

LEASON

中國聯盛 |
China Leason

2012

Annual Report 年報



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本報告將自其刊發日期起最少一連七日載於創業板網站www.hkgem.com的「最新公司公告」網頁。

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BOARD OF DIRECTORS

Executive Directors

Mr. Wang Zhong Sheng (*Chairman*)
Mr. Feng San Li (*Chief Executive Officer*)
(retired on 26 November 2012)
Mr. Shi Liang
Mr. Zhang Qing Lin
Mr. Fu Shou Gang
Mr. Kwok Shun Tim (appointed on 2 January 2013)

Independent Non-Executive Directors

Mr. Luo Wei Kun
Ms. Pang Yuk Fong
Mr. Wang Zhi He

AUDIT COMMITTEE

Ms. Pang Yuk Fong (*Chairman of audit committee*)
Mr. Luo Wei Kun
Mr. Wang Zhi He

NOMINATION COMMITTEE

Mr. Wang Zhi He (*Chairman of nomination committee*)
Mr. Luo Wei Kun
Ms. Pang Yuk Fong

REMUNERATION COMMITTEE

Ms. Pang Yuk Fong (*Chairman of remuneration committee*)
Mr. Luo Wei Kun
Mr. Wang Zhi He

QUALIFIED ACCOUNTANT & COMPANY SECRETARY

Mr. Lui Chi Keung FCCA, CPA

董事會

執行董事

王忠勝先生 (主席)
馮三利先生 (行政總裁)
(於二零一二年十一月二十六日退任)
施亮先生
張慶林先生
付壽剛先生
郭純恬先生 (於二零一三年一月二日獲委任)

獨立非執行董事

羅維崑先生
彭玉芳女士
王之和先生

審核委員會

彭玉芳女士 (審核委員會主席)
羅維崑先生
王之和先生

提名委員會

王之和先生 (提名委員會主席)
羅維崑先生
彭玉芳女士

薪酬委員會

彭玉芳女士 (薪酬委員會主席)
羅維崑先生
王之和先生

合資格會計師兼公司秘書

呂志強先生 FCCA, CPA

CORPORATE INFORMATION

公司資料

COMPLIANCE OFFICER

Mr. Wang Zhong Sheng

AUTHORISED REPRESENTATIVES

Mr. Wang Zhong Sheng

Mr. Lui Chi Keung

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REGISTERED OFFICE

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PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

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4th Floor, Royal Bank House
24 Sheolder Road, George Town
Grand Cayman KY-1110
Cayman Islands

監察主任

王忠勝先生

授權代表

王忠勝先生

呂志強先生

香港總辦事處兼主要營業地點

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註冊辦事處

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主要股份過戶登記處

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4th Floor, Royal Bank House
24 Sheolder Road, George Town
Grand Cayman KY-1110
Cayman Islands

CORPORATE INFORMATION

公司資料

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PRINCIPAL BANKERS

Hong Kong and Shanghai Banking Corporation Limited

STOCK CODE

8270

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核數師

國衛會計師事務所有限公司

法律顧問

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2001-2005室

主要往來銀行

香港上海滙豐銀行有限公司

股份代號

8270

CORPORATE PROFILE

公司簡介

China Leason CBM & Shale Gas Group Company Limited (formerly known as China Leason Investment Group Co., Limited) and its subsidiaries (collectively referred to as the “Group”) currently conduct the business of manufacture and sales of liquefied coalbed gas whose operations are located in the PRC. The Company was incorporated in Cayman Islands as an exempted company with limited liability in July 2002 and was initially listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited on 12 August 2003.

The Group is principally engaged in the business of exploitation, liquefaction production and sales of natural gas in the PRC. Headquartered in Beijing. The Group’s production of liquefied coalbed gas is in Shanxi Qinshui Basin which boasts the richest liquefied coalbed gas, while its distribution network extends to Shanxi, Guangxi and Guangdong Provinces, etc.

In order to stabilise our natural gas supply and hence raise the utilisation of our liquefied natural gas (“LNG”) plant, the Group has made significant investment in resources exploration and exploitation at the coalbed methane blocks located in Yangcheng, Shanxi, since July 2011. As at 31 December 2012, the Group had successfully supplied gas to the liquefied natural gas (“LNG”) plant. The commercial production of coalbed gas has transformed our Group into a vertically integrated natural gas company and continued to enhance our leading position in China’s unconventional gas market.

The Group will adhere to the principle of “social responsibility is of overriding importance” while exploring and developing in the new energy sector with an aim to provide the world with high-quality clean energy and keep improving and promoting the harmonious coexistence of man and nature.

中國聯盛煤層氣頁岩氣產業集團有限公司 (前稱為中國聯盛投資集團有限公司) 及其附屬公司 (統稱「本集團») 目前在中國經營液化煤層氣生產及銷售業務。本公司於二零零二年七月在開曼群島註冊成立為獲豁免有限公司，本公司股份於二零零三年八月十二日初次在香港聯合交易所有限公司創業板 (「創業板») 上市。

本集團目前主要於中國從事天然氣開採、液化生產及銷售業務。本集團之總部設於北京。本集團的液化煤層氣生產則設於液化煤層氣氣源最豐富的山西沁水盆地，銷售業務覆蓋山西，廣西，廣東等地。

為獲得更為穩定的天然氣供應以提高我們液化天然氣 (「LNG») 工廠的利用率，自二零一一年七月起，本集團於山西陽城的煤層氣田的資源勘探及開採方面作出大量投資，且截止二零一二年十二月三十一日，已實現向液化天然氣 (「LNG») 工廠供氣。煤層氣的商業生產已令本集團成為垂直一體化的天然氣公司，並繼續增強我們在中國非常規天然氣市場的領先地位。

本集團將本著「社會責任高於一切」的工作態度，努力在新能源領域不斷探索和發展，為人類提供優質的清潔能源，持續改善和促進人與自然的和諧共存。

CHAIRMAN'S STATEMENT

主席報告

Dear Shareholders,

I am pleased to present the audited financial results of the Group for the year ended 31 December 2012.

OVERALL BUSINESS REVIEW

In order to raise our natural gas supply and enhance earnings prospect, we decided to turn ourselves into a vertically integrated natural gas producer a few years ago. Today, on behalf of our Company, I am pleased to announce to our investors that we have made significant progress in 2012. As at 31 December 2012, we have completed the ground work and drilling of 220 wells in the Yangcheng gas block and set up Yangcheng County Shunan Gas Gathering Pipeline Co. Ltd. We had the Yangcheng County Huiyang Company completed gas supply pipeline construction and the first booster station construction and trial operation for Qinshui Shuntai Liquefaction Plant. In order to ensure the normal operation of group companies, the Group also set up Beijing Leason Jiaye Energy Technology Co., Ltd. (北京聯盛嘉業能源技術有限公司) in Beijing to provide sufficient technical service for group companies. All these actions we have taken are to ensure that we minimise our business risks and at the same time maximise our shareholders' return in the coming years. At present, Ruyang Company has completed configuration of distribution facilities within the industrial zone during the year, and the electric power supply problems obsessed us will be properly resolved at the end of 2012. We will take advantage of the 30-year exclusive right to operate in gas pipeline infrastructure and provision of piped natural gas to conduct related businesses aggressively. Due to the instability in cooperative factory's natural gas supply, as well as the demand for capital resources required to complete our drilling plan, year 2013 will still be a year full of challenges. We will continue to enhance our efforts to implement the development plan, with an aim to strengthen our leading position in China's coalbed methane ("CBM") industry.

各位股東：

本人欣然呈報本集團截至二零一二年十二月三十一日止年度之經審核財務業績。

整體業務回顧

為提高我們的天然氣供應及改善盈利前景，我們在數年前決定將自身打造為垂直一體化的天然氣生產商。今天，我謹此代表本公司高興地向投資者宣佈，這個目標已在二零一二年實現重大進展。截至二零一二年十二月三十一日，我們完成了陽城天然氣田220口井的地面施工及打井，並成立陽城縣順安集輸管道有限公司，完成了陽城縣惠陽公司為沁水順泰液化工廠管道供氣建設及首座增壓站建設並已試運行。為保障集團各公司正常運營，集團亦在北京成立了北京聯盛嘉業能源技術有限公司，為集團各公司提供足夠的技術服務。我們採取的所有這些行動，都旨在確保在未來數年將我們的業務風險降至最低，同時最大程度地實現股東回報。目前汝陽公司年內已完成工業區內的輸送設施的配置，困擾我們的電力供應問題也會將在二零一二年底受到妥善解決。我們將利用其為期30年的於經營天然氣管道基礎設施和提供管道天然氣之獨家權利，大力開展相關業務。由於協力廠商天然氣供應仍未完全穩定，及面對資金需求去完成鑽井計劃，二零一三年仍將是充滿挑戰的一年，我們將繼續加倍努力落實發展計劃，致力鞏固我們在中國煤層氣（「煤層氣」）行業的領先地位。

CHAIRMAN'S STATEMENT

主席報告

EXPLORATION AND PRODUCTION BUSINESS REVIEW

Despite unforeseeable difficulties during the drilling process, such as bad weather and technical problems, we have successfully completed the ground work and drilling of 220 CBM wells on time. Among these 220 wells, there are 85 wells ready for immediate gas output as at 31 December 2012. The gas output volume of these 85 wells is estimated to be 1,500 cubic metre per day per well on average by the end of 2013. With the increase of the number of wells and gas output volume in production wells, we believe that once our gas pipeline connecting the gas field in Yangcheng to our LNG plant in Qinshui put into operation in 2012, our self-sufficiency in gas supply will further increase and thereby enhancing the earnings prospect. We estimate the total gas production to exceed 300,000 cubic metre per day by the end of 2013 and 500,000 cubic metre per day by the end of 2014.

LNG BUSINESS REVIEW

Although the whole LNG industry in Shanxi, including ourselves, continues to be affected by the gas supply shortage, resulting in a lower utilisation rate of our Qinshui LNG plant, we take this an opportunity for us to implement our repair and maintenance program and upgrade our LNG facilities. The Qinshui LNG plant has been affected by shortage in cooperative factory's natural gas supply in the first half of 2012, but the utilisation rate of the LNG plant gradually improved as we started to get supply from the Yangcheng gas block by the end of 2012. At present, Qinshui liquefaction plant is conducting phase II expansion project, and it is expected to put into operation this year thus improve the liquefaction capacity greatly.

開採及生產業務回顧

儘管打井過程中出現一些未曾預想到的問題，例如惡劣天氣及技術問題，但我們仍然準時完成了220口煤層氣井的地面施工及打井。於二零一二年十二月三十一日，在這220口井中可出氣井口數目為85口。估計這85口井在二零一三年底前之平均單井出氣量可達每天1,500立方米，我們相信，隨著井口數量的增加，投產井氣量的增長，及二零一二年我們所建設用來連接陽城的天然氣田與沁水的LNG工廠的天然氣管道正式運行之後，我們的天然氣自給能力將會進一步提升，從而令盈利前景改善。我們預計整體總出氣量於二零一三年底前可超過每天300,000立方米，而於二零一四年年底前可達每天500,000立方米。

液化天然氣業務回顧

山西的整體液化天然氣行業(包括我們自己)繼續受到氣源供應緊缺影響，導致我們位於沁水的LNG廠房利用率偏低。但我們利用這個機會，開展了維修及維護項目，並對LNG設施進行了升級。二零一二年上半年沁水LNG工廠一直受到協力廠商供氣不足的影響，但LNG工廠利用率於二零一二年年底前得到陽城氣田供氣後逐步改善。現沁水液化工廠正在進行二期擴建工程，預計本年內投產。使液化能力大大提高。

MARKETING BUSINESS REVIEW

On the other hand, we have also taken different measures to maximise the profitability of our gas sale. In 2012, as regard to the gas projects along the domestic commodity transportation routes, we invested and built 4 gas skid stations along two mature and stable transportation routes in Henan and Hebei, and actively expanded the automobile official refill station project and end-user development and maintenance. With the related work to further promote, we will be able to reduce the uncertainty in future natural gas sales and optimise our sales mix, i.e. shifting towards a balanced mix from a residential user dominated mix. We will strive to ramp up the business progressively in 2013, and contribute more earnings to the Group.

EMPHASISE ON TECHNOLOGICAL ADVANCEMENT

One key factor of our success in our exploration and production business is technological advancement. Our belief is "technology for reserve". We believe that only through advancing our CBM extraction technology can we lower our CBM production costs as a whole and, more importantly, to raise our overall proven reserve level. To this end, we established Beijing Leason Jiaye Energy Technology Co., Ltd. and built a professional technical team to provide advanced technical services. In the future, we will be investing heavily in developing and advancing our CBM extraction technology and techniques.

市場營銷業務回顧

此外，我們亦已採取多項不同的措施來最大程度地提升我們天然氣銷售的利潤率。在二零一二年，針對國內大宗商品運輸路線沿途加氣專案，在河南河北根據兩條成熟穩定的運輸線路，投建了4個加氣撬站，並積極拓展汽車正式加氣站專案及終端用氣客戶的拓展及維護，隨著相關工作進一步推進，我們將能夠降低未來天然氣銷售中的不確定性，並優化我們的銷售組合（即由居民用戶主導的組合轉變為一個更為均衡的組合）。二零一三年我們仍致力於實現業務的逐步提升，並為本集團作出更大的盈利貢獻。

注重技術升級

我們的開採及生產業務成功的關鍵因素在於技術升級。我們堅信「技術提升儲量」。我們認為，只有通過提升我們的煤層氣開採技術，才能將煤層氣的總體生產成本降低，更重要的是能夠提升我們的整體已探明儲量。為此我們成立了北京聯盛嘉業能源技術有限公司，建立專業的技術團隊，提供先進的技術服務。未來我們將投入大量資金來開發及提升我們的煤層氣開採技術及工藝。

CHAIRMAN'S STATEMENT

主席報告

OUTLOOK

Natural gas is in a period of rapid development. The current consumption level for natural gas shows great potential in further development, recognising the rising advocacy of safer - especially under the recent nuclear power crisis - and cleaner energy. However, the existing conventional natural gas production is unlikely to satisfy China's strong demand of natural gas in the coming years; and we believe that it is inevitable that the PRC government would need to encourage the unconventional gas production. With all the favourable policies and measures in place, there is no doubt that the Company, as a leading CBM company, will gain major benefits. We will seize this opportunity to grow our CBM business on a long term sustainable basis and would try our very best to maximise our shareholders' investment return.

Lastly, I would like to take this opportunity to thank our team for all their hard work in the past years for turning the Group a better enterprise than I have ever seen. Going forward, I believe that our team will pay more efforts in making the Group one of the leading enterprises in China's CBM industry.

Wang Zhong Sheng

Chairman

27 March 2013

展望

天然氣正處於快速發展時期。目前的天然氣消耗水準顯示其進一步發展的潛力巨大，反映出市場對更安全（特別是經歷最近的核危機後）及潔淨能源的需求逐漸增加。然而，現有的常規天然氣產量不大可能滿足未來數年中國對天然氣的強勁需求；我們相信中國政府勢必會鼓勵非常規天然氣的生產。隨著各種優惠政策及措施的出臺，本公司作為中國領先煤層氣公司的無疑將會獲得重大利好。我們將緊抓這個機會推動煤層氣業務的長期穩定增長，並將竭盡所能，力求最大程度地提升我們股東的投資回報。

最後，本人藉此機會，感謝我們的團隊在過去數年中為推動本集團不斷進步而付出的辛勤努力。展望未來，我相信我們的團隊必會加倍努力，將本集團打造為中國煤層氣行業的其中一家領先企業。

王忠勝

主席

二零一三年三月二十七日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

FINANCIAL REVIEW

The Group recorded a consolidated turnover of approximately RMB183,834,000 for the year, representing a decrease of approximately 27.6% compared with last year. The decrease was mainly attributable to:

- (i) approximately RMB80,224,000 decline in sales of liquefied coalbed gas in China. The decline in sales was attributable to: firstly, the LNG plants being shut down for equipment maintenance from February 2012 to April 2012; secondly, decrease in liquefied gas production and insufficient LNG supplied to the market due to default of China United Coalbed's suppliers and their suspension of supply of piped coalbed gas; thirdly, significant decrease in sales of trading liquefied coalbed gas during the year due to unstable prices in the LNG market in 2012.

The Group recorded gross loss of approximately RMB28,461,000 for the year, mainly attributable to:

- (i) the LNG plants being shut down for equipment maintenance and the supplier suspend the supply of piped coalbed gas, resulting in increase in production costs as a result of the production capability of LNG plants not being fully utilized;
- (ii) significant decline in turnover due to the significant decrease in sales of trading liquefied coalbed gas during the year.

The Group recorded a loss for the year attributable to equity shareholders of the Company for approximately RMB55,130,000, compared with the loss attributable to equity shareholders of approximately RMB45,016,000 for last year. The reasons for the loss are as follows:

- (i) decrease in gross profit from main business of RMB42,632,000 as a result of lower market price of LNG compared to 2011 and the increase in production costs of our plants as well as significant decline in turnover due to the significant decrease in sales of trading liquefied coalbed gas during the year;

財務回顧

本集團於本年度錄得綜合營業額約人民幣183,834,000元，較去年減少約27.6%。跌幅主要來自：

- (i) 在中國銷售液化煤層氣減少約人民幣80,224,000元。其原因之一是液化工廠相繼在二零一二年二月至四月進行設備維修。其二由於中聯煤層氣供應商違約，停止供應管道煤層氣，使液化工廠液化產量降低，沒有足夠的LNG向市場供應。其三由於二零一二年LNG市場價格的不穩定，本年度內貿易液化煤層氣銷售業務大幅下降。

本集團於本年度錄得毛虧約人民幣28,461,000元，主要來自：

- (i) 由於液化工廠維修及供應商停止供應管道煤層氣，使液化工廠生產能力不滿負荷，導致製造成本加大；
- (ii) 本年度內因貿易液化煤層氣銷售業務大幅下降，導致營業額大幅下降。

本集團錄得本公司權益股東應佔本年度的虧損約為人民幣55,130,000元，去年則為權益股東應佔虧損約人民幣45,016,000元。有關虧損的原因如下：

- (i) 主營業務毛利減少人民幣42,632,000元，市場LNG價格比二零一一年降低及工廠成本增高，其次是貿易液化煤層氣銷售大幅下降，至使本年度營業額下降；

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- (ii) the loss of approximately RMB2,339,000 arising from impairment on goodwill of our piped natural gas operation as a result of the difficult operating environment that has lasted since 2010 in Guangxi Province, PRC;
 - (iii) increase in the compensation income (included in other income) of approximately RMB16,690,000 to compensate for the delay in completion of power supply system in the industrial zone located in Ruyang County; and
 - (iv) decline in the fair value of other financial assets of approximately RMB17,051,000. Successful achievement of the Warranted Profit of RMB40 million for the year of 2012 by Luoyang Shunhe resulted in fair value loss on the Group's other financial assets.
- (ii) 由於中國廣西省的經營環境自二零一零年以來持續艱難，我們經營管道天然氣業務之商譽出現減值虧損約人民幣2,339,000元；
 - (iii) 用以補償位於汝陽縣的工業區供電系統延遲竣工之補償收入（計入其他收入）增加約人民幣16,690,000元；及
 - (iv) 其他金融資產之公平值減少約人民幣17,051,000元，由於洛陽順和於二零一二年度成功實現擔保溢利人民幣40,000,000元，所以為本集團帶來其他金融資產之公平值虧損。

The balance of the Group's trade and other payables increased significantly by approximately RMB152,791,000. This was mainly attributable to the Group's focus on natural gas exploration and extraction business in 2012, which needed ground work, drilling and pipeline placement for CBM wells. These projects are now under construction without delivery, inspection and settlement, resulting in significant increase in property, plant and equipment payables.

本集團應付賬款及其他應付款項較去年的結餘大幅增加約人民幣152,791,000元。此乃主要由於2012年本集團致力發展天然氣勘探及開採業務，在發展過程中，需要為某氣層氣井的地面施工，打井及管道鋪設，這些項目正在建設中，沒有進行交付驗收結算，所以使致收購物業、機器及設備應付款項上大幅上升。

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BUSINESS REVIEW AND DEVELOPMENT PROSPECTS

Natural gas exploration and extraction:

As at 31 December 2012, the Group already completed the ground work and drilling of 220 CBM wells, of which 85 wells were ready for immediate gas output. The number of wells drilled was slightly below our previous expectation due to geological and technical difficulties. However, the Group has already solved such geological and technical issues and the Board expect to accelerate the drilling program in 2013. The Group expects to complete the ground work and drilling of 320 CBM wells by the end of 2013 and 500 CBM wells by the end of 2014. The average gas production volume of the existing 85 wells is 800 cubic meter per day per well currently and is expected to increase to 1,500 cubic meter per day per well on average by the end of 2013. The Group expects its overall gas output to exceed 300,000 cubic meter per day by the end of 2013 and 500,000 cubic meter per day by end of 2014. As the construction of the Group's natural gas pipeline for delivery of gas from the production field to the liquefaction plant has been essentially completed in 2012, the Group will start to generate revenue, profit and cash flow from the gas operation approximately the same time.

業務回顧及發展前景

天然氣勘探及開採：

於二零一二年十二月三十一日，本集團已完成220口煤層氣井的地面施工及打井，其中可出氣井口數目為85口。由於地質及技術難題導致井數稍微低於我們先前預期。然而，本集團現已解決有關地質及技術問題，董事會預期將於二零一三年加快打井進度。本集團預計將於二零一三年年底之前完成320口煤層氣井的地面施工及打井，並於二零一四年年底之前完成500口煤層氣井的地面施工及打井。現有的85口井目前之平均單井出氣量為每天800立方米，預計在二零一三年年底之前平均單井出氣量可增加至每天1,500立方米。本集團預期在二零一三年年底之前，其總出氣量可超過每天300,000立方米；在二零一四年年底之前，其總出氣量預計可超過每天500,000立方米。由於本集團將天然氣由氣田輸送至液化廠的天然氣管道的建設已於二零一二年基本完成，本集團大約將會同時開始從天然氣業務獲得收益、溢利及現金流量。

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Liquefaction operation:

As at 31 December 2012, the Group's LNG capacity was 500,000 cubic metre per day. However, due to the tight supply of domestic natural gas within China, the Group experienced difficulty in sourcing enough natural gas feed for its downstream liquefaction purpose, and therefore, the utilisation of our LNG plants was low and unsatisfactory. However, the above situation has been improved after the Group has started its own gas production in the fourth quarter of 2012. Furthermore, the Group suspended the operation of the LNG plant for an overhaul between February 2012 and April 2012, which resulted in the sharp decline in turnover and operating cashflow of our Group. The LNG plant has resumed operation since May 2012. After the major overhaul, the Group expects the LNG plant to become more efficient and cost effective, that will increase the revenue, profit and cashflow contribution to the Group in 2013 because of the increase in our self-produced gas production supply.

Marketing and sales:

In view of the strong demand of liquefied natural gas in central China due to the rising industrial and residential demands, the Group developed the vertical integration structure to supply liquefied natural gas from its LNG plant in Qinshui County, Shanxi Province to its customers in surrounding areas through its own distribution pipes. The vertical integration structure can reduce risk of gas supply disruption and increase profit margins. The Group can also decide its customer mix in order to maximise the profit margins. In 2013, the Group will actively expand the natural gas consumption market by making the most of its exclusive natural gas operation right in Ruyang County, Henan Province and in Beiliu City, Guangxi Province. Meanwhile, through the project of building gas stations along the mature transportation routes within China and the market development and maintenance of end users, the Group is able to secure a long term demand from major users while the Group can optimise the overall sales mix and therefore maximise our profit margin.

液化業務：

於二零一二年十二月三十一日，本集團的液化天然氣產能為每天500,000立方米。然而，由於中國國內天然氣供應緊張，本集團難以採購足夠的天然氣原料進行下游的液化，因此，我們的液化天然氣工廠利用率較低且未如理想。然而，在本集團於二零一二年第四季度開始自行生產天然氣後，以上情況已經得到改善。此外，本集團在二零一二年二月份至二零一二年四月份期間暫停液化天然氣工廠的運營並進行大修，導致本集團的營業額及營運現金流量急劇下降。自二零一二年五月以來，液化天然氣工廠已恢復運營。在大修之後，本集團預計液化天然氣工廠將會變得更有效率、更具成本效益，而展望二零一三年，由於我們自產天然氣生產供應的增加，液化天然氣工廠對本集團收益、溢利及現金流量的貢獻將會有所增長。

市場營銷及銷售業務：

鑑於工業及住宅需求上升推動中國中部的液化天然氣需求旺盛，本集團建立了垂直一體化的結構，透過自身的分銷管道，由其位於山西省沁水縣的液化天然氣工廠向周邊區域的客戶供應液化天然氣。垂直一體化的結構可降低天然氣供應中斷的風險，並提升利潤率。本集團亦可決定其客戶組合，以最大限度地提高利潤率。二零一三年，本集團將充分透過擁有的河南省汝陽縣的天然氣獨家經營權、廣西北流市的天然氣獨家經營權，積極開拓天然氣消費市場。同時圍繞國內成熟的運輸線路拓展建設加氣站專案及終端用氣客戶的市場開拓及維護，本集團可獲得來自主要用戶的長期需求，同時亦能夠優化整體銷售組合，從而最大限度地提高利潤率。

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However, the Group's operations in Ruyang Industrial Zone have not started during the Review Period mainly due to the delay in the completion of the power supply system in the Ruyang Industrial Zone which was newly constructed. The management company of the Ruyang Industrial Zone explained that the delay in completion of the power supply system was due to some unforeseeable technical and administrative difficulties, and agreed to pay the Group a compensation income for all the losses incurred due to the delay. After a series of discussion and negotiation with the management company of the Industrial Zone, the Group was granted a before tax compensation income of approximately RMB34,000,000 in 2011.

Having said that, we were informed by the management company of the Ruyang Industrial Zone that the power supply system has been completed and started to supply power on 29 October 2012. And we started the gas sales to our customers on December 2012. Moreover, the Group will increase the utilization of the LNG plant by participating in the regional gas trading market to generate more revenue. Nevertheless, the profit margin of the gas trading business will be lower than that of the piped natural gas business.

The Board have been informed that the power supply system is expected to be completed and starting operating before the beginning of 2013, and by then the sales of gas to our customers will be commenced after testing. Moreover, the Group will increase the utilisation of the LNG plant by participating in the regional gas trading market so as to generate more revenue. Nevertheless, this will not be our major business. The trading business only generates a thin margin, but it is one of the measures to minimise the idle capacity and to generate more revenue.

The Group believes that it is not in breach of the obligation under GEM Listing Rule 17.10 because the Group was reasonably confident that the compensation income from the management company of the Ruyang Industrial Zone would be paid up, as stipulated in the aforesaid agreements. Alternatively, if the management failed to satisfy the compensation obligation, Mr. Wang, the vendor of the acquisition in relation to, among other things, Luoyang Shunhe would be required to compensate the Group to make up the profit shortfall of the Warranted Profit of RMB40 million in 2012, which in turn will not materially affect the revenue of the Group. As such, the Directors consider that the delay in completion of power supply system has not triggered the Company's disclosure obligations under GEM Listing Rule 17.10.

然而，本集團於汝陽工業區的營運於本期間尚未開始，主要原因是新興建的汝陽工業區的供電系統延遲完工。汝陽工業區的管理公司已作出解釋，供電系統的延遲完工是由於若干不可預見的技術及行政管理困難所致，並同意就延遲導致的所有損失向本集團支付補償收入。本集團在與該工業區的管理公司進行一系列討論和協商後，於二零一一年獲得除稅前補償收入約人民幣34,000,000元。

其後，我們從汝陽工業區的管理公司獲悉，供電系統已於二零一二年十月二十九日完工及開始供電，並於二零一二年十二月開始向客戶銷售天然氣。此外，本集團將會透過參與區內天然氣貿易市場增加收入，從而提高液化天然氣工廠的利用率。然而，天然氣貿易業務的利潤率將會低於管道天然氣業務的利潤率。

董事會已獲悉，供電系統預計將於二零一三年年初完工及開始運營，屆時本集團將於測試後開始向我們的客戶銷售天然氣。此外，本集團將會透過參與區內天然氣貿易市場以提高液化天然氣工廠的利用率，從而增加收入。然而，該業務將不會是本公司的主要業務。儘管貿易業務僅產生微薄的利潤，但此乃盡量減低閒置產能及增加收入的方法之一。

本集團認為其並未違反創業板上市規則第17.10條的責任，原因是本集團合理地確信汝陽工業區的管理公司會按照上述協議的規定還清賠償收入。再者，倘管理層未能履行賠償責任，王先生(有關(其中包括)洛陽順和的收購事項的賣方)將須向本集團賠償，以彌補二零一二年擔保溢利人民幣40,000,000元中的不足溢利，從而不會對本集團的收入造成重大影響。因此，董事認為延遲完成供電系統並未引發本公司於創業板上市規則第17.10條項下的披露責任。

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Liquidity, Financial Resources and Capital Structure

As at 31 December 2012, the Group had net assets of approximately RMB1,022,703,000, including cash and bank balances of approximately RMB29,437,000. To minimise financial risks, the Group implements stringent financial and risk management strategies and avoids the use of highly-g geared financing arrangements. The Group's gearing ratio, calculated by the Group's total external borrowings divided by its shareholders' fund, was approximately 11%.

The Group is opportunistic in obtaining financing to further improve the cash position given that the natural gas drilling program is capital intensive. If the Group has adequate financing in the future (whether it is from internal cash flow due to increased gas sales, or from fund raising), the Group will accelerate the drilling program. Apart from the intended investment in upstream CBM exploration and extraction, the Group does not have any other plan for acquisition or investment, disposal or scale-down of any current business.

Employees

As at 31 December 2012, the Group has an aggregate of 533 employees, of which 88 are research and development staff, 221 are engineering and customer service staff, 192 administrative staff and 32 marketing staff. During the year, the staff costs (including Directors' remuneration and share-based payment) was approximately 24,834,000 (2011: approximately RMB28,167,000).

The salary and bonus policy of the Group is principally determined by the performance of the individual employee. The Group will on an ongoing basis, provides opportunity for professional development and training to its employees.

流動資金、財務資源及資本結構

於二零一二年十二月三十一日，本集團的資產淨值約為人民幣1,022,703,000元，其中包括現金及銀行結存約人民幣29,437,000元。本集團為減低其財務風險，採取謹慎的財務及風險管理策略，盡量避免使用高槓桿比率之融資安排。故此，本集團之資本與負債比率（按本集團對外借貸總額除以其股東資金計算）約為11%。

由於天然氣打井項目需要大量資金，本集團有可能為進一步改善現金狀況獲得融資。倘本集團於日後擁有充足融資（無論是來自內部現金流量（因天然氣銷量增長）或者來自融資），本集團將加快打井項目進程。除擬於上游煤層氣勘探及開採進行投資外，本集團並無任何其他計劃進行收購事項或投資、出售或縮減目前的業務規模。

僱員

於二零一二年十二月三十一日，本集團共僱用533名僱員，其中研發人員88名，工程和客服人員221名，行政管理人員192名及市場銷售人員32名。於本年內，員工成本（包括董事酬金及以股權結算以股份為基礎之付款開支）約為人民幣24,834,000元（二零一一年：約人民幣28,167,000元）。

本集團之薪酬及花紅政策基本上按個別僱員工作表現確定。本集團將按持續方式為僱員提供專業進修與培訓機會。

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Risk in Foreign Exchange

The group entities collect most of the revenue and incur most of expenditures in their respective functional currencies. The Directors consider that the Group's exposure to foreign currency exchange is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity.

Significant Investment

The Group did not have significant investment as at 31 December 2012.

OUTLOOK

The Board believes that the Company will sustain long term development and maintain its leading position in China's natural gas market given its vertical integration business structure that reduces, or eliminates risks in gas supply, gas price fluctuation and earning visibility.

In light of a publication regarding the 12th Five-Year Plan for the period from 2011 to 2015 of the PRC government, natural gas users in China will increase by 100 million to a total of 250 million. Viewing from the national gas market, the Group has observed inadequate gas supply in general that has rendered midstream gas processing companies in the market in an adverse operating environment causing low utilisation and loss.

Unlike most of the above midstream gas processing companies whose business models only focus on certain areas of the gas production or supply chain, the Group has its own gas production in upstream operation which enhance the Group's self-sufficiency in gas supply to the mid-stream LNG plants and downstream gas sales and distribution, and therefore reducing the gas supply risk in the long run. The current situation of inadequate gas supply and the consequent loss arising from operation are only temporary and it is likely that the business will turn profitable and show phenomenal growth as the Group's gas production accelerates in the near future.

外匯風險

集團實體各自收取的大部份收益及產生的大部份開支均以其各自的功能貨幣計值。董事認為，由於本集團大部份交易以個別集團實體各自的功能貨幣計值，故本集團所面臨的外匯風險並不重大。

重大投資

截至二零一二年十二月三十一日，本集團並無作出任何重大投資。

前景

鑑於本公司垂直一體化的業務結構可降低或消除天然氣供應、天然氣價格波動及盈利能見度等風險，董事會相信本公司將可實現長期持續發展及在中國天然氣市場中保持領先地位。

根據中國政府公佈的二零一一年至二零一五年「十二五規劃」，中國使用天然氣的人口將新增1億，總量達到2.5億。縱觀全國天然氣市場，本集團發現天然氣總體供應不足，令中游天然氣加工企業陷入異常艱難的經營環境，造成產能利用率低及持續虧損。

與上述大部份僅參與天然氣生產或供應鏈中某部份的中游天然氣加工企業的業務模式不同，本集團通過上游業務生產天然氣，並供應予中游液化天然氣工廠及下游天然氣銷售及分銷，實現本集團天然氣供應自給自足，從而在長期內降低天然氣供應風險。目前因天然氣供應不足造成經營虧損的狀況僅為暫時性，隨著本集團天然氣生產加速，在不久的將來很有可能迎來盈利及顯著增長。

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Furthermore, the Group, with its own gas supply, is less affected by gas price fluctuation caused by international natural gas market. Nevertheless, the increasing gas price in the international market would make our gas products and supply more competitive and increase our profit margin given our lower operation cost of our full participation in the natural gas value chain. The Group believes that its revenue and profit will increase in the long run. More importantly, the vertical integration strategy would enable the Group to sustain a long term development and become a strong market leader.

After a series of corporate restructuring, the Group believes that the build-out of the Group's vertical integration structure is almost complete and now it is high time for the Group to move to the second stage - the growing phase. The Group expects to turn the business into profitable in the near future.

On the upstream exploration and production front, the number of wells ready for gas output would increase and the daily production per well would rise as the wells become more mature. The Group expects the daily gas production volume to be over 300,000 cubic meter per day by the end of 2013 and 500,000 cubic meter per day by end of 2014. On the other hand, the construction of the pipeline transporting gas from the Group's own gas fields to the LNG plants in Qinshui County has been essentially completed by the end of 2012; after then the Group can raise its own LNG plants utilisation by feeding more self-produced gas to the LNG plants. More importantly, the utilisation of the downstream LNG transportation trunks and the storage facilities would increase too. As the demand for gas in China remains strong and the Group's supply constraint unleashed, the Group expects the gas sales in 2013 to grow significantly and the profitability to improve materially.

In the near future, the Group will mainly focus on upstream CBM exploration and production on the existing gas CBM assets. Meanwhile, the Group will be opportunistic in value-accretive upstream gas asset acquisition, if any.

此外，因本集團擁有自產天然氣原料，其受國際天然氣市場引起的天然氣價格波動影響較小。況且，本集團參與天然氣價值鏈的全部環節，令其擁有較低的營運成本優勢，國際市場天然氣價格上漲反而有助於增強本集團天然氣產品及供應的競爭能力，從而提高我們的利潤率。本集團相信從長遠看，其收入及溢利將會迎來增長。更重要的是，垂直一體化的策略將有助於本集團實現長期持續發展，成為卓越的市場領導者。

經過一系列企業重組，本集團認為本集團垂直一體化結構的構建已基本上完成，目前正是本集團進入第二階段－增長階段的最佳時機。本集團預計可於不遠未來將業務發展成為可盈利業務。

上游勘探及生產方面，隨著氣井趨於成熟，可出氣井口數將增加及單井每日出氣量將上升。本集團預計每日出氣量在二零一三年年底之前將超過每天300,000立方米，並在二零一四年年底之前超過每天500,000立方米。另一方面，本集團由自有氣田輸送至沁水縣液化天然氣工廠的輸氣管道於二零一二年年底已基本完成興建，在此之後，本集團可向液化天然氣工廠輸入更多自產天然氣，藉以提高自有液化天然氣工廠的利用率。更重要的是，下游液化天然氣運輸車及倉儲設施的利用率亦將提高。鑑於中國的天然氣需求維持強勁及本集團的供應壓力緩解，本集團預計二零一三年的天然氣銷售將顯著增長及盈利能力將大幅改善。

未來短期內，本集團將主要專注於現有煤層氣資產的上游煤層氣勘探及生產。與此同時，本集團會把握任何可為上游天然氣資產增值的收購機會（如有）。

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CORPORATE GOVERNANCE PRACTICES

(a) Application of Corporate Governance Principles

The Group is committed to promoting good corporate governance, with the objectives of (i) the maintenance of responsible decision making, (ii) the improvement in transparency and disclosure of information to shareholders, (iii) the continuance of respect for the rights of shareholders and the recognition of the legitimate interests of shareholders, and (iv) the improvement in crisis management and the enhancement of performance by the Group. The Group has applied the principles set out in the Corporate Governance Code (the “HKSE Code”) contained in Appendix 15 of the GEM Listing Rules with these objectives in mind.

(b) Promulgation of Company's Corporate Governance Code

To this end, the Group has promulgated a set of code on corporate governance (the “Company Code”) which sets out the corporate standards and practices used by the Group to direct and manage its business affairs. It is prepared by reference to the principles, code provisions and recommended best practices set out in the HKSE Code, which came into effect on 1 January 2005. In addition to formalising existing corporate governance principles and practices, the Company Code also serves the purpose of assimilating existing practices with benchmarks prescribed by the HKSE Code and ultimately ensuring high transparency and accountability to the Group's shareholders.

企業管治常規

(a) 依照企業管治原則

本集團致力提高企業管治水平，宗旨在於(i)維持負責任的決策、(ii)改善對股東的透明度及向股東披露的資料、(iii)貫徹一向對股東權益的尊重及股東的合法權益的認同，及(iv)改善危機管理，提升本集團表現。在此等宗旨下，本集團已依照創業板證券上市規則附錄十五所載《企業管治守則》（「聯交所守則」）中的原則建立本集團的管治守則。

(b) 頒佈本公司的企業管治守則

本集團為此頒佈一套企業管治守則（「公司守則」），載列集團在指導及管理其商業事務時所採用的企業準則及常規。公司守則在編製時已參考由二零零五年一月一日起生效的聯交所守則內所載的原則、守則條文及建議最佳常規。除訂定現有企業管治原則及常規外，公司守則亦將現有常規及聯交所守則所規定的基準兼收並蓄，最終確保高透明度及向集團股東負責。

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(c) Compliance of Company and HKSE's Code's Provisions

The Group has complied with all provisions in the Company Code and the HKSE Code save the deviations mentioned below.

The Company had delayed the publication of its first quarterly results of 2012 and interim results of 2012 and delayed the despatch of its first quarterly report of 2012 and interim report of 2012 within the period, as stipulated by the GEM Listing Rules, due to the delay in publication of the annual results report of 2011 as additional time was required for the preparation of the technical reports on the Company's CBM resources, and therefore the preparation of various valuation reports on certain assets of the Company. The publication of the annual results of 2011 and the despatch of the annual report of 2011 were also delayed due to the change of auditors on 25 July 2012. The aforesaid delays constituted breaches of Rules 18.48A, 18.53, 18.66, 18.78 and 18.79 of the GEM Listing Rules.

To rectify the said breaches, the Company published the annual results of 2011, the first quarterly results of 2012 and the interim results of 2012 on 3 October 2012 and despatched the annual report of 2011, the first quarterly report of 2012 and interim report of 2012 on 15 October 2012.

The Company Code contains all the Code Provisions of the HKSE Code and other provisions.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than those as set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of the Directors, all Directors have complied with the required standard of dealings and code of conduct regarding securities transactions by Directors as set out in the code of conduct for the year 2012.

(c) 公司及聯交所守則條文的遵行

除下文所述的偏離外，本集團已遵守公司守則及聯交所守則的所有條文。

由於需要額外的時間準備有關本公司煤層氣資源的技術報告以及就所述報告為本公司的若干資產準備不同的估值報告，本公司已延遲公佈二零一一年全年業績，因而未能於創業板上市規則規定的期間內公佈其二零一二年第一季度業績及二零一二年中期業績，以及延遲寄發其二零一二年第一季度報告及二零一二年中期報告。二零一一年全年業績公佈及二零一一年年度報告寄發延遲亦由於在二零一二年七月二十五日更換核數師。上述延遲違反了創業板上市規則第18.48A條、第18.53條、第18.66條、第18.78條及第18.79條。

為糾正上述違規，本公司於二零一二年十月三日刊發二零一一年全年業績、二零一二年第一季度業績及二零一二年中期業績，並於二零一二年十月十五日寄發二零一一年年度報告、二零一二年第一季度報告及二零一二年中期報告。

公司守則包括聯交所守則內之所有守則條文以及其他條文。

董事進行證券交易

本公司已採納一項董事進行證券交易之操守守則，其條款標準不低於創業板上市規則第5.48條至5.67條所載之董事進行證券交易之操守守則。經向董事提出具體徵詢，所有董事於截至二零一二年度內均有遵守該操守守則所列示有關董事進行證券交易之規定買賣準則及操守守則。

CORPORATE GOVERNANCE REPORT

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BOARD COMPOSITION

The Board is entrusted with the overall responsibility for promoting the success of the Company by the direction and supervision of the Company's business and affairs.

The Board comprises a total of eight Directors, comprising five executive Directors, namely, Mr. Wang Zhong Sheng (Chairman); Mr. Feng San Li (Chief Executive Officer) (retired on 26 November 2012); Mr. Shi Liang; Mr. Zhang Qing Lin; Mr. Fu Shou Gang and Mr. Kwok Shun Tim and three independent non-executive Directors, namely, Mr. Luo Wei Kun, Mr. Wang Zhi He and Ms. Pang Yuk Fong. Ms. Pang Yuk Fong has appropriate professional qualifications, accounting and financial management expertise as required under the GEM Listing Rules.

Each of the independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules. The Company is of the view that all Independent Non-executive Directors meet the independence guidelines set out in Rule 5.09 of the GEM Listing Rules and are independent in accordance with the terms of the guidelines.

The Company has complied with Rules 5.05(1), 5.05(2) and 5.05A of the GEM Listing Rules. During the year ended 31 December 2012, there were three independent non-executive Directors in the Board and the number of independent non-executive Directors represents at least one-third of the Board. The Company has also complied with Rule 5.05(2) of the GEM Listing Rules, which stipulates that one of the independent non-executive Directors must possess appropriate professional qualifications or accounting or related financial management expertise. The Board considers that the independent non-executive Directors are all independent persons with appropriate qualifications or expertise and the Company has complied with the relevant requirements of the GEM Listing Rules.

Corporate Governance Functions

The Board is responsible for performing the corporate governance functions set out in code provision D3.1 of the Revised Code. As at the date of this report, the Board has reviewed and monitored: (a) the Company's corporate governance policies and practices, (b) training and continuous professional development of directors and senior management, (c) the Company's policies and practices on compliance with legal and regulatory requirements, (d) the Company's code of conduct and (e) the Company's compliance with the Revised Code disclosures requirements.

董事會組成

董事會負責本公司業務及事務的整體領導與監管，促成本公司的成功。

董事會由八名董事組成，其中五名屬執行董事，包括王忠勝先生(主席)、馮三利先生(行政總裁)(於二零一二年十一月二十六日退休)、施亮先生、張慶林先生、付壽剛先生及郭純恬先生及另外三名屬獨立非執行董事，包括羅維崑先生、王之和先生及彭玉芳女士。彭玉芳女士持有創業板上市規則所要求之適當專業資格及具備會計及財務管理專業知識。

各獨立非執行董事已按創業板上市規則第5.09條作出年度獨立性確認。本公司認為，全部獨立非執行董事均已符合創業板上市規則第5.09條所載的獨立性指引，並根據該指引的條款屬獨立人士。

本公司已遵守創業板上市規則第5.05(1)條、第5.05(2)條及第5.05A條。截至二零一二年十二月三十一日止年度，董事會有三名獨立非執行董事，獨立非執行董事人數佔董事會至少三分之一。本公司亦已遵守創業板上市規則第5.05(2)條，該條規定，其中一名獨立非執行董事必須具備適當的專業資格或者會計或相關財務管理專長。董事會認為，獨立非執行董事均屬具備適當資格或專長的獨立人士且本公司已遵守創業板上市規則的相關規定。

企業管治職能

董事會負責履行經修訂守則的守則條文第D3.1條所載的企業管治職能。於本報告日期，董事會已檢討及監察：(a) 本公司的企業管治政策及常規；(b) 董事及高級管理層的培訓及持續專業發展；(c) 本公司遵守法律及法規規定的政策及常規；(d) 本公司的操守守則；及(e) 本公司遵守經修訂守則披露規定的情況。

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APPOINTMENT TERMS OF NON-EXECUTIVE DIRECTORS

Under code provision A.4.1 of the HKSE Code non-executive directors should be appointed for specific terms, subject to re-election. Currently, the independent non-executive Directors have no fixed term of office but are subject to retirement by rotation at annual general meetings of the Company in accordance with the Company's Articles of Association.

Roles of Directors

The Board assumes responsibility for leadership and control of the Company and is collectively responsible for appointing and supervising senior management to ensure that the operations of the Group are conducted in accordance with the objectives of the Group. The principal roles of the Board are:

- to lay down the Group's objectives, strategies, policies and business plan;
- to monitor and control operating and financial performance through the determination of the annual budget; and
- to set appropriate policies to manage risks in pursuit of the Group's strategic objectives.

