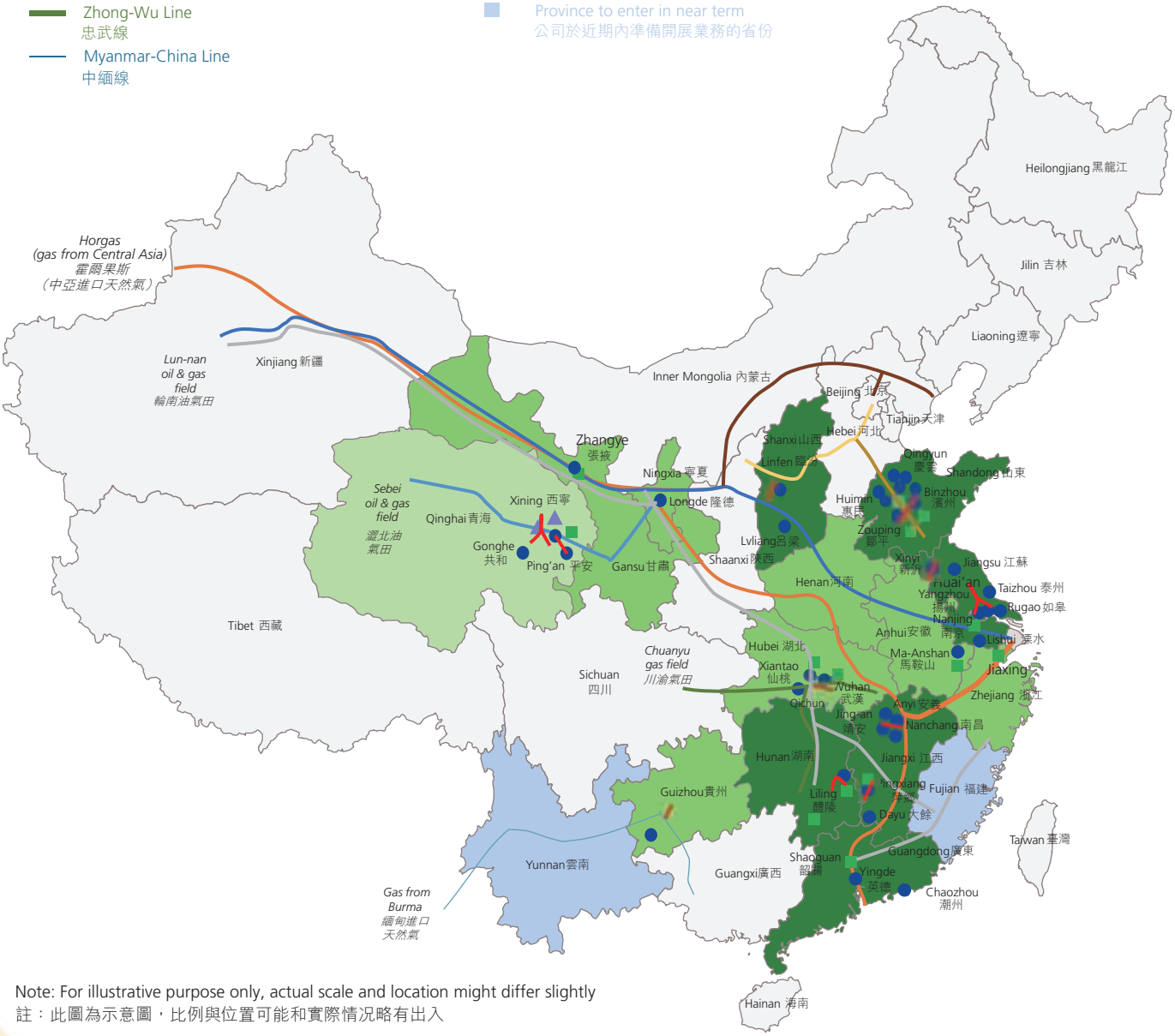
Natural Gas Distribution Business in China
中國天然氣分銷業務

Main trunk pipelines 主要幹線管網

- West-to-East line 1 西氣東輸一線
- West-to-East line 2 西氣東輸二線
- West-to-East line 3 西氣東輸三線
- Se-Ning-Lan line 澀寧蘭線
- Shaan-Jing line 4 陝京四線
- Shaan-Jing line 3 陝京三線
- Cang-Zi Line 滄淄線
- Zhong-Wu Line 忠武線
- Myanmar-China Line 中緬線

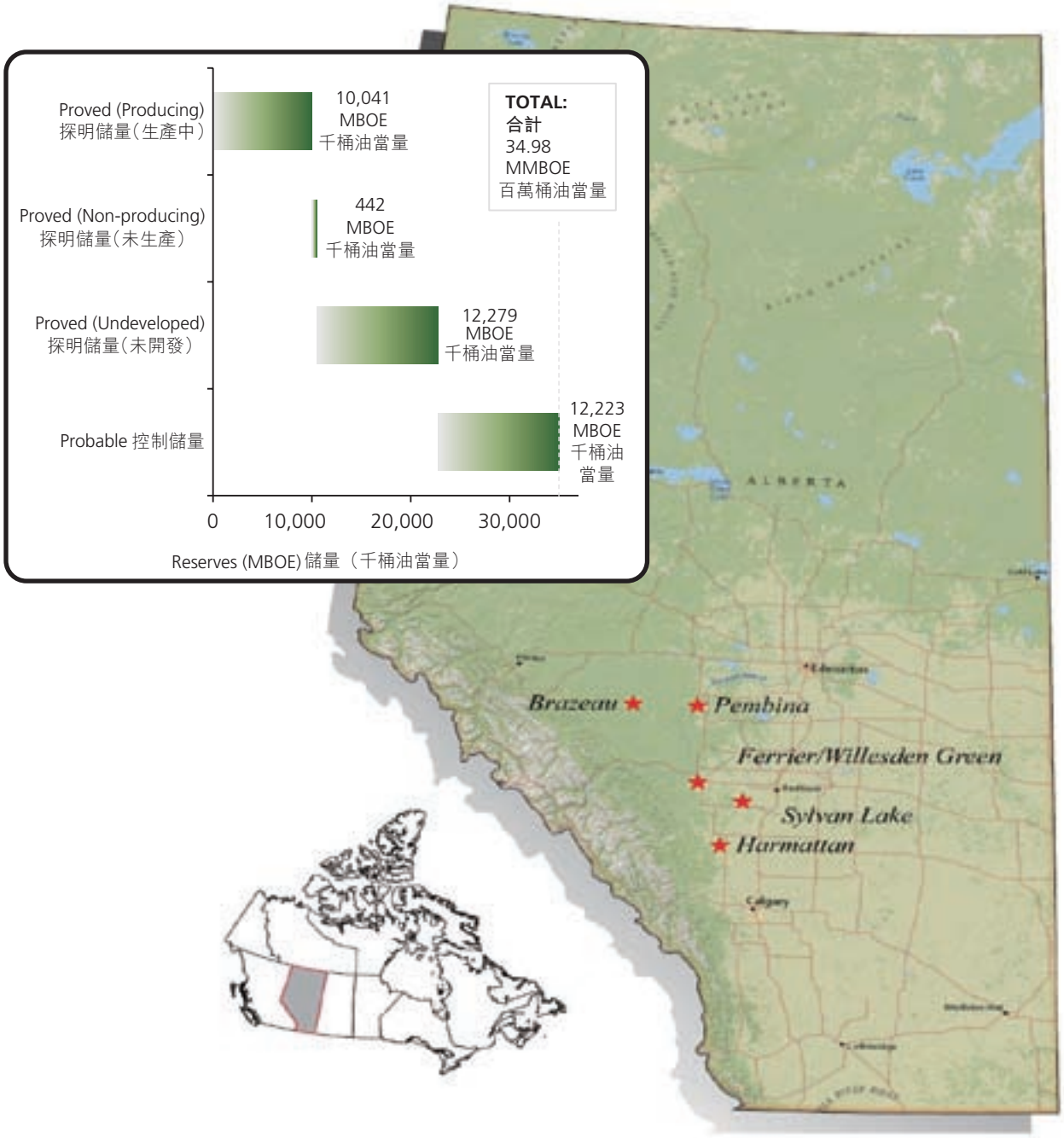
Company operating assets / data 公司運營資產及數據

- Branch pipeline 公司自有支線管道
- City gas project with concession right 公司城市天然氣項目
- LNG processing plant 公司液化天然氣工廠
- CNG/LNG/L-CNG station 公司天然氣加氣站
- Province with natural gas sales volume > 1bn m³ in FY2017 公司二零一七年銷氣量10.0億立方米以上省份
- Province with natural gas sales volume between 500mn m³ and 1,000mn m³ in FY2017 公司二零一七年銷氣量5.0-10.0億立方米省份
- Province with natural gas sales volume < 500mn m³ in FY2017 公司二零一七年銷氣量5.0億立方米以下省份
- Province to enter in near term 公司於近期內準備開展業務的省份



Note: For illustrative purpose only, actual scale and location might differ slightly
註：此圖為示意圖，比例與位置可能和實際情況略有出入

Oil and Gas Production Business in Canada
加拿大油氣生產業務



Corporate Information
公司資料

BOARD OF DIRECTORS

Executive Directors

XU Tie-liang *(Chairman and Chief Executive Officer)*
ZHU Yuan
GUAN Yijun
CHEUNG Shing

Independent Non-Executive Directors

LI Yunlong
WANG Guangtian
YANG Jie

COMPANY SECRETARY

CHAN Yuen Ying Stella

AUTHORISED REPRESENTATIVES

XU Tie-liang
CHAN Yuen Ying Stella

AUDIT COMMITTEE

LI Yunlong *(Chairman)*
WANG Guangtian
YANG Jie

REMUNERATION COMMITTEE

LI Yunlong *(Chairman)*
WANG Guangtian
CHEUNG Shing

NOMINATION COMMITTEE

WANG Guangtian *(Chairman)*
LI Yunlong
CHEUNG Shing

CORPORATE GOVERNANCE COMMITTEE

XU Tie-liang *(Chairman)*
ZHU Yuan
GUAN Yijun
CHEUNG Shing
LAW Yin Shan Jenny
CHAN Yuen Ying Stella

AUDITOR

PricewaterhouseCoopers

董事局

執行董事

許鉄良*(主席兼行政總裁)*
朱　遠
關懿君
張　成

獨立非執行董事

李雲龍
王廣田
楊　傑

公司秘書

陳婉縈

授權代表

許鉄良
陳婉縈

審核委員會

李雲龍*(主席)*
王廣田
楊　傑

薪酬委員會

李雲龍*(主席)*
王廣田
張　成

提名委員會

王廣田*(主席)*
李雲龍
張　成

企業管治委員會

許鉄良*(主席)*
朱　遠
關懿君
張　成
羅盈珊
陳婉縈

核數師

羅兵咸永道會計師事務所

LEGAL ADVISERS

(As to Hong Kong Law)
LI & Partners

(As to PRC Law)
Beijing Huaao Law & Partners

法律顧問

（香港法律）
李偉斌律師行

（中國法律）
北京市華澳律師事務所

PRINCIPAL REGISTRARS

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

主要股份過戶登記處

MUFG Fund Services (Bermuda) Limited
The Belvedere Building
69 Pitts Bay Road
Pembroke HM08
Bermuda

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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Wanchai, Hong Kong

香港股份過戶登記分處

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總辦事處及香港之主要營業地點

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銅鑼灣
告士打道255-257號
信和廣場
28樓2805室

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

主要往來銀行

香港上海滙豐銀行有限公司

STOCK CODE

603

股份代號

603

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電郵地址：info@hk603.com

Chairman's Statement and Management Discussion and Analysis

主席報告及管理層討論及分析

Chairman's Statement
主席報告

BUSINESS REVIEW

The year 2017 showed a stable development with good momentum for China's macro economy. The government continuously promotes the optimisation of energy structure and accelerates the building of an "ecological society". As a result, consumption of natural gas showed a rapid growth of 17% during the year, reaching a new record in annual growth in China. The Group leveraged fully on its market and business advantages to seize opportunities and explore new markets. Subsequently, the Group's sales of city gas achieved rapid growth, and made progress in project development and user expansion through its continuous optimisation of assets and business structure. All businesses showed a rapid and consistent trend of development.

For the financial year ended 31 December 2017, the Group's overall operational and financial performance was satisfactory. Total revenue increased by 19% to HK$7,651 million (2016: HK$6,446 million), and gross profit increased by 8% to HK$1,216 million (2016: HK$1,128 million). After excluding the impact of one-off items (including other gains, net and reversal of impairment losses on oil and gas properties under property, plant and equipment), the Group's recurring profit before taxation was HK$784 million (2016: HK$652 million), representing a year-on-year increase of 20%.

業務回顧

二零一七年中國宏觀經濟穩中向好，政府持續優化能源結構，生態文明建設加快推進，天然氣消費量快速增長，全年增幅達17%，刷新了中國天然氣消費增長的年度紀錄。本集團充分發揮市場和業務優勢，搶抓機遇，開拓市場，城市燃氣銷量快速增長，新專案拓展、新用戶開發取得了一定的進展，資產和業務結構持續優化，各項業務呈現快速穩健發展的態勢。

截至二零一七年十二月三十一日止財政年度，本集團整體的運營及財務表現良好，總營業額增長19%至76.51億港元（二零一六年：64.46億港元），毛利增長8%至12.16億港元（二零一六年：11.28億港元）。去除一次性項目（包括其他收益淨額、物業、廠房及設備項下油氣資產減值虧回撥），除稅前溢利為7.84億港元（二零一六年：6.52億港元），同比增長為20%。

Chairman's Statement
主席報告

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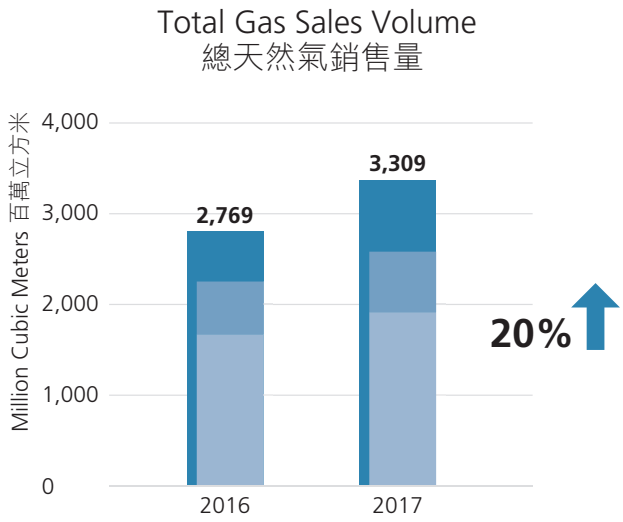
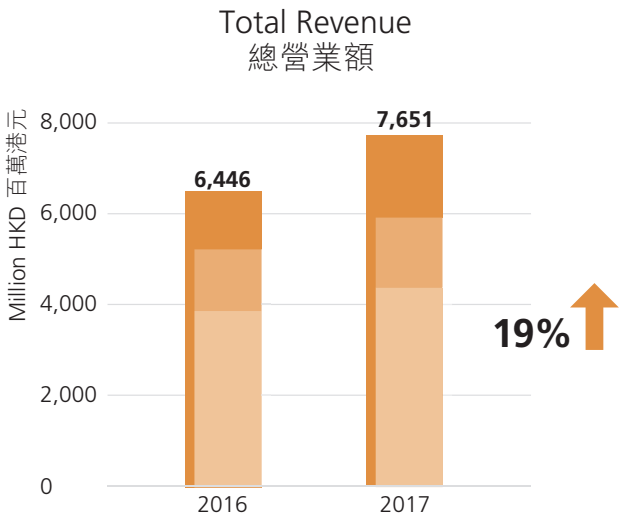




CITY PIPELINE NATURAL GAS BUSINESS

Sales and distributions of natural gas

For the financial year ended 31 December 2017, the Group recorded sales and distribution of natural gas income of HK$6,774 million (2016: HK$5,424 million), representing a 25% increase and accounting for 89% of total revenue. During the year, the Group's total gas sales volume increased by 20% to 3,309 million cubic meters (2016: 2,769 million cubic meters). External pipeline gas transmission volume increased significantly by 122% to 756 million cubic meters (2016: 340 million cubic meters), and the external transportation volume was 11 million cubic meters (2016: 11 million cubic meters).

Gas sales volume for industrial and commercial users increased rapidly to 2,135 million cubic meters (2016: 1,599 million cubic meters), representing a year-on-year increase of 34%. For residential users, gas sales volume was 805 million cubic meters (2016: 808 million cubic meters), while for gas stations, the figure stood at 369 million cubic meters (2016: 362 million cubic meters), representing 65%, 24% and 11% of the total gas sales volume respectively (2016: 58%, 29% and 13%).

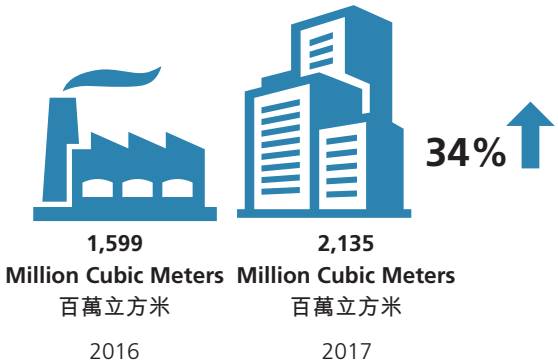
城市管道及天然氣業務

銷售及輸送天然氣

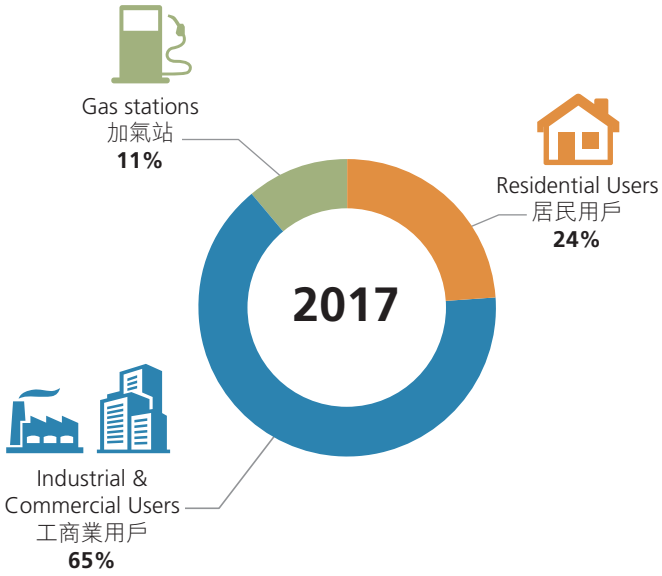
截至二零一七年十二月三十一日止年度，集團錄得銷售及輸送天然氣之收入67.74億港元（二零一六年：54.24億港元），增長達25%，佔總收入89%。年內，集團銷氣量增長20%，實現天然氣銷售量33.09億立方米（二零一六年：27.69億立方米）。對外管輸氣量大幅增長122%至7.56億立方米（二零一六年：3.40億立方米）；及對外物流運輸氣量0.11億立方米（二零一六年：0.11億立方米）。

銷氣量中，工商業用戶用量增長迅速，達21.35億立方米（二零一六年：15.99億立方米），同比增長34%；居民用戶用量為8.05億立方米（二零一六年：8.08億立方米）；加氣站用量為3.69億立方米（二零一六年：3.62億立方米），分別佔總銷氣量的65%、24%及11%（二零一六年：58%、29%及13%）。

Industrial and Commercial Users – Gas Sales Volume
工商業用戶天然氣銷售量



Sales Volume Breakdown – By Users Group
天然氣銷售量分類－按用戶類型



Chairman's Statement
主席報告

(continued)（續）

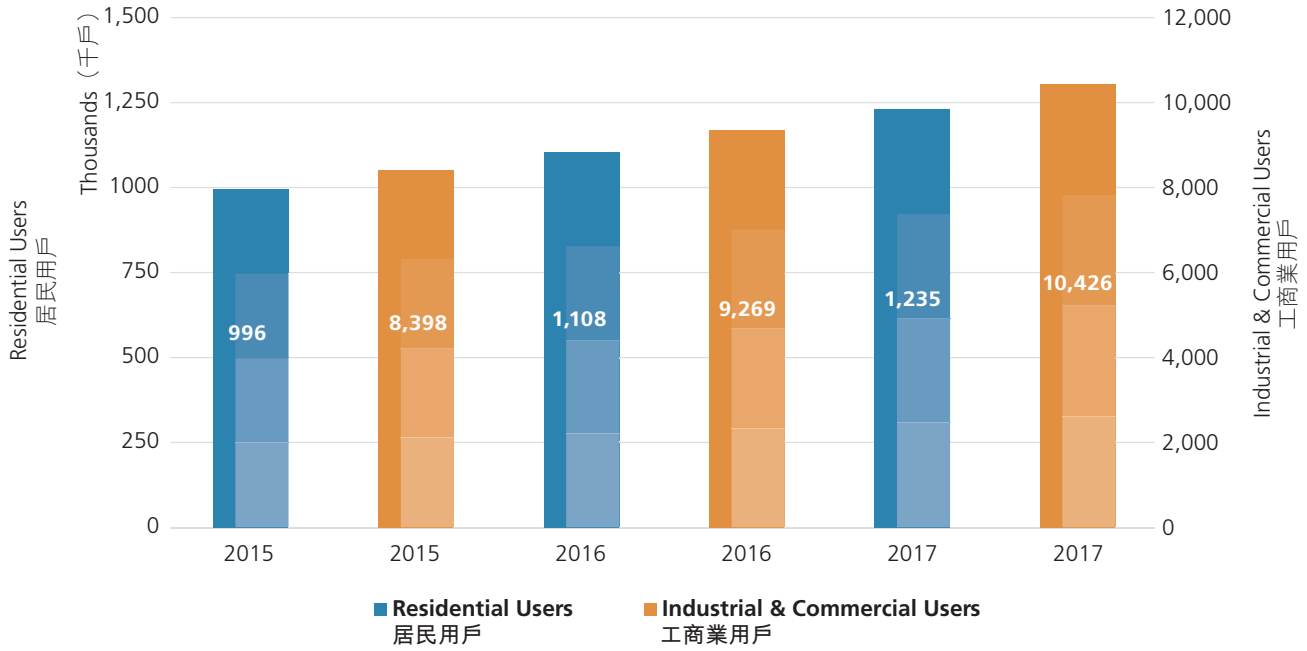
Development of new users

During the year, the Group connected 127,100 new residential users, and 1,157 new industrial and commercial users. Total connections for residential users and industrial and commercial users were 1,235,497 (2016: 1,108,397) and 10,426 (2016: 9,269) respectively, which were increased by 12% and 13% as compared to 2016. As local governments continuously advance the "Coal to Gas Project", the number of new users is expected to maintain a stable growth in the future. Industrial and commercial users have higher demand for natural gas as compared to residential users, making their development a first priority for the Group. As number of users increase, the Group will continue to improve service quality and optimise safety management systems to provide stable, safe, clean and high-quality supply of energy to all end-users.

新用戶開發

年內，集團新增12.71萬戶居民用戶及1,157戶工商業用戶，累計分別接駁居民用戶1,235,497戶（二零一六年：1,108,397戶）及工商業用戶10,426戶（二零一六年：9,269戶），較二零一六年增長12%及13%。隨著各地方政府陸續加快「煤改氣」的步伐，預計日後用戶數量將會保持穩定增長。與居民用戶相比，工商業用戶用氣需求龐大，因此大力開發工商業用戶是集團用戶開發工作的首要任務。隨著用戶數量的增加，集團將會繼續提升服務水準及優化安全管理制度，為廣大天然氣終端客戶提供穩定、安全、潔淨的優質能源。

Total Connected Users as of 31 December
截至12月31日累計接駁用戶數量



Gas Sales Volume Breakdown – By Province
天然氣銷售量分類－按省份

Province	省份	**2017 二零一七年**	2016 二零一六年
Qinghai	青海	**43.9%**	46.4%
Shandong	山東	**10.4%**	9.9%
Hunan	湖南	**8.8%**	10.9%
Jiangsu	江蘇	**12.9%**	11.9%
Guangdong	廣東	**4.8%**	4.4%
Jiangxi	江西	**5.0%**	5.0%
Hubei	湖北	**3.0%**	3.3%
Shanxi	山西	**7.8%**	5.3%
Guizhou	貴州	**2.6%**	1.0%
Others	其他	**0.8%**	2.0%

New project expansion

In 2017, besides the improvement of city natural gas networks in existing statutory areas, the Group also made efforts to develop new markets by acquiring gas concession rights. During the year, the Group successively obtained city gas concession rights for the five projects in Zhengchang Town (Xiantao City, Hubei Province), Fanshui Town (Jiangsu Province), Dafeng District of Yancheng City (Jiangsu Province), Pai Hu Scenic (Xiantao City, Hubei Province), and Beichuan Industrial Park (Xining City, Qinghai Province), as well as a natural gas utilisation project in Chishan Town, Shangli County, Pingxiang City, Jiangxi Province.

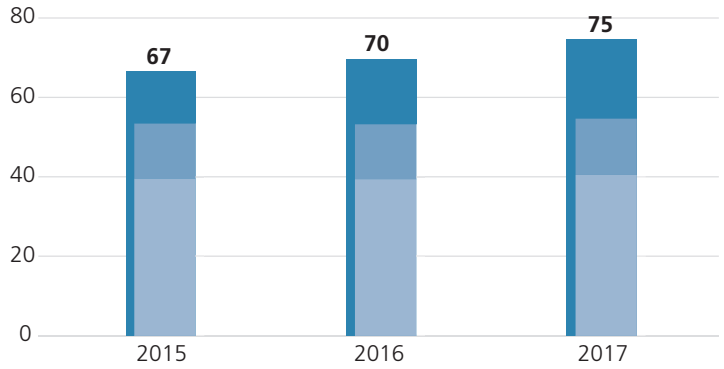
As at 31 December 2017, the Group has established a total of 144 natural gas project companies in 15 provinces and autonomous regions, with 75 concession rights in the PRC. In 2017, the total length of its high-pressure long-distance pipelines reached 1,073 km, which effectively promoted the development of downstream projects.

新項目拓展

二零一七年，集團除圍繞現有法定區域完善城市燃氣管網的鋪設以外，亦加大力度開發新市場，努力獲取燃氣特許經營權，年內先後取得了湖北省仙桃市鄭場鎮、江蘇省泛水鎮、江蘇省鹽城大豐區、湖北省仙桃市排湖風景區、青海省西寧北川工業園區5個項目的城市燃氣特許經營權及江西萍鄉上栗縣赤山鎮1個天然氣綜合利用項目經營權。

截至二零一七年十二月三十一日，集團於中國十五個省及自治區成立項目公司144家，擁有75個燃氣特許經營權。二零一七年，集團高壓長輸管道總長度達到1,073公里，有效帶動了下游專案的開發。

Concession Rights as of 31 December
截至12月31日特許經營權數量



Chairman's Statement
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(continued)（續）

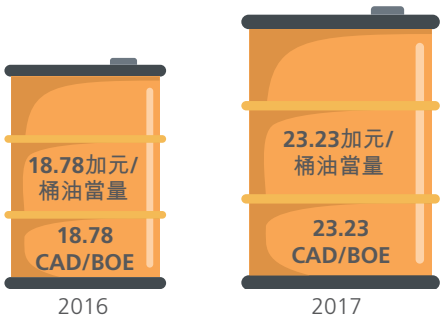
EXPLOITATION AND PRODUCTION OF CRUDE OIL AND NATURAL GAS

In 2017, the Group has continued the business of exploitation and production of light crude oil and natural gas in Canada. According to the reserve report prepared by GLJ Petroleum Consultants for the year ended 31 December 2017, the Group has proved plus probable reserves of 35 million barrels of oil equivalent (2016: 33.1 million barrels of oil equivalent), representing an increase of 6% year-on-year. In 2017, average daily production was 4,849 barrels of oil equivalent. The average operating netback was CA$23.23 per barrel of oil equivalent in 2017 (2016: CA$18.78 per barrel of oil equivalent), representing a 24% increase.

開採及生產原油及天然氣業務

二零一七年，集團繼續在加拿大發展輕質原油和天然氣的開採及生產業務。根據由GLJ Petroleum Consultants準備的截至二零一七年十二月三十一日止年度儲量報告，集團探明加控制儲量約為3,500萬桶油當量（二零一六年：3,310萬桶油當量），同比增加6%。於二零一七年，集團實現全年平均產量4,849桶油當量／天，實現平均運營淨回值23.23加元／桶油當量（二零一六年：18.78加元／桶油當量），上升24%。

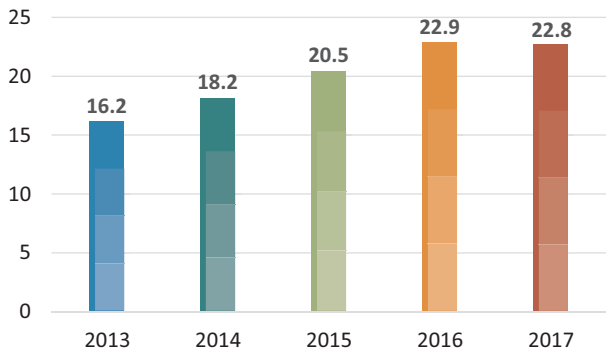
Operating Netback
運營淨回值



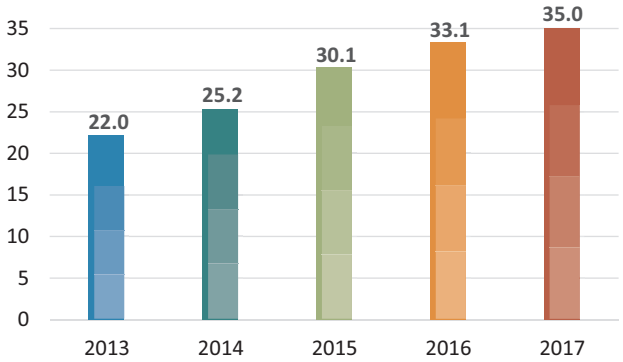
The Group's upstream business operating netback increased to 23.23 CAD/BOE by **24%**

集團上游業務的運營淨回值上升至23.23加元/桶油當量，增幅達 **24%**

Proved Reserve (MMBOE)
探明儲量（百萬桶油當量）



Proved Plus Probable Reserve (MMBOE)
探明加控制儲量（百萬桶油當量）



SENIOR NOTES AND CREDIT RATING

In April 2017, the Group successfully issued senior notes with the nominal value of US$350 million at a low cost rate of 4.625%, which was the lowest among the five-year bonds issued by utility companies with the same credit rating.

Rating agencies	**Ratings**
Moody's	Ba2 (Stable)
Standard & Poor	BB (Positive)

The Group was rated "BB" by Standard & Poor with a positive rating outlook, and was rated "Ba2" by Moody's with a stable rating outlook, reflecting the Company's healthy financial position and promising operational prospects.

優先票據及信貸評級

於二零一七年四月，集團以4.625%的低成本成功發行面值為3.5億美元的優先票據，為相同評級的公共事業公司5年期債券發行的最低利率。

評級機構	**評級**
穆迪	Ba2（穩定）
標準普爾	BB （正面）

評級機構標準普爾公司給予集團的信貸評級為「BB」級，評級展望為正面，而穆迪公司所給予的信貸評級為「Ba2」級，評級展望為穩定，反映公司的財務及營運前景良好。

Chairman's Statement
主席報告

(continued)（續）

BUSINESS PROSPECTS

In 2017, consumption of natural gas in China reached 235.2 billion cubic meters, accounting for 7% of the total consumption of primary energy. According to the Chinese government's 13th Five-Year Plan, "the annual consumption of natural gas will reach 360 billion cubic meters by 2020, and the proportion of natural gas consumption in the total consumption of primary energy should reach 10%". Therefore, there is a huge potential for development in the country's natural gas industry. Accordingly, the Group will refine its strategic planning and prepare to seize new opportunities and meet the new challenges of the coming era. Overall, it will continue to move forward at a controlled rate, maintain a stable development of the Group's businesses, and strive to achieve its medium-to long-term targets. Firstly, the Group will focus on its principal business in cities and increase its share in the end-user market. It will devote more efforts to developing markets in statutory areas, acquiring concession rights, finding means to improve efficiency and increasing its market share in the gas industry. Additionally, the Group will allocate reasonable resources to ensure an adequate supply of natural gas, and conduct market development and marketing effectively and efficiently. The Group will invest more resources in the construction of key branch pipelines to facilitate market development, enhance the market competitiveness of CNG and LNG terminals, promote the strategic layout plan of distributed energy, maintain a stable development of oil exploitation, and optimise product offerings. Secondly, the Group will innovate its management system to improve the efficiency of internal control. The Group will continuously strengthen "foundation construction, basic work and basic skills", streamline the management system and its procedures, enhance its management of budgets, investments, projects and materials, optimise information management, and adopt an innovative operational model to respond to market changes and improve risk management and compliance management. Thirdly, overall, the Group will optimise performance appraisal and strengthen the competency of its workforce. The Group will establish a value-oriented talent strategy, strengthen performance appraisals, establish shared entrepreneurship mechanisms to strengthen team-building.

Looking ahead, opportunities come along with challenges. The Group will move forward under its mission of "creating value for customers, creating career development for employees, and creating returns for shareholders" and strive to build the Group into an influential clean energy company.

Xu Tie-liang
Chairman

Hong Kong, 27 March 2018

業務展望

二零一七年中國天然氣總消費量達到2,352億立方米，在一次能源消費量中佔比7%，根據中國政府「十三五規劃」，到二零二零年中國年消費量將達到3,600億立方米，在一次能源消費量中佔比將達到10%，天然氣業務在中國擁有巨大的發展空間。集團將審時度勢，加強戰略規劃，利用新時代，抓住新機遇，迎接新挑戰，堅持穩健發展，穩中求進的工作總基調，保持集團各項業務的健康穩定發展，努力實現集團的中長期目標。一是突出城市燃氣主業，努力提升終端市場份額。加大力度開發市場，努力獲取特許經營權，盡快開發法定區域內市場，搶抓機遇，提高效率，努力提高燃氣市場佔有率；做好資源配置，確保燃氣供應，努力實現高績效市場開發及行銷；大力推動重點支線管道建設，撬動市場開發；努力提升CNG和LNG終端市場競爭力；加快推進分佈式能源戰略佈局；油氣開採業務保持穩健發展，優化產品組合，爭取績效最優。二是深化管理創新，提高內部管控效率。繼續提升「基層建設、基礎工作、基本素質」三項工作；持續優化管理制度和流程；加強預算、投資、工程、物資管理；全面優化資訊化管理；根據市場變化不斷創新運營模式，提升風險管理及合規管理水準。三是總體優化績效管理，加強員工隊伍建設。確立以價值觀為導向的人才戰略，加強績效考核，建立分享創業機制，強化人才隊伍建設。

展望未來，機遇與挑戰並存。集團將牢記「為客戶創造價值，為員工創造前途，為股東創造回報」的宗旨，為集團建設成為有影響力的清潔能源公司努力奮鬥。

許鉄良
主席

香港，二零一八年三月二十七日

The following discussions should be read in conjunction with the audited consolidated financial statements of the Group and its notes and other sections in the annual report for the year ended 31 December 2017.

下列討論應與集團截至二零一七年十二月三十一日止年度年報中所載經審核綜合財務報表及其附註以及其他章節一併閱讀。

FINANCIAL REVIEW

The Group recorded sales of natural gas of 3.309 billion cubic meters for the year of 2017, representing an increase of 20% as compared to 2.769 billion cubic meters in 2016. The Group is benefiting from its considerable growth in sales and transmission volume of natural gas, and a total revenue of HK$7,651 million was recorded for the year, representing an increase of 19% as compared to HK$6,446 million in 2016. Gross profit amounted to HK$1,216 million (2016: HK$1,128 million), representing an increase of 8% from last year. The Group's profit before taxation is HK$811 million, representing a decrease of 4% as compared to HK$842 million in 2016. The net profit of owners of the Company is HK$250 million (2016: HK$312 million), representing a decrease of 20%. After excluding the impact of one-off items (other gains, net and reversal of impairment losses on oil and gas properties under property, plant & equipment), the Group's recurring profit before taxation increased by 20% to HK$784 million (2016: HK$652 million). The recurring profit after taxation attributable to owners of the Company increased by 13%, from HK$199 million in 2016 to HK$225 million.

The Group's principal activities are divided into three segments.

(1) Sales and distribution of natural gas and other related products ("Sales and distribution of natural gas")

The Group's natural gas sales volume increased by 20% to 3,309 million cubic meters in 2017, contributed the most to the Group's total revenue. Sales and distribution of natural gas continued to be the Group's principal source of revenue and constituted 89% of the total revenue in 2017 (2016: 84%). Revenue related to this segment showed a significant increase of 25% to HK$6,774 million (2016: HK$5,424 million) and segment results increased by 29% to HK$664 million (2016: HK$513 million), whereas segment profit ratio showed an increase to 10% (2016: 9%).

(2) Gas pipeline construction and connection ("Connection")

As a natural gas distributor, the Group placed tremendous emphasis on the sales of natural gas. Our natural gas sales volume increased significantly for the past few years. However, revenue on gas pipeline connection only constituted less than 7% of our total revenue in 2017 and amounted to HK$525 million (2016: 721 million).

財務回顧

集團於二零一七年，天然氣銷售量33.09億立方米，相比二零一六年的27.69億立方米增長20%。集團得益於可觀的銷、輸氣量增長，年內錄得總營業額76.51億港元，相比二零一六年的64.46億港元增長19%。集團錄得毛利12.16億港元(二零一六年：11.28億港元)，相比去年增長8%。除稅前溢利為8.11億港元，相比二零一六年的8.42億港元減少4%。公司擁有人淨利潤2.50億港元(二零一六年：3.12億港元)，減少20%。扣除一次性項目(其他收益淨額及物業、廠房及設備項下油氣資產減值虧損回撥)的影響後，年內集團經常性除稅前溢利增長20%至7.84億港元(二零一六年：6.52億港元)，公司擁有人應佔經常性除稅後溢利由二零一六年的1.99億港元增長13%至2.25億元。

集團之主要運營活動分為三個分部。

(1) 銷售及輸送天然氣及其他相關產品(「銷售及輸送天然氣」)

集團天然氣銷氣量增長20%至二零一七年的33.09億立方米，為集團總營業額貢獻最大。銷售及輸送天然氣繼續成為集團營業額之主要來源，佔二零一七年總營業額89%(二零一六年：84%)。該分部錄得營業額大幅增加25%至67.74億港元(二零一六年：54.24億港元)及錄得分部業績增長29%至6.64億港元(二零一六年：5.13億港元)，而分部利潤率增加至10%(二零一六年：9%)。

(2) 燃氣管道建造及接駁(「接駁」)

集團作為天然氣分銷商非常重視天然氣的銷售。過去數年，天然氣銷量顯著增長，然而，二零一七年，天然氣管道接駁僅佔總營業額不足7%，為5.25億港元(二零一六年：7.21億港元)。

(3) Exploitation and production of crude oil and natural gas ("Exploitation and production")

Revenue related to exploitation and production amounted to HK$353 million (2016: HK$301 million), with a growth of 17%. Segment profit ratio reached 22% in 2017 from last year's 10%. Crude oil prices recovered in 2017, with West Texas Intermediate ("WTI") averaging US$50.93 per barrel as compared to US$43.47 per barrel in 2016. The Group realised crude oil price of CAD60.26 per barrel in 2017 as compared to CAD49.98 per barrel in 2016 with an increase of 21%.

(3) 開採及生產原油及天然氣（「開採及生產」）

開採及生產分部錄得營業額為3.53億港元（二零一六年：3.01億港元），增長17%。於二零一七年，分部利潤率相比去年的10%增加至22%。於二零一七年，原油價格回升，西德州中級原油平均價格為每桶50.93美元，而二零一六年為每桶43.47美元。於二零一七年，集團實現原油價格每桶60.26加元，與二零一六年每桶49.98加元相比增長21%。

The Group's sales and distribution costs decreased by 24% from HK$67 million in 2016 to HK$51 million in 2017; administrative expenses increased by 2% from HK$302 million in 2016 to HK$307 million in 2017. Both costs together only represented less than 5% of total revenue in 2017, whereas this was 6% in 2016.

集團的銷售及分銷費用由二零一六年的6,700萬港元減少24%至5,100萬港元；行政開支由二零一六年的3.02億港元增加2%至二零一七年的3.07億港元。於二零一七年，該兩項成本合共僅佔總營業額不足5%，而二零一六年則為6%。

Finance costs were HK$204 million (2016: HK$202 million), which was relatively stable as compared to the Group's total debt in 2017 and 2016.

財務費用為2.04億港元（二零一六年：2.02億港元），與集團二零一七年及二零一六年的總債務保持相對穩定。

LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

流動資金、財務及資本資源

It is the Group's policy to adopt conservative financial strategies by using the cash flow generated from operations as the principal source of fund to finance its capital expenditures. As at 31 December 2017, the Group's total indebtedness (including bank borrowings, other borrowings and senior notes) was HK$5,719 million (2016: HK$5,367 million). Total available credit facility amounted to HK$5,081 million as of 31 December 2017 (2016: HK$4,661 million) with an utilisation rate of 13% (2016: 6%).

集團採取保守的財務策略，使用經營業務所得現金流量作為主要資金來源，以撥付資金用於資本開支。於二零一七年十二月三十一日，集團的債務總額（包括銀行借貸、其他借貸及優先票據）為57.19億港元（二零一六年：53.67億港元）。於二零一七年十二月三十一日，集團可動用之信貸融資總額為50.81億港元（二零一六年：46.61億港元），使用率13%（二零一六年：6%）。

As at 31 December 2017, the Group had cash and cash equivalents and time deposits with maturity over three months of approximately HK$2,339 million (2016: HK$1,859 million). Total assets increased by 14% to HK$15,547 million (2016: HK$13,604 million), among which current assets were HK$4,235 million (2016: HK$3,620 million). Total liabilities of the Group were HK$9,341 million (2016: HK$8,353 million), and among which current liabilities were HK$3,920 million (2016: HK$2,997 million). The Group's debt-to-asset ratio, measured on the basis of total indebtedness divided by total assets, was 37% (2016: 39%). The current ratio (current assets divided by current liabilities) of the Group was 1.08 times (2016: 1.21 times).

於二零一七年十二月三十一日，集團的現金及現金等值項目及到期日期為三個月以上的定期存款為約23.39億港元（二零一六年：18.59億港元）。總資產增加14%至155.47億港元（二零一六年：136.04億港元），其中流動資產為42.35億港元（二零一六年：36.20億港元）。集團之總負債為93.41億港元（二零一六年：83.53億港元），其中流動負債為39.20億港元（二零一六年：29.97億港元）。集團以總債務除以總資產計量之資產負債率為37%（二零一六年：39%）。集團之流動比率（流動資產除以流動負債）為1.08倍（二零一六年：1.21倍）。

The Group's financial and liquidity ratios remained stable, and hence the Group is well prepared for its development in the future.

集團的財務及流動比率保持平穩，為集團未來的發展充分作好準備。

EMPLOYEES AND REMUNERATION POLICY

At the end of 2017, the Group employed a total of 3,600 (2016: 3,515) full-time employees, most of whom were stationed in the PRC. Total staff cost for the year amounted to HK$333 million (2016: HK$310 million). The Group remunerates its employees based on their performance, working experience and the prevailing market wage level. The total remuneration of the employees consist of basic salary, cash bonus and share-based incentives.

僱員及酬金政策

於二零一七年末，集團共有3,600名（二零一六年：3,515名）全職員工，其中大部分員工駐於中國。年內員工總成本為3.33億港元（二零一六年：3.10億港元）。集團根據員工的工作表現、工作經驗及現行市場工資水平釐定其酬金。員工之總酬金包括基本薪金、現金花紅及股份獎勵。

PLEDGE OF ASSETS

No assets of the Group have been pledged for the outstanding borrowings as at 31 December 2017.

資產抵押

集團於二零一七年十二月三十一日並未就任何未清償債項以資產作抵押。

CONTINGENT LIABILITY

The Group had no material contingent liability as at 31 December 2017.

或然負債

集團於二零一七年十二月三十一日並無任何重大或然負債。

FINANCIAL MANAGEMENT AND TREASURY POLICY

The group is responsible for the financial risk management, and its treasury function at the head office in Hong Kong. One of the major objectives of the Group's treasury policies is to manage its exposure to fluctuation in interest rates and foreign currency exchange rates. It is the Group's policy not to engage in speculative activities.

The Group conducts its business primarily in Renminbi. The Group's certain bank deposits are denominated in Hong Kong dollars, Renminbi and United Stated dollars, and the Group's offshore bank loans and senior notes are denominated in Renminbi, United Stated dollars and Canadian dollars.

Other than those disclosed, the Group does not have any material exposures to foreign exchange fluctuations. The Group does not have a foreign currency hedging policy. However, the Group monitors its foreign currency exposure closely and may, depending on the circumstances and trend of foreign currencies, consider adopting a significant foreign currency hedging policy in the future.

財務管理及庫務政策

集團負責財務風險管理及其庫務職能屬香港總辦事處。集團庫務政策之主要目標之一為管理其利率及匯率波動風險。集團的政策為不從事投機行為。

集團主要以人民幣經營業務。集團若干銀行存款以港元、人民幣及美元計值，而集團的境外銀行貸款及優先票據則以人民幣、美元及加元計值。

除上述所披露者外，集團並無承受任何重大外匯匯率波動風險。集團並無訂立外匯對沖政策。然而，集團會緊密監察外匯風險及日後可能（視情況及外幣走勢而定）考慮採用重大外匯對沖政策。

LITIGATION

As at 31 December 2017, the Group had no litigation.

訴訟

於二零一七年十二月三十一日，集團並無牽涉任何訴訟。

CAPITAL STRUCTURE

As at 31 December 2017, the issued share capital of the Company was approximately HK$58,256,838 divided into 5,825,683,834 shares with a nominal value of HK$0.01 each.

資本架構

於二零一七年十二月三十一日，公司的已發行股本約為58,256,838港元，分為5,825,683,834股每股面值0.01港元之股份。

DISTRIBUTION OUT OF CONTRIBUTED SURPLUS ACCOUNT

The Board resolved to propose to the shareholders of the Company at the forthcoming annual general meeting of the Company, which is to be held on Tuesday, 12 June 2018 ("2018 AGM"), a distribution of HK cent 0.35 (2016: HK cent 0.50) per share out of the contributed surplus account of the Company to be paid on Friday, 6 July 2018 to those shareholders whose names appear on the register of members of the Company on Wednesday, 20 June 2018. The proposed distribution will amount to approximately HK$20,390,000 (2016: HK$ 29,128,000).

以實繳盈餘賬分派

董事局議決，公司擬於二零一八年六月十二日（星期二）舉行的應屆股東週年大會（「二零一八年股東週年大會」）上向公司股東建議於二零一八年七月六日（星期五）向於二零一八年六月二十日（星期三）名列公司股東名冊的該等股東分派股息每股0.35港仙（二零一六年：0.50港仙）以公司實繳盈餘賬派付。建派分派金額約為20,390,000港元（二零一六年：29,128,000港元）。

Biographical Details of Directors
董事履歷簡介

CHAIRMAN, CHIEF EXECUTIVE OFFICER AND EXECUTIVE DIRECTOR

Mr. Xu Tie-liang, aged 54, was appointed as an executive Director and the Chairman of the Board of the Company on 30 August 2006. He was also appointed as the Chief Executive Officer of the Company on 4 November 2009. Mr. Xu is the chairman of the Corporate Governance Committee of the Company (the "CG Committee"), the chairman of China City Natural Gas Investment Group Co., Ltd and Baccalieu Energy Inc. and a director of certain subsidiaries of the Company. Mr. Xu is also a Honorary Life Chairman of Cross-Strait Peaceful Development Federation; vice chairman of Hong Kong Energy and Minerals United Associations; Honorary Chairman of The Hong Kong Chinese Enterprises Association (Shandong). Mr. Xu graduated from Xi'an Shiyou University (西安石油大學) and University of International Business and Economics (對外經濟貿易大學), he is a certified public accountant and lawyer. Mr. Xu has 29 years' experience in management, investments, legal and finance.

