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MIE HOLDINGS CORPORATION
MI能源控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1555)

ANNOUNCEMENT
(1) ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2019
(2) RESUMPTION OF TRADING

SUMMARY OF OPERATIONAL PERFORMANCE *(NOTE)*

- The Board of Directors considers the business performance from a geographic perspective being the PRC, North America and Corporate and others. Performance results from the North America segment is presented as discontinued operations in the consolidated financial statements of the Group.

- In 2019, the revenue from the PRC segment decreased by 4.3% to RMB756.1 million as compared with 2018. Loss for the year from segments other than North America increased by 75.5% to RMB1,461.1 million as compared with RMB832.3 million in 2018 and the respective losses per share was RMB0.46 in 2019.

- In 2019, the EBITDA of the Group from segments other than North America decreased by RMB622.7 million to negative RMB486.6 million from RMB136.1 million in 2018 and the respective adjusted EBITDA decreased by RMB85.7 million to RMB323.4 million.

- The gross crude oil and gas production of the Group from China and Canada was 14.86 million barrels of oil equivalent ("**MMBOE**"), having decreased by 28.9% from 20.91 MMBOE in 2018. The net oil and gas production attributable to the Group in 2019 was 12.16 MMBOE, a decrease of 34.1% from 18.45 MMBOE in 2018.

- The net crude oil production attributable to the Group in 2019 was 2.76 million barrels, a decrease of 12.1% from 3.14 million barrels in 2018.

  — The net crude oil production of Daan and Moliqing oilfields in Northeast China in 2019 was 1.94 million barrels, an increase of 4.9% from 1.85 million barrels in 2018.

— The net crude oil production of Canlin Energy Corporation ("**Canlin**") in 2019 was 0.82 million barrels, a decrease of 36.4% from 1.29 million barrels in 2018.

- Net natural gas production attributable to the Group in 2019 was 54,793 million standard cubic feet ("**MMscf**"), representing a decrease of 38.3% from the net production of 88,789 MMscf in 2018. The net natural gas production of Canlin in 2019 was 54,791 MMscf.

- The net production of natural gas liquid ("**NGL**") in 2019 was 0.27 million barrels, representing a decrease of 47.1% from 0.51 million barrels in 2018.

- In 2019, the average daily net crude oil production of 8,306 barrels decreased by 5.4% from 8,777 barrels in 2018. The daily average net natural gas production of 200.70 MMscf decreased by 17.5% from 243.26 MMscf in 2018. The daily average NGL production was 1,001 barrels, having decreased by 28.4% from 1,399 barrels in 2018.

- In 2019, the average oil price of the Group was US$52.66 per barrel, having decreased US$6.41 per barrel from US$59.07 per barrel in 2018. The average natural gas price was US$1.06 per thousand stand cubic feet ("**Mscf**"), having decreased US$0.22 per Mscf from US$1.28 per Mscf in 2018.

- 14 vertical wells were drilled in the Daan oilfield in 2019, being 14 fewer as compared with 2018.

Note: For North America segment, only the result for the 9-month period ended September 30, 2019 was included because the disposal of 100% equity interest in Maple Energy Investments Limited ("**Maple Energy**") and its subsidiary Canlin operating in Canada was completed on September 30, 2019.

2020 Guidance

The following table summarizes our 2020 guidance. The Group will closely monitor commodity price and other factors and may adjust our capital program in a timely manner. It is important to keep our capital program flexible in order to ensure the stability and profitability of our business in the current volatile environment.

	Interest	Numbers of Wells	Group Net Capex Investment	Net production
	(%)	*(net)*	*(millions of US$)*	
China Onshore Projects (Daan, Moliqing) — Crude oil	Daan foreign contractor 100%	32	20 *(Note)*	5,200–5,900 BOPD
	Moliqing foreign contractor 10%	2	3	130–150 BOPD
Group Total		34	23	5,330–6,050 BOPD

Note: The capital expenditures of China Onshore Projects contemplate drilling (mainly network fracturing), transforming oil wells to water injection wells, hole filling fracturing, ground infrastructure and equipment procurement.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Year ended December 31, **2019** *RMB'000*	2018 *RMB'000*
Continuing operations			
Revenue from contracts with customers	*3*	**756,094**	789,704
Depreciation, depletion and amortisation		**(348,751)**	(329,318)
Taxes other than income taxes	*4*	**(7,859)**	(18,875)
Employee benefit expenses		**(143,367)**	(155,747)
Purchases, services and other direct costs		**(133,007)**	(138,013)
Distribution costs		**(16,642)**	(15,792)
General and administrative expense		**(158,160)**	(120,551)
Net impairment losses on financial assets		**(698,154)**	(115,978)
Impairment charges		**(4,826)**	(37,471)
Other losses, net		**(80,716)**	(41,852)
Finance income		**42,518**	22,603
Finance costs		**(605,803)**	(614,352)
Share of losses of investments in associates		**–**	(9,318)
Loss before income tax		**(1,398,673)**	(784,960)
Income tax expense	*5*	**(62,453)**	(47,412)
Loss for the year from continuing operations		**(1,461,126)**	(832,372)
Discontinued operations			
Profit/(loss) for the year from discontinued operations	*11*	**332,177**	(363,463)
Loss for the year		**(1,128,949)**	(1,195,835)

	Note	Year ended December 31, 2019 RMB'000	2018 RMB'000
Other comprehensive income			
Continuing operations			
Items that may be reclassified to profit or loss			
Transfer to profit or loss upon disposal of investments in associate		**–**	(2,602)
Currency translation differences		**(59,103)**	(143,667)
Items that will not be reclassified to profit or loss			
Change in the fair value of equity instruments at fair value through other comprehensive income		**(3,428)**	(19,900)
Discontinued operations			
Items that may be reclassified to profit or loss			
Currency translation differences		**–**	(129,629)
Other comprehensive losses for the year, net of tax		**(62,531)**	(295,798)
Total comprehensive losses for the year		**(1,191,480)**	(1,491,633)
Loss for the year attributable to:			
Owners of the Company		**(1,125,037)**	(1,195,793)
Non-controlling interests		**(3,912)**	(42)
		(1,128,949)	(1,195,835)
Profit/(loss) for the year attributable to owners of the Company arising from:			
Continuing operations		**(1,457,214)**	(832,330)
Discontinued operations		**332,177**	(363,463)
		(1,125,037)	(1,195,793)

	Note	Year ended December 31, 2019 RMB'000	2018 RMB'000
Total comprehensive losses for the year attributable to:			
Owners of the Company		**(1,187,568)**	(1,491,591)
Non-controlling interests		**(3,912)**	(42)
		(1,191,480)	(1,491,633)
Total comprehensive income/(losses) for the year attributable to owners of the Company arising from:			
Continuing operations		**(1,519,745)**	(998,499)
Discontinued operations		**332,177**	(493,092)
		(1,187,568)	(1,491,591)
Earnings/(losses) per share for profit/(loss) attributable to ordinary equity holders of the Company for the year (expressed in RMB per share)			
Basic earnings/(losses) per share	*6*		
Continuing operations		**(0.46)**	(0.29)
Discontinued operations		**0.11**	(0.12)
		(0.35)	(0.41)
Diluted earnings/(losses) per share	*6*		
Continuing operations		**(0.46)**	(0.29)
Discontinued operations		**0.11**	(0.12)
		(0.35)	(0.41)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at December 31,	
		2019	2018
	Note	***RMB'000***	*RMB'000*
Assets			
Non-current assets			
Property, plant and equipment		**1,678,414**	1,798,839
Intangible assets		**94,025**	137,351
Right-of-use assets		**11,839**	–
Deferred income tax assets		**816**	601
Financial assets at fair value through other comprehensive income		**43,754**	46,458
Prepayments, deposits and other receivables		**385,363**	357,212
Restricted cash		**–**	45,465
		2,214,211	2,385,926
Current assets			
Inventories		**16,370**	22,390
Prepayments, deposits and other receivables		**71,036**	615,035
Trade and note receivables	*8*	**61,374**	69,791
Financial assets at fair value through profit or loss		**–**	17,755
Restricted cash		**46,213**	–
Cash and cash equivalents		**13,711**	28,115
		208,704	753,086
Assets of disposal group classified as held for sale	*11*	**–**	5,105,887
		208,704	5,858,973
Total assets		**2,422,915**	8,244,899