The Board is directly accountable to the shareholders and is responsible for preparing the accounts.

非執行董事之任期

根據聯交所守則之守則條文第A.4.1條，非執行董事應有固定任期，並須接受重選。目前，獨立非執行董事並無固定任期，惟須根據本公司之公司組織章程細則於本公司股東週年大會輪值告退。

董事角色

董事會肩負領導及監控本公司的責任，同時集體負責委任及監督高級管理層，以確保本集團之營運符合本集團之目標。董事會的主要角色為：

- 制定本集團的目標、策略、政策及業務計劃；
- 通過釐定每年財政預算，監察及控制營運及財務表現；及
- 制定適當的風險管理政策，以達致本集團的策略目標。

董事會直接向股東負責，並負責編製賬目。

CORPORATE GOVERNANCE REPORT

企業管治報告

Delegation by the Board

The Board has delegated the day-to-day management responsibility to the management staff under the instruction/supervision of the Board.

The management staff of the Company are principally responsible for:

1. exercising all such other powers and perform all such other acts as may be exercised and performed by the Directors, save and except for those that may specifically be reserved by the Board/or the committees set up by the Board for decision and implementation; or those that may only be exercised by the Board pursuant to the memorandum and articles of association of the Company, the GEM Listing Rules and other applicable laws and regulations.
2. formulating and implementing policies for business activities, internal controls and administration of the Company;
3. planning and deciding the Company's strategies on its business activities; and
4. keeping proper written records of its decisions taken which may be inspected by any members of the Board or the Board committees upon request.

The Board will review those arrangements on a periodic basis to ensure that they remain appropriate to the needs of the Group.

Chairman and Chief Executive

Under the code provision A.2.1 of the HKSE Code, the roles of the chairman and chief executive should be separate and should not be performed by the same individual. Prior to the retirement of Mr. Feng San Li on 26 November 2012, Mr. Feng San Li was holding the title of CEO. Mr. Wang Zhong Sheng is the chairman of the Board. After Mr. Feng's retirement, Mr. Wang Zhong Sheng continues to at as the chairman made the duties of the chief executive have been undertaken by the other executive Directors. The Board meets regularly to consider major matters affecting the business and operations of the Group. The Board considers that this structure will balance the power and authority between the Board and management and believes that this structure enables the Group to make and implement decision promptly and efficiently.

董事會授權

董事會授權管理層在董事會的指示／監察下，履行日常管理職責。

本公司之管理人員主要負責：

1. 行使董事可行使的其他所有權力及進行董事可進行的其他所有行動（指定由董事會／董事會成立的委員會負責決定及執行的事務，或根據本公司之組織大綱及組織章程、創業板上市規則及其他適用法律及法規之規定，僅可由董事會負責處理的事務則除外）。
2. 制定並執行有關本公司業務活動、內部監控及行政的政策；
3. 計劃及決定本公司業務策略；及
4. 保留各項決定的適當書面紀錄，以便董事會或各董事委員會的任何成員查閱。

董事會定期對上述安排作出檢討以確保其一直符合本集團所需。

主席及行政總裁

根據聯交所守則之守則條文第A.2.1條，主席與行政總裁的職能應予區分，不應由同一人士兼任。於馮三利先生於二零一二年十一月二十六日退任前，本公司行政總裁為馮三利先生。王忠勝先生為董事會主席。於馮先生退任後，王忠勝先生繼續擔任主席，而行政總裁的職責已由其他執行董事承擔。董事會定期開會討論影響本集團業務及運作的主要事項。董事會認為現時該結構不會損害董事會與管理層的權力與職權的平衡，並相信該結構能使本集團迅速有效地作出與執行決定。

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BOARD OPERATION

Regular Board meetings are held normally every three months, with additional meeting arranged, if and when required. In 2012, the Board held 14 meetings.

The attendance record of each member of the Board at board meeting and general meetings of the Company are set out below:

董事會運作

董事會一般會每三個月會面一次，並在有需要時另外安排會面。董事會於二零一二年曾舉行14次會議。

各董事會成員的出席本公司董事會會議及股東大會的紀錄如下：

	Attendance of Board Meetings 董事會會議 出席率	Attendance of General Meetings 股東會會議 出席率
Executive Directors 執行董事		
Mr. Wang Zhong Sheng (<i>Chairman</i>) 王忠勝先生 (主席)	14/14	1/1
Mr. Feng San Li (<i>CEO</i>) (retired on 26 November 2012) 馮三利先生 (行政總裁) (於二零一二年十一月二十六日退任)	5/14	1/1
Mr. Shi Liang 施亮先生	8/14	1/1
Mr. Zhang Qing Lin 張慶林先生	12/14	1/1
Mr. Fu Shou Gang 付壽剛先生	6/14	1/1
Mr. Kwok Shun Tim (appointed on 2 January 2013) 郭純恬先生 (於二零一三年一月二日獲委任)	0/14	0/1
Independent Non-executive Directors 獨立非執行董事		
Mr. Luo Wei Kun 羅維崑先生	7/14	1/1
Ms. Pang Yuk Fong 彭玉芳女士	7/14	1/1
Mr. Wang Zhi He 王之和先生	7/14	1/1

Directors are free to contribute alternative views at meetings and major decisions would only be taken after deliberation at Board meetings. Directors who are considered having conflict of interests or material interests in the proposed transactions or issues to be discussed would not be counted in the quorum of meeting and would abstain from voting on the relevant resolution.

All Directors have access to the company secretary who is responsible for ensuring that the Board procedures are complied with, and advising the Board on compliance matters.

董事於會上可自由發表不同的意見，重要決定只會在董事會會議上進行討論後始作出。如董事在建議的交易或即將討論的事宜上被視為存在利益衝突或擁有重大權益，有關董事將不計入會議法定人數，並須就有關決議案放棄表決權。

全體董事均可接觸公司秘書；公司秘書負責確保董事會程序得以遵守，並就守規事宜向董事會提供意見。

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Directors' Duties

Every Director is required to keep abreast of his responsibilities as a director of the Company and of the conduct, business activities and development of the Company:

- A comprehensive director's handbook is issued to every Director, which sets out guidelines on conduct by making reference to the relevant sections of the statutes or the GEM Listing Rules, and reminds Directors of their responsibilities in making disclosure of their interests and potential conflict of interests.
- Orientation programmes are organised for providing induction to new Directors to help them familiarise with the Company's management, business and governance practices.
- Management provides appropriate and sufficient information to Directors and the committee members in a timely manner to keep them apprised of the latest development of the Group and enable them to discharge their responsibilities. Directors also have independent and unrestricted access to senior executives of the Company.

董事職責

每名董事須不時瞭解其作為本公司董事的職責，以及本公司的經營方式、業務活動及發展：

- 每名董事均獲發給資料完備的《董事手冊》。《董事手冊》透過引述法例規定或創業板上市規則的有關章節提供操守指引，及提醒董事必須履行的責任，包括披露權益及潛在的利益衝突。
- 為新任董事舉辦介紹公司的活動，提供就任須知，協助董事熟悉本公司的管理、業務及管治常規。
- 管理層向董事及委員會成員適時提供恰當及充足資料，讓他們知悉本集團的最新發展，以便他們履行職責。董事亦可有獨立及不受限制的途徑接觸本公司高級行政人員。

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企業管治報告

DIRECTORS' CONTINUOUS PROFESSIONAL DEVELOPMENT PROGRAMME

Each newly appointed director is provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under the relevant statutes, laws, rules and regulations. Directors' training is an ongoing process. During the year ended 31 December 2012, Directors are provided with monthly updates on the Company's performance, position and prospects to enable the board as a whole and each director to discharge their duties. In addition, all Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The Company updates Directors on the latest development regarding the GEM Listing Rules and other applicable regulatory requirements from time to time, to ensure compliance and enhance their awareness of good corporate governance practices.

During the year ended 31 December 2012, the Company has also organized briefing sessions conducted by the Hong Kong Legal Adviser to the Company for the Directors.

The briefing sessions covered topics including the HKSE Code, listed company regulations and disclosure obligations in Hong Kong, disclosable transactions and connected transactions etc.

REMUNERATION PAID TO MEMBERS OF KEY MANAGEMENT

Details of remuneration paid to member of key management fell within the following band:

董事的持續專業發展計劃

向各新任董事提供必要的就任須知及資料以確保彼適當了解本公司的運營及業務以及其根據相關成文法、法律、規則及法規須承擔的責任。董事持續進行培訓。截至二零一二年十二月三十一日止年度，每月向董事提供有關本公司表現、狀況及前景的最新情況以使董事會整體及各董事能夠履行其職責。此外，鼓勵所有董事參與持續專業發展以增進及更新其知識及技能。本公司不時向董事提供有關創業板上市規則及其他適用監管規定的最新進展情況，以確保遵守及增強關注良好企業管治常規。

截至二零一二年十二月三十一日止年度，本公司已組織由香港法律顧問為本公司董事主持的簡介會。

簡介會涵蓋的主題包括聯交所守則、香港上市公司法規及披露責任、須予披露交易及關連交易等。

支付予主要管理人員的薪酬

支付予主要管理人員的薪酬具體介乎以下範圍：

		2012 二零一二年	2011 二零一一年
HKD Nil ~ HKD 1,000,000	零港元至1,000,000港元	3	1

CORPORATE GOVERNANCE REPORT

企業管治報告

CONDUCT ON SHARE DEALINGS

The Company has adopted a code of conduct regarding securities transactions by Directors on terms no less exacting than the required standard of dealings as referred to in Rules 5.48 to 5.67 of the GEM Listing Rules. The Group, having made specific enquiries to its Directors and supervisors, confirms that, throughout the financial year ended 31 December 2012, all Directors and supervisors met the criteria laid down in the said code for securities transactions by Directors.

REMUNERATION COMMITTEE

A remuneration committee was established on 12 August 2005 for, inter alia, the following purposes:—

- (a) to make recommendations to the Board on policies and structure for remuneration of directors and senior management and on the establishment of a formal and transparent procedure for developing such policy on remuneration;
- (b) to make recommendations to the Board the remuneration packages for executive Directors and senior management and to make recommendations to the Board on the remuneration of non-executive Directors.

The Remuneration Committee is made up of all of the Company's independent non-executive Directors, namely, Ms. Pang Yuk Fong (Chairman), Mr. Luo Wei Kun and Mr. Wang Zhi He. The duty of remuneration committee is to review and make recommendations to the remuneration policy and packages of the executive Directors and executives.

股份交易守則

本公司已就董事進行的證券交易，採納一套不低於創業板上市規則第5.48至5.67條所訂交易標準的守則。本集團已向其董事及監事作出特定查詢，確認所有董事及監事已於截至二零一二年十二月三十一日止財政年度內遵守上述有關董事進行證券交易的守則的標準。

薪酬委員會

薪酬委員會已於二零零五年八月十二日成立，當中目的包括：

- (a) 就董事及高級管理層的薪酬政策及架構，及就設立正規而具透明度的程序以制定此等薪酬政策，向董事會提出建議；
- (b) 就執行董事及高級管理層的酬金待遇向董事會提出建議，並就非執行董事的酬金向董事會提出建議。

薪酬委員會由本公司全部獨立非執行董事組成，包括彭玉芳女士（主席）、羅維崑先生及王之和先生。薪酬委員會之職責為檢討及就執行董事及行政人員之薪酬政策及待遇提出建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

In 2012, the remuneration committee held one meeting. The attendance record of each member of the remuneration committee is set out below:

薪酬委員會於二零一二年曾舉行一次會議。薪酬委員會各成員的出席紀錄如下：

	Attendance 出席率
Ms. Pang Yuk Fong (<i>Chairman</i>) 彭玉芳女士 (主席)	1/1
Mr. Luo Wei Kun 羅維崑先生	1/1
Mr. Wang Zhi He 王之和先生	1/1

During the meeting, members of the remuneration committee reviewed the remuneration packages and overall benefits of the Directors by taking into account factors such as remuneration packages and benefits offered by comparable companies, the respective contribution of each of the Directors to the Group and the business objectives of the Group.

會上，薪酬委員會成員已根據若干因素(如可資比較公司所提供的薪酬待遇及福利、各董事對本集團的貢獻及本集團業務目標)檢討董事的薪酬待遇及整體福利。

The executive Directors are responsible for reviewing all relevant remuneration data and market conditions as well as the performance of individuals and the profitability of the Group, and proposing to the remuneration committee for consideration and approval, remuneration packages for the executive Directors and executives, and performed the major work as below:

執行董事負責檢討所有有關薪酬數據及市況以及個別員工表現與本集團盈利能力，並向薪酬委員會提呈考慮及批准執行董事及行政人員之薪酬待遇並執行主要工作如下：

1. reviewed and discussed the remuneration policy and structure of the Company and the remuneration and performance of duties of the executive Directors and senior management in the year under review;
2. made recommendation to the Board on the remuneration packages of individual executive directors and senior management.

1. 檢討及討論於回顧年度內本公司的薪酬政策及架構以及執行董事及高級管理層之薪酬及職責履行情況；
2. 就各執行董事及高級管理層的酬金組合向董事會提出建議。

CORPORATE GOVERNANCE REPORT

企業管治報告

NOMINATION COMMITTEE

As mentioned above, a nomination committee was established on 12 August 2005 for, inter alia, the following purposes:—

- (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board;
- (b) to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorship; and
- (c) to make recommendations to the Board on relevant matters relating to the appointment or reappointment of directors and succession planning for directors.

The nomination committee is made up of all of the Company's independent non-executive Directors, namely Mr. Wang Zhi He (Chairman), Mr. Luo Wei Kun and Ms. Pang Yuk Fong.

In 2012, the nomination committee held one meeting. The attendance record of each member of the nomination committee is set out below:

提名委員會

誠如上述，提名委員會已於二零零五年八月十二日成立，當中目的包括：

- (a) 檢討董事會的架構、規模及組成（包括技能、知識及經驗）；
- (b) 物色具備適合資格成為董事會成員的人士，並就挑選被提名人士出任董事向董事會提出建議；及
- (c) 就與委任或重新委任董事及董事之接任計劃有關的事宜向董事會提出建議。

提名委員會由本公司全部獨立非執行董事組成，包括王之和先生（主席）、羅維崑先生及彭玉芳女士。

提名委員會於二零一二年曾舉行一次會議。提名委員會各成員的出席紀錄如下：

	Attendance 出席率
Mr. Wang Zhi He (<i>Chairman</i>) 王之和先生 (主席)	1/1
Mr. Luo Wei Kun 羅維崑先生	1/1
Ms. Pang Yuk Fong 彭玉芳女士	1/1

CORPORATE GOVERNANCE REPORT

企業管治報告

At the meeting, the Nomination Committee reviewed the structure, size and composition of the Company's Board of Directors, made reference to criteria including, inter alia, reputation for integrity, accomplishment and experience in the relevant industry, professional and educational background, and commitment in respect of available time and relevant interest. The nomination committee was satisfied with the existing composition of the Board and recommended no change in the near future, and performed the major work as below:

1. examined the structure, size and composition of the Board, to ensure the Directors have the expertise, skills and experience required to meet the Company's business;
2. assessed the independency of all independent non-executive directors of the Company; and
3. made recommendations to the Board in this regard.

AUDIT COMMITTEE

The Company's audit committee was established on 28 July 2003 and currently comprises all three independent non-executive Directors, namely, Ms. Pang Yuk Fong (Chairman), Mr. Luo Wei Kun and Mr. Wang Zhi He. The primary duties of the audit committee are (a) to review the Group's annual reports, financial statements, half year reports and quarterly reports; (b) To serve as a focal point for communication between Directors, the external auditors and internal auditors; (c) To assist the Board in fulfilling its responsibilities by providing an independent review and supervision of financial reporting, and the effectiveness of the Group's internal control system; and (d) To review the appointment of external auditors on an annual basis as well as to ensure independence of the continuing auditors.

In 2012, the audit committee held four meetings. The attendance record of each member of the audit committee is set out below:

會上，提名委員會檢討了本公司董事會的架構、規模及組成，製訂參考準則其中包括有關人士的誠信、其在相關行業的成就及經驗、其專業及教育背景以及其投入的程度，包括能夠付出的時間及對相關範疇的關注等。提名委員會滿意董事會的現有組合，建議於近期內毋須變動並執行主要工作如下：

1. 檢查董事會的架構、規模及組成，以確保董事具備符合本公司業務所需的專長、技能及經驗；
2. 評估本公司所有獨立非執行董事的獨立性；及
3. 就此向董事會提出建議。

審核委員會

本公司的審核委員會於二零零三年七月二十八日成立，現任成員包括全部三名獨立非執行董事彭玉芳女士(主席)、羅維崑先生及王之和先生。審核委員會之主要職責是(a)審閱本集團的年報、財務報表、半年度報告及季度報告；(b)作為董事、外聘核數師及內部核數師之間的一個溝通渠道；(c)透過對財務報告及集團內部監控程序的有效性提供獨立檢討及監督，協助董事會履行職責；及(d)每年檢討外聘核數師之委任以及確保續任核數師之獨立性。

審核委員會於二零一二年曾舉行四次會議。審核委員會各成員的出席紀錄如下：

	Attendance 出席率
Ms. Pang Yuk Fong (<i>Chairman</i>) 彭玉芳女士 (主席)	4/4
Mr. Luo Wei Kun 羅維崑先生	4/4
Mr. Wang Zhi He 王之和先生	4/4

CORPORATE GOVERNANCE REPORT

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At the meetings, the audit committee has carefully reviewed the Company's quarterly, half-yearly and annual results and its system of internal control and has made suggestions to improve them. The audit committee also carried out and discharged its other duties set out in HKSE Code. In the course of doing so, the audit committee has met the company's management and qualified accountant several times during year 2012. Each member of the audit committee has unrestricted access to the Group's external auditors and the management.

During the financial year 2012, the audit committee has held four meetings. The Group's results for the year 2012 have been reviewed and commented by the audit committee members, and performed the major works as below:

1. reviewed the annual financial results and report for the year ended 31 December 2011 and interim financial results and report for the six months ended 30 June 2012;
2. reviewed the internal audit department's report regarding the reviewing and procedures of the internal control and risk management of the Company; and
3. provided opinions to the Board in respect of the terms of appointment of external auditors.

Procedures for directing Shareholders' enquiries to the Board

Shareholders may at any time send their enquiries and concerns to the Board in writing through mails whose contact details are as follows:—

Room 3705, 37th Floor
148 Electric Road
North Point
Hong Kong
Tel No.: 2366 1663
Fax No.: 2366 1665

會上，審核委員會已詳細審閱本公司的季度、半年度及年度業績，以及內部管控制度，並已提出改善建議。審核委員會亦已按聯交所守則進行及履行其他職責。過程中，審核委員會於二零一二年度曾與本公司的管理層及合資格會計師舉行多次會議。本公司並無限制各審核委員會成員與本集團外聘核數師及管理層聯絡。

於二零一二年財政年度內，審核委員會曾舉行四次會議，而本集團之二零一二年度之業績已由審核委員會成員審閱及提供意見並執行主要工作如下：

1. 審閱截至二零一一年十二月三十一日止年度之年度財務業績及報告以及截至二零一二年六月三十日止六個月之中期財務業績；
2. 審閱內部審核部門有關本公司內部監控及風險管理檢討與程序的報告；及
3. 就外聘核數師委任條款向董事會提供意見。

股東向董事會提出查詢之程序

股東可隨時以書面透過郵遞向董事會提出查詢及關注，郵遞之聯絡詳情如下：

香港
北角
電氣道148號
37樓3705室
電話：2366 1663
傳真：2366 1665

CORPORATE GOVERNANCE REPORT

企業管治報告

Procedures for putting forward proposals at general meetings by Shareholders

Pursuant to Article 58 of the articles of association of the Company, The Board may whenever it thinks fit call extraordinary general meetings. Any one or more members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Pursuant to Article 88 of the articles of association of the Company, no person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for election as a Director at any general meeting unless a notice signed by a member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also a notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the head office or at the registration office provided that the minimum length of the period, during which such notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such notice(s) shall commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting..

股東於股東大會上提出建議之程序

根據本公司組織章程細則第58條，董事會如認為適當可隨時召開股東特別大會。任何一位或以上於提請要求當日持有不少於本公司繳足股本（賦有權利在本公司股東大會投票）十分之一的股東，可隨時向本公司董事會或秘書發出書面要求，要求董事會召開股東特別大會，以處理有關要求所指明的事項，且須於提請該要求後兩(2)個月內舉行。倘提請後二十一(21)日內董事會未有召開大會，則提請要求的人士可自行以相同方式召開大會，而本公司須向提請要求的人士補償因董事會未有召開大會而自行召開大會的所有合理開支。

根據本公司組織章程細則第88條，除非獲董事推薦參選，或由正式合資格出席大會並可於會上投票的股東（並非擬參選者）簽署通知，表明建議提名相關人士參選的意向，且獲提名人士簽署該通知表明願意參選，否則除會上退任董事外，概無任何人士有資格於任何股東大會上參選董事。上述通知須呈交總辦事處或過戶登記處，通知期不得少於七(7)日，呈交該等通知之期間為寄發有關推選董事之股東大會通告翌日起計至不遲於該股東大會舉行日期前七(7)日。

CORPORATE GOVERNANCE REPORT

企業管治報告

ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors are responsible for overseeing the preparation of the annual accounts which give a true and fair view of the Group's state of affairs of the results and cash flow for the year. In preparing the accounts for the year ended 31 December 2012, the Directors have:

- adopted suitable accounting policies and applied them consistently; and
- made judgements and estimates that are prudent and reasonable; and ensured the accounts are prepared on a going concern basis.

The Company recognises that high quality corporate reporting is important in reinforcing the trust relationship between the Company and the its stakeholders and aims at presenting a balanced, clear and comprehensible assessment of the Company's performance, position and prospects in all corporate communications.

Internal Control

The Board, through the audit committee, has reviewed the effectiveness of the Company's system of internal control over financial, operational and compliance issues for the year 2012. The audit committee concluded that, in general, the Group has set up a sound control environment and installed necessary control mechanisms to monitor and correct non-compliance. The Board, through the review of the audit committee, is satisfied that the Group in 2012, fully complied with the code provisions on internal controls as set forth in the code.

In order to maintain a high quality of corporate governance, the Group employed a Qualified Accountant in current year and will still employ a Qualified Accountant in the coming years. The audit committee also concluded that the Group has employed sufficient staff for the propose of accounting, financial and internal control.

問責及審核

財務報告

董事負責監督年度賬目之編製，以真實公平地反映出本集團於年內之相關業績及現金流量狀況。於編製截至二零一二年十二月三十一日止年度賬目時，董事已：

- 採用適合之會計政策並貫徹應用；及
- 作出審慎合理之判斷及估計，以及確保賬目乃按持續經營基準編製。

本公司認為高質素的公司報告對加強本公司與其權益人之間的信任非常重要，因此所有的企業傳訊均力求以平衡、清晰及全面地評估本公司的表現、狀況及前景。

內部管制

董事會已通過審核委員會於二零一二年內檢討本集團內部管制系統之有效性，其中涵蓋財務、營運與合規等職能。審核委員會認為，整體而言，本集團已建立妥善之管制環境，並已採用必需之管制機制監督及改正不合規問題。通過審核委員會之檢討，董事會滿意本集團於二零一二年內完全遵守守則所刊載之內部管制守則條文。

為了維持一個高質素的企業管治，本集團在本年度有聘用合資格會計師和在未來年度亦會聘用合資格會計師。審核委員會亦認為，本集團已聘用足夠的員工處理會計、財務及內部管制之工作。

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企業管治報告

External Auditors

The Group's external auditors are HLB Hodgson Impey Cheng Limited. The Audit Committee is mandated to ensure continuing auditors' objectivity and safeguard independence of the auditors, and it has:

- determined the framework for the type and authorisation of non-audit services for which the external auditors may provide. In general, the engagement of the external auditors to perform non-audit services is prohibited except for tax related services; and
- agreed with the Board on the policy relating to the hiring of employees or former employees of the external auditors and monitored the applications of such policy.

During 2012, the fees paid to the Company's external auditors for audit services amounted to RMB1,466,000.

The accounts for the year ended 31 December 2012 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the forthcoming annual general meeting of the Company. The audit committee of the Company has recommended to the Board that HLB Hodgson Impey Cheng Limited be re-appointed as the auditors of the Company at the forthcoming annual general meeting of the Company.

The Group has not employed any staff who was formerly involved in the Group's statutory audit.

Corporate Communication

The Group recognises the importance of shareholder feedback and the need for ongoing communication with its stakeholders, including the general public, investors, and the institutional and individual shareholders. The Company published annual, interim and quarterly reports which contained detailed information about the Group. Inquiries by shareholders are directed and dealt with by senior management of the Group.

外聘核數師

本集團之外聘核數師為國衛會計師事務所有限公司。審核委員會有責任確保續任核數師的客觀性及保持核數師的獨立性，委員會已：

- 釐定外聘核數師可提供之非核數服務的類別及授權的框架。一般而言，除稅項有關服務外，委員會一般禁止委任外聘核數師提供非核數服務；及
- 與董事會協定有關聘請外聘核數師現職或前僱員的政策以及如何監察此等政策的應用。

於二零一二年，本公司支付予外聘核數師之核數服務費用為人民幣1,466,000元。

本公司於截至二零一二年十二月三十一日止年度之賬目已經由國衛會計師事務所審核，其任期將於本公司應屆股東週年大會後屆滿。本公司審核委員會已建議董事會於本公司應屆股東週年大會上提名國衛會計師事務所有限公司獲續聘為本公司之核數師。

本集團從未僱用任何曾參與本集團法定核數工作的人士。

企業傳訊

本集團明白到股東反饋的重要性以及與權益人(包括公眾、投資者以及機構及個人股東)保持溝通的必要性。本公司發佈包含有關本集團之詳細資訊之年度、中期及季度報告。股東的一切查詢均有本集團高級管理層直接處理。

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷資料

DIRECTORS

EXECUTIVE DIRECTORS

Mr. Wang, aged 49, has been appointed as chairman of the Board, an executive Director and the compliance officer of the Company since May 2006. From 9 January 2004 to 26 May 2006, Mr. Wang was an executive director of Tianjin Tianlian Public Utilities Company Limited ("Tianjin Tianlian"), a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8290), and was responsible for its business strategies. He graduated from the University of Tianjin with a bachelor degree in engineering in 1984. Mr. Wang is also a director of Tianjin Leason Investment Group Company Limited (天津市聯盛投資集團有限公司). Mr. Wang is a substantial shareholder of the company which holds 1,101,572,118 Shares in person or through controlled corporation, representing approximately 27.94% of the issued share capital of the Company as at the date of this report. In addition, Mr. Wang is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011 and as a holder of convertible bonds convertible to 1,119,230,769 conversion shares.

Mr. Feng San Li, aged 56, was appointed as an executive Director and chief executive officer since June 2011 retired on 26 November 2012. Mr. Feng is a geologist with more than 28 years' experience in China's coal and coalbed methane industry. Previously, he was engaged as the deputy general manager and chief geologist of China United Coalbed Methane Company Ltd., and was subsequently promoted as the general manager between 1999 and 2010. Before 1999, he was the chief engineer of Henan Coal Geology Bureau. Mr. Feng graduated from the Changchun College of Geology with a bachelor degree in geology in 1982. He is currently the committee member of the China Coal Society, director of the Coalbed Methane Specialised Committee China Coal Society, the member of the Oil & Gas Reserve Evaluation Division of Ministry of Land and Resources. Mr. Feng is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011.

董事

執行董事

王先生，49歲，自二零零六年五月起獲委任為本公司之董事會主席、執行董事及監察主任。王先生曾於二零零四年一月九日至二零零六年五月二十六日期間為天津天聯公用事業股份有限公司（「天津天聯」，一家於聯交所創業板上市之公司，股份代號：8290）之執行董事，並負責其業務策略。王先生一九八四年於天津大學畢業，持有工程學學士學位。王先生亦為天津市聯盛投資集團有限公司之董事。王先生為本公司主要股東，以個人及透過受控法團方式持有1,101,572,118股股份，相當於本公司在本報告刊發日期之已發行股本約27.94%。此外，王先生作為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權，以及作為可換股債券之持有人擁有可轉換為1,119,230,769股轉換股份的可換股債券。

馮三利先生，56歲，於二零一一年六月獲委任為本公司之執行董事兼行政總裁並於二零一二年十一月二十六日退任。馮先生為一名於中國煤炭及煤層氣行業擁有逾28年經驗之地質學專家。此前，彼曾於一九九九年至二零一零年任中聯煤層氣有限責任公司副總經理及首席地質學家，並於隨後獲提拔為總經理。於一九九九年之前，彼為河南煤田地質局之總工程師。馮先生於一九八二年畢業於長春地質學院，取得地質學學士學位。彼現為中國煤炭學會委員會成員、中國煤炭學會煤層氣專業委員會主任、國土資源部油氣儲量評估師。馮先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷資料

Mr. Shi Liang, aged 44, has been appointed as an executive Director since May 2006. Mr. Shi graduated with a bachelor degree in Material Science in the Shanghai University of Science and Technology of the PRC and a master degree in management from the Business School of the People's University in the PRC. He was a vice general manager of Tianjin Tianlian. He had worked for Jiangsu Nan Tong Electric Melter Company and Electronic Industrial Division Basic Products Department. He had also worked for Jiangsu Hua Yong Electronic Group Company as deputy manager of international cooperation department and secretary to the board of directors. He had also held various positions as a project manager, senior manager and an assistant to executive director in the investment banking of United Securities Limited, a securities company in the PRC.

Mr. Zhang Qing Lin, aged 62, joined the Company in the year of 2007. He graduated from the Tianjin Industrial University* (天津工業大學), (formerly known as The Institute of Tianjin Textile Industry* (天津紡織工業學院)) in 1980. Prior to joining the Group, Mr. Zhang has extensive working experience in corporate management. Mr. Zhang is interested as a grantee of options to subscribe for 2,500,000 shares under the share options scheme adopted by the Company on 18 May 2011.

Mr. Fu Shou Gang, aged 46, has years of experiences in the natural gas sector. Prior to joining the Group, he worked in Tianjin Tianlian Public Utilities Company Limited, where was pointed as an executive Director. Mr. Fu is interested as a grantee of options to subscribe for 2,500,000 shares under the share options scheme adopted by the Company on 18 May 2011.

施亮先生，44歲，自二零零六年五月起獲委任為執行董事。施先生畢業時獲得中國上海科學技術大學材料科學學士學位及中國人民大學商學院管理學碩士學位。彼曾為天津天聯之副總經理。彼曾任職於江蘇南通電容器公司及電子工業部基礎產品公司。彼亦曾於江蘇華容電子集團公司任職國際合作部之副經理及董事會秘書。彼亦曾於一間中國證券公司聯合證券有限責任公司投資銀行部任多個職位，如項目經理、高級經理及執行董事助理。

張慶林先生，62歲，於二零零七年加入本公司。彼於一九八零年在天津工業大學(前稱天津紡織工業學院)畢業。於加入本集團前，張先生於企業管理方面擁有豐富工作經驗。張先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。

付壽剛先生，46歲，有多年天然氣行業工作經驗，於加入本集團前，在天津天聯公用事業股份有限公司工作，其間獲委任為執行董事。付先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷資料

Mr. KWOK Shun Tim, aged 38, was appointed as the executive Director in 2013. Mr. Kwok holds a master of science in China Business Studies from The Hong Kong Polytechnic University and a master of laws (International Economic Law) from the City University of Hong Kong and a Bachelor Degree of Business Administration in Accounting from The Hong Kong University of Science and Technology. He is an associate member of Hong Kong Society of Accountants (currently known as Hong Kong Institute of Certified Public Accountants), an ordinary member of Hong Kong Securities Institute, a full member of IT Accountants Association and a fellow of the Association of Chartered Certified Accountants. Mr. Kwok is currently a member of Guangdong Province Zhaoqing City Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議廣東省肇慶市委員會), a director of Yan Oi Tong for the year 2012/2013, the deputy chief supervisor of Hong Kong Road Safety Patrol and a school manager of C.C.C. Kwei Wah Shan College. Mr. Kwok is currently an executive director of Computech Holdings Limited (Stock Code: 8081), a company whose shares are listed on the GEM of the Stock Exchange, and an independent non-executive director both of Modern Education Group Limited (Stock Code: 1082), a company whose shares are listed on the Main Board of the Stock Exchange, and Longlife Group Holdings Limited (stock code: 8037), a company whose shares are listed on the GEM of the Stock Exchange, and the company secretary of Tianjin Jinran Public Utilities Company Limited (Stock code: 1265, formerly known as Tianjin Tianlian Public Utilities Company Limited), a company whose shares are listed on the Main Board of the Stock Exchange. Mr. Kwok is a licensed person for Type 4 and Type 9 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO").

郭純佻先生，38歲，於二零一三年獲委任為執行董事。郭先生持有香港理工大學頒發之中國商貿管理學碩士及香港城市大學頒發之國際經濟法學碩士，以及香港科技大學頒發之工商管理學士(會計學)學位。彼為香港會計師公會會員及香港證券專業學會普通會員，並為資訊財務師協會正式會員及英國特許公認會計師公會資深會員。郭先生目前為中國人民政治協商會議廣東省肇慶市委員會委員、二零一二／二零一三年度仁愛堂總理、香港交通安全隊副總隊監及中華基督教會桂華山中學校董。目前，郭先生為駿科網絡訊息有限公司(其股份於聯交所創業板上市，股份代號：8081)的執行董事，以及現代教育集團有限公司(其股份於聯交所主板上市，股份代號：1082)及朗力福集團控股有限公司(其股份於聯交所創業板上市，股份代號：8037)的獨立非執行董事，以及天津燃公用事業股份有限公司(其股份於聯交所主板上市，股份代號：1265，前稱為天津天聯公用事業股份有限公司)的公司秘書。郭先生為從事香港法例第571章證券及期貨條例(「證券及期貨條例」)項下第4類及第9類受規管活動的持牌人士。

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷資料

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Luo Wei Kun, aged 74, has been an independent non-executive director of the Company since August 2006. He graduated from the Tsinghua University with a bachelor's degree in civil engineering in 1964 and started postgraduate studies in the same year. He was awarded a postgraduate diploma in civil engineering in 1967. He acted as a technician in Wuhan Branch of the Chinese Medicine Industrial Limited during 1968 to 1969 and as a technician, deputy section chief, section chief, engineer and vice chief engineer in the State Ministry of Medicine - Hubei Medical Manufactory Branch during 1969 to 1985. He then worked as a senior engineer, section chief and assistant factory manager in Tianjin Second Coal Gas Factory during 1986 to 1992. From 1992 to 2000, he acted as a vice chief engineer in Tianjin Utility Department and at the same time, worked as a chief engineer in Tianjin City Gas Administrative Office. After his retirement in March 2000, Mr. Luo acted as a consultant of Tianjin City Gas Administrative Office and Tianjin City Gas Planning Office. Currently, he is an independent non-executive director of Tianjin Tianlian.

Ms. Pang Yuk Fong, aged 47, has been an independent non-executive director of the Company since August 2006. She is an experienced Practising certified public accountant in Hong Kong with over 24 years' professional experience in the accounting and auditing. She is a fellow member of the Association of Chartered Certified Accountants and the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Company Secretaries and the Institute of Chartered Secretaries and Administrators. Ms. Pang holds a master of professional accounting degree from the Hong Kong Polytechnic University. Ms. Pang's professional career started in Deloitte Touche Tohmatsu. She has been the principal partner in Y. F. Pang & Co., Certified Public Accountants since 1990's and the managing director of AMC First Plan International Limited which is engaged in business advisory services in the Asia Pacific region. Ms. Pang was appointed by the Cuilong Copper International Holding Limited in 2006 as its independent non-executive director.

獨立非執行董事

羅維崑先生，74歲，自二零零六年八月起為本公司獨立非執行董事。羅先生一九六四年畢業於清華大學，獲土木工程學士學位，同年繼續攻讀研究生，於一九六七年獲土木工程研究生畢業文憑。其後於一九六八年至一九六九年擔任中國醫藥工業公司武漢分公司技術員，一九六九年至一九八五年先後擔任國家醫藥總局湖北製藥製劑分廠的技術員、副科長、科長、工程師和副總工程師。一九八六年至一九九二年任職天津市第二煤氣廠，期間曾任高級工程師、科長和副廠長，一九九二年至二零零零年擔任天津市公用局副總工程師，兼任天津市燃氣管理處總工程師。羅先生於二零零零年三月退休後，還曾任天津市燃氣管理處和天津市燃氣規劃辦公室顧問。羅先生目前擔任天津天聯獨立非執行董事。

彭玉芳女士，47歲，自二零零六年八月起為本公司獨立非執行董事。彭女士是一名擁有豐富經驗的香港執業會計師，在會計及核數方面擁有逾24年的專業經驗。彭女士是特許公認會計師公會及香港會計師公會資深會員、香港公司秘書公會及英國特許秘書及行政人員公會的會員，持有香港理工大學專業會計碩士學位。彭女士於德勤會計師事務所開始她的職業生涯。自90年代開始，彭女士是彭玉芳會計師事務所(執業會計師)的首席合夥人，她亦在向亞太區客戶提供商業顧問服務的聯亞專業顧問有限公司擔任董事總經理。彭女士於二零零六年獲Cuilong Copper International Holding Limited委任為其獨立非執行董事。

BIOGRAPHICAL INFORMATION OF DIRECTORS AND SENIOR MANAGEMENT

董事及高級管理層履歷資料

Mr. Wang Zhi He, aged 65, has been an independent non-executive director of the Company since August 2006. Mr. Wang is a senior accountant. Mr. Wang graduated from Anhui University of Finance and Economics in February 1972, and was assigned to finance department of Anhui Huaibei Mining Bureau and worked as a commissioner, deputy section chief, section chief, deputy director and director. Mr. Wang was transferred to the Ministry of Coal Industry in May 1995, and worked as a director of Asset Capital Management Division and State-owned Assets Management department. In October 1997, Mr. Wang was re-designated as a chief accountant of China Coal Construction Group Corporation, and worked as a deputy general manager and chief accountant in May 1999. Mr. Wang was transferred to Zhonglian Gas Company Limited and worked as a chief accountant in March 2004. Mr. Wang has years of relevant experience.

SENIOR MANAGEMENT

Mr. Lui Chi Keung, aged 55, has been appointed as the company secretary, qualified accountant and authorised representative of the Company since September 2007. Mr. Lui is a fellow member of the Hong Kong Institute of Certified Public Accountants. He is also a fellow member of the Association of Chartered Certified Accountants. Mr. Lui has over 30 years of experience in auditing, accounting, financial and business management.

王之和先生，65歲，自二零零六年八月起為本公司獨立非執行董事。王先生是一位高級會計師。王先生一九七二年二月畢業於安徽省財經學校，被分配到安徽淮北礦務局財務處工作，先後擔任專員、副科長、科長、副處長、處長。於一九九五年五月調到煤炭工業部工作，先後任資產资金管理處及國有資產管理處處長。於一九九七年十月調到中煤建設集團公司任總會計師。於一九九九年五月任副總經理兼總會計師。於二零零四年三月調到中聯煤氣有限責任公司任總會計師。王先生累積多年相關工作經驗。

高級管理人員

呂志強先生，55歲，自二零零七年九月起獲委任為本公司之公司秘書、合資格會計師兼授權代表。呂先生為香港會計師公會資深會員，亦為特許公認會計師公會資深會員。呂先生於核數、會計、財務及商業管理方面積逾30年經驗。

DIRECTORS' REPORT

董事會報告

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2012.

PRINCIPAL ACTIVITIES

The Company is an investment holding company. The principal activities of its subsidiaries are set out in note 20 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2012 are set out in the consolidated income statement on page 60 to 61.

The state of affairs of the Group and the Company as at 31 December 2012 are set out in the consolidated and company statements of financial position on pages 62 to 63 and page 64 respectively. The cash flows of the Group are set out in the consolidated statement of cash flows on pages 67 to 68.

The Directors of the Company do not recommend the payment of a dividend for the year ended 31 December 2012.

SHARE CAPITAL AND RESERVES

Details of the movements in share capital of the Company during the year are set out in note 32(b) to the consolidated financial statements.

Movements in the reserves of the Group and the Company during the year are set out in page 65 and note 32(a) to the consolidated financial statements.

PROPERTY, PLANT AND EQUIPMENT

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

董事謹此提呈本集團截至二零一二年十二月三十一日止年度之年報及經審核綜合財務報表。

主要業務

本公司為投資控股公司。其附屬公司之主要業務載於財務報表附註20。

業績及分派

本集團截至二零一二年十二月三十一日止年度之業績載於第60至61頁的綜合收益表。

本集團及本公司於二零一二年十二月三十一日之營運狀況分別載於第62至63頁及64頁之綜合及本公司之財務狀況表。本集團之現金流量載於第67至68頁之綜合現金流量表。

本公司董事不建議就截至二零一二年十二月三十一日止年度派付股息。

股本及儲備

本公司於年內之股本變動詳情載於綜合財務報表附註32(b)。

本集團及本公司於年內之儲備變動載於第65頁及綜合財務報表附註32(a)。

物業、機器及設備

有關本集團及本公司之物業、機器及設備變動詳情載於綜合財務報表附註16。

DISTRIBUTABLE RESERVES

In accordance with the Companies Law (Revised) of the Cayman Islands and the Company's articles of association, the Company's reserves available for distribution to its shareholders comprise share premium, translation reserve and accumulated losses which in aggregate amounted to approximately 709,410,000 as at 31 December 2012 (2011: RMB773,041,000). The distributable reserves are available for distribution provided that immediately following the date on which the dividend is proposed, the Company will be able to pay off its debt as they fall due in the ordinary course of business.

DIRECTORS

The Directors who held office during the year were:

Executive Directors

Mr. Wang Zhong Sheng (*Chairman*)
Mr. Feng San Li (*Chief executive officer*)
(retired on 26 November 2012)
Mr. Shi Liang
Mr. Zhang Qing Lin
Mr. Fu Shou Gang
Mr. Kwok Shun Tim (appointed on 2 January 2013)

Independent Non-Executive Directors

Mr. Luo Wei Kun
Ms. Pang Yuk Fong
Mr. Wang Zhi He

In accordance with article 87 of the Company's articles of association, Mr. Fu Shou Gang, Mr. Mr. Kwok Shun Tim and Mr. Zhang Qing Lin shall retire at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The term of office for each of independent non-executive Directors is the period up to his retirement by rotation and re-election at annual general meeting of the Company in accordance with the provisions of the articles of association of the Company.

可分派儲備

根據開曼群島公司法(經修訂)及本公司組織章程細則，本公司可供向其股東分派的儲備包括股份溢價、換算儲備及累計虧損，於二零一二年十二月三十一日總計約為人民幣709,410,000元(二零一一年：人民幣773,041,000元)。可分派儲備可作分派的前提是於緊接建議宣派股息日期之後，本公司將有能力支付其於日常業務中的到期債務。

董事

於年內之在任董事如下：

執行董事

王忠勝先生(主席)
馮三利先生(行政總裁)
(於二零一二年十一月二十六日退任)
施亮先生
張慶林先生
付壽剛先生
郭純恬先生(於二零一三年一月二日獲委任)

獨立非執行董事

羅維崑先生
彭玉芳女士
王之和先生

根據本公司組織章程細則第87條，付壽剛先生、郭純恬先生和張慶林先生須要在即將舉行的股東週年大會退任，並符合規定及願意膺選連任。

各獨立非執行董事的任期為直至彼根據本公司組織章程細則的條款於本公司股東週年大會輪值退任及重選為止。

DIRECTORS' REPORT

董事會報告

Biographical information of the Directors is set out on page 35 to page 39 of this report.

The Company has received from each of the independent non-executive Directors an annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers the independent non-executive Directors have remained independent.

DIRECTORS' SERVICE CONTRACTS

None of the Directors has a service contract with the Company or any of its subsidiaries which is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' AND SENIOR MANAGEMENT'S REMUNERATION

Details of Directors' and senior management's remuneration for the year are set out in note 9 to the consolidated financial statements.

The Directors' remuneration are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group.

DIRECTORS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No other contract of significance in relation to the Group's business subsisted at the year-end or any time during the year to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly.

