

# CHINA HUARONG ENERGY COMPANY LIMITED

中國華榮能源股份有限公司

(Incorporated in the Cayman Islands with limited liability)  
(於開曼群島註冊成立之有限公司)

Stock Code 股份代號: 01101



年報  
ANNUAL  
REPORT  
2019





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# CHAIRMAN'S STATEMENT

主席報告書



Followed by the completion of the disposal of its shipbuilding, offshore engineering, engineering machinery and marine engine building segments in the PRC (the “**Shipbuilding and Engineering Businesses**”, or the “**Discontinued Operations**”) in March 2019 (the “**Disposal**”), the Group has continued to make orderly progress and proceeded with a number of significant achievements during the transition period, including (1) conducted a series of active discussions with lenders on debt restructuring, and (2) retained sustainable and consistent production in its energy exploration and production segment (“**Energy Business**”). The Group management has also reviewed the underlying operation in the Energy Business, and reset its business strategy and plan with an aim to continue and grow its operation in a sustainable fashion for the long run.

Subsequent to the completion of the Disposal, the Group has devoted significant focus on the production and sales of crude oil in the oil exploitation, with the propose of maintaining sustainable production while minimising production cost. The Group will also seek possible development on both upstream production and downstream trading operation to maximise overall group performance through all the possible synergies.

Throughout the Year, the Group has continued to focus and explore opportunities and adopted various measures to improve production capabilities and implemented several processes and controls to enhance management efficiency and profitability. These included but not limited to:

- Review the capital expenditure tendering process to further reduce development costs. The Group management has explored the possibilities and believes there is a substantial headroom that can be reduced. Subsequent to the process, the Group management has successfully re-negotiated with several suppliers on price reduction, which shall improve the overall return on the Group's investment and benefit the Group's financial performance for any development in the future.

本集團於二零一九年三月完成出售於中國的造船、海洋工程、工程機械及動力工程板塊（「**造船及工程業務**」）或「**已終止業務**」（「**出售事項**」）後，本集團在過渡期內繼續取得有序進展，並取得了一系列重大成就，其中包括：(1)就債務重組與借款人進行了一系列積極的討論；及(2)在能源勘探及生產板塊（「**能源業務**」）保持可持續及穩定的生產。本集團管理層亦審查了能源業務的相關營運，並重新設置了業務戰略及計劃，旨在以可持續的方式長期營運及繼續發展。

在完成出售事項後，本集團著重聚焦石油開採中的原油生產及銷售，以在盡力降低生產成本的情況下保持可持續生產。本集團亦尋求上游生產與下游貿易營運的發展可能，透過所有可能協同效應最大化集團的整體表現。

於本年度內，本集團繼續專注及探索機遇，並採取各項措施提升產能，以及執行若干程序及控制，提升管理效率及盈利能力。其中包括但不限於：

- 審查資本開支招標程序，旨在進一步降低開發成本。本集團管理層已探索各種可能性，並相信有可觀的空間可以減少。該程序之後，本集團管理層與若干供應商成功重新商定減價，其將提升本集團的整體投資回報，並有利於本集團未來任何發展的財務表現。

## CHAIRMAN'S STATEMENT 主席報告書

- Enhance the new oil production technique to increase production volume. The Group has worked with oilfield experts and analysed the production method to improve productivity for the existing and newly developed wells. The Group has proposed new production techniques to local authority and the approval has been granted. It is expected the Group will receive additional economic benefit through the new techniques and further improve the Group's financial performance.

While the global economy is being affected by the Sino-US trade war and the spread out of coronavirus, the Group will continue to be cautious and be alert on demand of crude oil and the oil price fluctuation. However, the Group remains optimistic in the oil industry, with the target of extending the drilling activities in the region to further improve production level in the upcoming year. In addition, the Group is exploring the possibility to negotiate with the project partners to improve the co-operation terms, which will bring in significant financial benefit. The Group believes the abovementioned factors, and the implementation of measures on cost reduction and operational efficiency shall increase the return on the assets of the Company.

Furthermore, the Group is actively pursuing other related opportunities within the energy industry to broaden the revenue source to ease the sole reliance on the oil exploration, which include, but without limitation to:

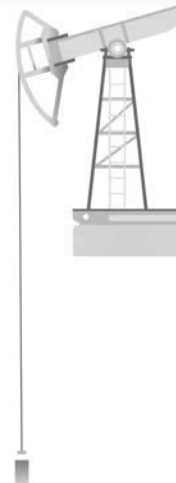
- (1) established a trading company for energy and mining related products during the Year, with the objective of creating a new income stream and improve the Group profit margin. Despite there is no business development since its established, the Group has conducted several feasibility studies and due diligent assessments on the potential opportunities during the Year; and aims to bring in the most appropriate investment to improve the Group performance; and
- (2) actively pursuing oil and gas related storage and logistic projects which shall vertically expand the Group's energy business which will provide the Group a platform in a sustainable fashion in the long run.

- 提升新的石油生產技術，以增加產量。本集團與油田專家合作，分析生產方法，以提高現有和新井的生產力。本集團已向地方當局提出新的生產技術，並已獲得批准。預期本集團將透過新技術獲得額外經濟利益，並進一步改善本集團的財務表現。

儘管全球經濟受中美貿易戰及新型冠狀病毒蔓延的影響，本集團將繼續保持警惕，並密切關注原油需求及石油價格的波動。然而，本集團仍對石油業保持樂觀，目標為擴大區域內的鑽井活動，以於來年進一步提升生產水平。此外，本集團正尋求與項目合作夥伴協商提高合作運營條款的可能性，此舉將帶來重大財務效益。本集團相信上述因素以及採取措施降低成本及提升營運效率將提高對本公司資產的回報。

此外，本集團正積極尋求能源行業的其他相關機遇，以拓寬收益來源，減輕對石油勘探的唯一依賴，包括但不限於：

- (1) 於本年度內成立一家能源及開採相關產品的貿易公司，以開拓新收入來源，提高本集團的利潤率。儘管自其成立起並無業務發展，但本集團已於本年度內進行若干可行性調查並對潛在機會進行審慎盡職評估，旨在引進最為適合的投資，以提升本集團的業績；及
- (2) 積極尋求油氣相關倉儲及物流項目，垂直擴大本集團的能源業務，為本集團提供一個長遠可持續發展的平台。



The Group is also continuing to negotiate with lenders in relation to the extension of existing financial obligations of the Group that will require restructuring. The Group remains positive on the progress and the Group is exploring other initiatives to increase the liquidity of the Group including different financing option.

## **Acknowledgements**

I would like to take this opportunity to express my sincere gratitude to the Directors and the employees for their dedicated and concerted effort, and to our shareholders and all creditors and relevant institutions for their patience and ardent support to the Group.

**Chen Qiang**  
*Chairman*

本集團亦繼續與借款人就要求重組的本集團現有財務責任的延期進行協商。本集團對進展保持樂觀且本集團正探索增加本集團流動資金的其他舉措，包括不同融資選擇。

## **致謝**

借此機會，我對全體董事及員工的團結協作，以及各位股東和所有債權人和相關機構給予我們的耐心和鼎力支持表示衷心感謝！

*主席*  
**陳強**

# MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論與分析





## Business Review

The Group recorded a revenue of approximately RMB47.7 million for the year ended 31 December 2019 (the “Year”), compared to a revenue of approximately RMB49.0 million for the year ended 31 December 2018 (the “Comparative Year”). Profit attributable to the equity holders of the Company was approximately RMB137.3 million for the Year (Comparative Year: Loss RMB138.4 million).

The movement in profit was mainly driven by the Disposal of the loss-making Discontinued Operations and the recognition of net disposal gain.

### Disposal

On 9 October 2018, the Company entered into a conditional sale and purchase agreement (the “Agreement”) to dispose of the Shipbuilding and Engineering Businesses, together with the holding company of the Shipbuilding and Engineering Businesses (referred to as the “Disposal Group”) with an independent third party, Unique Orient Limited (the “Purchaser”). The Disposal constituted a very substantial disposal for the Company under the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong (the “Listing Rules”). An extraordinary general meeting of the Company was held on 13 December 2018 in which the Disposal was approved by the shareholders.

The Shipbuilding and Engineering Businesses were classified as Discontinued Operations and their underlying assets and liabilities were classified as ‘Assets classified as held for sale’ and ‘Liabilities directly associated with assets classified as held for sale’ respectively in accordance with International Financial Reporting Standard 5, as at 31 December 2018.

The Company signed the second supplemental agreement on 3 March 2019 regarding the Disposal, pursuant to which (1) the transfer of sale share of Able Diligent Limited, the holding company of the Disposal Group, to the Purchaser shall take place on or before 31 March 2019; (2) the Purchaser agreed to procure the release or discharge of the relevant guarantees provided by the Company in respect of the borrowings owed by the Disposal Group (the “Relevant Guarantees”); and (3) the Purchaser agreed to execute a share charge over the sale share in favour of the Company.

## 財務回顧

於截至二零一九年十二月三十一日止年度(「本年度」)，本集團錄得收益約人民幣47.7百萬元，而截至二零一八年十二月三十一日止年度(「可比年度」)的收益約為人民幣49.0百萬元。本年度，本公司權益持有人應佔利潤約為人民幣137.3百萬元(可比年度：虧損人民幣138.4百萬元)。

利潤變動主要歸因於虧損的已終止業務的出售事項及確認出售收益淨額。

### 出售事項

於二零一八年十月九日，本公司已與獨立第三方東唯有限公司(「買方」)訂立有條件買賣協議(「協議」)，以出售造船及工程業務，連同造船及工程業務之控股公司(統稱為「出售集團」)。根據香港聯合交易所有限公司證券上市規則(「上市規則」)，出售事項構成本公司非常重大的出售事項。本公司於二零一八年十二月十三日舉行股東特別大會，其中出售事項已獲股東批准。

根據國際財務報告準則第5號，截至二零一八年十二月三十一日，造船和工程業務已歸類為已終止業務，其相關資產及負債已分別歸類為「分類為持作出售的資產」及「與分類為持作出售資產直接相關的負債」。

本公司於二零一九年三月三日就出售事項簽訂第二份補充協議，據此(1)出售集團之控股公司Able Diligent Limited於二零一九年三月三十一日或之前向買方轉讓銷售股份；(2)買方同意促成免除或解除本公司就出售集團借款所提供的相關擔保(「相關擔保」)；及(3)買方同意以本公司為受益人就銷售股份訂立股份質押。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

The Disposal was completed on 10 March 2019 (the “**Disposal Day**”) when the sale share of Able Diligent Limited (the “**Sale Share**”) was transferred to the Purchaser. All the assets and liabilities associated to the Disposal were derecognised on the Disposal Day. The Company signed the third and fourth supplemental agreements on 29 August 2019 and 30 October 2019, respectively. According to the latest supplemental agreements, the Purchaser will procure the discharge or release the Relevant Guarantees and complete the relevant registration before 31 December 2020. As at 31 December 2019 and the date of this announcement, a number of the guarantees provided by the Company to the Disposal Group in respect of bank and other borrowings, inclusive of principals and interest, were still in the process of being discharged or released. In consideration of such guarantees, the Group recognised a provision for the financial guarantee contracts of RMB6,408.0 million as at Disposal Day which will be released upon the releasing or discharging of these guarantees. Details of the Disposal were disclosed in note 18 of the financial statements, and the announcements of the Company dated 9 October 2018, 15 November 2018, 25 December 2018, 4 March 2019 and 11 March 2019 and the circular of the Company dated 23 November 2018. A net disposal gains of RMB916.0 million was recognised in the profit and loss of the Year. Since the Disposal Day, the Company has discharged certain part of the Relevant Guarantees and recognised a gain of RMB13.3 million in the Year.

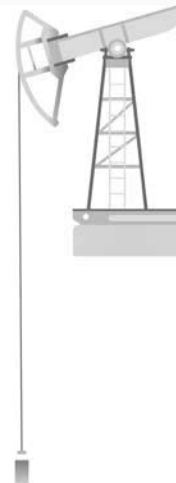
The Group and the Purchaser have been working closely to procure the release or discharge of all remaining Relevant Guarantees in full and it was agreed that all debts owing by the Disposal Group will be assigned to the Purchaser when the Relevant Guarantees have been released or discharged in full and the relevant registration have been completed.

Subsequent to the completion of the Disposal, management has devoted significant effort and resources into the Energy Business, especially on the operational review and strategic planning, with the ultimate goal to improve business return and develop sustainable growth in long term aspect. The Group’s management has reviewed capital expenditure tendering process of the Energy Business with the aim to further optimise development costs. The Group’s management has also been seeking opportunities to enhance the new oil production technique to increase production volume. The Group’s management believe such continuous involvement and strategic review shall improve the Group overall financial

出售事項已於二零一九年三月十日(「**出售日**」)完成，Able Diligent Limited之銷售股份(「**銷售股份**」)已轉讓予買方。與出售事項有關的所有資產及負債均於出售日終止確認。本公司分別於二零一九年八月二十九日及二零一九年十月三十日訂立第三份及第四份補充協議。根據最新補充協議，買方將促成解除或免除相關擔保，並於二零二零年十二月三十一日前完成相關登記。於二零一九年十二月三十一日及本公告日期，本公司就銀行及其他借款向出售集團提供的若干擔保(包括本金及利息)仍在解除或免除過程中。作為該等擔保的代價，本集團確認於出售日的財務擔保合約人民幣6,408.0百萬元之撥備將於免除或解除該等擔保後解除。出售事項的詳情披露於財務報表附註18、本公司日期分別為二零一八年十月九日、二零一八年十一月十五日、二零一八年十二月二十五日、二零一九年三月四日及二零一九年三月十一日之公告以及本公司日期為二零一八年十一月二十三日之通函。出售收益淨額人民幣916.0百萬元已於本年度損益內確認。自出售日起，本公司已解除相關擔保的若干部分，並於本年度確認收益人民幣13.3百萬元。

本集團及買方一直就促使免除或解除所有餘下的相關擔保緊密合作及同意當相關擔保完全免除或解除及相關注冊手續完成時，出售集團之所有債務將由買方承擔。

出售事項完成後，管理層已投入大量精力及資源於能源業務，特別是在營運檢討及戰略規劃方面，最終目標是改善業務回報並實現長期可持續增長。本集團管理層已檢討能源業務的資本開支招標程序，以期進一步優化發展成本。本集團管理層亦不斷尋覓機會提升新的石油生產技術以增加產量。本集團管理層相信，持續投入及戰略檢討將有助改



performance. During the Year, the capital expenditures on new well drilling and exploration in the Energy Business has been delayed due to the fact that the release or discharge of the Relevant Guarantees were not completed as originally expected. However, the Board is confident that the Relevant Guarantees will be released or discharged throughout 2020 and financing will be available for the Energy Business once the legacy financial burden is lifted.

The Board believes that the Group's business will continue to expand and generate greater value to our shareholders.

### Debt Restructuring

Together with the Disposal, the Group has also conducted and executed a series of debt restructuring arrangements with an aim to ease the financial burden of the Group during the Year. The lenders in general have been supportive to the Group and we expect to conclude the process with all lenders within the coming year.

#### (a) Conversion of certain convertible bonds

With the continuous negotiations with the convertible bondholders, the convertible bonds with an aggregate principal amount of approximately HKD327.1 million (equivalent to approximately RMB284.5 million) have been converted into ordinary shares during the Year. It represented approximately 39.0% of the total principal amount of all convertible bonds amounting to approximately HKD838.4 million (equivalent to approximately RMB736.4 million) as at 31 December 2018.

All convertible bonds of the Company expired by 30 November 2019. The Company has been negotiating with the convertible bondholders on the repayment options and expects that more repayments of the outstanding balance will take place from time to time. Up to the date of this announcement, the principal amount of HKD476.4 million remained outstanding. Neither did the bondholders exercise any conversion rights attaching to the Convertible Bonds, nor did the Company redeem any part of the Convertible Bonds since the expiry date.

善本集團的整體財務業績。於本年度，由於未能如期完成免除或解除相關擔保，能源業務中新井鑽探及勘探的資本支出被延遲。然而，董事會相信相關擔保將於二零二零年免除或解除，一旦緩解財務負擔，即可為能源業務帶來融資機會。

董事會相信，本集團的業務將繼續擴大，並為我們的股東創造更大的價值。

### 債務重組

進行出售事項的同時，本集團亦已於本年度進行及執行一系列債務重組安排，旨在減輕本集團的財務負擔。總體而言，貸款人對本集團表示支持，我們希望在未來一年內與所有貸款人一起完成債務重組。

#### (a) 轉換若干可換股債券

基於與可換股債券持有人的持續磋商，於本年度，本金總額約為327.1百萬港元(相等於約人民幣284.5百萬元)的可換股債券已轉換為普通股，佔二零一八年十二月三十一日的所有可換股債券本金總額約838.4百萬港元(相等於約人民幣736.4百萬元)約39.0%。

本公司所有可換股債券於二零一九年十一月三十日到期。本公司一直與可換股債券持有人就還款選擇權進行磋商，預計將不時償還更多尚未償還之結餘。截至本公告日期，本公司仍未償還之本金為476.4百萬港元。自到期日起，債券持有人並未行使可換股債券所附的任何轉換權，且本公司並未贖回可換股債券的任何部分。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

As at the date of this announcement, the Company received no notice of event of default from the bondholders demanding immediate repayment, nor notice of exercise of the Convertible Bonds. The Company is in discussion with the bondholders as to the renewal and refinance of the convertible bonds and the bondholders have expressed their willingness to further negotiate with the Company in this regard.

#### *(b) Repayment of bank loan*

The Group has proceeded with repayment of the principal and interest payable of a secured bank loan amounting to approximately RMB144.5 million (USD20.9 million) during the Year. The outstanding principal and interest payable was therefore reduced to approximately RMB461.2 million. The Group has proceeded further payment of approximately RMB83.6 million (USD12.0 million) as of the date of this announcement. The Group intended to settle the remaining outstanding balance within the year of 2020.

#### *(c) Extension of maturity date of promissory notes*

The Group is also in the process of extending the terms with certain promissory note holders with an aggregate principal amount of approximately HKD2,394.6 million (equivalent to approximately RMB2,140.3 million).

These aforesaid debt-restructuring actions are devised to align with the Disposal and to improve the overall financial position of the Group. The Group expects that the completion of the discharged of Relevant Guarantees shall have a positive impact on the extension of maturity date of promissory notes.

### Obtaining Financial Resources

To further improve the Group's financing position for its future development, the Group has continued to utilise certain financing arrangements during the Year, mainly being the US Dollar facility entered with a substantial shareholder in 2018. This US Dollar facility has a total amount of USD250.0 million. It is an interest-free and unsecured facility with a maturity of two years. Up to the date of this announcement, the Company had utilised approximately USD96.2 million, mainly for the oilfield development, repayment of remaining debts and general working capital.

於本公告日期，本公司尚未收到債券持有人要求立即還款的違約事件通知，亦未收到行使可換股債券的通知。本公司正與債券持有人就可換股債券的續期及再融資進行磋商，且債券持有人表示願意就此與本公司進一步磋商。

#### *(b) 償還銀行貸款*

本年度，本集團已償還有抵押銀行貸款的應付本金及利息約人民幣144.5百萬元(20.9百萬美元)。未償還的應付本金及利息因此減至約人民幣461.2百萬元。於本公告日期，本集團進一步償還約人民幣83.6百萬元(12.0百萬美元)。本集團擬於二零二零年內償清剩餘未償還銀行貸款。

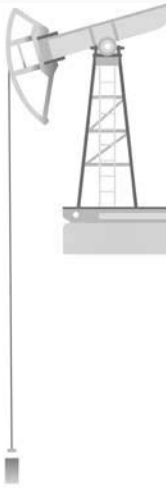
#### *(c) 延長承兌票據到期日*

本集團亦正與本金總額約為2,394.6百萬港元(相等於約人民幣2,140.3百萬元)之若干承兌票據持有人續期。

上述債務重組措施之目標為改善本集團的整體財務狀況，與出售事項的目標一致。本集團預期完成解除相關擔保將為承兌票據的延期帶來正面影響。

### 獲取財政資源

為進一步改善本集團就其未來發展之融資情況，本集團於本年度繼續動用若干融資安排，主要為於二零一八年與一位主要股東訂立之美元融資。該美元融資總額為250.0百萬美元，為免息無抵押，為期兩年。截至本公告日期止，本公司已動用約96.2百萬美元用於油田開發、償還剩餘債務及一般營運資金。



The Group has also entered a new borrowing facility with a third party and drawn down RMB46.7 million (USD6.7 million) during the Year. The borrowing is attached with a market comparable interest rate and matures in December 2020. This loan facility has been utilised for the Group's working capital and repayment of the bank loan.

### Energy Exploration and Production

The Group acquired 60% interest in the project involving five oilfields zones located in the Fergana Valley of the Republic of Kyrgyzstan (the "Kyrgyzstan Project"), which marked a breakthrough of the Group into the energy exploration and production industry in 2014.

Under the agreements entered into with the national oil company of Kyrgyzstan, Кыргызжернефтегаз ("Kyrgyzjer Neftegaz" Limited Liability Company), a subsidiary of the Company was granted rights to cooperate with the national oil company of Kyrgyzstan in the operation of the five oilfields zones, namely, Maili-Su IV, Eastern Izbaskent, Izbaskent, Changyrtash and Chigirchik. The first three oilfields zones are located at the north eastern part of the Fergana Valley while the latter two are located at the South eastern part of Fergana Valley. The total area covered by these five fields is approximately 545 square kilometres.

For the Year, the Kyrgyzstan Project recorded sales of 149,314 barrels (bbl) (for the Comparative Year: 163,728 bbl) of light crude oil. Revenue from the Energy Business was approximately RMB47.7 million for the Year decreased by approximately 2.7% from RMB49.0 million for the Comparative Year.

The decline of revenue in 2019 were driven by decrease in sales volume, offset by an increment in the average crude oil price in 2019. The Group is currently undergoing and implementing a new oil well development method which had been proved to improve and achieve a better production efficient on the oil well-drilling operation.

On the exploration front, the Group has drilled a total of 76 wells across the five oilfields zones, including 54 in exploration, and 22 currently being construction-in-progress. The Group has also held a number of appraisal wells for exploration and development.

本集團亦與第三方訂立新的借款安排，並於本年度提取人民幣46.7百萬元(6.7百萬美元)。該借款附帶市場可比利率，於二零二零年十二月到期。本集團已動用該貸款融資，用於本集團營運資金及償還銀行貸款。

### 能源勘探及生產

本集團收購位於吉爾吉斯共和國費爾幹納盆地五個油田區塊之項目(「吉爾吉斯項目」) 60%權益，標誌著本集團於二零一四年於能源勘探及生產行業的突破。

根據與吉爾吉斯國家石油公司簽訂的協議，本公司附屬公司 Кыргызжернефтегаз (吉爾吉斯大陸油氣有限公司\*)獲授與吉爾吉斯國家石油公司合作經營五個油田區塊的權利，即馬里蘇IV、東伊思巴克特、伊思巴克特、羌格爾塔什及奇克爾奇克。前三個油田區塊位於費爾幹納盆地東北部，其餘兩個油田區塊位於盆地東南部。該等五個油田區塊總覆蓋面積約達545平方公里。

於本年度內，吉爾吉斯項目錄得銷售輕質原油149,314桶(於可比年度：163,728桶)。能源業務於本年度內錄得收益約人民幣47.7百萬元，較可比年度人民幣49.0百萬元減少約2.7%。

二零一九年收益下跌乃由於銷量減少，惟被二零一九年平均原油價格上漲所抵銷。本集團目前正在採用及實行新的油井開發方法，經證實可改善油田鑽井作業並提高生產效率。

在勘探方面，本集團於五個油田區塊合共鑽井76口，包括54口正在勘探中及22口正在建設中。本集團亦擁有多個用於勘探及開發的評價井。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

The Group has been making continuous endeavours to implement its plan to accelerate the development of upstream and downstream energy exploration and production business, and to increase the production volume through various means to cope with the movements of oil price. This plan includes well-drilling operations and the construction of oil-production-related amenities to improve its operation efficiency and enhanced its production capacity. The Group's exploration strategy remains focused on proven reserves within the existing blocks, in hope of substantial breakthroughs.

On 1 March 2020, a new director, Mr. Niu Jianmin, was appointed as executive director to the board of the Company. Mr. Niu Jianmin has over 30 years of experience in oil and energy industry. He will be playing a leading role in the expansion and development of the Energy Business of the Group.

#### Proved and Probable Oil Reserve and Estimates

A competent person's report was prepared in September 2018 in accordance with Petroleum Resources Management System (PRMS) to estimate the oil resources and reserves as of 30 June 2018. The following table sets out the revised estimates of the Group's reserves as at 31 December 2019 by using the abovementioned report as the basis:

<i>Unit: million tonnes</i> 單位：百萬噸		Proved 證實	Proved plus probable 證實加概略
Maili-Su IV	馬里蘇IV	13.6	18.17
East Izbaskent	東伊斯巴卡特	5.10	8.15
Izbaskent	伊斯巴卡特	4.95	5.04
Total reserves as at 30 June 2018 (the basis date)	截至二零一八年六月三十日之 總儲量(基準日期)	23.65	31.36
Less: production during second half of 2018	減：二零一八年下半年之產量	0.02	0.02
Total estimated reserves as at 31 December 2018	截至二零一八年十二月三十一 日之總估計儲量	23.63	31.34
Less: production during 2019	減：二零一九年之產量	0.04	0.04
Total estimated reserves as at 31 December 2019	截至二零一九年十二月三十一 日之總估計儲量	23.59	31.30

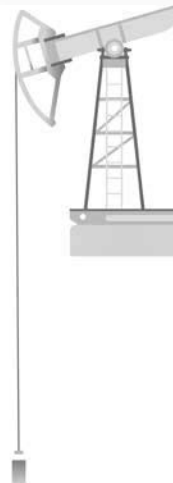
本集團一直努力實施其加快上下游能源勘探及生產業務發展的計劃，通過各種措施增加產量以應對油價變動。該計劃包括鑽井作業和石油生產相關設施建設，以提高其運作效率和生產能力。本集團的勘探策略仍專注於現有區塊內的已探明儲量，以期取得重大突破。

於二零二零年三月一日，新董事牛建民先生獲委任為本公司董事會執行董事。牛建民先生於石油及能源行業擁有逾三十年的經驗。彼將於本集團能源業務的擴展及發展中發揮領導作用。

#### 經證實加概略之石油儲量和估算

於二零一八年九月，根據以石油資源管理制度(PRMS)編製的合資格人士報告，對截至二零一八年六月三十日的石油資源及儲量進行了估算。下表載列截至二零一九年十二月三十一日本集團基於上述報告之經修訂儲量估算：





## Discontinued Operations

During the Year, the Disposal Group contributed a loss of RMB443.1 million (for the Comparative Year: RMB2,466.5 million).

The loss was largely attributable to finance cost, and the net losses decreased by approximately 63.4% from the Comparative Year. Whilst the Disposal Group was disposed of on the Disposal Day, the consolidated statements of comprehensive income only included the Disposal Group to that date.

## Financial Review

The Group's operating results for the Year were primarily contributed by the Company and its subsidiaries engaged in the energy exploration and production. As a result of adopting International Financial Reporting Standard 5, the results of the Disposal Group for the Year were included under the Discontinued Operations.

## Revenue

For the Year, the Group recorded a revenue of approximately RMB47.7 million (for the Comparative Year: approximately RMB49.0 million), representing a year-on-year decrease of approximately 2.7%. The revenues are derived from the sales of crude oil produced from the Kyrgyzstan Project. The Group has proceeded sales of 149,314 barrels (bbl) during 2019 (for the Comparative Year: 163,728 bbl), with the average price per tonne of crude oil was approximately USD331 in the Year compared to approximately USD317 in the Comparative Year. The decline in sales volume was offset by the rise in oil price.

## Cost of Sales

For the Year, while the Group's cost of sales remained steady at approximately RMB34.7 million (for the Comparative Year: RMB34.0 million), the cost per barrel has been increased due to the decline in oil production.

## Gross Profit

Gross profit from the Group for the Year was approximately RMB13.1 million compared to gross profit of approximately RMB14.9 million for the Comparative Year. The increased in oil price of approximately 4.4% was offset by the increase in cost of production of approximately 11.8%.

## 已終止業務

於本年度內，出售集團錄得虧損人民幣443.1百萬元(於可比年度：人民幣2,466.5百萬元)。

虧損主要來自融資成本，而虧損淨額較可比年度減少約63.4%。出售集團於出售日出售，而綜合全面收益表僅包括截至該日止之出售集團。

## 財務回顧

本年度，本集團之經營業績主要來自本公司及其附屬公司從事能源勘探及生產。由於採納國際財務報告準則第5號，故於年內出售集團的業績已列入已終止業務。

## 收益

於本年度內，本集團錄得收益約人民幣47.7百萬元(於可比年度：約人民幣49.0百萬元)，年度同比減少約2.7%。收益來自吉爾吉斯項目生產的原油銷售。本集團於二零一九年的銷量為149,314桶(於可比年度：163,728桶)，於年內每噸原油之平均價約為331美元，而於可比年度約為317美元。銷量下降被油價上漲所抵銷。

## 銷售成本

於本年度內，本集團的銷售成本穩定維持在約人民幣34.7百萬元(於可比年度：人民幣34.0百萬元)，而每桶成本因石油產量下降而增加。

## 毛利潤

於本年度內，本集團的毛利潤約為人民幣13.1百萬元，而於可比年度的毛利潤約為人民幣14.9百萬元。油價上升約4.4%被生產成本上升約11.8%所抵銷。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### Selling and Marketing Expenses

For the Year, the Group's distribution cost decreased by approximately 14.3% to RMB2.4 million (for the Comparative Year: RMB2.8 million), which was in line with the decrease in sales volume during the Year.

#### General and Administrative Expenses

For the Year, the Group's general and administrative expenses decreased by approximately 21.2% to RMB 43.1 million (for the Comparative Year: RMB54.7 million). The Group has implemented a number of cost control measures to minimise expenses.

#### Other Gains/(Losses) – Net

For the Year, the Group's other losses – net was RMB0.1 million (for the Comparative Year: gains RMB621.8 million), and the reduction was mainly due to lower foreign currency exchange fluctuations and the derecognition of derivative instruments in convertible bonds.

#### Finance Costs – Net

The Group's finance income for the Year decreased by approximately 26.8% to RMB34.4 million (for the Comparative Year: RMB47.0 million), which was mainly due to the unwinding of imputed interest of interest-free loan which was classified as an expense in the Year.

Finance costs for the Year decreased by approximately 26.6% to RMB356.8 million (for the Comparative Year: RMB486.4 million), and the reduction was mainly attributed by the decrease in net foreign exchange losses from financing activities for the Year.

#### Total Comprehensive Income/(Loss) for the Year

During the Year, the Group recorded total comprehensive income of approximately RMB134.9 million (for the Comparative Year: Loss RMB195.7 million), of which total comprehensive income attributable to the equity holders of the Company was approximately RMB160.3 million (for the Comparative Year: loss RMB74.5 million). The improvement on profit attributable to the equity holders of the Company was mainly driven by the recognition of the net disposal gain from the Disposal.

#### 銷售及市場推廣開支

於本年度內，本集團的分銷成本減少約14.3%至人民幣2.4百萬元(於可比年度：人民幣2.8百萬元)，與本年度銷量減少一致。

#### 一般及行政開支

於本年度內，本集團的一般及行政開支減少約21.2%至人民幣43.1百萬元(於可比年度：人民幣54.7百萬元)。本集團已實施多項成本控制措施，以盡力減小開支。

#### 其他收益／(虧損)－淨額

於本年度內，本集團的其他虧損－淨額為人民幣0.1百萬元(於可比年度：收益人民幣621.8百萬元)，主要是由於外匯匯率波動較小及終止確認可換股債券之衍生工具所致。

#### 融資成本－淨額

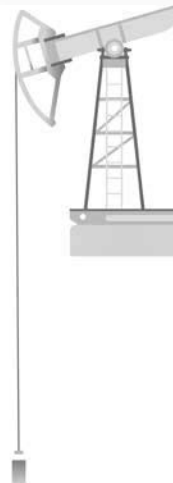
於本年度內，本集團的融資收益減少約26.8%至人民幣34.4百萬元(於可比年度：約人民幣47.0百萬元)，主要是由於解除無息貸款應計利息(於本年度分類為開支)所致。

於本年度內，融資成本減少約26.6%至人民幣356.8百萬元(於可比年度：人民幣486.4百萬元)，主要是由於年內融資活動外匯虧損淨額減少所致。

#### 本期間全面收益／(虧損)總額

於本年度內，本集團錄得全面收益總額約人民幣134.9百萬元(於可比年度：虧損人民幣195.7百萬元)，其中本公司權益持有人應佔全面收益總額約為人民幣160.3百萬元(於可比年度：虧損人民幣74.5百萬元)。本公司權益持有人應佔利潤改善主要由確認出售事項之出售收益淨額所帶動。





### Discontinued Operations – Disposal Group

The turnover for the Discontinued Operations decreased by 76.5% to approximately RMB15.3 million in the Year (for the Comparative Year: revenue of RMB65.2 million), and the total comprehensive loss was reduced to approximately RMB440.5 million (for the Comparative Year: loss of RMB2,483.2 million). The majority of the losses are attributable to the incurrance of administrative expenses approximately of RMB349.9 million (for the Comparative Year: RMB700.0 million) and finance costs – net approximately of RMB412.9 million (for the Comparative Year: RMB1,643.1 million).

### Liquidity and Going Concern

The Group recorded a net profit of RMB112.1 million (2018: net loss of RMB259.5 million) and had an operating cash outflow of RMB43.0 million (2018: outflow of RMB201.0 million) during the year ended 31 December 2019. As at 31 December 2019, the Group had a deficit of RMB8,563.3 million (2018: RMB9,630.1 million) and the Group's current liabilities exceeded its current assets by RMB9,911.5 million (2018: RMB11,326.2 million). The Group maintained cash and cash equivalents of RMB42.9 million (2018: RMB9.3 million) as at 31 December 2019.

As at 31 December 2019, borrowings of the Group, amounted to RMB3,594.5 million, out of which RMB2,564.3 million were overdue. As at 31 December 2019, overdue interest payables of the amounted to RMB322.4 million. Certain borrowings of the Group contain cross-default terms, causing Borrowings of the Group of RMB37.3 million at 31 December 2019 to become immediately repayable.

A series of plans and measures have been taken to mitigate liquidity pressure and to improve the financial position of the Group. In order to enhance the liquidity and financial position of the Group, the Group has reduced its borrowings by issuing shares of the Company to satisfy certain of the Group's outstanding debts during the Year. Upon the completion of the disposal of the shipbuilding and engineering business, it will enable the Group to ease its debt burden immediately and to enhance the flexibility of fund utilisation.

### 已終止業務 – 出售集團

已終止業務的營業額於本年度內減少76.5%至約人民幣15.3百萬元(於可比年度: 收益人民幣65.2百萬元), 全面虧損總額減少至約人民幣440.5百萬元(於可比年度: 虧損人民幣2,483.2百萬元)。大部分虧損是由於產生行政開支約人民幣349.9百萬元(於可比年度: 人民幣700.0百萬元)及融資成本淨額約人民幣412.9百萬元(於可比年度: 人民幣1,643.1百萬元)。

### 流動資金及可持續經營

截至二零一九年十二月三十一日止年度, 本集團錄得淨利潤人民幣112.1百萬元(二零一八年: 淨虧損人民幣259.5百萬元)及經營現金流出人民幣43.0百萬元(二零一八年: 流出人民幣201.0百萬元)。於二零一九年十二月三十一日, 本集團虧絀為人民幣8,563.3百萬元(二零一八年: 人民幣9,630.1百萬元), 且本集團的流動負債超過其流動資產人民幣9,911.5百萬元(二零一八年: 人民幣11,326.2百萬元)。於二零一九年十二月三十一日, 本集團維持現金及現金等價物人民幣42.9百萬元(二零一八年: 人民幣9.3百萬元)。

於二零一九年十二月三十一日, 本集團借款為人民幣3,594.5百萬元, 當中人民幣2,564.3百萬元已逾期。於二零一九年十二月三十一日, 逾期應付利息為人民幣322.4百萬元。本集團的若干借款含交叉違約條款, 導致本集團借款人民幣37.3百萬元須於二零一九年十二月三十一日立即償還。

我們已採取一系列計劃及措施減輕流動資金壓力, 改善本集團財務狀況。為提升本集團的流動資金及財務狀況, 本集團於本年度已透過發行本公司股份減少其借款以償付本集團若干未償還債務。完成出售造船及工程業務後, 本集團將即時減輕其債務負擔及提升資金使用的靈活性。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

Details regarding uncertainties on the going concern of the Group and the respective plans and measures are set out in the section headed "Going Concern Basis" in Note 2.1(b) to the notes to the consolidated financial statements.

#### Borrowings

The Group's short-term borrowings decreased by RMB228.4 million from RMB2,885.8 million as at 31 December 2018 to RMB2,657.4 million as at 31 December 2019, and the Group long-term borrowings increased by RMB182.5 million from RMB754.6 million as at 31 December 2018 to RMB937.1 million as at 31 December 2019.

As at 31 December 2019, our total borrowings were RMB3,594.5 million (as at 31 December 2018: RMB3,640.4 million), of which RMB28.6 million (approximately 0.8%) was denominated in RMB (as at 31 December 2018: RMB28.1 million (approximately 0.8%)) and the remaining RMB3,565.9 million (approximately 99.2%) was denominated in other currencies such as USD and HKD (as at 31 December 2018: RMB3,612.3 million (approximately 99.2%)). Approximately 87.2% of the borrowings bear interests at fixed rate (as at 31 December 2018: approximately 83.5%).

#### Significant Investments

Save as disclosed in this announcement, the Group did not have any significant investments during the Year.

#### Material Acquisition and Disposal of Subsidiaries

Other than the disposal of Shipbuilding and Engineering Businesses, the Group did not undertake any material acquisition or disposal of investments during the Year.

#### Future Plans for Material Investments and Capital Assets

As at 31 December 2019, the Group did not have other plans for material investments and capital assets.

#### Foreign Exchange Risks

The Group incurred net foreign exchange loss of approximately RMB52.5 million (for the Comparative Year: gain of RMB407.1 million) due to the depreciation of RMB against USD and HKD during the Year, which resulted in exchange loss on certain USD-denominated and HKD-denominated liabilities, such as trade and other payables and borrowings of the Group.

有關本集團可持續經營的不確定性及相關計劃與措施的詳情，載列於綜合財務報表附註之附註2.1(b)「持續經營基準」一節。

#### 借款

本集團的短期借款從二零一八年十二月三十一日的人民幣2,885.8百萬元減少人民幣228.4百萬元至二零一九年十二月三十一日的人民幣2,657.4百萬元，及本集團的長期借款從二零一八年十二月三十一日的人民幣754.6百萬元增加人民幣182.5百萬元至於二零一九年十二月三十一日的人民幣937.1百萬元。

於二零一九年十二月三十一日，我們的借款總額為人民幣3,594.5百萬元（於二零一八年十二月三十一日：人民幣3,640.4百萬元），其中人民幣28.6百萬元（約0.8%）以人民幣計值（於二零一八年十二月三十一日：人民幣28.1百萬元（約0.8%）），另外人民幣3,565.9百萬元（約99.2%）則以其他貨幣如美元及港元計值（於二零一八年十二月三十一日：人民幣3,612.3百萬元（約99.2%））。約87.2%的借款以固定利率計算利息（於二零一八年十二月三十一日：約83.5%）。

#### 重大投資

除本公告所披露外，本集團於本年度並無任何重大投資。

#### 附屬公司的重大收購及出售

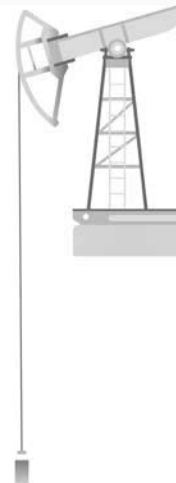
除出售造船及工程業務外，本集團於本年度並無進行任何重大收購或出售投資。

#### 未來重大投資及資本資產計劃

於二零一九年十二月三十一日，本集團並無其他重大投資及資本資產計劃。

#### 外匯風險

於本年度，本集團產生外匯虧損淨額約人民幣52.5百萬元（於可比年度：收益人民幣407.1百萬元），乃由於人民幣兌美元及港元貶值，令本集團應付賬款及其他應付款項及借款等若干以美元及港元計值負債產生匯兌虧損。



### Capital Expenditure

For the Year, our capital expenditure was approximately RMB5.7 million (for the Comparative Year: RMB128.3 million), which was mainly used in the energy exploration and production segment.

### Gearing Ratio

Our gearing ratio (measured by total borrowings divided by the sum of total borrowings and total deficit) decreased from approximately 198.8% as at 31 December 2018 to approximately 72.3% as at 31 December 2019. Contributed by the profit of approximately RMB112.1 million for the year ended 31 December 2019, the total deficit was reduced to approximately RMB8,563.3 million as at 31 December 2019 (as at 31 December 2018: RMB9,630.1 million).

### Contingent Liabilities

As at 31 December 2019, we had contingent liabilities of RMB853.7 million (as at 31 December 2018: RMB7,329.8 million), which was resulted from financial guarantees provided by the Company to Disposal Group.

### Credit Assessment and Risk Management

Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, outstanding trade and other receivables. As at 31 December 2019, the continuing group had cash and cash equivalents of approximately RMB42.9 million (as at 31 December 2018: RMB9.3 million), of which approximately RMB4.2 million (approximately 9.8%) was denominated in RMB and the remaining RMB38.7 million (approximately 90.2%) was denominated in USD, HKD and other currencies. The Group does not use any financial instruments for hedging purposes.

All of the Group's cash and bank balances, short-term and long-term bank deposits were placed with reputable banks which the management believes are of high creditworthiness and without significant credit risk.

The Group carries out customer credit checks prior to entering into sales contract with customers. The Group offers credit lines after evaluating the customer's credit profiles, financial conditions, past experiences and other factors.

### 資本開支

於本年度，我們的資本開支約人民幣5.7百萬元(於可比年度：人民幣128.3百萬元)，主要用於能源勘探及生產板塊。

### 資本負債比率

我們的資本負債比率(根據總借款除以總借款與總虧絀之和計算)從二零一八年十二月三十一日的約198.8%減至二零一九年十二月三十一日的約72.3%。受截至二零一九年十二月三十一日止年度利潤約人民幣112.1百萬元影響，於二零一九年十二月三十一日的總虧絀減少至約為人民幣8,563.3百萬元(於二零一八年十二月三十一日：人民幣9,630.1百萬元)。

### 或然負債

於二零一九年十二月三十一日，我們有或然負債人民幣853.7百萬元(於二零一八年十二月三十一日：人民幣7,329.8百萬元)，此乃由於本公司向出售集團提供財務擔保所致。

### 信貸評估及風險管理

信貸風險乃按集團基準管理。信貸風險來自現金及現金等價物、未償還應收賬款及其他應收款項。於二零一九年十二月三十一日，持續集團的現金及現金等價物約為人民幣42.9百萬元(於二零一八年十二月三十一日：人民幣9.3百萬元)，其中約人民幣4.2百萬元(約9.8%)以人民幣計值，另外餘下人民幣38.7百萬元(約90.2%)以美元、港元及其他貨幣計值。本集團並無使用任何金融工具作對沖用途。

本集團所有現金及銀行結餘、短期及長期銀行存款均存置於有良好信譽的銀行，管理層認為該等銀行具有高信貸資質且無重大信貸風險。

本集團與客戶訂立銷售合約前審核客戶信貸狀況。本集團會先評估客戶信用資質，計及其財務狀況、過往經驗及其他因素，然後授予信貸限額。

## MANAGEMENT DISCUSSION AND ANALYSIS

### 管理層討論與分析

#### Human Resources

As at 31 December 2019, the Group had approximately 93 employees (as at 31 December 2018: approximately 470 employees). The decrease in the number of employees was mainly in relation to the Disposal and cost control implementation. Total staff costs (including directors' emoluments) for the Group were approximately RMB19.7 million for the Year (for the Comparative Year: approximately RMB19.4 million). The principal elements of remuneration package includes basic salary and other benefits, contribution to pension schemes, discretionary bonus and/or share options granted under an approved share option scheme. Such remuneration should reflect work complexity, time commitment, responsibility and performance with a view of attracting, motivating and retaining high performing individuals.

#### Additional Information On Auditors' Disclaimer Opinion

The Board wishes to draw the attention of the shareholders of the Company (the "Shareholders") to the section headed "Basis for Disclaimer of Opinion" as contained in the Independent Auditor's Report dated 6 May 2020 issued by the Company's auditors, PricewaterhouseCoopers, now contained in pages 83 to 88 of this annual report. On the basis set out therein, our auditors do not express an opinion on the consolidated financial statements of the Group for the year ended 31 December 2019.

As explained in the "Basis for Disclaimer of Opinion", the auditors' disclaimer of opinion was principally caused by the multiple uncertainties relating to going concern and the uncertainty of assets impairment of the energy business. Such uncertainties were not resolved as at 31 December 2019 primarily due to the delayed progression of discharging the Relevant Guarantee.

During the Year, the Group has entered a total of USD250 million loan facilities with a substantial shareholder (note 16), which would be utilised to support the Group operations, including oilfield development and repayment of outstanding debts. As at 31 December 2019, approximately USD83.8 million has been drawn down. The utilisation of such facilities would be mainly used for the energy sector development and debt repayment. Thus the Group will continue to negotiate with the substantial shareholder on the drawdown schedule, and the Group is expecting to proceed further drawdown to support the operations and debt repayment.

#### 人力資源

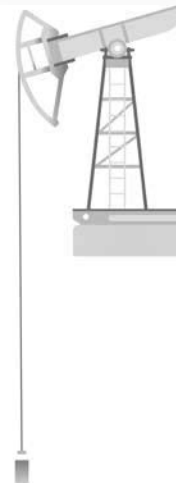
於二零一九年十二月三十一日，本集團的員工合共約93名(於二零一八年十二月三十一日：約470名)。僱員人數減少主要與出售事項及實施成本控制有關。於本年度，本集團的總員工成本(包括董事薪酬)約為人民幣19.7百萬元(於可比年度：約人民幣19.4百萬元)。酬金組合的主要項目包括基本薪金及其他福利、退休金計劃供款、酌情花紅及／或根據已獲批准的購股權計劃授出的購股權。該等酬金應反映個人工作的複雜性、時間的投入、責任和工作表現，以吸引、鼓勵和續聘高績效表現的人才。

#### 有關核數師非無保留意見之其他資料

董事會謹此提請本公司股東(「股東」)垂注本公司核數師羅兵咸永道會計師事務所刊發日期為二零二零年五月六日之獨立核數師報告書(現時載於本年報第83至88頁)所載「導致無法表示意見的基礎」一節。在該節所載之基礎上，核數師不會就本集團截至二零一九年十二月三十一日止年度之綜合財務報表發表意見。

誠如「導致無法表示意見的基礎」中闡釋，核數師之非無保留意見乃主要由於與持續經營相關的多重不確定性以及能源業務相關資產減值之不確定性。該等不確定性於二零一九年十二月三十一日並未解決，主要由於延遲解除相關擔保所致。

於本年度，本集團已透過主要股東(附註16)獲得總額為250百萬美元的貸款融資，其將用以支持本集團營運，包括油田開發投資及償還未償還債務。於二零一九年十二月三十一日，約83.8百萬美元已獲提取。該等融資將主要用於能源領域發展及債務償還。因此，本集團將繼續就提取時間表與主要股東進行磋商，而本集團預期將進一步提取，以支持經營及債務償還。



The Board and audit committee agreed with the views of the management and the auditors regarding the uncertainty of going concern and the uncertainty of impairment of energy sector's asset. There is no disagreement by the Board, the management nor the audit committee with the position taken by the Company's auditors regarding the disclaimer of opinion.

The Directors will continue to use their best efforts to protect and uphold the Company's best interest, including ongoing negotiation with various lenders over the debt restructuring arrangements. The Group Directors and Management are proactively to resolve matters relating to disclaimer of opinion throughout the financial year 2020.

### Event after the Reporting Period

Following the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented globally. Since the COVID-19 outbreak and global negotiation on oil supply, the oil prices have dropped significantly subsequent to year end.

In preparing this set of consolidated financial statements, the Group tested property, plant and equipment and intangible assets for impairment and no provision for impairment was made. In performing this assessment, the Group determined the value-in-use by estimating the present value of future cash flows of the energy exploration and production segment based on the conditions as at 31 December 2019. In the impairment test on property, plant and equipment and intangible assets to be performed in 2020, COVID-19 outbreak and its impact on the present value of estimated future cash flows will be considered. As at 31 December 2019, the carrying values of property, plant and equipment and intangible assets are RMB598,369,000 and RMB1,686,779,000 respectively.

Up to the date on which this set of consolidated financial statements were authorised for issue, the Group is still in the process of assessing the impacts of the COVID-19 outbreak on the Group's performance in 2020 and is currently unable to estimate the quantitative impacts to the Group.

董事會及審核委員會均同意管理層及核數師對持續經營的不確定性及能源領域資產減值的不確定性之意見。董事會、管理層或審核委員會對本公司核數師無法表示意見所採取之立場並無異議。

董事將繼續盡最大努力保障及維護本公司之最佳利益，包括就債務重組安排與多名借款人進行持續磋商。本集團董事及管理層於整個二零二零財政年度積極解決所有與無法表示意見相關的事項。

### 報告期後事項

自二零二零年初爆發二零一九年冠狀病毒（「COVID-19疫情」）以來，全球範圍內已經並繼續實施一系列預防及控制措施。自COVID-19疫情及全球石油供應談判以來，石油價格已由年底之後大幅下降。

編製本套綜合財務報表時，本集團對物業、廠房及設備以及無形資產進行了減值測試，未計提減值撥備。進行評估時，本集團根據截至二零一九年十二月三十一日的情況估計能源勘探及生產板塊的未來現金流量的現值從而釐定其使用價值。將於二零二零年進行的物業、廠房及設備以及無形資產的減值測試中，將計及COVID-19疫情及其對估計未來現金流量現值的影響。於二零一九年十二月三十一日，物業、廠房及設備以及無形資產的賬面值分別為人民幣598,369,000元及人民幣1,686,779,000元。

截至本套未經審核財務報表獲授權刊發之日，本集團仍在評估COVID-19疫情對本集團二零二零年業績的影響，目前尚無法估計其對本集團的量化影響。



# DIRECTORS AND SENIOR MANAGEMENT

## 董事及高級管理層

### Board of Directors

The Board, which oversees the Company's operations through several committees, has ultimate responsibility for the administration of the affairs of the Company. The Board consists of seven Directors, four of whom are executive Directors, and three of whom are independent non-executive Directors.

### Executive Directors

#### Mr. CHEN Qiang (陳強)

Chairman of the Board,  
Executive Director and Chief Executive Officer

Mr. Chen Qiang, aged 58, an executive Director, the Chairman and chief executive officer of the Company. Mr. Chen joined the Group in 2004 and was appointed as an executive Director on 24 October 2010. He was further appointed as the Chairman with effect from 26 November 2012. He is also the chairman of our finance and investment committee, a member of our corporate governance committee and a member of our remuneration committee. He is responsible for overseeing the overall operations of the Group and is a director of a subsidiary of the Company. In 2002, Mr. Chen obtained his doctorate degree in naval architecture and ocean engineering from Harbin Engineering University (哈爾濱工程大學) and an MBA degree from China Europe International Business School (中歐國際工商學院). Mr. Chen obtained a master's degree in professional accounting (EMPAcc) (專業會計碩士) from the Chinese University of Hong Kong and was awarded the CFO Qualifying Certificate from the Shanghai National Accounting Institute (上海國家會計學院) in 2010. He also obtained a bachelor's degree in marine power engineering from Shanghai Jiao Tong University (上海交通大學) in 1982. He also completed the Rongsheng Global Leaders Program of the Wharton School of the University of Pennsylvania in October 2011. Mr. Chen once served as an assistant to the general manager and subsequently a deputy manager of Jiangnan Shipbuilding Group Co., Ltd. (江南造船集團有限公司). He was an executive deputy general manager and subsequently the vice-chairman to the board of directors and general manager of Shanghai Waigaoqiao Shipbuilding Co., Ltd. (上海外高橋造船有限公司), and was one of the founders of the company. Mr. Chen is one of the experts on the national expert database of the PRC and was named as one of the "one hundred entrepreneurial talents" by the Jiangsu provincial government. In 2011, he was also a top-tier chief scientist enrolled in the 4th "333 Talents Cultivation Project" of Jiangsu Province. In 2010, the prestigious Norwegian shipping magazine "TradeWinds" ranked him the 41st among the "100 Most Influential People in Shipping Today". In 2012, Lloyd's List ranked him the 88th

### 董事會

董事會通過若干委員會監督本公司運營，承擔本公司事務管理的最終責任。董事會由七人組成，其中包括四名執行董事及三名獨立非執行董事。

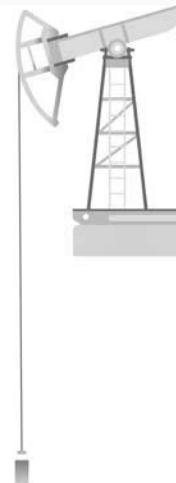
### 執行董事

#### 陳強先生

董事會主席、  
執行董事兼首席執行官

陳強先生，58歲，為本公司執行董事、主席兼首席執行官。陳先生於二零零四年加入本集團，並於二零一零年十月二十四日獲委任為執行董事。彼還於二零一二年十一月二十六日獲委任為董事會主席。彼亦為財務及投資委員會主席、企業管治委員會成員及薪酬委員會成員。彼負責監管本集團整體運營，並為本公司一家附屬公司之董事。陳先生於二零零二年獲哈爾濱工程大學船舶與海洋工程博士學位，及獲中歐國際工商學院工商管理碩士學位。陳先生二零一零年獲香港中文大學專業會計碩士學位，並獲上海國家會計學院頒發財務總監資格證書。彼亦於一九八二年獲上海交通大學船舶動力機械學士學位。彼亦於二零一一年十月完成賓夕法尼亞大學沃頓商學院的熔盛全球領袖課程。陳先生曾先後出任江南造船集團有限公司的總經理助理及副總經理。陳先生曾任上海外高橋造船有限公司的常務副總經理及董事會副主席兼總經理，並為該公司創始人之一。陳先生為中國國家級專家庫人才，亦被江蘇省政府選為「百名創業人才」之一。彼於二零一一年亦獲選為江蘇省第四期「333高層次人才培養」的第一層次首席科學家。於二零一零年，挪威知名船運雜誌「Trade Winds」將其列入「當今船運業最具影響力的百名人物(100 Most Influential People in Shipping Today)」第四十一名。於二零一二年，勞氏海運報將其列入「2012國際航運界最有影響力100人」第八十八名。陳先生享有國務院政府特殊津貼，並曾多次獲得多項國內獎項和獲授多項榮譽，如一九九零年獲國家科學技術進步二

## DIRECTORS AND SENIOR MANAGEMENT 董事及高級管理層



among the "100 Most Influential People in Global Shipping Industry of 2012". Mr. Chen enjoys special government allowances granted by the State Council and has won many domestic awards and has been granted many honorary titles, for example, the State Scientific and Technological Progress Second Class Award (國家科學技術進步二等獎) in 1990. Mr. Chen is a committee member of the Jiangsu Shipbuilding and Offshore Engineering Assessment Panel of Professional Qualification (江蘇省船舶與海洋工程高級專業技術資格評審會).

### **Mr. HONG Liang (洪樑)**

Executive Director and Chief Operating Officer

Mr. Hong Liang, aged 48, is an executive Director and chief operating officer of the Company. Mr. Hong joined the Group in 2006 and was appointed as an executive Director on 24 October 2010. He is a member of our finance and investment committee. He is also a director of certain subsidiaries of the Company. Mr. Hong is primarily responsible for investment and financing, capital as well as cost and budget management. Mr. Hong obtained his bachelor's degree in accounting from Shanghai University (上海大學) in 1994. He obtained the Master of Executive Professional Accountancy (EMPAcc) from Shanghai National Accounting Institute and The Chinese University of Hong Kong in August 2010. He also completed the Rongsheng Global Leaders Program of the Wharton School of the University of Pennsylvania in October 2011. Mr. Hong has 20 years of experience in corporate finance and strategic investment gained from his service at investment banks. Mr. Hong worked at Shenyin and Wanguo Securities (申銀萬國證券公司) as an assistant manager of division two of the Shanghai investment banking department from 1994 to 1997, the deputy general manager of the Shanghai investment banking division of CITIC Securities Limited (中信證券有限責任公司), the general manager of the investment banking division of United Securities Company Limited (聯合證券股份公司) from 1998 to 1999, the deputy manager of the investment banking division of CITIC Securities Limited (中信證券股份公司) from 1999 to 2002, the general manager of the investment and development division of Shanghai Sunglow Investment Co., Ltd. (上海陽光投資集團有限公司) from 2002 to 2004, and the deputy general manager of the strategic investment division of Shanghai Dasheng Holdings Limited (上海大盛資產公司) from 2004 to 2005.

等獎。陳先生為江蘇省船舶與海洋工程高級專業技術資格評審會委員。

### **洪樑先生**

執行董事及首席營運官

洪樑先生，48歲，為本公司的執行董事兼首席營運官。洪先生於二零零六年加入本集團，並於二零一零年十月二十四日獲委任為執行董事。彼亦為財務及投資委員會成員。彼亦為本公司若干附屬公司之董事。洪先生主要負責投融資、資金及成本預算管理。洪先生於一九九四年獲上海大學會計學學士學位，於二零一零年八月獲得上海國家會計學院與香港中文大學的高級財會人員專業會計碩士學位。彼亦於二零一一年十月完成賓夕法尼亞大學沃頓商學院的熔盛全球領袖課程。洪先生曾在投資銀行工作，在企業融資及策略融資方面累積二十年經驗。洪先生曾自一九九四年至一九九七年擔任申銀萬國證券公司上海投資銀行部門第二部副經理、中信證券有限責任公司上海投資銀行部的副總經理、自一九九八年至一九九九年擔任聯合證券股份公司投資銀行部總經理、自一九九九年至二零零二年擔任中信證券股份公司投資銀行部副經理、自二零零二年至二零零四年擔任上海陽光投資集團有限公司投資發展部總經理及自二零零四年至二零零五年擔任上海大盛資產公司策略投資部副總經理。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### **Ms. ZHU Wen Hua (朱文花)**

Executive Director

Ms. Zhu Wen Hua, aged 51, is an executive Director. Ms. Zhu was appointed as an executive Director on 31 December 2013. She is a member of our nomination committee. She has served as vice-chairman of Rongsheng Heavy Industries since May 2015. She served as an assistant supervisor of the supervisory audit department and a supervisor of the bidding control department of Rongsheng Heavy Industries, a subsidiary of the Company, since 2009 and January 2012 respectively. She also has served as an assistant to the president of Rongsheng Heavy Industries since October 2013. Since March 2014, she has served as vice-president of Rongsheng Heavy Industries, as well as head of the cost control department and director of the bidding office. She is also a director of certain subsidiaries of the Company. Ms. Zhu graduated from the Graduate School of the Shanghai University (上海大學研究生部) in May 2010 studying a professional postgraduate course in Management Science & Engineering. She also completed the Rongsheng Global Leaders Program of the Wharton School of the University of Pennsylvania in June 2012.

#### **Mr. NIU Jianmin (牛建民)**

Executive Director

Mr. Niu, aged 53, is currently the president of Кыргыз жер Нөфтө газ (Kyrgyzier Neftegaz Limited Liability Company), an indirect non-wholly owned subsidiary of the Company, since March 2018. Mr. Niu was graduated from the Russian major of Kunlun Vocational College in Xinjiang (新疆昆侖職業大學) in 1991 and graduated from the Russian language and literature of Tashkent Normal University (塔什幹師範大學) in 1995. In 2018, he entered the Kyrgyz Humanities University (吉爾吉斯人文大學) and studied for a master's degree in economic management. Mr. Niu has over 30 years of experience in oil and energy industry. Prior to joining the Company, he served as the deputy general manager of Xinjiang Yaxin International Economic and Trade Co., Ltd. (新疆亞鑫國際經貿股份有限公司) from 1991 to 2002. He was also the general manager of Xinjiang Lishida Aluminum International Trade Co., Ltd. (新疆力士達鋁業國貿公司) from 2002 to 2009. From 2009 to 2018, he was employed in several oil and energy related companies, mainly responsible for acquisition, exploration and development of Kazakhstan oilfield projects.

#### **朱文花女士**

執行董事

朱文花女士，51歲，為執行董事。朱女士於二零一三年十二月三十一日獲委任為執行董事，彼亦為提名委員會成員。彼於二零一五年五月起擔任熔盛重工副董事長。彼曾於二零零九年出任熔盛重工的監察審計部副主任，及於二零一二年一月起擔任熔盛重工招標管控制主任，並於二零一三年十月起擔任熔盛重工的總裁助理。彼於二零一四年三月起擔任熔盛重工副總裁，兼任成本管控制部長及招標辦公室主任。彼亦為本公司若干附屬公司之董事。朱女士於二零一零年五月畢業於中國上海大學研究生部，學習管理科學與工程專業研究生課程。彼亦於二零一二年六月完成賓夕法尼亞大學沃頓商學院的熔盛全球領袖課程。

#### **牛建民先生**

執行董事

牛先生，53歲，於二零一八年三月起擔任本公司間接非全資附屬公司 Кыргыз жер Нөфтө газ (吉爾吉斯大陸油氣有限公司\*)的總裁。牛先生於一九九一年畢業於新疆昆侖職業大學俄語專業，於一九九五年畢業於塔什幹師範大學俄羅斯語言文學，二零一八年進入吉爾吉斯人文大學就讀經濟管理學碩士學位。牛先生於石油及能源行業擁有近三十年的經驗。加入本公司之前，牛先生曾於一九九一年至二零零二年就任新疆亞鑫國際經貿股份有限公司副總經理；於二零零二年至二零零九年任職新疆力士達鋁業國貿公司總經理；自二零零九年至二零一八年分別就任於多個石油及能源相關公司，主要負責哈薩克斯坦油田項目收購及勘探開發。

\*僅供識別





### Independent Non-executive Directors

#### **Mr. WANG Jin Lian (王錦連)**

Independent Non-executive Director

Mr. Wang Jin Lian, aged 74, is an independent non-executive Director. He was appointed as an independent non-executive Director on 31 July 2013. He is the chairman of our corporate governance committee and nomination committee and a member of our audit committee, finance and investment committee and remuneration committee. He was the secretary general of China Association of the National Shipbuilding Industry from May 2006 to August 2015. Mr. Wang has over 40 years of experience in shipbuilding industry. He previously held various senior positions, including deputy director general of the international bureau of China State Shipbuilding Corporation (中國船舶工業總公司), director general of the planning and development department of China State Shipbuilding Corporation (中國船舶工業集團公司), vice chairman of Shanghai Waigaoqiao Shipbuilding Co., Ltd. (上海外高橋造船有限公司) and vice chairman of Hudong Heavy Machinery Co., Ltd. (滬東重機股份有限公司). Mr. Wang holds the senior engineer (researcher level) qualification in China. He graduated from Beijing Institute of Aeronautics (currently named as Beihang University) (北京航空學院, 現為北京航空航天大學) in 1969.

