



MIE HOLDINGS CORPORATION

MI 能源控股有限公司

(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: 1555)

2019

Annual Report

年報



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Company Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Zhang Ruilin (*Chairman*)

Mr. Zhao Jiangwei

Mr. Wang Xiong

(appointed with effect from August 9, 2019 and resigned with effect from November 11, 2019)

Mr. Mei Liming

(appointed with effect from November 11, 2019 and resigned with effect from June 18, 2020)

Non-executive Directors

Ms. Xie Na

Mr. Jiao Qisen

(resigned with effect from January 16, 2019)

Independent Non-executive Directors

Mr. Mei Jianping

Mr. Jeffrey Willard Miller

Mr. Guo Yanjun

REGISTERED ADDRESS

Maples Corporate Services Limited

P.O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

BEIJING OFFICE

Suite 1501, Block C

Grand Place

5 Hui Zhong Road

Chaoyang District

Beijing 100101

China

董事會

執行董事

張芮霖先生(主席)

趙江巍先生

王雄先生

*(於二零一九年八月九日獲委任並
於二零一九年十一月十一日辭任)*

梅黎明先生

*(於二零一九年十一月十一日獲委任
並於二零二零年六月十八日辭任)*

非執行董事

謝娜女士

焦祺森先生

(於二零一九年一月十六日辭任)

獨立非執行董事

梅建平先生

Jeffrey Willard Miller 先生

郭燕軍先生

註冊地址

Maples Corporate Services Limited

P. O. Box 309

Ugland House

Grand Cayman KY1-1104

Cayman Islands

香港主要營業地點

香港

皇后大道東183號

合和中心54樓

北京辦公室

中國北京朝陽區

慧忠路5號

遠大中心C座1501室

郵編100101

Company Information (Continued)

公司資料(續)

LISTING INFORMATION

Stock Listing

The Stock Exchange of Hong Kong Limited
Stock Code: 01555

Senior Notes Listing

The Company's 7.5%, 5 years senior notes due 2019 listed on the Singapore Exchange Securities Trading Limited (repaid in full on April 25, 2019)

The Company's 13.75%, 3 years senior notes due 2022 listed on the Singapore Exchange Securities Trading Limited

WEBSITE ADDRESS

www.mienergy.com.cn

COMPANY SECRETARY

Ms. Wong Sau Mei (ACS, ACIS)
(resigned with effect from April 23, 2019)

Ms. Chan Wing Sze (ACS, ACIS)
(appointed with effect from April 23, 2019 and resigned with effect from January 15, 2020)

Ms. Yuen Wing Yan, Winnie (FCS, FCIS)
(appointed with effect from January 15, 2020)

AUTHORIZED REPRESENTATIVES

Mr. Zhang Ruilin

Ms. Wong Sau Mei (ACS, ACIS)
(resigned with effect from April 23, 2019)

Ms. Chan Wing Sze (ACS, ACIS)
(appointed with effect from April 23, 2019 and resigned with effect from January 15, 2020)

Ms. Yuen Wing Yan, Winnie (FCS, FCIS)
(appointed with effect from January 15, 2020)

MEMBERS OF AUDIT COMMITTEE

Mr. Jeffrey Willard Miller (Chairman)

Mr. Mei Jianping

Mr. Guo Yanjun

MEMBERS OF REMUNERATION COMMITTEE

Mr. Mei Jianping (Chairman)

Mr. Jeffrey Willard Miller

Mr. Guo Yanjun

上市資料

股份上市

香港聯合交易所有限公司
股份代號：01555

優先票據上市

本公司年息7.5%，於二零一九年到期為期5年的優先票據於新加坡證券交易所有限公司上市（已於二零一九年四月二十五日全部償還）

本公司年息13.75%，於二零二二年到期為期3年的優先票據於新加坡證券交易所有限公司上市

公司網址

www.mienergy.com.cn

公司秘書

黃秀美女士(ACS, ACIS)
(於二零一九年四月二十三日辭任)

陳穎詩女士(ACS, ACIS)
(於二零一九年四月二十三日獲委任並於二零二零年一月十五日辭任)

袁穎欣女士(FCS, FCIS)
(於二零二零年一月十五日獲委任)

授權代表

張芮霖先生

黃秀美女士(ACS, ACIS)
(於二零一九年四月二十三日辭任)

陳穎詩女士(ACS, ACIS)
(於二零一九年四月二十三日獲委任並於二零二零年一月十五日辭任)

袁穎欣女士(FCS, FCIS)
(於二零二零年一月十五日獲委任)

審核委員會成員

Jeffrey Willard Miller 先生(主席)

梅建平先生

郭燕軍先生

薪酬委員會成員

梅建平先生(主席)

Jeffrey Willard Miller 先生

郭燕軍先生

Company Information (Continued)

公司資料(續)

MEMBERS OF NOMINATION COMMITTEE

Mr. Mei Jianping (*Chairman*)
Mr. Jeffrey Willard Miller
Mr. Guo Yanjun

INDEPENDENT TECHNICAL CONSULTANT

Ryder Scott Company, L.P.
Sproule Associates Limited
Gaffney, Cline & Associates Limited

INDEPENDENT AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22nd Floor, Prince's Building
Central
Hong Kong

LEGAL ADVISERS TO THE COMPANY

Ashurst (As to New York Law)
Dechert (As to Hong Kong law)
Jingtian & Gongcheng Law Firm (As to PRC law)
Maples and Calder (As to Cayman Islands law)

PRINCIPAL BANKERS

Citibank, N.A.
China Construction Bank Corporation Limited
Canadian Imperial Bank of Commerce

VALUER

Asia-Pacific Consulting and Appraisal Limited
KPMG LLP

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Maples FS Limited
P.O. Box 1093, Queensgate House
Grand Cayman
KY1-1102
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong
(with effect from July 11, 2019)

提名委員會成員

梅建平先生(主席)
Jeffrey Willard Miller 先生
郭燕軍先生

獨立技術顧問

Ryder Scott Company, L.P.
Sproule Associates Limited
Gaffney, Cline & Associates Limited

獨立核數師

羅兵咸永道會計師事務所
執業會計師
註冊公眾利益實體審計師
香港
中環
太子大廈22樓

本公司法律顧問

亞司特律師事務所(紐約州法律)
德杰律師事務所(香港法律)
競天公誠律師事務所(中國法律)
Maples and Calder (開曼群島法律)

主要往來銀行

花旗銀行
中國建設銀行股份有限公司
加拿大帝國商業銀行

估值師

亞太評估諮詢有限公司,
畢馬威會計師事務所

開曼群島主要股份過戶登記處

Maples FS Limited
P. O. Box 1093, Queensgate House
Grand Cayman
KY1-1102
Cayman Islands

香港股份過戶登記分處

卓佳證券登記有限公司
香港
皇后大道東183號
合和中心54樓
(於二零一九年七月十一日生效)

Financial Summary

財務摘要

(Amounts expressed in thousands of RMB)

(所有金額均以人民幣千元為單位)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (AUDITED)

Year ended December 31

合併綜合收益表(經審核)

截至十二月三十一日止年度

		2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年
Revenue	總收益	722,185	534,974	657,365	789,704	756,094
Finance (costs)/income, net	財務(費用)/收益·淨值	(421,774)	(386,461)	9,695	(591,749)	(563,285)
Loss before income tax	除所得稅前虧損	(1,467,259)	(457,981)	(842,566)	(784,960)	(1,398,673)
Income tax credit/(expense)	所得稅收益/(費用)	121,118	(147,166)	(105,485)	(47,412)	(62,453)
(Loss)/profit for the year from discontinued operations	本年終止經營所得(虧損)/利潤	(179,147)	(717,086)	(151,425)	(363,463)	332,177
Loss for the year	本年虧損	(1,525,288)	(1,322,233)	(1,099,476)	(1,195,835)	(1,128,949)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (AUDITED)

As at December 31

合併財務狀況表(經審核)

於十二月三十一日

		2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年
Current assets	流動資產	1,033,667	2,260,010	1,833,381	753,086	208,704
Assets of disposal group classified as held for sale	持有待售的處置組的資產	-	-	-	5,105,887	-
Property, plant and equipment	不動產·工廠及設備	5,633,576	2,407,958	7,719,859	1,798,839	1,678,414
Right-of-use assets	使用權資產	-	-	-	-	11,839
Intangible assets	無形資產	359,595	8,849	708,193	137,351	94,025
Investments in associates	聯營企業投資	-	246,667	182,541	-	-
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產	-	-	-	46,458	43,754
Prepayments, deposits and other receivables	預付款·保證金及其他應收款	497,878	820,224	727,966	357,212	385,363
Restricted cash	受限制現金	8,495	-	43,285	45,465	-
Total assets	資產總值	8,090,105	5,847,628	11,308,343	8,244,899	2,422,915
Current liabilities	流動負債	1,191,754	479,915	2,747,026	3,359,474	3,050,791
Liabilities of disposal group classified as held for sale	持有待售的處置組的負債	-	-	-	4,533,584	-
Non-current liabilities	非流動負債	4,687,355	4,727,926	8,829,778	2,043,858	2,116,256
Total liabilities	負債總額	5,879,109	5,207,841	11,576,804	9,936,916	5,167,047
Equity	權益	2,210,996	639,787	(268,461)	(1,692,017)	(2,744,132)

Operating Summary

營運摘要

		2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年	2019 二零一九年
Properties Held by Subsidiaries	附屬公司所持資產					
Sales volume	銷量					
Crude oil (millions of barrels)	原油 (百萬桶)	3.55	3.24	2.38	3.12	2.75
China oilfields	中國油田	2.44	2.12	1.98	1.83	1.93
Kazakhstan oilfields	哈薩克斯坦	1.09	1.10	-	-	-
Export sales	出口銷售	0.96	0.95	-	-	-
Domestic sales	國內銷售	0.13	0.15	-	-	-
USA oilfields	美國 (Condor)	0.02	0.02	0.01	0.00	-
Canada oilfields	加拿大 (Canlin)	-	-	0.39	1.29	0.82
NGL (millions of barrels)	天然氣凝析液 (百萬桶)	-	-	0.16	0.51	0.27
Canada oilfields	加拿大 (Canlin)	-	-	0.16	0.51	0.27
Gas (MMscf)	天然氣 (百萬標準立方英尺)	2,021.27	1,717.70	25,315.39	88,788.30	54,792.64
China oilfields	中國油田	-	-	-	1.33	1.78
Kazakhstan oilfields	哈薩克斯坦	2,001.15	1,703.72	-	-	-
USA oilfields	美國 (Condor)	20.12	13.98	1.43	-	-
Canada oilfields	加拿大 (Canlin)	-	-	25,313.96	88,786.97	54,790.86
Net annual production volume	淨年產量					
Crude oil (millions of barrels)	原油 (百萬桶)	3.71	3.27	2.38	3.14	2.76
China oilfields	中國油田	2.44	2.15	1.98	1.85	1.94
Kazakhstan oilfields	哈薩克斯坦	1.25	1.11	-	-	-
USA oilfields	美國 (Condor)	0.02	0.01	0.01	0.00	-
Canada oilfields	加拿大 (Canlin)	-	-	0.39	1.29	0.82
NGL (millions of barrels)	天然氣凝析液 (百萬桶)	-	-	0.16	0.51	0.27
Canada oilfields	加拿大 (Canlin)	-	-	0.16	0.51	0.27
Gas (MMscf)	天然氣 (百萬標準立方英尺)	2,190.61	1,899.18	25,320.56	88,790.36	54,792.64
China oilfields	中國油田	-	-	-	1.33	1.78
Kazakhstan oilfields	哈薩克斯坦	2,150.78	1,875.30	-	-	-
USA oilfields	美國 (Condor)	39.83	23.88	6.6	2.06	-
Canada oilfields	加拿大 (Canlin)	-	-	25,313.96	88,786.97	54,790.86
Average daily net crude oil production	日平均淨原油產量					
Crude oil (barrels)	原油 (桶)	10,153	9,241	9,745	8,777	8,306
China oilfields	中國油田	6,687	5,872	5,454	5,230	5,319
Kazakhstan oilfields	哈薩克斯坦	3,412	3,328	-	-	-
USA oilfields	美國 (Condor)	54	41	29	23	-
Canada oilfields	加拿大 (Canlin)	-	-	4,262	3,524	2,987
NGL (millions of barrels)	天然氣凝析液 (桶)	-	-	1,690	1,399	1,001
Canada oilfields	加拿大 (Canlin)	-	-	1,690	1,399	1,001
Gas (MMscf)	天然氣 (百萬標準立方英尺)	6.00	5.67	275.17	243.26	200.70
China oilfields	中國油田	-	-	-	-	-
Kazakhstan oilfields	哈薩克斯坦	5.89	5.60	-	-	-
USA oilfields	美國 (Condor)	0.11	0.07	0.02	0.01	-
Canada oilfields	加拿大 (Canlin)	-	-	275.15	243.25	200.70

Note: NGL — Natural Gas Liquid

附註：NGL — 天然氣凝析液

Operating Summary (Continued)

營運摘要(續)

		Year ended December 31 截至十二月三十一日止年度				2019
		2015 二零一五年	2016 二零一六年	2017 二零一七年	2018 二零一八年	二零一九年
Average realized price	平均實現價格					
Crude oil (US\$ per barrel of crude oil)	原油(美元/每桶原油)	45.79	36.74	48.96	59.07	52.66
China oilfields	中國油田	46.65	36.73	48.89	64.56	55.92
Kazakhstan oilfields	哈薩克斯坦	43.95	34.85	-	-	-
Export sales	出口銷售	48.41	38.39	-	-	-
Domestic sales	國內銷售	12.02	13.25	-	-	-
USA oilfields	美國(Condor)	40.68	37.77	47.44	62.43	-
Canada oilfields	加拿大(Canlin)	-	-	49.32	51.24	44.95
NGL (US\$ per barrel)	天然氣凝析液(美元/每桶)	-	-	26.64	23.71	11.68
Canada oilfields	加拿大(Canlin)	-	-	26.64	23.71	11.68
Gas (US\$ per MMscf)	天然氣(美元/千標準立方英尺)	1.03	0.83	1.50	1.28	1.06
China oilfields	中國油田	-	-	-	6.36	6.19
Kazakhstan oilfields	哈薩克斯坦	0.95	0.78	-	-	-
USA oilfields	美國(Condor)	2.61	2.30	4.47	-	-
Canada oilfields	加拿大(Canlin)	-	-	1.50	1.28	1.06
Lifting costs (US\$ per barrel of crude oil)(Note 1)	直接採油成本(美元/每桶當量)(附註1)	7.52	8.31	7.95	9.39	8.79
China oilfields	中國油田	9.49	8.31	8.48	12.37	10.72
Kazakhstan oilfields	哈薩克斯坦	3.66	2.25	-	-	-
Canada oilfields	加拿大(Canlin)	-	-	7.73	9.09	8.47
Cash net-back (US\$ per barrel of crude oil)	現金淨回值(美元/每桶當量)	35.56	26.94	38.87	50.01	43.69
China oilfields	中國油田	10.94	14.26	-	-	-
Kazakhstan oilfields	哈薩克斯坦	12.40	14.80	-	-	-
Export sales	出口銷售	5.11	9.25	-	-	-
Domestic sales	國內銷售	-	-	5.55	3.98	2.25
Canada oilfields	加拿大(Canlin)	-	-	-	-	-
Wells drilled during the year (Gross)	年內鑽井數(總數)	3	2	15	28	14
China oilfields	中國油田	-	-	15	28	14
Successful	成功鑽探	-	-	15	28	14
Dry	乾井	-	-	-	-	-
Kazakhstan oilfields	哈薩克斯坦	3	2	-	-	-
Successful	成功鑽探	3	2	-	-	-
Dry	乾井	-	-	-	-	-
USA oilfields	美國(Condor)	-	-	-	-	-
Successful	成功鑽探	-	-	-	-	-
Dry	乾井	-	-	-	-	-
Canada oilfields	加拿大(Canlin)	-	-	-	-	-
Successful	成功鑽探	-	-	-	-	-
Dry	乾井	-	-	-	-	-

Note 1: Lifting cost refers to direct cost incurred to produce a barrel of oil controllable at the field level. Production costs such as safety fee, environmental expenses, technical and research expenses and overhead are not included because they are not directly attributable to the production of a barrel of oil.

附註1: 採油成本包括生產一桶石油之直接可控制成本。其他生產成本如安全費、環境費用、技術及研究開支以及經常性費用等並不包括在內，原因是該等成本並非一桶石油的直接成本。

Operating Summary (Continued)

營運摘要 (續)

		Year ended December 31 截至十二月三十一日止年度				2019
		2015	2016	2017	2018	2019
		二零一五年	二零一六年	二零一七年	二零一八年	二零一九年
Crude Oil Reserves (thousands of barrels)	原油儲量(千桶)					
Subsidiaries	附屬公司所持資產					
Total proved	探明儲量總額	45,163	10,668	19,366	16,438	9,817
China oilfields (Daan)	中國油田(大安)	12,440	10,552	8,475	9,058	9,817
Canada oilfields	加拿大 Canlin	-	-	10,844	7,380	-
Kazakhstan oilfields	哈薩克斯坦	32,525	-	-	-	-
USA oilfields	美國 (Condor)	198	116	47	-	-
Total proved+probable	探明與概算儲量總額	120,975	19,557	27,453	22,506	12,343
China oilfields (Daan)	中國油田(大安)	24,416	18,893	12,489	12,928	12,343
Canada oilfields	加拿大 Canlin	-	-	14,893	9,578	-
Kazakhstan oilfields	哈薩克斯坦	96,150	-	-	-	-
USA oilfields	美國 (Condor)	409	664	71	-	-
Total proved+probable+possible	探明、概算及可能儲量總額	160,404	28,319	32,274	27,341	14,453
China oilfields (Daan)	中國油田(大安)	34,088	26,487	17,281	17,763	14,453
Canada oilfields	加拿大 Canlin	-	-	14,893	9,578	-
Kazakhstan oilfields	哈薩克斯坦	124,952	-	-	-	-
USA oilfields	美國 (Condor)	1,364	1,832	100	-	-
Equity-accounted entities (MIE share)	按權益入賬的實體所持資產 (本集團應佔部分)					
Total proved	探明儲量總額	-	17,749	11,618	8,530	6,250
China oilfields (Area 28/03)	中國油田(28/03 區域)	-	-	-	-	-
Kazakhstan oilfields	哈薩克斯坦	-	12,611	7,540	8,530	6,250
Journey Energy Inc	Journey 項目	-	5,138	4,078	-	-
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
Total proved+probable	探明、概算儲量總額	-	41,549	32,568	30,790	25,500
China oilfields (Area 28/03)	中國油田(28/03 區域)	-	-	-	3,780	3,780
Kazakhstan oilfields	哈薩克斯坦	-	32,457	24,984	27,010	21,720
Journey Energy Inc	Journey 項目	-	9,092	7,584	-	-
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
Total proved+probable+possible	探明、概算及可能儲量總額	-	49,546	53,836	46,919	42,199
China oilfields (Area 28/03)	中國油田(28/03 區域)	-	-	-	4,449	4,449
Kazakhstan oilfields	哈薩克斯坦	-	40,454	46,252	42,470	37,750
Journey Energy Inc	Journey 項目	-	9,092	7,584	-	-
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
Total proved	探明儲量總額	45,163	28,417	30,983	24,968	16,067
Total proved+probable	探明與概算儲量總額	120,975	61,106	60,021	53,296	37,843
Total proved+probable+possible	探明、概算及可能儲量總額	160,404	77,865	86,110	74,260	56,652

Operating Summary (Continued)

營運摘要(續)

		Year ended December 31 截至十二月三十一日止年度				2019
		2015	2016	2017	2018	二零一九年
		二零一五年	二零一六年	二零一七年	二零一八年	
Gas Reserves (millions of SCF)	天然氣儲量(百萬標準立方英尺)					
Subsidiaries	附屬公司所持資產					
Total proved	探明儲量總額	36,262	155	1,210,712	1,036,569	-
China oilfields (Daan)	中國油田(大安)	43	62	-	-	-
Canada oilfields	加拿大 Canlin	-	-	1,210,705	1,036,569	-
Kazakhstan oilfields	哈薩克斯坦	36,006	-	-	-	-
USA oilfields	美國(Condor)	213	93	7	-	-
Total proved+probable	探明與概算儲量總額	93,050	1,356	1,801,464	1,549,556	-
China oilfields (Daan)	中國油田(大安)	129	187	-	-	-
Canada oilfields	加拿大 Canlin	-	-	1,801,455	1,549,556	-
Kazakhstan oilfields	哈薩克斯坦	92,380	-	-	-	-
USA oilfields	美國(Condor)	541	1,169	9	-	-
Total proved+probable+possible	探明、概算及可能儲量總額	122,081	3,829	1,801,471	1,549,556	-
China oilfields (Daan)	中國油田(大安)	237	352	-	-	-
Canada oilfields	加拿大 Canlin	-	-	1,801,455	1,549,556	-
Kazakhstan oilfields	哈薩克斯坦	120,438	-	-	-	-
USA oilfields	美國(Condor)	1,406	3,477	16	-	-
Equity-accounted entities (MIE share)	按權益入賬的實體所持資產 (本集團應佔部分)					
Total proved	探明儲量總額	375,870	46,696	47,989	11,630	9,470
China oilfields (Area 28/03)	中國油田(28/03區域)	-	-	-	-	-
Kazakhstan oilfields	哈薩克斯坦	-	14,373	8,708	11,630	9,470
Journey Energy Inc	Journey 項目	-	32,323	39,281	-	-
Sino Gas & Energy	中國西北(三交北及臨興)	375,870	-	-	-	-
Total proved+probable	探明、概算儲量總額	574,260	76,408	87,431	31,530	34,450
China oilfields (Area 28/03)	中國油田(28/03區域)	-	-	-	-	-
Kazakhstan oilfields	哈薩克斯坦	-	29,773	28,880	31,530	34,450
Journey Energy Inc	Journey 項目	-	46,635	58,551	-	-
Sino Gas & Energy	中國西北(三交北及臨興)	574,260	-	-	-	-
Total proved+probable+possible	探明、概算及可能儲量總額	781,830	84,016	113,099	55,030	56,230
China oilfields (Area 28/03)	中國油田(28/03區域)	-	-	-	-	-
Kazakhstan oilfields	哈薩克斯坦	-	37,381	54,548	55,030	56,230
Journey Energy Inc	Journey 項目	-	46,635	58,551	-	-
Sino Gas & Energy	中國西北(三交北及臨興)	781,830	-	-	-	-
Total proved	探明儲量總額	412,132	46,851	1,258,701	1,048,199	9,470
Total proved+probable	探明與概算儲量總額	667,310	77,764	1,888,895	1,581,086	34,450
Total proved+probable+possible	探明、概算及可能儲量總額	903,911	87,845	1,914,571	1,604,586	56,230

Operating Summary (Continued)

營運摘要(續)

		Year ended December 31 截至十二月三十一日止年度				2019
		2015	2016	2017	2018	二零一九年
		二零一五年	二零一六年	二零一七年	二零一八年	
NGL Reserves (thousands of barrels)	NGL 儲量(千桶)					
Subsidiaries	附屬公司所持資產					
Total proved	探明儲量總額	-	-	13,069	12,379	-
China oilfields (Daan)	中國油田(大安)	-	-	-	-	-
Canada oilfields	加拿大 Canlin	-	-	13,069	12,379	-
Kazakhstan oilfields	哈薩克斯坦	-	-	-	-	-
USA oilfields	美國 (Condor)	-	-	-	-	-
Total proved+probable	探明與概算儲量總額	-	-	19,408	18,783	-
China oilfields (Daan)	中國油田(大安)	-	-	-	-	-
Canada oilfields	加拿大 Canlin	-	-	19,408	18,783	-
Kazakhstan oilfields	哈薩克斯坦	-	-	-	-	-
USA oilfields	美國 (Condor)	-	-	-	-	-
Total proved+probable+possible	探明、概算及可能儲量總額	-	-	19,408	18,783	-
China oilfields (Daan)	中國油田(大安)	-	-	-	-	-
Canada oilfields	加拿大 Canlin	-	-	19,408	18,783	-
Kazakhstan oilfields	哈薩克斯坦	-	-	-	-	-
USA oilfields	美國 (Condor)	-	-	-	-	-
Equity-accounted entities (MIE share)	按權益入賬的實體所持資產 (本集團應佔部分)					
Total proved	探明儲量總額	-	730	2,143	1,330	420
China oilfields (Area 28/03)	中國油田(28/03 區域)	-	-	-	-	-
Kazakhstan oilfields	哈薩克斯坦	-	-	856	1,330	420
Journey Energy Inc	Journey 項目	-	730	1,287	-	-
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
Total proved+probable	探明、概算儲量總額	-	994	4,462	3,110	1,710
China oilfields (Area 28/03)	中國油田(28/03 區域)	-	-	-	-	-
Kazakhstan oilfields	哈薩克斯坦	-	-	2,588	3,110	1,710
Journey Energy Inc	Journey 項目	-	994	1,874	-	-
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
Total proved+probable+possible	探明、概算及可能儲量總額	-	994	6,534	5,070	3,080
China oilfields (Area 28/03)	中國油田(28/03 區域)	-	-	-	-	-
Kazakhstan oilfields	哈薩克斯坦	-	-	4,660	5,070	3,080
Journey Energy Inc	Journey 項目	-	994	1,874	-	-
Sino Gas & Energy	中國西北(三交北及臨興)	-	-	-	-	-
Total proved	探明儲量總額	-	730	15,212	13,709	420
Total proved+probable	探明與概算儲量總額	-	994	23,870	21,893	1,710
Total proved+probable+possible	探明、概算及可能儲量總額	-	994	25,942	23,853	3,080

Chairman's Statement

主席報告書

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of MIE Holdings Corporation ("MIE" or the "Company", together with its subsidiaries, the "Group"), I hereby present the annual results of the Company for the year ended December 31, 2019.

With shale oil revolution having changed the supply and demand of oil and gas industry fundamentally, international crude oil prices entered a long-term downward structural adjustment since the second half of 2014. The average realized oil price of the Group's Daan project in China during the five years from 2015 to 2019 was only US\$50.43 per barrel. In 2019, the Group's average realized crude oil price was \$52.66 per barrel, down 10.9% from \$59.07 per barrel in 2018. Sustained lower oil prices have had a profound and negative impact on the Group's liquidity. The Group has made deleveraging our top priority since 2016. In 2019, the Group successfully exchanged 84% of all outstanding senior notes due 2019 issued by the Company into new senior notes due 2022, extending the term by three years through an exchange offer. Subsequently, the Group completed the disposal of our interest in Canlin Energy Corporation of Canada ("Canlin" or "Canlin Energy") in September 2019, substantially reducing the Group's debt.

In 2019, the Group continued to implement a low-cost strategy for Daan project, one of the high-quality and low decline oilfields of the Group. We strive to reduce costs, improve efficiency, stabilize old well production, slow down production decline and generate higher operating cash flow. In 2019, the lifting cost of the Daan project was US\$10.72 per barrel, representing a decrease of US\$1.65 per barrel as compared to 2018. The overall production decline was maintained at a relatively low rate of 4.4%, a significant improvement as compared with 2018, reflecting the Group's leading operation and management capability for oilfield projects in China.

致各位尊敬的股東，

本人謹代表MI能源控股有限公司(以下簡稱「MI能源控股」或者「公司」，與其子公司並稱「集團」)董事會(「董事會」)提呈本集團截至二零一九年十二月三十一日止的年度業績。

頁岩油革命從根本上改變了油氣行業的供需格局，國際原油價格自二零一四年下半年開始進入漫長的下行結構性調整，本集團於中國的大安項目自二零一五年至二零一九年之五年內的平均實現油價只有50.43美元／桶，二零一九年，本集團平均實現原油價格為52.66美元／桶較二零一八年59.07美元／桶下降10.9%。持續走低的油價對本集團的流動性產生了深刻而消極的影響。自二零一六年開始，本集團就將去槓桿化作為首要任務。於二零一九年，本集團成功將本公司發行的於二零一九年到期的84%未償還優先票據通過交換要約置換為二零二二年到期的新優先票據，延長了三年期限。隨後，本集團於二零一九年九月完成了我們在加拿大Canlin Energy Corporation(以下簡稱「麒麟」)的權益處置，從而減少了本集團的債務。

二零一九年本集團為優質且低遞減的大安項目繼續實施低成本戰略，努力降本增效並穩定老井產量及推遲產量遞減，為本集團創造更多的營運現金流。二零一九年，大安項目作業成本僅為10.72美元／桶相比二零一八年下降了1.65美元／桶，綜合遞減率控制在4.4%，產量遞減水平較二零一八年有明顯改善，體現了本集團在中國油田項目中領先的運營和管理能力。

Chairman's Statement (Continued)

主席報告書(續)

On the operating performance of the Group, the gross oil and gas production of the Group decreased by 28.9% to 14.86 MMBOE as compared with 2018, the net production decreased by 34.1% to 12.16 MMBOE, resulting from the disposal of Canlin Energy. After completion of the disposition of Canlin, performance results from North America segment was presented as discontinued operations in the consolidated financial statements of the Group in 2019. The revenue from PRC segment decreased by 4.3% to RMB756.1 million in 2019 as compared with 2018. The EBITDA of the Group from segments other than the North America segment in 2019 decreased by RMB622.7 million to negative RMB486.6 million from RMB136.1 million in 2018 and the respective adjusted EBITDA decreased by RMB85.7 million to RMB323.4 million.

On behalf of the Board, I would like to express my most sincere gratitude to all our shareholders, management team and dedicated staff, creditors, advisors and business partners for your continued support and understanding through this difficult and challenging period.

Mr. Zhang Ruilin
Chairman

從公司運營績效上看，由於麒麟的出售，二零一九年本集團的油氣作業總產量較之二零一八年下降28.9%至1,486萬桶當量，淨產量下降34.1%至1,216萬桶當量。由於本集團已完成加拿大油氣資產的出售，二零一九年北美業務分部的業績在本集團的合併財務報表中被列示為終止經營。二零一九年，來源於中國業務分部的收入較二零一八年下降4.3%至人民幣7.561億元。二零一九年，本集團除北美分部外的其他業務分部的EBITDA由二零一八年的人民幣1.361億元減少人民幣6.227億元至人民幣負4.866億元，經調整的EBITDA減少人民幣8,570萬元至人民幣3.234億元。

我謹代表董事會對所有公司股東、管理團隊、敬業的員工、債權人、顧問及合作夥伴表示最誠摯的感謝，感謝您在這一艱難而充滿挑戰的時期繼續給予支持和理解。

張芮霖
主席

Directors and Senior Management

董事及高級管理層

EXECUTIVE DIRECTORS

Zhang Ruilin, aged 49, has been the Executive Director and Chairman of the Company since March 20, 2008. Mr. Zhang is one of the controlling shareholders of the Company. Mr. Zhang has over 29 years of experience in the oil and gas business. Following the takeover of the Company by Far East Energy Limited (“FEEL”) in August 2003, Mr. Zhang joined us in September 2003 and has been a Director of the Company. He is primarily responsible for overseeing our overall strategies, planning and day-to-day management and operations. Mr. Zhang is also a director for the various subsidiaries of the Group.

Mei Liming, aged 39, is the Chief Executive Officer of the Company. Mr. Mei joined the Group in January 2005, and has since worked across various functions of the Group, including as an accountant, finance manager, vice finance controller, chief financial officer and vice president of corporate finance and merger and acquisition, and served as an executive director of the Company from November 2019 to June 2020. During his career in the Group, Mr. Mei has gained a strong understanding of the Company’s business and the oil and gas industry through his years of service in different key positions of the Group. Since joining the Group, he has also been involved in all aspects of the capital market transactions of the Group, including the Group’s initial public offering on the main board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), all of the Group’s senior notes offerings and various merger and acquisition transactions, gaining extensive knowledge and experience in financial management and capital markets. Prior to joining the Company, Mr. Mei worked as an accountant at SONY Corporation in 2004. Mr. Mei graduated from the Beijing Institute of Petrochemical Technology with a Bachelor of Accounting in 2003.

Zhao Jiangwei, aged 48, has been the Executive Director and senior vice president of the Company since December 19, 2008. He is one of the controlling shareholders of the Company. Mr. Zhao has over 27 years of experience in the oil and gas industry. Following the takeover of the Company by FEEL in August 2003, Mr. Zhao joined the Company in September 2003 and has since been a director of the Company. He is and will continue to be primarily responsible for assisting the Chairman in overseeing the operations at oilfields in the PRC. Mr. Zhao obtained a bachelor of arts degree from Daqing Petroleum College in 1999.

執行董事

張芮霖，49歲，自二零零八年三月二十日起出任本公司執行董事兼主席。彼為本公司的控股股東之一。張先生在油氣行業擁有逾29年經驗。Far East Energy Limited (「FEEL」)於二零零三年八月併購本公司後，張先生於二零零三年九月加入本公司，自此一直擔任本公司董事。彼主要負責監管本公司整體戰略、規劃及日常管理與經營。張先生亦為本集團多家附屬公司的董事。

梅黎明，39歲，本集團首席執行官。梅先生於二零零五年一月加入本集團，歷任會計師、財務經理、財務副總監、首席財務官及負責企業融資及併購的副總裁等職位，並於二零一九年十一月至二零二零年六月期間出任本公司執行董事。在其於本集團任職期間，梅先生通過多年擔任本集團不同的重要職位，對本公司的業務以及石油及天然氣行業有著深刻的了解。加入本集團後，彼亦參與了本集團資本市場交易的各個方面，包括本集團於香港聯合交易所有限公司（「聯交所」）主板的首次公開發售，以及本集團的所有優先票據發行及各種併購交易事項，於財務管理及資本市場方面積累了豐富的知識及經驗。在加入本集團之前，梅先生於二零零四年曾出任索尼有限公司會計師。梅先生於二零零三年畢業於北京石油化工學院，獲得會計學學士學位。

趙江巍，48歲，自二零零八年十二月十九日起出任本公司執行董事兼高級副總裁。彼為本公司的控股股東之一。趙先生在油氣行業擁有逾27年經驗。FEEL於二零零三年八月併購本公司後，趙先生於二零零三年九月加入本公司，自此一直擔任本公司董事。彼主要負責協助主席監管中國油田的營運。於一九九九年，趙先生取得大慶石油學院文學學士學位。

Directors and Senior Management (Continued)

董事及高級管理層(續)

NON-EXECUTIVE DIRECTORS

Xie Na, aged 44, has been the Non-executive Director of the Company since November 13, 2015. She has previously held various positions at Shanghai Life Insurance Company Ltd., Sequoia Capital China and Monitor Group. Ms. Xie has very extensive experiences in equity investment, portfolio investment focusing on consumables and TMT as well as marketing, operations and post-investment management. She had led investment projects such as Peak Sport Products Co. Limited and Sky- mobi Limited (symbol: MOBI. NASDAQ). Ms. Xie has been serving as an independent director of Thinkingdom Media Group Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 603096) since November 2017 and she is also an executive council member of the China Women's Chamber of Commerce and the vice president of China Energy Storage Alliance. She was also a visiting professor of the Graduate University of Chinese Academy of Sciences. Ms. Xie obtained a bachelor's degree in computer engineering from the University of Toronto in 2002 and a master's degree in business administration from Stanford University in 2004.

Jiao Qisen, aged 39, was appointed as a Non-executive Director of the Company on January 29, 2018 and resigned with effect from January 16, 2019. Mr. Jiao is Ph.D. in Philosophical Psychology and Postdoc in Applied Economy. Mr. Jiao is an expert in enterprises strategy management and industrial economic investment. He has led and participated in many international mergers and acquisitions ("M&A"). He is also good at discerning the development trend of the industry from a macro perspective as well as draw decisions on enterprises practical operation. He has outstanding ideas and profound views over investment, M&A, energy and chemical industry, asset management, media industry and integration of industrial finance. Mr. Jiao is the chairman of Chemchina New Material Co. Ltd., the chairman of China Sam Enterprise Group Co., Ltd. and the chairman of China Jing An Ltd. Mr. Jiao has also published various essays and other publications in the field of management and psychology over the years.

非執行董事

謝娜，44歲，自二零一五年十一月十三日起出任本公司非執行董事。謝女士曾任職於上海人壽保險股份有限公司、紅杉資本中國基金及摩立特集團。謝女士在股權投資，專注消費品與現代服務、科技與傳媒等行業的投資組合以及市場行銷、運營、投融資及投後管理方面都有非常豐富的經驗。她曾主導的投資項目有匹克運動及斯凱網路(股份代號：NASDAQ:MOBI)等。謝女士自二零一七年十一月起出任上海證券交易所上市公司新經典文化股份有限公司(股份代碼：603096)的獨立董事，同時擔任全國工商聯女企業家商會常務理事、中關村儲能產業聯盟副理事長並曾任中國科學院研究生院客座教授。謝女士於二零零二年獲多倫多大學電腦工程學士學位，且於二零零四年獲斯坦福大學工商管理碩士學位。

焦祺森，39歲，於二零一八年一月二十九日獲委任為本公司非執行董事並於二零一九年一月十六日辭任。焦先生是心理學和管理學博士，應用經濟學博士後。是企業戰略管理、產業金融投資行業專家，主導並參與過多起國際併購項目，擅長從宏觀角度多行業、跨領域洞悉產業發展趨勢，又擅長於企業戰略決策與運籌管理實務運作。其對投資併購、能源化工、資產管理、傳媒等行業的發展與產業金融整合等有出色意見及深邃觀點。焦先生現為中國化工新材料有限公司董事長、中國森田企業集團有限公司董事長及中國京安有限公司董事長。此外，焦先生多年來發表過多篇管理學及心理學方面的論文及多本著作。

Directors and Senior Management (Continued)

董事及高級管理層(續)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mei Jianping, aged 59, has been our Independent Non-executive Director since his appointment on November 27, 2010. Mr. Mei has been a professor of finance at Cheung Kong Graduate School of Business in Beijing, China since 2006 and a fellow at Financial Institutions Center, the Wharton School of University of Pennsylvania since 2004. He was a tenured associate professor of finance from 1996 to 2005 and an assistant professor of finance from 1990 to 1995 at New York University. From 2003 to 2008, he also taught at Tsinghua University as a special term professor of finance. Mr. Mei has been a director of Cratings.com Inc., USA since 1999. Since 2009, Mr. Mei has served on the board of Powerlong Real Estate Holdings Limited (stock code: 1238.HK), a company listed on the Stock Exchange. Mr. Mei was a board member of Zhong De Securities Company Limited from 2009 to May 2016. Mr. Mei also served as the chairman of board of Shanghai Zhangjiang JRtan.com Inc. from 2000 to 2012. From November 29, 2013 to December 27, 2017, Mr. Mei served as an independent non-executive director of Ground International Development Limited (stock code: 989.HK), and since August 11, 2014, Mr. Mei has served as an independent non-executive director of China Rundong Auto Group Limited (stock code: 1365.HK) (both companies of which listed on the Stock Exchange). Mr. Mei has served as an independent director of Cultural Investment Holdings Co., Ltd, a company listed on the Shanghai Stock Exchange (stock code: 600715) since December 2015. Mr. Mei worked as a consultant for various financial institutions, such as Deutsche Bank, UBS, Prudential Insurance of America and Asia Development Bank. Mr. Mei has published a number of books and articles on topics related to finance. Mr. Mei received a bachelor's degree in Mathematics from Fudan University in 1982, a master's degree in Economics and a Ph.D. in Economics (Finance) from Princeton University in 1988 and 1990, respectively.

獨立非執行董事

梅建平，59歲，自二零一零年十一月二十七日起出任本公司獨立非執行董事。自二零零六年起，梅先生一直擔任中國北京長江商學院金融學教授，並自二零零四年起任賓夕法尼亞大學沃頓商學院金融機構研究中心學者。彼自一九九六年至二零零五年任紐約大學金融學副教授，並自一九九零年至一九九五年任紐約大學金融學助理教授。自二零零三年至二零零八年，彼亦曾在清華大學執教，任特聘金融學教授。自一九九九年，梅先生任美國Cratings.com Inc.的董事。自二零零九年以來，梅先生任寶龍地產控股有限公司(一家於聯交所上市的公司，股份代號：1238.HK)董事。自二零零九年至二零一六年五月，梅先生擔任中德證券有限責任公司董事會成員。自二零零零年至二零一二年，梅先生亦擔任上海張江金融灘網絡有限公司董事會主席。二零一三年十一月二十九日至二零一七年十二月二十七日期間，梅先生任廣澤國際發展有限公司(股票代碼：989.HK)獨立非執行董事；自二零一四年八月十一日以來，任中國潤東汽車集團有限公司(股票代碼：1365.HK)獨立非執行董事(兩家均為於聯交所上市的公司)。自二零一五年十二月起至今，梅先生出任上海證券交易所上市公司文投控股股份有限公司(股票代碼：600715)獨立董事。梅先生曾出任德意志銀行、瑞士銀行、美國保誠保險和亞洲開發銀行等多家金融機構的顧問。彼曾出版多本關於金融的書籍和發表多篇文章。梅先生於一九八二年獲復旦大學數學學士學位，並分別於一九八八年及一九九零年獲普林斯頓大學經濟學碩士學位和經濟學(金融)博士學位。

Directors and Senior Management (Continued)

董事及高級管理層(續)

Jeffrey Willard Miller, aged 57, has been our Independent Non-executive Director since his appointment on November 27, 2010. Mr. Miller has over 33 years of experience in the oil and gas industry. Since 2012, Mr. Miller has been Managing Partner and Co-Founder of Vortus Investments, an energy private equity firm founded in later 2012. From 2008 to 2012, as the director of upstream and investments for Mercuria Energy Trading Inc. (“Mercuria”), one of the world’s largest independent physical energy trading firms, he was responsible for Mercuria and certain of its affiliates’ global portfolio of oil and natural gas assets, the majority of which are located in North and South America. Prior to joining Mercuria, Mr. Miller spent four years, from 2004 to 2008, as president of Moncrief Oil International (“Moncrief”), a private oil and natural gas company with assets in the former Soviet Union as well as North America. Prior to his career at Moncrief, Mr. Miller was a managing director in global energy investment banking for UBS AG, the successor of Dillon, Read & Co, which he joined in 1993. Mr. Miller was an investment banker with a focus on the energy industry and has extensive experience in the fields of corporate finance. Throughout his career as set out above, Mr. Miller has been involved in a substantial number of transactions including initial public offerings, debt offerings and M&A, which require expertise in financial analysis. As an investment banker, Mr. Miller also had extensive experience in valuation analysis, which involved reviewing and analyzing audited financial statements of public and private companies. Mr. Miller’s professional career began in a technical capacity as a petroleum engineer with Exxon. Mr. Miller received a bachelor’s degree, magna cum laude, in Petroleum Engineering from Texas A&M University and a master’s degree in Business Administration from the Columbia Business School.

Guo Yanjun, aged 67, has been the Independent Non-executive Director of the Company since November 13, 2015. He has extensive entrepreneurship experience and experience in corporate operation and management. Mr. Guo graduated from China People’s University with a Diploma in Law in 1984. Mr. Guo is currently an Independent Non-executive Director of Mei Ah Entertainment Group Limited (stock code: 391.HK, a company listed on the Stock Exchange). He is also the chairman of CNHK Tech Co. Ltd, CNHK Media Limited, CNHK Media (H.K.) Advertising Limited and CNHK Publications Limited.

Jeffrey Willard Miller, 57歲，自二零一零年十一月二十七日起出任本公司獨立非執行董事。Miller先生在油氣行業擁有逾33年經驗。二零一二年起，Miller先生擔任於該年成立的能源私募股權公司Vortus Investments的董事合夥人兼共同創辦人。Miller先生於二零零八年至二零一二年擔任Mercuria Energy Trading Inc. (「Mercuria」)(全球最大的獨立物理能源貿易公司之一)上游投資董事，負責Mercuria及其若干聯屬公司的石油及天然氣資產(大部分位於北美洲和南美洲)的全球投資組合。加入Mercuria之前，自二零零四年至二零零八年四年期間，Miller先生擔任Moncrief Oil International (「Moncrief」)總裁，該公司為一家石油及天然氣私營公司，在前蘇聯及北美洲擁有資產。在Moncrief開展其職業生涯前，Miller先生於一九九三年加入UBS AG(其前身為Dillon, Read & Co)，擔任全球能源投資銀行董事總經理。Miller先生為能源行業投資銀行家，擁有企業金融領域豐富經驗，曾憑藉金融分析專長，參與多起交易，包括首次公開發售、債券發售、併購。身為投資銀行家，Miller先生亦擁有豐富估值經驗，包括審閱分析上市及非上市公司經審核財務報表。彼職業之初是在艾克森美孚任石油工程師技術職位。Miller先生以優異成績取得德克薩斯州農工大學石油工程學學士學位，並取得哥倫比亞商學院工商管理碩士學位。

郭燕軍，67歲，自二零一五年十一月十三日起出任本公司獨立非執行董事。彼擁有豐富的創業經歷及企業運營管理經驗。郭先生於一九八四年畢業於中國人民大學，取得法律文憑。郭先生現時是美亞娛樂資訊集團有限公司(一家於聯交所上市的公司，股份代號：391.HK)之獨立非執行董事。郭先生亦是北京君雲科技有限公司、中港傳媒有限公司、中港傳媒(香港)廣告有限公司及中港傳媒出版社有限公司之董事長。

Directors and Senior Management (Continued)

董事及高級管理層(續)

SENIOR MANAGEMENT

Li Tiefeng, aged 39, is our Chief Financial Officer. Mr. Li has over 16 years of experience in financial management. Mr. Li joined the Group in July 2005 and has since worked across various functions including as finance manager and operational manager. Mr. Li gained extensive knowledge and experience in the finance, tax and corporate operational management in oil & gas industry while working in the Group. Mr. Li graduated from University of Science and Technology Beijing with a Bachelor of Accounting in 2005. He obtained his Medium Level Accountant qualification in the PRC.

Lian Yunfei, aged 44, is a vice president and general counsel of the Group. Ms. Lian has over 16 years of experience in the legal field. Prior to joining us, Ms. Lian worked as an associate at Baker & McKenzie Hong Kong office between 2007 and 2009 focusing on mergers and acquisitions and general corporate advice and as North Asia general counsel of a US multi-national corporation between 2015 and 2017. In her early career, starting in 2001, she worked at a law firm in Canada, focusing on general practice. Ms. Lian obtained a juris doctor degree from the Faculty of Law at the University of British Columbia in 2007. She received a Master's degree in Engineering from the University of Florida in 2001 and a Bachelor's degree in Science from Shanghai University of Science and Technology in 1996. She is admitted to practice law in New York.

RELATIONSHIP AMONG DIRECTORS AND SENIOR MANAGEMENT

Save for Mr. Zhao Jiangwei, senior vice president and Executive Director, who is the brother-in-law of Mr. Zhang Ruilin, our Chairman and Executive Director, there are no other familial relationships between any of our Directors and senior management.

高級管理層

李鐵峰，現年39歲，公司首席財務官。於財務會計領域擁有16年工作經驗。李先生於二零零五年七月加入本集團，自此於本集團擔任財務經理、運營經理等不同的管理職務。李先生通過為本集團服務，於石油及天然氣行業的財務、稅務及運營管理方面積累了豐富的經驗。李先生與二零零五年畢業於北京科技大學，獲得會計學學士學位，持有中國中級會計師證書。

連雲飛，44歲，本集團副總裁兼總法律顧問。連女士在法律領域擁有逾十六年經驗。在加入本公司前，連女士於二零零七年至二零零九年三月間擔任Baker & McKenzie香港辦事處律師，專注於合併與收購及一般公司交易；於二零一五年至二零一七年間擔任一家美國跨國公司亞州北部總法律顧問。在其早期職業生涯中，彼自二零零一年開始任職於加拿大一家律師事務所。連女士於二零零七年取得英屬哥倫比亞大學法學院的法學博士學位，於二零零一年獲佛羅裏達大學材料科學與工程學碩士學位，並於一九九六年獲上海大學頒授材料科學與工程學士學位。彼獲准在紐約執業。

董事與高級管理層之間的關係

除本公司高級副總裁兼執行董事趙江巍先生為本公司主席兼執行董事張芮霖先生的內弟外，本公司董事與高級管理層之間概無親屬關係。

Corporate Governance Report

企業管治報告

The Board of Directors (the “Board”) is pleased to present this corporate governance report in the Group’s Annual Report for the year ended December 31, 2019.

COMMITMENT TO CORPORATE GOVERNANCE

The Board of the Company has responsibilities towards the shareholders and related stakeholders to ensure the Company’s successful operation. Sound corporate governance is not only vital for the Company to cope with the evolving regulatory environment and reinforce the relationship with its shareholders and stakeholders, but also important for the Company’s success and sustainable development. We are committed to achieving a high standard of corporate governance and have promoted corporate governance practices appropriate for our business operations and development.

CORPORATE GOVERNANCE PRACTICES

The Board considers that good corporate governance standards are essential in providing a framework for the Company to safeguard shareholders’ interests, enhance corporate value and accountability, formulate its business strategies and policies and enhance transparency.

The Company’s corporate governance practices are established based on the provisions of the Corporate Governance Code (the “CG Code”), as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”).

During the year ended December 31, 2019, the Company has applied and complied with the applicable provisions of the CG Code as set out in Appendix 14 to the Listing Rules, except the deviations with respect to Code Provision A.2.1 as further explained below.

The Company shall review and improve its corporate governance practices on a regular basis to ensure a continuous compliance of such practices with the requirements of the CG Code.

本公司董事會欣然提呈本集團截至二零一九年十二月三十一日止年度年報之企業管治報告。

企業管治承諾

本公司董事會有責任向股東及利益相關人士確保本公司運營成功。良好的企業管治對本公司應對不斷變化的監管環境及增強與本公司股東及利益相關人士的關係而言至關重要，對本公司之成功及持續發展亦重要。我們致力提升至高標準的企業管治，亦已推行適合我們業務運營及發展之企業管治常規。

企業管治常規

董事會認為良好的企業管治標準乃本公司保障股東利益、提升企業價值與問責性、制定公司的商業策略及政策大綱及提升其透明度之關鍵。

公司管治常規建立在企業管治守則(「企業管治守則」)中的規定之上，為香港聯合交易所有限公司(「聯交所」)發佈的上市規則(「上市規則」)附錄十四所載企業管治常規。

本公司截至二零一九年十二月三十一日止年度會計期間，已應用及遵守上市規則附錄十四的企業管治守則適用之守則條文，惟下文闡明原因的偏離行為除外。

本公司將定期檢討及改善其企業管治常規，以確保該等企業管治常規繼續遵守企業管治守則之要求。

Corporate Governance Report (Continued)

企業管治報告(續)

MODEL CODE FOR SECURITIES TRANSACTIONS

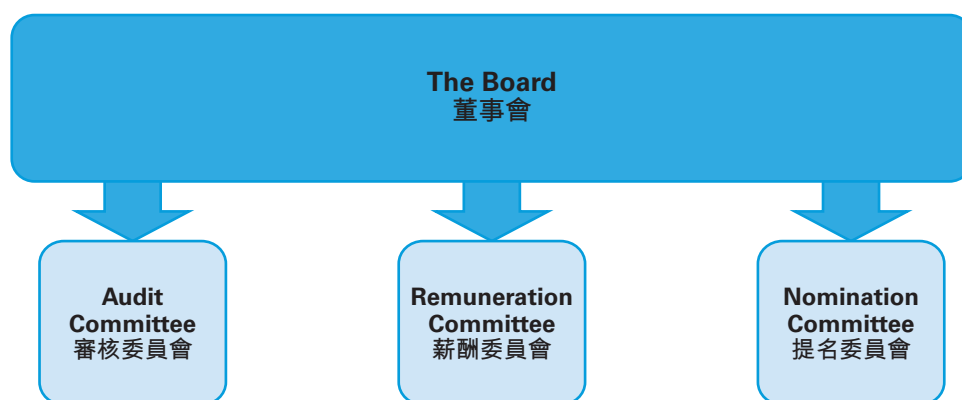
The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 to the Listing Rules as code of conduct for securities transactions. Having made specific enquiry of all the Directors, all the Directors confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions by directors throughout the year ended December 31, 2019.

證券交易的標準守則

本公司採用上市規則附錄十所載《上市發行人董事進行證券交易的標準守則》「標準守則」作為證券買賣之行為守則。經向全體董事作出具體查詢後，全體董事確認彼等等於截至二零一九年十二月三十一日止年度一直遵守標準守則及其行為守則訂明有關董事進行證券交易所要求的標準。

STRUCTURE OF CORPORATE GOVERNANCE

企業管治架構



Corporate Governance Report (Continued)

企業管治報告(續)

THE BOARD

As at December 31, 2019, the Board comprised seven members, including three Executive Directors, one Non-executive Directors and three Independent Non-executive Directors.

During the year, members of the Board are listed as follows:

Executive Directors:

Mr. Zhang Ruilin (*Chairman*)
Mr. Zhao Jiangwei
Mr. Mei Liming
(*appointed with effect from November 11, 2019 and resigned with effect from June 18, 2020*)
Mr. Wang Xiong
(*appointed with effect from August 9, 2019 and resigned with effect from November 11, 2019*)

Non-executive Directors:

Ms. Xie Na
Mr. Jiao Qisen
(*resigned with effect from January 16, 2019*)

Independent Non-executive Directors:

Mr. Mei Jianping
Mr. Jeffrey Willard Miller
Mr. Guo Yanjun

The biographical information of the Directors is set out under "Directors and Senior Management" on page 13 to page 16 of this annual report.

The relationships among members of the Board are disclosed under "Relationships among Directors and Senior Management" on page 17.

The Board is responsible for performing the functions set out under the Code Provision D.3.1 of the CG Code.

董事會

董事會截至二零一九年十二月三十一日，由7名成員組成，包括3名執行董事、1名非執行董事及3名獨立非執行董事。

於年度內，董事會成員載列如下：

執行董事：

張芮霖先生(主席)
趙江巍先生
梅黎明先生
(於二零一九年十一月十一日獲委任
並於二零二零年六月十八日辭任)
王雄
(於二零一九年八月九日獲委任
並於二零一九年十一月十一日辭任)

非執行董事：

謝娜女士
焦祺森
(於二零一九年一月十六日辭任)

獨立非執行董事：

梅建平先生
Jeffrey Willard Miller 先生
郭燕軍先生

董事的履歷資料載於本年報第13頁至第16頁「董事及高級管理層」一節。

董事會成員之間的關係於第17頁「董事與高級管理層之間的關係」披露。

董事會負責履行企業管治守則之守則條文第D.3.1條所載職能。

Corporate Governance Report (Continued)

企業管治報告(續)

The Board has reviewed the Company's corporate governance policies and practices and made recommendations to the Company regarding the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the Company's compliance with the Model Code, the code of conduct and compliance manual for employees and Directors, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Different from integrated oil companies engaged in upstream and downstream business, the Company is engaged in the business of oil & gas exploration and production. Therefore, the Board considered that, the making and implementation of strategic planning decision by the same individual was in the best the interest of the Company's oil & gas exploration and production business. The Nomination Committee of the Company also agreed that it would be in the best interest of the Company that the roles of Chairman and Chief Executive Officer be performed by the same individual.

Nonetheless, to better comply with the CG Code, with effect from November 11, 2019, Mr. Mei was appointed as the Chief Executive Officer of the Company and Mr. Zhang remained as executive Director and Chairman of the Board.

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

董事會已檢討並向本公司提出有關企業管治政策及常規、董事及高級管理層的培訓及持續專業發展、本公司在遵守法律及監管規定、標準守則、行為守則及員工與董事的合規指引及企業管治守則方面之政策及常規，以及於本企業管治報告作出的披露的建議。

主席和首席執行官

企業管治守則的守則條文第A.2.1條規定主席和首席執行官的角色應有區分，不應由同一人兼任。截至二零一九年十一月十一日，張芮霖先生(「張先生」)兼任董事會主席和首席執行官。

有別於從事上下游業務的綜合石油公司，本公司從事油氣勘探和生產業務。有鑒於此，董事會認為，由同一人制定戰略性計劃決策並付諸實施將最大程度地符合本公司油氣勘探和生產業務的利益。本公司提名委員會亦同意主席和首席執行官由同一人兼任符合本公司的最佳利益。

儘管如此，為了更好地遵守企業管治守則，從二零一九年十一月十一日起，梅先生獲委任本公司首席執行官，張先生僅擔任本公司執行董事及董事會主席。

首席執行官的變更使本公司能夠更好地遵守守則第A.2.1條的規定。作為董事會主席，張先生將繼續為董事會提供領導和為高級管理人員提供支持。

Corporate Governance Report (Continued)

企業管治報告(續)

EXECUTIVE DIRECTORS

Mr. Zhang Ruilin, Mr. Mei Liming and Mr. Zhao Jiangwei, being the Executive Directors, are collectively responsible for the operation of the whole group. Executive Directors should actively communicate with Non-executive Directors, and maintain an open and responsible attitude in respect of any reasonable administrative suggestions and enquiries raised by the Non-executive Directors.

INDEPENDENT NON-EXECUTIVE DIRECTORS

The three Independent Non-executive Directors of the Company review the management's performance in fulfilling established corporate targets and principles. They should also ensure that financial information is reported clearly and accurately, and the risk management and internal control systems are implemented effectively.

During the year ended December 31, 2019, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three Independent Non-executive Directors (representing one-third of the Board) with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Independent Non-executive Directors assume no management responsibilities in the Company, and hold no more than (either legally, beneficially or deemed) 1% of the total issued share capital of the Company; nor have they acquired any interest in securities of the Company either by gift or other methods; hence their independence is strongly guaranteed. In accordance with independent guidelines set out in Rule 3.13 of the Listing Rules, the Independent Non-executive Directors have provided an annual confirmation of independence to the Company. The Company considers all Independent Non-executive Directors to be independent.

Independent Non-executive Directors of the Company are involved in communications with the auditors, which fully exhibits the role of independent supervision. During the reporting period, no objections regarding the proposals of the Board or Board Committees have been raised by Independent Non-executive Directors.

執行董事

張芮霖先生、梅黎明先生及趙江巍先生作為執行董事，承擔整個集團的運營。執行董事主動與非執行董事溝通，並對非執行董事提出的任何合理的行政建議及質詢持開放及負責的態度。

獨立非執行董事

本公司3名獨立非執行董事評估管理層在實現既定的企業目標和宗旨方面的表現。他們亦須確保財務資料得到清晰及準確的彙報，以及確保風險管理及內部監控系統的有效實施。

截至二零一九年十二月三十一日止年度，董事會一直符合上市規則有關委任至少三名獨立非執行董事(佔董事會三分之一)，其中一名獨立非執行董事須具備合適專業資格或會計或相關財務管理專業知識的規定。

獨立非執行董事在本公司不擔任任何管理職務，且在法律上或實益持有，或被視為持有本公司已發行股本總額不超過1%，亦未以饋贈形式或其他資助方式，取得本公司任何證券權益；其獨立性得到了有力的保證。根據上市規則第3.13條的獨立性指引，各獨立非執行董事已簽署獨立性確認函。本公司確認全體獨立非執行董事的獨立性。

本公司獨立非執行董事參與與核數師的溝通，充分發揮了獨立監督作用。報告期內未出現獨立非執行董事對本公司董事會或董事委員會議案提出異議的情況。

Corporate Governance Report (Continued)

企業管治報告(續)

NON-EXECUTIVE DIRECTORS AND DIRECTORS' RE-ELECTION

Non-executive Directors serving the Board and Board Committees are equipped with different skills, specialties, backgrounds and qualifications, benefiting the Board a lot. Independent Non-executive Directors not only act as Non-executive Directors, but also equip the Board with expertise and business specialty supplementary to management, thus providing unique opinion and independent judgment for the possible situations during the implementation of the Company's business. Independent Non-executive Directors are acting as chairmen and members of Audit Committee, Remuneration Committee and Nomination Committee under the Board of the Company.

The appointment and re-election of all Directors of the Company for the year ended December 31, 2019 was in compliance with the CG Code. In accordance with the Code Provision A.4.2, all Directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after their appointment. Every Director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years. The specific term of appointment for Directors of the Company is three years, which is subject to retirement by rotation at least once every three years. The appointment of Non-executive Directors of the Company shall comply with the Code Provision A.4.1 under the CG Code, namely, all Non-executive Directors should be appointed for a specific term and subject to re-election.

RESPONSIBILITIES, ACCOUNTABILITIES AND CONTRIBUTIONS OF THE BOARD AND MANAGEMENT

The Board is responsible for leading and supervising the businesses, strategic policies and performance of the Company, as well as being collectively responsible for facilitating the successful development of the Company by detecting and supervising the Company's affairs. The Board makes objective decisions in the interest.

非執行董事及董事重選

在董事會和董事委員會任職的非執行董事各自具備不同的技能、專長、背景及資格，讓該等董事會獲益良多。獨立非執行董事不單擔當非執行董事的角色，且為董事會帶來與管理互補互促的專業知識及業務專長，從而為本公司業務可能遇到的狀況提供獨到見解及獨立判斷。董事會轄下的審核委員會、薪酬委員會及提名委員會的主席及成員均由獨立非執行董事擔任。

截至二零一九年十二月三十一日止年度本公司全體董事的委任及重選均符合企業管治守則。根據守則條文第A.4.2條規定，所有獲委任填補臨時空缺之董事應在獲委任後的首次股東大會由股東選任。每位董事(包括按指定任期委任之董事)須至少每三年輪席退任一次。本公司各董事之指定任期為三年，須至少每三年輪席退任一次。本公司非執行董事委任遵行企業管治守則之守則條文第A.4.1條規定，即全體非執行董事的委任均有指定任期並須重選。

董事會及管理層之職責、問責及貢獻

董事會負責領導及監察本公司、監督本公司之業務、策略方針及表現以及集體負責透過指導及監管本公司事務推動本公司成功發展。董事會以本公司利益作出客觀決定。

Corporate Governance Report (Continued)

企業管治報告(續)

The Board has delegated to the Chief Executive Officer and delegated through him to senior management the authority and responsibility for carrying out the Company's day-to-day management and operation. The delegated duties and responsibilities will be reviewed on a regular basis. The aforementioned senior executives shall obtain the approval from the Board prior to entering into any significant transactions.

In addition, the Board has established the Board Committees and delegated responsibilities as set out in their respective written terms of reference.

All Directors (including Non-executive Directors and Independent Non-executive Directors) have brought a wide spectrum of valuable business experience, knowledge and expertise to the Board, facilitating an efficient and effective operation thereof. All Directors shall ensure that they will perform their duties in good faith, comply with applicable laws and regulations and act in the interests of the Company and shareholders at all times.

All Directors have full and timely access to all relevant information of the Company and the services and advice of the company secretary, to ensure that procedures of the Board and all applicable laws and regulations are complied with. Upon request, Directors, may seek independent professional advice when appropriate for discharging their duties to the Company, at the Company's expense.

Directors shall disclose to the Company details regarding other offices held by them, and the Board shall review the contribution required from each Director in performing his duties to the Company on a regular basis.

The Board reserves the decision-making power over all important issues, including the Company's policy matters, strategies and budget, internal controls and risk management, significant transactions (especially those that may involve conflict of interest), financial information, appointment of Directors and other significant operational issues. The responsibilities of the management are implementing decisions made by the Board, directing and coordinating the Company's daily business.

In respect of legal actions against Directors and senior management arising out of corporate activities, the Company has made arrangements for appropriate insurance cover Directors and executives regarding their duties.

董事會已授權首席執行官，並通過首席執行官向高級管理層轉授權力及責任進行本公司之日常管理及經營。所指派的職責及責任定期予以檢討。上述高級行政人員訂立任何重大交易前須取得董事會批准。

此外，董事會已成立董事委員會，並向該等董事委員會授出各自職權範圍所載的各項責任。

全體董事(包括非執行董事及獨立非執行董事)均為董事會註入多領域的寶貴業務經驗、知識及專長，促進董事會高效及有效運作。全體董事須確保真誠履行職責，遵守適用法例及法規，並時刻為本公司及其股東之利益行事。

全體董事均可全面及時查詢本公司所有相關資料及獲取公司秘書的服務與意見，確保遵守董事會程序和所有適用法例及規例。董事提出要求後可在適當情況下尋求獨立專業意見，以向本公司履行職責，費用由本公司支付。

董事須向本公司披露彼等所擔任其他職務之詳情，而董事會定期審閱各董事向本公司履行職責時須作出的貢獻。

董事會保留對所有重要事項的決策權，包括本公司政策事宜、策略及預算、內部監控及風險管理、重大交易(特別是可能涉及利益衝突之交易)、財務數據、委任董事及其他重要營運事宜。有關執行董事會決策、指導及協調本公司日常營運之職責授予管理層。

本公司已就董事及高級管理層可能面對因企業活動產生之法律行動，為董事及行政人員之職責作出適當投保安排。

Corporate Governance Report (Continued)

企業管治報告(續)

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

Every newly appointed Director will obtain on-board induction upon first occasion of his/her appointment, in order to ensure appropriate understanding of the Company's business and operation and full awareness of the Directors' duties in accordance with the Listing Rules and related laws. The Director shall keep abreast of the duties as a Director of the Company, and the conduct, business activities and development of the Company.

All Directors are continually updated on the legal and regulatory regime as well as the business environment, so as to assist in their performance of duties. The Company will make arrangements when necessary and provide briefing and professional development training to Directors.

All Directors should participate in appropriate continuing professional development for developing and updating their own knowledge and skills, so as to ensure that they can remain informed and continue to make contribution to the Board as appropriate. The Company will arrange internal briefing sessions for Directors and distribute reading material on relevant topics where appropriate. The Company encourages all Directors to attend related training courses at the Company's expenses.

All Directors also kept up to date with various developments through reading regulatory updates, journals, articles and/or other materials.

董事的持續專業發展

每名新任董事於首次獲委任時均會獲得入職介紹，確保適當掌握本公司的業務及經營，並完全瞭解根據上市規則及相關法規的董事職責。董事須持續瞭解作為本公司董事的職責及操守，以及本公司的業務活動及發展。

全體董事亦會持續獲得有關法律和監管機制及業務環境的最新消息，以協助彼等履行職責。本公司會於必要時作出安排，向董事提供簡介及專業發展培訓。

全體董事應參與適當的持續專業發展，發展並更新自身知識及技能，以確保其繼續在具備全面資訊及切合所需的情況下對董事會做出貢獻。本公司將適時在公司內部為董事安排簡介會並向董事發放相關主題之閱讀材料。本公司鼓勵全體董事出席相關培訓課程，費用由本公司支付。

全體董事還通過閱讀法規更新，期刊，文章以及其他材料來了解最新動態。

Corporate Governance Report (Continued)

企業管治報告(續)

BOARD COMMITTEES

Three Committees have been established under the Board, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee, to supervise particular aspects of the Company. All Board Committees of the Company are established based on functions and powers set out in the written terms of reference which are available on the websites of the Company and the Stock Exchange for shareholders' reference.

A list of the chairman and members of each Board Committee is set out under "Company Information" on page 2. All members of the Board Committees are Independent Non-executive Directors.

Board Committees are also equipped with sufficient resources to perform their duties, and can seek independent professional advices when appropriate (upon reasonable request) at the Company's expense.

