



新時代能源有限公司*
NEW TIMES ENERGY
corporation limited

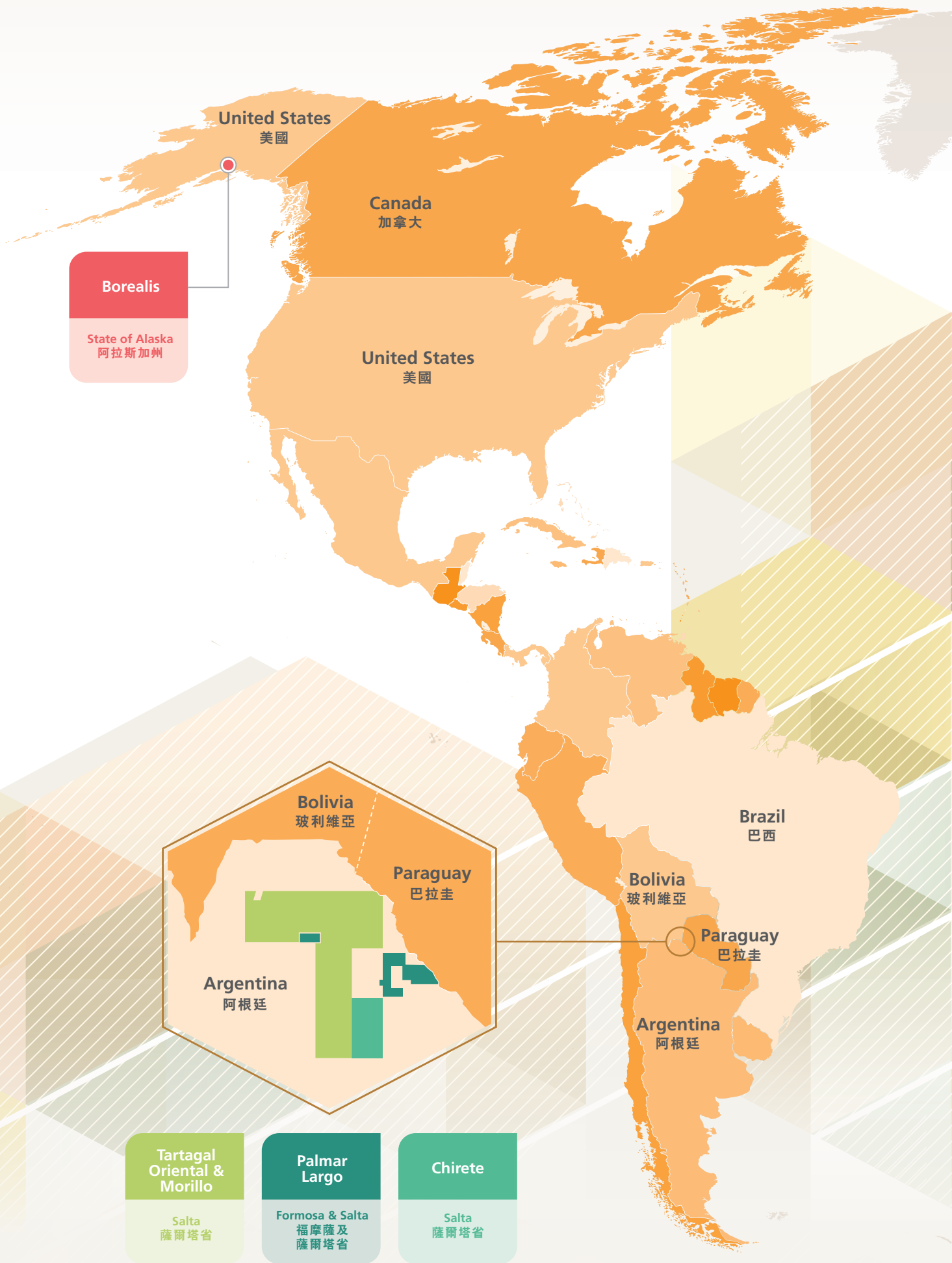
(incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)
(Stock code 股份代號 : 00166)

2019

ANNUAL REPORT 年報



* For identification purpose only
僅供識別



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CORPORATE INFORMATION

公司資料

BOARD OF DIRECTORS

Executive Directors

Mr. CHENG, Kam Chiu Stewart (*Chairman*)
Mr. TANG, John Wing Yan (*Chief Executive Officer*)

Non-executive Director

Mr. LEE, Chi Hin Jacob

Independent non-executive Directors

Mr. YUNG, Chun Fai Dickie
Mr. CHIU, Wai On

AUDIT COMMITTEE

Mr. CHIU, Wai On (*Chairman*)
Mr. LEE, Chi Hin Jacob
Mr. YUNG, Chun Fai Dickie

REMUNERATION COMMITTEE

Mr. YUNG, Chun Fai Dickie (*Chairman*)
Mr. CHENG, Kam Chiu Stewart
Mr. CHIU, Wai On

NOMINATION COMMITTEE

Mr. YUNG, Chun Fai Dickie (*Chairman*)
Mr. LEE, Chi Hin Jacob
Mr. CHIU, Wai On

EXECUTIVE COMMITTEE

Mr. CHENG, Kam Chiu Stewart (*Chairman*)
Mr. TANG, John Wing Yan

COMPANY SECRETARY

Mr. LEE, Kun Yin
(*Appointed on 10 March 2020*)
Ms. LI, Janice Shan Mui
(*Appointed on 17 January 2020 and
ceased on 10 March 2020*)
Ms. LAM, Katrina Lai Kuen
(*Ceased on 17 January 2020*)

董事會

執行董事

鄭錦超先生 (*主席*)
鄧永恩先生 (*行政總裁*)

非執行董事

李志軒先生

獨立非執行董事

翁振輝先生
招偉安先生

審核委員會

招偉安先生 (*主席*)
李志軒先生
翁振輝先生

薪酬委員會

翁振輝先生 (*主席*)
鄭錦超先生
招偉安先生

提名委員會

翁振輝先生 (*主席*)
李志軒先生
招偉安先生

執行委員會

鄭錦超先生 (*主席*)
鄧永恩先生

公司秘書

李冠賢先生
(*於二零二零年三月十日獲委任*)
李珊梅女士
(*於二零二零年一月十七日
獲委任並於二零二零年三月十日停任*)
林麗娟女士
(*於二零二零年一月十七日停任*)

CORPORATE INFORMATION

公司資料

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered in accordance with the
Financial Reporting Council Ordinance

LEGAL ADVISERS

On Hong Kong law
Reed Smith Richards Butler

On Bermuda law
Conyers Dill & Pearman

On US law
Haynes and Boone, LLP

On Argentina law
Nicholson y Cano Abogados
Saravia Frias Abogados

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS

Room 1402, 14/F., New World Tower I
16-18 Queen's Road Central
Hong Kong

REGISTERED OFFICE

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

核數師

畢馬威會計師事務所
執業會計師
於《財務匯報局條例》下的註冊公眾利益實
體核數師

法律顧問

香港法律
禮德齊伯禮律師行

百慕達法律
康德明律師事務所

美國法律
Haynes and Boone, LLP

阿根廷法律
Nicholson y Cano Abogados
Saravia Frias Abogados

主要往來銀行

中國銀行(香港)有限公司
香港上海滙豐銀行有限公司

總辦事處及主要營業地點

香港
皇后大道中16-18號
新世界大廈一期14樓1402室

註冊辦事處

Clarendon House
2 Church Street
Hamilton HM11
Bermuda

INFORMATION FOR STAKEHOLDERS

權益人資料

SHARE INFORMATION

First listed on the Stock Exchange

13 October 1998

Place of listing

Main Board of The Stock Exchange of Hong Kong Limited

Stock Code

0166.HK

Board Lot

2,000 shares

Financial Year End

31 December

As at 31 December 2019

Number of issued shares: 8,758,880,988 shares

Closing price: HK\$0.081 per share

Market capitalisation: HK\$709.47 million

SHARE REGISTRAR AND TRANSFER OFFICE

Principal Share Registrar

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

Hong Kong Branch Registrar

Tricor Tengis Limited
Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

INVESTOR RELATIONS

Enquiries may be directed to e-mail:
info@nt-energy.com

WEBSITE

<http://www.nt-energy.com>

股份資料

首次在聯交所上市

一九九八年十月十三日

上市地點

香港聯合交易所有限公司主板

股份代號

0166.HK

每手買賣單位

2,000股

財政年度年結日

十二月三十一日

於二零一九年十二月三十一日

已發行股份數量：8,758,880,988股

收盤價：每股0.081港元

市值：709,470,000港元

股份過戶登記處

股份過戶登記總處

Conyers Corporate Services (Bermuda) Limited
Clarendon House
2 Church Street
Hamilton HM11
Bermuda

股份過戶登記香港分處

卓佳登捷時有限公司
香港
皇后大道東183號
合和中心54樓

投資者關係

可將查詢發送至電郵：
info@nt-energy.com

網址

<http://www.nt-energy.com>

FINANCIAL HIGHLIGHTS

財務摘要

		Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Revenue	收益	236,646	297,989
Loss before taxation	除稅前虧損	(2,310,385)	(246,447)
Loss for the year	年內虧損	(2,290,137)	(257,224)
Basis loss per share (HK cent)	每股基本虧損 (港仙)	(26.15)	(2.91)
		Year ended 31 December 2019 截至 二零一九年 十二月三十一日 止年度 HK\$'000 千港元	Year ended 31 December 2018 截至 二零一八年 十二月三十一日 止年度 HK\$'000 千港元
Total assets	總資產	1,095,294	3,480,089
Total equity	權益總額	846,455	3,129,976
Debt ratio ⁽¹⁾	債項比率 ⁽¹⁾	22.72%	10.06%
Gearing ratio ⁽²⁾	資產負債比率 ⁽²⁾	17.90%	6.73%
Net asset value per share ⁽³⁾ (HK\$)	每股資產淨值 ⁽³⁾ (港元)	0.10	0.36

Remarks:

- (1) Debt ratio: Total liabilities divided by total assets
- (2) Gearing ratio: Interest bearing borrowings divided by total equity
- (3) Net asset value per share: Net assets divided by number of issued shares

備註:

- (1) 債項比率: 總負債除以總資產
- (2) 資產負債比率: 計息借款除以權益總額
- (3) 每股資產淨值: 資產淨值除以已發行股份數目

CHAIRMAN'S STATEMENT

主席報告



Mr. CHENG, Kam Chiu Stewart
Chairman & Executive Director
鄭錦超先生
主席兼執行董事

Dear Shareholders,

On behalf of the Board of Directors (the “**Board**”) of New Times Energy Corporation Limited (the “**Company**” or “**New Times Energy**”) and its subsidiaries (collectively, the “**Group**”), I hereby present the annual results and audited consolidated financial statements of the Group for the year ended 31 December 2019.

OVERVIEW OF 2019

Further to the Group’s oil discovery in the Chirete Concession as first announced on 12 December 2018, I am pleased to report that following the successful commissioning of a newly built facilities, the Group has resumed uninterrupted oil production from 5 November 2019 at an initial rate of 600 barrels a day.

This latest achievement marks a significant milestone in the history of the Group, and underlines its decision in April 2015 to farm-in to the block. The start of oil production at Chirete Concession in 2019 also represents an important milestone for the Province of Salta, Argentina, since this is the first new commercial oil production in decades for the region. It has been welcome news for the newly elected authorities of the province, as they try to promote and attract further oil exploration investment in the region.

各位股東：

本人謹代表新時代能源有限公司（「本公司」或「新時代能源」）及其附屬公司（統稱「本集團」）董事會（「董事會」）提呈本集團截至二零一九年十二月三十一日止年度之全年業績及經審核綜合財務報表。

二零一九年概覽

繼本集團於二零一八年十二月十二日首次宣佈在Chirete特許權區發現石油資源後，本人欣然呈報，隨著新建設施成功投產，本集團已自二零一九年十一月五日起恢復不間斷石油生產，初始產油量為每日600桶。

此最新成就標誌著本集團歷史上重要里程碑，更印證了在二零一五年四月購入該區塊的決定。於二零一九年在Chirete特許權區開始石油生產亦為阿根廷薩爾塔省的重要里程碑，因此為該區數十年來首個新商業石油生產。對於該省新選當局來說亦為可喜消息，因彼等試圖在該區推動及吸引更多石油勘探投資。

CHAIRMAN'S STATEMENT

主席報告



With the Group's application for an exploitation permit in the Chirete Concession coinciding with the National and Provincial Elections of Argentina and inauguration in November and December 2019, and the government summer recess in January 2020, the Group is presently waiting for the permit to be granted by the new authorities of the Province of Salta. Due to the coronavirus pandemic recently spreading to Argentina, the Group faces an indefinite delay in the granting of the exploitation permit, which when received will formalise the Group's entitlement to produce hydrocarbon for the next 25 years in the Chirete Concession.

Though the Group is pleased with the progress it has made in the Chirete Concession, the Group for the year ended 31 December 2019 is disappointed to report a consolidated net loss after tax of HK\$2,290 million. This was primarily attributable to the recognition of the provision for full impairment loss on the Group's exploration and evaluation assets in the Tartagal Oriental and Morillo Concessions of HK\$2,243 million, as first announced on 6 February 2020, following the unexpected rejection of the Group's extension application by the previous Salta provincial authorities on 17 September 2019. Further details are disclosed within this annual report.

鑑於本集團於Chirete特許權區申請開採許可證與二零一九年十一月及十二月阿根廷全國及省級選舉以及就職典禮同時進行，且於二零二零年一月政府暑假，本集團現正等待薩爾塔省新當局授予許可證。由於冠狀病毒最近擴散至阿根廷，本集團面臨無限期遞延發放開採許可證，一旦獲發，將正式確定本集團未來25年於Chirete特許權區生產碳氫化合物的權利。

儘管本集團對其於Chirete特許權區取得的進展感到滿意，本集團就截至二零一九年十二月三十一日止年度錄得除稅後綜合淨虧損2,290,000,000港元。此乃主要由於緊接薩爾塔省前省級機關於二零一九年九月十七日意外拒絕本集團的續期申請，於二零二零年二月六日首次宣佈就本集團於Tartagal Oriental及Morillo特許權區的勘探及評估資產確認作出悉數減值虧損撥備2,243,000,000港元。進一步詳情乃於本年報內披露。

CHAIRMAN'S STATEMENT

主席報告

ECONOMIC OUTLOOK

During the year, Argentina continued to struggle with hyperinflationary pressures, as well as the continued devaluation of its currency against the US Dollar ("US\$"). Following the experience in 2018 of a 47.6% rate of inflation, the country in 2019 experienced a further 54% inflation, the highest on record since 1991. On the other hand, the Argentine Pesos ("ARS") devalued by 70.3% against the US\$ from ARS35.1 per US\$ at the start of the year to ARS59.8 per US\$ by 31 December 2019.

Argentina has historically been a difficult country for the Group and other international companies to operate in. Whilst the inauguration on 10 December 2019 of Mr. Alberto Fernandez as the new President of Argentina, and Mr. Gustavo Saenz as the new Governor of the Province of Salta are a cause for renewed optimism, the Group remains cautious about the country's political and economic outlook.

With the recent onset of the coronavirus pandemic significantly reducing global economic activity and oil demand, and the oil price war between Saudi Arabia and Russia sending prices plummeting in the first quarter of 2020, the oil industry and the Group faces very challenging times ahead. The Group will continue to actively manage and look for cost rationalization opportunities.

LOOKING FORWARD

New Times Energy continues to proactively manage and structure its business to best serve the interests of its shareholders. The Group is committed to maximizing shareholder value by exploring and developing oil and gas prospects in a safe, environmentally, socially and ethically responsible manner.

The Group is well aware of the importance to continually reassess and diversify its current business and geographical portfolio to better position itself for the future. Thankfully, the Group continues to maintain a healthy cash position to enable it to actively seek out value adding and complementary investment opportunities in the energy sector, wherever that may be in the world.

The Group is mindful of the increasing global trend and appetite for renewable energy sources, particularly in the developed economies. Though the Group's principal business is that of oil and gas exploration and production, the Group is also interested in diversifying into the renewable energy business.

經濟展望

年內，阿根廷繼續面對惡性通脹的壓力，以及其貨幣兌美元（「美元」）的持續貶值。繼二零一八年經歷47.6%的通脹率後，該國於二零一九年再錄得54%的通脹率，創下自一九九一年以來的最高記錄。另一方面，阿根廷披索（「阿根廷披索」）兌美元貶值70.3%，由年初的35.1阿根廷披索兌1美元貶值至二零一九年十二月三十一日的59.8披索兌1美元。

阿根廷歷來為本集團及其他國際公司難以營商的國家。雖然Alberto Fernandez先生作為阿根廷新一屆總統及Gustavo Saenz先生作為薩爾塔省新一屆省長於二零一九年十二月十日就任令人重新感到樂觀，但本集團對該國的政治及經濟前景持謹慎態度。

隨著冠狀病毒最近大流行降低全球經濟活動及石油需求，且沙特阿拉伯與俄羅斯的石油價格戰導致油價於二零二零年第一季度暴跌，石油行業及本集團未來面臨非常艱難的時期。本集團將繼續積極管理及物色成本合理化的機會。

展望未來

新時代能源繼續對其業務進行積極管理及調整業務，以為其股東取得最佳利益。本集團將不遺餘力，以安全、環保、及對社群以有道德和負責任的方式進行發展石油及天然氣事業，藉以對股東實現最大的價值。

本集團深知其不斷重新評估、分散當前業務、地域組合等策略，籌劃未來為重要。慶幸的是，本集團繼續維持健康的現金狀況，能積極於全球能源行業內物色適當的增值及投資機遇。

本集團意識到可再生能源日益增加的全球趨勢及需求，尤其對於發達經濟體。儘管本集團的主要業務為石油及天然氣的勘探及生產，本集團有意向在可再生能源業務多元化發展。

CHAIRMAN'S STATEMENT

主席報告

Following a recent internal review, the Group has subsequently evolved its vision and mission statement to better encapsulate its strategic purpose, this shall now be defined as:

"We develop energy for the new times. Diversify for climate change and the environment"

APPRECIATION

In closing, I would like to take this opportunity to once again, express my sincerest gratitude to the Board, the management team, and all staff members for their efforts and dedication during the year, and in achieving the historic milestone of oil production in the Chirete Concession. I am also much obliged to our shareholders, investors, business partners, bankers, customers and suppliers for their continued and invaluable support. We are facing unprecedented times with the coronavirus pandemic affecting both locally and globally, I sincerely hope you all can stay safe, stay aware and stay healthy.

CHENG, Kam Chiu Stewart
Chairman

Hong Kong, 26 March 2020

經近期內部審核後，本集團隨後演化其願景及使命說明以更好概括其戰略目標，現將其定義為：

「我們為新時代開發能源。致力應對氣候變化及環境保護轉型」

致謝

最後，本人藉此機會再次向董事會、管理團隊及全體員工，為年內所作出的努力及貢獻，以及在Chirete特許權區取得石油生產的歷史性里程碑致以衷心謝意。同時，本人非常感謝各位股東、投資者、業務夥伴、銀行、客戶及供應商持續及寶貴的支持。我們面臨著前所未有的情況，冠狀病毒影響本地及全球，本人衷心希望大家平安吉祥及身體健康。

鄭錦超
主席

香港，二零二零年三月二十六日

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

GENERAL REVIEW

The year 2019 has proved to be another challenging year for the Group and its main operations in Argentina. While the Group is pleased to have completed construction of its permanent production facility and commenced oil production at the Chirete Concession, the first new production in decades for the Province of Salta, the Group is disappointed to report that, for the financial year ended 31 December 2019, a loss after tax of HK\$2,290 million was incurred.

The loss was mainly attributable to the provision for full impairment loss of the Group's exploration and evaluation assets in the Tartagal Oriental and Morillo Concessions (the "**T&M Concessions**") of HK\$2,243 million, following the inexplicable and unexpected decision by the previous provincial authorities of Salta (the "**Authorities**") on 17 September 2019 to reject the Group's application for an extension in the concessions. In response, the Group has filed administrative appeals to overturn the decision, while at the same time has commenced negotiations with the new Authorities in the hope to remedy the situation either way. However as the negotiations and appeal are concurrently still on-going, the Group in accordance with relevant financial reporting standards has made the necessary accounting provision for the year ended 31 December 2019, on the basis that it currently does not have an extension, and that there are significant uncertainties in both the likelihood and timing of an extension being obtained in the T&M Concessions.

With the uncertainties surrounding the Group's future involvement in the T&M Concessions, the Group has little option but to suspend the planning and preparation efforts for the Morillo Deep exploratory drill, originally scheduled for 2020, until the permit extension issue is first resolved.

In regards to the Chirete Concession, following the successful construction and commissioning of a newly built production facilities, the Group resumed oil production from its HLG.St.LB.x-2001 discovery well (the "**Well**") in November 2019. Initially the Well had been set to produce at a rate of 550 barrels of oil per day ("**bopd**"), to be stepped up gradually to approximately 1,500 bopd, depending on the response of the reservoir to well pressure fluctuations, as well as the prevailing domestic oil price.

整體回顧

二零一九年對本集團及於阿根廷的主營業務又是一個充滿挑戰的年度。儘管本集團有幸於Chirete特許權區（薩爾塔省數十年來首個全新的生產作業）完成興建永久性生產設施及開展石油生產，但本集團遺憾呈報，截至二零一九年十二月三十一日止財政年度，應計除稅後虧損為2,290,000,000港元。

是項虧損乃主要由於本集團為在於Tartagal Oriental及Morillo 特許權區（「**T&M 特許權區**」）的勘探及評估資產作減值虧損撥備2,243,000,000港元。薩爾塔省前省級機關（「**當局**」）於二零一九年九月十七日拒絕本集團就特許權區的續期申請，決定令人費解及意外。對此，本集團已提起行政上訴以推翻該決定，與此同時，已與新當局開始磋商，希望以任何一種方式糾正該狀況。然而，由於磋商及上訴現時仍在進行中，而現時並無續期，及取得T&M特許權區續期的可能性及時機存在重大不明朗性，本集團就截至二零一九年十二月三十一日止年度，根據相關財務報告準則作出必要會計撥備。

就有關T&M特許權區未來涉及的不明朗性，本集團別無選擇，惟有暫停原定於二零二零年進行Morillo Deep鑽探井的計劃及籌備工作，直至首先解決許可續期問題。

就Chirete特許權區而言，緊隨成功建造及調試新建生產設施後，本集團於二零一九年十一月自其HLG.St.LB.x-2001發現井（「**該發現井**」）恢復石油生產。視乎藏油層對井壓波動的影響以及當前國內油價，該發現井初始設定為日產油量為550桶（「**桶石油／每日**」），並將逐步提高至約每日1,500桶石油。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

With the existing exploration permit on the Chirete Concession already expired on 18 November 2019, the application for an exploitation permit has already been submitted by the Group to the Authorities. The Group is presently awaiting receipt of the exploitation permit which, when issued, will formally grant the Group and Pampa Energia S.A. (“**Pampa**”), the legal right to produce hydrocarbon for the next 25 years in the concession. The Group expects the exploitation permit to be granted late, since it is not unusual in Argentina for permits to be issued 6 to 8 months after the expiration dates of existing permits.

Economically, the Argentina oil market in 2019 has continued to remain depressed. Domestic oil price on average was less than 70% of the Brent Oil Price during a year where the Argentine Pesos (“**ARS**”) currency has continued to weaken and hyperinflation rising from 47.6% in 2018 to nearly 54% in 2019, the highest on record since 1991. With the Argentina Peso also having devalued over 70% in 2019, it has been reported that more than 35% of the country’s population were living in poverty in the first half of 2019.

Faced with the prospect of an increasingly challenging business environment in Argentina, the Group is actively seeking complementary investment opportunities in the energy sector elsewhere in the world. Though the Group’s principal business is that of oil and gas exploration and production, the Group is also interested in diversifying into the renewable energy business.

BUSINESS REVIEW

The Group’s oil and gas participation in Argentina during 2019 was solely in the Northwest Basin located in the province of Salta. In addition to the Group’s oil and gas exploration and production activities, the Group was engaged in the business of commodities trading.

Northwest Basin, Argentina

The Northwest Basin is one of the significant gas producing basins in Argentina. This basin is geologically and structurally complex because of the superposition of four main basins and tectonic influences, including a Late Jurassic to Early Cretaceous-aged rift extension and Tertiary-aged Andean compression. The Group is of the view that the complex geological structures create opportunities for the discovery of conventional light oil and natural gas during exploration activities.

鑒於Chirete特許權區的現有勘探許可證已於二零一九年十一月十八日屆滿，本集團已向當局提交開採許可證申請。本集團現正等待接收開採許可證，一旦頒發，將正式授予本集團及Pampa Energia S.A.（「**Pampa**」）未來25年於特許權區生產碳氫化合物的合法權利。本集團預計開採許可證將延遲發放，阿根廷就現有許可證屆滿日期後6至8個月才發放許可證亦屬正常。

就經濟上而言，二零一九年阿根廷石油市場持續低迷。年內國內平均油價乃低於布倫特油價的70%，而阿根廷披索（「**阿根廷披索**」）持續疲軟，惡性通脹率由二零一八年的47.6%上升至二零一九年的近54%，錄得自一九九一年起最高水平。隨著阿根廷披索亦於二零一九年貶值超過70%，據報道於二零一九年上半年超過35%該國人口生活貧困。

由於阿根廷的營商環境每況愈下，故本集團積極在全球其他地區的能源行業尋找互補的投資機會。儘管本集團的主要業務為石油及天然氣勘探及生產，本集團亦有意向可再生能源業務作多元發展。

業務回顧

本集團於二零一九年期間在阿根廷進行的石油及天然氣活動，全部位於薩爾塔省的西北盆地。除本集團的石油及天然氣勘探及生產活動外，本集團於年內從事商品貿易業務。

阿根廷西北盆地

西北盆地為阿根廷重要天然氣生產的盆地之一。由於四大主要盆地的疊加及自晚侏羅紀時代至早白堊世時代的斷裂延伸以及第三紀時代安第斯山脈擠壓的大地構造所影響，該盆地的地質及構造極其複雜。本集團認為，其複雜的地質結構，可在勘探活動時發現常規輕油及天然氣創造機會。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

As at 31 December 2019, the Group held the following concession in the Northwest Basin situated in Northern Argentina:

於二零一九年十二月三十一日，本集團在阿根廷北部的西北盆地持有以下特許權區：

	Participating interest 參與權益	Surface area 地表面積 (in km ²) (平方公里)	Recoverable Volume 可採量 (MMBBL) (百萬桶油當量)	Prospective Resources 遠景資源量 (MMBBL) (百萬桶油當量)	Group's Net Interest 本集團的淨權益 (MMBBL) (百萬桶油當量)	
Chirete Concession	Chirete特許權區	50.00%	897	2.4	2.5	2.45

Exploration, Development and Production activities

Chirete Concession

Operated by the Group, the Chirete Concession covers a surface area of approximately 897 km² in the Province of Salta in Northern Argentina, and the Group's estimated net interest is 2.45 MMBBL. The Chirete Concession is an oil concession in which the Group has farmed into a 50% participating interest, with Pampa Energia S.A. being the owner of the other 50%. The Group is responsible for the day to day operational activities.

HLG.St.LB.x-2001 discovery well

Following the oil discovery at the Group's exploration well HLG.St.LB. x-2001 on 29 November 2018, an extended test program was conducted during the first quarter of 2019 in order to determine the characteristics of the oil, and the potential recoverable volume of the reservoir.

Approximately 82,000 barrels of crude oil was produced during the three month extended test program to 18 March 2019, before the Well was temporarily shut-in to allow for the construction of a permanent production facilities on site. During the tests, the Well was confirmed to contain light crude oil with an API index in the region of 37° with virtually zero water content, and free of contaminants.

In November 2019, the Group resumed oil production from the Well, following the successful commissioning of the newly built production facilities. Although the Well was set to produce at an initial rate of 550 bopd under a 4mm choke size, the Well has been achieving an average production rate closer to 600 bopd since November 2019 through to date of the publication of this report.

Depending on the response of the reservoir to initial production and well pressure fluctuations, the Group, as the operator, and in consultation with Pampa will consider the option to gradually increase output to approximately 1,500 bopd. The current facilities have a designed production capacity of up to 2,000 bopd, in the event the Well is able to handle a higher rate of production.

勘探、開發及生產活動

Chirete特許權區

本集團營運的Chirete特許權區的地表面積約為897平方公里，位於阿根廷北部薩爾塔省，而本集團的推測淨權益為2.45百萬桶油。Chirete特許權區為由本集團購入50%參與權益的石油特許權區，而Pampa Energia S.A.為其餘50%權益之擁有人。本集團負責日常營運。

HLG.St.LB.x-2001發現井

繼二零一八年十一月二十九日於HLG.St.LB. x-2001勘探井發現石油後，本集團於二零一九年第一季對該勘探井進行延伸測試，以確定石油的特性及儲油氣層的潛在可開採量。

該鑽探井為便利現場建造永久性生產設施而進行暫時性關閉前，曾進行為期三個月的延伸測試程序，於截至二零一九年三月十八日中止中，累計原油產量約為82,000桶。測試期間，該勘探井確認含輕質原油的估計API指數為37度，含水量近乎零且並無其他污染物。

於二零一九年十一月，緊隨新建生產設施成功投產後，本集團恢復該鑽探井商業石油生產。儘管該鑽探井設定4毫米油嘴的初始產量為每日550桶，但自二零一九年十一月起至本報告刊發日期期間，該鑽探井已取得接近每日600桶的平均產油量。

視乎儲油氣層對初期投產的反應以及油井壓力的波動，本集團（作為營運商）與Pampa磋商，將考慮選擇逐步增至約每日1,500桶。倘該鑽探井可處理更高生產率，現有設施的設計產能高達每日2,000桶。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

The Group's recent oil discovery and production at the Chirete Concession is the first new production in decades for the Province of Salta. It has been welcome news for the new Authorities of the province, as it hopes to attract and reinvigorate oil exploration investment activity in the region.

Exploitation permit for the Chirete Concession

Prior to the expiry of the exploration permit in the Chirete Concession on 18 November 2019, the Group filed an application to the Authorities in request for an exploitation permit. As legally entitled to, under the Hydrocarbon Laws of Argentina, an operator may request for an exploitation permit upon a commercial oil discovery.

The Group has duly complied with all application filing requirements and is presently awaiting receipt of the exploitation permit from the Authorities. Once the permit is granted, the Group and Pampa will be entitled to produce hydrocarbon for the next 25 years in the Chirete Concession.

As the expiry of the exploration permit in the Chirete Concession coincided with the National and Provincial Elections of Argentina and inauguration in November and December 2019, and the government summer recess in January 2020, the Group expects the exploitation permit to be granted late, since it is not unusual in Argentina, under normal conditions, for permits to be issued 6 to 8 months after the expiry of existing permits.

Tartagal Oriental and Morillo Concessions

The T&M Concessions comprising of the Tartagal Oriental block and the Morillo block, located in the Province of Salta in Northern Argentina, covers a total surface area of 10,583 km² and have an estimated net resources of 130.0 MMBBL for the Group.

Prior to the rejection by the previous Authorities to grant the Group a permit extension to continue exploration activities beyond the expiry date of 13 September 2019, the Group had held a 69.25% participating interest in the concessions and was the Operator.

Exploration permit

On 17 May 2019, the Group had submitted its application for a one year extension of the current exploration permit in the T&M Concessions, which was due to expire on 13 September 2019. Despite the Group knowing that one year would be insufficient time to complete the outstanding working unit commitments in the T&M Concessions, the Group nevertheless proceeded to apply for a one year extension, since this was the only way an approval could realistically be granted, based on the recommendations of the previous Authorities.

本集團於Chirete特許權區的近期發現石油及生產為薩爾塔省數十年來首個全新的生產作業，對該省新當局而言是個好消息，因其希望吸引及振興該地區的石油勘探投資活動。

Chirete特許權區開採許可證

於二零一九年十一月十八日在Chirete特許權區的勘探許可證屆滿前，本集團向當局提交要求開採許可證的申請。根據阿根廷《碳氫化合物法（Hydrocarbon Laws）》的法律規定，營運商於發現商業石油後可以取得開採許可證。

本集團已妥為遵守一切申請備案規定及現正等待收取當局的開採許可證。一旦頒發許可證，本集團及Pampa將有權於未來25年在Chirete特許權區生產碳氫化合物。

由於Chirete特許權區的勘探許可證屆滿期與二零一九年十一月及十二月阿根廷全國及省級選舉以及就職典禮同時發生，且於二零二零年一月政府暑假，本集團預計開採許可證將延期頒發，其於阿根廷屬正常現象，一般情況下，許可證將在現有許可證屆滿後6至8個月頒發。

Tartagal Oriental及Morillo特許權區

T&M特許權區包含Tartagal Oriental區塊及Morillo區塊，位於阿根廷北部薩爾塔省，涵蓋總地表面積10,583平方公里，而本集團的推測資源量淨額為130.0百萬桶油。

於前當局拒絕向本集團授出二零一九年九月十三日屆滿日期後，繼續勘探活動的許可證續期前，本集團於特許權區持有69.25%參與權益，且為營運商。

勘探許可

於二零一九年五月十七日，本集團已提交於T&M特許權區的現有勘探許可證續期一年的申請，乃因許可證於二零一九年九月十三日屆滿。儘管本集團知悉，一年時間不足以完成T&M特許權區的未完成履約保證單位承擔，本集團仍繼續進行一年續期申請，因根據前當局建議，此為實際授予批准的唯一方式。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

In September 2019, the Group also applied to the Authorities, under National Law No. 17,319 and Article 3 of the Executive Orders 3391/06 and 3388/06, to enter into a new exploration permit in the T&M Concessions. The Group understood that, whilst an extension of the current exploration permit could be rejected by the Authorities, an application to enter into a new exploration permit was an undeniable legal right of the Group, provided that it made a commitment to drill one additional exploration well in return.

On 17 September 2019, the Group was however notified under Resolution No. 037/19 that the Authorities had rejected, both the Group's one year extension request of the current exploration permit, as well as the Group's other request to enter into a new exploration permit by offering to commit to drill one additional exploration well. Additionally, the Group was notified under Resolution No. 038/19 and in accordance with Article 85 of the National Law No. 17,319 to relinquish the T&M Concessions with immediate effect.

The Group duly appealed the aforementioned resolutions (the "**Resolutions**") of the Authorities before the 30 September 2019 deadline, on the premise that the Authorities rejected the Group's extension and permit applications without having completed the due administrative process or given proper consideration in regards to the disputed working units matter. Therefore, the decision by the Authorities to issue the Resolutions was appealed on the grounds that they were premature, arbitrary, unreasonable and illegitimate.

Furthermore, on 25 October 2019, the Group successfully filed an Amparo Judicial Process against the Authorities, which in essence is an injunction preventing the execution of the Resolutions, until such time the Authorities have properly addressed the Group's disputed working units matter first.

Following the conclusion in November 2019 of the National and Provincial Elections of Argentina, Mr. Alberto Fernandez and Mr. Gustavo Saenz were both officially inaugurated on 10 December 2019 as the new President of Argentina and new Governor of the Province of Salta (the "**Governor**") respectively.

As the inauguration of the new Governor on 11 December 2019 coincided with Argentina's seasonal holidays of Christmas and New Year, as well as the commencement of the government summer recess in January 2020, the department within the new Authorities overseeing oil & gas matters in the province of Salta were taking longer time to attend to the disputes between the previous Authorities and the Group. Therefore, it would appear that the extension issue of the T&M Concessions would not be resolved soon.

於二零一九年九月，本集團亦根據國家法（National Law）第17,319號及行政命令第3391/06及3388/06號第3條（Article 3 of the Executive Orders 3391/06 and 3388/06），向當局申請於T&M特許權區訂立一份新勘探許可證。本集團了解到，雖然現有勘探許可證續期可能被當局拒絕，但訂立新勘探許可證的申請能為本集團不可否認的法律權利，惟其須作出鑽探額外一口勘探井的承諾。

然而，於二零一九年九月十七日，本集團獲告知，根據第037/19號決議案，當局已拒絕本集團現有勘探許可證一年續期申請及本集團作出承諾鑽探額外一口勘探井而訂立新勘探許可證的另外申請。此外，本集團獲告知，根據第038/19號決議案及根據國家法第17,319號第85條（Article 85 of the National Law No. 17,319），歸還T&M特許權區，即時生效。

本集團於二零一九年九月三十日截止日期前就當局的上述決議案（「**該等決議案**」）正式上訴，前提是當局拒絕本集團的續期及許可證申請而未完成適當的行政程序或妥為考慮有關具爭議的履約保證單位事宜。因此，就當局發出該等決議案的決定提起上訴，理由為決議案屬草率、武斷、不合理及不合法。

此外，於二零一九年十月二十五日，本集團成功針對當局向司法機關提交保護性司法程序，其實質上為一項禁制令，阻止執行該等決議案，直至當局首先已妥善處理本集團具有爭議的履約保證單位事宜。

阿根廷全國及省級選舉於二零一九年十一月結束後，Alberto Fernandez先生及Gustavo Saenz先生於二零一九年十二月十日分別正式就任阿根廷新一屆總統及薩爾塔省新一屆省長（「**省長**」）。

由於新一屆省長於二零一九年十二月十一日就職，加上恰逢阿根廷聖誕節及新年假期，以及二零二零年一月開始的政府暑假，負責監督薩爾塔省石油及天然氣事宜的新當局部門須更長時間解決前當局與本集團之間的爭議。因此，T&M特許權區的續期事宜顯然未能於短時間內解決。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Nevertheless, on 20 January 2020, the Group had an informal meeting with the new Authorities in charge, with a view to taking the first step towards resolving and reversing the Resolutions issued by the previous Authorities. While the meeting was courteous, it appeared that the issues surrounding the T&M Concessions was unlikely to be resolved within the next few months from date of publication of this report. The Group will be submitting new proposals to the new Authorities as to how the outstanding issues and working units may be mutually resolved.

With the recent outbreak of coronavirus in China (since January 2020) severely restricting international travel for an indefinite period, the Group anticipates further delays in the negotiation process with the new Authorities for a resolution on the T&M extension matter. The delay has exacerbated as the coronavirus has become a pandemic, spreading to Argentina and resulting in government shutdown.

The Group remains committed to continuing its negotiations with the new Authorities, in regards to both the disputed working units matter and its right to resume exploration activities in the T&M Concessions. However, the Group will also continue to resolutely pursue the appropriate administrative and judiciary procedures to appeal the recent Resolutions which may amount to an attempt by the previous Authorities to illegally seize oil and gas assets from the Group.

Morillo Deep exploration well

During the year, the Group continued preparations for its next planned exploratory drill at Morillo Deep, located approximately 17km from the Group's recent oil discovery at HLG.St.LB.x-2001. It is the intention of the Group to use its own rig for the Morillo Deep exploratory drill, following the successful deployment for the Group's previous two drilling campaigns.

Due to the negotiations for access rights with certain Morillo Deep landowners and indigenous communities taking longer than expected to resolve, the Group's environmental impact assessment and topography studies for the proposed road and location constructions were delayed.

Furthermore, following the unexpected decision by the previous Authorities on 17 September 2019 to reject the Group's application for an extension and notification to relinquish the T&M Concessions immediately, the Group has little option but to suspend the planning and preparation efforts for the Morillo Deep exploratory drill, originally scheduled for 2020, until the permit extension issue is first resolved with the new Authorities and Governor.

儘管如此，於二零二零年一月二十日，本集團與當局新負責人進行非正式會晤，以就解決及撤銷前負責當局所發出的該等決議案邁出第一步。儘管在會晤中恭謙有禮，然而圍繞T&M特許權區的問題似乎於本報告刊發日期起未來數月都將不會解決。本集團將就如何相互解決問題及履約保證單位事宜向新當局提交新方案。

隨著中國自二零二零年一月以來爆發新型冠狀病毒，無限期嚴重限制國際出行，本集團預期將進一步延誤與新當局磋商有關T&M續期事宜的解決方案的進程。由於冠狀病毒已成為全球大流行病，已擴散至阿根廷並導致政府部門停工，令該延誤加重。

本集團仍致力於就具有爭議的履約保證單位事宜及恢復其於T&M特許權區的勘探鑽探活動的權利，持續與新當局進行磋商。然而，本集團亦將繼續堅決奉行適當行政及司法程序以對最近決議案提起上訴，可能顯出前當局試圖非法扣押本集團的石油及天然氣資產。

Morillo Deep 勘探井

年內，本集團繼續籌備Morillo Deep的下一步鑽探計劃。Morillo Deep與本集團近期發現石油的HLG.St.LB.x-2001勘探井相距約17公里。本集團曾成功運用自備鑽機在之前兩個勘探井進行鑽探，並擬再次應用於Morillo Deep的鑽探計劃中。

由於就路權與Morillo Deep若干地主和土著社區進行的磋商有所延誤，以致本集團就擬建道路及施工位置進行的環境影響評估，及地形研究均有所延遲。

此外，緊接前當局於二零一九年九月十七日意外決定拒絕本集團的續期申請，並通知即時歸還T&M特許權區後，本集團別無選擇，惟有暫停原定二零二零年進行Morillo Deep鑽探井的計劃及籌備工作，直至新當局及省長首先解決許可證續期事宜。

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Provision for full impairment loss

In light of the latest developments in regards to the T&M Concessions, a provision for the full impairment loss of the Group's exploration and evaluation assets in these concessions of HK\$2,243 million was recognised for the year ended 31 December 2019.

The provision for full impairment loss was made in accordance with the Group's accounting policy, following the Hong Kong Financial Reporting Standard 6, *Exploration for and Evaluation of Mineral Resources*, and specifically Hong Kong Accounting Standard 36, *Impairment of Asset*.

The reason and basis for the provision was due to the expiry of the Group's exploration permit in the T&M Concessions on 13 September 2019, and the subsequent issuance of the Resolutions on 17 September 2019 by the previous Authorities, formally notifying the Group to relinquish the T&M Concessions with immediate effect based on erroneous calculation of unfulfilled working units, and the rejection of the Group's extension request and alternative request to enter into a new exploration permit.

Although the Group is continuing negotiations with the new Authorities, and has filed an appeal against the Resolutions, the significant uncertainties that exists in both, the likelihood and timing that an extension in the T&M Concessions can be obtained has resulted in the aforementioned provision for full impairment loss to be recognised in 2019.

Subject to the outcome of the Group's negotiations and appeal, the Group may consider a reversal of the provision for impairment loss of the exploration and evaluation assets in the T&M Concessions in relevant future financial year(s), where considered appropriate.

Palmar Largo Concessions

The Group ceased production operations in the Palmar Largo Concessions (the "**PL Concessions**") on 30 November 2018, following the relinquishment of the Palmar Largo block in the Province of Formosa.

Due to the Group receiving only 9 days' notice from the Formosa authorities to vacate the Palmar Largo block, the Group had been unable to withdraw all movable, non-essential to production assets, inventory, and unsold oil stock legally belonging to the Union of Temporary Enterprise (the "**UTE**") in the limited available time.

During 2019, the Group continued to seek for a satisfactory resolution with the new owner and operator of the PL Concessions, as well as the Formosa authorities for the immediate and unfettered access to the vacated site, so that the Group may physically recover the properties on behalf of the UTE.

計提悉數作減值虧損撥備

鑑於有關T&M特許權區的近期發展，於截至二零一九年十二月三十一日止年度，本集團於該等特許權區的勘探及評估資產計提悉數減值虧損撥備2,243,000,000港元。

悉數減值虧損撥備乃根據本集團的會計政策（包括香港財務報告準則第6號**礦產資源的勘探及評估**，以及特別是香港會計準則第36號**資產減值**）作出。

撥備的理由及基準乃由於本集團於T&M特許權區的勘探許可證於二零一九年九月十三日屆滿，且隨後前當局於二零一九年九月十七日發出決議案，基於未履行的履約保證單位的錯誤計算，正式通知本集團歸還T&M特許權區，即時生效，並拒絕本集團的續期申請及訂立新勘探許可證的替代申請。

儘管本集團繼續與新當局磋商，並針對該等決議案提起上訴，可取得T&M特許權區續期的可能性及時間均存在重大不確定因素，導致於二零一九年確認上述悉數減值虧損撥備。

惟須待本集團磋商及上訴的結果，本集團可能於有關的未來財政年度內在認為適當情況下撥回T&M特許權區勘探及評估資產的減值虧損撥備。

Palmar Largo特許權區

在撤出福摩薩省Palmar Largo區塊後，本集團已於二零一八年十一月三十日停止Palmar Largo特許權區（「**PL特許權區**」）的生產運作。

由於福摩薩當局發出的撤出Palmar Largo區塊通知期僅有9日，故本集團未能在有限時間內撤走所有可移動、非必要的生產資產、存貨及法律上屬於Union of Temporary Enterprise（「**UTE**」）的未售出石油庫存。

於二零一九年，本集團繼續向PL特許權區的新擁有人及營運商尋求滿意的解決方案，同時向福摩薩當局爭取即時且不受約束地進入空置工地，以便本集團可代表UTE實際取回資產。

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However, due to the time elapsed and the lack of cooperation from the new owner and the Formosa authorities, the Group and UTE have little option other than to escalate the matter and consider taking direct legal action, in order to recover the UTE's properties illegally seized by the new operator.

Oil Price

Following the resumption of oil production at Chirete Concession in November 2019, the Group has had some success in locating alternative, better priced customer options to sell its oil to, other than Refinor, the only major oil refinery in Northern Argentina. The Group will continue to develop and build its customer base, in order to try to secure a fairer price for its crude oil, more aligned with the prices in the rest of Argentina.

The Group continues working with its legal advisors with a respect to possible legal proceedings against Refinor for retrospective compensation of historical shortfall in revenues as a result of it paying below market value oil prices for the Group's previous oil sales from both the Chirete Concession and, in particular, the Palmar Largo Concessions.

For the 2019 year, the average selling price the Group received was US\$45.28 (2018: US\$54.05) per barrel, which is about 70% of the price of Brent Oil. However, the international oil price has collapsed in recent days with Brent Oil trading to as low as US\$25.00 per barrel. If the Brent Oil pricing should remain in this low level, any exploratory drilling in the Argentina will not be economically feasible and probably will not proceed as planned.

Devaluation of the Argentine Pesos and Hyperinflation

During 2019, the Argentine Pesos continued to devalue rapidly from ARS35.1 per US\$ at the beginning of the year to ARS59.8 per US\$ by 31 December 2019. This equated to a 70.3% decline.

In respect of the economy of Argentina, the country continued to be blighted by hyperinflationary pressures. Following an annual inflation of 47.6% experienced in 2018, the highest on record since 1991, the country in 2019 suffered a further 54% inflation.

然而，由於時間緊迫及缺少與新擁有人及福摩薩當局合作，本集團與UTE可能別無選擇，必須升級事件及考慮採取直接法律行動以收回被新營運商非法扣押的UTE資產。

油價

緊接於二零一九年十一月恢復Chirete特許權區商業石油生產，本集團已尋找替代、價格更高客戶選項以將其石油出售予阿根廷北部唯一大型煉油廠Refinor以外的其他客戶，並取得部分成功。本集團將繼續發展及建立客戶基礎，竭力為其原油爭取更公平、更貼近阿根廷其他地方的價格。

本集團繼續徵詢法律顧問意見，就過去出售Chirete特許權區及尤其是Palmar Largo特許權區石油支付低於石油市價而造成的收益歷史差額，欲向Refinor提出法律訴訟以追討賠償。

於二零一九年度，本集團收取的平均售價為每桶45.28美元（二零一八年：54.05美元），約為布倫特石油價格的70%。然而，最近國際油價暴跌，布倫特石油交易價低至每桶25.00美元。倘布倫特石油價格仍維持如此低水平，則在阿根廷進行任何勘探鑽井在經濟上而言將不可行及或不會按計劃進行。

阿根廷披索貶值及惡性通脹

於二零一九年期間，阿根廷披索持續急速貶值，匯率由年初的35.1阿根廷披索兌1美元，下跌至於二零一九年十二月三十一日的59.8阿根廷披索兌1美元，跌幅達70.3%。

阿根廷經濟方面，國家持續受惡性通脹壓力所困擾。繼二零一八年錄得47.6%的全年通脹，創下自一九九一年以來的新高後，國家於二零一九年再錄得54%的通脹。

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In order to temporarily ease the burden of the hyperinflation for its citizens, the Argentina government introduced a 90 day freeze of crude oil prices in mid-August 2019. This severely impacted the revenues of the country's crude oil producers in US\$ terms, as the Argentine Pesos continued to depreciate. Furthermore, currency control policies announced by the government in September 2019 prohibit international companies from repatriating dividends from Argentina.

With substantial depreciation of the Argentine Pesos and hyperinflationary pressures, Argentina has always been a difficult business environment for the Group and other international companies to operate in. Whilst the new national and provincial governments on the one hand are a cause for optimism in Argentina, the Group is cautious about the country's political and economic outlook.

COMMODITIES TRADING

During the year, the Group continued to successfully engage and close out a number of commodities trades involving non-ferrous metals and oil products, since its re-entry into this business in August 2017.

In line with the Group's objective to diversify its revenue base and source of profit generation, the Group remains committed to this business segment, though 2019 has been a noticeably quieter year, mirroring worldwide demand.

CORONAVIRUS PANDEMIC AND OIL PRICE WAR

The start of 2020 has seen significant global market turmoil following the outbreak of the coronavirus pandemic, and the oil price war between Saudi Arabia and Russia. This has resulted in a sharp decrease in world oil prices, international stock market indices, and global economic activity/demand. Presently, the Group is assessing the impact of these market developments for its financial position, financial performance and future cash flows. However, the Group is not aware of any material adverse effects, not already reflected in its consolidated financial statements for the year ended 31 December 2019.

為暫時舒緩惡性通脹對其公民的負擔，阿根廷政府於二零一九年八月中旬對原油價格實施90日凍結。因阿根廷披索持續貶值，此舉嚴重影響該國以美元計值的原油生產商收入。此外，政府於二零一九年九月宣佈貨幣收緊政策，禁止國際公司自阿根廷返還股息。

鑒於阿根廷披索的大幅貶值及惡性通脹壓力，阿根廷已對本集團及於此經營之其他國際公司造成困難的營商環境。雖然新一屆的國家及省級政府對阿根廷前景感到樂觀，但本集團對阿根廷的政治及經濟前景持謹慎態度。

商品貿易

自二零一七年八月重新踏足商品貿易業務以來，本集團於年內繼續成功進行並完成多宗涉及有色金屬的商品交易及石油產品。

為實現本集團收益基礎及溢利來源多元化的目標，儘管二零一九年為明顯平靜的一年，從中反映全球需求，但本集團仍致力該業務分部。

冠狀病毒大流行病及石油價格戰

於爆發冠狀病毒大流行病後，二零二零年伊始國際石油市場出現重大動蕩，及沙特阿拉伯與俄羅斯間之石油價格戰。此已導致全球石油價格、國際股票市場指數及全球經濟活動／需求急劇下降。目前，本集團正評估該等市場發展變化對財務狀況、財務表現及未來現金流的影響。然而，由於本集團並不知悉任何重大不利影響，故未於截至二零一九年十二月三十一日止年度之綜合財務報表內反映。

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FUTURE PROSPECTS AND DEVELOPMENTS

The objective of the Group is to maximise profitability and increase cash flows for the purpose of funding its exploration and development activities, whilst at the same time ensuring its commitment to health, safety and the environment are uncompromised.

Despite the previous Authorities rejecting the Group's application for a permit extension in the T&M Concessions, which has resulted in the subsequent relinquishment of the concessions, and the recognition of a sizable provision for impairment loss in 2019, the Group will strenuously seek to overturn this decision. Given the circumstances of the rejection, the Group considers it to amount to an attempt by the previous Authorities to illegally seize oil and gas assets from Group. However while the negotiations and appeal with the new Authorities is still on-going, there are no certainties as to, if and when the Group may resume exploration activities in the T&M Concessions again. In the meantime, the Group has little option but to suspend the planning and preparation efforts for the Morillo Deep exploratory drill, originally scheduled for 2020.

Though the newly elected national and provincial governments are a cause for renewed optimism in Argentina, the Group is cautious about the country's political and economic outlook, and will continue to closely monitor developments and plan accordingly.

With adequate cash reserve, the Group continues to urgently and actively seek complementary investment opportunities in the energy sector elsewhere in the world in order to broaden and diversify its risk and revenue stream. Though its principal business is that of oil and gas exploration and production, the Group is also interested in diversifying into the renewable energy business. As such, the Board of Directors has officially updated its vision and mission statement to say "We develop energy for the new times. Diversify for climate change and the environment."