#### **Ms. ZHOU Zhan (周展)**

Independent Non-executive Director

Ms. Zhou Zhan, aged 58, is an independent non-executive Director. She was appointed as an independent non-executive Director on 21 May 2014. She is the chairman of our audit committee and remuneration committee and a member of our finance and investment committee and nomination committee. She is currently a partner at Beijing Promise Certified Public Accountants General Partnership (北京京重信會計師事務所). She participated in founding Sino-Reality Certified Public Accountants (華實會計師事務所) in 1997, where she served as a partner from 1997 to 2013. Ms. Zhou has more than 30 years of experience in auditing, accounting and taxation. Ms. Zhou holds Certified Public Accountant and Certified Public Tax Advisor qualifications in the PRC. She graduated from Zhongnan University of Economics and Law (中南財經政法大學) with a bachelor's degree in economics in 1983.

### 獨立非執行董事

#### **王錦連先生**

獨立非執行董事

王錦連先生，74歲，為獨立非執行董事。彼於二零一三年七月三十一日獲委任為獨立非執行董事。彼為企業管治委員會及提名委員會主席，及審核委員會、財務投資委員會及薪酬委員會成員。彼於二零零六年五月至二零一五年八月擔任中國船舶工業行業協會秘書長。王先生於船舶工業行業方面擁有超過四十年的經驗。彼曾先後擔任中國船舶工業總公司國際事業局副局長、中國船舶工業集團公司發展計劃部主任、上海外高橋造船有限公司副董事長及滬東重機股份有限公司副董事長。王先生在中國擁有高級工程師(研究員級)資格。彼於一九六九年畢業於北京航空學院(現為北京航空航天大學)。

### 周展女士

獨立非執行董事

周展女士，58歲，為獨立非執行董事。彼於二零一四年五月二十一日獲委任為獨立非執行董事。彼為審核委員會及薪酬委員會主席，及財務及投資委員會成員及提名委員會成員。彼現為北京京重信會計師事務所合夥人。彼於一九九七年組建華實會計師事務所，並於一九九七年至二零一三年擔任合夥人。周女士在審計、會計及稅務行業擁有超過三十年的經驗。周女士擁有中國註冊會計師及中國註冊稅務師資格。彼於一九八三年畢業於中南財經政法大學經濟學學士學位。

## DIRECTORS AND SENIOR MANAGEMENT

### 董事及高級管理層

#### **Mr. LAM Cheung Mau (林長茂)**

Independent Non-executive Director

Mr. Lam Cheung Mau, aged 63, is an independent non-executive Director. Mr. Lam was appointed as an independent non-executive Director on 18 November 2015. He is a member of our audit committee and corporate governance committee. Mr. Lam has over 30 years of experience in the auditing and finance. He previously held various positions, as officers in the audit department of Hua Chiao Commercial Bank, in the corporate planning and budgeting division of the finance department of Bank of China (Hong Kong) and was an audit manager of Han's Laser Technology Industry Group Co., Ltd. Mr. Lam graduated in 1982 from the accounting division of Xiamen University (廈門大學) with a bachelor's degree in economics. Mr. Lam is currently an independent non-executive director of China Smarter Energy Group Holdings Limited (a company listed on the Hong Kong Stock Exchange) and a member of its audit committee, remuneration committee and nomination committee.

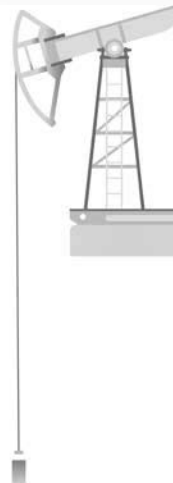
#### **林長茂先生**

獨立非執行董事

林長茂先生，63歲，為獨立非執行董事。林先生於二零一五年十一月十八日獲委任為獨立非執行董事。彼為審核委員會及企業管治委員會成員。林先生於審計及財務行業擁有逾三十年的經驗。林先生先後任職華僑商業銀行稽核(審計)部及中國銀行(香港)財務部企業規劃預算處主任及深圳市大族激光科技股份有限公司審計部經理。林先生於一九八二年於廈門大學會計專業畢業，獲授經濟學學士學位。林先生目前為中國智慧能源集團控股有限公司(一家於香港聯交所上市的公司)的獨立非執行董事，以及其審核委員會、薪酬委員會及提名委員會成員。

# REPORT OF THE DIRECTORS

## 董事會報告



The Directors are pleased to submit this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2019.

## Principal Activities and Analysis of Operations

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 32 on pages 225 to 232 to the financial statements.

Details of the analysis of the Group's turnover and contribution to gross profit for the year, by operating segments, are set out in Note 5 to the consolidated financial statements.

## Business Review

A fair review of the business of the Group as required pursuant to Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), comprising analysis of the Group performance during the year, description of the principal risks and uncertainties facing the Group, particulars of important events affecting the Group that have occurred since the end of the financial year 2019 as well as indication of likely future development in the business of the Group are set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Corporate Governance Report" contained in this annual report.

The financial risk management objectives and policies of the Group are set out in Note 3 to the consolidated financial statements. An analysis of the Group's performance using financial key performance indicators is shown in the section headed "Five-Year Financial Summary" of this annual report.

## Results

The results of the Group for the year ended 31 December 2019 are set out in the consolidated statement of comprehensive income on pages 91 to 93 of this annual report.

## Dividend Policy and Dividends

The Directors did not recommend the payment of a final dividend for the year ended 31 December 2019 (2018: Nil).

董事欣然呈報本報告連同本集團截至二零一九年十二月三十一日止年度的經審核綜合財務報表。

## 主要業務及營運分析

本公司的主要業務為投資控股。其主要附屬公司的業務載於財務報表第225頁至第232頁附註32。

本集團按經營板塊的營業額及年度毛利潤貢獻分析詳情載列於綜合財務報表附註5。

## 業務回顧

按公司條例(香港法例第622章)附表5指定本集團業務之中肯審視，其中包括集團於年內之表現分析、本集團所面對主要風險及不明朗因素之描述、自二零一九年財政年度終結後發生並對本集團有影響之重大事項，以及本集團日後可能出現之業務發展，均載於本年報之「主席報告書」、「管理層討論與分析」及「企業管治報告」之章節內。

本集團之金融風險管理目標及政策載於綜合財務報表附註3。運用財務關鍵表現指標對本集團表現之分析載於本年報之「五年財務概要」之章節中。

## 業績

本集團截至二零一九年十二月三十一日止年度的年度業績載列於本年報第91至93頁綜合全面收益表。

## 股息政策及股息

董事不建議派付截至二零一九年十二月三十一日止年度末期股息(二零一八年：無)。

## REPORT OF THE DIRECTORS 董事會報告

The Company's ability to pay dividends depends on, among other things, the Group's current and future operations, liquidity position and capital requirements. The payment of dividends by the Company is also subject to compliance with any restrictions under the Laws of the Cayman Islands, the memorandum and articles of association of the Company and any applicable laws, rules and regulations. The Board will review the dividend policy from time to time and may exercise at its absolute and sole discretion to update, amend, and/or modify the policy at any time as it deems fit and necessary. There is no assurance that dividends will be paid in any particular amount for any specific period.

### Closure of Register of Members

The register of members of the Company will be closed during the period from Wednesday, 17 June 2020 to Tuesday, 23 June 2020 (both days inclusive), during which no transfers will be registered, for the purpose of ascertaining shareholders' entitlement to attend and vote at the forthcoming annual general meeting of the Company to be held on Tuesday, 23 June 2020 ("2020 AGM"). In order to be eligible to attend and vote at the 2020 AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 16 June 2020.

### Share Capital

Details of the movements in the share capital of the Company are set out in Notes 12 and 13 to the consolidated financial statements.

### Convertible Bonds

Details of the convertible bonds are set out in the Note 16 to the consolidated financial statements.

### Distributable Reserves

As at 31 December 2019, no reserves of the Company available for distribution to shareholders (2018: Nil).

本公司派付股息之能力取決於(其中包括)本集團現時及未來營運、流動資金狀況及資本需求等情況。本公司股息的派付亦須遵守開曼群島法律、本公司組織章程大綱及章程細則以及任何適用法例、規則及法規項下的任何限制。董事會將不時檢討股息政策，並在其認為合適及必要的情況下可隨時全權酌情更新、修訂及/或更改該政策。本公司概不能保證於任何特定期間派付任何特定金額之股息。

### 暫停股份過戶登記

本公司將由二零二零年六月十七日(星期三)至二零二零年六月二十三日(星期二)止(包括首尾兩日)，期間暫停辦理股份過戶登記，目的是確定有權出席本公司將於二零二零年六月二十三日(星期二)舉行的應屆股東週年大會("二零二零年股東週年大會")並於會上投票的股東名單。為合資格有權出席二零二零年股東週年大會並於會上投票，所有股份過戶登記連同相關股票須於不遲於二零二零年六月十六日(星期二)下午四時三十分送交本公司香港證券登記處香港中央證券登記有限公司(地址為香港灣仔皇后大道東183號合和中心17樓1712-1716室)進行登記。

### 股本

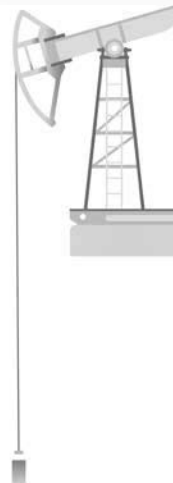
本公司股本的變動詳情載列於綜合財務報表附註12及13。

### 可換股債券

本公司可換股債券詳情載列於綜合財務報表附註16。

### 可供分派儲備

於二零一九年十二月三十一日，本公司概無可供分派予股東的儲備(二零一八年：無)。



## Financial Summary

A summary of the results for the year ended and of the assets and liabilities of the Group as at 31 December 2019 and for the previous four financial years are set out in the Five-Year Financial Summary section on page 237 of this annual report.

## Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's Articles of Association or the relevant laws of the Cayman Islands which would oblige the Company to offer new shares on a pro-rata basis.

## Purchase, Sale or Redemption of the Company's Listed Securities

During the year ended 31 December 2019, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

## Share Option Schemes

### Pre-IPO Share Option Scheme

On 24 October 2010, the Company conditionally approved and adopted the Pre-IPO Share Option Scheme.

As at 31 December 2019 and, 6 May 2020, being the date of this report, the total number of Shares in respect of the outstanding options granted under the Pre-IPO Share Option Scheme was 2,650,000 Shares, representing approximately 0.06% of the total issued share capital of the Company comprising 4,770,491,507 Shares. No further options will be offered or granted by the Company pursuant to the Pre-IPO Share Option Scheme. The exercise price per Share of the options granted under the Pre-IPO Share Option Scheme is HKD20.00.

The purpose of the Pre-IPO Share Option Scheme is to give the participants an opportunity to acquire a personal stake in the Company and help motivate such participants to optimise their performance and efficiency, and also to help retain the participants whose contributions are important to the long-term growth and profitability of the Group. The maximum number of Shares issued and to be issued upon exercise of the options granted under the Pre-IPO Share Option Scheme to any one Participant (including both exercised and unexercised options) in any 12-month period shall not exceed 1% of the Shares in issue as at the date of grant.

## 財務概要

本集團截至二零一九年十二月三十一日止年度以及之前四個財政年度的業績及資產負債概要載列於本年報第237頁五年財務概要一節。

## 優先購買權

本公司的細則或相關開曼群島法律概無優先購買權條文規定要求本公司須按比例發行新股份。

## 購買、出售或贖回本公司的上市證券

截至二零一九年十二月三十一日止年度，本公司及其任何附屬公司均無購買、出售或贖回任何本公司上市證券。

## 購股權計劃

### 首次公開發售前購股權計劃

於二零一零年十月二十四日，本公司有條件批准及採納首次公開發售前購股權計劃。

於二零一九年十二月三十一日及二零二零年五月六日(即本報告日期)，首次公開發售前購股權計劃授出的未行使購股權的股份總數均為2,650,000股，相等於本公司已發行股本總額4,770,491,507股股份的約0.06%。本公司不會根據首次公開發售前購股權計劃再發行或授出購股權。根據首次公開發售前購股權計劃授予的購股權行使價為每股股份20.00港元。

首次公開發售前購股權計劃的目的是給予參與者擁有本公司私人股份的機會，並能推動參與者發揮其最好的表現與效率，及用以保留對本集團之長遠增長及利益有重要貢獻的參與者。在任何十二個月期間內，向任何一位參與人士根據首次公開發售前購股權計劃授出之購股權(包括已行使及未行使之購股權)獲行使時所發行及將發行之最高股份數目不得超過於授出日期已發行股份之1%。

## REPORT OF THE DIRECTORS 董事會報告

The following table discloses details of the Company's outstanding share options held by the Directors and certain employees of the Company under the Pre-IPO Share Option Scheme and their movements during the year ended 31 December 2019:

下表披露本公司董事及若干僱員持有本公司首次公開發售前購股權計劃項下未行使購股權的詳情以及截至二零一九年十二月三十一日止年度的變動：

Names of grantees	Date of grant	Number of share options 購股權數目					As at 31 December 2019 於二零一九年 十二月 三十一日	Exercise price (HKD) 行使價 (港元)	Exercisable period 行使期
		As at 1 January 2019 於二零一九年 一月一日	Exercised 已行使	Cancelled 註銷	Lapsed 失效	As at 31 December 2019 於二零一九年 十二月 三十一日			
Mr. Hong Liang 洪禎先生	24 October 2010 二零一零年 十月二十四日	875,000	-	-	-	875,000	20.00	Note 附註	
Mr. Wang Tao (retired on 10 June 2019) 王濤先生 (於二零一九年六月十日退任)	24 October 2010 二零一零年 十月二十四日	875,000	-	-	875,000	-	20.00	Note 附註	
Ms. Zhu Wen Hua 朱文花女士	24 October 2010 二零一零年 十月二十四日	75,000	-	-	-	75,000	20.00	Note 附註	
Senior Management and other employees (in aggregate) 高級管理層及其他僱員(合共)	24 October 2010 二零一零年 十月二十四日	1,825,000	-	-	125,000	1,700,000	20.00	Note 附註	
Total 合計		3,650,000	-	-	1,000,000	2,650,000			

Note:

Each of the grantees to whom the options have been granted under the Pre-IPO Share Option Scheme is entitled to exercise:

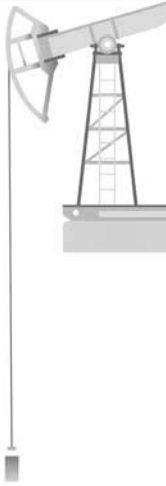
- (i) up to 20% of the shares that are subject to the options granted to the relevant grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on 19 November 2010 (the "Listing Date") and ending on the first anniversary of the Listing Date;
- (ii) up to 40% of the shares that are subject to the options granted to the relevant grantee less the number of shares in respect of which the options have been exercised by the grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on the expiry of the first anniversary of the Listing Date and ending on the second anniversary of the Listing Date;
- (iii) up to 60% of the shares that are subject to the options granted to the relevant grantee less the number of shares in respect of which the options have been exercised by the grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on the expiry of the second anniversary of the Listing Date and ending on the third anniversary of the Listing Date;

附註：

根據首次公開發售前購股權計劃獲授購股權的各承授人有權行使：

- (i) 由二零一零年十一月十九日(「上市日期」)起至上市日期一週年屆滿止期間任何時間，不多於授予相關承授人購股權所涉股份的20% (約減至最接近股份總數的整數)；
- (ii) 由上市日期一週年屆滿起至上市日期兩週年屆滿止期間任何時間，不多於授予相關承授人購股權所涉股份的40%減承授人已行使購股權所涉股份(約減至最接近股份總數的整數)；
- (iii) 由上市日期兩週年屆滿起至上市日期三週年屆滿止期間任何時間，不多於授予相關承授人購股權所涉股份的60%減承授人已行使購股權所涉股份(約減至最接近股份總數的整數)；





- (iv) up to 80% of the shares that are subject to the options granted to the relevant grantee less the number of shares in respect of which the options have been exercised by the grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on the expiry of the third anniversary of the Listing Date and ending on the fourth anniversary of the Listing Date; and
- (v) such number of shares subject to the options granted to the relevant grantee less the number of shares in respect of which the options have been exercised by the grantee (rounded down to the nearest whole number of shares) at any time during the period commencing on the expiry of the fourth anniversary of the Listing Date and ending on 26 October 2020.

- (iv) 由上市日期三週年屆滿起至上市日期四週年屆滿止期間任何時間，不多於授予相關承授人購股權所涉股份的80%減承授人已行使購股權所涉股份(約減至最接近股份總數的整數)；及
- (v) 由上市日期四週年屆滿起至二零二零年十月二十六日止期間任何時間，授予相關承授人購股權所涉股份減承授人已行使購股權所涉股份數目(約減至最接近股份總數的整數)。

## Share Option Scheme

On 24 October 2010, the Company also conditionally approved and adopted a share option scheme for the purpose of enabling the Group to grant options to selected participants as incentives or rewards for their contribution to the Group. Under the Share Option Scheme, the maximum number of Shares which may be issued by the Company pursuant to the exercise of the share options under the Share Option Scheme is 140,000,000 Shares, representing 10% of the total issued share capital of the Company on the Listing Date. As at 31 December 2019, the total number of Shares in respect of the outstanding options granted under the Share Option Scheme was 16,800,000 Shares, representing approximately 0.35% of the total issued share capital of the Company comprising 4,770,491,507 Shares. The exercise price per Share of the options granted under the Share Option Scheme is HKD9.70. During the Period, no share options had been granted under the Share Option Scheme.

As at 6 May 2020, being the date of this report, the maximum number of Shares which may be issued by the Company pursuant to the exercise of the share options under the Share Option Scheme (after taking into account of any lapse of share options thereunder) was 16,800,000 Shares, representing approximately 0.35% of the total issued share capital of the Company comprising 4,770,491,507 Shares. The maximum number of shares issued and to be issued upon exercise of the options granted under the Share Option Scheme to each participant (including both exercised and unexercised options) in any 12-month period shall not exceed 1% of the Shares in issue as at the date of grant.

The following table discloses details of the Company's outstanding share options held by the Directors and certain employees of the Company under the Share Option Scheme and their movements during the year ended 31 December 2019:

## 購股權計劃

於二零一零年十月二十四日，本公司亦有條件批准及採納一項購股權計劃，旨在容許本集團授出購股權予經甄選的參與者，作為彼等對本集團作出貢獻的獎勵或獎賞。根據購股權計劃，本公司可能根據購股權計劃行使購股權而發行的股份數目最多為140,000,000股股份，相等於上市日期當日的本公司已發行股本總額的10%。截至二零一九年十二月三十一日，購股權計劃授出的未行使購股權涉及股份總數為16,800,000股，相等於本公司已發行股本總額4,770,491,507股股份的約0.35%。根據購股權計劃授予的購股權行使價為每股股份9.70港元。於本期間，概無根據購股權計劃授出購股權。

於二零二零年五月六日(即本報告日期)，本公司可根據購股權計劃(已計及其項下任何失效的購股權)行使購股權而發行之股份數目為最多16,800,000股股份，相等於本公司已發行股本總額4,770,491,507股股份的約0.35%。在任何十二個月期間內，向任何一位參與人士根據購股權計劃授出之購股權(包括已行使及未行使之購股權)獲行使時所發行及將發行之最高股份數目不得超過於授出日期已發行股份之1%。

下表披露本公司董事及若干僱員持有本公司購股權計劃項下未行使購股權的詳情以及截至二零一九年十二月三十一日止年度的變動：

# REPORT OF THE DIRECTORS

## 董事會報告

Name of grantee	Date of grant	Number of share options 購股權數目				As at 31 December 2019 於二零一九年 十二月 三十一日	Exercise price (HKD) 行使價 (港元)	Exercisable period 行使期
		As at 1 January 2019 於二零一九年 一月一日	Exercised 已行使	Cancelled 註銷	Lapsed 失效			
Mr. Chen Qiang 陳強先生	30 April 2012 二零一二年 四月三十日	14,000,000	-	-	-	14,000,000	9.70	Note 附註
Mr. Hong Liang 洪樑先生	30 April 2012 二零一二年 四月三十日	2,800,000	-	-	-	2,800,000	9.70	Note 附註
Mr. Wang Tao (retired on 10 June 2019) 王濤先生 (於二零一九年六月十日 退任)	30 April 2012 二零一二年 四月三十日	1,276,000	-	-	1,276,000	0	9.70	Note 附註
Ms. Zhu Wen Hua 朱文花女士	30 April 2012 二零一二年 四月三十日	900,000	-	-	-	900,000	9.70	Note 附註
Senior Management and other employees (in aggregate) 高級管理層及 其他僱員(合共)	30 April 2012 二零一二年 四月三十日	10,072,000	-	-	1,800,000	8,272,000	9.70	Note 附註
Total 合計		29,048,000	-	-	3,076,000	25,972,000		

Note:

No share options are exercisable prior to the first anniversary of 30 April 2012 ["Date of Grant"]. On each of the first, second, third, fourth and fifth anniversaries of the Date of Grant, a further 20% of the share options granted to each grantee may be exercised, provided that no share options shall be exercised after 30 April 2022.

Particulars of the Company's Pre-IPO Share Option Scheme and Share Option Scheme are set out in Note 13 to the consolidated financial statements.

## Subsidiaries

Details of the Company's subsidiaries as at 31 December 2019 are set out in Note 32 to the consolidated financial statements.

附註：

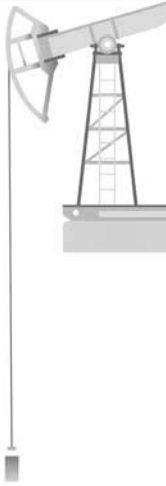
概無購股權可於二零一二年四月三十日(「授出日期」)一週年屆滿前行使。於授出日期一週年、兩週年、三週年、四週年及五週年分別可行使向各承授人進一步授出之20%購股權，惟概無購股權可於二零二二年四月三十日後行使。

本公司首次公開發售前購股權計劃及購股權計劃的詳情載列於綜合財務報表附註13。

## 附屬公司

於二零一九年十二月三十一日，本公司附屬公司詳情載列於綜合財務報表附註32。





## Connected Transactions

Pursuant to Chapter 14A of the Listing Rules, the following transactions are connected transactions or continuing connected transactions under the Listing Rules which are subject to the disclosure requirements under Chapter 14A of the Listing Rules.

### Structure Agreements

According to the Foreign Investment Industries Catalogue, foreign ownership in a ship repair, design and manufacturing company in PRC may not exceed 49%. Additionally, foreign ownership in companies which repair, design and manufacture marine engineering equipment and those that design and manufacture low-speed and medium-speed marine diesel engines may not exceed 49%.

In view of the abovementioned foreign ownership restrictions, Rongsheng Heavy Industries only owns a 49% equity interest in Rongsheng Shipbuilding and Rongsheng Investment (renamed as Xuming Investment) owns the remaining 51% equity interest. Similarly, Rong An Power Machinery is owned by Rongsheng Shipbuilding as to 51% and by Rongye Mechanical as to 49%. Mr. Zhang Zhi Rong, who is currently a substantial shareholder of the Company and who was formerly the Chairman and a non-executive director of the Company prior to his resignation on 26 November 2012, is the ultimate controlling shareholder of Rongsheng Investment. Particulars of Rongsheng Heavy Industries and Rongsheng Shipbuilding are set out in Note 32 to the consolidated financial statements.

In order to enable us to govern and control the financial and operating policies of Rongsheng Shipbuilding and for Rongsheng Heavy Industries to enjoy 100% of the economic benefits of Rongsheng Shipbuilding, we have entered into a shareholders' agreement (the "**Shareholder Agreement**") through Rongsheng Heavy Industries with Rongsheng Investment dated 8 January 2009 but effective as at 21 May 2008 and a supplemental agreement in relation thereto through Rongsheng Heavy Industries with Rongsheng Investment dated 18 October 2010 but effective as at 21 May 2008.

## 關連交易

根據上市規則第14A章，下列交易構成上市規則項下的關連交易或持續關連交易，須遵守上市規則第14A章之披露規定。

### 架構協議

根據外商投資產業指導目錄，外資在中國的船舶維修、設計和製造企業的持股權益最多不得超過49%。此外，維修、設計及製造海洋工程設備以及設計和製造中低速船用柴油發動機的外資持股亦不得超過49%。

鑒於存在上述對外資所有權之限制，熔盛重工僅擁有熔盛造船的49%股權，而熔盛投資(現稱旭明投資)擁有其餘的51%股權。同樣，熔安動力機械由熔盛造船擁有51%權益及由熔焊機電擁有49%權益。張志熔先生，其現時為本公司的主要股東及於二零一二年十一月二十六日辭任前為本公司的主席兼非執行董事，為熔盛投資的最終控股股東。熔盛重工及熔盛造船的詳情載列於綜合財務報表附註32。

為規管及控制熔盛造船的財務及經營政策以及熔盛重工享有熔盛造船的全部經濟效益，我們經已透過熔盛重工與熔盛投資於二零零九年一月八日訂立而於二零零八年五月二十一日生效的股東協議(「**股東協議**」)並通過熔盛重工與熔盛投資於二零一零年十月十八日訂立(但於二零零八年五月二十一日生效)相關的補充協議。

## REPORT OF THE DIRECTORS 董事會報告

On 20 October 2010, a services agreement (the “**Services Agreement**”) was entered into amongst Rongsheng Heavy Industries, Rongsheng Shipbuilding and Rongsheng Investment, the key provisions of which are as follows:

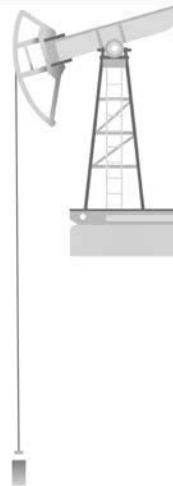
- (1) Rongsheng Heavy Industries agreed to provide shipbuilding technology guidance, support and improvements, engineering supervision, acceptance testing and other support work- related consulting services to Rongsheng Shipbuilding (the “**Services**”);
- (2) Rongsheng Investment agreed to pay Rongsheng Heavy Industries a services fee equivalent to all of the economic benefits flowing from the dividend income received from Rongsheng Shipbuilding as a result of its 51% interest in the share capital of Rongsheng Shipbuilding (which is due and payable on the same date when Rongsheng Shipbuilding pays any dividend to its shareholders); and
- (3) Rongsheng Investment undertakes not to retain any parties other than Rongsheng Heavy Industries to provide similar services to Rongsheng Shipbuilding without the prior written consent of Rongsheng Heavy Industries.

The Group does not have a controlling equity interest in Rongsheng Shipbuilding and therefore can only rely on contractual arrangements under the Shareholders’ Agreement and the Services Agreement (collectively, the “**Structure Agreements**”) to carry out its shipbuilding operations. The PRC governmental authorities may in the future interpret or issue laws, regulations or policies that result in the contractual arrangements under the Structure Agreements being deemed to be in violation of the existing or then prevailing PRC laws and regulations, which would materially impact on the Group’s entitlement to the economic benefits of Rongsheng Shipbuilding, as a result of which the Group’s business, financial condition and results of operations may be materially and adversely affected. In addition, the contractual arrangement under the Structure Agreements may not give the Group as effective control and power as direct legal and beneficial ownership of 100% of Rongsheng Shipbuilding. In the event of any breach or default by Rongsheng Investment and/or Rongsheng Shipbuilding, the Group would need to resort to legal remedies under PRC laws to enforce its rights, which may or may not be effective to provide the Group with adequate remedies.

於二零一零年十月二十日，熔盛重工、熔盛造船及熔盛投資訂立服務協議(「**服務協議**」)，主要條款如下：

- (1) 熔盛重工同意向熔盛造船提供造船技術指導、支援及改良、工程監督、驗收測試及其他與支持工作相關的諮詢及服務(「**服務**」);
- (2) 熔盛投資同意支付熔盛重工服務費，金額等於就其於熔盛造船股本中的51%權益而收取熔盛造船股息收入的所有經濟利益(於熔盛造船向其股東派付股息當日到期及應付); 及
- (3) 熔盛投資承諾不會在未徵得熔盛重工事先書面同意的情况下聘用熔盛重工以外的任何人士向熔盛造船提供類似服務。

本集團並未擁有對熔盛造船的控制性股權，因此僅可依賴股東協議及服務協議(統稱「**架構協議**」)安排開展造船業務。中國政府機構日後可能詮釋或頒佈法律、法規或政策，而導致架構協議項下的合約安排被視為違反現行或當時的中國法律及法規，而對本集團獲得熔盛造船的經濟利益產生重大影響，因而導致本集團之業務、財務狀況及運營成果受到重大負面影響。此外，架構協議項下的該等合約安排賦予本集團的有效控制權與權利或不及擁有熔盛造船的100%直接合法及實益擁有權所賦予者。倘若熔盛投資及/或熔盛造船出現違約或不履行，本集團需要在中國法律下訴諸法律手段以行使其權利，而有關行動可能會或可能不會有效，以為本集團提供足夠補償。



To reduce the above-mentioned risks to the Group, the Company regularly monitors compliance by Rongsheng Investment with the Structure Agreements and internal controls are in place over Rongsheng Shipbuilding to safeguard its interests under the Structure Agreements. The Company's legal department also works closely with its external PRC counsel to monitor the PRC regulatory environment and seek to reduce risks associated under the Structure Agreements. In the event that there are changes to PRC laws such that the Group is permitted to have legal and beneficial ownership of Rongsheng Shipbuilding without the Structure Agreements, the Group shall seek to unwind the Structure Agreements in accordance with applicable laws and regulations.

During the year ended 31 December 2019, Rongsheng Investment had not received any dividend income from Rongsheng Shipbuilding.

The Services Agreement and the terms of the transactions thereunder during the year ended 31 December 2019 have been reviewed by the independent non-executive Directors who have confirmed that, pursuant to the terms of the Services Agreement:

- (1) the transactions carried out during the year ended 31 December 2019 were entered into in accordance with the relevant provisions of the Services Agreement and had been operated so that any profits generated by Rongsheng Shipbuilding had been retained by the Group;
- (2) no dividends or other distributions were made by Rongsheng Shipbuilding to the holders of its equity interests other than the Group (or to the extent that they were made, they had been forwarded to Rongsheng Heavy Industries by way of payment of the fee for the Services); and
- (3) Rongsheng Heavy Industries had obtained its entitlement under the Services Agreement.

為降低本集團之上述風險，本公司定期監察熔盛投資在架構協議中的合規情況以及對熔盛造船的內部控制以保障其於架構協議中的利益。本公司之法務部門亦與其外部中國法律顧問緊密合作，以監察中國法規環境及尋求減輕架構協議中的相關風險。倘若中國法律變更而容許本集團在缺少架構協議下持有熔盛造船的合法和實益擁有權，本集團將根據適用的法律及法規尋求解除架構協議。

截至二零一九年十二月三十一日止年度期間，熔盛投資從未自熔盛造船收取任何股息收入。

截至二零一九年十二月三十一日止年度期間內，服務協議及協議交易條款已經被獨立非執行董事審閱。獨立非執行董事確認，根據服務協議的條款：

- (1) 截至二零一九年十二月三十一日止年度期間內進行的交易乃按照服務協議有關條款訂立且在熔盛造船產生所有溢利均由本集團保留的條件下進行；
- (2) 除本集團(或僅以支付服務費方式交付熔盛重工者為限)外，熔盛造船並無向其權益持有人派付股息或作出其他分派；及
- (3) 熔盛重工已獲得於服務協議項下的權益。

## REPORT OF THE DIRECTORS 董事會報告

### Exempt Connected Transactions

During the year ended 31 December 2019, the Company entered into certain related party transactions which also constitute fully exempt connected transaction under Chapter 14A of the Listing Rules, details of which are set out below:

During the year ended 31 December 2019, Mr. Zhang Zhi Rong (a substantial Shareholder of the Company) and/or entities controlled by him or his close family members, agreed to provide security-free and interest-free loan facilities to the Group for working capital purposes for an aggregate amount up to RMB1,740.8 million.

During the year ended 31 December 2019, directors and substantial shareholders of the Company or entities controlled by them provided guarantees and security in respect of certain bank borrowings and refund guarantees of the Group.

As the above financial assistance was provided by connected persons for the benefit of the Company on normal commercial terms (or better to the Company) and no security over the assets of the Group is granted in respect of the financial assistance, the financial assistance constitutes connected transactions of the Company exempt from reporting, announcement and independent shareholders' approval requirements pursuant to Rule 14A.90 of the Listing Rules.

### Related Party Transactions

Details of the material related party transactions undertaken by the Group in the normal course of business are set out in Note 31 to the consolidated financial statements. Those related party transactions which constituted connected transactions/continuing connected transactions under the Listing Rules are set out in the section headed "Connected Transactions" above, and the Company has complied with the applicable requirements in accordance with Chapter 14A of the Listing Rules.

### 獲豁免關連交易

截至二零一九年十二月三十一日止年度，本公司訂立若干關聯方交易，該等交易亦構成上市規則第14A章項下獲全面豁免之關連交易，詳情如下：

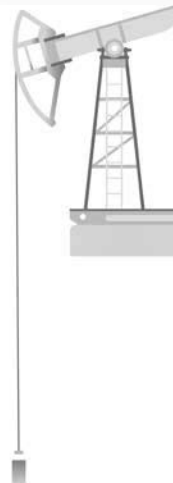
截至二零一九年十二月三十一日止年度，本公司主要股東張志榕先生及／或由其或其家屬控制的實體同意向本集團提供用於運營資金的無抵押免息貸款，合計金額最多人民幣1,740.8百萬元。

截至二零一九年十二月三十一日止年度，本公司董事及主要股東或受其控制的實體為本集團若干銀行借款和退款擔保提供擔保及抵押。

由於上述關連人士提供的財務支持，乃為本公司利益按照一般商業條款(或更有利於本公司)作出，而且並無以本集團資產就財務支持作出抵押。根據上市規則第14A.90條，有關財務支持構成本公司之關連交易，其可豁免遵守申報、公告及獨立股東批准的規定。

### 關聯方交易

本集團於日常業務中進行的重大關聯方交易詳情載列於綜合財務報表附註31。該等構成上市規則項下之關連交易／持續關連交易的關聯方交易載列於上文「關連交易」一節，及本公司已遵守上市規則第14A章的適用規定。



## Major Customers and Suppliers

During the year ended 31 December 2019, the Group had no purchases from major suppliers since the operations of the Group were minimal. The percentages of sales, excluding cancellation of construction contracts, attributable to the Group's largest customer and the three largest customers were 21.2% and 59.2%, respectively. During the year ended 31 December 2019, none of the Directors or any of their associates, or any shareholders of the Company (which to the best knowledge of the Directors, own more than 5% of the Company's issued share capital), had any interest in any of the Group's five largest suppliers or customers.

## Remuneration Policy

The remuneration of directors are recommended by the remuneration committee of the Company and approved by the Board, based on prevailing market conditions and with reference to other companies of a similar size, business nature and scope as the Company. In addition, the Company may grant share options to eligible directors and employees as incentives for their contributions to the Group.

The primary goal of our policy for remuneration packages is to ensure that Directors are fairly rewarded and they receive appropriate incentives to maintain high standards of performance.

The principal elements of the Directors' remuneration package include:

- basic salary and other benefits;
- contribution to pension schemes;
- discretionary bonus; and
- share options granted under an approved option scheme.

Details of the Directors' emoluments, the five highest-paid individuals and senior management of the Group for the year ended 31 December 2019 are set out in Notes 17 and 25, respectively, to the consolidated financial statements.

## 主要客戶及供應商

截至二零一九年十二月三十一日止年度，由於本集團的經營處於相當低的水平，本集團並無向主要供應商進行採購。本集團最大客戶及三大客戶（不包括撤銷建造合約）應佔銷售百分比分別為21.2%及59.2%。截至二零一九年十二月三十一日止年度，本公司董事或彼等的任何聯繫人士或據董事所深知擁有本公司已發行股5%以上的本公司任何股東並無擁有本集團五大供應商或客戶的任何權益。

## 酬金政策

董事酬金乃根據當時市場情況及參考規模、業務性質及範疇相若的其他公司，由本公司薪酬委員會推薦並由董事會批准。此外，本公司或會向合資格董事及僱員授出購股權，作為彼等對本集團貢獻的獎勵。

本集團薪酬組合政策主要旨在確保董事獲得公平報酬並適當激勵董事保持高水準表現。

董事酬金組合的主要項目包括：

- 基本薪金及其他福利；
- 退休金計劃供款；
- 酌情花紅；及
- 根據已獲批准的購股權計劃授出的購股權。

於截至二零一九年十二月三十一日止年度，本集團董事酬金、五位最高薪酬人士及高級管理層詳情分別載於綜合財務報表附註17及25。

## REPORT OF THE DIRECTORS 董事會報告

### Directors

Directors of the Company during the year ended 31 December 2019 and up to the date of this report are as follows:

#### Executive Directors

Mr. Chen Qiang (*Chairman and Chief Executive Officer*)

Mr. Hong Liang (*Chief Operating Officer*)

Mr. Wang Tao

(retired on 10 June 2019)

Ms. Zhu Wen Hua

Mr. Zhang Ming

(retired on 10 June 2019)

Mr. Niu Jianmin

(appointed on 1 March 2020)

#### Independent Non-executive Directors

Mr. Wang Jin Lian

Ms. Zhou Zhan

Mr. Lam Cheung Mau

Mr. Hong Liang, Mr. Wang Jin Lian and Ms. Zhou Zhan are due to retire from the Board by rotation at the 2020 AGM in accordance with Article 16.18 of the Articles of Association. Mr. Niu Jianmin is subject to re-election at the 2020 AGM in accordance with Article 16.2 of the Articles of Association.

The biographical details of the Directors and senior management of the Company as at the date of this Report are set out in the Directors and Senior Management section on pages 20 to 24 of this annual report.

### Directors' Service Contracts

During the year ended 31 December 2019, none of the Directors had entered into a service contract with the Group which was not determinable within one year without payment of compensation, other than statutory compensation.

### 董事

於截至二零一九年十二月三十一日止年度及直至本年報日期，本公司董事如下：

#### 執行董事

陳強先生(主席兼首席執行官)

洪樑先生(首席營運官)

王濤先生

(於二零一九年六月十日退任)

朱文花女士

張明先生

(於二零一九年六月十日退任)

牛建民先生

(於二零二零年三月一日委任)

#### 獨立非執行董事

王錦連先生

周展女士

林長茂先生

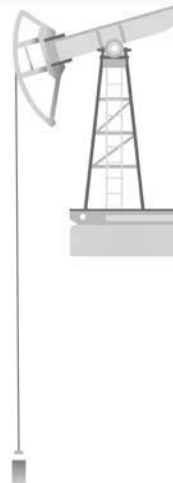
根據細則第16.18條，洪樑先生、王錦連先生及周展女士將於二零二零年股東週年大會上輪席退任。根據章程細則第16.2條，牛建民先生將於二零二零年股東週年大會上競選連任。

本公司董事及高級管理人員截至本報告日期的履歷詳情載列於本年報第20至24頁董事及高級管理人員一節。

### 董事的服務合約

於截至二零一九年十二月三十一日止年度，概無董事與本集團訂立不得於一年內免付賠償(法定賠償除外)予以終止的服務合約。





## Directors' Material Interests in Transactions, Arrangements and Contracts that are Significant in Relation to the Company's Business

Save for the contracts described under the section headed "Connected Transactions" above, no contracts of significance (as defined in Appendix 16 to the Listing Rules) or arrangements in relation to the Group's business to which the Company or its holding company or a subsidiary of the Company or its holding company was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year ended 31 December 2019.

## Directors' Interests in Competing Business

As at 31 December 2019, none of the Directors were interested in any business apart from the Group's businesses which competes or is likely to compete, either directly or indirectly, with businesses of the Group.

## Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company or Any Specified Undertaking of the Company

As at 31 December 2019, the Directors and chief executive of the Company had the following interests in the Shares or underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were recorded in the register required to be kept under section 352 of the SFO or otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"):

## 董事於與本公司業務有關之交易、安排及合約中之重大權益

除上文「關連交易」一節所述合約外，本公司或其控股公司或本公司附屬公司或其控股公司並無訂立任何有關本集團業務的重大合約（定義見上市規則附錄十六）或安排，及董事直接或間接擁有重大權益且於年終或截至二零一九年十二月三十一日止年度期間內任何時間有效的重大合約或安排。

## 董事於競爭業務的權益

於二零一九年十二月三十一日，除本集團的業務外，概無董事於與本集團業務構成或可能構成直接或間接競爭的業務中擁有權益。

## 董事及最高行政人員於本公司或本公司之任何特定業務之股份、相關股份及債權證中的權益及淡倉

於二零一九年十二月三十一日，本公司董事及最高行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）之股份或相關股份中擁有須登記於證券及期貨條例第352條規定存置的登記冊，或須根據上市公司董事進行證券交易之標準守則（「標準守則」）知會本公司及聯交所的權益如下：

REPORT OF THE DIRECTORS  
董事會報告

(A) Long Positions in Shares and Underlying Shares of the Company (A) 於本公司股份及相關股份的好倉

Name of Director 董事姓名	Number of Shares Interested 擁有權益的股份數目			Total 合計	Percentage of issued share capital <sup>3</sup> 佔已發行股本百分比 <sup>3</sup>
	Personal interest 個人權益	Corporate interest 公司權益	Equity derivatives (share options) <sup>2</sup>		
			股本衍生工具 (購股權) <sup>2</sup>		
Mr. Chen Qiang 陳強先生	-	27,200,000 <sup>1</sup>	14,000,000	41,200,000	0.86%
Mr. Hong Liang 洪樑先生	-	-	3,675,000	3,675,000	0.08%
Ms. Zhu Wen Hua 朱文花女士	-	-	975,000	975,000	0.02%

Notes:

- 27,200,000 Shares (before taking into account the 14,000,000 Shares that may be granted to Mr. Chen Qiang pursuant to share options) are directly held by Boom Will Limited. Boom Will Limited is 100% directly beneficially owned by Mr. Chen Qiang.
- These interests represented the interests in underlying shares in respect of share options granted by the Company to these directors as beneficial owners, the details of which are set out in the section headed "Share Option Schemes" above.
- These percentages have been compiled based on the total number of issued shares of the Company of 4,770,491,507 as at 31 December 2019 and rounded to two decimal places.

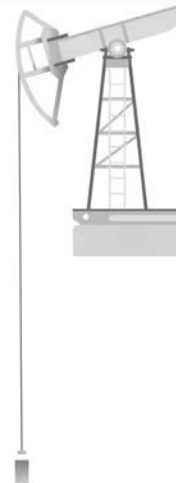
附註：

- 27,200,000股股份(不計及根據購股權可能授予陳強先生的14,000,000股股份)由盛意有限公司直接持有。盛意有限公司由陳強先生直接實益持有100%權益。
- 該等權益代表本公司向該等作為實益擁有人之董事授出之購股權涉及之相關股份之權益，有關詳情載列於上文「購股權計劃」一節。
- 該等百分比乃按照本公司於二零一九年十二月三十一日的已發行股份總數4,770,491,507股計算，並湊整至兩個小數位。

Save as disclosed above, as at 31 December 2019, none of the Directors or the chief executive of the Company had any interest or short position in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept under section 352 of the SFO or as otherwise notified to the Company and the Hong Kong Stock Exchange pursuant to the Model Code.

除上文所披露者外，於二零一九年十二月三十一日，概無本公司董事或最高行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第XV部)的股份、相關股份或債權證中擁有須登記於根據證券及期貨條例第352條規定存置的登記冊，或根據標準守則須知會本公司及香港聯交所的權益或淡倉。





## (B) Share Options

The interests of the Directors and chief executive in the share options (being regarded as unlisted physically settled equity derivatives) of the Company are detailed in the section headed "Share Option Schemes" above.

Save as disclosed above, at no time during the year, the Directors and chief executive (including their spouses and children under 18 years of age) had any interest in, or had been granted, or exercised, any rights to subscribe for shares, warrants or debentures, if applicable) of the Company or its associated corporations required to be disclosed pursuant to the SFO.

## (B) 購股權

董事及最高行政人員於本公司購股權的權益被界定為非上市實物結算股本衍生工具，詳情載於上文「購股權計劃」一節。

除上文所披露者外，於年內任何時間，董事及最高行政人員(包括彼等的配偶及18歲以下子女)均無擁有須根據證券及期貨條例作出披露的本公司或其相聯法團的任何股份(或認股證或債權證，倘適用)認購權益或獲授或行使任何權利認購有關股份(或認股證或債權證，倘適用)。

## Substantial Shareholders' Interests in the Share Capital of the Company

As at 31 December 2019, the interests of substantial shareholders (other than the Directors or chief executive of the Company) in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO were as follows:

## 主要股東於本公司股本的權益

於二零一九年十二月三十一日，主要股東（本公司董事或最高行政人員除外）於本公司股份或相關股份中擁有須登記於根據證券及期貨條例第336條規定存置登記冊的權益如下：

Name of substantial shareholder 主要股東名稱	Number of shares and derivatives interested 擁有權益的股份及 衍生工具數目	Percentage of issued share capital <sup>7</sup> 佔已發行股份 百分比 <sup>7</sup>
China Minsheng Banking Corp. Ltd. <sup>1</sup>	7,006,000,000	146.86%
Ms. Zhao Xuejun <sup>2</sup> 趙雪君女士 <sup>2</sup>	1,490,120,000	31.24%
Skyline Asia International Limited <sup>2</sup>	1,490,120,000	31.24%
Action Phoenix Limited <sup>2</sup>	1,220,000,000	25.57%
Mr. Wang Ping <sup>3</sup> 王平先生 <sup>3</sup>	771,359,794	16.17%
Kingwin Victory Investment Limited <sup>3</sup> 宏易勝利投資有限公司 <sup>3</sup>	771,359,794	16.17%
Mr. Zhang Zhi Rong <sup>4</sup> 張志榕先生 <sup>4</sup>	388,301,031	8.14%
Fine Profit Enterprises Limited <sup>4</sup> 好利企業有限公司 <sup>4</sup>	388,301,031	8.14%
Mr. Mei Liang <sup>5</sup> 梅靚先生 <sup>5</sup>	348,000,000	7.29%
Top Acton Limited <sup>5</sup>	348,000,000	7.29%
Mr. Ho Kwok Leung Glen <sup>6</sup> 何國樑先生 <sup>6</sup>	342,000,000	7.17%
Mr. Lai Kar Yan <sup>6</sup> 黎嘉恩先生 <sup>6</sup>	342,000,000	7.17%
China Development Bank <sup>6</sup>	342,000,000	7.17%
Castle Giant Investments Limited <sup>2</sup>	270,120,000	5.66%



Notes:

1. This interest represents the interests directly held by Minsheng Bank (Shanghai) and Minsheng Bank (Suzhou) in the 6,639,880,000 underlying shares and 366,120,000 underlying shares of the Company respectively in relation to the Subscription Convertible Preference Shares issued by the Company. Both Minsheng Bank (Shanghai) and Minsheng Bank (Suzhou) are branches of China Minsheng Banking Corp. Ltd.. As such, Minsheng Bank (Shanghai) and Minsheng Bank (Suzhou) will also not be regarded as a public Shareholder in the event that Minsheng Bank (Shanghai) and Minsheng Bank (Suzhou), individually or in aggregate, hold 10% or more of the issued share capital of the Company upon conversion of the Subscription Convertible Preference Shares. Minsheng Bank (Shanghai) and Minsheng Bank (Suzhou) may be subject to the obligations to make a general offer under the Takeovers Code in the event that they, individually or in aggregate, hold 30% or more of the issued share capital of the Company upon conversion of the Subscription Convertible Preference Shares. Pursuant to the Company's Amendments and Restatement of Memorandum and Articles of Association, if the issue of ordinary Shares following the exercise by a holder of the Convertible Preference Shares of the conversion rights would result in the Company not meeting the Public Float Requirement immediately after the conversion, then the conversion and the number of ordinary Shares to be issued pursuant to such conversion shall be restricted to the maximum number of ordinary Shares issuable by the Company which would not in the reasonable opinion of the Company result in a breach of the Public Float Requirement.
2. These represent the same interests of Action Phoenix Limited and Castle Giant Investments Limited. Each of Action Phoenix Limited and Castle Giant Investments Limited is a wholly owned subsidiary of Skyline Asia International Limited, of which is 100% directly beneficially owned by Ms. Zhao Xuejun.
3. Kingwin Victory Investments Limited is wholly-owned by Mr. Wang Ping. This presents the same interest of Kingwin Victory Investment Limited.
4. This represents the same interest of Fine Profit Enterprises Limited ("Fine Profit") and Wealth Consult Limited ("Wealth Consult") of 21,744,800 shares. Wealth Consult is a wholly-owned subsidiary of Fine Profit, of which is wholly owned by Mr. Zhang Zhi Rong. Mr. Zhang Zhi Rong was therefore deemed to have an interest in the shares in which Fine Profit was interested.
5. Top Acton Limited is wholly-owned by Mr. Mei Liang. This represents the same interest of Top Acton Limited.
6. Mr. Ho Kwok Leung Glen and Mr. Lai Kar Yan (the "Receivers") were appointed on 25 June 2019 as the receivers of China Development Bank holding 342,000,000 shares of the Company as at 31 December 2019.
7. These percentages have been compiled based on the total number of issued shares of the Company of 4,770,491,507 as at 31 December 2019 and rounded to two decimal places. All interest stated above represent long positions.

Save as disclosed above, as at 31 December 2019, the Company had not been notified of any persons (other than the Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company which were recorded in the register required to be kept by the Company under section 336 of the SFO.

附註：

1. 該權益指民生銀行(上海)及民生銀行(蘇州)分別就與本公司所發行供認購可轉換優先股有關之本公司6,639,880,000股及366,120,000股相關股份所直接持有之權益。民生銀行(上海)及民生銀行(蘇州)均為中國民生銀行股份有限公司的分行。因此，倘民生銀行(上海)及民生銀行(蘇州)個別或合共持有供認購可轉換優先股獲兌換時本公司10%或以上已發行股本，則民生銀行(上海)及民生銀行(蘇州)亦不會被視為公眾股東。倘民生銀行(上海)及民生銀行(蘇州)個別或合共持有供認購可轉換優先股獲兌換時本公司30%或以上已發行股本，則彼等須根據收購守則履行全面要約義務。根據本公司修訂及重列組織章程大綱及細則，倘可轉換優先股持有人行使換股權後發行普通股將會導致緊隨兌換後本公司不符合公眾持股量規定，則兌換及根據該兌換而將發行的普通股數目應限於在合理認為本公司不會導致違反公眾持股量規定的情況下本公司可發行普通股的最大數目。
2. 該等權益指Action Phoenix Limited及Castle Giant Investments Limited之相同權益。Action Phoenix Limited及Castle Giant Investments Limited為Skyline Asia International Limited的全資附屬公司，後者由趙雪君女士直接全資實益擁有。
3. 宏易勝利投資有限公司為由王平先生全資實益擁有之公司。該權益指宏易勝利投資有限公司之相同權益。
4. 該權益指好利企業有限公司("好利")及Wealth Consult Limited ("Wealth Consult")於21,744,800股股份中之相同權益。Wealth Consult為好利之全資附屬公司，好利由張志榕先生全資擁有。因此，張志榕先生被視作擁有好利所持股份之權益。
5. Top Acton Limited為由梅靚先生全資擁有。該權益指Top Acton Limited之相同權益。
6. 何國樑先生及黎嘉恩先生(統稱為「接管人」)於二零一九年六月二十五日被委派為國家開發銀行之接管人。於二零一九年十二月三十一日，國家開發銀行持有342,000,000股本公司股份。
7. 該等百分比乃按照本公司於二零一九年十二月三十一日的全部已發行股份總數4,770,491,507股計算，並湊整至兩個小數位。上述所有權益均屬好倉。

除上文所披露者外，於二零一九年十二月三十一日，本公司未獲知會有任何人士(本公司董事或最高行政人員除外)擁有本公司股份或相關股份根據證券及期貨條例第336條規定存置的登記冊記載的權益或淡倉。

## REPORT OF THE DIRECTORS 董事會報告

### Public Float

Based on the information that is publicly available to the Company and within the knowledge of the Directors, throughout the year ended 31 December 2019 and as at the date of this report, there has been sufficient public float of more than 25% of the Company's issued shares as required under the Listing Rules.

### Management Contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2019.

### Compliance with Laws and Regulations

Compliance procedures are in place to ensure adherence to applicable laws, rules and regulations in particular, those have significant impact to the Group. Any changes in the applicable laws, rules and regulations are brought to the attention of relevant employees from time to time. As far as the Company is aware, it has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company.

### 公眾持股量

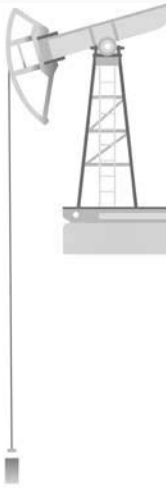
根據本公司公開獲得的資料及就董事所知，截至二零一九年十二月三十一日止整個年度及於本報告日期，本公司公眾持股量超過本公司已發行股份的25%，故符合上市規則規定。

### 管理合約

截至二零一九年十二月三十一日止年度，本公司概無就全部或任何部份重大業務的管理及行政事務訂立或存有任何管理合約。

### 遵守法律和法規

本集團已制定合規程序，以確保遵守(尤其是)對其產生重大影響之適用法律、規則及法規。相關員工會不時獲知悉適用法律、規則及法規之任何變動。就本公司所知，其已於各重大方面遵守對本公司業務及營運有重大影響之相關法律及規例。



## Environmental Policies and Performance

Our commitment to protect the environment is well reflected by our continuous efforts in promoting green measures and awareness in our daily business operations. We encourage environmental protection and comply with environmental regulation and promotes awareness towards environmental protection to the employees. In the course of its daily operations, the Group adheres to the principle of recycling and reducing. It implements green office practices such as double-sided printing and copying, promoting using recycled paper and reducing energy consumption by switching off idle lightings and electrical appliances. The Group will review its environmental practices from time to time and will consider implementing further eco-friendly measures and practices in the operations of the Group's businesses to enhance environmental sustainability.

Further details of the Group's environmental policies and performance will be disclosed in the environmental, social and governance report of the Company for the year ended 31 December 2019 to be published in due course,

## Relationship with Customers and Suppliers

The Group has been maintaining friendly negotiation with its customers and suppliers to develop long-term relationships. Further details in relation to the major customers and suppliers identified during the Period are disclosed in the paragraph headed "Major Customers and Suppliers" in this report and in the section headed "Operation Practices" in the "Environmental, Social and Governance Report" of this annual report.

## Tax Relief

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holdings in the shares of the Company.

## Corporate Governance

Principal corporate governance practices adopted by the Company are set out in the Corporate Governance Report section on pages 45 to 62 of this annual report.

## 環保政策及表現

我們在日常業務營運中不斷推廣環保措施和意識，以達到其保護環境的承諾。我們鼓勵環保、遵守環保法規，並推動僱員提升環保意識。於日常營運過程中，本集團堅持循環再造及減廢之原則，實施各項綠色辦公室措施，例如雙面打印及複印、提倡使用環保紙及透過關掉閒置的電燈及電器減少耗能。本集團將不時檢討其環保工作，並將考慮在本集團之業務營運中實施進一步環保措施及慣例，以加強環境之可持續性。

有關本集團環保政策及表現的進一步詳情將披露於適時刊發的本公司截至二零一九年十二月三十一日止年度之環境、社會及管治報告內。

## 與客戶及供應商之關係

本集團致力與客戶及供應商保持友善協商，從而建立長遠的合作關係。有關本期間內已物色主要客戶之進一步詳情已於本報告「主要客戶及供應商」一段以及本年報「環境、社會及管治報告」之「營運慣例」一段中披露。

## 稅務減免

本公司概不知悉任何因股東持有本公司股份而享有的稅務減免。

## 企業管治

本公司採納的企業管治常規載列於本年報第45至62頁企業管治報告一節。

## REPORT OF THE DIRECTORS 董事會報告

### Permitted Indemnity Provisions

The Articles of Association provides that every Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities incurred or sustained by him as a Director or other officer of the Company in defending any proceedings, whether civil or criminal, in which judgment is given in his favour, or in which he is acquitted. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of the relevant legal actions against the Directors.

### Auditor

The consolidated financial statements for the year ended 31 December 2019 have been audited by PricewaterhouseCoopers, who will retire at the conclusion of the 2020 AGM. PricewaterhouseCoopers, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of PricewaterhouseCoopers as the auditor of the Company will be proposed at the 2020 AGM.

### Directors' Responsibilities for the Financial Statements

The Directors are responsible for the preparation of financial statements for each financial period which give a true and fair view of the state of affairs of the Group and of the results and cash flows for that period. In preparing these financial statements for the year ended 31 December 2019, the Directors have selected suitable accounting policies and applied them consistently, made judgments and estimates that are prudent and reasonable, and have prepared the financial statements on a going concern basis. The Directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the Group.

On behalf of the Board

**Chen Qiang**  
Chairman

Hong Kong, 6 May 2020

### 獲准許的彌償條文

根據細則規定，本公司各董事或其他高級人員對於其在任何民事或刑事法律訴訟中作為本公司董事或其他高級人員出庭抗辯而得直或獲釋所產生或所致的損失和債務，則有權從本公司資產中獲得彌償。此外，本公司已就董事面對有關法律訴訟安排適當的董事及高級人員責任保險。

### 核數師

截至二零一九年十二月三十一日止年度的綜合財務報表已由羅兵咸永道會計師事務所審核，其將於二零二零年股東週年大會結束時退任。羅兵咸永道會計師事務所將合資格並將膺選連任。續聘羅兵咸永道會計師事務所為本公司核數師的決議案將於二零二零年股東週年大會上提呈。

### 董事對財務報表的責任

董事須負責編製各財政期間的財務報表，以真實及公平地反映本集團業務狀況及期內業績及現金流量。在編製截至二零一九年十二月三十一日止年度的財務報表時，董事選用並貫徹採用合適的會計政策，作出審慎合理判斷及預測，及按持續經營基準編製財務報表。董事亦須負責妥善保存會計記錄，以隨時合理準確地披露本集團財務狀況。

代表董事會

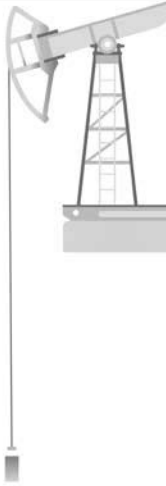
**主席**  
**陳強**

香港，二零二零年五月六日



# CORPORATE GOVERNANCE REPORT

## 企業管治報告



The Board and the management of the Company strictly adhere to the principles of good corporate governance, which is vital to prudent management and the enhancement of shareholder value. These principles emphasise transparency, accountability and independence. Set out below are those principles of corporate governance adopted by the Company.

During the year ended 31 December 2019, the Company complied with the applicable code provisions set out in the Corporate Governance Code [the “Code”] contained in Appendix 14 to the Listing Rules, save for the deviations as described in this Corporate Governance Report.

Code provision A.2.1 of the Code stipulates that the roles of the chairman of the board [the “Chairman”] and the chief executive officer should be separate and should not be performed by the same individual. Mr. Chen Qiang had performed both the roles of Chairman and chief executive officer of the Company in deviation from code provision A.2.1 of the Code during the year ended 31 December 2019. The Company believes that it is more efficient and effective for the Company to develop its long term strategies and in the execution of its business plans if Mr. Chen Qiang serves as both the Chairman and the chief executive officer of the Company.

## The Board

### Board Composition

The Board currently comprises four executive Directors, namely Mr. Chen Qiang (Chairman and Chief Executive Officer), Mr. Hong Liang (Chief Operating Officer), Ms. Zhu Wen Hua and Mr. Niu Jianmin, and three independent non-executive Directors, namely Mr. Wang Jin Lian, Ms. Zhou Zhan and Mr. Lam Cheung Mau. The Board considers this composition to be balanced, and reinforces a strong independent review and monitoring function on overall management practices.

Full details of changes in the Board during the year and to the date of this report are provided in the Report of the Directors on pages 25 to 44 of this annual report.

The Directors’ biographical details are set out in the Directors and Senior Management section on pages 20 to 24 of this annual report.

本公司董事會及管理層堅守良好的企業管治原則，此舉對穩健管理及提升股東價值至關重要。該等原則重視透明度、問責性及獨立性。下文載列本公司所採納的企業管治原則。

截至二零一九年十二月三十一日止年度，本公司遵守上市規則附錄十四企業管治守則（「守則」）所載的適用守則條文，除本企業管治報告所述之偏離者除外。

A.2.1守則條文規定董事會主席（「主席」）及首席執行官的角色應有區分，並不應由同一人同時兼任。於截至二零一九年十二月三十一日止年度，陳強先生同時兼任本公司主席及首席執行官之職位，與A.2.1守則條文有所偏離。本公司相信，倘陳強先生同時出任本公司主席兼首席執行官，此舉令本公司可更有效發展其長遠策略及實施其業務計劃。

## 董事會

### 董事會成員

董事會現由四名執行董事（即陳強先生（主席兼首席執行官）、洪樑先生（首席營運官）、朱文花女士及牛建民先生）及三名獨立非執行董事（即王錦連先生、周展女士及林長茂先生）組成。董事會認為這個組合權力平衡，能加強對整體管理運作的獨立審查及監督。

年內及截至本報告日期，董事會變動之全部詳情載於本年報第25頁至第44頁的董事會報告內。

董事簡歷詳情載於本年報第20至24頁董事及高級管理層一節。

### **Roles and Responsibilities of the Board**

The Board is responsible for formulating the overall strategies as well as reviewing the operation and financial performance of the Group. The Board is responsible for considering and deciding on matters covering the Group's overall strategies, major acquisitions and disposals, annual and interim results, approving Directors' appointments to the Board, major capital transactions and other significant operational and financial matters.

Our independent non-executive Directors offer diverse industry expertise, serve the important functions of advising the management on strategies, ensuring that the Board fulfils high standards of financial and other mandatory reporting requirements as well as providing adequate checks and balances for safeguarding the interests of shareholders and the Company as a whole.

### **Delegation to Management**

Day-to-day operational responsibilities are specifically delegated by the Board to the management. Major responsibilities include:

- execution of business and operational strategies and initiatives adopted by the Board;
- preparation of reports and accounts for the Board's approval before publication;
- adoption of the remuneration policy approved by the Board;
- implementation of internal control and risk management procedures; and
- compliance with relevant statutory requirements, rules and regulations.

### **Attendance Records of Directors and Board Committee Members**

During the year ended 31 December 2019, the Board held four Board meetings. The agendas and accompanying board papers are given to all Directors in a timely manner. The Chairman of the Board shall ensure the Directors being properly briefed on issues arising at those Board meetings.

### **董事會角色及責任**

董事會負責制定整體策略，並檢討本集團營運及財務表現。董事會負責審議本集團整體策略、重大收購及出售、年度及中期業績、批准委任董事加入董事會、重大資本交易及其他重大營運及財務事宜，以及進行有關方面的決策。

本集團獨立非執行董事具備不同行業的專業知識，負責履行的重要職務包括向管理層提供策略方面的建議，並確保董事會在達致高水平財務及其他強制申報規定的同時，具備充分權力制衡，以保障股東及本公司整體利益。

### **轉授於管理層**

董事會特別指派管理層履行日常營運職務，其中主要職務包括：

- 執行董事會所採納之業務及營運策略及方針；
- 編製報告及賬目，以供董事會在對外公佈前審批；
- 採納董事會批准之薪酬政策；
- 推行內部監控及風險管理程序；及
- 遵守相關法定規定、規則及法規。

### **董事及董事委員會成員出席記錄**

截至二零一九年十二月三十一日止年度，董事會舉行了四次董事會會議。會議議程及隨附的董事會文件已適時給予全體董事。董事會主席確保全體董事適當知悉董事會會議上商討之事項。

## CORPORATE GOVERNANCE REPORT 企業管治報告

Apart from the regular Board meetings, the Chairman of the Board also held a meeting with all independent non-executive Directors, without the presence of the other executive Directors.