主席、行政總裁及執行董事

許鉄良先生，五十四歲，於二零零六年八月三十日獲委任為公司執行董事兼董事局主席。於二零零九年十一月四日，他亦獲委任為公司的行政總裁。許先生是公司企業管治委員會(「企業管治委員會」)主席，擔任中油中泰燃氣投資集團有限公司及Baccalieu Energy Inc.董事長及若干附屬公司的董事。許先生亦為兩岸和平發展聯合總會永遠名譽會長；香港能源礦業聯合會副會長；香港中國企業協會山東分會名譽會長。許先生先後畢業於西安石油大學及對外經濟貿易大學，他擁有註冊會計師及律師資格。許先生在管理、投資、法律、及財務等方面擁有二十九年經驗。

EXECUTIVE DIRECTORS

Mr. Zhu Yuan, aged 65, was appointed as an executive Director of the Company on 10 September 2010. He was appointed as the senior vice president of the Company on 4 November 2009. Mr. Zhu is a member of the CG Committee. He graduated from China University of Mining And Technology and is a certified senior accountant. He is engaged in oil and gas industries for over 40 years, and has deep research and extensive experience in investment and operation of the usage of natural gas, city gas and liquefied natural gas projects.

Ms. Guan Yijun, aged 53, was appointed as an executive Director of the Company on 10 September 2010. She was appointed as the vice president of the Company on 1 September 2006. Ms. Guan is a member of the CG Committee and a director of certain subsidiaries of the Company. She graduated from Changchun Normal University in the early years and studied at the Advanced Business Administration of Peking University. She has extensive business operation management experiences for over 20 years.

執行董事

朱遠先生，六十五歲，於二零一零年九月十日獲委任為公司執行董事。他於二零零九年十一月四日獲委任為公司之高級副總裁。朱先生是企業管治委員會的成員。他畢業於中國礦業大學，擁有高級會計師資格。他從事石油天然氣行業超過四十年，對天然氣利用、城市燃氣及液化天然氣項目的投資及經營管理有較深的研究和豐富的經驗。

關懿君女士，五十三歲，於二零一零年九月十日獲委任為公司執行董事。她於二零零六年九月一日獲委任為公司之副總裁。關女士是企業管治委員會的成員及公司若干附屬公司的董事。她早年畢業於長春師範大學，後於北京大學高級工商管理深造。關女士從事企業經營管理工作超過二十年，具有豐富經驗。

Biographical Details of Directors
董事履歷簡介

(continued)（續）

Mr. Cheung Shing, aged 65, was appointed as an executive Director of the Company on 13 January 2006. Mr. Cheung is a member of each of the CG Committee, the Remuneration Committee (the "Remuneration Committee") and the Nomination Committee of the Company (the "Nomination Committee"). He worked in China Petroleum Qilu Petrochemical Refinery (中國石油齊魯石化煉油廠), China Petroleum Shengli Oilfield (中國石油勝利油田), China Petroleum Zhongyuan Oilfield (中國石油中原油田) and has ever been a management economist of China National Petroleum Corporation (中國石油天然氣集團公司) ("CNPC") during the period between 1969 and 1993. He was the chairman of each of Wah Chung (HK) Limited (華中（香港）有限公司), Henan Shenghua Petrochemical Co., Ltd. (河南省盛華石油化工有限公司) and Liaoning Xinmin Petroleum Company Limited during the period between 1993 and 2004. He is also currently a visiting lecturer of Jiangxi University of Finance and Economics, the vice president of Hong Kong General Association of International Investment (香港國際投資總商會) and the vice president of China Petroleum Business Council (中國石油商務理事會).

張成先生，六十五歲，於二零零六年一月十三日獲委任為公司執行董事。張先生是公司企業管治委員會、薪酬委員會(「薪酬委員會」)及提名委員會(「提名委員會」)的成員。他在一九六九年至一九九三年期間，曾工作於中國石油齊魯石化煉油廠、中國石油勝利油田、中國石油中原油田及曾擔任中國石油天然氣集團公司(「中石油」)管理經濟師。他在一九九三年至二零零四年期間，曾出任華中(香港)有限公司、河南省盛華石油化工有限公司及遼寧新民石油化工有限公司主席。他亦為現任江西財經大學客座教授、香港國際投資總商會副會長及中國石油商務理事會副理事長。

INDEPENDENT NON-EXECUTIVE DIRECTORS

獨立非執行董事

Mr. Li Yunlong, aged 66, was appointed as an independent non-executive Director of the Company on 18 April 2008. He is the chairman of each of the Audit Committee of the Company (the "Audit Committee") and the Remuneration Committee, and a member of the Nomination Committee. Mr. Li graduated from the Accounting School of Zhongnan University of Economics and Law (中南財經政法大學會計學院) with a Bachelor Degree in Economics. Mr. Li is a registered certified public accountant in the PRC and possesses the qualification of PRC senior auditor. Mr. Li had been working at the National Audit Office of the PRC for over 17 years in various audit departments, and he is currently a partner of Hua Wen CPA Ltd (華聞會計師事務所) in the PRC. He was employed as senior researcher (professor grade) by The Institute of Modern Communication Research, Shandong University last year. He is also a national financial expert of The Ministry of Science and Technology of the PRC. He is the financial consultant of various companies in the PRC. He has extensive experience in legal, accounting, auditing and finance aspects.

李雲龍先生，六十六歲，於二零零八年四月十八日起獲委任為公司獨立非執行董事。他是公司審核委員會(「審核委員會」)及薪酬委員會主席以及提名委員會成員。李先生畢業於中南財經政法大學會計學院，持有經濟學學士學位。李先生是中國註冊執業會計師及擁有中國高級審計師資格。他曾經在中國國家審計署多個審計部門工作超過十七年，他現為中國華聞會計師事務所的合夥人。他去年獲山東大學現代傳播研究所聘請為高級研究員(教授級)，他也是中國科技部創新基金評審之國家級財務專家。他在多間中國公司任財務顧問。他在法律、會計、審計及財務等方面擁有豐富經驗。

Mr. Wang Guangtian, aged 54, was appointed as an independent non-executive Director of the Company on 4 November 2009. He is the chairman of the Nomination Committee, and a member of each of the Audit Committee and the Remuneration Committee. He holds a master's degree in world economics from the Hebei University and has over 33 years of experience in financial and administrative management. He is currently the chairman of Gainful Investment Corporation and Guofu (Hong Kong) Holdings Limited. He was an independent non-executive director of ENN Energy Holdings Limited, a company listed on the Stock Exchange, from December 2000 to May 2015. He was appointed as the chairman of Hebei Overseas Listed Equity Investment Fund Co., Ltd in June 2015.

王廣田先生，五十四歲，於二零零九年十一月四日起獲委任為公司獨立非執行董事。他是提名委員會主席以及審核委員會及薪酬委員會成員。他持有河北大學世界經濟學碩士學位，於財務管理及行政管理方面擁有逾三十三年經驗。他現為國富投資集團及國富(香港)控股有限公司董事長。他在二零零零年十二月至二零一五年五月擔任新奧能源控股有限公司(一間於聯交所上市的公司)的獨立非執行董事。王先生於二零一五年六月獲委任為河北境外上市股權投資基金有限公司董事長。

Mr. Yang Jie, aged 54, was appointed as an independent non-executive Director on 18 May 2017. He is a member of the Audit Committee. Mr. Yang holds a bachelor degree at University of International Business Economics. Mr. Yang is currently serving as executive director and chief executive officer of MEC Advisory Limited which is the sole advisor of Can-China Global Resource Fund, and executive director of EMC Financial Limited, the general partner of Can-China Global Resource Fund. Mr. Yang has more than 20 years of experience in mining investment and capital operation. He served as a board member of several Canadian listed mining companies and senior adviser of several Chinese companies for their overseas investment. He has participated in corporate financing, mergers and acquisitions for numerous Canadian mining companies. Mr. Yang served as senior vice president in Hunter Dickinson Inc. and Partner and director in Continental Mineral Corp. Mr. Yang is currently a director of Highbury Project Inc., a company listed in Canada.

楊傑先生，五十四歲，於二零一七年五月十八日獲委任為獨立非執行董事。彼為審核委員會成員。楊先生畢業於對外經貿大學，獲得學士學位。楊傑先生目前擔任中國－加拿大自然資源投資合作基金之投資顧問公司MEC Advisory Limited執行董事兼總裁及中國－加拿大自然資源投資合作基金普通合夥人EMC Financial Limited執行董事。楊傑先生擁有超過二十年的跨境礦業和能源投資和資本運作經驗。彼曾擔任多家加拿大上市公司董事和多家中國企業的海外投資顧問。彼曾於大中華礦業集團副主席，大陸礦業公司董事和行政副總裁，加拿大HDI集團高級副總裁及合夥人，領導和參與了多個資源類項目的融資、併購、上市。楊先生現時為一間加拿大上市公司Highbury Project Inc.的董事。

Report of the Directors
董事報告書

The Board is pleased to submit their report together with the audited consolidated financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 December 2017.

董事局欣然提呈彼等之報告連同公司及其附屬公司(「集團」)截至二零一七年十二月三十一日止年度之經審核綜合財務報表。

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The Group is principally engaged in investments in natural gas and energy related businesses.

主要業務

公司之主要業務為投資控股。集團主要從事於天然氣及能源相關業務之投資。

RESULTS AND APPROPRIATIONS

The Group's profit for the year ended 31 December 2017 and the state of affairs of the Group as at that date are set out in the consolidated financial statements on pages 64 to 195.

業績及分配

集團截至二零一七年十二月三十一日止年度之溢利及集團於當日之業務狀況載於綜合財務報表第64頁至第195頁。

BUSINESS REVIEW

Review of the Company's Business

A review of the business of the Group for the year ended 31 December 2017 and a discussion on the Group's future business development, and also the Group's performance during the year ended 31 December 2017 using the key financial performance indicators are provided in the "Chairman's Statement" and "Management Discussion and Analysis" on pages 9 to 20. No important event affecting the Group has occurred since the end of the year under review.

Principal Risks and Uncertainties Facing the Company

The Group's financial conditions, results of operations, and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to the Group's businesses. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those as shown below which are not known to the Group or may not be material now but could turn out to be material in the future.

業務回顧

公司業務回顧

集團於截至二零一七年十二月三十一日止年度的業務回顧及有關集團未來業務發展的討論以及集團於截至二零一七年十二月三十一日止年度內採用財務表現關鍵指標的表現載於第9至20頁的「主席報告」及「管理層討論及分析」。自回顧年度後概無影響集團之重要事件。

公司面臨的主要風險及不明朗因素

集團的財務狀況、營運業績及業務前景可能受到與集團業務直接或間接相關的許多風險及不明朗因素的影響。以下為集團知悉的主要風險及不明朗因素。除下文所列者外，或會存在集團並未知悉或目前可能不重要但日後可能變得重要的其他風險及不明朗因素。

Natural Gas Price Control Risk

The Group is principally engaged in distribution of natural gas in the PRC. The city-gate price of natural gas is determined with reference to the wellhead price and transmission charges. In China, wellhead prices for residential and fertilizer users are fixed, while wellhead prices for industrial and commercial users may vary from the benchmark price set by the PRC National Development and Reform Commission. Piped gas end-user tariffs are determined by local pricing bureaus. There may be risks that the Group is unable to obtain approval for passing through any increase in natural gas price which would deteriorate the Group's profit.

天然氣價格控制風險

集團主要從事於中國輸送天然氣。天然氣城市門站價格乃經參考井口價格及輸氣費用釐定。於中國，居民用戶及肥料用戶的井口價格固定，而工商業用戶的井口價格可能與中國國家發展和改革委員會設定的基準價格不一致。管道燃氣終端用戶價格由當地物價局釐定。可能存在集團未能取得提高天然氣價格的批文的風險，此將令集團溢利受損。

Foreign exchange risk

The Group's principal business is located in the PRC and its major transactions are conducted in Renminbi. Most of its assets and liabilities are denominated in Renminbi and Canadian dollars.

The Renminbi is not freely convertible. There is a risk that the Chinese government may take actions affecting exchange rates which may have a material adverse effect on the Group's net assets, earnings and any dividends it declares if such dividend is to be exchanged or converted into foreign exchange. The Group has not entered into any hedging transactions to manage the potential fluctuation in foreign currencies. The Group does not consider that it has any significant exposure to the risk of fluctuation in the exchange rate between HK$ and RMB.

外匯風險

集團主要業務位於中國，而主要交易均以人民幣進行。集團大多數資產及負債均以人民幣及加元計值。

由於人民幣不可自由兌換，集團須承受中國政府可能會採取行動影響匯率的風險，該等行動可能會對集團的資產淨值、盈利以及任何所宣派股息（倘若有關股息須兌換或換算為外匯）構成重大不利影響。集團並無進行任何對沖交易以管理外幣波動的潛在風險。集團認為其所承擔的港元及人民幣之間的匯率波動風險不大。

Liquidity Risk

Liquidity risk is the potential risk that the Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, the Group monitors cash flows and maintains an adequate level of cash and cash equivalents to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

流動資金風險

流動資金風險即是集團由於未能取得充足資金或變現資產，在責任到期時未能履約的可能性風險。管理流動資金風險時，集團監察現金流量，並維持充足之現金及現金等值項目水平，以確保能為集團營運提供資金及降低現金流量波動之影響。

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels.

Key functions in the Group are guided by their standard operating procedures, limits of authority and reporting framework. The management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

營運風險

營運風險指因內部程序、人員或制度不足或缺失，或因外部事件導致之損失風險。管理營運風險之責任基本上由各個功能之分部及部門肩負。

集團之主要功能經由本身之標準營運程序、權限及匯報框架作出指引。管理層將會定期識別及評估主要之營運風險，以便採取適當風險應對。

Environmental Policy and Performance

Both the government and the public continue to pay utmost attention to environmental issues, despite the fact that certain expensive and environment friendly measures were planned and implementation will soon be taken place. Stricter requirements may be put into practice to address these issues.

The environmental, social and governance report of the Company for the year ended 31 December 2017 containing the information required under Appendix 27 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") will be published on the Stock Exchange's website and the Company's website within three months after the publication of the Company's 2017 annual report.

環保政策及表現

政府及公眾均十分重視環保問題，儘管若干花費巨大的環保措施已計劃並將很快付諸實施。可能實行更嚴苛的規定解決此類問題。

公司截至二零一七年十二月三十一日止年度之環境、社會及管治報告（當中載列香港聯合交易所有限公司（「聯交所」）證券上市規則（「上市規則」）附錄27規定之資料）將於公司二零一七年年報刊發後三個月內刊登於聯交所網站及公司網站。

Compliance with the Relevant Laws and Regulations

The Company was incorporated in Bermuda and therefore the Company is subject to The Bermuda Act. In addition, the Company is registered as a non-Hong Kong company under Part 16 of the Company (Chapter 622, Laws of Hong Kong) (the "Companies Ordinance") and therefore is subject to the relevant provisions under the Companies Ordinance.

The Company is listed on the Stock Exchange and therefore the Company is subject to the governance of the Listing Rules, including the disclosure requirements and corporate governance provisions therein. Under the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong) (the"SFO"), the Company is required to maintain a register of interests in shares and short positions and a register of directors' and chief executives' interests and short positions and is obliged to disclose price sensitive or inside information.

During the year under review, as far as the Board and management are concerned, there was no material breach of or non-compliance with the applicable laws and regulations by the Group that has a significant impact on its businesses and operations.

遵守相關法律法規

公司於百慕達註冊成立及因此公司須遵守百慕達法律。此外，公司根據香港法例第622章公司條例（「公司條例」）第16部註冊為非香港公司及因此須遵守公司條例的相關條文。

公司於聯交所上市及因此公司須受上市規則（包括當中的披露規定及企業管治條文）規管。根據香港法例第571章證券及期貨條例（「證券及期貨條例」），公司須備存股份權益及淡倉登記冊以及董事及主要行政人員之權益及淡倉登記冊，並須披露股價敏感資料或內幕消息。

於回顧年度內，就董事局及管理層所關注，集團概無嚴重違反或不遵守對集團業務及營運產生重大影響的適用法律及法規。

RELATIONSHIPS WITH STAKEHOLDERS

The Company recognises that employees are our valuable assets. Thus the Group provides competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration package of employees and makes necessary adjustments to conform to the market standard.

與持份者之間的關係

公司認同，僱員是我們的寶貴資產。故此，集團提供具競爭力的薪酬待遇，以吸引並激勵僱員。集團定期檢討僱員的薪酬待遇，並會因應市場標準而作出必要的調整。

The Group also understands that it is important to maintain good relationship with business partners and bank enterprises to achieve its long term goals. Accordingly, the management have kept good communication, promptly exchanged ideas and shared business updates with them when appropriate. During the year under review, there was no material and significant dispute between the Group and its business partners or bank enterprises.

集團亦明白，與商業夥伴及銀行企業保持良好商業關係，是其達成長遠目標的要素。故此，管理層會在適當情況下與彼等進行良好溝通、適時交流想法及共享最新業務資料。於回顧年度內，集團與商業夥伴或銀行企業之間並沒有重大而明顯的糾紛。

DISTRIBUTION

The Board resolved to recommend to the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on Tuesday, 12 June 2018 ("2018 AGM"), the distribution of HK cent 0.35 (2016: HK cent 0.50) per share out of the contributed surplus of the Company to be paid on Friday, 6 July 2018 to those shareholders whose names appear on the register of members of the Company on Wednesday, 20 June 2018. The proposed distribution will amount to approximately HK$20,390,000 (2016: HK$29,128,000).

分派股息

董事局議決，將在公司於二零一八年六月十二日（星期二）舉行的應屆股東週年大會（「二零一八年股東週年大會」）上向公司股東建議於二零一八年七月六日（星期五）以公司實繳盈餘賬向於二零一八年六月二十日（星期三）名列公司股東名冊的該等股東分派股息每股0.35港仙（二零一六年：0.50港仙）。擬派金額約為20,390,000港元（二零一六年：29,128,000港元）。

CLOSURE OF REGISTER OF MEMBERS

For determining the identity of the shareholders to attend and vote at the 2018 AGM, the register of members of the Company will be closed from Wednesday, 6 June 2018 to Tuesday, 12 June 2018 (both days inclusive) during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the 2018 AGM, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 5 June 2018.

暫停辦理股份過戶登記

為釐定出席二零一八年股東週年大會並於會上投票資格的股東，公司將於二零一八年六月六日（星期三）至二零一八年六月十二日（星期二）（包括首尾兩日）止暫停辦理股份登記手續，期內將不會辦理任何股份過戶登記手續。為符合取得出席二零一八年股東週年大會並於會上投票的資格，所有股份過戶文件連同有關股票須於二零一八年六月五日（星期二）下午四時三十分前送交公司的香港股份過戶登記分處香港中央證券登記有限公司，地址為香港灣仔皇后大道東183號合和中心17樓1712-1716號鋪，辦理股份登記手續。

For determining the entitlement of the shareholders to the proposed distribution, the register of members of the Company will be closed from Wednesday, 20 June 2018 to Thursday, 21 June 2018 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for the proposed distribution, all transfers of shares accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited for registration not later than 4:30 p.m. on Tuesday, 19 June 2018.

為釐定股東享有建議分派之末期股息的資格，公司將於二零一八年六月二十日（星期三）至二零一八年六月二十一日（星期四）止（包括首尾兩日）暫停辦理股份登記手續，期間將不會辦理任何股份過戶登記手續。為符合享有擬派股息的資格，所有股份過戶文件連同有關股票須於二零一八年六月十九日（星期二）下午四時三十分前送交公司的香港股份過戶登記分處香港中央證券登記有限公司，辦理股份登記手續。

SUMMARY OF FINANCIAL INFORMATION

A summary of the results and of assets and liabilities of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate, is set out on page 196. This summary does not form part of the consolidated financial statements.

財務資料之概覽

集團過往五個財政年度之業績、資產及負債概覽（摘錄自經審核綜合財務報表並再分類（如適合））載於第196頁。此概覽並不構成綜合財務報表之一部分。

SEGMENT INFORMATION

An analysis of the Group's revenue and results by operating segments for the year ended 31 December 2017 is set out in note 6 to the consolidated financial statements.

分部資料

集團截至二零一七年十二月三十一日止年度之營業額及按經營分部劃分之業績貢獻分析載於綜合財務報表附註6。

PROPERTY, PLANT AND EQUIPMENT

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

物業、廠房及設備

於本年度，集團物業、廠房及設備之變動之詳情載於綜合財務報表附註16。

CHARITABLE DONATIONS

The Group did not make any charitable donations during the year (2016: Nil).

慈善捐款

年內，集團並無作出任何慈善捐款（二零一六年：無）。

SHARE CAPITAL

Details of movement in the Company's share capital during the year are set out in note 32(a) to the consolidated financial statements.

股本

有關公司股本於本年度之變動詳情載於綜合財務報表附註32(a)。

SHARES ISSUED

The Company did not issue any share during the year ended 31 December 2017.

股份發行

公司於截至二零一七年十二月三十一日止年度概無發行任何股份。

DEBENTURES ISSUED

In April 2017, the Company issued US$350 million senior notes (the "Notes") bearing an interest rate of 4.625% per annum due 2022. The Company intended to use the net proceeds from the issue of the Notes to repay certain existing indebtedness including the 2013 senior notes and for general corporate purpose. Details are set out in note 29 to the consolidated financial statements.

債券發行

於二零一七年四月，公司發行3.50億美元於二零二二年到期之4.625厘優先票據（「該等票據」）。公司擬將發行票據所得款項淨額用於償還若干現有債務（包括二零一三年優先票據）及用作一般企業用途。有關詳情載於綜合財務報表附註29。

EQUITY-LINKED AGREEMENTS

Save for the share option scheme and the restricted share award scheme of the Group in this Report of the Directors and as set out in note 32(b) and 32(c) to the consolidated financial statements respectively, no equity-linked agreements were entered into by the Group during the year or subsisting at the end of the year.

股票掛鈎協議

除本董事報告書及綜合財務報表內附註32(b)及32(c)分別所載集團的購股權計劃及限制性股份獎勵計劃外，年內，集團概無訂立或於年末仍然有效的股票掛鈎協議。

SHARE OPTION SCHEMES

The Company adopted a share option scheme (the "Old Share Option Scheme") on 31 January 2002 and terminated the same at the special general meeting of the Company held on 23 November 2011 ("SGM"), details of the Old Share Option Scheme are set out in note 32(b) to the consolidated financial statements.

The Company adopted a new share option scheme (the "Share Option Scheme") on 23 November 2011 at the SGM, pursuant to the Share Option Scheme, the Board may at its discretion offer options to any eligible participant including, but not limited to, any person being an employee, executive directors or non-executive directors of the Group or any invested entity (including independent non-executive directors of the Group or any invested entity) and any suppliers, consultants or advisers who will provide or have provided services to the Group or any invested entity. Details of the Share Option Scheme are set out in note 32(b) to the consolidated financial statements.

Details of movements in the share options granted under the Share Option Scheme are as follows:

購股權計劃

公司於二零零二年一月三十一日採納一項購股權計劃(「原購股權計劃」)，並在公司於二零一一年十一月二十三日舉行的股東特別大會(「股東特別大會」)上終止，原購股權計劃詳情載於綜合財務報表附註32(b)。

公司在於二零一一年十一月二十三日舉行的股東特別大會上採納一項新購股權計劃(「購股權計劃」)，根據購股權計劃，董事局可酌情提呈購股權予任何合資格參與者，包括但不限於集團或任何投資實體之僱員、執行董事或非執行董事(包括集團或任何投資實體之獨立非執行董事)，以及任何將會或曾經為集團或任何投資實體提供服務之供應商、諮詢人或顧問。購股權計劃詳情載於綜合財務報表附註32(b)。

根據購股權計劃授出之購股權變動詳情載列如下：

Name or category of participants 參與者姓名或類別	Exercise price 行使價 (HK$) (港元)	Date of grant 授出日期	Exercisable period 行使期	Granted during the year 年內授出	Exercised during the year 年內行使	Lapsed during the year 年內失效	Outstanding as at 31 December 2017 於二零一七年十二月三十一日尚未行使
Employees 僱員	0.46	22/01/2016	22/01/2018 to 21/01/2026	—	—	—	100,000,000
Total 總計				—	—	—	100,000,000

Note:

These share options are exceriseable in the following manner:

(i) 30% of the share options shall become exercisable on 22 January 2018;

(ii) 30% of the share options shall become exercisable on 22 January 2019; and

(iii) 40% of the share options shall become exercisable on 22 January 2020.

附註：

該等購股權可按下列方式行使：

(i) 30%之購股權將於二零一八年一月二十二日可行使；

(ii) 30%之購股權將於二零一九年一月二十二日可行使；及

(iii) 40%之購股權將於二零二零年一月二十二日可行使。

These share options were granted on 22 January 2016, the closing price of the shares on 21 January 2016, being the date immediately before the date of grant, was HK$0.43.

該等購股權於二零一六年一月二十二日授出，股份於二零一六年一月二十一日（即緊接授出日期前之日）之收市價為0.43港元。

RESTRICTED SHARE AWARD SCHEME

On 4 November 2011, the Board adopted a restricted share award scheme (the "Restricted Share Award Scheme") as an incentive to recognise the contributions by employees and to give incentives in order to retain them for their continuing operation and development and to attract suitable personnel for further development of the Group, details of the Restricted Share Award Scheme are set out in note 32(c) to the consolidated financial statements.

限制性股份獎勵計劃

於二零一一年十一月四日，董事局採納限制性股份獎勵計劃（「限制性股份獎勵計劃」）作為獎勵以嘉許僱員之貢獻，並為集團持續經營及發展作為激勵以挽留僱員，並為集團進一步發展吸納合適人才，限制性股份獎勵計劃詳情載於綜合財務報表附註32(c)。

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Bye-laws of the Company (the "Bye-Laws") or the laws of Bermuda, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

優先購買權

公司細則（「細則」）或百慕達（公司註冊成立所在之司法管轄區）法律並無任何規定公司須按比例基準向現有股東發售新股之優先購買權。

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

During the year, the Company, through the trustee of the Restricted Share Award Scheme, purchased from the market 181,260,000 shares for the purpose of the Restricted Share Award Scheme. Save as aforesaid, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year.

購買、贖回或出售公司上市證券

年內，公司透過限制性股份獎勵計劃的受託人為限制性股份獎勵計劃從市場購入181,260,000股股份。 除以上所述外，公司或其任何附屬公司於年內概無購買、出售或贖回公司的任何上市證券。

DISTRIBUTABLE RESERVES

As at 31 December 2017, the amount standing to the credit of the Company's share premium account in the amount of HK$24,578,000 may also be distributed in the form of fully paid bonus shares, and the Company's contributed surplus account in the amount of HK$1,491,200,000 may be distributed under certain circumstances.

可分派儲備

於二零一七年十二月三十一日，公司股份溢價賬之進賬金額24,578,000港元可按以繳足紅股形式分派，而公司實繳盈餘賬金額1,491,200,000港元在若干情況亦可予以分派。

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of purchases and sales attributable to the Group's major suppliers and customers are as follows:

主要客戶及供應商

集團主要供應商及客戶應佔之採購及銷售總額百分比如下：

		2017	2016
		二零一七年	二零一六年
		%	%
Purchases	採購		
– the largest supplier	－最大供應商	**35.7**	35.4
– five largest suppliers combined	－五大供應商合計	**87.4**	79.1
Turnover	營業額		
– the largest customer	－最大客戶	**3.5**	3.7
– five largest customers combined	－五大客戶合計	**10.9**	11.7

None of the Directors or any of their associates (as defined in the Listing Rules or any shareholders (who, to the knowledge of the Directors, own more than 5% of the Company's share capital) had any beneficial interests in the Group's five largest customers or five largest suppliers.

概無董事或任何其聯繫人士（定義見上市規則或任何股東（就董事所知擁有公司股本超逾5%之股東）於集團五大客戶或五大供應商中擁有任何實益權益。

DIRECTORS

The Directors of the Company during the year and up to the date of this report are as follows:

Executive Directors
XU Tie-liang *(Chairman and Chief Executive Officer)*
ZHU Yuan
GUAN Yijun
CHEUNG Shing

Independent Non-Executive Directors
LI Yunlong
WANG Guangtian
SHI Xunzhi (retired on 18 May 2017)
YANG Jie (appointed on 18 May 2017)

In accordance with Bye-law 87(1) of the Bye-Laws, Mr. Zhu Yuan, Ms. Guan Yijun and Mr. Cheung Shing shall retire from office as Directors by rotation at the 2018 AGM. Ms. Guan Yijun, being eligible, offers herself for re-election. Mr. Zhu Yuan and Mr. Cheung Shing confirmed that they will not offer themselves for re-election at the 2018 AGM as they would like to spend time pursuing their own business.

董事

於年度內及截至本報告日期，公司董事如下：

執行董事
許鉄良*（主席兼行政總裁）*
朱　遠
關懿君
張　成

獨立非執行董事
李雲龍
王廣田
史訓知（於二零一七年五月十八日退任）
楊　傑（於二零一七年五月十八日獲委任）

根據細則第87(1)條，朱遠先生、關懿君女士及張成先生須於二零一八年股東週年大會上輪席退任董事職務。關懿君女士符合資格並願意膺選連任。朱遠先生及張成先生確認彼等不會在二零一八年股東週年大會上膺選連任，蓋因其希望投入更多時間於其個人事務。

In accordance with Bye-law 86(2), Mr. Yang Jie, being Director appointed after the last annual general meeting of the Company, shall retire and, being eligible, offers himself for re-election at the 2018 AGM.

根據細則第86(2)條，楊傑先生（於上一屆股東週年大會上獲委任為董事）將於二零一八年股東週年大會上輪值退任，並合資格膺選連任。

INDEPENDENCE CONFIRMATION

確認獨立性

The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Company considers all of the independent non-executive Directors are independent.

公司已獲取各獨立非執行董事根據上市規則第3.13條作出之年度獨立性確認函。公司認為所有獨立非執行董事均為獨立。

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

董事購入股份或債券之權利

Save as disclosed under the sections headed "SHARE OPTION SCHEME", "RESTRICTED SHARE AWARD SCHEME" and "DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES" in this report and in notes 32(b) and 32(c) to the consolidated financial statements, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

除於本報告上文「購股權計劃」、「限制性股份獎勵計劃」及「董事及主要行政人員於股份、相關股份及債券之權益」各節以及於綜合財務報表附註32(b)及32(c)內所披露者外，於本年度內，公司或其任何附屬公司概無作出任何安排，以令董事可藉此於任何其他法團實體中獲取該等權利。

DIRECTORS' SERVICE CONTRACTS

董事服務合約

Mr. Xu Tie-liang entered into a service contract with the Company on 10 April 2014 for a term of three years commencing from 10 April 2014. Upon the expiry of the term of the service contract, Mr. Xu and the Company entered into a renewed service contract on 10 April 2017 for a further term of three years commencing from 10 April 2017.

許鉄良先生於二零一四年四月十日與公司訂立服務合約，自二零一四年四月十日起為期三年。於服務合約年期屆滿後，許先生與本公司於二零一七年四月十日訂立了一份更新服務合約，自二零一七年四月十日起為期另一個三年。

None of the Directors who are proposed for re-election at the 2018 AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

擬於二零一八年股東週年大會上接受重選之董事，概無與公司訂立不可於一年內免付賠償（法定賠償除外）而終止之服務合約。

MANAGEMENT CONTRACTS

管理合約

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

於本年度，並無訂立或存在任何與公司業務全部或任何主要部分的管理及行政有關的合約。

DIRECTORS' INTERESTS IN CONTRACTS

董事於合約之權益

No Director had a significant beneficial interest, either directly or indirectly, in any contract of significance to the business of the Group to which the Group or any of its subsidiaries was a party during the year.

於本年度內，董事概無於集團或其附屬公司參與訂立並對集團之業務構成重大影響之任何合約中直接或間接擁有任何重大實際權益。

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES, UNDERLYING SHARES AND DEBENTURES

At 31 December 2017, the interests or short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or any associated corporation (within the meaning of Part XV of SFO), which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provision of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the "Model Code"), are set out below:

董事及主要行政人員於股份、相關股份及債券之權益

於二零一七年十二月三十一日，董事及公司之主要行政人員於公司或任何相聯法團（定義見證券及期貨條例第XV部）之股份、相關股份及債券中擁有根據證券及期貨條例第XV部第7及第8分部而須知會公司及聯交所之權益或淡倉（包括根據證券及期貨條例之有關條文而被視作或當作擁有之權益或淡倉）；或根據證券及期貨條例第352條須記錄於該條例所述之登記冊之權益或淡倉；或根據上市規則附錄十所載之上市發行人董事進行證券交易之標準守則（「標准守則」）而須知會公司及聯交所之權益或淡倉如下：

Interests in shares, underlying shares and debentures of the Company

於公司之股份、相關股份及債券之權益

Name of Director 董事姓名	Capacity 身份	Long position/ short position 好倉／淡倉	*Notes* *附註*	Number of ordinary shares held 持有普通股數目	Approximate percentage of the Company's issued share capital 佔公司已發行股本概約百分比	Amount of debentures held 所持債券金額
Xu Tie-liang 許鉄良	Interest in controlled corporations 受控制法團之權益	Long position 好倉	1, 2	1,427,554,130	24.50%	US$2,000,000 2,000,000美元
Zhu Yuan 朱遠	Beneficial owner 實益擁有人	Long position 好倉	3	2,750,000	0.05%	–
Cheung Shing 張成	Beneficial owner 實益擁有人	Long position 好倉		1,518,000	0.03%	–
Guan Yijun 關懿君	Interest of spouse 配偶權益	Long position 好倉	1	1,427,554,130	24.50%	–
	Interest of controlled corporation 受控制法團之權益	Long position 好倉	2	–	–	US$2,000,000 2,000,000美元

Notes:

1. 353,120,130 ordinary shares and 1,074,434,000 ordinary shares of the Company ("Shares") are held through Sino Advance Holdings Limited ("Sino Advance") and Sino Vantage Management Limited ("Sino Vantage") respectively, both of which were incorporated in the British Virgin Islands with limited liability and are wholly-owned by Sino Best International Group Limited ("Sino Best") (a company incorporated in the British Virgin Islands with limited liability) which in turn is wholly and beneficially owned by Mr. Xu Tie-liang ("Mr. Xu"). Therefore, Mr. Xu is deemed to be interested in 1,427,554,130 Shares pursuant to the SFO. Ms. Guan Yijun ("Ms. Guan") is the spouse of Mr. Xu, therefore, Ms. Guan is also deemed to be interested in 1,427,554,130 Shares pursuant to the SFO.

2. An amount of US$2,000,000 of the US$350,000,000 4.625% senior notes of the Company due 2022 held through Moral High Limited which is owned by Mr. Xu and Ms. Guan 50% each.

3. These 2,750,000 shares include (1) 2,350,000 ordinary shares of the Company held by Mr. Zhu Yuan; and (2) 400,000 restricted shares granted to Mr. Zhu Yuan pursuant to the Restricted Share Award Scheme adopted by the Board on 4 November 2011.

Save as disclosed above, none of the Directors or chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company which were recorded on the register required to be kept under section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code as at 31 December 2017.

SUBSTANTIAL SHAREHOLDERS

At 31 December 2017, the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO showed that other than the interests disclosed above in respect of certain Directors and chief executives, the following shareholders had notified the Company of relevant interests in the issued share capital of the Company:

附註：

1. 透過Sino Advance Holdings Limited（「Sino Advance」）及Sino Vantage Management Limited（「Sino Vantage」）（該兩間公司均為在英屬維爾京群島註冊成立的有限公司並由中泰國際集團有限公司（「中泰國際」）（在英屬維爾京群島註冊成立的有限公司）全資擁有，而中泰國際則由許鉄良先生（「許先生」）全資及實益擁有）分別持有公司353,120,130股普通股及1,074,434,000股普通股（「股份」）。因此，根據證券及期貨條例，許先生被視為於1,427,554,130股股份中持有權益。關懿君女士（「關女士」）為許先生之配偶，因此，根據證券及期貨條例，關女士亦被視為於1,427,554,130股股份中持有權益。

2. 透過德高有限公司（由許先生及關女士分別擁有50%）持有公司350,000,000美元於二零二二年到期之4.625厘優先票據之2,000,000美元。

3. 該等2,750,000股股份包括(1)朱遠先生持有的公司2,350,000股普通股股份；及(2)根據董事局於二零一一年十一月四日採納的限制性股份獎勵計劃授予朱遠先生的400,000股限制性股份。

除上文所披露者外，於二零一七年十二月三十一日，董事或公司之主要行政人員概無於公司股份、相關股份或債券中擁有記錄於根據證券及期貨條例第352條規定須予存置之登記冊，或根據標準守則知會公司及聯交所之任何權益或淡倉。

主要股東

於二零一七年十二月三十一日，根據證券及期貨條例第336條由公司存置之主要股東登記名冊顯示，除上文所披露若干董事及主要行政人員之權益外，以下股東已通知公司其於公司已發行股本中之相關權益：

Interests in the shares and underlying shares of the Company

於公司股份及相關股份之權益

Name of shareholder 股東姓名／名稱	Capacity 身份	Long position/ short position 好倉／淡倉	Number of ordinary shares held 持有普通股數目	Approximate percentage of the Company's issued share capital 佔公司已發行股本概約百分比
Sino Advance	Beneficial owner 實益擁有人	Long position 好倉	353,120,130	6.06%
Sino Vantage	Beneficial owner 實益擁有人	Long position 好倉	1,074,434,000	18.44%
Sino Best 中泰國際	Interest in controlled corporations 受控制法團之權益	Long position 好倉	1,427,554,130	24.50%

Note:

Sino Advance and Sino Vantage are wholly-owned by Sino Best which in turn is wholly and beneficially owned by Mr. Xu Tie-liang. Hence, Mr. Xu is deemed to be interested in 353,120,130 ordinary shares and 1,074,434,000 ordinary shares of the Company through Sino Advance and Sino Vantage respectively.

附註：

Sino Advance及Sino Vantage由中泰國際全資擁有，而中泰國際則由許鉄良先生全資及實益擁有。因此，許先生被視為於透過Sino Advance及Sino Vantage於公司353,120,130股及1,074,434,000股普通股中擁有權益。

Save as disclosed above, no other parties were recorded in the register of the Company required to be kept under section 336 of the SFO as having interests or short positions in the shares or underlying shares of the Company as at 31 December 2017.

除上文所披露者外，於二零一七年十二月三十一日，概無其他人士於公司的股份或相關股份中擁有須記錄於根據證券及期貨條例第336條規定須存置之登記冊的任何權益或淡倉。

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

董事進行證券交易之標準守則

The Company has adopted the Model Code as the code of conduct regarding securities transactions by the Directors. After specific enquiries were made to all Directors, the Company confirmed that they have complied with the required standard set out in the Model Code throughout the year.

公司已採納標準守則作為董事進行證券交易之操守守則。公司向所有董事進行特定查詢後確認，彼等於整個年度內一直符合標準守則所載之規定標準。

PERMITTED INDEMNITY PROVISION

The Company has arranged for appropriate insurance cover for Director's and officers' liabilities in respect of legal actions against its Directors and senior management arising out of corporate activities. The permitted indemnity provision is in force for the benefit of the Directors as required by section 470 of the Companies Ordinance when the Report of the Board of the Directors prepared by the Directors is approved in accordance with section 391(1)(a) of the Companies Ordinance.

獲准許之彌償條文

公司已為董事及高級管理人員安排合適保險，以涵蓋彼等因企業活動而招致法律行動所產生之責任。倘由董事編製之董事局報告按照公司條例第391(1)(a)條獲批准，則以董事為受益人獲准許之彌償條文已按照公司條例第470條之規定生效。

CONNECTED TRANSACTION

Exempt continuing connected transaction

The following continuing connected transaction constitutes an exempt continuing connected transaction for the Company under Chapter 14A of the Listing Rules:

Appointment of Trustee for Restricted Share Award Scheme

The Trustee (Note) was appointed by the Company as trustee for the administration of the Restricted Share Award Scheme adopted by the Board on 4 November 2011. Service fee will be paid by the Company to the Trustee according to the share award trust deed entered into between the Company and the Trustee on 4 November 2011. The payment of the service fees to the Trustee by the Company constitutes a continuing connected transaction of the Company, but is exempt from reporting, annual review, announcement and independent shareholders' approval requirements under Rule 14A.76(1) of the Listing Rules.

HK$200,000 was paid/payable to the Trustee for the financial year ended 31 December 2017.

Note:

Best Thinker Limited (the "Trustee"), a company wholly-owned by Mr. Xu Tie-liang, an executive Director, the Chairman and the Chief Executive Officer of the Company, is regarded as a connected person of the Company.

關連交易

豁免持續關連交易

根據上市規則第14A章，下列持續關連交易構成公司的豁免持續關連交易：

委任限制性股份獎勵計劃的受託人

受託人（附註）已獲公司委任為受託人，管理董事局於二零一一年十一月四日採納之限制性股份獎勵計劃。根據公司與受託人於二零一一年十一月四日訂立之股份獎勵信託契據，公司每年須支付予受託人服務費。公司向受託人支付服務費構成公司之持續關連交易，惟獲豁免遵守上市規則第14A.76(1)條項下之申報、年度回顧、公佈及獨立股東批准規定。

截至二零一七年十二月三十一日止年度，支付／應付受託人200,000港元。

附註：

Best Thinker Limited（「受託人」）為公司執行董事、主席兼行政總裁許鉄良先生全資擁有之公司，故為公司之關連人士。

PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient public float as required under the Listing Rules during the year and up to the date of this report.

公眾持股量

根據公司可以得悉、而董事亦知悉之公開資料，公司根據上市規則規定於年內並直至本報告日期已維持足夠之公眾持股量。

CORPORATE GOVERNANCE

A report on the principle corporate governance practices adopted by the Company is set out on pages 38 to 54 of the annual report.

企業管治

有關公司所採納之主要企業管治常規之報告，載於年報第38頁至第54頁。

AUDIT COMMITTEE

The Company established the Audit Committee in 1998 with written terms of reference in compliance with the Corporate Governance Code as set out in Appendix 14 to the Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process, and to review the risk management and internal control system of the Group. The Audit Committee comprises three independent non-executive Directors, namely Mr. Li Yunlong (as chairman), Mr. Wang Guangtian and Mr. Yang Jie. The Audit Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2017.

審核委員會

公司於一九九八年成立審核委員會，並遵照上市規則附錄十四中企業管治守則訂立書面職權範圍。審核委員會主要職責為檢討及監督集團的財務申報程序及檢討風險管理及內部監控系統。審核委員會包括三名獨立非執行董事，即李雲龍先生（主席）、王廣田先生及楊傑先生。審核委員會已審閱集團截至二零一七年十二月三十一日止年度之經審核財務報表。

AUDITOR

A resolution will be submitted to the 2018 AGM to re-appoint PricewaterhouseCoopers as auditor of the Company.

核數師

於二零一八年股東週年大會上將提呈一項決議案，續聘羅兵咸永道會計師事務所為公司核數師。

On behalf of the Board
China Oil And Gas Group Limited
Xu Tie-liang
Chairman

Hong Kong, 27 March 2018

代表董事局
中油燃氣集團有限公司
主席
許鉄良

香港，二零一八年三月二十七日

Corporate Governance Report
企業管治報告

The Company is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the shareholders' value.

公司致力維持優秀企業管治標準及程序，以確保披露事項之完整性、透明度及質素，從而提高股東價值。

CORPORATE GOVERNANCE PRACTICES

企業管治常規

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") as set out in Appendix 14 to the Listing Rules as its own code of corporate governance.

公司已採納上市規則附錄十四中企業管治守則(「企業管治守則」)所載之守則條文，作為其本身企業管治守則。

During the year ended 31 December 2017, the Company was in compliance with the relevant code provisions set out in the CG Code except for the deviations as explained below.

截至二零一七年十二月三十一日止年度內，公司遵守企業管治守則所載之相關守則條文，惟有所偏離守則條文説明如下。

Code provision A.2.1 of the CG Code provides that the responsibilities between chairman and chief executive officer should be divided. Mr. Xu Tie-liang is the Chairman and the Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in the same person has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. The Board believes that the balance of power and authority for the present arrangement will not be impaired and is adequately ensured by current Board which comprises experienced and high caliber individuals with sufficient number thereof being independent non-executive Directors.

企業管治守則之守則條文第A.2.1條訂明主席及行政總裁之職責須有所區分。許鉄良先生為公司主席兼行政總裁。董事局相信，集團由同一名人士同時擔任主席及行政總裁兩個職位，可確保集團貫徹重大決策之領導，更有效能及效率實現集團之整體策略。董事局相信現時之安排不會損害職權及授權兩者間之平衡，而現時由經驗豐富之人才(其中有充足人數擔任獨立非執行董事)組成之董事局亦能確保此平衡。

Code provision A.4.1 of the CG Code provides that non-executive directors should be appointed for a specific term and subject to re-election. The independent non-executive Directors are not appointed for a specific term, but they are subject to retirement from office by rotation at least once every three years in accordance with the Bye-Laws.

企業管治守則之守則條文第A.4.1條規定非執行董事應有特定任期及須膺選連任。獨立非執行董事均無特定任期，惟彼等須至少每三年一次按照細則輪值告退。

Code provision D.1.4 of the CG Code requires that the Company should have formal letters of appointment for directors setting out the key terms and conditions of their appointment. The Company did not have formal letters of appointment for Directors (except for Mr. Xu Tie-liang). However, the Directors shall be subject to retirement by rotation in accordance with the Bye-Laws. In addition, the Directors are required to refer to the guidelines set out in "A Guide on Directors' Duties" issued by the Companies Registry and "Guidelines for Directors" and "Guide for Independent Non-executive Directors" (if applicable) published by the Hong Kong Institute of Directors in performing their duties and responsibilities as Directors. Besides, the Directors are required to comply with the requirements under statute and common law, the Listing Rules, legal and other regulatory requirements and the Company's business and governance policies.

企業管治守則之守則條文第D.1.4規定，公司應有正式的董事委任書，訂明有關委任的主要條款及條件。公司並無正式董事委任書（許鉄良先生除外）。然而，董事須按照細則輪值告退。此外，於履行其董事職責及責任時，董事須參照公司註冊處發出的「董事責任指引」以及香港董事學會頒布的「董事指引」及「獨立非執行董事指南」（如適用）內所列各項指引。另外，董事須遵守法規及普通法、上市規則、法律及其他監管規定以及公司的業務及管治政策下的規定。

Save as the aforesaid and in the opinion of the Directors, the Company has met the relevant code provisions as set out in the CG Code during the year ended 31 December 2017.

除以上所述外，董事認為，公司已於截至二零一七年十二月三十一日止年度符合企業管治守則所載之相關守則條文。

DIRECTORS' SECURITIES TRANSACTIONS

董事之證券交易

The Company has adopted the code of conduct regarding directors' securities transactions as set out in the Model Code. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard set out in the Model Code throughout the year.

公司已採納標準守則作為董事進行證券交易的操守準則。經對全體董事作出具體查詢，公司確認，全體董事於整個年度內一直遵守標準守則所載規定標準。

BOARD OF DIRECTORS

董事局

The Board is responsible for the leadership and control of the Company, and is responsible for setting up the overall strategy as well as reviewing the operation and financial performance of the Group. The Board reserved for its decision or consideration matters covering overall Group strategy, major acquisitions and disposals, annual budgets, annual and interim results, approval of major capital transactions and other significant operational and financial matters. The management was delegated the authority and responsibility by the Board for the daily management of the Group. In addition, the Board has also delegated various responsibilities to the Board committees. Further details of these committees are set out in this report.