未來前景及發展

本集團目標乃盡力提高盈利能力及增加現金流，以便為其勘探及開發活動提供資金，同時確保其有關健康、安全及環境(HSE)的責任不會因此而妥協。

儘管前當局拒絕本集團於T&M特許權區的許可證續期申請，導致隨後歸還該特許權區，及於二零一九年確認大額減值虧損撥備，本集團將竭力尋求推翻是項決定。鑒於拒絕的情況，本集團認為，其等同被前當局試圖非法扣押本集團的石油及天然氣資產。然而，儘管與新當局的磋商及上訴仍在進行，尚不確定是否及本集團何時再恢復T&M特許權區的勘探活動。與此同時，本集團別無選擇，惟有暫停原定於二零二零年進行Morillo Deep鑽探井的計劃及籌備工作。

雖然新一屆的國家及省級政府對阿根廷前景感到樂觀，但本集團對阿根廷的政治及經濟前景持謹慎態度，並將繼續密切監控事態發展及制定相應計劃。

憑藉充裕的現金儲備，本集團繼續在世界其他能源行業迫切及積極尋求互補投資機遇，務求擴闊及分散風險與多元化收益來源。儘管本集團的主要業務為石油及天然氣勘探及生產，本集團亦有意多元化至可再生能源業務。因此，董事會已正式更新願景及使命聲明為「我們為新時代開發能源。致力應對氣候變化及環境保護轉型」。

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Change in Use of Proceeds

As at 31 December 2019 and the date of this report, the Group had unutilized net proceeds totaling HK\$759.36 million of which a total of HK\$259.36 million was allocated for Argentina operational purposes. This amount comprises HK\$200.07 million from the 2016 Share Subscription Proceeds and an unused amount from the 2017 Open Offer Proceeds of HK\$59.29 million. In addition, an amount of unused net proceeds from the 2017 Open Offer Proceeds of HK\$500 million was for investment in oil and gas assets. Please refer to the table below for the status of the utilization of the aforesaid fund raising proceeds and the proposed changes:

變更所得款項用途

於二零一九年十二月三十一日及本報告日期，本集團擁有尚未動用所得款項淨額總額759,360,000港元，其中合共259,360,000港元分配用於阿根廷運營目的。此金額包括來自二零一六年股份認購事項所得款項200,070,000港元及二零一七年公開發售所得款項59,290,000港元。此外，二零一七年公開發售所得款項淨額的尚未動用金額500,000,000港元用於投資石油及天然氣資產。有關上述集資所得款項的使用情況及建議變動，請參閱下表：

		Unutilized amount of net proceeds as at 31 December 2018	Utilized amount of Net proceeds during the year ended 31 December 2019	Unutilized amount of net proceeds as at 31 December 2019	Unutilized amount of net proceeds as the date of this report	New allocation/ remaining portion of proceeds
		於二零一八年十二月三十一日之所得款項淨額尚未動用金額	截至二零一九年十二月三十一日止年度之所得款項淨額已動用金額	於二零一九年十二月三十一日之所得款項淨額尚未動用金額	於本報告日期所得款項淨額的尚未動用金額	所得款項新分配/ 剩餘部分
		HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元	HK\$ million 百萬港元
2016 Share Subscription Proceeds	二零一六年股份認購事項所得款項					
Argentina operational purposes	阿根廷營運目的	216.16	(16.09)	200.07	200.07	20.71
2017 Open Offer Proceeds	二零一七年公開發售所得款項					
Argentina operational purposes	阿根廷營運目的	59.29	-	59.29	59.29	59.29
General working capital requirements	一般營運資金需求	84.98	(84.98)	-	-	-
Investment in oil and gas portfolio	投資石油及天然氣組合	500.00		500.00	500.00	-
New Uses	新用途					
Investment in Oil and Gas, power generation and renewable energy	投資石油及天然氣、發電及可再生能源					579.36
Investment in short to medium term financial instruments, general administrative purposes	投資短期至中期金融工具、一般行政目的					100.00
Total	總計	860.43	(101.07)	759.36	759.36	759.36

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Considering the changing situations mentioned above, and with reference to the announcement of the Company dated 27 August 2018, the Board of Directors has resolved to change the uses of proceeds as follows:

(1) HK\$80 million remaining for Argentina operational purposes.

This reduction from HK\$259.36 million to HK\$80 million is due to the ongoing dispute in regard to the T&M Concessions in the Provincial Government of Salta. While the negotiation between the Company and the Salta government is still ongoing, the process will take considerable time to resolve as the international travel ban caused by the coronavirus outbreaks is likely to persist and the results are uncertain. The low oil price also makes oil and gas exploration in Argentina uneconomical in the near to intermediate term.

Furthermore, the CAPEX for future oil and gas exploration in Argentina could be financed by the Group's existing oil production in the Chirete Concession. Hence, the Group believes it is prudent to transfer some of the previously committed proceeds to investments in other opportunities mentioned below.

(2) HK\$579.36 million will be allocated for possible investments in oil & gas assets, power generation and renewable energy/energy storage.

Of this amount, HK\$500 million was derived from the 2017 Open Offer Proceeds and was originally designated for investments in oil & gas assets. In view of the country risk of Argentina and the outlook of the oil & gas market, the Group has been spending a significant amount of time in exploring and seeking acquisition opportunities in energy projects in the solar farm, vanadium storage and power generating plant businesses. The Company will continue to look at investment opportunities which complement its updated mandate and mission.

Thus, the Company believes that it is in its interest and that of the shareholders' to make additional funds available for future acquisitions in this expanded group of energy opportunities.

鑑於上文所述的變更，及參考本公司日期為二零一八年八月二十七日之公告，董事會已將所得款項用途變更如下：

(1) 80,000,000港元仍用於阿根廷營運目的。

由259,360,000港元削減至80,000,000港元乃由於有關薩爾塔省T&M特許權區的爭端仍在繼續。然而本公司與薩爾塔省政府的磋商仍在繼續，該程序因爆發冠狀病毒可能持續導致的國際間出行限制而將需要大量時間解決及結果仍不確定。低油價亦使得於阿根廷的石油及天然氣勘探在中短期內不符合經濟原則。

此外，阿根廷的期貨石油及天然氣勘探的資本支付可由本集團現有Chirete特許權區的石油生產撥付。因此，本集團認為，將若干先前承諾之所得款項匯出投資下述之其他機遇屬謹慎。

(2) 579,360,000港元將分配用於石油及天然氣資產、發電及可再生能源／能源儲存的可能投資。

於此金額中，500,000,000港元來自二零一七年公开发售所得款項及原指定用於投資石油及天然氣資產。鑑於阿根廷的國家風險及石油及天然氣市場的前景，本集團已付出大量時間探討及物色於太陽能發電廠、鈾儲量及發電廠的能源項目的收購機遇。本公司將繼續物色可補充最新委託及使命的投資機遇。

因此，本公司認為，透過作出額外資金用於未來於此擴大能源組別收購的機會符合其自身及股東之利益。

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(3) HK\$100 million will be allocated for investments in short to medium term financial instruments and general administrative purposes.

Short to medium term investments will be limited to bonds, shares and other financial instruments associated with reputable companies.

The change of proceeds for the Group represents an active initiative to diversify its investments into renewable energy which is consistent with its updated mandate and company mission.

Shareholders will accordingly be advised as soon as any new investment opportunities can be confirmed by the Group.

FINANCIAL REVIEW

The Group's revenue for the year ended 31 December 2019 was approximately HK\$236.65 million, which represents a decrease of approximately 20.58% as compared to approximately HK\$297.99 million for the corresponding period in 2018. The revenue derived from commodities trading for the year ended 31 December 2019 was approximately HK\$216.33 million. This represents a decrease of approximately 18.38% as compared to the HK\$265.03 million revenue generated for the corresponding period in 2018. Additionally, revenue derived from the sale of oil products under the Group's oil exploration and production business for the year ended 31 December 2019 was approximately HK\$20.32 million. This represents a decrease of approximately 38.35% as compared to the HK\$32.96 million revenue generated for the corresponding period in 2018. The Group reported a gross profit of approximately HK\$11.92 million (2018: HK\$11.13 million) for the year ended 31 December 2019.

General and administrative expenses of the Group for the year ended 31 December 2019 was approximately HK\$52.25 million, which represents a decrease of approximately 1.82% as compared to approximately HK\$53.22 million for the corresponding period in 2018.

For the year ended 31 December 2018, the Group recognised an impairment loss on promissory note receivable, and trade and other receivables of approximately HK\$38.85 million and HK\$33.93 million respectively; whilst there were no such impairment losses recognised for the year ended 31 December 2019.

(3) 100,000,000港元將分配投資於短期至中期金融工具及用於一般行政目的。

短中期投資將僅限於具有良好聲譽的公司的相關債券、股份及其他金融工具。

本集團所得款項的變更表明本集團積極主動的多元化其於可再生能源的投資，此舉與其更新授權及公司使命相符。

本集團一旦確認任何新投資機會，將就此盡快告知股東。

財務回顧

截至二零一九年十二月三十一日止年度，本集團收益約為236,650,000港元，較二零一八年同期的297,990,000港元減少約20.58%。截至二零一九年十二月三十一日止年度，源自商品貿易的收益約為216,330,000港元，較二零一八年同期產生之收益265,030,000港元減少約18.38%。此外，源自本集團石油勘探及生產業務之石油產品銷售收益於截至二零一九年十二月三十一日止年度約為20,320,000港元，較二零一八年同期產生之收益32,960,000港元減少約38.35%。截至二零一九年十二月三十一日止年度，本集團錄得毛利約11,920,000港元（二零一八年：11,130,000港元）。

截至二零一九年十二月三十一日止年度，本集團的一般及行政開支約為52,250,000港元，較二零一八年同期約53,220,000港元減少約1.82%。

截至二零一八年十二月三十一日止年度，本集團就應收承兌票據以及應收貿易賬款及其他應收款項確認減值虧損分別約38,850,000港元及33,930,000港元，而截至二零一九年十二月三十一日止年度並無確認有關減值虧損。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

For the year ended 31 December 2019, the Group recognised impairment losses on exploration and evaluation assets in respect of the Union of Temporary Enterprise in Tartagal Oriental and Morillo Concessions, and inventories amounting to approximately HK\$2.24 billion and HK\$6.82 million respectively; whilst there were no such impairment losses for the corresponding period in 2018.

The Group recognised a net investment loss in respect of financial instruments of approximately HK\$4.21 million (2018: HK\$100.32 million) for the year ended 31 December 2019.

The Group recognised exploration expenses in relation to a dry hole of approximately HK\$0.20 million (2018: HK\$0.37 million) for the year ended 31 December 2019.

Finance costs of the Group for the year ended 31 December 2019 was approximately HK\$13.81 million, which represents a decrease of approximately 11.98% as compared to approximately HK\$15.69 million for the corresponding period in 2018.

Share of losses of joint ventures of the Group for the year ended 31 December 2019 were approximately HK\$4.78 million, which represents an increase of approximately 7.42% as compared to approximately HK\$4.45 million for the corresponding period in 2018.

Income tax credit of the Group for the year ended 31 December 2019 was approximately HK\$20.25 million; whilst it was an income tax charge of approximately HK\$10.78 million for the corresponding period in 2018.

For the year ended 31 December 2019, the Group recorded a loss for the year of approximately HK\$2.29 billion (2018: HK\$257.22 million).

Basic loss per share for the year ended 31 December 2019 was approximately HK26.15 cents (2018: HK2.91 cents).

The board of directors of the Company does not recommend the payment of any final dividend for the year ended 31 December 2019 (2018: Nil).

截至二零一九年十二月三十一日止年度，本集團就Union of Temporary Enterprise於Tartagal Oriental及Morillo特許權區勘探及評估資產及存貨分別確認減值虧損為約2,240,000,000港元及6,820,000港元，而於二零一八年同期並無該減值虧損。

截至二零一九年十二月三十一日止年度，本集團確認金融工具投資虧損淨額約4,210,000港元（二零一八年：100,320,000港元）。

截至二零一九年十二月三十一日止年度，本集團就乾井確認勘探開支約200,000港元（二零一八年：370,000港元）。

截至二零一九年十二月三十一日止年度，本集團的融資成本約為13,810,000港元，較二零一八年同期約15,690,000港元減少約11.98%。

截至二零一九年十二月三十一日止年度，應佔本集團合營企業虧損約為4,780,000港元，較二零一八年同期約4,450,000港元增加約7.42%。

本集團截至二零一九年十二月三十一日止年度的所得稅抵免約為20,250,000港元，而二零一八年同期則為所得稅開支約10,780,000港元。

截至二零一九年十二月三十一日止年度，本集團錄得年內虧損約2,290,000,000港元（二零一八年：257,220,000港元）。

截至二零一九年十二月三十一日止年度的每股基本虧損約為26.15港仙（二零一八年：2.91港仙）。

本公司董事會建議不派付任何截至二零一九年十二月三十一日止年度的末期股息（二零一八年：無）。

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管理層討論及分析

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

In respect of the aggregate net proceeds of approximately HK\$557.23 million (“**2016 Subscription Shares Proceeds**”) raised from the subscription of shares in July 2016 and November 2016, amongst which approximately HK\$341.07 million had been used up to 31 December 2018 towards its intended use as stated in the circular of the Company dated 28 June 2016 and the announcement of the Company dated 28 October 2016. As at 31 December 2018, the unused balance of the 2016 Subscription Shares Proceeds was approximately HK\$216.16 million. The actual use of the 2016 Subscription Shares Proceeds during the year ended 31 December 2019 was, as to approximately HK\$16.09 million, for Argentina operational purposes as intended. As at 31 December 2019, the unused balance of the 2016 Subscription Shares Proceeds was approximately HK\$200.07 million.

The following table summarises the use of net proceeds for the 2016 Subscription Shares Proceeds during the year ended 31 December 2019.

資本結構、流動資金及財務資源

就於二零一六年七月及二零一六年十一月認購股份籌集的所得款項淨額合共約557,230,000港元(「二零一六年認購股份所得款項」)而言，直至二零一八年十二月三十一日，其中約341,070,000港元已用於本公司日期為二零一六年六月二十八日的通函及本公司日期為二零一六年十月二十八日的公告所述的擬定用途。於二零一八年十二月三十一日，二零一六年認購股份所得款項的尚未動用結餘約為216,160,000港元。截至二零一九年十二月三十一日止年度，二零一六年認購股份所得款項的實際使用金額為約16,090,000港元按擬定用於阿根廷營運目的。於二零一九年十二月三十一日，二零一六年認購股份所得款項的尚未動用結餘約為200,070,000港元。

下表概述截至二零一九年十二月三十一日止年度的二零一六年認購股份所得款項的所得款項淨額用途。

Intended use	擬定用途	Unused amount of net proceeds as at 31 December 2018	Actual use of net proceeds during the year ended 31 December 2019	Unused amount of net proceeds as at 31 December 2019
		於二零一八年十二月三十一日的所得款項淨額尚未動用金額 HK\$ million 百萬港元	截至二零一九年十二月三十一日止年度的所得款項淨額之實際使用金額 HK\$ million 百萬港元	於二零一九年十二月三十一日的所得款項淨額尚未動用金額 HK\$ million 百萬港元
Argentina operational purposes	阿根廷營運目的	216.16	(16.09)	200.07 (note) (附註)

Note:

The expected timeline in relation to the use of the unused amount of net proceeds as at 31 December 2019 will depend on the Group's business, and oil and gas investment plans in Argentina, which are discussed in the sections headed "Exploration, Development and Production Activities" and "Future Prospects and Developments" under Management Discussion and Analysis to this annual report.

附註：

使用二零一九年十二月三十一日該所得款項淨額尚未動用金額的預期時間將取決於本集團於阿根廷之業務以及油氣投資計劃，詳情已於本年報中管理層討論及分析下之「勘探、發展及生產活動」以及「未來前景及發展」各節討論。

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In respect of the net proceeds of approximately HK\$736.40 million (“Open Offer Proceeds”) raised from the open offer in April 2017, amongst which approximately HK\$92.13 million had been used up to 31 December 2018 towards its intended use as stated in the circular of the Company dated 28 February 2017 and the offering memorandum dated 27 March 2017. As at 31 December 2018, the unused balance of the Open Offer Proceeds was approximately HK\$644.27 million. The actual use of the Open Offer Proceeds during the year ended 31 December 2019 was, as to approximately HK\$84.98 million, for general working capital requirements including the repayment of interest and payment of overhead expenses as intended. As at 31 December 2019, the unused balance of Open Offer Proceeds was approximately HK\$559.29 million.

The following table summarises the use of net proceeds for the Open Offer Proceeds during the year ended 31 December 2019.

就於二零一七年四月自公開發售籌集的所得款項淨額約736,400,000港元（「公開發售所得款項」）而言，直至二零一八年十二月三十一日，其中約92,130,000港元已用於本公司日期為二零一七年二月二十八日的通函及日期為二零一七年三月二十七日的發售備忘錄所述的擬定用途。於二零一八年十二月三十一日，公開發售所得款項的尚未動用結餘約為644,270,000港元。截至二零一九年十二月三十一日止年度，公開發售所得款項當中實際使用金額約84,980,000港元按擬定用作一般營運資金需求，包括償還利息及支付經常開支。於二零一九年十二月三十一日，公開發售所得款項的尚未動用結餘約為559,290,000港元。

下表概述截至二零一九年十二月三十一日止年度的公開發售所得款項的所得款項淨額用途。

Intended use	擬定用途	Unused amount of net proceeds as at 31 December 2018	Actual use of net proceeds during the year ended 31 December 2019	Unused amount of net proceeds as at 31 December 2019
		於二零一八年十二月三十一日的所得款項淨額尚未動用金額 HK\$ million 百萬港元	截至二零一九年十二月三十一日止年度的所得款項淨額之實際使用金額 HK\$ million 百萬港元	於二零一九年十二月三十一日的所得款項淨額尚未動用金額 HK\$ million 百萬港元
General working capital requirements	一般營運資金需求	84.98	(84.98)	–
Argentina operational purposes	阿根廷營運目的	59.29	–	59.29 (note 1) (附註1)
Investment for oil and gas portfolio	投資油氣組合	500.00	–	500.00 (note 2) (附註2)
		644.27	(84.98)	559.29

Notes:

1. The expected timeline in relation to the use of the unused amount of net proceeds as at 31 December 2019 will depend on the Group’s business, and oil and gas investment plans in Argentina, which are discussed in the sections headed “Exploration, Development and Production Activities” and “Future Prospects and Developments” under Management Discussion and Analysis to this annual report.

附註：

1. 使用二零一九年十二月三十一日該所得款項淨額尚未動用金額的預期時間將取決於本集團於阿根廷之業務以及油氣投資計劃，詳情已於本年報中管理層討論及分析下之「勘探、開發及生產活動」以及「未來前景及發展」各節討論。

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2. The expected timeline in relation to the use of the unused amount of net proceeds as at 31 December 2019 will depend on the availability and timing of suitable opportunities.

The Group maintained a treasury policy (as reviewed or modified from time to time when deemed necessary) for the investment of surplus cash. Surplus cash is mainly maintained in the form of term deposits with the licensed banks. The management of the Group closely monitors the Group's liquidity position to ensure that the Group has sufficient financial resources to meet its funding requirements from time to time.

As at 31 December 2019, the Group's net current assets amounted to approximately HK\$842.50 million (31 December 2018: HK\$907.82 million) and the Group had cash and cash equivalents of approximately HK\$771.66 million (31 December 2018: HK\$928.48 million).

Cash and cash equivalents of the Group as at 31 December 2019 were mainly denominated in Hong Kong Dollar, United States Dollar and Argentine Peso.

As at 31 December 2019, total equity of the Group was approximately HK\$846.46 million (31 December 2018: HK\$3,129.98 million). Net asset value per share equated to approximately HK\$0.10 (31 December 2018: HK\$0.36). Debt ratio, calculated as total liabilities divided by total assets, was approximately 22.72% (31 December 2018: 10.06%).

The Group financed its operations generally from a combination of working capital, borrowings and proceeds from the issuance of new shares of the Company.

Borrowings

As at 31 December 2019, the carrying amount of other borrowings of the Group denominated in Hong Kong Dollar was approximately HK\$151.54 million (31 December 2018: HK\$210.79 million), which represents unsecured debt securities in issue and carries interest at fixed rates. Details of the maturity of the carrying amount of the Group's other borrowings are set out in note 23 to the consolidated financial statements.

2. 使用二零一九年十二月三十一日該所得款項淨額尚未動用金額的預期時間將取決於適當機遇出現與否及出現時間。

本集團維持以盈餘現金進行投資之庫務政策（在被視為必要時不時檢討或修改）。盈餘現金主要以持牌銀行定期存款的方式存置。本集團的管理層密切監察本集團之流動資金狀況，以確保本集團有足夠財務資源以應付其不時之資金需求。

於二零一九年十二月三十一日，本集團的流動資產淨值約為842,500,000港元（二零一八年十二月三十一日：907,820,000港元），而本集團的現金及現金等價物約為771,660,000港元（二零一八年十二月三十一日：928,480,000港元）。

本集團於二零一九年十二月三十一日之現金及現金等價物主要以港元、美元及阿根廷披索計值。

於二零一九年十二月三十一日，本集團權益總額約為846,460,000港元（二零一八年十二月三十一日：3,129,980,000港元）。每股資產淨值相等於約0.10港元（二零一八年十二月三十一日：0.36港元）。債項比率（按負債總額除以資產總額計算）約為22.72%（二零一八年十二月三十一日：10.06%）。

本集團一般以其營運資金、借貸及本公司發行新股之所得款項為營運撥付資金。

借貸

於二零一九年十二月三十一日，本集團以港元計值的其他借貸賬面金額約為151,540,000港元（二零一八年十二月三十一日：210,790,000港元），乃已發行無抵押債務證券，並按固定利率計息。本集團其他借貸賬面金額的到期詳情載於綜合財務報表附註23。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Financial Covenants

In July 2019, the Group repaid in full its other borrowings of approximately HK\$54.40 million that were subject to the fulfilment of financial covenants. As at 31 December 2018, the Group's other borrowings of approximately HK\$54.40 million were subject to the fulfilment of financial covenants relating to the Company's assets/liabilities ratio and the Group's consolidated adjusted net tangible assets, as commonly found in lending arrangements with financial institutions. If the Group were to be in breach of these financial covenants, the Group's other borrowings would become payable on demand. As at 31 December 2018, none of the financial covenants relating to other borrowings were breached.

Gearing Ratio

As at 31 December 2019, gearing ratio, calculated on the basis of interest bearing borrowings divided by total equity, was approximately 17.90% (31 December 2018: 6.73%).

Charge on Assets

As at 31 December 2019, the Group did not have any charge on its assets (31 December 2018: Nil).

Contingent Liabilities

As at 31 December 2019, the Group did not have any material contingent liabilities (31 December 2018: Nil).

Capital Commitments

Details of the capital commitments of the Group as at 31 December 2019 are set out in note 31 to the consolidated financial statements.

財務契約

於二零一九年七月，因履行財務契約，本集團悉數償還其他借貸約54,400,000港元。於二零一八年十二月三十一日，本集團之其他借貸約54,400,000港元須履行與本公司的資產／負債比率及本集團綜合經調整有形資產淨值相關的財務契約，此類財務契約常見於金融機構的借貸安排中。倘本集團違反該等財務契約，則本集團之其他借貸將須按要求償還。於二零一八年十二月三十一日，本集團並無違反有關其他借貸的財務契約。

資產負債比率

於二零一九年十二月三十一日，以計息借貸除以權益總額計算的資產負債比率約為17.90%（二零一八年十二月三十一日：6.73%）。

資產抵押

於二零一九年十二月三十一日，本集團並無任何資產抵押（二零一八年十二月三十一日：無）。

或然負債

於二零一九年十二月三十一日，本集團並無任何重大或然負債（二零一八年十二月三十一日：無）。

資本承擔

本集團於二零一九年十二月三十一日的資本承擔詳情載於綜合財務報表附註31。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Principal Risks and Uncertainties

The Group's financial condition, results of operations, businesses and prospects are subject to a number of risks and uncertainties including business risks, operational risks and financial risks.

The Group's business of commodities trading is exposed to development risk, as well as supply chain risk. The Group mitigates these risk factors by developing its customer base in order to achieve better operating performance on its commodities trades, and also by expanding its supplier base to achieve a stable supply of commodities.

The Group's business activities in exploration, development, production and sale of crude oil are susceptible to geological, exploration and development risks. Uncertainties exist with regards to the Group's application status of exploitation permit in the Chirete concession. Details are disclosed in note 12(b) to the consolidated financial statements. The Group strives to establish and maintain comprehensive technical and operational teams. Through detailed planning, analysis and discussion amongst the teams, and with support from experienced consultants and experts, the Group is able to manage and mitigate the risks arising from changes in the business environment to a reasonably acceptable level.

In the normal course of business, the Group is exposed to credit risk, liquidity risk, interest rate risk, currency risk, price risk arising from prices fluctuation of crude oil and commodities, and equity price risk arising from its investment in equity securities. Details of the financial risk management of the Group are set out in note 29 to the consolidated financial statements.

In addition to the abovementioned risks and uncertainties, there may be other risks and uncertainties which the Group has not identified, or is aware of, or considers it to be of minimal impact to the Group presently, which however has the potential to become significant in the future.

主要風險及不確定性

本集團的財務狀況、經營業績、業務及前景受制於一定的風險及不確定性，包括業務風險、經營風險及財務風險。

本集團的商品貿易業務面臨發展風險及供應鏈風險。本集團通過發展其客戶基礎以在商品貿易方面實現較佳的營運表現，並透過擴大其供應商基礎達致穩定的商品供應，從而緩解該等風險因素。

本集團在勘探、開發、生產及銷售原油方面的業務活動易受地質、勘探及開發風險影響。有關本集團申請Chirete特許權區的開採許可證之狀況存在不明朗性。詳情披露於綜合財務報表附註12(b)。本集團致力建立及維持全面的技術及經營團隊。透過團隊間細緻的規劃、分析及討論，以及經驗豐富的顧問及專家的支持，本集團能夠將營商環境變化引致的風險約束並緩解至可以承受的合理範圍內。

於一般業務過程中，本集團因原油及商品價格波動而面臨信貸風險、流動資金風險、利率風險、貨幣風險及價格風險，亦因其股權證券投資而面臨股價風險。本集團的財務風險管理之詳情載於綜合財務報表附註29。

除上述風險及不確定性外，亦可能有其他本集團並未識別或知悉或目前認為對本集團的影響不大但日後可能變成重大的風險及不確定性。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Foreign Exchange Exposure

Assets and liabilities of the Group are mainly denominated in Hong Kong Dollar, United States Dollar and Argentine Peso. Most of these assets and liabilities are denominated in the functional currency of the operations to which the transactions relate. The currencies giving rise to foreign exchange risk is primarily those from the Group's exploration and production activities in Argentina and investments in foreign companies. The Group currently does not have a foreign currency hedging policy. However, the management of the Group will monitor the foreign exchange exposures on an on-going basis and will consider hedging instruments should the need arise.

Employees

As at 31 December 2019, the Group employed a total of 38 (2018: 47) permanent employees in Hong Kong and Argentina. Total employee remuneration (including directors' remuneration and benefits) for the year ended 31 December 2019 amounted to approximately HK\$19.58 million (2018: HK\$20.64 million). The Group provides its employees with competitive remuneration packages relative to their job performance, qualifications, experience, and prevailing market conditions in the respective geographical locations and businesses in which the Group operates.

Relationship with Suppliers, Customers and other Stakeholders

The Group understands the importance of maintaining a good relationship with its suppliers, customers, social communities and governments to meet its objectives and long-term goals. Save as disclosed in the section headed "Business Review", there was no material or significant dispute between the Group and its suppliers, customers and/or other stakeholders during the year.

Material Acquisitions and Disposals

The Group did not have any material acquisitions and disposals of subsidiaries, associated companies, and joint ventures during the year ended 31 December 2019.

外匯風險

本集團資產及負債主要以港元、美元及阿根廷披索計值。此等資產及負債大部分以與交易有關之業務的功能貨幣計值。貨幣外匯風險主要來自於阿根廷進行勘探及生產活動以及於外國公司之投資。本集團現時並無外幣對沖政策。然而，本集團管理層將持續監察外匯風險，並將於有需要時考慮對沖工具。

僱員

於二零一九年十二月三十一日，本集團於香港及阿根廷僱用合共38名（二零一八年：47名）長期僱員。截至二零一九年十二月三十一日止年度，僱員薪酬總額（包括董事酬金及福利）約為19,580,000港元（二零一八年：20,640,000港元）。本集團向其僱員提供具競爭力之薪酬方案，乃與彼等的個人表現、資歷及經驗相符，以及按本集團營運所在各地區及業務之相關市況釐定。

與供應商、客戶及其他權益人的關係

本集團明白與其供應商、客戶、社會團體及政府維持良好關係，對本集團實現其目標及長遠目標而言十分重要。除標題為「業務回顧」一節披露者外，本集團與其供應商、客戶及／或其他權益人於年內並無重要或重大糾紛。

重大收購及出售事項

本集團於截至二零一九年十二月三十一日止年度並無附屬公司、關聯公司及合營企業之重大收購或出售事項。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Environmental Policies and Performance

The Group is committed to the long term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavors to comply with laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and waste reduction. Details of the environmental policies and performance of the Group are set out in “Environmental, Social and Governance Report” section of this annual report.

Significant Investments

As at 31 December 2019, the Group held other investment in equity securities and other financial assets amounting to approximately HK\$16.07 million and HK\$120.10 million respectively.

(i) Other investment in equity securities

As at 31 December 2019, the Group's other investment in equity securities comprised of unlisted equity investments in Borealis Alaska Oil, Inc. (“**Borealis**”) (formerly known as NordAq Energy Inc.) and Foothills Exploration Inc. (“**Foothills Exploration**”) amounting to approximately HK\$15.93 million and HK\$0.14 million respectively.

Borealis is an oil and gas company based in Anchorage, Alaska and is mainly engaged in exploration, appraisal and development of hydrocarbon reserves in the State of Alaska, the United States of America. For the year ended 31 December 2019, the Group recognised a loss of approximately HK\$1.95 million on the change in fair value of the equity investment in Borealis in the consolidated statement of other comprehensive income.

Foothills Exploration is an oil and gas exploration and production company engaged in the acquisition and development of oil and natural gas properties in the United States of America. For the year ended 31 December 2019, the Group recognised a loss of approximately HK\$0.67 million on the change in fair value of the equity investment in Foothills Exploration in the consolidated statement of other comprehensive income.

環境政策及表現

本集團致力於環境及其經營所在社區的長期可持續發展。本集團透過對環境負責的方式遵守有關環境保護的法律及規例並採納有效方式以高效利用資源、節約能源並減少廢物。本集團環境政策及表現之詳情載列於本公司之本年度報告「環境、社會及管治報告」一節。

重大投資

於二零一九年十二月三十一日，本集團持有其他股本證券投資及其他金融資產分別約為16,070,000港元及120,100,000港元。

(i) 其他股本證券投資

於二零一九年十二月三十一日，本集團的其他股本證券投資包括於Borealis Alaska Oil, Inc. (「**Borealis**」) (前稱NordAq Energy Inc.) 及Foothills Exploration Inc. (「**Foothills Exploration**」) 的非上市股權投資分別約為15,930,000港元及140,000港元。

Borealis為一間總部設於阿拉斯加安克雷奇之油氣公司，主要在美國阿拉斯加州從事勘探、評估及開發碳氫化合物儲量。截至二零一九年十二月三十一日止年度，本集團於綜合其他全面收益表中就於Borealis之股權投資之公允價值變動確認虧損約1,950,000港元。

Foothills Exploration為一間在美國從事石油及天然氣財產收購及開發的油氣勘探及生產公司。截至二零一九年十二月三十一日止年度，本集團於綜合其他全面收益表中就於Foothills Exploration的股權投資之公允價值變動確認虧損約670,000港元。

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

(ii) Other financial assets

As at 31 December 2019, the Group's other financial assets comprised of listed equity securities, unlisted equity-linked securities, listed debt securities and unlisted funds amounting to approximately HK\$80.62 million, HK\$8.03 million, HK\$30.53 million and HK\$0.93 million respectively.

As at 31 December 2019, details of the listed equity securities with an aggregated value of 5% or more of the Group's total assets are set out below:

(ii) 其他金融資產

於二零一九年十二月三十一日，本集團其他金融資產包括上市股本證券、非上市股本掛鈎證券、上市債務證券及非上市基金分別約80,620,000港元、8,030,000港元、30,530,000港元及930,000港元。

於二零一九年十二月三十一日，總價值佔本集團資產總額5%或以上的上市股本證券載列如下：

Name of company	Principal business	Number of shares held by the Group at 31 December 2019	Percentage of shares held by the Group at 31 December 2019	Investment cost	Fair value at 31 December 2019	Proportion as to total assets of the Group	Net investment income (loss) for the year ended 31 December 2019	Investment strategy
公司名稱	主要業務	於二零一九年十二月三十一日本集團所持股份數目	於二零一九年十二月三十一日本集團所持股份百分比 %	投資成本 HK\$ million 百萬港元	於二零一九年十二月三十一日的公允價值 HK\$ million 百萬港元	佔本集團總資產百分比 %	於截至二零一九年十二月三十一日止年度投資收入(虧損)淨額 HK\$ million 百萬港元	投資策略
Beijing Gas Blue Sky Holdings Limited (Stock Code: 6828) 北京燃氣藍天控股有限公司 (股份代號: 6828)	Sales and distribution of natural gas and other related products 天然氣及其他相關產品銷售及分銷	357,637,761	2.75	201.27	74.03	6.76	(6.44) (Note (i)) (附註(i))	Note (ii) 附註(ii)
China Tower Corporation Limited (Stock Code: 788) – H shares 中國鐵塔股份有限公司 (股份代號: 788) – H股	Construction and operation of telecommunications towers, provision of telecommunications tower site space; provision of maintenance services and power services; provision of indoor distributed antenna systems and other trans-sector site application and information services 通信鐵塔建設及營運，提供通信塔址空間，提供維護服務及電力服務，提供室內分佈式天線系統服務和跨行業站址應用及信息服務	3,829,735	0.01	7.00	6.59	0.60	(0.41) (Note (i)) (附註(i))	Note (ii) 附註(ii)
Total 總計				208.27	80.62	7.36	(6.85)	

MANAGEMENT DISCUSSION AND ANALYSIS

管理層討論及分析

Notes:

- (i) Balance represented a loss arising from the change in fair value for the year ended 31 December 2019.
- (ii) The investment is held for trading purposes.

As at 31 December 2019, the Group held an investment of unlisted equity-linked securities, the return of which are determined with reference to the closing prices of certain equity securities listed on The Stock Exchange of Hong Kong Limited. For the year ended 31 December 2019, the Group recognised a net investment income of approximately HK\$1.61 million, which comprised interest income of approximately HK\$1.59 million and a gain arising from the change in fair value of approximately HK\$0.02 million, on the aforementioned unlisted equity-linked securities in the consolidated statement of profit or loss.

As at 31 December 2019, the Group held five investments of debt securities listed in Hong Kong or overseas. The carrying value for each of these five investments is less than 5% of the total assets of the Group. For the year ended 31 December 2019, the Group recognised a net investment income of approximately HK\$1.01 million, which comprised interest income of approximately HK\$1.49 million and a loss arising from the change in fair value of approximately HK\$0.48 million, on the aforementioned listed debt securities in the consolidated statement of profit or loss.

As at 31 December 2019, the Group held an investment of unlisted funds that invest primarily in cash. For the year ended 31 December 2019, the Group recognised a net investment income of approximately HK\$0.02 million, which represented a gain arising from the change in fair value on the aforementioned unlisted funds, in the consolidated statement of profit or loss.

附註：

- (i) 結餘指於截至二零一九年十二月三十一日止年度公允價值變動產生的虧損。
- (ii) 持作買賣用途的投資。

於二零一九年十二月三十一日，本公司持有一項非上市股本掛鈎證券投資，其回報經參考於香港聯合交易所有限公司上市的若干股本證券的收市價後釐定。截至二零一九年十二月三十一日止年度，本集團就前述非上市股本掛鈎證券於綜合損益表確認投資收入淨額約1,610,000港元，包括利息收入約1,590,000港元及公允價值變動產生的收益約20,000港元。

於二零一九年十二月三十一日，本集團持有五項於香港或海外上市的債務證券的投資。該等五項投資各自賬面值低於本集團總資產之5%。截至二零一九年十二月三十一日止年度，本集團就前述上市債務證券於綜合損益表確認投資收入淨額約1,010,000港元，包括利息收入約1,490,000港元及公允價值變動產生的虧損約480,000港元。

於二零一九年十二月三十一日，本集團持有以現金投資為主的非上市基金之投資。截至二零一九年十二月三十一日止年度，本集團於綜合損益表內確認投資收入淨額約20,000港元，指上述非上市基金公允價值變動產生之收益。

INFORMATION ON NEW TIMES ENERGY'S OIL RECOVERABLE VOLUME AND RESOURCES 新時代能源之石油可採量及資源之資料

CHIRETE CONCESSION

The recoverable volume and prospective resources in the Chirete Concession are as follows:

Category Gross (100%)		類別總計(100%)	At 31 December 2019 於二零一九年 十二月三十一日 Oil (in MMBBL) 石油 (百萬桶)	At 31 December 2018 於二零一八年 十二月三十一日 Oil (in MMBBL) 石油 (百萬桶)
Recoverable Volume	可採量			
Proved and Probable	已探明及可能		2.4	—
Prospective Resources	遠景資源			
Low Estimate	最低估計		1.1	2.2
Best Estimate	最佳估計		2.5	8.6
High Estimate	最高估計		5.2	25.2

Notes:

- In July 2016, New Times Energy became a 50% participating partner in the Chirete Concession having met all the conditions precedent as stipulated in the farm-in agreement entered into with Pampa Energia S.A. (formerly Petrobras Argentina S.A.) in April 2015.
- The technical report in respect of the recoverable volume was prepared by Gaffney, Cline & Associates, Inc., an international oil and gas consultancy and subsidiary of Baker Hughes, as of 31 October 2019 in accordance with the definitions and guidelines established by the Society of Petroleum Engineers.

In October 2018, New Times Energy spudded the HLG.St.LB.x-2001 exploratory well (the "Well"). The Well was completed on December 2018. As a result of the positive indications from the Well, New Times Energy prepared and submitted an oil discovery report to the provincial authorities of Salta (the "Authorities") on 26 December 2018. Following successful extended testing of the Well in early 2019, New Times Energy filed a commerciality declaration and exploitation permit request to the Authorities on 26 April 2019.

As New Times Energy is presently awaiting receipt of the exploitation permit from the Authorities, the recoverable volume as herewith disclosed does not fully meet the definition of reserves as defined under the Petroleum Resources Management System (PRMS). However, upon receipt of the aforementioned permit, the recoverable volume will qualify to be reclassified as reserves.

CHIRETE特許權區

於Chirete特許權區之可採量及遠景資源如下：

附註：

- 於二零一六年七月，新時代能源已符合與Pampa Energia S.A. (前稱Petrobras Argentina S.A.)於二零一五年四月訂立之購入安排之所有先決條件，成為Chirete特許權區50%參與方。
- 有關可採量的技術報告乃由Gaffney, Cline & Associates, Inc (一間國際油氣顧問公司及為Baker Hughes的附屬公司)於二零一九年十月三十一日根據石油工程師學會制定的定義及指引編製。

於二零一八年十月，新時代能源挖掘HLG.St.LB.x-2001勘探井(「該發現井」)。該發現井於二零一八年十二月完成。由於該發現井的良好反饋，新時代能源於二零一八年十二月二十六日編製及向薩爾塔省機關(「當局」)遞交石油發現報告。於二零一九年初延伸測試成功後，新時代能源於二零一九年四月二十六日向當局遞交商業性聲明及勘探許可要求。

由於新時代能源目前正在等待當局授予勘探許可，此處披露的可採量並非完全符合石油資源管理系統(PRMS)所界定之儲量之定義。然而，於收到上述許可後，可採量將合資格重新分類為儲備。

INFORMATION ON NEW TIMES ENERGY'S OIL RECOVERABLE VOLUME AND RESOURCES

新時代能源之石油可採量及資源之資料

- (3) The technical report in respect of the prospective resources was prepared by Netherland, Sewell & Associates, Inc. ("NSAI"), an international independent qualified technical adviser, as of 31 December 2019 in accordance with the definitions and guidelines set forth in the 2007 Petroleum Resources Management System (PRMS) approved by the Society of Petroleum Engineers.

Due to the existence of insignificant quantities of prospective gas resources, no estimate of this gas was made in NSAI's technical report.

- (4) The prospective resources shown above have been estimated using probabilistic methods and are dependent on a petroleum discovery being made. Unrisked prospective resources are estimated ranges of recoverable oil and gas volumes assuming their discovery and development and are based on estimated ranges of undiscovered in-place volumes. Geologic risking of prospective resources addresses the probability of success for the discovery of a significant quantity of potentially moveable petroleum; this risk analysis is conducted independent of estimations of petroleum volumes and without regard to the chance of development. Principal geologic risk elements of the petroleum system including (1) trap and seal characteristics; (2) reservoir presence and quality; (3) source rock capacity, quality, and maturity; and (4) timing, migration, and preservation of petroleum in relation to trap and seal formation. Risk assessment is a highly subjective process dependent upon the experience and judgment of the evaluators and is subject to revision with further data acquisition or interpretation. There was no material change on the assumptions adopted in the updated report in compare with the previous report.

- (3) 技術報告由國際獨立合資格技術顧問Netherland, Sewell & Associates, Inc. (「NSAI」)於二零一九年十二月三十一日根據石油工程師學會認可之二零零七年石油資源管理制度(PRMS)所載之定義及指引編製。

由於遠景天然氣資源量微不足道，NSAI技術報告並未作出對天然氣的估計。

- (4) 上表所示之遠景資源量乃採用概率方法估計，並取決於發現石油量。未經風險評估遠景資源量為假設發現及開發石油及天然氣而可開採石油及天然氣量之估計範圍，並以未發現含量之估計範圍為基準。遠景資源量之地質風險著重於成功發現大量潛在可移動石油之可能性；此風險分析乃獨立於石油量估計而進行，並與開發機會無關。石油系統之主要地質風險元素包括(1)封閉和密封特性；(2)儲油氣層是否存在以及其質量；(3)源岩容量、質量及成熟期；及(4)封閉和密封層之時期、移動及石油保存狀況。風險評估過程非常主觀，取決於評估員之經驗及判斷，並須待取得進一步數據或詮釋後修訂。經更新報告採納之假設與上一份報告比較並無重大變動。

INFORMATION OF DIRECTORS

董事資料

EXECUTIVE DIRECTORS

Mr. CHENG, Kam Chiu Stewart, aged 65, was appointed as an executive Director in February 2008 and the Chairman in May 2009. Mr. Cheng holds a Bachelor's degree in Civil and Environmental Engineering from the University of Wisconsin-Madison, the United States of America ("USA"); a Master's degree in Civil Engineering from the University of California, Berkeley, USA; and a Master's degree in Business Administration from the Chinese University of Hong Kong. Being a member of The Hong Kong Institution of Engineers, Mr. Cheng is a professional engineer with extensive experience in property development and construction management. Mr. Cheng is a member of the Shunde District, Foshan City Committee of the Chinese People's Political Consultative Conference since November 2006.

Mr. Cheng joined Hip Hing Construction Company Limited in 1984 as a project manager and was subsequently appointed as director. From 1993 to 1997, Mr. Cheng was transferred to New World Development (China) Limited as a director and an assistant general manager, overseeing property development in the People's Republic of China ("PRC"). He was a director of NWS Service Management Limited from 1997 to 2006, and was mainly responsible for the construction and the electrical and mechanical engineering businesses and pursuing business opportunities in the PRC. Mr. Cheng is the managing director of Cheung Hung Development (Holdings) Limited, principally engaging in property development in both Hong Kong and the PRC. He was an executive director of International Entertainment Corporation from January 2008 to June 2017, which shares are listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Mr. TANG, John Wing Yan, aged 67, was appointed as an executive Director in June 2017. Mr. Tang joined the Group as general manager in August 2015. He brings with him over 20 years of senior management experience and has held top executive positions with various international companies prior to joining the Group.

執行董事

鄭錦超先生，65歲，於二零零八年二月獲委任為執行董事，並於二零零九年五月獲委任為主席。鄭先生持有美國威斯康辛州麥迪遜大學土木及環境工程學士學位、美國加州大學柏克萊分校土木工程碩士學位，以及香港中文大學工商管理碩士學位。彼為香港工程師學會會員。鄭先生為專業工程師，於物業發展及工程管理方面累積豐富經驗。鄭先生自二零零六年十一月起出任中國人民政治協商會議佛山市委員會順德區委員。

於一九八四年，鄭先生加入協興建築有限公司擔任項目經理，其後獲委任為董事。於一九九三年至一九九七年間，鄭先生轉投新世界發展(中國)有限公司，出任董事兼助理總經理，負責監督於中華人民共和國(「中國」)之物業發展業務。彼於一九九七年至二零零六年間出任新創建服務管理有限公司之董事，主要負責建設工程及機電工程業務以及物色中國商機。鄭先生為長虹發展(集團)有限公司之董事總經理，主要於香港及中國從物業開發工作。彼於二零零八年一月至二零一七年六月年間為國際娛樂有限公司之執行董事，該公司之股份於香港聯合交易所有限公司(「聯交所」)上市。

鄧永恩先生，67歲，於二零一七年六月獲委任為執行董事。鄧先生於二零一五年八月加入本集團擔任總經理。鄧先生擁有超過二十年的高級管理經驗，並於加入本集團前曾任多家跨國公司最高行政主管。

INFORMATION OF DIRECTORS

董事資料

Formally trained as a structural engineer, Mr. Tang was a Chartered Engineer in the United Kingdom (“UK”) as well as a Registered Professional Engineer in USA and Canada. Author and co-author of peer-reviewed publications in several technical journals and conferences, he is also the holder of U.S. Patent US6329589 pertaining to wireless transmission of solar power for exterior curtain wall in buildings.

Mr. Tang holds a Bachelor’s degree in Civil Engineering, Magna Cum Laude, from the University of Massachusetts, USA; a Master’s degree in Engineering from the University of California, Berkeley, USA; and a Graduate-Level Diploma in Financial Engineering from Stanford University, USA.

NON-EXECUTIVE DIRECTOR

Mr. LEE, Chi Hin Jacob, aged 37, was appointed as a non-executive Director in March 2019. Mr. Lee is currently a senior vice president of Chow Tai Fook Enterprises Limited (“CTFE”) with responsibilities in making strategic and private equity investments globally. CTFE is an indirect subsidiary of Chow Tai Fook Capital Limited which is a controlling shareholder of the Company. Mr. Lee joined CTFE in March 2013 and has over 10 years of professional experience in corporate finance, investment, international capital markets and asset management. He previously worked at the investment banking department of The Hongkong and Shanghai Banking Corporation Limited and Deutsche Bank AG in Hong Kong. Mr. Lee holds a Master of Science degree in Accounting and Finance from The London School of Economics and Political Science to the University of London in London, United Kingdom and a Bachelor of Business Administration degree from the University of Michigan in Ann Arbor, United States of America. He is also a Chartered Financial Analyst Charterholder.

Mr. Lee is currently a non-executive director of Integrated Waste Solutions Group Holdings Limited which shares are listed on the Stock Exchange.

鄧先生在修畢結構工程師課程後，分別在英國（「英國」）註冊為特許工程師，以及在美國及加拿大註冊為專業工程師。鄧先生曾以個人及與他人合作身份於若干學術期刊及科技論壇發表學術論文；彼率先研發運用無線技術傳送樓宇外部太陽能光電幕牆所產生的電能，並憑此項技術取得美國註冊專利（編號為US6329589）。

鄧先生學術資歷深厚，先後獲得美國馬薩諸塞大學土木工程學士學位（極優等）、美國加州大學柏克萊分校工程碩士學位，以及美國史丹佛大學金融工程研究生文憑。

非執行董事

李志軒先生，37歲，於二零一九年三月獲委任為非執行董事。李先生現為周大福企業有限公司（「周大福企業」）高級副總裁，負責全球策略和私募股權投資。周大福企業為Chow Tai Fook Capital Limited之間接附屬公司，而Chow Tai Fook Capital Limited為本公司的控股股東。李先生於二零一三年三月加入周大福企業，在企業融資、投資、國際資本市場和資產管理方面擁有逾十年的專業經驗。此前，彼曾在香港上海匯豐銀行有限公司及德意志銀行（香港）的投資銀行部門工作。李先生先生擁有英國倫敦政治經濟學院會計與金融理學碩士學位和美國安娜堡密歇根大學工商管理學士學位。彼為特許金融分析師特許資格認證持有人。

李先生現為綜合環保集團有限公司的非執行董事，其股份於聯交所上市。

INFORMATION OF DIRECTORS

董事資料

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. YUNG, Chun Fai Dickie, aged 67, was appointed as an independent non-executive Director in March 2013. Mr. Yung holds a Master's degree in Business Administration from the University of East Asia, Macau. He is a member of the Institute of Management and a fellow of the Chartered Management Institute. Mr. Yung has been engaged in finance and banking businesses for over 26 years. He was the chief executive officer of Landbridge Holdings Limited, the deputy chief executive officer of Industrial & Commercial Bank of China (Macau) Limited and an executive director, deputy general manager and alternate chief executive officer of Industrial & Commercial International Capital Limited (currently known as ICBC International Holdings Limited), a wholly-owned subsidiary of Industrial & Commercial Bank of China Limited.

Mr. CHIU, Wai On, aged 50, was appointed as an independent non-executive Director in November 2006. Mr. Chiu is a member of the Hong Kong Institute of Certified Public Accountants and a fellow member of the Association of Chartered Certified Accountants in the UK. He possesses extensive professional experience in accounting and auditing services. Mr. Chiu is currently an independent non-executive director of DeTai New Energy Group Limited, whose shares are listed on the Stock Exchange.

獨立非執行董事

翁振輝先生，67歲，於二零一三年三月獲委任為獨立非執行董事。翁先生持有澳門東亞大學之工商管理碩士學位。彼為管理學會會員及特許管理學會資深會員。翁先生已從事金融及銀行業務超過二十六年。彼曾為嵐橋控股有限公司之行政總裁，中國工商銀行（澳門）有限公司之副行政總裁，中國工商銀行股份有限公司之全資附屬公司工商國際金融有限公司（現稱工銀國際控股有限公司）之執行董事、副總經理及替任行政總裁。

招偉安先生，50歲，於二零零六年十一月獲委任為獨立非執行董事。招先生為香港會計師公會會員及英國特許公認會計師公會資深會員。彼於會計及核數服務方面擁有豐富專業經驗。招先生現時為德泰新能源集團有限公司之獨立非執行董事，該公司之股份在聯交所上市。

INFORMATION OF MANAGEMENT TEAM

管理層團隊資料

SENIOR MANAGEMENT

Mr. MAK, Peter Kwok Ming, aged 43, joined the Group in October 2015 as a Project Manager and is currently the Financial Controller of the Group. Mr. Mak holds a M.A. Honours degree in Business Organisation from Heriot-Watt University, Edinburgh, UK. He is a qualified Chartered Accountant of The Institute of Chartered Accountants in England and Wales (ICAEW), with over 20 years professional accounting and auditing experience. Prior to joining the Group, Mr. Mak gained over 10 years of relevant oil and gas industry experience in his previous roles as audit manager with KPMG and financial controller with Schlumberger, where his last posting was with WesternGeco in Penang, Malaysia.

OPERATIONS MANAGEMENT

Mr. CAVALLERI, Pablo, is a Geologist and is currently the Operations Manager of the Group. He graduated at the National University of Salta Argentina in 2005 with a bachelor's degree in Geology. Pablo has 15 years of experience in the oil and gas industry, predominately in Argentina and Saudi Arabia. Pablo joined the Group in January 2014 initially as a Development Geologist but later promoted to Operations Manager from 2017. Prior to joining the Group, he worked in companies such as Geoservices, Orion Excel Company, Schlumberger D&M Middle East And Asia as a Field Engineer (Saudi Arabia), and YPF Argentina as a Development Geologist. Pablo is an author and co-author of several written publications including a publication in technical national and international congress for the Oil Discovery in Ordovician Prerift Sequences Las Breñas Formation, Lomas de Olmedo Sub-Basin, Northwestern Argentina; Argentinian Geological Congress, August 2017, Tucumán-Argentina; Exploration and Development Hydrocarbon Congress, November 2018, Mendoza – Argentina, and AAPG 2019 International Convention & Exhibition, Buenos Aires, August 28th 2019, Argentina. Pablo is also the Vice-President 2nd of Directive committee of IAPG (Oil and Gas Argentinian Institute), branch office Tartagal, Salta Argentina since December 2017.

高級管理人員

麥國明先生，43歲，於二零一五年十月加入本集團，曾出任項目經理及目前為本集團財務總監。麥先生擁有英國愛丁堡赫瑞瓦特大學*(Heriot-Watt University)商業組織的榮譽學士學位。彼為英格蘭及威爾斯特許會計師公會*(ICAEW)的合資格特許會計師，擁有超過20年的專業會計及審計經驗。於加入本集團之前，麥先生有10年以上石油及天然氣行業相關的經驗，曾擔任畢馬威會計師事務所的審計經理，並在斯倫貝謝有限公司*(Schlumberger)出任財務總監，彼被最後一次委派其於馬來西亞檳城的分公司西方奇科地球物理公司*(WesternGeco)工作。

營運管理人員

CAVALLERI, Pablo先生，為一名地質學家及現任本集團營運經理。彼於二零零五年畢業於阿根廷薩爾塔國立大學(National University of Salta Argentina)，獲得地質學學士學位。Pablo主要於阿根廷及沙特阿拉伯的油氣行業擁有15年經驗。Pablo最初於二零一四年一月加入本集團，擔任開發地質學家，隨後自二零一七年起晉升為營運經理。於加入本集團前，彼曾任職於Geoservices、Orion Excel Company、Schlumberger D&M Middle East And Asia，擔任場外工程師(沙特阿拉伯)，以及於YPF Argentina擔任開發地質學家。Pablo為若干著作刊物之著者及合著者，包括有關於Ordovician Prerift Sequences Las Breñas Formation、Lomas de Olmedo Sub-Basin、阿根廷西北部發現石油的國家與國際技術大會：地質學大會(二零一七年八月，阿根廷圖庫曼)；油氣勘探與開發大會(二零一八年十一月，門多薩)及AAPG二零一九年國際展會(二零一九年八月二十八日，阿根廷布宜諾賽勒斯)的刊物。Pablo亦自二零一七年十二月起擔任阿根廷石油天然氣研究所(Oil and Gas Argentinian Institute)指導委員會塔塔加爾分會的第二屆副理事長。

* 中文譯名

DIRECTORS' REPORT

董事會報告

The board (the “**Board**”) of directors (the “**Director(s)**”) of New Times Energy Corporation Limited (the “**Company**”) present their report together with the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “**Group**”) for the year ended 31 December 2019 (the “**Year**”).

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of its principal subsidiaries are set out in note 14 to the consolidated financial statements.

BUSINESS REVIEW

An overview and the outlook of the Group’s business are provided in the sections headed “Chairman’s Statement” and “Management Discussion and Analysis” of this annual report. Save as disclosed in the above sections, no significant event affecting the Group has occurred since the end of the Year.

The financial risk management objectives and policies of the Group are disclosed in note 29 to the consolidated financial statements. An analysis of the Group’s performance using financial key performance indicators are set out in the section headed “Financial Highlights” of this annual report.

An account of the Group’s relationship with its key stakeholders and discussions on the Group’s environmental policies and performance are included in the respective sections headed “Corporate Governance Report” and “Environmental, Social and Governance Report”.

