



The Leading Independent Coalbed Methane Producer in China

Delivering sustainable shareholder returns



2019

ANNUAL REPORT 年報

亞美能源控股有限公司
AAG Energy Holdings Limited

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

Stock Code 股份代號: 2686

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Company at a Glance

公司簡介

AAG Energy, the Leading Independent CBM Producer in China

亞美能源，中國煤層氣行業的領先者

Vision

To be the world's leading, most enduring clean energy company for today and tomorrow.

Mission

To create best value for society, optimized platform for employees and highest return for shareholders.

About AAG Energy Holdings Limited

AAG Energy Holdings Limited (“**AAG Energy**” or “**the Company**”, together with its subsidiaries, the “**Group**”) is a leading international energy company in the field of Coal Bed Methane (“**CBM**”) exploration and production in China. It is committed to developing and optimizing the value of unconventional gas resources to supply clean energy to support the economic development in the People's Republic of China (“**PRC**”). AAG Energy's key operating assets, Panzhuang and Mabi concessions, are located in the southwestern part of Qinshui Basin in Shanxi Province, which boasting the largest proved CBM geological reserves among basins in China. AAG Energy's Panzhuang concession, which is in partnership with China United Coalbed Methane Corporation Ltd. (“**CUCBM**”), is the first Sino-foreign CBM cooperative project with full-scale commercial development and production and also the most commercially advanced Sino-foreign CBM asset in the PRC. The project has a designed annual production up to 650 million cubic meters. The Overall Development Plan for the southern area in Mabi concession, which is in partnership with China National Petroleum Corporation (“**CNPC**”), was approved by the National Development and Reform Commission (“**NDRC**”) of the PRC in September 2018. The designed annual production capacity for commercial development is 1 billion cubic meters. Leveraging its successful experience in the commercialization of CBM and high-calibre management team, with the progress made in the commercialization of southern area in Mabi concession, the Company will continue to contribute more clean energy to society and create higher return for investors.

願景

勵志成為國際領先的永續發展的清潔能源偉大企業。

使命

為社會創造最佳價值，為員工創造最好平台，為股東創造最大效益。

關於亞美能源控股有限公司

亞美能源控股有限公司(「**亞美能源**」或「**本公司**」，與其附屬公司一起，統稱「**本集團**」)是一家在中國煤層氣勘探開發領域處於領先地位的國際能源公司，致力於非常規天然氣資源的開發及價值優化，為中國經濟發展供應清潔能源。亞美能源的主要運營資產潘莊及馬必區塊位於山西省的沁水盆地西南部，其煤層氣探明地質儲量居中國各盆地之首。亞美能源與中聯煤層氣有限責任公司(「**中聯煤**」)合作的潘莊區塊是中國首個進入全面商業開發和生產的中外合作煤層氣區塊，同時也是中國商業化程度最高的中外合作煤層氣資產，項目設計最高年產量6.5億立方米。亞美能源與中國石油天然氣集團有限公司(「**中國石油**」)合作的山西沁水盆地馬必區塊南區煤層氣對外合作項目總體開發方案於2018年9月獲得中華人民共和國國家發展和改革委員會(「**國家發改委**」)的批復，商業開發年設計產能為10億立方米。憑藉其在煤層氣商業化進程中成功的經驗以及優秀的管理團隊，伴隨著馬必南區商業化進程的推進，本公司將繼續為社會奉獻更多的清潔能源，為投資者帶來更優的回報。



Company at a Glance

公司簡介

2019 Performance Highlights of AAG Energy

亞美能源2019年業績亮點

Safety is always our top priority
安全永遠是我們的第一要務

Zero injury and No Lost Time Injury for **5** years and **117** days
0 傷害記錄，累計**5**年零**117**天無損失工時事故

We delivered strong financial results
我們取得了卓越的財務成績

Profit for the Year
年度利潤

71.30%* ↑

2018  413
2019  707

Unit: Million RMB
單位: 百萬人民幣

EBITDA

45.52% ↑

2018  807
2019  1,175

Unit: Million RMB
單位: 百萬人民幣

Revenue and Other Income (government subsidy and VAT refund are included)
收入及其他收入 (包括政府補貼和增值稅退稅)

19.89% ↑

2018  1,258
2019  1,508

Unit: Million RMB
單位: 百萬人民幣

EPS
每股收益

75.00% ↑

2018  0.12
2019  0.21

Unit: RMB
單位: 人民幣元

We always focus on increasing production capacity and market sales
我們一直致力於提高產能和市場銷售

Gross Production
總產量

16.07% ↑

2018  802
2019  931

Unit: MMCM
單位: 百萬立方米

Gross Sales
總銷量

16.87% ↑

2018  781
2019  913

Unit: MMCM
單位: 百萬立方米

Realized Average Selling Price**
平均實現銷售價格**

1.83% ↑

2018  1.64
2019  1.67

Unit: RMB/cubic meter
單位: 人民幣元/立方米

* Due to the different units of expression and decimal places reserved of data, there may be slight deviation in the percentage of increase or decrease; the percentage of increase or decrease is based on the calculation of the minimum units of expression and decimal places reserved available in the report.
由於數據的表達單位及保留位數不同，可能會使增減的百分比比例略有偏差；增減的百分比比例以報告內能獲取的最小表達單位及保留位數的計算結果為準。

** Realized ASP excludes the directly attributable pass through cost, thus reflecting the realized wellhead price.
平均實現銷售價格不包括直接歸屬的過渡成本，反映的是我們實現的井口價格。

Chairman's Statement

主席報告

To create best value for society,
optimized platform for employees
and highest return for shareholders.

為社會創造最佳價值，
為員工創造最好平台，
為股東創造最大效益。

Mr. Ming Zaiyuan
Chairman
明再遠先生
主席



Dear Shareholders,

On behalf of the board (the “**Board**”) of directors (the “**Directors**”) of AAG Energy Holdings Limited (“**AAG Energy**” or the “**Company**”, together with its subsidiaries, collectively the “**Group**”), I am pleased to present the annual report of the Group for the year ended 31 December 2019.

Overview

2019 is the first full year of AAG Energy following the completion of its internal substantial reform. Despite the dual pressure of decline in the global macroeconomic growth and the growth of domestic and foreign natural gas consumption and the market performance under expectation, the management have leveraged their executive capacities through efficient investment and operation under the explicit guidance from the new Board. The Group has therefore maintained an excellent financial performance with its performance indicators exceeded its plan:

各位股東：

本人謹代表亞美能源控股有限公司（「亞美能源」或「本公司」，連同其附屬公司統稱「本集團」）董事（「董事」）會（「董事會」）欣然提呈本集團截至2019年12月31日止之年度報告書。

概覽

2019年是亞美能源完成內部重大變革後的第一個完整年度。在全球宏觀經濟增速下滑，國內外天然氣消費增速顯著回落，市場不及預期的雙重壓力下，本集團在新一屆董事會的明確指導下，管理層充分發揮執行力，通過高效的投入與運營，保持了優秀的財務表現，業績指標超計劃完成：

Chairman's Statement

主席報告

The Group's 2019 gross production increased by 16.07% to 931 million cubic meters (32.8 billion cubic feet) compared with 2018; the revenue and other income (including government subsidy and VAT refund) for 2019 increased by 19.89% to RMB1.508 billion, compared with 2018; operating profit increased by 49.42% to RMB902 million; profit for the year increased by 71.30% to RMB707 million; EBITDA increased by 45.52% to RMB1.175 billion; earnings per share increased by 75.00% to RMB0.21. Benefited from the government policy of unifying the city-gate prices of natural gas for residential and non-residential use, coupled with flexible pricing policy and market adjustment mechanism, the Group has achieved a higher realized average selling price ("ASP") of RMB1.67/cubic meter in 2019 from RMB1.64/cubic meter in 2018.

At the same time, the Group has gradually combined the mature management concepts and explicit strategic development policies of Xinjiang Xintai Natural Gas Co., Ltd. (新疆鑫泰天然氣股份有限公司, our controlling shareholder, a company listed on the Shanghai Stock Exchange (Stock Code: 603393)), namely "**industrial chain incorporation for natural gas energy**", "**high-tech integration**", "**internationalization**" and "**financialization**", with the existing resources and technical strengths of AAG Energy to aim at creating outstanding and solid corporate culture. Furthermore, the Group has established a comprehensively advanced standardization management system to gather domestic and foreign technical forces in launching various technologically innovative experimental projects, laying a solid foundation for building the most enduring clean energy company.

2019年總產量相比2018年增長了16.07%達到9.31億立方米(即328億立方英尺)，2019年的收入及其他收入(包括政府補貼和增值稅退稅)相比2018年增加了19.89%至人民幣15.08億元，經營利潤增加了49.42%至人民幣9.02億元，年度利潤增加了71.30%至人民幣7.07億元，EBITDA增加了45.52%至人民幣11.75億元，每股收益增加了75.00%至人民幣0.21元。受惠於中國政府實施的民用與非民用天然氣門站價格並軌政策，結合靈活的價格政策以及市場調節機制，2019年，本集團實現了更高的平均實現銷售價格，從2018年的每立方米人民幣1.64元，增至每立方米人民幣1.67元。

與此同時，本集團逐步將控股股東新疆鑫泰天然氣股份有限公司(一間於上海證券交易所上市公司，股份代號：603393)成熟的管理理念及明確的戰略發展方針即「**天然氣能源全產業鏈化**」、「**高新科技化**」、「**國際化**」與「**金融化**」與亞美能源現有的資源稟賦及技術優勢相結合，勵志於打造卓越而堅實的企業文化。此外建立了完善的先進性標準化管理體系，彙集國內外技術力量啟動多項科技創新實驗項目，為鑄建永續發展的清潔能源偉大企業奠定堅實基礎。

Chairman's Statement

主席報告

Major Results Review in 2019:

— Health, Safety and Environment (“HSE”): Target Zero on HSE Performance Indicators

AAG Energy places great value on Health, Safety, Environment (“HSE”) and makes efforts on assuming its social responsibilities. It has completed the construction of an advanced safe production standardization management system further strengthening the HSE awareness of its employees and improving HSE performance. In 2019, AAG Energy has maintained zero for lost time injury rate (“LTIR”), total recordable incident rate (“TRIR”) and preventable motor vehicle accidents (“PMVA”) in respect of its safety and environmental protection performance.

The Group has strictly complied with the national and local environmental laws and regulations for CBM, as well as actively participated in sustainable community welfare activities. A number of awards such as the “Eco-friendly Advanced Entity (年度生態環保先進集體)”, the “Outstanding Enterprise in Environment Protection” (年度落實環境保護工作優秀企業)” and “The County's Advanced Entity for Production Safety (全縣安全生產先進集體)”, etc., have been granted by the governments at different levels.

— Panzhuang Concession: Precise Well Placement and Efficient Investment

With continuous new well placement, the exploitation of Panzhuang concession has become more difficult. The Group distributed wells precisely through organizing historical working information and optimizing resources evaluation method in a multi-dimensional way; and realized significantly efficient investment and operation by modifying drilling technique, innovating and optimizing fracturing technique. In 2019, gross production of Panzhuang concession reached 859 million cubic meters (30.3 billion cubic feet), exceeded the targeted 810 million cubic meters (28.6 billion cubic feet), with a year-on-year (“YoY”) increase of 21.78% compared with 2018 and sales utilization rate remained steadily at 98%. We have drilled a total of 99 wells in 2019, a record high in the total number of drilled wells annually.

2019年主要業績回顧：

— 健康、安全及環境(HSE)：關鍵績效指標記錄為零

亞美能源高度重視健康安全環境(HSE)工作及履行社會責任的義務。完成了先進性安全生產標準化管理體系構建，進一步強化員工健康安全環保意識，提升健康安全環保業績。2019年亞美能源一如既往保持損失工時事故(LTIR)為零、總可記錄事故(TRIR)為零、可預防性交通事故(PMVA)為零的安全環保績效。

本集團嚴格遵守國家及地方煤層氣環保法律法規，積極參與可持續發展公益活動。各級政府先後授予了年度生態環保先進集體、年度落實環境保護工作優秀企業、全縣安全生產先進集體等獎項。

— 潘莊區塊：精準布井，高效投資

隨著持續的新增布井，潘莊區塊開發難度進一步提高。本集團通過多維度整合歷史工作資料、優化資源評價方法，精準布井；通過不斷改造鑽井工藝、創新優化壓裂技術，實現投入與運營的效率大幅提升。2019年潘莊區塊總產量達到了8.59億立方米(即303億立方英尺)，超出了原定的8.10億立方米(即286億立方英尺)目標，同比2018年增長了21.78%，產銷比穩定保持在98%。2019年共完成鑽井99口，年度鑽井總數再創歷史新高。

Chairman's Statement

主席報告

— Mabi Concession: Achieving Technological Innovation, Cost Reduction and Efficiency Enhancement, Laying a Solid Foundation for Large-scale Economic Development

Upon the approval for the Overall Development Plan (“ODP”) of Foreign Cooperation CBM Project in the southern area of Mabi concession, the Group improved resources evaluation through the principle of favorable region selection, coupled with applications of new technologies, the implementation of the development plan has been optimized and a new development model has been confirmed. We have enhanced the feasibility of the development plan through precise determination and strengthened management and control. Meanwhile, Mabi's southern area has achieved a significant reduction in comprehensive decline rate of well reserve with improved operating reliability and stronger investment returns through small and micro innovative and optimized measures, laying a solid foundation for the launch of stage one commercial development in 2020. In 2019, gross production of Mabi concession was 72 million cubic meters (2.5 billion cubic feet), exceeded by 0.90% from the original target of 71 million cubic meters (2.5 billion cubic feet), with a total of 27 wells drilled.

— Corporate Management: Improving Advanced Standardization Management System, Reducing Costs and Enhancing Efficiency for Establishing Groundbreaking Technological Advantages

According to the 2019-2021 three-year development plan of AAG Energy, 2019 is a year of management. The corporate system is like the constitution of a country and also the basic outline of corporate management. In 2019, the Group has comprehensively reviewed the corporate system, investigated and rectified defects, improved the multi-dimensional advanced standardized management system in production, operation, sales, internal control and value assessment to transform systematic advantages into mechanism advantages, and in turn transform mechanism advantages into production advantages. In addition, by consolidating internal and external resources, sustainable costs reduction and efficiency enhancement were realized within the framework of the management system.

— 馬必區塊：技術創新，降本增效，為大規模經濟開發奠定堅實基礎

馬必區塊南區煤層氣對外合作項目總體開發方案(「ODP」)批復後，本集團通過有利選區原則完善資源評價，結合新技術應用，對方案的實施計劃進行了優化，明確了新型開發模式，通過精準施策、強化管控，增強了開發方案的可實施性。同時，馬必南區通過小微創新和優化管控，實現了存量井綜合遞減率的顯著降低，提高了運行可靠性，增強了投資效益。為2020年開啟第一階段商業開發奠定了堅實的基礎。2019年馬必區塊總產量0.72億立方米(即25億立方英尺)，較原定0.71億立方米(即25億立方英尺)的目標超產0.90%，共完成鑽井27口。

— 企業管理：完善先進性標準化管理體系，降本增效，鑄建突破性技術優勢

根據亞美能源2019-2021三年發展規劃，2019年為亞美能源管理年。企業制度如國之憲法，是企業管理的基本綱要。2019年本集團全面審視企業制度，查缺補漏，完善生產、運營、銷售、內控、價值考核等多維度先進性標準化管理體系，力求將體制優勢轉化為機制優勢，將機制優勢轉化為生產力優勢。在管理體系的框架內，充分整合內外部資源，實現可持續性的降本增效。

Chairman's Statement

主席報告

At the same time, seeking for groundbreaking innovative technology is the key to realize the developmental, operational and financial targets of the three-year plan. By building up a technological advancement and innovational research and development fund, the Group promoted technological innovation starting from the system. In 2019, the Group has achieved considerable improvements in the daily production and operational efficiency of Panzhuang concession and Mabi concession through various small and micro innovations. Based on the existing engineering system such as geotechnical system and drilling system, etc., the Group has attracted domestic and foreign experts and scholars to explore relevant information and dynamics of the underground coal-to-gas (coalbed methane thermal mining) in planning to identify opportunity for the selection of appropriate resources for experimental work to study deep coal seam gasification (coalbed methane thermal mining) technologies and establish groundbreaking technological advantages.

Proposed Dividend

The Group will consistently implement its dividend policy to share the outstanding achievements of AAG Energy with all the shareholders. In view of our strong operational and financial performance, the Board recommends a dividend of RMB0.1061 per share (equivalent to approximately HKD0.1163 per share) for the year ended December 31, 2019. The Company's continuously strong cash position and increased cash flow from operations financed this payment of dividends. The promising outlook for the Company's business supports the Company's continuous payment of dividends in the future*.

Business Outlook

2020 is the last year for China's "13th Five-Year Plan". To accelerate the completion of the goal of energy reform, China has issued and implemented a number of reform policies in 2019 to further encourage the increase in clean energy reserves and production. It is expected that the Supplementary Notice on the Interim Administrative Measures for Special Funds for the Development of Renewable Energy (《關於〈可再生能源發展專項資金管理暫行辦法〉的補充通知》) promulgated by the Ministry of Finance will have a positive impact on the Group.

與此同時，尋求突破性創新技術是實現三年規劃發展性、經營性及財務性目標的關鍵。本集團從體制入手，通過成立技術進步與創新研發基金，著力推進技術創新。2019年，本集團已通過各類小微創新成果，實現了潘莊區塊及馬必區塊日常生產經營效率的顯著提高；基於已有的地質技術體系、鑽井等工程體系，吸納國內外專家學者，深入瞭解地下煤制氣(煤層氣熱採)的相關資訊及動態，計劃擇機選擇合適資源進行實驗性的工作，以研究深層煤層氣化(煤層氣熱採)技術，鑄建突破性技術優勢。

建議股息

本集團將持續貫徹股息政策，與所有股東分享亞美能源的卓越成就。鑒於強勁的運營和財務表現，董事會建議派付截至2019年12月31日止年度股息每股人民幣0.1061元，相當於每股約港幣0.1163元。本公司持續強勁的資金實力及來自於運營的增長現金流，使得本公司能夠派發本次派付股息。本公司業務前景的持續強勁，可支持本公司在未來繼續派付股息*。

業務前景展望

2020年是國家「十三五」規劃的收官之年，為了加速完成能源改革目標，2019年國家出台、實施多項改革政策，進一步鼓勵清潔能源增儲上產。預計財政部發佈的《關於〈可再生能源發展專項資金管理暫行辦法〉的補充通知》將對本集團有積極正面的影響。

* The dividends payable to the Shareholders will be distributed in HK Dollar at an average exchange rate of the central parity of RMB against HK Dollar as announced by The People's Bank of China for the five business days prior to the dividend declaration date.

* 應付予股東的股息將以港元派發。本公司派息所採用的匯率為宣布派息日前五個營業日中國人民銀行公告的人民幣兌換港元匯率之中間價的平均值。

Chairman's Statement

主席報告

For the market's perspective, the influence of the novel coronavirus outbreak at the beginning of the year resulted in a further slowdown in the economy of China. It is estimated that the gross consumption of natural gas climbed down with downward pressure in overall pricing. During the outbreak, AAG Energy has adopted scientifically effective preventable protection measures and thus the production work remained normal. In 2020, the Group will adjust its working plan by targeting certain aspects and deploy core measures through the strategies of "three kinds of stimulation", namely "production stimulation", "sales stimulation" and "efficiency stimulation" to minimize the loss caused by the epidemic outbreak.

The year of 2020 will abound with challenges and opportunities for AAG Energy. The establishment of National Petroleum and Natural Gas Pipeline Network Group Co., Ltd. ("National Pipeline Network Company") will introduce competition in breaking the monopoly situation of natural gas industry, which is the best timing to create a diversified environment for the entire industry chain. Meanwhile, the Opinions on Several Matters Concerning Promoting the Reform of Mineral Resources Administration (for Trial Implementation) (《關於推進礦產資源管理改革若干事項的意見(試行)》) issued by the Ministry of Natural Resources provided new development opportunities for upstream development enterprises.

In 2020, the Company will strive for maintaining the strong performance of existing concessions, continuing costs reduction and efficiency enhancement as well as flexibly adjusting market sales mechanism to safeguard the gas consumption for local residential use and industrial use, and also focus on the nearby Henan market. At the same time, AAG Energy will also take full advantage of favorable policies to explore new business opportunities, focus on domestic CBM and other unconventional natural gas assets and other assets with high potential from the natural gas industry chain with its groundbreaking technological advantages.

Finally, on behalf of the Company, I would like to express my heartfelt thanks to the shareholders and investors for their years of trust and support. I would also like to express my sincere gratitude to all the employees. The Company will continue to make unremitting efforts in ensuring stable development for bringing a better return to the shareholders.

Ming Zaiyuan
Chairman of the Board

市場方面，受新年伊始爆發的新冠病毒疫情影響，國內經濟增速進一步放緩，預計天然氣消費總量回落，整體價格承壓。疫情期間，亞美能源採取了科學有效的防控保障措施，生產作業得以正常運行。2020年，本集團將有針對性地調整工作計劃，通過「三增」即「增產、增銷、增效」的戰略，部署核心措施，最大程度降低疫情帶來的損失。

對於亞美能源來說，2020年將是挑戰和機遇並存的一年。2019年底國家石油天然氣管網集團有限公司(「國家管網公司」)的掛牌成立將充分引入競爭，逐步打破天然氣行業壟斷現狀，是打造全產業鏈化小生態圈的最佳時機；同時，自然資源部下發的《關於推進礦產資源管理改革若干事項的意見(試行)》為上游開發企業提供了新的發展機會。

2020年，本公司將致力於保持現有區塊的強勁表現，持續降本增效，靈活調整市場銷售機制，保障本地民用及工業用氣並重點關注相鄰的河南市場。同時，亞美能源亦將充分利用政策利好，以突破性技術優勢為抓手，拓展新業務機會，著重關注國內煤層氣及其它非常規天然氣資產，以及天然氣全產業鏈上具備高潛力發展的資產。

最後，本人謹代表公司，向多年來信任和支持本公司的各位股東、業務夥伴及投資者致以衷心的謝意，亦向全體員工表達誠摯的感激。本公司將一如既往，繼續不懈努力確保穩定發展，以保障為股東帶來更優的回報。

明再遠
董事會主席



Management Discussion and Analysis

管理層討論及分析



Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

We are pleased to announce that the Group continued to deliver stable growth in gross production of CBM compared with 2018. The Group's 2019 gross production increased by 16.07% to 931 million cubic meters ("MMCM") (32.8 billion cubic feet ("bcf")) (comprising Panzhuang concession's production of 859 MMCM (30.3 bcf) and Mabi concession's production of 72 MMCM (2.5 bcf)) compared with 2018.

Compared with the budgeted capital expenditure of RMB536 million for the full year, the actual capital expenditure this year was RMB348 million. The average drilling cost of each single lateral horizontal well ("SLH") in Panzhuang concession decreased slightly when compared to that of 2018, of which the average drilling cost of SLHs in 3# coal seam was RMB2.70 million, decreased by 5.26% from RMB2.85 million for 2018; and the average drilling cost of SLHs in 15# coal seam was RMB2.96 million, decreased by 0.67% from RMB2.98 million for 2018. The average drilling cost of each pad drilling well ("PDW") in Panzhuang concession significantly decreased by 25.00% to RMB0.9 million from RMB1.2 million for 2018. We are committed to lowering the cost for enhancing profitability.

In 2019, the Group achieved a higher realized ASP of RMB1.67/cubic meter, comprising a realized ASP of RMB1.69/cubic meter (an increase of 1.20% from RMB1.67/cubic meter for 2018) for Panzhuang concession and a realized ASP of RMB1.39/cubic meter (remained the same as that of the 2018) for Mabi concession. The increase in the realized ASP for Panzhuang concession mainly benefited from the Chinese government's policy of unifying the city-gate prices of natural gas for residential and non-residential use.

The revenue and other income (including subsidy and VAT refund) for 2019 increased to RMB1.508 billion, representing an increase of 19.89% over 2018. Operating profit increased to RMB902 million, representing an increase of 49.42%. Profit for the year increased by 71.30% to RMB707 million. EBITDA increased by 45.52% to RMB1.175 billion. Earnings per share increased by 75.00% to RMB0.21.

業務回顧

我們很高興的宣佈，本集團的煤層氣總產量相較2018年持續穩定增長。本集團的2019年總產量相比2018年增長了16.07%達到9.31億立方米(即328億立方英尺)，其中包括潘莊區塊的產量8.59億立方米(即303億立方英尺)和馬必區塊的產量0.72億立方米(即25億立方英尺)。

相比全年預算人民幣5.36億元的資本性支出，今年實際的資本支出為人民幣3.48億元。潘莊區塊每口單支水平井(「SLH」)的平均鑽井成本較2018年略微下降，其中3#煤層SLH井的平均單井鑽井成本為人民幣270萬元，較2018年的人民幣285萬元下降5.26%，15#煤層SLH井的平均單井鑽井成本為人民幣296萬元，較2018年的人民幣298萬元下降0.67%，潘莊區塊每口叢式井(「PDW」)的平均單井鑽井成本較2018年的人民幣120萬元大幅下降25.00%至人民幣90萬元。我們持續致力於降低成本，提升利潤空間。

2019年，本集團實現了更高的平均實現銷售價格即每立方米人民幣1.67元，其中潘莊區塊的平均實現銷售價格為每立方米人民幣1.69元(相比2018年的每立方米人民幣1.67元增長1.20%)，馬必區塊的平均實現銷售價格為每立方米人民幣1.39元(與2018年持平)。潘莊區塊平均實現銷售價格的增長主要受惠於中國政府實施的民用與非民用天然氣門站價格並軌政策。

2019年的收入及其他收入(包括政府補貼和增值稅退稅)相比2018年增加了19.89%至人民幣15.08億元，經營利潤增加了49.42%至人民幣9.02億元，年度利潤增加了71.30%至人民幣7.07億元，EBITDA增加了45.52%至人民幣11.75億元，每股收益增加了75.00%至人民幣0.21元。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

Key financial indicators for the last 5 years are as follows:

業務回顧(續)

最近五年財務關鍵指標列示如下：

Items		As of or for the year ended 31 December				
		2019	2018	2017	2016	2015
項目		2019年	2018年	2017年	2016年	2015年
		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
Current assets	流動資產	2,871,068	2,260,490	2,537,341	2,699,512	2,820,279
Non-current assets	非流動資產	3,877,092	3,746,617	3,595,348	3,238,962	2,667,486
Total assets	總資產	6,748,160	6,007,107	6,132,689	5,938,474	5,487,765
Current liabilities	流動負債	462,958	306,191	422,062	443,775	392,893
Non-current liabilities	非流動負債	441,560	324,063	760,282	657,765	503,426
Total liabilities	總負債	904,518	630,254	1,182,344	1,101,540	896,319
Revenue	收入	1,161,246	978,671	541,598	411,278	536,655
Other income	其他收入	346,805	279,169	193,913	149,276	127,672
Profit before income tax	除所得稅前利潤	940,765	596,260	310,941	178,980	51,717
Profit/(loss) for the year	年度利潤/(虧損)	707,368	412,937	183,198	106,635	(56,939)
Net cash generated from operating activities	經營活動所得現金淨額	948,210	404,933	438,301	257,418	317,382
Net cash used in investing activities	投資活動所用現金淨額	(272,421)	(419,593)	(455,556)	(337,742)	(743,937)
Net cash (used in)/ generated from financing activities	融資活動(所用)/所得現金淨額	(263,492)	(635,140)	26,392	12,874	1,517,712

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

We have achieved significant progress towards certain principal operational objectives for the two key assets operated by the Company's two subsidiaries: Panzhuang concession operated by Sino American Energy Inc. ("SAEI") and Mabi concession operated by Asian American Gas, Inc. ("AAGI").

1. Panzhuang Concession

Our Panzhuang concession, which is in partnership with CUCBM, continued to be the CBM project with the highest output in China, and was listed as China's key CBM project in production under the "13th Five-Year Plan" for the development and utilization of CBM (coal mine gas) prepared by the National Energy Administration (the "NEA") and issued by the NDRC.

— Production Update

In 2019, the gross production of Panzhuang concession reached 859 MMCM (30.3 bcf), which was 6.11% higher than the original target of 810 MMCM (28.6 bcf), with a 21.78% YoY increase compared with 705 MMCM (24.9 bcf) in 2018. The average daily gas production was 2.35 MMCM, representing an increase of 21.76% compared to 1.93 MMCM in 2018. By the end of 2019, there were a total of 305 wells in production, including 81 PDWs, 49 multi-lateral drilling wells ("MLD") and 175 SLHs in Panzhuang concession. Further details on production and well count are set out below in Table 1.

— Drilling and Surface Facilities Update

In 2019, a total of 99 wells have been drilled (of which 71 were SLHs and 28 were PDWs) in Panzhuang concession, 36 more wells have been drilled compared to that of 2018, a historical high of number of wells drilled. Average drilling time for each SLH was just 15.40 days, representing an improvement of 6.84% in our drilling efficiency compared to that of 2018. With more input of new wells and the improvements of operational efficiency, a solid foundation has been laid for the increase of 2020 annual production.

業務回顧(續)

本公司兩間附屬公司經營的兩項重大資產(美中能源有限公司「SAEI」經營的潘莊區塊及亞美大陸煤層氣有限公司「AAGI」經營的馬必區塊)的若干重大經營目標取得顯著進展。

1. 潘莊區塊

我們與中聯煤合作的潘莊區塊仍然是中國最高產的煤層氣項目，在由國家能源局制定、國家發改委發佈的煤層氣(煤礦瓦斯)開發利用「十三五」規劃中，被列為國家在產煤層氣重點項目。

— 生產進展

2019年潘莊區塊的總產量達到了8.59億立方米(即303億立方英尺)，較原定8.10億立方米(即286億立方英尺)的目標超產6.11%，同比2018年7.05億立方米(即249億立方英尺)增長了21.78%。平均日產氣量達235萬立方米，較2018年平均日產氣量193萬立方米增長21.76%。截至2019年底，潘莊區塊共有在產生產井305口，其中包括81口PDW，49口多分支水平井(「MLD」)和175口SLH。更多的產量資料以及井數統計請詳見下列表1。

— 鑽井及地面設施進展

2019年潘莊區塊共完成鑽井99口(其中包括71口SLH和28口PDW)，鑽井完成數較2018年增加了36口，鑽井數量創歷史新高。SLH井平均鑽井時間僅為15.40天，鑽井效率較2018年提升6.84%。新井的投入和運營效率的提高，為2020年度產量的提升奠定了堅實的基礎。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

1. Panzhuang Concession (Continued)

— Drilling and Surface Facilities Update (Continued)

Among the 99 newly drilled wells in Panzhuang concession, we succeeded in our first attempt on two-section completion well type for SLHs in 3# coal seam, so that the diameter of producing wellbores were further enlarged and the production capacity of natural gas could be released more effectively. The near-bit geosteering technique was successfully applied on SLHs in 3# coal seam and 15# coal seam, which not only improved the coal seam drilling-penetration rate, but also shortened the drilling cycle. In the drilling construction of 4 well groups, batch drilling was attempted, we firstly commenced the first and second well sections in batches, and then concentrated on the drilling of the third section in coal seams, which not only reduced the pollution of the drilling fluid to the strata, but also particularly enhanced drilling efficiency. For PDW fracturing, a new technique of tip screen-out fracturing was successfully tested, which improved the fracturing effect significantly. For pumping of SLH, a new type of pump was used, which effectively reduced the liquid level and extended the pump inspection period.

Currently, the surface facilities of our Panzhuang concession include 6 gas gathering stations, 24 wellhead compressors, 64 km of trunk lines and 103 km of single well pipelines. The central gas gathering station has a secondary processing capacity of 800,000 cubic meters per day, and compressors at remaining stations and wellheads have a processing capacity of 3.88 MMCM per day. The construction of a double circuited 35 kilovolt power line has been completed, and is presently under relevant formalities before power transmission. This power line will be able to satisfy the electricity demand of the Panzhuang concession and further improve the gas distributing capacity therein, thus increasing our production and sales.

2. Mabi Concession

Our Mabi concession, which is in partnership with CNPC, was listed as China's key CBM project under construction under "the 13th Five-Year Plan" for the development and utilization of CBM (coal mine gas) prepared by the NEA and issued by the NDRC, and became one of the key CBM construction projects in Shanxi Province in 2019.

業務回顧(續)

1. 潘莊區塊(續)

— 鑽井及地面設施進展(續)

潘莊區塊完成的99口新鑽井中，在3#煤層SLH井中首次嘗試了二開完井井型，並獲得成功，使生產井筒直徑進一步擴大，能更加有效地釋放天然氣產能。在3#煤層、15#煤層SLH井中，成功實施了近鑽頭地質導向技術，不但提高了煤層鑽遇率，也縮短了鑽井週期。在4個井組鑽井施工中，嘗試了批量化鑽井，即先批量實施一開、二開井段，然後集中實施三開煤層段鑽井，不但減小了鑽井液對地層的污染，也極大地提高了鑽井效率。在PDW井壓裂中，成功試驗了端部脫砂新技術，壓裂效果明顯提高。在SLH井排採中，嘗試了新的排採泵型，有效降低了液面，也延長了檢泵週期。

目前，潘莊區塊地面設施包括6座集氣站，24臺井口壓縮機，64千米集輸管線和103千米單井管線。中央集氣站二次加壓處理能力為80萬立方米/天，其餘各站及井口壓縮機處理能力為388萬立方米/天。一條雙迴路的35千伏電力線路已經建設完成，目前正在進行送電前的手續辦理，投運後將基本滿足潘莊區塊的電量需求，並將進一步提高潘莊區塊的煤層氣輸配能力，從而提升產量和銷量。

2. 馬必區塊

我們與中石油合作的馬必區塊，在由國家能源局制定、國家發改委發佈的煤層氣(煤礦瓦斯)開發利用「十三五」規劃中被列為國家在建煤層氣重點項目，並成為山西省2019年煤層氣重點建設項目之一。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

2. Mabi Concession (Continued)

— Production Update

In 2019, the gross production of Mabi concession reached 72 MMCM (2.5 bcf), which was 0.90% higher than the original target of 71 MMCM (2.5 bcf). The average daily gas production was 0.197 MMCM. In 2019, a total of 27 wells have been drilled (of which 5 were SLHs and 22 were PDWs) in Mabi concession. By the end of 2019, there were a total of 183 wells in production, including 172 PDWs, 1 MLD and 10 SLHs in Mabi concession. Further details on production and well count are set out below in Table 1.

— Implementation Progress of the Overall Development Plan (“ODP”) of Mabi’s Southern Area

In 2019, Mabi concession has optimized the implementation of ODP for its southern area with the principle of favorable region selection, coupled with 3D seismic interpretation and application of other new technologies, thus establishing a new development pattern of prioritized sweet zone and combination of multiple well-types. The feasibility of the development plan has been enhanced through precise determination and strengthened management and control. Meanwhile, Mabi concession focused on excavating the potential of existing wells. Through various small and micro innovative measures, Mabi concession has achieved a significant reduction in comprehensive decline rate of existing wells as well as stronger operation reliability and investment return. In the coming year, Mabi concession will continue to optimize related engineering and technical skills, so that the preparatory work in the early development stage will be strengthened with a clearer direction, so as to lay a solid foundation for clarifying investment direction, expanding investment scale and realizing commercial production as soon as possible.

業務回顧(續)

2. 馬必區塊(續)

— 生產進展

2019年馬必區塊的總產量達到0.72億立方米(即25億立方英尺)，較原定0.71億立方米(即25億立方英尺)的目標超產0.90%，平均日產氣量19.70萬立方米。2019年，馬必區塊共完成鑽井27口(其中包括5口SLH和22口PDW)。截至2019年底，馬必區塊共有183口井在產，其中包括172口PDW，1口MLD和10口SLH。更多的產量資料以及井數統計請詳見下列表1。

— 馬必南區總體開發方案(「ODP」)實施進展

2019年，馬必區塊通過有利選區原則完善資源評價，結合三維地震解釋和其他新技術應用，對馬必南區ODP的實施進行了優化，形成了馬必區塊甜點區優先及多井型組合的新型開發模式，通過精準施策、強化管控，增強了開發方案的可實施性。同時，馬必區塊著眼於存量井挖潛，通過多種小微創新措施，實現了存量井綜合遞減率的顯著降低，提高了運行可靠性，增強了投資效益。新的一年，馬必區塊將繼續優化相關工程技術手段，使開發前期的準備工作更紮實、方向更清晰，為明確投資方向、加大投資規模、早日實現商業化生產奠定穩固基礎。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

2. Mabi Concession (Continued)

— Acreage Decrease of Mabi Concession Under New Exploration License and Potential Impact on Reserves

According to the "Notice With Regard to the Strengthening of Joint Verification on the Overlap of Land for All Kinds of Reserves and Construction Projects with Exploration Rights or Mining Rights" jointly issued by the Shanxi Provincial Department of Land and Resources (currently the Natural Resources Department) and the Shanxi Provincial Department of Environmental Protection (currently the Ecology and Environment Department), the overlapped area of the national forest parks and reserves have been excluded from the 2018 renewed exploration license of Mabi concession accordingly. The excluded area accounted for only 7.68% of the original exploration right area in Mabi concession, and the estimated proved reserves were reduced by 11.28%. Accordingly, Mabi concession filed an application with the Natural Resources Department of Shanxi Province to retain the excluded exploration right area until the issue of new regulation related to overlapping resources. Currently, as the government is yet to promulgate any new administration measures for overlapping resources, the Group will continue to follow this subject.

業務回顧(續)

2. 馬必區塊(續)

— 新辦理的探礦證核減馬必區塊面積以及對儲量的潛在影響

根據山西省國土資源廳(現自然資源廳)、山西省環境保護廳(現生態環境廳)等部門聯合下發的《關於加強對探礦權採礦權建設項目用地與各類保護區重疊情況進行聯合核查的通知》，馬必區塊於2018年更新的探礦權證已將區塊內與國家級森林公園和保護區重疊之部分進行相關核減，核減面積僅佔馬必區塊原探礦權面積的7.68%，估算探明儲量減少11.28%。據此，馬必區塊向山西省自然資源廳提出了核減區域礦權保留申請，直到新的重疊資源管理辦法出臺。目前國家仍未出臺新的重疊資源管理辦法，本集團將對此持續跟進。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

2. Mabi Concession (Continued)

Table 1 — Operation Update* of Panzhuang ("PZ") and Mabi ("MB") Concessions

		2019 2019年	2018 2018年	% Change 變動百分比
Gross production (MMCM)	總產量(百萬立方米)	931.09	802.21	16.07%
Total average daily production (MMCMD)	總平均日產量(百萬立方米每天)	2.55	2.20	15.91%
Gross production of PZ (MMCM)	潘莊總產量(百萬立方米)	859.17	705.53	21.78%
PZ MLD	潘莊 MLD	205.46	254.82	-19.37%
PZ SLH	潘莊 SLH	559.88	404.29	38.48%
PZ PDW	潘莊 PDW	93.83	46.41	102.18%
Total producing wells of PZ**	潘莊總生產井數**	305	243	25.51%
PZ MLD	潘莊 MLD	49	49	0.00%
PZ SLH	潘莊 SLH	175	127	37.80%
PZ PDW	潘莊 PDW	81	67	20.90%
PZ wells drilled	潘莊鑽井完成	99	63	57.14%
PZ wells fracked	潘莊壓裂增產措施井數	16	14	14.29%
Gross production of MB (MMCM)	馬必總產量(百萬立方米)	71.92	96.68	-25.61%
MB MLD	馬必 MLD	0.07	0.01	600.00%
MB SLH	馬必 SLH	17.93	26.64	-32.70%
MB PDW	馬必 PDW	53.92	70.03	-23.00%
Total producing wells of Mabi**	馬必總生產井數**	183	175	4.57%
MB MLD	馬必 MLD	1	1	0.00%
MB SLH	馬必 SLH	10	10	0.00%
MB PDW	馬必 PDW	172	164	4.88%
MB wells drilled	馬必鑽井完成	27	0	—
MB wells fracked	馬必壓裂增產措施井數	13	31	-58.06%

Note:

* Operations update as of 31 December 2019, 08:00 CST.

** Well count is calculated from pumping start date.

附註：

* 運營進展情況截至2019年12月31日止，08:00中央標準時區。

** 井數統計自排採之日起計算。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

3. Exploration and Reserve Upgrade

Based on reports issued by Netherland Sewell & Associates Inc. ("NSAI"), an independent reserve certification company, the Group's 1P and 2P natural gas reserves as at the end of 2019 ("2019YE") were 197.7 bcf and 654.6 bcf respectively, representing a 4% decrease from the 1P reserve of 205.4 bcf as at the end of 2018 ("2018YE") and a 0.4% decrease from the 2P reserve of 656.9 bcf as at 2018YE. After deducting net gas production of 26.6 bcf for 2019, the 1P and 2P reserves increased by 11% and 4% respectively.

The 1P reserve and 2P reserve of Panzhuang concession were 160.3 bcf and 196.3 bcf as at 2019YE, representing a decrease of 1% and 6% respectively from the 1P reserve of 162.2 bcf and the 2P reserve of 209.5 bcf as at 2018 YE. After deducting net gas production of 24.2 bcf for 2019, 1P and 2P reserves increased by 16% and 6% respectively. Both 1P and 2P reserves increased significantly after deducting net gas production for 2019 due to the good performance of existing wells and the improved efficiency of drilling program in 2019, which enable upgrading Panzhuang concession's original production target of 28.6 bcf for 2019. The increased 1P and 2P reserves will keep contributing to the production of Panzhuang concession in the future.

The 1P reserve and 2P reserve of Mabi concession were 37.4 bcf and 458.3 bcf as at 2019YE, representing a decrease of 13% and an increase of 2% respectively from the 1P reserve of 43.2 bcf and the 2P reserve of 447.4 bcf as at 2018YE. After deducting net gas production of 2.4 bcf for 2019, the 1P reserve decreased by 8% and the 2P reserve increased by 3%. Since there was no capacity contribution from new wells in Mabi concession in 2019, the 1P reserve therefore decreased. However, the production decline in old wells was significantly suppressed and meanwhile, the long-range plan ("LRP") was optimized to increase the estimated 2P and 3P reserves.

業務回顧(續)

3. 勘探及儲量升級

根據獨立儲量認證公司Netherland Sewell & Associates Inc. (「NSAI」) 發佈的報告，截至2019年底，本集團的1P和2P天然氣儲量分別約為1,977億立方英尺和6,546億立方英尺，較2018年底的1P儲量2,054億立方英尺降低了4%，較2018年底的2P儲量6,569億立方英尺降低了0.4%。扣除2019年淨產氣量266億立方英尺後，1P儲量增長了11%，2P儲量增長了4%。

潘莊區塊2019年底的1P和2P儲量分別為1,603億立方英尺和1,963億立方英尺，較2018年底的1P儲量1,622億立方英尺降低了1%，較2018年底的2P儲量2,095億立方英尺降低了6%。扣除2019年淨產氣量242億立方英尺後，1P儲量增長了16%，2P儲量增長了6%。由於2019年現有井的良好表現和鑽井效率的提高，實現了對潘莊區塊2019年286億立方英尺計劃產量的超越，1P和2P儲量扣除2019年淨產量後都有大幅增加，增加的1P、2P儲量也將繼續為潘莊區塊產量做貢獻。

馬必區塊2019年底的1P和2P儲量分別為374億立方英尺和4,583億立方英尺，較2018年底的1P儲量432億立方英尺降低了13%，較2018年底的2P儲量4,474億立方英尺增長了2%。扣除2019年淨產氣量24億立方英尺後，1P儲量降低了8%，2P儲量增長了3%。由於馬必區塊2019年沒有新井產能貢獻，致使1P儲量下降，但老井產量遞減率明顯得到抑制，同時優化了長期規劃(「LRP」)，使評估的2P、3P儲量都有所增加。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW (Continued)

3. Exploration and Reserve Upgrade (Continued)

Table 2 — Reserve Data

Reserve Data**		2019 Gross	2019 Net ^{(*)(**)}	2018 Net ^{(*)(**)}
儲量數據**		2019年總量	2019年淨量 ^{(*)(**)}	2018年淨量 ^{(*)(**)}
		(bcf)	(bcf)	(bcf)
		(十億 立方英尺)	(十億 立方英尺)	(十億 立方英尺)
Total	合計			
Proved (1P)	證實儲量 (1P)	254.5	197.7	205.4
Proved + probable (2P)	證實 + 概算儲量 (2P)	908.5	654.6	656.9
Proved + probable + possible (3P)	證實 + 概算 + 可能儲量 (3P)	1,348.1	952.5	876.3
Panzhuang concession	潘莊區塊			
Proved (1P)	證實儲量 (1P)	206.9	160.3	162.2
Proved + probable (2P)	證實 + 概算儲量 (2P)	254.2	196.3	209.5
Proved + probable + possible (3P)	證實 + 概算 + 可能儲量 (3P)	295.7	227.7	247.1
Mabi concession	馬必區塊			
Proved (1P)	證實儲量 (1P)	47.5	37.4	43.2
Proved + probable (2P)	證實 + 概算儲量 (2P)	654.3	458.3	447.4
Proved + probable + possible (3P)	證實 + 概算 + 可能儲量 (3P)	1,052.4	724.8	629.2

Notes:

* Net gas reserves are the Company's share of the gas reserves according to the terms of each product sharing contract and after adjustment for fuel and shrinkage.

** Our reserve estimates and the future net revenue have been prepared by NSAI in accordance with generally accepted petroleum engineering and evaluation principles set forth in the Standards Pertaining to the Estimating and Auditing of Oil and Gas Reserves Information promulgated by the Society of Petroleum Engineers. NSAI used standard engineering and geosciences methods or a combination of methods, including performance analysis, volumetric analysis, and analogy, that it considered to be appropriate and necessary to classify, categorize, and estimate reserves according to the definitions and guidelines of the 2018 PRMS (the Petroleum Resources Management System published by the Society of Petroleum Engineers (the "SPE"), the World Petroleum Council (the "WPC"), the American Association of Petroleum Geologists (the "AAPG"), the Society of Petroleum Evaluation Engineers (the "SPEE"), the Society of Exploration Geophysicists (the "SEG"), the Society of Petrophysicists and Well Log Analysts (the "SPWLA") and the European Association of Geoscientists and Engineers (the "EAGE") in June 2018). Our reserve is an estimate only and should not be construed as exact quantities.

附註：

* 淨儲量為根據產品分成合同條款以及氣損調整後的本公司的天然氣儲量。

** 我們的儲量估計及未來淨收益乃由NSAI根據石油工程協會頒佈的石油和天然氣儲量估算及審計所普遍認可的石油工程及估值原則編製。根據2018年石油資源管理系統(石油資源管理系統由石油工程師協會([SPE])、世界石油理事會([WPC])、美國石油地質學家協會([AAPG])、石油評估工程師協會([SPEE])、地球物理勘探協會([SEG])、石油物理學家和測井分析師協會([SPWLA])及歐洲地質學家和工程師協會([EAGE])於2018年6月發佈)的定義及指引，NSAI採用了標準工程和地球科學或兩者相結合的方法，其中(生產)動態法、容積法和類比法等分析方法被視為分類、歸類及估算儲量所試用而必要的方法。我們的儲量僅屬估算，不作為精準計算。

Management Discussion and Analysis

管理層討論及分析

MARKET OPERATION REVIEW

In 2019, under the impact of the overall economic slowdown, the growth of national natural gas consumption of the PRC became sluggish. In contrast, benefiting from industry policies, domestic natural gas production recorded a quicker growth and the overall market supply-demand became balanced. While experiencing the difficulties of upward and downward supply adjustment in summer and sagging prices, the Group formulated targeted marketing operation strategy based on the market and customer structure, effectively organized resources and strengthened the supply to high value-added customers. At the same time, the Group actively developed a number of sales channels to form the connection and response of each sales pipeline, which enabled the Group's realized ASP maintained a stable growth in 2019 as compared to that of the same period of last year.

The annual total sales volume of Panzhuang concession reached 844 MMCM (or 29.8 bcf) in 2019, representing a YoY increase of 21.63%, including 243 MMCM (8.6 bcf) from LNG customers, 590 MMCM (20.8 bcf) of pipeline gas customers and 11MMCM (0.4 bcf) from CNG customers. The annual realized ASP of Panzhuang concession was RMB1.69 per cubic meter, representing a YoY increase of 1.20%. The annual production-to-sale ratio of Panzhuang concession was 98.17%, still maintaining a very high production-to-sale rate.

The annual total sales volume of Mabi concession reached 69 MMCM (2.4 bcf) in 2019, representing a YoY decrease of 20.92%, including 64 MMCM (2.2 bcf) of pipeline gas customers and 5 MMCM (0.2 bcf) from CNG customers. The annual realized ASP of Mabi concession was RMB1.39 per cubic meter, which was the same as 2018. The annual production-to-sale ratio of Mabi concession was 96.05%.

Six new downstream customers were added within the year, representing an increase of 42.86% over the previous year.

