Golden Century International Holdings Group Limited
金禧國際控股集團有限公司

(formerly known as International Standard Resources Holdings Limited 標準資源控股有限公司)

(Incorporated in Hong Kong with limited liability)

(Stock Code: 91)

(Warrant Code: 1807)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2019

The Board of Directors (the "**Board**" or "**Directors**") of Golden Century International Holdings Group Limited (the "**Company**") hereby announces the results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2019 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	**2019** ***HK$'000***	2018 *HK$'000*
Revenue	3	**7,587**	9,109
Cost of sales		**(6,747)**	(8,181)
Gross profit		**840**	928
Other income		**591**	1,290
Other gains and losses	4	**29,889**	(59,876)
Administrative expenses		**(44,521)**	(50,754)
Amortisation of production sharing contract	9	**(15,701)**	(51,228)
Reversal of impairment losses on trade receivables		**–**	90
Impairment loss on production sharing contract	9	**(413,598)**	(454,192)
Impairment loss on property, plant and equipment		**(12,461)**	–
Loss from operations		**(454,961)**	(613,742)
Finance costs	5(a)	**(50,772)**	(44,132)
Loss before tax	5	**(505,733)**	(657,874)
Income tax	6	**108,572**	127,083
Loss for the year		**(397,161)**	(530,791)
Attributable to:			
Owners of the Company		**(396,791)**	(530,452)
Non-controlling interests		**(370)**	(339)
		(397,161)	(530,791)
Loss per share	8		
Basic and diluted *(HK$ per share)*		**(0.72)**	(1.11)

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 HK$'000	2018 HK$'000
Loss for the year	**(397,161)**	(530,791)
Other comprehensive income (expense)		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign operations	**3,197**	(33,081)
Other comprehensive income (expense) for the year, net of income tax	**3,197**	(33,081)
Total comprehensive expenses for the year	**(393,964)**	(563,872)
Attributable to:		
Owners of the Company	**(393,594)**	(563,533)
Non-controlling interests	**(370)**	(339)
	(393,964)	(563,872)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2019

	Notes	**2019** *HK$'000*	2018 *HK$'000*
Non-current assets			
Property, plant and equipment		**71,079**	94,201
Right-of-use assets		**1,798**	–
Intangible assets	9	**94,751**	526,196
Financial assets at fair value through profit or loss		**1,000**	1,000
		168,628	621,397
Current assets			
Financial assets at fair value through profit or loss		**10,125**	10,010
Trade and other receivables	10	**1,692**	53,040
Cash and bank balances		**10,509**	6,374
		22,326	69,424
Current liabilities			
Borrowings		**25,000**	–
Other borrowing, unsecured		**11,059**	11,267
Trade and other payables	11	**38,517**	46,813
Bonds		**4,976**	46,665
Promissory notes		**–**	14,228
Lease liabilities		**1,159**	–
Tax payables		**5,328**	5,365
		86,039	124,338
Net current liabilities		**(63,713)**	(54,914)
Total assets less current liabilities		**104,915**	566,483

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2019

	Notes	2019 HK$'000	2018 HK$'000
Non-current liabilities			
Other payables	11	**16,342**	16,072
Bonds		**9,990**	4,777
Promissory notes		**–**	5,012
Convertible notes – liability portion, unsecured	12	**268,607**	231,831
Convertible notes – embedded derivatives, unsecured	12	**110,348**	142,598
Lease liabilities		**646**	–
Loan from ultimate holding company		**10,000**	–
Deferred tax liabilities		**16,716**	127,743
		432,649	528,033
Net (liabilities) assets		**(327,734)**	38,450
Capital and reserves			
Share capital	13	**2,060,115**	2,032,322
Reserves		**(2,382,945)**	(1,989,338)
(Capital deficiency) equity attributable to owners of the Company		**(322,830)**	42,984
Non-controlling interests		**(4,904)**	(4,534)
(Capital deficiency) total equity		**(327,734)**	38,450

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1. BASIS OF PREPARATION

(a) General Information

The Company is a limited liability company incorporated in Hong Kong and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The address of the registered office and the principal place of business of the Company is Unit E, 29/F, Tower B, Billion Centre, No. 1 Wang Kwong Road, Kowloon.

In the opinion of the directors of the Company, the ultimate holding company of the Company is Century Gold Millennium International Holdings Group Limited, which is a private limited company incorporated in the British Virgin Islands. Its ultimate controlling party is Mr. Pan Jibiao.

Pursuant to a special resolution passed on 6 February 2020 and the certificate of change of name issued by the Company Registry in Hong Kong on 18 March 2020, the Company changes its English name and Chinese name from "International Standard Resources Holdings Limited 標準資源控股有限公司" to "Golden Century International Holdings Group Limited 金禧國際控股集團有限公司".

The financial information relating to the years ended 31 December 2019 and 2018 included in this preliminary announcement of annual results 2019 do not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 December 2018 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 December 2019 in due course.

The Company's auditor has reported on the financial statements of the Group for both years. For the year ended 31 December 2018, the auditor's report was a disclaimer of opinion; and contains a statement under section 407(3) of the Hong Kong Companies Ordinance. For the year ended 31 December 2019, the auditor's report was unqualified with a material uncertainty related to going concern; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

The principal activities of the Group are coalbed methane gas exploration and exploitation in the People's Republic of China (the "PRC"), sale of electronic components and treasury which includes securities trading, securities brokerage and money lending.

The consolidated financial statements are presented in Hong Kong dollars (the "HK$"), which is also the functional currency of the Company. In addition, the functional currencies of certain group entities that operate outside Hong Kong are determined based on the currency of the primary economic environment in which the group entities operate.

(b) Basis of preparation of the consolidated financial statements

Statement of Compliance

The 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 requirements of the Hong Kong Companies Ordinance. The consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange.

Statement of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Going Concern Basis

The Group incurred a net loss attributable to owners of the Company of approximately HK$396,791,000 for the year ended 31 December 2019, and as at the same date, the Group's current liabilities exceeded its current assets by approximately HK$63,713,000, total liabilities exceeded its total assets by approximately HK$327,734,000 and capital deficiency attributable to owners of the Company amounted to approximately HK$322,830,000.

The directors of the Company are satisfied that the Group will have sufficient financial resources to meet its financial obligations as they fall due in the foreseeable future, after taking into consideration of the followings:

(i) On 30 March 2020, loan facilities of approximately HK$160,000,000 is granted by its ultimate holding company, Century Gold Millennium International Holdings Group Limited ("Century Gold Millennium"), which is provided on a subordinated basis. Century Gold Millennium will not demand the Company for repayment of any drawn down loan in the future nor cancel the undrawn loan facilities until all other liabilities of the Group had been satisfied;

(ii) In addition to the loan facilities stated above, Mr. Pan Jibiao, the ultimate controlling party, and Century Gold Millennium have also undertaken to provide adequate funds to enable the Group to meet in full its financial obligations when they fall due in the foreseeable future;

(iii) For the loans provided to the Company in principal amount of HK$10,000,000 for the year ended 31 December 2019, Century Gold Millennium will not demand for repayment until all other liabilities of the Group has been satisfied;

(iv) The Group will seek to obtain additional financing including but not limited to open offer, placing of the new shares and issuance of bonds;

(v) The directors of the Company will continue to implement measures aiming at improving the working capital and cash flows of the Group, including close monitoring of general administrative expenses and operating costs.

The directors of the Company have carried out a detailed review of the cash flow forecast of the Group for the next twelve months from the reporting date taking into account the impact of above measures, the directors of the Company believe that the Group will have sufficient cash resources to satisfy its future working capital and other financing requirements as and when they fall due in the next twelve months from the reporting date and, accordingly, are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Should the Group be unable to continue in business as a going concern, adjustments would have to be made to write down the value of assets to their recoverable amount, to provide for future liabilities which might arise and to reclassify non-current assets and liabilities to current assets and liabilities respectively. The effects of these potential adjustments have not been reflected in these consolidated financial statements.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS

New and amendments to HKFRSs that are mandatorily effective for the current year

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current year:

HKFRS 16	Leases
HK(IFRIC)-Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycle

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

2.1 HKFRS 16 Leases

The Group has applied HKFRS 16 for the first time in the current year. HKFRS 16 superseded HKAS 17 *Leases* ("HKAS 17"), and the related interpretations.

Definition of a lease

The Group has elected the practical expedient to apply HKFRS 16 to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease* and not apply this standard to contracts that were not previously identified as containing a lease. Therefore, the Group has not reassessed contracts which already existed prior to the date of initial application.

For contracts entered into or modified on or after 1 January 2019, the Group applies the definition of a lease in accordance with the requirements set out in HKFRS 16 in assessing whether a contract contains a lease.