COMPLIANCE WITH LAWS AND REGULATIONS

As far as the Directors and management of the Company are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the Year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

The Company was not involved in any material litigation or arbitration during the Year. The Directors are also not aware of any material litigation or claims that are pending or threatened against the Group during the Year.

新時代能源有限公司(「本公司」)董事(「董事」)會(「董事會」)呈列彼等之報告及本公司及其附屬公司(統稱「本集團」)截至二零一九年十二月三十一日止年度(「本年度」)之經審核綜合財務報表。

主要業務

本公司之主要業務為投資控股，其主要附屬公司之業務載於綜合財務報表附註14。

業務回顧

本年報「主席報告」及「管理層討論及分析」各節提供本集團的業務概覽及展望。除以上章節所披露者外，自本年度末以來並無發生影響本集團之重大事項。

本集團的財務風險管理目標及政策披露於綜合財務報表附註29。使用財務關鍵表現指標對本集團表現的分析載於本年報「財務摘要」一節。

本集團與主要持份者關係之闡述及本集團的環境政策及表現的探討載於「企業管治報告」及「環境、社會及管治報告」各節。

遵守法律及規例

就董事及本公司管理層所知悉，本集團已遵守對本集團業務及經營有重大影響的相關法律及規例的重大方面。於年內，本集團並無重大違反或未有遵守適用之法律及規例的情況。

於年內，本公司並無涉及任何重大訴訟或仲裁。於年內，董事亦不知悉本集團有任何待決或面臨威脅的重大訴訟或申索。

DIRECTORS' REPORT

董事會報告

RESULTS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income on pages 95 to 96 of this annual report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 207 of this annual report.

DIVIDEND POLICY AND DIVIDENDS

The Directors did not recommend the payment of a final dividend for the Year (2018: Nil).

In order to enhance transparency of the Company and facilitate the shareholders of the Company (the "Shareholders") and investors to make informed investment decisions relating to the Company, the Board adopted a dividend policy on 26 March 2019 (the "Dividend Policy").

According to the Dividend Policy, when determining whether to declare any dividend in the future and the amount of dividend to be declared, the Company shall consider a number of factors, including but not limited to:

- a. the actual and expected financial performance of the Group;
- b. retained earnings and distributable reserves of the Company and each of the members of the Group;
- c. the liquidity positions of the Group;
- d. the future cash requirements and availability of the Group, including its expected working capital requirements, capital expenditure requirements and future expansion plans;
- e. any restrictions on payments of dividends that may be imposed by the Group's lenders;
- f. the general market conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- g. any other factor that the Board may consider appropriate.

業績

本集團於本年度的業績載於本年報第95頁至96頁的綜合損益表及綜合損益及其他全面收益表。

五年財務概要

本集團過去五個財政年度之業績及資產負債概要載於本年報第207頁。

股息政策及股息

董事建議不派付年內末期股息（二零一八年：無）。

為增加本公司透明度以及協助本公司股東（「股東」）及投資者就本公司作出知情的投資決定，董事會於二零一九年三月二十六日採納股息政策（「股息政策」）。

根據股息政策，未來決定是否宣派任何股息及釐定股息金額時，本公司應考慮多項因素，包括但不限於：

- a. 本集團的實際及預期財務表現；
- b. 本公司及本集團各成員公司的保留盈利及可供分派儲備；
- c. 本集團的流動資金狀況；
- d. 本集團的未來現金需求及可動用現金，包括其預期營運資金要求、資本開支需求及未來擴充計劃；
- e. 本集團借貸人就派付股息可能施加的任何限制；
- f. 本集團業務的整體市況、業務週期及其他可能影響本公司業務或財務表現及狀況的其他內部及外部因素；及
- g. 董事會可能認為合適的任何其他因素。

DIRECTORS' REPORT

董事會報告

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the Board's discretion. The Board will review the Dividend Policy on a regular basis.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed during the period from Tuesday, 2 June 2020 to Friday, 5 June 2020 (both days inclusive), during which no transfers of shares will be registered, for the purpose of determining shareholders' entitlement to attend and vote at the forthcoming annual general meeting to be held on Friday, 5 June 2020 (the "AGM"). In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Monday, 1 June 2020.

MATERIAL ACQUISITIONS AND DISPOSALS

For the year ended 31 December 2019, the Company has made no material acquisitions and disposals.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Year are set out in note 13 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in share capital of the Company during the Year are set out in note 28(c) to the consolidated financial statements.

DEBENTURES

There were no issue of bonds or debentures of the Company during the Year.

EQUITY-LINKED AGREEMENTS

Save as the share option scheme of the Company disclosed below, no equity-linked agreements were entered into by the Company during the Year or subsisted at the end of the Year.

本公司並無任何預設的股息分派比例或分派比率。股息宣派、派付及金額將由董事會酌情決定。董事會將定期審閱股息政策。

暫停辦理股份過戶登記

本公司將自二零二零年六月二日(星期二)起至二零二零年六月五日(星期五)止(包括首尾兩日)期間暫停辦理股份過戶登記手續,該期間將不會進行股份過戶登記,以確定股東出席應屆股東週年大會(「股東週年大會」)並於會上投票之資格。為符合出席股東週年大會並於會上投票之資格,所有過戶文件連同有關股票必須於二零二零年六月一日(星期一)下午四時三十分前送達本公司之香港股份過戶登記分處卓佳登捷時有限公司進行登記,地址為香港皇后大道東183號合和中心54樓。

重大收購及出售事項

於截至二零一九年十二月三十一日止年度,本公司並無作出重大收購及出售事項。

物業、廠房及設備

本集團物業、廠房及設備於本年度之變動詳情載於綜合財務報表附註13。

股本

本公司股本於本年度之變動詳情載於綜合財務報表附註28(c)。

債券

於本年度,本公司並無發行債券或債權證。

股票掛鈎協議

除以下披露的本公司購股權計劃外,本公司於年內任何期間或本年度終結日並無訂立或仍然存續任何股票掛鈎協議。

DIRECTORS' REPORT

董事會報告

SHARE OPTION SCHEME

At the annual general meeting of the Company held on 17 May 2011, the Shareholders approved the adoption of a new share option scheme (the “**Share Option Scheme**”) in place of the old share option scheme adopted on 30 August 2002 (the “**Old Scheme**”). No further share options may be granted under the Old Scheme upon its termination and share options granted and unexercised prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Old Scheme.

The Share Option Scheme is adopted under the relevant requirements of Chapter 17 of the rules governing the listing of securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and its purpose is to provide incentives or rewards to the eligible participants thereunder for their contribution or would be contributions to the Group and/or enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group. Eligible participants include any Director (including non-executive Director and independent non-executive Director), employee (whether full time or part time), any supplier of goods or services to the Group, any customer of the Group, any agent or consultant that provides research, development, technological support or other services to the Group, any shareholder or any member of the Group or any holder of any securities issued by the Group. The Share Option Scheme, unless otherwise terminated or amended, will remain in force for 10 years from the date of coming into effect.

The maximum number of shares which may be issued upon exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company shall not in aggregate exceed 10% of the shares of the Company in issue as at the date of approval of the limit and such limit may be refreshed by the Shareholders in general meeting. In addition, the total maximum number of shares which may be issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the shares in issue from time to time.

購股權計劃

於本公司二零一一年五月十七日舉行之股東週年大會上，股東批准採納新購股權計劃（「**購股權計劃**」）以取代於二零零二年八月三十日採納之舊購股權計劃（「**舊計劃**」）。舊計劃終止後，不可再據此授出其他購股權，而終止前已授出而未行使購股權則繼續有效及根據舊計劃的條文可予行使。

購股權計劃乃根據香港聯合交易所有限公司證券上市規則（「**上市規則**」）第17章的有關規定而採納，其旨在向為本集團作出貢獻或將會作出貢獻之合資格參與者提供獎勵或回報及／或讓本集團招聘及挽留優秀僱員及吸引對本集團而言屬寶貴之人力資源。合資格參與者包括本集團任何董事（包括非執行董事及獨立非執行董事）、僱員（不論全職或兼職）、向本集團提供貨物或服務之任何供應商、本集團任何客戶、向本集團提供研究、開發、技術支援或其他服務之任何代理或顧問、本集團任何股東或任何成員公司或本集團所發行任何證券之任何持有人。除非另行終止或修訂，購股權計劃於生效日期起計十年內有效。

因行使根據購股權計劃及本公司任何其他購股權計劃授出的所有購股權而可能發行的最高股份數目合計不得超過批准限額日期本公司已發行股份的10%，而該限額可由股東於股東大會上更新。此外，於根據購股權計劃及本公司任何其他購股權計劃發行在外而未行使的購股權倘獲行使而可予發行的最高股份數目，不得超過不時已發行股份的30%。

DIRECTORS' REPORT

董事會報告

The total number of shares issued and to be issued upon exercise of all share options granted and to be granted (including both exercised and outstanding options) under the Share Option Scheme to each eligible participants (other than an independent non-executive Director or a substantial Shareholder of the Company or any of their respective associates) in any 12-month period up to and including the date of the latest grant of share options must not exceed 1% of the shares in issue at such date. Any further grant of share options under the Share Option Scheme in excess of this limit is subject to Shareholders' approval in a general meeting of the Company.

Under the Share Option Schemes, any grant of share options to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates are subject to approval by the independent non-executive Directors. In addition, any share options granted to an independent non-executive Director or a substantial Shareholder of the Company, or any of their respective associates, which would result in the shares issued and to be issued upon exercise of all share options already granted or to be granted under the Share Option Scheme (including share options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the shares in issue; and (ii) having an aggregate value (based on the closing price of the shares at the date of grant) in excess of HK\$5 million, such grant of share options by the Board must be approved by Shareholders in general meeting of the Company.

The period within which share options may be exercised under the Share Option Scheme will be determined by the Board in its absolute discretion save that such period shall not be more than 10 years from the date of grant of the share options and that the Board may at its discretion determine the minimum period for which the share options have to be held before the exercise of the subscription right attaching thereto.

The exercise price of the share options under the Share Option Scheme is determinable by the Board in its absolute discretion, but in any event shall not be less than the highest of: (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheet on the date of grant of such share options; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the date of grant of such share options; and (iii) the nominal value of the Company's shares.

於截至及包括購股權最後授出日期的任何十二個月期間內，因行使根據購股權計劃向各合資格參與者（除本公司獨立非執行董事或主要股東，或彼等各自的任何聯繫人士）授出及將授出的全部購股權（包括已行使及尚未行使購股權）而發行及將發行的股份總數，不得超過當日已發行股份的1%。倘根據購股權計劃進一步授出購股權，而超出此限額，則須於本公司股東大會上取得股東批准。

根據購股權計劃，倘授出任何購股權予本公司董事、主要行政人員或主要股東或彼等各自的任何聯繫人士，須由獨立非執行董事批准。此外，倘授出任何購股權予本公司獨立非執行董事或主要股東，或彼等各自的任何聯繫人士，將導致於截至及包括有關授出日期的十二個月期間內，因行使根據購股權計劃已授出及將授出的全部購股權（包括已行使、註銷或未履行購股權）而發行及將發行的股份(i)合計超過已發行股份的0.1%；及(ii)總值超過5,000,000港元（根據授出日期股份的收市價計算），由董事會授出之有關購股權須於本公司股東大會上取得股東批准。

根據購股權計劃，購股權可行使之期限將由董事會以絕對酌情權釐定，惟該行使期不得超過自購股權授出日期起計10年，董事會可酌情釐定行使購股權所附帶之認購權前須持有購股權之最短期間。

根據購股權計劃，購股權的行使價由董事會以絕對酌情權釐定，但無論如何不得低於以下各項中的最高者：(i)本公司股份於授出該等購股權日期於聯交所日報表所報的收市價；(ii)本公司股份於緊接授出該等購股權日期前五個交易日於聯交所日報表所報的平均收市價；及(iii)本公司股份的面值。

DIRECTORS' REPORT

董事會報告

The offer of a grant of share options under the Share Option Scheme may be accepted within 28 days from the date of the offer upon payment of a consideration of HK\$1.00 by the grantee.

During the Year, no share options were granted nor cancelled under the Share Option Scheme. As at 31 December 2019, the Company had no other outstanding share options.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Bye-laws (the "Bye-laws") and there is no restriction against such rights under the laws of Bermuda.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in, or exercising of any rights in relation to the Company's securities, they are advised to consult their professional advisers.

RESERVES

Details of movements in the reserves of the Company and the Group during the Year are set out in note 28(a) to the consolidated financial statements and in the consolidated statement of changes in equity respectively.

DISTRIBUTABLE RESERVES

As at 31 December 2019, the Company had no retained profits available for cash distribution and/or distribution in specie. Pursuant to the Company Act 1981 of Bermuda (as amended), the Company's contributed surplus of HK\$740,880,000 is currently not available for distribution. The Company's share premium account of HK\$4,868,181,000 may be distributed in the form of fully paid bonus shares.

Details of the above are set out in note 28(e) to the consolidated financial statements.

獲授予人士可於授出購股權計劃項下購股權的日期起計28日內接納購股權，並支付代價1.00港元。

於本年度，根據購股權計劃，並無授出購股權或取消購股權。於二零一九年十二月三十一日，本公司並無未行使購股權。

優先購買權

根據本公司之公司細則（「公司細則」），並無有關優先購買權之條文及根據百慕達之法例，並無針對該等權利之限制。

購買、出售或贖回本公司上市證券

於本年度，本公司或其任何附屬公司並無購買、出售或贖回本公司任何上市證券。

稅務減免及豁免

本公司並不知悉股東因持有本公司證券而可獲得任何稅務減免及豁免。倘股東不確定購買、持有、出售、交易或行使與本公司證券有關之任何權利之稅務影響，彼等應諮詢其專業顧問。

儲備

於本年度，本公司及本集團之儲備變動詳情分別載於綜合財務報表附註28(a)及綜合權益變動表。

可供分派儲備

於二零一九年十二月三十一日，本公司概無保留溢利可供現金分派及／或實物分派。根據百慕達一九八一年公司法（經修訂），本公司之繳入盈餘740,880,000港元現時不可作分派。本公司之股份溢價賬4,868,181,000港元可以繳足紅利股份方式分派。

上述事項詳情載於綜合財務報表附註28(e)。

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, the aggregate revenue attributable to the Group's five largest customers accounted for 100% and the largest customer accounted for approximately 89.53% of the Group's total revenue for the Year. The aggregate purchases attributable to the Group's five largest suppliers accounted for approximately 83.26% and the largest suppliers accounted for approximately 77.65% of the Group's total purchases from continuing operations for the Year.

During the Year, none of the Directors or any of their associates, or any shareholders of the Company (which to the best knowledge of the Directors, own more than 5% of the Company's issued share capital), had any interest in any of the Group's five largest suppliers and customers.

EXEMPT CONTINUING CONNECTED TRANSACTIONS AND RELATED PARTY TRANSACTIONS

Certain amounts of the transactions as set out in note 30(b) to the consolidated financial statements fall within rule 14A.76(1) of the Listing Rules, but each of the transactions constitutes a de minimis transaction which was exempt from the reporting, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules in so far as they are applicable.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the Year.

主要客戶及供應商

於本年度，本集團五大客戶佔本集團本年度總收益額100%，而最大客戶則佔本集團總收益約89.53%。於本年度，本集團五大供應商佔本集團之總採購額約83.26%，而最大供應商則佔本集團持續經營業務總採購額約77.65%。

於本年度，概無董事或任何彼等之聯繫人士、或據董事所深知擁有本公司已發行股本5%以上之任何本公司股東，於本集團任何一家五大供應商及客戶中擁有任何權益。

豁免持續關連交易及關聯方交易

綜合財務報表附註30(b)所載若干交易額符合上市規則第14A.76(1)條之規定，惟交易各自構成最低限額交易，該等交易根據上市規則第14A章可豁免遵守申報、公告及獨立股東批准之規定。本公司已遵守根據上市規則第14A章之披露規定（就目前所適用者）。

管理合約

於本年度，本公司並無訂立或存有與本公司全部或任何重大部分業務之管理及行政有關之合約。

DIRECTORS' REPORT

董事會報告

DIRECTORS

The Directors during the Year and up to the date of this annual report were/are:

Executive Directors

Mr. CHENG, Kam Chiu Stewart (*Chairman*)
Mr. TANG, John Wing Yan (*Chief Executive Officer*)

Non-executive Director

Mr. LEE, Chi Hin Jacob (Note)

Independent non-executive Directors

Mr. YUNG, Chun Fai Dickie
Mr. CHIU, Wai On
Mr. WONG, Man Kong Peter
(*deceased on 11 March 2019*)
Mr. CHAN, Chi Yuen
(*resigned on 24 March 2020*)

Note: On 26 March 2019, Mr. LEE, Chi Hin Jacob was appointed by the Board as a non-executive Director and a member of each of the Nomination Committee, the Remuneration Committee and the Audit Committee of the Company with effect from 1 April 2019. He resigned as a member of the Remuneration Committee on 24 March 2020.

Biographical details of the Directors are set out on pages 35 to 37 of this annual report.

In accordance with bye-law 87(1) of the Bye-laws and the code provision A.4.2 of the Corporate Governance Code as set out in Appendix 14 of the Listing Rules, Mr. CHENG, Kam Chiu Stewart and Mr. CHIU, Wai On shall retire by rotation at the AGM and, being eligible, offer themselves for re-election. Information on Directors proposed for re-election will be set out in the circular to the Shareholders accompanying the resolutions to re-elect them at the AGM.

PERMITTED INDEMNITY PROVISIONS

A permitted indemnity provision (as defined in section 467 of the Hong Kong Companies Ordinance) for the benefit of the Directors and officers of the Company is currently in force and was in force throughout the Year. Pursuant to the Bye-laws, the Directors and the officers of the Company shall be indemnified and secured harmless out of the assets of the Company which may incur or sustain by reason of any act done, concurred in or omitted in or about the execution of their duties. The Company has maintained liability insurance to provide appropriate cover for the directors and officers of the Group.

董事

於本年度及截至本年報日期止之董事如下：

執行董事

鄭錦超先生 (主席)
鄧永恩先生 (行政總裁)

非執行董事

李志軒先生 (附註)

獨立非執行董事

翁振輝先生
招偉安先生
王敏剛先生
(於二零一九年三月十一日離世)
陳志遠先生
(於二零二零年三月二十四日辭任)

附註：於二零一九年三月二十六日，李志軒先生獲董事會委任為非執行董事及本公司提名委員會、薪酬委員會及審計委員會各自成員，由二零一九年四月一日起生效。彼於二零二零年三月二十四日辭任薪酬委員會成員。

董事之履歷詳情載於本年報第35頁至第37頁。

根據公司細則第87(1)條及上市規則附錄十四所載企業管治守則之守則條文第A.4.2條，鄭錦超先生及招偉安先生須於股東週年大會輪值告退，彼等符合資格並願意膺選連任。有關擬重選董事的資料將載列於向股東寄發的通函中，連同將於股東週年大會上重選彼等之決議案。

彌償條文

為保障本公司董事及高級管理人員利益而制定之獲准許彌償條文(定義見香港公司條例第467條)目前已生效並於本年度全年有效。根據公司細則，本公司董事及高級管理人員將獲以本公司資產作為彌償保證及擔保，使其不會因於執行職務期間作出、同意或遺漏之任何行為而將會或可能招致或蒙受損害。本公司已購買責任保險，為本集團董事及高級管理人員提供適當保障。

DIRECTORS' REPORT

董事會報告

DIRECTORS' SERVICE CONTRACTS

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

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS

Save as otherwise disclosed, no transactions, arrangements and contracts of significance to which the Company, or any of its subsidiaries, its holding companies or its fellow subsidiaries was party and in which a Director of the Company had a material interest, either directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report, at no time during the Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2019, as recorded in the register kept by the Company under section 352 of the Securities and Futures Ordinance (Cap. 571 of the laws of Hong Kong) (the "SFO") in respect of information required to be notified to the Company and the Stock Exchange by the Directors and/or chief executive of the Company pursuant to the SFO or to the Model Code for Securities Transactions by Directors of Listed Issuers (or any other applicable code), there were no interests, whether long or short positions, held or deemed to be interested by any of the Directors or chief executive of the Company in shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO), nor had there been any rights to subscribe for any shares, underlying shares or debentures of the Company and its associated corporations held or deemed to be interested by any of them as at 31 December 2019.

董事服務合約

於本年度，概無董事與本集團已訂立若不作出賠償（法定賠償除外），則不能於一年內終止之服務合約。

董事於交易、安排及合約之利益

除另有披露者外，於年末或本年度任何時間，概無存續本公司或其任何附屬公司、其控股公司或同系附屬公司為訂約方而本公司董事於當中直接或間接擁有重大權益的任何重大交易、安排及合約。

董事購買股份或債券之權利

除本年報所披露者外，於本年度任何時間，本公司或其任何附屬公司概無訂立任何安排，致使董事可藉購入本公司或任何其他法人團體之股份或債券而獲益。

董事及主要執行人員於股份、相關股份及債券之權益及淡倉

於二零一九年十二月三十一日，根據本公司按香港法例第571章證券及期貨條例（「證券及期貨條例」）第352條而存置的登記冊所載錄，就涉及根據證券及期貨條例或上市發行人董事進行證券交易的標準守則（或任何其他適用守則）本公司的董事及／或主要行政人員須向本公司及聯交所發出通知的資料而言，任何本公司的董事或主要行政人員皆無持有或被當作持有本公司及其相聯法團（定義見證券及期貨條例第XV部）的股份、相關股份或債權證的好倉或淡倉權益，彼等於二零一九年十二月三十一日亦無持有或被當作持有可認購本公司及其相聯法團任何股份、相關股份或債權證的任何權利。

DIRECTORS' REPORT

董事會報告

DIRECTORS' INTERESTS IN COMPETING BUSINESSES

During the Year, to the best knowledge of the Directors, none of the Directors and their respective associates was considered to have any interest in any businesses that competes with or is likely to compete with the businesses of the Group.

DIRECTORS' REMUNERATION AND FIVE INDIVIDUALS WITH HIGHEST EMOLUMENTS

The remuneration of Directors is recommended by the Remuneration Committee of the Company and approved by the Board, based on the job responsibilities, the prevailing market conditions of the industry and the Company's remuneration policy, operating performance and profitability.

Particulars of the Directors' remuneration and five individuals with highest emoluments are set out in notes 8 and 9 to the consolidated financial statements respectively.

RETIREMENT BENEFITS SCHEMES

Details of the Group's retirement benefits schemes are set out in note 25 to the consolidated financial statements.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 December 2019, the following corporations had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO and in accordance with information received by the Company.

董事於競爭業務之權益

於本年度，就董事所深知，概無董事或彼等各自之聯繫人士被認為於與本集團業務構成競爭或可能構成競爭之任何業務中擁有任何權益。

董事酬金及五位最高薪酬人士

董事酬金乃根據工作職責、行業當時市場情況及公司的薪酬政策、經營業績及盈利能力，由本公司薪酬委員會推薦並由董事會批准。

董事酬金及五位最高薪酬人士詳情分別載於綜合財務報表附註8及9。

退休福利計劃

本集團之退休福利計劃詳情載於綜合財務報表附註25。

主要股東之權益及於股份及相關股份的淡倉

於二零一九年十二月三十一日，以下法團於本公司的股份或相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文規定須向本公司披露或記入本公司根據證券及期貨條例第336條須予存置登記冊及符合本公司所接獲之資料的權益或淡倉。

DIRECTORS' REPORT

董事會報告

Long position of substantial Shareholders' interests in issued ordinary shares of the Company

主要股東於本公司已發行普通股權益之好倉

Name of Shareholders	Capacity/Nature of interests	Number of issued ordinary shares held	Approximate percentage of the total issued share capital
股東名稱	身份／權益性質	所持已發行普通股數目	佔已發行股本總額概約百分比 (note (vii)) (附註(vii))
Max Sun Enterprises Limited ("Max Sun") (note (i)) 萬新企業有限公司 (「萬新」) (附註(i))	Beneficially owned 實益擁有	5,737,129,098	65.50%
Chow Tai Fook Nominee Limited ("CTFNL") (note (ii)) 周大福代理人有限公司 (「周大福代理人」) (附註(ii))	Interests in a controlled corporation 受控法團權益	5,737,129,098	65.50%
Chow Tai Fook (Holding) Limited ("CTFHL") (note (iii)) 周大福(控股)有限公司 (「周大福控股」) (附註(iii))	Interests in a controlled corporation 受控法團權益	5,761,900,848	65.78%
Chow Tai Fook Capital Limited ("CTFC") (note (iv)) Chow Tai Fook Capital Limited (「CTFC」) (附註(iv))	Interests in a controlled corporation 受控法團權益	5,761,900,848	65.78%
Cheng Yu Tung Family (Holdings) Limited ("CYTFH") (note (v)) Cheng Yu Tung Family (Holdings) Limited (「CYTFH」) (附註(v))	Interests in a controlled corporation 受控法團權益	5,761,900,848	65.78%
Cheng Yu Tung Family (Holdings II) Limited ("CYTFH-II") (note (vi)) Cheng Yu Tung Family (Holdings II) Limited (「CYTFH-II」) (附註(vi))	Interests in a controlled corporation 受控法團權益	5,761,900,848	65.78%
Elberta Holdings Limited	Beneficially owned 實益擁有	794,850,000	9.07%

DIRECTORS' REPORT

董事會報告

Notes:

As at 31 December 2019:

- (i) The entire issued share capital of Max Sun was legally and beneficially owned by CTFNL.
- (ii) CTFNL held 100% direct interest in Max Sun and was accordingly deemed to have an interest in the shares held by Max Sun.
- (iii) CTFHL held 99.90% direct interest in CTFNL and was accordingly deemed to have an interest in the shares of CTFNL.
- (iv) CTFC held 81.03% direct interest in CTFHL and was accordingly deemed to have an interest in the shares of CTFHL.
- (v) CYTFH held 48.98% direct interest in CTFC and was accordingly deemed to have an interest in the shares of CTFC.
- (vi) CYTFH-II held 46.65% direct interest in CTFC and was accordingly deemed to have an interest in the shares of CTFC.
- (vii) The approximate percentage of interests held was calculated on the basis of 8,758,880,988 ordinary shares of the Company in issue.

Save as disclosed above, as at 31 December 2019, the register maintained by the Company pursuant to Section 336 of the SFO recorded no other interests or short positions in the shares or underlying shares of the Company.

CONTROLLING SHAREHOLDERS' INTEREST IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section "Exempt Continuing Connected Transactions" in this annual report, no contract of significance had been entered into between the Company or any of its subsidiaries, and any controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries during the Year.

CHANGES IN INFORMATION OF DIRECTORS

The changes in information of Directors are set out below pursuant to rule 13.51B(1) of the Listing Rules:

- The annual remuneration of Mr. CHENG, Kam Chiu Stewart, the executive Director and chairman of the Company, has been adjusted to HK\$2,224,800;

附註：

於二零一九年十二月三十一日：

- (i) 萬新之全部已發行股本由周大福代理人合法及實益擁有。
- (ii) 周大福代理人直接持有萬新之100%權益，因此被視為於萬新所持之股份中擁有權益。
- (iii) 周大福控股直接持有周大福代理人之99.90%權益，因此被視為於周大福代理人之股份中擁有權益。
- (iv) CTFC直接持有周大福控股之81.03%權益，因此被視為於周大福控股之股份中擁有權益。
- (v) CYTFH直接持有CTFC之48.98%權益，因此被視為於CTFC之股份中擁有權益。
- (vi) CYTFH-II直接持有CTFC之46.65%權益，因此被視為於CTFC之股份中擁有權益。
- (vii) 所持權益概約百分比乃按本公司之8,758,880,988股已發行普通股之基準計算。

除上文披露者外，於二零一九年十二月三十一日，根據證券及期貨條例第336條由本公司存置之登記冊於本公司股份或相關股份中並無錄得其他權益或淡倉。

控股股東於重大合約的權益

除本年報「豁免持續關連交易」一節所披露者外，於本年度，本公司或其任何附屬公司及本公司或其任何附屬公司的任何控股股東（定義見上市規則）之間概無訂立任何重大合約。

董事資料變動

根據上市規則第13.51B(1)條，董事資料之變動載列如下：

- 執行董事及本公司主席鄭錦超先生的年度薪酬已調整至2,224,800港元；

DIRECTORS' REPORT

董事會報告

- The annual remuneration of Mr. TANG, John Wing Yan, the executive Director and chief executive officer of the Company, has been adjusted to HK\$2,496,000;
- On 26 March 2019 Mr. LEE, Chi Hin Jacob was appointed as a non-executive Director and a member of each of the Nomination Committee, the Remuneration Committee and the Audit Committee of the Company with effect from 1 April 2019. Mr. Lee has entered into a letter of appointment with the Company for a specific term of three years commencing from 1 April 2019, pursuant to which Mr. Lee is entitled for a director fee of HK\$480,000 per annum. Mr. Lee resigned as a member of the Remuneration Committee of the Company with effect from 24 March 2020. The annual director fee of Mr. Lee has been adjusted to HK\$484,800;
- Each of the independent non-executive Directors, Mr. CHAN, Chi Yuen, Mr. YUNG, Chun Fai Dickie and Mr. CHIU, Wai On, has entered into a letter of appointment with the Company for a specific term of three years commencing from on 5 June 2019. Director's fee for each of Mr. Chan, Mr. Yung and Mr. Chiu remains at HK\$200,000 per annum; and
- Mr. CHAN, Chi Yuen, an independent non-executive Director, has resigned as an executive Director of Great Wall Belt & Road Holdings Limited (formerly known as e-Kong Group Limited) and an independent non-executive Director of China Baoli Technologies Holdings Limited with effect from 18 October 2019 and 18 September 2019 respectively.
- 執行董事兼本公司行政總裁鄧永恩先生的年度薪酬已調整至2,496,000港元；
- 於二零一九年三月二十六日，李志軒先生被委任為非執行董事及本公司提名委員會、薪酬委員會及審計委員會之各自成員，自二零一九年四月一日起生效。李先生已與本公司訂立委任書，自二零一九年四月一日起計，具體為期三年，據此李先生有權收取董事袍金每年480,000港元。李先生已自二零二零年三月二十四日起辭任本公司薪酬委員會成員。李先生之年度董事袍金已調整至484,800港元；
- 獨立非執行董事陳志遠先生、翁振輝先生及招偉安先生各自已與本公司訂立委任書，自二零一九年六月五日起計，具體為期三年。陳先生、翁先生及招先生各自的董事袍金仍為每年200,000港元；及
- 獨立非執行董事陳志遠先生已辭任長城一帶一路控股有限公司（前稱e-Kong Group Limited）之執行董事及中國寶力科技控股有限公司之獨立非執行董事，分別自二零一九年十月十八日及二零一九年九月十八日起生效。

PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the knowledge of the Directors, the Company has maintained the minimum public float of 25% as required under the Listing Rules throughout the Year and up to the date of this annual report.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 54 to 70 of this annual report.

公眾持股量

據本公司可公開查閱之資料及據董事所知，本公司已按照上市規則於整個年度及截至本年報日期止維持25%的最低公眾持股量。

企業管治

本公司致力維持高水平的企業管治。有關本公司所採納的企業管治措施的資料，載於本年報第54頁至第70頁的「企業管治報告」。

DIRECTORS' REPORT

董事會報告

EVENTS AFTER THE REPORTING PERIOD

(a) Change of Company Secretary and Authorised Representative

Ms. LAM, Katrina Lai Kuan ceased to be the Company Secretary and Authorised Representative on 17 January 2020. Ms. LI, Janice Shan Mui was appointed as the Company Secretary and Authorised Representative on 17 January 2020.

Ms. LI, Janice Shan Mui ceased to be the Company Secretary and Authorised Representative on 10 March 2020. Mr. LEE, Kun Yin has been appointed and will act as the Company Secretary and Mr. TANG, John Wing Yan has been appointed and will act as the Authorised Representative with effect from 10 March 2020.

Further details regarding the change of Company Secretary and Authorised Representative were set out in the announcements dated 17 January 2020 and 10 March 2020 respectively.

(b) Resignation of Independent Non-Executive Director and Changes in Composition of Board Committees

Mr. CHAN, Chi Yuen ("Mr. Chan") resigned as an independent non-executive Director on 24 March 2020. As a result of the resignation of Mr. Chan as an independent non-executive Director of the Company, he also ceased to be the chairman of both the Remuneration Committee and the Nomination Committee as well as a member of the Audit Committee. Mr. YUNG, Chun Fai Dickie has been appointed as the chairman of both the Remuneration Committee and the Nomination Committee, Mr. LEE, Chi Hin Jacob has resigned as a member of the Remuneration Committee and Mr. CHENG, Kam Chiu Stewart has resigned as a member of the Nomination Committee; all with effect from 24 March 2020.

Following the resignation of Mr. Chan as an independent non-executive Director of the Company, the Company has not managed to meet the requirement of Rule 3.10(1) and Rule 3.10A of the Listing Rules. Pursuant to Listing Rule 3.11, the Company will seek a suitable candidate to fill the abovementioned vacancy and expects the replacement to be appointed within three months from 24 March 2020.

報告期後事項

(a) 更換公司秘書及授權代表

林麗娟女士於二零二零年一月十七日停任為公司秘書及授權代表。李珊梅女士於二零二零年一月十七日獲委任為公司秘書及授權代表。

李珊梅女士於二零二零年三月十日停任為公司秘書及授權代表。李冠賢先生已獲委任並將擔任公司秘書及鄧永恩先生已獲委任並將擔任授權代表，自二零二零年三月十日起生效。

有關更換公司秘書及授權代表的進一步詳情已載於日期分別為二零二零年一月十七日及二零二零年三月十日的公告。

(b) 獨立非執行董事辭任及董事委員會成員變更

陳志遠先生（「陳先生」）已於二零二零年三月二十四日請辭本公司獨立非執行董事。由於陳先生辭任本公司獨立非執行董事，彼亦不再擔任薪酬委員會及提名委員會主席以及審核委員會成員。翁振輝先生已獲委任為本公司薪酬委員會及提名委員會主席；李志軒先生已辭任薪酬委員會成員及鄭錦超先生已辭任提名委員會成員；均自二零二零年三月二十四日起生效。

於陳先生辭任本公司獨立非執行董事後，本公司未能滿足上市規則第3.10(1)條及上市規則第3.10A條的規定。根據上市規則第3.11條，本公司將會物色合適人選填補上述空缺職位，並預期將自二零二零年三月二十四日起三個月內委任替任人選。

DIRECTORS' REPORT

董事會報告

Further details regarding Mr. Chan's resignation and changes in composition of board committees were set out in the announcement dated 24 March 2020.

Save as disclosed above and in notes 12(b) and 34 to the consolidated financial statements, the Group does not have any material subsequent events after 31 December 2019 and up to the date of this report.

AUDITOR

The consolidated financial statements for the Year have been audited by KPMG, Certified Public Accountants, who will retire at the conclusion of the AGM. KPMG, being eligible, will offer themselves for re-appointment. A resolution for the re-appointment of KPMG as the auditor of the Company will be proposed at the AGM.

OUTLOOK

The Company will continue to develop and grow while aiming to enhance its financial position and business foundation to create long-term shareholders' value.

By order of the Board

CHENG, Kam Chiu Stewart

Chairman

Hong Kong, 26 March 2020

有關陳先生之辭任及董事委員會成員變更的進一步詳情已載於日期為二零二零年三月二十四日的公告。

除上文所述及綜合財務報表附註12(b)及附註34所披露者外，本集團於二零一九年十二月三十一日後及截至本報告日期並無任何重大期後事項。

核數師

本年度的綜合財務報表已由執業會計師畢馬威審核，其將於股東週年大會結束時退任。畢馬威符合資格將獲重新委任。有關重新委任畢馬威為本公司核數師之決議案將於股東週年大會上提呈。

展望

本公司將繼續發展及增長，並嘗試改善財政狀況及業務基礎，以提升長期股東價值。

承董事會命

主席

鄭錦超

香港，二零二零年三月二十六日

CORPORATE GOVERNANCE REPORT

企業管治報告

The board (the “**Board**”) of directors (the “**Directors**”) of the Company and management of the Group strive to attain and maintain high standards of corporate governance best suited to the needs of its businesses and interest and value of the shareholders of the Company (the “**Shareholders**”) as the Board believes that effective governance is essential to the maintenance of the Group’s competitiveness and to its healthy growth.

CORPORATE GOVERNANCE PRACTICES

The Company has adopted and applied the principles of the code provisions of the Corporate Governance Code (the “**CG Code**”) as set out in Appendix 14 of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The Company periodically reviews its corporate governance practices to ensure its continuous compliance with the CG Code. For the year ended 31 December 2019 (the “**Year**”), the Company complied with all code provisions of the CG Code and adopted the recommended best practices of the CG Code insofar as they are relevant and practicable, save for the deviations as described in this Corporate Governance Report.

Code Provision C.1.2

Code provision C.1.2 of the CG Code stipulates that the management should provide all members of the board with monthly updates giving a balanced and understandable assessment of the Company’s performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties under rule 3.08 and Chapter 13 of the Listing Rules. During the Year under review, while the management of the Company did not provide monthly updates to all members of the Board as required by the code provision C.1.2 of the CG Code, all the executive Directors were involved in the daily operations of the Group and were fully aware of the performance, position and prospects of the Company, and the management of the Company had provided to all Directors (including, non-executive Director and independent non-executive Directors) quarterly updates giving a balanced and understandable assessment of the Company’s performance, position and prospects in sufficient details prior to the regular board meetings. In addition, the management of the Company had provided all members of the Board, in a timely manner, updates on any material changes to the performance, position and prospects of the Group and sufficient background or explanatory information for matters brought before the Board.

本公司董事(「**董事**」)會(「**董事會**」)及本集團管理層相信有效的管治是本集團保持競爭力及穩健發展的要素。因此，董事會及本集團管理層務求符合企業管治並保持在高水平，從而最切合其業務需要及本公司股東(「**股東**」)的利益及價值。

企業管治守則

本公司已採納及應用香港聯合交易所有限公司(「**聯交所**」)證券上市規則(「**上市規則**」)附錄十四所載企業管治守則(「**企業管治守則**」)守則條文的原則。本公司定期檢討其企業管治常規，以確保其持續遵守企業管治守則。截至二零一九年十二月三十一日止年度(「**本年度**」)，本公司一直遵守企業管治守則的所有守則條文，並於有關及實際可行的情況下採納企業管治守則的適用建議最佳常規，惟下文所述之偏離者除外。

守則條文第C.1.2條

根據企業管治守則的守則條文第C.1.2條，管理層應每月向董事會全體成員提供載列有關本公司績效、狀況及前景作出平衡及可理解評估的每月報告，內容詳情足以讓董事會及各董事履行上市規則第3.08條及第13章的職責。然而，於回顧年度，本公司管理層並無按照企業管治守則的守則條文第C.1.2條的規定，向董事會全體成員提交每月報告，所有執行董事均有參與本集團的日常運作及彼等均對本公司的績效、狀況及前景具充份了解，且本公司管理層已於常規董事會會議舉行前向全體董事(包括非執行董事及獨立非執行董事)提交詳細載列有關本公司的績效、狀況及前景作出平衡及可理解評估的詳細季度報告。此外，本公司管理層已於其績效、狀況及前景有任何重大變動時，及時向董事會全體成員提供有關的更新資料，以及董事會事宜的詳細背景或說明資料。

CORPORATE GOVERNANCE REPORT

企業管治報告

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Listing Rules. Having made specific enquiry of all Directors, each of the Directors has confirmed that he had complied with the required standard set out in the Model Code throughout the Year.

BOARD OF DIRECTORS

Composition of the Board

The Board currently comprises two executive Directors, one non-executive Director and two independent non-executive Directors as follows:

Executive Directors

Mr. CHENG, Kam Chiu Stewart (*Chairman*)
Mr. TANG, John Wing Yan (*Chief Executive Officer*)

Non-executive Director

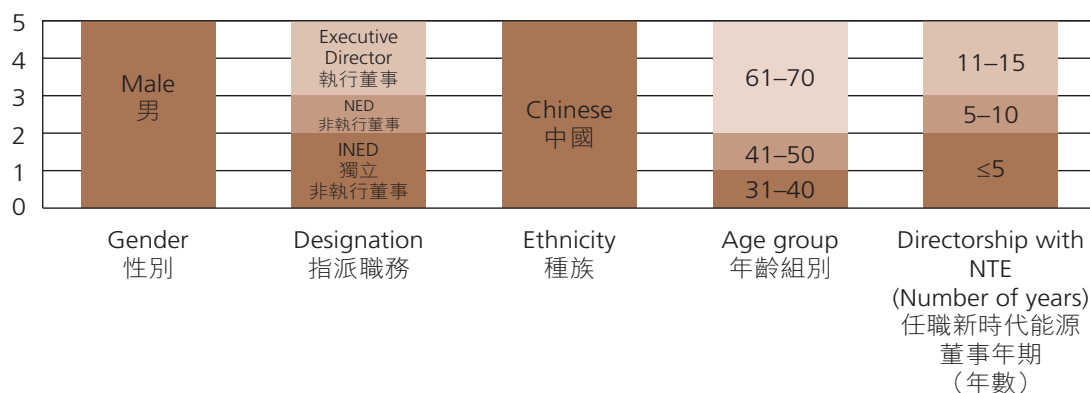
Mr. LEE, Chi Hin Jacob (Note 1)

Independent non-executive Directors

Mr. YUNG, Chun Fai Dickie
Mr. CHIU, Wai On

Note 1: On 26 March 2019, Mr. LEE, Chi Hin Jacob was appointed by the Board as a non-executive Director and a member of each of the Nomination Committee, Remuneration Committee and Audit Committee of the Company with effect from 1 April 2019. He resigned as a member of the Remuneration Committee with effect from 24 March 2020.

Number of Directors 董事人數



董事進行證券交易的標準守則

本公司已採納上市規則附錄十所載上市發行人董事進行證券交易的標準守則(「標準守則」)。經向全體董事作出具體查詢後，董事各自已確認彼等於本年度內一直遵守標準守則所載之規定標準。

董事會

董事會組成

董事會現時由以下兩名執行董事、一名非執行董事及兩名獨立非執行董事組成：

執行董事

鄭錦超先生(主席)
鄧永恩先生(行政總裁)

非執行董事

李志軒先生(附註1)

獨立非執行董事

翁振輝先生
招偉安先生

附註1：於二零一九年三月二十六日，李志軒先生獲董事會委任為非執行董事及本公司提名委員會、薪酬委員會及審核委員會各自之成員，自二零一九年四月一日起生效。彼自二零二零年三月二十四日起辭任薪酬委員會成員。

CORPORATE GOVERNANCE REPORT

企業管治報告

The Board has a balanced composition of Executive and Non-executive Directors with each Director having sound knowledge, experience and expertise contributing to the performance and development of the Group. All Directors are aware of their collective and individual responsibilities to the Shareholders and have exercised their duties of care, skill and diligence.

The Board members do not have any financial, business, family or other material and/or relevant relationships with each other. Biographical details of the Board members are set out in the "Information of Directors" section of this annual report.

Board Diversity Policy

The Company has a board diversity policy (the "Policy") which sets out the approach to diversify the Board. 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, professional and industrial experience, skills, knowledge, length of service, and any other factors that the Board might consider relevant and applicable. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee has set the measurable objectives based on gender, age, cultural and educational background, professional experience and skills and knowledge for the implementation of Board diversity of the Company.

The Nomination Committee and the Board will review the Policy, on a regular basis, to ensure its continued effectiveness from time to time. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

Having reviewed the Policy and taken into account the measurable objectives, the Nomination Committee and the Board considered that the Board's composition has complied with the requirements of the Policy during the Year.

董事會具有執行董事及非執行董事的均衡組合，每名董事均具備為本集團之表現及發展作出貢獻之豐富知識、經驗及專長。全體董事均知悉彼等對股東須共同及個別承擔責任及審慎、有技巧及勤勉地履行彼等的職責。

董事會成員相互之間並無任何財務、業務、親屬或其他重大及／或相關關係。董事會成員之簡歷詳情載於本年報「董事資料」一節。

董事會成員多元化政策

本公司採納董事會成員多元化政策（「政策」），當中載列促使董事會成員多元化而採取之方針。本公司藉考慮多項因素，包括但不限於性別、年齡、文化及教育背景、專業及行業經驗、技能、知識、服務年期以及董事會認為相關及適用的任何其他因素，實現董事會成員多元化。最終決定將取決於所選定候選人將為董事會帶來的價值及貢獻。

提名委員會已按性別、年齡、文化及教育背景、專業經驗以及技能及知識制定可計量目標，以實現本公司董事會成員多元化。

提名委員會及董事會將定期審核有關政策，以確保其持續有效。提名委員會將討論任何可能須作出的修訂，再向董事會提出該等修訂建議，以供董事會考慮及批准。

經審核有關政策並考慮有關可計量目標，提名委員會及董事會認為，董事會之組成於本年度已符合有關政策之要求。

CORPORATE GOVERNANCE REPORT

企業管治報告

Responsibilities of the Board

The Board is responsible for the leadership and control of the Company and collectively responsible for promoting success of the Company by directing and supervising the Company's affairs. The Board also formulates objectives, overall corporate strategies and business plans, and oversees the financial and management performance of the Group. Day-to-day functions and authorities are delegated to the management, which include the implementation of objectives, strategies and plans adopted by the Board and the day-to-day management of the Group's business. There are established procedures for the Directors upon reasonable request, to seek independent advice in appropriate circumstances, at the Company's expense.

Apart from the regular Board meetings and pursuant to code provision A.2.7 of the CG Code, the chairman has also met with the independent non-executive Directors without the presence of executive Directors during the year. The independent non-executive Directors are encouraged to provide their independent views to the Board.

Corporate governance functions

It is the responsibility of the Board to determine the appropriate corporate governance practices applicable to the Company's circumstances and to ensure processes and procedures are in place to achieve the Company's corporate governance objectives.

The duties of the Board performing corporate governance functions under the CG Code include:

1. to develop and review the Company's policies and practices on corporate governance;
2. to review and monitor the training and continuous professional development of Directors and senior management of the Company;
3. to review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
4. to develop, review and monitor the code of conduct and compliance manual (in any) applicable to employees and Directors of the Company; and
5. to review the Company's compliance with the CG Code and disclosure in the Corporate Governance.

董事會之責任

董事會負責領導及統管本公司並共同負責通過直接監察本公司之事務促進本公司之成就。董事會亦負責制定本集團之目標、總體公司策略及業務規劃以及監管本集團之財務及管理表現。董事會向管理人員轉授日常職能及權力，包括實施董事會採納之目標、策略及計劃以及本集團業務之日常管理。本公司已訂立程序，讓董事在適當情況下作出合理要求尋求獨立意見，由本公司承擔相關費用。

除定期董事會會議之外及根據企業管治守則第A.2.7條之守則條文，主席亦已於本年度在並無執行董事出席的情況下與獨立非執行董事進行會面。在會面中鼓勵獨立非執行董事向董事會提供彼等之獨立意見。

企業管治職能

董事會負責因應本公司的情況而釐定合適的企業管治常規，並確保有關流程及程序得以切實執行，以達致本公司之企業管治目標。

根據企業管治守則，董事會履行企業管治職能之職務包括：

1. 制定及檢討本公司有關企業管治之政策及常規；
2. 檢討及監察董事以及本公司高級管理人員之培訓及持續專業發展；
3. 檢討及監察本公司在遵守法律及監管規定方面的政策及常規；
4. 制定、檢討及監察本公司僱員及董事適用之操守守則及合規手冊（如有）；及
5. 檢討本公司遵守企業管治守則的情況及於企業管治內之披露。

CORPORATE GOVERNANCE REPORT

企業管治報告

Board Meetings

The Board meets regularly and at least four times a year for the reviewing and approval of the Company's financial and operating performance, as well as the consideration and approval of the overall strategies and policies of the Company. Apart from the regular board meetings, the Board met on other occasions where necessary. Throughout the Year, Directors also participate in the consideration and approval of routine and operational matters of the Company by way of circulating resolutions.

During the Year, the Board held four regular meetings. To facilitate maximum attendance of the Directors and to provide opportunity to include matters in the agenda for the Board meetings, notices of regular Board meetings are served to all Directors at least 14 days before the regular meetings while reasonable notice is generally given for other meetings. Meeting agenda together with all appropriate, complete and reliable information are normally given to all Directors no less than 3 days prior to each Board meeting to enable them to make informed decisions. The Company Secretary is responsible to ensure that Board meetings comply with the relevant procedures, rules and regulations. All Board meeting minutes record the details of the matters discussed and decisions made. Board minutes are kept by the Company Secretary and signed by respective Directors.

Directors' attendance of the Board Meetings and Annual General Meeting ("AGM") held during the Year are set out below:

董事會會議

董事會每年最少定期舉行四次會議，以檢討及核准本公司財務及營運表現，以及考慮及審批本公司之整體策略及政策。除董事會常規會議外，董事會亦會另行召開其他會議（倘需要）。於本年度，董事亦透過傳閱決議案，參與考慮及批准本公司日常及營運事宜。

於本年度，董事會舉行四次例會。為了讓更多董事出席會議，並提供機會讓董事於董事會會議議程內加入任何事項，董事會常規會議通告須最少於常規會議舉行前14天送達全體董事；而其他會議則一般於合理時間內發出通知。會議議程連同所有適當、完整及可靠的資料通常於各董事會會議舉行前不少於3日給予全體董事，以便彼等得以作出知情決定。公司秘書負責確保董事會會議符合相關程序、規則及規定。所有董事會會議記錄記載有關所討論事宜及所作出決定之詳情。董事會會議記錄由公司秘書保存並由相關董事簽署。

本公司於本年度舉行之董事會會議及股東週年大會（「股東週年大會」）之董事出席情況詳情載列如下：

Name of Directors	董事姓名	Number of Board Meetings attended/held 董事會會議出席／舉行次數	AGM attended/held 出席／舉行股東週年大會
Executive of Directors			
Mr. CHENG, Kam Chiu Stewart (Chairman)	執行董事 鄭錦超先生(主席)	5/5	1/1
Mr. TANG, John Wing Yan (Chief Executive Officer)	鄧永恩先生(行政總裁)	5/5	1/1
Non-executive Director			
Mr. LEE, Chi Hin Jacob	非執行董事 李志軒先生	4/4*	1/1
Independent Non-executive Directors			
Mr. YUNG, Chun Fai Dickie	獨立非執行董事 翁振輝先生	5/5	1/1
Mr. CHIU, Wai On	招偉安先生	5/5	1/1
Mr. CHAN, Chi Yuen (resigned on 24 March 2020)	陳志遠先生 (於二零二零年三月二十四日辭任)	5/5	1/1

* During the Year, four board meetings of the Company were held after the appointment of Mr. LEE, Chi Hin Jacob on 1 April 2019.

* 年內，自李志軒先生於二零一九年四月一日獲委任之後，本公司舉行四次董事會會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

Chairman and Chief Executive Officer

The roles of Chairman and Chief Executive Officer are held by two executive Directors, Mr. CHENG, Kam Chiu Stewart and Mr. TANG, John Wing Yan respectively. Their respective responsibilities are clearly established and defined.

The Chairman provides leadership for the Board and is accountable to the Board ultimately. The Chairman takes the lead to encourage Directors to make active contribution to the Board's affairs and ensure that the Board acts in the best interests of the Company.

The Chief Executive Officer represents the management of the Company and is accountable to the Board. His main responsibilities include overseeing the implementation of the Group's strategies, objectives and policies as well as monitoring day-to-day management of the Group's businesses and operations.

Non-executive Director and Independent Non-executive Directors

The non-executive Director and the independent non-executive Directors give the Board the benefit of their skills, expertise, varied background and experiences. Through active participation in Board meetings and serving on various Board Committees, the non-executive Director and the independent non-executive Directors bring in independent judgment and make valuable contributions to the effective direction and strategic decision-making of the Group.

The Company has received an annual confirmation of independence from each of the three independent non-executive Directors. Each independent non-executive Director is required to inform the Company as soon as practicable if there is any change that may affect his independence. During the Year, the Nomination Committee has assessed the independence of each of the independent non-executive Directors based on the guidelines as set out in Rule 3.13 of the Listing Rules and considered them to be independent.

Mr. CHAN, Chi Yuen resigned from his positions as an independent non-executive Director, the chairman of the Remuneration Committee, the chairman of the Nomination Committee and a member of the Audit Committee with effect from 24 March 2020. Following the resignation of Mr. Chan, the Company has not managed to meet the requirement of having a minimum number of three independent non-executive Directors under Rule 3.10(1) of the Listing Rules and also Rule 3.10A which stipulates that the number of independent non-executive Directors shall represent at least one third of the Board. However, pursuant to Listing Rule 3.11, the Company will seek a suitable candidate to fill the abovementioned vacancy and expects the replacement to be appointed within three months from 24 March 2020.

Except for the deviation stated in the above period, the Company has complied with the requirements under Rules 3.10(1), 3.10(2) and 3.10A of the Listing Rules throughout the year.

主席及行政總裁

主席及行政總裁角色分別由兩名執行董事（鄭錦超先生及鄧永恩先生）擔任。彼等各自之責任已清晰確立及界定。

主席領導董事會及最終向董事會負責。主席負責帶領董事對董事會事務作出積極貢獻，並確保董事會行事符合本公司之最佳利益。

行政總裁代表本公司之管理層，並向董事會負責。其主要職責包括監管本集團策略、目標及政策之實施，以及監察本集團業務之日常管理及營運。

非執行董事及獨立非執行董事

非執行董事及獨立非執行董事之技能、專業知識、不同的背景及經驗為董事會帶來裨益。透過積極參與董事會會議及為董事會轄下各委員會服務，非執行董事及獨立非執行董事均對本集團之業務方向及策略性決策帶來獨立判斷及作出寶貴貢獻。

本公司已接獲三名獨立非執行董事各自就其獨立性作出年度確認。倘出現任何可能影響其獨立性之變動，每名獨立非執行董事須在實際可行情況下盡快通知本公司。於本年度，提名委員會已根據上市規則第3.13條所載之指引評估每名獨立非執行董事之獨立性，並認為彼等屬獨立。

陳志遠先生已辭任獨立非執行董事、薪酬委員會主席、提名委員會主席及審核委員會成員職務，自二零二零年三月二十四日起生效。自陳先生之辭任起，本公司未能符合上市規則第3.10(1)條項下有關最少三名獨立非執行董事人數的規定及上市規則第3.10A條亦載明獨立非執行董事之人數應至少佔董事會成員的三分之一。然而，根據上市規則第3.11條，本公司將尋求合適之人選以填補上述職位空缺及預期將於自二零二零年三月二十四日起三個月內委任代替人選。

除以上所載於上述期間的偏離外，本公司於本年度一直符合上市規則第3.10(1)、3.10(2)及3.10A條的規定。

CORPORATE GOVERNANCE REPORT

企業管治報告

Appointment and re-election of Directors

In compliance with the requirements under the Listing Rules and the Bye-laws of the Company (the “Bye-laws”), (i) any Director who is appointed to fill a casual vacancy is subject to election by the Shareholders at the first general meeting after appointment; and (ii) all Directors should be subject to retirement by rotation at least once every three years and are eligible for re-election.