市場經營回顧

2019年，受整體經濟放緩的影響，我國天然氣消費增速放緩，而受惠於行業政策，國內天然氣產量增速較快，整體市場供需趨於平衡。同時，面對夏季調峰壓力及價格不振的困難局面，本集團根據市場及客戶結構，制定了有針對性的市場經營策略，有效組織資源，加強對高附加值客戶的供應，同時積極開拓多條市場通路，形成各銷售管路的聯通與呼應，使本集團2019年平均實現銷售價格較去年同期仍保持穩定增長。

2019年，潘莊區塊全年總銷售氣量達到8.44億立方米（即298億立方英尺），同比增長21.63%，其中LNG客戶2.43億立方米（86億立方英尺）、管道氣客戶5.90億立方米（208億立方英尺）、CNG客戶0.11億立方米（4億立方英尺），潘莊區塊項目全年平均實現銷售價格為人民幣1.69元每立方米，同比增長1.20%，潘莊區塊全年產銷比為98.17%，仍然保持了較高的產銷率。

2019年，馬必區塊全年總銷售氣量達到0.69億立方米（即24億立方英尺），同比下降20.92%，其中管道氣客戶0.64億立方米（22億立方英尺）、CNG客戶0.05億立方米（2億立方英尺），馬必區塊全年平均實現銷售價格為人民幣1.39元每立方米，與2018年持平，馬必區塊全年產銷比為96.05%。

全年新增下游用戶6家，較上年增長42.86%。

Management Discussion and Analysis

管理層討論及分析

MANAGEMENT REVIEW

1. Health, Safety and Environment (“HSE”)

AAG Energy placed great value on HSE and made efforts on assuming its social responsibilities. In 2019, AAG Energy maintained zero on lost time injury rate (“LTIR”), total recordable incident rate (“TRIR”) and preventable motor vehicle accidents (“PMVA”) in respect of its safety and environmental protection performance. As of 31 December 2019, the excellent safety performance record of zero lost time injury of AAG Energy has accumulated 5 years and 117 days. Meanwhile, AAG Energy disclosed the Environmental, Social and Governance (“ESG”) report as scheduled in May 2019. The report showed an outstanding performance of the Company in terms of the governance of environmental protection and community relations, and also provided a strong guarantee for AAG Energy’s sustainability.

AAG Energy focuses on the establishment of HSE and social responsibility management system as well as continuous improvement to strengthen the HSE awareness for all of its employees and improve its HSE performance through multi-dimensional programs regarding compliance management, employee training, inspection and audit, accident management and social welfare activities. In 2019, AAGI, a subsidiary of the Company, was accredited with “2018 Eco-friendly Advanced Entity (2018年度生態環保先進集體)” by the People’s Government of Qinshui County in February 2019 and the “2018 Outstanding Enterprise in Environment Protection (2018年度落實環境保護工作優秀企業)” by the People’s Government of Jincheng City in April 2019. In April 2019, SAEI, a subsidiary of the Company, was accredited with “The County’s Advanced Entity for Production Safety (全縣安全生產先進集體)” by the People’s Government of Yangcheng County.

管理回顧

1. 健康、安全、環境(「HSE」)

亞美能源高度重視HSE工作及履行社會責任的義務。2019年亞美能源一如既往地保持損失工時事故(「LTIR」)為零、總可記錄事故(「TRIR」)為零、可預防性交通事故(「PMVA」)為零的安全環保業績。截至2019年12月31日，亞美能源取得了累計5年零117天無損失工時事故的優秀安全業績。同時，亞美能源於2019年5月如期披露環境社會及管治報告(「ESG」)，展現了本公司在環境保護及社區關係治理方面卓越的業績，為亞美能源可持續發展提供有力的保障。

亞美能源以構建健康安全環境及社會責任管理體系並持續改進為重點，通過合規性管理、員工培訓、檢查審核、事故管理、社會公益活動等多維度的紮實工作，強化全員健康安全環保意識，提升健康安全環境業績。2019年本公司附屬公司亞美大陸煤層氣有限公司於2019年2月被沁水縣人民政府授予「2018年度生態環保先進集體」，2019年4月被晉城市人民政府授予「2018年度落實環境保護工作優秀企業」；本公司附屬公司美中能源有限公司於2019年4月被陽城縣人民政府授予「全縣安全生產先進集體」。

Management Discussion and Analysis

管理層討論及分析

MANAGEMENT REVIEW (Continued)

2. High-Quality Investment Management and Control for Cost Reduction and Efficiency Enhancement

By optimizing resource evaluation methods, we could scientifically confirm production-rich areas to precisely deploy wells and pinpoint main controlling factor, thus establishing a more reliable capacity forecast method; through scientific and rigorous organizational construction and production management with refined management concepts, we have strengthened the entire process management of our production operations in focusing on the key factors that have an impact on the costs and achieved an efficient investment and cost reduction. We effectively reduced electricity costs through online transactions, high voltage capacitance compensation reform and main pipeline pigging, etc.

3. Focus on Promoting Technological Innovation

By setting up a technological advancement and innovational research and development fund, three major technological innovation awards were established in striving for the promotion of technological innovation. In 2019, we achieved a series of technological innovation in each of the drilling, fracturing, pumping, production stimulation and etc.,

For drilling, a number of innovative technologies, such as horizontal well two section profile well type, horizontal well batch-drilling, horizontal well near-bit geo-steering tools, etc., were applied in simplifying the wellbore structure so as to save the drilling time and improve the coal seam drilling-penetration rate for the purpose of reducing costs and improving efficiency; for fracturing, we focused on issues such as large filtration loss of high-permeability coal fracturing, difficulty in adding sand and serious sand-spitting, a new technique of tip screen-out fracturing was successfully tested and achieved significant production stimulation; for pumping, by strengthening the concepts of "one well, one strategy" and quantitative pumping, multiple quantitative identification indicators were introduced and a more scientific pumping system was thus established; for production stimulation technology, by focusing on the subject of "reduction of residual fluid level for SLH well", we studied and tested new type of pumping equipment such as "concentric tube hydraulic rodless pump" and "diaphragmatic pump", of which the "concentric tube hydraulic rodless pump" had basically solved problems like sinking rate, angle change rate, coal dust resistance, gas-water separation and etc.,

管理回顧(續)

2. 高質量的投資管控，降本增效

通過優化資源評價方法，科學地確定高產富集區，精準佈井，找準影響產能的主控因素，建立了更可靠的產能預測方法；通過科學嚴謹的組織建設和生產管理，精細化的管理理念，加強生產作業的全過程管理，重點關注影響成本的權重因素，實現了高效投資，成本有效下降。通過電力線上交易、高壓電容補償改造、主管道通球作業等措施，有效地降低了用電成本。

3. 著力推進技術創新

通過成立技術進步與創新研發基金，設立三大技術創新獎項，著力推進技術創新，2019年，在鑽井、壓裂、排採、增產等各個領域完成了一系列技術創新。

在鑽井方面，使用了多項創新技術，如水平井二開結構井型，水平井批鑽，水平井近鑽頭導向工具等，從而簡化了井身結構，節約了鑽井時間，提高了煤層鑽遇率，達到了降本增效的目的；壓裂方面，針對高滲透率煤層壓裂濾失量大、加砂困難、吐砂嚴重等難題，成功試驗了端部脫砂的新技術，取得了明顯的增產效果；排採方面，強化「一井一策」和定量化排採理念，引入多項定量化判別指標，建立了更加科學的排採制度；增產技術方面，聚焦「SLH井降低殘餘液面」課題，先後調研並試驗了「同心管水力無杆管式泵」和「隔膜泵」新型排採設備，其中「同心管水力無杆管式泵」已基本解決沉沒度、狗腿度、抗煤粉、氣水分離等問題。

Management Discussion and Analysis

管理層討論及分析

MANAGEMENT REVIEW (Continued)

3. Focus on Promoting Technological Innovation (Continued)

On the other hand, based on a rich geotechnical system, a drilling engineering system and an excellent talent pool, the Group is paying attention to and understanding the underground coal-to-gas (CBM thermal mining) related information and developments in planning to identify opportunity for the selection of appropriate resources for experimental work to study deep coal seam gasification (CBM thermal mining) technology.

4. Achieve More Efficient Operation under an Improving Management System

The Company expanded the external environment in width and depth with a clear, orderly and efficiently collaborative management framework and strategy. In 2019, the Company further deepened the mutually beneficial cooperative relationship with its working partners through a multi-dimensional coordination strategy to safeguard the interest of mining rights. By escalating a progressive communication channels, our concessions gained substantive supports from local governments at all levels and created and maintained a good external environment.

Through the full implementation of internal control system, the Company had effectively improved the communication efficiency and quality between each functional department under the new organizational structure. The standardization and optimization of business execution process has improved the overall operational management efficiency of the Company as well as effectively facilitated the consistency and implementation of various systems and decisions; and further improved the Company's risk management system to effectively avoid possible operational risks.

At the same time, with the implementation and confirmation of the core "value based addition and subtraction" performance appraisal system, we encouraged our staff to strive for exploring and releasing values as well as improving self-performance with "positive incentive" on the basis of safeguarding corporate production and achieving basic operational targets. These measures had optimized the internal management environment and realized an improvement in quality and efficiency of the overall operational management of the Company.

管理回顧(續)

3. 著力推進技術創新(續)

另一方面，基於豐富的地質技術體系、鑽井等工程體系以及優秀的人才儲備，本集團正在關注和瞭解地下煤制氣(煤層氣熱採)的相關信息及動態，計劃擇機選擇合適資源進行實驗性的工作，以研究深層煤層氣化(煤層氣熱採)技術。

4. 在日趨完善的管理體系下實現更高效運營

本公司以明晰有序、高效協作的管理架構與策略，拓展了外部環境的廣度與深度。在2019年本公司與合作夥伴間進一步加深互利共贏的良好合作關係，通過多維度的協調策略保障了礦權作業權益，通過層級遞進的溝通管道，獲得區塊所在地各級政府對於區塊作業的大力支持，實現良好外部環境的塑造與維護。

通過內控體系的全面實施，本公司有效提高新的組織結構下各職能部門的溝通效率與品質，業務執行流程得到規範與優化，提升了公司整體經營管理效率，有效促進各項制度與決策的貫徹與落實；並進一步完善了本公司風險管理系統，從而有效規避可能的經營風險。

同時，以「價值加減」為核心的績效考核體系的推行與落實，在保障企業生產、運營基本目標達成的基礎上，以「正向激勵」促進員工不斷挖掘價值並釋放價值，提升自身績效，優化了內部管理環境，實現公司整體運營管理的提質增效。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW

財務回顧

		Year ended 31 December	
		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
Revenue	收入	1,161,246	978,671
— Panzhuang	— 潘莊	1,064,012	853,728
— Mabi	— 馬必	97,234	124,943
Subsidy income	補貼收入	219,430	186,902
— Panzhuang	— 潘莊	204,181	162,340
— Mabi	— 馬必	15,249	24,562
VAT refund	增值稅退稅	127,375	92,267
— Panzhuang	— 潘莊	118,004	79,388
— Mabi	— 馬必	9,371	12,879
Other gains, net	其他利得 — 淨額	822	371
Operating expenses	經營開支	(606,965)	(654,616)
Depreciation and amortization	折舊及攤銷	(272,867)	(203,686)
Employee benefit expenses	員工福利開支	(105,821)	(209,949)
Materials, services and logistics	材料、服務及物流	(209,692)	(214,128)
Others	其他	(18,585)	(26,853)
Panzhuang	潘莊	(466,202)	(355,347)
Depreciation and amortization	折舊及攤銷	(226,464)	(156,261)
Employee benefit expenses	員工福利開支	(66,993)	(59,877)
Materials, services and logistics	材料、服務及物流	(158,173)	(127,983)
Others	其他	(14,572)	(11,226)
Mabi	馬必	(115,591)	(167,003)
Depreciation and amortization	折舊及攤銷	(41,560)	(44,255)
Employee benefit expenses	員工福利開支	(31,674)	(54,306)
Materials, services and logistics	材料、服務及物流	(39,034)	(59,054)
Others	其他	(3,323)	(9,388)
Headquarters	總部	(25,172)	(132,266)
Depreciation and amortization	折舊及攤銷	(4,843)	(3,170)
Employee benefit expenses	員工福利開支	(7,154)	(95,766)
Materials, services and logistics	材料、服務及物流	(12,485)	(27,091)
Others	其他	(690)	(6,239)

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

財務回顧(續)

		Year ended 31 December	
		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
EBITDA	EBITDA	1,174,775	807,281
— Panzhuang	— 潘莊	1,146,550	896,259
— Mabi	— 馬必	47,548	40,134
Profit from operations	經營利潤	901,908	603,595
Interest income	利息收入	37,065	25,701
Finance costs	財務費用	(4,287)	(25,556)
Exchange gains/(losses)	匯兌收益/(損失)	6,079	(7,480)
Finance income/(costs), net	財務收益/(費用) — 淨額	38,857	(7,335)
Profit before income tax	除所得稅前利潤	940,765	596,260
Income tax expense	所得稅費用	(233,397)	(183,323)
Profit for the year	年度利潤	707,368	412,937

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Production, sales, realized ASP and revenue are set out below:

財務回顧(續)

產量、銷量、平均實現銷售價格及收入排列如下：

		Year ended 31 December 截至12月31日止年度	
		2019 2019年	2018 2018年
Gross production volume (bcf) ¹	總產量(十億立方英尺) ¹	32.88	28.33
Panzhuang	潘莊	30.34	24.92
Mabi	馬必	2.54	3.41
Gross production volume (mmcm) ¹	總產量(百萬立方米) ¹	931.09	802.21
Panzhuang	潘莊	859.17	705.53
Mabi	馬必	71.92	96.68
Gross sales volume (bcf) ²	總銷量(十億立方英尺) ²	32.23	27.57
Panzhuang	潘莊	29.79	24.49
Mabi	馬必	2.44	3.08
Gross sales volume (mmcm) ²	總銷量(百萬立方米) ²	912.56	780.82
Panzhuang	潘莊	843.48	693.47
Mabi	馬必	69.08	87.35
Net sales volume (bcf) ³	淨銷量(十億立方英尺) ³	23.36	19.85
Panzhuang	潘莊	21.35	17.33
Mabi	馬必	2.01	2.52
Net sales volume (mmcm) ³	淨銷量(百萬立方米) ³	661.41	562.12
Panzhuang	潘莊	604.55	490.65
Mabi	馬必	56.86	71.47
Realized ASP ⁴	平均實現銷售價格 ⁴		
RMB per cubic meter	人民幣元/立方米	1.67	1.64
Panzhuang	潘莊	1.69	1.67
Mabi	馬必	1.39	1.39
Revenue (in RMB'000)	收入(人民幣千元)	1,161,246	978,671
Panzhuang	潘莊	1,064,012	853,728
Mabi	馬必	97,234	124,943

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管理層討論及分析

FINANCIAL REVIEW (Continued)

Notes:

1. Gross production volume is the total amount of CBM produced.
2. Gross sales volume is gross production volume less utilization loss.
3. Net sales volume is the portion of gross sales volume allocated to us under the production sharing contract, after the deduction of amount sold to pay applicable VAT and local taxes.
4. Realized ASP excludes the directly attributable pass through cost, thus reflecting the realized wellhead price.

Revenue. Our revenue increased by RMB182 million or 18.66% from RMB979 million in 2018 to RMB1.161 billion in 2019. This increase was mainly generated from the increases in the realized ASP and the net sales volume increase as a result of the increased production in Panzhuang concession. Panzhuang concession's gross production increased by 21.78% from 705 MMCM in 2018 to 859 MMCM in 2019, with a constant production-to-sale ratio of 98% for both 2018 and 2019. Panzhuang concession's realized ASP for 2019 increased to RMB1.69/cubic meter compared to RMB1.67/cubic meter for 2018.

Subsidy income. Our subsidy income were RMB187 million and RMB219 million in 2018 and 2019, respectively. In 2019, our subsidy income increased by RMB32 million or 17.40%, mainly due to the increased sales volume of Panzhuang concession.

VAT refund. Our VAT refund were RMB92 million and RMB127 million in 2018 and 2019, respectively. In 2019, our VAT refund increased by RMB35 million or 38.05%, mainly due to the increase in net sales volume and the realized ASP for Panzhuang concession.

財務回顧(續)

附註：

1. 總產量為已生產煤層氣總量。
2. 總銷量為總產量減去使用損失。
3. 淨銷量為我們根據產品分成合同獲得的總銷量減去為支付適用增值稅及當地稅項的所售數量的我們的部分。
4. 平均實現銷售價格不包括直接歸屬的過渡成本，反映的是我們實現的井口價格。

收入。我們的收入由2018年的人民幣9.79億元增加了人民幣1.82億元或18.66%至2019年的人民幣11.61億元。該增加主要是來自於潘莊區塊的平均實現銷售價格增加及產量增加導致的淨銷量增加。潘莊區塊的總產量由2018年的7.05億立方米增長了21.78%至2019年的8.59億立方米，而產銷比在2018和2019年都保持在98%。潘莊區塊的平均實現銷售價格從2018年的每立方米人民幣1.67元增加至2019年的人民幣1.69元。

補貼收入。2018年和2019年，我們的補貼收入分別為人民幣1.87億元及人民幣2.19億元。2019年，我們的補貼收入增加了人民幣0.32億元或17.40%，主要是由於潘莊區塊淨銷量的增加。

增值稅退稅。2018年及2019年，我們的增值稅退稅分別為人民幣0.92億元及人民幣1.27億元。2019年，我們的增值稅退稅增加了人民幣0.35億元或38.05%，主要是由於潘莊區塊淨銷量和平均實現銷售價格的增加。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

Other gains, net. Our other gains increased from RMB371,000 in 2018 to RMB822,000 in 2019, representing an increase of RMB451,000 or 121.56%, mainly due to the overhead for income of other businesses.

Operating expenses. Our operating expenses decreased by RMB47 million or 7.28% from RMB654 million in 2018 to RMB607 million in 2019, mainly due to the strict cost-control measures, the optimization of organizational structure and position settings and the decrease in share-based compensation expenses.

Depreciation and amortization. Our depreciation and amortization increased by RMB69 million or 33.96% from RMB204 million in 2018 to RMB273 million in 2019, mainly due to the increase in production wells and production in Panzhuang concession, and the increase in depreciation of right-of-use assets arising from the amended standard for leases.

Employee benefit expenses. Our employee benefit expenses decreased by RMB104 million or 49.60% from RMB210 million in 2018 to RMB106 million in 2019, mainly due to the optimization of organizational structure and position settings and the decrease in share-based compensation expenses.

Materials, services and logistics. Our materials, services and logistics expenses decreased by RMB4 million or 2.07% from RMB214 million in 2018 to RMB210 million in 2019, mainly due to the strict cost-control measures as well as the decrease in expenses of business development and legal consulting service fees, but was partially offset by the increase in electricity, produced water treatment and other operating costs arising from the production of more wells in Panzhuang concession.

Others. Our other expenses were RMB26.85 million and RMB18.59 million in 2018 and 2019, respectively.

財務回顧(續)

其他利得 — 淨額。 我們的其他利得由2018年的人民幣37.10萬元增加了人民幣45.10萬元或121.56%至2019年的人民幣82.20萬元，主要是由於其他業務收入的上級管理費所致。

經營開支。 我們的經營開支由2018年的人民幣6.54億元減少了人民幣0.47億元或7.28%至2019年的人民幣6.07億元，主要是由於嚴格的成本控制措施，組織架構和崗位設置優化，及以股份為基礎的薪酬開支減少所致。

折舊及攤銷。 我們的折舊及攤銷由2018年的人民幣2.04億元增加了人民幣0.69億元或33.96%至2019年的人民幣2.73億元，主要由於潘莊區塊的生產井增加和產量增加，及因租賃準則修訂的使用權資產折舊增加所致。

員工福利開支。 我們的員工福利開支由2018年的人民幣2.10億元減少了人民幣1.04億元或49.60%至2019年的人民幣1.06億元，主要由於組織架構和崗位設置優化，及以股份為基礎的薪酬開支減少所致。

材料、服務及物流。 我們的材料、服務及物流開支由2018年的人民幣2.14億元減少了人民幣0.04億元或2.07%至2019年的人民幣2.10億元，主要由於嚴格的成本控制措施，同時業務發展和法律諮詢服務費開支減少，但是部分被潘莊區塊更多井投入生產致使電力、生產水處理和其他經營成本增加所抵銷。

其他。 我們2018年和2019年的其他開支分別為人民幣2,685萬元和人民幣1,859萬元。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL REVIEW (Continued)

EBITDA. Our EBITDA increased by RMB368 million or 45.52% from RMB807 million in 2018 to RMB1.175 billion in 2019. The increase was mainly attributable to the increase in realized ASP and net sales volume increase as a result of a 21.78% increase of Panzhuang concession's gross production, as well as the increase in subsidy income and VAT refund, the decrease in employee benefit expenses due to the optimization of organizational structure and position settings and the decrease in materials, services and logistics expenses due to strict cost-control measures. In conclusion, higher production volume and realized ASP, as well as strict cost control measures, have led to an increase in EBITDA, which could even be greater than the increase in income. The EBITDA of 2018 amounted to RMB807 million, including share-based compensation expenses of RMB36.08 million and non-operation related business development and legal consulting service fee of RMB10.29 million and termination compensation of RMB51.70 million arising from the relocation of the Beijing headquarters. The EBITDA of 2019 amounted to RMB1.175 billion, including termination compensation of RMB20.57 million and non-operation related business development and legal consulting service fee of RMB3.22 million. Panzhuang concession's EBITDA increased by RMB251 million or 27.93% from RMB896 million in 2018 to RMB1.147 billion in 2019. The increase in EBITDA of Panzhuang concession in 2019 was mainly due to the increase in production and realized ASP and the increase in subsidy income and VAT refund, but was partially offset by higher materials and electricity expenses as a result of more wells in production. Mabi concession's EBITDA increased by RMB7.42 million or 18.47% from RMB40.13 million in 2018 to RMB47.55 million in 2019. The increase in Mabi concession's EBITDA in 2019 was mainly attributable to the decrease in employee benefit expenses due to the optimization of organizational structure and position settings and the decrease in materials, services and logistics expenses due to strict cost-control measures, and the fact that the decrease of these items was even greater than the decrease in revenue.

Profit from operations. As a result of the foregoing, our operating profit increased by RMB298 million or 49.42% from RMB604 million in 2018 to RMB902 million in 2019.

財務回顧(續)

EBITDA。我們的EBITDA由2018年的人民幣8.07億元增加了人民幣3.68億元或45.52%至2019年的人民幣11.75億元。該增加主要是由於潘莊區塊的平均銷售價格增長及總產量增加21.78%導致的淨銷量增加，同時，補貼收入和增值稅退稅增加，組織架構和崗位設置優化致使員工福利開支減少，採用嚴格的成本控制措施導致材料、服務及物流開支減少所致。概括而言，更高的產量和平均實現銷售價格，以及嚴格的成本控制措施導致EBITDA的增加，且幅度大於收入的增加幅度。2018年的EBITDA人民幣8.07億元包括以股份為基礎的薪酬開支人民幣3,608萬元及非營運相關的業務發展和法律諮詢服務費開支人民幣1,029萬元和付給北京總部搬遷的員工離職補償人民幣5,170萬元。2019年的EBITDA人民幣11.75億元包括員工離職補償人民幣2,057萬元及非營運相關的業務發展和法律諮詢服務費開支人民幣322萬元。潘莊區塊的EBITDA由2018年的人民幣8.96億元增加了人民幣2.51億元或27.93%至2019年的人民幣11.47億元。潘莊區塊2019年的EBITDA增加主要是由於產量和平均實現銷售價格增加及補貼收入和增值稅退稅的增加，惟部分被由於更多的井投入生產而導致的更高的材料及電費所抵銷。馬必區塊的EBITDA由2018年的人民幣4,013萬元增加了人民幣742萬元或18.47%至2019年的人民幣4,755萬元。馬必區塊2019年的EBITDA增加主要是由於組織架構和崗位設置優化致使員工福利開支減少，採用嚴格的成本控制措施導致材料、服務及物流開支減少，且幅度大於收入的減少幅度。

經營利潤。基於上文所述，我們的經營利潤由2018年的人民幣6.04億元增加了人民幣2.98億元或49.42%至2019年的人民幣9.02億元。

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管理層討論及分析

FINANCIAL REVIEW (Continued)

Interest income. Our interest income increased by RMB11.37 million or 44.22% from RMB25.70 million in 2018 to RMB37.07 million in 2019, primarily due to the increase in the term of time deposit and its interest rate.

Finance costs. Our finance costs decreased by RMB21.27 million or 83.23% from RMB25.56 million in 2018 to RMB4.29 million in 2019, mainly due to the repayment of the US\$250 million reserve-based facility in 2018. Finance costs for 2019 were mainly the difference between the present value of lease payments and the actual payments upon the adoption of new lease standards, which were recognized as interests on lease liabilities.

Exchange gains/(losses). Our exchange gains/(losses) switched from exchange losses of RMB7.48 million in 2018 to exchange gains of RMB6.08 million in 2019. It is mainly attributable to the foreign exchange gains of cash deposit in foreign currency arising from the exchange rate fluctuation between foreign currency and RMB.

Profit before income tax. Our profit before income tax increased by RMB345 million or 57.78% from RMB596 million in 2018 to RMB941 million in 2019, mainly due to the factors affecting EBITDA stated above and the increase in interest income and the decrease in finance costs and exchange gains, but was partially offset by the increase in depreciation and amortization expenses.

Income tax expense. Our income tax expense increased by RMB50 million or 27.31%, from RMB183 million in 2018 to RMB233 million in 2019, mainly due to the increase in profit before income tax of Panzhuang concession in 2019. Income tax expense was related to the operation of Panzhuang concession. Mabi concession had no income tax expense given it had no taxable profit.

Profit for the year. Our profit for the year increased by RMB294 million or 71.30% from RMB413 million in 2018 to RMB707 million in 2019, mainly due to the factors affecting profit before income tax stated above but partially offset by the increase in income tax expense.

財務回顧(續)

*利息收入。*我們的利息收入由2018年的人民幣2,570萬元增加了人民幣1,137萬元或44.22%至2019年的人民幣3,707萬元，主要是由於定期存款期限和利率增加所致。

*財務費用。*我們的財務費用由2018年的人民幣2,556萬元減少了人民幣2,127萬元或83.23%至2019年的人民幣429萬元，主要是由於2018年已償還2.5億美元儲量融資。2019年財務費用主要為採用新租賃準則後租賃付款額現值與實際付款額的差額確認為租賃負債利息。

*匯兌收益/(損失)。*我們的外匯匯兌收益/(損失)由2018年的匯兌損失人民幣748萬元變化至2019年的匯兌收益人民幣608萬元，主要是由於外幣現金存款因外幣對人民幣匯率波動而形成的外幣折算收益所致。

*除所得稅前利潤。*我們的除所得稅前利潤由2018年的人民幣5.96億元增加了人民幣3.45億元或57.78%至2019年的人民幣9.41億元，主要是因為上述影響EBITDA的因素及利息收入增加、財務費用減少、外匯匯兌收益所致，惟部分被折舊及攤銷開支增加所抵銷。

*所得稅費用。*我們的所得稅費用由2018年的人民幣1.83億元增加了人民幣0.50億元或27.31%至2019年的人民幣2.33億元，主要是由於2019年潘莊區塊的除所得稅前利潤增加所致。所得稅費用乃產生於潘莊區塊的運營。馬必區塊由於無應課稅利潤，所以無所得稅費用。

*年度利潤。*我們的年度利潤由2018年人民幣4.13億元增加了人民幣2.94億元或71.30%至2019年人民幣7.07億元，主要是由於上述影響除所得稅前利潤的因素所致，惟部分被所得稅費用增加所抵銷。

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EBITDA AND ADJUSTED EBITDA

We provide a reconciliation of EBITDA and adjusted EBITDA to profit for the year, which is the most directly comparable financial performance calculated and presented in accordance with HKFRS. EBITDA refers to earnings before interest income, finance costs, exchange gains/losses, income tax and depreciation and amortization. Adjusted EBITDA refers to EBITDA adjusted to exclude non-cash expenses, non-recurring items or non-operation-related expenses to show EBITDA of the Group's core operations.

We have included EBITDA and adjusted EBITDA as we believe they are financial measures commonly used in the oil and gas industry. We believe that EBITDA and adjusted EBITDA are used as supplemental financial measures by our management, 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 financing ability. However, EBITDA and adjusted EBITDA should not be considered in isolation or construed as alternatives to operating profit or any other measure of performance or as an indicator of our operating performance or profitability. EBITDA and adjusted EBITDA are unable to account for income tax, exchange gains/losses, interest income, finance costs and depreciation and amortization.

EBITDA及經調整EBITDA

我們提供年內EBITDA及經調整EBITDA與利潤的對賬，該利潤為根據香港財務報告準則計算及呈列的最直接的可比較財務表現。EBITDA指除利息收入、財務費用、匯兌收益或損失、所得稅、折舊及攤銷前的收益。經調整EBITDA指EBITDA調整至不包括非現金開支、非經常性項目或非營運相關開支，以說明本集團核心業務的EBITDA。

我們已計入EBITDA及經調整EBITDA，是由於我們認為它們是油氣行業常用的財務計量。我們認為EBITDA及經調整EBITDA由我們的管理層、投資者、研究分析師、銀行家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率以及我們承擔融資的能力。然而，EBITDA及經調整EBITDA不可被認定獨立於經營利潤或任何其他表現計量，亦不可詮釋為經營利潤或任何其他表現計量的替代項目，或視為我們經營表現或收益能力的指標。EBITDA及經調整EBITDA未能對所得稅、匯兌收益或損失、利息收入、財務費用及折舊及攤銷做出記賬。

Management Discussion and Analysis

管理層討論及分析

EBITDA AND ADJUSTED EBITDA (Continued)

The following table sets forth a reconciliation of EBITDA and adjusted EBITDA to profit for the year.

EBITDA及經調整EBITDA(續)

下表載列年度EBITDA及經調整EBITDA與利潤的對賬。

		Year ended 31 December	
		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
Reconciliation of profit for the year to EBITDA:	年度利潤與EBITDA的對賬：		
Profit for the year	年度利潤	707,368	412,937
Income tax expense	所得稅費用	233,397	183,323
Interest income	利息收入	(37,065)	(25,701)
Finance costs	財務費用	4,287	25,556
Exchange losses/(gains)	匯兌損失/(收益)	(6,079)	7,480
Depreciation and amortization	折舊及攤銷	272,867	203,686
EBITDA	EBITDA	1,174,775	807,281
Share-based compensation expenses	以股份為基礎的薪酬開支	-	36,076
Non-operations-related business development and legal consulting service expenses	非營運相關的業務發展和法律諮詢服務費開支	3,216	10,290
Termination compensation	員工離職補償	20,573	51,701
Adjusted EBITDA	經調整EBITDA	1,198,564	905,348

Our EBITDA increased by RMB368 million or 45.52% from RMB807 million in 2018 to RMB1.175 billion in 2019. This increase was mainly due to the increase in realized ASP and net sales volume increase of Panzhuang concession as a result of a 21.78% increase in gross production, as well as the increase in subsidy income and VAT refund, the decrease in employee benefit expenses due to the optimization of organizational structure and position settings and the decrease in materials, services and logistics expenses due to strict cost-control measures. In conclusion, higher production volume and realized ASP, as well as strict cost-control measures, have led to an increase in EBITDA, which could even be greater than the increase in income.

Our adjusted EBITDA increased by RMB293 million or 32.39% from RMB905 million in 2018 to RMB1.198 billion in 2019. In addition to the factors described above, the increase was also due to the termination compensation and non-operation-related business development and legal consulting service expenses in 2019.

我們的EBITDA由2018年的人民幣8.07億元增加了人民幣3.68億元或45.52%至2019年的人民幣11.75億元。該增加主要是由於潘莊區塊的平均實現銷售價格增長及總產量增加21.78%導致的淨銷量增加，同時，補貼收入和增值稅退稅增加，組織架構和崗位設置優化致使員工福利開支減少，採用嚴格的成本控制措施導致材料、服務及物流開支減少所致。概括而言，更高的產量和平均實現銷售價格，以及嚴格的成本控制措施導致EBITDA的增加，且幅度大於收入的增加幅度。

我們的經調整EBITDA由2018年的人民幣9.05億元增加了人民幣2.93億元或32.39%至2019年的人民幣11.98億元。該增加是由於上文說明的EBITDA增加的原因加上2019年的員工離職補償及非營運相關的業務發展和法律諮詢服務費開支所致。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND CAPITAL RESOURCES

The Group's financial management department is responsible for the financing and fund management policies related to the overall operations of the Group. Our primary sources of funding include cash generated from operating activities and proceeds from the Company's initial public offering (the "IPO") in 2015.

As at 31 December 2019, we had cash and bank balances of RMB2.184 billion (31 December 2018: RMB1.700 billion).

Save as the information disclosed above or otherwise in this annual report, the Group had no outstanding mortgage, pledge, debentures or other loan capital issued or agreed to be issued, bank overdrafts, borrowings, liabilities under acceptance or other similar liabilities, hire purchase and finance lease commitments, or any guarantee or other material contingent liabilities as at 31 December 2019.

Cash Flow

The table below sets forth our cash flow for each of the years indicated:

流動資金及資本資源

本集團的財務管理部負責與本集團總體運營相關的融資及資金管理政策。我們的投資資金主要來源於經營活動所產生的現金及本公司於2015年的首次公開發售(「IPO」)募集資金。

於2019年12月31日，我們的現金及銀行結餘為人民幣21.84億元(2018年12月31日：人民幣17.00億元)。

除上文或本年報其他部分所披露之資料外，於2019年12月31日，本集團並無任何未償還按揭、抵押、債券或其他貸款資本(已發行或同意發行)、銀行透支、借款、承兌負債或其他同類負債、租購及財務租賃承擔或任何擔保或其他重大或然負債。

現金流量

下表載列於各所示年度我們的現金流量：

		Year ended 31 December	
		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
Net cash generated from operating activities	經營活動所得現金淨額	948,210	404,933
Net cash used in investing activities	投資活動所用現金淨額	(272,421)	(419,593)
Net cash used in financing activities	融資活動所用現金淨額	(263,492)	(635,140)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	412,297	(649,800)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	1,656,523	2,236,970
Exchange gains on cash and cash equivalents	現金及現金等價物匯兌收益	15,111	69,353
Cash and cash equivalents at end of the year	年末現金及現金等價物	2,083,931	1,656,523

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Operating Activities

Net cash generated from operating activities was RMB948 million in 2019, mainly due to profit before income tax of RMB941 million and depreciation and amortization of RMB272 million. These items were offset by income tax paid of RMB167 million, the increase in trade and other receivables of RMB66.98 million, interest income of RMB24.27 million and the decrease in trade and other payables by RMB5.39 million.

Net cash generated from operating activities was RMB405 million in 2018, mainly due to profit before income tax of RMB596 million, depreciation and amortization of RMB204 million, the increase in trade and other receivables of RMB295 million, share-based compensation of RMB36.07 million, financial costs of RMB25.56 million for the New US\$250 million reserve-based facility, the decrease in trade and other payables of RMB23.32 million and exchange losses of RMB7.48 million. These items were offset by interest paid of RMB28.12 million and income tax paid of RMB83.31 million.

Investing Activities

In 2019, net cash used in investing activities was RMB272 million, mainly comprised of purchases of property, plant and equipment of RMB242 million, increase in time deposits with term over 3 months of RMB50.00 million, but was offset by interest received of RMB25.22 million. The purchase of property, plant and equipment mainly comprised of payment for more wells drilled, additional well head compressors and construction of gas gathering stations and power facilities.

Net cash used in investing activities was RMB420 million in 2018, mainly comprised of purchases of property, plant and equipment of RMB439 million, increase in restricted bank deposits of RMB6.10 million, offset by interest received of RMB25.84 million. The purchase of property, plant and equipment mainly comprised of payment for more wells drilled, additional well head compressors and construction of gas gathering stations and power facilities.

流動資金及資本資源(續)

經營活動

於2019年，經營活動所得現金淨額為人民幣9.48億元，主要由於除所得稅前利潤人民幣9.41億元和折舊及攤銷人民幣2.72億元。該等項目被已付所得稅人民幣1.67億元、應收賬款及其他應收款增加人民幣6,698萬元、利息收入人民幣2,427萬元及應付賬款及其他應付款減少人民幣539萬元所抵銷。

於2018年，經營活動所得現金淨額為人民幣4.05億元，主要由於除所得稅前利潤人民幣5.96億元、折舊及攤銷人民幣2.04億元、應收賬款及其他應收款增加人民幣2.95億元、以股份為基礎的薪酬人民幣3,607萬元、主要為新2.5億美元儲量融資的財務費用人民幣2,556萬元，應付賬款及其他應付賬款減少人民幣2,332萬元及匯兌損失人民幣748萬元。該等項目被已付利息人民幣2,812萬元和已付所得稅人民幣8,331萬元所抵銷。

投資活動

於2019年，投資活動所用現金淨額為人民幣2.72億元，主要包括購買人民幣2.42億元的不動產、工廠及設備，三個月以上定期存款增加人民幣5,000萬元，惟被已收利息人民幣2,522萬元所抵銷。購買不動產、工廠及設備主要包括支付更多已鑽探的井、添置井口增壓機及興建集氣站和電力設施。

於2018年，投資活動所用現金淨額為人民幣4.20億元，主要包括購買人民幣4.39億元的不動產、工廠及設備，受限制的銀行存款增加人民幣610萬元，惟被已收利息人民幣2,584萬元所抵銷。購買不動產、工廠及設備主要包括支付更多已鑽探的井、添置井口增壓機及興建集氣站和電力設施。

Management Discussion and Analysis

管理層討論及分析

LIQUIDITY AND CAPITAL RESOURCES (Continued)

Financing Activities

In 2019, net cash used in financing activities was RMB263 million, mainly due to the payment of the dividend of RMB256 million for 2018YE.

In 2018, net cash used in financing activities was RMB635 million, mainly due to the repayment of principal, interests and commitment expenses of the New US\$250 million RBL of RMB614 million and the payment of final dividend of RMB67.94 million of 2017. It was partially offset by a sum of RMB44.49 million drawn from the New US\$250 million reserve-based facility.

Cash and Bank Balances

We had cash and bank balances of RMB1.700 billion and RMB2.184 billion as of 31 December 2018 and 2019, respectively. Our cash and bank balances consist of cash on hand, cash at banks, restricted bank deposits and time deposits with term over three months. The increase in our cash was mainly due to sales return. As at 31 December 2018 and 2019, approximately 55.46% and 39.52% of our cash and bank balances were held in Hong Kong dollar or US dollar.

FINANCIAL RISK FACTORS

The operating activities of the Group expose to a variety of financial risks: credit risk, market risk (includes foreign exchange risk), liquidity risk and concentration risk. The overall risk management program of the Group focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on our financial performance.

Credit Risk

As the majority of the cash at bank are placed with state-owned and international banks and financial institutions in the PRC and Hong Kong, and there has been no recent history of default in relation to these banks and financial institutions, the corresponding credit risk is relatively low. Therefore, our credit risk arises mainly from trade and other receivables.

流動資金及資本資源(續)

融資活動

於2019年，融資活動所用的現金淨額為人民幣2.63億元，主要由於支付2018年末的股息人民幣2.56億元。

於2018年，融資活動所用的現金淨額為人民幣6.35億元，主要由於償還新2.5億美元儲量融資借款本金利息及承諾費用等人民幣6.14億元，支付2017年末股息人民幣6,794萬元，惟部分被依據新2.5億美元儲量融資而提取的款項人民幣4,449萬元抵銷。

現金及銀行結餘

於2018年及2019年12月31日，我們的現金及銀行結餘分別為人民幣17.00億元及人民幣21.84億元。我們的現金及銀行結餘包括結存現金、銀行存款、受限制銀行存款及三個月以上定期存款。現金增加主要是由於銷售回款所致。於2018年及2019年12月31日，我們有約55.46%及39.52%的現金及銀行結餘分別以港元或美元持有。

財務風險因素

本集團的經營活動面臨各種財務風險：信用風險、市場風險(包括外匯風險)、流動性風險及集中風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並致力減低對本集團財務表現的潛在不利影響。

信用風險

由於大部分銀行存款存放於中國及香港的國有及國際銀行及金融機構，且該類銀行及金融機構近期並無違約記錄，相應信用風險相對較低。因此，本集團信用風險主要來自應收賬款及其他應收款。

Management Discussion and Analysis

管理層討論及分析

FINANCIAL RISK FACTORS (Continued)

Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from various currency exposures, particularly with respect to US dollar. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency other than the entity's functional currency.

Prior to 30 April 2016, we were exposed to non-cash foreign exchange risks arising from retranslation of inter-company loans denominated in US dollar. To manage the foreign exchange risk, the management decided to execute a debt restructuring on 30 April 2016 by converting the inter-company loans into perpetual loans through entering into perpetual loan agreements between respective group companies such that the perpetual loans do not bear interest and the lenders cannot request repayment. Upon completion of this debt restructuring, any foreign exchange difference arising from the retranslation of these US dollar denominated perpetual loans was recognized in equity in the consolidated financial statements.

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign exchange rates and companies' internal accounts denominated in US dollar.

As at 31 December 2019, if RMB had weakened/strengthened by 1% against US dollar, with all other variables held constant, profit before income tax for the year would have been RMB3,954,000 (31 December 2018: RMB2,250,000) higher/lower, respectively, mainly as a result of foreign exchange gains/losses on translation of US dollar denominated receivables and payables held by our entities with their functional currency as RMB.

SIGNIFICANT INVESTMENT

The Group did not hold any significant investment for the year ended 31 December 2019.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

The Group had no material acquisition or disposal of subsidiaries or associated companies for the year ended 31 December 2019.

財務風險因素(續)

外匯風險

本集團須承受各種貨幣所產生外匯風險，尤以美元為甚。當未來商業交易或已確認資產或負債以實體功能貨幣以外的貨幣計值，則會產生外匯風險。

2016年4月30日之前，本集團承受的非現金外匯風險來自重新折算的以美元計價的公司間貸款。為了管理外匯風險，管理層決定於2016年4月30日執行債務重組，通過將公司間貸款轉為永久性貸款。所屬的集團公司各自簽訂永久貸款協定，永續貸款不承計利息並且貸款方不得要求償還。在此次債務重組完成時，由這些美元永續貸款轉換產生的任何匯兌差異在合併財務報表確認為權益。

本集團密切監控匯率變動及美元公司內部賬戶，以管理外匯風險。

於2019年12月31日，如人民幣兌美元貶值/升值1%，而所有其他可變因素保持不變，則除所得稅前年度利潤將分別增加/減少人民幣3,954,000元(2018年12月31日：人民幣2,250,000元)，主要原因是將本集團實體所持以美元計值的往來款換算為其功能貨幣人民幣所產生的匯兌收益/損失。

重大投資

截至2019年12月31日止年度，本集團並未有任何重大投資。

收購及出售附屬公司

截至2019年12月31日止年度，本集團並未收購或出售附屬公司或聯營公司之重大事項。

Management Discussion and Analysis

管理層討論及分析

OUTLOOK AND GUIDANCE FOR 2020

The epidemic outbreak of Coronavirus Disease 2019 (“COVID-19”) at the beginning of 2020 directly hit China’s economy. The production, operation and profit of the Group have been affected to a certain extent. To ensure normal operation of our production activities under the severe situation of the outbreak, the Group has promptly adopted preventive and protective measures in a scientific and effective manner to safeguard safety and health of our front-line production staff, and there was no reported confirmed or suspected cases within the Group as a result. With regard to the marketing, in addition to the suspended production of regional LNG plants and order cancellation from some customers, the <Notice on the Occasional Reduction of Non-Residential Gas Cost in supporting the Resumption of Work and Production> (《關於階段性降低非居民用氣成本支持企業復工復產的通知》) issued by NDRC requested an early implementation of off-season gate price for non-residential customers. All these changes posed negative impact on the Group’s sales and pricing mechanism. When the outbreak is over, the Group will adjust its working plan by endeavoring the speeding up of coordination with its key customers through “sales stimulation”, “production stimulation” and ultimately resulting in “efficiency stimulation”. The Group will determine the key measures under the strategy of these “three kinds of stimulation”, to minimize any potential loss caused by the outbreak.

Meanwhile, 2020 is the last year for China’s “13th Five-Year Plan”. In 2019, China’s natural gas import ranked the first of the globe while the share of domestic natural gas consumption in total energy consumption was lower than 10%, which is the expected target of the “13th Five-Year Plan”. Therefore, continuing to speed up domestic natural gas exploitation while encouraging increased reserve and production so as to safeguard the safety of China’s energy, is still the main direction for energy reform policy in the future. On the other hand, it is estimated that the domestic natural gas market will witness a periodical and partial oversupply in 2020, coupled with the price down of international oil and gas, the price of domestic natural gas will drop accordingly. Therefore, 2020 will be a year full of opportunities and challenges for AAG Energy.

Establishment of National Petroleum and Natural Gas Pipeline Network Group Co., Ltd.

The duly establishment of National Petroleum and Natural Gas Pipeline Network Group Co., Ltd. aims at driving the form of “X+1+X” oil and gas market system with multi-pipeline and multi-subject for upstream energy supply, unified, efficient and collective delivery of midstream pipeline network, and adequate downstream competition, providing favorable conditions for mutual connections within the natural gas market and enabling the Group to expand the downstream market more broadly through the direct sales channels with customers.

2020年展望及指引

2020年伊始爆發的新型冠狀病毒肺炎疫情(「**新冠肺炎**疫情」)對中國經濟帶來了直接衝擊，本集團的生產、經營、利潤也受到一定程度的影響。面對嚴峻的疫情形勢，本集團高效地採取了科學有效的防控保障措施，未出現確診或疑似病例，在保障生產一線人員健康安全的前提下，生產作業得以正常運行；市場方面，週邊LNG工廠停產、客戶退氣現象出現，及國家發改委發佈的《關於階段性降低非居民用氣成本支持企業復工復產的通知》中要求非居民用氣門站價格提前執行淡季價格政策等，對本集團市場銷售及產品定價有負面影響。疫情結束後，本集團將有針對性地調整工作計劃，加速與週邊重點客戶的溝通對接，以「**增銷**」、「**增產**」達到「**增效**」，通過「**三增**」的戰略，部署核心措施，最大程度降低疫情帶來的潛在損失。

同時，2020年正值我國「十三五」規劃的收官之年，2019年中國天然氣進口量高居世界榜首，國內天然氣消費量在能源消費量佔比未達到「十三五」規劃訂立的10%的預期目標，因此繼續加大國內天然氣勘探開發力度、鼓勵增儲上產、保障我國能源安全仍將是未來能源改革政策的引導方向。另一方面，預計2020年國內天然氣市場將出現階段性、局部市場的供大於求，加之國際油氣價格走低，國內天然氣價格將有所回落。因此2020年對於亞美能源將會是充滿機遇和挑戰的一年。

國家管網公司的成立

國家管網公司正式掛牌成立，旨在推動形成上游多管道多主體資源供應、中游管網統一高效集輸、下游終端充分競爭的「X+1+X」的油氣市場體系，為天然氣市場互聯互通提供有利條件，使本集團有望更廣泛地拓展下游市場，打通與客戶間的直銷通道。

Management Discussion and Analysis

管理層討論及分析

OUTLOOK AND GUIDANCE FOR 2020 (Continued)

Adjustment of Natural Gas Subsidy Policy

On 11 June 2019, the Ministry of Finance of the People's Republic of China promulgated the Supplementary Notice on the Interim Administrative Measures for Special Funds for the Development of Renewable Energy (Cai Jian [2019] No. 298) (《關於〈可再生能源發展專項資金管理暫行辦法〉的補充通知》(財建[2019]298號)). Since 2019, subsidies for the exploitation and utilization of unconventional natural gas would not be calculated according to a quota standard. Instead, subsidies will be granted based on the principle of "compensating for the increased volume". Meanwhile, subsidies based on an excess coefficient will be granted for the increased volume produced during the heating season for the realization of "compensating for the increased volume in winter". Given the Group's momentum forecast for CBM exploitation and utilization and winter production in 2020, such policy will bring positive impact to the Group.

The Publication of the Opinions on Several Matters Concerning Promoting the Reform of Mineral Resources Administration (For Trial Implementation) (《關於推進礦產資源管理改革若干事項的意見(試行)》) (hereinafter referred to as the "Trial Opinions") and Administrative Measures for Coalbed Methane Exploration and Exploitation in Shanxi Province (For Trial Implementation) (Draft for Consultation Purposes) (《山西省煤層氣勘查開採管理辦法(試行)》) (徵求意見稿) (hereinafter referred to as the "Administration Measures")

The "Trial Opinions" proposed that qualified domestic and foreign companies are all eligible to acquire oil and gas mining rights in accordance with the regulations whereas the "Administrative Measures" proposed the details of the reform of CBM mining rights, which will promote the circulation of CBM concession. It is expected that future policies will further reverse the resources monopoly situation of natural gas and unconventional gas blocks, and further enhance the competitiveness of upstream enterprises with capital and technological capabilities in the development of the industry. In 2019, the Group incorporated its first domestic wholly-owned second-tier subsidiary, aimed at laying a foundation for the development of domestic upstream business and a better investment development. On the other hand, the "Administration Measures" proposed the minimum exploration input standards for CBM concession for the first time, which will also prompt the Group to plan the exploration as well as develop plans, investment quota and operation progress for its own concessions in a more reasonable way.

2020年展望及指引(續)

天然氣補貼政策的調整

中華人民共和國財政部於2019年6月11日發佈了《關於〈可再生能源發展專項資金管理暫行辦法〉的補充通知》(財建[2019]298號)，自2019年起，對非常規天然氣的開採利用不再按定額標準進行補貼，而是按照「多增多補」的原則進行補貼，同時對取暖季生產的增量部分給予超額係數折算，體現「冬增冬補」。基於本集團對2020年全年煤層氣開採利用量及冬季生產的態勢預計，該政策對本集團將產生積極正面的影響。

《關於推進礦產資源管理改革若干事項的意見(試行)》(以下簡稱「試行意見」)及《山西省煤層氣勘查開採管理辦法(試行)》(徵求意見稿)(以下簡稱「管理辦法」)的發佈

「試行意見」提出，滿足條件的內外資公司，均有資格按規定取得油氣礦業權；「管理辦法」提出了煤層氣礦業權改革細節，將推動煤層氣區塊的流轉。可預期未來政策將進一步扭轉天然氣及非常規天然氣區塊的資源壟斷局面，進一步提升具備資本及技術能力的上游企業在行業發展中的競爭力。2019年，本集團已註冊成立了首個境內全資孫公司，旨在為未來拓展境內上游業務及獲得更優的投資發展奠定基礎。另一方面，「管理辦法」中首次提出了煤層氣區塊最低勘查投入標準等，亦將促使本集團更加合理規劃對於自身區塊的勘查、開發及投資額度和作業進展。

Management Discussion and Analysis

管理層討論及分析

OUTLOOK AND GUIDANCE FOR 2020 (Continued)

The above-mentioned incentive policies for the CBM industry will drive the Group's rapid development in the field of unconventional natural gas. The Group will take advantage of the favorable policies for identifying new development opportunities while further exploring the value of existing concessions and fully expanding high-value customers market for the goal determining sales volume with reference to production. On the basis of stabilizing gas consumption for local residential-use and industrial-use, the Group will seek to actively develop the Henan and Hebei market for the realization of "production stimulation" and "sales stimulation". For 2020, we are glad to present the latest goals as follows:

Panzhuang Concession

The Group will continue investing in Panzhuang concession in 2020. Details are as follows:

The Group will implement the full year plan upon the related government approvals on Panzhuang concession, including the plans of completing pre-drilling construction of 19 well sites, drilling works of 88 new wells, purchasing pumping equipment, starting production of new wells, as well as commencing related ancillary surface facilities engineering.