有關該等董事之履歷資料載於本報告第35至39頁。

本公司已接獲各獨立非執行董事根據創業板上市規則第5.09條就其獨立性而作出之年度確認函。本公司認為有關獨立非執行董事仍為獨立人士。

董事服務合約

董事均無與本公司或其任何附屬公司訂立本集團不可於一年內免付補償(法定補償除外)而終止之服務合約。

董事及高級管理層之酬金

董事及高級管理層於年內之酬金詳情載於綜合財務報表附註9。

董事酬金須由股東於股東大會批准。其他酬金由董事會參考董事之職務、責任及表現以及本集團業績後釐定。

董事於重大合約之權益

本公司或其任何附屬公司於年終或年內任何時間概無訂有任何董事於其中佔有重大權益(不論直接或間接)且與本集團業務有關之其他重大合約。

COMPETING INTERESTS

None of the Directors or the management shareholders of the Company or any of their respective associates (as defined in the GEM Listing Rules) had an interest in a business which causes or may cause any significant competition with the business of the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on Information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS OR SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2012, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

競爭權益

本公司董事或管理層股東或任何彼等各自之聯繫人士(定義見創業板上市規則)概無於對或可能對本集團業務構成重大競爭之業務中擁有任何權益。

足夠公眾持股量

根據本公司可公開取得的資料，並就董事所知，於本報告日期，本公司已發行股本總額中有最少25%由公眾人士持有。

董事及主要行政人員於股份、相關股份及債券之權益或淡倉

於二零一二年十二月三十一日，按本公司根據證券及期貨條例(「證券及期貨條例」)第352條規定而存置之登記冊所記錄，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準已知會本公司及聯交所，董事及本公司主要行政人員在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份及債券中之權益及淡倉如下：

DIRECTORS' REPORT

董事會報告

(a) Long positions in shares, underlying shares and debentures of the Company

(a) 於本公司股份、相關股份及債券之好倉

Name	Capacity	Nature of Interest	Number of ordinary shares/ underlying shares 普通股份／相關 股份數目	Approximate % of shareholdings 持股概約 百分比
姓名	身份	權益性質		
Mr. Wang Zhong Sheng	Interest of controlled corporation	Corporate interest	120,790,000 (Note 1)	3.06%
王忠勝先生	受控法團權益	公司權益	(附註1)	
Mr. Wang Zhong Sheng	Beneficial owner	Personal	2,102,512,887 (Note 2)	53.33%
王忠勝先生	實益擁有人	個人	(附註2)	
Mr. Zhang Qing Lin	Beneficial Owner	Personal	2,500,000 (Note 3)	0.06%
張慶林先生	實益擁有人	個人	(附註3)	
Mr. Fu Shou Gang	Beneficial Owner	Personal	2,500,000 (Note 4)	0.06%
付壽剛先生	實益擁有人	個人	(附註4)	

Notes:

附註：

1. Such shares are owned by Jumbo Lane Investments Limited.

1. 該等股份由寶連投資有限公司擁有。

Mr. Wang Zhong Sheng owns 100% interest in the issued share capital of Jumbo Lane Investments Limited and he is taken to be interested in the shares owned by Jumbo Lane Investments Limited pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

王忠勝先生擁有寶連投資有限公司已發行股本之100%權益，根據香港法例第571章證券及期貨條例第XV部，王忠勝先生被視為於寶連投資有限公司擁有之股份中擁有權益。

DIRECTORS' REPORT 董事會報告

2. Out of the 2,102,512,887 long positions, Mr. Wang is interested as (i) a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011; (ii) a holder of convertible bonds convertible to 1,119,230,769 conversion shares; and (iii) a beneficial owner of 980,782,118 issued shares of the Company.
3. Mr. Zhang Qing Lin is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011.
4. Mr. Fu Shou Gang is interested as a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011.
2. 王先生分別以下列形式擁有該2,102,512,887股股份之好倉：(i)購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權；(ii)可換股債券之持有人，擁有可轉換為1,119,230,769股轉換股份的可換股債券；及(iii)股份之實益擁有人，擁有980,782,118股本公司已發行股份。
3. 張慶林先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。
4. 付壽剛先生為購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權。

DIRECTORS' REPORT

董事會報告

(b) Associated corporations — interests in shares

(b) 相聯法團—股份權益

Director	Name of associated corporation	Nature of Interest	Percentage of interests in the registered capital of the associated corporation 佔該相聯法團註冊資本之權益百分比
董事	相聯法團名稱	權益性質	權益百分比
Mr. Wang Zhong Sheng	Jumbo Lane Investments Limited (Note 1)	Personal	100%
王忠勝先生	寶連投資有限公司(附註 1)	個人	

Note:

- Jumbo Lane Investments Limited is a holding Company of the Group, owns 3.06% of the shareholding of the Group. Mr. Wang owns 100% interest in the issued share capital of Jumbo Lane Investments Limited.

附註：

- 寶連投資有限公司為本集團的控股公司，擁有本集團3.06%的股權。王先生持有寶連投資有限公司已發行股本之100%權益。

Save as disclosed above, as at 31 December 2012, none of the Directors or chief executive of the Company had any other interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which were otherwise required, pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange. The Group had not issued any debentures during the period.

除上文披露者外，於二零一二年十二月三十一日，董事或本公司主要行政人員概無在本公司或其任何相聯法團(定義見證券及期貨條例第XV部)之股份、相關股份或債券中擁有根據證券及期貨條例第352條規定而須載入該條例所述登記冊內，或根據創業板上市規則第5.46條所述上市發行人董事進行交易的規定標準而須知會本公司及聯交所之任何其他權益或淡倉。本集團並無於本期間發行任何債券。

SUBSTANTIAL SHAREHOLDERS AND PERSONS WITH DISCLOSEABLE INTEREST AND SHORT POSITION IN SHARES AND OPTIONS UNDER SFO

As at the 31 December 2012, so far as is known to the Directors and the chief executive of the Company, the following persons, other than a Director or chief executive of the Company, had an interest or a short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, or held any option in respect of such capital:

Long positions in shares

Name 姓名	Number of Shares 股份數目	Nature of Interest 權益性質	Percentage of shareholding 持股百分比
Mr. Wang Zhong Sheng (Note 1) 王忠勝先生(附註1)	120,790,000	Interest of controlled corporation 受控法團權益	3.06%
Mr. Wang Zhong Sheng (Note 2) 王忠勝先生(附註2)	2,102,512,887	Personal 個人	53.33%
Ms. Zhao Xin (Note 3) 趙馨女士(附註3)	120,790,000	Interest of spouse 配偶之權益	3.06%
Ms. Zhao Xin (Note 4) 趙馨女士(附註4)	2,102,512,887	Interest of spouse 配偶之權益	53.33%

Notes:

- Such shares represent the same parcel of shares owned by Jumbo Lane Investments Limited. Mr. Wang Zhong Sheng is the beneficial owner of the 100% of the total issued share capital of Jumbo Lane Investments Limited. Mr. Wang is taken to be interested in the shares owned by Jumbo Lane Investments Limited pursuant to the SFO.

主要股東及於股份及購股權擁有根據證券及期貨條例須予披露之權益及淡倉之人士

於二零一二年十二月三十一日，就本公司董事及主要行政人員所知，下列人士(本公司董事或主要行政人員除外)於股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露之權益或淡倉，或直接或間接擁有附帶權利可於任何情況下在本集團任何其他成員公司之股東大會上投票之任何類別股本面值10%或以上之權益或淡倉，或持有該等股本之購股權：

股份之好倉

附註：

- 此等股份即由寶連投資有限公司持有之同一批股份。王忠勝先生實益擁有寶連投資有限公司已發行股本總額之100%。根據證券及期貨條例，王先生被視作擁有寶連投資有限公司所持股份之權益。

DIRECTORS' REPORT

董事會報告

2. Out of the 2,102,512,887 long positions, Mr. Wang Zhong Sheng is interested as (i) a grantee of options to subscribe for 2,500,000 shares under the share option scheme adopted by the Company on 18 May 2011; (ii) a holder of convertible bonds convertible to 1,119,230,769 conversion shares; and (iii) a beneficial owner of 980,782,118 issued shares of the Company.
2. 王忠勝先生分別以下列形式擁有該2,102,512,887股股份之好倉：(i)購股權之承授人，擁有可根據本公司於二零一一年五月十八日採納的購股權計劃認購2,500,000股股份的購股權；(ii)可換股債券之持有人，擁有可轉換為1,119,230,769股轉換股份的可換股債券；及(iii)股份之實益擁有人，擁有980,782,118股本公司已發行股份。
3. Ms. Zhao Xin (the spouse of Mr. Wang Zhong Sheng) is deemed to be interested in her spouse's interest in the Company which represent the same parcel of shares held by Jumbo Lane Investments Limited pursuant to the SFO.
3. 根據證券及期貨條例，趙馨女士(王忠勝先生之配偶)被視作於本公司擁有其配偶權益之權益，即由寶連投資有限公司持有之同一批股份。
4. Ms. Zhao Xin (the spouse of Mr. Wang Zhong Sheng) is deemed to be interested in her spouse's interest in the Company pursuant to the SFO.
4. 根據證券及期貨條例，趙馨女士(王忠勝先生之配偶)被視為於本公司擁有其配偶權益之權益。

Save as disclosed above, as at 31 December 2012 no other person (other than the Directors or chief executive of the Company) had an interest or short positions in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

除上文披露者外，按根據證券及期貨條例第336條規定本公司須予存置之登記冊所記錄，於二零一二年十二月三十一日，並無其他人士(董事或本公司主要行政人員除外)於本公司股份及相關股份中擁有權益或淡倉。

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBENTURES

董事及主要行政人員購買股份或債券之權利

Apart from as disclosed under the heading "Directors' and Chief Executive's Interests and Long Positions in Shares and Underlying Shares" above and in the section "Share Option Scheme" below, at no time during the year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Director or their respective spouse or minor children or chief executive or were any such rights exercised by them; or 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.

除上文「董事及主要行政人員於股份及相關股份之權益及好倉」及下文「購股權計劃」所披露者外，於本年度內任何時間，概無授予任何董事或彼等各自之配偶或未成年子女或主要行政人員透過購買本公司股份或債券之方法而獲得利益之權利，或彼等亦無行使任何該等權利；或本公司或其任何附屬公司概無訂立任何安排，致使董事可購買任何其他法人團體之該等權利。

SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed on 18 May 2011, the Company's share option scheme adopted on 28 July 2003 (the "Old Share Option Scheme") was terminated and a new share option scheme (the "New Share Option Scheme") was adopted which will remain in force for a period of 10 years from adoption of the New Share Option Scheme and will expire on 17 May 2021. On 30 May 2011, the Board approved to grant options in respect of 258,300,000 ordinary shares to the Company's Directors, employees and consultants under the New Share Option Scheme.

There were no share options that had been granted remained outstanding under the Old Share Option Scheme prior to its termination.

For details of the New Share Option Scheme, please refer to the circular of the Company dated 20 April 2011 and note 33 to the financial statements.

購股權計劃

根據於二零一一年五月十八日通過的普通決議案，本公司於二零零三年七月二十八日採納的購股權計劃（「舊購股權計劃」）已告終止，及新的購股權計劃（「新購股權計劃」）已被採納，並將自採納新購股權計劃起十年期間內持續有效，將於二零二一年五月十七日屆滿。於二零一一年五月三十日，董事會批准根據新購股權計劃授予本公司董事、僱員及諮詢顧問購股權以認購258,300,000股普通股。

於舊購股權計劃終止前，已無根據其授出但尚未行使的購股權。

有關新購股權計劃之詳情，請參閱本公司日期為二零一一年四月二十日之通函及財務報表附註33。

DIRECTORS' REPORT

董事會報告

Information in relation to share options disclosed in accordance with the GEM Listing Rules was as follows:

根據創業板上市規則所披露有關購股權的資料如下：

Name and category of participants	As at 1 January 2012	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period	As at 31 December 2012 於二零一二年十二月三十一日	Date of grant of share options	Exercise period of share options	Exercise price per share option	Share price of the Company as at the date of grant of share options
參與者姓名及類別	於二零一二年一月一日	期內已授出	期內已行使	期內註銷/失效	十二月三十一日	購股權授出日期	購股權行使期	每份購股權行使價	於購股權授出日期本公司股價
<i>Executive Directors</i>									
<i>執行董事</i>									
Mr. Wang Zhong Sheng 王忠勝先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Mr. Zhang Qing Lin 張慶林先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Mr. Fu Shou Gang 付壽剛先生	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
Mr. Feng San Li (retired on 26 November 2012) 馮三利先生(於二零一二年十一月二十六日退任)	2,500,000	—	—	—	2,500,000	30/5/2011	30/5/2011 - 29/5/2021	0.495	0.495
	10,000,000	—	—	—	10,000,000				
Employees 僱員	43,690,000	—	—	(3,950,000)	39,740,000	30/5/2011	30/5/2011-29/5/2021	0.495	0.495
Consultants 顧問	200,020,000	—	—	—	200,020,000	30/5/2011	30/5/2011-29/5/2021	0.495	0.495
	253,710,000	—	—	(3,950,000)	249,760,000				

DIRECTORS' REPORT

董事會報告

Notes:

附註：

- (i) The terms and conditions of the grants that existed during the period are as follows:
- (i) 期內存續之授出條款及條件如下：

	Number of options 購股權數目	Vesting conditions 歸屬條件	Contractual life of options 購股權合約年期
Options granted: 已授出購股權：			
30 May 2011 二零一一年五月三十日	215,220,000	Vest immediately 即時歸屬	10 years 十年
30 May 2011 二零一一年五月三十日	43,080,000	Half on each of the first and second anniversaries of grant date 授出日期之首個及第二個週年日每次一半	10 years 十年

- (ii) The number and weighted average exercise prices of options are as follows:
- (ii) 購股權之數目及加權平均行使價如下：

		Weighted average exercise price 加權平均行使價 HK\$ 港元	Number of options 購股權數目
Outstanding as at 1 January 2012	於二零一二年一月一日未行使	0.495	253,710,000
Granted during the period	期內已授出	—	—
Outstanding as at 31 December 2012	於二零一二年十二月三十一日未行使	0.495	249,760,000
Exercisable as at 31 December 2012	於二零一二年十二月三十一日可行使	0.495	229,990,000

The options outstanding as at 31 December 2012 had an exercise price of HK\$0.495 and a weighted average remaining contractual life of 8.4 years.

於二零一二年十二月三十一日之未行使購股權之行使價為0.495港元，餘下之加權平均合約年期為8.4年。

DIRECTORS' REPORT

董事會報告

MAJOR TRANSACTIONS AND EVENTS

Finance Lease Agreement

On 21 May 2012, Shanxi Qinshui Shuntai Energy Development Company Limited ("Qinshui Energy"), a direct wholly-owned subsidiary of the Company entered into a conditional finance lease agreement in relation to the sale and lease of equipments ("Finance Lease Agreement") with CIMC Capital Limited ("CIMC"), pursuant to which, (i) Qinshui Energy conditionally agreed to sell, and CIMC conditionally agreed to purchase certain liquefied natural gas equipment for a total consideration of RMB95,000,000 (approximately HK\$117,283,950.62); and (ii) Qinshui Energy conditionally agreed to lease from CIMC, and CIMC conditionally agreed to lease to Qinshui Energy, the said equipment for a total lease consideration of RMB114,570,000 (approximately HK\$141,444,444.44) for a term of 36 months by monthly installments inclusive of interest with a lump sum handling fee in the sum of RMB950,000 (approximately HK\$1,172,839.51). The lease consideration may be adjusted according to the floating lending interest rate to be promulgated by People's Bank of China from time to time.

As the applicable percentage ratios of the Finance Lease Agreement exceed 25% but less than 100%, the Finance Lease Agreement constitutes a major transaction on the part of the Company under Chapter 19 of the GEM Listing Rules. Therefore, the Finance Lease Agreement is subject to the requirements of announcement and the approval of the shareholders by way of poll at the extraordinary general meeting of the Company.

For details, please refer to the announcements of the Company dated 21 May 2012, 28 June 2012, 30 August 2012, 18 October 2012, 30 November 2012, 31 January 2013 and 25 February 2013 respectively.

As at the date of this report, the Company has received pre-payment of RMB47,500,000 from CIMC as deposit, for which the Group has provided certain pledge as security for the said pre-payment, The relevant pledges will be released by CIMC upon return of the said pre-payment.

主要交易及事項

融資租賃協議

於二零一二年五月二十一日，本公司的直接全資附屬公司山西沁水順泰能源發展有限公司（「沁水能源」）與中集融資租賃有限公司（「中集」）簽訂一份有關設備出售及租賃的有條件融資租賃協議（「融資租賃協議」），據此，(i)沁水能源有條件同意出售及中集有條件同意購買若干液化天然氣液化裝置設備，總代價為人民幣95,000,000元（約117,283,950.62港元）；及(ii)沁水能源有條件同意向中集承租，而中集有條件同意向沁水能源出租上述設備，總租賃代價為人民幣114,570,000元（約141,444,444.44港元），為期36個月（按月分期付款，包括利息），及一筆過手續費合共人民幣950,000元（約1,172,839.51港元）。租賃代價可根據中國人民銀行不時公佈的浮動借貸利率作出調整。

根據創業板上市規則第19章，由於融資租賃協議的適用百分比率高於25%但低於100%，故融資租賃協議構成本公司的一項主要交易。因此，融資租賃協議須遵守公佈規定，且須待股東於本公司股東特別大會上以投票方式批准後，方可作實。

有關詳情請參閱本公司日期分別為二零一二年五月二十一日、二零一二年六月二十八日、二零一二年八月三十日、二零一二年十月十八日、二零一二年十一月三十日、二零一三年一月三十一日及二零一三年二月二十五日之公佈。

於本報告日期，本公司已收到中集之預付款人民幣47,500,000元作為按金，本集團已就上述預付款提供若干抵押作為抵押品。相關抵押將於退還上述預付款時由中集解除。

Non-legally Binding Cooperation Agreement

On 28 February 2012, the Company entered into a framework agreement (the "Cooperation Agreement") to cooperate with Longmen Hui Cheng Investment Limited (龍門匯成投資有限公司) ("Longmen Hui Cheng"). Pursuant to the Cooperation Agreement, the Company wished to closely co-operate with Longmen Hui Cheng in all areas and intends to form a strategic alliance with Longmen Hui Cheng in China's coalbed methane gas sector to form a vertically integrated alliance to cover all the upstream, midstream and downstream areas in the coalbed methane gas value chain (the "Cooperation Project"). Both parties have agreed that a joint working group will be formed immediately following the signing of the Cooperation Agreement to push forward the subsequent signing of a formal agreement. As at the date of this report, no binding agreement in relation to the Cooperation Project has been entered into and the Cooperation Project may or may not proceed. For details, please refer to the announcement of the Company dated 29 February 2012.

Change of auditors

CCIF CPA Limited ("CCIF") has resigned as the auditor of the Company with effect from 25 July 2012. HLB Hodgson Impey Cheng Limited has been appointed to replace CCIF as the Company's statutory auditors with effect from 25 July 2012. For details, please refer to the announcement of the Company dated 25 July 2012.

MAJOR CUSTOMERS AND SUPPLIERS

For the year under review, the top five customers of the Group together accounted for approximately 28.9% of the Group's total sales for the year while the single largest customers accounted for approximately 13.2% of the Group's total sales during the year.

不具法律約束力的合作協議

於二零一二年二月二十八日，本公司與龍門匯成投資有限公司（「龍門匯成」）訂立有關與龍門匯成進行合作的框架協議（「合作協議」）。根據合作協議，本公司希望與龍門匯成全面開展緊密合作，並計劃建立中國煤層氣行業的戰略聯盟，共同打造「煤層氣產業上游、中游、下游一體化的產業鏈條」（「合作項目」）。雙方約定，在合作協議簽訂後立即組建聯合工作小組，推動後續正式協議簽署工作。截至本報告日期為止，尚未就合作項目訂立具約束力協議，而合作項目最終可能會或可能不會進行。有關詳情請參閱本公司日期為二零一二年二月二十九日的公佈。

更換核數師

陳葉馮會計師事務所有限公司（「陳葉馮會計師事務所」）已辭任本公司核數師，自二零一二年七月二十五日起生效。本公司已委任國衛會計師事務所有限公司取代陳葉馮會計師事務所擔任本公司法定核數師，自二零一二年七月二十五日起生效。詳情請參閱本公司日期為二零一二年七月二十五日之公佈。

主要客戶及供應商

於回顧年內，本集團五大客戶合共佔本集團年內總銷售額約28.9%，而最大單一客戶則佔本集團年內總銷售額約13.2%。

DIRECTORS' REPORT

董事會報告

The top five suppliers of the Group for the year under review together accounted for approximately 97.5% of the Group's total purchases for the year and the single largest supplier accounted for approximately 46.7% of the Group's total purchases.

None of the Directors, their respective associates or any shareholders of the Company who owns more than 5% of the issued share capital of the Company has any interests in the Group's five largest customers and suppliers above mentioned.

CONTINGENT LIABILITIES

A customer initiated claims against a subsidiary of the Group for compensation of approximately RMB6,954,000 arising from alleged failure on the part of the subsidiary to supply gas under contract. The Directors of the Company consider, based on the legal advice obtained from the Group's legal counsel, that the subsidiary has a valid defence against the above claim and, accordingly, no provision has been made in these financial statement in relation to these proceedings.

AMOUNT OF CAPITALISED INTEREST

Save as disclosed in this report, no interest has been capitalised by the Group during the year.

RETIREMENT BENEFITS SCHEMES

Particular of the retirement benefits schemes of the Group are set out in note 34 to the consolidated financial statements.

CONVERTIBLE SECURITIES, WARRANTS OR SIMILAR RIGHTS

The Company had outstanding convertible bonds convertible to 1,119,230,769 conversion shares and outstanding options to subscribe for 249,760,000 shares under the share option scheme adopted on 18 May 2011. Details are disclosed in note 30 and note 33 to the financial statements respectively.

本集團五大供應商於回顧年內合共佔本集團年內總採購額約97.5%，而最大單一供應商則佔本集團總採購額約46.7%。

董事、彼等各自之聯繫人士或任何擁有本公司已發行股本5%以上之本公司股東概無於上述本集團五大客戶及供應商中擁有任何權益。

或然負債

一名顧客對本集團的其中一家附屬公司提出申索，聲稱因附屬公司的問題而未有按合約提供天然氣，要求賠償約人民幣6,954,000元。根據從本集團法律顧問獲得的法律意見，本公司董事認為附屬公司對所述申索有合理辯護，因此毋需為這些法律程序在財務報表中撥備。

已撥充資本之利息金額

除本報告所披露者外，本集團於年內並無將任何利息撥充資本。

退休福利計劃

本集團退休福利計劃詳情載於綜合財務報表附註34。

可換股證券、認股權證或類似權利

本公司尚存可轉換為1,119,230,769股轉換股份的未償還可換股債券，及於二零一一年五月十八日採納的購股權計劃項下可認購249,760,000股股份的仍未行使購股權。詳情分別披露於財務報表的附註30及附註33。

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's articles of association, or the laws of Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

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

RETIREMENT OF EXECUTIVE DIRECTOR AND RESIGNATION OF CHIEF EXECUTIVE OFFICER

Mr. Feng San Li was appointed as the executive Director and the chief executive officer of the Company with effect from 17 June 2011 and retired as an executive Director and resigned from the office of Chief Executive Officer with effect from 26 November 2012.

APPOINTMENT OF EXECUTIVE DIRECTOR

Mr. Kwok Shun Tim was appointed as the executive Director of the Company with effect from 2 January 2013.

優先購買權

本公司之公司組織章程細則或開曼群島法例並無訂有有關優先購買權之條文，規定本公司須向現有股東按比例提呈發售新股份。

購買、出售或贖回本公司上市證券

於本年度內，本公司及其任何附屬公司概無購入、出售或贖回本公司任何上市證券或其任何附屬公司的證券。

執行董事的退任及行政總裁的辭任

馮三利先生獲委任為本公司之執行董事兼行政總裁，自二零一一年六月十七日起生效，並於二零一二年十一月二十六日退任本公司之執行董事並辭任本公司行政總裁一職。

執行董事的委任

郭純恬先生獲委任為本公司執行董事，自二零一三年一月二日起生效。

DIRECTORS' REPORT

董事會報告

POST BALANCE SHEET EVENT

On 14 March 2013, the Company and Vision Finance International Company Limited (the "Placing Agent") entered into the Placing Agreement on 14 March 2013, whereby the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, a maximum of 400,000,000 Placing Shares to independent investors at a price of HK\$0.25 per Placing Share. The 400,000,000 Placing Shares represent (i) approximately 9.99% of the existing issued share capital of the Company of 4,002,505,023 Shares; and (ii) approximately 9.09% of the Company's issued share capital of 4,402,505,023 Shares as enlarged by completion of the Placing. The maximum net proceeds from the Placing of approximately HK\$96.4 million which will be used for the drilling of wells and natural gas pipeline construction work. The placing has not been completed as of the date of this report.

AUDITORS

The accounts for the year ended 31 December 2010 were audited by CCIF CPA Limited. CCIF CPA Limited resigned as auditor of the Company with effect from 25 July 2012 and HLB Hodgson Impey Cheng Limited were appointed as auditors of the Company on 25 July 2012 to fill the casual vacancy so arising.

The accounts for the years ended 31 December 2011 and 2012 were audited by HLB Hodgson Impey Cheng Limited whose term of office will expire upon the annual general meeting. A resolution for the re-appointment of HLB Hodgson Impey Cheng Limited as the auditors of the Company for the subsequent year is to be proposed at the forthcoming annual general meeting.

By order of the Board

Wang Zhong Sheng
Chairman

27 March 2013

結算日後事項

於二零一三年三月十四日，本公司與睿智金融國際有限公司（「配售代理」）於二零一三年三月十四日訂立配售協議，據此本公司有條件同意透過配售代理按竭誠基準配售最多400,000,000股配售股份予獨立投資者，每股配售股份作價0.25港元。400,000,000股配售股份相當於(i)本公司現有已發行股本4,002,505,023股股份約9.99%；及(ii)本公司經配售完成所擴大之已發行股本4,402,505,023股股份約9.09%。配售之最高所得款項淨額約為96,400,000港元，擬用於打井及天然氣管道建設工程。截至本報告日期，配售尚未完成。

核數師

截至二零一零年十二月三十一日止年度的賬目乃由陳葉馮會計師事務所有限公司審核。陳葉馮會計師事務所有限公司已辭任本公司核數師，自二零一二年七月二十五日起生效，而本公司亦於二零一二年七月二十五日委任國衛會計師事務所有限公司出任核數師，以填補該臨時空缺。

截至二零一一年及二零一二年十二月三十一日止年度的賬目乃由國衛會計師事務所有限公司審核，其任期將於股東週年大會屆滿。有關重新委任國衛會計師事務所有限公司為本公司核數師的決議案將於即將舉行的股東週年大會上提呈。

承董事會命

王忠勝
主席

二零一三年三月二十七日

INDEPENDENT AUDITORS' REPORT

獨立核數師報告



國衛會計師事務所有限公司
Hodgson Impey Cheng Limited

Chartered Accountants
Certified Public Accountants

31/F, Gloucester Tower
The Landmark
11 Pedder Street
Central
Hong Kong

香港
中環
畢打街11號
置地廣場
告羅士打大廈31樓

To the shareholders of China Leason CBM & Shale Gas Group Company Limited

(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of China Leason CBM & Shale Gas Group Company Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 60 to 210, which comprise the consolidated and company statements of financial position as at 31 December 2012, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

致中國聯盛煤層氣頁岩氣產業集團有限公司全體股東

(於開曼群島註冊成立之有限公司)

吾等已審核載於第60至210頁之中國聯盛煤層氣頁岩氣產業集團有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)之綜合財務報表，包括於二零一二年十二月三十一日之綜合財務狀況表及 貴公司財務狀況表，以及截至該日止年度的綜合收益表、綜合全面收益表、綜合權益變動表及綜合現金流量表，以及主要會計政策概要及其他附註解釋。

董事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佈的香港財務報告準則及香港公司條例的披露規定編製及真實而公平地列報綜合財務報表，並落實其認為編製綜合財務報表所必要的內部控制，以確保綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2012, and of the Group's loss and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

核數師的責任

吾等的責任乃根據審核工作對該等綜合財務報表表達意見，並僅向全體股東報告，除此以外本報告概不可用作其他用途。吾等概不就本報告的內容向任何其他人士承擔或負上任何責任。吾等已根據香港會計師公會頒佈之《香港核數準則》進行審核。該等準則規定吾等須遵守道德規定，並計劃及進行審核，以合理確定此等綜合財務報表是否不存有任何重大錯誤陳述。

審核包括進程序以獲取有關綜合財務報表所載金額及披露資料的審核憑證。所選定的程序取決於核數師的判斷，包括評估由於欺詐或錯誤而導致綜合財務報表存有重大錯誤陳述的風險。在評估該等風險時，核數師考慮與實體編製及真實而公平地列報綜合財務報表相關的內部監控，以設計適當的審核程序，但並非為對實體的內部監控的有效性發表意見。審核亦包括評價董事所採用的會計政策是否恰當及所作出的會計估算是否合理，以及評價綜合財務報表的整體列報方式。

吾等相信，吾等所獲得的審核憑證是充足和適當地為吾等的審核意見提供基礎。

意見

吾等認為，該等綜合財務報表已根據香港財務報告準則真實而公平地反映 貴公司及貴集團於二零一二年十二月三十一日之財務狀況，及 貴集團截至該日止年度之虧損及現金流量，並按照香港公司條例的披露規定妥為編製。

INDEPENDENT AUDITORS' REPORT

獨立核數師報告

EMPHASIS OF MATTER

Without qualifying our opinion, we draw attention to Note 2(b) to the consolidated financial statements which indicates that the Group incurred a net loss of approximately RMB61,462,000 during the year ended 31 December 2012 and, as of that date, the Group's current liabilities exceeded its current assets by approximately RMB196,515,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern.

HLB Hodgson Impey Cheng Limited

Chartered Accountants

Certified Public Accountants

Jonathan T. S. Lai

Practising Certificate Number: P04165

Hong Kong, 27 March 2013

強調事項

儘管吾等並無保留意見，惟吾等謹請股東垂注，綜合財務報表附註2(b)顯示 貴集團於截至二零一二年十二月三十一日止年度錄得淨虧損約人民幣61,462,000元，而於該日期，貴集團的流動負債較其流動資產多出約人民幣196,515,000元。該等狀況顯示存在重大不確定性，其可能令 貴集團持續經營的能力出現重大疑問。

國衛會計師事務所有限公司

英國特許會計師

香港執業會計師

黎德誠

執業證書編號：P04165

香港，二零一三年三月二十七日

CONSOLIDATED INCOME STATEMENT

綜合收益表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Turnover	營業額	5	183,834	253,849
Cost of sales	銷售成本		(212,295)	(239,678)
Gross (loss)/profit	(毛虧)／毛利		(28,461)	14,171
Other income and gains	其他收入及收益	6	55,661	36,115
Distribution costs	分銷成本		(2,003)	(1,733)
Administrative expenses	行政開支		(47,249)	(59,329)
Other operating expenses	其他經營開支		(4,861)	(4,260)
Finance costs	財務費用	7(c)	(7,214)	(8,762)
Fair value (loss)/gain on other financial assets	其他金融資產之公平值 (虧損)／收益	22	(17,051)	17,051
Fair value loss on the derivative component of convertible bonds	可換股債券衍生部份 之公平值虧損	30	—	(6,487)
Impairment loss on goodwill	商譽減值虧損	15	(2,339)	(21,492)
Loss before taxation	除稅前虧損	7	(53,517)	(34,726)
Income tax	所得稅	8(a)	(7,945)	(14,609)
Loss for the year	本年度虧損		(61,462)	(49,335)
Attributable to:	下列應佔：			
Equity shareholders of the Company	本公司權益股東		(55,130)	(45,016)
Non-controlling interests	非控股權益		(6,332)	(4,319)
			(61,462)	(49,335)
			RMB 人民幣	RMB 人民幣
Loss per share	每股虧損	13		
— Basic	— 基本		(1.40) cents分	(1.53) cents分
— Diluted	— 攤薄		(1.40) cents分	(1.53) cents分

The notes on pages 69 to 210 form part of these consolidated financial statements.

第69頁至210頁之附註組成此等綜合財務報表其中部份。

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

綜合全面收益表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Loss for the year	本年度虧損	(61,462)	(49,335)
Other comprehensive (expense)/ income for the year	本年度其他全面(開支)/收入		
Exchange differences on translation of financial statements of foreign subsidiaries	換算境外附屬公司財務報表 之匯兌差額	(22)	2,231
Total comprehensive expense for the year	本年度全面開支總額	(61,484)	(47,104)
Total comprehensive expense attributable to:	下列人士應佔全面開支總額：		
Equity shareholders of the Company	本公司權益股東	(55,152)	(42,785)
Non-controlling interests	非控股權益	(6,332)	(4,319)
		(61,484)	(47,104)

The notes on pages 69 to 210 form part of these consolidated financial statements.

第69頁至210頁之附註組成此等綜合財務報表其中部份。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2012 於二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Goodwill	商譽	15	267,298	269,637
Property, plant and equipment	物業、機器及設備	16(a)	601,503	481,040
Prepaid lease payments for land under operating leases	經營租約下預付土地租金	17	34,309	35,119
Intangible assets	無形資產	18	365,231	395,474
Deposits and prepayments	按金及預付款項	19	53,485	33,682
Deferred tax assets	遞延稅項資產	31(b)	152	189
			1,321,978	1,215,141
Current assets	流動資產			
Prepaid lease payments for land under operating leases	經營租約下預付土地租金	17	810	810
Financial assets at fair value through profit or loss	以公平值計入損益的金融資產	21	200	200
Other financial assets	其他金融資產	22	—	17,051
Inventories	存貨	23(a)	5,949	2,597
Trade and other receivables	應收賬款及其他應收款項	24	187,387	138,758
Tax recoverable	可收回稅項	31(a)	—	687
Cash and cash equivalents	現金及現金等值物	25	29,437	21,698
			223,783	181,801
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	26	280,191	127,400
Bank and other borrowings due within one year	一年內到期之銀行及其他借款	28	110,600	62,900
Obligations under finance leases	融資租約承擔	29	4,747	3,420
Provision	撥備	27	2,507	—
Tax payable	應付稅項	31(a)	22,253	13,556
			420,298	207,276
Net current liabilities	流動負債淨值		(196,515)	(25,475)
Total assets less current liabilities	總資產減流動負債		1,125,463	1,189,666

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2012 於二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Non-current liabilities	非流動負債			
Bank borrowings	銀行借款	28	5,400	—
Obligations under finance leases	融資租約承擔	29	1,405	4,256
Deferred tax liabilities	遞延稅項負債	31(b)	95,955	104,013
			102,760	108,269
Net assets	資產淨值		1,022,703	1,081,397
Capital and reserves	資本及儲備			
Share capital	股本	32(b)	34,828	34,828
Reserves	儲備		965,232	1,017,594
Equity attributable to equity shareholders of the Company	本公司權益股東應佔權益		1,000,060	1,052,422
Non-controlling interests	非控股權益		22,643	28,975
Total equity	總權益		1,022,703	1,081,397

Approved and authorised for issue by the board of directors on 27 March 2013.

董事會於二零一三年三月二十七日批准及授權刊發。

Wang Zhong Sheng

王忠勝

Director

董事

Kwok Shun Tim

郭純恬

Director

董事

The notes on pages 69 to 210 form part of these consolidated financial statements.

第69頁至210頁之附註組成此等綜合財務報表其中部份。

STATEMENT OF FINANCIAL POSITION

財務狀況表

At 31 December 2012 於二零一二年十二月三十一日

		Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Non-current assets	非流動資產			
Property, plant and equipment	物業、機器及設備	16(b)	688	1,529
Investments in subsidiaries	於附屬公司之投資	20	879,550	879,550
			880,238	881,079
Current assets	流動資產			
Other financial assets	其他金融資產	22	—	17,051
Trade and other receivables	應收賬款及其他應收款項	24	146,858	185,034
Cash and cash equivalents	現金及現金等值物	25	455	6,065
			147,313	208,150
Current liabilities	流動負債			
Trade and other payables	應付賬款及其他應付款項	26	8,751	9,540
Tax payable	應付稅項	31(a)	42	56
			8,793	9,596
Net current assets	流動資產淨值		138,520	198,554
Total assets less current liabilities	總資產減流動負債		1,018,758	1,079,633
Non-current liabilities	非流動負債			
Deferred tax liabilities	遞延稅項負債	31(b)	2,548	2,179
Net assets	資產淨值		1,016,210	1,077,454
Capital and reserves	資本及儲備			
Share capital	股本	32(b)	34,828	34,828
Reserves	儲備	32(a)	981,382	1,042,626
Total equity	總權益		1,016,210	1,077,454

Approved and authorised for issue by the board of directors on 27 March 2013.

董事會於二零一三年三月二十七日批准及授權刊發。

Wang Zhong Sheng
王忠勝
Director
董事

Kwok Shun Tim
郭純恬
Director
董事

The notes on pages 69 to 210 form part of these consolidated financial statements.

第69頁至210頁之附註組成此等綜合財務報表其中部份。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

Attributable to equity shareholders of the Company
本公司權益股東應佔

		Share capital	Share premium	Contributed surplus	General reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	繳入盈餘	一般儲備	換算儲備	購股權儲備	可換股債券儲備	累計虧損	總計	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2011	於二零一一年一月一日的結餘	20,681	484,532	25,160	—	(703)	—	15,810	(112,446)	433,034	21,294	454,328
Loss for the year	本年度虧損	—	—	—	—	—	—	—	(45,016)	(45,016)	(4,319)	(49,335)
Other comprehensive income for the year	本年度其他全面收入	—	—	—	—	2,231	—	—	—	2,231	—	2,231
Total comprehensive income/(expense) for the year	本年度全面收益/(開支)總額	—	—	—	—	2,231	—	—	(45,016)	(42,785)	(4,319)	(47,104)
Issue of new shares	發行新股份											
— Share placement	— 股份配售	4,744	176,717	—	—	—	—	—	—	181,461	—	181,461
— Conversion of convertible bonds	— 轉換可換股債券	9,403	222,732	—	—	—	—	(188,222)	—	43,913	—	43,913
Transaction costs attributable to issue of new shares	發行新股份應佔交易成本	—	(5,615)	—	—	—	—	—	—	(5,615)	—	(5,615)
Capital contribution by non-controlling interests of a subsidiary	一間附屬公司非控股權益的注資	—	—	—	—	—	—	—	—	—	12,000	12,000
Recognition of equity component of convertible bonds	確認可換股債券之權益部份	—	—	—	—	—	—	413,621	—	413,621	—	413,621
Equity-settled share-based payments	以股權結算以股份為基礎之付款	—	—	—	—	—	28,793	—	—	28,793	—	28,793
Lapse of share options	購股權失效	—	—	—	—	—	(417)	—	417	—	—	—
Transfer to accumulated losses	轉撥至累計虧損	—	—	(25,160)	—	—	—	—	25,160	—	—	—
Transfer to general reserve	轉撥至一般儲備	—	—	—	1,523	—	—	—	(1,523)	—	—	—
Balance at 31 December 2011	於二零一一年十二月三十一日的結餘	34,828	878,366	—	1,523	1,528	28,376	241,209	(133,408)	1,052,422	28,975	1,081,397

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

		Attributable to equity shareholders of the Company 本公司權益股東應佔									
		Share capital	Share premium	General reserve	Translation reserve	Share option reserve	Convertible bonds reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	一般儲備	換算儲備	購股權儲備	可換股債券儲備	累計虧損	總計	非控股權益	總權益
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2012	於二零一二年一月一日的結餘	34,828	878,366	1,523	1,528	28,376	241,209	(133,408)	1,052,422	28,975	1,081,397
Loss for the year	本年度虧損	-	-	-	-	-	-	(55,130)	(55,130)	(6,332)	(61,462)
Other comprehensive expense for the year	本年度其他全面開支	-	-	-	(22)	-	-	-	(22)	-	(22)
Total comprehensive expense for the year	本年度全面開支總額	-	-	-	(22)	-	-	(55,130)	(55,152)	(6,332)	(61,484)
Equity-settled share-based payments	以股權結算以股份為基礎之付款	-	-	-	-	2,790	-	-	2,790	-	2,790
Lapse of share options	購股權失效	-	-	-	-	(403)	-	403	-	-	-
Transfer to general reserve	轉撥至一般儲備	-	-	889	-	-	-	(889)	-	-	-
Balance at 31 December 2012	於二零一二年十二月三十一日的結餘	34,828	878,366	2,412	1,506	30,763	241,209	(189,024)	1,000,060	22,643	1,022,703

The notes on pages 69 to 210 form part of these consolidated financial statements.

第69頁至210頁之附註組成此等綜合財務報表其中部份。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Operating activities	經營業務		
Loss before taxation	除稅前虧損	(53,517)	(34,726)
Adjustments for:	就下列各項調整：		
Depreciation of property, plant and equipment	物業、機器及設備折舊	29,165	24,590
Amortisation of prepaid lease payments for land under operating leases	經營租約下預付土地租金攤銷	810	738
Amortisation of intangible assets	無形資產攤銷	30,243	25,369
Impairment loss on goodwill	商譽減值虧損	2,339	21,492
Interest income	利息收入	(44)	(963)
Loss on disposal of property, plant and equipment	出售物業、機器及設備之虧損	35	1,338
Recognition of equity-settled share-based payments	確認以股權結算以股份為基礎之付款	2,790	18,743
Impairment loss on trade and other receivables	應收賬款及其他應收款項之減值虧損	2,940	1,000
Fair value loss/(gain) on other financial assets	其他金融資產之公平值虧損/(收益)	17,051	(17,051)
Finance costs	財務費用	7,214	8,762
Fair value loss on the derivative component of convertible bonds	可換股債券衍生工具部份之公平值虧損	—	6,487
		39,026	55,779
Changes in working capital:	營運資金變動：		
Increase in inventories	存貨增加	(3,352)	(137)
Increase in trade and other receivables	應收賬款及其他應收款項增加	(51,569)	(74,521)
Increase/(decrease) in trade and other payables	應付賬款及其他應付款項增加/(減少)	64,423	(11,939)
Increase in provision for production safety	生產安全撥備增加	2,507	—
Cash generated from/(used in) operations	經營業務產生/(動用)之現金	51,035	(30,818)
PRC Enterprise Income Tax paid	已繳中國企業所得稅	(6,582)	(4,069)
Net cash generated from/(used in) operating activities	經營業務產生/(動用)之現金淨額	44,453	(34,887)
Cash flows from investing activities	投資活動產生之現金流量		
Payment for purchase of property, plant and equipment	購買物業、機器及設備之付款	(106,800)	(132,778)
Proceeds from disposal of property, plant and equipment	出售物業、機器及設備之所得款項	654	600
Deposits paid for acquisition of property, plant and equipment	收購物業、機器及設備所支付之訂金	(19,803)	(10,712)
Payment for purchase of financial assets	購買金融資產之付款	—	(200)
Interest received	已收利息	44	963
Net cash inflow on acquisition of subsidiaries	收購附屬公司之現金流入淨額	—	754
	35		
Net cash used in investing activities	投資活動所用之現金淨額	(125,905)	(141,373)

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

	Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cash flows from financing activities	融資活動產生之現金流量		
Capital contribution by non-controlling interests of a subsidiary	一間附屬公司非控股權益的注資	—	12,000
Proceeds from issue of new shares	發行新股份之所得款項	—	181,461
Transaction costs for issue of new shares	發行新股份之交易成本	—	(5,615)
Proceeds from new bank and other borrowings	新增銀行及其他借款之所得款項	66,000	—
Repayment of bank borrowings	償還銀行借款	(12,900)	(5,100)
Interest paid on bank and other borrowings	銀行及其他借款之已付利息	(6,268)	(5,344)
Capital element of finance leases	融資租約之資本部份	(4,100)	(2,741)
Interest element of finance leases	融資租約之利息部份	(946)	(1,129)
Change in other payable	其他應付賬款變動	47,425	—
Net cash generated from financing activities	融資活動產生之現金淨額	89,211	173,532
Net increase/(decrease) in cash and cash equivalents	現金及現金等值物增加/(減少)淨額	7,759	(2,728)
Cash and cash equivalents at 1 January	於一月一日之現金及現金等值物	21,698	23,567
Effect of foreign exchange rate changes	匯率變動之影響	(20)	859
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等值物	29,437	21,698

The notes on pages 69 to 210 form part of these consolidated financial statements.

第69頁至210頁之附註組成此等綜合財務報表其中部份。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

1. GENERAL INFORMATION

China Leason CBM & Shale Gas Group Company Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 15 July 2002 under the Companies Laws of the Cayman Islands. The shares of the Company are listed on the Growth Enterprise Market (the “GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The addresses of the registered office and principal place of business of the Company are disclosed in the “Corporate Information” section in the annual report.

The principal activity of the Company is investment holding. The Company and its subsidiaries (collectively referred to as the “Group”) are principally engaged in the business of exploitation, liquefaction production and sale of natural gas in the People’s Republic of China (the “PRC”).

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”). A summary of the significant accounting policies adopted by the Group is set out below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group and the Company. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

1. 一般資料

中國聯盛煤層氣頁岩氣產業集團有限公司(「本公司」)於二零零二年七月十五日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。本公司之股份於香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)上市。本公司註冊辦事處及主要營業地點之地址，均披露於年報「公司資料」一節。

本公司業務活動主要為投資控股。本公司及其附屬公司(統稱「本集團」)主要在中華人民共和國(「中國」)境內從事天然氣開採、液化生產及銷售業務。

2. 主要會計政策

(a) 守章聲明

此等綜合財務報表乃按所有適用之香港財務報告準則(「香港財務報告準則」)編製。香港財務報告準則包括香港會計師公會(「香港會計師公會」)頒佈之所有適用之個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋、香港普遍採納之會計原則以及香港公司條例之披露規定，並為彼等之統稱。此等綜合財務報表亦遵守聯交所創業板證券上市規則(「創業板上市規則」)之適用披露條文。本集團採納之重要會計政策概述於下文。

香港會計師公會已頒佈若干於本集團及本公司本會計期間首次生效或可供提前採納之新訂及經修訂香港財務報告準則。附註3載有有關於當前及之前會計期間因初步應用其中與本集團相關之內容而產生之會計政策變動之資料，有關變動已反映於此等綜合財務報表內。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of preparation of the consolidated financial statements

The consolidated financial statements for the year ended 31 December 2012 comprise the Company and its subsidiaries.

The measurement basis used in the preparation of the financial statements is the historical cost basis, except those disclosed otherwise in the accounting policies below.

The preparation of consolidated financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

Judgements made by management in the application of HKFRSs that have a significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 4.