During the Year, the non-executive Director and each of independent non-executive Director has entered into a letter of appointment with the Company for a specific term of three years subject to retirement by rotation as required by the Bye-laws and the Listing Rules.

Mr. CHIU, Wai On has served as an independent non-executive Director for more than nine years. Pursuant to Provision A.4.3 of Appendix 14 of the Listing Rules, if an independent non-executive Director serves more than 9 years, any further appointment of such independent non-executive Director should be subject to (1) a separate resolution to be approved by Shareholders; and (2) further information to be sent out in the circular to Shareholders the reasons why the Board believes the relevant independent non-executive Directors is still independent and should be re-elected.

The Board is of the opinion that Mr. Chiu remains independent, notwithstanding the length of his tenure. He has confirmed to meet the criteria set out in the independence guideline of Rule 3.13 under the Listing Rules. Mr. Chiu has extensive experience and knowledge in the industries of accounting and auditing and in-depth understanding of the Company’s financial situation. The Board considers that Mr. Chiu is not involved in the daily management of the Company nor he is in any relationships or circumstances which would interfere with the exercise of his independent judgments. Therefore, the Board is of the opinion that Mr. Chiu still has the required integrity and independence to continue fulfilling the role of an independent non-executive Director.

INDUCTION, INFORMATION AND CONTINUOUS PROFESSIONAL DEVELOPMENT

Upon appointment to the Board, Director(s) will receive an induction package covering the general understanding of the Group and its businesses and operations. Meetings will also be arranged with the Company’s external legal adviser on directors’ legal role and responsibilities.

委任及重選董事

遵照上市規則及公司細則（「公司細則」）之規定，(i)任何獲委任以填補臨時空缺之董事，須於獲委任後首個股東大會上獲股東推選；及(ii)全體董事須最少每三年輪值告退一次，並符合資格膺選連任。

於本年度，非執行董事及各獨立非執行董事均與本公司訂立委任函，固定任期為三年，惟須根據公司細則及上市規則之規定輪值告退。

招偉安先生已擔任獨立非執行董事逾九年。根據上市規則附錄十四守則條文第A.4.3條，倘若一名獨立非執行董事服務超過九年，則對該名獨立非執行董事的任何進一步委任均須(1)由股東另行通過決議案批准；及(2)於向股東寄發的通函中的其他資料須包括董事會相信有關獨立非執行董事仍為獨立並應獲重選之原因。

董事會認為，即使招先生任職多年，彼依然保持獨立。彼已確認符合上市規則第3.13條獨立性指引所載之標準。招先生於會計及核數方面擁有豐富專業經驗及知識並對本公司的財務狀況十分了解。董事會認為招先生並無參與本公司日常管理，亦無牽涉任何將影響其行使獨立判斷的關係或情況。因此，董事會認為招先生仍具備誠信及獨立性，可繼續履行獨立非執行董事的職務。

就任須知、資訊及持續專業發展

董事獲委任加入董事會時將獲發整套包括本集團一般認知及其業務與營運的資料。本公司之外聘法律顧問亦會就董事之法律職務及職責安排會議。

CORPORATE GOVERNANCE REPORT

企業管治報告

All Directors are kept informed on a timely basis of major changes on the relevant laws, rules and regulations. Timely updates on the Group's financial performance, businesses and developments are also provided to the Directors. They also have full and timely access to information on the Group and independent professional advice at all times whenever deemed necessary.

In compliance with the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development (the "CPD") to develop and refresh their knowledge and skills. During the Year, the Company encouraged all Directors to attend training courses, seminars, webcasts or conferences which were relevant to their respective duties and responsibilities at the Company's expenses, and provided relevant materials and updates for their reading. The Directors are required to provide the Company with details of CPD training taken by them from time to time. The training records are kept by the Company Secretary. Based on the records provided, the Directors participated in the following CPD programmes during the Year:

所有董事均按時獲悉有關相關法例、法規及規例之重大變動，董事亦會適時獲提供本集團財務表現、業務及發展的最新消息。彼等均可完全而及時地得到本集團的資料及於有需要時隨時取得獨立專業意見。

為符合企業管治守則之守則條文第A.6.5條，全體董事須參與持續專業發展（「持續專業發展」），以發展及重溫其知識及技能。於本年度，本公司鼓勵全體董事出席與彼等各自之職務及職責有關之培訓課程、座談會、網播課或會議，費用由本公司承擔，並已提供相關資料及最新消息以供彼等閱覽。董事須向本公司提供有關彼等不時接受之持續專業發展培訓之詳情。培訓記錄由公司秘書保存。根據所提供之記錄，於本年度董事已參與以下持續專業發展：

		Directors' Training in 2019 董事於二零一九年的培訓	
Name of Directors	董事姓名	Attending training courses, seminars, webcasts or conferences	Reading materials or updates
		出席培訓課程、座談會、網播課或會議	閱覽資料或最新消息
Executive of Directors			
Mr. CHENG, Kam Chiu Stewart (Chairman)	鄭錦超先生 (主席)		✓
Mr. TANG, John Wing Yan (Chief Executive Officer)	鄧永恩先生 (行政總裁)	✓	✓
Non-executive Director			
Mr. LEE, Chi Hin Jacob	李志軒先生		✓
Independent Non-executive Directors			
Mr. YUNG, Chun Fai Dickie	翁振輝先生		✓
Mr. CHIU, Wai On	招偉安先生	✓	✓
Mr. CHAN, Chi Yuen (resigned on 24 March 2020)	陳志遠先生 (於二零二零年三月二十四日辭任)	✓	✓

CORPORATE GOVERNANCE REPORT

企業管治報告

BOARD COMMITTEES

As an important part of a sound corporate governance practice, the Board has established four Board Committees: the Nomination Committee, Remuneration Committee, Audit Committee and Executive Committee to assist the Board to discharge its functions. Each Committee has specific written terms of reference which sets out clearly the Committee's duties and authority. The terms of reference and the list of members of each committee are published on the websites of the Hong Kong Stock Exchange and/or the Company.

The Board Committees are provided with sufficient resources to perform their duties, including the management support and engagement of independent professional advice at the Company's expense. The Committees report to the Board on their decisions or recommendations and maintain an effective and constructive communication with the Board.

Remuneration Committee

The Remuneration Committee currently comprises three Directors namely Mr. CHENG, Kam Chiu Stewart, Mr. YUNG, Chun Fai Dickie and Mr. CHIU, Wai On with majority members being independent non-executive Directors. Mr. YUNG, Chun Fai Dickie, the independent non-executive Director, is currently the chairman of the Remuneration Committee.

The Remuneration Committee is mainly responsible for making recommendations on and approving the remuneration packages of the executive Directors and the senior management of the Company. Details of the authority and duties of the Remuneration Committee are available on the websites of the Company and Stock Exchange.

During the Year, the Remuneration Committee convened three meetings to, inter alia, review the remuneration packages of the executive Directors and the senior management of the Company, approval of a letter of appointment for each of independent non-executive Directors and recommendation of remuneration package for the new appointed non-executive Director. Members' attendance of the Remuneration Committee Meetings held during the Year are set out below:

董事委員會

作為健全之企業管治常規的重要部分，董事會已設立四個董事會委員會：即提名委員會、薪酬委員會、審核委員會及執行委員會，以協助董事會履行其職能。各委員會均具備書面特定職權範圍，清楚載列委員會之職權及職責。各委員會之職權範圍及成員名單登載於香港聯交所及／或本公司網站。

董事委員會獲提供充足資源以履行其職責，包括管理層的支援及由本公司承擔費用之獨立專業意見諮詢。委員會向董事會匯報其決策或建議，並與董事會保持有效及具建設性的溝通。

薪酬委員會

薪酬委員會現時包括三名董事（即鄭錦超先生、翁振輝先生及招偉安先生），其中多數成員為獨立非執行董事。獨立非執行董事翁振輝先生現在為薪酬委員會主席。

薪酬委員會主要負責就執行董事及本公司高級管理人員之薪酬待遇提供推薦意見及加以審批。有關薪酬委員會職權及職責之詳情，可於本公司及聯交所網站查閱。

於本年度，薪酬委員會召開三次會議以（其中包括）檢討執行董事及本公司高級管理人員的薪酬待遇、批准各獨立非執行董事之委任函及建議新委任非執行董事之薪酬待遇。於本年度舉行之薪酬委員會會議之成員出席次數載列如下：

CORPORATE GOVERNANCE REPORT

企業管治報告

Name of Members	董事姓名	Number of Meetings attended/held 會議出席／ 舉行次數
Mr. YUNG, Chun Fai Dickie (<i>Chairman</i>)	翁振輝先生 (主席)	3/3
Mr. CHENG, Kam Chiu Stewart	鄭錦超先生	3/3
Mr. CHIU, Wai On	招偉安先生	3/3
Mr. CHAN, Chi Yuen (<i>Chairman</i>) (resigned on 24 March 2020)	陳志遠先生 (主席) (於二零二零年三月二十四日辭任)	3/3
Mr. LEE, Chi Hin Jacob (resigned on 24 March 2020)	李志軒先生 (於二零二零年三月二十四日辭任)	2/2*

* During the Year, two meetings of the Remuneration Committee of the Company were held after the appointment of Mr. LEE, Chi Hin Jacob on 1 April 2019.

* 年內，自李志軒先生於二零一九年四月一日獲委任之後，本公司舉行兩次薪酬委員會會議。

The remuneration of the members of senior management of the Company by band for the Year is set out below:

本公司高級管理人員於本年度的薪酬範圍如下：

Range of Remuneration	薪酬範圍	Number of persons 人數
HK\$1,000,001 – HK\$1,500,000	1,000,001港元至1,500,000港元	1

Nomination Committee

The Nomination Committee currently comprises three Directors namely Mr. LEE, Chi Hin Jacob, Mr. YUNG, Chun Fai Dickie and Mr. CHIU, Wai On with majority members being independent non-executive Directors. Mr. YUNG, Chun Fai, Dickie, the independent non-executive Director, is currently the chairman of the Nomination Committee.

The Nomination Committee is responsible for, amongst other things, identifying individuals suitably qualified to become Board members, considering the re-appointment of Directors, reviewing the Board's diversity policy and relevant implementation of the diversity policy, and making recommendations to the Board in respect of the aforesaid matters.

By such policy, the selection of candidates is based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service. The ultimate decision is based on merit and contribution that the selected candidates bring to the Board. Details of the authority and duties of the Nomination Committee are available on the websites of the Company and Stock Exchange.

提名委員會

提名委員會現時包括三名董事（即李志軒先生、翁振輝先生及招偉安先生），其中多數成員為獨立非執行董事。獨立非執行董事翁振輝先生現在為提名委員會主席。

提名委員會負責（其中包括）識別適當成為董事會成員之合資格人士、考慮續聘董事、審核董事會成員多元化政策及多元化政策之相關實施以及就上述事宜向董事會作出推薦建議。

在該政策下，甄選人選按一系列多元化範疇為基準，包括但不限於性別、年齡、文化及教育背景、專業經驗、技能、知識以及服務年期。最終按人選的長處及可為董事會提供的貢獻而作決定。有關提名委員會職權及職責之詳情，可於本公司及聯交所網站查閱。

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During the Year, the Nomination Committee convened one meeting to review the structure, size, composition and diversity of the Board, and recommendation of appointment of the non-executive Director. Members' attendance of the Nomination Committee Meeting held during the Year are set out below:

於本年度，提名委員會召開一次會議，以審閱董事會之架構、規模、組成及成員多元化以及建議委任非執行董事。於本年度舉行之提名委員會會議之成員出席次數載列如下：

Name of Members	董事姓名	Number of Meeting attended/held 會議出席／ 舉行次數
Mr. YUNG, Chun Fai Dickie (<i>Chairman</i>)	翁振輝先生 (主席)	1/1
Mr. CHIU, Wai On	招偉安先生	1/1
Mr. LEE, Chi Hin Jacob	李志軒先生	不適用N/A*
Mr. CHENG, Kam Chiu Stewart (<i>resigned on 24 March 2020</i>)	鄭錦超先生 (於二零二零年三月二十四日辭任)	1/1
Mr. CHAN, Chi Yuen (<i>Chairman</i>) (<i>resigned on 24 March 2020</i>)	陳志遠先生 (主席) (於二零二零年三月二十四日辭任)	1/1

* During the Year, no meeting of the Nomination Committee of the Company was held after the appointment of Mr. LEE, Chi Hin Jacob on 1 April 2019.

* 年內，自李志軒先生於二零一九年四月一日獲委任之後，本公司概無舉行提名委員會會議。

Audit Committee

The Audit Committee currently comprises three Directors namely Mr. LEE, Chi Hin Jacob, Mr. YUNG, Chun Fai Dickie and Mr. CHIU, Wai On with majority members being independent non-executive Directors. All of them possess the relevant qualifications, experiences and skills to contribute to the financial, governance, internal controls and risk management of the Company. Mr. CHIU, Wai On, the independent non-executive Director, with professional qualifications and accounting and related financial management expertise is currently the chairman of the Audit Committee.

The main duties of the Audit Committee include reviewing the consolidated financial statements and reports and considering any significant or unusual financial items; overseeing the relationship between the Company and the external auditor; considering the scope of its audit, approving the audit fees and the appropriateness of non-audit services; and reviewing the adequacy and effectiveness of the Company's financial controls and risk management and internal control systems. Details of the authority and duties of the Audit Committee are available on the websites of the Company and Stock Exchange.

審核委員會

審核委員會現時包括三名董事（即李志軒先生、翁振輝先生及招偉安先生），其中多數成員為獨立非執行董事。彼等均具備相關資格、經驗及技能，對本公司之財務、管治、內部監控及風險管理均作出貢獻。具備專業資格及會計以及相關財務管理專長之獨立非執行董事招偉安先生現時為審核委員會主席。

審核委員會之主要職務包括審閱綜合財務報表及報告並審議任何重大或特殊財務事項；監察本公司與外聘核數師之關係；考慮其審核範圍、批准審核費用及非審核服務的適當性及檢討本公司財務監控、風險管理及內部監控制度是否足夠及有效。有關審核委員會職權及職責之詳情，可於本公司及聯交所網站查閱。

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During the Year, the Audit Committee held two meetings, inter alia, to review the 2018 annual results and the 2019 interim results of the Group and to review the Group's internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function. In addition, the Audit Committee met the external auditor once without the presence of the management to discuss any areas of concerns. Members' attendance of the Audit Committee Meetings held during the Year are set out below:

於本年度，審核委員會召開兩次會議，以（其中包括）審閱本集團二零一八年之年度業績及二零一九年之中期業績；審閱本集團之內部監控制度，包括本公司會計及財務匯報職能之資源充足性、員工之資格及經驗。此外，審核委員會與外聘核數師在管理人員缺席的情況下進行一次會面，討論所值得關注的問題。於本年度舉行之審核委員會成員出席次數載列如下：

Name of Members	董事姓名	Number of Meetings attended/held 會議出席／舉行次數
Mr. CHIU, Wai On (<i>Chairman</i>)	招偉安先生（主席）	2/2
Mr. LEE, Chi Hin Jacob	李志軒先生	1/1*
Mr. YUNG, Chun Fai Dickie	翁振輝先生	2/2
Mr. CHAN, Chi Yuen (<i>resigned on 24 March 2020</i>)	陳志遠先生 (於二零二零年三月二十四日辭任)	2/2

* During the Year, one meeting of the audit committee of the Company was held after the appointment of Mr. LEE, Chi Hin Jacob on 1 April 2019.

* 年內，自李志軒先生於二零一九年四月一日獲委任之後，本公司舉行一次審核委員會會議。

Executive Committee

The Executive Committee was established on 30 August 2017 and is currently chaired by the Chairman of the Board, Mr. CHENG, Kam Chiu Stewart with the CEO, Mr. TANG, John Wing Yan as member. The executive Directors involved in operations of the Group and are fully aware of the performance, position, and prospects of the Company.

The main duties of the Executive Committee include overseeing the general management and day-to-day operations of the Company, monitoring the execution of the Company's business strategy as approved by the Board, approving any changes to the scope of authority delegated to the senior management and any other matters specifically delegated to it by the Board. Details of the authority and duties of the Executive Committee are available on the Company's website.

執行委員會

執行委員會於二零一七年八月三十日成立，現由董事會主席鄭錦超先生擔任主席，成員包括行政總裁鄧永恩先生。執行董事參與本集團的營運，並完全了解本公司的表現、狀況及前景。

執行委員會的主要職責包括監督本公司的一般管理及日常營運、監督董事會批准的本公司業務戰略的執行情況、批准授予高級管理人員的授權範圍的任何變動以及董事會特別授予的任何其他事項。有關執行委員會職權及職責之詳情，可於本公司網站查閱。

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During the Year, the Executive Committee held twelve meetings. Members' attendance of the Executive Committee Meetings held during the Year are set out below:

於本年度，執行委員會召開十二次會議。於本年度舉行之執行委員會會議之成員出席次數載列如下：

Name of Members	董事姓名	Number of Meetings attended/held 會議出席／ 舉行次數
Mr. CHENG, Kam Chiu Stewart (Chairman)	鄭錦超先生(主席)	12/12
Mr. TANG, John Wing Yan (Chief Executive Officer)	鄧永恩先生(行政總裁)	12/12

ACCOUNTABILITY AND AUDIT

Financial reporting

The Directors acknowledge their responsibility for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the Listing Rules, the Hong Kong Companies Ordinance and other applicable regulatory requirements, and for such internal control as the Directors determine necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Board is responsible for presenting balanced, clear and understandable annual and interim reports, inside information announcements and other disclosures required under the Listing Rules and other statutory and regulatory requirements.

The management has provided the Directors 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.

In determining the appropriate basis of preparation of the consolidated financial statements, the Directors have reviewed the Group's cash flow projections prepared by management based on estimations of future revenue from sales of crude oil, future production costs, committed and planned capital expenditure and the availability of financing, which cover a period of twelve months from the reporting period end date. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due and committed future capital expenditure within the next twelve months from the end of the current reporting period.

問責及審核

財務匯報

董事確認彼等編製綜合財務報表之責任，須負責根據香港會計師公會頒佈的香港財務報告準則及上市規則、香港公司條例之適用披露規定以及其他適用監管規定編製真實而公平的綜合財務報表，及董事釐定編製綜合財務報表的必要內部監控，以使綜合財務報表不存在由於欺詐或錯誤而導致的重大錯誤陳述。

董事會負責根據上市規則及其他法定及監管規定呈列全面、清晰及可理解的年報及中期報告、內幕消息公告及其他披露事宜。

管理層已向董事提供所需的解釋及資料，以使董事會能夠對本公司財務報表作出知情評估，並提交董事會批准。

在決定綜合財務報表之合適編製基準時，董事已審閱管理層根據對未來銷售原油之收益、未來生產成本、承諾及計劃資本支出及可用融資作出的估計而編製的本集團現金流預測，涵蓋期間由報告期末當日起計十二個月。彼等認為本集團將擁有足夠營運資金於到期時應付其財務責任，以及自本報告期末起計未來十二個月的承諾未來資本支出。

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Save as disclosed in note 16 to the consolidated financial statements, the Directors also confirm that, to the best of their knowledge, information and belief, having made all reasonable enquires, they are not aware of any material uncertainties relating to events of conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The reporting responsibilities of the external auditor, Messrs KPMG ("KPMG"), are set out in the Independent Auditor's Report on pages 87 to 94 to this annual report.

Auditor's remuneration

The Audit Committee has been notified of the nature and service charges of the non-audit services performed by KPMG and considered that such services have no adverse effect on the independence of their audit works.

A summary of audit and non-audit services provided by KPMG for the Year and their corresponding remuneration is as follows:

除綜合財務報表附註16所披露者外，據董事作出一切合理查詢後所深知、全悉及確信，彼等亦確認並不知悉有任何可能對本公司之持續經營能力構成重大懷疑之相關事項重大不明朗因素。

外聘核數師畢馬威會計師事務所（「畢馬威」）之報告責任載於本年報第87頁至第94頁之獨立核數師報告。

核數師酬金

審核委員會已獲知會畢馬威履行非審核服務之性質及服務收費，認為該等服務對其審核工作之獨立性並無構成負面影響。

於本年度，畢馬威提供之審核及非審核服務概要以及其相應酬金如下：

Nature of Services	服務性質	Amount 款額 (HK\$'000) (千港元)
Audit service for the Year	於本年度之審核服務	1,900
Others (including reviews of the interim results and preliminary announcement of the annual results, tax consultancy and other non-audit services)	其他（包括審閱中期業績及全年業績初步公告、稅務諮詢及其他非審核服務）	850

RISK MANAGEMENT AND INTERNAL CONTROL

The Board, recognising its overall responsibility in ensuring the risk management and internal control systems of the Group and reviewing its effectiveness, is committed to implementing an effective and sound risk management and internal control systems to safeguard the interests of the Shareholders and the assets of the Group. The Audit Committee has been delegated by the Board to review the risk management and internal control systems.

Procedures have been designed to (i) safeguard assets from inappropriate use; (ii) maintain proper accounting records; (iii) ensure compliance with applicable laws, rules and regulations; and (iv) manage the risk of failure to achieve business objectives. To safeguard confidentiality, information access is managed on a need-to-know basis. Use of computers, especially access to the internet and e-mail systems, is similarly regulated with a view towards security.

風險管理及內部監控

董事會知悉其就確保本集團風險管理及內部監控制度及檢討其有效性之全面職責，承諾執行有效及穩健之風險管理及內部監控制度，以保障股東權益及本集團資產。審核委員會已獲董事會委任以檢討風險管理及內部監控制度。

本集團已設計程序(i)防止不恰當使用資產；(ii)存有適當會計記錄；(iii)確保遵守適用法例、法規及規例；及(iv)管理無法達致業務目標之風險。為保障機密性，資訊取用乃按需要知道的基礎上進行管理。使用電腦，特別是使用互聯網及電子郵件系統，同樣受到安全監管。

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The risk management and internal control systems of the Group provide a reasonable, but not absolute, assurance that material misstatement of the financial statements are prevented, potential interruption of the Group's management system is detected, and risks existing in the course of arriving at the Group's objectives are properly managed. It can only manage, rather than eliminate, all risks of material misstatement, errors, loss or fraud.

During the Year, the Company engaged an independent advisory firm, to perform an internal control review to assess the Group's internal control systems in order to assist the Board in reviewing its effectiveness. The reviews, normally performed once a year, covered the effectiveness of the financial, operational and compliance controls and risk management functions of the Group, with a focus on the core business of the Group (i.e. the upstream business in Argentina). Relevant report from the independent advisory firm was presented to and reviewed by the Audit Committee and the Board. Based on the results of internal control review for the Year and the assessment of the Audit Committee thereon, no material inadequacies or deficiencies in the risk management and internal control systems were drawn to the attention of the Audit Committee, but appropriate recommendations for further enhancing the internal control systems have been taken. The Board is of the view that the internal control systems were effective and adequate and no irregularities, fraud or other deficiencies were identified for the financial year ended 2019.

COMPANY SECRETARY

The Company Secretary directly reports to the Board. The Company Secretary is responsible for supporting and advising the Board on governance matters. All Directors have access to the advice and service of the Company Secretary to ensure that Board procedures, all applicable rules and regulations are followed.

Ms. LAM, Katrina Lai Kuen and Ms. LI, Janice Shan Mui ceased to be the Company Secretary of the Company on 17 January 2020 and 10 March 2020 respectively, Mr. LEE, Kun Yin has been appointed as the Company Secretary of the Company with effect from 10 March 2020. For the Year, Ms. LAM, Katrina Lai Kuen confirmed that she has taken no less than 15 hours of relevant professional training.

本集團風險管理及內部監控制度可合理(但並非絕對)保證避免出現財務報表的重大錯誤陳述,以及檢測本集團管理系統之潛在運作中斷,和妥善管理達成本集團目標過程中所存在之風險。該制度僅管理而非消除所有重大錯誤陳述、錯誤、損失或欺詐風險。

於本年度,本公司聘請獨立顧問公司開展內部控制檢討以評估本集團內部監控制度,以協助董事會檢討該制度的有效性。每年通常執行一次檢討,涵蓋本集團有關財務、營運及合規控制以及風險管理職能方面的有效性,以本集團的核心業務(即阿根廷的上游業務)為重點。獨立顧問公司的相關報告已提交審核委員會及董事會審查。根據本年度的內部控制檢討結果及審核委員會對其的評估,風險管理及內部控監控制度概無缺陷或不足引起審核委員會的關注,但已提出適當建議進一步加強內部監控制度。因此,董事會認為,內部控制系統乃充足有效及於截至二零一九年止之財政年度內概無發現違規、欺詐或其他不足之處。

公司秘書

公司秘書直接向董事會匯報。公司秘書負責就管治事宜向董事會提供支持及意見。所有董事均可獲得公司秘書之意見及服務,以確保董事會之程序及所有適用規則及規例均獲得遵守。

林麗娟女士及李珊梅女士分別於二零二零年一月十七日及二零二零年三月十日停任為公司秘書。李冠賢先生已獲委任為本公司之公司秘書,自二零二零年三月十日起生效。於本年度,林麗娟女士確認已出席不少於15小時之相關專業培訓。

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SHAREHOLDERS

Communications with Shareholders

The Board recognises the importance of continuing communications with the Company's Shareholders and investors, and maintains ongoing dialogues with them through various channels. The formal communication channels between the Company and the Shareholders are announcements, circulars and interim and annual reports. All Shareholders' communications are available on the Company's website. During the Year, there was no change in the Company's constitutional documents. An up-to-date consolidated version of the Bye-laws is also available on the websites of the Company and Hong Kong Exchanges and Clearing Limited.

Shareholders are encouraged to participate in general meetings of the Company which provide a useful forum for the Shareholders to exchange views with the Board. The Board members and management of the Company are available to answer Shareholders' questions and explain the procedures for demanding and conducting a poll, if necessary.

Shareholders' rights

Under the Bye-laws, Shareholders holding not less than 10% of the paid-up capital of the Company at the date of deposit of written requisition to the Board or the Company Secretary, can at all times request a special general meeting to be called by the Board for addressing specific issues of the Company within 21 days from the date of deposit of such requisition to the Company's head office address in Hong Kong.

The Group recognises Shareholders' rights in exercising control proportionate to their equity ownership. The Company has been conducting voting at the general meetings by way of poll, which is conducted and scrutinised by the Company's branch share registrar in Hong Kong. Procedures for conducting a poll are explained by the Chairman of the Board in the general meetings prior to the taking of the poll. Poll results are announced and posted on the websites of both the Company and Hong Kong Exchanges and Clearing Limited.

股東

與股東之溝通

董事會認同本公司股東與投資者透過不同渠道保持溝通以及持續對話之重要性。公告、通函及中期與年度報告乃本公司與股東之間之正式溝通渠道。所有與股東通訊均可於本公司網站查閱。於本年度，本公司憲章文件概無變動。本公司最新的公司細則綜合版本已上載至本公司與香港交易及結算有限公司之網站。

股東獲鼓勵參與股東大會，為股東提供與董事會交換意見之實用討論平台。本公司董事會成員及管理層會解答股東之提問，並於需要時解釋要求及進行按股數投票表決之程序。

股東權利

根據公司細則，於遞呈書面要求予董事會或公司秘書之日期持有不少於本公司繳足股款之10%股本之股東，可自遞呈該要求至本公司香港總辦事處地址之日起計21日內，隨時要求董事會召開股東特別大會，以解決本公司特定事項。

本集團認同股東行使與其股權擁有權相稱之控制權之權利。本公司於股東大會上按投票方式進行表決，並由本公司之香港股份過戶登記分處進行及核對。董事會主席於進行表決前，於股東大會上解釋進行投票之程序。表決結果均於本公司及香港交易及結算有限公司之網站公佈和登載。

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Constitutional Documents

The Company's Memorandum of Association and Bye-laws are available on the websites of the Company and the Hong Kong Stock Exchange. During the Year, there was no change to the Memorandum of Association and Bye-laws of the Company.

Shareholders' enquiries and proposals

Shareholders may direct their enquiries about their shareholdings to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited, in person or by post. Contact details are set out in the "Information for Stakeholders" section to this annual report.

Enquiries and proposals by Shareholders requiring the Board's attention can be sent in writing to the Company Secretary at the Hong Kong head office address of the Company.

Investor relations

During the year, the Company has proactively enhanced its corporate transparency and communications with its shareholders and the investors through the announcement of its interim and final reports. Through the timely distribution of other announcements, including but not limited to notices of meetings, circulars and other relevant Company's information, the Company has also kept the public aware of its latest developments.

Conclusion

Going forward, the Company will continue to review its corporate governance practices on a timely basis to maintain its high level of transparency. The Company will also try to enhance its competitiveness and operating efficiency in order to generate greater returns for its stakeholders.

組織章程文件

本公司之組織章程大綱及公司細則可於本公司及香港聯交所網站查閱。於本年度，本公司之組織章程大綱及公司細則概無任何變動。

股東查詢及建議

股東可就彼等之持股量親身或以郵寄方式向本公司之香港股份過戶登記分處卓佳登捷時有限公司查詢。聯絡資料載於本年報「權益人資料」一節。

股東需董事會關注之查詢及建議可以書面形式郵寄至本公司之香港總辦事處地址，交由公司秘書處理。

投資者關係

於本年度，本公司透過發佈中期及末期報告，積極提升其企業透明度以及加強與其股東及投資者溝通。本公司亦透過適時刊發其他公告，包括但不限於會議通告、通函及本公司其他相關資料，使公眾能掌握其最新發展情況。

結語

展望未來，本公司將繼續定期審閱其企業管治守則，以維持其高水平的透明度，亦嘗試加強本公司之競爭力及營運效率，為持份者帶來更大回報。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

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THE SCOPE AND REPORTING PERIOD OF THIS REPORT

The Group hereby presents its 2019 ESG report, highlighting its Environmental, Social, and Governance (the “ESG”) performance, with disclosure made by reference to the ESG Reporting Guide as described in Appendix 27 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and Guidance set out by The Stock Exchange of Hong Kong Limited.

The Group is principally engaged in the exploration, development, and operation of oil and gas projects. In accordance with reporting principle and materiality assessment of the Group’s ESG aspects, it was identified that the subsidiary, High Luck Group Limited (“HLGL”) was a key business for disclosure in this reporting year, by virtue of its carbon footprint in relation to that of the Group. This ESG report covers the Environmental and Social performance of the HLGL business operations in Argentina for the year ended 31 December 2019, unless otherwise stated.

Additionally, the Group is involved the business of commodities trading, via its subsidiaries, Grand Rich Trading Limited and United Resources Trading Limited. For 2019 ESG reporting purposes, this was excluded from the ESG reporting scope on the grounds that the business of commodities trading had limited consequential environmental and social impacts.

STAKEHOLDER ENGAGEMENT AND MATERIALITY

During the year, the Group engaged in regular meetings and events to communicate with various stakeholders to obtain information, relevant comments, and feedback from the participants to understand their expectation in the development of the Group’s business portfolio and sustainability.

In order to identify the most significant aspects of the Group for ESG reporting purposes, key stakeholders including investors, shareholders and employees have been involved to identify the areas of attention, to facilitate the Group in setting the overall direction of this report.

本報告的範圍及報告期

本集團謹此提呈其二零一九年環境、社會及管治報告，重點描述其環境、社會及管治（「環境、社會及管治」）表現，有關披露及參照香港聯合交易所有限公司證券上市規則（「上市規則」）附錄二十七所述的環境、社會及管治報告指引及香港聯合交易所有限公司所載指引而作出。

本集團主要進行石油及天然氣項目的勘探、開發及營運。根據本集團就環境、社會及管治方面的報告原則及重要性評估確認附屬公司高運集團有限公司（「高運」）為本年內披露的主要業務，與本集團的碳足跡相關。本環境、社會及管治報告涵蓋高運截至二零一九年十二月三十一日止年度位於阿根廷業務營運的環境及社會表現。

此外，本集團透過附屬公司鴻富貿易有限公司及聯邦資源貿易有限公司從事商品貿易業務。對於二零一九年環境、社會及管治報告而言，這被屏除在二零一八年環境、社會及管治報告範圍之外，理由是商品貿易業務對環境和社會影響有限。

權益人溝通及關鍵性分析

於年內，本集團與各權益人進行定期會議及溝通活動，以取得參與者的資料、有關評語及意見，以了解他們對本集團業務組合及可持續性的發展之期望。

為確認本集團就本環境、社會及管治報告而須作匯報的本集團最主要範疇，本集團會與投資者、股東及員工等主要權益人定期溝通，以識別關注範圍，以及協助本集團訂定本報告的方向。

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The Group is planning to further involve and engage its stakeholders in an effort to further improve the usefulness of its ESG reporting. Our concession partners are also periodically engaged in UTE operational committee meetings for their latest views.

In general, stakeholders may locate ESG information through the following channels:

- Annual general meeting and notices
- Annual reports, interim report, consolidated financial statements and announcements
- Corporate website
- Investors briefings
- Notice and Circulars
- Bilateral contracts and supplier agreements
- Code of conduct

STAKEHOLDERS' FEEDBACK

The Group welcomes stakeholders' feedback on its Environmental, Social and Governance initiatives via email at info@nt-energy.com.

THE GROUP'S MISSION AND VISION ON SUSTAINABILITY

Mission

As an oil and gas exploration and production company, the Group operates under the ethos of 'Health & Safety First' by adopting best practices to ensure the health and safety of its employees, contractors, customers and communities. The Group strives to continuously improve its health & safety management practices with the goal of achieving an injury-free workplace.

The Group is committed to ensuring all its plant and equipment are operationally safe and free of hazards. Furthermore, the Group is committed to ensuring its employees are properly trained in safe working practices and that they have a clear understanding of their responsibilities for taking positive steps to improve health and safety.

本集團計劃於之後的環境、社會及管治報告周期保持與權益人作進一步溝通。本集團亦與我們的特許權區合作夥伴定期舉行UTE營運委員會會議，以獲取彼等的最新意見。

通常，權益人可透過以下渠道獲得環境、社會及管治資訊：

- 股東週年大會及通告
- 年報、中期報告、綜合財務報表及公告
- 企業網站
- 投資者簡介會
- 通告及通函
- 雙邊合約及供應商協議
- 行為守則

權益人回饋

本集團歡迎權益人就其環境、社會及管治計劃提出意見，電郵至info@nt-energy.com。

本集團有關可持續性的使命與願景

使命

作為一家石油及天然氣勘探及生產公司，本集團的經營原則是「健康及安全第一」。我們採用最佳範例，使員工、承包商、客戶以及社區的健康及安全得到保障。本集團致力於不斷改善健康及安全管理規範，以達至工作地點零工傷為目標。

本集團的承諾是，所有廠房及設備均安全操作，所有工作地點已消除危害。此外，本集團承諾，所有僱員均獲提供有關實踐工作安全的適當訓練，並將確保彼等明確知悉他們有責任採取積極行動以改善健康及安全。

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Vision

The Group is committed to its Corporate Social Responsibility, Health and Safety, Environmental Protection, Human Resources and Labour Practices, and Community Involvement and Sustainable Value Creation policies when conducting business activities wherever it operates in.

A. ENVIRONMENTAL PROTECTION

1. Environmental Impact and Legal Compliance

As an oil and gas exploration and production company, the Group is well-aware of the impacts and potential risks that its field operations pose to the environment and the surrounding ecosystem. The Group adopts an Environmental Management System (EMS) in its management of the environmental risks arising from its operations. The Group strictly complies with all relevant environmental laws and regulations in each jurisdiction in which the Group operates in.

(i) Type of Emissions

During the year, the Group's main emission sources were from diesel fuel, electricity, water, and paper consumption. With regards to emissions, our business is strictly regulated under the national laws and regulations of Argentina.

2. Greenhouse Gas Emission

There were 428.1 tonnes (2018: 925.2 tonnes) of carbon dioxide equivalent (tCO₂-eq) greenhouse gases (mainly carbon dioxide, methane, and nitrous oxide) produced by the Group in the year. The Group's gross annual production was 123,408 barrels (bbl) (2018: 218,694 bbl) of crude oil. The calculated carbon intensity of scope 1, 2, and 3 combined was 0.0035 tCO₂-eq/bbl (2018: 0.0042 tCO₂-eq/bbl). Our HLGL operation in Argentina accounted for most of the Group's carbon emissions during the year.

願景

本集團承諾於其業務所在國家進行業務期間，定必恪守企業社會責任，並同時注重健康及安全、環境保護、人力資源及勞工常規、社區參與及創造可持續價值政策。

A. 環境保護

1. 環境影響及公司合規

作為石油及天然氣勘探及生產公司，本集團十分注重其油田營運對環境以致週遭生態系統造成的影響及潛在風險。本集團採納一套作業環境管理系統，以指引本集團於營運方面的環境風險管理。本集團於其目前各個業務所在司法權區均嚴守所有相關環境法例及法規。

(i) 排放物類型

本年度，本集團的排放物主要來自柴油、電力、水及紙張消耗，排放物方面，我們的業務嚴格受阿根廷國家法律及法例規管。

2. 溫室氣體排放

本集團於年內生產的二氧化碳當量 (tCO₂-eq) 溫室氣體為428.1噸 (二零一八年：925.2噸) (主要為二氧化碳、甲烷及一氧化氮)。本集團年產總原油123,408桶 (桶) (二零一八年：218,694桶)。範圍1、2及3合計碳強度為0.0035 tCO₂-eq/桶 (二零一八年：0.0042 tCO₂-eq/桶)。本年度，高運於阿根廷的業務佔本集團的大部分碳排放。

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Due to Scope 3 emissions from paper consumption and wastewater treatment being determined as less than 0.5% of total greenhouse gas emission from the 2016 reporting, these items have been excluded for reporting purposes since then, by virtue of their insignificance.

由於紙張消耗和廢水處理的範圍3排放被定為不到二零一六年報告中溫室氣體排放總量的0.5%，因此該等項目因其量少而自當時起已屏除在報告之外。

Scope of Greenhouse Gas Emissions 溫室氣體排放範圍		Emission Sources 排放來源	Emission 排放量 (in tonnes of CO ₂ eq) (CO ₂ eq噸數)		Total Emission 合計排放量 (in percentage) (百分比)	
			2019 二零一九年	2018 二零一八年	2019 二零一九年	2018 二零一八年
Scope 1 範圍1						
Direct Emission 直接排放	Consumption of Diesel fuel by the Group and its Contractors Fleets (65,700 litres) 本集團及其承包商的柴油消耗 (65,700公升)	154	32	20%	3%	
Scope 2 範圍2						
Indirect Emission 間接排放	Consumption of Purchased Electricity (813,000 kWh) 所購電力消耗 (813,000千瓦時)	575	844	75%	91%	
Scope 3 範圍3						
Other Indirect Emission 其他間接排放	Business air travel 商務航空旅行	41	49	5%	6%	
Total 合計		770	925	100%	100%	

Notes:

The calculation methodology of CO₂ emission of diesel fuel in Argentina is based on the International Standard.

Emissions from business air travel were calculated using online tool provided by International Civil Aviation Organization.

附註：

於阿根廷柴油的二氧化碳排放量乃根據國際標準計算。

商務航空旅行的排放量使用國際民用航空組織提供的在線工具進行計算。

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3. Emission Sources

(i) Fuel Consumption

The Group utilises vans, pickup trucks and cars for transportation. All motor vehicles operate using diesel fuel. The Group's annual consumption of diesel was 14,260 litres. When selecting vehicles, the Group considers factors such as safety, reliability, maintenance cost, fuel efficiency, in addition to the primary determining factor of cost.

Air emission including nitrogen oxides (NO_x), sulphur oxides (SO_x) and respiratory suspended particles (PM) from fuel combustion of all vehicles operated by the Group contributed the following: 11.95 kg of NO_x emission, 0.24 kg of SO_x emission and 0.88 kg of PM.

(ii) Electricity Consumption

Electricity consumption by the Group was 817,000 Kilowatt-hour (kWh) (2018: 1,640,000 kWh), with an energy intensity of 6.620 kWh/bbl (2018: 7.499 kWh/bbl). To achieve the energy use efficiency initiative, the Group encourages its staff to minimize energy consumption where practicable. For example, the Group encourages the switching off of unnecessary lighting and electronic appliances when not required or not in use. Furthermore, the Group has a procurement policy of purchasing energy efficient equipment.

3. 排放來源

(i) 燃料消耗

本集團使用貨車、皮卡車和汽車運輸。所有機動車輛都使用柴油燃料。本集團每年柴油消耗量為14,260公升。在選擇車輛時，本集團除考慮成本的主要決定因素外，還考慮安全性、可靠性、維護成本、燃油效率等因素。

由本集團經營的所有車輛燃料燃燒產生的氮氧化物(NO_x)、硫氧化物(SO_x)和呼吸懸浮顆粒物(PM)等空氣排放物如下：11.95千克氮氧化物排放量、0.24千克硫氧化物排放量和0.88千克呼吸懸浮顆粒物。

(ii) 用電

本集團的用電量為817,000千瓦時（二零一八年：1,640,000千瓦時），能源強度為6.620千瓦時／桶（二零一八年：7.499千瓦時／桶）。為達到能源使用效率計劃的目標，本集團提供培訓，鼓勵員工留意盡量減少能源消耗（如適用）。例如，本集團鼓勵於不需要或使用時關閉不必要的燈光及電器。此外，本集團訂有採購辦公室節能設備的政策，並規定於所有空調機組裝設恆溫器。

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(iii) Water Consumption

Water consumption by the Group was 11,527 cubic meters (m³) (2018: 23,191 m³).

(iv) Paper and Packaging Material Consumption

Paper consumption was insignificant to the Group's operation. No packaging material is used during the production of crude oil, as this is stored in large oil tanks until customers purchase, whereupon it is delivered by oil tanker trucks.

(v) Hazardous Waste Produced

During the process of oil production, hazardous waste may be generated from possible minor spillage, replacement of spare parts and lubrication oil, discarded gloves and other materials. A total of 3.42 tonnes of hazardous waste was generated during the reporting year (2018: 4.63 tonnes). Preventative measures adopted by the Group include the following:

- Scheduled inspection and maintenance of plant and equipment
- Transportation of contaminated water to appropriate treating facilities
- Training and education of employees
- Conduct pre-job briefing
- Spillage prevention programs and remedial action plans
- Close supervision
- Continuous improvement plans

(iii) 用水

本集團的水消耗量為11,527立方米(二零一八年:23,191立方米)。

(iv) 紙張及包裝物料消耗

紙張消耗就本集團的營運而言微不足道。於生產期間概無使用包裝物料，所生產的原油貯存於大型油罐，直至客戶購買為止，屆時將以油罐卡車交付。

(v) 生產有害廢物

於石油生產過程中，有害廢物可能從輕微漏油、更換備件及潤滑油、手套丟棄及其他帶油物料引入土壤。於本報告年度內產生有害廢物3.42噸(二零一八年:4.63噸)。本集團採取的預防措施包括：

- 定期檢查及維護廠房及設備
- 運送污染水至適當的處理設施
- 培訓及教育員工
- 職前簡報
- 防止漏油措施及補救行動計劃
- 嚴密監察
- 持續改善計劃

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The hazardous and non-hazardous wastes are separated at origin. For hazardous waste, the treatment, collection and final disposal is managed by qualified professional handlers.

(vi) Non-hazardous Waste Produced

During the year, the Argentina operation generated 13.56 tonnes of organic and inorganic waste (2018: 42.28 tonnes). Inorganic waste includes plastic and glass, whilst organic waste was mainly the by-product generated from the site catering facility. The Group provides directive procedures for segregation and classification of non-hazardous waste to aid recycling initiatives. For non-hazardous waste treatment, the organic waste is buried and composted, while the inorganic waste is incinerated.

(vii) Industrial Wastewater Produced

At Chirete, a total 2,000 m³ of wastewater was discharged from third-party contracted treatment plant, restaurant and catering services. These were collected and deposited in a controlled environment within Tartagal municipality by certified handlers.

4. Environmental Conservation Initiatives

Sustainability initiatives and green culture permeates through the whole Group. We strives to operate in an environmentally friendly manner by adopting practicable green office practices including:

- Use of recycled paper
- Printers configured to print double sided by default

有害廢物及非有害廢物於源頭分隔。在有害廢物方面，由合資格專業處置者管理其處理、收集及最終處置。

(vi) 生產的非有害廢物

本年度，阿根廷業務產生有機及無機廢物13.56噸（二零一八年：42.28噸）。無機廢物包括塑料及玻璃，有機廢物主要來自生產設施的廚房的副產品。本集團就非有害廢物的分隔及分類訂明指引程序以助進行回收計劃。在非有害廢物處理方面，有機廢物被土埋及堆肥，而無機廢物則於營地焚化。

(vii) 生產的工業廢水

在Chirete，共有2,000立方米的廢水從第三方承包的處理廠、餐廳和餐飲服務中排出。它們被收集並存於市內的受控環境中，由認證的處理人員處理。

4. 環境保護措施

可持續發展措施及綠色文化貫穿本集團整個架構。我們致力以環保的方式營運，採用可行的環保辦公室常規包括：

- 使用回收紙
- 打印機設定為雙面列印

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- Return of used printer and copier ink toner cartridge to manufacturer for recycling and reuse
- Switching-off lights, computers and office equipment when not in use
- Replacement of energy efficient alternatives
- Adjustment of air conditioning settings to reduce power consumption

For replaced furniture and computer equipment, the Group's practice is to first offer these items to employees for personal use, before it is disposed or recycled.

- 經使用打印機及影印機的碳粉盒送回製造商回收再用
- 在不使用時關掉燈、電腦及辦公室設備
- 重置具能源效益的設施
- 調節空調以減低電力消耗

對於替換的傢具及電腦設備，本集團的常規是在處置或回收前先把有關物品向員工提供作個人使用。

B. SOCIAL

1. Employment and Labour Practices

(i) Employment

The Group fully recognises its employees are a critical asset of the entity. Therefore, the policy of the Group is to hire and retain employees with professional skills that enable the Group to achieve its strategic objectives. This is based on the following recruitment principles:

- Respect and trust at all levels, in all circumstances without exception
- Transparency and honesty in professional relationship
 - a. Effective communication
 - b. Emphasis of transparency
- Willingness to cooperate and help others

B. 社會

1. 僱用及勞工常規

(i) 僱用

本集團把僱員充分確認為本身的關鍵資產。因此本集團的政策是聘用及留任具個人及專業技能的員工，使本集團實現其戰略目標。本集團的招聘原則如下：

- 所有階級及所有情況皆以尊重及信任為原則，絕無例外情況
- 專業關係中的透明度及誠信
 - a. 有效溝通
 - b. 重視透明度
- 願意合作及協助他人

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Recruitment and compensation is based on qualification, experience, skills and performance. The Group offers competitive compensation and benefits packages in line with the local market rates for comparable roles and responsibilities in the industry. The Company's hiring practice is to recruit locally, with the exception of certain key managerial, technical or professional posts, where it may not be possible or appropriate to fill locally.

Promotion and Performance Evaluation

Promotion and salary increase, outside of the Group's discretionary annual inflationary increase, is subject to a responsibilities and performance evaluation. An individual's promotion and remuneration is closely correlated to their job responsibilities and performance. The Group operates a policy of internal promotion, whenever possible.

The Group ensures that its employees are evaluated on their job performance through the application of objective measures. The human resources department coordinates and verify the performance of each employee, in relation to mutually agreed objectives established at the beginning of each appraisal year. The performance evaluation is carried out once a year by the employee's immediate supervisor.

Dismissal

The Group may at any time, terminate an employee when his or her behaviour or attitude is not satisfactory, or does not meet the performance standards established/necessary for the position. In all cases, termination procedures will strictly adhere to minimum requirements established by the Law in the Labour Code or relevant local laws.

Employee Turnover Rate

During the year, there were 8 (2018: 4) staff turnover to report. These persons left on amicable terms and for reasons of personal development or relocation.

招聘及薪酬以資歷、經驗、技能及表現為基準。本集團提供具競爭力的薪酬及福利組合，符合業內同類職位及職責的當地市場水平。本公司的聘用方式為聘用當地人，惟若干未能在當地聘用或在當地聘用並不符合策略所需的主要管理技術人員或專業人員職位則除外。

晉升及表現評估

本集團每年因應通脹酌情加薪以外的晉升及加薪乃視乎僱員的職責及表現評估而定。個別僱員的晉升及加薪過程往往與其職責及表現密切相關，並會在可行情況下實施內部晉升政策。

本集團的客觀計量確保根據僱員的工作表現進行評估。人力資源部就每年評審年初為每位員工訂立互相認用的目標與其表現評估作出比較及驗證。表現評估乃由員工的直屬上級每年進行一次。

解僱

倘員工的行為或態度欠佳、未達就其職位所需及勞工法或相關當地法例在任何情況下所訂標準，終止流程將嚴格遵守最低要求，本集團可於任何時候終止僱傭關係。

員工流失率

於年內，報有8名員工（二零一八年：4名）流失。該等員工因個人其他發展或調職以友好條款離職。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Workplace Rights and Competitive

Compensation

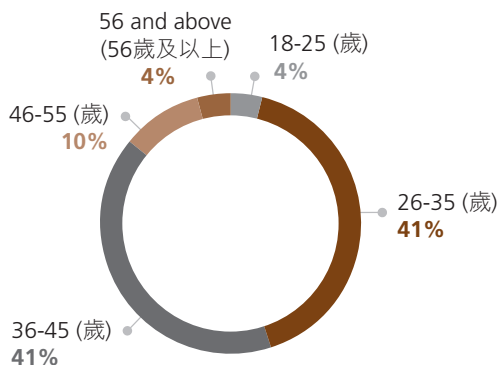
HLGL operates in accordance with the Argentine Labour Contract laws regarding salaries, working hours, overtime and benefits. In addition, the company offers medical benefits and life insurance coverage equivalent to OSDE 210 medical coverage.

Equal Opportunity

The Group is proud to be an equal opportunity employer and believes in the fair treatment of all existing and prospective employees, regardless of their age, gender, marital status, family status, disability, pregnancy, nationality, ethnicity, sexual orientation, religion and culture, or any other discrimination prohibited by applicable law.

Furthermore, the Group does not discriminate against or deprive of any opportunities in respect of recruitment, training and development, job advancement, and compensation and benefits. The Group's Codes of Ethic adopts a strict zero tolerance approach to any forms of discrimination or harassment in the workplace.

Workforce by Age Distribution in 2019
於二零一九年按年齡分佈劃分的僱員團隊



工作地點權利及競爭力

薪酬

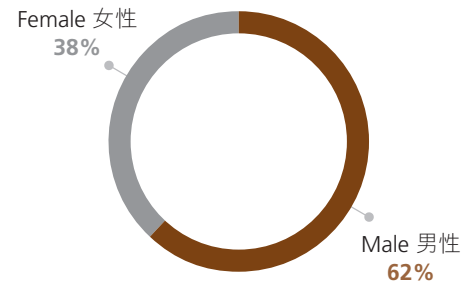
高運根據阿根廷勞工合約法律訂立薪金、工作時間、超時及福利進行營運。此外，公司提供相當於OSDE 210醫療保險合約的醫療福利及壽險保障。

平等機會

本集團很榮幸成為平等機會僱主，並奉行公平對待所有現有及準員工的政策，而不論彼等的年齡、性別、婚姻狀況、家庭狀況、殘疾、懷孕、國籍、民族、性取向、宗教及文化或適用法律禁止的任何其他歧視。

此外，本集團於招聘、培訓及發展、職位晉升以及薪酬及福利方面並無任何歧視，亦無剝奪僱員在此等範疇的任何權利。本集團的倫理守則對工作場合內任何形式的歧視或騷擾採取嚴格的零容忍態度。

Workforce by Gender in 2019
於二零一九年按性別劃分的僱員團隊



ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

As of 31 December 2019, there were 29 (2018: 38) full-time employees in HLGL, across its Salta and Chirete locations. 11 (2018: 10) female and 18 (2018: 28) male employees.

於二零一九年十二月三十一日，高運（薩爾塔及Chirete地區）有29名全職僱員（二零一八年：38名），11名女性員工（二零一八年：10名）及18名男性員工（二零一八年：28名）。

Employee's Age Distribution	僱員年齡分佈	18-25 18-25歲	26-35 26-35歲	36-45 36-45歲	46-55 46-55歲	56 and above 56歲及以上
2019	二零一九年	1	12	12	3	1
2018	二零一八年	1	13	12	8	4

Employee's Gender Distribution	僱員性別分佈	Female 女性	Male 男性
2019	二零一九年	11	18
2018	二零一八年	10	28

Workplace and Corporate Communication

The Group adopts an "open door" policy to encourage open communication, feedback, and discussion with its employees. Through this "open door" policy, the Group aims to create a culture of mutual trust, respect and understanding, to foster strong, cooperative working relationships. Routine emails and regular office-wide meetings are held to circulate information and provide updates to all employees.

工作地點及企業通訊

本集團採納「門戶開放」政策，以鼓勵與僱員進行開明溝通、反饋及討論。本集團銳意透過此「門戶開放」政策建立互信、互重及互解的文化，培育穩固和團結的工作關係。以日常電郵及辦事處全體定期會議向所有僱員發放消息及提供最新資料。

(ii) Health and Safety

Health and Safety ("H&S") is fundamental to the Group given nature of the business it is engaged in.

(ii) 健康及安全

基於本集團從事的業務性質，健康及安全乃屬必需。

Laws and Regulation Compliance

Critical to all oil and gas operations is rigorous and robust H&S. The Group endeavours to adopt best practices in health and safety management and is strictly in compliance with all relevant laws and regulations governing H&S, in the jurisdictions it operates in.