With the scheduled project implementation and related government approvals, the anticipated gross production of Panzhuang concession is 945 MMCM (33.4 bcf).

Due to the frequent coal mining activities in the surrounding coal mines adjoin Panzhuang concession, the Company will continue to strengthen communication and cooperation with these coal mines in 2020, to optimize mutual guarantees agreements and continue to seek for new development and cooperation channels.

2020年展望及指引(續)

上述煤層氣行業的鼓勵政策將驅動本集團在天然氣能源領域的快速發展，本集團將利用政策利好，尋求新的發展機會的同時，進一步挖掘現有區塊價值，充分拓展高價值客戶市場，力求以產定銷。在穩定本地民用和工業用氣基礎上積極開拓河南、河北市場，實現「增產」、「增銷」。對於2020年，我們欣然呈報更新目標如下：

潘莊區塊

2020年，本集團將在潘莊區塊繼續投資如下：

在潘莊區塊政府相關審批基礎上，開始實施全年計劃，計劃完成19座井場的鑽前工程、88口新井的鑽井作業、排採設備採購及新投產作業，以及實施相應的地面配套設施工程。

基於預期的項目執行和相關的政府審批，潘莊區塊總產量的預期為9.45億立方米（即334億立方英尺）。

由於潘莊區塊的週邊煤礦採煤活動頻繁，2020年公司會繼續加強與週邊煤礦的溝通合作，完善互保協議及繼續尋求新的發展及合作途徑。

Management Discussion and Analysis

管理層討論及分析

OUTLOOK AND GUIDANCE FOR 2020 (Continued)

Mabi Concession

In Mabi concession, the Group will focus on the ODP approved area in southern area of Mabi, and will select applicable well types and technologies with reference to the geological features to prioritize well deployment in the sweet zone and optimize the development implementation plan to secure a guaranteed investment return rate. In 2020, we plan to implement 63 wells drilling in southern area of Mabi concession and 2 wells drilling in northern area of Mabi concession, and will also to focus on the development and construction in the area around No. 2 gas gathering station.

With the scheduled project implementation and government approvals associated, the gross production of Mabi concession is expected to be 72 MMCM (2.5 bcf).

According to the development plan of Panzhuang concession and Mabi concession mentioned above, the Group estimates to incur capital expenditures of approximately RMB702 million in 2020, which will be financed by its own cash flow and part of the proceeds from its listing on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing**”) on 23 June 2015. The Group will assess the capital investment plan for 2020 from time to time, and will make necessary disclosure in the interim results for 2020 for any change.

The Group is highly confident in focusing on and dealing with uncertainties, as well as continuously committed to cost reduction and efficiency enhancement to deliver promising operating results. Meanwhile, we will continue to enhance technological innovation, thereby laying a solid foundation for the stable production and development of Panzhuang concession and the large-scale development for Mabi concession. Besides, the Group will base on its groundbreaking technological advantages to identify new development opportunities mainly in China’s market as planned to expand our business, so as to provide more clients and relevant communities with clean energy and create higher return for our shareholders.

2020年展望及指引(續)

馬必區塊

在馬必區塊，本集團將重點放在馬必南區ODP範圍內，結合地質特點優先在甜點區實施佈井，選擇適用的井型和工藝，優化開發實施方案，保證投資收益率。2020年計劃在馬必南區實施63口鑽井，在馬必北區實施2口鑽井，同時重點圍繞2號集氣站區域進行開發建設。

基於預期的項目執行和相關的政府審批，馬必區塊2020年總產量的預期為0.72億立方米(即25億立方英尺)。

根據上述潘莊區塊和馬必區塊的開發計劃，本集團預計將在2020年投入資本性支出約人民幣7.02億元，這些資金將由自身的現金流以及在2015年6月23日於香港聯合交易所有限公司(「**聯交所**」)主板上市(「**上市**」)募集的部分資金來解決。本集團將不時評估2020年的資本性投資計劃，並且一旦有必要將在2020年中期業績中披露任何變化。

本集團非常有信心繼續聚焦和應對不確定性，致力於可持續性降本增效，取得更好的經營業績。同時我們將持續推進技術創新，為潘莊區塊的穩產與發展，馬必區塊的大規模開發奠定良好基礎。本集團還將依據規劃，著重聚焦中國市場，以突破性技術優勢為基礎，尋求新的發展機遇，拓展我們的業務，為更多的客戶和相關社區提供清潔能源，為股東帶來更好的回報。

Directors and Senior Management

董事及高級管理層

DIRECTORS

Executive Directors

Mr. Ming Zaiyuan (明再遠), aged 56, is an executive Director of the Company, chairman of the Board and chairman of the Nomination Committee of the Company. Mr. Ming is primarily responsible for the Group's overall development and growth strategies, investor and public relations, board governance and supervision of key management issues. Mr. Ming was appointed as an executive Director of the Company, chairman of the Board and chairman of the Nomination Committee of the Company on 24 August 2018.

Mr. Ming has since January 2013 been chairman of the board of Xinjiang Xintai Natural Gas Co., Ltd. (新疆鑫泰天然氣股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 603393). From June 2010 to December 2012, Mr. Ming was a director of Xinjiang Xintai Natural Gas Co., Ltd. (formerly known as Xinjiang Xintai Investment (Group) Co., Ltd. (新疆鑫泰投資(集團)有限公司)). From March 1985 to May 1998, Mr. Ming served as the head of the supervision and audit department, the head of the personnel department, the chief audit officer and the vice president of the Agricultural Bank of China Limited (Deyang Central District Branch) (中國農業銀行(德陽市中區支行)), and as the director and the secretary of the Party committee of the credit cooperative union, respectively.

Mr. Ming graduated from the correspondence college of Party College of Sichuan Province Committee of the Communist Party of China (中共四川省委黨校函授學院) in 1987, majoring in law.

Mr. Yan Danhua (嚴丹華), aged 52, is an executive Director and the president of the Company. Mr. Yan is primarily responsible for the Group's overall operation management. Mr. Yan was appointed as an executive Director of the Company on 24 August 2018 and was appointed as the president of the Company on 7 September 2018.

董事

執行董事

明再遠先生，56歲，本公司執行董事、董事會主席及提名委員會主席。明先生主要負責就本集團業務發展提供策略意見和指導以及本集團整體發展及增長策略、投資者及公共關係、董事會監管及主要管理層監督等方面事宜。明先生於2018年8月24日獲委任為本公司執行董事、董事會主席及本公司提名委員會主席。

明先生自2013年1月起擔任於上海證券交易所上市的新疆鑫泰天然氣股份有限公司(股份代號：603393)的董事長。於2010年6月至2012年12月，明先生曾擔任新疆鑫泰天然氣股份有限公司(前稱新疆鑫泰投資(集團)有限公司)董事。於1985年3月至1998年5月，明先生先後任職於中國農業銀行(德陽市中區支行)，歷任監察科長、審計科長、人事科長、總稽核及副行長，以及於信用聯社擔任聯社主任兼黨委書記。

明先生於1987年畢業於中共四川省委黨校函授學院，主修法律。

嚴丹華先生，52歲，本公司執行董事及總裁。嚴先生主要負責本集團的全面經營管理。嚴先生於2018年8月24日獲委任為本公司執行董事，並於2018年9月7日獲委任為本公司總裁。

Directors and Senior Management 董事及高級管理層

Mr. Yan has more than 10 years of strategic investment and operation management experience in the energy industry. He was responsible for managing the energy investment project in China AVIC Trust Co., Ltd. (中航信託股份有限公司) from 2016 to 2018. In 2015, Mr. Yan was the vice general manager of Guangzheng Group Co., Ltd. (光正集團股份有限公司), a company listed on the Shenzhen Stock Exchange (Stock Code: 002524), and was responsible for the business of natural gas and new energy development. From 2007 to 2013, he worked as the office director of balanced scorecard department for Xinjiang Guanghui Industry Investment Group Co., Ltd. (新疆廣匯實業投資(集團)有限責任公司) and as the vice general manager for Guanghui Energy Co., Ltd. (廣匯能源股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600256), respectively. In Guanghui Energy Co., Ltd., he was responsible for strategic planning, operations management, natural gas project management and the development of conventional gas and oil. From 1999 to 2006, Mr. Yan worked as the general manager at the department of fruit business of Xinjiang Tunhe Co., Ltd. (新疆屯河股份有限公司) (currently known as Cofco Tunhe Sugar Co., Ltd. (中糧屯河糖業股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 600737)).

Mr. Yan obtained a bachelor's degree in economics from Shaanxi Institute of Finance and Economics (陝西財經學院), now known as Xi'an Jiao Tong University of China (中國西安交通大學) in 1990.

Mr. Zhang Jianbing (張艦兵), aged 56, is an executive Director, the authorized representative and the vice president of the Company and a member of the Remuneration Committee of the Company. Mr. Zhang is primarily responsible for the Company's market operations and human resources issues. Mr. Zhang was appointed as an executive Director of the Company on 24 August 2018 and the authorized representative of the Company on 25 August 2018, and was appointed as the vice president of the Company on 7 September 2018 and a member of the Remuneration Committee of the Company on 21 March 2019.

嚴先生於能源業累積超過10年戰略投資及經營管理經驗。彼於2016年至2018年負責管理中航信託股份有限公司能源投資項目。於2015年，嚴先生擔任深圳證券交易所上市公司光正集團股份有限公司(股份代號：002524)副總經理，負責天然氣及新能源開發業務。於2007年至2013年，彼分別出任新疆廣匯實業投資(集團)有限責任公司平衡計分卡部的辦公室主任，以及上海證券交易所上市公司廣匯能源股份有限公司(股份代號：600256)的副總經理。於廣匯能源股份有限公司，彼負責策略規劃、營運管理、天然氣項目管理以及傳統燃氣及石油的開發。於1999年至2006年，嚴先生擔任上海證券交易所上市公司新疆屯河股份有限公司(現稱中糧屯河糖業股份有限公司)(股份代號：600737)的果業事業部總經理。

嚴先生於1990年取得陝西財經學院(現稱中國西安交通大學)經濟學學士學位。

張艦兵先生，56歲，本公司執行董事、授權代表、副總裁及薪酬委員會成員。張先生主要負責本公司市場經營及人力資源事務。張先生於2018年8月24日獲委任為本公司執行董事，於2018年8月25日獲委任為本公司授權代表，於2018年9月7日獲委任為本公司副總裁，並於2019年3月21日獲委任為本公司薪酬委員會成員。

Directors and Senior Management 董事及高級管理層

Mr. Zhang has worked in government departments and enterprises for over 35 years. Mr. Zhang has management experience in industrial economy, finance, safety production management and other perspectives. Since April 2015, Mr. Zhang has worked as a director of the general manager's office of Xinjiang Xintai Natural Gas Co., Ltd., a company listed on the Shanghai Stock Exchange (Stock Code: 603393), a general manager of Fukang Xintai Gas Co., Ltd. (阜康市鑫泰燃氣有限責任公司), the head of investment management department and a general manager's assistant of Xinjiang Xintai Natural Gas Co., Ltd., respectively. From 2010 to 2015, Mr. Zhang served as a deputy director of Deyang Municipal Committee of Economic and Information Technology (德陽市經信委). From 2006 to 2010, he was a director of Deyang Information & Technology Office (德陽市信息化辦公室). From 1999 to 2006, Mr. Zhang worked in Deyang Municipal Government Office (德陽市政府辦) as a deputy chief of the administrative department and the deputy director of the supervision and inspection office. From 1990 to 1999, Mr. Zhang served as a deputy chief of the industrial transport department in Deyang Economic Restructuring Committee (德陽市經濟體制改革委員會).

Mr. Zhang graduated from the correspondence college of Party College of Sichuan Province Committee of the Communist Party of China (中共四川省委黨校函授學院) in 2000, majoring in law. Mr. Zhang obtained the Certificate of Secretary from the Shanghai Stock Exchange in 2018.

張先生曾於政府部門及企業工作逾35年，在工業經濟、金融、安全生產管理及其他方面具備管理經驗。自2015年4月起，張先生分別擔任於上海證券交易所上市的新疆鑫泰天然氣股份有限公司(股份代號：603393)總經理辦公室主任、阜康市鑫泰燃氣有限責任公司總經理、新疆鑫泰天然氣股份有限公司投資管理部主管及總經理助理。於2010年至2015年，張先生擔任德陽市經信委副主任。於2006年至2010年，彼擔任德陽市信息化辦公室主任。於1999年至2006年，張先生在德陽市政府辦工作，歷任行政處副處長及督查辦副主任。於1990年至1999年，張先生擔任德陽市經濟體制改革委員會工交處副處長。

張先生於2000年畢業於中共四川省委黨校函授學院，主修法律。張先生於2018年自上海證券交易所取得秘書證書。

Directors and Senior Management

董事及高級管理層

Non-executive Directors

Dr. Cui Guiyong (崔桂勇), aged 57, is a non-executive Director and a member of the Strategic Development Committee of the Company. Dr. Cui is primarily responsible for advising on strategic development and investor relations. He served as director of Asian American Gas, Inc., from July 2004 to June 2006 and has resumed such role from July 2014 to November 2018. He was appointed as a non-executive Director of the Company on 28 January 2015 and he has also been one of the directors of Sino-American Energy, Inc., an indirect wholly owned subsidiary of the Company since July 2014 to December 2018. Dr. Cui was appointed as a member of the Strategic Development Committee of the Company on 7 September 2018.

Dr. Cui has over 22 years of experience in investment in the energy and resources sectors. He is a managing director of Baring Private Equity Asia Limited and is primarily responsible for the firm's investments in greater China. Prior to joining Baring, he worked as a managing director at HOPU Investment Management Co. Ltd. from May 2008 to September 2009 and became a partner since October 2009. He worked at Morgan Stanley Asia Limited from April 2007 to April 2008 and acted as a managing director of investment banking. From March 2004 to April 2007, he was employed by HSBC Group and held the position of managing director of Global Investment Banking Asia Pacific — Resources and Energy at HSBC Markets (Asia) Limited. From June 2002 to August 2003, he served as head of the investment banking division at ICEA Capital Limited. Dr. Cui was employed by NM Rothschild & Sons and assumed various positions from September 1994 to June 2002 including the position of managing Director, investment banking and the chief representative China in NM Rothschild & Sons' Beijing Office. Dr. Cui has been a non-executive Director of COFCO Meat Holdings Limited (Stock Code: 1610), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") since May 2016. He also served as a non-executive Director of China Shengmu Organic Milk Limited (Stock Code: 1432) from March 2014 to June 2018.

Dr. Cui obtained his bachelor of engineering degree and master of engineering degree from the University of Science and Technology of Beijing (北京科技大學), previously known as Beijing Steel College (北京鋼鐵學院) in April 1982 and June 1987, respectively, and his doctor of philosophy degree from the University of Oxford in the United Kingdom in May 1995.

非執行董事

崔桂勇博士，57歲，本公司非執行董事、戰略發展委員會成員。崔博士主要負責就戰略發展和投資者關係提供建議。崔博士於2004年7月至2006年6月期間擔任亞美大陸煤層氣有限公司董事，並自2014年7月至2018年11月重新擔任該職位，於2015年1月28日獲委任為本公司非執行董事，於2014年7月至2018年12月也擔任本公司間接全資附屬公司美中能源有限公司的其中一名董事。崔博士於2018年9月7日獲委任為本公司戰略發展委員會成員。

崔博士在能源及資源投資領域擁有超過22年的從業經驗，任Baring Private Equity Asia Limited董事總經理，主要負責該公司在大中華地區的投資。在加入Baring之前，他於2008年5月至2009年9月期間擔任HOPU Investment Management Co. Ltd.董事總經理，並自2009年10月起成為合夥人。於2007年4月至2008年4月期間就職於Morgan Stanley Asia Limited，擔任投資銀行部董事總經理。2004年3月至2007年4月期間，其受聘於滙豐集團，擔任HSBC Markets (Asia) Limited全球投資銀行亞太區資源及能源部的董事總經理。2002年6月至2003年8月，擔任工商東亞融資有限公司投資銀行部負責人。崔博士受僱於NM Rothschild & Sons，於1994年9月至2002年6月期間擔任多個職位，包括董事總經理、投資銀行及NM Rothschild & Sons北京辦事處中國區首席代表。崔博士自2016年5月起擔任香港聯合交易所有限公司（「聯交所」）主板上市公司中糧肉食控股有限公司（股份代號：1610）的非執行董事，並於2014年3月至2018年6月期間擔任中國聖牧有機奶業有限公司（股份代號：1432）非執行董事。

崔博士分別於1982年4月和1987年6月獲得北京科技大學（原北京鋼鐵學院）工程學學士及碩士學位，並於1995年5月獲得英國牛津大學哲學博士學位。

Directors and Senior Management 董事及高級管理層

Ms. Gu Ren (顧韜), aged 37, is a non-executive Director and a member of the Audit Committee of the Company. Ms. Gu is primarily responsible for advising on accounting, internal control and financial matters. Ms. Gu joined the Company on 21 March 2019.

Ms. Gu has over 10 years of investment experience with special focus on the energy, industrial estate, environment and manufacturing and consumer sectors. She joined Warburg Pincus in October 2011 and currently serves as an investment principal with main focus on industrials, industrial real estate and consumer sectors and certain buyout investments. Prior to her employment with Warburg Pincus, she worked at J.P. Morgan as a manager of investment banking division from July 2008 to September 2011, focusing on corporate finance, merger and acquisition transactions in Asia.

Ms. Gu obtained a bachelor of business administration degree from the Fudan University in Shanghai, China in 2005 and a master degree in accounting from the Fudan University in Shanghai in 2008.

Mr. Huang Min (黃敏), aged 56, is a non-executive Director of the Company. Mr. Huang is primarily responsible for advising on business development matters. Mr. Huang joined the Company and was appointed as a non-executive Director on 27 March 2020.

Mr. Huang is industrially experienced and has spent over 20 years in focusing on the natural gas sector. He is currently a Supervisory Committee chairman of Xinjiang Xintai Natural Gas Co., Ltd. (新疆鑫泰天然氣股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 603393). Prior to that, he served as the accounting, teller, credit and subsequently deposits officer and credit card business officer of the Agricultural Bank of China Limited (Deyang City Jingyang District Branch) (中國農業銀行(德陽市旌陽區支行)) from December 1979 to March 2000; he served as a manager in Miqian LPG Co., Ltd., (米泉液化氣公司) from March 2000 to March 2002; he served as a chief officer of the Planning and Construction Office of the Urban Natural Gas Transmission Project in Yanqi County from March 2002 to February 2003; he served as a chief officer of the Planning and Construction Office of the Urban Natural Gas Transmission Project in Fukang City from March 2003 to February 2004; he served as a manager of Business Operations Department in Xinjiang Xintai Investment (Group) Co., Ltd. (新疆鑫泰投資(集團)有限公司) from March 2004 to December 2012; and he has been serving as the Supervisory Committee chairman of Xinjiang Xintai Natural Gas Co., Ltd. (新疆鑫泰天然氣股份有限公司) from January 2013 to present.

Mr. Huang graduated from the correspondence college of Party College of Deyang City Committee of the Communist Party of China (中共德陽市委黨校函授學院) in 1987, majoring in law. Mr. Huang holds the designation of economist.

顧韜女士，37歲，本公司非執行董事及審核委員會成員。顧女士主要負責就會計、內部監控及財務事宜提供建議。顧女士於2019年3月21日加入本公司。

顧女士擁有逾10年投資經驗，重點專注於能源、工業地產、環境及製造以及消費等領域。彼於2011年10月加入華平投資現為一名投資董事，主要專注於工業、工業地產和消費領域的投資，以及部分控股型投資。於受僱於華平投資前，彼曾自2008年7月至2011年9月任職於J.P. Morgan，擔任投資銀行部經理，專注於亞洲的公司財務及併購交易。

顧女士於2005年獲得中國上海復旦大學管理學學士學位及於2008年獲得中國上海復旦大學會計學碩士學位。

黃敏先生，56歲，本公司非執行董事。黃先生主要負責就業務發展事宜提供建議。黃先生於2020年3月27日加入本公司及獲委任為本公司非執行董事。

黃先生專注天然氣領域逾20年，具有豐富的行業經驗，現任上海證券交易所上市的新疆鑫泰天然氣股份有限公司(股份代號：603393)監事會主席。在此之前，彼於1979年12月至2000年3月任中國農業銀行(德陽市旌陽區支行)會計、出納、信貸及後續從事存款和信用卡業務；於2000年3月至2002年3月，任米泉液化氣公司經理；於2002年3月至2003年2月任焉耆縣城市天然氣輸配項目籌建處處長；於2003年3月至2004年2月任阜康市城市天然氣輸配項目籌建處處長；於2004年3月至2012年12月任新疆鑫泰投資(集團)有限公司經營業務部經理，及從2013年1月起至今任新疆鑫泰天然氣股份有限公司監事會主席。

黃先生於1987年畢業於中共德陽市委黨校函授學院，主修法律。黃先生擁有經濟師職稱。

Directors and Senior Management

董事及高級管理層

Independent Non-executive Directors

Mr. Tai Kwok Leung Alexander (戴國良), aged 62, is an independent non-executive Director and a member of Nomination Committee, Remuneration Committee and Strategic Development Committee of the Company and the chairman of the Audit Committee of the Company. Mr. Tai is primarily responsible for independently overseeing the management. Mr. Tai joined the Company on 24 August 2018, was appointed as an independent non-executive Director and a member of the Audit Committee and Remuneration Committee of the Company, and was appointed as the chairman of Audit Committee and a member of the Nomination Committee and Strategic Development Committee of the Company on 7 September 2018.

Mr. Tai is currently a partner and officer in charge of corporate finance department of VMS Securities Limited. Mr. Tai currently also serves as an independent non-executive Director for each of Luk Fook Holdings (International) Limited (Stock Code: 590), Jiayuan International Group Limited (Stock Code: 2768), G&M Holdings Limited (Stock Code: 6038) and Shengjing Bank Co., Ltd. (Stock Code: 2066), he ceased to be an independent non-executive director of Anhui Conch Cement Company Limited (Stock Code: 914) in May 2019, all of which are companies listed on the Main Board of the Stock Exchange. Mr. Tai was elected as a member of the 12th session of Shandong Committee of Chinese People's Political Consultative Conference in January 2018.

Mr. Tai is a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and New Zealand Institute of Chartered Accountants. He has extensive experience in accounting, corporate finance and investment in Hong Kong and overseas.

Mr. Tai received a bachelor's degree in commerce and administration from Victoria University of Wellington, New Zealand in 1982.

Dr. Liu Xiaofeng (劉曉峰), aged 57, is an independent non-executive Director and a member of Audit Committee, Nomination Committee of the Company and the chairman of the Remuneration Committee of the Company. Dr. Liu is primarily responsible for independently overseeing the management. Dr. Liu joined the Company on 24 August 2018, was appointed as independent non-executive Director and a member of the Audit Committee, Nomination Committee and Remuneration Committee, and was appointed as the chairman of the Remuneration Committee and the chairman of the Strategic Development Committee on 7 September 2018. He ceased to be the chairman of the Strategic Development Committee of the Company on 9 November 2018.

獨立非執行董事

戴國良先生，62歲，本公司獨立非執行董事、提名委員會、薪酬委員會、戰略發展委員會成員及審核委員會主席。戴先生主要負責獨立監督管理。戴先生於2018年8月24日加入本公司獲委任為獨立非執行董事與本公司審核委員會及薪酬委員會成員，於2018年9月7日獲委任為本公司審核委員會主席及獲委任為提名委員會及戰略發展委員會成員。

戴先生現為鼎佩證券有限公司合夥人兼企業融資部主管。戴先生目前亦於聯交所主板上市公司六福集團(國際)有限公司(股份代號: 590)，佳源國際控股有限公司(股份代號: 2768)，信越控股有限公司(股份代號: 6038)，盛京銀行股份有限公司(股份代號: 2066)擔任獨立非執行董事，戴先生於2019年5月卸任安徽海螺水泥股份有限公司(股份代號: 914)獨立非執行董事。戴先生於2018年1月當選中國人民政治協商會議第十二屆山東省委員會委員。

戴先生為香港會計師公會會員、澳洲會計師公會會員及紐西蘭會計師公會會員，在香港及海外擁有豐富的會計、企業融資及投資經驗。

戴先生於1982年取得紐西蘭威靈頓維多利亞大學(Victoria University of Wellington)商業及行政學士學位。

劉曉峰博士，57歲，本公司獨立非執行董事、審核委員會、提名委員會成員及薪酬委員會主席。劉博士主要負責獨立監督管理。劉博士於2018年8月24日加入本公司獲委任為獨立非執行董事與本公司審核委員會、薪酬委員會及提名委員會成員，於2018年9月7日獲委任為本公司薪酬委員會主席及戰略發展委員會主席，於2018年11月9日不再為本公司戰略發展委員會主席。

Directors and Senior Management 董事及高級管理層

Dr. Liu has been an independent non-executive Director of Kunlun Energy Company Limited (Stock Code: 135) since 2004, Honghua Group Limited (Stock Code: 196) since 2008, Cinda International Holdings Limited (Stock Code: 111) since 2016, and Sunfonda Group Holdings Limited (Stock Code: 1771) since 2017, all of which are companies listed on the Main Board of the Stock Exchange. He was also an independent non-executive Director of Hisense Kelon Electrical Holdings Company Limited (now known as Hisense Home Appliances Group Co., Ltd) (Stock Code: 00921), a company listed on the Main Board of the Stock Exchange. Dr. Liu is also the independent director of the board of a non-listed company which is UBS Securities Company Limited. Dr. Liu has more than 20 years of experience in corporate finance. He has served in a number of international financial institutions since 1993, including N.M. Rothschild & Sons Limited, J.P. Morgan Securities (Asia Pacific) Limited, N.M. Rothschild & Sons (HK) Limited, DBS Asia Capital Limited and China Resources Capital Holdings Company Limited.

Dr. Liu obtained a master's degree and a PhD from the Faculty of Economics, University of Cambridge in 1988 and 1994, respectively. He obtained his master's degree in development studies from the University of Bath in 1987, and he obtained his bachelor's degree in political economics from the Southwestern University of Finance and Economics (西南財經大學) (formerly known as Sichuan Economic College (四川財經學院)) in 1983.

劉博士自2004年起於聯交所主板上市公司昆侖能源有限公司(股份代號：135)，自2008年起於聯交所主板上市公司宏華集團有限公司(股份代號：196)，自2016年起於聯交所主板上市公司信達國際控股有限公司(股份代號：111)及自2017年起於聯交所主板上市公司新豐泰集團控股有限公司(股份代號：1771)擔任獨立非執行董事。彼亦曾任聯交所主板上市公司海信科龍電器股份有限公司(現稱海信家電集團有限公司)(股份代號：00921)的獨立非執行董事。劉博士亦為非上市公司瑞銀證券有限責任公司董事會的獨立董事。劉博士具備逾20年企業融資經驗，自1993年以來效力多家國際金融機構，包括洛希爾父子有限公司、摩根大通(證券)(亞太)有限公司、洛希爾父子(香港)有限公司、星展亞洲融資有限公司及華潤金融控股有限公司。

劉博士分別於1988年及1994年於英國劍橋大學經濟系取得碩士及博士學位，並先後於1987年及1983年取得英國巴斯大學發展研究學碩士學位及西南財經大學(前稱四川財經學院)政治經濟學學士學位。

Directors and Senior Management 董事及高級管理層

Dr. Yang Ruizhao (楊瑞召), aged 54, is an independent non-executive Director and the chairman of the Strategic Development Committee of the Company. Dr. Yang is primarily responsible for independently overseeing the management. Dr. Yang joined the Company on 9 November 2018.

Dr. Yang worked as a geological engineer in the Institute of Petroleum Geology at the Department of Geology and Minerals (地礦部石油地質研究所) from July 1986 to April 1995. Dr. Yang then served as a senior geological engineer in the Institute of Petroleum at China New Star Petroleum Co. (新星石油公司研究院) from April 1995 to July 1996. From May 2000 to July 2002, Dr. Yang joined the post-doctoral program and conducted research work in areas of geological resources and geological engineering at the China University of Mining and Technology (Beijing branch). In December 2002, Dr. Yang started working as a senior geological engineer and an associate professor at the China University of Mining and Technology (Beijing branch) and was later promoted as a professor in July 2017. He has been working as a senior geological engineer and a professor at the China University of Mining and Technology (Beijing branch) since then. Dr. Yang has received several awards including a special award from the China Coal Industry Association (中國煤炭工業協會) and a second prize award from the State Council of the PRC. Dr. Yang was also appointed as a member of the Mine Geophysical Committee of the Chinese Geophysical Society (中國地球物理學會礦山地球物理專業委員會) for a term of 4 years from 2013 to 2017.

Dr. Yang obtained a bachelor's degree of petroleum geology from the Chengdu College of Geology (成都地質學院) in the PRC in July 1986 and a doctoral degree in earth exploration and information technology from the China University of Geosciences (中國地質大學) in the PRC in December 1999.

楊瑞召博士，54歲，本公司獨立非執行董事及戰略發展委員會主席。楊博士主要負責獨立監督管理。楊博士於2018年11月9日加入本公司。

於1986年7月至1995年4月，楊博士在地礦部石油地質研究所擔任地質工程師。之後於1995年4月至1996年7月，楊博士在新星石油公司研究院擔任高級地質工程師。於2000年5月至2002年7月，楊博士在中國礦業大學(北京分校)參加博士後研究，並進行了地質資源及地質工程領域的研究工作。於2002年12月，楊博士開始在中國礦業大學(北京分校)擔任高級地質工程師及副教授，之後於2017年7月晉升為教授。彼自此一直在中國礦業大學(北京分校)擔任高級地質工程師及教授。楊博士獲有多份獎項，包括中國煤炭工業協會頒發的特等獎以及中國國務院頒發的二等獎。楊博士亦被委任為中國地球物理學會礦山地球物理專業委員會成員，任期自2013年起至2017年止為期四年。

楊博士於1986年7月自中國成都地質學院獲得石油地質學學士學位，並於1999年12月自中國的中國地質大學獲得地球探測與信息技術學博士學位。

Directors and Senior Management

董事及高級管理層

SENIOR MANAGEMENT

Mr. Wei Jiangtao, aged 52, is the vice president and financial controller of the Company.

Mr. Wei has served as the vice president and financial controller of the Company since September 2018 and is responsible for the Group's financial compliance management and corporate financing activities. He has over 20 years of experience in auditing, corporate finance, corporate governance and financial management.

From 2016 to 2018, Mr. Wei served as a post-investment manager for energy project in China AVIC Trust Co., Ltd. (中航信託股份有限公司). From 2008 to 2015, he was a financial controller of each of Jiangsu Yangkou Port Development and Investment Co., Ltd. and Jiangsu Yangtong Investment and Development Co., Ltd., both are the subsidiaries of PYI Corporation Limited (Stock Code: 0498), a company listed on the Stock Exchange. From 2006 to 2007, he was a founding partner and general manager of Xi'an Junchung Finance Consulting Limited (西安君創財務諮詢有限公司). From 1999 to 2005, he successively served as a project manager, department manager and business director in Shaanxi Yiyou Accounting Firm Limited Liability Company (陝西益友會計師事務所有限公司).

Mr. Wei obtained a bachelor's degree in industrial economics from Shaanxi Institute of Finance and Economics (陝西財經學院), now known as Xi'an Jiaotong University of China (中國西安交通大學) in 1990 and was admitted as a member of The Chinese Institute of Certified Public Accountants in 1999.

Mr. Zeng Pingxuan, aged 57, is the vice president of the Company.

Mr. Zeng has served as the vice president of the Company since September 2018 and is primarily responsible for the Group's production operations, procurement and supply as well as HSE matters. He has over 18 years extensive skills and management experience in gas industry.

Before joining the Company, Mr. Zeng served respectively as a deputy general manager of Miqian Xintai Gas Co., Ltd. (米泉市鑫泰燃氣有限責任公司) and Urumqi Xintai Gas Co., Ltd. (烏魯木齊市鑫泰燃氣有限責任公司), a general manager of Wujiacqu Xintai Gas Co., Ltd. (五家渠市鑫泰燃氣有限責任公司) and an assistant to general manager of Xinjiang Xintai Natural Gas Co., Ltd. (新疆鑫泰天然氣股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 603393) from 2001 to August 2018.

高級管理層

衛江濤先生，52歲，本公司副總裁及財務總監。

衛先生自2018年9月擔任公司副總裁及財務總監，主要負責本集團財務合規管理及企業融資活動。彼於審計、企業融資、企業管治及財務管理方面擁有逾20年經驗。

2016年至2018年，衛先生擔任中航信託股份有限公司能源項目投後經理。於2008年至2015年，任聯交所上市公司保華集團有限公司（股份代號：0498）附屬公司江蘇洋口港投資開發有限公司及江蘇洋通開發投資有限公司財務總監。於2006年至2007年，為西安君創財務諮詢有限公司創始合夥人並擔任公司總經理。1999年至2005年，在陝西益友會計師事務所有限公司先後擔任項目經理、部門經理及業務總監等職務。

衛先生於1990年取得陝西財經學院（現稱中國西安交通大學）工業經濟學學士學位。於1999年成為中國註冊會計師協會會員。

曾平宣先生，57歲，本公司副總裁。

曾先生於2018年9月擔任本公司副總裁，其主要負責本集團生產營運、採購供應及HSE事務。彼於燃氣行業擁有逾18年豐富的技術和管理經驗。

曾先生在加入本公司之前，於2001年至2018年8月期間，分別擔任米泉市鑫泰燃氣有限責任公司、烏魯木齊市鑫泰燃氣有限責任公司副總經理，五家渠市鑫泰燃氣有限責任公司總經理，以及上海證券交易所上市公司新疆鑫泰天然氣股份有限公司（股份代號：603393）總經理助理職務。

Directors and Senior Management 董事及高級管理層

Mr. Wang Bing, aged 50, is the vice president of the Company.

Mr. Wang has been the vice president of the Company from November 2013 and is primarily responsible for the Group's government relations, executive management and information management matters. Mr. Wang has over 15 years of experience in project management, public relations, sales and marketing in the CBM business.

Mr. Wang served numerous positions in the Group after he joined the Group in June 2005. Mr. Wang served as a director of operation from February 2012 to November 2013 and as a general manager of Panzhuang Project from September 2008 to February 2012. He was a business development and sales manager of Mabi Project from 2005 to 2007.

Before joining the Company, he was a vice general manager in Shanxi Kotel Micro Technique Co., Ltd. (山西科泰微技術有限公司) from September 2001 to May 2005 and the marketing manager in the Beijing branch of American ATMEL Company from July 1997 to September 2001.

Mr. Wang obtained a bachelor's degree in metallic material engineering from Northeast Heavy Machinery Institute (東北重型機械學院), now known as Yanshan University (燕山大學), in September 1992 and his master's degree in business administration from the Open University of Hong Kong in December 2000.

Mr. Wei Jinmin, aged 52, is the vice president of the Company.

Mr. Wei has served as the vice president of the Company since September 2018 and is primarily responsible for the Group's legal and audit monitoring issues. Mr. Wei has over 20 years of experience in legal advising.

Before joining the Company, Mr. Wei served as an assistant to general manager and a director of legal department in Xinjiang Xintai Natural Gas Co., Ltd. (新疆鑫泰天然氣股份有限公司), a company listed on the Shanghai Stock Exchange (Stock Code: 603393) from May 2014 to August 2018. From 2006 to 2014, Mr. Wei was a partner of Sichuan Huanfeng Law Firm (四川環峰律師事務所) and Sichuan Liankun Law Firm (四川聯坤律師事務所), respectively.

王冰先生，50歲，本公司副總裁。

王先生於2013年11月起擔任本公司副總裁，其主要負責本集團政府關係及行政管理、信息化管理等事務。王先生在煤層氣業務領域積累了超過15年的項目管理、公共關係、銷售及市場推廣經驗。

彼於2005年6月加入本集團以來擔任過多個職位。於2012年2月至2013年11月期間擔任運營總監，並在2008年9月至2012年2月期間擔任潘莊項目總經理。於2005年至2007年任馬必項目業務、銷售經理。

加入本公司之前，彼於2001年9月至2005年5月期間任山西科泰微技術有限公司副總經理。於1997年7月至2001年9月，任American ATMEL Company北京分公司市場推廣經理。

王先生於1992年9月取得東北重型機械學院(現稱燕山大學)金屬材料工程學學士學位，並於2000年12月取得香港公開大學工商管理碩士學位。

魏進民先生，52歲，本公司副總裁。

魏先生自2018年9月起擔任本公司副總裁。其主要負責本集團法務與審計監察事務。魏先生在提供法律意見方面擁有超過20年的經驗。

加入本公司之前，彼於2014年5月至2018年8月在上海證券交易所上市公司新疆鑫泰天然氣股份有限公司(股份代號：603393)擔任總經理助理兼法務部部長。於2006年至2014年，魏先生分別在四川環峰律師事務所、四川聯坤律師事務所任合夥人律師。

Directors and Senior Management 董事及高級管理層

Mr. Fan Mingzhu, aged 61, is the general engineer of the Company.

Mr. Fan has served as the general engineer of the Company since September 2018. He is primarily responsible for the finalization of the Group's technical projects, research and development of new technology and technical assessment of new project. Mr. Fan has over 37 years of experience in CBM well drilling, exploration and development.

Mr. Fan was a chief geologist of the Company from June 2008 to June 2017. From May 2002 to May 2008, Mr. Fan was a senior engineer in Petroleum Exploration and Development Research Institute of Sinopec and engaged in geological evaluation and exploration deployment of CBM concessions. From December 1989 to April 2002, Mr. Fan was a senior engineer in Planning and Design Institute of North China Petroleum Bureau of Sinopec. From February 1982 to November 1989, Mr. Fan worked as an engineer in the Ninth and Fifth Brigade of Petroleum Prospecting and Exploration of North China Petroleum Bureau and participated in geological logging work at various CBM well sites.

Mr. Fan obtained his bachelor's degree in petroleum and natural gas geology from Northwest University (西北大學) in January 1982.

Ms. Su Xiaohang, aged 33, is a joint company secretary of the Company.

Ms. Su has served as the manager of the board of Directors' office (董事會辦公室主任) of the Company from September 2018 and was appointed as a joint company secretary and the Board secretary of the Company in April 2019. She is primarily responsible for implementing good corporate governance and the Group's compliance matters, investors' and public relations management. Ms. Su has over seven years of experience in financial services and investment industry.

Before joining the Company, she worked as an investment manager in the investment department at Chinastone Capital Management Limited from November 2016 to August 2018. She served as a branch finance manager in the finance department at the Standard Chartered Bank (China) Limited, Beijing Branch, from February 2014 to November 2016. From January 2011 to January 2014, she worked as a senior auditor at the Beijing office of Deloitte Touche Tohmatsu CPA Ltd. in the audit group of global financial service industry.

Ms. Su obtained a master's degree of Science in International Accounting and Finance at the University of Birmingham, United Kingdom, in 2010. She has obtained the Securities Qualification Certificate (基金業從業證書) from the Asset Management Association of China (中國證券投資基金業協會) in June 2017. She is a member of the Association of Chartered Certified Accountants.

樊明珠先生，61歲，本公司總工程師。

樊先生於2018年9月起擔任本公司總工程師。彼主要負責本集團技術方案審定、新技術研發及新項目技術評估。樊先生於煤層氣井鑽探、勘探及開發方面擁有逾37年經驗。

樊先生於2008年6月起至2017年6月為本公司的首席地質專家。於2002年5月至2008年5月，樊先生為中石化石油勘探及開發研究院高級工程師，從事地質評估及煤層氣區塊的勘探部署。於1989年12月至2002年4月，樊先生為中石化華北石油局規劃設計研究院高級工程師。於1982年2月至1989年11月，樊先生曾任中石化華北石油局第九及第五普查勘探大隊工程師，並參與各種煤層氣井現場的地質錄井工作。

樊先生於1982年1月取得西北大學石油與天然氣地質學學士學位。

蘇曉航女士，33歲，本公司聯席公司秘書。

蘇女士自2018年9月起擔任本公司董事會辦公室主任，於2019年4月獲委任為本公司聯席公司秘書及董事會秘書，其主要負責執行良好的企業管治工作、本集團合規事務、投資者關係及公共關係管理。蘇女士於金融服務及投資行業擁有超過七年的經驗。

加入本公司之前，彼於2016年11月至2018年8月在濤石股權投資管理(上海)股份有限公司投資部擔任投資經理；於2014年2月至2016年11月，擔任渣打銀行(中國)有限公司北京分行財務主管；於2011年1月起至2014年1月，擔任德勤·華永會計師事務所北京分所全球金融服務業審計組的高級審計師。

蘇女士於2010年取得英國伯明翰大學國際會計與金融理學碩士學位，於2017年6月獲得中國證券投資基金業協會頒發的基金業從業證書，彼為英國特許公認會計師公會會員。

Report of the Directors

董事會報告

The Board is pleased to present its report and the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES AND SUBSIDIARIES

The Company is a leading independent CBM producer in China. It focuses on developing and optimizing value of unconventional gas resources to supply clean energy to the Chinese economy. Details of the principal activities of the principal subsidiaries of the Group are set out in note 1 and note 29 to the section headed “Notes to the Consolidated Financial Statements” of this annual report. There were no significant changes in the nature of the Group’s principal activities during the year ended 31 December 2019.

BUSINESS REVIEW

A review of the business of the Group during the year ended 31 December 2019 and a discussion on the Group’s future business development are provided in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report. Description of possible risks and uncertainties that the Group may be facing can be found in the section headed “Management Discussion and Analysis” of this annual report. In addition, the financial risk management objectives and policies of the Group can be found in note 3 to the section headed “Notes to the Consolidated Financial Statements” of this annual report. An analysis of the Group’s performance during the year ended 31 December 2019 using financial key performance indicators is provided in the section headed “Management Discussion and Analysis” of this annual report. Further, discussions on the Group’s environmental policies, relationships with its key stakeholders and compliance with relevant laws and regulations which have a significant impact on the Group are contained in the sections headed “Chairman’s Statement”, “Report of the Directors”, and “Corporate Governance Report” of this annual report, respectively. Discussions and information therein form part of this Report of the Directors.

RESULTS

The results of the Group for the year ended 31 December 2019 are set out in the section headed “Consolidated Financial Statements” of this annual report.

董事會欣然提呈本報告以及本集團截至2019年12月31日止本年度經審核合併財務報表。

主要業務及附屬公司

本公司是中國領先的獨立煤層氣生產商，專注於非常規天然氣資源的開發及價值優化，為中國經濟供應清潔能源。本集團主要附屬公司的主要業務詳情載於本年報「合併財務報表附註」一節附註1和附註29。截至2019年12月31日止年度，本集團主要業務性質並無重大變化。

業務回顧

本集團截至2019年12月31日止年度的業務回顧及有關本集團未來業務發展的探討，載於本年報「主席報告」及「管理層討論及分析」各節。本集團可能面臨的風險和不確定因素詳述於本年報「管理層討論及分析」一節。此外，本集團財務風險管理目標及政策載於本年報「合併財務報表附註」一節附註3。本集團截至2019年12月31日運用關鍵財務業績指標的業績分析，載於本年報「管理層討論及分析」一節。此外，有關本集團環境政策、與主要權益持有人之關係以及對本集團有重大影響的相關法律及法規合規情況探討，請分別參見本年報「主席報告」、「董事會報告」及「企業管治報告」各節。該類章節的討論和資料屬於董事會報告一部分。

業績

本集團截至2019年12月31日止年度的業績載於本年報「合併財務報表」一節。

Report of the Directors

董事會報告

DIVIDEND

The Board has recommended the payment of a dividend of RMB0.1061 per share (equivalent to approximately HK\$0.1163 per share) for the year ended 31 December 2019, subject to the approval of the shareholders of the Company at the AGM to be held on 13 May 2020. The proposed dividends are expected to be paid on 1 June 2020 to the Shareholders whose names appear on the register of members on 21 May 2020.

The dividends payable to the Shareholders will be distributed in HK Dollar at an average exchange rate of the central parity of RMB against HK Dollar as announced by The People's Bank of China for the five business days prior to the dividend declaration date.

USE OF PROCEEDS FROM THE LISTING OF THE COMPANY

The total net proceeds from the Listing which involved the issue of 761,400,000 shares of the Company (the "Shares") amounted to approximately RMB1,506.9 million received by the Company after deduction of the underwriting commissions and other estimated expenses. As of 31 December 2019, RMB1,150 million of the proceeds had been utilized. The net proceeds were and will continue to be used in accordance with the proposed application set out in the section headed "Future Plans and Use of Proceeds — Use of Proceeds" in the prospectus of the Company dated 11 June 2015 (the "Prospectus") which includes the funding of capital expenditure set out in the section headed "Management Discussion and Analysis — Outlook and Guidance for 2020" of this annual report.

PROPERTY, PLANT AND EQUIPMENT AND REVENUE GENERATING ASSETS

Details of movements in the property, plant and equipment, and revenue generating assets of the Group during the year ended 31 December 2019 are set out in note 6 to the section headed "Notes to the Consolidated Financial Statements" of this annual report, respectively.

BANK LOANS AND OTHER BORROWINGS

The Group had no bank loans and other borrowings during the year ended 31 December 2019.

股息

董事會已建議派付截至2019年12月31日止年度之股息每股人民幣0.1061元，相當於每股約港幣0.1163元，惟須待本公司股東於2020年5月13日股東周年大會上批准。建議股息預計將於2020年6月1日向截至於2020年5月21日股東名冊所列股東派付。

應付予股東的股息將以港元派發。本公司派息所採用的匯率為宣布派息日前五個營業日中國人民銀行公告的人民幣兌換港元匯率之中間價的平均值。

本公司上市所得款項用途

經扣除承銷佣金及其他估計開支後，本公司獲得涉及發行761,400,000股本公司股份（「股份」）之上市所得款項淨額合共約為人民幣15.069億元。於2019年12月31日，人民幣11.50億元的上市所得款項已被使用。所得款項淨額已用作及將繼續用作本公司於2015年6月11日發佈的招股章程（「招股章程」）「未來計劃及所得款項用途 — 所得款項用途」一節所載的相同用途，包括撥付本年報「管理層討論及分析 — 2020年展望及指引」一節所述資本開支。

物業、廠房及設備與創收資產

本集團截至2019年12月31日止年度物業、廠房及設備與創收資產的變動詳情分別載於本年報「合併財務報表附註」一節附註6。

銀行貸款及其他借款

本集團截至2019年12月31日止年度無銀行貸款及其他借款。

Report of the Directors

董事會報告

SHARE CAPITAL AND SHARE INCENTIVE SCHEMES

Details of movements in the Company's share capital and share incentive schemes are set out in note 12 to the section headed "Notes to the Consolidated Financial Statements" of this annual report and the paragraph headed "Share Incentive Schemes" below, respectively.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association (the "Articles") or the laws of the Cayman Islands which would oblige the Company to offer new Shares on a pro rata basis to its existing Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

CLOSURE OF REGISTER OF MEMBERS

The annual general meeting of the Company (the "AGM") is scheduled to be held on Wednesday, 13 May 2020. The notice of the AGM will be published and issued to the shareholders in due course. For the purposes of determining the Shareholders' eligibility to attend and vote at the AGM, the register of members of the Company (the "Register of Members") will be closed from 8 May 2020 to 13 May 2020, both days inclusive, during which period no transfers of shares of the Company will be registered. To be eligible to attend and vote at the AGM, all properly completed transfer forms, accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on 7 May 2020 (being the business day prior to the first day of closure of the register of members).

The record date for determining the entitlements to the proposed final dividend is 21 May 2020. In order to determine the Shareholders' right to receive the proposed final dividend, which is subject to the approval by the Shareholders at the AGM to be convened, the Register of Members of the Company will be closed from 19 May 2020 to 21 May 2020, both days inclusive, during which period the registration of transfer of shares will be suspended for registration. All properly completed transfer documents accompanied by the relevant share certificates, must be lodged for registration with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on 18 May 2020.

股本及股權激勵計劃

本公司股本及股權激勵計劃的變動詳情分別載於本年報「合併財務報表附註」一節附註12，以及下文「股權激勵計劃」一段。

優先購買權

本公司組織章程細則(「細則」)或開曼群島法例並無優先購買權的相關條款規定本公司須向現有股東按比例發售新股。

購買、出售或贖回上市證券

截至2019年12月31日止年度，本公司或其附屬公司概無購買、出售或贖回本公司任何上市證券。

暫停辦理股東登記

本公司股東週年大會(「股東週年大會」)計劃於2020年5月13日星期三召開。股東週年大會通知函將適時刊載並寄發予股東。為決定出席股東週年大會並在會上投票的權利，本公司將於2020年5月8日至2020年5月13日(包括首尾兩日)暫停辦理股東登記(「股東登記」)手續，在此期間，本公司將不會受理任何股份過戶登記。為符合資格參加股東週年大會並在會上投票，股東須不晚於2020年5月7日(即暫停辦理股東登記首日前的營業日)下午四時三十分，將本公司所有股份過戶表格連同有關股票送達本公司香港股份過戶登記處香港中央證券登記有限公司(地址：香港灣仔皇后大道東183號合和中心17樓1712-1716室)，以辦理登記。

釐定是否符合資格獲派擬派發的末期股息之登記日為2020年5月21日。為決定股東獲取建議股息的權利，本公司之股東名冊將於2020年5月19日至2020年5月21日期間(包含首尾兩日)暫停辦理股份過戶登記手續，該等末期股息派發建議需經即將召開的股東週年大會審批。所有股份過戶表格連同相關股票須不遲於2020年5月18日下午四時三十分前送交本公司之香港股份過戶登記處香港中央證券登記有限公司(地址：香港灣仔皇后大道東183號合和中心17樓1712-1716室)，辦理股份過戶登記手續。

Report of the Directors

董事會報告

RESERVES

Details of reserve movement of the Company during the year ended 31 December 2019 are set out in note 28 to the section headed “Notes to the Consolidated Financial Statements” of this annual report.