2. 主要會計政策 (續)

(b) 綜合財務報表編製基準

截至二零一二年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司之綜合財務報表。

除下文之會計政策另有披露者外，編製財務報表時所用之計量基準為歷史成本基準。

編製符合香港財務報告準則之綜合財務報表時，需要管理層作出影響政策之應用及有關資產、負債、收入及開支之呈報款額之判斷、估計及假設。該等估計及相關假設乃根據歷史經驗及多項其他因素（相信於該等情況下為合理）而作出。所得結果構成管理層就目前未能從其他來源明顯得出賬面值的資產及負債作出判斷之基準。實際結果或會有別於估計情況。

本集團持續就所作估計及相關假設作出評估。會計估計之變動如只影響當期，則有關影響於估計變動當期確認。如該項會計估計之變動影響當期及以後期間，則有關影響於當期及以後期間確認。

於應用香港財務報告準則時管理層所作之判斷（對財務報表構成重大影響）及估計不確定性的主要來源均於附註4中討論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of preparation of the consolidated financial statements (Continued)

Going concern

The Group incurred a net loss of approximately RMB61,462,000 during the year ended 31 December 2012 and, as of that date, the Group's current liabilities exceeded its current assets by approximately RMB196,515,000. These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and that the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

Nevertheless, the directors of the Company had adopted the going concern basis in the preparation of the consolidated financial statements of the Group based on the following factors:

- (1) Other borrowings of RMB80,000,000 disclosed in note 28 to the consolidated financial statements were due for repayment within 12 months in accordance with the loan agreements entered into between the Group and non-controlling shareholders of subsidiaries of the Company (note 42). However, prior to the date of approval of these consolidated financial statements, these borrowings had been rolled over for a further 12 months and will be due for repayment after 31 December 2013. Up to the date of approval of these consolidated financial statements, the non-controlling shareholders of subsidiaries of the Company have not indicated their intention to withdraw the credit facilities granted to the Group;
- (2) Mr. Wang Zhong Sheng ("Mr. Wang"), a substantial shareholder, the chairman and executive director of the Company, has confirmed to provide continuing financial support to the Group to enable it to continue as a going concern and to settle its liabilities as and when they fall due in the foreseeable future;

2. 主要會計政策 (續)

(b) 綜合財務報表編製基準 (續)

持續經營

截至二零一二年十二月三十一日止年度，本集團錄得淨虧損約人民幣61,462,000元，而於該日期，本集團的流動負債較其流動資產多出約人民幣196,515,000元。該等狀況顯示存在重大不確定性，其可能令本集團持續經營的能力出現重大疑問，以及本集團可能無法在日常業務過程中變現其資產及償付其負債。

儘管如此，基於以下因素，本公司董事在編製本集團綜合財務報表時仍採納持續經營基準：

- (1) 根據本集團與本公司附屬公司的非控股股東簽訂的貸款協議(附註42)，綜合財務報表附註28披露之人民幣80,000,000元的其他借款已於十二個月內到期應付。然而，在批准此等綜合財務報表日期之前，該等借款已經向後延展十二個月，將於二零一三年十二月三十一日後到期償還。截至批准此等綜合財務報表日期止，本公司附屬公司的非控股股東並未表示有意收回向本集團授出的信貸額度；
- (2) 本公司之主要股東、主席兼執行董事王忠勝先生(「王先生」)確認將為本集團提供持續財務支援，以令本集團能夠持續經營，及能夠償付在可見未來到期應付的債務；

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(b) Basis of preparation of the consolidated financial statements (Continued)

Going concern (Continued)

- (3) Management is formulating, and will implement, cost saving measures to improve the Group's financial performance and cash flows;
- (4) As detailed in note 43, subsequent to the end of the reporting period, the Company and a placing agent entered into a placing agreement on 14 March 2013, whereby the Company has conditionally agreed to place through the placing agent on a best effort basis, a maximum of 400,000,000 placing shares to independent investors at a price of HK\$0.25 per placing share. The maximum net proceeds from the placing will be approximately HK\$96.4 million; and
- (5) The Company is exploring other sources of funding including finance lease arrangement of approximately RMB95 million as announced by the Company on 21 May 2012.

Provided that these measures can successfully improve the liquidity of the Company, the directors of the Company are satisfied that the Group will be able to meet its financial obligations as and when they fall due for the foreseeable future. According, the consolidated financial statements have been prepared on a going concern basis. Should the Group be unable to operate as a going concern, adjustments would have to be made to write-down the value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify non-current assets and liabilities as current assets and liabilities respectively. The effects of these adjustments have not been reflected in the consolidated financial statements.

2. 主要會計政策 (續)

(b) 綜合財務報表編製基準 (續)

持續經營 (續)

- (3) 管理層正在製訂並將實施成本節約措施，以改善本集團的財務表現及現金流量；
- (4) 如附註43所詳述，於報告期結束後，本公司與一名配售代理於二零一三年三月十四日訂立一份配售協議，據此，本公司有條件地同意透過配售代理按竭誠基準配售最多400,000,000股配售股份予獨立投資者，每股配售股份作價0.25港元。配售之最高所得款項淨額將約為96,400,000港元；及
- (5) 本公司正努力探索其他資金來源，包括本公司於二零一二年五月二十一日公佈之融資租賃安排約人民幣95,000,000元。

倘上述措施能成功改善本公司的流動資金狀況，本公司董事信納本集團將能夠於可見未來履行其到期應付的財務負債。因此，綜合財務報表乃根據持續經營基準編製。倘本集團未能以持續經營基準經營，將作出調整以撇減資產價值至其可收回金額、為可能產生的進一步負債作出撥備，以及將非流動資產及負債分別重新分類為流動資產及負債。該等調整的影響並未反映在綜合財務報表中。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. Control exists when the Group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable are taken into account.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions and any unrealized profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at their proportionate share of the subsidiary's net identifiable assets.

2. 主要會計政策 (續)

(c) 附屬公司及非控股權益

附屬公司為本集團控制之實體。於本集團有權監管該實體之財務及經營決策，以自其業務獲取利益時，即存在控制。於評估控制時，將計及現時可行使之潛在投票權。

於附屬公司之投資由控制開始當日至控制終止當日在綜合財務報表中綜合計算。集團內公司間之結餘及交易以及集團內公司間交易所產生之任何未變現溢利均於編製綜合財務報表時全部撇銷。集團內公司間交易所產生之未變現虧損亦按照未變現收益之方法同樣予以撇銷，惟僅限於並未出現減值證據之情況。

非控股權益是指並非由本公司直接或間接擁有的附屬公司權益，及本集團並未與該等權益的持有人達成任何額外條款，從而將導致本集團總體上對該等權益產生合約性責任，使其符合金融負債的定義。就各項業務合併而言，本集團可選擇按公平值或彼等於附屬公司可識別淨資產所佔比例來計算非控股權益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(c) Subsidiaries and non-controlling interests

(Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the equity shareholders of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated income statement and the consolidated statement of comprehensive income as an allocation of the total profit or loss and total comprehensive income/expense for the year between non-controlling interests and the equity shareholders of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset or, when appropriate, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses (see note 2(j)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2. 主要會計政策 (續)

(c) 附屬公司及非控股權益 (續)

非控股權益納入綜合財務狀況表的權益項目，與本公司權益股東應佔的權益分開呈列。非控股權益所佔本集團的業績，會按照損益總額及全面收益／開支總額在非控股權益與本公司權益股東之間進行分配，並在綜合收益表及綜合全面收益表呈列。來自非控股權益持有人之貸款及該等持有人之其他合約責任於綜合財務狀況表中呈列為金融負債。

本集團於附屬公司的權益變更，如不構成失去控制權，這些變更會被視為權益交易，於綜合權益的控股權益及非控股權益將會被調整，以反映其權益轉變，但不會調整商譽及確認盈虧。

如本集團失去附屬公司控制權，該權益變更會被視為出售該附屬公司之全部權益，其盈虧將會於損益確認。於失去附屬公司控制權當日，如仍然持有該前附屬公司部份權益，該部份權益將會以公平值確認，而該金額將被視為金融資產初始確認的公平值，或於聯營公司或共同控制實體的投資的初始確認成本(如適用)。

於附屬公司之投資於本公司財務狀況表按成本減減值虧損(見附註2(j))列賬，惟分類為持作銷售(或計入分類為持作銷售之出售組別)之投資則除外。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Business combinations and Goodwill

(i) Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for the control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 *Income Taxes* and HKAS 19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 *Share-based Payment* at the acquisition date (see the accounting policy below); and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

2. 主要會計政策 (續)

(d) 業務合併及商譽

(i) 業務合併

收購業務採用收購法進行會計處理。業務合併中轉讓的代價會以公平值計量，而該公平值包括本集團為換取被收購方控股權而向被收購方的前擁有人轉讓資產、承擔負債以及發行的股本權益於收購日的公平值。與收購有關的成本一般會於發生時在損益確認。

於收購日，所獲得及所承擔的可識別資產及負債按其公平值予以確認，但以下各項除外：

- 遞延稅項資產或負債以及與僱員福利安排有關的資產或負債，乃分別根據香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」予以確認和計量；
- 與被收購方以股份為基礎支付之安排有關，或與以本集團以股份為基礎支付之安排取代被收購方以股份為基礎支付之安排有關之負債或權益工具，乃於收購日期按香港財務報告準則第2號「以股份為基礎之支付」計量（見下述會計政策）；及
- 按照香港財務報告準則第5號「持作出售的非流動資產及終止經營業務」劃歸為持作出售的資產（或出售組別）乃根據該準則予以計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Business combinations and Goodwill

(Continued)

(i) Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at their fair value or, when applicable, on the basis specified in another HKFRSs.

2. 主要會計政策 (續)

(d) 業務合併及商譽 (續)

(i) 業務合併 (續)

商譽是以所轉讓之代價、於被收購方中任何非控股權益所佔金額、及收購方以往持有之被收購方股權之公平值(如有)之總和，減所收購之可識別資產及所承擔之負債於收購日期之淨值後，所超出之差額計值。倘經過重新評估後，所收購可識別資產與所承擔負債於收購日期之淨額高於轉撥之代價、於被收購方中任何非控股權益所佔金額以及收購方以往持有之被收購方權益之公平值(如有)之總和，所超出之差額即時於損益內確認為議價收購收益。

屬現時擁有權權益且於清盤時讓持有人有權按比例分佔實體資產淨值之非控股權益，可初步按公平值或非控股權益應佔被收購方可識別資產淨值之已確認金額比例計量。計量基準視乎每項交易而作出選擇。其他類別之非控股權益乃按其公平值或(如適用)按香港財務報告準則規定之另一項計量基準計量。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Business combinations and Goodwill

(Continued)

(i) Business combinations (Continued)

Where the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the “measurement period” (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with HKAS 39, or HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

2. 主要會計政策 (續)

(d) 業務合併及商譽 (續)

(i) 業務合併 (續)

倘若本集團在業務合併中轉讓的代價包括或有代價安排所產生的資產或負債，則或有代價按其在收購日期的公平值計量，並視為業務合併中轉讓的部份代價。符合計量期間調整的條件的或有代價公平值變動會追溯調整，並相應調商譽。計量期間調整是指在「計量期間」（從收購日期起計不超過一年）所獲取的關於收購日期存在的事實和環境的新資訊而引致的調整。

倘若或有代價公平值的變動不符合計量期間調整的條件，則其後續會計處理須視乎或有代價如何分類而定。歸類為權益的或有代價在後續報告日期不會重新計量，而其後續結算會在權益中入賬。歸類為資產或負債的或有代價在後續報告日期均按照香港會計準則第39號或香港會計準則第37號「撥備、或然負債及或然資產」（視何者適用而定）重新計量，相關盈虧在損益中確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Business combinations and Goodwill

(Continued)

(i) Business combinations (Continued)

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date (i.e. the date when the Group obtains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

The policy described above is applied to all business combinations that take place on or after 1 January 2010.

2. 主要會計政策 (續)

(d) 業務合併及商譽 (續)

(i) 業務合併 (續)

如果業務合併是分階段進行的，則應按收購日期（即本集團獲得控制權之日）的公平值重新計量本集團先前在被收購方中持有的權益，且相關的盈虧（如有）應計入損益。於收購日期前，以往在其他全面收益中確認的於被收購方的權益而產生的金額，獲重新分類至損益，而倘出售權益，重新分類至損益為合適計量方法。

倘於報告期末出現業務合併惟業務合併的初步入賬尚未完成，則本集團須報告尚未入賬的項目的暫定款額。該等暫定款額須於計量期間（見上文）內調整，或須確認額外資產或負債，以反映所取得有關於收購日期存在的事實及狀況的新資料（如有）對該日已確認金額的影響。

上述政策已應用於二零一零年一月一日或之後進行的所有業務合併。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(d) Business combinations and Goodwill

(Continued)

(ii) Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated income statement. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2. 主要會計政策 (續)

(d) 業務合併及商譽 (續)

(ii) 商譽

收購業務所產生之商譽乃於收購業務日期(見上述會計政策)按成本減累計減值虧損(如有)列賬。

就減值測試而言，商譽乃分配至預期可受益於合併之協同效益之本集團各有關現金產生單位或現金產生單位之組別。

獲分配商譽之現金產生單位會每年或於有跡象顯示與商譽有關單位可能出現減值時更頻密進行減值測試。倘現金產生單位之可收回金額低於其賬面值，則減值虧損會先分配以調減該單位任何商譽之賬面值，其後則按該單位內各項資產之賬面值之比例分配至該單位之其他資產。任何商譽之減值虧損會直接在綜合收益表內於損益確認。就商譽確認之減值虧損不會於其後期間撥回。

於出售相關現金產生單位時，釐定出售損益時會包含商譽之任何應佔金額。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(e) Other investments in debt and equity securities

The Group's and the Company's policies for investments in debt and equity securities, other than investments in subsidiaries, associates and jointly controlled entities, are as follows:

Investments in debt and equity securities are initially stated at fair value, which is their transaction price unless fair value can be more reliably estimated using valuation techniques whose variables include only data from observable markets. Cost includes attributable transaction costs, except where indicated otherwise below. These investments are subsequently accounted for as follows, depending on their classification:

Investments in securities held for trading are classified as current assets. Any attributable transaction costs are recognised in profit or loss as incurred. At the end of each reporting period the fair value is remeasured, with any resultant gain or loss being recognised in profit or loss. The net gain or loss recognised in profit or loss does not include any dividends or interest earned on these investments as these are recognised in accordance with the policies set out in note 2(t).

Investments in equity securities that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are recognised in the statement of financial position at cost less impairment losses (see note 2(j)).

Investments are recognised/derecognised on the date the Group commits to purchase/sell the investments or they expire.

2. 主要會計政策 (續)

(e) 於債務及股本證券之其他投資

本集團及本公司有關於債務及股本證券之投資(不包括於附屬公司、聯營公司及共同控制實體之投資)之政策載述如下:

於債務及股本證券之投資最初乃按公平值(即其交易價)列賬,除非公平值能更可靠地以估值法(其變量僅包括可觀測市場的數據)估計。除下文所述例外情況外,成本包括應佔交易成本。該等投資其後按下文所述視乎其分類入賬:

於持作交易用途證券之投資均歸類為流動資產。任何應佔交易成本於產生時在損益內確認。公平值於每個報告期末重新計量,而得出之任何盈虧則於損益內確認。於損益內確認之盈虧淨額不包括該等投資所賺取之任何股息或利息,因該等盈虧乃根據附註2(t)所載之政策確認。

並無於活躍市場報價,且不能可靠地計量其公平值之股本證券投資均按成本減減值虧損於財務狀況表內確認(見附註2(j))。

投資項目均於本集團承諾購買/出售投資項目之日或彼等到期之日予以確認/不再確認。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(f) Derivative financial instruments

Derivative financial instruments are recognised initially at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting or hedge the net investment in a foreign operation, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged.

(g) Property, plant and equipment

Property, plant and equipment (other than construction in progress) are stated at cost less accumulated depreciation and impairment losses (see note 2(j)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(v)).

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal. Any related revaluation surplus is transferred from the revaluation reserve to retained profits/accumulated losses and is not reclassified to profit or loss.

2. 主要會計政策 (續)

(f) 衍生金融工具

衍生金融工具初始按公平值確認。公平值於每個報告期末重新計量，而得出之任何盈虧則即時於損益內確認，惟符合現金流量對沖會計處理或對沖海外業務淨投資之衍生工具於重新計量時所得任何盈虧之確認則須視乎所對沖項目之性質而定。

(g) 物業、機器及設備

物業、機器及設備(在建工程除外)按成本減累計折舊及減值虧損列賬(見附註2(j))。

自建物業、機器及設備項目的成本包括物料成本、直接勞工成本、拆卸及搬遷項目以及恢復項目所在地原貌的成本的初步估計(倘有關)和適當比例的生產經常費用及借貸成本(見附註2(v))。

報廢或出售物業、機器及設備項目所產生的損益以該項目的出售所得款項淨額與其賬面值之間的差額釐定，並於報廢或出售當日在損益內予以確認。任何相關重估盈餘乃由重估儲備轉撥至保留溢利／累計虧損，且不會重新分類至損益。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Property, plant and equipment (Continued)

Depreciation is calculated to write-off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

— Buildings held for own use	Over the shorter of unexpired term of the leases or 30 years
— Leasehold improvements	2-5 years
— Pipelines	5-20 years
— Plant and machinery	3-10 years
— Computer equipment	3-5 years
— Furniture and equipment	3-10 years
— Transportation and motor vehicles	4-10 years

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

Construction in progress represents property, plant and equipment under construction and pending installation and is stated at cost less accumulated impairment losses, if any. Cost includes the costs of construction of the buildings, the costs of plant and machinery and interest charges arising from borrowings used to finance these assets during the period of construction or installation and testing. No provision for depreciation is made on construction in progress until such time the relevant assets are completed and are available for their intended use. When the assets concerned are brought into use, the costs are transferred to other property, plant and equipment and depreciated in accordance with the policy as stated above.

2. 主要會計政策 (續)

(g) 物業、機器及設備 (續)

物業、機器及設備項目的折舊乃按下列估計可用年限，在扣除估計殘值(如有)後，以直線法撇銷其成本計算：

— 持作自用之樓宇	按租約之未屆滿年期或30年之較短者
— 租賃裝修工程	2 - 5年
— 管道	5 - 20年
— 機器及機械	3 - 10年
— 電腦設備	3 - 5年
— 傢俱及設備	3 - 10年
— 運輸及機動車輛	4 - 10年

倘若物業、機器及設備項目有部份之可使用年期不同，則該項目之成本乃按合理基準分配至各部份，而各部份則獨立予以折舊。資產之可使用年期及餘值(如有)乃每年予以審核。

在建工程指正在建設及有待安裝之物業、機器及設備，並按成本減累計減值虧損(如有)列賬。成本包括興建樓宇成本、機器及機械之成本，以及在建設或安裝及測試期間用以為該等資產融資所貸款之利息開支。在建工程於有關資產落成及可供擬定用途前，暫不計提折舊。當有關資產投入運作，成本會轉撥至其他物業、機器及設備，並根據上述政策予以折舊。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(g) Property, plant and equipment (Continued)

Expenditure on the construction, installation or completion of infrastructure facilities such as platforms, pipelines and the drilling of commercially proven development wells but do not include geological and geophysical costs which are expensed directly to profit or loss as they are incurred, is capitalised as coalbed methane development costs within construction in progress. Coalbed methane development costs are stated at cost less any identified impairment loss. Coalbed methane development costs are classified to the appropriate category of property, plant and equipment when completed and ready for intended use. Depreciation on these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Tangible assets acquired for use in well drilling works of ground drainage activities are classified as property, plant and equipment.

(h) Intangible assets (other than goodwill)

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Other intangible assets that are acquired by the Group are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 2(j)).

2. 主要會計政策 (續)

(g) 物業、機器及設備 (續)

建設、安裝或完成如平臺、管道等基建設施，以及鑽探證實可作商業生產之開發礦井之費用(但不包括地質及地理成本，其將於產生時直接於損益支銷)，將資本化為在建工程內之煤層氣開發成本。煤層氣開發成本列為成本減任何已識別減值虧損。煤層氣開發成本將於完成並可做擬定用途時歸類至合適的物業、機器及設備類別。於資產可做擬定用途時，該等資產將按與其他物業資產相同的基準開始計提折舊。

所收購用於地面抽採打井作業的有形資產乃分類為物業、機器及設備。

(h) 無形資產(商譽除外)

業務合併中收購及與商譽分開確認之無形資產初步按收購日期之公平值(視為彼等的成本)確認。

於初步確認後，業務合併中收購的無形資產按照與單獨收購的無形資產相同的基準，按成本減累計攤銷及累計減值虧列賬。

本集團收購的其他無形資產乃以成本減累計攤銷(倘估計可使用年期有限)及減值虧損入賬(見附註2(j))。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(h) Intangible assets (other than goodwill)

(Continued)

Amortisation of intangible assets with finite useful lives is charged to the profit or loss on a straight-line basis over the assets' estimated useful lives. Intangible assets with finite useful lives are amortised from the date they are available for use over their estimated useful lives.

Both the period and method of amortisation are reviewed annually.

Intangible assets are not amortised while their useful lives are assessed to be indefinite. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and in accordance with the policy for amortisation of intangible assets with finite lives as set out above.

(i) Lease assets

An arrangement, comprising a transaction or a series of transactions, is or contains a lease if the Group determines that the arrangement conveys a right to use a specific asset or assets for an agreed period of time in return for a payment or a series of payments. Such a determination is made based on an evaluation of the substance of the arrangement and is regardless of whether the arrangement takes the legal form of a lease.

2. 主要會計政策 (續)

(h) 無形資產 (商譽除外) (續)

可使用年期有限之無形資產攤銷以直線法按資產之估計可使用年期自損益扣除。可使用年期有限之無形資產乃由彼等之可供使用當日起於彼等之估計可使用年期予以攤銷。

攤銷的期間及方法均按年檢討。

倘無形資產被評定為可無限期使用，則不會作攤銷。無形資產可無限期使用之任何結論每年均會作檢討，以釐定有關事件及情況是否繼續支持有關資產可無限期使用之評估。如情況有變，則會自轉變日期起就使用年期從無限期轉為有限之評定作前瞻性會計處理，並根據上文所述有限可使用年期之無形資產之攤銷政策入賬。

(i) 租賃資產

倘本集團決定安排在協定期限內出讓一項特定資產或多項資產之使用權，以換取一筆付款或一連串付款，則有關安排(包括一項交易或一連串交易)即屬於或包括租賃。有關決定根據對安排本質之評估(不論安排是否以法定租賃形式)作出。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Lease assets (Continued)

(i) Classification of assets leased to the Group

Assets that are held by the Group under leases which transfer to the Group substantially all the risks and rewards of ownership are classified as being held under finance leases. Leases which do not transfer substantially all the risks and rewards of ownership to the Group are classified as operating leases, except that land held for own use under an operating lease, the fair value of which cannot be measured separately from the fair value of a building situated thereon at the inception of the lease, is accounted for as being held under a finance lease, unless the building is also clearly held under an operating lease. For these purposes, the inception of the lease is the time that the lease was first entered into by the Group, or taken over from the previous lessee.

(ii) Assets acquired under finance leases

Where the Group acquires the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets are included in property, plant and equipment and the corresponding liabilities, net of finance charges, are recorded as obligations under finance leases. Depreciation is provided at rates which write-off the cost of the assets over the term of the relevant lease or, where it is likely the Group will obtain ownership of the asset, the life of the asset, as set out in note 2(g). Impairment losses are accounted for in accordance with the accounting policy as set out in note 2(j). Finance charges implicit in the lease payments are charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals are charged to profit or loss in the accounting period in which they are incurred.

2. 主要會計政策 (續)

(i) 租賃資產 (續)

(i) 出租予本集團之資產分類

倘本集團根據租賃持有資產，而其中擁有權涉及之絕大部份風險及回報均轉移至本集團，乃列作根據融資租賃持有之資產。並無將擁有權涉及之絕大部份風險及回報轉移至本集團之租賃則列作經營租賃，惟以經營租賃持作自用的土地除外，其無法在租賃開始時將其公平價值與建於其上的建築物的公平價值分開計量，故按融資租賃持有方式入賬；但清楚地以經營租賃持有的建築物除外。就此而言，租賃的開始時間是指本集團首次訂立租賃時，或自前承租人接收建築物時。

(ii) 根據融資租賃獲得的資產

倘若本集團根據融資租賃購入資產使用權，乃按租賃資產之公平值或該資產之最少應付租金之現值兩者之較低者計入物業、機器及設備內，而相應之負債在扣除融資費用後，則列作融資租約承擔入賬。折舊是在相關之租賃期或資產之可使用年期（如本集團可能取得資產之所有權）內，以撇銷資產成本的比率計提；有關的資產可使用年期載於附註2(g)。減值虧損按照附註2(j)所載的會計政策入賬。包含在租金內之融資費用於租賃期自損益賬扣除，使各會計期間之融資費用佔責任餘額之比率大致相同。或然租金乃於其產生之會計期間自損益賬扣除。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(i) Lease assets (Continued)

(iii) Operating lease charges

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

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term, except where the property is classified as an investment property.

2. 主要會計政策 (續)

(i) 租賃資產 (續)

(iii) 經營租賃費用

倘本集團根據經營租約使用資產，租約項下之付款將按租期所涵蓋之會計期間按均等分期金額自損益扣除，惟倘有其他基準更能清晰反映自租賃資產所得利益之情況，則另當別論。已收取之租賃優惠乃於損益確認為應付累計租賃款項淨額之組成部份。或然租金於其產生之會計期間作為開支扣除。

收購根據經營租約持有之土地之成本，乃於租賃期內按直線法予以攤銷，除非有關物業列為投資物業則作別論。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Impairment of assets

(i) Impairment of investments in debt and equity securities and other receivables

Investments in debt and equity securities and other current and non-current receivables that are stated at cost or amortised cost or are classified as available-for-sale securities are reviewed at the end of each reporting period to determine whether there is objective evidence of impairment. Objective evidence of impairment includes observable data that comes to the attention of the Group about one or more of the following loss events:

- significant financial difficulty of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the debtor will enter bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; and
- a significant or prolonged decline in the fair value of an investment in an equity instrument below its cost.

2. 主要會計政策 (續)

(j) 資產減值

(i) 於債務及股本證券之投資及其他應收款項之減值

於債務及股本證券之投資及其他現時及非現時應收款項（按成本或攤銷成本列賬或歸類為可供出售證券）均於各報告期末予以審核，以釐定是否有減值之客觀證據。減值之客觀證據包括本集團得悉的有關下列一項或多項虧損事項的可觀察資料：

- 債務人遭遇重大財務困難；
- 違約，譬如拖欠或欠付利息或本金付款；
- 債務人可能會進行破產程式或進行其他財務重組；
- 科技、市場、經濟或法律環境出現對債務人造成負面影響的重大變動；及
- 股本工具投資的公平值大幅或長期下降至低於其成本。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

If any such evidence exists, any impairment loss is determined and recognised as follows:

- For investments in subsidiaries, associates and jointly controlled entities, the impairment loss is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with note 2(j)(ii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(j)(ii).
- For unquoted equity securities carried at cost, the impairment loss is measured as the difference between the carrying amount of the financial asset and the estimated future cash flows, discounted at the current market rate of return for a similar financial asset where the effect of discounting is material. Impairment losses for equity securities carried at cost are not reversed.

2. 主要會計政策 (續)

(j) 資產減值 (續)

(i) 於債務及股本證券之投資及其他應收款項之減值 (續)

倘若任何該等證據出現，則任何減值虧損均按以下方式釐定及確認：

- 於附屬公司、聯營公司及共同控制實體的投資，根據附註2(j)(ii)，減值虧損是以投資可收回金額與其賬面值間之差額計量。根據附註2(j)(ii)，倘若用以釐定可收回金額的估計出現有利變動，則減值虧損會撥回。
- 就按成本列賬之非上市股本證券而言，減值虧損乃按金融資產之賬面值與類似金融資產當時市場回報率折現計算(倘折現產生重大影響)的預計未來現金流量之間的差額計量。以成本列賬的股本證券之減值虧損將不會撥回。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For trade and other current receivables and other financial assets carried at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate (i.e. effective interest rate computed at initial recognition of these assets), where the effect of discounting is material. This assessment is made collectively where these financial assets share similar risk characteristics, such as similar past due status, and have not been individually assessed as impaired. Future cash flows for financial assets which are assessed for impairment collectively are based on historical loss experience for assets with credit risk characteristics similar to the collective group.

If in a subsequent period the amount of an impairment loss decreases and the decrease can be linked objectively to an event occurring after the impairment loss was recognised, the impairment loss is reversed through profit or loss. A reversal of an impairment loss shall not result in the asset's carrying amount exceeding that which would have been determined had no impairment loss been recognised in prior years.

2. 主要會計政策 (續)

(j) 資產減值 (續)

(i) 於債務及股本證券之投資及其他應收款項之減值 (續)

- 就按攤銷成本列賬之應收賬款及其他流動應收款項以及其他金融資產而言，倘貼現之影響重大，減值虧損按資產之賬面值與估計未來現金流量(按金融資產之原本實際利率(即於初步確認該等資產時計算之實際利率)貼現)之現值之差額計量。倘若按攤銷成本列賬之金融資產具備類似之風險特徵，例如類似之逾期情況及並未個別被評估為減值，則有關評估會一同進行。金融資產之未來現金流量根據與該類資產具有類似信貸風險特徵之資產之過往虧損經驗一同評估減值。

倘若於其後減值虧損之數額減少，且有關減少可客觀地與於確認減值虧損後發生之事件連帶起來，則於損益內撥回減值虧損。撥回減值虧損不會導致資產之賬面值超過於過去年度並無確認減值虧損時所釐定之數額。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Impairment of assets (Continued)

(i) Impairment of investments in debt and equity securities and other receivables (Continued)

- For available-for-sale securities, the cumulative loss that has been recognised in the fair value reserve is reclassified to profit or loss. The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss in respect of available-for-sale equity securities are not reversed through profit or loss. Any subsequent increase in the fair value of such assets is recognised in other comprehensive income.

Impairment losses are written off against the corresponding assets directly, except for impairment losses recognised in respect of trade debtors and bills receivable included within trade and other receivables, whose recovery is considered doubtful but not remote. In this case, the impairment losses for doubtful debts are recorded using an allowance account. When the Group is satisfied that recovery is remote, the amount considered irrecoverable is written off against trade debtors and bills receivable directly and any amounts held in the allowance account relating to that debt are reversed. Subsequent recoveries of amounts previously charged to the allowance account are reversed against the allowance account. Other changes in the allowance account and subsequent recoveries of amounts previously written off directly are recognised in profit or loss.

2. 主要會計政策 (續)

(j) 資產減值 (續)

(i) 於債務及股本證券之投資及其他應收款項之減值 (續)

- 就可供出售證券而言，已於公平值儲備確認之累計虧損乃重新分類至損益。於損益確認之累計虧損金額為收購成本(扣除任何償還本金及攤銷)與目前公平值間之差額，扣除就該資產過往於損益確認之任何減值虧損。

就可供出售股本證券而於損益內確認之減值虧損，不會於損益內撥回。其後該等資產之公平值之增加，均於其他全面收益中確認。

減值虧損應從相應的資產中直接撇銷，除非包含在應收賬款及其他應收款項中的應收貿易賬款及應收票據的已確認減值虧損被視為呆賬但並非不能收回。在此情況下，應以撥備賬記錄呆壞賬的減值虧損。倘本集團信納收回應收賬款的機會微乎其微，則該金額被視為不可收回並從應收賬款及應收票據中直接撇銷，而在撥備賬中持有有關該債務的任何金額會被撥回。若之前計入撥備賬款項在其後收回，則相關的撥備會被撥回。撥備賬的其他變動及之前直接撇銷而其後收回的款項，均在損益中確認。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Impairment of assets (Continued)

(ii) Impairment of other assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- goodwill;
- property, plant and equipment;
- prepaid lease payments for land under operating leases;
- intangible assets; and
- deposits and prepayments.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

— Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e., a cash-generating unit).

2. 主要會計政策 (續)

(j) 資產減值 (續)

(ii) 其他資產減值

於每個報告期末審核內部及外部資料來源，以確認下列資產是否出現減值，或（惟倘為商譽則除外）先前確認之減值虧損是否不再存在或已經減少：

- 商譽；
- 物業、機器及設備；
- 經營租約下預付土地租金；
- 無形資產；及
- 按金及預付款項。

倘存在任何該等跡象，則估計資產之可收回金額。此外，就商譽、尚未可供使用之無形資產及無固定可使用年期之無形資產而言，不論有否減值跡象，均會每年估計可收回金額。

— 計算可收回金額

資產之可收回金額指其公平值減去銷售成本與使用價值之較高者。在估計使用價值時，估計日後現金流量按反映現時市場對貨幣之時間價值及資產之特定風險所評估之除稅前貼現率貼現至其現值。倘一項資產所生之現金流入在很大程度上並非獨立於其他資產所產生之現金流入，則就獨立產生現金流入之最小資產類別（即現金產生單位）釐定可收回金額。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Impairment of assets (Continued)

(ii) Impairment of other assets (Continued)

- Recognition of impairment losses

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of a cash-generating unit are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro-rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs to sell, or value in use, if determinable.

- Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2. 主要會計政策 (續)

(j) 資產減值 (續)

(ii) 其他資產減值 (續)

- 確認減值虧損

當資產或其所屬現金產生單位之賬面值超過其可收回金額，則於損益中確認減值虧損。就現金產生單位確認之減值虧損，均首先被分配以減少分配至現金產生單位(或單位組別)之任何商譽之賬面值，然後分配以按比例減少該單位(或單位組別)之其他資產之賬面值，惟資產之賬面值將不會被減至低於其個別公平值減銷售成本或使用價值(如可予釐定)。

- 撥回減值虧損

就商譽以外之資產而言，倘用以釐定可收回金額之估計出現有利變動，則撥回減值虧損。商譽之減值虧損則不會撥回。

減值虧損之撥回以於過往年度並無確認減值虧損而原應釐定之資產賬面值為限。減值虧損之撥回計入確認該等撥回之年度之損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(j) Impairment of assets (Continued)

(iii) Interim financial reporting and impairment

Under the GEM Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim Financial Reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(j)(i) and (ii)).

Impairment losses recognised in an interim period in respect of goodwill, available-for-sale equity securities and unlisted equity securities carried at cost are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates. Consequently, if the fair value of an available-for-sale equity security increases in the remainder of the annual period, or in any other period subsequently, the increase is recognised in other comprehensive income and not profit or loss.

(k) Inventories

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2. 主要會計政策 (續)

(j) 資產減值 (續)

(iii) 中期財務報告及減值

根據創業板證券上市規則，本集團須按照香港會計準則第34號「中期財務報告」就財政年度首六個月編製中期財務報告。於中期期末，本集團應用其於財政年度末時將會採用之相同減值測試、確認及撥回標準（見附註2(j)(i)及(ii)）。

於中期期間就按成本列賬之商譽、可供出售股本證券及非上市股本證券而確認之減值虧損不得於往後期間撥回。假設與中期期間有關之減值評估於財政年度末才進行，即使沒有確認虧損，或虧損屬輕微，均採用以上相同處理方法。因此，倘可供出售股本證券之公平值於全年期間剩餘時候（或其後任何其他期間）有所增加，有關增幅於其他全面收益（而非損益）內確認。

(k) 存貨

存貨以成本及可變現淨值兩者之較低者入賬。

成本乃根據加權平均成本法計算，包括所有購買成本、加工成本及將存貨送抵目前地點及達致目前狀況所產生之其他成本。

可變現淨值指於日常業務中之估計售價減估計完工成本及作出銷售所需估計成本。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(k) Inventories (Continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period in which the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(l) Trade and other receivables

Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less allowance for impairment of doubtful debts (see note 2(j)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for impairment of doubtful debts.

(m) Convertible bonds

Convertible bonds issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of any entity after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

2. 主要會計政策 (續)

(k) 存貨 (續)

售出存貨後，有關存貨之賬面值將於有關收益獲確認之期間確認為開支。所有將存貨撇減至可變現淨值之數額及有關存貨之所有虧損於撇減或出現虧損期間確認為開支。任何撇減存貨所撥回之有關數額將於出現撥回期間確認為已確認為開支之存貨數額的減少。

(l) 應收賬款及其他應收款項

應收賬款及其他應收款項先按公平值確認，其後使用實際利率法按攤銷成本減去呆賬減值撥備後所得數額入賬(見附註2(j))；但如應收款為向關聯方作出的無任何固定還款期的免息貸款或其折現影響並不重大則除外。在此情況下，應收款會按成本減去呆賬減值撥備後所得數額入賬。

(m) 可換股債券

本公司所發行之可換股債券根據合約安排之內容及金融負債及股本工具之定義單獨分類為金融負債及股本。將以定額現金或其他金融資產交換為一定數目本公司本身之股本工具結算之轉換權為股本工具。股本工具指任何經扣除任何實體之所有負債後顯示於其資產有剩餘權益之合約。本集團發行的股本工具乃於已收取所得款項確認，並扣除直接發行成本。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Convertible bonds (Continued)

Convertible bonds issued by the Company that contain liability, conversion option and redemption option components are classified separately into liability component, equity component and derivative component consisting of the redemption option of the Company respectively. A derivative embedded in a non-derivative host contract is treated as a separate derivative when its risks and characteristics are not closely related to those of the host contract. On initial recognition, the fair value of the liability component is determined using the prevailing market interest of similar non-convertible bonds. The derivative component is carried at fair value on the statement of financial position with any changes in fair value being charged or credited to profit or loss in the period in which the change occurs. The difference between the proceeds of the issue of the convertible bonds and the fair values of the liability component and derivative component related to the redemption option of the Company is included in equity.

Subsequent to initial recognition, the liability component of the convertible bonds is carried at amortised cost using the effective interest method. The difference between the interest so calculated and the interest paid is added to the carrying amount of the liability component. The derivative is remeasured to fair value through profit or loss at subsequent reporting dates. The equity component, represented by the option to convert the liability component into ordinary shares of the Company, remains in convertible bonds reserve until the embedded option is exercised (at which time the convertible bonds equity component will be transferred to share capital and share premium). Where the option remains unexercised at the expiry date, the balance remaining in convertible bonds reserve is released to retained profits/accumulated losses. No gain or loss is recognised in profit or loss upon conversion or expiration of the option.

2. 主要會計政策 (續)

(m) 可換股債券 (續)

本公司所發行的包括負債、轉換權及贖回權部份的可換股債券分別被獨立分類為負債部份、權益部份及衍生工具部份(由本公司贖回權組成)。當內置於非衍生主合約的衍生工具的風險及特點不與主合約的風險及特點密切相關時，其被視為獨立衍生工具。於最初確認時，負債部份的公平值乃按同類不可換股債券的現行市場利率釐定。衍生工具部份於財務狀況表以公平值列賬，任何公平值變動將在發生變動期間扣除或計入損益內。發行可換股債券所得款項與負債部份及衍生工具部份(與本公司贖回權有關)的公平值之間的差額計入權益。

於最初確認後，可換股債券的負債部份乃以實際利率法按已攤銷成本列賬。所計算出的利息與所支付的利息之差額加入負債部份的賬面值。衍生工具於其後報告日期經損益重新按公平值計量。權益部份(即將負債部份轉換為本公司普通股的期權)將存留於可換股債券儲備內，直至內置期權獲行使(此時，可換股債券權益部份將被轉撥至股本及股份溢價)。倘期權於屆滿期仍未獲行使，可換股債券儲備內的結餘將撥至保留溢利／累計虧損。期權的轉換或屆滿均不會於損益內確認任何盈虧。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(m) Convertible bonds (Continued)

Transaction costs that relate to the issue of convertible bonds are allocated to the liability and equity components in proportion to the allocation of gross proceeds. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible bonds using the effective interest method. The portion relating to the embedded derivative is charged directly to profit to loss. Transaction costs relating to the equity component are charged directly to convertible bonds reserve.

If the convertible bonds are redeemed by the Company before maturity, the Company will allocate the consideration paid and any transaction costs for the repurchase or redemption to the liability and equity components of the instrument at the date of the transaction. The method used in allocating the consideration paid and transaction costs to the separate components is consistent with that used in the original allocation to the separate components of the proceeds received by the Company when the convertible instrument was issued. Once the consideration is allocated, any resulting gain or loss relating to the liability component is recognised in profit or loss and the amount of consideration relating to the equity component is recognised in equity.

2. 主要會計政策 (續)

(m) 可換股債券 (續)

與發行可換股債券相關的交易成本乃按所得款項的分配比例分配至可換股債券的負債部份及權益部份。與負債部份相關的交易成本乃計入負債部份的賬面值內，並於可換股債券期間以實際利率法攤銷。與嵌入式衍生工具相關的交易成本乃直接自損益中扣除。與權益部份相關的交易成本乃直接自可換股債券儲備中扣除。

倘本公司於到期前贖回可換股債券，本公司將於交易日將已支付的代價及任何購回或贖回交易成本分配至可換股債券的負債及權益部份。將支付代價及交易成本部份分配至單獨分部之方法與發行可轉換工具時將本公司收到的所得款項分配至單獨分部之方式相同。代價作出分配後，負債部份有關之盈虧會於損益中確認；而與權益部份有關之代價會於權益內確認。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(n) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between the amount initially recognised and redemption value being recognised in profit and loss over the period of the borrowings, together with any interest and fees payable, using the effective interest method.

(o) Trade and other payables

Trade and other payables are initially recognised at fair value and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

(p) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

2. 主要會計政策 (續)

(n) 計息借款

計息借款初步按公平值減應佔交易成本確認。於初步確認後，計息借款按攤銷成本列賬，初步確認金額與贖回價值間的任何差額（連同任何應付利息及費用）會在借款期內以實際利率法於損益內確認。

(o) 應付賬款及其他應付款項

應付賬款及其他應付款項均初步按公平值確認，其後按攤銷成本列賬，惟倘若貼現之影響並不重大，則按成本列賬。

(p) 現金及現金等值物

現金及現金等值物包括銀行及手頭現金，銀行及其他金融機構之活期存款，以及可隨時轉換為已知數額現金，並於購入時起計三個月內到期且幾乎不受價值變動風險所影響之短期高度流通投資項目。就綜合現金流量表而言，須應要求償還且構成本集團現金管理中組成部份之銀行透支亦已作為現金及現金等值物計算在內。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Employee benefits

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

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

Contributions to Mandatory Provident Funds required under the Hong Kong Mandatory Provident Fund Schemes Ordinance and mandatory central pension schemes organised by the local government of the PRC government are recognised as an expense in the consolidated income statement as incurred.

(ii) Share-based payments

Share options granted by the Company to employees of the Group in an equity-settled share-based payment arrangement

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a share option reserve within equity. The fair value is measured at grant date using the Binomial option pricing model, taking into accounts the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest.

2. 主要會計政策 (續)

(q) 僱員福利

(i) 短期僱員福利及向定額供款退休計劃的供款

薪金、年度花紅、有薪年假及界定供款退休計劃供款以及非貨幣福利成本，乃於僱員提供有關服務之年度內計算。倘付款或結算獲遞延處理且其影響屬重大，則該等金額按其現值列賬。

根據香港強制性公積金計劃條例須向強制性公積金作出之供款，以及向中國地方政府所籌辦之強制性中央退休金計劃作出之供款，於產生時在綜合收益表內確認為開支。

(ii) 以股份為基礎之付款

於一項以股權結算以股份為基礎之付款安排中本公司向本集團僱員授出的購股權授予僱員之購股權之公平值，乃確認為僱員成本，並相應增加權益中之購股權儲備。公平值乃於授出日期利用二項式期權定價模式計量，當中考慮到授出購股權所依據之條款及條件。倘若僱員於有權無條件享有購股權前須符合歸屬條件，則估計購股權之總體公平值乃於歸屬期間內分攤，當中考慮到購股權將會歸屬之可能性。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Employee benefits (Continued)

(ii) Share-based payments (Continued)

Share options granted by the Company to employees of the Group in an equity-settled share-based payment arrangement (Continued)

During the vesting period, the number of share options expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year under review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the share option reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vests (with a corresponding adjustment to the share option reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the share option reserve until either the option is exercised (when it is transferred to the share premium account) or the option expires (when it is released directly to the retained profits/accumulated losses).

2. 主要會計政策 (續)

(q) 僱員福利 (續)

(ii) 以股份為基礎之付款 (續)

於一項以股權結算以股份為基礎之付款安排中本公司向本集團僱員授出的購股權 (續)

於歸屬期內，會審核預期歸屬之購股權數目。於過去年度確認之累計公平值之任何調整，乃於審核年度於損益內扣除／計入，惟合資格確認為資產之原本僱員開支則除外，並對購股權儲備作相應調整。於歸屬日，確認為開支之款額會予以調整，以反映歸屬購股權之實際數目（並對購股權儲備作相應調整），惟因並無達致與本公司股份市值相關之歸屬條件才沒收之購股權除外。權益款額乃於購股權儲備內確認，直至購股權獲行使（當其轉撥至股份溢價賬）或購股權到期（直接撥入保留溢利／累計虧損時）為止。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(q) Employee benefits (Continued)

(ii) Share-based payments (Continued)

Share options granted to consultant in an equity-settled share-based payment transactions

Share options issued in exchange for goods or services are measured at fair values of the goods or services rendered, unless that fair value cannot be reliably measured, in which case the goods or services received are measured by reference to the fair value of the share options granted. The fair values of goods or services received are recognised as expenses immediately, unless the goods or services qualify for recognition as assets. Corresponding adjustment has been made to equity (share option reserve).