法例及法規合規情況

對所有石油及天然氣經營者而言，嚴謹及健全的安健措施均屬至關重要。本集團致力採用在健康及安全管理方面的最佳範例，並在業務所在的司法權區嚴守監管安健問題的所有相關法例及法規。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

A policy of open communication is actively encouraged whereby employees can raise and share any H&S concerns that they may encounter, with their team and management.

Health and Safety Measures

The Group is committed to providing a safe and healthy working environment for its employees, and continuously promotes a strong H&S culture and mindset. Examples of these measures include:

- Internal employees and external parties and subject to H&S orientation at the beginning of their employment or engagement
- All visitors of field operations being subject to safety briefing of the site
- Dedicated H&S specialists on site responsible for performing risk assessments, and developing safe working practices
- On a daily basis, and prior to the commencement of field operations, H&S briefings and planning meetings are conducted with participation by all employees including management team
- On a weekly basis, employees participate in H&S review meetings to discuss any important H&S events
- On a quarterly basis, all field and office staff receive free health check service
- Dedicated 24 hours' nurse arrangements on site to deal with any first aid or medical emergency

本集團積極鼓勵開明的溝通政策，僱員可向與其團隊及管理層提出及分享彼等可能遇到的任何安健問題。

安健措施

本集團積極致力為僱員提供安全健康的工作環境，並持續推廣強大的安健文化及態度。該等措施包括：

- 內部僱員於開始受聘及外部人士開始獲委託時均須接受安健入門簡介
- 油田運作的所有訪客須接受工地的安全簡介
- 派駐工地的安健專家負責進行風險評估，並制定職安改善常規
- 在開始油田運作前，僱員（包括管理層團隊）均會每天參與安健簡報及規劃會議
- 僱員更會每星期參與安健檢討大會，討論任何重要安健事項
- 所有油田及辦事處員工每季均會接受免費的健康檢查服務
- 安排護士在地盤24小時值班，以處理任何急救或醫療緊急情況

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

Road Transportation Safety Measures

- Employees are trained and encouraged in the art of defensive driving
- Company vehicles are installed with GPS monitoring systems to track journey and any inappropriate or unsafe driving behaviours
- The Group's driving policy restrict employees to only drive during daylight hours, where possible, and to consider the necessity of any journey, before embarking

Safety Incident

The Group monitors its H&S performance via a number of metrics, including injury and fatal incident rates, injury free work hours, and sick days.

Contractors are also subject to the same stringent Group H&S standards. Proof of adequate H&S training and certification are requested before the Group engages and endorses a contractor to operate on its exploration or production facilities.

道路運輸安全措施

- 僱員會接受安全駕駛培訓及鼓勵安全駕駛
- 公司車輛均會安裝全球定位監控系統，以追蹤路程及任何不適當或不安全的駕駛行為
- 本集團駕駛政策限制僱員僅於白天駕駛（視乎可能情況），及在出發前考量任何路程的必要性

安全事故

本集團透過多項指標（如工傷率及死亡率、零損傷工時及病假等）監察安健表現。

此外，承包商受同樣嚴格的公司安健標準所規管。本集團在聘用及錄用承包商操作本集團的勘探及生產設施前，會要求承包商出示足夠的安健培訓證明及證書。

Occupational Health and Safety Data		職業安健數據	2019 二零一九年	2018 二零一八年
Work related fatality	因工死亡宗數		0	0
Work injury cases >3 days	損失三天以上的工傷個案		0	1
Work injury cases <3 days	損失三天以下的工傷個案		1	1
Lost days due to work injury	因工傷損失的工作日數		2	5

(iii) Development and Training

The human resources department coordinates training activities according to the business needs identified in the staff performance evaluation, or when the position requires. All training requirements, follow the conventional training procedure set out in the Human Resources Policies.

(iii) 發展及培訓

人力資源部會根據在員工表現評估中識別的業務需要或於職位要求時安排培訓活動。所有培訓需要按照人力資源政策所載的常規培訓程序處理。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

The Group offers external training courses as well internal on-the job training and peer coaching. Example of courses attended by employees during the reporting year included language skills, business administration, leadership, conflict management, accounting, safety, project management, oil and gas engineering related subjects.

A total of 371 hours was spent on external training in the year.

本集團提供外間訓練課程、內部在職培訓及同輩輔導。於報告年度內僱員參加的課程包括語言技能、商業管理、領導才能、衝突管理、會計、安全、項目管理、石油及天然氣工程相關課題。

於年內的外部培訓時數共371小時。

Training Data	培訓數據	2019 二零一九年	2018 二零一八年
Training Hours, Staffs	僱員總數		
Training Hours, Staffs	一般員工之培訓時數	162	180
Training Hours, Middle Management	中級管理層之培訓時數	153	223
Training Hours, Senior Management	高級管理層之培訓時數	56	28
Total Training Hours	合計培訓時數	371	431
Average Training Hours Per Employee	每名僱員之平均培訓時數	12.8	11.3

(vi) Labour Standard

Governed by fair employment practices, the Group strictly complies with the requirements of local Labour Laws and regulations, and strictly prohibits the use of any child and forced labour, or any forms of illegal labour in the Group operations.

(vi) 勞工標準

本集團受平等僱用常規規管，經營業務時均嚴守當地勞工法例及法規的規定，並嚴禁僱用任何兒童及非自願勞工或任何形式的非法勞工。

2. Operating Practices

(i) Supply Chain Management

The Group has a standardized procurement procedure in the selections of its suppliers and vendors, which includes technical and commercial evaluation.

During the year, the geographical location of HLGL's suppliers covered 13 regions within Argentina. 27 suppliers originated from Salta (2018: 42), with 8 suppliers from Formosa (2018: 12). The Group believes by sourcing locally, it can minimise its carbon emission in relation to logistic. The Group's second largest supplier location was Buenos Aires.

2. 營運常規

(i) 供應鏈管理

本集團透過供應商甄選程序（包括技術及商業評估層面），訂立劃一的採購管理程序。

本年度，高運供應商的地理位置涵蓋阿根廷13個地區，於薩爾塔省及福摩薩省的供應商數目分別為27個（二零一八年：42個）及8個（二零一八年：12個）。本集團認為，在當地採購可最小化物流產生的碳排放。本集團第二大供應商位於布宜諾斯艾利斯市。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

(ii) **Product Responsibility**

Consumer Data Protection

The Group is engaged in the business of crude oil production and sales, as governed by the terms and conditions of the agreements with its customers.

Quality Assurance and Complaints

The quality and quantity of crude oil sold is subject to the IRAM or ASTM international standards. The Group received no product or service complaints in the year.

(iii) **Anti-corruption**

The Group is committed to managing its business without undue influence, and in an open, honest and fair manner. All employees are required to strictly follow the Group's Code of Ethics to prevent potential bribery, extortion, fraud and money laundering. Employees are regularly reminded about the Group's anti-corruption policies and their need for strict adherence.

Whistle-blowing procedures on misconduct and malpractice (including corruption) are also established in the Group's Anti-corruption policy. When a suspected case is received, the Group undergoes investigation procedures with strict confidentiality. The Group has established a whistle-blowing escalation system, whereby the procedure is to report any suspicious activities and incidences to the whistle-blower's immediate supervisor. If the matter involves the immediate supervisor, then the whistleblower is advised to report direct to senior management. Alternatively, the matter may be confidentially reported via the Group's whistle-blowing and ethics hotline.

C. COMMUNITY

Potentially disruptive social impacts from the Group's drilling projects and production facilities on nearby local communities are mitigated by maintaining open channels of communications, with affected landowners and local communities, to develop and maintain a harmonious co-existence.

(ii) **產品責任**

客戶數據的保護

本集團從事原油生產及銷售業務，有關業務受與客戶協議之條款及條件規管。

品質保證及投訴

出售原油的品質及數量的測量須符合IRAM或ASTM國際標準。本集團於年內概無接獲有關產品或服務的投訴。

(iii) **反腐**

本集團承諾會不以不當的影響力管理所有業務，並視公平、誠信及公平為核心價值。所有僱員均須嚴格遵守本集團的道德準則，以防可能出現的賄賂、勒索、欺詐及洗黑錢行為。本集團並會定期提醒員工有關本集團的反腐政策以及彼等須嚴格遵守的必要性。

本集團的反腐政策訂有舉報不當行為及瀆職（包括貪腐）的程序。當接獲懷疑個案時，本集團會展開調查程序，並對投訴人身份嚴加保密。本集團訂有舉報越級系統，讓舉報人可以保密方式向直屬上級報告任何可疑活動及事故。倘事件涉及該名舉報人的直屬上級，本集團建議舉報者直接向高級管理層舉報，又或透過本集團的舉報及道德操守熱線秘密作出舉報。

C. 社區

為減少本集團鑽井項目及生產設施對附近地方社區帶來潛在的破壞性社會影響，本集團維持公開的溝通渠道，並盡可能回饋受影響地主及當地社區，以發展及維持和諧共融社區。

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

環境、社會及管治報告

1. Community Liaison

The Group has a dedicated community liaison officer who works closely with any affected indigenous people. The Group maintains regular dialogue to ensure operational transparency and to understand and resolve any affected communities' concerns.

2. Community Advancement

The Group positively contributed to the standard of living for the local indigenous communities during the year by a number of initiatives and programs. This included upskilling people by providing training on electrical maintenance, and donation of materials and basic essential tools, in order to promote and improve their self-sustainability.

The Group also contributed to a number of community improvement projects, including the construction of catering facilities at the main school, construction of fences for farmers, and improvements at local municipality offices and chapel.

1. 社區聯絡

本集團聘有專責的社區聯絡主任，負責與任何受影響土著人民緊密聯繫。本集團維持定期對話，以確保經營透明度，以及了解及解決受影響社區的任何疑慮。

2. 社區改善

本集團於年內通過一系列舉措及計劃為當地土著社區的生活水平作出積極貢獻。其中包括通過提供電器維護培訓以及捐贈材料及基本所需工具以提升人民的技能，從而促進及提高彼等的自我可持續性。

本集團亦為數項社區改善項目作出貢獻，包括於主要學校建設餐飲設施、為農民建設籬笆，以及為當地市政辦公室及小教堂進行維修。

FUTURE DIRECTIONS TOWARD SUSTAINABILITY DEVELOPMENT

Going forward, the Group plans to extend its community engagement activities and find more ways of "giving back", by exploring how the Group can also contribute in non-financial ways, such as volunteering, school talks, and donating of used computer and office equipment. For environmental initiatives, the Group is continuing to enhance its recycle program to handle domestic waste.

CONCLUSION

The Group has conducted the ESG reporting in accordance with the HKEx Environmental, Social, Governmental Reporting Guide (Appendix 27 of the Listing Rules), all the ESG information available for the reporting year are included in this report. The Group is committed to continuing the ESG reporting on a regular basis and to improve on policies and procedures for the management, measurement and monitoring of ESG related activities.

可持續發展的未來方向

展望將來，本集團計劃會擴展其社會服務範圍，並尋求更多「回饋」方法。我們會探索如何可以非財務方式貢獻社區，如義工服務、學校講座及捐出舊電腦及辦公室設備。在環保措施方面，本集團正繼續加強其回收計劃以處理家庭廢物。

結論

本集團根據香港交易所《環境、社會及管治報告指引》（上市規則附錄27）進行環境、社會及管治報告工作，報告年度內的所有環境、社會及管治資料均載於本報告內。本集團致力定期持續進行環境、社會及管治報告，並改進有關環境、社會及管治活動的管理、計量及監察政策及程序。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告



Independent auditor's report
to the shareholders of New Times Energy Corporation Limited
(incorporated in Bermuda with limited liability)

OPINION

We have audited the consolidated financial statements of New Times Energy Corporation Limited ("**the Company**") and its subsidiaries ("**the Group**") set out on pages 95 to 206, which comprise the consolidated statement of financial position as at 31 December 2019, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes to the consolidated financial statements, including a summary of significant accounting policies.

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.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("**HKSAs**") 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. We are independent of the Group in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("**the Code**") together with any ethical requirements that are relevant to our audit of the consolidated financial statements in Bermuda, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

獨立核數師報告
致新時代能源有限公司各股東
(於百慕達註冊成立之有限公司)

意見

我們已審核載於第95頁至第206頁的新時代能源有限公司(「**貴公司**」)及其附屬公司(「**貴集團**」)的綜合財務報表，此財務報表包括於二零一九年十二月三十一日的綜合財務狀況表，及截至該日止年度的綜合損益表、綜合損益及其他全面收益表、綜合權益變動表和綜合現金流量表，以及綜合財務報表附註，包括主要會計政策概要。

我們認為，該等綜合財務報表已根據香港會計師公會(「**香港會計師公會**」)頒佈的《香港財務報告準則》(「**香港財務報告準則**」)真實而中肯地反映了 貴集團於二零一九年十二月三十一日的綜合財務狀況及其截至該日止年度的綜合財務表現及綜合現金流量，並已遵照香港《公司條例》的披露要求妥為擬備。

意見的基礎

我們已根據香港會計師公會頒佈的《**香港審核準則**》進行審核。我們在該等準則下承擔的責任已在本報告核數師就審核綜合財務報表承擔的責任部分中作進一步闡述。根據香港會計師公會頒佈的「**專業會計師道德守則**」(「**守則**」)以及對審核百慕達綜合財務報表相關的道德要求，我們獨立於 貴集團，並已履行守則及道德要求中的其他專業道德責任。我們相信，我們所獲得的審核憑證能充足及適當地為我們的審核意見提供基礎。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, 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.

ASSESSMENT OF IMPAIRMENT OF EXPLORATION AND EVALUATION ("E&E") ASSETS

Refer to note 12 to the consolidated financial statements and the accounting policies on page 128.

The Key Audit Matter 關鍵審核事項

As disclosed in note 12 to the consolidated financial statements, the Group held E&E assets in the Tartagal concession and Morillo concession (collectively the "T&M Concessions") and Chirete concession ("Chirete Concession") in the Province of Salta in Argentina.

誠如綜合財務報表附註12所披露，貴集團在阿根廷薩爾塔省的Tartagal特許權區及Morillo特許權區（統稱「T&M特許權區」及Chirete特許權區（「Chirete特許權區」）持有勘探及評估資產。

關鍵審核事項

關鍵審核事項是根據我們的專業判斷，認為對本期綜合財務報表的審核最為重要的事項。這些事項在我們審核整體綜合財務報表及出具意見時進行處理。我們不會對這些事項提供單獨的意見。

勘探及評估（「勘探及評估」）資產減值的評估

請參閱綜合財務報表附註12及第128頁的會計政策。

How the matter was addressed in our audit 我們的審核如何處理該事項

Our audit procedures to assess impairment of E&E assets included the following:

我們評估勘探及評估資產減值的程序包括以下各項：

- assessing the design and implementation of key internal controls over the preparation and review of the impairment assessment;
- 對編製和審查減值評估之關鍵內部控制的設計及實施進行評估；
- inquiring with management any material developments and the latest status in respect of the T&M Concessions and Chirete Concession;
- 向管理層查詢有關T&M特許權區及Chirete特許權區的重大進展及最新情況；
- obtaining the Resolutions or correspondence from relevant authorities documenting the status of the applications and appeal related to the T&M Concessions;
- 自有關機構獲得載有有關T&M特許權區申請及上訴情況的該等決議案或函件；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

The Key Audit Matter

關鍵審核事項

The carrying amounts of E&E assets are reviewed annually and adjusted for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable.

每年均對勘探及評估資產的賬面值進行審查，並且在事件或情況變化表明不可收回賬面值時進行減值調整。

The Group's exploration permits for the T&M Concessions have expired since 13 September 2019. On 17 September 2019, the Secretary of Energy of Province of Salta in Argentina ("Salta SOE") issued resolutions rejecting the Group's application for one-year extension of its current exploration permits and the entering into the second exploratory period in the T&M Concessions which were submitted in May 2019 and September 2019 respectively ("Resolutions"). In late September 2019, the Group submitted its appeal to the Minister of Production in the Province of Salta in order to seek the revocation of the Resolutions.

貴集團T&M特許權區的勘探許可已於二零一九年九月十三日到期。於二零一九年九月十七日，阿根廷薩爾塔省能源部長（「薩爾塔省能源部長」）發出決議案，否決貴集團於T&M特許權區的目前勘探許可續期一年及進入第二個勘探期的申請，該等申請分別於二零一九年五月及二零一九年九月提交（「決議案」）。於二零一九年九月底，貴集團向薩爾塔省生產部提起上訴，旨在尋求撤銷決議案。

Based on the latest communication with the relevant authorities in the Province of Salta and the legal opinion obtained from an independent Argentinian legal counsel, the Group believes there is significant uncertainty in relation to the timing and possibility of a positive appeal result in favour of the Group. As a result, the Group recognised a full impairment in respect of the E&E assets related to the T&M Concessions amounting to HK\$2,243,254,000 for the year ended 31 December 2019.

基於與薩爾塔省相關部門的最新溝通及從阿根廷獨立法律顧問獲得的法律意見，貴集團認為，有利於貴集團的正面上訴結果的時間及可能性存在重大不確定性。因此，於截至二零一九年十二月三十一日止年度，貴集團就有關T&M特許權區的勘探及評估資產確認悉數減值2,243,254,000港元。

How the matter was addressed in our audit

我們的審核如何處理該事項

- evaluating management assessment on the likely outcome of the appeal related to the T&M Concessions and the feasibility of obtaining the exploitation permit for the Chirete Concession by obtaining the legal opinion from an independent Argentinian legal counsel engaged by the Group and assessing the legal counsel's competence, capabilities and objectivity;
- 透過取得貴集團委聘的阿根廷獨立法律顧問的法律意見評估有關T&M特許權區上訴的可能結果及獲得Chirete特許權區開採許可的可行性並評估法律顧問的勝任能力、專業素質及客觀性；
- assessing the competence, capabilities and objectivity of the independent qualified technical consultants and evaluating the methodology adopted by them in estimating the reserves/prospective resources against the recognised industry standards;
- 評估獨立合資格技術顧問的勝任能力、專業素質及客觀性並評估彼等於估計儲備／遠景資源量採納的方法是公認行業標準；
- challenging the key assumptions adopted by management for the preparation of discounted cash flow forecast in relation to the Chirete Concession by comparing the independent reserves/prospective resources reports and the forecasts prepared by external analysts;
- 透過與外部分析師編製的獨立儲備量／遠景資源量報告及預測比較，審閱編製有關Chirete特許權區折現現金流量預測時管理層採納的關鍵假設；

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

The Key Audit Matter

關鍵審核事項

The current exploration permit for Chirete Concession has expired since 18 November 2019. The Group and its partner in the Chirete Concession have submitted the request for an exploitation permit to the Salta SOE. At the date of issuance of this report, the application is still in progress.

當前於Chirete特許權區的勘探許可已於二零一九年十一月十八日到期。貴集團及其於Chirete特許權區合作夥伴向薩爾塔省能源部長提交開採許可的請求。於本報告刊發日期，該申請仍在進行中。

The recoverable amount of the E&E assets related to the Chirete Concession was determined using value-in-use calculation by preparing discounted cash flow forecast with reference to the technical reports issued by independent qualified technical consultants. As at 31 December 2019, on the basis that the exploitation permit for the Chirete Concession could be obtained, no impairment loss was recognised for the E&E assets related to the Chirete Concession.

有關Chirete特許權區的勘探及評估資產的可收回金額乃透過編製貼現現金流量預測使用使用價值計算及參考獨立合資格技術顧問出具的技術報告釐定。於二零一九年十二月三十一日，基於可取得Chirete特許權區的開採許可證，並無就與Chirete特許權區有關的勘探及評估資產確認減值虧損。

We identified assessment of impairment of E&E assets as a key audit matter because of the significant level of management judgement involved and because of its significance in the context of the consolidated financial statements as a whole.

我們識別勘探及評估資產的減值評估為關鍵審核事項，乃因其涉及重大管理層判斷及對綜合財務報表內容整體而言屬重大。

How the matter was addressed in our audit

我們的審核如何處理該事項

- engaging our internal valuation specialists to assist us in assessing whether the discount rate applied in the discounted cash flow forecast in relation to the Chirete Concession was within the range that was independently developed using publicly available market data for comparable companies in the same industry;
- 委聘內部估值專家協助我們評估有關Chirete特許權區折現現金流量預測應用的折現率是否屬於採用同行業可比較公司公開市場數據獨立開發的範圍內；
- performing sensitivity analyses by making adjustments to the future oil prices and discount rate in discounted cash flow forecast in relation to the Chirete Concession to assess the risk of possible management bias in the impairment assessment exercise;
- 通過對未來石油價格及有關Chirete特許權區折現現金流量預測的折現率作出調整進行敏感度分析，以評估進行減值評估可能存在的管理偏差風險；
- considering the disclosures in the consolidated financial statements in respect of the impairment assessment with reference to the requirements of the prevailing accounting standards.
- 參考現行會計準則的要求，考慮綜合財務報表中有關減值評估的披露。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

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

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

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.

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.

綜合財務報表及其核數師報告以外的資料

董事需對其他資料負責。其他資料包括刊載於年報內的全部資料，但不包括綜合財務報表及我們的核數師報告。

我們對綜合財務報表的意見並不涵蓋其他資料，我們亦不對該等其他資料發表任何形式的鑒證結論。

就我們對綜合財務報表的審核而言，我們的責任是閱讀其他資料，在此過程中，考慮其他資料是否與綜合財務報表或我們在審核過程中所了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。

倘若我們基於已執行的工作認為其他資料存在重大錯誤陳述，我們需要報告該事實。在這方面，我們沒有任何報告。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors 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.

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.

The directors are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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. This report is made solely to you, as a body, in accordance with Section 90 of the Bermuda Companies Act 1981, 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.

董事就綜合財務報表須承擔的責任

董事須負責根據香港會計師公會頒佈的《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綜合財務報表，並對其認為為使綜合財務報表的擬備不存在由於欺詐或錯誤而導致的重大錯誤陳述所需的內部控制負責。

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

審核委員會協助董事履行監督貴集團的財務匯報過程的責任。

核數師就審核綜合財務報表承擔的責任

我們的目標，是對綜合財務報表整體是否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，並出具包括我們所發表意見的核數師報告。我們是按照《百慕達一九八一年公司法》第90條的規定，僅向閣下（作為一個整體）報告。除此以外，我們的報告不可用作其他用途。我們概不就本報告的內容，對任何其他人士負責或承擔法律責任。

合理保證是高水平的保證，但不能保證按照《香港審核準則》進行的審核，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，如果合理預期其單獨或匯總起來可能影響綜合財務報表使用者依賴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。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

As part of an audit in accordance with HKSAs, we exercise professional judgement 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.
- 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.

在根據《香港審核準則》進行審核的過程中，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綜合財務報表存在重大錯誤陳述的風險，設計及執行審核程序以應對這些風險，以及獲取充足和適當的審核憑證，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。
- 了解與審核相關的內部控制，以設計適當的審核程序，但目的並非對貴集團內部控制的有效性發表意見。
- 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。根據所獲取的審核憑證，確定是否存在與可能導致對貴集團的持續經營能力產生重大疑慮的事項或情況有關的重大不確定性。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綜合財務報表中的相關披露。假若有關的披露不足，則我們應當修改我們的意見。我們的結論是基於核數師報告日期止所取得的審核憑證。然而，未來事項或情況可能導致貴集團不能持續經營。
- 評價財務報表的整體列報方式、結構和內容，包括披露，以及綜合財務報表是否中肯反映相關交易和事項。
- 就貴集團內實體或業務活動的財務資料獲取充足、適當的審核憑證，以便對綜合財務報表發表意見。我們負責集團審核的指導、監督和執行。我們為審核意見承擔全部責任。

INDEPENDENT AUDITOR'S REPORT

獨立核數師報告

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.

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

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.

The engagement partner on the audit resulting in this independent auditor's report is Ng Kwok Keung Raymond.

我們與審核委員會溝通了計劃的審核範圍、時間安排、重大審核發現等，包括我們在審核中識別出內部控制的任何重大缺陷。

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。

從與審核委員會溝通的事項中，我們確定哪些事項對本期綜合財務報表的審核最為重要，因而構成關鍵審核事項。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傳達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傳達該事項。

出具本獨立核數師報告的審核項目合夥人是吳國強。

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong
26 March 2020

畢馬威會計師事務所

執業會計師

香港中環
遮打道10號
太子大廈8樓
二零二零年三月二十六日

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

綜合損益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度
(Expressed in Hong Kong dollars) (以港元列示)

		Note	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 (note) (附註) HK\$'000 千港元
Revenue	收益	4	236,646	297,989
Cost of sales	銷售成本		(224,724)	(286,863)
Gross profit	毛利		11,922	11,126
Other income	其他收入	5	3,026	(10,747)
General and administrative expenses	一般及行政開支		(52,248)	(53,224)
Assets impairment losses	資產減值虧損	6(c)	(2,250,076)	(72,771)
Net investment loss	投資虧損淨額	6(d)	(4,211)	(100,321)
Exploration expenses	勘探開支		(202)	(371)
Loss from operations	經營虧損		(2,291,789)	(226,308)
Finance costs	融資成本	6(a)	(13,812)	(15,687)
Share of losses of joint ventures	應佔合營企業虧損		(4,784)	(4,452)
Loss before taxation	除稅前虧損	6	(2,310,385)	(246,447)
Income tax	所得稅	7	20,248	(10,777)
Loss for the year	年內虧損		(2,290,137)	(257,224)
Attributable to:	應佔：			
Owners of the Company	本公司擁有人		(2,290,086)	(257,218)
Non-controlling interests	非控股權益		(51)	(6)
Loss for the year	年內虧損		(2,290,137)	(257,224)
Loss per share	每股虧損	11		
Basic (HK cent)	基本 (港仙)		(26.15)	(2.91)
Diluted (HK cent)	攤薄 (港仙)		(26.15)	(2.91)

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註：本集團已於二零一九年一月一日採用經修改追溯法首次應用香港財務報告準則第16號。根據此方法，對比資料不會重列。見附註2(c)。

The notes on pages 102 to 206 form part of these financial statements. Details of dividends payable to owners of the Company are set out in note 28(b).

載於第102頁至第206頁之附註為本財務報表之一部分。有關應付本公司擁有人股息詳情載於附註28(b)。

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

綜合損益及其他全面收益表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元列示)

		2019 二零一九年	2018 二零一八年 (note) (附註)
	Note 附註	HK\$'000 千港元	HK\$'000 千港元
Loss for the year	年內虧損	(2,290,137)	(257,224)
Other comprehensive income for the year (after tax and reclassification adjustments):	年內其他全面收益 (除稅後及經重新分類調整):		
Item that will not be reclassified to profit or loss:	10 將不會重新分類至損益之項目:		
Other investment in equity securities at fair value through other comprehensive income ("FVOCI") – net movement in fair value reserves (non-recycling)	以公允價值計入其他全面收益(「以公允價值計入其他全面收益」)之其他權益證券的投資—公允價值儲備(不可回收)變動淨值	(2,626)	(17,923)
Item that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益之項目:		
Exchange differences on translation of financial statements of overseas and the People's Republic of China ("PRC") subsidiaries	換算海外及中華人民共和國(「中國」)附屬公司財務報表產生之匯兌差異	45	409,850
Other comprehensive income for the year	年內其他全面收益	(2,581)	391,927
Total comprehensive income for the year	年內全面收益總額	(2,292,718)	134,703
Attributable to:	應佔:		
Owners of the Company	本公司擁有人	(2,292,667)	134,709
Non-controlling interests	非控股權益	(51)	(6)
Total comprehensive income for the year	年內全面收益總額	(2,292,718)	134,703

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註: 本集團已於二零一九年一月一日採用經修改追溯法首次應用香港財務報告準則第16號。根據此方法, 對比資料不會重列。見附註2(c)。

The notes on pages 102 to 206 form part of these financial statements.

載於第102頁至第206頁之附註為本財務報表之一部分。

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

(Expressed in Hong Kong dollars) (以港元列示)

			2019 二零一九年	2018 二零一八年 (note) (附註)
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current assets	非流動資產			
Exploration and evaluation assets	勘探及評估資產	12	103,835	2,337,497
Property, plant and equipment	物業、廠房及設備	13	28,539	32,811
Interest in joint ventures	於合營企業之權益	15	7,849	12,827
Other investment in equity securities	其他於權益證券的投資	17	16,068	18,694
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	19	10,911	15,462
Total non-current assets	非流動資產總額		167,202	2,417,291
Current assets	流動資產			
Inventories	存貨	18	14,304	21,032
Trade and other receivables	應收貿易賬款及其他應收款項	19	21,985	32,756
Current tax recoverable	可收回即期稅項	26(a)	41	66
Other financial assets	其他金融資產	20	120,100	80,468
Cash and cash equivalents	現金及現金等價物	21	771,662	928,476
Total current assets	流動資產總額		928,092	1,062,798
Current liabilities	流動負債			
Trade and other payables	應付貿易賬款及其他應付款項	22	64,246	93,057
Other borrowings	其他借貸	23	10,544	56,792
Lease liabilities	租賃負債	24	834	–
Provisions	撥備	27	9,968	5,131
Total current liabilities	流動負債總額		85,592	154,980
Net current assets	流動資產淨值		842,500	907,818
Total assets less current liabilities	總資產減流動負債		1,009,702	3,325,109

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

綜合財務狀況表

At 31 December 2019 於二零一九年十二月三十一日

(Expressed in Hong Kong dollars) (以港元列示)

			2019 二零一九年	2018 二零一八年 (note) (附註)
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Non-current liabilities	非流動負債			
Other borrowings	其他借貸	23	141,000	154,000
Deferred tax liabilities	遞延稅項負債	26(b)	11,711	31,436
Provisions	撥備	27	10,536	9,697
Total non-current liabilities	非流動負債總額		163,247	195,133
NET ASSETS	資產淨值		846,455	3,129,976
CAPITAL AND RESERVES	股本及儲備			
Share capital	股本	28(c)	87,589	87,589
Reserves	儲備		758,710	3,042,180
Total equity attributable to owners of the Company	本公司擁有人應佔權益總額		846,299	3,129,769
Non-controlling interests	非控股權益		156	207
TOTAL EQUITY	權益總額		846,455	3,129,976

Approved and authorised for issue by the board of directors on 26 March 2020.

董事會已於二零二零年三月二十六日批准及授權刊發。

CHENG, Kam Chiu Stewart

鄭錦超

Director

董事

TANG, John Wing Yan

鄧永恩

Director

董事

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註：本集團已於二零一九年一月一日採用經修改追溯法首次應用香港財務報告準則第16號。根據此方法，對比資料不會重列。見附註2(c)。

The notes on pages 102 to 206 form part of these financial statements.

載於第102頁至第206頁之附註為本財務報表之一部分。

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

綜合權益變動表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元列示)

		Attributable to owners of the Company 本公司擁有人應佔									
		Share capital	Share premium	Capital reserve	Exchange reserve	Fair value reserve (non-recycling) (公允價值儲備 (不可回收))	Contributed surplus (實繳盈餘)	Accumulated losses (note) (累計虧損 (附註))	Total	Non-controlling interests	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	匯兌儲備 HK\$'000 千港元	公允價值儲備 (不可回收) HK\$'000 千港元	實繳盈餘 HK\$'000 千港元	累計虧損 (附註) HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總額 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日結餘	88,655	4,881,035	9,591	(415,693)	(86,587)	740,880	(1,709,656)	3,508,225	(48,685)	3,459,540
Changes in equity for 2018:	二零一八年權益的變動:										
Loss for the year	年內虧損	-	-	-	-	-	-	(257,218)	(257,218)	(6)	(257,224)
Other comprehensive income	其他全面收益	-	-	-	409,850	(17,923)	-	-	391,927	-	391,927
Total comprehensive income	全面收益總額	-	-	-	409,850	(17,923)	-	(257,218)	134,709	(6)	134,703
Impact of hyperinflation (note 2(d))	惡性通脹之影響 (附註2(d))	-	-	-	-	-	-	(499,245)	(499,245)	48,898	(450,347)
Purchase of own shares (note 28(c)(iii))	購回自身之股份 (附註28(c)(iii))	(1,066)	(12,854)	-	-	-	-	-	(13,920)	-	(13,920)
Balance at 31 December 2018	於二零一八年十二月三十一日結餘	87,589	4,868,181	9,591	(5,843)	(104,510)	740,880	(2,466,119)	3,129,769	207	3,129,976
Impact on initial application of HKFRS 16 (note 2(c))	首次應用香港財務報告準則第16號的影響(附註2(c))	-	-	-	-	-	-	(82)	(82)	-	(82)
Adjusted balance at 1 January 2019	於二零一九年一月一日的經調整結餘	87,589	4,868,181	9,591	(5,843)	(104,510)	740,880	(2,466,201)	3,129,687	207	3,129,894
Changes in equity for 2019:	二零一九年權益的變動:										
Loss for the year	年內虧損	-	-	-	-	-	-	(2,290,086)	(2,290,086)	(51)	(2,290,137)
Other comprehensive income	其他全面收益	-	-	-	45	(2,626)	-	-	(2,581)	-	(2,581)
Total comprehensive income	全面收益總額	-	-	-	45	(2,626)	-	(2,290,086)	(2,292,667)	(51)	(2,292,718)
Impact of hyperinflation (note 2(d))	惡性通脹的影響 (附註2(d))	-	-	-	-	-	-	9,279	9,279	-	9,279
Balance at 31 December 2019	於二零一九年十二月三十一日結餘	87,589	4,868,181	9,591	(5,798)	(107,136)	740,880	(4,747,008)	846,299	156	846,455

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註: 本集團已於二零一九年一月一日採用經修改追溯法首次應用香港財務報告第16號。根據此方法, 對比資料不會重列。見附註2(c)。

The notes on pages 102 to 206 form part of these financial statements.

載於第102頁至第206頁之附註為本財務報表之一部分。

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元列示)

			2019 二零一九年	2018 二零一八年 (note) (附註)
		Note 附註	HK\$'000 千港元	HK\$'000 千港元
Operating activities	經營業務			
Loss before taxation	除稅前虧損		(2,310,385)	(246,447)
Adjustments for:	就以下各項作出之調整：			
Depreciation	折舊	6(e)	6,780	4,585
Amortisation of intangible assets	無形資產攤銷	6(e)	–	1,156
Assets impairment losses	資產減值虧損	6(c)	2,250,076	72,771
Exploration expenses	勘探開支	12	202	371
Interest income	利息收入	5	(14,935)	(16,608)
Interest expense	利息開支	6(a)	13,812	15,687
Net foreign exchange loss	外匯虧損淨值	5	34,865	46,399
Net loss on disposal of non-current assets of Palmar Largo concession	處置 Palmar Largo 特許權區之非流動資產的虧損淨額		–	7,186
Share of loss of joint ventures	應佔合營企業虧損		4,784	4,452
Operating cash flows before changes in working capital	營運資金變動前經營現金流量		(14,801)	(110,448)
Changes in working capital:	營運資金變動：			
(Increase)/decrease in inventories	存貨(增加)/減少		(2,502)	3,078
Decrease in other financial assets	其他金融資產減少		4,211	217,156
Increase in trade and other receivables	應收貿易賬款及其他應收款項增加		(1,931)	(16,175)
(Decrease)/increase in trade and other payables	應付貿易賬款及其他應付款項(減少)/增加		(19,012)	24,343
Cash (used in)/generated from operations	經營業務(所用)/所得現金		(34,035)	117,954
Interest paid	已付利息		(15,569)	(15,675)
Interest received	已收利息		14,935	12,689
Income tax (paid)/refund	(已付)/退回所得稅		(9)	52
Net cash (used in)/generated from operating activities	經營業務(所用)/所得現金淨額		(34,678)	115,020

CONSOLIDATED STATEMENT OF CASH FLOWS

綜合現金流量表

For the year ended 31 December 2019 截至二零一九年十二月三十一日止年度

(Expressed in Hong Kong dollars) (以港元列示)

			2019 二零一九年	2018 二零一八年 (note) (附註)
	Note 附註	HK\$'000 千港元	HK\$'000 千港元	
Investing activities	投資活動			
Payment for purchase of exploration and evaluation assets	購買勘探及評估資產支付之款項		(8,381)	(38,405)
Payment for purchase of property, plant and equipment	購買物業、廠房及設備支付之款項		(526)	(2,441)
Proceeds from redemption of other financial assets	贖回其他金融資產之所得款項		34,427	41,986
Payment for purchase of other financial assets	購買其他金融資產之款項		(78,915)	(10,000)
Net cash used in investing activities	投資活動所用現金淨額		(53,395)	(8,860)
Financing activities	融資活動			
Capital element of lease rentals paid	已付租金之資本部分	21(b)	(2,075)	–
Interest element of lease rentals paid	已付租金之利息部分	21(b)	(91)	–
Repayment of other borrowings	償還其他借貸款項	21(b)	(57,400)	(3,000)
Payment for purchase of own shares	購買自身股份支付之款項		–	(13,920)
Net cash used in financing activities	融資活動所用現金淨額		(59,566)	(16,920)
Net (decrease)/increase in cash and cash equivalents	現金及現金等價物 (減少)/增加淨額		(147,639)	89,240
Cash and cash equivalents at 1 January	於一月一日之現金及現金等價物		928,476	843,948
Effect of foreign exchange rate changes	匯率變動的影響		(9,175)	(4,712)
Cash and cash equivalents at 31 December	於十二月三十一日之現金及現金等價物	21(a)	771,662	928,476

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. See note 2(c).

附註：本集團已於二零一九年一月一日採用經修改追溯法首次應用香港財務報告第16號。根據此方法，對比資料不會重列。見附註2(c)。

The notes on pages 102 to 206 form part of these financial statements.

載於第102頁至第206頁之附註為本財務報表之一部分。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

1 BACKGROUND INFORMATION

New Times Energy Corporation Limited (“the Company”) is a limited liability company incorporated in Bermuda and its registered office and principal place of business are Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and Room 1402, 14/F., New World Tower I, 16-18 Queen’s Road Central, Hong Kong respectively. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The Company is an investment holding company. Details of the principal activities of the Company’s subsidiaries are set out in note 14.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Statement of compliance

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (“Listing Rules”). Significant accounting policies adopted by the Company and its subsidiaries (together referred as the “Group”) are disclosed below.

The HKICPA has issued certain new and revised HKFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 2(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these financial statements.

1 背景資料

新時代能源有限公司(「本公司」)為於百慕達註冊成立之有限公司，其註冊辦事處及主要營業地點位於Clarendon House, 2 Church Street, Hamilton HM11, Bermuda及香港皇后大道中16至18號新世界大廈一期14樓1402室。本公司於香港聯合交易所有限公司(「聯交所」)主板上市。本公司為投資控股公司。本公司附屬公司的主要業務詳情載於附註14。

2 重大會計政策

(a) 合規聲明

本財務報表已根據所有適用香港財務報告準則(統稱為香港財務報告準則，包括香港會計師公會(「香港會計師公會」)頒佈之所有適用個別香港財務報告準則、香港會計準則(「香港會計準則」)及詮釋)、香港普遍採納之會計原則及香港公司條例之披露規定編製。本財務報表亦遵守香港聯合交易所有限公司證券上市規則(「上市規則」)之適用披露條文。本公司及其附屬公司(統稱「本集團」)所採納之重大會計政策披露於下文。

香港會計師公會已頒佈若干於本集團當前會計期間首次生效或可供提早採納之新訂及經修訂香港財務報告準則。附註2(c)載列初次應用該等與本集團當前及以往會計期間有關之財務準則及已於本財務報表內反映之任何有關會計政策變動之資料。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2019 comprise the Company and its subsidiaries and the Group's interest in joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that the following assets and liabilities are stated at their fair value as explained in the accounting policies set out below:

- other investment in equity securities (see note 2(g)); and
- derivative financial instruments (see note 2(h)).

The preparation of financial statements in conformity with HKFRSs requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRSs that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 3.

2 重大會計政策 (續)

(b) 財務報表編製基準

截至二零一九年十二月三十一日止年度之綜合財務報表包括本公司及其附屬公司及本集團於合營企業之權益。

編製財務報表所用之計量基準為歷史成本基準，惟以下資產及負債以其公允價值計值，並以下文所載會計政策解釋：

- 其他於權益證券的投資（見附註2(g)）；及
- 衍生金融工具（見附註2(h)）。

於編製符合香港財務報告準則之財務報表時，管理層須作出對政策應用以及資產、負債、收入及開支之報告金額構成影響之判斷、估計及假設。此等估計及相關假設乃根據過往經驗及於有關情況下視為合理之多項其他因素作出，其結果構成判斷明顯無法從其他途徑得到有關資產及負債賬面值之依據。實際結果可能有別於該等估計。

估計及有關假設按持續基準審閱。倘會計估計之修訂僅影響修訂估計之期間，則該等修訂於該期間內確認；或倘修訂對目前及未來期間均有影響，則於作出修訂之期間和未來期間確認。

有關管理層就應用對財務報表構成重大影響之香港財務報告準則所作判斷，以及估計不確定因素之主要來源，於附註3討論。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Basis of preparation of the financial statements (Continued)

In determining the appropriate basis of preparation of the financial statements, the directors of the Company have reviewed the Group's cash flow projections prepared by management based on estimations of future revenue from sales of crude oil and other products, future production costs, committed and planned capital expenditure and the availability of financing, which cover a period of twelve months from the reporting period end date. They are of the opinion that the Group will have sufficient working capital to meet its financial obligations as and when they fall due and committed future capital expenditure within the next twelve months from the end of the current reporting period and that there are no material uncertainties in this respect which individually or collectively, may cast significant doubt on the Group's ability to continue as a going concern.

(c) Changes in accounting policies

The HKICPA has issued a new HKFRS, HKFRS 16, *Leases*, and a number of amendments to HKFRSs that are first effective for the current accounting period of the Group.

Except for HKFRS 16, *Leases*, none of the developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

2 重大會計政策 (續)

(b) 財務報表編製基準 (續)

在釐定財務報表之合適編製基準時，本公司董事已審閱管理層根據對未來銷售原油及其他產品之收益、未來生產成本、承諾及計劃資本支出及可用融資作出的估計而編製之本集團現金流預測，涵蓋期間由報告期末當日起計十二個月。彼等認為本集團將擁有足夠營運資金於到期時應付其財務責任，以及自本報告期末起計未來十二個月的承諾資本支出，且就此而言並無重大不確定因素個別或共同地對本集團持續經營能力構成重大懷疑。

(c) 會計政策變動

香港會計師公會已頒佈一項新訂香港財務報告準則，即香港財務報告準則第16號「租賃」，並已對多項香港財務報告準則作出若干修訂，於本集團之本會計期間首次生效。

除香港財務報告準則第16號「租賃」外，此等發展不會對本集團本期間或過往期間之業績及財務狀況之編製或呈列方式造成重大影響。本集團未有應用任何於本會計期間尚未生效之新準則或詮釋。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

HKFRS 16, Leases

HKFRS 16 replaces HKAS 17, *Leases*, and the related interpretations, HK(IFRIC) 4, *Determining whether an arrangement contains a lease*, HK(SIC) 15, *Operating leases – incentives*, and HK(SIC) 27, *Evaluating the substance of transactions involving the legal form of a lease*. It introduces a single accounting model for lessees, which requires a lessee to recognise a right-of-use asset and a lease liability for all leases, except for leases that have a lease term of 12 months or less (“short-term leases”) and leases of low value assets. The lessor accounting requirements are brought forward from HKAS 17 substantially unchanged.

HKFRS 16 also introduces additional qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity.

The Group has initially applied HKFRS 16 as from 1 January 2019. The Group has elected to use the modified retrospective approach and has therefore recognised the cumulative effect of initial application as an adjustment to the opening balance of equity at 1 January 2019. Comparative information has not been restated and continues to be reported under HKAS 17.

2 重大會計政策 (續)

(c) 會計政策變動 (續)

香港財務報告準則第16號，「租賃」

香港財務報告準則第16號取代香港會計準則第17號「租賃」及相關詮釋、香港（國際財務報告詮釋委員會）第4號「釐定安排是否包含租賃」、香港（常務詮釋委員會）第15號「經營租賃－獎勵」、以及香港（常務詮釋委員會）第27號「評估涉及租賃法律形式之交易本質」。該準則為承租人引入一個單一會計模型，要求承租人為所有租賃（租期為12個月或以下之租賃（「短期租賃」）及低價值資產之租賃除外）確認使用權資產及租賃負債。出租人之會計處理規定則大致沿用香港會計準則第17號。

香港財務報告準則第16號亦引入額外定性及定量披露規定，旨在令財務報表使用者得以評估租賃對實體財務狀況、財務表現及現金流量的影響。

本集團已於二零一九年一月一日初始應用香港財務報告準則第16號。本集團已選擇採用經修改追溯法，故將初始應用之累計影響確認為於二零一九年一月一日年初權益結餘之調整。比較資料並無重列，繼續根據香港會計準則第17號報告。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

HKFRS 16, Leases (Continued)

Further details of the nature and effect of the changes to previous accounting policies and the transition options applied are set out below:

a. New definition of a lease

The change in the definition of a lease mainly relates to the concept of control. HKFRS 16 defines a lease on the basis of whether a customer controls the use of an identified asset for a period of time, which may be determined by a defined amount of use. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

The Group applies the new definition of a lease in HKFRS 16 only to contracts that were entered into or changed on or after 1 January 2019. For contracts entered into before 1 January 2019, the Group has used the transitional practical expedient to grandfather the previous assessment of which existing arrangements are or contain leases. Accordingly, contracts that were previously assessed as leases under HKAS 17 continue to be accounted for as leases under HKFRS 16 and contracts previously assessed as non-lease service arrangements continue to be accounted for as executory contracts.

2 重大會計政策 (續)

(c) 會計政策變動 (續)

香港財務報告準則第16號，「租賃」(續)

有關過往會計政策變動之性質及影響的進一步詳情及所應用之過渡選擇載列如下：

a. 租賃之新定義

租賃之定義變動主要涉及控制權之概念。香港財務報告準則第16號界定租賃之基礎為客戶是否於一段時間內控制一項已識別資產之使用，可憑具體用量釐定。在客戶有權操控該項已識別資產用途及透過使用該項已識別資產獲取絕大部分經濟利益之情況下，即已讓渡控制權。

本集團僅對於二零一九年一月一日或之後訂立或更改之合約應用香港財務報告準則第16號對租賃之新定義。對於二零一九年一月一日前訂立之合約，本集團使用過渡期可行權宜方法，沿用過往對現有安排是否屬於或包含租賃所作之評估。因此，過往根據香港會計準則第17號評定為租賃之合約繼續根據香港財務報告準則第16號入賬列為租賃，而過往評定為非租賃服務安排之合約則繼續入賬列為執行性合約。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Changes in accounting policies (Continued)

HKFRS 16, Leases (Continued)

b. Lessee accounting and transitional impact

HKFRS 16 eliminates the requirement for a lessee to classify leases as either operating leases or finance leases, as was previously required by HKAS 17. Instead, the Group is required to capitalise all leases when it is the lessee, including leases previously classified as operating leases under HKAS 17, other than those short-term leases and leases of low-value assets, which are exempt. As far as the Group is concerned, these newly capitalised leases are primarily in relation to its offices as disclosed in note 31(b). For an explanation of how the Group applies lessee accounting, see note 2(k)(i).

At the date of transition to HKFRS 16 (i.e. 1 January 2019), the Group determined the length of the remaining lease terms and measured the lease liabilities for the leases previously classified as operating leases at the present value of the remaining lease payments, discounted using the relevant incremental borrowing rate at 1 January 2019. The weighted average of the incremental borrowing rate used for determination of the present value of the remaining lease payments was 5.125%.

On transition to HKFRS 16, the Group recognised right-of-use assets of HK\$2,827,000 and lease liabilities of HK\$2,909,000. Such right-of-use assets are presented within property, plant and equipment. The difference between the right-of-use assets and lease liabilities of HK\$82,000 is recognised as an adjustment to the opening balance of equity at 1 January 2019.

2 重大會計政策 (續)

(c) 會計政策變動 (續)

香港財務報告準則第16號，「租賃」(續)

b. 承租人會計法及過渡性影響

香港財務報告準則第16號移除香港會計準則第17號過往要求承租人將租賃分類為經營租賃或融資租賃之規定。取而代之，本集團須於作為承租人時將所有租賃撥充資本，包括過往根據香港會計準則第17號分類為經營租賃之租賃，惟獲豁免之短期租賃及低價值資產租賃除外。就本集團而言，如附註31(b)所披露，該等重新撥充資本之租賃主要涉及本集團之辦公室。有關本集團如何應用承租人會計法的說明，請參閱附註2(k)(i)。

於過渡至香港財務報告準則第16號當日（即二零一九年一月一日），本集團已釐定過往分類為經營租賃的租賃餘下租期之長度，並按餘下租賃款項之現值（使用於二零一九年一月一日之相關遞增借貸利率貼現）計量租賃負債。釐定餘下租賃付款現值所用之加權平均遞增借貸利率為5.125%。

於過渡至香港財務報告準則第16號時，本集團確認使用權資產2,827,000港元及租賃負債2,909,000港元。此等使用權資產列入物業、廠房及設備，而使用權資產與租賃負債之間的差額82,000港元則確認為對於二零一九年一月一日年初權益結餘之調整。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Hyperinflation accounting in Argentina

In May 2018, the Argentine Peso underwent a severe devaluation resulting in the three-year cumulative inflation of Argentina to exceed 100%, thereby triggering the requirement to transition to hyperinflation accounting as prescribed by HKAS 29, *Financial Reporting in Hyperinflationary Economies*, effectively adopted for the reporting periods ended after 30 June 2018.

Consequently, the Group has applied hyperinflation accounting for its Argentine subsidiaries in these consolidated financial statements applying the HKAS 29 rules as follows:

- Hyperinflation accounting was applied as of 1 January 2018;
- Non-monetary assets and liabilities stated at historical cost (e.g. exploration and evaluation assets, property plant and equipment, and etc.) and equity of the Argentine subsidiaries are indexed up to reflect the change in the price index from that at the date of acquisition to that at the reporting date. The gain or loss from holding monetary assets or liabilities and income and expenses is indexed up from the date initially recorded to reflect the purchasing power at the reporting date;

2 重大會計政策 (續)

(d) 於阿根廷採納惡性通脹會計法

於二零一八年五月，阿根廷披索經歷嚴重貶值，導致阿根廷三年逾100%的累計通脹，因此引發於截至二零一八年六月三十日後報告期間實際採用按照香港會計準則第29號「惡性通脹經濟財務申報」的規定，須過渡至惡性通脹會計法的要求。

因此，本集團已在本綜合財務報表採用香港會計準則第29號之規則就其阿根廷附屬公司應用惡性通貨膨脹會計法如下：

- 已於二零一八年一月一日應用惡性通貨膨脹會計法；
- 以歷史成本列示的非貨幣性資產及負債（如：勘探及評估資產、物業、廠房及設備及其他項目）及阿根廷附屬公司的權益均作索引以反映於收購日期價格指數至於報告日期價格指數的變動；持有貨幣性資產及負債的收益或虧損及收入及開支自初步記錄的日期作索引以反映於報告日期的購買力；

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Hyperinflation accounting in Argentina

(Continued)

- To measure the impact of inflation on the Group's financial position and results, the Group has elected to use the Wholesale Price Index (Indice de Precios Mayoristas) for periods up to 31 December 2016, and the Retail Price Index (Indice de Precios al Consumidor) thereafter. These price indices have been recommended by the Government Board of the Argentine Federation of Professional Councils of Economic Sciences;
- In accordance with HKAS 21, *The Effects of Changes in Foreign Exchange Rates*, all amounts (e.g. assets, liabilities, equity items, income and expenses) of the results of the Argentine subsidiaries are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The Group's comparative information presented in Hong Kong dollars has not been restated;
- The gain or loss on the net monetary position derived as the difference resulting from the restatement of non-monetary assets, equity and items in the statement of profit or loss are reported through the consolidated statement of profit or loss on "Hyperinflation monetary adjustments" in other income (see note 5). The hyperinflation effect of opening balances is presented as an adjustment to accumulated losses in the consolidated statement of changes in equity.

2 重大會計政策 (續)

(d) 於阿根廷採納惡性通脹會計法 (續)

- 為計量通脹對本集團的財務狀況及業績所造成的影響，本集團於直至二零一六年十二月三十一日期間已選用批發價值指數(Indice de Precios Mayoristas)，以及於其後選用零售價值指數(Indice de Precios al Consumidor)。該等價值指數經由阿根廷聯邦局經濟科學專業理事會的政府委員會建議；
- 根據香港會計準則第21號「外匯兌換率之變動的影響」，阿根廷附屬公司業績的所有金額(例如資產、負債、權益項目、收入及開支)按報告期末的收市外匯兌換率換算成港元。本集團以港元呈列的比較資料並無重列；
- 貨幣性淨額狀況的收益或虧損衍生為重列損益表內的非貨幣性資產、權益及項目所造成的差額，就「惡性通脹貨幣性調整」透過綜合損益表呈報為其他收入(見附註5)。報告期初結餘的惡性通脹影響於綜合權益變動表內呈列為累計虧損的調整。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Subsidiaries and non-controlling interests

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment.

Non-controlling interests represent the equity in a subsidiary not attributable directly or indirectly to the Company, and in respect of which the Group has not agreed any additional terms with the holders of those interests which would result in the Group as a whole having a contractual obligation in respect of those interests that meets the definition of a financial liability. For each business combination, the Group can elect to measure any non-controlling interests either at fair value or at the non-controlling interests' proportionate share of the subsidiary's net identifiable assets.