	Note	As at December 31, 2019 RMB'000	2018 RMB'000
Equity			
Equity attributable to owners of the Company			
Share capital		**1,101,249**	1,068,796
Other reserves		**(90,048)**	(143,782)
Accumulated losses		**(3,755,333)**	(2,630,296)
		(2,744,132)	(1,705,282)
Non-controlling interests		**–**	13,265
Total shareholders' deficit		**(2,744,132)**	(1,692,017)
Liabilities			
Non-current liabilities			
Borrowings	*10*	**1,720,505**	1,786,066
Lease liabilities		**4,738**	–
Deferred income tax liabilities		**173,803**	114,669
Trade and note payables	*9*	**74,169**	65,871
Provisions, accruals and other liabilities		**143,041**	77,252
		2,116,256	2,043,858
Current liabilities			
Trade and note payables	*9*	**386,076**	220,283
Provisions, accruals and other liabilities		**371,061**	272,685
Lease liabilities		**8,707**	–
Current income tax liabilities		**6,185**	2,649
Financial liabilities at fair value through profit or loss		**–**	313,969
Borrowings	*10*	**2,278,762**	2,549,888
		3,050,791	3,359,474
Liabilities of disposal group classified as held for sale	*11*	**–**	4,533,584
		3,050,791	7,893,058
Total liabilities		**5,167,047**	9,936,916
Total shareholders' deficit and liabilities		**2,422,915**	8,244,899

NOTES

1. GENERAL INFORMATION

MIE Holdings Corporation (the "**Company**") and its subsidiaries (together, the "**Group**") are principally engaged in the exploration, development, production and sale of oil in the People's Republic of China (the "**PRC**") under production sharing contract (the "**PSC**"). The Group also participates as associates in the exploration, development and production of petroleum assets located in the Republic of Kazakhstan (the "**Kazakhstan**") and the northern part of the South China Sea in the PRC.

On September 24, 2018, the Group entered into an agreement with Far East Energy International Limited ("**FEEIL**"), a company controlled by Mr. Zhang Ruilin, the controlling shareholder and chairman of the Company, for the sale of its entire 100% equity investment in Maple Energy and its subsidiaries (collectively as the "**Disposal Group**"). The associated assets and liabilities were consequently presented as held for sale in these financial statements. The disposal was completed on September 30, 2019. Further information about the Disposal Group is set out in Note 11.

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

The Company's shares were listed on the Stock Exchange of Hong Kong Limited ("**SEHK**") on December 14, 2010.

The financial statements are presented in Chinese Renminbi ("**RMB**") unless otherwise stated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards ("**IFRS**") issued by the International Accounting Standards Board ("**IASB**"). The consolidated financial statements have been prepared on the historical cost basis.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

2.1.1 Going concern

In the recent years, the Group's performance was significantly affected by the relatively low commodity prices of oil and gas and the high borrowing costs for general funding and re-financing purposes. During the year, the Group incurred a net loss of RMB1,128.9 million, which comprised losses of RMB1,461.1 million from continuing operations and profits of RMB332.2 million from discontinued operations (Note 11), respectively.

As at December 31, 2019, the Group had a shareholders' deficit of RMB2,744.1 million and its current liabilities exceeded its current assets by RMB2,842.1 million. As at the same date, the Group had total borrowings of RMB3,999.3 million. Included in the current liabilities as at December 31, 2019 were (1) a secured borrowing of US$60.0 million (equivalent to approximately RMB394.7 million), repayable on demand (the "**On-Demand Borrowing**"); and

(2) secured borrowings of RMB1,868.1 million which were repayable within twelve months from December 31, 2019. In addition, as at December 31, 2019, the Group had non-current borrowings of RMB1,720.5 million, representing the senior notes listed on the Singapore Exchange Securities Trading Limited in the principal amount of US$248.4 million with a contractual due date on April 12, 2022 (the "**2022 Senior Notes**"). As at December 31, 2019, the Group had cash and cash equivalents of RMB 59.9 million, of which RMB13.7 million was unrestricted.

Subsequent to December 31, 2019, the Group paid RMB8.4 million as partial repayments of the principals and RMB42.0 million for interest due on the borrowings under (1) and (2) mentioned in the preceding paragraph. The Group however did not pay the interest accrued on the 2022 Senior Notes of RMB120.5 million (US$17.1 million) due on April 12, 2020, which resulted in an event of default by the Group after the expiry of the grace period to May 11, 2020. As a result, the entire balance of the principal and related outstanding interest due on the 2022 Senior Notes became immediately repayable if requested by the holders of such notes (the "**Noteholders**"). This event of default also triggered the cross-default of the borrowings under (1) and (2) (the "**Cross-Defaulted Borrowings**") and immediate repayment of all such borrowings if requested by the respective lenders of these borrowings (the "**Lenders**"). In addition, the secured borrowings under (2) were also subsequently defaulted because of non-payment at their respective due dates. Up to the date of approval of these financial statements, the Noteholders and the Lenders have not requested immediate repayments of any of the funding provided to the Group, nor any written waiver has been obtained from them. No additional borrowings were undertaken by the Group subsequent to December 31, 2019.

Furthermore, the Group's performance subsequent to December 31, 2019 has been significantly affected by the low commodity price of crude oil as a result of the breakdown of production reduction negotiations amongst the Organisation of Petroleum Exporting Countries (the "**OPEC**"), coupled with the unfavorable outlook for the global economy due to the outbreak of Coronavirus Disease 2019 (the "**COVID-19**") in early 2020.

The above conditions indicate the existence of material uncertainties which may cast significant doubt regarding the Group's ability to continue as a going concern. In view of such circumstances, management has given careful consideration to the future liquidity and performance of the Group and its available sources of financing in assessing whether the Group will have sufficient financial resources to continue as a going concern, and have taken the following measures to mitigate the liquidity pressure and to improve its cash flows:

(a) The Group will continue its ongoing efforts in convincing the Lenders and the Noteholders not to take any actions against the Group for immediate payment of the principals and interest of the Cross-Defaulted Borrowings and the 2022 Senior Notes. Based on latest communications with the Lenders and certain key Noteholders, there is no indication that these parties have any current intention to take action against the Group to demand immediate payment;

(b) The Group has been in active negotiations with the Lenders and certain key Noteholders for a debt restructuring of the Cross-Defaulted Borrowings and the 2022 Senior Notes (the "**Debt Restructuring Plans**") to revise certain key terms and conditions of the original borrowing agreements and indenture, including but not limited to extension of principal and interest payment schedules and reduction in applicable interest rates. The Debt Restructuring Plans will involve entering into restructuring agreements (the "**Restructuring Agreements**") among the Group, the Lenders and the key Noteholders participating in the negotiations; and the execution of such Restructuring Agreements is subject to, among others, the necessary legal proceedings and ultimate approval by Noteholders representing over 50% by number and 75% by value of the holders of the 2022 Senior Notes participating in the voting.

(c) On June 4, 2020, the Group successfully obtained approval from its production sharing counterparty, China National Petroleum Corporation, to extend the expiry date of the production period from December 31, 2024 to February 29, 2028 (the "**Supplemental Production Sharing Contract**") on the condition that the Group shall drill a minimum number of new wells in the Daan oilfield as agreed within a period of three years from June 2020. As a result, the Group will be able to improve its operating cash flows through increased production; and

(d) The Group will also continue to seek other alternative financing, including proceeds from the disposal of assets, to finance the settlement of its existing financial obligations and future operating and capital expenditures.

The Directors have reviewed the Group's cash flow projections prepared by management, which cover a period of not less than twelve months from January 1, 2020 to June 30, 2021. They are of the opinion that, taking into account the above-mentioned plans and measures, the Group will have sufficient working capital to finance its operations and to meet its financial obligations when they fall due within the period up to June 30, 2021. Accordingly, the Directors are satisfied that it is appropriate to prepare the consolidated financial statements on a going concern basis.