除定期舉行董事會會議外，董事會主席亦在並無其他執行董事出席的情況下與全體獨立非執行董事舉行會議。

	Meetings Attended/Held 出席會議次數/會議舉行次數					Annual General Meeting 股東週年 大會	Continuous Professional Development 持續專業發展 Type of Training (Note) 培訓類別 (附註)
	Board 董事會	Audit Committee 審核委員會	Corporate Governance Committee 企業管治 委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會		
<b>Executive Directors</b> <b>執行董事</b>							
Mr. Chen Qiang (Chairman) 陳強先生(主席)	4/4 <sup>(C)</sup>		2/2		1/1	1/1	A
Mr. Hong Liang 洪樑先生	4/4					1/1	A
Ms. Zhu Wen Hua 朱文花女士	4/4			1/1		0/1	A
Mr. Wang Tao (retired on 10 June 2019) 王濤先生(于二零一九年六月十日退任)	2/4		2/2			0/1	A
Mr. Zhang Ming (retired on 10 June 2019) 張明先生(于二零一九年六月十日退任)	2/4		2/2			0/1	A
<b>Independent non-executive Directors</b> <b>獨立非執行董事</b>							
Mr. Wang Jin Lian 王錦連先生	4/4	2/2	2/2 <sup>(C)</sup>	1/1 <sup>(C)</sup>	1/1	0/1	A
Ms. Zhou Zhan 周展女士	4/4	2/2 <sup>(C)</sup>		1/1	1/1 <sup>(C)</sup>	0/1	A
Mr. Lam Cheung Mau 林長茂先生	4/4	2/2	2/2			1/1	A

Note relating to attendance records of meetings:

1 Chairmen of the Board and the Board Committees are indicated by (C).

Note relating to attendance records of training:

A Reviewing training materials prepared by the Company's external legal advisor.

有關會議出席記錄的附註：

1 董事會及董事委員會主席以(C)表示。

有關培訓的出席記錄的附註：

A 研讀由本公司外聘法律顧問提供之培訓材料。

## **Continuous Professional Development**

Code Provision A.6.5 of the Code stipulates that all directors should participate in continuous professional development to develop and refresh their knowledge and skills. The Group also makes available continuous professional development to the Directors at the expense of the Company and to ensure that their contribution to the Board remains informed and relevant.

The Group has also regularly organised and conducted continuous training and development programmes to executive Directors and senior management staff through lectures, seminars and/or workshops by internal or external speakers with professional expertise and experience, covering areas in financial, industrial, commercial, management, legal and regulatory, risk management and control and anti-corruption education. The Directors received their training by attending either in person or via telephone and/or by studying the training materials at their own leisure.

The Directors irregularly receive training from the Company's external legal advisor on corporate governance requirements and statutory disclosure obligations. During the year ended 31 December 2019, all directors have reviewed training materials prepared by the Company's external legal advisor with emphasis on the roles and duties of the directors of the Company as well as the applicable legal and regulatory requirements and the Company's policies and practices on corporate governance. The newly appointed Director has received the induction programme and briefing on directors' duties and obligations on corporate governance and regulatory requirements prepared and delivered by our external legal advisor immediately prior to his date of appointment.

## **Independence of Independent Non-executive Directors**

During the year ended 31 December 2019, the Board at all times met the requirements of the Listing Rules relating to the appointment of independent non-executive Director, whereby at least one of whom possesses appropriate professional qualifications or accounting or related financial management expertise.

The Board has received from each independent non-executive Director a written annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and is satisfied with the independence of all the independent non-executive Directors.

## **持續專業發展**

守則A.6.5守則條文規定，所有董事均須參加持續專業發展，以擴闊及更新董事的知識及技能。本集團亦使董事可參與持續專業發展，費用由本公司承擔，並確保彼等繼續在掌握全面資訊及切合所需的情況下向董事會作出貢獻。

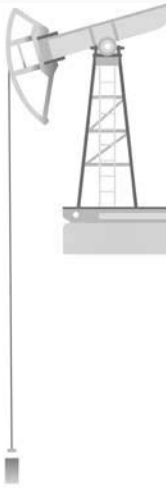
本集團亦定期為執行董事及高級管理層員工組織及舉辦持續培訓及發展課程，由具備專業知識及經驗的內部或外聘講者主持講座、研討會及／或工作坊，內容涵蓋財務、工業、商業、管理、法律及法規、風險管理及控制、廉政教育等方面。董事已親身或透過電話參加培訓課程及／或於彼等的私人時間研習有關培訓材料。

董事不定期接受本公司外聘法律顧問有關企業管治要求及法定披露責任的培訓。截至二零一九年十二月三十一日止年度，全體董事均已研讀由本公司外聘法律顧問提供的培訓材料。培訓重點強調本公司董事的角色及職務，以及適用的法律和監管規則及本公司的企業管治政策和常規。新任董事緊接於其委任日期前已接受由我們的外聘法律顧問所編製及提供的董事有關企業管治及監管規定的職責及責任的就職課程及簡報。

## **獨立非執行董事之獨立性**

截至二零一九年十二月三十一日止年度期間內，董事會一直符合有關委任獨立非執行董事的上市規則要求，據此至少一名獨立非執行董事具備適當的專業資格或具有會計或相關財務管理之專業知識。

根據上市規則第3.13條，董事會已接獲各獨立非執行董事就其獨立性呈交之年度書面確認，亦信納全體獨立非執行董事之獨立性。



Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his/her independence.

### Appointment and Re-election of Directors

The procedures for appointing and re-electing directors are set out in the Articles of Association. The Board is responsible for selecting and recommending candidates for directorship, taking into consideration factors such as appropriate professional knowledge and industry experience, personal ethics, integrity and personal skills.

Under the Articles of Association, one-third of the Directors must retire, and if eligible, may be subject to re-election at each AGM. To further reinforce accountability, any further re-appointment of an independent non-executive Director who has served the Company's Board for more than nine years will be subject to separate resolution to be approved by the shareholders of the Company.

In accordance with the Articles of Association, Mr. Hong Liang, Mr. Wang Jin Lian and Mr. Zhou Zhan will retire by rotation at the 2020 AGM. Mr. Niu Jianmin is subject to re-election at the 2020 AGM. All retiring Directors, being eligible, has offered themselves for re-election as Directors at the 2020 AGM.

Each of the executive Directors entered into renewed service contracts with the Company for a term of three years commencing on 24 October 2019.

Each of the independent non-executive directors is appointed for a specific term, subject to re-election, which will run until the conclusion of the third annual general meeting from the date of their last re-election and in accordance with the Company's Bye-laws.

### Directors' Interests in Shares

Details of Directors' interests in the Shares are set out in the Report of the Directors section on pages 25 to 44 of this annual report.

倘出現任何可能影響他／她的獨立性的轉變，各獨立非執行董事須在可行情況下盡快知會本公司。

### 委任及重選董事

委任及重選董事的程序載於細則。董事會負責甄選及推薦董事人選，考慮因素包括合適專業知識及行業經驗、個人操守、誠信及個人才能等。

根據細則，三分之一的董事必須於每屆股東週年大會上輪席退任，惟若合乎資格可重選連任。為進一步加強問責性，再度委任於本公司董事會服務超過九年的獨立非執行董事，將須以獨立決議案方式提呈本公司股東批准。

根據細則，洪樑先生、王錦連先生及周展女士將於二零二零年股東週年大會上輪值退任董事一職。牛建民先生將於二零二零年股東週年大會上競選連任，所有退任董事合資格並願意膺選連任。

各執行董事已與本公司訂立自二零一九年十月二十四日起計為期三年的重續服務合約。

每位獨立非執行董事乃按特定任期委任及可膺選連任，任期由上次重選當日起計至第三個股東週年大會結束時為止，並需根據本公司細則之規定。

### 董事的股份權益

有關董事的股份權益詳情載於本年報第25至第44頁的董事會報告內。

### Model Code on Securities Transactions

The Company has adopted a code of conduct regarding Directors' securities transactions on terms no less exacting than the required standards of the Model Code set out in Appendix 10 to the Listing Rules. Having made specific enquiry of the Directors, all Directors confirmed that they have complied with the required standards set out in the Model Code and the Company's code of conduct regarding directors' securities transactions during the year ended 31 December 2019.

### Directors' Liability Insurance and Indemnity

The Company has arranged for appropriate liability insurance to indemnify its Directors for their liabilities arising out of corporate activities undertaken for the Company. During the year ended 31 December 2019, no claim was made against the Directors.

### Board Committees

The Board has established an audit committee (the "**Audit Committee**"), a remuneration committee (the "**Remuneration Committee**"), a nomination committee (the "**Nomination Committee**"), a corporate governance committee (the "**Corporate Governance Committee**") and a finance and investment committee (the "**Finance and Investment Committee**") with defined terms of reference. Details and reports of the committees are set out below.

### Audit Committee

The Audit Committee was established to review the Group's financial reporting, risk management and internal control systems and make relevant recommendations to the Board. The Audit Committee comprises of three members: Ms. Zhou Zhan, being chairman of the Audit Committee, Mr. Wang Jin Lian and Mr. Lam Cheung Mau, all of whom are independent non-executive Directors. Ms. Zhou Zhan, as the chairman of the Audit Committee, possesses appropriate professional qualifications, accounting or related financial management expertise as required under the Listing Rules.

### 證券交易的標準守則

本公司已採納一套有關董事進行證券交易之行為守則，該守則之嚴格程度不低於上市規則附錄十所載的標準守則所規定之標準。經向董事作出具體查詢後，各名董事確認，於截至二零一九年十二月三十一日止年度，彼一直遵守標準守則所載之規定標準及本公司有關董事進行證券交易之行為守則。

### 董事責任保險及彌償保證

本公司已安排適當的責任保險，以就董事因本公司各種企業活動所產生之責任提供彌償保證。截至二零一九年十二月三十一日止年度期間內，概無董事遭索償。

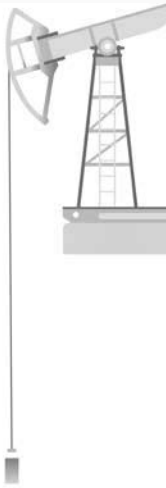
### 董事委員會

董事會已成立審核委員會(「**審核委員會**」)、薪酬委員會(「**薪酬委員會**」)、提名委員會(「**提名委員會**」)、企業管治委員會(「**企業管治委員會**」)以及財務及投資委員會(「**財務及投資委員會**」)，並已界定其職權範圍。各委員會之詳情及報告載列如下。

### 審核委員會

審核委員會的成立乃為審查本集團的財務申報、風險管理及內部監控，並向董事會提出相關建議。審核委員會由三名成員組成，分別為周展女士(即審核委員會主席)、王錦連先生及林長茂先生，彼等均為獨立非執行董事。審核委員會主席周展女士具備上市規則規定的適當專業資格、會計或相關財務管理專業知識。





Pursuant to the terms of reference of the Audit Committee, the main duties of the Audit Committee are to audit and supervise the financial reporting procedures of the Group, consider the appointment, re-appointment and remuneration of the auditor and any matters related to the removal and resignation of the auditor. In addition, the Audit Committee is responsible for examining and inspecting the effectiveness of the Group's risk management and internal control systems, including conducting reviews, on a regular basis, in respect of the risk management and internal control over various corporate structures and business procedures, and considering their potential risks and imminence, so as to ensure the effectiveness of the Company's business operations and to achieve its corporate objectives and strategies. The scope of such reviews covers finance, operations, compliance and regulations.

During the year ended 31 December 2019, the Audit Committee held two meetings. The following is a summary of the work of the Audit Committee during the year:

- review of and recommendation for the Board's approval of the Group's consolidated financial statements for the year ended 31 December 2018;
- review of and recommendation for the Board's approval the Group's interim condensed consolidated financial information for the six months ended 30 June 2019;
- review of the reports from the external auditor;
- review of the risk management and internal control systems of the Group;
- review of the reports from the internal auditor;
- approval of the internal audit plan for the year ended 31 December 2019;
- review of the effectiveness of the internal audit function; and
- review of the external auditor's remuneration and terms of engagement.

根據審核委員會的職權範圍，審核委員會的主要職責為審核及監督本集團的財務申報程序、審議核數師的任命、續聘、報酬以及任何與核數師的罷免及辭任相關的事宜。此外，審核委員會負責檢視本集團風險管理及內部監控之成效，包括定期檢討企業架構及業務流程之風險管理及內部監控，並考慮其潛在風險及迫切性以確保公司業務運作效率及實現其企業目標及策略。該等檢討的範圍涵蓋財務、營運、合規及法規各方面。

截至二零一九年十二月三十一日止年度，審核委員會舉行了兩次會議。年內審核委員會進行之工作之概要如下：

- 檢討及建議董事會批准本集團截至二零一八年十二月三十一日止年度之綜合財務報表；
- 檢討及建議董事會批准本集團截至二零一九年六月三十日止六個月內之中期簡明綜合財務資料；
- 審議外聘核數師之報告；
- 檢討本集團之內部監控及風險管理系統；
- 審議內部核數師之報告；
- 批准截至二零一九年十二月三十一日止年度的內部審核計劃；
- 檢討內部核數功能之有效性；及
- 檢討外聘核數師之酬金及委聘條款。

## CORPORATE GOVERNANCE REPORT

### 企業管治報告

The consolidated financial statements of the Group for the year ended 31 December 2019 have been reviewed and approved by the Audit Committee, and the Audit Committee is of the opinion that such financial statements comply with the applicable accounting standards, the Listing Rules and all other applicable legal requirements. The Audit Committee therefore recommended the Board's approval of the Group's consolidated financial statements for the year ended 31 December 2019.

### Remuneration Committee

The Remuneration Committee was established on 24 October 2010 and has been delegated with the responsibility of determining the remuneration policy and structure for all Directors and senior management, reviewing and approving the specific remuneration packages of all Directors and making recommendations to the Board regarding the remuneration of independent non-executive Directors. The Remuneration Committee comprises three members: Ms. Zhou Zhan (an independent non-executive Director) being the chairman of the Remuneration Committee, Mr. Chen Qiang (Chairman of the Board and an executive Director) and Mr. Wang Jin Lian (an independent non-executive Director).

During the year ended 31 December 2019, the Remuneration Committee held one meeting. The following is a summary of the work of the Remuneration Committee during the year:

- annual review of the remuneration packages of the Directors and senior management of the Company.

All the members of the Remuneration Committee had also passed written resolutions to approve and recommend for the Board's approval the remuneration package of one independent non-executive Directors under letters of appointment for the extended term of their appointment.

The particulars regarding Directors' remuneration and the five highest paid employees as required to be disclosed pursuant to Appendix 16 to the Listing Rules are set out in Notes 31 and 25 to the consolidated financial statements respectively.

審核委員會已審閱及批准本集團截至二零一九年十二月三十一日止年度的綜合財務報表，及審核委員會認為該財務報表符合適用的會計準則、上市規則及所有其他適用法律規定。審核委員會因此建議董事會批准本集團截至二零一九年十二月三十一日止年度的綜合財務報表。

### 薪酬委員會

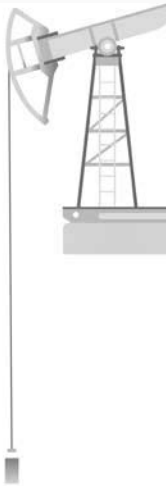
薪酬委員會於二零一零年十月二十四日成立，負責釐定全體董事及高級管理人員的薪酬政策及架構，以及檢討並批准全體董事之特定薪酬組合併就獨立非執行董事之薪酬向董事會提出建議。薪酬委員會由三名成員組成：即薪酬委員會主席周展女士（獨立非執行董事）、陳強先生（董事會主席兼執行董事）及王錦連先生（獨立非執行董事）。

截至二零一九年十二月三十一日止年度，薪酬委員會舉行了一次會議。薪酬委員會於年內的工作概要如下：

- 就董事及本公司高級管理層的薪酬待遇進行年度檢討。

薪酬委員會全體成員亦已通過書面決議，以批准並建議董事會批准一名獨立非執行董事在延長彼等任期的委任函項下的薪酬待遇。

根據上市規則附錄十六規定須予披露之有關董事薪酬及最高薪酬的五位僱員的詳細資料分別載於綜合財務報表附註31及25。



Pursuant to B.1.5 of the Code, the remuneration of the members of the senior management by band for the year ended 31 December 2019 is set out below:

根據B.1.5守則，截至二零一九年十二月三十一日止年度，高級管理層成員之薪酬等級載列如下：

Remuneration bands (RMB) 薪酬等級(人民幣)	Number of persons 人員數目
Below 1,000,000 少於1,000,000	1

### Nomination Committee

The Nomination Committee was established on 1 April 2012 with written terms of reference. The Nomination Committee comprises of three members, namely Mr. Wang Jin Lian (an independent non-executive Director) being the chairman of the Nomination Committee, Ms. Zhu Wen Hua (an executive Director) and Ms. Zhou Zhan (an independent non-executive Director).

### 提名委員會

提名委員會成立於二零一二年四月一日，並以書面形式劃定其職權範圍。提名委員會由三名成員組成，分別為提名委員會主席王錦連先生(獨立非執行董事)、朱文花女士(執行董事)及周展女士(獨立非執行董事)。

The key duties of the Nomination Committee are as follows:

提名委員會之主要職責如下：

- |   |   |
|---|---|
| (a) to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; | (a) 每年最少一次檢討董事會之架構、人數及組成(包括技能、知識及經驗方面)，並就任何擬作出之變動向董事會提出建議以配合本公司之公司策略； |
| (b) to identify individuals suitably qualified to become members of the Board and select, or make recommendations to the Board on the selection of, individuals nominated for directorships;  | (b) 物色具備合適資格可擔任董事會成員之人士，並挑選提名有關人士出任董事或就此向董事會提供意見；                     |
| (c) to assess the independence of independent non-executive Directors;  | (c) 評核獨立非執行董事之獨立性；  |
| (d) to make recommendations to the Board on the appointment or re-appointment of directors and succession planning for directors, in particular the chairman and the chief executive; and   | (d) 就董事委任或重新委任以及董事(尤其是主席及最高行政人員)繼任計劃向董事會提出建議；及                        |
| (e) to determine the policy, procedures and criteria for the nomination of directors.   | (e) 決定董事提名的政策、程序及標準。  |

## CORPORATE GOVERNANCE REPORT 企業管治報告

The Nomination Committee is to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. To ensure changes to the Board composition can be managed without undue disruption, a formal, considered and transparent procedure is in place for selection, appointment and re-appointment of Directors, as well as plans in place for orderly succession (if considered necessary), including periodical review of such plans. The appointment of a new Director (to be an additional Director or fill a casual vacancy as and when it arises) or any re-appointment of Directors is a matter for decision by the Board upon the recommendation of the proposed candidate by the Nomination Committee. The criteria to be applied in considering whether a candidate is qualified shall be his or her ability to devote sufficient time and attention to the affairs of the Company and contribute to the diversity of the Board as well as the effective carrying out by the Board of the responsibilities. Further details of the selection criteria and the procedure are set out in the terms of reference of the Nomination Committee which are available on the websites of the Stock Exchange and the Company.

During the year ended 31 December 2019, the Nomination Committee held one meeting. The meeting was held, amongst other things, to review on the structure, size and composition (including the skills, knowledge and experience) of the Board, to assess the independence of each of the independent non-executive Directors and to review the retirement plan of the Board.

### Nomination Procedures and Criteria

A shareholder may at any general meeting nominate a candidate for directorship if, within the 7 days commencing the day after the despatch of the notice of such general meeting, such shareholder (being entitled to attend and vote at such general meeting and not being the candidate) gives to the company secretary a written notice of his/her intention to propose such candidate for election and also a written notice signed by such candidate of his/her willingness to be elected.

Other than the nomination of directors by shareholders, at present, candidates for directorship may be nominated by the Chief Executive Officer of the Company, who will provide the Nomination Committee with notice of such nomination once a candidate has been identified.

The Nomination Committee is responsible for making recommendations to the Board with respect to the nomination of candidates for directorship by making reference to the Company's Board Diversity Policy, which was adopted by the Board on 26 March 2013 and various aspects of the candidate, including (but not limited to) his/her education background, professional experience, experience in the relevant industry and past directorships. In particular, for candidates to be independent non-executive directors, the Nomination Committee assesses his/her independence under Rule 3.13 of the Listing Rules. Then, the Nomination Committee will make its recommendations to the Board for consideration and approval.

提名委員會確保董事會按照本公司業務而具備適當所需技巧、經驗及多樣的觀點與角度。為確保董事會組成人員的變動不會帶來不適當的干擾，本公司應設有正式、經審慎考慮並具透明度的董事甄選、委任及重新委任程序，並設定有秩序的董事繼任計劃(如認為有需要)，包括定期檢討此類計劃。委任新董事(作為新增董事或填補所出現的臨時空缺)或重新委任任何董事乃經提名委員會推薦候選人後由董事會作出決定。用於考慮候選人是否符合資格的標準，應視乎候選人是否能投入足夠時間及精神以處理本公司事務，並促進董事會成員多元化，使董事會能有效履行其職責。更多甄選標準及程序的詳情載於提名委員會職權範圍，該職權範圍已於聯交所及本公司網站內登載。

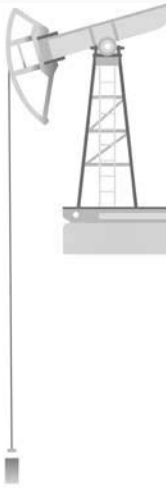
截至二零一九年十二月三十一日止年度，提名委員會舉行一次會議。舉行會議以(其中包括)審議董事會之架構、人數及組成(包括技能、知識及經驗)、評核向獨立非執行董事之獨立性及審議董事會之退休計劃。

### 提名程序及準則

倘股東於寄發股東大會通知起計7日內向公司秘書提交有關其有意建議人選參選董事的書面通知且有關係人已簽署有關書面通知表示其願意參選，則有關股東(其有權出席有關股東大會並於會上投票及並非為候選人)可於有關股東大會上提名候選人參選。

除由股東提名董事外，現時董事候選人可由本公司首席執行官提名，本公司首席執行官於確定候選人後將即時向提名委員會提供有關提名通知。

提名委員會負責參考董事會於二零一三年三月二十六日採納的本公司董事會多元化政策就提名董事候選人向董事會提供建議，以及多方面考慮候選人，包括(但不限於)其學歷背景、專業經驗、於相關行業的經驗及過往曾擔任的董事職位。特別就獨立非執行董事候選人而言，提名委員會會根據上市規則第3.13條評核其獨立性。其後提名委員會將向董事會提供建議以作考慮及批准。



## Corporate Governance Committee

The Corporate Governance Committee was established on 1 April 2012 with written terms of reference. The Corporate Governance Committee comprises of three members, namely Mr. Wang Jin Lian (an independent non-executive Director) being the chairman of the Corporate Governance Committee, Mr. Chen Qiang (Chairman of the Board and an executive Director), and Mr. Lam Cheung Mau (an independent non-executive Director).

The key duties of the Corporate Governance Committee are as follows:

- (a) to develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) to review and monitor the training and continuous professional development of Directors and senior management;
- (c) to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) to develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors; and
- (e) to review the Company's compliance with the Code on Corporate Governance Practices (Appendix 14 to the Listing Rules) and disclosure in the Corporate Governance Report.

During the year ended 31 December 2019, the Corporate Governance Committee held two meetings. The meetings were held:

- to review the compliance with the Code and the relevant disclosure in the draft 2018 Annual Report and the draft 2019 interim report;
- to review the training and continuous professional development of Directors and senior management; and
- to review the corporate governance policy in relation to the disclosure on inside information and the proposed appointment of members of the inside information disclosure committee.

## 企業管治委員會

企業管治委員會成立於二零一二年四月一日，並以書面形式劃定其職權範圍。企業管治委員會由三名成員組成，分別為企業管治委員會主席王錦連先生(獨立非執行董事)、陳強先生(董事會主席兼執行董事)及林長茂先生(獨立非執行董事)。

企業管治委員會之主要職責如下：

- (a) 制定及檢討本公司的企業管治政策及常規，並向董事會提供意見；
- (b) 檢討及監察董事及高級管理人員的培訓及持續專業發展；
- (c) 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
- (d) 制定、檢討及監察僱員及董事的操守準則及合規手冊(如有)；及
- (e) 檢討本公司遵守上市規則附錄十四所載的企業管治常規守則及在企業管治報告內的披露。

截至二零一九年十二月三十一日止年度，企業管治委員會舉行兩次會議。會議舉行乃為：

- 檢討守則的遵守情況及二零一八年年度報告及二零一九年中期報告草案內的相關披露；
- 檢討董事及高級管理層的培訓及持續專業發展；及
- 檢討有關披露內幕消息及建議委任內幕消息披露委員會成員的企業管治政策。

## CORPORATE GOVERNANCE REPORT 企業管治報告

### Finance and Investment Committee

The Finance and Investment Committee was established on 1 April 2012 with written terms of reference. The Finance and Investment Committee comprises of four members, namely Mr. Chen Qiang (Chairman of the Board and an executive Director) being the chairman of the Finance and Investment Committee, Mr. Hong Liang (an executive Director), Mr. Wang Jin Lian (an independent non-executive Director) and Ms. Zhou Zhan (an independent non-executive Director).

The key responsibilities of the Finance and Investment Committee are as follows:

- (a) to develop and review the Company's investment policies, financial strategies and objectives and make recommendations to the Board;
- (b) to consider, evaluate and review major project investments, acquisitions and disposals of the Group and to make recommendations to the Board;
- (c) to conduct post-investment evaluations on investment projects of the Group;
- (d) to arrange and approve banking facilities, loans, financial instruments, guarantees and indemnities of the Group;
- (e) to approve the opening and cancellation of bank or securities accounts of the Group and to approve the authorised signatories and mode of operations of the accounts;
- (f) to oversee the overall management of all the risks of the Group, including, without limitation, the financial and operational risks by setting and formulating risk management policies and strategies; and
- (g) to review and assess the adequacy and effectiveness and risk management policies and framework in identifying, measuring, monitoring and controlling risks.

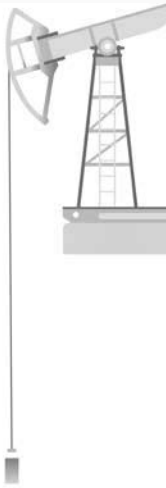
### 財務及投資委員會

財務及投資委員會成立於二零一二年四月一日，並以書面形式劃定其職權範圍。財務及投資委員會由四名成員組成，分別為財務及投資委員會主席陳強先生(董事會主席兼執行董事)、洪樑先生(執行董事)、王錦連先生(獨立非執行董事)及周展女士(獨立非執行董事)。

財務及投資委員會之主要職責如下：

- (a) 制定及檢討公司的投資政策、財務策略及目標，並向董事會提供意見；
- (b) 考慮、評估及檢討本集團主要項目投資、收購及出售，並就此向董事會提供意見；
- (c) 就本集團投資項目開展投資後進行評估；
- (d) 安排及批准本集團的銀行融資、借貸、金融工具、擔保及彌償保證；
- (e) 批准本集團銀行或證券戶口之開戶及取消，並批准其戶口之授權簽署及運作模式；
- (f) 設定及規劃風險管理政策及策略以監督本集團的風險的全面管理，包括但不限於財務及運營風險；及
- (g) 檢討及評估風險管理政策及架構是否足夠及有效發現、估量、監察及控制風險。





### Board Diversity Policy

The Board Diversity Policy was adopted by the Company pursuant to the resolutions passed at a Board meeting held on 26 March 2013. The Company sees increasing diversity at the Board level as an essential element in supporting the attainment of its strategic objectives and its sustainable development. In designing the Board's composition, the nomination and the board appointments during the year ended 31 December 2019 were made after considering the board diversity in a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

### Risk Management and Internal Control

The Board places great importance on internal controls and is responsible for the risk management and internal control systems and reviewing the effectiveness of those risk management and internal control. The Company has provided directors training materials, which contain, amongst other things, inside information regulatory requirements, prepared by the Company's external legal advisor in order to ensure the company is compliance with regulatory requirements.

The risk management and internal control systems are designed to manage the risk of failure to achieve corporate objectives and to protect the Group's assets and information. It aims to provide reasonable assurance against material misstatements, losses, damages or fraud and to manage rather than eliminate risks of failure in operations systems. The Board has delegated the design, implementation and ongoing assessment of risk management and internal control systems to the management, while the Board, through its Audit Committee, oversees and reviews the adequacy and effectiveness of relevant financial, operational and compliance controls and risk management procedures in place. Qualified personnel of the Group maintain and monitor these systems of controls on an ongoing basis.

### 董事會多元化政策

本公司根據於二零一三年三月二十六日舉行之董事會會議上通過之決議案，採納董事會多元化政策。本公司視董事會層面日益多元化為支持其達到戰略目標及維持可持續發展之關鍵元素。於設計董事會組成時，本公司從多個方面考慮董事會多元化後，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識及服務任期，作出於截至二零一九年十二月三十一日止年度的提名及董事會委任。

### 風險管理及內部監控

董事會非常重視內部控制，並負責風險管理及內部監控系統及評估這些風險管理及內部監控的成效。本公司已為董事提供由本公司外聘法律顧問起草載有(其中包括)內幕消息監管規定的培訓材料，以確保本公司遵守相關的監管規定。

風險管理及內部監控系統乃為管理未能達成企業目標的相關風險及保障本集團資產及資料而設。該系統旨在合理防範嚴重誤報、損失、損害或詐騙，以及管理(而並非杜絕)作業系統的故障風險。董事會已委託管理層設計、執行及持續評核風險管理及內部監控系統，而董事會則會通過審核委員會監督及評審現有財務、營運及合規監控系統以及風險管理措施，以評估其是否充足及有效。本集團合資格人士持續維護與監察上述監控系統。

## CORPORATE GOVERNANCE REPORT 企業管治報告

The Board reviewed the effectiveness of the Group's risk management and internal control systems, including financial, operational and compliance control and risk management systems. The Board acknowledges that it is responsible for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board reviewed the adequacy and effectiveness of the Group's risk management and internal control systems semi-annually through the Audit Committee. During the year ended 31 December 2019, no irregularity or material weakness was noted within any function or process. The Audit Committee is satisfied that the risk management and internal control systems had functioned effectively as intended.

The Company had established internal audit function and regularly carries out reviews on the effectiveness of the risk management and internal control in order to ensure that they are able to meet and deal with the dynamic and ever changing business environment.

The Board considers the risk management and internal control systems are effective and adequate for the Group as a whole. The Board further considers that there was no issue relating to the material controls, including financial, operational and compliance controls and risk management functions of the Group.

In addition, the Board and/or its committees have also reviewed the adequacy of the Company's resources, staff's qualifications and experience, training programmes and the related budgets in the Company's accounting, internal audit and financial reporting functions.

### Inside Information

The Company has established a disclosure committee to oversee disclosure of inside information in accordance with a policy on disclosure of inside information (the "**Disclosure Policy**"). The Disclosure Policy sets out the procedures and internal controls for handling and dissemination of inside information in a timely manner and in such a way so as not to place any person in a privileged dealing position and to allow sufficient time for the market to price the listed securities of the Company with the latest available information of the Company.

董事會已評核本集團風險管理及內部監控系統，包括財務、營運及合規監控與風險管理系統之成效。董事會承認其須對風險管理及內部監控系統負責，並有責任檢討該等制度的有效性。該等系統旨在管理而非消除未能達成業務目標的風險，而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。董事會透過審核委員會每半年檢討集團的風險管理及內部監控系統的充足程度及成效。截至二零一九年十二月三十一日止年度內，未有發現任何職能或工序有欠穩妥之處或重大缺失。審核委員會信納風險管理及內部監控系統之運作效率一如預期。

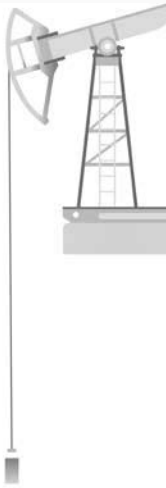
本公司有設立內部審核功能並定期對風險管理及內部監控的有效性進行審閱，確保其能夠符合及應對靈活多變的經營環境。

董事會認為，風險管理及內部監控系統對本集團整體而言屬有效及充足。董事會並認為，本集團在財務、營運及合規監控以及風險管理職能各方面未有任何重大監控問題。

此外，董事會及／或其委員會亦審閱本公司的資源、員工資歷及經驗、培訓項目，以及本公司會計、內部審核及財務報告功能相關預算之足夠性。

### 內幕消息

本公司設有披露委員會，以根據內幕消息披露管理規定(「披露規定」)監督內幕消息披露。披露規定載列有關處理及發佈內幕消息之程序及內部監控，使內幕消息得以適時處理及發佈，並不會導致任何人士在本公司上市證券交易上處於佔優地位，亦讓市場在得悉本公司最新可得資料的情況下，有充足時間定出本公司上市證券之價格。



All directors and employees of the Company must comply with the Disclosure Policy which provides guidelines to the directors, senior officers and other relevant employees of the Group to ensure proper safeguards in place to prevent the Company from breaching the statutory disclosure requirements of inside information. The Disclosure Policy also includes appropriate internal control and reporting systems to identify and assess potential inside information and relevant steps to be taken.

The Disclosure Policy also stipulates that dissemination of inside information of the Company shall be conducted by publication of the relevant information on the websites of Hong Kong Exchanges and Clearing Limited and the Company, according to the requirements of the SFO and the Listing Rules.

## Company Secretary

Ms. Leung Yin Fai is the Company Secretary of the Company and responsible for advising the Board on corporate governance matters and ensuring that the Board policy and ensuring that the Board policy and procedures, and the applicable laws, rules and regulations are followed. All Directors have access to the advice and services of the company secretary to ensure that the Board procedures and all applicable laws are followed. Moreover, the company secretary is responsible for facilitating communications among Directors as well as with management.

The Company engages an external service provider, Ms. Leung Yin Fai, as its company secretary. Mr. Hong Liang, executive director of the Company, is the primary contact person whom Ms. Leung Yin Fai can contact. During the year ended 31 December 2019, the company secretary has undertaken more than 15 hours of relevant professional training.

## External Auditor

The Company has engaged PricewaterhouseCoopers as its external auditor. The aggregate remuneration in respect of services provided by PricewaterhouseCoopers for the year ended 31 December 2019 was approximately HKD3.4 million [2018: HKD10.4 million], of which HKD3.4 million [2018: HKD5.5 million] represents annual audit and other audit-related services and NIL [2018: HKD4.9 million] fees for certain non-audit related services, which mainly consist of taxation, review, consultancy and other reporting services.

本公司所有董事及僱員必須遵守披露規定。該規定為本集團董事、高級人員及其他相關僱員提供指引，確保設有適當措施，以預防本公司違反法定的內幕消息披露規定。披露規定亦載有適當的內部監控及匯報制度，以識別及評估潛在的內幕消息及採取相關行動。

根據證券及期貨條例及上市規則規定，披露規定亦規範本公司內幕消息之發佈方法乃於香港交易及結算所有限公司及本公司網站內刊載相關消息。

## 公司秘書

梁燕輝女士為本公司公司秘書負責就企業管治事宜向董事會提供意見並確保遵守董事會政策及程序、適用法例、規則及規例。所有董事均可獲得公司秘書的建議及服務以確保董事會遵守議事程序及所有適用法律。此外，公司秘書負責促進董事之間以及管理層之間的溝通。

本公司已委聘外部服務提供者梁燕輝女士作為公司秘書。本公司執行董事洪樑先生為梁燕輝女士可聯絡的主要聯絡人士。截至二零一九年十二月三十一日止年度，公司秘書已進行了超過15小時的相關專業培訓。

## 外聘核數師

本公司已委聘羅兵咸永道會計師事務所為外聘核數師。截至二零一九年十二月三十一日止年度，羅兵咸永道會計師事務所就其提供之服務收取酬金合共約3.4百萬港元(二零一八年：10.4百萬港元)，其中3.4百萬港元(二零一八年：5.5百萬港元)乃年度審計及其他審計相關服務費用，而零港元(二零一八年：4.9百萬港元)則為若干非審計服務(主要包括稅務、審閱、諮詢及其他申報服務)的費用。

## Directors' Responsibility for Financial Statements and Auditor's Responsibility

All Directors acknowledge their responsibility for preparing the consolidated financial statements of the Company for the year ended 31 December 2019 and of ensuring that the preparation of the consolidated financial statements of the Company is in accordance with the applicable standards and requirements.

The statement of the auditor about their reporting responsibilities on the financial statements of the Group is set out in the Independent Auditor's Report on pages 83 to 88 of this annual report.

## Going Concern and Mitigation Measures

During the Period, the Group recorded a profit of approximately RMB122.1 million and had an operating cash outflow of RMB66.4 million. As at 31 December 2019, the Group had a total deficit of RMB8,553.3 million and the Group's current liabilities exceeded its current assets by RMB9,991.5 million. While the Group only maintained cash and cash equivalents of RMB42.9 million. These conditions, together with others described in Note 2.1(b) 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. However, a number of measures have been undertaken to improve the Group's liquidity and financial position, to refinance its operations and to restructure its debts. For further details of these measures, please refer to Note 2.1(b) to the consolidated financial statements.

## Shareholders' Rights

Under the Articles of Association, in addition to regular Board meetings, Directors of the Company, on the written requisition of two or more shareholders of the Company holding not less than 10% of the paid-up capital of the Company which carry voting rights, shall convene an extraordinary general meeting to address specific issues of the Company.

The requisition must (i) specify the objects of the meeting, the name of the requisitionist(s), their contact details and the number of ordinary shares in the Company held by them, (ii) be signed by the requisitionist(s) and (iii) be deposited at the Company's principal place of business in Hong Kong.

## 董事對財務報表的責任及核數師責任

所有董事知悉彼等負責編製本公司截至二零一九年十二月三十一日止年度的綜合財務報表，並確保根據適用標準及規定編製本公司綜合財務報表。

有關核數師對本集團財務報表申報責任的陳述載於本年報第83頁至第88頁的獨立核數師報告內。

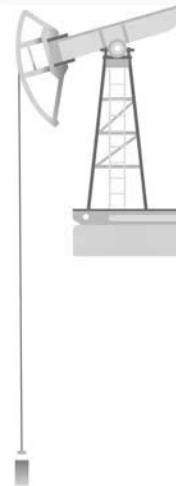
## 持續經營及應對措施

於本期間，本集團錄得溢利約人民幣122.1百萬元及錄得經營現金流出約人民幣66.4百萬元。於二零一九年十二月三十一日，本集團虧絀總額為人民幣8,553.3百萬元，而本集團流動負債超過流動資產人民幣9,991.5百萬元。本集團只維持現金及現金等價物人民幣42.9百萬元。以上事項，連同綜合財務報表附註2.1(b)所述的其他事項，表明可能導致貴集團的持續經營能力產生重大疑慮的事項或情況存在重大不確定性。不過，我們已採取多項措施以改善流動資金水平及財務狀況，務求為其業務再融資及重組債務。有關該等應對計劃及措施的進一步詳情，請參閱綜合財務報表附註2.1(b)。

## 股東權利

根據細則，除董事會定期會議外，在持有不少於本公司帶有投票權之繳足股本10%的兩名或以上本公司股東書面要求下，本公司董事須召開股東特別大會處理本公司的特定議題。

請求書必須(i)明確說明大會的主旨、請求人士名稱、彼等的聯絡資料及其持有本公司普通股的數目、(ii)由請求人簽署及(iii)繳存於本公司香港主要營業地點。



The Directors must, within 21 days from the date of the deposit of the requisition, proceed to convene an extraordinary general meeting to be held within a further 21 days. If the Directors fail to convene the extraordinary general meeting as aforesaid, the requisitionist(s), or any of them representing more than one-half of the total voting rights of all of them, may themselves convene the meeting. Any meeting so convened shall not be held after the expiration of three months from the date of the deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

## Shareholders' Enquiries to the Board

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

### Investor Relations Department

China Huarong Energy Company Limited  
Room 2201, 22nd Floor, China Evergrande Centre,  
38 Gloucester Road, Wanchai, Hong Kong  
Email: ir@rshi.cn  
Tel no.: +852 3900 1888  
Fax no.: +852 2180 7880

The Investor Relations Department will forward the shareholders' enquiries and concerns to the Board and/or the relevant Board committees and answer any shareholders' questions (where applicable and appropriate).

## Shareholders' Meetings

The Company regards the AGM as an important event as it provides an invaluable opportunity for the Board to communicate with the shareholders of the Company. All shareholders are given at least 20 clear business days' prior notice to attend the AGM. During the AGM, the Directors are available to answer questions which shareholders may have. Poll results are published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in a timely manner.

All shareholders of the Company have the right to be informed and participate in material matters of the Company as prescribed by laws and the Articles of Association.

在請求書繳存日期起計21天內，董事必須安排於其後21天內召開一次股東特別大會。如董事未能如上文所述召開股東特別大會，該等請求人或佔全體請求人一半以上總表決權的請求人可自行召開會議。惟於請求書繳存日期起計三個月屆滿後不能舉行任何該等會議，而本公司須向請求人償付所有因董事會未有召開會議致使請求人須自行召開會議而產生的合理開支。

## 股東向董事會進行查詢

股東可於任何時間以書面方式透過投資者關係部向董事會提出查詢及表達意見。投資者關係部的聯絡資料如下：

### 投資者關係部

中國華榮能源股份有限公司  
香港灣仔告士打道38號  
中國恆大中心22樓2201室  
電郵：ir@rshi.cn  
電話：+852 3900 1888  
傳真：+852 2180 7880

投資者關係部將向董事會及／或相關董事委員會轉交股東的查詢及意見，並在適當情況下回覆股東提問。

## 股東大會

本公司將股東週年大會視為重要事件，因其提供寶貴機會讓董事會與本公司股東溝通。全體股東最少於足20個營業日前得悉有關出席股東週年大會之通知。於股東週年大會舉行期間，董事將即場回應股東的提問。投票結果將適時分別登載於香港交易及結算所有有限公司及本公司網站內。

本公司所有股東均擁有法例及細則所規定的關於本公司重大事項的知情權及參與權。

## **Investor Relations**

The Group is committed to regular and proactive communication with its shareholders. It has adopted a policy of disclosing clear, adequate and relevant information to its shareholders in a timely manner through various channels.

The Board communicates with its shareholders and investors through various channels. The Board members meet and communicate with shareholders and investors at annual general meetings and other general meetings.

Investor Relations Department responds in a timely manner to letters and telephone enquiries from shareholders and investors of the Company. An email contact (ir@rshi.cn) is available to shareholders and investors of the Company.

The Company's website (<http://www.huarongenergy.com.hk>) facilitates effective communications with shareholders, investors and other stakeholders of the Company by making up-to-date information relating to the Group's business developments, operations, financial information, corporate governance practices and other information available electronically and on a timely basis.

## **投資者關係**

本集團致力與其股東進行定期及主動的溝通。其已採納政策，透過多種渠道及時向其股東清晰及充足地披露有關資料。

董事會透過各種渠道與股東及投資者進行溝通。董事會成員參加股東週年大會和其他股東大會，以與股東及投資者會面與溝通。

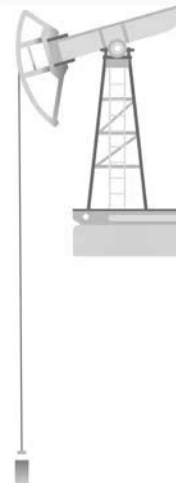
投資者關係部門一直適時回覆本公司股東及投資者的函件及電話查詢。本公司股東及投資者可通過電郵(ir@rshi.cn)與本公司聯絡。

本公司的網站(<http://www.huarongenergy.com.hk>)提供有關本集團的業務發展、經營、財務資料、企業管治常規的最新資訊及以電子方式適時提供其他資料，有效促進本公司與其股東、投資者及其他持份者之間的溝通。



# ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告



### Overview

China Huarong Energy Company Limited (the “**Group**”, “**Company**”, “**we**”) is principally engaged in energy exploration and production businesses in the Republic of Kyrgyzstan (“**Kyrgyzstan**”). The Group was granted rights to conduct its energy exploration and production businesses by holding 60% interests in the projects involving five oilfields located in the Fergana Valley of Kyrgyzstan, namely Maili-Su IV, Eastern Izbaskent, Izbaskent, Changyrtash and Chigirchik. While the Group is continuously developing its businesses, it also pays close attention to global sustainable development and is committed to balancing social, economic and environmental development. We are pleased to present this Environmental, Social and Governance (“**ESG**”) Report (“**ESG Report**”) for 2019 to demonstrate our commitment, approach and performance in terms of ESG management and corporate sustainability development.

### About This ESG Report

This ESG Report covers the Group’s energy exploration and production business in Kyrgyzstan for the period from 1st January 2019 to 31st December 2019 (“**Reporting Period**”) and has been prepared in strict compliance with the requirement under Appendix 27 – Environmental, Social and Governance Reporting Guide (“**ESG Guide**”) of Rules Governing the Listing of Securities on the Main Board of the Stock Exchange of Hong Kong Limited. The disposal of the Group’s shipbuilding and engineering businesses was completed in the initial stage of the Reporting Period. Therefore, those businesses have not been covered in this ESG Report as they were discontinued operations and their impact was immaterial. Key Performance Indicators (“**KPIs**”) that need to be revealed compulsorily as required by the ESG Guide were all addressed in the Environmental Sustainability and Social Sustainability sections of this ESG Report. Alongside with the reporting principles of the ESG Guide, general disclosure of the Group’s ESG procedures was illustrated through the compliance with relevant laws and regulations. English version shall prevail if there is any conflict or inconsistency.

### 概覽

中國華榮能源股份有限公司(「**本集團**」、「**本公司**」、「**我們**»)主要於吉爾吉斯共和國(「**吉爾吉斯**»)從事能源勘探及生產業務。本集團通過持有60%權益位於吉爾吉斯費爾干納盆地五個油田項目，即馬里蘇IV、東伊斯巴克特、伊斯巴克特、羌格爾塔什及奇克爾奇克，獲授權經營能源勘探及生產業務。本集團在不斷發展業務的同時，亦對全球可持續發展保持高度關注，致力平衡社會、經濟及環境三方面的發展。我們欣然發表二零一九年度環境、社會及管治報告(「**本報告**」)，以展示本集團就環境、社會、管治及企業可持續發展層面上的承諾、政策與績效。

### 關於本報告

本報告嚴格遵循香港聯合交易所有限公司主板上市規則附錄27所載《環境、社會及管治報告指引》的規定而編寫，涵蓋本集團於吉爾吉斯的能源勘探及生產業務。本報告的匯報時間範圍為二零一九年一月一日至二零一九年十二月三十一日(「**匯報期間**」)。由於本集團的造船及工程業務已於匯報期間初期完成出售，屬已終止業務及於匯報期間未對我們構成重大影響，因此並未涵蓋於本報告內。本報告已就《環境、社會及管治報告指引》內規定必須報告的關鍵績效指標，分別在環境可持續發展和社會可持續發展章節全部披露。此外，除遵守《環境、社會及管治報告指引》的報告原則外，本報告同時就已遵守的相關法律和法規作出說明。中英文版本如有歧義，概以英文版本為準。

## Stakeholders Engagement

Stakeholders refer to the groups and individuals materially influencing or being influenced by the Group's businesses. Our stakeholders include government, regulatory authorities, shareholders, employees, directors, customers, suppliers, general public and etc. We strongly believe that effective communications with our stakeholders is essential for our corporate development and creates long-term corporate values. Furthermore, it helps the Group better understanding the sustainability issues which are important to our stakeholders and then we can respond appropriately, relevantly and effectively. During the Reporting Period, we utilized various channels including regular reports, meetings, face-to-face interviews, trainings, on-site visits, company website and etc., to communicate with our stakeholders. This ESG Report is prepared based on those ESG issues that our stakeholders consider important.

The Group welcomes stakeholders' feedback, especially on its sustainability approach and performance. Readers are also welcomed to share their views with the Group at [ir@rshi.cn](mailto:ir@rshi.cn).

## A. Environmental Sustainability

This section primarily discloses the Group's policies and KPIs on emissions, use of resources, and the environment and natural resources in 2019.

### A.1 Emissions

The Group's core businesses of crude oil exploration and extraction consume a large amount of natural resources. They will inevitably generate greenhouse gases directly and indirectly. Therefore, we follow the "green production" principle for crude oil exploration and extraction, and strive to improve crude oil extraction rate and efficiency. The Group strictly complies with relevant environmental laws and regulations of Kyrgyzstan. We discharge pollutants in strict accordance with statutory requirements and standards to ensure the emissions of greenhouse gases, sewage and wastes do not exceed the upper limits stated in the local laws and regulations. In order to minimize the impact on environmental, during the project development stage, we have already carried out a detailed environmental impact assessment report to identify various potential

## 持份者參與

持份者是指對本集團業務產生重大影響或受影響的團體和個人。我們的持份者包括政府、監管機構、股東、僱員、董事、客戶、供應商和公眾等。我們深信與持份者建立有效溝通渠道對本集團的業務發展及創造長期價值至關重要，更有助本集團瞭解持份者特別關注的可持續發展議題，令我們可從而作出適切、相關及有效的回應。於匯報期間，我們透過不同形式，包括定期報告、會議、面對面訪談、培訓、現場參觀、公司網站等，與持份者進行溝通，並根據他們認為重要的環境、社會及管治議題編製本報告。

本集團樂意傾聽持份者的意見和反饋，特別是持份者對我們於可持續發展的工作及績效。讀者可透過電郵[ir@rshi.cn](mailto:ir@rshi.cn)與本集團分享寶貴意見。

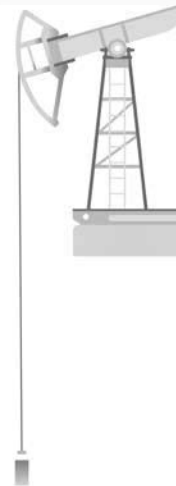
## A. 環境可持續發展

本章節主要披露了本集團在二零一九年有關排放物、資源使用、環境及天然資源的政策和關鍵績效指標。

### A.1 排放物

本集團的核心業務勘探及開採原油需要消耗大量天然資源，無可避免會直接及間接產生溫室氣體，因此我們堅守綠色生產的原則進行原油勘探及開採，努力提高原油開採率及效能。本集團嚴格遵守吉爾吉斯的環保相關法律法規，亦嚴格按照法定要求和標準排放污染物，確保溫室氣體、污水和廢棄物的排放量不超過當地法律法規所要求的上限。在項目開發過程中，我們先進行詳細的環境影響評估報告，以識別各項潛在的環境風險因素，就此制定應對方案，並呈交給吉爾吉斯國家生態技術監督部聯合其他相關部門作批示，務求將環境影響減至最低。我們的生產基地設有專責部

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告



environmental risks. Then we formulated a plan to reduce the risks accordingly and submitted to the State Inspectorate for Environmental and Technical Safety of Kyrgyzstan in conjunction with other relevant departments for approval. A dedicated department was set up in our production bases for monitoring all operations in compliance with Kyrgyzstan environmental laws and regulations. Our safety and environmental protection engineers are mainly responsible for the Company's environmental protection works and they shall record the Company's environmental protection performance in every quarter. They are familiar with the ecological environment, laws and regulations of Kyrgyzstan. Their duties include on-site inspection of the oil wells, land and energy usage in the production, and identification of high environmental and safety risks procedures in the production processes. Those high risks procedures will be firmly adjusted to avoid any major accidents damaging the local ecological environment. Furthermore, the Group engaged with external consultants to provide professional advices and monitor the entire production process. At the same time, the State Inspection for Environmental and Technical Safety of the Kyrgyz Republic also conducts annual routine inspections of the Company and provides inspection reports.

During the Reporting Period, the State Inspection for Environmental and Technical Safety of the Kyrgyz Republic issued an environmental protection non-violation certificate to the Group, proving that there was no excessive emission against the permitted and approved emission levels by Kyrgyz Republic Jalalabad State Forestry Environmental Protection Agency of the State Environmental and Forestry Agency. The Group also has not violated any environmental protection laws and regulations.

門，負責監察所有運作是否符合吉爾吉斯的環保法令及規章。我們聘用的安全環保工程師，主要職責就是負責本公司的環保工作，每季度會對本公司的環保情況進行備案。安全環保工程師熟悉吉爾吉斯的生態環境和法律法規，定期巡查各油井現場、工程生產項目的能源、土地使用等情況，亦會識別生產流程中具高環境安全風險的工序，嚴格作出調整，避免發生因環境安全而引起的重大事故，以免破壞當地生態環境。此外，本集團亦聘請外部顧問提供專業意見，監察整個生產流程。同時，吉爾吉斯國家安全環保監督局每年亦會對本公司進行例行檢查，並提供檢查結論書。

於匯報期間，本集團獲吉爾吉斯國家安全環保監督局發出環保無違規證明書，證明未發現本公司有任何排放量超出吉爾吉斯國家林業環保總局賈拉拉巴德州林業環保局本法的排放許可和核准排放量。此外，本集團亦沒有違反任何環境保護的法律法規。

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During the Reporting Period, the Group generated 332.07 kg of Nitrogen Oxides, 0.87 kg of Sulphur Oxides and 22.59 kg of Particulate Matter. The total greenhouse gas emissions from the Group were 433.71 tonnes CO<sub>2e</sub> for the same period. It was mainly from the production processes direct emissions (Scope 1), and indirect emissions of electricity consumption in daily operations (Scope 2), paper usage and employee business travels (Scope 3). As mentioned above, we have adopted a number of measures to reduce greenhouse gas emissions. For detailed measures on reducing the use of electricity, water, paper, gasoline and diesel, please refer to the section "A.2 Use of Resources" in this ESG Report.

於匯報期間，本集團產生氮氧化物332.07千克、硫氧化物0.87千克及矽粒22.59千克。同期，本集團所產生的溫室氣體總量為433.71噸二氧化碳當量，主要來自業務生產過程(第一類)、日常業務運營中的電力消耗(第二類)、以及紙張使用和員工公幹飛行裡數(第三類)。誠如上述所言，我們採取了多項措施以減少溫室氣體排放，其中有關減少電力、水、紙張、汽油及柴油的使用詳細措施，可參閱本報告《A.2資源使用》章節。

Table 1: Various Emissions in 2019

Gases 氣體	Unit 單位	Amount 排放量
Nitrogen Oxides (NO <sub>x</sub> ) 氮氧化物(NO <sub>x</sub> )	kg 千克	322.07
Sulphur Oxides (SO <sub>x</sub> ) 硫氧化物(SO <sub>x</sub> )	kg 千克	0.87
Particulate Matter 矽粒	kg 千克	22.59

表1：2019年各類排放物排放量

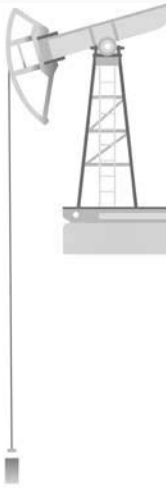
Table 2: Greenhouse Gas Emissions in 2019

KPIs 關鍵績效指標	Unit 單位	Amount 排放量	Intensity* (Unit/per thousand barrels of light crude oil) 密度* (單位/ 每千桶輕 質原油)
Scope 1 (Direct Emissions) 第一類(直接排放)	Tonnes of CO <sub>2e</sub> 噸，二氧化碳當量	139.55	0.93
Scope 2 (Indirect Emissions) 第二類(間接排放)	Tonnes of CO <sub>2e</sub> 噸，二氧化碳當量	271.01	1.82
Scope 3 (Other Indirect Emissions) 第三類(其他間接排放)	Tonnes of CO <sub>2e</sub> 噸，二氧化碳當量	23.15	0.16
Total 總計	Tonnes of CO <sub>2e</sub> 噸，二氧化碳當量	433.71	2.91

表2：2019年各類溫室氣體排放量

Note: Intensity was calculated by dividing the sales of 149,314 barrels of light crude oil in 2019.

註：密度以二零一九年銷售149,314桶輕質原油計算。



- **Hazardous and Non-Hazardous Waste**  
There are opportunities for the Group to generate hazardous waste due to oil and sewage leakages in its operation. Unrefined oil is a viscous liquid and if it is accidentally leaked, it will have an irreversible and catastrophic impact on the ecological environment. Therefore, we have established strict measures to closely monitor our oil pipelines and equipment. Crude oil extraction activities can potentially cause water pollution as well. In order to prevent the impact of sewage on the environment, we cooperated with qualified outsourcers to require all discharged sewage must be properly treated to meet the discharge standards required by the Kyrgyzstan laws. The waste liquid generated during the crude oil extraction must be transported to a central collection point for centralized treatments and then stored in sealed oil cylinders, which must be transported and further processed by qualified outsourcers.

The non-hazardous waste generated by the Group was mainly from solid wastes in daily operations from production bases and offices, such as plastic, paper, domestic waste and etc. The Group has implemented a classification method for waste collection and management. Wastes would be classified and stored in recyclable and non-recyclable categories. Our target is to collect and recycle those recyclable wastes as much as possible. Recyclable wastes would be transported to recycling centers or waste treatment plants for further processing by qualified outsourcers. Besides, we returned those used production equipment and parts to certain suppliers for recycling and reuse. At the same time, we reduced waste from the source. The Company has basically been a paperless office. We encouraged our employees to use electronic documents and electronic communications to reduce paper usage. In addition, we asked our employees to reuse old office equipment, reduce the habit of disposable and effectively plan the meals in the canteen to reduce food waste.

- **有害及無害廢棄物**  
本集團在營運中有機會因洩漏石油和污水而產生有害廢棄物。未經提煉的石油是一種黏稠液體，一旦不慎洩漏會對生態環境造成不可逆轉的災難性影響。因此，我們制定了嚴密的監控措施以密切監測輸油管及設備。原油開採活動亦有機會造成水污染問題。我們為防範污水影響環境生態，與合資格外包商合作，規定所有排走的污水必須經過合適的污水處理，達到吉爾吉斯法例規定的排放標準。而在原油開採過程中產生的廢棄液體會運送到中央收集點集中處理，並用密封油缸儲存再必須經由合資格外包商負責運輸及進一步處理。

本集團所產生的無害廢棄物主要是來自日常生產基地及辦公室產生的固體廢棄物，如塑料、紙張、生活垃圾等。本集團已對廢物收集實施分類方法，對無害廢棄物進行分類管理，規範廢棄物須按可回收及不可回收兩類分類存放，盡可能收集及回收可回收的廢棄物。經過分類而可回收的廢棄將被運送到回收中心或廢物處理廠，由合資格外包商進一步處理。我們還將廢舊生產設備及零件退還給供應商，以進行回收和再利用。與此同時，我們亦從源頭開始減少產生廢棄物。本公司已基本實現無紙化辦公，鼓勵員工使用電子文檔和善用電子通訊，減少紙張使用量。此外，我們亦鼓勵員工重用舊辦公室設備，減少用完即棄的習慣，並有效規劃飯堂的膳食，減少廚餘。

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Table 3: Non-Hazardous Waste in 2019

廢棄物	KPIs	Unit	Amount	Intensity* (Unit/per thousand barrels of light crude oil) 密度* (單位/每千桶 輕質原油)
種類	單位	排放量		
Non-Hazardous Waste 無害廢棄物	Daily Solid Waste 日常固體廢棄物	kg 千克	9,500	63.62

Note: Intensity was calculated by dividing the sales of 149,314 barrels of light crude oil in 2019.

表3：2019年無害廢棄物排放量

註：密度以二零一九年銷售149,314桶輕質原油計算。

### A.2 Use of Resources

The Group concerns about the environmental impact of natural resources used in operations. In order to effectively manage the use of various natural resources, we kept track on their usage and launched a series of internal control systems for the procurement and use of natural resources. During the Reporting Period, the main resources consumed by the Group were electricity, water, gasoline and diesel.

Table 4: Usage of Various Resources in 2019

Resources	Unit	Amount	Intensity* (Unit/per thousand barrels of light crude oil) 密度* (單位/每千桶輕 質原油)
資源使用	單位	用量	
Electricity 電力	kWh 千瓦時	2,978,160	19,945.62
Water 水	m <sup>3</sup> 立方米	1,759	11.78
Gasoline 汽油	liter 公升	54,641	365.95
Diesel 柴油	liter 公升	4,013	26.88
Paper 紙張	kg 千克	300	2.01

Note: Intensity was calculated by dividing the sales of 149,314 barrels of light crude oil in 2019.

### A.2 資源使用

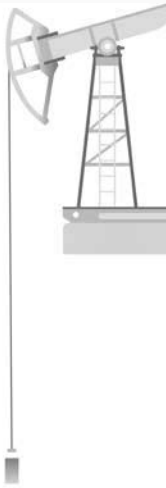
本集團一直關注在營運中使用的天然資源對環境造成的影響。為有效管理各類天然資源的使用，我們持續密切跟蹤它們的使用量，並啟動了一系列有關天然資源採購和使用的內部監控系統。於匯報期間，本集團消耗的主要資源為電力、水、汽油及柴油。

表4：2019年各類資源使用量

註：密度以二零一九年銷售149,314桶輕質原油計算。



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- Electricity  
The Group's use of electricity was mainly from the daily business operations in production bases and offices. We encouraged our staff to reduce electricity consumption and made sure all of them adhering to the electricity-saving measures. We actively explored the adoption of more environmentally friendly technologies in our operations and operating procedures. During the Reporting Period, the Group continued to replace high-energy-consuming lightings with energy-saving lightings such as LEDs, and educated its employees on the importance and measures of energy-saving and emission reduction. We believe that the reduction in electricity consumption will reduce the greenhouse gas emissions, which enhances the Group's performance in environmental sustainable development. Followings were the electricity saving measures implemented by the Group to ensure the effective use of electricity.
  - ✓ Display environmental protection signs in prominent position in production facilities and office areas to remind conservation of energy
  - ✓ Put up poster of "Please turn off all the lights after work" and other slogans in production bases and offices
  - ✓ Keep the air conditioning system operating at 25 degree celsius
  - ✓ Turn off the machineries in non-office hours
  - ✓ Make sure switching off electrical appliances after people leaving everyday
  - ✓ Hire professional maintenance specialists to repair and clean the air-conditioning system regularly
  - ✓ Purchase products with energy efficiency label
- 電力  
本集團的用電主要來自生產基地和辦公室的日常業務。我們鼓勵員工於日常作業節省用電，確保所有員工遵守節電措施之餘，也積極研究在業務運營和操作程序中採用更環保的技術。於匯報期間，本集團繼續推動使用LED等節能照明代替高耗能照明，並向員工進行了節能減排的重要性和途徑的教育。我們認為，減少用電可減少溫室氣體排放，令本集團在環境可持續發展方面取得的顯著成效。以下是本集團為確保有效用電而實施的措施：
  - ✓ 於生產設施及辦公室當眼處張貼環保標誌，提醒員工節約用電
  - ✓ 於生產設施及辦公室張貼「請於放工後關掉所有燈」等標語
  - ✓ 維持室內空調溫度在25度
  - ✓ 於非辦公時間，把機械關掉
  - ✓ 每天定時檢查電器關閉情況，杜絕人走而電器未關閉的情況出現
  - ✓ 定期聘請專業的維修師傅維修及清洗空調系統
  - ✓ 選購獲得能源效益標籤的產品

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- **Water**  
The Group's use of water was mainly from the daily business operations in production bases and offices. We regularly emphasized the importance of conserving water to our employees and require them to save water. Not merely we cut off unnecessary water usage from the sources, we developed measures to recycle water to enhance water usage efficiency. Based on the water usage in different areas, we turned off the faucet valves timely in areas without water demand and stopped water supply during non-office hours.
- **Gasoline and Diesel**  
The Group's use of gasoline and diesel was mainly from its vehicles. We advocated to use the premium gasoline and diesel to lower the environmental impact. Meanwhile, we purchased low-fuel consumption vehicles if possible and required employees to travel by public transports as much as possible to reduce greenhouse gas emissions.