DISTRIBUTABLE RESERVES

As of 31 December 2019, the distributable reserves of the Company was approximately RMB3,751 million.

CHARITABLE CONTRIBUTIONS

During the year ended 31 December 2019, the Group did not make any charitable contributions.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2019, the sales to the Group’s five largest customers accounted for 62.37% of the total sales for the year, in which the sales to the largest customer represented 15.74%.

For the year ended 31 December 2019, the purchases from the Group’s five largest suppliers accounted for 28.54% of the total purchases for the year in which the purchases from the largest supplier represented 9.60%.

None of the directors of the Company or any of their close associates or any substantial shareholders (which, to the best knowledge of the directors, own more than 5% of the Company’s share capital) had any beneficial interest in the Group’s five largest customers and suppliers.

For the year ended 31 December 2019, there was no material and significant dispute between the Group and its suppliers and/or customers.

儲備

有關本公司截至2019年12月31日止年度儲備的變動詳情載於本年報「合併財務報表附註」一節附註28。

可分派儲備

截至2019年12月31日，本公司可分配儲備約為人民幣37.51億元。

慈善捐款

截至2019年12月31日止年度，本集團沒有慈善捐款發生。

主要客戶及供應商

本年度截至2019年12月31日，面向本集團五大客戶的銷售額佔該年度銷售總額的62.37%，其中對最大客戶銷售額佔15.74%。

截至2019年12月31日止年度，來自本集團五大供應商的採購額佔該年度採購總額的28.54%，其中來自最大供應商的採購額佔9.60%。

本公司董事或其他任何緊密連繫人或任何主要股東（含其他根據董事所知範圍持有本公司股本5%以上股東）均未在本集團五大客戶及供應商處擁有任何實益權益。

截至2019年12月31日止年度，本集團與供應商和／或客戶之間均無嚴重或重大糾紛。

Report of the Directors

董事會報告

DIRECTORS

The Directors of the Company during the year ended 31 December 2019 and up to the date of this annual report were:

Executive Directors

Mr. Ming Zaiyuan (*Chairman*)

Mr. Yan Danhua (*President*)

Mr. Zhang Jianbing (*Vice President*)

Non-executive Directors

Dr. Cui Guiyong

Ms. Gu Ren (appointed on 21 March 2019)

Mr. Huang Min (appointed on 27 March 2020)

Mr. Jin Lei (resigned on 21 March 2019)

Mr. Saurabh Narayan Agarwal (resigned on 21 March 2019)

Independent non-executive Directors

Mr. Tai Kwok Leung Alexander

Dr. Liu Xiaofeng

Dr. Yang Ruizhao

Mr. Saurabh Narayan Agarwal resigned as a non-executive Director and a member of the Remuneration Committee of the Company with effect on 21 March 2019 due to his other personal and work commitments. Mr. Jin Lei resigned as a non-executive Director and a member of the Audit Committee of the Company with effect on 21 March 2019 due to his other work commitments.

Ms. Gu Ren was appointed as a non-executive Director and a member of the Audit Committee of the Company with effect on 21 March 2019. Mr. Zhang Jianbing was appointed as a member of the Remuneration Committee of the Company with effect on 21 March 2019. Mr. Huang Min was appointed as a non-executive Director with effect on 27 March 2020.

董事

截至2019年12月31日止年度及至本年報日期，本公司董事名單如下：

執行董事

明再遠先生

(主席)

嚴丹華先生

(總裁)

張艦兵先生

(副總裁)

非執行董事

崔桂勇博士

顧韜女士 (於2019年3月21日獲委任)

黃敏先生 (於2020年3月27日獲委任)

金磊先生 (於2019年3月21日辭任)

Saurabh Narayan (於2019年3月21日辭任)

Agarwal 先生

獨立非執行董事

戴國良先生

劉曉峰博士

楊瑞召博士

Saurabh Narayan Agarwal 先生因其他個人及工作承擔辭任本公司非執行董事及薪酬委員會成員，於2019年3月21日生效。金磊先生因其他工作承擔辭任本公司非執行董事及審核委員會成員，於2019年3月21日生效。

顧韜女士於2019年3月21日獲委任為本公司非執行董事及審核委員會成員，於2019年3月21日生效。張艦兵先生於2019年3月21日獲委任為本公司薪酬委員會成員，於2019年3月21日生效。黃敏先生獲委任為本公司非執行董事於2020年3月27日生效。

Report of the Directors

董事會報告

DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES

Biographical details of the current Directors and the senior management of the Group are set out in the section headed "Directors and Senior Management" of this annual report. Save as disclosed therein, there was no other matter with respect to the appointment of the Directors that needs to be brought to the attention of the Shareholders and there was no information relating to the Directors that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules as of the date of this annual report.

DIRECTORS' SERVICE CONTRACTS

Each executive Director has entered into a service agreement with the Company for a term of three years commencing from the date of appointment subject to the relevant provisions of retirement by rotation and re-election at the AGMs of the Company in accordance with the Articles. Each of the non-executive Directors, Dr. Cui Guiyong, Ms. Gu Ren, Mr. Huang Min, Mr. Tai Kwok Leung Alexander, Dr. Liu Xiaofeng and Dr. Yang Ruizhao, have signed a letter of appointment with the Company for a term of three years commencing from the date of appointment subject to the relevant provisions of retirement by rotation and re-election at the AGMs of the Company in accordance with the Articles.

In accordance with the Articles, Mr. Zhang Jianbing, Mr. Tai Kwok Leung Alexander, Dr. Yang Ruizhao and Mr. Huang Min will retire and being eligible, offer themselves for re-election at the forthcoming AGM.

None of the Directors has a service contract which is not determinable by the Group within one year without payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS, TRANSACTIONS AND ARRANGEMENTS OF SIGNIFICANCE

Save as disclosed in note 30(f) to the section headed "Notes to the Consolidated Financial Statements" of this annual report, no contracts, transactions and arrangements of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which a Director had a material interest, whether directly or indirectly, subsisted during the year ended 31 December 2019 or at any time of this period.

董事及高級管理層履歷

本集團現有董事及高級管理層履歷詳情載於本年報「董事及高級管理層」一節。截至本年報日期，除本年報所披露者外，均無涉及委任董事之其他事項須提請股東注意，也無涉及董事的任何資料須根據上市規則第13.51(2)(h)至(v)條進行披露。

董事服務合約

每位執行董事已與本公司訂立服務協定，自獲委任日期起為期三年，須遵守根據細則於本公司股東週年大會輪值退任及膺選連任的相關條款。各非執行董事已與本公司簽署委任函件，崔桂勇博士、顧韜女士、黃敏先生、戴國良先生及劉曉峰博士、楊瑞召博士自獲委任日期起為期三年，須遵守根據細則於本公司股東週年大會輪值退任及膺選連任的相關條款。

根據細則，在即將到來的股東週年大會上，張艦兵先生、戴國良先生、楊瑞召博士及黃敏先生將退任並符合資格申請膺選連任。

概無董事訂立於一年內不可由本集團終止而毋須支付賠償(法定賠償除外)的服務合同。

董事在重大合約、交易及安排方面的權益

除本年報「合併財務報表附註」一節附註30(f)所披露內容外，董事均未在本公司或其任何附屬公司訂立與本集團業務有重大關係、並且在本年度截至2019年12月31日或在此期間任何時間仍然有效的合約、交易及安排中，直接或間接擁有重大權益。

Report of the Directors

董事會報告

DIRECTORS' EMOLUMENTS

Details of the remuneration of the Directors and those of the five highest paid individuals are set out in note 30 and note 19 to the section headed "Notes to the Consolidated Financial Statements" of this annual report. The remunerations of the Directors are determined based on the market price and contribution made by such Directors to the Company. There has been no arrangement under which any Director has waived or agreed to waive any emoluments.

CONFIRMATION OF INDEPENDENCE OF INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received annual confirmations of independence from each of the independent non-executive Directors and considered them to be independent as of the date of this annual report.

MANAGEMENT CONTRACTS

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

PERMITTED INDEMNITY

The Articles provides that each Director or other officer of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he or she may sustain or incur in or about the execution of the duties of his or her officer or otherwise in relation thereto. Provided that this indemnity shall not extend to any matter in respect of any fraud or dishonesty which may attach to any of such directors or officers. In addition, the Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

董事酬金

董事及五位享受最高薪酬人士的酬金詳情載於本年報「合併財務報表附註」一節附註30和附註19。董事薪酬根據市價及相關董事對本公司的貢獻而決定。無任何董事放棄或同意放棄任何酬金的安排。

確認獨立非執行董事的獨立性

本公司已收到各獨立非執行董事就獨立性發出的年度確認函，截至本年報日期，本公司認為他們均為獨立人士。

管理合約

截至2019年12月31日止年度均未訂立或存在任何有關本集團全部或任何重大部分業務的管理和行政合約。

准許補償

細則規定，本公司各董事或其他高級職員可從本公司的資產中獲取補償，以補償他們履行職責時或就此在其他方面蒙受或產生的所有損失或責任。惟此項補償保證並不包括與該董事或高級職員欺詐或不誠實有關的任何事宜。此外，本公司就董事可能面對的法律訴訟適當購買董事及高級職員責任險。

Report of the Directors

董事會報告

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2019, the interests and short positions of the Directors and the chief executives of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)) which (a) 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 they have taken, or are deemed to have taken, under such provisions of the SFO); or (b) were required, pursuant to section 352 of the SFO, to be recorded in the register required to be kept by the Company; or (c) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules (the “Model Code”), to be notified to the Company and the Stock Exchange were as follows:

董事及主要行政人員在本公司股份、相關股份及債券中擁有的權益和淡倉

於2019年12月31日，本公司董事及主要行政人員在本公司或其關聯公司(定義見證券及期貨條例(「證券及期貨條例」)第XV部)的股份、相關股份及債券中擁有(a)根據證券及期貨條例第XV部第7及8部分，須知會本公司及聯交所的權益和淡倉(包括根據證券及期貨條例有關條款被當作或視作擁有的權益和淡倉)；或(b)根據證券及期貨條例第352條須記錄於本公司備置登記冊內的權益和淡倉；或(c)根據上市規則附錄10所載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和淡倉如下：

Name	Position	Capacity	Number of shares held (Note1)	Approximate percentage of shareholding (Note2)
姓名	職位	身份	所持股份數目 (附註1)	持股概約百分比 (附註2)
Ming Zaiyuan (Note3) 明再遠(附註3)	Chairman and Executive Director 主席兼執行董事	Interest in a controlled corporation 受控法團權益	1,692,871,886 (L)	49.88% (L)
		Interest in spouse 配偶權益	2,024,000 (L)	0.060% (L)
Cui Guiyong 崔桂勇	Non-executive Director 非執行董事	Beneficial owner 實益擁有人	106,360 (L)	0.003% (L)

Notes:

- The letter “L” denotes long position in such shares.
- Approximate percentage of shareholding as at the date of 31 December 2019.
- Liming Holding Limited beneficially owned interests in 1,692,871,886 Shares of the Company. Liming Holding Limited was entirely controlled by Sichuan Liming Energy Development Co., Ltd., which in turn was entirely controlled by Xinjiang Xintai Natural Gas Co., Ltd. (a company listed on the Main Board of the Shanghai Stock Exchange, Stock Code: 603393). Mr. Ming beneficially owned interests in 1,692,871,886 Shares of the Company through his holding of 80,149,374 shares in Xinjiang Xintai Natural Gas Co., Ltd, representing 35.78% of the total issued share capital of Xinjiang Xintai Natural Gas Co., Ltd. In addition, Mr. Ming is deemed to be interested in 2,024,000 shares held by his spouse for the purposes of the SFO.

附註：

- 字母「L」指該人士在這些股份中的好倉。
- 截至2019年12月31日止的持股百分比。
- 香港利明控股有限公司實益擁有本公司1,692,871,886股股份。香港利明控股有限公司由四川利明能源開發有限責任公司全權控制；四川利明能源開發有限責任公司由新疆鑫泰天然氣股份有限公司(一間於上海證券交易所主板上市的公司，股份代號：603393)全權控制。明先生通過其持有的新疆鑫泰天然氣股份有限公司80,149,374股股份，佔新疆鑫泰天然氣股份有限公司總發行股本的35.78%，實益擁有本公司1,692,871,886股股份。此外，就證券及期貨條例而言，明先生視為於2,024,000股股份中擁有權益，該等權益由明先生的配偶實際擁有。

Report of the Directors

董事會報告

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 31 December 2019, the following persons (other than the Directors or the chief executives of the Company) have interests or short positions in the Shares or underlying shares or debentures as recorded in the register required to be kept by the Company under section 336 of the SFO:

主要股東在本公司股份、相關股份及債券中擁有的權益和淡倉

於2019年12月31日，下列人士（本公司董事或主要行政人員除外）在本公司根據證券及期貨條例第336條存置登記冊所載的股份，相關股份及債券中擁有權益或淡倉如下：

Name of shareholder 股東名稱	Capacity 身份	Number of shares held (Note 1) 所持股份數目 (附註1)	Approximate percentage of shareholding (Note 2) 持股概約百分比 (附註2)
Liming Holding Ltd. (Note 3) 香港利明控股有限公司(附註3)	Beneficial owner 實益擁有人	1,692,871,886 (L)	49.88% (L)
Sichuan Liming Energy Development Co.,Ltd. (Note 3) 四川利明能源開發有限責任公司(附註3)	Interest in a controlled corporation 受控法團權益	1,692,871,886 (L)	49.88% (L)
Xinjiang Xintai Natural Gas Co.,Ltd (Note 3) 新疆鑫泰天然氣股份有限公司(附註3)	Interest in a controlled corporation 受控法團權益	1,692,871,886 (L)	49.88% (L)
Warburg Pincus & Co. (Note 4)(附註4)	Interest in a controlled corporation 受控法團權益	326,318,660 (L)	9.62% (L)
Warburg Pincus Partner GP LLC (Note 4)(附註4)	Interest in a controlled corporation 受控法團權益	326,318,660 (L)	9.62% (L)
Warburg Pincus Partners, L.P. (Note 4)(附註4)	Interest in a controlled corporation 受控法團權益	326,318,660 (L)	9.62% (L)
WPP GP LLC (Note 4)(附註4)	Interest in a controlled corporation 受控法團權益	326,318,660 (L)	9.62% (L)
Warburg Pincus X GP L.P. (Note 4)(附註4)	Interest in a controlled corporation 受控法團權益	326,318,660 (L)	9.62% (L)
Warburg Pincus X, L.P. (Note 4)(附註4)	Interest in a controlled corporation 受控法團權益	326,318,660 (L)	9.62% (L)
Warburg Pincus Private Equity X, L.P. (Note 4) (附註4)	Interest in a controlled corporation 受控法團權益	326,318,660 (L)	9.62% (L)
Asia X Investment I LLC (Note 4)(附註4)	Interest in a controlled corporation 受控法團權益	326,318,660 (L)	9.62% (L)
WP China CBM Investment Holdings Limited (Note 4)(附註4)	Beneficial owner 實益擁有人	326,318,660 (L)	9.62% (L)

Report of the Directors

董事會報告

Name of shareholder 股東名稱	Capacity 身份	Number of shares held (Note 1) 所持股份數目 (附註1)	Approximate percentage of shareholding (Note 2) 持股概約百分比 (附註2)
Salata Jean Eric (Note 5) (附註5)	Interest in a controlled corporation 受控法團權益	266,139,719 (L)	7.84% (L)
Barings Private Equity Asia GP IV Limited (Note 5) (附註5)	Interest in a controlled corporation 受控法團權益	266,139,719 (L)	7.84% (L)
Barings Private Equity Asia GP IV L.P. (Note 5) (附註5)	Interest in a controlled corporation 受控法團權益	266,139,719 (L)	7.84% (L)
The Baring Asia Private Equity Fund IV L.P. (Note 5) (附註5)	Interest in a controlled corporation 受控法團權益	266,139,719 (L)	7.84% (L)
Baring Private Equity Asia IV Holding (4) Limited (Note 5) (附註5)	Beneficial owner 實益擁有人	266,139,719 (L)	7.84% (L)
Chongqing Three Gorges Gas (Group) Company Limited (Note 6) 重慶三峽燃氣(集團)有限公司(附註6)	Interest in a controlled corporation 受控法團權益	180,833,000 (L)	5.33% (L)
Chongqing Three Gorges Energy Co.,Ltd (Note 6) 重慶三峽能源有限公司(附註6)	Interest in a controlled corporation 受控法團權益	180,833,000 (L)	5.33% (L)
Shenzhen Tong Yu Energy Investment Co.,Ltd. (Note 6) 深圳通豫能源投資有限公司(附註6)	Beneficial owner 實益擁有人	180,833,000 (L)	5.33% (L)

Report of the Directors

董事會報告

Notes:

1. The letter "L" denotes long position in such shares.
2. Approximate percentage of shareholding as at the date of 31 December 2019.
3. Liming Holding Limited beneficially owned interests in 1,692,871,886 Shares (long position) of the Company. Liming Holding Limited was entirely controlled by Sichuan Liming Energy Development Co., Ltd., which in turn was entirely controlled by Xinjiang Xintai Natural Gas Co., Ltd.
4. WP China CBM Investment Holdings Limited beneficially owned 326,318,660 Shares (long position). Asia X Investment I LLC held 100% equity interest in WP China CBM Investment Holdings Limited. Warburg Pincus Private Equity X, L.P. controlled 96.90% equity interest in Asia X Investment I LLC. Warburg Pincus Private Equity X, L.P. was 100% controlled by Warburg Pincus X, L.P., which in turn was 100% controlled by Warburg Pincus X GP L.P., which in turn was 100% controlled by WPP GP LLC, which in turn was 100% controlled by Warburg Pincus Partners, L.P., which in turn was 100% controlled by Warburg Pincus Partners GP LLC, which in turn was 100% controlled by Warburg Pincus & Co.
5. Baring Private Equity Asia IV Holding (4) Limited beneficially owned 266,139,719 Shares (long position). The Baring Asia Private Equity Fund IV L.P. held 99.26% equity interest in Baring Private Equity Asia IV Holding (4) Limited. The Baring Asia Private Equity Fund IV L.P. was 100% controlled by Baring Private Equity Asia GP IV L.P., which in turn was 100% controlled by Baring Private Equity Asia GP IV Limited, which in turn was wholly-owned by Jean Eric Salata.
6. Shenzhen Tong Yu Energy Investment Co., Ltd. beneficially owned 180,833,000 Shares (long position) and was 100% controlled by Chongqing Three Gorges Energy Co., Ltd., which in turn was 37.68% controlled by Chongqing Three Gorges Gas (Group) Company Limited.

Save as disclosed above, as at 31 December 2019, none of the Directors and chief executives of the Company are aware of any other person (other than the Directors or chief executives of the Company) who had an interest or short position in the shares or underlying shares as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.

附註：

1. 字母「L」指在這些證券中的好倉。
2. 截至2019年12月31日止的持股百分比。
3. 香港利明控股有限公司實益擁有1,692,871,886股股份(好倉)。香港利明控股有限公司由四川利明能源開發有限責任公司全權控制；四川利明能源開發有限責任公司由新疆鑫泰天然氣股份有限公司全權控制。
4. WP China CBM Investment Holdings Limited實益擁有326,318,660股股份(好倉)。Asia X Investment I LLC持有WP China CBM Investment Holdings Limited全部股權。Warburg Pincus Private Equity X, L.P.控制Asia X Investment I LLC。96.90%股權。Warburg Pincus Private Equity X, L.P.由Warburg Pincus X, L.P.全權控制；Warburg Pincus X, L.P.由Warburg Pincus X GP L.P.全權控制；Warburg Pincus X GP L.P.由WPP GP LLC全權控制；WPP GP LLC由Warburg Pincus Partners, L.P.全權控制；Warburg Pincus Partners, L.P.由Warburg Pincus Partners GP LLC全權控制；Warburg Pincus Partners GP LLC由Warburg Pincus & Co.全權控制。
5. Baring Private Equity Asia IV Holding (4) Limited實益擁有266,139,719股股份(好倉)。Baring Asia Private Equity Fund IV, L.P.持有Baring Private Equity Asia IV Holding (4) Limited 99.26%的股權。Baring Asia Private Equity Fund IV, L.P.由Baring Private Equity Asia GP IV L.P.全權控制；Baring Private Equity Asia GP IV L.P.由Baring Private Equity Asia GP IV Limited全權控制；Baring Private Equity Asia GP IV Limited由Jean Eric Salata全資擁有。
6. 深圳通豫能源投資有限公司實益擁有180,833,000股股份(好倉)，並由重慶三峽能源有限公司全資擁有，而重慶三峽能源有限公司由重慶三峽燃氣(集團)有限公司擁有37.68%權益。

除上文所披露者外，於2019年12月31日，本公司董事及主要行政人員均不知悉任何其他人士(本公司董事及主要行政人員除外)在根據證券及期貨條例第336條本公司備存登記冊所載的股份或相關股份中擁有權益或淡倉。

Report of the Directors

董事會報告

SHARE INCENTIVE SCHEMES

In order to incentivize the Directors, senior management and other employees of the Group for their contribution to the Group and to attract and retain suitable personnel of our Group, the Company adopted the Pre-IPO Share Option Scheme and the Post-IPO RSU Scheme (as defined below).

PRE-IPO SHARE OPTION SCHEME

The Company adopted a pre-IPO share option scheme (the “**Pre-IPO Share Option Scheme**”) on 31 March 2015, the principal terms (such as the purpose, participants and consideration for accepting any options) of which are set out in the section headed “Statutory and General Information — Pre-IPO Share Option Scheme” in Appendix V to the prospectus of the Company dated 11 June 2015 (the “**Prospectus**”).

The maximum number of Shares issued and to be issued upon exercise of the options granted under the Pre-IPO Share Option Scheme to any person (including exercised and outstanding options) pursuant to the Pre-IPO Share Option Scheme and any other share compensation arrangements adopted by the Company shall not exceed 3.0% of the Shares in issue from time to time.

Outstanding Options

For the year ended 31 December 2019, no option was cancelled, 310,073 options were lapsed and 3,024,231 options were exercised. No movements in any share options of the Directors, chief executives of the Company or substantial shareholders or their respective associates during the year. As at 31 December 2019, there were 1,734,440 options outstanding. None of the Directors, chief executives of the Company or substantial shareholders or their respective associates held outstanding options.

As at the day of disclosure of this annual report, total outstanding options under the Pre-IPO Share Option Scheme were 1,734,440, represented approximately 0.051% of the issued shares of the Company.

Save as disclosed above, no further options have been or would be granted by the Company after the date of Listing pursuant to the Pre-IPO Share Option Scheme.

股權激勵計劃

本公司採納首次公開發售前購股權計劃和首次公開發售後受限制股份單位計劃(定義見下文)，旨在鼓勵本集團董事、高級管理人員及其他僱員對本集團作出貢獻，並吸引和挽留本集團的適用人才。

首次公開發售前購股權計劃

本公司於2015年3月31日採用首次公開發售前購股權計劃(「**首次公開發售前購股權計劃**」)，其主要條款(包括目的、參與者、接受任何購股權的代價)載於本公司於2015年6月11日發佈的招股章程(「**招股章程**」)附錄五「法定及一般資訊 — 首次公開發售前購股權計劃」一節。

根據首次公開發售前購股權計劃及本公司採納的任何其他股份薪酬安排授予任何一名人士的首次公開發售前購股權計劃的購股權(包括已行使及未行使購股權)行使時已發行或將發行的最高股份數目不得超逾不時的已發行股份的3.0%。

未行使購股權

截至2019年12月31日止年度，並無購股權註銷，有310,073份購股權失效，有3,024,231份購股權獲行使，其中本公司董事、最高行政管理人員或主要股東又或其各自聯絡人年度期間無任何購股權變動。於2019年12月31日，共有1,734,440份購股權尚未行使，其中本公司董事、最高行政管理人員或主要股東又或其各自聯絡人未持有尚未行使之購股權。

截止本年報披露日，根據公開發售前購股權計劃尚未行使之購股權總數為1,734,440份，佔本公司已發行股份約為0.051%。

除上文披露者外，本公司於上市日期後並無根據首次公開發售前購股權計劃授出或將授出其他購股權。

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For the year ended 31 December 2019, movements of the share options under the Pre-IPO Share Option Scheme are as follows:

截至2019年12月31日止年度，首次公開發售前購股權計劃項下的購股權變動載列如下：

Name of Share Option Grantees ⁽¹⁾	Date of Grant	Exercise price (US\$)	Number of Shares represented by options as at 1 January 2019 購股權於2019年1月1日所代表的股份數目	Exercised during the period ⁽⁵⁾	Lapsed during the period	Cancelled during the period ⁽⁵⁾	Total number of Shares represented by options as at 31 December 2019 購股權於2019年12月31日所代表的股份數目	Approximate percentage of issued shares of the Company ⁽⁴⁾	Vesting Period ⁽²⁾	Exercise period ⁽³⁾
購股權承授人名稱 ⁽¹⁾	授出日期	行使價(美元)	期內已行使 ⁽⁵⁾	期內已失效	期內已註銷 ⁽⁵⁾	期內已註銷 ⁽⁵⁾	估本公司已發行股份的概約百分比 ⁽⁴⁾	歸屬期 ⁽²⁾	行使期 ⁽³⁾	
Other employees of the Company 本公司其他僱員	31 March 2015 and 5 June 2015 2015年3月31日及2015年6月5日	US\$0.151 0.151美元	5,068,744	3,024,231	310,073	-	1,734,440	0.051%	Please see note 2 below 請參閱下文附註2	Please see note 3 below 請參閱下文附註3
Total			5,068,744	3,024,231	310,073	-	1,734,440	0.051%		

Notes:

附註：

- Prior to the Listing, certain of the grantees have transferred their options to companies wholly-owned by them, in accordance with the Pre-IPO Share Option Scheme.
- Unvested options granted to the grantees pursuant to the Pre-IPO Share Option Scheme vested as follows:
 - 50% of the Share Options shall be time-based and shall vest at the rate of (i) one half (1/2) for each 12-month period commencing from 1 January 2015 if the relevant date on which the employment relationship between the Company (the "Employment Date") is on or prior to 1 January 2014; or (ii) one third (1/3) for each 12-month period commencing from the relevant Employment Date if such date is after 1 January 2014; and

- 於上市前，一些購股權承授人已根據首次公開發售前購股權計劃向他們全資擁有的公司轉讓其購股權。
- 根據首次公開發售前購股權計劃，授予購股權承授人的未歸屬購股權按以下方式歸屬：
 - 50%的購股權(i)自2015年1月1日(如果與本公司確定僱傭關係的相關日期(「僱傭日期」)為2014年1月1日或之前)起計每12個月期間根據時間按二分之一(1/2)的比例歸屬；或(ii)自相關僱傭日期(如果該日期在2014年1月1日之後)起計每12個月期間根據時間按三分之一(1/3)的比例歸屬；以及

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(b) 50% of the Share Options shall be KPI-linked (the “KPI-linked Options”) and shall be divided into three equal instalments, with each instalment being linked with one of the three KPIs (as defined below) and vested at the rate of one (i) half (1/2) for each 12-month period commencing from 1 January 2015 if the relevant Employment Date is on or prior to 1 January 2014; or (ii) one third (1/3) for each 12-month period commencing from the relevant Employment Date if such date is after 1 January 2014 pursuant to the following payout schedule:

- (1) 100% of the KPI-linked Options shall vest if 100% of the relevant KPI Target is met; or
- (2) if the relevant KPI Target is not met at 100%, 50% of the KPI-linked Options shall vest if 80% of the Relevant KPI Target is met and an additional 2.5% of the KPI-linked Options shall vest for each 1% further improvement in such KPI Target; provided that if the performance rate of any KPI Target exceeds 100%, then up to 10% of the improvement of that KPI Target can be added to the performance rate of other KPI Target(s) that is not 100% accomplished.

For the purposes of above, “KPIs” refer to (i) EBITDA; (ii) Reserves; and (iii) All-in Unit Cost. “KPI Target” shall mean 95% (in the case of EBITDA and Reserves) or 105% (in the case of All-in-Unit Cost) of the estimated number of that relevant KPI presented in (i) the annual work plan and budget of the relevant year approved by the Board; or (ii) the revised annual work plan and budget for the relevant year, which is subsequently presented to and approved by the Board. The treatment for any unvested KPI-linked Options shall be determined by the Board or the Committee as delegated by the Board.

3. Subject to any accelerated termination as set forth in the Pre-IPO Share Option Scheme, each option shall expire on the date specified under the Pre-IPO Share Option, provided that in no event, shall the Exercise Period of an Option exceed five years from the date upon which the relevant option has vested.
4. Approximate percentage of issued Shares of the Company is calculated by dividing the options held by the relevant grantees by the issued and outstanding Shares of the Company as at 31 December 2019.

Further details of the Pre-IPO Share Option Scheme are set out in note 19 to the section headed “Notes to the Consolidated Financial Statements” of this annual report and the Prospectus.

(b) 50%的購股權須與關鍵業績指標掛鈎(「關鍵業績指標掛鈎購股權」)並且須分為三等份，每份與三個關鍵業績指標(定義見下文)之一掛鈎，並根據以下支付進度自(i)2015年1月1日(如相關僱傭日期在2014年1月1日或之前)起每12個月期間按二分之一(1/2)的比例歸屬；或(ii)相關僱傭日期(如相關僱傭日期在2014年1月1日之後)起計每12個月期間按三分之一(1/3)比例歸屬：

- (1) 如完全達成相關關鍵業績指標目標，則關鍵業績指標掛鈎購股權全部獲歸屬；或者
- (2) 如未完全達成相關關鍵業績指標目標但達成80%，則關鍵業績指標掛鈎購股權的一半獲歸屬，而該關鍵業績指標目標每改善1%，則每次增加歸屬2.5%的關鍵業績指標掛鈎購股權；但如果任何關鍵業績指標目標的任何表現速度超過100%，則最多有10%的該項關鍵業績指標目標改善可計入未完全達成的其他關鍵業績指標目標的表現速度。

就上文而言，關鍵業績指標指(i)EBITDA；(ii)儲量；以及(iii)整個單位成本。「關鍵業績指標目標」指(i)董事會批准相關年度的年度工作計劃及預算；或(ii)相關年度經修訂年度工作計劃及預算中所示相關關鍵業績指標估計數目的95%(如為EBITDA及儲量)或105%(如為整個單位成本)，並隨後呈遞董事會批准。任何未獲歸屬關鍵業績指標掛鈎購股權的處理，須由董事會或董事會指定的委員會決定。

3. 根據首次公開發售前購股權計劃所述的任何提前終止，各份購股權將於首次公開發售前購股權計劃項下指定的日期屆滿，但無論如何購股權的行使期均不得超過相關購股權歸屬當日起五年以內。
4. 佔本公司已發行股份的大約百分比，按相關購股權承授人持有的購股權除以2019年12月31日已發行和未發行的股份計算。

首次公開發售前購股權計劃的其他詳情載於本年報及招股章程「合併財務報表附註」一節附註19及招股章程。

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POST-IPO RSU SCHEME

The Company adopted a post-IPO restricted share unit scheme (the “**Post-IPO RSU Scheme**”) on 5 June 2015, which took effect on 23 June 2015, a summary of the principal terms (such as the purpose, participants) of which is set out in the section headed “Statutory and General Information — Post-IPO RSU Scheme” in Appendix V to the Prospectus.

The Post-IPO RSU Scheme is valid and effective for a term of 10 years from 5 June 2015 (the “**Scheme Period**”), after which period no further RSUs shall be granted or accepted, but the provisions of such scheme shall remain in full force and effect in order to give effect to the vesting of RSUs granted and accepted prior to the expiration of the Scheme Period.

The Post-IPO RSU Scheme Limit may be refreshed from time to time subject to prior Shareholders’ approval, but in any event, the total number of Shares that may underlie the RSUs granted following the date of approval of the refreshed limit (the “**New Approval Date**”) under the limit as refreshed from time to time must not exceed 2% of the number of Shares in issue as at the New Approval Date.

On 18 December 2015, the Company granted an aggregate of 41,234,696 restricted share units (“**RSUs**”) to certain connected grantees and non-connected grantees of the Group pursuant to the Post-IPO RSU Scheme. Subsequently the grant of RSUs to three connected grantees was approved by the independent shareholders at the extraordinary general meeting held on 22 January 2016. On 31 January 2016, an aggregate of 19,865,199 RSUs were accepted by the connected grantees and an aggregate of 21,199,297 RSUs were accepted by the non-connected grantees, respectively.

On 24 March 2017, the Board granted an aggregate of 26,333,182 RSUs to certain connected grantees and non-connected grantees of the Group pursuant to the Post-IPO RSU Scheme. Subsequently the grant of RSUs to six connected grantees was approved by the independent shareholders at the extraordinary general meeting held on 9 May 2017. On 31 May 2017, an aggregate of 26,333,182 RSUs were accepted by the relevant grantees.

首次公開發售後受限制股份單位計劃

本公司於2015年6月5日採納首次公開發售後受限制股份單位計劃(「**首次公開發售後受限制股份單位計劃**」)，已於2015年6月23日生效，其主要條款(其中包括目的、參與人)概要載於招股章程附錄五「法定及一般資料 — 首次公開發售後受限制股份單位計劃」一節。

首次公開發售後受限制股份單位計劃自2015年6月5日起計十年內(「**計劃期間**」)有效及具效力，此後不再授出或接受任何受限制股份單位，惟該等計劃條款應具十足效力以使於計劃期間屆滿前授出及接受的受限制股份單位歸屬生效。

首次公開發售後受限制股份單位計劃限額於取得股東事先批准後可予不時更新，惟根據經不時更新的限額於經更新限額批准日期(「**新批准日期**」)後授出的受限制股份單位涉及的股份總數，無論如何不得超過新批准日期已發行股份的2%。

於2015年12月18日，本公司根據首次公開發售後受限制股份單位計劃授予本集團部份關連承授人及非關連承授人合共41,234,696份受限制股份單位。獨立股東其後於2016年1月22日召開的股東特別大會上批准授予三位關連承授人受限制股份單位。於2016年1月31日，共計19,865,199份受限制股份單位由關連承授人接納，共計21,199,297份受限制股份單位由非關連承授人接納。

於2017年3月24日，董事會根據首次公開發售後受限制股份單位計劃向本集團若干關連承授人及非關連承授人授出合共26,333,182份受限制股份單位。獨立股東其後於2017年5月9日召開的股東特別大會上批准授予六位關連承授人受限制股份單位。於2017年5月31日，相關承授人接納合共26,333,182份受限制股份單位。

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At the 2018 AGM, a specific mandate was granted to the Directors to exercise all the powers of the Company to grant RSUs pursuant to the Post-IPO RSU Scheme in respect of the underlying Shares not exceeding 2% (i.e. the Directors were authorized to exercise the powers of the Company to grant the RSUs involving a maximum number of 67,830,467 underlying Shares) of the Shares in issue as at the date of the 2018 AGM during the period from the date of approving the Mandate at the AGM up to the conclusion of the next AGM.

OUTSTANDING RSUs

For the year ended 31 December 2019, no RSUs have been granted, vested, lapsed or cancelled. As at 31 December 2019, there were no outstanding RSUs.

As at the date of disclosure of this annual report, pursuant to the specific mandate obtained by the Board, the total number of securities available for issue under the Scheme were 67,830,467, representing approximately 2.0% of the issued shares. However, this specific mandate will be expired until the conclusion of the 2019 AGM.

EQUITY-LINKED AGREEMENTS

Other than the Pre-IPO Share Option Scheme and the Post-IPO RSU Scheme disclosed above, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreement that will or may result in the Company issuing shares were entered into by the Company during the year or subsisted at the end of the year.

DIRECTORS' RIGHT TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed above under the paragraph "Share Incentive Schemes", no rights to acquire benefits by means of the acquisition of Shares in or debentures of the Company were granted to any of the Directors or their respective associates (as defined in the Listing Rules), or were any such rights exercised by them; or was the Company and any of its subsidiaries a party to any arrangement to enable the Directors, or their respective associates (as defined in the Listing Rules), to acquire such rights in acquisition of any other body corporate for the year ended 31 December 2019.

CONNECTED TRANSACTIONS

The Group had not entered into any connected transactions or continuing connected transactions which are required to be disclosed in this annual report in compliance with the requirements of Chapter 14A of the Listing Rules during the year ended 31 December 2019. The Directors confirm that they have complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

於2018年度股東週年大會，董事獲授特別授權，以於此股東週年大會批准授權當日至下屆股東週年大會結束止期間，行使本公司一切權力根據首次公開發售後受限制股份單位計劃授出受限制股份單位，所涉及相關股份不得超過2018年度股東週年大會日期已發行股份2%即董事獲授權行使本公司權力授出涉及最多67,830,467股相關股份之受限制股份單位。

未行使受限制股份單位

截至2019年12月31日止年度，並未涉及任何受限制股份單位的授出、歸屬、失效以及註銷等。於2019年12月31日，尚無未行使之受限制股份單位。

截至年報披露日，根據董事會獲得的特別授權，計劃中可予發行的證券總數為67,830,467份，佔已發行股份約為2.0%，唯此特別授權至2019年度股東週年大會結束。

與股權掛鈎的協議

除上文披露的首次公開發售前購股權計劃和首次公開發售後受限制股份單位計劃外，本公司在年內並未訂立且截至年底也不存在與股權掛鈎的協議將會或可能導致本公司發行股份，或規定本公司須訂立任何協議以導致本公司將會或可能發行股份。

董事收購股份或債券的權利

除上文「股權激勵計劃」一段所披露者外，截至2019年12月31日止年度，任何董事及其各自連繫人（定義見上市規則）均未被授予任何權利從認購本公司股份、債券或行使任何有關權利中獲取利益；本公司或其任何附屬公司均未作為訂約方訂立任何安排，從而使得董事及其各自連繫人（定義見上市規則）從收購任何其他公司的有關權利中獲取利益。

關連交易

截至2019年12月31日止年度，本集團並未訂立任何根據上市規則第14A章規定須予以披露的關連交易或持續關連交易。董事確認已遵守上市規則第14A章中的披露要求。

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RELATED PARTY TRANSACTIONS

Details of related party transactions during the year ended 31 December 2019 are set out in note 26 to the section headed "Notes to the Consolidated Financial Statements" of this annual report.

The related party transactions as set out in note 26 to the section head "Notes to the Consolidated Financial Statements" of this annual report do not fall under the definition of "connected transactions" or "continuing connected transactions" under Chapter 14A of the Listing Rules during the year ended 31 December 2019.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of its Directors, the Board confirms that the Company has maintained the sufficiency of public float as required under the Listing Rules at all times for the year ended 31 December 2019 and as of the date of this annual report.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the year ended 31 December 2019, none of the Directors or their respective associates had engaged in or had any interest in any business which competes or likely to compete with the business of the Group.

SIGNIFICANT LEGAL PROCEEDINGS AND COMPLIANCE MATTERS

For the year ended 31 December 2019, the Company was not engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against the Company.

For the year ended 31 December 2019, the Company obtained all the material licenses, permits and approvals necessary for the development stage of Panzhuang concession; and for Mabi concession, the approval for the ODP in respect of Foreign Cooperation CBM Project in southern area of Mabi concession was officially issued by NDRC in September 2018. Application for the mining license of Mabi concession was commenced in 2019 and it is still under process.

For the year ended 31 December 2019 and up to the date of this report, to the best knowledge of the Directors, the Group complied with applicable laws and regulations in all material respects.

關連方交易

截至2019年12月31日止年度的關連方交易詳情載於本年報「合併財務報表附註」一節附註26。

截至2019年12月31日止年度，本年報「合併財務報表附註」一節附註26所載關連方交易並非上市規則第14A章中所指的「關連交易」或「持續性關連交易」。

充足的公眾持股量

基於本公司公開可獲取資料以及根據董事所知，董事會確認，截至2019年12月31日止年度，以及截至本年報日期，本公司的公眾持股量一直維持在上市規則規定的水平。

董事對於競爭業務的權益

截至2019年12月31日，董事及其各自連絡人沒有從事與本集團業務競爭或可能競爭的任何業務或在當中擁有權益。

重大法律訴訟及合規事宜

截至2019年12月31日止年度，本公司並未涉及任何重大重要性訴訟或仲裁，且根據董事所知，本公司也無任何尚未了結或面臨的重大重要性訴訟或索賠。

截至2019年12月31日止年度，本公司獲得了潘莊區塊發展階段所需的主要牌照、許可證和批文；馬必區塊在2018年9月獲得國家發改委關於馬必區塊南區煤層氣對外合作項目ODP的批復後，於2019年開始馬必區塊採礦證申請，目前尚在手續辦理中。

截至2019年12月31日止年度，以及截至本報告日期，根據董事所知，本集團在所有重大方面均遵守相關法律法規。

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HUMAN RESOURCES MANAGEMENT

The management believes that talent is the basis for long-term development and growth of enterprises. Through regular cultural trainings and education, the Group provides its staff with potentials for personal growth and increase our employees' sense of belonging to the Group. In addition, the Group provides its employees with competitive remuneration packages and various benefits in line with industry practice. At the same time, the Group creates a good working environment, and establishes teamwork spirit among employees. The Group regularly reviews human resources policies to ensure that the policies align with market practice and comply with regulatory requirements. As at 31 December 2019, the Group employed 479 employees (including 6 disabled persons), with 1 of them based in Hong Kong. In 2019, the total employee benefit expenses (excluding termination compensation) for 2019 was approximately RMB87 million. Details are set out in note 19 to the section headed "Notes to the Consolidated Financial Statements" of this annual report.

EVENTS AFTER THE YEAR ENDED 31 DECEMBER 2019

Following the outbreak of the COVID-19 in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country, including extension of the Chinese New Year holiday nationwide, postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, etc. These measures delayed the production activities across China, which affected the demand and hence the production of gas by the Group in early 2020 to certain extent.

The majority of the Group's production and operations has been restored to normal level as of March 2020. As at the date on which the publication of this annual report is approved, the impact of the COVID-19 outbreak on the macroeconomic conditions as a whole are still uncertain, the Group is unable to quantify the related financial effects. The Group will pay close attention to the development of the COVID-19 outbreak, thereby making further judgement and performing further estimation of its impact and taking relevant measures.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company is set out in the section headed "Corporate Governance Report" of this annual report.

人力資源管理

管理層相信人才是長期發展及企業增長的基礎。通過有關文化的常規訓練及教育，本集團開發其員工個人增長潛力及提升僱員對本集團的歸屬感。此外，本集團向其僱員提供具有競爭力的薪酬組合及符合行業慣例的各種福利。同時，本集團創造良好的工作環境及建立僱員間的團隊精神。本集團定期檢討人力資源政策以確保政策與市場慣例一致及符合監管規定。於2019年12月31日，本集團聘用479名僱員(包含6名殘疾人)，其中1名位於香港。2019年的僱員福利開支總額(不包括離職補償)約人民幣0.87億元。有關詳情載於本年報「合併財務報表附註」一節附註19。

截至2019年12月31日後之事項

新冠肺炎疫情於2020年年初在全國爆發，疫情的防控工作在全國範圍內持續進行，包括延長春節假期、部分地區春節後延遲復工、對人員流動和交通進行一定程度的控制等。這些措施推遲了中國各地的生產活動，對本集團2020年初的天然氣需求及相應生產產生了一定程度的影響。

截至2020年3月，本集團主要生產和運營已逐步恢復至正常水準。於批准發佈本年報之日，新冠肺炎疫情對整體宏觀經濟的影響仍然不確定，本集團無法量化其相關財務影響。本集團將持續密切關注此次新冠肺炎疫情發展情況，據此進行進一步判斷和估計，並採取相關應對措施。

企業管治

有關本公司採用企業管治常規的資料載於本年報「企業管治報告」一節。

Report of the Directors

董事會報告

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

Information on the environmental, social and governance (“ESG”) aspects of the Company will be prepared based on the Environmental, Social, and Governance Reporting Guide contained in Appendix 27 to the Listing Rules. The environmental, social and governance report of the Group will be published no later than 3 months after the publication of this annual report. The Group has established an ESG working group under the Board. The working group consists of five members, of which the leader (or person in charge) is served by an independent non-executive director. The working group reports to the Board and is accountable to the Board, it is mainly responsible for formulating ESG strategies for the Company and monitoring the enforcement; reviewing the progress of ESG objectives; implementing quarterly examinations; supervising the operating system to ensure its continued effectiveness; and reviewing and auditing the ESG report, etc.

REVIEW BY THE AUDIT COMMITTEE

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and discussed the Group’s risk management, internal controls and financial reporting matters with the management. The Audit Committee has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2019.

PROFESSIONAL TAX ADVICE RECOMMENDED

If the Shareholders are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights in relation to the Shares, they are advised to consult an expert.

DIVIDEND POLICY

The dividend policy of the Company (the “Policy”) aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company.

環境、社會及管治

本公司有關環境、社會及管治方面(「ESG」)的資料將根據上市規則附錄27所載的《環境、社會及管治報告指引》編製。本集團的環境、社會及管治報告將於本年報刊發後三個月內刊發。本集團已專門成立隸屬於董事會的ESG工作組，工作組由五名成員組成，其中組長或稱負責人由一名獨立非執行董事擔任。工作組履行向董事會彙報並對董事會負責，主要負責制定公司ESG戰略及監察其執行情況，檢討ESG目標進度，實施季度考核；監察運行體系以確保其持續有效；審閱及核定ESG報告等。

審核委員會的審閱

審核委員會已審閱本集團所採用的會計原則及政策，並與管理層討論了本集團的風險管理、內部監控及財務報告事宜。審核委員會也已審閱本集團截至2019年12月31日止年度的經審核合併財務報表。

專業稅務意見建議

如果股東對購買、持有、處置及買賣股份或行使其任何有關權利的稅務影響有任何疑問，建議諮詢專家。

股息政策

本公司之股息政策(「政策」)旨在載列本公司擬向本公司股東宣派、派付或分派純利作為股息時所應用的原則及指引。

Report of the Directors

董事會報告

Principles and Guidelines

The Board adopts the policy that, in recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and future growth as well as its shareholder value.

The Company intends to distribute no less than 25% of its annual net profits as dividends to its shareholders, subject to the conditions and factors as set out below.

The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the articles of association of the Company and all applicable laws and regulations and the factors set out below.

The Board shall also take into account the following factors of the Group when considering the declaration and payment of dividends:

- financial results;
- cash flow situation;
- business conditions and strategies;
- future operations and earnings;
- capital requirements and expenditure plans;
- interests of Shareholders;
- any restrictions on payment of dividends; and
- any other factors that the Board may consider relevant.

Depending on the financial conditions of the Group and the conditions and factors as set out above, dividends may be proposed and/or declared by the Board for a financial year or period:

- interim dividend;
- final dividend;
- special dividend; and
- any distribution of net profits that the Board may deem appropriate.

原則及指引

在建議或宣派股息時，董事會採納之政策為本公司應維持充裕現金儲備以符合其營運資金要求及未來增長和其股東價值。

本公司擬分派不少於其年度淨利潤的25%作為派發予股東的股息，惟須視乎下文所載的條件及因素。

董事會可根據本公司之組織章程細則及所有適用法律及法規以及下列因素酌情向本公司股東宣派及分派股息。

在考慮宣派及派發股息時，董事會亦須考慮下列有關本集團的因素：

- 財務業績；
- 現金流量情況；
- 業務狀況及策略；
- 日後營運及盈利；
- 資本規定及開支計劃；
- 股東權益；
- 支付股息的任何限制；及
- 董事會可能認為相關的任何其他因素。

因應本集團的財務狀況及上文所載條件及因素，董事會可就一個財政年度或期間建議及／或宣派股息：

- 中期股息；
- 末期股息；
- 特別股息；及
- 董事會可能視作合適的任何純利分派。

Report of the Directors

董事會報告

Any final dividend for a financial year will be subject to Shareholders' approval.

The Company may declare and pay dividends by way of cash or scrip or by other means that the Board considers appropriate.

Any dividend unclaimed shall be forfeited and shall revert to the Company in accordance with the Articles.

Review of the Policy

The Board will review the Policy as appropriate from time to time.

AUDITORS

There have been no changes of auditors in the past three years.

APPRECIATION

The Group would like to express its appreciation to all the staff for their outstanding contribution towards the Group's development. The Board wishes to sincerely thank the management for their dedication and diligence, and they are the key factors for the Group to continue its success in future. Also, the Group wishes to extend its gratitude for the continued support from its Shareholders, customers, and business partners. The Group will continue to deliver sustainable business development, so as to meet its business objectives for 2020 and realize higher values for its Shareholders and other stakeholders.