Notwithstanding the above, significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described above. Whether the Group will be able to continue as a going concern would depend upon the following:

(i) the Lenders and the Noteholders not taking any actions against the Group to exercise their rights to demand immediate payment of the principals and interests of the Cross-Defaulted Borrowings and the 2022 Senior Notes before the finalisation of the Debt Restructuring Plans and execution of the Restructuring Agreements;

(ii) successfullly securing the required agreement of the Lenders and the Noteholders and completion of all necessary procedures by the Group for the Restructuring Agreements to be executed; and the Group's ability to continuously comply with the terms and conditions stipulated therein upon execution;

(iii) actual oil prices throughout the forecast period up to June 30, 2021 being in line with the projected levels included in the cashflow projections; and

(iv) the Group's ability to generate operating cash flows and to obtain additional sources of financing, other than those mentioned above, to finance the Group's oil exploration and production business, including capital expenditures needed to drill new wells, as well as other funding needs.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

2.1.2 New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing January 1, 2019:

- IFRS 16 “Leases”
- Prepayment Features with Negative Compensation — Amendments to IFRS 9
- Long-term Interests in Associates and Joint Ventures — Amendments to IAS 28
- Annual Improvements to IFRS Standards 2015-2017 cycle
- Plan Amendment, Curtailment or Settlement — Amendments to IAS 19
- Interpretation 23 Uncertainty over Income Tax Treatments

The Group had to change its accounting policies as a result of adopting IFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on January 1, 2019. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2.1.3 New standards and interpretations not yet adopted

		Effective for annual periods beginning on or after
IFRS 17	Insurance Contracts	January 1, 2021 (likely to be extended to January 1, 2022)
Amendments to IAS 1 and IAS 8	Definition of Material	January 1, 2020
Amendments to IFRS 3	Definition of a Business	January 1, 2020
Revised Conceptual Framework for Financial Reporting	Revised Conceptual Framework for Financial Reporting	January 1, 2020

Certain new accounting standards and interpretations have been published that are not mandatory for December 31, 2019 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.2 Changes in accounting policies

This note explains the impact of the adoption of IFRS 16 “Leases” on the Group’s financial statements.

As indicated in Note 2.1.2 above, the Group has adopted IFRS 16 “Leases” retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on January 1, 2019.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of IAS 17 "Leases". These liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of January 1, 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on January 1, 2019 was 14.02%.

(i) Practical expedients applied

In applying IFRS 16 for the first time, the Group has used the following practical expedients permitted by the standard:

- applying a single discount rate to a portfolio of leases with reasonably similar characteristics
- relying on previous assessments on whether leases are onerous as an alternative to performing an impairment review — there were no onerous contracts as at January 1, 2019
- accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- using hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Group has also elected not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Group relied on its assessment made applying IAS 17 and Interpretation 4 *Determining whether an Arrangement contains a Lease*.

(ii) Measurement of lease liabilities

	2019
	RMB'000
Operating lease commitments disclosed as at December 31, 2018	**18,310**
Discounted using the lessee's incremental borrowing rate of at the date of initial application	**10,204**
(Less): short-term leases not recognised as a liability	**(3,148)**
Lease liability recognised as at January 1, 2019	**7,056**
Of which are:	
Current lease liabilities	**4,810**
Non-current lease liabilities	**2,246**
	7,056

(iii) Measurement of right-of-use assets

The associated right-of-use assets for property leases were measured on a retrospective basis as if the new rules had always been applied. Other right-of use assets were measured at the amount equal to the lease liabilities, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at December 31, 2018.

(iv) Adjustments recognised in the consolidated statement of financial position on January 1, 2019

The change in accounting policy affected the following items in the consolidated statement of financial position on January 1, 2019:

- right-of-use assets — increase by RMB7,528,000
- prepayments, deposits and other receivables — decrease by RMB472,000
- lease liabilities — increase by RMB7,056,000

There was no impact on retained earnings on January 1, 2019.

(v) Lessor accounting

The Group did not need to make any adjustments to the accounting for assets held as lessor under operating leases as a result of the adoption of IFRS 16.

3. SEGMENT INFORMATION

The segment information provided to the Board of Directors for the reportable segments is set out follows:

	PRC	North America	Corporate and others	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Year ended December 31, 2019				
Continuing operations				
Segment revenue	**756,094**	**–**	**–**	**756,094**
Depreciation, depletion and amortisation	**(342,081)**	**–**	**(6,670)**	**(348,751)**
Taxes other than income taxes *(Note 4)*	**(4,021)**	**–**	**(3,838)**	**(7,859)**
Employee benefit expenses	**(64,321)**	**–**	**(79,046)**	**(143,367)**
Purchases, services and other direct costs	**(133,007)**	**–**	**–**	**(133,007)**
Distribution costs	**(16,642)**	**–**	**–**	**(16,642)**
General and administrative expense	**(24,268)**	**–**	**(133,892)**	**(158,160)**
Net impairment losses on financial assets	**(1,160)**	**–**	**(696,994)**	**(698,154)**
Impairment charges	**–**	**–**	**(4,826)**	**(4,826)**
Other losses, net	**(16,384)**	**–**	**(64,332)**	**(80,716)**
Finance income	**27**	**–**	**42,491**	**42,518**
Finance costs	**(110,330)**	**–**	**(495,473)**	**(605,803)**
Profit/(loss) before income tax	**43,907**	**–**	**(1,442,580)**	**(1,398,673)**
Income tax (expense)/credit	**(62,456)**	**–**	**3**	**(62,453)**
Loss for the year from continuing operations	**(18,549)**	**–**	**(1,442,577)**	**(1,461,126)**
From discontinued operations				
Profit for the year from discontinued operations	**–**	**332,177**	**–**	**332,177**
(Loss)/profit for the year	**(18,549)**	**332,177**	**(1,442,577)**	**(1,128,949)**

	PRC RMB'000	Corporate and others RMB'000	Total RMB'000
As at December 31, 2019			
Total assets	**1,980,084**	**442,831**	**2,422,915**
Total assets includes:			
Property, plant and equipment	**1,677,627**	**787**	**1,678,414**
Intangible assets	**78,980**	**15,045**	**94,025**
Additions to non-current assets	**(178,621)**	**14,870**	**(163,751)**
Total liabilities	**1,834,547**	**3,332,500**	**5,167,047**

	PRC RMB'000	North America RMB'000	Corporate and others RMB'000	Total RMB'000
Year ended December 31, 2018				
Continuing operations				
Segment revenue	789,704	–	–	789,704
Depreciation, depletion and amortisation	(329,101)	–	(217)	(329,318)
Taxes other than income taxes *(Note 4)*	(9,574)	–	(9,301)	(18,875)
Employee benefit expenses	(52,024)	–	(103,723)	(155,747)
Purchases, services and other direct costs	(138,013)	–	–	(138,013)
Distribution costs	(15,792)	–	–	(15,792)
General and administrative expense	(19,768)	–	(100,783)	(120,551)
Reversal/(provision) of impairment losses on financial assets, net	14,740	–	(130,718)	(115,978)
Impairment charges	(34,154)	–	(3,317)	(37,471)
Other gains/(losses), net	547	–	(42,399)	(41,852)
Finance income	90	–	22,513	22,603
Finance costs	(96,139)	–	(518,213)	(614,352)
Share of losses of investments in associates	–	–	(9,318)	(9,318)
Profit/(loss) before income tax	110,516	–	(895,476)	(784,960)
Income tax (expense)/credit	(50,404)	–	2,992	(47,412)
Profit/(loss) for the year from continuing operations	60,112	–	(892,484)	(832,372)
From discontinued operations				
Loss for the year from discontinued operations	–	(363,463)	–	(363,463)
Profit/(loss) for the year	60,112	(363,463)	(892,484)	(1,195,835)

	PRC RMB'000	Corporate and others RMB'000	Total RMB'000
As at December 31,2018			
Total assets	2,129,227	1,009,785	3,139,012
Total assets includes:			
Property, plant and equipment	1,797,877	962	1,798,839
Intangible assets	137,351	–	137,351
Additions to non-current assets	143,534	(148)	143,386
Total liabilities	1,459,940	3,943,392	5,403,332

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

The revenue reported to the Board of Directors is measured consistently with that in the consolidated statement of comprehensive income. The amounts provided to the Board of Directors with respect to total assets and total liabilities are measured in a manner consistent with that of the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the asset.

Entity-wide information

Analysis of revenue by category

	Year ended December 31,	
	2019	2018
	RMB'000	*RMB'000*
Timing of revenue recognition		
At a point in time		
— Sales of oil and gas	**741,459**	786,768
— Provision of services and others	**14,635**	2,936
	756,094	789,704

For the year ended December 31, 2019, total revenue from crude oil sales in the PRC amounting to RMB741.5 million (2018: RMB786.8 million) are derived solely from PetroChina. Crude oil sales revenues from PetroChina accounted for 98.1% (2018: 99.6%) of the Group's total revenue from continuing operations for the year ended December 31, 2019.

4. TAXES OTHER THAN INCOME TAXES

	Year ended December 31,	
	2019	2018
	RMB'000	*RMB'000*
PRC:		
Petroleum special profit charge	**–**	5,319
Urban construction tax and education surcharge	**3,935**	4,168
Others	**86**	87
	4,021	9,574
Corporate and other segments:		
Withholding tax and others *(Note)*	**3,838**	9,301
	7,859	18,875

Note:

During the year, all (2018: all) withholding tax is related to interest expenses arising from the intra-group loans.