董事委員會

董事會已設立3個委員會，即審核委員會、薪酬委員會及提名委員會，以監督本公司特定方面之事務。本公司所有董事會委員會均按書面界定之職權範圍成立，有關職權範圍刊登於本公司及聯交所網站供股東閱覽。

所有董事委員會成員均為獨立非執行董事，各董事委員會的主席及成員名單載於第2頁之「公司資料」。

董事委員會亦有足夠資源履行職務，在作出合理請求後，可於適當情況下尋求獨立專業意見，費用由本公司支付。

Committees 委員會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Chairman 主席	Independent Non-executive Director: Mr. Jeffrey Willard Miller 獨立非執行董事： Jeffrey Willard Miller 先生	Independent Non-executive Director: Mr. Mei Jianping 獨立非執行董事： 梅建平先生	Independent Non-executive Director: Mr. Mei Jianping 獨立非執行董事： 梅建平先生
Composition 組成	All other members are Independent Non-executive Directors: Mr. Mei Jianping and Mr. Guo Yanjun 成員均為獨立非執行董事： 梅建平先生、郭燕軍先生	All other members are Independent Non-executive Directors: Mr. Jeffrey Willard Miller and Mr. Guo Yanjun 成員均為獨立非執行董事： Jeffrey Willard Miller 先生、 郭燕軍先生	All other members are Independent Non-executive Directors: Mr. Jeffrey Willard Miller and Mr. Guo Yanjun 成員均為獨立非執行董事： Jeffrey Willard Miller 先生、 郭燕軍先生

Corporate Governance Report (Continued)

企業管治報告(續)

Committees 委員會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
<p>Main responsibilities</p> <p>主要職責</p>	<ul style="list-style-type: none"> Review financial statements and reports before they are submitted to the Board, and consider any significant or unusual issues raised by external auditors Review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of recommendations on the appointment, re-appointment and removal of external auditors to the Board Review the adequacy and efficiency of the Company's financial reporting system, internal control system, risk management system and related procedures 向董事會提交財務報表及報告前審閱財務報表及報告，並考慮外聘核數師提出的任何重大或不尋常事項 參考核數師的工作、其費用及聘用條款，檢討與外聘核數師的關係，並就外聘核數師的委任、重新委任及罷免向董事會提供建議 檢討本公司財務報告制度、內部監控制度及風險管理制度及相關程序是否充足有效 	<ul style="list-style-type: none"> Review and make suggestions on the remuneration of Executive Directors and senior management to the Board Review and make suggestions on the remuneration of Non-executive Directors to the Board Review and make suggestions on the Company's remuneration policies and structure of remuneration of all Directors and senior management to the Board Review and make suggestions on the appointment letter of Executive Directors newly appointed during the year to the Board Review and approve the compensation arrangements of Executive Directors and senior management Assessing performance of Executive Directors 就各執行董事及高級管理層的薪酬待遇向董事會提出建議 審議並就非執行董事的薪酬向董事會提出建議 審議並就本公司對全體董事及高級管理層的薪酬政策及架構向董事會提出建議 審議就年內新任執行董事的任命函向董事會提出建議 審議及批准執行董事及高級管理層的賠償安排 評價執行董事表現 	<ul style="list-style-type: none"> Review the structure, size and composition of the Board, and make suggestions on any changes Formulate, develop and review the Board Diversity Policy and the measurable objectives for implementing the policy Formulate, develop and review the policy and relevant procedures for nomination and appointment of Directors Identify suitable candidates for appointment as Directors Make suggestions on the appointment or re-appointment of and succession planning for Directors to the Board Assess the independence of Independent Non-executive Directors 檢討董事會之架構、規模及組成，並就任何建議變動提出建議 建立、制訂及檢討董事會成員多元化政策及落實政策的可計量目標 建立、制訂及檢討提名及委任董事之政策及相關程序 物色合適之董事人選 就董事之委任或連任及繼任計劃向董事會提出建議 評估獨立非執行董事之獨立性

Corporate Governance Report (Continued)

企業管治報告(續)

Committees 委員會	Audit Committee 審核委員會	Remuneration Committee 薪酬委員會	Nomination Committee 提名委員會
Number of meetings held in 2019 and summary of work done	Two meetings were held for reviewing of the Group's financial performance and reports, financial reporting and compliance procedures, reviewing and reporting on the Company's internal controls and risk management system and procedures, work scope and further engagement of external auditor, related party transactions and arrangements focusing the staff on possible inappropriate acts.	One meeting was held for granting share award.	One meeting was held for director appointment.
二零一九年度舉行會議次數	舉行2次會議，檢討財務業績及報告、財務申報及合規程序、本公司內部監控及風險管理制度和程序之報告、外聘核數師的工作範圍及續聘事宜、關連交易以及使僱員關注可能不當行為之安排。	舉行1次會議，討論股份獎勵計劃。	舉行1次會議，旨在公司董事任命。

BOARD DIVERSITY POLICY

When evaluating the composition of the Board, the Nomination Committee will consider different aspects required by the Board diversity policy, including but not limited to gender, age, cultural and educational background, professional qualification, skills, knowledge, industry and regional experience. The Nomination Committee will discuss and reach consensus on measurable objectives of diversification of members of the Board and make recommendations to the Board.

DIRECTOR NOMINATION POLICY

The Nomination Committee has adopted a set of nomination procedures for selection of candidates for directors by making a reference to the skills, experience, expertise, personal conduct and time commitments of individuals, the Company's needs and relevant laws and regulations. When necessary, external recruitment professionals may be engaged to carry out the selection process.

董事會成員多元化政策

在評估董事會組成時，提名委員會將考量董事會成員多元化政策要求的不同層面包括但不限於性別、年齡、文化和教育背景、專業資質、技能、知識以及行業和地區經驗，將討論並就建成董事會成員多樣化的可量計的目標達成共識，並向董事會提出建議。

董事提名政策

提名委員會已參考候選人的技能、經驗、專業知識、個人操守及時間投入、本公司需要及其他相關法律法規，採納本公司董事候選人的提名程序。必要時可委聘招聘專家執行篩選程序。

Corporate Governance Report (Continued)

企業管治報告(續)

ATTENDANCE RECORD OF DIRECTORS AND COMMITTEE MEMBERS

The details regarding Directors' attendance of meetings held by the Board and the Board Committees as well as the general meetings during their tenure during the year ended December 31, 2019 are set out in the table below:

董事及委員會成員出席會議的記錄

各董事在其任期內出席截至二零一九年十二月三十一日止年度舉行的董事會與董事委員會會議及本公司股東大會的記錄載於下表：

		Attendance/Number of Meetings 出席/會議次數				Annual General Meeting 股東週年大會
		Board 董事會	Audit Committee 審核委員會	Nomination Committee 提名委員會	Remuneration Committee 薪酬委員會	
Executive Director	執行董事					
Mr. Zhang Ruilin	張芮霖先生	6/6	N/A 不適用	N/A 不適用	N/A 不適用	1/1
Mr. Zhao Jiangwei	趙江魏先生	6/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Wang Xiong (appointed with effect from August 9, 2019 and resigned with effect from November 11, 2019)	王雄(於二零一九年八月九日獲委任並於二零一九年十一月十一日辭任)	1/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Mei Liming (appointed with effect from November 11, 2019 and resigned with effect from June 18, 2020)	梅黎明(於二零一九年十一月十一日獲委任並於二零二零年六月十八日辭任)	1/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Non-executive Director	非執行董事					
Ms. Xie Na	謝娜女士	3/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Mr. Jiao Qisen (Resigned with effect from January 16, 2019)	焦祺森先生(已於二零一九年一月十六日辭任)	0/6	N/A 不適用	N/A 不適用	N/A 不適用	0/1
Independent Non-executive Director	獨立非執行董事					
Mr. Mei Jianping	梅建平先生	3/6	2/2	1/1	1/1	0/1
Mr. Jeffrey Willard Miller	Jeffrey Willard Miller 先生	3/6	2/2	1/1	1/1	0/1
Mr. Guo Yanjun	郭燕軍先生	3/6	2/2	1/1	1/1	1/1

During the year ended December 31, 2019, apart from regular Board meetings, the Chairman also held meetings with Non-executive Directors (including Independent Non-executive Directors) without the presence of other Executive Directors.

截至二零一九年十二月三十一日止年度內，除定期董事會會議外，主席亦與非執行董事(包括獨立非執行董事)舉行會議，而無執行董事出席。

Corporate Governance Report (Continued)

企業管治報告(續)

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge that they are responsible for the preparation of the financial statements of the Company for the year ended December 31, 2019.

The Board is responsible for presenting balanced, clear and concise annual reports and interim reports, announcements on inside information and other disclosures as stipulated by the Listing Rules as well as other statutory and regulatory provisions.

GOING CONCERN

Due to the potential interaction of the multiple uncertainties regarding the action plan of the Company and the possible cumulative effect on the consolidated financial statements, the Company's auditor (the "Auditor") has expressed that it is not possible for the Auditor to form an opinion on the consolidated financial statements of the Group for the year ended December 31, 2019 (the "Audit Qualification"), the details of which are described in the "Basis for Disclaimer of Opinion" section of the Independent Auditor's Report of this annual report.

董事就財務報表承擔的責任

董事確認彼等有責任編製本公司截至二零一九年十二月三十一日止年度之財務報表。

董事會負責編製上市規則及其他法定及監管條文規定的均衡、清晰及簡明年度報告及中期報告、內幕消息公告及其他披露。

持續經營

由於對本公司行動產生影響的潛在多個不確定事項及對合綜合財務報表產生的可能累積影響，本公司的核數師(「核數師」)表示，就截至二零一九年十二月三十一日止年度的綜合財務報表無法表示意見(「保留意見」)，其詳情載於本年度報告的獨立核數師報告的「無法表示意見的基礎」部分。

Corporate Governance Report (Continued)

企業管治報告(續)

Management's view on the Audit Qualification

As detailed in Note 2.1.1 to the consolidated financial statements for the year ended December 31, 2019 ("Note 2.1.1"), conditions were existed as at December 31, 2019 indicating the existence of material uncertainties which may cast significant doubt regarding the Group's ability to continue as a going concern. In view of such circumstances, the management of the Group (the "Management") has given careful consideration to Group's current liquidity, performance and available sources of financing in considering the Group's ability to continue as a going concern. The Management has also taken or will continue to implement the measures as further detailed in Note 2.1.1 to mitigate the Group's liquidity pressure and to improve the conditions of cash flow. Taking into account the successful and continued implementation of such measures, the Management and also the Directors are satisfied that the Group will have sufficient working capital for a period of not less than 12 months from January 1, 2020 to June 30, 2021, and hence it is appropriate to prepare the Group's consolidated financial statements on a going concern basis. The Management and Directors are of the view that the Group will, based on the action plan devised, have sufficient cash resources to satisfy future working capital and other financing requirements as and when they fall due for the period from January 1, 2020 up to June 30, 2021.

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

管理層對審核保留意見的見解

誠如截至二零一九年十二月三十一日止年度的綜合財務報表附註2.1.1(「附註2.1.1」)所詳述，出現狀況顯示存有重大不確定因素，可能對本集團持續經營的能力產生重大疑慮。鑒於該等情況，本集團管理層(「管理層」)在考慮本集團的持續經營能力時，已審慎考慮本集團目前流動資金、業績以及可獲得的融資來源。管理層亦已採取或將繼續實施附註2.1.1所詳述措施以減輕本集團的流動資金壓力並改善現金流量狀況。考慮到這些措施的成功且持續實施，管理層及董事對本集團涵蓋二零二零年一月一日至二零二一年六月三十日不少於十二個月期間的擁有充足的營運資金感到滿意，亦信納按持續經營基準編製本集團綜合財務報表乃屬恰當。管理層及董事認為，按照所設計行動計劃，本集團將具備足夠現金資源以應付自二零二零年一月一日至二零二一年六月三十日期間日後營運資金及其他融資需求。

合併財務報表是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)貸款人和票據持有人不會在債務重組計劃最終確定和執行重組協議之前對本集團採取任何行動以行使其權利、要求立即償還交叉違約借款和2022優先票據的本金和利息；(ii)成功獲取貸款人與票據持有人就重組計劃所要求事項的一致同意，且本集團成功完成債務重組計劃項下執行重組協議所必需的所有程序；並且，於重組協議執行後，本集團有能力繼續遵守其中規定的條款和條件；(iii)於截至2021年6月30日的整個預測期內，實際油價與現金流量預測中的預測油價水平相一致；以及(iv)除上述事項以外，本集團有能力產生經營現金流量及獲得額外融資來源，以滿足本集團包括完成新井所需投資在內的石油勘探及生產業務的資金需求以及其他融資需求。

Corporate Governance Report (Continued)

企業管治報告(續)

Action plan to address the Audit Qualification

回應審核保留意見的行動計劃

Details of the action plan of the Group to address the Audit Qualification

回應審核保留意見的行動計劃詳情

In order to address the uncertainties which may cast doubt regarding the Group's ability to continue as a going concern, and with a view to removing the Audit Qualification, the Company had taken and intends to continue to implement the measures as further detailed in Note 2.1.1 to mitigate the liquidity pressure and to improve its cash flows, including:

為回應可能導致本集團持續經營能力產生疑慮的不確定因素，以及剔除審核保留意見，本公司已採取並有意繼續實施附註2.1.1所詳述措施，以減輕流動資金壓力及改善其現金流量，包括：

- | | |
|--|---|
| <p>(i) Continuing our ongoing efforts in convincing the creditors not to take any actions against the Group for immediate payment of the principals and interest of the Cross-Defaulted Borrowings and the 2022 Senior Notes;</p> <p>(ii) Negotiations with various creditors in relation to the Debt Restructuring Plans to revise certain key terms and conditions, including but not limited to deferral of interest payment, reduction of interest rate and extension of maturity;</p> <p>(iii) Successfully extended the term of Daan PSC to February 2028, which would enable the Group to improve the Group's operating cash flows through increased production; and</p> <p>(iv) Continued to seek other alternative financing, including proceeds from the disposal of non-core assets, to finance the settlement of its existing financial obligations and future operating and capital expenditures.</p> | <p>(i) 本集團將繼續保持盡力說服債權人不會對本集團採取任何行動以要求立即償還交叉違約借款和2022優先票據的本金和利息；</p> <p>(ii) 本集團持續與債權人就債務重組計劃進行積極協商溝通，以修改部分關鍵條款和條件，包括但不限於延長本金和利息支付時間以及降低適用的利率；</p> <p>(iii) 本集團成功將大安項目的產品分成合同的生產期延長至二零二八年二月。通過取得此項延期，使得本集團將能夠通過增加產量來改善其經營現金流量；以及</p> <p>(iv) 本集團還將繼續尋求其他替代融資方式，包括通過出售非核心資產等方式取得資金，以履行其現有的負債義務以及滿足未來的運營和資本支出。</p> |
|--|---|

The Management and Directors believe that the current action plans are the most commercially practicable plans and measures in addressing the Group's liquidity matters and going concern. The Management and the Directors will focus on the current action plans and the implementation thereof, while keeping viable options open as they continue their efforts in addressing the going concern issue and Audit Qualification.

管理層及董事相信，上述行動計劃是解決集團流動資金及持續經營問題最具商業可行性的計劃及措施。管理層和董事將專注於當前的行動計劃及其實施，同時保留可行的選擇，繼續努力解決持續經營問題和審核保留意見的問題。

Corporate Governance Report (Continued)

企業管治報告(續)

Impact of the Audit Qualification on the Company's financial position

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 of the Company for the year ended December 31, 2019.

Audit committee's view on the Audit Qualification

The audit committee of the Company (the "Audit Committee") had critically reviewed the Audit Qualification and also the management's position and action plan of the Group to address the Audit Qualification. The Audit Committee is in agreement with the Management with respect to the Audit Qualification and the Group's ability to continue as a going concern, and in particular the actions or measures to be implemented by the Management or the Group.

審核保留意見對本公司財務狀況的影響

倘本集團未能實現上述計劃及措施，則可能無法在持續經營的基礎上繼續運營，並須作出調整以將本集團的資產賬面價值調整至其可收回金額，計提可能進一步產生的負債撥備，同時將非流動資產及非流動負債重新分類為流動資產和流動負債。該等調整的影響尚未反映於二零一九年十二月三十一日止年度的合併財務報表中。

審核委員會對審核保留意見的見解

本公司審核委員會(「審核委員會」)已嚴格審閱審核保留意見以及管理層的立場及本集團回應審核保留意見的行動計劃。審核委員會認同管理層對審核保留意見、本集團持續經營能力，以及特別是針對本集團管理層將實施的計劃及措施的見解。

Corporate Governance Report (Continued)

企業管治報告(續)

Based on the Company's discussion with the Auditor, as the Audit Qualification relates to a going concern issue, in preparing the financial statements for the year ending December 31, 2020, the Directors are responsible for assessing the Company's ability to continue as a going concern and the appropriateness of preparing the Group's consolidated financial statements on a going concern basis, based on the conditions and circumstances as at December 31, 2020. In accordance with the International Standards on Auditing, sufficient appropriate audit evidence should be made available regarding the appropriateness of the Management's use of the going concern basis of accounting in the preparation of the Group's financial statements, so that to enable the Auditor to conclude, based on the audit evidence obtained, whether a material uncertainty exists regarding the Company's ability to continue as a going concern.

The Management's assessment of the Company's ability to continue as a going concern as at December 31, 2020 should be based on the conditions and circumstances as at December 31, 2020 and cash flow projections covering a period of not less than 12 months from December 31, 2020. As such, the Auditor is unable to ascertain whether the Audit Qualification can be removed for the next financial year at this stage.

Assuming all the above plans or actions can be completed as planned and no new circumstances and conditions have occurred, subject to satisfactory completion of review of the Management's assessment of the Company's going concern, together with sufficient and appropriate evidence, the Audit Qualification may be removed in connection with the audit of the consolidated financial statements of the Group for the year ending December 31, 2020.

根據本公司與核數師的討論，由於審核保留意見與持續經營問題有關，於編製截至二零二零年十二月三十一日止年度的財務報表時，董事負責基於二零二零年十二月三十一日的狀況及情況，評估本公司持續經營的能力及按持續經營基準編製本集團綜合財務報表是否恰當。根據國際審核準則，核數師需要就管理層於編製本集團財務報表時使用持續經營會計基準是否適當取得充分適當審核憑證，並就所取得審核憑證，就本公司持續經營的能力是否存在重大不確定因素作出結論。

管理層就評估二零二零年十二月三十一日本公司的持續經營能力需考慮當時狀況及情況，並需包括涵蓋由二零二零年十二月三十一日起計不少於12個月期間的現金流量預測。因此，核數師在目前階段無法確定能否於下一個財政年度剔除審核保留意見。

假設所有上述計劃或行動可按計劃完成，沒有新的情況發生，並圓滿完成審閱管理層對本公司持續經營的評估，連同充分適當憑證，預期可能會就審核本集團截至二零二零年十二月三十一日止年度的綜合財務報表剔除審核保留意見。

Corporate Governance Report (Continued)

企業管治報告(續)

AUDITORS' REMUNERATION

The Company's external auditor is PricewaterhouseCoopers, whose responsibilities in respect of the Company's consolidated financial statements are set out in the Independent Auditor's Report on pages 123 to 127.

For the year ended December 31, 2019, remuneration paid or payable to the Company's auditors (i.e., PricewaterhouseCoopers and its member firms within the same network) is set out below:

核數師酬金

本公司之外聘核數師為羅兵咸永道會計師事務所(以下簡稱「羅兵咸永道」)，其對本公司合併財務報表責任載於第123至127頁之獨立核數師報告。

截至二零一九年十二月三十一日止年度，已付或應付予本公司核數師羅兵咸永道及其網絡成員所的酬金列示如下：

		2019 二零一九年 RMB'000 人民幣千元
Audit and audit related services	審計及審計相關服務	
— Included in continuing operations	— 包含在持續經營	5,236
— Included in discontinued operations	— 包含在終止經營	1,330
Non-audit service*	非審計服務*	
— Included in continuing operations	— 包含在持續經營	625
		7,191

* Non-audit services primarily represent tax and consultancy services.

* 非審計服務主要指稅務及諮詢服務。

Corporate Governance Report (Continued)

企業管治報告(續)

RISK MANAGEMENT AND INTERNAL CONTROLS

風險管理及內部監控

Risk management and internal controls are part of the core operational management activities and business activities of the Group. The Board aims to establish a comprehensive risk management system which complies with the Group's strategies and business features, perfect the organizational structure of risk management, standardize risk management processes, adopt qualitative and quantitative risk management methods, carry forward risk identification, evaluation and mitigation, and facilitate the sustainable and healthy development of different businesses of the Company. The Board is responsible for maintaining an adequate internal control system so as to safeguard shareholders' investments and the Company's assets, and reviewing the effectiveness of internal controls on a yearly basis, with the assistance of the Audit Committee.

風險管理及內部監控是核心經營管理活動和業務活動的一部份。董事會力求建立符合集團戰略和業務特點的全面風險管理體系，完善風險管理組織架構，規範風險管理流程，採取定性和定量相結合的風險管理方法，推進風險的識別、評估和緩釋風險，並促進本公司各項業務持續健康發展。董事會負責維持充足的內部監控系統以保障股東的投資及本公司資產，並在審核委員會的協助下按年檢討內部監控是否有效。

The Company's risk management system and internal control system are established for an efficient and effective operation, so as to ensure reliable financial reporting and compliance with applicable laws and regulations, identification and management of potential risks and safeguarding of the Group's assets. 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. Senior management of the Group reviews and evaluates internal control procedures, monitors any risk factors on a regular basis, and reports to the Audit Committee on the results and measures for handling differences and risks identified.

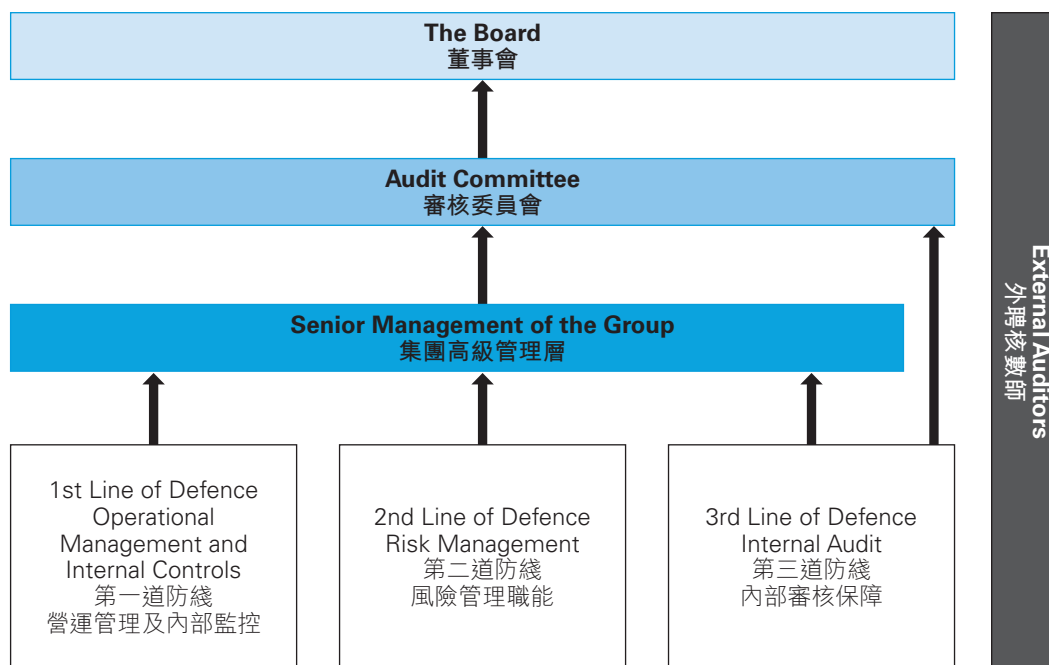
本公司之風險管理及內部監控系統乃為配合有效及高效的營運而設，確保財務申報可靠及符合適用法例及法規，辨識及管理潛在風險及保障本集團資產。該等系統旨在管理而非消除未能達成業務目標的風險而且只能就不會有重大的失實陳述或損失作出合理而非絕對的保證。高級管理層定期檢討及評估監控程序、監察任何風險因素，並向審核委員會彙報結果及處理差異和已識別風險的措施。

Corporate Governance Report (Continued)

企業管治報告(續)

1. Risk management structure and other details

The risk management system and internal controls of the Group are guided by the “three lines of defence” as listed below:



As the highest level decision-making body for the Company’s risk management and internal controls, the Board is responsible for reviewing the effectiveness of overall risk management and internal control systems. The Audit Committee, on behalf of the Board, performs the duties regarding risk management and internal controls, supervises management design, implements and monitors work regarding risk management and internal control system, fully understands various significant risks and corresponding management faced by the Company, and supervises the effectiveness of the risk management and internal control system.

1. 風險管理架構及說明

集團的風險管理及內部監控以下文所示的「三道防線」模式為指引：

董事會是公司風險管理及內部監控最高決策機構，對全面風險管理工作的有效性負責。董事會下設審核委員會，代表董事會履行風險管理及內部監控職責，監督管理設計、實施及監控風險管理及內部監控制度的工作，全面瞭解公司面臨的各項重大風險及其管理狀況，監督風險管理及內部監控體系運行的有效性。

Corporate Governance Report (Continued)

企業管治報告(續)

2. Three lines of defence

1st line of defence: operational management and internal controls

The 1st line of defence comprises the Company's internal control system, including (i) corporate policies shared with staff via the internal network; (ii) operational policies, procedures and practices covering authorization and transaction approval, etc.; (iii) application of financial reporting standards and (iv) review of financial performance and significant judgments.

(1) Company policies:

- **The Corporate Management Manual** is categorized into three parts: the Organization Chart, Segregation of Duties and Authority Guide, and Management System Compilation. The Organization Chart depicts the internal organizational structure of the Company. The Segregation of Duties and Authority Guide covers the key components of all functions of the Company's project companies, the Board Committees and management. It establishes clear management responsibilities, authorization and accountability. The Management System Compilation covers the processes and approval procedures related to internal controls within the Company, clarifying the responsibilities and rights of various departments. Since 2016, we have initiated a plan to reorganize and amend the Corporate Management Manual in a bid to update related systems and enhance operation efficiency based on the latest organizational structure and to update it regularly in accordance with organizational changes and management requirements.
- **The Staff Manual** regulates the behaviors of the staff of the Company, aiming at facilitating the penetration of integrity and moral values into the Company.
- **The Whistleblowing Policy** encourages the staff and other business-related personnel to report events involving misconducts or fraud in the Company, without being persecuted.

2. 三道防線

第一道防線：營運管理及內部監控

第一道防線由公司內部監控系統組成，其中包括：(i)透過內部網絡與僱員共享的公司政策；(ii)涵蓋授權及批准交易等各個方面的營運政策、程序及實務；(iii)應用財務報告準則；及(iv)審閱財務表現及重大判斷。

(1) 公司政策：

- **公司管理手冊**分為三大部分：組織機構圖、職責分工與權限指引、管理制度彙編等。組織機構圖描述了公司內部的組織架構。職責分工與權限指引涵蓋了本公司所有項目公司、董事委員會及管理層的職能主要原素。其中建立了明確的管理職責、授權及問責。管理制度彙編涵蓋了公司內部監控相關流程及審批程序，詳細說明了各部門的職責與權利。自二零一六年起我們已開始一項計劃重整及修改企業管理手冊，並根據組織機構變化及管理要求定期進行更新，旨在根據最新的組織架構，更新相關系統，提高營運效率。
- **員工手冊**規管公司員工行為，旨在促進本公司誠信及道德價值觀的滲透。
- **舉報政策**鼓勵僱員及其他業務相關人士可匿名舉報本公司內涉嫌行為失當或舞弊的事件，並避免遭受迫害。

Corporate Governance Report (Continued)

企業管治報告(續)

- **The Information Disclosure Policy** regulates the handling and publishing of inside information of the Company. We ensure that inside information is saved and accessed in an absolutely confidential manner until the Company makes timely disclosure.

The Information Disclosure Policy includes:

- Applicable scope of policy
- Form of information disclosure
- Periodic reports
- Management of matters relating to information disclosure

(2) **Operational policy:**

The Accident Management Regulations help the Company to systematically and timely report and handle accidents in a detailed, unified and coordinated manner, with corresponding follow-up and monitoring conducted by the Internal Audit Department.

2nd line of defence: risk management function

The 2nd line of defence comprises several risk monitoring practices of the Company, and is subject to the supervision of the Audit Committee. The Company has adopted a risk management event library, and developed an exhaustive plan in respect of various risks, so as to support the Company's risk management program and assist the operating departments to identify and report significant risks affecting the Company in a timely manner. The Company's risk management event library adopts a top-down risk assessment approach at the corporate level, and within each operating unit, a bottom-up approach is adopted for re-examination by using the individual risk register (based on the impact from risks). The risk management event library identifies the main challenges faced by the Company, thereby assisting the Board and the management to make informed decisions.

- **信息披露政策**規管本公司內幕消息的處理及發佈。我們確保在絕對保密的情況下存取潛在內幕資料，直至公司做出貫徹和及時的披露為止。

信息披露政策包括：

- 政策的適用範圍
- 信息披露的形式
- 定期報告
- 相關信息披露事務的管理

(2) **營運政策：**

事故管理規定有助本公司以統一協調的形式有系統地、及時地、詳盡地彙報及處理本公司的各類事故，並由內部審計部門作出相關跟進及監察。

第二道防線：風險管理職能

第二道防線包括本公司多項風險監控實務，並由審核委員會監督。本公司會採用公司風險管理事件庫，就各項風險制定詳盡的計劃，藉以支持本公司的風險管理程序並協助營運部門識別及彙報對本公司有影響的重大風險。公司風險管理事件庫在企業層面以由上至下的方式作風險評估，同時以由下至上方式在每個營運單位運用基於風險影響力編制的單獨風險登記冊作複檢。風險管理事件庫識別本公司面對的主要挑戰，協助董事會及管理層作出明智決定。

Corporate Governance Report (Continued)

企業管治報告(續)

The Company's risk management event library and register classify risks into five different categories for assessment: strategic, market, legal, financial and operational risks. The Company has noted the major risks posing significant impact on the above categories, and will periodically assess each major risk for its potential impact on finance and opportunity of occurrence. The existing controls are able to identify and address all the major risks and help improving the skills, benefits and costs required for the risks.

In accordance with the requirements of the Audit Committee, the company regularly reviews the risk register of various projects to prepare the Company's risk management report. Since 2016, after a review of the risk management procedures, in order to comply with the Company's financial reporting regulations, the Internal Audit Department of the Company carried out risk review semi-annually and approved the Company's risk management report, to submit to the president office meeting, Audit Committee meeting and the Board, and finally for the approval by the Board, to facilitate the Audit Committee's effective monitoring of the Company's major business risks and how the management copes with and mitigates the risks.

Details of the Company's major risks and potential risks are set out on pages 43 to 46.

3rd defence: internal audit

The internal audit department of the Company is responsible for internal audit, which plays an important role in assessing the efficiency of the Company's risk management and internal controls system, and is responsible for reporting to Audit Committee periodically. The audit function of the department covers the whole Group, with evaluations handled by the head of the internal audit department of the Company. The head of the internal audit department of the Company is required to report to the Chief Executive Officer and may also contact with the Chairman of Audit Committee directly, and periodically submit the internal audit report on the efficiency of the controls system in accordance with the established audit plan to Audit Committee. During the year under review, the Audit Committee was responsible for approving the annual audit plan and reviewing reports in relation to audit results and risk management.

公司風險管理事件庫及登記冊將風險分成五個不同的類別來作出評估：戰略、市場、法務、財務及運營風險。本公司已知悉上述類別中可能對其構成重大影響的主要風險，並會定期評估每項主要風險對財務的潛在影響及發生的機會。現時的監控措施能夠識別及處理所有主要風險和有助改善該等風險所需的技能、利益及成本。

按審核委員會的要求公司會定期檢討各項目的風險登記冊，以編撰公司風險管理報告。自二零一六年檢討風險管理程序後，為符合本公司的財務彙報規定，由公司內部審計部門定期開展風險檢討並審批公司的風險管理報告，以提交公司總裁辦會議、審核委員會及董事會，最後由董事會批准該報告。以此讓審核委員會更有效地監察本公司的主要業務風險及管理層如何應對及降低該等風險。

有關本公司的主要風險及潛在風險的詳情載於第43頁至第46頁。

第三道防線：內部審核

內部審計部門專責進行公司的內部審核，在評審公司風險管理和內部監控系統的功效擔當重要角色，並負責向審核委員會報告。此部門的審核職務覆蓋全集團，由公司負責內部審計的領導處理評審事宜。公司負責內部審計的領導須向首席執行官彙報及可以直接與審核委員會主席接觸。並遞交根據既定審核計劃所制訂之有關監控成效的內部審核報告予審核委員會，審核委員會負責批閱年度審核計劃及檢閱審核及風險管理相關的報告。

Corporate Governance Report (Continued)

企業管治報告(續)

The head of the internal audit department reviews the Group's internal audit function based on risks of each project company at the operating and corporate level, and agrees on correction and improvement measures. The head of the internal audit department will follow up on the recommended implementation and report relevant results to the Audit Committee.

External auditors

External auditors of the Company raise independent queries regarding various businesses, operations and the performance of internal auditors (especially any significant internal monitoring involving financial reporting confirmed during audit), so as to further improve the 3rd line of defence. External auditors will report any defects in the controls to the Audit Committee.

Audit Committee and the Board

The Audit Committee reviews and examines the audit report and statements submitted by management of the Company, each financial department, internal auditors and external auditors according to the requirements on reporting, and discuss any significant issues. Regular risk management reports can be generally divided into two reports, internal audit and controls report, and company risk management report, for further discussion. The internal audit report is submitted in accordance with the audit plan annually, and the Audit Committee reviews company risk management report in order to keep in line with the timing of financial reporting of the Company. The Audit Committee examines the impact of any defects in respect of content of reports, evaluation of efficiency of risk management and internal controls system, and whether responses are valid, and determines whether to conduct more extensive regulation. Besides, the Audit Committee will review the performance of internal auditors and external auditors, and the advice of external auditors on the internal finance department.

The Board holds meetings, proposes recommendations in respect of the final results submitted by the Audit Committee, and discusses to find out the final resolutions.

內部審計部門的領導基於各項目公司在營運及企業層面上面對的風險檢討集團的內部審核功能，並商定糾正和改善方案。內部審計部門的領導會跟進建議的落實情況，並向審核委員會彙報相關結果。

外聘核數師

本公司的外聘核數師就不同業務、營運及內部審計師的核證水平(尤其是在核數過程中確認的任何涉及財務彙報事項的重大內部監控)提出獨立質詢，進一步完善第三道防線。外聘核數師會向審核委員會彙報任何監控的不完善之處。

審核委員會及董事會

審核委員會根據彙報要求，檢視及審查由本公司管理層、各財務部門、內部審計師及外聘核數師所提交的審核報告及陳述，在遇上重大事宜時更會加以探討。常規風險管理報告一般分拆為內部審計及監控、公司風險管理兩份報告，以作更深入探討。內部審計報告按審計計劃提交，審核委員會為配合本公司的財務彙報時間，檢討公司風險管理報告。審核委員會就報告內容，評審風險管理及內部監控系統的成效，研究任何不完善之處帶來的影響，及應變措施是否有效，並決定是否採取更廣泛的監察。此外，審核委員會將評核內部審計師與外聘核數師的表現，審視外聘核數師對內部財務部門的意見。

董事會開展會議，向審核委員會最終呈交的最終結果提出建議，並進行商討以得出最終解決方案。

Corporate Governance Report (Continued)

企業管治報告(續)

3. Main scope of work conducted in 2019 in relation to risk management

Based on compliance control management, the Company will establish a sound all-around risk management system consistent with the highest international standards and continuously improve risk controls and technology based on risk governance, guided by risk preference, with risk quantitative tools and risk performance appraisal as primary measures, so as to achieve the balance between risk control and business development.

The specific work conducted by the Company in 2019 is as follows:

- Reviewed the Company's risk management register, record the Company's risk trend and specific ratings;
- Reviewed the guide for project risk evaluation, provide practical and comprehensive project tools, and helped improve management of major risks during project cycles;
- Organized and revised the internal control management manual of the Company to adapt to the change of the company's organizational structure and meet the needs of the current management;
- Discussed existing and potential major risks, and measures and other activities adopted for addressing such risks.

3. 二零一九年風險管理主要工作範圍

本公司將在合規監控管理的基礎上建立符合國際最高標準堅實而全面風險管理體系，並以風險治理為基礎，以風險偏好為導向，以風險量化工具及風險績效考核為主要手段持續提升風險管控與技術水平，達至風險管控與業務發展的平衡。

本公司在二零一九年的具體工作內容如下：

- 檢討本公司的風險管理登記冊，記錄本公司的風險動向及具體評級；
- 審視項目風險評估指引，提供實用及全面的項目工具，協助在項目周期更好的管理主要風險；
- 組織修訂公司內控管理手冊，以適應公司組織機構的調整變化及滿足當前管理工作的需要；
- 討論現有及潛在的主要風險，以及處理風險所採取的措施及其他行動。

Corporate Governance Report (Continued)

企業管治報告(續)

4. List of significant risks

In 2019, the top 10 major risks in relation to the Company's business and operations are as below. The Company arranges, selects and prioritizes the risks encountered by existing business, to compile the list of major risks. During the compilation of the Company's major risks, we held a special meeting with management to discuss and review responses to individual risks. Review of risk procedures is helpful to emphasize potential risks and identify new risks.

4. 重要風險列示

於二零一九年，以下各項為與本公司業務及運營相關的十大主要風險。本公司將現有業務中所面對的風險加以整理、篩選及排定優先次序，編製主要風險。在編製本公司主要風險的過程中，公司管理層舉行了專門會議並討論及檢討有關個別風險的應對措施。檢討風險程序有助於突出潛在風險，並發現新的風險。

Major risks

主要風險

Risk description and risk response

風險描述及應對

Risk of oil and gas price fluctuation

油氣價格波動風險

International oil price is subject to the impact of various factors: changes in global and local political and economic conditions, supply and demand of oil and gas, and contingencies and controversies with international impact. Domestic oil price is determined and adjusted with reference to the price of international crude oil. The Company's businesses involve both domestic and overseas markets and are therefore subject in particular to the impact of risks of price fluctuation. However, the Company avoided the risk through setting up relevant personnel to continuously focus on the fluctuations of crude oil price and report.

國際油價受全球及地區政治經濟的變化、油氣的供需狀況及具有國際影響的突發事件和爭端等多方面因素的影響。國內油價參照國際原油價格確定，國內油價隨國際市場原油價格變化而調整。本公司從事業務涉及國內與國外市場，因此，會受到價格波動風險的影響。本公司設立了相關人員持續關注原油價格的波動情況並做彙報。

Risk of oil and gas resources

油氣資源風險

The implementation of the Company's business activities may be impacted, due to the uncertainties in the exploration and development of oil and gas resources, or the uncertainties during the purchase of oil and gas resources with substantial funds. Although detailed assessment and feasibility study and analysis on investment projects in the prior period have been conducted, the Company cannot avoid the risk arising from the uncertainties of oil and gas resources.

由於公司在獲取石油與天然氣資源時的勘探和開發存在不確定性，或投入大量資金購買油氣資源過程中存在不確定性，導致公司經營項目的開展與實施受到影響。雖然本公司在項目前期對項目進行了詳細的評估與可行性研究分析，但不可避免由於油氣資源的不確定性帶來的風險。

Corporate Governance Report (Continued)

企業管治報告(續)

Major risks 主要風險	Risk description and risk response 風險描述及應對
Investment risk 投資風險	<p>Since the oil industry is a capital-intensive industry, the Company has adopted a prudent investment strategy to carry out strict and detailed feasibility study and analysis on investment projects. However, during the implementation of the projects, the projects may fail to achieve the expected benefits due to large variations in market environment, price of equipment materials, construction cycle, etc., therefore, some investment risks are presented.</p> <p>石油行業屬於資金密集型行業，本公司已採取了謹慎的投資策略，對投資項目均進行嚴格詳細的可行性研究與分析，但在項目實施過程中，仍有可能因為市場環境、設備材料的價格、施工周期等發生較大變化，使項目達不到原先預期的利益，因此存在一定的投資風險。</p>
Exchange rate risk 匯利率風險	<p>The fluctuation in exchange rates will inevitably have an impact on the profit of the Company. Besides, the adjustments in the national interest rate policies will also impact the Company's financing cost, thereby impacting the profit of the Company.</p> <p>匯率的波動會不可避免的對本公司的利潤產生影響。國家利率政策的調整，也將影響本公司融資成本，從而影響本公司的利潤。</p>
Risk in international operations 國際化經營風險	<p>The Company engages in oil and gas businesses in some overseas territories. Overseas businesses and assets are governed by the laws and regulations of the country where the business, so the complexity of internal political and economy, including international sanction, instability of tax and fiscal policies and culture difference, may increase the risk of overseas business expansion and operation of the Company. Although the Company tries to explore overseas businesses in the countries other than those with economically or politically unstable situations, and conducts detailed surveys prior to the commencement of projects, it is unable to completely avoid the impact from contingencies in the countries where its businesses are located.</p> <p>本公司在境外部分地區從事油氣業務。境外業務和資產受到所在國法律法規的管轄，由於國際政治、經濟的複雜性，包括國際制裁、財稅政策不穩定以及文化差異等，都可能加大本公司海外業務拓展及經營的風險。雖然本公司儘量避免選擇政治經濟不穩定的國家進行海外業務的開拓，同時在項目前期進行詳細的調研，但不能避免所在國的突發情況給本公司帶來影響。</p>

Corporate Governance Report (Continued)

企業管治報告(續)

Major risks 主要風險	Risk description and risk response 風險描述及應對
Risk of national policies 國家政策風險	<p>The Chinese government oversees the domestic oil and gas industry, therefore, its regulatory policies may impact the Company's business activities. The changes in government regulatory policies, such as tax and fiscal policies, energy-saving and emission-reducing policies, may impact the business performance of the Company.</p> <p>中國政府對國內石油和天然氣行業進行監管，其監管政策會影響本公司經營活動。財稅政策、節能減排與環保政策等政府監管政策的變化，都將影響本公司的經營業績。</p>
Production safety and environmental risk 安全生產環保風險	<p>As a high-risk and environmentally-unfriendly industry, oil exploration is vulnerable to natural disaster threats, and the production environment is flammable and prone to explosion. Emergencies such as well blowout and drill sticking may result in heavy economic losses and social impact as well as pose major harm to personal safety. Although the Company always stresses the importance of and implements safe production, and endeavours to avoid various accidents and makes insurance arrangements for major assets and inventories and against losses it may cause to any third-party, it still cannot make provisions for the full extent of the economic losses and adverse impacts which could be brought by such emergencies.</p> <p>石油開採是一個易燃、易爆、易污染環境且容易遭受自然災害威脅的高風險行業，突發事件可能會帶來重大經濟損失，社會影響以及對人身安全造成重大傷害，如：井噴、卡鑽等。本公司一直強調並執行安全生產，盡最大的努力的避免各類事故發生，並為主要資產、存貨及可能對第三方造成的損失購買保險，但仍不能完全避免此類突發事件給本公司帶來的經濟損失及不利影響。</p>
Market competition risk 市場競爭風險	<p>With the gradual opening of certain domestic petroleum and petrochemical markets, the Company faces more fierce competition from other domestic oil producers and foreign oil producers in relation to, for example, obtaining rights to enter resource countries, seizing oil and gas resources and expanding the market when it is making efforts to strengthen its own business. With a price advantage in a competitive environment, the Company keeps developing more advanced technology and reducing its cost. However, its earnings will inevitably be impacted by market competition.</p> <p>隨著國內部分石油石化市場的逐步開放，本公司在不斷加大業務進程中，與國內其他石油生產公司，以及國外石油公司在某些地區和領域獲得進入資源國的權利、搶佔油氣資源、開拓市場方面，面臨較為激烈的競爭。本公司不斷開發更具優勢的技術，並且不斷降低成本，在競爭環境中具備價格優勢，但不可避免由於市場競爭，影響本公司的收益。</p>

Corporate Governance Report (Continued)

企業管治報告(續)

Major risks 主要風險	Risk description and risk response 風險描述及應對
Confidentiality 保密風險	Information on the Company's oil reserve and unsigned investment projects is strictly confidential. It is a policy of the Company that any staff should be obligated to keep information confidential. But even so, risk of information leakage brought by job hopping, change of employment or other events is still unavoidable. 本公司的儲量信息及未簽訂投資項目信息均為機密信息，本公司規定員工對公司機密信息負有保密義務。但仍不可避免發生人員跳槽離職或其他情況，造成信息外洩帶來的風險。
Property safety risk 財產安全風險	With oil and gas exploitation as its principal business, the Company establishes comprehensive rules and regulations and strict monitoring process on aspects such as use of assets, production and transportation. But since oil and gas exploitation is an outdoor activity, there is still a risk that assets may be lost or stolen. 本公司主要從事油氣開採業務，雖然本公司對資產使用、生產、運輸等管理有完善的規章制度且進行嚴格監控，但由於油氣開採業務在室外進行，仍不可避免出現丟失被盜，造成資產流失或損失的風險。

5. Potential risks

In addition to addressing various major risks faced by the Company, the Audit Committee also reviews specific potential risks. Such potential risks often stem from changes in economic, political, legal or technical environments, and may but not necessarily fall into the scope of current major risk categories. In the opinion of the Company's Audit Committee, such potential risks may have a significant impact on the Company; therefore, it will aim to minimize such impact and develop risk mitigation plans.

5. 潛在風險

除應對本公司面對的各種主要風險外，審核委員會也檢查了特定的潛在風險。此等潛在風險通常源自經濟、政治、法律或技術環境的變動，這些變動可能但不一定屬於現有的主要風險類別。公司審核委員會認為，該等潛在風險可能造成重大的潛在影響，因此會減少其對本公司的潛在影響並制定降低風險的計劃。

Potential risks 潛在風險	Risk description and risk response 風險描述及應對
Network security risk 網絡安全風險	Due to increase in network viruses, hacker attacks and failure in network maintenance, leakage of data information becomes more and more frequent. Although the Company has installed software such as firewall to protect data and reduce network security risks, it is unable to eliminate the impact of such risks as it has both domestic and overseas businesses. 網絡病毒、黑客攻擊、系統故障維修導致的數據信息外洩事件增加，雖然公司安裝了防火牆等軟件保護數據，降低了網絡安全風險，但公司在境內外均有業務範疇，仍不可避免該類風險帶來的影響。

Corporate Governance Report (Continued)

企業管治報告(續)

6. Work focus in 2020

In 2020, the Company will focus on improving its risk management framework and procedures, strengthening internal risk communication, raising risk awareness and defining risk bearers in accordance with the CG Code and best practices in the industry. We will arrange risk awareness related trainings for our main operating departments, and continue to assist the various business departments to enhance their risk management procedures in accordance with the Company's risk management framework and guidance. In addition, we will identify major risks and make arrangements in relation to the report and improvement of risk countermeasures, potential risk framework and close monitoring initiatives.

7. Statement of the Board on internal control responsibilities

The Company's internal controls are aimed at reasonably ensuring operation legality and compliance, asset safety and authenticity and completeness of financial report and related information, improving operating efficiency and effectiveness, and facilitating the implementation of development strategy. The Company has comprehensively assessed the effectiveness of its own internal controls and reported such assessment to the Audit Committee and the Board in 2019. No material weakness was identified during the assessment. In the opinion of the Board, for the year ended December 31, 2019, no events that may have significant impact on the Company's operation, financial reporting and compliance have been identified, and the existing risk management and internal control system remains effective and adequate to guarantee the interests of the Company and its shareholders.

6. 二零二零年主要工作

於二零二零年，本公司的工作重點是根據企業管治守則及行業最佳實務，檢討完善公司的風險管理框架及程序，加強公司內部的風險溝通、提高風險意識、明確風險歸屬。我們會為主要營運部門安排風險意識培訓。根據公司風險管理框架及指引，繼續協助各業務部門強化其風險管理程序。另外，我們將會識別主要風險，並作出有關彙報、潛在風險框架及密切監察行動計劃的安排。

7. 董事會關於內部控制責任的聲明

本公司內部控制的目標是合理保證經營合法合規、資產安全、財務報告及相關信息真實完整，提高經營效率和效果，促進實現發展戰略。本公司已開展全面內部監控自我評估並向審核委員會及董事會彙報，該評估並未發現重大缺陷。董事會認為，截至二零一九年十二月三十一日止年度，本公司並無發現任何可能嚴重影響本公司營運、財務申報及規章遵守之事宜，現有的風險管理及內部監控系統仍為有效充足，可保證本公司及股東權益。

Corporate Governance Report (Continued)

企業管治報告(續)

INFORMATION DISCLOSURE AND MANAGEMENT OF INSIDE INFORMATION

The Company discloses information in accordance with the rules and regulations of the Securities and Futures Commission in Hong Kong and the Stock Exchange, releases its periodic reports and interim announcements to the public in accordance with law, and discloses important information such as the Company's financial results, material information changes and information on significant projects to the market on a timely basis, bearing in mind the timeliness, fairness, accuracy, authenticity and completeness of information disclosure, therefore protecting the legal interests of investors and stakeholders.

COMPANY SECRETARY

Ms. Chan Wing Sze of Tricor Services Limited, an external service provider, was engaged by the Company, as its company secretary for the year ended December 31, 2019. Ms. Chan Wing Sze had complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of the relevant professional training during the year. The company secretary reports to the Chairman of the Board and Chief Executive Officer regarding corporate governance issues, and all Directors can seek her advice and support. The company secretary is also responsible for providing advice to Directors and the Board Committees on the latest laws and regulations, such that procedures of the Board as well as all applicable laws, regulations and rules are complied with. The company secretary's primary contact person at the Company is Ms. Lian Yunfei, the general counsel of the Group. Ms. Chan resigned as company secretary of the Company with effect from January 15, 2020. Ms. Yuen Wing Yan, Winnie was appointed as the Company Secretary with the same effective date.

SHAREHOLDERS' RIGHTS

To safeguard the rights and interests of shareholders, the Company will propose a separate resolution in respect of each significant matter (including the election of individual Directors) at general meetings. All resolutions put forward at the general meeting will be voted on by poll in accordance with the Listing Rules, and the poll results will be announced on the websites of the Company and the Stock Exchange after each general meeting.

信息披露和內幕信息管理

本公司按照香港證券及期貨事務監察委員會、港交所的各項證券監管規定進行信息披露，依法公開對外發佈各類定期報告及臨時公告，及時向市場披露了本公司財務業績、公司重大信息變更、重大項目情況等重要信息，做到了信息披露的及時性、公平性、準確性、真實性和完整性，以保護投資者及利益相關人士的合法權益。

公司秘書

外聘服務供應商卓佳專業商務有限公司陳穎詩女士受本公司委聘為公司秘書。截至二零一九年十二月三十一日止年度，陳穎詩女士已遵守上市規則第3.29條，於本年度期間接受不少於十五個小時的相關專業培訓。公司秘書就管治事宜向董事會主席及行政總裁彙報，所有董事均可取得公司秘書的意見及支援。公司秘書亦負責向董事及委員會就最新的法律、監管提供意見以確保董事會程序及所有適用法律、規則及規例均獲得遵守。其於本公司之主要聯絡人為本公司總法律顧問連雲飛女士。於二零二零年一月十五日陳穎詩女士辭任本公司秘書同時袁穎欣女士獲委任為本公司秘書。

股東權利

為保障股東權益及權利，本公司將就各重大事宜(包括選舉個別董事)於股東大會提呈獨立決議案。股東大會上提呈之所有決議案將根據上市規則進行投票表決，且投票表決之結果將於各屆股東大會結束後於本公司及聯交所網站上刊載。

Corporate Governance Report (Continued)

企業管治報告(續)

Convening an Extraordinary General Meeting by Shareholders

Extraordinary general meetings shall also be convened on the written requisition of any two or more members of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. General meetings may also be convened on the written requisition of any one member of the Company which is a recognized clearing house (or its nominee(s)) deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of 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.

Putting Forward Proposals at General Meetings

There is no provision allowing shareholders to move new resolutions at general meetings under the Cayman Islands Companies Law or the Articles of Association of the Company. Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph.

應股東要求召開股東特別大會

股東特別大會亦可應本公司任何兩名或多名股東的書面要求召開，但彼等須將列明大會議題及經請求人簽署的書面要求送交本公司於香港的主要辦事處或(倘本公司不再設有該主要辦事處)註冊辦事處，惟該等請求人於送交要求之日須持有本公司不少於十分之一附帶本公司股東大會投票權之繳足股本。股東大會亦可應本公司任何一名股東(倘為認可結算所(或其代名人))的書面要求召開，但其須將列明大會議題及經該請求人簽署之書面要求送交本公司於香港之主要辦事處或(倘本公司不再設有該主要辦事處)註冊辦事處，但該請求人於送交要求之日須持有本公司不少於十分之一附帶本公司股東大會投票權之繳足股本。倘董事會並未於正式送交要求之日起計二十一內召開將予在其後的二十一日內舉行的大會，則請求人本人或擁有所有請求人全部投票權二分之一以上的任何請求人可按盡量接近董事會召開大會的相同方式召開股東大會，惟按上述方式召開的任何大會不得於送交要求當日起計三個月屆滿後召開，而所有因董事會未有召開大會致使請求人產生的合理開支，須由本公司向彼等償付。

於股東大會提呈決議案

開曼群島公司法或本公司的組織章程細則並無列明股東可在股東大會上提呈任何新決議案。有意提呈決議案的股東可按上段所載程序要求本公司召開股東大會。

Corporate Governance Report (Continued)

企業管治報告(續)

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send relevant written enquiries to the Company by post or email as per the below contact information.

CONTACT DETAILS

Shareholders may send their enquiries or requests by post or email:

Address: Room 1901-07, 19/F, Sun Hung Kai Centre,
30 Harbour Road, Wanchai, Hong Kong
(with the Board of Directors as designated recipient)
Tel: 852-2511-0028
Fax: 852-2511-1983
Email: investors@mienergy.com.cn

Shareholders must deposit or send (as the case may be) the original of the duly signed written requisitions, notices or statements or enquires to the above address, and provide their full names, contact details and identification such that the Company could reply to them. It is likely that the shareholder information will be disclosed as required by law.

COMMUNICATION WITH SHAREHOLDERS AND INVESTORS/INVESTOR RELATIONS

The Company considers that effective communication with shareholders is essential for strengthening relationships with investors and increasing investors' understanding of the Company's business performance and strategy. Also, the Company understands that maintaining transparency and disclosing the Company's information on a timely basis are very important for shareholders and investors to make the best investment decisions.

For this purpose, the Company has set up a website (<http://www.mienergy.com.cn>), where relevant latest information, the up-to-date state of the Company's business operation and development, the Company's financial information and corporate governance practices and other data are available to the public.

向董事會作出查詢

有關向本公司董事會作出任何查詢，股東可按照下列聯絡方式將書面查詢寄送或電郵至本公司。

聯絡詳情

股東可透過郵寄或電郵方式發送上述查詢或要求：

地址：香港灣仔港灣道30號新
鴻基中心19樓1901-1907室
(註明收件人為董事會)
電話：852-2511-0028
傳真：852-2511-1983
電子郵件：investors@mienergy.com.cn

股東須將妥善簽署的書面要求、通知或聲明或查詢(視情況而定)的正本存放於及寄發至上述地址，並須提供彼等全名、聯絡詳情及身份，以便本公司可回覆。股東資料可能根據法律規定而予以披露。

與股東及投資者之溝通／投資者關係

本公司認為，與股東有效溝通對加強投資者關係及投資者對本公司業務表現及策略之瞭解相當重要。本公司亦知悉保持透明度及適時披露公司資料之重要性，此舉將令股東及投資者作出最佳投資決策。

為此，本公司設有網站，網址為<http://www.mienergy.com.cn>，有關最新的信息以及本公司業務營運及發展的最新情況、財務資料、企業管治常規及其他資料將刊登於該網站內，並可供公眾查閱。

Corporate Governance Report (Continued)

企業管治報告(續)

The Company endeavors to maintain an ongoing dialogue with shareholders, especially through annual general meetings and other general meetings. The Chairman of the Board, all Non-executive Directors, Independent Non-executive Directors and the Chairmen of all Board Committees (or their representatives) will attend annual general meetings to meet shareholders and respond to their enquires. The Company's general meeting is a platform for the Board and shareholders to communicate with each other.

The Company has adopted a policy on payment of dividends pursuant to code provision E.1.5 of the CG Code that has become effective from January 1, 2019 which sets out the factors in consideration of the payment of dividend. The Board endeavors to maintain a balance between meeting shareholders' expectations and prudent capital management with a sustainable dividend policy and will continually review the same and make modifications when appropriate.

ARTICLES OF ASSOCIATION

During the year under review, no changes have been made to Articles of Association of the Company. An up-to-date version of the Company's Articles of Association is available on the websites of the Company and the Stock Exchange.

本公司盡力保持與股東之間的對話，尤其是透過股東週年大會及其他股東大會。董事會主席、全體非執行董事、獨立非執行董事、所有董事委員會之主席(或彼等的代表)將出席股東週年大會與股東會面並回答彼等的問詢。本公司股東大會提供董事會與股東溝通之平台。

本公司已根據二零一九年一月一日生效的企業管治守則的新守則條文第E.1.5條採納了股息政策，該政策闡述了派發股息的考慮因素。董事會以可持續的股息政策盡力維持達至股東期望與保持資金管理的平衡，並會持續檢討該政策並適時作出修正。

組織章程細則

於回顧年度內，本公司並無對組織章程細則作出任何更改。本公司最新組織章程細則登載於本公司網站及聯交所網站。

Report of the Directors

董事會報告

The Directors submit their report together with the audited financial statements for the year ended December 31, 2019.

PRINCIPAL ACTIVITIES AND GEOGRAPHICAL ANALYSIS OF OPERATIONS

The principal activity of the Company is investment holding. The principal business of the Company, its subsidiaries and jointly controlled entities is to engage in the exploration, development, production and sale of crude oil and other petroleum products under production sharing contracts and other similar arrangements. The Group currently has the following oil and gas properties: (1) two producing production oil sharing contracts in northeast China; (2) participating interests in an exploration contract and six production contracts in Kazakhstan held by Emir-Oil; and (3) participating interests in one producing production oil sharing contract in South China Sea.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended December 31, 2019 are set out in the consolidated statement of comprehensive income on pages 131 to 134.

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

BUSINESS REVIEW

The business review of the Group for the year has been set out in pages 11 to 12 of the Chairman's Statement, pages 101 to 122 of the Management Discussion and Analysis, and this Report of the Directors.

RESERVES

Please refer to the consolidated statement of changes in equity on pages 135 to 136 and note 23 to the consolidated financial statements on pages 271 to 272 for movements in the reserves of the Group and the Company, respectively, for the year ended December 31, 2019.

董事會謹此提呈截至二零一九年十二月三十一日止年度之報告書及經審核財務報表。

主要業務及營運地區分析

本公司之主要業務為投資控股。本公司及其附屬公司和共同控制實體的主要業務為通過產品分成合同和類似協定，從事勘探、開發、生產及銷售原油和其他石油產品。本集團目前擁有如下油氣資產：(1)位於中國東北之兩個生產原油產品分成合同；(2)參股位於哈薩克斯坦之一個勘探合同和六個生產合同；及(3)參股一項位於中國南海原油產品分成合同。

業績及派息

本集團截至二零一九年十二月三十一日止年度的業績載於第131頁至第134頁之合併綜合收益表。

董事會並無建議就截至二零一九年十二月三十一日止年度派付末期股息(二零一八年：無)。

業務審視

本集團本年度業務審視已載於第11至第12頁的主席報告書，第101至第122頁的管理層討論及分析，及本董事會報告內。

儲備

有關本集團及本公司截至二零一九年十二月三十一日止年度之儲備變動，請分別參閱第135頁至第136頁的合併權益變動表及第271頁至第272頁的合併財務報表附註23。

Report of the Directors (Continued)

董事會報告(續)

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 6 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company are set out in note 21 to the consolidated financial statements.

SENIOR NOTES

Details of the senior notes are set out in note 27 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Distributable reserves of the Company at December 31, 2019 are disclosed in the consolidated statements of changes in equity.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Articles of Association and there was no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the group is set out on page 5 of the annual report.

不動產、工廠及設備

本集團不動產、工廠及設備之變動詳情載於財務報表附註6。

股本

本公司之股本變動詳情載於合併財務報表附註21。

優先票據

優先票據之詳情載於合併財務報表附註27。

可供分派儲備

本公司於二零一九年十二月三十一日的可供分派儲備已於合併權益變動表披露。

優先購股權

本公司之組織章程細則或開曼群島之法例中並無優先購股權之條文而規定本公司需按比例向現有股東發售新股。

財務概要

本集團之業績、資產及負債概要載於本年報第5頁。

Report of the Directors (Continued)

董事會報告(續)

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

During the year ended December 31, 2019, the Company commenced and completed an exchange offer (“**Exchange Offer**”) with respect to its US\$500 million 7.5% senior notes due in 2019 (the “**2019 Senior Notes**”). The noteholders representing approximately 84% of the total principal amount outstanding at December 31, 2018 accepted the Exchange Offer. Accordingly, the Company exchanged US\$265.3 million aggregate principal amount of the 2019 Senior Notes (the “**Exchanged Notes**”) for US\$248.4 million aggregate principal amount of the Company's new 13.750% Senior Notes due 2022 (the “**2022 Senior Notes**”) and the other exchange consideration in accordance with the terms and conditions of the Exchange Offer. The Company has arranged for cancellation of the Exchanged Notes.

As of December 31, 2019, US\$248,394,000 in aggregate of the principal amount of 2022 Senior Notes listed on the Singapore Exchange Securities Trading Limited remained outstanding.

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

PLACEMENT AND ISSUANCE OF SHARES AND USE OF PROCEEDS

On March 25, 2019 and May 22, 2019, respectively the Company allotted and issued in aggregate 272,000,000 shares at HK\$0.10 per share under general mandate pursuant to the subscription agreement dated March 20, 2019. The net proceeds after deducting relevant expenses were approximately HK\$27,100,000.

The use of proceeds was as follows:

- Approximately 36% was used for the repayment of other loan(s);
- Approximately 64% was used for working capital and general corporate purposes.

回購、出售或贖回本公司上市證券

截至二零一九年十二月三十一日止年度，本公司開始並完成了2019年到期的5億美元7.5%優先票據(「**2019 優先票據**」)的交換要約(「**交換要約**」)。約84%的2018年12月31日未償還本金總額的持有票據的股東接受了交換要約。因此，本公司將約2.653億美元本金的2019優先票據(「**交換票據**」)置換為2.484億美元本金13.750%的2022年到期的新票據(「**2022 優先票據**」)和其他交易對價可參考交換要約的條款和條件。公司已安排取消交換票據。

截至二零一九年十二月三十一日，本公司仍有本金額共計248,394,000美元於新加坡證券交易所有限公司上市的2022優先票據流通在外。

除上述披露外，於截至二零一九年十二月三十一日止年度，本公司及其任何子公司均無回購，出售或贖回本公司任何其他上市證券。

配售及發行股份及所得款項用途

於二零一九年三月二十五日及二零一九年五月二十二日，本公司根據二零一九年三月二十日簽署的認購協議，於一般授權下配發及發行共計272,000,000股每股面值0.10港元的股份。扣除相關開支後的所得款項淨額約為港幣27,100,000元。

所得款項用途如下：

- 約36%用作償還其他貸款；
- 約64%用做營運資金及一般辦公用途。

Report of the Directors (Continued)

董事會報告(續)

On July 4, 2019, the Company allotted and issued 58,823,530 shares at HK\$0.17 per share under general mandate pursuant to the subscription agreement dated June 20, 2019. The net proceeds after deducting relevant expenses were approximately HK\$10,000,000.

The use of proceeds was as follows:

- Approximately 60% was used for the repayment of other loan(s);
- Approximately 40% was used for working capital and general corporate purposes.

SHARE OPTIONS

(i) Stock Incentive Compensation Plan (“Plan”)

The Board adopted the Plan prior to the listing of the Company on the Stock Exchange designed to attract and retain the best available personnel for positions of substantial responsibility, provide additional incentive to employees and directors and promote the success of our business.

The exercise price of the granted share options is equal to or higher than the market price of the shares on the date of the grant. Each share option gives the holder the right to subscribe for one share of the Company. The share options granted under the Plan typically vest over a two or three year period at each anniversary of the grant date, subject to the participant continuing to be an employee on each vesting date.

The Company has undertaken that no further share options will be granted under the Plan upon the listing of the Company, but the provisions of the Plan shall in all other respects remain in full force and effect and share options granted under the Plan prior to the listing of the Company continue to be exercisable in accordance with the Plan and agreements entered into pursuant to the Plan.

於二零一九年七月四日，本公司根據二零一九年六月二十日簽署的認購協議，於一般授權下配發及發行58,823,530股每股面值0.17港元的股份。扣除相關支後的所得款項淨額約為港幣10,000,000元。

所得款項用途如下：

- 約60%用作償還其他貸款；
- 約40%用作營運資金及一般公司用途。

購股權

(i) 股份獎勵酬金計劃(「該計劃」)

董事會已於本公司於聯交所上市之前採納該計劃，旨在為具重大責任的職位招攬及聘留優秀適用人才，為僱員及董事提供額外獎勵並促進本公司的業務發展。

所授出的購股權的行權價等於或高於授出日期的股份市場價格。各份購股權賦予持有人權利可認購本公司一股股份。根據該計劃授出的購股權一般於授出日期各個周年的兩或三年期間歸屬，惟參與者須在各個歸屬日期須仍為僱員。

本公司已承諾於本公司上市後將不會根據該計劃授出其他購股權，惟該計劃的條文在所有其他方面須保持全面生效及有效，而本公司上市前根據該計劃授出的購股權可繼續根據該計劃及根據該計劃所訂立的協議行使。

Report of the Directors (Continued)

董事會報告(續)

Cancellation of Vested Options

Prior to the listing of the Company, the Company granted, pursuant to the Plan, share options to certain employees and directors of the Company, entitling the option holders to subscribe for an aggregate of 29,902,758 ordinary shares of the Company of USD0.001 each at the exercise prices of US\$0.13 and US\$0.25 per share (“Pre-IPO Grant”).

As the exercise prices of vested options under the Plan have been consistently higher when compared with the prevailing market price of the Shares. As a result, the options could no longer serve as an effective incentive. In view of this, the Company offered to grant new share options pursuant to the Scheme to cancel vested options under the Pre-IPO Grant, subject to the option holders consenting to such cancellation. As a result, 3,079,266 vested options under the Plan were cancelled on May 16, 2019. No compensation was paid to the holders for cancellation of the vested options.