As a lessee

The Group has applied HKFRS 16 retrospectively with the cumulative effect recognised at the date of initial application, 1 January 2019.

As at 1 January 2019, the Group recognised additional lease liabilities and measured right-of-use assets at the carrying amounts as if HKFRS 16 had been applied since commencement dates, but discounted using the incremental borrowing rates of the relevant group entities at the date of initial application by applying HKFRS 16.C8(b)(i) transition. Any difference at the date of initial application is recognised in the opening accumulated losses and comparative information has not been restated.

When applying the modified retrospective approach under HKFRS 16 at transition, the Group applied the following practical expedients to leases previously classified as operating leases under HKAS 17, on lease-by-lease basis, to the extent relevant to the respective lease contracts:

(i) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;

(ii) accounting for operating lease with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases; and

(iii) excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

When recognising the lease liabilities for leases previously classified as operating leases, the Group has applied incremental borrowing rates of the relevant group entities at the date of initial application. The weighted average incremental borrowing rate applied is 8%.

	At 1 January 2019
	HK$'000
Operating lease commitments disclosed as at 31 December 2018	3,056
Lease liabilities discounted at relevant incremental borrowing rates	3,002
Less: Practical expedient - lease with lease term ending within 12 months from the date of initial application	(2,283)
Lease liabilities recognised as at 1 January 2019	719
Analysed as:	
Current lease liabilities	399
Non-current lease liabilities	320
	719

The following adjustments were made to the amounts recognised in the consolidated statement of financial position at 1 January 2019. Line items that were not affected by the changes have not been included.

	Note	**Carrying amounts previously reported at 31 December 2018**	**Adjustments**	**Carrying amounts under HKFRS 16 at 1 January 2019**
		HK$'000	*HK$'000*	*HK$'000*
Non-current asset				
Right-of-use assets		–	720	720
Current asset				
Trade and other receivable	*(a)*	53,040	(14)	53,026
Current liability				
Lease liabilities		–	(399)	(399)
Non-current liability				
Lease liabilities		–	(320)	(320)
Capital and reserves				
Accumulated losses		2,715,631	13	2,715,644

Note:

(a) Before application of HKFRS 16, the Group considered refundable rental deposits paid as rights and obligations under lease to which HKAS 17 applied under other receivable. Based on the definition of lease payments under HKFRS 16, such deposits are not payments relating to the right to use of the underlying assets and were adjusted to reflect the discounting effect at transition. Accordingly, approximately HK$14,000 was adjusted to refundable deposits paid and right-of-use assets.

New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts[1]
Amendments to HKFRS 3	Definition of a Business[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[3]
Amendments to HKAS 1 and HKAS 8	Definition of Material[4]
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform[4]

1 Effective for annual periods beginning on or after 1 January 2021.

2 Effective for business combinations and asset acquisitions for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2020.

3 Effective for annual periods beginning on or after a date to be determined.

4 Effective for annual periods beginning on or after 1 January 2020.

In addition to the above new and amendments to HKFRSs, a revised Conceptual Framework for Financial Reporting was issued in 2018. Its consequential amendments, the *Amendments to References to the Conceptual Framework in HKFRS Standards*, will be effective for annual periods beginning on or after 1 January 2020.

The directors of the Company do not anticipate that the application of these new and amendments to HKFRSs will have any material impact on the consolidated financial statements in the foreseeable future.

3. REVENUE AND SEGMENT REPORTING

(a) Revenue

The principal activities of the Group are coalbed methane gas exploration and exploitation in the PRC, sale of electronic components and treasury including securities trading, securities brokerage and money lending.

An analysis of the amount of each significant category of revenue from principal activities during the year is set out below:

	2019	2018
	HK$'000	*HK$'000*
Sale of electronic components	**7,587**	8,550
Sale of coalbed methane products	**–**	513
Interest income from money lending	**–**	46
	7,587	9,109

(b) Segment information

The Group manages its business by divisions, which are organised by business lines. In a manner consistent with the way in which information is reported internally to the Group's most senior executive management, who are also the executive directors of the Company, for the purpose of resources allocation and performance assessments, the Group has identified the following three reportable segments. No operating segments have been aggregated to form the following reportable segments.

- Electronic components
- Coalbed methane
- Treasury (i.e. securities trading, securities brokerage and money lending)

(i) Segment results, assets and liabilities

For the purpose of assessing segment performance and allocating resources between segments, the Group's most senior executive management monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible, intangible assets and current assets with the exception of other corporate assets. Segment liabilities include trade and other payables attributable to the activities of the individual segments and borrowings managed directly by the segments.

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

The measure used for reporting segment profit is "segment result". Segment result includes the operating profit generated by the segment and finance costs directly attributable to the segment, without allocation of head office or corporate administration costs. Income tax is not allocated to reportable segment.

Information regarding the Group's reportable segments as provided to the Group's most senior executive management for the purposes of resource allocation and assessment of segment performance for the years ended 31 December 2019 and 2018 is set out below:

Year ended 31 December 2019

	Electronic components *HK$'000*	Coalbed methane *HK$'000*	Treasury *HK$'000*	Total *HK$'000*
Recognised at a point in time	7,587	–	–	7,587
Recognised over time	–	–	–	–
Reportable segment revenue from external customers	**7,587**	**–**	**–**	**7,587**
Reportable segment results	**(1,397)**	**(473,628)**	**(375)**	**(475,400)**
Amortisation of production sharing contract	–	15,701	–	15,701
Depreciation on property, plant and equipment	–	8,990	28	9,018
Depreciation on right-of-use assets	147	97	411	655
Gain on fair value change of convertible notes – embedded derivatives	–	(32,250)	–	(32,250)
Impairment loss on production sharing contract	–	413,598	–	413,598
Impairment loss on property, plant and equipment	–	12,461	–	12,461
Imputed interest on convertible notes	–	44,095	–	44,095
Imputed interest on lease liabilities	21	15	43	79
Interest on borrowing	–	–	500	500
Loss on disposal of financial assets at fair value through profit or loss	–	–	1,245	1,245
Loss on disposal of property, plant and equipment	–	54	–	54
Net gain on revaluation of financial assets at fair value through profit or loss	–	–	(941)	(941)
Other income	(18)	(2)	(316)	(336)
Write-back of other payables	–	–	(3,850)	(3,850)
Reportable segment assets	**992**	**166,821**	**16,020**	**183,833**
Additions to non-current segment assets during the year	588	1,387	–	1,975
Reportable segment liabilities	**22,406**	**378,960**	**15,704**	**417,070**

Year ended 31 December 2018

	Electronic components *HK$'000*	Coalbed methane *HK$'000*	Treasury *HK$'000*	Total *HK$'000*
Recognised at a point in time	8,550	513	–	9,063
Recognised over time	–	–	46	46
Reportable segment revenue from external customers	8,550	513	46	9,109
Reportable segment results	(1,440)	(574,086)	(55,459)	(630,985)
Amortisation of production sharing contract	–	51,228	–	51,228
Depreciation on property, plant and equipment	–	10,197	16	10,213
Loss on disposal of financial assets at fair value through profit or loss	–	–	1,591	1,591
Loss on fair value change of convertible notes – embedded derivatives	–	6,546	–	6,546
Loss on restructuring of convertible notes	–	6,117	–	6,117
Impairment loss on production sharing contract	–	454,192	–	454,192
Imputed interest on convertible notes	–	38,336	–	38,336
Net loss on revaluation of financial assets at fair value through profit or loss	–	–	15,625	15,625
Other income	–	(535)	(522)	(1,057)
Reversal of impairment losses on trade receivables	(90)	–	–	(90)
Write-off of other receivables	–	–	35,000	35,000
Reportable segment assets	919	620,901	64,076	685,896
Additions to non-current segment assets during the year	–	10,906	–	10,906
Reportable segment liabilities	21,434	418,652	3,858	443,944

(ii) *Geographical information*

In presenting geographical information, revenue is based on the geographical location of the external customers. Specified non-current assets, which represent property, plant and equipment, intangible assets, right-of-use assets and financial assets at fair value through profit or loss, are based on the geographical location of assets.