5. INCOME TAX EXPENSE

	Year ended December 31,	
	2019	2018
	RMB'000	*RMB'000*
Current income tax	**3,534**	(321)
Deferred income tax	**58,919**	47,733
	62,453	47,412

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

6. EARNINGS/(LOSSES) PER SHARE

(a) Basic

Basic earnings/(losses) per share is calculated by dividing the profit/(loss) attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended December 31,	
	2019	2018
	RMB'000	*RMB'000*
Profit/(loss) for the year attribute to owners of the company used to determine basic earnings/(losses) per share		
— Continuing operations	**(1,457,214)**	(832,330)
— Discontinued operations	**332,177**	(363,463)
Weighted average number of ordinary shares *(thousands)*	**3,136,343**	2,908,985
Basic earnings/(losses) per share		
— Continuing operations	**(0.46)**	(0.29)
— Discontinued operations	**0.11**	(0.12)
	(0.35)	(0.41)

(b) Diluted

The dilutive loss per share is the same as the basic loss per share.

7. DIVIDENDS

The Board of Directors did not propose a dividend for the year (2018: Nil).

8. TRADE AND NOTE RECEIVABLES

	As at December 31,	
	2019	2018
	RMB'000	*RMB'000*
Trade receivables from:		
— PSC partners	**60,508**	65,801
— Third parties	**866**	4,575
	61,374	70,376
Less: loss allowance	**–**	(585)
	61,374	69,791

(a) The fair value of trade receivables approximates their carrying amounts.

(b) Aging analysis

	As at December 31,	
	2019	2018
	RMB'000	*RMB'000*
Up to 30 days	**61,238**	66,862
31–180 days	**–**	1,000
Over 180 days	**136**	2,514
	61,374	70,376

The Group grants credit terms of between 30 days to 180 days.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables.

The Group does not hold any collateral as security.

9. TRADE AND NOTE PAYABLES

	As at December 31,	
	2019	2018
	RMB'000	*RMB'000*
Trade and note payables	**460,245**	286,154
Less: non-current portion of trade and note payables	**(74,169)**	(65,871)
Current	**386,076**	220,283

(a) Aging analysis

	As at December 31,	
	2019	2018
	RMB'000	*RMB'000*
Up to 6 months	**222,202**	194,904
6 months–1 year	**93,183**	37,089
1–2 years	**99,986**	37,479
2–3 years	**30,707**	4,141
Over 3 years	**14,167**	12,541
	460,245	286,154

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

10. BORROWINGS

	As at December 31,	
	2019	2018
	RMB'000	*RMB'000*
Current		
— 2019 Senior Notes	**–**	2,160,423
— On-Demand Borrowing	**394,693**	378,279
— Other loans	**1,884,069**	11,186
	2,278,762	2,549,888
Non-current		
— 2022 Senior Notes	**1,720,505**	–
— Other loans	**–**	1,786,066
	1,720,505	1,786,066
	3,999,267	4,335,954

Subsequent to December 31, 2019, the Group did not pay the interest accrued on the 2022 Senior Notes of RMB120.5 million (US$17.1 million) due on April 12, 2020, which resulted in an event of default by the Group after the expiry of the grace period to May 11, 2020. As a result, the entire balance of the principal and related outstanding interest due on the 2022 Senior Notes became immediately repayable if requested by the holders and reclassified to current liabilities. This event of default also triggered the cross-default of the On-Demand Borrowing and the borrowings of RMB1,868.1 million included in other loans and immediate repayment of all such borrowings if requested by the respective lenders (Note 2.1.1). As the event of default occurred after December 31, 2019, no reclassification to current liabilities is required for the 2022 Senior Notes as at December 31, 2019.

11. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS

(i) Discontinued operations — Disposal of 100% equity interest in Maple Energy

The disposal was completed on September 30, 2019. Financial information relating to the discontinued operation for the period to the date of disposal is set out below.

(a) Financial performance

	Period ended disposal date 2019 *RMB'000*	Year ended December 31, 2018 *RMB'000*
Revenue	**938,514**	1,766,647
Other (losses)/gains, net	**(73,377)**	260,387
Expenses	**(1,430,721)**	(2,422,991)
Loss before income tax	**(565,584)**	(395,957)
Income tax credit	**198,695**	32,494
Loss after income tax of discontinued operation	**(366,889)**	(363,463)
Gain on sale of the subsidiary after income tax	**699,066**	–
Profit/(loss) from discontinued operations	**332,177**	(363,463)
Exchange differences on translation of discontinued operations	**–**	(129,629)
Other comprehensive income/(losses) from discontinued operations	**332,177**	(493,092)

(b) Details of the sale of the subsidiary

	Period ended disposal date 2019 *RMB'000*
Consideration received or receivable:	
Fair value of borrowings	**1,768,225**
Fair value of inter-company loans	**(1,264,793)**
Loss on loans and bond	**(671,987)**
Total disposal consideration	**(168,555)**
Less: Carrying amount of net liabilities sold	**(971,129)**
Other disposal expense	**1,205**
Gain on sale before income tax and reclassification of foreign currency translation reserve	**801,369**
Reclassification of foreign currency translation reserve	**(100,534)**
Income tax expense on disposal gain	**(1,769)**
Gain on sale after income tax	**699,066**

(ii) Continuing operations — Disposal of 100% equity interest in Asia Oil & Gas (Cayman) Limited

On December 26, 2019, the Company entered into an agreement with an independent third party purchaser pursuant to which the Company agreed to sell and the purchaser agreed to purchase the entire issued share capital of Asia Oil & Gas (Cayman) Limited ("**Asia Oil & Gas**"). As at the date of the purchase and sale agreement, Asia Oil & Gas is a 100% wholly owned subsidiary of the Company. The principal business activity of Asia Oil & Gas is its investment holding in China Aerospace Telecommunications (Shenzhen) Limited ("**China Aerospace**") as a minority shareholder. The disposal was completed on December 31, 2019.

Asia Oil & Gas ceased to be a subsidiary of the Group upon completion and it did not constitute a discontinued operation. A loss arising on the disposal of approximately RMB21.2 million was recognised in the consolidated statement of comprehensive income.

12. SUBSEQUENT EVENTS

Other than those disclosed elsewhere in the consolidated financial statements, the Group had the following events occurred since the end of the reporting period.

(a) In early 2020, following the outbreak of COVID-19, a series of precautionary and control measures have been implemented across China, including travel restrictions, school closings, extended holidays, and requirements that most business be conducted remotely. In addition, the breakdown of production reduction negotiations amongst the OPEC in March 2020 resulted in significant impact to global crude oil prices, which further affected the Group's performance. These events together have significant impacts to the Chinese economy, which reduce domestic demand of refined oil, and intensify competitions among oil companies. Most of the major oil companies in China, including PetroChina, the Group's major customer, have been affected, which have ultimately impacted and will continue to impact the Group's business.

During the six months ended June 30, 2020 and the ten months ended October 31, 2020, the average West Texas Intermediate crude oil prices were US$42.1 per barrel and US$41.6 per barrel, respectively, representing decreases of 26.2% and 26.6% over the same period of 2019, respectively. The outbreak of COVID-19 and the international crude oil prices drop since March 2020 are events arose after December 31, 2019, which are non-adjusting events after the balance sheet date.

Based on the announcement of the Group's unaudited interim results for the six months ended June 30, 2020 on August 31, 2020, it incurred a loss before income tax of RMB832.6 million, which included an impairment charge of RMB529.0 million against the Group's property, plant and equipment and intangible assets (Note (b)). The Group will continue to pay attention to the situation of the COVID-19 and future fluctuation in oil prices and assess related impacts to the financial position and performance of the Group.

(b) As mentioned in note (a) above, the declined oil price since March 2020 and the outlook of oil prices for the near term constitute an indicator of impairment. The Group performed impairment assessment on its non-financial assets based on conditions existed as at June 30, 2020 and an impairment provision of RMB529.0 million on property, plant and equipment and intangible assets in the PRC was recognised in the unaudited management accounts for the six months ended June 30, 2020.

(c) Subsequent to December 31, 2019, the Group paid RMB8.4 million as partial repayments of the principals and RMB42.0 million for interest due on the borrowings mentioned in Note 2.1.1. The Group however did not pay the interest accrued on the 2022 Senior Notes of RMB120.5 million (US$17.1 million) due on April 12, 2020, which resulted in an event of default by the Group after the expiry of the grace period to May 11, 2020. As a result, the entire balance of the principal and related outstanding interest due on the 2022 Senior Notes became immediately repayable if requested by the Noteholders. This event of default also triggered the cross-default of the On-Demand Borrowings and the Cross-Defaulted Borrowings and immediate repayment of such borrowings if requested by the Lenders. In addition, the secured borrowings totalling RMB1,868.1 million were also subsequently defaulted because of non-payment at their respective due dates (Note 2.1.1 and 10).