Details of the share options outstanding as at December 31, 2019 which have been granted under the Plan are as follows:

姓名	Held at January 1, 2019 於二零一九年 一月一日 持有	Number of options granted during the period 於期內授出之 購股權數目	Number of options exercised during the period 於期內行使之 購股權數目	Number of options lapsed during the period 於期內已失效 購股權數目	Number of options cancelled during the period 於期內已取消 購股權數目	Held at December 31, 2019 於二零一九年 十二月三十一日 持有	Exercise price (per Share)	Date of grant	Exercisable period
							行使價(每股)	授權日	可予行使期間
Independent non-executive Directors									
獨立非執行董事									
Mr. Mei Jianping 梅建平先生	1,267,933	-	-	-	1,267,933	-	US\$0.25 0.25美元	November 23, 2010 二零一零年十一月二十三日	from November 23, 2011 to November 22, 2020 自二零一一年十一月二十三日起至 二零二零年十一月二十二日止
Mr. Jeffrey Willard Miller Jeffrey Willard Miller 先生	1,811,333	-	-	-	1,811,333	-	US\$0.25 0.25美元	November 23, 2010 二零一零年十一月二十三日	from November 23, 2011 to November 22, 2020 自二零一一年十一月二十三日起至 二零二零年十一月二十二日止
Other employees 其他員工	4,666,823	-	-	4,666,823	-	-	US\$0.13 0.13美元	November 20, 2009 二零零九年十一月二十日	from November 20, 2011 to November 19, 2019 自二零一一年十一月二十日起至 二零一九年十一月十九日止
Total 總計	7,746,089	-	-	4,666,823	3,079,266	-			

取消已得權購股權

在本公司上市前，本公司根據該計劃向本公司的部分僱員和董事授予購股權，允許持有人分別按照每股0.13美元和每股0.25美元的價格認購本公司共計29,902,758股每股面值0.001美元普通股股票(「上市前授予購股權」)。

由於該計劃下已得權購股權的行權價格始終高於公司股票的普遍市場價格，導致已得權購股權不再為有效激勵。因此本公司願意根據購股權計劃授予新購股權，以取消上市前授予購股權下的已得權購股，但須經購股權持有人同意取消。因此，該計劃下的3,079,266股已得權購股於二零一九年五月十六日被取消並未向持有人支付任何取消已得權購股的補償。

於二零一九年十二月三十一日，根據該計劃已授出但尚未行使之購股權詳情如下：

Report of the Directors (Continued)

董事會報告(續)

(ii) Share Option Scheme (“Scheme”)

On November 27, 2010, the Board adopted the Scheme to enable the Company to grant options to selected participants as incentives or rewards for their contributions to our Group. Participants of the Scheme include any executive Director, non-executive Director or full time employee of the Group as invited by the Board. The Scheme shall be valid and effective for a period of 10 years commencing from the approval of the Scheme.

The exercise period of any option granted under the Scheme must not be more than 10 years commencing on the date of grant. The acceptance of an offer of the grant of the option must be made within 28 days from the date of grant with a non-refundable payment of HK\$1.00 from the grantee. The exercise price determined by the Board will be at the higher of (i) the closing price of the shares as stated in the daily quotations sheet of the Stock Exchange on the date of grant; (ii) the average closing price of the shares as stated in the Stock Exchange’s daily quotations sheet for the five trading days immediately preceding the date of grant and (iii) the nominal value of the shares.

The share options granted under the Scheme typically vest over three years on the last day of each year starting from the subsequent year of the grant, subject to the participant continuing to be an employee on each vesting date and other performance evaluation results.

Cancellation of Vested Options

On September 20, 2011, the Company granted, pursuant to the Scheme adopted by the Company on November 27, 2010, share options to certain employees of the Company, entitling the option holders to subscribe for an aggregate of 112,048,000 Shares of the Company of US\$0.001 each at the exercise price of HK\$2.254 per Share (“**2011 Grant**”).

(ii) 購股權計劃(「購股權計劃」)

於二零一零年十一月二十七日，董事會採用購股權計劃，本公司可向選定參與者授出購股權，作為彼等對本集團所作貢獻的獎勵或回報。購股權計劃參與者包括董事會邀請的本集團任何執行董事、非執行董事或全職僱員。購股權計劃將於獲批准起計10年期間有效及生效。

根據購股權計劃授出的任何購股權之行使期間不得超過授出日期起計十年。倘接納授出之購股權，承授人必須於授出日期後28天內支付1.00港元之不可退還付款。由董事會釐定之行權價將為下列三者中之較高者：(i)於授出日期在聯交所每日報價表所示的股份收市價；(ii)緊接授出日期前五個交易日在聯交所每日報價表所示的股份平均收市價及(iii)股份面值。

根據購股權計劃授出的購股權一般於授出翌年起每年最後一天的三年內歸屬，惟參與者須於各歸屬日期仍為僱員及須受限於其他表現評估結果。

取消已得權購股權

根據公司二零一零年十一月二十七日採納的購股權計劃，公司於二零一一年九月二十日向公司部分員工授予購股權，允許持有人按照每股2.254港元的價格認購本公司共計112,048,000股每股面值0.001美元普通股股票(「**2011授予**」)。

Report of the Directors (Continued)

董事會報告(續)

On March 21, 2014, the Company granted, pursuant to the Scheme, share options to 151 eligible participants comprising certain directors, substantial shareholders and employees of the Company to subscribe for an aggregate of 97,280,000 Shares of the Company of US\$0.001 each at the exercise price of HK\$1.40 per Share (the “**2014 Grant**”).

On December 9, 2016, the Company granted, pursuant to the Scheme, share options to 93 eligible participants comprising certain directors, substantial shareholders and employees of the Company to subscribe for an aggregate of 95,920,000 Shares of the Company of US\$0.001 each at the exercise price of HK\$0.816 per share (the “**2016 Grant**”).

As the exercise prices of vested options under the Scheme have been consistently higher when compared with the prevailing market price of the Shares. As a result, the options could no longer serve as an effective incentive. In view of this, the Company offered to grant new share options pursuant to the Scheme to cancel vested options under the 2011 Grant, 2014 Grant and 2016 Grant, subject to the option holders consenting to such cancellation. As a result, 122,333,243 vested options under the Scheme were cancelled on May 16, 2019. No compensation was paid to the holders for cancellation of the vested options.

Grant of Options

On May 16, 2019, the Company granted share options pursuant to the Scheme to 90 eligible participants comprising certain directors, substantial shareholders and employees of the Company to subscribe for an aggregate of 155,089,171 Shares. These options have an exercise price of HK\$0.269 per share and a term of 10 years from the grant date, and will vest over the next three years.

The closing price per share as at May 15, 2019, being the date immediately before the date the share options were granted was HK\$0.242.

二零一四年三月二十一日，公司根據購股權計劃向151名合資格人士，包括公司的部分董事，主要股東和員工授予新的認股期權，允許持有人按照每股1.4港元的價格認購共計97,280,000股每股面值0.001美元的股份(「**2014 授予**」)。

二零一六年十二月九日，公司根據購股權計劃向93名合資格人士，包括公司的部分董事，主要股東和員工授予新的認股期權，允許持有人按照每股0.816港元的價格認購本公司共計95,920,000股每股面值0.001美元的股份(「**2016 授予**」)。

由於購股權計劃下已得權購股權的行權價格始終高於公司股票的普遍市場價格，導致已得權購股權不再為有效激勵。因此本公司願意根據購股權計劃授予新的購股權，以註銷2011授予，2014授予和2016授予下的已得權購股權，但須經購股權持有人同意取消。因此，購股權計劃下的122,333,243股已得權購股於二零一九年五月十六日被取消並未向持有人支付任何取消已得權購股的補償。

授予購股權

於二零一九年五月十六日，本公司根據購股權計劃向90名合資格人士，包括公司的部分董事，主要股東和員工授予購股權，認購共計155,089,171股股份。購股權行權價為每股0.269港元，購股權有效期為自授予日起十年，且將於授權日後三年間得權。

於二零一九年五月十六日，即購股權授出前當日，每股股份收市價格為0.242港元。

Report of the Directors (Continued)

董事會報告(續)

Under the Scheme, a total of 155,089,171 share options were granted to Directors, executives and employees, of which 3,515,556 share options lapsed during the year ended December 31, 2019. Details of the share options outstanding as at December 31, 2019 which have been granted under the Scheme are as follows:

根據購股權計劃，合共155,089,171份購股權已授予董事、行政人員及僱員。截至二零一九年十二月三十一日止年度，其中3,515,556份購股權失效。根據購股權計劃已授出但於二零一九年十二月三十一日尚未行使的購股權詳情如下：

Name	Held at January 1, 2019 於二零一九年一月一日持有	Number of options granted during the period 於期內授出之購股權數目	Number of options exercised during the period 於期內行使之購股權	Number of options lapsed during the period 於期內已失效購股權數目	Number of options cancelled during the period 於期內已取消購股權數目	Held at December 31, 2019 於二零一九年十二月三十一日持有	Exercise price (per Share) 行使價(每股)	Date of grant 授權日	Exercisable period 可予行使期間
Executive Directors									
執行董事									
Mr. Zhang Ruilin 張芮霖先生	2,347,000	-	-	-	2,347,000	-	HK\$2.254 2.254港元	September 20, 2011 二零一一年九月二十日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起 至二零二一年九月十九日止
	2,640,000	-	-	-	2,640,000	-	HK\$1.40 1.40港元	March 21, 2014 二零一四年三月二十一日	from March 21, 2016 to March 20, 2024 自二零一六年三月二十一日 至二零二四年三月二十日
	2,900,000	-	-	-	2,900,000	-	HK\$0.816 0.816港元	December 9, 2016 二零一六年十二月九日	from December 9, 2016 to December 8, 2026 自二零一六年十二月九日 至二零二六年十二月八日
	-	7,887,000	-	-	-	7,887,000	HK\$0.269 0.269港元	May 16, 2019 二零一九年五月十六日	from May 16, 2019 to May 15, 2029 自二零一九年五月十六日 至二零二九年五月十五日
Mr. Zhao Jiangwei 趙江巍先生	2,347,000	-	-	-	2,347,000	-	HK\$2.254 2.254港元	September 20, 2011 二零一一年九月二十日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起 至二零二一年九月十九日止
	2,640,000	-	-	-	2,640,000	-	HK\$1.40 1.40港元	March 21, 2014 二零一四年三月二十一日	from March 21, 2016 to March 20, 2024 自二零一六年三月二十一日 至二零二四年三月二十日
	2,900,000	-	-	-	2,900,000	-	HK\$0.816 0.816港元	December 9, 2016 二零一六年十二月九日	from December 9, 2016 to December 8, 2026 自二零一六年十二月九日 至二零二六年十二月八日
	-	7,887,000	-	-	-	7,887,000	HK\$0.269 0.269港元	May 16, 2019 二零一九年五月十六日	from May 16, 2019 to May 15, 2029 自二零一九年五月十六日 至二零二九年五月十五日

Report of the Directors (Continued)

董事會報告(續)

Name 姓名	Held at January 1, 2019 於二零一九年 一月一日	Number of options granted during the period 於期內授出之 購股權數目	Number of options exercised during the period 於期內行使之 購股權	Number of options lapsed during the period 於期內已失效 購股權數目	Number of options cancelled during the period 於期內已取消 購股權數目	Held at December 31, 2019 於二零一九年 十二月三十一日	Exercise price (per Share)	Date of grant 授權日	Exercisable period 可予行使期間
	持有					持有	行使價(每股)		
Mr. Mei Liming 梅黎明先生	441,000	-	-	-	441,000	-	HK\$2.254 2.254港元	September 20, 2011 二零一一年九月二十日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起 至二零二一年九月十九日止
	964,153	-	-	-	964,153	-	HK\$1.40 1.40港元	March 21, 2014 二零一四年三月二十一日	from March 21, 2016 to March 20, 2024 自二零一六年三月二十一日 至二零二四年三月二十日
	12,000,000	-	-	-	12,000,000	-	HK\$0.816 0.816港元	December 9, 2016 二零一六年十二月九日	from December 9, 2016 to December 8, 2026 自二零一六年十二月九日 至二零二六年十二月八日
	-	15,000,000	-	-	-	15,000,000	HK\$0.269 0.269港元	May 16, 2019 二零一九年五月十六日	from May 16, 2019 to May 15, 2029 自二零一九年五月十六日 至二零二九年五月十五日
Independent non-executive Directors 獨立非執行董事									
Mr. Mei Jianping 梅建平先生	-	1,267,933	-	-	-	1,267,933	HK\$0.269 0.269港元	May 16, 2019 二零一九年五月十六日	from May 16, 2019 to May 15, 2029 自二零一九年五月十六日 至二零二九年五月十五日
Mr. Jeffrey Willard Miller Jeffrey Willard Miller先生	-	1,811,333	-	-	-	1,811,333	HK\$0.269 0.269港元	May 16, 2019 二零一九年五月十六日	from May 16, 2019 to May 15, 2029 自二零一九年五月十六日 至二零二九年五月十五日

Report of the Directors (Continued)

董事會報告(續)

Name	Held at January 1, 2019 於二零一九年 一月一日 持有	Number of options granted during the period 於期內授出之 購股權數目	Number of options exercised during the period 於期內行使之 購股權	Number of options lapsed during the period 於期內已失效 購股權數目	Number of options cancelled during the period 於期內已取消 購股權數目	Held at December 31, 2019 於二零一九年 十二月三十一日 持有	Exercise price (per Share)	Date of grant	Exercisable period
姓名							行使價(每股)	授權日	可予行使期間
Other employees 其他員工	10,760,000	-	-	1,764,000	8,996,000	-	HK\$2.254 2.254港元	September 20, 2011 二零一一年九月二十日	from December 31, 2012 to September 19, 2021 自二零一二年十二月三十一日起 至二零一六年九月十九日止
	38,898,021	-	-	3,499,931	35,398,090	-	HK\$1.40 1.40港元	March 21, 2014 二零一四年三月二十一日	from March 21, 2015 to March 20, 2024/ from March 21, 2016 to March 20, 2024 自二零一五年三月二十一日 至二零一四年三月二十日/ 自二零一六年三月二十一日 至二零一四年三月二十日
	50,710,000	-	-	1,950,000	48,760,000	-	HK\$0.816 0.816港元	December 9, 2016 二零一六年十二月九日	from December 9, 2016 to December 8, 2026 自二零一六年十二月九日 至二零二六年十二月八日
	-	121,235,905	-	3,515,556	-	117,720,349	HK\$0.269 0.269港元	May 16, 2019 二零一九年五月十六日	from May 16, 2019 to May 15, 2029 自二零一九年五月十六日 至二零二九年五月十五日
Total 總計	129,547,174	155,089,171	-	10,729,487	122,333,243	151,573,615			

Report of the Directors (Continued)

董事會報告(續)

(iii) 2012 Share Award Scheme (“2012 Share Award Scheme”)

To supplement the Plan in respect the operation of the share appreciation rights (“SARs”), the Board resolved to adopt a 2012 Share Award Scheme on May 30, 2012, pursuant to which the Company granted to selected grantees who are persons holding SARs under the Plan, such number of awarded shares as is equal to the number of outstanding notional shares to which the SARs of the selected grantees relates. The 2012 Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company.

The Board resolved to adopt on November 20, 2015 the amended Plan, pursuant to which, restrictions on grant price of SARs granted after the adoption of amended Plan are removed. Lapsed SARs will be re-used and re-granted upon terms and conditions determined by the remuneration committee of the Company in its sole discretion, in accordance with the amended Plan.

According to the 2012 Share Award Scheme, shares of up to 44,415,800 of the Company will be purchased by a trustee from the market out of cash contributed by the Company and be held in trust for the benefit of the selected grantees pending the exercise of the SARs. Upon exercise of the SAR by the selected grantees, the trustee will sell the awarded shares to which the SAR so exercised relates and pay the selected grantees in satisfaction of the Company’s payment obligations in relation to the SAR under the Plan. Unless early terminated by the board of the Company, the 2012 Share Award Scheme shall continue in full force and effect until the date when all the SARs are exercised, terminated or expired.

(iii) 2012 股份獎勵計劃(「2012 股份獎勵計劃」)

為對該計劃作出股份增值權(「股份增值權」)方面的補充，董事會於二零一二年五月三十日議決採納一項2012股份獎勵計劃，本公司將向經挑選的承授人授出獎勵股份，該等承授人須為根據該計劃持有股份增值權之人士，而所授出之獎勵股份數目相等於與經挑選承授人相關之股份增值權之尚未發行名義股份數目。2012股份獎勵計劃並不構成上市規則第17章所定議的購股權計劃，是公司自行酌情決定的計劃。

董事會已於二零一五年十一月二十日議決採納修訂的該計劃，根據修訂的該計劃，對於該計劃實施後新授予的股份增值權，原該計劃中對股份增值權授予價格的限制條款被取消，並且原該計劃下已失效的股份增值權將在經由本公司薪酬委員會酌情決定的條件下恢復有效並被重新授予。

根據2012股份獎勵計劃，股票經紀或受託人將以本公司提供之現金於市場購買最多44,415,800股本公司股份，並以經挑選承授人為受益人以信託形式持有，以待行使股份增值權。於經挑選承授人行使股份增值權時，受託人將就所行使之股份增值權出售獎勵股份，並且向經挑選承授人付款已履行本公司在該計劃項下股份增值權之付款責任。除非由董事會提早終止，2012股份獎勵計劃將一直全面生效及有效，直至所有股份增值權獲行使、終止或到期當日為止。

Report of the Directors (Continued)

董事會報告(續)

Cancellation of Vested SARs

Since the exercise price of the SAR has been higher than the prevailing market price of shares the 2012 Share Award Scheme could no longer serve as an effective incentive. In view of this, the Company offered certain SAR grantees each one common share of the Company in consideration of cancellation of two previously granted SARs subject to the SAR grantees consenting to such cancellation. On January 25, 2018, 17,847,663 SARs were cancelled and 8,923,833 shares were granted to such SAR grantees under the 2012 Share Award Scheme.

As at December 31, 2019, the trustee held 992,642 shares acquired through purchases from the market on behalf of certain grantees under the 2012 Share Award Scheme.

(iv) 2015 Share Award Scheme (“2015 Share Award Scheme”)

To recognize the contributions by certain grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group, the Board resolved to adopt on January 6, 2015 and amend on November 20, 2015 the 2015 Share Award Scheme, pursuant to which the Board may at their absolute discretion select any grantee, who is an employee or consultant of the Group or of any affiliate, for participation in the 2015 Share Award Scheme and determine the number of awarded shares to be granted to such grantee. The 2015 Share Award Scheme does not constitute a share option scheme pursuant to Chapter 17 of the Listing Rules and is a discretionary scheme of the Company, and will be in effect in parallel with the Plan, the Scheme and the 2012 Share Award Scheme.

取消已得股份增值權

因股票增值權的價格始終高於公司股票之普遍市場價格，導致股份增值權不再為有效激勵。因此，公司決定在股份增值權持有人同意取消股份增值權的前提下，向特定股份增值權持有人提出以本公司一股普通股股份置換兩股股份增值權的方式來取代之前授予的股份增值權。二零一八年一月二十五日當日，共計17,847,663股股份增值權已經被取消及8,923,833股被授予給2012股份獎勵計劃下的股份增值權持有人。

截至二零一九年十二月三十一日，受託人持有從市場購買的992,642股股份，為代部分2012股份獎勵計劃下的持有人持有。

(iv) 2015 股份獎勵計劃(「2015 股份獎勵計劃」)

本公司董事會已分別於二零一五年一月六日議決採納，並於二零一五年十一月二十日議決修訂2015股份獎勵計劃，目的是認可特定承授人所做的貢獻並給予激勵，為本集團的持續運營和發展聘留特定承授人，並為本集團進一步發展吸引適用人才。董事會將根據該計劃，不時自行酌情決定挑選任何承授人作為被挑選承授人參與該計劃，並決定授予該等被挑選承授人的獎勵股份數量，該等承授人為集團任何成員或其任何關聯公司的員工或顧問。2015股份獎勵計劃並不構成上市規則第17章所定議的購股權計劃，是公司自行酌情決定的計劃，其將與該計劃，購股權計劃及2012股份獎勵計劃並行生效。

Report of the Directors (Continued)

董事會報告(續)

Pursuant to the 2015 Share Award Scheme rules, existing shares will be purchased by a trustee from open market out of cash which will be paid by the Company as trust shares and be held on trust for the grantees until the relevant award(s) is vested in accordance with the relevant award agreement and the 2015 Share Award Scheme rules. Upon vesting, the trustee shall transfer the relevant trust shares as awarded shares to the relevant grantee, or upon receipt of the instructions from the grantees, dispose of the relevant awarded shares in open market and transfer the proceeds of the sale of the relevant awarded shares (after deduction of the relevant charges, expenses, stamp duty and levy) to the relevant grantee.

Subject to any early termination as may be determined by the Board pursuant to the 2015 Share Award Scheme rules, the 2015 Share Award Scheme shall be valid and effective from January 6, 2015 to the date of the last of the awarded shares has been vested and transferred to the relevant grantee or has lapsed, whichever is later, in accordance with the 2015 Share Award Scheme rules, provided that no award shall be made on or after the 10th anniversary date of the adoption date.

On November 20, 2015, the Board of Directors has resolved to offer to certain directors and employees 14,200,000 shares under the 2015 Share Award Scheme.

On December 9, 2016, the Board has resolved to offer to certain director 12,000,000 shares under the 2015 Share Award Scheme.

On January 25, 2018, the Board resolved to offer to employees and directors 104,000,000 shares under the 2015 Share Award Scheme.

As at December 31, 2019, the trustee held 11,975,165 shares acquired through purchases from the market at an aggregate consideration of approximately HK\$13,095,325 (including transaction costs).

根據2015股份獎勵計劃規則，受託人將以公司安排的現金從市場上購買現有股份作為信託股份，並由受託人為經挑選承授人持有信託，直到相關獎勵根據相關獎勵協議及2015股份獎勵計劃規則歸屬。歸屬後，受託人應將相關信託股份作為獎勵股份轉讓給相關承授人，或在收到承授人的指示後，在市場上處置相關獎勵股份，並將出售相關獎勵股份的收益(扣除相關費用，開支，印花稅及稅款後)轉讓給相關承授人。

倘董事會並未根據2015股份獎勵計劃條款決定提前終止，2015股份獎勵計劃將於二零一五年一月六日起，直至最終獎勵股份歸屬並轉移到相關經挑選承授人或其根據該計劃條款失效之日止，以較遲者為準，且採納日後的十周年日之後不得授出任何獎勵。

於二零一五年十一月二十日，本公司董事會決議根據2015股份獎勵計劃授予本公司特定董事及僱員合計14,200,000股股份。

於二零一六年十二月九日，本公司董事會決議根據2015股份獎勵計劃授予本公司特定董事合計12,000,000股股份。

於二零一八年一月二十五日，本公司董事會決議根據2015股份獎勵計劃授予本公司董事及員工合計104,000,000股股份。

截至二零一九年十二月三十一日，受託人持有11,975,165股股份，在市場以總代價約港幣13,095,325元(包括交易成本)購買。

Report of the Directors (Continued)

董事會報告(續)

(v) Others

The total number of shares issued and which may fall to be issued upon exercise of the options granted under each of the Scheme, the Plan and any other share option scheme of the Company to each participant in any 12 month period shall not exceed 1% of the issued share capital of the Company from time to time. The total number of shares which may be issued upon exercise of all options to be granted under the Scheme and any other schemes of the Company must not in aggregate exceed 10% of the shares in issue at the date of the 2012 annual general meeting.

As at the date of this report, the maximum number of shares available for issue under the Scheme is 264,784,079 shares, representing approximately 8.1% of the issued share capital.

DIRECTORS

The directors during the year were:

Executive Directors

Mr. Zhang Ruilin (*Chairman*)
Mr. Zhao Jiangwei
Mr. Wang Xiong
(*appointed with effect from August 9, 2019
and resigned with effect from November 11, 2019*)
Mr. Mei Liming
(*appointed with effect from November 11, 2019
and resigned with effect from June 18, 2020*)

Non-executive Directors

Ms. Xie Na
Mr. Jiao Qisen
(*resigned with effect from January 16, 2019*)

Independent Non-executive Directors

Mr. Mei Jianping
Mr. Jeffrey Willard Miller
Mr. Guo Yanjun

(v) 其他

在任何12個月期間因行使根據購股權計劃、該計劃及本公司任何其他購股權計劃授出之購股權而已發行及可發行予各參與者的股份總數不得超過本公司不時已發行股本的1%。因行使根據購股權計劃、該計劃及本公司任何其他購股權計劃授出之全部購股權而可發行的股份總數合共不得超過二零一二年股東週年大會當天已發行股份的10%。

截至本報告日期，根據購股權計劃最多可供發行的股份數目為264,784,079股，佔已發行股本約8.1%。

董事

於本年度，列任董事下：

執行董事

張芮霖先生(主席)
趙江巍先生
王雄先生
(於二零一九年八月九日獲委任
並於二零一九年十一月十一日辭任)
梅黎明先生
(於二零一九年十一月十一日獲委任
並於二零二零年六月十八日辭任)

非執行董事

謝娜女士
焦祺森先生
(於二零一九年一月十六日辭任)

獨立非執行董事

梅建平先生
Jeffrey Willard Miller 先生
郭燕軍先生

Report of the Directors (Continued)

董事會報告(續)

In accordance with Article 16.18 of the Company's Articles of Association, Mr. Zhao Jiangwei and Ms. Xie Na shall retire by rotation at the forthcoming Annual General Meeting. All of the above retiring Directors, being eligible, will offer themselves for re-election.

DIRECTORS' SERVICE CONTRACTS

We have entered into letters of appointment with each of our Directors, pursuant to which each of the Executive Directors, non-executive Directors and Independent Non-executive Directors is appointed for terms of three years, subject to re-election in accordance with our Articles of Association at our general meeting.

On November 20, 2009, Mr. Zhang Ruilin and Mr. Zhao Jiangwei, each an Executive Director, has entered into a service contract with the Company, which is renewable yearly unless terminated (i) with 12 months' notice by either party, or (ii) by the Company upon certain events such as the Director having committed serious or persistent breaches of the service contract. Should the Company terminate the service contract, Mr. Zhang Ruilin and Mr. Zhao Jiangwei will be entitled to receive severance payment equivalent to one year's basic pay under the service contract, save for circumstances described in item (ii) above.

Save as disclosed above, none of our Directors have entered into a service contract with us which does not expire or which is not determinable by us within one year without the payment of compensation (other than statutory compensation).

根據本公司章程細則第16.18條，趙江巍先生及謝娜女士須於應屆股東週年大會上輪值退任，惟符合資格膺選連任。所有上述退任董事都符合資格膺選連任。

董事服務合同

本公司已和各董事訂立委任書，據此，各執行董事、各非執行董事及各獨立非執行董事獲委任的任期為三年，惟須根據本公司組織章程細則於本公司股東大會上重選連任。

於二零零九年十一月二十日，張芮霖先生及趙江巍先生(各為執行董事)分別與本公司訂立服務合同，有關服務合同可每年續約，除非(i)由任何一方發出十二個月的通知予以終止，或(ii)於出現若干情況時(如董事嚴重違背或反覆違背服務合同)，由本公司予以終止。倘本公司終止服務合同，則張芮霖先生及趙江巍先生將可收取一筆相等於彼等於各自服務合同項下全年基本薪資的遣散費，惟出現上文(ii)項所述情況者例外。

除以上所披露者外，本公司董事並無與本公司訂立並非於一年內屆滿或本公司不可於一年內不付賠償(法定賠償除外)而終止的服務合同。

Report of the Directors (Continued)

董事會報告(續)

DIRECTORS' INTERESTS IN CONTRACTS AND CONTINUED CONNECTED TRANSACTIONS

During the year ended December 31, 2019, the Company had followed policies and guidelines to determine the price and terms of the CCTs conducted. The Group had the following transactions with Jilin Guotai Petroleum Development Company, Songyuan Guotai Petroleum Technology Service Company and their subsidiaries (“**Jilin Guotai**”), which are connected persons of the Company under the Listing Rules:

Continuing Connected Transactions

Provision of oilfield services by Jilin Guotai to us

Jilin Guotai is owned by Mrs. Zhang and Mr. Zhao Jiangwei, and is therefore a connected person of the Company.

On November 23, 2010, we entered into a framework oilfield service agreement with Jilin Guotai (the “**Oilfield Service Agreement**”), pursuant to which Jilin Guotai agreed to provide to us various oilfield services including well maintenance services, well logging services, oil tanker transportation services, oilfield construction related works and other oil operations related services, subject to the entering into of individual contracts as agreed between Jilin Guotai and us pursuant to the Oilfield Service Agreement. The service fees will be based on normal commercial terms and negotiated on arm’s length basis between the parties, and shall be no less favourable than those offered by independent third parties to our Group.

On December 31, 2012, we entered into the Renewed Oilfield Services Agreement with Jilin Guotai for a term of three years ending December 31, 2015.

On December 31, 2015, we entered into the Renewed Oilfield Services Agreement with Jilin Guotai for a term of three years ending December 31, 2018.

董事於合同及持續關連交易的權益

於截至二零一九年十二月三十一日止年度，本公司遵守持續關聯交易定價條款制度及指引。本集團與吉林省國泰石油開發有限公司，松原市國泰石油科技服務有限公司及其等附屬有限公司（「**吉林國泰**」）（根據上市規則為本公司之關連人士）進行了以下交易：

持續關連交易

吉林國泰向本公司提供油田服務

吉林國泰由張夫人及趙江巍先生擁有，因此為本公司的關連人士。

本公司於二零一零年十一月二十三日與吉林國泰訂立框架油田服務協議（「**油田服務協議**」），據此，吉林國泰同意向本公司提供各類油田服務，包括修井服務、測井服務、油罐運輸服務、油田建設相關工程及其他石油作業相關服務，惟根據油田服務協議，有待吉林國泰與本公司訂立協定的個別合同。服務費將根據正常商業條款由雙方按公平基準磋商釐定，且其條款不得遜於獨立第三方向本集團所提供者。

於二零一二年十二月三十一日，我們與吉林國泰訂立經續訂油田服務協議，年期為截至二零一五年十二月三十一日止三年。

於二零一五年十二月三十一日，我們與吉林國泰訂立經續訂油田服務協議，年期為截至二零一八年十二月三十一日止三年。

Report of the Directors (Continued)

董事會報告(續)

On December 6, 2018, we entered into a renewed oil services agreement with Jilin Guotai for a term of three years ending December 31, 2021.

於二零一八年十二月六日，我們與吉林國泰訂立經續訂油田服務協議，年期為截至二零二一年十二月三十一日止三年。

The proposed annual caps for the transactions under the renewed oilfield services agreement are RMB167 million, RMB189 million and RMB208 million for the three years ending December 31, 2021, respectively.

截至二零二一年十二月三十一日止三年，更新的油田服務協議年度限額分別為167百萬元，189百萬元及208百萬元。

As set out below, the aggregate annual transaction amount of each continuing connected transaction for the year ended December 31, 2019 has not exceeded proposed annual cap.

誠如下文所列，各持續關連交易於截至二零一九年十二月三十一日止之年度交易總額不超過建議年度上限。

Connected Person	Nature of transaction	Proposed annual cap for the year ended December 31, 2019 截至二零一九年 十二月三十一日 建議年度上限	Transaction amount for the year ended December 31, 2019 截至二零一九年 十二月三十一日 交易額
關聯人士	交易性質		
Jilin Guotai 吉林國泰	Provision of oilfield services by Jilin Guotai to the Company 吉林國泰向本公司提供油田服務	RMB167.0 million 人民幣 16,700 萬元	RMB111.8 million 人民幣 11,180 萬元

In the opinion of the independent non-executive Directors, the above transactions were entered into: (i) in the Group's ordinary and usual course of business; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Company and the shareholders of the Company as a whole. Details of such connected transactions are set out in note 38 to the consolidated financial statements.

獨立非執行董事認為，以上交易乃(i)於一般及日常業務過程中；(ii)按正常商業條款或更優條款；並(iii)根據有關規管協議按屬公平合理及符合本公司及其股東整體利益的條款而進行。該等關連交易載於合併財務報表的附註38內。

Report of the Directors (Continued)

董事會報告(續)

Pursuant to Rule 14A.56 of the listing Rules, the Board engaged the auditor of the Company to conduct a limited assurance engagement on the above non-exempt continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's letter on Continuing Connected transactions under the listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has reported their conclusion to the Board, stating that:

- a. nothing has come to the auditor's attention that causes the auditor to believe that the relevant non-exempt continuing connected transactions have not been approved by the Company's board of directors.
- b. nothing has come to the auditor's attention that causes the auditor to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions.
- c. with respect to the aggregate amount of the relevant non-exempt continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the relevant continuing connected transactions have exceeded the annual cap as set by the Company.

Save as disclosed above, there is no contract of significance between the Group and a controlling shareholder of the Company (as defined in the Listing Rules) or any of its subsidiaries, including the provision of services by the controlling shareholder or its subsidiaries to the Group.

Saved as disclosed above, there has also been no transaction, arrangement or contract of significance subsisting during or at the end of the year ended December 31, 2019 in which a Director or an entity connected with a Director is or was materially interested, either directly or indirectly.

BIOGRAPHICAL DETAILS OF THE DIRECTORS

Brief biographical details of the Directors are set out on pages 13 to 16.

根據上市規則第14A.56條，董事會已委聘本公司核數師按照香港會計師公會所頒佈的香港鑒證業務準則第3000號「歷史財務資料審計或審閱以外之鑒證工作」及參考實務說明第740號「香港上市規則規定的持續關連交易的核數師函件」對非豁免持續關聯交易執行若干事實查明程序。核數師已將結果向董事會報告。當中指出：

- a. 核數師並無注意到任何事項令他們相信該等相關的非豁免持續關連交易未獲本公司董事會批准。
- b. 核數師並無注意到任何事項令他們相信該等交易在各重大方面沒有根據有關該等交易的協定進行。
- c. 就非豁免持續關連交易的總金額而言，核數師並無注意到任何事項令他們相信該等持續關連交易的金額超逾本公司訂立的全年上限。

除上文披露者外，本集團與本公司控股股東（定義見上市規則）或其任何附屬公司並無訂立任何重大合同（包括控股股東或其附屬公司向本集團提供服務）。

除上文披露者外，在截至二零一九年十二月三十一日止年度期間或年度末，本集團與董事或與董事直接或間接有關的或擁有重大權益的實體並無任何重大的交易、安排或合同。

董事履歷

董事履歷載於第13頁至第16頁。

Report of the Directors (Continued)

董事會報告(續)

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at December 31, 2019, the interests or short positions of the Directors and the chief executives of the Company in the shares, underlying shares and debentures of the Company and its associated corporations, within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she is taken or deemed to have under such provisions of the SFO), or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein, or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in the Listing Rules, were detailed as follows:

董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債權證中擁有的權益及／或淡倉

於二零一九年十二月三十一日，本公司董事及主要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)的股份、相關股份及債權證中擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的條文而當作或被視為擁有的權益及淡倉)，或根據證券及期貨條例第352條的規定須登記於該條所指的登記冊內的權益或淡倉，或根據載於上市規則內上市發行人董事進行證券交易的標準守則(「標準守則」)須知會本公司及聯交所的權益或淡倉詳述如下：

Name of Director	Name of Corporation	Capacity/ Nature of interest	Number of ordinary shares (including options to be exercised) 股份數目 (包括可行使購股權)	Approximate total percentage of interest in the corporation 佔法團權益的 概約總百分比
董事姓名	法團名稱	身份／權益性質		
Mr. Zhang Ruilin 張芮霖先生	Our Company 本公司	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,577,095,234 (L)	48.23%
		Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	88,521,234 (S)	2.70%
		Beneficial owner (Note 4) 實益擁有人(附註4)	7,987,000 (L)	0.24%
Mr. Zhao Jiangwei 趙江巍先生	Our Company 本公司	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,577,095,234 (L)	48.23%
		Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	88,521,234 (S)	2.70%
		Beneficial owner (Note 4) 實益擁有人(附註4)	10,987,000 (L)	0.33%

Report of the Directors (Continued)

董事會報告(續)

Name of Director	Name of Corporation	Capacity/ Nature of interest	Number of ordinary shares (including options to be exercised) 股份數目 (包括可行使購股權)	Approximate total percentage of interest in the corporation 估法團權益的概約總百分比
董事姓名	法團名稱	身份／權益性質		
Mr. Zhang Ruilin 張芮霖先生	Far East Energy Limited ("FEEL")	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	8,999	9.99%
Mr. Zhao Jiangwei 趙江巍先生	FEEL	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	9,000	10%
Mr. Mei Jianping 梅建平先生	Our Company 本公司	Beneficial owner 實益擁有人	2,067,933 (L)	0.06%
Mr. Jeffrey Willard Miller Jeffrey Willard Miller 先生	Our Company 本公司	Beneficial owner 實益擁有人	2,611,333 (L)	0.08%
Ms. Xie Na 謝娜女士	Our Company 本公司	Beneficial owner 實益擁有人	800,000 (L)	0.02%
Mr. Guo Yanjun 郭燕軍先生	Our Company 本公司	Beneficial owner 實益擁有人	800,000 (L)	0.02%
Mr. Mei Liming 梅黎明先生	Our Company 本公司	Beneficial owner 實益擁有人	15,000,000 (L)	0.45%

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company. The letter "S" denotes the person's short position in the shares of the Company.
- (2) FEEL is held by Ms. Zhao Jiangbo ("Mrs. Zhang"), Mr. Zhang Ruilin ("Mr. Zhang") and Mr. Zhao Jiangwei ("Mr. Zhao") as to 80%, 9.99% and 10%, respectively. On May 24, 2013, 72,000 shares in FEEL were issued to Mrs. Zhang. 399,070,000 shares in the Company were transferred from FEEL to Champion International Energy Limited ("Champion"), 399,070,000 shares in the Company were transferred from FEEL to Orient International Energy Limited ("Orient"), 475,000,000 shares in the Company were transferred from FEEL to New Sun International Energy Limited ("New Sun") and 141,460,000 shares in the Company were transferred from FEEL to Power International Energy Limited ("Power"). Each of Champion, Orient, New Sun and Power is a wholly-owned subsidiary of Sunrise Glory Holdings Limited, which is itself a wholly-owned subsidiary of FEEL. Mrs. Zhang, Mr. Zhang and Mr. Zhao have entered into an Acting-in-Concert Agreement under which they agreed to act in concert in relation to all matters that require the decisions of the shareholders of FEEL. Pursuant to the Acting-in-Concert Agreement, if a unanimous opinion in relation to the matters that require action in concert is unable to be reached, Mr. Zhang shall be allowed to vote on his, Mrs. Zhang's and Mr. Zhao's shares.

附註：

- (1) 字母「L」指某位人士於本公司股份中的好倉。字母「S」指某位人士於本公司股份中的淡倉。
- (2) FEEL由趙江波(「張夫人」)、張芮霖先生(「張先生」)及趙江巍先生(「趙先生」)分別擁有80%、9.99%及10%權益。於二零一三年五月二十四日，FEEL的72,000股股份發行予張夫人，FEEL分別將本公司399,070,000股、399,070,000股、475,000,000股及141,460,000股股份轉讓予Champion International Energy Limited(「Champion」)、Orient International Energy Limited(「Orient」)、New Sun International Energy Limited(「New Sun」)及Power International Energy Limited(「Power」)。Champion、Orient、New Sun及Power均為Sunrise Glory Holdings Limited的全資附屬公司。而Sunrise Glory Holdings Limited則為FEEL的全資附屬公司。張夫人、張先生及趙先生已訂立一致行動協議，據此，彼等同意就需由FEEL股東決定的一切事項一致行動。根據一致行動協議，倘未能達成有關需一致行動事項的一致意見，張先生獲准就其、張夫人及趙先生的股份進行投票表決。

Report of the Directors (Continued)

董事會報告(續)

The long interests which FEEL, Mr. Zhang and Mr. Zhao have in the 1,577,095,234 shares in the Company include (i) the beneficial interests which FEEL has (and in the case of Mr. Zhang and Mr. Zhao, the indirect beneficial interests which they have (through their shareholdings in FEEL)) in the 1,469,600,000 shares in the Company held by FEEL through its subsidiaries, (ii) the 7,887,000 share options granted to Mr. Zhang, (iii) the 7,887,000 share options granted to Mr. Zhao, (iv) the put option granted by FEEL, Mr. Zhang and Mr. Zhao, pursuant to a put and call option agreement, over the 88,521,234 shares in the Company held by Mr. Ho Chi Sing through Celestial Energy Limited (“**Celestial**”), as further described in note (3) below, (v) the 100,000 shares owned by Mr. Zhang himself and (vi) 3,100,000 shares owned by Mr. Zhao himself.

- (3) The Company was informed on November 8, 2014 that TPG Star Energy Ltd. and Celestial had entered into a sale and purchase agreement pursuant to which Celestial had acquired and TPG Star Energy Ltd. has sold 211,855,234 ordinary shares in the Company.

On November 8, 2014, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang and Celestial entered into a put and call option agreement in relation to certain of shares (the “PCA”), pursuant to which the parties to the put and call option agreement have agreed to grant each other certain rights in relation to their shares, and section 317(1)(a) of the SFO applies. Mr. Ho Chi Sing is the sole shareholder of Celestial.

In particular, Mr. Ho Chi Sing, through his holdings in Celestial, is beneficially interested in 211,855,234 shares in the Company. Pursuant to the abovementioned put and call option agreement, Mr. Ho Chi Sing and Celestial have been granted a put option to resell/put 211,855,234 shares to FEEL, Mr. Zhang and Mr. Zhao.

On January 6, 2017, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang and Celestial entered into a letter agreement in relation to the put and call option. The Board was also informed that Great Harmony International Ltd (“**Great Harmony**”) and Celestial have entered into a sale and purchase agreement pursuant to which Great Harmony has agreed to acquire (or procure its affiliate or other person or company designated by it to acquire) and Celestial has agreed to sell 211,855,234 ordinary shares in the Company.

On January 18, 2017, February 23, 2017 and March 7, 2017, Celestial had ceased to have 53,334,000 shares, 40,000,000 shares and 30,000,000 shares in long and short positions, respectively.

On May 17, 2017, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang (collectively, the “**Controlling Shareholders**”) and Celestial entered into a second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company’s announcement dated May 17, 2017.

FEEL、張先生及趙先生於本公司1,577,095,234股股份擁有的好倉包括(i) FEEL於其透過其附屬公司所持本公司1,469,600,000股股份中擁有的實益權益(及如為張先生及趙先生,則為彼等透過各自所持FEEL的股權而擁有的間接實益權益), (ii)張先生獲授的7,887,000份購股權, (iii)趙先生獲授的7,887,000份購股權, (iv) FEEL、張先生及趙先生根據認沽及認購期權協議獲授對何志成先生透過Celestial Energy Limited(「**Celestial**」)所持本公司88,521,234股股份的認沽期權,進一步描述見下文附註(3), (v)張先生本身所擁有的100,000股股份,及(vi)趙先生本身所擁有的3,100,000股股份。

- (3) 本公司於二零一四年十一月八日獲悉, TPG Star Energy Ltd.與Celestial訂立買賣協議, 據此, Celestial同意收購及TPG Star同意出售211,855,234股本公司普通股。

於二零一四年十一月八日, FEEL、張先生、趙先生、張夫人及Celestial就若干股份訂立認沽及認購期權協議, 據此, 該協議之訂約方同意互相之間授出彼等股份之若干權利並應用證券及期貨條例第317(1)(a)條規定。何志成先生為Celestial的唯一股東。

尤其值得一提的是, 何志成先生通過其在Celestial的持股, 持有本公司211,855,234股權益。根據上述認沽及認購期權協議, 何志成先生和Celestial持有認沽期權, 得向FEEL、張先生和趙先生轉/售出211,855,234股權。

於二零一七年一月六日, FEEL、張先生、趙先生、張夫人及Celestial簽訂一份與認沽及認購期權協議相關的協議且董事會獲悉, Great Harmony International Ltd(「**Great Harmony**」)與Celestial簽訂了購銷協議, 據此, Great Harmony同意購買(或確保其附屬公司或指定的其他人或公司購買), 且Celestial同意出售本公司211,855,234股普通股。

Celestial分別於二零一七年一月十八日, 二零一七年二月二十三日及二零一七年三月七日, 再無擁有53,334,000股、40,000,000股及30,000,000股的好倉及淡倉。

於二零一七年五月十七日, FEEL、張芮霖先生、趙江巍先生、趙江波女士(統稱「**控股股東**」)及Celestial簽訂認沽及認購期權協議的第二份相關協議。詳細信息請參照本公司於二零一七年五月十七日發佈之公告。

Report of the Directors (Continued)

董事會報告(續)

On November 30, 2017, the Controlling Shareholders and Celestial entered into the supplemental agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated November 30, 2017.

On April 14, 2018, the Controlling Shareholders and Celestial entered into the second supplemental agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated April 15, 2018.

On November 26, 2018, the Controlling Shareholders and Celestial entered into the third supplemental agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated November 26, 2018.

On May 30, 2019, the Controlling Shareholders and Celestial entered into the fourth supplement agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated May 30, 2019.

- (4) These interests represent interests in outstanding stock options under the Plan and the Scheme. For further details, please refer to the section headed "Share Options". Mr. Zhang's interests includes the 100,000 shares held by himself. Mr. Zhao's interests includes the 3,100,000 shares held by himself.

Save as disclosed above and in the section headed "Share Options", as at December 31, 2019, none of the Directors or the chief executives of the Company had any interests or short positions in the shares, underlying shares or debentures of the Company or any associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he/she had taken or was deemed to have under such provisions of the SFO) or which were required to be entered into the register kept by the Company pursuant to Section 352 of the SFO or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code; nor had there been any grant or exercise of rights of such interests during the year ended December 31, 2019.

於二零一七年十一月三十日，控股股東及Celestial簽訂認沽及認購期權協議的第二份相關協議的補充協議。詳細信息請參照本公司於二零一七年十一月三十日發佈之公告。

於二零一八年四月十四日，控股股東及Celestial簽訂認沽及認購期權協議的第二份相關協議的第二份補充協議。詳細信息請參照本公司於二零一八年四月十五日發佈之公告。

於二零一八年十一月二十六日，控股股東及Celestial簽訂認沽及認購期權協議的第二份相關協議的第三份補充協議。詳細信息請參照本公司於二零一八年十一月二十六日發佈之公告。

於二零一九年五月三十日，控股股東及Celestial簽訂認沽及認購期權協議第二份相關協議的第四份補充協議。詳細信息請參照本公司於二零一九年五月三十日發佈之公告。

- (4) 該等權益指該計劃及購股權計劃所涉未行使購股權的權益。其他詳情請參閱「購股權」一節。張先生的權益包括張先生本人持有的100,000股實益權益。趙先生的權益包括趙先生本人持有的3,100,000股實益權益。

除上文及「購股權」一節所披露者外，於二零一九年十二月三十一日，本公司董事或主要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概無擁有根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益或淡倉(包括根據證券及期貨條例的條文而當作或視為擁有的權益及淡倉)，或根據證券及期貨條例第352條的規定須登記於本公司存置的登記冊內的權益或淡倉，或根據標準守則須知會本公司及聯交所的權益或淡倉；於截至二零一九年十二月三十一日年度，亦無授予或行使該等權益之權利。

Report of the Directors (Continued)

董事會報告(續)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware of, as at December 31, 2019, the following persons (other than the Directors, chief executive(s) or members of the Group) who had interests and/or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions two and three of Part XV of the SFO, or, which would be required, pursuant to section 336 of the SFO, to be entered into the register referred to therein, were as follows:

主要股東於本公司的股份、相關股份中擁有的權益及／或淡倉

就董事所知，於二零一九年十二月三十一日，下列人士(除董事、主要行政人員或本集團成員公司外)於本公司之股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部須向本公司披露的權益及／或淡倉，或根據證券及期貨條例第336條須登記於該條所指之登記冊內的權益及／或淡倉如下：

Name of Interested Party	Capacity/ Nature of interest	Total number of Shares (including options to be exercised)	Approximate percentage of interest in company
權益方名稱	身份／權益性質	股份總數 (包括可行使購股權)	佔本公司權益的 概約百分比
Ms. Zhao Jiangbo 趙江波女士	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,577,095,234 (L) 88,521,234 (S)	48.23% 2.70%
FEEL	Interest of controlled corporation (Note 2) 受控制法團權益(附註2)	1,577,095,234 (L) 88,521,234 (S)	48.23% 2.70%
Mr. Ho Chi Sing 何志成先生	Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	1,577,095,234 (L) 88,521,234 (S)	48.23% 2.70%
Celestial Energy Limited ("Celestial")	Interest of controlled corporation (Note 3) 受控制法團權益(附註3)	1,577,095,234 (L) 88,521,234 (S)	48.23% 2.70%
Billion Capital Shine Inc.	Person having a security interest in Shares (Note 4) 持有股份抵押權益的人士(附註4)	1,472,300,000 (L)	45.03%
China Orient Asset Management (International) Holding Limited 中國東方資產管理(國際)控股 有限公司	Interest of controlled corporation (Note 4) 受控制法團權益(附註4)	1,472,300,000 (L)	45.03%
China Orient Asset Management Co., Limited 中國東方資產管理股份有限公司	Interest of controlled corporation (Note 4) 受控制法團權益(附註4)	1,472,300,000 (L)	45.03%

Report of the Directors (Continued)

董事會報告(續)

Name of Interested Party Capacity/ Nature of interest	Party Capacity/ Nature of interest	Total number of Shares (including options to be exercised) 股份總數 (包括可行使購股權)	Approximate percentage of interest in company 佔本公司權益的 概約百分比
權益方名稱	身份/權益性質		
Dong Yin Development (Holdings) Limited 東銀發展(控股)有限公司	Interest of controlled corporation (Note 4) 受控制法團權益(附註4)	1,472,300,000 (L)	45.03%
Wise Leader Assets Ltd.	Interest of controlled corporation (Note 4) 受控制法團權益(附註4)	1,472,300,000 (L)	45.03%
Flying Investments Limited	Beneficial owner 實益擁有人	199,160,000 (L)	6.09%
Fung Wing Nam Florence 馮穎楠	Interest of controlled corporation 受控制法團權益	199,160,000 (L)	6.09%

Notes:

- (1) The letter "L" denotes the person's long position in the shares of the Company. The letter "S" denotes the person's short position in the shares of the Company.
- (2) FEEL is held by Mrs. Zhang, Mr. Zhang and Mr. Zhao as to 80%, 9.99% and 10%, respectively. On May 24, 2013, 72,000 shares in FEEL were issued to Mrs. Zhang, 399,070,000 shares in the Company were transferred from FEEL to Champion, 399,070,000 shares in the Company were transferred from FEEL to Orient, 475,000,000 shares in the Company were transferred from FEEL to New Sun and 141,460,000 shares in the Company were transferred from FEEL to Power International Energy Limited ("Power"). Each of Champion, Orient, New Sun and Power is a wholly-owned subsidiary of Sunrise Glory Holdings Limited, which is itself a wholly-owned subsidiary of FEEL. Mrs. Zhang, Mr. Zhang and Mr. Zhao have entered into an Acting-in-Concert Agreement under which they agreed to act in concert in relation to all matters that require the decisions of the shareholders of FEEL. Pursuant to the Acting-in-Concert Agreement, if a unanimous opinion in relation to the matters that require action in concert is unable to be reached, Mr. Zhang shall be allowed to vote on his, Mrs. Zhang's and Mr. Zhao's shares.

附註:

- (1) 字母「L」指某位人士於本公司股份中的好倉。字母「S」指某位人士於本公司股份中的淡倉。
- (2) FEEL由張夫人、張先生及趙先生分別擁有80%、9.99%及10%權益。於二零一三年五月二十四日，FEEL的72,000股股份發行予張夫人，FEEL分別將本公司399,070,000股、399,070,000股、475,000,000股及141,460,000股股份轉讓予Champion、Orient、New Sun及Power。Champion、Orient、New Sun及Power均為Sunrise Glory Holdings Limited的全資附屬公司，而Sunrise Glory Holdings Limited則為FEEL的全資附屬公司。張夫人、張先生及趙先生已訂立一致行動協議，據此，彼等同意就需由FEEL股東決定的一切事項一致行動。根據一致行動協議，倘未能達成有關需一致行動事項的一致意見，張先生獲准就其、張夫人及趙先生的股份進行投票表決。

Report of the Directors (Continued)

董事會報告(續)

The long interests which FEEL, Mr. Zhang and Mr. Zhao have in the 1,577,095,234 shares in the Company include (i) the beneficial interests which FEEL has (and in the case of Mr. Zhang and Mr. Zhao, the indirect beneficial interests which they have (through their shareholdings in FEEL)) in the 1,469,600,000 shares in the Company held by FEEL through its subsidiaries, (ii) the 7,887,000 share options granted to Mr. Zhang, (iii) the 7,887,000 share options granted to Mr. Zhao, (iv) the put option granted by FEEL, Mr. Zhang, Mr. Zhao and Mrs. Zhang, pursuant to a put and call option agreement, over the 88,521,234 shares in the Company held by Mr. Ho Chi Sing through Celestial, as further described in note (3) below, (v) the 100,000 shares owned by Mr. Zhang himself and (vi) 3,100,000 shares owned by Mr. Zhao himself.

- (3) The Company was informed on November 8, 2014 that TPG Star Energy Ltd. and Celestial had entered into a sale and purchase agreement pursuant to which Celestial had acquired and TPG Star Energy Ltd. has sold 211,855,234 ordinary shares in the Company.

On November 8, 2014, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang and Celestial entered into the PCA in relation to certain of the shares, pursuant to which the parties to the put and call option agreement have agreed to grant each other certain rights in relation to their shares, and section 317 (1)(a) of the SFO applies. Mr. Ho Chi Sing is the sole shareholder of the Celestial.

In particular, Mr. Ho Chi Sing, through his holdings in Celestial, is beneficially interested in 211,855,234 shares in the Company. Pursuant to the abovementioned put and call option agreement, Mr. Ho Chi Sing and Celestial have been granted a put option to resell/put 211,855,234 shares to FEEL, Mr. Zhang and Mr. Zhao.

On January 6, 2017, FEEL, Mr. Zhang, Mr. Zhao, Mrs. Zhang (collectively, the “**Controlling Shareholders**”) and Celestial entered into the letter agreement in relation to the put and call option. The Board was also informed that Great Harmony International Ltd (“**Great Harmony**”) and Celestial have entered into a sale and purchase agreement pursuant to which Great Harmony has agreed to acquire (or procure its affiliate or other person or company designated by it to acquire) and Celestial has agreed to sell 211,855,234 ordinary shares in the Company.

On January 18, 2017, February 23, 2017 and March 7, 2017, Celestial had ceased to have 53,334,000 shares, 40,000,000 shares and 30,000,000 shares in long and short positions, respectively.

FEEL、張先生及趙先生於本公司1,577,095,234股股份擁有的好倉包括(i) FEEL於其透過其附屬公司所持本公司1,469,600,000股股份中擁有的實益權益(及如為張先生及趙先生,則為彼等透過各自所持FEEL的股權而擁有的間接實益權益), (ii)張先生獲授的7,887,000份購股權, (iii)趙先生獲授的7,887,000份購股權, (iv) FEEL、張先生及趙先生以及張夫人根據認沽及認購期權協議授出對何志成先生透過Celestial所持本公司88,521,234股股份的認沽期權, 進一步說明見下文附註(3), (v)張先生本身所擁有的100,000股股份, 及(vi)趙先生本身所擁有的3,100,000股股份。

- (3) 本公司於二零一四年十一月八日獲悉, TPG Star Energy Ltd.與Celestial訂立買賣協議, 據此, Celestial同意收購及TPG Star同意出售211,855,234股本公司普通股。

於二零一四年十一月八日, FEEL、張先生、趙先生、張夫人及Celestial就若干股份訂立認沽及認購期權協議, 據此, 該協議之訂約方同意互相之間授出彼等股份之若干權利並應用證券及期貨條例第317(1)(a)條規定。何志成先生為Celestial的唯一股東。

尤其值得一提的是, 何志成先生通過其在Celestial的持股, 持有本公司211,855,234股權益。根據上述認沽及認購期權協議, 何志成先生和Celestial持有認沽期權, 得向FEEL、張先生和趙先生轉/售出211,855,234股權。

於二零一七年一月六日, FEEL、張先生、趙先生、張夫人(統稱「**控股股東**」)及Celestial簽訂一份與認沽及認購期權協議相關的協議且董事會獲悉, Great Harmony International Ltd (「**Great Harmony**」) 與Celestial簽訂了購銷協議, 據此, Great Harmony同意購買(或確保其附屬公司或指定的其他人或公司購買), 且Celestial同意出售本公司211,855,234股普通股。

Celestial分別於二零一七年一月十八日, 二零一七年二月二十三日及二零一七年三月七日, 再無擁有53,334,000股、40,000,000股及30,000,000股的好倉及淡倉。

Report of the Directors (Continued)

董事會報告(續)

On May 17, 2017, the Controlling Shareholders and Celestial entered into a second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated May 17, 2017.

On November 30 2017, the Controlling Shareholders and Celestial entered into the supplement agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated November 30, 2017.

On April 14, 2018, the Controlling Shareholders and Celestial entered into the second supplement agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated April 15, 2018.

On November 26, 2018, the Controlling Shareholders and Celestial entered into the third supplement agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated November 26, 2018.

On May 30, 2019, the Controlling Shareholders and Celestial entered into the fourth supplement agreement to the second letter agreement in relation to the put and call option agreement. For further details, please refer to the Company's announcement dated May 30, 2019.

Save as disclosed above, as at December 31, 2019, no person (other than the Directors or the chief executive of our Company, whose interests have been disclosed in the above section headed "Directors' and Chief Executives' Interests and/or Short Positions in the Shares, Underlying Shares and Debentures of the Company or Any Associated Corporation") had an interest or a short position in the shares or underlying shares of the Company as recorded in the register required to be kept by our Company pursuant to Section 336 of the SFO.

於二零一七年五月十七日，控股股東及Celestial簽訂認沽及認購期權協議的第二份相關協議。詳細信息請參照本公司於二零一七年五月十七日發佈之公告。

於二零一七年十一月三十日，控股股東及Celestial簽訂認沽及認購期權協議第二份相關協議的補充協議。詳細信息請參照本公司於二零一七年十一月三十日發佈之公告。

於二零一八年四月十四日，控股股東及Celestial簽訂認沽及認購期權協議第二份相關協議的第二份補充協議。詳細信息請參照本公司於二零一八年四月十五日發佈之公告。

於二零一八年十一月二十六日，控股股東及Celestial簽訂認沽及認購期權協議第二份相關協議的第三份補充協議。詳細信息請參照本公司於二零一八年十一月二十六日發佈之公告。

於二零一九年五月三十日，控股股東及Celestial簽訂認沽及認購期權協議第二份相關協議的第四份補充協議。詳細信息請參照本公司於二零一九年五月三十日發佈之公告。

除上文所述者外，於二零一九年十二月三十一日，概無任何人士(除於上文「董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債權證中擁有的權益及／或淡倉」一節已披露權益的本公司董事或主要行政人員外)於本公司之股份或相關股份中擁有根據證券及期貨條例第336條登記於本公司存置之登記冊內的權益或淡倉。

Report of the Directors (Continued)

董事會報告(續)

MAJOR SUPPLIERS AND CUSTOMERS

During the year, the Group purchased around 18.2% of its goods and services from its five largest suppliers as well as 7.52% of its goods and services from the largest supplier; and 43.75% and 78.37% respectively of the Group's revenue are from PetroChina, its largest customer, and its five largest customers combined.

Save as otherwise disclosed in this report (if any), none of the Directors, their close associates or any shareholder (which to the knowledge of Directors owns more than 5% of the Company's issued share capital) has any interest in the Group's five largest suppliers and customers.

RELATIONSHIP WITH EMPLOYEES, SUPPLIERS AND CUSTOMERS

The employees, suppliers and customers of the Company play an important role in the Company's development and on which the Company's success depends. The Company provides competitive remuneration packages to attract and motivate the employees. The Company maintains good relationship with customers, suppliers and other business partners to achieve its long-term goals. In 2019, there was no material and significant dispute between our Group and its customers, suppliers and other business partners.

ENVIRONMENTAL POLICIES AND PERFORMANCE

During the process of hydrocarbon production, the Company highly values the protection of natural and ecological environment and its comprehensive environmental protection measures to ensure that the Company complies with the applicable laws and regulations in relation to environmental protection. During the process of construction and production of oilfields, we place environment impact assessment, compliance with set standards or targets on pollutant emissions, control on total discharge amount and reduction on emissions as our priorities.

The Company views energy saving and reduction in emission as an important aspect of our cost reduction and maintaining high management standards. We also continue to strengthen efforts on technical reformation during daily management, which is the key to improve energy efficiency and reduce carbon emissions.

主要供應商及客戶

年內，本集團向五大供應商共採購約18.2%的商品及服務，其中最大供應商採購約7.52%，而本集團收益43.75%及78.37%分別來自最大客戶中石油股份及五大客戶(合計)。

除上文所披露者外，概無董事、彼等的聯繫人或就董事所知擁有本公司已發行股本5%或以上的任何股東擁有本集團五大供應商及客戶的任何權益。

與僱員、供應商及客戶的關係

本公司的僱員、供應商及客戶對本公司的發展非常重要，亦是本公司成功的關鍵。本公司提供具競爭力的薪酬待遇，以吸引及激勵僱員。本公司與客戶、供應商、及其他商業合作夥伴等保持良好關係，以達到長期目標。於二零一九年，本集團與客戶、供應商、及其他商業合作夥伴等並無發生重大糾紛。

環境政策及表現

公司在從事油氣開採的過程中，高度重視對自然環境和生態環境的保護，以全面的環境保護管理措施確保公司實現遵法達標及合規運營。在項目建設和生產過程中，以環評管理、污染物達標排放、總量控制和統籌減排為重點，實施環境保護的全過程管理。

公司把節能減排作為降低成本、提高管理水平的重要工作，並且在日常管理中加大節能減排的技術改造力度，通過技術改造促進能效提升和降低碳排放。

Report of the Directors (Continued)

董事會報告(續)

For the year ended December 31, 2019, the Company has constructed oilfields of green environmental protection in accordance with regulatory requirements and there were no matters arising from environmental-related regulatory non-compliances.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

As far as the Board and senior management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operations of the Group. During the year ended December 31, 2019, there was no material breach of or non-compliance with applicable laws and regulations by the Group.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares as required under the Listing Rules during the period from January 1, 2019 to November 27, 2020 (being the latest practicable date for ascertaining information prior to the issue of this annual report).

PERMITTED INDEMNITY

The Company's Articles of Association provides that every Director, auditor 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, auditor or other officer of the Company in defending any proceedings, in which judgment is given in his favour, or in which he is acquitted.

The Company has arranged appropriate directors and officers liabilities insurance coverage for Directors and officers of the Company.

截至二零一九年十二月三十一日止年度，公司按照建設綠色環保油田要求，未發生一起環保污染問題。

遵守有關法律法規

如董事會及管理層所知，本集團在所有重大方面全面遵守與本集團業務及運營有關的法律法規。截至二零一九年十二月三十一日止年度，本集團並無重大違反適用法律法規的情形。

充足公眾持股量

根據本公司公開可得之資料及據董事所知，其確認於二零一九年一月一日至二零二零年十一月二十七日(年報刊發前最後可行日)，本公司根據上市規則要求至少25%已發行股份由公眾持有。

獲准許彌償

公司章程細則規定各董事、公司核數師或其他高級管理人員有權就彼作為董事、公司核數師或其他高級管理人員於維護任何法律程序(彼獲勝訴或被判無罪)中產生或承擔的所有損失或責任於公司資產中獲得彌償。

公司已為董事及公司高級管理人員安排適當之董事及高級管理人員責任保險。

Report of the Directors (Continued)

董事會報告(續)

COMPETING BUSINESS

A non-competition deed in favor of the Company was entered into by FEEL, Mr. Zhang and Mr. Zhao on November 23, 2010. Our independent non-executive Directors have reviewed the compliance and enforcement of the non-competition deed and were of the view that FEEL, Mr. Zhang and Mr. Zhao were in compliance with the non-Competition deed during the reporting period.

None of the Directors of the Company had an interest in a business which competes with the Company or is likely to compete with the business of the Group.

SUBSEQUENT EVENTS

Proposed Dividend

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

GROUP'S EMOLUMENTS POLICY

The emoluments policy of the employees of the Group is set up by the Remuneration Committee on the basis of their merit, qualifications and competence.

The emoluments of the Directors of the Company are decided by the Remuneration Committee, having regard to the Company's operating results, individual performance and comparable market statistics.

競爭業務

FEEL、張先生及趙先生於二零一零年十一月二十三日為本公司訂立不競爭契約。本公司獨立非執行董事已檢討不競爭契約的遵守及執行情況，認為FEEL、張先生及趙先生於報告期內已遵守不競爭契約。

本公司概無任何董事於與本公司業務競爭或可能與本集團業務構成競爭之業務中擁有任何權益。

期後事項

建議股息

董事會並無建議就截至二零一九年十二月三十一日年度派付末期股息(二零一八年：無)。

本集團之薪酬政策

本集團僱員之薪酬政策由薪酬委員會根據彼等的優點、資歷及能力而定。

本公司董事之薪酬由薪酬委員會根據本公司之經營業績、個人表現及可資比較市場數據釐定。

Report of the Directors (Continued)

董事會報告(續)

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company is scheduled to be held on Thursday, January 14, 2021 (“AGM”). For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Monday, January 11, 2021 to Thursday, January 14, 2021, both days inclusive, during which no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all completed transfers of shares, accompanied by the relevant share certificates, must be lodged with the Company’s branch share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, for registration not later than 4:30 p.m. on Friday, January 8, 2021 (Hong Kong time), being the last registration date.

AUDITOR

The financial statements have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offered themselves for re-appointment as the Company’s auditor.

On behalf of the Board

Mr. Zhang Ruilin
Chairman

Hong Kong, November 27, 2020

暫停辦理股東登記手續

本公司預定於二零二一年一月十四日(星期四)舉行股東週年大會。為釐定符合出席並於大會上投票的資格，本公司將於二零二一年一月十一日(星期一)至二零二一年一月十四日(星期四)(包含首尾日)暫停辦理股東登記手續，期間亦不會辦理股份過戶登記手續。為符合出席股東週年大會及於會上投票的資格，所有過戶文件連同有關股票需不遲於二零二一年一月八日(星期五)香港時間下午四時三十分(最後股份登記日)遞交至本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址香港皇后大道東183號合和中心54樓。

核數師

財務報表已由羅兵咸永道會計師事務所審核。羅兵咸永道會計師事務所任滿退任並符合資格且願意獲續聘為本公司核數師。

承董事會命

張芮霖先生
主席

香港，二零二零年十一月二十七日

Environmental, Social and Governance Report

環境、社會及管治報告

I. QUALITY OF WORKING ENVIRONMENT

(1) Employment

The Group implements and/or complies with the following employment policies and regulations for recruitment and dismissal, remuneration and promotion, working hours, holidays, diversification and other bonus and benefits:

1. The remuneration of employees is in accordance with the relevant provisions of the Group's internal policy titled "*MIE Holdings Corporation's Remuneration Management System*". The Company provides employees with comprehensive and competitive packages taking into account market competition and equality within the Group. An employee's remuneration package is based on an overall evaluation of work performance, the employee's relevant rank and position and capability.
2. The recruitment, promotion and dismissal of employees of the Group in China are governed by the "*Labor Law of the People's Republic of China*", the "*Labor Contract Law of the People's Republic of China*", the "*Policies Governing Employee Relations of MIE Holdings Corporation*", other national and regional laws and regulations, and the Company's administrative policies. Recruitment, promotion and dismissal of employees in Hong Kong are conducted in accordance with the "*Employment Ordinance*" and other relevant Hong Kong laws and regulations. The recruitment, promotion and dismissal of employees of Canlin in Canada are governed by the "*Provincial Employment Standards*", "*Provincial Human Rights Laws*", "*Privacy Laws*", "*Provincial Case Law*", other national and regional laws and regulations in Canada, The Company's administrative policies. Recruitment, promotion, and termination of employees in the United States are carried out in conformity with applicable U.S. national and regional laws and regulations.