ON BEHALF OF THE BOARD

Ming Zaiyuan

Chairman and Executive Director

Hong Kong
27 March 2020

就任何財政年度派付的末期股息將須待股東批准。

本公司可以董事會認為合適的方式宣派及派付股息，如現金或以股代息或其他方式。

任何未領取的股息應被沒收及應根據本公司細則復歸本公司。

檢討政策

董事會將在適當情況下不時檢討股息政策。

核數師

在過去三年中，核數師無變動。

致謝

本集團衷心感謝所有員工對本集團發展所作出的傑出貢獻。董事會對管理層的盡職勤勉表示誠摯的謝意，管理層是本集團日後繼續走向成功的關鍵因素。本集團也非常感謝股東、客戶及業務夥伴一如既往的支持。本集團將繼續進行可持續業務發展，旨在實現2020年的業務目標，為股東及其他權益持有人創造更高價值。

代表董事會

主席及執行董事

明再遠

香港
2020年3月27日

Corporate Governance Report

企業管治報告

The Board is pleased to present this corporate governance report for the year ended 31 December 2019 (the “Review Period”).

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance to safeguard the interests of the Shareholders and to enhance our corporate value and accountability. The Company has adopted the Corporate Governance Code (the “CG Code”) contained in Appendix 14 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) as its own code of corporate governance. The Company has complied with all applicable provisions under the CG Code during the year ended 31 December 2019. The Company will continue to review and monitor its corporate governance practices to ensure compliance with the CG Code.

THE BOARD

Responsibilities of the Board

The Board is responsible for the overall leadership of the Group, oversees the Group’s strategic decisions and monitors business and performance. The Board has delegated the authority and responsibility for day-to-day management and operation of the Group to the senior management of the Group. To oversee particular aspects of the Company’s affairs, the Board has established four Board committees including the Audit Committee (the “Audit Committee”), the Remuneration Committee (the “Remuneration Committee”), the Nomination Committee (the “Nomination Committee”) and the strategic development committee (the “Strategic Development Committee”) (together, the “Board Committees”). The Board has delegated to the Board Committees responsibilities as set out in their respective terms of reference.

All Directors shall ensure that they carry out duties in good faith, in compliance with applicable laws and regulations, and in the interests of the Company and its shareholders at all times.

董事會欣然提呈截至2019年12月31日止年度(「回顧期」)的企業管治報告。

企業管治

本集團致力於維持高標準的企業管治以保障股東利益並提升企業價值及問責文化。本公司已採納香港聯合交易所有限公司(「聯交所」)證券上市規則(「上市規則」)附錄十四載有的企業管治守則(「企業管治守則」)作為其自身的企業管治守則。本公司截至2019年12月31日止年度已遵守企業管治守則的所有適用條文。本公司將繼續檢討並監察企業管治常規以確保遵守企業管治守則。

董事會

董事會職責

董事會負責本集團的整體領導工作，監督本集團的策略決定、業務與表現。董事會授權本集團高級管理層負責本集團日常管理及營運。為監督本公司特定範疇的情況，董事會成立了四個董事委員會，包括審核委員會(「審核委員會」)、薪酬委員會(「薪酬委員會」)、提名委員會(「提名委員會」)和戰略發展委員會(「戰略發展委員會」)(合稱「董事委員會」)。董事會已向董事委員會授予了各自職權範圍內所列的職責。

所有董事須確保其在任何時候均真誠履行職責，遵守相關法律及法規，並符合本公司及股東的利益。

Corporate Governance Report

企業管治報告

Board Composition

As at the date of this report, the Board comprised nine Directors, including one executive director and chairman of the Board, two executive Directors, three non-executive Directors and three independent non-executive Directors as follows:

Executive Director and Chairman of the Board

Mr. Ming Zaiyuan

Executive Directors

Mr. Yan Danhua (*President*)

Mr. Zhang Jianbing (*Vice President*)

Non-executive Directors

Dr. Cui Guiyong

Ms. Gu Ren (appointed on 21 March 2019)

Mr. Huang Min (appointed on 27 March 2020)

Mr. Jin Lei (resigned on 21 March 2019)

Mr. Saurabh Narayan Agarwal

(resigned on 21 March 2019)

Independent Non-executive Directors

Mr. Tai Kwok Leung Alexander

Dr. Liu Xiaofeng

Dr. Yang Ruizhao

The biographies of the current Directors are set out under the section headed "Directors and Senior Management" of this annual report. Saved as disclosed in this annual report (if any), to the knowledge of the Directors, the Board members have no financial, business, family or other material relationship with each other.

董事會組成

於本報告日期，董事會由九名董事組成，包括一名執行董事兼董事會主席、兩名執行董事、三名非執行董事和三名獨立非執行董事，具體如下：

執行董事及董事會主席

明再遠先生

執行董事

嚴丹華先生 (*總裁*)

張艦兵先生 (*副總裁*)

非執行董事

崔桂勇博士

顧韜女士 (於2019年3月21日獲委任)

黃敏先生 (於2020年3月27日獲委任)

金磊先生 (於2019年3月21日辭任)

Saurabh Narayan Agarwal 先生

(於2019年3月21日辭任)

獨立非執行董事

戴國良先生

劉曉峰博士

楊瑞召博士

本公司現有董事的履歷簡介載於本年報「董事及高級管理層」一節。除本年報所披露的情形(如有)外，根據董事所知，董事會成員相互之間無任何財務、業務、家屬或其他重大關係。

Corporate Governance Report

企業管治報告

Each of the independent non-executive Directors has confirmed his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers each of them to be independent.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning. Independent non-executive Directors are invited to serve on the Audit Committee, the Remuneration Committee, the Nomination Committee and the Strategic Development Committee.

As regards the CG Code provision requiring directors to disclose the number and nature of offices held in public companies or organizations and other significant commitments as well as their identity and the time involved to the issuer, Directors have agreed to disclose their commitments to the Company in a timely manner.

Induction and Continuous Professional Development for Directors

Each newly appointed Director is provided with necessary induction and information to ensure that he has a proper understanding of the Company's operations and businesses as well as his responsibilities under relevant status, laws, rules and regulations. The Company also provides Directors with regular updates on latest development and changes in the Listing Rules and other relevant legal and regulatory requirements from time to time. The Directors are also provided with regular updates on the Company's performance, position and prospects to enable the Board as a whole and each Director to perform their duties.

Directors are encouraged to participate in continuous professional development to develop and refresh their knowledge and skills. The company secretary of the Company and the lawyers engaged by the Company have from time to time updated and provided written training materials relating to the roles, functions and duties of a Director.

各獨立非執行董事已根據上市規則第3.13條確認其獨立性，而本公司認為他們均為獨立人士。

所有董事(包括獨立非執行董事)為董事會帶來了寶貴而廣泛的商業經驗、知識及專業技能，協助董事會有效地運作。獨立非執行董事更獲邀加入審核委員會、薪酬委員會、提名委員會及戰略發展委員會。

對於企業管治守則規定董事須向發行人披露自身在上市公司或組織中擔任的職務數量與性質、其他重大承擔、自身身份以及投入時間，董事同意及時向本公司披露各自的承擔情況。

董事的就職和持續專業發展

每名新委任的董事均會被提供相關就職講解及資訊，以確保其充分瞭解本公司的運作及業務，以及自身在相關法律地位、法律法規下的責任。本公司也會不時向董事提供關於上市規則及其他相關法律法規規定最新發展及變更的定期更新資料。董事還會被提供關於本公司營運表現、狀況及前景的定期更新資料，以便董事會全體及每名董事履行職責。

本公司鼓勵董事繼續致力於發展自身專業以拓展並鞏固知識及技能。本公司的公司秘書及公司聘用律師會不時更新並提供有關董事職務、職能及職責的書面培訓資料。

Corporate Governance Report

企業管治報告

During the Review Period, all Directors have participated in continuous professional development by attending training courses and/or referring materials on the topics related to the Group's business, corporate governance and regulations on the roles, functions and duties of a Director of a listed company:

在回顧期內，全體董事均通過參加和／或學習有關本集團業務、上市公司董事角色、功能及職責相關的企業管治和監管的培訓課程和／或材料，以參與持續專業發展：

Name of Director		Reading regulatory update	Attending expert briefings/seminars/conferences/on-line courses relevant to the business of the Group or directors' duties
董事姓名		閱讀最新監管資料	線上課程
Executive Directors			
執行董事			
Mr. Ming Zaiyuan (Chairman)	明再遠先生(主席)	✓	✓
Mr. Yan Danhua	嚴丹華先生	✓	✓
Mr. Zhang Jianbing	張艦兵先生	✓	✓
Non-executive Directors			
非執行董事			
Dr. Cui Guiyong	崔桂勇博士	✓	✓
Ms. Gu Ren (appointed on 21 March 2019)	顧韜女士 (於2019年3月21日獲委任)	✓	✓
Mr. Huang Min (appointed on 27 March 2020)	黃敏先生 (於2020年3月27日獲委任)	-	-
Mr. Jin Lei (resigned on 21 March 2019)	金磊先生 (於2019年3月21日辭任)	-	-
Mr. Saurabh Narayan Agarwal (resigned on 21 March 2019)	Saurabh Narayan Agarwal 先生 (於2019年3月21日辭任)	-	-
Independent non-executive Directors			
獨立非執行董事			
Mr. Tai Kwok Leung Alexander	戴國良先生	✓	✓
Dr. Liu Xiaofeng	劉曉峰博士	✓	✓
Dr. Yang Ruizhao	楊瑞召博士	✓	✓

Corporate Governance Report

企業管治報告

Appointment, Re-election and Removal of Directors

The procedures and process of appointment, re-election and removal of directors are set out in the Articles. The Nomination Committee is responsible for reviewing the Board composition, monitoring the appointment, re-election and succession planning of Directors.

Each of the executive Directors, non-executive Directors and independent non-executive Directors has entered into a service agreement or a letter of appointment with the Company. There are currently nine members in the Board, the term of service for each of them is three years from the date of appointment or re-appointment. Such term is subject to his re-election by the Company at an AGM upon retirement. The Articles provide that any Director appointed by the Board to fill a casual vacancy in the Board shall hold office until the first general meeting of the Company after his appointment and shall then be eligible for re-election at such meeting. Besides, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election. In accordance with the Articles, at every AGM of the Company, one third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years and being eligible offer themselves for re-election.

In accordance with the Articles, Mr. Zhang Jianbing, Mr. Huang Min, Mr. Tai Kwok Leung Alexander and Dr. Yang Ruizhao shall retire by rotation and being eligible, have offered themselves for re-election at the forthcoming AGM.

委任、重選及罷免董事

關於委任、重選及罷免董事的程式及過程載於細則。提名委員會負責審核董事會的組成，並監察董事的委任、重選及更替計劃。

執行董事、非執行董事及獨立非執行董事各自與本公司訂立服務協定或委任書，年限自聘任或續聘日期起計算，目前董事會共有九名成員，為期均為三年但該年限可在其任滿退任時由本公司在股東周年大會重選而延長。細則規定，董事會為填補董事會臨時空缺而委任的董事，其任期須在其獲委任後的本公司首屆股東大會屆滿，屆時將符合資格並在該屆大會上應選連任。此外，董事會為增加現有董事會人數而委任的董事，其任期須在本公司下一屆股東周年大會屆滿，屆時將符合資格並在該大會上應選連任。根據細則，在本公司每屆股東周年大會上，當時三分之一的董事（若其人數並非三的倍數，則最接近但不少於三分之一的人數）將輪值退任，但每位董事（包括獲指定特定任期的董事）應至少每三年在股東周年大會上退任一次並應選連任。

根據細則，在即將到來的股東周年大會上，張艦兵先生、黃敏先生、戴國良先生及楊瑞召博士將輪值退任並符合資格申請應選連任。

Corporate Governance Report

企業管治報告

General Meetings

During the Review Period, a general meeting, being the 2018 AGM, was held and the attendance of the individual Directors at the meeting is set out in the table below:

股東大會會議

在回顧期內，舉行了一次股東大會會議即2018年度股東周年大會，各董事出席此次會議的情況見下表：

Name of Director 董事姓名		Attended/ Eligible to attend 實際出席／可出席次數
Executive Directors		
執行董事		
Mr. Ming Zaiyuan (Chairman)	明再遠先生(主席)	1/1
Mr. Yan Danhua	嚴丹華先生	1/1
Mr. Zhang Jianbing	張艦兵先生	1/1
Non-executive Directors		
非執行董事		
Dr. Cui Guiyong	崔桂勇先生	1/1
Ms. Gu Ren (appointed on 21 March 2019)	顧韜女士(於2019年3月21日獲委任)	1/1
Mr. Huang Min (appointed on 27 March 2020)	黃敏先生(於2020年3月27日獲委任)	0/0
Mr. Jin Lei (resigned on 21 March 2019)	金磊先生(於2019年3月21日辭任)	0/0
Mr. Saurabh Narayan Agarwal (resigned on 21 March 2019)	Saurabh Narayan Agarwal 先生 (於2019年3月21日辭任)	0/0
Independent non-executive Directors		
獨立非執行董事		
Mr. Tai Kwok Leung Alexander	戴國良先生	1/1
Dr. Liu Xiaofeng	劉曉峰博士	1/1
Dr. Yang Ruizhao	楊瑞召博士	1/1

Corporate Governance Report

企業管治報告

Board Meetings

The Company adopts the practice of holding board meetings regularly, at least four times a year, and at approximately quarterly intervals. Notices of not less than 14 days will be given for all regular board meetings to provide all Directors with an opportunity to attend and include matters in the agenda for a regular meeting.

For other Board and committee meetings, reasonable notice will generally be given. The agenda and accompanying board papers are dispatched to the Directors or committee members at least three days before the meetings to ensure that they have sufficient time to review the papers and be adequately prepared for the meetings. When directors or committee members are unable to attend a meeting, they will be advised of the matters to be discussed and given an opportunity to make their views known to the chairman of the Board prior to the meeting.

Minutes of the Board meetings and Board Committee meetings will be recorded in sufficient detail the matters considered by the Board and the Board Committees and the decisions reached, including any concerns raised by the Directors. Draft minutes of each Board meeting and Board Committee meeting are/will be sent to the Directors for comments within a reasonable time after the date on which the meeting is held.

董事會會議

本公司採取定期舉行董事會會議(每年最少四次,約每季度舉行一次)的規定。所有定期董事會會議須至少提前14日發出通知,以便所有董事均可參與並在議程中提出討論事項。

其他董事會及委員會會議一般也會提供合理的通知期。議程及相關董事會文件會在會議舉行至少前三天派發董事或委員會成員,以確保他們有足夠時間審閱有關文件並為會議做出妥善準備。如果董事或委員會成員未能出席會議,則會在會議前獲得事先通知討論事項並可就這些事項向董事會主席發表意見。

董事會會議及董事委員會會議的會議記錄將詳細記載董事會及董事委員會審議的事項及決定,包括所有董事關注事項。各董事會會議及董事委員會會議的會議記錄草案將在會議日期後的合理時間內發送給各位董事以供發表意見。

Corporate Governance Report

企業管治報告

During the Review Period, five board meetings were held and the attendance of the individual Directors at these meetings is set out in the table below:

在回顧期內，董事會舉行了五次會議，各董事出席這些會議的情況見下表：

Name of Director 董事姓名		Attended/ Eligible to attend 實際出席／可出席次數
Executive Directors		
Mr. Ming Zaiyuan (<i>Chairman</i>)	執行董事 明再遠先生(主席)	5/5
Mr. Yan Danhua	嚴丹華先生	5/5
Mr. Zhang Jianbing	張艦兵先生	5/5
Non-executive Directors		
Dr. Cui Guiyong	非執行董事 崔桂勇先生	5/5
Ms. Gu Ren (appointed on 21 March 2019)	顧韜女士(於2019年3月21日獲委任)	5/5
Mr. Huang Min (appointed on 27 March 2020)	黃敏先生(於2020年3月27日獲委任)	0/0
Mr. Jin Lei (resigned on 21 March 2019)	金磊先生(於2019年3月21日辭任)	1/1
Mr. Saurabh Narayan Agarwal (resigned on 21 March 2019)	Saurabh Narayan Agarwal 先生 (於2019年3月21日辭任)	0/1
Independent non-executive Directors		
Mr. Tai Kwok Leung Alexander	獨立非執行董事 戴國良先生	5/5
Dr. Liu Xiaofeng	劉曉峰博士	5/5
Dr. Yang Ruizhao	楊瑞召博士	5/5

Our Company held a meeting attended by the chairman of the Board and independent non-executive Directors during the Review Period in compliance with requirements under Rule A.2.7 of Appendix 14 of the Listing Rules to discuss and consider duties and roles of the Board and its relevant members as well as their performance during the Review Period.

本公司已遵守香港上市規則附錄十四第A.2.7條之規定，回顧期內召開了董事會主席與獨立非執行董事會議，以探討及評議在回顧期內董事會及相關成員職責角色及履行情況。

Corporate Governance Report

企業管治報告

Chairman and Chief Executive

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and performed by different individuals.

The chairman of the Board and the president of the Company are currently two separate positions held by Mr. Ming Zaiyuan as the chairman of the Board and Mr. Yan Danhua as the president, with clear distinction in responsibilities. The chairman of the Board is responsible for providing strategic advice and guidance on the business development of the Group, while the president is responsible for the day-to-day operations of the Group.

Model Code for Securities Transactions

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

The Company also established written guidelines on terms no less exacting than the Model Code (the “**Employees Written Guidelines**”) for securities transactions by relevant employees who are likely to possess inside information of the Company in respect of their dealings in the Company’s securities. No incident of non-compliance of the Employees Written Guidelines by the relevant employees was noted by the Company during the Review Period.

Delegation by the Board

The Board reserves for its decision-making authorities on all major matters of the Company, including: approval and monitoring of all policy matters, overall strategies and budgets, internal control and risk management systems, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant financial and operational matters. Directors could have recourse to seek independent professional advice in performing their duties at the Company’s expense and are encouraged to access and to consult with the Company’s senior management independently.

主席及行政總裁

根據企業管治守則條款第A.2.1條規定，主席與行政總裁的職務必須分開，並由不同人士擔任。

本公司董事會主席及公司總裁現為兩個獨立職位，分別由明再遠先生擔任董事會主席，由嚴丹華先生擔任公司總裁，分工清晰明確。董事會主席負責就本集團業務發展提供策略意見和指導，而公司總裁則負責集團日常運營。

證券交易的標準守則

本公司已採取了上市規則附錄十所載之上市發行人董事進行證券交易標準守則（「**標準守則**」）作為其董事進行證券交易操守守則。經向全體董事做出特定查詢後，所有董事確認彼等於截至2019年12月31日止年度已遵守標準守則所載的規定標準。

本公司還就買賣本公司證券且可能持有本公司內幕消息的相關員工進行的證券交易，制定了一套不低於標準守則的書面指引（「**員工書面指引**」）。在回顧期內本公司未發現相關僱員違反員工書面指引的事件發生。

董事會授權

董事會保留對本公司所有重要事項的決定權，包括批准和監督所有政策事宜、整體策略及預算、內部監控及風險管理系統、重大交易（尤其是涉及利益衝突）、財務資料、委任董事及其他重大財務和運營事宜。董事可在履行職責時徵求獨立專業意見，相關費用由本公司承擔。本公司也鼓勵董事單獨約見本公司高級管理人員並向其進行徵詢。

Corporate Governance Report

企業管治報告

The daily management, administration and operation of the Group are delegated to the senior management. The delegated functions and responsibilities are periodically reviewed by the Board. Approval has to be obtained from the Board prior to any significant transactions entered into by the management.

Corporate Governance Function

The Board recognizes that corporate governance should be the collective responsibility of Directors and the corporate governance duties include:

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

高級管理人員獲授權處理本集團的日常管理、行政及營運而所獲職能及職責均由董事會定期審核。管理層的任何重大交易必須事先獲得董事會批准。

企業管治功能

董事會認同企業管治為董事共同承擔的責任，而企業管治職責包括：

- (a) 制定並審核本公司的企業管治政策及常規情況；
- (b) 審核並監察本公司董事和高級管理人員的培訓及持續專業發展；
- (c) 審核並監察本公司遵守法律法規規定的政策及常規情況；
- (d) 制定、審核並監察適用於本公司僱員及董事的操守守則及合規手冊(如有)；以及
- (e) 審核本公司遵守企業管治守則及企業管治報告披露事宜的情況。

Corporate Governance Report

企業管治報告

Remuneration of Directors and Senior Management

The Company has established a formal and transparent procedure for formulating policies on remuneration of Directors and senior management of the Group. Details of the remuneration of each of the Directors for the year ended 31 December 2019 are set out in note 30 to the section headed "Notes to the Consolidated Financial Statements" of this annual report.

The remuneration of the senior management who were senior management of the Group as at 31 December 2019 is within the following bands:

董事及高級管理人員薪酬

本公司為制定本集團董事及高級管理人員薪酬的政策建立了一套正規而具有透明度的程式。各董事本年度截至2019年12月31日的薪酬詳情載於本年報「合併財務報表附註」一節附註30。

於2019年12月31日作為本集團高級管理層的高級管理人員的薪酬範圍如下：

		Number of Individuals 人數
Emolument bands	薪酬範圍	
HK\$1,000,001 to HK\$1,500,000	1,000,001 港元至 1,500,000 港元	1
HK\$1,500,001 to HK\$2,000,000	1,500,001 港元至 2,000,000 港元	4
HK\$2,000,001 to HK\$2,500,000	2,000,001 港元至 2,500,000 港元	2
HK\$3,000,001 to HK\$3,500,000	3,000,001 港元至 3,500,000 港元	1
HK\$5,500,001 to HK\$6,000,000	5,500,001 港元至 6,000,000 港元	1
		9

Directors' Liability Insurance

The Company has arranged appropriate insurance cover in respect of legal action against its Directors.

董事責任險

本公司已就董事可能面對的法律訴訟購買了合適的保險。

Corporate Governance Report

企業管治報告

BOARD COMMITTEES

Audit Committee

As at the date of this annual report, the Audit Committee comprises three members, namely Mr. Tai Kwok Leung Alexander and Dr. Liu Xiaofeng, the independent non-executive Directors, and Ms. Gu Ren, the non-executive Director. The chairman is Mr. Tai Kwok Leung Alexander, who confirmed that he possesses appropriate professional qualifications as required under Rules 3.10(2) and 3.21 of the Listing Rules. The main duties of the Audit Committee include the following:

1. to review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or the auditor before submission to the Board;
2. to review and monitor the external auditor's independence and objectivity and effectiveness of the audit process in accordance with applicable standard and discuss with external auditor the nature and scope of the audit and reporting obligations before the audit commences; and
3. to review the appropriateness and effectiveness of the Company's financial reporting system, internal control system and risk management system and associated procedures, including the adequacy of the resources, staff qualifications and experience, training programs and budget of the Company's accounting and financial reporting function.

The Audit Committee oversees the risk management and internal control systems of the Group, reports to the Board on any material issues, and makes recommendations to the Board.

The written terms of reference of the Audit Committee are available on the websites of the Stock Exchange and the Company.

董事委員會

審核委員會

於本年報日期，審核委員會共有三名成員，即獨立非執行董事戴國良先生、劉曉峰博士，及非執行董事顧韜女士，其中戴國良先生為審核委員會主席。戴國良先生確認自身具備上市規則第3.10(2)及3.21條規定的合適專業資格。審核委員會的主要職責如下：

1. 審閱財務報表和報告、並在遞交董事會前考量任何本公司會計及財務申報員工、合規主任或核數師提出的重大或不尋常事項；
2. 按相關準則審核並監督外聘核數師的獨立性、客觀性以及審核流程的有效性，並在審核工作開始前與外聘核數師討論審核性質、範圍相關申報責任；以及
3. 評估本公司的財務申報機制、內部監控系統、風險管理系統及相關程式的適當性和有效性，包括資源的充足率、員工資格及經驗、培訓計畫，以及本公司會計及財務申報功能的預算。

審核委員會監督本集團的風險管理和內部監控系統，向董事會彙報所有重大事件並提出建議。

審核委員會的書面職權範圍在聯交所及本公司網站可供查閱。

Corporate Governance Report

企業管治報告

During the Review Period, four meetings of the Audit Committee were held to discuss and consider the following matters:

- reviewed audit plan of the Company and its subsidiaries for the year of 2018;
- reviewed annual results, internal audit report, auditors' remuneration, engagement conditions, independence and terms of reference of the Audit Committee of the Company and its subsidiaries for the period ended 31 December 2018;
- reviewed interim results of the Company and its subsidiaries for the period ended 30 June 2019, execution of their risk management and internal control system for the first half of 2019 and their work plan for the second half of 2019; and
- reviewed the unaudited financial information of the Company and its subsidiaries for the nine months ended 30 September 2019.

在回顧期內，審核委員會舉行了四次會議，討論並審議了一下事項：

- 審閱本公司及其附屬公司2018年度審計計畫；
- 審閱本公司及其附屬公司截至2018年12月31日期間的年度業績，內部審核報告，核數師酬金、聘用條件、獨立性，及審核委員會職權範圍等；
- 審閱本公司及其附屬公司截至2019年6月30日期間的中期業績，及2019年上半年風險管理及內部監控系統執行情況及下半年工作計畫等；以及
- 審閱本公司及其附屬公司截至2019年9月30日止九個月的未審計財務資訊。

The attendance record of the Audit Committee members is set out in the table below:

各審核委員會成員的出席記錄見下表：

Members of the Audit Committee 審核委員會成員		Attended/ Eligible to attend 實際出席／可出席次數
Mr. Tai Kwok Leung Alexander (<i>Chairman</i>)	戴國良先生(主席)	4/4
Ms. Gu Ren (appointed on 21 March 2019)	顧韜女士(於2019年3月21日獲委任)	2/2
Dr. Liu Xiaofeng	劉曉峰博士	4/4
Mr. Jin Lei (resigned on 21 March 2019)	金磊先生(於2019年3月21日辭任)	2/2

Pursuant to the code provision C.3.3 of the CG Code, the Audit Committee should meet with the Company's auditors at least twice a year. During the Review Period, the Company had met the auditors twice.

根據企業管治守則條款第C.3.3條規定，審核委員會應每年至少與本公司核數師會面兩次。在回顧期內，本公司已於核數師會面兩次。

Corporate Governance Report

企業管治報告

REMUNERATION COMMITTEE

As at the date of this annual report, the Remuneration Committee comprises three members, namely Dr. Liu Xiaofeng and Mr. Tai Kwok Leung Alexander, the independent non-executive Directors, and Mr. Zhang Jianbing, the executive Director. Dr. Liu Xiaofeng is the chairman of the Remuneration Committee.

The principal duties of the Remuneration Committee include the following:

1. to make recommendations to the Board on the Company's policy and structure for the remuneration of the Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policies;
2. to review and approve the management's remuneration proposals with reference to the corporate goals and objectives determined by the Board;
3. to adopt the code provision B.1.2(ii) by making recommendations to the Board on the remuneration packages of individual executive Directors and senior management. These include benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
4. to make recommendations to the Board on the remuneration of non-executive Directors;
5. to consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions of the Group;
6. to review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair and not excessive;
7. to review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate; and
8. to ensure that no Director or any of his associates (as defined in the Listing Rules) is involved in deciding his own remuneration.

薪酬委員會

於本年報日期，薪酬委員會共有三名成員，即獨立非執行董事劉曉峰博士、戴國良先生，及執行董事張艦兵先生，其中劉曉峰博士為薪酬委員會主席。

薪酬委員會的主要職責如下：

1. 就本公司全體董事及高級管理人員的薪酬政策、架構，以及制訂此等薪酬政策而設立正規而具透明度的程式，向董事會提出建議；
2. 參考董事會的企業目標及目的，審核並批准管理層的薪酬建議；
3. 採納守則條文B.1.2(ii)條項下之向董事會建議個別執行董事及高級管理人員的薪酬待遇，包括實物福利、退休金、賠償金(包括任何喪失或終止職務或委任而應支付的賠償)；
4. 就非執行董事的薪酬向董事會提出推薦建議；
5. 考量同類公司支付的薪酬、須付出的時間及職責，以及本集團職位的僱傭條件；
6. 審核並批准向執行董事及高級管理人員就其喪失或終止職務或委任而須支付的賠償，以確保這些賠償與合約條款一致；若未能與合約條款一致，賠償也應公平合理，不應過多；
7. 審核並批准因行為失當而解僱或罷免有關董事所涉及的賠償安排，以確保這些安排與合約條款一致；若未能與合約條款一致，有關賠償也應合理適當；以及
8. 確保任何董事或其任何連系人(定義見上市規則)均不得參與決定其自身薪酬。

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The written terms of reference of the Remuneration Committee are available on the websites of the Stock Exchange and the Company.

薪酬委員會的書面職權範圍在聯交所及本公司網站可供查詢。

During the Review Period, a meeting of the Remuneration Committee was held to discuss and consider the following matters:

在回顧期內，薪酬委員會舉行了一次會議，以討論並審議以下事項：

- reviewed and discussed the performance evaluation results and bonus distribution principles for the year 2018;
- reviewed matters relating to compensation of former Directors, senior management and staff;
- reviewed remuneration policy and structure of all Directors and senior management;
- reviewed the terms of reference of the Remuneration Committee.
- 審核及討論2018年度表現評估結果，花紅分配原則；
- 審核前董事、高級管理人員及員工補償相關事項；
- 審核全體董事及高級管理人員的薪酬政策及架構；
- 審核薪酬委員會書面職權範圍。

The attendance record of the Remuneration Committee members is set out in the table below:

各薪酬委員會成員的出席記錄見下表：

Members of the Remuneration Committee 薪酬委員會成員		Attended/ Eligible to attend 實際出席／可出席次數
Dr. Liu Xiaofeng (<i>Chairman</i>)	劉曉峰博士(主席)	1/1
Mr. Tai Kwok Leung Alexander	戴國良先生	1/1
Mr. Zhang Jianbing (appointed on 21 March 2019)	張艦兵先生(於2019年3月21日獲委任)	0/0
Mr. Saurabh Narayan Agarwal (resigned on 21 March 2019)	Saurabh Narayan Agarwal 先生 (於2019年3月21日辭任)	0/1

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Nomination Committee

As at the date of this annual report, the Nomination Committee consists of three members, being Dr. Liu Xiaofeng and Mr. Tai Kwok Leung Alexander, the independent non-executive Directors, and Mr. Ming Zaiyuan, the executive Director and chairman of the Board. Mr. Ming Zaiyuan is the chairman of the Nomination Committee.

The principal duties of the Nomination Committee include the following:

1. to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
2. to identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. to assess the independence of independent non-executive Directors;
4. to make recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for Directors, in particular the chairman and the chief executive officer; and
5. to review the Board diversity policy.

The Nomination Committee assesses the candidate or incumbent on criteria such as integrity, experience, skill and ability to commit time and effort to assume the duties and responsibilities. The recommendations of the Nomination Committee will then be put to the Board for decision. The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

提名委員會

於本年報日期，提名委員會共有三名成員，即獨立非執行董事劉曉峰博士、戴國良先生，及執行董事、董事會主席明再遠先生，明再遠先生為提名委員會主席。

提名委員會的主要職責如下：

1. 至少每年審核董事會的結構、規模及組成(包括技能、知識及經驗)，並就董事會的任何變動提供建議，以補充本公司企業策略；
2. 物色符合適當資格成為董事會成員的人士，甄選或向董事會建議甄選獲提名的董事候選人；
3. 評估獨立非執行董事的獨立性；
4. 就董事的委任或重新委任以及董事(尤其是主席及行政總裁)的繼任計畫向董事會提出建議；以及
5. 審核董事會成員多元化政策。

提名委員會根據誠信、經驗、技能及是否能夠付出時間及精力履行職務及職責等範疇，評估候選人或現任成員。提名委員會的建議會交由董事會決定。提名委員會的書面職權範圍在聯交所及本公司網站可供查閱。

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During the Review Period, a meeting of the Nomination Committee was held to discuss and consider the following matters:

- reviewed the structure, size, composition and the Board diversity policy and its implementation;
- reviewed and considered election, retirement and re-election of Directors;
- reviewed the terms of reference of the Nomination Committee;
- reviewed the independence of independent non-executive Directors;
- reviewed the nomination of joint company secretary; and
- reviewed the resignation and appointment of Directors.

The written terms of reference of the Nomination Committee are available on the websites of the Stock Exchange and the Company.

The attendance record of the Nomination Committee members is set out in the table below:

在回顧期內，提名委員會舉行了一次會議，以討論及審議以下事項：

- 審核董事會的架構、人數、組成和多元化政策及其執行情況；
- 審核並考慮董事的選舉、退任和重選；
- 審核提名委員會的書面職權範圍；
- 審核獨立非執行董事的獨立性；
- 審核聯席公司秘書的提名；以及
- 審核董事辭任及董事委任。

提名委員會的書面職權範圍在聯交所及本公司網站可供查閱。

各提名委員會成員的出席記錄見下表：

Members of the Nomination Committee 提名委員會成員		Attended/ Eligible to attend 實際出席／可出席次數
Mr. Ming Zaiyuan (Chairman)	明再遠先生(主席)	1/1
Dr. Liu Xiaofeng	劉曉峰博士	1/1
Mr. Tai Kwok Leung Alexander	戴國良先生	1/1

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Strategic Development Committee

As at the date of this annual report, the Strategic Development Committee consists of three members, being Dr. Yang Ruizhao and Mr. Tai Kwok Leung Alexander, the independent non-executive Directors, and Dr. Cui Guiyong, the non-executive Director. Dr. Yang Ruizhao is the chairman of the Strategic Development Committee.

The principal duties of the Strategic Development Committee include the following:

1. to review and evaluate the investment strategies, annual investment plan(s) and the relevant risk management policy of the Company and make recommendations to the Board;
2. to review and evaluate the investment opportunities of the Company and issue opinion for long-term development plan (including mergers and acquisition, joint venture and equity investments) and make recommendations to the Board;
3. to review and evaluate significant investment projects pursued under the Company's investment strategy and annual investment plan, review and approve the issue of non-binding indicative offers or letter of intent, and make recommendations to the Board on final proposals of significant investment projects;
4. to review and assess, in addition to new opportunities, the ongoing investment strategy, technical merits and risks associated with existing development and exploration projects, including the annual reserve and resource assessments and make recommendations to the Board;
5. to supervise the implementation of the above-mentioned matters duly approved by the Board and assess periodically the Company's capacity to conduct technical work and the Company's approach in managing technical risk associated with above matters;
6. to advise management from time to time on the engagement of appropriate external financial and technical advisors in connection with material acquisitions or divestitures, including a review of the terms of their proposed compensation; and
7. other matters as delegated by the Board.

The written terms of reference of the Strategic Development Committee are available on the websites of the Stock Exchange and the Company.

戰略發展委員會

於本年報日期，戰略發展委員會共有三名成員，即獨立非執行董事楊瑞召博士、戴國良先生，及非執行董事崔桂勇博士。楊瑞召博士為戰略發展委員會主席。

戰略發展委員會的主要職責包括以下方面：

1. 審閱、評估公司的投資策略、年度投資計畫(由高級管理層及董事會主席提議)及公司的相關風險管理政策並給予意見，向董事會提出建議；
2. 審閱、評估公司的投資機會並給予意見，對高級管理層及董事會主席提議的長期發展計畫(包括並購、合資及股權投資)給予意見，向董事會提出建議；
3. 審閱、評估根據公司的投資策略及年度投資計畫推行的重大投資專案並給予意見，審批發出非約束性的指示性要約或意向書，就重大投資專案的最終方案向董事會提出建議；
4. 審閱、評估除新機會以外的持續投資策略、現有開發勘探專案的技術優勢和風險，包括公司編寫的年度儲量和資源量評估，向董事會提出建議；
5. 監督董事會正式批准的上述事務的落實情況，定期評估公司開展技術工作的能力以及公司管理上述事務相關技術風險的方法；
6. 在重大收購或剝離事務的外部財務顧問和技術顧問聘請方面，不時給予管理層建議，包括審核相關報酬條款；以及
7. 董事會指定的其他事務。

戰略發展委員會的書面職權範圍在聯交所及本公司網站可供查閱。

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During the Review Period, two meetings of Strategic Development Committee were held to discuss and consider the following matters:

- reviewed the reports relating to reserve estimation, technical challenges and development direction of the Company;
- reviewed the matters relating to the establishment of domestic legal entities (investment company) by the Company;
- reviewed the reports relating to strategic consideration and development;
- reviewed the terms of reference of the Strategic Development Committee.

於回顧期內，戰略發展委員會舉行二次會議。該次會議討論並審議以下事項：

- 審閱有關本公司儲量評估情況及面臨的技術挑戰和發展方向的報告；
- 審閱有關本公司成立境內法人機構（投資公司）事項；
- 審閱有關本公司戰略考慮及發展的彙報；
- 審閱戰略發展委員會的職權範圍。

The attendance record of the Strategic Development Committee members is set out in the table below:

各戰略發展委員會成員的出席記錄見下表：

Members of the Strategic Development Committee 戰略發展委員會成員		Attended/ Eligible to attend 實際出席／可出席次數
Dr. Yang Ruizhao (Chairman)	楊瑞召博士(主席)	2/2
Dr. Cui Guiyong	崔桂勇博士	2/2
Mr. Tai Kwok Leung Alexander	戴國良先生	2/2

Board Diversity Policy

The Board has adopted a Board Diversity Policy which sets out the approach to achieve a sustainable and balanced development of the Company and also to enhance the quality of performance of the Company.

The Company seeks to achieve board diversity through the consideration of a number of factors, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

All board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

董事會多元化政策

董事會已採取了成員多元化政策，該政策列出了本公司取得持續平衡發展以及提升表現素質的方針。

本公司考慮多項因素以保證董事會成員多元化，包括但不限於性別、年齡、文化及教育背景、種族、專業經驗、技能、知識和服務期限。

董事會所有委任均堅持用人唯才原則，並兼顧董事會成員多元化的益處根據客觀條款考慮人選。

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Selection of candidates will be based on a range of diversity perspectives as stated in the above. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The composition of the Board (includes gender, age, cultural and educational background, profession, experience, skills and knowledge), which is characterized by significant diversity, is disclosed in the section headed "Directors and Senior Management".

Directors' Responsibilities for Financial Reporting in respect of Financial Statements

The Directors acknowledge their responsibility for preparing the financial statements for the year ended 31 December 2019 which give a true and fair view of the affairs of the Company and the Group and of the Group's results and cash flows.

Pursuant to the code provision C.1.1 of the CG Code, the management has provided to the Board such explanation and information as are necessary to enable the Board to carry out an informed assessment of the Company's financial statements, which are put to the Board for approval. The Company provides all members of the Board with monthly updates on Company's performance, positions and prospects.

The Directors were not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

The statement by the Auditor regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the section headed "Independent Auditor's Report" of this annual report.

RISK MANAGEMENT AND INTERNAL CONTROL Responsibility of the Board

The Board acknowledges that it is the responsibility of the Board for ensuring that the Company establishes and maintains appropriate and effective risk management and internal control systems and reviewing the effectiveness of such systems on an annual basis. The Board is also aware of the fact that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable assurance and not absolute assurance against material misstatement or loss.

董事會根據上述各種多元化因素選定候選人。最終決定取決於所選候選人的長處以及可能為董事會帶來的貢獻。

董事會組成(包括性別、年齡、文化及教育背景、專業經驗、技能和知識)披露於「董事及高級管理人員」中。從其可以看出，董事會屬於多元化狀態。

董事有關財務報表的財務申報責任

董事知曉自身須準備本年度截至2019年12月31日財務報表的責任，而該財務報表真實而公平地反映本公司及本集團的狀況，以及本集團的業績和現金流量。

根據企業管治守則條款第C.1.1條，管理層已向董事會提供了所需的解釋和資料，以使董事會能夠有根據地評估並審批本公司的財務報表。本公司每月向董事會全體成員提供本公司營運表現、狀況及前景的最新資料。

根據董事所知，並無可能導致本集團持續經營能力受到嚴重質疑的重大不確定時間或情況。

核數師關於本公司合併財務報表申報責任的聲明載於本年報「獨立核數師報告」章節。

風險管理及內部監控 董事會責任

董事會明白本身有責任確保本公司建立及維持恰當且有效的風險管理及內部監控系統，並每年檢討該系統的有效性。董事會亦明白該等系統旨在管理而非消除未能達成業務目標的風險，且盡可作出合理而非絕對保證不會有重大失實陳述或損失。

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The Risk Management and Internal Control Systems

The Company adopted the three lines of defence model in the management of risk. Operational management form the core of the first line of defence as they contact with the risk sources in the first place. They are responsible for identifying, reporting and preliminarily managing risks in their daily operations. Our second line of defence is the risk management function, comprised of Legal, HSE departments etc., aiming to facilitate and monitor the implementation of effective risk management practices by operational management throughout the Company. Our internal audit function is the core of the third line of defence and mainly responsible for checking, auditing and monitoring the work performed by the first and second lines of defence.

The Company's risks are identified from business processes in our established enterprise-wide risk assessment methodologies. Key responsible personnel for the management of risk in each of the business process are selected as interviewees to identify the risks to form our risk universe. Each risk within the risk universe is assessed in terms of likelihood of occurrence and the significance of impact, taken into account the current internal controls in place to mitigate these risks. The risk assessment results are reported to senior management and the Board for them to evaluate whether risks have been appropriately managed and decide on our priorities in risk management, based on the Company's risk appetite, and in particular how much risks the Company is willing to take for the achievement of its strategy and business objectives, the availability of resources for risk mitigation, and the effectiveness of current internal control system.

The Company's internal control system is based on Internal Control — Integrated Framework of the Committee of Sponsoring Organisations of the Treadway Commission, and has five components, namely Control Environment, Risk Assessment, Control Activities, Information and Communication, and Monitoring Activities. The system intends to facilitate the design and functioning of good control practices and reduce the likelihood and impact of risks to an acceptably low level, in order for us to achieve our objectives in operations, reporting, and compliance.

風險管理及內部監控系統

風險管理及內部監控系統本公司採取三道防線模式管理風險。營運管理人員是第一道防線的核心，因為一旦出現風險，彼等首當其衝。營運管理人員負責識別、報告及初步管理日常營運中存在的風險。第二道防線是由法務、HSE等部門承擔的風險管理職能，旨在推動及監察營運管理人員在本公司高效實施風險管理措施。內部審核功能是第三道防線，主要負責檢查、審核及監察第一及第二道防線的工作。

根據我們建立的全面風險評估辦法，本公司從業務流程出發，推進風險識別。各個業務流程中的主要負責人被選作受訪者，識別流程中的風險，並匯總形成最終風險清單。風險清單中的各風險按發生的可能性及影響的程度評價，並列入目前降低該等風險所採用的內部監控。風險評估結果向高級管理層及董事會彙報，以根據公司的風險偏好，尤其公司願意為其戰略和經營目標的實現承擔多少風險，降低風險的資源利用和現行內部控制系統的有效性等因素來評估風險是否被適當管理和決定風險管理的優先次序。

本公司的內部監控系統是基於特雷德韋委員會贊助組織委員會的內部監控整合框架，包括監控環境、風險評估、監控活動、資訊及溝通和監督活動五個部分。該系統旨在推動良好監控實踐的設計及實施，降低風險發生的可能性，並將風險影響降低到可接受水準，以便實現我們的營運、申報及合規目標。

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Any material internal control defects identified are timely communicated and carefully evaluated for their potential impacts. The departments or functions who are owners of these controls, are required to propose corrective measures and obtain approval from management before implementation. The implementation statuses are monitored by both management and the internal audit function to ensure these control defects are properly resolved in a timely manner. The Company has also established policies and procedures for the handling and dissemination of inside information. The information to be disclosed should be properly reviewed and approved by our compliance functions and management to ensure its appropriateness and accuracy, and is closely monitored after disclosure.

During the Review Period, the Company upgraded its internal control system starting from business process through risk identification and assessment, thereby reducing operational risk while further enhancing operational efficiency of the Company at the same time.

Internal Audit Function

The Company's audit and supervising department plays a major role in the monitoring of the Company's internal governance processes, i.e., to provide independent assurance that the Company's risk management, governance and internal control processes are operating effectively. The major tasks of the department include providing assurance on the effectiveness of the Company's governance, risk management and internal controls in areas of operations, safeguarding of assets, reporting, and compliance, and conducting risk-based audits of the Company and its subsidiaries on a regular basis with recommended action plans to audit findings. The department also provides consulting services in risk management and internal control related issues within the Company.

The Company's audit and supervising department conducted annual independent full scope risk assessment update and internal audit for selected areas, and reported to the management and the Board.

我們及時就所識別的重大內部監控瑕疵進行溝通，並審慎評價潛在影響。身為監控責任人的部門須提出糾正措施，並於實施前獲得管理層批准。管理層及內部審核部門監察實施情況，確保及時妥善解決監控瑕疵。本公司亦制定處理及傳播內幕消息的政策及程式。將予披露的資料由合規部及管理層妥為審閱及批准，確保合適準確，並於披露後密切監察。

在回顧期內，公司從業務流程出發，通過風險識別、評估等途徑，對公司的內控制度作了升級，降低公司運營風險的同時進一步提升了公司的運營效率。

內部審計職能

本公司審計監察部門在監察本公司內部管治流程方面舉足輕重，為本公司的風險管理、治理和內部監控流程有效運行提供獨立性保證。該部門的主要任務包括對本公司在營運、資產保護、申報及合規領域的管治、風險管理及內部監控有效提供保證，並定期對本公司及附屬公司開展風險導向的審計，並就審計結果建議應採取的措施。該部門亦就本公司風險管理及內部監控事宜提供諮詢服務。

本公司審計監察部門開展年度獨立性全面風險評估更新，針對選定的領域推進內部審計，並向管理層和董事會彙報。

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企業管治報告

Review of the Effectiveness and Adequacy of Our Systems

The Company prepare and submit reports to the Board in related to risk and control at least annually, detailing how risks have been managed and internal controls been designed and implemented in accordance with the established risk and control frameworks, to keep our overall risk exposures within risk appetite and achieve our business objectives. The Board reviews the reasonableness of these reports and representations from management and makes sufficient enquiries whenever they feel necessary, before reaching their conclusions.

During the Review Period, the Board has conducted a review of the effectiveness of the Company's risk management and internal control systems with the application of the above review process, and considered our risk management and internal control systems effective and adequate in both design and operations.

EXTERNAL AUDITORS AND AUDITOR'S REMUNERATION

The statement by the external auditor of the Company regarding their reporting responsibilities on the consolidated financial statements of the Company is set out in the section headed "Independent Auditor's Report" of this annual report.

For the year ended 31 December 2019, the total remuneration paid or payable to the Company's external auditors, PricewaterhouseCoopers ("PwC"), for audit and other services totaled RMB3,104,000.

An analysis of the remuneration paid or payable to PwC is set out below:

審核系統是否有效及充足

本公司至少每年就風險控制事宜編製報告並遞交予董事會，詳述如何按照已建立的風險和控制框架管理風險和設計實施內部控制，以保持我們的全部風險敞口在風險偏好中，並實現我們的業務目標。董事會審閱這些管理層報告及聲明是否合理，並於得出結論前在必要時進行充分詢問。

回顧期內，董事會應用上述審核流程審核本公司風險管理及內部監控系統是否有效後認為我們風險管理及內部監控系統的設計及實施方面有效且充分。

外聘核數師及其酬金

本公司外部核數師關於本公司合併財務報表申報責任的聲明載於本年報「獨立核數師報告」一節。

本年度截至2019年12月31日，本公司就審核及相關服務已付或應付給外聘核數師羅兵咸永道會計師事務所「羅兵咸永道」的酬金總額為人民幣3,104,000元。

已付或應付給羅兵咸永道的酬金分析如下：

		Year ended 31 December 截至12月31日止年度 2019 2019年 RMB'000 人民幣千元
Auditors' remunerations	核數師費用	
— Audit Service	— 審計服務	2,980
— The Company	— 本公司	2,730
— Subsidiaries	— 附屬公司	250
— Non-audit services	— 非審計服務	124

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

* 非審計服務主要指稅務及顧問服務

Corporate Governance Report

企業管治報告

COMPANY SECRETARY

Mr. Chiu Ming King from Vistra Hong Kong, an external service provider, has been engaged by the Company as its joint company secretary. The primary corporate contact person at the Company is Mr. Zhang Jianbing, an executive Director and Ms. Su Xiaohang, the other joint company secretary. Please refer to the section headed "Directors and Senior Management" for details of both Mr. Zhang and Ms. Su.

During the Review Period, Mr. Chiu and Ms. Su undertook at least 15 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

COMMUNICATION WITH SHAREHOLDERS AND INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and understanding of the Group's business, performance and strategies. The Company also recognizes the importance of timely and nonselective disclosure of information, which will enable shareholders and investors to make the informed investment decisions.

The AGM provides opportunity for Shareholders to communicate directly with the Directors. The chairman of the Board and the chairmen of the Board Committees of the Company will attend the AGMs to answer Shareholders' questions. The external auditor of the Company will also attend the AGMs to answer questions about the conduct of the audit, the preparation and contents of the auditor's report, the accounting policies and auditor independence.

To promote effective communication, the Company adopts a shareholders' communication policy which aims at establishing a two-way relationship and communication between the Company and its Shareholders and maintains a website at <http://www.aagenergy.com/>, where up-to-date information on the Company's business operations and developments, financial information, corporate governance practices and other information are available for public access.

公司秘書

本公司聘用了瑞致達香港(外聘服務機構)的趙明璟先生擔任聯席公司秘書。公司內部的主要聯絡人為執行董事張艦兵先生和聯席公司秘書蘇曉航女士。張先生及蘇女士詳細資料見「董事及高級管理人員」一節。

回顧期內，根據上市規則第3.29條，趙先生和蘇女士接受了不少於15個小時的相關專業訓練。

與股東的溝通及投資者關係

本公司認為，與股東的有效溝通對加強投資者關係和讓投資者瞭解本集團業務、表現及策略至關重要。本公司也深知，及時且非選擇性的資訊披露對於股東和投資者能夠作出知情投資決定的重要性。

本公司股東周年大會為股東提供了與董事直接溝通的機會。本公司董事會主席及董事委員會主席會出席股東周年大會，並回答股東的提問。本公司的外聘核數師也會出席股東周年大會以解答有關審計工作、核數師報告及其內容、會計政策及核數師獨立性等方面的提問。

為加強有效溝通，本公司採用了旨在建立本公司與股東之間雙向關係及溝通的股東通訊政策，並開設了網站<http://www.aagenergy.com/>用於刊載本公司業務營運和發展、財務資料、企業管治常規情況及其他資料等最新資訊以供公眾人士查閱。

Corporate Governance Report

企業管治報告

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meetings ("EGM") by Shareholders

Pursuant to the Articles, the Board may, whenever it thinks fit, convene an EGM. An EGM shall also be convened on the requisition of one or more shareholders of the Company holding, at the date of deposit of the requisition, not less than one tenth of the paid up capital of the Company having the right of voting at general meetings. Such requisition shall be made in writing to the Board or the company secretary of the Company for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition. The Directors shall within two (2) months after the deposit of such requisition proceed duly to convene such meeting. If within 21 days of such deposit the Board fails to proceed to convene such meeting, the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Putting Forward Proposals at General Meetings

The Board is not aware of any provisions allowing the shareholders of the Company to put forward proposals at general meetings of the Company under the Articles and the Cayman Islands Law (2016 Revision). Shareholders who wish to put forward proposals at general meeting may refer to the preceding paragraph to make a written requisition to require the convening of an extraordinary general meeting of the Company.