(d) On June 4, 2020, the Group successfully obtained approval from its production sharing counterparty, China National Petroleum Corporation, to extend the expiry date of the production period from December 31, 2024 to February 29, 2028 on the condition that the Group shall drill a minimum number of new wells in the Daan oilfield as agreed within a period of three years from June 2020 (Note 2.1.1).

BUSINESS REVIEW

Overview

Crude oil prices were under downward pressure throughout 2019. In the first quarter of 2019, international oil prices rebounded from the lows in late 2018. Brent crude prices reached an annual daily low of US$55 per barrel in early January and a daily high of US$75.60 per barrel on April 25. Starting from the second quarter, oil prices have been falling due to intensifying international trade disputes, poor global economic data, geopolitical tensions and weak oil demand. The trend extended to the end of 2019. Meanwhile, Canadian natural gas market remained weak in 2019. In response to the complicated economic environment of bearish global crude oil prices and suppressed Canadian natural gas prices, the Group reduced its spending in Daan on new drillings and focused on enhancing production and recovery on old wells. The Group also reduced capital expenditure on natural gas assets in Canada, implemented economic production cuts to reduce operational risk and improve financial performance. In consideration of the development strategy and working capital needs of the Group, the Group disposed of Canlin and certain non-core assets in 2019. The disposals represented continued execution of our strategy to simplify our portfolio and accelerate deleveraging.

During 2019, the oil and gas operated production and net production of the Group decreased significantly compared with that of 2018. The Group's oil and gas production decreased by 28.9% to about 14.86 MMBOE compared with 2018. Net oil and gas production decreased by 34.1% to about 12.16 MMBOE compared with 2018. During 2019, crude oil sales decreased by 11.9% compared to 2018 to approximately 2.75 million barrels, while natural gas sales decreased to 54,793 MMscf. The Group's oil and gas reserves, production capacity and sales decreased due to the disposal of Canlin and its oil and gas assets in September 2019.

In 2019, the average realized crude oil price decreased by 10.9% to US$52.66 per barrel as compared with that of 2018, and the average realized natural gas price dropped to US$1.06 per Mscf. In 2019, the revenue from China decreased by 4.3% to RMB756.1 million as compared with 2018. In 2019, loss for the year from segments other than North America increased by 75.5% to RMB1,461.1 million as compared with RMB832.3 million in 2018 and the respective losses per share is RMB0.46 in 2019. Profit for the year from North America segment is RMB332.2 million and the respective earnings per share is RMB0.11 in 2019.

In 2019, the EBITDA of the Group from segments other than North America decreased by RMB622.7 million to negative RMB486.6 million from RMB136.1 million in 2018 and the respective adjusted EBITDA decreased by RMB85.7 million to RMB323.4 million.

As at December 31, 2019, the Group operated a total of 2,406 wells, all located in China. The total headcount of the Group reduced from 1,385 as of December 31, 2018 to 1,058 as of December 31, 2019 under combined effect of asset disposal and staff adjustment.

The following table provides a recap of the Group's key operational metrics for 2019:

	2019	2018	**% Change**	**2019 Guidance**
Average Daily Gross Production (BOE/day)	**50,158**	57,770	–13.2%	
Average Daily Net Production (BOE/day)	**42,757**	50,720	–15.7%	44,833–48,983
Average Daily Net Oil Production (barrels/day)	**8,306**	8,777	–5.4%	
Average Daily Net NGL Production (barrels/day)	**1,001**	1,399	–28.4%	
Average Daily Net Gas Production (Mscf/day)	**200,700**	243,260	–17.5%	

Notes:

(1) For reference purpose only, barrels of oil equivalent ("**BOE**") is calculated using the conversion factor of six Mscf of natural gas being equivalent to one barrel of oil

(2) Gross Production means total production from all assets of the Group

(3) Net Production means entitled production from all assets of the Group

(4) For North America segment, only the result for the 9-month period ended September 30, 2019 was included because the disposal of 100% equity interest in Maple Energy Investments Limited ("**Maple Energy**") and its subsidiary Canlin operating in Canada was completed on September 30, 2019.

The following table sets out the summary of the expenditures incurred in our exploration, development and production activities for 2019:

(millions of RMB)	**Exploration expenditures**	**Development expenditures**	**Production/ operating expenditures**
China Onshore Projects (Daan, Moliqing)	–	111	157
Canada (Canlin)	–	97	590
Total	–	208	747

- **China Operations (Daan, Moliqing and South China Sea)**

  Under the current environment, the Group is focused on capital discipline. Through new well drilling, well fracturing and water injection, our projects in northeastern China maintained a consistent production level with slight increase from 2018. During 2019, the total gross operated production for Daan and Moliqing increased by 7.7% from 4.31 million barrels in 2018 to 4.64 million barrels in 2019. Total net production allocated to the Group increased by 4.9% from 1.85 million barrels in 2018 to 1.94 million barrels in 2019. During 2019, the gross operated production per day increased by 3.9% to 12,720 barrels/day ("**BOPD**") as compared to 2018, and net production per day allocated to the Group increased by 1.7% to 5,319 BOPD. The average realized oil price of Daan and Moliqing decreased by 13.4% from US$64.56/barrel in 2018 to US$55.92/barrel in 2019. Under falling oil prices, a reduced drilling program of 14 vertical wells was carried out in Daan in 2019. The Group continued to control cost and reduce lifting cost for Daan by US$1.65/barrel, or 13.3%, from US$12.37/barrel for 2018 to US$10.72/barrel for 2019. EBITDA per barrel for Daan and Moliqing decreased by US$8.30, or 18.1%, from US$45.95/barrel for 2018 to US$37.65/barrel for 2019. The decrease in EBITDA per barrel was primarily due to the decrease in average realized oil price.

  On June 4, 2020, the Group successfully extended the term of the Daan PSC from December 31, 2024 to February 29, 2028 by extending the production period under the PSC. Pursuant to the extended PSC, the Group continues to operate the Daan oil field pursuant to the terms of the PSC and a supplemental overall development plan. The extension brings the Group additional business certainty and allows it to invest in Daan oilfield for future production and generate steady operating cash flow.

  At the end of 2019, the Group also held a 34% interest in the South China Sea Project. The environmental impact report of the 10-4 oilfield was approved by the Ministry of Ecology and Environment of the PRC in October 2019, which means the project is ready for development.

- **North America Operations (Canlin)**

  On September 30, 2019, the Group completed the sale of Canlin and its oil and gas assets in Canada. The disposal represented continued execution of our strategy to simplify our portfolio and accelerate deleveraging.

- **Kazakhstan Operations (Emir-Oil)**

  We hold an indirect 40% interest in Emir-Oil in Kazakhstan. In 2019, Emir-Oil obtained production contracts for the North Kariman and Yessen fields, for respective periods of 16 and 25 years starting from January 1, 2020. Currently, Emir-Oil holds one exploration contract and six production contracts covering Aksaz, Dolinnoe, Emir, Kariman, North Kariman and Yessen oilfields. As at the end of 2019, Emir-Oil had a total of 20 producing wells. The daily production of crude oil in 2019 decreased by 17.9% from 2,840 BOPD in 2018 to 2,332 BOPD mainly due to natural decline and uneconomic well shut-ins.

Reserves

The Group's net reserves evaluation for 2019 year-end shows a significant decrease over that of 2018, primarily driven by the divestment of Canlin which holds the Group's Canadian assets. Summaries of the Group's 2019 year-end reserves are as follows:

1. Overall, the Group's total net Proved ("**1P**") oil, gas and natural gas liquid ("**NGL**") reserves decreased by 92% to 18.07 MMBOE (where 1 BOE = 6,000 cubic feet gas), total net Proved + Probable ("**2P**") oil, gas and NGL reserves decreased by 87% to 45.3 MMBOE, and total net Proved + Probable + Possible ("**3P**") oil, gas and NGL reserves decreased by 81% to 69.1 MMBOE[1] due to the divestment of Canlin.

2. The Group's net 1P oil reserves decreased by 36% to 16.07 million barrels, while net 2P oil reserves decreased by 29% to 37.84 million barrels and net 3P oil reserves decreased by 24% to 56.65 million barrels respectively, reflecting the combined impact of the production related decrease of Daan oilfield and Emir-Oil, the divestment of Canlin and technical revision on Emir-Oil's reserves at 2019 year-end.