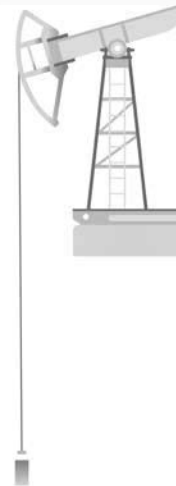
### A.3 Environment and Natural Resources

Save for the resource consumptions and emissions discussed above, the Group's operations did not have other direct material impact on the environment and natural resources during the Reporting Period. Looking forward, the Group will continue to closely monitor the environmental protection policies and regulatory trends in the crude oil exploration and extraction industry of Kyrgyzstan and international community. We shall keep abreast of the times and invest in corresponding environmental protection measures if necessary, and actively seek a breakthrough to improve the overall performance in environmental protection.

- **水**  
本集團的用水主要來自生產基地和辦公室的日常業務。我們定期向員工強調節約用水的重要性，要求員工節約用水。我們不單從源頭切斷不必要的用水，還積極開拓循環用水的措施，期望達致有效用水的目標。我們根據各區域的用水情況，及時將不需用水的區域的水龍頭閥門關閉，並在非辦公時間停止供水。
- **汽油及柴油**  
本集團的汽油及柴油使用主要來自我們的車輛。我們倡導使用高標號的汽油和柴油，降低對環境的影響。同時，我們盡可能選購低油耗車輛及要求員工盡量乘坐公共交通工具出行，以減少溫室氣體排放。

### A.3 環境及天然資源

除上述討論的資源消耗和排放問題外，於匯報期間本集團的營運對其他環境和天然資源方面沒有直接而重大的影響。展望未來，本集團會持續密切留意吉爾吉斯以及國際社會在原油勘探和開採行業的環境保護政策及監管趨勢，與時並進，適時按需要投資相應的環保建設，積極尋求突破，從而提升整體的環保表現。



## B. Social Sustainability

This section primarily discloses the Group's policies, practices and quantitative data on employment, health and safety, development and training, labour standards, supply chain management, product responsibility, anti-corruption and community investment in 2019.

### B.1 Employment

Talents are the most valuable asset of the Group and they are the driving force for our sustainable development. Therefore, it is our obligation to provide our staff a fair, open, safe and healthy platform for their professional career development.

The Group has appointed human resources specialists to strictly implement the recruitment, dismissal and welfare policies in accordance with the requirements of the Kyrgyzstan Labour Law and other relevant laws and regulations. We complied with the Kyrgyzstan localization policy and achieved the required Kyrgyzstan local employee employment ratio, which helped to enhance employment opportunities for local citizens. As the Company's employees are from different countries and races, we notably insist on equality among all our employees of different nationalities, ethics, races, genders, religious beliefs and cultural backgrounds. We emphasized localization in recruitment and strictly prohibited discrimination against local employees. Once found, there would be severe penalties for the violators.

## B. 社會可持續發展

本章節主要披露了本集團在二零一九年有關僱傭、健康與安全、發展與培訓、勞工準則、供應鏈管理、產品責任、反貪污及社區投入的政策和關鍵績效指標。

### B.1 僱傭

人才是本集團最寶貴的資產，也是我們可持續發展的動力。因此，我們致力為員工的職業發展提供一個公平、公開、安全和健康的工作平台。

本集團設有專職的人事專員，特別根據吉爾吉斯勞動法和其他相關法律法規的要求，嚴格執行當地的招聘、解聘和福利政策。我們積極配合吉爾吉斯政策，實施本地化政策，達到吉爾吉斯對當地員工的聘用比例要求，為當地人民提供更多的就業機會。由於本公司聘請了來自不同國家不同種族的員工，我們特別堅持對不同國籍、民族、種族、性別、宗教信仰和文化背景的員工一視同仁，平等對待。我們聘用員工時偏向於本地化，嚴厲禁止歧視本地員工的行為，一經發現將從嚴從重處罰。

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

At the beginning of each year, the Group prepares annual recruitment plans based on business development needs. In order to identify and attract more talents, apart from the usual recruitment channels, we also utilized the Kyrgyzstan recruitment websites to publish our recruitment information. We seriously complied with the Kyrgyzstan Labour Law and other relevant laws and regulations, and in accordance with the requirements of local labour contractual law and recruitment practices in the oil industry, to recruit talents from professional graduates or practitioners related to their positions. All our employees were recruited in accordance with the principles of openness and fairness. Staff training, promotion, dismissal and retirement policies are irrespective of employees' gender, race, age, disability, family status, marital status, sexual orientation, religion beliefs, nationality or any other non-job related factors. When signing an employment contract, Chinese-Russian bilingual staff handbooks for the corresponding posts would be provided and signed to protect the employees' rights and interests. According to the Kyrgyzstan Labour Law, the Company paid the social insurance and retirement benefits its employees. Employees' working hours and rest periods were complied with Kyrgyzstan laws. In addition to the statutory holidays such as annual paid leave stipulated by the Kyrgyzstan Employment Law, there were sick leave, maternity leave, wedding leave, compassionate leave and etc. Staff performance evaluation of the Group was carried out on both quarterly and annual basis to promote those well performed employees. Annual outstanding employees were selected based on the results of the annual evaluation. Our remuneration policy was approved by a committee consisting of department heads and management team. At the same time, the Group has established a clear dismissal system. All dismissals will be reasonable, legal and followed the provisions of employment contracts and staff handbook. Any unfair or unreasonable dismissal is strictly prohibited.

As at 31st December 2019, the total number of staff of the Group was 93, among 57 were in Kyrgyzstan, 19 were in China and 17 were in Hong Kong. Eight employees were resigned during the Reporting Period which represented an annual turnover rate of 8.6%.

本集團每年初依據業務發展需要，編製年度招聘計劃。除了慣常的招聘渠道外，我們也利用吉爾吉斯招聘網站發佈本公司招聘信息，擴大應聘人員篩選範圍，有利吸收有才華的員工。我們認真遵守吉爾吉斯勞動法等相關法律法規和制度，按照當地勞動合同法的要求及石油行業的招聘規定，擇優錄取具有與崗位相關的專業畢業或從業的人員。我們所有員工的招聘都遵循公開公平的原則進行。對員工的培訓和晉升機會、解僱或退休等政策均一視同仁，不會因其員工性別、種族、年齡、殘疾、家庭狀況、婚姻狀況、性取向、宗教信仰、國籍或任何其他與工作無關的因素而有差別。在簽署勞動合同時，同時簽署相應崗位的中俄文對照的員工手冊，保障員工的權益。按照吉爾吉斯勞動法規定，為本公司所有員工繳納社會保險和退休金。我們根據吉爾吉斯法例制定員工的工作時間和休息時間。除了吉爾吉斯政府就業法規定的法定假日，如基本有薪年假外，員工也可享有病假、產假、結婚假、喪葬假等。本集團規定，按季度和年度開展員工工作績效考評，評估員工的工作表現，提拔高績效、高潛力的員工，並依據年度考評結果評選年度優秀員工。我們的薪酬政策經主管部門和公司領導組成的委員會審核通過。同時，本集團設立明確的解僱制度，根據勞動合同及員工手冊的規定，合理及合法地解僱員工，嚴格禁止任何不公平或不合理的解僱。

於2019年12月31日，本集團的員工總數為93名，其中57名位於吉爾吉斯、19名位於中國及17名位於香港。於匯報期間，離職員工有8名，整體人員年度流失率為8.6%。

# ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

## 環境、社會及管治報告

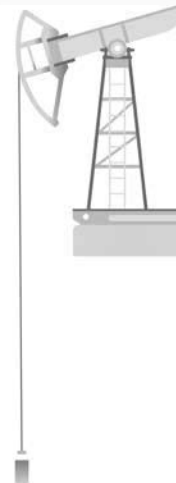


Table 5: Employees by Category as at 31st December 2019

表5：至2019年12月31日員工分類

<b>By gender</b>	<b>按性別</b>	
Male	男性	75
Female	女性	18
<b>By region</b>	<b>按地區</b>	
Kyrgyzstan	吉爾吉斯	57
China	中國	19
Hong Kong	香港	17
<b>By age group</b>	<b>按年齡</b>	
Below or 30 years old	30歲或以下	40
31-40 years old	31-40歲	21
41-50 years old	41-50歲	12
Above or 50 years old	50歲或以上	20
<b>By rank</b>	<b>按職級類型</b>	
Senior Management	高級管理層	9
Middle Management	中級管理層	20
General Staff	一般員工	64

During the Reporting Period, the Group was in full compliance with relevant laws and regulations regarding remuneration, dismissal, recruitment, promotion, working hours, holidays, equal opportunities, diversity, anti-discrimination, benefits and other related employment matters that are material to the Group. We did not receive any complaints or disputes concerning employment.

於匯報期間，本集團完全恪守就有關薪酬、解僱、招聘、晉升、工作時間、假期、平等機會、多元化、反歧視、福利及其他對本集團屬重大的僱傭相關法律法規。我們並沒有接獲任何有關勞資的投訴或糾紛。

## B.2 Health and Safety

As the Group's crude oil exploration and production businesses are technical industries involving many processes with potential health and occupational safety risks, employees' health and occupational safety cannot be neglected. Thus we are committed to minimize occupational health risks by continuously improving the operating environment, enhancing production processes, reducing the use and emission of hazardous substances, and preventing injuries and diseases.

## B.2 健康與安全

由於本集團的原油勘探及開採業務為技術性工業，牽涉不少具有潛在健康和職業安全風險的工序，員工的健康和職業安全不容忽視。故此，我們透過不斷改善作業環境，改進生產程序，減少有害物質的使用和排放，預防傷害和疾病，把職業健康風險降至最低。

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

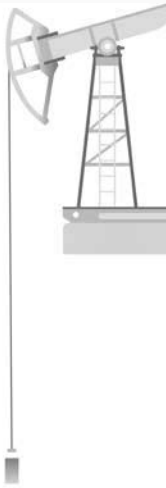
### 環境、社會及管治報告

The Group firmly adheres to the Kyrgyzstan laws and regulations related to occupational health and safety. Our safety committee is mainly responsible for labour protection, equipment technical safety, enterprise working conditions, personnel training and business knowledge inspection. We have hired safety and environmental protection engineers to carry out daily supervisions and rectifications in accordance with the requirements of Kyrgyzstan laws and regulations, and to record safety performance of the Company in every quarter. The person-in-charge of the production and engineering departments conducted daily inspections in particular focusing on high-risk locations, eliminating hidden safety hazards, and conducting immediate on-site safety educations and rectifications once discovered safety problems. We provided protection equipment for dangerous jobs and conducted regular safety inspections for production bases to eliminate hidden safety hazards. The Group provided a disaster response code to all its employees with clear safety process guidelines and contingency measures in response to oil leakages. We also closely monitored oil pipelines and equipment through a combination of on-site on duty, regular patrols and random inspections.

本集團堅持貫徹執行與職業健康安全有關的吉爾吉斯法律法規，設立安全委員會，主要負責勞動保護、設備技術安全、企業勞動條件、人員業務培訓及業務知識檢查。我們聘請了專職的安全環保工程師，根據吉爾吉斯法律法規的要求進行日常監督和整改，並於每季度對本公司的安全情況進行登記備案。生產和工程部門負責人每天進行巡視，重點排查高危點，消除安全隱患，對發現的安全問題進行現場教育，並及時整改。我們對危險工種提供安全防護器材，定期對辦公地進行安全檢查，排除安全隱患。本集團特別制定了災難應變守則，向所有員工提供清晰的安全流程指引及應變措施以應對石油洩漏事故，還通過駐井值班、定期巡視和不定期檢查相結合的方式密切監測輸油管及設備。



## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告



The Group recognized its businesses are susceptible to fires and thus formulated various fire emergency measures. Smoking and igniting fire in the oil fields are strictly prohibited. Electricity danger signs are put in place to remind employees to pay attention to fire safety. Meanwhile, smoking and alcohols are strictly prohibited at production bases and offices. Employees are required to maintain a clean, tidy, smoke-free, non-toxic, non-hazardous, healthy and safe working environment at all time. The Group also unified the signs of dangerous goods and standardized the use and storage of flammable and explosive materials. We have placed escape route maps in conspicuous places in our working places and established a person-in-charge system. Those places were equipped with emergency medical kits and firefighting equipment as well. It is strictly forbidden to occupy emergency exits. There were regularly inspections for fire protection facilities to ensure they were not damaged or expired. Fire drills were also arranged periodically. The Group agreed with the fire brigade to deal with the emergency situations together.

In addition, every front-line production staff is outfitted with work clothes, shoes and safety helmet to protect their occupational safety. They are also equipped with fire extinguishers. In order to further protect the health of our employees, they are required to provide medical proofs before on board and they will undergo physical examinations every year. If any abnormal situation is found, appropriate work arrangements and medical follow-ups will be made. Our staff are also protected by the insurance purchased by the Group and the injury full reimbursement policy. We also conducted quarterly safety and occupational health trainings for our employees to enhance their awareness of safety and health. The human resources department arranged regular meetings with employees to help dispatch work stress and take care of their mental health. In the event of a fatal accident, the Group will provide immediate assistances to the injured employee and safety committee will investigate each accident to prevent reoccurrence of similar incident.

本集團深明其業務中容易受火災影響，因此制定各項消防應急措施。我們嚴禁員工在油田範圍內吸煙及生火，並在適當位置貼上用電危險標誌，提醒員工注意防火安全。同時亦嚴厲禁止生產作業現場及辦公室抽煙、酗酒等，員工需時刻保持工作環境清潔、整潔、無煙、無毒、無危險、健康和安全的。本集團也統一危險品識別標誌，規範使用和儲存易燃易爆的物品。我們在辦公地點的明顯地方，安放了逃生路線圖和建立了負責人制度，並配備緊急醫療包和消防器材，嚴禁任何物品佔用緊急出口通道。我們定期對消防設施進行檢查，確保消防設施並無損壞或過期，並定期安排防火演習。本集團通過與消防隊簽訂合同，進行事故應急的聯動。

此外，本集團為每名一線生產員工配備工作服、鞋和安全帽，並配備滅火器，以保障他們的職業安全。為了進一步保障員工的健康，入職前員工需要提供體檢健康證明，其後每年也會為員工進行身體檢查。如發現任何異常情況會作出合適的工作安排及醫療跟進，員工亦受本集團為他們購買的保險和工傷就醫全額報銷制度所保障。我們亦每季度為員工開展安全和職業健康培訓，以提高員工的安全健康意識。人力資源部門定期與員工座談，幫助其排遣工作壓力，照顧員工心理健康。倘若不幸發生傷亡事故，本集團會為受傷的僱員提供即時援助，而安全委員會亦會對每宗意外進行調查，以防止事故再次發生。

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

During the Reporting Period, the Group has not recorded any deaths and injuries caused by industrial accidents, and there have not been any violations of laws and regulations related to safe working environment and protection of employees from occupational hazards.

### B.3 Development and Training

The Group acknowledges the importance of on-the-job training for the development of its employees. Learning new knowledge and skills for our staff can enhance our competitiveness. In accordance with the requirements of the Kyrgyzstan Labour Law and other laws and regulations, together with the actual production needs of the Company, our human resources specialists are aimed at enhancing the employees' on-the-job skills and passing the assessments of national professional authorities. Employees must have relevant professional education before on board or they have obtained the vocational training certificates issued by the Kyrgyzstan authorities. A mentor would be assigned for each new employee so that he/she could complete his/her duties independently as soon as possible. Each employee would be provided pre-employment education and on-site trainings during the 3-month probation period. The Group provides examination leave to encourage employees to study or obtain professional qualifications. We are fully responsible for the internal training costs and partially responsible for those external training costs related to our business needs and personal development. To cultivate suitable talents for the development of the industry, we provided internships and short-term employment opportunities for students and graduates of Confucius Institutes and high schools in Kyrgyzstan.

During the Reporting Period, the Group arranged all its staff to participate the quarterly safety trainings and each department arranged quarterly business trainings to its respective staff. We provided a total of 728 training hours for our employees which represented an average of 7.8 hours per employee.

於匯報期間，本集團並無錄得任何工作死亡及因工業意外而受傷的重大事故，亦無發生任何與安全工作環境及保障員工免受職業危險相關的違法違規個案。

### B.3 發展與培訓

本集團認識到在職培訓對員工發展的重要性，員工學習新知識及技能有助於提高我們的競爭力。我們有專職的人事專員，根據吉爾吉斯勞動法和其他法律法規的要求，結合實際生產需要，提升員工的在職技能和通過國家專業部門的考核。員工入職前必須有相關專業教育經歷，或者通過吉爾吉斯權威機構頒發的職業技能培訓合格證。我們為每一名新入職員工指定一名指導員，以便其能盡快獨立完成本崗位的工作，並對每一個入職的員工進行入職前教育，在工作現場進行培訓，試用三個月。本集團設立考試假，以鼓勵員工進修或考取專業資格，更會提供全額支付員工參加內部培訓費用及部分支付員工參加外部培訓，以配合本集團業務所需及個人發展。我們亦與吉爾吉斯的孔子學院及高校建立在校生和畢業生實習及短期就業機會，為行業發展培育合適人才。

於匯報期間，本集團安排公司全體員工參加每季度一次的安全培訓，而各部門自行開展每季度一次的部門業務培訓。我們為所有員工總共提供了728小時的培訓，全體93名員工均有參與，平均每名員工的培訓時間為7.8小時。

Table 6: Training Hours of Employees by Category in 2019

表6：2019年按員工類別劃分的培訓時間

		Senior Management 高級管理層	Middle Management 中級管理層	General Staff 一般員工	Total 合共
Number of Training Hours	培訓時間(小時)	16	104	608	728
Number of Employees	員工數目(人)	9	20	64	93
Average Training Hours Per Employee	每名員工平均培訓時間(小時)	1.7	5.2	9.5	7.8

#### B.4 Labour Standards

The Group is fully aware that child and forced labour violate basic human rights and pose a threat to social and economic sustainable development. Thus the Group strictly complies with all relevant laws and regulations. The Kyrgyzstan government inspects the legal employment of all enterprises every year and we strictly abides the requirements under the Kyrgyzstan Labour Law. During the recruitment process, we verified the job applicants' personal identification documents including identification cards, academic certificates, previous work records, military service certificates, medical examination reports and etc., to ensure their ages and nationalities were correct. We offered vacations and alternative leaves in accordance with Kyrgyzstan law of 40-hour work per week. Frontline workers who worked for half a month could take half a month off. For any overtime works during the peak season, the Group adopted a shift work model and provided vacations for overtime workers in accordance with Kyrgyzstan law to ensure sufficient rest. The Group will issue warnings and even dismissal if there is any violation of laws and regulations related to child and forced labour.

During the Reporting Period, the Group was not in violation of any laws and regulations related to the prevention of child and forced labour.

#### B.4 勞工準則

本集團充分意識到童工及強制勞工違反基本人權，並且對社會及經濟可持續發展構成威脅。因此，本集團嚴格遵守有關法例及法規。吉爾吉斯政府對所有企業合法用工情況每年進行檢查，我們嚴格按照吉爾吉斯勞動法的要求執行。我們在招聘時會要求應徵者出示身份證明文件包括身份證、畢業證、就業經歷、兵役證、體檢報告等，以確保其提供的年齡及國籍資料無誤。同時，我們按照吉爾吉斯國法律每週40小時工作制的規定，進行休假及調休。一線工人工作半個月，休假半個月。倘若遇上業務繁忙的季節需加班工作，本集團採用輪班工作模式，按照吉爾吉斯法律為加班工人提供休假，以確保員工有足夠的休息。如果發現違反任何僱用童工及強制勞工的法律法規的情況，本集團會發出警告甚至解僱。

於匯報期間，本集團在防止童工或強制勞工方面，並無違反任何相關法律法規。

## B.5 Supply Chain Management

In light of the Group's strong support for sustainable development and environmental protection, we also expect our suppliers to fulfill their social responsibilities and do their best to support environmental protection and sustainable development. We are fully aware that it is our responsibility to monitor the ESG performance of our suppliers throughout the supply chain management and service cycle.

Each of the Company's tender was conducted in a fair and open manner. We provided suppliers a fair and transparent environment to participate in the tender. A tender committee was formed to strictly implement our bidding policy. It assessed the qualifications of the bidders and publicly announced the successful bidder. Explicit obligations of the suppliers were stated in the contracts with guarantee deposits to constraint their contractual obligations. We, based on general procurement principles, conducted comprehensive evaluation of potential suppliers, including their rankings of pricings, service scopes, financial strengths, environment protection awareness, occupational health and safety, loyalty and etc. During the procurement process, we were required to approach at least three potential suppliers. In addition, selected suppliers were required to pay attention to the negative environmental risks that may arise in their operations and manufacturing processes. The Group took all measures to avoid conflicts of interest and prevented bribery in the procurement process. We strictly required our suppliers to declare their interests to prevent transfer of benefits and corruption.

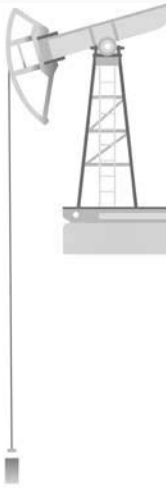
The Group insisted on selecting a well-respected supplier from the major oil and gas group in China to ensure its service quality. Besides, an independent and prestige supervisory institute carried on annual inspection on 13 items such as safety, environmental protection and labour protection for each supplier. We conducted supplier interviews based on the findings of the supervisory institute, and requested the suppliers to rectify and fulfill their obligations. Warnings would be issued to suppliers who failed to comply.

## B.5 供應鏈管理

鑒於本集團大力支持可持續發展及環境保護，我們亦期望我們的供應商能同樣履行社會責任，盡其所能以支持環保及可持續發展。我們深明有責任監察供應商在供應鏈及整個服務週期的環境、社會及管治績效。

本公司每次的招標，均通過公開形式進行，給予供應商公平透明競爭的參與機會。我們成立了招標委員會，嚴格執行透明的招投標政策，對競標單位和條件進行評估，對中標的供應商進行當眾宣佈，並會在合同中明確供應商的義務，以保證金制度約束供應商的合同義務。我們根據一般採購原則對潛在供應商進行全面評估，包括他們的價格競爭力、服務範圍、財務實力、環境保護意識、職業健康安全及忠誠度等排列優次。在採購過程中，需要與至少三個潛在供應商接洽。此外，既選的供應商需要注意其營運及製造過程中可能產生的負面環境風險。本集團採取一切措施避免於採購過程中出現利益衝突及防範賄賂行為。我們嚴格要求供應商申報利益，杜絕利益輸送及腐敗發生。

本集團堅持從中國國內的主要油氣集團的入網企業中選擇口碑好的供應商，以確保服務質素，而獨立的權威監督機構會對每一家供應商實施年度安全、環保、勞動保護等13項內容進行檢查。我們會對權威監督機構給出的結論進行供應商約談，並要求進行整改及履行相關義務，對不合格或行為不符的供應商發出警告。



During the Reporting Period, the Group had five suppliers from Kyrgyzstan and one supplier from China.

### B.6 Product Responsibility

In the highly competitive market, customer's requirement on product quality is getting higher. The Group strongly believes on maintaining product quality to create maximum values for our customers and to earn their trust and support. We have formulated policies regarding product acceptance to ensure our product qualities. We regularly inspected the crude oil products to ensure them satisfying the Kyrgyzstan national standards. The Group held regular meetings to assess our product quality and to timely check and prevent deficiencies in advance. For the products that did not meet the standard, we would evaluate with the experts to identify the responsibilities. We put those unqualified products into written content and deducted the corresponding service fees. We provided work process and product knowledge trainings to our sales representatives. We never made false publicity for our products as all external product publicities were approved by the general administration office and management before being released. Meanwhile, through the platform of petroleum association, the Group exchanged information and discussed issues with other market participants, facilitating the establishment of and maintaining a healthy and orderly market as well as a fair competition environment.

Professional and reliable services are also reflected in the protection of intellectual property rights. The Group has established an exclusive management system for handling patent affairs and intellectual property rights, including patent acceptances and applications. In daily operations, the Group refuses to provide or use any products or services that violate copyright or intellectual property rights. All of the software and information used are with legal licenses and the Group only procures genuine products.

於匯報期間，本集團有五家來自吉爾吉斯和一家來自中國的供應商。

### B.6 產品責任

在競爭激烈的市場環境下，客戶對產品質量的要求愈來愈高。本集團深信必須保持產品的質量，才能為我們的客戶創造最大價值，贏取客戶的信任與支持。我們已制定相關產品質量驗收政策，確保本公司的產品質量質素，並定期對原油產品進行檢測，確保符合吉爾吉斯國家標準。本集團定期召開例會，對產品質量進行回顧和總結，及時查漏補缺，防患於未然。對未符合質量的產品，我們會和專家評估結論，劃分責任，對不合格的產品形成書面內容，扣除相應的服務費。我們會為銷售員工提供工作流程和產品認知培訓，從不為產品做虛假宣傳，所有對外產品宣傳內容經綜合辦核准後，報請本公司主管領導批准後方可對外發佈。同時，本集團也會與其他的市場佔有者，通過石油協會的平台，互通信息，協商問題，共同促進建立及維護健康有序的市場和公平競爭的環境。

專業可靠的服務還體現在保護知識產權上，本集團已建立處理專利事務及知識產權的專屬管理系統，包括專利接收和自己的專利申請。本集團在運營過程中，拒絕提供或使用任何違反版權或知識產權的產品或服務。我們僅會購買正版產品，所有使用的軟件和信息均具有合法許可。

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告

The Group is fully aware of the importance in protecting the privacy of its customers and suppliers. Data could be only be collected and used by the supplier and customer management departments. Personal data collection consent must be obtained before collecting data from suppliers and customers. The consent clearly states the purposes of data collection and the data collected will only be used for the purposes for which it was originally collected. We also often reminded the staff regarding the Group's requirements for data management and required them to sign confidentiality agreements. Apart from prevention of the information leakage, we prohibited the improper uses of supplier and customer information. If there is any violation, the Group will not condone it and will handle it impartially.

During the Reporting Period, the Group did not violate any laws and regulations regarding the product responsibility, intellectual property right and data privacy. In addition, the Group has not recalled any products that have been sold.

### B.7 Anti-corruption

The Group is convinced that honest management is the foundation of corporate social responsibility. It is also the important foundation of maintaining the corporate's competitive advantage and sustainable development. The Group is committed to achieving high integrity and accountability, and strictly complies with all laws and regulations related to anti-corruption and anti-bribery in all places with our operations. We have zero tolerance for any form of corruption. Our employment contract requires our staff to comply with the relevant laws and regulations, and prohibits them in participation of any corruption, bribery, extortion, fraud and money laundering. It is strictly forbidden for our staff to accept any gifts from suppliers or customers. Benefit declaration forms are provided to our staff for accepting gifts. We also provided regular business ethic and anti-corruption trainings to our staff. Disciplinary violations will be stopped and handled immediately once discovered. Employees who violate the law will never be tolerated and be handed to the judicial authorities. In addition, the Company's anti-corruption policy was introduced to suppliers before signing contracts.

本集團重視保護供應商及客戶的隱私。資料收集和使用僅限於供應商及客戶管理部門。我們在收集資料前，先需要取得供應商及客戶的個人資料收集同意聲明，聲明內清楚列明資料收集的目的，而收集的數據僅限用作當初收集時既定的用途。我們也時刻提醒員工本集團對資料管理的要求，要求員工簽署保密協議，除防止本公司的資料外洩外，亦防供應商及客戶資料被不當使用。如有違例，本集團是絕不姑息，定會秉公辦理。

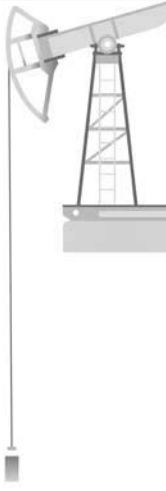
於匯報期間，本集團並未有違反任何有關產品責任、知識產權及資料私隱的法律法規。此外，本集團沒有已售產品需要回收。

### B.7 反貪污

本集團深信誠信經營是企業社會責任的基礎，也是維持企業競爭優勢和持續經營的重要根基。本集團致力達致高度廉潔與問責，嚴格遵守所有業務經營地方與反貪污及反賄賂相關的法律法規。我們對任何形式的貪污採取零容忍態度。本公司員工合同內規定員工不得有任何腐敗賄賂、勒索、欺詐及洗黑錢行為，員工需要嚴格遵守相關法律法規，嚴禁收受供應商或客戶的禮品禮金，並為員工提供接受饋贈的利益申報表。我們同時定期為員工提供商業道德行為及防貪培訓。一旦發現違紀違規問題，將及時制止及立即嚴肅處理，並把觸犯法律的員工，交由司法機關依法處理，絕不姑息。此外，我們在簽訂合同前均向供應商介紹公司的監管防貪制度。



## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT 環境、社會及管治報告



There are independent internal audit department and internal audit regime for the Group. Internal auditor is responsible for the Group's internal audit supervision and the establishment of the internal control system. Based on the results of internal audits, management will organize regular meetings to implement relevant works and prevent risks of corruption. In addition, to reduce operating risks and strengthen anti-corruption management, the Group has appointed independent third-party auditor with international qualifications to conduct financial audits twice a year.

The Group encourages reporting of misconduct. Whistleblowers may report any suspected misconducts to the audit committee of the Group through the report mailbox. The audit committee will investigate any suspicious or illegal acts to protect the interests of the Group. Investigations are handled confidentially and management will take corrective actions to resolve proven fraud. The audit committee will report misconduct at least once a year to the Board of Directors. We also set up a reward fund for whistleblowers to show our appreciation.

During the Reporting Period, the Group did not receive any corruption lawsuits against the Group or its employees. Meanwhile, the Group and its employees were not in violation of any of the relevant laws and regulations in relation to bribery, extortion, fraud and money laundering.

### B.8 Community Investment

The Group endeavors to community investment and thus we aimed to assist Kyrgyzstan to build a cohesive and caring society. We leveraged our strengths and resources to contribute the society and to enhance the living standard of Kyrgyzstan citizens. We paid special attention to fostering employees' awareness of social responsibility and encouraged them to voluntary participate in the social charity activities. It allowed them integrating with local communities and facilitate both China and Kyrgyzstan relationship.

本集團設有獨立運作的內部審計部門及內部審計規章制度。審計員負責本集團的內部審計監督及內部控制體系建設工作。管理層將依據企業內部審核結果，定期組織專題會議落實相關工作，防範貪污風險。此外，本集團已聘請獨立第三方具有國際資質的審計機構每年兩次進行財務審計，從而降低經營風險，加強反腐敗管理。

本集團鼓勵舉報不當行為。舉報人可通過舉報郵箱向本集團審核委員會舉報任何涉嫌的不當行為。審核委員會將對任何可疑或非法行為進行調查，保障本集團利益。調查事宜均予以機密處理，及管理層將採取更正行動，解決經證實的欺詐行為。審核委員會將至少每年一次向董事會匯報不當行為個案。我們也對舉報人員設立獎勵基金，以示嘉許。

於匯報期間，本集團並未發現針對本集團或其僱員的任何貪污訴訟。同時，本集團及其員工在賄賂、勒索、欺詐和洗黑錢方面未違反任何相關法律法規。

### B.8 社區投入

本集團重視社區投入，銳意協助吉爾吉斯建設成為有凝聚力和關愛的社會。我們致力利用本集團的優勢及資源貢獻社會，提高吉爾吉斯的人民生活質素及水平。我們十分重視培育員工的社會責任意識，並鼓勵員工自願參與慈善社區活動，融入當地社區，促進中國及吉爾吉斯之間的交流。

## ENVIRONMENT, SOCIAL AND GOVERNANCE REPORT

### 環境、社會及管治報告

During the Reporting Period, the Group has participated in Cachicarada's annual hygienic works and was mainly responsible to maintain the cleanliness of the streets. In addition, we were the member of the Kyrgyzstan Mining Association and were the sponsor the Kyrgyzstan Petroleum Workers' Day. In order to enhance the employment opportunities of Kyrgyzstan citizens, the Group has, apart from offering jobs to local residents, cooperated with local agency in Kyrgyzstan to provide Mandarin introductory courses to local residents. Since the Group strictly abides by the local laws and regulations and ethnic customs of Kyrgyzstan which has been unanimously recognized by the local residents, we have been one of the dozens of Chinese corporates with the highest reputation in Kyrgyzstan.

於匯報期間，本集團曾參與卡奇卡拉達市一年一度衛生城市創建工作，義務負責市內街道的衛生維護工作。此外，我們為吉爾吉斯礦業協會會員，亦贊助吉爾吉斯石油工人節。本集團為了促進就業，除提供職位予吉爾吉斯居民外，我們特別與當地機構合作，為當地居民提供普通話入門課程，增強他們的就業機會。本集團嚴格遵守吉爾吉斯當地法律法規和民族風俗，獲得當地居民的一致認可，為當地數十家中國企業中聲譽最高的公司之一。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### TO THE SHAREHOLDERS OF CHINA HUARONG ENERGY COMPANY LIMITED

(incorporated in the Cayman Islands with limited liability)

致中國華榮能源股份有限公司股東

(於開曼群島註冊成立的有限公司)

### Disclaimer of Opinion

We were engaged to audit the consolidated financial statements of China Huarong Energy Company Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 89 to 236, which comprise:

- the consolidated statement of financial position as at 31 December 2019;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

We do not express an opinion on the consolidated financial statements of the Group because we have not been able to obtain sufficient appropriate audit evidence and due to 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. 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 set out in Note 2.1(b) to the consolidated financial statements, the Group incurred and had an operating cash outflow of RMB43,016,000 during the year ended 31 December 2019. As at 31 December 2019, the Group had a deficit of RMB8,563,505,000 and the Group's current liabilities exceeded its current assets by RMB9,911,528,000. The Group maintained cash and cash equivalents of RMB42,851,000 as at 31 December 2019.

### 無法表示意見

我們已獲委聘審計列載於第89至236頁中國華榮能源股份有限公司(「貴公司」)及其附屬公司(統稱「貴集團」)的綜合財務報表，包括：

- 於二零一九年十二月三十一日的綜合財務狀況表；
- 截至該日止年度的綜合全面收益表；
- 截至該日止年度的綜合權益變動表；
- 截至該日止年度的綜合現金流量表；及
- 綜合財務報表附註，包括主要會計政策概要。

我們不對該等貴集團的綜合財務報表發表意見，基於「導致無法表示意見的基礎」一節所述，我們未能取得充分和適當的審計憑證，以及由於多個不確定事項之間可能相互影響及對綜合財務報表產生累計影響。在所有其他方面，我們認為該等綜合財務報表已按照香港《公司條例》的披露規定妥為擬備。

### 導致無法表示意見的基礎 與持續經營相關的多個不確定事項

如綜合財務報表附註2.1(b)所述，截至二零一九年十二月三十一日止年度，貴集團產生及有淨經營現金流出人民幣43,016,000元。於二零一九年十二月三十一日，貴集團虧絀為人民幣8,563,505,000元，而貴集團流動負債超出其流動資產人民幣9,911,528,000元。於二零一九年十二月三十一日，貴集團維持現金及現金等價物人民幣42,851,000元。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

On 9 October 2018, the Group entered into a conditional sale and purchase agreement to dispose of the core assets and liabilities of shipbuilding, offshore engineering, engineering machinery and marine engine building segments (the "Shipbuilding Business", together with the holding company of the Shipbuilding Business referred to as the "Disposal Group") with an independent third party (the "Transaction"). Pursuant to certain supplemental agreements signed with Unique Orient Limited (the "Purchaser"), an independent third party, the sale shares of Able Diligent Limited, the holding company of the Disposal Group, was transferred to the Purchaser on 10 March 2019. As at 31 December 2019, financial guarantees provided by the Company to the banks and lenders of the Disposal Group, inclusive of principals and interest, amounted to RMB6,545,144,000. The Group has considered the impact and recognised financial guarantee contract of the same amount as at 31 December 2019.

During the year, the Group's operation was focused primarily on the energy exploration and production segment (the "Energy Business", together with the corporate headquarters referred to as the "Remaining Group"), the development of which has however been limited due to shortage of funds for investments in exploration and drilling of wells. As at 31 December 2019, borrowings of the Group (the "Borrowings of Remaining Group"), amounted to RMB3,594,543,000, out of which RMB2,564,253,000 were overdue. As at 31 December 2019, overdue interest payables of the Remaining Group amounted to RMB322,367,000. Certain borrowings of the Remaining Group contain cross-default terms, causing Borrowings of Remaining Group of RMB37,279,000 as at 31 December 2019 to become immediately repayable. The Remaining Group had cash and cash equivalents of RMB42,851,000 as at 31 December 2019.

These conditions, together with others described in Note 2.1(b) 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.

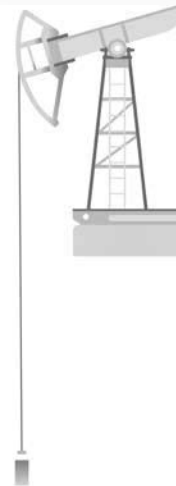
於二零一八年十月九日，貴集團已與獨立第三方訂立有條件出售及購買協議，以售出出售集團之造船、海洋工程、工程機械及動力工程板塊（「造船業務」，連同控股造船業務公司統稱為「出售集團」）的核心資產及負債（「該交易」）。根據與獨立第三方東唯有限公司（Unique Orient Limited，「買方」）簽訂的若干補充協議，出售集團控股公司Able Diligent Limited的銷售股份已於二零一九年三月十日轉讓予買方。於二零一九年十二月三十一日，貴公司就出售集團向銀行及借款人提供的財務擔保（包括本金及利息）為人民幣6,545,144,000元。貴集團已考慮其影響並於二零一九年十二月三十一日確認財務擔保合約。

年內，貴集團的業務專注於能源勘探及生產分部（「能源業務」，與公司總部統稱為「餘下集團」），然而由於缺乏勘探和鑽井投資的資金，能源業務之開發受到限制。於二零一九年十二月三十一日，貴集團的借款（「餘下集團借款」）為人民幣3,594,543,000元，當中人民幣2,564,253,000元已逾期。於二零一九年十二月三十一日，餘下集團的逾期應付利息為人民幣322,367,000元。餘下集團的若干借款含交叉違約條款，導致餘下集團須立即於二零一九年十二月三十一日償還借款人民幣37,279,000元。於二零一九年十二月三十一日，餘下集團的現金及現金等價物為人民幣42,851,000元。

以上事項，連同綜合財務報表附註2.1(b)所述的其他事項，表明可能導致貴集團的持續經營能力產生重大疑慮的事項或情況存在重大不確定性。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



The directors of the Company have been undertaking a number of measures to improve the Group's liquidity and financial position, to refinance its operations and to restructure its debts which are set out in Note 2.1(b) 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) whether the Group is able to obtain the agreement from the banks and lenders to release or discharge the Company's guarantees for the borrowings owed by the Disposal Group; (ii) whether the Group is able to convince the banks and lenders not to demand for repayment of the outstanding loans of the Disposal Group before the completion of the release of the Company's guarantees; (iii) whether the Group is able to negotiate with all existing promissory note holders to make further arrangements including extension of the maturity dates; (iv) whether the Group is able to negotiate with the relevant bank for the renewal or extension for repayment for the bank borrowing; (v) whether the Group is able to obtain waivers from the relevant promissory note holders for the due payment in relation to those notes that have cross-default terms and extend the repayment dates when they fall due; (vi) whether the Group can successfully implement a business plan for its Energy Business to generate cash inflows; and (vii) whether the Group can obtain additional sources of financing, including those to finance the Energy Business and draw down from the various facilities made available to the Group by entities controlled by Mr. Zhang Zhi Rong and a close family member of Mr. Zhang Zhi Rong, during the year as and when needed.

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.

貴公司董事一直採取多項措施改善 貴集團的流動性及財務狀況，為其營運再融資及重組其債務(詳情載於綜合財務報表附註2.1(b))。綜合財務報表在持續經營的基礎上編製。該編製基礎是基於上述改善措施實施的結果，而該等措施的實施結果取決於多個不確定事項，包括：(i) 貴集團是否能夠取得銀行及貸方的同意，以釋放或解除 貴公司對出售集團所欠借款的擔保；(ii) 貴集團是否能夠於公司擔保解除完成前說服銀行及貸方不要求償還出售集團的未償還貸款；(iii) 貴集團能否與現有全部承兌票據持有人磋商以作進一步安排，包括延後到期日；(iv) 貴集團能否與有關銀行磋商重續或延期償還銀行借款；(v) 貴集團能否就與具有交叉違約條款及於到期時延長還款日期的該等票據有關的到期付款從相關承兌票據持有人獲取豁免；(vi) 貴集團能否為其能源業務成功執行業務計劃以產生現金流；及(vii) 貴集團能否取得額外融資來源，包括為其能源業務提供資金的融資來源，以及動用由張志熔先生及張志熔先生家屬所控制的實體於年內及有需要時向 貴集團所提供多項融資。

如 貴集團無法達成上述計劃及措施，其未必能在持續經營的基礎上繼續經營，並必須作出調整，將 貴集團的資產賬面值調整至其可收回金額，以為進一步可能出現的負債撥備，同時將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未反映於綜合財務報表中。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

### Impairment of property, plant and equipment and intangible assets and impairment of the Company's investments in subsidiaries and amounts due from subsidiaries

As at 31 December 2019, the Group's property, plant and equipment and intangible assets amounted to RMB598,369,000 and RMB1,686,779,000 respectively. Such assets pertain to the Energy Business. In determining the recoverable amounts of these non-current assets, the directors of the Company used value-in-use calculations, taking into consideration the proven oil reserve and new sources of financing for oil exploration. As the value-in-use amounts for the Energy Business exceeded the carrying values of the corresponding non-current assets, the directors of the Company are of the opinion that there was no impairment of these non-current assets as at 31 December 2019. The recoverable amounts of these non-current assets are estimated based on the assumption that the Group will obtain adequate financing for oil exploration in the future.

We were unable to obtain sufficient appropriate audit evidence we consider necessary to assess the recoverable amounts of the non-current assets amounting to RMB2,285,148,000 of the Remaining Group, as the recoverable amount of the non-current assets of the Remaining Group is dependent on the availability of financing for oil exploration. There were no alternative audit procedures that we could perform to satisfy ourselves as to the recoverable amounts of these property, plant and equipment and intangible assets and whether any impairment charge should be made. Any impairment provision for these assets found to be necessary would affect the Group's net assets as at 31 December 2019, the Group's net loss for the year then ended and the related note disclosures to the consolidated financial statements.

In addition, as these assets were held by a material subsidiary, any impairment provision for these assets found to be necessary would also affect the carrying amounts of the Company's investments in subsidiaries and amounts due from subsidiaries as well as the Company's accumulated losses, which amounted to RMB1,514,410,000, RMB141,221,000 and RMB22,270,682,000, respectively, as at 31 December 2019 as well as the related disclosures in the consolidated financial statements.

### 物業、廠房及設備以及無形資產之減值以及 貴公司於附屬公司之投資及應收附屬公司款項之減值

於二零一九年十二月三十一日，貴集團物業、廠房及設備以及無形資產分別為人民幣598,369,000元及人民幣1,686,779,000。該等資產屬於能源業務。釐定該等非流動資產的可收回金額時，貴公司董事以使用價值計算，並考慮已探明的石油儲量及石油勘探新融資來源。由於能源業務的使用價值金額超過相應非流動資產的賬面值，貴公司董事認為於二零一九年十二月三十一日，該等非流動資產並無減值。該等非流動資產的可收回金額乃假設 貴集團將於未來就石油勘探取得足夠融資而估計。

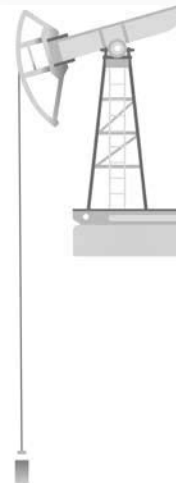
我們無法取得我們認為需要的足夠合適審計證據以評核餘下集團可收回金額為人民幣2,285,148,000元的非流動資產，乃由於餘下集團非流動資產的可收回金額取決於為石油勘探融資的能力。我們並無可替代的審計程序完成審計工作以達致該等物業、廠房及設備以及無形資產的可收回金額，亦無法斷定應否扣除減值。一旦需就該等資產作減值撥備，將影響 貴集團於二零一九年十二月三十一日的資產淨值、貴集團截至該日止年度的淨虧損以及綜合財務報表之相關附註披露。

此外，由於該等資產由主要附屬公司持有，一旦需就該等資產作減值撥備，亦會影響 貴公司於附屬公司之投資及應收附屬公司款項於二零一九年十二月三十一日的賬面值及 貴公司之累計虧損分別為人民幣1,514,410,000元、人民幣141,221,000元及人民幣22,270,682,000元及於綜合財務報表之相關披露。



# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告



### Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (“IFRSs”) and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Group’s financial reporting process.

### 董事及治理層對綜合財務報表須承擔的責任

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

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

治理層須負責監督 貴集團的財務報告過程。

# INDEPENDENT AUDITOR'S REPORT

## 獨立核數師報告

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

Our responsibility is to conduct an audit of the Group's consolidated financial statements in accordance with International Standards on Auditing and to issue an auditor's report. We report solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. However, because we have not been able to obtain sufficient appropriate audit evidence and due to 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. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

The engagement partner on the audit resulting in this independent auditor's report is Fong Wan Huen.

**PricewaterhouseCoopers**  
*Certified Public Accountants*

Hong Kong, 6 May 2020

### 核數師就審核綜合財務報表承擔的責任

我們負責按照國際審計工作準則，對 貴集團的綜合財務報表進行審計，並出具核數師報告。我們僅向 閣下(作為整體)報告，除此之外本報告別無其他目的。我們不會就本報告的內容向任何其他人士負上或承擔任何責任。然而，基於我們未能獲得充分和適當的審計證據，且由於本報告「導致無法表示意見的基礎」一節所述的多重不確定事項之間可能相互影響及其對綜合財務報表的累計影響，故不可能對綜合財務報表發表意見。根據國際道德準則委員會的《專業會計師的會計師道德守則》(「守則」)，我們獨立於 貴集團，並已履行守則中的其他專業道德責任。

出具本獨立核數師報告的審計項目合夥人是方蘊萱。

**羅兵咸永道會計師事務所**  
*執業會計師*

香港，二零二零年五月六日

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年	2018 二零一八年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>ASSETS</b>	<b>資產</b>			
<b>Non-current assets</b>	<b>非流動資產</b>			
Property, plant and equipment	物業、廠房及設備	6	598,369	748,012
Intangible assets	無形資產	7	1,686,779	1,668,765
Prepayments for non-current assets	非流動資產的預付款項	10(b)	-	33,939
			<b>2,285,148</b>	2,450,716
<b>Current assets</b>	<b>流動資產</b>			
Inventories	存貨	9	1,717	3,022
Trade receivables	應收賬款	10(a)	2,777	3,497
Other receivables, prepayments and deposits	其他應收款項、預付款項及按金	10(b)	16,491	5,265
Cash and cash equivalents	現金及現金等價物	11	42,851	9,274
			<b>63,836</b>	21,058
Assets classified as held for sale	分類為持作出售的資產	18	-	22,428,968
			<b>63,836</b>	22,450,026
<b>Total assets</b>	<b>總資產</b>		<b>2,348,984</b>	24,900,742
<b>DEFICIT</b>	<b>虧絀</b>			
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>本公司權益持有人應佔資本及儲備</b>			
Ordinary shares	普通股	12	2,021,534	1,737,050
Convertible preference shares	可轉換優先股	12	3,100,000	3,100,000
Share premium	股份溢價	12	8,374,605	8,345,372
Other reserves	其他儲備	14	211,147	3,704,672
Accumulated losses	累計虧損		(22,253,809)	(25,907,616)
			<b>(8,546,523)</b>	(9,020,522)
Non-controlling interests	非控股權益		<b>(16,982)</b>	(609,604)
<b>Total deficit</b>	<b>總虧絀</b>		<b>(8,563,505)</b>	(9,630,126)

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

## 綜合財務狀況表

As at 31 December 2019 於二零一九年十二月三十一日

			2019 二零一九年	2018 二零一八年
		Note 附註	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>LIABILITIES</b>	<b>負債</b>			
<b>Non-current liabilities</b>	<b>非流動負債</b>			
Borrowings	借款	16	<b>937,125</b>	754,638
<b>Current liabilities</b>	<b>流動負債</b>			
Trade and other payables	應付賬款及其他應付款項	15	<b>772,802</b>	952,033
Borrowings	借款	16	<b>2,657,418</b>	2,885,793
Derivative financial instruments	衍生金融工具	17	-	7,194
Financial guarantee contracts	財務擔保合約	18,29	<b>6,545,144</b>	-
			<b>9,975,364</b>	3,845,020
Liabilities directly associated with assets classified as held for sale	與分類為持作出售的資產直接相關的負債	18	-	29,931,210
			<b>9,975,364</b>	33,776,230
<b>Total liabilities</b>	<b>總負債</b>		<b>10,912,489</b>	34,530,868
<b>Total deficit and liabilities</b>	<b>總虧絀及負債</b>		<b>2,348,984</b>	24,900,742

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

以上綜合財務狀況表應與隨附附註一併參閱。

The consolidated financial statements on pages 89 to 236 were approved by the Board of Directors on 6 May 2020 and signed on its behalf by

第89至236頁的綜合財務報表經董事會於二零二零年五月六日批准並由下列人士代表董事會簽署

**Chen Qiang**

陳強

Director

董事

**Hong Liang**

洪樑

Director

董事

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

Year Ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
		附註		
<b>Continuing operations</b>	<b>持續經營業務</b>			
Revenue	收益	5	<b>47,747</b>	48,956
Cost of sales	銷售成本	19	<b>(34,680)</b>	(34,027)
Gross profit	毛利		<b>13,067</b>	14,929
Selling and marketing expenses	銷售及市場推廣開支	19	<b>(2,393)</b>	(2,845)
General and administrative expenses	一般及行政開支	19	<b>(43,114)</b>	(54,678)
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	19	<b>(19,285)</b>	-
Other (losses)/gains – net	其他(虧損)/收益—淨額	21	<b>(40)</b>	621,816
Operating (loss)/profit	經營(虧損)/利潤		<b>(51,765)</b>	579,222
Gain on extinguishment of financial liabilities upon issuance of convertible preference shares	於發行可轉換優先股時消除金融負債的收益	12	-	2,067,284
			<b>(51,765)</b>	2,646,506
Finance income	融資收入	22	<b>34,382</b>	46,951
Finance costs	融資成本	22	<b>(356,821)</b>	(486,409)
Finance costs – net	融資成本—淨額	22	<b>(322,439)</b>	(439,458)
(Loss)/profit before income tax	除所得稅前(虧損)/利潤		<b>(374,204)</b>	2,207,048
Income tax expense	所得稅開支	23	-	-
(Loss)/profit for the year from continuing operations	來自持續經營業務的年度(虧損)/利潤		<b>(374,204)</b>	2,207,048
<b>Discontinued operations</b>	<b>已終止業務</b>			
Loss for the year from discontinued operations	來自已終止業務的年度虧損	18	<b>(443,074)</b>	(2,466,527)
Gain on the disposal of discontinued operations	出售已終止業務的收益	18	<b>916,012</b>	-
Change in provision for financial guarantee contracts	財務擔保合約的撥備變動	29	<b>13,333</b>	-
			<b>486,271</b>	(2,466,527)
Profit/(loss) for the year	年度利潤/(虧損)		<b>112,067</b>	(259,479)

# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

Year Ended 31 December 2019 截至二零一九年十二月三十一日止年度

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Profit/(loss) attributable to:	應佔利潤／(虧損):		
Equity holders of the Company	本公司權益持有人	<b>137,320</b>	[138,361]
Non-controlling interests	非控股權益	<b>(25,253)</b>	[121,118]
		<b>112,067</b>	[259,479]
(Loss)/profit attributable to the equity holders of the Company arisen from:	本公司權益持有人應佔 (虧損)／利潤產生於:		
- Continuing operations	— 持續經營業務	<b>(378,270)</b>	2,213,293
- Discontinued operations	— 已終止業務	<b>515,590</b>	[2,351,654]
		<b>137,320</b>	[138,361]
Other comprehensive income/(loss) for the year:	年度其他全面收入／(虧損):		
Items that cannot be reclassified to profit or loss	不可重新分類至損益之項目		
- Fair value gain/(loss) on a financial asset at fair value through other comprehensive income	— 按公允值計入其他全面收益的金融資產的公允值收益／(虧損)	<b>2,616</b>	[16,635]
Other comprehensive income/(loss) arising from discontinued operations	來自已終止業務的其他全面收入／(虧損)	<b>2,616</b>	[16,635]
Items that may be reclassified to profit or loss	可能重新分類至損益之項目		
- Exchange difference on translation of foreign operations	— 換算海外營運產生的匯兌差額	<b>20,223</b>	80,394
Other comprehensive income for the year, net of tax	除稅後年度其他全面收入	<b>22,839</b>	63,759
Total comprehensive income/(loss) for the year	年度全面收入／(虧損)總額	<b>134,906</b>	[195,720]
Attributable to:	歸屬於:		
Equity holders of the Company	本公司權益持有人	<b>160,282</b>	[74,521]
Non-controlling interests	非控股權益	<b>(25,376)</b>	[121,199]
		<b>134,906</b>	[195,720]



# CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

## 綜合全面收益表

Year Ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Note	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
	附註		
Total comprehensive (loss)/income for the year attributable to the equity holders of the Company arisen from:	本公司權益持有人應佔年度全面(虧損)/收益總額產生於：		
Continuing operations	持續經營業務	<b>(357,924)</b>	2,293,166
Discontinued operations	已終止業務	<b>518,206</b>	[2,367,687]
		<b>160,282</b>	[74,521]
(Loss)/earnings per share for (loss)/profit from continuing operations attributable to the equity holders of the Company (expressed in RMB per share)	本公司權益持有人應佔持續經營業務(虧損)/利潤每股(虧損)/盈利(以每股人民幣元列示)		
- Basic	— 基本	26	<b>(0.03)</b> 0.75
- Diluted	— 攤薄	26	<b>(0.03)</b> 0.48
Earnings/(loss) per share for profit/(loss) from discontinued operations attributable to the equity holders of the Company (expressed in RMB per share)	本公司權益持有人應佔已終止業務利潤/(虧損)每股盈利/(虧損)(以每股人民幣元列示)		
- Basic	— 基本	26	<b>0.04</b> [0.80]
- Diluted	— 攤薄	26	<b>N/A 不適用</b> [0.80]

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

以上綜合全面收益表應與隨附附註一併參閱。

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

Year Ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔								
		Ordinary shares 普通股 RMB'000 人民幣千元 (Note 12) (附註12)	Convertible preference shares 可轉換優先股 RMB'000 人民幣千元 (Note 12) (附註12)	Share premium 股份溢價 RMB'000 人民幣千元 (Note 12) (附註12)	Other reserves 其他儲備 RMB'000 人民幣千元 (Note 14) (附註14)	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Non- controlling interests 非控股權益 RMB'000 人民幣千元	Total Deficit 總虧絀 RMB'000 人民幣千元	
<b>Balance at 1 January 2019</b>	於二零一九年 一月一日的結餘	1,737,050	3,100,000	8,345,372	3,704,672	(25,907,616)	(9,020,522)	(609,604)	(9,630,126)	
Profit/(loss) for the year	年度溢利/(虧損)	-	-	-	-	137,320	137,320	(25,253)	112,067	
Other comprehensive income/ (loss)	其他全面收益/(虧損)	-	-	-	-	-	-	-	-	
Fair value gain on a financial asset at fair value through other comprehensive income	按公允值計入其他 全面收益的金融 資產的公允值收益	-	-	-	2,616	-	2,616	-	2,616	
Exchange difference on translation of foreign operations	換算海外營運的 匯兌差額	-	-	-	20,346	-	20,346	(123)	20,223	
<b>Total comprehensive income/ (loss) for the year</b>	年度全面 收益/(虧損)總額	-	-	-	22,962	137,320	160,282	(25,376)	134,906	
<b>Transactions with equity holders in their capacity as owners</b>	與身為擁有人之權益持有 人的交易									
Transfer of fair value loss on financial asset at fair value through other comprehensive income to accumulated losses upon disposal	按公允值計入其他全面收 益的金融資產的公允值 虧損於出售時轉撥至累 計虧損	-	-	-	6,140	(6,140)	-	-	-	
Issuance of shares upon conversion of convertible bonds	因轉換可換股債券而發行 股份	284,484	-	29,233	-	-	313,717	-	313,717	
Release of non-controlling interest upon disposal of discontinued operations	於出售已終止業務時解除 非控股權益	-	-	-	-	-	-	617,998	617,998	
Release of other reserves upon disposal	於出售時解除其他儲備	-	-	-	(3,500,018)	3,500,018	-	-	-	
Lapse of employee share options	僱員認股權失效	-	-	-	(22,609)	22,609	-	-	-	
<b>Total transactions with owners in their capacity as owners</b>	與身為擁有人之權益持有 人的交易總額	284,484	-	29,233	(3,516,487)	3,516,487	313,717	617,998	931,715	
<b>Balance at 31 December 2019</b>	於二零一九年 十二月三十一日的 結餘	2,021,534	3,100,000	8,374,605	211,147	(22,253,809)	(8,546,523)	(16,982)	(8,563,505)	

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## 綜合權益變動表

Year Ended 31 December 2019 截至二零一九年十二月三十一日止年度

		Attributable to equity holders of the Company 本公司權益持有人應佔					Non-controlling interests		Total Deficit
		Ordinary shares	Convertible preference shares	Share premium	Other Reserves	Accumulated losses	Total	Non-controlling interests	Total Deficit
		普通股	可轉換優先股	股份溢價	其他儲備	累計虧損	總計	非控股權益	總虧蝕
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
		(Note 12)	(Note 12)	(Note 12)	(Note 14)				
		(附註12)	(附註12)	(附註12)	(附註14)				
<b>Balance at 1 January 2018</b>	於二零一八年一月一日的結餘	937,772	-	10,432,701	3,662,824	[25,791,247]	[10,757,950]	[488,405]	[11,246,355]
Loss for the year	年度虧損	-	-	-	-	[138,361]	[138,361]	[121,118]	[259,479]
Other comprehensive income	其他全面收入								
Fair value loss on a financial asset at fair value through other comprehensive income	按公允價值計入其他全面收益的金融資產的公允價值虧損	-	-	-	[16,033]	-	[16,033]	[602]	[16,635]
Exchange difference on translation of foreign operations	換算海外營運的匯兌差額	-	-	-	79,873	-	79,873	521	80,394
<b>Total comprehensive income/(loss) for the year</b>	年度全面收益/(虧損)總額	-	-	-	63,840	[138,361]	[74,521]	[121,199]	[195,720]
<b>Transactions with equity holders in their capacity as owners</b>	與身為擁有人之權益持有人的交易								
Issuance of convertible preference shares	發行可轉換優先股	-	3,100,000	[2,067,284]	-	-	1,032,716	-	1,032,716
Issuance of shares upon conversion of convertible bonds	因轉換可換股債券而發行股份	799,278	-	[20,045]	-	-	779,233	-	779,233
Lapse of employee share options	僱員購股權失效	-	-	-	[21,992]	21,992	-	-	-
<b>Total transactions with owners in their capacity as owners</b>	與身為擁有人之權益持有人的交易總額	799,278	3,100,000	[2,087,329]	[21,992]	21,992	1,811,949	-	1,811,949
<b>Balance at 31 December 2018</b>	於二零一八年十二月三十一日的結餘	1,737,050	3,100,000	8,345,372	3,704,672	[25,907,616]	[9,020,522]	[609,604]	[9,630,126]

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

以上綜合權益變動表應與隨附附註一併參閱。

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year Ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Cash flows from operating activities</b>			
Cash (used in)/generated from operations	28	(23,933)	51,643
Interest paid		(38,571)	(181,593)
Net cash generated from/ (used in) operating activities from discontinued operations	18	19,488	(71,048)
<b>Net cash used in operating activities</b>		<b>(43,016)</b>	<b>(200,998)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(5,695)	(128,332)
Interest received		80	27
Net cash (used in)/generated from investing activities from discontinued operations	18	(32,950)	20,667
<b>Net cash used in investing activities</b>		<b>(38,565)</b>	<b>(107,638)</b>
<b>Cash flows from financing activities</b>			
Proceeds from other borrowings		309,194	464,217
Repayment of other borrowings		(63,391)	(82,605)
Repayment of bank borrowings		(144,472)	(118,267)
Net cash used in financing activities from discontinued operations	18	(500)	(1,715)
<b>Net cash generated from financing activities</b>		<b>100,831</b>	<b>261,630</b>

# CONSOLIDATED STATEMENT OF CASH FLOWS

## 綜合現金流量表

Year Ended 31 December 2019 截至二零一九年十二月三十一日止年度

	Note 附註	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Net increase/(decrease) in cash and cash equivalents</b>	現金及現金等價物增加／(減少)淨額	<b>19,250</b>	(47,006)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	<b>23,236</b>	69,858
Exchange difference on cash and cash equivalents	現金及現金等價物的匯兌差異	<b>365</b>	384
<b>Cash and cash equivalents at end of the year</b>	年終現金及現金等價物	<b>42,851</b>	23,236
	11		
<b>Analysis of balances of cash and cash equivalents:</b>	現金及現金等價物結餘分析：		
Cash and cash equivalents	現金及現金等價物	<b>42,851</b>	9,274
Cash and cash equivalents included in assets classified as held for sale	計入分類為持作出售資產之現金及現金等價物	18	13,962
		<b>42,851</b>	23,236

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

以上綜合現金流量表應與隨附附註一併參閱。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 1 General information

China Huarong Energy Company Limited (the “**Company**”) was incorporated in the Cayman Islands on 3 February 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its registered address is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands.

The Company is an investment holding company. The principal activities of the subsidiaries are set out in Note 32 to the consolidated financial statements.

The consolidated financial statements are presented in Renminbi (“**RMB**”), unless otherwise stated.

### 2 Principal 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

##### (a) Statement of compliance

The consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“**IFRSs**”). The consolidated financial statements have been prepared under the historical cost convention, except as modified by the accounting policies stated below.

The preparation of the consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies.