一、工作環境質素

(一) 僱傭

本集團在有關員工招聘及解僱、薪酬及晉升、工作時數、假期、多元化以及其他待遇及福利等方面主要執行以下政策、法規：

1. 本集團員工的薪酬按照《MI能源控股有限公司薪酬管理制度》的相關規定執行，公司在兼顧市場競爭和內部公平的基礎上，為員工提供完善的、具有競爭力的薪酬福利體系。公司結合公司經營業績、員工職位等級、績效及能力評估為員工確定薪酬。
2. 本集團在中國境內的員工招聘、晉升及解僱按照《中華人民共和國勞動法》、《中華人民共和國勞動合同法》以及《MI能源控股有限公司員工關係管理制度》等國家、地區法律法規及公司管理規定執行。在香港境內的員工招聘、晉升及解僱按照香港《僱傭條例》及地區法律法規執行。在加拿大境內的員工招聘、晉升及解僱按照加拿大《省級就業準則》、《省級人權法》、《隱私法》、《省級判例法》等國家、地區法律法規及公司管理規定執行。在美國境內的員工招聘、晉升及解僱按照美國及地區相關法律規定執行。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

3. The working hours for employees in China are strictly in accordance with the “*Labor Contract Law of the People’s Republic of China*”, namely eight hours per day, 40 hours per week and rest days include statutory holidays, Saturdays and Sundays. The working hours for employees in Canada are strictly in accordance with the “*Provincial Employment Standards*”, namely eight hours per day, 40 hours per week and rest days include statutory holidays, Saturdays and Sundays.
 4. The Group provides its employees in China with paid holidays in strict accordance with the “*Order of the State Council of the People’s Republic of China (No.514) in relation to the Regulation on Paid Annual Leave for Employees*”. For Hong Kong employees, paid holidays are provided in strict accordance with the provisions of the “*General Holidays Ordinance*” and the “*Employment Ordinance*”. Canlin provides its employees in Canada with paid holidays in strict accordance with the Company’s administrative policies in addition to “*Provincial Employment Standards*”
 5. Based on the principle of equality and anti-discrimination, the Group complies with the “*Administrative Policies for Employee Recruitment of MIE Holdings Corporation*” for recruitment matters.
 6. The Group has established a scientific and reasonable performance appraisal system and an effective incentive and restraint mechanism to ensure the joint development of the Company and its employees. During the year ended December 31, 2019, the Group continued to optimize its KPI assessment system, improved the quantification of its evaluation standards and enhanced the feasibility of its evaluation mechanism.
3. 本集團中國境內員工的工作時數嚴格按照《中華人民共和國勞動合同法》的相關規定，執行每天工作8小時，每週工作40個小時工作制，國家規定的法定節假日、週六、週日休息。本集團加拿大境內員工的工作時數嚴格按照加拿大《省級就業準則》的相關規定執行，每天工作8小時，每週工作40個小時工作制，國家規定的法定節假日、週六、週日休息。
 4. 本集團中國境內員工嚴格按照《中華人民共和國國務院令 第514號關於職工帶薪年休假條例》的規定為員工提供帶薪假期。對於香港員工，嚴格按照《公眾假期條例》和《僱傭條例》的規定為員工提供帶薪假期。對於加拿大境內的員工執行加拿大《省級就業準則》及公司管理規定執行。
 5. 本集團本著平等的原則，遵照《MI能源控股有限公司招聘管理制度》執行招聘事宜，該制度中包含反對歧視的條款。
 6. 本集團根據集團的經營目標，構建了科學合理的績效考核體系和有效的激勵約束機制，全面保證企業與員工的共同發展。二零一九年度，本集團繼續優化KPI考核體系，提高考評標準的量化程度，增強考評辦法的可操作性。

During the year ended December 31, 2019, the Group was not involved in any arbitration and did not have any judgment against it on labor disputes.

截至二零一九年十二月三十一日止年度，本集團無勞動糾紛仲裁及判決。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

The Group had 1,058 employees, comprising 894 males (84.50%) and 164 females (15.50%) as of December 31, 2019. Due to the nature of the Group's business, there are more male employees than female employees.

截至二零一九年十二月三十一日，本集團共有員工1,058名，其中男員工894人，佔84.50%，女員工164人，佔15.50%。由於本集團業務範圍、工作環境等原因，男員工數量多於女員工數量。

Table 1: Staff Numbers by Work Function as of December 31, 2019

表1：截至二零一九年十二月三十一日根據崗位類別分類的員工情況

Work Function 崗位類別		Technical 技術類	Production 生產類	Support 支持類	Total Management 管理合計	Core production 主體生產類	Support services 支持服務類	Total Operation services 操服合計	Total 合計

Table 2: Staff Numbers by Education Background as of December 31, 2019

表2：截至二零一九年十二月三十一日根據受教育程度分類的員工情況

Education Category 教育程度		Masters and above 碩士以上	Bachelor 大學本科	Junior College 大學專科	Technical Secondary High School 中專、高中	Junior High School and below 初中及以下	Total 合計

Table 3: Staff Numbers by Age Group as of December 31, 2019

表3：截至二零一九年十二月三十一日根據年齡分類的員工情況

Age Group 年齡		20-24yrs 20至24歲	25-34yrs 25至34歲	35-44yrs 35至44歲	45-54yrs 45至54歲	55yrs and above 55歲及以上	Total 合計

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Table 4: Staff Numbers by Geographical Region as of December 31, 2019

表4：截至二零一九年十二月三十一日根據地域分類的員工情況

Geographical Region 地域	PRC 中國內地	Hong Kong 中國香港	US 美國	Total 合計
Total 合計	1,049	7	2	1,058

(2) Development and Training

(二) 發展及培訓

Throughout the year ended December 31, 2019, the Group organized tailored training programs based on the Group's development strategy, employee job requirements and employees' personal development needs to accelerate the growth of employees' working ability and professional quality. Through the various tailored training programs, the Group comprehensively developed the management ability and skill levels of all employees across various positions.

截至二零一九年十二月三十一日止年度本集團為加快培養各類員工隊伍，提升員工工作技能和職業素質，根據集團發展戰略、崗位要求及個人發展需求編製全年培訓計劃，並按計劃組織各類員工培訓，通過組織各類培訓項目，全面提升各類員工的管理能力和技能水平。

Aimed at improving the business standards, and management ability and also overall ability among management staff, the Group also offered targeted professional knowledge training to strengthen their common general skills. With the purpose of improving the professional and technical ability of technical personnel, the Group also placed emphasis on the cultivation of their business knowledge and ability, including the learning of basic knowledge, application software tools, and new technology and cutting-edge knowledge. As regards operational staff, the Group aimed to strengthen their operating skills, standardize the operation process and improve operation ability by providing various trainings.

對於管理人員，本集團對其進行針對性的專業知識的培訓，同時加強共有的通用技能的培訓。其目的是提高管理人員的業務水平和管理能力，達到整體素質的提升。對於技術人員，本集團注重其業務知識和業務能力的培養，包括基礎理論知識的補充、應用軟件工具的學習、新技術及前沿理論知識的瞭解。其目的是提高專業技術人員的相關的業務能力，提高理論與實踐水平。對於操作服務人員，本集團主要對其進行操作技能培訓，規範其操作流程、提高其操作能力。

Table 5: Staff Training Statistics by Employees Category as of December 31, 2019

表5：截至二零一九年十二月三十一日受訓員工類別百分比

Employees Category 員工類別	Senior management 高級管理人員	Middle management 中級管理人員	Others 其他人員
Percentage 百分比	12%	15%	73%

Table 6: Staff Training Statistics by Gender as of December 31, 2019

表6：截至二零一九年十二月三十一日受訓人員的男女百分比

Gender 性別	Male 男	Female 女
Percentage 百分比	82%	18%

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Table 7: Staff Training Statistics by Gender and Hours as of December 31, 2019

表7：截至二零一九年十二月三十一日男女員工每人平均受訓時長

Gender 性別		Male 男	Female 女
Average Training Hours	平均時長	40	18

As there are more male than female employees in the Group, the number of male employees who have received training is also higher as compared to the female employees. Also, due to the business scope and working environment of the Group, project staff who work outdoors receive more training opportunities than the staff based in the office. Given that there are more male employees working on projects outdoors, the difference between the number of average training hours for male and female appear marked.

由於本集團男員工數量多於女員工數量，本集團培訓工作中，男女比例差異較大，且由於本集團業務範圍、工作環境等原因，野外工作的員工培訓時間應多於其他崗位員工，且野外工作的員工多為男性員工，因此，在本集團培訓工作中，男女員工的培訓時長有較大差異。

(3) Labor Standards

The Group primarily implements and complies with the relevant laws and regulations including the "Labor Law of the People's Republic of China" and the "Labor Contract Law of the People's Republic of China" for the prevention of child labor and forced labor.

The Group strictly abides by relevant laws and regulations and conducts a rigorous inspection of the identity of employees during recruitment and employment to ensure that they are above 18 years old, in an effort to eliminate the employment of child labor or forced labor with in the Group. During recruitment, we enter into employment contracts with employees on the principle of equality and voluntarism and keep track of work performance to avoid any forced labor situations.

During the year ended December 31, 2019, the Group did not have any material violations of the relevant standards or rules.

(三) 勞工準則

本集團在有關防止童工或強制勞工方面，主要執行《中華人民共和國勞動法》、《中華人民共和國勞動合同法》等相關法律法規。

本集團嚴格遵守相關法律、法規，在員工招聘、僱傭期間嚴格審核員工身份證、戶口等信息，遵循僱傭員工的年齡不低於18周歲的原則，杜絕僱傭童工的情況在本集團發生；於此同時，本集團堅決反對強制勞工，在招聘過程中，本著平等自願的原則與員工簽訂勞動合同，時時關注員工的工作狀況，避免強制勞工的情況在本集團發生。

截至二零一九年十二月三十一日止年度，本集團沒有發生嚴重違反相關準則、規則的情況。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

II. ENVIRONMENT AND OCCUPATIONAL HEALTH

二、環境與安全保護

(1) Occupational Health and Safety

(一) 環境與安全

Since its establishment, the Group has placed great emphasis on health, safety and environmental protection management. It has adhered to the following core management principles: scientific management, health upmost, safety first, environmental protection prioritization and sustainable development. The Group is dedicated to the creation of a culture rigorous corporate safety culture and the establishment of a sound management system. Concurrently, the Group focuses on increasing employees' and contractors' attention towards safety and environmental protection during the production process, raising awareness and skills of employees and contractors on safety risks identification and awareness, accelerating clean production management and reducing the business's environmental impact.

During the year ended December 31, 2019, the Group's Daan oilfield's health, safety and environmental management system was endorsed by the auditors of the Beijing CNPC Certification Center, and has also passed its renewal audit.

The Group has consistently implemented and complied with the "Law of the People's Republic of China on Work Safety", "Law of the People's Republic of China on Prevention and Control of Occupational Diseases", "Provisions on the Supervision and Administration of Occupational Health at Work Sites", "Regulations Governing the Declaration of Projects with Occupational Hazards", "Regulations Governing the Supervision and Administration of Occupational Health Surveillance of Employers", "Interim Regulations Governing the Supervision and Administration of "Three Simultaneities" for Construction Projects", and national standards including "Technical Specifications for Occupational Health Surveillance", "Regulations on Labor Protection in Workplaces Where Toxic Substances Are Used", "Regulations on the Control over Safety of Dangerous Chemicals" and other relevant laws, regulations, rules, normative documents, national standards, industry standards and technical specifications in its provision of a safe working environment.

本集團自成立以來非常重視健康、安全、環保管理工作，堅持科學管理、健康至上、安全第一、環保優先、持續發展的核心管理方針；致力於創建良好的企業安全文化，建立較為完善的管理體系。同時，本集團注重提高員工與承包商在生產作業過程中對安全和環境保護的關注，提升員工與承包商對安全風險的防範意識與識別技能，並加速推進清潔生產管理工作，降低集團業務對環境構成的影響。

截至二零一九年十二月三十一日，本集團大安油田健康、安全、環境管理體系得到北京中油認證中心審核專家的一致認可，一次性通過北京中石油集團認證中心體系換證審核。

本集團在有關提供安全生產工作環境和保障員工避免職業性危害方面，一貫執行並遵守《中華人民共和國安全生產法》、《中華人民共和國職業病防治法》、《工作場所職業衛生監督管理規定》、《職業病危害項目申報辦法》、《用人單位職業健康監護監督管理辦法》、《建設項目〈三同時〉監督管理暫行辦法》及國家標準《職業健康監護技術規範》、《使用有毒物品作業場所勞動保護條例》、《危險化學品安全管理條例》等相關法律、法規、規章、規範性文件、國家標準、行業標準及技術規範。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

The Group strictly enforces the above laws, regulations, rules, regulatory documents, standards and technical specifications, strives to provide a safe work environment for all employees and also protects employees against occupational hazards. During the year ended December 31, 2019, the Group did not violate any relevant laws, regulations, rules, normative documents, standards and technical specifications. During the year ended December 31, 2019, the Group did not have any fatalities from work-related matters.

本集團嚴格執行上述法律、法規、規章、規範性文件、標準及技術規範，努力為全體員工提供安全工作環境及保障員工避免職業性危害。截至二零一九年十二月三十一日止年度本集團沒有發生嚴重違反相關法律、法規、規章、規範性文件、標準及技術規範的情況。截至二零一九年十二月三十一日止年度，本集團無員工因工作關係死亡。

Table 8: Safety Statistics of the Group

表8：本集團安全統計表

(1) Projects in China:

(1) 中國項目

Scope		Total work hours	Recordable incidents	Recordable incident rate	Lost time incidents	Lost time incident rate	Deaths
範圍		總工時	可記錄事件數	可記錄事件率	誤工事件數	誤工事件率	致死人數
Company staff	公司員工	2,016,000	0	0	0	0	0
External contractors	外部承包商	196,219	0	0	0	0	0

(2) Project in Canada: (January 1 to September 30)

(2) 加拿大項目(1月1日至9月30日)

Scope		Total workhours	Recordable incidents	Recordable incident rate	Lost time incidents	Lost time incident rate	Deaths
範圍		總工時	可記錄事件數	可記錄事件率	誤工事件數	誤工事件率	致死人數
Company staff	公司員工	640,000	4	1.56	2	0.63	0
External contractors	外部承包商	650,000	4	1.55	1	0.31	0

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

The occupational health and safety measures, related implementation and monitoring methods adopted by the Group mainly include:

1. Establish an occupational health and safety management administration team which is staffed with full-time employees. The Group currently has 13 registered national safety engineers. Improve the safety production responsibility system, improve the occupational health management archive and management system, strengthen the basic management of occupational health and safety measures, strictly implement management policies, refine the management scope, and effectively avoid health and safety risks. During the year ended December 31, 2019, the Group organized multiple special inspections to continuously track and rectify any discovered problems.
2. Establish occupational health monitoring archives for employees of the Group, implement the occupational health notification system, regularly arrange occupational health examinations for staff and make corresponding work adjustments for employees that do not suit their particular position.
3. Provide employees with requisite occupational hazards precaution facilities and labor protection supplies based on the findings of occupational health assessment reports. Authorize a third party occupational disease prevention and control institution to regularly monitor and assess potential occupational health hazards of the Group, and evaluate the Group's occupational hazards protection measures and the efficacy of protection provided.
4. Provide work injury insurance, basic medical insurance, serious illness insurance for employees of the Group to fully protect their interests.

本集團所實施的職業健康與安全措施、相關執行與監察方法主要有：

1. 建立健全職業健康與安全管理機構，配備專職管理人員，目前本集團配有國家註冊安全工程師13人。完善安全生產責任制，完善職業健康管理檔案與管理制度，加強對職業健康與安全措施的基礎管理工作，嚴格執行各項管理制度，細化管理內容，有效規避健康與安全風險。截至二零一九年十二月三十一日止年度本集團多次組織專項檢查，對發現的問題持續進行跟蹤整改。
2. 建立集團員工職業健康監護檔案，落實職業健康告知制度，定期組織員工進行職業健康體檢，對不適合崗位的員工進行崗位調整。
3. 依據職業健康場所評價報告，為員工提供良好的職業病危害防護設施與勞動防護用品，並委託第三方職業病預防控制機構定期對集團的職業健康危害因素進行監測，對集團職業危害防護設施與防護效果進行評價。
4. 為集團員工提供工傷保險、基本醫療保險、大病保險，充分保障員工的利益。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

5. Since the Group is engaged in oil exploration and oil has certain dangerous and hazardous characteristics, such as combustion, explosion and secondary environmental pollution, the Group has paid special attention to emergency management and engaged experts to assess the sources of hazards and pollution of the Company; it has also developed contingency plans for major sources of hazards and key sources of pollution, and also regularly conducts emergency drills.

During the year ended December 31, 2019, the Group organized a number of practice emergency drills, to practice the implementation of plans such as “Emergency Plan for Fire and Explosion Accidents”, “Emergency Plan for Sudden Environmental Incidents”, “Comprehensive Plan for Flood and Drought Prevention”. Results of the practice emergency drills were evaluated for feasibility and any plans that were not applicable to the actual scenarios were revised.

(2) Emissions

The emissions discharged during the development and production process of the Group’s projects mainly include: furnace heating exhaust gas and hazardous wastes (such as oil sludge, oil residuals and drilling muds generated during oil exploration). Such hazardous wastes are disposed of by service providers certified by environmental protection authorities.

Table 9: Waste Emission Data of Each Project of the Group

(1) Projects in China

		Natural Gas Consumption (WM ³) 實際用天然氣 (萬立方米)	Hazardous Waste Transferred (tonnes) 危廢轉移數量 (噸)	Water Consumption (WM ³) 用水量 (萬立方米)	Drilling Mud (M ³) 泥漿量 (立方米)	Power Consumption (WkW.h) 耗電量 (萬千瓦時)
Daan	大安	1,579.09	0.00	40.00	6,214	9,315.68
Total	合計	1,579.09	0.00	40.00	6,214	9,315.68

5. 因本集團為石油開採行業，石油具有一定的燃燒、爆炸及次生環境污染等危險特性，集團對應急管理工作特別重視，聘請專家對公司危險源與污染源進行評估，對重大危險源、重要污染源編製應急預案，定期組織員工對應急預案進行演練。

截至二零一九年十二月三十一日止年度，本集團組織《突發火災爆炸事故應急預案》演練、《突發環境事件應急預案》演練、《防洪、防汛綜合預案》演練等多項預案演練工作，通過演練結果，評價應急預案的可操作性，對不符合實際的環節進行修訂評估。

(二) 排放物

本集團項目開發生產過程中排放廢棄物主要有：加熱爐廢氣及危險廢物（如石油開採過程中產生的油泥、油腳，鑽井廢棄泥漿），危險廢物均由環保部門認證的服務商環保處理。

表9：本集團各項目廢物排放數據

(1) 中國項目

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

(2) Project in Canada (January 1 to September 30)

(2) 加拿大項目(1月1日至9月30日)

		Natural Gas Consumption (WM ³) 實際用天然氣 (萬立方米)	Hazardous Waste Transferred (M ³) 危廢轉移數量 (方)	Water Consumption (WM ³) 用水量 (萬立方米)	Drilling Mud (M ³) 泥漿量 (立方米)	Power Consumption (WkW.h) 耗電量 (萬千瓦時)
Canlin	麒麟	22,076.06	618.16	40.17	0	8,972.90
Total	合計	22,076.06	618.16	40.17	0	8,972.90

Environmental protection measures and related implementation and monitoring methods adopted by the Group at present mainly include:

Underground environmental protection measures, cyclic utilization of drilling muds and other measures can reduce the amount of hazardous waste produced. Any hazardous waste generated will be disposed of and recycled by qualified units under the supervision of the local government environmental protection department.

Production wastewater passes through the sewage treatment plant for filtering and purification. Part of the purified water will be heated and enters into the pipeline for production while the rest will be injected underground to supplement the formation pressure, so as to achieve zero emission targets for waste water.

The Company chooses energy efficient furnaces that can use clean energy as the combustion material and the fuel used is natural gas, which mainly releases carbon dioxide and water vapor after combustion.

The Group entrusts third party organizations to regularly monitor the surface water, ground water, sewage, noise, soil within the operation boundary and monitor the environmental changes brought about by the production and development processes to the surrounding area.

目前本集團所採取的環境保護措施、相關執行與監測方法主要有：

井下環保作業措施、鑽井泥漿循環利用等可消減危險廢物產生量的措施。所產生的危險廢物經地方政府環保部門監督，全部交由有處置資質的單位進行回收再利用。

生產廢水經過污水處理裝置過濾淨化後，部分污水經加溫進入管道用於生產。另一部分經化驗合格後回注地下，補充地層壓力，污水達到零排放目標。

公司在加熱爐選用上，選用高效節能可利用清潔能源為燃燒原料的加熱爐，使用燃料為天然氣，天然氣燃燒後產生的廢氣主要成份為二氧化碳與水蒸汽。

集團委託第三方機構定期對運營邊界內的地表水、地下水、生活污水、噪聲、土壤等周邊環境進行監測，監測生產開發對周邊區域帶來的環境變化。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

The total amount of hazardous wastes of our projects in China generated during the year ended December 31, 2019 was 423.06 tons, approximately 16.72 tons less than that of 2018. The drilling mud wastes of projects in China produced in 2019 were 6,214M³; in 2019 about 15.7909 million M³ of natural gas was used by Chinese projects of MIE group; and greenhouse gas emissions were about 3,597.16 tons.

The total amount of hazardous wastes of our project in Canada generated in 2019 was about 618.16 m³, approximately 645.46 m³ less than that in 2018. The drilling mud wastes produced in 2019 were zero cubic meters; the amount of sewage efflux is unknown; about 220 million cubic meters of natural gas was used; and greenhouse gas emissions were about 1,007,556.12 tonnes (CO₂e).

In terms of emissions, projects in China mainly implemented and complied with the "Environmental Protection Law of the People's Republic of China", the "Law of the People's Republic of China on the Prevention and Control of Environmental Pollution by Solid Waste", the "Law of the People's Republic of China on the Prevention and Control of Water Pollution", the "Law of the People's Republic of China on the Prevention and Control of Atmospheric Pollution", the "Law of the People's Republic of China on Promotion of Cleaner Production", the "Law of the People's Republic of China on Environmental Impact Assessment", the "Catalog of State Hazardous Wastes", the "People's Republic of China's Emergency Response Law", the "Interim Regulations Governing the Sudden Environmental Emergency Contingencies", "China's Oil and Gas Production Enterprises Greenhouse Gas Emissions Accounting Methods and Reporting Guidelines (Trial)"; Canadian Projects mainly implemented and complied with the "Alberta Environment Protection and Enhancement Act", "AB Specified Gas Emitters Regulation", "AB Specified Gas Reporting Regulations", "Alberta Carbon Competitiveness Incentive Regulation", "BC Greenhouse Gas Industrial Reporting and Control Act", "BC Greenhouse Emission Gas Reporting Regulation", "Canadian Environmental Protection Act", "National Pollutant Release Inventory" and "ECCC Greenhouse Gas Reporting Program".

中國項目截至二零一九年十二月三十一日止年度產生危險廢物總量約423.06噸，同比二零一八年減少約16.72噸，年度產生鑽井廢棄泥漿約6,214方，使用天然氣約1,579.09萬立方米；溫室氣體排放約3,597.16噸。

加拿大項目二零一九年產生危險廢物總量約為618.16立方米，同比二零一八年減少約645.46立方米，年度產生鑽井廢棄泥漿量為零，年度廢水外排量未知，年度消耗天然氣量約為2.20億立方米，年度溫室氣體排放量約為1,007,556.12噸(CO₂e)。

在排放物方面，中國境內項目主要執行並遵守《中華人民共和國環境保護法》、《中華人民共和國固體廢物污染防治法》、《中華人民共和國水污染防治法》、《中華人民共和國大氣污染防治法》、《中華人民共和國清潔生產促進法》、《中華人民共和國環境影響評價法》、《國家危險廢物名錄》、《中華人民共和國突發事件應對法》、《突發環境事件應急預案管理暫行辦法》、《中國石油天然氣生產企業溫室氣體排放核算方法與報告指南(試行)》，加拿大項目主要執行並遵守《阿爾伯塔環境保護與改善法案》、《AB Specified Gas emitters regulation》、《AB Specified Gas Reporting Regulations》、《阿爾伯塔競爭力獎勵條理》、《BC省溫室氣體工業報告和控制法》、《BC省溫室氣體排放報告條例》、《加拿大環境保護法》、《國家污染物排放清單》、《ECCC溫室氣體報告計劃》。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

(3) Use of resources

The Group has strictly adhered to the "Energy Law of the People's Republic of China", the "Water Law of the People's Republic of China", the "Electricity Law of the People's Republic of China", the "Law on Energy Conservation of People's Republic of China"; whereas our Canadian project strictly implemented and complied with "Alberta Oil and Gas Conservation Act"; "Sakatchewan Oil and Gas Conservation Act"; "British Columbia Oil and Gas Activities Act" and "Canada Water Act".

Resource conservation is a fundamental requirement for the Group to implement scientific management, improve the economic efficiency of the Group and enhance the Group's core competitiveness. To this end, the Group has done a lot of work in 2019 surrounding business management, technological innovations and energy saving goals and has achieved satisfying results. Details are as follows:

During the year ended December 31, 2019, annual water consumption by our projects in the PRC was approximately 0.4 million tons; electricity consumption was approximately 93.1568 million kWh, whereas our projects in the PRC consumed 9.0427 million kWh increase as compared to the year ended December 31, 2018.

The consumption of gasoline by our projects in the PRC was 174.3 tons in 2019; the consumption of diesel was 156.0 tons, 17.92 tons increase that of 2018.

Annual water consumption of Canlin project in Canada in 2019 was about 401,748.1 m³, consumption of gasoline was 678,885.75 liters in 2019; the consumption of diesel was nil tons.

(三) 資源使用

本集團在有效使用資源(包括能源、水、及其他原材料)方面，中國項目嚴格遵守《中華人民共和國能源法》、《中華人民共和國水法》、《中華人民共和國電力法》、《中華人民共和國能源節約法》；加拿大項目嚴格執行《阿爾伯塔油氣保護法》、《薩省油氣保護法》、《BC省油氣保護法》、《加拿大水保護法》。

節約資源是本集團落實科學管理，提高集團經濟效益、增強集團核心競爭力的根本要求。為此，今年本集團圍繞企業經營管理、技術革新和節能降耗目標做了大量的工作，取得了較好的成效。具體情況如下：

截至二零一九年十二月三十一日止年度，大安年度耗水量約為40萬噸；耗電約為9,315.68萬千瓦時，大安項目同比二零一八年十二月三十一日止年度增加約904.27萬千瓦時。

大安項目二零一九年消耗汽油174.3噸，消耗柴油156.0噸，同比二零一八年增加17.92噸。

加拿大麒麟項目二零一九年消耗水401,748.1立方米，消耗汽油678,885.75升，消耗柴油量為零。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Major measures and relevant implementation methods adopted by the Group in the use and conservation of resources include:

1. Establish a three-tier energy management network comprising a supervising manager, relevant department heads and entry-level personnel, formulate scientific and strict management of quantitative energy consumption, and have a good grasp on the basic assessment work.
2. Achieve high efficiency using technology and reduce energy consumption through technological advances.
 - (1) Usage of automatic control frequency systems, automatically analyze motor operation parameters, real-time adjustment of operation parameters, and achieve the aim of energy saving.
 - (2) Strengthen equipment management, e.g. adoption of high-performance motors; elimination of high-energy transformers; timely adjustment of balance rates and other measures to reduce power consumption.
 - (3) As for production wells with poor liquid supply capacity, optimize the production parameters, carry out intermittent production, suspend wells, shut down wells and implement other measures to reduce inefficient production rate.

目前本集團在資源使用及保護方面的主要措施、相關執行的方法有：

1. 建立由主管經理、相關部門負責人和基層人員的三級能源管理網絡，制定科學嚴謹的管理量化能耗定額，抓好基礎考核工作。
2. 向科技要效益，靠技術進步降能耗。
 - (1) 採用自動控制變頻系統，通過自動分析電機運行參數，實時調整運行參數，達到節能的目的。
 - (2) 加強設備管理，如：通過採用高效能電機；淘汰高耗能變壓器；及時調整平衡率等辦法，降低耗電量。
 - (3) 針對供液能力差的生產井，優化生產參數，採取間歇生產、停井、關井等模式，降低無效生產時率。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

Table 10: Energy Saving Statistics of Each Project of the Group

Statistics on Energy Conserving Compared to the Year Ended December 31, 2019

		Natural Gas (MM ³) 天然氣 (萬立方米)	Energy Conservation on Electricity (MkWh) 節電 (萬千瓦時)	Energy Conservation on Oil (tonnes) 節油 (噸)
Daan	大安	(121.92)	904.2762	17.92
		(121.92)	904.2762	17.92

Note: Canlin does not track or report any data related to energy conservation

The Group strictly observes relevant laws, regulations, rules and regulatory documents of the above mentioned countries and it did not and violate any abovementioned laws, regulations, rules regulatory documents in 2019.

表 10：本集團各項目節能數據統計

節能數據同比截至二零一九年十二月三十一日止年度

附註：加拿大麒麟項目不報告節能數據。

本集團嚴格執行上述相關國家的法律、法規、規章、規範性文件，二零一九年度，集團沒有發生違反上述法律、法規、規章、規範性文件的情況。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

(4) Environment and natural resources

The Group is an enterprise engaged in the oil exploration business which consumes mineral resources, land and other natural resources during the process of oil production. The Group abides strictly by the "Mineral Resources Law of the People's Republic of China", the "Land Administration Law of the People's Republic of China", the "Environmental Protection Law of the People's Republic of China", the "Canadian Environmental Protection Act, 1999 (CEPA)", the "National Energy Board Act" and other related laws, regulations and requirements. The Group aims to reduce its impact on the environment and natural resources via the following: make good use of natural resources, improve comprehensive recycling ability of natural resources, reduce the consumption of natural resources and all kinds of waste emissions.

The Group aims to establish the concepts of conserving resources, reducing waste emissions, protecting the ecological environment, increasing investment in new technology, formulating policies on improving the level of enterprise technology for comprehensive utilization of resources, technology innovation, energy conservation and emissions reduction, constantly promoting enterprise to improve resource utilization efficiency, environmental protection compliance in accordance with the laws and regulations, continual improving of the regional environment as well as improving sustainable health development.

(四) 環境及天然資源

本集團為石油開採企業，在石油開採過程中會消耗礦產資源，佔用土地等天然資源。本集團嚴格按照《中華人民共和國礦產資源法》、《中華人民共和國土地管理法》、《中華人民共和國環境保護法》、《加拿大國家環境保護法》、《國家能源委員會法案》等相關法律法規要求，依法獲得、使用天然資源，不斷提高天然資源綜合回收循環利用能力，減少對天然資源的消耗和各類廢棄物排放，降低集團營運對環境和天然資源的重大影響。

集團致力於建立全員重視資源節約、減少廢棄物排放、保護生態環境的企業理念，加大對新技術、新工藝的投資力度提高企業工藝技術水平，制定綜合利用資源、技術迎新、節能減排的激勵政策和具體措施，不斷推動企業實現資源利用高效節約、環境保護依法合規，區域環境不斷得到改善的可持續健康發展之路。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

III. OPERATIONAL PRACTICES

(1) Supply chain management

The Group continuously optimized its supply chain management and established a comprehensive management mechanism for supplier access, selection, review and withdrawal. As of December 31, 2019, the Group has established relationships with 171 suppliers comprising 155 Chinese suppliers and 16 overseas suppliers. The Group adopts a prudent attitude and strict standards on supplier selection. Not only do we value product quality, service level, business ethics, corporate reputation, but we also place importance on their social responsibility performance. At present, the Group's supply chain management is carried out in accordance with the "Contract Law of the People's Republic of China" and other laws of the countries where resources are located. The Group has updated and improved its "Policies Purchase of MIE Holdings Corporation" and Business management system of controlled corporation which provides a unified basis and procedures for the selection and management of suppliers and contractors. The Group has developed four supply chain management modules centered on tender management, contract management, material management and supplier management. During the process, suppliers and contractors are provided with an opportunity for participation based on openness, fairness and transparency. The Group puts forward the requirements of honesty, trustworthiness, legal operation, due attention to health, safety and environmental protection for our suppliers and contractors during pre qualification, bidding, provision of products and services, and performance evaluation. At the same time, the Group also includes anti-bribery and anti corruption clauses into contract terms, creating a clean environment for supply chain management.

The Group implements a unified order system and makes purchases in accordance with the "Purchase Plan Order" issued by the material services department. The relevant order would cover the budget amount, material model, service contents and specific time requirements, which subsequently makes the completion of remaining steps in the supply chain more smooth and efficient.

三、營運慣例

(一) 供應鏈管理

本集團不斷優化供應鏈管理，建立了完整的供應商准入、使用、評審及退出的管理機制，截至二零一九年十二月三十一日建立合作關係的供應商達171家，其中中國企業155家，國外企業16家。對供應商的選擇採取審慎的態度和嚴格的標準，不僅看重其產品質量、服務水平、商業道德、企業信譽，更重視其履行社會責任的表現。目前集團供應鏈管理依照《中華人民共和國合同法》等資源所屬國法律開展。集團內部在管理上根據上述法律更新完善了《MI能源控股有限公司採辦管理辦法》及分公司業務管理制度，為供應商、承包商選擇及管理提供了統一的依據和程序標準。形成了以招標管理、合同管理、物資管理、供應商管理為中心的四大供應鏈管理模塊。操作過程中為供應商、承包商提供了「公開、公平、透明」的參與機會。在供應商、承包商投標資格預審、參與投標、提供產品和服務、績效評價等環節，集團提出誠實守信、依法經營，關注健康、安全、環保的要求；同時，集團還將行賄、反貪污條款納入合同條款內，為供應鏈管理創建一個綠色環境。

本集團統一執行訂單制，即採購依據為物資服務發生部門申報的《採購計劃訂單》，訂單內容涵蓋採購預算金額、物資型號、服務內容及具體時間要求等，使後續供應鏈的完成更加順暢、高效。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

The Group selects vendors through tendering or price negotiations. During the procurement process, priority will be given to those suppliers that offer a more favorable price for a product of the same quality and also regular suppliers that have passed the Group's yearly examination.

Input from multiple departments is tapped during the acceptance inspection and quality control process to more effectively control the quality of goods and services. To confirm the quality of purchased goods, joint acceptance inspection is conducted by the procurement department and also the relevant department that will use the goods. This is supplemented by quality feedbacks during use. For service projects, the safety, environmental protection, production, supervision and other relevant departments will submit their feedback onsite. A timely feedback system is implemented to receive information feedback during the process. Feedback and processing results are filed for review and integrated into yearly business evaluations.

To guarantee the overall quality of its suppliers, the Group organizes an annual assessment of suppliers, based on their performance of contracts, standards and quality system certification, health, safety, environmental protection and other qualifications. The Group will issue warnings to or remove suppliers who have failed the assessment from its internal list. The Group implements a dynamic management system of registered suppliers and any supplier who demonstrates serious non-compliance during the business collaboration or fails the assessment will be dismissed.

(2) Product responsibility

No information is disclosed in this report as the indicators are not applicable to the industry to which the Group belongs.

本集團通過招標或議價的方式選擇商家，在採購過程中「同質、同價」優先考慮與往年合作過且通過年度考核合格的商家。

為更有效的把控物資、服務的質量關，在驗收及質量控制環節採取多部門介入方式開展工作。物資類採用聯合驗收的方式確認物資質量，即入庫前採購部門及使用部門的聯合驗收及使用過程中的質量反饋。服務類工程各部門現場簽署本部門驗收意見，即安全、環保、生產、監理及相關專業部門意見。對於使用過程的信息反饋，實行適時反饋制度，且反饋及處理結果存檔備查，納入年度商家考評。

為保障供應商整體質量，集團每年組織供應商年度評審，主要關注其履約情況、標準和質量體系認證情況，健康、安全、環保資質的持證情況等。對評審不合格的供應商，本集團給予警示或清退。集團對庫內供應商實施動態管理，對合作過程中違規情節嚴重的或評審不合格的實施清退。

(二) 產品責任

因本集團所屬行業不適用該類指標，因此不進行披露。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

(3) Anti-corruption

In accordance with the "Law of the PRC against Unfair Competition" and "The Basic Norms of Internal Control", the Group has formulated and implemented policies such as the "Internal Audit System of MIE Holdings Corporation", the "Audit System for Management Departures of MIE Holdings Corporation", and "Special Audit (Interim) Policies of MIE Holdings Corporation" and such policies have been in place since 2015 and reviewed in 2019 in order to standardize the operation and management of the Group, strengthen internal control and audit supervision, ensure the safety and integrity of the Group's property and materials, and ensure the smooth achievement of the Group's objectives, provide reasonable guarantees for use of objective, truthful and effective management information by all levels of management, ensure that the business activities of various departments and units are carried out in accordance with the operating principles and policies of the Group and reduce operational risks and improve performance.

Whistle blowing, as one of the sources of information in the audit plan, is set out as part of the "Internal Audit System of MIE Holdings Corporation". Whistleblowing methods includes correspondences, visits, telephone calls and internet submissions and the abovementioned policy specifies the reporting hotline and email, and is distributed as a management policy among all employees for study and comprehension. During the year ended December 31, 2019, the Group did not receive any reports of crimes such as duty-related crimes, bribery, extortion, blackmail, fraud and money laundering.

(三) 反貪污

為了規範本集團的經營管理，加強內部控制與審計監督，保障集團財產物資的安全、完整，保證經營目標的順利實現，為集團各級管理部門使用客觀、真實、有效的經營管理信息提供合理保障，保證各部門、各單位的經營活動按照本集團的經營方針、政策進行，降低經營管理風險，提高績效，本集團根據《中華人民共和國反不正當競爭法》及《企業內部控制基本規範》規定，結合本公司實際，特制定了《MI能源控股有限公司內部審計制度》、《MI能源控股有限公司管理人員離任審計制度》、《MI能源控股有限公司專項審計管理辦法》等制度，並於二零一五年以制度手冊彙編的形式下發，並於二零一九年進行了更新。

其中舉報問責作為審計計劃的信息來源之一包含於《MI能源控股有限公司內部審計制度》中，舉報方式包含來信舉報、來訪舉報、電話舉報和網絡舉報四種方式，並於制度中明確了舉報電話和郵箱，以制度形式下發要求全體員工學習瞭解。截至二零一九年十二月三十一日止年度，本集團未收到職務犯罪、賄賂、勒索、欺詐及洗黑錢等違法犯罪行為的任何舉報。

Environmental, Social and Governance Report (Continued)

環境、社會及管治報告(續)

IV. COMMUNITY PARTICIPATION

The Group takes an interest in the spiritual and cultural life of its employees and has organized a series of cultural and recreational activities from time to time including hiking, badminton, autumn outings and sports games which have been well received by employees. The five-day Chinese New Year condolence activities were carried out and efforts were made to improve the working environment for staff through the provision of staff dormitories, a canteen, and an activity room and tea parties were held together with local villagers in villages where the Group has operations.

The Group has solved the employment of 398 local villagers in villages where the Group has operations.

The Group has organized a series of cultural and recreational activities including corporate donations and volunteering at local food banks, homeless shelters and other local charities. The Group also has an active employee-led Social Committee that organizes events including Christmas Parties, Calgary Stampede events and other seasonal activities.

四、社區參與

本集團關心員工的精神文化生活，不定期組織了一系列文化娛樂活動，如爬山、羽毛球比賽、秋遊、趣味運動會等，得到了員工的廣泛響應。並開展為期五天的春節慰問活動，著力改善員工工作環境、為員工提供員工宿舍、員工食堂、員工活動室，並與公司所在村莊居民舉行茶話會。

本集團解決所在村莊就業398人。

本集團在加拿大進行一系列文化娛樂活動，包括企業捐款和在當地的食物銀行，無家可歸者的收容所和其他當地的慈善機構做義工。本集團有一個積極的員工為主導的社會委員會，活動包括聖誕晚會組織、卡爾加里牛仔節和其他季節性活動。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

Overview

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

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

業務回顧

概覽

原油價格面臨下行壓力貫穿二零一九年全年。二零一九年第一季度，國際油價從二零一八年末的低點反彈。一月初，倫敦布倫特原油期货價格跌至每桶55美元的年度低點，又於四月二十五日創下75.6美元／桶的日高點。但進入二季度以後，受國際貿易爭端加劇、全球經濟數據不佳、地緣政治局勢緊張、石油需求疲軟等因素影響，油價一路下跌並一直延續至二零一九年年底。與此同時，加拿大天然氣市場在二零一九年依然疲軟。基於國際原油價格下跌及加拿大天然氣價格低位徘徊的複雜經濟環境，本集團策略性地減少了大安項目新鑽井資本開支，專注於提高老井的產量和採收率。本集團還減少了在加拿大天然氣資產的資本支出，實施天然氣的經濟性減產，以降低集團經營風險，提高集團財務效益。基於集團發展戰略與集團資金需求的考量，二零一九年本集團處置了加拿大麒麟和部分非核心資產，資產處置也反映了本集團繼續執行的優化投資組合和加速去槓桿化的集團戰略。

二零一九年本集團的油氣作業產量、淨產量較之二零一八年均大幅下降。二零一九年集團的油氣作業產量較之二零一八年下降28.9%至約14.86百萬桶當量，油氣淨產量較之二零一八年下降34.1%至約12.16百萬桶當量。本集團的原油淨銷量較之二零一八年下降11.9%至約2.75百萬桶，天然氣淨銷量達54,793百萬標準立方英尺。由於二零一九年九月麒麟及其油氣資產的處置，本集團的油氣儲量、產量、淨銷量均有所下降。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

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

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

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

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

		2019 二零一九年	2018 二零一八年	% Change 變化比例	2019 Guidance 二零一九年指引
Average Daily Gross Production (BOE/day)	日均油氣總產量(桶當量/天)	50,158	57,770	-13.2%	
Average Daily Net Production (BOE/day)	日均油氣淨產量(桶當量/天)	42,757	50,720	-15.7%	44,833-48,983
Average Daily Net Oil Production (barrels/day)	日均原油淨產量(桶/天)	8,306	8,777	-5.4%	
Average Daily Net NGL Production (barrels/day)	日均天然氣凝析液淨產量(桶/天)	1,001	1,399	-28.4%	
Average Daily Net Gas Production (Mscf/day)	日均天然氣淨產量(千立方英尺/天)	200,700	243,260	-17.5%	

Notes:

- (1) For reference purpose only, barrels of oil equivalent ("BOE") is calculated using the conversion factor of six Mscf of natural gas being equivalent to one barrel of oil
- (2) Gross Production means total production from all assets of the Group
- (3) Net Production means entitled production from all assets of the Group
- (4) For North America segment, only the result for the 9-month period ended September 30, 2019 was included because the disposal of 100% equity interest in Maple Energy Investments Limited ("Maple Energy") and its subsidiary Canlin operating in Canada was completed on September 30, 2019.

二零一九年平均實現原油價格比二零一八年下降10.9%至52.66美元/桶，平均實現天然氣價格下降至1.06美元/千標準立方英尺。二零一九年本集團來自中國的收入較二零一八年下降4.3%至人民幣7.561億元。二零一九年，除北美業務分部外，本集團其他業務分部共錄得淨虧損較二零一八年8.323億元增加75.5%至人民幣14.611億元，相關的每股虧損為人民幣0.46元；北美業務分部錄得淨利潤達人民幣3.322億元，相關的每股收益為人民幣0.11元。

本集團來自除北美分部外的其他業務分部的EBITDA由二零一八年的人民幣1.361億元減少人民幣6.227億元至人民幣負4.866億元，經調整的EBITDA減少人民幣8,570萬元至人民幣3.234億元。

截至二零一九年十二月三十一日，本集團的作業井數為2,406口，均位於中國境內。由於油氣資產的出售以及人員優化調整，集團總人數從二零一八年十二月三十一日的1,385人下降至二零一九年十二月三十一日的1,058人。

下表概述了本集團二零一九年全年的關鍵運營指標和產品價格：

附註：

- (1) 此處桶當量基於6千標準立方英尺天然氣=1桶原油的換算比例進行計算，僅供參考為目的
- (2) 總產量=本集團在各項目中的總產量
- (3) 淨產量=本集團在各項目中的淨收益產量
- (4) 北美分部僅只包含截至二零一九年九月三十日的九個月的數據，因為二零一九年九月三十日已完成對Maple Energy Investments Limited(「Maple Energy」)及其在加拿大運營的子公司麒麟的100%股權的出售。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

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

下表概述了本集團二零一九年度發生的勘探、開發及生產支出的匯總數據：

(millions of RMB) 人民幣百萬元		Exploration expenditures 勘探支出	Development expenditures 開發支出	Production/ operating expenditures 生產成本
China Onshore Projects (Daan, Moliqing)	中國陸地項目(大安、莫里青)	-	111	157
Canada (Canlin)	加拿大	-	97	590
Total	合計	-	208	747

• China Operations (Daan, Moliqing and South China Sea)

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

• 中國業務(大安、莫里青、南海項目)

在當前環境下，本集團專注於減少資本開支。通過推進新鑽油井、老油井壓裂、注水等措施，大安項目依然保持著穩定的產量水平且較二零一八年產量略有增長。二零一九年，本集團位於中國的大安、莫里青兩個原油項目總的作業產量較之二零一八年同期4.31百萬桶增加7.7%至4.64百萬桶。歸屬於本集團的份額原油產量較之二零一八年同期1.85百萬桶增加4.9%至1.94百萬桶。與二零一八年相比，二零一九年日均作業產量增加3.9%至12,720桶，日均淨產量增加1.7%至5,319桶。大安和莫里青項目二零一九年平均實現油價較二零一八年的64.56美元/桶下降13.4%至55.92美元/桶。基於油價下跌的考慮，大安項目在二零一九年減少了鑽井計劃，實際鑽井14口，全部為直井。本集團繼續控制成本並降低了大安項目的直接採油成本，從二零一八年的12.37美元/桶下降1.65美元/桶，或者13.3%至二零一九年10.72美元/桶。大安和莫里青項目調整後的桶油EBITDA從二零一八年的45.95美元下降8.30美元，或者18.1%至二零一九年的37.65美元。桶油EBITDA下降的主要原因在於平均實現油價的大幅下降。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

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

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

- **North America Operations (Canlin)**

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

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

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

二零二零年六月四日，本集團成功地將大安產品分成合同的期限從二零二四年十二月三十一日延長到二零二八年二月二十九日。根據延期後的產品分成合同，本集團將繼續按照產品分成合同條款和補充總體開發方案運營大安油田。此次延期給本集團在大安油田持續投資進行未來生產及產生穩定的運營現金流帶來了更多的確定性。

截至二零一九年底本集團還在南海項目擁有34%的權益。二零一九年十月，10-4油田環境影響報告書獲得了中華人民共和國國家生態環境部的批覆，意味着該項目已準備好進行開發。

- **北美業務(麒麟)**

基於集團發展戰略及資金需求的考量，於二零一九年九月三十日，本集團完成了麒麟及其加拿大油氣資產的出售。此項出售也反映了本集團繼續執行的優化投資組合和加速去槓桿化的集團戰略。

- **哈薩克斯坦業務(Emir-Oil)**

本集團間接持有哈薩克斯坦境內的Emir-Oil項目40%權益。於二零一九年，該項目已成功從哈薩克斯坦政府獲得從二零二零年一月一日開始分別為期16年和25年的北卡里曼(North Kariman)和葉森(Yessen)兩個油田的開發合同。目前Emir-Oil項目持有一個勘探合同和六個開發合同，涵蓋Aksaz, Dolinnoe, Emir, Kariman, North kariman和Yessen油田。截至二零一九年末，Emir-Oil項目生產井共計20口，由於自然遞減及低效益井的關井，二零一九年原油日產量比二零一八年的每天2,840桶下降17.9%至每天2,332桶。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Reserves

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

1. Overall, the Group's total net Proved ("1P") oil, gas and natural gas liquid ("NGL") reserves decreased by 92% to 18.07 MMBOE (where 1 BOE = 6,000 cubic feet gas), total net Proved + Probable ("2P") oil, gas and NGL reserves decreased by 87% to 45.3 MMBOE, and total net Proved + Probable + Possible ("3P") oil, gas and NGL reserves decreased by 81% to 69.1 MMBOE¹ due to the divestment of Canlin.
2. The Group's net 1P oil reserves decreased by 36% to 16.07 million barrels, while net 2P oil reserves decreased by 29% to 37.84 million barrels and net 3P oil reserves decreased by 24% to 56.65 million barrels respectively, reflecting the combined impact of the production related decrease of Daan oilfield and Emir-Oil, the divestment of Canlin and technical revision on Emir-Oil's reserves at 2019 year-end.
3. Based on 2019 year-end reserves estimates reviewed by independent consultants, the Group's 2P net present value, before tax and discounted at 10% ("NPV10") is approximately US\$669 million, which represents a 61% decrease from the reported 2018 year-end 2P NPV10 value of US\$1.7 billion.

儲量回顧

由於出售麒麟及其持有的加拿大資產，本集團於二零一九年末之油氣儲量的評估結果相比去年有了大幅下降，以下是此次評估的摘要：

1. 與二零一八年末相比，由於麒麟資產出售，本集團於二零一九年末折合成桶油當量的淨探明(1P)油氣儲量減少92%至1,807萬桶當量(1桶油當量=6,000立方英尺氣)，淨探明+概算(2P)油氣儲量減少87%至4,530萬桶當量，淨探明+概算+可能(3P)油氣儲量減少81%至6,910萬桶當量¹。
2. 由於大安油田和Emir-Oil的當年原油產出，出售麒麟，以及Emir-Oil儲量的技術調整等多重因素，二零一九年末本集團淨的1P原油儲量較之二零一八年末下降36%至1,607萬桶，2P原油儲量較之二零一八年末下降29%至3,784萬桶，3P原油儲量較之二零一八年末下降24%至5,665萬桶。
3. 根據獨立顧問評估的結果，若按照10%貼現率進行計算，本集團於二零一九年末2P油氣儲量的稅前淨現值(NPV10)約為6.69億美元，較之二零一八年末的17億美元下降了61%。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Note 1:

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

Note 2:

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

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

附註 1:

加拿大的石油公司通常不計算或披露可能級別的儲量，麒麟也遵循同樣的做法。因此本集團的3P儲量僅包括麒麟的2P儲量。

附註 2:

由於南海項目二零一九年未發生實際勘探開發活動，其儲量自二零一八年以來未發生變化。

下表總結了分別用於確定二零一八年末及二零一九年末儲量所用的價格：

Segment 區域	Basin 盆地	2019 二零一九年末	2018 二零一八年末
China — Gobi Energy	Songliao	Escalated price profile based on price projections published by Sproule for WTI Crude. An average differential for January to December of 2019 between WTI Cushing Spot and Daqing of US\$0.40 per barrel was used. The differential is assumed to remain constant in the future.	Escalated price profile based on price projections published by Sproule for WTI Crude. An average differential for January to December of 2018 between WTI Cushing Spot and Daqing of -US\$1.00 per barrel was used. The differential is assumed to remain constant in the future.
中國 — 戈壁	松遼	按照 Sproule 公佈的 WTI 原油價格預測。採用二零一九年一至十二月 WTI 庫欣交貨點和大慶原油價格平均差 0.40 美元/桶。該差別假定在未來保持不變。	按照 Sproule 公佈的 WTI 原油價格預測。採用二零一八年一至十二月 WTI 庫欣交貨點和大慶原油價格平均差 -1.00 美元/桶。該差別假定在未來保持不變。
China — Petrobroad Copower	Pearl River Estuary	Escalated price profile based on price projections published by Sproule for Brent oil. The differential between Brent oil and Area 28/03 oil sales price is -US\$6.2 per barrel in the year of 2019 with 2% increase annually.	Escalated price profile based on price projections published by Sproule for Brent oil. The differential between Brent oil and Area 28/03 oil sales price is -US\$6.2 per barrel in the year of 2019 with 2% increase annually.
中國 — 博道長和	珠江口	按照 Sproule 公佈的 Brent 原油價格預測。假設二零一九年 Brent 原油和 28/03 區域原油差價 -6.2 美元/桶並且該差別二零一九年後每年增長 2%。	按照 Sproule 公佈的 Brent 原油價格預測。假設二零一九年 Brent 原油和 28/03 區域原油差價 -6.2 美元/桶並且該差別二零一九年後每年增長 2%。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Segment 區域	Basin 盆地	2019 二零一九年末	2018 二零一八年末
Kazakhstan — Emir-Oil	Mangistau	Export oil at escalated price profile based on price projections published by GCA for Brent Crude which has been estimated to be US\$54.13/Stock Tank Barrel in 2020. Domestic oil price is estimated to be US\$20.18/Stock Tank Barrel in 2020. Domestic gas price US\$0.54/Mscf has been utilized for solution gas sales and assumed to be constant throughout the report.	Export oil at escalated price profile based on price projections published by GCA for Brent Crude which has been estimated to be US\$41.58/Stock Tank Barrel in 2019. Domestic oil price is estimated to be US\$23.89/Stock Tank Barrel in 2019. Domestic gas price US\$0.59/Mscf has been utilized for solution gas sales and assumed to be constant throughout the report.
哈薩克斯坦 — Emir-Oil	Mangistau	外銷原油價格按GCA公佈的布倫特原油逐步增長的價格預期，二零二零年外銷油價為54.13美元／桶。二零二零年內銷油價為20.18美元／桶。內銷氣價按0.54美元／千立方英尺，在報告中保持恆定。	外銷原油價格按GCA公佈的布倫特原油逐步增長的價格預期，二零一九年外銷油價為41.58美元／桶。二零一九年內銷油價為23.89美元／桶。內銷氣價按0.59美元／千立方英尺，在報告中保持恆定。
Canada — Canlin	Western Canadian		Escalated price profile based on price projections published by Sproule. Canadian Light Sweet Crude 40° API oil price is estimated to be C\$75.27/barrel in 2019. Alberta AECO-C Spot gas price is estimated to be C\$1.95/MMbtu in 2019.
加拿大 — 麒麟	加拿大西部		按Sproule公佈的逐步增長價格預測。二零一九年加拿大40°API輕質原油價格為75.27加元／桶，二零一九年Alberta AECO-C Spot的氣價為1.95加元／百萬英熱單位。

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

附註：(i) WTI — 美國德克薩斯輕質原油
(ii) GCA — Gaffney, Cline & Associates 公司
(iii) API — 美國石油協會
(iv) MMBtu — 百萬英熱單位

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

2020 Guidance

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

二零二零年指引

以下是本集團二零二零年度的指引，我們會密切關注油價及其他因素，並可能會適時地調整我們的工作計劃。我們相信在當前動蕩的環境中，保持我們的工作計劃的靈活度對於保障本集團安全平穩運營及盈利非常重要。

	Interest (%)	Numbers of Wells (net)	Group Net Capex Investment (millions of US\$)	Net production
	權益 (%)	鑽井數量 (口)	集團資本開支投資淨額 (百萬美元)	淨產量
China Onshore Projects (Daan, Moliqing) — Crude oil	Daan foreign contractor 100%	32	20 (Note) (附註)	5,200–5,900 BOPD 5,200–5,900 桶/天
中國陸上項目 (大安、莫里青) — 原油	大安外國合同者 100%			
	Moliqing foreign contractor 10%	2	3	130–150 BOPD 130–150 桶/天
	莫里青外國合同者 10%			
Group Total 集團總計		34	23	5,330–6,050 BOPD 5,330–6,050 桶/天

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

附註：中國陸上項目資本性支出包括新井投資（主要為常規井）、油井轉注、補孔壓裂、地面工程、設備購置等。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Restructuring of the Company

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

The Company has been proactively discussing with various creditors and the Company’s advisors in relation to the debt restructuring (“**Debt Restructuring**”), including but not limited to deferral of interest payment, reduction of interest rate and extension of maturity, which is expected to substantially improve the Group’s financial position and address the Company’s liquidity concerns. As at December 4, 2020 (being the latest practicable date for ascertaining information prior to the issue of this annual report), no agreement in relation to the above arrangements has been entered into or agreed between the Company and its creditors.

公司重組

於二零二零年五月十一日，本公司未能支付優先票據利息付款導致違約（「**違約**」）。違約亦觸發本集團成員公司與其他貸款人訂立的貸款融資項下的交叉違約。本公司已評估相關貸款人可能要求償還貸款（包括尚未到期的貸款），以及未履行還款責任總額及可能違反其他貸款融資及票據約超過本金美元3.166億元加上上述本金的應計利息。

本公司始終積極與債權人及本公司顧問就債務重組（「**債務重組**」）進行討論，包括但不限於延期付息，降低利率及延長到期日，預期將大大改善本集團的財務狀況並解決本公司的流動性問題。於二零二零年十二月四日（年報刊發前最後可行日），本公司與其債權人之間尚未就上述安排達成任何協議。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

FINANCIAL RESULTS

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

Continuing operations

Revenue

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

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

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

Depreciation, depletion and amortization

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

Taxes other than income taxes

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

經營業績

截至二零一八年十二月三十一日，與Maple Energy集團有關的資產和負債被列報為持有待售。該項處置的完成日期為二零一九年九月三十日。與Maple Energy集團相關的經營業績作為終止經營的計入利潤總額的虧損處理。

持續經營

收益

本集團收益主要來自於銷售石油和天然氣產品、商品及提供服務。

本集團的油氣銷售收益均來自中國油田，由二零一八財務年度人民幣7.868億元減少人民幣4,530萬元或5.8%至二零一九財務年度人民幣7.415億元，主要原因是由於油價降低且被高銷量部分抵消，二零一九財務年度平均實現油價為每桶55.92美元，而二零一八財務年度為每桶64.56美元，銷量由截至二零一八年的183萬桶增加至二零一九年193萬桶，增加了10萬桶，或5.5%。

二零一九財務年度本集團來自於商品銷售和提供服務的收入分別為人民幣1,140萬元和320萬元。

折舊、耗損及攤銷

本集團的折舊、耗損及攤銷由二零一八財務年度人民幣3.293億元增加人民幣1,950萬元或5.9%至二零一九財務年度人民幣3.488億元。折舊、耗損及攤銷增加主要由於二零一九財務年度銷量和產量的增加。

稅項(所得稅除外)

本集團的稅項(所得稅除外)由二零一八財務年度為人民幣1,890萬元減少人民幣1,100萬元或58.2%至二零一九財務年度為人民幣790萬元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

PRC

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

Corporate and other segments

Withholding Tax and others

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

Employee compensation costs

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

Purchases, services and other expenses

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

Distribution costs

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

General and administrative expense

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

中國

中華人民共和國財政部發佈通知修訂石油特別收益金徵稅的稅基從55美元／桶提高到65美元／桶，自二零一五年一月一日生效。由於二零一九財務年度的實現油價從未達到每桶65美元的起徵點，故不適用石油特別收益金。

總部及其他分部

代扣代繳稅及其他

代扣代繳稅指就公司間貸款利息應計提的代扣代繳稅。

員工薪酬成本

本集團的員工薪酬成本由二零一八財務年度的人民幣1.557億元減少人民幣1,230萬元或7.9%至二零一九財務年度的人民幣1.434億元。員工薪酬成本減少主要由於二零一九年確認的購股權計劃下僱員服務成本的減少。

採購，服務及其他費用

本集團的採購，服務及其他費用由二零一八財務年度的人民幣1.380億元減少人民幣500萬元或3.6%至二零一九財務年度的人民幣1.330億元。減少的主要原因是本集團對油井並執行了嚴格的成本控制和優化措施。

銷售成本

本集團的銷售費用由二零一八財務年度的人民幣1,580萬元增加人民幣80萬元或5.1%至二零一九財務年度的人民幣1,660萬元。銷售費用的增加主要由於銷量增加。

管理費用

本集團的管理費用由二零一八財務年度的人民幣1.206億元增加人民幣3,760萬元或31.2%至二零一九財務年度的人民幣1.582億元。管理費用的增加主要由於與債務重組或再融資有關的費用增加。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Net impairment losses on financial assets

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

Impairment charges

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

Other losses, net

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

Finance income/(costs), net

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

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

Loss before income tax

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

金融資產減值淨損失

本集團二零一九財務年度的金融資產淨減值損失為人民幣6.982億元，主要來自聯營公司應收賬款減值準備。

減值損失

本集團確認PetroBroad Copower Limited投資減值虧損人民幣480萬元。

其他虧損，淨值

二零一九財務年度，本集團錄得其他損失人民幣8,070萬元，而二零一八財務年度為人民幣4,190萬元。二零一九財務年度的其他損失主要來自於(i)金融工具公允價值變動損失人民幣7,120萬元；(ii)處置子公司損失人民幣2,120萬元；及部分被；(iii)其他人民幣1,160萬元收益抵銷。

淨財務收入／(成本)，淨值

本集團的財務收入由二零一八財務年度的人民幣2,260萬元增加人民幣1,990萬元或88.1%至二零一九財務年度的人民幣4,250萬元。

本集團的財務成本由二零一八財務年度的人民幣6.144億元減少人民幣860萬元或1.4%至二零一九財務年度的人民幣6.058億元。該減少主要由於二零一九財務年度借款的減少以及被2022優先票據的較高利率部分抵銷。

除所得稅前損失

二零一九財務年度本集團的除所得稅前損失為人民幣13.987億元，相比較二零一八財務年度的除所得稅前損失為人民幣7.850億元。主要由於上述綜合因素的累計影響。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Income tax expense

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

Loss for the year from continuing operations

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

Profit/(loss) for the year from discontinued operations

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

Loss for the year

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

所得稅費用

二零一九財務年度本集團的所得稅費用為人民幣6,250萬元，相比較二零一八財務年度的所得稅費用為人民幣4,740萬元。二零一九財務年度的實際稅率為負4%，而二零一八財務年度為負6%。

年度持續經營損失

由於上述原因，二零一九財務年度我們持續經營的淨損失是人民幣14.611億元，相比較二零一八財務年度持續經營淨損失為人民幣8.323億元。

年度終止經營收益／(虧損)

二零一九財務年度終止經營的淨收益是人民幣3.322億元，相比較二零一八財務年度終止經營淨損失為人民幣3.635億元。其主要原因是Maple Energy的處置獲取收益人民幣6.991億元。

年度淨損失

二零一九財務年度集團淨損失為人民幣11.289億元，相比較二零一八財務年度的淨損失為人民幣11.958億元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

EBITDA AND ADJUSTED EBITDA

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

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

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

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

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

EBITDA 及經調整 EBITDA

我們已提供 EBITDA 及經調整 EBITDA 與年內本期虧損的調節，本期虧損為根據國際財務報告準則計算及呈列的最直接的可資比較財務表現。EBITDA 指扣除財務收入、財務成本、所得稅及折舊、耗損及攤銷前盈利。經調整 EBITDA 指經調整以扣除非現金及非經常性項目，如購股權計劃下僱員服務成本、金融資產的淨減值損失、資產減值損失、金融工具公允價值變動產生的損失，代扣代繳稅，出售子公司之損失，出售聯營公司所產生之虧損以及其他非現金或非經常性收入／支出。

本集團經調整 EBITDA 反映本集團核心業務的經常性現金流盈利。

我們加載 EBITDA 及經調整 EBITDA 乃由於我們相信 EBITDA 為油氣行業常用的財務計量。我們相信 EBITDA 及經調整 EBITDA 乃由我們管理層、投資者、研究分析師、銀行及其他人士用作補充財務計量，以評估我們相較於業內其他公司的經營表現、現金流量及資本回報，以及我們進行融資的能力。然而，EBITDA 及經調整 EBITDA 不可獨立於經營溢利或任何其他表現計量予以考慮，亦不可詮釋為經營溢利或任何其他表現計量的替代項目，或詮釋為我們經營表現或盈利能力的指標。EBITDA 及經調整 EBITDA 並不計及稅項、財務收入、財務費用及其他非經營性現金開支。EBITDA 及經調整 EBITDA 並無考慮可能導致我們須就任何目的而保留及分配資金的任何業務的功能或法定要求。

下表載列為持續經營 EBITDA 及經調整持續經營 EBITDA 於截至二零一九年十二月三十一日及二零一八年十二月三十一日止年度之持續經營稅前淨虧損的對比：

本集團二零一九財務年度的 EBITDA 約人民幣負 4.866 億元，相比二零一八財務年度約人民幣 1.361 億元。二零一九財務年度的 EBITDA 的減少主要由於油價的降低。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

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

本集團的經調整EBITDA由二零一八財務年度約人民幣4.091億元減少約人民幣8,570萬元或20.9%至二零一九財務年度的約人民幣3.234億元。經調整EBITDA減少亦主要由於油價的降低。

		Year Ended December 31, 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
Loss before income tax from continuing operations	持續經營除所得稅前虧損	(1,398,673)	(784,960)
Finance income	財務收入	(42,518)	(22,603)
Finance costs	財務費用	605,803	614,352
Depreciation, depletion and amortization	折舊、折耗及攤銷	348,751	329,318
EBITDA from continuing operations	持續經營EBITDA	(486,637)	136,107
Share-based payment to employees	購股權計劃下僱員服務成本	10,841	54,743
Net impairment losses on financial assets	金融資產減值損失	698,154	115,978
Impairment charges	資產減值損失	4,826	37,471
Losses on changes in fair value of financial instruments	金融工具的公允價值變動損失	71,159	35,560
Withholding tax	代扣代繳稅	3,838	9,301
Losses from disposal of subsidiaries	處置子公司損失	21,197	–
Losses on disposal of associate interests	處置聯營公司權益損失	–	19,927
Adjusted EBITDA from continuing operations	經調整持續經營EBITDA	323,378	409,087

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

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

本集團按經營分部劃分的持續經營EBITDA及經調整持續經營EBITDA如下所示：

		Year Ended December 31, 2019 截至二零一九年十二月三十一日止年度		
		PRC 中國 RMB'000 人民幣千元	Corporate and others 總部及其他 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Profit/(loss) before income tax from continuing operations	持續經營除所得稅前 收益/(虧損)	43,907	(1,442,580)	(1,398,673)
Finance income	財務收入	(27)	(42,491)	(42,518)
Finance costs	財務費用	110,330	495,473	605,803
Depreciation, depletion and amortization	折舊、折耗及攤銷	342,081	6,670	348,751
EBITDA from continuing operations	持續經營EBITDA	496,291	(982,928)	(486,637)
Share-based payment to employees	購股權計劃下僱員服務成本	2,687	8,154	10,841
Net impairment losses on financial assets	金融資產減值損失	1,160	696,994	698,154
Impairment charges	資產減值損失	-	4,826	4,826
Losses on changes in fair value of financial instruments	金融工具的公允價值變動損失	-	71,159	71,159
Withholding tax	代扣代繳稅	-	3,838	3,838
Losses from disposal of subsidiaries	處置子公司損失	-	21,197	21,197
Adjusted EBITDA from continuing operations	經調整持續經營EBITDA	500,138	(176,760)	323,378

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

		Year ended December 31, 2018 截至二零一八年十二月三十一日止年度		
		Corporate		Total
		PRC	and others	
		中國	總部及其他	合計
		RMB'000	RMB'000	RMB'000
		人民幣千元	人民幣千元	人民幣千元
Profit/(loss) before income tax from continuing operations	持續經營除所得稅前 收益/(虧損)	110,516	(895,476)	(784,960)
Finance income	財務收入	(90)	(22,513)	(22,603)
Finance costs	財務費用	96,139	518,213	614,352
Depreciation,depletion and amortization	折舊、折耗及攤銷	329,101	217	329,318
EBITDA from continuing operations	持續經營EBITDA	535,666	(399,559)	136,107
Share-based payment to employees (Reversal)/provision of impairment losses on financial assets, net	購股權計劃下雇員服務成本 金融資產減值 (轉回)/計提·淨值	1,132	53,611	54,743
Impairment charges	資產減值損失	(14,740)	130,718	115,978
Losses on changes in fair value of financial instruments	金融工具的公允價值變動損失	34,154	3,317	37,471
Withholding tax	代扣代繳稅	–	35,560	35,560
Losses from disposal of associate Interests	處置聯營公司權益損失	–	9,301	9,301
		–	19,927	19,927
Adjusted EBITDA from continuing operations	經調整持續經營EBITDA	556,212	(147,125)	409,087

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

LIQUIDITY AND CAPITAL RESOURCES

Overview

The Group's primary sources of cash during 2019 were cash generated from operating activities.