3. Based on 2019 year-end reserves estimates reviewed by independent consultants, the Group's 2P net present value, before tax and discounted at 10% ("**NPV10**") is approximately US$669 million, which represents a 61% decrease from the reported 2018 year-end 2P NPV10 value of US$1.7 billion.

Note 1:

As per industry practice, exploration and production companies in Canada do not prepare or disclose possible reserves and Canlin have followed the same approach. Accordingly, the Group's total 3P reserves only include the 2P reserves of Canlin.

Note 2:

As there has been no exploration or development activity for the South China Sea project in 2019, the reserves remain unchanged from 2018.

The following table summarizes the prices used to determine reserves at the year-end of 2018 and 2019 respectively:

Segment	Basin	2019	2018
China — Gobi Energy	Songliao	Escalated price profile based on price projections published by Sproule for WTI Crude. An average differential for January to December of 2019 between WTI Cushing Spot and Daqing of US$0.40 per barrel was used. The differential is assumed to remain constant in the future.	Escalated price profile based on price projections published by Sproule for WTI Crude. An average differential for January to December of 2018 between WTI Cushing Spot and Daqing of -US$1.00 per barrel was used. The differential is assumed to remain constant in the future.
China — Petrobroad Copower	Pearl River Estuary	Escalated price profile based on price projections published by Sproule for Brent oil. The differential between Brent oil and Area 28/03 oil sales price is -US$6.2 per barrel in the year of 2019 with 2% increase annually.	Escalated price profile based on price projections published by Sproule for Brent oil. The differential between Brent oil and Area 28/03 oil sales price is -US$6.2 per barrel in the year of 2019 with 2% increase annually.
Kazakhstan — Emir-Oil	Mangistau	Export oil at escalated price profile based on price projections published by GCA for Brent Crude which has been estimated to be US$54.13/Stock Tank Barrel in 2020. Domestic oil price is estimated to be US$20.18/Stock Tank Barrel in 2020. Domestic gas price US$0.54/Mscf has been utilized for solution gas sales and assumed to be constant throughout the report.	Export oil at escalated price profile based on price projections published by GCA for Brent Crude which has been estimated to be US$41.58/Stock Tank Barrel in 2019. Domestic oil price is estimated to be US$23.89/ Stock Tank Barrel in 2019. Domestic gas price US$0.59/ Mscf has been utilized for solution gas sales and assumed to be constant throughout the report.
Canada — Canlin	Western Canadian		Escalated price profile based on price projections published by Sproule. Canadian Light Sweet Crude 40° API oil price is estimated to be C$75.27/ barrel in 2019. Alberta AECO-C Spot gas price is estimated to be C$1.95/ MMbtu in 2019.

Note: (i) WTI — West Texas Intermediate
(ii) GCA — Gaffney, Cline & Associates
(iii) API — American Petroleum Institute
(iv) MMbtu — Million British Thermal Units

2020 Guidance

The following table summarizes our 2020 guidance. The Group will closely monitor commodity price and other factors and may adjust our capital program in a timely manner. It is important to keep our capital program flexible to ensure the stability and profitability of our business in the current volatile environment.

	Interest	**Numbers of Wells**	**Group Net Capex Investment**	**Net production**
	(%)	*(net)*	*(millions of US$)*	
China Onshore Projects (Daan, Moliqing) — Crude oil	Daan foreign contractor 100%	32	20 *(Note)*	5,200–5,900 BOPD
	Moliqing foreign contractor 10%	2	3	130–150 BOPD
Group Total		34	23	5,330–6,050 BOPD

Notes: The capital expenditures of China Onshore Projects contemplates drilling (mainly network fracturing), transforming oil wells to water injection wells, hole filling fracturing , ground engineering and equipment procurement.

Restructuring of the Company

On May 11, 2020, the Company did not make the scheduled interest payment in relation to the Senior Notes (the "**Default**"). The Default has also triggered cross defaults under the other loan facilities entered into between members of the Group and its other lenders. The Company has assessed that the potential demands for repayment of loans by the relevant lenders including those yet to fall due, and the aggregate unfulfilled repayment obligations and possible breaches of the other loan facilities and notes, amount to approximately over US$316.6 million in principal amount plus accrued interest on such principal amount.

The Company has been proactively discussing with various creditors and the Company's advisors in relation to the debt restructuring ("**Debt Restructuring**"), including but not limited to deferral of interest payment, reduction of interest rate and extension of maturity, which is expected to substantially improve the Group's financial position and address the Company's liquidity concerns. As at the date of this announcement, no agreement in relation to the above arrangements has been entered into or agreed between the Company and its creditors.

FINANCIAL RESULTS

As at December 31, 2018, the assets and liabilities relating to Maple Energy group were presented as held for sale. The disposal was completed on September 30, 2019. Financial results from Maple Energy group were recorded as a loss included in the total profit from discontinued operations.

Continuing operations

Revenue

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

The Group's revenue generated from sales of oil and gas was contributed entirely by our China oil fields. Sales in 2019 decreased by RMB45.3 million, or 5.8%, from RMB786.8 million in 2018 to RMB741.5 million, primarily due to lower oil prices partially offset by higher volumes. The average realized oil price was US$55.92 per barrel in 2019, as compared to US$64.56 per barrel in 2018. The Group's sales volume increased by 0.1 million barrels or 5.5%, from 1.83 million barrels in 2018 to 1.93 million barrels in 2019.

The Group's revenue from commodities sales and rendering of services was RMB11.4million and RMB3.2 million for 2019, respectively.

Depreciation, depletion and amortization

The Group's depreciation, depletion and amortization increased by RMB19.5 million, or 5.9 %, from RMB329.3 million in 2018 to RMB348.8 million in 2019. The increase in depreciation, depletion and amortization was mainly due to the increase in sales and production volumes in 2019.

Taxes other than income taxes

The Group's taxes other than income taxes decreased by RMB11.0 million, or 58.2%, from RMB18.9 million for 2018 to RMB7.9 million for 2019.

PRC

With effect from January 1, 2015, the threshold price for special oil income levy was revised from US$55 per barrel to US$65 per barrel. During 2019, the realized oil price never reached US$65 per barrel, and hence special oil income levy was not applicable.

Corporate and other segments

Withholding Tax and others

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

Employee compensation costs

The Group's employee compensation costs decreased by RMB12.3 million, or 7.9%, from RMB155.7 million for 2018 to RMB143.4 million for 2019. The decrease in employee compensation costs was primarily due to the decrease of share-based payment to employees recorded in 2019.

Purchases, services and other expenses

Our purchases, services and other expenses decreased by RMB5.0 million, or 3.6%, from RMB138.0 million for 2018 to RMB133.0 million for 2019. The decrease was primarily due to the stringent cost control measures and optimization measures on the wells implemented by the Group.

Distribution costs

The Group's distribution expenses increased by RMB0.8 million, or 5.1%, from RMB15.8 million in 2018 to RMB16.6 million in 2019. The increase in distribution expenses was primarily due to the increase in sales volume.

General and administrative expense

The Group's general and administrative expenses increased by RMB37.6 million, or 31.2%, from RMB120.6 million in 2018 to RMB158.2 million in 2019. The increase in administrative expenses was primarily due to the increase of fees and expenses related to debt restructuring or refinancing.

Net impairment losses on financial assets

The Group incurred net impairment losses on financial assets of RMB698.2 million in 2019, which arose primarily from the provision for impairment losses on the receivables from an associate.

Impairment charges

The Group recognized impairment charges amounting to RMB4.8 million on the investment in PetroBroad Copower Limited.

Other losses, net

The Group incurred other losses of RMB80.7 million for 2019, compared to RMB41.9 million for 2018. Other losses for 2019 arose primarily from (i) losses on changes in fair value of financial instruments of RMB71.2 million; (ii) losses on disposal of a subsidiary of RMB21.2 million; and partially offset by (iii) other gains of RMB11.6 million.

Finance income/(costs), net

The Group's finance income increased by RMB19.9 million, or 88.1%, from RMB22.6 million for 2018 to RMB42.5 million for 2019.

Finance costs decreased by RMB8.6 million, or 1.4%, from RMB614.4 million for 2018 to RMB605.8 million for 2019. The decrease was mainly due to the decrease of borrowings and partially offset by higher interest rate of the 2022 Senior Notes in 2019.