	Hong Kong	**PRC**	**Total**
	HK$'000	***HK$'000***	***HK$'000***
2019			
Revenue	**7,587**	**–**	**7,587**
Specified non-current assets	**2,155**	**166,473**	**168,628**
2018			
Revenue	8,596	513	9,109
Specified non-current assets	1,590	619,807	621,397

(iii) *Information about major customers*

Revenue from customers from the electronic components segment contributing 10% or more of the total revenue of the Group is as follows:

	2019	2018
	HK$'000	*HK$'000*
Customer A	**4,032**	4,837
Customer B	**2,609**	2,645

4. OTHER GAINS AND LOSSES

	2019	2018
	HK$'000	*HK$'000*
Gain on disposal of asset classified as held for sale	**–**	15,241
Gain (loss) on fair value change of convertible notes – embedded derivatives	**32,250**	(6,546)
Loss on disposal of financial assets at fair value through profit or loss	**(1,245)**	(1,591)
Loss on disposal of property, plant and equipment	**(54)**	(150)
Loss on restructuring of convertible notes	**–**	(6,117)
Net foreign exchange loss	**(5,819)**	(11,082)
Net gain (loss) on revaluation of financial assets at fair value through profit or loss	**941**	(15,625)
Write-back of other payables	**3,850**	1,000
Write-down of inventories	**–**	(6)
Write-off of other receivables	**(34)**	(35,000)
	29,889	(59,876)

5. LOSS BEFORE TAX

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

		2019 HK$'000	2018 HK$'000
(a)	**Finance costs**		
	Imputed interest on convertible notes	**44,095**	38,336
	Imputed interest on bonds	**4,567**	5,056
	Imputed interest on lease liabilities	**79**	–
	Interest on promissory notes	**1,304**	740
	Interest on borrowings	**680**	–
	Interest on loan from ultimate holding company	**47**	–
		50,772	44,132
(b)	**Staff costs (including directors' emoluments)**		
	Salaries, wages and other benefits	**15,601**	21,622
	Contributions to defined contribution retirement plans	**1,060**	1,819
	Total staff costs	**16,661**	23,441
(c)	**Other items**		
	Auditor's remuneration		
	– Audit services	**630**	630
	– Non-audit services	**240**	130
	Cost of inventories recognised as expenses	**6,747**	8,181
	Depreciation of property, plant and equipment	**9,274**	10,428
	Depreciation of right-of-use assets	**655**	–
	Gain on disposal of asset classified as held for sale	**–**	(15,241)
	Loss on disposal of property, plant and equipment	**54**	150
	Total minimum lease payments for lease previously classified as operating lease under HKAS 17 *(note)*	**–**	2,748
	Lease payments for short-term lease not included in the measurement of lease liabilities *(note)*	**2,257**	–

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See note 2.

6. INCOME TAX

	2019	2018
	HK$'000	*HK$'000*
Current tax		
PRC Enterprise Income Tax	**81**	1,806
Hong Kong Profits Tax	**–**	–
	81	1,806
Deferred tax		
Current year	**(108,653)**	(128,889)
Income tax credit	**(108,572)**	(127,083)

Notes:

(i) On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day. Under the two-tiered profits tax rates regime, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. The directors of the Company considered the amount involved upon implementation of the two-tiered profits tax rates regime is insignificant to the consolidated financial statements. Thus, Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for both years. No provision for Hong Kong tax has been made as the Group has no assessable profit derived from Hong Kong during the years ended 31 December 2019 and 2018.

(ii) The Company's wholly-owned subsidiary, Canada Can-Elite Energy Limited ("Can-Elite"), incorporated under the laws of British Columbia, Canada, is subject to Income Tax Act (Canada) at a rate of 28% (2018: 28%).

Pursuant to the tax treaty agreement between the PRC government and the government of Canada for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, tax payable in the PRC on profits, income or gains arising in the PRC shall be deducted from any Canadian tax payable in respect of such profits, income or gains. No provision for Canadian tax has been made as the Group has no assessable profits derived from Canada during the years ended 31 December 2019 and 2018.

(iii) The subsidiaries in the PRC are subject to PRC Enterprise Income Tax rate of 25% (2018: 25%).

7. DIVIDEND

No dividend was paid or proposed during 2019, nor has any dividend been proposed since the end of reporting period (2018: Nil).

8. LOSS PER SHARE

(a) Basic loss per share

Calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2019	2018
	HK$'000	*HK$'000*
Loss for the purpose of basic loss per share		
Loss for the year attributable to owners of the Company	**(396,791)**	(530,452)

	2019	2018
Number of shares		
Weighted average number of ordinary shares at 31 December	**554,149,126**	479,148,706

Since there was no bonus element included in the rights issue completed in September 2019 *(note 13(c))*, no adjustment was applied to the loss per share in this regard.

(b) Diluted loss per share

No adjustment was made in calculating diluted loss per share for both years as the conversion of convertible notes and exercise of warrants would result in decrease in loss per share. Accordingly, the diluted loss per share is the same as the basic loss per share.

9. INTANGIBLE ASSETS

	Production sharing contract ("PSC")
	HK$'000
Cost	
At 1 January 2018	3,963,964
Exchange adjustment	(205,422)
At 31 December 2018 and 1 January 2019	3,758,542
Exchange adjustment	(69,512)
At 31 December 2019	3,689,030
Accumulated amortisation and impairment	
At 1 January 2018	2,878,078
Charge for the year	51,228
Impairment loss	454,192
Exchange adjustment	(151,152)
At 31 December 2018 and 1 January 2019	3,232,346
Charge for the year	15,701
Impairment loss	413,598
Exchange adjustment	(67,366)
At 31 December 2019	3,594,279
Carrying amount	
At 31 December 2019	94,751
At 31 December 2018	526,196

Notes:

(a) Through the acquisition of 100% equity interest in Merit First Investments Limited on 26 November 2008, the Group has obtained the interest in a coalbed methane PSC which was entered into between Can-Elite, a wholly-owned subsidiary of the Company, and China United Methane Corporation Limited ("China United") on 8 November 2007. The interests of China United and Can-Elite under the PSC are in the proportion of 30% and 70% respectively, or in proportion to their participating interests in the development costs.

On 21 March 2008, the PSC was approved by the Ministry of Commerce of the PRC in respect of (i) the execution and implementation of the PSC; (ii) the terms of the PSC; and (iii) 70:30 profit sharing ratio between Can-Elite and China United. Beijing Z&D Law Firm, the legal adviser of the Company as to the PRC laws of the time, advised that China United and Can-Elite had obtained all relevant approvals in relation to the execution and implementation of the PSC.

On 18 February 2009, Can-Elite and China United entered into a modification agreement, which formed an integral part of PSC, pursuant to which (i) the contract area has been increased from 356.802 to 567.843 square kilometres by an additional area of 211.041 square kilometres adjacent to the original contract area, at zero costs; and (ii) during the exploration period from 1 April 2008 to 31 March 2013, the number of wells to be drilled by Can-Elite under the PSC has been increased from 8 to 11 wells and the exploration costs shall be increased from RMB17,850,000 to RMB28,400,000. All other terms of the PSC shall remain unchanged. The modification agreement to the PSC was approved by the Ministry of Commerce of the PRC on 16 March 2009.

On 29 August 2013, Can-Elite entered into the second modification agreement to the modified PSC with China United, pursuant to which, the exploration period for the contract area under the PSC has been extended for two more years to 31 March 2015 during which Can-Elite shall expend at least RMB15,000,000 per year for exploration.

On 23 December 2015, Can-Elite entered into the third modification agreement to the modified PSC with China United. Pursuant to the third modification agreement, among other things, the exploration area of approximately 567.843 square kilometres, located in Su'nan, Anhui Province as set out under the modified PSC has been divided into Area A and Area B, consisting of 23.686 and 544.157 square kilometres, respectively. The exploration period of Area A has been extended for a period up to the date in which the relevant authorities of the PRC government grant the approval for the overall development program, whereas the exploration period of Area B has been extended for two more years from 1 April 2015 to 31 March 2017. During the extended exploration period, Can-Elite shall expend at least RMB8,000,000 per year for the exploration of Area A, and at least RMB40,000,000 for the exploration of Area B, respectively.

On 21 August 2017, Can-Elite entered into the fourth modification agreement to the modified PSC with China United. Pursuant to the fourth modification agreement, the well count required to be completed in Area A during the exploration period (a period up to the date of approval by the relevant authorities under the PRC government for the overall development program) has increased from at least two U-shaped connected wells to at least four U-shaped connected wells. Further, the exploration period of Area B has been extended for three more years, from the original expiry date (being 31 March 2017) to 31 March 2020. During the extended exploration period, at least 15 wells are required to be completed in Area B with the performance of relevant exploration works such as fracturing, drainage and extraction. In order to complete the above exploration works, Can-Elite is required to utilise at a minimum of RMB8,000,000 equivalent in US dollars per year towards Area A and at a minimum of RMB30,000,000 equivalent in US dollars towards Area B, respectively, as the expected minimum exploration expenditure amount.

The management of the Company has applied the extension of the modification agreement for the exploration period of Area B with China United. The negotiation is still in progress with China United with a view of agreed terms and conditions, and the management of the Company considered that the chance to complete the extension of the modification agreement is highly probable.