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

Cash generated from operating activities

Net cash generated from operating activities was RMB73.6 million in the year ended December 31, 2019. In the year ended December 31, 2019, our net cash generated from operating activities included loss before income tax of RMB1,398.7 million adjusted for, depreciation, depletion and amortization of RMB348.8 million, net interest expenses of RMB567.8 million, net impairment losses on financial assets of RMB698.2 million, impairment charges of RMB4.8 million, share-based payment to employees of RMB10.8 million, exchange gains of RMB4.5 million, losses on changes in fair value of financial instruments of RMB71.2 million and losses on disposal of subsidiaries of RMB21.2 million. The cash movements from changes in working capital which included an increase in trade and other receivables of RMB3.7 million and an increase in trade and other payable of RMB162.8 million, a decrease of inventories of RMB1.3 million, interest paid of RMB418.2 million and cash generated from discontinued operations of RMB11.9 million.

流動資金及資本資源

概覽

本集團二零一九年的主要現金來源為經營活動產生的現金流量。

於二零一九年，公司經營活動所得現金淨額為人民幣7,360萬元，投資活動所用現金淨額為人民幣1.197億元，融資活動所得現金淨額為人民幣3,150萬元，現金及現金等價物的外匯收益為人民幣20萬元，轉撥至持有待售的處置組為人民幣1.5萬元，現金及現金等價物淨減少為人民幣1,460萬元。

經營活動所得現金

截至二零一九年十二月三十一日止年度，經營活動所得現金淨額為人民幣7,360萬元人民幣。截至二零一九年十二月三十一日止年度，本公司經營活動所得現金淨額包括調整後的所得稅前虧損人民幣13.987億元，經調整折舊、耗損及攤銷人民幣3.488億元，淨利息支出人民幣5.678億元，金融資產減值損失人民幣6.982億元，資產減值損失人民幣480萬元，購股權計劃下僱員服務成本人民幣1,080萬元，匯兌收益人民幣450萬元，金融工具的公允價值變動損失人民幣7,120萬元及處置子公司失人民幣2,120萬元。營運資金變動包括應收及其他應收款項增加人民幣370萬元，應付及其他應付款項增加人民幣1.628億元，存貨減少人民幣130萬元，已付利息人民幣4.182億元，終止經營產生的現金人民幣1,190萬元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Net cash generated from operating activities was RMB94.1 million in the year ended December 31, 2018. In the year ended December 31, 2018, our net cash generated from operating activities included loss before income tax of RMB785.0 million adjusted for, depreciation, depletion and amortization of RMB329.3 million, net interest expenses of RMB596.5 million, net impairment losses on financial assets of RMB116.0 million, impairment charges of RMB37.5 million, share of losses from investments in associates of RMB9.3 million, losses arising from disposal of an associate of RMB19.9 million, share-based payment to employees of RMB54.7 million, exchange gains of RMB4.8 million and losses on changes in fair value of financial instruments of RMB35.6 million. The cash movements from changes in working capital which included an increase in trade and other receivables of RMB22.3 million and an increase in trade and other payable of RMB108.1 million, an increase of inventories of RMB1.4 million, interest paid of RMB479.1 million and income tax paid of RMB52.5 million and cash generated from discontinued operations of RMB132.1 million.

Cash used in/generated from investing activities

Net cash used in investing activities in the year ended December 31, 2019 amounted to RMB119.7 million, as a result of: (i) purchases of property, plant and equipment of RMB37.0 million, (ii) payment for acquisition of foreign contractor's participating interests in PRC of RMB34.6 million, (iii) contribution and loans to investments accounted for using equity method of RMB4.9 million and (iv) cash used in discontinued operations of RMB92.1 million, which was offset by, (i) proceeds from disposals of subsidiaries of RMB16.4 million, (ii) receipt of shareholder loans from associate of RMB27.6 million, and (iii) others of RMB4.9 million.

Net cash generated from investing activities in the year ended December 31, 2018 amounted to RMB771.5 million, as a result of: (i) proceeds from disposals of subsidiaries of RMB186.8 million, (ii) proceeds from disposal of investment in associate of RMB138.7 million, (iii) decrease in financial assets of RMB318.8 million, (iv) received of loans and deposits from third parties of RMB47.8 million, and (v) cash generated from discontinued operations of RMB355.1 million, which was offset by: (i) purchases of property, plant and equipment of RMB65.2 million, (ii) payment for acquisition of foreign contractor's participating interests in PRC of RMB187.9 million, (iii) payments for acquisition of subsidiary, net of cash acquired of RMB18.6 million, (iv) contribution and loans to investments accounted for using equity method of RMB3.2 million, and (v) others of RMB0.8 million.

截至二零一八年十二月三十一日止年度，經營活動所得現金淨額為人民幣9,410萬元人民幣。截至二零一八年十二月三十一日止年度，本公司經營活動所得現金淨額包括調整後的所得稅前虧損人民幣7.850億元，經調整折舊、耗損及攤銷人民幣3.293億元，淨利息支出人民幣5.965億元，金融資產減值損失人民幣1.160億元，減值損失人民幣3,750萬元，享有聯營企業投資的虧損人民幣930萬元，處置聯營企業產生的損失人民幣1,990萬元，購股權計劃下僱員服務成本人民幣5,470萬元，匯兌收益人民幣480萬元及金融工具的公允價值變動損失人民幣3,560萬元。營運資金變動包括應收及其他應收款項增加人民幣2,230萬元，應付及其他應付款項增加人民幣1.081億元，存貨增加人民幣140萬元，已付利息人民幣4.791億元，已付所得稅人民幣5,250萬元，終止經營產生的現金人民幣1.321億元。

投資活動所用／所得現金

截至二零一九年十二月三十一日止年度，投資活動所用現金淨額為人民幣1.197億元，是由於：(i) 購買不動產、工廠及設備人民幣3,700萬元，(ii) 支付位於中國的外方合同者產品分成合同的參與權的款項人民幣3,460萬元，(iii) 投入以權益法入帳的投資及貸款人民幣490萬元，以及(iv) 終止經營所用現金人民幣9,210萬元，抵減：(i) 收到子公司處置款項人民幣1,640萬元，(ii) 收到聯營企業償還的股東借款人民幣2,760萬元，以及(iii) 其他490萬元。

截至二零一八年十二月三十一日止年度，投資活動所得現金淨額為人民幣7.715億元，是由於：(i) 收到子公司處置款項人民幣1.868億元，(ii) 處置聯營投資取得的款項1.387億元，(iii) 金融資產減少人民幣3.188億元，(iv) 收到第三方借款和保證金人民幣4,780萬元，以及(v) 終止經營所得現金人民幣3.551億元，抵減：(i) 購買不動產、工廠及設備人民幣6,520萬元，(ii) 支付位於中國的外方合同者產品分成合同的參與權的款項人民幣1.879億元，(iii) 支付收購子公司的款項(扣除取得現金)人民幣1,860萬元，(iv) 投入以權益法入帳的投資及貸款人民幣320萬元，以及(v) 其他80萬元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Cash generated from/used in financing activities

Net cash generated from financing activities in the year ended December 31, 2019 amounted to RMB31.5 million primarily due to: (i) proceeds from borrowings of RMB654.9 million, (ii) proceeds from issuing of new shares of RMB32.5 million and (iii) cash generated from discontinued operations of RMB80.2 million, offset by: (i) repayments of borrowings of RMB194.2 million; (ii) repayments of 2019 senior notes of RMB516.4 million; (iii) payment for loan arrangement and other fees of RMB19.3 million, and (iv) payment of lease liability of RMB6.1 million.

Net cash used in financing activities in the year ended December 31, 2018 amounted to RMB960.3 million primarily due to: (i) repayments of borrowings of RMB300.7 million; (ii) repayments of 2018 senior notes of RMB1,150.2 million; (iii) payments of loan arrangement and other fees of RMB214.9 million, (iv) others of RMB4.4 million, and (v) cash used in discontinued operations of RMB477.8 million, offset by: (i) proceeds from borrowings of RMB912.3 million, and (ii) proceeds from issue of convertible bond of RMB275.4 million.

Borrowings

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

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

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

融資活動所得／所用現金

截至二零一九年十二月三十一日，融資活動所得的淨現金為人民幣3,150萬元，主要是由於：(i) 借款所得人民幣6.549億元，(ii) 發行新股所得人民幣3,250萬元，以及(iii) 終止經營的所得現金人民幣8,020萬元，抵減(i) 償還借款人民幣1.942億元，(ii) 償還2019優先票據人民幣5.164億元，(iii) 支付借款安排及相關費用人民幣1,930萬元，以及(iv) 支付租賃費人民幣610萬元。

截至二零一八年十二月三十一日，融資活動所用的淨現金為人民幣9.603億元，主要是由於：(i) 償還借款人民幣3.007億元，(ii) 償還2018優先票據人民幣11.502億元，(iii) 支付借款安排費及相關費用人民幣2.149億元，(iv) 其他人民幣440萬元，以及(v) 用於終止經營的現金人民幣4.778億元，抵減(i) 借款所得人民幣9.123億元，以及(ii) 發行可轉換債券所得人民幣2.754億元。

借款

截至二零一九年十二月三十一日，本集團的持續經營方面，向銀行及第三方借款約人民幣39.993億元，較二零一八年十二月三十一日減少了人民幣3.367億元。本集團的借貸中，一年內償還的借款約為人民幣22.788億元，比二零一八年十二月三十一日減少人民幣2.711億元。所有借款均以美元和港元計價。借款都是固定利率。沒有為借款做套期保值。

我們的負債率(負債總額減去現金及現金等價物，即「淨負債」)除以淨負債和總股本之和，從二零一八年十二月三十一日的164.7%升至二零一九年十二月三十一日的321.0%，主要是由二零一九年的虧損。

我們的借款總額與調整後的EBITDA之比，即借款總額除以調整後的EBITDA，從二零一八年十二月三十一日的10.6增長到二零一九年十二月三十一日的12.4。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

Market Risks

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

Oil and gas price risk

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

Currency risk

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

The functional currency of the Canada subsidiary is in Canadian dollars and all sales are in Canadian dollars. The disposal of Canada Subsidiary of the Group was completed on September 30, 2019.

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

CHARGES ON GROUP ASSETS

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

市場風險

我們面臨的市場風險主要包括石油和天然氣價格及匯率的波動。

原油和天然氣價格風險

本集團的實現石油和天然氣價格乃參照國際市場油價確定，國際原油和天然氣價的變動將對我們帶來重大影響。國際原油和天然氣價的不穩定及高波動性對本集團的收益及溢利造成顯著影響。

貨幣風險

集團的大部分銷售以美元計值，而於中國的生產及其他支出則以人民幣入賬。人民幣並非為自由轉換貨幣，須受中國政府規管。中國政府對外匯交易所設定的限制可能導致未來匯率與當前或歷史匯率相比出現大幅變動。

加拿大子公司的功能貨幣為加元，而所有銷售亦以加元計算。本集團加拿大子公司的處置已於2019年9月30日交割完成。

本集團現時並未從事旨在或意在管理外匯匯率風險的對沖活動。本集團將繼續監察外匯變動，以儘量保障本集團的現金價值。

集團資產抵押

截至二零一九年十二月三十一日，本集團以銀行賬戶、子公司股份和油氣資產作為抵押擔保，獲取借款，餘額為人民幣22.788億元。

Management Discussion and Analysis (Continued)

管理層討論及分析(續)

EMPLOYEES

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

CONTINGENCIES

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

DIVIDEND

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

CLOSURE OF REGISTER OF MEMBERS

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

AUDIT COMMITTEE

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

僱員

於二零一九年十二月三十一日，本公司擁有1,058名僱員，其中1,056名在中國(大陸及香港)工作及2名在美國工作。而就僱員薪酬、薪酬政策及員工發展方面的資料與在二零一八年年報內所披露的並無重大變動。

或有事項

截至二零一九年十二月三十一日，本集團無或有事項。

股息

董事會並無建議就截至二零一九年十二月三十一日年度派付末期股息(二零一八年：無)。

暫停辦理股東登記手續

本公司預定於二零二一年一月十四日(星期四)舉行股東週年大會(「股東大會」)。為釐定符合出席並於股東大會上投票的資格，本公司將於二零二一年一月十一日(星期一)至二零二一年一月十四日(星期四)(包含首尾日)暫停辦理股東登記手續，期間亦不會辦理股份過戶登記手續。為符合出席股東大會及於會上投票的資格，所有過戶文件連同有關股票需不遲於二零二一年一月八日(星期五)香港時間下午四時三十分遞交至本公司的香港股份過戶登記分處卓佳證券登記有限公司，地址香港皇后大道東183號合和中心22樓。

審核委員會

本公司審核委員會已審閱本集團截至二零一九年十二月三十一日年度的合併財務報表(包括本集團所採用的會計政策)，並就本集團的內部控制及財務申報等事宜進行討論。

Independent Auditor's Report

獨立核數師報告



INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MIE HOLDINGS CORPORATION

(incorporated in the Cayman Islands with limited liability)

DISCLAIMER OF OPINION

We were engaged to audit the consolidated financial statements of MIE Holdings Corporation (the "Company") and its subsidiaries (the "Group") set out on pages 128 to 308, which comprise:

- the consolidated statement of financial position as at December 31, 2019;
- the consolidated statement of profit or loss for the year then ended;
- 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 of the potential interaction of the multiple uncertainties and their possible cumulative effect on the consolidated financial statements as described in the Basis for Disclaimer of Opinion section of our report, it is not possible for us to form an opinion on these consolidated financial statements. In all other respects, in our opinion the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

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羅兵咸永道

獨立核數師報告
致MI能源控股有限公司股東
(於開曼群島註冊成立的有限公司)

無法表示意見

我們受聘審計MI能源控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第128至308頁的合併財務報表，包括：

- 於2019年12月31日的合併財務狀況表；
- 截至該日止年度的合併利潤表；
- 截至該日止年度的合併綜合收益表；
- 截至該日止年度的合併權益變動表；
- 截至該日止年度的合併現金流量表及
- 合併財務報表附註，包括主要會計政策概要。

我們沒有就貴集團的合併財務報表發表意見。基於在本報告中「無法表示意見的基礎」部分所述的由於多重不確定性的潛在相互影響及其對合併財務報表的可能累計影響，我們無法為該等合併財務報表形成審計意見。在所有其他方面，我們認為合併財務報表已根據香港《公司條例》的披露規定適當地擬備。

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Independent Auditor's Report (Continued)

獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
MIE HOLDINGS CORPORATION (Continued)**
(incorporated in the Cayman Islands with limited liability)

獨立核數師報告
致MI能源控股有限公司股東(續)
(於開曼群島註冊成立的有限公司)

BASIS FOR DISCLAIMER OF OPINION

無法表示意見的基礎

Multiple Uncertainties Relating to Going Concern

與持續經營相關的多個不確定事項

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

如合併財務報表附註2.1.1所述，截至2019年12月31日止年度，貴集團產生淨虧損約為人民幣1,128.9百萬元，其中包括因持續經營產生的虧損人民幣1,461.1百萬元及終止經營產生的收益人民幣332.2百萬元。於2019年12月31日，貴集團股東虧損為人民幣2,744.1百萬元，貴集團的流動負債已超出其流動資產人民幣2,842.1百萬元。於同日，貴集團借款總額為人民幣3,999.3百萬元，其中流動負債金額為人民幣2,278.8百萬元，而貴集團僅有人民幣59.9百萬元的現金及現金等價物，其中人民幣13.7百萬元為非受限。

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

於2019年12月31日後，貴集團未能支付優先票據於2020年4月12日到期應付的利息120.5百萬元人民幣(合17.1百萬美元)，該優先票據為本金248.4百萬美元(約等價於人民幣1,720.5百萬元)(「2022優先票據」)。上述未支付利息導致貴集團發生違約事件，因此，若2022優先票據的持有人(「票據持有人」)提出要求，則2022優先票據的本金和相關的未償利息的全部餘額需立即償還。此違約事件同時觸發了附註2.1.1所述合計為人民幣2,262.8百萬元借款的交叉違約(「交叉違約借款」)，如果這些借款的相應貸款人(「貸款人」)提出要求，該等借款均需立即償還。另外，合計為人民幣1,868.1百萬元交叉違約借款後續也由於未在各自到期日按時償還而發生違約。此外，貴集團於2019年12月31日之後的業績還受到了期後原油商品價格低迷的重大影響。

Independent Auditor's Report (Continued)

獨立核數師報告(續)



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
MIE HOLDINGS CORPORATION (Continued)**
(incorporated in the Cayman Islands with limited liability)

BASIS FOR DISCLAIMER OF OPINION (Continued)

Multiple Uncertainties Relating to Going Concern (Continued)

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

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

羅兵咸永道

獨立核數師報告
致MI能源控股有限公司股東(續)
(於開曼群島註冊成立的有限公司)

無法表示意見的基礎(續)

與持續經營相關的多個不確定事項(續)

以上事項，連同合併財務報表附註2.1.1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。

貴公司管理層已經採取多項措施改善 貴集團的流動性及財務狀況，以應對其到期的負債，詳情載於合併財務報表附註2.1.1。合併財務報表是在持續經營的基礎上編制，該編制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) 貸款人和票據持有人不會在債務重組計畫最終確定和執行重組協議之前對 貴集團採取任何行動以行使其權利、要求立即償還交叉違約借款和2022優先票據的本金和利息；(ii) 成功獲取貸款人與票據持有人就重組計畫所要求事項的一致同意，且 貴集團成功完成債務重組計畫項下執行重組協議所必需的所有程式；並且，於重組協議執行後， 貴集團有能力繼續遵守其中規定的條款和條件；(iii) 於截至2021年6月30日的整個預測期內，實際油價與現金流量預測中的預測油價水平相一致；以及(iv) 除上述事項以外， 貴集團有能力產生經營現金流量及獲得額外融資來源，以滿足 貴集團包括完成新井所需投資在內的石油勘探及生產業務的資金需求以及其他融資需求。

Independent Auditor's Report (Continued)

獨立核數師報告(續)



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
MIE HOLDINGS CORPORATION (Continued)**
(incorporated in the Cayman Islands with limited liability)

獨立核數師報告
致MI能源控股有限公司股東(續)
(於開曼群島註冊成立的有限公司)

BASIS FOR DISCLAIMER OF OPINION (Continued)

無法表示意見的基礎(續)

Multiple Uncertainties Relating to Going Concern (Continued)

與持續經營相關的多個不確定事項(續)

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.

倘 貴集團未能達成上述計畫及措施，其可能無法在持續經營的基礎上繼續營運，並須作出調整將 貴集團的資產賬面價值調整至其可收回金額，計提可能進一步產生的負債撥備，同時將非流動資產及非流動負債重新分類為流動資產和流動負債。該等調整的影響尚未反映於合併財務報表中。

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

董事和審核委員會就合併財務報表須承擔的責任

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.

貴公司董事須負責根據《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合併財務報表，並對其認為為使合併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。

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.

在擬備合併財務報表時，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。

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

審核委員會須負責監督 貴集團的財務報告過程。

Independent Auditor's Report (Continued)

獨立核數師報告(續)



**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
MIE HOLDINGS CORPORATION (Continued)**
(incorporated in the Cayman Islands with limited liability)

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 of the matters 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 due to the potential interaction of the multiple uncertainties and their possible cumulative effect on the 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 ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

The engagement partner on the audit resulting in this independent auditor's report is LEONG Kin Bong.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, November 27, 2020

(If there is any inconsistency between the English and Chinese version of the independent auditor's report, the English version shall prevail.)

羅兵咸永道

獨立核數師報告
致MI能源控股有限公司股東(續)
(於開曼群島註冊成立的有限公司)

核數師就審計合併財務報表承擔的責任

我們的責任，是根據《國際審計準則》進行審計 貴集團合併財務報表，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，基於在本報告中「無法表示意見的基礎」部分所述的由於多重不確定性的潛在相互影響及其對合併財務報表的可能累計影響，我們無法為該等合併財務報表形成審計意見。

根據國際會計師專業操守理事會頒佈的《專業會計師道德守則》(以下簡稱「道德守則」)，我們獨立於 貴集團，並已履行道德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梁建邦。

羅兵咸永道會計師事務所
執業會計師

香港，2020年11月27日

(本獨立核數師報告的中英文文本如有任何歧義，概以英文文本為準。)

Consolidated Statement of Financial Position

合併財務狀況表

		As at December 31, 於十二月三十一日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Note 附註	
Assets	資產		
Non-current assets	非流動資產		
Property, plant and equipment	不動產、工廠及設備	6(A)	1,798,839
Intangible assets	無形資產	7	137,351
Right-of-use assets	使用權資產	6(B)	–
Deferred income tax assets	遞延所得稅資產	24	601
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產	12	46,458
Prepayments, deposits and other receivables	預付款、保證金及其他應收款	14	357,212
Restricted cash	受限制現金	18	45,465
			2,214,211
Current assets	流動資產		
Inventories	存貨	16	22,390
Prepayments, deposits and other receivables	預付款、保證金及其他應收款	14	615,035
Trade and note receivables	應收賬款及應收票據	15	69,791
Financial assets at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融資產	17	17,755
Restricted cash	受限制現金	18	–
Cash and cash equivalents	現金及現金等價物	19	28,115
			208,704
Assets of disposal group classified as held for sale	持有待售的處置組的資產	20	5,105,887
			208,704
Total assets	資產總額		2,422,915
			8,244,899

Consolidated Statement of Financial Position (Continued)

合併財務狀況表(續)

		As at December 31, 於十二月三十一日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
	Note 附註		
Equity	權益		
Equity attributable to owners of the Company	歸屬於本公司所有者的權益		
Share capital	股本	21	1,101,249
Other reserves	其他儲備	23	(90,048)
Accumulated losses	累計虧損		(3,755,333)
			(2,744,132)
Non-controlling interests	非控制性權益		(1,705,282)
			13,265
Total shareholders' deficit	股東虧損總額		(2,744,132)
			(1,692,017)
Liabilities	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	27	1,720,505
Lease liabilities	租賃負債	6(B)	4,738
Deferred income tax liabilities	遞延所得稅負債	24	173,803
Trade and note payables	應付賬款及應付票據	25	74,169
Provisions, accruals and other liabilities	準備、預提及其他負債	26	143,041
			2,116,256
			2,043,858
Current liabilities	流動負債		
Trade and note payables	應付賬款及應付票據	25	386,076
Provisions, accruals and other liabilities	準備、預提及其他負債	26	371,061
Lease liabilities	租賃負債	6(B)	8,707
Current income tax liabilities	當期所得稅負債		6,185
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動計入當期損益的金融負債	13	-
Borrowings	借款	27	2,278,762
			3,050,791
			3,359,474

Consolidated Statement of Financial Position (Continued)

合併財務狀況表(續)

		As at December 31, 於十二月三十一日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Note			
附註			
	Liabilities of disposal group classified as held for sale 持有待售的處置組的負債		
		-	4,533,584
		3,050,791	7,893,058
	Total liabilities 負債總額	5,167,047	9,936,916
	Total shareholders' deficit and liabilities 股東虧損及負債總額	2,422,915	8,244,899

The accompanying notes on pages 139 to 308 are an integral part of these consolidated financial statements.

後附第139頁至第308頁之附註為本合併財務報表的整體部分。

The consolidated financial statements on pages 128 to 308 were approved by the Board of Directors on November 27, 2020 and were signed on its behalf.

第128頁至第308頁之合併財務報表已於2020年11月27日獲董事會批准刊發，並代表董事會簽署：

Zhang Ruilin

張芮霖

Director

董事

Zhao Jiangwei

趙江巍

Director

董事

Consolidated Statement of Comprehensive Income

合併綜合收益表

		Year ended December 31, 截至十二月三十一日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Note 附註	
Continuing operations	持續經營		
Revenue from contracts with customers	客戶合同收入	5	756,094
Depreciation, depletion and amortisation	折舊、折耗及攤銷		(348,751)
Taxes other than income taxes	稅項(所得稅除外)	29	(7,859)
Employee benefit expenses	員工薪酬成本	32	(143,367)
Purchases, services and other direct costs	採購、服務及其他直接成本		(133,007)
Distribution costs	銷售成本		(16,642)
General and administrative expense	管理費用		(158,160)
Net impairment losses on financial assets	金融資產減值損失	3	(698,154)
Impairment charges	資產減值損失	6(A), 7, 8	(4,826)
Other losses, net	其他損失，淨值	28	(80,716)
Finance income	財務收入	30	42,518
Finance costs	財務費用	30	(605,803)
Share of losses of investments in associates	享有聯營企業投資的虧損份額	8	-
			(9,318)
Loss before income tax	除所得稅前虧損		(1,398,673)
Income tax expense	所得稅費用	33	(62,453)
Loss for the year from continuing operations	本年持續經營所得虧損		(1,461,126)
Discontinued operations	終止經營		
Profit/(loss) for the year from discontinued operations	本年終止經營所得利潤/(虧損)	20	332,177
Loss for the year	本年虧損		(1,128,949)

Consolidated Statement of Comprehensive Income (Continued)

合併綜合收益表(續)

		Year ended December 31, 截至十二月三十一日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Note 附註	
Other comprehensive losses	其他綜合虧損		
Continuing operations	持續經營部分		
Items that may be reclassified to profit or loss	其後可能會重分類至損益的項目		
Transfer to profit or loss upon disposal of investments in associate	處置聯營企業投資後轉至損益	-	(2,602)
Currency translation differences	外幣折算差額	(59,103)	(143,667)
Items that will not be reclassified to profit or loss	其後不會重分類至損益的項目		
Change in the fair value of equity instruments at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的權益工具的公允價值變動	(3,428)	(19,900)
Discontinued operations	終止經營部分		
Items that may be reclassified to profit or loss	其後可能會重分類至損益的項目		
Currency translation differences	外幣折算差額	-	(129,629)
Other comprehensive losses for the year, net of tax	稅後本年其他綜合虧損	(62,531)	(295,798)
Total comprehensive losses for the year	本年綜合虧損總額	(1,191,480)	(1,491,633)

Consolidated Statement of Comprehensive Income (Continued)

合併綜合收益表(續)

		Year ended December 31, 截至十二月三十一日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Note 附註	
Loss for the year attributable to:	本年虧損歸屬於：		
Owners of the Company	本公司所有者	(1,125,037)	(1,195,793)
Non-controlling interests	非控制性權益	(3,912)	(42)
		(1,128,949)	(1,195,835)
Profit/(loss) for the year attributable to owners of the Company arising from:	歸屬於本公司所有者的本年利潤/(損失)來源於：		
Continuing operations	持續經營	(1,457,214)	(832,330)
Discontinued operations	終止經營	332,177	(363,463)
		(1,125,037)	(1,195,793)
Total comprehensive losses for the year attributable to:	本年綜合虧損總額歸屬於：		
Owners of the Company	本公司所有者	(1,187,568)	(1,491,591)
Non-controlling interests	非控制性權益	(3,912)	(42)
		(1,191,480)	(1,491,633)
Total comprehensive income/(losses) for the year attributable to owners of the Company arising from:	歸屬於本公司所有者的本年綜合收益/(損失)總額來源於：		
Continuing operations	持續經營	(1,519,745)	(998,499)
Discontinued operations	終止經營	332,177	(493,092)
		(1,187,568)	(1,491,591)

Consolidated Statement of Comprehensive Income (Continued)

合併綜合收益表(續)

		Year ended December 31, 截至十二月三十一日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Note 附註	
Earnings/(losses) per share for profit/(loss) attributable to ordinary equity holders of the Company for the year (expressed in RMB per share)	本年本公司普通股股東應佔利潤/(虧損)的每股收益/(虧損)(每股人民幣)		
Basic earnings/(losses) per share	基本每股收益/(虧損)	35	
Continuing operations	持續經營		(0.29)
Discontinued operations	終止經營		(0.12)
			(0.35)
Diluted earnings/(losses) per share	稀釋每股收益/(虧損)	35	
Continuing operations	持續經營		(0.29)
Discontinued operations	終止經營		(0.12)
			(0.35)

The accompanying notes on pages 139 to 308 are an integral part of these consolidated financial statements.

後附第139頁至第308頁之附註為本財務報表的整體部分。

Consolidated Statement of Changes in Equity

合併權益變動表

		Attributable to owners of the Company 歸屬於本公司所有者					Non-	Total
		Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	controlling interests 非控制性權益 RMB'000 人民幣千元	Equity 權益總額 RMB'000 人民幣千元
Balance at December 31, 2017 as originally presented	2017年12月31日原始 呈列金額	19,489	1,049,307	47,265	(1,384,495)	(268,434)	(27)	(268,461)
Change in accounting policy	會計政策變更	-	-	4,848	(4,848)	-	-	-
Restated total equity as at January 1, 2018	2018年1月1日重述後 的權益總額	19,489	1,049,307	52,113	(1,389,343)	(268,434)	(27)	(268,461)
Comprehensive losses for the year	本年綜合虧損							
Loss for the year	本年虧損	-	-	-	(1,195,793)	(1,195,793)	(42)	(1,195,835)
Change in the fair value of equity instruments at the fair value through other comprehensive income	以公允價值計量且其變動 計入其他綜合收益的 權益工具的公允價值 變動	-	-	(19,900)	-	(19,900)	-	(19,900)
Transfer to profit or loss upon disposal of investments in associate	處置聯營企業投資後 轉至損益	-	-	(2,602)	-	(2,602)	-	(2,602)
Currency translation differences	外幣折算差額	-	-	(273,296)	-	(273,296)	-	(273,296)
		-	-	(295,798)	(1,195,793)	(1,491,591)	(42)	(1,491,633)
Transactions with owners in their capacity as owners	與所有者以其所有者的 身份進行的交易							
Employees stock option schemes — value of employee services (Note 32)	僱員購股權計劃 — 僱員服務價值 (附註32)	-	-	54,743	-	54,743	-	54,743
Non-controlling interests arising from business combinations	業務合併產生的非控制性 權益	-	-	-	-	-	13,334	13,334
Disposal of subsidiaries	處置子公司	-	-	45,160	(45,160)	-	-	-
		-	-	99,903	(45,160)	54,743	13,334	68,077
As at December 31, 2018	於2018年12月31日	19,489	1,049,307	(143,782)	(2,630,296)	(1,705,282)	13,265	(1,692,017)

Consolidated Statement of Changes in Equity (Continued)

合併權益變動表(續)

		Attributable to owners of the Company 歸屬於本公司所有者					Non-	Total
		Ordinary shares 普通股 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Other reserves 其他儲備 RMB'000 人民幣千元	Accumulated losses 累計虧損 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元	controlling interests 非控制性權益 RMB'000 人民幣千元	Equity 權益總額 RMB'000 人民幣千元
As at January 1, 2019	於2019年1月1日	19,489	1,049,307	(143,782)	(2,630,296)	(1,705,282)	13,265	(1,692,017)
Comprehensive loss for the year	本年綜合虧損							
Loss for the year	本年虧損	-	-	-	(1,125,037)	(1,125,037)	(3,912)	(1,128,949)
Change in the fair value of equity instruments at the fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的權益工具的公允價值變動	-	-	(3,428)	-	(3,428)	-	(3,428)
Currency translation differences	外幣折算差額	-	-	(59,103)	-	(59,103)	-	(59,103)
		-	-	(62,531)	(1,125,037)	(1,187,568)	(3,912)	(1,191,480)
Transactions with owners in their capacity as owners	與所有者以其所有者的身份進行的交易							
Employees stock option schemes — value of employee services (Note 32)	僱員購股權計劃 — 僱員服務價值(附註32)	-	-	10,841	-	10,841	-	10,841
Issue new shares (Note 21)	發行新股(附註21)	2,263	30,190	-	-	32,453	-	32,453
Disposal of subsidiaries	處置子公司	-	-	105,424	-	105,424	(9,353)	96,071
		2,263	30,190	116,265	-	148,718	(9,353)	139,365
As at December 31, 2019	於2019年12月31日	21,752	1,079,497	(90,048)	(3,755,333)	(2,744,132)	-	(2,744,132)

The accompanying notes on pages 139 to 308 are an integral part of these consolidated financial statements.

後附第139頁至第308頁之附註為本財務報表的整體部分。

Consolidated Statement of Cash Flows

合併現金流量表

		Year ended December 31, 截至十二月三十一日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
	Note 附註		
Cash flows from operating activities	經營活動的現金流量		
Continuing operations	持續經營		
Cash generated from operations	經營活動產生的現金	479,913	493,495
Interest paid	已付利息	(418,196)	(479,093)
Income taxes paid	已付所得稅	-	(52,450)
Discontinued operations	終止經營	11,911	132,127
Net cash inflow from operating activities	經營活動產生的現金淨額	73,628	94,079
	36		
Cash flows from investing activities	投資活動的現金流量		
Continuing operations	持續經營		
Payments for property, plant and equipment	購買不動產、工廠及設備	(37,012)	(65,242)
Decrease in financial assets	金融資產的減少	-	318,834
Proceeds from disposal of subsidiaries	收到處置子公司所得款項	16,355	186,835
Net proceeds from disposal of investment in associate	處置聯營投資取得的款項 (扣除交易費用後淨值)	-	138,655
Payment for acquisition of foreign contractor's participating interests in PRC	支付收購位於中國的外方合同者參與權益的款項	(34,643)	(187,881)
Receipt of loans and deposits from third parties	收到第三方借款和保證金	-	47,814
Payments for acquisition of subsidiary, net of cash acquired	支付收購子公司的款項 (扣除取得現金)	-	(18,589)
Receipt of shareholder loans from associate	收到聯營企業償還的股東借款	27,578	-
Contribution and loans to investments accounted for using equity method	投入以權益法入賬的投資及貸款	(4,883)	(3,199)
Others	其他	4,936	(845)
Discontinued operations	終止經營	(92,059)	355,114
Net cash (outflow)/inflow from investing activities	投資活動(使用)/產生的現金淨額	(119,728)	771,496

Consolidated Statement of Cash Flows (Continued)

合併現金流量表(續)

		Year ended December 31, 截至十二月三十一日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
		Note 附註	
Cash flows from financing activities	融資活動的現金流量		
Continuing operations	持續經營		
Repayments of borrowings	償還借款	(194,183)	(300,747)
Proceeds from borrowings	借款所得款項	654,891	912,252
Repayments of 2018 senior notes upon maturity	到期償還2018優先票據	-	(1,150,179)
Repayments of 2019 Senior Notes	償還2019優先票據	(516,424)	-
Proceeds from issuing of new shares	發行新股收到的現金	32,453	-
Proceeds from issue of convertible bonds	發行可轉債所得款項	-	275,436
Payments for loan arrangement and other fees	支付借款安排費及相關費用	(19,284)	(214,903)
Payment of lease liability	支付租賃費	(6,145)	-
Others	其他	-	(4,431)
Discontinued operations	終止經營	80,163	(477,763)
Net cash inflow/(outflow) from financing activities	融資活動產生/(使用)的現金淨額	31,471	(960,335)
Net decrease in cash and cash equivalents	現金及現金等價物的減少淨額	(14,629)	(94,760)
— Net decrease included in cash and cash equivalents per the consolidated statement of financial position	— 包含在合併財務狀況表的現金及現金等價物中的減少淨額	(14,644)	(104,238)
— Net increase included in the assets of disposal group classified as held for sale	— 包含在持有待售的處置組資產中的增加淨額	15	9,478
Cash and cash equivalents at beginning of the financial year	年初現金及現金等價物	28,115	132,172
Effects of exchange rate on cash and cash equivalents	現金及現金等價物的匯兌損益的影響	240	(7,183)
Transferred to disposal group classified as held for sale	轉撥至持有待售的處置組	(15)	(2,114)
Cash and cash equivalents at end of the year	年末現金及現金等價物	13,711	28,115

The accompanying notes on pages 139 to 308 are an integral part of these consolidated financial statements.

後附第139頁至第308頁之附註為本合併財務報表的整體部分。

Notes to the Consolidated Financial Statements

合併財務報表附註

1. GENERAL INFORMATION

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

On September 24, 2018, the Group entered into an agreement with Far East Energy International Limited (“FEEIL”), a company controlled by Mr. Zhang Ruilin, the controlling shareholder and chairman of the Company, for the sale of its entire 100% equity investment in Maple Energy and its subsidiaries (collectively as the “Disposal Group”). The associated assets and liabilities were consequently presented as held for sale in these financial statements. The disposal was completed on 30 September 2019. Further information about the Disposal Group is set out in Note 20.

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

The Company’s shares were listed on the Stock Exchange of Hong Kong Limited (“SEHK”) on December 14, 2010.

The financial statements are presented in Chinese Renminbi (“RMB”) unless otherwise stated. These financial statements have been approved for issue by the board of directors of the Company (the “Board of Directors”) on November 27, 2020.

1. 一般資料

MI能源控股有限公司(以下簡稱「本公司」)及其子公司(統稱「本集團」)主要在中華人民共和國(以下簡稱「中國」)按照產品分成合同及類似協議，從事石油勘探、開發、生產及銷售。本集團通過聯營企業形式參與位於哈薩克斯坦共和國(「哈薩克斯坦」)和中國南海北部地區的石油和其他石油產品勘探、開發、生產及銷售活動。

2018年9月24日，本集團與本公司控股股東及董事會主席張芮霖控制的Far East Energy International Limited(以下簡稱「FEEIL」)達成協議，出售其在Maple Energy及其子公司(合稱「處置組」)的全部100%股權投資。因此，相關資產和負債在財務報表中被列為持有待售的處置組。該處置於2019年9月30日交割完成。處置組的信息已在附註20披露。

本公司是一家於開曼群島註冊成立的有限公司。註冊地址為Maples Corporate Services Limited, P.O. Box 309 Ugland House, Grand Cayman KY1-1104, Cayman Islands。

本公司的股份於2010年12月14日在香港聯合交易所有限公司上市(以下簡稱「香港聯交所」)。

本財務報表以人民幣列報(除非另有說明)。本財務報表已經由本公司董事會於2020年11月27日批准刊發。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“IFRS”) issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

2. 重要會計政策摘要

編製本合併財務報表採用的主要會計政策載於下文。除另有說明外，此等政策在所列報的所有年度內貫徹應用。

2.1 編製基礎

合併財務報表是根據所有適用的國際會計準則委員會發布的國際財務報告準則編製。合併財務報表按照歷史成本法編製，惟以下所述的會計政策所披露的除外。

編製符合國際財務報告準則的財務報表需要使用特定關鍵會計估計。這亦需要管理層在應用本集團的會計政策過程中行使其判斷。涉及高度判斷或高度複雜性的範疇，或涉及對合併財務報表作出重大假設和估計的範疇，在附註4中披露。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going Concern

In the recent years, the Group's performance was significantly affected by the relatively low commodity prices of oil and gas and the high borrowing costs for general funding and re-financing purposes. During the year, the Group incurred a net loss of RMB1,128.9 million, which comprised losses of RMB1,461.1 million from continuing operations and profits of RMB332.2 million from discontinued operations (Note 20), respectively.

As at December 31, 2019, the Group had a shareholders' deficit of RMB2,744.1 million and its current liabilities exceeded its current assets by RMB2,842.1 million. As at the same date, the Group had total borrowings of RMB3,999.3 million. Included in the current liabilities as at December 31, 2019 were (1) a secured borrowing of US\$60.0 million (equivalent to approximately RMB394.7 million), repayable on demand (the "On-Demand Borrowing") (Note 27(b)); and (2) secured borrowings of RMB1,868.1 million which were repayable within twelve months from December 31, 2019 (Note 27(c)). In addition, as at December 31, 2019, the Group had non-current borrowings of RMB1,720.5 million, representing the senior notes listed on the Singapore Exchange Securities Trading Limited in the principal amount of US\$248.4 million with a contractual due date on April 12, 2022 (the "2022 Senior Notes") (Note 27(a)). As at December 31, 2019, the Group had cash and cash equivalents of RMB59.9 million, of which RMB13.7 million was unrestricted.

2. 重要會計政策摘要(續)

2.1 編製基礎(續)

2.1.1 持續經營

近年來，本集團的業績受到石油和天然氣偏低的商品價格，以及為一般性融資及再融資目的所發生的借款成本較高的顯著影響。截至2019年12月31日止年度，本集團淨虧損人民幣1,128.9百萬元，其中包括因持續經營業務產生的虧損1,461.1百萬元及終止經營業務產生的利潤人民幣332.2百萬元(附註20)。

截至2019年12月31日，本集團股東累積虧損為人民幣2,744.1百萬元。本集團的流動負債超出其流動資產人民幣2,842.1百萬元。於同日，本集團借款總額為人民幣3,999.3百萬元。於2019年12月31日，流動負債中包括(1)抵押借款60.0百萬美元(約合人民幣394.7百萬元)，按需償還(「即時償還借款」)(附註27(b))；(2)抵押借款合計人民幣1,868.1百萬元，須於2019年12月31日起12個月內償還(附註27(c))。另外，於2019年12月31日，本集團持有的餘額為人民幣1,720.5百萬元的長期借款，是在新加坡證券交易所有限公司上市的本金為248.4百萬美元、合同到期日為2022年4月12日的優先票據(「2022優先票據」)(附註27(a))。截至2019年12月31日，本集團現金及現金等價物金額為人民幣59.9百萬元，其中人民幣13.7百萬元非受限。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going Concern (Continued)

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

2. 重要會計政策摘要(續)

2.1 編製基礎(續)

2.1.1 持續經營(續)

於2019年12月31日後，本集團償還了上述第(1)和(2)項下部分借款本金人民幣8.4百萬元及借款利息人民幣42.0百萬元。但本集團未能支付2022優先票據於2020年4月12日到期應付的利息120.5百萬元人民幣(合17.1百萬美元)，導致本集團在2020年5月11日寬限期到期後發生違約事件。因此，若2022優先票據的持有人(「票據持有人」)提出要求，則2022優先票據的本金和相關的未償利息的全部餘額需立即償還。此違約事件同時觸發了上述第(1)和(2)項下借款的交叉違約(「交叉違約借款」)，如果這些借款的相應貸款人(「貸款人」)提出要求，該等借款均需立即償還。此外，上述第(2)項下的有抵押借款借款後續也由於未在各自到期日按時償還而發生違約。截至本財務報表批准之日，票據持有人和貸款人尚未要求立即償還任何向本集團提供的資金，本集團也未從其獲得任何書面豁免。於2019年12月31日後，本集團並無新增借款。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going Concern (Continued)

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

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

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

2. 重要會計政策摘要(續)

2.1 編製基礎(續)

2.1.1 持續經營(續)

此外，自2019年12月31日之後，由於石油輸出國組織(「OPEC」)間原油減產談判破裂所導致的原油價格下跌，疊加2020年初爆發的2019新型冠狀病毒疫情(「COVID-19」)對全球經濟預期造成的不利影響，本集團於2019年12月31日後的業績受到重大影響。

上述狀況顯示存有重大不確定因素，可能對本集團持續經營的能力產生重大疑慮。鑒於該等情況，管理層在評核本集團是否有充足的財務資源以持續經營時，已審慎考慮本集團未來流動資金、業績以及其可獲得的融資來源。本集團已採取若干措施以減輕流動資金的壓力並改善其現金流量：

- (a) 本集團將繼續保持盡力說服貸款人和票據持有人不會對本集團採取任何行動以要求立即償還交叉違約借款和2022優先票據的本金和利息。根據本集團與貸款人和部分主要票據持有人的最新溝通，沒有跡象表明對方目前有任何意圖要對本集團採取行動以要求立即還款；

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going Concern (Continued)

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

2. 重要會計政策摘要(續)

2.1 編製基礎(續)

2.1.1 持續經營(續)

- (b) 本集團持續與貸款人和部分主要票據持有人就交叉違約借款和2022優先票據的債務重組(「債務重組計劃」)進行積極協商溝通，以修改原借款協議及契約項下的部分關鍵條款和條件，包括但不限於延長本金和利息支付時間以及降低適用的利率。債務重組計劃中將包括本集團、貸款人和參與談判的主要票據持有人之間簽訂重組協議(「重組協議」)；在滿足其他相關要求以外，該等重組協議的執行還須完成必要的法律程序，以及獲得參加投票表決程序的票據持有人中，同時滿足人數超過50%並且所持有票據價值超過75%的票據持有人的最終批准：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going Concern (Continued)

- (c) On June 4, 2020, the Group successfully obtained approval from its production sharing counterparty, China National Petroleum Corporation (the “CNPC”), to extend the expiry date of the production period from December 31, 2024 to February 29, 2028 (the “Supplemental Production Sharing Contract”) on the condition that the Group shall drill a minimum number of new wells in the Daan oilfield as agreed within a period of three years from June 2020. As a result, the Group will be able to improve its operating cash flows through increased production; and
- (d) The Group will also continue to seek other alternative financing, including proceeds from the disposal of assets, to finance the settlement of its existing financial obligations and future operating and capital expenditures.

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

2. 重要會計政策摘要(續)

2.1 編製基礎(續)

2.1.1 持續經營(續)

- (c) 於2020年6月4日，本集團成功獲得其產品分成合同的合作者中國石油天然氣集團有限公司(「中石油集團」)的批准，將產品分成合同的生產期到期日從2024年12月31日延長至2028年2月29日(「補充產品分成合同」)，前提條件包括本集團應自2020年6月起的3年內，在大安油田完成協議約定的新鑽井最低工作量。通過取得此項延期，本集團將能夠通過增加產量來改善其經營現金流量；以及
- (d) 本集團還將繼續尋求其他替代融資方式，包括通過出售資產取得資金，以履行其現有的負債義務以及滿足未來的運營和資本支出。

董事已審閱管理層編制的本集團現金流量預測，其涵蓋自2020年1月1日起不少於12個月的期間至2021年6月30日。董事認為，考慮到上述計劃措施，本集團將擁有充足的營運資金以滿足經營所需，並能履行截至2021年6月30日止期間內到期的負債義務。因此，董事相信，以持續經營為基礎編制本合併財務報表屬恰當。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going Concern (Continued)

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

- (i) the Lenders and the Noteholders not taking any actions against the Group to exercise their rights to demand immediate payment of the principals and interests of the Cross-Defaulted Borrowings and the 2022 Senior Notes before the finalisation of the Debt Restructuring Plans and execution of the Restructuring Agreements;
- (ii) successfully securing the required agreement of the Lenders and the Noteholders and completion of all necessary procedures by the Group for the Restructuring Agreements to be executed; and the Group's ability to continuously comply with the terms and conditions stipulated therein upon execution;
- (iii) actual oil prices throughout the forecast period up to June 30, 2021 being in line with the projected levels included in the cashflow projections; and

2. 重要會計政策摘要(續)

2.1 編製基礎(續)

2.1.1 持續經營(續)

儘管如此，本公司管理層能否如上文所述實現其計劃及措施存有重大的不確定性。本集團是否能夠保持持續經營將取決於以下條件：

- (i) 貸款人和票據持有人不會在債務重組計劃最終確定和執行重組協議之前對本集團採取任何行動以行使其權利、要求立即償還交叉違約借款和2022優先票據的本金和利息；
- (ii) 成功獲取貸款人與票據持有人就重組計劃所要求事項的一致同意，且本集團成功完成債務重組計劃項下執行重組協議所必需的所有程序；並且，於重組協議執行後，本集團有能力繼續遵守其中規定的條款和條件；
- (iii) 於截至2021年6月30日的整個預測期內，實際油價與現金流量預測中的預測油價水平相一致；以及

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.1 Going Concern (Continued)

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

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

2. 重要會計政策摘要(續)

2.1 編製基礎(續)

2.1.1 持續經營(續)

- (iv) 除上述事項以外，本集團有能力產生經營現金流量及獲得額外融資來源，以滿足本集團包括完成新井所需投資在內的石油勘探及生產業務的資金需求以及其他融資需求。

倘本集團未能實現上述計劃及措施，則可能無法在持續經營的基礎上繼續運營，並須作出調整以將本集團的資產賬面價值調整至其可收回金額，計提可能進一步產生的負債撥備，同時將非流動資產及非流動負債重新分類為流動資產和流動負債。該等調整的影響尚未反映於合併財務報表中。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.2 New and amended standards adopted by the Group

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

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

The Group had to change its accounting policies as a result of adopting IFRS 16. The Group elected to adopt the new rules retrospectively but recognised the cumulative effect of initially applying the new standard on January 1, 2019. This is disclosed in Note 2.2. Most of the other amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

2. 重要會計政策摘要(續)

2.1 編製基礎(續)

2.1.2 本集團已採納的新訂和已修改的準則

該集團在2019年1月1日開始的年度報告期內首次應用以下標準和修訂：

- 《國際財務報告準則第16號 — 租賃》
- 具有反向賠償的提前還款特徵 — 對《國際財務報告準則第9號》的修訂
- 聯營和合營的長期權益 — 對《國際會計準則第28號》的修訂
- 國際財務報告準則年度改進2015–2017年周期
- 計劃的修改、縮減或結算 — 對《國際會計準則第19號》的修訂
- 解釋公告第23號《所得稅會計處理的不確定性》

本集團因採用《國際財務報告準則第16號 — 租賃》而作出了會計政策變更。本集團選擇追溯採用新準則，但在2019年1月1日確認初始應用新準則的累計影響。詳見附註2.2的披露。上述其他修訂對前期入賬金額沒有任何影響，預計也不會對當期或未來期間產生重大影響。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

2.1.3 New standards and interpretations not yet adopted

		Effective for annual periods beginning on or after 於下列日期或之後開始的年度期間生效
IFRS 17	Insurance Contracts	January 1, 2021 (likely to be extended to January 1, 2022)
《國際財務報告準則第17號》	保險合同	2021年1月1日 (很可能推遲到2022年1月1日)
Amendments to IAS 1 and IAS 8 對《國際會計準則第1號》和 《國際會計準則第8號》的修訂	Definition of Material 「重要性」的定義	January 1, 2020 2020年1月1日
Amendments to IFRS 3 對《國際財務報告準則第3號》 的修訂	Definition of a Business 「業務」的定義	January 1, 2020 2020年1月1日
Revised Conceptual Framework for Financial Reporting 財務報告的概念框架(修訂版)	Revised Conceptual Framework for Financial Reporting 財務報告的概念框架(修訂版)	January 1, 2020 2020年1月1日

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

部分已頒布的新會計準則和解釋無須於截至2019年12月31日止的報告期間強制採納，因此本集團未提早採納此等準則和解釋。該等準則預計在當期或未來報告期間不會對主體及可預見的未來交易產生重要影響。

2. 重要會計政策摘要(續)

2.1 編製基礎(續)

2.1.3 尚未採納的新準則和解釋

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies

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

As indicated in Note 2.1.2 above, the Group has adopted IFRS 16 “Leases” retrospectively from January 1, 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transition provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on January 1, 2019. The new accounting policies are disclosed in Note 2.30.

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

2. 重要會計政策摘要(續)

2.2 會計政策變更

本附註說明了採用《國際財務報告準則第16號 — 租賃》對本集團財務報表的影響。

如上文附註2.1.2所述，本集團自2019年1月1日起追溯適用《國際財務報告準則第16號 — 租賃》，但是根據準則包含的具體過渡規定，並未對2018報告期間的比較數字進行重述。因此，因新租賃準則產生的重分類及調整在2019年1月1日期初資產負債表內確認。關於新會計政策的披露，詳見附註2.30。

因採用《國際財務報告準則第16號》，本集團為前期根據《國際會計準則第17號 — 租賃》歸入「經營租賃」分類的租賃確認租賃負債。承租人應以剩餘租賃付款額按2019年1月1日的承租人增量借款利率折現的現值計量該等租賃負債。於2019年1月1日，該等租賃負債適用的加權平均的承租人的增量借款利率為14.02%。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

(i) Practical expedients applied

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

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

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

2. 重要會計政策摘要(續)

2.2 會計政策變更(續)

(i) 所採用的實務簡易處理方法

首次採用《國際財務報告準則第16號》時，本集團使用了準則允許的下列實務變通：

- 對具有合理相似特徵的租賃組合採用單一折現率。
- 依賴前期關於租賃是否為虧損合同的評估，來替代減值測試 — 2019年1月1日不存在虧損合同
- 於2019年1月1日剩餘租賃期限短於12個月的經營租賃作為短期租賃核算
- 在首次採用日計量使用權資產時扣除初始直接費用，及
- 如果合同包含續租選擇權或終止租賃選擇權，在確定租賃期時使用後見之明。

本集團還選擇不在首次採用日重新評估合同是否為租賃合同或包含租賃。而對於過渡日前簽訂的合同，本集團依賴於應用《國際會計準則第17號 — 租賃》和解釋公告第4號《確定一項安排是否包含租賃》所作的評估。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 重要會計政策摘要(續)

2.2 Changes in accounting policies (Continued)

2.2 會計政策變更(續)

(ii) Measurement of lease liabilities

(ii) 租賃負債的計量

		2019 2019年 RMB'000 人民幣千元
Operating lease commitments disclosed as at December 31, 2018	2018年12月31日披露的經營租賃承諾	18,310
Discounted using the lessee's incremental borrowing rate of at the date of initial application	首次採用日使用承租人的增量借款利率進行折現	10,204
(Less): short-term leases not recognised as a liability	(減去): 未確認為負債的短期租賃	(3,148)
Lease liability recognised as at January 1, 2019	2019年1月1日確認的租賃負債	7,056
Of which are:	包括:	
Current lease liabilities	流動租賃負債	4,810
Non-current lease liabilities	非流動租賃負債	2,246
		7,056

(iii) Measurement of right-of-use assets

(iii) 使用權資產的計量

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

不動產租賃的相關使用權資產在追溯調整的基礎上進行計量，視為主體始終採用新準則。其他使用權資產按照等同於租賃負債的金額計量，並按照與2018年12月31日在資產負債表內確認的與租賃相關的任何預付或應計租賃付款額予以調整。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in accounting policies (Continued)

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

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

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

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

(v) Lessor accounting

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

2. 重要會計政策摘要(續)

2.2 會計政策變更(續)

(iv) 2019年1月1日在合併財務狀況表內確認的調整

會計政策變更對2019年1月1日合併財務狀況表上的下列項目產生影響：

- 使用權資產 — 增加人民幣7,528,000元
- 預付款、保證金及其他應收款 — 減少人民幣472,000元
- 租賃負債 — 增加人民幣7,056,000元

對2019年1月1日留存收益無影響。

(v) 出租人會計處理

採用《國際財務報告準則第16號 — 租賃》後，本集團不需要對其作為出租人持有的資產的會計處理作出任何調整。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Consolidation and subsidiaries

2.3.1 Consolidation

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

2. 重要會計政策摘要(續)

2.3 合併及子公司

2.3.1 合併

子公司指本集團對其具有控制權的所有主體(包括結構性主體)。當本集團因為參與該主體而承擔可變回報的風險或享有可變回報的權益，並有能力透過其對該主體的權力影響此等回報時，本集團即控制該主體。子公司在控制權轉移至本集團之日起合併入賬。子公司在控制權終止之日起停止合併入賬。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Consolidation and subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognised amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS. Acquisition-related costs are expensed as incurred.

2. 重要會計政策摘要(續)

2.3 合併及子公司(續)

2.3.1 合併(續)

(a) 業務合併

本集團利用購買法將業務合併入賬。購買一子公司所轉讓的對價，為所轉讓資產、對被收購方的前所有人產生的負債，及本集團發行的股本權益的公允價值。所轉讓的對價包括或有對價安排所產生的任何資產和負債的公允價值。在業務合併中所購買可辨認的資產以及所承擔的負債及或有負債，首先以彼等於購買日期的公允價值計量。本集團按個別收購基準，確認在被購買方的任何非控制性權益。被購買方的非控制性權益為現時的擁有權權益，並賦予持有人一旦清盤是按比例應佔主體的淨資產，可按公允價值或按現時擁有權權益應佔被收購方可識別淨資產的確認金額比例而計量。非控制性權益的所有其他組成部分按收購日期的公允價值計量，除非國際財務報告準則規定必須以其他計量基準計算，購買相關成本在產生時支銷。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Consolidation and subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations (Continued)

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

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

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

2. 重要會計政策摘要(續)

2.3 合併及子公司(續)

2.3.1 合併(續)

(a) 業務合併(續)

如業務合併分階段進行，收購方之前在被收購方持有權益於收購日期的賬面值，按收購日期的公允價值重新計量，重新計量產生的任何盈虧在損益中確認。

本集團將轉讓的任何或有對價按收購日期的公允價值計量。被視為資產或負債的或有對價公允價值的其後變動，根據國際會計準則第39號金融工具：確認和計量(「IAS 39」)的規定，在損益中或作為其他綜合收益的變動確認。分類為權益的或有對價不重新計量，其之後的結算在權益中入賬。

所轉讓對價、被收購方的任何非控制性權益數額，及在被收購方之前任何權益在收購日期的公允價值，超過購入可辨識淨資產公允價值的數額記錄為商譽。如所轉讓對價、確認的任何非控制性權益及之前持有的權益計量，低於購入子公司淨資產的公允價值，則將該數額直接在合併綜合收益表中確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Consolidation and subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(a) Business combinations (Continued)

Intra-group 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. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

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

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

2. 重要會計政策摘要(續)

2.3 合併及子公司(續)

2.3.1 合併(續)

(a) 業務合併(續)

集團內公司之間的交易、結餘及交易的未變現利得予以對銷。未變現損失亦予以對銷，除非交易提供所轉撥資產的減值證據。子公司報告的數額已按需要作出改變，以確保與本集團採用的政策符合一致。

(b) 子公司所有者權益變動但控制權不變

本集團將其與非控制性權益進行、不導致失去控制權的交易入賬為權益交易 — 即與子公司所有者以其作為所有者身份進行的交易。所支付任何對價的公允價值與相關應佔所收購子公司淨資產賬面價值的差額記錄為權益，向非控制性權益的處置的盈虧亦記錄在權益中。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Consolidation and subsidiaries (Continued)

2.3.1 Consolidation (Continued)

(c) Disposals of subsidiaries

When the Group ceases to have control any retained interest in the entity is remeasured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, 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.

2.3.2 Separate financial statements

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

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

2. 重要會計政策摘要(續)

2.3 合併及子公司(續)

2.3.1 合併(續)

(c) 出售子公司

當集團不再持有控制權，在主體的任何保留權益與失去控制權當日重新計量值公允價值，賬面值的變動在損益中確認。公允價值為就保留權益的後續入賬而言的初始賬面值，作為聯營、合營或金融資產。此外，之前在其他綜合收益中確認的任何數額猶如本集團已直接處置相關資產和負債。這意味著之前在其他綜合收益中確認的數額重新分類至損益。

2.3.2 獨立財務報表

子公司投資按成本扣除減值列賬。成本包括投資的直接歸屬成本。子公司的業績由本公司按已收及應收股利入賬。

如股利超過宣派股利期內子公司的綜合收益，或如在獨立財務報表的投資賬面值超過合併財務報表中被投資公司淨資產(包括商譽)的賬面值，則必須對子公司投資作減值測試。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates

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

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

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

2. 重要會計政策摘要(續)

2.4 聯營公司

聯營指所有本集團對其有重大影響力而無控制權的主體，通常附帶有20%–50%投票權的股權。聯營投資以權益法入賬。根據權益法，投資初始以成本確認，而賬面值被增加或減少以確認投資者享有被投資者在收購日期後的損益份額。本集團於聯營的投資包括購買時已辨認的商譽。在購買聯營企業的投資時，購買成本與本集團享有的對聯營企業可辨認資產和負債的公允價值淨額的差額確認為商譽。

如聯營的權益持有被削減但仍保留重大影響力，只有按比例將之前在其他綜合收益中確認的數額重新分類至損益(如適當)。

本集團應佔聯營購買後利潤或虧損於合併綜合收益表內確認，而應佔其購買後的其他綜合收益變動則於其他綜合收益內確認，並相應調整投資賬面值。如本集團應佔一家聯營的虧損等於或超過其在該聯營的權益，包括任何其他無抵押應收款，本集團不會確認進一步虧損，除非本集團對聯營已產生法律或推定債務或已代聯營作出付款。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Associates (Continued)

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

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

Gain or losses on dilution of equity interest in associates are recognised in the consolidated statement of comprehensive income.

2. 重要會計政策摘要(續)

2.4 聯營公司(續)

本集團在每個報告日期釐定是否有客觀證據證明聯營投資已減值。如投資已減值，本集團計算減值，數額為聯營可收回數額與其賬面值的差額，並在合併綜合收益表中確認於「享有按權益法入賬的投資的利潤／(虧損)份額」。

本集團與其聯營之間的上流和下流交易的利潤和虧損，在集團的財務報表中確認，但僅限於無關連投資者在聯營權益的數額。除非交易提供證據顯示所轉讓資產已減值，否則未實現虧損亦予以對銷。聯營的會計政策已按需要作出改變，以確保與本集團採用的政策符合一致。

在聯營股權稀釋所產生的利得或損失於合併綜合收益表確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Joint arrangements

The Group applies IFRS 11 Joint Arrangements (“IFRS 11”) to all joint arrangements. Under IFRS 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Company has assessed the nature of its joint arrangements and determined them to be joint operations.

2.5.1 Joint operations

The Group’s development and production activities in the PRC are conducted, through its subsidiaries, jointly with others through PSCs. These PSCs establish joint control over the development and production activities. The assets are not owned by a separate legal entity but are controlled by individual participants in the PSCs. Each participant is entitled to a predetermined share of the related output and bears an agreed share of the costs.

The consolidated financial statements reflect:

- the Group’s share of any assets used in the joint operations;
- any liabilities that the Group incurred;
- the Group’s share of any liabilities incurred jointly with the other PSC partners in relation to the joint production;
- any income from the sale or use of the Group’s share of the output of the production, together with its share of any expenses incurred in the production; and
- any expense that the Group has incurred in respect of its interests in the production.

2. 重要會計政策摘要(續)

2.5 合營安排

本集團已對所有合營安排應用國際財務報告準則第11號(「國際財務報告準則第11號」)共同經營。根據國際財務報告準則第11號，在合營安排的投資必須分類為共同經營或合營企業，視乎每個投資者的合同權益和義務而定。本公司已評估其合營安排的性質並釐定為共同經營。

2.5.1 共同經營

本集團在中國通過子公司在產品分成合同下與其他方共同進行開發及生產活動。該等合同形成開發及生產活動的共同控制。該等資產並非由獨立法人實體擁有，而由產品分成合同的個人參與者控制。各參與者有權享有相關產品預先釐定的份額，並承擔協議份額的成本。

本合併財務報表反映：

- 本集團用於共同經營的資產份額；
- 本集團已產生的任何負債；
- 就共同生產而與其他產品分成合同參與者產生的任何負債內本集團的份額；
- 來自銷售或使用產品內本集團份額的收入，及其攤佔生產所產生的任何支出；及
- 本集團就產品權益所產生的任何支出。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation

(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 functional currency of the Company is United States dollar ("US\$"). The presentation currency of the consolidated financial statements is RMB.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss. Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the consolidated statement of comprehensive income within 'finance income' or 'finance costs'.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as fair value through other comprehensive income are recognised in other comprehensive income.

2. 重要會計政策摘要(續)

2.6 外幣折算

(a) 功能及列報貨幣

本集團每個主體的財務報表所列項目乃採用該實體經營所在地主要經濟環境的貨幣(「功能貨幣」)進行計量。本公司的功能貨幣為美元。合併財務報表的列報貨幣為人民幣。

(b) 交易及結餘

外幣交易採用交易日期的匯率折算為功能貨幣。結算此等交易及按年末匯率折算以外幣計值的貨幣資產及負債所導致的外匯收益及虧損計入損益。與借款和現金及現金等價物有關的匯兌利得和損失在合併綜合收益表內的「財務收入」或「財務費用」中列報。

按公允價值計量並以外幣計值的非貨幣性項目使用釐定公允價值當日的匯率換算。以公允價值計量資產及負債的匯兌差額作為公允價值損益的一部分。例如，非貨幣性資產及負債(例如以公允價值計量且其變動計入當期損益的權益)的折算差額作為公允價值利得和損失的一部分計入損益，而非貨幣性資產(例如分類為以公允價值計量且其變動計入其他綜合收益的權益)的折算差額包括在其他綜合收益中。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary 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 the statement of financial position;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this 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 other comprehensive income.

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

2. 重要會計政策摘要(續)

2.6 外幣折算(續)

(c) 集團公司

其功能貨幣與本集團的列報貨幣不同的所有集團內的主體(當中沒有惡性通貨膨脹經濟的貨幣)的業績和財務狀況按如下方法折算為列報貨幣:

- (i) 每份列報的財務狀況表內的資產和負債按該財務狀況表日期的收市匯率折算;
- (ii) 每份綜合收益表內的收益和費用按平均匯率折算(除非此匯率並不代表交易日期匯率的累計影響的合理約數;在此情況下,收支項目按交易日期的匯率折算);及
- (iii) 所有由此產生的匯兌差額在其他綜合收益中確認。

購買境外主體產生的商譽及公允價值調整視為該境外主體的資產和負債,並按期末匯率折算。產生的外幣折算差異在其他綜合收益中入賬。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign currency translation (Continued)

(d) Disposals of foreign operation and partial disposal

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

In the case of a partial disposals that does not result in the Group losing control over a subsidiary that includes a foreign operation, the proportionate share of accumulated currency translation differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (that is, reductions in the Group's ownership interest in associates or joint ventures that do not result in the Group losing significant influence or joint control) the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. 重要會計政策摘要(續)

2.6 外幣折算(續)

(d) 境外經營的處置和部分處置

對於境外經營的處置(即處置本集團在境外經營中的全部權益,或者處置涉及喪失對擁有境外經營的子公司的控制權,或涉及喪失對擁有境外經營的合營企業的共同控制權,或涉及喪失對擁有境外經營的聯營企業的重大影響),就該項經營累計計入權益的歸屬於本公司所有者的所有匯兌差額均重分類至損益。

對於並不導致本集團喪失對擁有境外經營的子公司的控制權的部分處置,本集團在累計匯兌差額中的比例份額重新歸屬於非控制性權益並且不在損益中確認。對於所有其他部分處置(即本集團在聯營企業或合營企業中的所有權權益的減少並不導致本集團喪失重大影響或共同控制權),本集團在累計匯兌差額中的比例份額重分類至損益。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment

Property, plant and equipment, including oil and gas properties, are stated at historical cost less accumulated depreciation, depletion, amortisation and impairment. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

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

The cost of oil and gas properties is amortised at the field level based on the unit of production method. Unit of production rates are based on oil and gas proved and probable developed producing reserves estimated to be recoverable from existing facilities based on the current terms of the respective production agreements. The Group's reserves estimates represent crude oil and gas which management believes can be reasonably produced within the current terms of their production agreements.

2. 重要會計政策摘要(續)

2.7 不動產、工廠及設備

包括油氣資產在內的不動產、廠房及設備按歷史成本減累計折舊、折耗及攤銷和累計減值損失後的價值列示。歷史成本包括直接歸屬於購買該等物品的支出。

後續發生的成本只有當與其相關的未來經濟利益很可能流入本集團並且此類支出能夠可靠計量時，才計入資產的賬面價值或確認為獨立資產。被替換部分的賬面價值將終止確認。此外的所有其他維修及保養支出，均在費用發生時計入該財務期間的損益。

油氣資產的成本乃以油田為單位按單位產量法予以攤銷。單位產量乃根據各自生產協議的現有期限，按照在現有設施下預計可回收石油及天然氣的已探明及概算已開發產油儲量計算。本集團的儲量估計為管理層認為可於此等生產協議現有期限內合理開採的原油及天然氣。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, plant and equipment (Continued)

Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives, as follows:

Buildings and improvements	7–10 years
Office equipment	3 years
Motor vehicles and production equipment	10 years

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of 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.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other (losses)/gains, net' in profit or loss.