董事局負責領導及控制公司，並負責制定整體策略以及查核集團的經營及財務表現。董事局保留其決定權或斟酌權的事項包括集團整體策略、重大收購及出售、年度預算、年度及中期業績、批准重大資本交易以及其他重大經營及財務事宜。董事局授予管理層負責集團日常管理之職權及職責。此外，董事局亦授權董事局委員會履行多項職責。此等委員會之進一步詳情載於本報告內。

The Board currently consists of seven Directors including four executive Directors and three independent non-executive Directors:

董事局現時由七名董事組成，包括四名執行董事及三名獨立非執行董事：

Executive Directors

Mr. XU Tie-liang *(Chairman and Chief Executive Officer)*
Mr. ZHU Yuan
Ms. GUAN Yijun
Mr. CHEUNG Shing

執行董事

許鉄良先生*(主席兼行政總裁)*
朱　遠先生
關懿君女士
張　成先生

Independent Non-Executive Directors

Mr. LI Yunlong
Mr. WANG Guangtian
Mr. YANG Jie

獨立非執行董事

李雲龍先生
王廣田先生
楊　傑先生

Save for Ms. Guan Yijun is the spouse of Mr. Xu Tie-liang, the Board members have no financial, business, family or other material/relevant relationships with each other. Such balanced Board composition is formed to ensure strong independence exists across the Board. The composition of the Board reflects the balanced skills and experience for effective leadership.

除關懿君女士為許鉄良先生之配偶外，董事局成員間概無財務、業務、家屬或其他重大／相關關係。董事局之組成平衡，以確保董事局之高度獨立性。董事局之組成反映均稱技能及經驗以便有效作出領導。

The biographical information of the Directors are set out on pages 21 to 23 under the section headed "Biographical Details of Directors".

董事之履歷資料載於第21至23頁「董事履歷簡介」一節。

The Board decides on corporate strategies, approves overall business plans and evaluates the Group's financial performance and management. Specific tasks that the Board delegates to the Group's management include the implementation of strategies approved by the Board, the monitoring of operating budgets, the implementation of internal controls procedures, and the ensuring of compliance with relevant statutory requirements and other rules and regulations.

董事局負責決定企業策略、批准整體業務計劃及評估集團之財務表現和管理層。董事局授權集團管理層之特定工作包括推行董事局批准之策略、監察營運預算、實行內部監控程序及確保符合有關法定規定及其他規則與規例。

Directors' Training

According to the code provision A.6.5 of the CG Code, all directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the board remains informed and relevant.

All Directors have participated in continuous professional development and provided a record of training they received for the financial year ended 31 December 2017 to the Company.

董事之培訓

根據企業管治守則之守則條文第A.6.5條，所有董事應參與持續專業發展，發展並更新其知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事局作出貢獻。

全體董事均已參加持續專業培訓，並向公司提供其於截至二零一七年十二月三十一日止財政年度所接受培訓的記錄。

The individual training record of each Director received for the year ended 31 December 2017 is set out below:

截至二零一七年十二月三十一日止年度所接獲各董事之個別培訓記錄載列如下：

Name of Director 董事姓名		Attending or participating in seminars/ in-house briefing or reading materials relevant to the Group's business/director's duties 出席或參與與集團業務／董事職責相關之講座／內部簡報會或閱讀材料
Mr. XU Tie-liang	許鉄良先生	√
Mr. ZHU Yuan	朱　遠先生	√
Ms. GUAN Yijun	關懿君女士	√
Mr. CHEUNG Shing	張　成先生	√
Mr. LI Yunlong	李雲龍先生	√
Mr. WANG Guangtian	王廣田先生	√
Mr. YANG Jie	楊　傑先生	√

Chairman and Chief Executive Officer

The Company does not have a separate chairman and chief executive officer, and Mr. Xu Tie-liang currently performs these two roles. The Board believes that by taking the roles of both Chairman and Chief Executive Officer in the same person, it has the benefit of maintaining a consistent leadership and enables a more effective and efficient overall strategic planning within the Group. The Board believes that the present arrangement will not impair its balance of power and authority, and this is ensured by current Board members, which comprise experienced and high calibre individuals with sufficient number of independent non-executive Directors.

主席及行政總裁

公司沒有區別主席及行政總裁之職務，許鉄良先生現時兼任兩職。董事局相信，由同一名人士同時擔任主席及行政總裁兩個職位，可確保貫徹重大決策之領導，更有效能及效率實現集團之整體策略。董事局相信現時之安排不會損害職權及授權兩者間之平衡，而現時由經驗豐富之人才（其中有充足人數擔任獨立非執行董事）組成之董事局亦能確保此平衡。

Non-executive Directors

The three independent non-executive Directors are high caliber individuals, with academic and professional qualifications in the fields of accounting, finance and petroleum. With their accumulated experience gained from various sectors, they can provide strong support towards the Board's effective discharge of the duties and responsibilities. Each independent non-executive Director has given an annual confirmation of his independence to the Company, and the Company considered that each of them is independent based on the independence guidelines set out in Rule 3.13 of the Listing Rules. The independent non-executive Directors are not appointed for specific term, but are subject to retirement by rotation in accordance with the Bye-Laws.

非執行董事

三名獨立非執行董事均為幹練人才，持有會計、財務及石油界學術及專業資格。彼等於各行業累積之經驗，可為有效履行董事局之職務及職責提供強大支援。各獨立非執行董事已就獨立身份向公司發出年度確認書，而公司已根據上市規則第3.13條所載獨立指引考慮彼等是否屬獨立人士。獨立非執行董事並無特定任期，惟須按照細則輪席告退。

Board Diversity Policy

The Board has adopted a Board Diversity Policy on 26 August 2013 (the "Policy") which sets out the approach to achieve its diversity. The Company recognises that increasing diversity at Board level will support the attainment of the Company's strategic objectives and sustainable development. The Company seeks to achieve Board diversity through the consideration of a number of factors, including, but not limited, to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The Company will also take into consideration its own business model and specific needs from time to time in determining the optimum composition of the Board.

The Board delegates certain duties to the Nomination Committee under the Policy. The Nomination Committee will discuss and review the necessity to set measurable objectives for the implementation of the Policy from time to time, to ensure their appropriateness and the progress made towards these objectives are achievable and ascertainable.

The Nomination Committee will review the Policy, as appropriate, to ensure its continued effectiveness from time to time.

董事局成員多元化政策

董事局於二零一三年八月二十六日採納董事局成員多元化政策(「政策」)，該政策載列達致成員多元化的方法。公司知悉董事局層面日益多元化將為達成公司策略目標及可持續發展提供支持。公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務年限，務求達致董事局成員多元化。公司決定董事局最佳成員組合時，亦將不時考慮其本身業務模式及具體需要。

董事局根據政策向提名委員會授予若干職權。提名委員會將就執行政策不時討論及檢討測量目標，以確保其合適及確定可達成及可確定的該等目標的進度。

提名委員會將(視適用情況而定)審閱政策，確保其不時持續有效。

Board Meetings

The Board has four scheduled meetings held quarterly each year, and additional meetings will take place as and when required. These Board meetings are planned in advance. During the regular meeting, the Board examines the Company's operation and financial performance, reviews and approves its annual and interim results.

During the year ended 31 December 2017, the Board held 8 meetings. All Directors were given opportunities to include any matters in the agenda for the regular Board meetings, and were given sufficient time to review documents and information relating to matters to be discussed in the Board meetings.

董事局會議

董事局每年預計舉行四次會議，每季一次，並會於有需要時舉行額外會議。該等董事局會議之議定舉行日期會預先進行規劃。於定期會議上，董事局審查公司之經營及財務表現、審閱及批准全年及中期業績。

截至二零一七年十二月三十一日止年度，董事局曾舉行8次會議。所有董事均有機會把任何議題納入董事局定期會議議程內，事先並獲提供充分時間審閱與董事局會議將予討論之事宜有關之文件和資料。

Name of Director 董事姓名		Number of attendance 出席會議次數
Mr. XU Tie-liang	許鉄良先生	8/8
Mr. ZHU Yuan	朱　遠先生	8/8
Ms. GUAN Yijun	關懿君女士	8/8
Mr. CHEUNG Shing	張　成先生	8/8
Mr. LI Yunlong	李雲龍先生	8/8
Mr. WANG Guangtian	王廣田先生	8/8
Mr. SHI Xunzhi (retired on 18 May 2017)	史訓知先生（於二零一七年五月十八日退任）	6/6
Mr. YANG Jie (appointed on 18 May 2017)	楊　傑先生（於二零一七年五月十八日獲委任）	2/2

Board minutes are open for inspection by the Directors. Every Board member is entitled to have access to Board papers and related materials and unrestricted access to the advice and services of the Company Secretary, and has the liberty to seek external professional advice if so required.

董事局會議記錄可供董事查閱。每名董事局成員均有權查閱董事局文件及相關資料，亦可在不受限制下取得公司秘書之意見及享用其服務，並可於需要時尋求外界專業意見。

General Meeting

股東大會

During the year ended 31 December 2017, the Company held 1 general meeting, being the 2017 AGM, on 18 May 2017.

截至二零一七年十二月三十一日止年度，公司於二零一七年五月十八日舉行1次股東大會(即二零一七年股東週年大會)。

Name of Director 董事姓名		Number of attendance 出席會議次數
Mr. XU Tie-liang	許鉄良先生	1/1
Mr. ZHU Yuan	朱　遠先生	1/1
Ms. GUAN Yijun	關懿君女士	1/1
Mr. CHEUNG Shing	張　成先生	0/1
Mr. LI Yunlong	李雲龍先生	1/1
Mr. WANG Guangtian	王廣田先生	1/1
Mr. SHI Xunzhi (retired on 18 May 2017)	史訓知先生（於二零一七年五月十八日退任）	0/1
Mr. YANG Jie (appointed on 18 May 2017)	楊　傑先生（於二零一七年五月十八日獲委任）	N/A 不適用

The Board is responsible for maintaining an on-going dialogue with the shareholders and in particular, making use of the annual general meetings or other general meetings to communicate with them and encourage their participation. Mr. Xu Tie-liang, being the Chairman of the Board and the chairman of the CG Committee, Mr. Li Yunlong, being the chairman of each of the Audit Committee and Remuneration Committee, and Mr. Wang Guangtian, being the chairman of the Nomination Committee, attended the 2017 AGM to answer questions and collect views of shareholders.

董事局負責保持與股東持續對話，尤其是利用股東週年大會或其他股東大會與股東溝通並鼓勵股東參與。董事局主席以及企業管治委員會主席許鉄良先生、審核委員會及薪酬委員會主席李雲龍先生及提名委員會主席王廣田先生出席了二零一七年股東週年大會，回答股東提問並收集股東意見。

NOMINATION OF DIRECTORS

In considering the nomination of new Directors, the Board takes into account the qualification, ability, working experience, leadership and professional ethics of the candidates, especially their experience in the natural gas industry and/or other professional area.

The Company established the Nomination Committee with written terms of reference on 15 March 2006 and currently consists of two independent non-executive Directors, namely Mr. Wang Guangtian (as chairman) and Mr. Li Yunlong, and one executive Director, namely Mr. Cheung Shing. The terms of reference of the Nomination Committee are currently made available on the Stock Exchange's website and the Company's website.

Terms of reference of the Nomination Committee are aligned with the code provisions set out in the CG Code.

The functions of the Nomination Committee are to review and monitor the structure, size and diversity of the Board; to provide recommendations on any proposed changes to the Board in order to complement the Group's strategy; to identify qualified individuals in becoming members of the Board; to assess the independence of non-executive Directors; to review the measurable objectives that the Board has set for implementing the Policy, and the progress on achieving the objectives; and to provide recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer.

During the year ended 31 December 2017, the Nomination Committee held 2 meetings. The Nomination Committee reviewed the structure, size and diversity of the Board, assessed the independence of non-executive Directors, considered and provided recommendations to the Board on the re-election of Directors and the proposed appointment of Director.

提名董事

於考慮提名新董事時，董事局將考慮候選人士之資歷、才能、工作經驗、領導能力及專業操守，特別是彼等於天然氣行業及／或其他專業範疇之經驗。

公司已於二零零六年三月十五日成立提名委員會，並訂定書面職權範圍。提名委員會現由兩名獨立非執行董事王廣田先生（擔任主席）及李雲龍先生，以及一名執行董事張成先生組成。提名委員會的職權範圍現可於聯交所網站及公司網站查閱。

提名委員會的職權範圍符合企業管治守則內所載的守則條文。

提名委員會之職能為檢討及監控董事局之架構、規模及成員多元化，並就董事局的任何建議變動提供推薦建議以對集團策略作出補充；物色合資格人選出任董事局成員；評估非執行董事之獨立身份；檢討董事局執行政策設定之目標及達致目標之進程以及就委任或重新委任董事以及董事繼任計劃（尤其是主席及行政總裁）向董事局提供推薦建議。

截至二零一七年十二月三十一日止年度，提名委員會曾舉行2次會議。提名委員會檢討董事局結構、規模及多元化，評估非執行董事之獨立身份、考慮董事重選及建議委任董事事宜並就此向董事局提出推薦建議。

Name of member 成員姓名		Number of attendance 出席會議次數
Mr. WANG Guangtian	王廣田先生	2/2
Mr. LI Yunlong	李雲龍先生	2/2
Mr. CHEUNG Shing	張　成先生	2/2

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層酬金

The Company established the Remuneration Committee with written terms of reference on 13 January 2006 and currently consists of two independent non-executive Directors, namely Mr. Li Yunlong (as chairman) and Mr. Wang Guangtian, and one executive Director, namely Mr. Cheung Shing.

公司已於二零零六年一月十三日成立薪酬委員會，並訂定書面職權範圍。薪酬委員會現由兩名獨立非執行董事李雲龍先生（擔任主席）及王廣田先生，以及一名執行董事張成先生組成。

The terms of reference of the Remuneration Committee are currently made available on the Stock Exchange's website and the Company's website.

薪酬委員會的職權範圍現可於聯交所網站及公司網站查閱。

Terms of reference of the Remuneration Committee are aligned with the code provisions set out in the CG Code.

薪酬委員會的職權範圍符合企業管治守則內所載的守則條文。

The functions of the Remuneration Committee are to provide recommendations to the Board on the Company's remuneration policy, the remuneration packages for all Directors' and senior management, and the establishment of a formal and transparent procedure for formulating the remuneration policy.

薪酬委員會的職能為就集團有關全體董事的薪酬待遇及高級管理層薪酬的政策及架構以及就設置制定薪酬政策的正式及透明程序向董事局提供推薦建議。

During the year ended 31 December 2017, the Remuneration Committee held 2 meetings. The Committee reviewed the remuneration packages of the Directors, senior management, and the proposed remuneration of the newly appointed Director.

截至二零一七年十二月三十一日止年度，薪酬委員會曾舉行2次會議。委員會檢討董事及高級管理層之薪酬待遇以及建議新委任董事之薪酬。

Name of member 成員姓名		Number of attendance 出席會議次數
Mr. LI Yunlong	李雲龍先生	2/2
Mr. WANG Guangtian	王廣田先生	2/2
Mr. CHEUNG Shing	張　成先生	2/2

The Company has adopted the Share Option Scheme on 23 November 2011. The purpose of the Share Option Scheme is to enable the Board to grant options to selected eligible participants as incentives or rewards, for their contributions to the Group. The Board has also adopted the Restricted Share Award Scheme on 4 November 2011 as an incentive to recognise the employees' contributions, in order to retain them for the Group's continuing operation and development, and to attract suitable personnel for its further development.

公司於二零一一年十一月二十三日採納購股權計劃。購股權計劃旨在讓董事局向選定合資格參與人士授出購股權，作為彼等對集團所作貢獻之激勵及獎勵。董事局亦於二零一一年十一月四日採納限制性股份獎勵計劃作為獎勵以嘉許僱員之貢獻，並為集團持續經營及發展作為激勵以挽留僱員，並為集團進一步發展吸納合適人才。

Details of the Share Option Scheme and the Restricted Share Award Scheme are set out in notes 32(b) and (c) to the consolidated financial statements.

購股權計劃及限制性股份獎勵計劃詳情載於綜合財務報表附註32(b)及(c)。

The emolument payable to Directors and senior management will depend on their respective contractual terms under the employment agreements, if any, and is determined by the Board with reference to the recommendation of the Remuneration Committee, the performance of the Group and the prevailing market conditions. Details of the remuneration of the Directors and senior management for the year ended 31 December 2017 are set out in notes 11 and 12 to the consolidated financial statements.

董事及高級管理層應獲支付之酬金取決於彼等各自於僱傭協議（如有）下的合約條款，並由董事局根據薪酬委員會之推薦建議、集團表現及現行市況釐定。截至二零一七年十二月三十一日止年度，董事及高級管理層酬金詳情載於綜合財務報表附註11及12。

AUDIT COMMITTEE

審核委員會

The Company established the Audit Committee in 1998. The Audit Committee comprises three independent non-executive Directors, namely Mr. Li Yunlong (as chairman), Mr. Wang Guangtian and Mr. Yang Jie.

公司於一九九八年成立審核委員會。審核委員會現由三名獨立非執行董事李雲龍先生（擔任主席）、王廣田先生及楊傑先生組成。

The terms of reference of the Audit Committee are currently made available on the Stock Exchange's website and the Company's website.

審核委員會的職權範圍現可於聯交所網站及公司網站查閱。

Terms of reference of the Audit Committee are aligned with the code provisions set out in the CG Code.

審核委員會的職權範圍符合企業管治守則內所載的守則條文。

The Audit Committee is mainly responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor; to approve the remuneration and terms of engagement of the external auditor, to provide recommendations for any questions regarding the resignation or dismissal of such auditor; to review the interim and annual reports, and financial statements of the Group; to oversee the Company's financial reporting system including the adequacy of resources, qualifications and experience of staff in charge of the Company's financial reporting function and their training arrangement and budget, and to review the risk management and internal control system.

審核委員會主要負責就委任、重新委任及罷免外聘核數師及批准外聘核數師之酬金及委聘條款以及有關核數師罷免或被辭退之任何問題向董事局提供推薦建議；審閱集團中期及年度報告與財務報表；及監察公司之財務申報制度（包括資源充裕度、負責公司財務申報職能的員工之資格及經驗以及其培訓安排及預算）與檢討風險管理及內部監控系統。

The Audit Committee meets the external auditor regularly to discuss any area of concern during the audit. The Audit Committee reviews the interim and annual reports before submission to the Board. The Audit Committee focuses not only on the impact of the changes in accounting policies and practices, but also on the compliance with accounting standards, the Listing Rules and the legal requirements in the review of the Company's interim and annual reports.

審核委員會定期與外聘核數師會面，以討論審核過程中任何關注事宜。審核委員會於向董事局提呈中期及年度報告前，會先行作出審閱。審核委員會不僅著重會計政策及慣例變動之影響，於審閱公司之中期及年度報告時，亦著重於會計準則、上市規則及法例規定是否已得到遵守。

During the year ended 31 December 2017, the Audit Committee held 2 meetings.

截至二零一七年十二月三十一日止年度，審核委員會曾舉行2次會議。

Name of member 成員姓名		Number of attendance 出席會議次數
Mr. LI Yunlong	李雲龍先生	2/2
Mr. WANG Guangtian	王廣田先生	2/2
Mr. SHI Xunzhi (retired on 18 May 2017)	史訓知先生（於二零一七年五月十八日退任）	1/1
Mr. YANG Jie (appointed on 18 May 2017)	楊　傑先生（於二零一七年五月十八日獲委任）	1/1

During the year ended 31 December 2017, the Audit Committee reviewed the annual and interim results of the Group, and were in the opinion that the preparation of such results complied with the applicable accounting standards and the Listing Rules.

截至二零一七年十二月三十一日止年度，審核委員會審閱集團之全年及中期業績，並認為編製該等業績符合適用會計準則及上市規則。

CORPORATE GOVERNANCE COMMITTEE

The Company established the CG Committee, with written terms of reference, on 20 March 2012. The CG Committee comprises four executive Directors, namely Mr. Xu Tie-liang (as chairman), Mr. Zhu Yuan, Ms. Guan Yijun and Mr. Cheung Shing, the Chief Financial Officer of the Company, Ms. Law Yin Shan, Jenny and the Company Secretary of the Company, Ms. Chan Yuen Ying, Stella.

Terms of reference of the CG Committee are aligned with the code provisions set out in the CG Code.

The functions of the CG Committee are to develop and review the Company's policies and practices on corporate governance; to comply with the CG Code and other legal or regulatory requirements and make recommendations to the Board; to oversee the Company's orientation program for new Director; to review and monitor the training and continuous professional development of Directors and senior management; to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and Directors; and to review the Company's disclosure in the Corporate Governance Report.

企業管治委員會

公司於二零一二年三月二十日成立企業管治委員會，並訂定書面職權範圍。企業管治委員會由四名執行董事許鉄良先生（擔任主席）、朱遠先生、關懿君女士及張成先生、公司財務總監羅盈珊女士及公司之公司秘書陳婉縈女士組成。

企業管治委員會的職權範圍符合企業管治守則內所載的守則條文。

企業管治委員會的職能為制定及檢討公司關於企業管治的政策及常規以符合企業管治守則及其他法律或兼管規定，並向董事局提供推薦建議；監察公司新董事介紹安排；檢討及監察董事及高級管理層的培訓及持續專業發展；制定、檢討及監察僱員及董事適用的操行守則及合規手冊（如有）；及檢討公司於企業管治報告內的披露事項。

During the financial year ended 31 December 2017, the CG Committee held 1 meeting. The CG Committee reviewed the training and continuous professional development of Directors and senior management; and also reviewed the Company's compliance with the CG Code during the year ended 31 December 2017.

截至二零一七年十二月三十一日止財政年度，企業管治委員會舉行1次會議。企業管治委員會檢討董事及高級管理層的培訓及持續專業發展；亦檢討公司於截至二零一七年十二月三十一日止年度遵守企業管治守則的情況。

Name of member 成員姓名		Number of attendance 出席會議次數
Mr. XU Tie-liang	許鉄良先生	1/1
Mr. ZHU Yuan	朱　遠先生	1/1
Ms. GUAN Yijun	關懿君女士	1/1
Mr. CHEUNG Shing	張　成先生	1/1
Ms. LAW Yin Shan, Jenny	羅盈珊女士	1/1
Ms. CHAN Yuen Ying, Stella	陳婉縈女士	1/1

AUDITOR'S REMUNERATION

核數師酬金

During the year, the remuneration paid/payable to the Company's auditor is set out below:–

本年度內，已付／應付公司核數師之酬金載列如下：

Services rendered 所提供服務		Fee paid/payable 已付／應付費用 HK$'000 千港元
Audit services	審核服務	2,300
Non-audit services:	非審核服務	–
		2,300

COMPANY SECRETARY

The Company engaged an external professional company secretarial services provider, Uni-1 Corporate Services Limited ("Uni-1"), to provide compliance and full range of company secretarial services to the Group in order to assist the Group to cope with the changing regulatory environment and to suit different commercial needs.

Ms. Chan Yuen Ying, Stella ("Ms. Chan"), the representative of Uni-1, was appointed as the named Company Secretary of the Company.

Ms. Law Yin Shan, Jenny, the Chief Financial Officer of the Company, is the primary point of contact at the Company for the Company Secretary. According to the requirements of Rule 3.29 of the Listing Rules, Ms. Chan had taken no less than 15 hours of relevant professional training for the financial year ended 31 December 2017.

公司秘書

為協助集團適應變化的監管環境及滿足不同的商業需求，公司委聘一家外部專業公司秘書服務提供商統一企業服務有限公司(「統一」)為集團提供合規及全面的公司秘書服務。

統一的代表陳婉縈女士(「陳女士」)獲委任為公司的署名公司秘書。

公司財務總監羅盈珊女士為公司與公司秘書的主要聯絡人。根據上市規則第3.29條之規定，陳女士於截至二零一七年十二月三十一日止財政年度已接受不少於15小時的相關專業培訓。

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders and the Board. An annual general meeting of the Company shall be held in each year and at the place as determined by the Board. Each general meeting, other than an annual general meeting, shall be called a special general meeting. The Board may call special general meetings whenever it thinks fit.

Shareholders to convene a special general meeting

Shareholders may convene a special general meeting of the Company according to the provisions as set out in the Bye-Laws and the Companies Act of Bermuda. The procedures that shareholders can use to convene a special general meeting are set out in the document entitled "Procedures for a Shareholder to Propose a Person for Election as a Director", which is currently available on the Company's website.

Putting enquiries by shareholders to the Board

Shareholders of the Company may send written enquires to the Company for the attention of the Company Secretary at the Company's principal place of business in Hong Kong.

股東權利

公司股東大會為股東與董事局之間提供溝通機會。公司須每年於董事局可能決定的地點舉行股東週年大會。除股東週年大會外，股東大會均稱為股東特別大會。董事局可於其認為合適的時間召開股東特別大會。

股東召開股東特別大會

股東可根據細則所載條文及百慕達公司法召開公司股東特別大會。股東可用以召開股東特別大會的程序載於文件「股東提名人選參選董事之程序」內(該文件可於公司網站查閱)。

股東向董事局提出查詢

公司股東可向公司之公司秘書發送書面查詢，寄至公司於香港之主要營業地點。

Procedures for putting forward proposals by shareholders at shareholders' meeting

The number of members necessary for a requisition for putting forward a proposal at a general meeting shall be:

(a) any number of members representing not less than one-twentieth of the total voting rights at the date of the requisition; or

(b) not less than one hundred members.

A copy or copies of requisition signed by all requisitionists shall be deposited, with a sum reasonably sufficient to meet the Company's expenses in giving notice of the proposed resolution or circulating any necessary statement, at the Company's principal place of business in Hong Kong in the case of:–

(i) a requisition requiring notice of a resolution, not less than six weeks before the meeting; and

(ii) any other requisition, not less than one week before the meeting. The Company will verify the requisition and upon confirming that the requisition is proper and in order, the Board will proceed with the necessary procedures.

VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at the general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As such, all the resolutions to be set out in the notice of 2018 AGM will be voted by poll.

股東於股東大會上提呈建議的程序

要求在股東大會上提呈建議的必需股東人數為：

(a) 佔不少於提出要求當日之總投票權二十分之一的任何數目之股東；或

(b) 不少於一百名股東。

經全體要求人士簽署的要求（隨附合理足夠彌補公司發出建議決議案通告或發送任何必要文檔的費用之款項）副本須送達公司的香港主要營業地點，其中：

(i) 有關寄發決議案通告的要求應不遲於大會前六周送達；及

(ii) 任何其他要求應不遲於大會前一周送達。公司將核實相關要求，而董事局將於確認要求屬適當且符合程序之後執行必要程序。

以投票方式表決

根據上市規則第13.39(4)條，股東於股東大會上的任何表決必須以投票方式進行，惟主席真誠決定允許就純粹有關程序或行政事項之決議案進行舉手表決則除外。因此，二零一八年股東週年大會通告內所載的全部決議案將以投票形式進行表決。

INVESTOR RELATIONS

The Company is committed to a policy of open and regular communication and reasonable disclosure of information to its shareholders.

Information of the Company is disseminated to the shareholders in the following manner:

- Delivery of annual and interim results and reports to all shareholders;
- Publication of announcements on the annual and interim results on the Stock Exchange website, and issue of other announcements and shareholders' circulars in accordance with the continuing disclosure obligations under the Listing Rules; and
- The general meeting of the Company is also an effective communication channel between the Board and shareholders.

Mr. Xu Tie-liang, the Chairman of the Board and the chairman of the CG Committee, together with the chairman of each of the Audit Committee, the Nomination Committee and the Remuneration Committee, attended the 2017 AGM to answer questions of the meeting and collect views of shareholders.

投資者關係

公司堅持採取開誠佈公的態度，定期與股東溝通並向他們作出合理的資料披露。

公司資料以下列方式向股東傳達：

- 向全體股東送呈公司年度及中期業績與報告；
- 按照上市規則之持續披露責任，在聯交所網站上刊發年度及中期業績公佈和發表其他公佈以及股東通函；及
- 公司之股東大會，亦是董事局與股東進行溝通之有效渠道之一。

董事局主席及企業管治委員會主席許鉄良先生連同審核委員會、提名委員會及薪酬委員會之主席出席了二零一七年股東週年大會，在會上回答提問並收集股東意見。

DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare the Company's consolidated financial statements for each financial year, which give a true and fair view of the financial position of the Group, its financial performance and cash flows for that year. In preparing the consolidated financial statements for the year ended 31 December 2017, the Board has selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent, fair and reasonable, and prepared the accounts on a going concern basis.

The Directors are responsible for taking all reasonable and necessary steps to safeguard the assets of the Group, to prevent and detect fraud, as well as other irregularities.

The Directors, after appropriate enquiries were made, considered that the Group has adequate resources to continue in operational existence for the foreseeable future and that, for this reason, it is appropriate to adopt the going concern basis in preparing the consolidated financial statements.

董事對財務報表之責任

董事局肩負於每個財政年度編製公司綜合財務報表之職責，該等財務報表須真實公平地反映該年度內集團財務狀況、其財務表現及現金流量。編製截至二零一七年十二月三十一日止年度之綜合財務報表時，董事局已選定及貫徹應用合適之會計政策，作出審慎、公平及合理之判斷及估計，並採納持續經營基準編製有關賬目。

董事負責採取一切合理及所需步驟保障集團資產、防止及偵查欺詐以及其他不當情況。

董事經作出適當查詢後，認為集團有充裕資源於可見未來持續經營，因此採納持續營運基準編製綜合財務報表乃屬合適。

RISK MANAGEMENT AND INTERNAL CONTROL

During the year, the Group has complied with Principle C.2 of the CG Code by establishing appropriate and effective risk management and internal control system. Management is responsible for the design, implementation and monitoring of such systems, while the Board oversees management in performing its duties on an ongoing basis. Main features of the risk management and internal control system are described in the sections below:

Risk Management System

The Group adopts a risk management system which manages the risk associated with its business and operations. The system comprises the following phases:

- Identification: Identify ownership of risks, business objectives and risks that could affect the achievement of objectives.
- Evaluation: Analyze the likelihood and impact of risks and evaluate the risk portfolio accordingly.
- Management: Consider the risk responses, ensure effective communication to the Board and on-going monitoring of the residual risks.

Based on the risk assessments conducted in 2017, no significant risk was identified.

Internal Control System

The Company has an internal control system in place which is compatible with the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") 2013 framework. The framework enables the Group to achieve objectives regarding the effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. The components of the framework are shown as follows:

- Control Environment: A set of standards, processes and structures that provide the basis for carrying out the internal control across the Group.
- Risk Assessment: A dynamic and iterative process for identifying and analyzing risks to achieve the Group's objectives, forming a basis for determining how risks should be managed.
- Control Activities: Activities established by policies and procedures to help ensure that management directives are carried out, objectives are achieved, and risks are mitigated.

風險管理及內部監控

年內，集團經由設立適當有效的風險管理及內部監控系統遵守企業管治守則準則C.2。管理層負責設計、執行及監察相關系統，而董事局則持續監督管理層履行其職責。風險管理及內部監控系統的主要特徵於下列各節說明：

風險管理系統

集團已採納一項風險管理系統以管理有關其業務及營運的風險。該系統包括以下層面：

- 識別：識別風險所有權、業務目標及可能影響目標達成的風險。
- 評估：分析風險的可能性及影響並對風險組合作出相應評估。
- 管理：考慮風險應對，確保與董事局已就風險進行有效溝通並持續監察剩餘風險。

根據於二零一七年進行的風險評估，概無識別任何顯著風險。

內部監控系統

公司已制定符合the Committee of Sponsoring Organisations of the Treadway Commission（「COSO」）於二零一三年發出的框架之內部監控系統。該框架可促使集團達致營運有效性及效率性、財務報告可靠性及遵守適用法例及規例的目標。該框架由以下關鍵部份組成：

- 監控環境：為集團開展內部監控提供基礎的一套標準、程序及結構。
- 風險評估：識別及分析風險以達成集團目標並就如何管理風險形成依據的動態交互流程。
- 監控行動：政策及程序為幫助確保管理層指令獲執行、目標獲達成及風險獲減輕而制定的行動。

- Information and Communication: To provide the Group's internal and external communication, together with the information needed to carry out day-to-day controls.

- Monitoring: Ongoing and separate evaluations to ascertain whether each component of the internal control is present and functioning.

In order to enhance the Group's system of handling inside information, and to ensure the truthfulness, accuracy, completeness and timeliness of its public disclosures, the Group also adopts and implements an inside information policy and procedures. Certain reasonable measures have been taken from time to time to ensure that proper safeguards exist to prevent a breach of a disclosure requirement in relation to the Group, which include:

- The access of information is restricted to a limited number of employees on a need-to-know basis. Employees who are in possession of inside information are fully conversant with their obligations to preserve confidentiality.

- Confidentiality agreements are in place when the Group enters into significant negotiations.

- The Executive Directors are designated persons who speak on behalf of the Company when communicating with external parties such as the media, analysts or investors.

Based on the internal control reviews conducted in 2017, no significant control deficiency was identified.

Internal Auditors

The Group has an Internal Audit ("IA") function, which consists of professional staff with relevant expertise (such as Certified Public Accountant). The IA function is independent of the Group's daily operation and carries out appraisal of the risk management and internal control system by conducting interviews, walkthroughs and tests of operating effectiveness.

An IA plan has been approved by the Board. According to the established plan, review of the risk management and internal control systems is conducted annually, and afterwards the results are reported to the Board via Audit Committee.

- 資料及通訊：為集團提供進行日常監控所需內部及外部通訊及資料。

- 監察：為確定內部監控的各組成部份是否存在及運行而進行的持續及單獨評估。

為提高集團處理內幕消息的系統，並為確保其公開披露的真實性、準確性、完整性和及時性，集團亦採納及執行一套內幕消息政策及程序。集團已不時採納若干合理措施以確保存在適當保障以防止違反有關集團的披露規定，其中包括：

- 僅少數僱員可按需要查閱相關資料。掌握內幕消息的僱員充分熟知彼等的保密責任。

- 集團進行重大磋商時將會訂立保密條款。

- 當與外界團體例如媒體、分析家或投資者溝通時，執行董事為代表公司發言之指定人士。

根據於二零一七年進行的內部監控審查，概無識別任何顯著的監控缺陷。

內部核數師

集團設有內部審計部門，由具備有關技術專長的專業人員(例如執業會計師)組成。內部審計部門獨立於集團的日常經營，以面談、走訪及測試經營效能之方式對風險管理及內部監控系統進行評估。

董事局已批准內部審計計劃。根據已制定的計劃，每年會對風險管理及內部監控系統進行審查，其後經由審核委員會向董事局報告審查結果。

Effectiveness of the Risk Management and Internal Control System

The Board is responsible for the risk management and internal control system of the Group and ensuring review of the system's effectiveness is conducted annually. Several areas have been considered during the Board's reviews, which include but not limited to (i) the changes in the nature and extent of significant risks since the last annual review, and the Group's ability to respond to changes in its business and the external environment (ii) the scope and quality of management's ongoing monitoring of risks and of the internal control system.

The Board, through its reviews and the reviews made by IA function and Audit Committee, concluded that the risk management and internal control system were effective and adequate. Such system, however, is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. It is also considered that the resources, staff qualifications and experience of relevant staff were adequate and the training programs and budget provided were sufficient.

風險管理及內部監控系統的效能

董事局負責集團的風險管理及內部監控系統並確保每年審查該等系統的效能。進行該等董事局審閱時已考慮若干方面，包括但不限於(i)自上年度審閱後的重大風險之性質及程度變動及集團對其業務及外部環境變動作出回應的能力；(ii)管理層持續監察風險管理及內部監控系統的範圍及質素。

透過其審查以及由內部審計部門及審核委員會進行的審查，董事局斷定風險管理及內部監控系統屬有效適當。然而，相關系統旨在管理而非消除不能達成業務目標的風險，並僅可對重大錯誤陳述或損失提供合理但並非絕對之保證。亦認為各類資源、員工資格及有關員工的經驗屬適當，並已提供足夠的培訓計劃及預算。

CONSTITUTIONAL DOCUMENTS

There was no change in the Company's constitutional documents during the year ended 31 December 2017.

章程文件

於截至二零一七年十二月三十一日止年度，公司之章程文件並無發生變更。

Independent Auditor's Report
獨立核數師報告書

pwc

羅兵咸永道

To the Shareholders of China Oil And Gas Group Limited
(incorporated in Bermuda with limited liability)

Opinion

What we have audited

The consolidated financial statements of China Oil And Gas Group Limited (the "Company") and its subsidiaries (the "Group") set out on pages 64 to 195, which comprise:

- the consolidated statement of financial position as at 31 December 2017;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2017, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

致中油燃氣集團有限公司股東
(於百慕達註冊成立之有限公司)

意見

我們已審計的內容

中油燃氣集團有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第64至195頁的綜合財務報表，包括：

- 於二零一七年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們的意見

我們認為，該等綜合財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了 貴集團於二零一七年十二月三十一日之綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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Independent Auditor's Report
獨立核數師報告書

(continued)（續）

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羅兵咸永道

To the Shareholders of China Oil And Gas Group Limited *(Continued)*
(incorporated in Bermuda with limited liability)

致中油燃氣集團有限公司股東*（續）*
（於百慕達註冊成立之有限公司）

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

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

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計綜合財務報表承擔的責任」部分中作進一步闡述。

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independence

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

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》（以下簡稱「守則」），我們獨立於　貴集團，並已履行守則中的其他專業道德責任。

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Impairment assessments of loan receivable from and interest in an associate
- Impairment assessment of goodwill

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期綜合財務報表的審計最為重要的事項。這些事項是在我們審計整體綜合財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

我們在審計中識別的關鍵審計事項概述如下：

- 應收一間聯營公司貸款及於該聯營公司的權益減值評估
- 商譽減值評估

pwc 羅兵咸永道

To the Shareholders of China Oil And Gas Group Limited *(Continued)*
(incorporated in Bermuda with limited liability)

致中油燃氣集團有限公司股東*(續)*
(於百慕達註冊成立之有限公司)

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵會計事項	我們的審計如何處理關鍵會計事項
Impairment assessments of loan receivable from and interest in an associate		***應收一間聯營公司貸款及於該聯營公司的權益減值評估***	
Refer to note 5(a) critical accounting estimates and judgements and note 20 and 23(c) to the Group's consolidated financial statements.	Our procedures in relation to management's impairment assessment of interest in this associate included the evaluation of the appropriateness of valuation methodology and reasonableness of the key assumptions used with assistance of our internal expert.	*參考附註5(a)重大會計估計及判斷以及貴集團綜合財務報表附註20及23(c)。*	我們與管理層對於聯營公司權益的減值評估相關的程序包括在我們的估值專家協助下對所採用的估值方法是否適當及重大假設是否合理進行評估。
The Group had loan receivable from an associate of approximately HK$637,251,000 and interest in this associate of approximately HK$257,250,000 as at 31 December 2017.	Our procedures in relation to management's impairment assessment of loan receivable from the associate included reviewing the financial statements, business plan and forecast of the associate to identify whether there are indications the associate cannot repay its debt, as and when they fall due.	於二零一七年十二月三十一日，貴集團應收一間聯營公司貸款約為637,251,000港元及於該聯營公司擁有的權益約為257,250,000港元。	我們與管理層對應收聯營公司貸款的減值評估相關的程序包括覆核聯營公司的財務報表、業務計劃及預測，以認定是否存在聯營公司無法償還其到期債務的跡象。
Management concluded that no provision was required as the associate has the ability to repay the loan and the recoverable amount of the associate's business exceeded its carrying value.		管理層斷定毋須作出撥備，蓋因該聯營公司有能力償還貸款且聯營公司業務的可收回金額超過其賬面值。	
Management assessed the recoverability of interest in the associate based on the recoverable amount of the associate's business valuation applying the fair value less costs of disposal method. The key underlying assumptions were set out in notes 5(a) and 20 to the Group's consolidated financial statements.	We evaluated management's estimated commodity price growth rate by challenging management's rationale to support their projections. We researched the most up-to-date commodity price and performed independent market research on the commodity price growth that was in line with management's forecasts.	根據應用使用公平值減出售成本法計算的聯營公司業務可收回金額估值，管理層對於聯營公司權益的可收回性進行評估。關鍵相關假設載於貴集團綜合財務報表附註5(a)及20。	通過對管理層用以支持其預測的基本原理提出質疑，我們對管理層的估計商品價格增長率進行評估。我們研究最近期的商品價格，並就與管理層預測相一致的商品價格增長進行獨立市場調研。

pwc

羅兵咸永道

To the Shareholders of China Oil And Gas Group Limited *(Continued)*
(incorporated in Bermuda with limited liability)

致中油燃氣集團有限公司股東*（續）*
（於百慕達註冊成立之有限公司）

Key Audit Matter	How our audit addressed the Key Audit Matter	關鍵會計事項	我們的審計如何處理關鍵會計事項
Impairment assessments of loan receivable from and interest in an associate (continued)		***應收一間聯營公司貸款及於該聯營公司的權益減值評估（續）***	
We focused on this area due to the magnitude of the loan receivable from and interest in this associate. Moreover, significant judgements and estimates were involved in estimating the recoverable amount of the interest in the associate and the loan receivable.	We compared the future production profile against the reserve estimation report conducted by management's expert and evaluated the competence, capacity and objectivity of the expert. We evaluated the reasonableness of the discount rate applied by benchmarking management's assumptions with those applied by comparable companies and industry forecasts. We physically inspected the site and discussed with local management to understand the current status of operation. We performed sensitivity analysis in consideration of the potential impact of reasonably possible downside changes in these key assumptions. We found the management's judgements and assumptions used in the impairment assessments of loan receivable from and interest in an associate were supported by the available evidence.	我們因應收該聯營公司貸款及於該聯營公司擁有的權益甚巨而關注此領域。另外，對於聯營公司權益及應收貸款的可收回金額進行估計涉及重大判斷及估計。	我們將未來生產概況與管理層專家進行的儲量估算報告進行對比，並評估專家的專長、能力及客觀性。 通過將管理層的假設與可資比較公司所採用者及行業預測進行比較，我們對所採用的貼現率之合理性進行評估。 我們實地視察現場並與當地管理層討論，以了解當前營運狀況。 考慮到該等關鍵假設可能進行合理下行變化的潛在影響，我們進行了敏感度分析。 我們發現，管理層在應收一間聯營公司貸款及於該聯營公司的權益減值評估中應用的判斷及假設獲現有證據支持。

pwc 羅兵咸永道

To the Shareholders of China Oil And Gas Group Limited *(Continued)*
(incorporated in Bermuda with limited liability)

致中油燃氣集團有限公司股東*(續)*
(於百慕達註冊成立之有限公司)

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill	
Refer to note 5(b) critical accounting estimates and judgements and note 19 to the Group's consolidated financial statements.	Our procedures in relation to testing management's goodwill impairment assessment of the Natural Gas Business CGUs included the evaluation of the appropriateness of valuation methodology and reasonableness of the key assumptions used with assistance of our valuation experts.
The Group carried goodwill of approximately HK$997,499,000 as at 31 December 2017, which was allocated to a group of cash generating units ("CGUs") relating to the sales and distribution of natural gas and other related products business ("Natural Gas Business") CGUs.	We challenged management on the estimated growth rate, expected changes to selling prices and direct costs assumptions and compared cash flows generated during the year ended 31 December 2017 with prior years' performance. We evaluated the reasonableness of the discount rate applied by benchmarking management's assumptions with those applied by comparable companies and industry forecasts. Furthermore, we evaluated the terminal growth rate with reference to the long term inflation rate.
Management estimated the recoverable amount of the Natural Gas Business CGUs based on value-in-use calculations that applied the key assumptions and inputs set out in notes 5(b) and 19 to the Group's consolidated financial statements. Based on value-in-use calculations, management has concluded there was no impairment of the goodwill as at 31 December 2017.	We found the management's judgements and assumptions used in the impairment assessment of goodwill were supported by the available evidence.
We focused on this area due to the magnitude of the goodwill balance and the significant judgements made by management in estimating the recoverable amount of the goodwill.	

關鍵會計事項	我們的審計如何處理關鍵會計事項
商譽減值評估	
參考附註5(b)重大會計估計及判斷以及 貴集團綜合財務報表附註19。	我們測試管理層對天然氣業務現金產生單位商譽減值評估相關的程序包括在我們的估值專家協助下對所採用的估值方法是否適當及關鍵假設是否合理進行評估。
於二零一七年十二月三十一日， 貴集團錄得商譽約997,499,000港元。商譽分配至一組現金產生單位(「現金產生單位」)，該組現金產生單位乃與銷售及分銷天然氣及其他相關產品業務(「天然氣業務」)現金產生單位有關。	我們就估計增長率、預期售價變動及直接費用假設對管理層提出質疑，並將截至二零一七年十二月三十一日止年度之現金流量與上年表現進行對比。通過將管理層的假設與可資比較公司所採用者及行業預測進行比較，我們對所採用的貼現率之合理性進行評估。另外，根據長期通脹率，我們對最終增長率進行評估。
管理層根據使用價值計算法對天然氣業務現金產生單位的可收回金額進行估計。該方法應用 貴集團綜合財務報表附註5(b)及19所載的重大假設及數據。根據使用價值計算法管理層已斷定，於二零一七年十二月三十一日概無任何商譽減值。	我們發現，管理層在商譽減值評估中應用的判斷及假設獲現有證據支持。
我們因商譽結餘甚巨且管理層於對商譽的可收回金額進行估計時作出的重大判斷而關注此領域。	

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羅兵咸永道

To the Shareholders of China Oil And Gas Group Limited *(Continued)*
(incorporated in Bermuda with limited liability)

致中油燃氣集團有限公司股東*（續）*
（於百慕達註冊成立之有限公司）

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

其他資料

貴公司董事須對其他信息負責。其他信息包括年報內的所有信息，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他信息，我們亦不對該等其他信息發表任何形式的鑒證結論。

結合我們對綜合財務報表的審計，我們的責任是閱讀其他信息，在此過程中，考慮其他信息是否與綜合財務報表或我們在審計過程中所了解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

基於我們已執行的工作，如果我們認為其他信息存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

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羅兵咸永道

To the Shareholders of China Oil And Gas Group Limited *(Continued)*
(incorporated in Bermuda with limited liability)

Responsibilities of Directors and the Audit Committee for the Consolidated Financial Statements

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

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

The Audit Committee are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with Section 90 of the Companies Act 1981 of Bermuda and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

致中油燃氣集團有限公司股東*(續)*
(於百慕達註冊成立之有限公司)

董事及審核委員會就綜合財務報表須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》及香港《公司條例》的披露規定擬備真實而中肯的綜合財務報表，並對其認為為使綜合財務表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

在擬備綜合財務報表時，董事須負責評估 貴集團持續經營的能力，並在適用情況下披露與持續經營有關的事項，以及使用持續經營為會計基礎，除非董事有意將 貴集團清盤或停止經營，或別無其他實際的替代方案。

審核委員會須負責監督 貴集團的財務報告過程。

核數師就審核綜合財務報表須承擔的責任

我們的目標，是對綜合財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向按照百慕達一九八一年《公司法》第90條向 閣下(作為整體)報告我們的意見，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響綜合財務報表使用者依賴綜合財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

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羅兵咸永道

To the Shareholders of China Oil And Gas Group Limited *(Continued)*
(incorporated in Bermuda with limited liability)

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

致中油燃氣集團有限公司股東*(續)*
(於百慕達註冊成立之有限公司)

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致綜合財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。

- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對　貴集團內部控制的有效性發表意見。

- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。

- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對　貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意綜合財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致　貴集團不能持續經營。

- 評價綜合財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映交易和事項。

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To the Shareholders of China Oil And Gas Group Limited *(Continued)*
(incorporated in Bermuda with limited liability)

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wilson Chan.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 March 2018

羅兵咸永道

致中油燃氣集團有限公司股東*(續)*
(於百慕達註冊成立之有限公司)

- 就　貴集團內實體或業務活動的財務信息獲取充足、適當的審計憑證，以便對綜合財務報表發表意見。我們負責　貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排及重大審計發現等，包括我們在審計過程中識別出內部控制的任何重大缺陷。

我們還向審核委員會提交聲明，説明我們已符合有關獨立性的相關道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審計最為重要，因而構成關鍵審核事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

出具本獨立核數師報告的審計項目合夥人是陳偉信。

羅兵咸永道會計師事務所
執業會計師

香港，二零一八年三月二十七日

Consolidated Statement of Comprehensive Income
綜合全面收益表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Note 附註	**2017 二零一七年 HK$'000 千港元**	2016 二零一六年 HK$'000 千港元
Revenue	營業額	6	**7,651,280**	6,446,452
Cost of sales	銷售成本		**(6,435,083)**	(5,318,367)
Gross profit	毛利		**1,216,197**	1,128,085
Other income	其他收入	7	**30,262**	26,735
Other gains, net	其他收益，淨額	8	**22,901**	137,780
Selling and distribution costs	銷售及分銷費用		**(50,507)**	(66,537)
Administrative expenses	行政開支		**(307,497)**	(301,650)
Reversal of impairment losses on oil and gas properties under property, plant and equipment	物業、廠房及設備項下油氣資產減值虧損回撥	16	**4,402**	52,003
Operating profit	經營溢利	9	**915,758**	976,416
Finance income	財務收入	10	**101,741**	83,310
Finance costs	財務費用	10	**(203,677)**	(201,946)
Share of losses of investments accounted for using the equity method	分佔使用權益法入賬的投資虧損	20	**(2,356)**	(15,651)
Profit before taxation	除稅前溢利		**811,466**	842,129
Taxation	稅項	13	**(188,527)**	(184,461)
Profit for the year	年內溢利		**622,939**	657,668
Other comprehensive income/(loss):	其他全面收入／(虧損)：			
Items that may be reclassified to profit or loss	*可重新分類至損益的項目*			
Release of exchange reserve upon disposal of a subsidiary	於出售附屬公司時變現匯兌儲備		**–**	4,456
Currency translation differences	貨幣換算差額		**482,811**	(401,693)
Change in value of available-for-sale financial assets	可供出售財務資產價值變動		**40,296**	1,820
Other comprehensive income/(loss) for the year, net of tax	年內其他全面收入／(虧損)，扣除稅項		**523,107**	(395,417)
Total comprehensive income for the year	年內全面收入總額		**1,146,046**	262,251
Profit attributable to:	應佔溢利：			
Owners of the Company	公司擁有人		**250,467**	311,791
Non-controlling interests	非控股權益		**372,472**	345,877
			622,939	657,668
Total comprehensive income for the year attributable to:	年內應佔全面收入總額：			
Owners of the Company	公司擁有人		**642,756**	80,003
Non-controlling interests	非控股權益		**503,290**	182,248
			1,146,046	262,251
Earnings per share attributable to owners of the Company for the year	公司擁有人年內應佔每股盈利	15		
– Basic (HK cents)	－基本(港仙)		**4.865**	5.981
– Diluted (HK cents)	－攤薄(港仙)		**4.858**	5.963

The notes on pages 72 to 195 are an integral part of these consolidated financial statements.