The PSC provides a term of thirty consecutive years commencing 1 April 2008, with a production period of not more than twenty consecutive years commencing on a date determined by the joint management committee which is set up by Can-Elite and China United, pursuant to the PSC, to oversee the operations in the contract area.

Can-Elite and China United shall reimburse the costs incurred during the development and production periods in the proportion of 70% and 30% respectively, or in proportion to their participating interests of each coalbed methane field. Upon extraction of the coalbed methane and liquid hydrocarbons, the coalbed methane and liquid hydrocarbons products shall be sold by China United and the proceeds will be deposited into a joint bank account opened by Can-Elite and China United, and the profits be distributed between the parties in the proportion of their participating interests in the development costs, or any other marketing approaches and procedures to be agreed upon between Can-Elite and China United.

For all assistance to be provided by China United, administrative fees in the sum of US$30,000 and US$50,000 were payable by Can-Elite to China United during the exploration period and the development and production period, respectively, as agreed by Can-Elite and China United with reference to the administrative fees payable by other foreign investors to China United in other production sharing contracts. In the opinion of the directors of the Company, the administrative fees payable by Can-Elite are comparable to those payable by other foreign investors to China United in other production sharing contracts.

The PSC is amortised on a straight-line basis over the remaining contract terms of 18.9 years (2018: 19.9 years) of the PSC.

(b) Impairment test on PSC

The recoverable amount of the PSC attributable to the Group has been determined based on value-in-use calculations. The valuation was carried out by Cushman & Wakefield Limited, an independent firm of professional valuers not connected with the Group. For the purpose of impairment testing, the carrying amount of intangible assets has been allocated to an individual cash-generating unit.

For impairment assessment purposes, cash flow projections are prepared on the following assumptions:

	2019	2018
Period of cash flow projections	**18 years**	19 years
Discount rate (pre-tax)	**20.96%**	19.23%

The calculation is based on the pre-tax cash flow projections of the financial budgets approved by management covering a 18-year (2018: 19-year) period and a pre-tax discount rate of 20.96% (2018: 19.23%), which have duly reflected risks specific to the PSC, assuming that all key information provided by management, which includes reserve quantity, feasibility of business plan, and exploitation method, are appropriate and feasible. The cash flow projections are based on budget sales, expected gross margins and expected capital expenditure determined based on management's experience and expectations of market developments in the coalbed methane industry in the PRC. The CBM reserve quantity used in the valuation of the PSC as at 31 December 2019 is based on the reports, including the technical reports issued by Netherland, Sewell & Associates, Inc. on 2 March 2011 and 31 October 2008, the technical reports prepared by an integrated geoscience and engineering consulting company on 23 March 2015 and the reserve evaluation report prepared in respect of the reserves located in Luling Block, being part of the contract area, which had been approved by the Office for Oil and Gas Profession of the Mineral Resources and Reserves Assessment Centre of the Ministry of Land and Resources of the PRC and was duly filed with the Ministry of Land and Resources of the PRC on 4 June 2014 after the compliance review. The completion of the approval and filing procedure signified that the risk assessment stage of Luling Block in the contract area has come to an end, and the PSC work will proceed to the design and development stage. Due to the further delay on the implementation and the scaledown of the business plan for the exploration and exploitation of the CBM and the continuous low level of domestic natural gas price in the PRC, the carrying amount of the PSC exceeds its estimated recoverable amount and an impairment loss of HK$413,598,000 (2018: HK$454,192,000) has been recognised in the consolidated statement of profit or loss for the year ended 31 December 2019.

10. TRADE AND OTHER RECEIVABLES

	2019	2018
	HK$'000	*HK$'000*
Trade receivables *(note (a))*	**14,704**	15,293
Less: Impairment allowance *(note (b))*	**(14,472)**	(14,472)
	232	821
Other receivables	**251**	824
Other receivable from escrow agent *(note (c))*	**–**	50,000
Deposits and prepayments	**1,209**	1,395
	1,460	52,219
	1,692	53,040

Notes:

(a) Ageing analysis of trade receivables

The ageing analysis of the trade receivables of the Group, based on the dates of the invoices and net of impairment allowance, is as follows:

	2019	2018
	HK$'000	*HK$'000*
0-45 days	**232**	581
46-90 days	**–**	240
91-365 days	**–**	–
Over 365 days	**14,472**	14,472
	14,704	15,293
Less: Impairment allowance	**(14,472)**	(14,472)
	232	821

The credit terms granted to trade receivables in respect of sale of electronic components are due between 0 day to 45 days from the date of billing.

(b) Impairment allowance

At 31 December 2019, the Group's trade receivables of HK$14,472,000 (2018: HK$14,472,000) were individually determined to be impaired. The individually impaired receivables related to customers that were in financial difficulties and management assessed that it is highly unlikely that the receivables can be recovered. The Group does not hold any collateral over the trade receivable balances.

There is no trade receivable past due but not impaired at the end of both reporting periods.

(c) During the year, the Group and the escrow agent have resolved the disputed matter for the settlement amount HK$50,000,000. The other receivables from escrow agent as at 31 December 2018 has been fully settled.

11. TRADE AND OTHER PAYABLES

	2019	2018
	HK$'000	*HK$'000*
Trade payables *(note (a))*	**1,000**	1,383
Other payables	**27,908**	35,129
Amounts due to non-controlling interests of a subsidiary *(note (b))*	**16,342**	16,072
Accrued expenses	**9,609**	10,301
	54,859	62,885
Analysed for reporting purpose as:		
Non-current liabilities	**16,342**	16,072
Current liabilities	**38,517**	46,813
Total	**54,859**	62,885

Notes:

(a) The ageing analysis of the trade payables of the Group, based on the dates of the invoices, is as follows:

	2019	2018
	HK$'000	*HK$'000*
Current – within 1 month	**272**	510
More than 1 month but within 3 months	**529**	836
More than 3 months but within 6 months	**40**	7
More than 6 months	**159**	30
	1,000	1,383

(b) The amounts due to non-controlling interest of a subsidiary are unsecured and interest free. At 31 December 2019, non-controlling interests of a subsidiary agreed not to demand repayment in next twelve months from 31 December 2019. At 31 December 2018, non-controlling interests of a subsidiary agreed not to demand repayment in next twelve months from 31 December 2018.

12. CONVERTIBLE NOTES, UNSECURED

On 20 March 2015, the Company issued convertible notes with principal amount of HK$637,000,000 (“Old Convertible Notes”) to New Alexander Limited, which is an independent third party of the Group.

The initial conversion price of the Old Convertible Notes was HK$0.12 per share, subject to anti-dilutive adjustment, the Old Convertible Notes bear interest at 2% per annum, payable semi-annually in arrears on 30 June and 31 December in each year, and will mature on 31 December 2018. The holders of the Old Convertible Notes shall have the right to convert the whole or any part of the principal amount of the Old Convertible Notes into ordinary shares of the Company, at any time between the date of issue of the Old Convertible Notes and 31 December 2018.

The Old Convertible Notes contain two components, liability and embedded derivatives. The liability component is carried at amortised cost using the effective interest method. The embedded derivatives component is carried at fair value. The effective interest rate of the liability component for the Old Convertible Notes is 11.80% per annum.

The conversion price of the Old Convertible Notes was adjusted to HK$0.11 on 17 September 2015 and to HK$0.10 on 19 November 2015 upon completion of the shares issue under open offer and bonus issue of warrants. Besides, the conversion price of the Old Convertible Notes was adjusted to HK$0.20 from the close of business on 23 February 2017 and to HK$0.17 on 4 March 2017 upon completion of the share consolidation and the rights issue respectively. Furthermore, the conversion price of the Old Convertible Notes was adjusted to HK$1.70 from the close of business on 25 July 2018 upon completion of the share consolidation as detailed in note 13 to this announcement.

During the year ended 31 December 2018, no Old Convertible Notes was redeemed.

On 24 August 2018, the Company entered into a conditional agreement (“Convertible Notes Restructuring Agreement”) with the noteholder to restructure the terms of the Old Convertible Notes. Upon completion of the stipulated conditions precedent to the Convertible Notes Restructuring Agreement, on 6 November 2018, the Company issued new convertible notes with principal value of HK$365,000,000 (“New Convertible Notes”) for settlement of the Old Convertible Notes.

The initial conversion price of the New Convertible Notes was HK$0.16 (subject to adjustments at any time during the period, commencing from the issue date), the New Convertible Notes bear interest at the coupon rate of 2% per annum, payable semi-annually in arrears on 30 June and 31 December in each year, and will mature on 31 December 2021. The holder of the New Convertible Notes shall have the right to convert the whole or any part of the principal amount of the New Convertible Notes into ordinary shares of the Company, at any time between the date of issue of the New Convertible Notes and 31 December 2021.