2.8 Exploration and evaluation expenditure

The successful efforts method of accounting is used for oil and gas exploration and production activities. Under this method, all costs for development wells, supporting equipment and facilities, and proved mineral interests in oil and gas properties are capitalised. Geological and geophysical costs are expensed when incurred. Costs of exploratory wells (including certain geophysical costs which are directly attributable to the drilling of these wells) are capitalised as exploration and evaluation assets pending determination of whether the wells find proved oil and gas reserves. Proved oil and gas reserves are the estimated quantities of crude oil and natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e., prices and costs as of the date the estimate is made. Prices include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions.

2. 重要會計政策摘要(續)

2.7 不動產、工廠及設備(續)

其他資產的折舊採用直線法計算，在其預計可使用年限內攤銷其成本或重估金額(扣除其淨值)，具體如下：

樓宇及裝修	七至十年
辦公室設備	三年
汽車及生產設備	十年

本集團至少於報告期末對相關資產的殘值及可使用年限進行評估，並在必要時進行調整。當資產的賬面價值大於其預計的可回收金額時，相關資產賬面價值應立即撇減至其可回收金額。

處置的利得或損失按所得款與賬面值的差額確定，並計入損益中的「其他(損失)/利得，淨額」。

2.8 勘探和評價支出

油氣勘探與生產活動採用成果法記賬。根據此方法，開發井、配套設施以及油氣資產中的已探明礦區權益的所有成本均予以資本化。地質及地球物理成本於產生時費用化。勘探井的成本(包括直接歸屬於鑽井服務的特定地質成本)乃根據該等井是否發現探明油氣儲量而決定是否作為在建工程予以資本化。探明油氣儲量為在現有經濟及作業條件(即於估算日的價格及成本)下，地質及工程數據表明於未來年度可合理肯定從已知油藏開採出原油及天然氣的估算量。價格包括僅按合同安排規定的現有價格變化的考慮，而並非根據未來條件調高價格。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Exploration and evaluation expenditure (Continued)

Exploratory wells in areas not requiring major capital expenditures are evaluated for economic viability within one year of completion of drilling. The related well costs are expensed as dry holes if it is determined that such economic viability is not attained. Otherwise, the related well costs are reclassified to oil and gas properties and subject to impairment review. For exploratory wells that are found to have economically viable reserves in areas where major capital expenditure will be required before production can commence, the related well costs remain capitalised only if additional drilling is under way or firmly planned. Otherwise the related well costs are expensed as dry holes. The Group does not have any costs of unproved properties capitalised in oil and gas properties.

Identifiable exploration assets acquired are recognised as assets at their fair value, as determined by the requirements of business combinations. Exploration and evaluation expenditure incurred subsequent to the acquisition of an exploration asset in a business combination is accounted for in accordance with the policy outlined above.

2. 重要會計政策摘要(續)

2.8 勘探和評價支出(續)

於無需投入大量資本支出的地域的勘探井乃於完成鑽探的一年期內按經濟可行性予以評估。倘若釐定該等油氣井並不存在經濟可行性，則相關井乃作為干井支出。否則，相關油氣井成本乃重新分類至油氣資產，並進行減值審閱。至於在可開始投產前將需投入大量資本支出的地域發現具有經濟可行儲量的勘探井，相關油氣井成本僅當正在進行或已正式計劃額外鑽探時仍維持資本化。否則，相關油氣井成本乃作為干井支出。本集團並未將任何未探明資產的成本資本化於油氣資產中。

業務合併產生的可辨認勘探資產根據公允價值予以確認。收購後發生的勘探、評價支出按照上述會計政策予以賬務處理。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets

Intangible assets represent computer software, mining rights and goodwill.

(a) Computer software

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

(b) Mining rights

Mining rights are amortised based on the unit of production method.

Unit of production rates are based on oil and gas proved and probable reserves estimated to be recoverable from existing facilities based on the current terms of the respective production agreements.

2. 重要會計政策摘要(續)

2.9 無形資產

無形資產指電腦軟件、採礦權和商譽。

(a) 電腦軟件

所獲得的電腦軟件許可證已按獲得及使用有關軟件所產生的成本為基準撥充資本。該等成本乃按其估計可使用年期三年攤銷。

(b) 採礦權

採礦權利用單位產量法予以攤銷。

單位產量乃根據各自生產協議的現有期限，按照在現有設施下預計可回收石油及天然氣的已探明及概算儲量計算。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.9 Intangible assets (Continued)

(c) Goodwill

Goodwill arises on the acquisition of subsidiaries and represents the excess of the consideration transferred over the Company's interest in net fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree.

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

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

2. 重要會計政策摘要(續)

2.9 無形資產(續)

(c) 商譽

商譽為收購子公司所得，並相當於所轉讓對價超過本公司在被收購方的可辨認資產、負債和或有負債淨公允價值權益的數額。

就減值測試而言，在業務合併中購入的商譽會分配至每個現金產出單元或現金產出單元組(預期可從合併中獲取協同利益)。商譽被分配的每個單元或單元組指在主體內商譽被監控作內部管理用途的最底層次。商譽在經營分部層次進行監控。

對商譽的減值檢討每年進行，或如事件或情況轉變顯示可能存在減值，則更頻密地檢討。商譽賬面值與可收回數額(使用價值與公允價值減出售成本較高者)比較。任何減值須實時確認及不得在之後期間轉回。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.10 Impairment of non-financial assets

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

2. 重要會計政策摘要(續)

2.10 非金融資產減值

使用壽命不限定的無形資產或尚未可供使用的無形資產無需攤銷，但每年須就減值進行測試。須予攤銷的資產會於發生事項或情況出現變化而顯示面值未必能夠收回時，評估有否減值。減值損失按有關資產的面值超逾其可收回金額的數額確認。可收回金額為資產的公允價值減銷售成本與使用價值兩者的較高者。於進行減值評估時，資產按可獨立識別現金流量的最小單位(現金產生單位)分類。出現減值的非金融資產(商譽除外)於各呈報日期檢討是否可能進行減值轉回。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Disposal groups classified as held for sale and discontinued operation

Disposal groups are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. The disposal group, are stated at the lower of carrying amount and fair value less costs to sell. Deferred tax assets, assets arising from employee benefits, financial assets (other than investments in subsidiaries and associates), which are classified as held for sale, would continue to be measured in accordance with the policies set out elsewhere in Note 2.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which represents a separate major line of business or geographic area of operations, or is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations, or is a subsidiary acquired exclusively with a view to resale.

When an operation is classified as discontinued, a single amount is presented in the consolidated statement of comprehensive income, which comprises the post-tax profit or loss of the discontinued operations and the post-tax gain or loss recognised on the measurement to fair value less costs to sell, or on the disposals of the assets or disposal group(s) constituting the discontinued operations.

2. 重要會計政策摘要(續)

2.11 持有待售的處置組和終止經營

當處置組的賬面值將主要透過一項出售交易收回而該項出售被視為極可能時，分類為持有待售。處置組按賬面值與公允價值減去處置費用兩者的較低者列賬。遞延稅項資產、僱員福利產生之資產、金融資產(於子公司和聯營的投資除外)，乃分類為持有待售，將繼續根據附註2所載的政策計量。

終止經營業務為本集團業務一個重要組成部分，其營運和現金流量可清晰地與本集團其餘業務分開，並代表業務或經營地域的一項獨立主要項目，或是出售業務或經營地域的一項獨立主要項目的單一協調計劃的一部分，或是一家全為了轉售而購入的子公司。

當一項業務被分類為終止經營時，合併綜合收益表中只列示單一合計金額，該合計金額為終止經營的稅後利潤或虧損加上按公允價值減去處置費用確認的稅後利得或損失，或者加上處置包含該終止經營業務的資產或處置組時確認的利得或損失。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets

2.12.1 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. 重要會計政策摘要(續)

2.12 投資和其他金融資產

2.12.1 分類

本集團將其金融資產分類為以下計量類別：

- 其後按公允價值計入損益計量(「按公允價值計入其他綜合收益或當期損益計量」)；及
- 按攤餘成本計量。

分類取決於本集團管理金融資產的業務模式及現金流量的合約條款。

對於以公允價值計量的金融資產，其利得和損失計入損益或其他綜合收益。對於非交易性的權益工具投資，其利得和損失的計量將取決於本集團在初始確認時是否作出不可撤銷的選擇而將其指定為以公允價值計量且其變動計入其他綜合收益。

僅當管理該等資產的業務模式發生變化時，本集團才對債權投資進行重分類。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

2.12.2 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.

2.12.3 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 ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL 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.

2. 重要會計政策摘要(續)

2.12 投資和其他金融資產(續)

2.12.2 確認和終止確認

常規方式購買及出售的金融資產於交易日確認。交易日是指本集團承諾購買或出售資產的日期。當收取金融資產現金流量的權利已到期或已轉讓，且本集團已經轉移了金融資產所有權上幾乎所有的風險和報酬，金融資產即終止確認。

2.12.3 計量

對於不被分類為以公允價值計量且其變動計入當期損益的金融資產，本集團以其公允價值加上可直接歸屬於獲得該項金融資產的交易費用進行初始確認。與以公允價值計量且其變動計入當期損益的金融資產相關的交易費用計入損益。

對於包含嵌入式衍生工具的金融資產，本集團對整個合同考慮其現金流量是否僅代表對本金和利息的支付。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

2.12.3 Measurement (Continued)

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 are three measurement categories 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 together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

2. 重要會計政策摘要(續)

2.12 投資和其他金融資產(續)

2.12.3 計量(續)

債務工具

債務工具的後續計量取決於本集團管理該資產的業務模式以及該資產的現金流量特徵。本集團將債務工具分為以下三種計量類別：

- 以攤餘成本計量：對於持有以收取合同現金流量的資產，如果合同現金流量僅代表對本金和利息的支付，則該資產以攤餘成本計量。該等金融資產的利息收入以實際利率法計算，計入財務收入。終止確認時產生的利得或損失直接計入損益，並與匯兌利得和損失一同列示在其他(損失)/利得中。減值損失作為單獨的科目在合併綜合收益表中列報。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

2.12.3 Measurement (Continued)

Debt instruments (Continued)

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss.

When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other (losses)/gains. Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other (losses)/gains and impairment expenses are presented as separate line item in the consolidated statement of comprehensive income.

2. 重要會計政策摘要(續)

2.12 投資和其他金融資產(續)

2.12.3 計量(續)

債務工具(續)

- 以公允價值計量且其變動計入其他綜合收益：對於業務模式為持有以收取現金流量及出售的金融資產，如果該資產的現金流量僅代表對本金和利息的支付，則該資產被分類為以公允價值計量且其變動計入其他綜合收益。除減值利得或損失、利息收入以及匯兌利得和損失計入損益外，賬面價值的變動計入其他綜合收益。

該等金融資產終止確認時，之前計入其他綜合收益的累計利得或損失從權益重分類至損益中，並計入其他(損失)/利得。該等金融資產的利息收入用實際利率法計算，計入財務收入。匯兌利得和損失在其他(損失)/利得中列示，減值損失作為單獨的科目在合併綜合收益表中列報。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

2.12.3 Measurement (Continued)

Debt instruments (Continued)

- FVTPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. A gain or loss on a debt investment that is subsequently measured at FVTPL is recognised in profit or loss and presented net within other (losses)/gains in the period in which it arises.

2. 重要會計政策摘要(續)

2.12 投資和其他金融資產(續)

2.12.3 計量(續)

債務工具(續)

- 以公允價值計量且其變動計入當期損益：不符合以攤餘成本計量或以公允價值計量且其變動計入其他綜合收益標準的金融資產，被分類為以公允價值計量且其變動計入當期損益。對於後續以公允價值計量且其變動計入當期損益的債務工具，其利得或損失計入損益，並於產生期間以淨值在其他(損失)/利得中列示。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

2.12.3 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 continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other (losses)/gains in the consolidated statement of comprehensive income 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.

2. 重要會計政策摘要(續)

2.12 投資和其他金融資產(續)

2.12.3 計量(續)

權益工具

本集團以公允價值對所有權益投資進行後續計量。如果本集團管理層選擇將權益投資的公允價值利得和損失計入其他綜合收益，則當終止確認該項投資時，不會將公允價值利得和損失重分類至損益。對於股利，當本集團已確立收取股利的權利時，該等投資的股利才作為其他收益而計入損益。

對於以公允價值計量且其變動計入當期損益的金融資產，其公允價值變動列示於合併綜合收益表的其他利得／(損失)(如適用)。對於以公允價值計量且其變動計入其他綜合收益的權益投資，其減值損失(以及減值損失轉回)不與其他公允價值變動單獨列示。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.12 Investments and other financial assets (Continued)

2.12.4 Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. 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 15 for further details.

2.13 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

2.14 Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The Group has not designated any derivative financial instruments as hedging instruments. Changes in the fair value of these derivative instruments are recognised immediately in profit or loss with 'Other (losses)/gains, net'.

2. 重要會計政策摘要(續)

2.12 投資和其他金融資產(續)

2.12.4 減值

對於以攤餘成本計量和以公允價值計量且其變動計入其他綜合收益的債務工具，本集團就其預期信用損失做出前瞻性評估。減值方法取決於其信用風險是否顯著增加。

對於應收賬款，本集團採用國際財務報告準則第9號允許的簡化方法，在初始確認時計量應收賬款整個存續期的預期信用損失，詳見附註15。

2.13 金融工具的抵銷

當有法定可執行權力可抵銷已確認金額，並有意圖按淨額基準結算或同時變現資產和結算負債時，金融資產與負債可互相抵銷，並在財務狀況表報告其淨額。法定可執行權利必須不得依賴未來事件而定，而在一般業務過程中以及倘公司或對手方一旦出現違約、無償債能力或破產時，這也必須具有約束力。

2.14 衍生金融工具

衍生金融工具初始按衍生工具合同訂立日的公允價值確認，其後按其公允價值重新計量。本集團未指定任何衍生工具為套期工具。該等衍生工具公允價值的變動隨即在損益中確認為「其他(損失)/利得，淨值」。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Inventories

Inventories are crude oil and materials and supplies which are stated at the lower of cost and net realizable value. Materials and supplies costs are determined using the first-in first-out method. Crude oil costs are determined using the weighted average cost method. The cost of crude oil comprises direct labour, depreciation, other direct costs and related production overhead, but excludes borrowing costs.

2.16 Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within one year and therefore are all classified as current.

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 15 for further information about the Group's accounting for trade receivables and Note 3.1 for a description of the Group's impairment policies.

2.17 Cash and cash equivalents

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

2. 重要會計政策摘要(續)

2.15 存貨

存貨為按成本及可變現淨值間較低者列賬的原油、物料及供應品。物料及供應品成本乃按先進先出法釐定。原油成本乃按加權平均成本法釐定。原油成本包括直接勞工、折舊、其他直接成本及有關生產費用，惟不包括借款成本。

2.16 應收賬款

應收賬款為在日常經營活動中就商品銷售或服務執行而應收客戶的款項。應收賬款通常於一年內結算，因此所有應收賬款均分類為流動資產。

應收賬款按可無條件獲得的對價金額進行初始確認，但當其包含重大融資成分時，按公允價值進行初始確認。本集團持有應收賬款的目的是收取合同現金流量，因此後續使用實際利率法按攤餘成本計量應收賬款。關於本集團應收賬款會計處理的更多信息，請參見附註15。關於本集團的減值政策，請參見附註3.1。

2.17 現金及現金等價物

在合併現金流量表中，現金及現金等價物包括庫存現金、銀行通知存款、原到期為三個月或以內的其他短期高流動性投資。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

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

Where any group company purchases the Company's equity share capital (shares held in trust), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to owners of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

Where the Company's shares are acquired from the market by trust under the employee share scheme, the total consideration of shares acquired from the market (including any directly attributable incremental costs) is presented as shares held for employee share scheme and deducted from total equity. Upon vesting, the related costs of the vested shares for employee share scheme purchased from the market are credited to shares held for employee share scheme, with a corresponding decrease in employee share-based compensation reserve for employee share scheme.

2. 重要會計政策摘要(續)

2.18 股本

普通股被分類為權益。強制性可贖回優先股分類為負債。

直接歸屬於發行新股或期權的新增成本在權益中列為所得款的減少(扣除稅項)。

如任何集團公司購入本公司的權益股本(信託持有股份)，所支付的對價，包括任何直接所佔的新增成本(扣除所得稅)，自歸屬於本公司所有者的權益中扣除，直至股份被注銷或重新發行為止。如股份其後被重新發行，任何已收取的對價(扣除任何直接所佔的新增交易費用及相關受影響的所得稅)包括在歸屬於本公司所有者的權益內。

在僱員股份計劃下，通過信託機構從公開市場獲取的公司股票，從公開市場上獲取的股票的對價(包含任何直接的可分配的增量成本)列為僱員股份計劃所持股份並從總的權益中扣除。一旦行權，為僱員股份計劃從公開市場上購買的已行權股票的相關成本計入僱員股份計劃所持的股份，同時在僱員股份計劃下的僱員股份支付的儲備相應的減少。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Current and deferred income tax

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

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's 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.

2. 重要會計政策摘要(續)

2.19 當期及遞延所得稅

本年度稅項支出包括當期及遞延稅項。稅項在損益中確認，惟其與其他綜合收益或直接於權益內確認的項目有關則除外。於此情況下，稅項亦分別於其他綜合收益或直接於權益內確認。

(i) 當期所得稅

當期所得稅支出按本公司及其子公司經營及產生應課稅收入的國家於報告期期末已頒布或實質上已頒布的稅法計算。管理層就須對適用稅務法規作出詮釋的情況，定期評估報稅的狀況，並在適用時按預期須向稅務機關繳納的款項作出準備。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Current and deferred income tax (Continued)

(ii) Deferred income tax

Inside basis differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated statement of financial position. However, deferred income tax liabilities are not recognised if they arise from the initial recognition of goodwill, and deferred income tax is not accounted for if it arises from the 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 reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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 utilized.

2. 重要會計政策摘要(續)

2.19 當期及遞延所得稅(續)

(ii) 遞延所得稅

內在差異

遞延所得稅利用負債法確認資產和負債的稅基與資產和負債在合併財務報表的賬面值的差額而產生的暫時性差異。然而，若遞延所得稅負債來自對商譽的初始確認，以及若遞延所得稅來自在交易(不包括業務合併)中對資產或負債的初始確認，而在交易時不影響會計損益或應課稅利潤或損失，則不作記賬。遞延所得稅採用在資產負債表日已頒布或實質上已頒布，並在有關的遞延所得稅資產實現或遞延所得稅負債結算時預期將會適用的稅率(及法例)而釐定。

遞延所得稅資產是就很可能有未來應課稅利潤而就此可使用暫時性差異而確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 Current and deferred income tax (Continued)

(ii) Deferred income tax (Continued)

Outside basis differences

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

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

(iii) Offsetting

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

2. 重要會計政策摘要(續)

2.19 當期及遞延所得稅(續)

(ii) 遞延所得稅(續)

外在差異

遞延稅項就子公司、聯營以及合營安排產生的暫時性差異確認遞延所得稅負債，但不包括本集團可以控制暫時性差異的轉回時間以及暫時性差異在可預見將來很可能不會轉回的遞延所得稅負債。

就子公司、聯營和合營安排產生的可扣減暫時性差異確認遞延所得稅資產，但只限於暫時性差異很可能在將來轉回，並有充足的應課稅利潤抵銷可用的暫時性差異。

(iii) 抵銷

當有法定可執行權力將當期稅項資產與當期稅務負債抵銷，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 (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.20 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 profit or loss over the period of the borrowings using the effective interest method.

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

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

2.21 Borrowing costs

General and specific borrowing costs that are 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. 重要會計政策摘要(續)

2.20 借款

一般及特定借款按公允價值並扣除產生的交易費用為初始確認。借款其後按攤餘成本列賬；所得款(扣除交易成本)與贖回價值的任何差額利用實際利率法於借款期間內於損益中確認。

設立貸款融資時支付的費用倘部分或全部融資將會很可能提取，該費用確認為貸款的交易費用。在此情況下，費用遞延至貸款提取為止。如沒有證據證明部分或全部融資將會很可能被提取，則該費用資本化作為流動資金服務的預付款，並按有關的融資期間攤銷。

除非本集團可無條件將負債的結算遞延至結算日後最少12個月，否則借款分類為流動負債。

2.21 借款成本

直接歸屬於收購、興建或生產合資格資產(指必須經一段長時間處理以作其預定用途或銷售的資產)的借款成本，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。

就特定借款，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款成本中扣除。

所有其他借款成本皆在產生期內的損益中確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.22 Trade payables

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

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

2.23 Provisions

Provisions 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 can be reliably estimated.

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. 重要會計政策摘要(續)

2.22 應付賬款

應付賬款為在日常經營活動中購買商品或服務而應支付的債務。如應付款的支付日期在一年或以內(如仍在正常經營周期中，則可較長時間)，其被分類為流動負債，否則分類為非流動負債。

應付賬款以公允價值為初始確認，其後利用實際利率法按攤餘成本計量。

2.23 準備

當本集團因已發生的事件而產生現有的法律或推定債務；很可能發生金額能夠可靠估計的資源流出以結算債務。

如有多項類似債務，其需要在結算中有資源流出的可能性，則可根據債務的類別整體考慮。即使在同一債務類別所包含的任何一個項目相關的資源流出的可能性極低，仍須確認準備。

準備採用稅前利率按照預期需結算有關債務的支出現值計量，該利率反映當時市場對金錢時間值和有關債務固有風險的評估。隨著時間過去而增加的準備確認為利息費用。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Provisions (Continued)

Asset retirement obligations (including future decommissioning and restoration) which meet the criteria of provisions are recognised as provisions and the amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements, while a corresponding addition to the related oil and gas properties of an amount equivalent to the provision is also created. This is subsequently depleted as part of the costs of the oil and gas properties. Interest expenses from the assets retirement obligations for each period are recognised with the effective interest method during the useful life of the related oil and gas properties.

2.24 Employee benefits

(a) Defined contribution plan

The Group has various defined contribution plans for state pensions, housing fund and other social obligations in accordance with the local conditions in the PRC and practices in the municipalities and province in which they operate. A defined contribution plan is a pension and/or other social benefits plan under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior periods. The contributions are recognised as employee benefit expense when they are due.

2. 重要會計政策摘要(續)

2.23 準備(續)

符合準備標準的資產棄置義務(包括有關未來停止運作及復原的準備)將確認為準備。確認金額為根據當地條件及要求確定的預計未來支出的現值。同時產生與準備數額相等的有關油氣資產的相應增加部分。該增加部分隨後作為油氣資產成本的一部分進行折舊。於每個期間的資產棄置義務產生的利息費用將按照實際利率法在相關油氣資產的使用壽命內予以確認。

2.24 僱員福利

(a) 定額供款計劃

本集團根據中國在省、市的地方條件及慣例實行若干的定額供款計劃，包括國家養老金、住房公積金及其他社會義務。定額供款計劃是本集團為其僱員向一個獨立實體(一項基金)支付固定金額的養老金及/或其他社會福利計劃，如該基金不能擁有足夠資產以支付與當期及過往期間僱員服務相關的所有僱員福利，本集團不再負有進一步支付供款的法定義務或推定義務。供款支付時確認為僱員福利支出。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Employee benefits (Continued)

(b) Other post-employment obligations

Some group companies provide post-retirement healthcare benefits to their retirees. The entitlement to these benefits is usually conditional on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment using the same accounting methodology as used for defined benefit pension plans. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. These obligations are valued annually by independent qualified actuaries.

(c) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits at the earlier of the following dates: (a) when the Group can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2. 重要會計政策摘要(續)

2.24 僱員福利(續)

(b) 其他退休後義務

若干集團公司向退休僱員提供退休後醫療福利。享有此等福利一般視乎僱員在達到退休年齡前仍然維持服務，以及已完成最低服務期。此等福利的預期成本利用與設定受益退休計劃類似的會計方法，按僱用期累計。根據經驗調整產生的精算利得和損失以及精算假設的變動，在產生期間內於其他綜合收益的權益中扣除或貸記。此等債務每年由獨立合資格精算師估值。

(c) 辭退福利

辭退福利在本集團於正常退休日期前終止僱用員工，或當僱員接受自願遣散以換取此等福利時支付。本集團在以下較早日期發生時確認辭退福利：(a)當本集團不再能夠撤回此等福利要約時；及(b)當主體確認的重組成本屬於國際會計準則第37號的範圍並涉及支付辭退福利時。在鼓勵僱員自動遣散的要約情況下，辭退福利按預期接受要約的僱員數目計算。在報告期末後超過12個月支付的福利應貼現為現值。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Employee benefits (Continued)

(d) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

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

2.25 Share-based payments

(a) Equity-settled share-based payment transactions

(i) Employee stock option

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

- including any market performance conditions (for example, an entity's share price);

2. 重要會計政策摘要(續)

2.24 僱員福利(續)

(d) 僱員假期權益

僱員的年假權益在假期累計至僱員時確認。因僱員提供服務而產生的年假估計負債，就截至結算日止作出準備。

僱員的病假權益和產假在休假前不作確認。

2.25 以股份為基礎的支付

(a) 以權益結算的股份酬金

(i) 僱員股票期權

本集團設有多項以權益結算、以股份為基礎的報酬計劃，根據該等計劃，主體收取僱員的服務以作為本集團權益工具(期權)的對價。僱員為換取獲授予期權而提供服務的公允價值確認為費用。將作為費用的總金額參考授予期權的公允價值釐定：

- 包括任何市場業績條件(例如主體的股價)；

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Share-based payments (Continued)

(a) Equity-settled share-based payment transactions (Continued)

(i) Employee stock option (Continued)

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

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.

At the end of each reporting period, the Group revises its estimates of the number of options that are expected to vest based on the non-marketing performance and service conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

2. 重要會計政策摘要(續)

2.25 以股份為基礎的支付(續)

(a) 以權益結算的股份酬金(續)

(i) 僱員股票期權(續)

- 不包括任何服務和非市場業績可行權條件(例如盈利能力、銷售增長目標和僱員在某特定時期內留任實體)的影響；及
- 包括任何非可行權條件(例如規定僱員儲蓄或在一段指定期間內持有股份)的影響。

此外，在某些情況下，僱員可能在授出日期之前提供服務，因此授出日期的公允價值就確認服務開始期與授出日期之期間內的支出作出估計。

在每個報告期末，本集團依據非營銷市場表現和服務條件修訂其對預期可行權的期權數目的估計。於損益中確認對原估算修訂(如有)的影響，並對權益作出相應調整。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Share-based payments (Continued)

(a) Equity-settled share-based payment transactions (Continued)

(i) Employee stock option (Continued)

When the options are exercised, the shares under exercise are transferred from trust under employee share scheme to employees. The proceeds received net of any directly attributable transaction costs are credited to share premium.

(ii) Share award scheme

The fair value of shares granted to employees for nil consideration under stock incentive compensation plan is recognised as an expense over the relevant service period, being the year to which the bonus relates and the vesting period of the shares. The fair value is measured at the grant date of the shares and is recognised in equity in the share-based payment reserve. The number of shares expected to vest is estimated based on the non-market vesting conditions. The estimates are revised at the end of each reporting period and adjustments are recognised in profit or loss and the share-based payment reserve.

2. 重要會計政策摘要(續)

2.25 以股份為基礎的支付(續)

(a) 以權益結算的股份酬金(續)

(i) 僱員股票期權(續)

在期權行使時，根據僱員的股權計劃，已行權股份通過信託機構轉給僱員。本公司發行新股。收取的所得款扣除任何直接歸屬交易成本撥入股本溢價。

(ii) 股份獎勵計劃

在股份獎勵酬金計劃下，以零對價授予僱員的股票公允價值在相關的服務期內被確認為費用，費用確認在與獎金相關的年度和股份行權的期間。在股份授予日，股份以公允價值計量，其在權益中確認以股份為基礎的支付的儲備中。預期行權的股份的數量根據非公開市場的行權條件進行估計。在每個報告期的期末對估計進行修正，調整被確認為當期損益和以股份為基礎的支付。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.25 Share-based payments (Continued)

(b) Cash-settled share-based compensation

Compensation under the stock appreciation rights is measured based on the fair value of the liability incurred and is expensed over the vesting period. The liability is remeasured at each reporting period to its fair value until settlement with all the changes in liability related to the vested portion recorded as employee benefit expense in profit or loss, the related liability is included in the salaries and welfare payable.

(c) Share-based payment transactions among group entities

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

2.26 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts returns and value added taxes. The Group recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below.

2. 重要會計政策摘要(續)

2.25 以股份為基礎的支付(續)

(b) 以現金結算的股份酬金

股份增值權的酬金以歸屬期所產生負債的公允價值及其支出計量。負債在清償之前，於各報告期重新計量至公允價值，而其變動則記錄於損益表內僱員薪酬成本項下，有關負債計入應付薪金及福利。

(c) 集團內以股份為基礎的支付交易

本公司向集團子公司的僱員授予其權益工具的期權，被視為資本投入。收取僱員服務的公允價值，參考授出日的公允價值計量，並在等待期內確認，作為對子公司投資的增加，並相對應對母公司賬目的權益貸記。

2.26 收入確認

收入按已收或應收對價的公允價值計量，並相當於供應貨品的應收賬款，扣除折扣、退貨和增值稅後列賬。當收入的金額能夠可靠計量；當未來經濟利益很可能流入有關主體；及當本集團每項活動均符合具體條件時(如下文所述)，本集團便會將收入確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.26 Revenue recognition (Continued)

Accounting policy on the recognition of sales income:

Revenue is recognised upon the satisfaction of performance obligations, which occurs when control of the good or service transfers to the customer.

Control can transfer at a point in time or over time. A performance obligation is satisfied over time if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits of the entity's performance as the entity performs (e.g., certain services).
- The entity's performance creates or enhances an asset that the customer controls.
- The entity's performance does not create an asset with alternative use to the entity and the entity has an enforceable right to payment (cost plus a reasonable profit margin) for performance completed to date.

A performance obligation is satisfied at a point in time if it does not meet one of the criteria above.

All revenues of the Group are recognised at a point in time.

2. 重要會計政策摘要(續)

2.26 收入確認(續)

關於確認銷售收入的會計政策：

收入在履行履約義務時確認，履約義務在貨物或服務的控制權轉移給客戶時發生。

控制可以在某個時間點或隨時間傳遞。如果符合以下標準之一，則履行義務隨著時間的推移而得到滿足：

- 客戶在企業履約的同時獲取和享有了履約收益，例如獲得某一服務。
- 企業的履約行為創建或增強了客戶控制的資產。
- 該企業的履約行為並未創建對該企業具有替代用途的資產，且該企業對於至今已完履約享有可執行的支付權（成本加上合理的利潤率）。

如果履約義務不符合任一上述標準，則在某個時間點被履行。

本集團的所有收入均於某個時間點確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.27 Interest income

Interest income on financial assets at amortised cost and financial assets at FVOCI is calculated using the effective interest method is recognised in the consolidated statement of comprehensive income as part of other gains/(losses).

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes(see Note 30 below). Any other interest income is included in other gains/(losses).

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).

2.28 Dividend income

Dividends are received from financial assets measured at FVTPL and at FVOCI. Dividends are recognised as other income in profit or loss when the right to receive payment is established. This applies even if they are paid out of pre-acquisition profits, unless the dividend clearly represents a recovery of part of the cost of an investment. In this case, the dividend is recognised in OCI if it relates to an investment measured at FVOCI. However, the investment may need to be tested for impairment as a consequence.

2.29 Repairs and maintenance

Repairs and maintenance are recognised as expenses in the year in which they are incurred.

2. 重要會計政策摘要(續)

2.27 利息收入

以攤餘成本計量的金融資產和以公允價值計量且其變動計入其他綜合收益的金融資產的利息收入採用實際利率法計算，並作為其他利得／(損失)計入合併綜合收益表。

出於現金管理目的而持有的金融資產的利息收入列示為財務收入(參見下文附註30)。所有其他利息收入計入其他利得／(損失)。

金融資產利息收入按實際利率乘以金融資產賬面總額計算，後續會發生信用減值的金融資產除外。發生信用減值的金融資產的利息收入按實際利率乘以金融資產賬面價值減去損失撥備後的淨額計算。

2.28 股利收益

股利源自以公允價值計量且其變動計入當期損益的金融資產以及以公允價值計量且其變動計入其他綜合收益的金融資產。當本集團已確立收取股利的權利時，股利才作為其他收益而計入損益。即使股利是從收購前利潤中支付的，這一規定仍然適用，除非股利明顯代表對部分投資成本的收回。在這種情況下，若股利與以公允價值計量且其變動計入其他綜合收益的投資相關，則本集團將其計入其他綜合收益。但是，本集團可能需要對該投資進行減值測試。

2.29 維修及維護

維修及維護於發生年度作為支出確認。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Leases

As explained in Note 2.2 above, the Group has changed its accounting policy for leases where the Group is the lessee. The new policy is described below and the impact of the change in Note 2.2.

The Group leases various offices and cars. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Until December 31, 2018, 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 (Note 37). 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 January 1, 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.

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.

2. 重要會計政策摘要(續)

2.30 租賃

如上文附註2.2所述，本集團已變更作為承租人的租賃會計政策。新政策見下文所述，關於此項會計政策變更的影響請參見附註2.2。

本集團租賃了多處辦公室及多部車輛。租賃合同一般為1至5年的固定期限。每份合同的租賃條款均單獨商定，並且包括眾多不同的條款及條件。租賃協議不包含財務契約條款，但租賃資產不得被用於借款用途的抵押。

截至2018年12月31日，與所有權有關的風險和報酬中的很大比例未轉移至本集團(作為承租人)的租賃被分類為經營租賃(附註37)。經營租賃付款額(扣除出租人給予的任何租賃激勵)在租賃期內按直線法計入損益。

自2019年1月1日起，本集團在租賃資產可供其使用的當日將租賃確認為使用權資產和相應的負債。

合同可能同時包含租賃組成部分和非租賃組成部分。本集團基於各租賃組成部分與非租賃組成部分的單獨價格相對比例分攤合同對價。不過，對於本集團作為承租人的房地產租賃，本集團已選擇不拆分租賃組成部分與非租賃組成部分，而是將其作為一項單一的租賃組成部分進行會計處理。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Leases (Continued)

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.

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.

2. 重要會計政策摘要(續)

2.30 租賃(續)

租賃產生的資產和負債按現值進行初始計量。租賃負債包括以下租賃付款額的淨現值：

- 固定付款額(包括實質固定付款額)，扣除任何應收的租賃激勵；
- 基於指數或比率確定的可變租賃付款額，採用租賃期開始日的指數或比率進行初始計量；
- 本集團根據餘值擔保預計應付的金額；
- 本集團合理確定將行使的購買選擇權的行權價格；以及
- 在租賃期反映出本集團將行使選擇權的情況下終止租賃的罰款金額。

當本集團合理確定將行使續租選擇權時，租賃付款額也納入負債的計量中。租賃付款額按租賃內含利率折現。本集團的租賃內含利率通常無法直接確定，在此情況下，應採用承租人的增量借款利率，即承租人在類似經濟環境下獲得與使用權資產價值接近的資產，在類似期間以類似抵押條件借入資金而必須支付的利率。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Leases (Continued)

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.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. 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.

2. 重要會計政策摘要(續)

2.30 租賃(續)

為確定增量借款利率，本集團應：

- 在可能的情況下，以承租人最近收到的第三方融資為起點，並進行調整以反映融資條件自收到第三方融資後的變化；
- 對於近期未獲得第三方融資的本集團持有的租賃，採用以無風險利率為起點的累加法，並按照租賃的信用風險進行調整；並針對租賃做出特定調整，如租賃期、國家、貨幣及抵押。

本集團未來可能會面臨基於指數或利率確定的可變租賃付款額增加的風險，這部分可變租賃付款額在實際發生時納入租賃負債。當基於指數或利率對租賃付款額進行調整時，租賃負債應予以重估並根據使用權資產調整。租賃付款額在本金和融資費用之間進行分攤。融資費用在租賃期內計入損益，以按照固定的周期性利率對各期間負債餘額計算利息。

使用權資產按成本計量，包括：

- 租賃負債的初始計量金額；
- 在租賃期開始日或之前支付的租賃付款額扣除收到的租賃激勵；
- 初始直接費用以及復原成本。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.30 Leases (Continued)

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 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.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.31 Dividend distributions

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.

2.32 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 Board of Directors of the Company (Note 5).

2. 重要會計政策摘要(續)

2.30 租賃(續)

使用權資產一般在資產的使用壽命與租賃期兩者孰短的期間內按直線法計提折舊。如本集團合理確定會行使購買權，則在標的資產的使用壽命期間內對使用權資產計提折舊。

與設備和車輛的短期租賃相關的付款額按直線法確認為費用，計入損益。短期租賃是指租賃期為12個月或者小於12個月的租賃。

本集團作為出租人收到的經營租賃收入在租賃期內按直線法確認為收入。為獲取經營租賃所發生的初始直接費用計入標的資產的賬面金額，並在租賃期內按照與租賃收入相同的基礎確認為費用。租賃資產按其性質在資產負債表中列示。本集團採用了新的租賃準則，因而無需對作為出租人持有的資產的會計處理做出任何調整。

2.31 股利分配

向本公司股東分配的股利在股利獲本公司股東批准的期間內於本集團及本公司的財務報表內列為負債。

2.32 分部報告

經營分部按照向首席經營決策者提供的內部報告貫徹一致的方式報告。首席經營決策者為本公司董事會，負責分配資源和評估經營分部的表現(附註5)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

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 risk, fair value interest rate risk, oil price 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. The Group uses derivative financial instruments to hedge certain risk exposures, but hedge accounting had not been applied.

Risk management is carried out by the Company headquarter financial department ("Group Finance Team") on a regular basis under policies approved by the Board of Directors. Group Finance Team identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board of Directors provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar (US\$), Canadian Dollar ("C\$") and Hong Kong Dollar (HK\$). Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

3. 財務風險管理

3.1 財務風險因素

本集團的活動承受著多種的財務風險：市場風險(包括外匯風險、公允價值利率風險、石油價格風險)、信用風險及流動性風險。本集團的整體風險管理計劃專注於財務市場的不可預測性，並尋求盡量減低對本集團財務表現的潛在不利影響。本集團利用衍生金融工具套期若干承受的風險，但並沒有應用套期會計。

風險管理由本公司總部財務部(以下簡稱「集團財務團隊」)按照董事會批准的政策定期執行。集團財務團隊透過與本集團經營單位的緊密合作，負責確定、評估和套期財務風險。董事會為整體風險管理訂定書面原則，亦為若干特定範疇提供書面政策，例如外匯風險、利率風險、信用風險、使用衍生和非衍生金融工具，以及投資剩餘的流動資金。

(a) 市場風險

(i) 外匯風險

本集團在全球經營，故此承受多種因不同貨幣而產生的外匯風險，主要涉及美元(「美元」)和加拿大元(「加幣」)以及港元(「港幣」)。外匯風險來自未來商業交易、已確認資產和負債以及境外經營淨投資。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

RMB is not a freely convertible currency and is regulated by the PRC government. Limitation in foreign exchange transactions imposed by the PRC government could cause future exchange rates to vary significantly from current or historical exchange rates. Management is not in a position to anticipate changes in the PRC foreign exchange regulations and as such is unable to reasonably anticipate the impacts on the Group's results of operations or financial position arising from future changes in exchange rates.

The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations is managed primarily through borrowings denominated in the relevant foreign currencies.

At December 31, 2019, if US\$ had weakened/strengthened by 1% against the HK\$ with all other variables held constant, the Group's pre-tax loss for the year ended December 31, 2019 would have been RMB8.2 million higher/lower respectively, mainly as a result of foreign exchange gains/losses on translation of HK\$ denominated borrowings.

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)

人民幣並非為自由轉換貨幣，須受中國政府監管。中國政府對外匯交易所設定的限制可能導致遠期匯率與當期匯率或歷史匯率相比產生重大波動。管理層無法預測中國外匯監管變化，故無法合理估計遠期匯率變動對本集團經營業績或財務狀況的影響。

本集團持有若干境外經營投資，其淨資產承受外幣折算風險。來自本集團境外經營淨資產所產生的匯率風險，主要透過以相關外幣計值的借款來管理。

於2019年12月31日，倘美元兌港幣貶值／升值1%，而所有其他因素維持不變，則本集團於此等年度的除所得稅前利潤將增加／減少人民幣8.2百萬元，主要由於折算以港幣計值的借款產生外匯收益／虧損所致。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The above analysis represents management's assessment of reasonably possible changes in foreign exchange rates over the period until the next annual balance sheet date. The analysis is performed on the same basis for the years presented.

(ii) Fair value interest rate risk

The Group's interest rate risk arises from borrowings, including bank loans and senior notes payable. The Company's 7.5%, 5 years senior notes, which was due and exchanged in 2019, and the Company's 13.75%, 3 years senior notes due 2022 are collectively referred to as "Senior Notes". Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During year 2019, the borrowings carrying fixed rates, were denominated in US\$ and HK\$, while the borrowings carrying floated rates, were denominated in C\$.

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)

上述分析代表了管理層對截至下一個資產負債表日年度外匯合理變化可能性的評估。該分析的基礎與以前報告年度一致。

(ii) 公允價值利率風險

本集團的利率風險來自借款，包括銀行借款和應付優先票據。本公司發行的已於2019年被置換的年息7.5%，為期5年的優先票據以及本公司發行的於2022年到期的年息為13.75%，為期3年的優先票據，合稱為「優先票據」。以浮動利率獲得的借款令本集團承受現金流利率風險，該風險部分由持有的浮動利率現金存款所抵銷。以固定利率獲得的借款令本集團承受公允價值利率風險。於2019年內，固定利率的借款以美元以及港幣為單位，浮動利率的借款以加幣為單位。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(ii) Fair value interest rate risk (Continued)

The Group analyses its interest rate exposure on a dynamic basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions, alternative financing and hedging. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. For each simulation, the same interest rate shift is used for all currencies. The scenarios are run only for liabilities that represent the major interest-bearing positions.

The Group has no material interest bearing cash assets. The Group's income and operating cash flows are substantially independent of the changes in market rates. The Group's interest rates risk arises from borrowings. A detailed analysis of the Group's borrowings, together with their respective effective interest rates and maturity dates, are included in Note 27.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(ii) 公允價值利率風險(續)

本集團以動態基礎分析其利率風險。本集團利用多個模擬方案，以計入再融資、現有持倉的續訂、其他可採用的融資和套期。根據此等方案，本集團計算界定利率轉移對利潤和虧損的影響。就每個模擬方案，所有貨幣均採用同一利率轉移。此等模擬方案只運用於主要計息持倉的負債上。

本集團並無重大計息資產。本集團的收入及經營現金流量大致上獨立於市場利率的變動。本集團的利率風險來自於借款。有關本集團借款的詳細分析連同其各自實際利率及到期日，列載於附註27。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(iii) Oil price risk

The Group is engaged in crude oil development, production and selling activities. Prices of crude oil are affected by both domestic and global factors which are beyond the control of the Group. The fluctuations in such prices may have favourable or unfavourable impacts to the Group. Therefore the Group was exposed to general price fluctuations of crude oil and natural gas.

(b) Credit risk

(i) Risk management

As the majority of the cash at bank balance is placed with major PRC state-owned banks and financial institutions, the Directors are of their opinion that the corresponding credit risk is relatively low. Therefore, credit risk arises primarily from trade and other receivables and risk management contracts. The Group has controls in place to assess the credit quality of its customers and closely monitor significant counterparties and dealing with a broad section of partner's that diversify risk within the sector. The carrying amounts of cash and cash equivalents, pledged deposits, amounts due from related parties and trade and other receivables and risk management contracts included in the consolidated statements of financial position represent the Group's maximum exposure to credit risk. At December 31, 2019 and 2018, the Group has no significant concentration of credit risk for its cash and cash equivalents.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 市場風險(續)

(iii) 石油價格風險

本集團從事原油開發、生產及銷售。原油價格受本集團無法控制的諸多國內國際因素影響。上述價格波動可能對本集團構成有利或不利影響。因此，本集團面臨原油和天然氣總體價格波動風險。

(b) 信用風險

(i) 風險管理

因大部分銀行現金結餘存放於主要的中國國有銀行及金融機構，故董事認為信貸風險相對較低。因此應收及其他應收賬款和風險管理合約成為信貸風險的主要來源。本集團對客戶信用質量的評價進行控制並密切監察重要的交易對方及與多個合作者進行合作以分散業內風險。計入合併財務狀況表的現金及現金等價物、受限制現金、應收關聯方款項及應收及其他應收賬款以及風險管理合約的賬面價值反映了本集團所面臨的最大信貸風險。於2019年及2018年12月31日，就其現金及現金等價物而言，本集團並無重大信貸集中風險。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(i) Risk management (Continued)

During the year ended December 31, 2019, the Group has one customer in China and customers and joint operation partners concentrated within western Canada which in aggregate accounts for 78.4% (2018: 64.6%) of the Group's revenue and as such, has concentration of credit risk for its trade and other receivables. However, the Group regards it as low risk as the customer in China is PetroChina Company Limited ("PetroChina"), a PRC state-owned enterprise with high credit rating in China who have credit ratings which are deemed acceptable.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(i) 風險管理(續)

截至2019年12月31日止年度，本集團有一個中國客戶和集中於加拿大西部的客戶及共同經營合作者，總計收益約佔本集團收益的78.4% (2018年：64.6%)，因此本集團的應收及其他應收賬款存在信用集中風險。然而，由於本集團在中國的單一客戶為具有高信用評級的國有企業中國石油天然氣股份有限公司(「中石油股份」)，因此本集團認為信貸集中風險較低。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- trade receivables
- other receivables
- debt investments carried at FVOCI.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

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 and the days past due.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產減值

本集團持有的如下三種金融資產在預期信用損失模型的適用範圍內：

- 應收賬款
- 其他應收款
- 以公允價值計量且其變動計入其他綜合收益的債權投資。

現金及現金等價物亦需遵循國際財務報告準則第9號的減值要求，但已確認的減值損失並不重大。

應收賬款

本集團採用國際財務報告準則第9號的簡化方法計量預期信用損失，即對所有應收賬款確認整個存續期的預期損失撥備。

為計量預期信用損失，本集團按照相同的信用風險特徵和逾期天數對應收賬款分組。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3. 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(b) Credit risk (Continued)

(b) 信用風險(續)

(ii) Impairment of financial assets (Continued)

(ii) 金融資產減值(續)

On that basis, the loss allowance was determined as follows for trade receivables:

據此，本集團確認了應收賬款的損失撥備，具體如下：

		0-30 days 賬齡 0-30天 RMB'000 人民幣千元	31-180 days 賬齡 31-180天 RMB'000 人民幣千元	Over 180 days 賬齡 超過180天 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at December 31, 2019	於2019年12月31日				
Expected loss rate	預期信用損失率	-	-	0%	
Gross carrying amount	賬面總額				
— trade receivables	— 應收賬款	61,238	-	136	61,374
Loss allowance	損失撥備	-	-	-	-
As at December 31, 2018	於2018年12月31日				
Expected loss rate	預期信用損失率	-	-	23%	
Gross carrying amount	賬面總額				
— trade receivables	— 應收賬款	66,862	1,000	2,514	70,376
Loss allowance	損失撥備	-	-	585	585

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Impairment of financial assets (Continued)

The loss allowances for trade receivables reconcile to the opening loss allowances as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Opening loss allowance at 1 January	1月1日期初損失撥備	585	22,530
Increase in the loss allowance recognised in profit or loss during the year	本年度計入損益的損失撥備的增加		
— Continuing operations	— 持續經營	1,160	585
— Discontinued operations	— 終止經營	—	11,769
Receivables written off during the year as uncollectible	本年度核銷的無法收回的應收款	(1,745)	(1,109)
Exchange difference	匯兌差額	—	(706)
Transfer to held for sale	轉至持有待售	—	(32,484)
Closing loss allowance at 31 December	12月31日期末損失撥備	—	585

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.

Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

本集團將應收賬款損失撥備調整至期初損失撥備，具體如下：

當本集團不能合理預期可收回的款項時，則將相應的應收賬款核銷。表明無法合理預期能夠收回款項的跡象包括債務人無法按計劃償付本集團款項。

應收賬款的減值損失在經營利潤中列報為減值損失淨額。後續收回的之前沖銷金額貸記入相同的項目中。

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 信用風險(續)

(ii) 金融資產減值(續)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3. 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(b) Credit risk (Continued)

(b) 信用風險(續)

(ii) Impairment of financial assets (Continued)

(ii) 金融資產減值(續)

Debt investments

債權投資

All of the entity's debt investments at FVOCI are considered to have low credit risk. Other instruments are considered to be low credit risk when they have a low risk of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

主體將所有以公允價值計量且其變動計入其他綜合收益的債權投資視為具有較低信用風險的金融資產。如果其他工具違約風險較低並且發行人具備可在短期內履行合同現金流量義務的較強能力，則被認為具有較低信用風險。

Other financial assets at amortised cost

以攤餘成本計量的其他金融資產

Other financial assets at amortised cost include loans to related parties and other receivables.

以攤餘成本計量的其他金融資產包括向關聯方的貸款及其他應收賬款。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3. 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(b) Credit risk (Continued)

(b) 信用風險(續)

(ii) Impairment of financial assets (Continued)

(ii) 金融資產減值(續)

Other financial assets at amortised cost (Continued)

以攤餘成本計量的其他金融資產(續)

The loss allowance for other financial assets at amortised cost reconciles to the opening loss allowance as follows:

本集團將以攤餘成本計量的其他金融資產的損失撥備調整至期初損失撥備，具體如下：

		Related parties 關聯方 RMB'000 人民幣千元	Other receivables 其他應收款 RMB'000 人民幣千元	Total 合計 RMB'000 人民幣千元
Opening loss allowance as at 1 January 2018	2018年1月1日年初損失撥備	297,357	594,616	891,973
Increase in the loss allowance recognised in profit or loss during the year	本年度計入損益的損失撥備的增加			
— Continuing operations	— 持續經營	12,797	196,875	209,672
Reclassification of related party Receivables written off during the year as uncollectible	關聯方重分類 本年度核銷的無法收回的應收款	(176,219)	176,219	-
Unused amount reversed	轉回的未用金額	-	(94,279)	(94,279)
Exchange difference	匯兌差額	2,818	37,161	39,979
Closing loss allowance as at December 31, 2018	2018年12月31日年末損失撥備	29,042	877,316	906,358
Increase in the loss allowance recognised in profit or loss during the year	本年度計入損益的損失撥備的增加			
— Continuing operations	— 持續經營	698,758	14,079	712,837
Receivables written off during the year as uncollectible	本年度核銷的無法收回的應收款	(207,439)	(408,298)	(615,737)
Unused amount reversed	轉回的未用金額	-	(15,843)	(15,843)
Exchange difference	匯兌差額	13,632	11,068	24,700
Closing loss allowance as at December 31, 2019	2019年12月31日年末損失撥備	533,993	478,322	1,012,315

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3. 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(b) Credit risk (Continued)

(b) 信用風險(續)

(ii) Impairment of financial assets (Continued)

(ii) 金融資產減值(續)

Debt investments at FVOCI

以公允價值計量且其變動計入其他綜合收益的債權投資

Debt investments at FVOCI include unlisted debt securities. The loss allowance for debt investments at FVOCI is recognised in profit or loss and reduces the fair value loss otherwise recognised in OCI. There is no loss allowance recognised in profit or loss during the year.

以公允價值計量且其變動計入其他綜合收益的債權投資包括非上市證券。以公允價值計量且其變動計入其他綜合收益的債權投資損失撥備計入損益並減少因其他原因計入其他綜合收益的公允價值損失。本年無計入損益的損失撥備。

(c) Liquidity risk

(c) 流動性風險

Management aims to maintain sufficient cash to meet funding requirement for operations and monitors rolling forecasts of the Group's cash on the basis of expected cash flow.

管理層致力維持充裕現金以應付營運需要的資金並根據預期現金流量，監控本集團的現金滾動預測。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

As described in Note 2.1.1, the Directors closely monitors the Group's cash flow projections, which cover a period of not less than twelve months from January 1, 2020 to June 30, 2021, to enable it to meet its liabilities and obligations through:

- (i) the Lenders and the Noteholders not taking any actions against the Group to exercise their rights to demand immediate payment of the principals and interests of the Cross-Defaulted Borrowings and the 2022 Senior Notes before the finalisation of the Debt Restructuring Plans and execution of the Restructuring Agreements;
- (ii) successfully securing the required agreement of the Lenders and the Noteholders and completion of all necessary procedures by the Group for the Restructuring Agreements to be executed; and the Group's ability to continuously comply with the terms and conditions stipulated therein upon execution;
- (iii) actual oil prices throughout the forecast period up to June 30, 2021 being in line with the projected levels included in the cashflow projections; and
- (iv) the Group's ability to generate operating cash flows and to obtain additional sources of financing, other than those mentioned above, to finance the Group's oil exploration and production business, including capital expenditures needed to drill new wells, as well as other funding needs.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(c) 流動性風險(續)

如附註2.1.1所述，本公司董事密切監控對本集團的現金流預測，其涵蓋自2020年1月1日起不少於12個月的期間至2021年6月30日，並通過如下渠道確保有足夠資金滿足本集團履行其債務與責任的需要：

- (i) 貸款人和票據持有人不會在債務重組計劃最終確定和執行重組協議之前對本集團採取任何行動以行使其權利、要求立即償還交叉違約借款和2022優先票據的本金和利息；
- (ii) 成功獲取貸款人與票據持有人就重組計劃所要求事項的一致同意，且本集團成功完成債務重組計劃項下執行重組協議所必需的所有程序；並且，於重組協議執行後，本集團有能力繼續遵守其中規定的條款和條件；
- (iii) 於截至2021年6月30日的整個預測期內，實際油價與現金流量預測中的預測油價水平相一致；以及
- (iv) 除上述事項以外，本集團有能力產生經營現金流量及獲得額外融資來源，以滿足本集團包括完成新井所需投資在內的石油勘探及生產業務的資金需求以及其他融資需求。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3. 財務風險管理(續)

3.1 Financial risk factors (Continued)

3.1 財務風險因素(續)

(c) Liquidity risk (Continued)

(c) 流動性風險(續)

The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period from the balance sheet date to the contractual maturity date. As the amounts disclosed in the table are the contractual undiscounted cash flows, these amounts will not reconcile to the amounts disclosed on the consolidated balance sheets for borrowings.

下表顯示本集團及本公司的非衍生金融負債按照相關的到期組別，根據報告期末起至合同到期日的剩餘期間的分析。表中披露的金額為合同列示本金和利息的未折現現金流量。

		Less than 1 year 少於一年 RMB'000 人民幣千元	Between 1 and 2 years 一至兩年 RMB'000 人民幣千元	Between 2 and 5 years 二至五年 RMB'000 人民幣千元	Over 5 years 五年以上 RMB'000 人民幣千元
As at December 31, 2019	於2019年12月31日				
Borrowings	借款	1,832,831	396,248	1,732,846	-
Interest payables on borrowings	借款利息	413,625	254,469	66,612	-
Trade and notes payable	應付賬款及應付票據	386,076	81,470	-	-
Provisions, accruals and other liabilities	準備、預提及其他負債	162,191	-	-	217,077
Lease liabilities	租賃負債	10,180	4,339	693	-
As at December 31, 2018	於2018年12月31日				
Borrowings	借款	2,591,377	1,761,074	-	-
Interest payables on borrowings	借款利息	292,548	126,550	-	-
Financial liabilities at FVTPL	以公允價值計量且其變動 計入當期損益的金融負債				
— Principal	— 本金	297,908	-	-	-
— Interest payables	— 應付利息	37,239	-	-	-
Trade and notes payable	應付賬款及應付票據	220,283	70,732	-	-
Provisions, accruals and other liabilities	準備、預提及其他負債	177,167	-	-	12,414

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

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.

The Group monitors capital on the basis of Debt over EBITDA. Debt is calculated as total borrowings including 'current and non-current borrowings' as shown in the consolidated statement of financial position. EBITDA is determined as loss before income tax from continuing operations, before finance income, finance cost and depreciation, depletion and amortisation.

The Debt over EBITDA ratios were as follows:

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Total borrowings (Note 27)	借款總額(附註27)	3,999,267	4,335,954
Loss before income tax from continuing operations	源於持續經營的 除所得稅前虧損	(1,398,673)	(784,960)
Finance income (Note 30)	財務收入(附註30)	(42,518)	(22,603)
Finance cost (Note 30)	財務費用(附註30)	605,803	614,352
Depreciation, depletion and amortisation	折舊、折耗及攤銷	348,751	329,318
EBITDA	EBITDA	(486,637)	136,107
Debt over EBITDA ratio	債務總額與EBITDA的比率	(8.2)	31.9

The Debt over EBITDA ratio changes from positive 31.9 to negative 8.2 was mainly due to the increase of loss before income tax from continuing operations, as compared to December 31, 2018.

3. 財務風險管理(續)

3.2 資本管理

本集團的資本管理政策，是保障本集團能持續經營，以為股東提供回報和為其他利益關係者提供利益，同時維持最佳的資本結構以減低資本成本。

本集團以債務對息稅前營運盈利(以下簡稱「EBITDA」)比率為基準監控其資本。債務等於借款總額(包括合併財務狀況表所列示的「流動及非流動借款」)。EBITDA等於除財務收入、財務費用、折舊、折耗及攤銷前的源於持續經營的除所得稅前虧損。

債務總額與EBITDA的比率列載如下：

債務總額與EBITDA的比率由2018年12月31日的31.9下降至2019年12月31日的負8.2，主要由於2019年源於持續經營的除所得稅前虧損較2018年度有所增加導致的。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation

Financial assets and liabilities

(i) Fair value hierarchy

The table below analyses the Group's financial instruments carried at fair value as at December 31, 2019 by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorised into three levels within a fair value hierarchy as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- 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).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

3. 財務風險管理(續)

3.3 公允價值估計

金融資產和金融負債

(i) 公允價值層級

下表根據在評估公允價值的估值技術中所運用到的輸入值的層級，分析本集團於2019年12月31日按公允價值入賬的金融工具。這些輸入值按照公允價值層級歸類為如下三層：

- 相同資產或負債在活躍市場的報價(未經調整)(第一層級)。
- 除了第一層級所包括的報價外，該資產和負債的可觀察的其他輸入值，可為直接(即例如價格)或間接(即源自價格)(第二層級)。
- 資產和負債並非依據可觀察市場數據的輸入值(即非可觀察輸入)(第三層級)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

The following table presents the Group's financial assets that are measured at fair value.

		Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets	金融資產				
As at December 31, 2019	於2019年12月31日				
Financial assets at FVOCI	以公允價值計量且其變動計入其他綜合收益的金融資產				
— Equity investments (Note 12)	— 權益投資(附註12)	-	-	41,491	41,491
— Debt investments (Note 12)	— 債權投資(附註12)	-	-	2,263	2,263
		-	-	43,754	43,754

3. 財務風險管理(續)

3.3 公允價值估計(續)

金融資產和金融負債(續)

(i) 公允價值層級(續)

下表呈列本集團以公允價值計量的金融資產。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3. 財務風險管理(續)

3.3 Fair value estimation (Continued)

3.3 公允價值估計(續)

Financial assets and liabilities (Continued)

金融資產和金融負債(續)

(i) Fair value hierarchy (Continued)

(i) 公允價值層級(續)

The following table presents the Group's financial assets and liabilities that are measured at fair value at December 31, 2018

下表呈列本集團於2018年12月31日以公允價值計量的金融資產和金融負債。

		Level 1 第一層級 RMB'000 人民幣千元	Level 2 第二層級 RMB'000 人民幣千元	Level 3 第三層級 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Financial assets	金融資產				
As at December 31, 2018	於2018年12月31日				
Financial assets at FVTPL	以公允價值計量且其變動計入當期損益的金融資產				
— Equity investments (Note 17)	— 權益投資(附註17)	17,755	—	—	17,755
Financial assets at FVOCI	以公允價值計量且其變動計入其他綜合收益的金融資產				
— Equity investments (Note 12)	— 權益投資(附註12)	—	—	44,231	44,231
— Debt investments (Note 12)	— 債權投資(附註12)	—	—	2,227	2,227
		17,755	—	46,458	64,213
Financial liabilities	金融負債				
As at December 31, 2018	於2018年12月31日				
Financial liabilities at FVTPL (Note 13)	以公允價值計量且其變動計入當期損益的金融負債(附註13)				
— The Public Notes	— 公開債券	—	—	313,969	313,969
		—	—	313,969	313,969

There were no transfers between level 1, level 2 and level 3 during the year.

本年度無第一層級、第二層級以及第三層級間的轉換。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

(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 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.

(b) Financial instruments in level 2

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. 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 公允價值估計(續)

金融資產和金融負債(續)

(i) 公允價值層級(續)

(a) 在第一層級內的金融工具

在活躍市場中交易的金融工具的報告期末的公允價值皆源於市場報價。倘市場報價易於定期從交易所、經銷商、經紀人、行業協會、定價服務機構或監管機構獲得，則該價格代表按市場規律實際發生的市場交易，則該市場視為活躍市場。

(b) 在第二層級內的金融工具

沒有在活躍市場買賣的金融工具(例如場外衍生工具)的公允價值利用估值技術釐定。估值技術盡量利用可觀察市場數據(如有)，盡量少依賴主體的特定估計。如計算一金融工具的公允價值所需的所有重大輸入為可觀察數據，則該金融工具歸屬於第二層級。如一項或多項重大輸入並非根據可觀察市場數據，則該金融工具歸屬於第三層級。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial assets and liabilities (Continued)

(i) Fair value hierarchy (Continued)

(c) Financial instruments in level 3

With respect to the level 3 fair value measurement for the Group's financial assets at fair value that are unlisted equity investments and debt investments with no active market exists, the Group's finance department benchmark to the market price of certain comparable listed companies within the same or similar operation/industry and apply certain adjustments/discount for non-marketability. At December 31, 2019, the Directors are of their opinion that there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

3. 財務風險管理(續)

3.3 公允價值估計(續)

金融資產和金融負債(續)

(i) 公允價值層級(續)

(c) 在第三層級內的金融工具

對於本集團以公允價值計量的金融資產中以第三層級公允價值確認其公允價值的部分，因其為非上市的權益投資和債務投資，無活躍市場存在，本集團財務部門會對標若干相同或相似的行業／運營模式的可比上市公司的市價，並因其無市場可交易性作出特定調整／折讓。於2019年12月31日，董事認為，可確認的公允價值存在一個較大區間，在此區間內成本可代表其公允價值的最佳估計。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial assets and liabilities (Continued)

(ii) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- other valuation techniques, such as binomial model is used to determine the fair value of the share based payment, and market approach is used to determine the fair value of the equity investment in common shares of unlisted company accounted at FVOCI.

Valuation process

The valuations as of the December 31, 2019 and 2018, respectively, performed by independent professional valuer was adopted by the Group for financial reporting purposes, including the equity investment at FVOCI accounted for as level 3 fair values. The external experts report directly to the CFO.

The main level 3 inputs used by the Group are derived and evaluated as follows:

- Enterprise value/proved and probable reserve multiples (EV/2P reserve) used in the valuation of the common shares of unlisted company are estimated by making reference to comparable trading multiples.
- Discounts for lack of marketability (DLOM) are estimated based on European Put Option model.

3. 財務風險管理(續)

3.3 公允價值估計(續)

金融資產和金融負債(續)

(ii) 用以評估公允價值的估值技術

用以估值金融工具的特定估值技術包括：

- 同類型工具的市場報價或交易商報價
- 其他技術：例如二叉樹模型用來決定股份支付的公允價值，以及市場法模型用於決定以公允價值計量且其變動計入其他綜合收益的對非上市公司普通股權益投資的公允價值。

估值過程

本集團採用了獨立專業評估師分別對2018及2019年12月31日的公允價值評估結果，以作財務報告用途，包括作為第三級公允價值核算的以公允價值計量且其變動計入其他綜合收益的權益投資。外部專家直接向首席財務官彙報。

本集團使用的主要三級輸入數據來源和評估如下所示：

- 用於估算非上市公司普通股公允價值的企業價值／探明及可採儲量乘數是參照可比交易乘數估算的。
- 流動性折讓是基於歐式期權模型計算的。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair value estimation (Continued)

Financial assets and liabilities (Continued)

(ii) Valuation techniques used to determine fair values (Continued)

Valuation process (Continued)

Changes in level 3 fair values are analysed at the end of each reporting period during the valuation discussion between the CFO and external experts. As part of this discussion the external experts presents a report that explains the reason for the fair value movements.

3. 財務風險管理(續)

3.3 公允價值估計(續)

金融資產和金融負債(續)

(ii) 用以評估公允價值的估值技術(續)

估值過程(續)

於每個報告日，首席財務官和外部專家在估值討論中對第三層的公允價值變動討論和分析。作為討論的一部分，外部專家出具了報告解釋了公允價值變動的原因。

Description 描述	Fair value at 於下列日期公允價值		Significant un-observable Inputs* 主要非 可觀察參數*	Range of inputs 參數區間		Relationship of significant un-observable inputs to fair value 非可觀察參數與公允價值 的關係
	December 31, 2019 2019年 12月31日 RMB'000 人民幣千元	December 31, 2018 2018年 12月31日 RMB'000 人民幣千元		December 31, 2019 2019年 12月31日	December 31, 2018 2018年 12月31日	
Equity investment in common shares of the unlisted company 對非上市公司普通股的 權益投資	41,491	44,231	EV/2P reserve multiples 企業價值/探明 及可採儲量 乘數 DLOM 流動性折讓	6.68 18%	7.53 19%	December 31, 2019: Increased EV/2P reserve multiples (1), would increase the fair value by RMB7.6 million. Increased DLOM (5%), would decrease the fair value by RMB2.8 million. 2019年12月31日: 企業價值/探明及可採儲量乘數升 高1倍，導致公允價值增加人民幣7.6 百萬元。流動性折讓升高5%，導 致公允價值減少人民幣2.8百萬元。 December 31, 2018: Increased EV/2P reserve multiples (1), would increase the fair value by RMB6.5 million. Increased DLOM (5%), would decrease the fair value by RMB2.8 million. 2018年12月31日: 企業價值/探明及可採儲量乘數升 高1倍，導致公允價值增加人民幣6.5 百萬元。流動性折讓升高5%，導 致公允價值減少人民幣2.8百萬元。

* There were no significant inter-relationships between unobservable inputs that materially affect fair values.

* 非可觀察參數之間無重大的關聯關係而足以對公允價值生重大影響。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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.

(i) Going concern consideration

In the process of applying the Group's accounting policies, apart from those involving estimates, management has prepared the consolidated financial statements on the assumption that the Group will be able to operate as a going concern in the coming year, which is a critical judgement that has the most significant effect on the amounts recognised in the financial statements. The assessment of the going concern assumption involves making a judgement by the Directors, at a particular point of time, about the future outcome of events or conditions which are inherently uncertain. The Directors consider that the Group has the capability to continue as a going concern and the major events or conditions, which may give rise to business risks, that individually or collectively may cast significant doubt upon the going concern assumption are set out in Note 2.1.1 to the consolidated financial statements.