2 重大會計政策 (續)

(e) 附屬公司及非控股權益

附屬公司為由本集團控制之實體。當本集團承受或享有參與實體所得的可變回報，且有能力透過其對實體的權力影響該等回報時，則本集團控制該實體。在評估本集團是否擁有控制權時，只考慮實質權利（由本集團及其他合約方持有）。

於附屬公司之投資自控制權開始之日起，直至控制權終止之日為止綜合計入綜合財務報表。集團內公司間之結餘及交易，以及集團內公司間交易產生之任何現金流量及任何未變現溢利乃於編製綜合財務報表時全數對銷。集團內公司間交易產生之未變現虧損按與未變現收益相同之方式對銷，惟僅限於並無減值證據之情況。

非控股權益是指並非由本公司直接或間接於附屬公司應佔的權益，及本集團並未與該等權益的持有人達成任何額外條款，從而令本集團在總體上對該等權益產生合約性責任，使其符合金融負債的定義。就各業務合併而言，本集團可選擇按公允價值或按非控股權益於附屬公司可識別淨資產之分佔比例計量任何非控股權益。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Subsidiaries and non-controlling interests

(Continued)

Non-controlling interests are presented in the consolidated statement of financial position within equity, separately from equity attributable to the owners of the Company. Non-controlling interests in the results of the Group are presented on the face of the consolidated statement of profit or loss and the consolidated statement of profit or loss and other comprehensive income as an allocation of the total profit or loss and total comprehensive income for the year between non-controlling interests and the owners of the Company. Loans from holders of non-controlling interests and other contractual obligations towards these holders are presented as financial liabilities in the consolidated statement of financial position in accordance with notes 2(o) or (p) depending on the nature of the liability.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 2(f)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment losses (see note 2(l)), unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

2 重大會計政策 (續)

(e) 附屬公司及非控股權益 (續)

非控股權益計入綜合財務狀況表權益內，與本公司擁有人應佔權益分開呈列。於本集團業績內，非控股權益於綜合損益表及綜合損益及其他全面收益報表呈列為非控股權益與本公司擁有人年內損益總額及全面收益總額分配。視乎負債性質，來自非控股權益持有人之貸款及該等持有人之其他合約性責任根據附註2(o)或(p)於綜合財務狀況表呈列為金融負債。

本集團於附屬公司不構成失去控制權之權益變動乃以權益轉撥列賬，當中在綜合權益內控股權益及非控股權益之數量會被調整以反映相對權益之變動，惟商譽不予調整，損益亦不會被確認。

當本集團失去附屬公司之控制權，會以出售該附屬公司的全部權益列賬，因而產生之損益乃於損益表中確認。於前附屬公司於失去控制權當日留有之權益會以公允價值確認，而該款額乃被視為該金融資產（見附註2(g)）於最初確認時之公允價值或（倘適用）於聯營公司或合營企業之投資於最初確認時之成本（見附註2(f)）。

於本公司財務狀況表內，於一間附屬公司之投資乃按成本扣除任何減值虧損（見附註2(l)）列賬，惟該項投資已分類為持作出售投資（或已包括在列作出售之出售組別者除外）。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Joint arrangement and associates

The Group is a party of joint arrangement when it exercises joint control over arrangement by acting collectively with other parties and decisions about the relevant activities require unanimous consent of the parties sharing control. The joint arrangement is either a joint operation or a joint venture depending on the rights and obligations of the parties to the arrangement.

In relation to interest in joint operations, the Group recognises: (i) its assets, including its share of any assets held jointly, (ii) liabilities, including its share of any liabilities incurred jointly, (iii) revenue from the sale of its share of the output arising from the joint operation, (iv) its share of the revenue from the sale of the output by the joint operations, and (v) its expenses, including its share of any expenses incurred jointly.

An associate is an entity in which the Group or the Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group or the Company and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

2 重大會計政策 (續)

(f) 合營安排及聯營公司

本集團為合營安排訂約一方，其通過與其他方共同行動行使共同控制權時，有關相關活動之決定須經共同控制各方一致同意。根據協議各方於此協議項下之權利及責任，合營安排既非合營業務亦非合營企業。

本集團就於合營業務之權益確認：
(i)其資產，包括其分佔任何共同持有資產，(ii)其負債，包括其分佔共同產生之負債，(iii)出售其分佔合營業務產出之收益，(iv)其分佔銷售合營業務產出之收益及(v)其開支，包括其分佔共同產生之開支。

聯營公司乃指一家本集團或本公司對其管理包括財務及營運政策制定之參與有重大影響（但非操控或聯合操控其管理）之實體。

合營企業為本集團或本公司與其他合約方同意共同控制該安排，及對該安排之資產淨值享有權利。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Joint arrangement and associates (Continued)

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method, unless it is classified as held for sale (or included in a disposal group that is classified as held for sale). Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see note 2(l)). Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture.

2 重大會計政策 (續)

(f) 合營安排及聯營公司 (續)

於聯營公司或合營企業之投資按權益法計入綜合財務報表，除非該投資已分類為持作出售或計入分類為持作出售之出售組別則作別論。根據權益法，投資初步按成本記錄，並就本集團應佔投資對象之可識別資產淨值於收購日公允價值與投資成本之差額作出調整（如有）。投資成本包括購入價、其他投資收購直接應佔的成本及任何直接投資於構成本集團權益投資一部分的聯營及合營公司。其後就本集團應佔投資對象之資產淨值及任何有關投資的減值虧損之收購後變動作出調整（見附註2(l)）。收購日公允價值與成本之差額、本集團應佔收購後、投資對象除稅後年內業績及任何減值虧損於綜合損益表確認，而本集團應佔投資對象其他全面收益之收購後除稅後項目於綜合損益及其他全面收益表確認。

當本集團之應佔虧損超出其於聯營公司或合營企業之權益，本集團之權益會減至零，並終止繼續確認進一步虧損，惟本集團已產生法律或推定責任或曾代表投資對象支付費用則除外。就此而言，本集團之權益乃根據權益法計算之投資賬面值連同構成本集團於該聯營公司或合營企業之淨投資之長期權益部分。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Joint arrangement and associates (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in the investee, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 2(g)).

(g) Other investments in debt and equity securities

The Group's policies for investments in debt and equity securities, other than investments in subsidiaries and joint ventures, are set out below:

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 29(g). These investments are subsequently accounted for as follows, depending on their classification.

2 重大會計政策 (續)

(f) 合營安排及聯營公司 (續)

本集團與其聯營公司及合營企業進行交易所產生之未變現溢利及虧損，均以本集團於投資對象之權益對銷，惟可證實已轉讓資產減值之未變現虧損則不在此限，在此情況下，該未變現虧損即時在損益表內確認。

倘於聯營公司之投資成為於合營企業之投資或反之，保留權益不會重新計量。相反，投資繼續按權益法入賬。

若屬所有其他情況，如本集團失去對聯營公司的重大影響或對合營企業之共同控制權，會以出售該投資對象之全部權益列賬，因而產生之損益乃於損益表中確認。於前投資對象於失去重大影響力或共同控制權當日留有之任何權益會以公允價值確認，而該款額乃被視為該金融資產於最初確認時之公允價值（見附註2(g)）。

(g) 其他債務及股本證券投資

本集團之債券及股本證券投資政策（於附屬公司及合營企業之投資除外）如下：

於本集團承諾購入／出售投資當日已確認／取消確認債務及股本證券投資。初始以公允價值加直接應佔交閉成本列示的投資，惟該等按公允價值計入損益（「按公允價值計入損益」）而計量的投資，其交易成本直接於損益確認。對於本集團如何釐訂金融工具的公允價值的說明，見附註29(g)。該等投資其後視乎其分類按以下方式入賬。

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other investments in debt and equity securities (Continued)

(i) Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- financial assets measured at amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 2(u)(iv)).
- FVOCI – recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL, if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

2 重大會計政策 (續)

(g) 其他債務及股本證券投資 (續)

(i) 權益投資以外的投資

本集團所持有的非權益投資分類為為下述計量類別的其中一項：

- 按攤銷成本計量的金融資產倘持有投資的目的為收取僅作支付本金及利息的合約現金流量。投資所得利息收入乃採用實際利率法計算(見附註2(u)(iv))。
- 以公允價值計入其他全面收益(可回收) – 倘投資的合約現金流量僅包含支付本金及利息，而持有投資的業務模式乃以收取合約現金流量及銷售以達成目標。除於損益中確認預期信貸虧損、利息收入(採用實際利率法計算)及外匯收益及虧損外，公允價值的變動於其他全面收益中確認。當投資撤銷確認時，於其他全面收益中累計的金額自股本權益回轉至損益。
- 按公允價值計入損益列賬 – 倘投資並不符合按攤銷成本或以公允價值計入其他全面收益(可回收)計量的要求。投資(包括利息)的公允價值變動於損益中確認。

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Other investments in debt and equity securities

(Continued)

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to accumulated losses. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other income in accordance with the policy set out in note 2(u)(iii).

(h) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting periods, the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

2 重大會計政策 (續)

(g) 其他債務及股本證券投資 (續)

(ii) 權益投資

權益證券投資分類為透過損益賬以公允價值列賬，除非股本投資並非持作買賣用途，且於初步確認投資時，集團選擇指定投資為透過其他全面收益（不可回收）按公允價值列賬，以致公允價值的後續變動於其他全面收益確認。有關選擇以個別工具為基準作出，惟僅或會在發行人認為投資符合權益的定義的情況下作出。作出有關選擇後，於其他全面收益內累計的金額仍將保留在公允價值儲備（不可回收）內直至投資出售為止。出售時，於公允價值儲備（不可回收）內累計的金額轉撥至累計虧損，且不會劃轉至損益。權益證券投資的股息（不論分類為透過損益賬以公允價值列賬或透過其他全面收益按公允價值列賬）於損益內，根據附註2(u)(iii)所載列的政策而確認為其他收入。

(h) 衍生金融工具

衍生金融工具按公允價值確認。公允價值於各報告期末重新計量。重新計量公允價值之收益或虧損隨即於損益確認。

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Exploration and evaluation assets

Exploration and evaluation assets are recognised at cost on initial recognition. Subsequent to initial recognition, exploration and evaluation assets are carried at cost less any accumulated impairment losses (see note 2(l)), no depreciation and/or amortisation is charged during the exploration and evaluation phase. Exploration and evaluation costs are accumulated on a field-by-field basis. Costs directly associated with an exploration well, and exploration and property leasehold acquisition costs, are capitalised until the determination of reserves is evaluated. If it is determined that commercial discovery has not been achieved, these costs are recognised in profit or loss.

Exploration and evaluation assets include the cost of exploration rights and the expenditures incurred in the search for natural resources as well as the determination of the technical feasibility and commercial viability of extracting those resources.

When the technical feasibility and commercial viability of extracting natural resources become demonstrable, previously recognised exploration and evaluation assets are reclassified as either intangible assets or property, plant and equipment. These assets are assessed for impairment, and any impairment loss recognised, before reclassification.

2 重大會計政策 (續)

(i) 勘探及評估資產

勘探及評估資產初步確認時按成本確認。於初步確認後，勘探及評估資產按成本減任何累計減值虧損（見附註2(l)）入賬。於勘探及評估階段概無扣除折舊及／或攤銷。勘探及評估成本以每塊油田之基準累計。直接與探井及勘探和物業租賃收購成本相關之成本會被資本化，直至就確定儲量作出評估為止。倘確定儲量不足以作商業用途，則有關成本會於損益表確認。

勘探及評估資產包括勘探權之成本及尋找天然資源產生之開支，如決定採挖該等資源之技術可行性及其商業可行性。

當採挖天然資源的技術可行性及商業可行性獲得證明，先前確認的勘探及評估資產會重新分類為無形資產或物業、廠房及設備。該等資產就減值進行評估，而任何減值虧損會於重新分類前確認。

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) Property, plant and equipment

Property, plant and equipment, including right-of-use assets arising from leases over leasehold properties where the Group is not the registered owner of the property interest (see note 2(k)), are stated at cost less accumulated depreciation and impairment losses (see note 2(l)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 2(w)).

Gains or losses arising from the retirement or disposal of items of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

Leasehold improvements	4-5 years
Machinery	5-10 years
Furniture, fixtures and office equipment	3-5 years
Motor vehicles	3-5 years
Properties leased for own use	over the unexpired terms of leases

Depreciation of oil production assets is calculated on unit of production method based upon the estimated proved and probable oil reserves to write off the cost of each asset, less any estimated residual value.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

2 重大會計政策 (續)

(j) 物業、廠房及設備

物業、廠房及設備(包括因租賃物業的租賃而產生的本集團並非物業權益的註冊擁有人的使用權資產(見附註2(k)))按成本減去累計折舊及減值虧損後列賬(見附註2(l))。

自行建造的物業、廠房及設備之成本包括材料成本、直接人工、最初估計的相關拆除、移動及修復成本和適當部分的製造費用及借貸費用(見附註2(w))。

物業、廠房及設備的報廢或出售所產生的收益或虧損，釐定為出售所得款項淨額與項目賬面值之間的差額，並於報廢或出售當日於損益表中確認。

折舊以直線法按物業、廠房及設備之以下估計可使用年期撇銷項目成本減估計剩餘價值(如有)計算：

租賃物業裝修	4-5年
機器	5-10年
傢私、裝置及辦公室設備	3-5年
汽車	3-5年
租賃作自用的物業	按未屆滿的租賃期

石油生產資產之折舊主要以生產數量法按估算石油證實儲存量及概略儲存量撇銷各項資產之成本經減扣估算剩餘價值計算。

倘物業、廠房及設備項目部分之可使用年期不同，項目成本於各部分之間按合理基準分配，而各部分將分開計算折舊。資產可使用年期及其剩餘價值(如有)會每年審閱。

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2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

(A) Policy applicable from 1 January 2019

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

2 重大會計政策 (續)

(k) 租賃資產

本集團於合約開始時評估合約是否為或包含租賃。倘合約為換取代價而給予在一段時間內控制已識別資產使用的權利，則該合約為或包含租賃。在客戶有權操控該項已識別資產用途及透過使用該項已識別資產獲取絕大部分經濟利益之情況下，即已讓渡控制權。

(i) 作為承租人

(A) 自二零一九年一月一日起應用的政策

於租賃開始日期，本集團確認使用權資產及租賃負債，租期為12個月或以下的短期租賃及低價值租賃除外。當本集團就低價值資產訂立租賃時，本集團按個別租賃基準決定是否將租賃資本化。與該等並無撥充資本的租賃有關的租賃款項，於租期內按系統基準確認為開支。

在將租賃撥充資本之情況下，租賃負債按租期內應付租賃款項之現值（使用租賃中隱含之利率或（如無法輕易釐定該利率）相關增量借貸利率貼現）初始確認。於初始確認後，租賃負債按攤銷成本計量，利息開支使用實際利率法計算。不取決於一項指數或比率的可變租賃款項不包括在租賃負債的計量，因此於發生的會計期間扣自損益。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Leased assets (Continued)

(i) As a lessee (Continued)

(A) Policy applicable from 1 January 2019 (Continued)

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 2(j) and 2(l)(iii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets in 'property, plant and equipment' and presents lease liabilities separately in the consolidated statement of financial position.

2 重大會計政策 (續)

(k) 租賃資產 (續)

(i) 作為承租人 (續)

(A) 自二零一九年一月一日起應用的政策 (續)

在將租賃撥充資本時確認之使用權資產初始按成本(包括租賃負債之初始金額另加於開始日期或之前作出之任何租賃款項，以及任何已產生之初始直接成本)計量。在適用情況下，使用權資產之成本亦包括拆卸及移除相關資產或修復相關資產或所在場址的估計成本(貼現至現值)，並扣除任何已收租賃獎勵。使用權資產其後以成本減去累計折舊及減值虧損列值(見附註2(j)及2(l)(iii))。

當未來租賃款項因一項指數或比率出現變動而改變，或本集團對根據餘值擔保預期應付的款項之估計改變，或因本集團重新評估是否合理確定將行使購買、續期或終止選擇權而出現改變時，本集團會重新計量租賃負債。於據此重新計量租賃負債時，使用權資產之賬面值亦會作出相應調整，或如使用權資產之賬面值減至零，則於損益中記賬。

本集團於「物業、廠房及設備」內呈列使用權資產並於綜合財務狀況表內單獨呈列租賃負債。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Leased assets (Continued)

(i) As a lessee (Continued)

(B) Policy applicable prior to 1 January 2019

In the comparative period, as a lessee the Group classified leases as finance leases if the leases transferred substantially all the risks and rewards of ownership to the Group. Leases which did not transfer substantially all the risks and rewards of ownership to the Group were classified as operating leases.

Where the Group acquired the use of assets under finance leases, the amounts representing the fair value of the leased asset, or, if lower, the present value of the minimum lease payments, of such assets were recognised as property, plant and equipment and the corresponding liabilities, net of finance charges, were recorded as obligations under finance leases. Depreciation was provided at rates which wrote off the cost or valuation of the assets over the term of the relevant lease or, where it was likely the Group would obtain ownership of the asset, the life of the asset, as set out in note 2(j). Impairment losses were accounted for in accordance with the accounting policy as set out in note 2(l). Finance charges implicit in the lease payments were charged to profit or loss over the period of the leases so as to produce an approximately constant periodic rate of charge on the remaining balance of the obligations for each accounting period. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

2 重大會計政策 (續)

(k) 租賃資產 (續)

(i) 作為承租人 (續)

(B) 於二零一九年一月一日之前應用的政策

於比較期間，作為承租人，倘租賃轉移所有權之絕大部分風險及回報至本集團，則本集團將有關租賃分類為融資租賃。倘租賃並無將所有權之絕大部分風險及回報轉移至本集團，則分類為經營租賃。

如本集團以融資租賃獲得資產的使用權，會將相當於租賃資產公允價值或最低租賃付款額的現值（如為較低的數額）確認為物業、廠房及設備及相應負債扣除融資費用後則列為融資租賃承擔。折舊是在相關的租賃期或資產的可用期限（本集團可能取得資產的所有權）內沖銷資產成本或估值的比率計提；有關的資產可用期限載列於附註2(j)。減值虧損按照附註2(l)所載的會計政策入賬。租賃付款內含的融資費用會於租賃期內的損益表中扣除，使每個會計期間的融資費用佔承擔餘額的比率大致相同。或有租金在其產生的會計期間自損益表中扣除。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Leased assets (Continued)

(i) As a lessee (Continued)

(B) Policy applicable prior to 1 January 2019 (Continued)

Where the Group had the use of assets held under operating leases, payments made under the leases were charged to profit or loss in equal instalments over the accounting periods covered by the lease term, except where an alternative basis was more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received were recognised in profit or loss as an integral part of the aggregate net lease payments made. Contingent rentals were charged to profit or loss in the accounting period in which they were incurred.

The cost of acquiring land held under an operating lease is amortised on a straight-line basis over the period of the lease term.

(l) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for expected credit losses ("ECLs") on financial assets measured at amortised cost (including trade receivables and other receivables which are held for the collection of contractual cash flows which represent solely payments of principal and interest).

Other financial assets measured at fair value, including equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

2 重大會計政策 (續)

(k) 租賃資產 (續)

(i) 作為承租人 (續)

(B) 於二零一九年一月一日之前應用的政策 (續)

如本集團是以經營租賃獲得資產的使用權，其租賃的支出於損益表中根據其租賃期所涵蓋的會計期間，等額扣除。如有其他基準能更清晰地反映其租賃資產所產生的收益模式則除外。租賃所涉及的鼓勵措施的收入均在損益表中確認為租賃淨付款總額的組成部分。或有租金在其產生的會計期間內在損益表中扣除。

以經營租賃持有土地的收購成本以直線法於租賃期內攤銷。

(l) 資產的信貸虧損及減值

(i) 來自金融工具的信貸虧損

本集團就預期信貸虧損（「預期信貸虧損」）於以下項目確認一項虧損撥備按攤銷成本計量的金融資產（包括應收貿易賬款及其他應收款項及應收承兌票據，持有的目的乃為收取僅作支付本金及利息的合約現金流量）。

按公允價值計量的其他金融資產，包括按公允價值計量計入損益的權益證券、指定按公允價值計量計入其他全面收益（不可回收）的權益證券及衍生金融資產均不受預期信貸虧損所規限。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments

(Continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material.

For trade and other receivables, and promissory note receivable, the discount rate is effective interest rate determined at initial recognition or an approximation thereof.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

2 重大會計政策 (續)

(I) 資產的信貸虧損及減值 (續)

(i) 來自金融工具的信貸虧損 (續)

預期信貸虧損計量

預期信貸虧損是信貸虧損的概率加權估計。信貸虧損以所有預期現金不足額(即本集團根據合約應得的現金流量及本集團預期收到的現金流之間的差額)的現值估算。

如果貼現的影響重大，預期現金不足額將使用以下貼現率貼現。

對於應收貿易賬款及其他應收款項以及應收承兌票據，貼現率為於初步確認時釐定的實際利率或其近似值。

於估計預期信貸虧損時考慮的最長期間為本集團承受信貸風險之最長合約期間。

在計量預期信貸虧損時，本集團考慮合理及有理據而無需付出不必要之成本或資源獲得的資料。這包括過去事件、當前狀況及未來經濟狀況預測等資料。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments

(Continued)

Measurement of ECLs (Continued)

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

2 重大會計政策 (續)

(I) 資產的信貨虧損及減值 (續)

(i) 來自金融工具的信貨虧損 (續)

預期信貸虧損計量 (續)

預期信貸虧損基於下列其中一個基準計量：

- 12個月的預期信貸虧損：預計在報告日期後12個月內可能發生的違約事件而導致之虧損；及
- 整個生命周期的預期信貸虧損：預計該等採用預期信貸虧損模式的項目在預期生命周期內所有可能發生之違約事件而導致之虧損。

應收貿易賬款之虧損撥備一般是以整個生命周期之預期信貸虧損的金額計量。這些金融資產之預期信貸虧損是利用基於本集團過往信貸虧損經驗的撥備矩陣進行估算，並按在報告日期債務人之個別因素及對當前及預測整體經濟狀況之評估進行調整。

至於所有其他金融工具，本集團會以相等於12個月之預期信貸虧損金額確認虧損撥備，除非自初步確認後該金融工具的信貨風險顯著增加，在此情況下，虧損撥備會以整個生命周期之預期信貸虧損金額計量。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments

(Continued)

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

2 重大會計政策 (續)

(I) 資產的信貸虧損及減值 (續)

(i) 來自金融工具的信貸虧損 (續)

信貸風險顯著增加

在評估財務工具之信貸風險自初步確認後是否顯著增加時，本集團將於報告日期評估財務工具之違約風險與初步確認時評估的違約風險作比較。在進行這項重新評估時，本集團認為倘(i)於本集團不借助套現抵押品（倘持有任何抵押品）等行動下，借方不太可能向本集團悉數支付信貸責任；或(ii)金融資產已逾期90日，則本集團視為發生違約事件。本集團會考慮合理及有理據的定量和定性資料，包括無需付出不必要的成本或資源獲得的過往經驗及前瞻性資料。

尤其在評估自初步確認後信貸風險是否顯著增加時，會考慮以下資料：

- 未能在合約到期日支付本金或利息；
- 金融工具外部或內部的信貸評級（如有）實際或預期顯著惡化；
- 債務人經營業績實際或預期顯著惡化；及
- 環境（包括技術、市場、經濟或法律）之現有或預測改變對債務人履行其對本集團責任之能力構成重大不利影響。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments

(Continued)

Significant increases in credit risk (Continued)

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Basis of calculation of interest income

Interest income recognised in accordance with note 2(u)(iv) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

2 重大會計政策 (續)

(I) 資產的信貸虧損及減值 (續)

(i) 來自金融工具的信貸虧損

(續)

信貸風險顯著增加 (續)

根據金融工具的性質，信貸風險顯著增加的評估按個別項目或集體基準進行。當評估以集體基準進行時，會按照財務工具的共同信貸風險特徵（例如過期狀態及信貸風險評級）歸類。

預期信貸虧損於各報告日期重新計量，以反映自初步確認後金融工具信貸風險之變化。預期信貸虧損金額之任何變化均在損益中確認為減值收益或虧損。集團確認金融工具的減值收益或虧損時，會透過虧損撥備賬對其賬面值進行相應調整。

利息收入的計算基準

利息收入根據附註2(u)(iv)按金融資產之賬面總值計算，除非金融資產出現信貸減值，在這種情況下，利息收入按金融資產之攤銷成本（即賬面總值減虧損撥備）計算。

於各報告日期，本集團評估金融資產是否出現信貸減值。當一項或多項對金融資產未來現金流的估計有負面影響的事件發生時，金融資產會被視為出現信貸減值。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(Continued)

(i) Credit losses from financial instruments

(Continued)

Basis of calculation of interest income (Continued)

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or past due event;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

2 重大會計政策 (續)

(I) 資產的信貸虧損及減值 (續)

(i) 來自金融工具的信貸虧損

(續)

利息收入的計算基準 (續)

一項金融資產為已作信貸減值的證據包括以下可觀察事件：

- 債務人有重大財務困難；
- 違反合約，如拖欠或逾期償還利息或本金；
- 債務人可能破產或進行其他財務重組；
- 科技、市場、經濟或法律環境有重大改變以致對債務人造成不利影響；或
- 由於發行者的財務困難，證券的活動市場消失。

註銷政策

倘並無實際可回轉的前景，金融資產之賬面總值（部分或全部）會被註銷。一般情況下，註銷金額為本集團認為債務人沒有資產或收入來源可產生足夠的現金流量以償還該款項。

過往註銷之資產之其後回轉在回轉期間被確認為減值撥回計入損益。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(Continued)

(ii) Impairment of exploration and evaluation assets

The carrying amount of the exploration and evaluation assets is reviewed annually and adjusted for impairment loss whenever one of the following events or changes in circumstances indicates that the carrying amount may not be recoverable:

- the period for which the entity 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.
- substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned.
- 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 entity has decided to discontinue such activities in the specific area.
- 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 assets is unlikely to be recovered in full from successful development or by sale.

An impairment loss is recognised in profit or loss whenever the carrying amount of an asset exceeds its recoverable amount in accordance with note 2(I)(iii). The impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount in accordance with note 2(I)(iii).

2 重大會計政策 (續)

(I) 資產的信貸虧損及減值 (續)

(ii) 勘探及評估資產之減值

勘探及評估資產之賬面值會每年審閱，並於以下任何一項事項或情況變動顯示賬面值可能無法收回時就減值虧損作出調整：

- 實體有權於特定地區勘探之時限於期間屆滿或將於不久將來屆滿，且預計不獲續期。
- 於特定地區進一步勘探及評估礦產資源之實際支出不在預算或計劃之內。
- 於特定地區勘探及評估礦產資源的結果未能發現達商業可行數量的礦產資源，而實體已決定終止於該特定地區進行該項活動。
- 儘管很可能發展該特定地區，惟存在足夠數據指出勘探及評估資產之賬面值多數不能因成功發展或銷售而全面收回。

根據附註2(I)(iii)，倘一項資產之賬面值超出其可收回金額時，則減值虧損於損益表內確認。釐定可收回金額（按附註2(I)(iii)計算）的估計出現利好變化時，可撥回減值虧損。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(Continued)

(iii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill, an impairment loss previously recognised no longer exists or may have decreased:

- property, plant and equipment, including right-of-use assets;
- intangible assets;
- goodwill; and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill, intangible assets that are not yet available for use and intangible assets that have indefinite useful lives, the recoverable amount is estimated annually whether or not there is any indication of impairment.

– Calculation of recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

2 重大會計政策 (續)

(I) 資產的信貸虧損及減值 (續)

(iii) 其他非流動資產減值

內部及外來資料來源均於每個報告期末審閱，以識別是否有跡象顯示以下資產可能減值或(除商譽外)先前確認之減值虧損不再存在或可能有所減少：

- 物業、廠房及設備(包括使用權資產)；
- 無形資產；
- 商譽；及
- 計入本公司財務狀況表的於附屬公司之投資。

倘存在任何有關跡象，則估計資產之可收回金額。此外，商譽、未供使用之無形資產及擁有無限可使用年期之無形資產之可收回金額會每年估計，而不論是否有任何減值跡象。

– 計算可收回金額

資產之可收回金額乃其公允價值減出售成本與使用價值之較高者。評估使用價值時，乃以除稅前貼現率將估計未來現金流量貼現至現值，而該貼現率反映當時市場對金錢時間價值之評估及該項資產之特定風險。倘某項資產並無產生大致獨立於其他資產所產生之現金流入，可收回金額乃按可獨立產生現金流入之最小資產組別(即現金產生單位)釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(I) Credit losses and impairment of assets

(Continued)

(iii) Impairment of other non-current assets

(Continued)

– Recognition of impairment losses

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable).

– Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

2 重大會計政策 (續)

(I) 資產的信貸虧損及減值 (續)

(iii) 其他非流動資產減值 (續)

– 確認減值虧損

於資產賬面值或其所屬現金產生單位的賬面值高於其可收回金額時，會於損益表確認減值虧損。就現金產生單位確認之減值虧損會分配，以減少任何分配至現金產生單位（或該組單位）商譽之賬面值，及其後按比例減少單位（或該組單位）內其他資產之賬面值，惟資產之賬面值不得減至低於其個別公允價值減出售成本後所得數額（如能計量）或其使用價值（如能釐定）。

– 撥回減值虧損

就商譽以外資產而言，倘用以釐定可收回金額之估計出現有利轉變，則撥回減值虧損。商譽之減值虧損不會撥回。

撥回之減值虧損僅限於倘過往年度並未確認減值虧損而釐定之資產賬面值。撥回之減值虧損乃於確認撥回之年度計入損益表。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Credit losses and impairment of assets

(Continued)

(iv) Interim financial reporting and impairment

Under the Rules Governing the Listing of Securities on the Stock Exchange, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 2(l)(i), (ii) and (iii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(m) Inventories

Inventories are assets which are held for sale in the ordinary course of business, in the process of production for such sale or in the form of materials or supplies to be consumed in the production process or in the rendering of services.

Inventories are carried at the lower of cost and net realisable value.

Cost is calculated using the weighted average cost formula and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2 重大會計政策 (續)

(l) 資產的信貸虧損及減值 (續)

(iv) 中期財務報告及減值

根據聯交所證券上市規則，本集團須根據香港會計準則第34號「中期財務報告」編製有關財政年度首六個月之中期財務報告。於中期期間結束時，本集團採用與其於財政年度年結日相同之減值測試、確認方法及撥回準則（見附註2(l)(i)、(ii)及(iii)）。

於中期期間就商譽確認之減值虧損不會於往後期間撥回。倘僅於與中期期間相關之財政年度年結日評估減值，即使並無確認虧損或虧損較少，亦不會撥回。

(m) 存貨

存貨為於日常業務情況下、就該等銷售的生產過程中或在生產過程或提供勞務過程中耗用的材料和物料的方式持作銷售。

存貨按成本與可變現淨值之較低者列賬。

成本按加權平均成本方式計算，包括所有購買成本、加工成本及將存貨達至現行地點及狀況所產生之其他成本。

可變現淨值為於日常業務中之估計售價，減估計完成成本及出售所需估計成本。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(m) Inventories (Continued)

When inventories are sold, the carrying amount of those inventories is recognised as an expense in the period in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

(n) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses (see note 2(l)(i)).

(o) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 2(w)).

(p) Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently stated at amortised cost unless the effect of discounting would be immaterial, in which case they are stated at cost.

2 重大會計政策 (續)

(m) 存貨 (續)

出售存貨時，該等存貨之賬面值會於確認相關收益之期間確認為開支。撇減存貨至可變現淨值之款額及所有存貨虧損，均於有關撇減或虧損產生期間確認為開支。由於任何存貨撇減撥回金額確認為存貨金額減少，有關款項於撥回產生期間確認為開支。

(n) 應收貿易賬款及其他應收款項

當本集團有權無條件接受代價，一項應收款項已獲確認。使接受代價的權利成為無條件，於代價到期前，僅有時間的過去為必須。

應收款項使用實際利率法按攤銷成本減呆賬減值撥備入賬（見附註2(l)(i)）。

(o) 計息借貸

計息借貸初步按公允價值減交易成本計量。初步確認後，計息借貸使用實際利率法按攤銷成本列賬。利息開支根據本集團的會計政策就借貸成本確認（見附註2(w)）。

(p) 應付貿易賬款及其他應付款項

應付貿易賬款及其他應付款項初步按公允價值確認及其後按攤銷成本列賬，除非貼現影響並不重大，於該情況下，則按成本列賬。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(q) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition.

(r) Employee benefits

(i) Short term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(s) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

2 重大會計政策 (續)

(q) 現金及現金等價物

現金及現金等價物包括銀行及手頭現金、於銀行及其他金融機構之活期存款，以及可隨時轉換為已知金額現金及價值變動風險輕微、於購入後三個月內到期之短期高流通性投資。

(r) 僱員福利

(i) 短期僱員福利及定額供款退休計劃供款

薪金、年度花紅、有薪年假、定額供款退休計劃供款及非貨幣福利成本會在僱員提供相關服務之年度內計提。倘延遲付款或清償會產生重大影響，有關金額則按其現值列賬。

(ii) 終止福利

終止福利於本集團不再能取消提供該等福利時及本集團確認涉及支付終止福利之重組成本時之較早者確認。

(s) 所得稅

年內所得稅包括即期稅項以及遞延稅項資產及負債變動。即期稅項以及遞延稅項資產及負債變動於損益表確認，惟倘與於其他全面收益及直接於權益確認之項目相關者則除外，在該情況下，稅項相關金額分別於其他全面收益或直接於權益確認。

即期稅項為年內應課稅收入之預期應繳稅項，按於報告期末已頒佈或實質頒佈之稅率計算，並就過往年度應繳稅項作出調整。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination), and temporary differences relating to investments in subsidiaries to the extent that, in the case of taxable differences, the Group controls the timing of the reversal and it is probable that the differences will not reverse in the foreseeable future, or in the case of deductible differences, unless it is probable that they will reverse in the future.

2 重大會計政策 (續)

(s) 所得稅 (續)

遞延稅項資產及負債分別源自可扣減及應課稅暫時差額，即就財務申報之資產及負債賬面值與稅基間之差額。遞延稅項資產亦源自未動用稅項虧損及未動用稅項抵免。

除若干有限例外情況外，所有遞延稅項負債及可能有可動用資產用以抵銷日後應課稅溢利之所有遞延稅項資產均予確認。可支持確認源自可扣減暫時差額之遞延稅項資產之日後應課稅溢利，包括現有應課稅暫時差額撥回，惟該等差額須與相同稅務機關及相同應課稅實體相關，且預期在可扣減暫時差額預計撥回之相同期間，或來自遞延稅項資產之稅項虧損可撥回或結轉之多個期間撥回。相同標準應用在決定現時應課稅暫時差額能否支持確認來自未動用稅項虧損及抵免之遞延稅項資產，即與相同稅務機關及相同應課稅實體有關，且預期在可動用稅項虧損或抵免之一段或多段期間撥回，則會計入該等差額。

確認遞延稅項資產及負債之有限制例外情況為，該等不可扣稅之商譽所產生暫時差額、初步確認不影響會計或應課稅溢利之資產或負債（惟不得為業務合併其中部分），及與於附屬公司投資有關之暫時差額，惟以下列情況為限：就應課稅暫時差額而言，本集團能控制撥回時間，且差額於可見將來有可能不會撥回，或就可扣減差額而言，則除非其有可能在日後撥回。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(s) Income tax (Continued)

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profits will be available.

Additional income taxes that arise from the distribution of dividends are recognised when the liability to pay the related dividends is recognised.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or
- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

2 重大會計政策 (續)

(s) 所得稅 (續)

所確認之遞延稅項金額乃按照資產及負債賬面值之預期變現或償還方式，根據報告期末已執行或實質上已執行的稅率計量。遞延稅項資產及負債毋須計算貼現值。

遞延稅項資產賬面值於各報告期末審閱，在不再可能有足夠應課稅溢利可供動用相關稅務利益之情況下予以扣減。任何有關扣減於有可能具備足夠應課稅溢利之情況下予以撥回。

因分派股息而產生之額外所得稅在支付有關股息之責任確立時確認。

即期稅項結餘及遞延稅項結餘以及有關變動會個別列賬，且不予抵銷。倘本集團擁有可依法執行權利，以即期稅項資產抵銷即期稅項負債，且符合下列其他條件，則即期稅項資產會抵銷即期稅項負債，而遞延稅項資產則會抵銷遞延稅項負債：

- 就即期稅項資產及負債而言，本集團擬按淨額基準結算，或同時變現資產及清償負債；或
- 就遞延稅項資產及負債而言，倘若其與同一稅務機關所徵收所得稅相關，而所得稅乃由以下實體徵收：
 - 相同應課稅實體；或
 - 不同應課稅實體，而在預期將清償或收回大額遞延稅項負債或資產之未來各個期間，擬按淨額基準變現即期稅項資產及清償即期稅項負債，或同時進行變現及清償。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Provisions and contingent liabilities

Provisions are recognised when the Group has a legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the sale of goods and the provision of services in the ordinary course of the Group's business.

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

2 重大會計政策 (續)

(t) 撥備及或然負債

倘本集團或本公司因過去事件須承擔法定或推定責任，而解除有關責任將有可能導致經濟利益流出，並能夠可靠估算金額，則確認撥備。倘金錢之時間價值重大，撥備按預期解除責任開支之現值列賬。

倘不可能需要流出經濟利益，或未能可靠估計有關金額，則有關責任會披露為或然負債，除非經濟利益流出之可能性極低則作別論。僅於發生或不發生一件或多件未來事件方能確認其存在與否之可能產生責任亦披露為或然負債，除非經濟利益流出之可能性極低則作別論。

(u) 收益及其他收入

本集團將其日常業務過程中源自銷售貨品、提供服務的收益分類為收入。

當貨品或服務的控制權按本集團預期有權獲取的承諾代價數額（不包括代表第三方收取的金額）轉移至客戶時，收入予以確認。收入不包括增值稅或其他銷售稅，並經扣除任何貿易折扣。

有關本集團收入及其他收益確認政策的進一步詳情載列如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

(i) Sale of goods

Revenue is recognised when the customer takes possession of and accepts the goods which was taken to be the point in time when the customer obtains control of the goods.

In the comparative period, revenue from sales of goods was recognised when the goods were delivered to the customers' premises, which was taken to be the point in time when the customer had accepted the goods and the related risks and rewards of ownership.

(ii) Rendering of services

The Group recognises revenue over time as the services are provided. Where a contract has two or more performance obligations, the Group allocates the transaction price to each service in proportion to those stand-alone selling prices. The stand-alone selling price is determined based on the list prices at which the Group sells the services in separate transactions.

(iii) Dividends

Dividend income from unlisted investments is recognised when the shareholder's right to receive payment is established.

Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

2 重大會計政策 (續)

(u) 收益及其他收入 (續)

(i) 銷售貨品

收入乃於客戶擁有並接受貨品時，即客戶取得產品控制權的時間點確認。

於比較期間，來自銷售貨品的收入於貨品配送至顧客地點時確認，該時間點為客戶接受該貨品及所有權相關風險及回報時。

(ii) 提供服務

本集團於提供服務時隨時間確認收入。如合約包含兩項或多項履約義務，本集團按各項服務的單獨售價的相對比例，將交易價格分攤至各項服務。交易價格按本集團於單獨交易銷售服務的報價而釐定。

(iii) 股息

來自非上市投資之股息收入於確立股東收取付款之權利時確認。

上市投資的股息收入於投資的股價除息時確認。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Revenue and other income (Continued)

(iv) Interest income

Interest income is recognised as it accrues under the effective interest method using the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of the financial asset. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 2(l)(i)).

(v) Translation of foreign currencies

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Group initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

2 重大會計政策 (續)

(u) 收益及其他收入 (續)

(iv) 利息收入

利息收入採用實際利率法於產生時確認，即將金融資產在預計存續期的估計未來現金收款額準確折現為該工具賬面總值所使用的利率。就按攤銷成本或按公允價值計入其他全面收益（可回收）計量且並無出現信貸減值之金融資產而言，實際利率用於該資產之賬面總值。就出現信貸減值之金融資產而言，實際利率用於資產之攤銷成本（即賬面總值扣除虧損撥備）（見附註2(l)(i)）。

(v) 外幣換算

年內外幣交易均按交易當日之外幣匯率換算。以外幣結算之貨幣資產及負債均按報告期末之外幣匯率換算。匯兌收益及虧損於損益表確認。

以歷史成本計量的外幣非貨幣資產與負債按交易日的外幣匯率換算。交易日為本集團初步確認該等非貨幣資產與負債的日期。以公允價值列賬的外幣結算非貨幣資產與負債，則按計量公允價值當時外幣匯率換算。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Translation of foreign currencies (Continued)

The results of foreign operations whose functional currency is the currency of a non-hyperinflationary economy are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve.

The results of foreign operations whose functional currency is the currency of a hyperinflationary economy applies hyperinflation accounting in accordance with HKAS 29 as described in note 2(d). When the economy ceases to be hyperinflationary, the Group will discontinue the application of hyperinflation accounting and the amounts presented in the measuring unit current at the end of the previous reporting period will become the basis for the carrying amounts in its subsequent financial statements.

On disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

2 重大會計政策 (續)

(v) 外幣換算 (續)

海外業務之業績(其功能性貨幣為非惡性通脹經濟的貨幣)按於交易日與外幣匯率相若之匯率換算為港元。財務狀況表項目則按報告期末之外幣匯率換算為港元。所產生之匯兌差額於其他全面收益確認並於匯兌儲備股本部分獨立累計。

海外業務之業績(其功能性貨幣為惡性通脹經濟的貨幣)如附註2(d)所述根據香港會計準則第29號應用惡性通脹會計法。倘經濟脫離惡性通脹，本集團將取消持續應用惡性通脹會計法及於以往報告期間末的當前計量單位所呈列之金額將成為其隨後財務報表的賬面值之基準。

於出售海外業務時，倘損益於出售時予以確認，則有關該海外業務之匯兌差額累計金額自權益重新分類至損益表。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(w) Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of the cost of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use or sale are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are interrupted or complete.

(x) Related parties

(a) A person, or a close member of that person's family, is related to the Group if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or the Group's parent.

2 重大會計政策 (續)

(w) 借貸成本

直接由於收購、興建或生產資產時需耗用大量時間以達致其擬定用途或作銷售而產生之借貸成本均撥充資本，作為資產的部分成本。其他借貸成本於產生期間支銷。

於資產錄得開支、借貸成本產生及準備資產作擬定用途或銷售之活動進行時，開始將借貸成本撥充資本，作為合資格資產之部分成本。倘將合資格資產準備作擬定用途或銷售之絕大部分活動遭到干擾或完成，借貸成本將暫停或停止撥充資本。

(x) 關聯方

(a) 如屬以下人士，則該人士或該人士之近親與本集團有關連：

- (i) 控制或共同控制本集團；
- (ii) 對本集團有重大影響力；或
- (iii) 為本集團或本集團母公司之主要管理層成員。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(x) Related parties (Continued)

- (b) An entity is related to the Group if any of the following conditions applies:
- (i) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

2 重大會計政策 (續)

(x) 關聯方 (續)

- (b) 倘符合下列任何條件，即實體與本集團有關連：
- (i) 該實體與本集團屬同一集團之成員公司（即各母公司、附屬公司及同系附屬公司彼此間有關連）。
 - (ii) 一間實體為另一實體的聯營公司或合營企業（或另一實體為成員公司之集團旗下成員公司之聯營公司或合營企業）。
 - (iii) 兩間實體均為同一第三方的合營企業。
 - (iv) 一間實體為第三方實體的合營企業，而另一實體為該第三方實體的聯營公司。
 - (v) 實體為本集團或與本集團有關連之實體就僱員利益設立的離職福利計劃。
 - (vi) 實體受(a)所識別人士控制或受共同控制。
 - (vii) 於(a)(i)所識別人士對實體有重大影響力或屬該實體（或該實體的母公司）主要管理層成員。
 - (viii) 向本集團或本集團母公司提供主要管理人員服務的該實體或其中成員群組的任何成員。

一位人士之近親為與實體進行交易時預期影響該人士或受該人士影響之家族成員。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

(y) Segment reporting

Operating segments, and the amounts of each segment item reported in the financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to, and assessing the performance of, the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

Note 29 contains information about the assumptions and their risk factors relating to financial instruments. Other significant sources of estimation uncertainty are as follows:

(i) Oil and gas properties and reserves

Engineering estimates of the Group's oil and gas resources and reserves are inherently imprecise and represent only approximate amounts because of the subjective judgements involved in developing such information. There are authoritative guidelines regarding the engineering criteria that have to be met before estimated oil and gas reserves can be designated as "proved". Proved and probable reserves estimates are updated at least annually and take into account recent production and technical information about each field. In addition, as prices and cost levels change from year to year, the estimate of proved and probable reserves also changes. This change is considered a change in estimate for accounting purposes and is reflected on a prospective basis in related depreciation rates.

2 重大會計政策 (續)

(y) 分類呈報

經營分部及於財務報表呈報之各分部項目金額按就向本集團不同業務及地理位置作出資源分配及評估其表現而定期向本集團最高級行政管理層提供的財務資料確定。

除非分部擁有類似經濟特點及類似產品與服務性質、生產過程性質、顧客種類或類別、分銷產品或提供服務方法及監管環境性質，否則個別重大經營分部不會就財務呈報目的合併計算。並非個別重大之經營分部如具備大部分相同條件，則或會合併計算呈報。

3 會計判斷及估計

附註29載有有關金融工具之假設及風險因素之資料。其他重大估計來源之不明朗因素如下：

(i) 油氣資產和儲量

鑒於編製有關資料涉及主觀的判斷，本集團油氣資源儲量的工程估計存有內在的不精確性，並僅屬相若數額。在估計油氣儲量可確定為「探明儲量」之前，需要遵從若干有關工程標準的權威性指引。探明及概略已開發儲量的估計須至少每年更新一次，並計入各個油田最近的生產和技術資料。此外，由於價格及成本水平按年變更，因此，探明及概略已開發儲量的估計也會出現變動。就會計目的而言，有關變動視為估計變更處理，並按預期基準反映在相關的折舊率中。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

(i) Oil and gas properties and reserves (Continued)

Future dismantlement costs for oil and gas properties are estimated with reference to engineering estimates after taking into consideration the anticipated method of dismantlement required in accordance with industry practices in similar geographic area, including estimation of economic life of oil and gas properties, technology and price level. The present values of these estimated future dismantlement costs are capitalised as oil and gas properties with equivalent amounts recognised as provisions for dismantlement costs.

Despite the inherent imprecision in these engineering estimates, these estimates are used in determining depreciation expense, impairment expense and future dismantlement costs. Depreciation rates are determined based on estimated proved and probable reserve quantities (the denominator) and capitalised costs of producing properties (the numerator). Producing properties' capitalised costs are amortised based on the units of oil and gas produced.

(ii) Impairment losses of non-current assets

In considering the impairment losses that may be required for certain of the Group's assets which include exploration and evaluation assets, property, plant and equipment, intangible assets, goodwill and investments in joint ventures, recoverable amount of the asset needs to be determined. The recoverable amount is the greater of the fair value less costs to sell and the value in use. It is difficult to precisely estimate selling price because quoted market prices for these assets may not be readily available. In determining the value in use, expected cash flows generated by the asset are discounted to their present value, which requires significant judgement relating to items such as level of sale volume, selling price and amount of operating costs. The Group uses all readily available information in determining an amount that is reasonable approximation of recoverable amount, including estimates based on reasonable and supportable assumptions and projections of items such as sales volume, selling price and amount of operating costs.

3 會計判斷及估計 (續)

(i) 油氣資產和儲量 (續)

本集團對油氣資產未來的拆除費用的估計是按照類似區域目前的行業慣例考慮預期的拆除方法，包括油氣資產預期的經濟年限、技術和價格水平的因素，並參考工程的估計後進行的。預計未來拆除費用的現值資本化為油氣資產，並且以同等金額計入相應的拆除成本的預計負債中。

儘管工程估計存有內在的不精確性，有關估計被用作折舊費用、減值虧損及未來的拆除費用的基準。折舊率按評估的已探明及可能儲量（分母）和生產裝置的已資本化成本（分子）計算。生產裝置的已資本化成本按油氣產量法攤銷。

(ii) 非流動資產減值虧損

鑒於本集團若干資產（包括勘探及評估資產、物業、廠房及設備、無形資產、商譽及於合營企業之投資）可能會出現減值虧損，須釐定有關資產之可收回金額。可收回值是以公允價值減銷售成本與使用價值兩者中的較高者計算。由於本集團難以獲得資產的公開市價，因此難以準確地估計售價。在釐定使用價值時，該資產所產生的預期現金流量會貼現至其現值，因而需要對銷售額、售價和經營成本等作出重大判斷。本集團在釐定與可收回數額相若的合理數額時會採用所有容易可供使用的資料，包括根據合理和可支持的假設所作出的估計和銷售額、售價及經營成本的預測。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

3 ACCOUNTING JUDGEMENTS AND ESTIMATES

(Continued)

(iii) Income tax

The Group is subject to various taxes in Hong Kong, PRC, Argentina and the United States of America ("US") where the Group entities operate. Judgment is required in determining the provision for current and deferred tax. There are transactions and calculations for which the ultimate tax determination is uncertain. The Group recognises tax liabilities based on the historical experience and with reference to the tax rules and regulations enacted at the reporting period end date. Where the final tax outcome of these matters is different from the amounts that are initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

4 REVENUE AND SEGMENT REPORTING

The principal activities of the Group are (i) exploration, development, production and sale of natural resources; (ii) commodities trading. Further details regarding the Group's principal activities are disclosed in note 4(b).

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by major products or service lines is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Revenue from contracts with customers within the scope of HKFRS 15	香港財務報告準則第15號 涵蓋範圍內來自客戶合約 的收益		
Disaggregated by major products or service lines	以主要產品或服務線細分		
- Trading of non-ferrous metals and oil products under commodities trading	- 買賣商品貿易之有色金屬及石油產品	216,331	265,030
- Sale of oil products under oil exploration and production	- 銷售石油勘探及生產之石油產品	20,315	32,959
		236,646	297,989

3 會計判斷及估計 (續)

(iii) 所得稅

本集團須繳納香港、中國、阿根廷及美利堅合眾國(「美國」)(本集團實體的經營所在地)的各種稅項。釐定即期及遞延稅項撥備需作出判斷。所涉及的交易及計算均難以對最終稅務作出明確釐定。本集團根據過往經驗及參考報告期間未已制定稅收規例及法規確認稅項負債。倘該等事項的最終稅項結果與初步記錄金額有別，該差異將影響釐定稅項期間的即期及遞延稅項撥備。

4 收益及分部報告

本集團之主要業務為(i)勘探、開發、生產及銷售天然資源；(ii)商品貿易。有關本集團主要業務的進一步詳情已於附註4(b)披露。

(a) 收益的細分

來自客戶合約的收益以主要產品或服務線細分如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

4 REVENUE AND SEGMENT REPORTING

(Continued)

(a) Disaggregation of revenue (Continued)

The Group has four (2018: two) customers and the amounts of individual customer are disclosed as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer 1	客戶一	211,872	265,030
Customer 2	客戶二	14,394	32,959
Customer 3	客戶三	5,921	–
Customer 4	客戶四	4,459	–

Details of concentrations of credit risk arising from these customers are set out in note 29(a).

(b) Segment reporting

The Group manages its businesses by divisions, which are organised by a mixture of both business lines and geography. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment, the Group has presented the following two reportable segments. No operating segments have been aggregated to form the following reportable segments.

Details of the Group's reportable segments as follows:

- Upstream: This segment is engaged in the exploration, development, production and sale of crude oil. Currently the Group's activities in this regard are carried out in Argentina.
- Commodities trading: This segment includes trading of non-ferrous metals and oil products.

4 收益及分部報告 (續)

(a) 收益的細分 (續)

本集團具有四名(二零一八年:兩名)個別客戶，其金額披露如下：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Customer 1	客戶一	211,872	265,030
Customer 2	客戶二	14,394	32,959
Customer 3	客戶三	5,921	–
Customer 4	客戶四	4,459	–

來自該等客戶之集中信貸風險詳情載於附註29(a)。

(b) 分部報告

本集團按業務單位及地區位置劃分及管理其業務分部。以與就分配資源及評核表現而向本集團主要營運決策者內部呈報資料相符之方式，本集團已呈列下列兩個可呈報分部。下列可呈報分部並無合併任何經營分部。

本集團呈報分部詳情如下：

- 上游：此分部從事原油勘探、開發、生產及銷售。目前，本集團於阿根廷開展該業務。
- 商品貿易：此分部包括有色金屬及石油產品貿易。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

4 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Segment assets include all tangible assets and current assets with the exception of interest in joint ventures, other investment in equity securities and unallocated corporate assets. Segment liabilities include all the liabilities with the exception of deferred tax liabilities and unallocated corporate liabilities.

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

Segment profit/loss represents the profit/loss resulted by each segment without allocation of assets impairment losses, share of losses of joint ventures, net investment loss, unallocated interest income and interest expense, and other net expense in corporate head office. This is the measure reported to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 2(y).

4 收益及分部報告 (續)

(b) 分部報告 (續)

(i) 分類業績、資產及負債

就評估分部表現及分部間資源分配，本集團主要營運決策者按以下基準監控各呈報分部應佔之業績、資產與負債：

分部資產包括所有有形資產及流動資產，但並不包括於合營企業之權益、其他股本證券投資及未分配企業資產。分部負債包括全部負債，但不包括遞延稅項負債及未分配企業負債。

收益及開支乃按該等分部產生之銷售額、該等分部產生之開支或該等分部應佔之資產所產生折舊或攤銷分配至呈報分部。

分部溢利／虧損指各分部所產生之溢利／虧損，且未分配資產減值虧損、應佔合營企業虧損、投資虧損淨值、未分配利息收入及利息開支及公司總部之其他開支淨額。此為就資源分配及表現評估而向本集團主要營運決策者報告之方式。

可報告分部之會計政策與附註2(y)所述本集團之會計政策相同。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

4 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(i) Segment results, assets and liabilities

(Continued)

Disaggregation of revenue from contracts with customers, as well as information regarding the Group's reportable segments as provided to the Group's chief operating decision maker for the purposes of resource allocation and performance assessment for the year is set out below:

		Upstream		Commodities trading		Total	
		上游		商品貿易		總計	
		2019	2018	2019	2018	2019	2018
		二零一九年	二零一八年	二零一九年	二零一八年	二零一九年	二零一八年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元
Reportable segment revenue (note)	可呈報分部收益 (附註)	20,315	32,959	216,331	265,030	236,646	297,989
Reportable segment loss	可呈報分部虧損	(26,600)	(47,290)	(259)	(179)	(26,859)	(47,469)
Depreciation and amortisation	折舊及攤銷	4,617	5,624	–	–	4,617	5,624
Exploration expenses	勘探開支	202	371	–	–	202	371
Interest income	利息收入	44	5	–	–	44	5
Additions to non-current segment assets during the year	年內非流動分部資產增加	19,804	40,821	–	–	19,804	40,821
Reportable segment assets	可呈報分部資產	168,798	2,455,299	4,861	–	173,659	2,455,299
Reportable segment liabilities	可呈報分部負債	(30,083)	(53,559)	(848)	(601)	(30,931)	(54,160)

Note:

Segment revenue reported above represents revenue generated from external customers. There were no inter-segment sales during both the current and prior year. All of the Group's revenue is recognised at a point in time.