The New Convertible Notes contain two components, liability and embedded derivatives. The liability component is classified as non-current liabilities and carried at amortised cost using the effective interest method. The embedded derivatives component is classified as non-current liabilities and carried at fair value. The effective interest rate of the liability component for the New Convertible Notes is 19.39% per annum.

The fair value of the embedded derivatives portion of the convertible notes that are not traded in active markets is determined using valuation techniques. The Group estimates the fair value of the embedded derivatives portion based on an independent professional valuation using the binomial lattice model, which requires various sources of information and assumptions. The inputs to this model are taken from observable markets, but where this is not feasible, a degree of judgement is required in establishing the fair value.

The following key inputs and data were applied to the binomial lattice model for the derivatives embedded in the convertible notes at 31 December 2019 and 2018.

	At 31/12/2019	At 31/12/2018
Share price	**HK$0.255**	HK$0.17
Conversion price	**HK$0.12**	HK$0.16
Risk free rate	**1.74%**	1.71%
Expected dividend yield	**Nil**	Nil
Annualised volatility	**86.9%**	72.06%

The movements of the embedded derivatives portion (at fair value) and the liability portion (at amortised cost) of the Old Convertible Notes and the New Convertible Notes are as follows:

Old Convertible Notes due on 31 December 2018

	Embedded derivatives portion *HK$'000*	**Liability portion** *HK$'000*	**Total** *HK$'000*
Carrying amount of convertible notes (with principal amount of HK$365,000,000) as at 1 January 2018	1,336	329,394	330,730
Imputed interest charged to consolidated statement of profit or loss	–	32,227	32,227
Decrease in fair value credited to consolidated statement of profit or loss	(1,336)	–	(1,336)
Interest paid	–	(7,300)	(7,300)
Carrying amount immediately before restructuring	–	354,321	354,321
Fair value at the date of restructuring	(134,716)	(225,722)	(360,438)
Loss on restructuring	134,716	(128,599)	6,117
Carrying amount of convertible notes	–	–	–

New Convertible Notes due on 31 December 2021

	Embedded derivatives portion *HK$'000*	Liability portion *HK$'000*	Total *HK$'000*
Issue of convertible notes (with principal amount of HK$365,000,000) on 6 November 2018	134,716	225,722	360,438
Imputed interest charged to consolidated statement of profit or loss	–	6,109	6,109
Increase in fair value charged to consolidated statement of profit or loss	7,882	–	7,882
Carrying amount of convertible notes (with principal amount of HK$365,000,000) as at 31 December 2018	142,598	231,831	374,429
Imputed interest charged to consolidated statement of profit or loss	–	44,095	44,095
Decrease in fair value credited to consolidated statement of profit or loss	(32,250)	–	(32,250)
Repayment of interest	–	(7,319)	(7,319)
Carrying amount of convertible notes (with principal amount of HK$365,000,000) as at 31 December 2019	110,348	268,607	378,955

At 31 December 2019, New Convertible Notes with principal amount of HK$365,000,000 remained outstanding.

13. SHARE CAPITAL

	Number of ordinary shares	Share capital *HK$'000*
Issued and fully paid		
At 1 January 2018	4,790,823,420	2,032,227
Issue of shares upon exercise of warrants *(note (a))*	1,022,756	95
Share consolidation *(note (b))*	(4,312,661,559)	–
At 31 December 2018 and 1 January 2019	479,184,617	2,032,322
Issue of new shares under rights issue, net of share issue expenses (*note (c)*)	239,592,308	27,352
Issue of shares upon exercise of warrants *(note (a))*	11,015,979	441
At 31 December 2019	729,792,904	2,060,115

Notes:

(a) Issue of shares upon exercise of warrants

On 11 May 2017, the Company issued a total of 958,158,684 bonus warrants ("2017 Warrants") on the basis of one bonus warrant for every five shares of the Company held by the shareholders on 24 April 2017. The holders of these 2017 Warrants are entitled to subscribe in cash at any time during the period commencing from 11 May 2017 to 10 May 2018 (both dates inclusive) for 958,158,684 ordinary shares at an initial subscription price of HK$0.093 per share (subject to adjustment).

During the year up to 10 May 2018, being the date of expiry of the 2017 Warrants, 1,022,756 ordinary shares were issued for cash at the subscription price of HK$0.093 per share pursuant to the exercise of the 2017 Warrants. There were no 2017 Warrants outstanding as at 31 December 2018 as they had lapsed on 10 May 2018.

On 16 October 2019, the Company issued a total of 143,755,385 new bonus warrants ("2019 Warrants") on the basis of one bonus warrant for every five shares of the Company held by the shareholders on 30 September 2019. The holders of these 2019 Warrants are entitled to subscribe in cash at any time during the period commencing from 16 October 2019 to 15 October 2020 (both dates inclusive) for 143,755,385 new ordinary shares at an initial subscription price of HK$0.04 per share (subject to adjustment).

During the year ended 31 December 2019, 11,015,979 ordinary shares were issued for cash at the subscription price of HK$0.04 per share pursuant to the exercise of the 2019 Warrants. At 31 December 2019, the outstanding number of 2019 Warrants are 132,739,406.

(b) Share consolidation effective on 26 July 2018

On 27 June 2018, the directors of the Company proposed that every ten issued shares of the Company be consolidated into one consolidated share. The share consolidation was approved by the shareholders of the Company at the extraordinary general meeting of the Company held on 25 July 2018. As all the conditions precedent to the share consolidation have been fulfilled, the share consolidation became effective on 26 July 2018.

(c) Issue of new shares under rights issue

In September 2019, the Company allotted 239,592,308 new ordinary shares on the basis of one rights share for every two shares at a subscription price of HK$0.12 per rights share. Net proceeds of approximately HK$27,352,000 were used for the repayment of unlisted corporate bonds and promissory notes issued by the Company and as the general working capital of the Group.

All the new shares issued during the years ended 31 December 2019 and 2018 ranked pari passu with the then existing shares in all respects.

14. CAPITAL COMMITMENTS

Capital commitments outstanding as at 31 December 2019 and 2018 not provided for in the consolidated financial statements were as follows:

	2019	2018
	HK$'000	*HK$'000*
Production sharing contract:		
– Contracted but not provided for	**27,068**	32,397

On 21 August 2017, Can-Elite entered into the fourth modification agreement to the modified PSC with China United. Pursuant to the fourth modification agreement, the well count required to be completed in Area A during the exploration period (a period up to the date of approval by the relevant authorities under the PRC government for the overall development program) has increased from at least two U-shaped connected wells to at least four U-shaped connected wells. Further, the exploration period of Area B has been extended for three more years, from the original expiry date (being 31 March 2017) to 31 March 2020. During the extended exploration period, at least 15 wells are required to be completed in Area B with the performance of relevant exploration works such as fracturing, drainage and extraction. In order to complete the above exploration works, Can-Elite is required to utilise at a minimum of RMB8,000,000 equivalent in US dollars per year towards Area A and at a minimum of RMB30,000,000 equivalent in US dollars towards Area B, respectively, as the expected minimum exploration expenditure amount.

15. EVENTS AFTER THE REPORTING PERIOD

(i) Pursuant to the circular of the Company dated 15 January 2020, the Company proposed to change the English name and the Chinese name of the Company from "International Standard Resources Holdings Limited 標準資源控股有限公司" to "Golden Century International Holdings Group Limited 金禧國際控股集團有限公司" (the "Proposed Change of Company Name"). The special resolution on the Proposed Change of Company Name has been approved by the shareholders of the Company at the extraordinary general meeting held on 6 February 2020. The Company Registry in Hong Kong has issued a Certificate of Change of Name of the Company on 18 March 2020.

(ii) Since the outbreak of the coronavirus disease 2019 ("COVID-19") began in January 2020 across the country, the Company has actively responded to and strictly implemented the various regulations and requirements of the government for virus epidemic prevention and controls. To ensure both epidemic prevention and operation, the Company and its subsidiaries have implemented strict internal measure to implement epidemic prevention work.

The Company expects that the COVID-19 epidemic situation and prevention and control measures will have a certain temporary impact on the Group's operation, and the degree of impact depends on the progress and duration of epidemic prevention and control and the implementation of local prevention and control policies.

The Company will continue to pay close attention to the development of the COVID-19 epidemic, and evaluate and actively respond to its impact on the financial position and operating results of the Group. As of the reporting date of the consolidated financial statements, no significant adverse impact has been found.