Detailed procedures for shareholders to propose a person for election as a Director are published on the website of the Company.

Enquiries to the Board and Contact Details

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries. Shareholders may send their enquiries or requests as mentioned above to the following:

Address: Unit 2109-10, 21st Floor
China Merchants Tower
Shun Tak Centre
No. 168-200 Connaught Road Central
Hong Kong
(For the attention of the Board of Directors)

Email: xiaohang.su@aagenergy.com

CHANGE IN CONSTITUTIONAL DOCUMENTS

The Company has not made any other significant changes to its constitutional documents during the year ended 31 December 2019.

股東權利

股東召開股東特別大會「股東特別大會」

根據細則，董事會可在其認為適當時召開股東特別大會。在遞呈申請當日持有不少於可在股東大會投票的本公司已繳股本十分之一的一名或以上本公司股東，也有權向董事會或本公司的公司秘書提出書面申請，要求董事會召開股東特別大會，以處理上述要求中列明的任何事項。董事須在提交有關要求後兩(2)個月內召開有關大會。如果董事會未能在提交有關要求後的21日內召開有關大會，則申請人可自行以相同形式召開會議，而因董事會未能召開會議導致申請人產生的一切合理開支，須由本公司償付給申請人。

於股東大會上提呈議案

董事會並不知悉細則及開曼群島法例(2016年修訂本)有任何條文允許本公司股東於本公司之股東大會上提呈議案。股東擬於股東大會上提呈議案，可參照前段所述遞呈請求書以要求召開本公司股東特別大會。

有關股東提名候選董事的議程詳情已刊載於本公司網站。

向董事會提出查詢及聯絡資訊

股東可將其向董事會提出的任何查詢以書面形式發送至本公司。口頭或匿名查詢本公司一般不予處理。股東可發送上述查詢或要求至以下地址：

地址：香港
干諾道中168-200號
信德中心
招商局大廈
21樓2109-10室
(送交董事會)

郵箱：xiaohang.su@aagenergy.com

章程文件的變更

截止2019年12月31日止年度，本公司章程文件並無任何重大變更。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
AAG ENERGY HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)

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

OPINION

What we have audited

The consolidated financial statements of AAG Energy Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 108 to 185, which comprise:

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

意見

我們已審計的內容

亞美能源控股有限公司(以下簡稱「貴公司」)及其附屬公司(以下統稱「貴集團」)列載於第108至185頁的合併財務報表，包括：

- 於2019年12月31日的合併資產負債表；
- 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。

Our opinion

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

我們的意見

我們認為，該等合併財務報表已根據香港會計師公會頒布的《香港財務報告準則》真實而中肯地反映了貴集團於2019年12月31日的合併財務狀況及其截至該日止年度的合併財務表現及合併現金流量，並已遵照香港《公司條例》的披露規定妥為擬備。

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Tel: +852 2289 8888 Fax: +852 2810 9888, www.pwchk.com

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Independent Auditor's Report

獨立核數師報告



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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
AAG ENERGY HOLDINGS LIMITED** (Continued)
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獨立核數師報告
致亞美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 OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

意見的基礎

我們已根據香港會計師公會頒布的《香港審計準則》進行審計。我們在該等準則下承擔的責任已在本報告「核數師就審計合併財務報表承擔的責任」部分中作進一步闡述。

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

我們相信，我們所獲得的審計憑證能充足及適當地為我們的審計意見提供基礎。

Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

獨立性

根據香港會計師公會頒布的《專業會計師道德守則》(以下簡稱「守則」)，我們獨立於貴集團，並已履行守則中的其他專業道德責任。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
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KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

關鍵審計事項

關鍵審計事項是根據我們的專業判斷，認為對本期合併財務報表的審計最為重要的事項。這些事項是在我們審計整體合併財務報表及出具意見時進行處理的。我們不會對這些事項提供單獨的意見。

Key audit matter identified in our audit is related to:

我們在審計中識別的關鍵審計事項是關於：

- Impairment of exploration and evaluation assets and gas properties, gas gathering stations and relating facilities and constructions in progress.
- 勘探及評估資產和天然氣資產，集氣站及相關設施和在建工程的減值評估。

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Impairment of exploration and evaluation assets ("E&E Assets") and gas properties, gas gathering stations and relating facilities and constructions in progress (collectively the "Relevant Gas Assets") 勘探及評估資產和天然氣資產，集氣站及相關設施和在建工程(合稱「天然氣相關資產」)的減值評估	
Refer to note 6 to the consolidated financial statements. 請參閱合併財務報表附註6。	In addressing this matter, we have performed the following procedures: 在處理關鍵審計事項中，我們執行了以下程序：
As at 31 December 2019, the carrying amount of E&E Assets and Relevant Gas Assets of the Group amounted to 646.3 million and 3,070.4 million (31 December 2018: 630.9 million and 3,011.6 million), respectively. 於2019年12月31日，本集團的勘探及評估資產和天然氣相關資產賬面價值分別為646.3百萬人民幣和3,070.4百萬人民幣(2018年12月31日：630.9百萬人民幣和3,011.6百萬人民幣)。	<ul style="list-style-type: none">• Understood and assessed the design, implementation effectiveness of key process and controls relating to the identification of impairment indicator, determination of cash generating units and the assessment of the recoverable amount.• 瞭解並評估與識別潛在減值跡象、確定現金產出單元及評估可收回金額有關的關鍵流程和相關控制的設計及執行的有效性。

Independent Auditor's Report

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(於開曼群島註冊成立的有限公司)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Impairment of exploration and evaluation assets ("E&E Assets") and gas properties, gas gathering stations and relating facilities and constructions in progress (collectively the "Relevant Gas Assets") (Continued) 勘探及評估資產和天然氣資產，集氣站及相關設施和在建工程(合稱「天然氣相關資產」)的減值評估(續)</p> <p>Management assessed E&E Assets and Relevant Gas Assets for impairment whenever there are events or changes in circumstance which indicate that the carrying amounts of these assets may exceed their recoverable amounts. 當存在事件或環境變化顯示勘探及評估資產和天然氣相關資產的賬面價值可能超過其可收回金額時，管理層將對勘探及評估資產和天然氣相關資產進行減值評估。</p> <p>When indicators of impairment of E&E Assets or Relevant Gas Assets were identified, management assessed the recoverable amounts of the cash generating units based on their value in use as estimated using discounted cash flow models. In performing such assessment, management adopted key assumptions, including: 當勘探及評估資產和天然氣相關資產的減值跡象被識別時，管理層以基於折現現金流模型估算得出的可使用價值為基礎對現金產生單元的可收回金額進行評估。在實施該項評估時，管理層採用了以下關鍵假設：</p> <ul style="list-style-type: none">— Forecast gas prices;— 預測的天然氣價格；	<ul style="list-style-type: none">• Evaluated management's assessment of whether events or circumstances existed at 31 December 2019, which would indicate that E&E Assets or Relevant Gas Assets are impaired.• 評估管理層對於2019年12月31日是否存在可能顯示勘探及評估資產和天然氣相關資產減值的事項或環境變化進行的評估。• Where an impairment indicator was identified by management, procedures were performed on their impairment assessment, as below:• 當管理層識別出存在資產減值跡象時，則對其實施如下的減值評估程序：<ul style="list-style-type: none">— Compared the forecast gas prices used in the determination of the recoverable amount of respective cash generating unit against historical actual gas prices;— 將管理層在評估相應的現金產生單元的可收回金額時採用的預測的天然氣價格與歷史實際天然氣價格進行比較；

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(於開曼群島註冊成立的有限公司)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
<p>Impairment of exploration and evaluation assets ("E&E Assets") and gas properties, gas gathering stations and relating facilities and constructions in progress (collectively the "Relevant Gas Assets") (Continued) 勘探及評估資產和天然氣資產，集氣站及相關設施和在建工程(合稱「天然氣相關資產」)的減值評估(續)</p> <ul style="list-style-type: none">Forecast production volumes; 預測的產量；Forecast operating costs and capital expenditures; and 預測的經營性支出和資本性支出；及Discount rates. 折現率。 <p>Because of the significant balance of E&E Assets and Relevant Gas Assets as at 31 December 2019, together with the use of significant management judgements over various assumptions in estimating the recoverable amount, we have identified this matter as a key audit matter. 鑒於勘探及評估資產和天然氣相關資產於2019年12月31日的賬面價值相對重大，以及在對該賬面價值的可收回金額進行評估時涉及的各项假設需要運用重要的管理層判斷，我們將此事項識別為關鍵審計事項。</p>	<ul style="list-style-type: none">Assessed the forecast production volume by comparing it against (i) the approved production plan for the year ending 31 December 2020; (ii) forecast production volume for the remaining concession period prepared by the management, which is consistent to the information set out in the reserve report; and (iii) historical actual production volume. We also performed procedures to evaluate the competence, capability and objectivity of external reserve experts engaged by management for preparing the reserve report;將預測的產量與(i)經批准的截至2020年12月31日止年度的生產計劃，(ii)管理層準備的剩餘合同期限內的預測產量，該產量與列示於儲量報告中的資訊一致，及(iii)歷史實際產量進行比較，以評估預測的產量。此外，我們還實施程序對管理層聘用的編制儲量報告的外部專家的資質、勝任能力及客觀性進行評估；

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致亞美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)

Key Audit Matter 關鍵審計事項	How our audit addressed the Key Audit Matter 我們的審計如何處理關鍵審計事項
Impairment of exploration and evaluation assets ("E&E Assets") and gas properties, gas gathering stations and relating facilities and constructions in progress (collectively the "Relevant Gas Assets") (Continued) 勘探及評估資產和天然氣資產，集氣站及相關設施和在建工程(合稱「天然氣相關資產」)的減值評估(續)	<ul style="list-style-type: none">— Assessed the forecast operating costs against (i) the approved budget; and (ii) the historical actual costs;— 將預測的經營性支出與(i)經批准的預算；及(ii)歷史實際支出進行比較；— Compared the forecast capital expenditures against (i) the approved budget; and (ii) the historical actual costs;— 將預測的資本性支出與(i)經批准的預算；及(ii)歷史實際支出進行比較；— Compared the discount rate with external market data and published information of comparable companies;— 將折現率與外部市場資料和可比公司的公開資訊進行比較；— Tested mathematical accuracy of the discounted cash flow projections.— 測算折現現金流量預測計算的準確性。

Based on our work, no significant exception has been noticed.

基於我們的工作，未發現重大異常。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

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

獨立核數師報告
致亞美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)

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

其他資訊

貴公司董事須對其他資訊負責。其他資訊包括年報內的所有資訊，但不包括合併財務報表及我們的核數師報告。

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

我們對合併財務報表的意見並不涵蓋其他資訊，我們亦不對該等其他資訊發表任何形式的鑒證結論。

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

結合我們對合併財務報表的審計，我們的責任是閱讀其他資訊，在此過程中，考慮其他資訊是否與合併財務報表或我們在審計過程中所瞭解的情況存在重大抵觸或者似乎存在重大錯誤陳述的情況。

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

基於我們已執行的工作，如果我們認為其他資訊存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

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

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA 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.

董事及審核委員會就合併財務報表 須承擔的責任

貴公司董事須負責根據香港會計師公會頒布的《香港財務報告準則》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

獨立核數師報告



INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF
AAG ENERGY HOLDINGS LIMITED (Continued)
(incorporated in the Cayman Islands with limited liability)

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

羅兵咸永道

獨立核數師報告
致亞美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

我們的目標，是對合併財務報表整體是否不存在由於欺詐或錯誤而導致的重大錯誤陳述取得合理保證，並出具包括我們意見的核數師報告。我們僅向閣下(作為整體)報告我們的意見，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。合理保證是高水平的保證，但不能保證按照《香港審計準則》進行的審計，在某一重大錯誤陳述存在時總能發現。錯誤陳述可以由欺詐或錯誤引起，如果合理預期它們單獨或滙總起來可能影響合併財務報表使用者依賴合併財務報表所作出的經濟決定，則有關的錯誤陳述可被視作重大。

在根據《香港審計準則》進行審計的過程中，我們運用了專業判斷，保持了專業懷疑態度。我們亦：

- 識別和評估由於欺詐或錯誤而導致合併財務報表存在重大錯誤陳述的風險，設計及執行審計程序以應對這些風險，以及獲取充足和適當的審計憑證，作為我們意見的基礎。由於欺詐可能涉及串謀、偽造、蓄意遺漏、虛假陳述，或凌駕於內部控制之上，因此未能發現因欺詐而導致的重大錯誤陳述的風險高於未能發現因錯誤而導致的重大錯誤陳述的風險。
- 了解與審計相關的內部控制，以設計適當的審計程序，但目的並非對貴集團內部控制的有效性發表意見。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF AAG ENERGY HOLDINGS LIMITED (Continued) (incorporated in the Cayman Islands with limited liability)

獨立核數師報告 致亞美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)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 評價董事所採用會計政策的恰當性及作出會計估計和相關披露的合理性。
- 對董事採用持續經營會計基礎的恰當性作出結論。根據所獲取的審計憑證，確定是否存在與事項或情況有關的重大不確定性，從而可能導致對貴集團的持續經營能力產生重大疑慮。如果我們認為存在重大不確定性，則有必要在核數師報告中提請使用者注意合併財務報表中的相關披露。假若有關的披露不足，則我們應當發表非無保留意見。我們的結論是基於核數師報告日止所取得的審計憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價合併財務報表的整體列報方式、結構和內容，包括披露，以及合併財務報表是否中肯反映交易和事項。
- 就貴集團內實體或業務活動的財務資訊獲取充足、適當的審計憑證，以便對合併財務報表發表意見。我們負責貴集團審計的方向、監督和執行。我們為審計意見承擔全部責任。

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

除其他事項外，我們與審核委員會溝通了計劃的審計範圍、時間安排、重大審計發現等，包括我們在審計中識別出內部控制的任何重大缺陷。

Independent Auditor's Report

獨立核數師報告



羅兵咸永道

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

獨立核數師報告
致亞美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)

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

我們還向審核委員會提交聲明，說明我們已符合有關獨立性的相關專業道德要求，並與他們溝通有可能合理地被認為會影響我們獨立性的所有關係和其他事項，以及在適用的情況下，相關的防範措施。

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

從與審核委員會溝通的事項中，我們確定哪些事項對本期合併財務報表的審計最為重要，因而構成關鍵審計事項。我們在核數師報告中描述這些事項，除非法律法規不允許公開披露這些事項，或在極端罕見的情況下，如果合理預期在我們報告中溝通某事項造成的負面後果超過產生的公眾利益，我們決定不應在報告中溝通該事項。

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

出具本獨立核數師報告的審計項目合夥人是梁建邦。

PricewaterhouseCoopers
Certified Public Accountants

羅兵咸永道會計師事務所
執業會計師

Hong Kong, 27 March 2020

香港，2020年3月27日

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

(本獨立核數師報告的中英文版本如有任何歧義，概以英文版為準)

Consolidated Balance Sheet

合併資產負債表

		As at 31 December		
		於 12 月 31 日		
		2019	2018	
		2019年	2018年	
		RMB'000	RMB'000	
		人民幣千元	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	3,721,688	3,651,419
Right-of-use assets	使用權資產	7	56,662	—
Land use rights	土地使用權	7	—	11,700
Intangible assets	無形資產	8	35,077	39,589
Restricted bank deposits	受限制銀行存款	11	49,895	43,767
Other non-current assets	其他非流動資產		13,770	142
			3,877,092	3,746,617
Current assets	流動資產			
Inventories	存貨		11,201	11,506
Other current assets	其他流動資產		10,967	17,002
Trade and other receivables	應收賬款及其他應收款	9	714,969	575,459
Term deposits with initial terms of over three months	初始期限超過三個月的定期存款	11	50,000	—
Cash and cash equivalents	現金及現金等價物	11	2,083,931	1,656,523
			2,871,068	2,260,490
Total assets	總資產		6,748,160	6,007,107
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	12	2,079	2,077
Share premium	股本溢價		4,231,210	4,475,667
Other reserves	其他儲備	13	311,084	307,208
Retained earnings	留存收益		1,299,269	591,901
Total equity	總權益		5,843,642	5,376,853

Consolidated Balance Sheet

合併資產負債表

		As at 31 December	
		於 12 月 31 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	負債		
Non-current liabilities	非流動負債		
Asset retirement obligations	資產棄置義務	14	18,361
Non-current lease liabilities	非流動租賃負債	7	43,395
Deferred income tax liabilities	遞延所得稅負債	15	379,804
			441,560
			324,063
Current liabilities	流動負債		
Trade and other payables	應付賬款及其他應付款	16	404,190
Current lease liabilities	流動租賃負債	7	14,562
Current income tax liabilities	當期所得稅負債		44,206
			462,958
			306,191
Total liabilities	總負債		904,518
			630,254
Total equity and liabilities	總權益及負債		6,748,160
			6,007,107

The notes on pages 113 to 185 are an integral part of these consolidated financial statements.

第113頁至185頁的附註是本合併財務報表的整體部分。

The consolidated financial statements on pages 108 to 185 were approved by the Board of Directors on 27 March 2020 and were signed on its behalf.

第108頁至185頁的合併財務報表由董事會於2020年3月27日批准，並由其代表簽署。

Director
董事
Yan Danhua
嚴丹華

Director
董事
Zhang Jianbing
張艦兵

Consolidated Statement of Comprehensive Income

合併綜合收益表

		Year ended 31 December 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	
	Note 附註			
Revenue	收入	17	1,161,246	978,671
Other income	其他收入	18	346,805	279,169
Other gains, net	其他利得 — 淨額		822	371
Operating expenses	經營開支			
Depreciation and amortisation	折舊及攤銷		(272,867)	(203,686)
Employee benefit expenses	僱員福利開支	19	(105,821)	(209,949)
Materials, services and logistics	材料、服務及物流		(209,692)	(214,128)
Others	其他		(18,585)	(26,853)
Total operating expenses	經營開支總額		(606,965)	(654,616)
Profit from operations	經營利潤		901,908	603,595
Interest income	利息收入	20	37,065	25,701
Finance costs	財務費用	20	(4,287)	(25,556)
Exchange gains/(losses)	匯兌收益/(損失)	20	6,079	(7,480)
Finance income/(costs), net	財務收益(費用) — 淨額		38,857	(7,335)
Profit before income tax	除所得稅前利潤	21	940,765	596,260
Income tax expense	所得稅費用	22	(233,397)	(183,323)
Profit attributable to owners of the Company for the year	歸屬於本公司所有者的年度利潤		707,368	412,937
Other comprehensive income:	其他綜合收益：			
<i>Items that may be reclassified subsequently to profit or loss</i>	<i>其後可能重分類至損益的項目</i>			
Currency translation differences	外幣折算差額		6,315	60,826
Total comprehensive income attributable to owners of the Company for the year	歸屬於本公司所有者的年度綜合收益總額		713,683	473,763
Earnings per share (RMB)	每股收益(人民幣元)			
— Basic	— 基本	23	0.21	0.12
— Diluted	— 稀釋	23	0.21	0.12

The notes on pages 113 to 185 are an integral part of these consolidated financial statements.

第113頁至185頁的附註是本合併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 歸屬於本公司的所有者					Total equity 總權益 RMB'000 人民幣千元
		Share capital 股本 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	Retained earnings 留存收益 RMB'000 人民幣千元		
	Note 附註						
As at 1 January 2018	於2018年1月1日	2,041	4,385,637	383,703	178,964	4,950,345	
Comprehensive income	綜合收益						
Profit for the year	年度利潤	-	-	-	412,937	412,937	
Currency translation differences	外幣折算差額	-	-	60,826	-	60,826	
		-	-	60,826	412,937	473,763	
Transactions with owners	與所有者的交易						
Share-based compensation	以股份為基礎的報酬	19(b)	-	-	31,531	31,531	
Vesting of RSUs	歸屬受限制股份單位	12	15	44,813	(44,828)	-	
Cash settlement of RSUs	以現金結算的受限制股份單位		-	-	(10,231)	(10,231)	
Exercise of options	行使購股權	12	21	113,160	(113,793)	(612)	
Dividends	股利分配	24	-	(67,943)	-	(67,943)	
			36	90,030	(137,321)	(47,255)	
As at 31 December 2018	於2018年12月31日	2,077	4,475,667	307,208	591,901	5,376,853	
As at 1 January 2019	於2019年1月1日	2,077	4,475,667	307,208	591,901	5,376,853	
Comprehensive income	綜合收益						
Profit for the year	年度利潤	-	-	-	707,368	707,368	
Currency translation differences	外幣折算差額	-	-	6,315	-	6,315	
		-	-	6,315	707,368	713,683	
Transactions with owners	與所有者的交易						
Exercise of options	行使購股權	12	2	5,498	(2,439)	3,061	
Dividends	股利分配	24	-	(249,955)	-	(249,955)	
			2	(244,457)	(2,439)	(246,894)	
As at 31 December 2019	於2019年12月31日	2,079	4,231,210	311,084	1,299,269	5,843,642	

The notes on pages 113 to 185 are an integral part of these consolidated financial statements.

第113頁至185頁的附註是本合併財務報表的整體部分。

Consolidated Statement of Cash Flows

合併現金流量表

		Year ended 31 December 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
	Note 附註		
Cash flows from operating activities	經營活動現金流量		
Cash generated from operations	經營所得現金	1,114,826	516,370
Interest paid	已付利息	–	(28,123)
Income tax paid	已付所得稅	(166,616)	(83,314)
Net cash generated from operating activities	經營活動所得現金淨額	948,210	404,933
Cash flows from investing activities	投資活動現金流量		
Purchases of property, plant and equipment and intangible assets	購買不動產、工廠及設備以及無形資產	(242,318)	(439,371)
Increase in restricted bank deposits	受限制銀行存款增加	(6,128)	(6,104)
Increase in term deposits with initial terms of over three months	初始期限超過三個月的定期存款增加	(50,000)	–
Payments for financial assets at fair value through profit or loss	購買以公允價值計量且其變動計入損益的金融資產	(51,800)	–
Proceeds from sale of financial assets at fair value through profit or loss	出售以公允價值計量且其變動計入損益的金融資產所得款項	52,270	–
Proceeds from disposal of property, plant and equipment	出售不動產、工廠及設備所得款項	334	45
Interest received	已收利息	25,221	25,837
Net cash used in investing activities	投資活動所用現金淨額	(272,421)	(419,593)
Cash flows from financing activities	融資活動現金流量		
Proceeds from exercise of options	行使購股權所得款項	3,061	2,227
Proceeds from bank borrowings	銀行借款所得款項	–	44,489
Repayments of borrowings	償還借款	–	(607,389)
Payments of lease liabilities	償還租賃負債	(11,032)	–
Finance costs paid	已付財務費用	–	(6,524)
Dividends paid to the Company's shareholders	已付股利	(255,521)	(67,943)
Net cash used in financing activities	融資活動所用現金淨額	(263,492)	(635,140)
Net increase/(decrease) in cash and cash equivalents	現金及現金等價物增加/(減少)淨額	412,297	(649,800)
Cash and cash equivalents at beginning of the year	年初現金及現金等價物	1,656,523	2,236,970
Exchange gains on cash and cash equivalents	現金及現金等價物匯兌收益	15,111	69,353
Cash and cash equivalents at end of the year	年末現金及現金等價物	2,083,931	1,656,523

The notes on pages 113 to 185 are an integral part of these consolidated financial statements.

第113頁至185頁的附註是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

AAG Energy Holdings Limited (the “**Company**”) and its subsidiaries (together, the “**Group**”) are principally engaged in exploration, development and production of coalbed methane (“**CBM**”) in the People’s Republic of China (the “**PRC**”). The Company is an exempted company incorporated in the Cayman Islands with limited liability on 23 December 2014. The address of the Company’s registered office is P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands.

The Group conducts its business through two Production Sharing Contracts (“**PSC**”) entered into with China United Coalbed Methane Corporation Ltd. (“**CUCBM**”) and China National Petroleum Corporation (“**CNPC**”) (authorizing its subsidiary PetroChina Company Limited (“**PetroChina**”) for the Panzhuang and Mabi concessions respectively in Shanxi Province of the PRC.

The Overall Development Plan (“**ODP**”) of the Panzhuang concession was approved by the National Development and Reform Commission (“**NDRC**”) of the PRC on 28 November 2011, which allowed the Panzhuang concession to enter into the commercial development phase. On 8 October 2018, NDRC formally announced the Approval Regarding the ODP in respect of the Foreign Cooperation Project within the Southern Area in Mabi concession, Qinshui Basin, Shanxi Province. According to the announcement, the approval was officially issued in September 2018. With this approval, the Southern Area of Mabi concession is eligible for commercial development. As at 31 December 2019, the Northern Area of Mabi concession was still in exploration phase.

The Company’s Initial Public Offering (“**IPO**”) of its shares on the Main Board of the Stock Exchange of Hong Kong Limited was completed on 23 June 2015.

1. 一般資料

亞美能源控股有限公司(「本公司」)及其附屬公司(統稱「本集團」)主要在中華人民共和國(「中國」)從事煤層氣(「CBM」)的勘探、開發及生產。本公司於2014年12月23日在開曼群島註冊成立為獲豁免有限公司。本公司的註冊辦事處地址為P.O. Box 31119, Grand Pavilion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands。

本集團通過與中聯煤層氣有限責任公司(「CUCBM」)及中國石油天然氣集團有限公司(「CNPC」)(授權其子公司中國石油天然氣股份有限公司(「中石油」))分別就中國山西省潘莊和馬必區塊訂立的兩份產品分成合同(「產品分成合同」)開展業務。

潘莊區塊的總體開發方案(「ODP」)於2011年11月28日獲中國國家發展和改革委員會(「國家發改委」)批准，允許潘莊區塊進入商業開發階段。國家發改委於2018年10月8日正式公告了關於山西沁水盆地馬必區塊南區煤層氣對外合作項目ODP的批復。根據其公告，該批復於2018年9月正式批出。自此，馬必區塊南區具備了商業開發的條件。於2019年12月31日，馬必區塊北區仍處於勘探階段。

本公司於2015年6月23日在香港聯合交易所有限公司主板完成首次公開發售(「首次公開發售」)。

Notes to the Consolidated Financial Statements

合併財務報表附註

1. GENERAL INFORMATION (Continued)

In 2018, Liming Holding Limited (“**Liming**”), an indirect wholly owned subsidiary, controlled through Sichuan Liming Energy Development Co., Ltd. (“**Sichuan Liming**”), of Xinjiang Xintai Natural Gas Co., Ltd. (“**XTRQ**”), a company incorporated in the PRC and listed on the Shanghai Stock Exchange (stock code: 603393), acquired approximately 50.5% of issued shares of the Company.

The Directors regard Liming, Sichuan Liming and XTRQ as its immediate parent entity, intermediate parent entity and the ultimate parent entity of the Company respectively subsequent to the completion of the takeover (“**Change of Control**”).

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 of the Group have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“**HKFRS**”) and requirements of the Hong Kong Companies ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention.

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

The preparation of the financial statements in conformity with HKFRS 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.

1. 一般資料(續)

於2018年，新疆鑫泰天然氣股份有限公司(「**新天然氣**」，於中國註冊成立的公司，於上海證券交易所上市(股份代號：603393))通過四川利明能源開發有限責任公司(「**四川利明**」)持有的間接全資附屬公司香港利明控股有限公司(「**利明**」)收購本公司約50.5%已發行股份。

收購完成後，董事將利明、四川利明及新天然氣分別視為本公司的直接控股公司、中間控股公司及最終控股公司(「**控制權變更**」)。

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使用。

2.1 編製基準

本集團的合併財務報表已根據所有適用香港財務報告準則(「**香港財務報告準則**」)及《香港公司條例》第622章的規定編製。合併財務報表根據歷史成本法編製。

除另有說明外，合併財務報表以人民幣(「**人民幣**」)列報。

編製符合香港財務報告準則的財務報表需要使用若干關鍵會計估計。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。涉及高度的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

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of Preparation (Continued)

(a) 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 1 January 2019:

- *HKFRS 16 Leases*
- *Interpretation 23 Uncertainty over Income Tax Treatments*
- *Prepayment Features with Negative Compensation — Amendments to HKFRS 9*
- *Annual Improvements to HKFRS Standards 2015–2017 Cycle*
- *Plan Amendment, Curtailment or Settlement — Amendments to HKAS 19*

The impact of the adoption of HKFRS 16 is disclosed in note 2.2 below. The other amendments did not have any impact on the Group's accounting policies and did not require retrospective adjustments.

(b) New Standards and Interpretations not yet Adopted

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

2. 重要會計政策摘要(續)

2.1 編製基準(續)

(a) 本集團已採納新訂及已修訂準則

本集團於2019年1月1日開始的年度報告期間首次採用以下準則及修訂：

- 香港財務報告準則第16號租賃
- 解釋公告第23號所得稅會計處理的不確定性
- 具有反向賠償的提前還款特徵 — 對香港財務報告準則第9號的修訂
- 香港財務報告準則年度改進2015–2017年週期
- 計畫的修改、縮減或結算 — 對香港會計準則第19號的修訂

採納上述香港財務報告準則第16號而造成的影響在附註2.2中披露。其他修訂並未對本集團的會計政策造成任何影響，亦不需進行追溯調整。

(b) 尚未採納的新準則及解釋

多項新會計準則及解釋已頒佈，惟毋須於2019年12月31日的報告期間強制應用，而本集團亦無提早採納。此等準則及解釋預期將不會於當前或未來報告期間對實體以及可見將來交易造成重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in Accounting Policies

This note explains the impact of the adoption of HKFRS 16 Leases on the Group's financial statements.

The Group has adopted HKFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019. The new accounting policies are disclosed in note 2.24.

On adoption of HKFRS 16, the Group recognised lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of HKAS 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 1 January 2019. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 8.00%.

2. 重要會計政策摘要(續)

2.2 會計政策變更

本附註解釋採納香港財務報告準則第16號租賃對本集團財務報表的影響。

本集團自2019年1月1日起追溯適用香港財務報告準則第16號，並且按照該準則的過渡條款，未重述2018報告年度的比較數字。因此，因採用新租賃準則而作出的重分類及調整在2019年1月1日期初資產負債表內確認。新的會計政策在附註2.24中披露。

因採用香港財務報告準則第16號，本集團為之前根據《香港會計準則第17號—租賃》的原則歸入「經營租賃」的租賃確認了租賃負債。該等租賃負債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。2019年1月1日租賃負債適用的承租人加權平均增量借款利率為8.00%。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in Accounting Policies (Continued)

(a) Practical Expedients Applied

In applying HKFRS 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 1 January 2019;
- accounting for operating leases with a remaining lease term of less than 12 months as at 1 January 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 HKAS 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)

(a) 所採用的實務簡易處理方法

在首次執行香港財務報告準則第16號的過程中，本集團使用了該準則允許採用的下列實務簡易處理方法：

- 對具有合理相似特徵的租賃組合採用單一折現率；
- 前期評估租賃合同是否是虧損性的，作為進行減值評估的替代方法 — 截至2019年1月1日本集團的租賃合同均為非虧損合同；
- 截至2019年1月1日的剩餘租賃期短於12個月的經營租賃作為短期租賃處理；
- 首次採用日計量使用權時扣除初始直接費用；及
- 如果合同包含續租或終止租賃的選擇權，則可在確定租賃期時使用後見之明。

本集團已選擇不在首次採用日重新評估一項合同是否為租賃合同或是否包含租賃。對於在過渡日之前簽訂的合同，本集團根據香港會計準則第17號和解釋公告第4號 — 確定一項安排是否包含租賃進行評估。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in Accounting Policies (Continued)

(b) Measurement of Lease Liabilities

2. 重要會計政策摘要(續)

2.2 會計政策變更(續)

(b) 租賃負債的計量

		2019 2019年 RMB'000 人民幣千元
Operating lease commitments disclosed as at 31 December 2018	2018年12月31日披露的經營租賃承諾	10,336
Discounted using the lessee's incremental borrowing rate of at the date of initial application	首次執行日使用承租人的增量借款利率進行折現	9,400
Less: short-term leases recognised on a straight-line basis as expense	減：按直線法作為費用確認的短期租賃	(5,563)
Add: adjustments as a result of a different treatment of extension and termination options	加：因對續租選擇權和終止選擇權採用不同的會計處理而進行的調整	50,782
Lease liability recognised as at 1 January 2019	2019年1月1日確認的租賃負債	54,619
Of which are:	其中包括：	
Current lease liabilities	流動租賃負債	7,718
Non-current lease liabilities	非流動租賃負債	46,901
		54,619

(c) Measurement of Right-of-Use Assets

The right-of-use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018. There were no onerous lease contracts that would have required an adjustment to the right-of-use assets at the date of initial application.

(c) 使用權資產的計量

使用權資產根據與租賃負債相等的金額計量，並按照2018年12月31日資產負債表內確認的與該租賃相關的預付或計提的租賃付款額予以調整。本集團的租賃合同均為非虧損合同，不需要在首次執行日對使用權資產進行調整。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.2 Changes in Accounting Policies (Continued)

(d) Adjustments Recognised in the Balance Sheet on 1 January 2019

The change in accounting policy affected the following items in the balance sheet on 1 January 2019:

- Right-of-use assets — increase by RMB59,972,000;
- Prepayments — decrease by RMB6,215,000;
- Lease liabilities — increase by RMB54,619,000;
- Land use rights — decrease by RMB11,700,000.

2.3 Subsidiaries

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 to direct the activities of 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.

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.

2. 重要會計政策摘要(續)

2.2 會計政策變更(續)

(d) 2019年1月1日在資產負債表內確認的調整

會計政策變更影響2019年1月1日資產負債表的下列項目：

- 使用權資產 — 增加人民幣59,972,000元；
- 預付款 — 減少人民幣6,215,000元；
- 租賃負債 — 增加人民幣54,619,000元；
- 土地使用權 — 減少人民幣11,700,000元。

2.3 附屬公司

附屬公司是指本集團對其有控制權的實體(包括結構性實體)。當本集團因參與該實體而接受或享有可變回報的權益，並有能力通過其權力指揮實體活動而影響該回報時，則本集團對該實體具有控制權。附屬公司自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。

集團內部交易，集團公司間交易產生的結餘及未變現收益會相互抵銷。未變現虧損也會抵銷，除非此交易提供了轉移資產減值的證據。於必要時會對附屬公司所呈報金額做出調整以符合本集團的會計政策。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Production Sharing Contract

The Group's exploration, development and production activities are primarily conducted through PSCs which establish joint control over the exploration, development and production activities. Each participant is entitled to a predetermined share of the related output and bears an agreed share of the costs.

The consolidated financial statements reflects:

- (i) The Group's assets used in joint operations;
- (ii) Any liabilities that the Group has incurred;
- (iii) Any income from the sale or use the Group's share of the output of the production, together with its share of any expenses incurred in the production; and
- (iv) Any expenses that the Group has incurred in respect of its interest in the production.

The Group's PSCs comprise of three phases: the exploration phase, development phase and production phase. Costs incurred with respect to exploration activities within the PSC contract areas are solely borne by the Group. All costs incurred subsequent to the date of the approval of ODP are treated as development costs and provided by the Group and the PSC partners in the proportion of their respective participating interests. Operating costs incurred for the production operation shall be borne by the Group and the PSC partners in proportion to their share of the output of the CBM productions in each concession.

Pursuant to the Panzhuang and Mabi PSCs, the annual gross production of CBM, after payment of value-added tax ("VAT") and royalties, is allocated into Cost Recovery CBM and Remainder CBM.

2. 重要會計政策摘要(續)

2.4 產品分成合同

本集團的勘探、開發及生產活動主要通過產品分成合同進行，而產品分成合同確立了對勘探、開發及生產活動的共同控制權。各參與者均享有產量的預定份額及承擔協定的成本。

合併財務報表反映了：

- (i) 本集團用於共同業務的資產；
- (ii) 本集團產生的任何負債；
- (iii) 銷售或使用本集團應佔產量產生的任何收入，連同其生產過程中的產生的任何費用；及
- (iv) 本集團就其產品權益產生的任何費用。

本集團的產品分成合同包含三個階段：勘探階段、開發階段及生產階段。就產品分成合同區域的勘探活動所產生成本全部由本集團承擔。總體開發方案獲批日之後所產生全部成本視作開發成本並由本集團及產品分成合同合作夥伴按其各自參與權益比例分擔。生產運營所產生的營運成本應由本集團及產品分成合同合作夥伴按其應佔各區塊煤層氣產量的比例承擔。

根據潘莊和馬必的產品分成合同，煤層氣的年度總產量經扣減增值稅（「增值稅」）及礦區土地使用費後分配至費用回收氣及餘額氣。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Production Sharing Contract (Continued)

(a) Cost Recovery CBM

Cost Recovery CBM is the CBM allocated to the Group and the PSC partners for recovery of the operating costs, as well as the exploration costs and development costs. 70% and 80% of annual gross production of CBM is deemed as Cost Recovery CBM under the Panzhuang and Mabi PSC, respectively. Cost Recovery CBM is allocated until all costs incurred by each party have been fully recovered. Cost Recovery CBM is allocated as follows:

- (i) Prior to the production phase, Cost Recovery CBM is firstly applied to recover costs incurred during the exploration phase of the PSC and once such costs have been fully recovered, Cost Recovery CBM is allocated to recover costs incurred during the development phase.
- (ii) After the PSC enters the production phase, Cost Recovery CBM is allocated according to the following mechanism:

Operating cost recovery: payment in kind for the operating costs actually incurred but not yet recovered by each party.

Exploration and development cost recovery: after operating costs have been fully recovered, the Cost Recovery CBM is allocated to the Group and the PSC partners for the recovery of exploration and development costs. Exploration costs, 100% of which are borne by the Group, are fully recovered before development costs can be recovered. Upon the full recovery of exploration costs, any remaining Cost Recovery CBM is allocated between the Group and the PSC partners for the recovery of development costs according to the respective participating interests in the CBM concessions.

For the purpose of recovery, exploration costs do not include any interest, while development costs include a deemed interest calculated at a fixed compound interest rate of 9% per annum.

2. 重要會計政策摘要(續)

2.4 產品分成合同(續)

(a) 費用回收氣

費用回收氣為分配於本集團和產品分成合同合作方以回收經營成本，勘探成本以及開發成本的煤層氣。潘莊及馬必產品分成合同下分別有70%和80%的煤層氣年度總產量被視為費用回收氣。費用回收氣獲分配直至各方產生的全部成本已收回為止。費用回收氣分配如下：

- (i) 生產階段前，費用回收氣首先用於收回產品分成合同勘探階段所產生成本，一旦有關成本全部回收，費用回收氣將分配至開發階段產生的成本。
- (ii) 產品分成合同進入生產階段之後，費用回收氣根據以下機制分配：

經營成本回收：對實際發生但各方尚未收回的各類經營成本的支付。

勘探及開發成本回收：經營成本全部回收之後，費用回收氣將分配至本集團和產品分成合同合作方，以回收勘探和開發成本。勘探成本（100%由本集團承擔）於開發成本回收之前全部回收。回收全部勘探成本後，任何剩餘的費用回收氣根據本集團和產品分成合同合作夥伴按其應佔各區塊參與權益在兩者之間分配以收回開發成本。

就回收目的而言，勘探成本不包括任何利息，而開發成本包括按9%的固定複合年利率計算的認定利息。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.4 Production Sharing Contract (Continued)

(b) Remainder CBM

Remainder CBM represents the remainder annual gross CBM production after payment of VAT, royalties and allocation to Cost Recovery CBM.

The Remainder CBM is further divided into allocable remainder CBM and share CBM. The allocable remainder CBM equals to the total remainder CBM multiplied by a factor (X) and the share CBM equals the Remainder CBM minus the allocable remainder CBM. The factor (X) is determined in accordance with a set of successive incremental tiers on the basis of the annual gross CBM production as set out in the PSCs. The allocable remainder CBM is allocated between the Group and the PSC partner according to the respective participating interest in the PSC. Share CBM is allocated 100% to the PSC partner.

2.5 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 directors and chief executive of the Company.

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 primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is US\$, whereas the functional currency of the production sharing projects in the PRC is RMB. The consolidated financial statements are presented in RMB.

2. 重要會計政策摘要(續)

2.4 產品分成合同(續)

(b) 餘額氣

餘額氣為煤層氣總年產量扣除增值稅、礦區土地使用費及費用回收氣分配後的餘額。

餘額氣進一步分為分成氣和留成氣。分成氣等於總剩餘氣乘以一個係數(X)，而留成氣等於餘額氣減分成氣。係數(X)根據產品分成合同所載以煤層氣總年產量為基礎的一系列滑動階梯決定。分成氣根據本集團與產品分成合同合作夥伴各自於產品分成合同的參與權益之間分配。留成氣100%分配於產品分成合同的合作方。

2.5 分部報告

經營分部的報告方式與向主要營運決策者提供的內部報告方式一致。董事和本公司首席執行官被認定為主要營運決策者，負責分配資源並評估經營分部的業績。

2.6 外幣折算

(a) 功能及列報貨幣

本集團各主體的財務報表所列項目均以該主體營運所在主要經濟環境的貨幣(「功能貨幣」)計量。本公司的功能貨幣是美元，而在中國的產品分成合同項目的功能貨幣是人民幣。合併財務報表以人民幣列報。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Foreign Currency Translation (Continued)

(b) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statements of comprehensive income.

Foreign exchange gains and losses that relate to cash and cash equivalents are presented in the consolidated statements of comprehensive income within "exchange gains/losses".

(c) Group Companies

The results and financial positions 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 balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (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 currency translation differences are recognised in other comprehensive income ("OCI").

2. 重要會計政策摘要(續)

2.6 外幣折算(續)

(b) 交易及結餘

外幣交易採用交易日或項目重新計量的估值日的適用匯率換算為功能貨幣。結算此類交易產生的匯兌利得和損失以及按年終匯率換算以外幣計價的貨幣資產及負債產生的匯兌利得和損失在合併綜合收益表確認。

有關現金及現金等價物的匯兌盈虧於合併綜合收益表以「匯兌收益／損失」列報。

(c) 集團公司

功能貨幣與列報貨幣不同的所有集團實體(當中無惡性通貨膨脹經濟下的貨幣)的業績及財務狀況按以下方式換算為列報貨幣：

- (i) 每份資產負債表中的資產和負債按資產負債表日的收市匯率換算；
- (ii) 每份綜合收益表的收入及費用按平均匯率換算(除非此匯率並非交易日匯率累計影響的合理近似值，在此情況下，收入和費用按交易日期的匯率折算)；及
- (iii) 所有由此產生的貨幣折算差額在其他綜合收益中確認。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, Plant and Equipment

Property, plant and equipment, other than exploration and evaluation assets and construction in progress, are stated at historical cost less accumulated depreciation 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 the replaced part is derecognised. All other repairs and maintenance are charged in the consolidated statements of comprehensive income during the financial period in which they are incurred.

Other than gas properties, depreciation of each asset is calculated using the straight-line method to allocate its cost less its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

	Estimated useful lives 估計可使用年期
Gas gathering station and relating facilities 集氣站及相關設施	Shorter of remaining PSC period or 20 years 產品分成合同剩餘年限或20年(以較短者為準)
Vehicles 車輛	4-5 years 4-5年
Furniture, fittings and others 傢俱、裝置及其他	3-5 years 3-5年

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

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 (Note 2.11).

2. 重要會計政策摘要(續)

2.7 不動產、工廠及設備

不動產、工廠及設備(勘探和評估資產及在建工程除外)均以歷史成本減去累計折舊和減值列示。歷史成本包括直接歸屬於收購項目的所有開支。

後續成本僅會在與項目有關的未來經濟利益很可能流入本集團，而該項目的成本可以被可靠計量時，方會計入資產的賬面價值或確認為一項單獨資產(如適用)。已替換部分的賬面價值予以終止確認。所有其他維修和維護費在產生之財務期間計入合併綜合收益表。

除了天然氣資產，各資產的折舊按其成本減剩餘價值在其估計使用年期中以直線法計算。不動產、工廠及設備的估計使用年期如下：

資產的剩餘價值及使用年限於各資產負債表日進行覆核及調整(如適用)。

如果資產的賬面價值大於其估計可回收金額，其賬面價值須立即調減至資產的可回收金額(附註2.11)。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Property, Plant and Equipment (Continued)

Construction in progress represents development costs occurred after the technical feasibility and commercial viability of extracting a mineral resource are demonstrable and the buildings, machinery and equipment for which the construction work has not been completed. It is carried at cost which includes construction expenditures and other direct costs less any impairment losses. Upon completion, the development costs recorded in construction in progress are transferred to gas properties. No depreciation is provided for construction in progress until they are completed and available for use.

Spare parts are accounted for as property, plant and equipment when (a) they can be used only in connection with an item of property, plant and equipment; or (b) the Group expects to use them during more than one year. Other spare parts are classified as inventory.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount and are recognised within "other gains/losses" in the consolidated statements of comprehensive income.

2.8 Exploration and Evaluation Assets

Exploration and evaluation expenditures mainly include acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource.

During initial stage of a project, exploration and evaluation expenditures are expensed as incurred. Expenditure on a project after it has reached a stage at which there is a high degree of confidence in its viability is capitalised as exploration and evaluation assets. If a project does not prove viable, all irrecoverable expenditures associated with the project are expensed in the consolidated statements of comprehensive income.

2. 重要會計政策摘要(續)

2.7 不動產、工廠及設備(續)

在建工程指就開採礦產資源的進行技術可行性及商業可行性之後所產生的開發成本以及建造工程尚未完工的樓宇、機器及設備。在建工程以成本列示，成本包括建造開支及其他直接成本扣除任何減值損失。於完工後，計入在建工程的開發成本轉入天然氣資產。在建工程在完工並投入使用之前不計提折舊。

當備件(a)僅用於一項不動產、工廠及設備；或(b)本集團預期該設備的使用年限超過一年時，作為不動產、工廠及設備列示。其他備件分類為存貨。

處置的收益和損失按所得款項與賬面價值的差額確定，並於合併綜合收益表中的「其他利得／損失」中確認。

2.8 勘探及評估資產

勘探及評估開支主要包括勘探權的購買，地形、地質、地球化學和地球物理研究，勘探鑽井、取樣以及有關評估技術可行性和商業開採礦產資源的可行性的活動的支出。

在項目的最初階段，勘探和評估開支於產生時支銷。項目達到確信可行階段後，其開支作為勘探及評估資產撥充資本。若項目經證實不可行，與該項目有關的所有不可回收開支於合併綜合收益表中列示。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Exploration and Evaluation Assets (Continued)

Costs of exploratory wells are capitalised and evaluated for economic viability within one year after completion of drilling. The related well costs are expensed as dry holes if it is determined that such economic viability is not attained.

Exploration and evaluation assets are measured at cost less impairment provisions. Exploration and evaluation assets are reclassified to gas properties when the technical feasibility and commercial viability of extracting a mineral resource are demonstrable.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount, and also tested for impairment immediately prior to reclassification to gas properties.

2.9 Gas Properties

Gas properties include drilling costs, exploration and evaluation costs, development costs and other direct costs attributable to the gas production properties. Gas properties are depreciated based on the unit of production method. Unit of production rates are based on proved and probable gas reserves estimated to be recoverable from whole concessions based on the current terms of the respective PSC and taking into account estimated future development costs necessary to bring those reserves into production.

2.10 Intangible Assets

Intangible assets represent computer software. Acquired computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised using the straight-line method over their estimated useful lives ranging from 3 to 10 years.

2. 重要會計政策摘要(續)

2.8 勘探及評估資產(續)

勘探井成本於估採完成後一年內予以資本化並評價其經濟可行性。如果被證實此經濟可行性無法達成，相關井成本作為乾井支銷。

勘探及評估資產以成本減減值撥備計量。當證實技術上可行和商業開採礦產資源可行後，勘探及評估資產會重分類至天然氣資產。

當事實及實際情況顯示勘探及評估資產的賬面價值可能超過其可回收金額時，將對勘探及評估資產進行減值評估，亦會於重分類至天然氣資產前進行減值測試。

2.9 天然氣資產

天然氣資產包括鑽井成本，勘探及評估成本，開發成本和其他歸屬於天然氣生產資產的直接成本。天然氣資產基於單位生產法計提折舊。單位生產法下的折舊率根據各產品分成合同現行條款，按證實及概算天然氣儲量的估計可採量計算並考慮生產該等儲量所需的估計未來開發成本。

2.10 無形資產

無形資產是指電腦軟件。購入的電腦軟件按購入該指定軟體並將其投入使用所產生的成本予以資本化。該成本按三至十年的估計可使用年限以直線法攤銷。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Impairment of Non-Financial Assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that their 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 which are largely independently of the cash flows from other assets or group of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each balance sheet date.

2.12 Inventories

Inventories are mainly spare parts and consumables with low value and stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost method. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.13 Trade and Other Receivables

Trade receivables are amounts due from customers for gas sold in the ordinary course of business. 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.