第72至195頁之隨附附註為本綜合財務報表之組成部分。

Consolidated Statement of Financial Position
綜合財務狀況表

As at 31 December 2017
於二零一七年十二月三十一日

		Note 附註	2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Assets	**資產**			
Non-current assets	**非流動資產**			
Property, plant and equipment	物業、廠房及設備	16	**7,725,219**	6,624,992
Exploration and evaluation assets	勘探及評估資產	17	**215,189**	213,548
Land use rights	土地使用權	18	**456,458**	393,344
Intangible assets	無形資產	19	**1,035,324**	1,002,291
Investments accounted for using the equity method	使用權益法入賬之投資	20	**321,167**	300,065
Available-for-sale financial assets	可供出售財務資產	21	**596,360**	638,262
Other non-current assets	其他非流動資產	23	**956,763**	792,258
Deferred tax assets	遞延稅項資產	30	**4,796**	19,510
			11,311,276	9,984,270
Current assets	**流動資產**			
Inventories	存貨	22	**244,438**	190,573
Deposits, trade and other receivables	按金、貿易及其他應收款項	23	**1,596,734**	1,516,892
Financial assets at fair value through profit or loss	按公平值經損益入賬之財務資產	24	**48,842**	47,448
Current tax recoverable	當期可收回稅項		**6,333**	6,003
Time deposits with maturity over three months	存款期超過三個月的定期存款	25	**48,531**	25,170
Cash and cash equivalents	現金及現金等值項目	25	**2,290,447**	1,833,483
			4,235,325	3,619,569
Total assets	**總資產**		**15,546,601**	13,603,839
Liabilities	**負債**			
Current liabilities	**流動負債**			
Trade and other payables	貿易及其他應付款項	26	**1,431,733**	1,327,747
Receipt in advance	預收款項	27	**1,584,003**	1,156,195
Short-term borrowings	短期借貸	28	**689,258**	360,907
Current tax payable	當期應付稅項		**215,042**	152,095
			3,920,036	2,996,944

Consolidated Statement of Financial Position
綜合財務狀況表

As at 31 December 2017
於二零一七年十二月三十一日
(continued)（續）

		Note 附註	2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Non-current liabilities	**非流動負債**			
Senior notes	優先票據	29	**4,970,240**	5,006,417
Long-term borrowings	長期借貸	28	**60,000**	–
Deferred tax liabilities	遞延稅項負債	30	**260,359**	240,801
Assets retirement obligation	資產報廢承擔	31	**130,311**	108,723
			5,420,910	5,355,941
Total liabilities	**總負債**		**9,340,946**	8,352,885
Equity	**權益**			
Equity attributable to owners of the Company	**公司擁有人應佔權益**			
Share capital	股本	32	**58,257**	58,257
Reserves	儲備		**3,286,289**	2,772,174
			3,344,546	2,830,431
Non-controlling interests	非控股權益		**2,861,109**	2,420,523
Total equity	**權益總額**		**6,205,655**	5,250,954
Total equity and liabilities	**權益及負債總額**		**15,546,601**	13,603,839

The notes on pages 72 to 195 are an integral part of these consolidated financial statements.

第72至195頁之附註為本綜合財務報表之組成部分。

The financial statements on pages 64 to 195 were approved by the Board of Directors on 27 March 2018 and were signed on its behalf.

第64至195頁之財務報表已於二零一八年三月二十七日獲董事局批准並簽署。

Xu Tie-liang
Director

Guan Yijun
Director

許鉄良
董事

關懿君
董事

Consolidated Statement of Changes in Equity
綜合權益變動表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Attributable to owners of the Company 公司擁有人應佔									
		Share capital 股本 HK$'000 千港元	Share premium 股份溢價 HK$'000 千港元	Shares held for share award scheme 為股份獎勵計劃所持股份 HK$'000 千港元	(Note) Other reserves (附註) 其他儲備 HK$'000 千港元	Exchange fluctuation reserve 匯兑波動儲備 HK$'000 千港元	Share-based compensation reserve 以股份為基礎的酬金儲備 HK$'000 千港元	Retained profits 保留溢利 HK$'000 千港元	Total 總額 HK$'000 千港元	Non-controlling interests 非控股權益 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2016	**於二零一六年一月一日**	58,257	24,578	(275,629)	1,534,741	(371,122)	–	1,806,239	2,777,064	2,423,190	5,200,254
Profit for the year	**年內溢利**	–	–	–	–	–	–	311,791	311,791	345,877	657,668
Other comprehensive income/(loss):	**其他全面收入／(虧損)：**										
Release of exchange reserve upon disposal of a subsidiary (Note 34(b))	於出售一間附屬公司時變現匯兑儲備(附註34(b))	–	–	–	–	2,673	–	–	2,673	1,783	4,456
Exchange differences on translating foreign operations	換算海外業務的匯兑差額	–	–	–	–	(236,281)	–	–	(236,281)	(165,412)	(401,693)
Changes in value of available-for-sale financial assets	可供出售財務資產價值變動	–	–	–	1,820	–	–	–	1,820	–	1,820
Total comprehensive income/(loss) for the year	**年內全面收入／(虧損)總額**	–	–	–	1,820	(233,608)	–	311,791	80,003	182,248	262,251
Vesting of shares under share award scheme	根據股份獎勵計劃歸屬股份	–	–	1,798	–	–	(1,798)	–	–	–	–
Shares purchased for share award scheme	為股份獎勵計劃購買股份	–	–	(31,875)	–	–	–	–	(31,875)	–	(31,875)
Value of employee services	僱員服務價值	–	–	–	–	–	5,239	–	5,239	–	5,239
Capital injection by non-controlling interests	非控股權益注資	–	–	–	–	–	–	–	–	11,151	11,151
Disposal of a subsidiary (Note 34(b))	出售一間附屬公司(附註34(b))	–	–	–	–	–	–	–	–	(86,841)	(86,841)
Dividend paid to non-controlling interests	派付股息予非控股權益	–	–	–	–	–	–	–	–	(109,225)	(109,225)
At 31 December 2016	**於二零一六年十二月三十一日**	58,257	24,578	(305,706)	1,536,561	(604,730)	3,441	2,118,030	2,830,431	2,420,523	5,250,954

Consolidated Statement of Changes in Equity
綜合權益變動表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度
(continued)（續）

		Attributable to owners of the Company 公司擁有人應佔									
		Share capital 股本 HK$'000 千港元	Share premium 股份溢價 HK$'000 千港元	Shares held for share award scheme 為股份獎勵計劃所持股份 HK$'000 千港元	(Note) Other reserves (附註) 其他儲備 HK$'000 千港元	Exchange fluctuation reserve 匯兌波動儲備 HK$'000 千港元	Share-based compensation reserve 以股份為基礎的酬金儲備 HK$'000 千港元	Retained profits 保留溢利 HK$'000 千港元	Total 總額 HK$'000 千港元	Non-controlling interests 非控股權益 HK$'000 千港元	Total equity 權益總額 HK$'000 千港元
At 1 January 2017	**於二零一七年一月一日**	**58,257**	**24,578**	**(305,706)**	**1,536,561**	**(604,730)**	**3,441**	**2,118,030**	**2,830,431**	**2,420,523**	**5,250,954**
Profit for the year	**年內溢利**	-	-	-	-	-	-	250,467	250,467	372,472	622,939
Other comprehensive income:	**其他全面收入：**										
Exchange differences on translating foreign operations	換算海外業務的匯兌差額	-	-	-	-	351,993	-	-	351,993	130,818	482,811
Changes in value of available-for-sale financial assets	可供出售財務資產價值變動	-	-	-	40,296	-	-	-	40,296	-	40,296
Total comprehensive income for the year	**年內全面收入總額**	-	-	-	40,296	351,993	-	250,467	642,756	503,290	1,146,046
Vesting of shares under share award scheme	根據股份獎勵計劃歸屬股份	-	-	991	-	-	(991)	-	-	-	-
Shares purchased for share award scheme	為股份獎勵計劃購買股份	-	-	(104,257)	-	-	-	-	(104,257)	-	(104,257)
Value of employee services	僱員服務價值	-	-	-	-	-	4,744	-	4,744	-	4,744
Capital injection by non-controlling interests	非控股權益注資	-	-	-	-	-	-	-	-	14,400	14,400
Dividend paid to non-controlling interests	派付股息予非控股權益	-	-	-	-	-	-	-	-	(77,104)	(77,104)
Final dividend for the year ended 31 December 2016 (Note 14)	截至二零一六年十二月三十一日止年度末期股息（附註14）	-	-	-	(29,128)	-	-	-	(29,128)	-	(29,128)
At 31 December 2017	**於二零一七年十二月三十一日**	**58,257**	**24,578**	**(408,972)**	**1,547,729**	**(252,737)**	**7,194**	**2,368,497**	**3,344,546**	**2,861,109**	**6,205,655**

Note:

As at 31 December 2017, other reserves mainly comprise capital and other reserve amounting to HK$106,279,000 (2016: HK$65,983,000) and contribution surplus amounting to HK$1,441,450,000 (2016: HK$1,470,578,000).

附註：

於二零一七年十二月三十一日，其他儲備主要包括資本及其他儲備106,279,000港元（二零一六年：65,983,000港元）及繳入盈餘1,441,450,000港元（二零一六年：1,470,578,000港元）。

The notes on pages 72 to 195 are an integral part of these consolidated financial statements.

第72至195頁之隨附附註為本綜合財務報表之組成部分。

Consolidated Statement of Cash Flows
綜合現金流量表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度

		Note 附註	2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Cash flows from operating activities	經營活動現金流量			
Profit for the year	年內溢利		**622,939**	657,668
Adjustments for:	就以下各項作出調整：			
Taxation	稅項		**188,527**	184,461
Finance costs	財務費用		**203,677**	201,946
Finance income	財務收入		**(101,741)**	(83,310)
Share of losses of investments accounted for using the equity method	分佔使用權益法入賬的投資虧損		**2,356**	15,651
Equity-settled share-based payments	以權益結算以股份為基礎的付款		**4,744**	5,239
Amortisation of intangible assets	無形資產攤銷	19	**2,521**	2,685
Depreciation and depletion of property, plant and equipment	物業、廠房及設備折舊及損耗	16	**428,491**	415,992
Amortisation of land use rights	土地使用權攤銷	18	**8,503**	8,587
Reversal for impairment losses on oil and gas properties under property, plant and equipment	物業、廠房及設備項下油氣資產減值虧損回撥	16	**(4,402)**	(52,003)
Losses on disposals of property, plant and equipment	出售物業、廠房及設備的虧損		**1,652**	4,698
Losses on exploration and evaluation assets	勘探及評估資產虧損		**–**	1,909
Fair value gains on financial assets at fair value through profit or loss	按公平值經損益入賬的財務資產公平值收益	8	**(1,394)**	(902)
Losses on disposals of financial assets at fair value through profit or loss	出售按公平值經損益入賬的財務資產虧損	8	**–**	3
Gains on disposals of available-for-sale financial assets	出售可供出售財務資產的收益	8	**(17,748)**	(1,879)
Gain on disposals of an associate/a subsidiary	出售一間聯營公司／一間附屬公司的收益	8	**(3,759)**	(124,199)
Gain on bargain purchases	議價收購收益		**–**	(10,803)
Written off of exploration and evaluation assets	勘探及評估資產沖銷	17	**2,357**	11,745
Provision for assets retirement obligation	資產報廢承擔	31	**7,781**	8,844
			1,344,504	1,246,332
Changes in working capital:	營運資金變動：			
Inventories	存貨		**(40,252)**	(25,787)
Deposits, trade and other receivables	按金、貿易及其他應收款項		**65,760**	7,641
Trade and other payables	貿易及其他應付款項		**(184,259)**	51,307
Receipt in advance	預收款項		**304,271**	154,780
Cash generated from operations	經營產生現金		**1,490,024**	1,434,273
Taxation paid	已付稅項		**(104,190)**	(144,740)
Net cash generated from operating activities	經營活動產生的現金淨額		**1,385,834**	1,289,533

Consolidated Statement of Cash Flows
綜合現金流量表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度
(continued)（續）

		Note 附註	2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Cash flows from investing activities	投資活動現金流量			
Interest received	已收利息		**69,492**	46,797
Purchases of property, plant and equipment, land use rights and prepaid construction costs	購買物業、廠房及設備、土地使用權以及預付建設成本		**(944,982)**	(797,776)
Proceeds from disposal of exploration and evaluation assets	出售勘探及評估資產所得款項		**–**	1,023
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備所得款項		**13,035**	62,966
Net cash inflow as a result of disposal of an associate/a subsidiary	因出售一間聯營公司／一間附屬公司現金流入淨額	34	**6,960**	232,780
Purchases of other intangible assets and prepaid of intangible assets	購置其他無形資產以及就無形資產預付款項		**(7,696)**	(473)
Purchases of available-for-sale financial assets	購買可供出售財務資產		**(112,329)**	(400,797)
Proceeds from disposal of available-for-sale financial assets	出售可供出售財務資產所得款項		**212,275**	121,181
Acquisition of businesses, net of cash	收購業務，扣除現金	33	**–**	(44,079)
Investments in associates	投資聯營公司		**(19,124)**	–
Loans to third parties	貸款予第三方		**–**	(19,780)
Repayments from third parties	第三方償還貸款		**31,452**	22,599
Loan to an associate	貸款予一間聯營公司		**(119,837)**	(33,198)
(Increase)/decrease in time deposits with maturity over three months	存款期超過三個月的定期存款（增加）／減少		**(23,361)**	190,830
Site restoration expenditure	工地恢復支出		**(7,507)**	(8,207)
Net cash used in investing activities	投資活動所用現金淨額		**(901,622)**	(626,134)
Cash flows from financing activities	融資活動現金流量			
Interest paid	已付利息		**(262,431)**	(291,988)
New borrowings raised	新造借貸		**413,862**	78,076
Redemption of senior notes	贖回優先票據	29	**(2,748,104)**	–
Repayments of borrowings	償還借貸		**(59,046)**	(678,791)
Capital injection by non-controlling interests	非控股權益注資		**14,400**	11,151
Dividend paid to non-controlling interests	派付股息予非控股權益		**(65,663)**	(109,225)
Proceeds from issuance of senior notes net of transaction costs	發行優先票據所得款項（扣除交易成本）	29	**2,685,809**	–
Dividend paid	已付股息		**(29,128)**	–
Purchases of own shares for share award scheme	為股份獎勵計劃購買本身股份		**(104,257)**	(31,875)
Net cash used in financing activities	融資活動所用現金淨額		**(154,558)**	(1,022,652)

Consolidated Statement of Cash Flows
綜合現金流量表

For the year ended 31 December 2017
截至二零一七年十二月三十一日止年度
(continued)（續）

		Note 附註	**2017 二零一七年 HK$'000 千港元**	2016 二零一六年 HK$'000 千港元
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加／(減少)淨額		**329,654**	(359,253)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目		**1,833,483**	2,303,704
Effect of foreign exchange rate changes	匯率變動影響		**127,310**	(110,968)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	25	**2,290,447**	1,833,483

The notes on pages 72 to 195 are an integral part of these consolidated financial statements.

第72至195頁之隨附附註為本綜合財務報表之組成部分。

Notes to the Consolidated Financial Statements
綜合財務報表附註

1 General information

China Oil And Gas Group Limited (the "Company") is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of its registered office is at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The address of its principal place of business is at Suite 2805, 28th Floor, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong. The Company is an investment holding company. Its subsidiaries are principally engaging in investment in energy related business in various regions in the People's Republic of China ("PRC") and West Central Alberta, Canada, including but not limited to 1) piped city gas business, pipeline design and construction; 2) transportation, distribution and sales of compressed natural gas ("CNG") and liquefied natural gas ("LNG"); and 3) development, production and sale of oil and gas and other upstream energy resources. The Company and its subsidiaries are collectively referred to the "Group".

These financial statements are presented in Hong Kong dollars, unless otherwise stated.

1 一般資料

中油燃氣集團有限公司(「公司」)為於百慕達註冊成立之獲豁免有限公司，而其股份在香港聯合交易所有限公司(「聯交所」)上市。註冊辦事處位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda。主要營業地點之地址為香港銅鑼灣告士打道255-257號信和廣場28樓2805室。公司為一間投資控股公司。其附屬公司主要於中華人民共和國(「中國」)及加拿大阿爾伯塔省中西部多個地區從事能源相關業務之投資，包括但不限於1)進行城市管道燃氣營運、管道設計及建造；2)壓縮天然氣(「CNG」)及液化天然氣(「LNG」)之運輸、分銷及銷售；及3)原油及天然氣等其他上游能源資源開發、生產及銷售。公司及其附屬公司統稱為「集團」。

除非另有說明，否則該等財務報表以港幣呈列。

2 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRS") and requirements of the Hong Kong Companies ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain available-for-sale financial assets and financial assets at fair value through profit or loss, which are carried at fair value.

The preparation of financial statements in conformity with HKFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

2 編製基準

公司之綜合財務報表乃依據所有適用香港財務報告準則(「香港財務報告準則」)及香港法例第622章香港公司條例的規定而編製。綜合財務報表乃依據歷史成本慣例而編製，並經重估以公平值列賬之若干可供出售財務資產及按公平值經損益入賬之財務資產後作出修訂。

編製符合香港財務報告準則之財務報表要求使用若干關鍵會計估計。其亦要求管理層於應用集團之會計政策時行使其判斷。涉及較高程度判斷或較為複雜之範疇，或對綜合財務報表而言屬重大之假設及估計已於附註5披露。

2 Basis of preparation *(Continued)*

(a) Changes in accounting policy and disclosures

(i) Amendments to standards adopted by the Group

The Group has adopted the following amendments to standards which are relevant to the Group's operations and are mandatory for the financial year beginning on or after 1 January 2017:

Amendments to HKAS 12	Recognition of Deferred Tax Assets for Unrealised Losses
Amendments to HKAS 7	Disclosure initiative
Amendments to HKFRS 12	Disclosure of Interest in Other Entities

The adoption of above amendments to standards did not have any material impacts on the preparation of the consolidated financial statements.

2 編製基準*（續）*

(a) 會計政策及披露的變動

(i) 集團採納的準則修訂

集團已採納下列與集團的經營有關及於二零一七年一月一日或之後的財政年度強制執行的準則修訂：

香港會計準則第12號（修訂本）	就未變現虧損確認遞延稅項資產
香港會計準則第7號（修訂本）	主動披露
香港財務報告準則第12號（修訂本）	其他實體權益之披露

採納上述準則修訂對編製綜合財務報表並無產生任何重大影響。

2 Basis of preparation *(Continued)*

(b) New standards, amendments to standards and interpretations not yet adopted

The following are new standards, amendments to standards and interpretations that have been issued but are not effective for the financial year beginning 1 January 2017 and have not been early adopted.

		Effective for accounting periods beginning on or after
HKAS 28 (Amendment)	Investments in Associates and Joint Ventures	1 January 2018
HKAS 40 (Amendments)	Investment Properties	1 January 2018
HKFRS 1 (Amendment)	First Time Adoption of HKFRS	1 January 2018
HKFRS 2 (Amendments)	Classification and Measurement of Share-based Payment Transactions	1 January 2018
HKFRS 4 (Amendments)	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts	1 January 2018
HKFRS 9	Financial Instruments	1 January 2018
HKFRS 15	Revenue from Contracts with Customers	1 January 2018
HKFRS 16	Leases	1 January 2019
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
HK (IFRIC) 22	Foreign Currency Transactions and Advance Consideration	1 January 2018
HK (IFRIC) 23	Uncertainty over Income Tax Treatments	1 January 2019

2 編製基準（續）

(b) 尚未採納的新訂準則、準則修訂及詮釋

以下新準則、對現有準則的修訂及詮釋已頒布但尚未於二零一七年一月一日開始之財政年度生效且集團並無提早採納。

		於自以下日期或其後開始的會計期間生效
香港會計準則第28號（修訂本）	投資聯營公司及合營企業	二零一八年一月一日
香港會計準則第40號（修訂本）	投資物業	二零一八年一月一日
香港財務報告準則第1號（修訂本）	首次採納香港財務報告準則	二零一八年一月一日
香港財務報告準則第2號（修訂本）	分類及計量以股份為基礎之付款交易	二零一八年一月一日
香港財務報告準則第4號（修訂本）	採用香港財務報告準則第4號保險合約時一併應用香港財務報告準則第9號金融工具	二零一八年一月一日
香港財務報告準則第9號	金融工具	二零一八年一月一日
香港財務報告準則第15號	客戶合同營業額	二零一八年一月一日
香港財務報告準則第16號	租賃	二零一九年一月一日
香港財務報告準則第10號及香港會計準則第28號（修訂本）	投資者與其聯營公司或合營企業間之資產出售或貢獻	待釐定
香港（國際財務報告詮釋委員會）－詮釋第22號	外幣交易及預付代價	二零一八年一月一日
香港（國際財務報告詮釋委員會）－詮釋第23號	所得稅處理的不確定性	二零一九年一月一日

2 Basis of preparation *(Continued)*

(b) New standards, amendments to standards and interpretations not yet adopted *(Continued)*

HKFRS 9, "Financial Instruments"

Nature of change

HKFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

Impact

The Group has reviewed its financial assets and liabilities and is expecting the following impact from the adoption of the new standard on 1 January 2018. The financial assets held by the Group include available-for-sale financial assets for which a fair value through other comprehensive income (FVOCI) election is available and financial assets at fair value though profit or loss will continue to be measured on the same basis under HKFRS 9 and hence there will be no change to the accounting for these assets.

Accordingly, the Group does not expect the new guidance to affect the classification and measurement of these financial assets. However, gains or losses realised on the sale of financial assets at FVOCI will no longer be transferred to profit or loss on sale, but instead reclassified below the line from the FVOCI reserve to retained profits. During the year ended 31 December 2017, HK$40,296,000 of such fair value change was recognised in FVOCI reserve in relation to the available-for-sale financial assets.

2 編製基準*(續)*

(b) 尚未採納的新訂準則、準則修訂及詮釋*(續)*

香港財務報告準則第9號，「金融工具」

變動的性質

香港財務報告準則第9號闡述財務資產及財務負債的分類、計量及終止確認，引入對沖會計新規則及財務資產的新減值模式。

影響

集團已審閱其財務資產與負債並預期於二零一八年一月一日採納新訂準則將產生下列影響。集團持有之財務資產包括可供出售財務資產，按公平值計入其他全面收益(按公平值計入其他全面收益)選擇可供其使用，按公平值經損益入賬之財務資產將繼續根據香港財務報告準則第9號相同基準計量，因此，就該等資產的會計處理方式將不會產生變動。

因此，集團預期，新指引對財務資產之分類及計量並無影響。然而，出售按公平值計入其他全面收益的財務資產所變現的收益或虧損將不再轉撥至出售損益，而是將線下項目自按公平值計入其他全面收益儲備重新分類至保留盈利。於截至二零一七年十二月三十一日止年度，該公平值變動40,296,000港元於按公平值計入其他全面收益儲備確認與可供出售財務資產有關。

2 Basis of preparation *(Continued)*

(b) New standards, amendments to standards and interpretations not yet adopted *(Continued)*

HKFRS 9, "Financial Instruments" (Continued)

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 'Revenue from Contracts with Customers', lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect significant increase or decrease in the loss allowance for trade receivables.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard.

Date of adoption by the Group

This standard must be applied for financial years commencing on or after 1 January 2018. The Group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard. Comparatives for 2017 will not be restated.

2 編製基準*(續)*

(b) 尚未採納的新訂準則、準則修訂及詮釋*(續)*

香港財務報告準則第9號，「金融工具」(續)

由於新規定僅影響指定按公平值經損益入賬的財務負債之會計處理，而集團並不持有任何該等負債，因此，集團財務負債的會計處理將不會受影響。終止確認的規則已由香港會計準則第39號「金融工具：確認及計量」轉移且並無變動。

新減值模型規定以預期信用虧損(「預期信用虧損」)，而非香港會計準則第39號項下僅以已產生信用虧損確認減值撥備。該規定適用於按攤銷成本分類的財務資產、按公平值計入其他全面收益的債務工具、香港財務報告準則第15號「客戶合同營業額」下的合約資產、應收租金、貸款承擔及若干財務擔保合約。根據迄今進行的評估，集團預期貿易應收賬款的虧損撥備不會有大幅增加或減少。

新訂準則亦引入經擴充披露規定及列報方式的改變。預期該等披露規定及改變將會改變集團對其金融工具的披露性質及程度(尤其在採納新訂準則的年度)。

集團採納的日期

該準則必須於二零一八年一月一日或之後開始的財政年度應用。集團將自二零一八年一月一日起追溯應用新規則以及該準則項下所允許的可行權宜處理。二零一七年的比較將不予重列。

2 Basis of preparation *(Continued)*

(b) New standards, amendments to standards and interpretations not yet adopted *(Continued)*

HKFRS 15, "Revenue from Contracts with Customers"

Nature of change

The Hong Kong Institute of Certified Public Accountants has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts and the related literature.

The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

Impact

The management of the Group has assessed the effects of applying the new standard on the Group's consolidated financial statements and does not expect a significant impact on the recognition of revenue.

Date of adoption by the Group

This standard is mandatory for financial years commencing on or after 1 January 2018. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained profits as of 1 January 2018 and that comparatives will not be restated.

2 編製基準*(續)*

(b) 尚未採納的新訂準則、準則修訂及詮釋*(續)*

香港財務報告準則第15號「客戶合同營業額」

變動的性質

香港會計師公會已頒布營業額確認的新訂準則。該準則將取代香港會計準則第18號(涵蓋貨品及服務合約)及香港會計準則第11號(涵蓋建築合約及相關文獻)。

新訂準則乃基於貨品或服務控制權轉移至客戶時確認營業額的原則。該準則允許在採納時採用全面追溯法或修改追溯法。

影響

集團管理層已評估應用新準則對集團綜合財務報表之影響，並預期不會對確認營業額產生重大影響。

集團採納的日期

該新訂準則的採納於二零一八年一月一日或之後開始的財政年度強制生效。集團擬於採納該準則時採用修改追溯法，即表示採納的累積影響(如有)將於二零一八年一月一日在保留溢利確認且該比較將不予重列。

2 Basis of preparation *(Continued)*

(b) New standards, amendments to standards and interpretations not yet adopted *(Continued)*

HKFRS 16, "Leases"

Nature of change

HKFRS 16 was issued in January 2016. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

Impact

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments of HK$63,485,000. The Group estimates those related to payments for short-term or low value leases which will be recognised on a straight-line basis as an expense in profit or loss are insignificant.

The Group has not yet assessed what other adjustments, if any, are necessary for example because of the change in the definition of the lease term and the different treatment of variable lease payments and of extension and termination options. It is therefore not yet possible to estimate the amount of right-of-use assets and lease liabilities that will have to be recognised on adoption of the new standard and how this may affect the Group's profit or loss and classification of cash flows going forward.

2 編製基準*(續)*

(b) 尚未採納的新訂準則、準則修訂及詮釋*(續)*

香港財務報告準則第16號「租賃」

變動的性質

香港財務報告準則第16號於二零一六年一月頒布。其將致使絕大部分租賃於財務狀況表確認，此乃由於經營租賃與融資租賃之間的區別被移除。根據新訂準則，一項資產(使用租賃項目的權利)及支付租金的財務負債須予確認。唯一的例外情況為短期及低價值租賃。

出租人會計處理將無重大變動。

影響

該準則將主要影響集團經營租賃的會計處理。於報告日期，集團不可撤銷經營租賃承擔為63,485,000港元。集團預期與短期或低價值租賃相關的該等承擔屬不重大，並將以直線法於損益確認為開支。

集團尚未評估須作出何種其他調整(如有)，例如，由於租賃期的釋義變動以及可變租賃付款與續租及終止選擇權的不同處理。因此，尚未能估計於採納新訂準則時必須確認的使用權資產及租賃負債金額以及其將可能如何影響集團的損益與未來現金流量分類。

2 Basis of preparation *(Continued)*

(b) New standards, amendments to standards and interpretations not yet adopted *(Continued)*

HKFRS 16, "Leases" (Continued)

Date of adoption by the Group

This standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

Apart from aforementioned HKFRS 9, HKFRS 15 and HKFRS 16, the Board of Directors ("Board") are in the process of assessing the financial impact of the adoption of the above new standards, amendments to standard and interpretations. The Board will adopt the new standards, amendments to standards and interpretations when they become effective.

2 編製基準*(續)*

(b) 尚未採納的新訂準則、準則修訂及詮釋*(續)*

香港財務報告準則第16號「租賃」(續)

集團採納的日期

該準則於二零一九年一月一日或之後開始的財務年度強制生效。於此階段，集團不擬於其生效日期前採納該準則。集團擬應用簡化過渡法且將不會重列首次採納前年度的比較金額。

除上文所述的香港財務報告準則第9號、香港財務報告準則第15號及香港財務報告準則第16號外，董事局(「董事局」)正評估採納上述新準則、準則修訂及詮釋之財務影響。董事局將於新訂準則、準則修訂及詮釋生效時予以採納。

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Subsidiaries

(i) Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

3 主要會計政策概要

於編製此等綜合財務報表時應用之主要會計政策載於下文。除另有説明外，該等政策乃貫徹應用於所有年度。

(a) 附屬公司

(i) 綜合賬目

附屬公司指集團對其具有控制權的實體(包括結構性實體)。當集團因參與該實體而對可變回報承擔風險或享有權利，並有能力透過其對該實體的權力影響此等回報時，集團即控制該實體。附屬公司在控制權轉移至集團之日起綜合入賬。附屬公司在控制權終止之日起停止綜合入賬。

3 Summary of significant accounting policies *(Continued)*

(a) Subsidiaries *(Continued)*

(i) Consolidation (Continued)

(1) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by HKFRS.

Acquisition-related costs are expensed as incurred.

3 主要會計政策概要*(續)*

(a) 附屬公司*(續)*

(i) 綜合賬目(續)

(1) 業務合併

集團採用購買法將業務合併入賬。購買一間附屬公司轉讓的對價為被購買方的前擁有人所轉讓資產、所產生的負債及集團發行的股本權益的公平值。所轉讓的代價包括或然代價安排所產生的任何資產和負債的公平值。在業務合併中所購買可識別的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公平值計量。

集團按逐項收購基準，確認在被收購方的任何非控股權益，而被收購方的非控股權益若屬現時的擁有權權益且賦予持有人在清盤時按比例應佔實體的淨資產，則可按公平值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控股權益的所有其他組成部分按收購日期的公平值計量，除非香港財務報告準則規定必須以其他計量基準計算。

收購相關成本於產生時支銷。

3 Summary of significant accounting policies *(Continued)*

(a) Subsidiaries *(Continued)*

(i) Consolidation (Continued)

(1) Business combinations *(Continued)*

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in the profit or loss.

Intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

3 主要會計政策概要*(續)*

(a) 附屬公司*(續)*

(i) 綜合賬目(續)

(1) 業務合併*(續)*

倘業務合併分階段進行，收購方先前持有的被收購方股本權益於收購當日的賬面值重新計量為於收購當日的公平值；因相關重新計量而產生的任何盈虧於損益內確認。

所轉讓代價、於被收購方的任何非控股權益金額及任何先前於被收購方的權益於收購日期的公平值高於所收購可辨認資產淨值的公平值時，其差額以商譽列賬。就議價購買而言，如轉讓代價、已確認非控股權益及先前持有的權益總額低於所收購附屬公司資產淨值的公平值，其差額將直接在損益內確認。

集團內公司之間的交易、結餘及交易的未變現收益予以對銷。未變現虧損亦予以對銷。附屬公司報告的金額已按需要作出調整，以確保與集團採用的會計政策一致。

3 Summary of significant accounting policies *(Continued)*

(a) Subsidiaries *(Continued)*

(i) Consolidation (Continued)

(2) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions — that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(3) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, a joint venture or a financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

3 主要會計政策概要*(續)*

(a) 附屬公司*(續)*

(i) 綜合賬目(續)

(2) 不會導致失去控制權之附屬公司所有權權益變動

不會導致失去控制權之非控股權益交易入賬列作權益交易—即以彼等為附屬公司擁有人之身份與擁有人進行交易。任何已付代價公平值與所收購相關應佔附屬公司資產淨值賬面值之差額列作權益。向非控股權益出售所得盈虧亦列作權益。

(3) 出售附屬公司

若集團不再擁有控制權，其於該實體之任何保留權益按其於失去控制權當日之公平值重新計算，而賬面值變動則於損益中確認。其後此保留權益將入賬列作聯營公司、合營企業或財務資產，並以公平值為初始之賬面值。此外，過往於其他全面收益內確認與該實體有關之任何金額按猶如集團直接出售有關資產或負債之方式入賬。即先前在其他全面收益內確認之金額重新分類至損益。

3 Summary of significant accounting policies (Continued)

(a) Subsidiaries (Continued)

(ii) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(b) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes goodwill identified on acquisition. Upon the acquisition of the ownership interest in an associate, any difference between the cost of the associate and the Group's share of the net fair value of the associate's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

3 主要會計政策概要（續）

(a) 附屬公司（續）

(ii) 獨立財務報表

於附屬公司投資按成本值扣除減值入賬。成本亦包括直接應佔投資成本。公司按已收及應收股息基準入賬附屬公司之業績。

倘於附屬公司投資所收取之股息超過附屬公司於股息宣派期間之全面收益總額或於獨立財務報表中有關投資之賬面值超過投資對象之淨資產（包括商譽）於綜合財務報表中之賬面值，則於收取該等投資之股息時，須對附屬公司之投資進行減值測試。

(b) 聯營公司

聯營公司指集團對其有重大影響力但並無控制權之所有實體，通常同時持有其20%至50%有表決權股份。於聯營公司投資以權益法核算。投資以權益法初步按成本確認，增加或減少賬面值以確認收購日期後投資方應佔被投資方之溢利或虧損。集團於聯營公司投資包括收購時確定之商譽。收購於一間聯營公司的擁有權權益後，聯營公司成本與集團分佔聯營公司的可識別資產及負債之公平淨值之間的差額入賬列作商譽。

倘於聯營公司所有權權益減少但重大影響力獲保留，則先前於其他全面收益已確認之金額中僅有一定份額重新分類至損益（如適用）。

3 Summary of significant accounting policies *(Continued)*

(b) Associates *(Continued)*

The Group's share of post-acquisition profit or loss is recognised in the profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount adjacent to share of profit of investments accounted for using equity method in the profit or loss.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gain or losses on dilution of equity interest in associates are recognised in the profit or loss.

3 主要會計政策概要*(續)*

(b) 聯營公司*(續)*

集團應佔收購後溢利或虧損之份額於損益中確認，其應佔收購後其他全面收入變動則於其他全面收入中確認，並對投資賬面值作出相應調整。當集團應佔聯營公司虧損等於或超過其於該聯營公司所擁有權益(包括任何其他無抵押應收款項)時，集團不再進一步確認虧損，除非其招致法定或推定義務或代表該聯營公司付款。

集團於各報告日確定是否有任何客觀證據顯示於聯營公司投資出現減值。倘若確實如此，集團根據聯營公司可收回金額與其賬面值差額計算減值金額並於損益中將有關變動確認為分佔以權益法入賬之投資溢利。

集團與其聯營公司之間上下游交易產生之溢利及虧損僅以非相關投資者於聯營公司之權益為限於集團財務報表內確認。未變現虧損予以抵銷，表明所轉讓資產已發生減值之交易除外。聯營公司會計政策已按需要變更，以確保與集團所採納政策貫徹一致。

有關聯營公司股權攤薄的損益於損益確認。

3 Summary of significant accounting policies (Continued)

(c) Joint arrangement

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangement and determined it to be joint venture. Joint venture is accounted for using the equity method.

Under the equity method of accounting, interests in joint ventures are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses and movements in other comprehensive income. The Group's investment in joint venture include goodwill identified on acquisition. Upon the acquisition of the ownership interest in a joint venture, any difference between the cost of the joint venture and the Group's share of the net fair value of the joint venture's identifiable assets and liabilities is accounted for as goodwill. When the Group's share of losses in joint venture equals or exceeds its interest in the joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint ventures), the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the joint ventures.

Unrealised gains on transactions between the Group and its joint venture are eliminated to the extent of the Group's interest in the joint venture. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of the joint venture have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group determines at each reporting date whether there is any objective evidence that the interest in the joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value and recognises the amount adjacent to share of profit of investment accounted for using equity method in the profit or loss.

3 主要會計政策概要（續）

(c) 共同安排

集團已就所有共同安排應用香港財務報告準則第11號。根據香港財務報告準則第11號，於共同安排之投資視乎各投資者之合約權利及責任而分類為合營業務或合營企業。集團已評估其共同安排之性質，並將其共同安排界定為合營企業。合營企業採用權益法入賬。

根據權益會計法，於合營企業的權益乃按成本初步確認，其後予以調整以確認集團應佔收購後的損益及於其他全面收入的變動。集團於合營企業的投資包括就收購識別的商譽。收購於一間合營企業的擁有權權益後，合營企業成本與集團分佔合營企業的可識別資產及負債之公平淨值之間的差額入賬列作商譽。當集團分佔合營企業虧損等於或超過其佔合營企業之權益時（包括任何長期權益，而該長期權益實質上構成集團於該合營企業的投資淨額之一部分），集團不再確認進一步虧損，除非集團代合營企業承擔負債或支付款項。

集團與其合營企業交易的未變現收益與集團於合營企業的權益對銷。未變現虧損亦予以對銷，除非交易時有證據表明所轉讓資產出現減值。合營企業會計政策於需要時作出改變，以確保與集團所採納政策貫徹一致。

集團於各報告日期確定是否有任何客觀證據顯示於合營企業投資出現減值。倘確實如此，則集團以該合營企業可收回金額及其賬面值之差額計算減值金額，並將金額確認於損益表上列於分佔以權益法入賬的投資溢利。

3 Summary of significant accounting policies *(Continued)*

(d) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive directors that makes strategic decisions.

(e) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in HK$, which is the Company's functional and the Group's presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated profit or loss.

All other foreign exchange gains and losses are presented in the consolidated profit or loss within 'other gains, net'.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analysed between translation differences resulting from changes in the amortised cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortised cost are recognised in consolidated profit or loss, and other changes in carrying amount are recognised in other comprehensive income.

3 主要會計政策概要*(續)*

(d) 分部報告

經營分部的報告方式與提供予主要經營決策制定者之內部報告所使用報告方式一致。負責分配資源及評估經營分部業績的主要經營決策制定者，被認定為制定戰略決策的執行董事。

(e) 外幣換算

(i) 功能及呈報貨幣

集團各實體之財務報表所包括項目，乃按該實體經營所在之主要經濟環境之貨幣(「功能貨幣」)計量。綜合財務報表以公司之功能及集團之呈報貨幣港幣呈列。

(ii) 交易及結餘

外幣交易均按交易或項目重新計量日期當時之匯率換算為功能貨幣。因該等交易結算及按年結日之匯率換算以外幣計值之貨幣資產及負債而產生之外幣匯兑損益，均於綜合損益確認。

所有其他匯兑損益在綜合損益內的「其他收益，淨額」中列報。

以外幣列值並分類為可供出售之貨幣證券之公平值變動，乃按有關證券攤銷成本變動及其賬面值其他變動所產生之匯兑差額進行分析。涉及攤銷成本變動之匯兑差額在綜合損益確認，而賬面值之其他變動則在其他全面收益中確認。

3 Summary of significant accounting policies *(Continued)*

(e) Foreign currency translation *(Continued)*

(iii) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- income and expenses for each profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange fluctuation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the year end closing rate. Currency translation differences arising are recognised in other comprehensive income.

(iv) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint venture that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the currency translation differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

3 主要會計政策概要*(續)*

(e) 外幣換算*(續)*

(iii) 集團公司

集團旗下所有實體(全部均非採用高通脹經濟體系之貨幣)如持有與呈報貨幣不一致之功能貨幣，其業績及財務狀況均按以下方法換算為呈報貨幣：

- 各財務狀況表呈列之資產及負債均按照該財務狀況表日期之收市匯率換算；
- 各損益之收入及開支按照平均匯率換算(除非平均匯率並非交易日期現行匯率的累計影響的合理約數，在此情況下，收支項目按交易日期的匯率換算)；及
- 所有產生之匯兑差額均於其他全面收益確認並單獨於權益中的匯兑波動儲備內累計。

因收購海外實體而產生之商譽及公平值調整，均視作為該海外實體之資產及負債處理，並於年末結算日的匯率折算。所產生的匯兑差額在其他收益中確認。

(iv) 出售海外業務

於出售海外業務(即出售集團於一項海外業務之全部權益，或涉及失去包含海外業務的附屬公司控制權之出售，或涉及失去包含海外業務之合營公司共同控制權之出售，或涉及失去對包含海外業務之聯營公司重大影響力之出售)時，公司擁有人應佔就有關業務於權益累計之所有匯兑差額重新分類至損益。

3 Summary of significant accounting policies *(Continued)*

(f) Property, plant and equipment

Property, plant and equipment comprise mainly buildings, plant and machinery, oil and gas properties, pipelines and construction in progress. Accounting policies for oil and gas properties are set out in Note 3(g). All other property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are expensed in the profit or loss during the year in which they are incurred. Except for oil and gas properties and construction in progress, depreciation on property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

Buildings	12.5 to 40 years or remaining lease period of the land where applicable
Plant and machinery	3 to 20 years
Pipelines	20 years
Others	3 to 20 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each date of the statement of financial position. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 3(j)).

3 主要會計政策概要*(續)*

(f) 物業、廠房及設備

物業、廠房及設備，主要包括樓宇、廠房及機器、油氣資產、管道及在建工程。油氣資產之會計政策載於附註3(g)。所有其他物業、廠房及設備按歷史成本扣除折舊後入賬。歷史成本包括收購項目直接應佔之開支。

僅當與項目有關之未來經濟利益有可能流入集團及項目成本能可靠計量時，其後成本方會計入資產賬面值或確認為一項獨立資產（如適用）。已更換零件的賬面值已被剔除入賬。所有其他維修及保養費用在產生的財政年度內於損益內支銷。除油氣資產及在建工程外，物業、廠房及設備之折舊乃採用直線法於其估計可使用年限內按成本分配至剩餘價值，年率如下：

樓宇	12.5至40年或按該土地之租約餘期（如適用）
廠房及機器	3至20年
管道	20年
其他	3至20年

資產剩餘價值及可使用年限於各財務狀況表日期檢討，並作出調整（如適用）。倘資產之賬面值超過估計可收回金額，則資產之賬面值即時撇減至可收回金額（附註3(j)）。

3 Summary of significant accounting policies *(Continued)*

(f) Property, plant and equipment *(Continued)*

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "administrative expenses" in profit or loss.

Construction in progress represents pipelines under construction and is stated at cost less any accumulated impairment losses, and is not depreciated. Costs comprise direct and indirect incremental costs of acquisition or construction. Completed items are transferred from construction in progress to proper categories of property, plant and equipment when they are ready for their intended use.

(g) Oil and gas properties

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells, is capitalised within construction in progress under property, plant and equipment. When development is completed on a specific field, it is transferred to oil and gas properties under property, plant and equipment. No depreciation and depletion is charged during the development phase.

Oil and gas properties are aggregated exploration and evaluation assets and development expenditures associated with the production of proved reserves.

Oil and gas properties are depreciated and depleted using the unit-of-production method. Unit-of-production rates are based on total proved plus probable reserves, which are oil, gas and other mineral reserves estimated to be recovered using current operating methods and taking into account estimated future development costs necessary to bring those reserves into production. Future development costs are estimated taking into account the level of development required to produce the reserve.