(r) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

2. 主要會計政策 (續)

(q) 僱員福利 (續)

(ii) 以股份為基礎之付款 (續)

於一項以股權結算以股份為基礎之付款交易中向顧問授出的購股權

為換取貨品或服務而發行的購股權按收到的貨品或服務的公平值計量，除非有關公平值無法可靠計量，在此情況下收到的貨品或服務參考授出的購股權的公平值計量。本集團取得的貨品或服務的公平值乃即時確認為開支，除非貨品或服務符合資格確認為資產。已在權益（購股權儲備）作出相應調整。

(r) 所得稅

本年度所得稅包括即期稅項以及遞延稅項資產及負債變動。即期稅項以及遞延稅項資產及負債變動於損益確認，惟倘與於其他全面收益或直接於權益確認之項目有關者，則相關稅項金額分別於其他全面收益或直接於權益中確認。

即期稅項指年內就應課稅收入，按於報告期末已實施或實際已實施之稅率，並經就過往年度應付稅項之任何調整而計算之估計應付稅項。

分別由可扣減及應課稅暫時差額產生之遞延稅項資產及負債，指就財務申報之資產及負債賬面值與其稅基之差額。遞延稅項資產亦自未動用稅項虧損及未動用稅項抵免產生。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Income tax (Continued)

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided that those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary differences or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2. 主要會計政策 (續)

(r) 所得稅 (續)

除若干例外情況外，所有遞延稅項負債均予以確認，而倘日後應課稅溢利有可能對銷可予以使用的資產，則所有遞延稅項資產均予以確認。支持確認由可扣減臨時差額所產生遞延稅項資產的日後應課稅溢利包括因撥回現有應課稅臨時差額而產生的數額，惟該等差額須與同一稅務機構及同一應課稅實體有關，並預期會在可扣減臨時差額預期撥回之相同期間或轉回或結轉遞延稅項資產產生稅項虧損之期間撥回。於釐訂現有應課稅臨時差額是否可用以確認尚未動用的稅項虧損及抵免之遞延稅項資產時，可採納相同的準則，即該等差額若與同一稅務機構及同一應課稅實體有關，並預期在能使用稅項虧損或抵免的相同期間內撥回，則會被考慮。

確認遞延稅項資產及負債之例外情況包括不能為課稅而扣減商譽所產生之臨時差額，初步確認既不影響會計亦不影響應課稅溢利（惟須非業務組成部份）之資產或負債，及有關於附屬公司投資所出現臨時差額時，惟倘就應課稅差額而言，本集團可控制撥回之時間，且差額很可能不會於可見將來撥回或出現可扣減差額則除外，除非日後很可能會撥回。

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Income tax (Continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities if, and only if, the Company or the Group has the legally enforceable right to set-off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Company or the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

2. 主要會計政策 (續)

(r) 所得稅 (續)

所確認之遞延稅項金額乃按預期資產及負債賬面值之變現或結算方式，使用於報告期末已實施或實際已實施之稅率計算。遞延稅項資產及負債不會折現。

遞延稅項資產賬面值於各報告期末審核，倘可能不再有足夠應課稅溢利以容許使用有關稅項利益，則會進行扣減。倘可能會有足夠應課稅溢利，該等扣減將會撥回。

源自股息分派之額外所得稅於確認支付有關股息責任時予以確認。

即期稅項結餘及遞延稅項結餘和其變動，均獨立呈列及不會予以抵銷。當且僅當本公司或本集團有法定強制執行權，可以即期稅項資產抵銷即期稅項負債及達成以下額外條件時，則即期稅項資產將抵銷即期稅項負債，及遞延稅項資產將抵銷遞延稅項負債：

- 倘為即期稅項資產及負債，本公司或本集團擬按淨額結算或同時變現資產及清償負債；或

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2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(r) Income tax (Continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(s) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

2. 主要會計政策 (續)

(r) 所得稅 (續)

- 倘為遞延稅項資產及負債，由同一稅務機構按以下情況徵收所得稅：
 - 同一個課稅實體；或
 - 不同的課稅實體。這些實體計劃在預期有大額遞延稅項負債需要清償或遞延稅項資產可以收回的每個未來期間，按淨額變現即期稅項資產和清償即期稅項負債或在變現資產的同時清償負債。

(s) 撥備及或然負債

倘本集團或本公司因過往事件而負有可能導致經濟利益流出方可了結之法定或推定責任，且能作出可靠估計，則就不確定時限或金額之負債確認撥備。倘貨幣時間值為重大者，則撥備按預期清償債務所需開支之現值入賬。

倘可能毋須導致經濟利益流出或不能可靠估計金額，則將責任列作或然負債披露，除非經濟利益流出之可能性極微。僅可由發生或不發生一件或數件未來事件予以確定之可能責任，亦列作或然負債披露，除非經濟利益流出之可能性極微。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) 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 costs, if applicable, can be measured reliably, revenue is recognised in profit or loss as follows:

(i) Sales of liquefied coalbed gas and piped natural gas

Revenue from sales of liquefied coalbed gas and piped natural gas are recognised when the gas is delivered and title has passed. Revenue excludes value-added and business taxes, and is after deduction of any goods returns and trade discounts.

(ii) Income from provision of gas supply connection services

Revenue from provision of gas supply connection services is recognised when the relevant construction work is completed and connection services are rendered.

(iii) Income from provision of liquefied coalbed gas logistics services

Revenue from provision of logistics services is recognised when services are rendered.

(iv) Interest income

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

2. 主要會計政策 (續)

(t) 收益確認

收益按已收或應收代價之公平值計量。倘經濟利益極有可能流入本集團，且收益及成本(倘適用)能可靠計算，收益將按以下方式於損益確認：

(i) 銷售液化煤層氣及管道天然氣

銷售液化煤層氣及管道天然氣之收益乃於氣體已發送及所有權已轉讓時確認。收益不包括增值稅及營業稅，並於扣除任何退貨及商業折扣後列賬。

(ii) 提供供氣接駁服務之收入

提供供氣接駁服務之收益於相關工程完工及提供接駁服務時確認。

(iii) 提供液化煤層氣物流服務之收入

提供物流服務之收益於提供服務時確認。

(iv) 利息收入

利息收入乃於其利用實際利率法計提時確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Revenue recognition (Continued)

(v) Rental income from operating leases

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net less payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.

(vi) Value-added tax refund

Value-added tax refund is recognised when the acknowledgement of refund from the PRC Tax Bureau has been received.

(vii) Government grants

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

2. 主要會計政策 (續)

(t) 收益確認 (續)

(v) 經營租賃之租金收入

經營租賃的應收租金收入會在租賃期所涵蓋的期間以等額分期在損益中確認，如有其他方法更能代表從使用租賃資產中獲取利益的模式則屬例外。所授予的租賃鼓勵於損益確認為應收租賃淨付款總額的組成部份。或然租金會於賺取之會計期間確認為收入。

(vi) 增值稅退稅

增值稅退稅乃於確認收訖中國稅務局退稅時予以確認。

(vii) 政府津貼

倘可合理確定能夠收取政府津貼，而本集團將符合政府津貼所附帶的條件，則政府津貼在綜合財務狀況表中初始確認。補償本集團所產生開支的津貼於產生開支的同一期間有系統地於損益中確認為收入。補償本集團資產成本的津貼在相關資產賬面值中扣除，其後於該項資產的可用年期以減少折舊開支方式於損益內實際確認。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(t) Revenue recognition (Continued)

(vii) Government grants (Continued)

A government grant that becomes receivables as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs shall be recognised in profit or loss of the period in which it becomes receivable.

(u) Translation of foreign currencies

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Renminbi ("RMB"). The functional currency of the Company is Hong Kong dollars ("HK\$") and the presentation currency is RMB. The reason for using RMB as a presentation currency is that the functional currency of the principal entities within the Group is RMB.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

2. 主要會計政策 (續)

(t) 收益確認 (續)

(vii) 政府津貼 (續)

作為產生之開支或虧損的補償或為實體提供即時財務援助之應收政府津貼如無未來相關成本，應於應收期內於損益確認。

(u) 外幣換算

本集團各實體之財務報表中所包括之項目，均使用有關實體業務所在之主要經濟環境之貨幣（「功能貨幣」）進行計量。綜合財務報表乃以人民幣（「人民幣」）呈列。本公司之功能貨幣為港元（「港元」）及呈報貨幣為人民幣。使用人民幣作為呈報貨幣之原因為本集團內主要實體之功能貨幣均為人民幣。

年內以外幣結算之交易乃按交易當日之匯率換算。以外幣計值之貨幣資產及負債，則按報告期末之匯率換算。匯兌收益及虧損乃於損益內確認。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(u) Translation of foreign currencies (Continued)

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of foreign operations are translated into RMB at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of foreign operations acquired on or after 1 January 2005, are translated into RMB at the closing foreign exchange rates at the end of the reporting period.

The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the translation reserve. Goodwill arising on consolidation of a foreign operation acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the foreign operation.

On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2. 主要會計政策 (續)

(u) 外幣換算 (續)

按歷史成本計量及以外幣列值之非貨幣資產及負債，乃按於交易日期之匯率換算。以外幣列值並按公平值列賬之非貨幣資產及負債，均按於釐定公平值當日之匯率換算。

海外業務之業績均按與於交易當日之匯率相若之匯率換算為人民幣。財務狀況表項目(包括因綜合於二零零五年一月一日或之後收購之海外業務而產生之商譽)均按報告期完結日之收市匯率換算為人民幣。

所產生之匯兌差額，均於其他全面收益確認及於換算儲備的權益中分開累計。因綜合於二零零五年一月一日之前收購之海外業務而產生之商譽，乃按收購海外業務當日之匯率換算。

當出售海外業務時，與該海外業務有關的累計匯兌差額於出售盈虧確認時，由權益重新歸類至損益。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or completed.

(w) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2. 主要會計政策 (續)

(v) 借貸成本

為購入、建設或生產資產而直接應佔並須經一段頗長時間始能投入擬定用途或出售之借貸成本，作為該項資產之部份成本撥充資本。其他借款成本於產生期間內支銷。

屬於合資格資產成本一部份的借貸成本在資產產生開支、借貸成本產生和使資產投入擬定用途或出售所必須的準備工作進行期間開始撥充資本。在使合資格資產投入擬定用途或出售所必須的絕大部份準備工作中止或完成時，借貸成本便會暫停或停止撥充資本。

(w) 分部呈報

財務報表所呈報之經營分部及各分部項目之款項乃於為分配資源予本集團不同業務及地區以及評估該等業務及地區之表現而定期向本集團首席執行管理人員提供之財務資料中確認。

就財務報告而言，個別重大經營分部不會合併，惟分部間有類似經濟特點及在產品及服務性質、生產過程性質、客戶種類或類別、用作分銷產品或提供服務之方法以及監管環境性質方面相類似則除外。倘並非個別重大之經營分部符合大部份此等準則，則該等經營分部可能合併處理。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(x) Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Group are initially measured at their fair values and, if not designated as at fair value through profit or loss, are subsequently measured at the higher of:

- the amount of the obligation under the contract, as determined in accordance with HKAS 37 *Provisions, Contingent Liabilities and Contingent Assets*; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised in accordance with the revenue recognition policies.

(y) Related parties

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

or

2. 主要會計政策 (續)

(x) 財務擔保合約

財務擔保合約指發行人須於持有人因指定債務人未能根據債務工具之條款支付到期款項而蒙受損失時，向持有人補償支付指定款項之合約。

本集團所發行之財務擔保合約初步按其公平值計量，且倘並非指定為按公平值於損益列賬，則隨後按以下之較高者計量：

- 根據香港會計準則第37號「撥備、或然負債及或然資產」釐定之合約責任金額；及
- 初步確認之金額減(倘適用)根據收益確認政策確認之累計攤銷。

(y) 關連人士

- (a) 倘屬以下人士，即該人士或該人士之近親與本集團有關連：
- (i) 控制或共同控制本集團；
 - (ii) 對本集團有重大影響；或
 - (iii) 為本集團或本集團母公司的主要管理層成員。

或

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

2. SIGNIFICANT ACCOUNTING POLICIES

(Continued)

(y) Related parties (Continued)

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

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

2. 主要會計政策 (續)

(y) 關連人士 (續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司(即各母公司、附屬公司及同系附屬公司彼此間有關連)；
 - (ii) 一間實體為另一實體的聯營公司或合營企業(或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業)；
 - (iii) 兩間實體均為同一第三方的合營企業；
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司；
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃；
 - (vi) 實體受(a)所識別人士控制或受共同控制；及
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體(或該實體的母公司)主要管理層成員。

個人的近親家庭成員指在與該實體進行交易時預期可影響，或受該個人影響的家庭成員。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued a number of amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company. Of these, the following developments are relevant to the Group's consolidated financial statements:

Amendments to HKFRS 1	<i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
Amendments to HKFRS 7	<i>Disclosures — Transfers of Financial Assets</i>
Amendments to HKAS 12	<i>Deferred Tax: Recovery of Underlying Assets</i>

The adoption of the amendments to HKFRSs has no material effect on the Group's consolidated financial statements.

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of amendments, new and revised standards and interpretation which are not yet effective for the year ended 31 December 2012 and which have not been adopted in these consolidated financial statements.

Amendments to HKFRSs	<i>Annual Improvements to HKFRSs 2009 — 2011 cycle²</i>
Amendments to HKFRS 1	<i>Government Loans²</i>
Amendments to HKFRS 7	<i>Disclosures — Offsetting Financial Assets and Financial Liabilities²</i>
Amendments to HKFRS 9 and HKFRS 7	<i>Mandatory Effective Date of HKFRS 9 and Transition Disclosures⁴</i>

3. 會計政策的變動

香港會計師公會頒佈了多項香港財務報告準則的修訂。這些修訂在本集團及本公司當前的會計期間首次生效。其中，以下準則變化與本集團的綜合財務報表有關：

香港財務報告準則第1號之修訂本	嚴重高通脹及剔除首次採納者之固定日期
香港財務報告準則第7號之修訂本	披露 — 轉讓金融資產
香港會計準則第12號之修訂本	遞延稅項：收回相關資產

採納香港財務報告準則的修訂對本集團之綜合財務報表並無重大影響。

截至此等綜合財務報表發出日期，香港會計師公會已頒佈多項於截至二零一二年十二月三十一日止年度尚未生效之修訂本、新訂及經修訂準則及詮釋，而此等綜合財務報表尚未採納該等修訂本、新準則及詮釋。

香港財務報告準則之修訂本	二零零九年至二零一一年週期之香港財務報告準則年度改進 ²
香港財務報告準則第1號之修訂本	政府貸款 ²
香港財務報告準則第7號之修訂本	披露 — 抵銷金融資產與金融負債 ²
香港財務報告準則第9號及香港財務報告準則第7號之修訂本	香港財務報告準則第9號之強制生效日期及過渡披露 ⁴

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

HKFRS 9	<i>Financial Instruments</i> ⁴
HKFRS 10	<i>Consolidated Financial Statements</i> ²
HKFRS 11	<i>Joint Arrangements</i> ²
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> ²
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	<i>Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guidance</i> ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	<i>Investment Entities</i> ³
HKFRS 13	<i>Fair Value Measurement</i> ²
Amendments to HKAS 1	<i>Presentation of Items of Other Comprehensive Income</i> ¹
HKAS 19 (as revised in 2011)	<i>Employee Benefits</i> ²
HKAS 27 (as revised in 2011)	<i>Separate Financial Statements</i> ²
HKAS 28 (as revised in 2011)	<i>Investments in Associates and Joint Ventures</i> ²
Amendments to HKAS 32	<i>Offsetting Financial Assets and Financial Liabilities</i> ³
HK (IFRIC) — Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ²

¹ Effective for annual periods beginning on or after 1 July 2012.

² Effective for annual periods beginning on or after 1 January 2013.

³ Effective for annual periods beginning on or after 1 January 2014.

⁴ Effective for annual periods beginning on or after 1 January 2015.

3. 會計政策的變動 (續)

香港財務報告準則第9號	金融工具 ⁴
香港財務報告準則第10號	綜合財務報表 ²
香港財務報告準則第11號	聯合安排 ²
香港財務報告準則第12號	披露於其他實體之權益 ²
香港財務報告準則第10號、香港財務報告準則第11號及香港財務報告準則第12號之修訂本	綜合財務報表、聯合安排及披露於其他實體之權益：過渡指引 ²
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第27號之修訂本	投資實體 ³
香港財務報告準則第13號	公平值計量 ²
香港會計準則第1號之修訂本	其他全面收入項目之呈列 ¹
香港會計準則第19號(於二零一一年修訂)	僱員福利 ²
香港會計準則第27號(於二零一一年修訂)	獨立財務報表 ²
香港會計準則第28號(於二零一一年修訂)	於聯營公司及合營企業之投資 ²
香港會計準則第32號之修訂本	抵銷金融資產與金融負債 ³
香港(國際財務報告準則詮釋委員會) — 詮釋第20號	露天礦場生產階段之剝採成本 ²

¹ 於二零一二年七月一日或之後開始之年度期間生效。

² 於二零一三年一月一日或之後開始之年度期間生效。

³ 於二零一四年一月一日或之後開始之年度期間生效。

⁴ 於二零一五年一月一日或之後開始之年度期間生效。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

3. CHANGES IN ACCOUNTING POLICIES

(Continued)

The Group is in the process of making an assessment of what the impact of these new and revised standards, amendments or interpretation is expected to be in the period of initial application but is not yet in a position to state whether those new and revised standards, amendments or interpretation would have a significant impact on the Group's or the Company's results of operations and financial position.

4. ACCOUNTING JUDGEMENTS AND ESTIMATES

Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Sources of estimation uncertainty

Key sources of estimation uncertainty are as follows:

(i) Estimation of impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units ("CGU(s)") to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the CGU and a suitable discount rate in order to calculate the present value. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2012, the carrying amount of the Group's goodwill was approximately RMB267,298,000 (2011: RMB269,637,000). Details of the recoverable amount calculation are disclosed in note 15.

3. 會計政策的變動 (續)

本集團正評估該等新訂及經修訂準則、修訂本或詮釋預期將於首次採納期間產生的影響，惟未能說明該等新訂及經修訂準則、修訂本或詮釋會否對本集團或本公司的經營業績及財務狀況造成重大影響。

4. 會計判斷及估計

判斷及估計將按過往經驗及其他因素（包括相信在某情況下合理發生之預期未來事項）作出持續評估。

(a) 估計不確定性之來源

估計不確定性之主要來源如下：

(i) 商譽減值之估計

釐定商譽是否出現減值須估計獲分配商譽之現金產生單位（「現金產生單位」）之使用價值。計算使用價值時，本集團需估計現金產生單位預期產生之未來現金流量，以及一個合適之貼現率以計算現值。倘未來現金流量之實際金額少於預期，則會產生重大減值虧損。於二零一二年十二月三十一日，本集團商譽之賬面值約為人民幣267,298,000元（二零一一年：人民幣269,637,000元）。可收回金額之計算詳情於附註15披露。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(a) Sources of estimation uncertainty (Continued)

(i) Estimation of impairment of goodwill (Continued)

An impairment loss of approximately RMB2,339,000 (2011: RMB21,492,000) was recognised in the consolidated income statement for the year ended 31 December 2012 resulting in the carrying amount of the piped natural gas CGU located in Guangxi being written down to its recoverable amount.

(ii) Estimation of impairment of intangible assets

The Group performs annual tests on whether there has been impairment of intangible assets in accordance with the accounting policy stated in note 2(j). The recoverable amounts of CGUs are determined based on value in use calculations. These calculations require the use of estimates and assumptions made by management on the future operation of the business, pre-tax discount rates, and other assumptions underlying the value in use calculations. As at 31 December 2012, the carrying amount of the Group's intangible assets was approximately RMB365,231,000 (2011: RMB395,474,000).

(iii) Useful lives and residual values of property, plant and equipment

Management determines the estimated useful lives and residual values for the Group's property, plant and equipment in accordance with the accounting policy stated in note 2(g). The Group will revise the depreciation charge where useful lives and residual values are different from previous estimates, or will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. As at 31 December 2012, the carrying amount of the Group's property, plant and equipment was approximately RMB601,503,000 (2011: RMB481,040,000).

4. 會計判斷及估計 (續)

(a) 估計不確定性之來源 (續)

(i) 商譽減值之估計 (續)

截至二零一二年十二月三十一日止年度，於綜合收益表確認約人民幣2,339,000元（二零一一年：人民幣21,492,000元）的減值虧損，導致位於廣西的管道天然氣現金產生單位的賬面值撇減至其可收回金額。

(ii) 估計無形資產減值

本集團根據附註2(j)所載之會計政策就無形資產是否出現減值進行年度測試。現金產生單位之可收回金額按使用價值之計算而釐定。該等計算採用管理層就日後業務營運及除稅前貼現率所作之估計及假設，以及其他計算使用價值時所作之假設。於二零一二年十二月三十一日，本集團無形資產之賬面值約為人民幣365,231,000元（二零一一年：人民幣395,474,000元）。

(iii) 物業、機器及設備之可使用年期及剩餘價值

管理層按照附註2(g)所述之會計政策釐定本集團物業、機器及設備之估計可使用年期及剩餘價值。倘可使用年期及剩餘價值有別於先前所估計者，本集團將修正折舊支出，或將撇銷或撇減技術上已屬過時或已經棄用或出售之非策略性資產。於二零一二年十二月三十一日，本集團物業、機器及設備之賬面值約為人民幣601,503,000元（二零一一年：人民幣481,040,000元）。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(a) Sources of estimation uncertainty (Continued)

(iv) Amortisation of intangible assets

Intangible assets are amortised on a straight-line basis over their estimated useful lives in accordance with the accounting policy stated in note 2(h). The determination of the useful lives involves management's estimation. The Group re-assesses the useful life of the intangible assets and, if the expectation differs from the original estimate, such a difference may impact the amortisation in the year and the estimate will be changed in the future period.

(v) Estimation of impairment of trade and other receivables

The policy for recognising impairment on receivables of the Group is based on an evaluation of the collectibility and ageing analysis of accounts and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of the Group's debtors were to deteriorate, resulting in an impairment of their ability to make payments, additional impairment may be required.

(vi) Net realisable value of inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is determined on the basis of the estimated selling price less the estimated cost of completion and the estimated costs necessary to make the sale. Management estimates the net realisable value for inventories based primarily on the latest invoice prices and current market conditions. As at 31 December 2012, the carrying amount of the Group's inventories was approximately RMB5,949,000 (2011: RMB2,597,000).

4. 會計判斷及估計 (續)

(a) 估計不確定性之來源 (續)

(iv) 無形資產攤銷

無形資產根據附註2(h)所述之會計政策，按估計可使用年期以直線法攤銷。可使用年期之釐定涉及管理層之估計。本集團重新評估無形資產之可使用年期，如預期與原先估計不同，該差異或會影響年內攤銷，而估計亦會在未來期間出現變動。

(v) 估計應收賬款及其他應收款項之減值

本集團確認應收款項減值之政策，乃根據評估賬目之可收回程度及賬齡分析，以及根據管理層層之判斷而制訂。於評估該等應收款項之最終變現數額時，需作出大量判斷，包括各名債務人之目前信譽及過去收款歷史。倘若本集團債務人之財務狀況惡化，減低彼等付款之能力，則可能須作額外減值。

(vi) 存貨之可變現淨值

存貨按成本及可變現淨值之較低者列賬。可變現淨值按估計售價減去估計完工成本及出售估計所須成本釐定。管理層主要根據最近發票價格及目前市況而估計存貨之可變現淨值。於二零一二年十二月三十一日，本集團存貨之賬面值約為人民幣5,949,000元(二零一一年：人民幣2,597,000元)。

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4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

(a) Sources of estimation uncertainty (Continued)

(vii) Measurement of convertible bonds

On the issue of convertible bonds, the fair value of the liability component is determined using a market rate for an equivalent non-convertible bond; and this amount is carried as a long-term liability on the amortised cost basis until extinguished on conversion or redemption. The difference between the proceeds of the issue of the convertible bonds and the fair values of liability and derivative components is recognised and included in the convertible bonds reserve, net of transaction costs. The splitting of the liability, derivative and equity components requires estimation of the market interest rate and the use of valuation techniques (note 30).

(viii) Fair value of other financial instruments

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group estimates the fair value of these financial instruments based on financial modeling which requires various sources of information and assumptions. The carrying amount of other financial assets (representing contingent consideration receivable) as at 31 December 2012 was Nil (2011: RMB17,051,000), further details of which are given in note 22 to these consolidated financial statements.

(ix) Valuation of share options granted

The fair value of share options granted to employees were calculated using the Binomial option pricing model involving estimates including estimated life of share options granted, future dividends and volatility of share price.

4. 會計判斷及估計 (續)

(a) 估計不確定性之來源 (續)

(vii) 可換股債券的計量

就發行可換股債券而言，負債部份之公平值乃採用同等不可換股債券之市場利率釐定；而該金額按攤銷成本基準入賬列作長期負債，直至債券獲兌換或贖回時註銷為止。發行可換股債券的所得款項與負債及衍生工具部份的公平值之差額，乃經扣除交易成本後於可換股債券儲備中確認及入賬。劃分負債、衍生工具及權益部份須對市場利率作出估計並使用估值方法(附註30)。

(viii) 其他金融工具之公平值

並無於活躍市場買賣之金融工具之公平值使用估值方法釐定。本集團基於金融模型估計金融工具之公平值，其中需要多項資料來源及假設。於二零一二年十二月三十一日，其他金融資產(即應收或有代價)之賬面值為零(二零一一年：人民幣17,051,000元)，進一步詳情載於此等綜合財務報表之附註22。

(ix) 已授出購股權的估值

向僱員授出之購股權的公平值乃使用二項式期權定價模型(涉及已授出購股權的估計年期、未來股息及股價波動等估計)計算。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

4. ACCOUNTING JUDGEMENTS AND ESTIMATES *(Continued)*

(a) Sources of estimation uncertainty *(Continued)*

(x) Income taxes

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set-up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account changes in tax legislations. Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with future tax planning strategies.

4. 會計判斷及估計 *(續)*

(a) 估計不確定性之來源 *(續)*

(x) 所得稅

釐定所得稅撥備涉及未來若干交易之稅項待遇之判斷。本集團謹慎評估交易的稅務影響，並相應作出稅項撥備。有關交易之稅務待遇會定期重新檢討，並計及稅法變動。所有未被動用稅項虧損乃被確認為遞延稅項資產，惟以應課稅溢利可能可用作抵扣可動用之虧損為限。為釐定可予確認之遞延稅項資產金額，須根據未來應課稅溢利之可能時間及數額連同未來稅務規劃策略作出重大管理層判斷。

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4. ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

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

In the process of applying the Group's accounting policies, management has made the following critical accounting judgements:

(i) Renewal of gas business operating permits

The Group holds certain gas business operating permits with licence period of 1 to 4 years at date of issue which will be expired in year 2013 to 2016 and the renewal of which is subject to the approval by the relevant PRC authorities. In the opinion of the directors, taking into account legal opinion from the Company's PRC legal counsel, there are no legal impediments for the Group to renew its gas business operating permits upon expiry.

If the Group were unable to renew these permits upon expiry, the carrying amounts of the Group's goodwill and intangible assets of approximately RMB267,298,000 (2011: RMB269,637,000) and RMB365,231,000 (2011: RMB395,474,000) respectively might be significantly reduced, and the Group might increase amortisation charges of those assets where their useful lives are less than previously estimated, or it might write-off or write-down the carrying amounts of those assets.

4. 會計判斷及估計 (續)

(b) 在應用本集團會計政策時所作之重大會計判斷

於應用本集團的會計政策過程中，管理層已作出以下重大會計判斷：

(i) 天然氣業務經營許可證的續期

本集團持有若干天然氣業務經營許可證，於發出日期的有效期間為一至四年，並將於二零一三至二零一六年到期，而該等許可證的續期將須獲得相關中國部門的批准。董事認為，考慮到本公司中國法律顧問的法律意見，本集團於其天然氣業務經營許可證到期時進行續期不存在任何法律障礙。

倘若本集團無法於該等許可證到期時續期，則本集團商譽及無形資產的賬面值分別約人民幣267,298,000元（二零一一年：人民幣269,637,000元）及人民幣365,231,000元（二零一一年：人民幣395,474,000元）可能會大幅降低，而本集團可能會增加使用年期少於之前估計的該等資產的攤銷費用，或可能撇銷或撇減該等資產的賬面值。

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5. TURNOVER

Turnover represents the sales value of goods supplied and services provided to customers, which excludes value-added and business taxes and trade discounts. The amount of each significant category of revenue recognised in turnover during the year is as follows:

5. 營業額

營業額指向客戶提供貨品及服務之銷售值，惟不包括增值稅及營業稅以及商業折扣。年內於營業額確認之各項重大收益類別金額如下：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Sales of liquefied coalbed gas 液化煤層氣銷售	131,843	212,067
Provision of liquefied coalbed gas 提供液化煤層氣物流服務 logistics services	13,470	13,790
Sales of piped natural gas 管道天然氣銷售 (including provision of gas 包括提供供氣接駁服務 supply connection services)	38,521	27,992
	183,834	253,849

6. OTHER INCOME AND GAINS

6. 其他收入及收益

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Interest income from bank deposits 銀行存款之利息收入	44	102
Other interest income 其他利息收入	—	861
Net foreign exchange gain 外匯收益淨額	79	—
Rental income 租金收入	3,830	—
Government grants 政府津貼		
— PRC Enterprise Income Tax refund (note 8(a)) 中國企業所得稅退稅(附註8(a))	821	930
Other income (note) 其他收入(附註)	50,887	34,222
	55,661	36,115

Note: Included in other income for the year ended 31 December 2012 was a compensation income of approximately RMB50,750,000 (2011: RMB34,060,000) to compensate for the shortage of electricity supply in the industrial zone where the Group operates. There are no other specific conditions attached to the compensation and, therefore, the Group recognised the compensation income in profit or loss for the year.

附註：截至二零一二年十二月三十一日止年度的其他收入包括用以補償本集團經營所在工業區電力供應短缺的補償收入約人民幣50,750,000元(二零一一年：人民幣34,060,000元)。該補償並無附有其他特別條件，因此，本集團於本年度將補償收入於損益內確認。

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7. LOSS BEFORE TAXATION

Loss before taxation is arrived at after charging:

7. 除稅前虧損

除稅前之虧損已扣除以下各項：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(a) Staff costs (including directors' and chief executive's emoluments in note 9)	(a) 員工成本 (包括附註9中的董事及行政總裁薪酬)		
Salaries, wages and other benefits	薪金、工資及其他福利	20,087	16,800
Retirement benefit scheme contributions	退休福利計劃供款	2,838	2,174
Equity-settled share-based payment expenses	以股權結算以股份為基礎之付款開支	1,909	9,193
Total staff costs	總員工成本	24,834	28,167
(b) Other items	(b) 其他項目		
Cost of inventories (note 23(b))	存貨之成本 (附註23(b))	95,734	139,330
Auditors' remuneration – audit services	核數師薪酬 – 核數服務	1,466	663
– other services	– 其他服務	–	332
Depreciation of property, plant and equipment	物業、機器及設備折舊	29,165	24,590
Equity-settled share-based payment expenses in respect of share options granted to consultants	與授予顧問之購股權有關之以股權結算以股份為基礎之付款開支	105	9,550
Amortisation of prepaid lease payments for land under operating leases	經營租約下預付土地租金攤銷	810	738
Amortisation of intangible assets (included in cost of sales)	無形資產攤銷 (計入銷售成本)	30,243	25,369
Impairment loss on trade and other receivables (included in other operating expenses)	應收賬款及其他應收款項之減值虧損 (計入其他經營開支)	2,940	1,000
Net foreign exchange loss	外匯虧損淨額	–	544
Loss on disposal of property, plant and equipment (included in other operating expenses)	出售物業、機器及設備之虧損 (計入其他經營開支)	35	1,338
Operating lease charges in respect of land and buildings	土地及樓宇之經營租約費用	898	1,368

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7. LOSS BEFORE TAXATION (Continued)

7. 除稅前虧損 (續)

Loss before taxation is arrived at after charging: (Continued)

除稅前之虧損已扣除以下各項：(續)

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
(c) Finance costs	(c) 融資成本		
Interest expenses on bank and other borrowings wholly repayable within five years*	須於五年內全數償還之銀行及其他借款之利息開支*	6,113	5,344
Other finance cost	其他融資成本	155	—
Effective interest expense on convertible bonds (note 30)	可換股債券之實際利息開支 (附註30)	—	2,289
Finance charges on obligations under finance leases	融資租約承擔之融資費用	946	1,129
Total interest expense on financial liabilities not at fair value through profit or loss	並非按公平值計入損益之金融負債之利息開支總額	7,214	8,762

* Interest expenses on other borrowings paid to non-controlling shareholders of subsidiaries amounted to approximately RMB3,943,000 during the year (2011: RMB3,770,000).

* 年內，已付附屬公司非控股股東的其他借款之利息開支約為人民幣3,943,000元(二零一一年：人民幣3,770,000元)。

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8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT

(a) Taxation in the consolidated income statement represents:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Current tax — PRC Enterprise Income Tax (“EIT”)	即期稅項 — 中國企業所得稅 (「企業所得稅」)		
Provision for the year	本年度撥備	15,283	16,429
Under-provision in respect of prior years	過往年度撥備不足	683	631
		15,966	17,060
Deferred tax	遞延稅項		
Origination and reversal of temporary differences	暫時差額產生及撥回	(8,021)	(2,451)
		7,945	14,609

The Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Company Law of the Cayman Islands and, accordingly, is exempted from payment of the Cayman Islands income tax.

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profits for the year ended 31 December 2012 (2011: 16.5%). No provision for Hong Kong Profits Tax has been made as the Group has no estimated assessable profits arising in or derived from Hong Kong for the year ended 31 December 2012 (2011: Nil).

Taxation for overseas subsidiaries is charged at the appropriate current rates of taxation ruling in the relevant countries.

Under the Law of the PRC on EIT (the “EIT Law”) and Implementation Regulations of the EIT Law, the tax rate of the PRC subsidiaries is 25% from 1 January 2008 onwards.

8. 綜合收益表內之所得稅

(a) 綜合收益表內之稅項指：

本公司根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司，因此獲豁免繳納開曼群島所得稅。

截至二零一二年十二月三十一日止年度之香港利得稅按估計應課稅溢利之16.5% (二零一一年：16.5%) 計算。由於本集團於截至二零一二年十二月三十一日止年度並無於香港產生或源自香港的估計應課稅溢利 (二零一一年：無)，故並無為香港利得稅作出任何撥備。

海外附屬公司的稅項乃按相關國家現行適用稅率計算。

根據中國關於企業所得稅法律 (「企業所得稅法」) 及企業所得稅法實施條例，中國附屬公司自二零零八年一月一日起之稅率為25%。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

- (a) Taxation in the consolidated income statement represents: (Continued)

During the year ended 31 December 2011, a PRC subsidiary, namely 河北順泰能源有限公司 (transliterated as Hebei Shuntai Energy Resources Company Limited) (“Hebei Shuntai”) is entitled to a preferential EIT refund treatment. The refund was equal to 100%, 50% and 10% of the EIT paid to the PRC State Bureau of Taxation for the period from June 2010 to December 2010, January 2011 to December 2013 and from January 2014 onwards respectively. During the year ended 31 December 2012, Hebei Shuntai is entitled to a new preferential EIT refund treatment, the refund is equal to 20% of the EIT paid to the PRC State Bureau of Taxation for the period from January 2011 to December 2013.

- (b) Reconciliation between income tax charge and accounting loss at applicable tax rates:

8. 綜合收益表內之所得稅 (續)

- (a) 綜合收益表內之稅項指：(續)

於截至二零一一年十二月三十一日止年度，一間中國附屬公司河北順泰能源有限公司(「河北順泰」)享有企業所得稅退稅待遇。退稅額分別為二零一零年六月至二零一零年十二月、二零一一年一月至二零一三年十二月期間以及自二零一四年一月起分別向國家稅務局繳納企業所得稅的100%、50%及10%。於截至二零一二年十二月三十一日止年度，河北順泰享有新企業所得稅退稅待遇。退稅額為二零一一年一月至二零一三年十二月期間向國家稅務局繳納企業所得稅的20%。

- (b) 按適用稅率計算之所得稅支出與會計虧損之對賬如下：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Loss before taxation	除稅前虧損	(53,517)	(34,726)
Notional tax on loss before taxation, calculated at the rates applicable to the tax jurisdictions concerned	按相關稅務司法權區適用稅率計算之除稅前虧損名義稅項	(13,392)	(7,705)
Tax effect of non-deductible expenses	不可扣減開支之稅項影響	10,041	11,467
Tax effect of non-taxable income	毋須課稅收益之稅項影響	—	(4,263)
Tax effect of tax losses not allowed for tax deduction	不可減稅的稅項虧損之稅務影響	10,578	5,753
Tax effect of unused tax losses not recognised	未確認尚未使用稅項虧損的稅務影響	—	5,526
PRC withholding tax	中國預扣稅	369	3,200
Utilisation of tax losses previously not recognised	動用先前未確認之稅項虧損	(334)	—
Under-provision in respect of prior years	過往年度撥備不足	683	631
Income tax charge	所得稅支出	7,945	14,609

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8. INCOME TAX IN THE CONSOLIDATED INCOME STATEMENT (Continued)

- (c) Pursuant to the EIT Law in the PRC, from 1 January 2008, non-resident enterprises without an establishment or place of business in the PRC or which have an establishment or place of business in the PRC but whose relevant income is not effectively connected with the establishment or a place of business in the PRC, will be subject to withholding tax at the rate of 10% (unless reduced by tax treaty) on various types of passive income such as dividends derived from sources within the PRC.

Pursuant to the Sino-Hong Kong Double Tax Arrangement and the related regulations, a qualified Hong Kong tax resident will be liable for a reduced withholding tax rate of 5% on dividends from a PRC enterprise if the Hong Kong tax resident is the “beneficial owner” and holds 25% or more of the equity interest of the PRC enterprise. A withholding tax rate of 5% is applicable to entities held by a Hong Kong incorporated subsidiary.

8. 綜合收益表內之所得稅 (續)

- (c) 根據中國企業所得稅法，由二零零八年一月一日起，在中國境內未設立機構、場所，或者雖在中國境內設立機構、場所但取得之收入與其在中國境內所設機構、場所沒有實際聯繫之非居民企業，將須就多種被動收入(如源於中國境內之股息)按10%稅率(除非按稅收協定減免)繳納預扣稅。

根據中港雙重徵稅安排及有關規定，倘香港繳稅居民為中國企業的「實益擁有人」，並持有該中國企業25%或以上股本權益，合資格香港繳稅居民獲中國企業派付的股息則可享有經調低預扣稅稅率5%。由在香港註冊成立之附屬公司持有之實體之預扣稅率為5%。

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9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS

The emoluments paid or payable to each of the eight (2011: eight) directors and the chief executive were as follows:

9. 董事及主要行政人員酬金

已付或應付八名(二零一一年: 八名)董事及主要行政人員之酬金如下:

		Fees	Salaries and other emoluments	Discretionary bonus	Retirement benefit scheme contributions	Sub-total	Equity-settled share-based payment expenses	2012 Total
		袍金	薪金及其他薪酬	酌情花紅	退休福利計劃供款	小計	以股權結算以股份為基礎之付款開支	二零一二年總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事							
Wang Zhong Sheng	王忠勝	—	1,059	—	15	1,074	—	1,074
Feng San Li (note)	馮三利(附註)	—	93	—	—	93	—	93
Shi Liang	施亮	—	36	—	11	47	—	47
Zhang Qing Lin	張慶林	—	122	—	—	122	—	122
Fu Shou Gang	付壽剛	—	528	—	—	528	—	528
Independent non-executive directors	獨立非執行董事							
Wang Zhi He	王之和	47	—	—	—	47	—	47
Luo Wei Kun	羅維崑	95	—	—	—	95	—	95
Pang Yuk Fong	彭玉芳	41	—	—	—	41	—	41
		183	1,838	—	26	2,047	—	2,047

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9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

9. 董事及主要行政人員酬金 (續)

		Fees	Salaries and other emoluments	Discretionary bonus	Retirement benefit scheme contributions	Sub-total	Equity-settled share-based payment expenses	2011 Total
		袍金	薪金及其他薪酬	酌情花紅	退休福利計劃供款	小計	以股權結算以股份為基礎之付款開支	二零一一年總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive directors	執行董事							
Wang Zhong Sheng	王忠勝	—	865	—	11	876	505	1,381
Feng San Li (note)	馮三利(附註)	—	396	—	—	396	505	901
Shi Liang	施亮	—	36	—	11	47	—	47
Zhang Qing Lin	張慶林	—	—	—	—	—	505	505
Fu Shou Gang	付壽剛	—	453	—	—	453	505	958
Independent non-executive directors	獨立非執行董事							
Wang Zhi He	王之和	43	—	—	—	43	—	43
Luo Wei Kun	羅維崑	83	—	—	—	83	—	83
Pang Yuk Fong	彭玉芳	41	—	—	—	41	—	41
		167	1,750	—	22	1,939	2,020	3,959

Note:

The chief executive of the Company Mr. Feng San Li, was also a director of the Company. Mr. Feng San Li was appointed on 17 June 2011 and retired on 26 November 2012.

附註：

本公司行政總裁馮三利先生亦為本公司董事。馮三利先生於二零一一年六月十七日獲委任並於二零一二年十一月二十六日退任。

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9. DIRECTORS' AND CHIEF EXECUTIVE'S EMOLUMENTS (Continued)

Neither the chief executive nor any of the directors waived any emoluments in the year ended 31 December 2012 and 2011. No inducement payments to join or upon joining the Group or as compensation for loss of office were paid or payable to any director or the chief executive for the years ended 31 December 2012 and 2011.

10. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments in the Group, two (2011: four) are directors whose emoluments are disclosed in note 9. The aggregate of the emoluments in respect of the other three (2011: one) individual(s) are as follows:

9. 董事及主要行政人員酬金 (續)

於截至二零一二及二零一一年十二月三十一日止年度，概無主要行政人員及任何董事放棄任何酬金。於截至二零一二年及二零一一年十二月三十一日止年度，並無向任何董事或主要行政人員支付或應付任何加入本集團或加入本集團時之獎賞或離職補償。

10. 最高薪人士

本集團五名最高薪人士中，兩名(二零一一年：四名)為董事，彼等之酬金於附註9披露。其他三名(二零一一年：一名)人士之酬金總額如下：

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Salaries, wages and other benefits 薪金、工資及其他福利	520	61
Retirement benefit scheme contributions 退休福利計劃供款	24	4
Equity-settled share-based payment expenses 以股權結算以股份為基礎之付款開支	204	5,055
	748	5,120

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10. INDIVIDUALS WITH HIGHEST EMOLUMENTS (Continued)

The emoluments of the three (2011: one) individual(s) with the highest emoluments are within the following bands:

		2012 二零一二年 Number of individual 人數	2011 二零一一年 Number of individual 人數
HK\$Nil to HK\$1,000,000	零港元至1,000,000港元	3	—
HK\$5,000,001 to HK\$5,500,000	5,000,001港元至5,500,000港元	—	1

10. 最高薪人士 (續)

三名(二零一一年：一名)最高薪人士之酬金介乎以下範圍：

11. LOSS ATTRIBUTABLE TO EQUITY SHAREHOLDERS OF THE COMPANY

The consolidated loss attributable to equity shareholders of the Company for the year ended 31 December 2012 includes a loss of approximately RMB35,101,000 (2011: RMB28,361,000) which has been dealt with in the financial statements of the Company.

12. DIVIDEND

No dividend has been proposed or declared by the directors for the year ended 31 December 2012 (2011: Nil).

11. 本公司權益股東應佔虧損

截至二零一二年十二月三十一日止年度，本公司權益股東應佔綜合虧損包括已於本公司財務報表處理之虧損約人民幣35,101,000元(二零一一年：人民幣28,361,000元)。

12. 股息

截至二零一二年十二月三十一日止年度，董事並無建議派付或宣派股息(二零一一年：無)。

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13. LOSS PER SHARE

The calculation of the basic and diluted loss per share attributable to equity shareholders of the Company is based on the following data:

13. 每股虧損

本公司權益股東應佔每股基本及攤薄虧損乃根據下列數據計算：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Loss	虧損		
Loss for the year attributable to equity shareholders of the Company for the purposes of basic and diluted loss per share	計算每股基本及攤薄虧損時採用之本公司權益股東應佔年內虧損	(55,130)	(45,016)
		2012 二零一二年 '000 千股	2011 二零一一年 '000 千股
Number of shares	股份數目		
Issued ordinary shares at 1 January	於一月一日之已發行普通股	3,942,505	2,256,675
Effect of issue of shares by share placement	透過股份配售發行股份之影響	—	351,257
Effect of conversion of convertible bonds	可換股債券獲轉換之影響	—	341,712
Weighted average number of ordinary shares at 31 December for the purposes of basic and diluted loss per share	計算每股基本及攤薄虧損時採用之於十二月三十一日之普通股加權平均數	3,942,505	2,949,644

Diluted loss per share attributable to equity shareholders of the Company for the years ended 31 December 2012 and 2011 is the same as the basic loss per share as the effect of dilutive potential ordinary shares from share options and convertible bonds are anti-dilutive.

截至二零一二年及二零一一年十二月三十一日止年度本公司權益股東應佔每股攤薄虧損與每股基本虧損相同，原因是購股權及可換股債券之攤薄潛在普通股具有反攤薄效應。

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14. SEGMENT REPORTING

The Group's operating segments are determined based on information reported to the chief operating decision maker (the "CODM"), being the Company's board of directors, for the purpose of resources allocation and performance assessment. The CODM reviews the Group's internal reporting, assesses the performance and allocates the resources of the Group as a whole, as all of the Group's activities are considered to be primarily dependent on the performance of exploitation, liquefaction production and sale of natural gas in the PRC. Therefore, the CODM considers there is only one operating segment under the requirements of HKFRS 8 *Operating Segments*. In this regard, no segment information is presented.

Additional disclosure in relation to segment information is not presented as the CODM assess the performance of the sole operating segment identified based on the consistent information as disclosed in the consolidated financial statements.

The total segment result is equivalent to total comprehensive expense for the year as shown in the consolidated statement of comprehensive income and the total segment assets and total segment liabilities are equivalent to total assets and total liabilities as shown in the consolidated statement of financial position.

14. 分部呈報

本集團的經營分部乃根據向首席營運決策人（「首席營運決策人」，即本公司董事會）就資源分配及表現評估而呈報的資料而釐定。鑑於本集團的所有活動均視為主要依賴於在中國開採、液化生產及銷售天然氣的表現，首席營運決策人從整體上來檢討本集團的內部呈報、評估本集團的表現及分配本集團資源。因此，首席營運決策人認為根據香港財務報告準則第8號「經營分部」的規定，本集團僅有一個經營分部。就此而言，並無呈列分部資料。

由於首席營運決策人根據綜合財務報表中披露的一貫資料而評核已識別的唯一經營分部之表現，因此並無呈列有關分類資料的額外披露。

分部業績總額相等於綜合全面收益表所示的本年度全面開支總額，而分部資產總值及分部負債總額則相等於綜合財務狀況表所示的總資產及總負債。

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14. SEGMENT REPORTING (Continued)

(a) Geographical information

The Group principally operates in Hong Kong and the PRC.