Loss before income tax

The Group's loss before income tax was RMB1,398.7 million for 2019, compared to the loss before income tax of RMB785.0 million for 2018. This was primarily due to the cumulative effects of the above factors.

Income tax expense

The Group recorded an income tax expense of RMB62.5 million in 2019, compared to an income tax expense of RMB47.4 million for 2018. The effective tax rate for 2019 is negative 4% compared to an effective tax rate in 2018 of negative 6%.

Loss for the year from continuing operations

As a result of the foregoing, our net loss from continuing operations in 2019 was RMB1,461.1 million, compared to a net loss from continuing operations of RMB832.3 million in 2018.

Profit/(loss) for the year from discontinued operations

Our net gain from discontinued operations in 2019 was RMB332.2 million, compared to a net loss from discontinued operations of RMB363.5 million in 2018. This was primarily due to the gain amounting to RMB699.1 million from the disposal of Maple Energy.

Loss for the year

The Group's net loss in 2019 was RMB1,128.9 million, compared to the net loss of RMB1,195.8 million in 2018.

EBITDA AND ADJUSTED EBITDA

We provide a reconciliation of EBITDA and adjusted EBITDA to loss in 2019, our most direct comparable financial performance calculated and presented in accordance with IFRS. EBITDA refers to earnings before finance income, finance costs, income tax and depreciation, depletion and amortization. Adjusted EBITDA refers to EBITDA adjusted to exclude non- cash and non-recurring items such as share-based payment to employees, net impairment losses on financial assets, impairment charges, losses on changes in fair value of financial instruments, withholding tax, losses on disposal of subsidiaries, losses arising from disposal of an associate and any other non-cash or non-recurring income/expenses.

The Group's adjusted EBITDA reflects the Group's recurring cash flow earnings from its core operations.

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

The following table presents a reconciliation between EBITDA and adjusted EBITDA from continuing operations and Loss before income tax from continuing operations for the years ended December 31, 2019 and December 31, 2018:

The Group generated EBITDA of negative RMB486.6 million in 2019, compared to RMB136.1 million in 2018. The decrease in EBITDA in 2019 was primarily due to the decrease in oil price.

The Group's adjusted EBITDA decreased by approximately RMB85.7 million, or 20.9%, from approximately RMB409.1 million in 2018 to approximately RMB323.4 million in 2019. The decrease in adjusted EBITDA was primarily due to the decrease in oil price.

	Year Ended December 31,	
	2019	2018
	RMB'000	*RMB'000*
Loss before income tax from continuing operations	**(1,398,673)**	(784,960)
Finance income	**(42,518)**	(22,603)
Finance costs	**605,803**	614,352
Depreciation,depletion and amortization	**348,751**	329,318
EBITDA from continuing operations	**(486,637)**	136,107
Share-based payment to employees	**10,841**	54,743
Net impairment losses on financial assets	**698,154**	115,978
Impairment charges	**4,826**	37,471
Losses on changes in fair value of financial instruments	**71,159**	35,560
Withholding tax	**3,838**	9,301
Losses from disposal of subsidiaries	**21,197**	–
Losses on disposal of associate Interests	**–**	19,927
Adjusted EBITDA from continuing operations	**323,378**	409,087

The Group's EBITDA and Adjusted EBITDA from continuing operations by operating segment are set out below:

	Year Ended December 31, 2019		
	PRC	**Corporate and others**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Profit/(loss) before income tax from continuing operations	**43,907**	**(1,442,580)**	**(1,398,673)**
Finance income	**(27)**	**(42,491)**	**(42,518)**
Finance costs	**110,330**	**495,473**	**605,803**
Depreciation, depletion and amortization	**342,081**	**6,670**	**348,751**
EBITDA from continuing operations	**496,291**	**(982,928)**	**(486,637)**
Share-based payment to employees	**2,687**	**8,154**	**10,841**
Net impairment losses on financial assets	**1,160**	**696,994**	**698,154**
Impairment charges	**–**	**4,826**	**4,826**
Losses on changes in fair value of financial instruments	**–**	**71,159**	**71,159**
Withholding tax	**–**	**3,838**	**3,838**
Losses from disposal of subsidiaries	**–**	**21,197**	**21,197**
Adjusted EBITDA from continuing operations	**500,138**	**(176,760)**	**323,378**

	Year ended December 31, 2018		
	PRC	Corporate and others	Total
	RMB'000	*RMB'000*	*RMB'000*
Profit/(loss) before income tax from continuing operations	110,516	(895,476)	(784,960)
Finance income	(90)	(22,513)	(22,603)
Finance costs	96,139	518,213	614,352
Depreciation,depletion and amortization	329,101	217	329,318
EBITDA from continuing operations	535,666	(399,559)	136,107
Share-based payment to employees	1,132	53,611	54,743
(Reversal)/provision of impairment losses on financial assets, net	(14,740)	130,718	115,978
Impairment charges	34,154	3,317	37,471
Losses on changes in fair value of financial instruments	–	35,560	35,560
Withholding tax	–	9,301	9,301
Losses from disposal of associate Interests	–	19,927	19,927
Adjusted EBITDA from continuing operations	556,212	(147,125)	409,087

LIQUIDITY AND CAPITAL RESOURCES

The Group's primary source of cash during 2019 was cash generated from operating activities.

In 2019, the Group had net cash generated from operating activities of RMB73.6 million, net cash used in investing activities of RMB119.7 million, net cash generated from financing activities of RMB31.5 million, an exchange gain on cash and cash equivalent of RMB0.2 million, transferred to disposal group classified as held for sale of RMB15 thousand and a net decrease in cash and cash equivalent of RMB14.6 million.

As at December 31, 2019, for the Group's continuing operations, the borrowings from financial institutions and third parties amounted to approximately RMB3,999.3 million, representing a decrease of approximately RMB336.7 million as compared to December 31, 2018. Among the Group's borrowings, borrowings repayable within one year amounted to approximately RMB2,278.8 million, representing a decrease of RMB271.1 million as compared to December 31, 2018. All of the borrowings are denominated in US dollars and Hong Kong dollars. The borrowings are all at fixed interest rates. No hedging instruments were used for borrowings.

Our gearing ratio, which is defined as total borrowings less cash and cash equivalents ("**Net Borrowings**") divided by the sum of Net Borrowings and total equity, increased from 164.7% as at December 31, 2018 to 321.0% as at December 31, 2019, primarily due to the loss incurred in 2019.

Our total borrowings to adjusted EBITDA ratio, which is defined as total borrowings divided by adjusted EBITDA decreased from 10.6 as at December 31, 2018 to 12.4 as at December 31, 2019.

Market Risks

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

Oil and gas price risk

Our realized oil and gas prices are determined with reference to oil and gas prices in the international market, and changes in international oil and gas prices will have a significant impact on us. Unstable and highly volatile international oil and gas prices may have a significant impact on our revenue and profit.

Currency risk

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

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

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

CHARGES ON GROUP ASSETS

As at December 31, 2019, bank accounts, shares of subsidiaries and oil and gas assets of the Group were pledged to secure borrowings in the aggregate amount of RMB2,278.8 million.

EMPLOYEES

As at December 31, 2019, the Company had 1,058 employees, with 1,056 based in China (Mainland and Hong Kong) and two based in the United States. There are no material changes to the information disclosed in the Annual Report 2018 in respect of the remuneration of employees, remuneration policies and staff development.

CONTINGENCIES

There were no contingent liabilities of the Group as at December 31, 2019.

DIVIDEND

The Board did not recommend the payment of final dividend for the year ended December 31, 2019 (2018: NIL).

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company ("**AGM**") is scheduled to be held on Thursday, January 14, 2021. For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from Monday, January 11, 2021 to Thursday, January 14, 2021, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all completed transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for registration not later than 4:30 p.m. (Hong Kong time) on Friday, January 8, 2021, being the last registration date.

MATERIAL DIFFERENCES BETWEEN UNAUDITED AND AUDITED ANNUAL RESULTS

Since the financial information contained in the Company's announcement dated March 31, 2020 in relation to among others, unaudited financial information for the financial year ended December 31, 2019 (the "**Unaudited Results Announcement**") was neither audited nor agreed with the Auditor as at the date of their publication, subsequent adjustments have been made to such information, Shareholders and potential investors of the Company are advised to pay attention to certain differences between the financial information of the unaudited and audited annual results of the Group. Set forth below are principal details and reasons for the material differences in such financial information in accordance with Rule13.49(3)(ii)(b) of the Listing Rules.