3 主要會計政策概要*(續)*

(f) 物業、廠房及設備*(續)*

出售收益及虧損乃透過比較所得款項與賬面值釐定，並於損益內確認為「行政開支」。

在建工程指在建資產並以成本減任何累計減值虧損列賬，且不予折舊。成本包括收購或建造之直接或間接增加成本。已完成項目當其可用作既定用途時，由在建工程轉撥至物業、廠房及設備之適當類別。

(g) 油氣資產

興建、安裝或完成平台、管道等基建設施及鑽探商業開發井之開支乃撥充作物業、廠房及設備項下之在建工程。當對特定油田完成開發時，其會轉撥至物業、廠房及設備項下之油氣資產。於開發階段概無扣除折舊及損耗。

油氣資產合共為勘探及評估資產以及與探明儲量生產有關的開發開支。

油氣資產按單位生產法折舊及損耗。單位生產率按探明加概算總儲量計算，即從現有設施以現有營運方法去估計可採收之石油及天然氣以及其他礦產儲量及考慮生產該等儲量所需的估計未來開發成本。未來開發成本經考慮儲量產出所需的開發水平而估計。

3 Summary of significant accounting policies *(Continued)*

(g) Oil and gas properties *(Continued)*

Proven oil and gas properties are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

(h) Exploration and evaluation assets

Oil and gas exploration and evaluation expenditures are accounted for using the successful efforts method of accounting. Costs are accumulated on a field-by-field basis. Geological, geophysical costs and pre-licence costs are expensed as incurred. Costs directly associated with an exploration well, and exploration and property leasehold acquisition costs, are capitalised within exploration and evaluation assets until the determination of reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are charged to expense.

Once commercial reserves are found, exploration and evaluation assets are tested for impairment and transferred to construction in progress under property, plant and equipment. No depreciation and depletion is charged during the exploration and evaluation phase.

Exploration and evaluation assets are tested for impairment when reclassified to construction in progress, or whenever facts and circumstances indicate impairment. An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs of disposal and their value in use.

3 主要會計政策概要*(續)*

(g) 油氣資產*(續)*

倘出現事件或情況變動顯示可能無法收回其賬面值，則探明油氣資產作減值檢討。減值虧損按資產之賬面值超出其可收回金額之金額予以確認。可收回金額為資產之公平值減出售成本與使用價值之較高者。就評估減值而言，資產乃按可個別識別現金流量之最低級別分組。

(h) 勘探及評估資產

石油及天然氣勘探及評估開支使用成果會計法入賬。成本按逐段累計。地質、地理成本及取得牌照前成本於產生時支銷。與探井直接有關的成本，及勘探及物業租賃收購成本於勘探及評估資產內資本化直至儲量釐定得到評估。倘釐定尚未達致商業發現，該等成本自成本扣除。

一旦發現商業儲量時，勘探及評估資產會作減值測試，並轉撥至物業、廠房及設備下的在建工程。於勘探及評估階段概無扣除折舊及損耗。

重新分類至在建工程時，或任何時候有事實及情況表示減值，則勘探及評估資產進行減值測試。減值虧損按勘探及評估資產的賬面值超出其可收回金額時的金額予以確認。可收回金額為勘探及評估資產的公平值減出售成本及其使用價值的較高者。

3 Summary of significant accounting policies *(Continued)*

(i) Intangible assets

(i) Goodwill

Goodwill arises on the acquisition of businesses represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually and more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less cost of disposal. Any impairment is recognised immediately as an expense and is not subsequently reversed.

(ii) Other intangible assets

Other intangible assets comprise mainly exclusive rights, club membership and computer operating system.

Exclusive rights are shown at historical cost. Exclusive rights have definite useful lives and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of exclusive rights over their estimated useful lives ranging from 30 to 48 years for natural gas supply services.

3 主要會計政策概要*(續)*

(i) 無形資產

(i) 商譽

商譽於收購附屬公司時產生，即所轉讓的代價、於被收購方的非控股權益及先前於被收購方的股權於收購日期的公平值，超過所收購可識別資產淨值公平值的差額。

就減值測試而言，業務合併所獲得之商譽會分配至預期將受益於合併協同效應之各個現金產生單位(「現金產生單位」)或現金產生單位組別。商譽所分配的各個單位或單位組別為實體內就內部管理目的而監察商譽之最低層次。商譽乃於經營分部層次進行監察。

商譽每年進行減值檢討，或當有事件出現或情況改變顯示可能出現減值時，作出更頻密檢討。含有商譽之現金產生單位賬面值與可收回金額作比較，可收回金額為使用價值與公平值減出售成本兩者中之較高者。任何減值即時確認為開支，且其後不會撥回。

(ii) 其他無形資產

其他無形資產主要包括獨家購買權、會所會籍及電腦操作系統。

獨家購買權以歷史成本列賬。獨家購買權為有限使用年期及按成本減累計攤銷列賬。攤銷乃使用直線法按天然氣供應服務之估計使用年期由30年至48年不等分配獨家購買權成本。

3 Summary of significant accounting policies *(Continued)*

(i) Intangible assets *(Continued)*

(ii) Other intangible assets (Continued)

Investment in club membership is shown at historical cost. Investment in club membership has indefinite useful life and is tested annually for impairment and carried at cost less any accumulated impairment losses and is not amortised.

Computer operating system is shown at historical cost. Computer operating system has definite useful lives and is carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of computer operating system over its estimated useful lives of 5 to 10 years.

(j) Impairment of non-financial assets

Assets that have an indefinite useful life – for example, goodwill or intangible assets not ready to use – are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(k) Land use rights

Land use rights are lump sum upfront payments to acquire long-term interest in lessee-occupied properties. Land use rights relating to buildings of the Group under operating lease arrangements are stated at cost and are amortised over the period of the lease on the straight-line basis to the profit or loss.

3 主要會計政策概要*(續)*

(i) 無形資產*(續)*

(ii) 其他無形資產(續)

於會所會籍之投資乃按歷史成本列賬。於會所會籍之投資具有不確定使用年期及每年進行減值測試，並按成本減任何累計減值虧損列賬且不予攤銷。

電腦操作系統以歷史成本列賬。電腦操作系統為有限使用年期及按成本減累計攤銷列賬。攤銷乃使用直線法按其估計使用年期由5至10年分配電腦操作系統成本。

(j) 非財務資產之減值

無限定使用年限之資產(例如商譽或未供使用之無形資產)毋需攤銷，惟須每年進行減值測試。當有事件出現或情況變動顯示賬面值可能無法收回時，將檢討須攤銷資產是否減值。減值虧損按資產之賬面值超出其可收回金額之差額確認。可收回金額為資產之公平值扣除銷售成本及使用價值兩者間之較高者。於評估減值時，資產計入可分開識辨現金流量(現金產生單位)的最低層次組別。商譽以外出現減值之非財務資產會於各報告日期獲檢討減值撥回的可能性。

(k) 土地使用權

土地使用權指於購入由承租人佔用之物業的長期權益時須一次過先付的數額。經營租賃安排下與集團樓宇有關之土地使用權均以成本列賬及於租賃期內按直線法攤銷並列入損益。

3 Summary of significant accounting policies (Continued)

(I) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

(1) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(2) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise deposits, trade and other receivables, time deposits with maturity over three months and cash and cash equivalents in the statement of financial position.

3 主要會計政策概要（續）

(I) 財務資產

(i) 分類

集團將其財務資產分類為按公平值經損益入賬之財務資產、貸款及應收款項及可供出售財務資產。分類乃視乎購入財務資產之目的而定。管理層於初步確認其財務資產時釐定分類。

(1) 按公平值經損益入賬之財務資產

按公平值經損益入賬之財務資產為持作買賣之財務資產。倘若購入之主要目的為於短期內出售，該財務資產則會撥歸此類別。除非指定作對沖用途，否則衍生工具亦分類為持作買賣。倘預計於十二個月內結算，該類別之資產則被分類為流動資產，否則將被分類為非流動資產。

(2) 貸款及應收款項

貸款及應收款項指並非活躍市場上具備固定或可予釐定款項之非衍生財務資產。非衍生財務資產計入流動資產，惟結算或預期計入待結算的金額超過報告期末日後十二個月者分類為非流動資產。集團於財務狀況表內之貸款及應收款項由按金、貿易及其他應收款項、超過三個月到期的定期存款及財務狀況表之現金及現金等值項目組成。

3 Summary of significant accounting policies *(Continued)*

(I) Financial assets *(Continued)*

(i) Classification (Continued)

(3) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognised on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the consolidated profit or loss. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value, except for those investments in equity instruments that do not have a quoted market price in an active market, and those fair value cannot be reliably measured, which are measured at cost. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

3 主要會計政策概要*(續)*

(I) 財務資產*(續)*

(i) 分類(續)

(3) 可供出售財務資產

可供出售財務資產為非衍生工具，被指定作此類別或並無分類為任何其他類別。除非投資到期管理層有意在本報告期末十二個月內出售該項投資，否則此等資產列在非流動資產內。

(ii) 確認及計量

正常途徑買賣之財務資產於交易日期確認，交易日期為集團須購買或出售資產之日期。投資初步按公平值加所有並非按公平值經損益入賬之財務資產之交易成本確認。按公平值經損益入賬之財務資產初步按公平值確認，交易成本則於綜合損益內支銷。財務資產於收取投資現金流之權利屆滿或已轉讓，且擁有權之所有風險及回報已大致轉讓時剔除確認。可供出售財務資產及按公平值經損益入賬之財務資產其後按公平值列賬，於活躍市場上無市場報價及公平值未能可靠計量之權益工具之投資則按成本計量。貸款及應收款項其後以實際利息法按攤銷成本列賬。

3 Summary of significant accounting policies *(Continued)*

(I) Financial assets *(Continued)*

(ii) Recognition and measurement (Continued)

Gains or losses arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the profit or loss within "Other gains, net" in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the profit or loss as part of "other income" when the Group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as "gains or losses from investment securities".

Interest on available-for-sale debt securities calculated using the effective interest method is recognised in the profit or loss as part of "finance income". Dividends on available-for-sale equity instruments are recognised in the profit or loss as part of "other income" when the Group's right to receive payments is established.

3 主要會計政策概要*(續)*

(I) 財務資產*(續)*

(ii) 確認及計量(續)

按公平值經損益入賬之財務資產之公平值變動所產生之損益乃於產生期間於損益「其他收益，淨額」內呈列。按公平值經損益入賬之財務資產之股息收入乃於集團之收款權利建立時在損益內確認為「其他收益」之一部分。

分類為可供出售之貨幣及非貨幣證券之公平值變動乃於其他全面收益內確認。

當分類為可供出售之證券出售或減值時，於權益內確認之累積公平值調整於損益內列作「投資證券之損益」。

採用實際利率法計算之可供出售債務證券之利息乃於損益內確認為「財務收益」之一部分。可供出售股本投資之股息乃於集團確立收取付款之權利時於損益內確認為「其他收益」之一部分。

3 Summary of significant accounting policies *(Continued)*

(m) Impairment of financial assets

(i) Assets carried at amortised cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include:

- Significant financial difficulty of the issuer or obligor;
- A breach of contract, such as a default or delinquency in interest or principal payments;
- The Group, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;

3 主要會計政策概要*(續)*

(m) 財務資產減值

(i) 以攤銷成本列賬之資產

集團於各報告期末評估是否存在客觀憑證證明財務資產或財務資產組別出現減值。只當有客觀憑證證明於首次確認資產後發生一宗或多宗事件導致出現減值(「虧損事件」)，而該宗(或該等)虧損事件對該項或該組財務資產的未來估計之現金流量構成可可靠估計的影響，有關財務資產方案出現減值及產生減值虧損。

減值的證據可能包括以下指標：債務人或一組債務人正處於重大財政困難，違約或拖欠利息或本金付款，彼等有可能將進入破產程序或進行其他財務重組，以及當有可觀察數據顯示，估計未來現金流量有可計量的減少，例如欠款變動或與違約相關的經濟狀況。

集團用作釐定存在減值虧損客觀證據的準則包括：

- 發行人或債務人遇上重大財務困難；
- 違反合約，如逾期或拖欠支付利息或本金；
- 集團基於與借款人之財務困難有關的經濟或法律理由而給予借款人在一般情況下放款人不予考慮的優惠條件；

3 Summary of significant accounting policies *(Continued)*

(m) Impairment of financial assets *(Continued)*

(i) Assets carried at amortised cost (Continued)

The criteria that the Group uses to determine that there is objective evidence of an impairment loss include *(Continued)*:

- It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;
- The disappearance of an active market for that financial asset because of financial difficulties; or
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the portfolio, including:
  - (1) adverse changes in the payment status of borrowers in the portfolio;
  - (2) national or local economic conditions that correlate with defaults on the assets in the portfolio.

The Group first assesses whether objective evidence of impairment exists.

For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the profit or loss. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

3 主要會計政策概要*(續)*

(m) 財務資產減值*(續)*

(i) 以攤銷成本列賬之資產(續)

集團用作釐定存在減值虧損客觀證據的準則包括*(續)*：

- 借款人將可能破產或進行其他財務重組；
- 因財務困難而導致某項財務資產失去活躍市場；或
- 可觀察的資料顯示某資產組合自初始確認後，其估計未來現金流量有可計量的減少，儘管該減少尚未能在該組別的各種財務資產內確定，有關資料包括：
  - (1) 該組合內借款人的付款狀況出現不利變動；
  - (2) 與該組合內資產逾期還款相關連的全國性或地方經濟狀況。

集團首先評估是否存在減值客觀證據。

就貸款及應收款項類別而言，虧損金額乃按資產賬面值與按財務資產原實際利率貼現的估計未來現金流量現值(不包括尚未產生的未來信貸虧損)間的差額計量。資產賬面值會予以削減，而虧損金額會於損益中確認。如貸款或持至到期日投資存在浮動利率，則計量任何減值虧損的貼現率乃根據合約釐定的現行實際利率。在實際運作上，集團可能採用可觀察的市場價格根據工具的公平值計量減值。

3 Summary of significant accounting policies *(Continued)*

(m) Impairment of financial assets *(Continued)*

(i) Assets carried at amortised cost (Continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the profit or loss.

(ii) Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired.

For debt securities, if any such evidence exists, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through the profit or loss.

For equity investments, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss. Impairment losses recognised in the income statement on equity instruments are not reversed through the profit or loss.

3 主要會計政策概要*(續)*

(m) 財務資產減值*(續)*

(i) 以攤銷成本列賬之資產(續)

若在較後期間，減值虧損的金額減少，而該減少是可客觀地與確認減值後發生的事件有關連(例如債務人信貸評級改善)，則之前確認的減值虧損的撥回會於損益中確認。

(ii) 分類為可供出售之資產

集團於各報告期末評估是否存在客觀證據證明某項財務資產或某一組合財務資產出現減值情況。

就債務證券而言，倘存在任何有關證據，累計虧損(按收購成本與現時公平值的差額，減該財務資產之前在損益確認的任何減值虧損計量)自權益剔除，並在損益確認。倘於其後期間，分類為可供出售的債務工具的公平值增加，而有關增加可客觀地與在損益確認減值虧損後所發生的事件聯繫，則於損益中撥回減值虧損。

就股權投資而言，證券公平值大幅或長期低於其成本亦為資產減值的證據。倘存在任何有關證據，累計虧損(按收購成本與現時公平值的差額，減該財務資產之前在損益確認的任何減值虧損計量)自權益剔除，並在損益確認。在收益表確認的權益工具減值虧損並不會透過損益撥回。

3 Summary of significant accounting policies (Continued)

(n) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less all costs to completion and all direct costs to be incurred in selling and distribution.

(o) Trade and other receivables

Trade receivables are amounts due from customers for sales and distribution of oil and natural gas and other related products or gas pipeline construction and connection services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The Group assesses at the end of each reporting period whether there is objective evidence that trade and other receivables are impaired.

(p) Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents include cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less.

3 主要會計政策概要（續）

(n) 存貨

存貨按成本或可變現淨值兩者之較低者入賬。成本按先入先出基準釐定。製成品及在建工程成本包括原料、直接人工、其他直接成本及有關之生產經常費用（按正常經營能力），以及不包括借貸成本。可變現淨值指於日常業務過程中估計售價減去製造完成所需一切成本及銷售與分銷所產生之一切直接成本。

(o) 貿易及其他應收款項

貿易應收賬款為對客戶銷售及輸送天然氣及其他相關產品之款項或於正常業務過程中提供天然氣管道建造及接駁服務之款項。倘貿易及其他應收款項預計於一年或以內（或若更長則在業務正常經營週期內）收回，則歸類為流動資產。否則，於非流動資產中呈列。

貿易及其他應收款項最初按公平值確認，其後則以實際利率法按攤銷成本減減值撥備計算。集團於報告期末評估是否有客觀證據顯示貿易及其他應收款項已減值。

(p) 現金及現金等值項目

於綜合現金流量表內，現金及現金等值項目包括手頭現金、銀行活期存款及原定到期日為三個月或以內之其他短期高流通量投資。

3 Summary of significant accounting policies *(Continued)*

(q) Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

(r) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the consolidated profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

3 主要會計政策概要*(續)*

(q) 貿易應付賬款

貿易應付賬款為在日常經營活動中從供應商購買商品或服務而應支付款項之責任。如貿易應付賬款之支付日期在一年或以內(如仍在正常經營週期中，則可較長時間)，貿易應付賬款被分類為流動負債；否則呈列為非流動負債。

貿易應付賬款初始以公平值確認，其後利用實際利率法按攤銷成本計量。

(r) 借貸

借貸初始以公平值確認(扣除所產生的交易成本)。借貸其後以攤銷成本列賬；所得款項(扣除交易成本)及贖回價值之任何差額，以實際利率法於借貸期間在綜合損益內予以確認。

在借貸將很有可能部分或全部提取的情況下，就設立借貸融資支付的費用乃確認為貸款交易成本。在此情況下，該費用將遞延至提取借貸發生時。在並無跡象顯示該借貸將很有可能部分或全部提取的情況下，該費用撥充資本作為流動資金服務的預付款，並於其相關融資期間內予以攤銷。

借貸分類為流動負債，惟集團具有無條件權利可將償還負債的日期遞延至各報告期末後至少十二個月者除外。

3 Summary of significant accounting policies (Continued)

(s) Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

(t) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(u) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Provided it is probable that the economic benefits will flow to the Group and the revenue and the costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sales and distribution of natural gas

Sales and distribution of natural gas are recognised when the gas is used by the customers. Payments received in advance on pre-paid I/C cards that are related to sales of natural gas not yet delivered are deferred in the consolidated statements of financial position. Revenue is recognised when goods are delivered to the customers.

3 主要會計政策概要（續）

(s) 借貸成本

收購、建造或生產合資格資產（即需要長時間才可以達到擬定用途或出售狀態之資產）直接應佔之一般及特定借貸成本計入該等資產的成本，直至資產大致可達到擬定用途或出售狀態時為止。

等待作為合資格資產開支之特別借貸之暫時投資所賺取之投資收入在符合資格可資本化之借貸成本中扣除。

所有其他借貸成本於產生期間在綜合損益內確認。

(t) 股本

普通股分類為權益。與發行新股或購股權直接有關的增量成本，於權益列為所得款項的減項（扣除稅項）。

(u) 收入確認

收入按已收或應收代價之公平值計量。只要集團預期有經濟利益流入，而收入及成本（如適用）能可靠計量，收入於損益確認如下：

(i) 銷售及輸送天然氣

銷售及輸送天然氣將於客戶使用天然氣時確認。以預付I/C卡支付銷售未輸送天然氣之預付款於綜合財務狀況表中作為遞延款項。收入將於貨物交付予客戶之時確認。

3 Summary of significant accounting policies *(Continued)*

(u) Revenue recognition *(Continued)*

(ii) Gas pipeline construction and connection fee income

Gas pipeline construction and connection fee income is recognised using the percentage of completion method, but when the period of construction works is short, the revenue is recognised when the relevant construction works are completed and connection services are rendered.

(iii) Revenue from exploitation and production of crude oil and natural gas

The sales of crude oil is recorded when the significant risks and rewards of ownership of the product is transferred to the buyer which is usually when legal title passes to the external party and this is generally at the time product enters the pipeline.

(iv) Sales of equipment

The equipment sold are mainly the gas meter. Sales of equipment are recognised when the significant risks and rewards of ownership have been transferred to the buyer, provided that the Group maintains neither managerial involvement to the degree usually associated with ownership, nor effective control over the equipment sold.

(v) Interest income

Interest income is recognised as it accrues using the effective interest method.

(vi) Rental income

Rental income is recognised on a straight-line basis over the tenant lease.

(vii) Royalty income

Royalty income is recognised on an accruals basis in accordance with the substance of the relevant agreements.

3 主要會計政策概要*(續)*

(u) 收入確認*(續)*

(ii) 天然氣管道建造及接駁費收入

天然氣管道建造及接駁費收入採用完成比例法確認，惟倘在建工程時期較短，則於相關建設工程已完成及接駁服務已提供時確認。

(iii) 開採及生產原油及天然氣所得收入

當產品所有權的重大風險及回報被轉嫁至買方時(通常為當法定物權轉嫁予外部人士且通常產品進入管道時)錄得銷售原油及天然氣。

(iv) 銷售設備

已售設備主要為燃氣表。於擁有權之重大風險及回報均轉予買家及集團對該等項目已沒有保留一般視為與擁有權相關之管理權或對已售設備之有效控制權後確認銷售設備。

(v) 利息收入

利息收入使用實際利率法於應計時確認。

(vi) 租金收入

租金收入於租期內按直線基準確認。

(vii) 特許權收入

特許權收入按相關協議條款以應計基準確認。

3 Summary of significant accounting policies *(Continued)*

(v) Employee benefits

(i) Retirement benefit costs

In accordance with the rules and regulations in the PRC, the PRC based employees of the Group participate in various defined contribution retirement benefit plans organised by the relevant municipal and provincial governments in the PRC under which the Group and the PRC based employees are required to make monthly contributions to these plans calculated as a percentage of the employees' salaries.

The municipal and provincial governments undertake to assume the retirement benefit obligations of all existing and future retired PRC based employees payable under the plans described above. Other than the monthly contributions, the Group has no further obligation for the payment of retirement and other post retirement benefits of its employees. The assets of these plans are held separately from those of the Group in independently administrated funds managed by the provincial governments.

The Group also operates a defined contribution Mandatory Provident Fund Scheme in Hong Kong (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance for those qualifying employees employed under the jurisdiction of the Hong Kong Employment Ordinance, and who are eligible to participate in the MPF Scheme. Under the rules of the MPF Scheme, contributions to the scheme by the Group and the employees are calculated as a percentage of employee's relevant income, subject to a cap of monthly relevant income of HK$30,000. The retirement benefit scheme costs charged to consolidated profit or loss represent contributions payable by the Group in accordance with the rules of the MPF Scheme. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund.

3 主要會計政策概要*(續)*

(v) 僱員福利

(i) 退休福利成本

根據中華人民共和國之規則和法規，集團之中國僱員參與由中國有關省市政府營辦之若干界定供款退休福利計劃。據此，集團和中國僱員須每月按僱員薪金某個百分比向這些計劃作出供款。

省市政府承諾承擔上述計劃應付所有現有及日後退休中國僱員之退休福利責任。集團除該等每月供款外，並無其他涉及支付僱員退休及其他退休後福利之責任。該等計劃之資產由省級政府管理之獨立管理基金持有，並與集團之資產分開。

集團亦根據強制性公積金計劃條例在香港為所有符合資格參與強制性公積金計劃(「強積金計劃」)之受香港僱用條例管轄之合資格僱員設有界定供款之強積金計劃。根據強積金計劃之規則，集團及僱員向計劃之供款乃按僱員有關收入之百分比計算，惟每月有關收入的最高上限為30,000港元。於綜合損益內扣除的退休福利計劃成本指集團根據強積金計劃之規則向基金支付的供款。集團作出之僱主供款，於向強積金計劃供款時全部歸屬於僱員。強積金計劃資產與集團的資產分開持有，由獨立管理基金管理。

3 Summary of significant accounting policies *(Continued)*

(v) Employee benefits *(Continued)*

(ii) Employee entitlements

Employee entitlements to annual leave and long service payment are recognised when they accrue to the employees. A provision is made for the estimated liability for annual leave and long service payment as a result of services rendered by employees up to the statement of financial position date.

Employee entitlements to sick leave and maternity or paternity leave are not recognised until the time of leave.

(iii) Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees as consideration for equity instruments of the Group. The fair value of the employee services received in exchange for the grant of share options or restricted shares is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options or restricted shares granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining an employee of the entity over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or holding shares for a specified period of time).

3 主要會計政策概要*(續)*

(v) 僱員福利*(續)*

(ii) 僱員應獲權利

僱員應得之年假及長期服務金於應計予僱員時確認。就截至財務狀況表日期因僱員提供服務而應得之年假及長期服務金，將估計有關負債而作出撥備。

僱員應得之病假及產假和父方陪產假直至取假時方予確認。

(iii) 以股份為基礎之付款

集團設有多項以權益結算以股份為基礎的報酬計劃，根據該等計劃，實體收取僱員的服務以作為集團權益工具的代價。僱員為換取獲授予購股權或限制性股份而提供服務的公平值確認為費用。將予支銷的總金額從參考授出購股權或限制性股份的公平值後釐定：

- 包括任何市場表現條件（例如，實體之股價）；
- 不包括任何服務及非市場表現歸屬條件（如盈利能力、銷售增長目標以及於特定期間內仍為實體僱員）之影響；及
- 包括任何非歸屬條件之影響（例如，對僱員之要求或在某特定時期持有股份）。

3 Summary of significant accounting policies *(Continued)*

(v) Employee benefits *(Continued)*

(iii) Share-based payments (Continued)

Non-market vesting conditions are included in assumptions about the number of options or restricted shares that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options or restricted shares that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in the consolidated profit or loss, with a corresponding adjustment to equity.

Share option scheme

When the options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiary undertakings in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognised over the vesting period as an increase to investment in subsidiary undertakings, with a corresponding credit to equity.

3 主要會計政策概要*(續)*

(v) 僱員福利*(續)*

(iii) 以股份為基礎之付款(續)

非市場歸屬條件包括在有關預期可予歸屬之購股權或限制性股份數目之假設內。總支銷金額於歸屬期內確認，即符合所有列明之歸屬條件的期間。於各報告期末，實體根據非市場歸屬條件修訂其估計預期將予歸屬之認股權或限制性股份數目。實體在綜合損益內確認對修訂原估算之影響(如有)，並對權益作出相應調整。

購股權計劃

於購股權獲行使時，公司發行新股份。於購股權獲行使時之已收所得款項於減去所有直接應佔交易成本後撥入股本(面值)及股份溢價。

公司向集團附屬公司的僱員授予權益工具的購股權被視為資本投入。所獲得僱員服務之公平值乃參考授出日期之公平值計量，於歸屬期內確認為增加對附屬公司之投資，並相應計入權益。

3 Summary of significant accounting policies *(Continued)*

(v) Employee benefits *(Continued)*

(iii) Share-based payments (Continued)

Share award scheme

When restricted shares are granted, the fair value of restricted shares are recognised as expense with a corresponding adjustment to equity over the vesting period.

Where the Group purchases the Company's shares from the market, the consideration paid, including any directly attributable incremental costs, is presented as "shares held for award scheme" and deducted from total equity.

The social security contributions payable in connection with the grant of the share options and restricted shares is considered an integral part of the grant itself, and the charge will be treated as a cash-settled transaction.

(w) Provisions

Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3 主要會計政策概要*(續)*

(v) 僱員福利*(續)*

(iii) 以股份為基礎之付款(續)

股份獎勵計劃

倘授出限制性股份，限制性股份的公平值會確認為開支，並於歸屬期內對權益作出相應調整。

倘集團在市場內購入公司股份，已付代價(包括任何直接應佔增加成本)作為「為獎勵計劃持有的股份」呈列，並從權益總額內扣除。

就有關授出購股權及限制性股份而應付的社會保障供款被視為授出本身的一個組成部分，而其費用被視為以現金結算的交易。

(w) 撥備

對環境復原、重組成本及法律索償之撥備於下列情況下予以確認：集團須就過往事件承擔現有的法定或推定責任，而履行該責任很有可能會導致資源外流，並能作出可靠的估計。重組撥備包括終止租約罰款及終止僱員合約所支付之款項。未來經營虧損毋須作出撥備確認。

倘有多項類似責任時，解除該等責任導致資源流出的可能性按責任的類別作整體考慮。即使在同一類別責任內任何一個項目導致資源流出的可能性很低，亦須就此確認撥備。撥備採用稅前利率按照預期需解除責任的支出現值計量，該利率反映當時市場對貨幣時間價值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息費用。

3 Summary of significant accounting policies *(Continued)*

(x) Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case the tax is also recognised in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in the countries where the Group, its associates and joint ventures operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the date of the statement of financial position and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

3 主要會計政策概要*(續)*

(x) 當期及遞延所得稅

期內稅項開支包括當期及遞延稅項。稅項於損益確認，惟與於其他全面收益或於權益直接確認之項目有關者除外。在此情況下，稅項亦分別於其他全面收益或於權益直接確認。

(i) 當期所得稅

當期所得稅支出根據集團、其聯營公司及合營企業營運及產生應課稅收入所在之國家於財務狀況表日期已通過或實質上通過之稅務法例計算。管理層就適用稅務法例詮釋所規限之情況定期評估報稅表之狀況，並在適用情況下根據預期須向稅務機關支付之稅款設定撥備。

(ii) 遞延所得稅

內在基準差異

遞延所得稅以負債法按資產及負債之稅基與彼等賬面值產生之暫時差額，於綜合財務報表悉內確認。然而，倘稅項負債源自商譽的首次確認，則不會確認遞延稅項負債，倘屬業務合併以外且交易當時並不影響會計或稅務盈虧之交易，則首次確認資產或負債所產生遞延所得稅不予入賬。遞延所得稅以財務狀況表日期已通過或實質上通過之稅率（及稅法）釐定，預計將於有關遞延所得稅資產變現或遞延所得稅負債清償時應用。

3 Summary of significant accounting policies *(Continued)*

(x) Current and deferred income tax *(Continued)*

(ii) Deferred income tax (Continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside basis differences

Deferred income tax liability is provided on temporary differences arising on investments in subsidiaries, joint venture and associates, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint ventures only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(iii) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

3 主要會計政策概要*(續)*

(x) 當期及遞延所得稅*(續)*

(ii) 遞延所得稅(續)

遞延所得稅資產僅於日後將有應課稅盈利抵銷暫時差異時確認。

外在基準差異

遞延所得稅負債乃按於附屬公司、合營企業及聯營公司之投資所產生之暫時差額作出撥備，但如集團能控制暫時差額之撥回時間，且暫時差額可能不會於可見將來撥回之遞延所得稅負債則除外。

對與附屬公司、聯營公司及合營企業投資相關的可抵扣暫時性差異，確認遞延所得稅資產，僅以在未來很可能撥回暫時性差異為限，且有足夠應課稅溢利可用來抵銷暫時差異。

(iii) 抵銷

當有法定可執行權利可將當期稅項資產與當期稅務負債抵銷，而遞延所得稅資產及負債涉及同一稅務機關向應課稅實體或不同應課稅實體徵收之所得稅，並有意按淨額結算餘款，則可將遞延所得稅資產與負債抵銷。

3 Summary of significant accounting policies *(Continued)*

(y) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payment made under operating leases, net of any incentives received from the lessor are charged to profit or loss on a straight-line basis over the period of the lease.

Leases of property, plant and equipment where the Group has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

(z) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate.

Government grants relating to property, plant and equipment are included in non-current liabilities as deferred government grants and are credited to the profit or loss on a straight-line basis over the expected lives of the related assets.

3 主要會計政策概要*(續)*

(y) 租賃

凡所有權的絕大部分風險和回報由出租人保留的租賃，均列作經營租賃。根據經營租賃(扣除從出租人獲取的任何優惠)作出的付款按租期以直線法於損益內扣除。

集團擁有所有權絕大部分風險及回報的物業、廠房及設備租賃分類為融資租賃。融資租賃於租期開始時按租賃物業公平值與最低租賃付款現值兩者中之較低者資本化。

(z) 政府補助

當能合理確定將收到政府的補助，而集團將遵守所有附帶條件時，政府補助按其公平值確認。

與成本有關的政府補助將被遞延，並於與其擬定補償的成本配對在所需期間內於損益中確認。

與物業、廠房及設備有關的政府補助列入非流動負債作為遞延政府補助，並按直線法於相關資產預計年限計入損益。

4 Financial risk management 4 財務風險管理

4.1 Financial instruments by categories 4.1 按類別劃分之金融工具

		Note 附註	Available-for-sale financial assets 可供出售財務資產 HK$'000 千港元	Financial assets at fair value through profit or loss 按公平值經損益入賬之財務資產 HK$'000 千港元	Loans and receivables 貸款及應收款項 HK$'000 千港元	Financial liabilities at amortised cost 按攤銷成本計量之財務負債 HK$'000 千港元
As at 31 December 2017	於二零一七年十二月三十一日					
Available-for-sale financial assets	可供出售財務資產	21	**596,360**	–	–	–
Deposits, trade and other receivables	按金、貿易及其他應收款項		–	–	**1,859,370**	–
Financial assets at fair value through profit or loss	按公平值經損益入賬之財務資產	24	–	**48,842**	–	–
Time deposits, bank balances and cash	定期存款、銀行結餘及現金	25	–	–	**2,338,978**	–
Trade and other payables	貿易及其他應付款項		–	–	–	**1,420,394**
Borrowings	借貸	28	–	–	–	**749,258**
Senior notes	優先票據	29	–	–	–	**4,970,240**
			596,360	**48,842**	**4,198,348**	**7,139,892**
As at 31 December 2016	於二零一六年十二月三十一日					
Available-for-sale financial assets	可供出售財務資產	21	638,262	–	–	–
Deposits, trade and other receivables	按金、貿易及其他應收款項		–	–	1,726,189	–
Financial assets at fair value through profit or loss	按公平值經損益入賬之財務資產	24	–	47,448	–	–
Time deposits, bank balances and cash	定期存款、銀行結餘及現金	25	–	–	1,858,653	–
Trade and other payables	貿易及其他應付款項		–	–	–	1,302,258
Borrowings	借貸	28	–	–	–	360,907
Senior notes	優先票據	29	–	–	–	5,006,417
			638,262	47,448	3,584,842	6,669,582

4 Financial risk management *(Continued)*

4.2 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk arising in the normal course of its business and financial instruments. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Market risk

(i) Currency risk

The Group is exposed to currency risk arising from various currency exposures, primarily with respect to United States dollars ("US$"), Canadian dollars ("CAD") and Renminbi. Currency risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations. In addition, the conversion of Renminbi into foreign currencies is subject to the rules and regulations of foreign exchange control promulgated by the PRC government. This currency exposure is managed primarily through sourcing supplies denominated in the same currency.

Management has set up a policy to require group companies to manage their foreign exchange risk against functional currency. It mainly includes managing the exposures arise from sales and purchases made by the relevant group companies in currencies other than their own functional currencies. The Group also manages its foreign exchange risk by performing regular reviews of the Group's net foreign exchange exposures. The Group has not used any forward foreign exchange contracts to hedge its exposure.

Prices for oil and natural gas in Canada are determined in global markets and generally denominated in US$. Oil prices obtained by the Group are influenced by both United States and Canadian demand and the corresponding North American supply. The exchange rate effect cannot be quantified but generally an increase in the value of CAD as compared to US$ will reduce the prices received by the Group for its petroleum and natural gas sales.

4 財務風險管理*(續)*

4.2 財務風險因素

集團活動面臨多種財務風險：市場風險(包括貨幣風險、價格風險及利率風險)、信貸風險及日常業務過程及金融工具產生之流動資金風險。管理層管理及監控該等風險，以保證及時有效地實施適當措施。

(a) 市場風險

(i) 貨幣風險

集團面臨因持有不同貨幣(以美元(「美元」)、加拿大元(「加元」)及人民幣為主)產生的貨幣風險。貨幣風險由未來商業交易、確認資產及負債及國外業務淨投資而產生。此外，人民幣兌換為外幣須受中國政府頒布之外匯管制規則及法規所規限。此貨幣風險主要透過採購以相同貨幣計值的供應而進行管理。

管理層已制訂政策，要求集團公司管理各自功能貨幣的外匯風險。其主要包括管理相關集團公司以其自身功能貨幣以外之貨幣買賣產生的風險。集團亦通過定期審閱集團匯兌淨額管理其外匯風險。集團概無使用任何遠期外匯合約對沖其風險。

加拿大石油及天然氣價格於全球市場中釐定且一般以美元列值。集團獲得的石油價格受美國及加拿大需求以及相應北美供應的影響。匯率影響不可被量化，但一般加元兌美元升值將降低集團就其石油及天然氣銷售所取得的價格。

4 Financial risk management *(Continued)*

4.2 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(i) Currency risk *(Continued)*

As US$ is pegged with HK$ under the Linked Exchange Rate System, the Group has minimal exposure to currency risk arising from US$. Accordingly, no sensitivity analysis is performed. As at 31 December 2017, if Renminbi had weakened/strengthened by 5% against HK$, with all other variables held constant, post-tax profit for the year would have been HK$113,263,000 (2016: HK$95,266,000) lower/higher, mainly as a result of foreign exchange losses/gains on translation of Renminbi denominated cash and cash equivalents.

(ii) Price risk

The Group is exposed to equity price changes arising from equity investments classified as available-for-sale financial assets and financial assets at fair value through profit or loss. Other than unlisted debt and equity securities held for strategic purposes, all of these investments are listed. Most of the Group's listed investments are listed on the stock exchanges of Hong Kong and other countries. Decisions to buy or sell trading securities are based on daily monitoring of the performance of the individual securities compared to that of the index and other industry indicators, as well as the Group's liquidity needs. Listed investments held in the available-for-sale portfolio have been chosen based on their longer term growth potential and are monitored regularly for performance against expectations. The portfolio is diversified in terms of industry distribution, in accordance with the limits set by the Group.

4 財務風險管理*(續)*

4.2 財務風險因素*(續)*

(a) 市場風險(續)

(i) 貨幣風險*(續)*

因根據聯繫匯率制度美元與港元掛鈎，故集團承受由美元產生之貨幣風險較少。因此，並無作敏感性分析。於二零一七年十二月三十一日，在其他因素保持不變的情況下，倘人民幣兌港元貶值／升值5%，年內除稅後溢利將減少／增加113,263,000港元（二零一六年：95,266,000港元），主要由於換算以人民幣計值之現金及現金等值項目的匯兌虧損／收益所致。

(ii) 價格風險

集團就分類為可供出售財務資產及按公平值經損益入賬之財務資產之股本投資（（除持有之策略性非上市債券及股本證券外）全部為上市投資）面臨股本價格變動風險。集團大部分上市投資在香港聯交所及其他國家上市。決定購入或賣出買賣證券的基礎是每日監察個別證券與指數及其他行業指標的相對表現，以及集團對流動資金的需求。作為可供出售投資組合持有的上市投資乃按長期增長潛力挑選，並定期監察其表現是否符合預期。該投資組合已按照集團制定的限制在行業分佈方面符合分散原則。

4 Financial risk management *(Continued)*

4.2 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(ii) Price risk *(Continued)*

As at 31 December 2017, debt and equity investments classified as financial assets at fair value through profit or loss amounted to HK$48,842,000 (2016: HK$47,448,000). Price risk arises on account of debt and equity investments classified as financial assets at fair value through profit or loss is not material to the Group as a whole.

Commodity price risk is the risk that fair value or future cash flows will fluctuate as a result of changes in commodity prices. Commodity prices for oil and natural gas in Canada are impacted by the relationship between CAD and US$ as well as world economic events that dictate the levels of supply and demand.

(iii) Interest rate risk

As the Group has no significant interest-bearing assets, except for short-term bank deposits, loan to an associate and loans to third parties, the Group's income and operating cash flows are substantially independent of changes in market interest rates. Management does not anticipate significant impact on interest-bearing assets resulted from changes in interest rates because the interest rates of bank deposits are not expected to change significantly.

The Group's interest rate risk arises from borrowings and senior notes. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings at fixed rates expose the Group to fair value interest rate risk.

Details of the Group's borrowings and senior notes are set out in Notes 28 and 29 respectively.

4 財務風險管理*（續）*

4.2 財務風險因素*（續）*

(a) 市場風險（續）

(ii) 價格風險*（續）*

於二零一七年十二月三十一日，分類為按公平值經損益入賬的財務資產的債務及股本投資達48,842,000港元（二零一六年：47,448,000港元）。分類為按公平值經損益入賬的財務資產的重大債務及股本投資賬項產生之價格風險總體而言對集團並不重大。

商品價格風險指公平值或未來現金流會因商品價格變動而波動的風險。加拿大石油及天然氣商品價格受加元及美元關係以及決定供求情況的全球經濟事件的影響。

(iii) 利率風險

由於集團除短期銀行存款、貸款予一間聯營公司及貸款予第三方外，並無重大計息資產，集團收入及經營現金流量大部分不受市場利率變動影響。由於預期銀行存款利息並無重大變動，管理層預期利率變動對計息資產並無重大影響。

集團利率風險由借貸及優先票據產生。按浮息取得之借貸使集團面臨現金流量利率風險。定息借貸則使集團面臨公平值利率風險。

集團借貸及優先票據之詳情分別載於附註28及29。

4 Financial risk management *(Continued)*

4.2 Financial risk factors *(Continued)*

(a) Market risk (Continued)

(iii) Interest rate risk *(Continued)*

The Group has not used any interest rate swaps to hedge its exposure to interest rate risk as the interest rate risk exposure is not significant. In order to manage the cash flow interest rate risk, the Group will repay the corresponding borrowings when it has surplus funds.

At 31 December 2017, it is estimated that a general increase or decrease of 100 basis points in interest rates on floating rate borrowings, with all other variables held constant, would decrease/increase the Group's post tax profit for the year by approximately HK$2,913,000 (2016: HK$1,683,000). The above sensitivity analysis has been determined assuming that the change in interest rates had occurred at the date of the statement of financial position and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 100 basis points increase or decrease represents management's assessment of a reasonably possible change in interest rates over the year until the next annual statement of financial position date. The analysis was performed on the same basis for 2016.

(b) Credit risk

The Group's credit risk is primarily attributable to trade and other receivables, the debt instruments under available-for-sale financial assets and financial assets at fair value through profit or loss with a maximum exposure equal to the carrying amounts of these financial instruments. Management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis.

4 財務風險管理*(續)*

4.2 財務風險因素*(續)*

(a) 市場風險(續)

(iii) 利率風險*(續)*

由於利率風險並不重大，集團並無使用任何利率掉期對沖其利率風險承擔。為管控現金流量利率風險，集團在有盈餘資金時會償還有關借貸。

於二零一七年十二月三十一日，估計浮息借貸之利率普遍上升或下跌100個基點，而所有其他變數保持不變，則集團年內除稅後溢利將分別減少／增加約2,913,000港元(二零一六年：1,683,000港元)。上述敏感度分析乃假設利率變動於財務狀況表日期發生及一直應用於於該日存在的金融工具的利率風險。上升或下跌100個基點指管理層評估利率於年內直至下一全年財務狀況表日期前期間的可能合理變動。二零一六年的分析按同一基準進行。

(b) 信貸風險

集團之信貸風險主要由貿易及其他應收款項、歸類為可供出售財務資產及按公平值經損益入賬之財務資產的債務證券，所面對之最高風險相等於該等金融工具之賬面值。管理層已制定現成之信貸政策，並對該等信貸風險持續監控。

4 Financial risk management *(Continued)*

4.2 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

As at 31 December 2017 and 2016, all of the Group's bank deposits are deposited in major financial institutions located in the PRC, Canada and Hong Kong, which the management believes are of high credit quality without significant credit risk. The Group's bank deposits as at 31 December 2017 and 2016 were as follows:

4 財務風險管理*（續）*

4.2 財務風險因素*（續）*

(b) 信貸風險（續）

於二零一七年及二零一六年十二月三十一日，集團所有銀行存款均存入位於中國、加拿大及香港之主要金融機構，管理層認為該等機構信貸質量高且並無重大信貸風險。於二零一七年及二零一六年十二月三十一日，集團之銀行存款如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
State-owned or listed banks	國有或上市銀行	**1,801,522**	1,590,103
Other banks	其他銀行	**535,390**	265,264
		2,336,912	1,855,367

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, deposits with banks and excludes cash on hand of HK$3,286,000 and HK$1,646,000, as at 31 December 2017 and 2016 respectively. Credit risk also arises from outstanding trade and other receivables from customers and a number of counter parties.

信貸風險按集團基準管理。信貸風險來自現金及現金等值項目、銀行存款，不包括於二零一七年及二零一六年十二月三十一日分別為3,286,000港元及1,646,000港元之手頭現金。信貸風險亦來自應收客戶及多名對手方的未償清貿易及其他應收款項。

The management considers the credit risk on loans to an associate and third parties after considering the financial conditions of the counter parties. Management has performed assessment over the recoverability of the balances and management does not expect any losses from non-performance by these counter parties.

經考慮對手方之財務狀況，管理層認為貸款予一間聯營公司及第三方之信貸風險甚微。管理層已就該等結餘之可收回性作出評估，且管理層預期不會因該等對手方違約而產生任何虧損。

4 Financial risk management *(Continued)*

4.2 Financial risk factors *(Continued)*

(b) Credit risk (Continued)

The Group generally requests advances from customers. In circumstances of credit sales, to manage the credit risk in respect of trade and other receivables, the Group has policies in place to ensure that sales are made to customers with appropriate credit history and the Group performs credit evaluations of its customers, and generally does not require collateral from the customers on the outstanding balances. Based on the expected recoverability and timing for collection of the outstanding balances, the Group maintains a provision for impairment of receivables and actual losses incurred have been within management's expectation.

Debt instruments held by the Group are normally only in liquid securities quoted on a recognised stock exchange, except where entered into for long-term strategic purposes. Given their high credit standing, management does not expect any investment counterparty to fail to meet its obligations.

The Group does not provide any other guarantees which would expose the Group to credit risk.

(c) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short-term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the Company's Board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

The following tables detail the remaining contractual maturities at date of the statement of financial position of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the statement of financial position date) and the earliest date the Group can be required to pay:

4 財務風險管理*（續）*

4.2 財務風險因素*（續）*

(b) 信貸風險（續）

集團一般要求客戶預付墊款。在賒銷的情況下，為管理貿易及其他應收款項產生的信貸風險，集團已訂有政策，以保證銷售乃向具有適當信用記錄的客戶作出及集團對客戶進行定期信用評估，一般毋須客戶就未清償結餘提供抵押。根據未清償結餘的預期可收回情況及收回時間，集團已就應收款項作出減值撥備，而實際虧損符合管理層預期。

集團持有的債務工具一般僅為於在認可證券交易所掛牌買賣的流通證券，惟為長遠策略性目的而進行者除外。鑒於投資對手方具有高信貸評級，管理層預期不會有任何投資對手方無法履行責任。

集團並無提供任何其他可致使集團承擔信貸風險之擔保。

(c) 流動資金風險

集團內個別經營實體負責彼等本身的現金管理，包括現金盈餘的短期投資及籌集貸款以彌補預期現金需求，當借貸超過若干預定權限水平時，須獲公司董事局批准方可作實。集團政策為定期監控現時及預期流動資金需求，以保證保持足夠現金儲備及隨時變現的有價證券以及充足之主要金融機構之承諾資金額度，以符合短期及較長期的流動資金需要。

下表詳述集團財務負債於財務狀況表日期的剩餘合約到期日，乃根據合約未折現現金流量（包括使用合約利率計算的利息付款或如屬浮息，按財務狀況表日期的現行利率計算）及集團可能須支付的最早日期為依據：

4 Financial risk management *(Continued)*

4 財務風險管理*（續）*

4.2 Financial risk factors *(Continued)*

4.2 財務風險因素*（續）*

(c) Liquidity risk (Continued)

(c) 流動資金風險（續）

Group		Total carrying amount 賬面總額 HK$'000 千港元	Total contractual undiscounted cash flow 合約未折現現金流量總計 HK$'000 千港元	Repayable on demand 須按要求償還 HK$'000 千港元	Less than 1 year or on demand 1年內或按要求支付 HK$'000 千港元	Between 1 to 2 years 1至2年 HK$'000 千港元	Between 2 to 5 years 2至5年 HK$'000 千港元
As at 31 December 2017	於二零一七年十二月三十一日						
Trade and other payables	貿易及其他應付款項	**1,420,394**	**1,420,394**	**1,420,394**	**–**	**–**	**–**
Borrowings	借貸	**749,258**	**782,595**	**–**	**715,005**	**12,240**	**55,350**
Senior notes (Note)	優先票據（附註）	**4,970,240**	**5,771,121**	**–**	**–**	**2,952,817**	**2,818,304**
		7,139,892	**7,974,110**	**1,420,394**	**715,005**	**2,965,057**	**2,873,654**
As at 31 December 2016	於二零一六年十二月三十一日						
Trade and other payables	貿易及其他應付款項	1,302,258	1,302,258	1,302,258	–	–	–
Borrowings	借貸	360,907	373,829	–	373,829	–	–
Senior notes (Note)	優先票據（附註）	5,006,417	5,037,500	–	–	2,712,500	2,325,000
		6,669,582	6,713,587	1,302,258	373,829	2,712,500	2,325,000

Note:

The Group complied with senior notes covenant and did not trigger the callable terms.