4. 關鍵會計估計及判斷

估計和判斷乃按持續基準進行評估，並基於過往經驗及其他因素，包括在若干情況下對未來事項作出相信是合理的預期。

本集團對未來作出會計估計和假設。所得出的會計估計如其定義，很少會與其實際結果相同。有重大風險可能會導致對下一個財政年度的資產和負債的賬面價值作出重大調整的估計和假設討論如下。

(i) 持續經營基礎考慮

於採用本集團之會計政策過程中，除涉及估計之項目外，管理層在編製合併財務報表時認為本集團於來年將仍可按照持續經營的基準繼續營運，此對財務報表內已確認金額構成最重大影響之主要判斷。評估持續經營假設時，董事需於特定時間就本質上不確定之事件及情況的未來結果作出判斷。董事認為，本集團有能力持續經營，而可能個別或共同對持續經營假設構成重大疑問且或會引致業務風險的重大事件或情況載於合併財務報表附註2.1.1。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(ii) Estimation of proved and probable reserves

Proved reserves are those quantities of petroleum that by analysis of geoscience and engineering data can be estimated with reasonable certainty to be commercially recoverable, from a given date forward, from known reservoirs and under defined economic conditions, operating methods, and government regulations. Economic conditions include consideration of changes in existing prices provided only by contractual arrangements, but not on escalations based upon future conditions. Proved developed producing reserves are expected to be recovered from completion intervals that are open and producing at the time of the estimate. Proved undeveloped reserves are quantities expected to be recovered through future investments: from new wells on undrilled acreage in known accumulations, from extending existing wells to a different (but known) reservoir, or from infill wells that will increase recovery. Probable reserves are additional reserves that are less certain to be recovered than proved reserves but which, together with proved reserves, are as likely to be recovered.

The Group's reserve estimates were prepared for each oilfield and include only reserves that the Group believes can be reasonably produced within current economic and operating conditions.

4. 關鍵會計估計及判斷(續)

(ii) 已探明儲量和概算儲量的估計

已探明儲量為透過分析地球科學及工程數據，於明確的經濟條件、操作方法及政府法規下，從特定未來日期起自己知油藏以合理確信估計可商業開採回收的石油數量。經濟條件包括考慮僅由合同安排規定的現有價格變動，惟日後條件引致的增長除外。探明已開發儲量為預期從處於開放及產油狀態的完井層段中開採的儲量。探明未開發儲量為通過未來投資預期採出的油氣數量，包括開採已知油藏的未鑽的新井，延伸現有井至不同(但為已知)的油藏，或通過加密井提高採收率。概算儲量為相比探明儲量存在較大開採不確定性的額外儲量，但其與探明儲量一樣均存在獲取的可能性。

本集團的儲量估計乃就各油田而編製，僅包括本集團認為可於現時經濟及操作條件下合理生產的原油。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(ii) Estimation of proved and probable reserves (Continued)

Proved and probable reserves cannot be measured exactly. Reserve estimates are based on many factors related to reservoir performance that require evaluation by the engineers interpreting the available data, as well as price and other economic factors. The reliability of these estimates at any point in time depends on both the quality and quantity of the technical and economic data, and the production performance of the reservoirs as well as engineering judgement. Consequently, reserve estimates are subject to revision as additional data become available during the producing life of a reservoir. When a commercial reservoir is discovered, proved reserves are initially determined based on limited data from the first well or wells. Subsequent data may better define the extent of the reservoir and additional production performance. Well tests and engineering studies will likely improve the reliability of the reserve estimate. The evolution of technology may also result in the application of improved recovery techniques such as supplemental or enhanced recovery projects, or both, which have the potential to increase reserves beyond those envisioned during the early years of a reservoir's producing life.

In general, changes in the technical maturity of reserves resulting from new information becoming available from development and production activities and change in oil and gas price have tended to be the most significant cause of annual revisions.

4. 關鍵會計估計及判斷(續)

(ii) 已探明儲量和概算儲量的估計(續)

已探明儲量和概算儲量無法予以精確計量。儲量估計乃基於有關油藏動態的眾多因素(需要工程師詮釋所獲得數據的評估)以及價格等其他經濟因素。在任何方面該等估計的可靠性視乎技術及經濟數據的質量及數量、油藏的產量動態及工程判斷而定。因此，於油藏的生產周期內，如有額外數據時，儲量估計可予以修訂。於發現商業油藏時，已探明儲量首先乃根據首個或首批油井的有限數據而釐定。其後數據或可更好地確定油藏的範圍及額外產量動態，而油井試驗及工程研究將可能提升儲量估計的可靠性。技術的發展亦可導致應用經改善的採油技術，例如補充或經提升採油項目，或兩者，該等項目有潛力使儲量增至超逾於油藏生產周期初期數年內所預想者。

一般而言，自開發及生產活動取得新數據而導致石油儲量技術成熟度變動以及油氣價格變動已趨向成為年度修訂的最重要因素。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(iii) Depletion, depreciation and amortisation of property, plant and equipment and intangible assets

In addition to the depletion, depreciation and amortisation of oil and gas properties, mining extraction and mining rights using the unit of production method (Notes 2.7 and 2.8) based on the estimated reserves as disclosed in Note 4, management of the Group determines the estimated useful lives and related depreciation and amortisation charges for other property, plant and equipment and intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions, or based on value-in-use calculations or market valuations according to the estimated periods that the Group intends to derive future economic benefits from the use of intangible assets.

Management will adjust the estimated useful lives where useful lives vary with previously estimated useful lives. It is reasonably possible, based on existing knowledge, that outcomes within the next financial year that are different from assumptions could require material adjustments to the carrying amount of property, plant and equipment and intangible assets.

4. 關鍵會計估計及判斷(續)

(iii) 不動產、工廠及設備以及無形資產的折舊、折耗及攤銷

關於油氣資產和基於估計儲量採用單位產量法(附註2.7和2.8)核算的礦產開採權及採礦權的折舊、耗損及攤銷已在附註4中披露。除此之外，本集團管理層還需對其他不動產、工廠及設備和無形資產的預計使用年限及相關折舊和攤銷進行估計。此類估計依賴於類似性質和功能的不動產、工廠及設備的實際使用年限的歷史經驗，或者基於使用價值法或本集團預計使用該無形資產在未來期間產生經濟價值的市場價值法。

管理層通過比較已估計使用年限與目前可使用年限對不動產、工廠及設備和無形資產預計可使用年限進行調整。基於對現有情況的了解，可以合理的認為不動產、工廠及設備和無形資產的賬面價值於未來財政年度中不同的假設條件下可能出現重大調整。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(iv) Estimation of impairment of property, plant and equipment and intangible assets

Property, plant and equipment, including oil and gas properties, and intangible assets are reviewed for possible impairments when events or changes in circumstances indicate that the carrying amount may not be recoverable. The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) was determined based on value-in-use calculations which require the use of assumptions. Determination as to whether and how much an asset is impaired involve management estimates and judgements such as forecast crude oil prices, forecast production volumes, forecast operating costs and capital expenditures and discount rates. However, the impairment reviews and calculations are based on assumptions that are consistent with the Group's business plans. Favourable changes to some assumptions may allow the Group to avoid the need to impair any assets, whereas unfavourable changes may cause the assets to become impaired.

(v) Provision for remediation and restoration

Provision for remediation and restoration included environmental remediation costs, assets retirements obligation and similar obligation in relation to the Group's operations. Provision is made when the related environmental disturbance and present obligations occur, based on the net present value of estimated future costs. The ultimate cost of environmental disturbances, asset retirement and similar obligation are uncertain and management uses its judgment and experience to provide for these costs over the life of operations. Cost estimates can vary in response to many factors including changes to the relevant legal requirements, the Group's related policies, the emergence of new restoration techniques and the effects of inflation.

4. 關鍵會計估計及判斷(續)

(iv) 不動產、工廠、設備及無形資產減值估計

在有相關事件或情況變化表明賬面價值無法收回的情況下，為應對可能存在的減值會對包括石油和天然氣資產在內的不動產、工廠及設備和無形資產進行評估。本集團每年測試商譽是否出現減值，現金產出單元的可收回金額按照使用價值計算而釐定，此等計算需要利用估計。確定一項資產是否以及減值多少涉及管理預測和判斷，如預測原油價格，預測產量，預測經營成本和資本支出以及貼現率。但是，減值評估和計算基於與本集團業務計劃一致的假設。對某些假設的有利變化可能會使本集團避免對任何資產進行減值，而不利的變化可能導致資產發生減值。

(v) 補償及復用準備

補償及修復準備包括環境治理成本，資產棄置義務以及與本集團經營活動有關的其他類似義務。當發生相關環境破壞和現實義務時，依據估計未來成本的淨現值來確定準備金額。環境破壞，資產報廢和其他義務的最終成本是不確定的。管理層將依據經驗和判斷在經營期限內確定準備費用。費用的估計需要考慮和比較眾多因素，包括相關法律需求、集團相關政策、新修復技術的更新以及通貨膨脹等因素。費用估計將在經營期限內進行更新。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

(v) Provision for remediation and restoration (Continued)

Cost estimates are updated throughout the life of the operation. The expected timing of expenditure included in cost estimates can also change, for example in response to changes in reserves, or production volumes or economic conditions. Expenditure may occur before and after closure and can continue for an extended period of time depending on the specific site requirements. Cash flows must be discounted if this has a material effect. The selection of appropriate sources on which to base calculation of the risk free discount rate used for this purpose also requires judgment. As a result of all of the above factors there could be significant adjustments to the provision for close down, restoration and clean-up costs which would affect future financial results.

The Group currently operates mainly in PRC. The outcome of environmental and other similar obligations under proposed or future environmental legislation cannot reasonably be estimated at present, and could be material. Under existing legislation, however, the Directors of the Company are in their opinion that there are no probable liabilities that are in addition to amounts which have already been reflected in the financial statements that will have a materially adverse effect on the financial position of the Group.

(vi) Impairment of financial assets

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

4. 關鍵會計估計及判斷(續)

(v) 補償及復用準備(續)

估計費用的預期支出發生時間也會隨儲量、產量和經濟形勢的變化而發生變化。該項費用的支出會根據特定現實需求發生在期前或期後，並影響其後的一個期間。若上述事項產生重大影響，則現金流需進行折現。為此所選擇的無風險折現率也需進行重新評估和判斷。所以，上述因素的影響可能導致對恢復和清理費用的準備的重大調整，也會影響到未來期間的財務業績。

本集團當下主要於中國作業。在當前已有或未來的環境法律框架下，對環境及其他類似義務的影響目前暫時無法合理估計，且該影響可能是重大的。然而，在現有法律框架下，本公司董事認為，除已於本財務報表反映的負債之外，不存在可能的負債對本集團財務狀況產生潛在重大不利影響。

(vi) 金融資產減值

金融資產的損失準備基於對違約風險和預期損失率的假設。本集團根據歷史情況，現有市場狀況以及報告期末的前瞻性估計，作出假設並進行減值計算。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

5. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Board of Directors of the Company that are used to make strategic decisions.

The Board of Directors considers the business performance of the Group from a geographic perspective being the PRC and North America. The PRC segment derives its revenue substantially from the sale of oil. Revenue is realised from the sale of the Group's share of crude oil to PetroChina pursuant to respective PSCs (Note 9). Before the disposal of 100% equity interest in Maple Energy Investments Limited ("Maple Energy") ("Maple Energy Disposal") as disclosed in Note 20, the North America segment derives its revenue from the sale of oil and natural gas in Canada.

The Board of Directors assesses the performance of the operating segments based on each segment's operating result.

5. 分部信息

管理層已根據經本公司董事會審議用於分配資源和評估表現的報告釐定經營分部。

董事會從地域的角度考慮了中國和北美分部的業績表現。中國分部主要收入來源於原油銷售。中國分部的收入主要來自於中國各區塊根據產品分成合同(附註9)取得的對中石油股份的銷售款。在處置 Maple Energy Investments Limited (「Maple Energy」) 100%的(附註20)的股權(「Maple Energy Disposal」)之前，北美分部的收入主要來源於加拿大的原油和天然氣的銷售收入。

董事會基於每個經營分部的經營業績對其進行業績評價。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

5. SEGMENT INFORMATION (Continued)

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

5. 分部信息(續)

向董事會提供的經營分部信息如下：

		PRC 中國 RMB'000 人民幣千元	North America 北美 RMB'000 人民幣千元	Corporate and others 總部及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended December 31, 2019	截至2019年12月31日止年度				
Continuing operations	持續經營				
Segment revenue	分部收益	756,094	-	-	756,094
Depreciation, depletion and amortisation	折舊、折耗及攤銷	(342,081)	-	(6,670)	(348,751)
Taxes other than income taxes (Note 29)	稅項(所得稅除外) (附註29)	(4,021)	-	(3,838)	(7,859)
Employee benefit expenses	員工薪酬成本	(64,321)	-	(79,046)	(143,367)
Purchases, services and other direct costs	採購、服務及其他直接成本	(133,007)	-	-	(133,007)
Distribution costs	銷售成本	(16,642)	-	-	(16,642)
General and administrative expense	管理費用	(24,268)	-	(133,892)	(158,160)
Net impairment losses on financial assets	金融資產減值損失	(1,160)	-	(696,994)	(698,154)
Impairment charges	資產減值損失	-	-	(4,826)	(4,826)
Other losses, net	其他損失, 淨值	(16,384)	-	(64,332)	(80,716)
Finance income	財務收入	27	-	42,491	42,518
Finance costs	財務費用	(110,330)	-	(495,473)	(605,803)
Profit/(loss) before income tax	除所得稅前利潤/(虧損)	43,907	-	(1,442,580)	(1,398,673)
Income tax (expense)/credit	所得稅(費用)/收益	(62,456)	-	3	(62,453)
Loss for the year from continuing operations	本年持續經營所得虧損	(18,549)	-	(1,442,577)	(1,461,126)
Discontinued operations	終止經營				
Profit for the year from discontinued operations	本年終止經營所得收益	-	332,177	-	332,177
Profit/(loss) for the year	本年利潤/(虧損)	(18,549)	332,177	(1,442,577)	(1,128,949)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

5. SEGMENT INFORMATION (Continued)

5. 分部信息(續)

		PRC 中國 RMB'000 人民幣千元	Corporate and others 總部及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at December 31, 2019	於2019年12月31日			
Total assets	資產總額	1,980,084	442,831	2,422,915
Total assets includes:	資產總額包括：			
Property, plant and equipment	不動產、工廠及設備	1,677,627	787	1,678,414
Intangible assets	無形資產	78,980	15,045	94,025
Additions to non-current assets	非流動資產增加	(178,621)	14,870	(163,751)
Total liabilities	負債總額	1,834,547	3,332,500	5,167,047

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

5. SEGMENT INFORMATION (Continued)

5. 分部信息(續)

		PRC 中國 RMB'000 人民幣千元	North America 北美 RMB'000 人民幣千元	Corporate and others 總部及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended December 31, 2018	截至2018年12月31日止年度				
Continuing operations	持續經營				
Segment revenue	分部收益	789,704	-	-	789,704
Depreciation, depletion and amortisation	折舊、折耗及攤銷	(329,101)	-	(217)	(329,318)
Taxes other than income taxes (Note 29)	稅項(所得稅除外)(附註29)	(9,574)	-	(9,301)	(18,875)
Employee benefit expenses	員工薪酬成本	(52,024)	-	(103,723)	(155,747)
Purchases, services and other direct costs	採購、服務及其他直接成本	(138,013)	-	-	(138,013)
Distribution costs	銷售成本	(15,792)	-	-	(15,792)
General and administrative expense	管理費用	(19,768)	-	(100,783)	(120,551)
Reversal/(provision) of impairment losses on financial assets, net	金融資產減值轉回/(計提), 淨值	14,740	-	(130,718)	(115,978)
Impairment charges	資產減值損失	(34,154)	-	(3,317)	(37,471)
Other gains/(losses), net	其他收益/(損失), 淨值	547	-	(42,399)	(41,852)
Finance income	財務收入	90	-	22,513	22,603
Finance costs	財務費用	(96,139)	-	(518,213)	(614,352)
Share of losses of investments in associates	享有聯營企業投資的虧損份額	-	-	(9,318)	(9,318)
Profit/(loss) before income tax	除所得稅前利潤/(虧損)	110,516	-	(895,476)	(784,960)
Income tax (expense)/credit	所得稅(費用)/收益	(50,404)	-	2,992	(47,412)
Profit/(loss) for the year from continuing operations	本年持續經營所得收益/(虧損)	60,112	-	(892,484)	(832,372)
Discontinued operations	終止經營				
Loss for the year from discontinued operations	本年終止經營所得虧損	-	(363,463)	-	(363,463)
Profit/(loss) for the year	本年利潤/(虧損)	60,112	(363,463)	(892,484)	(1,195,835)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

5. SEGMENT INFORMATION (Continued)

5. 分部信息(續)

		PRC 中國 RMB'000 人民幣千元	Corporate and others 總部及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at December 31, 2018	於2018年12月31日			
Total assets	資產總額	2,129,227	1,009,785	3,139,012
Total assets includes:	資產總額包括：			
Property, plant and equipment	不動產、工廠及設備	1,797,877	962	1,798,839
Intangible assets	無形資產	137,351	–	137,351
Additions to non-current assets	非流動資產增加	143,534	(148)	143,386
Total liabilities	負債總額	1,459,940	3,943,392	5,403,332

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

5. SEGMENT INFORMATION (Continued)

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

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

Entity-wide information

Analysis of revenue by category

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Timing of revenue recognition	收入確認時間		
At a point in time	在某一時點		
— Sales of oil and gas	— 銷售原油及天然氣	741,459	786,768
— Provision of services and others	— 提供服務及其他	14,635	2,936
		756,094	789,704

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

5. 分部信息(續)

上述分部信息為各分部之間交易抵銷之後進行列示。分部之間交易主要包括集團內公司賬目往來和借款產生的利息收入或支出。

向董事會報告的收益的計量方法與合併綜合收益表的計量方法一致。向董事會提供有關資產及負債總額的計量方法與合併財務報表的計量方法一致。此等資產及負債根據分部的經營和資產的實際位置分配。

企業層面信息

收入按類別分析

截至2019年12月31日止年度，本集團在中國的原油銷售收入金額為人民幣741.5百萬元(2018年：人民幣786.8百萬元)，均為銷售給中石油股份取得的收入。截至2019年12月31日止年度從中石油股份取得的原油收入佔本集團持續經營總收入的98.1%(2018年：99.6%)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

6(A). PROPERTY, PLANT AND EQUIPMENT

6(A). 不動產、工廠及設備

		Exploration and evaluation assets	Oil and gas properties	Buildings and improvements	Vehicles, office, production equipment and turnarounds 汽車、辦公室 設備、生產設備 及周轉設施	Construction in progress	Total
		勘探及 評價資產 RMB'000 人民幣千元	油氣資產 RMB'000 人民幣千元	建築物及設施 RMB'000 人民幣千元	及周轉設施 RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Year ended December 31, 2018	截至 2018 年 12 月 31 日止年度						
Opening net book amount	年初賬面淨值	871,293	6,700,794	7,521	135,958	4,293	7,719,859
Exchange differences	匯兌差額	(27,082)	(133,415)	-	(3,968)	-	(164,465)
Additions	增加	34,871	61,667	-	72,797	99,362	268,697
Acquisition through business combination	企業合併導致的增加	-	219,188	-	2,650	699	222,537
Disposals	處置	(24,150)	(481,707)	-	-	-	(505,857)
Disposals of subsidiaries	處置子公司	-	(1,599)	-	-	-	(1,599)
Transfers	轉撥	-	88,978	-	-	(88,978)	-
Depreciation charge (Note (a))	折舊費用(附註(a))						
— Continuing operations	— 持續經營	-	(308,545)	(1,038)	(4,543)	-	(314,126)
— Discontinued operations	— 終止經營	-	(422,528)	-	(47,542)	-	(470,070)
Lease expiries	租約到期	(26,447)	-	-	-	-	(26,447)
Change in accounting estimate	會計估計變更						
— Discontinued operations	— 終止經營	-	(886,504)	-	-	-	(886,504)
Transferred to disposal group classified as held for sale (Note 20)	轉撥至持有待售的處置組(附註20)	(828,485)	(3,075,681)	-	(139,020)	-	(4,043,186)
Closing net book amount	年末賬面淨值	-	1,760,648	6,483	16,332	15,376	1,798,839
As at December 31, 2018	於 2018 年 12 月 31 日						
Cost	成本	-	6,892,368	10,375	66,264	15,376	6,984,383
Accumulated depreciation and impairment	累計折舊及減值	-	(5,131,720)	(3,892)	(49,932)	-	(5,185,544)
Net book amount	賬面淨值	-	1,760,648	6,483	16,332	15,376	1,798,839

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

6(A). PROPERTY, PLANT AND EQUIPMENT (Continued)

6(A). 不動產、工廠及設備(續)

		Oil and gas properties	Buildings and improvements	Vehicles, office, production equipment and turnarounds 汽車、辦公室 設備、生產設備 及周轉設施	Construction in progress	Total
		油氣資產 RMB'000 人民幣千元	建築物及設施 RMB'000 人民幣千元	RMB'000 人民幣千元	在建工程 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
Year ended December 31, 2019	截至 2019 年 12 月 31 日止年度					
Opening net book amount	年初賬面淨值	1,760,648	6,483	16,332	15,376	1,798,839
Exchange differences	匯兌差額	-	-	13	-	13
Additions	增加	74,761	-	1,661	120,750	197,172
Disposals	處置	-	-	(81)	-	(81)
Disposals of subsidiaries (Note 20)	處置子公司(附註 20)	-	-	(449)	-	(449)
Transfers	轉撥	112,756	-	-	(112,756)	-
Depreciation charge (Note (a)) — Continuing operations	折舊費用(附註 (a)) — 持續經營	(311,790)	(1,038)	(4,252)	-	(317,080)
Closing net book amount	年末賬面淨值	1,636,375	5,445	13,224	23,370	1,678,414
As at December 31, 2019	於 2019 年 12 月 31 日					
Cost	成本	7,079,884	10,374	65,529	23,370	7,179,157
Accumulated depreciation and impairment	累計折舊及減值	(5,443,509)	(4,929)	(52,305)	-	(5,500,743)
Net book amount	賬面淨值	1,636,375	5,445	13,224	23,370	1,678,414

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

6(A). PROPERTY, PLANT AND EQUIPMENT (Continued)

6(A). 不動產、工廠及設備(續)

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
(a) Depreciation charge:	(a) 折舊費用：		
Charged to loss for the year	計入本年虧損		
— Continuing operations	— 持續經營	317,080	314,126
Released from/(capitalised in)	轉出/(資本化入)庫存油		
oil in tank		1,173	(431)
		318,253	313,695
(b) Asset retirement obligations:	(b) 資產棄置義務：		
— Additions of oil and gas properties (Note 26)	— 增加的油氣資產(附註26)	73,378	154
— Acquisition through business combination	— 企業合併導致的增加	-	345
		73,378	499
(c) Assets directly used in and operated under the Group's PSCs with CNPC in the PRC	(c) 本集團與中石油集團訂立的產品分成合同直接予以使用及操作的資產		
— Cost	— 成本	7,165,598	6,968,470
— Accumulated depreciation and impairment	— 累計折舊及減值	(5,493,425)	(5,177,757)
		1,672,173	1,790,713

(d) Subsequent to December 31, 2019, the Group has performed impairment assessment on its property, plant and equipment and intangible assets in the PRC on June 30, 2020, and an impairment provision of RMB529.0 million was recognised in the unaudited management accounts for the six months ended June 30, 2020 (Note 41(b)), including impairment provision of RMB501.5 million recognised in the property, plant and equipment.

(d) 於2019年12月31日後，本集團於2020年6月30日對其在中國的不動產、工廠及設備和無形資產進行了減值評估，並在截至2020年6月30日的6個月的未經審計的管理層報表中確認了減值準備人民幣529.0百萬元(附註41(b))，其中包括對不動產、工廠及設備所計提的人民幣501.5百萬元減值準備。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

6(B). LEASES

This note provides information for leases where the Group is a lessee.

(i) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

6(B). 租賃

本附註提供關於本集團作為承租人的租賃信息。

(i) 資產負債表內確認的金額

資產負債表列示的下列金額與租賃有關：

		As at 於	
		December 31, 2019 2019年 12月31日 RMB'000 人民幣千元	January 1, 2019 2019年 1月1日 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
— Buildings	— 房屋	11,839	7,528
Lease liabilities	租賃負債		
— Current	— 流動	8,707	4,810
— Non-current	— 非流動	4,738	2,246
		13,445	7,056

Additions to the right-of-use assets during the 2019 financial year were RMB15,960,000.

在2019財務年度內，使用權資產增加15,960,000元。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

6(B). LEASES (Continued)

6(B). 租賃

(ii) Amounts recognised in the statement of profit or loss

The statement of profit or loss shows the following amounts relating to leases:

(ii) 損益表內確認的金額

損益表列示的下列金額與租賃有關：

		Year ended December 31, 2019 截至2019年 12月31日 止年度 RMB'000 人民幣千元
Depreciation charge of right-of-use assets — Buildings	使用權資產的折舊費用 — 房屋	9,678
Interest expense (included in finance cost) (Note 30)	利息費用(計入財務費用)(附註30)	2,615
Expense relating to short-term leases (included in administrative expenses) (Note 31)	與短期租賃相關的費用(計入管理費用) (附註31)	8,386

The total cash outflow for leases in 2019 was RMB14,860,000.

2019年因租賃發生的現金流出合計為14,860,000元。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

7. INTANGIBLE ASSETS

7. 無形資產

		Goodwill 商譽 RMB'000 人民幣千元	Mining rights 礦產開採權 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Technology 技術 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended December 31, 2018	截至2018年12月31日止年度					
Opening net book amount	年初賬面淨值	705,146	-	3,047	-	708,193
Transferred to disposal group classified as held for sale (Note 20)	轉撥至持有待售的處置組(附註20)	(614,635)	-	-	-	(614,635)
Acquisition through business combination	企業合併導致的增加	39,584	123,783	11,517	9,200	184,084
Disposals	處置	(69,284)	-	-	-	(69,284)
Amortisation charge (Note 31) — Continuing operations	攤銷費用(附註31) — 持續經營	-	(12,295)	(3,328)	-	(15,623)
Impairment charges	減值損失	(32,122)	(2,035)	-	-	(34,157)
Exchange differences	匯兌差額	(21,227)	-	-	-	(21,227)
Closing net book amount	年末賬面淨值	7,462	109,453	11,236	9,200	137,351
As at December 31, 2018	於2018年12月31日					
Cost	成本	39,584	123,783	40,477	9,200	213,044
Accumulated amortisation and impairment	累計攤銷及減值	(32,122)	(14,330)	(29,241)	-	(75,693)
Net book amount	賬面淨值	7,462	109,453	11,236	9,200	137,351

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

7. INTANGIBLE ASSETS (Continued)

7. 無形資產(續)

		Goodwill 商譽 RMB'000 人民幣千元	Mining rights 礦產開採權 RMB'000 人民幣千元	Software 軟件 RMB'000 人民幣千元	Technology 技術 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended December 31, 2019	截至2019年12月31日止年度					
Opening net book amount	年初賬面淨值	7,462	109,453	11,236	9,200	137,351
Disposal of subsidiaries (Note 20)	處置子公司(附註20)	(7,462)	-	(6,764)	(8,280)	(22,506)
Amortisation charge (Note 31) — Continuing operations	攤銷費用(附註31) — 持續經營	-	(15,428)	(4,472)	(920)	(20,820)
Closing net book amount	年末賬面淨值	-	94,025	-	-	94,025
As at December 31, 2019	於2019年12月31日					
Cost	成本	32,122	123,783	29,241	-	185,146
Accumulated amortisation and impairment	累計攤銷及減值	(32,122)	(29,758)	(29,241)	-	(91,121)
Net book amount	賬面淨值	-	94,025	-	-	94,025

(a) Amortisations of the Group's intangible assets for the years ended December 31, 2019 and 2018 have been charged to the consolidated statement of comprehensive income as general and administrative expenses.

(b) Subsequent to December 31, 2019, the Group has performed impairment assessment on its property, plant and equipment and intangible assets in the PRC on June 30, 2020, and an impairment provision of RMB529.0 million was recognised in the unaudited management accounts for the six months ended June 30, 2020 (Note 41(b)), including impairment provision of RMB27.5 million on intangible assets.

(a) 本集團於截至2019年和2018年12月31日年度的無形資產攤銷金額已作為管理費用計入合併綜合收益表。

(b) 於2019年12月31日後，本集團於2020年6月30日對其在中國的不動產，工廠及設備和無形資產進行了減值評估，並在截至2020年6月30日的6個月的未經審計的管理層報表中確認了減值準備人民幣529.0百萬元(附註41(b))，其中包括對無形資產所計提的減值準備人民幣27.5百萬元。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

8. INVESTMENTS IN ASSOCIATES

8. 聯營企業投資

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
As at January 1,	於 1 月 1 日	-	182,541
Additions	增加	4,713	3,199
Disposal	處置	-	(141,652)
Share of losses for the year	年內應佔的虧損	-	(9,318)
Impairment	減值	(4,826)	(3,314)
Exchange differences	匯兌差額	113	(1,229)
Reclassification	重分類	-	(34,259)
Others	其他	-	4,032
As at December 31,	於 12 月 31 日	-	-

(a) Details of investments in associates

(a) 聯營企業投資詳情

Name of entity	Place of business/ country of incorporation	Principal activities	% of interest held indirectly	Measurement method
公司名稱	經營地點/ 企業註冊地址	主要業務	間接持有 權益比例	核算方法
Palaeontol B.V. ("PBV")	Netherlands 荷蘭	Exploration and production of oil in Kazakhstan through associate 通過聯營企業形式在哈薩克斯坦 勘探及生產石油	40.0%	Equity 權益法
PetroBroad Copower Limited ("PetroBroad")	PRC/Hong Kong 中國/香港	Exploration of petroleum products in the northern part of the South China Sea pursuant to the PSC with China National Offshore Oil Corporation ("CNOOC") 按照其與中國海洋石油集團 有限公司(「中海油」)簽訂的 產品分成合同約定在中國南海 的北部對海上石油項目 進行勘探	34.0%	Equity 權益法

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

8. INVESTMENTS IN ASSOCIATES (Continued)

(b) Fair value

PBV and PetroBroad are private companies and there are no quoted market price available for its shares.

(c) Contingent liabilities

As December 31, 2019 and 2018, there are no contingent liabilities relating to the Group's interest in its associates.

(d) Summarised financial information

Summarised consolidated statement of comprehensive income

8. 聯營企業投資(續)

(b) 公允價值

PBV及PetroBroad為非上市公司，因此其股份沒有可供使用的市場價格。

(c) 或有負債

於2019年和2018年12月31日，並無與本集團在聯營企業的利益相關的或有負債。

(d) 摘要財務資料如下

摘要合併綜合收益表

		Year ended December 31, 2019 截至2019年12月31日年度		
		Palaeontol B.V. PBV RMB' 000 人民幣千元	Others 其他 RMB' 000 人民幣千元	Total 總計 RMB' 000 人民幣千元
Revenue	收入	284,383	-	284,383
Depreciation and amortisation expense	折舊及攤銷費用	(94,589)	-	(94,589)
General and administration expenses	管理費用	(7,832)	(48)	(7,880)
Taxes other than income taxes	除所得稅外其他稅費	(92,699)	(2)	(92,701)
Impairments charges	資產減值損失	(453,311)	-	(453,311)
Others	其他	(192,773)	(5,480)	(198,253)
Loss before income tax	除所得稅前損失	(556,821)	(5,530)	(562,351)
Income tax credit	所得稅收益	73,522	-	73,522
Loss for the year	本年損失	(483,299)	(5,530)	(488,829)
Total comprehensive loss for the year	本年綜合損失總額	(483,299)	(5,530)	(488,829)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

8. INVESTMENTS IN ASSOCIATES (Continued)

8. 聯營企業投資(續)

(d) Summarised financial information (Continued)

(d) 摘要財務資料如下(續)

Summarised statement of financial position

摘要財務狀況表

		As at December 31, 2019 於2019年12月31日		
		Palaeontol B.V. PBV RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Current	流動			
Cash and cash equivalents	現金及現金等價物	23,438	3,139	26,577
Other current assets	其他流動資產	37,961	26,437	64,398
Total current assets	流動資產總額	61,399	29,576	90,975
Trade payables	應付賬款	(72,274)	(31,725)	(103,999)
Other current liabilities	其他流動負債	(43,162)	(259,646)	(302,808)
Total current liabilities	流動負債總額	(115,436)	(291,371)	(406,807)
Non-current	非流動			
Property, plant and equipment	不動產、工廠及設備	1,634,625	249,992	1,884,617
Other non-current assets	其他非流動資產	171,376	-	171,376
Total non-current assets	非流動資產總額	1,806,001	249,992	2,055,993
Total non-current liabilities	非流動負債總額	(2,322,425)	-	(2,322,425)
Net liabilities	淨負債	(570,461)	(11,803)	(582,264)

The information above reflects the amounts presented in the financial statements of the associates adjusted for differences in accounting policies between the Group and the associates (if any), and not the Group's share of those amounts.

以上數據反映在聯營企業的財務報表內呈列的數額(並非本集團享有此等數額的份額),並經就本集團與聯營企業之間會計政策的差異作出調整(如有)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

8. INVESTMENTS IN ASSOCIATES (Continued)

(e) Reconciliation of summarised financial information

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 Total 總計 RMB'000 人民幣千元	2018 2018年 Total 總計 RMB'000 人民幣千元
At January 1,	於1月1日	-	182,541
Loss for the year	本年虧損	(488,829)	(139,057)
Currency translation differences	外幣折算差額	(93,435)	46,279
Disposals	處置	-	(141,652)
Reclassification	重分類	-	(34,259)
Closing net liabilities	年末淨負債	(582,264)	(86,148)
Interest in associates	聯營權益	-	-
Carrying value	賬面價值	-	-

9. JOINT ARRANGEMENTS

(a) Joint operations

During the year ended December 31, 2019, through its subsidiaries, the Group has the following joint arrangements which are accounted for as joint operation in accordance with IFRS 11 "Joint arrangements".

Daan and Moliqing PSCs

As at December 31, 2019, the Group holds the entire 100% and 10% shares of the Foreign Contractor's interests in the Daan PSC and Moliqing PSC, respectively.

9. 合營安排

(a) 共同經營

截至2019年12月31日止年度，本集團通過子公司擁有以下共同經營業務，其根據國際財務報告準則第11號「合營安排」釐定為共同經營。

大安和莫里青產品分成合同

於2019年12月31日，本集團分別持有外方合同者在大安產品分成合同及莫里青產品分成合同的全部100%及10%份額。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

9. JOINT ARRANGEMENTS (Continued)

(a) Joint operations (Continued)

The Daan and Moliqing oilfields had been in the commercial production phase since 2005 and 2008, respectively, the Daan and Moliqing PSCs would expire after about nine years in 2028. The Group conducts the development and production activities under the Daan PSC and Moliqing PSC jointly with CNPC as a 100% Foreign Contractor and a 10% Foreign Contractor respectively. The remainder 90% Foreign Contractor of Moliqing PSC is Riyadh Energy Limited (“Riyadh Energy”). These PSCs establish joint control over the development and production activities. The assets are not owned by a separate legal entity but are controlled by individual participants in the PSCs. Each participant is entitled to a predetermined share of the related output and bears an agreed share of the costs.

On June 4, 2020, the Group successfully obtained approval from its production sharing counterparty, CNPC, to extend the expiry date of the production period from December 31, 2024 to February 29, 2028 on the condition that the Group shall drill a minimum number of new wells in the Daan oilfield as agreed within a certain period (Note 2.1.1, 41(d)).

Pursuant to the respective PSCs with CNPC the annual gross production of the crude oil shall, after payment for value added tax and royalty, be firstly deemed as the cost recovery oil and shall be used for cost recovery in the following sequence:

- (i) Payment in kind for the operating costs actually incurred by Foreign Contractors and PetroChina.

9. 合營安排(續)

(a) 共同經營(續)

大安和莫里青油田兩個區塊分別在2005和2008年進入商業生產期。大安和莫里青的產品分成合同將於2028年到期，合同剩餘有效時間約為9年。本集團分別作為100%和10%的外方合同者，與中石油集團共同進行大安產品分成合同和莫里青產品分成合同的生產和開發。莫里青產品分成合同的剩餘的90%份額的外方合同者為利雅得能源公司(「利雅得能源」)。對於上述產品分成合同的開發和生產活動實行共同控制。這些資產不屬於單獨的法律實體，而分屬於產品分成合同的個人參與者控制。每個合同參與者按約定份額獲取相關產出收入，並承擔約定的成本份額。

於2020年6月4日，本集團已成功從其產品分成合同的合作方中石油集團獲得批准，將生產期的有效期從2024年12月31日延長至2028年2月29日，前提是本集團應在一定期限內在大安油田的建設油井達到約定的最少數量(附註2.1.1，41(d))。

根據與中石油集團的相關產品分成合同，原油的年度總產量在支付增值稅及礦區使用費後，將首先被視為費用回收油，並將按如下步驟用於費用回收：

- (i) 就外方合同者及中石油股份實際產生的操作費作出實物付款。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

9. JOINT ARRANGEMENTS (Continued)

(a) Joint operations (Continued)

- (ii) The remainder of the cost recovery oil shall, after payment for the operating costs, be deemed as investment recovery oil. Such investment recovery oil shall be used for the simultaneous recovery of the pilot test costs and the development costs incurred by Foreign Contractors and predevelopment costs spent by PetroChina in proportion of 20% by PetroChina and 80% by Foreign Contractors. The unrecovered costs of the parties shall be carried forward to and recovered from the investment recovery oil in succeeding calendar years until being fully recovered.
- (iii) After all pilot test costs and development costs incurred up to that time have been recovered, the remainder of the gross production of crude oil for that period is referred to as profit oil and shall be allocated in proportion of PetroChina 52% and Foreign Contractors 48%.
- (iv) The operating costs so incurred after the date of commencement of commercial production shall be paid respectively by PetroChina and Foreign Contractors in accordance with the proportion of oil allocated to each party.

9. 合營安排(續)

(a) 共同經營(續)

- (ii) 費用回收油的剩餘部分在支付操作費後，將被視為投資回收油。該投資回收油將被用於按中石油股份分佔20%及外方合同者分佔80%的比例，同步回收外方合同者所產生的先導試驗期成本、開發費用及中石油股份所支付的前期開發費用。訂約方未回收的成本則被結轉至隨後日歷年的投資回收油，並於其中回收，直至全數回收為止。
- (iii) 在當期先導試驗期成本及開發費用回收後，該期間原油總產量的剩餘部分將作為利潤分成油並且按中石油股份分佔52%及外方合同者分佔48%的比例進行分配。
- (iv) 開始商業生產後所產生的操作費將分別由中石油股份及外方合同者按石油分配的比例予以支付。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

10. SUBSIDIARIES

10. 子公司

Details of principal subsidiaries

主要子公司詳情

Name 名稱	Country of incorporation 註冊成立地點	Kind of legal entity 法律實體類型	Principal activities and Place of operation 主要業務及經營地點	Particulars of issued share capital 註冊及全部注入資本	Proportion (%) of ordinary shares held by 所持普通股比例 (%)	
					The Company 公司	The Group 集團
Directly held : 直接持有 :						
Gobi Energy Limited ("Gobi")	Cayman Islands 開曼群島	Limited liability company 有限責任公司	Production and sale of oil in the PRC 在中國生產及出售石油	100 ordinary shares of 1 US\$ each 100 普通股，每股一美元	100%	100%
Indirectly held by the completion of disposal on September 30, 2019 間接持有直到2019年9月30日被處置 :						
Maple Energy Investments Limited ("Maple Energy")	Hong Kong 香港	Limited liability company 有限責任公司	Investment 投資	100 ordinary shares of HK\$100 each 100 普通股，每股一百港幣	100%	100%
Canlin Energy Corporation ("Canlin") (Note) (附註)	Canada 加拿大	Limited liability company 有限責任公司	Production and sale of Gas and oil in the Canada 在加拿大生產及出售 天然氣及石油	Registered capital of C\$296 million 註冊資本 296 百萬加幣	100%	100%

Note: Maple Energy and Canlin are included in the Disposal Group which was classified as held for sale as at December 31, 2018. The disposal was completed on September 30, 2019.

附註：Maple Energy及麒麟，於2018年12月31日其被分類為持有待售的處置組，並於2019年9月30日完成處置。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

11. FINANCIAL INSTRUMENTS BY CATEGORY

11. 金融工具(按類別)

		Financial assets at FVOCI 以公允價值計量且 其變動計入其他 綜合收益的金融資產 RMB'000 人民幣千元	Other financial assets at amortised cost 其他金融資產， 按攤餘成本計量 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at December 31, 2019	於2019年12月31日			
Assets as per statement of financial position	根據財務狀況表的資產			
Financial assets at FVOCI (Note 12)	以公允價值計量且其變動計入 其他綜合收益的金融資產 (附註12)	43,754	-	43,754
Trade and other receivables excluding prepayments (Notes 14,15)	應收賬款及其他應收款， 不包括預付款(附註14,15)	-	511,309	511,309
Cash and cash equivalents (Note 19)	現金及現金等價物(附註19)	-	13,711	13,711
Restricted cash (Note 18)	受限制現金(附註18)	-	46,213	46,213
		43,754	571,233	614,987
			Other financial liabilities at amortised cost 其他金融負債， 按攤餘成本 RMB'000 人民幣千元	
Liabilities as per statement of financial position	根據財務狀況表的負債			
Borrowings (Note 27)	借款(附註27)			3,999,267
Trade and other payables excluding non-financial liabilities (Notes 25, 26)	應付賬款及其他應付款，不包括非金融負債 (附註25, 26)			831,546
Lease liabilities (Note 6(B))	租賃負債(附註6(B))			13,445
				4,844,258

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

11. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

11. 金融工具(按類別)(續)

		Financial assets at FVTPL 以公允價值計量 且其變動計入 當期損益的 金融資產 RMB'000 人民幣千元	Financial assets at FVOCI 以公允價值計量 且其變動計入 其他綜合收益 的金融資產 RMB'000 人民幣千元	Other financial assets at amortised cost 其他金融資產， 按攤餘成本計量 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at December 31, 2018	於2018年12月31日				
Assets as per statement of financial position	根據財務狀況表的資產				
Financial assets at FVTPL (Note 17)	以公允價值計量且其變動 計入當期損益的金融資產 (附註17)	17,755	-	-	17,755
Financial assets at FVOCI (Note 12)	以公允價值計量且其變動 計入其他綜合收益的 金融資產(附註12)	-	46,458	-	46,458
Trade and other receivables excluding prepayments (Notes 14,15)	應收賬款及其他應收款， 不包括預付款(附註14,15)	-	-	988,736	988,736
Cash and cash equivalents (Note 19)	現金及現金等價物(附註19)	-	-	28,115	28,115
Restricted cash (Note 18)	受限制現金(附註18)	-	-	45,465	45,465
		17,755	46,458	1,062,316	1,126,529

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

11. FINANCIAL INSTRUMENTS BY CATEGORY (Continued)

11. 金融工具(按類別)(續)

		Financial liabilities at FVTPL 以公允價值計量 且其變動計入 當期損益的 金融負債 RMB'000 人民幣千元	Other financial liabilities at amortised cost 其他金融負債， 按攤餘成本 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Liabilities as per statement of financial position	根據財務狀況表的負債			
Borrowings (Note 27)	借款(附註27)	–	4,335,954	4,335,954
Trade and other payables excluding non-financial liabilities (Notes 25, 26)	應付賬款及其他應付款， 不包括非金融負債(附註25, 26)	–	539,883	539,883
Financial liabilities at FVTPL (Note 13)	以公允價值計量且其變動計入 當期損益的金融負債(附註13)	313,969	–	313,969
		313,969	4,875,837	5,189,806

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

12. 以公允價值計量且其變動計入其他綜合收益的金融資產

(a) Classification of financial assets at FVOCI

(a) 以公允價值計量且其變動計入其他綜合收益的金融資產分類

Financial assets at FVOCI comprise:

以公允價值計量且其變動計入其他綜合收益的金融資產包括：

Equity investments which are not held for trading, and which the Group has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the Group considers this classification to be more relevant.

本集團在初始確認時已不可撤銷地選擇在此分類中予以確認的非交易性權益證券。這些金融資產屬於戰略性投資，並且本集團認為這一分類更恰當。

Debt investments where the contractual cash flows are solely principal and interest and the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

合同現金流量僅為本金和利息且本集團業務模式為持有以收取合同現金流量及出售的債權投資。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

(b) Equity investments at FVOCI

Equity investments at FVOCI comprise the following individual investments:

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Unlisted company	非上市證券	41,491	44,231

On disposal of these equity investments, any related balance within the FVOCI reserve is reclassified to retained earnings.

處置這些權益投資時，以公允價值計量且其變動計入其他綜合收益儲備內的所有相關餘額均被重分類至留存收益。

(c) Debt investments at FVOCI

Debt investments at FVOCI comprise the following investments in unlisted bonds:

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Non-current assets	非流動資產		
Debt investment	債務投資	2,263	2,227

On disposal of these debt investments, any related balance within the FVOCI reserve is reclassified to profit or loss.

處置這些債權投資時，以公允價值計量且其變動計入其他綜合收益儲備內的所有相關餘額均被重分類至損益。

12. 以公允價值計量且其變動計入其他綜合收益的金融資產(續)

(b) 以公允價值計量且其變動計入其他綜合收益的權益投資

以公允價值計量且其變動計入其他綜合收益的權益投資如下：

(c) 以公允價值計量且其變動計入其他綜合收益的債權投資

以公允價值計量且其變動計入其他綜合收益的債權投資包括以下非上市債券投資：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

12. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Continued)

(d) Amounts recognised in profit or loss and other comprehensive income

		Year ended December 31, 截至 12 月 31 日止年度	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Losses recognised in other comprehensive income (Note 23)	計入其他綜合收益的損失 (附註 23)		
— Related to equity investments	— 權益工具相關	(3,428)	(19,900)

(e) Fair value, impairment and risk exposure

Information about the methods and assumptions used in determining fair value is provided in Note 3.3.

(d) 計入損益和其他綜合收益的金額

(e) 公允價值、減值及風險敞口

有關確定公允價值所運用的方法及假設等相關信息，請參見附註3.3。

13. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Current liabilities

Convertible Bonds

流動負債
可換股債券

13. 以公允價值計量且其變動計入當期損益的金融負債

As at December 31,
於 12 月 31 日

		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
		—	313,969
		—	313,969

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

13. FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

Pursuant to a placing agreement (“Placing Agreement”) dated January 26, 2018 (“Issue Date”), the Company issued the Convertible Bonds to an independent holder with principal totalling HK\$340.0 million (equivalent to approximately RMB297.9 million), which bear a coupon rate of 5.0% per annum, redeemable on January 26, 2021 and are secured against the shares of Maple Energy. According to the Placing Agreement, the Convertible Bonds are convertible into ordinary shares at an initial conversion price of HK\$0.58 per share at the right of the holder during a specified conversion period (the “Conversion Right”). The holder has a put option to request the Company to redeem all or some of the Convertible Bonds on January 26, 2019 at specific redemption price as prescribed in the Placing Agreement together with accrued and unpaid interest (if any).

On January 22, 2019 and February 27, 2019, the terms of the Convertible Bonds were amended whereby the conversion rights to the Company’s shares were cancelled; and the related exercise date of the Put Option for redemption was changed from January 26, 2019 to any date on or after March 15, 2019 until maturity (referred to as the “Public Notes” after the amendment).

As at September 30, 2019, the Public Notes were settled as part of the consideration of the Maple Energy Disposal (Note 20).

13. 以公允價值計量且其變動計入當期損益的金融負債(續)

於2018年1月26日(「發行日期」)，本公司向獨立持有人發行可換股債券，本金總額為340.0百萬港元(折合人民幣約297.9百萬元)。根據發行日期的協議(「配售協議」)，可換股債券的年利率為5.0%，於2021年1月26日到期並以Maple Energy的股票作為抵押。根據配售協議之條款及條件，可換股債券可在特定轉換期內根據持有人的權利按每股0.58港元的初始轉換價格轉換為普通股(「轉換權」)。持有人有一項認沽期權，要求本公司於2019年1月26日按照配售協議所規定之贖回價連同應計及未付利息贖回全部或部分可換股債券(如有)。

可換股債券的條款分別於2019年1月22日和2月27日進行修訂取消了對公司股份的轉換權；認沽期權的贖回期已從2019年1月26日延長至2019年3月15日之後的任何日期。(修改後稱為「公開債券」)。

於2019年9月30日，公開債券已作為Maple Energy Disposal交易對價的一部分結算(附註20)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

14. 預付款項、保證金及其他應收款

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Amounts due from related parties	應收關聯方款項		
— Palaeontol B.V. (Note (d))	— Palaeontol B.V. (附註(d))	919,022	886,901
— Others	— 其他	44,898	32,558
Loans granted to third parties (Note (e))	授予第三方的貸款(附註(e))	4,883	135,075
Other receivables	其他應收款項	184,611	352,020
Consideration receivables from disposals of subsidiaries	應收處置子公司股權轉讓款	291,238	332,535
Deposits	保證金	9,014	77,205
Interest receivable	應收利息	349	549
Advances to employees	員工備用金	8,235	8,460
		1,462,250	1,825,303
Less: loss allowance (Note 3.1(b))	減：損失準備(附註3.1(b))	(1,012,315)	(906,358)
		449,935	918,945
Prepaid expenses	待攤費用	4,334	46,955
Advances to suppliers	預付賬款	158,105	159,764
Less: loss allowance (Note (b))	減：損失準備(附註(b))	(155,975)	(153,417)
		456,399	972,247
Current	流動	71,036	615,035
Non-current	非流動	385,363	357,212
		456,399	972,247

(a) The fair value of loans and receivables approximates to their carrying amounts.

(a) 貸款和應收賬款的公允價值與其賬面金額相近。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

(b) Movements on loss allowance of prepayment

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
As at January 1,	於1月1日	153,417	152,330
Loss allowance	損失準備	2,558	1,087
As at December 31,	於12月31日	155,975	153,417

Provision and reversal of loss allowance of prepayment have been included in 'other (losses)/gains, net' in the consolidated statement of comprehensive income.

The other classes within prepayments and other receivables do not contain assets made loss allowances. The maximum exposure to credit risk at the reporting date is the carrying value of each class of prepayments and other receivables mentioned above.

(c) The carrying amounts of other receivables are denominated in the following currencies:

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
US\$	美元	397,933	885,743
RMB	人民幣	52,002	33,202
		449,935	918,945

14. 預付款項、保證金及其他應收款(續)

(b) 預付賬款損失準備變動

預付賬款損失準備的計提和轉回已包括在合併綜合收益表中「其他(損失)/收益,淨值」內。

預付及其他應收款中的其他類別不包含已計提損失準備資產。於報告日,最大的信用風險敞口為以上提及的各類預付及其他應收款的賬面價值。

(c) 其他應收款賬面金額以下列貨幣為單位:

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

14. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES (Continued)

- (d) The amounts due from Palaeontol B.V. consists of shareholder loans and other receivables. The shareholder loans are unsecured, bear interest ranging from 4.9% to 5.0% per annum (Note 38) and maturing in 2021, 2023 and 2036 respectively.
- (e) Loans granted to third parties bear interests is 8.0% per annum and repayable within one year. Loans are unsecured. As of December 31, 2019, loss allowance have been fully accrued for the loan.

15. TRADE AND NOTE RECEIVABLES

14. 預付款項、保證金及其他應收款(續)

- (d) 應收Palaeontol B.V.的款項包含股東貸款和其他應收款兩部分。其中股東貸款是無擔保的，年利率為4.9%到5.0%（附註38），分別於2021年，2023年和2036年到期。
- (e) 授予第三方的貸款年利率為8.0%，且在一年內償還。其中貸款並無擔保，截至2019年12月31日，貸款已全額計提損失準備。

15. 應收賬款及應收票據

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Trade receivables from:	應收貿易款		
— PSC partners	— 產品分成合同合作夥伴	60,508	65,801
— Third parties	— 第三方	866	4,575
		61,374	70,376
Less: loss allowance (Note 3.1(b))	減：損失準備(附註3.1(b))	—	(585)
		61,374	69,791

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

15. TRADE AND NOTE RECEIVABLES (Continued)

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

(b) Aging analysis

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Up to 30 days	未超過 30 日	61,238	66,862
31–180 days	31 至 180 日	–	1,000
Over 180 days	超過 180 日	136	2,514
		61,374	70,376

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

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

The Group does not hold any collateral as security.

(c) The carrying amounts are denominated in the following currencies:

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
RMB	人民幣	61,374	69,791
		61,374	69,791

15. 應收賬款及應收票據(續)

(a) 應收賬款的公允價值與其賬面金額相近。

(b) 賬齡分析

本集團應收賬款的信用期為三十至一百八十日。

於報告日，最大的信用風險敞口為各類應收賬款的賬面價值。

本集團並未持有任何擔保品作為抵押。

(c) 賬面金額以下列貨幣為單位：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

16. INVENTORIES

16. 存貨

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Oil in tank	庫存油	5,768	7,655
Materials and supplies	物料及供應品	10,602	14,735
		16,370	22,390

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

17. 以公允價值計量且其變動計入當期損益的金融資產

(a) Classification of financial assets at FVTPL

(a) 以公允價值計量且其變動計入當期損益的金融資產分類

Financial assets mandatorily measured at FVTPL include the following:

必須以公允價值計量且其變動計入當期損益的金融資產如下：

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Current assets	流動資產		
Equity securities, listed	權益證券，上市權益證券	-	17,755

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

17. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

(b) Amounts recognised in profit or loss

During the year, the following gains were recognised in profit or loss:

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Fair value gains on equity investments at FVTPL recognised in other gains	計入其他利得的以公允價值計量且其變動計入當期損益的權益投資公允價值利得	481	617

(c) Risk exposure and fair value measurements

Information relating to the Group's exposure to price risk and the methods and assumptions used in determining fair value is set out in Note 3.1 and Note 3.3 respectively.

17. 以公允價值計量且其變動計入當期損益的金融資產(續)

(b) 計入損益的金額

本年度，本集團將以下利得計入損益：

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Fair value gains on equity investments at FVTPL recognised in other gains	計入其他利得的以公允價值計量且其變動計入當期損益的權益投資公允價值利得	481	617

(c) 風險敞口及公允價值計量

有關本集團面臨的價格風險的信息及確定公允價值的方法及假設等相關信息，請分別參見附註3.1及附註3.3。

18. RESTRICTED CASH

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Non-current	非流動	-	45,465
Current	流動	46,213	-
		46,213	45,465

A deposit of US\$6.6 million (equivalent to RMB46.2 million as at December 31, 2019) was pledged as security for a term loan facility of US\$147.2 million entered between the Group and a third party on June 8, 2017.

18. 受限制現金

本集團與第三方於2017年6月8日訂立的定期貸款融資147.2百萬美元以託管賬戶中的6.6百萬美元(於2019年12月31日折合人民幣46.2百萬元)作為抵押。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

19. CASH AND CASH EQUIVALENTS

19. 現金及現金等價物

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Cash on hand	現金	-	8
Cash at bank	銀行存款	13,711	28,107
		13,711	28,115

(a) Carrying amounts are denominated in the following currencies:

(a) 賬面金額以下列貨幣為單位：

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
RMB	人民幣	1,765	6,083
US\$	美元	11,733	21,459
C\$	加幣	3	203
HK\$	港幣	20	139
Others	其他	190	231
		13,711	28,115

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

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

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

On September 24, 2018, the Group entered into an agreement with FEEIL for the sale of its entire 100% equity investment in Maple Energy and its subsidiaries (collectively as the “Disposal Group”), at a consideration of US\$250.0 million. The associated assets and liabilities were consequently presented as held for sale in the 2018 financial statements.

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

20. 持有待售的處置組及終止經營

(i) 終止經營 — 處置Maple Energy 100% 股份

2018年9月24日，本集團與FEEIL達成協議，以2.5億美元的價格出售其在Maple Energy及其子公司（合稱「處置組」）的全部100%股權投資。因此，相關資產和負債在2018年財務報表中被列為持有待售的處置組。

該處置於2019年9月30日交割完成。截至處置日止期間，終止經營的相關財務資料如下：

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

20. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

20. 持有待售的處置組及終止經營(續)

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

(i) 終止經營 — 處置 Maple Energy 100% 股份(續)

(a) Financial performance and cash flow information

(a) 財務業績和現金流信息

		Period ended disposal date 截至處置日期 止期間 2019 2019年 RMB'000 人民幣千元	Year ended December 31, 截至12月31日 止年度 2018 2018年 RMB'000 人民幣千元
Revenue	收益	938,514	1,766,647
Other (losses)/gains, net	其他(虧損)/收益, 淨額	(73,377)	260,387
Expenses	費用	(1,430,721)	(2,422,991)
Loss before income tax	除所得稅前虧損	(565,584)	(395,957)
Income tax credit	當期所得稅收益	198,695	32,494
Loss after income tax of discontinued operation	終止經營所得虧損	(366,889)	(363,463)
Gain on sale of the subsidiary after income tax	稅後處置子公司收益	699,066	-
Profit/(loss) from discontinued operations	終止經營所得利潤/(虧損)	332,177	(363,463)
Exchange differences on translation of discontinued operations	終止經營外幣報表折算差	-	(129,629)
Other comprehensive income/(losses) from discontinued operations	終止經營其他綜合收益/(虧損)	332,177	(493,092)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

20. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

20. 持有待售的處置組及終止經營(續)

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

(i) 終止經營 – 處置Maple Energy 100% 股份(續)

(a) Financial performance and cash flow information (Continued)

(a) 財務業績和現金流信息(續)

		Period ended disposal date 截至處置日期止期間 2019 2019年 RMB'000 人民幣千元	Year ended December 31, 截至12月31日止年度 2018 2018年 RMB'000 人民幣千元
Net cash inflow from operating activities	經營活動產生的現金淨額	11,911	132,127
Net cash (outflow)/inflow from investing activities	投資活動(使用)/產生的現金淨額	(92,059)	355,114
Net cash inflow/(outflow) from financing activities	融資活動產生/(使用)的現金淨額	80,163	(477,763)
Net increase in cash generated by the subsidiary	現金及現金等價物的增加淨額	15	9,478

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

20. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

20. 持有待售的處置組及終止經營(續)

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

(i) 終止經營 — 處置 Maple Energy 100% 股份(續)

(b) Details of the sale of the subsidiary

(b) 處置子公司明細

		Period ended disposal date 截至處置日期止期間 2019 2019年 RMB'000 人民幣千元
Consideration received or receivable:	已收或應收對價：	
Fair value of borrowings	借款的公允價值	1,768,225
Fair value of inter-company loans	公司內部貸款的公允價值	(1,264,793)
Loss on loans and bond	貸款和債券的損失	(671,987)
Total disposal consideration	處置對價總額	(168,555)
Less:	減：	
Carrying amount of net liabilities sold	出售淨負債賬面價值	(971,129)
Other disposal expense	其他處置費用	1,205
Gain on sale before income tax and reclassification of foreign currency translation reserve	所得稅前處置收益及外幣折算儲備重分類	801,369
Reclassification of foreign currency translation reserve	外幣折算儲備重分類	(100,534)
Income tax expense on disposal gain	處置利得的所得稅費用	(1,769)
Gain on sale after income tax	所得稅後處置收益	699,066

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

20. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

20. 持有待售的處置組及終止經營(續)

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

(i) 終止經營 – 處置Maple Energy 100% 股份(續)

The carrying amounts of assets and liabilities as at the disposal date were:

截至處置日的資產和負債賬面價值為：

		As at September 30, 2019 於2019年 9月30日 RMB'000 人民幣千元
Property, plant and equipment	不動產、工廠及設備	3,315,806
Intangible assets	無形資產	653,735
Derivative financial instrument	衍生金融工具	17,915
Right-of-use assets	使用權資產	30,554
Trade receivables	應收賬款	184,807
Prepayments, deposits and other receivables	預付款項、保證金及其他應收款	74,595
Cash and cash equivalents	現金及現金等價物	2,264
Total assets	總資產	4,279,676
Trade and other payables	應付及其他應付款	210,490
Provisions, accruals and other liabilities	準備、預提及其他負債	1,197,965
Borrowings	借款	1,182,092
Deferred income tax liabilities	遞延所得稅負債	308,176
Financial liabilities at FVTPL	以公允價值計量且其變動計入 當期損益的金融負債	993,096
Current income tax liabilities	當期所得稅負債	11,652
Derivative financial instruments	衍生金融工具	52,163
Amount due to related parties	應付關聯方	1,264,793
Lease liabilities	租賃負債	30,378
Total liabilities	總負債	5,250,805
Net assets	淨資產	(971,129)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

20. DISPOSAL GROUPS CLASSIFIED AS HELD FOR SALE AND DISCONTINUED OPERATIONS (Continued)

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

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

Asia Oil & Gas ceased to be a subsidiary of the Group upon completion and it did not constitute a discontinued operation. A loss arising on the disposal of approximately RMB21.2 million was recognised in the consolidated statement of comprehensive income (Note 28).

20. 持有待售的處置組及終止經營(續)

(ii) 持續經營 — 處置Asia Oil & Gas (Cayman) Limited 100% 股份

2019年12月26日，本公司與獨立第三方購買方簽訂買賣合同，本公司同意出售且買家同意收購Asia Oil & Gas (Cayman) Limited (「Asia Oil & Gas」)全部已發行股本。於買賣合同簽訂日，本公司擁有Asia Oil & Gas 100%的權益。Asia Oil & Gas的主要經營活動是作為少數股東對航天科技通信電子技術(深圳)有限公司(「航天科技」)的投資控股。此次處置已於2019年12月31日完成。

交割後，Asia Oil & Gas不再是本公司的子公司，該處置不構成終止經營。本次處置產生處置損失金額約人民幣21.2百萬元已在合併綜合收益表中列示(附註28)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

21. SHARE CAPITAL

Ordinary shares, issued and fully paid:

		Number of shares 股數 Thousand 千股	Ordinary shares 股本 RMB'000 人民幣千元	Share premium 股本溢價 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at January 1, 2018 and December 31, 2018	於2018年1月1日 及12月31日	2,938,597	19,489	1,049,307	1,068,796
As at January 1, 2019	於2019年1月1日	2,938,597	19,489	1,049,307	1,068,796
Add: allotment of new shares	加：配發新股	330,824	2,263	30,190	32,453
As at December 31, 2019	於2019年12月31日	3,269,421	21,752	1,079,497	1,101,249

21. 股本

已發行並已繳足普通股：

22. SHARE-BASED PAYMENTS

Details of the equity-settled share option schemes, share award scheme and cash-settled stock appreciation rights plan adopted by the Company are as follows:

The share options, stock appreciation rights and share awards granted generally vest over a two or three-year period following a specified vesting commencement date. Typically, the share options, stock appreciation rights and share awards granted vest at each anniversary of the grant date within the vesting period, subject to the participant continuing to be an employee on each vesting date. The terms of share options, stock appreciation rights and share awards granted will not exceed ten years from the grant date.

(a) Stock incentive compensation plan (the "Plan")

The Plan was adopted on November 20, 2009 with the purpose of providing additional incentive to employees, directors and consultants to attract and retain the best available personnel for positions of substantial responsibility. The Company originally reserved 6,072,870 ordinary shares for issuance under the Plan.

22. 股份支付

本公司採用的以股權結算的購股權、獎勵股份和現金結算的股份增值權計劃詳情載列如下：

授出的購股權、股份增值權和獎勵股份一般可以在期權授予日之後的兩年或三年期間行權。一般來講，所授出的股權、股份增值權、股份獎勵在等待期內的授予日的每個周年紀念日可以行權，且被授予者必須在每個行權日為公司僱員。授出的購股權、股份增值權和獎勵股份的期限自授出日期起計不會超過十年。

(a) 股份獎勵酬金計劃(以下簡稱「計劃」)

本公司董事會於2009年11月20日所採納的股份獎勵酬金計劃，旨在為擔負重要職責的職位招攬及挽留最優秀的可用人員，並為僱員、董事及顧問提供額外獎勵。本公司原先預留6,072,870股普通股以預備股份獎勵酬金計劃。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

22. SHARE-BASED PAYMENTS (Continued)

(a) Stock incentive compensation plan (the "Plan") (Continued)

(i) Stock options under the Plan

Movements in the number of share options and their expiring date and exercise prices under the Plan are as follows:

		2019 2019年		2018 2018年	
		Average exercise price per share 平均 行使價每股	Options 期權	Average exercise price per share 平均 行使價每股	Options 期權
As at January 1,	於1月1日	US\$0.18	7,746,089	US\$0.15	14,065,578
Lapsed	已失效	US\$0.13	(4,666,823)	US\$0.13	(6,319,489)
Cancelled	已取消	US\$0.25	(3,079,266)		-
As at December 31,	於12月31日		-		7,746,089
Expiry date	到期日				
November 20, 2019	2019年11月20日		-	US\$0.13	4,666,823
November 23, 2020	2020年11月23日		-	US\$0.25	3,079,266
			-		7,746,089
Exercisable	可行使		-		7,746,089

At December 31, 2019, there was no share options to be exercised (At December 31, 2018, all the Share options were exercisable).

22. 股份支付(續)

(a) 股份獎勵酬金計劃(以下簡稱「計劃」)(續)

(i) 該計劃中包含的購股權

該計劃中包含未行使購股權數目，其到期日及行權價的變動如下：

於2019年12月31日，沒有尚未行使的購股權(於2018年12月31日，所有尚未行使的購股權均為可行使購股權)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

22. SHARE-BASED PAYMENTS (Continued)

22. 股份支付(續)

(a) Stock incentive compensation plan (the "Plan") (Continued)

(a) 股份獎勵酬金計劃(以下簡稱「計劃」)(續)

(ii) Stock appreciation rights granted under the Plan

(ii) 該計劃中包含的股份增值權

Movements in the number of stock appreciation rights and their expiring date and exercise prices under the Plan are as follows:

該計劃中包含的未行使股份增值權數目、其到期日及行權價的變動如下：

		2019 2019年		2018 2018年	
		Average exercise price per share 平均 行使價每股	Stock appreciation rights 股份增值權	Average exercise price per share 平均 行使價每股	Stock appreciation rights 股份增值權
As at January 1,	於1月1日	US\$0.13	13,755,808	US\$0.13	31,823,216
Lapsed	已失效	US\$0.13	(12,901,164)	US\$0.13	(219,745)
Transferred	已轉股	US\$0.13	-	US\$0.13	(17,847,663)
As at December 31,	於12月31日		854,644		13,755,808
Expiry date	到期日				
November 20, 2019	2019年11月20日	US\$0.13	-	US\$0.13	12,901,164
February 26, 2020	2020年2月26日	US\$0.26	454,644	US\$0.26	454,644
November 20, 2025	2025年11月20日	HK\$0.01	400,000	HK\$0.01	400,000
			854,644		13,755,808

At December 31, 2019, all outstanding stock appreciation rights were exercisable (At December 31, 2018: all outstanding stock appreciation rights were exercisable).

於2019年12月31日，全部尚未行使的股份增值權均為可行使股份增值權(於2018年12月31日：全部尚未行使的股份增值權均為可行使股份增值權)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

22. SHARE-BASED PAYMENTS (Continued)

(b) Share option scheme under Chapter 17 of the Listing Rules (the "Scheme")

The Scheme adopted by the Company was approved by shareholders on November 27, 2010 in accordance with Chapter 17 of the Listing Rules. The purpose of the Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contributions to the Group.