16. CONTINGENCIES

Environmental contingencies

The Group has not incurred any significant expenditure for environment remediation and is currently not involved in any environmental remediation. In addition, the Group has not accrued any amounts for environmental remediation relating to its operations. Under existing legislation, management believes that there are no probable liabilities that will have a material adverse effect on the financial position or operating results of the Group. The PRC government, however, has moved and may move further towards more rigorous enforcement of applicable laws and towards the adoption of more stringent environmental standards. Environmental liabilities are subject to considerable uncertainties which affect the Group's ability to estimate the ultimate cost of remediation efforts. These uncertainties include: (i) the exact nature and extent of the contamination at various sites including, but not limited to mines, concentrators and smelting plants irrespective of whether they are operating, closed or sold; (ii) the extent of required cleanup efforts; (iii) varying costs of alternative remediation strategies; (iv) changes in environmental remediation requirements; and (v) the identification of new remediation sites. The amount of such future costs is not determinable due to such factors as the unknown magnitude of possible contamination and the unknown timing and extent of the corrective actions that may be required. Accordingly, the outcome of environmental liabilities under proposed or future environmental legislation cannot be reasonably estimated at present, and could be material.

EXTRACTS FROM INDEPENDENT AUDITOR'S REPORT

The following is an extract of the independent auditor's report on the Group's consolidated financial statements for the year ended 31 December 2019.

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2019, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

The accompanying consolidated financial statements for the year ended 31 December 2019 have been prepared assuming that the Group will continue as a going concern. We draw attention to note to the consolidated financial statements which indicated that the Group incurred a net loss attributable to owners of the Company of approximately HK$396,791,000 for the year ended 31 December 2019, and as at the same date, the Group's current liabilities exceeded its current assets by approximately HK$63,713,000, total liabilities exceeded its total assets by approximately HK$327,734,000 and capital deficiency attributable to owners of the Company amounted to approximately HK$322,830,000. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern. As explained in note to the consolidated financial statements, these consolidated financial statements have been prepared on a going concern basis.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

During the year ended 31 December 2019, the Group was mainly engaged in coalbed methane ("**CBM**") exploration and production in the People's Republic of China (the "**PRC**"), electronic components trading and treasury businesses.

Coalbed Methane Business

The Group explores, develops and produces CBM in Anhui Province with a total exploration area of 567.843 square kilometres (the "**Contract Area**"). As at the end of the year of 2019, the CBM operation was still in exploration stage, a total of 42 exploration wells were drilled and 7 of them were production wells. However, the pumps of these wells were stuck by coal fine and were broken down due to the long term of dewatering and only 4 of the production wells were under actual production during the year of 2018. As the technical experts considered that it is not cost effective to replace the pumps, these wells eventually ceased to produce since July 2018. Thus, there was no contribution from the CBM business for the year.

Despite the fact that there is a gain on fair value change of the embedded derivative portion of the convertible notes of HK$32,250,000 (2018: loss of HK$6,546,000), a loss of HK$473,628,000 (2018: HK$574,086,000) was recorded mainly due to the amortisation of production sharing contract (the "**PSC**") of HK$15,701,000 (2018: HK$51,228,000), the imputed interest on convertible notes of HK$44,095,000 (2018: HK$38,336,000), and the impairment loss on PSC of HK$413,598,000 (2018: HK$454,192,000) which was resulted from the further delay on the implementation and the scaledown of the business plan for exploration and exploitation of the CBM and the continuous low level of domestic natural gas price in the PRC.

The Group, through its wholly-owned subsidiary, Canada Can-Elite Energy Limited ("**Can-Elite**"), entered into the PSC with China United Coalbed Methane Corporation Limited ("**China United**"), a state-owned company wholly-owned by China National Offshore Oil Corporation and authorised by the PRC government to partner with foreign companies to explore, develop and produce CBM assets. Pursuant to the PSC, Can-Elite is the operator of the Anhui CBM assets and hold 70% of participating interests in the PSC for a term of 30 years starting from the year of 2008.

The Contract Area is divided into Area A (part of Luling Block with an area of 23.686 square kilometres that has its proven reserves submitted) and Area B (primary part of Su'nan Block with an area of 544.157 square kilometres, which the proven reserve yet to be submitted). Area A can start production as soon as the overall development proposal ("**ODP**") has been filed by relevant government authorities of the PRC. Pursuant to the fourth modification agreement entered into between Can-Elite and China United in August 2017, the exploration period of Area B has been extended to 31 March 2020. Can-Elite has applied the extension of the modification agreement for the exploration period of Area B with China United. Negotiation is still in progress with a view of agreed terms and conditions, and the management considered that the chance to complete the extension of the modification agreement is highly probable.

In view of the tight financial constraints suffered by the Group and the revamp of the overall business plan, Can-Elite did not carry out new exploration works in both Area A and Area B during the year, but has focused on adapting to the CBM technical specification, reinforcing coordination with China United, adjusting and improving the management team of the project. Can-Elite made efforts on optimising the technical deployment, cutting down operation cost, and commencing on the preparation of the pre-development of project. Moreover, it has sought cooperation with energy corporations in the region to share engineering information and geological information such as horizontal wells in order to increase the success rate of the horizontal wells.

Following the completion of exploration work which led to the gathering of 3.158 billion cubic metres of underground proven reserves, Area A has proceeded into trial development phrase; most of the exploration wells are undergoing reasonable maintenance and small scale of extraction works and will be transformed to production wells, while extraction testing and fracturing transformation will be performed on some low production wells in order to increase the production level. In Area B, exploration wells that drilled in the past years are undergoing reasonable maintenance and Can-Elite will perform extraction testing, fracturing transformation, drainage and extraction observation following the national reserve specification and put into production testing and evaluation analysis in order to obtain necessary data to prepare the reserve report.

In 2020, Can-Elite will focus on all necessary preparation work in order to submit the ODP to the relevant government authorities of the PRC for filing in late 2020 and start commercial production in 2022. Pursuant to the fourth modification agreement entered into between Can-Elite and China United in August 2017, the exploration period of Area B will end on 31 March 2020. In order to adapt to technical requirements and safeguard the legal rights of the resources in this area, Can-Elite has proposed the more reasonable "Proposal for the Supplemental Exploration of Coalbed Methane and Declaration of Reserve in Southern Part of the Su'nan Block, Anhui" after further corroboration, and actively coordinated with China United to continue extending the exploration period, for which both parties shall further modify the agreement, jointly overcome difficulties to ensure the continuous and effective cooperation of the blocks and prepare the reserve report as soon as possible.

Treasury Business

The treasury business includes securities trading, securities brokerage and money lending business.

The Group adopts a prudent approach for all its investments with the view for short to medium term profit. At 31 December 2019, the Group held an investment portfolio of listed securities in Hong Kong with an aggregate amount of approximately HK$10,125,000. During the year, the Group recorded a net unrealised gain of approximately HK$941,000 (i.e. unrealised gains of approximately HK$1,235,000 and unrealised losses of approximately HK$294,000). The unrealised gain was attributable to the Group's investments in Styland Holdings Limited ("**STYLAND**"). Details of the investments in STYLAND are as follows:

		For the year ended 31 December 2019		At 31 December 2019		At 31 December 2018
	Fair value (loss) gain *HK$'000*	Approximate percentage of fair value loss on held-for-trading investments	Approximate percentage of fair value gain on held-for-trading investments	Market value *HK$'000*	Approximate percentage of held-for-trading investments	Market value *HK$'000*
STYLAND						
– shares	(294)	100%	–	8,890	87.80%	8,749
– warrants	1,235	–	100%	1,235	12.20%	1,261
TOTAL	941	100%	100%	10,125	100.00%	10,010

STYLAND is principally engaged in investment holdings, financial services, mortgage financing, property development and investment and trading of securities.

Despite the recent US-China trade war, with the launch of the Shenzhen-Hong Kong Stock Connect, the Shanghai-Hong Kong Stock Connect and the Bond Connect in the past years, the Board believes that the financial services business, especially the securities trading business, in the sectors of banking and financial will continue to have a good prospect. The Board believes that the performance of the securities trading businesses will, eventually, contribute positive return to the Group in the near future. The Board will continue to identify any investment opportunities and manage the investment portfolio in accordance with the Group's investment objective and policy with a view of gaining good investment yields for the shareholders. The Board will monitor market development closely with a view of identifying attractive and short to medium term investment opportunities.

The Group carries its money lending business by providing both secured and unsecured loans to corporate and individual customer. Strict internal policies for granting and on-going review of the loan are established so as to ensure the business risk is manageable. Moreover, to meet the statutory requirements and to cope with the complexity of business environment, regular review and updates of internal policy are performed.

During the year, due to the reallocation of funds, the Group did not distribute any amount of funds to the money lending business. As a result, no revenue was generated from this segment (i.e. interest income) (2018: HK$46,000).

Electronic Components Business

The Group continued to be affected by the weak global demand dragged on the consumables market, as a result, revenue generated from the electronic components segment dropped to HK$7,587,000, which represent a 11.26% decrease as compared to year 2018. The Group will regularly review the range of products distributed to confront with the increasingly difficult business environment so as to generate stable revenue and return. However, it shall be expected that the situation will not be improved in the short run.