附註：

上文所呈報之分部收益指來自外部客戶之收益。於本年度及過往年度，並無分部間銷售額。本集團之所有收益於某一時間點確認。

4 收益及分部報告 (續)

(b) 分部報告 (續)

(i) 分類業績、資產及負債

(續)

年內，提供予本集團主要營運決策者用作資源分配及分部表現評估之來自客戶合約收益之細分及有關本集團呈報分部資料如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

4 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities

		2019 二零一九年	2018 二零一八年 (note) (附註)
		HK\$'000 千港元	HK\$'000 千港元
Revenue	收益		
Reportable segment revenue	可呈報分部收益	236,646	297,989
Loss	虧損		
Reportable segment loss	可呈報分部虧損	(26,859)	(47,469)
Unallocated interest income	未分配利息收入	14,891	16,603
Unallocated interest expense	未分配利息開支	(13,812)	(15,687)
Assets impairment losses	資產減值虧損	(2,250,076)	(72,771)
Other net expenses in corporate head office	公司總部其他開支淨額	(25,517)	(22,350)
Share of losses of joint ventures	應佔合營企業之虧損	(4,784)	(4,452)
Net investment loss	投資虧損淨值	(4,228)	(100,321)
Consolidated loss before taxation	除稅前綜合虧損	(2,310,385)	(246,447)

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2(c).

附註：本集團已於二零一九年一月一日採用經修改追溯法首次應用香港財務報告準則第16號。根據此方法，對比資料不會重列。見附註2(c)。

4 收益及分部報告 (續)

(b) 分部報告 (續)

(ii) 可呈報分部收益及損益、資產及負債之對賬表

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

4 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (Continued)

		2019 二零一九年	2018 二零一八年 (note) (附註)
		HK\$'000 千港元	HK\$'000 千港元
Assets	資產		
Reportable segment assets	可呈報分部資產	173,659	2,455,299
Interest in joint ventures	於合營企業之權益	7,849	12,827
Other investment in equity securities	其他權益證券投資	16,068	18,694
Unallocated corporate assets	未分配企業資產		
– Cash and cash equivalents	– 現金及現金等價物	767,713	904,935
– Other financial assets	– 其他金融資產	119,173	80,468
– Other receivables	– 其他應收款項	9,522	7,472
– Others	– 其他	1,310	394
Consolidated total assets	綜合資產總額	1,095,294	3,480,089

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2(c).

附註：本集團已於二零一九年一月一日採用經修改追溯法首次應用香港財務報告準則第16號。根據此方法，對比資料不會重列。見附註2(c)。

4 收益及分部報告 (續)

(b) 分部報告 (續)

(ii) 可呈報分部收益及損益、資產及負債之對賬表 (續)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

4 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(ii) Reconciliations of reportable segment revenues, profit or loss, assets and liabilities (Continued)

		2019 二零一九年	2018 二零一八年 (note) (附註)
		HK\$'000 千港元	HK\$'000 千港元
Liabilities	負債		
Reportable segment liabilities	可呈報分部負債	(30,931)	(54,160)
Deferred tax liabilities	遞延稅項負債	(11,711)	(31,436)
Unallocated corporate liabilities	未分配企業負債		
– Other borrowings	– 其他借貸	(151,544)	(210,792)
– Deposit received	– 已收按金	(48,880)	(48,880)
– Lease liabilities	– 租賃負債	(834)	–
– Others	– 其他	(4,939)	(4,845)
Consolidated total liabilities	綜合負債總額	(248,839)	(350,113)

Note: The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2(c).

附註：本集團已於二零一九年一月一日採用經修改追溯法首次應用香港財務報告準則第16號。根據此方法，對比資料不會重列。見附註2(c)。

4 收益及分部報告 (續)

(b) 分部報告 (續)

(ii) 可呈報分部收益及損益、資產及負債之對賬表 (續)

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

4 REVENUE AND SEGMENT REPORTING

(Continued)

(b) Segment reporting (Continued)

(iii) Geographical information

The following table sets out information about the geographical location of (i) the Group's revenue from external customers and (ii) the Group's non-current assets other than investment in equity securities ("specified non-current assets"). The geographical location of the Group's revenue is based on the locations of customers. The geographical location of the specified non-current assets is based on (i) the physical location of the asset, in the case of property, plant and equipment and exploration and evaluation assets; and (ii) the location of the operation to which they are allocated, in the case of intangible assets, goodwill, prepayments, deposits and other receivables. In the case of interest in joint ventures, it is based on the location of the operation of such joint ventures.

4 收益及分部報告 (續)

(b) 分部報告 (續)

(iii) 地區資料

下表載列(i)本集團來自外部客戶之收益；及(ii)本集團之非流動資產，不包括股本證券其他投資（「特定非流動資產」）地理位置之資料。本集團收益的地理位置乃基於客戶所在地。特定非流動資產之地理位置乃基於(i)就物業、廠房及設備及勘探及評估資產而言，資產本身位處之地點；及(ii)就無形資產、商譽、預付款項、按金及其他應收款項而言，彼等獲分配之營運地區。就於合營企業之權益而言，則以該合營企業業務所在地點為準。

		Revenues from external customers 來自外部客戶之收益		Specified non-current assets 特定非流動資產	
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Singapore	新加坡	211,872	265,030	–	–
Argentina	阿根廷	20,315	32,959	142,534	2,385,691
Hong Kong	香港	4,459	–	1,697	1,173
PRC	中國	–	–	6,903	11,733
		236,646	297,989	151,134	2,398,597

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

5 OTHER INCOME

5 其他收入

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Bank interest income	銀行利息收入	14,935	12,689
Interest income on promissory note receivable	應收承兌票據之利息收入	-	3,919
Total interest income on financial assets not at fair value through profit or loss	非透過損益以公允價值列賬的金融資產利息收入總額	14,935	16,608
Net foreign exchange loss	外匯虧損淨額	(34,865)	(46,399)
Net loss on disposal of non-current assets of Palmar Largo concession (note 16)	處置Palmar Largo特許權區之非流動資產的虧損淨額(附註16)	-	(7,186)
Drilling service income	鑽井服務收入	1,523	14,588
Hyperinflation monetary adjustments (note 2(d))	惡性通脹貨幣性調整(附註2(d))	21,416	4,009
Others	其他	17	7,633
		3,026	(10,747)

6 LOSS BEFORE TAXATION

6 除稅前虧損

Loss before taxation is arrived at after charging/(crediting):

除稅前虧損乃經扣除/(計入)下列各項:

(a) Finance costs

(a) 融資成本

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 (note) (附註) HK\$'000 千港元
Interest on other borrowings	其他借貸利息	13,721	15,687
Interest on lease liabilities	租賃負債利息	91	-
		13,812	15,687

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the comparative information is not restated. See note 2(c).

附註：本集團已採用經修改追溯法首次應用香港財務報告準則第16號。根據此方法，對比資料不會重列。(見附註2(c))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

6 LOSS BEFORE TAXATION (Continued)

6 除稅前虧損 (續)

(b) Staff costs (including directors' remuneration)

(b) 員工成本 (包括董事酬金)

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, wages and other benefits	薪金、薪資及其他福利	17,674	16,034
Contributions to defined contribution retirement plan	定額供款退休計劃供款	1,903	4,604
		19,577	20,638

(c) Assets impairment losses

(c) 資產減值虧損

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Exploration and evaluation assets	勘探及評估資產	12	2,243,254	–
Inventories	存貨	18	6,822	–
Promissory note receivable	應收承兌票據	19	–	38,846
Trade and other receivables	應收貿易賬款及其他應收款項		–	33,925
			2,250,076	72,771

(d) Net investment loss

(d) 投資虧損淨額

		Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Listed equity securities	上市股本證券	20(i)	6,850	100,492
Listed debt securities	上市債務證券	20(ii)	(1,010)	–
Unlisted equity-linked securities	非上市股本掛鈎證券	20(iii)	(1,612)	(2,126)
Unlisted funds	非上市基金		(17)	1,955
			4,211	100,321

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

6 LOSS BEFORE TAXATION (Continued)

6 除稅前虧損 (續)

(e) Other items

(e) 其他項目

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Amortisation cost of intangible assets	無形資產成本攤銷	–	1,156
Depreciation charge	折舊費用		
– owned property, plant and equipment	– 自置物業、廠房及設備	4,661	4,585
– right of use assets (note(i))	– 使用權資產 (附註(i))	2,119	–
Total minimum lease payments for leases previously classified as operating leases under HKAS 17 (note(ii))	過往根據香港會計準則第17號分類為經營租賃的租賃之最低租賃付款總額 (附註(i))	–	2,764
Auditor's remuneration	核數師酬金		
– audit services	– 審核服務	1,900	2,550
– other services	– 其他服務	850	687
Cost of inventories (note (ii))	存貨成本 (附註(ii))	224,724	286,863

Notes:

- (i) The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. After initial recognition of right-of-use assets at 1 January 2019, the Group as a lessee is required to recognise the depreciation of right-of-use assets, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under this approach, the comparative information is not restated. See note 2(c).
- (ii) Cost of sales includes approximately HK\$43,000 (2018: HK\$1,586,000) relating to depreciation and amortisation expenses, which amount is also included in the respective total amounts disclosed separately above for each of these types of expenses.

附註：

- (i) 本集團已採用經修改追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日的年初結餘，以確認過往根據香港會計準則第17號分類為經營租賃的租賃相關的使用權資產。於二零一九年一月一日首次確認使用權資產後，本集團作為承租人須確認使用權資產折舊，以取代過往於租期內以直線法確認根據經營租賃產生的租賃開支之政策。根據此方法，對比資料不會重列。見附註2(c)。
- (ii) 銷售成本包括約43,000港元（二零一八年：1,586,000港元），乃與折舊及攤銷開支有關，該金額亦計入就各類此等費用於上文分別披露的各自總金額內。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS

7 綜合損益表內之所得稅

(a) Taxation in the consolidated statement of profit or loss represents:

(a) 綜合損益表內之稅項指：

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax – Hong Kong Profits Tax	即期稅項 – 香港利得稅		
Provision for the year	年內撥備	–	–
Current tax – overseas	即期稅項 – 海外		
Provision for the year	年內撥備	–	–
Under/(over)-provision in respect of prior years	就往年撥備不足/ (超額)撥備	9	(55)
		9	(55)
Deferred tax	遞延稅項		
(Reversal)/origination of temporary differences	臨時差額之(撥回) /產生	(20,257)	10,832
		(20,248)	10,777

Pursuant to the rules and regulations of Bermuda and the British Virgin Islands (“BVI”), the Company and its subsidiaries incorporated in Bermuda and the BVI are not subject to any income tax in Bermuda and the BVI for both the current and prior years.

No provision for Hong Kong profits tax has been made as the Group’s operations in Hong Kong had no assessable profits for the year. The provision for Hong Kong profits tax for 2019 is calculated at 16.5% (2018: 16.5%) of the estimated assessable profit for the years.

根據百慕達及英屬處女群島(「英屬處女群島」)之規則及法規，本公司及其附屬公司於百慕達及英屬處女群島註冊成立且於當前及過往年度均無須繳納百慕達及英屬處女群島任何所得稅。

年內，由於本集團於香港之業務並無應課稅溢利，故並無計提香港利得稅撥備。於二零一九年，香港利得稅撥備乃根據年內之估計應課稅溢利按16.5% (二零一八年：16.5%)之稅率計算。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

7 INCOME TAX IN THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS (Continued)

(a) Taxation in the consolidated statement of profit or loss represents: (Continued)

Subsidiaries of the Group in Argentina are subject to Argentina corporate income tax ("CIT") at 30% (2018: 30%) and minimum presumed income tax ("MPIT"). MPIT is supplementary to CIT and is chargeable at the applicable tax rate of 1% on the tax basis of certain assets. The tax liabilities of subsidiaries of the Group in Argentina are the higher of CIT and MPIT.

Taxation for other overseas subsidiaries of the Group is charged at the appropriate current rates of taxation ruling in the relevant countries and regions.

(b) Reconciliation between tax credit and accounting loss at applicable tax rates:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss before taxation	除稅前虧損	(2,310,385)	(246,447)
Notional tax on loss before taxation, calculated at the rates applicable to loss in the jurisdictions concerned	有關除稅前虧損之名義稅項，按適用於有關稅務司法權區虧損之稅率計算	(57,969)	(38,035)
Tax effect of non-taxable income	非課稅收入之稅務影響	(2,793)	(2,118)
Tax effect of non-deductible expenses	不可扣稅開支之稅務影響	4,141	25,910
Tax effect of hyperinflation impact	惡性通脹的影響之稅務影響	23,171	20,654
Tax effect of tax losses and temporary differences not recognised	未確認稅務虧損及暫時差額之稅務影響	13,193	4,421
Under/(over)-provision in respect of prior years	就往年撥備不足／(超額)撥備	9	(55)
Actual tax (credit)/expense	實際稅務(抵免)／開支	(20,248)	10,777

7 綜合損益表內之所得稅(續)

(a) 綜合損益表內之稅項指：(續)

本集團於阿根廷之附屬公司須按30%稅率(二零一八年：30%)繳納阿根廷企業所得稅(「企業所得稅」)及推測最低所得稅(「推測最低所得稅」)。推測最低所得稅為企業所得稅之補充，並就若干資產之稅基按1%實際稅率徵收。本集團附屬公司於阿根廷之稅項負債為企業所得稅及推測最低所得稅之較高者。

本集團其他海外附屬公司之稅項按相關國家及地區之現行適當稅率收取。

(b) 稅務抵免與會計虧損按適用稅率之對賬：

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8 DIRECTORS' REMUNERATION

Directors' emoluments disclosed pursuant to section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

8 董事薪酬

董事薪酬根據香港公司條例第383(1)條及公司(披露董事利益資料)規則第2部規定披露如下：

		2019 二零一九年				
		Salaries, allowances and Directors' fees	benefits in kind 薪金、津貼及 董事袍金	Discretionary bonuses 酌情花紅	Retirement scheme contributions 退休計劃供款	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
<i>Chairman</i>	<i>主席</i>					
Mr. CHENG, Kam Chiu Stewart	鄭錦超先生	–	2,160	510	14	2,684
<i>Executive director</i>	<i>執行董事</i>					
Mr. TANG, John Wing Yan	鄧永恩先生	–	2,400	510	–	2,910
<i>Non-executive director</i>	<i>非執行董事</i>					
Mr. LEE, Chi Hin Jacob (appointed on 1 April 2019)	李志軒先生 (於二零一九年 四月一日獲委任)	360	–	–	–	360
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Mr. CHAN, Chi Yuen (resigned on 24 March 2020)	陳志遠先生 (於二零二零年 三月二十四日辭任)	200	–	–	–	200
Mr. CHIU, Wai On	招偉安先生	200	–	–	–	200
Mr. YUNG, Chun Fai Dickie	翁振輝先生	200	–	–	–	200
Mr. WONG, Man Kong Peter (deceased on 11 March 2019)	王敏剛先生 (於二零一九年 三月十一日離世)	39	–	–	–	39
		999	4,560	1,020	14	6,593

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

8 DIRECTORS' REMUNERATION (Continued)

8 董事薪酬 (續)

		2018 二零一八年				
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Total
		董事袍金	薪金、津貼及實物福利	酌情花紅	退休計劃供款	總計
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元
<i>Chairman</i>	<i>主席</i>					
Mr. CHENG, Kam Chiu Stewart	鄭錦超先生	-	2,040	510	18	2,568
<i>Executive directors</i>	<i>執行董事</i>					
Mr. TANG, John Wing Yan	鄧永恩先生	-	2,040	510	-	2,550
Mr. ZHANG, Kun (resigned on 9 February 2018)	張堃先生 (於二零一八年二月九日辭任)	-	71	100	2	173
<i>Non-executive director</i>	<i>非執行董事</i>					
Mr. CHENG, Ming Kit (resigned on 13 April 2018)	鄭明傑先生 (於二零一八年四月十三日辭任)	57	-	-	-	57
<i>Independent non-executive directors</i>	<i>獨立非執行董事</i>					
Mr. CHAN, Chi Yuen (resigned on 24 March 2020)	陳志遠先生 (於二零二零年三月二十四日辭任)	200	-	-	-	200
Mr. CHIU, Wai On	招偉安先生	200	-	-	-	200
Mr. WONG, Man Kong Peter (deceased on 11 March 2019)	王敏剛先生 (於二零一九年三月十一日離世)	200	-	-	-	200
Mr. YUNG, Chun Fai Dickie	翁振輝先生	200	-	-	-	200
		857	4,151	1,120	20	6,148

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

9 INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, two (2018: two) are directors whose emoluments are disclosed in note 8. During the year ended 31 December 2019, the aggregate of the emoluments in respect of the other three individuals (2018: three) were as follow:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Salaries, allowances and benefits in kind 薪金、津貼及實物福利	2,365	2,336
Discretionary bonuses 酌情花紅	316	221
Retirement scheme contributions 退休計劃供款	54	128
	2,735	2,685

During the year ended 31 December 2019, the emoluments of the three (2018: three) individuals with the highest emoluments were within the following bands:

	2019 二零一九年 Number of individuals 人數	2018 二零一八年 Number of individuals 人數
HK\$500,001 – HK\$1,000,000 500,001港元–1,000,000港元	2	2
HK\$1,000,001 – HK\$1,500,000 1,000,001港元–1,500,000港元	1	1

10 OTHER COMPREHENSIVE INCOME

Other comprehensive income does not have any tax effect for the year ended 31 December 2019 (2018: HK\$Nil).

9 最高薪酬人士

五位最高薪酬人士當中，兩位（二零一八年：兩位）為董事，其酬金於附註8披露。截至二零一九年十二月三十一日止年度，其餘三位（二零一八年：三位）人士之合共酬金如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
薪金、津貼及實物福利	2,365	2,336
酌情花紅	316	221
退休計劃供款	54	128
	2,735	2,685

截至二零一九年十二月三十一日止年度，三位（二零一八年：三位）最高薪酬人士之酬金範圍如下：

	2019 二零一九年 Number of individuals 人數	2018 二零一八年 Number of individuals 人數
500,001港元–1,000,000港元	2	2
1,000,001港元–1,500,000港元	1	1

10 其他全面收益

截至二零一九年十二月三十一日止年度，其他全面收益並無任何稅務影響（二零一八年：零港元）。

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11 LOSS PER SHARE

(a) Basic loss per share

(i) Loss attributable to owners of the Company (basic)

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss attributable to owners of the Company 本公司擁有人應佔虧損	(2,290,086)	(257,218)

(ii) Weighted average number of ordinary shares (basic)

	2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Issued ordinary shares at 1 January 於一月一日已發行普通股	8,758,881	8,865,483
Effect of purchase of own shares (note 28(c)(ii)) 購買自身的股份之影響 (附註28(c)(ii))	-	(22,723)
Weighted average number of ordinary shares (basic) at 31 December 於十二月三十一日之普通股(基本)加權平均數	8,758,881	8,842,760

(b) Diluted loss per share

For the years ended 31 December 2019 and 2018, basic and diluted loss per share was the same as there were no potentially dilutive ordinary shares in issue during the year.

11 每股虧損

(a) 每股基本虧損

(i) 本公司擁有人應佔(基本)虧損

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Loss attributable to owners of the Company 本公司擁有人應佔虧損	(2,290,086)	(257,218)

(ii) 普通股(基本)加權平均數

	2019 二零一九年 '000 千股	2018 二零一八年 '000 千股
Issued ordinary shares at 1 January 於一月一日已發行普通股	8,758,881	8,865,483
Effect of purchase of own shares (note 28(c)(ii)) 購買自身的股份之影響 (附註28(c)(ii))	-	(22,723)
Weighted average number of ordinary shares (basic) at 31 December 於十二月三十一日之普通股(基本)加權平均數	8,758,881	8,842,760

(b) 每股攤薄虧損

截至二零一九年及二零一八年十二月三十一日止年度，由於年內概無發行潛在可攤薄的普通股份，故每股基本及攤薄虧損相同。

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12 EXPLORATION AND EVALUATION ASSETS

12 勘探及評估資產

		Exploration rights 勘探權 HK\$'000 千港元	Exploratory drilling 勘探鑽井 HK\$'000 千港元	Geological studies 地質研究 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Cost	成本					
At 1 January 2018	於二零一八年一月一日	3,229,171	92,864	96,194	33,991	3,452,220
Additions	添置	893	37,512	-	-	38,405
Write off	撇銷	-	(371)	-	-	(371)
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	(351)	(3,667)	91,730	-	87,712
At 31 December 2018	於二零一八年 十二月三十一日	3,229,713	126,338	187,924	33,991	3,577,966
At 1 January 2019	於二零一九年一月一日	3,229,713	126,338	187,924	33,991	3,577,966
Additions	添置	-	19,285	-	-	19,285
Write off	撇銷	-	(202)	-	-	(202)
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	(1,442)	(8,049)	(5,938)	-	(15,429)
At 31 December 2019	於二零一九年 十二月三十一日	3,228,271	137,372	181,986	33,991	3,581,620
Accumulated impairment	累計減值					
At 1 January 2018	於二零一八年一月一日	1,013,545	5,009	96,194	33,991	1,148,739
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	-	-	91,730	-	91,730
At 31 December 2018	於二零一八年 十二月三十一日	1,013,545	5,009	187,924	33,991	1,240,469
At 1 January 2019	於二零一九年一月一日	1,013,545	5,009	187,924	33,991	1,240,469
Impairment (note (a))	減值(附註(a))	2,214,726	28,528	-	-	2,243,254
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	-	-	(5,938)	-	(5,938)
At 31 December 2019	於二零一九年 十二月三十一日	3,228,271	33,537	181,986	33,991	3,477,785
Net book value	賬面淨值					
At 31 December 2019	於二零一九年 十二月三十一日	-	103,835	-	-	103,835
At 31 December 2018	於二零一八年 十二月三十一日	2,216,168	121,329	-	-	2,337,497

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

12 EXPLORATION AND EVALUATION ASSETS

(Continued)

Notes:

- (a) The exploration rights represent the Group's 69.25% interest in the Tartagal concession and Morillo concession (collectively the "T&M Concessions") which are the concessions in the province of Salta in northern Argentina, through an Union of Temporary Enterprise ("T&M UTE"). Exploration permits were granted for oil and developments of hydrocarbons in the T&M Concessions for an initial period of four years starting from 29 December 2006 and additional extensions up to an aggregate of nine years may be obtained. The Group submitted applications to the Secretary of Energy of Province of Salta, Argentina ("Salta SOE") for extensions of the exploration permits and obtained the approvals in July 2010, July 2011, December 2013, March 2016 and March 2018 respectively. Pursuant to the approval document issued in March 2018, the exploration permits were extended to 13 September 2019. If successful hydrocarbon discoveries are made, the exploration permits could be converted to exploitation permits for a term of 25 years with a possible extension of 10 years.

The Group submitted its application to the Salta SOE for one-year extension of the exploration permits in May 2019, and for entering into the second exploratory period in early September 2019.

However, on 17 September 2019, the Salta SOE issued resolutions rejecting both the Group's applications for one-year extension and entering into the second exploratory period in the T&M Concessions ("Resolutions"). In late September 2019, the Group have submitted its appeal to the Minister of Production in the Province of Salta in order to seek the revocation of the Resolutions. Based on the latest communication with the related authorities in the Province of Salta and a legal opinion obtained from an independent Argentinian legal counsel, the Group believes there is significant uncertainty in relation to the timing and possibility of a positive appeal result in favour of the Group. The Group recognised full impairment of HK\$2,243,254,000 in respect of the exploration and evaluation assets related to the T&M Concessions as at 31 December 2019.

- (b) As at 31 December 2019, the exploratory drilling represents the drilling activities in the Chirete concession in the province of Salta in northern Argentina ("Chirete Concession"), in which the Group farmed into 50% participating interest under a farm-in agreement with Pampa Energia S.A..

In 2016, the Group had an oil discovery in the HLG.St.LB.x-1002 exploratory well drilled in October 2015 in the Chirete Concession and agreed with Pampa Energia S.A that the additional cost for further drilling activities would be financed by the two participants.

In 2018, the Group drilled another exploratory well, HLG.St.LB.x-2001 in the Chirete Concession and significant oil and gas were discovered.

In 2019, the construction of the Group's permanent production facilities at HLG.St.LB.x-2001 exploratory well has been completed.

12 勘探及評估資產 (續)

附註：

- (a) 勘探權指本集團透過Union of Temporary Enterprise (「T&M UTE」)持有Tartagal特許權區及Morillo特許權區(統稱「T&M特許權區」)，位於阿根廷北部薩爾塔省的特許權區) 69.25%的權益。T&M特許權區內之石油及碳氫化合物開發獲授勘探許可，自二零零六年十二月二十九日起最初為期四年，並可額外續期，最多合共九年。本集團已向阿根廷薩爾塔省能源部長(「薩爾塔省能源部長」)遞交勘探許可續期申請，並分別於二零一零年七月、二零一一年七月、二零一三年十二月、二零一六年三月及二零一八年三月獲得批准。根據於二零一八年三月獲發的批准文件，勘探許可延至二零一九年九月十三日。倘成功發現碳氫化合物，勘探許可可能轉換為為期25年的開採許可，並可能續期10年。

本集團於二零一九年五月向薩爾塔省能源部長遞交勘探許可一年續期申請，並於二零一九年九月初遞交進入第二個勘探期申請。

然而，於二零一九年九月十七日，薩爾塔省能源部長發出決議案，否決本集團於T&M特許權區續期一年及進入第二個勘探期的兩份申請(「決議案」)。於二零一九年九月底，本集團向薩爾塔省生產部提起上訴，旨在尋求撤銷決議案。基於與薩爾塔省相關部門的最新溝通及從阿根廷獨立法律顧問獲得的法律意見，本集團認為，有利於本集團的正面上訴結果的時間及可能性存在重大不確定性。於二零一九年十二月三十一日，本集團就有關T&M特許權區的勘探及評估資產確認悉數減值2,243,254,000港元。

- (b) 於二零一九年十二月三十一日，勘探鑽井指阿根廷北部薩爾塔省的Chirete特許權區(「Chirete特許權區」)的鑽井活動，本集團根據與Pampa Energia S.A.訂立之購入安排購入Chirete特許權區的50%參與權益。

於二零一六年，本集團就二零一五年十月鑽探的Chirete特許權區HLG.St.LB.x-1002勘探井發現石油並與Pampa Energia S.A.達成協定，進一步鑽井活動的額外開支將由兩個參與方撥付。

於二零一八年，本集團於Chirete特許權區的HLG.St.LB.x-2001鑽探另一處勘探井，並發現大量石油及天然氣。

於二零一九年，本集團於HLG.St.LB.x-2001勘探井的永久性生產設施興建完成。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

12 EXPLORATION AND EVALUATION ASSETS

(Continued)

Notes: (Continued)

(b) (Continued)

The current exploratory permit in the Chirete Concession has expired since 18 November 2019. The Group and its partner Pampa Energia S.A., have submitted the request for an exploitation permit to the Salta SOE. At the date of issuance of this report, the application is still in progress. In this connection, based on a legal opinion from an independent Argentinian legal counsel, the Group believes that the exploitation permit will be granted after the Salta SOE approves the work and investment plan submitted by the Group recently, and the Group has the right to receive the revenue from oil sales from the Chirete Concession even though the exploitation permit has not been obtained.

As at 31 December 2019, on the basis that the exploitation permit in the Chirete Concession could be obtained, no impairment loss was recognised for the exploration and evaluation assets related to the Chirete Concession based on its recoverable amount determined using value-in-use calculations by preparing discounted cash flow forecast with reference to the technical reports issued by independent qualified technical consultants.

On 11 March 2020, the World Health Organisation declared a pandemic of the Coronavirus outbreak (COVID-19) due to its rapid spread throughout the world. This situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty. In Argentina, on 19 March 2020, the local government declared social isolation, preventive and compulsory, which will govern from 20 to 31 March 2020 inclusive, being able to extend this term for the time considered necessary in light of the epidemiological situation. On the other hand, the governors of the oil producing provinces, grouped in the Federal Organization of Hydrocarbon Producing States, by virtue of the context that affects the oil industry, are seeking that the national government determine a support oil price, which guarantees the maintenance of the activity level and decouples the price in the domestic market from the international price. The directors of the Company consider that any possible changes in one or more of the key assumptions used to determine the recoverable amount of the exploration and evaluation assets related to the Chirete Concession due to the abovementioned events would cause the carrying amount of the exploration and evaluation assets exceed the recoverable amount. However, these consolidated financial statements have not been adjusted according to HKAS 10, *Events after the Reporting Period* for these non-adjusting events which are a result of conditions that arose after the reporting date.

12 勘探及評估資產 (續)

附註：(續)

(b) (續)

當前於Chirete特許權區的勘探許可已於二零一九年十一月十八日到期。本集團及其合作夥伴Pampa Energia S.A.向薩爾塔省能源部長提交開採許可的請求。於本報告刊發日期，該申請仍在進行中。就此而言，基於從阿根廷獨立法律顧問獲得的法律意見，本集團認為，開採許可將於薩爾塔省能源部長批准本集團近期提交的工程及投資計劃後獲授，及本集團有權自Chirete特許權區的石油銷售收取收益，儘管開採許可尚未取得。

於二零一九年十二月三十一日，基於可取得Chirete特許權區的開採許可證及透過編製貼現現金流量預測使用使用價值計算及參考獨立合資格技術顧問出具的技術報告而釐定的可收回金額，並無就與Chirete特許權區有關的勘探及評估資產確認減值虧損。

於二零二零年三月十一日，因冠狀病毒（新冠肺炎（COVID-19））於全球快速擴散，世界衛生組織宣佈爆發新冠肺炎（COVID-19）全球流行病。由於供應鏈中斷或放緩及經濟不確定性顯著增加，此情況對全球經濟造成嚴重影響。於二零二零年三月十九日，阿根廷地方政府宣佈實行社會隔離、預防及強制性措施，於二零二零年三月二十日至三十一日（首尾兩天包括在內）進行管治且該期限可根據流行病學情況延長至認為必要的時間。另一方面，由於石油工業受到影響，各產油省省長齊聚聯邦碳氫化合物生產國組織（Federal Organization of Hydrocarbon Producing States）尋求國家政府確定支持油價，以保證維持活動水平並使國內市場價格與國際價格脫鉤。本公司董事認為，因上述事件而導致釐定與Chirete特許權區有關的勘探及評估資產可收回金額所用一項或多項主要假設之任何可能變動，均可能使勘探及評估資產之賬面值超過可收回金額。然而，該等綜合財務報表並未就此等非調整事件（乃源於按照香港會計準則第10號「報告期後事項」於報告日期後出現之狀況）作出調整。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

13 PROPERTY, PLANT AND EQUIPMENT

13 物業、廠房及設備

		Leasehold Improvements 租賃物業 裝修	Machinery 機器	Furniture, fixtures and office equipment 傢私、裝置及 辦公室設備	Motor vehicles 汽車	Oil production assets 石油生產 資產	Right-of- use assets 使用權資產	Total 總計
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Cost	成本							
At 1 January 2018	於二零一八年一月一日	639	51,160	2,525	794	5,272	-	60,390
Additions	添置	-	2,381	60	-	-	-	2,441
Disposals	出售	-	-	(13)	(15)	(2,642)	-	(2,670)
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	-	(12,808)	746	448	(2,630)	-	(14,244)
At 31 December 2018	於二零一八年 十二月三十一日	639	40,733	3,318	1,227	-	-	45,917
Impact on initial application of HKFRS 16 (note)	首次應用香港財務報告 準則第16號的影響 (附註)	-	-	-	-	-	6,358	6,358
At 1 January 2019	於二零一九年一月一日	639	40,733	3,318	1,227	-	6,358	52,275
Additions	添置	-	513	13	-	-	-	526
Disposals	出售	-	(1,578)	(57)	(262)	-	-	(1,897)
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	-	(1,581)	(120)	(48)	-	-	(1,749)
At 31 December 2019	於二零一九年 十二月三十一日	639	38,087	3,154	917	-	6,358	49,155

Note: The Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. See note 2(c).

附註：本集團已採用經修改追溯法初始應用香港財務報告準則第16號並對於二零一九年一月一日之期初結餘作出調整，以確認與過往根據香港會計準則第17號分類為經營租賃的租賃相關的使用權資產。見附註2(c)。

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13 PROPERTY, PLANT AND EQUIPMENT (Continued) 13 物業、廠房及設備 (續)

		Leasehold Improvements 租賃物業 裝修 HK\$'000 千港元	Machinery 機器 HK\$'000 千港元	Furniture, fixtures and office equipment 傢私、裝置及 辦公室設備 HK\$'000 千港元	Motor vehicles 汽車 HK\$'000 千港元	Oil production assets 石油生產 資產 HK\$'000 千港元	Right-of- use assets 使用權資產 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Accumulated depreciation and impairment	累計折舊及減值							
At 1 January 2018	於二零一八年一月一日	579	2,597	2,266	666	4,981	-	11,089
Charge for the year	年內開支	60	3,758	281	49	437	-	4,585
Written back on disposals	出售撥回	-	-	(13)	(15)	(2,642)	-	(2,670)
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	-	1,864	576	438	(2,776)	-	102
At 31 December 2018	於二零一八年 十二月三十一日	639	8,219	3,110	1,138	-	-	13,106
Impact on initial application of HKFRS 16 (note)	首次應用香港財務報告準 則第16號的影響(附註)	-	-	-	-	-	3,531	3,531
At 1 January 2019	於二零一九年一月一日	639	8,219	3,110	1,138	-	3,531	16,637
Charge for the year	年內開支	-	4,548	71	42	-	2,119	6,780
Written back on disposals	出售撥回	-	(1,578)	(57)	(262)	-	-	(1,897)
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	-	(751)	(118)	(35)	-	-	(904)
At 31 December 2019	於二零一九年 十二月三十一日	639	10,438	3,006	883	-	5,650	20,616
Net book value	賬面淨值							
At 31 December 2019	於二零一九年 十二月三十一日	-	27,649	148	34	-	708	28,539
At 31 December 2018	於二零一八年 十二月三十一日	-	32,514	208	89	-	-	32,811

Note: The Group has initially applied HKFRS 16 using the modified retrospective method and adjusted the opening balances at 1 January 2019 to recognise right-of-use assets relating to leases which were previously classified as operating leases under HKAS 17. See note 2(c).

附註：本集團已採用經修改追溯法初始應用香港財務報告準則第16號並對於二零一九年一月一日之期初結餘作出調整，以確認與過往根據香港會計準則第17號分類為經營租賃的租賃相關的使用權資產。見附註2(c)。

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14 INVESTMENTS IN SUBSIDIARIES

Details of the Company's subsidiaries as at 31 December 2019 are as follows:

14 於附屬公司之投資

於二零一九年十二月三十一日，本公司附屬公司詳情如下：

Name of company 公司名稱	Place of establishment/ incorporation and business 成立/註冊 成立及營業地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 所有權權益比例			Principal activities 主要業務
			Group's effective interest 本集團之 實際權益	Held by the Company 本公司持有	Held by the subsidiary 附屬公司持有	
Total Belief Limited 確信有限公司	BVI 英屬處女群島	1 ordinary share of US\$1 each 1股每股面值1美元之普通股	100%	100%	-	Investment holding 投資控股
Jade Honest Limited	BVI 英屬處女群島	2,700 ordinary shares of US\$1 each 2,700股每股面值1美元之普通股	100%	100%	-	Dormant 未有業務活動
Absolute Champ Limited 煌鑫有限公司	Hong Kong 香港	1 ordinary share at HK\$1 each 1股每股面值1港元之普通股	100%	-	100%	Investment holding 投資控股
Ace Diamond Trading Limited	BVI 英屬處女群島	100 ordinary shares at US\$1 each 100股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股
Big Trade Investments Limited	BVI 英屬處女群島	1 ordinary share at US\$1 each 1股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股
Bright Rise Group Limited 明揚集團有限公司	BVI 英屬處女群島	1 ordinary share at US\$1 each 1股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股
Cheer Profit Group Limited 展澤集團有限公司	BVI 英屬處女群島	1 ordinary share at US\$1 each 1股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股
Discovery Operating LLC	US 美國	Nil paid 零	100%	-	100%	Dormant 未有業務活動
ET-LA, LLC	US 美國	Registered capital of US\$500 註冊資本500美元	100%	-	100%	Investment holding 投資控股
First Continent Holdings Limited	BVI 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股

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14 INVESTMENTS IN SUBSIDIARIES (Continued)

14 於附屬公司之投資 (續)

Name of company 公司名稱	Place of establishment/ incorporation and business 成立/註冊 成立及營業地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 所有權權益比例			Principal activities 主要業務
			Group's effective interest 本集團之實際權益	Held by the Company 本公司持有	Held by the subsidiary 附屬公司持有	
First Apex Global Limited	BVI 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值1美元之普通股	100%	–	100%	Investment holding 投資控股
Giant Perfect Holdings Limited	BVI 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值1美元之普通股	100%	–	100%	Investment holding 投資控股
Grand Rich Trading Limited	BVI	1 ordinary share of US\$1 each	100%	–	100%	Investment holding/ Commodities trading 投資控股/ 商品貿易
鴻富貿易有限公司	英屬處女群島	1股每股面值1美元之普通股				
Happy Light Group Limited 悅光集團有限公司	BVI 英屬處女群島	1 ordinary share of US\$1 each 1股每股面值1美元之普通股	100%	–	100%	Investment holding 投資控股
High Luck Holding (Hong Kong) Limited 高運控股(香港)有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	100%	–	100%	Investment holding 投資控股
High Luck Group Limited 高運集團有限公司	BVI 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值1美元之普通股	100%	–	100%	Investment holding 投資控股
Jumbo Hope Group Limited 明協集團有限公司	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	100%	–	100%	Investment holding 投資控股
Novastar Capital Limited	BVI 英屬處女群島	100 ordinary shares of US\$1 each 100股每股面值1美元之普通股	100%	–	100%	Investment holding 投資控股
Power Jet Group Limited	BVI 英屬處女群島	1 ordinary share of US\$1 each 1股每股面值1美元之普通股	100%	–	100%	Dormant 未有業務活動

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14 INVESTMENTS IN SUBSIDIARIES (Continued)

14 於附屬公司之投資 (續)

Name of company 公司名稱	Place of establishment/ incorporation and business 成立/註冊 成立及營業地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 所有權權益比例			Principal activities 主要業務
			Group's effective interest 本集團之實際權益	Held by the Company 本公司持有	Held by the subsidiary 附屬公司持有	
Techno Wealth Limited 德富有限公司	BVI 英屬處女群島	1 ordinary share of US\$1 each 1股每股面值1美元之普通股	100%	-	100%	Investment holding 投資控股
United Oil & Resources Trading Limited 聯邦石油資源貿易有限公司	Hong Kong 香港	100 ordinary shares of HK\$1 each 100股每股面值1港元之普通股	100%	-	100%	Dormant 未有業務活動
深圳市源協貿易有限公司*	PRC 中國	Registered capital of US\$1,000,000 註冊資本1,000,000美元	100%	-	100%	Investment holding 投資控股
High Luck Group Limited Tartagal Oriental and Morillo – UTE	Argentina 阿根廷	Not applicable 不適用	69.25%	-	69.25%	Exploration of oil and gas 油氣勘探
United Resources Trading Limited 聯邦資源貿易有限公司	BVI/Hong Kong 英屬處女群島/ 香港	100 ordinary shares of US\$1 each 100股每股面值1美元之普通股	51%	-	51%	Commodities trading 商品貿易

* Wholly foreign owned enterprise established under the PRC law

* 根據中國法律註冊為外商獨資企業

15 INTEREST IN JOINT VENTURES

15 於合營企業之權益

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Share of net assets	分佔資產淨值	7,849	12,827

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

15 INTEREST IN JOINT VENTURES (Continued)

Details of the Group's interest in joint ventures, which are accounted for using the equity method in the consolidated financial statements, are as follows:

15 於合營企業之權益 (續)

有關本集團於合營企業權益(按權益法於綜合財務報表入賬)之詳情如下:

Name of joint ventures 合營企業名稱	Form of business structure 業務架構形式	Place of incorporation and business 註冊成立及營業地點	Particulars of issued and paid up capital 已發行及繳足股本詳情	Proportion of ownership interest 所有權益比例		Principal activities 主要業務
				Group's effective interest 本集團之實際權益	Held by a subsidiary 一家附屬公司持有	
Smart Win International Limited 凱智國際有限公司	Incorporated 註冊成立	BVI 英屬處女群島	200 ordinary shares of US\$1 each 200股每股面值1美元之普通股	50%	50%	Investment Holding 投資控股
Full Charming Limited	Incorporated 註冊成立	BVI 英屬處女群島	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	29.9%	29.9%	Investment Holding 投資控股
Hong Kong Oil Development Ltd. 香港石油發展有限公司	Incorporated 註冊成立	Hong Kong 香港	1 ordinary share of HK\$1 each 1股每股面值1港元之普通股	29.9%	29.9%	Investment Holding 投資控股
盤錦遼河曙光實業有限公司*	Incorporated 註冊成立	PRC 中國	Registered capital of RMB6,000,000 註冊資本 人民幣6,000,000元	28.4%	28.4%	Provision of oil services 提供石油服務

* Limited liability company established under the PRC law

* 根據中國法律註冊為有限責任公司

The Group's joint ventures are unlisted corporate entities whose quoted market prices are not available.

本集團之合營企業為未上市公司實體，並無市場報價。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

15 INTEREST IN JOINT VENTURES (Continued)

Full Charming Limited and its subsidiaries ("Full Charming Group") is determined to be a material joint venture. Summarised financial information of Full Charming Group, adjusted for any differences in accounting policies, and a reconciliation to the carrying amount in the consolidated financial statements, are disclosed below:

15 於合營企業之權益 (續)

Full Charming Limited 及其附屬公司 (「Full Charming集團」) 被視作一間重大合營企業。下文披露Full Charming集團之財務資料概要(已就會計政策的任何差異進行調整)以及與綜合財務報表賬面值之對賬分析:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Gross amounts of Full Charming Group's	Full Charming集團之總金額		
Current assets	流動資產	1,037	9,158
Non-current assets	非流動資產	28,033	36,624
Current liabilities	流動負債	(3,164)	(2,886)
<hr/>			
Equity	權益	25,906	42,896
Included in the above assets and liabilities:	計入上述資產及負債:		
Cash and cash equivalents	現金及現金等價物	190	219
Revenue	收益	1,418	890
Loss for the year	年內虧損	(16,311)	(14,686)
Other comprehensive income	其他全面收益	(680)	(2,904)
Total comprehensive income	全面收益總額	(16,991)	(17,590)
Reconciled to the Group's interest in Full Charming Group	與本集團於Full Charming集團的權益對賬		
Gross amounts of equity attributable to the owners of Full Charming Group	Full Charming集團擁有人應佔權益之總金額	24,301	40,443
The Group's effective interest	本集團的實際權益	29.9%	29.9%
The Group's share of equity attributable to the owners of Full Charming Group	Full Charming集團擁有人應佔本集團權益股份	7,271	12,101
Elimination of unrealised profits on upstream transactions	對銷上游交易未變現溢利	(368)	(368)
Carrying amount in the consolidated financial statements	綜合財務報表賬面值	6,903	11,733

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

15 INTEREST IN JOINT VENTURES (Continued)

Aggregate information of joint ventures that are not individually material:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Aggregate carrying amount of individually immaterial joint venture in the consolidated financial statements	綜合財務報表中個別非重大合營企業賬面總金額	946	1,094
Aggregate amounts of the Group's share of the joint venture's:	本集團應佔該合營企業總金額：		
Loss for the year	年內虧損	(148)	(277)
Total comprehensive income	全面收益總額	(148)	(277)

15 於合營企業之權益 (續)

非個別重大的合營企業匯總資料：

16 INTEREST IN JOINT OPERATION

On 26 February 2014, the Group acquired 38.15% participating interest in Palmar Largo Union of Temporary Enterprise (the "Palmar Largo UTE Interest"). The Palmar Largo UTE Interest consists of (i) rights and obligations arising from the joint venture contract that aims at the exploration, development and exploitation of hydrocarbons in the Palmar Largo concession area and (ii) interest in the production equipment and facilities required to perform and execute the exploitation work. The hydrocarbons exploitation rights on the Palmar Largo concession area have a term of 25 years from 23 December 1992 to 23 December 2017, extendible for another 10 years up to 23 December 2027 upon the unanimous decision of the Palmar Largo UTE parties and the approval of the relevant local government.

16 於合營業務之權益

於二零一四年二月二十六日，本集團收購Palmar Largo Union of Temporary Enterprise的38.15%參與權益（「Palmar Largo UTE權益」）。Palmar Largo UTE權益包括(i) 合營企業合約旨在勘探、發展及開發Palmar Largo特許權區內碳氫化合物之權利及責任以及(ii)於實施及執行開採作業所需之生產設備及設施中所佔權益。Palmar Largo特許權區之碳氫化合物開發權利為期二十五年，自一九九二年十二月二十三日至二零一七年十二月二十三日，於Palmar Largo UTE參與方一致決定及相關當地政府批准後可延期十年至二零二七年十二月二十三日。

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

16 INTEREST IN JOINT OPERATION (Continued)

On 23 December 2017, the exploitation rights were expired and the Group initiated the application process with the Secretary of Energy of Province of Formosa, Argentina ("Formosa SOE") for further extension of the exploitation rights. On 21 November 2018, the operations in Palmar Largo concession was terminated because the extension of the exploitation rights will not be granted according to the final notice from Formosa SOE.

Therefore, the non-current assets in respect of Palmar Largo concession were disposed of, and a net loss on disposal amounting to HK\$7,186,000 was charged to profit or loss during the year ended 31 December 2018 (note 5).

16 於合營業務之權益 (續)

於二零一七年十二月二十三日，勘探權已到期，而本集團已向阿根廷福摩薩省能源部長（「福摩薩省能源部長」）提交申請程序，以進一步續期現有勘探權。於二零一八年十一月二十一日，由於根據福摩薩省能源部長的最後通知，將不會獲予勘探權的續期，Palmar Largo特許權區的營運已終止。

因此，Palmar Largo特許權區的非流動資產已獲處置，且其處置虧損淨值7,186,000港元已於截至二零一八年十二月三十一日止年度的損益表扣除（附註5）。

17 OTHER INVESTMENT IN EQUITY SECURITIES

17 其他權益證券投資

		31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
	Notes 附註		
Equity securities designated at FVOCI (non-recycling)	指定為按公允價值計入其他全面收益之權益證券（不可回收）		
– Borealis Alaska Oil, Inc. ("Borealis", formerly known as NordAq Energy Inc.)	– Borealis Alaska Oil, Inc. (「Borealis」，前稱 NordAq Energy Inc.)	(i) 15,925	17,879
– Foothills Exploration	– Foothills Exploration	(ii) 143	815
		16,068	18,694

Notes:

- (i) The equity interest in Borealis is carried at fair value. The fair value is determined by the directors with reference to a valuation report issued by an independent appraisal firm, Roma Appraisals Limited with reference to recent private placing of shares and warrants by Borealis and the average share price fluctuations of comparable companies between the dates of private placing of shares and warrants and the reporting period end date.
- (ii) The equity interest in Foothills Exploration is carried at fair value. The fair value was determined by the directors with reference to the market price of shares of Foothills Exploration.

附註：

- (i) Borealis之股權按公允價值列賬。該公允價值由董事參照獨立評估公司羅馬國際評估有限公司發出之估值報告，參照近期Borealis私募配售股份及認股權證以及可比較公司於私募配售股份及認股權證日期與本報告期末日期之平均股價波動而釐定。
- (ii) 所持有於Foothills Exploration的股權以公允價值列賬。公允價值由董事參照Foothills Exploration股份的市場價格所釐訂。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

18 INVENTORIES

(a) Inventories in the consolidated statement of financial position comprise:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Oil products	石油產品	98	1,125
Consumables	易耗品	14,206	19,907
		14,304	21,032

(b) The analysis of the amount of inventories recognised as an expense and included in profit or loss is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Carrying amount of inventories sold (note 6(e))	已出售存貨之賬面值 (附註6(e))	224,724	286,863
Write down of inventories (note 6(c))	撇減存貨 (附註6(c))	6,822	–
		231,546	286,863

18 存貨

(a) 於綜合財務狀況表之存貨包括：

(b) 已確認為開支並計入損益表之存貨金額之分析如下：

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

19 TRADE AND OTHER RECEIVABLES

19 應收貿易賬款及其他應收款項

		Notes 附註	31 December 2019 二零一九年 十二月三十一日 HK\$'000 千港元	31 December 2018 二零一八年 十二月三十一日 HK\$'000 千港元
Trade receivables, net of loss allowance	應收貿易賬款，減虧損撥備		2,505	3,184
Other debtors	其他債務人		7,790	15,471
Amount due from a joint venture	應收合營公司的金額		561	314
Financial assets measured at amortised cost	按攤銷成本計量的金融資產		10,856	18,969
VAT recoverable	可收回增值稅		10,911	15,462
Other tax recoverable	其他可收回稅項		4,024	6,165
Other prepayment and deposits	其他預付款項及按金		7,105	7,622
Promissory note receivable	應收承兌票據	(i)	-	-
			32,896	48,218
Reconciliation to the consolidated statement of financial position:	於綜合財務狀況表之對賬：			
Non-current	非流動		10,911	15,462
Current	流動	(ii)	21,985	32,756
			32,896	48,218

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

19 TRADE AND OTHER RECEIVABLES (Continued)

Notes:

- (i) The promissory note was issued by Foothills Exploration Operating, Inc. ("Foothills") and guaranteed by Foothills Exploration, the indirect holding company of Foothills, as part of the consideration of the disposal of its subsidiaries in the US, and is bearing no interest and repayable on 30 June 2018. The promissory note carries effective interest rate of 19.18% per annum.

On the maturity date of the promissory note, the Group did not receive any repayment in respect of the outstanding promissory note and the said event constituted a default in repayment by Foothills. The Group is in negotiation with Foothills for the repayment of the past due promissory note. Foothills's principal activities are the acquisition and development of oil and gas properties in the US. In view of the adverse financial and operating circumstances of Foothills Exploration and its subsidiaries and the default, the Group provided full impairment on the past due balance of promissory note receivable as at 31 December 2019 and 31 December 2018.

- (ii) All of the current trade and other receivables are expected to be recovered or recognised as expense within one year.
- (iii) The following is an ageing analysis of trade receivables, presented based on the invoice date and net of loss allowance, is as follows:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 – 30 days	0至30日	2,321	–
31 – 60 days	31至60日	–	3,184
61 – 90 days	61至90日	–	–
Over 90 days	90日以上	184	–
		2,505	3,184

Trade receivables are due within 30 days (2018: 30 days) from the date of billing. Further details on the Group's credit policy are set out in note 29(a).

19 應收貿易賬款及其他應收款項 (續)

附註：

- (i) 承兌票據由Foothills Exploration Operating, Inc. (「Foothills」)發行並由Foothills Exploration擔保(一家Foothills的間接控股公司)，作為於美國出售附屬公司之部分代價及不計息並須於二零一八年六月三十日償還。承兌票據按每年實際利率19.18%計息。

於承兌票據到期日，本集團並無就尚未償還承兌票據收到任何還款，上述事項構成Foothills拖欠還款。本集團目前正就償還逾期承兌票據且與Foothills進行磋商。Foothills之主要業務為於美國收購及開發油氣資產。鑑於Foothills Exploration及其附屬公司之不利財務及營運狀況以及拖欠事件，於二零一九年十二月三十一日及二零一八年十二月三十一日，本集團就應收承兌票據之逾期結餘悉數計提減值。

- (ii) 所有即期應收貿易賬款及其他應收款項預期於一年內收回或確認為開支。
- (iii) 應收貿易賬款按發票日期及扣除虧損撥備呈列後之賬齡分析如下：

應收貿易賬款自開出票據日期起30日(二零一八年：30日)內到期。有關本集團信貸政策的進一步詳情載於附註29(a)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

20 OTHER FINANCIAL ASSETS

20 其他金融資產

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Listed equity securities (note (i))	上市股本證券(附註(i))	80,618	80,468
Listed debt securities (note (ii))	上市債務證券(附註(ii))	30,528	-
Unlisted equity-linked securities (note (iii))	非上市股本掛鈎證券 (附註(iii))	8,027	-
Unlisted funds	非上市基金	927	-
		120,100	80,468

Notes:

- (i) The listed equity securities represent listed shares on the Stock Exchange and are stated at fair value. Net investment loss of approximately HK\$6,850,000 has been recognised in profit or loss during the year ended 31 December 2019 (2018: HK\$100,492,000).
- (ii) The listed debt securities represent the senior notes listed on the Singapore Exchange Securities Trading Limited and the Stock Exchange and are stated at fair value. Net investment income of approximately HK\$1,010,000 has been recognised in profit or loss during the year ended 31 December 2019.
- (iii) The unlisted equity-linked securities represent securities which contained embedded derivatives, the return of which were determined with reference to the closing price of certain equity securities listed on the Stock Exchange. The unlisted equity-linked securities were designated as fair value through profit or loss at initial recognition, and the net investment income of approximately HK\$1,612,000 has been recognised in profit or loss during the year ended 31 December 2019 (2018: loss of approximately HK\$2,126,000).