The following table discloses details of the Company's options under the Scheme held by employees (including Directors) and movement in such holdings during each of the two years ended December 31, 2019 and 2018:

		2019 2019年		2018 2018年	
		Average exercise price per share 平均行使價 每股	Options 期權	Average exercise price per share 平均行使價 每股	Options 期權
As at January 1,	於 1月1日	HK\$1.20	129,547,174	HK\$1.20	149,540,352
Lapsed	已失效	HK\$0.895	(10,729,487)	HK\$1.24	(19,993,178)
Granted	授予	HK\$0.269	155,089,171		-
Cancelled	取消	HK\$1.20	(122,333,243)		-
As at December 31,	於 12月31日		151,573,615	HK\$1.20	129,547,174
Expiry date	到期日				
September 20, 2021	2021年9月20日	HK\$2.254	-	HK\$2.254	15,895,000
March 19, 2024	2024年3月19日	HK\$1.40	-	HK\$1.40	45,142,174
December 8, 2026	2026年12月8日	HK\$0.816	-	HK\$0.816	68,510,000
May 15, 2029	2029年5月15日	HK\$0.269	151,573,615		-
			151,573,615		129,547,174

At December 31, 2019, out of the 151,573,615 options, 50,524,538 shares were exercisable (At December 31, 2018, all the Share options were exercisable).

22. 股份支付(續)

(b) 購股權計劃(基於上市規則第十七章)(計劃)

根據上市規則第十七章，購股權計劃於2010年11月27日被公司股東所採納，購股權計劃的目的是為了給為集團作出貢獻的特定僱員授予股權作為激勵。

在上述計劃下本公司僱員(包括董事)持有的未行使的期權於截至2019年及2018年12月31日止年度的數目及變動明細列示如下：

於2019年12月31日，在151,573,615份未行使的購股權中，50,524,538份為可行使購股權(於2018年12月31日，所有尚未行使的購股權均為可行使購股權)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

22. SHARE-BASED PAYMENTS (Continued)

(c) 2015 Share Award Scheme

Apart from above Plan and Scheme, to recognise the contributions by certain grantees and to give incentives thereto in order to retain them for the continuing operation and development of the Group, and to attract suitable personnel for further development of the Group, the Board of Directors resolved to adopt the 2015 Share Award Scheme on January 6, 2015.

22. 股份支付(續)

(c) 2015年股份獎勵計劃

除上述股份獎勵酬金計劃及購股權計劃以外，本公司董事會已於2015年1月6日決議採納2015年股份獎勵計劃，目的是認可特定承授人所做的貢獻並給予激勵，為本集團的持續運營和發展聘留特定承授人，並為本集團進一步發展吸引適用人才。

		2019 2019年 Awarded Shares 獎勵股份	2018 2018年 Awarded Shares 獎勵股份
As at January 1,	於1月1日	6,300,000	2,300,000
Granted	授予	-	104,000,000
Exercise	已行使	-	(100,000,000)
As at December 31,	於12月31日	6,300,000	6,300,000
Expiry date	到期日		
November 20, 2025	2025年11月20日	2,300,000	2,300,000
January 25, 2028	2028年1月25日	4,000,000	4,000,000
		6,300,000	6,300,000

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

22. SHARE-BASED PAYMENTS (Continued)

(d) Fair values

Share options and stock appreciation rights

The fair value of stock appreciation rights and share options outstanding at December 31, 2019 and the Date of Grant respectively is determined using the Binomial Model. Their fair values and significant inputs into the model are as follows:

22. 股份支付(續)

(d) 公允價值

購股權及股份增值權

股份增值權於2019年12月31日及購股權於授予日的公允價值採用二叉樹模型釐定；其公允價值及重要輸入參數列示如下：

		2010 Grants 2010年授予	2015 Grants 2015年授予	2019 Grants 2019年授予
		Stock appreciation rights 股份增值權		Share options 購股權
		2019 2019年 US\$ 美元	2019 2019年 HK\$ 港幣	2019 2019年 HK\$ 港幣
Fair value per unit	每單元公允價值	-	0.11	0.12
Share price at grant date	授予日股價	-	0.95	0.24
Fair value per share at period end	期末每股公允價值	0.015	0.120	0.120
Exercise price	行權價	0.26	0.01	0.27
Volatility (%)	波幅(百分比)	48.29%	79.65%	65.63%
Dividend yield (%)	股息率(百分比)	-	-	-
Annual risk-free rate (%)	年度無風險利率(百分比)	1.92%	1.78%	1.59%
Remaining term (year)	剩餘期限(年)	0.16	5.89	9.38

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

23. OTHER RESERVES

23. 其他儲備

		Repurchased shares held by trust (Note (a))	Currency translation reserve	Share based payment reserve	Safety fund reserve	Available- for-sale financial assets	Financial assets at FVOCI 以公允價值 計量且其變動 計入其他綜合 收益的金融 資產	Others	Total
		信託持有 回購股份 (附註(a)) RMB'000 人民幣千元	外幣 折算儲備 RMB'000 人民幣千元	股份 支付儲備 RMB'000 人民幣千元	安全 基金儲備 RMB'000 人民幣千元	可供出售 金融資產 RMB'000 人民幣千元	其他 RMB'000 人民幣千元	其他 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
As at January 1, 2018	於2018年1月1日	(117,817)	(81,860)	164,315	187,356	1,716	-	(106,445)	47,265
Change in accounting policy	會計政策變更	-	-	-	-	(1,716)	6,564	-	4,848
Restated total equity as at January 1, 2018	於2018年1月1日重述後 的權益總額	(117,817)	(81,860)	164,315	187,356	-	6,564	(106,445)	52,113
Currency translation differences	外幣折算差額	-	(273,296)	-	-	-	-	-	(273,296)
Transfer to profit or loss upon investments in associate	處置聯營企業投資後轉至損益	-	-	-	-	-	-	(2,602)	(2,602)
Financial assets at FVOCI (Note (a))	以公允價值計量且其變動 計入其他綜合收益的 金融資產(附註(a))	-	-	-	-	-	(19,900)	-	(19,900)
Employees stock option scheme	僱員購股權計劃								
— value of employee services (Note 32)	— 僱員服務價值(附註32)	-	-	54,743	-	-	-	-	54,743
— shares transferred to the Awarded Shares Grantees	— 轉移給獎勵股份 被授予者	27,841	-	(27,841)	-	-	-	-	-
Disposal of subsidiaries	處置子公司	-	-	-	-	-	-	45,160	45,160
As at December 31, 2018	於2018年12月31日	(89,976)	(355,156)	191,217	187,356	-	(13,336)	(63,887)	(143,782)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

23. OTHER RESERVES (Continued)

23. 其他儲備(續)

		Repurchased shares held by trust (Note (a))	Currency translation reserve	Share based payment reserve	Safety fund reserve	Financial assets at FVOCI 以公允價值 計量且其變動 計入其他綜合 收益的金融資產	Others	Total
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
As at January 1, 2019	於2019年1月1日	(89,976)	(355,156)	191,217	187,356	(13,336)	(63,887)	(143,782)
Currency translation differences	外幣折算差額	-	(59,103)	-	-	-	-	(59,103)
Change in the fair value of equity instruments at FVOCI (Note (a))	以公允價值計量且其變動計入其他綜合收益的權益工具的公允價值變動(附註(a))	-	-	-	-	(3,428)	-	(3,428)
Employees stock option scheme	僱員購股權計劃	-	-	-	-	-	-	-
— value of employee services (Note 32)	— 僱員服務價值(附註32)	-	-	10,841	-	-	-	10,841
Disposal of subsidiaries	處置子公司	-	106,474	-	-	-	(1,050)	105,424
As at December 31, 2019	於2019年12月31日	(89,976)	(307,785)	202,058	187,356	(16,764)	(64,937)	(90,048)

Note:

(a) Financial assets at FVOCI

The Group has elected to recognise changes in the fair value of certain investments in equity investments in other comprehensive income, as explained in Note 12. These changes are accumulated within the FVOCI reserve within equity. The Group transfers amounts from this reserve to retained earnings when the relevant equity investments are derecognised.

The Group also has certain debt investments measured at FVOCI, as explained in Note 12. For these investments, changes in fair value are accumulated within the FVOCI reserve within equity. The accumulated changes in fair value are transferred to profit or loss when the investment is derecognised or impaired.

附註：

(a) 以公允價值計量且其變動計入其他綜合收益的金融資產

如附註12所述，本集團選擇將權益投資的公允價值變動確認在其他綜合收益中。以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值的變動在權益中的儲備中累積。當相關權益投資終止確認時，本集團將該儲備金的金額轉入留存收益。

本集團同時持有部分債務投資作為以公允價值計量且其變動計入其他綜合收益的金融資產，如附註12所述。對於這些投資，以公允價值計量且其變動計入其他綜合收益的金融資產的公允價值的變動在儲備中累計。當該投資終止確認或減值時，累計的公允價值的變動轉入損益。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

24. DEFERRED INCOME TAX

24. 遞延所得稅

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Deferred income tax assets:	遞延所得稅資產：		
Deferred income tax assets to be recovered after more than 12 months	將於 12 個月後收回的遞延所得稅資產	816	601
Deferred income tax liabilities:	遞延所得稅負債：		
Deferred income tax liabilities to be settled after more than 12 months	將於 12 個月後清還的遞延所得稅負債	(173,803)	(114,669)
Deferred income tax liabilities — net	遞延所得稅負債 — 淨額	(172,987)	(114,068)

(a) Movements of deferred income tax account

(a) 遞延所得稅總體變動

		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
As at January 1,	於 1 月 1 日	(114,068)	(588,947)
Exchange differences	匯兌差額	—	17,044
Acquisition through business Combination	企業合併導致的增加	—	(30,946)
Tax charged to continuing loss (Note 33)	費用於持續經營損益確認 (附註 33)	(58,919)	(47,733)
Tax credited to discontinued profit	收益於終止經營損益確認	—	23,079
Disposals of subsidiaries	處置子公司	—	—
Transferred to disposal group classified as held for sale	轉撥至持有待售的處置組	—	513,435
As at December 31,	於 12 月 31 日	(172,987)	(114,068)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

24. DEFERRED INCOME TAX (Continued)

(b) The movement in deferred income tax assets and liabilities, (without taking into consideration the offsetting of balances within the same tax jurisdiction)

Deferred income tax assets

		Base difference in Property, plant and equipment 不動產、 工廠及設備 基礎確認差異 RMB'000 人民幣千元	Accelerated tax depreciation 稅項 加速折舊 RMB'000 人民幣千元	Asset retirement obligations 資產 棄置義務 RMB'000 人民幣千元	Tax losses 稅損 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at January 1, 2018	於2018年1月1日	28,113	333	721,371	182,293	4,294	936,404
Credited/(charged) to continuing profit or loss	收益/(費用)於持續經營損益確認	-	267	120	(15,746)	(1,018)	(16,377)
Charged to discontinued profit or loss	費用於終止經營損益確認	(27,567)	-	(278,267)	-	(1,153)	(306,987)
Transferred to disposal group classified as held for sale	轉撥至持有待售的處置組	-	-	(421,447)	-	(2,030)	(423,477)
Exchange differences	匯兌差額	(546)	-	(19,108)	-	(93)	(19,747)
As at December 31, 2018	於2018年12月31日	-	600	2,669	166,547	-	169,816
Credited/(charged) to continuing profit or loss	收益/(費用)於持續經營損益確認	-	16	(294)	(24,628)	-	(24,906)
As at December 31, 2019	於2019年12月31日	-	616	2,375	141,919	-	144,910

24. 遞延所得稅(續)

(b) 遞延稅項資產與負債的變動(沒有考慮結餘可在同一徵稅區內抵銷)

遞延所得稅資產

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

24. DEFERRED INCOME TAX (Continued)

(b) The movement in deferred income tax assets and liabilities, (without taking into consideration the offsetting of balances within the same tax jurisdiction) (Continued)

Deferred income tax liabilities

		Accelerated tax depreciations 稅項 加速折舊 RMB'000 人民幣千元	Fair value gains of mining rights 採礦權 公允價值利得 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at January 1, 2018	於2018年1月1日	(1,509,193)	–	(16,158)	(1,525,351)
(Charged)/credited to continuing profit or loss	(費用)/收益於持續經營損益確認	(34,938)	3,582	–	(31,356)
Credited/(charged) to discontinued profit or loss	收益/(費用)於終止經營損益確認	354,828	–	(24,762)	330,066
Acquisition through business combination	企業合併導致的增加	–	(30,946)	–	(30,946)
Transferred to disposal group classified as held for sale	轉撥至持有待售的處置組	896,799	–	40,113	936,912
Exchange differences	匯兌差額	35,984	–	807	36,791
As at December 31, 2018	於2018年12月31日	(256,520)	(27,364)	–	(283,884)
(Charged)/credited to continuing profit or loss	(費用)/收益於持續經營損益確認	(37,871)	3,858	–	(34,013)
As at December 31, 2019	於2019年12月31日	(294,391)	(23,506)	–	(317,897)

24. 遞延所得稅(續)

(b) 遞延稅項資產與負債的變動(沒有考慮結餘可在同一徵稅區內抵銷)(續)

遞延所得稅負債

	Accelerated tax depreciations 稅項 加速折舊 RMB'000 人民幣千元	Fair value gains of mining rights 採礦權 公允價值利得 RMB'000 人民幣千元	Others 其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
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As at January 1, 2018	於2018年1月1日	(1,509,193)	–	(16,158)	(1,525,351)
(Charged)/credited to continuing profit or loss	(費用)/收益於持續經營損益確認	(34,938)	3,582	–	(31,356)
Credited/(charged) to discontinued profit or loss	收益/(費用)於終止經營損益確認	354,828	–	(24,762)	330,066
Acquisition through business combination	企業合併導致的增加	–	(30,946)	–	(30,946)
Transferred to disposal group classified as held for sale	轉撥至持有待售的處置組	896,799	–	40,113	936,912
Exchange differences	匯兌差額	35,984	–	807	36,791
As at December 31, 2018	於2018年12月31日	(256,520)	(27,364)	–	(283,884)
(Charged)/credited to continuing profit or loss	(費用)/收益於持續經營損益確認	(37,871)	3,858	–	(34,013)
As at December 31, 2019	於2019年12月31日	(294,391)	(23,506)	–	(317,897)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

24. DEFERRED INCOME TAX (Continued)

(c) Deferred income tax assets not recognised

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Tax losses and temporary difference	未來應納稅所得結轉的 虧損和暫時性差異	237,962	452,879
Deferred income tax assets not recognised	未確認的遞延所得稅資產	59,491	113,220

Deferred income tax assets are recognised for tax loss carry-forwards and deductible temporary differences to the extent that the realisation of the related tax benefit through future taxable profits is probable.

Tax losses without recognition of deferred income tax assets can be carried forward against future taxable income. These losses amounting to RMB135.2 million (2018: Nil) and RMB102.7 million (2018: RMB93.0 million) will expire in 2020 and 2021, respectively.

24. 遞延所得稅(續)

(c) 未確認遞延所得稅資產

對可抵扣虧損及可抵扣暫時性差異確認為遞延所得稅資產的數額，是根據很可能產生的未來應課稅利潤而實現的相關稅務利益確認。

未確認遞延所得稅資產的稅務損失可以抵扣未來應納稅所得額，其中虧損金額人民幣135.2百萬元(2018年：零元)和虧損金額人民幣102.7百萬元(2018年：人民幣93.0百萬元)將分別於2020年和2021年到期。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

25. TRADE AND NOTE PAYABLES

25. 應付賬款及應付票據

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Trade and note payables	應付賬款及應付票據	460,245	286,154
Less:	減：		
non-current portion of trade and note payables	非流動應付賬款及應付票據	(74,169)	(65,871)
Current	流動	386,076	220,283

(a) Aging analysis

(a) 賬齡分析

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Up to 6 months	不超過6個月	222,202	194,904
6 months–1 year	6個月至1年	93,183	37,089
1–2 years	1至2年	99,986	37,479
2–3 years	2至3年	30,707	4,141
Over 3 years	多於3年	14,167	12,541
		460,245	286,154

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

25. TRADE AND NOTE PAYABLES (Continued)

(b) The carrying amounts are denominated in the following currencies:

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
RMB	人民幣	460,245	286,154

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

25. 應付賬款及應付票據(續)

(b) 賬面金額以下列貨幣為單位：

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
RMB	人民幣	460,245	286,154

(c) 應付賬款及應付票據的公允價值與其賬面金額相近。

26. PROVISIONS, ACCRUALS AND OTHER LIABILITIES

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Asset retirement obligations (Note (a))	資產棄置義務(附註(a))	86,264	12,414
Interest payable	應付利息	122,846	64,148
Salary and welfare payable	應付薪金及福利	84,615	28,553
Withholding and other tax payable	代扣代繳稅及其他應付稅	58,186	67,633
Advance from customers	預收賬款	-	22
Other payables	其他應付款項	162,191	177,167
		514,102	349,937
Less: non-current portion of	減：非流動部分之		
— Asset retirement obligations	— 資產棄置義務	(86,264)	(12,414)
— Withholding tax payable	— 代扣代繳稅	(56,777)	(64,838)
		(143,041)	(77,252)
Current	流動	371,061	272,685

26. 準備、預提及其他負債

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

26. PROVISIONS, ACCRUALS AND OTHER LIABILITIES (Continued)

26. 準備、預提及其他負債(續)

(a) Movements of asset retirement obligations:

(a) 資產棄置義務變動列示如下：

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
As at January 1,	於1月1日	12,414	2,672,886
Additional provision	額外準備	73,378	154
Acquisitions through business Combination	企業合併導致的增加	-	1,739
Change in accounting estimate	會計估計的變更		
— Discontinued operations	— 終止經營	-	(886,504)
Disposals	處置	-	(243,053)
Accretion expenses	增值費用		
— Continuing operations	— 持續經營	472	326
— Discontinued operations	— 終止經營	-	138,920
Settlement of obligations	資產棄置義務清償	-	(40,427)
Transfer to disposal group classified as held for sale	轉撥至持有待售的處置組	-	(1,520,608)
Exchange differences	匯兌差額	-	(111,019)
As at December 31,	於12月31日	86,264	12,414

(b) The carrying amounts are denominated in the following currencies:

(b) 賬面金額以下列貨幣為單位：

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
RMB	人民幣	120,526	41,066
US\$	美元	385,191	300,214
C\$	加幣	347	479
HK\$	港幣	8,038	8,178
		514,102	349,937

(c) The fair values of provisions, accruals and other liabilities approximate their carrying amounts.

(c) 準備、預提及其他負債的公允價值與其賬面金額相近。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

27. BORROWINGS

27. 借款

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Current	流動		
— 2019 Senior Notes (Note (a))	— 2019 優先票據(附註(a))	—	2,160,423
— On-Demand Borrowing (Note (b))	— 即時償還借款(附註(b))	394,693	378,279
— Other loans (Note (c))	— 其他借款(附註(c))	1,884,069	11,186
		2,278,762	2,549,888
Non-current	非流動		
— 2022 Senior Notes (Note (a))	— 2022 優先票據(附註(a))	1,720,505	—
— Other loans (Note (c))	— 其他借款(附註(c))	—	1,786,066
		1,720,505	1,786,066
		3,999,267	4,335,954

Note:

(a) Senior Notes

附註：

(a) 優先票據

					As at December 31, 於 12 月 31 日	
		Coupon rate 票面利率	Due date 到期日		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
2022 Senior Notes	2022 優先票據	13.75%	April 12, 2022	2022 年 4 月 12 日	1,720,505	—
2019 Senior Notes	2019 優先票據	7.5%	April 25, 2019	2019 年 4 月 25 日	—	2,160,423
					1,720,505	2,160,423

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

27. BORROWINGS (Continued)

Note: (Continued)

(a) Senior Notes (Continued)

On March 1, 2019, the Company announced the exchange offer to the holders of the 2019 Senior Notes to exchange the existing notes, together with the interest payable on maturity of US\$11.2 million, for a new package of senior notes and cash payment with a later maturity date. The exchange offer expired on April 10, 2019 and note holders representing approximately 84% of the total principal amount outstanding at December 31, 2018 accepted the exchange offer. In accordance with the related terms and conditions, the Company issued new senior notes in the principal amount of US\$248.4 million bearing annual interest at 13.75% due on April 12, 2022 (the "2022 Senior Notes"), made a cash payment of approximately US\$26.1 million (equivalent to approximately RMB175.6 million) to these holders on April 15, 2019, and the corresponding 2019 Senior Notes were cancelled accordingly. The Company settled the remaining 2019 Senior Notes with principal plus accrued interest totalling US\$52.6 million (equivalent to approximately RMB354 million) upon maturity on April 25, 2019. The 2022 Senior Notes are listed on the Singapore Exchange Securities Trading Limited.

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

(b) On-Demand Borrowing

The Group entered into an agreement with a third party to borrow a principal amount of US\$60.0 million, which bears an interest of 8% per annum and is repayable on February 1, 2020. The extension agreement for another 12 months to January 31, 2021 has been signed on February 20, 2020. Pursuant to the agreement, the lender has the right to demand the Group for immediate repayment of the principal amount and any accrued interest.

27. 借款(續)

附註：(續)

(a) 優先票據(續)

於2019年3月1日，本公司宣布向2019優先票據持有人發出要約，將現有票據連同到期日應付利息11.2百萬美元換取新的優先票據和現金付款。交換要約於2019年4月10日到期，其中2018年12月31日未償還本金佔總額約84%的票據持有人接受了交換要約。根據相關條款及條件，本公司發行了本金約為248.4百萬美元並於2022年4月12日到期的新優先票據，年利率為13.75%（「2022優先票據」）。並於2019年4月15日向接受交換要約的票據持有人支付現金約26.1百萬美元（等價於人民幣175.6百萬元），至此相應部分的2019優先票據也相應取消。本公司於到期日2019年4月25日償還了剩餘的2019優先票據，本金加應計利息共計52.6百萬美元（等價於人民幣354.0百萬元）。2022年優先票據在新加坡證券交易所上市。

於2019年12月31日後，本集團未能支付2020年4月12日到期的120.5百萬元人民幣（合17.1百萬美元）的2022優先票據利息，導致本集團在寬限期到期後發生違約事件。因此，如果票據持有人要求，2022優先票據的本金和相關的未償利息的全部餘額需立即償還。此違約事件還觸發了附註(b)中的即時償還借款和附註(c)其他借款項下合計人民幣1,868.1百萬元的借款的交叉違約，並且如果這些借款的相應貸款人要求，該借款需立即償還（附註2.1.1）。由於違約事件發生在2019年12月31日之後，因此截至2019年12月31日，無需重新分類2022優先票據至流動負債。

(b) 即時償還借款

本集團與第三方訂立協議，借入本金金額為60.0百萬美元，年利率為8%，並須於2020年2月1日償還。將還款日延長至2021年1月31日的延期協議已於2020年2月20日簽訂。根據協議，貸款人有權要求本集團立即償還本金及應計利息。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

27. BORROWINGS (Continued)

Note: (Continued)

(b) On-Demand Borrowing (Continued)

As at December 31, 2019, the On-Demand Borrowing was secured as set below:

- Personal guarantees provided by Mr. Zhang Ruilin, Ms. Zhao Jiangbo and Mr. Zhao Jiangwei
- Share charge over certain issued share capital of certain subsidiaries of the Group used for investment holding purpose
- Account charge over certain bank accounts of the Group to ensure the payment of interest and principal when due
- Other assets security and share charge

The event of default on the 2022 Senior Note on May 11, 2020 mentioned in Note (a) above triggered cross-default of the On-Demand Borrowing. As the event of default and the cross-default were occurred after December 31, 2019, no reclassification to current liabilities is required.

(c) Other loans

As of December 31, 2019, the other loans were secured as set below:

- Share charge over the entire issued share capital of Gobi held by the Group
- Pledge over the Group's interest under the Daan PSC held by Gobi
- Pledge over the Group's account receivable amounting to RMB60.5 million under the Daan PSC held by Gobi
- Share charge over certain issued share capital in associates held by the Group
- Pledge over the Group's other receivable from a third party
- Account charge over certain accounts of the Group to ensure the payment of interest and principal when due
- Share charge over certain issued share capital of certain subsidiaries of the Group used for investment holding purpose

The event of default on the 2022 Senior Note on May 11, 2020 mentioned in Note (a) above triggered cross-default of other loans totalling RMB1,868.1 million. As the event of default and the cross-default were occurred after December 31, 2019, no reclassification to current liabilities is required.

27. 借款(續)

附註：(續)

(b) 即時償還借款(續)

截至2019年12月31日，即時償還借款存在下列抵押：

- 張芮霖先生、趙江波女士及趙江巍先生提供個人擔保
- 用於投資持有目的而持有的部分子公司的全部股本
- 本集團的部分擔保銀行賬戶，用以確保償還到期的本金及利息
- 其他資產擔保和股本

如上面附註(a)所述，於2020年5月11日發生的2022優先票據違約事件觸發了即時償還借款的交叉違約。由於該違約及交叉違約事件發生於2019年12月31日之後，相關借款無需重新分類至流動負債。

(c) 其他借款

截至2019年12月31日，其他借款存在下列抵押：

- 本集團持有的戈壁全部股本
- 本集團通過戈壁持有的大安產品分成合同下的權益作為擔保
- 本集團通過戈壁持有的大安產品分成合同下的人民幣金額為60.5百萬元的應收賬款作為擔保
- 本集團持有的聯營企業的全部股本
- 本集團持有的其他應收第三方款項作為擔保
- 本集團的部分擔保賬戶，用以確保償還到期的本金及利息
- 用於投資持有目的而持有的部分子公司的全部股本

如上面附註(a)所述，於2020年5月11日發生的2022優先票據違約事件觸發了其他借款項下合計人民幣1,868.1百萬元的借款交叉違約。由於該違約及交叉違約事件發生於2019年12月31日之後，相關借款無需重新分類至流動負債。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

27. BORROWINGS (Continued)

Note: (Continued)

(d) Effective interest rate and estimated fair value

		Senior Notes 優先票據	On-Demand Borrowing and other loans 即時償還借款 及其他借款	Total 總計
Effective interest rate:	實際利率：			
As at December 31, 2019	於2019年12月31日	15.04%	8.00% to 25.58%	8.00% to 25.58%
As at December 31, 2018	於2018年12月31日	8.99%	12.06% to 26.35%	8.99% to 26.35%
Estimated fair value:	估計公允價值：			
As at December 31, 2019	於2019年12月31日	1,090,757	2,278,762	3,369,519
As at December 31, 2018	於2018年12月31日	1,163,236	2,175,531	3,338,767

The fair values of 2022 Senior Notes are based on its closing prices quoted on Singapore Exchange Securities Trading Limited and are within level 1 of the fair value hierarchy; On-Demand Borrowings and other loans from other parties are based on the effective interest rate from 8.00% to 25.58% and within level 3 of the fair value hierarchy.

The Senior Notes which bear fixed interest rates are not subject to interest rate changes.

2022 優先票據的公允價值是基於其在新加坡證券交易所的收盤報價而定，並歸屬於公允價值第一層級；即時償還借款及其他借款是基於實際利率8.00%至25.58%，並歸屬於公允價值第三層級。

優先票據的票面利率固定，且不隨利率波動而變動。

27. 借款(續)

附註：(續)

(d) 實際利率以及估計的公允價值

		Senior Notes 優先票據	On-Demand Borrowing and other loans 即時償還借款 及其他借款	Total 總計
Effective interest rate:	實際利率：			
As at December 31, 2019	於2019年12月31日	15.04%	8.00% to 25.58%	8.00% to 25.58%
As at December 31, 2018	於2018年12月31日	8.99%	12.06% to 26.35%	8.99% to 26.35%
Estimated fair value:	估計公允價值：			
As at December 31, 2019	於2019年12月31日	1,090,757	2,278,762	3,369,519
As at December 31, 2018	於2018年12月31日	1,163,236	2,175,531	3,338,767

2022 優先票據的公允價值是基於其在新加坡證券交易所的收盤報價而定，並歸屬於公允價值第一層級；即時償還借款及其他借款是基於實際利率8.00%至25.58%，並歸屬於公允價值第三層級。

優先票據的票面利率固定，且不隨利率波動而變動。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

27. BORROWINGS (Continued)

Note: (Continued)

(e) The Group's borrowings were repayable as follows:

		Senior Notes 優先債券 As at December 31, 於12月31日		On-Demand Borrowing and other loans 即時償還借款及其他借款 As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within 1 year	1年內	-	2,160,423	2,278,762	389,465
Between 1 and 2 years	1至2年	-	-	-	1,786,066
Between 2 and 5 years	2至5年	1,720,505	-	-	-
		1,720,505	2,160,423	2,278,762	2,175,531

(f) Carrying amounts are denominated in the following currencies:

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
US\$	美元	3,190,111	3,553,368
HK\$	港幣	809,156	782,586
		3,999,267	4,335,954

27. 借款(續)

附註：(續)

(e) 本集團的借款需要償還的金額如下所示：

		Senior Notes 優先債券 As at December 31, 於12月31日		On-Demand Borrowing and other loans 即時償還借款及其他借款 As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Within 1 year	1年內	-	2,160,423	2,278,762	389,465
Between 1 and 2 years	1至2年	-	-	-	1,786,066
Between 2 and 5 years	2至5年	1,720,505	-	-	-
		1,720,505	2,160,423	2,278,762	2,175,531

(f) 賬面金額以如下貨幣為單位：

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
US\$	美元	3,190,111	3,553,368
HK\$	港幣	809,156	782,586
		3,999,267	4,335,954

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

28. OTHER LOSSES, NET

28. 其他損失，淨額

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Losses on changes in fair value of financial instruments	金融工具的公允價值變動損失	(71,159)	(35,560)
Losses on disposal of subsidiaries (Note 20)	處置子公司產生的損失(附註20)	(21,197)	–
Losses arising from disposal of an associate	處置聯營企業產生的損失	–	(19,927)
Others	其他	11,640	13,635
		(80,716)	(41,852)

29. TAXES OTHER THAN INCOME TAXES

29. 稅項(所得稅除外)

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
<i>PRC:</i>	<i>中國:</i>		
Petroleum special profit charge	石油特別收益金	–	5,319
Urban construction tax and education surcharge	城建稅及教育附加費	3,935	4,168
Others	其他	86	87
		4,021	9,574
<i>Corporate and other segments:</i>	<i>總部及其他分部:</i>		
Withholding tax and others (Note)	代扣代繳稅及其他(附註)	3,838	9,301
		7,859	18,875

Note:

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

附註:

於本年度，所有(2018年：所有)代扣代繳稅皆與集團內部貸款所產生的利息相關。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

30. FINANCE COSTS, NET

30. 財務費用，淨值

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Finance income	財務收入		
Interest income	利息收入	42,518	22,603
Finance costs	財務費用		
Interest expenses at coupon rates/bank rates	利息費用(按照票面利率和銀行利率核算)	(499,791)	(307,701)
Amortisation of discounts	貼現攤銷	(105,639)	(222,538)
Finance charges for lease liabilities (Note 6(B))	租賃負債相關財務費用(附註6(B))	(2,615)	–
Other fees	其他	(2,267)	(88,903)
		(610,312)	(619,142)
Exchange gains, net	匯兌收益，淨額	4,509	4,790
		(605,803)	(614,352)
Finance costs, net	財務費用，淨值	(563,285)	(591,749)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

31. EXPENSES BY NATURE

31. 按性質分類的費用

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Employee benefit expense (Note 32)	員工薪酬成本(附註32)	143,367	155,747
Depreciation and depletion	折舊及折耗	327,931	313,695
Amortisation of intangible assets (Note 7)	無形資產攤銷(附註7)	20,820	15,623
Impairment charges on investments in associates (Note 8)	聯營企業投資減值(附註8)	4,826	3,314
Net impairment losses on financial assets	金融資產減值損失	698,154	115,978
Auditor's remuneration	核數師報酬		
Included in continuing operations:	包含在持續經營：		
— audit and audit related services	— 審計及審計相關服務	5,236	5,421
— services in connection with capital market transactions	— 與資本市場相關服務	—	8,221
— non-audit services	— 非審計服務	625	614
Included in discontinued operations:	包含在終止經營：		
— audit and audit related services	— 審計及審計相關服務	1,330	1,853
Operating lease expenses	經營租賃費用	8,386	16,586

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

32. EMPLOYEE BENEFIT EXPENSE

32. 員工薪酬成本

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Wages, salaries and allowances	工資、薪金及津貼	113,766	81,348
Housing subsidiaries	住房補貼	3,096	1,908
Share options — value of employee services (Note 23)	購股權 — 僱員服務價值(附註23)	10,841	4,446
Awarded shares — value of employee services (Note 23)	獎勵股份 — 僱員服務價值(附註23)	—	50,297
Stock appreciation rights expenses	股份增值權費用	833	3,683
Pension costs — defined contribution plans (Note)	退休金成本 — 設定提存計劃(附註)	11,013	9,194
Welfare and other expenses	福利及其他費用	3,818	4,871
		143,367	155,747

Note:

The Group is required to make specific contributions to the state-sponsored retirement plan at a rate of 16% (2018: 20%) of the specified salaries of the qualified employees in the PRC. The PRC government is responsible for the pension liability to the retired employees.

附註：

本集團需按合資格中國僱員特定工資的16% (2018年：20%) 的款項支付予國家規定的僱員退休金計劃。中國政府負責該等退休僱員的養老金責任。

(a) Five highest paid individuals

(a) 五名最高薪人士

		Year ended December 31, 截至12月31日止年度	
		2019 2019年	2018 2018年
Directors	董事	3	2
Non-director individual	非董事人士	2	3
		5	5

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

32. EMPLOYEE BENEFIT EXPENSES (Continued)

32. 員工薪酬成本(續)

(a) Five highest paid individuals (Continued)

For the year ended 31 December 2019, the five individuals whose emoluments were the highest in the Group include three (2018: two) director whose emoluments are reflected in the analysis shown in Note 39. Details of emoluments paid to the five highest individuals are as follows:

(a) 五名最高薪人士(續)

截至2019年12月31日止年度，本集團五位最高薪酬人士包括三名(2018年：兩名)董事，其薪金於附註39的分析中列示。於本年度應付五名最高薪酬人士的薪金如下：

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Salaries and allowances	薪金及津貼	14,737	14,221
Discretionary bonuses	酌情獎金	39,078	7,049
Stock appreciation rights expenses	股份增值權費用	—	447
Pension costs — defined contribution plans	退休金成本 — 設定提存計劃	154	245
House allowance and other welfare	住房補貼及其他福利	1,761	1,683
Awarded shares expenses	獎勵股份費用	—	31,822
Share options expenses	購股權費用	3,840	2,317
		59,570	57,784

The emoluments fell within the following bands:

此等薪酬在下列組合範圍內：

		Number of individuals 人數	
		2019 2019年	2018 2018年
Emolument bands (in HK\$)	薪酬範圍(港元)		
HK\$5,000,001–HK\$5,500,000	5,000,001 港元–5,500,000 港元	2	1
HK\$6,000,001–HK\$6,500,000	6,000,001 港元–6,500,000 港元	—	1
HK\$10,000,001–HK\$10,500,000	10,000,001 港元–10,500,000 港元	1	—
HK\$13,500,001–HK\$14,000,000	13,500,001 港元–14,000,000 港元	—	1
HK\$15,000,001–HK\$15,500,000	15,000,001 港元–15,500,000 港元	—	1
HK\$19,000,001–HK\$19,500,000	19,000,001 港元–19,500,000 港元	1	—
HK\$27,000,001–HK\$27,500,000	27,000,001 港元–27,500,000 港元	1	1
		5	5

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

32. EMPLOYEE BENEFIT EXPENSES (Continued)

- (b) During the financial year, none of the Directors of the Company and the five highest paid individuals:
- (i) received any emolument from the Group as an inducement upon joining the Group;
 - (ii) waived or has agreed to waive any emoluments.

33. INCOME TAX EXPENSE

Current income tax	當期所得稅
Deferred income tax (Note 24)	遞延所得稅(附註24)

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

32. 員工薪酬成本(續)

- (b) 本財政年度期間，無任何本公司董事或五名最高薪人士涉及下列之事項：
- (i) 收取任何酬金作為加入本集團時的獎勵；
 - (ii) 放棄或同意放棄任何報酬。

33. 所得稅費用

Year ended December 31,
截至12月31日止年度

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
	3,534	(321)
	58,919	47,733
	62,453	47,412

- (a) 課稅按照本年度估計應課稅利潤計算，計算基礎乃本集團經營業務所在國家的現行稅率。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

33. INCOME TAX EXPENSE (Continued)

- (b) The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

33. 所得稅費用(續)

- (b) 本集團就除稅前利潤的稅項，與採用合併主體利潤適用的加權平均稅率而應產生的理論稅額的差額如下：

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Loss before income tax	除所得稅前虧損	(1,398,673)	(784,960)
Tax calculated at domestic tax rates applicable to profits in the respective countries	在各有關國家的利潤按適用的當地稅率計算的稅項	39,605	22,216
Tax effects of:	稅項影響：		
— Expenses not deductible for tax purposes	— 不可扣稅支出	1,619	5,767
— Temporary differences for which no deferred income tax asset was recognised	— 未確認遞延所得稅資產的暫時性差異	973	19,406
— Recognition of temporary differences relating to acquisition of oil and gas properties upon agreement of tax authority	— 經與稅務機關商定確認與收購油氣財產有關的暫時性差異	20,580	—
— Adjustments in respect of prior years	— 以前年度調整	(324)	23
Tax charge	稅項支出	62,453	47,412

During the year, the weighted average effective tax rate was negative 4% (2018: negative 6%).

本年度之加權平均有效稅率為-4% (2018年：-6%)。

34. DIVIDENDS

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

34. 股息

本公司董事會決定本年度不派發股利 (2018年：無)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

35. EARNINGS/(LOSSES) PER SHARE

(a) Basic

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

35. 每股收益/(虧損)

(a) 基本

基本每股收益/(虧損)是根據本公司所有者的應佔利潤/(虧損)，除以本年度內已發行普通股的加權平均數目計算。

		Year ended December 31, 截至12月31日止年度	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Profit/(loss) for the year attribute to owners of the company used to determine basic earnings/(losses) per share	用於釐定基本每股收益/(虧損)的歸屬於本公司所有者的利潤/(虧損)		
— Continuing operations	— 持續經營	(1,457,214)	(832,330)
— Discontinued operations	— 終止經營	332,177	(363,463)
Weighted average number of ordinary shares (thousands)	加權平均普通股數目(千股)	3,136,343	2,908,985
Basic earnings/(losses) per share	基本每股收益/(虧損)		
— Continuing operations	— 持續經營	(0.46)	(0.29)
— Discontinued operations	— 終止經營	0.11	(0.12)
		(0.35)	(0.41)

(b) Diluted

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

(b) 稀釋

每股攤薄虧損與每股基本虧損相同。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

36. NET CASH INFLOW FROM OPERATING ACTIVITIES

36. 經營活動產生的現金淨額

		Year ended December 31, 截至 12 月 31 日止年度	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Continuing operations	持續經營		
Loss before income tax	除所得稅前虧損	(1,398,673)	(784,960)
Adjustments for:	調整：		
Depreciation, depletion and amortisation	折舊、折耗及攤銷	348,751	329,318
Interest expenses — net (Note 30)	淨利息支出(附註 30)	567,794	596,539
Net impairment losses on financial assets	金融資產減值損失	698,154	115,978
Impairment charges	資產減值損失	4,826	37,471
Share of losses from investments in associates	享有聯營企業投資的虧損份額	—	9,318
Losses arising from disposal of an associate	處置聯營企業產生的損失	—	19,927
Share-based payment to employees	購股權計劃下僱員服務成本	10,841	54,743
Exchange gains	匯兌收益	(4,509)	(4,790)
Losses on changes in fair value of financial instruments	金融工具的公允價值變動損失	71,159	35,560
Losses on disposal of subsidiaries	處置子公司損失	21,197	—
Changes in working capital:	營運資金變動：		
Trade and other receivable	應收及其他應收款	(3,678)	(22,296)
Trade and other payable	應付及其他應付款	162,766	108,115
Inventories	存貨	1,285	(1,428)
Cash generated from operations	經營活動產生的現金	479,913	493,495
Cash flows from operating activities	經營活動的現金流量		
Continuing operations	持續經營	479,913	493,495
Interest paid	已付利息	(418,196)	(479,093)
Income taxes paid	已付所得稅	—	(52,450)
Discontinued operations	終止經營	11,911	132,127
Net cash inflow from operating activities	經營活動現金淨額	73,628	94,079

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

36. NET CASH INFLOW FROM OPERATING ACTIVITIES (Continued)

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

36. 經營活動產生的現金淨額(續)

此部分進行了淨負債的分析以及在每個期間淨負債的變動。

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Cash and cash equivalents	現金及現金等價物	13,711	28,115
Liquid investments	流動投資	-	17,755
Borrowings — repayable within one year (including overdraft)	借款 — 一年以內償還 (包含透支金額)	(2,278,762)	(2,549,888)
Borrowings — repayable after one year	借款 — 一年以上償還	(1,720,505)	(1,786,066)
Financial liabilities at FVTPL	以公允價值計量且其變動計入 當期損益的金融負債	-	(313,969)
Lease Liabilities	租賃負債	(13,445)	-
Net debt	淨負債	(3,999,001)	(4,604,053)
Cash and liquid investments	現金及流動投資	13,711	45,870
Gross debt — fixed interest rates	總負債 — 固定利率	(4,012,712)	(4,649,923)
Net debt	淨負債	(3,999,001)	(4,604,053)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

36. NET CASH INFLOW FROM OPERATING ACTIVITIES (Continued)

36. 經營活動產生的現金淨額(續)

		Cash and cash equivalent	Liquid investments	Borrowing due within 1 year	Borrowing due after 1 year	Financial liabilities at FVTPL at fair value and changes in fair value are included in profit or loss	Lease Liabilities	Total
		現金及現金等價物	流動投資	一年以內借款	一年以上借款	的金融負債	租賃負債	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
Net debt as at January 1, 2018	於2018年1月1日淨負債	132,172	111,228	(1,529,011)	(4,520,457)	(1,067,626)	-	(6,873,694)
Cash flows	現金流							
— Continued operations	— 持續經營	(104,238)	(34,245)	851,935	(313,261)	(275,436)	-	124,755
— Discontinued operations	— 終止經營	9,478	-	255,015	150,642	-	-	415,135
Foreign exchange adjustments	外幣折算差異調整	(7,183)	(6,345)	2,303	(231,211)	15,211	-	(227,225)
Other non-cash movements	其他非現金變動	-	(52,883)	(2,760,510)	2,695,238	21,331	-	(96,824)
Transfer to Disposal Group (Note 20)	轉撥至處置組(附註20)	(2,114)	-	630,380	432,983	992,551	-	2,053,800
Net debt as at December 31, 2018	於2018年12月31日淨負債	28,115	17,755	(2,549,888)	(1,786,066)	(313,969)	-	(4,604,053)
Recognised on adoption of IFRS 16 (Note 2.2)	採用國際財務報告準則第16號確認(附註2.2)	-	-	-	-	-	(7,056)	(7,056)
Net debt as at January 1, 2019	於2019年1月1日淨負債	28,115	17,755	(2,549,888)	(1,786,066)	(313,969)	(7,056)	(4,611,109)
Cash flows	現金流							
— Continued operations	— 持續經營	(14,644)	-	55,716	-	7,264	6,145	54,481
Acquisition — lease	租賃增加	-	-	-	-	-	(12,487)	(12,487)
Foreign exchange adjustments	外幣折算差異調整	240	118	(24,658)	(18,351)	14,023	(47)	(28,675)
Other non-cash movements	其他非現金變動	-	(17,873)	240,068	83,912	292,682	-	598,789
Net debt as at December 31, 2019	於2019年12月31日淨負債	13,711	-	(2,278,762)	(1,720,505)	-	(13,445)	(3,999,001)

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

37. COMMITMENTS AND CONTINGENCIES

(a) Commitments

(i) Capital commitments for the purchase of property, plant and equipment

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Authorised by the Board of Directors but not contracted for	董事會已批准但未簽約	139,692	126,429
Contracted but not provided for	已簽約但未撥備	—	—
		139,692	126,429

(ii) Operating lease commitments

The Group has operating lease commitments related to its non-cancellable operating leases for offices and vehicles. The future aggregate minimum lease payments under these operating leases not recognised in lease liabilities are as follows:

		As at December 31, 於十二月三十一日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Less than 1 year	少於一年	1,448	9,948
Within 1–2 years	一至兩年	—	4,459
Within 2–5 years	二至五年	—	3,903
		1,448	18,310

37. 承諾事項及或有負債

(a) 承諾

(i) 購買不動產、工廠及設備之資本性承諾事項

As at December 31,
於 12 月 31 日

2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
------------------------------------	------------------------------------

Authorised by the Board of Directors but not contracted for	董事會已批准但未簽約	139,692	126,429
Contracted but not provided for	已簽約但未撥備	—	—
		139,692	126,429

(ii) 經營租賃承諾

本集團因經營租賃辦公室和車輛而擁有不可撤銷的經營租約承諾。經營租賃項下未包含在租賃負債的未來最低租賃付款額列示如下：

As at December 31,
於十二月三十一日

2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
------------------------------------	------------------------------------

Less than 1 year	少於一年	1,448	9,948
Within 1–2 years	一至兩年	—	4,459
Within 2–5 years	二至五年	—	3,903
		1,448	18,310

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

37. COMMITMENTS AND CONTINGENCIES (Continued)

(b) Contingencies

The Group has contingent liabilities in respect of claims or other legal procedures arising in its ordinary course of business from time to time. As at December 31, 2019, the Directors did not anticipate that any material liabilities will arise from the contingent liabilities other than those provided for in the financial statements.

38. RELATED PARTY TRANSACTIONS

The Group is indirectly controlled by Far East Energy Limited (“FEEL”), which owns 50.01% of the Company’s shares and is also the ultimate parent company of the Group. FEEL is a limited liability company incorporated in Hong Kong and its ultimate benefit owners are Mr. Zhang Ruilin, Mr. Zhao Jiangwei and Ms. Zhao Jiangbo (“Mrs. Zhang”, Mr. Zhang’s spouse).

In addition to those disclosed elsewhere in the financial statements, the Group incurred significant transactions and balances with related parties in the ordinary course of its business.

37. 承諾事項及或有負債(續)

(b) 或有負債

本集團在日常業務中時而會發生與索償或其他法律程序相關的或有負債。於2019年12月31日，董事預期除已於財務報表中撥備外，不存在任何或有負債將構成重大負債的事項。

38. 關聯方交易

本集團受Far East Energy Limited(以下簡稱「FEEL」)間接控制，FEEL擁有本公司股本的50.01%，並且是本集團的最終母公司。FEEL為一家在香港註冊的有限責任公司，其最終受益方為張芮霖先生、趙江巍先生及趙江波女士(張先生之配偶，以下簡稱「張夫人」)。

除了財務報表其他地方所披露外，在正常業務範圍內，本集團與關聯方有發生重大交易及年末餘額。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

38. RELATED PARTY TRANSACTIONS (Continued)

38. 關聯方交易(續)

(a) Significant transactions with related parties are set out below:

(a) 與關聯方的交易列示如下：

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Transactions with associates	與聯營企業的交易		
— Accrued interest income from shareholder's loan to PBV	— 提供予PBV的股東貸款所產生的利息收入	37,652	27,109
— Investment in PetroBroad	— 對PetroBroad的投資	(4,883)	(3,314)
Other transactions	其他交易		
— Dividend for convertible preferred shares to CCGRF Gastown Limited	— 支付CCGRF Gastown Limited 付可轉換優先股股息	—	69,364
Transactions with controlling shareholder of the Company's ultimate holding company and/or a company/person related to the controlling shareholder of the Company's ultimate holding company (*)	與本公司最終控股公司控股股東或本公司最終控股公司控股股東的關聯公司/人士的交易(*)		
— Purchase for oilfield services	— 購買鑽井服務	(111,814)	(117,929)
— Rental of vehicles and office premises	— 汽車和辦公室的租賃	(193)	(715)
— Individual loan from Mrs. Zhang	— 張夫人個人借款	19,084	7,478
— Repayment of individual loan and interest of Mrs. Zhang	— 償還張夫人個人借款及利息	(17,055)	(24,369)

* The purchases of oilfield services and rental of vehicles and office premises represented gross amount transacted between the Group and Mrs. Zhang or entities controlled by Mrs. Zhang.

* 購買鑽井服務及汽車和辦公室租賃代表張夫人或被張夫人控制的實體進行交易的總額。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

38. RELATED PARTY TRANSACTIONS (Continued)

38. 關聯方交易(續)

(b) Year-end balances with related parties are summarised as follows:

(b) 關聯方交易年末餘額列式如下：

		As at December 31, 於 12 月 31 日	
		2019 2019 年 RMB'000 人民幣千元	2018 2018 年 RMB'000 人民幣千元
Included in 'trade and other receivables':	「應收及其他應收款」包括：		
Other receivables from Palaeontol B.V.	其他應收 Palaeontol B.V. 款項	7,121	7,006
Shareholder loans granted to Palaeontol B.V.	授予 Palaeontol B.V. 股東借款	911,901	879,895
Other receivables from China Aerospace Telecommunications Limited	其他應收中國航天科技通信有限公司款項	–	590
Other receivables from companies controlled by the controlling shareholder of the Company's ultimate holding company	其他應收受本公司最終控股方控股股東控制的公司的款項	1,734	1,471
		920,756	888,962
Included in 'trade and other payables':	「應付及其他應付款」包括：		
Trade payables to companies controlled by the controlling shareholder of the Company's ultimate holding company	應付受本公司最終控股方控股股東控制的公司的貿易款項	118,515	67,504
Other payables from Palaeontol B.V.	其他應付 Palaeontol B.V. 款項	532	182
Others	其他	1,595	699
		120,642	68,385

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

38. RELATED PARTY TRANSACTIONS (Continued)

(b) Year-end balances with related parties are summarised as follows: (Continued)

Trade payables to companies controlled by the controlling shareholder of the Company's ultimate holding company represent payables for oilfield related services from Jilin Guotai Petroleum Development Company and its subsidiaries, Songyuan Guotai Petroleum Technology Service Company and Jilin Guotai Drilling Engineering Technology Service Company.

At December 31, 2019, all (2018: all) cash call balances are interest-free and unsecured, and the balances of shareholders' loans are unsecured, carrying nominal interest rate of ranging from 4.9% to 5.0% per annum (2018: 4.9% to 5.0%).

(c) Loan to related parties

Loan to associates:	予聯營企業貸款：
As at January 1,	於1月1日
— Repayment	— 還款
— Interest charged	— 利息收入
— Repayment of interest	— 收到利息
— Exchange gains	— 匯兌收益
As at December 31,	於12月31日

The shareholders loans to associate as at December 31, 2019 is unsecured, carries interest ranging from 4.9% to 5.0% per annum (2018: 4.9% to 5.0%).

38. 關聯方交易(續)

(b) 關聯方交易年末餘額列式如下： (續)

應付受本公司最終控股方控股股東控制的公司的貿易款項為向吉林省國泰石油開發有限公司及其子公司松原市國泰石油科技服務有限公司及吉林省國泰鑽採工程技術服務有限公司支付油田相關服務的應付款項。

於2019年12月31日，所有(2018年：所有)現金供款款項無抵押性質且不計利息，所有(2018年：所有)股東借款為無抵押性質，名義年利率範圍為4.9%至5.0%(2018年：4.9%至5.0%)。

(c) 予關聯方貸款

	2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Loan to associates:		
As at January 1,	879,895	813,731
— Repayment	(27,578)	(2,680)
— Interest charged	37,652	27,109
— Repayment of interest	—	(80)
— Exchange gains	21,932	41,815
As at December 31,	911,901	879,895

於2019年12月31日，本集團授予聯營企業的股東貸款是無抵押貸款，名義年利率範圍為4.9%至5.0%(2018年：4.9%至5.0%)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

38. RELATED PARTY TRANSACTIONS (Continued)

38. 關聯方交易(續)

(d) Loan from related parties

(d) 從關聯方取得借款

		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Loan from related parties	予關聯方借款		
As at January 1,	於1月1日	170	16,758
— Addition	— 增加	20,084	6,634
— Repayment	— 償還	(17,055)	(24,369)
— Interest charged	— 利息費用	417	845
— Exchange gains	— 匯兌收益	17	302
As at December 31,	於12月31日	3,633	170

The loan from related parties as at December 31, 2019 is unsecured, carries interest 8% per annum.

於2019年12月31日，本集團從關聯方取得借款是無抵押貸款，名義年利率為8%。

(e) Key management compensation:

(e) 主要管理人員酬金列示如下：

		Year ended December 31, 截至12月31日止年度	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Basic salaries and allowances	基本薪金及津貼	25,284	24,701
Discretionary bonuses	酌情獎金	39,429	7,462
Value of share based payment	股份支付金額		
— employee services	— 僱員服務價值	5,991	36,089
Other benefits including pension	其他福利(包括退休金)	2,289	2,361
		72,993	70,613

Key management includes directors and members of senior management. Bonuses fall due wholly within twelve months after the end of the reporting period in which management rendered the related services.

主要管理人員包括董事和高級管理層人員。獎金將會在管理層完成相應服務後12個月內發放。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

39. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES)

39. 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例》(第622G章)規定的披露)

(a) Directors' and chief executive's emoluments

(a) 董事及首席執行官酬金

Name of Director	董事姓名	Fees	Salaries and allowances	Discretionary bonuses	Housing allowance	Share options expenses	Employer's contribution to pension scheme	Other benefits	Stock appreciation rights granted	Awarded Shares expenses	Total	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended December 31, 2019		截至2019年12月31日止年度										
Zhang Ruijin	張芮霖	-	3,500	4,137	366	575	24	467	-	-	9,069	
Zhao Jiangwei	趙江巍	-	3,000	345	257	575	36	386	-	-	4,539	
Mei Liming*	梅黎明*	-	346	2,890	5	153	7	7	-	-	3,408	
Mei Jianping	梅建平	276	-	-	-	92	-	-	9	-	377	
Jeffrey Willard Miller	Jeffrey Willard Miller	345	-	-	-	132	-	-	9	-	486	
Guo Yanjun	郭燕軍	276	-	-	-	-	-	-	-	-	276	
Jiao Qisen**	焦棋森**	12	-	-	-	-	-	-	-	-	12	
Wang Xiong***	王雄***	-	-	-	-	-	-	-	-	-	-	
Xie Na	謝娜	-	-	-	-	-	-	-	-	-	-	
		909	6,846	7,372	628	1,527	67	860	18	-	18,227	

Name of Director	董事姓名	Fees	Salaries and allowances	Discretionary bonuses	Housing allowance	Share options expenses	Employer's contribution to pension scheme	Other benefits	Stock appreciation rights granted	Awarded Shares expenses	Total	
		RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元	RMB'000 人民幣千元
For the year ended December 31, 2018		截至2018年12月31日止年度										
Zhang Ruijin	張芮霖	-	3,500	3,980	366	522	24	457	-	14,509	23,358	
Zhao Jiangwei	趙江巍	-	3,000	663	274	522	72	404	-	387	5,322	
Mei Jianping	梅建平	265	-	-	-	-	-	-	(36)	-	229	
Jeffrey Willard Miller	Jeffrey Willard Miller	332	-	-	-	-	-	-	(36)	-	296	
Guo Yanjun	郭燕軍	265	-	-	-	-	-	-	-	-	265	
Jiao Qisen**	焦棋森**	245	-	-	-	-	-	-	-	-	245	
Xie Na	謝娜	-	-	-	-	-	-	-	-	-	-	
		1,107	6,500	4,643	640	1,044	96	861	(72)	14,896	29,715	

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

39. BENEFITS AND INTERESTS OF DIRECTORS (DISCLOSURES REQUIRED BY SECTION 383 OF THE HONG KONG COMPANIES ORDINANCE (CAP. 622), COMPANIES (DISCLOSURE OF INFORMATION ABOUT BENEFITS OF DIRECTORS) REGULATION (CAP. 622G) AND HK LISTING RULES) (Continued)

(a) Directors' and chief executive's emoluments (Continued)

- * Mr. Mei Liming was appointed as an executive director with effect from November 11, 2019 and was resigned as an executive director with effect from June 18, 2020.
- ** Mr. Jiao Qisen was appointed as a non-executive director with effect from January 29, 2018 and resigned with effect from January 16, 2019.
- *** Mr. Wang Xiong was appointed with effect from August 9, 2019 and resigned with effect from November 11, 2019.

(b) Directors' retirement benefits

The retirement benefits paid to Mr. Zhang Ruilin, during the year by a defined benefit pension plan operated by the Group in respect of Mr. Zhang Ruilin's services as a director of the company and its subsidiaries is RMB23,521 (2018: RMB24,355).

The retirement benefits paid to Mr. Zhao Jiangwei, during the year by a defined benefit pension plan operated by the Group in respect of Mr. Zhao Jiangwei's services as a director of the company and its subsidiaries is RMB35,636 (2018: RMB71,880).

39. 董事的利益和權益(由香港《公司條例》(第622章)第383條及公司(披露董事利益資料)規例》(第622G章)規定的披露)(續)

(a) 董事及首席執行官酬金(續)

- * 梅黎明先生被任命為執行董事，自2019年11月11日起生效，自2020年6月18日起辭職。
- ** 焦祺森先生自2018年1月29日起被任命為非執行董事，自2019年1月16日起辭職。
- *** 王雄先生於2019年8月9日被任命，並於2019年11月11日辭職。

(b) 董事的退休福利

本年度，由本集團營運的設定收益退休計劃向張芮霖先生就其作為本公司及其子公司董事提供服務而向其支付的退休福利為人民幣23,521元(2018年：人民幣24,355元)。

本年度，由本集團營運的設定收益退休計劃向趙江巍先生就其作為本公司及其子公司董事提供服務而向其支付的退休福利為人民幣35,636元(2018年：人民幣71,880元)。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

40. 本公司的財務狀況表及儲備變動

Statement of financial position of the Company

本公司的財務狀況表

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Assets	資產		
Non-current assets	非流動資產		
Property, plant and equipment	不動產、工廠及設備	787	950
Interests in subsidiaries	子公司權益	2,901,832	2,852,154
Prepayments, deposits and other receivables	預付款、保證金及其他應收款	385,029	354,921
Loans to subsidiaries	子公司借款	618,737	–
Right of use	使用權資產	10,995	–
Financial assets at fair value through other comprehensive income	以公允價值計量且其變動計入其他綜合收益的金融資產	2,263	2,227
		3,919,643	3,210,252
Current assets	流動資產		
Amounts due from associate	應收聯營公司款項	–	168,160
Prepayments, deposits and other receivables	預付款、保證金及其他應收款	20,679	574,390
Financial assets at fair value through profit or loss	以公允價值且其變動計入當期損益的金融資產	–	17,755
Cash and cash equivalents	現金及現金等價物	3,053	14,381
		23,732	774,686
Total assets	資產總額	3,943,375	3,984,938
Equity	權益		
Equity attributable to owners of the Company	歸屬於本公司所有者的權益		
Share capital	股本	1,101,249	1,068,796
Other reserves	其他儲備	1,451,724	1,456,152
Accumulated losses	累計虧損	(3,892,213)	(2,480,551)
Total equity	權益總額	(1,339,240)	44,397

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

40. 本公司的財務狀況表及儲備變動(續)

Statement of financial position of the Company (Continued)

本公司的財務狀況表(續)

		As at December 31, 於12月31日	
		2019 2019年 RMB'000 人民幣千元	2018 2018年 RMB'000 人民幣千元
Liabilities	負債		
Non-current liabilities	非流動負債		
Borrowings	借款	1,720,505	771,401
Provisions, accruals and other liabilities	準備、預提及其他負債	56,776	64,838
Lease liability	租賃負債	4,433	–
		1,781,714	836,239
Current liabilities	流動負債		
Provisions, accruals and other liabilities	準備、預提及其他負債	322,593	240,445
Borrowings	借款	1,219,854	2,549,888
Financial liabilities at fair value through profit or loss	以公允價值計量且其變動進入損益的金融負債	–	313,969
Amounts due to subsidiaries	應付子公司款項	1,949,872	–
Lease liability	租賃負債	8,582	–
		3,500,901	3,104,302
Total liabilities	負債總額	5,282,615	3,940,541
Total equity and liabilities	權益及負債總額	3,943,375	3,984,938

The statement of financial position of the Company was approved by the Board of Directors on November 27, 2020 and was signed on its behalf.

本公司財務狀況表已於2020年11月27日獲董事會批准，並代表董事會簽署。

Zhang Ruilin
張芮霖
Director
董事

Zhao Jiangwei
趙江巍
Director
董事

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

40. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

40. 本公司的財務狀況表及儲備變動(續)

Statement of financial position of the Company (Continued)

本公司的財務狀況表(續)

(a) Other reserve movement of the Company

(a) 本公司的其他儲備變動

		Repurchased shares held by trust	Capital reserve	Currency translation reserve	Share based payment Reserves	Available- for-sale financial assets	Financial assets at FVOCI 以公允價值計量 且其變動計入 其他綜合收益 的金融資產	Total
		信託持有 回購股份 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	外幣折算 儲備 RMB'000 人民幣千元	股份支付 儲備 RMB'000 人民幣千元	可供出售 金融資產 RMB'000 人民幣千元	其他綜合收益 的金融資產 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
As at January 1, 2018	於2018年1月1日	(117,817)	1,366,956	(16,318)	151,132	(5,042)	-	1,378,911
Change in accounting policy	會計政策的變更	-	-	-	-	5,042	206	5,248
At January 1, 2018	於2018年1月1日	(117,817)	1,366,956	(16,318)	151,132	-	206	1,384,159
Currency translation differences	外幣折算差額	-	-	17,250	-	-	-	17,250
Employees stock option scheme	僱員購股權計劃							
— Value of employee services	— 僱員服務價值	-	-	-	54,743	-	-	54,743
— Shares transferred to the Awarded Shares Grantees	— 轉移給獎勵股份被授予者	27,841	-	-	(27,841)	-	-	-
As at December 31, 2018	於2018年12月31日	(89,976)	1,366,956	932	178,034	-	206	1,456,152

		Repurchased shares held by trust	Capital reserve	Currency translation reserve	Share based payment Reserves	Available- for-sale financial assets	Financial assets at FVOCI 以公允價值計量 且其變動計入 其他綜合收益的 金融資產	Total
		信託持有 回購股份 RMB'000 人民幣千元	資本儲備 RMB'000 人民幣千元	外幣折算儲備 RMB'000 人民幣千元	股份支付儲備 RMB'000 人民幣千元	可供出售 金融資產 RMB'000 人民幣千元	其他綜合收益的 金融資產 RMB'000 人民幣千元	總計 RMB'000 人民幣千元
As at January 1, 2019	於2019年1月1日	(89,976)	1,366,956	932	178,034	-	206	1,456,152
Currency translation differences	外幣折算差額	-	-	(15,269)	-	-	-	(15,269)
Employees stock option scheme	僱員購股權計劃							
— Value of employee services	— 僱員服務價值	-	-	-	10,841	-	-	10,841
As at December 31, 2019	於2019年12月31日	(89,976)	1,366,956	(14,337)	188,875	-	206	1,451,724

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

41. SUBSEQUENT EVENT

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

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

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

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

41. 期後事項

除合併財務報表其他部分披露的事項外，本集團自報告期末以來發生了以下事件。

- (a) 隨著2020年初COVID-19新冠疫情的爆發，中國在全國範圍內採取了包括出行限制、關閉學校、延長假期以及要求大部分企業進行遠程辦公在內的一系列疫情防控措施。此外，2020年3月OPEC國家之間進行的減產談判破裂，對全球原油價格產生了重大影響，從而進一步影響了本集團的業績。上述事件對中國經濟產生了重大影響，包括市場能源需求的急劇減少，原油、成品油和天然氣的價格大幅下降以及石油和天然氣產業鏈的運營和管理難度加大。中國的大多數主要石油公司，包括集團的主要客戶中石油股份，都受到了嚴重影響，這已經影響且會持續影響本集團的業務。

截至2020年6月30日止的6個月期間和截至2020年10月31日止的10個月期間，西德克薩斯中質原油的平均現貨價格分別為每桶42.1美元和41.6美元，分別下降了26.2%和26.6%。COVID-19的爆發和2020年3月以來的國際原油價格下跌是在2019年12月31日之後發生的事件，這是在資產負債表日後的非調整事件。

根據集團2020年8月31日公告的截至2020年6月30日止6個月期間的未經審計中期業績，確認未經審計所得稅前虧損金額為人民幣832.6百萬元，其中包括本集團對不動產、工廠及設備以及無形資產所計提的減值損失人民幣529.0百萬元(附註(b))。本集團將持續關注COVID-19新冠疫情發展以及未來的油價波動，並評估該因素對於本集團財務報表及經營業績的影響。

Notes to the Consolidated Financial Statements (Continued)

合併財務報表附註(續)

41. SUBSEQUENT EVENT (Continued)

- (b) As mentioned in note (a) above, the declined oil price since March 2020 and the outlook of oil prices for the near term constitute an indicator of impairment. The Group performed impairment assessment on its non-financial assets based on conditions existed as at June 30, 2020 and an impairment provision of RMB529.0 million on property, plant and equipment and intangible assets in the PRC was recognised in the unaudited management accounts for the six months ended June 30, 2020.
- (c) Subsequent to December 31, 2019, the Group paid RMB8.4 million as partial repayments of the principals and RMB42.0 million for interest due on the borrowings mentioned in Note 2.1.1. The Group however did not pay the interest accrued on the 2022 Senior Notes of RMB120.5 million (US\$17.1 million) due on April 12, 2020, which resulted in an event of default by the Group after the expiry of the grace period to May 11, 2020. As a result, the entire balance of the principal and related outstanding interest due on the 2022 Senior Notes became immediately repayable if requested by the Noteholders. This event of default also triggered the cross-default of the Cross-Defaulted Borrowings and immediate repayment of such borrowings if requested by the Lenders. In addition, the secured borrowings totalling RMB1,868.1 million were also subsequently defaulted because of non-payment at their respective due dates (Note 2.1.1 and 27).
- (d) On June 4, 2020, the Group successfully obtained approval from its production sharing counterparty, CNPC, to extend the expiry date of the production period from December 31, 2024 to February 29, 2028 on the condition that the Group shall drill a minimum number of new wells in the Daan oilfield as agreed within a period of three years from June 2020 (Note 2.1.1 and 9(a)).

41. 期後事項(續)

- (b) 如上述附註(a)所述，自2020年3月以來油價的下跌以及近期油價的預測構成了減值跡象。本集團根據截至2020年6月30日的現有條件對非金融資產進行減值評估，並在截至2020年6月30日止6個月期間的未經審計的管理帳目中確認了對中國物業、廠房、設備和無形資產的減值準備人民幣529.0百萬元。
- (c) 於2019年12月31日後，本集團償還了附註2.1.1中提及的借款的部分本金人民幣8.4百萬元以及應付利息人民幣42.0百萬元。然而，本集團未支付2020年4月12日到期的2022優先票據應計利息人民幣1.205億元(合17.1百萬美元)，這導致本集團在2020年5月11日的寬限期屆滿後發生違約事件。如果票據持有人要求，則應立即償還2022優先票據本金和相關的未償利息的全部餘額。該違約事件還觸發了違約借款的交叉違約，並且如果這些借款的相應貸款人提出要求，該等借款均需立即償還。另外，合計為人民幣1,868.1百萬元的交叉違約借款後續也由於未在各自期日按時償還而發生違約(附註2.1.1和27)。
- (d) 於2020年6月4日，本集團成功獲得產品分成合同的合作者中石油集團的批准，將生產期的有效期從2024年12月31日延長至2028年2月29日，前提為本集團應自2020年6月起3年內，在大安油田完成約定的新鑽井數的最少數量(附註2.1.1和9(a))。



MIE HOLDINGS CORPORATION
MI 能源控股有限公司

(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: 1555)

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