The Group's turnover from external customers and information about its non-current assets by geographical locations are detailed below:

		Turnover from external customers 來自外部客戶的營業額		Non-current assets* 非流動資產*	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Hong Kong	香港	—	—	170	449
PRC	中國	183,834	253,849	1,321,656	1,214,503
		183,834	253,849	1,321,826	1,214,952

* Non-current assets excluding deferred tax assets.

本集團主要在香港及中國經營業務。

本集團按地理位置劃分的來自外部客戶的營業額及非流動資產的資料詳列如下：

* 非流動資產不包括遞延稅項資產。

(b) Information about major customers

Turnover from customers of corresponding years contributing over 10% of total revenue of the Group is as follows:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Customer A	客戶A	N/A ¹ 不適用 ¹	35,371
Customer B	客戶B	20,176	N/A ¹ 不適用 ¹
Customer C	客戶C	N/A ¹ 不適用 ¹	32,042
Customer D	客戶D	24,237	28,838
		44,413	96,251

¹ The corresponding revenue did not contribute over 10% of the total turnover of the Group.

(b) 主要客戶的資料

相應年度來自客戶的營業額超過本集團總收益10%的客戶如下：

¹ 相應收益並未超過本集團總營業額的10%。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

15. GOODWILL

The Group

15. 商譽

本集團

		RMB'000 人民幣千元
<hr/>		
Cost:	成本：	
At 1 January 2011	於二零一一年一月一日	186,279
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	157,821
<hr/>		
At 31 December 2011 and 2012	於二零一一年及二零一二年十二月三十一日	344,100
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Accumulated impairment losses:	累計減值虧損：	
At 1 January 2011	於二零一一年一月一日	52,971
Impairment loss	減值虧損	21,492
<hr/>		
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	74,463
Impairment loss	減值虧損	2,339
<hr/>		
At 31 December 2012	於二零一二年十二月三十一日	76,802
<hr/>		
Carrying amount:	賬面值：	
At 31 December 2012	於二零一二年十二月三十一日	267,298
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At 31 December 2011	於二零一一年十二月三十一日	269,637
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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

15. GOODWILL (Continued)

Impairment test for CGUs containing goodwill

Goodwill has been allocated for impairment testing purposes to the following groups of CGUs:

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Piped natural gas located in Guangxi	位於廣西的管道天然氣	—	2,339
Coalbed methane exploration and development, natural gas liquefaction and liquefied natural gas ("LNG") distribution	煤層氣勘探及開發、天然氣液化及液化天然氣(「液化天然氣」)分銷	267,298	267,298
		267,298	269,637

The basis of the recoverable amounts of the above CGUs and their major underlying assumptions are summarised below:

Coalbed methane exploration and development, natural gas liquefaction and LNG distribution

The recoverable amount of this CGU is determined based on value in use calculations with reference to an independent professional valuation. The key assumptions for the value in use calculations are those regarding the discount rate and growth in revenue and direct costs during the year. Management estimates the discount rate of 20.73% (2011: 18.67%) using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. Changes in selling prices and direct costs are based on past experience and expectations of changes in the market.

The value in use calculations are derived from cash flow projections based on the most recent financial budgets for the next 5 years approved by management. Cash flows beyond the 5-year period have been extrapolated using a steady growth rate of 3% (2011: 3%) per annum which is based on industry growth forecasts.

15. 商譽 (續)

包含商譽之現金產生單位之減值測試

商譽分配予現金產生單位組以進行減值測試：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Piped natural gas located in Guangxi	位於廣西的管道天然氣	—	2,339
Coalbed methane exploration and development, natural gas liquefaction and liquefied natural gas ("LNG") distribution	煤層氣勘探及開發、天然氣液化及液化天然氣(「液化天然氣」)分銷	267,298	267,298
		267,298	269,637

上述現金產生單位之可收回金額基準及其相關主要假設概述如下：

煤層氣勘探及開發、天然氣液化及液化天然氣分銷

本現金產生單位之可收回金額乃參考獨立專業估值根據使用價值計算。使用價值主要假設乃指對本年度之貼現率、收入增長及直接成本之假設。管理層估計，貼現率為20.73% (二零一一年：18.67%)，乃使用反映目前貨幣時間價值之市場估計及現金產生單位之特定風險之除稅前利率。售價及直接成本之變動乃以過往市場經驗及市場預期變動為基準。

使用價值計算乃來自根據管理層批准之最新未來5年財務預算所獲得之現金流量預測。超逾5年期間之現金流量使用穩健之年增長率3% (二零一一年：3%) 推算，該年增長率乃以行業增長預測為基準。

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15. GOODWILL (Continued)

Coalbed methane exploration and development, natural gas liquefaction and LNG distribution

(Continued)

The directors are of the view that, based on its assessment, there was no impairment of goodwill as of 31 December 2012 in respect of this CGU (2011: Nil).

In the opinion of the directors, any reasonable possible change in any of these assumptions would not cause the carrying amount of this CGU to exceed its recoverable amount.

Piped natural gas located in Guangxi

The recoverable amount of this CGU is determined based on value in use calculations with reference to an independent professional valuation. The key assumptions for the value in use calculations are those regarding the discount rate and growth in revenue and direct costs during the year. Management estimates the discount rate of 20.45% (2011: 17.10%) using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGU. Change in selling prices and direct costs are based on past experience and expectations of changes in the market.

The value in use calculations are derived from cash flow projections based on the most recent financial budgets for the next 5 years approved by management. Cash flows beyond the 5-year period have been extrapolated using a steady growth rate of 3% (2011: 5%) per annum which is based on industry growth forecasts.

Based on value in use calculations at 31 December 2012, the recoverable amount of the piped natural gas CGU located in Guangxi was found to be less than its carrying amount. Accordingly, impairment loss on goodwill allocated to the piped natural gas's CGU located in Guangxi of approximately RMB2,339,000 (2011: RMB21,492,000) has been recognised in the consolidated income statement for the year ended 31 December 2012.

15. 商譽 (續)

煤層氣勘探及開發、天然氣液化及液化天然氣分銷 (續)

董事認為，根據其估計，本現金產生單位於截至二零一二年十二月三十一日並無商譽減值(二零一一年：零)。

董事認為，上述任何假設之任何合理可能變動不會導致本現金產生單位之賬面值超逾其可收回金額。

位於廣西的管道天然氣

本現金產生單位之可收回金額乃參考獨立專業估值根據使用價值計算釐定。使用價值計算之主要假設乃指對本年度之貼現率、收入增長及直接成本之假設。管理層估計，貼現率為20.45%(二零一一年：17.10%)，乃使用反映目前貨幣時間價值之市場估計及現金產生單位之特定風險之除稅前利率。售價及直接成本之變動乃以過往市場經驗及市場預期變動為基準。

使用價值計算乃來自根據管理層批准之最新未來5年財務預算所獲得之現金流量預測。超逾5年期間之現金流量使用穩健之年增長率3%(二零一一年：5%)推算，該年增長率乃以行業增長預測為基準。

根據二零一二年十二月三十一日之使用價值計算，位於廣西的管道天然氣現金產生單位可收回金額低於賬面值。因此，分配予位於廣西的管道天然氣現金產生單位的商譽減值虧損約人民幣2,339,000元(二零一一年：人民幣21,492,000元)已於截至二零一二年十二月三十一日止年度之綜合收益表內確認。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT

16. 物業、機器及設備

(a) The Group

(a) 本集團

		Buildings held for own use 持作自用之樓宇 RMB'000 人民幣千元	Leasehold improvements 租賃裝修工程 RMB'000 人民幣千元	Pipelines 管道 RMB'000 人民幣千元	Plant and machinery 機器及設備 RMB'000 人民幣千元	Computer equipment 電腦設備 RMB'000 人民幣千元	Furniture and equipment 傢俱及設備 RMB'000 人民幣千元	Transportation and motor vehicles 運輸工具及汽車 RMB'000 人民幣千元	Construction in progress 在建工程 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	原值									
At 1 January 2011	於二零一一年一月一日	80,540	135	41,147	161,114	138	1,765	24,972	14,277	324,088
Additions	添置	–	722	–	40	109	753	18,351	125,020	144,995
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	–	–	–	9,014	17	122	150	62,424	71,727
Transfer from construction in progress	從在建工程轉出	–	–	873	10,831	35	–	–	(11,739)	–
Disposals	出售	–	(73)	(5,126)	–	–	(86)	(2,802)	–	(8,087)
Exchange adjustments	匯兌調整	–	(9)	–	–	–	(6)	–	–	(15)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	80,540	775	36,894	180,999	299	2,548	40,671	189,982	532,708
Additions	添置	–	–	132	6,585	37	266	2,582	140,717	150,319
Transfer from construction in progress	從在建工程轉出	37,360	–	552	35,848	–	–	–	(73,760)	–
Disposals	出售	–	(389)	–	–	(53)	(125)	(672)	–	(1,239)
Exchange adjustments	匯兌調整	–	3	–	–	–	–	–	–	3
At 31 December 2012	於二零一二年十二月三十一日	117,900	389	37,578	223,432	283	2,689	42,581	256,939	681,791
Accumulated depreciation and impairment	累計折舊及減值									
At 1 January 2011	於二零一一年一月一日	4,778	82	3,593	16,453	37	642	3,075	–	28,660
Charge for the year	本年度支出	3,977	189	1,945	11,131	42	581	6,725	–	24,590
Disposals	出售	–	(52)	(550)	–	–	(84)	(887)	–	(1,573)
Exchange adjustments	匯兌調整	–	(5)	–	–	–	(4)	–	–	(9)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	8,755	214	4,988	27,584	79	1,135	8,913	–	51,668
Charge for the year	本年度支出	3,977	222	2,087	15,290	53	377	7,159	–	29,165
Disposals	出售	–	(154)	–	(2)	(6)	(110)	(278)	–	(550)
Exchange adjustments	匯兌調整	–	5	–	–	–	–	–	–	5
At 31 December 2012	於二零一二年十二月三十一日	12,732	287	7,075	42,872	126	1,402	15,794	–	80,288
Carrying amount	賬面值									
At 31 December 2012	於二零一二年十二月三十一日	105,168	102	30,503	180,560	157	1,287	26,787	256,939	601,503
At 31 December 2011	於二零一一年十二月三十一日	71,785	561	31,906	153,415	220	1,413	31,758	189,982	481,040

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

(a) The Group (Continued)

Notes:

- (i) The buildings held for own use are situated on land held under medium-term leases in the PRC.
- (ii) The pipelines of the Group are located in the PRC.
- (iii) At 31 December 2012, the carrying amount of the Group's pipelines pledged for the Group's bank borrowings was approximately RMB28,397,000 (2011: RMB30,190,000).
- (iv) At 31 December 2012, the Group's building held for own use and plant and machinery with carrying amount of approximately RMB58,884,000 (2011: Nil) and RMB118,753,000 (2011: Nil) respectively were pledged.
- (v) The carrying amount of the Group's assets held under finance leases (included in transportation and motor vehicles) at 31 December 2012 was approximately RMB10,754,000 (2011: RMB9,980,000).
- (vi) At 31 December 2012, the Group's building held for own use with carrying amount of approximately RMB8,925,000 (2011: RMB9,423,000) was subjected to guarantee in relation to the arbitration proceedings between the Group and the CBM supplier as detailed in note 41(i).

16. 物業、機器及設備 (續)

(a) 本集團 (續)

附註：

- (i) 持作自用之樓宇位處中國按中期租約持有之土地上。
- (ii) 本集團之管道位於中國。
- (iii) 於二零一二年十二月三十一日，為本集團銀行借款而抵押之本集團管道之賬面值約為人民幣28,397,000元(二零一一年：人民幣30,190,000元)。
- (iv) 於二零一二年十二月三十一日，本集團持作自用之樓宇以及機器及機械之賬面值分別約人民幣58,884,000元(二零一一年：無)及人民幣118,753,000元(二零一一年：無)獲抵押。
- (v) 於二零一二年十二月三十一日，本集團融資租賃持有之資產(計入運輸工具及汽車)之賬面值約為人民幣10,754,000元(二零一一年：人民幣9,980,000元)。
- (vi) 於二零一二年十二月三十一日，本集團賬面值約為人民幣8,925,000元(二零一一年：人民幣9,423,000元)之持作自用之樓宇乃作為有關本集團與煤層氣供應商之間的仲裁程序(詳見附註41(i))的擔保。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

16. PROPERTY, PLANT AND EQUIPMENT

(Continued)

(b) The Company

16. 物業、機器及設備 (續)

(b) 本公司

		Leasehold improvements 租賃裝修工程 RMB'000 人民幣千元	Computer equipment 電腦設備 RMB'000 人民幣千元	Furniture and equipment 傢俱及設備 RMB'000 人民幣千元	Motor vehicles 汽車 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	原值					
At 1 January 2011	於二零一一年一月一日	76	138	118	2,741	3,073
Additions	添置	392	49	126	—	567
Disposals	出售	(73)	—	(83)	—	(156)
Exchange adjustments	匯兌調整	(9)	—	(6)	—	(15)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	386	187	155	2,741	3,469
Disposals	出售	—	—	—	(304)	(304)
Exchange adjustments	匯兌調整	3	—	—	—	3
At 31 December 2012	於二零一二年十二月三十一日	389	187	155	2,437	3,168
Accumulated depreciation and impairment	累計折舊及減值					
At 1 January 2011	於二零一一年一月一日	76	36	104	1,223	1,439
Charge for the year	本年度支出	53	34	21	537	645
Disposals	出售	(52)	—	(83)	—	(135)
Exchange adjustments	匯兌調整	(5)	—	(4)	—	(9)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	72	70	38	1,760	1,940
Charge for the year	本年度支出	210	37	64	371	682
Disposals	出售	—	—	—	(147)	(147)
Exchange adjustments	匯兌調整	5	—	—	—	5
At 31 December 2012	於二零一二年十二月三十一日	287	107	102	1,984	2,480
Carrying amount	賬面值					
At 31 December 2012	於二零一二年十二月三十一日	102	80	53	453	688
At 31 December 2011	於二零一一年十二月三十一日	314	117	117	981	1,529

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

17. PREPAID LEASE PAYMENTS FOR LAND UNDER OPERATING LEASES

The carrying amount of the Group's prepaid lease payments for land under operating leases is analysed as follows:

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	35,929	29,967
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	—	6,700
		35,929	36,667
Amortisation for the year	本年度攤銷	(810)	(738)
Carrying amount at 31 December	於十二月三十一日之賬面值	35,119	35,929
Less: Current portion	減：即期部份	(810)	(810)
Non-current portion	非即期部份	34,309	35,119

The prepaid lease payments in respect of land under operating leases are held under medium-term leases and situated in the PRC.

At 31 December 2012, the Group's prepaid lease payments for land under operating leases with a carrying amount of approximately RMB20,684,000 (2011: Nil) were pledged and a carrying amount of approximately RMB8,561,000 (2011: RMB8,780,000) were subjected to guarantee in relation to the arbitration proceedings between the Group and the CBM supplier as detailed in note 41(i).

The amortisation charges for the year ended 31 December 2012 of approximately RMB154,000 (2011: RMB154,000) and RMB656,000 (2011: RMB584,000) are included in cost of sales and administrative expenses respectively in the consolidated income statement.

17. 經營租約下預付土地租金

本集團經營租約下預付土地租金之賬面值分析如下：

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Carrying amount at 1 January	於一月一日之賬面值	35,929	29,967
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	—	6,700
		35,929	36,667
Amortisation for the year	本年度攤銷	(810)	(738)
Carrying amount at 31 December	於十二月三十一日之賬面值	35,119	35,929
Less: Current portion	減：即期部份	(810)	(810)
Non-current portion	非即期部份	34,309	35,119

經營租約下之預付土地租金乃按中期租約持有，其位於中國。

於二零一二年十二月三十一日，本集團經營租約下預付土地租金之賬面值約人民幣20,684,000元(二零一一年：無)已獲抵押，而其賬面值約人民幣8,561,000元(二零一一年：人民幣8,780,000元)乃作為有關本集團與煤層氣供應商之間的仲裁程序(詳見附註41(i))的擔保。

截至二零一二年十二月三十一日止年度攤銷支出約人民幣154,000元(二零一一年：人民幣154,000元)及人民幣656,000元(二零一一年：人民幣584,000元)分別於綜合收益表之銷售成本及行政開支列賬。

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18. INTANGIBLE ASSETS

The Group

		18. 無形資產		
		本集團		
		Exclusive right for piped natural gas operation 管道天然氣 業務之獨家權利 RMB'000 人民幣千元	Operating license for liquefied coalbed gas logistics 液化煤層氣 物流營運執照 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Cost	原值			
At 1 January 2011	於二零一一年一月一日	70,470	97,300	167,770
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	264,341	—	264,341
At 31 December 2011 and 2012	於二零一一年及二零一二年 十二月三十一日	334,811	97,300	432,111
Accumulated amortisation and impairment	累計攤銷及減值			
At 1 January 2011	於二零一一年一月一日	2,349	8,919	11,268
Amortisation for the year	本年度攤銷	5,909	19,460	25,369
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	8,258	28,379	36,637
Amortisation for the year	本年度攤銷	10,783	19,460	30,243
At 31 December 2012	於二零一二年十二月三十一日	19,041	47,839	66,880
Carrying amount	賬面值			
At 31 December 2012	於二零一二年十二月三十一日	315,770	49,461	365,231
At 31 December 2011	於二零一一年十二月三十一日	326,553	68,921	395,474

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

18. INTANGIBLE ASSETS (Continued)

(a) Exclusive right for piped natural gas operation in Beiliu City

It represented the exclusive right to operate in gas pipeline infrastructure and provision of piped natural gas in Beiliu City, Guangxi Zhuang Autonomous Region, the PRC and is amortised as cost of sales on a straight-line basis over the estimated useful lives of 45 years.

(b) Exclusive right for piped natural gas operation in Ruyang County

It represented the exclusive right to operate in gas pipeline infrastructure and provision of piped natural gas in Ruyang County, Luoyang City, Henan Province, the PRC and is amortised as cost of sales on a straight-line basis over the estimated useful lives of approximately 28.5 years.

(c) Operating license for liquefied coalbed gas logistics

It represented the operating license for liquefied coalbed gas logistics in the PRC and is amortised as cost of sales on a straight-line basis over the estimated useful lives of 5 years.

18. 無形資產 (續)

(a) 在北流市經營管道天然氣業務之獨家權利

該權利指在中國廣西壯族自治區北流市經營燃氣管道基礎設施和提供管道天然氣之獨家權利，並按直線基準於估計可使用年期45年作為銷售成本攤銷。

(b) 在汝陽縣經營管道天然氣業務之獨家權利

該權利指在中國河南省洛陽市汝陽縣經營燃氣管道基礎設施和提供管道天然氣之獨家權利，並按直線基準於估計可使用年期約28.5年作為銷售成本攤銷。

(c) 液化煤層氣物流營運執照

該執照指在中國經營液化煤層氣物流之營運執照，並按直線基準於估計可使用年期5年內作為銷售成本攤銷。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

19. DEPOSITS AND PREPAYMENTS

19. 按金及預付款項

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Warranty money paid for the acquisition of equipment under finance lease arrangements (note (a))	就融資租賃安排項下收購設備支付之保證金(附註(a))	6,566	8,161
Other deposits paid for acquisition of equipment	就收購設備支付之其他按金	2,285	2,250
Other deposits for acquisition of interests in land (note (b))	收購土地權益之其他按金(附註(b))	10,462	10,462
Prepayments (note (c))	預付款項(附註(c))	34,172	12,809
		53,485	33,682

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綜合財務報表附註

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19. DEPOSITS AND PREPAYMENTS (Continued)

- (a) The balance represents the warranty money paid for the acquisition of equipment under finance lease arrangements. On 2 December 2010, certain subsidiaries of the Group, as lessees, entered into finance lease arrangements with certain suppliers and a lessor named 中集融資租賃有限公司 (transliterated as CIMC Capital Ltd.) (“CIMC”), pursuant to which the suppliers agreed to manufacture and supply LNG tanks, gasified system and equipment, LNG trailers, towing vehicles and LNG refill stations (collectively, the “Finance Lease Assets”) at a total consideration of approximately RMB79,155,000. CIMC agreed to lease the Finance Lease Assets to the Group for a total lease consideration of approximately RMB95,461,000 (the “Finance Lease Arrangement”) payable within the term of 36 months by monthly installments, with an option for the Group to purchase the Finance Lease Assets at the end of the lease term at a consideration of approximately RMB7,000. The total lease consideration would be adjusted due to the floating lending interest rate to be promulgated by the People’s Bank of China (“PBOC”) from time to time. Pursuant to the agreements, the Group agreed to pledge the Finance Lease Assets to CIMC, whilst 洛陽順和能源有限公司 (transliterated as Luoyang Shunhe Energy Company Limited) (“Luoyang Shunhe”) entered into guarantees in favour of CIMC to secure the due payment of the outstanding lease consideration by the Group. During the year ended 31 December 2011, Luoyang Shunhe became an indirect wholly-owned subsidiary of the Company upon completion of the Group’s acquisition of the Wealthy Talent Group as detailed in note 35. The Group agreed to provide a total sum of approximately RMB15,831,000 to CIMC as warranty money, which is repayable at the end of the lease period. The Finance Lease Arrangement constituted a very substantial acquisition on the part of the Company under the GEM Listing Rules. The resolutions approving the Finance Lease Arrangement were duly passed by the shareholders of the Company at the extraordinary general meeting held on 14 February 2011.

19. 按金及預付款項 (續)

- (a) 該結餘指就融資租賃安排項下收購設備支付之保證金。於二零一零年十二月二日，本集團若干附屬公司(作為承租人)與若干供應商及一名出租人中集融資租賃有限公司(「中集」)訂立融資租賃安排，據此，供應商同意製造及供應液化天然氣儲罐、氣化系統及設備、液化天然氣槽車、牽引車及液化天然氣加氣站(合稱「融資租賃資產」)，總代價為約人民幣79,155,000元。中集同意向本集團出租融資租賃資產，總租賃代價為約人民幣95,461,000元(合稱「融資租賃安排」)，須於36個月內按月分期付款，本集團於租賃期結束時可選擇以代價約人民幣7,000元購買融資租賃資產。總租賃代價將根據中國人民銀行(「中國人民銀行」)不時公佈的浮動借貸利率作出調整。根據該等協議，本集團同意將融資租賃資產抵押予中集，而洛陽順和能源有限公司(「洛陽順和」)亦已訂立以中集為受益人的保證，為本集團妥善支付未清償租賃代價提供擔保。於截至二零一一年十二月三十一日止年度，洛陽順和於本集團完成收購Wealthy Talent Group(詳情載於附註35)後成為本公司的間接全資附屬公司。本集團同意向中集提供總額約人民幣15,831,000元之保證金，該保證金須於租賃期結束時退還。根據創業板上市規則，融資租賃安排構成本公司之非常重大收購事項。本公司股東已於二零一一年二月十四日舉行之股東特別大會上正式通過批准融資租賃安排之決議案。

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19. DEPOSITS AND PREPAYMENTS (Continued)

- (b) The balance represents deposits paid by the Group for the acquisition of interests in land located in the PRC which will be held for own use under operating leases.
- (c) Included in prepayments as at 31 December 2012 was an amount of approximately RMB25,119,000 (2011: RMB10,712,000) representing prepayment for the finance lease payments of the acquisition of equipment under the Finance Lease Arrangement mentioned in note (a) above.

19. 按金及預付款項 (續)

- (b) 該結餘指本集團就收購位於中國的土地權益支付之訂金，該土地權益將根據經營租約持作自用。
- (c) 二零一二年十二月三十一日之預付款項包括上文附註(a)所述融資租賃安排項下收購設備之融資租賃款項之預付款項約人民幣25,119,000元(二零一一年：人民幣10,712,000元)。

20. INVESTMENTS IN SUBSIDIARIES

20. 於附屬公司之投資

		The Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Unlisted shares, at cost	非上市股份，按成本	879,550	879,550

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20. INVESTMENTS IN SUBSIDIARIES (Continued)

20. 於附屬公司之投資 (續)

Particulars of the Company's principal subsidiaries at 31 December 2012 are as follows:

於二零一二年十二月三十一日本公司主要附屬公司之詳情如下：

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立地點/經營地點	Particulars of issued and paid-up share /registered capital 已發行及繳付股本/ 註冊資本詳情	Proportion of ownership interest 股權比例			Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Direct 直接	Indirect 間接	
山西陽城順泰能源發展 有限公司 (transliterated as Shanxi Yangcheng Shuntai Energy Development Company Limited) ("Shanxi Yangcheng Shuntai") (note (a) and (e)) 〔山西陽城順泰〕 (附註(a)及(e))	PRC 中國	Registered capital of HK\$85,000,000 註冊資本85,000,000港元	100%	100%	—	Investment holding 投資控股
山西沁水順泰能源發展 有限公司 (transliterated as Shanxi Qinshui Shuntai Energy Development Company Limited) ("Shanxi Qinshui") (note (a) and (d)) 〔山西沁水〕 (附註(a)及(d))	PRC 中國	Registered capital of HK\$140,000,000 註冊資本140,000,000港元	100%	100%	—	Manufacture and sales of liquefied coalbed gas 生產及銷售液化煤層氣
Sino Treasure Global Group Limited	British Virgin Islands ("BVI") 英屬處女群島	1 ordinary share of 1 United States dollar ("US\$") 1股面值1美元之普通股	100%	100%	—	Investment holding 投資控股
Allied Rich Management Limited 聯富管理有限公司	BVI 英屬處女群島	3,000 ordinary shares of US\$1 each 3,000股每股面值1美元之普通股	100%	—	100%	Investment holding 投資控股
山西聯富商業服務有限公司 (transliterated as Shanxi Allied Rich Services Limited) (note (a)) (附註(a))	PRC 中國	Registered capital of RMB5,000,000 註冊資本人民幣5,000,000元	100%	—	100%	Investment holding 投資控股

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20. INVESTMENTS IN SUBSIDIARIES (Continued) 20. 於附屬公司之投資 (續)

Particulars of the Company's principal subsidiaries at 31 December 2012 are as follows: (Continued)

於二零一二年十二月三十一日本公司主要附屬公司之詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立地點/經營地點	Particulars of issued and paid-up share /registered capital 已發行及繳付股本/ 註冊資本詳情	Proportion of ownership interest 股權比例		Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Direct Indirect 直接 間接	
廣西北流燃氣有限公司 (transliterated as Guangxi Beiliu Gas Company Limited) (note (b)) (附註(b))	PRC 中國	Registered capital of RMB20,000,000 註冊資本人民幣20,000,000元	97.5%	— 97.5%	Sales of piped natural gas and provision of gas supply connection services 銷售管道天然氣及提供 供氣接駁服務
Hebei Shuntai (note (a)) 河北順泰 (附註(a))	PRC 中國	Registered capital of RMB87,280,000 註冊資本人民幣87,280,000元	100%	100% —	Sales of liquefied coalbed gas 液化煤層氣銷售
萬志投資有限公司 (transliterated as Million Ideas Investments Limited)	BVI 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值1美元之普通股	100%	100% —	Investment holding 投資控股
山西萬志商務服務有限公司 (transliterated as Shanxi Wanzhi Business Services Limited) (note (a)) (附註(a))	PRC 中國	Registered capital of RMB500,000 註冊資本人民幣500,000元	100%	— 100%	Investment holding 投資控股
山西萬志物流有限公司 (transliterated as Shanxi Wanzhi Logistics Limited) (note (c)) (附註(c))	PRC 中國	Registered capital of RMB60,000,000 註冊資本人民幣60,000,000元	83%	— 83%	Provision of liquefied coalbed gas logistics services 提供液化煤層氣物流服務
Wealthy Talent Global Investments Limited	BVI 英屬處女群島	1 ordinary share of US\$1 1 股面值1美元之普通股	100%	100% —	Investment holding 投資控股

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20. INVESTMENTS IN SUBSIDIARIES (Continued)

Particulars of the Company's principal subsidiaries at 31 December 2012 are as follows: (Continued)

20. 於附屬公司之投資 (續)

於二零一二年十二月三十一日本公司主要附屬公司之詳情如下：(續)

Name of subsidiary 附屬公司名稱	Place of incorporation/ establishment/ operations 註冊成立/ 成立地點/經營地點	Particulars of issued and paid-up share /registered capital 已發行及繳付股本/ 註冊資本詳情	Proportion of ownership interest 股權比例		Principal activities 主要業務
			Group's effective interest 本集團 實際權益	Direct Indirect 直接 間接	
Hong Kong Chung Wo Energy Investments Limited 香港中和能源產業投資有限公司	Hong Kong 香港	1 ordinary share of HK\$1 1股面值1港元之普通股	100%	— 100%	Investment holding 投資控股
Luoyang Shunhe (note (b)) 洛陽順和(附註(b))	PRC 中國	Registered capital of HK\$60,000,000 註冊資本60,000,000港元	100%	— 100%	Sales of natural gas 天然氣銷售
陽城縣惠陽新能源有限公司 (transliterated as Yangcheng Huiyang New Energy Development Company Limited) ("Yangcheng Huiyang") (note (b)) (「陽城縣惠陽」)(附註(b))	PRC 中國	Registered capital of RMB30,000,000 註冊資本人民幣30,000,000元	60%	— 60%	Exploration, development and production of coalbed methane 勘探、開發及生產煤層氣
陽城縣順安集輸管道有限公司 (Transliterated as Yangcheng Shun An Gathering Pipeline Company Limited) (note (a)) (「陽城縣順安集輸管道」)(附註(a))	PRC 中國	Registered capital of RMB10,000,000 註冊資本人民幣10,000,000元	100%	— 100%	Gas Distribution 天然氣分銷

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results or assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

Notes:

- Registered under the laws of the PRC as a wholly-owned foreign enterprise.
- Registered under the laws of the PRC as a limited liability enterprise.
- Registered under the laws of the PRC as a Sino-foreign equity joint venture.
- The registered capital of Shanxi Qinshui was HK\$150,000,000, of which HK\$140,000,000 has been paid up as at 31 December 2012.
- The registered capital of Shanxi Yangcheng Shuntai was HK\$300,000,000, of which RMB85,000,000 has been paid up as at 31 December 2012.

董事認為上述本公司附屬公司為主要影響本集團業績或資產者。董事認為，提供其他附屬公司之詳情會導致篇幅過於冗長。

附註：

- 根據中華人民共和國法律註冊為外商獨資企業。
- 根據中華人民共和國法律註冊為有限責任企業。
- 根據中華人民共和國法律註冊為中外合資企業。
- 山西沁水之註冊資本為150,000,000港元，其中140,000,000港元已於二零一二年十二月三十一日繳付。
- 山西陽城順泰之註冊資本為300,000,000港元，其中人民幣85,000,000元已於二零一二年十二月三十一日繳付。

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21. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

21. 按公平值計入損益之金融資產

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Financial assets at fair value through profit or loss:	按公平值計入損益之金融資產：		
— Unlisted overseas investment fund	— 未上市海外投資基金	200	200

22. OTHER FINANCIAL ASSETS

22. 其他金融資產

		The Group and the Company 本集團及本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Contingent consideration in relation to acquisition of subsidiaries (note 35)	收購附屬公司有關之或有代價 (附註35)	—	17,051

Change in fair value of the contingent consideration is recognised in the consolidated income statement.

或有代價之公平值變動於綜合收益表內確認。

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23. INVENTORIES

- (a) Inventories in the consolidated statement of financial position comprise:

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Raw materials	原材料	3,443	1,463
Finished goods	製成品	2,506	1,134
		5,949	2,597

- (b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cost of inventories sold	已售存貨之成本	95,734	139,330

- (a) 於綜合財務狀況表內之存貨包括：

- (b) 已確認為開支並計入損益之存貨金額之分析如下：

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

24. TRADE AND OTHER RECEIVABLES

24. 應收賬款及其他應收款項

	The Group 本集團		The Company 本公司	
	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade and bills receivables 應收賬款及應收票據	14,918	23,109	—	—
Less: Allowance for doubtful debts 減：呆賬撥備	(1,913)	—	—	—
	13,005	23,109	—	—
Amounts due from subsidiaries 應收附屬公司款項 (note 42(b)(iv)) (附註42(b)(iv))	—	—	133,915	169,293
Amounts due from directors 應收董事款項 (note 42(b)(ii)) (附註42(b)(ii))	945	568	1,361	3,812
Other receivables 其他應收款項	61,325	52,574	742	1,527
Amounts due from related companies (note 42(b)(i)) 應收關連公司款項 (附註42(b)(i))	16,247	13,468	—	—
Loans and receivables 貸款及應收款項	91,522	89,719	136,018	174,632
Advances to suppliers 向供應商墊款	1,163	2,591	—	—
Prepayment relating to construction expenses 與建設開支有關之預付款項	71,068	22,041	—	—
Other prepayments 其他預付款項	20,166	22,659	10,840	10,402
Other taxes recoverable 其他可收回稅項	3,468	1,748	—	—
	187,387	138,758	146,858	185,034

All of the trade and other receivables are expected to be recovered or recognised as expenses within one year.

預期所有應收賬款及其他應收款項將於一年內收回或確認為開支。

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24. TRADE AND OTHER RECEIVABLES

(Continued)

(a) Ageing analysis

The ageing analysis of the trade and bills receivables, based on invoice date and net of allowance for doubtful debts at the end of the reporting period is as follows:

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 1 month	1個月內	5,587	20,718
More than 1 month but less than 3 months	1個月後但3個月內	4,408	—
More than 3 months but less than 6 months	3個月後但6個月內	2,986	2,340
More than 6 months but less than 12 months	6個月後但12個月內	—	1
More than 12 months	12個月後	24	50
		13,005	23,109

The Group generally allows credit period of 30 to 180 days to its customers. The Group may, on a case by case basis and after evaluation of the business relationship and creditworthiness, extend the credit period upon the customers' requests.

24. 應收賬款及其他應收款項 (續)

(a) 賬齡分析

應收賬款及應收票據(按發票日期及扣除呆賬撥備)於報告期末之賬齡分析如下：

本集團一般給予客戶30至180日信貸期。本集團可按每個個案基準，及於評估業務關係及信譽後，應客戶要求延長信貸期。

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24. TRADE AND OTHER RECEIVABLES

(Continued)

(b) Impairment of trade and bills receivables

Impairment losses in respect of trade debtors are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the impairment loss is written off against trade debtors directly (see note 2(j)).

The movement in the allowance for doubtful debts during the year is as follows:

24. 應收賬款及其他應收款項 (續)

(b) 應收賬款及應收票據之減值

應收賬款之減值虧損乃採用撥備賬記錄，惟本集團信納收回款項的可能性極微除外，在此情況下，減值虧損直接與應收賬款撇銷(見附註2(j))。

年內呆賬撥備之變動如下：

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	—	—
Impairment loss recognised	已確認之減值虧損	1,913	—
At 31 December	於十二月三十一日	1,913	—

At 31 December 2012, the Group's trade and bills receivables of RMB1,913,000 (2011: Nil) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that the receivables were not recoverable. Consequently, specific allowance for doubtful debts were recognised.

於二零一二年十二月三十一日，本集團之應收賬款及應收票據人民幣1,913,000元(二零一一年：無)乃個別釐定為減值。個別減值之應收款項與陷入財務困難之客戶有關，且管理層估計有關應收款項不可收回。因此，已就呆壞賬確認特別撥備。

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24. TRADE AND OTHER RECEIVABLES

(Continued)

(c) Trade and bills receivables that are not impaired

The ageing analysis of trade and bills receivables that are neither individually nor collectively considered to be impaired are as follows:

Neither past due nor impaired	未逾期及未減值	12,981	23,058
Less than 1 month past due	逾期少於1個月	—	—
1 to 3 months past due	逾期1至3個月	—	—
Over 3 months past due	逾期超過3個月	24	51
		24	51
		13,005	23,109

Receivables that were neither past due nor impaired relate to a wide range of customers for whom there was no recent history of default.

Receivables that were past due but not impaired related to an independent customer that had a good track record with the Group. Based on past experience, management believed that no impairment allowance was necessary in respect of this balance as there had not been a significant change in credit quality and the balance was still considered fully recoverable. The Group did not hold any collateral over this balance.

24. 應收賬款及其他應收款項 (續)

(c) 未減值應收賬款及應收票據

被認為未個別及共同減值的應收賬款及應收票據之賬齡分析如下：

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Neither past due nor impaired	未逾期及未減值	12,981	23,058
Less than 1 month past due	逾期少於1個月	—	—
1 to 3 months past due	逾期1至3個月	—	—
Over 3 months past due	逾期超過3個月	24	51
		24	51
		13,005	23,109

未逾期及未減值的應收款項涉及眾多客戶，該等客戶最近均無拖欠記錄。

已逾期但尚未減值之應收款項與於本集團擁有良好往績記錄之獨立客戶有關。根據過往經驗，管理層相信由於信貸質素並無重大變動，且有關結餘仍被視為可全數收回，故毋須就有關結餘作出減值撥備。本集團並無就該結餘持有任何抵押品。

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25. CASH AND CASH EQUIVALENTS

25. 現金及現金等值物

		The Group 本集團		The Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等值物				
– Cash at bank and in hand	– 銀行及手頭現金	29,437	21,698	455	6,065

Cash at bank earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

At the end of the reporting period, the cash and cash equivalents of the Group denominated in RMB amounted to approximately RMB26,998,000 (2011: RMB10,024,000). RMB is not freely convertible into other currencies, however, under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

於銀行之現金根據銀行每日存款利率按浮動利率賺取利息。銀行結餘存放於信譽良好及最近並無拖欠記錄的銀行。

於報告期末，本集團以人民幣計值的現金及現金等值物約為人民幣26,998,000元(二零一一年：人民幣10,024,000元)。人民幣不可自由轉換成其他貨幣，但根據中國之外匯管理條例和結匯、售匯及付匯管理規定，本集團獲准透過獲授權進行外匯業務之銀行把人民幣兌換成其他貨幣。

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26. TRADE AND OTHER PAYABLES

26. 應付賬款及其他應付款項

		The Group 本集團		The Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Trade payables	應付賬款	76,621	50,962	—	—
Amounts due to subsidiaries (note 42(b)(iv))	應付附屬公司款項 (附註42(b)(iv))	—	—	3,274	6,606
Amounts due to directors (note 42(b)(iii))	應付董事款項 (附註42(b)(iii))	514	7,852	778	—
Amounts due to non-controlling shareholders of subsidiaries (note 42(b)(iii))	應付附屬公司 之非控股股東款項 (附註42(b)(iii))	1,979	1,569	—	—
Accrued expenses and other payables	應計開支及其他 應付款項	55,753	5,501	4,117	2,361
Payables for acquisition of property, plant and equipment	收購物業、機器 及設備應付款項	131,372	50,250	—	—
Financial liabilities measured at amortised cost	按攤銷成本計量 之金融負債	266,239	116,134	8,169	8,967
Deposits received from customers	向客戶收取之按金	12,531	9,249	—	—
Other taxes payables	其他應付稅項	1,421	2,017	582	573
		280,191	127,400	8,751	9,540

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26. TRADE AND OTHER PAYABLES (Continued)

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

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 1 month	1個月內	19,306	5,102
More than 1 month but less than 3 months	1個月後但3個月內	958	5,556
More than 3 months but less than 6 months	3個月後但6個月內	15,989	17,628
More than 6 months but less than 12 months	6個月後但12個月內	12,946	22,440
More than 12 months	12個月後	27,422	236
		76,621	50,962

The trade and other payables are expected to be settled or recognised as income within one year or are repayable on demand.

應付賬款(按發票日期)於報告期末的賬齡分析如下：

應付賬款及其他應付款項預期將於一年內清償或確認為收入或須應要求償還。

27. PROVISION

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
At 1 January	於一月一日	—	—
Provision for the year	年內撥備	2,694	—
Amount utilised for the year	年內動用之款項	(187)	—
At 31 December	於十二月三十一日	2,507	—

27. 撥備

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27. PROVISION (Continued)

The provision for production safety has been determined by the directors to meet the production safety standard in accordance with the rules and regulations imposed by the PRC authority in 2012.

28. BANK AND OTHER BORROWINGS

As at 31 December 2012, the bank and other loans were repayable as follows:

27. 撥備 (續)

生產安全撥備乃由董事根據中國當局於二零一二年頒佈的規則及規例釐定，以符合生產安全標準。

28. 銀行及其他借款

於二零一二年十二月三十一日，應償還的銀行及其他貸款如下：

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Secured bank loans repayable:	須償還有抵押銀行貸款：		
Within 1 year or on demand	1年內或須按要求償還	30,600	12,900
After 1 year but within 2 years	1年後但2年內	2,400	—
After 2 years but within 5 years	2年後但5年內	3,000	—
After 5 years	5年以上	—	—
		36,000	12,900
Unsecured other loans repayable:	須償還無抵押其他貸款：		
Within 1 year or on demand	1年內或須按要求償還	80,000	50,000
		116,000	62,900
Less: Amount due within 1 year shown under current liabilities	減：流動負債下 一年內到期之款項	(110,600)	(62,900)
Amount due after 1 year shown under non-current liabilities	非流動負債下一年後到期之款項	5,400	—

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28. BANK AND OTHER BORROWINGS

(Continued)

Notes:

- (a) Bank loans bear interest at variable interest rates ranging from 6.60% to 9.98% (2011: 7.67% to 16.80%) per annum.
- (b) Unsecured other loans of RMB80,000,000 (2011: RMB50,000,000) represent loans due to non-controlling shareholders of PRC subsidiaries of the Group. The loans bear interest at fixed rates ranging from 5.69% to 11.50% (2011: 5.69% to 7.12%) per annum.
- (c) As at 31 December 2012, bank borrowings of RMB6,000,000 (2011: RMB8,000,000) were secured by the Group's property, plant and equipment with carrying amount of approximately RMB28,397,000 (2011: RMB30,190,000). The remaining bank borrowings of RMB30,000,000 (2011: Nil) were secured by the pledge of certain plant and equipment of 諾信(獻縣)機械工程材料有限公司 (transliterated as Nopin (Xian Country) Engineering Material & Machinery Co., Ltd. ("Nopin Engineering"). Nopin Engineering is a company owned by Mr. Wang. As at 31 December 2012, the Group did not have any undrawn banking facilities (2011: Nil).

28. 銀行及其他借款 (續)

附註：

- (a) 銀行貸款按介乎每年6.60%至9.98% (二零一一年：7.67%至16.80%)之浮動利率計息。
- (b) 無抵押之其他貸款人民幣80,000,000元 (二零一一年：人民幣50,000,000元)乃結欠本集團中國附屬公司非控股股東之貸款。該等貸款按介乎每年5.69%至11.50% (二零一一年：5.69%至7.12%)之固定利率計息。
- (c) 於二零一二年十二月三十一日，銀行借款人民幣6,000,000元 (二零一一年：人民幣8,000,000元)以本集團賬面值約為人民幣28,397,000元 (二零一一年：人民幣30,190,000元)之物業、機器及設備作抵押。其餘銀行借款人民幣30,000,000元 (二零一一年：無)乃以諾信(獻縣)機械工程材料有限公司(「諾信」)之若干機器及設備作為抵押。諾信為王先生擁有之公司。於二零一二年十二月三十一日，本集團並無任何未提取之銀行信貸 (二零一一年：無)。

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29. OBLIGATIONS UNDER FINANCE LEASES 29. 融資租約承擔

At 31 December 2012, the Group had obligations under finance leases repayable as follows:

於二零一二年十二月三十一日，本集團擁有以下應償付的融資租約承擔：

		The Group 本集團			
		2012 二零一二年		2011 二零一一年	
		Present value of the minimum lease payments 最低租賃 付款的現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃 付款總額 RMB'000 人民幣千元	Present value of the minimum lease payments 最低租賃 付款的現值 RMB'000 人民幣千元	Total minimum lease payments 最低租賃 付款總額 RMB'000 人民幣千元
Within 1 year	1年內	4,747	5,182	3,420	4,242
After 1 year but within 2 years	1年後但2年內	1,256	1,304	3,906	4,242
After 2 years but within 5 years	2年後但5年內	149	151	350	354
After 5 years	5年後	—	—	—	—
		6,152	6,637	7,676	8,838
Less: Total future interest expenses	減：未來利息開支總額		(485)		(1,162)
Present value of lease obligations	租約承擔的現值		6,152		7,676

The Group leases certain equipment for its operations under the Finance Lease Arrangement as detailed in note 19(a). These leases are classified as finance leases and have remaining lease terms ranging from 13 to 27 (2011: 25) months.

本集團根據融資租約安排租賃若干設備用於業務營運，詳情載於附註19(a)。該等租約乃分類為融資租約，剩餘租期介乎13個月至27個月(二零一一年：25)之間。

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30. CONVERTIBLE BONDS

The movements of the liability component, derivative component and equity component of the convertible bonds are as follows:

30. 可換股債券

可換股債券的負債部份、衍生工具部份及權益部份之變動載列如下：

		Liability component of convertible bonds	Derivative component of convertible bonds	Equity component of convertible bonds	Total
		可換股債券的 負債部份	可換股債券的 衍生工具部份	可換股債券的 權益部份	總計
		RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元
At January 2011	於二零一一年一月	43,137	(6,621)	15,810	52,326
Issued during the year (note 35)	年內已發行(附註35)	—	—	413,621	413,621
Interest expenses	利息開支	2,289	—	—	2,289
Conversion of bonds	轉換債券	(43,913)	—	(188,222)	(232,135)
Fair value loss	公平值虧損	—	6,487	—	6,487
Exchange adjustments	匯兌調整	(1,513)	134	—	(1,379)
At 31 December 2011 and 2012	於二零一一年及 二零一二年 十二月三十一日	—	—	241,209	241,209

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30. CONVERTIBLE BONDS (Continued)

- (a) On 16 July 2010, the Company issued HK\$ denominated zero-coupon convertible bonds (the “2010 Convertible Bonds”) due 15 July 2013 with aggregate principal amount of HK\$187,500,000 (equivalent to approximately RMB165,000,000). The 2010 Convertible Bonds had a maturity period of 3 years from the issue date and were (i) convertible at the option of the bondholder into 937,500,000 ordinary shares of HK\$0.01 each in the capital of the Company at any time from 16 July 2010 to 15 July 2013 at a conversion price of HK\$0.20 per share; and (ii) redeemable at the option of the Company at any time from 16 July 2010 to 15 July 2013 at 100% of the principal amount.