附註：

集團遵守優先票據契約及並無觸發隨時通知償還條款。

4 Financial risk management *(Continued)*

4.3 Capital risk management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group actively and regularly reviews and manages its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditure and projected strategic investment opportunities. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, repurchase the Company's shares, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of available cash and cash equivalents and current ratio as shown in and derived from the consolidated statement of financial position. The table below analyses the Group's capital structure:

4 財務風險管理*（續）*

4.3 資本風險管理

集團之資本管理主要目標為保障集團按持續基準經營之能力，以持續為股東帶來回報及為其他權益關涉者帶來利益，並保持最優資本架構以減少資本成本。

集團積極定期檢討及管理資本架構，並經考慮集團之日後資金需求及資本效益、當前及預期盈利能力及預期營運現金流量、預期資本開支及預期策略投資機會而確保優化資本架構及股東回報。為保持或調整資本架構，集團或會調整支付予股東之股息金額，回購公司股份，向股東回報資本，發行新股或銷售資產以減少債務。

集團根據綜合財務狀況表所示及計算所得之可用現金及現金等值項目及流動比率監控資本。下表為集團資本結構之分析：

		2017 **二零一七年**	2016 二零一六年
Cash and cash equivalents (HK$'000)	現金及現金等值項目（千港元）	**2,290,447**	1,833,483
Current ratio (Current assets divided by current liabilities)	流動比率（流動資產除以流動負債）	**1.08**	1.21

The Group's strategy is to maintain the current ratio above 1.00 and sufficient cash and cash equivalents to support the operations and development of its business in the long term.

集團之策略是將流動比率保持在1.00以上，並且維持足夠之現金及現金等值項目，以支持其業務的長遠營運及發展。

4 Financial risk management *(Continued)*

4.4 Fair value estimation

(i) Financial instruments carried at fair value

The following table presents the carrying value of the financial instruments measured at fair value at the statement of financial position date across the three levels of the fair value hierarchy defined in HKFRS 7, Financial Instruments: Disclosures, with the fair value of each financial instruments categorised in its entirety based on the lowest level of input that is significant to that fair value measurement.

The levels are defined as follows:

- Level 1 (highest level): fair values measured using quoted prices (unadjusted) in active markets for identical financial instruments.
- Level 2: fair values measured using quoted prices in active market for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable data.
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

4 財務風險管理*(續)*

4.4 公平值估計

(i) 以公平值列賬之金融工具

下表呈列於財務狀況表日期在香港財務報告準則第7號「金融工具：披露」所界定之公平值三個層次中，以公平值列賬之金融工具之賬面值，而各金融工具之公平值以對該公平值計量屬重大之最低層次輸入數據而整體分類。

所界定之層次如下：

- 第一層次(最高層次)：以可識別金融工具活躍市場所報價格(未經調整)計量公平值。
- 第二層次：以類似金融工具活躍市場報價，或以估值技術(其中所有重大輸入數據乃直接或間接以可觀察數據為本)計量公平值。
- 第三層次(最低層次)：以估值技術(其中重大輸入數據乃並非可觀察市場數據為本)計量公平值。

4 Financial risk management *(Continued)* 4 財務風險管理*（續）*

4.4 Fair value estimation *(Continued)* 4.4 公平值估計*（續）*

(i) Financial instruments carried at fair value (Continued) *(i) 以公平值列賬之金融工具（續）*

		Level 1 第一層次 HK$'000 千港元	Level 2 第二層次 HK$'000 千港元	Level 3 第三層次 HK$'000 千港元	Total 總計 HK$'000 千港元
As at 31 December 2017	於二零一七年十二月三十一日				
Available-for-sale financial assets:	可供出售財務資產：				
– Listed equity investments	－上市股本投資	**136,733**	**–**	**–**	**136,733**
– Listed debt instruments	－上市債務工具	**459,177**	**–**	**–**	**459,177**
– Unlisted debt instruments	－非上市債務工具	**–**	**450**	**–**	**450**
Financial assets at fair value through profit or loss:	按公平值經損益入賬之財務資產：				
– Listed debt instruments	－上市債務工具	**20,822**	**–**	**–**	**20,822**
– Unlisted debt instruments	－非上市債務工具	**–**	**28,020**	**–**	**28,020**
		616,732	**28,470**	**–**	**645,202**
As at 31 December 2016	於二零一六年十二月三十一日				
Available-for-sale financial assets:	可供出售財務資產：				
– Listed equity investments	－上市股本投資	918	–	–	918
– Listed debt instruments	－上市債務工具	636,962	–	–	636,962
– Unlisted debt instruments	－非上市債務工具	–	382	–	382
Financial assets at fair value through profit or loss:	按公平值經損益入賬之財務資產：				
– Listed debt instruments	－上市債務工具	20,029	–	–	20,029
– Unlisted debt instruments	－非上市債務工具	–	27,419	–	27,419
		657,909	27,801	–	685,710

4 Financial risk management *(Continued)*

4.4 Fair value estimation *(Continued)*

(i) Financial instruments carried at fair value (Continued)

During the year, there were no transfers between instruments in level 1 and level 2.

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at the date of the statement of financial position. 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 current bid price. These instruments are included in level 1. Instruments included in level 1 comprise primarily Hong Kong and Dow Jones equity and debt investments classified as trading securities or available-for-sale.

(b) 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 maximise 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.

4 財務風險管理*（續）*

4.4 公平值估計*（續）*

(i) 以公平值列賬之金融工具（續）

於本年度，第一層次及第二層次之間之工具概無轉撥。

(a) 第一層次金融工具

於交投活躍市場買賣之金融工具之公平值根據財務狀況表日期之市場報價計算。交投活躍市場乃指可輕易地及定期從交易所、經銷商、經紀人、行業集團、報價服務或規管機構取得報價之市場，而有關報價是在經常進行之真實公平交易之基礎上呈現。集團所持財務資產所用之市場報價為當時買入價。該等工具會被列為第一層次。被列為第一層次之工具主要包括分類為交易證券或可供出售證券的香港及道瓊斯指數證券。

(b) 第二層次金融工具

沒有在活躍市場買賣的金融工具（例如場外衍生工具）的公平值利用估值技術釐定。估值技術儘量利用可觀察市場數據（如有），儘量少依賴實體的特定估計。如計量一金融工具的公平值所需的所有重大輸入數據為可觀察數據，則該金融工具列入第二層次。

4 Financial risk management *(Continued)*

4.4 Fair value estimation *(Continued)*

(ii) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments, including non-current assets carried at cost or amortised cost are not materially different from their fair values as at 31 December 2017 and 2016.

The fair value of financial instruments traded in active markets (such as trading and available-for-sale securities) is based on quoted market prices at the date of the statement of financial position.The quoted market price used for financial assets held by the Group is the current bid price (i.e. level 1 — highest level). 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.

The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each statement of financial position date. Quoted market prices or dealer quotes for similar instruments are used for long-term borrowings. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The carrying values less allowance for impairment of current receivables and of current payables are a reasonable approximation of their fair values. Estimated discounted cash flows at the current market interest rate are used to determine fair value for these financial instruments (i.e. level 3 — lowest level).

4 財務風險管理*(續)*

4.4 公平值估計*(續)*

(ii) 以非公平值列賬之金融工具之公平值

集團的金融工具(包括以成本或攤銷成本列賬之非流動資產)之賬面值，與其於二零一七年及二零一六年十二月三十一日之公平值並無重大差別。

於活躍市場買賣之金融工具(例如持作買賣用途之證券及可供出售之證券)之公平值為財務狀況表日期之市場價格。集團所持財務資產所用之市價為當時買入價(即第一層次－最高層次)。非活躍市場買賣之金融工具(例如櫃枱交易衍生工具)之公平值乃使用估值技術釐定。

集團使用多種方法，並按各財務狀況表日期當時之市況作出假設。長期債項乃使用同類工具之市場價或交易商之報價。釐定其餘金融工具之公平值時則使用其他技術，例如預計折現現金流量。

賬面值減即期應收賬款及即期應付賬款之減值撥備乃公平值之合理約數。按現行市率計算之估計折現現金流量乃用以釐定該等金融工具之公平值(即第三層次－最低層次)。

5 Critical accounting estimates and judgements

The Group's management makes assumptions, estimates and judgements in the process of applying the Group's accounting policies that affect the assets, liabilities, income and expenses in the consolidated financial statements prepared in accordance with HKFRS. The assumptions, estimates and judgements are based on historical experience and other factors that are believed to be reasonable under the circumstances. While the management reviews their judgements, estimates and assumptions continuously, the actual results will seldom equal to the estimates.

Estimates and judgements are regularly evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The matters described below are considered to be the most critical in understanding the estimates and judgements that are involved in preparing the Group's consolidated financial statements.

(a) Estimate of impairment of loan receivable from and interest in an associate

The Group tests at least annually whether loan receivable from and interest in an associate suffered any impairment. Business valuation was performed and management reviewed for possible impairments whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgements such as commodity price growth, future production profile, and discount rate. However, the impairment reviews and calculations are based on assumptions that are consistent with the Group's business plans. Favourable changes to some assumptions may allow the Group to avoid the need to impair any assets in these years, whereas unfavourable changes may cause the assets to become impaired.

Specific assumptions and estimates involved in the cash flow projections are set out in Note 20.

5 重大會計估計及判斷

集團的管理人員於應用影響根據香港財務報告準則編撰的綜合財務報表所載資產、負債、收入及開支的會計政策時作出假設、估計及判斷。相關假設、估計及判斷乃基於過往經驗及相信於當時情況屬合理的其他因素作出。雖然管理人員會不斷檢討彼等之判斷、估計及假設，但實際結果甚少於估計相同。

有關估計及判斷定期予以評估，並以過往經驗及其他因素為基準，包括對相信於有關情況下屬合理的未來事項的預期。

下文所述事項就理解編製集團綜合財務報表所涉估計及判斷而言，尤為重要。

(a) 應收一間聯營公司貸款及於該聯營公司的權益減值之估計

集團至少每年測試應收一間聯營公司貸款及於該聯營公司的權益是否發生減值。倘出現有情況或情況變動顯示賬面值未必可收回，則會進行業務估值且管理層會對可能減值作出檢討。釐定資產是否減值及其減值幅度涉及管理層對商品價格增長、未來生產概況及貼現率等之估計及判斷。然而，減值檢討及計算乃以與集團業務計劃一致之假設為基準。若干假設之有利變動能讓集團於該等年度避免減值任何資產之需要，而不利變動則可能導致資產減值。

現金流量預測所涉及的特定假設及估計載於附註20。

5 Critical accounting estimates and judgements *(Continued)*

(b) Estimation of impairment of non-financial assets

The Group tests at least annually whether goodwill has suffered any impairment. Property, plant and equipment and goodwill are also reviewed for possible impairments whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Determination as to whether and how much an asset is impaired involves management estimates and judgements such as future prices of natural gas and crude oil. However, the impairment reviews and calculations are based on assumptions that are consistent with the Group's business plans. Favourable changes to some assumptions may allow the Group to avoid the need to impair any assets in these years, whereas unfavourable changes may cause the assets to become impaired.

The Group relied on experts to assess the geological prospects for the discovery of oil in the oilfield and estimated the value of oil to be produced in the future at a suitable discount rate in order to calculate the present value. For drilling costs and other exploration and evaluation assets, the Group determined whether the related well costs are expensed if it is determined that such economic viability is not attained after performing further feasibility studies. Judgement is required by the Board to determine key assumptions adopted in the cash flow projections and changes to key assumptions can significantly affect these cash flow projections and therefore the results of the impairment reviews.

5 重大會計估計及判斷*(續)*

(b) 非財務資產減值估計

集團至少每年測試商譽有否減值。當事件或情況變化顯示賬面值可能無法收回時，物業、廠房及設備以及商譽亦予以檢討是否可能減值。確定資產是否減值及減值之金額涉及管理層之估計及判斷，例如天然氣及原油之未來價格。然而，減值檢討及計算乃根據與集團之業務計劃一致之假設而作出。若干假設之有利變動或會令集團避免於該等年度對任何資產進行減值，而不利變動或會使資產減值。

集團依賴專家對油田中發現石油的地質評估及按適當折現率估計未來將生產的石油價值，以計算現值。就鑽井成本及其他勘探及評估資產而言，倘確定於進一步進行可行性研究後無法實現經濟可行性，集團釐定有關油井支出是否支銷。董事須作出判斷以釐定現金流量預測所採納的主要假設，而主要假設變動可重大影響該等現金流量預測，從而影響減值檢討的結果。

5 Critical accounting estimates and judgements *(Continued)*

(c) Estimation of useful lives and residual values of property, plant and equipment under the segment of "sales and distribution of natural gas and other related products"

The Group's management determines the estimated useful lives and residual values for the Group's property, plant and equipment in the segment of "Sales and distribution of natural gas and other related products". This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment and land use right of similar nature and functions. It could change significantly as a result of technological advancement and innovations in the natural gas industry. Management will adjust the depreciation charge where residual values vary with previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation in the future periods.

(d) Estimate of petroleum reserve under the segment of "exploitation and production of crude oil and natural gas"

Estimates of petroleum reserves are key elements in the Group's investment decision-making process. They are also an important element in testing for impairment. Changes in total proved plus probable petroleum reserves will affect unit-of-production depreciation and depletion recorded in the Group's consolidated financial statements for property, plant and equipment related to oil and gas production activities. A reduction in proved plus probable reserves will increase depreciation and depletion charges. Petroleum reserve estimates are subject to revision, either upward or downward, based on new information, such as from development drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans.

5 重大會計估計及判斷*(續)*

(c) 物業、廠房及設備之使用年期及剩餘價值估計

集團管理層釐定集團於「銷售及輸送天然氣及其他相關產品」分部內的物業、廠房及設備之估計可使用年期及剩餘價值。此估計乃基於對類似性質及功能的物業、廠房及設備之實際可使用年期及剩餘價值的歷史經驗而作出。此估計可因天然氣行業的技術進步及創新而大幅轉變。如剩餘價值與先前估計有差別，管理層將調整折舊費用，或撇銷或撇減技術上過時或被廢棄或出售的非策略性資產。實際剩餘價值可能與估計剩餘價值不同。定期回顧可能導致可折舊年期及剩餘價值轉變並因此於未來期間出現折舊。

(d) 「開採及生產原油及天然氣」分部石油儲量之估計

石油儲量之估計對集團之投資決策過程至關重要，亦是減值測試之重要因素。探明加概算石油總儲量之變化將影響於集團綜合財務報表就與石油及天然氣生產活動相關之物業、廠房及設備所入賬之單位產量折舊及損耗。探明加概算儲量之減少將增加折舊及損耗金額。石油儲量估計可根據新資料作出向上或向下修訂，例如，來自開發鑽探及生產活動或來自經濟因素之變化，包括產品價格、合同條款或開發計劃等。

6 Revenue and segment information

The Group's principal activities are the sales and distribution of natural gas, crude oil and other related products and provision of construction and connection services of gas pipelines in the PRC, and the exploitation and production of crude oil and natural gas in Canada. Revenue for the year comprises the following:

6 營業額及分部資料

集團主要從事銷售及分銷天然氣、原油及其他相關產品及於中國提供燃氣管道建造及接駁服務，以及在加拿大開採及生產原油及天然氣。年內營業額包括以下各項：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Sales and distribution of natural gas and other related products	銷售及輸送天然氣及其他相關產品	**6,773,775**	5,424,144
Gas pipeline connection and construction services income	燃氣管道接駁及建造服務收入	**524,680**	721,041
Revenue from exploitation and production of crude oil and natural gas	來自開採及生產原油及天然氣之營業額	**352,825**	301,267
		7,651,280	6,446,452

6 Revenue and segment information *(Continued)*

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for the purposes of resource allocation and assessment of performance focuses more specifically on sales of natural gas, gas pipeline construction and connection; and exploitation and production of crude oil and natural gas.

The Group has presented the following three reportable segments for the year ended 31 December 2017:

- sales and distribution of natural gas and other related products
- gas pipeline construction and connection
- exploitation and production of crude oil and natural gas

No operating segments have been aggregated to form the above reportable segments.

The executive directors assess the performance of the business segments based on profit before taxation without allocation of other gains, net, interest income, finance costs, share of losses of investments accounted for using the equity method, reversal of impairment losses on oil and gas properties under property, plant and equipment, written off of exploration and evaluation assets, losses on disposals of exploration and evaluation assets and other unallocated corporate expenses, which is consistent with these in the consolidated financial statements. Meanwhile, the Group does not allocate assets and liabilities to its segments and report the sales from external customers by geographical market, as the executive directors do not use these information to allocate resources to or evaluate the performance of operating segment. Therefore, the Group does not report a measure of segment assets and liabilities for each reportable segment and a measure of sales by geographical market.

Information regarding the Group's reportable segments as provided to the executive directors for the purpose of resources allocation and assessment of segment performance for the years ended 31 December 2017 and 2016 is set out below.

6 營業額及分部資料（續）

集團根據定期向執行董事匯報供資源分配及表現評估之內部財務資料識別其經營分部及編製分部資料，並更多側重於銷售天然氣、燃氣管道建造及接駁以及開採及生產原油及天然氣。

於截至二零一七年十二月三十一日止年度，集團已呈列以下三個可報告經營分部：

- 銷售及輸送天然氣及其他相關產品
- 燃氣管道建造及接駁
- 開採及生產原油及天然氣

沒有彙總經營分部以組成上述報告分部。

執行董事根據除稅前溢利就業務分部之表現進行評估，而並無分配其他收益淨額、利息收入、財務費用、分佔使用權益法入賬之投資虧損、物業、廠房及設備項下油氣資產減值虧損回撥、勘探及評估資產沖銷、出售勘探及評估資產的虧損以及其他未分配企業開支，與綜合財務報表所述者一致。與此同時，集團並無分配資產及負債予其分部及呈報來自地區市場外部客戶的銷售額，因為執行董事並無使用該資料分配資源或評估其經營分部表現。因此，集團並無就各可報告分部呈報分部資產及分部負債之計量及按地區市場銷售額之計量。

截至二零一七年及二零一六年十二月三十一日止年度，向執行董事提供以用作資源分配及分部表現評估有關集團報告分部之資料載列如下。

6 Revenue and segment information *(Continued)* 6 營業額及分部資料*(續)*

For the year ended 31 December 2017: 截至二零一七年十二月三十一日止年度：

		Sales and distribution of natural gas and other related products 銷售及輸送天然氣及其他相關產品 HK$'000 千港元	Gas pipeline construction and connection 燃氣管道建造及接駁 HK$'000 千港元	Exploitation and production of crude oil and natural gas 開採及生產原油及天然氣 HK$'000 千港元	Group 集團 HK$'000 千港元
Segment revenue and results	**分部收入及業績**				
Sales to external customers	外部客戶銷售額	**6,773,775**	**524,680**	**352,825**	**7,651,280**
Segment results	分部業績	**664,093**	**242,982**	**76,842**	**983,917**
Interest income	財務收入				**101,741**
Other gains, net	其他收益，淨額				**22,901**
Finance costs	財務費用				**(203,677)**
Reversal of impairment losses on oil and gas properties under property, plant and equipment	物業、廠房及設備項下油氣資產減值虧損回撥	**–**	**–**	**4,402**	**4,402**
Written off of exploration and evaluation assets	勘探及評估資產沖銷	**–**	**–**	**(2,357)**	**(2,357)**
Share of losses of investments accounted for using the equity method	分佔使用權益法入賬之投資虧損				**(2,356)**
Unallocated corporate expenses	未分配企業開支				**(93,105)**
Profit before taxation	除稅前溢利				**811,466**
Taxation	稅項				**(188,527)**
Profit for the year	年內溢利				**622,939**

6 Revenue and segment information *(Continued)*

6 營業額及分部資料*(續)*

For the year ended 31 December 2016:

截至二零一六年十二月三十一日止年度：

		Sales and distribution of natural gas and other related products 銷售及輸送天然氣及其他相關產品 HK$'000 千港元	Gas pipeline construction and connection 燃氣管道建造及接駁 HK$'000 千港元	Exploitation and production of crude oil and natural gas 開採及生產原油及天然氣 HK$'000 千港元	Group 集團 HK$'000 千港元
Segment revenue and results	**分部收入及業績**				
Sales to external customers	外部客戶銷售額	5,424,144	721,041	301,267	6,446,452
Segment results	分部業績	512,863	353,804	31,108	897,775
Interest income	財務收入				83,310
Other gains, net	其他收益，淨額				137,780
Finance costs	財務費用				(201,946)
Reversal of impairment losses on oil and gas properties under property, plant and equipment	物業、廠房及設備項下油氣資產減值虧損撥回	–	–	52,003	52,003
Written off of exploration and evaluation asset	勘探及評估資產沖銷	–	–	(11,745)	(11,745)
Losses on disposals of exploration and evaluation assets	出售勘探及評估資產的虧損	–	–	(1,909)	(1,909)
Share of losses of investments accounted for using the equity method	分佔使用權益法入賬之投資虧損				(15,651)
Unallocated corporate expenses	未分配企業開支				(97,488)
Profit before taxation	除稅前溢利				842,129
Taxation	稅項				(184,461)
Profit for the year	年內溢利				657,668

No external customers of the Group contributed over 10.0% of the Group's revenue for the years ended 31 December 2017 and 2016.

截至二零一七年及二零一六年十二月三十一日止年度，集團沒有外部客戶於集團之收入中貢獻超過10.0%。

6 Revenue and segment information *(Continued)*

6 營業額及分部資料*(續)*

Analysis of the Group's assets by geographical market for the years ended 31 December 2017 and 2016 is set out below:

截至二零一七年及二零一六年十二月三十一日止年度，集團按地區市場劃分之資產之分析載列如下：

		2017 二零一七年		2016 二零一六年	
		Total assets 總資產 HK$'000 千港元	**Additions to non-current assets 添置非流動資產 HK$'000 千港元**	Total assets 總資產 HK$'000 千港元	Additions to non-current assets 添置非流動資產 HK$'000 千港元
Hong Kong	香港	**137,351**	**–**	371,483	–
Mainland China	中國內地	**12,018,750**	**1,020,397**	10,000,284	910,722
Canada	加拿大	**2,419,335**	**232,466**	2,226,787	130,598
Total	合計	**14,575,436**	**1,252,863**	12,598,554	1,041,320
Unallocated	未分配				
Investments accounted for using the equity method	使用權益法入賬之投資	**321,167**		300,065	
Deferred tax assets	遞延稅項資產	**4,796**		19,510	
Available-for-sale financial assets	可供出售財務資產	**596,360**		638,262	
Financial assets at fair value through profit and loss	按公平值經損益入賬之財務資產	**48,842**		47,448	
Total assets	總資產	**15,546,601**		13,603,839	

7 Other income　7 其他收入

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Government subsidies	政府補貼	**14,737**	13,183
Service income	服務收入	**5,733**	4,880
Dividend income	股息收入	**3,056**	–
Rental income	租金收入	**1,822**	3,875
Others	其他	**4,914**	4,797
		30,262	26,735

8 Other gains, net　8 其他收益，淨額

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Fair value gains on financial assets at fair value through profit or loss	按公平值經損益入賬的財務資產的公平值收益	**1,394**	902
Losses on disposals of financial assets at fair value through profit or loss	出售按公平值經損益入賬的財務資產虧損	**–**	(3)
Gains on disposals of available-for-sale financial assets	出售可供出售財務資產收益	**17,748**	1,879
Gains on disposals of an associate/ a subsidiary (Note 34)	出售一間聯營公司／一間附屬公司收益（附註34）	**3,759**	124,199
Gains on bargain purchases (Note 33)	議價收購收益（附註33）	**–**	10,803
		22,901	137,780

9 Operating profit

9 經營溢利

Operating profit has been arrived after charging/(crediting) the following items:

經營溢利已扣除／(計入)以下各項：

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Employee benefit expenses (Note 11)	僱員福利開支(附註11)	**333,359**	310,230
Minimum lease payments under operating leases for leasehold land and buildings	租賃土地及樓宇的最低經營租賃付款	**13,494**	16,883
Cost of inventories recognised as expense	確認為開支的存貨成本		
– Purchase of inventories	－購買存貨	**5,415,724**	4,461,966
– Change of inventories during the year	－年內存貨變動	**53,863**	(10,897)
Auditor's remuneration	核數師酬金	**2,300**	2,300
Depreciation and depletion of property, plant and equipment (Note 16)	物業、廠房及設備折舊及損耗(附註16)	**428,491**	415,992
Amortisation of land use rights (Note 18)	土地使用權攤銷(附註18)	**8,503**	8,587
Amortisation of intangible assets (Note 19)	無形資產攤銷(附註19)	**2,521**	2,685
Losses on disposals of property, plant and equipment	出售物業、廠房及設備的虧損	**1,652**	4,698
Losses on disposals of exploration and evaluation assets	出售勘探及評估資產的虧損	**–**	1,909
Net exchange gains	匯兑收益淨額	**(28)**	(448)
Write off of exploration and evaluation assets (Note 17)	勘探及評估資產冲銷(附註17)	**2,357**	11,745

10 Finance income and costs　　10 財務收入及費用

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Finance income from:	財務收入來自：		
Interest income on bank deposits	銀行存款的利息收入	**30,218**	14,206
Interest income on debt securities	債務證券的利息收入	**29,704**	29,287
Loan to an associate (Note 23(c))	貸款予一間聯營公司（附註23(c)）	**40,898**	36,513
Loans to third parties (Note 23(d))	貸款予第三方（附註23(d)）	**921**	3,304
		101,741	83,310
Finance costs from:	財務費用來自：		
Interest expense on:	利息費用：		
Bank borrowings	銀行借貸	**(23,578)**	(19,686)
Other borrowings	其他借貸	**(2,494)**	(13,645)
Senior notes	優先票據	**(274,968)**	(272,904)
Accretion of assets retirement obligation (Note 31)	資產報廢承擔添加（附註31）	**(2,611)**	(2,295)
Less: Amounts capitalised (Note 16(iii))	減：資本化金額（附註16(iii)）	**99,974**	106,584
		(203,677)	(201,946)
Net finance costs	財務費用淨額	**(101,936)**	(118,636)

11 Employee benefit expenses, including directors' emoluments　　11 僱員福利開支，包括董事酬金

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Salaries, wages and bonuses	薪金、工資及獎金	**293,359**	266,015
Pension costs – defined contribution plans	退休金成本 －界定供款計劃	**35,256**	38,976
Share option	購股權	**3,753**	3,441
Share awards	股份獎勵	**991**	1,798
		333,359	310,230

11 Employee benefit expenses, including directors' emoluments *(Continued)*

(a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year include 1 (2016: 1) director whose emolument is reflected in the analysis presented in Note 12(a). The emoluments paid or payable to the remaining 4 (2016: 4) individuals during the year are as follows:

11 僱員福利開支，包括董事酬金（續）

(a) 五名最高薪酬人士

集團年內五名最高酬金之人士包括1名董事（二零一六年：1名），其酬金已載於附註12(a)呈列的分析。年內已付或應付予其餘4名（二零一六年：4名）人士的酬金如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Salaries, allowances and benefits in kind	薪金、津貼及實物利益	**10,022**	8,686
Equity-settled share-based payments	以權益結算以股份為基礎的付款	**7,859**	6,133
Retirement benefits scheme contributions	退休福利計劃供款	**18**	18
		17,899	14,837

The number of employees whose remuneration fell within the following band was as follows:

屬以下酬金範圍之僱員人數如下：

		Number of employees **僱員人數**	
		2017 **二零一七年**	2016 二零一六年
HK$3,000,001 to HK$4,000,000	3,000,001港元至4,000,000港元	**–**	4
HK$4,000,001 to HK$5,000,000	4,000,001港元至5,000,000港元	**4**	–

No emoluments were paid or payable to the directors and above highest paid individuals as an inducement to join the Group or as compensation for loss of office during the financial years ended 31 December 2017 and 2016.

截至二零一七年及二零一六年十二月三十一日止財政年度，集團並無支付或應付任何酬金予董事及上述最高薪酬之僱員，作為招攬彼等加盟集團或作為彼等離職之補償。

11 Employee benefit expenses, including directors' emoluments *(Continued)*

(b) Senior management's emoluments

Details of remuneration paid to members of senior management fell within the following bands:

11 僱員福利開支，包括董事酬金 *（續）*

(b) 高級管理層成員薪酬

屬以下酬金範圍的已付高級管理層成員薪酬詳情：

		Number of employees 僱員人數	
		2017 二零一七年	2016 二零一六年
HK$0 to HK$1,000,000	0港元至1,000,000港元	**7**	7
HK$1,000,001 to HK$2,000,000	1,000,001港元至2,000,000港元	**2**	2
HK$2,000,001 to HK$3,000,000	2,000,001港元至3,000,000港元	**–**	1
HK$3,000,001 to HK$4,000,000	3,000,001港元至4,000,000港元	**2**	7
HK$4,000,001 to HK$5,000,000	4,000,001港元至5,000,000港元	**6**	–

12 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules)

12 董事利益及權益（香港公司條例（第622章）第383條、公司（披露董事利益資料）規則（第622G章）及香港上市規則要求披露）

(a) Directors' emoluments

Details of remuneration of directors for the year ended 31 December 2017 were as follows:

(a) 董事酬金

截至二零一七年十二月三十一日止年度之董事酬金詳情如下：

		Fees 袍金 HK$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 HK$'000 千港元	Employer's contribution to a retirement benefit scheme 僱主對退休福利計劃的供款 HK$'000 千港元	Total 總額 HK$'000 千港元
Executive directors:	**執行董事：**				
Xu Tie-liang (Chief Executive Officer)	許鉄良（行政總裁）	120	10,348	18	10,486
Cheung Shing	張　成	120	–	–	120
Guan Yijun	關懿君	120	1,170	18	1,308
Zhu Yuan	朱　遠	120	–	–	120
Independent non-executive directors:	**獨立非執行董事：**				
Shi Xun-zhi (resigned on May 18, 2017)	史訓知（於二零一七年五月十八日辭任）	45	–	–	45
Li Yun-long	李雲龍	120	–	–	120
Wang Guang-tian	王廣田	120	–	–	120
Yang Jie (appointed on May 18, 2017)	楊　傑（於二零一七年五月十八日獲委任）	75	–	–	75
Total	總計	840	11,518	36	12,394

12 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) *(Continued)*

(a) Directors' emoluments *(Continued)*

Details of remuneration of directors for the year ended 31 December 2016 were as follows:

12 董事利益及權益（香港公司條例（第622章）第383條、公司（披露董事利益資料）規則（第622G章）及香港上市規則要求披露）*（續）*

(a) 董事酬金*（續）*

截至二零一六年十二月三十一日止年度之董事酬金詳情如下：

		Fees 袍金 HK$'000 千港元	Salaries, allowances and benefits in kind 薪金、津貼及實物利益 HK$'000 千港元	Employer's contribution to a retirement benefit scheme 僱主對退休福利計劃的供款 HK$'000 千港元	Total 總額 HK$'000 千港元
Executive directors:	**執行董事：**				
Xu Tie-liang (Chief Executive Officer)	許鉄良（行政總裁）	120	9,617	18	9,755
Cheung Shing	張　成	120	–	–	120
Guan Yijun	關懿君	120	1,170	18	1,308
Zhu Yuan	朱　遠	120	–	–	120
Independent non-executive directors:	**獨立非執行董事：**				
Shi Xun-zhi	史訓知	120	–	–	120
Li Yun-long	李雲龍	120	–	–	120
Wang Guang-tian	王廣田	120	–	–	120
Total	總計	840	10,787	36	11,663

No directors of the Company waived any emoluments and no emoluments were paid by the Group to any of the directors of the Company as an accepting office as director or as a compensation for loss of office as director.

概無公司董事放棄任何酬金，集團亦無向任何公司董事支付酬金，作為接受董事職位之獎勵或離任董事職位之補償。

12 Benefits and interests of directors (disclosures required by section 383 of the Hong Kong Companies Ordinance (Cap. 622), Companies (Disclosure of Information about Benefits of Directors) Regulation (Cap. 622G) and HK Listing Rules) *(Continued)*

(b) Directors' retirement benefits

No retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking (2016: Nil).

(c) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment during the year (2016: Nil).

(d) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of directors for making available the services of them as a director of the Company (2016: Nil).

(e) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors during the year (2016: Nil).

(f) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2016: Nil).

12 董事利益及權益（香港公司條例（第622章）第383條、公司（披露董事利益資料）規則（第622G章）及香港上市規則要求披露）*（續）*

(b) 董事退休福利

董事並無就其有關管理公司或其附屬公司事務之其他服務獲支付或應收退休福利（二零一六年：無）。

(c) 董事離職福利

年內，並無向董事作出提前終止任命的補償（二零一六年：無）。

(d) 就獲取董事服務向第三方支付的代價

並無就獲取董事作為公司董事提供的服務而向其前僱主作出付款（二零一六年：無）。

(e) 有關以董事、該等董事的受控制法團及關連實體為受益人的貸款、準貸款及其他交易的資料

年內，概無以董事、或該等董事之受控制法團及關連實體為受益人之貸款、準貸款及其他交易（二零一六年：無）。

(f) 董事於交易、安排或合約的重大權益

公司概無於年終或年內任何時間訂有任何公司董事於當中直接或間接擁有任何重大權益且與集團業務有關之重大交易、安排及合約（二零一六年：無）。

13 Taxation

No provision for Hong Kong profits tax has been made as the Group did not have any assessable profits subject to Hong Kong profits tax for the year (2016: Nil).

In accordance with the relevant PRC corporate income tax laws, regulations and implementation guidance note, subsidiaries in Mainland China are subject to the PRC corporate income tax rate at 25% (2016: 25%). Certain subsidiaries are entitled to tax concessions and tax relief whereby the profits of those subsidiaries are taxed at a preferential income tax rate of 15% (2016: 15%).

Taxation on overseas (other than Hong Kong and PRC) profits has been calculated on the estimated assessable profit for the year at the applicable rates of taxation prevailing in the jurisdictions in which the Group operates.

13 稅項

由於集團於本年度並無賺取任何須繳納香港利得稅之應課稅溢利，故並無為香港利得稅作提撥準備（二零一六年：無）。

根據相關中國企業所得稅法、條例及實施細則，於中國內地的附屬公司按25%（二零一六年：25%）之稅率繳納中國企業所得稅。若干附屬公司享有稅務優惠及寬免，據此，該等附屬公司之溢利以優惠所得稅稅率15%（二零一六年：15%）納稅。

海外（除香港及中國外）溢利乃以集團經營所在司法權區適用現行稅率按年內估計應課稅溢利計算稅項。

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Current tax:	當期稅項：		
PRC corporate income tax	中國企業所得稅	**163,592**	176,172
Overseas taxation	海外稅項	**–**	1,009
Under provision in prior years	過往年度撥備不足	**3,957**	9,432
		167,549	186,613
Deferred tax (Note 30)	遞延稅項（附註30）	**20,978**	(2,152)
Taxation	稅項	**188,527**	184,461

There is no tax impact relating to components of other comprehensive income for the year ended 31 December 2017 (2016: Nil).

截至二零一七年十二月三十一日止年度，並無有關其他全面收益組成部分之稅務影響（二零一六年：無）。

13 Taxation *(Continued)*

13 稅項*（續）*

The taxation on the Group's profit before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

集團除稅前溢利之稅項與使用適用集團溢利之加權平均稅率產生之理論金額差異如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Profit before taxation	除稅前溢利	**811,466**	842,129
Tax calculated at the applicable rates in the tax jurisdictions concerned	按有關稅務司法權區之適用稅率計算的稅項	**228,038**	203,865
Tax effect of income not subject to taxation	毋須課稅收入的稅務影響	**(36,092)**	(56,758)
Tax effect of expenses not deductible for tax purpose	不可減免開支的稅務影響	**13,172**	43,816
Tax effect of tax concessions	稅收減免的稅務影響	**(27,327)**	(15,894)
Unrecognised tax losses	未確認稅項虧損	**6,779**	–
Under provision in prior years	過往年度撥備不足	**3,957**	9,432
Taxation	稅項	**188,527**	184,461

The weighted average applicable tax rate is 28.1% (2016: 24.2%). The increase is caused by a change in the profitability of the Group's subsidiaries in the respective jurisdictions.

適用加權平均稅率為28.1%（二零一六年：24.2%），稅率上升是由於集團附屬公司於各自的司法管轄區之盈利變動所致。

14 Dividend

14 股息

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Proposed final dividend of HK cent 0.35 (2016: HK cent 0.50) per ordinary share	擬派末期股息每股普通股0.35港仙（二零一六年：0.50港仙）	**20,390**	29,128

14 Dividend *(Continued)*

A final dividend relating to the year ended 31 December 2016 amounted to HK$29,128,000 was fully paid on 16 June 2017.

The Board proposed a distribution out of the contributed surplus account of the Company of HK cent 0.35 per ordinary share for the year ended 31 December 2017 on 27 March 2018 (2016: HK cent 0.50) amounting to a total of approximately HK$20,390,000 at the forthcoming annual general meeting to be held on 12 June 2018. This proposed distribution is not reflected as a dividend payable as of 31 December 2017, but will be recorded as a distribution of contributed surplus for the year ending 31 December 2018.

14 股息*（續）*

截至二零一六年十二月三十一日止年度之末期股息29,128,000港元已於二零一七年六月十六日悉數支付。

董事局於二零一八年六月十二日舉行的應屆股東週年大會上建議於二零一八年三月二十七日以公司實繳盈餘賬派付截至二零一七年十二月三十一日止年度之股息每股普通股0.35港仙（二零一六年：0.50港仙），總額約為20,390,000港元。建議分派並未反映為於二零一七年十二月三十一日之應付股息，但將於截至二零一八年十二月三十一日止年度入賬作為以實繳盈餘賬派付。

15 Earnings per share

(a) Basic

The calculation of basic earnings per share is based on the Group's profit attributable to owners of the Company of approximately HK$250,467,000 (2016: HK$311,791,000) and weighted average number of ordinary shares in issue less shares held under share award scheme during the year of approximately 5,148,640,000 shares (2016: 5,212,795,000 shares).

(b) Diluted

Diluted earnings per share for the year ended 31 December 2017 is calculated based on the profit attributable to owners of the Company of approximately HK$250,467,000 (2016: HK$311,791,000), and the weighted average number of ordinary shares of approximately 5,156,235,000 (2016: 5,228,843,000) shares which is the weighted average number of ordinary shares in issue less shares held under share award scheme during the year plus the weighted average number of dilutive potential ordinary shares in respect of share options of approximately 6,075,000 shares (2016: 14,903,000 shares) and the effect of awarded shares of approximately 1,520,000 shares (2016: 1,145,000 shares) deemed to be issued at no consideration if all outstanding share options granted had been exercised.

15 每股盈利

(a) 基本

於計算每股基本盈利時乃基於公司擁有人應佔集團溢利約250,467,000港元（二零一六年：311,791,000港元）及年內已發行普通股加權平均數（減去年內根據股份獎勵計劃所持股份）約5,148,640,000股（二零一六年：5,212,795,000股）。

(b) 攤薄

於截至二零一七年十二月三十一日止年度，於計算每股攤薄盈利時乃基於公司擁有人應佔溢利約250,467,000港元（二零一六年：311,791,000港元）及年內已發行普通股加權平均數約5,156,235,000股（二零一六年：5,228,843,000股）即已發行普通股加權平均數減去根據股份獎勵計劃所持股份加上假設所有未行使購股權獲行使而被視為以零代價發行之潛在攤薄普通股加權平均數約6,075,000股（二零一六年：14,903,000股）及獎勵股份約1,520,000股（二零一六年：1,145,000股）之影響。

16 Property, plant and equipment　　16 物業、廠房及設備

		(Note (v)) Buildings （附註(v)） 樓宇 HK$'000 千港元	Plant and machinery 廠房及機器 HK$'000 千港元	Oil and gas properties 油氣資產 HK$'000 千港元	Pipelines 管道 HK$'000 千港元	(Note (i)) Others （附註(i)） 其他 HK$'000 千港元	(Note (iii)) Construction in progress （附註(iii)） 在建工程 HK$'000 千港元	Total 總計 HK$'000 千港元
As at 1 January 2016	**於二零一六年一月一日**							
Cost	成本	671,133	913,644	3,123,650	2,564,223	440,124	1,271,066	8,983,840
Accumulated depreciation depletion and impairment	累計折舊、損耗及減值	(124,577)	(289,978)	(1,280,205)	(504,407)	(249,132)	–	(2,448,299)
Net book value	賬面淨值	546,556	623,666	1,843,445	2,059,816	190,992	1,271,066	6,535,541
Year ended 31 December 2016	**截至二零一六年十二月三十一日止年度**							
At 1 January 2016	於二零一六年一月一日	546,556	623,666	1,843,445	2,059,816	190,992	1,271,066	6,535,541
Currency realignment	貨幣調整	(41,133)	(43,049)	64,881	(140,368)	(10,378)	(73,479)	(243,526)
Acquisition of businesses (Note 33)	收購業務（附註33）	–	–	58,947	–	–	–	58,947
Additions	添置	79,255	10,208	86,377	1,340	7,692	606,661	791,533
Transfers	轉撥	58,019	86,662	–	326,060	2,504	(473,245)	–
Transfer from exploration and evaluation assets (Note 17)	轉撥自勘探及評估資產（附註17）	–	–	30,579	–	–	–	30,579
Disposals/written-off	出售／沖銷	(1,089)	(1,945)	–	(50,884)	(13,746)	–	(67,664)
Disposal of a subsidiary (Note 34(b))	出售一間附屬公司（附註34(b)）	(13,230)	(7,677)	–	(86,369)	(1,654)	(7,499)	(116,429)
Depreciation and depletion for the year (Note (ii))	年內折舊及損耗（附註(ii)）	(30,601)	(58,280)	(171,530)	(116,668)	(38,913)	–	(415,992)
Reversal of impairment losses (Note (iv))	減值虧損回撥（附註(iv)）	–	–	52,003	–	–	–	52,003
At 31 December 2016	於二零一六年十二月三十一日	597,777	609,585	1,964,702	1,992,927	136,497	1,323,504	6,624,992
As at 31 December 2016	**於二零一六年十二月三十一日**							
Cost	成本	741,328	921,251	3,407,931	2,559,323	333,958	1,323,504	9,287,295
Accumulated depreciation, depletion and impairment	累計折舊、損耗及減值	(143,551)	(311,666)	(1,443,229)	(566,396)	(197,461)	–	(2,662,303)
Net book value	賬面淨值	597,777	609,585	1,964,702	1,992,927	136,497	1,323,504	6,624,992

16 Property, plant and equipment *(Continued)* 16 物業、廠房及設備（續）

		(Note (v)) Buildings （附註(v)） 樓宇 HK$'000 千港元	Plant and machinery 廠房及機器 HK$'000 千港元	Oil and gas properties 油氣資產 HK$'000 千港元	Pipelines 管道 HK$'000 千港元	(Note (i)) Others （附註(i)） 其他 HK$'000 千港元	(Note (iii)) Construction in progress （附註(iii)） 在建工程 HK$'000 千港元	Total 總計 HK$'000 千港元
Year ended 31 December 2017	**截至二零一七年十二月三十一日止年度**							
At 1 January 2017	於二零一七年一月一日	597,777	609,585	1,964,702	1,992,927	136,497	1,323,504	6,624,992
Currency realignment	貨幣調整	14,202	11,733	97,946	157,558	33,824	74,233	389,496
Additions	添置	12,515	26,136	225,676	22,065	14,851	833,944	1,135,187
Transfers	轉撥	60,587	109,295	–	566,996	2,989	(739,867)	–
Transfer from exploration and evaluation assets (Note 17)	轉撥自勘探及評估資產（附註17）	–	–	14,320	–	–	–	14,320
Disposals/written-off	出售／沖銷	(832)	(1,923)	–	(2,915)	(9,017)	–	(14,687)
Depreciation and depletion for the year (Note (ii))	年內折舊及損耗（附註(ii)）	(29,372)	(74,382)	(169,524)	(123,299)	(31,914)	–	(428,491)
Reversal of impairment losses (Note (iv))	減值虧損回撥（附註(iv)）	–	–	4,402	–	–	–	4,402
At 31 December 2017	**於二零一七年十二月三十一日**	654,877	680,444	2,137,522	2,613,332	147,230	1,491,814	7,725,219
As at 31 December 2017	於二零一七年十二月三十一日							
Cost	成本	836,175	1,095,468	3,830,865	3,378,691	397,775	1,491,814	11,030,788
Accumulated depreciation, depletion and impairment	累計折舊、損耗及減值	(181,298)	(415,024)	(1,693,343)	(765,359)	(250,545)	–	(3,305,569)
Net book value	賬面淨值	654,877	680,444	2,137,522	2,613,332	147,230	1,491,814	7,725,219

Notes:

(i) Others mainly represent motor vehicles, furniture, fixtures and equipment, and tool and moulds with net book values amounting to approximately HK$42,085,000 (2016: HK$57,947,000), HK$38,764,000 (2016: HK$39,675,000) and HK$66,381,000 (2016: HK$38,875,000) respectively.

(ii) Depreciation and depletion of approximately HK$406,998,000 (2016: HK$395,831,000), HK$1,253,000 (2016: HK$1,386,000) and HK$20,240,000 (2016: HK$18,775,000) have been charged in cost of sales, selling and distribution costs and administrative expenses respectively.

附註：

(i) 其他主要指汽車、傢俬、裝置及設備及工具以及模具，賬面淨值分別約為42,085,000港元（二零一六年：57,947,000港元）、38,764,000港元（二零一六年：39,675,000港元）及66,381,000港元（二零一六年：38,875,000港元）。

(ii) 折舊及損耗約406,998,000港元（二零一六年：395,831,000港元）、1,253,000港元（二零一六年：1,386,000港元）及20,240,000港元（二零一六年：18,775,000港元）分別於銷售成本、銷售及輸送成本及行政開支中扣除。

16 Property, plant and equipment *(Continued)*

Notes: *(Continued)*

(iii) During the year, the Group has capitalised borrowing costs amounting to HK$99,974,000 (2016: HK$106,584,000) on qualifying assets. Borrowing costs were capitalised at the weighted average rate of its general borrowings of 5.4% (2016: 5.4%).

(iv) The recoverable amount of oil and gas properties is determined as the value in use using a discounted cash flow method and is assessed at the Cash Generating Units ("CGUs") level.

The Group regularly assesses market commodity prices, costs to carry out planned drilling programs, drilling results, and reservoir performance to determine if there are any indicators of impairment of the Group's assets. As at 31 December 2016, forward benchmark commodity prices in 2016 were relatively consistent with prices in 2015, and the Group reserves increased from 2015 to 2016 due to both drilling success and positive well performance. Capital expenditures to carry out the Group's drilling program were generally lower in 2016 due to reduced levels of industry activity. As at 31 December 2016, the Group determined that there were no indicators of impairment 2 out of 3 CGUs. Due to significant oil and gas reserve additions in the remaining CGU in 2016, there were indicators of a reversal of impairment so an impairment test of that CGU was performed at 31 December 2016.