	Disclosure in this announcement *RMB'000*	**Disclosure in the Unaudited Results Announcement** *RMB'000*	**Difference** *RMB'000*
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME			
Net impairment losses on financial assets	(698,154)	(183,960)	(514,194)
Finance income	42,518	25,756	16,762
Loss before income tax	(1,398,673)	(901,241)	(497,432)
Loss for the year from continuing operations	(1,461,126)	(963,694)	(497,432)
Loss for the year	(1,128,949)	(631,517)	(497,432)
Total comprehensive losses for the year	(1,191,480)	(688,146)	(503,334)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION			
Assets			
Non-current assets			
Prepayments, deposits and other receivables	385,363	884,523	(499,160)
Restricted cash	–	46,213	(46,213)
Current assets			
Prepayments, deposits and other receivables	71,036	75,210	(4,174)
Restricted cash	46,213	–	46,213
Equity			
Other reserves	(90,048)	(84,146)	(5,902)
Accumulated losses	(3,755,333)	(3,257,901)	(497,432)

These differences are mainly due to:

— the reclassification of restricted cash from non-current assets to current assets;

— write-off of amounts receivable from an associate;

Save as disclosed in this announcement and the corresponding adjustments in totals, percentages, ratios and comparative figures related to the differences, all other information contained in the Unaudited Results Announcement remain unchanged.

AUDIT COMMITTEE

The Audit Committee of the Company has reviewed the consolidated financial information of the Group for the year ended December 31, 2019 including the accounting policies adopted by the Group and has discussed the internal controls and financial reporting matters of the Group.

SCOPE OF WORK OF PRICEWATERHOUSECOOPERS

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income, consolidated statement of cash flows and the related notes thereto for the year ended December 31, 2019 as set out in this announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers 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 PricewaterhouseCoopers on this announcement.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The below paragraphs set out an extract of the report by PricewaterhouseCoopers, the auditor of the Company, regarding the consolidated financial statements of the Group for the year ended December 31, 2019:

Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Multiple Uncertainties Relating to Going Concern

As detailed in Note 2.1.1 to the consolidated financial statements, during the year ended December 31, 2019, the Group incurred a net loss of RMB1,128.9 million, which comprised of losses of RMB1,461.1 million from continuing operations and profits of RMB332.2 million from discontinued operations, respectively. As at December 31, 2019, the Group had a shareholders' deficit of RMB2,744.1 million and its current liabilities exceeded its current assets by RMB2,842.1 million. As at the same date, the Group had total borrowings of RMB3,999.3 million, of which approximately RMB2,278.8 million represented current liabilities, while the Group had cash and cash equivalents of RMB 59.9 million, of which RMB13.7 million was unrestricted.

Subsequent to December 31, 2019, the Group did not pay the interest of RMB120.5 million (US$17.1 million) accrued on the senior notes in the principal amount of US$248.4 million (equivalent to approximately RMB1,720.5 million) (the "**2022 Senior Notes**") due on April 12. 2020, which resulted in an event of default by the Group. As a result, the entire balance of the principal and related outstanding interest due on the 2022 Senior Notes became immediately repayable if requested by the holders of such notes (the "**Noteholders**"). This event of default also triggered the cross-default of borrowings in the total principal amount of RMB2,262.8 million as described in Note 2.1.1 (the "**Cross-Defaulted Borrowings**") and immediate repayment of all such borrowings if requested by the respective lenders of these borrowings (the "**Lenders**"). In addition, the RMB1,868.1 million of the Cross-Defaulted Borrowings were also subsequently defaulted because of non-payment at their respective due dates. Furthermore, the Group's performance subsequent to December 31, 2019 has been significantly affected by the low commodity price of crude oil.

These conditions, together with others described in Note 2.1.1 to the consolidated financial statements, indicate the existence of material uncertainties which may cast significant doubt over the Group's ability to continue as a going concern.

Management of the Company has undertaken a number of measures to improve the Group's liquidity and financial position, to meet its liabilities as and when they fall due which are set out in Note 2.1.1 to the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, the validity of which depends on the outcome of these measures, which are subject to multiple uncertainties, including: (i) the Lenders and the Noteholders not taking any actions against the Group to exercise their rights to demand immediate payment of the principals and interest of the Cross-Defaulted Borrowings and the 2022 Senior Notes before the finalisation of the debt restructuring plans and execution of the restructuring agreements; (ii) successfully securing the required agreement of the Lenders and the Noteholders and completion of all necessary procedures by the Group for the restructuring agreements under the debt restructuring plans to be executed; and the Group's ability to continuously comply with the terms and conditions stipulated therein upon execution; (iii) actual oil prices throughout the forecast period up to June 30, 2021 being in line with the projected levels included in the cashflow projections; and (iv) the Group's ability to generate operating cash flows and to obtain additional sources of financing, other than those mentioned above, to finance the Group's oil exploration and production business, including capital expenditures needed to drill new wells, as well as other funding needs.

Should the Group fail to achieve the above-mentioned plans and measures, it might not be able to continue to operate as a going concern, and adjustments would have to be made to write down the carrying value of the Group's assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify non-current assets and non-current liabilities as current assets and current liabilities. The effect of these adjustments has not been reflected in the consolidated financial statements.

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

During the year ended December 31, 2019, the Company commenced and completed an exchange offer ("**Exchange Offer**") with respect to its US$500 million 7.5% senior notes due in 2019 (the "**2019 Senior Notes**"). The noteholders representing approximately 84% of the total principal amount outstanding at December 31, 2018 accepted the Exchange Offer. Accordingly, the Company exchanged US$265.3 million aggregate principal amount of the 2019 Senior Notes (the "**Exchanged Notes**") for new 2022 Senior Notes with an annual interest rate of 13.750% and together with a cash repayment of US$26.1 million in aggregate in accordance with the terms and conditions of the Exchange Offer. The Company has arranged for cancellation of the Exchanged Notes.

As of December 31, 2019, US$248,394,000 in aggregate of the principal amount of the 2022 Senior Notes remained outstanding.

Save as disclosed above, neither the Company nor any of its subsidiaries purchased, disposed of or redeemed any of the Company's listed securities for the year ended December 31, 2019.

CORPORATE GOVERNANCE CODE

The Company has complied with the principles and code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix 14 of the Listing Rules for the year ended December 31, 2019, except for the deviation from Code Provision A.2.1 as explained below.

Code Provision A.2.1

Code Provision A.2.1 of the CG Code stipulates that the roles of the chairman and chief executive officer are required to be separated and not to be performed by the same individual. During the reporting period, Mr. Zhang Ruilin ("**Mr. Zhang**") served as both the Chairman of the Board and the Chief Executive Officer of the Company until the appointment of Mr. Mei Liming ("**Mr. Mei**") as Chief Executive Officer on November 11, 2019.

With effect from November 11, 2019, Mr. Mei was appointed the Chief Executive Officer of the Company and Mr. Zhang remained as executive Director and Chairman of the Board.

The change of the chief executive officer allows the Company to better comply with the requirement under Code Provision A.2.1. As the Chairman of the Board, Mr. Zhang will continue to provide leadership for the Board and support to members of senior management.

MODEL CODE FOR SECURITIES TRANSACTIONS

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

Specific enquiry has been made of all the directors and the directors have confirmed that they have complied with the Model Code throughout the year ended December 31, 2019. In addition, no incident of non-compliance of the Model Code by the employees was noted by the Company.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

The electronic version of this annual results announcement is published on the websites of the Company (www.mienergy.com.cn), Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and Singapore Exchange Securities and Trading Limited (www.sgx.com). An annual report for the year ended December 31, 2019 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and published on the said websites in due course.

ANNUAL GENERAL MEETING

The AGM of the Company will be held in Hong Kong on January 14, 2021. Notice of the AGM will be published and sent to shareholders of the Company in due course.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company has been suspended from 9:00 a.m. on April 1, 2020 and will continue to be suspended until the Company fulfils the Resumption Guidance. The Company is pleased to announce that as all the resumption conditions provided by the Hong Kong Stock Exchange have been fulfilled, an application has been made to the Hong Kong Stock Exchange for the resumption of trading of the shares of the Company on the Hong Kong Stock Exchange with effect from 9:00 a.m. on November 30, 2020.

By Order of the Board
MIE Holdings Corporation
Mr. Zhang Ruilin
Chairman

Hong Kong, November 27, 2020

As at the date of this announcement, the Board comprises (1) the executive directors namely Mr. Zhang Ruilin and Mr. Zhao Jiangwei; (2) the non-executive director namely Ms. Xie Na; and (3) the independent non-executive directors namely Mr. Mei Jianping, Mr. Jeffrey Willard Miller and Mr. Guo Yanjun.