2. 重要會計政策摘要(續)

2.11 非金融資產減值

對於須做折舊或攤銷的資產，當有事件出現或情況改變預示賬面價值不能收回時要進行減值測試。減值虧損按照該資產的賬面價值超出其可回收金額的差額確認。可回收金額按照該資產的公允價值扣除出售成本或使用價值中較高者確認。就評估減值而言，資產將按可單獨識別並大致上獨立於其他資產或資產組別的現金流量的最低層級(現金產生單位)進行分組。除商譽外，已出現減值的非金融資產在各資產負債表日就是否可能轉回減值進行檢查。

2.12 存貨

存貨主要為備件及低值易耗品，按成本及可變現淨值的較低者列示。成本按照加權平均法確認。可變現淨值是日常業務中的估計售價減適用的可變銷售開支所得。

2.13 應收賬款及其他應收款

應收賬款為在日常經營活動中就煤層氣銷售而應收客戶的款項。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。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Trade and Other Receivables (Continued)

Other receivables are mainly government grants due from government and Chinese partners and cash call due from Chinese partners, which are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

See note 9 for further information about the Group's accounting for trade and other receivables and note 3.1(a) for a description of the Group's impairment policies.

2.14 Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks and term deposits with original maturities of three months or less.

2.15 Share Capital

Ordinary shares are classified as equity (Note 12).

Incremental costs directly attributable to the issuance of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.16 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. 重要會計政策摘要(續)

2.13 應收賬款及其他應收款(續)

其他應收款主要是應從政府及中方合作夥伴收取的政府補助，以及應從中方合作夥伴收取的現金籌款。其他應收款初始按公允價值計量，隨後採用實際利率法按照攤餘成本扣除減值準備計量。

關於本集團應收賬款及其他應收款會計處理的更多資訊，請參見附註9。關於本集團的減值政策，請參見附註3.1(a)。

2.14 現金及現金等價物

現金及現金等價物包括現金，可隨時支取的銀行存款及原到期期限為三個月或以下的定期存款。

2.15 股本

普通股分類為權益(附註12)。

直接歸屬於發行新股或購股權的新增成本從所得款項中扣減(已扣除稅款)。

2.16 應付賬款

應付賬款是在日常經營活動中，因接受供應商提供的商品或服務而承擔的債務。如付款期限在一年以內(如為較長期間，應在正常運營週期中)，應付賬款列示為流動負債。否則應付賬款會列示為非流動負債。

應付賬款按照公允價值進行初始確認，其後使用實際利率法按攤銷成本計量。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Current and Deferred Income Tax

The income tax expense for the period comprises current and deferred tax. Tax is recognised in the consolidated statements of comprehensive income, except to the extent that it relates to items recognised in OCI or directly in equity. In this case the tax is also recognised in OCI or directly in equity, respectively.

(a) Current Income Tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group companies operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred Income Tax

Inside Basis Differences

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

2. 重要會計政策摘要(續)

2.17 當期及遞延所得稅

所得稅開支包含當期所得稅和遞延所得稅。稅項在合併綜合收益表內確認，但與其他綜合收益或直接在權益確認的項目有關的稅項除外。在此情況下，稅項分別在其他綜合收益或者直接權益內確認。

(a) 當期所得稅

當期所得稅支出根據集團公司營運所在及產生應課稅收入的國家與結算日已頒佈或實質已頒佈的稅務法規計算。管理層就使用稅務法規所規定的情況定期評估稅務狀況，並在適用情況下根據需向稅務機關支付的稅款設定撥備。

(b) 遞延所得稅

內在差異

遞延所得稅利用負債法就資產和負債的稅基與資產和負債在合併財務報表中的賬面價值的差額所產生的暫時性差異而確認。然而倘遞延稅項負債因初始確認商譽而產生，則不會確認有關遞延稅項負債，若遞延所得稅來自交易(不包含業務合併)中對資產和負債的初始確認，而在交易中不影響會計損益或應課稅利潤或虧損，亦不進行確認。遞延所得稅採用在結算日前已頒佈或實質上已頒佈，並根據有關遞延所得稅資產變現或遞延所得稅負債結算時預期將會適用的稅率(及法例)予以確定。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.17 Current and Deferred Income Tax (Continued)

(b) Deferred Income Tax (Continued)

Inside Basis Differences (Continued)

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Outside Basis Differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries 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 and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

(c) Offsetting

Deferred tax assets and tax liabilities are offset when there is a legally enforceable right to offset current tax assets and tax liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the Group has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2. 重要會計政策摘要(續)

2.17 當期及遞延所得稅(續)

(b) 遞延所得稅(續)

內在差異(續)

遞延所得稅資產僅在可能有未來應課稅利潤並可就此使用暫時性差異的情況下予以確認。

外在差異

遞延所得稅負債按於附屬公司及合營安排的投資所產生應課稅暫時差額作依據，除非轉回的遞延所得稅負債暫時差異的時間由本集團控制，並在可見將來不大可能轉回暫時差異者除外。

遞延所得稅資產就與附屬公司及合營安排的投資所產生的可扣減暫時差異予以確認，僅在暫時差異很可能將於日後轉回，並有充足的應課稅利潤抵銷可用的暫時差異時方可確認。

(c) 抵銷

當有法定可執行權力將當期稅項資產與稅項負債抵銷，且遞延稅項餘額涉及同一稅務機關時，則可將遞延稅項資產與稅項負債互相抵銷。當本集團有法定可執行的抵銷權且有意向以淨額基準結算，或實現資產並同時結算負債，則可將當期稅項資產與稅項負債互相抵銷。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.18 Employee Benefits

Liabilities for wages and salaries, including non-monetary benefits, that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

The Group participates in defined contribution plans operated by relevant government authorities. A defined contribution plan is a pension plan which the Group pays to the relevant government authorities contributions calculated according to the bases and percentage prescribed. When employees retire, the relevant government authorities are obliged to pay the pensions to them. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. The contributions are recognised and allocated to related cost of assets and expenses based on different beneficiaries.

All Chinese employees of the Group also participate in other social security plans, including medical, housing and other welfare benefits, organised and administered by the government authorities. According to the relevant regulations, the premiums and welfare benefit contributions that should be borne by the Group are calculated based on percentages of the total salary of employees, subject to a certain ceiling, and are paid to the labor and social welfare authorities.

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 HKAS 37 and involves the payment of terminations 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.

2. 重要會計政策摘要(續)

2.18 僱員福利

預期將在僱員提供相關服務的期間結束後12個月內完全結算的工資及薪金負債(包括非貨幣性福利)在僱員提供相關服務的期間確認，並按負債結算時預期支付的金額計量。

本集團參與由相關政府機關運營的設定提存計劃。設定提存計劃為本集團向相關政府機關支付根據規定的基數和百分比計算供款的退休金計劃。當僱員退休時，相關政府機關有義務向其支付退休金。如果該基金沒有足夠資產向所有僱員就其在當期及以往期間的僱員服務支付福利，本集團亦無法定或推定責任支付進一步供款。供款根據不同受益者確認並分配至資產的相關成本及費用。

本集團的所有中國員工亦參與政府機關組織及管理的其他社會保障計劃，包括醫療、住房及其他福利。根據有關規定，本集團須承擔的保險及福利計劃供款根據僱員薪金總額的比例且在不超過規定上限的基礎計算，並向勞動及社會福利機構繳納。

辭退福利在本集團於正常退休日期前終止僱用職工，或當職工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香港會計準則第37號的範圍並涉及支付辭退福利時。在鼓勵職工自動遣散的要約情況下，辭退福利按預期接受要約的職工數目計算。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.19 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 and VAT.

Sales of Gas

The Group produces and sells gas. Sales of gas are recognised when control of the gas has transferred, being when the gas is delivered to the customers. The amount of revenue is allocated based on the terms of the PSCs and gas sales agreements.

2.20 Government Grants

Grants from the government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants that are receivable as compensation for expenses or losses already incurred with no future related costs, such as refund of VAT paid and subsidies granted according to CBM production, are recognised in profit or loss in the period in which they become receivable. Note 18 provides further information on how the Group accounts for government grants.

2. 重要會計政策摘要(續)

2.19 收入確認

收入按已收或者應收對價的公允價值計量並相當於供應商品的應收款項，扣除折扣和增值稅後列帳。

煤層氣銷售

本集團生產及銷售煤層氣。當煤層氣控制權已轉移，即煤層氣已交付予客戶時，本集團確認煤層氣銷售收入。收入金額根據產品分成合同及煤層氣銷售協議的條款予以分配。

2.20 政府補助

政府補助按公允價值合理確認將可收到補助，並且本集團符合所有附帶條件時方可確認。

政府補助為已產生的開支或虧損並且無日後相關成本的補償，如退回已付增值稅及按煤層氣生產授予的補貼，並於其成為應收款期間確認為損益。附註18提供有關本集團如何入賬政府補助的進一步資料。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Share-based Compensation

(a) Equity-settled Share-based Payment Transactions

The Group operates two equity-settled share-based compensation plans, under which the Group receives services from employees as consideration for equity instruments (options and restricted share unit) of the Company. The fair value of the employee services received in exchange for the grant of the options and restricted share unit is recognised as an expense. The total amount to be expensed is determined by reference to the fair value of the options and restricted share unit granted:

- including any market performance conditions (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions (for example, profitability, sales growth targets and remaining as an employee of the Group over a specified time period); and
- including the impact of any non-vesting conditions (for example, the requirement for employees to save or to hold shares for a specified period of time).

The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the Group revises its estimates of the number of options and restricted share unit 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 the consolidated statements of comprehensive income, with a corresponding adjustment to equity.

2. 重要會計政策摘要(續)

2.21 以股份為基礎的報酬

(a) 以權益結算以股份為基礎的交易

本集團運營兩種權益結算下以股份為基礎的報酬計劃，根據該計劃，將實際收取僱員的服務作為本集團權益工具(購股權和受限制股份單位)的代價。職工為換取授予購股權和受限制股份單位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購股權和受限制股份單位的公允價值釐定：

- 包括任何市場業績條件(例如主體的股價)；
- 不包括任何服務和非市場業績條件(例如盈利能力、銷售增長目標和在特定時期內僱員的留任率)的影響；及
- 包括任何非可行權條件的影響(例如僱員於特定期間存有或持有股份的規定)。

費用總額在授予期內確認，授予期指達成所有指定授予條件的期間。在各報告期末，本集團依據非市場業績和服務條件修訂其對預期授予的購股權和受限制股份單位數目的估計。在合併綜合收益表確認對原估算的修訂(如有)的影響，並對權益做出相應調整。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.21 Share-based Compensation (Continued)

(a) Equity-settled Share-based Payment Transactions (Continued)

When the options are exercised, the Company issues new shares. The proceeds received from the exercise of options net of any directly attributable transaction costs are credited to share capital (and share premium).

If the terms of an equity-settled award are modified, at a minimum an expense is recognised as if the terms had not been modified. An additional expense is recognised for any modification that increases the total fair value of the options and restricted share unit, or is otherwise beneficial to the employee, as measured at the date of modification.

If a grant of equity instruments is cancelled or settled during the vesting period, the Company shall account for the cancellation or settlement as an acceleration of vesting, and shall therefore recognise immediately the amount that otherwise would have been recognised for services received over the remainder of the vesting period.

(b) Share-based Payment Transactions among Group Entities

The grant by the Company of options and restricted share unit 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 company entity accounts.

2.22 Interest Income

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Interest income is calculated by applying the effective interest rate.

2. 重要會計政策摘要(續)

2.21 以股份為基礎的報酬(續)

(a) 以權益結算以股份為基礎的交易(續)

在行使購股權時，本公司發行新股。行使購股權收取的所得款項扣除任何直接交易成本計入股本(和股本溢價)。

在修訂以權益結算的獎勵條件時，如果有關條款並無作出修訂，將會至少確認開支。亦會就增加購股權及受限制股份單位的總公允價值的任何修訂，或於修訂當日計算時對僱員有利的任何修訂確認額外開支。

如果在歸屬期內取消授予的權益工具或對所授予的權益性工具進行結算，公司應將取消或結算作為加速歸屬處理，立即確認本應在剩餘歸屬期間確認的金額。

(b) 集團間以股份為基礎的支付交易

母公司向為本集團工作的附屬公司僱員所授出其權益工具的購股權及受限制股份單位視為注資。所獲得的僱員服務的公允價值參考授予日的公允價值計量，於授予期內確認為增加附屬公司的投資，並相應計入母公司實際賬目之權益。

2.22 利息收入

出於現金管理目的而持有的金融資產的利息收入列作為財務收入。利息收入按實際利率計算。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.23 Provision-Asset Retirement Obligation

Asset retirement obligation for environmental restoration is recognised when: the Group has a present constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

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. Asset retirement obligation 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.

Asset retirement obligation 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.

2.24 Lease

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.

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 27). Payments made under operating leases (net of any incentives received from the lessor) were charged to consolidated statement of comprehensive income on a straight-line basis over the period of the lease.

From 1 January 2019, leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group.

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.

2. 重要會計政策摘要(續)

2.23 撥備 — 資產棄置義務

當本集團因過往事件而產生現有推定債務，並可能需要有資源流出以結清債務，且金額已經可靠估計，則須確認有關環境恢復的資產棄置義務。

如有多項類似責任，其需在結算中有資源流出的可能性，則可根據債務類別整體考慮。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較低，仍需確認資產棄置義務。

資產棄置義務按照與其需用作結清債務稅前利率計算的開支現值計量，該利率反映當時市場對時間價值及該債務的特定風險評估。因時間的流逝而增加的撥備確認為利息開支。

2.24 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。

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27)。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合併綜合收益表。

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。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Lease (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)

2.24 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；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

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Lease (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, eg 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 consolidated statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

2. 重要會計政策摘要(續)

2.24 租賃(續)

為確定增量借款利率，本集團應：

- 在可能的情况下，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；
- 對於近期末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；及
- 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合併綜合收益表，以按照固定的週期性利率對各期間負債餘額計算利息。

Notes to the Consolidated Financial Statements

合併財務報表附註

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.24 Lease (Continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. While the Group revalues its land and buildings that are presented within property, plant and equipment, it has chosen not to do so for the right-of-use buildings held by the Group.

Payments associated with short-term leases of buildings and all leases of low-value assets are recognised on a straight-line basis as an expense in consolidated statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

2.25 Dividends

Dividends distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders.

2. 重要會計政策摘要(續)

2.24 租賃(續)

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；及
- 復原成本。

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。本集團對列報為不動產、廠房及設備的土地和建築物的價值進行重估，但未選擇重估所持有的使用權建築物的價值。

與短期樓宇租賃及所有低價值資產租賃相關的付款額按直線法確認為費用，計入合併綜合收益表。短期租賃是指租賃期為12個月或者小於12個月的租賃。低價值資產包括IT設備和小型辦公傢俱。

2.25 股利

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財務報表內列為負債。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT

3.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: credit risk, market risk (including foreign exchange risk), liquidity risk and concentration risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Credit Risk

As the majority of the cash at bank balances are placed with state-owned and international banks and financial institutions in the PRC and Hong Kong, and there has been no recent history of default in relation to these banks and financial institutions, the corresponding credit risk is relatively low. Therefore, the Group's credit risk arises primarily from trade and other receivables. The Group has controls in place to assess the credit quality of its customers. The Group's sales were only made to the customers with good credit history. The utilisation of credit limits is regularly monitored.

The Group has financial assets subject to HKFRS 9's expected credit loss model:

- trade receivables,
- notes receivables, and
- other receivables

For trade and notes receivables, the Group applies the simplified approach to providing for expected credit losses prescribed by HKFRS 9, which requires the use of the lifetime expected loss provision for all trade and notes receivables.

3. 財務風險管理

3.1 財務風險因素

本集團的經營活動面臨各種財務風險：信用風險、市場風險（包括外匯風險）、流動性風險及集中風險。本集團的整體風險管理計劃專注於金融市場的不可預測性，並致力減低對本集團財務表現的潛在不利影響。

(a) 信用風險

由於大部分銀行存款存放於中國及香港的國有及國際銀行及金融機構，且該類銀行及金融機構近期並無違約記錄，相應信用風險相對較低。因此，本集團信用風險主要來自應收賬款及其他應收款。本集團實施控制措施以評估客戶的信用資質。本集團只向具有良好信貸記錄的客戶進行銷售。信用限額的使用會受定期監控。

本集團的以下幾類金融資產適用於香港財務報告準則第9號的預期信用損失模型：

- 應收賬款；
- 應收票據；及
- 其他應收款

就應收賬款及應收票據而言，本集團採用香港財務報告準則第9號規定的簡化法就預期信用損失作出撥備，其規定就所有應收賬款及應收票據計提存續期內預期信用損失撥備。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial Risk Factors (Continued)

(a) Credit Risk (Continued)

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of sales over a period of 36 month before 31 December 2019 or 1 January 2019 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. Based on the Group's historical experience and forward-looking information, the expected credit loss rate of accounts receivable for sales of gas is extremely small throughout the life.

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.

To measure the expected credit losses of notes receivables, the Group calculates the expected credit loss based on the default risk exposure and the lifetime expected credit loss rate, with the consideration of the historical credit loss experience, the current situation and the forecast of future economic conditions. Considering all of the notes receivables are bank acceptance bills and there is no default experience in the past, the Group does not recognise any impairment.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 信用風險(續)

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。

預期信用損失率基於2019年12月31日或2019年1月1日前36個月內銷售的支付情況以及期間估計的相應歷史信用損失確定。本集團調整了歷史信用損失率，以反映影響客戶應收款結算能力的當前和前瞻性宏觀經濟因素資訊。基於本集團的歷史經驗及前瞻性資訊，對於煤層氣銷售形成的應收賬款在整個存續期內的預期信用損失率極小。

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。

為計量應收票據的預期信用損失，本集團參考歷史信用損失經驗，結合當前狀況，以及對未來經濟狀況的預測，通過違約風險敞口和整個存續期間的預期信用損失率，計算其信用損失。由於所有應收票據均為銀行承兌匯票，且歷史期間並無違約記錄，本集團未確認減值撥備。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial Risk Factors (Continued)

(a) Credit Risk (Continued)

For other receivables, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the other receivables since initial recognition or the other receivables is not determined to have low credit risk at the reporting date, in which cases the loss allowance is measured at an amount equal to lifetime ECLs.

The other receivables of the Group are considered to have low credit risks since the majority are due from government and Chinese partners. Based on management assessment, no impairment provision is recognised.

(b) Market Risk

Foreign Exchange Risk

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US\$. Foreign exchange risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the entity's functional currency.

Prior to 30 April 2016, the Group was exposed to non-cash foreign exchange risk arising from retranslation of US\$ denominated inter-company loans. To manage the foreign exchange risk, management decided to execute a debt restructuring on 30 April 2016 by converting the inter-company loans into perpetual loans through entering into perpetual loan agreements between respective group companies such that the perpetual loans do not bear interest and the lenders can not request repayment. Upon completion of this debt restructuring, any foreign exchange differences arising from retranslation of these US\$ denominated perpetual loans are recognised in equity in the consolidated financial statements.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(a) 信用風險(續)

就其他應收款而言，本集團按照相當於未來12個月內預期信用損失的金額計量其損失準備，除非該其他應收款的信用風險自初次確認以來顯著增加或在報告日不被認為具有較低的信用風險，此種情況下，損失準備按等同於整個存續期預期信用損失的金額計量。

本集團其他應收款的信用風險較低，原因是大部分為應收政府及中方合作者款項。根據管理層的評估，未確認減值撥備。

(b) 市場風險

外匯風險

本集團須承受各種貨幣所產生外匯風險，尤以美元為甚。當未來商業交易或已確認資產或負債以實體功能貨幣以外的貨幣計值，則會產生外匯風險。

2016年4月30日之前，本集團承受的非現金外匯風險來自重新折算的以美元計價的公司間貸款。為了管理外匯風險，管理層決定於2016年4月30日執行債務重組，通過將公司間貸款轉為永久性貸款。所屬的集團公司各自簽訂永久貸款協定，永續貸款不承計利息並且貸款方不得要求償還。在此次債務重組完成時，由這些美元永續貸款轉換產生的任何匯兌差異在合併財務報表確認為權益。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial Risk Factors (Continued)

(b) Market Risk (Continued)

Foreign Exchange Risk (Continued)

The Group manages its foreign exchange risk by closely monitoring the movement of the foreign currency rates, and by monitoring the amount of the US\$ intracompany accounts.

As at 31 December 2019, if RMB had weakened/strengthened by 1% against the US\$ with all other variables held constant, profit before income tax for the year would have been RMB3,954,000 (31 December 2018: RMB2,250,000) higher/lower, respectively, mainly as a result of foreign exchange gains/losses on translation of US\$ denominated receivables and payables held by the Group entities with their functional currency as RMB.

(c) Liquidity Risk

The liquidity risk of the Group is mainly controlled by maintaining sufficient cash and cash equivalents through operations and funds from shareholders. The table below analyses the Group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

		Less than			Over	Total
		1 year	1-2 years	2-5 years	5 years	
		少於一年	一至兩年	兩至五年	五年以上	總計
		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
As at 31 December 2018	於2018年12月31日					
Trade and other payables	應付賬款及其他應付款	240,571	-	-	-	240,571
		240,571	-	-	-	240,571
As at 31 December 2019	於2019年12月31日					
Trade and other payables	應付賬款及其他應付款	375,118	-	-	-	375,118
		375,118	-	-	-	375,118

3. 財務風險管理(續)

3.1 財務風險因素(續)

(b) 市場風險(續)

外匯風險(續)

本集團密切監控匯率變動及美元公司內部賬戶，以管理外匯風險。

於2019年12月31日，如人民幣兌美元貶值/升值1%，而所有其他可變因素保持不變，則除所得稅前年度利潤將分別增加/減少人民幣3,954,000元(2018年12月31日：人民幣2,250,000元)，主要原因是將本集團實體所持以美元計值的往來款換算為其功能貨幣人民幣所產生的匯兌收益/損失。

(c) 流動性風險

本集團的流動性風險主要是通過經營及股東注資維持充裕的現金及現金等價物進行控制。下表顯示本集團的金融負債，按照相關的到期類別，根據由結算日至合同到期日的剩餘時間進行分析。下表所披露金額為未貼現的合同現金流量。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.1 Financial Risk Factors (Continued)

(d) Concentration Risk

Revenue of the Group is mainly derived from Panzhuang concession. Any disruption to the operation of the concession may have a material adverse impact to the result of operation and the financial position of the Group.

During the year, 62.4% of the Group's revenue was derived from sales made to the top five customers (2018: 67.5%). In the event that these customers terminate their business relationship with the Group and the Group fails to find new customers, it may have a material adverse impact on the Group's financial position and result of operations.

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 the shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

The Group monitors capital by using debt-to-asset ratio analysis. This ratio is calculated as amount of total liabilities divided by total assets as shown in the consolidated balance sheet. The debt-to-asset ratio at 31 December 2019 and 2018 is 13.4% and 10.5%, respectively.

3. 財務風險管理(續)

3.1 財務風險因素(續)

(d) 集中風險

本集團的收益主要來自潘莊區塊。該區塊營運的任何中斷，均可能對本集團的經營業績及財務狀況造成重大不利影響。

年內，本集團62.4%的收益來自向前五名客戶作出的銷售(2018年：67.5%)。若該等客戶終止與本集團的業務關係，而本集團未能尋得新客戶，則本集團的財務狀況及經營業績會受到重大不利影響。

3.2 資本管理

本集團的資本管理目標旨在保障本集團能夠持續經營，為股東提供回報及為其他利益相關者提供利益，同時維持最佳的資本結構以減少資本成本。

為了維持或調整資本結構，本集團可能會調整支付給股東的股利金額、向股東返還資本或發行新股。

本集團利用資產負債比率分析監控資本。該比率按合併資產負債表列示的負債總額除以資產總額計算。本集團在2019年12月31日及2018年12月31日的資產負債比率分別為13.4%和10.5%。

Notes to the Consolidated Financial Statements

合併財務報表附註

3. FINANCIAL RISK MANAGEMENT (Continued)

3.3 Fair Value Estimation

The measurement of fair value uses different level of inputs to valuation technique. 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).

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments 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 discussed below.

3. 財務風險管理(續)

3.3 公允價值估計

公允價值的計量使用不同等級輸入數據的估值技術。該等輸入數據在公允價值等級內分為三個層次，如下所示：

- 相同資產或負債在活躍市場上的報價(未調整)(第1層)。
- 除了第1層所包括的報價外，該資產和負債的可觀察的其他輸入，可為直接(即例如價格)或間接(即源自價格)(第2層)。
- 資產和負債並非依據可觀察市場數據的輸入(即非可觀察輸入)(第3層)。

4. 關鍵會計估計及判斷

估計及判斷是根據過往經驗及其他因素(包括在某些情況下對未來事件的合理預測)進行持續評估。本集團對未來作出評估及假設。顧名思義，會計估計極少與相關的實際結果相同。對下個財務年度的資產與負債的賬面價值造成重大調整的估計與假設討論如下。

Notes to the Consolidated Financial Statements

合併財務報表附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Estimation of Proved and Probable Gas Reserves

Proved gas reserves are those quantities of CBM that by analysis of geoscience and engineering data can be estimated with reasonable certainty to be commercially recoverable, from a given date forward and under defined economic conditions, operating methods, and government regulations. Probable gas reserves are those additional reserves of CBM that analysis of geoscience and engineering data indicate are less likely to be recovered than proved reserves but more certain to be recovered than possible reserves.

The Group's reserve estimates were prepared for each concession area and include only CBM that the Group believes can be reasonably produced within current economic and operating conditions. Reserves cannot be measured exactly. Reserve estimates are based on many factors 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 as well as engineering judgement. Consequently, reserve estimates are subject to revision as additional data become available. 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.

Proved and probable reserves are key elements in the Group's investment decision-making process. They are also an important element in testing for impairment. A reduction in proved and probable reserves will increase depreciation and amortisation charges (assuming constant production) and reduce net profit. Proved and probable reserve estimates are subject to revision, either upward or downward based on new information, such as from development drilling and production activities or from changes in economic factors, including gas prices, contract terms or development plans.

4. 關鍵會計估計及判斷(續)

4.1 證實及概算煤層氣儲量的估計

證實煤層氣儲量是通過分析地質科學及工程資料，自某特定日期起在限定經濟條件、經營條件及政府監管下，可合理確定作為商業性開採的估計煤層氣數量。概算煤層氣儲量是地質科學及工程資料分析顯示其與證實儲量相比回收的可能性更低，但與可能儲量相比回收可能性更加確切的煤層氣儲量。

本集團的儲量估計按各區塊編製，僅包括本集團認為在現行經濟及經營條件下可合理生產的煤層氣。儲量無法精確計算。儲量估計基於工程師對可用數據的解釋以評估的諸多因素，同時考慮價格及其他經濟因素。任何時間點的估計可靠性取決於技術及經濟數據的質量和數量、生產表現以及工程判斷。因此，儲量估計在可獲得額外資料時進行修訂。井的測試及工程研究可能提高儲量估計的可靠性。技術發展也可能導致應用經改良的採氣技術，例如補充或經提升開採項目（或一併採用），該技術具有使儲量增至超過氣藏生產週期初期儲量的潛力。

證實及概算儲量是本集團投資決策過程中的關鍵元素，也是減值測試的重要元素。證實及概算儲量減少將增加折舊及攤銷費用（假設產量不變），並減少淨利潤。證實及概算儲量估計可根據新資料（例如來自開發鑽探和生產活動或者天然氣價格、合同條款以及開發方案等經濟因素變動）而向上或向下調整。

Notes to the Consolidated Financial Statements

合併財務報表附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.1 Estimation of Proved and Probable Gas Reserves (Continued)

In general, changes in the technical maturity of gas reserves resulting from new information becoming available from exploration, development and production activities and change in gas price have tended to be the most significant cause of annual revisions.

4.2 Impairment of Exploration and Evaluation Assets

Exploration and evaluation assets are capitalised on a field-by-field basis and are assessed for impairment when circumstances suggest that the carrying amount may exceed its recoverable amount. This assessment involves judgment as to (i) the period for which the Group has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; and (ii) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned; and (iii) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the Group has decided to discontinue such activities in the specific area; and (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale. While conducting an impairment review of its assets, the Group makes certain judgments in making assumptions about the future gas prices, reserves and future development and production costs. Changes in these estimates could require a material change on the carrying amount of exploration and evaluation assets.

4. 關鍵會計估計及判斷(續)

4.1 證實及概算煤層氣儲量的估計(續)

一般而言，因勘探、開發及生產活動取得最新資料而令煤層氣儲量的技術成熟度變動以及天然氣價格變動是導致每年作出修訂的最重要原因。

4.2 勘探及評估資產減值

勘探及評估資產按氣田基準撥充資本，當發生賬面價值超過可收回金額的情況評估減值。相關評估涉及有關以下各項的判斷：(i)在特定區域的探礦權期內已經或將於近期屆滿，並預期不會續期；及(ii)對進一步勘探及評估特定區域礦產資源的大量開支既無預算亦無規劃；及(iii)在特定區域勘探及評估礦產資源未發現商業上有利的礦產資源數量，而本集團決定終止在該區域的活動；及(iv)有充分資料顯示，儘管可能在特定區域進行開發，但勘探及評估資產的賬面價值不可能在成功開發或銷售中全數收回。在進行資產減值討論時，本集團就有關煤層氣未來價格、儲量及未來開發和生產成本的假設進行若干判斷。該估計變動可能導致勘探及評估資產的賬面價值產生重大變動。

Notes to the Consolidated Financial Statements

合併財務報表附註

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (Continued)

4.3 Impairment of Gas Properties, Gas Gathering Stations and Relating Facilities and Construction in Progress

Gas properties, gas gathering stations and relating facilities and construction in progress 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 or value in use. In estimating the recoverable amounts of assets, various assumptions, including future cash flow to be associated with the assets and discounted rates, are made. If future events do not correspond to such assumptions, the recoverable amounts will be revised and this may have impacts on the Group's result of operation or financial position.

4.4 Income Taxes and Deferred Tax

The Group is subject to income taxes in several jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are certain transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will be reflected in the income tax expense and deferred tax provisions in the period in which such determination is made.

In addition, the realisation of future income tax assets is dependent on the Group's ability to generate sufficient taxable income in future years to utilise income tax benefits and tax loss carry-forwards. Deviations of future profitability from estimates or in the income tax rate would result in adjustments to the value of future income tax assets and liabilities that could have a significant effect on the income tax expenses.

4. 關鍵會計估計及判斷(續)

4.3 天然氣資產、集氣站及相關設施和在建工程減值

天然氣資產、集氣站及相關設施和在建工程會在事項發生或情況出現變化而導致賬面價值可能不能收回時，評估是否減值。減值虧損按有關資產的賬面價值超過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去銷售成本或使用價值中的較高值。評估資產的可回收金額時，會作出多項假設(包括與資產相關的未來現金流量及貼現率)。若將來情況與該假設不相符，將修訂可收回金額，而此舉可能會對本集團的經營業績或財務狀況造成影響。

4.4 所得稅及遞延稅項

本集團須在多個司法權區繳納所得稅。對於所得稅的全球撥備須作出重大判斷。在正常業務過程中，若干交易及計算的最終稅務結果並不確定。本集團根據是否須繳納額外稅項的估計對預期稅項審核事宜確認負債。若該事宜的最終稅務結果與最初記錄的金額不符，該差額將在相關期間的所得稅開支和遞延稅項撥備中反映。

此外，未來所得稅資產的實現，取決於本集團未來年度是否產生足夠的應課稅收入，以使用所得稅收益及稅項虧損結轉的能力而定。若將來盈利能力偏離估計或所得稅率，則須對未來所得稅資產及負債的價值作出調整，此舉可能對所得稅開支構成重大影響。

Notes to the Consolidated Financial Statements

合併財務報表附註

5. SEGMENT INFORMATION

The chief operating decision-maker (“CODM”) has been identified as the directors and chief executive of the Company who review the Group’s internal reporting in order to assess performance and allocate resources. The CODM has determined the operating segments based on these reports.

The Group’s operating segments are defined by PSCs, which is the basis by which the CODM makes decisions about resources to be allocated and assesses their performance. The financial information of the two PSCs has been separated to present segment information to be reviewed by the CODM.

The measurement of results and assets of the operating segments are the same as those described in the summary of significant accounting policies. The CODM evaluates the performance of the operating segments of the PSCs based on profit before income tax, depreciation and amortisation, interest income, finance costs and exchange gains/(losses) (“EBITDA”).

5. 分部資料

主要營運決策者(「主要營運決策者」)為本公司的董事及總裁，負責審閱本集團的內部報告以評估表現和分配資源。主要營運決策者已根據該等報告確定經營分部。

本集團的經營分部按產品分成合同界定，這是主要營運決策者做出資源分配決定及評估其表現的基準。兩份產品分成合同的財務資料已分為不同的分部資料列示，以供主要營運決策者審閱。

經營分部的業績及資產的計量方法與重要會計政策摘要中所述相同。主要營運決策者根據除所得稅、折舊及攤銷、利息收入、財務費用及匯兌收益/(損失)前的利潤(「EBITDA」)評估產品分成合同經營分部的表現。

Notes to the Consolidated Financial Statements

合併財務報表附註

5. SEGMENT INFORMATION (Continued)

The segment information provided to the CODM for the reportable segments for the year ended 31 December 2019 is as follows:

5. 分部資料(續)

截至2019年12月31日止年度，就可呈報分部提供給主要營運決策者的分部資料如下：

		Panzhuang concession 潘莊區塊 RMB'000 人民幣千元	Mabi concession 馬必區塊 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
Year ended 31 December 2019	截至2019年12月31日止年度			
Revenue from external customers	來自外部客戶的收入	1,064,012	97,234	1,161,246
EBITDA	EBITDA	1,146,550	47,548	1,194,098
Other income	其他收入	322,185	24,620	346,805
Operating expenses	經營開支	(466,202)	(115,591)	(581,793)
Depreciation and amortisation	折舊及攤銷	(226,464)	(41,560)	(268,024)
Interest income	利息收入	20,910	369	21,279
Finance costs	財務費用	(3,084)	(926)	(4,010)
Exchange gains/(losses)	匯兌收益/(損失)	9,049	(5,679)	3,370
Income tax expense	所得稅費用	(233,397)	–	(233,397)
Year ended 31 December 2018	截至2018年12月31日止年度			
Revenue from external customers	來自外部客戶的收入	853,728	124,943	978,671
EBITDA	EBITDA	896,259	40,134	936,393
Other income	其他收入	241,728	37,441	279,169
Operating expenses	經營開支	(355,347)	(167,003)	(522,350)
Depreciation and amortisation	折舊及攤銷	(156,261)	(44,255)	(200,516)
Interest income	利息收入	7,515	305	7,820
Finance costs	財務費用	(7,145)	(457)	(7,602)
Exchange gains/(losses)	匯兌收益/(損失)	11,867	(15,062)	(3,195)
Income tax expense	所得稅費用	(183,323)	–	(183,323)

Notes to the Consolidated Financial Statements

合併財務報表附註

5. SEGMENT INFORMATION (Continued)

5. 分部資料(續)

		Panzhuang concession 潘莊區塊 RMB'000 人民幣千元	Mabi concession 馬必區塊 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
As at 31 December 2019	於2019年12月31日			
Total assets	總資產	3,435,509	2,446,184	5,881,693
Total liabilities	總負債	775,413	121,629	897,042
Additions to non-current assets (other than deferred income tax assets)	非流動資產增加 (遞延稅項資產除外)	298,121	90,125	388,246
As at 31 December 2018	於2018年12月31日			
Total assets	總資產	2,747,283	2,316,141	5,063,424
Total liabilities	總負債	564,631	58,707	623,338
Additions to non-current assets (other than deferred income tax assets)	非流動資產增加 (遞延稅項資產除外)	123,438	72,833	196,271

A reconciliation of EBITDA to total profit before income tax is provided as follows:

EBITDA與除所得稅前利潤總額的調節如下：

		Year ended 31 December 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
Total EBITDA for reportable segments	可呈報分部的EBITDA總額	1,194,098	936,393
Headquarter overheads	總部日常開支	(19,323)	(129,112)
Depreciation and amortisation	折舊及攤銷	(272,867)	(203,686)
Interest income	利息收入	37,065	25,701
Finance costs	財務費用	(4,287)	(25,556)
Exchange gains/(losses)	匯兌收益/(損失)	6,079	(7,480)
Profit before income tax	除所得稅前利潤	940,765	596,260

Notes to the Consolidated Financial Statements

合併財務報表附註

5. SEGMENT INFORMATION (Continued)

Reportable segments' assets are reconciled to total assets as follows:

		As at 31 December 於 12 月 31 日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total segment assets	分部資產總額	5,881,693	5,063,424
Unallocated	未分配		
Unallocated cash and cash equivalents	未分配現金及現金等價物	862,640	940,877
Others	其他	3,827	2,806
Total assets per balance sheet	資產負債表所示資產總額	6,748,160	6,007,107

Reportable segments' liabilities are reconciled to total liabilities as follows:

		As at 31 December 於 12 月 31 日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Total segment liabilities	分部負債總額	897,042	623,338
Unallocated	未分配		
Unallocated lease liabilities	未分配租賃負債	2,587	—
Others	其他	4,889	6,916
Total liabilities per balance sheet	資產負債表所示負債總額	904,518	630,254

5. 分部資料(續)

可呈報分部資產與總資產的調節如下：

可呈報分部負債與總負債的調節如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

6. PROPERTY, PLANT AND EQUIPMENT

6. 不動產、工廠及設備

		Gas properties	Exploration and evaluation assets	Gas gathering station and relating facilities	Construction in progress	Vehicles	Furniture, fittings and others	Total
		天然氣資產	勘探及評估資產	集氣站及相關設施	在建工程	車輛	傢俱、裝置及其他	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
As at 1 January 2018	於2018年1月1日							
Cost	成本	2,269,530	696,746	535,486	559,236	15,623	52,387	4,129,008
Accumulated depreciation	累計折舊	(472,134)	–	(99,929)	–	(12,905)	(39,603)	(624,571)
Net book value	賬面淨值	1,797,396	696,746	435,557	559,236	2,718	12,784	3,504,437
Year ended 31 December 2018	截至2018年12月31日止年度							
Opening net book value	年初賬面淨值	1,797,396	696,746	435,557	559,236	2,718	12,784	3,504,437
Additions	增加	285	1,957	282	330,830	408	1,680	335,442
Transferred in/(out)	轉入/(出)	532,559	(69,263)	113,680	(576,976)	–	–	–
Disposal — cost	處置 — 成本	–	–	–	–	(560)	(1,051)	(1,611)
— depreciation	— 折舊	–	–	–	–	560	1,037	1,597
Depreciation charge	折舊費用	(149,457)	–	(39,709)	–	(1,389)	(7,224)	(197,779)
Currency translation differences	外幣折算差額	5,964	1,420	–	1,939	–	10	9,333
Closing net book value	年末賬面淨值	2,186,747	630,860	509,810	315,029	1,737	7,236	3,651,419
As at 31 December 2018	於2018年12月31日							
Cost	成本	2,810,334	630,860	649,448	315,029	15,471	53,041	4,474,183
Accumulated depreciation	累計折舊	(623,587)	–	(139,638)	–	(13,734)	(45,805)	(822,764)
Net book value	賬面淨值	2,186,747	630,860	509,810	315,029	1,737	7,236	3,651,419
Year ended 31 December 2019	截至2019年12月31日止年度							
Opening net book value	年初賬面淨值	2,186,747	630,860	509,810	315,029	1,737	7,236	3,651,419
Additions	增加	306	14,960	4,523	301,277	–	1,604	322,670
Transferred in/(out)	轉入/(出)	112,363	–	6,498	(118,861)	–	–	–
Disposal — cost	處置 — 成本	–	–	(118)	–	(200)	(2,573)	(2,891)
— depreciation	— 折舊	–	–	39	–	200	2,546	2,785
Depreciation charge	折舊費用	(200,956)	–	(48,688)	–	(867)	(4,741)	(255,252)
Currency translation differences	外幣折算差額	2,004	486	–	461	–	6	2,957
Closing net book value	年末賬面淨值	2,100,464	646,306	472,064	497,906	870	4,078	3,721,688
As at 31 December 2019	於2019年12月31日							
Cost	成本	2,925,849	646,306	660,351	497,906	15,271	52,083	4,797,766
Accumulated depreciation	累計折舊	(825,385)	–	(188,287)	–	(14,401)	(48,005)	(1,076,078)
Net book value	賬面淨值	2,100,464	646,306	472,064	497,906	870	4,078	3,721,688

Notes to the Consolidated Financial Statements

合併財務報表附註

6. PROPERTY, PLANT AND EQUIPMENT

(Continued)

During the year ended 31 December 2018, borrowing costs capitalised in property, plant and equipment amounted to RMB33,069,000 (2019: zero) at the weighted average rate of 8.37% per annum.

During the year ended 31 December 2019, the additions of property, plant and equipment include RMB608,000 (2018: RMB1,220,000) relating to the asset retirement obligations recognised during the year.

7. LEASE

(a) Amounts Recognised in the Consolidated Balance Sheet

The consolidated balance sheet shows the following amounts relating to leases:

		As at 31 December 2019 2019年 12月31日 RMB'000 人民幣千元	As at 1 January 2019 2019年 1月1日 RMB'000 人民幣千元
Right-of-use assets	使用權資產		
Land-use rights	土地使用權	51,159	53,514
Buildings	樓宇	5,395	6,277
Equipment	設備	108	181
		56,662	59,972
Lease liabilities	租賃負債		
Current	流動	(14,562)	(7,718)
Non-current	非流動	(43,395)	(46,901)
		(57,957)	(54,619)

Additions to the right-of-use assets during 2019 were RMB9,131,000.

2019年度，使用權資產增加人民幣9,131,000元。

6. 不動產、工廠及設備(續)

截至2018年12月31日止年度，不動產、工廠及設備資本化的借款成本為人民幣33,069,000元(2019年：零)，按加權年均利率8.37%計息。

截至2019年12月31日止年度，不動產、工廠及設備增加人民幣608,000元(2018年：人民幣1,220,000元)，與年內確認的資產棄置義務有關。

7. 租賃

(a) 合併資產負債表內確認的金額

合併資產負債表列示的下列金額與租賃有關：

Notes to the Consolidated Financial Statements

合併財務報表附註

7. LEASE (Continued)

(b) Amounts Recognised in the Consolidated Statement of Comprehensive Income

The consolidated statement of comprehensive income shows the following amounts relating to leases:

7. 租賃(續)

(b) 合併綜合收益表內確認的金額

合併綜合收益表列示的下列金額與租賃有關：

		Year ended 31 December	
		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
Depreciation charge of right-of-use assets	使用權資產的折舊費用		
Land use rights	土地使用權	(9,150)	—
Buildings	樓宇	(2,716)	—
Equipment	設備	(73)	—
		(11,939)	—
Interest expense (included in finance cost)	利息費用(計入財務費用)	(3,614)	—
Expense relating to short-term leases (included in administrative expenses)	與短期租賃相關的費用(計入管理費用)	(4,248)	—

The total cash outflow for leases for 2019 was RMB15,853,000.

2019年因租賃發生的現金流出合計為人民幣15,853,000元。

Notes to the Consolidated Financial Statements

合併財務報表附註

8. INTANGIBLE ASSETS

8. 無形資產

		Computer software 電腦軟件 RMB'000 人民幣千元
At 1 January 2018		
Cost	於 2018 年 1 月 1 日 成本	51,455
Accumulated amortisation	累計攤銷	(11,623)
Net book value	賬面淨值	39,832
Year ended 31 December 2018		
Opening net book value	截至 2018 年 12 月 31 日止年度 年初賬面淨值	39,832
Additions	增加	5,382
Amortisation charge	攤銷費用	(5,625)
Closing net book value	年末賬面淨值	39,589
As at 31 December 2018		
Cost	於 2018 年 12 月 31 日 成本	56,837
Accumulated amortisation	累計攤銷	(17,248)
Net book value	賬面淨值	39,589
Year ended 31 December 2019		
Opening net book value	截至 2019 年 12 月 31 日止年度 年初賬面淨值	39,589
Additions	增加	1,205
Amortisation charge	攤銷費用	(5,717)
Closing net book value	年末賬面淨值	35,077
As at 31 December 2019		
Cost	於 2019 年 12 月 31 日 成本	58,042
Accumulated amortisation	累計攤銷	(22,965)
Net book value	賬面淨值	35,077

Notes to the Consolidated Financial Statements

合併財務報表附註

9. TRADE AND OTHER RECEIVABLES

9. 應收賬款及其他應收款

		As at 31 December	
		於 12 月 31 日	
		2019	2018
		2019 年	2018 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade receivables (a)	應收賬款 (a)		
— CUCBM	— CUCBM	97,619	205,155
— PetroChina	— 中石油	51,944	49,548
— External customers	— 外部客戶	94,438	24,539
		244,001	279,242
Notes receivables (b)	應收票據 (b)	46,000	40,000
Government grants receivables (c)	應收政府補貼 (c)		
— Government	— 政府	176,222	172,747
— CUCBM	— CUCBM	84,692	12,551
— PetroChina	— 中石油	31,747	12,866
Due from PSC parties for cash calls and accrued expenses (d)	應收產品分成合同合作方現金籌款及預提費用 (d)		
— CUCBM	— CUCBM	78,001	40,598
— PetroChina	— 中石油	48,699	9,882
Deposits and others	押金和其他費用	5,607	7,573
		714,969	575,459

Notes to the Consolidated Financial Statements

合併財務報表附註

9. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade Receivables

- (i) The ageing analysis of trade receivables is as follows:

		As at 31 December 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 3 months	三個月內	201,224	253,043
3 months to 6 months	三個月至六個月	27,745	7,064
6 months to 1 year	六個月至一年	7,150	15,350
1 year to 2 years	一至兩年	7,882	3,785
		244,001	279,242

Trade receivables due from CUCBM represent the cash collected from external customers attributable to Sino-American Energy, Inc. ("SAEI") and deposited into CUCBM's bank account on behalf of the Group, which is jointly managed by CUCBM and SAEI.

Trade receivables due from PetroChina represent the amount to be collected from PetroChina relating to the sale of the Group's share of CBM from the Mabi concession.

Trade receivables due from external customers represent the amount to be collected from the independent customers relating to the sale of the Group's share of CBM from the Panzhuang concession.

9. 應收賬款及其他應收款(續)

(a) 應收賬款

- (i) 應收賬款的賬齡分析如下：

應收CUCBM的應收款項指收取自外部客戶並存入由CUCBM與美中能源有限公司(「美中能源公司」)共同管理，並由CUCBM代表本集團開立的銀行賬戶的現金。

應收中石油的應收賬款指將收取自中石油有關本集團自馬必區塊所佔煤層氣的銷售。

應收外部客戶的應收賬款指將收取自獨立客戶有關本集團自潘莊區塊所佔煤層氣的銷售。

Notes to the Consolidated Financial Statements

合併財務報表附註

9. TRADE AND OTHER RECEIVABLES (Continued)

(a) Trade Receivables (Continued)

(ii) Trade Receivables Past Due but not Impaired

As at 31 December 2019, trade receivables of approximately RMB129,720,000 (31 December 2018: RMB62,189,000) were past due but not impaired. The ageing analysis of these trade receivables is as follows:

		As at 31 December 於 12 月 31 日	
		2019	2018
		2019 年	2018 年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Past due but not impaired	已逾期但未減值		
Over credit term but within 3 months	已逾期但處於三個月內	96,606	35,990
3 months to 6 months	三個月至六個月	18,082	7,064
6 months to 1 year	六個月至一年	7,150	15,350
1 year to 2 years	一年至兩年	7,882	3,785
		129,720	62,189

These relate to PetroChina and a number of independent customers for whom there is no significant financial difficulty and based on past experience and forward-looking information on macroeconomic factors, the overdue amounts can be recovered.

該等賬款與中石油及數名並無重大財務困難的獨立客戶有關，根據過往經驗及宏觀經濟因素的前瞻性信息，逾期金額可收回。

(iii) Movement of Bad Debt Provision:

(iii) 壞賬撥備變動：

		Year ended 31 December 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
Beginning of the year	於年初	-	7,197
Write-off	核銷	-	(7,197)
End of the year	於年末	-	-

Notes to the Consolidated Financial Statements

合併財務報表附註

9. TRADE AND OTHER RECEIVABLES (Continued)

- (b) Notes receivables are bank acceptance with maturity dates within six months.
- (c) This represents the VAT refund and government subsidies for CBM receivable from the government through CUCBM and PetroChina.
- (d) This represents CUCBM's and PetroChina's share of the cash calls and accrued expenses for the development and production costs of Panzhuang and Mabi concession yet to be received from CUCBM and PetroChina, respectively.
- (e) As at 31 December 2019, the carrying amounts of trade and other receivables approximated their fair values.
- (f) The carrying amounts of the Group's trade and other receivables are denominated in the following currencies:

9. 應收賬款及其他應收款 (續)

- (b) 應收票據為到期日在六個月以內的銀行承兌票據。
- (c) 此為通過CUCBM及中石油應收政府的煤層氣增值稅退稅及政府補貼。
- (d) 此為CUCBM及中石油分佔潘莊區塊及馬必區塊開發及生產成本的現金籌款及預提費用，尚未向CUCBM及中石油收取。
- (e) 於2019年12月31日，應收賬款及其他應收款的賬面值與其公允價值相若。
- (f) 本集團的應收賬款及其他應收款的賬面值以下列貨幣計價：

		As at 31 December 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	714,279	574,928
HK\$	港元	583	531
US\$	美元	107	–
		714,969	575,459

Notes to the Consolidated Financial Statements

合併財務報表附註

10. FINANCIAL INSTRUMENTS BY CATEGORY

10. 金融工具(按類別)

		As at 31 December 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial assets	金融資產		
Trade and other receivables (Note 9)	應收賬款及其他應收款(附註9)	714,969	575,459
Cash and cash equivalents (Note 11)	現金和現金等價物(附註11)	2,083,931	1,656,523
Term deposits with initial terms of over three months (Note 11)	初始期限超過三個月的定期存款(附註11)	50,000	—
Restricted bank deposits (Note 11)	受限制銀行存款(附註11)	49,895	43,767
		2,898,795	2,275,749

		As at 31 December 於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Financial liabilities	金融負債		
Trade and other payables excluding non-financial liabilities (Note 16)	應付賬款及其他應付款， 不包括非金融負債(附註16)	375,118	240,571
Lease liabilities (Note 7)	租賃負債(附註7)	57,957	—
		433,075	240,571

Notes to the Consolidated Financial Statements

合併財務報表附註

11. CASH AND BANK BALANCES

11. 現金及銀行結餘

		As at 31 December 於 12 月 31 日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Cash and cash equivalents	現金及現金等價物		
— Cash at banks	— 銀行存款	2,083,931	1,656,523
Term deposits with initial terms of over three months	初始期限超過三個月的 定期存款	50,000	—
Restricted bank deposits (a)	受限制銀行存款(a)	49,895	43,767
		2,183,826	1,700,290

(a) Restricted bank deposits represented decommissioning of gas properties and restoration of land deposits for Panzhuang and Mabi concessions.