The 2010 Convertible Bonds contained a liability component, a derivative component and an equity component, whose fair values on the issue date and at the end of the reporting period were determined by the directors with reference to an independent profession valuation.

For the year ended 31 December 2011, all the remaining 2010 Convertible Bonds with aggregate principal amount of HK\$63,000,000 (equivalent to approximately RMB59,723,000) were converted, resulting in the issue of 315,000,000 ordinary shares of HK\$0.01 each in the capital of the Company at the conversion price of HK\$0.20 each.

30. 可換股債券 (續)

- (a) 於二零一零年七月十六日，本公司發行本金總額為187,500,000港元(約相當於人民幣165,000,000元)之零息可換股債券。該等可換股債券以港元計值及於二零一三年七月十五日到期。二零一零年可換股債券自發行日期起計三年到期，且(i)可由債券持有人選擇於二零一零年七月十六日至二零一三年七月十五日期間的任何時間，按每股0.20港元的換股價轉換為937,500,000股本公司股本中每股面值0.01港元之普通股；及(ii)可由本公司選擇於二零一零年七月十六日至二零一三年七月十五日期間的任何時間，按本金額全額贖回。

二零一零年可換股債券包含負債部份、衍生工具部份及權益部份，其於發行日期及於報告期末之公平值乃由董事經參考獨立專業估值釐定。

截至二零一一年十二月三十一日止年度，本金總額為63,000,000港元(約相當於人民幣59,723,000元)之全部剩餘二零一零年可換股債券已按每股0.20港元的換股價轉換，導致發行315,000,000股本公司股本中每股面值0.01港元之普通股。

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30. CONVERTIBLE BONDS (Continued)

- (b) On 12 July 2011, the Company issued HK\$ denominated zero-coupon convertible bonds (the “2011 Convertible Bonds”) due 11 July 2013 for aggregate principal amount of HK\$499,000,000 (equivalent to approximately RMB413,621,000) as consideration for the acquisition of the Wealthy Talent Group (note 35). The 2011 Convertible Bonds have a maturity period of 2 years from the issue date and are (i) convertible at the option of the bondholder into 1,919,230,769 ordinary shares of HK\$0.01 each in the capital of the Company at any time from 12 July 2011 to 11 July 2013 at a conversion price of HK\$0.26 per share; and (ii) redeemable at the option of the Company at any time from 12 July 2011 to 11 July 2013 at 100% of the principal amount. The Company is not required, upon the maturity of the 2011 Convertible Bonds, to redeem or pay any outstanding principal amount of the 2011 Convertible Bonds.

The equity component of the 2011 Convertible Bonds was recognised at fair value on initial recognition, whose fair values are determined by the directors with reference to an independent professional valuation and are presented in equity heading “convertible bonds reserve”.

During the year ended 31 December 2011, the 2011 Convertible Bonds with aggregate principal amount of HK\$208,000,000 (equivalent to approximately RMB172,412,000) were converted, resulting in the issue of 800,000,000 ordinary shares of HK\$0.01 each in the capital of the Company at the conversion price of HK\$0.26 per share. No conversion of the 2011 Convertible Bonds was exercised during the year ended 31 December 2012.

30. 可換股債券 (續)

- (b) 作為收購Wealthy Talent Group (附註35)之代價，於二零一一年七月十二日，本公司發行本金總額為499,000,000港元(約相當於人民幣413,621,000元)之零息可換股債券(「二零一一年可換股債券」)。該等可換股債券以港元計值及於二零一三年七月十一日到期。二零一一年可換股債券自發行日期起計兩年到期，且(i)可由債券持有人於二零一一年七月十二日至二零一三年七月十一日期間的任何時間，按每股0.26港元的換股價轉換為1,919,230,769股本公司股本中每股面值0.01港元之普通股；及(ii)可由本公司選擇於二零一一年七月十二日至二零一三年七月十一日期間的任何時間，按本金額全額贖回。本公司毋須於二零一一年可換股債券到期後贖回或支付二零一一年可換股債券的任何未償還本金額。

二零一一年可換股債券之權益部份於初次確認時按公平值確認，數額乃由董事經參考獨立專業估值釐定，並呈列於權益內之「可換股債券儲備」。

截至二零一一年十二月三十一日止年度，本金總額為208,000,000港元(約相當於人民幣172,412,000元)之二零一一年可換股債券已按每股0.26港元的換股價轉換，導致發行800,000,000股本公司股本中每股面值0.01港元之普通股。截至二零一二年十二月三十一日止年度，二零一一年可換股債券概無獲轉換。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

30. CONVERTIBLE BONDS (Continued)

(b) (Continued)

As at 31 December 2012, the 2011 Convertible Bonds with aggregate principal amount of HK\$291,000,000 (equivalent to approximately RMB241,209,000) (2011: HK\$291,000,000 (equivalent to approximately RMB241,209,000)) remained outstanding.

30. 可換股債券 (續)

(b) (續)

於二零一二年十二月三十一日，本金總額為291,000,000港元（約相當於人民幣241,209,000元）（二零一一年：291,000,000港元（約相當於人民幣241,209,000元））之二零一一年可換股債券仍未獲轉換。

31. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current income tax recognised in the consolidated statement of financial position and the movements during the year is as follows:

31. 綜合財務狀況表內之所得稅

(a) 綜合財務狀況表內確認之即期所得稅及其年內變動如下：

		The Group 本集團		The Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
PRC EIT	中國企業所得稅				
At 1 January	於一月一日	12,869	(66)	56	—
Provision for the year	本年度撥備	15,283	16,429	217	821
Under-provision in respect of prior years	過往年度撥備不足	683	631	—	—
EIT paid for the year	本年度已繳付企業所得稅	(6,582)	(4,069)	(231)	(765)
Acquisition of subsidiaries (note 35)	收購附屬公司 (附註35)	—	(56)	—	—
At 31 December	於十二月三十一日	22,253	12,869	42	56
Income tax recoverable recognised in the statement of financial position	於財務狀況表內確認之可收回所得稅	—	(687)	—	—
Income tax payable recognised in the statement of financial position	於財務狀況表內確認之應付所得稅	22,253	13,556	42	56
Net tax payable	應付稅項淨額	22,253	12,869	42	56

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

31. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(b) Deferred tax assets and liabilities recognised

The Group

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the year are as follows:

31. 綜合財務狀況表內之所得稅

(續)

(b) 已確認遞延稅項資產及負債

本集團

綜合財務狀況表中確認的遞延稅項資產／(負債)之部份及其於年內的變動載列如下：

		Fair value adjustment on property plant and equipment	Fair value adjustment on prepaid lease payments for land under operating leases	Fair value adjustment on intangible assets	Withholding tax	Others	Total
		物業、機器及設備之公平值調整	經營租約下預付土地租金之公平值調整	無形資產之公平值調整	預扣稅	其他	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2011	於二零一一年一月一日	232	(2)	(39,126)	—	—	(38,896)
Acquisition of subsidiaries (note 35)	收購附屬公司(附註35)	—	(672)	(66,085)	—	(622)	(67,379)
Credited/(charged) to consolidated income statement	計入/(扣除自)綜合收益表	(98)	6	6,343	(2,435)	(1,365)	2,451
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日	134	(668)	(98,868)	(2,435)	(1,987)	(103,824)
Credited/(charged) to consolidated income statement	計入/(扣除自)綜合收益表	(20)	14	7,561	(369)	835	8,021
At 31 December 2012	於二零一二年十二月三十一日	114	(654)	(91,307)	(2,804)	(1,152)	(95,803)

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

31. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(b) Deferred tax assets and liabilities recognised (Continued)

The following is the analysis of the deferred tax balances for financial reporting purposes:

31. 綜合財務狀況表內之所得稅 (續)

(b) 已確認遞延稅項資產及負債 (續)

下列為就財務報告而言的遞延稅項結餘分析：

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Deferred tax assets recognised in the consolidated statement of financial position	於綜合財務狀況表內 確認之遞延稅項資產	152	189
Deferred tax liabilities recognised in the consolidated statement of financial position	於綜合財務狀況表內 確認之遞延稅項負債	(95,955)	(104,013)
		(95,803)	(103,824)

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

31. INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(b) Deferred tax assets and liabilities recognised (Continued)

The Company

The components of deferred tax liabilities recognised in the statement of financial position and the movements during the year are as follows:

		Withholding tax 預扣稅 RMB'000 人民幣千元
At 1 January 2011	於二零一一年一月一日	—
Charged to profit or loss	計入損益	(2,179)
At 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日 及二零一二年一月一日	(2,179)
Charged to profit or loss	計入損益	(369)
At 31 December 2012	於二零一二年十二月三十一日	(2,548)

(c) Deferred tax assets not recognised

At 31 December 2012, the Group has not recognised deferred tax assets in respect of cumulative tax losses carried forward of approximately RMB22,357,000 (2011: RMB23,693,000) is due to expire within 1 to 5 years under the current tax legislation for offsetting against future taxable profits of the Group in which the losses arise. The cumulative tax losses have not been recognised as a deferred tax asset as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity.

31. 綜合財務狀況表內之所得稅

(續)

(b) 已確認遞延稅項資產及負債 (續)

本公司

於財務狀況表內確認的遞延稅項負債部份及其於年內的變動載列如下：

(c) 尚未確認之遞延稅項資產

於二零一二年十二月三十一日，本集團並未確認與結轉累計稅項虧損（其根據當前稅法將於產生虧損之一至五年內到期，以抵銷本集團日後之應課稅溢利）約人民幣22,357,000元（二零一一年：人民幣23,693,000元）有關的遞延稅項資產。累計稅項虧損並未被確認為遞延稅項資產，乃由於在相關稅務司法權區及實體不大可能有可抵銷稅項虧損之未來應課稅溢利。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

32. CAPITAL AND RESERVES

(a) The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

		Share premium	Contributed surplus	Share option reserve	Translation reserve	Convertible bonds reserve	Accumulated losses	Total
		股份溢價	繳入盈餘	購股權儲備	換算儲備	可換股債券儲備	累計虧損	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Balance at 1 January 2011	於二零一一年一月一日之結餘	484,532	37,490	—	(1,431)	15,810	(115,697)	420,704
Loss for the year	本年度虧損	—	—	—	—	—	(28,361)	(28,361)
Other comprehensive income for the year	本年度其他全面收益	—	—	—	2,257	—	—	2,257
Total comprehensive income/(expense) for the year	本年度全面收益/(開支)總額	—	—	—	2,257	—	(28,361)	(26,104)
Issue of new shares	發行新股份							
— Share placement	— 股份配售	176,717	—	—	—	—	—	176,717
— Conversion of convertible bonds	— 轉換可換股債券	222,732	—	—	—	(188,222)	—	34,510
Transaction costs attributable to issue of new shares	發行新股份應佔交易成本	(5,615)	—	—	—	—	—	(5,615)
Recognition of equity component of convertible bonds	確認可換股債券的權益部份	—	—	—	—	413,621	—	413,621
Equity-settled share-based payments	以股權結算以股份為基礎之付款	—	—	28,793	—	—	—	28,793
Lapse of share options	購股權失效	—	—	(417)	—	—	417	—
Transfer to accumulated losses	轉撥至累計虧損	—	(37,490)	—	—	—	37,490	—
Balance at 31 December 2011 and 1 January 2012	於二零一一年十二月三十一日及二零一二年一月一日之結餘	878,366	—	28,376	826	241,209	(106,151)	1,042,626
Loss for the year	本年度虧損	—	—	—	—	—	(63,974)	(63,974)
Other comprehensive expense for the year	本年度其他全面開支	—	—	—	(60)	—	—	(60)
Total comprehensive expense for the year	本年度全面開支總額	—	—	—	(60)	—	(63,974)	(64,034)
Equity-settled share-based payments	以股權結算以股份為基礎之付款	—	—	2,790	—	—	—	2,790
Lapse of share options	購股權失效	—	—	(403)	—	—	403	—
Balance at 31 December 2012	於二零一二年十二月三十一日之結餘	878,366	—	30,763	766	241,209	(169,722)	981,382

32. 資本及儲備

(a) 本集團綜合權益各個組成部份於年初及年終結餘之對賬載於綜合權益變動表內。本公司個別權益組成部份於年初及年終之變動詳情載列如下：

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

32. CAPITAL AND RESERVES (Continued)

32. 資本及儲備 (續)

(b) Authorised and issued share capital

(b) 法定及已發行股本

The Group and the Company 本集團及本公司

		2012 二零一二年		2011 二零一一年	
		Number of shares 股份數目 '000 千股	Amount 金額 RMB'000 人民幣千元	Number of shares 股份數目 '000 千股	Amount 金額 RMB'000 人民幣千元
Authorised ordinary shares of HK\$0.01 each:	法定 — 每股面值 0.01港元之普通股：	10,000,000	94,610	10,000,000	94,610
Issued and fully paid ordinary shares of HK\$0.01 each:	已發行及繳足 每股面值0.01港元 之普通股：				
At 1 January	於一月一日	3,942,505	34,828	2,256,675	20,681
Issue of shares by share placement	透過股份配售 發行股份	—	—	570,830	4,744
Issue of shares upon conversion of convertible bonds	就轉換可換股債券 發行股份	—	—	1,115,000	9,403
At 31 December	於十二月三十一日	3,942,505	34,828	3,942,505	34,828

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

普通股持有人有權獲得不時宣派之股息及於本公司會議上享有每股一票之投票權。所有普通股對本公司之剩餘資產均享有相等權益。

(i) Increase in authorised share capital

Pursuant to a special resolution passed by the shareholders of the Company at the extraordinary general meeting held on 20 June 2011, the Company's authorised ordinary share capital was increased to HK\$100,000,000 (equivalent to approximately RMB94,610,000) by the creation of an additional 5,000,000,000 ordinary shares of HK\$0.01 each, ranking pari passu with the existing ordinary shares of the Company in all respects.

(i) 增加法定股本

根據本公司股東於二零一一年六月二十日舉行之股東特別大會通過的特別決議案，本公司之法定普通股本透過增設額外的5,000,000,000股每股面值0.01港元之普通股增加至100,000,000港元（約相當於人民幣94,610,000元），該等股份在各方面與本公司現有普通股具同等地位。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

32. CAPITAL AND RESERVES (Continued)

(b) Authorised and issued share capital

(Continued)

(ii) Issue of ordinary shares

On 17 March 2011, the Company allotted and issued a total of 326,830,000 ordinary shares of HK\$0.01 each in the capital of the Company at a placing price of HK\$0.225 per share by way of placement to independent investors. The net proceeds from the placing amounted to approximately HK\$71,281,000 (equivalent to approximately RMB60,011,000).

On 4 August 2011, the Company, Mr. Wang and Jumbo Lane Investments Limited ("Jumbo Lane") entered into a placing and subscription agreement with a placing agent for: (i) the placement on a best effort basis of a maximum of 200,000,000 and 200,000,000 ordinary shares of the Company owned by Mr. Wang and Jumbo Lane respectively at a placing price of HK\$0.6 per share (the "2011 Placing"); and (ii) the subscription of 400,000,000 new ordinary shares of the Company by Mr. Wang and Jumbo Lane respectively at a subscription price of HK\$0.6 per share (the "2011 Subscription"). The 2011 Placing and 2011 Subscription were completed on 10 August 2011 and 17 August 2011 respectively. An aggregate of 244,000,000 placing shares (as to 122,000,000 shares from Mr. Wang and 122,000,000 shares from Jumbo Lane) have been successfully placed to independent investors at the placing price of HK\$0.6 per share and an aggregate of 244,000,000 subscription shares have been issued and allotted by the Company to Mr. Wang and Jumbo Lane at the subscription price of HK\$0.6 per share. The net proceeds from the 2011 Subscription amounted to approximately HK\$141,850,000 (equivalent to approximately RMB115,835,000).

32. 資本及儲備 (續)

(b) 法定及已發行股本 (續)

(ii) 發行普通股

於二零一一年三月十七日，本公司透過向獨立投資者配售之方式，以每股0.225港元之價格配發及發行合共326,830,000股本公司資本中每股面值0.01港元之普通股。配售所得款項淨額約為71,281,000港元(相當於約人民幣60,011,000元)。

於二零一一年八月四日，本公司、王先生及寶連投資有限公司(「寶連」)與一名配售代理訂立一項配售及認購協議，內容有關：(i)按竭盡所能基準按每股0.6港元之配售價配售王先生及寶連分別持有的最多200,000,000股及200,000,000股本公司普通股(「二零一一年配售」)；及(ii)王先生及寶連按每股0.6港元之認購價分別認購400,000,000股本公司新普通股(「二零一一年認購」)。二零一一年配售及二零一一年認購已分別於二零一一年八月十日及二零一一年八月十七日完成。合共244,000,000股配售股份(其中122,000,000股股份來自王先生及122,000,000股股份來自寶連)成功按每股0.6港元之配售價向獨立投資者配售，及本公司按每股0.6港元之認購價向王先生及寶連發行及配發合共244,000,000股認購股份。二零一一年認購的所得款項淨額約為141,850,000港元(相當於約人民幣115,835,000元)。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

32. CAPITAL AND RESERVES (Continued)

(b) Authorised and issued share capital

(Continued)

(iii) Conversion of convertible bonds

On 19 August 2011, the 2010 Convertible Bonds with principal amount of HK\$63,000,000 were converted into the Company's ordinary shares at a conversion price of HK\$0.20 per share. As a result of the conversion, 315,000,000 ordinary shares of the Company were issued.

On 5 September 2011, 20 September 2011 and 6 December 2011, the 2011 Convertible Bonds with principal amounts of HK\$130,000,000, HK\$52,000,000 and HK\$26,000,000 respectively were converted into the Company's ordinary shares at a conversion price of HK\$0.26 per share. As a result of the conversion, 800,000,000 ordinary shares of the Company were issued.

(c) Nature and purpose of reserves

(i) Share premium

Under the Companies Law of the Cayman Islands, share premium is distributable to the shareholders of the Company, subject to the condition that the Company cannot declare or pay a dividend, or make a distribution out of share premium if (i) it is, or would after the payment be, unable to pay its liabilities as they become due, or (ii) the realisable value of its assets would thereby be less than the aggregate of its liabilities and its issued share capital account.

32. 資本及儲備 (續)

(b) 法定及已發行股本 (續)

(iii) 轉換可換股債券

於二零一一年八月十九日，本金額為63,000,000港元之二零一零年可換股債券，按每股0.20港元之換股價轉換為本公司普通股。轉換完成後，本公司的已發行普通股達到315,000,000股。

於二零一一年九月五日、二零一一年九月二十日及二零一一年十二月六日，本金額分別為130,000,000港元、52,000,000港元及26,000,000港元之二零一一年可換股債券，按每股0.26港元之換股價轉換為本公司普通股。轉換完成後，本公司的已發行普通股達到800,000,000股。

(c) 儲備之性質及目的

(i) 股份溢價

根據開曼群島公司法，股份溢價可分派予本公司股東，惟倘(i)於分派時或其後未能償還其到期負債，或(ii)資產可變現價值因而少於其負債及已發行股本賬之總額，則本公司不得宣派或派付股息或於股份溢價中作出任何分派。

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綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

32. CAPITAL AND RESERVES (Continued)

(c) Nature and purpose of reserves (Continued)

(ii) General reserve

According to the relevant laws and regulations in the PRC, each of the PRC subsidiaries is required to appropriate at least 10% of its after-tax profit (after offsetting prior years' losses), based on the PRC statutory financial statements prepared in accordance with the generally accepted accounting principles ("GAAP") and financial regulations applicable to PRC enterprises, to the general reserve until the balance of the fund reaches 50% of the PRC subsidiary's registered capital. Thereafter, any further appropriation can be made at the directors' discretion.

The general reserve fund can be utilised to offset the prior years' losses, or be utilised to increase the capital on the condition that the general reserve shall be maintained at a minimum of 25% of the registered capital after such increase.

(iii) Share option reserve

The share option reserve comprises the portion of the grant date fair value of unexercised share options granted to executive directors, employees and consultants of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 2(q)(ii).

(iv) Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(u).

32. 資本及儲備 (續)

(c) 儲備之性質及目的 (續)

(ii) 一般儲備

根據中國有關法律及法規，各中國附屬公司於抵銷過往年度虧損後，須各自根據按公認會計準則（「公認會計準則」）及中國企業適用之財務規例編製之中國法定財務報表，將其除稅後溢利撥出最少10%作為一般儲備，直至基金之結餘達到中國附屬公司註冊資本之50%為止。其後，董事可酌情決定作出任何額外撥款。

一般儲備金可用作抵銷過往年度虧損，或用作增加資本，惟增加資本後，一般儲備須維持不少於註冊資本之25%。

(iii) 購股權儲備

購股權儲備包括授予本集團執行董事、僱員及顧問的未行使購股權的授出日期公平價值部份，該部份已根據附註2(q)(ii)所述就以股份為基礎的付款所採納的會計政策而予以確認。

(iv) 換算儲備

換算儲備包括所有換算外國業務財務報表產生之匯兌差額。換算儲備按照附註2(u)所載之會計政策處理。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

32. CAPITAL AND RESERVES (Continued)

(c) Nature and purpose of reserves (Continued)

(v) Convertible bonds reserve

The convertible bonds reserve represents the value of unexercised equity component of convertible bonds issued by the Company. The reserve is dealt with in accordance with the accounting policy set out in note 2(m).

(d) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders 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 maintain a balance between the higher shareholders returns that might be possible with higher levels of borrowings afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors its capital structure on the basis of the debt-to-adjusted capital ratio. This ratio is calculated as net debt divided by adjusted capital. Net debt comprises the Group's bank and other borrowings and obligations under finance leases less cash and cash equivalents as shown in the consolidated statement of financial position. Adjusted capital comprises equity attributable to equity shareholders of the Company as shown in the consolidated statement of financial position plus net debt.

32. 資本及儲備 (續)

(c) 儲備之性質及目的 (續)

(v) 可換股債券儲備

可換股債券儲備指本公司發行的可換股債券的未行使權益部份之價值。該儲備根據附註2(m)所載的會計政策處理。

(d) 資本管理

本集團管理資本之主要目標為確保本集團持續經營之能力，以向股東提供回報，並維持最佳資本結構藉以減低資金成本。

本集團積極並定期檢討及管理其資本結構，以在盡可能提高股東回報與穩健資本狀況可承受之較高借貸水平之間取得平衡，並因應經濟情況之變動對資本結構作出調整。為維持或調整資本結構，本集團可能調整派付予股東之股息金額、發行新股或出售資產以減低債務。

本集團以負債對經調整資本比率監察其資本結構。該比率按淨負債除以經調整資本計算。淨負債包括本集團之銀行及其他借款以及融資租約承擔減現金及現金等值物(如綜合財務狀況表所示)。經調整資本包括本公司權益股東應佔權益(如綜合財務狀況表所示)加淨負債。

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32. CAPITAL AND RESERVES (Continued)

(d) Capital management (Continued)

During the year ended 31 December 2012, the Group's strategy, which was unchanged from 2011, was to maintain a net debt-to-adjusted capital ratio within 20%.

The net debt-to-adjusted capital ratio as at 31 December 2012 and 2011 are as follows:

	Notes 附註	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Bank and other borrowings	銀行及其他借款 28	116,000	62,900
Obligations under finance leases	融資租約承擔 29	6,152	7,676
Less: Cash and cash equivalents	減：現金及現金等值物 25	(29,437)	(21,698)
Net debt	淨負債	92,715	48,878
Equity attributable to equity shareholders of the Company	本公司權益股東應佔權益	1,000,060	1,052,422
Adjusted capital	經調整資本	1,092,775	1,101,300
Net debt-to-adjusted capital ratio	淨負債對經調整資本比率	8.48%	4.44%

32. 資本及儲備 (續)

(d) 資本管理 (續)

於截至二零一二年十二月三十一日止年度，本集團維持與二零一一年相同之策略，將淨負債對經調整資本比率維持於20%內。

於二零一二年及二零一一年十二月三十一日之淨負債對經調整資本比率如下：

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33. EQUITY-SETTLED SHARE-BASED TRANSACTIONS

Pursuant to an ordinary resolution passed by the shareholders of the Company at the extraordinary general meeting held on 18 May 2011, the Company's old share option scheme adopted on 28 July 2003 was terminated and a new share option scheme (the "New Share Option Scheme") was adopted and will remain in force for a period of 10 years. The purpose of the New Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants and advisers of the Group and to promote the success of the business of the Group.

During the year ended 31 December 2012, no share option was granted to eligible participants under the New Share Option Scheme (2011: a total of 258,300,000 share options were granted to eligible participants at an exercise price of HK\$0.495 per share).

(a) The terms and conditions of the grants are as follows:

33. 以股權結算以股份為基礎之交易

根據本公司股東於二零一一年五月十八日舉行的股東特別大會上通過的普通決議案，本公司於二零零三年七月二十八日採納的舊購股權計劃已告終止，及新的購股權計劃（「新購股權計劃」）已被採納，並將於十年期間內持續有效。新購股權計劃的目的是吸引及挽留優秀人員，向本集團的僱員（全職及兼職）、董事、諮詢顧問及顧問提供額外獎勵，並促進本集團業務成功。

截至二零一二年十二月三十一日止年度，概無根據新購股權計劃向合資格參與者授出購股權（二零一一年：向合資格參與者授出合共258,300,000份購股權，行使價為每股0.495港元）。

(a) 授出條款及條件如下：

	Number of options 購股權數目	Contractual Vesting conditions 歸屬條件	life of options 購股權合約年期
Options granted: 已授出購股權：			
30 May 2011 二零一一年五月三十日	215,220,000	Vest immediately 即時歸屬	10 years 十年
30 May 2011 二零一一年五月三十日	43,080,000	50% are exercisable at any time after the expiry of 1 year from the date of grant up to 2 years from the date of grant; and 100% are exercisable at any time after the expiry of 2 years from the date of grant up to 10 years from the date of offer. 50%可於授出日期起計滿1年至 授出日期起計滿2年期間隨時行使； 及100%可於授出日期起計滿2年至 要約日期起計滿10年期間隨時行使。	10 years 十年
Total share options granted 已授出購股權總數	258,300,000		

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33. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

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

The following table discloses movements in the Company's share options under the New Share Option Scheme during the year ended 31 December 2012:

Date of grant	Period during which share options are exercisable	Exercise price per share	Outstanding at 1 January 2012	Number of share options granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31 December 2012
授出日期	購股權行使期	每股行使價 HK\$ 港元	於二零一二年一月一日未行使	年內授出之購股權數目	年內已行使	年內已失效	於二零一二年十二月三十一日未行使
30/5/2011	30/5/2011-29/5/2021	0.495	215,220,000	—	—	—	215,220,000
30/5/2011	30/5/2012-29/5/2013	0.495	19,245,000	—	—	(1,975,000)	17,270,000
30/5/2011	30/5/2013-29/5/2021	0.495	19,245,000	—	—	(1,975,000)	17,270,000
			253,710,000	—	—	(3,950,000)	249,760,000
	Exercisable at the end of year 於年末可行使						232,490,000
	Weighted average exercise price (HK\$) 加權平均行使價(港元)		0.495	—	—	0.495	0.495

33. 以股權結算以股份為基礎之交易 (續)

- (b) 購股權之數目及加權平均行使價如下：

下表披露截至二零一二年十二月三十一日止年度本公司新購股權計劃項下之購股權變動：

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

33. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

- (b) The number and weighted average prices of share options are as follows: (Continued)

The following table discloses movements in the Company's share options under the New Share Option Scheme during the year ended 31 December 2011:

Date of grant	Period during which share options are exercisable	Exercise price per share	Outstanding at 1 January 2011	Number of share options granted during the year	Exercised during the year	Lapsed during the year	Outstanding at 31 December 2011
授出日期	購股權行使期	每股行使價 HK\$ 港元	於二零一一年一月一日未行使	年內授出之購股權數目	年內已行使	年內已失效	於二零一一年十二月三十一日未行使
30/5/2011	30/5/2011-29/5/2021	0.495	—	215,220,000	—	—	215,220,000
30/5/2011	30/5/2012-29/5/2013	0.495	—	21,540,000	—	(2,295,000)	19,245,000
30/5/2011	30/5/2013-29/5/2021	0.495	—	21,540,000	—	(2,295,000)	19,245,000
			—	258,300,000	—	(4,590,000)	253,710,000
Exercisable at the end of year 於年末可行使							215,220,000
Weighted average exercise price (HK\$) 加權平均行使價(港元)			—	0.495	—	0.495	0.495

No share options were exercised during the years ended 31 December 2011 and 2012.

The options outstanding at 31 December 2012 had an exercise price of HK\$0.495 (2011: HK\$0.495) and a weighted average remaining contractual life of 8.4 (2011: 9.4) years.

33. 以股權結算以股份為基礎之交易 (續)

- (b) 購股權之數目及加權平均行使價如下：(續)

下表披露截至二零一一年十二月三十一日止年度本公司新購股權計劃項下之購股權變動：

截至二零一一年及二零一二年十二月三十一日止年度概無購股權獲行使。

於二零一二年十二月三十一日之未行使購股權之行使價為0.495港元(二零一一年：0.495港元)，餘下之加權平均合約年期為8.4年(二零一一年：9.4年)。

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33. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

(c) Fair value of share options and assumptions:

The estimate of the fair value of the share options granted to the directors and employees is measured based on the Binomial option pricing model to reflect the impact of vesting period, exit rate and exercise pattern on the option value.

		2011 二零一一年 HK\$ 港元
Fair value at measurement date	於計量日期之公平值	0.2141-0.3122
Share price at measurement date	於計量日期之股價	0.495
Exercise price	行使價	0.495
Expected volatility	預期波幅	85.43-88.13%
(expressed as a weighted average volatility used in the modelling under the Binomial option pricing model)	(根據二項式期權定價模式所用之加權平均波幅列示)	
Option life	購股權年期	10 years年
(expressed as a weighted average life used in the modelling under the Binomial option pricing model)	(根據二項式期權定價模式所用之加權平均年期列示)	
Expected dividends	預期股息	Nil零
Risk free interest rate	無風險利率	0.468-2.368%

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

The fair values of the share options granted to employees for the year ended 31 December 2012 amounted to approximately RMB1,909,000 (2011: RMB9,193,000) which has been recognised as an expense in the consolidated income statement for the year ended 31 December 2012.

33. 以股權結算以股份為基礎之交易 (續)

(c) 購股權之公平值及假設：

授予董事及僱員的購股權之估計公平值乃根據二項式期權定價模式計量，以反映歸屬期、退出率以及行使模式對購股權價值之影響。

預期波幅乃按歷史波幅(按購股權餘下之加權平均年期計算)為基準得出，並因應公開資料就未來波動之任何預期變動予以調整。預期股息乃按過往之股息為基準得出。主觀性資料假設之變動可重大影響公平值估計。

截至二零一二年十二月三十一日止年度授予僱員的購股權之公平值金額約為人民幣1,909,000元(二零一一年：人民幣9,193,000元)，已於截至二零一二年十二月三十一日止年度之綜合收益表內確認為一項開支。

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33. EQUITY-SETTLED SHARE-BASED TRANSACTIONS (Continued)

- (d) Fair value of share options granted to consultants

The Company measures the fair value of share options granted to consultants by reference to the fair values of services rendered. The fair values of the share options granted to consultants for the year ended 31 December 2012 amounted to approximately RMB881,000 (2011: RMB19,600,000), of which approximately RMB105,000 (2011: RMB9,550,000) has been recognised as an expense in the consolidated income statement for the year ended 31 December 2012 and approximately RMB776,000 (2011: RMB10,050,000) has been recognised as other prepayments in the consolidated statement of financial position at 31 December 2012.

34. DEFINED CONTRIBUTION RETIREMENT PLAN

The Group operates a Mandatory Provident Fund Scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF Scheme is a defined contribution retirement scheme administered by independent trustees. Under the MPF Scheme, the employer and its employees are each required to make contributions to the scheme at specified rate and capped at HK\$1,000 (HK\$1,250 effective from 1 June 2012) per month per person. Contributions to the MPF Scheme vest immediately.

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

33. 以股權結算以股份為基礎之交易 (續)

- (d) 授予諮詢顧問之購股權之公平值

本公司參考所提供服務之公平值計量授予諮詢顧問之購股權之公平值。截至二零一二年十二月三十一日止年度授予諮詢顧問的購股權之公平值金額約為人民幣881,000元(二零一一年：人民幣19,600,000元)，其中約人民幣105,000元(二零一一年：人民幣9,550,000元)已於截至二零一二年十二月三十一日止年度之綜合收益表內確認為一項開支，約人民幣776,000元(二零一一年：人民幣10,050,000元)已在於二零一二年十二月三十一日之綜合財務狀況表內確認為其他預付款項。

34. 定額供款退休計劃

本集團就僱用於香港僱傭條例管轄範圍之僱員，根據香港強制性公積金計劃條例設立強制性公積金計劃(「強積金計劃」)。強積金計劃指由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員須各自向計劃作出特定比例之供款，每人每月之供款上限為1,000港元(自二零一二年六月一日起為1,250港元)。強積金計劃供款將即時撥歸僱員所有。

本公司於中國成立之附屬公司為其若干僱員參與由中國政府籌辦之強制性中央退休金計劃，該計劃之資產與本集團之資產分開持有。根據該計劃之規則，本集團按合資格僱員之薪金比率作出供款，並於應付時於損益扣除。僱主供款於作出後立即全數撥歸僱員所有。

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34. DEFINED CONTRIBUTION RETIREMENT PLAN (Continued)

Under the above schemes, retirement benefits of existing and retired employees are payable by the relevant scheme administrators and the Group has no further obligations beyond the annual contributions.

The aggregate amounts of employer's contributions by the Group in respect of retirement benefits scheme dealt with in profit or loss for the year are disclosed in note 7(a) to these consolidated financial statements.

The Group does not have any other pension schemes for its employees in respect of the subsidiaries outside Hong Kong and the PRC. In the opinion of the directors of the Company, the Group did not have any significant contingent liabilities as at 31 December 2012 in respect of the retirement of its employees (2011: Nil).

35. ACQUISITION OF SUBSIDIARIES

The Wealthy Talent Group

Pursuant to an acquisition agreement dated 6 April 2011 (as amended by a supplement agreement dated 25 May 2011) entered into between the Company (as purchaser) and Mr. Wang (as vendor) (the "Acquisition Agreements"), the Group acquired from Mr. Wang the entire issued share capital of Wealthy Talent Global Investments Limited for a consideration of HK\$499,000,000 (equivalent to approximately RMB413,621,000) (the "Wealthy Talent Group Acquisition") which was satisfied by the issue of the 2011 Convertible Bonds to Mr. Wang.

Wealthy Talent Global Investments Limited, through its wholly-owned subsidiaries, Hong Kong Chung Wo Energy Investments Limited and Luoyang Shunhe (collectively referred to as the "Wealthy Talent Group"), is mainly engaged in the supply of natural gas to its industrial customers through pipelines, LNG trailers and tanks in Ruyang Industrial Zone in Luoyang City, the PRC. It is also engaged in the sales of LNG in Henan Province.

34. 定額供款退休計劃 (續)

根據上述計劃，現有及退休僱員之退休福利由有關計劃管理人負責支付，本集團除每年供款外並無其他責任。

本集團就退休福利計劃作出之僱主供款總額於年內之損益中處理，並已於此等綜合財務報表附註7(a)中披露。

本集團並無就香港及中國以外附屬公司之僱員設立任何其他退休金計劃。本公司董事認為，於二零一二年十二月三十一日，本集團並無任何有關其僱員退休之重大或然負債(二零一一年：無)。

35. 收購附屬公司

The Wealthy Talent Group

根據本公司(作為買方)與王先生(作為賣方)訂立的一份日期為二零一一年四月六日之收購協議(「收購協議」)(經日期為二零一一年五月二十五日的補充協議所補充)，本集團向王先生收購 Wealthy Talent Global Investments Limited 的全部已發行股本，代價為 499,000,000 港元(相當於約人民幣 413,621,000 元)(「Wealthy Talent Group 收購」)，代價乃通過本公司向王先生發行二零一一年可換股債券的方式支付。

Wealthy Talent Global Investments Limited 透過其全資附屬公司香港中和能源產業投資有限公司及洛陽順和(統稱「Wealthy Talent Group」)主要於中國洛陽市汝陽工業區通過管道、液化天然氣拖車及油罐向其工業客戶供應天然氣。其亦於河南省從事液化天然氣銷售。

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35. ACQUISITION OF SUBSIDIARIES (Continued)

35. 收購附屬公司 (續)

The Wealthy Talent Group (Continued)

The Wealthy Talent Group Acquisition constituted a major and connected transaction on the part of the Company under the GEM Listing Rules and the resolutions relating thereto were passed by the shareholders of the Company at an extraordinary general meeting held on 20 June 2011. The Wealthy Talent Group Acquisition was completed on 12 July 2011.

The Wealthy Talent Group (續)

根據創業板上市規則，Wealthy Talent Group收購構成本公司一項主要及關連交易，且其相關決議案已於二零一一年六月二十日舉行的股東特別大會上獲本公司股東通過。Wealthy Talent Group收購已於二零一一年七月十二日完成。

		Acquiree's carrying amounts immediately before combination 緊接合併前 獲收購方 之賬面值 RMB'000 人民幣千元	Fair value adjustments 公平值調整 RMB'000 人民幣千元	Fair values 公平值 RMB'000 人民幣千元
Property, plant and equipment (note 16(a))	物業、機器及設備 (附註16(a))	71,727	—	71,727
Intangible asset — Exclusive right for piped natural gas operation (note 18)	無形資產 — 管道天然氣業務 之獨家權利(附註18)	—	264,341	264,341
Prepaid lease payments for land under operating leases (note 17)	經營租約下預付土地 租金(附註17)	4,011	2,689	6,700
Inventories	存貨	398	—	398
Trade and other receivables	應收賬款及其他應收款項	11,871	—	11,871
Cash and cash equivalents	現金及現金等值物	754	—	754
Tax refundable (note 31(a))	可退還稅款(附註31(a))	56	—	56
Trade and other payables	應付賬款及其他應付款項	(32,668)	—	(32,668)
Deferred tax liabilities (note 31(b))	遞延稅項負債(附註31(b))	(622)	(66,757)	(67,379)
Net identifiable assets and liabilities	可識別資產及負債淨值	55,527	200,273	255,800
Goodwill on acquisition (note 15)	有關收購之商譽(附註15)			157,821
Consideration	代價			413,621
Total consideration satisfied by: 2011 Convertible Bonds (note 30(b))	總代價以下列各項償付： 二零一一年可換股債券 (附註30(b))			413,621
Net cash inflow arising on acquisition: Cash and cash equivalents acquired	收購引致之現金流入淨額： 獲得之現金及現金等值物			754

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35. ACQUISITION OF SUBSIDIARIES (Continued)

The Wealthy Talent Group (Continued)

Acquisition-related costs amounting to approximately RMB705,000 had been excluded from the consideration transferred and had been recognised as an expense in the current year, within administrative expenses.

The fair value of receivables acquired, which principally comprised trade and other receivables approximated their gross contractual amounts. There were no contractual cash flows not expected to be collected.

The Wealthy Talent Group contributed revenue of approximately RMB40,671,000 and profit of approximately RMB27,599,000 to the Group's revenue and results for the period from date of acquisition to 31 December 2011. If the acquisition had been completed on 1 January 2011, the Group's total revenue for the year ended 31 December 2011 would have been approximately RMB290,217,000 and loss for the year ended 31 December 2011 would have been approximately RMB46,767,000. This pro forma information was for illustrative purposes only and was not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2011, nor was it intended to be a projection of future results.

The goodwill arising from the acquisition of the Wealthy Talent Group was attributable to the anticipated potential synergy with the existing business of the Group in sales of natural gas to end-user market.

Goodwill arising on the Wealthy Talent Group Acquisition was not expected to be deductible for tax purposes.

35. 收購附屬公司 (續)

The Wealthy Talent Group (續)

約人民幣705,000元與收購相關的成本已從已轉讓之代價中扣除，並已於本年度於行政開支中確認為一項開支。

獲得之應收款項(主要包括應收賬款及其他應收款項)的公平值與其合同總金額相若。並無預期無法收回的合同現金流。

Wealthy Talent Group為本集團於收購日期至二零一一年十二月三十一日期間的收入及業績貢獻收入約人民幣40,671,000元及溢利約人民幣27,599,000元。假設收購於二零一一年一月一日完成，本集團於截至二零一一年十二月三十一日止年度的總收入將約為人民幣290,217,000元，而截至二零一一年十二月三十一日止年度的虧損約為人民幣46,767,000元。該備考資料僅供參考用途，並不作為若收購於二零一一年一月一日完成本集團確實可取得的收入及經營業績的指示，亦不作為未來業績的預測。

收購Wealthy Talent Group產生的商譽乃源於預期會與本集團現有的向終端用戶市場銷售天然氣的業務產生潛在的協同效應。

預期Wealthy Talent Group收購產生的商譽不可稅前扣除。

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35. ACQUISITION OF SUBSIDIARIES (Continued)

The Wealthy Talent Group (Continued)

Pursuant to the Acquisition Agreements, Mr. Wang has warranted to the Company that, subject to the terms of the Acquisition Agreements, the adjusted consolidated net profit after tax and excluding the amortisation of intangible assets of the Wealthy Talent Group (the “Net Profit”) for the financial years ended 31 December 2011 and 2012 shall not be less than RMB30,000,000 and RMB40,000,000 respectively (the “Warranted Profit”). In the event that the actual Net Profit is less than the Warranted Profit (the “Shortfall”) for the financial year ending 31 December 2011, Mr. Wang shall pay to the Company a total sum of 14 times of the Shortfall after the determination of the actual Net Profit for the year ending 31 December 2011. In the event that the actual Net Profit is less than the Warranted Profit for the financial year ending 31 December 2012, Mr. Wang shall pay to the Company a total sum of 10.5 times of the Shortfall after the determination of the actual Net Profit for the year ending 31 December 2012. The payment will be satisfied by means of cancellation of outstanding 2011 Convertible Bonds held by Mr. Wang. If the principal value of the Convertible Bonds held by Mr. Wang is less than the amount payable, the payment shall be made in cash.

The consideration adjustment in relation to the Warranted Profit as described above is accounted for as contingent consideration whose fair values on initial recognition and as at the end of the reporting period were determined by the directors by reference to an independent professional valuation. The directors assessed the fair value of the contingent consideration at the date of acquisition was insignificant. As at 31 December 2011, an increase in fair value of contingent consideration of approximately RMB17,051,000 was recognised in profit or loss in the consolidated income statement for the year ended 31 December 2011.

As at 31 December 2012, an decrease in fair value of contingent consideration of approximately RMB17,051,000 was recognised in profit or loss in the consolidated income statement for the year ended 31 December 2012.