### 1 一般資料

中國華榮能源股份有限公司(「本公司」)於二零一零年二月三日根據開曼群島公司法在開曼群島註冊成立為獲豁免有限公司。本公司的註冊地址為Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands。

本公司為投資控股公司。附屬公司的主要業務載列於綜合財務報表附註32。

除非另行訂明，否則綜合財務報表以人民幣列報。

### 2 主要會計政策

編製該等綜合財務報表時應用的主要會計政策載列如下。除非另有指明，有關政策已貫徹應用於所呈列的所有年度。

#### 2.1 編製基準

##### (a) 合規聲明

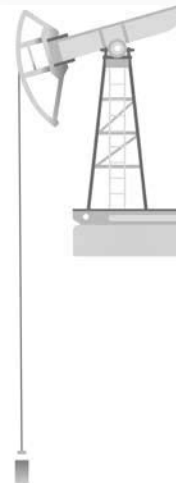
本公司核綜合財務報表乃按國際財務報告準則(「**國際財務報告準則**」)編製。該綜合財務報表乃按歷史成本法編製，惟就下文所述會計政策所作出的調整除外。

按照國際財務報告準則編製綜合財務報表需要運用若干重大會計估計，亦要求管理層在應用本集團的會計政策時作出判斷。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### (a) Statement of compliance (Continued)

Except as described below, the accounting policies adopted are consistent with all the year's presented rules unless otherwise stated.

#### (b) Going concern basis

The Group had an operating cash outflow of RMB43,016,000 (31 December 2018: outflow of RMB200,998,000) during the year ended 31 December 2019. As at 31 December 2019, the Group had a deficit of RMB8,563,505,000 (31 December 2018: RMB9,630,126,000) and the Group's current liabilities exceeded its current assets by RMB9,911,528,000 (31 December 2018: RMB11,326,204,000). The Group maintained cash and cash equivalents of RMB42,851,000 (31 December 2018: RMB9,274,000) as at 31 December 2019.

## 2 主要會計政策(續)

### 2.1 編製基準(續)

#### (a) 合規聲明(續)

除下述者外，除非另行訂明，所採納的會計政策與各個年度所呈報規則一致。

#### (b) 持續經營基準

截至二零一九年十二月三十一日止年度，本集團經營現金流出為人民幣43,016,000元(二零一八年十二月三十一日：流出人民幣200,998,000元)。於二零一九年十二月三十一日，本集團虧絀為人民幣8,563,505,000元(二零一八年十二月三十一日：人民幣9,630,126,000元)，而本集團流動負債超出其流動資產人民幣9,911,528,000元(二零一八年十二月三十一日：人民幣11,326,204,000元)。於二零一九年十二月三十一日，本集團維持現金及現金等價物人民幣42,851,000元(二零一八年十二月三十一日：人民幣9,274,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2 Principal accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Going concern basis (Continued)

On 9 October 2018, the Company entered into a conditional sale and purchase agreement with Unique Orient Limited (the “**Purchaser**”), an independent third party, to dispose the core assets and liabilities of the Shipbuilding Business (the “**Disposal Group**”) at a consideration of HKD1 (the “**Transaction**”). There are certain conditions precedent pursuant to the Transaction, which included, but not limited to, the successful issuance of certain Convertible Preference Shares (“**CPS**”) to certain bank creditors of the subsidiaries of the Disposal Group, and the release or discharge of the relevant guarantees provided by the Company in respect of the debts of the Shipbuilding Business (the “**Relevant Guarantees**”). The conditional sale and purchase agreement and the issuance of CPS were approved by the shareholders of the Company and CPS were issued in December 2018. All the assets and liabilities of the Disposal Group were classified as “Assets classified as held for sale” and “Liabilities directly associated with assets classified held for sale” as at 31 December 2018.

On 3 March 2019, supplemental agreements were signed with the Purchaser, such that (1) the transfer of the sale shares of Able Diligent Limited, the holding company of the Disposal Group, to the Purchaser shall take place on or before 31 August 2019; (2) the Purchaser agreed to procure the release or discharge of the Relevant Guarantees; and (3) the Purchaser agreed to execute a share charge over the sale shares in favour of the Company. On 10 March 2019, the Group transferred the sale shares of Able Diligent Limited to the Purchaser.

## 2 主要會計政策(續)

### 2.1 編製基準(續)

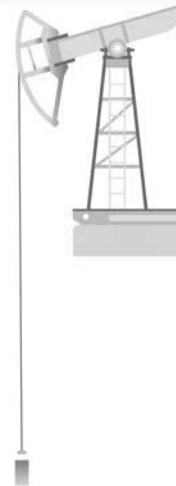
#### (b) 持續經營基準(續)

於二零一八年十月九日，本公司已與獨立第三方東唯有限公司(「買方」)訂立有條件出售及購買協議，以1港元出售造船業務(「出售集團」)的核心資產及負債(「該交易」)。根據該交易有若干先決條件，包括但不限於成功向出售集團附屬公司的若干銀行債權人發行若干可轉換優先股(「可轉換優先股」)，以及免除或解除本公司就造船業務的債務提供的相關擔保(「相關擔保」)。有條件買賣協議及可轉換優先股之發行已獲本公司股東批准，而可轉換優先股已於二零一八年十二月發行。於二零一八年十二月三十一日，出售集團的所有資產及負債分類為「分類為持作出售的資產」及「與分類為持作出售的資產直接相關的負債」。

於二零一九年三月三日，與買方簽訂補充協議，以致(1)出售集團控股公司Able Diligent Limited向買方轉讓出售股份將於二零一九年八月三十一日或之前進行；(2)買方同意促成免除或解除相關擔保；及(3)買方同意以本公司為受益人就銷售股份訂立股份質押。於二零一九年三月十日，本集團將Able Diligent Limited的銷售股份轉讓予買方。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Going concern basis (Continued)

Following the completion of the transfer of sale shares, the Group has derecognised the Disposal Group's assets and liabilities which were classified as "Assets classified as held for sale" and "Liabilities directly associated with assets classified held for sale", and recognised a disposal gain of RMB916,012,000. On 30 October 2019, a supplemental agreement was signed with the Purchaser, such that the share charge over the sale shares in favour of the Company executed by the Purchaser was replaced by a deed of indemnity provided by the Purchaser. Details of the disposal are disclosed in note 18.

As at 31 December 2019, financial guarantees provided by the Company to the banks and lenders of the Disposal Group, inclusive of principals and interest, amounted to RMB6,545,144,000. The Group has considered and recognised the corresponding impact of such financial guarantee contracts as at 31 December 2019. Details are disclosed in note 29.

As at 31 December 2019, borrowings of the Group amounted to RMB3,594,543,000, out of which RMB2,564,253,000 were overdue, while borrowings of the Group amounting to RMB37,279,000 contained cross-default terms as at 31 December 2019 and became immediately repayable. Total overdue interest payables of the Group amounted to RMB322,367,000. These borrowings are further explained below:

## 2 主要會計政策(續)

### 2.1 編製基準(續)

#### (b) 持續經營基準(續)

轉讓出售股份完成後，本集團終止確認出售集團的資產及負債，該等資產及負債分類為「分類為持作出售的資產」及「與分類為持作出售的資產直接相關的負債」，並確認出售收益人民幣916,012,000元。於二零一九年十月三十日，與買方簽訂補充協議，買方以本公司為受益人就銷售股份訂立的股份質押由買方提供的彌償契據代替。出售詳情於附註18中披露。

於二零一九年十二月三十一日，本公司就出售集團向銀行及借款人提供的財務擔保（包括本金及利息）為人民幣6,545,144,000元。本集團已考慮並於二零一九年十二月三十一日確認財務擔保合約的相應影響。詳情於附註29中披露。

於二零一九年十二月三十一日，本集團的借款為人民幣3,594,543,000元，其中人民幣2,564,253,000元已逾期，而於二零一九年十二月三十一日本集團借款人民幣37,279,000元含交叉違約條款，並須立即償還。本集團的逾期應付利息為人民幣322,367,000元。該等借款於下文進一步詳述：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### (b) Going concern basis (Continued)

- (i) The Group had promissory notes with an aggregate principal amount of RMB2,140,289,000 outstanding as at 31 December 2019, out of which approximately RMB810,083,000, RMB779,660,000 and RMB513,267,000 had been overdue since 2017, 2018 and 2019 respectively. The remaining outstanding promissory notes amounting to RMB37,279,000 became immediately repayable pursuant to the cross-default terms under the relevant loan agreements.
- (ii) The Group had bank borrowing of RMB461,243,000 which was overdue in accordance with the repayment date of the agreement as at 31 December 2019.

The above conditions indicate the existence of material uncertainties, which may cast significant doubt upon the Group's ability to continue as a going concern.

In view of such circumstances, the directors of the Company have, during the year and up to the date of the approval of these consolidated financial statements, taken the following measures to mitigate the liquidity pressure and to improve the financial position of the Group, to refinance its operation and to restructure its debts:

### 2 主要會計政策(續)

#### 2.1 編製基準(續)

##### (b) 持續經營基準(續)

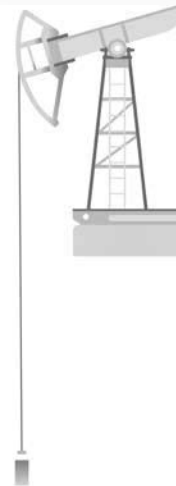
- (i) 於二零一九年十二月三十一日，本集團持有本金總額為人民幣2,140,289,000元的未償還承兌票據，其中約人民幣810,083,000元、人民幣779,660,000元及人民幣513,267,000元分別自二零一七年、二零一八年及二零一九年起已經逾期。餘下未償還承兌票據人民幣37,279,000元根據相關貸款協議項下的交叉違約條款須立即償還。
- (ii) 本集團持有銀行借款人民幣461,243,000元，於二零一九年十二月三十一日，根據相關協議的還款日期已經逾期。

上述狀況表明可能導致本集團的持續經營能力產生重大疑慮存在重大不確定性。

鑒於上述情況，本公司董事於年內及截至批准該等綜合財務報表日期已採取以下措施，以減緩流動性壓力，並改善本集團財務狀況，同時對其營運進行再融資及重組債務：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Going concern basis (Continued)

- i) The Group has been actively negotiating with the relevant banks and lenders of the Disposal Group to release or discharge the Relevant Guarantees. Since the date of disposal until 31 December 2019, guarantees of RMB99,422,000 were discharged while RMB6,545,144,000 are expected to be released in year 2020.
- ii) The Group is also maintaining its relationship with the banks and the lenders of the Disposal Group so that no action will be taken by them to demand immediate repayment of its outstanding borrowings under the Relevant Guarantees.
- iii) The Group has also been actively negotiating with the banks and lenders regarding the borrowing of RMB2,601,532,000 to take the following actions:
  - (a) As at 31 December 2019, outstanding promissory notes amounting to RMB2,103,010,000 which were not extended nor repaid upon the schedule repayment dates and thus became overdue and RMB37,279,000 became immediately repayable pursuant to the cross-default terms under the relevant loan agreements. The Company is in the process of negotiating with these promissory note holders for further arrangements, including the extension of maturity dates and obtaining waiver from the lender for the due payment pursuant to the relevant cross-default terms.

## 2 主要會計政策(續)

### 2.1 編製基準(續)

#### (b) 持續經營基準(續)

- i) 本集團一直積極與相關銀行及出售集團的借款人磋商，以免除或解除相關擔保。自出售當日直至二零一九年十二月三十一日，人民幣99,422,000元之擔保已解除，而人民幣6,545,144,000元預期將於二零二零年解除。
- ii) 本集團亦維持其與銀行及出售集團的借款人的關係，以確保彼等不會採取行動要求即時償還相關擔保項下的未償還借款。
- iii) 本集團亦一直積極就借款人民幣2,601,532,000元與銀行及借款人磋商，以採取以下行動：
  - (a) 於二零一九年十二月三十一日，未償還承兌票據金額人民幣2,103,010,000元於計劃還款日期並無延長或償還，因此已逾期，而人民幣37,279,000元根據相關貸款協議項下的交叉違約條款須立即償還。本公司正與該等承兌票據持有人磋商以作進一步安排，包括延長到期日，並根據相關交叉違約條款就到期付款向借款人獲取豁免。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

##### (b) Going concern basis (Continued)

- iii) (Continued)
  - (b) As at 31 December 2019, the Group had bank borrowing of RMB461,243,000 which was overdue. The Group is in the process of negotiating with the relevant bank for extension of repayment and renewal of such borrowing.
- iv) During the year ended 31 December 2019, the Group obtained security-free and interest-free loans from an entity controlled by a close family member of Mr. Zhang Zhi Rong amounting to RMB451,669,000, which will be due for repayment in June 2021.
- v) As at 31 December 2019, the Group has drawn down USD83,784,000 (equivalent to approximately RMB583,407,000) in total from the loan agreement, provided by entity controlled by Mr. Zhang Zhi Rong, who agreed to provide a loan facility up to USD250,000,000 (equivalent to approximately RMB1,740,800,000) to the Group for the funding of the oilfield operations of the energy exploration and production segment.

### 2 主要會計政策(續)

#### 2.1 編製基準(續)

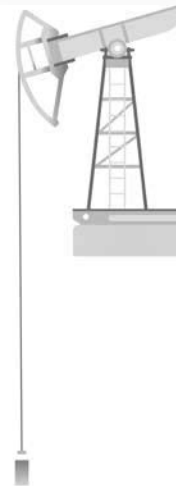
##### (b) 持續經營基準(續)

- iii) (續)
  - (b) 於二零一九年十二月三十一日，本集團的銀行借款人民幣461,243,000元已逾期。本集團正與相關銀行協商就相關借款予以延長還款及續期。
- iv) 截至二零一九年十二月三十一日止年度，本集團從由張志榕先生家屬控制的實體取得無擔保及免息貸款，金額為人民幣451,669,000元，將於二零二一年六月償還。
- v) 於二零一九年十二月三十一日，本集團已從由張志榕先生控制的實體訂立之貸款協議合共提取83,784,000美元(相當於約人民幣583,407,000元)，該實體同意向本集團提供不多於250,000,000美元(相當於約人民幣1,740,800,000元)的貸款融資，為本集團能源勘探及生產板塊的油田經營提供資金。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Going concern basis (Continued)

- vi) The Group has focused on its operations in development of the energy exploration and production segment. During the period, a number of wells were developed in the Republic of Kyrgyzstan (“Kyrgyzstan”) and management expects to realise an increase of oil output through further development and expansion of this segment, thereby generating steady operating cash flows.

As at 31 December 2019, the Group has drawn down RMB9,100,000 from the loan agreement, provided by an entity controlled by Mr. Zhang Zhi Rong, who agreed to provide a loan facility up to RMB40,000,000 to the Group for the funding in respect of the energy exploration and production segment. The Group expects to draw down the remaining balance of the facility throughout 2020.

In addition, the Group also entered into a Co-operative Framework Agreement during the year ended 31 December 2018 with an independent third party who agreed to provide materials for the exploration and production of crude oil with an aggregate amount up to USD500,000,000, in exchange for an option to purchase up to 70% of the total crude oil produced by the Group at 92% to 95% of the market price as a form of repayment until all the liabilities are repaid. Such facility has not been utilised up to 31 December 2019.

## 2 主要會計政策(續)

### 2.1 編製基準(續)

#### (b) 持續經營基準(續)

- vi) 本集團專注發展能源勘探及生產業務板塊。期內，在吉爾吉斯共和國(「吉爾吉斯」)已開發數口油井，而管理層預計透過進一步發展及拓展該業務板塊將石油產量提升，從而帶來穩定的經營現金流。

於至二零一九年十二月三十一日，本集團已從由張志熔先生控制的實體訂立之貸款協議提取人民幣9,100,000元，該實體同意向本集團提供不多於人民幣40,000,000元的貸款融資，為本集團之能源勘探及生產分部提供資金。本集團預期於二零二零年動用該融資之餘下結餘。

此外，截至二零一八年十二月三十一日止年度，本集團亦與一名獨立第三方訂立合作框架協議，該獨立第三方同意提供原油勘探及生產材料總額高達500,000,000美元以交換可按市場價格92%至95%購買本集團原油生產總量最多70%的期權，作為償還方式，直至償還所有負債。直至二零一九年十二月三十一日，該等融資尚未動用。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2 Principal accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Going concern basis (Continued)

The directors have reviewed the Group's cash flow projections prepared by management that covered a period of not less than twelve months from 31 December 2019. 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 as and when they fall due within the next twelve months from the date of the statement of financial position. 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 Group's ability to generate adequate financing and operating cash flows through the successful fulfillment of the following plans:

- i) obtaining the agreement from the banks and lenders to release or discharge the Relevant Guarantees for the borrowings owed by the Disposal Group;
- ii) convincing the banks and lenders not to demand for repayment of the outstanding loans of the Disposal Group before the completion of the release of the Relevant Guarantees;

## 2 主要會計政策(續)

### 2.1 編製基準(續)

#### (b) 持續經營基準(續)

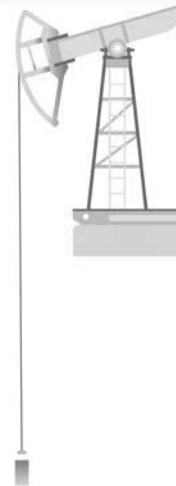
董事已審閱管理層編製的涵蓋自二零一九年十二月三十一日起至少十二個月的本集團的現金流量預測。彼等認為，考慮到上述計劃及措施，本集團將有充足的營運資金為其業務經營提供資金，並能履行自財務狀況表結算日起計未來十二個月內到期的財務義務。因此，董事相信，以持續經營的基礎編製綜合財務報表屬恰當。

儘管如此，本公司管理層能否如上文所述達成其計劃及措施存有重大的不確定性。本集團日後能否以持續經營基礎繼續經營，將視乎本集團能否成功達成以下計劃，獲得充足的融資及經營現金流量：

- i) 向銀行及借款人取得同意，免除或解除本公司就出售集團所結欠借款作出的相關擔保；
- ii) 說服銀行及借款人於相關擔保免除完成前不要求償還出售集團的未償還貸款；

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) Going concern basis (Continued)

- iii) negotiating with all existing promissory note holders of outstanding principals of RMB2,140,289,000 together with accrued interests thereon for further arrangements including extension of the maturity dates;
- iv) negotiating with the relevant bank for the renewal or extension for repayments for the bank borrowing of RMB461,243,000 that was overdue as at 31 December 2019;
- v) obtaining waivers from the relevant promissory note holders for the due payment in relation to those notes that have cross-default terms and extend the repayment dates when they fall due;
- vi) implementing a business plan for its energy exploration and production segment to generate cash inflows; and
- vii) obtaining additional sources of financing other than those mentioned above, including those to finance the energy exploration and production segment, and the successful drawdown of the various facilities made available to the Group by entities controlled by Mr. Zhang Zhi Rong and a close family member of Mr. Zhang Zhi Rong, as described in management's plan above, as and when needed.

## 2 主要會計政策(續)

### 2.1 編製基準(續)

#### (b) 持續經營基準(續)

- iii) 與未償還本金為人民幣2,140,289,000元(連同其應計利息)的所有現有承兌票據持有人磋商，以作進一步安排，包括延後到期日；
- iv) 就二零一九年十二月三十一日之逾期銀行借款人民幣461,243,000元與有關銀行磋商重續或延長還款；
- v) 就與具有交叉違約條款及於到期時延長還款日期的該等票據有關的到期付款從相關承兌票據持有人獲取豁免；
- vi) 為其能源及勘探生產板塊執行業務計劃以產生現金流入；及
- vii) 取得除上述以外的額外融資來源，包括為能源勘探及生產板塊提供資金的融資來源，以及成功動用由張志熔先生及張志熔先生家屬所控制的實體(誠如以上管理層計劃所述)於有需要時向本集團所提供多項融資。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2 Principal accounting policies (Continued)

### 2.1 Basis of preparation (Continued)

#### (b) *Going concern basis (Continued)*

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 these consolidated financial statements.

#### (c) *New and amended standards, improvements and interpretation adopted by the Group*

A number of new or amended standards became applicable for the current reporting period, amongst which the Group had to change its accounting policies as a result of adopting IFRS 16 Leases.

The impact of the adoption of the leasing standard and the new accounting policies are insignificant. The other standards did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

## 2 主要會計政策(續)

### 2.1 編製基準(續)

#### (b) *持續經營基準(續)*

如本集團無法達成上述計劃及措施，其未必能在持續經營的基礎上繼續經營，並必須作出調整，將本集團的資產賬面值撇減至其可收回金額，以為未來可能出現的負債撥備，同時將非流動資產及非流動負債重新分類為流動資產及流動負債。該等調整的影響尚未反映於綜合財務報表。

#### (c) *本集團採納的新訂及經修訂準則、改進及詮釋*

若干新訂或經修訂準則適用於本報告期間，其中，本集團因採納國際財務報告準則第16號租賃而改變其會計政策：

採納租賃準則及新會計政策的影響並不重大。其他準則對本集團的會計政策並無任何影響，亦無須作出追溯調整。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.1 Basis of preparation (Continued)

(d) Certain new and amended accounting standards have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Group. New standards, amendments to standards and interpretations have been issued, but are not effective for the financial period beginning 1 January 2019 and have not been early adopted by the Group:

### 2 主要會計政策(續)

#### 2.1 編製基準(續)

(d) 若干已頒佈的新訂及經修訂會計準則於二零一九年十二月三十一日的報告期間尚未強制生效，且本集團亦未提早採用。已頒佈但於二零一九年一月一日開始財政期間尚未生效且本集團並無提早採納的新訂及經修訂準則及其詮釋如下：

				Effective for annual periods beginning on or after 於以下日期或之後 開始的年度期間生效
Conceptual Framework for Financial Reporting 2018	二零一八年財務報告概念框架	Revised Conceptual Framework for Financial Reporting	經修訂財務報告概念框架	1 January 2020 二零二零年一月一日
IAS 1 and IAS 8 (Amendments)	國際會計準則第1號及國際會計準則第8號(修訂本)	Definition of Material	重大的定義	1 January 2020 二零二零年一月一日
IFRS 3 (Amendments)	國際財務報告準則第3號(修訂本)	Definition of a Business	業務的定義	1 January 2020 二零二零年一月一日
IFRS 9, IAS 39 and IFRS 7 (Amendments)	國際財務報告準則第9號、國際會計準則第39號及國際財務報告準則第7號(修訂本)	Interest Rate Benchmark Reform	利率基準改革	1 January 2020 二零二零年一月一日
IFRS 17	國際財務報告準則第17號	Insurance Contracts	保險合約	1 January 2022 二零二二年一月一日
IAS 1 (Amendments)	國際會計準則第1號(修訂本)	Classification of Liabilities as Current or Non-current	負債分類為流動負債或非流動負債	1 January 2022 二零二二年一月一日
IFRS 10 and IAS 28 (Amendments)	國際財務報告準則第10號及國際會計準則第28號(修訂本)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	投資者與其聯營公司或合營企業之間的資產的出售或出資	To be determined 待定

These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

預期該等準則不會對本集團於當前或未來報告期或可預見的未來交易產生重大影響。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.2 Principles of consolidation and equity accounting

##### (a) Subsidiaries

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

The acquisition method of accounting is used to account for business combinations by the Group [refer to Note 2.3].

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

### 2 主要會計政策(續)

#### 2.2 綜合入賬及權益會計法原則

##### (a) 附屬公司

附屬公司為本集團具有控制權的所有實體(包括結構實體)。若本集團具有承擔或通過參與享有有關實體所得的可變回報的風險或權利，並能透過其指揮實體業務的權力影響該等回報，即本集團對該實體具有控制權。附屬公司於其控制權轉移至本集團當日全面綜合入賬。於控制權終止的日期起取消綜合入賬。

本集團採用收購會計法將業務綜合入賬(參見附註2.3)。

集團公司間之公司間交易、結餘及未變現交易收益予以對銷。未變現虧損亦會予以抵銷，除非有關交易顯示所轉讓資產的減值證據。附屬公司之會計政策已按需要調整，以確保與本集團採納之政策貫徹一致。

業績內之非控股權益及附屬公司權益分別獨立呈列於綜合全面收益表、權益變動表及財務狀況表。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.2 Principles of consolidation and equity accounting (Continued)

#### (b) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs.

## 2 主要會計政策(續)

### 2.2 綜合入賬及權益會計法原則(續)

#### (b) 擁有權權益變動

本集團將不會引致失去控制權的非控股權益交易視為與本集團權益持有人的交易。擁有權權益變動導致控股權益與非控股權益賬面值之間之調整以反映彼等於附屬公司之相對權益。非控股權益調整數額與任何已付或已收代價間之任何差額於本公司權益持有人應佔權益中之個別儲備內確認。

倘本集團因喪失控制權、共同控制權或重大影響力而終止就投資綜合入賬或按權益入賬，其於該實體之任何保留權益按其公允值重新計量，而賬面值變動則於損益內確認。就隨後入賬列作於聯營公司、合營企業或金融資產之保留權益而言，公允值成為初步賬面值。此外，先前於其他全面收益內確認與該實體有關的任何金額按猶如本集團已直接出售有關資產或負債之方式入賬。這可能代表先前在其他全面收益內確認之金額重新分類至損益或轉撥至適用國際財務報告準則所指／准許之另一權益類別。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.3 Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- (i) fair values of the assets transferred
- (ii) liabilities incurred to the former owners of the acquired business
- (iii) equity interests issued by the group
- (iv) fair value of any asset or liability resulting from a contingent consideration arrangement, and
- (v) fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

### 2 主要會計政策(續)

#### 2.3 業務合併

本集團採用收購會計法將所有業務合併入賬，而不論收購權益工具或其他資產。收購附屬公司之已轉讓代價為：

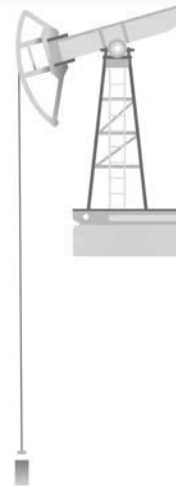
- (i) 所轉讓資產之公允值
- (ii) 所收購業務先前擁有人產生之負債
- (iii) 本集團發行之股權
- (iv) 或然代價安排產生之任何資產或負債之公允值，及
- (v) 於附屬公司任何已存在權益之公允值。

除在有限的例外情況外，在業務合併中所購買可識別的資產以及所承擔的負債及或然負債，首先以彼等於購買日期的公允值計量。本集團按逐項收購基準以公允值或非控股權益按比例應佔的被收購實體可識別資產淨值確認被收購實體中的任何非控股權益。

收購相關成本於發生時支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.3 Business combinations (Continued)

The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

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

### 2.4 Segment reporting

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

## 2 主要會計政策(續)

### 2.3 業務合併(續)

所轉讓代價、於被收購實體的任何非控股權益金額及任何先前於被收購實體的權益於收購日期的公允值與已收購可識別資產淨值的公允值的差額按商譽列賬。倘上述金額低於所收購業務可識別資產淨值的公允值，有關差額會作為一項廉價購買直接於損益確認。

或然代價歸類為權益或金融負債。歸類為金融負債的金額其後重新計量至公允值，公允值變動於損益確認。

倘業務合併分階段完成，收購方過往於收購對象所持股權於收購日期的賬面值重新計量至收購日期的公允值；該項重新計量所產生的任何收益或虧損，於損益確認。

### 2.4 板塊報告

經營板塊的報告方式與主要經營決策者獲提供的內部報告的方式一致。本公司的執行董事被視為作出策略決定的主要經營決策者，負責分配資源及評估營運板塊業績。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2 Principal accounting policies (Continued)

### 2.5 Foreign currency translation (Continued)

#### (a) Functional and presentation currency

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

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the profit or loss within 'finance income' or 'finance costs'. All other foreign exchange gains and losses are presented in the profit or loss within 'other (losses)/gains - net'.

## 2 主要會計政策(續)

### 2.5 外幣換算

#### (a) 功能及呈列貨幣

本集團各公司的財務報表所載項目以各實體經營所在的主要經濟環境的貨幣(「功能貨幣」)計量。綜合財務報表乃以人民幣呈列，人民幣為本公司的功能貨幣及本集團的呈列貨幣。

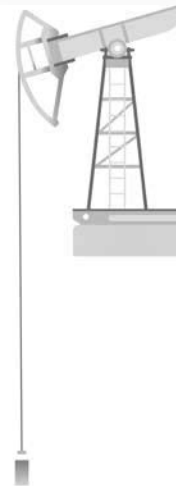
#### (b) 交易及結餘

外幣交易根據於交易當日或項目重新計量時的估值當日的通行匯率換算為功能貨幣。因結算該等交易及按結算日匯率換算以外幣計價的貨幣性資產及負債而產生的匯兌盈虧乃於損益確認。倘該等交易與合資格現金流對沖及合資格投資淨額對沖有關或歸因於海外業務投資淨額的一部分，則會於權益中遞延。

有關借款的外匯收益及虧損於損益中的「融資收益」或「融資成本」內呈列。所有其他外匯收益及虧損於損益中的「其他(虧損)／收益－淨額」呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.5 Foreign currency translation (Continued)

#### (b) Transactions and balances (Continued)

Translation differences on non-monetary financial assets and liabilities such as derivative financial instruments are recognised as part of the fair value gain or loss.

#### (c) Group companies

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

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

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income.

## 2 主要會計政策(續)

### 2.5 外幣換算(續)

#### (b) 交易及結餘(續)

衍生金融工具等非貨幣金融資產及負債之匯兌差額確認為公允值收益或虧損之一部分。

#### (c) 集團公司

功能貨幣有別於呈列貨幣的所有集團公司(該等公司概無擁有嚴重通貨膨脹經濟的貨幣)的業績及財務狀況均按以下方式換算為呈列貨幣：

- (i) 於財務狀況表呈列的資產及負債乃按有關財務狀況表日期的收市匯率換算；
- (ii) 各全面收益表內的收支乃按平均匯率換算(除非該平均匯率並非在有關交易日期當日通行匯率累積影響的合理估計內，在該情況下，收支按有關交易日期當日匯率換算)；及
- (iii) 所有因而產生的匯兌差額在損益內確認。

在綜合時，換算海外實體的淨投資，以及換算借貸及其他指定作為該等投資對沖的貨幣工具所產生的匯兌差額於其他全面收益確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.6 Oil properties

The successful efforts method of accounting is used for oil exploration and production activities. Costs are accumulated on a field-by-field basis. All costs for development wells, support equipment and facilities, and proved mineral interests in oil properties are capitalised within construction in progress under property, plant and equipment. Geological and geophysical costs are expensed when incurred. Costs directly associated with an exploration well, and exploration and property leasehold acquisition costs, are capitalised within construction in progress until the determination of reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are charged to the profit or loss.

Once commercial reserves are found, construction in progress relevant to oil properties are tested for impairment, or whenever facts and circumstances indicate impairment. No depreciation and depletion is charged during the exploration and evaluation phase. When development is completed on a specific field, it is transferred to oil properties.

An impairment loss is recognised for the amount by which the exploration and evaluation assets' carrying amount exceeds their recoverable amount. The recoverable amount is the higher of the exploration and evaluation assets' fair value less costs of disposal and their value in use.

Oil properties are depreciated using the units-of-production method. Unit-of-production rates are based on proved developed reserves, which are oil reserves estimated to be recovered from existing facilities using current operating methods. Oil volumes are considered to be part of production once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

### 2 主要會計政策(續)

#### 2.6 石油物業

石油勘探與生產活動採用成果法記賬。成本以每塊油田之基準累計。開發井、配套設施以及石油資產中的已探明礦區權益的所有成本均於物業、廠房及設備項下的在建工程中撥充資本。地質及地球物理成本於產生時支銷。直接涉及勘探井的成本以及勘探及物業租賃收購成本乃待評估儲量後而決定是否作為在建工程中撥充資本。倘確定儲量不足以作商業用途，則有關成本會自損益扣除。

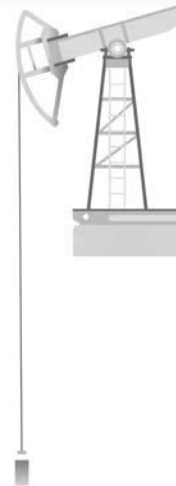
一旦發現可作商業用途之儲量，或當事實及情況顯示出現減值，則有關石油項目的在建工程會進行減值測試。於勘探及評估期間無須扣除折舊及折耗。當特定油田完成開發時，其將轉撥為石油項目。

當勘探及評估資產賬面值高於可收回金額時，須將差額確認為減值虧損。可收回金額即勘探及評估資產公允值扣除銷售成本後的數額與使用價值之較高者。

石油項目按單位生產法折舊。單位生產率乃基於已探明經開發儲備，即以目前經營方法估計自現有設施收回的石油儲備。當石油量透過交接或儲存缸的出口閥銷售交易點計量時，即被視為生產的一部分。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.6 Oil properties (Continued)

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

### 2.7 Property, plant and equipment

The Group's buildings, including buildings under construction, are stated at revalued amount. All other property, plant and equipment, except for construction in progress, are stated at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition and construction of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged in the profit or loss during the financial period in which they are incurred.

## 2 主要會計政策(續)

### 2.6 石油物業(續)

倘出現事件或情況變動顯示可能無法收回其賬面值，則探明石油項目作減值檢討。當資產賬面值高於可收回金額時，須將差額確認為減值虧損。可收回金額為資產之公允值減出售成本與使用價值之較高者。就評估減值而言，資產乃按可個別識別現金流量之最低級別分組。

### 2.7 物業、廠房及設備

本集團的樓宇(包括在建樓宇)按重估金額列賬。所有其他物業、廠房及設備(在建工程除外)按歷史成本減累計折舊及累計減值虧損列賬。歷史成本包括收購及建設該等項目之直接開支。

期後成本只有在與該項目有關的未來經濟利益很有可能流入本集團，而該項目的成本能被可靠計量時，才包括在資產的賬面值或確認為一項獨立資產(視情況而定)。被替代部分的賬面值取消確認。所有其他維修及保養在產生的財政期間內於損益支銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.7 Property, plant and equipment (Continued)

Except for oil properties, the depreciation of which is calculated using the unit-of-production method, depreciation is calculated using the straight-line method to allocate their costs to their residual values over their estimated useful lives, as follows:

Computer equipment	3-5 years
電腦設備	三至五年
Office equipment	5 years
辦公設備	五年
Motor vehicles	4-10 years
車輛	四至十年

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Plant and equipment under construction or pending installation are stated at cost impairment losses, if any. No depreciation is made on assets under construction in progress until such time as the relevant assets are completed and available for their intended use.

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

### 2 主要會計政策(續)

#### 2.7 物業、廠房及設備(續)

除石油項目(其折舊乃採用單位生產法計算)外,折舊採用以下的估計可使用年期將成本按直線法分攤至剩餘價值計算:

3-5 years
三至五年
5 years
五年
4-10 years
四至十年

資產的剩餘價值及可使用年期在每個報告期間進行檢討,及在適當情況下調整。倘資產的賬面值高於其估計可收回金額,其賬面值即時撇減至可收回金額。

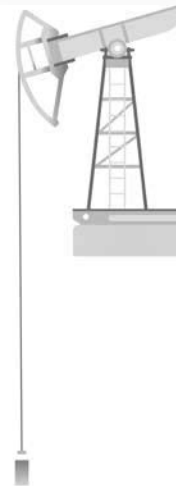
正在興建或尚待安裝的廠房及設備按成本減值虧損(如有)列賬。相關資產完成並可用作擬定用途前,在建工程資產不會作出折舊。

出售盈虧通過比較所得款項與賬面值而釐定,並在損益內確認。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.8 Intangible assets

#### (a) Co-operation Rights

The Co-operation Rights represent rights to cooperate with the national oil company of Kyrgyzstan in the operation of the five oil fields zones (“Co-operation Rights”). The Co-operation Rights are stated at cost less accumulated amortisation and any impairment losses. The Co-operation Rights are amortised using the unit-of-production method. Unit-of-production rates are based on proved reserves, which are oil reserves estimated to be recovered from existing facilities using current operating methods. Oil volumes are considered to be part of production once they have been measured through meters at custody transfer or sales transaction points at the outlet valve on the field storage tank.

#### (b) Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group’s share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is tested for impairment and carried at cost less accumulated impairment losses, if any. Impairment losses on goodwill are not reversed. Gains and losses on the disposals of an entity include the carrying amount of goodwill relating to the entity disposed of or sold.

Goodwill is allocated to cash-generating units (“CGUs”) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose.

#### (c) Computer software

Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their respective estimated useful lives of 2 to 10 years.

## 2 主要會計政策(續)

### 2.8 無形資產

#### (a) 合作經營權

合作經營權指與吉爾吉斯國家油公司合作經營五個油田區(「合作經營權」)。合作經營權以成本減累計攤銷及任何減值虧損入賬。合作經營權採用單位生產法攤銷。單位生產率乃基於已探明經儲備，即以目前經營方法估計自現有設施收回的石油儲備。當石油量透過交接或儲存缸的出口閥銷售交易點計量時，即被視為生產的一部分。

#### (b) 商譽

商譽指收購成本超出本集團於收購日期分佔已收購附屬公司可識別資產淨值之公允值之差額。收購附屬公司之商譽包括在無形資產中。商譽會測試減值及以成本減累計減值虧損(如有)列賬。商譽之減值虧損並不會撥回。出售實體之收益及虧損包括與已出售或已售實體有關之商譽賬面值。

商譽獲分配至現金產生單位(「現金產生單位」)以測試減值。該分配乃向預期可於商譽產生之業務合併中受惠之一項現金產生單位或一組現金產生單位而作出。

#### (c) 計算機軟件

所購計算機軟件根據購置及使用特定軟件所發生的費用予以資本化。該等費用於其各自的估計使用年限2至10年內攤銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.9 Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the consolidated statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the consolidated statement of financial position.

### 2 主要會計政策(續)

#### 2.9 持作出售的非流動資產(或出售集團)及已終止業務

倘非流動資產(或出售集團)的賬面值將主要透過銷售交易而非持續使用而收回，而且有關銷售被視為極可能發生時，則分類為持作出售。其乃按賬面值及公允值減銷售成本兩者中較低者計量，惟本規定明確豁免的遞延稅項資產、僱員福利產生之資產、按公允值列賬的金融資產及投資物業以及保險合同項下的合約權利等資產除外。

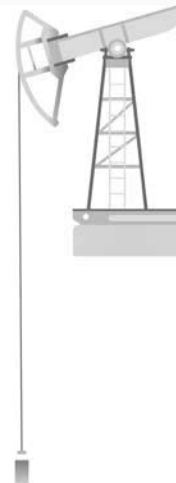
減值虧損乃按資產(或出售集團)任何初始或其後撇減至公允值減銷售成本確認。收益乃按公允值減銷售資產(或出售集團)成本的任何其後增加確認，惟不超過先前確認的任何累計減值虧損。於銷售非流動資產(或出售集團)日期先前尚未確認的收益或虧損會於終止確認日期時獲確認。

非流動資產(包括該等屬於出售集團一部分的非流動資產)在獲分類為持作出售時不予折舊或攤銷。分類為持作出售的出售集團負債應佔利息及其他開支繼續被確認。

分類為持作出售的非流動資產及分類為持作出售的出售集團資產與綜合財務狀況表內的其他資產分開呈列。分類為持作出售的出售集團負債與綜合財務狀況表內的其他負債分開呈列。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.9 Non-current assets (or disposal groups) held for sale and discontinued operations (Continued)

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the consolidated statement of comprehensive income.

### 2.10 Investments and other financial assets

#### (i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

## 2 主要會計政策(續)

### 2.9 持作出售的非流動資產(或出售集團)及已終止業務(續)

已終止業務為已出售實體之一部分或分類為持作出售，並代表一項按業務或經營地區劃分之獨立主要業務；作為出售該按業務或經營地區劃分之業務之單一統籌計劃一部分；或為一間純粹為轉售而收購之附屬公司。已終止業務業績於綜合全面收益表分開呈列。

### 2.10 投資及其他金融資產

#### (i) 分類

本集團將其金融資產按以下計量類別分類：

- 隨後將按公允值計量(計入其他全面收益或計入損益)；及
- 將按攤銷成本計量。

該分類取決於實體管理金融資產及現金流量合約期之業務模式。

按公允值計量的資產而言，收益及虧損將於損益或其他全面收益列賬。對於並非持作買賣的權益工具投資，則取決於本集團是否於初始確認時不可撤銷地選擇按公允值計入其他全面收益(「按公允值計入其他全面收益」)對權益投資列賬。

僅當管理該等資產之業務模式發生變動時，本集團對債務投資進行重新分類。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.10 Investments and other financial assets (Continued)

##### (ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

##### (iii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

##### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category into which the group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "other (losses)/gains-net" together with foreign exchange gains and losses.

### 2 主要會計政策(續)

#### 2.10 投資及其他金融資產(續)

##### (ii) 確認及終止確認

金融資產的定期收購及出售，均於交易日(即本集團承諾收購或出售該資產當日)確認。當本集團從該等金融資產收取現金流量的權利已到期或已被轉讓且本集團已將大部分擁有權的所有風險及回報轉移，則會終止確認該等金融資產。

##### (iii) 計量

初始計量時，本集團按金融資產之公允值加(倘並非透過損益按公允值計量(「透過損益按公允值計量」)之金融資產)直接歸屬於金融資產收購之交易成本計量。透過損益按公允值計量之金融資產之交易成本於損益列作開支。

在確定具有嵌入衍生工具的金融資產的現金流量是否僅為支付本金及利息時，需從金融資產的整體進行考慮。

##### 債務工具

債務工具之後續計量取決於本集團管理資產之業務模式及有關資產之現金流量特徵。本集團將其債務工具分類為一個計量類別：

- 攤銷成本：持作收回合約現金流量之資產，該等現金流量僅指支付之本金及利息。該等金融資產的利息收入採用實際利率法計入財務收入。終止確認產生的任何收益或虧損直接於損益確認，並與匯兌收益及虧損一併於其他(虧損)/收益淨額內列報。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2 Principal accounting policies (Continued)

### 2.10 Investments and other financial assets (Continued)

#### (iii) Measurement (Continued)

##### Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments is recognised in profit or loss as other income when the Group's right to receive payments is established.

Change in the fair value of financial assets at FVPL are recognised in "other (losses)/gains-net" in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

#### (iv) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 3.1(b) for further details.

## 2 主要會計政策(續)

### 2.10 投資及其他金融資產(續)

#### (iii) 計量(續)

##### 權益工具

本集團按公允值後續計量所有權益投資。倘本集團管理層選擇於其他全面收益列報權益投資之公允值收益及虧損淨額，終止確認投資後，概無後續重新分類公允值收益及虧損至損益。當本集團有權收取股息付款時，該等投資之股息於損益確認為其他收入。

透過損益按公允值計量之金融資產之公允值變動在適當情況下於損益表中的其他(虧損)/收益淨額確認。按公允值計入其他全面收益之權益投資之減值虧損(及減值虧損撥回)不會因其他公允值變動而分開列報。

#### (iv) 減值

本集團按前瞻性原則，對按攤銷成本列賬的債務工具相關的預期信貸虧損進行評估。所採用的減值方法取決於信貸風險是否大幅增加。

就應收賬款而言，本集團採用國際財務報告準則第9號允許的簡化方法，其中要求全期預期虧損須自首次確認應收款項時確認，進一步詳情見附註3.1(b)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2 Principal accounting policies (Continued)

### 2.11 Impairment of non-financial assets

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

### 2.12 Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured at their fair value. The Group's derivative instruments do not qualify for hedge accounting and are accounted for at fair value through profit or loss. Changes in the fair value of these derivative instruments are recognised immediately within "other (losses)/gains - net" in the profit or loss.

## 2 主要會計政策(續)

### 2.11 非金融資產減值

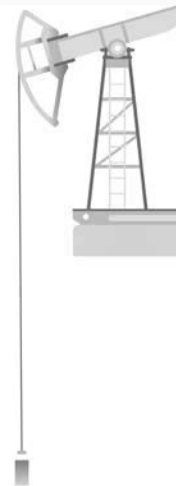
並無確定可使用年期的資產(例如商譽或尚未可供使用的無形資產)毋須攤銷，惟須每年進行減值測試，須予攤銷的資產須於出現顯示賬面值可能無法收回的事件或轉變時檢討有否減值。當資產賬面值高於可收回金額時，須將差額確認為減值虧損。可收回金額即資產公允值扣除銷售成本後的數額或使用價值(兩者的較高者)。當評估減值，資產按獨立可識別現金流量的最低水平(現金產生單位)分類。商譽以外的非金融資產若出現減值，則須於各報告日期評估能否撥回減值。

### 2.12 衍生金融工具

衍生工具初步於訂立衍生工具合約當日按公允值確認，之後按公允值重新計量。本集團的衍生工具並不符合作對沖會計處理的資格，而是按公允值計入損益。有關衍生工具的公允值變動即時在損益內確認為「其他(虧損)/收益-淨額」。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.13 Inventories

Crude oil inventories are stated at the lower of cost and net realisable value. Costs of inventories represent relevant production costs and are determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### 2.14 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 3.1(b) for a description of the Group's impairment policies.

## 2 主要會計政策(續)

### 2.13 存貨

原油存貨按成本與可變現淨值兩者中的較低者列示。存貨成本代表相關的生產成本，並按加權平均基礎釐定。可變現淨值為日常業務過程中估計售價減去估計的完成成本及估計銷售所需費用。

### 2.14 應收賬款及其他應收款項

應收賬款為在日常經營活動中就銷售商品或提供服務而應收客戶的款項。如預期在一年或以內(如仍在正常經營週期中，則可在較長時間內)收回應收賬款及其他應收款項，有關應收賬款及其他應收款項會分類為流動資產，否則以非流動資產呈列。

應收賬款按可無條件代價金額初始確認，除非其包括重大融資成分時，則按公允值確認。本集團持有以收取合約現金流為目的之應收賬款，因此其後其乃使用實際利率法按攤銷成本計量。有關本集團減值政策，詳見附註3.1(b)。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2 Principal accounting policies (Continued)

### 2.15 Cash and cash equivalents

Cash and cash equivalents include cash in bank and deposits held at call with banks.

### 2.16 Share capital

#### (i) Ordinary shares

Ordinary shares and non-redeemable preference shares are classified as equity.

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

#### (ii) Convertible preference shares

Non-redeemable convertible preference shares issued by the Company that contain the conversion option components are classified as equity on initial recognition in accordance with the substance of the contractual arrangements and the definitions of an equity instrument. The conversion option allows the holder of the non-redeemable convertible preference shares to convert the convertible preference shares into a fixed number of the Company's own ordinary shares and therefore the whole instrument is classified as an equity instrument.

The convertible preference shares are initially recognised at their par value in share capital. The difference between the par value of the issued convertible preference shares and its fair value is recognised in share premium.

## 2 主要會計政策(續)

### 2.15 現金及現金等價物

現金及現金等價物包括銀行現金及存放在銀行的活期存款。

### 2.16 股本

#### (i) 普通股

普通股及不可贖回的優先股分類為權益。

發行新股份直接衍生的費用在權益內從所得款項扣減(扣除稅項)。

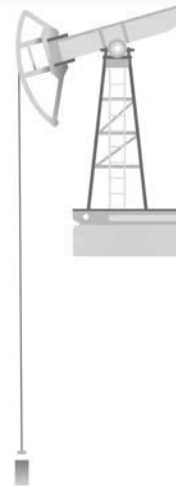
#### (ii) 可轉換優先股

本公司發行包括可換股權部分的不可贖回可轉換優先股，其於初始確認時根據合約安排內容及權益工具的定義分類為權益。換股權容許不可贖回可轉換優先股持有人兌換可轉換優先股為固定數目的本公司之普通股，因此整個工具分類為權益工具。

可轉換優先股初始按其面值於股本確認。已發行可轉換優先股面值與公允值的差額將於股份溢價確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.17 Trade and other payables

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

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

### 2.18 Borrowings

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

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

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

## 2 主要會計政策(續)

### 2.17 應付賬款及其他應付款項

應付賬款為在日常經營活動中就向供應商購買的商品或服務付款的責任。如付款在一年或以內(如仍在正常經營週期中,則可在較長時間內)到期支付,應付賬款及其他應付款項會分類為流動負債,否則以非流動負債呈列。

應付賬款及其他應付款項初步以公允值確認,隨後使用實際利率法按攤銷成本計量。

### 2.18 借款

借款初步按公允值扣除已產生的交易成本確認。借款其後按攤銷成本計賬,而所得款項(扣除交易成本)與贖回價值的任何差額則以實際利息法於借款期間在損益中確認。

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

借款分類為流動負債,除非本集團擁有將償還負債限期推遲至報告期末後至少12個月的無條件權利。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.19 Convertible bonds

Convertible bonds without equity component are accounted for as hybrid instruments consisting of an embedded derivative and a host debt contract. At initial recognition, the embedded derivative of the convertible bonds is accounted for as derivative financial instruments and is measured at fair value. Any excess of proceeds over the amount initially recognised as the derivative component is recognised as liability under the contract. Transaction costs that relate to the issuance of the convertible bonds are allocated to the liability under the contract. The derivative component is subsequently carried at fair value and changes in fair value are recognised in the profit or loss. The liability under the host contract is subsequently carried at amortised cost, calculated using the effective interest method, until extinguished on conversion, redemption or maturity. When the convertible bonds are converted, the carrying amount of the liability under the contract together with the fair value of the relevant derivative component at the time of conversion are transferred to share capital and share premium as consideration for the shares issued. When the convertible bonds are redeemed, any difference between the redemption amount and the carrying amounts of both components are recognised in the profit or loss.

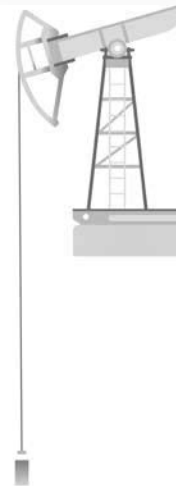
### 2 主要會計政策(續)

#### 2.19 可換股債券

不附帶權益部分的可換股債券，均入賬為包含嵌入式衍生工具及主債務合約的混合工具。於初始確認時，可換股債券的嵌入式衍生工具乃入賬作為衍生金融工具，並按公允值計量。所得款項超出確認衍生工具部分時初始確認金額的數額，乃確認為合約項下負債。關於發行可換股債券的交易成本乃分攤至合約項下負債。衍生工具部分其後按公允值列賬，而公允值變動在損益內確認。主合約項下負債其後按攤銷成本列賬，並採用實際利率法計算，直至於轉換、贖回或到期時註銷為止。倘可換股債券獲轉換，合約項下的負債部分連同轉換時相關衍生工具部分的公允值乃轉撥至股本及股份溢價，作為發行股份的代價。倘可換股債券獲贖回，贖回金額與兩個部分賬面值之間的任何差額在損益內確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.20 Provisions

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

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

## 2 主要會計政策(續)

### 2.20 撥備

環境恢復撥備、重建成本及法律索償於出現下列情況時確認：本集團由於過往事件而須負上現時法律或建設責任；可能需要自資源撥付以履行責任；且該金額已作出可靠估計。重建成本撥備包括終止租約罰款及終止僱員合約賠款。未來經營虧損並無確認撥備。

當有若干類似責任時，須就該等責任類別整體釐定付款現金流出。即使同類責任包括之任何一個項目之現金流出金額較小，仍須確認撥備。

撥備採用稅前利率按照預期需結算有關責任的支出現值計量，該利率反映當時市場對金錢時間值和有關責任固有風險的評估。隨著時間過去而增加的撥備確認為利息費用。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2 Principal accounting policies (Continued)

### 2.21 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

#### (a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of each reporting period in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

#### (b) Deferred income tax

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

## 2 主要會計政策(續)

### 2.21 即期及遞延所得稅

期內所得稅開支或抵免指根據各司法權區的適用所得稅率按即期應課稅收入應付的稅項，並經暫時差額及未動用稅項虧損應佔的遞延稅項資產與負債變動調整。

#### (a) 即期所得稅

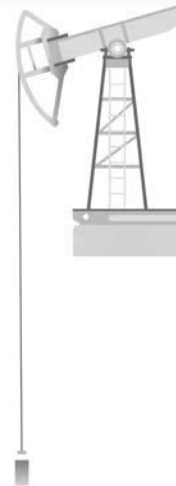
即期所得稅支出根據本公司及其附屬公司營運及產生應課稅收益的國家於各報告期末已頒佈或實質頒佈的稅務法例計算。管理層就適用稅務法例詮釋所規限的情況定期評估報稅表的狀況，並在適用情況下根據預期須向稅務機關支付的稅款設定撥備。

#### (b) 遞延所得稅

內在基準差異  
遞延所得稅採用負債法核算，就資產和負債的稅基與資產和負債在綜合財務報表的賬面值之間產生的暫時性差異予以確認。然而，若遞延稅項負債來自對商譽的初始確認，則不予確認。若遞延所得稅來自在交易(不包括企業合併)中對資產或負債的初始確認，而在交易時不影響會計損益也不影響應課稅損益，則不予列賬。遞延所得稅採用在各報告期末前已頒佈或實質頒佈、並預期在遞延所得稅資產變現或遞延所得稅負債結算時適用的稅率(及法律)而釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.21 Current and deferred income tax (Continued)

#### (b) Deferred income tax (Continued)

Inside basis differences (Continued)

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

Outside basis differences

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

#### (c) Offsetting

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

## 2 主要會計政策(續)

### 2.21 即期及遞延所得稅(續)

#### (b) 遞延所得稅(續)

內在基準差異(續)

遞延所得稅資產以可能出現未來應課稅溢利，並可用於與暫時性差異互相抵銷為限予以確認。

外在基準差異

遞延所得稅按本集團投資附屬公司所產生的暫時性差異計提撥備，惟倘本集團可以控制暫時性差異的轉回時間，且該暫時性差異在可預見將來有可能不會轉回時，則遞延所得稅負債除外。

#### (c) 抵銷

當有法定可執行權力將即期稅項資產與即期稅務負債抵銷，且遞延所得稅資產和負債涉及由同一稅務機關對應課稅主體或不同應課稅主體但有意向以淨額基準結算所得稅結餘時，則可將遞延所得稅資產與負債互相抵銷。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.22 Employee benefits

##### (a) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### (b) Pension and employee social security and benefits obligations

The group companies in the PRC and Kyrgyzstan participate in defined contribution retirement plans and other employee social security plans, including pension, medical, other welfare benefits, organised and administered by the relevant governmental authorities for employees in the PRC and Kyrgyzstan. The Group contributes to these plans based on certain percentages of the total salary of employees, subject to a certain ceiling, as stipulated by the relevant regulations.

The Group has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

### 2 主要會計政策(續)

#### 2.22 僱員福利

##### (a) 短期責任

工資及薪金責任(包括預期在僱員提供相關服務期間末後12個月內悉數結算之非貨幣福利、年假及累計病假)乃就直至報告期末之僱員服務予以確認並按預期於結清責任時支付之金額計量。負債於資產負債表內呈列為即期僱員福利責任。

##### (b) 退休金及僱員社會保障及福利責任

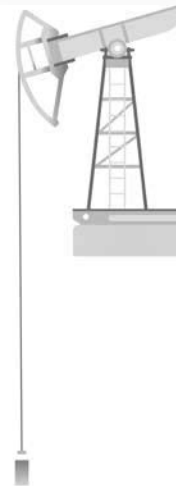
在中國及吉爾吉斯的集團公司參加界定供款退休計劃及相關政府部門為中國及吉爾吉斯僱員組織及管理的其他僱員社會保障計劃，包括退休金、醫療、其他福利計劃。本集團根據相關法例規定的僱員總薪金的一定百分比(存在上限)向有關計劃供款。

作出供款後，本集團再無進一步供款責任。該等供款會於到期支付時確認為僱員福利開支。可提供現金退還或扣減未來付款之預付供款會確認為資產。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.22 Employee benefits (Continued)

#### (c) Share-based compensation

The employees receive equity instruments of the Company as consideration for their services rendered to the Group. The fair value of the employee services received in exchange for the grant of the equity instruments is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the equity instruments granted, including any market performance conditions; excluding the impact of any service and non-market performance vesting conditions; and including the impact of any non-vesting conditions. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of equity instrument that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision of original estimates, if any, in the profit or loss with a corresponding adjustment to equity.

In addition, in some circumstances employees may provide services in advance of the grant date and therefore the grant date fair value is estimated for the purposes of recognising the expense during the period between service commencement period and grant date.

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

#### (d) Bonus plan

The Group recognises a provision for bonus when contractually obliged or when there is a past practice that has created a constructive obligation.

## 2 主要會計政策(續)

### 2.22 僱員福利(續)

#### (c) 以股份為基準的薪酬

僱員收取本公司的股本工具作為向本集團提供服務的代價。就僱員提供服務而授予的股本工具的公允值須確認為一項支出。將列作支出的總金額乃參考所授股本工具的公允值釐定(包括任何市場表現條件;不包括任何非市場服務及表現歸屬條件所產生的影響;及包括任何非歸屬條件的影響)。所支出的總金額於歸屬期間確認,歸屬期間為所有指定歸屬條件已達成的期間。於各報告期末,實體根據非市場表現及服務條件調整對預計將予歸屬的股本工具數目所作的估計,並在損益確認(如有)調整原來估計所產生的影響,並對權益作出相應調整。

此外,在部分情況下,僱員可在授出日期之前提供服務,故授出日期的公允值就確認服務開始期與授出日期的期間內的開支作出估計。

本公司於購股權獲行使時發行新股份。所收款項(扣除任何直接應計交易成本)會撥入股本(及股份溢價)。

#### (d) 花紅計劃

本集團在有合約責任或已形成推定責任的過往做法時確認花紅撥備。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.23 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Group's activities. Revenue from sale of goods of the Group was primarily generated from production and sales of oil.

Revenue are recognised when or as the control of the goods is transferred to the customer, and there is no unfulfilled obligation that could affect the customer's acceptance of the product. Delivery occurs when the product have been transported to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from the production and sales of oil are recognised at a point in time when the customer picks up the oil products from the Group, as such the control of the goods is transferred to the customer. The Group does not provide shipment of oil products to customers at any specified location. The performance obligation is completely fulfilled upon the pick-up and the Group then has the right to invoice and recognises the revenue for the oil sold.

### 2 主要會計政策(續)

#### 2.23 收益確認

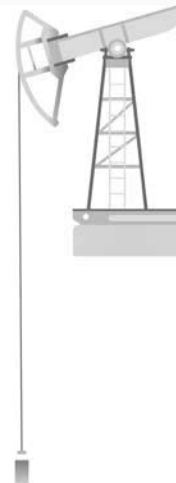
收益包括於本集團之日常業務活動中銷售貨品的已收或應收代價之公允值。本集團銷售貨品的收益主要來自石油生產及銷售。

於或當貨品控制權轉移予客戶，且並無未履約責任可影響客戶接受產品時，收益予以確認。當產品已運送到指定地點、已向客戶轉移過時及損失的風險，且客戶依據銷售合約接受產品、接受條款已告失效或本集團有客觀證據證明所有接受標準均已達成，則交付發生。

石油生產及銷售收益於客戶從本集團接收石油產品的時間點確認，其時貨品控制權已轉移予客戶。本集團並無於任何指定地點為客戶提供石油產品裝運。倘履約責任於接收時已完全達成，則本集團有權開具發票並就已售石油確認收益。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.24 Interest income

Interest income on financial assets at amortised cost calculated using the effective interest method is recognised in the consolidated statement of comprehensive income as part of other income.

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of the loss allowance).

### 2.25 Borrowing costs

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

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2 主要會計政策(續)

### 2.24 利息收入

按以攤銷成本計量的金融資產利息收入，乃於綜合全面收益表確認為其他收入的一部分。

倘利息收入來自為現金管理目的而持有金融資產，利息收入會呈列為融資收入。任何其他利息收入計入其他收入。

利息收入乃將實際利率應用於金融資產之賬面總額計算得出，惟其後成為信貸減值之金融資產除外。對於信貸減值金融資產而言，會向金融資產之賬面值淨額(經扣除虧損撥備)應用實際利率。

### 2.25 借貸成本

收購、建設或生產合資格資產(需要大量時間才能作擬定用途或銷售的資產)直接衍生的一般及特定借貸成本，加入該等資產的成本內，直至資產大致上備妥供其預定用途或銷售為止。

就特定借貸，因有待合資格資產的支出而臨時投資賺取的投資收入，應自合資格資本化的借貸成本中扣除。所有其他借貸成本在產生期內的損益中確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.26 Leases

Until 31 December 2018, leases of property, plant and equipment where the Group, as lessee, had substantially all the risks and rewards of ownership were classified as finance leases. Finance leases were capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, were included in other short-term and long-term payables. Each lease payment was allocated between the liability and finance cost. The finance cost was charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership were not transferred to the Group as lessee were classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) were charged to profit or loss on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

### 2 主要會計政策(續)

#### 2.26 租賃

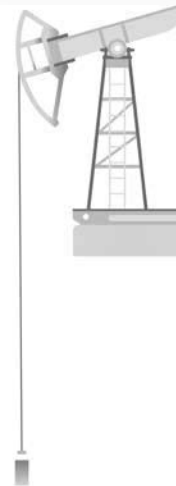
直至二零一八年十二月三十一日，本集團(作為承租人)持有所有權絕大部分風險及回報的物業、廠房及設備租賃分類為融資租賃。融資租賃於租期初始按租賃物業公允值或最低租賃付款現值(以較低者為準)撥充資本。相關的租金責任扣除財務費用計入其他短期及長期應付款項。每項租賃付款乃於負債及融資成本之間分配。融資成本按租期於損益扣除，以就各期間負債結餘提供一致的期間利率。

所有權的大部分風險及回報未轉移至本集團(作為承租人)的租賃分類為經營租賃。根據經營租賃作出的付款(扣除向出租人收取的任何獎勵金)按直線法於租期內在損益扣除。

自二零一九年一月一日起，租賃於租賃資產可供本集團使用當日確認為使用權資產及相應負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.26 Leases (Continued)

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable
- variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable by the Group under residual value guarantees
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

## 2 主要會計政策(續)

### 2.26 租賃(續)

合約可能包含租賃及非租賃組成部分。本集團按照租賃及非租賃組成部分相應的獨立價格，將合約代價分配至租賃及非租賃組成部分。然而，就本集團為承租人的房地產租賃而言，其選擇將租賃及非租賃組成部分入賬為單一租賃組成部分，並無將兩者區分。

租賃產生的資產及負債初步以現值基準計量。租賃負債包括下列租賃付款的淨現值：

- 固定付款(包括實質上的固定付款)，減去任何應收租賃優惠；
- 基於指數或利率的可變租賃付款，採用於開始日期的指數或利率初步計量；
- 本集團於剩餘價值擔保下預計應付的金額；
- 倘本集團合理確定行使購買選擇權，則為該選擇權的行使價；及
- 倘租賃期反映本集團行使該選擇權，則支付終止租賃的罰款。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 2 Principal accounting policies (Continued)

#### 2.26 Leases (Continued)

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

### 2 主要會計政策(續)

#### 2.26 租賃(續)

根據合理確定延續選擇權支付的租賃付款亦計入負債計量之內。

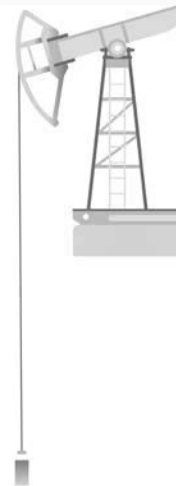
租賃付款使用租賃中隱含的利率進行貼現。倘無法輕易確定該利率(為本集團租賃的一般情況),則使用承租人的增量借款利率,即個別承租人在類似經濟環境中按類似條款、抵押及條件借入獲得與使用權資產具有類似價值的資產所需資金而必須支付的利率。

為釐定增量借款利率,本集團:

- 在可能情況下,使用個別承租人最近獲得的第三方融資為出發點作出調整,以反映自獲得第三方融資以來融資條件的變動;
- 使用累加法,首先就本集團所持有租賃的信貸風險(最近並無第三方融資)調整無風險利率;及
- 進行特定於租約的調整,例如期限、國家、貨幣及抵押。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.26 Leases (Continued)

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

## 2 主要會計政策(續)

### 2.26 租賃(續)

租賃付款於本金及財務成本之間作出分配。財務成本在租賃期間於損益扣除，藉以令各期間的負債餘額的期間利率一致。

使用權資產按成本計量，包括以下各項：

- 租賃負債的初始計量金額；
- 在開始日期或之前支付的任何租賃付款減去已收任何租賃優惠；
- 任何初始直接成本；及
- 修復費用。

使用權資產一般於資產可使用年期或租賃期(以較短者為準)按直線法計算折舊。倘本集團合理確定行使購買選擇權，則使用權資產於相關資產的可使用年期內予以折舊。

與短期租賃設備及汽車以及低價值資產的所有租賃相關的付款以直線法於損益確認為開支。短期租賃為租賃期12個月或以下的租賃。低價值資產包括信息科技設備及小型辦公傢俱。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

## 2 Principal accounting policies (Continued)

### 2.27 Financial guarantees

Financial guarantee contracts are recognised as financial liabilities at the time the guarantees are issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 Financial Instruments; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Where guarantees in relation to loans or other payables of associates are provided for no compensation, the fair values are accounted for as contributions and recognised as part of the cost of the investment.