(a) 受限制銀行存款為潘莊區塊和馬必區塊用於棄用天然氣資產及復原土地的存款。

Cash and bank balances were denominated in the following currencies:

現金及銀行結餘按以下貨幣計量：

		As at 31 December 於 12 月 31 日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	1,320,767	757,285
HK\$	港元	624,635	925,605
US\$	美元	238,424	17,400
		2,183,826	1,700,290

Notes to the Consolidated Financial Statements

合併財務報表附註

12. SHARE CAPITAL

12. 股本

		Number of ordinary shares 普通股數目 Thousands 千股	Nominal value of ordinary shares 普通股面值 US\$'000 千美元	Equivalent nominal value of ordinary shares 普通股等額面值 RMB'000 人民幣千元
<i>Issued and fully paid:</i>	<i>已發行及繳足：</i>			
Ordinary shares of US\$0.0001 each	每股面值0.0001美元的 普通股			
At 1 January 2018	於2018年1月1日	3,336,721	334	2,041
— Exercise of share options (a)	— 行使購股權 (a)	30,718	3	21
— Vesting of RSUs (b)	— 歸屬受限制股份 單位 (b)	23,119	2	15
At 31 December 2018	於2018年12月31日	3,390,558	339	2,077
— Exercise of share options (a)	— 行使購股權 (a)	3,024	—	2
At 31 December 2019	於2019年12月31日	3,393,582	339	2,079

(a) During the year ended 31 December 2019, 3,024,231 share options were exercised (2018: 30,718,269 share options were exercised).

(a) 截至2019年12月31日止年度，3,024,231份購股權已獲行使（2018年：30,718,269份）。

(b) During the year ended 31 December 2018, 23,118,838 RSUs were vested. As at 31 December 2018 and 2019, no RSU was outstanding.

(b) 截至2018年12月31日止年度，23,118,838份受限制股份單位已歸屬。於2018年及2019年12月31日，無尚未行使受限制股份單位。

13. OTHER RESERVES

Other reserves consist of share-based compensation and foreign currency translation difference.

13. 其他儲備

其他儲備包括以股份為基礎的報酬及外幣折算差額。

Notes to the Consolidated Financial Statements

合併財務報表附註

14. ASSET RETIREMENT OBLIGATIONS

14. 資產棄置義務

		Year ended 31 December 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
Beginning of the year	於年初	16,741	14,609
Provision	撥備	760	1,385
Accretion expenses	增加開支	860	747
End of the year	於年末	18,361	16,741

The asset retirement obligations represent the present value of estimated future expenditures on decommissioning of gas properties and restoration of land.

資產棄置義務主要指棄用天然氣資產及復原土地的估計未來開支的現值。

15. DEFERRED INCOME TAX LIABILITIES

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

15. 遞延所得稅負債

遞延稅項資產與遞延稅項負債分析如下：

		As at 31 December 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 within 12 months	— 將於12個月內收回的遞延所得稅資產	693	735
— Deferred income tax assets to be recovered after more than 12 months	— 將於超過12個月後收回的遞延所得稅資產	176,407	494
		177,100	1,229
Deferred income tax liabilities:	遞延所得稅負債：		
— Deferred income tax liabilities to be recovered within 12 months	— 將於12個月內收回的遞延所得稅負債	(41,483)	(16,175)
— Deferred income tax liabilities to be recovered after more than 12 months	— 將於超過12個月後收回的遞延所得稅負債	(515,421)	(292,376)
		(556,904)	(308,551)
Net balance	結餘淨額	(379,804)	(307,322)

Deferred income tax assets and liabilities are related to Panzhuang and Mabi concession. The Group has legally enforceable right to offset the deferred tax assets and liabilities in each concession. Accordingly, it is presented on net basis for each of the concession.

遞延所得稅資產與負債與潘莊和馬必區塊有關，在各區塊本集團可分別依法強制行使權利使遞延所得稅資產與負債相互抵銷，因此各區塊分別以淨額基準呈列。

Notes to the Consolidated Financial Statements

合併財務報表附註

15. DEFERRED INCOME TAX LIABILITIES (Continued)

The gross movement on the deferred income tax account is as follows:

		Year ended 31 December 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
Beginning of the year	於年初	(307,322)	(232,080)
Charged to the consolidated statement of comprehensive income (Note 22)	於合併綜合收益表扣除 (附註22)	(72,482)	(75,242)
End of the year	於年末	(379,804)	(307,322)

The movement in deferred income tax account is as follows:

15. 遞延所得稅負債(續)

遞延所得稅賬目的總變動如下：

遞延所得稅賬目的變動如下：

		Depreciation and amortisation 折舊及攤銷 RMB'000 人民幣千元	Tax losses 稅務虧損 RMB'000 人民幣千元	Income not yet subject to tax and others 不須納稅的 收益及其他 RMB'000 人民幣千元	Total 總計 RMB'000 人民幣千元
At 1 January 2018	於2018年1月1日	(67,085)	–	(164,995)	(232,080)
Charged to the consolidated statement of comprehensive income (Note 22)	於合併綜合收益表扣除 (附註22)	(23,599)	–	(51,643)	(75,242)
At 31 December 2018	於2018年12月31日	(90,684)	–	(216,638)	(307,322)
Charged to the consolidated statement of comprehensive income (Note 22)	於合併綜合收益表扣除 (附註22)	(183,982)	175,772	(64,272)	(72,482)
At 31 December 2019	於2019年12月31日	(274,666)	175,772	(280,910)	(379,804)

Notes to the Consolidated Financial Statements

合併財務報表附註

15. DEFERRED INCOME TAX LIABILITIES (Continued)

For the purpose of filing of PRC corporate income tax, development expenditures incurred prior to commercial production from tax perspective are tax deductible over a 8-year period starting from the commencement date of commercial production; exploration expenditures incurred prior to commercial production from tax perspective except for those qualified as production wells are tax deductible over a 3-year period starting from the commencement date of commercial production.

Deferred income tax assets for tax losses are recognised only to the extent that is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax expense mainly relates to government grants which comprise of government subsidies and VAT refunds received by the Group, which will be taxable in specified future periods according to relevant tax regulations and local authority in the PRC.

15. 遞延所得稅負債(續)

就中國企業所得稅申報而言，於商業生產(從稅務角度判定)前產生的開發支出可自商業生產開始之日起在八年期間內進行稅項抵扣；於商業生產(從稅務角度判定)前所發生的勘探支出(符合資格作為生產井的勘探支出除外)可自商業生產開始之日起在三年期間內進行稅項抵扣。

由稅務虧損導致的遞延所得稅資產僅在可能有未來應課稅利潤並可就此使用暫時性差異的情況下予以確認。

遞延所得稅費用主要與政府補助相關，包括本集團收到的政府補貼和增值稅退稅，根據中國相關稅務法規和地方當局將在指定的未來期間納稅。

16. TRADE AND OTHER PAYABLES

16. 應付賬款及其他應付款

		As at 31 December	
		於 12 月 31 日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Trade payables	應付賬款	361,269	228,043
Amounts due to related parties	應付關聯方款項		
— Sunshine Ji'ao (Note 26(b), 30(f))	— 陽光吉澳(附註 26(b)、30(f))	443	—
Amounts due to PSC parties	應付產品分成合同合作方款項		
— CUCBM	— CUCBM	3,060	—
— PetroChina	— 中石油	3,602	4,078
Tax payables	應付稅款	874	810
Payroll liabilities	應付工資	28,198	14,903
Other payables	其他應付款	6,744	8,450
		404,190	256,284

Notes to the Consolidated Financial Statements

合併財務報表附註

16. TRADE AND OTHER PAYABLES (Continued)

(a) The ageing analysis of trade payables is as follows:

The ageing analysis of the trade payables based on invoice date is as follows:

		As at 31 December 於 12 月 31 日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Within 6 months	六個月內	270,427	166,785
6 months to 1 year	六個月至一年	22,892	13,100
1 to 2 years	一至兩年	36,999	26,066
2 to 3 years	兩至三年	13,607	8,801
Over 3 years	三年以上	17,344	13,291
		361,269	228,043

(b) The carrying amounts of trade and other payables approximated their fair values.

(c) The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

		As at 31 December 於 12 月 31 日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
RMB	人民幣	400,363	249,720
HK\$	港元	189	739
US\$	美元	3,638	5,825
		404,190	256,284

17. REVENUE

All the Group's revenue is derived through the sale of the Group's share of CBM sold to customers in the PRC. Sales of gas are recognised when control of the gas has transferred, being when the gas is delivered to the customers. The amount of revenue is allocated based on the terms of the PSCs and gas sales agreements.

16. 應付賬款及其他應付款(續)

(a) 應付賬款的賬齡分析如下：

基於發票日期的應付賬款的賬齡分析如下：

(b) 應付賬款及其他應付款的賬面值與其公允價值相若。

(c) 本集團的應付賬款及其他應付款的賬面值以下列貨幣計價：

17. 收入

本集團所有收入均來自本集團所佔CBM對中國客戶的銷售所得。當煤層氣控制權已轉移，即煤層氣已交付予客戶時，本集團確認煤層氣銷售收入。收入金額根據產品分成合同及煤層氣銷售協議的條款予以分配。

Notes to the Consolidated Financial Statements

合併財務報表附註

18. OTHER INCOME

18. 其他收入

		Year ended 31 December 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
VAT refund (a)	增值稅退稅(a)	127,375	92,267
Government subsidy (b)	政府補貼(b)	219,430	186,902
		346,805	279,169

(a) VAT refund is granted by the PRC government according to "The Notice on Tax Policy Issued by The Ministry of Finance and The State Administration of Taxation on Speeding Up The Drainage of Coalbed Methane" (《財政部國家稅務總局關於加快煤層氣抽採有關稅收政策問題的通知》). CUCBM and PetroChina applies for the VAT refund for Panzhuang and Mabi concession, respectively. The Group recognises its entitlement based on the Group's share of CBM sold and when there is reasonable assurance that the amount will be received.

(b) Government subsidy is granted by the PRC government according to "The Implementation Opinions of Subsidies Granted by The Ministry of Finance on The Development and Utilisation of Coalbed Methane" (《財政部關於煤層氣(瓦斯)開發利用補貼的實施意見》) published on 20 April 2007, as amended by "Supplementary Notice on the Interim Administrative Measures for Special Funds for the Development of Renewable Energy" (《關於〈可再生能源發展專項資金管理暫行辦法〉的補充通知》) issued on 11 June 2019. CUCBM and PetroChina apply for the subsidy for Panzhuang and Mabi concession, respectively. The Group recognises its entitlement based on the Group's share of CBM sold and when there is reasonable assurance that the amount will be received.

(a) 增值稅退稅是中國政府根據《財政部國家稅務總局關於加快煤層氣抽採有關稅收政策問題的通知》授出。CUCBM及中石油分別為潘莊區塊及馬必區塊申請增值稅退稅。本集團已根據本集團攤佔所售CBM於有合理保證該金額可收回時確認其所享有的金額。

(b) 政府補貼是中國政府根據於2007年4月20日發佈的《財政部關於煤層氣(瓦斯)開發利用補貼的實施意見》授出，經於2019年6月11日發佈的《關於〈可再生能源發展專項資金管理暫行辦法〉的補充通知》修訂。CUCBM及中石油分別為潘莊區塊及馬必區塊申請補貼。本集團已根據本集團攤佔所售CBM於有合理保證該金額可收回時確認其所享有的金額。

Notes to the Consolidated Financial Statements

合併財務報表附註

19. EMPLOYEE BENEFIT EXPENSES

19. 僱員福利開支

		Year ended 31 December 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 and salaries	工資及薪金	69,839	96,967
Retirement and other benefits (a)	退休金及其他福利(a)	15,409	25,205
Share-based compensation (b)	以股份為基礎的報酬(b)	–	36,076
Termination benefits	辭退福利	20,573	51,701
		105,821	209,949

(a) Retirement and Other Benefits

In the PRC, the pension plans are organized by the municipal and provincial governments at a certain rate of the employees' salaries, subject to certain ceilings. The Group also contributes to government-sponsored housing funds at a certain rate of the employees' salaries, subject to certain ceilings.

(b) Share-based Compensation

The Company adopted the Pre-IPO Share Option Scheme (share options) on 31 March 2015 and the Post-IPO Restricted Share Unit Scheme (RSUs) on 18 December 2015.

As at 31 December 2019, there were 1,734,440 (31 December 2018: 5,068,744) outstanding share options with the exercise price of US\$0.151 per share. All the outstanding share options are exercisable and have expiry dates between 2020 and 2023.

As at 31 December 2018, all RSUs have been vested or cancelled after Change of Control (Note 1), and no RSU is outstanding.

(a) 退休金及其他福利

於中國，按僱員薪金的一定比例（受若干上限規限）向由市及省政府管理的退休金計劃作出供款。本集團亦按僱員薪金的一定比例（受若干上限規限）向由政府資助的住房基金作出供款。

(b) 以股份為基礎的報酬

公司分別於2015年3月31日和2015年12月18日採納首次公開發售前購股權計劃（購股權）和首次公開發售後受限制股份單位計劃（受限制股份單位）。

於2019年12月31日，尚未行使購股權的數目為1,734,440份（2018年12月31日：5,068,744份），每股行使價為0.151美元。全部購股權可予行使，到期日為2020年至2023年。

於2018年12月31日，控制權變更（附註1）後全部受限制股份單位均已歸屬或取消，無尚未行使受限制股份單位。

Notes to the Consolidated Financial Statements

合併財務報表附註

19. EMPLOYEE BENEFIT EXPENSES (Continued)

(c) Five Highest Paid Individuals

Details of five highest paid individuals are set out below:

		Number of Individuals 人數	
		2019 2019年	2018 2018年
Director (Note 30)	董事(附註30)	3	1
Non-director individuals (i)	非董事成員(i)	2	4
		5	5

(i) The emoluments payable to the non-director individuals during the year are as follows:

		Year ended 31 December 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	2,024	10,448
Discretionary bonuses	酌情獎金	1,319	–
Share-based compensation	以股份為基礎的報酬	–	12,194
Retirement and other benefits	退休金及其他福利	195	2,042
Termination benefits	辭退福利	–	18,915
		3,538	43,599

The emoluments fell within the following bands:

薪酬範圍如下：

		Number of Individuals 人數	
		2019 2019年	2018 2018年
Emolument bands	薪酬範圍		
HK\$1,500,001–HK\$2,000,000	1,500,001 港元至 2,000,000 港元	1	–
HK\$2,000,001–HK\$2,500,000	2,000,001 港元至 2,500,000 港元	1	–
HK\$7,000,001–HK\$7,500,000	7,000,001 港元至 7,500,000 港元	–	1
HK\$10,500,001–HK\$11,000,000	10,500,001 港元至 11,000,000 港元	–	1
HK\$11,500,001–HK\$12,000,000	11,500,001 港元至 12,000,000 港元	–	1
HK\$21,500,001–HK\$22,000,000	21,500,001 港元至 22,000,000 港元	–	1
		2	4

19. 僱員福利開支(續)

(c) 五位最高薪酬人士

五位最高薪酬人士的詳情如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

20. FINANCE INCOME/(COSTS), NET

20. 財務收益／(費用) — 淨額

		Year ended 31 December 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
Interest expense	利息費用		
— Lease liabilities (Note 7)	— 租賃負債(附註7)	(3,614)	—
— Bank borrowings	— 銀行借款	—	(33,069)
Bank loan commitment fee	銀行貸款承諾費	—	(24,960)
Accretion expenses of asset retirement obligations	資產棄置義務的遞增費用	(673)	(596)
Subtotal	小計	(4,287)	(58,625)
Less: amounts capitalised on qualifying assets	減：合資格資產資本化金額	—	33,069
Finance costs	財務費用	(4,287)	(25,556)
Interest income	利息收入	37,065	25,701
Exchange gains/(losses)	匯兌收益／(損失)	6,079	(7,480)
Finance income/(costs), net	財務收益／(費用) — 淨額	38,857	(7,335)

21. PROFIT BEFORE INCOME TAX

Profit before income tax was determined after charging the following:

21. 除所得稅前利潤

決定除所得稅前利潤的費用如下：

		Year ended 31 December 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
Operating lease expenses	經營租賃費	4,248	15,270
Auditors' remunerations	審計師薪酬		
— Audit services	— 審計服務		
— The Company	— 本公司	2,730	3,800
— Subsidiaries	— 附屬公司	250	600
— Non-audit services	— 非審計服務	124	1,241

Notes to the Consolidated Financial Statements

合併財務報表附註

22. INCOME TAX EXPENSE

22. 所得稅費用

		Year ended 31 December 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
Current income tax	當期所得稅	160,915	108,081
Deferred income tax (Note 15)	遞延所得稅 (附註 15)	72,482	75,242
		233,397	183,323

The Company and its subsidiaries incorporated under respective jurisdiction of the Cayman Islands, the British Virgin Islands and Samoa, are exempted from payment of local income tax.

No provision for Hong Kong profits tax has been provided as the Group did not derive any assessable profits in Hong Kong during the year.

According to the PRC Corporate Income Tax Law promulgated by the PRC government, the tax rate applicable to the Group's subsidiary established in the PRC and the PRC branches of the Group's subsidiaries is 25%. Corporate income tax in the PRC is calculated based on the taxable profit of the company or branches established in the PRC.

本公司及其在開曼群島、英屬維爾京群島和薩摩亞各自管轄下註冊成立的附屬公司豁免繳當地所得稅。

由於本集團於本年度並沒有在香港取得任何應課稅利潤，故並無計提香港利得稅。

根據中國政府頒佈的中國企業所得稅法，本集團在中國成立的附屬公司及本集團附屬公司的中國分公司的適用稅率為 25%。中國企業所得稅乃根據於中國成立的公司和分公司的應課稅利潤計算。

Notes to the Consolidated Financial Statements

合併財務報表附註

22. INCOME TAX EXPENSE (Continued)

The tax on the Group's profit before income tax differs from the theoretical amount that would arise using the statutory tax rate as follows:

		Year ended 31 December 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
Profit before income tax	除所得稅前利潤	940,765	596,260
Tax expense calculated at applicable tax rates	按適用稅率計算的稅項費用	220,313	145,264
Current year deductible temporary differences for which no deferred tax asset was recognised	本年度未確認遞延稅資產的可抵扣暫時性差異	11,466	33,396
Expenses not deductible for taxation purposes	不可扣除的費用	2,317	811
Others	其他	(699)	3,852
Income tax expense	所得稅費用	233,397	183,323

23. EARNINGS PER SHARE

(a) Basic

The basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2019 and 2018.

23. 每股收益

(a) 基本

基本每股收益乃按歸屬於本公司所有者的利潤除以截至2019年及2018年12月31日止年度內已發行普通股的加權平均數計算得出。

		Year ended 31 December 截至12月31日止年度	
		2019 2019年	2018 2018年
Profit attributable to owners of the Company (RMB'000)	歸屬於本公司所有者的利潤(人民幣千元)	707,368	412,937
Weighted average number of ordinary basic shares in issue (Thousands)	已發行普通基本股的加權平均數(千股)	3,392,293	3,358,654
Basic earnings per share (RMB)	基本每股收益(人民幣元)	0.21	0.12

Notes to the Consolidated Financial Statements

合併財務報表附註

23. EARNINGS PER SHARE (Continued)

(b) Diluted

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has share options and RSUs outstanding which are potentially dilutive. The assumed proceeds from conversion of these options and RSUs shall be regarded as having been received from the issue of ordinary shares at average market price of ordinary shares during the period. The difference between the number of shares that would have been issued assuming the exercise of the share options and RSUs and the number of shares that could have been issued at the average market price of the ordinary shares during the period with the same total assumed proceeds is the number of shares issued for no consideration. The resulting number of shares issued for no consideration is included in the weighted average number of ordinary shares as the denominator for calculating diluted earnings per share.

23. 每股收益(續)

(b) 稀釋

稀釋每股收益假設所有可稀釋的潛在普通股被兌換後，根據已發行普通股的加權平均數計算。本公司有兩類可稀釋的潛在普通股：購股權及受限制股份單位。假設這些購股權和受限制股份單位兌換所獲取的價款應被視為按照期內普通股平均市場價格發行而獲得。零代價發行的股份數目是基於假設行使了購股權和受限制股份單位應該發行的股份數目，與假設按照期內普通股平均市場價格發行並獲得相同合計價款的情況下可能需要發行的股份數目的差額。這一零代價發行的股份數目將構成普通股的加權平均數一部分，並作為計算稀釋每股收益時所用的分母。

		Year ended 31 December	
		截至12月31日止年度	
		2019	2018
		2019年	2018年
Profit attributable to owners of the Company (RMB'000)	歸屬於本公司所有者的利潤(人民幣千元)	707,368	412,937
Weighted average number of ordinary shares in issue (Thousands)	已發行普通股的加權平均數(千股)	3,392,293	3,358,654
Adjustments for assumed conversion of share options and RSUs (Thousands)	假設兌換購股權及受限制股份單位的調整(千股)	252	752
Weighted average number of ordinary shares for diluted earnings per share (Thousands)	計算稀釋每股收益的普通股加權平均數(千股)	3,392,545	3,359,406
Diluted earnings per share (RMB)	稀釋每股收益(人民幣元)	0.21	0.12

24. DIVIDENDS

A dividend in respect of the year ended 31 December 2019 of RMB0.1061 per share will be proposed at the annual general meeting ("AGM") on 13 May 2020. These financial statements do not reflect this dividend payable.

A dividend in respect of the year ended 31 December 2018 of RMB0.0737 per share was approved at the AGM on 10 May 2019 and was paid on 12 June 2019.

24. 股息

截至2019年12月31日止年度的股息每股人民幣0.1061元將於2020年5月13日之股東週年大會上提呈。此等財務報表並無反映該等應付股息。

截至2018年12月31日止年度的股息每股人民幣0.0737元已於2019年5月10日的股東週年大會上獲批准，並於2019年6月12日派付。

Notes to the Consolidated Financial Statements

合併財務報表附註

25. CASH GENERATED FROM OPERATIONS

(a) Reconciliation of profit before income tax to net cash flow generated from operations:

25. 經營活動所得現金

(a) 除所得稅前利潤與經營活動所得現金流量淨額的調節：

		Year ended 31 December 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
Profit before income tax	除所得稅前利潤	940,765	596,260
Adjustments for:	就下列各項作出調整：		
Depreciation	折舊	266,776	197,779
Amortisation (Notes 8)	攤銷(附註8)	5,717	5,907
Gains on disposals of property, plant and equipment	出售不動產、工廠及設備的利得	(306)	(38)
Interest income	利息收入	(24,270)	(25,701)
Finance costs (Note 20)	財務費用(附註20)	4,287	25,556
Exchange (gains)/losses (Note 20)	匯兌(收益)/損失(附註20)	(6,079)	7,480
Share-based compensation (Note 19)	以股份為基礎的報酬(附註19)	-	36,076
Changes in working capital:	經營資金的變動：		
Decrease/(increase) in inventories	存貨減少/(增加)	305	(9,062)
Increase in trade and other receivables	應收賬款及其他應收款增加	(66,977)	(294,565)
Decrease in trade and other payables	應付賬款及其他應付款減少	(5,392)	(23,322)
Cash generated from operations	經營活動產生的現金	1,114,826	516,370

(b) Changes in Lease Arising from Financing Activities

(b) 融資活動所產生租賃變動

		Non-cash changes 非現金變動				
		As at 1 January 2019 2019年 1月1日 RMB'000 人民幣千元	Cash flows	Acquisition	Amortisation	As at 31 December 2019 2019年 12月31日 RMB'000 人民幣千元
		現金流量 RMB'000 人民幣千元	取得 RMB'000 人民幣千元	攤銷 RMB'000 人民幣千元		
Lease (Note 7)	租賃(附註7)	(54,619)	11,032	(10,756)	(3,614)	(57,957)

Notes to the Consolidated Financial Statements

合併財務報表附註

26. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, control the other party or exercise significant influence over the other party in making financial and operation decisions. Parties are also considered to be related if they are subject to common control. Members of key management and their close family member of the Group are also considered as related parties.

(a) **The following companies are related parties of the Group during the year ended 31 December 2019:**

26. 關聯方交易

若一方有能力直接或間接控制另一方或對另一方的財務及運營決策實施有重大影響力，則視為關聯方。受共同控制的各方亦視為關聯方。本集團主要管理人員及其家族成員亦視為關聯方。

(a) **截至2019年12月31日止年度，下列公司為本集團的關聯方：**

Names of the related parties 關聯方名稱	Nature of relationship 關係性質	Ownership interest 所有者權益
Xinjiang Xintai Natural Gas Co., Ltd. ⁽ⁱ⁾ 新疆鑫泰天然氣股份有限公司 ⁽ⁱ⁾	Ultimate parent entity 最終控股公司	49.88%
Sichuan Liming Energy Development Co., Ltd. ⁽ⁱ⁾ 四川利明能源開發有限責任公司 ⁽ⁱ⁾	Intermediate parent entity 中間控股公司	49.88%
Liming Holding Limited ⁽ⁱ⁾ 香港利明控股有限公司 ⁽ⁱ⁾	Immediate parent entity 直接控股公司	49.88%
Zhongjiu Ante Equipment Co., Ltd. ("Zhongjiu Ante") 中久安特裝備有限公司(「中久安特」)	Under the same control of the ultimate parent entity 受同一最終母公司控制實體	N/A 不適用
Beijing Sunshine Ji'ao Energy Technology Co., Ltd. ("Sunshine Ji'ao") 北京陽光吉澳能源技術有限公司(「陽光吉澳」)	Controlled by an independent non-executive director of the Company 由本公司獨立非執行董事控制	N/A 不適用

(i) As at 31 December 2019, Xinjiang Xintai Natural Gas Co., Ltd., through its 100% controlled subsidiary Sichuan Liming Energy Development Co., Ltd., holds 100% of the issued ordinary shares of Liming Holding Limited.

(i) 於2019年12月31日，新疆鑫泰天然氣股份有限公司通過其全資控股公司四川利明能源開發有限責任公司持有香港利明控股有限公司100%已發行普通股。

Notes to the Consolidated Financial Statements

合併財務報表附註

26. RELATED PARTY TRANSACTIONS (Continued)

(b) Significant Transactions with Related Parties

26. 關聯方交易(續)

(b) 與關聯方的重大交易

		Year ended 31 December	
		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
Services received	已獲得的服務		
— Zhongjiu Ante	— 中久安特	1,600	—
— Sunshine Ji'ao (Note 30(f))	— 陽光吉澳(附註30(f))	443	—
		2,043	—

(c) Key Management Compensation

(c) 主要管理人員薪酬

		Year ended 31 December	
		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
Basic salaries and allowances	基本薪金及津貼	11,957	27,719
Discretionary bonuses	酌情獎金	7,785	2,077
Share-based compensation	以股份為基礎的報酬	—	21,187
Retirement and other benefits	退休金及其他福利	2,549	4,026
Termination benefits	辭退福利	—	32,624
		22,291	87,633

Included in 2018 amounts were RMB78,285,000 payments to former key management members who resigned after the Change of Control in 2018 (2019: zero).

2018年的金額包括向2018年控制權變更後辭職的前任關鍵管理人員支付的人民幣78,285,000元(2019年：零)。

Notes to the Consolidated Financial Statements

合併財務報表附註

27. COMMITMENTS

(a) Capital Commitments

Capital expenditure contracted at the end of the year but not yet incurred is as follows:

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
Property, plant and equipment	不動產、工廠及設備	42,089	27,306

(b) Operating Lease Commitments

The Group leases various offices, land and equipment from non-related parties under non-cancellable operating leases agreements which are typically made for fixed periods of 1 to 5 years but may have extension and termination options. The leases have varying terms, renewal rights and extension and termination options. On renewal, the terms of the leases are renegotiated. The lease contracts do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

From 1 January 2019, the Group has recognised right-of-use assets for these leases, except for short-term leases, see note 2.2 and note 7 for further information.

Minimum lease payments under non-cancellable operating leases not recognised in the financial statements are receivable as follows:

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
No later than 1 year	一年以內	152	7,975
Later than 1 year but no later than 5 years	一年至五年	–	2,361
		152	10,336

27. 承諾事項

(a) 資本承諾

於本年度末已訂約但並沒有產生的資本開支如下：

(b) 經營租賃承諾

本集團根據不可撤銷的經營租賃協議向非關聯方租賃各種辦公室、土地和設備，這些租賃協議通常為1至5年的固定期限，但可以選擇延期和終止。租賃具有不同的條款，續訂權以及延期和終止選項。續訂時，將重新協商租賃條款。租賃合同沒有規定任何約定，但是租賃資產不得用作借貸的抵押。

自2019年1月1日起，本集團已確認這些租賃的使用權資產，但短期租賃除外，更多信息請參見附註2.2和附註7。

財務報表中未確認的不可撤銷經營租賃下的最低租賃付款應收如下：

Notes to the Consolidated Financial Statements

合併財務報表附註

28. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY 28. 本公司資產負債表及儲備變動

(a) Balance Sheet of the Company

(a) 本公司資產負債表

		As at 31 December	
		於12月31日	
		2019	2018
		2019年	2018年
		RMB'000	RMB'000
		人民幣千元	人民幣千元
ASSETS	資產		
Non-current assets	非流動資產		
Long-term investment	長期投資	3,661,616	3,594,481
Property, plant and equipment	不動產、工廠及設備	195	297
Right-of-use assets	使用權資產	2,307	—
Intangible assets	無形資產	25	41
		3,664,143	3,594,819
Current assets	流動資產		
Other receivables	其他應收款	56,390	839
Cash and cash equivalents	現金及現金等價物	625,074	930,154
		681,464	930,993
Total assets	總資產	4,345,607	4,525,812
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	2,079	2,077
Share premium	股本溢價	4,025,044	4,269,501
Other reserves	其他儲備	574,210	510,891
Accumulated deficits	累計虧損	(273,731)	(274,912)
		4,327,602	4,507,557
LIABILITIES	負債		
Non-current liabilities	非流動負債		
Non-current lease liabilities	非流動租賃負債	469	—
		469	—
Current liabilities	流動負債		
Other payables	其他應付款	15,635	18,255
Current lease liabilities	流動租賃負債	1,901	—
		17,536	18,255
Total liabilities	總負債	18,005	18,255
Total equity and liabilities	總權益及負債	4,345,607	4,525,812

The balance sheet of the Company was approved by the Board of Directors on 27 March 2020 and was signed on its behalf.

本公司資產負債表由董事會於2020年3月27日批准，並由其代表簽署。

Director
董事
Yan Danhua
嚴丹華

Director
董事
Zhang Jianbing
張艦兵

Notes to the Consolidated Financial Statements

合併財務報表附註

28. BALANCE SHEET AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve Movement of the Company

28. 本公司資產負債表及儲備變動 (續)

(b) 本公司儲備變動

		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 deficits 累計虧損 RMB'000 人民幣千元
As at 1 January 2018	於2018年1月1日	4,179,471	431,379	(196,572)
Loss for the year	年度虧損	–	–	(78,340)
Currency translation differences	外幣折算差額	–	216,833	–
Share-based compensation	以股份為基礎的報酬	–	31,531	–
Vesting of RSUs	歸屬受限制股份單位	44,813	(44,828)	–
Cash settlement of RSUs	以現金結算的受限制股份單位	–	(10,231)	–
Exercise of options	行使購股權	113,160	(113,793)	–
Dividend distributed	股利分配	(67,943)	–	–
As at 31 December 2018	於2018年12月31日	4,269,501	510,891	(274,912)
Profit for the year	年度利潤	–	–	1,181
Currency translation differences	外幣折算差額	–	65,758	–
Exercise of options	行使購股權	5,498	(2,439)	–
Dividend distributed	股利分配	(249,955)	–	–
As at 31 December 2019	於2019年12月31日	4,025,044	574,210	(273,731)

Notes to the Consolidated Financial Statements

合併財務報表附註

29. SUBSIDIARIES

The following is a list of the principal subsidiaries at 31 December 2019:

29. 附屬公司

以下列示於2019年12月31日的主要附屬公司：

Name	Place of incorporation and type of legal entity	Issued/ paid-up capital	Principal activities and place of operation	Proportion of ordinary shares held by the Group (%)
名稱	註冊成立地及法人實體類型	已發行/ 實繳股本	主要業務及運營地點	本集團持有普通股比例(%)
AAGI	British Virgin Islands ("BVI"), Limited liability company	US\$50,000/ US\$50,000	CBM project development, BVI	100%
亞美大陸煤層氣	英屬維京群島(「英屬維京群島」), 有限公司	50,000美元/ 50,000美元	煤層氣項目開發, 英屬維京群島	100%
AAG Energy (China) Limited	BVI, Limited liability company 英屬維京群島, 有限公司	US\$5,000/US\$5,000 5,000美元/5,000美元	CBM project development, BVI 煤層氣項目開發, 英屬維京群島	100% 100%
SAEI	Samoa, Limited liability company	US\$7,000,000/ US\$7,000,000	CBM project development, Samoa	100%
美中能源公司	薩摩亞, 有限公司	7,000,000美元/ 7,000,000美元	煤層氣項目開發, 薩摩亞	100%
Alpha Eagle Limited	Cayman Islands, Limited liability company	US\$1/US\$1	CBM project development, Cayman Islands	100%
佳鷹有限公司	開曼群島, 有限公司	1美元/1美元	煤層氣項目開發, 開曼群島	100%
Xinhe Investment Holding Co. Ltd	Sichuan, PRC, Limited liability company	US\$50,000,000/ US\$8,000,100	Investment, Sichuan, PRC	100%
新合投資控股有限公司	四川, 中國, 有限公司	50,000,000美元/ 8,000,100美元	投資, 四川, 中國	100%

Notes to the Consolidated Financial Statements

合併財務報表附註

30. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' and Chief Executive's Emoluments

The remuneration of every director and the chief executive is set out below:

For the year ended 31 December 2019:

30. 董事福利及利益

(a) 董事及首席執行官的酬金

各董事及首席執行官的薪酬如下：

截至2019年12月31日止年度：

Name	Fees	Salary	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Termination benefits	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking	Total
姓名	費用	薪金	酌情獎金	福利津貼	退休福利計劃僱主供款	辭退福利	董事就其與本公司或其附屬公司的事務管理有關的其他服務而支付或應收的其他薪酬	合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors	執行董事							
Mr. Ming Zaiyuan (i)	明再遠先生 (i)	-	2,825	2,195	-	-	-	5,020
Mr. Yan Danhua	嚴丹華先生	-	1,411	1,173	23	42	-	2,649
Mr. Zhang Jianbing (i)	張鑑兵先生 (i)	-	1,011	866	-	-	-	1,877
Non-executive Directors	非執行董事							
Dr. Cui Guiyong	崔桂勇博士	-	-	-	-	-	-	-
Ms. Gu Ren (ii)	顧勵女士 (ii)	-	-	-	-	-	-	-
Mr. Jin Lei (iii)	金磊先生 (iii)	-	-	-	-	-	-	-
Mr. Saurabh Narayan Agarwal (iii)	Saurabh Narayan Agarwal 先生 (iii)	-	-	-	-	-	-	-
Independent Non-executive Directors	獨立非執行董事							
Mr. Tai Kwok Leung Alexander	戴國良先生	310	-	-	-	-	-	310
Dr. Liu Xiaofeng	劉曉峰博士	310	-	-	-	-	-	310
Dr. Yang Ruizhao	楊瑞召博士	310	-	-	-	-	-	310
Total	合計	930	5,247	4,234	23	42	-	10,476

Notes to the Consolidated Financial Statements

合併財務報表附註

30. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(a) Directors' and Chief Executive's Emoluments

(Continued)

For the year ended 31 December 2018:

30. 董事福利及利益 (續)

(a) 董事及首席執行官的酬金 (續)

截至2018年12月31日止年度：

Name	Fees	Salary	Discretionary bonuses	Allowances and benefits in kind	Employer's contribution to a retirement benefit scheme	Termination benefits	Other emoluments paid or receivable in respect of director's other services in connection with the management of the affairs of the Company or its subsidiary undertaking or services management of the other services while payment or receipt of	Total
姓名	費用	薪金	酌情獎金	福利津貼	退休福利計劃僱主供款	辭退福利	其他薪酬	合計
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元	人民幣千元
Executive Directors 執行董事								
Mr. Ming Zaiyuan (i)	-	878	467	-	-	-	-	1,345
Mr. Yan Danhua	-	441	233	8	18	-	-	700
Mr. Zhang Jianbing (i)	-	316	167	1	-	-	-	484
Dr. Stephen Xiangdong Zou	-	5,749	-	6,088	-	12,188	-	24,025
Non-executive Directors 非執行董事								
Dr. Cui Guiyong	-	-	-	-	-	-	-	-
Mr. Jin Lei (iii)	-	-	-	-	-	-	-	-
Mr. Saurabh Narayan Agarwal (iii)	-	-	-	-	-	-	-	-
Mr. Gordon Sun Kan Shaw	-	-	-	-	-	-	-	-
Mr. Wei Zhen	-	-	-	-	-	-	-	-
Mr. Peter Randall Kagan	-	-	-	-	-	-	-	-
Mr. Nie Fei	-	-	-	-	-	-	-	-
Independent Non-executive Directors 獨立非執行董事								
Mr. Tai Kwok Leung Alexander	108	-	-	-	-	-	-	108
Dr. Liu Xiaofeng	108	-	-	-	-	-	-	108
Dr. Yang Ruizhao	44	-	-	-	-	-	-	44
Mr. Wu Yaowen	231	-	-	307	-	-	-	538
Mr. Robert Ralph Parks	873	-	-	326	-	-	-	1,199
Mr. Fredrick J. Barrett	548	-	-	338	-	-	-	886
Mr. Stephen Cheuk Kin Law	1,183	-	-	308	-	-	-	1,491
Chief Executive 首席執行官								
Mr. Li Jing	-	3,705	-	6,595	107	7,978	-	18,385
Total	合計	3,095	11,089	867	13,971	125	20,166	49,313

Notes to the Consolidated Financial Statements

合併財務報表附註

30. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(a) Directors' and Chief Executive's Emoluments

(Continued)

Notes:

- (i) Retirement benefit costs of Mr. Ming Zaiyuan and Mr. Zhang Jianbing are borne by the Company's ultimate holding company.
- (ii) Ms. Gu Ren was appointed as a non-executive Director of the Company on 21 March 2019.
- (iii) Mr. Jin Lei and Mr. Saurabh Narayan Agarwal were resigned as non-executive Director of the Company on 21 March 2019.

Directors' Emoluments

Aggregate emoluments paid to or receivable by directors in respect of their services as directors, whether of the Company or its subsidiary undertaking		Aggregate emoluments paid to or receivable by directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiary undertaking		Total	Total
董事就其作為董事		董事就其與本公司或其		合計	合計
(不論本公司或其附屬公司)的		附屬公司的事務管理有關的其他		合計	合計
服務支付或應收的薪酬總額		服務而支付或應收的薪酬總額		2019	2018
2019	2018	2019	2018	2019	2018
2019年	2018年	2019年	2018年	2019年	2018年
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
930	4,374	9,546	26,554	10,476	30,928

Notes: Emoluments above include estimated money value of non-cash benefits: share options, RSUs and insurance premium.

(b) Directors' Retirement Benefits

During the year ended 31 December 2019, no retirement benefits operated by the Group was paid or made, directly or indirectly, to or receivable by a director in respect of his services as a director or other services in connection with the management of the affairs of the Company or its subsidiaries (2018: nil).

(c) Directors' Termination Benefits

During the year ended 31 December 2019, no payments or benefits in respect of termination of director's services was paid or made, directly or indirectly, to or receivable by a director, nor is any payable (2018: RMB12,188,000).

30. 董事福利及利益 (續)

(a) 董事及首席執行官的酬金 (續)

附註：

- (i) 明再遠先生和張艦兵先生的退休福利由本公司的最終控股公司承擔。
- (ii) 於2019年3月21日，顧韋女士獲委任為本公司獨立非執行董事。
- (iii) 於2019年3月21日，金磊先生和Saurabh Narayan Agarwal先生辭任本公司辭任本公司非執行董事。

董事薪酬

(b) 董事退休福利

截至2019年12月31日止年度，本集團沒有就董事職務或與本公司或其附屬公司的事務管理有關的其他服務，直接或間接向董事支付或作出退休福利，董事亦沒有應收退休福利(2018年：無)。

(c) 董事辭退福利

截至2019年12月31日止年度，沒有就董事服務終止直接或間接向董事支付的款項或福利，亦沒有任何應付款(2018年：人民幣12,188,000元)。

Notes to the Consolidated Financial Statements

合併財務報表附註

30. BENEFITS AND INTERESTS OF DIRECTORS

(Continued)

(d) Consideration Provided to Third Parties for Making Available Directors' Services

During the year ended 31 December 2019, no consideration was provided to or receivable by third parties for making available director's services (2018: nil).

(e) Information About Loans, Quasi-Loans and Other Dealings in Favour of Directors, Controlled Bodies Corporate by and Connected Entities with Such Directors

There is no loans, quasi-loans or other dealings in favour of directors, controlled bodies corporate by and connected entities (2018: nil).

(f) Directors' Material Interests in Transactions, Arrangements or Contracts

Pursuant to an agreement dated 15 September 2019 (the "Agreement") made between the Company and Sunshine Ji'ao, the Company agreed to pay Sunshine Ji'ao a fee for the provision of microseismic monitoring services in accordance with the terms of the Agreement, amounting to RMB443,000, for the year ended 31 December 2019 (2018: nil). Dr. Yang Ruizhao, an independent non-executive director of the Company, has interest in this transaction to the extent that Sunshine Ji'ao is controlled by him.

Save for contracts amongst group companies and the aforementioned transaction, no other significant transactions, arrangements and contracts to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

30. 董事福利及利益 (續)

(d) 因董事服務向第三方提供的報酬

截至2019年12月31日止年度，沒有因董事服務向第三方提供報酬，第三方亦沒有應收報酬(2018年：無)。

(e) 關於向董事、受控制法人及與該董事相關聯的實體提供的貸款、準貸款及其他交易資料

沒有向董事、受控制法人及相關聯的實體提供的貸款、準貸款或其他交易(2018年：無)。

(f) 董事在交易、安排或合約方面的重大權益

根據本公司與陽光吉澳於2019年9月15日訂立的協議(「協議」)，本公司同意根據協議條款向陽光吉澳就截至2019年12月31日止年度所提供的微地震監測服務支付費用，約人民幣443,000元(2018年：無)。本公司獨立非執行董事楊瑞召博士因控制對陽光吉澳而在此交易中佔有權益。

除集團公司間之合同和上述交易外，於本年度末及全年任何時間，本公司沒有訂立任何本公司董事擁有重大權益(無論是直接或間接)的重大交易、安排及合約。

Notes to the Consolidated Financial Statements

合併財務報表附註

31. SUBSEQUENT EVENTS

Following the outbreak of COVID-19 in early 2020, a series of precautionary and control measures have been and continued to be implemented across the country, including extension of the Chinese New Year holiday nationwide, postponement of work resumption after the Chinese New Year holiday in some regions, certain level of restrictions and controls over the travelling of people and traffic arrangements, etc. These measures delayed the production activities across China, which affected the demand and hence the production of gas by the Group in early 2020 to certain extent.

The majority of the Group's production and operations has been restored to the normal level in March 2020. As at the date on which this set of consolidated financial statements were authorized for issue, the impact of the COVID-19 outbreak on the macro-economic conditions as a whole are still uncertain, the Group is unable to quantify the related financial effects. The Group will pay close attention to the development of the COVID-19 outbreak, thereby performing further assessment of its impact and taking relevant measures.

31. 期後事項

新冠肺炎疫情於2020年年初在全國爆發，疫情的防控工作在全國範圍內持續進行，包括延長春節假期、部分地區春節後延遲復工、對人員流動和交通進行一定程度的控制等。這些措施推遲了中國各地的生產活動，對本集團2020年初的天然氣需求及相應生產產生了一定程度的影響。

截至2020年3月，本集團主要生產和運營已逐步恢復至正常水準。於批准發佈本合併財務報表之日，新冠肺炎疫情對整體宏觀經濟的影響仍然不確定，本集團無法量化其相關財務影響。本集團將持續密切關注此次新冠肺炎疫情發展情況，據此進行進一步判斷和估計，並採取相關應對措施。

Corporate Information

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. Ming Zaiyuan (*Chairman*)
Mr. Yan Danhua (*President*)
Mr. Zhang Jianbing (*Vice President*)

Non-Executive Directors

Dr. Cui Guiyong
Ms. Gu Ren (appointed on 21 March 2019)
Mr. Huang Min (appointed on 27 March 2020)
Mr. Jin Lei (resigned on 21 March 2019)
Mr. Saurabh Narayan Agarwal
(resigned on 21 March 2019)

Independent Non-Executive Directors

Mr. Tai Kwok Leung Alexander
Dr. Liu Xiaofeng
Dr. Yang Ruizhao

COMPANY SECRETARIES

Mr. Chiu Ming King
Ms. Su Xiaohang (appointed on 26 April 2019)

AUTHORIZED REPRESENTATIVES

Mr. Zhang Jianbing
Mr. Chiu Ming King

AUDIT COMMITTEE

Mr. Tai Kwok Leung Alexander (*Chairman*)
Ms. Gu Ren (appointed on 21 March 2019)
Dr. Liu Xiaofeng
Mr. Jin Lei (resigned on 21 March 2019)

REMUNERATION COMMITTEE

Dr. Liu Xiaofeng (*Chairman*)
Mr. Tai Kwok Leung Alexander
Mr. Zhang Jianbing (appointed on 21 March 2019)
Mr. Saurabh Narayan Agarwal
(resigned on 21 March 2019)

NOMINATION COMMITTEE

Mr. Ming Zaiyuan (*Chairman*)
Dr. Liu Xiaofeng
Mr. Tai Kwok Leung Alexander

董事會

執行董事

明再遠先生 (*主席*)
嚴丹華先生 (*總裁*)
張艦兵先生 (*副總裁*)

非執行董事

崔桂勇博士
顧韜女士 (於2019年3月21日獲委任)
黃敏先生 (於2020年3月27日獲委任)
金磊先生 (於2019年3月21日辭任)
Saurabh Narayan Agarwal 先生
(於2019年3月21日辭任)

獨立非執行董事

戴國良先生
劉曉峰博士
楊瑞召博士

公司秘書

趙明璟先生
蘇曉航女士 (於2019年4月26日獲委任)

授權代表

張艦兵先生
趙明璟先生

審核委員會

戴國良先生 (*主席*)
顧韜女士 (於2019年3月21日獲委任)
劉曉峰博士
金磊先生 (於2019年3月21日辭任)

薪酬委員會

劉曉峰博士 (*主席*)
戴國良先生
張艦兵先生 (於2019年3月21日獲委任)
Saurabh Narayan Agarwal
(於2019年3月21日辭任)

提名委員會

明再遠先生 (*主席*)
劉曉峰博士
戴國良先生

Corporate Information

公司資料

STRATEGIC DEVELOPMENT COMMITTEE

Dr. Yang Ruizhao (*Chairman*)
Dr. Cui Guiyong
Mr. Tai Kwok Leung Alexander

REGISTERED OFFICE

P. O. Box 31119
Grand Pavilion
Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

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China Merchants Tower
Shun Tak Centre
No. 168-200 Connaught Road Central
Hong Kong

PRINCIPAL PLACE OF BUSINESS IN CHINA

Panzhuang Management Center
Guobei Village
Jiafeng Town, Qinshui County
Jincheng City
Shanxi Province, 048204
People's Republic of China

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER AGENT

Campbells Corporate Services limited
Willow House, Cricket Square
P. O. Box 268
Grand Cayman, KY1-1104
Cayman Islands

HONG KONG SHARE REGISTRAR

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor
Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

戰略發展委員會

楊瑞召博士(主席)
崔桂勇博士
戴國良先生

註冊辦事處

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Hibiscus Way
802 West Bay Road
Grand Cayman KY1-1205
Cayman Islands

香港總部及主要營業地點

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21 樓 2109-10 室

中國主要營業地點

中華人民共和國
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潘莊管理中心
郵編：048204

開曼群島股份過戶登記總處

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Cayman Islands

香港證券登記處

香港中央證券登記有限公司
香港灣仔
皇后大道東 183 號
合和中心
17 樓 1712-1716 號舖

Corporate Information

公司資料

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking Corporation Limited
Bank of Communication Limited, Offshore Banking Unit

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered PIE Auditor
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LEGAL ADVISERS

As to Hong Kong law and United States law:
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As to PRC law:
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STOCK CODE

2686

COMPANY'S WEBSITE

www.aagenergy.com

主要往來銀行

香港上海滙豐銀行有限公司
交通銀行股份有限公司離岸金融業務中心

核數師

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

法律顧問

香港法律及美國法律：
歐華律師事務所
香港
中環
康樂廣場八號
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中國法律：
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中華人民共和國
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股份代號

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公司網址

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亞美能源控股有限公司
AAG Energy Holdings Limited