As at 31 December 2016, the Group determined that the value-in-use of the CGU amounting to approximately HK$1,454,308,000 exceeded its carrying amount amounting to approximately HK$1,402,305,000. Accordingly, an impairment reversal of HK$52,003,000 was recognised during the year ended 31 December 2016.

As at 31 December 2017, although forward benchmark commodity prices beyond 5 years were generally lower than prices in 2016, the Group's oil and gas reserves increased from 2016 to 2017 due to both drilling success and positive well performance. Capital expenditure to carry out the Group's drilling program increased in 2017 were consistent with costs in 2016. As at 31 December 2017, the Group determined that there were indicators of impairment for 2 out of 3 CGUs. In addition, due to significant reserve additions in the remaining CGU in 2017, there was indicator of a reversal of impairment for that CGU. As a result, impairment tests were performed on all three CGUs at 31 December 2017.

As at 31 December 2017, the Group determined that the values in use of these CGUs amounting to approximately HK$2,001,458,000 exceeded their carrying amounts amounting to approximately HK$1,997,056,000. Accordingly, a reversal of impairment loss of approximately HK$4,402,000 was recognised during the year ended 31 December 2017.

16 物業、廠房及設備（*續*）

附註：（*續*）

(iii) 年內，集團就合資格資產資本化借貸成本99,974,000港元（二零一六年：106,584,000港元）。借貸成本按其一般借貸的加權平均比率5.4%（二零一六年：5.4%）資本化。

(iv) 油氣資產的可收回金額採用貼現現金流量法按使用價值釐定，並在現金產生單位（「現金產生單位」）層級進行評估。

為確定集團的資產是否存在任何減值跡象，集團定期對市場商品價格、規劃鑽井程序、鑽井結果及儲集性能進行評估。於二零一六年十二月三十一日，二零一六年遠期基準原油價與二零一五年保持相對一致，而集團的儲備由於鑽井成功及油井表現正面而於二零一五年至二零一六年有所增加。集團用於開展鑽井程序的資本支出因產業活動水平降低而總體較低。於二零一六年十二月三十一日，集團確定3個現金產生單位中有2個並無任何減值跡象。由於其餘現金產生單位於二零一六年有大量油氣增儲，存在減值撥回跡象，故於二零一六年十二月三十一日進行現金產生單位減值測試。

於二零一六年十二月三十一日，集團釐定現金產生單位的使用價值約1,454,308,000港元，超出其賬面值約1,402,305,000港元。因此，於截至二零一六年十二月三十一日止年度內確認減值回撥52,003,000港元。

於二零一七年十二月三十一日，超過五年的遠期基準原油價一般低於二零一六年的價格，集團油氣儲備由於鑽井成功及油井表現正面而於二零一六年至二零一七年有所增加。集團用於開展鑽井程序的資本支出於二零一七年有所增加，與二零一六年支出保持一致。於二零一七年十二月三十一日，集團確定3個現金產生單位中有兩個產生減值跡象。此外，由於其餘現金產生單位於二零一七年有大量油氣增儲，現金產生單位存在減值撥回跡象。因此，於二零一七年十二月三十一日對所有三個現金產生單位進行減值測試。

於二零一七年十二月三十一日，集團釐定現金產生單位的使用價值約2,001,458,000港元，超出其賬面值約1,997,056,000港元。因此，於截至二零一七年十二月三十一日止年度內確認減值虧損回撥約4,402,000港元。

16 Property, plant and equipment *(Continued)*

Notes: *(Continued)*

(iv) *(Continued)*

The fair value measurement of the Group's oil and gas properties is designated Level 3 on the fair value hierarchy.

The key assumptions for the calculation are those regarding the discount rates and expected changes in future oil prices. The expected future oil prices for the next five years ranged from US$57.5 to US$71.2 per barrel (2016: US$55.0 to US$71.0 per barrel). Forecast benchmark crude oil price assumptions tended to be stable because short-term increases or decreases in prices were not considered indicative of long-term price levels, but were nonetheless subject to change. The Group used a pre-tax discount rates ranging from 8% to 20% (2016: 8% to 20%) to discount future cash flows from the Group's CGU(s). These rates differed based upon classification of reserve type, commodity type, timing of future development expenditures and operating burdens.

(v) During the year ended 31 December 2016, the Group acquired a building amounted to approximately HK$72,945,000 with lease terms of 40 years. The estimated useful lives of buildings changed from 25 years to 40 years as mentioned in Note 3(f).

16 物業、廠房及設備*(續)*

附註：*(續)*

(iv) *(續)*

集團的油氣資產的公平值計量指定為公平值層次的第三層。

該計算方法的主要假設為折現率及日後油價預期變化。未來五年的日後預期油價介乎每桶油當量57.5美元至71.2美元(二零一六年：每桶油當量55.0美元至71.0美元)。預測基準原油價趨於穩定，由於價格短期上升或下跌並不視為長期價格水平的指標，但仍會變動。集團使用介乎8%至20%(二零一六年：8%至20%)的除稅前折現率折現集團現金產生單位的未來現金流量。該等利率基於儲量類型、商品類型、未來開發支出的時間及經營負擔而變化。

(v) 於截至二零一六年十二月三十一日止年度，集團收購一幢金額約為72,945,000港元之樓宇，租期為40年。樓宇的估計可使用年限如附註3(f)所述由25年改為40年。

17 Exploration and evaluation assets

17 勘探及評估資產

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Cost	成本		
At 1 January	於一月一日	**213,548**	249,139
Currency realignment	貨幣調整	**11,528**	9,665
Additions	添置	**6,790**	–
Disposals	出售	**–**	(2,932)
Written off (Note 9)	冲銷(附註9)	**(2,357)**	(11,745)
Transfer to oil and gas properties under property, plant and equipment (Note 16)	轉撥至物業、廠房及設備項下油氣資產(附註16)	**(14,320)**	(30,579)
At 31 December	於十二月三十一日	**215,189**	213,548

17 Exploration and evaluation assets *(Continued)*

Exploration and evaluation assets represent the Group's costs of acquiring licenses and interests in undeveloped lands in West Central Alberta, Canada, which are pending the determination of proved or probable oil and gas reserves. The costs are accumulated in cost centers by well, field, or exploration area pending determination of technical feasibility and commercial viability.

The technical feasibility and commercial viability of extracting mineral resource is considered to be determined when proved reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proved reserves have been discovered.

17 勘探及評估資產*（續）*

勘探及評估資產指集團於加拿大阿爾伯塔省中西部未開發土地的許可證及權益收購成本，須待釐定已探明及待探明油氣儲量。有關成本透過油井、油田或勘探區域於成本中心累積，待釐定技術及商業可行性。

當釐定存在探明儲量時，開採礦產資源的技術及商業可行性被認為已確定。至少每年對各勘探許可證或油田進行檢討，確保是否已發現探明儲量。

18 Land use rights

18 土地使用權

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Net book value	賬面淨值		
At 1 January	於一月一日	**393,344**	314,013
Currency realignment	貨幣調整	**27,211**	(23,792)
Additions	添置	**44,406**	113,708
Disposal of a subsidiary (Note 34(b))	出售一間附屬公司（附註34(b)）	**–**	(1,998)
Amortisation for the year (Note 9)	年內攤銷（附註9）	**(8,503)**	(8,587)
At 31 December	於十二月三十一日	**456,458**	393,344

19 Intangible assets　　19 無形資產

		Goodwill 商譽 HK$'000 千港元	Other intangible assets 其他無形資產 HK$'000 千港元	Total 總計 HK$'000 千港元
As at 1 January 2016	**於二零一六年一月一日**			
Cost	成本	1,019,653	41,751	1,061,404
Accumulated amortisation	累計攤銷	–	(5,728)	(5,728)
Net book value	賬面淨值	1,019,653	36,023	1,055,676
Year ended 31 December 2016	**截至二零一六年十二月三十一日止年度**			
At 1 January 2016	於二零一六年一月一日	1,019,653	36,023	1,055,676
Currency realignment	貨幣調整	(25,753)	(3,947)	(29,700)
Additions	添置	–	1,154	1,154
Disposal of a subsidiary (Note 34(b))	出售一間附屬公司（附註34(b)）	(22,154)	–	(22,154)
Amortisation for the year (Note 9)	年內攤銷（附註9）	–	(2,685)	(2,685)
At 31 December 2016	於二零一六年十二月三十一日	971,746	30,545	1,002,291
As at 31 December 2016	**於二零一六年十二月三十一日**			
Cost	成本	971,746	38,958	1,010,704
Accumulated amortisation	累計攤銷	–	(8,413)	(8,413)
Net book value	賬面淨值	971,746	30,545	1,002,291
Year ended 31 December 2017	**截至二零一七年十二月三十一日止年度**			
At 1 January 2017	於二零一七年一月一日	**971,746**	**30,545**	**1,002,291**
Currency realignment	貨幣調整	**25,753**	**2,105**	**27,858**
Additions	添置	**–**	**7,696**	**7,696**
Amortisation for the year (Note 9)	年內攤銷（附註9）	**–**	**(2,521)**	**(2,521)**
At 31 December 2017	於二零一七年十二月三十一日	**997,499**	**37,825**	**1,035,324**
As at 31 December 2017	**於二零一七年十二月三十一日**			
Cost	成本	**997,499**	**48,586**	**1,046,085**
Accumulated amortisation	累計攤銷	**–**	**(10,761)**	**(10,761)**
Net book value	賬面淨值	**997,499**	**37,825**	**1,035,324**

19 Intangible assets *(Continued)*

Note:

Goodwill is allocated to a group of CGUs identified for sales and distribution of natural gas and other related products business, which is also an operating segment, representing the lowest level within the Group at which goodwill is monitored for internal management purposes.

The recoverable amount of the group of CGUs is determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates, growth rates and expected changes to selling prices and direct costs during the year. Management estimates a discount rate of 13.4% (2016: 11.5%) using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to this group of CGUs. The growth rate of 3.0% (2016: 3.0%) for the next five years are based on industry growth forecasts. Changes in selling prices and direct costs are based on past practices and expectations of future changes in the market.

The value in use calculations is derived from cash flow projections based on the most recent financial budgets for the next 5 years approved by management. Cash flows beyond 5-year period have been extrapolated using growth rates of 2.6% (2016: 3.0%) per annum, which is based on industry growth forecasts. The Board considered no impairment loss is necessary as at 31 December 2017.

In sales and distribution of natural gas and other related products business, the recoverable amount calculated based on value in use exceeded carrying value by HK$1,587,584,000 (2016: HK$1,431,395,000).

Since the carrying amounts of the CGUs are not sensitive to the changes in assumption, no sensitivity analysis is disclosed.

19 無形資產*(續)*

附註：

商譽分配到按銷售及輸送天然氣及其他相關產品業務所識別的一組現金生產單位（亦是一個經營分部，為集團為內部管理目的而對商譽實施監控的最低層次）。

該組現金產生單位之可收回金額乃按照使用價值而計算。使用價值之關鍵假設涉及年內折現率、增長率及售價及直接成本之預期變動。管理層使用反應當前市場評估貨幣時間價值及該組現金生產單位特定風險之稅前利率估計折現率13.4%（二零一六年：11.5%）。未來五年3.0%（二零一六年：3.0%）之增長率乃基於工業增長預測。售價及直接成本變動乃基於對市場未來變動之過往慣例及預期。

使用價值計算乃根據管理層准許的未來五年內最近之財務預算而作出的現金流量預測衍生而來。超過5年的現金流量使用是每年2.6%（二零一六年：3.0%）的增長率推斷，此乃基於工業增長預測。董事局認為於二零一六年十二月三十一日，並無必要的減值虧損。

在銷售及輸送天然氣及其他相關產品業務當中，根據使用價值計算的可收回金額超出賬面值的數額為1,587,584,000港元（二零一六年：1,431,395,000港元）。

由於現金產生單位的賬面值對假設變動並不敏感，故並無披露任何敏感度分析。

20 Investments accounted for using the equity method

20 使用權益法入賬之投資

The amounts recognised in the consolidated statement of financial position are as follows:

於綜合財務狀況表確認之金額如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Associates	聯營公司	**296,732**	273,444
Joint venture	合營企業	**24,435**	26,621
At 31 December	於十二月三十一日	**321,167**	300,065

The amounts recognised in the consolidated profit or loss are as follows:

於綜合損益表確認之金額如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Associates	聯營公司	**1,330**	139
Joint venture	合營企業	**(3,686)**	(15,790)
For the year ended 31 December	截至十二月三十一日止年度	**(2,356)**	(15,651)

20 Investments accounted for using the equity method *(Continued)*

20 使用權益法入賬之投資*(續)*

Interests in associates

於聯營公司權益

Nature of investments in associates, which are unlisted limited liability companies, as at 31 December 2017:

於二零一七年十二月三十一日，於聯營公司(為非上市有限公司)投資之性質：

Name 名稱	Registered capital 註冊資本	Country of establishment 成立之國家	Principal activities 主要業務	Percentage of interest held indirectly 間接持有權益百分比
青海中油潔神能源有限公司（「潔神能源」）	RMB20,000,000 人民幣20,000,000元	PRC 中國	Trading of natural gas 天然氣買賣	49%
Sino Director Limited	US$10,000 10,000美元	BVI 英屬維爾京群島	Investment holding 投資控股	25%
青海中油超飛信息技術有限公司	RMB1,000,000 人民幣1,000,000元	PRC 中國	Provision of IT services 提供IT服務	50%
江蘇豐港天然氣有限公司	RMB80,000,000 人民幣80,000,000元	PRC 中國	Trading of natural gas 天然氣買賣	20%

As at 31 December 2017, the Group invested HK$257,250,000 in Sino Director Limited with 25% equity interests as an associate. The subsidiary of Sino Director Limited is the beneficial owner of the mining rights granted by the local government authority of the PRC. Sino Director Limited and its subsidiaries are collectively regarded as the "Sino Director Group".

於二零一七年十二月三十一日，集團已向Sino Director Limited投資257,250,000港元，持有該聯營公司的25%股權。Sino Director Limited之附屬公司為於中國當地相關部門所授出開採許可權証之實益擁有人。Sino Director Limited及其附屬公司統稱為「Sino Director集團」。

A business valuation was performed for the underlying assets of the Sino Director Group. The recoverable amount is determined based on fair value less costs of disposal using discounted cash flow method. The key assumptions are discount rates, forecasted production volume and forecasted commodity prices. Management estimates a discount rate of 11.2% (2016: 12.8%) using a pre-tax rates that reflects current market assessment of time value and the specific risks relating to the Sino Director Group.

已就Sino Director集團的相關資產進行業務估值。可收回金額乃使用折現現金流量法根據公平值減出售成本釐定。可收回金額計算之關鍵假設為折現率、預測產量及預測商品價格。管理層使用反映當前市場對時間價值評估之稅前利率及Sino Director集團相關特定風險估計折現率11.2%(二零一六年：12.8%)。

20 Investments accounted for using the equity method *(Continued)*

Interests in associates *(Continued)*

The commodity price growth rate of 3.0% (2016: 3.0%) used in the calculations is based on inflation growth forecasts. The Board considered no impairment loss on the Group's total investment in associate is necessary as at 31 December 2017.

As at 31 December 2017, the Group determined that the recoverable amount of the Sino Director Group amounting to approximately HK$586,250,000 (2016: HK$593,775,000) exceeded its carrying value amounting to approximately HK$257,250,000 (2016: HK$257,250,000).

The recoverable amount of the investment in Sino Director Limited would equal its carrying amount if (1) the commodity price growth rate decreased to -2.9%, (2) the estimated future production volume dropped by 74.8%; or (3) the pre-tax discount rate increased to 21%. Management has considered and assessed reasonably possible changes for other key assumptions and not identified any instances that could cause the carrying amount of the investment in Sino Director Limited to exceed its recoverable amount.

None of these entities are currently considered material to the Group. The aggregated summarised financial information for associates which accounted for using the equity method was (1) total assets amounting to HK$1,327,939,000 (2016: HK$968,046,000); (2) total liabilities amounting to HK$968,098,000 (2016: HK$734,256,000); (3) total revenue amounting to HK$48,594,000 (2016: HK$61,616,000); and (4) total profit for the year amounting to HK$3,804,000 (2016: loss for the year amounting to HK$1,398,000).

There are no contingent liabilities relating to the Group's interests in the associates.

20 使用權益法入賬之投資*(續)*

於聯營公司權益*(續)*

計算中採用的商品價格增長率3.0%（二零一六年：3.0%）乃基於通脹增長預測。於二零一七年十二月三十一日，董事局認為集團於聯營公司的投資並無必要的減值虧損。

於二零一七年十二月三十一日，集團釐定Sino Director集團的可收回金額約為586,250,000港元（二零一六年：593,775,000港元），高於其賬面值約257,250,000港元（二零一六年：257,250,000港元）。

倘(1)商品價格增長率減少至-2.9%，(2)估計未來產量下降74.8%；或(3)除稅前折現率增加至21%，則於Sino Director Limited投資的可收回金額將等於其賬面值。管理層已考慮及評估其他關鍵假設可能產生的合理變動，但並未發現任何可能導致於Sino Director Limited投資的賬面值超過其可收回金額之事項。

當前概無該等實體被認為對集團屬重大。使用權益法入賬的聯營公司財務資料概述為(1)總資產為1,327,939,000港元（二零一六年：968,046,000港元）；(2)總負債為968,098,000港元（二零一六年：734,256,000港元）；(3)總營業額為48,594,000港元（二零一六年：61,616,000港元）；及(4)年內總溢利為3,804,000港元（二零一六年：年內虧損為1,398,000港元）。

並無與集團於聯營公司權益有關之或然負債。

20 Investments accounted for using the equity method *(Continued)*

20 使用權益法入賬之投資*(續)*

Interest in a joint venture

於合營企業權益

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Share of net assets:	應佔資產淨值：		
At 1 January	於一月一日	**26,621**	42,846
Currency realignment	貨幣調整	**1,500**	(435)
Share of loss of a joint venture	應佔一間合營企業虧損	**(3,686)**	(15,790)
At 31 December	於十二月三十一日	**24,435**	26,621

20 Investments accounted for using the equity method *(Continued)*

20 使用權益法入賬之投資*(續)*

Nature of investment in a joint venture, which is an unlisted limited liability company, as at 31 December 2017:

於二零一七年十二月三十一日，於合營企業（為私營有限公司）投資之性質：

Name 名稱	Registered capital 註冊資本	Country of establishment 成立之國家	Principal activities 主要業務	Percentage of interest held indirectly 間接持有權益百分比
山西國興煤層氣輸配有限公司	RMB100,000,000 人民幣100,000,000元	PRC 中國	Trading of coalbed methane 煤層氣買賣	35%

The joint venture is currently considered not material to the Group. The summarised financial information for the joint venture which accounted for using the equity method was (1) assets amounting to HK$531,483,000 (2016: HK$445,714,000); (2) liabilities amounting to HK$464,881,000 (2016: HK$369,654,000); (3) revenue amounting to HK$113,856,000 (2016: HK$131,818,000); and (4) loss for the year amounting to HK$10,531,000 (2016: HK$45,114,000).

當前概無該等合營企業被認為對集團屬重大。使用權益法入賬的合營企業財務資料概述為(1)資產為531,483,000港元（二零一六年：445,714,000港元）；(2)負債為464,881,000港元（二零一六年：369,654,000港元）；(3)營業額為113,856,000港元（二零一六年：131,818,000港元）；及(4)年內虧損為10,531,000港元（二零一六年：45,114,000港元）。

There are no contingent liabilities relating to the Group's interest in the joint venture.

並無與集團於合營企業權益有關之或然負債。

21 Available-for-sale financial assets

21 可供出售財務資產

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Equity securities:	股本證券：		
– listed outside Hong Kong	－香港以外上市	**118,961**	2
– listed in Hong Kong	－香港上市	**17,772**	916
Debt securities:	債務證券：		
– listed in Hong Kong	－香港上市	**89,476**	576,713
– listed outside Hong Kong	－香港以外上市	**369,701**	60,249
– unlisted	－非上市	**450**	382
		596,360	638,262

At the date of the statement of financial position, all the listed equity and debt securities are stated at fair values.

於本財務狀況表日期，所有上市股本及債務證券均以公平值列賬。

The carrying amounts of the available-for-sale financial assets are denominated in the following currencies:

可供出售財務資產賬面值以以下貨幣計值：

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
US$	美元	**469,879**	555,743
Others	其他	**126,481**	82,519
		596,360	638,262

The maximum exposure to credit risk at the statement of financial position date is the carrying value of the debt securities classified as available-for-sale.

於財務狀況表日期之最高信貸風險為分類為可供出售債務證券之賬面值。

At 31 December 2017 and 2016, the available-for-sale financial assets are pledged as a security for the Group's unutilised banking facilities (Note 35).

於二零一七年及二零一六年十二月三十一日，可供出售財務資產予以質押，作為集團未動用銀行融資的抵押（附註35）。

22 Inventories　22 存貨

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Raw materials	原料	**105,078**	36,376
Work-in-progress	在建工程	**69,226**	90,521
Finished goods and natural gas	製成品及天然氣	**70,134**	63,676
		244,438	190,573

23 Deposits, trade and other receivables　23 按金、貿易及其他應收款項

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Trade receivables (Note (b))	貿易應收賬款（附註(b)）	**784,363**	796,330
Loan to an associate (Note (c))	貸款予聯營公司（附註(c)）	**637,251**	479,062
Loans to third parties (Note (d))	貸款予第三方（附註(d)）	**24,000**	53,852
		1,445,614	1,329,244
Prepaid construction costs	預付建設成本	**108,341**	158,625
Prepayment for acquisition of land use rights	收購土地使用權預付款	**35,003**	61,524
Prepaid natural gas costs	預付天然氣成本	**258,733**	145,413
Prepaid material and equipment costs	預付材料及設備成本	**182,263**	127,159
Interest receivables	應收利息	**215,594**	183,345
Other prepayments	其他預付款	**109,787**	90,240
Other receivables	其他應收款	**198,162**	213,600
		2,553,497	2,309,150
Less: Non-current portion	減：非流動部分	**(956,763)**	(792,258)
Current portion	流動部分	**1,596,734**	1,516,892

23 Deposits, trade and other receivables *(Continued)*

Notes:

(a) The Board considers that the carrying amounts of deposits, trade and other receivables approximate their fair values as the impact of discounting is not significant.

(b) At each date of the statement of financial position, the Group's allowance for impairment of trade receivables will individually be determined based on the credit history of its customers, such as financial difficulties or default in payments, and current market conditions. Consequently, specific impairment allowance will be recognised.

The Group allows an average credit period ranging from 60 to 90 days to its trade customers and keeps monitoring its outstanding trade receivables. Overdue balances are regularly reviewed by senior management of the Group.

The ageing analysis of trade receivables based on invoice date is as follows:

23 按金、貿易及其他應收款項 *（續）*

附註：

(a) 由於折讓影響並不重大，董事局認為，按金、貿易及其他應收款項之賬面值與其公平值相若。

(b) 於每個財務狀況表日期，集團貿易應收賬款減值撥備將根據其客戶的信貸歷史（如財務困難或拖欠付款）及現行市場條件個別釐定。因此，確認個別減值撥備。

集團給予貿易客戶之平均信貸期介乎60日至90日之間，並且不斷監控其尚未償還之貿易應收賬款。集團高級管理層定期審閱逾期未還之結餘。

根據發票日期的貿易應收賬款之賬齡分析如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Up to 3 months	三個月以內	**730,625**	712,716
3 to 6 months	三個月至六個月	**30,363**	25,333
Over 6 months	六個月以上	**23,375**	58,281
Total	合計	**784,363**	796,330

As at 31 December 2017, trade receivables of approximately HK$53,738,000 (2016: HK$83,614,000) that were past due but not impaired relate to a number of independent customers for whom there is no recent history of default. Based on past experience, management believes that no impairment allowance is necessary in respect of these balances as there has not been a significant change in their credit quality and the balances are still considered fully recoverable. The Group does not hold any collateral or other credit enhancements over these balances.

於二零一七年十二月三十一日，已逾期但未減值的貿易應收賬款約53,738,000港元（二零一六年：83,614,000港元）與近期並無違約記錄的數個獨立客戶有關。根據過往經驗，管理層認為，就該等結餘並無必要作減值撥備，乃由於信貸質量並無重大變動及結餘仍視為可全數收回。集團並無持有任何抵押品或其他超過該等結餘之信貸改善。

23 Deposits, trade and other receivables *(Continued)*

Notes: *(Continued)*

(c) On 23 September 2011, the Group entered into a loan agreement for the construction of assets with Sino Director Limited, an associate, with interest bearing at 6.2% per annum. As at 31 December 2017, the Group loan to Sino Director Limited amounted to approximately HK$637,251,000 (2016: HK$479,062,000). The outstanding interest amounted to approximately HK$198,713,000 (2016: HK$157,815,000) with interest bearing at 6.8% per annum and repayable on demand.

For the year ended 31 December 2017, the interest income arising from this arrangement amounted to HK$40,898,000 (2016: HK$36,513,000) (Note 10).

(d) Loans to third parties comprised of the followings:

On 1 December 2015, the Group entered into a three year loan agreement with a third party amounting to RMB25,000,000. As at 31 December 2016, the balance was approximately RMB28,000,000 (approximately HK$31,452,000). It is unsecured, interest bearing at 8.0% per annum. During the year ended 31 December 2017, the balance has been fully settled.

The remaining balance represented a loan to another third party to support the third party's acquisition of natural gas friendly vehicles. The loan to the third party is unsecured, interest bearing at 4.0% per annum and repayable annually in three equal installments by 31 December 2019.

For the year ended 31 December 2017, the interest income arising from these loans to third parties amounted to approximately HK$921,000 (2016: HK$3,304,000) (Note 10).

23 按金、貿易及其他應收款項 *（續）*

附註：*（續）*

(c) 於二零一一年九月二十三日，集團與聯營公司Sino Director Limited訂立貸款協議（關於資產建設），按6.2%之年利率計息。於二零一七年十二月三十一日，集團向Sino Director Limited貸款約637,251,000港元（二零一六年：479,062,000港元）。未還利息約為198,713,000港元（二零一六年：157,815,000港元），年利率為6.8%及須按要求償還。

截至二零一七年十二月三十一日止年度，此項安排的利息收入為40,898,000港元（二零一六年：36,513,000港元）（附註10）。

(d) 貸款予第三方包括下列事項：

於二零一五年十二月一日，集團與一名第三方訂立金額為人民幣25,000,000元的三年期貸款協議。於二零一六年十二月三十一日，餘額約為人民幣28,000,000元（約31,452,000港元）。貸款為無抵押、按年利率8.0%計息。於截至二零一七年十二月三十一日止年度，餘額已悉數結清。

餘下餘額為貸款予另一名第三方以支援該第三方購置天然氣車輛。該項對第三方貸款乃無抵押、按年利率4.0%計息並於二零一九年十二月三十一日前以每年一期、分三期償還。

截至二零一七年十二月三十一日止年度，第三方貸款產生的利息收入約為921,000港元（二零一六年：3,304,000港元）（附註10）。

23 Deposits, trade and other receivables *(Continued)*

23 按金、貿易及其他應收款項 *（續）*

(e) The carrying amounts of the deposits, trade and other receivables are denominated in the following currencies:

(e) 按金、貿易及其他應收賬款之賬面值以以下貨幣計值：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Renminbi	人民幣	**2,427,060**	2,201,565
CAD	加元	**48,140**	42,088
Others	其他	**78,297**	65,497
		2,553,497	2,309,150

24 Financial assets at fair value through profit or loss

24 按公平值經損益入賬之財務資產

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Debt securities:	債務證券：		
– listed outside Hong Kong	－香港以外上市	**20,822**	20,029
– unlisted	－非上市	**28,020**	27,419
		48,842	47,448

The carrying amounts of the financial assets at fair value through profit or loss are denominated in US$.

按公平值經損益入賬之財務資產之賬面值以美元計值。

The maximum exposure to credit risk at the statement of financial position date is the carrying value of debt securities classified as financial assets at fair value through profit or loss.

於財務狀況表日期的最大信貸風險為分類為按公平值經損益入賬的債務證券的賬面值。

The financial assets at fair value through profit or loss are pledged as a security for the Group's unutilised banking facilities (Note 35).

按公平值經損益入賬的財務資產予以質押，作為集團未動用銀行融資的抵押（附註35）。

25 Time deposits, bank balances and cash

25 定期存款、銀行結餘及現金

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Cash at banks and on hand	銀行及手頭現金	**2,299,083**	1,787,576
Short-term bank deposits	短期銀行存款	**39,895**	71,077
		2,338,978	1,858,653
Less: Time deposits with maturity over three months	減：存款期超過三個月的定期存款	**(48,531)**	(25,170)
Cash and cash equivalents	現金及現金等值項目	**2,290,447**	1,833,483

The interest rates for short-term bank deposits was approximately from 1.5% to 1.95% (2016: 1.1% to 3.9%) per annum. The deposits have a maturity of ranging from 90 to 365 days.

短期銀行存款的年利率介乎約1.5%至1.95%（二零一六年：1.1%至3.9%）。存款期介乎90日至365日。

Included in bank deposits, bank balances and cash are amounts of approximately HK$2,311,901,000 or RMB1,926,584,000 (2016: HK$1,558,078,000 or RMB1,391,141,000) denominated in Renminbi which are deposited with banks in Mainland China. The conversion of these Renminbi denominated balances into foreign currencies and the remittance of funds out of Mainland China is subject to the rules and regulations of foreign exchange control promulgated by the PRC Government.

銀行存款、銀行結餘及現金約2,311,901,000港元或人民幣1,926,584,000元（二零一六年：1,558,078,000港元或人民幣1,391,141,000元）均以人民幣計值，並存於中國內地的銀行。該等人民幣計值結餘兌換成外幣及從中國內地匯出資金須遵守中國政府頒布的外匯管理規章制度。

25 Time deposits, bank balances and cash *(Continued)*

25 定期存款、銀行結餘及現金 *（續）*

The carrying amounts of the time deposits, bank balances and cash are denominated in the following currencies:

定期存款、銀行結餘及現金之賬面值以下列貨幣計值：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Renminbi	人民幣	**2,313,282**	1,560,786
US$	美元	**17,438**	174,993
HK$	港元	**7,667**	122,337
Others	其他	**591**	537
		2,338,978	1,858,653

26 Trade and other payables

26 貿易及其他應付款項

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Trade payables	貿易應付賬款	**447,956**	570,343
Consideration payables	應付代價	**6,000**	18,000
Construction cost payables	應付建設成本	**415,775**	286,823
Interest payable	應付利息	**59,775**	47,284
Dividends payable to non-controlling interests	應付非控股權益股息	**125,828**	114,387
Salaries payables	應付薪金	**15,540**	12,819
Other taxes payable	其他應付稅項	**11,294**	48,510
Other payables and accruals	其他應付款項及應計費用	**349,565**	229,581
		1,431,733	1,327,747

26 Trade and other payables *(Continued)*

The Board considers that the carrying amounts of trade and other payables approximate their fair values.

The ageing analysis of trade payables based on invoice date is as follows:

26 貿易及其他應付款項*(續)*

董事局認為，貿易及其他應付款項之賬面值與其公平值相若。

根據發票日期的貿易應付賬款之賬齡分析如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Up to 3 months	三個月以內	**358,365**	470,508
3 to 6 months	三個月至六個月	**40,316**	37,871
Over 6 months	六個月以上	**49,275**	61,964
Total	合計	**447,956**	570,343

The carrying amounts of trade and other payables are denominated in the following currencies:

貿易及其他應付款項的賬面值以下列貨幣計值：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Renminbi	人民幣	**1,300,293**	1,201,994
HK$	港元	**52,041**	53,567
CAD	加元	**79,399**	72,186
		1,431,733	1,327,747

27 Receipt in advance　　27 預收款項

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Receipt in advance for sales of natural gas and other related products	銷售天然氣及其他相關產品之預收款項	**1,366,236**	1,040,468
Receipt in advance for connections of gas pipelines	燃氣管道接駁之預收款項	**217,767**	115,727
		1,584,003	1,156,195

As at 31 December 2017, included in receipt in advance for sales of natural gas was the amount received from customers using I/C cards amounting to approximately HK$883,205,000 (2016: HK$637,431,000), in which the movements are as follows:

於二零一七年十二月三十一日，銷售天然氣的預收款項內包括已收使用I/C卡客戶的款項約883,205,000港元（二零一六年：637,431,000港元），預收款項之變動如下：

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
At 1 January	於一月一日	**637,431**	606,255
Currency realignment	貨幣調整	**52,372**	(48,186)
Payments received in advance	已收預收款項	**4,154,799**	3,178,678
Redemption during the year	年內贖回	**(3,961,397)**	(3,099,316)
At 31 December	於十二月三十一日	**883,205**	637,431

28 Borrowings　　28 借貸

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Bank borrowings, unsecured	銀行借貸－無抵押	**653,258**	263,872
Other borrowings, unsecured	其他借貸－無抵押	**96,000**	97,035
		749,258	360,907
Less: amounts due within one year classified under current liabilities	減：分類為流動負債於一年內到期之款項	**(689,258)**	(360,907)
Non-current portion	非流動部分	**60,000**	–

The carrying amounts of the borrowings are denominated in the following currencies and carried at the following interest rates:

借貸的賬面值以下列貨幣計值，並以下列利率列賬：

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
Renminbi	人民幣	**492,000**	125,036
CAD	加元	**257,258**	235,871
		749,258	360,907
At fixed rates	固定利率	**354,000**	125,036
At floating rates	浮動利率	**395,258**	235,871
		749,258	360,907
Weighted average effective interest rates (per annum):	加權平均實際年利率：		
– Bank borrowings	－銀行借貸	**4.3%**	5.7%
– Other borrowings	－其他借貸	**6.4%**	4.2%

29 Senior notes

29 優先票據

		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元
US$ denominated senior notes	以美元計值之優先票據	**4,970,240**	5,006,417

On 25 April 2013, the Company issued senior notes, with an aggregate nominal value of US$350,000,000 (equivalent to HK$2,713,000,000) at par value (the "Senior Notes A"), which bear interest at 5.25% per annum and the interest is payable semi-annually in arrears. The net proceeds after deducting the direct issuance costs, amounted to approximately US$344,000,000 (equivalent to HK$2,666,000,000). The Senior Notes A will mature on 25 April 2018 and are listed on the Hong Kong Stock Exchange.

於二零一三年四月二十五日，公司按面值發行賬面總值為350,000,000美元（相等於2,713,000,000港元）的優先票據（「優先票據A」），按每年5.25%計息且利息每半年支付。扣除直接發行費用後之所得款項淨額為約344,000,000美元（相等於2,666,000,000港元）。優先票據A將於二零一八年四月二十五日到期及於香港聯交所上市。

On 11 November 2014, the Company issued another senior notes, with an aggregate nominal value of US$300,000,000 (equivalent to HK$2,325,000,000) at par value (the "Senior Notes B"), which bear interest at 5.00% per annum and the interest is payable semiannually in arrears. The net proceeds after deducting the direct issuance costs, amounted to approximately US$296,900,000 (equivalent to HK$2,300,975,000). The Senior Notes B will mature on 7 May 2020 and are listed on the Hong Kong Stock Exchange.

於二零一四年十一月十一日，公司按面值發行賬面總值為300,000,000美元（相等於2,325,000,000港元）的額外優先票據（「優先票據B」），按每年5.00%計息且利息每半年支付。扣除直接發行費用後之所得款項淨額為約296,900,000美元（相等於2,300,975,000港元）。優先票據B將於二零二零年五月七日到期及於香港聯交所上市。

On 11 April 2017, the Company issued senior notes, with an aggregate nominal value of US$350,000,000 (equivalent to HK$2,712,500,000) at par value (the "Senior Notes C"), which bear interest at 4.625% per annum and the interest is payable semi-annually in arrears. The net proceeds after deducting the direct issuance costs, amounted to approximately US$346,556,000 (equivalent to HK$2,685,809,000). The Senior Note C will mature on 20 April 2022 and are listed on the Hong Kong Stock Exchange.

於二零一七年四月十一日，公司按面值發行賬面總值為350,000,000美元（相等於2,712,500,000港元）的優先票據（「優先票據C」），按每年4.625%計息且利息每半年支付。扣除直接發行費用後之所得款項淨額為約346,556,000美元（相等於2,685,809,000港元）。優先票據C將於二零二二年四月二十日到期及於香港聯交所上市。

On 21 May 2017, the Company redeemed in full the outstanding aggregate principal amount of US$350,000,000 of Senior Notes A before their maturity at a total redemption price of US$354,594,000 (equivalent to HK$2,748,104,000), representing 101.3125% of the principal amount, by using the net proceeds from the offering of Senior Notes C.

於二零一七年五月二十一日，公司於到期日前透過動用發售優先票據C所得款項淨額悉數贖回優先票據A未償還本金總額350,000,000美元，總贖回價354,594,000美元（相等於2,748,104,000港元），為本金額的101.3125%。

29 Senior notes *(Continued)*

As at 31 December 2017, the fair value of the senior notes amounted to approximately HK$5,082,411,000 (2016: HK$5,106,281,000). The effective interest is 5.20% (2016: 5.46%). The fair value of the senior notes traded in active markets is based on quoted market prices at the date of the statement of financial position. 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 senior notes are within level 1 of the fair value hierarchy.

29 優先票據*（續）*

於二零一七年十二月三十一日，優先票據之公平值約為5,082,411,000港元（二零一六年：5,106,281,000港元）。實際利率為5.20%（二零一六年：5.46%）。於交投活躍市場買賣之優先票據之公平值根據財務狀況表日之市場報價計算。交投活躍市場乃指可輕易地及定期從交易所、經銷商、經紀人、行業集團、報價服務或規管機構取得報價之市場，而有關報價是在經常進行之真實公平市場交易之基礎上呈現。該等優先票據被列為公平值第一層次。

30 Deferred income tax

Deferred income tax is calculated in full on temporary differences under the liability method using the tax rates enacted or substantively enacted by the statement of financial position date.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes related to the same fiscal authority.

30 遞延所得稅

遞延所得稅採用負債法就暫時差額按財務狀況表日期已頒布或實質頒布之稅率全數計算。

當有法定可執行權利可將當期稅項資產與當期稅務負債抵銷，而遞延所得稅涉及同一財務機關時，則可將遞延所得稅資產與負債抵銷。

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Deferred tax assets	遞延所得稅資產	**(4,796)**	(19,510)
Deferred tax liabilities	遞延所得稅負債	**260,359**	240,801
Deferred tax liabilities (net)	遞延所得稅負債（淨額）	**255,563**	221,291

30 Deferred income tax *(Continued)*

30 遞延所得稅（續）

The net movements in the deferred income tax account are as follows:

遞延所得稅賬戶之變動淨額如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
At 1 January	於一月一日	**221,291**	214,965
Currency realignment	貨幣調整	**13,294**	8,478
Charged/(credited) to consolidated profit and loss (Note 13)	於綜合損益內扣除／（計入）（附註13）	**20,978**	(2,152)
At 31 December	於十二月三十一日	**255,563**	221,291

The movements in deferred income tax assets and liabilities (prior to offsetting of balances within the same taxation jurisdiction) during the year are as follows:

年內遞延所得稅資產及負債（與同一稅務司法權區之結餘抵銷前）之變動如下：

Deferred income tax assets

遞延所得稅資產

		Asset retirement obligation **資產報廢承擔**		**Tax losses** **稅項虧損**		**Total** **合計**	
		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元	**2017** **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元	**2017** **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
At 1 January	於一月一日	**(29,354)**	(26,550)	**(94,135)**	(39,419)	**(123,489)**	(65,969)
Credited to consolidated profit or loss	計入綜合損益	**(4,121)**	(1,888)	**(4,782)**	(50,440)	**(8,903)**	(52,328)
Currency alignment	貨幣調整	**(1,711)**	(916)	**(4,155)**	(4,276)	**(5,866)**	(5,192)
At 31 December	於十二月三十一日	**(35,186)**	(29,354)	**(103,072)**	(94,135)	**(138,258)**	(123,489)

30 Deferred income tax *(Continued)*

30 遞延所得稅（續）

Deferred income tax liabilities

遞延所得稅負債

		Accelerated tax depreciation and depletion 加速稅項折舊及損耗		Others 其他		Total 合計	
		2017 二零一七年 HK$'000 千港元	2016 二零一六年 HK$'000 千港元	**2017 二零一七年 HK$'000 千港元**	2016 二零一六年 HK$'000 千港元	**2017 二零一七年 HK$'000 千港元**	2016 二零一六年 HK$'000 千港元
At 1 January	於一月一日	**309,226**	249,856	**35,554**	31,078	**344,780**	280,934
Charged to consolidated profit or loss	計入綜合損益	**29,881**	45,460	**–**	4,716	**29,881**	50,176
Currency alignment	貨幣調整	**19,147**	13,910	**13**	(240)	**19,160**	13,670
At 31 December	於十二月三十一日	**358,254**	309,226	**35,567**	35,554	**393,821**	344,780

During 2017, deferred income tax liabilities to the extent of approximately HK$2,496,000 (2016: HK$1,240,000) have not been recognised for the withholding tax and other taxes that would be payable on the unremitted earnings of certain subsidiaries because the Board considers that the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Unremitted earnings totaled approximately HK$1,472,230,000 (2016: HK$1,160,467,000) as at 31 December 2017 and HK$7,396,000 (2016: HK$7,396,000) has been recognised as deferred tax liability for the withholding tax.

Deferred income tax assets are recognised for tax loss carry-forwards to the extent that the realisation of the related tax benefit through future taxable profits is probable. As at 31 December 2017, the Group had unrecognised tax losses of approximately HK$108,963,000 (2016: HK$76,424,000) to carry forward against future taxable income. All the tax losses will be expired within the next 5 years.

於二零一七年，遞延所得稅負債約2,496,000港元（二零一六年：1,240,000港元）並無確認為預扣稅及其他稅項，此款項用於支付某些附屬公司之未匯出盈利；因為董事局認為撥回暫時差額時間由集團控制且此暫時差額有可能將不會在可見未來撥回。於二零一七年十二月三十一日，未匯出盈利合共約為1,472,230,000港元（二零一六年：1,160,467,000港元）及7,396,000港元（二零一六年：7,396,000港元）已就預扣稅確認為遞延稅項負債。

遞延所得稅資產以相關的稅務利益透過可從未來應課稅盈利變現為上限，為稅務虧損結轉而確認。於二零一七年十二月三十一日，集團之未確認稅項虧損約108,963,000港元（二零一六年：76,424,000港元）以結轉與未來應課稅收入對銷。所有稅項虧損將於下個五年內屆滿。

31 Assets retirement obligation

31 資產報廢承擔

The movements in assets retirement obligation are as below:

資產報廢承擔之變動如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
At 1 January	於一月一日	**108,723**	98,326
Currency realignment	貨幣調整	**2,619**	3,400
Acquisition of businesses (Note 33)	收購業務（附註33）	**–**	4,065
Accretion (Note 10)	添加（附註10）	**2,611**	2,295
Site restoration expenditure	場地恢復支出	**(7,507)**	(8,207)
Change in estimates and discount rate	估計及折現率變動	**16,084**	–
Provision for the year	年內撥備	**7,781**	8,844
At 31 December	於十二月三十一日	**130,311**	108,723

Note:

In accordance with the relevant rules and regulations in Canada, the Group is obliged to accrue the cost for land reclamation and site closures for the Group's ownership interest in oil and natural gas assets including well sites and gathering systems. The provision for asset retirement obligation has been determined by the directors based on their best estimates in accordance with the relevant rules and regulations.

附註：

根據加拿大有關規則及法規，集團有責任就集團於石油及天然氣資產（包括油井及集氣系統）的土地開墾及關閉場地支付成本。有關資產報廢承擔的撥備已由董事以彼等最佳估計為基礎根據有關規則及法規釐定。

32 Share capital, share option and share award schemes

32 股本及購股權／獎勵計劃

(a) Share capital

(a) 股本

		Number of shares 股份數目 '000 千股	Amount 金額 HK$'000 千港元
Ordinary shares of HK$0.01 each	每股0.01港元之普通股		
Authorised shares	法定股份		
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、二零一六年十二月三十一日、二零一七年一月一日及二零一七年十二月三十一日	125,000,000	1,250,000
Issued and fully paid	已發行及繳足		
At 1 January 2016, 31 December 2016, 1 January 2017 and 31 December 2017	於二零一六年一月一日、二零一六年十二月三十一日、二零一七年一月一日及二零一七年十二月三十一日	5,825,684	58,257

(b) Share option scheme

The Company adopted a share option scheme (the "Share Option Scheme") pursuant to a resolution passed by the shareholders on 23 November 2011.

Under the Share Option Scheme, the Board may at its discretion offer options to any eligible participant who is an employee, executive or officer of the Company or its subsidiaries (including executive and non-executive directors of the Company or its subsidiaries) and any suppliers, consultants or advisers who will provide or have provided services to the Company or its subsidiaries.

The maximum number of shares in respect of which options may be granted under the Share Option Scheme is 10% of the issued shares of the Company from time to time.

The maximum entitlement of each eligible participant in any 12 month-period shall not exceed 1% of the number of shares in issue on the date of offer of an option.

(b) 購股權計劃

根據股東於二零一一年十一月二十三日通過之決議案，公司採納購股權計劃(「購股權計劃」)。

根據購股權計劃，董事局可酌情提呈購股權予任何合資格參與者。合資格參與者為公司或其附屬公司之僱員、行政人員或高級職員(包括公司或其附屬公司之執行及非執行董事)，以及任何將會或曾經為公司或其附屬公司提供服務之供應商、專家顧問或顧問。

根據購股權計劃及原有購股權計劃授出之購股權涉及之股份數目上限為公司不時之已發行股份之10%。

於任何十二個月期間，每位合資格參與者之配額上限不得超逾購股權提呈之日已發行股份數目之1%。

32 Share capital, share option and share award schemes *(Continued)*

(b) Share option scheme *(Continued)*

The offer of a grant of options may be accepted within 21 days after the date of the offer, with a consideration of HK$1 for the grant thereof. Exercise period in respect of the options granted shall be determined by the Board and in any event such period of time shall not exceed a period of 10 years commencing on the date upon which such option is deemed to be granted and accepted.

The exercise price in relation to each option offered to an eligible participant under the Share Option Scheme shall be determined by the Board at its absolute discretion but in any event shall not be less than the highest of: (a) the official closing price of the shares as stated in the daily quotation sheet of the Stock Exchange on the date of offer of an option; (b) the average of the official closing price of the shares as stated in the daily quotation sheet of the Stock Exchange for the five business days immediately preceding the date of offer of an option; and (c) the nominal value of a share.

The Share Option Scheme was valid for 10 years from 23 November 2011.