### 2.28 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

## 2 主要會計政策(續)

### 2.27 財務擔保

於簽訂擔保的同時，財務擔保合約確認為一項金融負債。該負債初始以公允值計量，後續按以下兩者中的較高者計量：

- 按國際財務報告準則第9號金融工具準則中的預期信貸虧損模式確定的金額；及
- 初步確認的金額減去，如適用，按國際財務報告準則第15號來自客戶合約的收益確認準則確認的累計收入。

財務擔保的公允值由基於債務工具下要求的合約支付金額與無需擔保的支付金額之間的，或應向履行義務的第三方支付的金額予以確定。

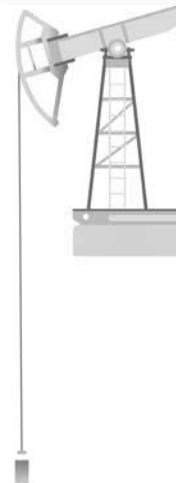
如與聯營公司的貸款或其他應付款項有關的擔保是以免償方式提供，公允值入賬為出資並確認為投資成本部分。

### 2.28 股息分派

分派予本公司股東的股息，於股息獲本公司股東或董事(倘適用)批准的期間內於本集團及本公司的財務報表內確認為負債。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



## 2 Principal accounting policies (Continued)

### 2.29 Earnings per share

#### (i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

#### (ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

## 2 主要會計政策(續)

### 2.29 每股盈利

#### (i) 每股基本盈利

每股基本盈利按：

- 本公司擁有人應佔溢利，不包括除普通股外的服務股權之任何成本
- 除以於財政年度發行在外的普通股加權平均數(經年內已發行普通股的花紅部分予以調整且不包括庫存股)計算。

#### (ii) 每股攤薄盈利

每股攤薄盈利調整釐定每股基本盈利所使用的數據，以計入：

- 有關潛在攤薄普通股的利息及其他融資成本的所得稅後影響；及
- 假設兌換潛在攤薄普通股而發行在外的額外普通股的加權平均數。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management

#### 3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange rate risk and interest rate risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

##### (a) Market risk

###### (i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising primarily from the transactions in its Energy business with asset denominated in US dollar ("USD") and borrowings denominated in USD and Hong Kong dollar ("HKD"). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities which are denominated in a currency that is not the entity's functional currency.

Certain trade receivables, other receivables, deposits, cash and cash equivalents, trade and other payables and borrowings are denominated in USD and HKD which are also exposed to foreign exchange risk. Details of the Group's trade and other receivables, prepayments and deposits, cash and cash equivalents, trade and other payables and borrowings denominated in foreign currencies are disclosed in Notes 10, 11, 15 and 16 respectively.

The Group's certain financial guarantees are denominated in RMB. For the entity operating in Kyrgyzstan, most of the transactions are denominated in their functional currency which is USD.

### 3 財務風險管理(續)

#### 3.1. 財務風險因素

本集團的業務面臨多種財務風險：市場風險(包括外幣匯率風險及利率風險)、信貸風險及流動資金風險。本集團的整體風險管理計劃專注於財務市場的不可預測因素，尋求盡量減低對本集團財務表現的潛在不利影響。

##### (a) 市場風險

###### (i) 外匯風險

本集團面臨主要由其能源業務交易中以美元(「美元」)及借款中以美元及港元(「港元」)列值的資產產生的外匯風險。以實體的功能貨幣以外貨幣列值的日後商業交易和已確認的資產及負債亦會引致外匯風險。

若干應收賬款、其他應收款項、按金、現金及現金等價物、應付賬款及其他應付款項以及借款以美元及港元列值，亦面臨外匯風險。有關本集團以外幣列值的應收賬款及其他應收款項、預付款項及按金、現金及現金等價物、應付賬款及其他應付款項及借款的詳情分別於附註10、11、15及16披露。

本集團的若干財務擔保以人民幣計值。於吉爾吉斯經營實體的大部份交易以彼等的功能貨幣(即美元)計值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (a) Market risk (Continued)

- (i) Foreign exchange risk (Continued)
- At 31 December 2019, if RMB had weakened/strengthened by 5% against the USD and HKD respectively with all other variables held constant, post-tax profit for the year would have been approximately RMB208,967,000 (2018: RMB597,675,000) higher/lower, mainly as a result of foreign exchange differences on translation of USD and HKD denominated monetary assets and liabilities.

- (ii) Interest rate risk
- The Group has no significant interest-bearing assets except for cash and cash equivalents with short maturities. Certain of the Group's short-term borrowings at fixed rates expose the Group to fair value interest-rate risk. Since all fixed-rate borrowings are current and at market interest rate, the directors are of the opinion that the fair value interest-rate risk is minimal. The Group analyses its interest rate exposure on a dynamic basis and will consider the interest rate exposure when enter into any financing, renewal of existing positions and alternative financing transactions.

At 31 December 2019, if interest rate had increased/decreased by 100 basis points with all other variables held constant, post-tax loss for the year would have been approximately RMB461,000 (2018: RMB600,000) higher/lower.

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (a) 市場風險(續)

- (i) 外匯風險(續)
- 於二零一九年十二月三十一日，倘人民幣兌美元及港元分別貶值／升值5%，而所有其他變量維持不變，則年度除稅後溢利將增加／減少約人民幣208,967,000元(二零一八年：人民幣597,675,000元)，主要是由於換算以美元及港元列值的貨幣性資產及負債的外匯差額所致。

- (ii) 利率風險
- 除於短期內到期的現金及現金等價物外，本集團並無重大計息資產。本集團以固定利率計息的若干短期借款令本集團面臨公允價值利率風險。由於所有固定利率借款為即期且按市場利率計息，董事認為公允價值利率風險輕微。本集團按動態基準分析其利率風險，並於訂立任何融資、現有持倉額的重續、其他融資交易時考慮利率風險。

於二零一九年十二月三十一日，倘利率上升／下降100個基點，而所有其他變量維持不變，則年度除稅後虧損將增加／減少約人民幣461,000元(二零一八年：人民幣600,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures to outstanding trade receivables, other receivables and deposits. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets which are stated as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade, other receivables and deposits (Note 10)	應收賬款、其他應收款項及按金(附註10)	9,488	5,429
Cash at banks (Note 11)	銀行存款(附註11)	41,389	8,680
Maximum exposure to credit risk	面臨的最大信貸風險	<b>50,877</b>	14,109

The Group expects that there is no significant credit risk associated with cash at banks since they are deposited with credit worthy financial institutions. Management does not expect that there will be any significant losses from non-performance by these counterparties.

##### (i) Impairment of financial assets

The Group has financial assets that are subject to the expected credit loss model:

- trade receivables
- deposits and other receivables

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (b) 信貸風險(續)

信貸風險來自現金及現金等價物以及未償還應收賬款、其他應收款項及按金。該等結餘賬面值代表本集團所面對與金融資產相關最大信貸風險，載列如下：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Trade, other receivables and deposits (Note 10)	9,488	5,429
Cash at banks (Note 11)	41,389	8,680
Maximum exposure to credit risk	<b>50,877</b>	14,109

本集團預計，由於銀行現金存放在信譽良好的金融機構中，因此與現金相關的信貸風險不大。管理層預計不會有該等交易對手違約而造成任何重大損失。

##### (i) 金融資產減值

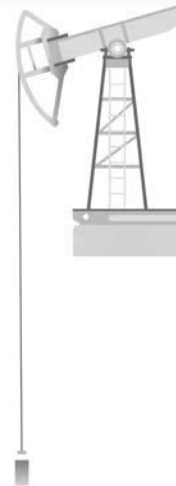
本集團有金融資產，須遵守預期信貸虧損模式：

- 應收賬款
- 按金及其他應收款項

儘管現金及現金等價物亦須遵守國際財務報告準則第9號的減值要求，惟已確認的減值虧損並不重大。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

###### (ii) Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics.

The expected loss rates are based on the payment profiles of sales over a period of 12 months before 31 December 2019, and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group has identified forecast economic conditions to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 2 years past due.

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (b) 信貸風險(續)

###### (ii) 應收賬款

本集團採用國際財務報告準則第9號之簡化方式計量預期信貸虧損，並就所有應收賬款使用全期預期虧損撥備。

為計量預期信貸虧損，應收賬款已根據共同信貸風險特徵分類。

預期虧損率基於二零一九年十二月三十一日前十二個月以上的銷售付款情況以及此期間相應的歷史信貸虧損經驗。歷史虧損率會進行調整，以反映影響客戶清償應收款項能力的宏觀經濟因素的當前及前瞻性資料。本集團已識別預測經濟狀況為最相關因素，並根據該等因素的預期變化相應調整歷史虧損率。

當不存在合理可收回預期時，撇銷應收賬款。不存在合理可收回預期跡象包括(其中包括)債務人無法與本集團達成還款計劃，以及無法就逾期兩年以上的賬款作出合約付款。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (b) Credit risk (Continued)

###### (ii) Trade receivables (Continued)

Given the track record of regular repayment of trade receivables, the directors are of the opinion that the risk of default by these customers is not significant and does not expect any losses from non-performance by customers. Therefore, expected credit loss rate of trade receivables is assessed to be close to zero and no provision was made as at 1 January and 31 December 2019.

##### Other financial assets at amortised cost

For other financial assets at amortised cost, including deposits and other receivables, management considers that its credit risk has not increased significantly since initial recognition with reference to the counterparty historical default rate and current financial position. The impairment provision is determined based on the 12-month expected credit losses which is close to zero.

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (b) 信貸風險(續)

###### (ii) 應收賬款(續)

基於定期償還應收賬款的往績記錄，董事認為該等客戶違約風險並不重大，且預期不會因客戶不履行責任而引致任何損失。因此，應收賬款的預期信貸虧損率評估接近零，於二零一九年一月一日及十二月三十一日並無撥備。

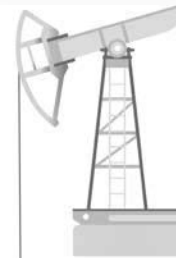
##### 以攤銷成本計量的其他金融資產

就以攤銷成本計量的其他金融資產(包括按金及其他應收款項)而言，管理層於參考對手方歷史違約率及當前財務狀況後，認為其信貸風險自初步確認後並未大幅增加。按12個月預期信貸虧損釐定的減值撥備接近零。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk

The Group had an operating cash outflow of RMB43,016,000 (2018: outflow of RMB200,998,000) during the year ended 31 December 2019. As at 31 December 2019, the Group had a deficit of RMB8,563,505,000 (2018: RMB9,630,126,000) and the Group's current liabilities exceeded its current assets by RMB9,911,528,000 (2018: RMB11,326,204,000). The Group maintained cash and cash equivalents of RMB42,851,000 (2018: RMB9,274,000) as at 31 December 2019.

As at 31 December 2019, borrowings of the Group, amounted to RMB3,594,543,000, out of which RMB2,564,253,000 were overdue, while borrowings of the Group amounting to RMB37,279,000 contained cross-default terms as at 31 December 2019 and become immediately repayable. Total overdue interest payables of the Group amounted to RMB322,367,000. These borrowings are further explained below:

- i) The Group had promissory notes with an aggregate principal amount of RMB2,140,289,000 outstanding as at 31 December 2019, out of which approximately RMB810,083,000, RMB779,660,000 and RMB513,267,000 had been overdue since 2017, 2018 and 2019 respectively. The remaining outstanding promissory notes amounting to RMB37,279,000 became immediately repayable pursuant to the cross-default terms under the relevant loan agreement.

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (c) 流動資金風險

截至二零一九年十二月三十一日止年度，本集團經營現金流出人民幣43,016,000元(二零一八年：流出人民幣200,998,000元)。於二零一九年十二月三十一日，本集團虧絀為人民幣8,563,505,000元(二零一八年：人民幣9,630,126,000元)，而本集團流動負債超出其流動資產人民幣9,911,528,000元(二零一八年：人民幣11,326,204,000元)。於二零一九年十二月三十一日，本集團維持現金及現金等價物人民幣42,851,000元(二零一八年：人民幣9,274,000元)。

於二零一九年十二月三十一日，本集團借款為人民幣3,594,543,000元，其中人民幣2,564,253,000元已逾期。本集團於二零一九年十二月三十一日的借款中有人民幣37,279,000元的借款含交叉違約條款，須立即償還。本集團的逾期應付利息為人民幣322,367,000元。該等借款於下文進一步詳述：

- i) 於二零一九年十二月三十一日，本集團持有本金總額為人民幣2,140,289,000元的未償還承兌票據，其中約人民幣810,083,000元、人民幣779,660,000元及人民幣513,267,000元分別自二零一七年、二零一八年及二零一九年起已經逾期。餘下未償還承兌票據金額為人民幣37,279,000元將根據相關貸款協議項下的交叉違約條款立即償還。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

- ii) The Group had bank borrowing of RMB461,243,000, which was overdue in accordance with the repayment date of the agreement as at 31 December 2019.

The above conditions indicate the existence of material uncertainties which may cast significant doubt about the Group's ability to continue as a going concern. In view of such circumstances, the directors of the Company have, during the period and up to the date of the approval of these consolidated financial statements, taken the following measures to mitigate the liquidity pressure and to improve the financial position of the Group, to refinance its operation and to restructure its debts:

- i) The Group has been actively negotiating with the relevant banks and lenders of the Disposal Group to release or discharge the Relevant Guarantees. Since the date of disposal until 31 December 2019, guarantees of RMB99,422,000 were discharged while RMB6,545,144,000 are expected to be released in year 2020.
- ii) The Group is also maintaining its relationship with the banks and the lenders of the Disposal Group so that no action will be taken by them to demand immediate repayment of its outstanding borrowings under the Relevant Guarantees.
- iii) The Group has also been actively negotiating with the banks and lenders regarding the borrowings of RMB2,601,532,000 to take the following actions:

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (c) 流動資金風險(續)

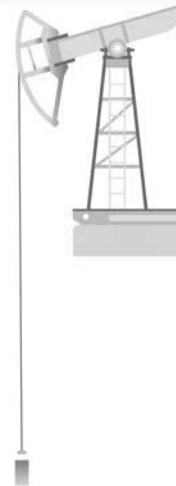
- ii) 於二零一九年十二月三十一日，本集團持有銀行借款人民幣461,243,000元，根據協議的還款日期已逾期。

上述狀況表明可能導致本集團的持續經營能力產生重大疑慮存在重大不確定性。鑒於上述情況，本公司董事於期內及截至批准綜合財務報表日期已採取以下措施，以減緩流動性壓力，並改善本集團財務狀況，同時對其營運進行再融資及重組債務：

- i) 本集團一直積極與相關銀行及出售集團的借款人磋商，以免除或解除相關擔保。自出售之日起至二零一九年十二月三十一日，已解除擔保人民幣99,422,000元，預計於二零二零年解除擔保人民幣6,545,144,000元。
- ii) 本集團亦維持其與銀行及出售集團的借款人的關係，以確保彼等不會採取行動要求即時償還相關擔保項下的未償還借款。
- iii) 本集團亦一直積極就借款人民幣2,601,532,000元與銀行及借款人磋商，以採取以下行動：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

###### iii) (Continued)

(a) As at 31 December 2019, the outstanding promissory notes amounting to RMB2,103,010,000 were not extended nor repaid upon the schedule repayment dates and thus became overdue and RMB37,279,000 became immediately repayable pursuant to the cross-default terms under the relevant loan agreements. The Company is in the process of negotiating with these promissory note holders for further arrangements, including the extension of maturity dates and obtaining waiver from the lender for the due payment pursuant to the relevant cross-default terms.

(b) As at 31 December 2019, the Group had bank borrowing of RMB461,243,000 which was overdue. The Group is in the process of repayment upon drawdown of loan from Mr. Zhang Zhi Rong.

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (c) 流動資金風險(續)

###### iii) (續)

(a) 於二零一九年十二月三十一日，未償還承兌票據金額為人民幣2,103,010,000元，並未按計劃償還日期延長或償還，因此已逾期，而人民幣37,279,000元已根據相關貸款協議項下的交叉違約條款立即償還。本公司正與該等承兌票據持有人磋商以作進一步安排，包括延長到期日，並根據相關交叉違約條款就到期付款向借款人獲取豁免。

(b) 於二零一九年十二月三十一日，本集團銀行借款人民幣461,243,000元已逾期。提取張志榕先生的貸款後，本集團正在償還。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

- iv) During the year ended 31 December 2019, the Group obtained security-free and interest-free loans from an entity controlled by a close family member of Mr. Zhang Zhi Rong amounting to RMB451,669,000, which will be repayable in June 2021.
  
- v) During the year ended 31 December 2019, the Group has drawn down USD83,784,000 (equivalent to approximately RMB583,407,000) in total from the loan agreement, provided by an entity controlled by Mr. Zhang Zhi Rong, who agreed to provide a loan facility up to USD250,000,000 (equivalent to approximately RMB1,740,800,000) to the Group for the funding of the oilfield operations of the Energy Business.

### 3. 財務風險管理(續)

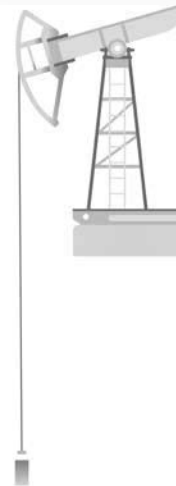
#### 3.1. 財務風險因素(續)

##### (c) 流動資金風險(續)

- iv) 截至二零一九年十二月三十一日止年度，本集團向張志熔先生家屬控制的一家實體取得無擔保及免息貸款，金額為人民幣451,669,000元，將於二零二一年六月償還。
  
- v) 截至二零一九年十二月三十一日止年度，本集團從張志熔先生所控制實體提供的貸款協議提取合共83,784,000美元(相當於約人民幣583,407,000元)，該實體同意向本集團提供不多於250,000,000美元(相當於約人民幣1,740,800,000元)的貸款融資，為本集團能源業務下的油田經營提供資金。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

- vi) The Group has focused on its operations in development of the energy exploration and production segment. During the period, a number of wells were developed in the Republic of Kyrgyzstan (“Kyrgyzstan”) and management expects to realise an increase of oil output through further development and expansion of this segment, thereby generate steady operating cash flows.

As of 31 December 2019, the Group has drawn down RMB9,100,000 from the loan agreement provided by an entity controlled by a close family member of Mr. Zhang Zhi Rong, who agreed to provide a loan facility up to RMB40,000,000 to the Group for the funding in respect of the energy exploration and production segment. The Group expects to draw down the remaining balance of the facility throughout 2020.

In addition, the Group also entered into a Co-operative Framework Agreement during the year ended 31 December 2018 with an independent third party who agreed to provide materials for the exploration and production of crude oil with an aggregate amount up to USD500,000,000, in exchange for an option to purchase up to 70% of the total crude oil produced by the Group at 92% to 95% of the market price as a form of repayment until all the liabilities are repaid. Such facility has not been utilised up to 31 December 2019.

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (c) 流動資金風險(續)

- vi) 本集團專注發展能源勘探及生產業務板塊。期內，在吉爾吉斯共和國(「吉爾吉斯」)已開發數口油井，而管理層預計透過進一步發展及拓展該業務板塊將石油產量提升，從而帶來穩定的經營現金流。

於二零一九年十二月三十一日，本集團從張志熔先生的家屬所控制實體提供的貸款協議提取人民幣9,100,000元，該實體同意向本集團提供不多於人民幣40,000,000元的貸款融資，為本集團的能源勘探及生產板塊提供資金。本集團預期於二零二零年動用融資的餘下結餘。

此外，截至二零一八年十二月三十一日止年度，本集團亦與一名獨立第三方訂立合作框架協議，該獨立第三方同意提供原油勘探及生產材料總額高達500,000,000美元以交換可按市場價格92%至95%購買本集團原油生產總量最多70%的期權作為償還的方式，直至償還所有負債。直至二零一九年十二月三十一日止年度，並無動用該融資。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

vi) (Continued)

Group	本集團	Repayable on demand/less than 1 year 按要求償還/一年內 RMB'000 人民幣千元	Between 1 and 2 years 一至兩年 RMB'000 人民幣千元	More than 2 years 兩年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於二零一九年十二月三十一日				
Borrowings	借款	2,979,784	1,035,076	-	4,014,860
Financial guarantee contracts	財務擔保合約	6,545,144	-	-	6,545,144
Trade and other payables excluding accrued payroll and welfare, contract liabilities and other tax related payables	應付賬款及其他應付款項(不包括應計薪金及福利、合約負債及其他與稅項有關的應付款項)	744,792	-	-	744,792
At 31 December 2018	於二零一八年十二月三十一日				
Borrowings - Remaining Group	借款 - 餘下集團	3,145,719	808,708	-	3,954,427
Borrowings - Disposal Group	借款 - 出售集團	16,458,346	-	-	16,458,346
Derivative financial instruments	衍生金融工具	7,194	-	-	7,194
Financial guarantee contracts	財務擔保合約	150,445	-	-	150,445
Trade and other payables excluding accrued payroll and welfare, contract liabilities and other tax related payables	應付賬款及其他應付款項(不包括應計薪金及福利、合約負債及其他與稅項有關的應付款項)	952,033	-	-	952,033

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (c) 流動資金風險(續)

vi) (續)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.1 Financial risk factors (Continued)

##### (c) Liquidity risk (Continued)

*Maturity Analysis – borrowings based on scheduled repayments*

Certain borrowings contain a repayment on demand clause which can be exercised at the bank's sole discretion. Taking into account the Group's situation, arrangement and the transaction as described in Note 2.1(b), the directors do not consider that it is probable that the banks will exercise their discretion to immediate repayment. The analysis below shows the cash outflows based on the scheduled repayment. The amount includes interest payments computed using contractual rates. The directors believe that such borrowings will be repaid in accordance with the scheduled repayment dates set out in the loan agreements.

		Less than 1 year 一年內 RMB'000 人民幣千元	Between 1 and 2 years 一至兩年 RMB'000 人民幣千元	More than 2 years 兩年以上 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 31 December 2019	於二零一九年 十二月三十一日	2,979,784	1,035,076	-	4,014,860
At 31 December 2018	於二零一八年 十二月三十一日	14,077,827	6,508,966	-	20,586,793

### 3. 財務風險管理(續)

#### 3.1. 財務風險因素(續)

##### (c) 流動資金風險(續)

*到期日分析 – 按計劃還款日期之借款*

若干借款附帶銀行可全權酌情行使按要償還條款。經考慮本集團之情況、安排及於附註2.1(b)中所闡述的交易，董事認為銀行不大可能會行使要求即時還款之酌情權。以下分析按計劃還款日期列示現金流出量。有關金額包括以合約利率計算之利息付款。董事相信，有關借款將會根據貸款協議所載之計劃還款日期償還。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure of the Group consists of shareholders' equity. Capital is managed so as to maximise the return to shareholders while maintaining a capital base to allow the Group to operate effectively in the marketplace and sustain future development of the business. This ratio is calculated as total liabilities divided by total assets.

The Group's total liabilities and total assets positions and debt-asset ratio at 31 December 2019 and 2018 were as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Total liabilities	總負債	<b>10,912,489</b>	34,530,868
Total assets	總資產	<b>2,348,984</b>	24,900,742
Debt-asset ratio	負債與資產比率	<b>4.65</b>	1.39

During the year ended 31 December 2019, the Group derecognised the Disposal Group's assets and liabilities and recognised financial guarantee contract of RMB6,545,144,000, following the completion of the transfer of sale shares of the Disposal Group, which increases debt-asset ratio from 1.39 to 4.65.

### 3. 財務風險管理(續)

#### 3.2 資本風險管理

本集團資本管理的目標乃保障本集團持續經營的能力，以繼續為股東提供回報並為其他利益相關方謀取利益，同時維持最佳的資本結構以減低資金成本。

為維持或調整資本結構，本集團可能會調整支付予股東的股息金額、向股東退回資本、發行新股份或銷售資產以削減債務。

本集團的資本架構包括股東權益。資本受管理以將股東回報最大化並維持資本基礎以使本集團能夠在市場上有效經營及持續進行未來業務發展。該比率乃按負債總額除以資產總額計算。

本集團於二零一九年及二零一八年十二月三十一日的負債總額及資產總額狀況以及負債與資產比率如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Total liabilities	總負債	<b>10,912,489</b>	34,530,868
Total assets	總資產	<b>2,348,984</b>	24,900,742
Debt-asset ratio	負債與資產比率	<b>4.65</b>	1.39

截至二零一九年十二月三十一日止年度，本集團於轉讓出售集團銷售股份後終止確認出售集團的資產及負債以及確認財務擔保合約人民幣6,545,144,000元，債務資產比率由1.39增至4.65。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.3 Fair value estimation

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

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

The following table presents the Group's financial assets and liabilities that are measured at fair value at 31 December 2018.

### 3. 財務風險管理(續)

#### 3.3 公允值估計

下表分析以估值法按公允值入賬之金融工具。不同等級的定義如下：

- (a) 相同資產或負債在活躍市場中的報價(未經調整)(第一級)。
- (b) 除第一級所包括的報價外，可直接(即如價格)或間接(即由價格衍生)觀察的資產或負債的輸入值(第二級)。
- (c) 資產或負債的輸入值並非依據可觀察的市場數據(即不可觀察輸入值)(第三級)。

下表呈列於二零一八年十二月三十一日按公允值計量的本集團金融資產及負債。

		Level 1 第一級 RMB'000 人民幣千元	Level 2 第二級 RMB'000 人民幣千元	Level 3 第三級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Financial liabilities</b>	<b>金融負債</b>				
Financial derivative					
component of convertible bonds	可換股債券的金融衍生部分	-	(7,194)	-	(7,194)
<b>Total financial liabilities</b>	<b>總金融負債</b>	-	(7,194)	-	(7,194)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 3 Financial risk management (Continued)

#### 3.3 Fair value estimation (Continued)

There were no transfers between levels 2 and 3 during the year ended 31 December 2018. There was no financial instrument carried at fair value as at 31 December 2019.

##### (a) Financial instruments in level 1

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

##### (b) Financial instruments in levels 2 and 3

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

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

### 3. 財務風險管理(續)

#### 3.3 公允值估計(續)

截至二零一八年十二月三十一日止年度，第二級及第三級之間並無轉撥。於二零一九年十二月三十一日，並無按公允值列賬的金融工具。

##### (a) 第一級內的金融工具

在活躍市場買賣的金融工具之公允值，根據報告期末的市場報價計算。倘市場報價可向交易所、交易商、經紀、行業組織、定價服務或監管機構隨時及定期查詢，且為實際及定期進行公平市場交易的報價，則有關市場視為活躍市場。本集團所持金融資產的市場報價為當時買入價。有關工具計入第一級。

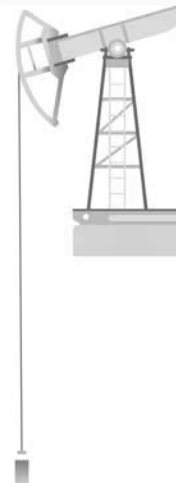
##### (b) 第二級及第三級內的金融工具

並無在活躍市場買賣的金融工具(如場外交易的衍生工具)的公允值採用估值方法釐定。該等估值技術儘量利用可觀察市場數據(如有)，並盡量減少依賴實體的特定估計。倘計算工具的公允值所需的所有重大輸入值為可觀察數據，則該工具計入第二級。

倘一項或多項重大輸入值並非根據可觀察市場數據釐定，則該工具計入第三級。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 3 Financial risk management (Continued)

#### 3.3 Fair value estimation (Continued)

##### (b) Financial instruments in levels 2 and 3 (Continued)

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The following table presents the changes in level 3 instruments for the year ended 31 December 2018.

### 3. 財務風險管理(續)

#### 3.3 公允值估計(續)

##### (b) 第二級及第三級內的金融工具(續)

用於對金融工具作出估值的特定估值技術包括：

- 類似工具的市場報價或交易商報價。
- 利率掉期的公允值按可觀察收益率曲線釐定的估計未來現金流量的現值計算。
- 其他技術(如貼現現金流量分析)用於釐定餘下金融工具的公允值。

下表載列截至二零一八年十二月三十一日止年度第三級工具的變動。

		Financial assets at fair value through other comprehensive income 按公允值計入其他 全面收益的 金融資產 RMB'000 人民幣千元
Balance at 1 January 2018	於二零一八年一月一日的餘額	44,342
Fair value loss on revaluation recognised in other comprehensive income	於其他全面收益中確認的重估公允值虧損	(16,635)
Transferred to Assets classified as held for sale	轉移至分類為持作出售的資產	(27,707)
Balance at 31 December 2018	於二零一八年十二月三十一日的結餘	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4 Critical accounting estimates, assumptions and judgement

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

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### 4.1 Critical accounting estimates

##### (a) Going concern

The Group prepares cash flow projections that cover a period of not less than twelve months from 31 December 2019. Taking into account the plans and measures as described in Note 2.1(b), the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next twelve months from the date of the statement of financial position. The consolidated financial statements is prepared on a going concern basis.

Significant uncertainties exist as to whether management of the Company will be able to achieve its plans and measures as described in Note 2.1(b). Whether the Group will be able to continue as a going concern would depend upon the Group's ability to generate adequate financing and operating cash flows through the successful fulfilment of the plans as described in Note 2.1(b).

### 4 關鍵會計估計、假設及判斷

估計及判斷會被持續評估，並以過往經驗及其他因素為基礎進行評價，包括在有關情況下對將來發生的事件的合理預期。

本集團就未來作出估計和假設。所得會計估計將難免偏離實際的相關業績。下文所述的估計和假設存在巨大風險致使下一個財政年度的資產及負債賬面值出現重大調整。

#### 4.1 關鍵會計估計

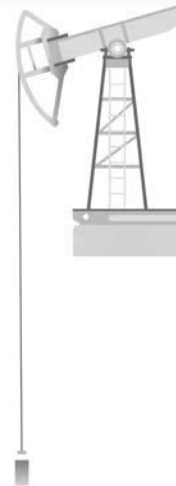
##### (a) 持續經營

本集團編製涵蓋自二零一九年十二月三十一日起至少十二個月的現金流量預測。考慮到附註2.1(b)所述計劃及措施，本集團將有充足的營運資金為其業務經營提供資金，並能履行自財務狀況表結算日起計未來十二個月內到期的財務義務。綜合財務報表按持續經營的基礎編製。

本公司管理層能否達成附註2.1(b)所述計劃及措施存有重大的不確定因素。本集團日後能否以持續經營基礎繼續經營取決於本集團能否成功達成附註2.1(b)所述計劃從而獲得充足的融資及經營現金流量。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 4 Critical accounting estimates, assumptions and judgement (Continued)

#### 4.1 Critical accounting estimates (Continued)

##### (b) Impairment of non-financial assets

The Group follows the guidance of IAS 36 "Impairment of Assets" to determine when assets are impaired, which requires significant judgment. In making this judgment, the Group evaluates, among other factors, the duration and extent to which the recoverable amount of assets is less than their carrying balance, including factors such as the industry performance and changes in operational and financing cash flows. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows (a CGU). The recoverable amount of the CGU has been determined based on value-in-use calculations or fair value less cost to sell, whichever is higher. These calculations require the use of estimates, including operating results, income and expenses of the business, future economic conditions on growth rates and future returns. Significant changes in the key assumptions on which the recoverable amount of the assets is based could significantly affect the Group's financial position and results of operations. Based on management's assessment, no impairment charge was recognised during the year ended 31 December 2019 (2018: Nil). Details of which have been disclosed in Note 7.

### 4 關鍵會計估計、假設及判斷(續)

#### 4.1 關鍵會計估計(續)

##### (b) 非金融資產減值

本集團遵從國際會計準則第36號「資產減值」的指引，以釐定資產減值(須作出重大判斷)。在作出此項判斷時，本集團評估(其中包括)資產的可收回金額少於賬面餘額的持續期間及程度，包括行業表現以及營運及融資現金流量變動等因素。就評估減值而言，資產按可獨立識別現金流量的最低水平分組(現金產生單位)。現金產生單位的可收回金額乃根據使用價值或公允值減銷售成本(以較高者為準)計算釐定。該等計算須使用估計，包括經營業績、業務的收入及開支、增長率等未來經濟狀況及未來回報。資產可收回金額所依據的主要假設的重大變動可能對本集團的財務狀況及經營業績產生重大影響。根據管理層的評估，概無於截至二零一九年十二月三十一日止年度內確認減值開支(二零一八年：無)。有關詳情披露於附註7。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4 Critical accounting estimates, assumptions and judgement (Continued)

#### 4.1 Critical accounting estimates (Continued)

##### (c) *Useful lives and residual values of property, plant and equipment*

The Group's management determines the estimated useful lives, and related depreciation expense for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will increase the depreciation expense where useful lives are less than previously estimated lives. It will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation expense in future periods.

### 4 關鍵會計估計、假設及判斷(續)

#### 4.1 關鍵會計估計(續)

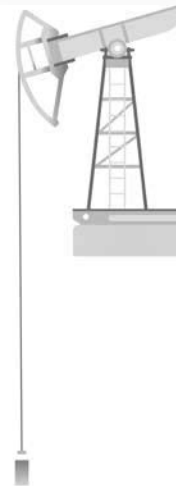
##### (c) *物業、廠房及設備的可使用年期及剩餘價值*

本集團的管理層釐定其物業、廠房及設備的估計可使用年期及相關折舊開支。此估計乃根據具有類似性質及功能的物業、廠房及設備的實際可使用年期的過往經驗得出。倘可使用年期少於過往估計年期，管理層將增加折舊開支。其將撇銷或撇減已廢棄或出售而技術過時或非策略性的資產。實際經濟年期或會有別於估計使用年期。定期檢討可能導致折舊年期的變化，因此影響未來期間的折舊開支。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 4 Critical accounting estimates, assumptions and judgement (Continued)

#### 4.1 Critical accounting estimates (Continued)

##### (d) Current income tax and deferred tax

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred income tax assets relating to certain temporary differences and tax losses are recognised when management considers it is likely that future taxable profits will be available against which the temporary differences or tax losses can be utilised. When the expectations are different from the original estimates, such differences will impact the recognition of deferred income tax assets and income tax charges in the period in which such estimates have been changed.

### 4 關鍵會計估計、假設及判斷(續)

#### 4.1 關鍵會計估計(續)

##### (d) 即期所得稅及遞延稅項

本集團須於多個司法權區內繳納所得稅。於釐定就所得稅計提撥備時須作出重大判斷。多項交易及計算均難以明確釐定最終的稅務。本集團須估計未來會否繳納額外稅項，從而確認對預期稅務審核事宜的責任。倘該等事宜的最終稅務結果與起初入賬的金額不同，該等差額將影響稅務釐定期內的即期及遞延所得稅資產及負債。

當管理層認為未來形成的應課稅收益可使用暫時差額或稅款損失，則確認與若干暫時差額及稅款損失相關之遞延所得稅資產。當現有估算與原有估算存在差額，而有關差額將影響該估算改變期內的遞延所得稅資產及所得稅開支的確認。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 4 Critical accounting estimates, assumptions and judgement (Continued)

#### 4.1 Critical accounting estimates (Continued)

##### (e) Estimation of oil reserves

Estimation of oil reserves is a key element in the Group's investment decision-making process in energy exploration and production segment. It is also an important element in testing for impairment. Changes in proved oil reserves, particularly proved developed reserves, will affect unit-of-production depreciation, depletion and amortisation recorded in the Group's consolidated financial statements for property, plant and equipment and intangible assets related to oil production activities. A reduction in proved developed reserves will increase depreciation, depletion and amortisation charges. Proved reserve estimates are subject to revision, either upward or downward, based on new information, such as from drilling and production activities or from changes in economic factors, including product prices, contract terms or development plans.

##### (f) Recognition of financial guarantees

The Group makes estimate on costs required to fulfil the relevant obligation of guarantee contracts when the guaranteed amount is claimed by the counterparty to the guarantee. Such estimation is based on the available information as at reporting date and is determined by the Group's practical experience, the default history, the collateral held and financial position of guaranteed assessed on an individual basis in the industry and taking into consideration of industry information and market data.

### 4 關鍵會計估計、假設及判斷(續)

#### 4.1 關鍵會計估計(續)

##### (e) 石油儲量的估計

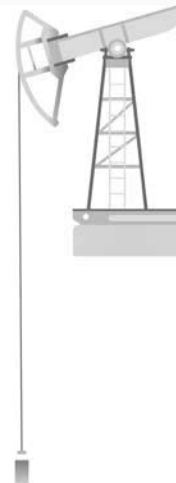
石油儲量對本集團於能源勘探及生產業務板塊的投資決策過程至關重要，亦為進行減值測試的重要因素。探明石油儲量，尤其是探明已開發儲量的變動將影響本集團綜合財務報表就與石油生產活動相關的物業、廠房及設備以及無形資產所記錄的單位產量折舊、損耗及攤銷。探明已開發儲量的減少將增加折舊、損耗及攤銷費用。探明儲量估計乃按照鑽探及生產活動的新資訊或產品價格、合約期限或開發方案等經濟因素變化而上下調整。

##### (f) 財務擔保確認

當擔保對方要求擔保金額時，本集團對履行擔保合同相關責任所需的成本進行估計。該估計乃基於報告日的可得資料，並由本集團基於實際經驗、違約歷史記錄、所持抵押品及擔保品的財務狀況(在行業中進行個別評估)，並考慮行業信息及市場數據而釐定。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 5 Segment information

Management has determined the operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. These reports are prepared on the same basis as these consolidated financial statements.

The chief operating decision-maker is identified as the Executive Directors of the Company. The Executive Directors consider the business from both a geographic and product perspective. The shipbuilding segment derives its revenue primarily from the construction of vessels, and the offshore engineering segment derives its revenue from the construction of vessels for marine projects. The engineering machinery segment derives its revenue from manufacturing of excavators and crawler cranes while the marine engine building segment derives its revenue from building marine engines. The energy exploration and production segment derives its revenue from sales of crude oil. The Executive Directors assess the performance of the reportable segments based on a measure of revenue and gross profit. Segment results are calculated by offsetting segment revenue from external customers with segment cost of sales. The shipbuilding, offshore engineering, engineering machinery and marine engine building segments (the “**Disposal Group**”) were disposed during the year, on the information of the disposal is provided in Note 18. The result of Disposal Group are presented as discontinued operations. The segment information provided to the Executive Directors for the reportable segments for the years ended 31 December 2018 and 2019 is as follows:

### 5 板塊資料

管理層根據由經主要營運決策者審閱及用作策略決定的報告釐定經營板塊。該等報告乃根據該等綜合財務報表相同的基準編製。

主要營運決策者為本公司執行董事。執行董事按地區及產品劃分業務。造船板塊的收益主要來自建造船舶，海洋工程板塊的收益來自建造作海洋項目用途的船舶。工程機械板塊的收益來自製造挖掘機及履帶起重機，而動力工程板塊的收益來自製造船用發動機。能源勘探及生產板塊的收益則來自銷售原油。執行董事根據收益及毛利計量評估可呈報板塊的表現。板塊業績按來自外部客戶的板塊收益抵銷板塊銷售成本計算。造船、海洋工程、工程機械及動力工程板塊(「**出售集團**」)已於年內出售，出售資料請參閱附註18。出售集團的業績呈列為已終止業務。截至二零一八年及二零一九年十二月三十一日止年度，就可呈報板塊向執行董事提供的板塊資料如下：

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5 Segment information (Continued)

### 5 板塊資料(續)

	Discontinued operations 已終止業務								Continuing operations 持續經營業務				Total 總計	
	Shipbuilding 造船		Offshore Engineering 海洋工程		Engineering Machinery 工程機械		Marine Engine Building 動力工程		Sub-total 小計		Energy Exploration and Production 能源勘探及生產			Sub-total 小計
	Year ended 31 December 截至十二月三十一日止年度		Year ended 31 December 截至十二月三十一日止年度		Year ended 31 December 截至十二月三十一日止年度		Year ended 31 December 截至十二月三十一日止年度		Year ended 31 December 截至十二月三十一日止年度		Year ended 31 December 截至十二月三十一日止年度		Year ended 31 December 截至十二月三十一日止年度	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Revenue from sales of crude oil 來自原油銷售的收益	-	-	-	-	-	-	-	-	-	-	47,747	48,956	47,747	48,956
Revenue from sales of vessels 來自船舶銷售的收益	-	45,350	-	-	-	-	-	-	-	45,350	-	-	-	45,350
Revenue from shipbuilding and other contracts 來自造船及其他合約的收益	-	-	-	-	15,360	19,914	-	-	15,360	19,914	-	-	-	15,360
Segment revenue 板塊收益	-	45,350	-	-	15,360	19,914	-	-	15,360	65,264	47,747	48,956	47,747	48,956
Segment results 板塊業績	-	(128,953)	-	-	12,508	15,837	-	-	12,508	(111,116)	13,067	14,929	13,067	14,929
Selling and marketing expenses 銷售及市場推廣開支	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General and administrative expenses 一般及行政開支	-	-	-	-	-	-	-	-	-	(2,077)	-	-	(2,393)	(4,922)
Impairment and delayed penalties 減值及延期罰款	-	-	-	-	-	-	-	-	(349,869)	(633,701)	-	-	(62,399)	(64,678)
Other income 其他收入	-	-	-	-	-	-	-	-	-	(64,174)	-	-	-	(64,174)
Other gains/(losses) - net 其他收益/(虧損) - 淨額	-	-	-	-	-	-	-	-	11,704	59,212	-	-	11,704	59,212
Gain on extinguishment of financial liabilities upon issuance of convertible preference shares 於發行可轉換優先股時消除金融負債收益	-	-	-	-	-	-	-	-	295,510	(71,547)	-	-	(40)	621,816
Change in provision for financial guarantee contracts 財務擔保合約之撥備變動	-	-	-	-	-	-	-	-	-	-	-	-	-	2,067,284
Finance costs - net 融資成本 - 淨額	-	-	-	-	-	-	-	-	(412,927)	(1,643,124)	-	-	(322,439)	(439,458)
Net gain on disposal 出售收益淨額	-	-	-	-	-	-	-	-	916,012	-	-	-	-	916,012
Profit/(loss) before income tax 除所得稅前溢利/(虧損)	-	-	-	-	-	-	-	-	486,271	(2,466,527)	-	-	(374,204)	2,207,048

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5 Segment information (Continued)

### 5 板塊資料(續)

		Discontinued operations 已終止業務								Continuing operations 持續經營業務				Total			
		Shipbuilding		Offshore Engineering		Engineering Machinery		Marine Engine Building		Sub-total		Energy Exploration and Production			Sub-total		
		造船		海洋工程		工程機械		動力工程		小計		能源勘探及生產		小計		總計	
		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December		Year ended 31 December	
		截至十二月三十一日止年度		截至十二月三十一日止年度		截至十二月三十一日止年度		截至十二月三十一日止年度		截至十二月三十一日止年度		截至十二月三十一日止年度		截至十二月三十一日止年度		截至十二月三十一日止年度	
		2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Segment assets	板塊資產	-	4,495	-	1,034,807	-	166,679	-	2,479,957	-	3,685,938	<b>2,322,992</b>	2,459,032	<b>2,322,992</b>	2,459,032	<b>2,322,992</b>	6,144,970
Unallocated	未分配										18,743,030		25,992	12,742	<b>25,992</b>	18,755,772	
Total assets	總資產									-	22,428,968		<b>2,348,984</b>	2,471,774	<b>2,348,984</b>	24,900,742	
Segment liabilities	板塊負債	-	-	-	193,887	-	520,973	-	5,808,151	-	4,523,011	<b>387,710</b>	755,275	<b>387,710</b>	755,275	<b>387,710</b>	7,278,286
Unallocated	未分配										23,408,199		<b>10,524,779</b>	3,844,383	<b>10,524,779</b>	27,252,582	
Total liabilities	總負債									-	29,931,210		<b>10,912,489</b>	4,599,658	<b>10,912,489</b>	34,530,868	
Other segment disclosures:	其他板塊披露：																
Depreciation	折舊	-	309,438	-	-	<b>73,804</b>	-	-	54,119	<b>73,804</b>	363,757	<b>23,080</b>	27,027	<b>23,080</b>	27,027	<b>96,884</b>	390,784
Amortisation	攤銷	-	75,265	-	-	<b>19,481</b>	1,613	-	2,741	<b>19,481</b>	79,619	<b>2,520</b>	2,372	<b>2,520</b>	2,372	<b>22,001</b>	81,991
Additions to non-current assets	添置非流動資產	-	-	-	-	-	-	-	-	-	-	<b>39,659</b>	106,857	<b>39,659</b>	106,857	<b>39,659</b>	106,857

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5 Segment information (Continued)

The unallocated items mainly included prepayments and deposits and cash and cash equivalents. Unallocated assets also included inventories and property, plant and equipment jointly used by the shipbuilding and offshore engineering segments.

Unallocated liabilities mainly included trade and other payables and borrowings, which are jointly shared by the shipbuilding and offshore engineering segments.

During the year ended 31 December 2019, revenue from continuing operations from the top customer of the energy exploration and production segment amounted to RMB10,121,000 (2018: RMB20,320,000), representing 21.2% (2018: 41.5%) of the total revenue.

There are three individual customers contributed more than 10% revenue of the Group's revenue from continuing operations, for the year ended 31 December 2019 (2018: 3 individual customers). The revenue of these customers during the year are RMB10,121,000, RMB9,372,000 and RMB8,790,000 (2018: RMB20,320,000 and RMB14,201,000 and RMB5,177,000) respectively.

During the year ended 31 December 2019, revenue from the top customer of the shipbuilding segment, excluding cancellation of construction contracts, amounted to RMB15,360,000 (2018: RMB45,350,000), representing 100% of the total revenue from discontinued operations excluding revenue related to the cancellation of the construction contracts (2018: 69.5%).

### 5 板塊資料(續)

未分配項目主要包括預付款及按金與現金及現金等價物。未分配資產亦包括造船板塊及海洋工程板塊共同使用的存貨、物業、廠房及設備。

未分配負債主要包括造船板塊及海洋工程板塊共享的應付賬款及其他應付款項及借款。

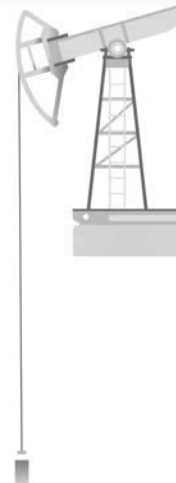
截至二零一九年十二月三十一日止年度，源自能源勘探及生產板塊的最大客戶的持續經營收益達人民幣10,121,000元(二零一八年：人民幣20,320,000元)，佔總收益的21.2%(二零一八年：41.5%)。

截至二零一九年十二月三十一日止年度，三名個別客戶(二零一八年：三名個別客戶)貢獻本集團持續經營業務收益超過10%。年內該等客戶貢獻收益分別為人民幣10,121,000元、人民幣9,372,000元及人民幣8,790,000元(二零一八年：分別為人民幣20,320,000元、人民幣14,201,000元及人民幣5,177,000元)。

截至二零一九年十二月三十一日止年度，源自造船板塊的最大客戶的收益(不包括撤銷建造合約)達人民幣15,360,000元(二零一八年：人民幣45,350,000元)，佔已終止業務總收益(不包括有關撤銷建造合約的收益)的100%(二零一八年：69.5%)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 5 Segment information (Continued)

Geographically, management considers the operations of shipbuilding, offshore engineering, engineering machinery and marine engine building segments are all located in the PRC while the energy exploration and production segment is located in Kyrgyzstan, with revenue derived from different geographical locations, which is determined by the country in which the customer is located.

The Group's revenue is analysed as follows:

Continuing operations	持續經營業務
Kyrgyzstan	吉爾吉斯
Discontinued operations	已終止業務
PRC	中國

Geographically, total assets and capital expenditures are allocated based on where the assets are located.

### 5 板塊資料(續)

就地區而言，管理層認為造船、海洋工程、工程機械及動力工程板塊業務均位於中國境內，而能源勘探及生產板塊則位於吉爾吉斯，而收入源自不同地區，來源按客戶的所在國家釐定。

本集團的收益分析如下：

2019	2018
二零一九年	二零一八年
RMB'000	RMB'000
人民幣千元	人民幣千元

<b>47,747</b>	48,956
<b>15,360</b>	65,264

就地區而言，資產及資本開支總額均按資產所在位置分配。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 5 Segment information (Continued)

Non-current assets (excluding intangible assets) are analysed as follows:

### 5 板塊資料(續)

非流動資產(不包括無形資產)分析如下:

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Kyrgyzstan	吉爾吉斯	597,514	780,846
Hong Kong	香港	103	124
PRC	中國	752	981
		<b>598,369</b>	<b>781,951</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 6 Property, plant and equipment

### 6 物業、廠房及設備

		Construction in progress 在建工程 RMB'000 人民幣千元	Oil properties 石油物業 RMB'000 人民幣千元	Buildings 樓宇 RMB'000 人民幣千元	Plant and machinery 廠房及機器 RMB'000 人民幣千元	Computer equipment 電腦設備 RMB'000 人民幣千元	Office equipment 辦公設備 RMB'000 人民幣千元	Motor vehicles 車輛 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Year ended 31 December 2019</b>	<b>截至二零一九年十二月三十一日止年度</b>								
Opening net book amount	年初賬面淨值	326,676	419,455	-	-	223	573	1,085	748,012
Additions	添置	34,692	3,836	-	-	6	115	1,010	39,659
Disposals	出售	(149,395)	(5,432)	-	-	(9)	-	-	(154,836)
Transfer	轉讓	(26,088)	26,088	-	-	-	-	-	-
Depreciation (Note 19)	折舊(附註19)	-	(22,659)	-	-	(9)	(226)	(186)	(23,080)
Impairment loss (Note)	減值虧損(附註)	(1,381)	(17,904)	-	-	-	-	-	(19,285)
Exchange difference	匯兌差異	2,786	5,025	-	-	14	50	24	7,899
Closing net book amount	年末賬面淨值	187,290	408,409	-	-	225	512	1,933	598,369
<b>At 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>								
Cost or valuation	成本或估值	188,671	511,559	-	-	309	1,226	2,416	704,181
Accumulated depreciation and impairment loss	累計折舊及減值虧損	(1,381)	(103,150)	-	-	(84)	(714)	(483)	(105,812)
Net book amount	賬面淨值	187,290	408,409	-	-	225	512	1,933	598,369
<b>Year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日止年度</b>								
Opening net book amount	年初賬面淨值	4,520,656	357,259	9,592,625	1,593,022	699	1,764	7,210	16,073,235
Additions	添置	119,446	-	-	-	110	386	777	120,719
Disposals	出售	(79,998)	-	(14,127)	(24,825)	-	-	(41)	(118,991)
Transfer	轉讓	(68,999)	68,999	-	-	-	-	-	-
Depreciation	折舊	-	(26,691)	(188,599)	(172,838)	(32)	(344)	(2,280)	(390,784)
Transfer to assets classified as held for sale	轉移至分類為持作出售的資產	(4,178,642)	-	(9,389,899)	(1,395,359)	(563)	(1,247)	(4,598)	(14,970,308)
Exchange difference	匯兌差異	14,213	19,888	-	-	9	14	17	34,141
Closing net book amount	年末賬面淨值	326,676	419,455	-	-	223	573	1,085	748,012
<b>At 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>								
Cost or valuation	成本或估值	326,676	501,259	-	-	298	1,061	1,382	830,676
Accumulated depreciation and impairment loss	累計折舊及減值虧損	-	(81,804)	-	-	(75)	(488)	(297)	(82,664)
Net book amount	賬面淨值	326,676	419,455	-	-	223	573	1,085	748,012

Note:

Impairment loss mainly arises from the impairment of certain oil properties in energy exploration segment.

附註：

減值虧損主要來自能源勘探板塊中若干石油資產的減值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 6 Property, plant and equipment 6 物業、廠房及設備(續)

(Continued)

Depreciation of the Group's property, plant and equipment has been recognised as follows:

本集團已確認的物業、廠房及設備折舊如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cost of sales	銷售成本	<b>22,659</b>	26,795
Selling and marketing expenses	銷售及市場推廣開支	-	3
General and administrative expenses	一般及行政開支	<b>421</b>	229
		<b>23,080</b>	27,027
Discontinued operations	已終止業務	-	363,757
Charged to the profit or loss	計入損益	<b>23,080</b>	390,784

Please refer to Note 7 for the impairment assessment associated with the property, plant and equipment of the energy exploration and production segment, together with the related intangible assets of the Cooperation Rights.

有關能源勘探及生產板塊的物業、廠房及設備，連同相關無形資產(即合作經營權)之減值測試請參閱附註7。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 7 Intangible assets

### 7. 無形資產

	2019 二零一九年						2018 二零一八年					
	Goodwill 商譽 RMB'000 人民幣千元	Co-operation Rights 合作權 RMB'000 人民幣千元	Patents 專利權 RMB'000 人民幣千元	Computer software 計算機軟件 RMB'000 人民幣千元	Development costs 開發成本 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	Goodwill 商譽 RMB'000 人民幣千元	Co-operation Rights 合作權 RMB'000 人民幣千元	Patents 專利權 RMB'000 人民幣千元	Computer software 計算機軟件 RMB'000 人民幣千元	Development costs 開發成本 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January costs	-	1,678,702	-	-	-	1,678,702	55,139	1,594,675	21,644	77,517	514,191	2,263,166
Accumulated impairment	-	-	-	-	-	-	(55,139)	-	(3,535)	(409,780)	(503,576)	
Accumulated amortisation	-	(9,937)	-	-	-	(9,937)	-	(7,103)	(18,109)	(42,395)	(104,411)	(172,018)
Net book amount	-	1,668,765	-	-	-	1,668,765	-	1,587,572	-	-	-	1,587,572
Movement during the year												
Amortisation charge (Note 19)	-	(2,520)	-	-	-	(2,520)	-	(2,372)	-	-	-	(2,372)
Exchange difference	-	20,534	-	-	-	20,534	-	83,565	-	-	-	83,565
	-	18,014	-	-	-	18,014	-	81,193	-	-	-	81,193
At 31 December costs	-	1,699,373	-	-	-	1,699,373	-	1,678,702	-	-	-	1,678,702
Accumulated impairment	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated amortisation	-	(12,594)	-	-	-	(12,594)	-	(9,937)	-	-	-	(9,937)
Closing net book amount	-	1,686,779	-	-	-	1,686,779	-	1,668,765	-	-	-	1,668,765

The intangible assets represent rights to cooperate with the national oil company of Kyrgyzstan in the operation of the five oil fields zones (“**Co-operation Rights**”). The Co-operation Rights are stated at cost less accumulated amortisation and any impairment losses. As at 31 December 2019, 57 wells (2018: 54 wells) were at production stage. As a result, amortisation of RMB2,520,000 has been charged to the profit or loss during year (2018: RMB2,372,000) based on the unit-of-production method. The development of the energy exploration and production segment has been limited by the lack of means to fund additional investments for drilling wells and exploration.

During the year ended 31 December 2018, the Group entered into a loan agreement with a related party who agreed to provide a loan facility up to RMB40,000,000 to the Group for the funding in respect of the energy exploration and production segment. As at 31 December 2019, the Group has drawn down RMB9,100,000 for exploration and drilling wells. The Group expects to draw down the rest by 2020.

無形資產指與吉爾吉斯國家油公司合作經營五個油田的權利(「**合作經營權**」)。合作經營權以成本減累計攤銷及任何減值虧損入賬。於二零一九年十二月三十一日，57座(二零一八年：54座)油井已進入生產階段。因此，已於年內損益按單位生產法扣除攤銷人民幣2,520,000元(二零一八年：人民幣2,372,000元)。能源勘探及生產板塊的發展已因缺乏為鑽井及勘探的額外投資提供資金的方式而受限制。

截至二零一八年十二月三十一日止年度，本集團與一名關聯方訂立貸款協議，該名關聯方同意向本集團提供不多於人民幣40,000,000元的貸款融資，為本集團的能源勘探及生產板塊提供資金。於二零一九年十二月三十一日，本集團已就勘探及鑽井提取人民幣9,100,000元。本集團預計二零二零年將動用其餘款項。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 7 Intangible assets (Continued)

In addition, the Group also entered into Co-operative Framework Agreement with an independent third party who agreed to provide materials for the exploration and production of crude oil with an aggregate amount up to USD500,000,000, in exchange for an option to purchase up to 70% of the total crude oil produced by the Group at 92% to 95% of the market price as a form of repayment until all the liabilities are repaid.

In accordance with IAS 36 "Impairment of Assets", the recoverable amount of a CGU, which represents the energy exploration and production segment, is determined based on the higher of fair value less costs of disposal or value-in-use calculations. These calculations use pre-tax (2018: same) cash flow forecast.

In determining the recoverable amounts of the Co-operation Rights and property, plant and equipment under energy exploration and production segment amounting to RMB1,686,779,000 (2018: RMB1,668,765,000) and RMB590,515,000 (2018: RMB734,345,000), respectively, the directors have evaluated the recoverable amounts based on value-in-use calculations using pre-tax cash flow projections. Key assumptions include international crude oil price of USD48-65 per barrel (2018: USD57-70 per barrel), a discount rate of 11.5% (2018: 11.5%) and that the Group can obtain adequate financing afterwards.

As a result of the above assessment, the recoverable amounts of the intangible assets and property, plant and equipment under energy exploration and production segment as estimated by the directors exceeded the carrying amounts of these assets and therefore, the directors are of the opinion that no impairment charge is considered necessary as at 31 December 2019.

The table below illustrates the sensitivity of the significant inputs to remove the headroom:

### 7. 無形資產(續)

此外，本集團亦與一名獨立第三方訂立合作框架協議，該獨立第三方同意提供原油勘探及生產材料總額高達500,000,000美元以交換可按市場價格92%至95%購買本集團生產的原油生產總量最多70%的期權，作為償還的方式，直至償還所有負債。

根據國際會計準則第36號「資產減值」，現金產生單位的可收回金額(即能源勘探及生產板塊)乃按公允值減出售成本或使用價值(以較高者為準)計算。該等計算使用除稅前(二零一八年：相同)現金流量預測。

在釐定能源勘探及生產板塊下合作經營權及物業、廠房及設備的可收回金額分別人民幣1,686,779,000元(二零一八年：人民幣1,668,765,000元)及人民幣590,515,000元(二零一八年：734,345,000元)，董事已按照使用價值計算利用稅前現金流量預測評估可收回金額。主要假設包括國際原油價格為每桶48至65美元(二零一八年：每桶57至70美元)，貼現率11.5%(二零一八年：11.5%)，以及本集團日後能夠獲得足夠資金。

作為評估結果，董事估計的能源勘探及生產板塊的無形資產及物業、廠房及設備的可收回金額超出該等資產的賬面值，因此，董事認為無須就截至二零一九年十二月三十一日止的該等資產扣除減值。

下表說明消除差額的重大輸入數據的敏感程度：

		2019 二零一九年	2018 二零一八年
Discount rate	貼現率	13.8%	12.7%
Oil price	油價	Decreased by 下降 10.9%	Decreased by 下降 3.4%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 8 Financial instruments by category

The following is an analysis of financial instruments by category:

### 8 按類別劃分之金融工具

以下為按類別劃分之金融工具分析：

		Total 總計 RMB'000 人民幣千元
<b>Financial assets as per consolidated statement of financial position</b>		
<b>As at 31 December 2019</b>		
Financial assets of amortised cost		
Trade receivables (Note 10(a))	應收賬款(附註10(a))	2,777
Other receivables and deposits	其他應收款項及按金	6,711
Cash and cash equivalents (Note 11)	現金及現金等價物(附註11)	42,851
Total	總計	52,339
		Total 總計 RMB'000 人民幣千元
<b>As at 31 December 2018</b>		
Financial assets of amortised cost		
Trade receivables (Note 10(a))	應收賬款(附註10(a))	3,497
Other receivables and deposits	其他應收款項及按金	1,932
Cash and cash equivalents (Note 11)	現金及現金等價物(附註11)	9,274
Total	總計	14,703

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 8 Financial instruments by category 8 按類別劃分之金融工具

(Continued)

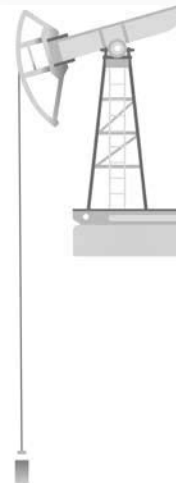
(續)

		Liabilities at fair value through profit or loss 按公允值計入損 益的負債 RMB'000 人民幣千元	Other financial liabilities at amortised cost 按攤銷成本入賬 的其他金融負債 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
<b>Liabilities as per consolidated statement of financial position</b>	<b>綜合財務狀況表的負債</b>			
<b>As at 31 December 2019</b>	<b>於二零一九年十二月三十一日</b>			
Trade and other payables excluding accrued payroll and welfare, contract liabilities and other tax-related payables	應付賬款及其他應付款項 (不包括應計工資及福利、合約負債及其他與稅有關的應付款項)	-	744,792	744,792
Borrowings (Note 16)	借款(附註16)	-	3,594,543	3,594,543
Financial guarantee contracts	財務擔保合約	-	6,545,144	6,545,144
<b>Total</b>	<b>總計</b>	<b>-</b>	<b>10,884,479</b>	<b>10,884,479</b>
<b>As at 31 December 2018</b>	<b>於二零一八年十二月三十一日</b>			
Trade and other payables excluding accrued payroll and welfare, contract liabilities and other tax-related payables	應付賬款及其他應付款項 (不包括應計工資及福利、合約負債及其他與稅有關的應付款項)	-	927,447	927,447
Borrowings (Note 16)	借款(附註16)	-	3,640,431	3,640,431
Derivative financial instruments (Note 17)	衍生金融工具(附註17)	7,194	-	7,194
<b>Total</b>	<b>總計</b>	<b>7,194</b>	<b>4,567,878</b>	<b>4,575,072</b>



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 9 Inventories

### 9 存貨

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Finished goods	成品	1,717	3,022

The cost of inventories recognised as expense and included in cost of sales amounted to 9,628,000 for the year ended 31 December 2019 (2018: RMB 9,379,000).