附註：

- (i) 上市股本證券為於聯交所上市股份及按公允價值列賬。截至二零一九年十二月三十一日止年度，投資虧損淨值約6,850,000港元(二零一八年：100,492,000港元)已於損益內確認。
- (ii) 上市債務證券為於新加坡證券交易所及聯交所上市之優先票據及按公允價值列賬。於截至二零一九年十二月三十一日止年度之投資收入淨額約1,010,000港元已於損益內確認。
- (iii) 非上市股本掛鈎證券為包含嵌入式衍生工具之證券，其回報乃參考若干於聯交所上市之股本證券之收市價釐定。非上市股本掛鈎證券於初始確認時指定為按公允價值計入損益，而於截至二零一九年十二月三十一日止年度之投資收入淨額約1,612,000港元(二零一八年：虧損約2,126,000港元)已於損益內確認。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION

21 現金及現金等價物及其他現金流量資料

(a) Cash and cash equivalents comprise:

(a) 現金及現金等價物包括：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Cash and cash equivalents in the consolidated statement of financial position and consolidated statement of cash flows	771,662	928,476

(b) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

(b) 來自融資活動的負債之對賬

下表詳述本集團來自融資活動的負債之變動，包括現金及非現金變動。來自融資活動的負債指其現金流量乃是或其未來現金流量將會獲分類至本集團綜合現金流量表作為融資活動所得現金流量的負債。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

21 CASH AND CASH EQUIVALENTS AND OTHER CASH FLOW INFORMATION (Continued)

21 現金及現金等價物及其他現金流量資料 (續)

(b) Reconciliation of liabilities arising from financing activities (Continued)

(b) 來自融資活動的負債之對賬 (續)

		Other borrowings 其他借貸 HK\$'000 千港元	Lease liabilities 租賃負債 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	213,780	-	213,780
Changes from financing cash flows:	來自融資現金流量的變動：			
Repayment of other borrowings	償還其他借貸	(3,000)	-	(3,000)
Other changes:	其他變動：			
Interest paid	已付利息	(15,675)	-	(15,675)
Interest expenses accrual (note 6(a))	應計利息開支 (附註6(a))	15,687	-	15,687
Total other changes	其他變動總計	12	-	12
At 31 December 2018	於二零一八年十二月三十一日	210,792	-	210,792
Impact on initial application of HKFRS 16 (Note 2(c))	首次應用香港財務報告準則第16號的影響 (附註2(c))	-	2,909	2,909
At 1 January 2019	於二零一九年一月一日	210,792	2,909	213,701
Changes from financing cash flows:	來自融資現金流量的變動：			
Capital element of lease rentals paid	已付租金的資本部分	-	(2,075)	(2,075)
Interest element of lease rentals paid	已付租金的利息部分	-	(91)	(91)
Repayment of other borrowings	償還其他借貸	(57,400)	-	(57,400)
Other changes:	其他變動：			
Interest paid	已付利息	(15,569)	-	(15,569)
Interest expenses accrual (note 6(a))	應計利息開支 (附註6(a))	13,721	91	13,812
Total other changes	其他變動總計	(1,848)	91	(1,757)
At 31 December 2019	於二零一九年十二月三十一日	151,544	834	152,378

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

22 TRADE AND OTHER PAYABLES

22 應付貿易賬款及其他應付款項

	Notes 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Trade payables	(ii)	6,401	27,544
Other creditors and accrued charges	(iii)	57,633	65,492
Financial liabilities measured at amortised cost		64,034	93,036
Receipt in advance		212	21
		64,246	93,057

Notes:

- (i) All of the trade and other payables are expected to be settled within one year or are repayable on demand.
- (ii) The following is an ageing analysis of the trade payables presented based on the invoice date at the end of the reporting period:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
0 – 30 days	0至30日	3,460	21,940
31 – 60 days	31至60日	536	4,231
61 – 90 days	61至90日	1,152	399
Over 90 days	90日以上	1,253	974
		6,401	27,544

- (iii) The amounts include a deposit of HK\$48,880,000 received from two independent third parties which appointed a subsidiary of the Company as trustee to pursue an acquisition. The potential acquisition had been cancelled and the deposit was classified as "other creditors and accrued charges" to be returned to those third parties.

附註：

- (i) 預期所有應付貿易賬款及其他應付款項須於一年內償付或按要求償還。
- (ii) 於報告期末，應付貿易賬款按發票日期呈列之賬齡分析如下：

- (iii) 該金額包括自兩名獨立第三方收到48,880,000港元的按金，該等第三方委任本公司一間附屬公司為受託人以尋求一項收購。該項潛在收購已被取消，及被分類為「其他應付款項及應計費用」之按金將退還予該等第三方。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

23 OTHER BORROWINGS

23 其他借貸

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Term loans due for repayment within 1 year	一年內到期償還之定期貸款	10,544	56,792
Term loans due for repayment after 1 year:	一年後到期償還之定期貸款：		
After 1 year but within 2 years	一年後但兩年內	138,000	10,000
After 2 years but within 5 years	兩年後但五年內	3,000	144,000
		141,000	154,000
		151,544	210,792
Reconciliation to the consolidated statement of financial position:	於綜合財務狀況表之對賬：		
Current liabilities	流動負債	10,544	56,792
Non-current liabilities	非流動負債	141,000	154,000
		151,544	210,792

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

24 LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities at the end of the current and previous reporting periods and at the date of transition to HKFRS 16:

		31 December 2019 二零一九年十二月三十一日		1 January 2019 (Note) 二零一九年一月一日 (附註)	
		Present Value of the minimum lease payments 最低租賃付款現值 HK\$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK\$'000 千港元	Present Value of the minimum lease payments 最低租賃付款現值 HK\$'000 千港元	Total minimum lease payments 最低租賃付款總額 HK\$'000 千港元
Within 1 year	一年內	834	839	2,224	2,280
After 1 year but within 2 years	一年後但兩年內	-	-	685	725
		834	839	2,909	3,005
Less: total future interest expenses	減：日後利息開支總額		(5)		(96)
Present value of lease liabilities	租賃負債現值		834		2,909

Note:

The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Comparative information as at 31 December 2018 has not been restated. Further details on the impact of the transition to HKFRS 16 are set out in note 2(c).

24 租賃負債

下表呈列本集團之租賃負債於現有及過往報告期末及於過渡至香港財務報告準則第16號當日之剩餘合約到期期限：

附註：

本集團使用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日之年初結餘以確認先前根據香港會計準則第17號分類為經營租賃的租賃相關租賃負債。於二零一八年十二月三十一日的比較資料並無重列。有關過渡至香港財務報告準則第16號的影響的進一步詳情載於附註2(c)。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

25 EMPLOYEE RETIREMENT BENEFITS

The Group operates a Mandatory Provident Fund Scheme (“the MPF scheme”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2018: HK\$30,000). Contributions to the plan vest immediately.

The Group also participates in the employees’ pension schemes of the respective municipal governments in various places (including Argentina) where the Group operates. The Group makes monthly contributions calculated as a percentage of the monthly basic salary and the relevant municipal government undertakes to assume the retirement benefit obligations of all existing and future retirees of the Group.

26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(a) Current taxation in the consolidated statement of financial position represents:

		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Current tax recoverable	可收回即期稅項		
– Argentina Corporate Income Tax	– 阿根廷企業所得稅	41	66

25 僱員退休福利

本集團根據香港僱傭條例為香港僱員按香港強制性公積金計劃條例設立強制性公積金計劃（「強積金計劃」）。強積金計劃為由獨立信託人管理之定額供款退休計劃。根據強積金計劃，僱主及其僱員均須按有關僱員之收入5%向計劃作出供款，惟有關月收入上限為30,000港元（二零一八年：30,000港元）。計劃供款即時歸屬。

本集團亦參與本集團經營所在各個地區（包括阿根廷）的各個地方政府的僱員公積金計劃。本集團每月作出供款，金額按每月基本薪金的某個百分比計算，而相關地方政府則承擔本集團所有現有及未來退休僱員的退休福利責任。

26 綜合財務狀況表內之所得稅

(a) 綜合財務狀況表內之即期稅項為：

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(b) Deferred tax liabilities:

The components of deferred tax liabilities recognised in the consolidated statement of financial position and the movements during the year are as follows:

		Exploration and evaluation assets 勘探及評估資產 HK\$'000 千港元	Others 其他 HK\$'000 千港元	Total 總計 HK\$'000 千港元
At 1 January 2018	於二零一八年一月一日	742	10,407	11,149
(Charged)/credited to profit or loss	於損益表(扣除)/計入	(21,193)	10,361	(10,832)
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	(19,434)	(12,319)	(31,753)
As at 31 December 2018 and 1 January 2019	於二零一八年 十二月三十一日及 二零一九年一月一日	(39,885)	8,449	(31,436)
Credited/(charged) to profit or loss	於損益表計入/(扣除)	25,789	(5,532)	20,257
Hyperinflation adjustments (note 2(d))	惡性通脹調整 (附註2(d))	(336)	(196)	(532)
At 31 December 2019	於二零一九年 十二月三十一日	(14,432)	2,721	(11,711)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the consolidated statement of financial position.

為作呈報目的，在綜合財務狀況表中部份遞延稅項資產及負債已予抵銷。

26 綜合財務狀況表內之所得稅 (續)

(b) 遞延稅項負債：

於綜合財務狀況表確認之遞延稅項負債組成部分及於本年度之變動載列如下：

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財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

26 INCOME TAX IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Continued)

(c) Deferred tax assets not recognised

In accordance with the accounting policy set out in note 2(s), the Group has not recognised deferred tax assets in respect of cumulative tax losses of HK\$97,262,000 (2018: HK\$80,516,000) and impairment of non-current assets of HK\$53,291,000 (2018: HK\$53,291,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. The tax losses do not expire under current tax legislation.

27 PROVISIONS

The carrying amount of the Group's provisions mainly represented the provisions for asset retirement obligations. Movements of provisions during the year are set out as follows:

		HK\$'000 千港元
At 1 January 2019	於二零一九年一月一日	14,828
Provision during the year	年內撥備	4,029
Exchange adjustments	匯率調整	1,647
At 31 December 2019	於二零一九年十二月三十一日	20,504
Less: amount included under "current liabilities"	減：「流動負債」項下所包括的金額	(9,968)
		10,536

In accordance with the relevant rules and regulations and the agreements with the surface owners, the Group is obliged to accrue the costs related to the future costs of plugging and abandoning its oil and gas properties, the removal of equipment and facilities from lease acreage and returning such land to its original condition, and indemnification of surface owners for the damages caused by the exploration activities. These costs reflect the estimated legal and contractual obligations associated with the normal operation of oil and gas properties and were capitalised by increasing the carrying amounts of the related assets. The provisions have been determined by the directors based on their best estimates of the level of expenditure and extent of work required.

26 綜合財務狀況表內之所得稅 (續)

(c) 並無確認遞延稅項資產

根據附註2(s)所列之會計政策，本集團並無就累計稅項虧損97,262,000港元(二零一八年：80,516,000港元)及非流動資產減值53,291,000港元(二零一八年：53,291,000港元)確認遞延稅項資產，此乃由於在有關稅務司法權區及實體內，不太可能有未來應課稅溢利以抵銷可供動用之稅項虧損。根據現行稅務規例，稅項虧損並未過期。

27 撥備

本集團撥備之賬面值主要指資產報廢責任撥備。年內撥備變動載述如下：

根據有關規則及法規以及與土地擁有人之協議，本集團須累計插入及廢置其油氣資產未來成本、自租賃範圍移除設備及設施以及將土地還原為其原本狀況之相關成本及由於開發活動導致損害的土地擁有人賠償金。該等成本反映隨附於油氣資產之一般營運之估計法律及合約責任，並透過增加有關資產之賬面值將其資本化。撥備由董事按開支水平及所須工作範圍作出之最佳估計而釐定。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

28 CAPITAL, RESERVES AND DIVIDENDS

28 資本、儲備及股息

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

The Company

本公司

		Share capital	Share premium	Capital Reserve	Fair value reserve (non-recycling) (不可回收) 公允價值儲備	Contributed surplus	Accumulated losses	Total equity
		股本 HK\$'000 千港元	股份溢價 HK\$'000 千港元	資本儲備 HK\$'000 千港元	(不可回收) 公允價值儲備 HK\$'000 千港元	實繳盈餘 HK\$'000 千港元	累計虧損 HK\$'000 千港元	權益總額 HK\$'000 千港元
Balance at 1 January 2018	於二零一八年一月一日結餘	88,655	4,881,035	9,591	(4,696)	740,880	(2,243,580)	3,471,885
Changes in equity for 2018	二零一八年之權益變動							
Loss for the year	年內虧損	-	-	-	-	-	(19,504)	(19,504)
Purchase of own shares (note 28(c)(ii))	購買自身之股份 (附註28(c)(ii))	(1,066)	(12,854)	-	-	-	-	(13,920)
Balance at 31 December 2018 and 1 January 2019	於二零一八年十二月三十一日及二零一九年一月一日的結餘	87,589	4,868,181	9,591	(4,696)	740,880	(2,263,084)	3,438,461
Changes in equity for 2019	二零一九年之權益變動							
Loss for the year	年內虧損	-	-	-	-	-	(2,039,208)	(2,039,208)
Balance at 31 December 2019	於二零一九年十二月三十一日的結餘	87,589	4,868,181	9,591	(4,696)	740,880	(4,302,292)	1,399,253

(b) Dividends

There is no dividend declared attributable to the year ended 31 December 2019 (2018: HK\$Nil).

There is no dividend payable to owners of the Company attributable to previous financial year, approved and paid during the year ended 31 December 2019 (2018: HK\$Nil).

(b) 股息

並無就截至二零一九年十二月三十一日止年度宣派股息(二零一八年:零港元)。

截至二零一九年十二月三十一日止年度，並無就上一財政年度批准並派付應付本公司擁有人之股息(二零一八年:零港元)。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

28 CAPITAL, RESERVES AND DIVIDENDS (Continued) 28 資本、儲備及股息 (續)

(c) Share capital

(i) Authorised and issued share capital

(c) 股本

(i) 法定及已發行股本

		2019 二零一九年		2018 二零一八年	
		No. of shares 股份數目	HK\$'000 千港元	No. of shares 股份數目	HK\$'000 千港元
		'000 千股		'000 千股	
Authorised:	法定：				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之 普通股	200,000,000	2,000,000	200,000,000	2,000,000
Ordinary shares, issued and fully paid:	普通股，已發行及繳足：				
At 1 January	於一月一日				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之 普通股	8,758,881	87,589	8,865,483	88,655
Purchase of own shares (note 28(c)(ii))	購買自身的股份 (附註28(c)(ii))	-	-	(106,602)	(1,066)
At 31 December	於十二月三十一日				
Ordinary shares of HK\$0.01 each	每股面值0.01港元之 普通股	8,758,881	87,589	8,758,881	87,589

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

普通股持有人有權收取不時宣派之股息及有權於本公司大會上就每股投一票。就本公司之剩餘資產而言，所有普通股股份均享有同等地位。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

28 CAPITAL, RESERVES AND DIVIDENDS (Continued) 28 資本、儲備及股息 (續)

(c) Share capital (Continued)

(ii) Purchase of own shares

During the year of 2018, the Company repurchased and cancelled its own ordinary shares on the Stock Exchange as follows:

Month/year		Number of shares repurchased	Highest price paid per share	Lowest price paid per share	Aggregate consideration
月/年		已回購股份數目	每股已支付最高價格	每股已支付最低價格	代價總額
			HK\$ 港元	HK\$ 港元	HK\$'000 千港元
September 2018	二零一八年九月	39,210,000	0.1320	0.0966	4,624
October 2018	二零一八年十月	33,110,000	0.1420	0.1269	4,585
November 2018	二零一八年十一月	34,282,000	0.1349	0.1328	4,711
Total	總計	106,602,000			13,920

(c) 股本 (續)

(iii) 購買自身的股份

於二零一八年，本公司於聯交所回購及註銷其自身的普通股如下：

(d) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Bermuda Companies Act 1981.

(ii) Capital reserve

The capital reserve of the Group represents (i) the difference between the amount by which non-controlling interests are adjusted and the fair value of the consideration paid upon acquisition of additional interests in non-wholly owned subsidiaries during the year ended 31 December 2012 and (ii) the difference between the nominal value of ordinary shares issued by the Company and the aggregate of the share capital and share premiums of subsidiaries acquired through a reorganisation in preparation for the listing of the Company's shares on the Stock Exchange in October 1998.

(d) 儲備之性質及目的

(i) 股份溢價

股份溢價賬之使用須受百慕達一九八一年公司法規管。

(ii) 資本儲備

本集團資本儲備指(i)非控股權益經調整金額與截至二零一二年十二月三十一日止年度收購非全資附屬公司額外權益已付代價公允價值之間的差額；及(ii)本公司已發行普通股面值與為籌備本公司股份於一九九八年十月在聯交所上市而透過重組所收購附屬公司之股本及股份溢價總額間之差額。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

28 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(d) Nature and purpose of reserves (Continued)

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policy set out in note 2(v).

(iv) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see note 2(g)).

(v) Contributed surplus

The contributed surplus of the Group and the Company represented the credit arising from capital reduction in prior years.

Under Section 54 of the Bermuda Companies Act 1981, contributed surplus is available for distribution as dividends to shareholders subject to the provisions of the Company's bye-laws and provided that immediately following the distribution, the Company is able to pay its liabilities as and when they fall due or the realisable value of the Company's assets would not be less than the aggregate of its liabilities and its issued share capital and share premium account.

(e) Distributability of reserves

At 31 December 2019, the Company had no reserves available for cash distribution and/or distribution in specie. Under the Bermuda Companies Act 1981, the Company's contributed surplus in the amount of HK\$740,880,000 (2018: HK\$740,880,000) is currently not available for distribution. The Company's share premium account in the amount of HK\$4,868,181,000 as at 31 December 2019 (2018: HK\$4,868,181,000) may be distributed in the form of fully paid bonus shares.

28 資本、儲備及股息 (續)

(d) 儲備之性質及目的 (續)

(iii) 匯兌儲備

匯兌儲備包括海外業務財務報表換算產生之所有外匯差額。該儲備乃根據附註2(v)所列會計政策處理。

(iv) 公允價值儲備 (不可回收)

公允價值儲備 (不可回收) 包括根據香港財務報告準則第9號指定按公允價值計入其他全面收益，並於報告期末所持有的股權投資之累計公允價值變動淨值 (見附註2(g))。

(v) 實繳盈餘

本集團及本公司之實繳盈餘指過往年度削減股本產生之進賬額。

根據百慕達一九八一年公司法第54條，本公司之實繳盈餘可供向股東分派股息，惟須受其公司細則條文所規限，且於緊隨分派後，本公司仍有能力支付其到期負債，或本公司資產之可變現價值不會低於其負債、已發行股本和股份溢價賬總和情況下方可派付。

(e) 可供分派儲備

於二零一九年十二月三十一日，本公司概無儲備可供現金分派及／或實物分派。根據百慕達一九八一年公司法 (經修訂)，本公司之繳入盈餘740,880,000港元 (二零一八年：740,880,000港元) 現時不可作分派。於二零一九年十二月三十一日，本公司之股份溢價賬4,868,181,000港元 (二零一八年：4,868,181,000港元) 可以繳足紅利股份方式分派。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

28 CAPITAL, RESERVES AND DIVIDENDS (Continued)

(f) Capital management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by pricing products and services commensurately with the level of risk and by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholders' returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of a net debt-to-capital ratio. For this purpose, net debt is defined as total debt which includes interest-bearing borrowings. Total equity is the balance as shown in the consolidated statement of financial position.

During 2019, the Group's strategy, which was unchanged from 2018, was to maintain the net debt-to-capital ratio at a reasonable level. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt.

28 資本、儲備及股息 (續)

(f) 資金管理

本集團資金管理之主要目標為保障本集團繼續作為持續經營實體之能力，與風險水平相對應之產品和服務定價以及獲得合理成本的融資，旨在為股東提供回報及令其他權益人受惠。

本集團會積極及定期審閱及管理其資金結構，以維持較高股東回報（其可能具有較高借貸水平）及穩健資金狀況間之平衡，並就經濟狀況之變動調整資金結構。

本集團以淨負債資本比率基準監控其資本架構。對於該目的，債務淨值被界定為債務總額，當中包括計息借貸。權益總額為綜合財務狀況表所示之結餘。

於二零一九年，本集團之策略為維持淨負債資本比率處於合理範圍內，與二零一八年維持不變。為維持或調整資本結構，本集團或會調整支付予股東之股息金額、發行新股份或出售資產以減低負債。

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

28 CAPITAL, RESERVES AND DIVIDENDS (Continued) 28 資本、儲備及股息 (續)

(f) Capital management (Continued)

The net debt-to-capital ratio as at 31 December 2019 and 2018 and at the date of transition to HKFRS 16 was as follows:

		31 December 2019 二零一九年 十二月三十一日	1 January 2019 二零一九年 一月一日 (note) (附註)	31 December 2018 二零一八年 十二月三十一日 (note) (附註)
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
Other borrowings (note 23)	其他借貸 (附註23)	151,544	210,792	210,792
Lease liabilities (note 24)	租賃負債 (附註24)	834	2,909	-
		152,378	213,701	210,792
Total equity	權益總額	846,455	3,129,894	3,129,976
Net debt-to-capital ratio	淨負債資本比率	18.0%	6.8%	6.7%

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Under this approach, the comparative information is not restated. See note 2(c).

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

(f) 資金管理 (續)

於二零一九年及二零一八年十二月三十一日及於過渡至香港財務報告準則第16號當日的淨負債資本比率如下：

附註：本集團使用經修訂追溯法首次應用香港財務報告準則第16號，並調整於二零一九年一月一日之年初結餘以確認先前根據香港會計準則第17號分類為經營租賃的租賃相關租賃負債。根據此方法，比較資料並無重列。見附註2(c)。

本公司及其任何附屬公司概無須遵守外界規定的資本要求。

NOTES TO THE FINANCIAL STATEMENTS

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(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

Exposure to credit, liquidity, interest rate, currency and price risks arises in the normal course of the Group's business. The Group is also exposed to equity price risk arising from its equity investments in other entities and movements in its own equity share price.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks, for which the Group considers to have low credit risk.

Trade and other receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The default risk of industry and country in which customers operate also has an influence on credit risk. At the end of the reporting period, save for the concentration of credit risk on liquid funds which are deposited with several banks with high credit ratings, the Group does not have any other significant concentration of credit risk.

In respect of trade and other receivables, the management has a credit policy in place and the exposures to these credit risks are monitored on an ongoing basis. Credit evaluations of its customers' financial position and condition are performed on each and every major customer periodically. These evaluations focus on the customer's past history of making payments when due and current ability to pay, and taking into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Normally, the Group does not require collateral in respect of its financial assets. Debts are usually due within 30 days (2018: 30 days) from the date of billing.

29 財務風險管理及金融工具公允價值

本集團面臨於一般業務過程中產生之信貸風險、流動資金風險、利率風險、貨幣及價格風險。本集團亦由於於其他實體之股權投資及自身股價變動而面臨股價風險。

本集團所面臨之該等風險及本集團就管理該等風險所採納之財務風險管理政策及常規載於下文。

(a) 信貸風險

信貸風險指交易對手違反其合約責任而導致本集團財務損失之風險。本集團的信貸風險主要來自應收貿易賬款及其他應收款項。由於對方乃是本集團認為較低信貸風險的銀行，本集團面臨來自現金及現金等價物的信貸風險有限。

應收貿易賬款及其他應收款項

本集團面對之信貸風險主要受各客戶之個別情況影響。客戶經營業務所在行業及國家之失責風險亦會對信貸風險產生影響。於報告期末，除了流動資金（存入若干高信貸評級的銀行）信貸風險集中，本集團並無面對任何其他重大集中信貸風險。

就應收貿易賬款及其他應收款項而言，管理層已制定信貸政策，並持續監察該等信貸風險狀況。本集團定期對每名主要客戶之財務狀況及情況進行信貸評估。該等評估集中於客戶過往於賬款到期時之還款記錄及目前的還款能力，並考慮客戶之特定資料以及與客戶經營業務所在經濟環境相關之資料。一般情況下，本集團並無就其金融資產要求抵押品。債務通常由開出賬單當日起30日（二零一八年：30日）內到期。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(a) Credit risk (Continued)

Trade and other receivables (Continued)

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs, which is calculated using a provision matrix. As the Group's historical credit loss experience does not indicate significantly different loss patterns for different customer segments, the loss allowance based on past due status is not further distinguished between the Group's different customer bases.

As there was no significant amount of overdue trade receivables as at 31 December 2019 and 31 December 2018, the expected credit loss based on the Group's historical credit loss experience was considered insignificant. Therefore, the Group did not recognise loss allowance in regard to trade receivables. Expected loss rates are based on actual loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

(b) Liquidity risk

Individual operating entities within the Group are responsible for their own cash management, including the short term investment of cash surpluses and the raising of loans to cover expected cash demands, subject to approval by the parent company's board when the borrowings exceed certain predetermined levels of authority. The Group's policy is to regularly monitor its liquidity requirements and its compliance with lending covenants, to ensure that it maintains sufficient reserves of cash and readily realisable marketable securities and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term.

29 財務風險管理及金融工具公允價值 (續)

(a) 信貸風險 (續)

應收貿易賬款及其他應收款項 (續)

本集團按相等於全期預期信貸虧損的金額就應收貿易賬款及其他應收款項計量虧損撥備，並使用撥備矩陣計算虧損撥備。由於本集團的歷史信貸虧損經歷並無指示就不同客戶分部而具有重大差異模式，故不會就本集團不同客戶群而進一步區分虧損撥備按逾期狀況。

於二零一九年十二月三十一日及二零一八年十二月三十一日，由於應收貿易賬款及其他應收款項概無重大逾期金額，預期信貸虧損按歷史信貸虧損經歷被視為不重大。因此，本集團並無就應收貿易賬款確認虧損。預期信貸虧損為按實際虧損經驗列賬。該等經調整利率以反映期內經濟狀況（當中的歷史數據已獲收集）、即期狀況與本集團對應收款項預期期限內的經濟狀況之意見的差異。

(b) 流動資金風險

本集團旗下個別營運實體負責其本身之現金管理，包括現金盈餘的短期投資及作出貸款以滿足預期現金需求，惟借貸超過若干既定授權水平時須經母公司董事會批准。本集團之政策為定期監察流動資金需要及遵守相關借款契諾，確保其維持足夠之現金儲備以及容易變現的有價證券以及向各大金融機構取得足夠的承諾信貸融資額度，以滿足其短期及較長期流動資金需要。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(b) Liquidity risk (Continued)

The following table shows the remaining contractual maturities at the end of the reporting period of the Group's financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using contractual rates or, if floating, based on rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

	2019 二零一九年					2018 二零一八年				
	Within 1 year or on demand 於一年內或 於要求時	More than 1 year but less than 2 years 超過一年 但少於兩年	More than 2 years but less than 5 years 超過兩年 但少於五年	Total 總計	Carrying amount 賬面值	Within 1 year or on demand 於一年內或 於要求時	More than 1 year but less than 2 years 超過一年 但少於兩年	More than 2 years but less than 5 years 超過兩年 但少於五年	Total 總計	Carrying amount 賬面值
Trade and other payables 應付貿易賬款及其他應付款項	64,246	-	-	64,246	64,246	93,057	-	-	93,057	93,057
Lease liabilities (note) 租賃負債(附註)	839	-	-	839	834	-	-	-	-	-
Other borrowings 其他借貸	21,401	142,499	3,002	166,902	151,544	70,616	11,097	157,301	239,014	210,792
	86,486	142,499	3,002	231,987	216,624	163,673	11,097	157,301	332,071	303,849

Note: The Group has initially applied HKFRS 16 using the modified retrospective approach and adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to leases which were previously classified as operating leases under HKAS 17. Under this approach, the comparative information is not restated. See note 2(c).

附註：本集團已採用經修改追溯法初始應用香港財務報告準則第16號及調整於二零一九年一月一日之年初結餘，以確認與先前根據香港會計準則第17號分類為經營租賃的租賃有關之租賃負債。根據此方法，比較資料不作重列。見附註2(c)。

29 財務風險管理及金融工具公允價值(續)

(b) 流動資金風險(續)

下表呈列本集團之金融負債(有關負債乃根據合約未貼現現金流量(包括使用合約利率或(如屬浮動利率，則按報告期末當日之利率)計算所得之利息款項)計算)於報告期末之剩餘合約到期期限以及本集團可能須付款之最早日期：

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from interest-bearing borrowings.

(i) Interest rate profile

The following table details the interest rate profile of the Group's borrowings at the end of the reporting period.

		2019 二零一九年		2018 二零一八年	
		Effective interest rate 實際利率		Effective interest rate 實際利率	
		%	HK\$'000	%	HK\$'000
		%	千港元	%	千港元
Net fixed rate borrowings:	固定利率借貸淨額：				
Other borrowings	其他借貸	5.00%- 8.00%	151,544	5.00%- 8.00%	210,792

(ii) Sensitivity analysis

The directors of the Company considered that the Group's exposure to interest rate risk is not significant, no sensitivity analysis has been presented accordingly.

(d) Currency risk

The Group is exposed to currency risk primarily through carrying out exploration activities which give rise to cash and cash equivalents, trade and other receivables, and trade and other payables that are denominated in a currency other than the functional currency of the operations to which the transactions relate. Presently, there is no hedging policy with respect to the foreign exchange exposure.

29 財務風險管理及金融工具公允價值 (續)

(c) 利率風險

利率風險指金融工具的公允價值或未來現金流量將會因市場利率之變動而波動。本集團之利率風險主要因計息借貸而產生。

(i) 利率組合

下表詳列本集團之借貸於報告期末之利率概況。

(ii) 敏感度分析

本公司董事認為本集團面對之利率風險並不重大，因而並無呈列利率風險之敏感度分析。

(d) 貨幣風險

本集團主要因進行勘探活動而產生以交易所涉及的業務的功能貨幣以外的貨幣計值的現金及現金等價物、應收貿易賬款及其他應收款項及應付貿易賬款及其他應付款項而面臨貨幣風險。目前，本集團並無就外匯風險採取對沖政策。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk (Continued)

(i) Exposure to currency risk

The following table details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the year end date. Differences resulting from the translation of the financial statements of foreign operations into the Group's presentation currency are excluded.

29 財務風險管理及金融工具公允價值 (續)

(d) 貨幣風險 (續)

(i) 須面對之貨幣風險

下表詳述本集團於報告期末面對因以有關實體功能貨幣以外之貨幣計值之已確認資產或負債而產生之貨幣風險。就呈報目的，風險承擔金額以港元呈列，採用年度結算日之即期匯率折算。海外業務財務報表換算為本集團呈列貨幣產生之匯兌差額不包括在內。

		Exposure to foreign currency (expressed in HK\$) 外幣風險 (以港元呈列)	
		2019 二零一九年	2018 二零一八年
		US\$ 美元	US\$ 美元
		HK\$'000 千港元	HK\$'000 千港元
Trade and other receivables	應收貿易賬款及 其他應收款項	6,522	70,300
Cash and cash equivalents	現金及現金等價物	95,042	135,117
Trade and other payables	應付貿易賬款及 其他應付款項	(50,200)	(117,233)
Other financial assets	其他金融資產	30,528	-
Net exposure arising from recognised assets and liabilities	已確認資產及負債 所產生風險淨額	81,892	88,184

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(d) Currency risk (Continued)

(ii) Sensitivity analysis

The directors of the Company considered that the Group's exposure to currency risk is not significant and accordingly, no sensitivity analysis has been presented. It is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would not be materially affected by any changes in movement in value of the United States dollar against other currencies.

(e) Price risk

The Group is engaged in petroleum-related and commodities trading activities. Prices of crude oil and commodities are affected by a wide range of global and domestic political, economic and military factors which are beyond the control of the Group. A decrease in such prices could adversely affect the Group's financial position. The Group has not used any derivative instruments to hedge against potential price fluctuations of crude oil and commodities. The management will consider appropriate hedging policy when the need arises.

(f) Equity price risk

The Group is exposed to equity price changes arising from equity investments held for trading and non-trading purposes (see notes 17 and 20).

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the reporting period.

At 31 December 2019, it is estimated that an increase/decrease of 5% in the price of relevant financial instruments, with all other variables held constant, would have decreased/increased the Group's loss after tax and other comprehensive income by HK\$5,236,000 (2018: HK\$4,958,000) as a result of the change in fair value of other financial assets and other investment in equity securities.

29 財務風險管理及金融工具公允價值 (續)

(d) 貨幣風險 (續)

(ii) 敏感度分析

本公司董事認為，本集團面對之外幣風險並不重大，故無呈列敏感度分析。本集團假設港元與美元之間的聯繫匯率不會因美元兌換其他貨幣價值波動之任何變動而受到重大影響。

(e) 價格風險

本集團主要從事石油相關及商品貿易業務。原油及商品價格會受包括但不限於全球及國內政治、經濟及軍事等多種因素影響，而該等因素並非本集團所能控制。該等價格下降可能對本集團表現造成不利影響。本集團並無使用任何衍生工具以對沖原油及商品之潛在價格波動。管理層將考慮於未來需要時的適當對沖政策。

(f) 股價風險

本集團面對可持作買賣及非買賣用途之股權投資產生之股價變動風險（見附註17及20）。

敏感度分析

下文敏感度分析根據報告期末所面對之股本價格風險釐定。

於二零一九年十二月三十一日，估計相關金融工具價格增長/下降5%，而所有其他變量維持不變情況下，本集團將因其他金融資產公允價值變動及其他權益證券投資而減少/增加除稅後虧損及其他全面收益5,236,000港元（二零一八年：4,958,000港元）。

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29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(g) Fair values measurement

(i) Financial assets and liabilities measured at fair value

Fair value hierarchy

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

29 財務風險管理及金融工具公允價值 (續)

(g) 公允價值計量

(i) 按公允價值計量之金融資產及負債

公允價值等級

下表呈列本集團於報告期末按經常性基準計量之金融工具之公允價值，根據香港財務報告準則第13號公允價值計量之定義分類為三層公允價值等級。公允價值計量之層級分類乃經參考估值技術中採用之輸入數據之可觀察性及重要性釐定如下：

- 第一層估值：僅採用第一層輸入數據計量之公允價值，即於計量日期在活躍市場上相同資產或負債之未經調整報價
- 第二層估值：採用第二層輸入數據（即不符合第一層公允價值之可觀察輸入數據）計量之公允價值，而非採用重大不可觀察輸入數據。不可觀察輸入數據指並無市場數據可作參考之輸入數據
- 第三層估值：採用重大不可觀察輸入數據計量之公允價值

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(g) Fair values measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

29 財務風險管理及金融工具公允價值 (續)

(g) 公允價值計量 (續)

(i) 按公允價值計量之金融資產及負債 (續)

公允價值等級 (續)

		Fair value measurements as at 31 December 2019 categorised into 於二零一九年十二月三十一日分類之公允價值計量			
		Fair value at 31 December 2019 於二零一九年 十二月三十一日 之公允價值 HK\$'000 千港元	Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元
Recurring fair value measurement	經常性公允價值計量				
Assets:	資產:				
Other investment in equity securities:	其他權益證券投資:				
– Unlisted equity investments	– 非上市權益投資	16,068	–	16,068	–
Other financial assets	其他金融資產				
– Listed equity securities	– 上市股本證券	80,618	80,618	–	–
– Listed debt securities	– 上市債務證券	30,528	30,528	–	–
– Unlisted equity-linked securities	– 非上市股本掛鈎證券	8,027	–	8,027	–
– Unlisted funds	– 非上市基金	927	–	927	–

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(g) Fair values measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Fair value hierarchy (Continued)

29 財務風險管理及金融工具公允價值 (續)

(g) 公允價值計量 (續)

(i) 按公允價值計量之金融資產及負債 (續)

公允價值等級 (續)

		Fair value measurements as at 31 December 2018 categorised into 於二零一八年十二月三十一日分類之公允價值計量			
Fair value at 31 December 2018 於二零一八年 十二月三十一日 之公允價值 HK\$'000 千港元		Level 1 第一層 HK\$'000 千港元	Level 2 第二層 HK\$'000 千港元	Level 3 第三層 HK\$'000 千港元	
Recurring fair value measurement	經常性公允價值計量				
Assets:	資產:				
Other investment in equity securities:	其他權益證券投資:				
– Unlisted equity investments	– 非上市權益投資	18,694	–	18,694	–
Other financial assets	其他金融資產:				
– Listed equity securities	– 上市股本證券	80,468	80,468	–	–

For the years ended 31 December 2019 and 2018, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

截至二零一九年及二零一八年十二月三十一日止年度，第一層與第二層之間並無轉撥，或並無轉入或轉出第三層。本集團政策為於報告期末公允價值等級發生轉撥時確認有關轉撥。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

29 FINANCIAL RISK MANAGEMENT AND FAIR VALUES OF FINANCIAL INSTRUMENTS

(Continued)

(g) Fair values measurement (Continued)

(i) Financial assets and liabilities measured at fair value (Continued)

Valuation techniques and inputs used in Level 2 fair value measurements

The equity interest in Borealis is classified as equity investment and carried at fair value. The fair value is valued with reference to the private placing of shares and warrants by Borealis and the average share price fluctuations of comparable companies.

The equity interest in Foothills Exploration is classified as equity investment and carried at fair value. The fair value is valued using the market approach with reference to the market price of shares of Foothills Exploration.

The unlisted equity-linked securities and unlisted funds are classified as other financial assets and carried at fair value. The fair value are determined based on quoted market prices provided by bank.

(ii) Fair value of financial assets and liabilities carried other than fair value

The carrying amounts of the Group's financial instruments carried at cost or amortised cost are not materially different from their fair values as at 31 December 2019 and 2018.

29 財務風險管理及金融工具公允價值 (續)

(g) 公允價值計量 (續)

(i) 按公允價值計量之金融資產及負債 (續)

第二層公允價值計量採用之估值技術及輸入數據

於Borealis之股權分類為權益投資，並按公允價值入賬。公允價值乃經參考Borealis之股份及認股權證私募配售以及可資比較公司之平均股價波動進行評估。

Foothills Exploration之股權分類為權益投資，並按公允價值入賬。公允價值乃經參考Foothills Exploration之股份市價並採用市場法估值。

非上市股權掛鈎證券及非上市基金乃分類為其他金融資產並按公允價值入賬。公允價值乃使用銀行提供的市場報價。

(ii) 按公允價值以外方式入賬之金融資產及負債之公允價值

於二零一九年及二零一八年十二月三十一日，本集團按成本或攤銷成本入賬之金融工具的賬面值與其公允價值並無重大差異。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

30 MATERIAL RELATED PARTY TRANSACTIONS

The Group has a related party relationship with the following parties:

Name of party 關聯方名稱	Relationship 關係
New World Tower Company Limited	The company is an associate of Chow Tai Fook (Holding) Limited, an intermediate parent of the Company. 該公司為本公司中間母公司周大福(控股)有限公司之聯營公司。
CiF Solutions Limited 創庫系統有限公司	The company is an associate of Chow Tai Fook (Holding) Limited, an intermediate parent of the Company. 該公司為本公司中間母公司周大福(控股)有限公司之聯營公司。

30 重大關聯方交易

本集團與下列關聯方擁有關聯方關係：

Save as disclosed elsewhere in the consolidated financial statements, the Group entered into the following material related party transactions:

除綜合財務報表其他地方所披露者外，本集團進行之重大關聯方交易如下：

(a) Key management personnel remuneration

Remuneration for key management personnel of the Group, including amounts paid to the Company's directors as disclosed in note 8 and certain of the highest paid employees as disclosed in note 9, is as follows:

(a) 主要管理層人員酬金

本集團主要管理層人員酬金(包括已付予附註8所披露本公司董事及附註9所披露若干最高薪酬僱員之款項)如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Short-term employee benefits 短期僱員福利	7,667	8,573
Post-employment benefits 離職後福利	31	48
	7,698	8,621

Total remuneration is included in "staff costs" (see note 6(b)).

酬金總額計入「員工成本」(見附註6(b))。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

30 MATERIAL RELATED PARTY TRANSACTIONS

(Continued)

(b) Other related party transactions

Related parties 關聯方	Nature of transactions 交易性質	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
(i) New World Tower Company Limited (note) (附註)	Rent and management fee 租金及管理費	2,302	2,281
(ii) CiF Solutions Limited 創庫系統有限公司	IT management and support 資訊科技管理及支援	125	119

Note: The Group entered into lease contracts in respect of its office with New World Tower Company Limited. As at 31 December 2019, lease liabilities due to related party in respect of the leased office was amounting to HK\$834,000 (see note 24).

附註：本集團與New World Tower Company Limited訂立有關辦公室的租賃合約。於二零一九年十二月三十一日，就租賃辦公室應付關聯方之租賃負債為834,000港元（見附註24）。

(c) Applicability of Listing Rules relating to connected transactions

For the year ended 31 December 2019 and 2018, the related party transactions as disclosed in note 30(b)(i) and (ii) above constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules. The disclosures required by Chapter 14A of the Listing Rules are provided in the Directors' Report. The related party transactions as disclosed in note 30(b)(i) and (ii) above are exempt from the disclosure requirements in Chapter 14A of the Listing Rules as the amounts in respect of note 30(b)(i) and (ii) are below the de minimis threshold under Rule 14A.76(1) of the Listing Rules. The other related party transactions were not connected transactions or continuing connected transactions as defined in Chapter 14A of the Listing Rules.

(c) 關連交易相關上市規則之適用性

截至二零一九年及二零一八年十二月三十一日止年度，上文附註30(b)(i)及(ii)披露之關聯方交易構成上市規則第14A章界定之關連交易或持續關連交易。上市規則第14A章規定之披露載於董事會報告。上文附註30(b)(i)及(ii)披露之關聯方交易因有關附註30(b)(i)及(ii)的款項低於上市規則第14A.76(1)條之最低標準而獲豁免遵守上市規則第14A章之披露規定。其他關聯方交易並非上市規則第14A章所界定的關連交易或持續關連交易。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

31 COMMITMENTS

- (a) Capital commitments outstanding at 31 December 2019 not provided for in the consolidated financial statements were as follows:

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised but not contracted for 已授權但未訂約	43,608	138,905

- (b) As at 31 December 2018, total future minimum lease payments under non-cancellable operating leases payable were as follows:

	2018 二零一八年 HK\$'000 千港元
Within 1 year 一年內	2,361
After 1 year but within 5 years 一年後但五年內	758
	3,119

The Group is the lessee in respect of its office held under leases which were previously classified as operating leases under HKAS 17. The Group has initially applied HKFRS 16 using the modified retrospective approach. Under this approach, the Group adjusted the opening balances at 1 January 2019 to recognise lease liabilities relating to these leases (see note 2(c)). From 1 January 2019 onwards, future lease payments are recognised as lease liabilities in the consolidated statement of financial position in accordance with the policies set out in note 2(k), and the details regarding the Group's future lease payments are disclosed in note 24.

31 承擔

- (a) 於二零一九年十二月三十一日尚未清還惟未於綜合財務報表撥備之資本承擔如下：

	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Authorised but not contracted for 已授權但未訂約	43,608	138,905

- (b) 於二零一八年十二月三十一日，根據不可撤銷經營租約應付未來最低租金總額如下：

	2018 二零一八年 HK\$'000 千港元
Within 1 year 一年內	2,361
After 1 year but within 5 years 一年後但五年內	758
	3,119

本集團為其辦公室之承租人，辦公室透過租賃持有，過往根據香港會計準則第17號分類為經營租賃。本集團使用經修訂追溯法首次應用香港財務報告準則第16號。根據此方法，本集團調整於二零一九年一月一日之年初結餘，以確認與該等租賃有關之租賃負債（見附註2(c)）。自二零一九年一月一日起，根據附註2(k)所載政策，未來租賃付款額於綜合財務狀況表確認為租賃負債，及有關本集團的未來租賃付款的詳情於附註24披露。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

32 COMPANY-LEVEL STATEMENT OF FINANCIAL POSITION 32 公司層面的財務狀況表

	Note 附註	2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元
Non-current assets	非流動資產		
Investments in subsidiaries	於附屬公司之投資	–	2,031,767
Total non-current assets	非流動資產總額	–	2,031,767
Current assets	流動資產		
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	799,165	774,864
Other financial assets	其他金融資產	45,142	–
Cash and cash equivalents	現金及現金等價物	761,928	897,750
Total current assets	流動資產總額	1,606,235	1,672,614
Current liabilities	流動負債		
Other payables	其他應付款項	55,438	55,128
Other borrowings	其他借貸	10,544	56,792
Total current liabilities	流動負債總額	65,982	111,920
Net current assets	流動資產淨值	1,540,253	1,560,694
Total assets less current liabilities	總資產減流動負債	1,540,253	3,592,461
Non-current liabilities	非流動負債		
Other borrowings	其他借貸	141,000	154,000
Total non-current liabilities	非流動負債總額	141,000	154,000
NET ASSETS	資產淨值	1,399,253	3,438,461
CAPITAL AND RESERVES	股本及儲備		
Share capital	股本	87,589	87,589
Reserves	儲備	1,311,664	3,350,872
TOTAL EQUITY	權益總額	1,399,253	3,438,461

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

33 COMPARATIVE FIGURES

The Group has initially applied HKFRS 16 at 1 January 2019 using the modified retrospective approach. Under this approach, comparative information is not restated. Further details of the changes in accounting policies are disclosed in note 2(c).

34 EVENTS AFTER THE REPORTING PERIOD

On 11 March 2020, the World Health Organisation declared a pandemic of the Coronavirus outbreak (COVID-19) due to its rapid spread throughout the world. This situation is significantly affecting the global economy, due to the interruption or slowdown of supply chains and the significant increase in economic uncertainty. The Group will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Group. Up to the date of issue of these consolidated financial statements, besides those disclosed in note 12(b), the Group was not aware of any material adverse effects on the consolidated financial statements as a result of the COVID-19 outbreak.

35 IMMEDIATE AND ULTIMATE CONTROLLING PARTY

At 31 December 2019, the directors consider the immediate parent and ultimate controlling party of the Group to be Max Sun Enterprises Limited and Chow Tai Fook Capital Limited respectively, which are incorporated in the BVI.

33 對比數字

本集團已於二零一九年一月一日採用經修改追溯法首次應用香港財務報告第16號。根據此方式，對比資料不會重列。有關會計政策之變動的進一步詳情已於附註2(c)披露。

34 報告期後事項

於二零二零年三月十一日，因新冠肺炎（「COVID-19」）於全球快速擴散，世界衛生組織宣佈爆發新冠肺炎大流行病。由於供應鏈中斷或放緩及經濟不明朗性顯著增加，此情況對全球經濟造成嚴重影響。本集團將密切關注COVID-19疫情的發展，並評估疫情對本集團財務狀況及經營業績的影響。截至本綜合財務報表刊發日期，除附註12(b)所披露者外，本集團並不知悉因COVID-19疫情而對綜合財務報表產生任何重大不利影響。

35 直接及最終控股方

於二零一九年十二月三十一日，董事認為本集團的直接母公司及最終控股方分別為於BVI註冊成立之萬新企業有限公司及Chow Tai Fook Capital Limited。

NOTES TO THE FINANCIAL STATEMENTS

財務報表附註

(Expressed in Hong Kong dollars unless otherwise indicated) (除另有說明外，所有金額均以港元列示)

36 POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 31 DECEMBER 2019

Up to the date of issue of these financial statements, the HKICPA has issued a number of amendments and a new standard, HKFRS 17, *Insurance contracts*, which are not yet effective for the year ended 31 December 2019 and which have not been adopted in these financial statements. These developments include the following which may be relevant to the Group.

Amendments to HKFRS 3, *Definition of a business*

香港財務報告準則第3號(修訂本)·業務的定義

Amendments to HKAS 1 and HKAS 8, *Definition of material*

香港會計準則第1號及香港會計準則第8號(修訂本)·重大性的定義

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

In March 2020, the IFRS Interpretations Committee issued a set of agenda decisions on translating the results of a hyperinflationary foreign operation into the non-hyperinflationary presentation currency in the parent's consolidated financial statements. The Group will voluntarily change its accounting policy (see note 2(d)) in the next accounting period to conform with the Committee's decisions, and is in the process of assessing the detailed impacts. On the basis of its preliminary assessment to date, the accounting policy changes would result in all or part of the translation effects to be presented in other comprehensive income as opposed to directly in equity and present the cumulative pre-hyperinflation foreign exchange differences in the exchange reserve, with consequential impacts on the carrying amounts of accumulated losses and exchange reserve, while having no overall impact on the Group's total equity. The actual impact may differ as the Group finalised its detailed assessment.

36 截至二零一九年十二月三十一日止年度已頒佈但尚未生效之修訂、新訂準則及詮釋可能產生之影響

截至本財務報表刊發日期，香港會計師公會已頒佈下列於截至二零一九年十二月三十一日止年度尚未生效及尚未於本財務報表採納之多項修訂、新訂準則及香港財務報告準則第17號「保險合同」。該等發展包括下列可能與本集團有關者。

Effective for accounting periods beginning on or after

自以下日期或之後開始之會計期間生效

1 January 2020

二零二零年一月一日

1 January 2020

二零二零年一月一日

本集團正在評估此等發展於首次應用期間預期產生之影響。本集團目前認為，採納此等發展不太可能對綜合財務報表產生重大影響。

於二零二零年三月，國際財務報告詮釋委員會頒佈一套有關將惡性通脹海外業務的業績於母公司綜合財務報表中換算為非惡性通脹呈列貨幣的議程決定。本集團將自願於下一個會計期間更改會計政策(見附註2(d))以符合委員會決定，並正評估具體的影響。基於最新的初步評估，會計政策變動將導致將於其他全面收益所呈列的全部或部分換算影響，而非直接於權益中呈列及於匯兌儲備中呈報累計惡性通脹前外匯差額，及對累計虧損之賬面值及匯兌儲備之賬面值產生最終的影響，而對本集團之權益總額不會產生整體的影響。當本集團最終落實具體的評估時，實際影響可能會有差異。

FIVE YEARS FINANCIAL SUMMARY

五年財務概要

Set out below is a summary of the results and a statement of net assets of the Group for the last five financial years, as extracted from the audited consolidated financial statements and reclassified as appropriate.

下文為本集團於過去五個財政年度之業績及資產淨值報表概要，乃摘錄自經審核綜合財務報表並已在適當情況下重新分類。

RESULTS

業績

		Year ended 31 December 截至十二月三十一日止年度				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
REVENUE	收益					
Continuing operations	持續經營業務	236,646	297,989	287,557	57,108	66,725
Discontinued operations	已終止經營業務	-	-	-	53	2,582
		236,646	297,989	287,557	57,161	69,307
PROFIT/(LOSS) BEFORE TAXATION	除稅前溢利/(虧損)					
Continuing operations	持續經營業務	(2,310,385)	(246,447)	95,260	(229,615)	(1,549,322)
Discontinued operations	已終止經營業務	-	-	-	(7,055)	(198,399)
		(2,310,385)	(246,447)	95,260	(236,670)	(1,747,721)
INCOME TAX	所得稅					
Continuing operations	持續經營業務	20,248	(10,777)	6,437	6,021	3,371
Discontinued operations	已終止經營業務	-	-	-	(1)	38,656
		20,248	(10,777)	6,437	6,020	42,027
PROFIT/(LOSS) ATTRIBUTABLE TO	應佔溢利/(虧損)					
Owners of the Company	本公司擁有人	(2,290,086)	(257,218)	101,710	(123,349)	(1,666,254)
Non-controlling interests	非控股權益	(51)	(6)	(13)	(1,672)	(21,280)
		(2,290,137)	(257,224)	101,697	(125,021)	(1,687,534)
		As at 31 December 於十二月三十一日				
		2019 二零一九年 HK\$'000 千港元	2018 二零一八年 HK\$'000 千港元	2017 二零一七年 HK\$'000 千港元	2016 二零一六年 HK\$'000 千港元	2015 二零一五年 HK\$'000 千港元
ASSETS AND LIABILITIES	資產及負債					
Non-current assets	非流動資產	167,202	2,417,291	2,475,468	2,282,239	2,404,147
Current assets	流動資產	928,092	1,062,798	1,308,181	783,190	336,550
Total assets	資產總額	1,095,294	3,480,089	3,783,649	3,065,429	2,740,697
Current liabilities	流動負債	85,592	154,980	90,522	81,883	186,415
Non-current liabilities	非流動負債	163,247	195,133	225,811	332,281	311,927
Total liabilities	負債總額	248,839	350,113	316,333	414,164	498,342
NET ASSETS	資產淨值	846,455	3,129,976	3,467,316	2,651,265	2,242,355

GLOSSARY

詞彙

“BBL” 「BBL」	指	Barrel 桶
“BCF” 「BCF」	指	Billion cubic feet 十億立方呎
“BOPD” 「BOPD」	指	Barrels of oil per day 桶石油／每日
“km ² ” 「km ² 」	指	Square kilometers 平方公里
“MMBBL” 「MMBBL」	指	Million barrels of oil, a barrel is equivalent to 42 U.S. Gallons or 0.158987 m ³ 百萬桶油，一桶等於42美加侖或0.158987立方米
“Recoverable Volume” 「可採量」	指	Quantities of petroleum anticipated to be commercially recoverable by the application of development projects to known accumulations, which at present does not fully meet the definition of Reserves as defined under the Petroleum Resources Management System (PRMS) due to pending exploitation permit. 透過應用從已知成藏中的發展項目估計可進行商業可收回的石油藏量，由於尚未取得開採許可，其現時未能符合石油資源管理系統(PRMS)所界定之儲量之定義
“Prospective Resources” 「遠景資源量」	指	Quantities of petroleum which are estimated to be potentially recovered from undiscovered accumulations 估計可能從待發現油田中開採的石油量
“Probable Reserves” 「概略儲量」	指	Additional reserves that are less certain to be recovered than Proven Reserves but which, together with Proven Reserves, are as likely as not to be recovered 相比探明儲量不大可能確定能否開採油氣的額外儲量，惟其與探明儲量均可能不可開採油氣
“Proven Reserves” 「探明儲量」	指	Proven oil and gas reserves are those quantities of oil and gas which, by analysis of geoscience and engineering data, can be estimated with reasonable certainty to be economically producible 探明油氣儲量乃通過地質及工程資料分析，可以估算並合理確定經濟上可生產的油氣儲量
“2P Reserves” 「2P 儲量」	指	Proven Reserves+Probable Reserves 探明儲量及概略儲量



新時代能源有限公司*
NEW TIMES ENERGY
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(incorporated in Bermuda with limited liability)
(於百慕達註冊成立之有限公司)
(Stock code 股份代號 : 00166)

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