On 22 January 2016, in order to motivate and reward the Company's staff, the Company had granted to certain eligible participants of the Company share options to subscribe for an aggregate of 100,000,000 ordinary shares of HK$0.01 each in share capital of the Company. The share options shall be exercisable in the following periods:

- 30% of the share options are exercisable on 22 January 2018;
- 30% of the share options are exercisable on 22 January 2019; and
- the remaining share options are exercisable on 22 January 2020

32 股本及購股權／獎勵計劃*(續)*

(b) 購股權計劃*(續)*

獲授購股權之人士可於購股權提呈之日起計21日內繳付1港元之代價後接納獲提呈授予之購股權。購股權之行使期限由董事局決定，而在任何情況下，有關期限不得超逾有關購股權被視為授出及獲接納之日起計十年。

董事局全權酌情就根據該購股權計劃提呈予合資格參與者之每份購股權釐定行使價，惟在任何情況下該價格不得低於以下之最高者：(a)購股權提呈當日股份於聯交所每日報價中所列之正式收市價，(b)在緊接提呈購股權當日前五個營業日股份於聯交所每日報價中所列之正式收市價平均數；及(c)股份面值。

購股權計劃從二零一一年十一月二十三日起有效期為期十年。

於二零一六年一月二十二日，為激勵及獎勵公司員工，公司已向其若干合資格參與者授出可認購合共100,000,000股公司股本中每股面值0.01港元之普通股的購股權。購股權可於下列期間行使：

- 30%的購股權於二零一八年一月二十二日可予行使；
- 30%的購股權於二零一九年一月二十二日可予行使；及
- 其餘購股權於二零二零年一月二十二日可予行使

32 Share capital, share option and share award schemes *(Continued)*

32 股本及購股權／獎勵計劃*(續)*

(b) Share option scheme *(Continued)*

(b) 購股權計劃*(續)*

(i) The number and weighted average exercise prices of the share options are as follows:

(i) 購股權的數目及加權平均行使價如下：

		2017 二零一七年		2016 二零一六年	
		Exercise price HK$ 行使價 港元	**Number of option '000 購股權 數目 千份**	Exercise price HK$ 行使價 港元	Number of option '000 購股權 數目 千份
Outstanding at 1 January	於一月一日尚未行使	0.46	100,000	–	–
Granted during the year	年內授出	–	–	0.46	100,000
Outstanding at 31 December	於十二月三十一日尚未行使	0.46	100,000	0.46	100,000

32 Share capital, share option and share award schemes *(Continued)*

32 股本及購股權／獎勵計劃*(續)*

(b) Share option scheme *(Continued)*

(b) 購股權計劃*(續)*

(ii) The following table discloses details of the Company's share options held by employees as at 31 December 2017:

(ii) 下表披露僱員於截至二零一七年十二月三十一日止年度所持公司購股權之詳情：

	Date of grant 授出日期	Exercise price per share 每股行使價 HK$ 港元	Exercise period 行使期	Outstanding at 31 December 2017 於二零一七年十二月三十一日尚未行使
Employees 僱員	22 January 2016 二零一六年一月二十二日	0.46	22 January 2016 to 22 January 2019 二零一六年一月二十二日至二零一九年一月二十二日	30,000
	22 January 2016 二零一六年一月二十二日	0.46	22 January 2016 to 22 January 2020 二零一六年一月二十二日至二零二零年一月二十二日	30,000
	22 January 2016 二零一六年一月二十二日	0.46	22 January 2016 to 22 January 2021 二零一六年一月二十二日至二零二一年一月二十二日	40,000
Total	總計			100,000

32 Share capital, share option and share award schemes *(Continued)*

(b) Share option scheme *(Continued)*

The fair value of the options granted during the year ended 31 December 2016 determined using the binomial option pricing model was approximately HK$0.127, HK$0.148 and HK$0.171 per share respectively. The significant inputs into the model were share price of HK$0.455 as at the grant date, exercise price as shown above, volatility of 40.99%, 40.97% and 42.56%, expected life of options of eight, seven and six years, and annual risk-free interest rate of 0.993%, 1.056% and 1.184% respectively. The volatility measured at the standard deviation of expected share price returns is based on the historical volatility of the Company's share price over a period of eight, seven and six years before the date when the options were granted.

(c) Share award scheme

On 4 November 2011, the Board approved the adoption of a share award scheme (the "Restricted Share Award Scheme") with the objective to recognise the contributions by eligible employees within the Group and to give incentives in order to retain them for their continuing operation and development and to attract suitable personnel for further development of the Group.

Pursuant to the rules relating to the Restricted Share Award Scheme ("Scheme Rules"), shares are comprised of (i) shares subscribed for or purchased by the Company and delivered to the Trustee appointed by the Company (Note 39(c)) subsequently; or (ii) the Trustee out of cash arranged to be paid by the Company out of the Company's funds to the Trustee and be held on trust for the relevant eligible grantees until such shares are vested with the relevant eligible grantees in accordance with the Scheme Rules ("Restricted Shares"). The Board implements the Restricted Share Award Scheme in accordance with the terms of the Scheme Rules including providing necessary funds to the Trustee to purchase or subscribe for shares up to 10% of the issued share capital of the Company from time to time.

32 股本及購股權／獎勵計劃*(續)*

(b) 購股權計劃*(續)*

採用二項式期權定價模式，於截至二零一六年十二月三十一日止年度授出的購股權已釐定公平值分別約為每股0.127港元、0.148港元及0.171港元。輸入模式內的重大數據為於授出日期之估價0.455港元、上表所示行使價、分別為40.99%、40.97%及42.56%之波幅、購股權分別為八年、七年及六年之預計年期以及分別為0.993%、1.056%及1.184%之無風險利率。按預期股價回報的標準差計量的波幅乃是基於公司於購股權授出日期之前八年、七年及六年期間之歷史波幅。

(c) 股份獎勵計劃

於二零一一年十一月四日，董事局已批准採納一項購股權計劃(「限制性股份獎勵計劃」)作為獎勵以嘉許集團合資格僱員之貢獻，為集團持續經營及發展為激勵以挽留僱員，為集團進一步發展吸納合適人才。

根據限制性股份獎勵計劃有關規則(「計劃規則」)，股份來自(i)公司認購或購買並隨後送交予公司委托的受托人(附註39(c))之股份；或(ii)由受託人以公司自公司資金安排支付予受託人之現金認購或購買並為有關經合資格承授人以信託方式持有之股份(「限制性股份」)，直至該等股份根據計劃規則歸屬於有關合資格承授人為止。董事局會根據計劃規則實施限制性股份獎勵計劃，包括向受託人提供所需資金，以購入或認購最多佔公司不時之已發行股本10%之股份。

32 Share capital, share option and share award schemes *(Continued)*

(c) Share award scheme *(Continued)*

Under the Restricted Share Award Scheme, the Restricted Shares are granted to eligible employees of the Company or any one of its subsidiaries for no consideration but subject to certain conditions (including but not limited to, lock-up period) to be decided by the Board at the time of grant of the Restricted Shares under the Restricted Share Award Scheme. The Restricted Share Award Scheme will remain in force for 10 years from the date of adoption.

The Restricted Share Award Scheme operates in parallel with the Share Option Scheme. All options granted under the Share Option Scheme continue to be valid and exercisable subject to and in accordance with the terms of the Share Option Scheme, respectively.

Pursuant to the Scheme Rules, the Board may, from time to time, at their absolute discretion select the eligible grantees after taking into account various factors as they deem appropriate for participation in the Restricted Share Award Scheme as a grantee and determines the number of Restricted Shares to be awarded. The Board shall cause to pay the Trustee the purchase price and the related expenses from the Company's resources for the shares to be purchased by the Trustee.

The Trustee shall hold such Restricted Shares on trust for the eligible grantees until they are vested. When the relevant eligible grantee has satisfied all vesting conditions specified by the Board at the time of making the award and become entitled to the Restricted Shares, the Trustee shall transfer the relevant Restricted Shares to that grantee.

For awardees who cease employment with the Group before vesting, the unvested shares are forfeited. The forfeited shares are held by the trustee of the Restricted Share Award Scheme who may award such shares to the awardees as instructed by the Board.

32 股本及購股權／獎勵計劃*(續)*

(c) 股份獎勵計劃*(續)*

根據限制性股份獎勵計劃，限制性股份可以零代價授予公司合資格承授人或公司任何一家附屬公司，但受限於董事局根據限制性股份獎勵計劃授出限制性股份時決定的若干條件(包括但不限於，禁售期)。限制性股份獎勵計劃將從採納日起生效，為期十年。

限制性股份獎勵計劃與購股權計劃並行。根據購股權計劃授出的所有購股權將繼續有效及可行使，惟須分別遵守及依照購股權計劃的條款。

根據計劃規則，董事局可不時按其絕對酌情權及彼等認為適用參與限制性獎勵計劃的不同因素挑選合資格承授人，並釐定將授出之限制性股份數目。董事局須就受託人即將購入之股份，以公司之資源向受託人支付購入價及相關費用。

受託人將以信託方式代合資格承受人持有相關限制性股份，直至彼等獲歸屬。待相關合資格承授人達成董事局於作出獎勵時所特定之一切歸屬條件，將有權獲得限制性股份，受託人將轉讓該有關限制性股份予承授人。

在歸屬前不再受僱於集團之受獎人，未歸屬股份即予沒收。沒收股份由限制性股份獎勵計劃受託人持有，而受託人根據董事局指示獎勵該等股份予受獎人。

32 Share capital, share option and share award schemes *(Continued)*

32 股本及購股權／獎勵計劃*(續)*

(c) Share award scheme *(Continued)*

(c) 股份獎勵計劃*(續)*

During the year ended 31 December 2017, 1,680,000 (2016: 1,980,000) restricted shares have been awarded to the directors and employees for their services rendered to the Group, and all of them are immediately vested.

截至二零一七年十二月三十一日止年度，已就董事及僱員向集團提供的服務獎勵1,680,000股（二零一六年：1,980,000股）限制性股份予彼等，且所有該等股份均即時歸屬。

Details of the Awarded Shares awarded during the year

年內授出獎勵股份的詳情

For the year ended 31 December 2017:

截至二零一七年十二月三十一日止年度：

Date of award 授出日期	Number of shares awarded 授出股份數目	Fair value per share 股份公平值 HK$ 港元	Vesting period 歸屬期
Employees 僱員			
13 April 2017 二零一七年四月十三日	1,680,000	0.59	Vested immediately on 13 April 2017 於二零一七年四月十三日即時歸屬

For the year ended 31 December 2016:

截至二零一六年十二月三十一日止年度：

Date of award 授出日期	Number of shares awarded 授出股份數目	Fair value per share 股份公平值 HK$ 港元	Vesting period 歸屬期
Directors of the Company 公司董事			
12 May 2016 二零一六年五月十二日	900,000	0.54	Vested immediately on 12 May 2016 於二零一六年五月十二日即時歸屬
Employees 僱員			
21 April 2016 二零一六年四月二十一日	1,080,000	0.55	Vested immediately on 21 April 2016 於二零一六年四月二十一日即時歸屬

32 Share capital, share option and share award schemes *(Continued)*

32 股本及購股權／獎勵計劃*(續)*

(c) Share award scheme *(Continued)*

(c) 股份獎勵計劃*(續)*

Details of the Awarded Shares awarded during the year *(Continued)*

年內授出獎勵股份之詳情*(續)*

Movement in the number of shares awarded for the years ended 31 December 2017 and 2016 were as follows:

已授出股份數目於截至二零一七年及二零一六年十二月三十一日止年度之變動如下：

		Number of Awarded Shares 獎勵股份數目	
		2017 二零一七年	2016 二零一六年
Outstanding at 1 January	於一月一日尚未行使	**1,520,000**	2,050,000
Awarded	已授出	**1,680,000**	1,980,000
Vested	已歸屬	**(1,680,000)**	(2,510,000)
Outstanding at 31 December	於十二月三十一日尚未行使	**1,520,000**	1,520,000

During the year ended 31 December 2017, the Trustee acquired under the Award Scheme 181,260,000 (2016: 57,340,000) ordinary shares of the Company through purchases on the open market with a price range of HK$0.52 (2016:HK$0.46) to HK$0.83 (2016: HK$0.59) per share at a total cost (including related transaction costs) of HK$104,257,000 (2016: HK$31,875,000) which was credited to shares held for share award scheme account of the Company as an equity component of the Company. As at 31 December 2017, the total number of shares in the reserve was 817,209,221 (2016: 637,629,221).

於截至二零一七年十二月三十一日止年度，受託人根據獎勵計劃按介乎每股0.52港元（二零一六年：0.46港元）至0.83港元（二零一六年：0.59港元）的價格在公開市場購入公司181,260,000（二零一六年：57,340,000股），普通股，總成本（包括相關交易成本）為104,257,000港元（二零一六年：31,875,000港元），已計入公司就股份獎勵計劃持有的股份賬目，作為公司的股本部分。於二零一七年十二月三十一日，儲備股份總數為817,209,221股（二零一六年：637,629,221股）。

33 Acquisition of businesses

Effective from 9 August 2016, the Group acquired 100% interests in Baytex Energy Partnership ("Baytex") from an independent third party at a consideration of CAD7,471,000 (approximately HK$44,079,000). During the year ended 31 December 2016, the above acquisition was completed and the Group commenced to account for the business combination from the effective date when the Group gained control over Baytex. On the date of acquisition agreement, no license was obtained by Baytex for some of the completed oil and gas properties. Therefore, no consideration and value were assigned to these properties. At the effective acquisition date, the Group applied a license for the properties with the government and used in production. The gain on bargain purchase amounted to approximately HK$10,803,000 was attributable to these properties. Details of net assets acquired and gain on bargain purchase are as follows:

33. 收購業務

自二零一六年八月九日起，集團自一名獨立第三方收購Baytex Energy Partnership（「Baytex」）的全部開採權益，代價為7,471,000加元（約44,079,000港元）。於截至二零一六年十二月三十一日止年度，上述收購事項已完成且集團自生效日期（即集團獲得對Baytex的控制權時）開始將業務合併入賬。於收購協議日期，Baytex並未就若干已完工油氣資產取得任何牌照。因此，該等物業無任何指定代價或價值。於有效收購日期，集團就該等物業向政府申請牌照並用於生產。因該等物業而錄得溢價收購收益約10,803,000港元。已收購資產淨值及議價收購收益詳情如下：

		HK$'000 千港元
Total cash consideration	總現金代價	44,079
Recognised amounts of identifiable assets acquired and liabilities assumed	所收購可識別資產及所承擔負債的已確認金額	
Property, plant and equipment (Note 16)	物業、廠房及設備（附註16）	58,947
Asset retirement obligation (Note 31)	資產報廢承擔（附註31）	(4,065)
Total identifiable net assets	可辨識淨資產總值	54,882
Gain on bargain purchase (Note 8)	議價收購收益（附註8）	(10,803)

The acquired business contributed revenues of HK$5,310,000 and net profit of HK$3,340,000 since the date of acquisition to 31 December 2016, 18 the acquisition has occurred on 1 January 2016, consolidated pro-forma revenue and profit for the year ended 31 December 2016 would have been HK$7,670,000 and HK$5,310,000 respectively.

自收購日期至二零一六年十二月三十一日，所收購業務貢獻營業額5,310,000港元及純利3,340,000港元，收購事項已於二零一六年一月一日進行，截至二零一六年十二月三十一日止年度綜合備考營業額及溢利分別為7,670,000港元及5,310,000港元。

34 Disposals of an associate/a subsidiary

(a) On 15 March 2017, a subsidiary of the Company, in which 75% equity interest held by the Company, entered into a sales and purchase agreement with independent third parties, pursuant to which the independent third parties agreed to purchase, and the subsidiary agreed to sell its entire 30% equity interests in an associate total cash consideration of RMB6,000,000 (approximately HK$6,960,000). The transaction was completed on 15 March 2017 resulting in recognition of a gain on disposal of approximately HK$3,759,000.

(b) On 13 January 2016, a subsidiary of the Company, with 51% equity interests held by the Group, entered into a sales and purchase agreement with an independent third party, pursuant to which the independent third party agreed to purchase, and the subsidiary agreed to sell its entire 60% equity interests (30.6% effective interests) in 銀川中油精誠燃氣有限公司（"銀川中油"）at cash consideration of RMB234,000,000 (approximately HK$280,800,000).

The Group received the total consideration of RMB234,000,000 (approximately HK$280,800,000) during the year ended 31 December 2016. On 17 March 2016, the Group has completed the disposal of 銀川中油 and recognised a gain on disposal of approximately HK$124,199,000.

34 出售一間聯營公司／一間附屬公司

(a) 於二零一七年三月十五日，公司一間附屬公司（公司持有75%的股權）與一名獨立第三方訂立一份買賣協議，據此，獨立第三方同意購買，及附屬公司同意出售其於一間聯營公司30%之股權，總現金代價為人民幣6,000,000元（約6,960,000港元）。該交易已於二零一七年三月十五日完成，導致確認出售收益約3,759,000港元。

(b) 於二零一六年一月十三日，公司的一間附屬公司（集團擁有其51%股權）與一名獨立第三方訂立買賣協議，據此，獨立第三方同意購買按現金代價人民幣234,000,000元（約280,800,000港元）購買於銀川中油精誠燃氣有限公司（「銀川中油」）擁有的全部60%股權（30.6%的實際權益），而公司同意按上述代價出售上述股權。

截至二零一六年十二月三十一日止年度，集團收取總代價人民幣234,000,000元（約280,800,000港元）。於二零一六年三月十七日，集團已完成出售銀川中油並確認出售收益約124,199,000港元。

34 Disposals of an associate/a subsidiary *(Continued)*

(b) The following table summarises the consideration received for the disposal of a subsidiary and the amounts of the identifiable assets and liabilities disposed of at the disposal date: *(Continued)*

34 出售一間聯營公司／一間附屬公司*（續）*

(b) 下表概述因出售一間附屬公司而收取的代價以及於出售日期之已出售可識別資產及負債金額：*（續）*

		HK$'000 千港元
Cash consideration received	已收現金代價	280,800
Less: Assets and liabilities disposed of:	減：已出售資產及負債：	
– Property, plant and equipment (Note 16)	－物業、廠房及設備（附註16）	116,429
– Land use rights (Note 18)	－土地使用權（附註18）	1,998
– Intangible assets (Note 19)	－無形資產（附註19）	22,154
– Inventories	－存貨	23,252
– Deposits, trade and other receivables	－按金、貿易及其他應收款項	55,253
– Cash and cash equivalents	－現金及現金等值項目	43,764
– Trade and other payables	－貿易及其他應付款項	(8,219)
– Receipt in advance	－預收款項	(15,645)
– Non-controlling interests	－非控股權益	(86,841)
Net asset value	資產淨值	152,145
Less: Release of exchange reserve upon disposal of a subsidiary	減：於出售一間附屬公司後匯兑儲備回撥	4,456
Gain on disposal of a subsidiary (Note 8)	出售一間附屬公司收益（附註8）	124,199

34 Disposals of an associate/a subsidiary *(Continued)*

(b) The following table summarises the consideration received for the disposal of a subsidiary and the amounts of the identifiable assets and liabilities disposed of at the disposal date: *(Continued)*

An analysis of the cash flows in respect of the disposal of a subsidiary is as follows:

34 出售一間聯營公司／一間附屬公司*（續）*

(b) 下表概述因出售一間附屬公司而收取的代價以及於出售日期之已出售可識別資產及負債金額：*（續）*

關於出售一間接附屬公司的相關現金流量分析如下：

		HK$'000 **千港元**
Cash consideration received	已收現金代價	280,800
Less: Cash and cash equivalents included in the disposal of a subsidiary	減：出售一間附屬公司已計入的現金及現金等值項目	(48,020)
Net inflow of cash and cash equivalents included in cash flows from investing activities	計入投資活動現金流量的現金及現金等值項目流入淨額	232,780

35 Banking facilities

As at 31 December 2017, the Group had aggregate banking facilities of approximately HK$5,080,546,000 (2016: HK$4,660,600,000), of which approximately HK$4,427,288,000 (2016: HK$4,360,888,000) was unutilised. The Group's unused banking facilities to the extent of HK$775,000,000 (2016: HK$774,999,000) are secured by certain financial assets (Notes 21 and 24).

35 銀行融資

於二零一七年十二月三十一日，集團銀行借貸之銀行融資總額約為5,080,546,000港元（二零一六年：4,660,600,000港元），其中約4,427,288,000港元（二零一六年：4,360,888,000港元）尚未動用。集團為數775,000,000港元（二零一六年：774,999,000港元）的銀行融資以若干財務資產為抵押（附註21和24）。

36 Cash flow information

36 現金流量資料

Net debt reconciliation

債務淨額對賬

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

本節載列各所示期間債務淨額的分析及債務淨額的變動。

Net debt **債務淨額**		**2017** **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Cash and cash equivalents	現金及現金等值項目	**2,290,447**	1,833,483
Liquid investments (i)	流動投資 (i)	**48,842**	47,448
Borrowings – repayable within one year	借貸－應於一年內償還	**(689,258)**	(360,907)
Borrowings – repayable after one year	借貸－應於一年後償還	**(60,000)**	–
Senior notes – repayable after one year	優先票據－應於一年後償還	**(4,970,240)**	(5,006,417)
Net debt	債務淨額	**(3,380,209)**	(3,486,393)
Cash and liquid investments	現金及流動投資	**2,339,289**	1,880,931
Gross debt – fixed interest rates	債務總額－固定利率	**(5,324,240)**	(5,131,453)
Gross debt – variable interest rates	債務總額－浮動利率	**(395,258)**	(235,871)
Net debt	債務淨額	**(3,380,209)**	(3,486,393)

36 Cash flow information *(Continued)* 36 現金流量資料*(續)*

Net debt reconciliation *(Continued)* 債務淨額對賬*(續)*

		Other assets 其他資產		Liabilities from financing activities 融資活動產生的負債			
		Cash and cash equivalents 現金及現金等值項目 HK$'000 千港元	Liquid investments (i) 流動投資(i) HK$'000 千港元	Borrowings due within 1 year 於一年內到期的借貸 HK$'000 千港元	Borrowings due after 1 year 於一年後到期的借貸 HK$'000 千港元	Senior notes due, after 1 year 於一年後到期的優先票據 HK$'000 千港元	Total 總計 HK$'000 千港元
Net debt as at 1 January 2016	**於二零一六年一月一日之債務淨額**	2,303,704	50,271	(972,774)	–	(4,992,169)	(3,610,968)
Cash flows	現金流量	(359,253)	(3,725)	600,715	–	–	237,737
Finance costs	財務費用	–	–	–	–	(14,248)	(14,248)
Unrealised gain credited to profit or loss	計入損益的未變現收益	–	902	–	–	–	902
Foreign exchange adjustments	外匯調整	(110,968)	–	11,152	–	–	(99,816)
Net debt as at 31 December 2016	**於二零一六年十二月三十一日之債務淨額**	1,833,483	47,448	(360,907)	–	(5,006,417)	(3,486,393)
Cash flows	現金流量	329,654	–	(296,866)	(57,950)	62,295	37,133
Finance costs	財務費用	–	–	–	–	(26,118)	(26,118)
Unrealised gain credited to profit or loss	計入損益的未變現收益	–	1,394	–	–	–	1,394
Foreign exchange adjustments	外匯調整	127,310	–	(31,485)	(2,050)	–	93,775
Net debt as at 31 December 2017	**於二零一七年十二月三十一日之債務淨額**	2,290,447	48,842	(689,258)	(60,000)	(4,970,240)	(3,380,209)

(i) Liquid investments comprise current investments that are traded in an active market, being the group's financial assets held at fair value through profit or loss.

(i) 流動投資包括於活躍市場買賣的流動投資，即集團按公平值經損益入賬之財務資產。

37 Commitments

37 承擔

(a) Operating leases

(a) 經營租賃

The Group leases certain of its office properties under operating lease arrangements. Leases for properties are negotiated for terms ranging from 1 year to 20 years.

集團根據經營租賃安排租賃其部分辦公物業。租賃物業的租期經磋商介乎1年至20年之間不等。

At 31 December 2017, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

於二零一七年十二月三十一日，集團根據不可撤銷經營租賃到期應付的未來最低租賃付款總額如下：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Land and buildings expiring:	於下列期限到期的土地及樓宇：		
Within one year	一年內	**13,831**	13,541
After one year but within five years	一年後但五年內	**22,731**	28,987
After five years	五年後	**26,923**	31,894
		63,485	74,422

(b) Capital commitments

(b) 資本承擔

The Group had the following capital commitments outstanding not provided for at the date of statement of financial position:

集團於財務狀況表日期有以下未撥備的未履行資本承擔：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Contracted but not provided for:	已訂約但未撥備：		
Property, plant and equipment	物業、廠房及設備	**199,091**	185,818

38 Related party transactions

As at 31 December 2017, the Company was indirectly owned by Sino Best International Group Limited ("Sino Best"), a company incorporated in the British Virgin Islands ("BVI") which in turn was wholly and beneficially owned by Mr. Xu Tie-liang, the Chairman and executive director of the Company, as to approximately 24.5%. The remaining 75.5% of the Company's shares were widely held. Mr. Xu Tie-liang and other directors of the Company are considered to be related as they are members of the key management personnel of the Company.

Transactions with key management personnel

The directors of the Company are considered as key management personnel of the Group. The remuneration of the key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends. Details of the remuneration paid to them are set out in Note 12.

38 關連人士交易

於二零一七年十二月三十一日，公司由中泰國際集團有限公司(「中泰國際」)(於英屬維爾京群島(「英屬維爾京群島」)註冊成立的公司，由公司主席及執行董事許鉄良先生全資實益擁有)間接擁有約24.5%。公司其餘75.5%股份被廣泛持有。許鉄良先生及公司其他董事均為公司主要管理人員而被視為公司的關連人士。

與主要管理人員的交易

公司董事被視為集團主要管理人員。主要管理人員之酬金乃由薪酬委員會經考慮個別人士之表現及市場趨勢後釐定。付予該等人士之酬金詳情載於附註12。

39 Particulars of the principal subsidiaries and controlled structured entities

39 主要附屬公司及受控制結構實體之詳情

(a) Details of the principal subsidiaries are as follows:

(a) 主要附屬公司詳情如下：

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點及法律實體類型	Nominal value of issued share capital/ registered capital 已發行股本面值／註冊資本	Percentage of equity attributable to the Company 公司應佔股權百分比 Directly 直接	Indirectly 間接	Principal activities 主要業務
Profaith Group Limited	BVI, Wholly foreign-owned enterprise 英屬維爾京群島，外商獨資企業	US$1 1美元	100.0%	–	Investment holding 投資控股
All Praise Investment Limited	BVI, Wholly foreign-owned enterprise 英屬維爾京群島，外商獨資企業	US$1 1美元	100.0%	–	Investment holding 投資控股
China Oil And Gas Group Limited	BVI, Wholly foreign-owned enterprise 英屬維爾京群島，外商獨資企業	US$1 1美元	100.0%	–	Investment holding 投資控股
China Oil And Gas Management Limited 中油燃氣管理有限公司	Hong Kong, Wholly foreign-owned enterprise 香港，外商獨資企業	HK$1 1港元	–	100.0%	Investment holding 投資控股
Alta Financial Holdings Limited 恒泰金融集團有限公司	BVI, Wholly foreign-owned enterprise 英屬維爾京群島，外商獨資企業	US$1,000 1,000美元	–	100.0%	Investment holding 投資控股
Zhongda Industrial Group Inc 中大工業集團有限公司	BVI, Wholly foreign-owned enterprise 英屬維爾京群島，外商獨資企業	US$10,000 10,000美元	–	100.0%	Investment holding 投資控股
China Oil And Gas Group (Asia) Limited 中油燃氣集團(亞洲)有限公司	Hong Kong, Wholly foreign-owned enterprise 香港，外商獨資企業	HK$1 1港元	–	100.0%	Investment holding 投資控股
Hong Kong China Oil And Gas Group Limited 香港中油燃氣集團有限公司	Hong Kong, Wholly foreign-owned enterprise 香港，外商獨資企業	HK$1 1港元	–	100.0%	Investment holding 投資控股

39 Particulars of the principal subsidiaries and controlled structured entities *(Continued)*

39 主要附屬公司及受控制結構實體之詳情*（續）*

(a) Details of the principal subsidiaries are as follows: *(Continued)*

(a) 主要附屬公司詳情如下：*（續）*

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點及法律實體類型	Nominal value of issued share capital/ registered capital 已發行股本面值／註冊資本	Percentage of equity attributable to the Company 公司應佔股權百分比 Directly 直接	 Indirectly 間接	Principal activities 主要業務
Accelstar Pacific Limited	BVI, Wholly foreign-owned enterprise 英屬維爾京群島，外商獨資企業	US$50,000 50,000美元	–	100.0%	Investment holding 投資控股
Plentigreat Holdings Limited	BVI, Wholly foreign-owned enterprise 英屬維爾京群島，外商獨資企業	US$10,000 10,000美元	–	100.0%	Investment holding 投資控股
Vast China Group Limited	BVI, Wholly foreign-owned enterprise 英屬維爾京群島，外商獨資企業	US$1 1美元	–	100.0%	Investment holding 投資控股
Sino Invent Holdings Limited	BVI, Wholly foreign-owned enterprise 英屬維爾京群島，外商獨資企業	US$1 1美元	–	100.0%	Investment holding 投資控股
中油中泰燃氣投資集團有限公司（"CCNG"） 中油中泰燃氣投資集團有限公司（「中油中泰」）	PRC, Wholly foreign-owned enterprise 中國，外商獨資企業	RMB1,000,000,000 人民幣1,000,000,000元	–	51.0%	Investment holding and trading of natural gas 投資控股及天然氣買賣
西寧中油燃氣有限責任公司	PRC, Limited liability company 中國，有限責任公司	RMB65,874,000 人民幣65,874,000元	–	40.8%(i)	Trading of natural gas, gas pipeline construction and operation of natural gas stations 天然氣買賣、天然氣管道建造及天然氣站經營
青海宏利燃氣管道安裝工程有限責任公司	PRC, Limited liability company 中國，有限責任公司	RMB44,000,000 人民幣44,000,000元	–	40.8%(i)	Gas pipeline construction 天然氣管道建造

39 Particulars of the principal subsidiaries and controlled structured entities *(Continued)*

39 主要附屬公司及受控制結構實體之詳情*（續）*

(a) Details of the principal subsidiaries are as follows: *(Continued)*

(a) 主要附屬公司詳情如下：*（續）*

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點及法律實體類型	Nominal value of issued share capital/ registered capital 已發行股本面值／註冊資本	Percentage of equity attributable to the Company 公司應佔股權百分比 Directly 直接	 Indirectly 間接	Principal activities 主要業務
青海中油壓縮天然氣銷售有限公司	PRC, Limited liability company 中國，有限責任公司	RMB20,800,000 人民幣20,800,000元	–	40.8%(i)	Trading of natural gas 天然氣買賣
西寧中油商貿有限公司	PRC, Limited liability company 中國，有限責任公司	RMB900,000 人民幣900,000元	–	40.8%(i)	Trading of natural gas-related equipment 天然氣相關設備買賣
醴陵中油燃氣有限責任公司	PRC, Limited liability company 中國，有限責任公司	RMB100,000,000 人民幣100,000,000元	–	30.6%(i)	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
濱州中油燃氣有限責任公司	PRC, Limited liability company 中國，有限責任公司	RMB50,000,000 人民幣50,000,000元	–	40.8%(i)	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
惠民中油燃氣有限責任公司	PRC, Limited liability company 中國，有限責任公司	RMB25,000,000 人民幣25,000,000元	–	50.5%	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
湖南中油燃氣有限責任公司	PRC, Limited liability company 中國，有限責任公司	RMB45,000,000 人民幣45,000,000元	–	30.6%(i)	Natural gas transmission through pipeline 管道天然氣輸送
泰州中油燃氣有限責任公司	PRC, Limited liability company 中國，有限責任公司	RMB15,000,000 人民幣15,000,000元	–	51.0%	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
潮州中油燃氣有限公司	PRC, Limited liability company 中國，有限責任公司	RMB30,000,000 人民幣30,000,000元	–	51.0%	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造

39 Particulars of the principal subsidiaries and controlled structured entities *(Continued)*

39 主要附屬公司及受控制結構實體之詳情*(續)*

(a) Details of the principal subsidiaries are as follows: *(Continued)*

(a) 主要附屬公司詳情如下：*(續)*

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點及法律實體類型	Nominal value of issued share capital/ registered capital 已發行股本面值／註冊資本	Percentage of equity attributable to the Company 公司應佔股權百分比 Directly 直接	Indirectly 間接	Principal activities 主要業務
潮安縣華明燃氣有限公司	PRC, Limited liability company 中國，有限責任公司	RMB12,000,000 人民幣12,000,000元	–	40.8%(i)	Trading of natural gas 天然氣買賣
中油中泰物流(珠海)有限公司	PRC, Limited liability company 中國，有限責任公司	RMB75,000,000 人民幣75,000,000元	–	80.4%	Transportation services 運輸服務
青海中油管道燃氣有限公司	PRC, Limited liability company 中國，有限責任公司	RMB20,000,000 人民幣20,000,000元	–	51.0%	Natural gas transmission through pipeline 管道天然氣運輸
泰州中油管輸天然氣有限公司	PRC, Limited liability company 中國，有限責任公司	RMB111,000,000 人民幣111,000,000元	–	45.5%(i)	Gas pipeline design and construction, natural gas transmission through pipeline 天然氣管道設計及建造，管道天然氣輸送
鄒平中油燃氣有限責任公司	PRC, Limited liability company 中國，有限責任公司	RMB20,000,000 人民幣20,000,000元	–	35.7%(i)	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
中油中泰(深圳)新能源有限公司	PRC, Limited liability company 中國，有限責任公司	RMB71,000,000 人民幣71,000,000元	–	51.0%	Investment holding 投資控股
仙桃市天然氣有限責任公司	PRC, Limited liability company 中國，有限責任公司	RMB67,910,000 人民幣67,910,000元	–	35.7%(i)	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
仙桃市潔能天然氣有限公司	PRC, Limited liability company 中國，有限責任公司	RMB2,000,000 人民幣2,000,000元	–	35.7%(i)	Trading of natural gas 天然氣買賣
武漢東方市天然氣有限責任公司	PRC, Limited liability company	RMB75,000,000	–	35.7%(i)	Trading of natural gas and gas pipeline construction

39 Particulars of the principal subsidiaries and controlled structured entities *(Continued)*

39 主要附屬公司及受控制結構實體之詳情*(續)*

(a) Details of the principal subsidiaries are as follows: *(Continued)*

(a) 主要附屬公司詳情如下：*(續)*

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點及法律實體類型	Nominal value of issued share capital/ registered capital 已發行股本面值／註冊資本	Percentage of equity attributable to the Company 公司應佔股權百分比 Directly 直接	Indirectly 間接	Principal activities 主要業務
	中國，有限責任公司	人民幣75,000,000元			天然氣買賣及天然氣管道建造
西寧中油中泰管道燃氣有限公司	PRC, Limited liability company 中國，有限責任公司	RMB50,000,000 人民幣50,000,000元	–	40.8%(i)	Gas pipeline design and construction 天然氣管道設計及建造
南京潔寧燃氣有限公司	PRC, Wholly foreign-owned enterprise 中國，外商獨資企業	HK$187,500,000 187,500,000港元	–	100.0%	Investment holding, construction of natural gas stations and trading of natural gas 投資控股，天然氣站建造及天然氣買賣
安徽中油燃氣有限公司	PRC, Sino-foreign equity joint venture 中國，中外合資合營企業	RMB18,000,000 人民幣18,000,000元	–	80.4%	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
中油燃氣投資集團有限公司（前稱中油燃氣(廣東)投資有限公司）	PRC, Wholly foreign-owned enterprise 中國，外商獨資企業	US$75,000,000 75,000,000美元	–	100.0%	Investment holding 投資控股
恒泰國際融資租賃有限公司	PRC, Limited liability company 中國，有限責任公司	US$26,981,000 26,981,000美元	–	100.0%	Provision for finance 提供融資
揚州中油燃氣有限責任公司	PRC, Sino-foreign equity joint venture 中國，中外合資合營企業	RMB40,000,000 人民幣40,000,000元	–	38.8%(ii)	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
青海中油甘河工業園區燃氣有限公司	PRC, Sino-foreign equity joint venture 中國，中外合資合營企業	RMB26,000,000 人民幣26,000,000元	–	60.4%	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造

39 Particulars of the principal subsidiaries and controlled structured entities *(Continued)*

(a) Details of the principal subsidiaries are as follows: *(Continued)*

39 主要附屬公司及受控制結構實體之詳情*（續）*

(a) 主要附屬公司詳情如下：*（續）*

Name 名稱	Place of incorporation/ establishment and kind of legal entity 註冊成立／成立地點及法律實體類型	Nominal value of issued share capital/ registered capital 已發行股本面值／註冊資本	Percentage of equity attributable to the Company 公司應佔股權百分比 Directly 直接	Indirectly 間接	Principal activities 主要業務
南通中油燃氣有限責任公司	PRC, Sino-foreign equity joint venture 中國，中外合資合營企業	RMB15,000,000 人民幣15,000,000元	–	75.0%	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
萍鄉市燃氣公司	PRC, Sino-foreign equity joint venture 中國，中外合資合營企業	RMB284,400,000 人民幣284,400,000元	–	51.0%	Trading of natural gas and gas pipeline construction 天然氣買賣及天然氣管道建造
Baccalieu Energy Inc.	Canada 加拿大	CAD 141,040,000 141,040,000加元	–	100.0%	Exploitation and distribution of crude oil and natural gas 開採及分銷原油及天然氣

Notes:

(i) The Group holds controlling interests in these subsidiaries through a 51.0% owned subsidiary, CCNG. Therefore the Group has control over these entities and they are considered as subsidiaries of the Company.

(ii) The Group holds controlling interests in this subsidiary through CCNG and a wholly owned subsidiary, Hong Kong China Oil and Gas Group Limited ("HKCOGG"). Therefore the Group has control over this entity and it is considered as subsidiary of the Company.

(iii) The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

附註：

(i) 集團透過擁有51.0%權益的附屬公司中油中泰持有該等附屬公司控股權益。因此，集團擁有該等實體的控制權，而該等實體被視為公司的附屬公司。

(ii) 集團透過中油中泰及全資附屬公司香港中油燃氣集團有限公司(「香港中油燃氣」)持有該附屬公司控股權益。因此，集團擁有該實體控制權，而該實體被視為公司的附屬公司。

(iii) 董事認為，上表所列公司附屬公司主要影響本年度業績或佔集團資產淨值重大部分。董事認為，提供其他附屬公司之詳情會導致篇幅冗長。

39 Particulars of the principal subsidiaries and controlled structured entities *(Continued)*

39 主要附屬公司及受控制結構實體之詳情*（續）*

(b) Set out below are the summarised consolidated financial information of CCNG and its subsidiaries that have non-controlling interests that are material to the Group. The information below is the amount before inter-company eliminations:

(b) 下表載列中油中泰及其附屬公司（擁有對集團而言屬重大之非控股權益）綜合財務資料概要。下述資料為公司間對銷前之金額：

		2017 **二零一七年** **HK$'000** **千港元**	2016 二零一六年 HK$'000 千港元
Total assets	總資產	**7,947,199**	8,361,900
Total liabilities	總負債	**(3,705,442)**	(4,880,836)
Net assets	資產淨值	**4,241,757**	3,481,064
Revenue	營業額	**6,268,785**	5,126,691
Profit for the year	年內溢利	**425,740**	456,831
Other comprehensive gain/(loss)	其他全面收益／（虧損）	**267,881**	(266,990)
Total comprehensive income	全面收益總額	**693,621**	189,841
Dividend paid to non-controlling interests	支付股息予非控股權益	**26,638**	59,427

39 Particulars of the principal subsidiaries and controlled structured entities *(Continued)*

39 主要附屬公司及受控制結構實體之詳情*(續)*

(b) Set out below are the summarised consolidated financial information of CCNG and its subsidiaries that have non-controlling interests that are material to the Group. The information below is the amount before inter-company eliminations: *(Continued)*

(b) 下表載列中油中泰及其附屬公司(擁有對集團而言屬重大之非控股權益)綜合財務資料概要。下述資料為公司間對銷前之金額。*(續)*

		CCNG 中油中泰 2017 二零一七年 HK$'000 千港元	CCNG 中油中泰 2016 二零一六年 HK$'000 千港元
Net cash generated from operating activities	經營業務產生之現金淨額	**986,390**	880,631
Net cash used in investing activities	投資活動所用之現金淨額	**(481,667)**	(96,940)
Net cash used in financing activities	融資活動所用之現金淨額	**(200,713)**	(924,844)
Net increase/(decrease) in cash and cash equivalents	現金及現金等值項目增加／(減少)淨額	**304,010**	(141,153)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值項目	**1,040,994**	1,316,869
Effect of foreign exchange rate changes	匯率變動影響	**85,534**	(134,722)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值項目	**1,430,538**	1,040,994

39 Particulars of the principal subsidiaries and controlled structured entities *(Continued)*

39 主要附屬公司及受控制結構實體之詳情*（續）*

(c) Details of the controlled structured entity are as follows:

The Company controls a structured entity which operates in Hong Kong, particulars of which are as follows:

(c) 受控制結構實體詳情如下：

公司控制一間在香港營運的結構實體，其詳情如下：

Structured entities **結構實體**	**Principal activities** **主要業務**
Best Thinker Limited ("Trustee")	Purchases, administers and holds the Company's shares for the Restricted Share Award Scheme for the benefit of eligible employees of the Group
Best Thinker Limited（「受託人」）	為集團合資格僱員利益就限制性股份獎勵計劃買入、管理及持有公司股份

As the Trustee is set up solely for the purpose of purchasing, administering and holding the Company's shares for the Restricted Share Award Scheme (Note 32(c)), the Company has the power to govern the financial and operating policies of the Trustee and it can derive benefits from the services of the employees who have been awarded the Restricted Shares through their continued employment with the Group. The assets and liabilities of the Trustee are included in the consolidated statement of financial position from its adoption and the Company's shares held by the Trustee are presented as a deduction in equity as "shares held for share award scheme".

由於受託人乃專為就限制性股份獎勵計劃（附註32(c)）買入、管理及持有公司股份而設置，公司有權控制受託人的財政及營運政策，並可從獲授限制性股份的僱員予持續受僱於集團時所提供的服務獲得利益。受託人的資產及負債自信託獲採納時起均包括在公司綜合財務狀況表中，並將受託人持有的公司股份作為一個扣減項目在權益中呈報，列作「為股份獎勵計劃持有股份」。

40 Approval of consolidated financial statements

The consolidated financial statements were approved and authorised for issue by the Board of Directors on 27 March 2018.

40 批准綜合財務報表

董事局於二零一八年三月二十七日批准及授權刊發綜合財務報表。

41 Statement of financial position of the Company　41 公司財務狀況表

		Note 附註	**2017 二零一七年 HK$'000 千港元**	2016 二零一六年 HK$'000 千港元
Non-current assets	非流動資產			
Intangible assets	無形資產		1,702	1,702
Interests in subsidiaries	於附屬公司權益		5,096,529	5,437,320
Available-for-sale financial assets	可供出售財務資產		20,050	20,050
			5,118,281	5,459,072
Current assets	流動資產			
Other receivables	其他應收款項		51,218	66,588
Cash and cash equivalents	現金及現金等值項目		3,027	102,584
			54,245	169,172
Current liabilities	流動負債			
Other payables	其他應付款項		(42,447)	(43,944)
Net current assets	流動資產淨額		11,798	125,228
Total assets less current liabilities	總資產減流動負債		5,130,079	5,584,300
Non-current liabilities	非流動負債			
Senior notes	優先票據		(4,970,240)	(5,006,417)
Net assets	資產淨額		159,839	577,883
Equity	權益			
Equity attributable to owners of the Company	公司擁有人應佔權益			
Share capital	股本	**32**	58,257	58,257
Reserves	儲備	**41**	101,582	519,626
Total equity	權益總額		159,839	577,883

The statement of financial position of the Company was approved by the Board of Directors on 27 March 2018 and was signed on its behalf.

公司財務狀況表已於二零一八年三月二十七日獲董事局批准並由以下董事代為簽署。

Xu Tie-liang
Director

Guan Yijun
Director

許鉄良
董事

關懿君
董事

42 Reserves of the Company

42 公司儲備

		Share premium 股份溢價 HK$'000 千港元	Capital redemption reserve 資本贖回儲備 HK$'000 千港元	Shares held for share award scheme 為股份獎勵計劃持有股份 HK$'000 千港元	Exchange fluctuation reserve 匯兑波動儲備 HK$'000 千港元	(Note) Contributed surplus （附註）繳入盈餘 HK$'000 千港元	Accumulated losses 累計虧損 HK$'000 千港元	Total 總額 HK$'000 千港元
At 1 January 2016	於二零一六年一月一日	24,578	998	(275,629)	(16,836)	1,520,328	(444,075)	809,364
Vesting of shares under share award scheme	根據股份獎勵計劃歸屬股份	–	–	1,798	–	–	–	1,798
Exchange differences on translating foreign operations	換算海外業務的匯兑差額	–	–	–	(706)	–	–	(706)
Shares purchased for share award scheme	為股份獎勵計劃購買股份	–	–	(31,875)	–	–	–	(31,875)
Loss for the year	年內虧損	–	–	–	–	–	(258,955)	(258,955)
At 31 December 2016	於二零一六年十二月三十一日	24,578	998	(305,706)	(17,542)	1,520,328	(703,030)	519,626
Vesting of shares under share award scheme	根據股份獎勵計劃歸屬股份	–	–	991	–	–	–	991
Exchange differences on translating foreign operations	換算海外業務之匯兑差額	–	–	–	(802)	–	–	(802)
Shares purchased for share award scheme	為股份獎勵計劃購買股份	–	–	(104,257)	–	–	–	(104,257)
Loss for the year	年內虧損	–	–	–	–	–	(284,848)	(284,848)
Final dividend for the year ended 31 December 2016	截至二零一六年十二月三十一日止年度之末期股息	–	–	–	–	(29,128)	–	(29,128)
At 31 December 2017	於二零一七年十二月三十一日	24,578	998	(408,972)	(18,344)	1,491,200	(987,878)	101,582

Note:

The contributed surplus of the Company represents the excess of the net assets value of the subsidiaries acquired pursuant to the Group's reorganisation in 1993 over the nominal value of the Company's shares issued in exchange thereof. Under the Companies Act of Bermuda 1981 (as amended), the contributed surplus of the Company is distributable to the shareholders in certain circumstances which the Company is able to satisfy.

附註：

公司之繳入盈餘指集團於一九九三年因重組而收購附屬公司之資產淨值超出公司就收購而發行股份之面值之金額。根據一九八一年百慕達公司法（修訂本），公司之繳入盈餘在若干情況下可供分派予股東，惟目前公司未能符合此等情況。

Five Year Financial Summary
五年財務摘要

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements and reclassified as appropriate, is set out below.

以下集團於過去五個財政年度之業績及資產與負債，乃摘錄自已刊登之經審核財務報表並予以重新適當分類。

		For the year ended 31 December 截至十二月三十一日止年度				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		千港元	千港元	千港元	千港元	千港元
Results	業績					
Revenue	營業額	**7,651,280**	6,446,452	7,373,902	7,697,811	6,439,825
Profit before taxation	除稅前溢利	**811,466**	842,129	50,190	854,163	1,178,540
Taxation	稅項	**(188,527)**	(184,461)	(20,857)	(217,565)	(240,945)
Profit for the year	年內溢利	**622,939**	657,668	29,333	636,598	937,595
Attributable to:	以下應佔：					
Owners of the Company	公司擁有人	**250,467**	311,791	(183,831)	308,650	401,494
Non-controlling interests	非控股權益	**372,472**	345,877	213,164	327,948	536,101
		622,939	657,668	29,333	636,598	937,595

		As at 31 December 於十二月三十一日				
		2017	2016	2015	2014	2013
		二零一七年	二零一六年	二零一五年	二零一四年	二零一三年
		HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
		千港元	千港元	千港元	千港元	千港元
Assets and liabilities	資產及負債					
Total assets	總資產	**15,546,601**	13,603,839	14,087,638	15,467,449	12,156,658
Total liabilities	總負債	**(9,340,946)**	(8,352,885)	(8,887,384)	(9,374,700)	(6,330,511)
Total equity	權益總額	**6,205,655**	5,250,954	5,200,254	6,092,749	5,826,147
Non-controlling interests	非控股權益	**(2,861,109)**	(2,420,523)	(2,423,190)	(2,491,642)	(2,278,767)
Equity attributable to owners of the Company	公司擁有人應佔權益	**3,334,546**	2,830,431	2,777,064	3,601,107	3,547,380