截至二零一九年十二月三十一日止年度，確認為開支及計入銷售成本的存貨成本為人民幣9,628,000元(二零一八年：人民幣9,379,000元)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10 Trade receivables, other receivables, prepayments and deposits

#### (a) Trade receivables

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables	應收賬款	2,777	3,497
Less: Provision for doubtful receivables	減：應收款項呆賬撥備	-	-
		<b>2,777</b>	<b>3,497</b>

The Group normally grants credit terms to its customers up to 30 days to 90 days. The ageing analysis of the trade receivables based on invoice date is as follows:

		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0 to 30 days	0至30天	384	1
31 to 60 days	31至60天	657	679
61 to 90 days	61至90天	51	974
Over 90 days	超過90天	1,685	1,843
		<b>2,777</b>	<b>3,497</b>

The Group does not hold any collateral as security.

### 10 應收賬款、其他應收款項、預付款項及按金

#### (a) 應收賬款

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元

本集團一般向客戶授出最多30天至90天的信貸期。基於發票日期的應收賬款的賬齡分析如下：

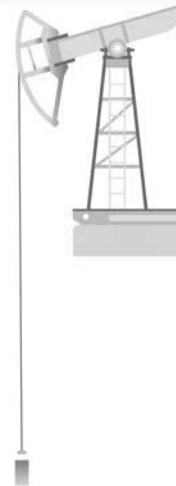
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元

0 to 30 days	0至30天	384	1
31 to 60 days	31至60天	657	679
61 to 90 days	61至90天	51	974
Over 90 days	超過90天	1,685	1,843
		<b>2,777</b>	<b>3,497</b>

本集團並無持有任何抵押品作為抵押。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 10 Trade receivables, other receivables, prepayments and deposits

#### (a) Trade receivables (Continued)

The carrying amounts of trade receivables approximate their fair values. The maximum exposure to credit risk at the reporting date is the fair value of RMB2,777,000 (2018: RMB3,497,000).

The carrying amounts of trade receivables are denominated in USD.

### 10 應收賬款、其他應收款項、預付款項及按金(續)

#### (a) 應收賬款(續)

應收賬款的賬面值與其公允值相若。於報告日期，最大信貸風險承擔的公允值為人民幣2,777,000元(二零一八年：人民幣3,497,000元)。

應收賬款的賬面值以美元計值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10 Trade receivables, other receivables, prepayments and deposits (Continued)

#### (b) Other receivables, prepayments and deposits

### 10 應收賬款、其他應收款項、預付款項及按金(續)

#### (b) 其他應收款項、預付款項及按金

		31 December 十二月三十一日	
		2019 二零一九年	2018 二零一八年
		RMB'000 人民幣千元	RMB'000 人民幣千元
Other receivables	其他應收款項		
– Third parties	– 第三方	6,711	1,907
Value-added tax receivable	應收增值稅	5,162	303
Deposits	按金	–	25
Prepayments for property, plant and equipment and land use rights	物業、廠房及設備及土地使用權的預付款項		
– Third parties	– 第三方	–	33,939
Prepayments – others	預付款項 – 其他		
– Third parties	– 第三方	4,618	3,030
		<b>16,491</b>	39,204
Less: non-current prepayments	減：非即期預付款項	–	(33,939)
Current portion	即期部分	<b>16,491</b>	5,265

The carrying amounts of other receivables and current deposits approximate their fair values.

其他應收款項及即期按金的賬面值與其公允值相若。

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable and deposit mentioned above.

於報告日所面臨的最大信貸風險為上述各類應收款項及按金的公允值。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 10 Trade receivables, other receivables, prepayments and deposits (Continued)

#### (b) Other receivables, prepayments and deposits (Continued)

The carrying amounts of other receivables, prepayments and deposits are denominated in the following currencies:

		31 December	
		十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	2,816	89
HKD	港元	18	3,119
USD	美元	8,145	34,565
KGS	索姆	5,512	1,431
		16,491	39,204

### 11 Cash and cash equivalents

### 10 應收賬款、其他應收款項、預付款項及按金(續)

#### (b) 其他應收款項、預付款項及按金(續)

其他應收款項、預付款項及按金的賬面值以下列貨幣計值：

		31 December	
		十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash on hand	手頭現金	1,462	594
Cash at banks	銀行存款	41,389	8,680
Total cash and cash equivalents	現金及現金等價物總額	42,851	9,274
Maximum exposure to credit risk	面臨的最大信貸風險	41,389	8,680

### 11 現金及現金等價物

31 December

十二月三十一日

2019

2018

二零一九年

二零一八年

RMB'000

RMB'000

人民幣千元

人民幣千元

Cash on hand	手頭現金	1,462	594
Cash at banks	銀行存款	41,389	8,680
Total cash and cash equivalents	現金及現金等價物總額	42,851	9,274
Maximum exposure to credit risk	面臨的最大信貸風險	41,389	8,680

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 11 Cash and cash equivalents (Continued)

Cash and cash equivalents are denominated in the following currencies:

### 11 現金及現金等價物(續)

現金及現金等價物以下列貨幣計值：

		31 December 十二月三十一日	
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
RMB	人民幣	4,229	181
USD	美元	38,466	7,268
HKD	港元	107	1,763
Others	其他	49	62
		<b>42,851</b>	9,274

Cash at banks and short-term bank deposits are placed in major financial institutions located in Hong Kong, the PRC, Australia and Kyrgyzstan where there is no history of default.

The remittance of funds out of the PRC is subject to the rules and regulations of foreign exchange control promulgated by the PRC government.

銀行存款及短期銀行存款存放於香港、中國、澳大利亞及吉爾吉斯的大型金融機構，其並無拖欠歷史。

將資金匯出中國須遵守中國政府頒佈之外匯管制規則及法規。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 12 Ordinary shares, preference shares and share premium 12 普通股、優先股及股份溢價

	Number of ordinary shares	Nominal value of ordinary shares	Equivalent nominal value of ordinary shares	Number of convertible preference shares	Nominal value of convertible preference shares	Equivalent nominal value of convertible preference shares	Share premium	Total
	普通股數目	普通股面值	普通股面值 等額股	可轉換優先股 數目	可轉換優先股 面值	可轉換優先股 面值等額股	股份溢價	總計
		HKD 港元	RMB'000 人民幣千元		HKD 港元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
<b>Authorised</b>	<b>法定</b>							
Ordinary shares of HKD0.5 each at 31 December 2018 and 2019	於二零一八年及二零一九年十二月三十一日每股面值0.5港元的普通股	4,116,371,507	2,058,185,753	-	-	-	-	-
Convertible preference shares of HKD0.5 each at 31 December 2018 and 2019	於二零一八年及二零一九年十二月三十一日每股面值0.5港元的可轉換優先股	-	-	7,006,000,000	3,503,000,000	-	-	-
<b>Issued:</b>	<b>已發行:</b>							
Ordinary shares of HKD0.5 each at 1 January 2018	於二零一八年一月一日每股面值0.5港元的普通股	2,248,591,507	1,124,295,753	937,772	-	-	10,432,701	11,370,473
Issuance of convertible preference shares (Note b)	發行可轉換優先股(附註b)	-	-	7,006,000,000	3,503,000,000	3,100,000	(2,067,284)	1,032,716
Conversion of convertible bonds (Note a)	兌換可換股債券(附註a)	1,867,780,000	933,890,000	799,278	-	-	(20,045)	779,233
Ordinary shares of HKD0.5 each at 31 December 2018	於二零一八年十二月三十一日每股面值0.5港元的普通股	4,116,371,507	2,058,185,753	1,737,050	7,006,000,000	3,503,000,000	3,100,000	8,345,372
Ordinary shares of HKD0.5 each at 1 January 2019	於二零一九年一月一日每股面值0.5港元的普通股	4,116,371,507	2,058,185,753	1,737,050	7,006,000,000	3,503,000,000	3,100,000	8,345,372
Conversion of convertible bonds (Note a)	兌換可換股債券(附註a)	654,120,000	327,060,000	284,484	-	-	29,233	313,717
Ordinary shares of HKD0.5 each at 31 December 2019	於二零一九年十二月三十一日每股面值0.5港元的普通股	4,770,491,507	2,385,245,753	2,021,534	7,006,000,000	3,503,000,000	3,100,000	8,374,605



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 12 Ordinary share, preference share and share premium (Continued)

Notes:

- (a) During the year ended 31 December 2019, the holders of convertible bonds converted balances of HKD327,060,000 (equivalent to approximately RMB284,484,000) (2018: HKD933,890,000 (equivalent to approximately RMB799,278,000)) into ordinary shares. Please refer to Note 16 for further details.
- (b) In December 2018, the Company issued a total of the 7,006,000,000 convertible preference shares with nominal value of HKD0.50 each, amounting to HKD3,503,000,000 (equivalent to RMB3,100,000,000) to a bank creditor to settle bank borrowings and interests totaling RMB3,100,000,000. The 7,006,000,000 convertible preference shares consisted of three classes, 2,330,000,000 of class A shares, 2,330,000,000 of class B shares and 2,346,000,000 of class C shares. Ordinary shares converted from convertible preference shares can be transferred without restriction, while the ordinary shares converted from class B and class C convertible preference shares will be subject to a lock-up period of six and twelve months, respectively.

Holders of the convertible preference shares are not entitled to the right to vote at any general meeting of the Company, yet they have the right to attend such meetings. They have the rights to receive any dividends pari passu to the holders of ordinary shares on the basis of the number of shares converted. Except for the mentioned, each Convertible Preference Share shall have the same rights as each of the Ordinary Shares.

The fair value of the convertible preference shares amounted to HKD1,169,687,000 (equivalent to approximately RMB1,032,716,000) on the issuance date and difference between the par value issued and the fair value has been recorded as gain on extinguishment of financial liabilities upon issuance of convertible preference shares during the year ended 31 December 2018.

As at 31 December 2018 and 2019, no convertible preference shares had been converted into ordinary shares.

### 12 普通股、優先股及股份溢價(續)

附註：

- (a) 截至二零一九年十二月三十一日止年度，可換股債券的持有人已兌換結餘327,060,000港元(相當於約人民幣284,484,000元)(二零一八年：933,890,000港元(相當於約人民幣799,278,000元))為普通股。進一步詳情請參閱附註16。
- (b) 於二零一八年十二月，本公司已向銀行債權人發行合共7,006,000,000股每股面值0.50港元的可轉換優先股，總額為3,503,000,000港元(相當於人民幣3,100,000,000元)，以償付銀行借款及利息合共人民幣3,100,000,000元。該7,006,000,000股可轉換優先股由三類股份組成，即2,330,000,000股A類股份、2,330,000,000股B類股份及2,346,000,000股C類股份。轉換可轉換優先股的普通股可無轉讓限制，而自B類及C類可轉換優先股轉換的普通股分別有六個月和十二個月的禁售期。

可轉換優先股持有人無權於本公司任何股東大會投票，惟彼等有權出席該等大會。彼等有權按照已兌換股份數目，與普通股持有人享有同等地位收取任何股息。除上述者外，各可轉換優先股與各普通股享有同等權利。

截至二零一八年十二月三十一日止年度，可轉換優先股公允值於發行日期為1,169,687,000港元(相當於約人民幣1,032,716,000元)，而已發行面值與公允值之間的差額已入賬為在發行可轉化優先股時消除金融負債的收益。

於二零一八年及二零一九年十二月三十一日，概無可轉換優先股轉換為普通股。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 13 Share-based payment – Group and Company

#### (a) Pre-IPO Share Option Scheme

Pursuant to a written resolution of the Shareholders dated 24 October 2010, selected employees were granted a total share options of 62,500,000 shares (the “**Pre-IPO Share Options**”) under the Pre-IPO Share Option Scheme (the “**Pre-IPO Share Option Scheme**”). The exercise price per share under the Pre-IPO Share Options shall be equal to a 50% discount to the Offer Price (i.e. HKD4 per share, the exercise price of the outstanding share options granted has been adjusted to HKD20 per consolidated share of HK0.50 each with effect from 29 March 2016). Each of the Pre-IPO Share Options has a 10-year exercisable period, from 19 November 2010 (“**Old Grant Date**”), and ending on the expiration of the tenth anniversary of the date of acceptance of the grant of options, on 26 October 2020. As at 31 December 2019, the number of outstanding share options granted has been adjusted for the effect of share consolidation and 875,000 share options were vested and exercisable (31 December 2018: 3,650,000 share options) after the share consolidation adjustment.

Commencing from the date on which trading in the shares of the Company first commenced on the Main Board of the Hong Kong Stock Exchange, being 19 November 2010 (“**Listing Date**”), the expiry of first, second, third, and fourth anniversaries of the Listing Date, the relevant grantee may exercise options up to 20%, 40%, 60%, 80% and 100% respectively. No additional share options were granted pursuant to the Pre-IPO Share Option Scheme during the year.

### 13 以股份為基礎的支付—集團及公司

#### (a) 首次公開發售前購股權計劃

根據日期為二零一零年十月二十四日的股東書面決議案，特選僱員獲授予首次公開發售前購股權計劃（「**首次公開發售前購股權計劃**」）項下合共62,500,000股股份的購股權（「**首次公開發售前購股權**」）。首次公開發售前購股權項下每股股份的行使價較發售價折讓50%（即每股4港元）（自二零一六年三月二十九日起已授出的未行使購股權的行使價已調整為每股面值為0.50港元的合併股份20港元）。每份首次公開發售前購股權均有十年行使期，由二零一零年十一月十九日（「**舊授出日期**」）起至接納授出購股權第十週年當日屆滿，即二零二零年十月二十六日。於二零一九年十二月三十一日，經股份合併調整後，未行使購股權數目受股份合併影響而調整及有875,000份購股權已歸屬及可行使（二零一八年十二月三十一日：3,650,000份購股權）。

由本公司股份開始於香港聯交所主板買賣當日（「**上市日期**」，即二零一零年十一月十九日）、上市日期第一、第二、第三及第四週年屆滿當日，有關承授人可分別行使購股權的最多20%、40%、60%、80%及100%。年內不會根據首次公開發售前購股權計劃另行授出購股權。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 13 Share-based payment – Group and Company (Continued)

#### (a) Pre-IPO Share Option Scheme (Continued)

The fair value of the share options granted on 24 October 2010, determined using the binomial model (the “Model”), ranging from HKD4.38 to HKD5.17 per option. The significant inputs into the Model were the share price of HKD8 at the Listing Date, exercise price shown above, expected dividend yield rate of 1.32%, risk-free rate of 2.09%, an expected option life of ten years and expected volatility of 55.0%. The volatility measured is based on the average annualised standard deviations of the continuously compounded rates of return on the share prices of comparable companies with similar business operations.

Movements in the number of share options outstanding and their related exercise prices are as follows:

### 13 以股份為基礎的支付—集團及公司(續)

#### (a) 首次公開發售前購股權計劃(續)

於二零一零年十月二十四日授出的購股權的公允值乃採用二項式模式(「模式」)釐定，每份購股權介乎4.38港元至5.17港元。模式的重要參數包括於上市日期的股價8港元、上述行使價、預期股息收益率1.32%、無風險利率2.09%、預期購股權年限十年及預期波幅55.0%。波幅乃根據經營類似業務的可比較公司股價的持續複式回報率的平均年度標準偏差計算。

未行使購股權數目的變動及其相關行使價如下：

		Average exercise price in HKD per share 每股港元 平均行使價	Number of share options 購股權數目 (thousands) (千份)
At 1 January 2018	於二零一八年一月一日	20	4,100
Lapsed	已失效	20	(450)
At 31 December 2018	於二零一八年十二月三十一日	20	3,650
At 1 January 2019	於二零一九年一月一日	<b>20</b>	<b>3,650</b>
Lapsed	已失效	<b>20</b>	<b>(2,775)</b>
At 31 December 2019	於二零一九年十二月三十一日	<b>20</b>	<b>875</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 13 Share-based payment – Group and Company (Continued)

#### (b) Share Option Scheme

The Company conditionally approved and adopted a share option scheme on 24 October 2010 (the “Share Option Scheme”). The Share Option Scheme became unconditional on 19 November 2010 when the Company’s shares were listed on the Main Board of the Hong Kong Stock Exchange.

Pursuant to the written resolutions of the Directors dated 30 April 2012, selected employees were granted a total of 348,580,000 share options under the Share Option Scheme. The exercise price per share under the Share Option Scheme is HKD1.94 per share of HKD0.10 each (the exercise price of the outstanding share options granted has been adjusted to HKD9.70 per consolidated share of HKD0.50 each with effect from 29 March 2016). No share option is exercisable prior to the first anniversary of 30 April 2012 (the “New Grant Date”). On each of the first, second, third, fourth and fifth anniversaries of the New Grant Date, a further 20% of the share options granted to the selected employees may be exercised, provided that no share option shall be exercised after 30 April 2022. As at 31 December 2019, the number of outstanding share options granted has been adjusted for the effect of share consolidation and 16,800,000 share options were vested and exercisable (31 December 2018: 29,048,000 share options) after the share consolidation adjustment.

The fair value of the share options granted on 30 April 2012, determined using the Model, ranged from HKD0.63 to HKD0.64 per option. The significant inputs into the Model were the share price of HKD1.94 at the New Grant Date, the exercise price shown above, expected dividend yield rate of 4.66%, risk-free rate of 1.14%, an expected option life of 10 years and expected volatility of 54.50%. The volatility measured is based on the average annualised standard deviations of the continuously compounded rates of return on the share prices of comparable companies with similar business operations.

### 13 以股份為基礎的支付—集團及公司(續)

#### (b) 購股權計劃

本公司於二零一零年十月二十四日有條件批准及採納一項購股權計劃(「購股權計劃」)。購股權計劃於二零一零年十一月十九日本公司股份在香港聯交所主板上市起成為無條件。

根據日期為二零一二年四月三十日的董事書面決議案，特選僱員獲授予購股權計劃項下合共348,580,000份購股權。購股權計劃項下的每股行使價為每股面值0.10港元的股份1.94港元(自二零一六年三月二十九日起已授出的未行使購股權的行使價已調整為每股面值0.50港元的合併股份9.70港元)。於二零一二年四月三十日(「新授出日期」)起第一週年前，概無購股權可予行使。由新授出日期起第一、第二、第三、第四及第五週年屆滿當日，獲授購股權的特選僱員可進一步行使購股權的20%，惟二零一二年四月三十日後不可行使購股權。於二零一九年十二月三十一日，經股份合併調整後，未行使購股權數目受股份合併影響而調整及有16,800,000份購股權已歸屬及可行使(二零一八年十二月三十一日：29,048,000份購股權)。

於二零一二年四月三十日授出的購股權的公允值乃採用模式釐定，每份購股權介乎0.63港元至0.64港元。模式的重要參數包括於新授出日期的股價1.94港元、上述行使價、預期股息收益率4.66%、無風險利率1.14%、預期購股權年限10年及預期波幅54.50%。波幅乃根據經營類似業務的可比較公司股價的持續複式回報率的平均年度標準偏差計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 13 Share-based payment – Group and Company (Continued)

#### (b) Share Option Scheme (Continued)

### 13 以股份為基礎的支付－集團及公司(續)

#### (b) 購股權計劃(續)

		Average exercise price in HKD per share 每股港元平均行 使價	Number of share options 購股權數目 (thousands) (千份)
At 1 January 2018	於二零一八年一月一日	9.70	32,124
Lapsed	已失效	9.70	(3,076)
At 31 December 2018	於二零一八年十二月三十一日	9.70	29,048
At 1 January 2019	於二零一九年一月一日	<b>9.70</b>	<b>29,048</b>
Lapsed	已失效	<b>9.70</b>	<b>(12,248)</b>
At 31 December 2019	於二零一九年十二月三十一日	<b>9.70</b>	<b>16,800</b>

During the year ended 31 December 2019, no expense was recognised in the consolidated statement of comprehensive income for share options granted to directors and employees (2018: Nil). No expense is recognised for the Pre-IPO Share Scheme (2018: Nil) or Share Option Scheme (2018: Nil). The Group has no legal or constructive obligations to repurchase or settle the options in cash.

截至二零一九年十二月三十一日止年度，並無於綜合全面收益表中就授予董事及僱員購股權確認開支(二零一八年：無)。並無就首次公開發售前購股權計劃確認開支(二零一八年：無)。本集團並無法定或推定責任以現金購回或結算購股權。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 14 Other reserves

### 14 其他儲備

		Capital reserve	Available -for- sale financial asset reserve	Financial asset at fair value through other comprehensive income reserve	Share based payment reserve	Statutory reserve	Translation reserve	Total
		資本儲備	可供出售金融 資產儲備	按公允價值計入 其他全面收益 儲備的金融資產	以股份為基礎 的支付儲備	法定儲備	匯兌儲備	總計
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
At 1 January 2018	於二零一八年一月一日	2,462,930	7,277	-	600,934	498,854	92,829	3,662,824
Reclassifi non-trading equities from available-for-sale financial asset to financial asset at fair value through other comprehensive income	非交易性權益由可供出售 金融資產重新分類至 按公允價值計入其他全面 收益的金融資產	-	(7,277)	7,277	-	-	-	-
Financial asset at fair value through other comprehensive income	按公允價值計入其他全面 收益的金融資產	-	-	(16,033)	-	-	-	(16,033)
Exchange difference on translation of foreign operations	換算海外營運的匯兌 差額	-	-	-	-	-	79,873	79,873
Lapse of employee share options	僱員購股權失效	-	-	-	(21,992)	-	-	(21,992)
At 31 December 2018	於二零一八年 十二月三十一日	2,462,930	-	(8,756)	578,942	498,854	172,702	3,704,672
At 1 January 2019	於二零一九年一月一日	2,462,930	-	(8,756)	578,942	498,854	172,702	3,704,672
Release of other reserve upon disposal of discontinued operation	於出售已終止業務時撥回 其他儲備	(2,462,930)	-	-	(538,234)	(498,854)	-	(3,500,018)
Financial asset at fair value through other comprehensive income	按公允價值計入其他全面 收益的金融資產	-	-	2,616	-	-	-	2,616
Transfer of fair value through other comprehensive income to accumulated losses upon disposal	於出售時轉撥計入其他 全面收益的公允價值至 累計虧損	-	-	6,140	-	-	-	6,140
Exchange difference on translation of foreign operations	換算海外營運的匯兌 差額	-	-	-	-	-	20,346	20,346
Lapse of employee share options	僱員購股權失效	-	-	-	(22,609)	-	-	(22,609)
At 31 December 2019	於二零一九年 十二月三十一日	-	-	-	18,099	-	193,048	211,147

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 15 Trade and other payables

### 15 應付賬款及其他應付款項

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	應付賬款	<b>276,829</b>	362,349
Other payables	其他應付款項		
– Third parties	– 第三方	<b>81,507</b>	205,391
– Related parties (Note 31)	– 關聯方(附註31)	<b>30,866</b>	33,808
Contract liabilities	合約負債	<b>63</b>	120
Accrued expenses	應計開支		
– Payroll and welfare	– 工資及福利	<b>21,606</b>	22,112
– Interest	– 利息	<b>322,367</b>	165,011
– Exploration costs	– 勘探成本	–	132,554
– Custodian fee	– 託管費	<b>26,096</b>	24,263
– Others	– 其他	<b>7,127</b>	4,071
Other tax-related payables	其他稅務相關應付款項	<b>6,341</b>	2,354
<b>Total trade and other payables</b>	<b>總應付賬款及其他應付款項</b>	<b>772,802</b>	952,033

At 31 December 2019 and 2018, the ageing analysis of the trade payables based on invoice date were as follows:

於二零一九年及二零一八年十二月三十一日，按發票日期劃分的應付賬款的賬齡分析如下：

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
0 – 30 days	0至30天	<b>28</b>	2,751
31 – 60 days	31至60天	<b>1</b>	10,613
61 – 90 days	61至90天	<b>14</b>	1,359
Over 90 days	90天以上	<b>276,786</b>	347,626
		<b>276,829</b>	362,349



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 15 Trade and other payables (Continued)

The carrying amount of trade and other payables are denominated in the following currencies:

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	110,551	178,546
USD	美元	375,210	563,039
HKD	港元	287,041	210,448
		<b>772,802</b>	952,033

### 16 Borrowings

### 15 應付賬款及其他應付款項(續)

應付賬款及其他應付款項的賬面值乃以下列貨幣列值：

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Non-current	非即期		
Other borrowings	其他借款	937,125	754,638
		<b>937,125</b>	754,638
Current	即期		
Bank borrowings	銀行借款	461,243	599,587
Convertible bonds	可換股債券	-	680,355
Promissory notes	承兌票據	2,140,289	1,605,163
Other borrowings	其他借款	55,886	688
		<b>2,657,418</b>	2,885,793
<b>Total borrowings</b>	<b>借款總額</b>	<b>3,594,543</b>	3,640,431

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

Borrowings amounting to RMB2,601,532,000 as at 31 December 2019 (2018: RMB2,885,105,000) were secured by guarantee from a director of the Company, certain shareholders of the Company and the related parties and share capital of certain related parties.

As at 31 December 2019, borrowings of the Group amounted to RMB3,594,543,000, out of which RMB2,564,253,000 were overdue, while borrowings of the Group amounting to RMB37,279,000 contained cross-default terms as at 31 December 2019 and became immediately repayable. Total overdue interest payables of the Group amounted to RMB322,367,000. As at the date of the approval of these consolidated financial statements, the Group has not obtained waivers to comply with these cross-default terms from the relevant lenders; nor have these lenders taken any action against the Group to demand immediate repayment.

The Group's borrowings are repayable as follows:

Within 1 year	一年內
Between 1 and 2 years	一至二年

The Group's borrowings repayable based on the scheduled repayment dates is the same as the above table.

The carrying amounts of the non-current borrowings approximate their fair values.

### 16 借款(續)

於二零一九年十二月三十一日，借款人民幣2,601,532,000元(二零一八年：人民幣2,885,105,000元)由本公司一名董事、本公司若干股東及關聯方提供的擔保，以及若干關聯方的股本作抵押。

於二零一九年十二月三十一日，本集團的借款為人民幣3,594,543,000元，其中人民幣2,564,253,000元已逾期。本集團於二零一九年十二月三十一日的借款中有人民幣37,279,000元的借款含交叉違約條款，須立即償還。本集團的逾期應付利息總額為人民幣322,367,000元。於該等綜合財務報表獲批准日期，本集團尚未獲得相關借款人遵守這些交叉違約條款之豁免；該等借款人並無對本集團採取任何行動要求立即償還款項。

本集團的還款時間如下：

31 December	
十二月三十一日	
2019	2018
二零一九年	二零一八年
RMB'000	RMB'000
人民幣千元	人民幣千元
2,657,418	2,885,793
937,125	754,638
<b>3,594,543</b>	<b>3,640,431</b>

本集團借款的還款時間按計劃還款日期與上表相同。

非即期借款的賬面值與其公允值相若。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

The carrying amounts of the borrowings are denominated in the following currencies:

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	28,446	28,149
HKD	港元	2,567,815	2,661,040
USD	美元	998,282	951,242
		<b>3,594,543</b>	3,640,431

The exposure of the Group's borrowings to interest-rate changes and the contractual repricing dates are as follows:

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
6 months or less	六個月或之內	2,610,615	2,635,727
6 – 12 months	六至十二個月	46,803	680,355
1 – 5 years	一至五年	937,125	324,349
		<b>3,594,543</b>	3,640,431

### 16 借款(續)

借款的賬面值乃以以下貨幣計值：

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	28,446	28,149
HKD	港元	2,567,815	2,661,040
USD	美元	998,282	951,242
		<b>3,594,543</b>	3,640,431

本集團借款面臨的利率變動及合約重新定價日期風險如下：

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
6 months or less	六個月或之內	2,610,615	2,635,727
6 – 12 months	六至十二個月	46,803	680,355
1 – 5 years	一至五年	937,125	324,349
		<b>3,594,543</b>	3,640,431

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

The Group has the following undrawn borrowing facilities:

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Expiring within one year	一年內到期	30,900	-
Expiring beyond one year	一年後到期	1,157,393	1,437,462
		<b>1,188,293</b>	<b>1,437,462</b>

The effective interest rates at the date of the consolidated statement of financial position are as follows:

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
Bank borrowings	銀行借款	7.97%	7.97%
Promissory notes	承兌票據	7.00%	7.00%
Other borrowings(excluding interest-free loan)	其他借款(不包括免息貸款)	5.00%	N/A 不適用

#### Bank borrowings

Bank borrowing of RMB461,243,000 (2018: RMB599,587,000) is overdue and immediately repayable.

### 16 借款(續)

本集團有以下未提取授信額度：

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Expiring within one year	一年內到期	30,900	-
Expiring beyond one year	一年後到期	1,157,393	1,437,462
		<b>1,188,293</b>	<b>1,437,462</b>

於綜合財務狀況表日期之實際利率如下：

		31 December 十二月三十一日	
		2019	2018
		二零一九年	二零一八年
Bank borrowings	銀行借款	7.97%	7.97%
Promissory notes	承兌票據	7.00%	7.00%
Other borrowings(excluding interest-free loan)	其他借款(不包括免息貸款)	5.00%	N/A 不適用

#### 銀行借款

人民幣461,243,000元(二零一八年：人民幣599,587,000元)的銀行借款已逾期且應立即償還。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

#### Other borrowings

### 16 借款(續)

#### 其他借款

		31 December	
		十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Loans from an entity controlled by a close family member of Mr. Zhang Zhi Rong (Note i)	來自張志熔先生近親家屬控制的實體的貸款(附註i)	415,424	461,145
Loan from an entity controlled by Mr. Zhang Zhi Rong (Note ii and iii)	來自張志熔先生控制的實體的貸款(附註ii及iii)	530,784	293,493
Loan from a third party (Note iv)	來自第三方的貸款(附註iv)	46,803	688
		<b>993,011</b>	755,326
Less: Non-current portion	減：非即期部分	<b>(937,125)</b>	(754,638)
Current portion of other borrowings	其他借款之即期部分	<b>55,886</b>	688

#### Notes:

- (i) During the year ended 31 December 2019, the Group extended security-free and interest-free loans from an entity controlled by a close family member of Mr. Zhang Zhi Rong amounting to RMB451,669,000. The carrying amount is RMB415,424,000 and it is repayable in June 2021.
- (ii) As at 31 December 2019, the Group has drawn down principal amount of USD83,784,000 (equivalent to approximately RMB583,407,000) from the loan agreement, provided by an entity controlled by Mr. Zhang Zhi Rong, who agreed to provide a loan facility up to USD250,000,000 (equivalent to approximately RMB1,740,800,000) to the Group for the funding of the oilfield operations of the energy exploration and production segment. The carrying amount is RMB521,701,000 and it is repayable in December 2021.
- (iii) During the year ended 31 December 2018, the Group entered into a loan agreement with an entity controlled by Mr. Zhang Zhi Rong, who agreed to provide a loan facility up to RMB40,000,000 to the Group for the funding in respect of the energy exploration and production segment. As at 31 December 2019, the Group has drawn down principal amount of RMB9,100,000 for exploration and drilling of wells. The carrying amount of the loan is RMB9,100,000 and it is repayable in January 2020.
- (iv) During the year ended 31 December 2019, the Company has drawn down USD6,700,000 (equivalent to approximately RMB46,786,000) loan from an independent third party at 5% per annum and due in December 2020 (2018: Nil).

#### 附註：

- (i) 截至二零一九年十二月三十一日止年度，本集團向受張志熔先生近親家屬控制的實體取得無擔保及免息貸款，金額為人民幣451,669,000元。賬面值為人民幣415,424,000元，將於二零二一年六月償還。
- (ii) 於二零一九年十二月三十一日，本集團從張志熔先生所控制實體提供的貸款協議提取本金金額83,784,000美元(相當於約人民幣583,407,000元)，該實體同意向本集團提供不多於250,000,000美元(相當於約人民幣1,740,800,000元)的貸款融資，為本集團能源勘探及生產板塊下的油田經營提供資金。賬面值為人民幣521,701,000元，將於二零二一年十二月償還。
- (iii) 截至二零一八年十二月三十一日止年度，本集團與由張志熔先生控制的實體訂立貸款協議，該實體同意向本集團提供不多於人民幣40,000,000元的貸款融資，為本集團的能源勘探及生產板塊提供資金。於二零一九年十二月三十一日，本集團已就勘探及鑽井提取本金金額人民幣9,100,000元。賬面值為人民幣9,100,000元，將於二零二零年一月償還。
- (iv) 截至二零一九年十二月三十一日止年度，本公司從一名獨立第三方提供的貸款提取6,700,000美元(相當於約人民幣46,786,000元)，該貸款按年利率5%計息且於二零二零年十二月到期(二零一八年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

#### Convertible bonds

As at 31 December 2019, the Group had no outstanding convertible bonds (2018: five) with an aggregate principal amount of HKD838,410,000 (equivalent to approximately RMB736,376,000 with maturity dates ranging from May 2019 to November 2019). During the year ended 31 December 2019, convertible bonds with amounts of HKD327,060,000 (equivalent to approximately RMB284,480,000) were converted into equity. Since the bondholders have early redemption options to require the Company to redeem these convertible bonds at any time before the maturity dates, these convertible bonds are classified as current liabilities as at 31 December 2018. In addition, all the convertible bonds became immediately repayable pursuant to the cross-default terms under the relevant agreements.

### 16 借款(續)

#### 可換股債券

於二零一九年十二月三十一日，本集團並無未償還可換股債券(二零一八年：五批)，本金總額為838,410,000港元(相當於約人民幣736,376,000元)，將於二零一九年五月至二零一九年十一月期間到期。截至二零一九年十二月三十一日止年度，總額為327,060,000港元(相當於約人民幣284,480,000元)的可換股債券已兌換為股本。由於債券持有人擁有提前贖回權，有權於到期日前任何時間要求本公司贖回可換股債券，該等可換股債券於二零一八年十二月三十一日分類為流動負債。此外，所有可換股債券根據相關協議項下的交叉違約條款立即償還。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

#### Convertible bonds (Continued)

The table below summarised the details and features of the guaranteed convertible bonds:

Guaranteed convertible bonds	Principal as at 31 December 2019 於二零一九年十二月三十一日的本金金額	Principal as at 31 December 2018 於二零一八年十二月三十一日的本金金額	Issuance and closing date 發行交割日期	Maturity date 到期日	Conversion period 兌換期	Conversion price as at 31 December 2019 於二零一九年十二月三十一日的換股價	Conversion price as at 31 December 2018 於二零一八年十二月三十一日的換股價
1st 第一批	Nil 零	Nil 零	31 October 2016 二零一六年十月三十一日	24 months after the closing date 交割日後24個月內	After issue date up to maturity date 於發行日後至到期日	N/A 不適用	N/A 不適用
2nd 第二批	Nil 零	HKD345,060,000 345,060,000港元	19 May 2017 二零一七年五月十九日	24 months after the closing date 交割日後24個月內	After issue date up to maturity date 於發行日後至到期日	N/A 不適用	HKD0.50 每股0.50港元
3rd 第三批	Nil 零	HKD120,000,000 120,000,000港元	30 November 2017 二零一七年十一月三十日	24 months after the closing date 交割日後24個月內	After issue date up to maturity date 於發行日後至到期日	N/A 不適用	HKD0.50 每股0.50港元
4th 第四批	Nil 零	HKD30,000,000 30,000,000港元	30 November 2017 二零一七年十一月三十日	24 months after the closing date 交割日後24個月內	After issue date up to maturity date 於發行日後至到期日	N/A 不適用	HKD0.50 每股0.50港元
5th 第五批	Nil 零	HKD102,000,000 102,000,000港元	30 November 2017 二零一七年十一月三十日	24 months after the closing date 交割日後24個月內	After issue date up to maturity date 於發行日後至到期日	N/A 不適用	HKD0.50 每股0.50港元
6th 第六批	Nil 零	HKD241,350,000 241,350,000港元	30 November 2017 二零一七年十一月三十日	24 months after the closing date 交割日後24個月內	After issue date up to maturity date 於發行日後至到期日	N/A 不適用	HKD0.50 每股0.50港元
Total 總計	Nil 零	HKD838,410,000 838,410,000港元					

### 16 借款(續)

#### 可換股債券(續)

下表概述有擔保可換股債券的詳情及特徵：



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

#### Convertible bonds (Continued)

The table below summarised the details and features of the conversions of convertible bonds during the year ended 31 December 2019:

7% convertible bonds	Principle amount as at the date of issue (HKD)	Date of issue	Maximum number of Shares to be issued upon the exercise of the conversion rights as at the date of issue (after the adjustments to the conversion price per Share if applicable)	Net proceeds received by the Company from the issue	Conversion dates (during the Period)	Conversion Shares issued (conversion price per Share)	Maximum number of Shares to be issued upon the exercise of conversion rights as at 31 December 2019	Principal amount as at 31 December 2019 (HKD)
7厘可換股債券	於發行日期的本金金額 (港元)	發行日期	調整每股換股價 (如適用)後於發行日期最多可通過行使換股權而發行的股份數目	本公司通過發行而獲得的所得款項淨額	兌換日期(於本期間)	發行兌換股份數目 (每股換股價)	於二零一九年十二月三十一日最多可通過行使換股權而發行的股份數目	於二零一九年十二月三十一日的本金金額 (港元)
1st	745,060,000	19 May 2017	1,490,120,000	Not applicable (Note)	7 March 2019 2 May 2019	270,120,000 350,000,000 (HKD0.50)	-	-
第一批		二零一七年五月十九日		不適用 (附註)	二零一九年五月七日 二零一九年五月二日	(0.50港元)		
2nd	169,820,000	30 November 2017	339,640,000	Not applicable (Note)	-	-	-	-
第二批		二零一七年十一月三十日		不適用 (附註)				
3rd	118,070,000	30 November 2017	236,140,000	Not applicable (Note)	-	-	-	-
第三批		二零一七年十一月三十日		不適用 (附註)				
4th	102,000,000	30 November 2017	204,000,000	Not applicable (Note)	22 May 2019	34,000,000 (HKD0.50)	-	-
第四批		二零一七年十一月三十日		不適用 (附註)	二零一九年五月二十二日	(0.50港元)		
5th	647,350,000	30 November 2017	1,294,700,000	Not applicable (Note)	-	-	-	-
第五批		二零一七年十一月三十日		不適用 (附註)				
Total 總計	1,782,300,000		3,564,600,000			654,120,000	-	-

Note:

During the year ended 31 December 2019, a total of 654,120,000 shares had been converted from the convertible bonds issued by the Company. As at 31 December 2019, there were no outstanding convertible bonds.

### 16 借款(續)

#### 可換股債券(續)

下表概述截至二零一九年十二月三十一日止年度的可換股債券轉換的詳情及特徵：

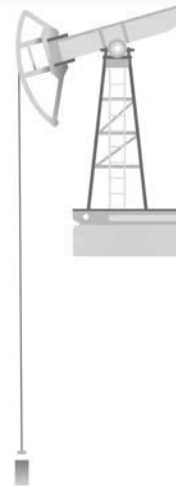
Conversion Shares issued (conversion price per Share)	Maximum number of Shares to be issued upon the exercise of conversion rights as at 31 December 2019	Principal amount as at 31 December 2019 (HKD)
發行兌換股份數目 (每股換股價)	於二零一九年十二月三十一日最多可通過行使換股權而發行的股份數目	於二零一九年十二月三十一日的本金金額 (港元)
270,120,000 350,000,000 (HKD0.50)	-	-
(0.50港元)		
-	-	-
-	-	-
34,000,000 (HKD0.50)	-	-
(0.50港元)		
-	-	-
-	-	-
654,120,000	-	-

附註：

於截至二零一九年十二月三十一日止年度，本公司發行的可換股債券兌換為654,120,000股股份。於二零一九年十二月三十一日，並無未行使的可換股債券。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 16 Borrowings (Continued)

#### Convertible bonds (Continued)

For the above convertible bonds, subject to the following conditions, amongst others, the Company has the right to redeem all or any part of the principal amount of the convertible bonds outstanding. (1) The Company may redeem the respective convertible bonds at any time up to (and excluding) the commencement of the 7 calendar day-period ending on the (and including) maturity date, when the principal amount of the relevant convertible bonds outstanding is equal to or less than 10% of its original aggregate principal amount issued by the Company. The redemption price of the convertible bond is equal to 100% of the principal amount plus the unpaid interest. (2) The Company may redeem the respective bond at any time on or after the eighteen months from the closing date and up to the third business day prior to the maturity date. The redemption price of the convertible bond is equal to 100% of the principal amount plus the unpaid interest.

Subject to certain conditions, the bondholders have the right to require the Company to redeem all or part of the convertible bonds. Bondholders may at any time on or after the closing date and up to the third business day prior to the maturity dates to require the Company to redeem the whole or any part of the principal amount outstanding under the bond at a value at 100% of the principal amount plus the unpaid interest.

The conversion feature of the above convertible bonds fails the fixed-for-fixed requirement for equity classification. The conversion option, together with all other options, are therefore regarded as a single embedded derivative with changes in fair value through profit or loss in accordance with IFRS 9. For details, please refer to Note 21.

### 16 借款(續)

#### 可換股債券(續)

就上述可換股債券而言，在下列條件的規限下(其中包括)，本公司有權贖回可換股債券全部或任何部分尚未償還本金：(1)本公司或會於直至(但不包括)到期日(包括該日)止第七個曆日期間開始前隨時贖回相關可換股債券，屆時尚未兌換相關可換股債券的本金額等於或少於本公司已發行原來本金總額的10%。可換股債券的贖回價等於100%本金金額加未付利息。(2)本公司可由交割日起第十八個月或之後直至到期日前第三個營業日止隨時贖回相關債券。可換股債券的贖回價等於100%本金金額加未付利息。

在若干條件的規限下，債券持有人有權要求本公司贖回全部或部分可換股債券。債券持有人可於由交割日或之後直至到期日前第三個營業日止隨時要求本公司贖回債券項下全部或任何部分尚未償還本金金額，價值為100%本金金額加未付利息。

由於上述可換股債券的兌換特性未能符合權益分類固定換固定的規定，因此，按照國際財務報告準則第9號，換股權連同所有其他購股權被視為公允值變動計入損益的單一嵌入式衍生工具。詳情請參閱附註21。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

#### Convertible bonds (Continued)

The fair value of the above convertible bonds was determined by an independent qualified valuer based on the Effective Interest Method and Mixed Discount Model. The fair value of the liability component on initial recognition was valued as the proceeds of the convertible redeemable bond (net of transaction cost) minus the fair value of the embedded derivative. The fair value of the embedded derivative was valued by estimating the value of the whole bond with and without the conversion feature. The difference in value reflects the value of the embedded derivatives and changes in fair value would be recognised in the profit or loss. During the year ended 31 December 2019, changes in fair value of the embedded derivatives amounted to RMB4,680,000 (2018: RMB255,138,000).

The convertible bonds are guaranteed by Mr. Zhang Zhi Rong ("Mr. Zhang"), the Company's single largest ordinary shareholder (before taking into account full conversion of the convertible bonds and exercise of the share options issued by the Company).

### 16 借款(續)

#### 可換股債券(續)

上述可換股債券的公允值由獨立合資格估值師根據實際利率法及混合貼現模型釐定。首次確認時的負債部分公允值以可換股可贖回債券所得款項(扣除交易成本)減嵌入式衍生工具的公允值進行估值。嵌入式衍生工具的公允值乃透過估計附有與不附兌換功能的全部債券的價值進行估值。價值差異反映嵌入式衍生工具的價值及公允值變動將於損益確認。截至二零一九年十二月三十一日止年度，嵌入式衍生工具公允值變動為人民幣4,680,000元(二零一八年：人民幣255,138,000元)。

可換股債券由本公司單一最大普通股股東張志熔先生(「張先生」)(於計及本公司悉數轉換可換股債券及行使已發行購股權之前)擔保。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

#### Convertible bonds (Continued)

The movements of convertible bonds (excluding the embedded derivatives that were separately accounted for) recognised in the consolidated statement of financial position are shown as follows:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Carrying amount as at 1 January	於一月一日的賬面值	<b>680,355</b>	1,285,926
Conversion to ordinary shares	兌換為普通股	<b>(311,203)</b>	(717,993)
Interest expenses (Note 22)	利息開支(附註22)	<b>142,833</b>	222,061
Principals and interest discharged via promissory notes	透過承兌票據解除的本金及利息	<b>(510,437)</b>	(87,191)
Repayment	償還	-	(72,215)
Exchange losses/(gains)	匯兌虧損/(收益)	<b>(1,548)</b>	49,767
Carrying amount as at 31 December	於十二月三十一日的賬面值	-	680,355

The host liability component of the convertible bond is derecognised as at 31 December 2019 (31 December 2018: fair value of the host liability component of the convertible bond of RMB661,238,000). The fair value is calculated using the market rate of the convertible bonds on the date of the statement of the financial position (or the nearest day of trading).

### 16 借款(續)

#### 可換股債券(續)

於綜合財務狀況表確認的可換股債券(不包括分開入賬的嵌入式衍生工具)的變動載列如下:

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Carrying amount as at 1 January	於一月一日的賬面值	<b>680,355</b>	1,285,926
Conversion to ordinary shares	兌換為普通股	<b>(311,203)</b>	(717,993)
Interest expenses (Note 22)	利息開支(附註22)	<b>142,833</b>	222,061
Principals and interest discharged via promissory notes	透過承兌票據解除的本金及利息	<b>(510,437)</b>	(87,191)
Repayment	償還	-	(72,215)
Exchange losses/(gains)	匯兌虧損/(收益)	<b>(1,548)</b>	49,767
Carrying amount as at 31 December	於十二月三十一日的賬面值	-	680,355

於二零一九年十二月三十一日，終止確認可換股債券主要負債部分(二零一八年十二月三十一日：可換股債券主要負債部分的公允值為人民幣661,238,000元)。公允值採用可換股債券於財務狀況表日期(或最近交易日)的市值計算。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 16 Borrowings (Continued)

#### Promissory Notes

### 16 借款(續)

#### 承兌票據

RMB'000  
人民幣千元

<b>For the year ended 31 December 2018</b>	<b>截至二零一八年十二月三十一日 止年度</b>	
Opening amount as at 1 January 2018	於二零一八年一月一日的期初金額	1,447,596
Addition to discharge convertible bonds interests of convertible bonds	解除可換股債券利息增加	87,191
Repayment	還款	(6,118)
Exchange difference	匯兌差異	76,494
Closing amount as at 31 December 2018		1,605,163
		於二零一八年十二月三十一日的 期末金額
<b>For the year ended 31 December 2019</b>	<b>截至二零一九年十二月三十一日 止年度</b>	
Opening amount as at 1 January 2019	於二零一九年一月一日的期初金額	1,605,163
Addition to discharge principals and interests of convertible bonds	解除可換股債券本金及利息增加	510,437
Repayment	還款	(10,783)
Exchange difference	匯兌差異	35,472
Closing amount as at 31 December 2019		2,140,289
		於二零一九年十二月三十一日的期 末金額

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 17 Derivative financial instruments

### 17 衍生金融工具

		31 December 2019 二零一九年十二月三十一日		31 December 2018 二零一八年十二月三十一日	
		Assets 資產	Liabilities 負債	Assets 資產	Liabilities 負債
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
Embedded derivatives in convertible bond	可換股債券的嵌入 式衍生工具	-	-	-	7,194
		-	-	-	7,194

There is no convertible bond as at 31 December 2019 (2018: the fair value of the embedded derivatives in convertible bonds are determined using the Binomial Model). The tables below show the significant inputs into the Binomial Model:

於二零一九年十二月三十一日，並無可換股債券(二零一八年：可換股債券中嵌入式衍生工具的公允價值使用二項式模型釐定)。下表顯示二項式模型的重要輸入：

As at 31 December 2018

於二零一八年十二月三十一日

Guaranteed convertible bonds	Principal as at 31 December 2018 於二零一八年十二月三十一日 的本金金額	Issuance date 發行日期	Stock price as at 31 December 2018 of the underlying shares 相關股份於二零一八年十二月三十一日 的股價 (HKD) (港元)	Exercise price 行使價 (HKD) (港元)	Expected option life 預計 購股權期限 (years) (年)	Risk-free interest rate 無風險利率 (%)	Expected dividend yield 預期 股息收益率 (%)	Expected volatility 預期 波動幅 (%)
1st 第一批	Nil 零	31 October 2016 二零一六年十月三十一日	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用	N/A 不適用
2nd 第二批	HKD345,060,000 345,060,000港元	19 May 2017 二零一七年五月十九日	0.143	0.50	0.38	2.2636	0	104
3rd 第三批	HKD120,000,000 120,000,000港元	30 November 2017 二零一七年十一月三十日	0.143	0.50	0.92	2.1767	0	80
4th 第四批	HKD30,000,000 30,000,000港元	30 November 2017 二零一七年十一月三十日	0.143	0.50	0.92	2.1767	0	80
5th 第五批	HKD102,000,000 102,000,000港元	30 November 2017 二零一七年十一月三十日	0.143	0.50	0.92	2.1767	0	80
6th 第六批	HKD241,350,000 241,350,000港元	30 November 2017 二零一七年十一月三十日	0.143	0.50	0.92	2.1767	0	80

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 17 Derivative financial instruments

(Continued)

#### As at 31 December 2019

The volatility measured is based on the daily share price volatility of the Company for an observation period calculated by the difference between the valuation date and maturity date and adjusted by the difference of Hang Seng Index historical and implied volatility as of the valuation dates.

### 18 Discontinued operations

#### (a) Description

On 9 October 2018, the Company entered into a conditional sale and purchase agreement with the Purchaser to dispose of the Disposal Group at a consideration of HKD1. As at 31 December 2018, assets and liabilities of the Shipbuilding Business were classified as "Assets classified as held for sale" and "Liabilities directly associated with assets classified held for sale" respectively in the consolidated statement of financial position.

There are certain conditions precedent pursuant to the Transaction, which included, but not limited to, the release or discharge of the Relevant Guarantees. The conditional sale and purchase agreement were approved by the shareholders of the Company and CPS were issued in December 2018.

On 10 March 2019, the Group transferred the sale share of Able Diligent Limited to the Purchaser. The Disposal Group is classified as discontinued operations in the period up to the date of disposal. Financial information relating to the discontinued operations for the period up to the date of disposal is set out below.

### 17 衍生金融工具(續)

於二零一九年十二月三十一日

波幅計量乃基於本公司一段觀察期內的每日股價波幅，計算方法為估值日與到期日之差額，並就截至估值日期的恒生指數過往及引伸波幅之差額作出調整。

### 18 已終止業務

#### (a) 描述

於二零一八年十月九日，本公司已與買方訂立有條件出售及購買協議，以代價1港元出售出售集團。於二零一八年十二月三十一日，造船業務的資產及負債分別於綜合財務狀況表內分類為「分類為持作出售的資產」及「與分類為持作出售的資產直接相關的負債」。

根據該交易有若干先決條件，包括但不限於免除或解除相關擔保的情況。有條件買賣協議已獲本公司股東批准，而可轉換優先股已於二零一八年十二月發行。

於二零一九年三月十日，本集團將 Able Diligent Limited 的銷售股份轉讓予買方。出售集團於截至出售日期期間已分類為已終止業務。直至出售日期期間的有關已終止業務的財務資料載列如下。



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18 Discontinued operations (Continued)

#### (b) Financial performance and cash flow information

The financial performance and cash flow information presented are for the period ended 10 March 2019 and the year ended 31 December 2018.

### 18 已終止業務(續)

#### (b) 財務表現及現金流量資料

所呈列的財務表現及現金流量資料乃截至二零一九年三月十日止期間及截至二零一八年十二月三十一日止年度。

		For the period from 1 January 2019 to 10 March 2019 二零一九年一月一日至 二零一九年三月十日之 期間 RMB'000 人民幣千元	For the year ended 31 December 2018 截至 二零一八年 十二月三十一日止年度 RMB'000 人民幣千元
Revenue	收益	15,360	65,264
Cost of sales	銷售成本	(2,852)	(176,380)
Gross profit/(loss)	毛利潤/(虧損)	12,508	(111,116)
Other gains/(losses) – net	其他收益/(虧損) —淨額	295,510	(71,547)
Other income	其他收益	11,704	59,212
Expenses	開支	(349,869)	(699,952)
Finance costs – net	融資成本—淨額	(412,927)	(1,643,124)
Loss before income tax	除所得稅前虧損	(443,074)	(2,466,527)
Income tax expense	所得稅開支	-	-
Loss from discontinued operations	來自已終止業務的虧損	(443,074)	(2,466,527)
Fair value gains/(losses) on a financial asset at fair value through other comprehensive income	按公允值計入其他全面收益的金融資產的公允值收益/(虧損)	2,616	(16,635)
Total comprehensive loss from discontinued operations	來自已終止業務的全面虧損總額	(440,458)	(2,483,162)
Net cash inflow/(outflow) from operation activities	經營活動現金流入/(流出)淨額	19,488	(71,048)
Net cash (outflow)/inflow from investing activities	投資活動現金(流出)/流入淨額	(32,950)	20,667
Net cash outflow from financing activities	融資活動現金流出淨額	(500)	(1,715)
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(13,962)	(52,096)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18 Discontinued operations (Continued)

#### (c) Gain on disposal of Discontinued Operations

### 18 已終止業務(續)

#### (c) 出售已終止業務的收益

		As at 10 March 2019 於二零一九年 三月十日 RMB'000 人民幣千元
Consideration	代價	-
Carrying value of net liabilities of the Disposal Group	出售集團負債淨額賬面值	23,820,910
Less: Derecognition of non-controlling interest of the Disposal Group	減：終止確認出售集團非控股權益	(617,998)
Less: Transfer of amount due to the Disposal Group to Purchaser	減：轉移至買方之應付出售集團款項	(15,877,596)
Less: Transaction costs	減：交易成本	(1,273)
<b>Gain on disposal</b>	<b>出售事項收益</b>	<b>7,324,043</b>
Less: Financial guarantee contracts recognised (note(i))	減：已確認財務擔保合約(附註(i))	<b>(6,408,031)</b>
<b>Net gain on disposal</b>	<b>出售收益淨額</b>	<b>916,012</b>

Note (i): Financial guarantee contracts were recognised upon the completion of the disposal as at 10 March 2019. As at 31 December 2019 and the date of the 2019 annual report, the release of the Relevant Guarantee was not yet completed. Approximately RMB6,545,144,000, which represented its fair value, of the Disposal Group's financial liabilities remained guaranteed by the Company as of 31 December 2019.

註(i)：於二零一九年三月十日出售完成時確認財務擔保合約。於二零一九年十二月三十一日及二零一九年年報日期，有關擔保的解除尚未完成。截至二零一九年十二月三十一日，出售集團的金融負債約人民幣6,545,144,000元(即其公允值)仍由本公司擔保。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18 Discontinued operations (Continued)

#### (c) Gain on disposal of Discontinued Operations (Continued)

The carrying amounts of assets and liabilities of the Disposal Group as at the date of sale (10 March 2019) were as follows:

### 18 已終止業務(續)

#### (c) 出售已終止業務的收益(續)

出售集團於出售日期(二零一九年三月十日)之資產及負債之賬面值如下：

		As at 10 March 2019 於二零一九年 三月十日 RMB'000 人民幣千元
Financial assets at fair value through other comprehensive income	按公允值計入其他全面收益的金融資產	30,323
Land use right	土地使用權	3,425,509
Property, plant and equipment	物業、廠房及設備	14,962,869
Prepayment for non-current assets	非流動資產的預付款項	143
Inventories	存貨	61,660
Trade receivables	應收賬款	4,459
Other receivables, prepayments and deposits	其他應收款項、預付款項及按金	3,358,492
Pledged deposits	已抵押存款	1,771
Cash and cash equivalents	現金及現金等價物	38,855
<b>Total assets</b>	<b>總資產</b>	<b>21,884,081</b>
Trade and other payables (note)	應付賬款及其他應付款項(附註)	30,466,991
Contract liabilities	合約負債	39,236
Borrowings	借款	15,198,764
<b>Total liabilities</b>	<b>總負債</b>	<b>45,704,991</b>
<b>Net liabilities of the discontinued operations</b>	<b>已終止業務負債淨額</b>	<b>23,820,910</b>

Note: Trade and other payables included amounts due to the Group by Disposal Group amounting to RMB15,877.6 million.

附註：應付賬款及其他應付款項包括出售集團應付本集團的款項人民幣15,877.6百萬元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 18 Discontinued operations (Continued)

#### (d) Assets and liabilities of disposal group classified held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operations as at 31 December 2018:

### 18 已終止業務(續)

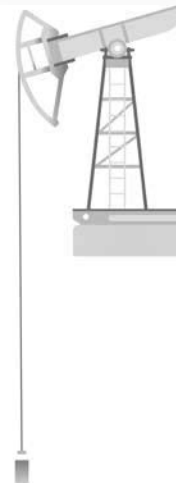
#### (d) 出售集團分類為持作出售的資產和負債

於二零一八年十二月三十一日，以下資產和負債被重新分類為已終止業務的持有待售：

		2018
		二零一八年
		RMB'000
		人民幣千元
<hr/>		
<b>Assets classified as held for sale</b>	<b>持作出售的資產</b>	
Financial assets at fair value through other comprehensive income	按公允值計入其他全面收益的金融資產	27,707
Land use right	土地使用權	3,425,755
Property, plant and equipment	物業、廠房及設備	14,970,308
Prepayment for non-current assets	非流動資產的預付款項	153
Inventories	存貨	425,884
Trade receivables	應收賬款	4,459
Other receivables, prepayments and deposits	其他應收款項、預付款項及按金	3,558,969
Pledged deposits	已抵押存款	1,771
Cash and cash equivalents	現金及現金等價物	13,962
<hr/>		
Total assets of the Disposal Group held for sale	持作出售之出售集團之總資產	22,428,968
<hr/>		
<b>Liabilities directly associated with assets classified as held for sale</b>	<b>與分類為持作出售資產直接相關的負債</b>	
Trade and other payables	應付賬款及其他應付款項	13,783,523
Advances from related parties	關聯方預支款	368,959
Contract liabilities	合約負債	42,900
Borrowings	借款	15,735,828
<hr/>		
Total liabilities of the Disposal Group directly associated with assets classified as held for sale	與分類為持作出售的資產直接相關的出售集團總負債	29,931,210
<hr/>		

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 19 Expenses by nature

### 19 按性質劃分的開支

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Amortisation of intangible assets (Note 7)	無形資產攤銷(附註7)	2,520	2,372
Auditors' remuneration	核數師酬金		
– audit services	– 核數服務	3,084	4,654
– non-audit services	– 非核數服務	-	84
Bank charges	銀行收費	86	87
Consultancy and professional fees	諮詢及專業費用	10,555	12,348
Cost directly associated with inventories	與存貨直接相關的成本	9,628	9,379
Depreciation of property, plant and equipment (Note 6)	物業、廠房及設備折舊(附註6)	23,080	27,027
Employee benefits expenses (Note 20)	僱員福利開支(附註20)	19,708	19,350
Impairment loss on property, plant and equipment	物業、廠房及設備減值虧損	19,285	-
Insurance premiums	保險費	695	640
Other expenses	其他開支	10,831	15,609
Total cost of sales, selling and marketing expenses, general and administrative expenses	銷售成本、銷售及市場推廣開支、一般及行政開支總額	99,472	91,550

### 20 Employee benefits expenses (including directors' emoluments)

### 20 僱員福利開支(包括董事薪酬)

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Salaries and wages	薪金及工資	17,941	18,053
Social security costs	社會保障成本	912	1,110
Contribution to pension plans	退休金計劃供款	855	187
		19,708	19,350

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 20 Employee benefits expenses (including directors' emoluments)

(Continued)

#### (a) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2019 are five directors (2018: Five directors). The emoluments of the five directors (2018: Five directors) are reflected in the analysis presented in Note 25. (2018: The emoluments of the senior management personnel was approximately RMB5,812,000 including basic salaries, housing allowances, other allowances and benefit-in-kind of RMB5,491,000 and contribution to pension plan of RMB321,000).

(b) During the year ended 31 December 2019, no directors or the five highest paid individuals received any emoluments from the Group as an inducement to join, upon joining the Group, leave the Group or as compensation for loss of office (2018: Same).

### 20 僱員福利開支(包括董事薪酬)(續)

#### (a) 五位最高薪酬人士

截至二零一九年十二月三十一日止年度，本集團五位最高薪酬人士為五名董事(二零一八年：五名董事)。該五名董事(二零一八年：五名董事)的酬金載列於附註25之分析中(二零一八年：高級管理人員酬金約為人民幣5,812,000元，包括基本工資、住房津貼、其他津貼及實物利益人民幣5,491,000元以及退休金計劃供款人民幣321,000元)。

(b) 截至二零一九年十二月三十一日止年度，本集團概無為吸引董事或五位最高薪酬人士加盟或在彼等加盟或離開本集團時或以離職補償為由向彼等支付任何酬金(二零一八年：相同)。

### 21 Other (losses)/gains – net

### 21 其他(虧損)/收益淨額

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Fair value change on derivative instruments – embedded derivative in convertible bonds	4,680	255,138
Net foreign exchange (losses)/gains (Note 24)	(7,379)	517,097
Gain on disposal of property, plant and equipment	2,659	26
Loss on recognition of obligation from financial guarantee (Note)	-	(150,445)
	<b>(40)</b>	621,816

Note: The amount represents the financial obligation taken up by the Company for the extinguishment of financial liabilities upon issuance of convertible preference shares (see Note 12(b) for further details).

附註：該金額指本公司在發行可轉換優先股時消除金融負債所承擔的財務義務(詳見附註12(b))。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 22 Finance income and costs

### 22 融資收益及成本

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Finance income:</b>	<b>融資收益：</b>		
Interest income from bank deposits	銀行存款的利息收入	80	27
Imputed interest income	估算利息收入	<b>34,302</b>	46,924
		<b>34,382</b>	46,951
<b>Finance costs:</b>	<b>融資成本：</b>		
Interest expenses	利息開支		
- Borrowings	- 借款	<b>(70,687)</b>	(63,786)
- Promissory notes	- 承兌票據	<b>(117,973)</b>	(105,164)
- Convertible bonds	- 可換股債券	<b>(142,833)</b>	(222,061)
Net foreign exchange losses (Note 24)	外匯虧損淨額(附註24)	<b>(55,454)</b>	(109,954)
Less: borrowing costs capitalised	減：資本化的借款成本	<b>30,126</b>	14,556
		<b>(356,821)</b>	(486,409)
<b>Finance costs – net</b>	<b>融資成本 – 淨額</b>	<b>(322,439)</b>	(439,458)



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 23 Income tax

No Hong Kong profits tax has been provided for the years ended 31 December 2019 and 2018 as the Group had no assessable profits in Hong Kong. All PRC subsidiaries and the Kyrgyzstan subsidiary are subject to EIT rates of 25% and 10%, respectively.