PROSPECTS

The strategy of enhancing the capability of securing oil and gas resources and facilitating a high-quality development in the industry are rising to become a part of the national energy security strategy. On the basis of the implementation of the "Notice Regarding the Subsidy Standards for Development and Utilisation of Coalbed Methane (Gas) During the Course of the 'Thirteenth Five-Year Plan'" promulgated by the Ministry of Finance and the "Thirteenth Five-Year Plan on Development and Utilisation of Coalbed Methane (Coal Mine Gas)" promulgated by the National Energy Administration, in 2019, the Central People's Government of the PRC together with relevant departments have successively introduced major policies, which brought new and important benefits to the oil and gas industry. On 27 February 2019, the State Council of the PRC issued the "Decision on Cancelling and Delegating a Group of Administrative Licensing Items" (Guo Fa 2019 No. 6), which changed the PRC's National Development and Reform Commission's (the "**NDRC**") "Approval of the Overall Development Plan for Oil and Gas (Including Coalbed Methane) Foreign Cooperation Projects" (i.e. ODP Approval) to a filing system. According to this policy, it is expected that the preparation, reporting and filing of ODP in relation to Area A of the CBM project can be accelerated and the project can be put into formal development stage as soon as possible. In June 2019, the "Special Administrative Measures for Access of Foreign Investment (Negative List) (2019 Edition)" issued by the NDRC and the Ministry of Commerce of the PRC cancelled the restriction that the exploration and development of oil and gas are limited to joint venturing and cooperation, which means upstream exploration and development of oil and gas will be completely opened to foreign and private enterprises. On 31 December 2019, the Ministry of Natural Resources has published the "Opinions on

Several Matters Concerning Promoting the Reform of Mineral Resources Administration (for Trial Implementation)" (No.7 2019 of the Ministry of Natural Resources), which specified that "pilot programs for competition-based assignment of oil and gas prospecting rights are commenced, and practical experience should be explored and accumulated, so as to steadily advance the reform of oil and gas prospecting and exploitation administration.", "registration as well as management at the same level for the assignment of prospecting right and exploitation right for same type of minerals are implemented.", "the system regarding unified exploration and exploitation for oil and gas are implemented." and "holders of oil and gas prospecting rights who had discovered oil and gas resources suitable for exploration can conduct exploration upon reporting to the relevant natural resource authorities.", shorten the development cycle of CBM companies, enhanced the efficiency for gas exploitation and production, and provided protection in the form of policies.

In response to the PRC government's decision and requirements, the oil and gas industry is accelerating the pace of exploration and development, and the related drilling and fracturing projects have increased. At the same time, resource blocks in cooperation with state-owned enterprises are also subject to the demand of increasing efforts in project exploration and development. It also involves the cooperation project between Can-Elite and China United. This provides a good policy environment for the development of the Group as a whole.

Can-Elite has been looking for breakthroughs and progress through long-term exploration in the Luling and Su'nan blocks, in particular, various exploration works such as deep drilling and horizontal drilling, seismic and geophysical studies are adopted. The CBM resources in the blocks are special in terms of geological conditions and are not suitable for an extensive exploration and development in a blanket fashion, as such the rolling method of exploration has to be postponed and the blocks are explored and developed simultaneously. In this regard, Can-Elite and China United have reached a consensus.

In the future, Can-Elite will, according to changes in situation, capitalise on the progress of cooperation in the blocks, draw on the experience and lessons learnt, actively coordinate with its partner, China United, and also comprehensively take into account factors such as the expected investment benefits and the trend of the natural gas market, making full use of the new policy of "unified exploration and exploitation" and supporting measures such as financial subsidy. During the term of the cooperation agreement, pursuant to the relevant terms of the production sharing contract signed with China United, Can-Elite will focus on the development and exploration of Area A, which is the area with proven reserves; deploy a certain number of stable production wells to increase production capacity and output of the blocks and achieve the annual production target as soon as possible; complete the construction of the gathering and transportation facilities for ground gas concurrently to collect, process and sell well-produced natural gas in a timely manner. In addition, it strives to protect the legal rights and interests of the resources in Area B in order to continue the exploration and completing the declaration of reserve. While adapting to the market to meet the needs of the society for natural gas, the Group will also bring income returns to its shareholders and partners.

The Group through a wholly-owned subsidiary, GCINT Limited (formerly known as International Standard Resources Securities Limited), held two licenses granted by the Securities and Futures Commission, namely Type 1 (Dealing in Securities) and Type 4 (Advising on Securities). It is in the course of applying for the admission as a stock exchange participant of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and a direct clearing participant of HKSCC. It is expected that this new segment will generate income from brokerage services and margin financing in the mid of 2020.

The Group's stringent financial position will nevertheless hinder the Group's development. The Group will continue to adopt a prudent approach, adapt to the situation and follow closely to the national policies with a view to improve its net liabilities position and to create value to its shareholders.

FINANCIAL REVIEW

The Group's revenue for the year was HK$7,587,000 (2018: HK$9,109,000), representing a decrease of 16.71%. The revenue generated by the sale of electronic components decreased by 11.26% from HK$8,550,000 in 2018 to HK$7,587,000 in 2019. The CBM exploration and exploitation operating subsidiary and the treasury segment did not contribute to the Group's revenue in 2019. The Group recorded a gross profit of HK$840,000 in 2019, a decrease from HK$928,000 in 2018.

The Group's loss for the year was HK$397,161,000 (2018: HK$530,791,000). Substantial part of the Group's performance was mainly due to the accounting recognition of various items, such as the impairment loss on the PSC amounted to HK$413,598,000 (2018: HK$454,192,000), gain on fair value change of convertible notes' embedded derivatives amounted to HK$32,250,000 (2018: loss of HK$6,546,000), imputed interest on convertible notes amounted to HK$44,095,000 (2018: HK$38,336,000), imputed interest on bonds amounted to HK$4,567,000 (2018: HK$5,056,000), imputed interest on lease liabilities amounted to HK$79,000 (2018: Nil), amortisation of the PSC amounted to HK$15,701,000 (2018: HK$51,228,000), net gain on revaluation of financial assets at fair value through profit or loss amounted to HK$941,000 (2018: loss of HK$15,625,000), net foreign exchange loss of HK$5,819,000 (2018: HK$11,082,000), impairment loss on property, plant and equipment amounted to HK$12,461,000 (2018: Nil), depreciation on property, plant and equipment amounted to HK$9,274,000 (2018: HK$10,428,000) and the deferred tax credit amounted to HK$108,653,000 (2018: HK$128,889,000). The aggregate net result of the abovementioned accounting loss for 2019 is HK$363,750,000 (2018: HK$469,721,000). The accounting profits and losses mentioned above did not have actual impact on the cash flow position of the Group.

For comparison purpose, the loss after tax for 2019 and 2018, if excluding those accounting profits and losses, was HK$33,411,000 and HK$61,070,000 respectively.

The Group recorded a loss attributable to owners of the Group of approximately HK$396,791,000 (2018: HK$530,452,000), and basic and diluted loss per share was approximately HK$0.72 (2018: HK$1.11). The Directors do not recommend the payment of a dividend in respect of the year ended 31 December 2019.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2019, the Group had current assets of HK$22,326,000 (2018: HK$69,424,000) and current liabilities of HK$86,039,000 (2018: HK$124,338,000) and cash and bank balances of HK$10,509,000 (2018: HK$6,374,000). The Group's current ratio, being a ratio of current assets to current liabilities, was approximately 25.95% (2018: 55.83%).

In March 2019, a bondholder, with 3-year 7% coupon unlisted straight bonds in an aggregate principal amount of HK$10,000,000, entered into a supplemental agreement with the Company to extend the maturity date for the redemption of the outstanding principal amount for three years to the sixth anniversary of the date of issue (i.e. extended to 2022). During the year, bonds with aggregate principal amount of HK$38,000,000 were matured and redeemed by the Company.

In March 2019, the maturity date of promissory notes with principal amount of HK$6,000,000 and HK$7,500,000 were extended from 14 August 2019 to 30 September 2020 and from 31 July 2019 to 30 September 2020 respectively, and the interest rate was changed from 8% per annum to 15% per annum payable in one lump sum on the maturity date. In July 2019, promissory note with principal amount of HK$6,000,000 was redeemed. In September 2019, promissory notes with principal amount of HK$5,000,000 and HK$7,500,000 were redeemed with a discount of HK$100,000 and HK$150,000 provided by the promissory note holder respectively.