35. 收購附屬公司 (續)

The Wealthy Talent Group (續)

根據收購協議，王先生已向本公司擔保，在收購協議條款的規限下，Wealthy Talent Group截至二零一一年及二零一二年十二月三十一日止財務年度的除稅後且不計入無形資產攤銷的經調整綜合淨溢利（「淨溢利」），將分別不低於人民幣30,000,000元及人民幣40,000,000元（「擔保溢利」）。在釐定截至二零一一年十二月三十一日止年度的實際淨溢利之後，倘若截至二零一一年十二月三十一日止財務年度的實際淨溢利少於擔保溢利（「不足金額」），王先生將向本公司支付總計相當於不足金額14倍的款項。在釐定截至二零一二年十二月三十一日止年度的實際淨溢利之後，倘若截至二零一二年十二月三十一日止財務年度的實際淨溢利少於擔保溢利，王先生將向本公司支付總計相當於不足金額10.5倍的款項。該款項的支付將通過註銷王先生持有的未轉換二零一一年可換股債券的方式來實現。倘若王先生持有的可換股債券的本金價值少於應付款項，則將由現金支付。

就上述擔保溢利作出的代價調整被計為或有代價，其於初步確認及於報告期末之公平值乃由董事參考獨立專業估值釐定。董事評估認為於收購日期或有代價的公平值並不重大。於二零一一年十二月三十一日，已於截至二零一一年十二月三十一日止年度之綜合收益表之損益內確認或有代價公平值增加約人民幣17,051,000元。

於二零一二年十二月三十一日，已於截至二零一二年十二月三十一日止年度之綜合收益表之損益內確認或有代價公平值減少約人民幣17,051,000元。

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36. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments of the Group as at the end of the reporting period are as follows:

Financial assets

36. 金融工具分類

本集團於報告期末的各類金融工具之賬面值如下：

金融資產

		Financial assets at fair value through profit or loss 按公平值計入損益之金融資產		
		Held for trading 持作買賣 RMB'000 人民幣千元	Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2012	二零一二年			
Financial assets at fair value through profit or loss (note 21)	按公平值計入損益之金融資產 (附註21)	200	—	200
Trade and other receivables (note 24)	應收賬款及其他應收款項 (附註24)	—	91,522	91,522
Cash and cash equivalents (note 25)	現金及現金等值物 (附註25)	—	29,437	29,437
		200	120,959	121,159

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36. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

36. 金融工具分類 (續)

Financial liabilities

金融負債

		Financial liabilities at amortised cost RMB'000 以攤銷成本列賬的金融負債 人民幣千元
2012	二零一二年	
Trade and other payables (note 26)	應付賬款及其他應付款項 (附註26)	266,239
Bank and other borrowings (note 28)	銀行及其他借款 (附註28)	116,000
Obligations under finance leases (note 29)	融資租賃承擔 (附註29)	6,152
		388,391

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

36. 金融工具分類 (續)

Financial assets

金融資產

		Financial assets at fair value through profit or loss 按公平值計入損益之金融資產			Total 總計 RMB'000 人民幣千元
		Designated as such upon initial recognition 於初步確認時指定 RMB'000 人民幣千元	Held for trading 持作買賣 RMB'000 人民幣千元	Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	
2011	二零一一年				
Financial assets at fair value through profit or loss (note 21)	按公平值計入損益之金融資產(附註21)	—	200	—	200
Other financial assets (note 22)	其他金融資產(附註22)	17,051	—	—	17,051
Trade and other receivables (note 24)	應收賬款及其他應收款項(附註24)	—	—	89,719	89,719
Cash and cash equivalents (note 25)	現金及現金等值物(附註25)	—	—	21,698	21,698
		17,051	200	111,417	128,668

Financial liabilities

金融負債

		Financial liabilities at amortised cost 以攤銷成本列賬的金融負債 RMB'000 人民幣千元
2011	二零一一年	
Trade and other payables (note 26)	應付賬款及其他應付款項(附註26)	116,134
Bank and other borrowings (note 28)	銀行及其他借款(附註28)	62,900
Obligations under finance leases (note 29)	融資租賃承擔(附註29)	7,676
		186,710

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36. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

The carrying amounts of each of the categories of financial instruments of the Company as at the end of the reporting period are as follows:

Financial assets

		Loans and receivables 貸款及應收款項 RMB'000 人民幣千元
2012	二零一二年	
Trade and other receivables (note 24)	應收賬款及其他應收款項(附註24)	136,018
Cash and cash equivalents (note 25)	現金及現金等值物(附註25)	455
		136,473

Financial liabilities

		Financial liabilities at amortised cost 以攤銷成本列賬的金融負債 RMB'000 人民幣千元
2012	二零一二年	
Trade and other payables (note 26)	應付賬款及其他應付款項(附註26)	8,169

36. 金融工具分類 (續)

本公司於報告期末的各類金融工具之賬面值如下：

金融資產

金融負債

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

36. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

Financial assets

		Financial assets at fair value through profit or loss 按公平值計入損益之金融資產		
		Designated as such upon initial recognition 於初步確認時指定		
		RMB'000 人民幣千元	Loans and receivables 貸款及應收款項 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
2011	二零一一年			
Other financial assets (note 22)	其他金融資產(附註22)	17,051	—	17,051
Trade and other receivables (note 24)	應收賬款及其他應收款項(附註24)	—	174,632	174,632
Cash and cash equivalents (note 25)	現金及現金等值物(附註25)	—	6,065	6,065
		17,051	180,697	197,748

Financial liabilities

		Financial liabilities at amortised cost 以攤銷成本列賬的金融負債 RMB'000 人民幣千元	
2011	二零一一年		
Trade and other payables (note 26)	應付賬款及其他應付款項(附註26)		8,967

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's major financial instruments include financial assets at fair value through profit or loss, other financial assets, trade and other receivables, cash and cash equivalents, trade and other payables, bank and other borrowings and obligations under finance leases. Details of the financial instruments are disclosed in the respective notes. The risks associated with these financial instruments include credit risk, liquidity risk, interest rate risk, currency risk and other price risk arises in the normal course of the Group's business. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(a) Credit risk

- (i) As at 31 December 2012, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each financial asset in the consolidated and company statements of financial position after deducting any impairment allowance.
- (ii) In respect of trade and other receivables, in order to minimise risk, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each major customer periodically. These evaluations focus on the customers' past history of making payments when due and current ability to pay, and take into account information specific to the customers as well as pertaining to the economic environment in which the customers operate. The Group does not require collateral in respect of its financial assets. Trade debts are usually due within 30 to 180 days from the date of billing.

37. 財務風險管理目標及政策

本集團之主要金融工具包括按公平值計入損益之金融資產、其他金融資產、應收賬款及其他應收款項、現金及現金等值物、應付賬款及其他應付款項、銀行及其他借款以及融資租賃承擔。金融工具之詳情於其各自附註披露。該等金融工具之相關風險包括本集團在日常業務過程中產生之信貸風險、流動資金風險、利率風險、貨幣風險及其他價格風險。管理層管理及監測該等風險，以確保能及時有效落實妥善的措施。

(a) 信貸風險

- (i) 於二零一二年十二月三十一日，本集團及本公司之最大信貸風險為綜合及公司財務狀況表內各項金融資產經扣除任何減值撥備後之賬面值。
- (ii) 為盡量減低應收賬款及其他應收款項之風險，管理層已訂立一項信貸政策，並對有關信貸風險進行持續監察。本集團會定期對各主要客戶之財務狀況及條件進行信貸評估。該等評估針對客戶過往支付到期款項之歷史及目前之支付能力，並考慮客戶特定資料及客戶經營所處經濟環境之資料。本集團就其金融資產並不要求從屬抵押品。貿易債務一般自開單日期起30至180日內到期。

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(a) Credit risk (Continued)

(ii) (Continued)

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of the industry and country in which customers operate also has an influence on credit risk but to a lesser extent. At the end of the reporting period, the Group has certain concentration of credit risk as 39.71% (2011: 61.27%) and 90.51% (2011: 95.18%) of the total trade receivables was due from the Group's largest customer and the five largest customers respectively.

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from trade and other receivables are set out in note 24.

- (iii) The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

(b) 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 board to directors' approval. The Group's policy is to regularly monitor current and expected liquidity requirements and its compliance with lending covenants to ensure that it maintains sufficient amount of cash and adequate committed lines of funding from financial institutions to meet its liquidity requirements in the short and longer term. The Group relies on bank and other borrowings as a source of liquidity.

37. 財務風險管理目標及政策 (續)

(a) 信貸風險 (續)

(ii) (續)

本集團面對之信貸風險主要受各客戶之個別特點影響。客戶營運之行業及業務所在之國家之違約風險亦對信貸風險有影響，但程度較輕。於報告期末，本集團有一定程度的信貸集中風險，原因是應收本集團最大客戶及五大客戶之應收賬款分別佔去總額之39.71%（二零一一年：61.27%）及90.51%（二零一一年：95.18%）。

有關本集團來自應收賬款及其他應收款項之信貸風險之進一步量化披露載於附註24。

- (iii) 由於對手方均為獲國際信貸評級機構授予高信貸評級之銀行，故此流動資金之信貸風險有限。

(b) 流動資金風險

本集團旗下之獨立營運實體須負責其各自之現金管理，包括現金盈餘之短期投資及籌措貸款以滿足預期現金需求，惟須獲董事會批准方可作實。本集團之政策為定期監察當前及預計之流動資金需求，及對借貸契諾之遵照，以確保本集團能維持充裕的現金金額及從金融機構取得足夠的承諾信貸融資，以滿足其短期及長期流動資金之要求。本集團依賴銀行及其他借款作為流動資金來源。

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Liquidity risk (Continued)

Also as mentioned in note 2(b), the Group (i) has successfully rolled-over its other borrowings for 12 months; (ii) obtained undertaking from Mr. Wang to provide continuing financial support to the Group; (iii) the Company and a placing agent entered into a placing agreement on 14 March 2013, whereby the Company has conditionally agreed to place through the placing agent on a best efforts basis, a maximum of 400,000,000 placing shares to independent investors at a price of HK\$0.25 per placing share; and (iv) the Company is exploring other sources of funding including finance lease arrangement of approximately RMB95 million as announced by the Company on 21 May 2012. All of the above steps have been enable the Group to mitigate its liquidity risk.

The following tables set out the weighted average effective interest rate and the remaining contractual maturities at the end of the reporting period of the Group's and the Company's non-derivative financial liabilities based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group and the Company can be required to pay:

37. 財務風險管理目標及政策 (續)

(b) 流動資金風險 (續)

另外，如附註2(b)所述，本集團(i)已成功將其他借款之還款期延長12個月；(ii)取得王先生向本集團提供持續財務支援之承諾；(iii)本公司與一名配售代理於二零一三年三月十四日訂立配售協議，據此本公司有條件同意透過配售代理按竭誠基準配售最多400,000,000股配售股份予獨立投資者，每股配售股份作價0.25港元；及(iv)本公司正努力探索其他資金來源，包括本公司於二零一二年五月二十一日公佈之融資租賃安排約人民幣95,000,000元。上述措施均可減輕本集團之流動資金風險。

下表載列本集團及本公司之非衍生金融負債於報告期末之加權平均實際利率及餘下合約期，乃基於合約未貼現現金流(包括使用合約利率或(如按浮息)按報告期末之現行利率計息之利息付款)及本集團及本公司須予償還之最早日期而釐定：

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37. 財務風險管理目標及政策 (續)

(b) 流動資金風險 (續)

The Group	2012 二零一二年					2011 二零一一年							
	Weighted average effective interest rate % 加權平均實際利率 %	More than 1 year but less than 2 years 一年以上兩年以內 RMB'000 人民幣千元	More than 2 years but less than 5 years 兩年以上五年以內 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元	Total contractual cash flows 合約未貼現現金流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元	Weighted average effective interest rate % 加權平均實際利率 %	Within 1 year or on demand 一年以內或須應要求償還 RMB'000 人民幣千元	More than 1 year but less than 2 years 一年以上兩年以內 RMB'000 人民幣千元	More than 2 years but less than 5 years 兩年以上五年以內 RMB'000 人民幣千元	More than 5 years 五年以上 RMB'000 人民幣千元	Total contractual cash flows 合約未貼現現金流量總額 RMB'000 人民幣千元	Carrying amount 賬面值 RMB'000 人民幣千元
The Group													
Trade payables 應付賬款	N/A不適用	76,621	-	-	76,621	76,621	50,962	-	-	-	50,962	50,962	
Amounts due to directors 應付董事款項	N/A不適用	514	-	-	514	514	7,852	-	-	-	7,852	7,852	
Amounts due to non-controlling shareholders of subsidiaries 應付附屬公司之非控股股東款項	N/A不適用	1,979	-	-	1,979	1,979	1,569	-	-	-	1,569	1,569	
Accrued expenses and other payables 應計開支及其他應付款項	N/A不適用	55,753	-	-	55,753	55,753	5,501	-	-	-	5,501	5,501	
Payables for acquisition of property, plant and equipment 收購物業、機器及設備之應付款項	N/A不適用	131,372	-	-	131,372	131,372	50,250	-	-	-	50,250	50,250	
Bank and other borrowings 銀行及其他借款	8.14%	115,374	2,707	3,683	121,764	116,000	65,536	-	-	-	65,536	62,900	
Obligations under finance leases 融資租賃承擔 (附註29)	11.93%	5,182	1,304	151	6,637	6,152	4,242	4,242	354	354	8,838	7,676	
		386,795	4,011	3,834	394,640	388,391	185,912	4,242	354	354	190,508	186,710	

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37. 財務風險管理目標及政策 (續)

(b) 流動資金風險 (續)

(b) Liquidity risk (Continued)

	2012 二零一二年				2011 二零一一年			
	Weighted average interest rate % 加權平均實際利率 %	More than 1 year but less than 2 years 一年以上兩年以內	More than 2 years but less than 5 years 兩年以上五年以內	Total contractual cash flows 合約未貼現現金流量總額	Weighted average interest rate % 加權平均實際利率 %	More than 1 year but less than 2 years 一年以上兩年以內	More than 2 years but less than 5 years 兩年以上五年以內	Total contractual cash flows 合約未貼現現金流量總額
		Within 1 year or on demand 一年內或須應要求償還 RMB'000 人民幣千元	More than 2 years but less than 5 years 兩年以上五年以內 RMB'000 人民幣千元	Total contractual cash flows 合約未貼現現金流量總額 RMB'000 人民幣千元		More than 1 year but less than 2 years 一年以上兩年以內 RMB'000 人民幣千元	More than 2 years but less than 5 years 兩年以上五年以內 RMB'000 人民幣千元	Total contractual cash flows 合約未貼現現金流量總額 RMB'000 人民幣千元
The Company								
Amounts due to subsidiaries 應付附屬公司款項	N/A不適用	3,274	-	3,274	N/A不適用	-	-	6,806
Amounts due to directors 應付董事款項	N/A不適用	778	-	778	-	-	-	-
Accrued expenses and other payables 應計開支及其他應付款項	N/A不適用	4,117	-	4,117	2,361	-	2,361	2,361
		8,169	-	8,169	8,967	-	8,967	8,967

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank deposits and bank and other borrowings and fair value interest rate risk in relation to fixed rate bank and other borrowings.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period:

37. 財務風險管理目標及政策 (續)

(c) 利率風險

本集團面對之現金流量利率風險與浮動利率銀行存款以及銀行及其他借款相關，而公平值利率風險則與固定利率之銀行及其他借款相關。

(i) 利率概況

下表詳列本集團借款於報告期末之利率概況：

		The Group 本集團			
		2012 二零一二年		2011 二零一一年	
		Effective interest rates %	RMB'000	Effective interest rates %	RMB'000
		實際利率 %	人民幣千元	實際利率 %	人民幣千元
Fixed rate borrowings:	固定利率借款：				
Other loans	其他貸款	8.58%	80,000	6.83%	50,000
Floating rate borrowings:	浮動利率借款：				
Bank loans	銀行貸款	7.16%	36,000	11.13%	12,900
Total borrowings	總借款		<u>116,000</u>		<u>62,900</u>
Fixed rate borrowings as a percentage of total borrowings	固定利率借款佔總借款之百分比		<u>69%</u>		<u>79%</u>

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Interest rate risk (Continued)

(ii) Sensitivity analysis

The entire bank and other borrowings of the Group which are fixed rate instruments are insensitive to any change in interest rates. A change in interest rates at the end of the reporting period would not affect profit or loss.

At 31 December 2012, it is estimated that a general increase or decrease of 100 basis points in interest rates, with all other variables held constant, would increase or decrease the Group's loss after taxation and accumulated losses by approximately RMB360,000 (2011: RMB129,000). Other components of consolidated statement of changes in equity would not change in response to the general increase or decrease in interest rates.

The sensitivity analysis above has been determined assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to the exposure to interest rate risk for non-derivative financial instruments in existence at that date. The 100 basis points increase or decrease is used when reporting interest rate risk internally to key management and represents management's assessment of a reasonably possible change in interest rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2011.

37. 財務風險管理目標及政策 (續)

(c) 利率風險 (續)

(ii) 敏感度分析

本集團所有銀行及其他借款均為固定利率工具，對利率任何變動反應不大。於報告期末之利率變動對損益不構成影響。

於二零一二年十二月三十一日，估計利率普遍上升或下跌100個基點，而所有其他可變因素保持穩定，將令本集團除稅後虧損及累計虧損增加或減少約人民幣360,000元(二零一一年：人民幣129,000元)。綜合權益變動表內其他組成部份不會因利率普遍上升或下跌而改變。

上述敏感度分析乃假設利率變動已於報告期末發生並應用於該日存在的非衍生金融工具的利率風險而釐定。100個基點的上升或下跌乃用於向主要管理層內部匯報利率風險，代表管理層對利率於直至下一個報告期末的期間合理可能變動的估計。該分析按與二零一一年之相同基準進行。

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Currency risk

(i) Exposure to currency risk

RMB is not freely convertible into foreign currencies. All foreign exchange transactions involving RMB must take place through PBOC or other institutions authorised to buy and sell foreign exchange. The exchange rate adopted for foreign exchange transactions are the rates of exchange quoted by the PBOC that would be subject to a managed float against an unspecified basket of currencies.

Foreign currency payments, including the remittance of earnings outside the PRC, are subject to the availability of foreign currency (which depends on the foreign currency denominated earnings of the Group) or must be arranged through the PBOC with government approval.

The group entities collect most of the revenue and incur most of expenditures in their respective functional currencies. The directors consider that the Group's exposure to foreign currency exchange is insignificant as the majority of the Group's transactions are denominated in the functional currency of each individual group entity. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign exposure should the need arise.

At the end of the reporting period, the carrying amounts of the Group's major monetary assets denominated in a currency other than the functional currencies of the relevant group entities are as follows:

37. 財務風險管理目標及政策 (續)

(d) 貨幣風險

(i) 貨幣風險承擔

人民幣不可自由兌換為外幣。所有涉及人民幣之外匯交易必須透過中國人民銀行或其他獲准買賣外匯之機構進行。就外匯交易採納之匯率為中國人民銀行所報之匯率，有關匯率將根據一籃子沒有列明之貨幣於受監管範圍內浮動。

外幣付款，包括將盈利匯出中國，須視乎外幣供應情況（外幣供應則視乎本集團以外幣列值之盈利金額）或必須在政府批准下透過中國人民銀行安排。

集團實體各自收取的大部份收益及產生的大部份開支均以其各自的功能貨幣計值。董事認為，由於本集團大部份交易以個別集團實體各自的功能貨幣計值，故本集團所面臨的外匯風險並不重大。本集團現時並無外幣對沖政策。然而，管理層會監察外匯風險，並於有需要時，考慮對重大外幣風險作出對沖。

於報告期末，本集團以相關集團實體功能貨幣以外貨幣列值之主要貨幣資產的賬面值如下：

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk (Continued) The Group

Cash and cash equivalents	現金及現金等值物
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(ii) Sensitivity analysis

The following table indicates the approximate change in the Group's loss after taxation and accumulated losses in response to reasonably possible changes in the foreign exchange rates to which the Group has significant exposure at the end of the reporting period.

The Group

		2012 二零一二年	
		Increase/ (decrease) in foreign exchange rates 匯率增加/ (減少)	Effect on loss after taxation and accumulated losses 對除稅後 虧損及累計 虧損之影響 RMB'000 人民幣千元
Hong Kong dollars	港元	5% (5)%	(114) 114

37. 財務風險管理目標及政策 (續)

(d) 貨幣風險 (續)

(i) 貨幣風險承擔 (續) 本集團

Exposure to foreign currency 外幣風險承擔

2012 Hong Kong dollars 二零一二年 港元 RMB'000 人民幣千元	2011 Hong Kong dollars 二零一一年 港元 RMB'000 人民幣千元
2,278	5,930

(ii) 敏感度分析

下表說明，於報告期末，本集團除稅後虧損及累計虧損因應本集團具有重大承擔之匯率之合理潛在變動而產生之概約變動。

本集團

		2011 二零一一年	
		Increase/ (decrease) in foreign exchange rates 匯率增加/ (減少)	Effect on loss after taxation and accumulated losses 對除稅後 虧損及累計 虧損之影響 RMB'000 人民幣千元
Hong Kong dollars	港元	5% (5)%	(297) 297

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis (Continued)

The sensitivity analysis above has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to the Group's exposure to currency risk for financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant. Results of the analysis as presented in the above table represent an aggregation of the effects on each of the Group entities' loss after taxation. The stated changes are used when reporting currency risk internally to key management and represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of the next reporting period. The analysis is performed on the same basis for 2011.

(e) Other price risk

Oil and gas price risk

Apart from the financial instruments disclosed above, the Group's activities expose it to market risk relating to oil and gas price risks.

The Group is engaged in a wide range of gas related activities. The global oil and gas market is affected by international political, economic and global demand for and supply of oil and gas. A decrease in the world prices of crude oil and gas could adversely affect the Group's financial position. The Group has not used any derivative instruments to hedge against potential price fluctuations of crude oil and refined and gas products. The management will consider hedging oil and gas exposure should the need arise.

37. 財務風險管理目標及政策 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析 (續)

上述敏感度分析乃假設匯率變動於報告期末已發生，並已應用於本集團就該日存在之金融工具承擔之貨幣風險，且假設所有其他變數（尤其是利率）維持不變而釐定。上表呈列之分析結果代表對本集團各實體除稅後虧損之整體影響。上述變動於向主要管理層內部匯報貨幣風險時應用，代表管理層對匯率於截至下一個報告期末止期間之合理潛在變動之評估。有關分析按與二零一一年相同之基準進行。

(e) 其他價格風險

石油及天然氣價格風險

除上文所披露之金融工具外，本集團之業務活動令本集團承受與油氣價格風險相關之市場風險。

本集團從事各項天然氣相關業務。全球石油及天然氣市場受全球政治、經濟及全球石油及天然氣供求所影響。原油及天然氣之全球價格下跌可對本集團之財務狀況造成不利影響。本集團並未使用任何衍生工具，對沖原油、經提煉產品及天然氣產品之潛在價格波動。倘有需要時，管理層將會考慮對沖油氣價格風險。

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Fair value

(i) Financial instruments carried at fair value

The following table presents the carrying value of financial instruments measured at fair value at the end of the reporting period across the three levels of the fair value hierarchy defined in HKFRS 7 *Financial Instruments: Disclosures*, with the fair value of each financial instrument 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 markets for similar financial instruments, or using valuation techniques in which all significant inputs are directly or indirectly based on observable market data.
- Level 3 (lowest level): fair values measured using valuation techniques in which any significant input is not based on observable market data.

37. 財務風險管理目標及政策 (續)

(f) 公平值

(i) 按公平值列賬之金融工具

下表呈列於報告期末，按香港財務報告準則第7號「金融工具：披露」所界定之公平值等級制度之三個等級中，按公平值計量之金融工具之賬面值，其中每項被分類之金融工具之公平值全數基於對公平值計量屬重大之最低輸入等級。有關等級界定如下：

- 第1級(最高等級)：利用在活躍市場中相同金融工具之報價(未經調整)計量公平值。
- 第2級：利用在活躍市場中類似金融工具之報價，或所有重要輸入數據均直接或間接基於可觀察市場數據之估值技術計量公平值。
- 第3級(最低等級)：利用任何重要輸入數據並非基於可觀察市場數據之估值技術計量公平值。

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Fair value (Continued)

(i) Financial instruments carried at fair value (Continued)

2012

	The Group 本集團				The Company 本公司				
	Level 1 第1級	Level 2 第2級	Level 3 第3級	Total 總計	Level 1 第1級	Level 2 第2級	Level 3 第3級	Total 總計	
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Assets Financial assets at fair value through profit or loss	資產 按公平值計入損益的金融資產	200	-	-	200	-	-	-	-

2011

	The Group 本集團				The Company 本公司				
	Level 1 第1級	Level 2 第2級	Level 3 第3級	Total 總計	Level 1 第1級	Level 2 第2級	Level 3 第3級	Total 總計	
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Assets Financial assets at fair value through profit or loss	資產 按公平值計入損益的金融資產	200	-	-	200	-	-	-	-
Contingent consideration for a business combination	一項業務合併之或然代價	-	-	17,051	17,051	-	-	17,051	17,051
		200	-	17,051	17,251	-	-	17,051	17,051

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

於活躍市場買賣之金融工具之公平值根據報告期末之市場報價計算。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，而有關報價是在真實、公平交易之基礎上呈現。本集團所持金融資產所用之市場報價為當時買盤價。該等工具會被列為第1級。

37. 財務風險管理目標及政策 (續)

(f) 公平值 (續)

(i) 按公平值列賬之金融工具 (續)

二零一二年

二零一一年

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Fair value (Continued)

(i) Financial instruments carried at fair value (Continued)

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.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

All the resulting fair value estimates are included in level 1 except for contingent consideration for a business combination as explained below.

During the years ended 31 December 2012 and 2011, there were no significant transfers of financial assets between level 1 and level 2 fair value hierarchy classifications.

37. 財務風險管理目標及政策 (續)

(f) 公平值 (續)

(i) 按公平值列賬之金融工具 (續)

在活躍市場並無買賣之金融工具(如場外衍生工具)之公平值乃採用估值方法釐定。此等估值方法盡量使用所獲得之可觀察市場數據，且盡量減少依賴實體之特定估算。當所有計算工具公平值所需重大輸入數據可予觀察時，該工具列入第2級。

當一個或多個重大輸入數據並非根據可觀察市場數據釐定時，則該項工具會列入第3級。

用於計算金融工具價值之特定估值方法包括：

- 類似工具之市場報價或交易商報價。
- 折現現金流量分析等其他方法則用於其餘金融工具之公平值估值。

所有因而產生的公平值估計(除卻以下所述之業務合併之或有代價)均計入第1級。

截至二零一二年及二零一一年十二月三十一日止年度，公平值等級分類之第1級及第2級之間概無重大金融資產調動。

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Fair value (Continued)

(i) Financial instruments carried at fair value (Continued)

The movement during the year in the balance of Level 3 fair value measurement is as follows:

		The Group and the Company 本集團及本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Contingent consideration for a business combination at fair value	按公平值計值之業務合併之或有代價		
At 1 January	於一月一日	17,051	—
Change in fair value recognised in profit or loss during the year	年內於損益內確認之公平值變動	(17,051)	17,051
At 31 December	於十二月三十一日	—	17,051
Total (losses)/gains for the year included in profit or loss for assets held at the end of the reporting period	於報告期末所持有資產計入損益內的年內總(虧損)/收益	(17,051)	17,051

Changes in fair value of contingent consideration for a business combination are recognised in “fair value (loss)/gain on other financial assets” in the consolidated income statement.

業務合併或有代價之公平值變動於綜合收益表的「其它金融資產的公平值(虧損)/收益」中確認。

37. 財務風險管理目標及政策 (續)

(f) 公平值 (續)

(i) 按公平值列賬之金融工具 (續)

年內第3級結餘的公平值計量變動如下：

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(f) Fair value (Continued)

(ii) Fair values of financial instruments carried at other than fair value

The directors consider that the carrying amounts of the Group's and the Company's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2012 and 2011.

(g) Estimation of fair values

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

Interest-bearing bank and other borrowings

The fair value is estimated as the present value of future cash flows, discounted at current market interest rates for similar financial instruments.

37. 財務風險管理目標及政策 (續)

(f) 公平值 (續)

(ii) 並非按公平值列賬之金融工具之公平值

董事認為，於二零一二年及二零一一年十二月三十一日，本集團及本公司按成本或攤銷成本列賬之金融工具之賬面值與其公平值並無重大差異。

(g) 估計公平值

下文概述用於估計金融工具公平值之主要方法和假設。

計息銀行及其他借款

公平值按未來現金流量之現值而估計，並採用類似金融工具之現行市場利率折現。

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For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

38. MAJOR NON-CASH TRANSACTIONS

- (a) During the year ended 31 December 2012, additions to property, plant and equipment of approximately RMB2,576,000 (2011: RMB10,417,000) were financed by finance lease arrangements.
- (b) On 12 July 2011, the Company issued the 2011 Convertible Bonds with principal amount of HK\$499,000,000 as consideration for the acquisition of the Wealthy Talent Group. Further details of the acquisition are set out in note 35.
- (c) During the year ended 31 December 2011, the Group disposed of property, plant and equipment with carrying value of approximately RMB4,576,000 to Luoyang Shunhe which was offset by the current account with Luoyang Shunhe.

39. COMMITMENTS

- (a) In addition to the Finance Lease Arrangement detailed in note 19(a), the Group had the following significant capital commitments contracted but not provided for in the consolidated financial statements:

38. 主要非現金交易

- (a) 截至二零一二年十二月三十一日止年度，添置物業、機器及設備約人民幣2,576,000元(二零一一年：人民幣10,417,000元)乃由融資租賃安排提供融資。
- (b) 於二零一一年七月十二日，本公司發行本金總額為499,000,000港元之二零一一年可換股債券，以作為收購Wealthy Talent Group之部份代價。該收購事項之進一步詳情，載於附註35。
- (c) 截至二零一一年十二月三十一日止年度，本集團向洛陽順和出售賬面值約為人民幣4,576,000元的物業、機器及設備，該款項與洛陽順和的經常賬目抵銷。

39. 承擔

- (a) 除附註19(a)所詳述之融資租賃安排外，本集團於綜合財務報表已訂約惟未撥備之重大資本承擔如下：

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Acquisition of property, plant and equipment (including construction in progress)	收購物業、機器及設備 (包括在建工程)	222,645	104,852

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39. COMMITMENTS (Continued)

- (b) At the end of the reporting period, the total future minimum lease payments under non-cancellable operating leases in respect of office premises are payable as follows:

39. 承擔 (續)

- (b) 於報告期末，有關辦公室物業之不可撤銷經營租約項下之未來應付最低租賃款項總額如下：

		The Group 本集團		The Company 本公司	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Within 1 year	一年內	444	759	444	744
After 1 year but within 5 years	一年後但五年內	—	446	—	446
		444	1,205	444	1,190

The Group leases a property held under operating lease. The lease typically runs for an initial period of one to three years. None of the leases includes contingent rentals.

本集團根據經營租約承租物業。初步租期一般為一至三年。該等租約概無包含或然租金。

40. PLEDGE OF ASSETS

As at 31 December 2012, the Group's entire shareholding in Qinshui Energy were pledged. Details of the Group's pledge of other assets are included in notes 16 and 17 respectively.

40. 資產抵押

於二零一二年十二月三十一日，本集團於沁水能源的全部股權已作抵押。本集團之其他資產抵押分別載於附註16及17。

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綜合財務報表附註

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41. CONTINGENT ASSETS AND LIABILITIES

- (i) During the year ended 31 December 2011, the Company filed a claim with 北京仲裁委員會 (“Beijing Arbitration Commission”) against one of its coalbed methane suppliers (the “CBM Supplier”), claiming for financial losses of approximately RMB407,193,000 arising from insufficient supply of coalbed methane under contract. In February 2012, the CBM Supplier filed a counterclaim with the Beijing Arbitration Commission against the Company, claiming for (i) financial losses of approximately RMB155,336,000; (ii) late payment interest of approximately RMB3,771,000; and (iii) financial loss arising from early termination of contract of approximately RMB102,775,000. The directors of the Company consider, based on the legal advice obtained from the Company’s legal counsel, that the Company has a valid defence against the above counterclaim and, accordingly, no provision has been made in the consolidated financial statements for the years ended 31 December 2011 and 2012 in relation to these proceedings.
- (ii) During the year ended 31 December 2011, a customer claim against a subsidiary of the Group for compensation of approximately RMB6,954,000 arising from alleged failure on the part of the subsidiary to supply gas under contract. The directors of the Company consider, based on the legal advice obtained from the Group’s legal counsel, that the subsidiary has a valid defence against the above claim and, accordingly, no provision has been made in the consolidated financial statements for the years ended 31 December 2011 and 2012 in relation to these proceedings.

41. 或然資產及負債

- (i) 於截至二零一一年十二月三十一日止年度，本公司針對其一名煤層氣供應商（「煤層氣供應商」）向北京仲裁委員會提出申訴，要求賠償其未能根據合約供應充足煤層氣而令本公司蒙受的財務虧損約人民幣407,193,000元。於二零一二年二月，煤層氣供應商針對本公司向北京仲裁委員會提出反申索，要求賠償(i)財務虧損約人民幣155,336,000元；(ii)逾期付款利息約人民幣3,771,000元；及(iii)提前終止合約產生之財務虧損約人民幣102,775,000元。本公司董事認為，根據本公司法律顧問之法律意見，本公司具有針對以上反申訴之有效抗辯理據，因此截至二零一一年及二零一二年十二月三十一日止年度並無於綜合財務報表就該等訴訟作出撥備。
- (ii) 於截至二零一一年十二月三十一日止年度，一名客戶指稱本集團一間附屬公司未能根據合約供應天然氣，向該附屬公司索賠約人民幣6,954,000元。本公司董事認為，根據本集團法律顧問之法律意見，該附屬公司具有針對以上索賠之有效抗辯理據，因此截至二零一一年及二零一二年十二月三十一日止年度並無於綜合財務報表就該等訴訟作出撥備。

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42. MATERIAL RELATED PARTY TRANSACTIONS

In addition to the transactions and balances disclosed elsewhere in the consolidated financial statements, the Group entered into the following material related party transactions.

For the years ended 31 December 2012 and 2011, the directors are of the view that the followings are related parties of the Group:

Name of party	Relationship
Luoyang Shunhe	A company established in the PRC with limited liability and was indirectly wholly-owned by Mr. Wang as at 31 December 2010. Upon completion of the acquisition of Wealthy Talent Group, Luoyang Shunhe was thereafter accounted for as a subsidiary of the Group. Details as set out in note 35.
沁水縣盛融投資有限責任公司 (transliterated as Shanxi Qinshui Prefecture Chengrong Investment Limited ("Chengrong Investment"))	Effectively owned 17% equity interest in Wanzhi Logistics as a non-controlling shareholder of a subsidiary and provided financing to the Group of RMB50,000,000 as disclosed in note 28(b).
Yangcheng Yangtai	Effectively owned 20% equity interest in Yangcheng Huiyang as a non-controlling shareholder of a subsidiary.

42. 重大關連人士交易

除本綜合財務報表的其他部份所披露的交易及結餘外，本集團已訂立下列重大關連人士交易。

截至二零一二年及二零一一年十二月三十一日止年度，董事認為下列各方為本集團之關連人士：

有關各方名稱	關係
洛陽順和	一家於中國成立的有限公司，於二零一零年十二月三十一日由王先生間接全資擁有。於完成收購 Wealthy Talent Group 之後，洛陽順和其後列賬為本集團附屬公司。有關詳情載於附註35。
沁水縣盛融投資有限責任公司 (「盛融投資」)	作為一間附屬公司之非控股股東有效地擁有萬志物流的17%股本權益，及向本集團提供資金人民幣50,000,000元(如附註28(b)所披露)。
陽城陽泰	作為一間附屬公司之非控股股東有效地擁有陽城惠陽的20%股本權益。

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42. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

Name of party	Relationship
鄭州貞成能源技術服務有限公司 (transliterated as Zhengzhou Zhengcheng Energy Technology Service Company Limited ("Zhengzhou Zhengcheng"))	Effectively owned 20% equity interest in Yangcheng Huiyang as a non-controlling shareholder of a subsidiary.
陽城縣陽泰集團實業有限公司 (transliterated Yangcheng Yangtai Group Industrial Company Limited ("Yangcheng Yangtai"))	Effectively owned 20% equity interest in Yangcheng Huiyang as a non-controlling shareholder of a subsidiary.

(a) Particulars of significant transactions between the Group and the above related parties for the years ended 31 December 2012 and 2011 are as follows:

Name of related party 有關各方名稱	Nature of transaction 交易性質	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Luoyang Shunhe 洛陽順和	Disposal of property, plant and equipment 出售物業、機器及設備	—	4,576
Luoyang Shunhe 洛陽順和	Sale of LNG 出售LNG	—	11,638
Chengrong Investment 盛融投資	Interest expenses 利息開支	3,451	3,770
Yangcheng Yangtai 陽城縣陽泰	Interest expenses 利息開支	492	—

42. 重大關連人士交易 (續)

有關各方名稱	關係
鄭州貞成能源技術服務有限公司 ("鄭州貞成")	作為一間附屬公司之非控股股東有效地擁有陽城惠陽的20%股本權益。

陽城縣陽泰集團實業有限公司 ("陽城縣陽泰")	作為一間附屬公司之非控股股東有效地擁有陽城惠陽的20%股本權益。
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(a) 截至二零一二年及二零一一年十二月三十一日止年度，本集團與上列關連人士之間進行之重大交易詳情如下：

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42. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

- (a) Particulars of significant transactions between the Group and the above related parties for the years ended 31 December 2012 and 2011 are as follows: (Continued)

Notes:

- (i) During the year ended 31 December 2010, a subsidiary of the Group, namely, Guangxi Beiliu Gas Company Limited (“Guangxi Beiliu”) entered into a memorandum of understanding dated 8 October 2010 with Luoyang Shunhe, pursuant to which Guangxi Beiliu agreed to deliver certain pre-sales liquefied natural gas tanks included in property, plant and equipment with a total carrying amount of approximately RMB4,711,000 as at 31 December 2010 to Luoyang Shunhe for the purpose of trial-operation for a period of nine months (up to 30 June 2011) before signing a formal sales and purchase agreement. On 30 June 2011, before Luoyang Shunhe entered into the Group, Guangxi Beiliu formally signed a sales and purchase agreement to sell these tanks at a consideration of RMB4,576,000 to Luoyang Shunhe.
- (ii) During the period from 1 January 2011 to 11 July 2011, the Group supplied LNG to Luoyang Shunhe in an aggregate amount of approximately RMB11,638,000. During the same period, Luoyang Shunhe was indirectly wholly-owned by Mr. Wang. Luoyang Shunhe became a subsidiary of the Group upon completion of the Group’s acquisition of the Wealthy Talent Group in July 2011, further details of which are set out in note 35. These transactions also constitute continuing connected transactions, as defined in Chapter 20 of the GEM Listing Rules.
- (iii) The amount represents interest expenses on loans due to the non-controlling shareholders of subsidiaries as detailed in note 28(b).

42. 重大關連人士交易 (續)

- (a) 截至二零一二年及二零一一年十二月三十一日止年度，本集團與上列關連人士之間進行之重大交易詳情如下：(續)

附註：

- (i) 截至二零一零年十二月三十一日止年度，本集團一間附屬公司廣西北流燃氣有限公司(「廣西北流」)於二零一零年十月八日與洛陽順和訂立一項諒解備忘錄，據此，廣西北流同意在簽訂正式買賣協議前，將若干列入物業、機器及設備內，且於二零一零年十二月三十一日之賬面總值約為人民幣4,711,000元的預售液化天然氣儲罐交付予洛陽順和，以供進行為期九個月(即至二零一一年六月三十日止)的試營運。於二零一一年六月三十日，在洛陽順和成為本集團成員公司之前，廣西北流正式簽訂買賣協議，以代價人民幣4,576,000元向洛陽順和出售該等儲罐。
- (ii) 於二零一一年一月一日至二零一一年七月十一日期間，本集團向洛陽順和供應總金額約人民幣11,638,000元的液化天然氣。在同一期間，洛陽順和由王先生間接全資擁有。於二零一一年七月本集團完成收購Wealthy Talent Group之後，洛陽順和成為本集團一間附屬公司，有關進一步詳情載於附註35。該等交易亦構成創業板上市規則第20章所定義的持續關連交易。
- (iii) 有關款項指應付附屬公司非控股股東之貸款之利息開支，詳見附註28(b)。

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42. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties

As at 31 December 2012 and 2011, the Group and the Company had the following balances with related parties:

(i) Amounts due from related companies

The Group

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	Maximum amount outstanding during the year 年內最高 未償還金額 RMB'000 人民幣千元
Chengrong Investment 盛融投資	—	168	168
Yangcheng Yangtai 陽城陽泰	6,000	6,000	6,000
Nopin Engineering 諾信	2,447	—	2,447
Zhengzhou Zhoncheng 鄭州貞成	7,800	7,300	7,800
	16,247	13,468	

The amounts due are unsecured, interest-free and repayable on demand.

(ii) Amounts due from directors

The Group

	2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	Maximum amount outstanding during the year 年內最高 未償還金額 RMB'000 人民幣千元
Wang Zhong Sheng 王忠勝	691	—	691
Zhang Qing Lin 張慶林	254	473	473
Feng San Li (Note) 馮三利(附註)	—	20	20
Shi Liang 施亮	—	55	55
Fu Shou Gang 付壽剛	—	20	20
	945	568	

42. 重大關連人士交易 (續)

(b) 與關連人士之結餘

於二零一二年及二零一一年十二月三十一日，本集團及本公司與關連人士有下列結餘：

(i) 應收關連公司款項

本集團

Maximum amount
outstanding
during the year
年內最高
未償還金額

該等結欠款項為無抵押、免息並須應要求償還。

(ii) 應收董事款項

本集團

Maximum amount
outstanding
during the year
年內最高
未償還金額

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42. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(b) Balances with related parties (Continued)

(ii) Amounts due from directors The Company

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	Maximum amount outstanding during the year 年內最高 未償還金額 RMB'000 人民幣千元
Wang Zhong Sheng	王忠勝	1,361	3,737	3,737
Feng San Li (Note)	馮三利 (附註)	—	20	20
Shi Liang	施亮	—	55	55
		1,361	3,812	

The amounts due from the directors are unsecured, interest-free and repayable on demand.

Note:

Feng San Li was retired on 26 November 2012.

(iii) Amounts due to directors/non-controlling shareholders of subsidiaries

The amounts due are unsecured, interest-free and repayable on demand.

(iv) Amounts due from/(to) subsidiaries

The amounts due are unsecured, interest-free and repayable on demand.

42. 重大關連人士交易 (續)

(b) 與關連人士之結餘 (續)

(ii) 應收董事款項 本公司

該等應收董事款項無抵押、免息並須應要求償還。

附註：

馮三利於二零一二年十一月二十六日退任。

(iii) 應付董事／附屬公司之非控股股東款項

該等結欠款項為無抵押、免息並須應要求償還。

(iv) 應收／(應付) 附屬公司款項

該等結欠款項為無抵押、免息並須應要求償還。

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

綜合財務報表附註

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

42. MATERIAL RELATED PARTY TRANSACTIONS (Continued)

(c) Key management personnel remuneration

Remuneration for key management personnel of the Group, including emoluments to the Company's directors and the chief executive as disclosed in note 9 and certain of the highest paid employees as disclosed in note 10, is as follows:

		The Group 本集團	
		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元
Short-term employee benefits	短期僱員福利	2,541	1,978
Post-employment benefits	離職後福利	50	26
Equity-settled share-based payment expenses	以股權結算以股份為基礎之付款開支	204	7,075
Total remuneration is included in "Staff costs" (note 7(a))	薪酬總額載於「員工成本」(附註7(a))	2,795	9,079

43. EVENT AFTER THE REPORTING PERIOD

On 14 March 2013, the Company announced that the Company and a placing agent ("Placing Agent") entered into a placing agreement on 14 March 2013, whereby the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, a maximum of 400,000,000 placing shares to independent investors at a price of HK\$0.25 per placing share. The maximum net proceeds from the placing will be approximately HK\$96.4 million. Up to the date of approval of these consolidated financial statements, the placing has not yet completed.

44. IMMEDIATE PARENT AND ULTIMATE CONTROLLING PARTY

At 31 December 2012, the directors consider the immediate parent and ultimate controlling party of the Group to be Jumbo Lane Investments Limited, which is incorporated in the BVI. Jumbo Lane Investments Limited does not produce financial statements available for public use.

42. 重大關連人士交易 (續)

(c) 主要管理人員之薪酬

本集團主要管理人員之薪酬(包括分別於附註9及附註10披露之已付本公司董事、主要行政人員及若干最高薪酬僱員之酬金)如下:

43. 報告期後事項

於二零一三年三月十四日，本公司宣佈，本公司與一名配售代理(「配售代理」)於二零一三年三月十四日訂立一份配售協議，據此，本公司有條件地同意透過配售代理按竭誠基準配售最多400,000,000股配售股份予獨立投資者，每股配售股份作價0.25港元。配售之最高所得款項將約為96,400,000港元。截至該等綜合財務報表獲批准日期，配售尚未完成。

44. 直接母公司及最終控股方

於二零一二年十二月三十一日，董事認為本集團直接母公司及最終控股方為寶連投資有限公司，一家於英屬處女群島註冊成立的公司。寶連投資有限公司並無編製供公眾使用之財務報表。

FIVE YEAR FINANCIAL SUMMARY

五年財務摘要

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

RESULTS

業績

For the year ended 31 December
截至十二月三十一日止年度

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Turnover	營業額	183,834	253,849	230,989	40,056	—
Loss from operations	經營業務產生之虧損	(26,913)	(15,036)	(8,150)	(17,645)	(11,508)
Finance costs	財務費用	(7,214)	(8,762)	(9,681)	(4,260)	(1,844)
Gain on remeasuring existing interest in an available-for-sales investment on acquisition	因收購而重新計量可供出售投資現有權益之收益	—	—	4,960	—	—
Fair value (loss)/gain on other financial assets	其他金融資產之公平值(虧損)/收益	(17,051)	17,051	—	—	—
Fair value (loss)/gain on the derivative component of convertible bonds	可換股債券衍生工具部份之公平值(虧損)/收益	—	(6,487)	3,223	—	—
Impairment loss on goodwill	商譽減值虧損	(2,339)	(21,492)	—	(52,971)	—
Loss before taxation	除稅前虧損	(53,517)	(34,726)	(9,648)	(74,876)	(13,352)
Income tax (charge)/credit	所得稅(開支)/抵免	(7,945)	(14,609)	(871)	251	—
Loss for the year from continuing operations	來自持續經營業務之本年度虧損	(61,462)	(49,335)	(10,519)	(74,625)	(13,352)
(Loss)/profit for the year from discontinued operations	來自已終止經營業務之本年度(虧損)/溢利	—	—	(11,947)	15,795	(20,233)
Loss for the year	本年度虧損	(61,462)	(49,335)	(22,466)	(58,830)	(33,585)
Attributable to:	下列應佔：					
Equity shareholders of the Company	本公司權益股東	(55,130)	(45,016)	(20,493)	(58,741)	(33,585)
Non-controlling interests	非控股權益	(6,332)	(4,319)	(1,973)	(89)	—
Loss for the year	本年度虧損	(61,462)	(49,335)	(22,466)	(58,830)	(33,585)

FIVE YEAR FINANCIAL SUMMARY

五年財務摘要

For the year ended 31 December 2012 截至二零一二年十二月三十一日止年度

ASSETS AND LIABILITIES

資產及負債

At 31 December
於十二月三十一日

		2012 二零一二年 RMB'000 人民幣千元	2011 二零一一年 RMB'000 人民幣千元	2010 二零一零年 RMB'000 人民幣千元	2009 二零零九年 RMB'000 人民幣千元	2008 二零零八年 RMB'000 人民幣千元
Total assets	總資產	1,545,761	1,396,942	713,299	545,025	239,139
Total liabilities	總負債	(523,058)	(315,545)	(258,971)	(275,176)	(119,009)
Non-controlling interests	非控股權益	(22,643)	(28,975)	(21,294)	(2,527)	—
Equity attributable to equity shareholders of the Company	本公司權益股東應佔權益	1,000,060	1,052,422	433,034	267,322	120,130

中國聯盛煤層氣頁岩氣產業集團有限公司
China Leason CBM & Shale Gas Group Company Limited

(formerly known as China Leason Investment Group Co., Limited 中國聯盛投資集團有限公司)

(於開曼群島註冊成立之有限公司)
(Incorporated in the Cayman Islands with limited liability)

股份代號 Stock Code: 8270