The tax on the Group's results before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to results of the consolidated entities as follows:

### 23 所得稅

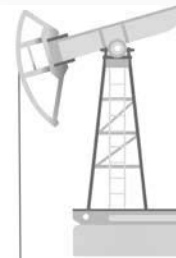
由於本集團並無在香港產生應課稅溢利，故於截至二零一九年及二零一八年十二月三十一日止年度並無就香港利得稅作出撥備。所有中國附屬公司及吉爾吉斯附屬公司須分別按25%及10%的企業所得稅繳稅。

本集團除稅前業績的稅項有別於採用綜合實體業績所適用的加權平均稅率產生的理論金額，如下所示：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
(Loss)/profit before income tax	除所得稅前(虧損)/利潤	<b>(374,204)</b>	2,207,048
Tax calculated at domestic tax rates applicable to profit of respective companies	按有關公司溢利所適用的國內稅率計算的稅項	<b>(4,267)</b>	(1,849)
Income not subject to tax	毋須課稅收益	<b>(159)</b>	(4,615)
Expenses not deductible for tax purposes	不可扣稅開支	<b>14,124</b>	6,377
Items which no deferred income tax asset was recognised	未確認遞延所得稅資產的項目	-	87
Utilisation of previously unrecognised tax losses	動用先前未確認稅項虧損	<b>(9,698)</b>	-
		-	-

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 23 Income tax (Continued)

A tax audit on the Kyrgyzstan incorporated subsidiary was planned but postponed due to the declaration of state emergency and enforcement of work from home practice imposed by government in Kyrgyzstan since mid March 2020 as a result of the outbreak of Coronavirus Disease 2019. Conclusion of the tax audit may result in non-deductibility of certain expenses hence there could be uncertain tax positions attributable to the subsidiary. Up to the report date, the tax audit is yet to be carried out by the relevant tax authority. There is no specific basis which indicated potential adjustments were warranted. As such, the management considers no additional tax provision for Kyrgyzstan corporate income tax is required at this stage.

### 23 所得稅(續)

已計劃但推遲對吉爾吉斯註冊成立的附屬公司的稅務審核，是由於冠狀病毒二零一九的爆發，自二零二零年三月中旬起吉爾吉斯政府宣佈國家進入緊急狀態且實行居家工作慣例。稅務審核結果或會導致若干開支不可扣減，而令該附屬公司的稅務狀況存在不確定性。截至記錄日期，相關稅務部門尚未進行稅務審核。並無特定基準反映潛在調整獲得保障。因此，管理層認為現階段毋須就吉爾吉斯企業所得稅作出額外稅項撥備。

### 24 Net foreign exchange (losses)/gains

The exchange differences (charged)/credited in the profit or loss are included as follows:

### 24 外匯(虧損)/收益淨額

(扣除)/計入損益的匯兌差額如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Net foreign exchange (losses)/ gains taken to:	納入的外匯 (虧損)/收益淨額：		
Other (losses)/gains – net (Note 21)	其他(虧損)/收益 —淨額(附註21)	<b>(7,379)</b>	517,097
Finance costs (Note 22)	融資成本(附註22)	<b>(55,454)</b>	(109,954)
		<b>(62,833)</b>	407,143

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25 Benefits and interest of directors

### 25 董事利益及權益

#### (a) Directors' emoluments

#### (a) 董事薪酬

The emoluments of every director are set out below:

每名董事薪酬如下：

For the year ended 31 December 2019:

截至二零一九年十二月三十一日止  
年度：

Emoluments paid or receivable in respect of a person's services as a director,  
whether of the Company or its subsidiary undertaking  
就一名人士作為董事(不論本公司或其附屬公司承諾)的服務已付或應收酬金

		Basic salaries, housing allowances, other allowance and Fee		Discretionary bonuses	Estimated money value of share based payment	Employer's contribution to a retirement benefit scheme	Remunerations paid or receivable in respect of accepting office as director	Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking 就管理本公司或 其附屬公司企業的 事務提供其他董事 服務已付或應收酬金	Total
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
2019	二零一九年								
Executive directors	執行董事								
Chen Qiang (i)	陳強(i)	-	1,500	-	-	16	-	-	1,516
Hong Liang	洪煥	-	1,000	-	-	115	-	-	1,115
Wang Tao (ii)	王濤(ii)	-	442	-	-	57	-	-	499
Zhu Wen Hua	朱文花	-	1,000	-	-	100	-	-	1,100
Zhang Ming (ii)	張明(ii)	-	432	-	-	-	-	-	432
Independent non-executive directors	獨立非執行董事								
Wang Jin Lian	王錦蓮	317	-	-	-	-	-	-	317
Zhou Zhan	周展	317	-	-	-	-	-	-	317
Lam Cheung Mau	林長茂	317	-	-	-	-	-	-	317
Total emoluments	總酬金	951	4,374	-	-	288	-	-	5,613

Notes:

附註：

- (i) Being the Chief Executive Officer of the Company.
- (ii) Wang Tao and Zhang Ming resigned as executive directors on 10 June 2019.

- (i) 即本公司首席執行官。
- (ii) 王濤與張明於二零一九年六月十日辭任執行董事。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25 Benefits and interest of directors 25 董事利益及權益(續)

(Continued)

#### (a) Directors' emoluments (Continued)

For the year ended 31 December 2018:

#### (a) 董事薪酬(續)

截至二零一八年十二月三十一日止年度：

Emoluments paid or receivable in respect of a person's services as a director, whether of the Company or its subsidiary undertaking

就一名人士作為董事(不論本公司或其附屬公司承諾)的服務已付或應收酬金

Emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking

就管理本公司或其附屬公司企業的

事務提供其他董事

服務已付或應收酬金

Total

總計

RMB'000  
人民幣千元

		Basic salaries, housing allowances, other allowance and Fee	benefit-in-kind 基本工資、 住房津貼、 其他津貼 袍金 RMB'000 人民幣千元	Discretionary bonuses 酌情花紅 RMB'000 人民幣千元	Estimated money value of share based payment 以股份為基礎的 支付的估計 金錢價值 RMB'000 人民幣千元	Employer's contribution to a retirement benefit scheme 退休福利計劃 的僱主供款 RMB'000 人民幣千元	Remunerations paid or receivable in respect of accepting office as director 就接納董事職務 已付或應收酬金 RMB'000 人民幣千元	affairs of the Company or its subsidiary undertaking RMB'000 人民幣千元	Total RMB'000 人民幣千元
2018	二零一八年								
Executive directors	執行董事								
Chen Qiang (i)	陳強(i)	-	1,500	-	-	13	-	-	1,513
Hong Liang	洪樑	-	1,000	-	-	107	-	-	1,107
Wang Tao	王濤	-	1,000	-	-	107	-	-	1,107
Zhu Wen Hua	朱文花	-	999	-	-	94	-	-	1,093
Zhang Ming	張明	-	992	-	-	-	-	-	992
Independent non-executive directors	獨立非執行董事								
Wang Jin Lian	王錦蓮	304	-	-	-	-	-	-	304
Zhou Zhan	周辰	304	-	-	-	-	-	-	304
Lam Cheung Mau	林長茂	304	-	-	-	-	-	-	304
Total emoluments	總酬金	912	5,491	-	-	321	-	-	6,724

Notes:

(i) Being the Chief Executive Officer of the Company.

附註：

(i) 即本公司首席執行官。

#### (b) Directors' retirement benefits and termination benefits

None of the directors received or will receive any retirement benefits or termination benefits during the year (2018: Nil).

#### (b) 董事的退休福利及終止僱用福利

年內，概無董事曾或將獲得任何退休福利或終止僱用福利(二零一八年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 25 Benefits and interest of directors

(Continued)

#### (c) Consideration provided to third parties for making available directors' services

During the year ended 31 December 2019, the Company did not pay consideration to any third parties for making available directors' services (2018: Nil).

#### (d) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealing arrangements in favour of directors, controlled bodies corporate by and controlled entities with such directors (2018: Nil).

#### (e) Directors' material interests in transactions, arrangements or contracts

No significant transactions, arrangements and contracts in relation to the Group's business to which the Group was a party and in which a director of the Group had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2018: Nil).

### 26 Earnings/(loss) per share

#### (a) Basic earnings/(loss) per share

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

### 25 董事利益及權益(續)

#### (c) 就提供董事服務而向第三方提供之對價

截至二零一九年十二月三十一日止年度，本公司概無就提供董事服務而向任何第三方支付之對價(二零一八年：無)。

#### (d) 向董事、受該等董事控制的法人團體及該董事的關連主體提供的貸款、準貸款及其他交易資料

概無以向董事、受該等董事控制的法人團體及該董事的關連主體提供的貸款、準貸款及其他交易安排。(二零一八年：無)。

#### (e) 董事在交易、安排或合同之重大權益

本集團概無訂立與本集團業務有關，而本集團董事直接或間接擁有重大權益且於年末或年內任何時間存在之重大交易、安排及合同(二零一八年：無)。

### 26 每股盈利/(虧損)

#### (a) 每股基本盈利/(虧損)

每股基本盈利/(虧損)的計算方法為將本公司權益持有人應佔業績除以年內已發行普通股的加權平均數。

		2019 二零一九年 RMB 人民幣	2018 二零一八年 RMB 人民幣
(Loss)/earnings from continuing operations per share	來自持續經營業務的每股(虧損)/盈利	(0.03)	0.75
Earnings/(loss) from discontinued operations per share	來自已終止業務的每股盈利/(虧損)	0.04	(0.80)
Earnings/(loss) per share	每股盈利/(虧損)	0.01	(0.05)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 26 Earnings/(loss) per share (Continued)

#### (b) Diluted earnings/(loss) per share

##### *Diluted (loss)/earnings from continuing operations per share*

Diluted loss from continuing operations per share for the year ended 31 December 2019 is the same as basic loss for continuing operations per share as the potential dilutive ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive (2018: Diluted earnings from continuing operations per share is calculated by dividing the results from continuing operations attributable to equity holders of the Company by the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares).

### 26 每股盈利／(虧損)(續)

#### (b) 每股攤薄盈利／(虧損)

##### *來自持續經營業務的每股攤薄(虧損)／盈利*

截至二零一九年十二月三十一日止年度，持續經營業務的每股攤薄虧損與持續經營業務每股基本虧損相同，乃由於計算每股攤薄虧損時未計入潛在攤薄普通股(計入將產生反攤薄)(二零一八年：持續經營業務的每股攤薄盈利乃按本公司權益持有人應佔持續經營業績除以假設所有具攤薄性潛在普通股獲轉換後將予發行在外的額外普通股的加權平均數計算得出)。

2018

二零一八年

Earnings from continuing operations in calculating diluted earnings per share (RMB'000)	用以計算每股攤薄盈利之持續經營業務的盈利 (人民幣千元)	2,365,007
Weighted average number of ordinary shares in issue	已發行普通股的加權平均數	4,882,216,165
Diluted earnings per share (RMB per share)	每股攤薄盈利 (每股人民幣元)	0.48

##### *Diluted (loss)/earnings from discontinued operations per share*

For the year ended 31 December 2019, since there is loss from continuing operations per share, no dilutive impact from discontinued operations is presented.

For the year ended 31 December 2018, diluted loss from discontinued operations per share is the same as basic loss from discontinued operations per share as the potential dilutive ordinary shares were not included in the calculation of diluted loss per share as their inclusion would be anti-dilutive.

##### *已終止業務每股攤薄(虧損)／收益*

截至二零一九年十二月三十一日止年度，由於持續經營業務產生每股虧損，因此並無呈列持續經營業務的攤薄影響。

截至二零一八年十二月三十一日止年度，已終止業務每股攤薄虧損與已終止業務每股基本虧損相同，乃由於計算每股攤薄虧損時未計入潛在攤薄普通股(計入將產生反攤薄)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 26 Earnings/(loss) per share (Continued)

#### (c) Reconciliations of earnings used in calculating loss per share

### 26 每股盈利／(虧損)(續)

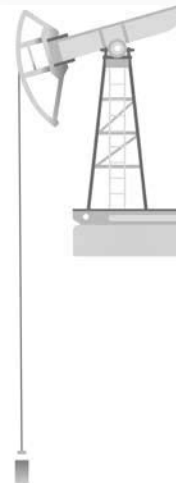
#### (c) 用以計算每股虧損的盈利對賬：

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Basic and diluted earnings/(loss) per share</b>		
<b>每股基本及攤薄盈利／(虧損)</b>		
(Loss)/profit attributable to equity holders of the Company		
本公司權益持有人應佔(虧損)／利潤		
– Continuing operations	<b>(378,270)</b>	2,213,293
– Discontinued operations	<b>515,590</b>	[2,351,654]
	<b>137,320</b>	[138,361]
		2018 二零一八年 RMB'000 人民幣千元
<b>Diluted earnings per share</b>		
<b>每股攤薄盈利</b>		
Profit from continuing operations attributable to the ordinary equity holders of the Company:		
來自持續經營的利潤歸屬於公司普通股權持有人：		
Used in calculating basic earnings per share		2,213,293
用於計算每股基本盈利		
Add: interest savings on convertible bonds		122,874
加：可換股債券的利息		
Add: exchange effect on convertible bonds		28,840
加：可換股債券的匯兌效益		
		2,365,007



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註



### 26 Earnings/(loss) per share (Continued)

#### (d) Weighted average number of shares used as the denominator

### 26 每股盈利/(虧損)(續)

#### (d) 用作分母之加權平均股份數目

		2019 二零一九年	2018 二零一八年
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	用作分母之加權平均普通股數目計算每股基本盈利	<b>11,581,911,233</b>	2,941,266,904
Adjustment for calculating diluted earnings from continuing operations per share:	用以計算持續經營業務所得每股攤薄盈利之調整：		
- Convertible preference shares	- 可轉換優先股	<b>N/A</b> 不適用	268,723,288
- Convertible bonds	- 可換股債券	<b>N/A</b> 不適用	1,672,225,973
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings per share	用作分母之加權平均普通股數目計算每股攤薄盈利	<b>N/A</b> 不適用	4,882,216,165

### 27 Dividends

The Board has resolved not to declare for the payment of final dividend for the year ended 31 December 2019 (2018: Nil).

### 27 股息

董事會已決議不派發截至二零一九年十二月三十一日止年度之末期股息(二零一八年：無)。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28 Notes to the consolidated statement of cash flows 28 綜合現金流量表附註

#### (a) Cash generated from operations

#### (a) 經營所得現金

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
<b>Continuing operations</b>	<b>持續經營業務</b>		
(Loss)/Profit before income tax	除所得稅前(虧損)/利潤	<b>(374,204)</b>	2,207,048
Adjustments for:	對以下各項作出調整：		
- Amortisation of intangible assets (Note 7)	- 無形資產攤銷(附註7)	<b>2,520</b>	2,372
- Depreciation (Note 6)	- 折舊(附註6)	<b>23,080</b>	27,027
- Fair value gain on derivative financial instruments (Note 21)	- 衍生金融工具的公允價值收益(附註21)	<b>(4,680)</b>	(255,138)
- Provision of restoration cost	- 恢復成本撥備	<b>1,333</b>	-
- Impairment loss for property, plant and equipment	- 物業、廠房及設備減值虧損	<b>19,285</b>	-
- Interest income (Note 22)	- 利息收入(附註22)	<b>(34,382)</b>	(46,951)
- Interest expense (Note 22)	- 利息開支(附註22)	<b>356,821</b>	486,409
- Gain on disposal of property, plant and equipment (Note 21)	- 出售物業、廠房及設備的收益(附註21)	<b>(2,659)</b>	(26)
- Loss on recognition of obligation from financial guarantee (Note 21)	- 確認財務擔保責任的虧損(附註21)	-	150,445
- Unrealised exchange (gains)/ losses	- 未變現匯兌(收益)/虧損	<b>(6,953)</b>	(517,097)
- Gain on extinguishment of financial liabilities upon issuance of convertible preference shares	- 於發行可轉換優先股時消除金融負債的收益	-	(2,067,284)
Changes in working capital:	營運資金變動：		
- Inventories	- 存貨	<b>1,305</b>	(2,624)
- Trade receivables, and other receivables, prepayments and deposits	- 應收賬款及其他應收款項、預付款項及按金	<b>(11,164)</b>	(2,613)
- Trade and other payables	- 應付賬款及其他應付款項	<b>5,765</b>	70,075
Cash (used in)/generated from continuing operations	持續經營業務(所用)/所得現金	<b>(23,933)</b>	51,643

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28 Notes to the consolidated statement of cash flows (Continued)

#### (b) Net debt reconciliation

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	42,851	9,274
Borrowings – repayable within one year (including overdraft)	借款 – 一年內償還 (包括透支)	(2,657,418)	(2,846,337)
Borrowings – repayable after one year	借款 – 一年後償還	(937,125)	(794,094)
<b>Net debt</b>	<b>債務淨額</b>	<b>(3,551,692)</b>	<b>(3,631,157)</b>

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	42,851	9,274
Gross debt – fixed interest rate	債務總額 – 固定利率	(3,133,300)	(3,040,844)
Gross debt – variable interest rate	債務總額 – 浮動利率	(461,243)	(599,587)
<b>Net debt</b>	<b>債務淨額</b>	<b>(3,551,692)</b>	<b>(3,631,157)</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 28 Notes to the consolidated statement of cash flows (Continued)

#### (b) Net debt reconciliation (Continued)

Movements in net debt for the year ended 31 December 2018 and 2019:

	Other assets 其他資產	Liabilities from financing activities 融資活動負債				Total 總計	
		Cash/bank overdraft 現金/銀行透支	Finance leases due within 1 year 一年內到期的融資租賃	Finance leases due after 1 year 一年後到期的融資租賃	Borrowings due within 1 year 一年內到期的借款		Borrowings due after 1 year 一年後到期的借款
	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	
Net debt as at 1 January 2018	於二零一八年一月一日的債務淨額	69,858	(18,110)	(6,271)	[20,027,001]	[3,848,769]	[23,830,293]
Cash flow	現金流	(47,006)	-	-	182,775	[444,405]	[308,636]
Foreign Exchange movement	外匯變動	384	-	-	[78,392]	[31,562]	[109,570]
Other non-cash movement (Note i)	其他非現金變動(附註i)	-	18,110	6,271	6,806,537	[1,935,104]	4,895,814
Transferred to (assets)/liabilities classified as held for sale	轉至分類為持作出售的(資產)/負債	[13,962]	-	-	10,230,288	5,505,202	15,721,528
Net debt as at 31 December 2018	於二零一八年十二月三十一日的債務淨額	9,274	-	-	[2,885,793]	[754,638]	[3,631,157]
Cash flow	現金流	33,212	-	-	109,692	[211,022]	[68,118]
Foreign Exchange movement	外匯變動	365	-	-	[40,587]	[14,867]	[55,089]
Other non-cash movement (Note ii)	其他非現金變動(附註ii)	-	-	-	159,270	43,402	202,672
Net debt as at 31 December 2019	於二零一九年十二月三十一日的債務淨額	42,851	-	-	[2,657,418]	[937,125]	[3,551,692]

Notes:

- (i) Other non-cash movements during 2018 mainly include (i) an increase in Remaining Group of RMB717,993,000 due to the settlement of convertible bonds by conversion of shares, (ii) an increase in Disposal Group of RMB3,687,489,000 due to settlement of borrowings by issuance of preference shares and repayment by funds from third party and (iii) an increase in Disposal Group of RMB351,577,000 due to repayment of borrowings by court compulsorily using the proceeds of land auction.
- (ii) Other non-cash movements during 2019 mainly include (i) an decrease of RMB311,203,000 due to the settlement of convertible bonds by conversion of shares, (ii) an increase of RMB142,833,000 due to the interest amortisation of convertible bonds, (iii) an decrease of RMB34,302,000 due to imputed interest income of interest-free loans.

附註:

- (i) 二零一八年的其他非現金變動包括(i)以轉換股份償付可換股債券導致餘下集團增加人民幣717,993,000元；(ii)以發行優先股及第三方償還資金償付借款導致出售集團增加人民幣3,687,489,000元；及(iii)法庭強制以拍賣土地所得款項償付借款導致出售集團增加人民幣351,577,000元。
- (ii) 二零一九年的其他非現金變動主要包括(i)轉換股份以結算可換股債券導致減少人民幣311,203,000元；(ii)可換股債券的利息攤銷導致增加人民幣142,833,000元；(iii)免息貸款的推算利息收入導致減少人民幣34,302,000元。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 29 Financial guarantee contracts

### 29 財務擔保合約

2019  
二零一九年  
RMB'000  
人民幣千元

Financial guarantees (Note)	財務擔保(附註)	6,545,144
		6,545,144

Note:

The Group has provided guarantees to certain financial institutions in the PRC in respect of borrowings of the Disposal Group. Under the financial guarantee contracts, the Company is required to make payments to the financial institutions should the Disposal Group default on the borrowing. As at 31 December 2019, the total value of the guaranteed borrowings outstanding was RMB6,545,144,000 (31 December 2018: RMB7,329,803,000). Despite the risk of such guarantee to be exercised by the financial institution considered to be low, the Group has recognised financial guarantee contracts of RMB6,545,144,000 considered the maximum exposure according to the contractual obligation. Both the guarantee and provision shall release upon the completion of the transfer and discharging of the relevant guarantee.

As at 31 December 2019, the change in provision for financial guarantee contracts of RMB13,333,000 (2018: Nil) mainly represents the accrual of interest expenses on the outstanding guaranteed borrowings of RMB206,880,000 since the date of disposal and the release of the principal and accrued interest expenses of a guaranteed borrowing of RMB220,213,000.

附註：

本集團已就出售集團之借款向中國若干金融機構提供擔保。根據財務擔保合約，倘出售集團拖欠借款，本公司須向金融機構付款。於二零一九年十二月三十一日，有擔保未清償借款總額為人民幣6,545,144,000元(二零一八年十二月三十一日：人民幣7,329,803,000元)。儘管將由財務機構行使的該等擔保被認為風險較低，惟本集團已根據合同義務考慮最高風險承擔確認財務擔保合約人民幣6,545,144,000元。擔保及撥備應在相關擔保的轉讓及解除完成後予以解除。

於二零一九年十二月三十一日，財務擔保合約的撥備變動為人民幣13,333,000元(二零一八年：無)，主要指處置及解除本金之日起未償還擔保借款的應計利息開支人民幣206,880,000元，以及擔保借款的應計利息開支人民幣220,213,000元。

### 30 Capital Commitments

Capital expenditure committed at the end of each reporting period but not yet incurred is as follows:

### 30 資本承諾

於各報告期末已承諾但尚未產生的資本開支如下：

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Property, plant and equipment	物業、廠房及設備		
- Contracted but not provided for	- 已訂約但尚未撥備	-	65,389

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 31 Related party transactions

Fine Profit Enterprises Limited (a company incorporated in the British Virgin Islands) ("Fine Profit") owned 9.43% of the issued shares of the Company as at 31 December 2019 (2018: 9.43%), before taking into account the additional shares issued upon conversion of various convertible instruments. Fine Profit was wholly-owned by Mr. Zhang as at 31 December 2019.

The directors of the Company are of the view that the following companies were related parties that had transactions or balances with the Group during the year:

### 31 關聯方交易

好利企業有限公司(於英屬處女群島註冊成立的公司)(「好利」)於二零一九年十二月三十一日擁有本公司9.43%已發行股份(二零一八年: 9.43%)，於計及兌換各種可換股工具時已發行的額外股份前。好利於二零一九年十二月三十一日由張先生全資擁有。

本公司董事認為下列公司為於年內與本集團進行交易或之間有結餘的關聯方：

Name 名稱	Relationship with the Group 與本集團的關係
Shanghai Ditong Construction (Group) Co., Ltd. 上海地通建設(集團)有限公司	Entity controlled by a shareholder/close family member of Mr. Zhang 受一名股東／張先生家屬控制的實體
Smart Frontier Limited	Entity controlled by a close family member of Mr. Zhang 受張先生家屬控制的實體
Crystal Mont Limited	Entity ultimately controlled by Mr. Zhang 受張先生最終控制的實體
Jiangsu Xu Ming Investment Group Co., Ltd. 江蘇旭明投資集團有限公司	Entity ultimately controlled by Mr. Zhang 受張先生最終控制的實體
Nantong Rongsheng Infrastructure Accessories Co., Ltd. 南通熔盛基礎設施配套工程有限公司	Entity ultimately controlled by Mr. Zhang 受張先生最終控制的實體
Jiangsu Rong Tong Marine Mechanical and Electrical Co., Ltd. 江蘇熔通海工機電有限公司	Entity ultimately controlled by Mr. Zhang 受張先生最終控制的實體
Nantong Drawshine Petrochemical Co., Ltd. 南通焯晟石油化工有限公司	Entity controlled by a shareholder/close family member of Mr. Zhang 受一名股東／張先生家屬控制的實體
Shanghai Sunglow Investment (Group) Co., Ltd. 上海陽光投資(集團)有限公司	Entity controlled by a shareholder/close family member of Mr. Zhang 受一名股東／張先生家屬控制的實體
Dynamic Great Limited	Entity controlled by a shareholder (close family member of Mr. Zhang) 受一名股東(張先生家屬)控制的實體
Zhang Jiping 張繼平	Director of a subsidiary 附屬公司董事
New Continental Oil & Gas (HK) Co. Limited 新大陸油氣(香港)有限公司	Shareholder 股東

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 31 Related party transactions (Continued)

During the year ended 31 December 2019, the Group carried out the following transactions with the related parties:

#### (i) Year-end balances with related parties

As at 31 December 2019 and 2018, the balances are interest-free, unsecured and approximate their fair values. All these balances are repayable on demand.

### 31 關聯方交易(續)

截至二零一九年十二月三十一日止年度，本集團與關聯方進行以下交易：

#### (i) 與關聯方的年末結餘

於二零一九年及二零一八年十二月三十一日，結餘乃免息、無抵押及與其公允值相若。所有該等結餘均須於要求時償還。

	2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Other payables – non-trade (Note 15):		
– Entities controlled by Mr. Zhang or a shareholder/close family members of Mr. Zhang	12,899	13,023
– A director of a subsidiary	17,967	20,785
	<b>30,866</b>	33,808



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 31 Related party transactions (Continued)

#### (ii) Guarantee by the shareholders and related parties

As at 31 December 2019, certain borrowings totaling RMB2,601,530,000 (2018: RMB2,885,105,000) are secured by certain shareholders and the controlling entities of certain shareholders.

#### (iii) Borrowings from a director of a subsidiary

As at 31 December 2019, no security-free and interest-free borrowings were provided by a director of a subsidiary (2018: Nil) for working capital purposes.

#### (iv) Borrowings from related parties

As at 31 December 2019, certain related parties provided security-free facilities up to USD250,000,000 (2018: USD250,000,000), RMB40,000,000 (2018: RMB40,000,000) (totalling equivalent to approximately RMB1,780,800,000 (2018: RMB1,807,192,000)) for use by the Group for working capital purposes.

#### (v) Key management compensation

Key management includes directors. Details of key management compensation are disclosed in Note 25.

### 31 關聯方交易(續)

#### (ii) 股東及關聯方提供的擔保

於二零一九年十二月三十一日，若干借款合共人民幣2,601,530,000元(二零一八年：人民幣2,885,105,000元)由若干股東及其控股實體提供擔保。

#### (iii) 附屬公司董事的借款

於二零一九年十二月三十一日，附屬公司董事並無提供無抵押及免息借款(二零一八年：零)作營運資金用途。

#### (iv) 關聯方的借款

於二零一九年十二月三十一日，若干關聯方提供無抵押融資最多250,000,000美元(二零一八年：250,000,000美元)、人民幣40,000,000元(二零一八年：人民幣40,000,000元)(合共相當於約人民幣1,780,800,000元(二零一八年：人民幣1,807,192,000元))供本集團作營運資金用途。

#### (v) 關鍵管理層薪酬

關鍵管理層包括董事。關鍵管理層薪酬的詳情於附註25披露。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32 Particulars of principal subsidiaries

(a) As at 31 December 2019, the Company has direct and indirect interests in the following subsidiary:

### 32 主要附屬公司詳情

(a) 於二零一九年十二月三十一日，本公司於以下附屬公司擁有直接及間接權益：

Name 名稱	Place of incorporation/ establishment 註冊成立/ 成立地點	Date of incorporation/ establishment 註冊成立/ 成立日期	Type of legal entity 法定實體類型	Principal activities and place of operation 主要業務及營運地點	Issued/ paid-in capital 已發行/ 繳足股本	Equity interest attributable to the Group	
						2019 二零一九年	2018 二零一八年
Rongsheng Capital Limited <sup>#</sup> 熔盛資本有限公司 <sup>#</sup>	Cayman Islands 開曼群島	14 Jul 2010 二零一零年七月十四日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	HKD10 10港元	100%	100%
Ocean Sino Holdings Limited	British Virgin Islands 英屬處女群島	18 Jan 2010 二零一零年一月十八日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	USD1 1美元	100%	100%
Capital Sign International Limited	British Virgin Islands 英屬處女群島	26 Mar 2009 二零零九年三月二十六日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	USD1 1美元	100%	100%
Dragon Courage Investments Limited	British Virgin Islands 英屬處女群島	2 Apr 2009 二零零九年四月二日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	USD1 1美元	100%	100%
Glory Source Limited 源鴻有限公司	Hong Kong 香港	25 Jan 2010 二零一零年一月二十五日	Limited liability company 有限公司	Dormant 暫無營業	HKD1 1港元	100%	100%
World Profit Corporation Limited 寰利有限公司	Hong Kong 香港	5 Feb 2010 二零一零年二月五日	Limited liability company 有限公司	Dormant 暫無營業	HKD1 1港元	100%	100%
Radiant Business Global Limited 盛業環球有限公司	British Virgin Islands 英屬處女群島	3 Sep 2014 二零一四年九月三日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	USD1 1美元	100%	100%
КыргызжерНефтегаз "Kyrgyzjer Neftegaz Limited Liability Company" 吉爾吉斯大陸油氣有限公司*	Kyrgyzstan 吉爾吉斯	13 Aug 2013 二零一三年八月十三日	Limited liability company 有限公司	Oil and gas exploration and production and sales of petroleum product; Kyrgyzstan 石油及天然氣勘探及生產 以及石油產品銷售；吉 爾吉斯	KGS100,000 吉爾吉斯索姆 100,000元	60%	60%
Crown Winner Investment Limited 捷冠投資有限公司	Hong Kong 香港	8 Nov 2013 二零一三年十一月八日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	HKD10,000 10,000港元	60%	60%

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32 Particulars of principal subsidiaries 32 主要附屬公司詳情(續)

(Continued)

(a) As at 31 December 2019, the Company has direct and indirect interests in the following subsidiary: (Continued)

(a) 於二零一九年十二月三十一日，本公司於以下附屬公司擁有直接及間接權益：  
(續)

Name	Place of incorporation/ establishment	Date of incorporation/ establishment	Type of legal entity	Principal activities and place of operation	Issued/paid-in capital	Equity interest attributable to the Group	
名稱	註冊成立/成立地點	註冊成立/成立日期	法定實體類型	主要業務及營運地點	已發行/繳足股本	2019	2018
						二零一九年	二零一八年
Central Point Worldwide Inc.	British Virgin Islands 英屬處女群島	19 Jun 2014 二零一四年六月十九日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	USD100 100美元	60%	60%
Huarong Energy Australia Pty Limited	Australia 澳洲	14 Nov 2018 二零一八年十一月十四日	Limited liability company 有限公司	Investment holding; Australia 投資控股；澳洲	AUD 1,000 1,000澳元	100%	100%
Greatest Time Limited	British Virgin Islands 英屬處女群島	28 Sep 2018 二零一八年九月二十八日	Limited liability company 有限公司	Investment holding; Australia 投資控股；澳洲	USD50,000 50,000美元	100%	100%
Xinjiang Huarong Haijia Energy Co., Ltd 新疆華榮海嘉能源有限公司*	PRC 中國	4 May 2018 二零一八年五月四日	Limited liability company 有限公司	Oil and gas exploration and production and sales of petroleum product; PRC 石油及天然氣勘探及生產以及石油產品銷售；中國	USD1,050,000 1,050,000美元	100%	100%
Archewell Enterprise (HK) Limited 聯源企業(香港)有限公司	Hong Kong 香港	22 Jul 2019 二零一九年七月二十二日	Limited liability company 有限公司	Commodity trading; Hong Kong 商品交易；香港	HKD1 1港元	100%	-
Shanghai Huijiu Energy Technology Limited 上海匯玖能源科技有限公司	PRC 中國	24 Jun 2019 二零一九年六月二十四日	Limited liability company 有限公司	Commodity trading; China 商品交易；中國	USD100,000 100,000美元	100%	-
Ocean Power International Industrial Limited 海裕國際實業有限公司	Hong Kong 香港	28 Jan 2010 二零一零年一月二十八日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	HKD1 1港元	100%	100%
Ocean China Investments Limited 國洋船務(國際)有限公司	Hong Kong 香港	12 Jan 2018 二零一八年一月十二日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	HKD1 1港元	100%	100%
Fancy Asia Limited 豐尚有限公司	Hong Kong 中國	21 Mar 2018 二零一八年三月二十一日	Limited liability company 有限公司	Investment holding; Hong Kong 投資控股；香港	HKD1 1港元	100%	100%

# Shares held directly by the Company

# 股份由本公司直接持有

\* For identification purpose only

\* 僅供識別

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32 Particulars of principal subsidiaries 32 主要附屬公司詳情(續)

(Continued)

#### (b) Summarised financial information on a subsidiary with material non-controlling interests

##### (i) *Kyrgyzjer Neftegaz Limited Liability Company*

Summarised statement of financial position

#### (b) 擁有重大非控股權益的附屬公司的財務資料摘要

##### (i) 吉爾吉斯大陸油氣有限公司

財務狀況表概要

		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元
Current	流動		
Assets	資產	<b>22,776</b>	9,200
Liabilities	負債	<b>(2,572,331)</b>	(2,745,065)
Net current liabilities	流動負債淨額	<b>(2,549,555)</b>	(2,735,865)
Non-current	非流動		
Assets	資產	<b>2,283,064</b>	2,449,610
Liabilities	負債	-	(8,600)
Net non-current assets	非流動資產淨額	<b>2,283,064</b>	2,441,010
Net liabilities	負債淨值	<b>(266,491)</b>	(294,855)

The information above is the amount before inter-company eliminations.

上述資料為公司間對銷前的金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32 Particulars of principal subsidiaries

(Continued)

#### (b) Summarised financial information on a subsidiary with material non-controlling interests (Continued)

##### (i) *Kyrgyzjer Neftegaz Limited Liability Company* (Continued)

Summarised statement of comprehensive income

### 32 主要附屬公司詳情(續)

#### (b) 擁有重大非控股權益的附屬公司的財務資料摘要(續)

##### (i) 吉爾吉斯大陸油氣有限公司(續)

全面收益表概要

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Revenue	收益	<b>47,747</b>	48,995
Profit before income tax and total comprehensive income	除所得稅前利潤和全面收入總額	<b>28,364</b>	92,032
Total comprehensive income allocated to non-controlling interest	分配至非控股權益的全面收入總額	<b>4,354</b>	3,511

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32 Particulars of principal subsidiaries

(Continued)

#### (b) Summarised financial information on a subsidiary with material non-controlling interests (Continued)

##### (i) *Kyrgyzjer Neftegaz Limited Liability Company* (Continued)

Summarised cash flows

		For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Net cash used in operating activities	經營活動所用現金淨額	8,041	110,020
Net cash generated from investing activities	投資活動所得現金淨額	(5,598)	(121,341)
Net cash generated from financing activities	融資活動所得現金淨額	(688)	9,763
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	1,755	(1,558)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	693	2,251
Cash and cash equivalents at end of the year	年終現金及現金等價物	2,448	693

The information above is the amount before inter-company eliminations.

上述資料為公司間對銷前的金額。

### 32 主要附屬公司詳情(續)

#### (b) 擁有重大非控股權益的附屬公司的財務資料摘要(續)

##### (i) 吉爾吉斯大陸油氣有限公司(續)

現金流量概要

	For the year ended 31 December 2019 截至二零一九年 十二月三十一日 止年度 RMB'000 人民幣千元	For the year ended 31 December 2018 截至二零一八年 十二月三十一日 止年度 RMB'000 人民幣千元
Net cash used in operating activities	8,041	110,020
Net cash generated from investing activities	(5,598)	(121,341)
Net cash generated from financing activities	(688)	9,763
Net increase/(decrease) in cash and cash equivalents	1,755	(1,558)
Cash and cash equivalents at beginning of the year	693	2,251
Cash and cash equivalents at end of the year	2,448	693

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32 Particulars of principal subsidiaries 32 主要附屬公司詳情(續)

(Continued)

(b) Summarised financial information on a subsidiary with material non-controlling interests (Continued)

(iii) *The Disposal Group*

Summarised statement of financial position

(b) 擁有重大非控股權益的附屬公司的財務資料摘要(續)

(iii) *出售集團*

財務狀況表概要

2018  
二零一八年  
RMB'000  
人民幣千元

Current	流動	
Assets	資產	1,576,258
Liabilities	負債	(8,696,941)
Net current liabilities	流動負債淨額	(7,120,683)
Non-current	非流動	
Assets	資產	3,849,446
Liabilities	負債	-
Net non-current assets	非流動資產淨額	3,849,446
Net liabilities	負債淨值	(3,271,237)

The information above is the amount before inter-company eliminations.

上述資料為公司間對銷前的金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32 Particulars of principal subsidiaries 32 主要附屬公司詳情(續)

(Continued)

#### (b) Summarised financial information on a subsidiary with material non-controlling interests (Continued)

##### (ii) The Disposal Group (Continued)

Summarised statement of comprehensive income

#### (b) 擁有重大非控股權益的附屬公司的財務資料摘要(續)

##### (ii) 出售集團(續)

綜合收益表概要

For the year ended  
31 December  
2018  
截至二零一八年  
十二月三十一日  
止年度  
RMB'000  
人民幣千元

Revenue	收益	-
Loss before income tax	除所得稅前虧損	(1,180,171)
Income tax	所得稅	-
<b>Total comprehensive loss</b>	<b>全面虧損總額</b>	<b>(1,180,171)</b>
Total comprehensive loss allocated to non-controlling interest	分配至非控股權益的全面虧損總額	(45,348)
Dividends paid to non-controlling interests	派付予非控股權益的股息	-



# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 32 Particulars of principal subsidiaries 32 主要附屬公司詳情(續)

(Continued)

(b) Summarised financial information on a subsidiary with material non-controlling interests (Continued)

(ii) *The Disposal Group* (Continued)

Summarised cash flows

(b) 擁有重大非控股權益的附屬公司的財務資料摘要(續)

(ii) 出售集團(續)

現金流量概要

For the year ended  
31 December  
2018  
截至二零一八年  
十二月三十一日  
止年度  
RMB'000  
千港元

Net cash generated from in operating activities	經營活動所得現金淨額	(71,645)
Net cash generated from investing activities	投資活動所得現金淨額	63,953
Net cash generated from financing activities	融資活動所得現金淨額	-
Net decrease in cash and cash equivalents	現金及現金等價物減少淨額	(7,692)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	8,673
Cash and cash equivalents at end of the year	年終現金及現金等價物	981

The information above is the amount before inter-company eliminations.

上述資料為公司間對銷前的金額。

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 33 Statement of financial position and reserve movement of the Company

#### Statement of financial position of the Company

### 33 本公司的財務狀況表及儲備變動

本公司的財務狀況表

As at 31 December

於十二月三十一日

2019	2018
二零一九年	二零一八年
RMB'000	RMB'000
人民幣千元	人民幣千元

ASSETS	資產		
<b>Non-current assets</b>	<b>非流動資產</b>		
Investments in subsidiaries	於附屬公司的投資	<b>1,514,410</b>	1,514,410
<b>Current assets</b>	<b>流動資產</b>		
Other receivables and prepayments	其他應收款項及預付款項	<b>501</b>	3,086
Amounts due from subsidiaries	應收附屬公司款項	<b>141,221</b>	149,723
Cash and cash equivalents	現金及現金等價物	<b>35,238</b>	132
		<b>176,960</b>	152,941
<b>Total assets</b>	<b>總資產</b>	<b>1,691,370</b>	1,667,351
<b>DEFICIT</b>	<b>虧絀</b>		
<b>Capital and reserves attributable to the Company's equity holders</b>	<b>本公司權益持有人應佔資本及儲備</b>		
Ordinary shares	普通股	<b>2,021,534</b>	1,737,050
Convertible preference shares	可轉換優先股	<b>3,100,000</b>	3,100,000
Share premium	股份溢價	<b>8,374,605</b>	8,345,372
Other reserves (Note a)	其他儲備(附註a)	<b>18,099</b>	342,366
Accumulated losses (Note a)	累計虧損(附註a)	<b>(22,270,682)</b>	(15,836,917)
<b>Total deficit</b>	<b>總虧絀</b>	<b>(8,756,444)</b>	(2,312,129)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 33 Statement of financial position and reserve movement of the Company

(Continued)

Statement of financial position of the Company  
(Continued)

### 33 本公司的財務狀況表及儲備變動(續)

本公司的財務狀況表(續)

		As at 31 December	
		於十二月三十一日	
		2019	2018
		二零一九年	二零一八年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
<b>LIABILITIES</b>	<b>負債</b>		
<b>Non-current liabilities</b>	<b>非流動負債</b>		
Borrowings	借款	521,701	284,893
<b>Current liabilities</b>	<b>流動負債</b>		
Other payables	其他應付款項	383,952	407,593
Amounts due to subsidiaries	應付附屬公司款項	348,698	394,695
Borrowings	借款	2,648,319	2,885,105
Derivative financial instruments	衍生金融工具	-	7,194
Financial guarantee contracts	財務擔保合約	6,545,144	-
<b>Current liabilities</b>	<b>流動負債</b>	<b>9,926,113</b>	<b>3,694,587</b>
<b>Total liabilities</b>	<b>總負債</b>	<b>10,447,814</b>	<b>3,979,480</b>
<b>Total deficit and liabilities</b>	<b>總虧絀及負債</b>	<b>1,691,370</b>	<b>1,667,351</b>

The Company's statement of financial position was approved by the Board of Directors on 6 May 2020 and signed on its behalf by

本公司的財務狀況表經董事會於二零二零年五月六日批准並由下列人士代表董事會簽署

Chen Qiang

陳強

Director

董事

Hong Liang

洪樑

Director

董事

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 33 Statement of financial position and reserve movement of the Company

(Continued)

#### Statement of financial position of the Company

(Continued)

Note (a)

### 33 本公司的財務狀況表及儲備變動(續)

#### 本公司的財務狀況表(續)

附註(a)

		Other reserves 其他儲備	Share-based payment reserve 以股份為基礎 的支付儲備	Total	Accumulated losses	Total
		Capital reserve 資本儲備 RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
At 1 January 2018	於二零一八年一月一日	33	364,325	364,358	(2,178,887)	(1,814,529)
Loss and total comprehensive loss for the year	本年度虧損及全面虧損總額	-	-	-	(13,680,022)	(13,680,022)
Lapse of employee share options	僱員購股權失效	-	(21,992)	(21,992)	21,992	-
At 31 December 2018	於二零一八年十二月三十一日	33	342,333	342,366	(15,836,917)	(15,494,551)
Loss and total comprehensive loss for the year	本年度虧損及全面虧損總額	-	-	-	(6,758,032)	(6,758,032)
Lapse of employee share options	僱員購股權失效	-	-	-	-	-
Release of other reserves	其他儲備撥回	(33)	(324,234)	(324,267)	324,267	-
At 31 December 2019	於二零一九年十二月三十一日	-	18,099	18,099	(22,270,682)	(22,252,583)

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 綜合財務報表附註

### 34 Contingent Liabilities

As at 31 December 2019, we had contingent liabilities of RMB853.7 million (as at 31 December 2018: RMB7,329.8 million), which was resulted from financial guarantees provided by the Company to Disposal Group.

### 35 Subsequent event

Following the outbreak of Coronavirus Disease 2019 (“the COVID-19 outbreak”) in early 2020, a series of precautionary and control measures have been and continued to be implemented globally. Since the COVID-19 outbreak and global negotiation on oil supply, the oil prices have dropped significantly subsequent to year end.

In preparing this set of consolidated financial statements, the Group tested property, plant and equipment and intangible assets for impairment and no provision for impairment was made. In performing this assessment, the Group determined the value-in-use by estimating the present value of future cash flows of the energy exploration and production segment based on the conditions as at 31 December 2019. In the impairment test on property, plant and equipment and intangible assets to be performed in 2020, COVID-19 outbreak and its impact on the present value of estimated future cash flows will be considered. As at 31 December 2019, the carrying values of property, plant and equipment and intangible assets are RMB598,369,000 and RMB1,686,779,000 respectively.

Up to the date on which this set of financial statements were authorised for issue, the Group is still in the process of assessing the impacts of the COVID-19 outbreak on the Group’s performance in 2020 and is currently unable to estimate the quantitative impacts to the Group.

### 34 或然負債

於二零一九年十二月三十一日，我們有或然負債人民幣853.7百萬元(於二零一八年十二月三十一日：人民幣7,329.8百萬元)，此乃由於本公司向出售集團提供財務擔保所致。

### 35 期後事項

自二零二年初爆發二零一九年冠狀病毒(「COVID-19疫情」)以來，全球範圍內已經並繼續實施一系列預防及控制措施。自COVID-19疫情及全球石油供應談判以來，石油價格已由年底之後大幅下降。

編製本套綜合財務報表時，本集團對物業、廠房及設備以及無形資產進行了減值測試，未計提減值撥備。進行評估時，本集團根據截至二零一九年十二月三十一日的情況估計能源勘探及生產板塊的未來現金流量的現值從而釐定其使用價值。將於二零二零年進行的物業、廠房及設備以及無形資產的減值測試中，將計及COVID-19疫情及其對估計未來現金流量現值的影響。於二零一九年十二月三十一日，物業、廠房及設備以及無形資產的賬面值分別為人民幣598,369,000元及人民幣1,686,779,000元。

截至本套財務報表獲授權刊發之日，本集團仍在評估COVID-19疫情對本集團二零二零年業績的影響，目前尚無法估計其對本集團的量化影響。

# FIVE-YEAR FINANCIAL SUMMARY

## 五年財務概要

### Consolidated results

#### 綜合業績

		Year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元 [Restated] (重列)	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Revenue	收入	47,747	48,956	45,207*	(4,118,791)	738,465
Gross profit/(loss)	毛利潤/(虧損)	13,067	14,929	10,729*	(4,586,648)	(1,476,696)
Operating (loss)/profit	經營(虧損)/利潤	(51,765)	579,222	(870,464)*	(1,172,801)	(4,988,872)
Total comprehensive income/(loss) for the year	年度全面收益/(虧損)	134,906	(195,720)	(2,028,226)	(3,567,527)	(7,053,447)
Continuing Operations	持續經營業務	575,364	2,287,442	(1,024,278)		
Discontinued Operations	已終止業務	(440,458)	(2,483,162)	(1,003,948)		
Attributable to:	歸屬於:					
Equity holders of the Company	本公司權益持有人	160,282	(74,521)	(1,977,658)	(3,454,849)	(6,448,325)
Non-controlling interests	非控股權益	(25,376)	(121,199)	(50,568)	(112,678)	(605,122)

### Consolidated assets and liabilities

#### 綜合資產與負債

		As at 31 December 於十二月三十一日				
		2019 二零一九年 RMB'000 人民幣千元	2018 二零一八年 RMB'000 人民幣千元	2017 二零一七年 RMB'000 人民幣千元	2016 二零一六年 RMB'000 人民幣千元	2015 二零一五年 RMB'000 人民幣千元
Total assets	總資產	2,348,984	24,900,742	22,506,238	23,312,124	24,652,068
Non-current assets	非流動資產	2,285,148	2,450,716	21,378,876	22,060,123	22,520,473
Current assets	流動資產	63,836	22,450,026	1,127,362	1,252,001	2,131,595
Total liabilities	總負債	10,912,489	34,530,868	33,752,593	32,575,882	30,355,040
Non-current liabilities	非流動負債	937,125	754,638	208,445	30,003	459,607
Current liabilities	流動負債	9,975,364	33,776,230	33,544,148	32,545,879	29,895,433
Total deficit	總虧絀	(8,563,505)	(9,630,126)	(11,246,355)	(9,263,758)	(5,702,972)

\* On 9 October 2018, the Group announced the disposal of its Shipbuilding and Engineering Business. The Shipbuilding and Engineering Business is classified as Discontinued Operations. Comparative figures for the year ended 31 December 2017 were restated accordingly.

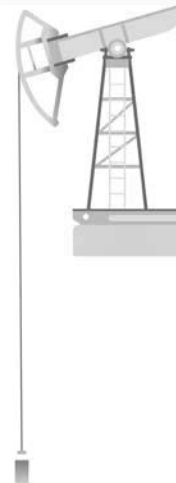
\* 於二零一八年十月九日，本集團宣佈出售其造船及工程業務。造船及工程業務分類為已終止業務。截至二零一七年十二月三十一日止年度的比較數字已相應重列。

# GLOSSARY

## 詞彙表

<p>“2020 AGM” 「二零二零年股東週年大會」</p>	<p>指</p>	<p>the annual general meeting of the Company to be held on Tuesday, 23 June 2020 本公司將於二零二零年六月二十三日(星期二)舉行的股東週年大會</p>
<p>“Articles of Association” 「細則」</p>	<p>指</p>	<p>the amended and restated articles of association of the Company adopted by special resolution passed on 24 October 2010 which became effective upon the Company’s listing on the Hong Kong Stock Exchange, as amended from time to time 本公司經修訂及重訂的組織章程細則(於二零一零年十月二十四日通過特別決議案採納並於本公司在香港聯交所上市後生效)，及其經不時之修訂</p>
<p>“bbl” 「桶」</p>	<p>指</p>	<p>barrels 桶</p>
<p>“Board” 「董事會」</p>	<p>指</p>	<p>the board of Directors of our Company 本公司的董事會</p>
<p>“China” or “PRC” 「中國」</p>	<p>指</p>	<p>the People’s Republic of China excluding, for the purposes of this annual report, Hong Kong, Macau and Taiwan 中華人民共和國，就本年度報告而言，不包括香港、澳門及台灣</p>
<p>“Company”, “our Company” or “Huarong Energy” 「公司」、「本公司」或「華榮能源」</p>	<p>指</p>	<p>China Huarong Energy Company Limited (中國華榮能源股份有限公司) (formerly known as China Rongsheng Heavy Industries Group Holdings Limited (中國熔盛重工集團控股有限公司)), a company incorporated as an exempted company with limited liability in the Cayman Islands on 3 February 2010 中國華榮能源股份有限公司(前稱中國熔盛重工集團控股有限公司)，一家於二零一零年二月三日在開曼群島註冊成立為獲豁免的有限公司</p>
<p>“Consolidated Share(s)” or “Share(s)” 「合併股份」或「股份」</p>	<p>指</p>	<p>ordinary share(s) of HKD0.50 each in the share capital of the Company upon the Share Consolidation becoming effective on 29 March 2016 股份合併於二零一六年三月二十九日生效後本公司股本中每股面值0.50港元之普通股</p>
<p>“Director(s)” 「董事」</p>	<p>指</p>	<p>director(s) of our Company 本公司的董事</p>
<p>“Disposal Group” 「出售集團」</p>	<p>指</p>	<p>Able Diligent Limited together with its subsidiaries engaging in the Shipbuilding and Engineering Business Able Diligent Limited及其從事造船工程業務之附屬公司</p>

## GLOSSARY 詞彙表



<p>“Foreign Investment Industries Catalogue” 「外商投資產業指導目錄」</p>	<p>指</p>	<p>the Catalogue for the Guidance of Foreign investment industries (外商投資產業指導目錄) (promulgated by the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會) and the Ministry of Commerce of the PRC (中華人民共和國商務部) on 31 October 2007) which became effective on 1 December 2007 於二零零七年十二月一日生效的外商投資產業指導目錄(中華人民共和國國家發展和改革委員會及中華人民共和國商務部於二零零七年十月三十一日頒佈)</p>
<p>“Group”, “our Group”, “we” or “us” 「集團」、「本集團」或「我們」</p>	<p>指</p>	<p>the Company and its subsidiaries or any of them or, where the context so requires, in respect of the period before the Company became the holding company of its present subsidiaries, the present subsidiaries of the Company 本公司及其附屬公司或其中任何一方，或倘文義所需，就本公司成為其現有附屬公司的控股公司之前期間而言，指本公司現有的附屬公司</p>
<p>“HKD” 「港元」</p>	<p>指</p>	<p>Hong Kong dollars, the lawful currency of Hong Kong 香港法定貨幣港元</p>
<p>“Hong Kong” 「香港」</p>	<p>指</p>	<p>the Hong Kong Special Administrative Region of China 中國香港特別行政區</p>
<p>“Hong Kong Stock Exchange” or “Stock Exchange” 「香港聯交所」或「聯交所」</p>	<p>指</p>	<p>The Stock Exchange of Hong Kong Limited 香港聯合交易所有限公司</p>
<p>“Kyrgyzstan” or “Kyrgyz” 「吉爾吉斯斯坦」或「吉爾吉斯」</p>	<p>指</p>	<p>the Kyrgyz Republic (a Country in Central Asia) 吉爾吉斯共和國(中亞的一個國家)</p>
<p>“Listing” 「上市」</p>	<p>指</p>	<p>the listing of the ordinary shares of HKD0.10 each of the Company on the Main Board of the Hong Kong Stock Exchange 本公司每股面值0.10港元的普通股股份於香港聯交所主板上市</p>
<p>“Listing Date” 「上市日期」</p>	<p>指</p>	<p>19 November 2010, being the date on which the ordinary shares of HKD0.10 each of the Company are listed on the Main Board of the Hong Kong Stock Exchange 二零一零年十一月十九日，本公司每股面值0.10港元的普通股股份於香港聯交所主板上市日期</p>
<p>“Listing Rules” 「上市規則」</p>	<p>指</p>	<p>the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended and supplemented from time to time 香港聯合交易所有限公司證券上市規則，經不時修訂及補充</p>

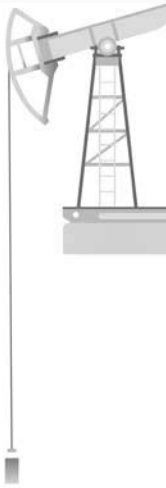


# GLOSSARY

## 詞彙表

<p>“Pre-IPO Share Option Scheme” [首次公開發售前購股權計劃]</p>	指	<p>the pre-IPO share option scheme conditionally approved and adopted by our Company pursuant to a resolution passed by our Shareholders on 24 October 2010</p> <p>根據股東於二零一零年十月二十四日通過的決議，本公司有條件批准並採納的首次公開發售前購股權計劃</p>
<p>“RMB” or “Renminbi” [人民幣]</p>	指	<p>the lawful currency of the PRC</p> <p>中國法定貨幣</p>
<p>“Rong An Power Machinery” [熔安動力機械]</p>	指	<p>Hefei Rong An Power Machinery Co., Ltd. (合肥熔安動力機械有限公司), a company established under the laws of the PRC on 15 August 2007, and our non-wholly owned subsidiary</p> <p>合肥熔安動力機械有限公司，一家於二零零七年八月十五日根據中國法律成立的公司，為本公司的非全資附屬公司</p>
<p>“Rongye Mechanical” [熔燁機電]</p>	指	<p>Nantong Rongye Ship Mechanical and Electrical Equipment Installation Co., Ltd (南通熔燁船舶機電安裝有限公司), a company established under the laws of the PRC on 21 June 2007, and owned by us as to 95% and owned by Rongsheng Investment as to 5%, now renamed as Nantong Rongye Mechanical and Equipment Co., Ltd (南通熔燁機電設備有限公司)</p> <p>南通熔燁船舶機電安裝有限公司，一家於二零零七年六月二十一日根據中國法律成立的公司，並由我們擁有95%權益及熔盛投資擁有5%權益，現稱為南通熔燁機電設備有限公司</p>
<p>“Rongsheng Heavy Industries” or “Jiangsu Rongsheng Heavy Industries” [熔盛重工]或[江蘇熔盛重工]</p>	指	<p>Jiangsu Rongsheng Heavy Industries Co., Ltd. (江蘇熔盛重工有限公司), a company established under the laws of the PRC on 8 June 2006 and a company owned by Rongsheng Heavy Industries Holdings as to 97.85% and Rongsheng Investment as to 2.15%</p> <p>江蘇熔盛重工有限公司，一家於二零零六年六月八日根據中國法律成立的公司，由熔盛重工控股及熔盛投資分別擁有97.85%及2.15%權益</p>
<p>“Rongsheng Heavy Industries Holdings” [熔盛重工控股]</p>	指	<p>Rongsheng Heavy Industries Holdings Limited (熔盛重工控股有限公司), a company incorporated in the Cayman Islands with limited liability on 27 July 2007 and owned by the Company as to 98.50%</p> <p>熔盛重工控股有限公司，一家於二零零七年七月二十七日在開曼群島註冊成立的有限公司，由本公司擁有98.50%的權益</p>
<p>“Rongsheng Investment” or “Xuming Investment” [熔盛投資]或[旭明投資]</p>	指	<p>Jiangsu Rongsheng Investment Group Co., Ltd. (江蘇熔盛投資集團有限公司), a company established under the laws of the PRC on 12 February 2004 and ultimately controlled by Mr. Zhang, renamed as Jiangsu Xuming Investment Group Co., Ltd. (江蘇旭明投資集團有限公司)</p> <p>江蘇熔盛投資集團有限公司，一家於二零零四年二月十二日根據中國法律成立的公司，並由張先生最終控制，現稱為江蘇旭明投資集團有限公司</p>

## GLOSSARY 詞彙表



“Rongsheng Shipbuilding” 「熔盛造船」	指	Jiangsu Rongsheng Shipbuilding Co., Ltd. (江蘇熔盛造船有限公司), a company established under the laws of the PRC on 21 June 2007 and owned by Rongsheng Heavy Industries as to 49% and Rongsheng Investment as to 51% and a non-wholly owned subsidiary of the Company 江蘇熔盛造船有限公司，一家於二零零七年六月二十一日根據中國法律成立的公司，由熔盛重工及熔盛投資分別擁有49%及51%權益，為本公司的非全資附屬公司
“SFO” 「證券及期貨條例」	指	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended and supplemented from time to time 香港法例第571章證券及期貨條例(經不時修訂及補充)
“Share Consolidation” 「股份合併」	指	with effect from 29 March 2016, the consolidation of every five issued and unissued shares of HKD0.10 each in the existing share capital of the Company into one Consolidated Share of HKD0.50 each 本公司現有股本中每五股每股面值0.10港元之已發行及未發行股份合併為一股每股面值0.50港元之合併股份，並於二零一六年三月二十九日起生效
“Share Option Scheme” 「購股權計劃」	指	the share option scheme we conditionally adopted pursuant to a resolution passed by our Shareholders on 24 October 2010 我們根據我們的股東於二零一零年十月二十四日通過的決議案有條件採納的購股權計劃
“USD” 「美元」	指	United States dollars, the lawful currency of the United States 美國法定貨幣美元

# INFORMATION FOR SHAREHOLDERS

## 股東資訊

### Listing Information

Listing : Hong Kong Stock Exchange  
Stock Code : 01101

### Principal Share Registrar and Transfer Agent

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive,  
P.O. Box 2681, Grand Cayman,  
KY1 - 1111, Cayman Islands

### Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712 - 1716, 17th Floor,  
Hopewell Centre,  
183 Queen's Road East,  
Wanchai, Hong Kong  
Tel : (852) 2862-8628  
Email : hkinfo@computershare.com.hk

### Registered Office

Cricket Square, Hutchins Drive,  
P.O. Box 2681, Grand Cayman,  
KY1 - 1111, Cayman Islands

### Principal Place of Business and Headquarters

Room 2201, 22nd Floor,  
China Evergrande Centre,  
38 Gloucester Road,  
Wanchai, Hong Kong

### Contact Enquiries

Investor Relations  
Tel : (852) 3900-1888  
Email : ir@rshi.cn  
Website : www.huarongenergy.com.hk

### 上市資料

上市交易所 : 香港聯交所  
股份代號 : 01101

### 股份過戶登記總處

Conyers Trust Company (Cayman) Limited  
Cricket Square, Hutchins Drive,  
P.O. Box 2681, Grand Cayman,  
KY1 - 1111, Cayman Islands

### 香港證券登記處

香港中央證券登記有限公司  
香港灣仔  
皇后大道東183號  
合和中心  
17樓1712-1716室  
電話 : (852) 2862-8628  
電郵 : hkinfo@computershare.com.hk

### 註冊辦事處

Cricket Square, Hutchins Drive,  
P.O. Box 2681, Grand Cayman,  
KY1 - 1111, Cayman Islands

### 主要營業地點及總部

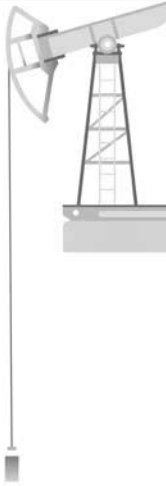
香港灣仔告士打道38號  
中國恆大中心  
22樓2201室

### 聯絡查詢

投資者關係  
電話 : (852) 3900-1888  
電郵 : ir@rshi.cn  
網站 : www.huarongenergy.com.hk

# CORPORATE INFORMATION

## 公司資料



### Executive Directors

CHEN Qiang (*Chairman and Chief Executive Officer*)  
HONG Liang (*Chief Operating Officer*)  
ZHU Wen Hua  
Niu Jianmin

### Independent Non-executive Directors

WANG Jin Lian  
ZHOU Zhan  
LAM Cheung Mau

### Audit Committee

ZHOU Zhan (*Chairman*)  
WANG Jin Lian  
LAM Cheung Mau

### Corporate Governance Committee

WANG Jin Lian (*Chairman*)  
CHEN Qiang  
LAM Cheung Mau

### Nomination Committee

WANG Jin Lian (*Chairman*)  
ZHU Wen Hua  
ZHOU Zhan

### Remuneration Committee

ZHOU Zhan (*Chairman*)  
CHEN Qiang  
WANG Jin Lian

### Finance and Investment Committee

CHEN Qiang (*Chairman*)  
HONG Liang  
WANG Jin Lian  
ZHOU Zhan

### Company Secretary

LEUNG Yin Fai

### 執行董事

陳強(*主席兼首席執行官*)  
洪樑(*首席營運官*)  
朱文花  
牛建民

### 獨立非執行董事

王錦連  
周展  
林長茂

### 審核委員會

周展(*主席*)  
王錦連  
林長茂

### 企業管治委員會

王錦連(*主席*)  
陳強  
林長茂

### 提名委員會

王錦連(*主席*)  
朱文花  
周展

### 薪酬委員會

周展(*主席*)  
陳強  
王錦連

### 財務及投資委員會

陳強(*主席*)  
洪樑  
王錦連  
周展

### 公司秘書

梁燕輝

# CORPORATE INFORMATION

## 公司資料

### Auditor

PricewaterhouseCoopers  
Certified Public Accountants and Registered Public Interest  
Entity Auditor

### Legal Advisors

Paul Hastings  
Commerce & Finance Law Offices

### Company Website

<http://www.huarongenergy.com.hk>

### 核數師

羅兵咸永道會計師事務所  
註冊會計師和註冊公眾利益實體核數師

### 法律顧問

普衡律師事務所  
通商律師事務所

### 公司網址

<http://www.huarongenergy.com.hk>



CHINA HUARONG ENERGY  
COMPANY LIMITED  
中國華榮能源股份有限公司