In September 2019, the Company successfully raised net proceeds of approximately HK$27,352,000 by issuing 239,592,308 new ordinary shares on the basis of one rights share for every two shares at a subscription price of HK$0.12 per rights share. Net proceeds were utilised as intended (i) as to approximately HK$20,000,000 for repayment of the corporate bonds which matured in or around November 2019; (ii) as to approximately HK$5,800,000 for repayment of part of the promissory notes; and (iii) the remaining balance for the general working capital of the Group.

On 16 October 2019, a total of 143,755,385 bonus warrants were issued by the Company on the basis of one warrant for every five shares held on 30 September 2019, being the record date for ascertaining the entitlements of shareholders to the bonus warrant issue. The holders of these bonus warrants are entitled to subscribe in cash for 143,755,385 new shares at an initial subscription price of HK$0.04 per share at any time during the period commencing from 16 October 2019 to 15 October 2020 (both dates inclusive). If all bonus warrants are exercised, net proceeds of approximately HK$5,750,000 will be raised. The net proceeds received as and when subscription rights are exercised will be applied as general working capital of the Group. During the period from 16 October 2019 to 31 December 2019, 11,015,979 new ordinary shares were issued upon the exercise of 11,015,979 units of these bonus warrants. Net proceeds of approximately HK$441,000 were raised upon the exercise of the bonus warrants and were used as the general working capital of the Group.

The Group will constantly review its financial resources and will consider various plans to enhance its financial capabilities. The Group believes that to broaden its shareholders base would provide a solid ground for the Group to grow.

SHARE CONSOLIDATION

Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 25 July 2018, the share consolidation on the basis that every ten issued shares consolidated into one consolidated share was approved. The share consolidation was completed and became effective on 26 July 2018.

RESTRUCTURING OF CONVERTIBLE NOTES DUE 2018 AND ISSUE OF NEW CONVERTIBLE NOTES DUE 2021

On 24 August 2018, the Company entered into the convertible notes restructuring agreement with New Alexander Limited (the "**Noteholder**"), pursuant to which the Noteholder agreed to a consensual restructuring of its rights and obligations under the existing convertible notes due 31 December 2018 (the "**Convertible Notes Restructuring Agreement**"). Upon completion of the stipulated conditions precedent to the Convertible Notes Restructuring Agreement, new convertible notes due 31 December 2021 would be issued for the settlement of the existing convertible notes. Pursuant to an ordinary resolution passed at the extraordinary general meeting of the Company held on 30 October 2018, the special mandate for the issue of the new convertible notes with principal amount of HK$365,000,000 and bearing interest at 2% per annum due 31 December 2021 upon completion of the Convertible Note Restructuring Agreement and issue and allot of the conversion shares was approved. All the conditions precedent under the Convertible Notes Restructuring Agreement were fulfilled and the completion took place on 6 November 2018.

RIGHTS ISSUE

In September 2019, the Company allotted 239,592,308 new ordinary shares on the basis of one rights share for every two shares at a subscription price of HK$0.12 per rights share. Net proceeds of approximately HK$27,352,000 were utilised (i) as to approximately HK$20,000,000 for repayment of the corporate bonds which were matured in or around November 2019; (ii) as to approximately HK$5,800,000 for repayment of part of the promissory notes; and (iii) the remaining balance for the general working capital of the Group.

BONUS WARRANTS

On 16 October 2019, the Company issued a total of 143,755,385 bonus warrants on the basis of one warrant for every five shares of the Company held by the shareholders on 30 September 2019. The holders of these bonus warrants are entitled to subscribe in cash at any time during the period commencing from 16 October 2019 to 15 October 2020 (both dates inclusive) for 143,755,385 new shares at an initial subscription price of HK$0.04 per share (subject to adjustment). As at 31 December 2019, 132,739,406 units of these bonus warrants remained outstanding.

Subsequent to 31 December 2019 and up to the approval date of these consolidated financial statements, 4,194,000 new ordinary shares were issued upon the exercise of 4,194,000 units of these bonus warrants and net proceeds of approximately HK$168,000 were raised for the general working capital of the Group.

CAPITAL COMMITMENTS

Details of the capital commitments of the Group are set out in note 14 to this announcement.

EXPOSURE TO FLUCTUATION IN EXCHANGE RATES AND RELATED HEDGES

The Group mainly operated in Hong Kong and the PRC with most of the transactions settled in Hong Kong dollars, Renminbi and United States dollars; the existing currency peg of Hong Kong dollars with United States dollars will likely continue in the near future, the exposure to foreign exchange fluctuation is minimal.

The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

CONTINGENCIES

Save as disclosed in note 16 to this announcement, the Group had no other contingencies as at 31 December 2019.

LITIGATION

So far as known to the Directors, there was no litigation, arbitration or claim of material importance in which the Company is engaged or pending or which was threatened against the Company.

CHARGE ON ASSETS

The short-term bank deposits, amounted to approximately HK$120,000, have been pledged as securities for banking facilities granted to the Group as at 31 December 2019. Equity securities listed in Hong Kong classified as financial assets at fair value through profit or loss with carrying amount of HK$10,125,000 are placed in margin accounts of a regulated securities broker. No margin facility is utilised as at 31 December 2019.

EVENTS AFTER THE REPORTING PERIOD

Save as disclosed in note 15 to this announcement, the Group had no other material event after the reporting period.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2019, the Group had 40 employees, of which 20 were in Hong Kong and 20 were in the PRC. Employee remuneration policy of the Group is reviewed periodically and is determined based on performance of the Group and employees' responsibilities, qualifications and performances. Remuneration packages comprised basic salary, discretionary bonus, medical schemes, share options, mandatory provident fund schemes for employees in Hong Kong and the state-managed employee pension schemes for employees in the PRC.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES

The Group had no material acquisition and disposal of subsidiaries during the year ended 31 December 2019.

AUDIT COMMITTEE

The audit committee of the Company ("**Audit Committee**") comprises the three independent non-executive directors ("**INEDs**") of the Company, chaired by Mr. Chan Tsz Kit and the other two members are Mr. Chan Yim Por Bonnie and Mr. Wang Li. The annual results of the Group for the year ended 31 December 2019 have been reviewed by the Audit Committee.

PRELIMINARY ANNOUNCEMENT OF ANNUAL RESULTS

The figures in respect of the preliminary announcement of the results of the Group for the year ended 31 December 2019 have been agreed to the amounts set out in the financial statements for the year by the auditor of the Company, HLM CPA Limited ("HLM"). The work performed by HLM in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by HLM on the preliminary announcement.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

During the year, the Company had complied with the code provisions of the Corporate Governance Code (the "**CG Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities (the "**Listing Rules**") on the Stock Exchange with an exception of code provisions A.4.1, details of which will be explained below. In order to protect and enhance the benefits of the shareholders, the Board and its executive management will continue to monitor and review the governance policies so as to ensure that such policies comply with the increasingly stringent regulatory requirements.

Non-executive Directors (Deviation from Code Provision A.4.1)

Under the code provision A.4.1, non-executive directors should be appointed for a specific term, subject to re-election. None of the existing INEDs of the Company is appointed for a specific term. This constitutes a deviation from the code provision A.4.1. However, more than one-third of the Directors (including executive and non-executive) are subject to retirement by rotation at each annual general meeting under the articles of association of the Company. As such, the Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the CG Code.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding the directors' securities transactions on exactly the terms and required standard contained in the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix 10 to the Listing Rules. Having made specific enquiry to all the Directors, they confirmed that they have complied with the required standards set out in the Model Code and its code of conduct regarding directors' securities transactions throughout the year.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES IN THE COMPANY

Neither the Company nor any of its subsidiary companies had purchased, sold or redeemed any listed securities of the Company during the year.

ANNUAL GENERAL MEETING

The annual general meeting of shareholders of the Company will be held upon despatch of the annual report. The notice of annual general meeting will be published and despatched to the shareholders in due course.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

The Company's results announcement for the year ended 31 December 2019 containing all information required by Appendix 16 of the Listing Rules is published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.goldencenturyintl.com. The annual report will be despatched to the shareholders and published on the above websites in due course.

ACKNOWLEDGEMENT

On behalf of the Board, I would like to take this opportunity to express my sincere thanks to our shareholders for their support over the past year and to our staff for their contributions and diligence.

By order of the Board
Golden Century International Holdings Group Limited
Pan Jibiao
Chairman

Hong Kong, 31 March 2020

As at the date of this announcement, the executive directors of the Company are Mr. Pan Jibiao (Chairman), Mr. Cheng Wai Keung, Mr. Lo Tsz Fung Philip and Mr. Tam Tak Wah, the non-executive director of the Company is Mr. Shiu Shu Ming and the independent non-executive directors of the Company are Mr. Chan Tsz Kit, Mr. Chan Yim Por Bonnie and Mr. Wang Li.